



Selected financial issues

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Agenda

- Capital structure
- Capital allocation
- Currency risk and interest rate risk
- Cash flow
- Other financial issues



Capital structure

DSV's capital structure:

- Capital structure discussions has been part of DSV's annual reports since 2003
- Capital structure is assessed on a regular basis and if necessary relevant actions are initiated, e.g.
 - Share buy-backs
 - Capital increase

The targets set for the capital structure of DSV are:

- financial stability for the purpose of reducing the corporate cost of capital; and
- sufficient financial flexibility to meet the strategic goals

The capital structure of DSV is assessed on a regular basis and for the time being:

- Target gearing ratio (NIBD to EBITDA) is 1.5 – 2.5
- DSV expects to meet the target in 2010

Lessons learned during the financial crisis:

- Protect business model by reduction of leverage
- Going forward capital increases will become more likely

Capital allocation

Key issues in relation to capital allocation:

- Capital allocation between the divisions will be a focus area going forward
- Target ROIC and actual ROIC Q1 2010 is illustrated below:

	DSV	Road	Air & Sea	Solutions
ROIC – target	20.0%	20.0%	25.0%	20.0%
ROIC – Q1 2010	15.9%	17.3%	19.5%	9.3%

- Current investments will be analysed and if necessary changes made in order to meet the target ROIC figures, e.g. reduce investments in non-current assets
- Future investments will be focused on areas that can meet the target ROIC figures



Currency risk and interest rate risk

Currency risk:

- DSV seeks to eliminate foreign currency risks related to revenue settled in foreign currencies via hedging
- Mainly forward exchange transactions are used to hedge foreign currency risks
- Hedging is made on a net basis

Interest rate risk:

- DSV seeks to eliminate interest rate risks related to funding via hedging
- Interest rate swaps and interest rate caps are used to hedge interest rate risks

Average interest rate:

- Current average interest rate is affected by interest swaps
- Based on current environment we expect a reduction of the average interest rate going forward

Cash flow

Monitoring:

- Cash flow is a highly prioritised focus area on all levels in DSV, which includes special attention from the Supervisory Board and Executive Management
- Cash flow is monitored on a weekly basis through weekly cash reporting
- Follow up on net working capital targets
- Follow up on treasury limits and escalation if subsidiaries doesn't comply with treasury limits

Facilities:

- Duration on committed facilities is illustrated below

Loan facilities 31-03-2010	Amount (EURm)	Expiration of loan commitments	Duration (years)
Long-term loan	127	31-03-2013	3,00
Long-term loan	188	20-12-2013	3,73
Long-term loan	481	19-09-2014	4,47
	796		4,06



Other financial issues

Special items (income and costs):

- Special items income and costs related to the integration of ABX has been recognised, meaning that no additional special in relation to the ABX integration will occur

Tax rate:

- Outlook 2010 – tax rate is expected to be close to 30%
- Non-recognised deferred taxes related to carry forward tax losses might reduce the tax rate in the future

Provisions:

- Utilisation of restructuring provisions and pension provisions will result in additional cash out flow, which has been taking into consideration in the free cash flow outlook for 2010



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