



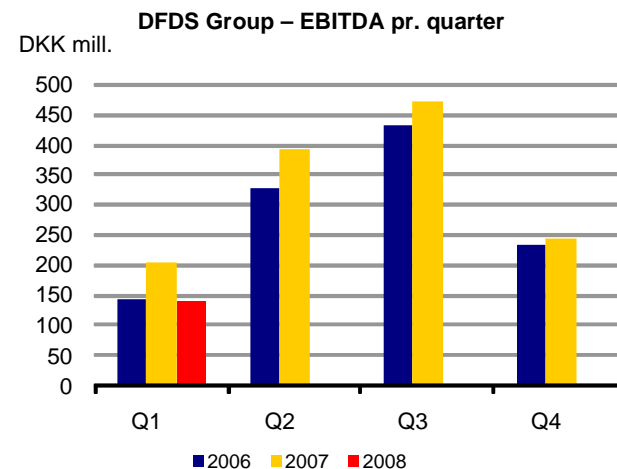
# QUARTERLY REPORT Q1 2008 PRESENTATION

20 May 2008



# SLOW START ON THE YEAR

- Revenue growth of 3% to DKK 1.9 bill.
- EBITDA of DKK 140 mill.
- Pre tax profit of DKK -58 mill. against DKK -13 mill. in Q1 2007
- Volumes at last year's level
- Earnings in Ro-Ro Shipping affected by increased charter costs
- Major part of increased bunker costs of DKK 100 mill. covered by BAF
- Lower earnings in Passenger Shipping caused by increased costs
- Significant reduction of net interest bearing debt of 12% to DKK 4.0 bill.
- Expected pre tax profit for 2008 of DKK 500 mill.



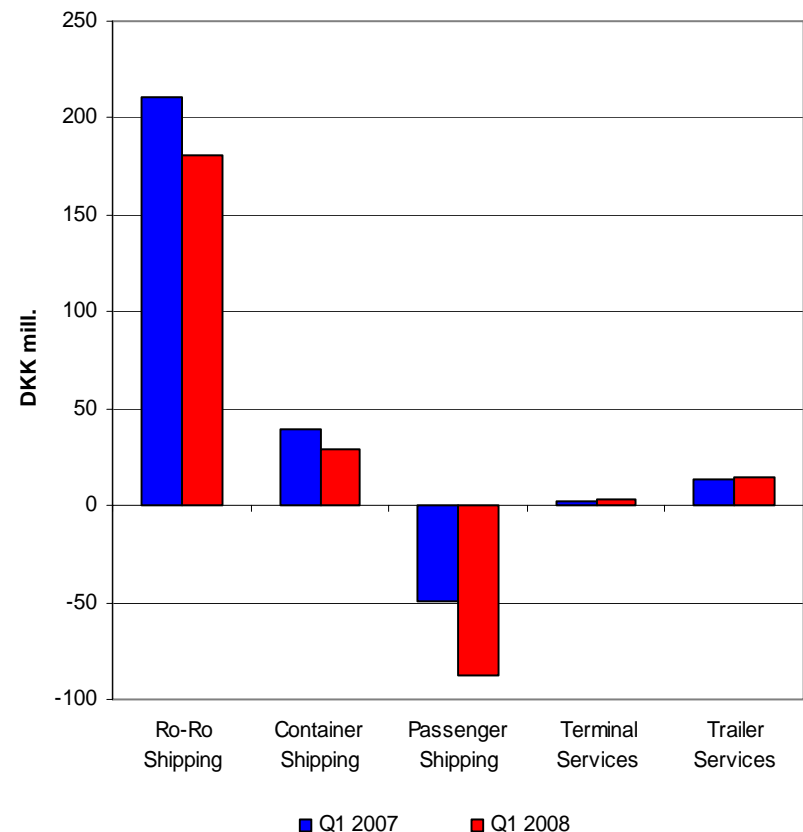
# KEY DEVELOPMENTS AND INITIATIVES

- 4 Tramp ships sold in the beginning of May as part of strategic re-focus
- Carsten Jensen appointed new Head of BU Passenger Shipping
- Comprehensive program initiated to improve earnings in Passenger Shipping
- Two 2000 lane meter Ro-Ro ships acquired to be delivered in January 2009
- A new Ro-pax ship acquired to be delivered in may 2009
- Delivery of the first of four Ro-Ro China vessels in March
- Continued strong cash flow

# BUSINESS AREA PERFORMANCE

- **Ro-Ro Shipping:** Slightly weaker performance due to increased chartering costs and Easter impact
- **Container Shipping:** Lower profits caused by increased competition, a slow start of the year and operational issues after tonnage optimization
- **Passenger Shipping:** Performed below expectations due to lower sales per pax, accelerated maintenance costs, higher bunker costs and loss of charter income
- **Terminal Services:** More 3<sup>rd</sup> party business and better efficiency impacted earnings positively
- **Trailer Services:** Slightly higher profits due to overall efficiency improvements

EBITDA per business area



# FINANCIALS Q1 2008

Christian Merrild, CFO

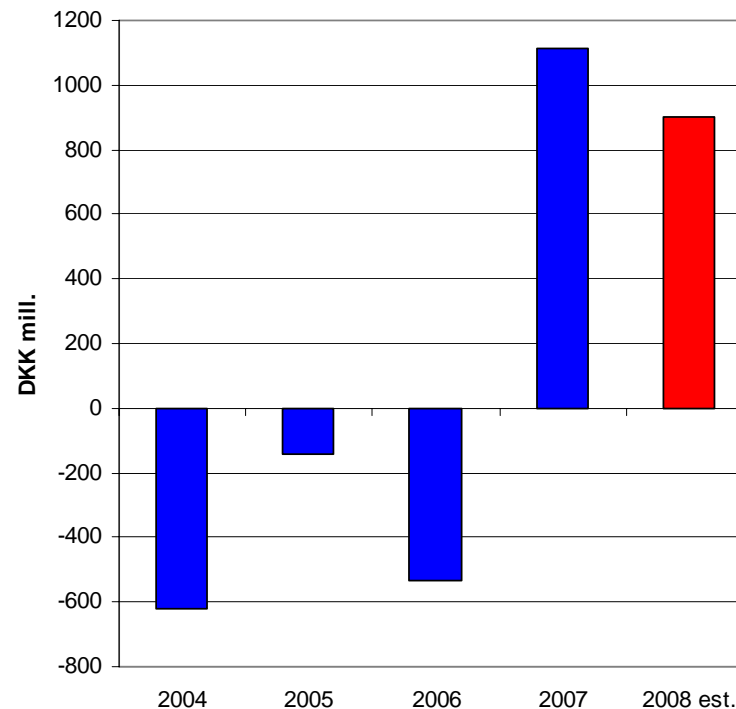
# KEY FIGURES

<b>DKK mill.</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Q1 07</b>	<b>Q1 08</b>
<b>Revenue</b>	<b>5.723</b>	<b>6.278</b>	<b>7.524</b>	<b>8.310</b>	<b>1.880</b>	<b>1.944</b>
<i>Revenue growth, %</i>	8,7	9,7	19,8	10,5		3,4
<b>Operating profit before depreciation (EBITDA)</b>	<b>870</b>	<b>890</b>	<b>1.137</b>	<b>1.316</b>	<b>205</b>	<b>140</b>
<i>EBITDA-margin, %</i>	15,2	14,2	15,1	15,8	10,9	7,2
Profit on disposal of assets	20	29	33	33	-2	0
<b>Operating profit (EBIT)</b>	<b>374</b>	<b>432</b>	<b>596</b>	<b>754</b>	<b>46</b>	<b>-3</b>
<i>EBIT-margin, %</i>	6,5	6,9	7,9	9,1	2,4	-0,2
Financing, net	-190	-202	-193	-226	-59	-55
<b>Pre-tax profit</b>	<b>200</b>	<b>231</b>	<b>402</b>	<b>526</b>	<b>-13</b>	<b>-58</b>

# STRONG CASH FLOW CONTINUES

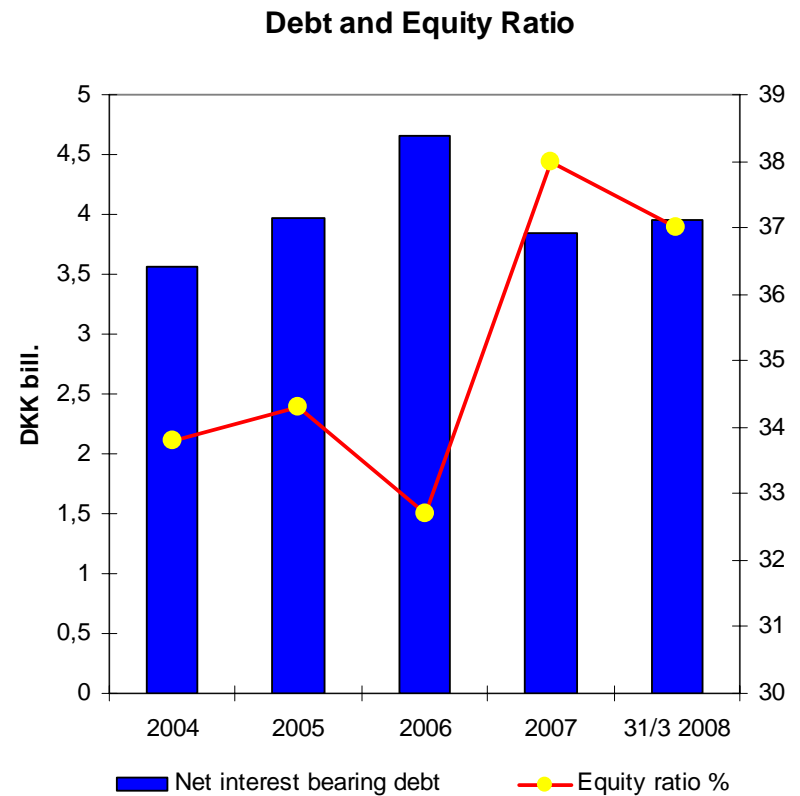
- Free cash flow of DKK -64 mill. in 1<sup>st</sup> quarter of 2008
- Positive cash flow generated by:
  - Continued high earnings
  - Low investment level of approx. DKK 200 mill.
- Free cash flow expected to be approx. DKK 900 mill. for the year

Free cash flow



# SOLID FINANCIAL PLATFORM

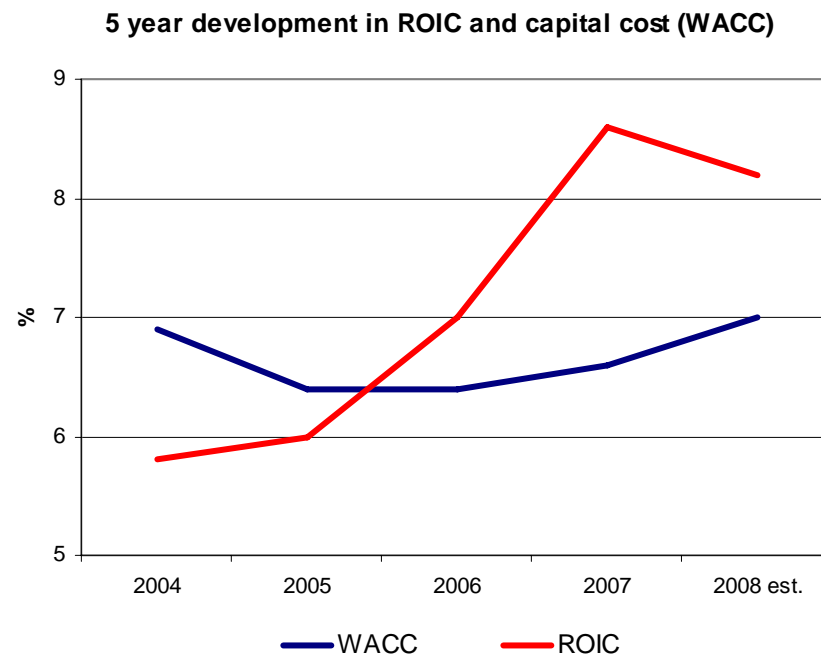
- Significant decrease in net interest bearing debt to DKK 4.0 bill. compared to Q1 2007, a reduction of DKK 0.5 bill.
- Equity ratio stable at 37%





# RETURN HIGHER THAN CAPITAL COST

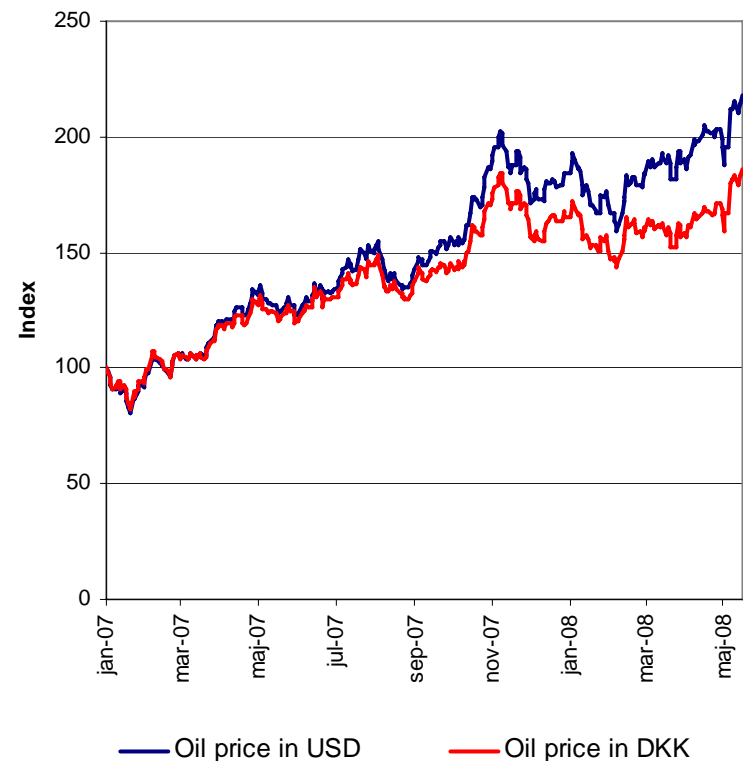
- Financial objective is a ROIC that exceeds capital cost (WACC) by 30-50%
- ROIC in 2008 expected to be 8.2% and thus 17% above capital cost (WACC)
- Present capital cost of 7.0% implies an interval for the financial objective of 9.1-10.5% in 2008



# OIL PRICE & EXCHANGE RATES

- Additional bunker cost in Q1 2008 of DKK 100 mio. to a large extent covered by commercial agreements, however the uncovered impact estimated at DKK 20 mio.
- In general, higher coverage in freight than passenger market
- Oil price risk 2008: 1% price increase has profit impact of approximately DKK 2.2 mill.
- Recovery of further oil price increase may prove difficult
- Exchange rates: About 31% of USD covered at USD/DKK 5.17 and about 78% of NOK covered at NOK/DKK 0.95

Indexed oil price in USD and DKK



# GOING FORWARD 2008

Niels Smedegaard, President and CEO

## BU PASSENGER “PROJECT LIGHTHOUSE”

- Complete operational Review and Analysis initiated Feb. 2008
- Scope: All ships, country organisations and Head office functions in the BU
- Improvement potential identified in areas as:
  - *Organisation*
  - *Manning processes*
  - *Procurement*
  - *Compensation*
  - *Network*
- Project Streams launched to create lasting improvements
- More information to follow as significant decisions are implemented

# MARKET SITUATION 2008 EXPECTATIONS

- Mixed outlook for global economy continues
- Stable freight market on level with Q1 2007 after slow start in January
- Growth patterns expected to vary across North European regions in 2008:
  - Stable growth in Nordic area, Swedish exports still on high level
  - Subdued import growth in the UK region due to weak GBP
  - Signs of overheating in the Baltic region slows growth significantly
- No or little passenger growth, but with decreasing yield and per pax spending due to competition and economic sentiment.

# 2008 PERFORMANCE EXPECTATIONS DFDS GROUP

- Revenue growth of approximately 3-4%
- EBITDA 4-5% below 2007, but depreciation and net interest slightly lower than 2007
- Total net investments of approximately DKK 200 mill.
- Free cash flow expected to remain at a high level of approximately DKK 900 mill.
- Pre-tax profit of approximately DKK 500 mill.
- *Overall mixed outlook for global economy implies a higher degree of uncertainty than usual. Development in growth trends, oil price and exchange rates through the year may prompt a revision of the profit forecast*

# STRATEGIC AGENDA 2008

## Strategy: From Routes to Network:

1. Build sea-based European transport network
2. Integrate value-generating customer solutions for freight and passengers
3. Secure volumes
4. Maintain constant focus on operations

## Priorities in 2008:

- Continue to strengthen DFDS' performance through the improvement and efficiency programme – Go Forward Plan
- Achieve short term strategic objectives in business areas
- Comprehensive program to improve earnings in Passenger Shipping market
- Exploit opportunities and manage earnings level in low-growth environment
- Pursue expansion of route network through acquisitions

# FROM ROUTES TO NETWORK

Q&A

Thank you for your attention!