

# INTERIM FINANCIAL REPORT H1 2011

Company Announcement No. 403

28 July 2011

## Selected financial and operating data for the period 1 January – 30 June 2011

- Revenue amounted to DKK 21,882 million (2010: DKK 20,406 million)
- Gross profit came to DKK 4,872 million (2010: DKK 4,585 million), corresponding to a gross margin of 22.3% (2010: 22.5%)
- Operating profit before special items (EBITA) came to DKK 1,183 million (2010: DKK 1,038 million), corresponding to an EBITA margin of 5.4% (2010: 5.1%)
- Profit before tax amounted to DKK 969 million (2010: DKK 769 million)
- Profit for the period amounted to DKK 703 million (2010: DKK 566 million)
- Diluted adjusted earnings per share were DKK 3.7 for the period (2010: DKK 2.9) and for the 12 months to 30 June 2011 DKK 7.0 (2009/2010: DKK 5.1)
- Free cash flow for the period amounted to DKK 1,079 million (2010: DKK 384 million)

## The results for H1 2011 are deemed satisfactory.

### Outlook for 2011

DSV increases free cash flow expectations from DKK 1,700 million to DKK 1,800 million and otherwise maintains the outlook for all of 2011 previously announced.

Expectations are as follows:

- Revenue is expected to be in the range of DKK 44,000-47,000 million
- Gross profit is expected to be in the range of DKK 9,800-10,200 million
- Operating profit before special items (EBITA) is expected to be in the range of DKK 2,400-2,550 million
- Net financials are expected to be DKK 400 million
- The effective tax rate of DSV is expected to amount to 27%
- Free cash flow adjusted for the acquisition of enterprises is expected to amount to approx. DKK 1,800 million
- In 2011 DSV expects to spend the total share buy-back amount authorised of around DKK 2,000-2,500 million as previously disclosed. A separate company announcement about the launch of a new share buy-back programme of DKK 700 million will be issued today

Yours sincerely,  
DSV A/S

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### Global Transport and Logistics

DSV is a global supplier of transport and logistics services.

DSV has offices in more than 60 countries all over the world and an international network of partners and agents, which makes DSV a truly global player offering services worldwide. By our professional and advantageous overall solutions, the approx. 21,000 DSV employees recorded a worldwide annual revenue of 5.7 billion euro for 2010.

## Key financial and operating data

	Q2 2010	Q2 2011	YTD 2010	YTD 2011
<b>Income statement (DKKm)</b>				
Revenue	10.747	11.089	20.406	21.882
Gross profit	2.392	2.500	4.585	4.872
Operating profit before amortisation, depreciation and special items (EBITDA)	725	784	1.281	1.451
Operating profit before special items (EBITA)	587	649	1.038	1.183
Operating profit (EBIT)	587	649	1.038	1.183
Net financial expenses	132	107	269	214
Profit before tax	455	542	769	969
DSV A/S shareholders' share of profit for the period	341	386	562	697
<b>Balance sheet (DKKm)</b>				
Balance sheet total			23.757	22.669
Equity			6.003	6.051
Net working capital			419	241
Net interest-bearing debt			6.817	6.018
Invested capital including goodwill and customer relationships			13.368	12.845
<b>Cash flows (DKKm)</b>				
Operating activities			370	703
Investing activities			14	376
Free cash flow			384	1.079
<b>Financial ratios (%) *</b>				
Gross margin	22,3	22,5	22,5	22,3
EBITDA margin	6,7	7,1	6,3	6,6
EBITA margin	5,5	5,9	5,1	5,4
EBIT margin	5,5	5,9	5,1	5,4
EBITA as a percentage of gross profit (conversion ratio)	24,5	26,0	22,6	24,3
Effective tax rate	24,6	28,0	26,4	27,4
ROIC including goodwill and customer relationships (ROIC)			15,8	17,9
ROIC excluding goodwill and customer relationships			46,2	57,2
Return on equity			12,3	22,0
Solvency ratio			25,1	26,5
<b>Share ratios</b>				
Adjusted profit (DKKm)	366	413	613	750
Diluted adjusted earnings per share of DKK 1 for the period	1,7	2,0	2,9	3,7
Diluted adjusted earnings per share of DKK 1 for the last 12 months			5,1	7,0
Earnings per share of DKK 1 for the last 12 months			3,4	6,5
Net asset value per share of DKK 1			28,7	30,6
Number of shares issued at 30 June ('000)			209.150	204.000
Number of shares at 30 June ('000)			208.189	196.721
Average number of shares ('000)			208.621	202.113
Diluted average number of shares ('000)	209.564	201.704	209.828	203.925
Share price quoted at 30 June			88,35	123,30
<b>Staff</b>				
Number of employees at 30 June			21.173	21.405

\* For a definition of financial ratios, please refer to page 71 of the 2010 Annual Report.

# Management's Review

DSV achieved satisfactory results for the first six months of 2011, maintained a low level of funds tied up in working capital and realised a highly satisfactory free cash flow level.

The results are a consequence of higher activity levels in the first six months of 2011 compared with the same period last year. Results were also positively affected by focus on cost management and optimisation of work processes and IT systems, which improved the operating profit by DKK 145 million altogether, corresponding to an organic growth of 14%.

“The EBITA margin of the Group for Q2 2011 has been restored to the same level as before the integration of ABX LOGISTICS and the financial crisis.



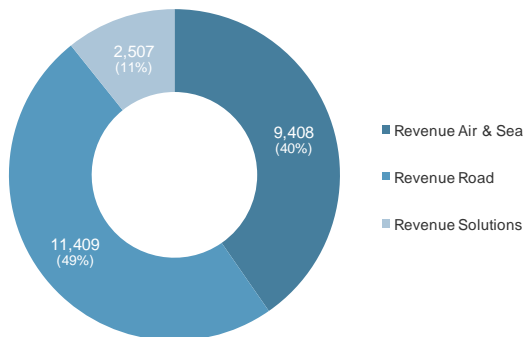
DSV maintains its focus on:

- gaining additional market shares in the main markets of the Group
- optimising business processes and streamlining working procedures

## Revenue

In the first six months of 2011, DSV realised organic growth of 6% compared with the corresponding period of 2010. In the assessment of Management, the DSV Group continues to gain market shares in its main markets.

### REVENUE YEAR-TO-DATE 2011 (DKKm)



The increase in revenue is mainly attributable to the Road Division, but the Air & Sea Division also delivered higher revenue compared with the same period last year. However, the revenue of the Air & Sea Division was affected by the decreasing freight rates.

## Gross profit

The consolidated gross profit came to DKK 4,872 million for the first six months of the year as against DKK 4,585 million for the same period of 2010.

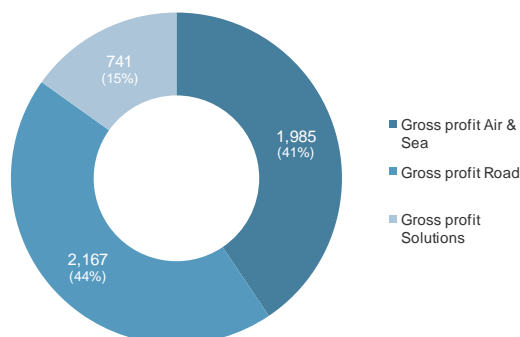
Gross profit improved by 5.5% through organic growth in H1 2011 compared with the same period of 2010.

The increase in gross profit is attributable to a higher activity level in all three divisions.

The consolidated gross margin for the period came to 22.3% as against 22.5% for the same period of 2010.

The gross margin of the Air & Sea Division improved on the same period last year. The Road Division continues to face fierce price competition. This had a negative impact on gross margin, which did however improve in the second quarter compared with Q1 2011. The Solutions Division maintained a stable gross margin for the six-month period under review compared with the same period last year.

#### GROSS PROFIT YEAR-TO-DATE 2011 (DKKm)



#### Operating profit before special items (EBITA)

For the first six months of 2011, the Group returned an operating profit before special items of DKK 1,183 million as against DKK 1,038 million for the corresponding period last year. The organic growth constituted 13.6%.

The EBITA margin was 5.4% for the period compared with 5.1% for the same period of 2010. EBITA as a percentage of gross profit was 24.3% as against 22.6% for the same period of 2010.

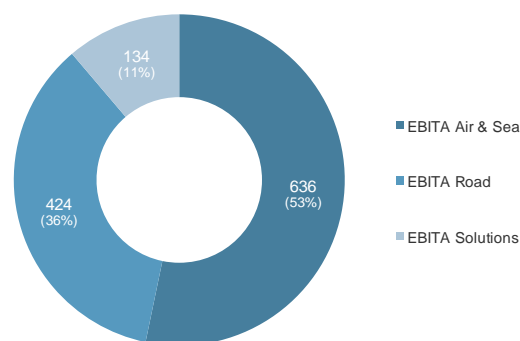
The EBITA margin and EBITA as a percentage of gross profit increased because of the combination of higher gross profit and continued focus on cost management and on the streamlining of working procedures and use of IT. The EBITA margin of the Group for Q2 2011 has been restored to the same level as before the integration of ABX LOGISTICS and the financial crisis.

When adjusted for amortisation of customer relationships of DKK 54 million and costs related to share-based payments of DKK 16 million, the Group's operating profit before special items came to DKK 1,253 million for the six-month period under review. The corresponding profit for H1 2010 amounted to DKK 1,105 million.

#### ORGANIC GROWTH

	Q2 2010	Foreign currency translation adj. (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q2 2011
Revenue	10,747	(53)	45	350	-	11,089
Gross profit	2,392	(18)	5	121	-	2,500
Operating profit before special items (EBITA)	587	(11)	2	71	-	649
	YTD 2010					YTD 2011
Revenue	20,406	177	63	1,236	6.0%	21,882
Gross profit	4,585	32	3	252	5.5%	4,872
Operating profit before special items (EBITA)	1,038	-	3	142	13.6%	1,183

#### OPERATING PROFIT YEAR-TO-DATE 2011 (DKKm)



#### Net financial expenses

Financial expenses netted DKK 214 million for the period as against DKK 269 million for the same period of 2010. Costs declined because of the lower net interest-bearing debt and the lower effective interest rate.

#### Profit before tax

Profit before tax came to DKK 969 million for the first six months of 2011 as against DKK 769 million for the same period of 2010, corresponding to an increase of 26%. The increase is attributable to higher operating profit and reduced financial expenses.

#### Effective tax rate

The effective tax rate was 27.4% for the first six months of 2011 compared with 26.4% for the same period of 2010.

#### Diluted adjusted earnings per share

Diluted adjusted earnings per share were DKK 3.7 for the first six months of 2011, which is 28% higher than for the same period last year, when diluted adjusted earnings per share came to DKK 2.9.

The 12-month figure to the end of June 2011 was DKK 7.0 per share compared with DKK 5.1 for the same period the year before, corresponding to an increase of 37%.

## Balance sheet

The balance sheet stood at DKK 22,669 million at 30 June 2011 as against DKK 23,085 million at 31 December 2010.

## Equity

At 30 June 2011, Group equity came to DKK 6,051 million. At 31 December 2010, Group equity came to DKK 6,585 million.

The main reasons for this development are share buy-backs, the profit for the period, the distribution of dividends and fair value adjustment of hedging instruments. Ordinary dividends of DKK 105 million were paid in the period under review, corresponding to dividends of DKK 0.50 per share.

DSV reduced its share capital on 28 April 2011 in accordance with the resolution passed at the general meeting of the Company on 24 March 2011. Subsequently, the share capital of DSV has a nominal value of DKK 204,000,000, corresponding to 204,000,000 shares with a face value of DKK 1.

The most recent share buy-back programme (launched on 29 April 2011) of DKK 700 million was completed on 19 July 2011. From the launch of the programme until 30 June 2011, a total amount of DKK 516 million was spent on repurchasing shares. The Group spent a total amount of DKK 1,323 million on share buy-backs in the first six months of 2011.

At 30 June 2011, the Company's portfolio of treasury shares amounted to 7,278,577 shares, corresponding to 3.57% of all 204,000,000 shares issued.

The solvency ratio exclusive of non-controlling interests came to 26.5%. This is a decrease on 31 December 2010, when the corresponding ratio was 28.4%. The solvency ratio decreased because the amounts paid to repurchase shares and as dividends exceeded interim profits.

## DEVELOPMENT IN EQUITY

(DKKm)	YTD 2010	YTD 2011
<b>Equity at 1 January</b>	<b>5,530</b>	<b>6,585</b>
Profit for the period	566	703
Purchase and sale of treasury shares, net	(77)	(1,239)
Dividends	(52)	(105)
Foreign currency translation adjustments	25	17
Fair value adjustments of interest rate swaps	5	92
Purchase/sale of non-controlling interests	(2)	-
Other	8	(2)
<b>Equity at 30 June</b>	<b>6,003</b>	<b>6,051</b>

## Net working capital

The Group's funds tied up in net working capital came to DKK 241 million at 30 June 2011 compared with DKK 70 million at 31 December 2010. Relative to the expected full-year revenue, the net working capital was 0.5% at 30 June 2011 as against 0.2% for the financial year 2010.

The Group's funds tied up in net working capital came to DKK 419 million at 30 June 2010, corresponding to 0.9% of the full-year revenue.

## Net interest-bearing debt

Net interest-bearing debt amounted to DKK 6,018 million at 30 June 2011 as against DKK 5,872 million at 31 December 2010.

## Cash flows

The consolidated cash flow statement for the six-month period ended 30 June 2011, compared with the figures of the same period of 2010, is provided below.

### CASH FLOW STATEMENT

(DKKm)	YTD 2010	YTD 2011
<b>Profit before tax for the period</b>	<b>769</b>	<b>969</b>
Change in net working capital, exclusive of changes in provision for corporation tax and current portion of provisions etc.	(484)	(207)
Adjustments, non-cash operating items etc.	85	(59)
<b>Cash flow from operating activities</b>	<b>370</b>	<b>703</b>
Purchase and sale of intangibles, property, plant and equipment	65	413
Acquisition/divestment of subsidiaries and activities	(32)	(36)
Other	(19)	(1)
<b>Cash flow from investing activities</b>	<b>14</b>	<b>376</b>
<b>Free cash flow</b>	<b>384</b>	<b>1,079</b>
Proceeds from and repayment of short-term and long-term debt	(20)	131
Transactions with shareholders	(136)	(1,257)
<b>Cash flow from financing activities</b>	<b>(156)</b>	<b>(1,126)</b>
<b>Cash flow for the period</b>	<b>228</b>	<b>(47)</b>

## Cash flow from operating activities

Cash flow from operating activities came to DKK 703 million for the first six months of 2011 as against DKK 370 million for the same period of 2010. The main reasons for the increase are improved results and a positive development of net working capital compared with the same period last year.

## Cash flow from investing activities

Cash flow from investing activities netted an inflow of DKK 376 million and was influenced by property transactions.

## Free cash flow

Free cash flow for the period amounted to DKK 1,079 million as against DKK 384 million for the same period last year.

## Cash flow from financing activities

Cash flow from financing activities netted an outflow of DKK 1,126 million mainly due to the share buy-back schemes and larger withdrawals from credit facilities.

## Invested capital including goodwill and customer relationships

The Group's invested capital including goodwill and customer relationships came to DKK 12,845 million at 30 June 2011 as against DKK 13,368 million at 30 June 2010. The decrease was mainly attributable to the reduction of property, plant and equipment compared with 30 June 2010.

## ROIC including goodwill and customer relationships

Return on invested capital including goodwill and customer relationships was 17.9% for the six-month period ended 30 June 2011 compared with 15.8% for the corresponding period of 2010. The main reasons for the increase are the improved results and the decrease in invested capital.

## Impact from seasonality

Seasonality does not have any major impact on the activities of the Group.

## Events after the reporting date of the Interim Financial Report

No material events have occurred after the reporting date.

## Risks and exposures

The risks of the DSV Group relate to its exposure to the development in the world economy and in the markets in which the DSV Group operates. Other major operational risks include the risk exposure resulting from the use of IT.

As previously announced, DSV has received notifications and inquiries from competition authorities regarding alleged violations of competition law, just like other international transport providers. As disclosed in company announcement No. 396, the Italian authorities have imposed an administrative fine of EUR 23.6 million on DSV. DSV disagrees with the decision and has appealed it. DSV expects the court to pass a decision in favour of the Company, in full or in part. In addition, the Group may claim indemnification from the former owners of ABX LOGISTICS in case of a financial loss. Against this background, it is the assessment of the DSV Management that, like other pending actions, this matter will have no material impact on the financial position of the Group.

## Accounting policies

The Interim Financial Report has been presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and Danish disclosure requirements for listed companies.

Except for the following, the accounting policies applied are consistent with those applied in the 2010 consolidated financial statements. The 2010 consolidated financial statements provide a full description of the accounting policies applied.

DSV A/S has implemented IAS 24 'Related Party Disclosures' (revised 2009) and Improvements to IFRSs (May 2010) with effect from 1 January 2011. The changes in accounting policies did not influence recognition or measurement for this period or for previous accounting periods.

## Accounting estimates and judgements

For the preparation of the Interim Financial Report, Management makes various accounting estimates and judgements that affect the application of accounting policies and the recognition of assets, liabilities and income and expense items. Actual operating results may deviate from such estimates.

Significant accounting estimates and judgements are consistent with those applied in the 2010 consolidated financial statements.

## Outlook for 2011

DSV increases free cash flow expectations from DKK 1,700 million to DKK 1,800 million and otherwise maintains the outlook for all of 2011 previously announced. Expectations are as follows:

- Revenue is expected to be in the range of DKK 44,000-47,000 million
- Gross profit is expected to be in the range of DKK 9,800-10,200 million
- Operating profit before special items (EBITA) is expected to be in the range of DKK 2,400-2,550 million
- Net financials are expected to be DKK 400 million
- The effective tax rate of DSV is expected to amount to 27%
- Free cash flow adjusted for the acquisition of enterprises is expected to amount to approx. DKK 1,800 million
- In 2011 DSV expects to spend the total share buy-back amount authorised of around DKK 2,000-2,500 million as previously disclosed. A separate company announcement about the launch of a new share buy-back programme of DKK 700 million will be issued today

# Air & Sea Division

## Activities

The Air & Sea Division is specialised in global transportation of cargo by air and sea. The Division has a global network and its primary focus is transportation between the Far East, Europe and North America. In addition to conventional freight services, the Division also has a Project Department specialising in transport solutions for industrial customers and public authorities.

The actual transport operations have been outsourced to sub-contractors.



” Operating profit before special items increased by 18.2% through organic growth in the first six months of 2011.

## INCOME STATEMENT

(DKKm)	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	4,952	4,743	9,066	9,408
Direct costs	3,998	3,723	7,256	7,423
<b>Gross profit</b>	<b>954</b>	<b>1,020</b>	<b>1,810</b>	<b>1,985</b>
Other external expenses	205	206	392	411
Staff costs	409	436	810	873
<b>Operating profit before amortisation, depreciation and special items (EBITDA)</b>	<b>340</b>	<b>378</b>	<b>608</b>	<b>701</b>
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	18	20	36	39
Amortisation and impairment of customer relationships	15	13	26	26
<b>Operating profit before special items (EBITA)</b>	<b>307</b>	<b>345</b>	<b>546</b>	<b>636</b>

## KEY OPERATING DATA

	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Gross margin (%)	19.3	21.5	20.0	21.1
EBITA as a percentage of gross profit (conversion ratio)	32.2	33.8	30.2	32.0
EBITA margin (%)	6.2	7.3	6.0	6.8
Number of employees at 30 June			5,731	6,010
Total invested capital (DKKm)			6,567	6,386
Net working capital (DKKm)			779	539
ROIC (%)			17.6	20.1

## Market development

The market development in the first six months of 2011 was characterised by less pronounced growth rates than in 2010, particularly in the second quarter of 2011.

Sea freight volumes (TEUs) increased by approx. 5% in the six-month period under review compared with the same period last year. This is deemed to be in line with market development.

Air freight volumes (tonnes) rose by approx. 9% in the first six months of 2011 compared with the same period last year, while the market in general is estimated to have increased by approx. 0-2%.

The Division continues to aim at higher growth rates than the market in 2011 for both seafreight and airfreight. As a consequence of the declining growth in world trade, the full-year market growth rate for 2011 is estimated to be around 4-6% for seafreight and 0-2% for airfreight.

## Revenue

The Air & Sea Division delivered organic growth in revenue of 3.5% in the six-month period under review compared with the same period last year. The increase is mainly attributable to an increase in freight volumes, whereas the average freight rates were lower compared with the same period last year.

## Gross profit

The gross profit of the Division increased by 9.4% through organic growth in H1 2011 compared with the same period of 2010. The growth is mainly attributable to larger freight volumes.

The gross margin of the Air & Sea Division came to 21.1% for the first six months of 2011 as against 20.0% for the corresponding period of 2010. The increase in gross margin is mainly attributable to lower average freight rates in 2011, seafreight rates having decreased in particular.

## Operating profit before special items (EBITA)

The operating profit before special items increased by 18.2% through organic growth in the first six months of 2011 compared with the same period of 2010. USA, Germany, Italy, Sweden and Asia in particular made a positive contribution to this development, while France and the Project Department saw a negative development in results.

The EBITA margin of the Division for H1 2011 was 6.8% as against 6.0% for the same period last year.

EBITA as a percentage of gross profit came to 32.0% for the first six months of 2011 as against 30.2% for the corresponding period of 2010. The improvements of EBITA margin and conversion ratio mainly reflect the higher gross profit and the continued focus on cost management and on the streamlining of working procedures and use of IT.

## Net working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 539 million at 30 June 2011 compared with DKK 891 million at 31 December 2010. The decline is mainly due to lower revenue in H1 2011 than in H2 2010 and continued focus on net working capital.

## ORGANIC GROWTH

	Q2 2010	Foreign currency translation adj. (DKKm)	Acquisitions, net (DKKm)	Organic grow th (DKKm)	Organic grow th (%)	Q2 2011
Revenue	4,952	(135)	45	(119)	(2.4%)	4,743
Gross profit	954	(24)	4	86	9.2%	1,020
Operating profit before special items (EBITA)	307	(15)	-	53	18.2%	345
	YTD 2010					YTD 2011
Revenue	9,066	(55)	78	319	3.5%	9,408
Gross profit	1,810	(3)	8	170	9.4%	1,985
Operating profit before special items (EBITA)	546	(9)	1	98	18.2%	636



## AIR & SEA REGIONAL OVERVIEW

(DKKm)	Revenue		Gross profit		Operating profit before special items		Gross margin		EBITA margin	
	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011
Europe	6,817	7,045	1,162	1,271	289	332	17.0	18.0	4.2	4.7
Asia	2,001	1,974	375	406	172	177	18.7	20.6	8.6	9.0
Americas	1,310	1,615	273	310	117	157	20.8	19.2	8.9	9.7
Elimination, etc.	(1,062)	(1,226)	-	(2)	(32)	(30)				
<b>Total</b>	<b>9,066</b>	<b>9,408</b>	<b>1,810</b>	<b>1,985</b>	<b>546</b>	<b>636</b>	<b>20.0</b>	<b>21.1</b>	<b>6.0</b>	<b>6.8</b>

## BREAKDOWN, SEAFREIGHT AND AIRFREIGHT

(DKKm)	Seafreight				Airfreight			
	Q2 2010	Q2 2011	YTD 2010	YTD 2011	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	2,859	2,651	5,222	5,366	2,093	2,092	3,844	4,042
Direct costs	2,338	2,080	4,238	4,246	1,660	1,643	3,018	3,177
<b>Gross profit</b>	<b>521</b>	<b>571</b>	<b>984</b>	<b>1,120</b>	<b>433</b>	<b>449</b>	<b>826</b>	<b>865</b>
Gross margin (%)	18.2	21.5	18.8	20.9	20.7	21.5	21.5	21.4
Freight volumes (TEUs/tonnes)	182,513	188,870	351,987	369,408	63,235	67,305	119,722	130,408

# Road Division

## Activities

The Road Division provides transportation of full, part and groupage loads all over Europe. The transportation services are mainly provided within DSV's own network, the Division being represented in 34 countries in Europe. The actual transportation operations have been outsourced to sub-contractors to a predominant extent.



” The revenue of the Road Division increased by 9.9% through organic growth in the first six months of 2011.

## INCOME STATEMENT

(DKKm)	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	5,256	5,815	10,186	11,409
Direct costs	4,184	4,695	8,124	9,242
<b>Gross profit</b>	<b>1,072</b>	<b>1,120</b>	<b>2,062</b>	<b>2,167</b>
Other external expenses	242	258	484	504
Staff costs	553	579	1,108	1,160
<b>Operating profit before amortisation, depreciation and special items (EBITDA)</b>	<b>277</b>	<b>283</b>	<b>470</b>	<b>503</b>
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	40	34	73	71
Amortisation and impairment of customer relationships	4	4	9	8
<b>Operating profit before special items (EBITA)</b>	<b>233</b>	<b>245</b>	<b>388</b>	<b>424</b>

## KEY OPERATING DATA

	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Gross margin (%)	20.4	19.3	20.2	19.0
EBITA as a percentage of gross profit (conversion ratio)	21.7	21.9	18.8	19.6
EBITA margin (%)	4.4	4.2	3.8	3.7
Number of employees at 30 June			9,823	9,731
Total invested capital (DKKm)			3,981	3,916
Net working capital (DKKm)			(216)	(210)
ROIC (%)			19.2	20.4

## Market development

The high activity level in the second half of 2010 continued in the first half of 2011. Accordingly, road freight volumes (measured by consignments) increased by approx. 9% in the first six months of 2011 compared with the same period last year. The market in general is estimated to have increased by approx. 4-5%. The market growth is affected by regional differences, the Southern European countries in particular being influenced by the financial unrest.

## Revenue

The revenue of the Division increased by 9.9% through organic growth in the first six months of 2011 compared with the same period of 2010. The main reason for the increase is the larger number of consignments and the impact from higher sales prices and oil surcharges.

## Gross profit

The gross profit of the Road Division increased by 3.8% through organic growth in H1 2011 compared with the same period last year. The gross margin of the Division for the period under review was 19.0% as against 20.2% for the same period last year.

The gross margin was lower for H1 2011 than it was for H1 2010, which reflects continued strong influence on the market by increasing production costs and fierce competition.

However, the gross margin improved in Q2 2011 on Q1 2011.

## Operating profit before special items (EBITA)

Operating profit before special items increased by 6.5% through organic growth in H1 2011 compared with the same period of 2010. The EBITA margin of the Division for the period was 3.7% as against 3.8% for the corresponding period of 2010.

Denmark and Germany in particular contributed to this positive development. Belgium and Poland displayed positive signs, and efforts are still being made to improve results in Spain and France.

Organisational changes and other new initiatives have had a positive effect on the Swedish results for Q2 2011 compared with Q1 2011. DSV expects that the initiatives launched will gradually improve the results of the Swedish company, and the company is expected to be back on the 2009 earnings level in 2012.

EBITA as a percentage of gross profit came to 19.6% for the first six months of 2011 as against 18.8% for the corresponding period of 2010 and is mainly due higher gross profit and continued focus on cost management and on the streamlining of working procedures and use of IT.

## Net working capital

The Road Division's funds tied up in net working capital came to a negative DKK 210 million at 30 June 2011 compared with a negative DKK 360 million at 31 December 2010.

## ORGANIC GROWTH

	Q2 2010	Foreign currency translation adj. (DKK m)	Acquisitions, net (DKK m)	Organic grow th (DKK m)	Organic grow th (%)	Q2 2011
Revenue	5,256	68	(1)	492	9.2%	5,815
Gross profit	1,072	10	-	38	3.5%	1,120
Operating profit before special items (EBITA)	233	4	2	6	2.5%	245
	YTD 2010					YTD 2011
Revenue	10,186	211	(13)	1,025	9.9%	11,409
Gross profit	2,062	31	(5)	79	3.8%	2,167
Operating profit before special items (EBITA)	388	7	3	26	6.5%	424

# Solutions Division

## Activities

The activities of the Solutions Division are logistics solutions, including freight management, outsourcing of warehousing and customs clearance, distribution and a number of services related to customers' supply chains. These services mainly cater for large industrial companies within branded products.



Operating profit before special items increased by 7.2% through organic growth in the first six months of 2011.

## INCOME STATEMENT

(DKKm)	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	1,233	1,259	2,429	2,507
Direct costs	861	887	1,704	1,766
<b>Gross profit</b>	<b>372</b>	<b>372</b>	<b>725</b>	<b>741</b>
Other external expenses	129	141	263	275
Staff costs	142	128	277	259
<b>Operating profit before amortisation, depreciation and special items (EBITDA)</b>	<b>101</b>	<b>103</b>	<b>185</b>	<b>207</b>
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	31	29	43	55
Amortisation and impairment of customer relationships	8	9	18	18
<b>Operating profit before special items (EBITA)</b>	<b>62</b>	<b>65</b>	<b>124</b>	<b>134</b>

## KEY OPERATING DATA

	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Gross margin (%)	30.2	29.5	29.8	29.6
EBITA as a percentage of gross profit (conversion ratio)	16.7	17.5	17.1	18.1
EBITA margin (%)	5.0	5.2	5.1	5.3
Number of employees at 30 June			5,288	5,319
Total invested capital (DKKm)			2,708	2,347
Net working capital (DKKm)			200	153
ROIC (%)			9.0	11.0

## Market development

The European logistics market is still characterised by surplus capacity. However, the demand for warehouse solutions saw a moderately upward trend in some Western European countries in the first six months of 2011. The surplus capacity in the market still results in continued fierce price competition.

The trade volumes of the Division (order lines) rose by approx. 3% in H1 2011 compared with the same period last year, while the market in general is estimated to have increased by approx. 2-3%.

## Revenue

The revenue of the Solutions Division increased by 2.2% through organic growth in H1 2011 compared with the same period of 2010.

## Gross profit

The gross profit of the Solutions Division increased by 1.4% through organic growth in H1 2011 compared with the same period of 2010. The main reasons for the improvement are higher activity and a higher rate of utilisation. The gross margin of the Solutions Division came to 29.6% for the period as against 29.8% for the same period last year.

## Operating profit before special items (EBITA)

Operating profit before special items increased by 7.2% through organic growth in the first six months of 2011 compared with the same period of 2010. It should be noted that the 2010 results were positively affected by a profit of approx. DKK 20 million made from the sale of property in Finland.

The EBITA margin of the Division for the first six months of 2011 was 5.3% as against 5.1% for the same period last year.

EBITA as a percentage of gross profit came to 18.1% for the first six months of 2011 as against 17.1% for the corresponding period of 2010.

The Solutions companies in Benelux, Italy and Sweden have a big share in the overall results and development of the Division.

## Net working capital

The Solutions Division's funds tied up in net working capital came to DKK 153 million at 30 June 2011 compared with a negative amount of DKK 39 million at 31 December 2010.

## ORGANIC GROWTH

	Q2 2010	Foreign currency translation adj. (DKK m)	Acquisitions, net (DKK m)	Organic growth (DKK m)	Organic growth (%)	Q2 2011
Revenue	1,233	6	2	18	1.5%	1,259
Gross profit	372	2	-	(2)	(0.5%)	372
Operating profit before special items (EBITA)	62	-	-	3	4.8%	65
	YTD 2010					YTD 2011
Revenue	2,429	25	(1)	54	2.2%	2,507
Gross profit	725	7	(1)	10	1.4%	741
Operating profit before special items (EBITA)	124	2	(1)	9	7.2%	134

# Shareholder information

## Incentive programmes

The market value of the Group's incentive programmes at 30 June 2011 amounted to DKK 297.7 million, DKK 37.4 million of which constituted the aggregate proportion held by members of the Supervisory and Executive Boards.

## Latest important company announcements

- Announcement No. 388 of 29 April 2011: Share buy-back of DSV A/S. Launch of new share buy-back programme
- Announcement No. 396 of 16 June 2011: Antitrust proceedings in Italy.
- Announcement No. 401 of 19 July 2011: Share buy-back of DSV A/S. Conclusion of share buy-back programme launched on 29 April 2011.

## Financial calendar

The following financial calendar applies to the remainder of the 2011 financial year:

Company announcement	Date	Start of quiet period
Q3 2011 Interim Financial Report	26 October 2011	29 September 2011

DSV will host a capital markets day on 6 September 2011.

## Inquiries relating to the Interim Financial Report

Questions may be addressed to:  
Jens Bjørn Andersen, Group CEO, tel. +45 43 20 30 40, or  
Jens H. Lund, Group CFO, tel. +45 43 20 30 40.

This announcement is available on the Internet at: [www.dsv.com](http://www.dsv.com). The announcement has been prepared in Danish and in English. In the event of discrepancies, the Danish version shall apply.

## Management's statement

The Supervisory Board and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the six-month period ended 30 June 2011.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the Interim Financial Report gives a true and fair view of the DSV Group's assets, equity, liabilities and financial position at 30 June 2011 and of the results of the Group's activities and the cash flow for the six-month period ended 30 June 2011.

We also find that the management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of the major risks and elements of uncertainty faced by the Group.

Brøndby, 28 July 2011

## Executive Board

Jens Bjørn Andersen  
CEO

Jens H. Lund  
CFO

## Supervisory Board

Kurt K. Larsen  
Chairman

Erik B. Pedersen  
Deputy Chairman

Kaj Christiansen

Per Skov

Annette Sadolin

Birgit W. Nørgaard

Thomas Plenborg

# Interim Financial Statements

## INCOME STATEMENT

(DKKm)	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	10,747	11,089	20,406	21,882
Direct costs	8,355	8,589	15,821	17,010
<b>Gross profit</b>	<b>2,392</b>	<b>2,500</b>	<b>4,585</b>	<b>4,872</b>
Other external expenses	485	510	967	1,011
Staff costs	1,182	1,206	2,337	2,410
<b>Operating profit before amortisation, depreciation and special items (EBITDA)</b>	<b>725</b>	<b>784</b>	<b>1,281</b>	<b>1,451</b>
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	138	135	243	268
<b>Operating profit before special items (EBITA)</b>	<b>587</b>	<b>649</b>	<b>1,038</b>	<b>1,183</b>
Special items, net	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>587</b>	<b>649</b>	<b>1,038</b>	<b>1,183</b>
Share of associates' profit after tax	-	-	-	1
Financial income	23	31	43	56
Financial expenses	155	138	312	271
<b>Profit before tax</b>	<b>455</b>	<b>542</b>	<b>769</b>	<b>969</b>
Tax on profit for the period	112	152	203	266
<b>Profit for the period</b>	<b>343</b>	<b>390</b>	<b>566</b>	<b>703</b>
<b>Net profit for the year is attributable to:</b>				
Shareholders of DSV A/S	341	386	562	697
Non-controlling interests	2	4	4	6
<b>Earnings per share:</b>				
Earnings per share of DKK 1 for the last 12 months (DKK)			3.4	6.5
Diluted adjusted earnings per share of DKK 1 for the last 12 months (DKK)			5.1	7.0

## STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Q2 2010	Q2 2011	YTD 2010	YTD 2011
<b>Profit for the period</b>	<b>343</b>	<b>390</b>	<b>566</b>	<b>703</b>
Foreign currency translation adjustments, foreign enterprises	14	36	25	17
Fair value adjustments of hedging instruments for the period	14	(23)	(34)	63
Fair value adjustment relating to hedging instruments transferred to financial expenses	1	16	40	29
Actuarial gains and losses	-	-	1	-
Other adjustments	-	-	(1)	-
Tax on other comprehensive income	(3)	1	(1)	(20)
<b>Other comprehensive income after tax</b>	<b>26</b>	<b>30</b>	<b>30</b>	<b>89</b>
<b>Total comprehensive income</b>	<b>369</b>	<b>420</b>	<b>596</b>	<b>792</b>
<b>Statement of comprehensive income is allocated to:</b>				
Shareholders of DSV A/S	365	416	590	788
Non-controlling interests	4	4	6	4
<b>Total</b>	<b>369</b>	<b>420</b>	<b>596</b>	<b>792</b>

## BALANCE SHEET, ASSETS

(DKKm)	30.06.2010	31.12.2010	30.06.2011
Intangibles	8,785	8,772	8,713
Property, plant and equipment	4,956	4,782	4,311
Investments in associates	18	19	21
Other securities and receivables	116	121	132
Deferred tax asset	466	449	461
<b>Total non-current assets</b>	<b>14,341</b>	<b>14,143</b>	<b>13,638</b>
Trade and other receivables	8,895	8,405	8,614
Cash	438	363	387
Assets held for sale	83	174	30
<b>Total current assets</b>	<b>9,416</b>	<b>8,942</b>	<b>9,031</b>
<b>Total assets</b>	<b>23,757</b>	<b>23,085</b>	<b>22,669</b>

## BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	30.06.2010	31.12.2010	30.06.2011
Share capital	209	209	204
Reserves	5,764	6,340	5,810
<b>DSV A/S shareholders' share of equity</b>	<b>5,973</b>	<b>6,549</b>	<b>6,014</b>
Non-controlling interests	30	36	37
<b>Total equity</b>	<b>6,003</b>	<b>6,585</b>	<b>6,051</b>
Deferred tax	513	576	564
Pensions and similar obligations	891	871	855
Provisions	536	309	391
Financial liabilities	6,110	5,642	5,614
<b>Total non-current liabilities</b>	<b>8,050</b>	<b>7,398</b>	<b>7,424</b>
Provisions	251	332	184
Financial liabilities	1,145	593	791
Trade and other payables	8,091	7,833	7,957
Corporation tax	217	228	262
Liabilities relating to assets held for sale	-	116	-
<b>Total current liabilities</b>	<b>9,704</b>	<b>9,102</b>	<b>9,194</b>
<b>Total liabilities</b>	<b>17,754</b>	<b>16,500</b>	<b>16,618</b>
<b>Total equity and liabilities</b>	<b>23,757</b>	<b>23,085</b>	<b>22,669</b>



## CASH FLOW STATEMENT

(DKKm)	YTD 2010	YTD 2011
Profit before tax for the period	769	969
Adjustment, non-cash operating items etc.:		
Amortisation, depreciation and impairment losses	247	268
Share-based payments	15	16
Changes in provisions	(175)	(72)
Share of associates' profit after tax	-	(1)
Financial income	(43)	(56)
Financial expenses	312	271
<b>Cash flow from operating activities before changes in net working capital</b>	<b>1,125</b>	<b>1,395</b>
Change in net working capital, exclusive of changes in provision for corporation tax and current portion of provisions etc.	(484)	(207)
Financial income, paid	43	56
Financial expenses, paid	(319)	(271)
Corporation tax, paid	5	(270)
<b>Cash flow from operating activities</b>	<b>370</b>	<b>703</b>
Purchase of intangibles	(61)	(43)
Sale of intangibles	1	-
Purchase of property, plant and equipment	(155)	(182)
Sale of property, plant and equipment	280	638
Acquisition of subsidiaries/activities	(32)	(36)
Change in other financial assets	(19)	(1)
<b>Cash flow from investing activities</b>	<b>14</b>	<b>376</b>
<b>Free cash flow</b>	<b>384</b>	<b>1,079</b>
Proceeds from non-current liabilities incurred/paid, net	(21)	544
Other financial liabilities incurred	1	(413)
<b>Shareholders:</b>		
Dividends distributed	(52)	(105)
Purchase and sale of treasury shares, net	(77)	(1,153)
Other transactions with shareholders	(7)	1
<b>Cash flow from financing activities</b>	<b>-156</b>	<b>-1,126</b>
<b>Cash flow for the period</b>	<b>228</b>	<b>-47</b>
Cash at 1 January	367	363
Cash flow for the period	228	(47)
Foreign currency translation adjustments	(157)	71
<b>Cash at 30 June</b>	<b>438</b>	<b>387</b>

The cash flow statement cannot be directly derived from the balance sheet and income statement.

**STATEMENT OF CHANGES IN EQUITY – 1 JANUARY - 30 JUNE 2010**

(DKKm)	Share capital	Hedging reserve	Reserve for exchange rate adjustments	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January 2010</b>	<b>209</b>	<b>(194)</b>	<b>(13)</b>	<b>5,447</b>	<b>52</b>	<b>5,501</b>	<b>29</b>	<b>5,530</b>
<b>Profit for the period</b>	-	-	-	<b>562</b>	-	<b>562</b>	<b>4</b>	<b>566</b>
Foreign currency translation adjustments, foreign enterprises	-	-	23	-	-	23	2	25
Fair value adjustments of hedging instruments for the period	-	(34)	-	-	-	(34)	-	(34)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	40	-	-	-	40	-	40
Actuarial gains and losses	-	-	-	1	-	1	-	1
Other adjustments	-	-	-	(1)	-	(1)	-	(1)
Tax on other comprehensive income	-	(1)	-	-	-	(1)	-	(1)
<b>Other comprehensive income</b>	-	<b>5</b>	<b>23</b>	-	-	<b>28</b>	<b>2</b>	<b>30</b>
<b>Total comprehensive income for the period</b>	-	<b>5</b>	<b>23</b>	<b>562</b>	-	<b>590</b>	<b>6</b>	<b>596</b>
Transactions with shareholders:								
Share-based payments	-	-	-	13	-	13	-	13
Dividends distributed	-	-	-	-	(52)	(52)	(5)	(57)
Purchase and sale of treasury shares, net	-	-	-	(77)	-	(77)	-	(77)
Purchase/sale of non-controlling interests	-	-	-	(2)	-	(2)	-	(2)
Total transactions with shareholders	-	-	-	<b>(66)</b>	<b>(52)</b>	<b>(118)</b>	<b>(5)</b>	<b>(123)</b>
<b>Equity at 30 June 2010</b>	<b>209</b>	<b>(189)</b>	<b>10</b>	<b>5,943</b>	-	<b>5,973</b>	<b>30</b>	<b>6,003</b>

**STATEMENT OF CHANGES IN EQUITY – 1 JANUARY - 30 JUNE 2011**

(DKKm)	Share capital	Hedging reserve	Reserve for exchange rate adjustments	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January 2011</b>	<b>209</b>	<b>(110)</b>	<b>66</b>	<b>6,279</b>	<b>105</b>	<b>6,549</b>	<b>36</b>	<b>6,585</b>
<b>Profit for the period</b>	-	-	-	<b>697</b>	-	<b>697</b>	<b>6</b>	<b>703</b>
Foreign currency translation adjustments, foreign enterprises	-	-	19	-	-	19	(2)	17
Fair value adjustments of hedging instruments for the period	-	63	-	-	-	63	-	63
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	29	-	-	-	29	-	29
Tax on other comprehensive income	-	(20)	-	-	-	(20)	-	(20)
<b>Other comprehensive income</b>	-	<b>72</b>	<b>19</b>	-	-	<b>91</b>	<b>(2)</b>	<b>89</b>
<b>Total comprehensive income for the period</b>	-	<b>72</b>	<b>19</b>	<b>697</b>	-	<b>788</b>	<b>4</b>	<b>792</b>
Transactions with shareholders:								
Share-based payments	-	-	-	16	-	16	-	16
Dividends distributed	-	-	-	-	(105)	(105)	(3)	(108)
Purchase and sale of treasury shares, net	-	-	-	(1,239)	-	(1,239)	-	(1,239)
Capital reduction	(5)	-	-	5	-	-	-	-
Other adjustments	-	-	-	4	-	4	-	4
Tax on transactions with shareholders	-	-	-	1	-	1	-	1
Total transactions with shareholders	<b>(5)</b>	-	-	<b>(1,213)</b>	<b>(105)</b>	<b>(1,323)</b>	<b>(3)</b>	<b>(1,326)</b>
<b>Equity at 30 June 2011</b>	<b>204</b>	<b>(38)</b>	<b>85</b>	<b>5,763</b>	-	<b>6,014</b>	<b>37</b>	<b>6,051</b>

## SEGMENT INFORMATION – ACTIVITIES

Condensed income statement (DKKm)	Air & Sea Division		Road Division		Solutions Division		Parent		Unallocated items and eliminations		Total	
	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Revenue	9,066	9,408	10,186	11,409	2,429	2,507	244	228	-	-	21,925	23,552
Intercompany revenue	(474)	(433)	(662)	(827)	(146)	(182)	(237)	(228)	-	3	(1,519)	(1,670)
<b>Revenue</b>	<b>8,592</b>	<b>8,975</b>	<b>9,524</b>	<b>10,582</b>	<b>2,283</b>	<b>2,325</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>20,406</b>	<b>21,882</b>
<b>Gross profit</b>	<b>1,810</b>	<b>1,985</b>	<b>2,062</b>	<b>2,167</b>	<b>725</b>	<b>741</b>	<b>(12)</b>	<b>(21)</b>	<b>(234)</b>	<b>(248)</b>	<b>4,585</b>	<b>4,872</b>
<b>Operating profit before special items (EBITA)</b>	<b>546</b>	<b>636</b>	<b>388</b>	<b>424</b>	<b>124</b>	<b>134</b>	<b>(20)</b>	<b>(19)</b>	<b>-</b>	<b>8</b>	<b>1,038</b>	<b>1,183</b>
Special items, net	-	-	-	-	-	-	-	-	-	-	-	-
Financials, net	-	-	-	-	-	-	-	-	(269)	(214)	(269)	(214)
<b>Profit (loss) before tax (EBT)</b>	<b>546</b>	<b>636</b>	<b>388</b>	<b>424</b>	<b>124</b>	<b>134</b>	<b>(20)</b>	<b>(19)</b>	<b>(269)</b>	<b>(206)</b>	<b>769</b>	<b>969</b>
<b>Total assets</b>	<b>13,139</b>	<b>12,919</b>	<b>11,805</b>	<b>10,213</b>	<b>4,581</b>	<b>4,276</b>	<b>16,654</b>	<b>17,171</b>	<b>(22,422)</b>	<b>(21,910)</b>	<b>23,757</b>	<b>22,669</b>

## KEY OPERATING DATA

	Air & Sea Division		Road Division		Solutions Division		Parent		Unallocated items and eliminations		Total	
	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	YTD 2010	YTD 2011	Q2 2010	Q2 2011	YTD 2010	YTD 2011
Gross margin	20.0%	21.1%	20.2%	19.0%	29.8%	29.6%	-	-	-	-	22.5%	22.3%
EBITA margin	6.0%	6.8%	3.8%	3.7%	5.1%	5.3%	-	-	-	-	5.1%	5.4%
EBITA as a percentage of gross profit	30.2%	32.0%	18.8%	19.6%	17.1%	18.1%	-	-	-	-	22.6%	24.3%

## ACQUISITION OF ENTERPRISES

On 27 May 2011, DSV concluded an agreement on the acquisition of the entire share capital of Wasa Logistics OY. The acquisition will strengthen the project activities of the Air & Sea Division in Finland. The fair value of assets acquired mainly comprises trade receivables. A small goodwill amount was included in connection with the acquisition.

Part of the total purchase price of the enterprise constitutes a deferred contingent consideration which can only be finally determined in 2014. The contingent consideration has been calculated on the basis of future earnings as assessed by Management.

The acquisition of the enterprise had no material impact on the revenue, results or financial position of the Group.