DSV Road Division
Søren Schmidt, COO

DSV Capital Markets Day, 11 May 2010

General Facts

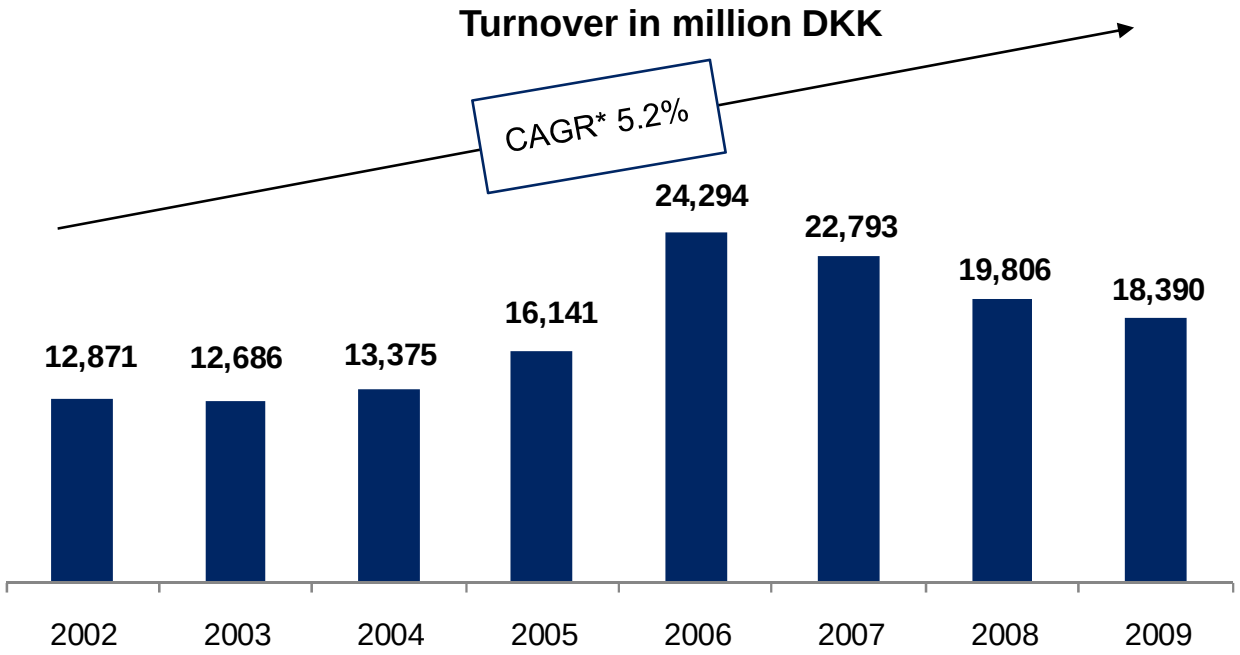
- Top 3 in Europe
- 9,858 employees (end 2009)
- Operations in 34 countries
- Wide-ranging network of subcontractors
- More than 17,000 trucks on the road daily
- Turnover 2009: 18,390 million DKK
- EBITA 2009: 597 million DKK

We offer road services in the following countries

Austria	Estonia	Italy	Poland	Spain
Belarus	Finland	Kaliningrad	Portugal	Sweden
Belgium	France	Latvia	Romania	Switzerland
Bulgaria	Germany	Lithuania	Russia	Turkey
Croatia	Greece	Morocco	Serbia	Ukraine
Czech Republic	Hungary	Netherlands	Slovakia	United Kingdom
Denmark	Ireland	Norway	Slovenia	

DSV Road - Turnover Development

Below chart illustrates the development in consolidated Turnover and CAGR for all countries in the Road Division from 2002 – 2009

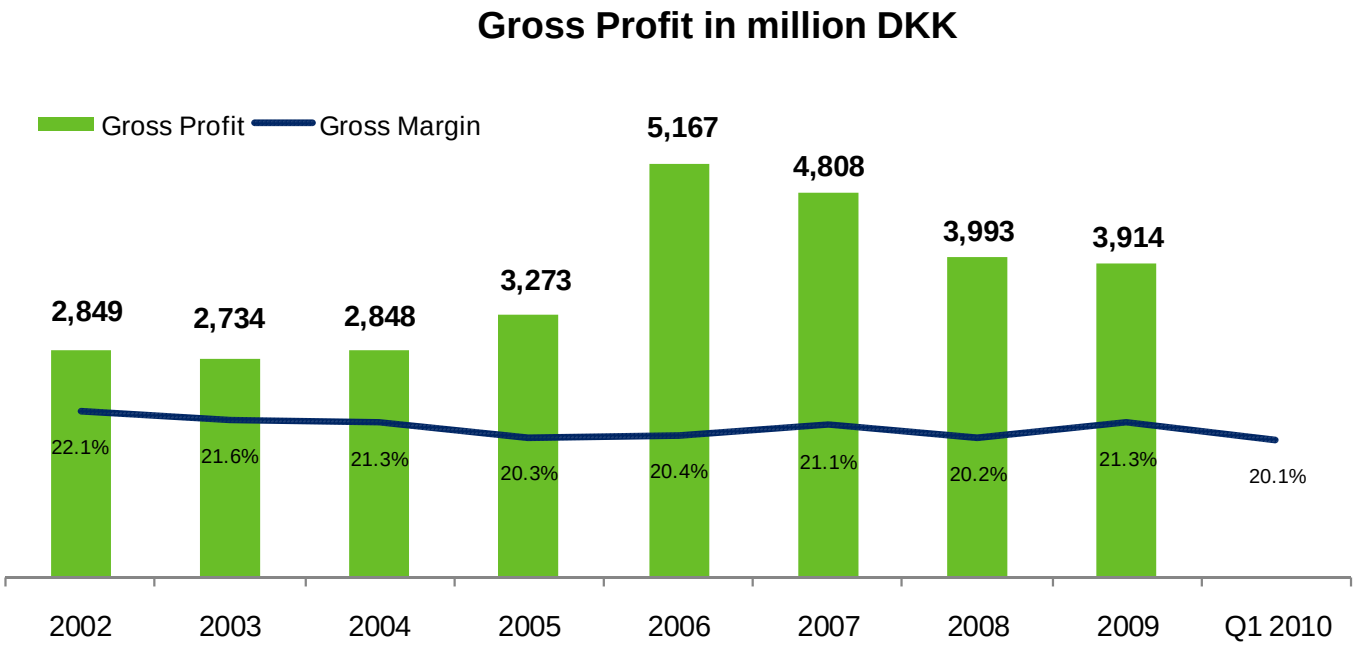


* CAGR: Compound Annual Growth Rate

Note: 2006 impact from Solutions activity reported under Road (Frans Maas), 2008 impact from sale of Tollpost Globe

DSV Road – Gross Profit Development

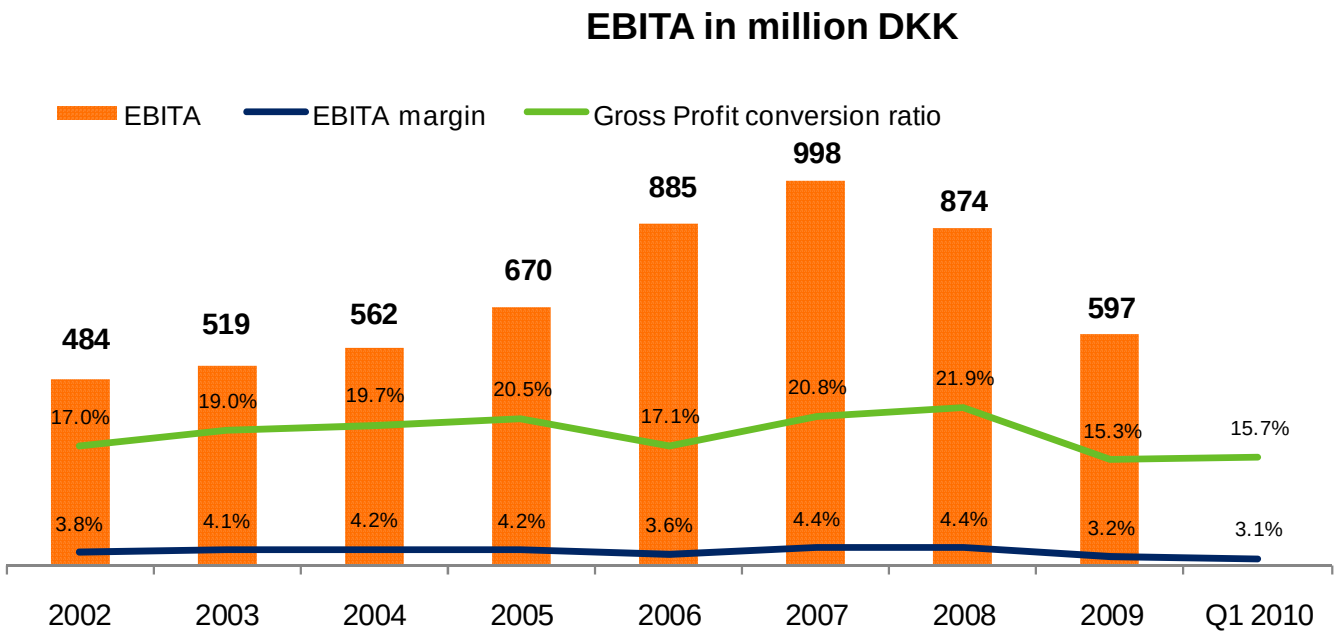
Below chart illustrates the development in consolidated Gross Profit and the Gross Margin for all countries in the Road Division from 2002 - Q1 2010.



Note: 2006 impact from Solutions activity reported under Road (Frans Maas), 2008 impact from sale of Tollpost Globe

DSV Road – EBITA Development

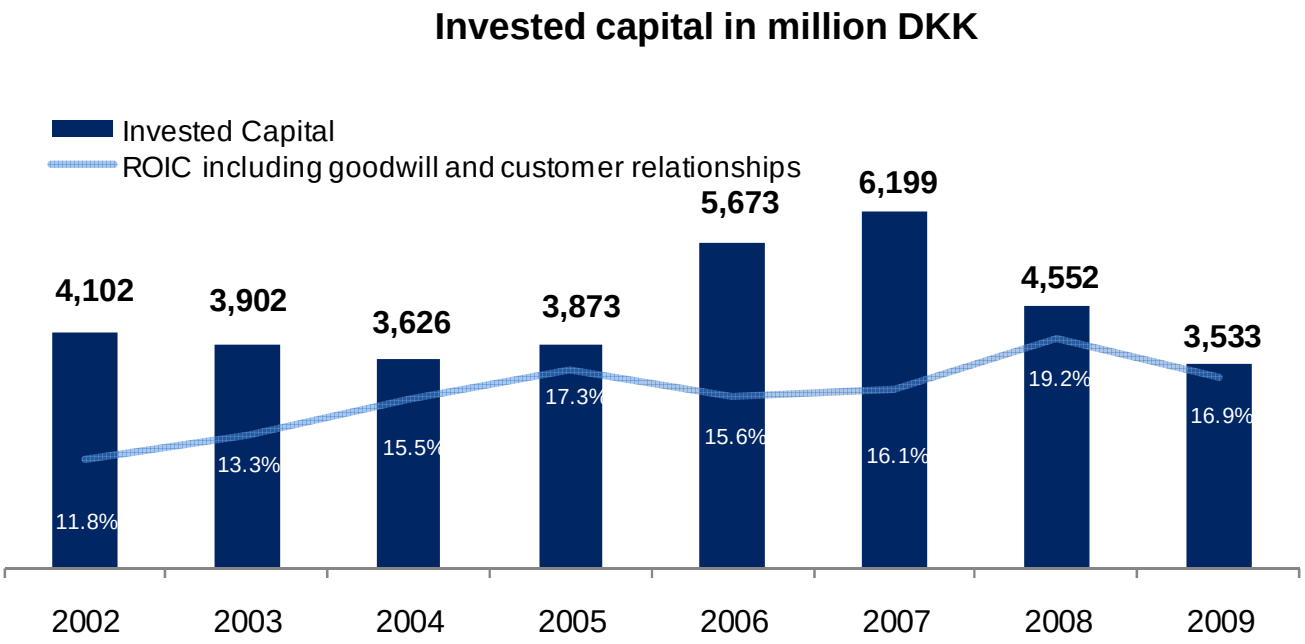
Below chart illustrates the development in consolidated EBITA, EBITA margin and Gross Profit conversion ratio for all countries in the Road Division from 2002 - Q1 2010.



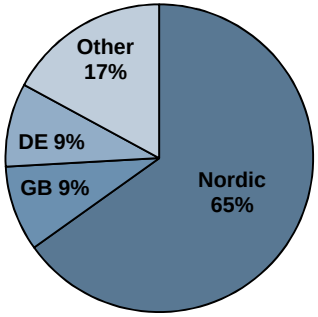
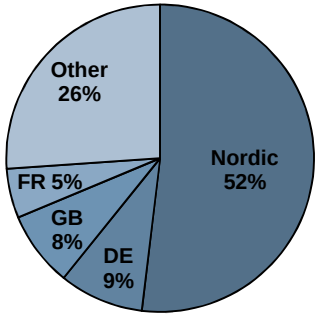
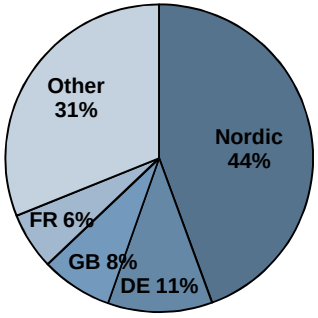
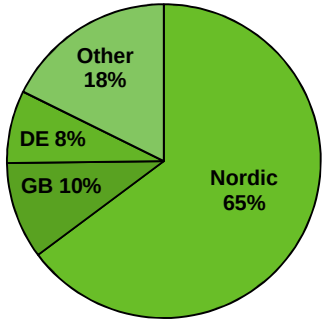
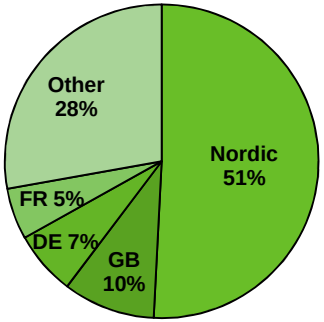
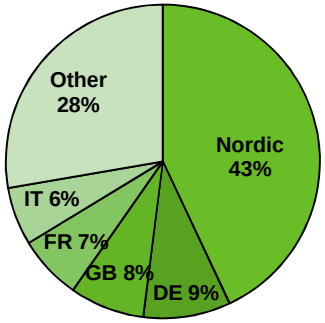
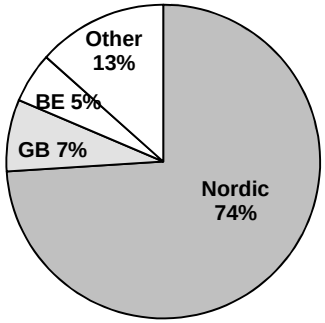
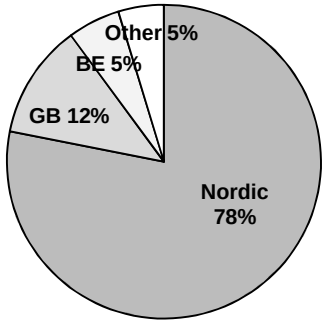
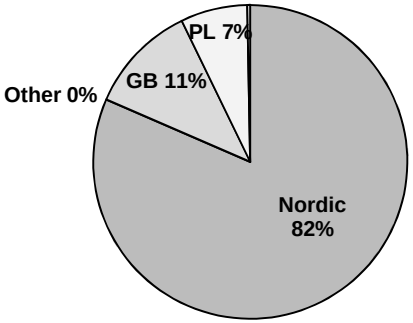
Note: 2006 impact from Solutions activity reported under Road (Frans Maas), 2008 impact from sale of Tollpost Globe

DSV Road – ROIC Development

Below chart illustrates the development in ROIC and Invested Capital for all countries in the Road Division from 2002 – 2009.

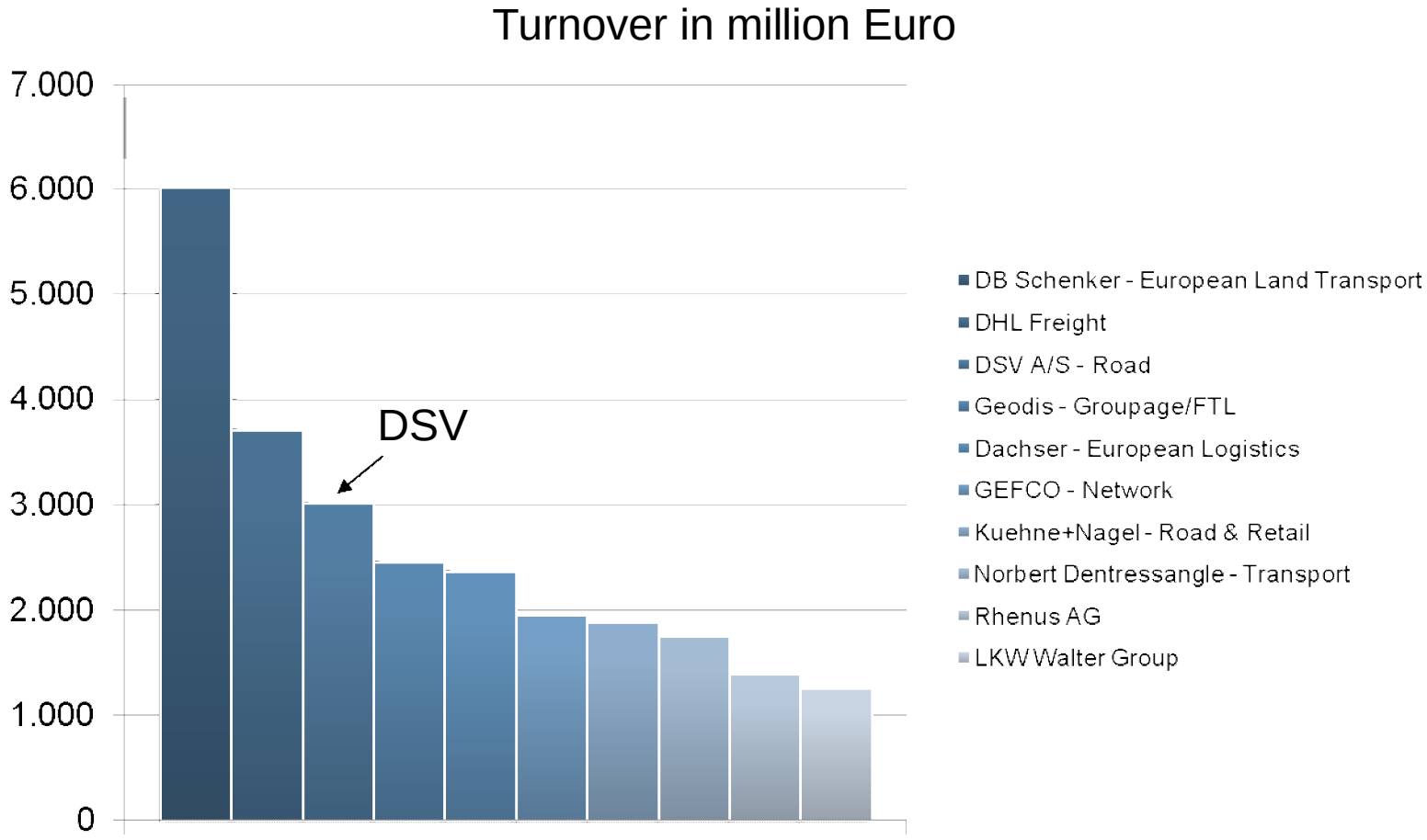


Comparison by Country in 2005, 2007 and 2009

	2005 *"Pre Frans Maas"*	2007 *"Pre ABX"*	2009 *"Now"*
Turnover			
Gross Profit			
EBITA			

DSV Road - Position in the market

In 2008 DSV A/S - Road ranked third among the Top 10 European Land Transport Leaders (Road and Rail Forwarding)



Source: Transport Intelligence

Production / outsourcing

Trucks

- DSV has more than 17,000 trucks on the road every day
- App. 3-4% of the trucks are operated by DSV – the rest are operated by external hauliers

Trailers

- DSV operates app. 6,200 trailers in a “trailer-pool”
- The trailers are leased on 4 year operational leasing contracts
- Advantages:
    - Procurement – strong buying power
    - provides flexibility and enables better utilization of the equipment

Terminals / Cross-docks

- DSV has app. 100 terminals which form the basis of our European network
- The terminals are owned by DSV or leased

Agreements with hauliers and customers

Agreements with external hauliers

- The typical agreements with external hauliers are framework agreements
- The agreements are flexible and can be terminated on short notice

Agreements with customers

- Mix of agreements and spot rates. The mix differs regionally.
- Agreements are typically one-year framework
- In reality prices can be changed on relatively short notice

"Price mechanism"

- The Road Division operates within a competitive market and changes in prices can be driven by both customers and subcontractors – driven by volume/capacity
- Hauliers capacity is normally adjusted relatively fast when demand /volumes is going up - and relatively slow when volumes are weak
- Overall it is estimated that DSV within one quarter will be able to pass on price increases to the customers

Update on market development

Volume

- The total market volume dropped app. 13-18% in 2009 versus 2008. DSV was able to gain market share but still saw a drop in consignments of app. 8% in 2009
- Change in mix – more but smaller consignments
- A relatively slow start on 2010, partly due to weather conditions – but with a strong March DSV was able to grow 7% compared to Q1 2009. We estimate that the total market grew app. 2-4% in Q1

Price

- Hauliers prices were low in 2009
- At the end of Q1 2010 we have seen pressure on capacity in some areas and prices have started to go up on certain traffics lanes
- DSV is used to operate in this market - and high volumes and high prices have historically been and advantage for DSV

DSV Road services

All

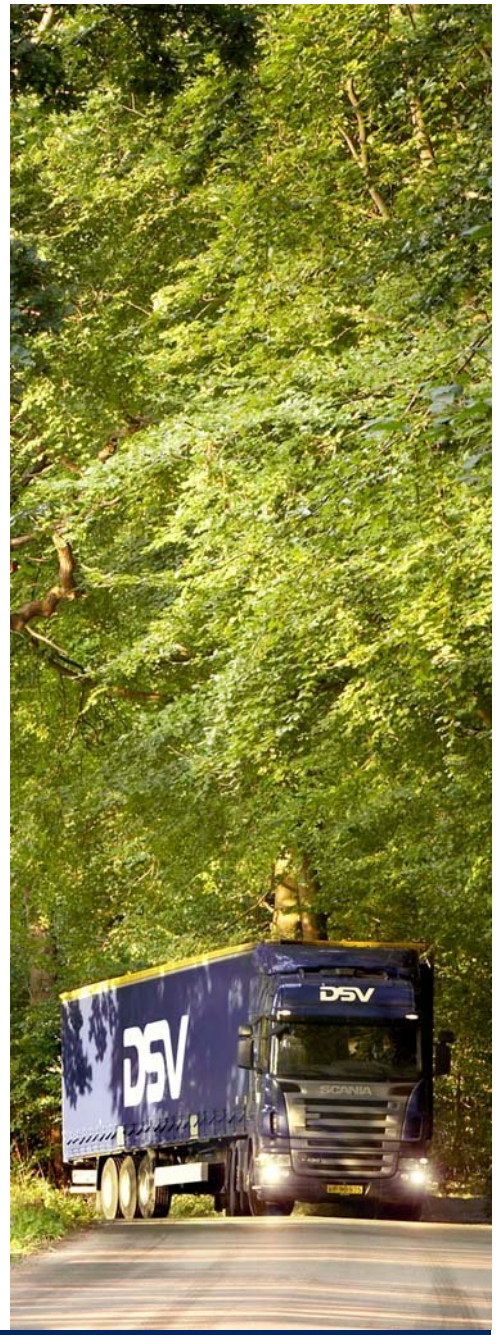
- International transport
- Domestic distribution
- Full & part load and groupage
- Customs clearance
- Terminal and storage facilities

Individual / local services

- Automotive
- Temperature controlled
- Bulk transport
- Hazardous cargo

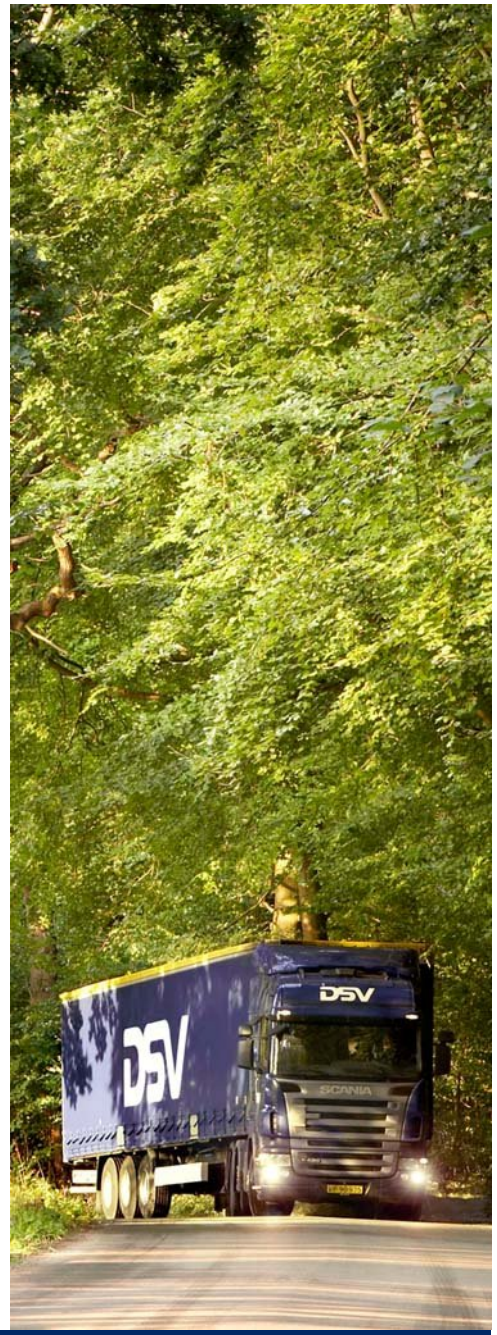
Value adding services

- Internet booking facilities
- Track & Trace



Customers

- DSV's main group of customers are small and midsized companies within a number of different industries
- We will continue to focus on these segments together with our local sales teams
- On top of our current small and midsized customer portfolio the Division and DSV's central sales organisation will increase focus on multinational accounts
- Focus on tailor made solutions towards our customers with e.g. KPI reporting



Customers – a few examples

DSV Road - focus countries

France

- The result in Q1 2010 is negatively influenced by the fact that the ABX integration has not been finalized. In April 2010 an agreement with the unions has been reached, and based on this it will be possible to finalize the integration during Q2 2010
- It is expected that Road in France will be profitable in the latter part of 2010

Germany

- Road in Germany is on break even for the third consecutive quarter – this is a very satisfactory development which is expected to continue
- Focus remains on developing the business and increasing the margins in Germany, through focus on sales and cost reductions

Spain

- The last restructuring initiatives have been carried out in the beginning of 2010
- The negative result has been reduced significantly
- It is expected that Road in Spain will be profitable in the latter part of 2010

DSV Road – Projects

Throughout the Road Division a number of projects have been initiated

- DSV E-services – online web based booking
- STAR – Shipment Tracking and Reporting
- Track and trace
- Big Bear – automatic weight measurement
- Capacity management – better utilization of the equipment

To be initiated

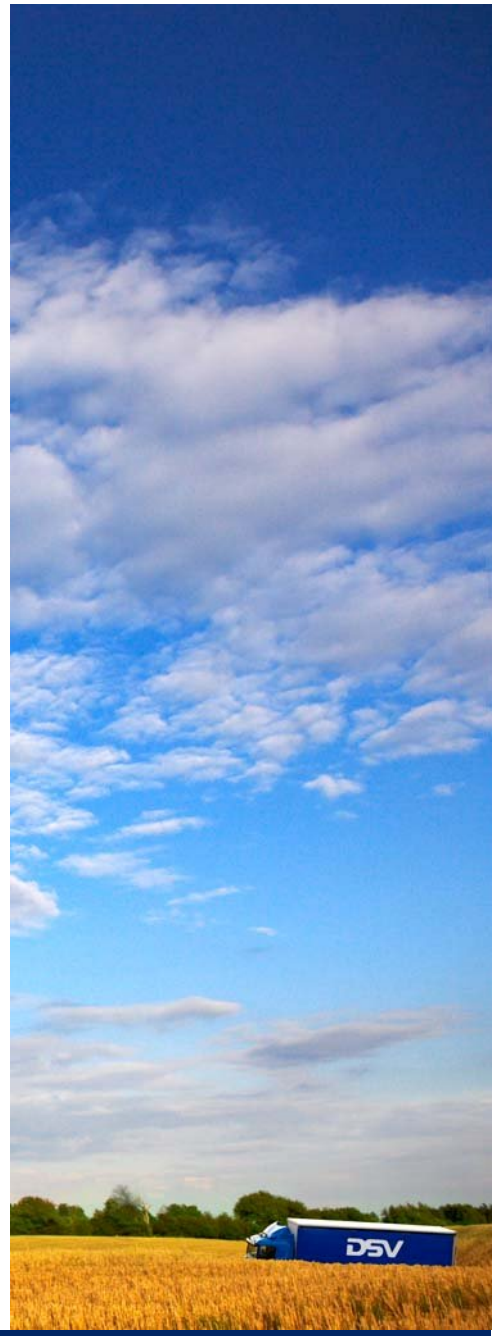
- "New Wawe" – increase efficiency in European network with focus on strategic hubs
- DSV FTL – increase market share on Full Truck Loads

Growth, improved margins – and better service to the customers

Focus Areas / Goals

We will:

- Continue to focus on a high Gross Margin and EBITA margin
- Continue to strengthen our market position via focus on sales both locally in the countries and centrally in DSV's Global Sales organisation
- Continue the positive development in Germany, France and Spain
- Be open to bolt-on acquisitions in Europe – asset light companies
- Optimise our internal work processes and improve quality and efficiency by streamlining IT systems



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