



DSV

Consumer Products Solutions

DSV CONSUMER PRODUCTS SOLUTIONS: KEY FIGURES

- 100+ warehouses throughout Europe handling consumer products ranging from fashion, lifestyle and leisure to consumer electronics, DIY and personal care
- More than € 300 million revenue from the consumer products sector, representing the majority of DSV Solutions' turnover
- Flagship consumer products sites at strategic locations in Europe



Jackson®

THE BLOODLINE™

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Dear supply chain professional,

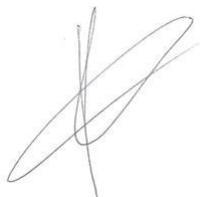
Today more than ever, manufacturers of consumer products face a myriad of challenges. An estimated 70 million new consumers are predicted to join the new global middle class each year, with the majority of them in emerging markets. These industry-reshaping developments demand an outstanding, agile supply chain that is fully tailored to your customers' requirements and expectations. And that's exactly where DSV can support you.

To secure competitive advantage within your sales channels, whether brick-and-mortar or e-commerce, we offer you the flexibility to cope with seasonal peaks. Moreover, our supply chain IT system ensures full visibility and control right across your operations.

DSV strives to deliver an all-encompassing solution for the fast-paced market of consumer products. We serve a wide range of companies, each with their own unique set of requirements. With the right processes and technology in place, we design best-in-class supply chain solutions with your clients' needs at their core.

We are ready for you. Welcome to DSV!

Best regards,



Ronald Poort
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DO YOU RECOGNISE ANY OF THESE CHALLENGES?

- ✓ **Multi-channel shopping**
- ✓ **Short product life cycles**
- ✓ **Consumers' environmental awareness**
- ✓ **Home deliveries and returns**



A CONSISTENT BRAND IMAGE
FROM RETAILER TO WEBSHOP



Sports and Leisure

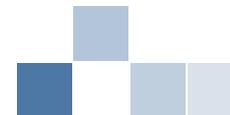
Nowadays our clients recognise that a quality sports and leisure experience inevitably includes an online presence, and are aware of its significant contribution to the success of their brand. Websites are evolving into webshops, and single brands are challenging the multi-brand e-retailers. 30% of consumers always check prices online before purchasing and 18% use their mobile phones to research prices and product reviews. This online shift has reduced barriers to entry and intensified competition between channels. It is presenting companies with various hurdles in terms of order fulfilment, profit contributions, service expectations and return policies.

DSV Solutions helps you win the race. Able to cope with both the highs and lows in your seasonal patterns, our operations deliver consistent performance levels all year round. We also offer a range of value-added services including quality inspection, price tagging, packaging up to client-specific product assemblies, and kitting. Furthermore, we provide you the insight and visibility needed to provide your customers with the service they expect – irrespective of the sales channel. You can rely on our motivated and knowledgeable employees to make the difference.



“DSV Solutions was able to adapt to the dynamics of our industry and continues to offer the level of flexibility which our volatile business requires, at competitive costs.”

MARTIJN VAN PARADIJS
OPERATIONS MANAGER EMEA
K-SWISS



Consumer Electronics

Of the thousands of new consumer electronics products launched onto the market each year, only 4-7% are successful. A product's life cycle is increasingly determined by the introduction of the next model: from the moment a product is launched, the clock is ticking until the unique features have been copied and price erosion has wiped out the margin. Average 'Out of Stock' (OOS) rates of consumer electronics can be as high as 8.5%. Taking into account that, when faced with OOS products, 50-70% of consumers either buy a competitive product or leave the store empty-handed, the efficiency of the supply chain is key to profit maximisation.

DSV has considerable experience in facilitating new product launches as well as reverse logistics programmes for major consumer electronics manufacturers. Thanks to our extensive global network, we can guarantee inbound freight capacity at scheduled lines. Meanwhile, the economies of scale offered by our specialist TAPA-A European Distribution Centres for industry-leading consumer electronics manufacturers enable you to minimise the logistics burden on your margin. Furthermore, DSV has the distribution network required to assure timely delivery, whether to a large retail chain's DC or a consumer's home.



"We have realized some successful outsourcing projects for finished goods with DSV within Europe and we will go on investigating the options for cooperation in other countries for sure."

ROLAND FAHRMEIER
VICE PRESIDENT LOGISTICS MANAGEMENT
KÄRCHER



33% OF CONSUMER ELECTRONICS PRODUCTS STILL WORK PERFECTLY WHEN THEY ARE DISCARDED



RETAILERS ARE CALLING THE SHOTS



Home Improvement / DIY

Despite the recent slow-down in revenue growth in the traditional geographies, both retailers and manufacturers of home improvement and DIY products have recognised the vast potential in emerging markets such as Eastern Europe and Russia. Keen to enter such new markets in the slipstream of large retail chains, manufacturers generally leverage the established network of a Logistics Service Provider (LSP). However, with major retailers making increasingly stringent quality and flexibility demands – and accounting for an ever-more significant share of home improvement/DIY product sales – the choice for the right LSP is critical. After all, requirements such as ASNs, delivery slot planning, product labelling, packaging and palletising are all susceptible to potentially costly errors.

DSV Solutions has a strong presence throughout Europe with over 130 warehouse facilities in total, and a particularly dense network in Eastern Europe. We manage regional distribution centres with European 'control towers' – some of them managing over 1,000 shipments a day. Our services include packaging or re-packaging, palletising or re-palletising, labelling or re-labelling and kitting. We manage waste, returns, stock levels and co-packing programmes. Our fleet of 17,000 trailers across Europe delivers to most large retail chains with high frequency. For our customers in the home improvement / DIY segment, DSV Solutions assures on-shelf availability of their products both at the right time and at the agreed cost.

"We rate the agility of our Supply Chain as a key deliverable, we are a new product driven company and speed to market is a critical success factor for our business. DSV Solutions demonstrate to us day after day their ability to respond to ever changing market dynamics. Our customers expect operational excellence as a given, delivered continuous improvement and innovation distinguishes DSV Solutions from its competition."

TOM SIMONS
VP SUPPLY CHAIN
TTI (AEG POWER TOOLS, MILWAUKEE, RYOBI)



GREEN IS THE WAY TO GO



Personal Care

Brand integrity goes hand in hand with environmental responsibility. 87% of global consumers indicate that sustainability factors influence their buying behaviour. Manufacturers of personal care products are especially attuned to a 'green' image; not only do they take a critical view of their raw material sources, but they also carefully consider how they produce, package and distribute their products. With more and more value propositions being built around sustainable sourcing and production, the supply chain should carry the same message. In order to ensure their share of the green consumer, increasing numbers of manufacturers are exploring logistics-sharing models with third parties, supply chain consolidation, city hubs and green delivery options.

At DSV, green and Corporate Social Responsibility (CSR) initiatives are embedded in our operational processes. We participate in the United Nations Global Compact, which aims to promote and practice greater environmental responsibility along with the use of green technologies. Since 2006, despite our double-digit growth, we have succeeded in reducing our carbon dioxide emissions by over 6%. Because sustainability is also about 'doing things right first time', we have embraced this approach and have adopted principles of the 'Lean Programme' to ensure that continuous improvement is being implemented, maintained and measured throughout our organisation.

"DSV's modern, RF-enabled, multi-user warehouse is an ideal base location for distributing our products across Northern Europe, and it provides a solid platform for HoMedics to grow its business. DSV provides HoMedics with a broad set of services, combining warehousing activities with DSV's own transport network as well as in close integration with third-party parcel carriers and customs for both inbound and outbound movements."

KEITH ALLISON
OPERATIONS DIRECTOR
HOMEDICS



E-COMMERCE IS BECOMING BUSINESS AS USUAL



The future of online shopping



Picture this: Anna takes inspiration both from what she sees online and from her visits to stores. After choosing a handbag in a shop, she scans the product, uploading a 3D image of the handbag to her personal avatar. That evening, she receives feedback on her choice from some of her Facebook friends. She compares prices and selects a reliable retailer on the web, makes the purchase and picks up her new handbag the next day after work at the parcel drop-off located in her local supermarket. A week later, she is trying on the 'virtual' matching sunglasses and boots that were sent to her avatar. She decides to go and check them out in the store.

In some ten years from now, consumers like Anna will be the norm and their expectations in terms of the 'shopping experience' will affect consumer products supply chains right across the board, from handbags to hi-fi and groceries to gadgets. Consumers are increasingly expecting greater channel mobility, better personalisation and more delivery models. Market analysis has proven that retention rates rise significantly when the logistics requirements are met – with online visibility of stock availability, for instance, and a choice between different delivery options.

DSV Solutions fully integrates its IT systems with your e-commerce platform as well as with all major parcel distributors. This offers your customers insights into inventory, order status and track and trace data, thus enabling your website to host real-time stock and delivery data. Furthermore, we also manage return flows including quality controls on returns and swift repacking to enable the goods to be transferred back into sellable stock.



"Our 20% annual growth requires a professional logistics partner. It was DSV's staff who gave us the right gut feeling. We trust DSV to be our representative and take care of our products and our customers as if they were its own, and that they it can resolve the challenges as they arise. DSV is the right partner for Patagonia for the years to come."

HOLGER BISMANN
MANAGING DIRECTOR
PATAGONIA

"Oakley has enjoyed over eight successful years with DSV and we have been impressed with its ability to constantly adapt to the ever-changing market trends and logistics needs. DSV's 'Lean Programme' is going to be instrumental in the coming years as businesses (including Oakley) learn to adapt to the transition from a mainly pre-book AFA business to also supporting the more dynamic demands of the end consumers switching to the web."

JIM TENNYSON
EUROPEAN OPERATIONS DIRECTOR
OAKLEY

DSV: Global strength, local flexibility

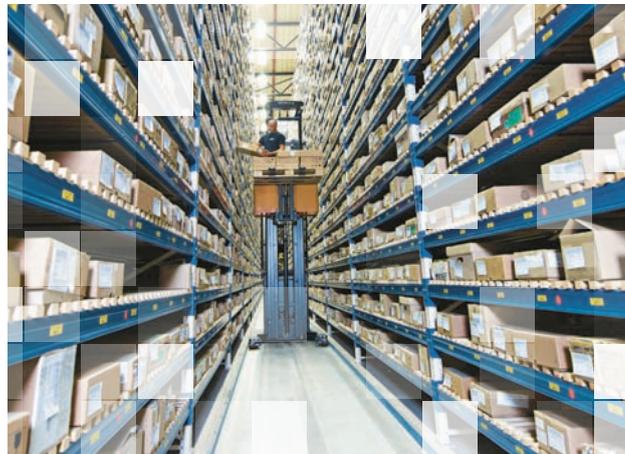
DSV Air & Sea

DSV Air & Sea is a global transport and logistics provider determined to be your preferred service partner for international trade. DSV Air & Sea offers alternative routings and flexible schedules to suit even the most demanding logistical requirements to and from all parts of the world. With approx. 6,000 employees in more than 60 countries, handling more than 750,000 TEUs of seafreight and 250,000 tons of airfreight a year, DSV Air & Sea has the market share and buying power to offer diverse freight forwarding solutions. Local management and autonomy combined with a set of shared cultural values and business tools enable DSV Air & Sea to act with the flexibility of a small business and the strength of a global player. DSV Air & Sea adapts to the ever-changing market conditions of international trade and transport – and creates transport and logistics solutions tailored to your business needs. DSV Air & Sea manages the entire logistics process from pick-up, consolidation and shipment up to distribution to the final destination.



DSV Solutions

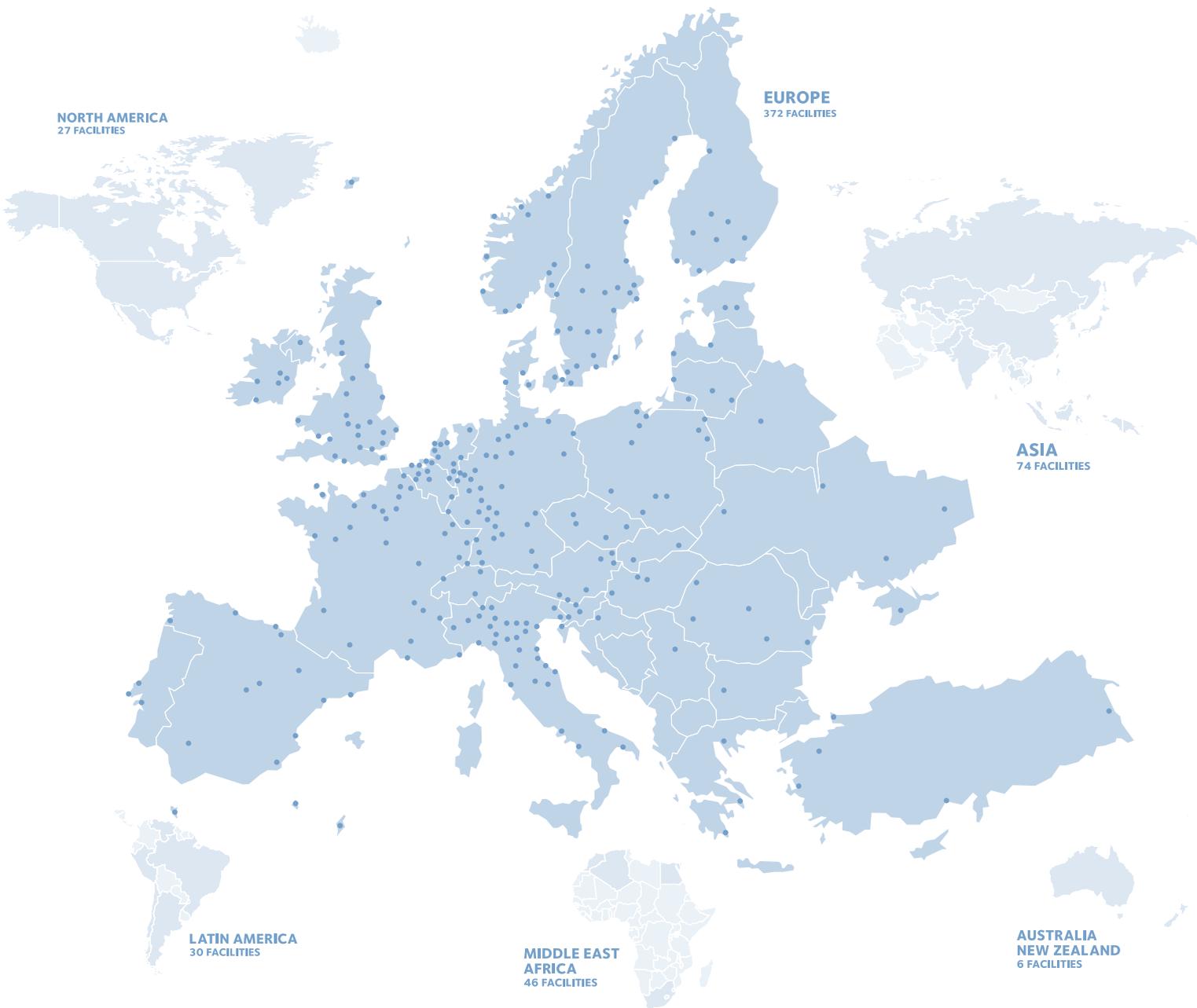
DSV Solutions partners up with its customers to design and operate logistics solutions. We add value by increasing operational and cost efficiency. We deliver dedicated and multi-user solutions to suit your needs as well as those of your customers. DSV Solutions employs over 5,000 people and operates more than 130 warehouses comprising a total of 2,200,000 m². We offer a full range of supply chain services, such as inbound logistics, warehouse/inventory management, order fulfilment, value-added services, customs activities, fiscal representation and distribution management. The foundation of DSV Solutions is the know-how and expertise of our staff. You will find it easy and enjoyable to work with us. Regardless of the size of your company, we have an experienced and accessible customer service organisation in place to serve your business.



DSV Road

DSV Road is specialised in designing tailor-made solutions transporting goods to any part of Europe. Customers, whether they be small or have outsourced their whole logistics management to DSV Road benefit from our expertise in cargo transport. DSV Road is among the top three transport companies in Europe with approx. 10,000 employees operating from local offices in 34 countries. We have more than 17,000 trucks on the roads every day and a large network of subcontractors to whom our activities are outsourced. We move all kinds of freight all over Europe in a quick, efficient, flexible and environmentally friendly manner – providing good connections to the rest of the world. We specialise in designing solutions to fit the individual customer's needs – delivering to any part of Europe. We serve all kinds of customers from small enterprises needing occasional cargo transport to large international customers that have outsourced their logistics management to DSV Road.





61 countries

560 locations

22,000 employees

135 warehouses

17,000 trailers on the road

250,000 Tons Airfreight

750,000 TEU

DSV

DSV Consumer Products Solutions
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