1 October 2008

STOCK EXCHANGE ANNOUNCEMENT NO. 312

DSV closes acquisition of the ABX LOGISTICS Group and adjusts its 2008 expectations

With reference to stock exchange announcements Nos. 304 and 310 published on 21 June 2008 and 19 September 2008, DSV makes the following announcement:

The conditions for closing DSV's acquisition of XB Luxembourg Holdings 1 S.A., the parent company of the ABX LOGISTICS Group ("ABX"), are satisfied, and the acquisition has been closed today. The acquisition price on a debt and cash free basis (enterprise value) is 750 million EUR (5.6 billion DKK). The price breaks down into the following items: The price of the shares is 550 million EUR, net interest-bearing debt taken over totals 115 million EUR, and provisions taken over total 85 million EUR.

DSV Air & Sea Holding A/S accordingly owns 100% of the shares in ABX and will include ABX in the consolidated financial statements as from today.

Integration of ABX

The expected synergies from the acquisition of ABX are an annual amount of 750 million DKK once the integration has been completed in 2011. Synergies are expected to be realized on a straight-line basis over a three-year period with 250 million DKK each year, so that synergies of 250 million DKK will be realized in 2009 and of 500 million DKK in 2010. The expected annual synergies for 2011 and onwards are 750 million DKK.

The aggregate restructuring costs in connection with the integration of ABX are expected to reach 700 million DKK.

The value of customer relationships is expected to amount to approx. 400 million DKK to be amortised over ten years.

The legal structure of ABX does not coincide with the commercial structure of DSV in all cases. ABX has activities within Air & Sea (approx. 65%), Road (approx. 30%) and Solutions (approx. 5%). On its initial recognition in 2008, ABX will be presented as an Air & Sea activity. In connection with the restructuring, the current structure will be revised to make the commercial and legal structures coincide as much as possible. Therefore, little by little, although mainly in 2009, reported Air & Sea activities will be transferred to being reported as Road and Solutions activities.

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Outlook for 2008 – Adjustment of budget

As a consequence of the acquisition of ABX and the realized above-budget results for the first nine months of 2008, DSV has adjusted its 2008 budget.

Summary 2008 budget (million DKK)	Original budget	Adjustment	Revised budget
Revenue	34,580	3,920	38,500
Operating profit before special items	1,796	154	1,950
Special items (net income)	422	(150)	272
Net financial expenses	230	133	363
Effective tax rate	29%	2%	31%
Net profit for the period	1,538	(132)	1,406
Net capital expenditure	200	100	300
Free cash flow	1,100	(100)	1,000

The expected revenue is adjusted from 34,580 million DKK to 38,500 million DKK, ABX accounting for approx. 3,400 million DKK of the increase.

The expected operating profit before special items is adjusted upwards to 1,950 million DKK. Of this revision, 60 million DKK relates to ABX and approx. 10 million DKK to amortisation of ABX customer relationships.

Anticipated special items have been adjusted by 150 million DKK as a consequence of restructuring costs for the integration of ABX. The exact time when restructuring costs will be realized depends to a great extent on local rules in the various countries, for which reason the recognition for 2008 may deviate by +/- 50 million DKK. The remaining restructuring costs of 500-600 million DKK are expected to be recognized in 2009.

The expected net financial expenses are adjusted from 230 million DKK to 363 million DKK due to higher net interest-bearing debt in order to finance the acquisition of ABX.

Following the acquisition of ABX, the effective tax rate of the DSV Group, adjusted for gain on the sale of Tollpost Globe AS, is expected to be 31% as against previously 29%. The tax rate increases because of a change in the origin of the earnings of the Group, non-capitalisation of tax loss carryforwards of some companies of the ABX Group and amended rules on tax relief entitlements. In 2009, the tax rate is expected to decline to 30%.

The expected profit after tax for 2008 is adjusted from 1,538 million DKK to 1,406 million DKK.

The expected net capital expenditure in 2008 is adjusted from 200 million DKK to 300 million DKK. Annual net capital expenditure is expected to be 400 million DKK and 450 million DKK in 2009 and 2010, respectively.

The ABX Group had greater funds tied up in working capital than DSV, for which reason the working capital is expected to increase to over 3% in 2008. Subsequently, the funds tied up in working capital are expected to show a slight downwards trend over the next three years.

The expected free cash flow for 2008 is adjusted downwards from 1,100 million DKK to approx. 1,000 million DKK.

Any questions regarding this announcement should be addressed to Jens H. Lund, CFO, tel. +45 43 20 30 40.

Yours sincerely,
DSV

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