Capital Markets Day 2011

DSV by the numbers
CFO Jens H. Lund

Capital Markets Day
6 September 2011

Agenda

1. **Financial targets and capital structure**
    I. Financial targets and current status
    II. Capital structure
    III. Share buy-backs, update
    IV. EPS
    V. Long-term credit facilities
2. **Other financial items – comments and current status**
    I. Cash flow from investing activities
    II. Operational leasing
    III. Currency and interest rate risk
    IV. Net financial expenses
3. **Q&A**

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Financial targets and current status

Medium-term financial targets*

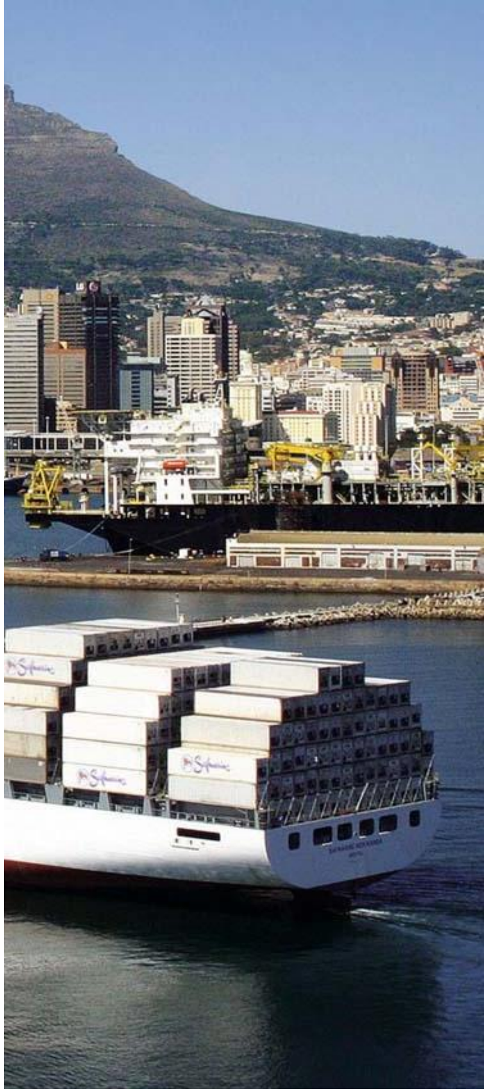
	DSV	Air & Sea	Road	Solutions
Organic growth in revenue	5-7%	5-10%	4-5%	4-5%
EBITA margin	7%	8%	6%	7%
ROIC (pre tax)	20%	25%	20%	20%

***) as stated in 2010 Annual Report**

Current status H1 2011

	DSV	Air & Sea	Road	Solutions
Organic growth in revenue	6.0%	3.5%	9.9%	2.2%
EBITA margin	5.4%	6.8%	3.7%	5.3%
ROIC (pre tax)	17.9%	20.1%	20.4%	11.0%

- It is expected that the targets are reachable within 3-4 years
- We are increasing focus on gross profit, conversion ratio and EPS



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Financial targets and current status

Reaching the financial targets will require a combination of initiatives

- It is an overall target for DSV to grow above the market in revenue and gross profit through sales initiatives and improved capacity utilisation
- Focus on productivity improvements to increase number of shipments per employee through simplification and standardisation of processes and IT tools
- Maintain strong focus on cost control
- Continue the positive trend in previously loss-making countries and countries with low profit (Germany, France, Spain, Sweden)

By nature, the targets are dependent on overall market growth rates

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Capital structure

Overall target for the capital structure

Manage cost of capital and secure financial flexibility to meet the strategic goals

Financial gearing

- Current target gearing ratio (NIBD to EBITDA) is 2.0-2.5
- Target gearing ratio is evaluated on a current basis
- Larger acquisitions can cause breach of target ranges for shorter periods

	2005	2006 *)	2007	2008 **)	2009	2010	2011 - H1
Financial gearing - historical	1.65x	2,52x	2.41x	3,56x	3.08x	2.16x	2.08x
Target range	*(1 mia.)*	1,5-2,5x	2,0-3,0x	2,0-3,5x	1,5-2,5x	1,5-2,5x	2,0-2,5x

***) Adjusted for the acquisition of Frans Maas**

****) Adjusted for the acquisition of ABX LOGISTICS**

Share buy-backs and dividend

- Share buy-backs will be used to maintain the gearing ratio within the target range
- It is the intention to gradually increase dividend in the following years

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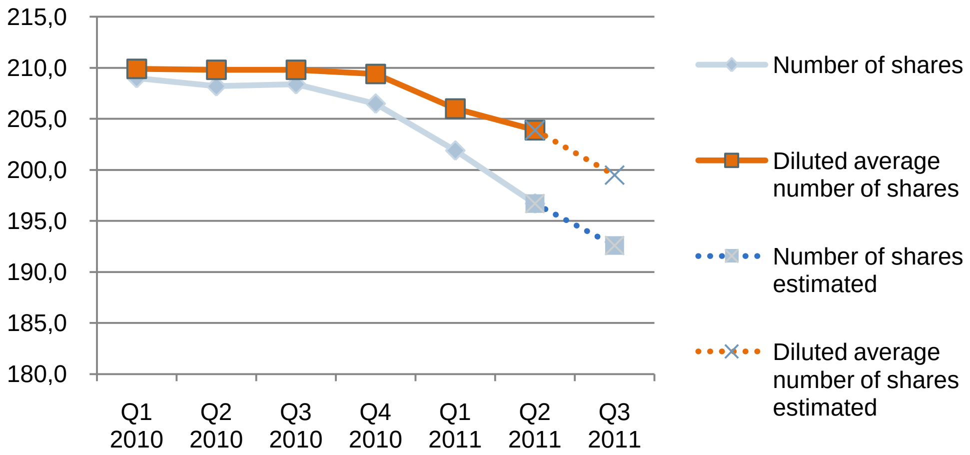
Share buy-backs, update

- Latest programme initiated: DKK 700 million starting 28 July 2011 and running until 13 October 2011
- Status on total amount spent on share buy-backs in 2011 as per 2 September 2: DKK 1,904 million and DSV now holds 6,13% of issued shares
- DSV expects to fully utilise the DKK 2.0-2.5 billion frame for share buy-backs in 2011



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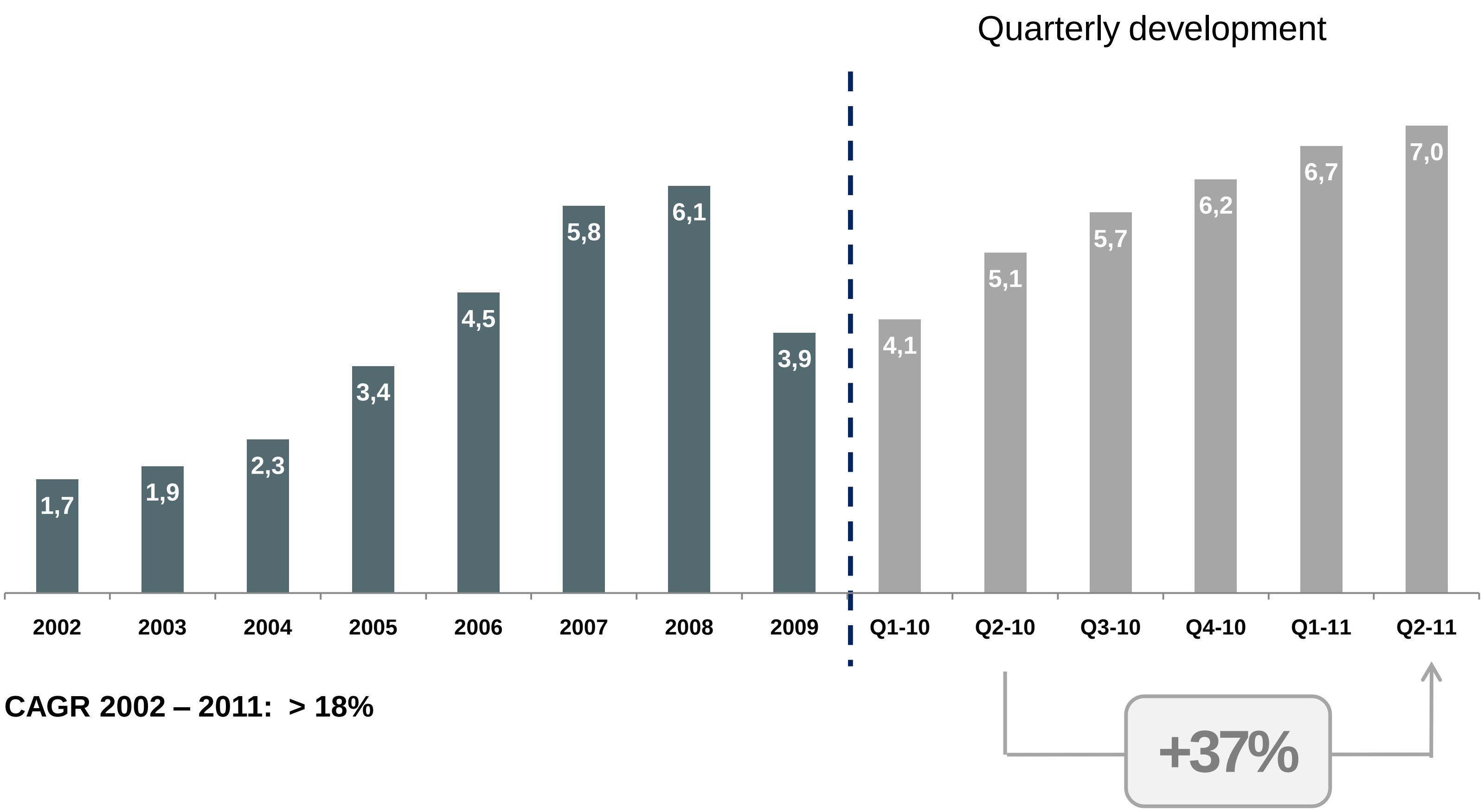
EPS – Diluted adjusted earnings per share, DKK
(12 months rolling)



CAGR 2002 – 2011: > 18%

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Long-term credit facilities

Facilities:

•Duration on committed facilities is illustrated below:

List of commitments and long-term facilities as expected per 30 September 2011

Facilities	Amount (EURm)	Amount (DKKm)	Expiry	Duration (years)	Not drawn (DKKm)
Long term loan I	127	946	15/07/2013	1.8	
Long term loan II	100	745	15/01/2016	4.3	
Long term loan III	600	4,470	30/09/2016	5.0	590
Long term loan IV 1)	50	373	27/05/2013	1.7	250
Long term loan IV 1)	50	373	27/07/2014	2.8	250
Total and weighted duration	**927**	**6,906**		**4.2**	**1,090**

1) Credit facility with 12 months' notice at any time

The credit facilities are based on loan agreements with the main banks of the Group. Have been renegotiated recently in 2011.

Loan agreements have ‘standard’ covenants

- negative pledge
- financial gearing below 4x (NIBD to EBITDA)

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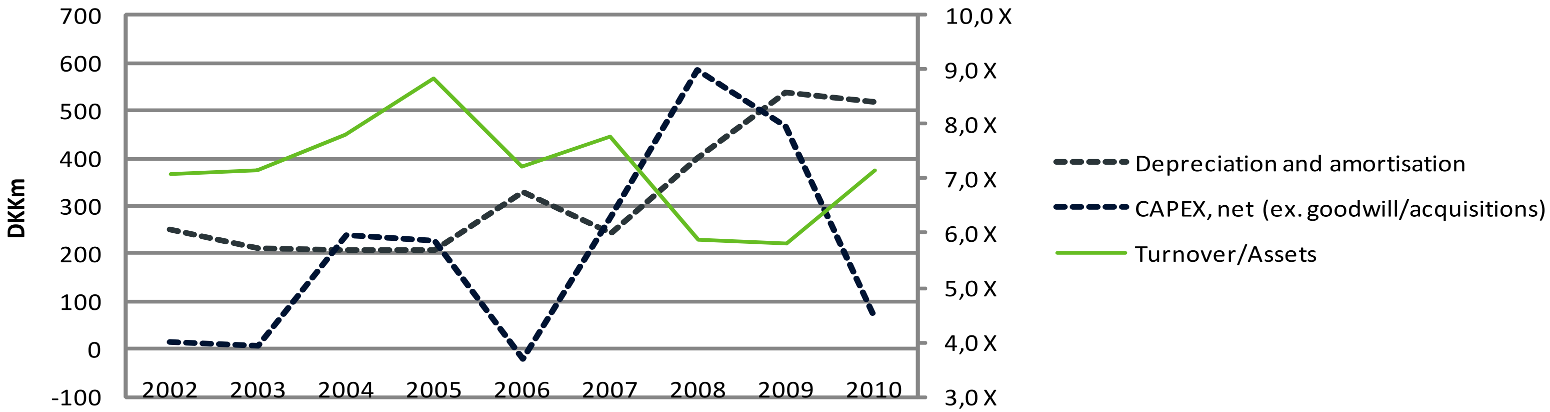
Cash flow from investing activities

The ‘Asset-light strategy’ implies limited investments in assets in the form of trucks and facilities. And no investments in ships or aeroplanes.

Net investments in intangibles (ex. goodwill) and tangible assets should be seen as a **net** amount. Disposal or sale and lease back transactions, in particular in connection with business acquisitions, are part of the asset light strategy

DSV has historically under-invested depreciations
(on an average DKK 116 million per year in the period from 2002 to 2010)



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Operational leasing

Operational leasing is preferred to ensure flexibility – even under potential new IFRS regulation.

Operating lease obligations at 31.12.2010 (DKKm):

	2009	2010
Operating lease obligations relating to land and buildings fall due:		
0-1 year	782	791
1-5 years	1,624	2,105
> 5 years	1,295	1,133
Total	**3,701**	**4,029**
Operating lease obligations relating to operating equipment fall due:		
0-1 year	352	332
1-5 years	386	320
> 5 years	1	1
Total	**739**	**653**
The following is recognised in the income statement:		
Operating leases related to property	943	1,024
Operating leases related to operating equipment	539	507
Total	**1,482**	**1,531**

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Currency and interest rate risk

Currency risk

- The DSV business model (where local revenue is to a very large extent balanced by local cost in the same currency) implies that the exposure is reduced by a ‘natural foreign currency hedge’
- DSV seeks to eliminate the remaining foreign currency risks related to revenue settled in foreign currencies through hedging
- Forward contracts are used to hedge foreign currency risks
- Hedging is made on a net basis
- DSV does not hedge future cash flow

Currency and interest rate risk

Interest rate risk

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

Average interest rate

- Current average interest rate is affected by interest swaps
- Based on the current environment we expect a reduction of the future average interest rate
- Current interest rate swap position is illustrated below:

	2010	2011	2012	2013
Amount hedged (DKKm)	6,000	5,300	4,000	3,800
% of NIBD	88.17%	84.72%	62.50%	59.38%
Average hedged rate (excl. Margin)	4.22%	3.82%	2.48%	2.24%

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Net financial expenses

It is recommended that financial items are modelled as net costs. The financial income is mainly related to interest swaps and as such closely linked to the cost.

Net financial expenses (DKKm)

	2009	2010	H1 2011	2011 (guidance)
Interest expenses, net	452	436	178	
Calculated interests relating to pension obligations, net	42	41	18	
Foreign currency translation adjustments, net	28	36	7	
Guarantees etc. (approx*)	25	25	12	
Net financial expenses	547	538	215	400

*) Costs related to guarantee provision towards custom authorities etc.

Effective interest rate in 2011 is approx. 5.00% compared to 6.45% in 2010

Effective interest rate: interest expenses, net (excluding pension, currency, guarantees etc.)/average NIBD

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Q&A

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Backup slide
Leasing – be aware when extrapolating leasing costs!

Risk when extrapolation leasing cost to NIBD in DSV - an example (in million DKK)

	Equipment		Buildings	
Extrapolating with factor:	7		7	
Interest rate	5%		5%	
	2009	**2010**	**2009**	**2010**
Annual leasing costs	539	507	943	1,024
Assumption multiplied by relavant fator (e.g. 7) equals leasing debt of	3,773	3,549	6,601	7,168

	Equipment		Buildings	
If the leasing is seen as finance lease / investment	**2009**	**2010**	**2009**	**2010**
Depreciation	350	330	613	666
Interest rate calculated	189	177	330	358
Total	539	507	943	1,024
Assumption leasing obligations (NIBD)	3,773	3,549	6,601	7,168
Increase of debt capacity (if gearing target is 2.0)	1,078	1,014	1,886	2,048
Calculated liability / NIBD	2,695	2,535	4,715	5,120
Actual reported in 2010	739	653	3,701	4,029
Overstatement of liability / NIBD	1,956	1,882	1,014	1,091

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