



DSV

Automotive Solutions

DSV AUTOMOTIVE SOLUTIONS

KEY FIGURES

- +50 Automotive customers in more than 20 countries
- Approximately 500,000 square metres of warehouse space dedicated to automotive operations
- 15 flagship automotive sites in Europe
- €500 million annual automotive revenue representing 10% of total DSV revenue



Dear Supply Chain professional,

Automotive logistics has always been a complex and challenging blend of in-sequence inbound logistics, just-in-time logistics and established processes, paired with the need to integrate multiple suppliers. Globalisation has resulted in the supply chain being expanded throughout multiple geographies. This, coupled with an ever-growing demand both for finished products and service parts, has exponentially increased the complexity of the requirements and hence the need for integrated logistics solutions.

At DSV, we provide high-quality and innovative solutions in demanding situations, leaving our clients free to apply their resources to what really matters: their core business.

We understand the challenges that OEMs, Tier 1 and Tier 2 suppliers face in today's marketplace. DSV has been a major player in the global automotive industry for well over 20 years, covering automotive sub-segments such as aftermarket logistics, spare part logistics, tyre logistics, 2-wheel/motorcycle logistics, supply chain activities, inbound logistics and production logistics. We are committed to delivering significant operational efficiencies, resulting in better visibility and control of all the associated processes.

This enables our clients to outsource their logistics management and operations in a collaborative environment in which processes are customised to their individual needs, supported by a sector-specific and flexible global IT system.

All development, testing, pricing and implementation activities are facilitated through our logistics engineering department. This focus allows us to exert pressure on cost factors and apply best-practice principles throughout our network while working closely with our clients on continuous improvements.

DSV is recognised and trusted by OEMs and Tier 1 and 2 suppliers around the world for its innovative approach, commitment to quality and robust network covering the whole supply chain. This brochure will highlight some of our capabilities in the various automotive segments.

Thank you for your interest in our company. We are looking forward to discussing your supply chain needs with you in the near future.

We are ready for you. Welcome to DSV!

Best regards,

Jens P. Riemann
Director Automotive Global Business Development
DSV Solutions
jens.riemann@dsv.com



DO YOU RECOGNISE ANY OF THESE CHALLENGES?

- ✓ **Controlling your entire supply chain from supplier base to assembly line**
- ✓ **Reducing your inbound-to-manufacturing logistics costs while improving your PPM levels**
- ✓ **Improving your brand loyalty at dealerships**
- ✓ **Optimising your supply chain efficiency in fast-growing BRIC markets**

DSV

1.4 BILLION CARS WILL BE DRIVING
THE PLANET EARTH IN 2020 – A 50%
INCREASE COMPARED WITH TODAY!



Personal Cars

The inbound logistics of a finished car amounts to 10% of its total cost, compared to only 5% for the actual assembly costs. Furthermore, as a result of build-to-order concepts, increased model mixes and reduced inventory, supply chain complexity has increased. This explains the automotive OEM's focus on continuously improving supply chain efficiency and control while striving to reduce costs and improve product quality. The aim of the game is to synchronise the entire supply chain, from the supplier base to the assembly lines. The objective, despite the paradox, is to achieve cost leadership while raising quality levels.

DSV's automotive solutions cover the entire chain of order management, supplier management and the physical delivery process from Europe to the other continents and back. First off, as a testimony to our commitment to top-notch service, we have been honoured with a 'Supplier of the Year' award by GM in 2011. Secondly, our sequencing centres seamlessly support your production schedules. For example, when one of our customers increased their production volumes, we followed by collaborating and supporting the 20% tact time reduction, while reducing total cost of ownership by 25%. On top of that, we managed to improve PPM levels and meet our customers' targets.



"This prize is the reward for supporting one of the world's largest companies with high-quality and competitive logistic services."

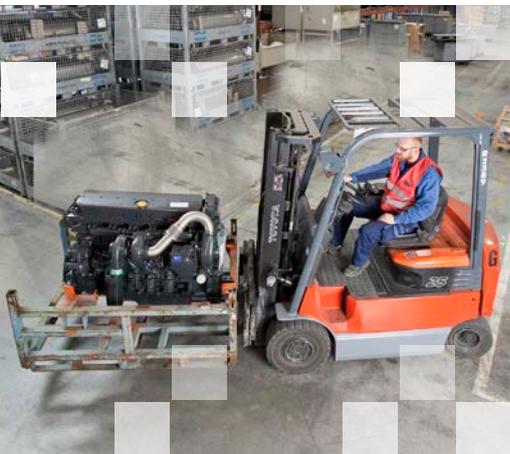
JENS BJORN ANDERSEN
CEO
DSV A/S



Commercial, Construction and Agricultural Vehicles

Today's commercial vehicle manufacturer environment is characterised by a heavily fluctuating demand, volatile fuel costs and a drive to reduce carbon emissions. Having previously been used to an annual growth of 10%, the industry has recently had to cope with large declines. Over the coming years, however, the market anticipates a modest growth. Shifting industry requirements demand a lean approach along with a focus on variable costs. New emission standards such as EURO 6 and EPA drive new product platforms, resulting in limited space in the assembly factories and a demand for flexible production approaches. The search for cost flexibility requires commercial vehicle OEMs to embrace lean management. This results in the outsourcing of inbound consolidation centres while concentrating on the assembly process.

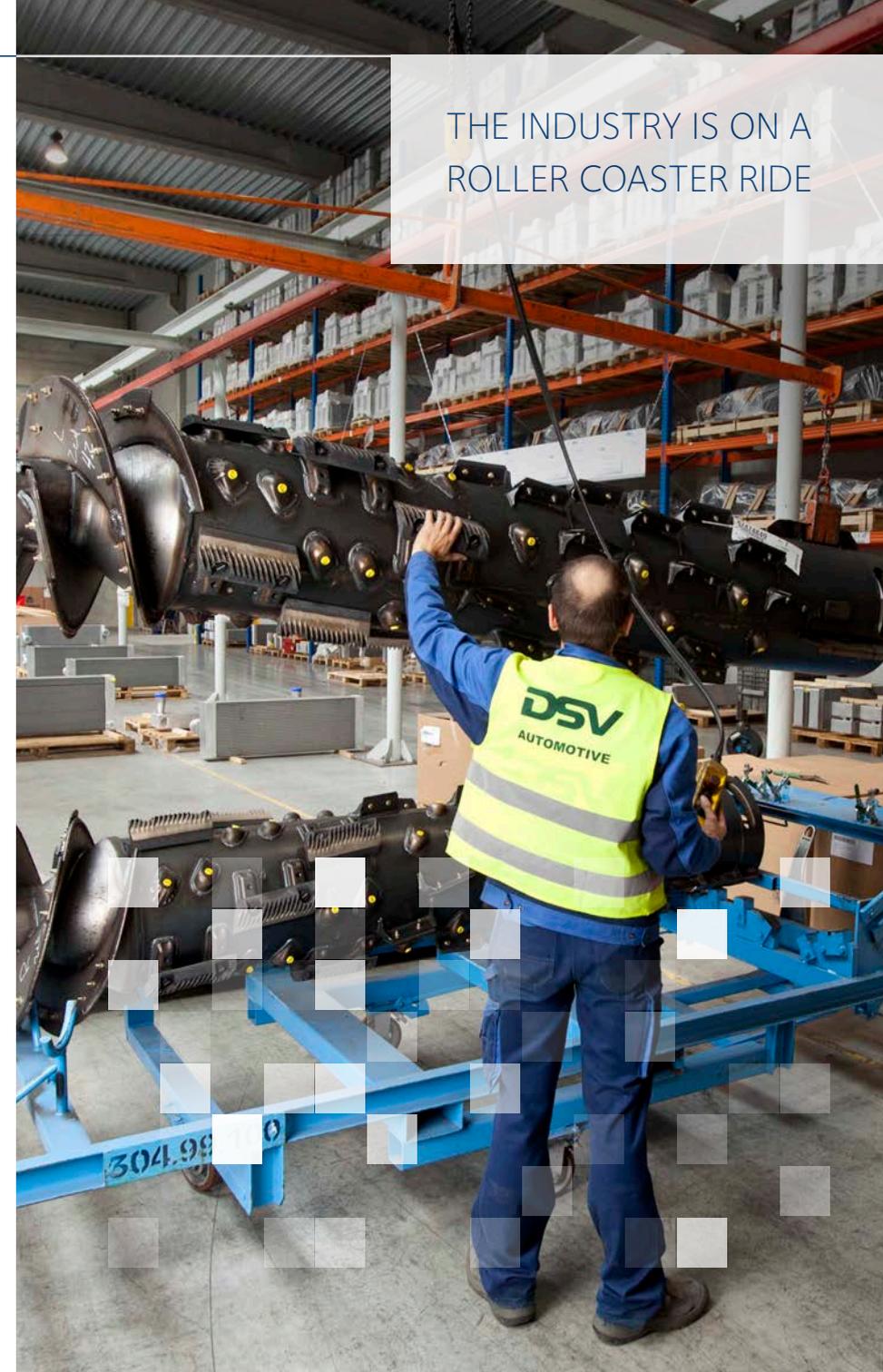
DSV's inbound-to-manufacturing services collect your supplier parts through 'milk runs' or FTL transports by using our dedicated trailer fleet. Our consolidation centres further optimise the parts flow and support your assembly plants by supplying JIS and/or JIT. In order to become a world-class manufacturer, for example, an agricultural vehicle manufacturer outsourced their inbound consolidation centre to DSV. We now run this centre in the direct vicinity of the production plant, allowing the OEM to concentrate on its assembly processes. DSV offers extra support with value-added logistic services and delivers ready-to-fit assemblies and kittings in sequence.



"Within weeks we accelerated the volume throughput in our dedicated inbound to manufacturing warehouse to support our agricultural machinery OEM, in her aim to obtain 'World Class Manufacturing'."

SANDER RITTMEESTER
AUTOMOTIVE SITE MANAGER
DSV SOLUTIONS BELGIUM

THE INDUSTRY IS ON A
ROLLER COASTER RIDE



NEW ASIAN COMPETITORS AND
CURRENCY EXCHANGE RATES
ARE REDEFINING THE INDUSTRY



Motorcycle and Recreational Vehicles

When it comes to marketing a 'luxury' product, the motorcycle and recreational vehicle manufacturers are heavily affected by reduced consumer spending. In recent years, the total European luxury vehicle market has shrunk by 25%, equivalent to 300,000 units. The distribution process of motorcycles and recreational vehicles is characterised by the need for specialised delivery equipment. Furthermore, the extensive range of merchandise, garments and service parts requires the fastest and most efficient route to the local dealers. New Asian competitors and fluctuating currency exchange rates have reshaped the competitive landscape. The result: a drive to further optimise supply chain processes.

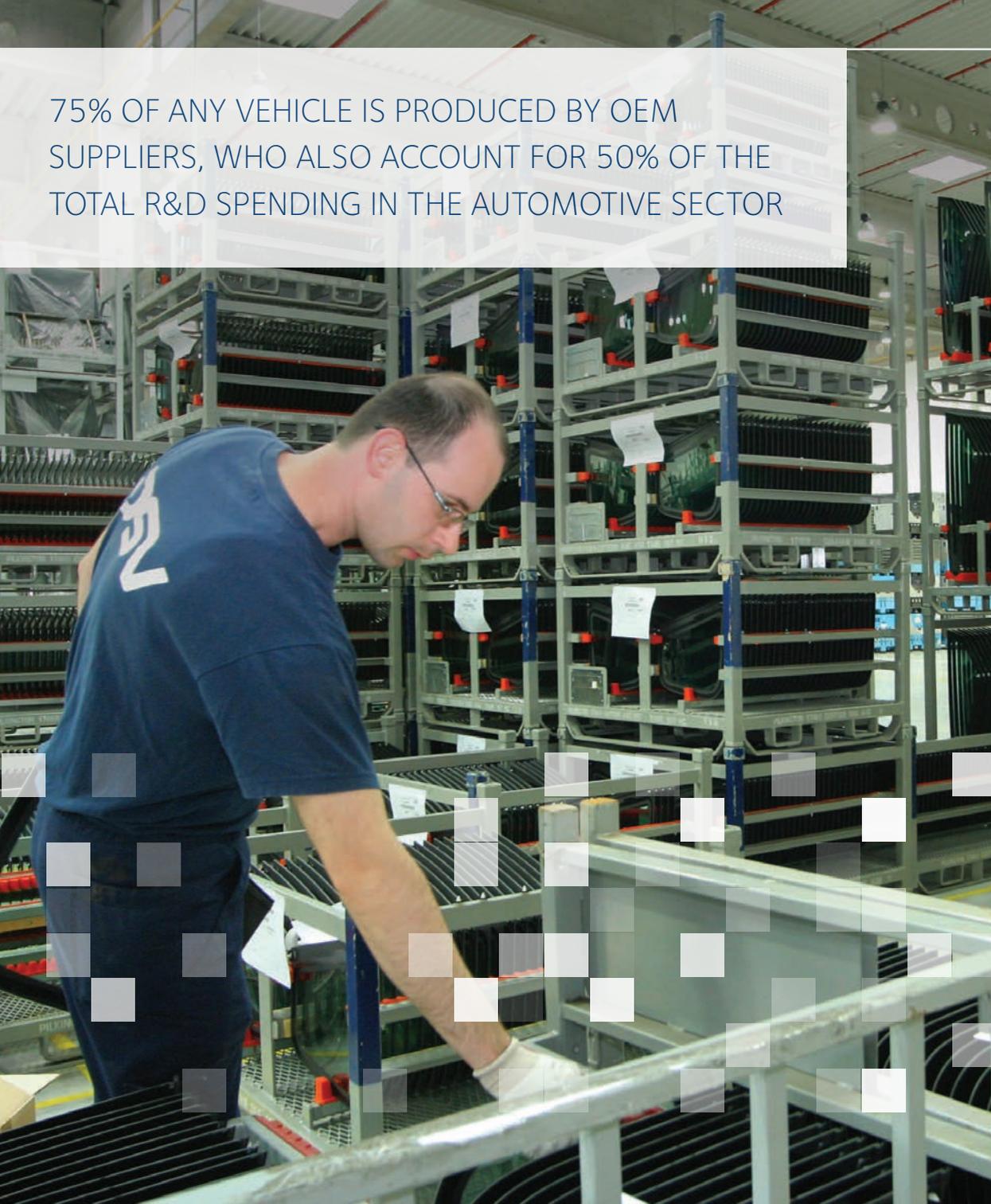
DSV has a long history of servicing the motorised two-wheeler industry. We strengthen our customers' value chains by providing warehousing and distribution solutions for finished motorcycles, merchandise and service parts. Our services for supporting your manufacturing processes range from inbound-to-manufacturing, sequencing and assembly services right through to handling your after-sales service logistics operations.

"DSV and Ducati have collaborated in a partnership for more than 10 years involving transport, logistics, assembly services, packaging and custom and bonded warehouse management. Speed, quality, continuous improvement and attention to customer service are our common values."

ALLESANDRO GUELLA
LOGISTICS DIRECTOR
DUCATI MOTOR HOLDING SPA.



75% OF ANY VEHICLE IS PRODUCED BY OEM SUPPLIERS, WHO ALSO ACCOUNT FOR 50% OF THE TOTAL R&D SPENDING IN THE AUTOMOTIVE SECTOR



System Suppliers: Tier's

In today's market, the majority of components and subassemblies are manufactured by the OEM supplier base. These suppliers are also expected to take on an increasing number of tasks in production, product development and logistics, which were previously the OEM's responsibility. The result: suppliers are now investing in lean management and supply chain solutions in order to meet the new OEM requirements.

DSV's broad OEM customer base forms the foundation for our extensive automotive experience. Our logistics services range from in-house warehousing and managing internal and external product flows to multi-user sequence centres close to your customers' assembly plants. These facilities are compliant with total quality management systems such as ISO 9001 and TS16949. Our state-of-the-art IT systems offer you real time online access, full track and traceability based on your individual needs, and seamless integration with your systems.

"DSV Solutions organised our warehouse relocation without any service interruption. Upon asking 'When are you moving?', our customers were often told 'Already done – we're already operating from our new location!'"

GERMAN BASED SYSTEM SUPPLIER OF TRANSMISSION AND DRIVE TRAIN SYSTEMS



Production Logistics: Sequencing

Against a backdrop of the continuous focus on cost, Automotive manufacturers are constantly challenged to reduce lead-times, maximise floor space and reduce inventory levels while still improving quality standards. In this pressure cooker type environment, OEM's are specifically looking to outsource their inbound-to-manufacturing process. They rely more and more on logistics service providers to deliver the right components to the right assembly lines on time, in the proper build sequence at the lowest possible cost, but with the highest possible quality standards.

DSV supports various OEMs in this critical process. We have proven time and time again that we are capable of following our customers in constantly reducing tact times. In one of our flagship sequence centres, we supply more than 200,000 parts per day in sequence, while continuously improving quality-levels to less than 35 PPM. Our processes are controlled by our customised IT-system to provide excellent parts planning and traceability. In our forklift-free concept, the parts are supplied in DSV in-house designed sequence racks.

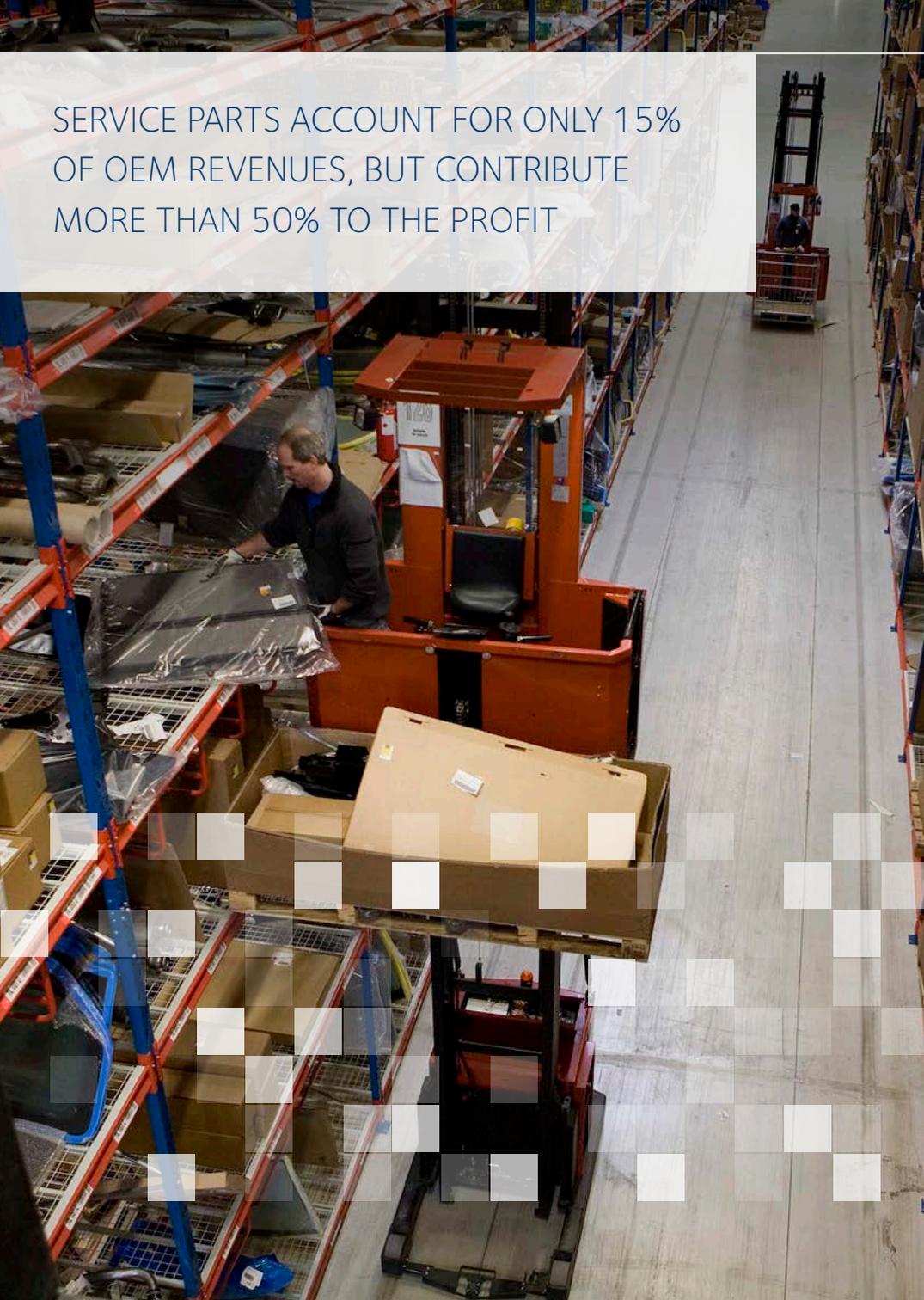


"From a level of 1,000 PPM to 35 PPM in less than six months, now that's what I call Xtreme continuous improvement."

ERIK UYTTENDAELE
VICE PRESIDENT VCM - MP&L
VOLVO CAR CORPORATION

OUR FLAGSHIP AUTOMOTIVE OPERATION SUPPLIES MORE THAN 200,000 PARTS A DAY IN SEQUENCE AT LESS THAN 35 PPM





SERVICE PARTS ACCOUNT FOR ONLY 15% OF OEM REVENUES, BUT CONTRIBUTE MORE THAN 50% TO THE PROFIT

Service parts Logistics

Due to the increasing importance of service parts to OEM profits, the automotive OEM aims to deliver improved customer service in order to retain brand loyalty and satisfy dealership customers. The dealer network needs to be able to service a customer's vehicle within the agreed timeslot at an acceptable cost. Fast and reliable service parts logistics is one of the key elements in this approach. Against the backdrop of reducing dealer parts inventories, stock orders, emergency orders and VOR orders, all dealers require guaranteed same-day or next-morning delivery. This need for increased service parts availability demands a highly efficient warehousing and distribution concept.

DSV manages your service parts and merchandise, either in dedicated or multi-user warehouses or through cross-docking concepts. Our experience ranges from regional, multi-brand operations to large European support centres. Pan-European operations, whether in Scandinavia, Russia or Southern Europe, support your dealers with dedicated warehousing and distribution services. We provide full supply chain visibility into inventory levels, delivery status and KPIs. DSV offers efficient, reliable and cost-efficient solutions which will form a sound basis for your customer retention programmes.



"We are happy to have DSV as our logistics partner since 2007. DSV has always been dedicated to giving its customers the best co-operation."

LARS HANE
GENERAL MANAGER OF PARTS AND ACCESSORIES
DISTRIBUTION CENTER, NORDIC MARKETS
RENAULT

DSV: Global strength, local flexibility

DSV Air & Sea

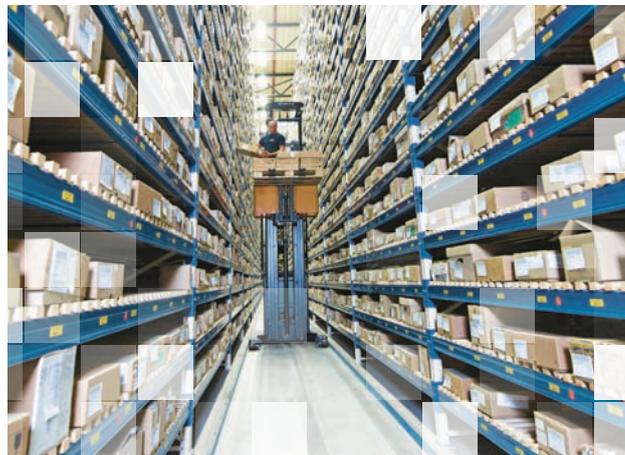
DSV Air & Sea is a global transport and logistics provider determined to be your preferred service partner for international trade. DSV Air & Sea offers alternative routings and flexible schedules to suit even the most demanding logistical requirements to and from all parts of the world. With approx. 6,000 employees in more than 75 countries, handling more than 780,000 TEUs of seafreight and 260,000 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 6,000 people and operates more than 135 warehouses comprising a total of 2,500,000 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.

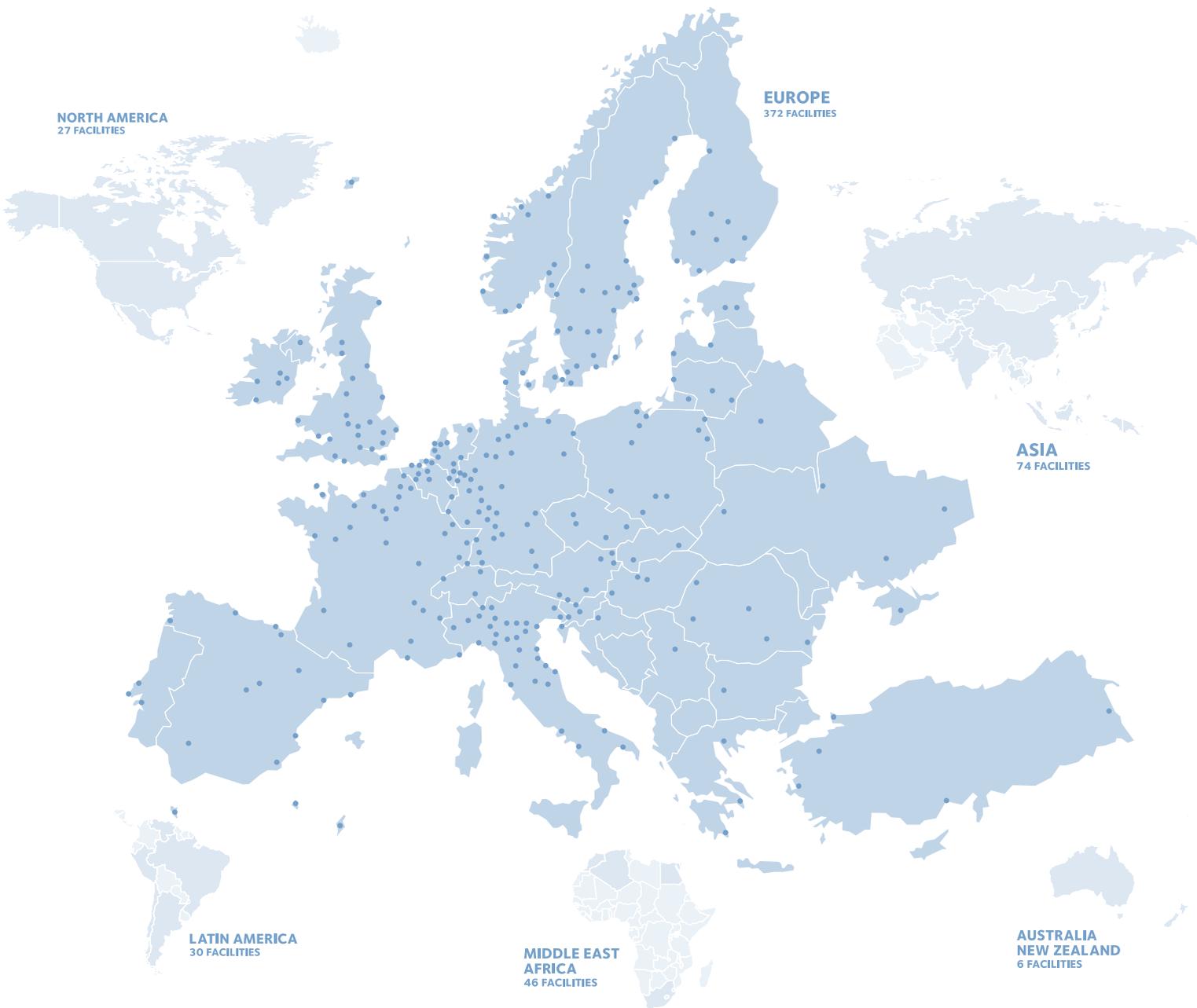
The foundation of DSV Solutions is the know-how and expertise of our staff. You will find it easy and enjoyable to work with us. Regardless of the size of your company, we have an experienced and accessible customer service organisation in place to serve your business.



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.





75 countries

560 locations

22,000 employees

135 warehouses

17,000 trailers on the road

260,000 Tons Airfreight

770,000 TEU

DSV

DSV Automotive Solutions
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