21 February 2012

2011 ANNUAL REPORT
Company Announcement No. 434

Publication of 2011 Annual Report

Major key figures of the 2011 Annual Report (1 January - 31 December 2011)
- Revenue amounted to DKK 43,710 million (2010: DKK 42,562 million)
- Gross profit came to DKK 9,819 million (2010: DKK 9,320 million), corresponding to a gross margin of 22.5% (2010: 21.9%)
- Operating profit before special items came to DKK 2,426 million (2010: DKK 2,202 million), corresponding to an EBITA margin of 5.6% (2010: 5.2%)
- Profit before tax amounted to DKK 1,995 million (2010: DKK 1,660 million)
- The profit for the year was DKK 1,449 million (2010: DKK 1,194 million)
- Diluted adjusted earnings per share of DKK 1 came to DKK 7.82 (2010: DKK 6.16)
- Free cash flow for the year amounted to DKK 1,829 million (2010: DKK 1,512 million)

Management considers the results for the financial year ended 31 December 2011 satisfactory. The Board of Directors proposes increased dividends of DKK 1.00 per share against dividends of DKK 0.50 per share for 2010.

Outlook for 2012
The 2012 outlook of the DSV Group is as follows:
- As opposed to previously, the expectations disclosed do not concern revenue as revenue is not considered to provide a fair view of the development in the earnings of DSV
- Gross profit is expected to be in the range of DKK 10,000 - 10,500 million
- Operating profit before special items is expected to be in the range of DKK 2,500 - 2,700 million
- In order to improve productivity and adjust the cost base to match the activity level a restructuring plan has been initiated. Costs relating to this initiative are expected to amount to DKK 250 million and will be reported as special items
- Financial expenses are expected to net about DKK 300 million
- The Group expects its tax rate for the year to be close to 27%
- The free cash flow of the Group is expected to be in the range of DKK 1,600 - 1,800 million

Investor teleconference
As disclosed in company announcement No. 433, DSV invites investors, analysts and others to participate in an investor teleconference on 21 February 2012 at 10.00 a.m. CET. The conference can be followed by telephone and as webcast. Further information concerning attendance is provided in company announcement No. 433.

Inquiries relating to the Annual Report
Questions may be addressed to Jens Bjorn Andersen, CEO, tel. +45 43 20 30 40, or Jens H. Lund, CFO, tel. +45 43 20 30 40.

This announcement has been forwarded to NASDAQ OMX Copenhagen and to the press. It is also available at www.dsv.com. This announcement has been prepared in Danish and in English. In case of discrepancies, the Danish version shall apply.

Yours sincerely,
DSV

Jens Bjørn Andersen	Jens H. Lund
CEO	CFO

DSV A/S, Banemarksvej 58, 2605 Brøndby, tel. +45 43203040, fax +45 43203041, CVR No. 58233528, www.dsv.com.

Contents

MANAGEMENT'S COMMENTARY

Global Transport and Logistics	2
DSV delivers results!	4
Financial highlights	7
Strategy and financial targets	8
Financial review	10
DSV Air & Sea	16
DSV Road	20
DSV Solutions	24
Shareholder information	28
Corporate governance	31
Risk management	34
Corporate social responsibility	36
The Executive Board and the Board of Directors	38
Statement by the Executive Board and the Board of Directors	40
Independent auditors' report	41

CONSOLIDATED FINANCIAL STATEMENTS

Income statement	44
Statement of comprehensive income	44
Balance sheet	45
Cash flow statement	46
Statement of changes in equity	47
Notes	49
Group structure	80

ANNUAL REPORT OF PARENT

CD containing 2011 Annual Report of Parent 83

Global Transport and Logistics

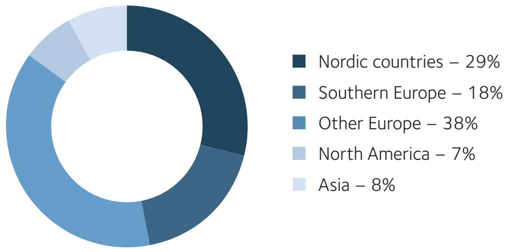
DSV is a global supplier of transport and logistics services. The Group has more than 21,000 employees worldwide and subsidiaries in more than 60 countries.

DSV Air & Sea specialises in the handling of air and sea freight to destinations all over the world. The Division plans and executes shipments in a quick, efficient, safe and environmentally friendly manner and combines the means of transportation when most appropriate. The Division has 6,000 employees and subsidiaries in more than 60 countries.

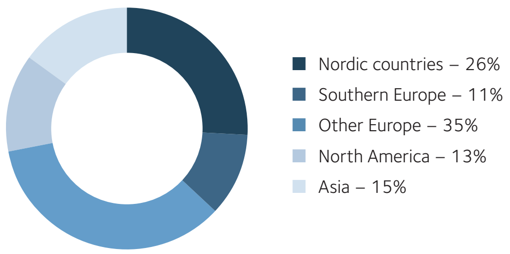
DSV Road offers transportation of full, part and groupage loads all over Europe in a quick, efficient, flexible and environmentally friendly manner and provides good connections to the rest of the world. The Division has 10,000 employees and subsidiaries in 32 countries in Europe.

DSV Solutions specialises in logistics services across the entire supply chain from design through freight management, customs clearance, warehousing and distribution to information management and e-business support. The Division has 5,000 employees and subsidiaries in 16 European countries.

REVENUE – BY REGION



EBITA – BY REGION



Revenue*

DKKM

43,710

EBITA*

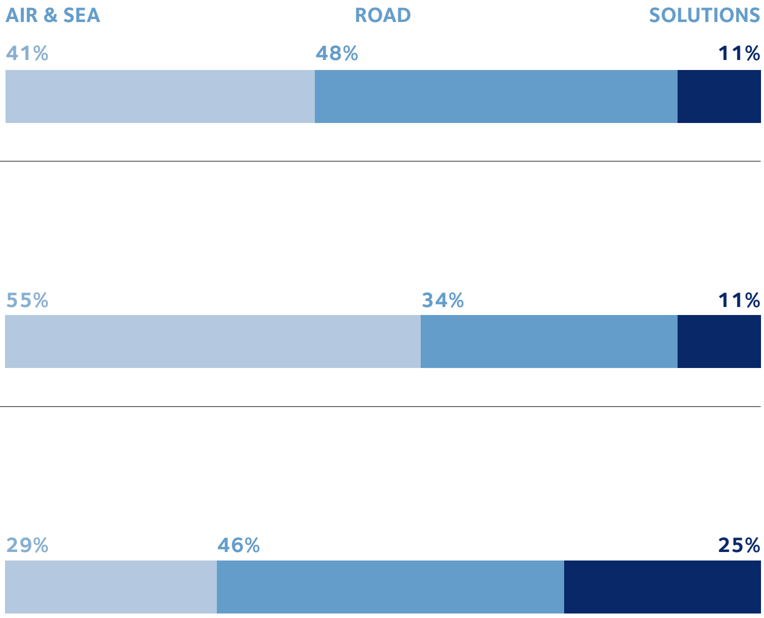
DKKM

2,426

Employees**

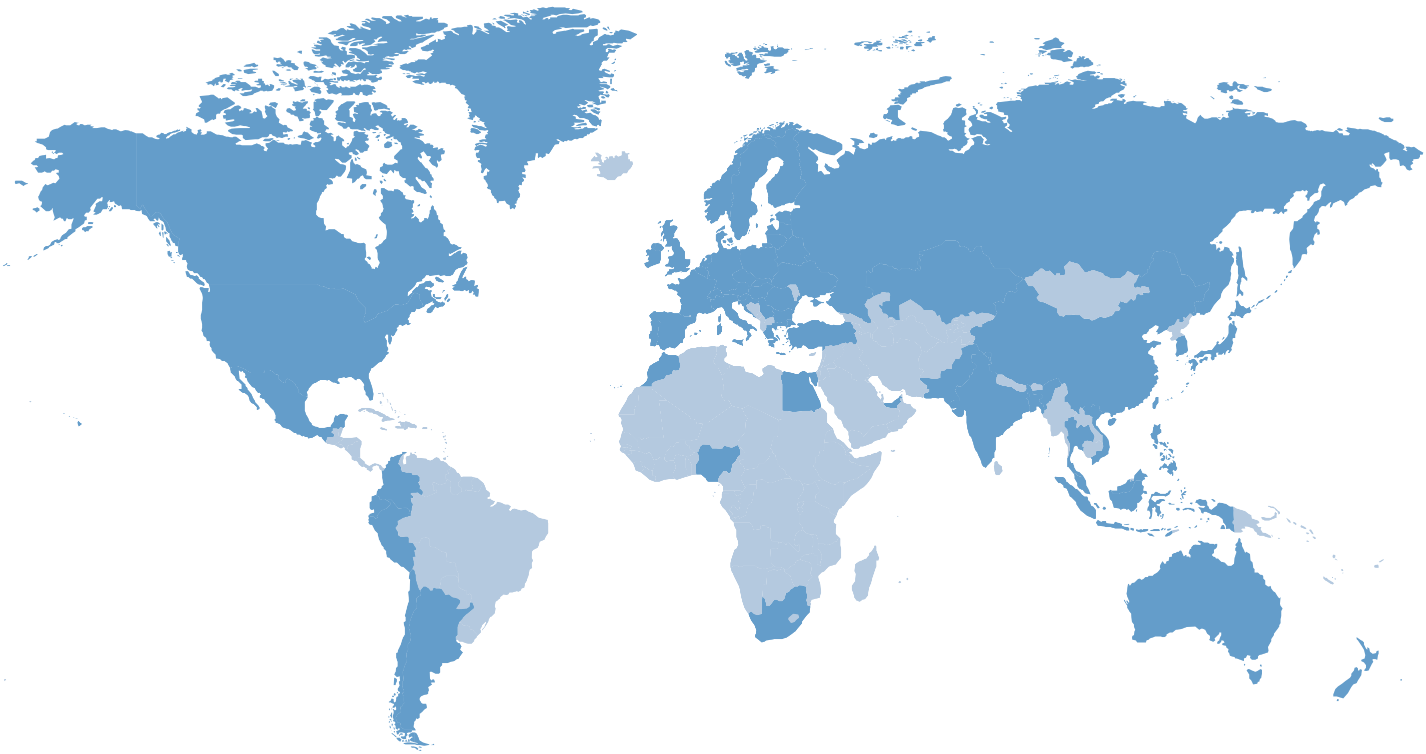
NUMBER OF

21,678



* External revenue and EBITA after elimination of internal transactions

** Including Group functions



Countries in which DSV has its own companies

DSV delivers results!

Continued growth in all Divisions and a solid position among the world's leading transport and logistics providers. DSV remains on track and delivers results in line with the outlook.

It is a great pleasure to state that DSV has managed to deliver results in line with the outlook despite the fact that the year of 2011 was characterised by financial and political instability, which lead to an unstable global market. Once again, the asset light business model of DSV has proven its worth, enabling us to achieve the set goals and use external circumstances to our advantage to the largest extent possible.

Jens Bjørn Andersen
CEO
DSV A/S

On track

2011 began where 2010 left off: With clear, blue skies and widespread optimism in the wake of the financial crisis of 2008 and 2009. However, this atmosphere changed over summer as the political challenges of the European debt crisis contributed to a slowdown in the last six months of the year. Nevertheless, we can state that the overall development of DSV is moving in the right direction: Continued growth in revenue, gross profit and EBITA, as well as productivity accelerating in 2011.

This generated a strong cash flow which enabled the Group to carry out a historic share buy-back of DKK 2.5 billion in 2011, corresponding to more than 10% of the issued share capital, and at the same time double the dividend payments to our shareholders. Going forward, DSV aims to increase dividends, continue the active capital allocation policy and maintain the capital structure target of a debt to EBITDA ratio of 2.0-2.5.

Focus on the customer

Small and medium-sized customers constitute the key segment of DSV, and we constantly focus on strengthening our competencies within this segment while perfecting our services for large, global customers.

It is our mission to add value for our customers and offer competitive advantages through innovative products and services. New services, such as cargo insurance with DSV Insurance and the continued focus on offering e-services across borders and divisions, contribute to strengthening the market position of DSV. Through constant focus on development and expansion of e-services and, above all, smarter distribution, DSV is committed to adding value for our customers. At the same time, these services free time and human resources to perfect our skills in other areas that are key to continued growth.

DSV focuses on specialising within all industries and sectors of the Group. DSV has dedicated employees for specific tasks; often with a professional background in the relevant industry. Know-how and expertise within the individual segments are key to good business relationships. Today we offer a competitive product very different from the product that we offered 10 years ago, and we endeavour to constantly improve our business to always meet and exceed our customers' requirements.

„ This generated a strong cash flow which enabled the Group to carry out a historic share buy-back of DKK 2.5 billion in 2011...

DSV Air & Sea

Delivering 55% of the consolidated EBITA, the Air & Sea Division maintains its position as the best earner of the Group. Large freight rate fluctuations, especially in the sea freight market, required major efforts by the organisation, and we have reason to be pleased with the entire Division.

The market as a whole was characterised by declining air freight volumes, and we are therefore pleased to note that DSV has managed to increase air freight volumes, surpassing the market growth rate. As for sea freight, the growth in shipments recorded by DSV was slightly below market growth.

It is a key goal of the Division to continue the profitable growth and maintain the high profit per shipment, both within sea and air freight, rather than growing aggressively and risk jeopardising the profit per shipment. The Division is well equipped to take part in global market growth. Nevertheless, strengthening our network in the Asian and South American growth markets through acquisitions is of high priority for the coming period.

DSV Road

DSV Road recorded impressive performance, particularly in the Northern and Eastern European markets, where the Division holds a strong position. These markets saw a more positive development than Southern Europe. The Division still has good development potential with large variations in productivity between the countries, and DSV Road has launched several interesting initiatives during the year which, in combination with continued optimisation of the existing business, are to create the basis for improvements. The Division has managed to increase freight volumes above the market growth. The Division has considerable strength and has built one of the most comprehensive transport networks in Europe, attracting many new customers.

DSV Solutions

With great stability and progress, DSV Solutions maintains its position as a leading European logistics provider in key geographical areas. In a fiercely competitive market, the Division has managed to attract new customers and maintain high earnings in 2011. Moreover, the Division makes constant efforts to further specialise its services, successfully developing and offering new and sought-after products. Altogether, DSV Solutions achieved good results, and the Division plays an increasingly important role relative to the other business areas in step with the increasing demand for fully integrated supply-chain services that cover services from all three Divisions.

Employees

DSV invests many resources in a wide range of initiatives to develop our vital resource - our employees. As a service provider, DSV is highly dependent on the commitment and the skills, knowledge and ambitions of the individual employee. We therefore emphasise the importance of offering our employees good career opportunities and retraining in order to satisfy the ambitions of the individual and ensure potential candidates for internal recruitment in DSV.

Corporate Social Responsibility

The CSR activities of the Group were further formalised and structured in 2011. The efforts to implement CSR policies in DSV contribute to reducing a number of financial and commercial risks, and we regard this work as an important means to turn these risks into opportunities.

In 2011, DSV set a number of corporate CSR targets, including specific targets for the carbon emissions of the Group. The efforts are aimed primarily at the Company's subcontractors, which carry out the majority of the physical transport operations of DSV. However, we also make targeted efforts to reduce the energy consumed for lighting, heating, air conditioning and ventilation systems in the Group's buildings. This aspect of social responsibility is shared by the entire organisation and is of high importance to us and to our customers.

Continued consolidation

The transport market is still characterised by a large number of players, each having a relatively small market share. DSV expects the consolidation in the industry to continue, and we intend to take part in the process. DSV aims to continue to grow, organically and through acquisitions, in all

Divisions and markets. Acquisitions will primarily relate to the Air & Sea Division and will mainly focus on the growth markets in Asia and South America.

Business processes

Well-functioning business processes and IT systems play an increasingly critical role in the industry, and the major efforts made by DSV are reflected directly in our financial results. Throughout the year we have seen the visible effects, such as improved IT solutions for our customers and more efficient internal workflows. It is crucial that we remain on track and take the lead. It provides major competitive advantages that we can use for the benefit of our customers.

Adjustment of overheads

Continuous assessment and adjustment of overheads are necessary in order for DSV to stay competitive and maintain profitability. As a consequence of the Company's constant focus on business process optimisation, and in order to facilitate an adjustment of overheads, DSV has allocated a non-recurring expense in the Group's budget for 2012. The step to reduce overheads is made to enable DSV to meet future challenges and maintain the position as 'best-in-class' in terms of productivity and profitability in order to achieve Group targets.

Outlook

There is no doubt that the outlook for the global economy, and the European economy in particular, is subject to uncertainty in 2012. This development is inextricably linked with the development in freight volumes and consequently the development of DSV.

Overall, we expect relatively low growth rates, but we do expect growth in both volumes and results for the Group in general in 2012. DSV is a strong company and has prepared thoroughly for a more uncertain future global economy. Our business model has proven its strength before, in times of recession as well as in times of prosperity, and we are ready to take action if we have to.

DSV has a good market position and outstanding, loyal employees, customers and suppliers and has a solid basis for continuing the positive development that we have witnessed in 2011. Thank you for your efforts, everybody!

FINANCIAL HIGHLIGHTS*

	2007	2008	2009	2010	2011
Income statement (DKKm)					
Revenue	34,899	37,435	36,085	42,562	43,710
Gross profit	7,704	8,175	8,898	9,320	9,819
Operating profit before amortisation, depreciation and special items (EBITDA)	2,126	2,338	2,239	2,721	2,975
Operating profit before special items (EBITA)	1,882	1,936	1,703	2,202	2,426
Special items, net	(28)	78	(688)	(5)	-
Operating profit (EBIT)	1,854	2,014	1,015	2,197	2,426
Net financial expenses	268	404	555	537	431
Profit before tax	1,586	1,610	460	1,660	1,995
Profit for the year	1,114	1,233	191	1,194	1,449
Adjusted earnings	1,141	1,131	799	1,290	1,546
Balance sheet (DKKm)					
Non-current assets	9,362	13,942	14,180	14,143	13,786
Current assets	6,942	9,783	8,000	8,942	8,948
DSV A/S shareholders' share of equity	3,457	3,808	5,501	6,549	5,279
Non-controlling interests	192	49	29	36	30
Non-current liabilities	5,783	8,702	8,532	7,398	7,984
Current liabilities	6,872	11,166	8,118	9,102	9,441
Balance sheet total	16,304	23,725	22,180	23,085	22,734
Net working capital	291	1,074	135	70	1
Net interest-bearing debt	5,121	9,541	6,890	5,872	6,585
Invested capital including goodwill and customer relationships	9,151	13,323	13,100	13,046	12,030
Gross investment in property, plant and equipment	742	731	488	334	576
Cash flows (DKKm)					
Operating activities	1,407	895	1,702	1,663	1,863
Investing activities	(379)	(3,119)	(486)	(151)	(34)
Free cash flow	1,028	(2,224)	1,216	1,512	1,829
Financing activities (excluding dividends distributed)	(972)	2,159	(1,373)	(1,346)	(1,712)
Dividends distributed	(50)	(50)	-	(52)	(105)
Cash flow for the year	6	(115)	(157)	114	12
Foreign currency translation adjustments	(30)	248	8	(118)	(8)
Cash and cash equivalents at year-end	383	516	367	363	367
Financial ratios (%)					
Gross margin	22.1	21.8	24.7	21.9	22.5
EBITDA margin	6.1	6.2	6.2	6.4	6.8
EBITA margin	5.4	5.2	4.7	5.2	5.6
EBIT margin	5.3	5.4	2.8	5.2	5.6
EBITA in percentage of gross profit (Conversion ratio)	24.4	23.7	19.1	23.6	24.7
Effective tax rate	29.8	23.4	58.5	28.1	27.4
ROIC before tax including goodwill and customer relationships	20.7	17.2	12.9	16.8	19.7
Return on equity (ROE)	29.8	33.8	4.0	19.7	24.3
Solvency ratio	21.2	16.0	24.8	28.4	23.2
Net interest-bearing debt to EBITDA (Financial gearing ratio)	2.4	3.6	3.1	2.2	2.2
Share ratios					
Earnings per share of DKK 1 (EPS)	5.49	6.66	0.93	5.68	7.34
Diluted adjusted earnings per share of DKK 1	5.77	6.12	3.93	6.16	7.82
Number of shares at year-end ('000)	188,382	182,872	208,699	206,507	185,644
Diluted average number of shares ('000)	197,876	184,955	203,248	209,395	197,613
Share price at year-end (DKK)	111.75	56.50	94.00	123.30	103.00
Dividend per share	0.25	0.00	0.25	0.50	1.00
Staff					
Number of employees at year-end	19,211	25,056	21,280	21,300	21,678

*) For a definition of the financial highlights, please refer to page 79.

Strategy and financial targets

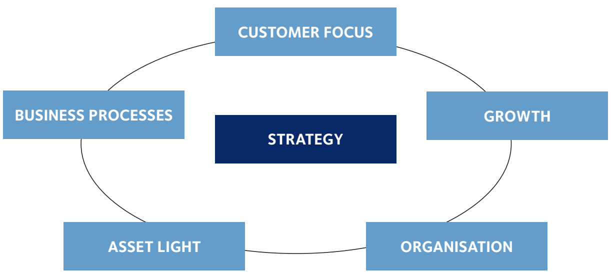
DSV wants to strengthen its position among the world's leading transport and logistics companies by providing efficient services to our customers.

Increased globalisation, the ever increasing demand for transport services and the financial crisis of recent years provide a number of strategic opportunities for DSV, but also some challenges. The strategy of DSV is flexible and designed to exploit strategic opportunities, e.g. advantageous acquisition opportunities, while at the same time taking into account strategic challenges, including in particular the importance of maintaining a high level of profitability.

The strategy and objectives are assessed on an ongoing basis by the DSV Executive Board and Board of Directors, which enables them to make any adjustments necessary relative to the impact of external events on the Group.

Elements of the DSV strategy

The strategy of DSV is based on the following pivotal elements:



CUSTOMER FOCUS

DSV will add value for our customers by constantly providing quality services. Through close collaboration across all three Divisions, DSV wants to offer a one-stop shopping model within all customer segments. This model allows customers to focus on their core business to a greater extent.

The customer segment of small and medium-sized enterprises is a strong vertical of DSV, and the Group aims to maintain and expand its market share in this segment. In addition, DSV has enhanced its sales efforts targeted at large, global customers. These initiatives are managed by a specialised Global Accounts Department and are expected to increase Group activities and earnings in the segment.

The transport and logistics industry is experiencing an increasing demand for solutions that are tailored to the customers' business areas. Management has therefore decided to focus the sales efforts on a number of industries in which the Group has a particularly strong product and deep insight into customer needs.

GROWTH

The transport market is still characterised by a highly fragmented structure with small, medium-sized and large providers. This provides good opportunities to win market shares both through acquisitions and organic growth.

By its strategic initiatives DSV aims to achieve organic growth above the market growth rate, measured by freight volume, in the markets in which the Group operates.

Historically, DSV has created growth both in revenue and earnings through a series of major acquisitions. By these acquisitions DSV has developed and demonstrated its ability to integrate the acquirees quickly and efficiently, creating the basis for future organic growth in all three Divisions. As opposed to previous acquisitions, future acquisitions are therefore mainly expected to be bolt-on acquisitions intended to supplement the existing network and cater for new markets.

ORGANISATION

DSV's corporate culture builds on the primary business areas of the Group, all of which are characterised by a flat, decentralised organisational structure focusing on empowerment and direct communication channels at all levels to facilitate smooth information flows between management and employees. The national managements are responsible for the operating activities and administration in their relevant countries according to the guidelines communicated by Group Management. As part of the Group's strategy to maintain a decentralised structure, all national companies have their own independent budgets, which are monitored closely by the relevant national managements as well as Division and Group Managements.

Due to its decentralised structure, DSV is able to develop its national companies in consideration of local market conditions, culture and language. In addition, the national organisations are close to the local customers and able to quickly make decisions when needed.

This organisational structure is still of major strategic importance to DSV as it supports a competitive and agile organisation. The strong group and shared-service functions of DSV (e.g., procurement, finance, compliance, sales and marketing, and IT) underpin the decentralised corporate structure. This structure provides the right balance between a flexible, decentralised structure and central management, ensuring optimisation of processes and utilisation of economies of scale. The shared-service functions of the Group will be expanded in the coming years as part of the continued efforts to further centralise and standardise the Group's business processes.

ASSET LIGHT

DSV applies a flexible business model, which means that the Group does not invest in fixed assets in the form of trucks, ships or aeroplanes. This asset light strategy implies comprehensive outsourcing and has proved to have certain benefits, particularly in periods of recession, as it supports a flexible cost structure.

BUSINESS PROCESSES

Effective and efficient business processes are essential to the earnings and continued growth of DSV. The integration and consolidation of the IT platforms used by the Group are therefore a vital element of the corporate strategy to support the day-to-day operations. The Group is currently rolling out a global Transport Management System in the Air & Sea Division and a new operations management system in the Solutions division. Management expects significantly higher productivity as a result of these initiatives.

Business processes are optimised on an ongoing basis to increase productivity and enhance the focus on customer profitability and revenue per shipment. This optimisation is driven by a high level of management involvement and the governance model developed for the Group.

Long-term financial targets

Management focuses on increasing the return on invested capital (ROIC). This objective is to be achieved through increased earnings and a reduction of invested capital. This focus is reflected in the Group's financial and capital structure targets and priorities for the use of free cash flow.

FINANCIAL TARGETS

	DSV	Air & Sea	Road	Solutions
Growth in freight volume*		Above market growth		
EBITA margin	7%	7-8%	5%	7%
Conversion ratio	30%	35%	25%	25%
ROIC before tax (including goodwill)	25%	25%	25%	20%

*) Growth is defined as growth in freight volume on the markets where DSV operates.

The financial targets have been adjusted relative to the 2010 Annual Report. The Group no longer pursues the organic revenue growth targets previously announced, but maintains its objective of winning market shares and achieving growth rates above the market growth (measured by freight volume). The transport market is characterised by large fluctuations in growth as well as freight rates, and Management believes that targets based exclusively on the market development in freight volumes is a more operational and true measure for the DSV Group.

Moreover, targets have been set for the development in conversion ratio. This ratio illustrates the development in organisational productivity and is therefore a good measure of the Group's constant efforts to optimise business processes.

Future acquisitions and other investments will be made in the areas with the highest expected return and based on the strategic objectives of DSV.

Capital structure

The targets set for the capital structure of DSV are:

- A solid financing structure to increase the return on invested capital.
- Sufficient financial flexibility to meet the strategic objectives.

The capital structure of DSV is assessed on a regular basis. The financial gearing ratio was 2.2 at 31 December 2011.

The target set for the Group's financial gearing ratio is 2.0 to 2.5. The net interest-bearing debt to EBITDA ratio may exceed 2.5 in extraordinary periods due to major acquisitions made by the Group.

DSV aims to spend the free cash flow on:

1. Repayment of net interest-bearing debt in periods when the financial gearing ratio of the Group is above the capital structure target.
2. Acquisitions if there are attractive candidates.
3. Distribution to the Company's shareholders by means of share buy-backs and dividends.

Free cash flow is generated on an ongoing basis during the year, individual transactions and seasonality leading to minor fluctuations in the free cash flow from quarter to quarter. Management monitors on an ongoing basis that the realised and expected capital structure of the Group satisfy the targets set. Any adjustments of the capital structure are determined in connection with the release of interim financial reports and are made primarily by means of share buy-backs. More specifically, the target set for the capital structure means that if the Group makes no major acquisitions in 2012, the Group will have financial capacity in 2012 in the order of DKK 1.5-2.0 billion for distributions to the Company's shareholders.

The Group has adopted a dividend policy, according to which the Group will increase the annual distribution of dividends year by year. In the coming years, DSV aims to increase dividends by 25 percentage points every year.

Financial review

DSV A/S achieved satisfactory financial results for 2011 in line with the expectations of revenue, gross profit, EBITA and free cash flow disclosed. Business process optimisation was a theme again in 2011.

Income statement

REVENUE

Revenue grew from DKK 42,562 million in 2010 to DKK 43,710 million in 2011, corresponding to an organic growth of 2.1%.

REVENUE 2011 VERSUS 2010

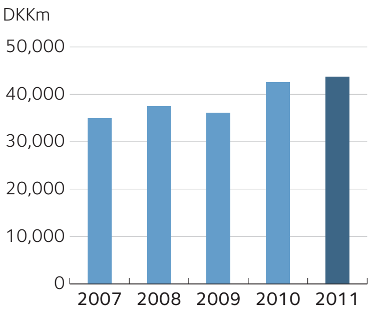
DKKm	
Revenue 2010	42,562
Foreign currency translation adjustments	24
Acquisition and divestment of enterprises, net	208
Organic growth (2.1%)	916
Revenue 2011	43,710

The revenue of the Air & Sea Division decreased by 2.5% compared with 2010. The increased activity level of the Division was more than neutralised by lower average freight rates in 2011 compared with 2010.

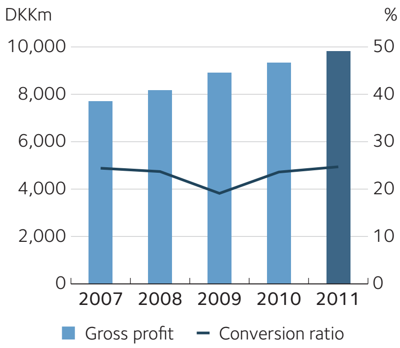
The revenue of the Road Division increased by 7.3% compared with 2010. The main reasons for the increase are higher freight volumes and slightly higher rate levels. The organic growth was 6.3% for 2011.

Jens H. Lund
CFO
DSV A/S

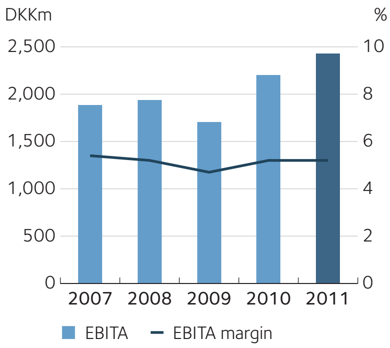
REVENUE



GROSS PROFIT



EBITA



> Diluted adjusted earnings per share came to DKK 7.82 for 2011 compared with DKK 6.16 for 2010, corresponding to an increase of 26.9%.

The revenue of the Solutions Division increased by 3.0% compared with 2010. The main reason for the increase is higher trade volumes. The organic growth was 2.5% for 2011.

DIRECT COSTS

Direct costs came to DKK 33,891 million in 2011 compared with DKK 33,242 million in 2010, an increase of 2.0%. The increase is mainly attributable to the high activity levels which were offset to a certain extent by lower average freight rates, which characterised the Air & Sea market in particular.

GROSS PROFIT

The consolidated gross profit came to DKK 9,819 million for 2011 as against DKK 9,320 million for 2010. The organic growth was 5.1% for 2011 and was attributable to higher freight volumes and higher earnings per shipment. The gross margin was 22.5% as against 21.9% in 2010. The main reason for the increase is the impact of the low freight rates on Air & Sea activities.

GROSS PROFIT 2011 VERSUS 2010

DKKm	
Gross profit 2010	9,320
Foreign currency translation adjustments	10
Acquisition and divestment of enterprises, net	16
Organic growth (5.1%)	473
Gross profit 2011	9,819

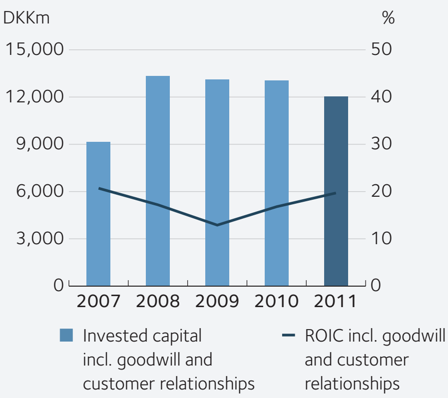
OTHER EXTERNAL EXPENSES

Other external expenses amounted to DKK 2,092 million in 2011 as against DKK 1,955 million in 2010, an increase of 7.0%. The increase is due to ordinary indexation and increased activity levels. Moreover, Q4 2011 was affected by increased provisions for doubtful trade receivables and pending legal proceedings and disputes.

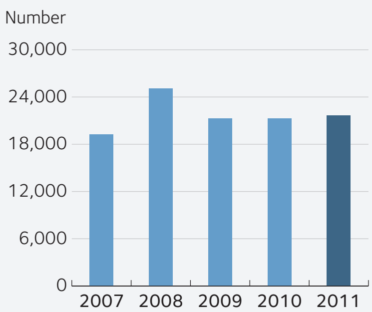
STAFF COSTS

Staff costs amounted to DKK 4,752 million in 2011 compared with DKK 4,644 million in 2010, an increase of 2.3%. In 2011, the number of employees only increased marginally on 31 December 2010 due to improved productivity.

ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



Staff costs were affected by non-cash costs for share-based payments of DKK 34 million in 2011 compared with DKK 30 million in 2010.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

For 2011, amortisation, depreciation and impairment losses amounted to DKK 549 million as against DKK 519 million for 2010. This item includes amortisation of software and other intangibles in the amount of DKK 112 million for 2011 compared with DKK 97 million for 2010. As a general rule, new software investments will be made when amortised. This item also includes amortisation of customer relationships in the amount of DKK 107 million for 2011 compared with DKK 107 million for 2010. Amortisation of customer relationships is a non-cash cost and no reinvestments are made.

OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)

The Group recorded EBITA for 2011 of DKK 2,426 million compared with DKK 2,202 million for 2010, corresponding to an organic growth of 10.7%.

EBITA was positively affected by the activity increase in 2011 and the overall relatively stable cost level. The EBITA margin was 5.6% for 2011 as against 5.2% for 2010. The improved margin is mainly a result of the streamlining of workflows and business processes; accordingly, the conversion ratio increased to 24.7% for 2011 as against 23.6% for 2010.

EBITA 2011 VERSUS 2010

DKKm	
EBITA 2010	2,202
Foreign currency translation adjustments	(13)
Acquisition and divestment of enterprises, net	3
Organic growth (10.7%)	234
EBITA 2011	2,426

Adjusted for non-cash items relating to amortisation of customer relationships and costs of share-based payments, the adjusted consolidated EBITA came to DKK 2,567 million for 2011 compared with DKK 2,339 million for 2010.

The Air & Sea Division realised EBITA of DKK 1,355 million compared with DKK 1,213 million for 2010, corresponding to an organic growth of 14.0%. Division results were positively affected by the increase in freight volumes, in particular, as well as the higher gross profit per unit and the improved conversion ratio achieved once again in 2011.

The Road Division realised EBITA of DKK 834 million compared with DKK 771 million for 2010, corresponding to an organic growth of 6.4%. The higher results are mainly a result of a higher activity level and increased productivity. The Road Division handled an increasing number of consignments in 2011 without increasing the number of staff compared with year-end 2010.

The Solutions Division realised EBITA of DKK 278 million compared with DKK 268 million for 2010, corresponding to an organic growth of 3.3%. The higher results are mainly a result of improved utilisation of capacity and an increased activity level.

FINANCIALS

For 2011, net financials constituted an expense of DKK 431 million compared with DKK 537 million for 2010. Costs declined because of lower interest rates in 2011 compared with 2010.

Financials developed as expected, although Q4 was affected by a one-off interest expense related to a tax case ruling.

PROFIT BEFORE TAX

Profit before tax came to DKK 1,995 million for 2011 compared with DKK 1,660 million for 2010. The increase is mainly attributable to higher activity levels, improved productivity and a pronounced reduction in financials.

TAX ON PROFIT FOR THE YEAR

The effective tax rate was 27.4% for 2011, which is in line with disclosed expectations and a reduction compared with 2010, when the effective tax rate was 28.1%.

PROFIT FOR THE YEAR

Profit for the year came to DKK 1,449 million for 2011 compared with DKK 1,194 million for 2010. The increase is due to higher activity levels, an improved conversion ratio and a reduction in financials.

Adjusted profit for the year came to DKK 1,546 million for 2011 compared with DKK 1,290 million for 2010.

DILUTED ADJUSTED EARNINGS PER SHARE

Diluted adjusted earnings per share came to DKK 7.82 for 2011 compared with DKK 6.16 for 2010, corresponding to an increase of 26.9%. The increase is due to the improved results and the reduced number of shares as a result of the share buy-backs made.

Balance sheet

The balance sheet total at 31 December 2011 was DKK 22,734 million as against DKK 23,085 million at year-end 2010. The decrease is mainly attributable to a reduction of funds tied up in non-current assets.

NON-CURRENT ASSETS

Non-current assets stood at DKK 13,786 million at 31 December 2011 as against DKK 14,143 million at year-end 2010. The main reason for the decrease is a reduction in property, plant and equipment as a result of property transactions.

EQUITY

The equity interest of DSV shareholders came to DKK 5,279 million at 31 December 2011, corresponding to a solvency ratio of 23.2%. At 31 December 2010, equity was DKK 6,549 million, corresponding to a solvency ratio of 28.4%. Equity was mainly affected by the share buy-backs made during the year, the profit for the year, distribution of dividends and actuarial gains/losses on pension plans.

DEVELOPMENT IN EQUITY

DKKm	2010	2011
Equity at 1 January	**5,501**	**6,549**
Net profit for the period	1,184	1,440
Dividends distributed	(52)	(105)
Purchase and sale of treasury shares	(297)	(2,418)
Foreign currency translation adjustments	97	(8)
Actuarial gains/losses on pension plans	27	(171)
Value adjustment of hedging instruments	109	1
Tax on changes in equity	(45)	(30)
Acquisition/sale of non-controlling interests	(3)	(16)
Other adjustments, net	28	37
Equity at 31 December	**6,549**	**5,279**

NET WORKING CAPITAL

The Group's funds tied up in net working capital came to DKK 1 million at 31 December 2011 compared with DKK 70 million at 31 December 2010. Net working capital as a percentage of revenue amounted to 0% and was maintained on the same level as at year-end 2010.

NET INTEREST-BEARING DEBT

Net interest-bearing debt amounted to DKK 6,585 million at 31 December 2011 as against DKK 5,872 million at 31 December 2010.

Loans and credit facilities amounted to DKK 6,551 million of the total net interest-bearing debt, DKK 5,760 million of which was long-term debt. Long-term loans amounted to DKK 5,560 million, the next refinancing being due in 2013. Undrawn loan and credit facilities amounted to DKK 1,273 million.

In 2011, the average interest rate payable for the long-term loans of the Group was 4.2% as against 5.6% in 2010. The average interest rate payable for the long-term loans is based on the interest rate of the corporate interest-rate hedge with the addition of the banks' credit margin.

At year-end 2011, the financial gearing ratio of the Group was 2.2 and in line with the ratio at year-end 2010.

CASH FLOW STATEMENT

DKKm	2010	2011
Profit before tax	**1,660**	**1,995**
Change in net working capital	(8)	(184)
Adjustment, non-cash operating items etc.	11	52
Cash flow from operating activities	**1,663**	**1,863**
Purchase and sale of intangibles, property, plant and equipment	(69)	36
Net acquisition of subsidiaries and activities	(54)	(65)
Other	(28)	(5)
Cash flow from investing activities	**(151)**	**(34)**
Free cash flow	**1,512**	**1,829**
Proceeds from and repayment of short-term and long-term debt	(1,042)	683
Transactions with shareholders	(356)	(2,500)
Cash flow from financing activities	**(1,398)**	**(1,817)**
Net change in cash and cash equivalents	**114**	**12**
Adjusted free cash flow	**1,566**	**1,894**

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities came to DKK 1,863 million in 2011 as against DKK 1,663 million in 2010. The increased cash flow from operating activities is mainly due to the improved results and a reduction in financials.

Cash flow from investing activities

Cash flow from investing activities, excluding the effect of the acquisition and divestment of subsidiaries and activities, amounted to a net inflow of DKK 31 million in 2011 compared with a net outflow of DKK 97 million in 2010. The cash flow from investing activities for 2011 was affected by property transactions.

FREE CASH FLOW

The free cash flow came to DKK 1,829 million for 2011 as against DKK 1,512 million for 2010. Adjusted for the acquisition and divestment of subsidiaries and activities, the free cash flow amounted to DKK 1,894 million in 2011 as against DKK 1,566 million in 2010.

The free cash flow was positively affected by the improved operating profit, reduced financials, property transactions and the continued low level of funds tied up in net working capital.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities constituted a net outflow of DKK 1,817 million in 2011 as against a net outflow of DKK 1,398 million in 2010. The share buy-backs made and dividends distributed had a material impact on the cash flow from financing activities for 2011.

NET CHANGE IN CASH AND CASH EQUIVALENTS

The net change in cash and cash equivalents was a net inflow of DKK 12 million, and foreign exchange translation adjustments constituted a loss of DKK 8 million; accordingly, the Group's cash and cash equivalents amounted to

> Profit before tax came to DKK 1,995 million for 2011 compared with DKK 1,660 million for 2010, corresponding to an increase of approx. 20%.

DKK 367 million at year-end 2011 compared with DKK 363 million in 2010.

INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS

The invested capital including goodwill and customer relationships amounted to DKK 12,030 million at 31 December 2011 as against DKK 13,046 million at 31 December 2010. The decrease is mainly a result of the sale of properties.

RETURN ON INVESTED CAPITAL (ROIC BEFORE TAX INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS)

In 2011, return on invested capital was 19.7% compared with 16.8% in 2010. The increase is due to the higher EBITA and the decrease in average invested capital.

EVENTS AFTER THE REPORTING DATE

No material events have occurred after the end of the financial year.

Outlook for 2012

The outlook for 2012 is affected by the general uncertainty about macroeconomic developments. It is, however, assumed that the situation will continue to become more stable in the markets in which the Group operates.

The separate divisional reviews provide additional information on expected market developments.

MARKET GROWTH FORECAST – FREIGHT VOLUMES, 2012

Sea freight – TEUs	4-5%
Air freight - tonnes	0%
Road	1-2%
Solutions	1-2%

Market growth rates are based on own estimates.

GROSS PROFIT

Gross profit is expected to be in the range of DKK 10,000-10,500 million.

As opposed to previously, the expectations disclosed do not concern revenue. The reason is that revenue is not considered to provide a fair view of the development in the earnings of DSV as revenue is affected by fluctuations in both growth and freight rates; freight rates in particular having seen large fluctuations over the years.

OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)

The Group expects EBITA in the range of DKK 2,500-2,700 million.

SPECIAL ITEMS

Continuous assessment and adjustment of overheads are necessary in order for DSV to stay competitive and maintain its earnings capacity. In response to recent developments in the world economy, DSV has allocated a non-recurring expense of approx. DKK 250 million in the Group's budget for the first six months of 2012 for the reduction of overheads. The expected repayment period is about 2 years, and close on half of the expected annual synergies have been included in the EBITA forecast for 2012.

NET FINANCIALS

Financial expenses are expected to net about DKK 300 million.

TAX RATE

The Group expects its tax rate for the year to remain around 27%.

FREE CASH FLOW

The free cash flow of the Group is expected to be in the range of DKK 1,600-1,800 million.

The consolidated performance forecast is based on the exchange rates listed below.

EXCHANGE RATES

EUR	745
GBP	875
NOK	96
SEK	82
USD	560

FORWARD-LOOKING STATEMENTS

This Annual Report includes forward-looking statements on various matters, such as expected earnings and future strategies and expansion plans. Such statements are uncertain and involve various risks because many factors, some of which are beyond DSV's control, may result in actual developments differing considerably from the expectations set out in the Annual Report.

Such factors include, but are not limited to, general economic and business conditions, exchange rate and interest rate fluctuations, the demand for DSV's services, competition in the transport sector, operational problems in one or more of the Group's subsidiaries and uncertainty in connection with the acquisition and divestment of enterprises.

FINANCIAL HIGHLIGHTS – QUARTERLY OVERVIEW*

	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Income statement (DKKm)								
Revenue	9,659	10,747	11,045	11,111	10,793	11,089	10,905	10,923
Gross profit	2,193	2,392	2,362	2,373	2,372	2,500	2,450	2,497
EBITA	451	587	600	564	534	649	654	589
Special items, net	-	-	-	(5)	-	-	-	-
Operating profit (EBIT)	451	587	600	559	534	649	654	589
Net financial expenses	137	132	139	129	107	107	93	124
Profit before tax	314	455	461	430	427	542	561	465
Profit for the year	223	343	321	307	313	390	407	339
Gross margin	22.7%	22.3%	21.4%	21.4%	22.0%	22.5%	22.5%	22.9%
EBITA margin	4.7%	5.5%	5.4%	5.1%	4.9%	5.9%	6.0%	5.4%
Conversion ratio	20.6%	24.5%	25.4%	23.8%	22.5%	26.0%	26.7%	23.6%
Balance sheet (DKKm)								
Net working capital	16	419	503	70	141	241	101	1
Net interest-bearing debt	6,513	6,817	6,459	5,872	6,050	6,018	6,445	6,585
Cash flows (DKKm)								
Operating activities	331	39	312	981	540	163	638	522
Investing activities	135	(121)	(50)	(115)	(24)	400	(186)	(224)
Free cash flow	466	(82)	262	866	516	563	452	298
Segment information								
Air & Sea								
Revenue	4,114	4,952	5,319	5,019	4,665	4,743	4,742	4,776
Gross profit	856	954	980	1,005	965	1,020	1,027	1,078
EBITA	239	307	326	341	291	345	356	363
Gross margin	20.8%	19.3%	18.4%	20.0%	20.7%	21.5%	21.7%	22.6%
EBITA margin	5.8%	6.2%	6.1%	6.8%	6.2%	7.3%	7.5%	7.6%
Conversion ratio	27.9%	32.2%	33.3%	33.9%	30.2%	33.8%	34.7%	33.7%
Road								
Revenue	4,930	5,256	5,199	5,718	5,594	5,815	5,646	5,586
Gross profit	990	1,072	1,000	1,043	1,047	1,120	1,058	1,055
EBITA	155	233	206	177	179	245	226	184
Gross margin	20.1%	20.4%	19.2%	18.2%	18.7%	19.3%	18.7%	18.9%
EBITA margin	3.1%	4.4%	4.0%	3.1%	3.2%	4.2%	4.0%	3.3%
Conversion ratio	15.7%	21.7%	20.6%	17.0%	17.1%	21.9%	21.4%	17.4%
Solutions								
Revenue	1,196	1,233	1,210	1,222	1,248	1,259	1,231	1,271
Gross profit	353	372	370	365	369	372	370	372
EBITA	62	62	70	74	69	65	71	73
Gross margin	29.5%	30.2%	30.6%	29.9%	29.6%	29.5%	30.1%	29.3%
EBITA margin	5.2%	5.0%	5.8%	6.1%	5.5%	5.2%	5.8%	5.7%
Conversion ratio	17.6%	16.7%	18.9%	20.3%	18.7%	17.5%	19.2%	19.6%

*) For a definition of the financial highlights, please refer to page 79.

DSV Air & Sea

The Air & Sea Division specialises in the transportation of cargo by air and sea. Supplemented by its Project Department, the Division offers conventional freight services through its global network. The Division has 6,000 employees and offices in more than 60 countries.

Strategy and goals

GROWTH

It is a key goal of the Division to strengthen its current market position and gain market shares within both air and sea freight.

Growth is to be achieved through a combination of organic growth and acquisition of enterprises to strengthen and expand the existing network. The Division has particular focus on gaining a stronger position in the Asian and South American growth markets.

CUSTOMER FOCUS

The Division aims to gain market shares by increasing the sales efforts targeted at large, global customers while maintaining its current position in the segment of small and medium-sized customers.

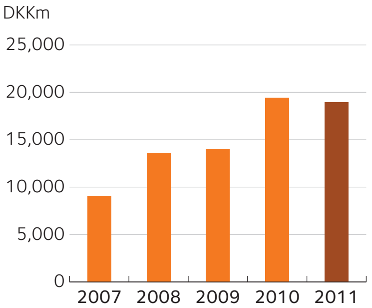
Driven by increasing customer demands for industry-specific logistics services, the Division has launched initiatives to further optimise product development and sales efforts within selected focus segments.

ORGANISATION

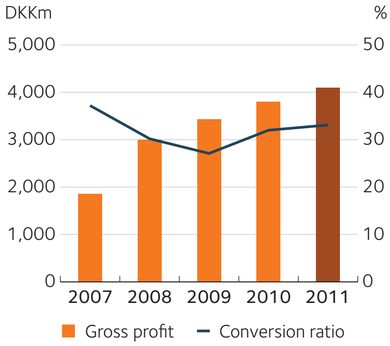
In recent years, the Division has strengthened its central functions within sea and air freight procurement. This enables the Division to exploit all advantages of its considerable size.

Jørgen Møller
Managing Director
Air & Sea Division

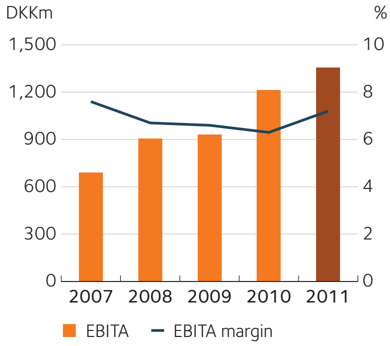
REVENUE



GROSS PROFIT



EBITA



> In the assessment of Management, the results achieved by the Division for 2011 were satisfactory.

The intensified efforts to increase sales to global customers are supported by a central Global Accounts department, which is in charge of the sales efforts and various management and administrative tasks together with Division and local managements.

BUSINESS PROCESSES AND IT

The Division aims to operate with one global Transport Management System (TMS) and expects to achieve this goal in 2013. This system is to facilitate efficient business processes and enable the Division to continuously offer competitive and value-adding transport services to our customers.

FINANCIAL TARGETS

The following long-term financial targets have been set for the Division:

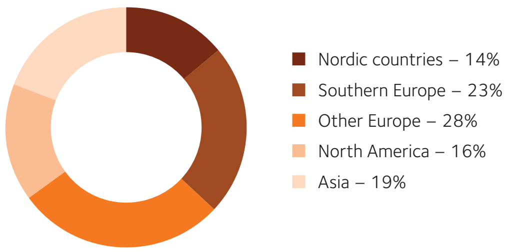
	Target	Realised 2011
EBITA margin	7-8%	7.2%
Conversion ratio	35%	33.1%
ROIC before tax	25%	20.9%

In the assessment of Management, the Division is on track to meet the EBITA margin and conversion ratio targets in the medium term. The targets are expected to be achieved as the Division increases its gross profit and continues the positive development in productivity.

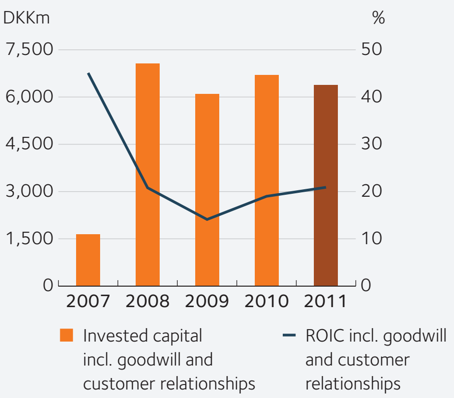
Management expects that the Division will be able to achieve organic growth in earnings without significantly increasing invested capital and thereby also achieve a continued improvement in ROIC.

GEOGRAPHIC EXPOSURE

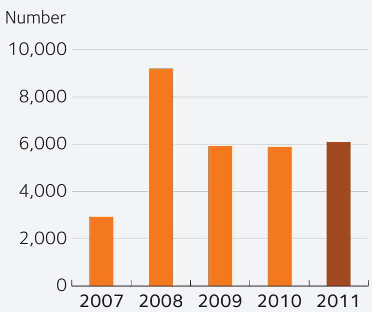
Division revenue can be broken down by the following geographical areas:



ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



Development in 2011

MARKET DEVELOPMENT

The first six months of 2011 were characterised by strong growth in both air and sea freight. However, the global economic crisis caused a slow-down in activity in the second half of the year. This trend characterised the Asia-Europe and Asia-USA routes in particular.

The growth in sea freight volumes (TEUs) realised by the Division rose by approx. 3% compared with 2010, while the market in general is estimated to have increased by approx. 5-6%. Accordingly, growth in sea freight volumes was below the market rate, and Management has high focus on getting back on the growth track in 2012 through intensified sales efforts.

Air freight volumes (tonnes) recorded by the Division in 2011 rose by approx. 5% compared with 2010, while the market in general is estimated to have stagnated with volumes in line with 2010.

The goal of winning market shares within air freight was achieved in 2011, partly as a result of a positive development in large, global customers. The key segments of automotive and aviation showed particularly positive trends.

In the last quarter of 2011, market trends were in line with the moderate development in the third quarter, and the traditional peak season towards the end of the year only had a moderate effect in 2011.

GROWTH IN FREIGHT VOLUMES

	Q4 2011 DSV	Q4 2011 Market	2011 DSV	2011 Market
Sea freight – TEUs	3%	4-5%	3%	5-6%
Air freight - tonnes	2%	-3-4%	5%	-1%

Market growth rates are based on own estimates.

DEVELOPMENT IN RATES AND CAPACITY

In 2011, the global transport markets were affected by a lower than expected increase in freight volumes coupled with an influx of additional transport capacity.

This development impacted the sea freight market in particular; surplus capacity resulting in falling freight rates on most routes throughout 2011. The market also experienced several rate increase warnings from shipping companies, most of which never materialised, however.

The air freight market saw a similar development, although less turbulent.

This price environment has created fierce competition, posing major challenges for the Division in terms of continuously offering competitive prices to our customers. Moreover, the Division has made continuous efforts to re-invoice any rate increases and peak season surcharges by shipping companies to our customers.

PROFIT DEVELOPMENT

CONDENSED INCOME STATEMENT

(DKKm)	2010	2011
Revenue	19,404	18,926
Direct costs	15,609	14,836
Gross profit	**3,795**	**4,090**
Other external expenses	819	863
Staff costs	1,637	1,740
EBITDA	**1,339**	**1,487**
Amortisation and depreciation	75	79
Amortisation of customer relationships	51	53
EBITA	**1,213**	**1,355**
Gross margin (%)	19.6	21.6
Conversion ratio (%)	32.0	33.1
EBITA margin (%)	6.3	7.2
Number of employees at year-end	5,893	6,092
Total invested capital (DKKm)	6,696	6,372
Net working capital (DKKm)	891	818
ROIC (%)	19.0	20.9

For 2011, DSV Air & Sea recorded revenue of DKK 18,926 million as against DKK 19,404 million for 2010. For the period under review, the organic growth decreased by 2.5%. The decline was mainly attributable to reduced average

MARKET DEVELOPMENT

	Q4 2010	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2011
Revenue	5,019	(21)	66	(288)	(5.7%)	4,776
Gross profit	1,005	(2)	5	70	6.9%	1,078
EBITA	341	-	(2)	24	7.1%	363
	2010					**2011**
Revenue	19,404	(199)	213	(492)	(2.5%)	18,926
Gross profit	3,795	(29)	21	303	8.0%	4,090
EBITA	1,213	(22)	(2)	166	14.0%	1,355

EBITA was DKK 1,355 million for 2011 as against DKK 1,213 million for 2010. For the period under review, the organic growth was 14.0%.

freight rates in 2011, resulting in lower revenue despite higher air and sea freight volumes.

Gross profit was DKK 4,090 million for 2011 as against DKK 3,795 million for 2010. For the period under review, the organic growth was 8.0% and was attributable to increased volumes and improved gross profit per unit (TEUs/tonnes).

The gross margin was 21.6% for 2011 as against 19.6% for 2010. Gross margin increased as a result of the relative decrease in revenue due to low freight rates and a higher average gross profit per unit.

EBITA was DKK 1,355 million for 2011 as against DKK 1,213 million for 2010. For the period under review, the organic growth was 14.0%.

The conversion ratio was 33.1% for 2011 as against 32.0% for 2010. The improved gross profit resulted in a higher operational gearing of the Division.

The efforts made to optimise operational procedures and implement a global TMS in the Air & Sea organisation also contributed to the positive development.

In the fourth quarter of the year, the Division managed to increase the gross profit per unit for both air and sea freight and thus continued the positive development of the preceding quarter. The EBITA recorded for the last quarter of 2011 was also satisfactory and in line with the development in Q3 2011.

In the assessment of Management, the results achieved by the Division for 2011 were satisfactory.

RESULTS BY AIR AND SEA FREIGHT

	Sea freight		Air freight	
(DKKm)	2010	2011	2010	2011
Revenue	11,224	10,590	8,180	8,336
Direct costs	9,144	8,302	6,465	6,534
Gross profit	2,080	2,288	1,715	1,802
Gross margin (%)	18.5	21.6	21.0	21.6
Volume (TEUs/Tonnes)	707,194	727,861	248,796	262,362

Outlook for 2012

Due to the current global economic situation, the market development is subject to great uncertainty for 2012.

Based on expectations of a stable development in the world economy, Management anticipates that the global sea freight market will grow by approx. 4-5% in 2012, measured by volume, while the air freight market measured by volume is expected to remain in line with 2011.

Activity levels were relatively high in the first part of 2011, and growth rates are therefore expected to be relatively low in the first part of 2012.

Management expects to achieve the goal of gaining market shares in the markets in which the Division operates.

The development in freight rates, particularly within sea freight rates, is difficult to predict and depends largely on the development in capacity. Hence, ensuring that the Division keeps a close eye on the market and is able to respond quickly in case of rate fluctuations are a high priority issue for Management. In accordance with the financial targets set for the Division, DSV Air & Sea is expected to maintain and improve productivity and thereby increase earnings in 2012.

DSV Road

With a complete European network, the DSV Road Division is among the top three transport companies in Europe. The Division has 10,000 employees and offices in 32 countries.

Strategy and goals

GROWTH

It is a key goal of the Division to strengthen its current market position and gain market shares.

The goal is to be achieved mainly through organic growth. The current market position and strong European network of the Division providing a good basis for growth in most countries of the Division.

Any attractive bolt-on acquisition opportunities that might supplement the existing network will be assessed and potentially pursued to support growth plans.

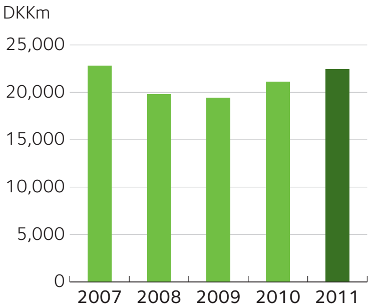
CUSTOMER FOCUS

The customer portfolio of the Road Division comprises small and medium-sized enterprises as well as a number of large, global customers. The Division aims to grow all its existing customer segments through targeted sales efforts. Growth is to be achieved within both international transport and national distribution.

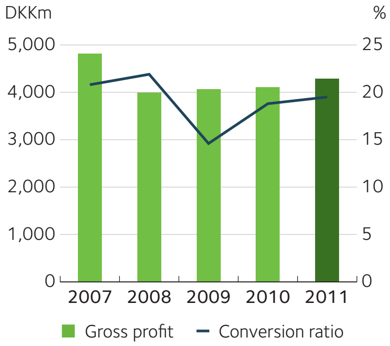
DSV Road focuses on developing all its transport service offerings: full loads, part loads and groupage loads, to enable the Division to continuously offer market-leading products in terms of price and quality.

Søren Schmidt
Managing Director
Road Division

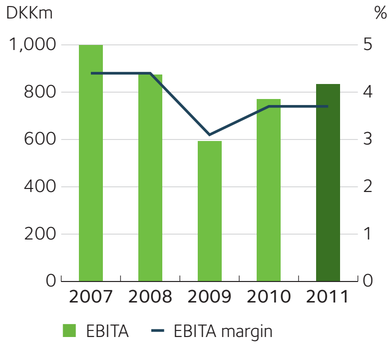
REVENUE



GROSS PROFIT



EBITA



> The total freight volume of the Road Division measured by consignments increased by approx. 6% on 2010. The market in general is estimated to have increased by approx. 2-3%.

The market of the Road Division is highly fragmented and characterised by many small and medium-sized players and a few large players. In this connection, DSV Road benefits from a large network which offers uniform quality and services to customers.

ORGANISATION

The Road organisation is intended to ensure strong local managements in the individual countries to maintain close relations with customers, suppliers and local markets.

Division management has also launched various projects with the aim to optimise business processes and exploit the advantages of the Group's size and market position in full in relation to haulier procurement, etc.

BUSINESS PROCESSES AND IT

Division business processes build on the overall objective of optimising the number of consignments per employee while constantly offering high-quality products to customers.

The Division operates with one Transport Management System (TMS) in almost all European locations. This common platform supports efficient business processes and includes online booking and Track & Trace functionalities.

The Division aims to maximise the use of these functionalities in all departments.

FINANCIAL TARGETS

The following financial targets have been set for the Division:

	Target	Realised 2011
EBITA margin	5%	3.7%
Conversion ratio	25%	19.5%
ROIC before tax	25%	21.5%

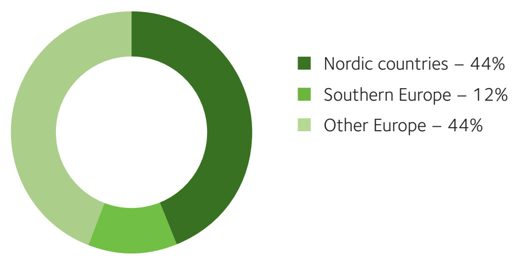
The EBITA margin and conversion ratio targets are to be achieved through improved earnings in the markets currently performing below Division average. The Division aims to increase earnings through a combination of growth, adjustment of overheads and business process optimisation.

The continued focus on optimisation and improvement of earnings also includes traditionally strong Road countries.

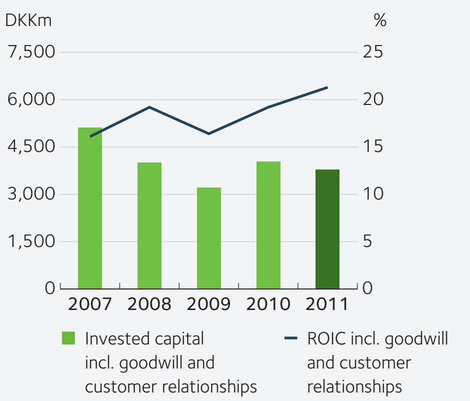
In recent years, the Division has managed to systematically reduce the invested capital, and Management expects continued improvement in ROIC as the operating profit increases.

GEOGRAPHIC EXPOSURE

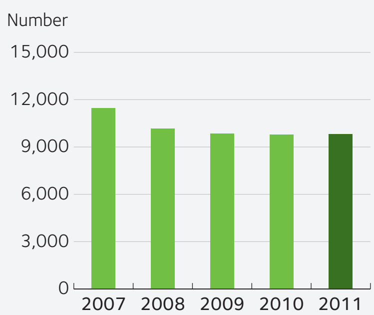
Division revenue can be broken down by the following geographical areas:



ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



Development in 2011

MARKET DEVELOPMENT

As has been the case in recent years, the European markets were characterised by uneven development in 2011 as the severity of the impact of the economic crisis and uncertainty differed in the various countries.

Southern Europe experienced stagnation and recession, whereas Northern and Eastern Europe saw a more positive development.

The total freight volume of the Road Division measured by consignments increased by approx. 6% on 2010. The market in general is estimated to have increased by approx. 2-3%. In the assessment of Management, the Division gained market shares in most European countries in 2011.

The market showed the strongest trends in the first six months of the year, but growth rates declined in Q3 2011 and this trend continued in Q4 2011.

GROWTH IN FREIGHT VOLUMES

	Q4 2011 DSV	Q4 2011 Market	2011 DSV	2011 Market
Consignments	3%	2-3%	6%	2-3%

Market growth rates are based on own estimates.

DEVELOPMENT IN RATES AND CAPACITY

From an overall perspective, the balance between supply and demand in the European road transport market improved in 2011. Similar to the last part of 2010, the beginning of the year was characterised by scarce haulier capacity, but a combination of low market growth and an influx of capacity created a better supply/demand balance.

Despite improved capacity, rates only increased slowly, partly as a result of the development in fuel prices.

PROFIT DEVELOPMENT

CONDENSED INCOME STATEMENT

(DKKm)	2010	2011
Revenue	21,103	22,641
Direct costs	16,998	18,361
Gross profit	**4,105**	**4,280**
Other external expenses	973	1,034
Staff costs	2,199	2,258
EBITDA	**933**	**988**
Amortisation and depreciation	143	137
Amortisation of customer relationships	19	17
EBITA	**771**	**834**
Gross margin (%)	19.5	18.9
Conversion ratio (%)	18.8	19.5
EBITA margin (%)	3.7	3.7
Number of employees at year-end	9,777	9,806
Total invested capital (DKKm)	3,919	3,734
Net working capital (DKKm)	(360)	(376)
ROIC (%)	21.6	21.5

DSV Road recorded revenue of DKK 22,641 million for 2011 as against DKK 21,103 million for 2010. For the period under review, the organic growth was 6.3%. The increase was partly due to higher freight volumes and partly a slight increase in average rates.

Gross profit was DKK 4,280 million for 2011 as against DKK 4,105 million for 2010. For the period under review, the organic growth was 3.5%. The increase was driven by higher freight volumes, but was also adversely affected by continued fierce price competition in the market.

MARKET DEVELOPMENT

	Q4 2010	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2011
Revenue	5,718	(17)	-	(115)	(2.0%)	5,586
Gross profit	1,043	1	-	11	1.1%	1,055
EBITA	177	(1)	1	7	4.0%	184
	2010					**2011**
Revenue	21,103	196	(8)	1,350	6.3%	22,641
Gross profit	4,105	36	(5)	144	3.5%	4,280
EBITA	771	7	6	50	6.4%	834

For the period under review, the organic growth was 6.3%. The increase was partly due to higher freight volumes and partly a slight increase in average rates.

The improvement of gross profit was also influenced by a change in the product mix, which generated an influx of new customers within national distribution in a few markets of the Division. This business area is characterised by relatively high freight volumes and low gross profit per consignment.

The gross margin was 18.9% for 2011 as against 19.5% for 2010. Prices and competition did not change significantly in the fourth quarter of 2011 compared with the preceding quarter of the year, and accordingly the gross margin remained on the same level.

EBITA was DKK 834 million for 2011 as against DKK 771 million for 2010. For the period under review, the organic growth was 6.4%.

The EBITA margin was 3.7% for 2011, corresponding to the level for 2010.

The conversion ratio was 19.5% for 2011 as against 18.8% for 2010. The increase was a result of higher operational gearing due to a higher activity level. Also, the DSV Road Division managed to improve productivity, enabling the Division to handle an increasing number of consignments in 2011 without increasing the number of staff. This development was to a large extent driven by the continued focus on business process optimisation and implementation of effective and efficient IT tools.

Overall, the results recorded by the Division for 2011 were better than for 2010, although declining growth in some countries had a negative effect on the second half of the year. In view of continued limited growth in the relevant markets, the Division has launched various initiatives to adjust overheads to the current activity levels.

Outlook for 2012

Due to the uncertain European economy, market developments in 2012 are subject to great uncertainty.

Offhand, Management is slightly optimistic and expects the overall European road transport market to grow by 1-2% and that DSV Road will be able to gain market shares. Growth rates will probably still differ among the European countries, with North and Eastern Europe seeing the strongest development trends.

The market may stagnate in the first part of 2012 due to the current economic uncertainty. Moreover, as a consequence of the relatively high activity levels in the first part of 2011, growth rates will probably be relatively low in the beginning of 2012.

The Division focuses on adjusting its overheads according to the activity levels in the individual countries and launches the initiatives necessary to maintain and improve earnings.

On this basis, the Division is expected to increase earnings in 2012.

DSV Solutions

DSV Solutions specialises in logistics services across the entire supply chain, including freight management, customs clearance, warehousing and distribution, information management and e-business support. The Division has 5,000 employees and offices in 16 European countries.

Strategy and goals

GROWTH

The Division has a goal of growing faster than the market and expanding its market position among the leading European logistics providers.

This goal is to be achieved mainly through organic growth. The sales resources of the Division were strengthened in 2011 as a means to achieve this goal.

CUSTOMER FOCUS

Long-term customer relationships are essential to the Division in order to achieve its goals, and the strategy is designed to build and maintain long lasting customer relationships.

The logistics services offered by the Division are tailored to meet the business needs of our customers.

DSV Solutions has catered for a number of segments for several years and gained special know how and expertise within these industries.

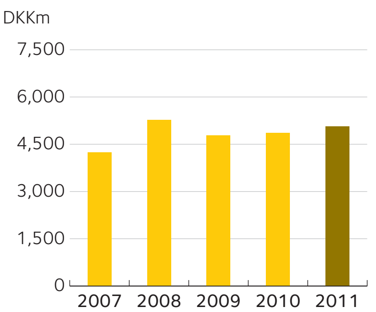
As a key element of the Group's strategy, DSV Solutions collaborates with the other two Divisions in offering integrated services that give the customers competitive advantages, e.g. by enabling them to reduce their capital investments.

ORGANISATION

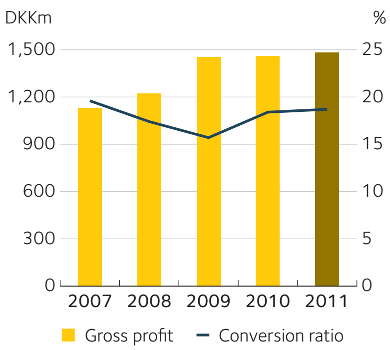
In line with Group strategy, DSV Solutions operates with a flat, decentralised organisational structure and maintains

Anton Van Beers
Managing Director
Solutions Division

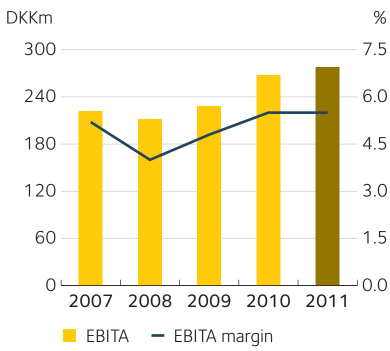
REVENUE

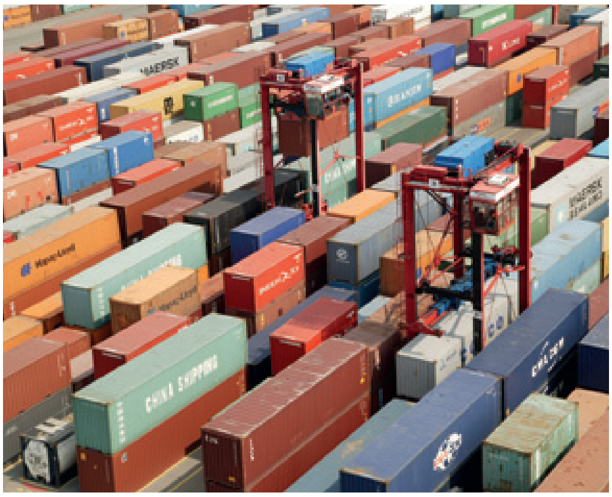


GROSS PROFIT



EBITA





> ”… both the Q4 2011 results and the 2011 full-year results are deemed satisfactory.

close collaboration across borders to facilitate the ongoing development of competitive logistics services.

BUSINESS PROCESSES AND IT

DSV Solutions has developed and is currently implementing its own integrated operations management system. The system supports the Division's goal of offering efficient logistics services which allow the customers to monitor the financial and operational efficiency of their orders. The system has now been commissioned in nine countries.

FINANCIAL TARGETS

The following financial targets have been set for the Division:

	Target	Realised 2011
EBITA margin	7%	5.6%
Conversion ratio	25%	18.7%
ROIC before tax	20%	14.4%

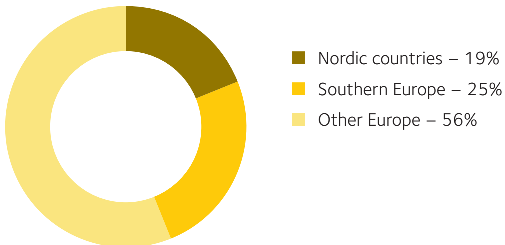
Management believes that the Division will be able to meet the EBITA and conversion ratio targets in the medium term through continued optimisation of business processes and cost structure. Adjustment of the cost structure implies, i.a., a gradual consolidation of activities into fewer and larger logistics facilities enabling the Division to exploit economies of scale.

Aligned with the asset light strategy of DSV, the Division makes ongoing efforts to reduce invested capital. Among other means, the Division aims to lease logistics facilities on flexible terms rather than owning its own facilities.

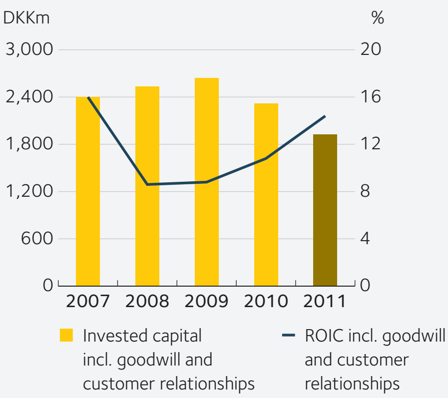
Management expects that the Division will continue to improve the ROIC in the coming years through a steady increase in profitability.

GEOGRAPHIC EXPOSURE

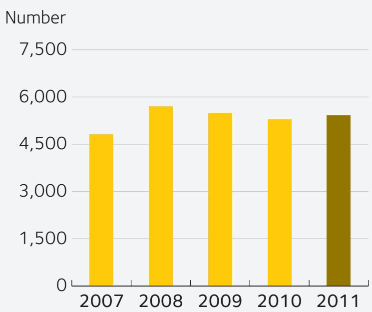
Division revenue can be broken down by the following geographical areas:



ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



> The Division achieved improved results within the segments of automotive and health care & protection.

Development in 2011

MARKET DEVELOPMENT

In continuation of the development in 2010, the demand for logistics services rose in the first part of 2011. However, the positive market development declined in the second half of 2011 in step with the growing uncertainty about the European economy.

Division volumes, measured by number of order lines, increased by approx. 3% in 2011 relative to 2010, while the market in general is estimated to have increased by approx. 2-3%. Volume growth for Q4 2011 was in line with Q3 and full-year 2011.

GROWTH IN LOGISTICS VOLUMES

	Q4 2011 DSV	Q4 2011 Market	2011 DSV	2011 Market
Orderlines	3%	2-3%	3%	2-3%

Market growth rates are based on own estimates.

CAPACITY AND PRICES

In 2011, DSV Solutions received many invitations to logistics tenders from customers. The logistics services market is generally characterised by fierce price competition and is also still affected by surplus capacity. However, surplus capacity in the market became less pronounced in 2011.

PROFIT DEVELOPMENT

CONDENSED INCOME STATEMENT

(DKKm)	2010	2011
Revenue	4,861	5,009
Direct costs	3,401	3,526
Gross profit	**1,460**	**1,483**
Other external expenses	517	526
Staff costs	531	521
EBITDA	**412**	**436**
Amortisation and depreciation	109	122
Amortisation of customer relationships	35	36
EBITA	**268**	**278**
Gross margin (%)	30.0	29.6
Conversion ratio (%)	18.4	18.7
EBITA margin (%)	5.5	5.6
Number of employees at year-end	5,284	5,414
Total invested capital (DKKm)	2,317	1,922
Net working capital (DKKm)	(39)	44
ROIC (%)	10.8	14.4

The Division recorded revenue of DKK 5,009 million for 2011 as against DKK 4,861 million for 2010. The organic growth was 2.5% for 2011.

The Division achieved improved results in the segments of automotive and health care & protection, in particular. All business segments and geographical areas of the Division saw fierce price competition, but the number of new contracts satisfied expectations.

MARKET DEVELOPMENT

	Q4 2010	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2011
Revenue	1,222	-	4	45	3.7%	1,271
Gross profit	365	-	-	7	1.9%	372
EBITA	74	-	-	(1)	(1.4%)	73
	2010					**2011**
Revenue	4,861	22	3	123	2.5%	5,009
Gross profit	1,460	6	(1)	18	1.2%	1,483
EBITA	268	2	(1)	9	3.3%	278

Gross profit was DKK 1,483 million for 2011 as against DKK 1,460 million for 2010. The organic growth was 1.2% for 2011.

The gross margin was 29.6% for 2011 and in line with 2010.

In 2011, the Division maintained the high focus on productivity improvement and resource utilisation optimisation, which will enable the Division to handle increased volumes without increasing the capacity. EBITA was DKK 278 million for 2011 as against DKK 268 million for 2010. The organic growth was 3.3% for 2011.

The EBITA margin was 5.6% for 2011 and in line with 2010.

The conversion ratio was 18.7% for 2011 as against 18.4% for 2010.

The EBITA margin recorded by the Division for Q4 2011 was slightly higher than for Q3, and both the Q4 2011 results and the 2011 full-year results are deemed satisfactory.

Outlook for 2012

The market activity level is expected to grow slightly by 1-2% in 2012. The market may be stagnant in the first part of 2012 due to the current uncertainty about the European economy and high comparative figures for the first part of 2011.

DSV Solutions expects to gain market shares in 2012 and improve productivity and capacity utilisation and thereby increase profitability.

Shareholder information

In 2011, the DSV share was again among the most traded shares on NASDAQ OMX Copenhagen. At year-end 2011, the market capitalisation of DSV was DKK 19.6 billion, inclusive of the value of treasury shares.

The DSV share in 2011

In 2011, the DSV share was again among the most traded shares on NASDAQ OMX Copenhagen with an average daily trading volume of 861,000 shares, corresponding to DKK 99 million each day.

At year-end, the closing price of the DSV share on NASDAQ OMX Copenhagen was DKK 103.00, whereas the 2010 year-end closing price was DKK 123.30. Accordingly, the DSV share dropped by DKK 20.30, or 16.5%, in 2011. During the same period, the OMXC20 Index of NASDAQ OMX Copenhagen dropped by 14.8%.

At year-end 2011, the market capitalisation of DSV was DKK 19.6 billion, inclusive of the value of treasury shares.

BASIC DATA

Share capital at 31 December 2011	DKK 190,000,000
Number of shares at 31 December 2011	190,000,000
Denomination and voting rights per share	1
Share classes	1
Restrictions on transferability and voting rights	None
Listed	NASDAQ OMX Copenhagen
Trading symbol	DSV
ISIN code	DK0060079531

Dividends

The Board of Directors proposes ordinary dividends of DKK 1.00 per share for 2011. Dividends of DKK 0.50 per share were distributed for 2010. The Board has adopted a dividend policy, according to which DSV will continuously increase the annual distribution of dividends. In the coming years, DSV aims to increase dividends by 25 percentage points every year. The Group's priorities in its use of free cash flow are described in more detail under Strategy and financial targets in the Management's Commentary.

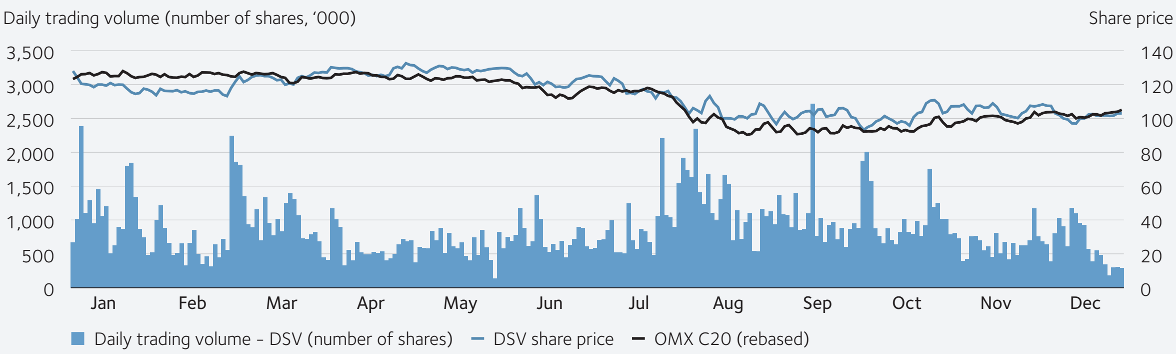
Share buy-back

In accordance with DSV's capital structure targets, DSV acquired 21,805,364 own shares at a total purchase price of DKK 2.5 billion.

The purpose of the share buy-back scheme is to hedge the incentive programmes and adjust the capital structure in accordance with the corporate strategy. The shares were bought back under the powers granted at the Annual General Meeting on 24 March 2011 and at the extraordinary general meeting on 25 October 2011 using the safe harbour method.

At 31 December 2011, the Company held 4,355,760 shares as treasury shares, corresponding to 2.29% of the share capital. In the period from the reporting date until

SHARE PRICE AND TRADING VOLUME, 2011



the date of this Annual Report, DSV has acquired 914,390 treasury shares at a total purchase price of DKK 102 million.

Capital reduction

Following the acquisition of treasury shares, DSV has reduced its share capital. The share capital of DSV A/S was reduced by a nominal value of DKK 5,150,000 on 28 April 2011. The capital reduction was carried out in accordance with the resolution passed at the Annual General Meeting on 24 March 2011 through the cancellation of 5,150,000 treasury shares. The Company reduced its share capital further by a nominal value of DKK 14,000,000 on 22 November 2011. This capital reduction was carried out in accordance with the resolution passed at the extraordinary general meeting on 25 October 2011 through the cancellation of 14,000,000 treasury shares. Accordingly, the Company's share capital was reduced by a total nominal value of DKK 19,150,000 in the financial year of 2011.

At the next General Meeting, the Board of Directors expects to propose that the Board be authorised to reduce the share capital of the Company by a nominal value of DKK 2,000,000.

Incentive programmes

At its Board meeting on 21 March 2012, the DSV Board of Directors expects to authorise the Executive Board, in accordance with the guidelines for incentive pay, to allocate up to 2 million share options to senior staff members. The allocation will be made at the average quoted price on the five consecutive trading days preceding 31 March 2012.

Authority

The Board of Directors is authorised by the General Meeting to increase the Company's share capital. At 31 December 2011, the remaining number of shares which may be issued under this authority was 81 million shares. The authority is valid until 1 May 2012. The Board of Directors expects to propose at the next General Meeting that the Board be granted authority, for a five-year period, to increase the share capital by up to DKK 37.6 million shares for the purpose of maintaining adequate flexibility to adjust the capital structure or for use for any full or partial payment in connection with the acquisition of enterprises.

The General Meeting also authorised the Board of Directors on 25 October 2011 to buy back a maximum of 19 million shares in the Company. At 21 February 2012, the remaining number of shares that may be acquired under this authority is 15.2 million shares. The authority is valid until 25 October 2016. The purchase price of treasury shares acquired under the authority may not deviate by more than 5% from the most recently quoted market price of the shares at the date of acquisition. The Board of Directors expects to propose at the next General Meeting that the Board be granted authority to acquire up to 18.8 million treasury shares.

The Board of Directors has also been authorised by the General Meeting to issue convertible debt instruments and warrants and to make the related capital increase. This authority is valid until 26 March 2015 and applies to shares of a total nominal value of up to DKK 25 million.

The above authorities may be exercised by means of one or more issues. Shareholders have no pre-emptive rights if the Board of Directors exercises the said authorities. The authorities have been incorporated into the Company's Articles of Association. The Articles of Association are amended according to the general rules of the Danish Companies Act.

The latest revision of the Articles of Association was made on 25 October 2011 in connection with the authorisation to acquire treasury shares and reduce the Company's share capital.

Company announcements published in 2011

DSV A/S published a total of 55 company announcements in 2011 (Nos. 371-425). The most important announcements in 2011 are listed below:

24 February	No. 376	2010 Annual Report
24 March	No. 381	Minutes of DSV's Annual General Meeting
29 April	No. 387	Interim Financial Report, First Quarter 2011, and reduction of share capital
5 May	No. 389	Major Shareholder Announcement, Lone Pine Capital LLC
16 June	No. 396	Antitrust proceedings in Italy
22 June	No. 397	Major Shareholder Announcement, ATP
28 July	No. 403	Interim Financial Report, H1 2011
25 October	No. 415	Minutes of Extraordinary General Meeting
26 October	No. 416	Interim Financial Report, Third Quarter 2011
7 November	No. 419	Financial Calendar 2012
24 November	No. 422	Reduction of share capital

Other company announcements concerned share buybacks in all essentials. For a complete list of 2011 company announcements, please refer to www.dsv.com.

Shareholder composition

At 31 December 2011, registered shares in DSV A/S totalled 169,902,782, corresponding to 89% of the share capital. The largest 25 of these shareholders owned 40% of the entire share capital.

SHAREHOLDERS - GEOGRAPHICAL DISTRIBUTION

Category	Proportion of share capital (%)
Denmark	34
Foreign countries	53
Treasury shares	2
Not registered	11
Total	100

MAJOR SHAREHOLDERS

Shareholder	Proportion of share capital
Lone Pine Capital LLC, USA	5.40%

LIST OF ANALYSTS

ABG Sundal Collier	Macquarie
Alm. Brand Markets	Mainfirst Bank
Barclays Capital	Morgan Stanley
Berenberg Bank	Nomura International plc
CA Cheuvreux	Nordea Markets
Carnegie Bank A/S	Nykredit Markets
Danske Markets Equities	RBC Markets
Deutsche Bank AG	SEB Enskilda Equities
Goldman Sachs	Sydbank A/S
Handelsbanken Capital Markets	UBS AG
HSBC	West LB

Investor relations policy

By maintaining a high level of information and good dialogue with investors and analysts, DSV aims to ensure that the development in the price of the DSV share reflects the underlying financial development of the Company. In line with this policy, the Company's interim and annual reports are webcast, and the DSV Management regularly participates in investor meetings and conferences in Denmark and abroad. Furthermore, DSV hosts a Capital Markets Day at regular intervals to give a more detailed presentation of the Group.

DSV aims to make the investor relations pages at www.dsv.com a natural venue and a complete source of information for current and potential investors. Hence, annual reports, interim reports and other company announcements of the past five years to NASDAQ OMX Copenhagen are available on the DSV website. All announcements are distributed directly to subscribers of DSV's email updates. New subscribers can sign up at the DSV website. DSV also publishes a corporate magazine, DSV Moves, on a quarterly basis.

Questions and comments concerning investor relations may be addressed to investor@dsv.com.

The communication between DSV and analysts, investors and other stakeholders is subject to special restrictions for a period of five weeks prior to the publication of the annual report and four weeks prior to the publication of interim reports.

Investor relations activities in 2011

In 2011, DSV had roughly 300 individual meetings with investors and other stakeholders, participated in a number of conferences and hosted a Capital Markets Day. The meetings and conferences were held in Denmark, Sweden, Finland, Germany, Switzerland, Belgium, the Netherlands, Luxemburg, France, Great Britain, Ireland, Canada and the USA and were attended by around 1,000 investors.

Financial calendar

The financial calendar 2012 is as follows:

FINANCIAL CALENDAR

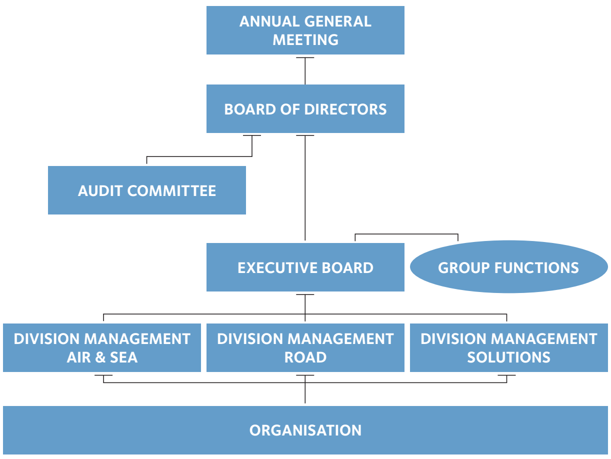
Activity	Date	Start of quiet period
2011 Annual Report	21 February 2012	16 January 2012
Annual General Meeting	21 March 2012	-
Q1 2012 Report	27 April 2012	30 March 2012
H1 2012 Report	31 July 2012	29 June 2012
Q3 2012 Report	25 October 2012	28 September 2012

Corporate governance

Corporate governance is an issue of great importance to the DSV Management. The corporate structure of DSV supports a strong control environment and is designed as a simple structure based on the Group's commercial activities with a clear allocation of management responsibilities.

Management structure

DSV's management structure consists of a board of directors and an executive board. The ultimate authority rests with the shareholders in general meeting. An overall description of the allocation of responsibilities between the Board of Directors and the Executive Board is provided in the Rules of Procedure of the Board of Directors and Executive Board. The Board of Directors supervises the development of the Group and determines the overall visions, strategies and objectives, whereas the Executive Board is responsible for the day-to-day management.



Board of Directors

COMPOSITION AND MEETING FREQUENCY OF THE BOARD OF DIRECTORS

The Board of Directors currently has seven members (Directors). According to the Articles of Association of the Company, the Board of Directors must comprise at least five and no more than nine Directors. Directors are elected for a term of one year at a time, and new Directors are elected according to the general rules of the Danish Companies Act. The upper age limit for Directors stipulated in the Company's Articles of Association implies that any Director must retire at the first annual general meeting after the Director in question has attained the age of 70.

In the financial year of 2011, the Board of Directors held 11 meetings, including a strategy meeting. The content of the meetings is partly determined by the annual cycle of the Board, which is intended to ensure that all important policies are reviewed.

BOARD OF DIRECTORS SELF-EVALUATION

Once a year the Board of Directors conducts an overall performance evaluation of the Board as a whole. This process also includes evaluation of the performance and competencies of the individual Directors to assess whether the mix of competencies is satisfactory and identify any need for further training. The composition of the Board is intended to ensure that it has a diverse competency profile to enable the Board to perform its duties as effectively as possible. The Chairman of the Board is in charge of the self-evaluation, but may retain an external consultant to assist in connection with the self-evaluation process. The self-evaluation report has been discussed by the Board of Directors and did not give rise to any further initiatives.

INDEPENDENCE OF BOARD MEMBERS

Four out of seven Directors are independent. Kurt K. Larsen (Chairman) was a member of the Executive Board less than five years ago and is therefore not regarded as an independent person according to the Recommendations. Erik B. Pedersen and Kaj Christiansen are not regarded as independent persons as they have both been members of the Board of Directors for more than 12 years.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee with the primary task of monitoring the processes relating to the Group's financial reporting, control environment, financial resources and cash situation and determining the framework for the external audit. The Rules of Procedure of the Audit Committee are available at www.dsv.com under

Investor Relations. The Committee held three meetings in 2011. The Committee consists of the three Directors: Thomas Plenborg (Chairman), Annette Sadolin and Per Skov. Thomas Plenborg has special qualifications in accounting and auditing. All members of the Audit Committee are independent persons.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

DSV has adopted a Remuneration Policy which lays down the guidelines for determining and approving the remuneration of the members of the Board of Directors and Executive Board. The Remuneration Policy is designed to always reflect the goal of being able to attract and retain a competent Management. The Remuneration Policy is disclosed and approved at the annual general meeting of the Company and is available at www.dsv.com.

Corporate governance

As a listed Danish company, DSV observes the 'Recommendations on Corporate Governance', incorporated into the 'Rules for issuers of shares' ('Regler for udstedere af aktier') issued by NASDAQ OMX Copenhagen. The latest updated version of the Recommendations (issued in August 2011 and covering financial years beginning on or after 1 January 2011) contains 79 recommendations. The Recommendations are based on the 'comply-or-explain' principle, which makes it legitimate for a company either to comply with the Recommendations or explain why it does not comply with them. DSV fully complies with 76 of the 79 Recommendations, but does not comply with three Recommendations. For a detailed description of DSV's position on the Recommendations, select Corporate Governance in the Investor Relations menu on the corporate website at www.dsv.com. The Recommendations are available in their entirety at www.corporategovernance.dk.

RECOMMENDATIONS NOT COMPLIED WITH

DSV has opted not to comply with the Recommendations relating to nomination and remuneration committees and parts of the Recommendation on diversity at management levels.

NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The Board of Directors is considering the relevance of nomination and remuneration committees, but has so far considered it not expedient to establish such committees. In the assessment of the Board, the tasks which are to be undertaken by a nomination committee and a remuneration committee according to the Recommendations are handled most efficiently by the Chairmanship of the Board, which subsequently reports to the other Directors.

DIVERSITY AT MANAGEMENT LEVELS

The Board of Directors discusses the Group's activities on a regular basis to make sure that the Group has optimal management teams at all management levels. In connection with these discussions, the Board also considers the element of diversity, but the Board sees no clear connection between objectives of diversity and the best possible governance of the Group. For that reason, the Board of Directors has not yet found it expedient to set specific targets for diverse Group management teams.

Internal control and risk management in connection with financial reporting

The Board of Directors and Executive Board have the overall responsibility for risk management and internal control in connection with the presentation of the financial statements. The internal control and risk management systems of DSV relating to the financial reporting process are designed to ensure that internal and external financial statements present a true and fair view and are free from material misstatement and irregularities.

The key elements of the Group's risk management and internal control systems in connection with the presentation of financial statements are summarised below.

CONTROL ENVIRONMENT

The control environment in DSV is based on clear guidelines, simple organisational structures, a clear division of responsibilities and constant efforts to improve the control environment with due consideration of materiality and risk. This culture is driven from senior management level. The Board of Directors and the Executive Board believe that a strong control environment supported by the tone at the top is crucial to good risk management and effective internal control. This is supported by the entire corporate structure of DSV, which is designed as a simple structure based on the Group's commercial activities with a clear allocation of management responsibilities. The Group Executive Board is represented in the boards of directors of all material subsidiaries, which apply standard provisions regulating the power to bind the company. This also supports the creation of a strong control environment throughout the organisation.

The Board of Directors and Executive Board establish and approve at least once a year all general policies, procedures and control systems in essential fields, including Code of Conduct, Corporate Social Responsibility Policies and the Rules of Procedure of the Board of Directors and Executive Board. In addition, policies have been adopted and manuals created within essential fields of financial reporting, including an accounting and reporting manual, finance, credit and authorisation policies, efficient segregation of duties and an IT strategy.

Central control and compliance functions have been set up with the task of following up on existing policies and manuals. With the aim to further strengthen the fundamental control environment, DSV has established an Audit Committee. This Committee has a supervisory role and is primarily to focus on the safeguarding of well-functioning processes and procedures in relation to financial reporting and financial risk management, internal control systems, etc. The Audit Committee reports to the Board of Directors.

As part of its annual responsibilities, the Audit Committee assesses the need for an internal audit function and in that connection formulates recommendations for the Board of Directors regarding the establishment of such function.

The Board of Directors deems that the existing control and risk management systems are adequate and has opted not to establish an internal audit function for the time being.

RISK ASSESSMENT

The Board of Directors and Executive Board regularly assess key risks and internal control systems in connection with the presentation of consolidated financial statements. This implies, inter alia, that the risk factors and financial and management control systems relating to the financial reporting of the Group are assessed by the Board of Directors at least once a year. This process includes an assessment of whether the organisational structure and allocation of human resources are still optimal.

The most material and risky items are identified and assessed annually and the risks identified are matched with internal procedures and controls. The most risky items are described in more detail in note 1 of the Consolidated Financial Statements. Other material risk factors of relevance to the financial reporting include authorisations, conclusion of contracts, IT organisation and IT security as well as risks relating to the separation of functions, etc.

An ongoing dialogue between the Board of Directors, the Audit Committee and the Executive Board ensures timely focus on risks identified, including risks in connection with the financial reporting.

CONTROL ACTIVITIES

The control activities are designed to address the risks identified. The purpose of the control activities is to verify that the policies, manuals, procedures, etc., laid down are followed and that any misstatement is prevented, discovered and remedied and, in that connection, that the reasons for the misstatement are identified and eliminated. Minimum requirements of control systems that must be complied with by all DSV companies have been laid down on the basis of the risks identified. The activities include procedures for authorisation, approval, reconciliation, results and liquidity analyses and efficient segregation of duties. The control activities cover both manual and automated control.

Group Management and the managements of the national subsidiaries have high focus on financial ratios and follow-up in this respect. Monthly financial reports are subject to permanent internal control procedures, including central closing of reporting systems and central review and analysis of reports received from the subsidiaries. The review of reports received is based on an assessment of materiality and risk factors relating to the individual subsidiary.

INFORMATION AND REPORTING

DSV has established formal information and Group reporting systems to ensure constant legislative compliance in connection with financial reporting and that other internal control procedures of the Group are observed. Management's position on risk management is regularly communicated through various channels, e.g., through newsletters, by holding financial conferences for financial managers of all subsidiaries and through ongoing dialogue with the individual national managements.

Reporting instructions (accounting manual as well as budgeting and monthly closing procedures, etc.) are updated when deemed necessary and at least once a year. Detailed procedures and control systems have been established to ensure timely notification of NASDAQ OMX Copenhagen pursuant to applicable rules. The Group's policies and manuals are available on the corporate intranet, and any changes are communicated through monthly newsletters to the relevant recipients.

The DSV Management emphasises open communication and information throughout the organisation within the framework of the current stock exchange legislation to ensure in the best possible manner that all employees are aware of their responsibilities within the organisation and accordingly are able to effectively and reliably perform their duties.

MONITORING

The Group's internal control and risk management systems in connection with the presentation of financial statements are monitored at various levels, including by means of monthly reports on comprehensive consolidated accounting data to the DSV Management, regular control visits to subsidiaries and in connection with the Audit Committee's work. Furthermore, Management receives weekly cash reports from the subsidiaries.

In connection with the weekly reporting and at meetings of the Board of Directors, the Executive Board presents the current status of key risks to the Board of Directors. Any relevant adjustment of conduct in connection with risk reporting and risk management is discussed at weekly meetings between the Executive Board and the Chairman of the Board of Directors. These discussions include risks relating to the financial reporting.

The Rules of Procedure of the Audit Committee contain a description of the Committee's role and responsibilities in relation to its duty to monitor the financial reporting process. The financial monitoring process is based on regular reports from the Group Finance Department, annual updates on the status of the key financial reporting control systems and a review of critical accounting estimates and policies. Finally, external audit reports are also reviewed.

The Board of Directors oversees the Executive Board to ensure that it responds effectively in case of weaknesses or deficiencies detected by internal control systems or external audits and that any agreed initiatives to improve risk management and internal control in connection with the accounting process are implemented as planned.

The Board of Directors has decided to establish a global whistleblower scheme, which is currently being implemented. The purpose of the scheme is to enable the employees to report any material offences or suspicion thereof in confidentiality and thereby contribute to strengthening the monitoring of compliance with Group policies.

Risk management

DSV considers an active approach to risk management a pivotal element in the efforts to mitigate risks and minimise any potential negative impact on earnings. Hence, active risk management is an important element in the work of the Executive Board.

Risk management in DSV

The Board of Directors has the overall responsibility for the Group's risk management process, whereas the duty of monitoring compliance with Group risk management policies has been delegated to DSV's Audit Committee to a predominant extent. The Audit Committee carries out a thorough review of the risk factors of the Group and formulates recommendations for the Board of Directors based on this review. The Board follows up on the key business and financial risks of the Group and establishes the overall framework of DSV's risk management system, including financing and financial hedging policies. The Executive Board is responsible for identifying and addressing key risks on a day-to-day basis in order to develop the risk management procedures of the Group.

Risk management is an ongoing process in DSV involving the identification of risks and assessment of the potential impact on Group earnings. The Group aims to mitigate risks identified and accepted following a commercial assessment through internal business procedures or insurance. In the mitigation of risks a thorough allocation is made of the organisational responsibilities for implementation and ongoing follow-up. Procedures and guidelines have been developed to monitor and mitigate the risks faced by the Group, ensuring optimal management of all key risks.

Central Group functions collect the relevant reports and pass on this information to the Executive Board. The Executive Board notifies the Board of Directors on a weekly basis of any matters of relevance to the risk management process and of any risk mitigation measures taken. The Board of Directors and the Executive Board thus regularly discuss the development in the key risk factors of DSV.

Based on the most recent review of the risk scenario of DSV, Management estimates that the risks identified are unchanged relative to last year in all essentials.

Global economic and political development

As a global player in the transport and logistics market, DSV is affected by the general world economic development. Declining economic activity impacts directly on the demand for transport and logistics services. It is therefore imperative for DSV to maintain a flexible cost structure, which is the idea behind the asset light business model. This business model ensures operational flexibility, enabling DSV to adapt its capacity to the current demand situation. In case of major deviations, DSV can adjust both direct production costs and fixed costs. The process of adjusting the direct costs is faster than adjusting fixed costs.

Management follows the economic development and initiates any measures necessary to counter potential future financial challenges.

Political instability may impact on the economic activity in the relevant countries and may also affect oil prices, access to freight routes, etc. Such factors may have an adverse effect on the financial results of DSV.

By its worldwide activities DSV has a good basis for offsetting any adverse effects from economic and political developments in different parts of the world.

Consolidation in the transport industry

The transport sector is subject to continuous consolidation. This process is driven by globalisation and the subsequent increase in cross-border trade. The process may weaken the relative competitive position of DSV and therefore constitutes a risk. However, it may also provide opportunities for development of the Group's activities.

By taking an active part in the consolidation of the transport industry DSV has created economies of scale and strengthened its competitive position. DSV continuously monitors the consolidation process and intends to continue to participate actively in the consolidation of the industry in accordance with the outlined strategy.

Acquisitions are made on the basis of business cases and relevant due diligence reviews.

Freight rate and oil price fluctuations

Fluctuations in freight volumes and transport market capacity impact DSV's freight rates relative to its subcontractors. DSV therefore closely monitors the development in freight rates and launches initiatives to mitigate the risk by ensuring that changes in freight rates are quickly reflected in customer prices.

Oil price fluctuations have a significant impact on the total price of transport services. DSV concludes customer agreements on separate invoicing of variable fuel surcharges to mitigate this risk.

Damage to cargo

DSV may incur liability for damage to cargo during transport. This liability may result in major claims and thereby impact the financial results of the Group. This risk is mitigated partly by ensuring a clear definition of the risk scenario relative to subcontractors with the aim to transfer risks to the subcontractors to the widest possible extent and by means of customer agreements that restrict the potential liability of DSV. Other material risks are mitigated through the insurance policy of the Group.

Business partners and agents

It is essential to DSV to maintain good working relations with all business partners and agents of the Group. The DSV Air & Sea Division has partners and agents in the countries in which it does not have its own offices, and changes in those business relations may affect the international activities of the Group. However, this risk has become less material in step with the increased global presence of DSV and mainly relate to the Group's activities in the Middle East, Africa and South America. These partnerships typically build on long-term business relations.

Staff

DSV is a service provider and therefore dependent on its ability to attract and retain qualified and committed staff. The Group keeps a constant focus on staff conditions to create an attractive workplace enabling the Group to recruit and retain the employees needed, now and in future. Senior staff members of DSV are offered incentive pay as part of their remuneration schemes. By these initiatives DSV has managed to maintain a low employee turnover over the years.

IT

Efficient and reliable IT systems are essential for the Group in providing transport services on a daily basis.

Operations are becoming increasingly dependent on IT, and the Group is vulnerable to IT process disturbances. Process disturbances may therefore have a significant impact on the Group's operations and thereby a negative impact on the consolidated financial results. Therefore, DSV constantly aims to improve its IT production environment, e.g., by establishing various minimum requirements for the operation of the Group's IT applications. The minimum requirements are set according to the importance of the individual applications to day-to-day operations and function as an effective bulwark for the Group's IT operations. Finally, DSV makes targeted efforts to centralise essential IT systems to enable the Group to continuously optimise the use of IT and improve IT security.

The ability to integrate, develop and implement new IT systems is also crucial to the Group's continued optimisation of business processes. The implementation of new business processes is being developed and evaluated on an ongoing basis, one aim being to ensure that new processes and systems support the business needs of the Group in an optimal manner. In the opinion of Management, the development of IT systems, including development of effective and efficient electronic working procedures and workflows, is vital to the future competitiveness of DSV.

Compliance

DSV is experiencing increased regulative requirements by authorities and organisations in many different fields. Any violation or non-compliance with rules and recommendations often entails substantial fines and constitutes a potential risk to the consolidated results of the Group. DSV makes every effort to counter these risks by following up on the compliance with internal guidelines and procedures and by continuous communication with the employees of the Group. The fact that global rules are interpreted differently in different regional cultures increases the risk associated with increased regulation. As further described under Corporate Social Responsibility, DSV makes continuous efforts to ensure a common understanding of and compliance with these global rules throughout the organisation.

In recent years, various competition authorities have carried out inspections of international transport companies. Being a global provider of transport and logistics services, DSV may also be affected by this to a greater or lesser extent and in different geographical areas. For that reason, DSV has high focus on this aspect and has formulated Group policies on business ethics (Code of Conduct), which also include policies on measures to reduce the risk of competition law breaches. Management follows up on the compliance with these policies on a regular basis, and the importance of strict observance of the rules is frequently communicated to the entire Group.

With locations throughout the globe, DSV performs transport services to all regions of the world. This entails an increased risk of violation of any embargos ordered by, e.g., the UN, EU or USA. DSV makes targeted efforts to reduce the risk of violating such embargos by the ongoing communication of guidelines, training of staff, integration of effective screening tools into the Group's production systems and follow-up on compliance with internal procedures.

Financial risks

DSV is exposed to interest rate, exchange rate, credit, financing and liquidity risks. These factors are described in more detail in note 29 in the Annual Report.

Corporate social responsibility

The implementation of CSR in all activities in which DSV has a controlling interest is a key element of the Group's strategy. This enables the Group to meet any strategic challenges in the market in a financially and socially responsible manner.

DSV has joined the United Nations Global Compact initiative and submitted its progress report (Communication on Progress) to the Global Compact on 21 February 2012, an excerpts of which are given below. The report describes key focus areas and the actions and progress made by DSV in implementing the CSR initiatives in 2011.

The progress report replaces the statutory report on corporate social responsibility in accordance with the exemption provision in section 99a of the Danish Financial Statements Act and is available in its entirety on DSV's website at www.dsv.cm/csr.

CSR at Management level

The work of the Board of Directors comprises various ad-hoc tasks as well as various fixed tasks stated in the annual cycle of the Board. CSR is a permanent item in the annual cycle and includes the task of reviewing the Group's Code of Conduct, whistleblower scheme, etc. The decisions made by the Board of Directors are subsequently implemented by the Executive Board. As an embedded element of Management's responsibilities CSR is a high-focus area of the Group, and DSV thereby sends a clear signal to the entire organisation about the importance of CSR to all Group companies.

DSV guidelines and policies

The implementation of CSR in all activities in which DSV has a controlling interest is a key element of the Group's strategy. This enables the Group to meet any strategic challenges in the market in a financially and socially responsible manner, now and in future.

The basis of the Group's CSR work was further formalised and structured in 2011. Various initiatives were launched during the year with focus on the ongoing process of implementing and practicing the CSR policies in all companies of the Group. DSV has followed up on this work through internal control processes to validate the data of internal CSR reports and monitor the progress made by the DSV companies in implementing policies and targets in practice.

With the aim to influence the part of the value chain over which DSV has little possibility of exercising direct influence, Management decided in 2011 to develop one common Supplier Code of Conduct that applies to all subcontractors of the Group. The Code is to be implemented internally in all Group companies in early 2012 and will then be communicated externally. This initiative is intended to ensure focus on and compliance with the DSV policies on business ethics, also by our closest business partners.

DSV CSR targets

In 2011, Management set a number of targets based on the adopted strategy and policies to drive progress and emphasise the importance of CSR at DSV. The targets build on the three key CSR areas with the highest relevance to the core business of DSV and which are of concern to the internal and external stakeholders of the Group. In addition, Management has established a number of activities for each target to ensure that efforts are made to meet the targets.

Environment and climate

DSV is a freight forwarding company specialising in transport and logistics services. We pursue an asset light strategy, which means that the Group only invests in physical transport equipment to a very limited extent. The environmental impact of the Group is therefore mainly caused by the transport activities carried out by our subcontractors. Consequently, a reduction of the environmental impact can be achieved mainly through DSV's dialogue with and requirements of its subcontractors.

The main way for DSV to help reduce the environmental impact is by optimising the cargo volumes carried between the different destinations, ensuring optimal utilisation of the available capacity in general. For road transport, this objective may also be achieved through optimised planning of routes for the collection and distribution of cargo.

Business ethics and anti-corruption

The policies and targets set by DSV for this area are intended to ensure that all employees of the Group work according to shared values and guidelines on business ethics.

It is important for DSV to maintain a high level of business ethics in its relations with customers, shareholders, suppliers, other partners and public authorities. For that reason Management has set a target of zero violations of the DSV Code of Conduct and has launched various initiatives to follow up on this target.

To make sure that any violation of the Code is brought to light, Management has decided to establish a global whistleblower scheme enabling all employees to report any situations, events or circumstances that seem wrong or are direct violations of the DSV policies and guidelines. The scheme will be implemented as soon as the required public authority approvals have been obtained, which will probably be in 2012.

Employees and working environment

The DSV policies and targets for the area of human and labour rights are intended to ensure that all companies meet and comply with both internationally proclaimed guidelines and national provisions on labour rights, etc. DSV considers its employees an essential asset of our organisation and it is crucial for the success and future of DSV that they experience job satisfaction and feel appreciated for their work.

In 2011, DSV launched an initiative to prevent occupational accidents. Management has also set a target implying that the rate of occupational accidents must be reduced by 25% by the end of 2012 compared with 2010 and that the DSV Group companies must calculate and submit separate reports on absence due to occupational accidents.

The 2011 figures showed a slight drop in the total number of occupational accidents. The slight decrease is a result of a pleasant 10% reduction of occupational accidents among hourly workers and a steady rate for the salaried staff of the Group. Major efforts are therefore required in 2012 to meet the target for this area of a 25% reduction relative to 2010. Management therefore aims to intensify the efforts to reduce the number of occupational accidents in the DSV Group.

Outlook

The ability to continuously obtain strategic advantages through the work towards achieving the CSR objectives is important to DSV, and the Group therefore intends to continue the implementation of the code of business ethics in 2012, both within the Group and relative to suppliers. In addition, various activities will be launched in the DSV companies to meet the CSR targets set by Management for the Group.

As stated above, internal processes have been established with the aim to validate internal CSR reports and monitor the implementation of policies, guidelines and targets by the DSV companies. These processes enable DSV to follow up on the measures to mitigate the key risks of the Group and to promote CSR in general throughout the Group. DSV expects to continue and increase this focus in 2012.

UN Global Compact

HUMAN RIGHTS

PRINCIPLE 1
Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2
Businesses should make sure they are not complicit in human rights abuses.

LABOUR

PRINCIPLE 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4
Businesses should uphold the elimination of all forms of forced and compulsory labour.

PRINCIPLE 5
Businesses should uphold the effective abolition of child labour.

PRINCIPLE 6
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

PRINCIPLE 7
Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8
Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9
Businesses should encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

PRINCIPLE 10
Businesses should work against corruption in all its forms, including extortion and bribery.

THE GLOBAL COMPACT
WE SUPPORT

The Board of Directors and the Executive Board

Standing (from left): Erik B. Pedersen, Kurt K. Larsen, Annette Sadolin, Jens Bjørn Andersen, Jens H. Lund, Thomas Plenborg, Kaj Christiansen.
Sitting (from left): Birgit W. Nørgaard, Per Skov.

Executive Board

Jens Bjørn Andersen

CEO

Born: 22 March 1966

Member of the Executive Board since: 2008

Jens H. Lund

CFO

Born: 8 November 1969

Member of the Executive Board since: 2002

Board of Directors

Kurt K. Larsen

CHAIRMAN
Born: 17 September 1945
Member of the Executive Board: 1991-2008
Board member since: 2008
Elected until: 2012

BOARD POSITIONS
(Chairman) Saxo Bank A/S
(Board member) Polaris III Invest Fonden
Ove Wrist & Co. A/S.

SPECIAL COMPETENCIES
- General management experience
- CEO of DSV A/S 2005-2008
- Group CEO of DSV A/S 1991-2005

Erik B. Pedersen

DEPUTY CHAIRMAN
Born: 13 June 1948
Board member since: 1989
Elected until: 2012

SPECIAL COMPETENCIES
- General management experience
- Sector-specific production experience
- Independent haulier since 1976

Thomas Plenborg

MEMBER OF THE BOARD
Born: 23 January 1967
Chairman of the Audit Committee
Board member since: 2011
Elected until: 2012

BOARD POSITIONS
(Chairman) Rosemunde ApS
(Board member) COWI A/S
SAXO Bank A/S, chairman of the audit committee

SPECIAL COMPETENCIES
- Professor of accounting and auditing at Copenhagen Business School
- Management experience from directorships and honorary offices held
- Experience with strategic and financial planning
- MSc. In Economics and Business Administration, Ph.D., Copenhagen Business School

Kaj Christiansen

MEMBER OF THE BOARD
Born: 20 February 1944
Board member since: 1995
Elected until: 2012

SPECIAL COMPETENCIES
- General management experience
- Sector-specific production experience
- Independent haulier 1978-2001

Annette Sadolin

MEMBER OF THE BOARD
Born: 4 January 1947
Member of the Audit Committee
Board member since: 2009
Elected until: 2012

BOARD POSITIONS
(Chairman) Østre Gasværk Theatre
(Deputy chairman) DSB A/S
Danish Standards
(Board member) Topdanmark A/S
Skodsborg Kurhotel og Spa A/S
Lindab International AB (Sweden)
Ratos AB (Sweden)
Ny Carlsberg Glyptotek (art museum)
Blue Square Reinsurance NV

SPECIAL COMPETENCIES
- General global management experience from General Electric (GE), the reinsurance industry and other organisations
- Acquisition and divestment of enterprises
- Former executive officer of GE Frankona, Munich, Germany
- Former CEO of Employers Reinsurance International
- Master of Laws (LL.M.)

Birgit W. Nørgaard

MEMBER OF THE BOARD
Born: 9 July 1958
Board member since: 2010
Elected until: 2012

BOARD POSITIONS
(Chairman) Investeringsforeningen
StockRate Invest
Interessentforum for Energinet.dk
(Deputy chairman) NNE Pharmaplan A/S
The Danish Business Innovation Fund
The Danish Council for IT Projects
(Board member) Xilco A/S
Xilco Holding A/S
Sonion A/S
Advisory Board for Dong Energy Power New Bio Solutions
Abeo A/S
GEO
DTU
EUDP
Dansk Vækstkapital

SPECIAL COMPETENCIES
- General management experience from Grontmij NV (COO), Grontmij | Carl Bro A/S (Managing Director), Danisco and McKinsey
- Acquisition and divestment of enterprises
- Financial management experience
- MSc in Economics and Business Administration, MBA, INSEAD

Per Skov

MEMBER OF THE BOARD
Born: 28 September 1941
Member of the Audit Committee
Board member since: 2000
Elected until: Not up for re-election

BOARD POSITIONS
(Chairman) Utility Development A/S
NX Holding A/S
Antech Invest A/S
(Board member) Dagrofa A/S
Kemp & Lauritzen A/S.

SPECIAL COMPETENCIES
- General management experience from A.P. Møller-Maersk, Lauritz Knudsen, FDB (CEO 1989-1998) and from directorships in Danish and international companies
- Financial management experience

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of DSV A/S for the financial year 2011.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2011 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2011.

In our opinion, the Management Commentary includes a fair review of the development in the Parent Company's and the Group's operations and financial conditions, the results for the year and the Parent Company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a description of the more significant risks and uncertainty factors that the Parent Company and the Group face.

We recommend that the Annual Report be approved at the Annual General Meeting.

Brøndby, 21 February 2012

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
CFO

Board of Directors:

Kurt K. Larsen
Chairman

Erik B. Pedersen
Deputy Chairman

Kaj Christiansen

Per Skov

Annette Sadolin

Birgit W. Nørgaard

Thomas Plenborg

Independent auditors' report

To the shareholders of DSV A/S

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the Parent company financial statements of DSV A/S for the financial year 1 January – 31 December 2011. The consolidated financial statements and the Parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the Parent company. The consolidated financial statements and the Parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and Parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and Parent company financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements and the Parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and Parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements and the Parent company financial statements give a true and fair view of the Group's and the Parent company's financial position at 31 December 2011 and of the results of the Group's and the Parent company's operations and cash flows for the financial year 1 January – 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

STATEMENT ON THE MANAGEMENT'S COMMENTARY

Pursuant to the Danish Financial Statements Act, we have read the Management's Commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the Parent company financial statements. On this basis, it is our opinion that the information provided in the Management's Commentary is consistent with the consolidated financial statements and the Parent company financial statements.

Copenhagen, 21 February 2012

KPMG
Statsautoriseret Revisionspartnerselskab

Jesper Koefoed State Authorised Public Accountant	Gerda Retbøll-Bauer State Authorised Public Accountant

Consolidated financial statements 2011

INCOME STATEMENT

(DKKm)	Note	2010	2011
Revenue	3	42,562	43,710
Direct costs		33,242	33,891
Gross profit		**9,320**	**9,819**
Other external expenses	4	1,955	2,092
Staff costs	5, 6	4,644	4,752
Operating profit before amortisation, depreciation and special items (EBITDA)		**2,721**	**2,975**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	7	519	549
Operating profit before special items (EBITA)		**2,202**	**2,426**
Special items	8	(5)	-
Operating profit (EBIT)		**2,197**	**2,426**
Share of associates' profit, net of tax	15	1	7
Financial income	9	116	119
Financial expenses	10	654	557
Profit before tax		**1,660**	**1,995**
Tax on profit for the year	11	466	546
Profit for the year		**1,194**	**1,449**
Profit for the year is attributable to:			
Shareholders of DSV A/S		1,184	1,440
Non-controlling interests		10	9
Earnings per share:	12		
Earnings per share of DKK 1 (DKK)		5.68	7.34
Diluted earnings per share of DKK 1 (DKK)		5.65	7.29

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Note	2010	2011
Profit for the year		**1,194**	**1,449**
Foreign currency translation adjustments, foreign enterprises		97	(8)
Fair value adjustment for the year relating to hedging instruments		(29)	(61)
Fair value adjustment relating to hedging instruments transferred to financials		138	62
Actuarial gains (losses)	21	27	(171)
Other adjustments		(3)	(1)
Tax on other comprehensive income	11	(54)	(16)
Other comprehensive income, net of tax		**176**	**(195)**
Total comprehensive income		**1,370**	**1,254**
Statement of comprehensive income is allocated to:			
Shareholders of DSV A/S		1,360	1,245
Non-controlling interests		10	9
Total		**1,370**	**1,254**

BALANCE SHEET, ASSETS

(DKKm)	Note	2010	2011
Intangibles	13	8,772	8,683
Property, plant and equipment	14	4,782	4,503
Investments in associates	15	19	26
Other securities and receivables	16	121	144
Deferred tax asset	17	449	430
Total non-current assets		**14,143**	**13,786**
Trade and other receivables	19	8,405	8,565
Cash and cash equivalents		363	367
Assets held for sale	18	174	16
Total current assets		**8,942**	**8,948**
Total assets		**23,085**	**22,734**

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	Note	2010	2011
Share capital	20	209	190
Reserves		6,340	5,089
DSV A/S shareholders' share of equity		**6,549**	**5,279**
Non-controlling interests		36	30
Total equity		**6,585**	**5,309**
Deferred tax	17	576	527
Pensions and similar obligations	21	871	975
Provisions	22	309	391
Financial liabilities	23	5,642	6,091
Total non-current liabilities		**7,398**	**7,984**
Provisions	22	332	215
Financial liabilities	23	593	861
Trade and other payables	24	7,833	7,938
Corporation tax	25	228	427
Liabilities relating to assets held for sale	18	116	-
Total current liabilities		**9,102**	**9,441**
Total liabilities		**16,500**	**17,425**
Total equity and liabilities		**23,085**	**22,734**

CASH FLOW STATEMENT

(DKKm)	Note	2010	2011
Profit before tax		1,660	1,995
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses		523	555
Share-based payments		30	34
Special items		6	-
Change in provisions		(372)	(128)
Share of profit of associates		(1)	(7)
Financial income	9	(116)	(119)
Financial expenses	10	654	557
Cash flow from operating activities before change in net working capital and tax		**2,384**	**2,887**
Change in net working capital		(8)	(184)
Financial income, paid		116	120
Financial expenses, paid		(648)	(535)
Corporation tax, paid		(181)	(425)
Cash flow from operating activities		**1,663**	**1,863**
Acquisition of intangibles		(117)	(96)
Sale of intangibles		2	-
Acquisition of property, plant and equipment		(330)	(548)
Sale of property, plant and equipment		376	680
Acquisition of subsidiaries and activities	28	(50)	(65)
Divestment of subsidiaries and activities	28	(4)	-
Change in other financial assets		(28)	(5)
Cash flow from investing activities		**(151)**	**(34)**
Free cash flow		**1,512**	**1,829**
Other non-current liabilities incurred		574	2,022
Repayment of loans and credits		(1,605)	(880)
Other financial liabilities incurred		(11)	(459)
Shareholders:			
Dividends distributed		(52)	(105)
Purchase and sale of treasury shares		(297)	(2,394)
Other transactions with shareholders		(7)	(1)
Cash flow from financing activities		**(1,398)**	**(1,817)**
Cash flow for the year		**114**	**12**
Cash and cash equivalents 1 January		367	363
Cash flow for the year		114	12
Foreign currency translation adjustments		(118)	(8)
Cash and cash equivalents 31 December		**363**	**367**

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

Statement of adjusted free cash flow		
Free cash flow	1,512	1,829
Net acquisition of subsidiaries and activities	54	65
Adjusted free cash flow	**1,566**	**1,894**

STATEMENT OF CHANGES IN EQUITY – 2010

(DKKm)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2010	**209**	**(194)**	**(13)**	**5,447**	**52**	**5,501**	**29**	**5,530**
Profit for the year	**–**	**–**	**–**	**1,079**	**105**	**1,184**	**10**	**1,194**
Foreign currency translation adjustments, foreign enterprises	–	–	97	–	–	97	–	97
Fair value adjustments for the year relating to hedging instruments	–	(29)	–	–	–	(29)	–	(29)
Fair value adjustments relating to hedging instruments transferred to financial expenses	–	138	–	–	–	138	–	138
Actuarial gains and losses	–	–	–	27	–	27	–	27
Other adjustments	–	–	–	(3)	–	(3)	–	(3)
Tax on other comprehensive income	–	(25)	(18)	(11)	–	(54)	–	(54)
Other comprehensive income, net of tax	**–**	**84**	**79**	**13**	**–**	**176**	**–**	**176**
Total comprehensive income for the period	**–**	**84**	**79**	**1,092**	**105**	**1,360**	**10**	**1,370**
Transactions with owners:								
Share-based payments	–	–	–	40	–	40	–	40
Dividends distributed	–	–	–	–	(52)	(52)	–	(52)
Purchase and sale of treasury shares, net	–	–	–	(297)	–	(297)	–	(297)
Acquisition/sale of non-controlling interests	–	–	–	(3)	–	(3)	(3)	(6)
Total transactions with owners	**–**	**–**	**–**	**(260)**	**(52)**	**(312)**	**(3)**	**(315)**
Equity at 31 December 2010	**209**	**(110)**	**66**	**6,279**	**105**	**6,549**	**36**	**6,585**

STATEMENT OF CHANGES IN EQUITY – 2011

(DKKm)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2011	**209**	**(110)**	**66**	**6,279**	**105**	**6,549**	**36**	**6,585**
Profit for the year	**-**	**-**	**-**	**1,335**	**105**	**1,440**	**9**	**1,449**
Foreign currency translation adjustments, foreign enterprises	-	-	(8)	-	-	(8)	-	(8)
Fair value adjustment for the year relating to hedging instruments	-	(61)	-	-	-	(61)	-	(61)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	62	-	-	-	62	-	62
Actuarial gains and losses	-	-	-	(171)	-	(171)	-	(171)
Other adjustments	-	-	-	(1)	-	(1)	-	(1)
Tax on other comprehensive income	-	3	-	(19)	-	(16)	-	(16)
Other comprehensive income after tax	**-**	**4**	**(8)**	**(191)**	**-**	**(195)**	**-**	**(195)**
Total comprehensive income for the period	**-**	**4**	**(8)**	**1,144**	**105**	**1,245**	**9**	**1,254**
Transactions with owners:								
Share-based payments	-	-	-	34	-	34	-	34
Dividends distributed	-	-	-	-	(105)	(105)	(5)	(110)
Purchase and sale of treasury shares, net	-	-	-	(2,418)	-	(2,418)	-	(2,418)
Capital reduction	(19)	-	-	19	-	-	-	-
Acquisition/sale of non-controlling interests	-	-	-	(16)	-	(16)	(10)	(26)
Dividends on treasury shares	-	-	-	4	-	4	-	4
Tax on transactions with owners	-	-	-	(14)	-	(14)	-	(14)
Total transactions with owners	**(19)**	**-**	**-**	**(2,391)**	**(105)**	**(2,515)**	**(15)**	**(2,530)**
Equity at 31 December 2011	**190**	**(106)**	**58**	**5,032**	**105**	**5,279**	**30**	**5,309**

The retained earnings reserve at 31 December 2011 comprised a premium of DKK 1,354 million arising on the issue of shares (2010: DKK 1,354 million) less the negative balance between the purchase and sale of treasury shares of DKK 5,417 million (2010: a negative balance of DKK 2,999 million).

Sale of treasury shares relates to the exercise of share options in connection with incentive programmes.

LIST OF NOTES

Notes – Financial statements

1 Critical accounting estimates and judgements ... 50

Notes – Income statement

2 Segment information ... 51
3 Revenue ... 52
4 Fees to auditors appointed at the Annual General Meeting ... 52
5 Staff costs ... 52
6 Incentive programmes and shares held by Management ... 53
7 Amortisation, depreciation and impairment of intangibles, property, plant and equipment ... 55
8 Special items ... 55
9 Financial income ... 55
10 Financial expenses ... 55
11 Tax ... 56
12 Earnings per share ... 57

Notes – Balance sheet

13 Intangibles ... 58
14 Property, plant and equipment ... 60
15 Investments in associates ... 61
16 Other securities and receivables ... 61
17 Deferred tax ... 61
18 Assets and liabilities held for sale ... 63
19 Trade and other receivables ... 63
20 Share capital ... 64
21 Pensions and similar obligations ... 64
22 Provisions ... 66
23 Financial liabilities ... 67
24 Trade and other payables ... 67
25 Corporation tax ... 68

Notes – Supplementary information

26 Other financial liabilities ... 68
27 Contingencies ... 68
28 Acquisition and divestment of enterprises and activities ... 69
29 Financial risks ... 70
30 Derivative financial instruments ... 72
31 Related parties ... 73
32 Events after the reporting date ... 73
33 Accounting policies ... 74

NOTE 1 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements of DSV A/S requires certain fair estimates and judgements. Management makes various accounting estimates and judgements that affect the reported amounts of assets, liabilities, income, expenses, cash flow and the related information at the reporting date.

The accounting estimates and judgements deemed by Management to be material for the preparation of the consolidated financial statements are as follows:

CRITICAL ACCOUNTING ESTIMATES

The estimates made are based on the results of previous years and other assumptions believed to be reasonable under the circumstances. By their nature, such estimates are uncertain and unpredictable and the actual results may deviate from these estimates. Management's estimates are continually evaluated and, if necessary, the effect of any changes in estimates are recognised in the period in which the relevant change was made.

Goodwill impairment testing

The annual goodwill impairment test implies an assessment as to whether the units of the Group to which the reported goodwill relates will be able to generate sufficient positive cash flow in future to support the carrying amount of the goodwill. Management makes a number of critical estimates in connection with the impairment test, including of the expected cash flow a number of years ahead, and determines the discount rate. Please refer to note 13 for detailed information on impairment tests for the year.

Forwarding in progress

At the close of periods, including at year-end, accounting estimates and judgements are made regarding forwarding in progress, including accrual of income and pertaining direct costs. These estimates are based on experience and continuous follow-up on provisions for forwarding in progress relative to subsequent invoicing. Changes in forwarding in progress are recognised in Revenue and Direct costs.

Provisions and contingencies

Management continually assesses provisions, contingent assets and liabilities and the likely outcome of pending and potential legal proceedings and in that connection the amount by which they are expected to be settled. The outcome of such proceedings depends on future events, which are obviously uncertain. Management includes judgements by external legal experts and existing case law in assessing the probable outcome of material legal proceedings, tax issues, etc. Please refer to notes 22 and 27 for detailed information on provisions and contingencies.

Pensions

For the determination of the Group's pension obligations related to defined benefit plans, Management is required to make several assessments and estimates, including of the expected development in wage/salary level, interest yield, inflation and mortality. In determining the obligation, the Group makes use of external and independent actuaries. Please refer to note 21 for a detailed description and specification of pension amounts.

Deferred tax assets

The Group recognises deferred tax assets, including the tax base of tax loss carryforwards, if Management deems that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Please refer to note 17 for a detailed description of the deferred tax assets.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, Management makes judgements that may have a material impact on the amounts recognised in the Consolidated Financial Statements. The critical judgements made for 2011 are summarised below.

Leases

The Group has concluded arm's length leases, mainly for buildings and other equipment. Based on an assessment of the individual lease, Management has assessed whether the leases are to be considered finance or operating leases.

Special items

Special items are used in connection with the presentation of the profit or loss for the year to distinguish such items from the other items of the income statement.

It is crucial to Management in connection with the use of special items that they are significant items not directly attributable to the ordinary operating activities of the Group and that they consist of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals. Moreover, other significant non-recurring items are classified under this item.

Management exercises careful judgement of reorganisations to ensure a correct distinction between ordinary Group operating activities and reorganisations of the Group that will improve the earnings potential of the Group in future and hence are presented under special items. Please refer to note 8 for a detailed specification and description of special items.

Financial instruments

When entering into contracts for financial instruments, Management assesses whether the instrument qualifies for hedge accounting, including whether the instrument hedges recognised assets and liabilities, expected future cash flows or net investments in foreign entities. The effectiveness of recognised financial instruments is assessed on a monthly basis, and any ineffectiveness is recognised in the income statement.

NOTE 2 – SEGMENT INFORMATION

The activities of DSV are divided into three divisions: Air & Sea, Road and Solutions. Segment identification is based on the internal financial reporting of the Group. Segment information cannot be reconciled to the related items of the divisional reviews in the Management Commentary due to elimination of inter-division transactions.

(DKKm) 2010	Air & Sea Division	Road Division	Solutions Division	Parent	Other activities and non-allocated items	Total
Condensed income statement						
Revenue	19,404	21,103	4,861	439	-	45,807
Intercompany revenue	(968)	(1,388)	(461)	(433)	5	(3,245)
Revenue	18,436	19,715	4,400	6	5	42,562
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	126	162	144	89	(2)	519
Operating profit before special items	1,213	771	268	(58)	8	2,202
Special items					(5)	(5)
Share of associates' profit/(loss), net of tax					1	1
Financials, net					(538)	(538)
Profit (loss) before tax (EBT)						1,660
Condensed balance sheet						
Total gross investments	98	232	64	107	-	501
Total assets	10,258	9,346	2,243	1,238	-	23,085
Total liabilities	4,284	5,715	1,656	4,845	-	16,500

Geographical information	Europe	North America	Rest of world	Total
Revenue	37,257	2,273	3,032	42,562
Total intangibles, property, plant and equipment	11,248	1,604	702	13,554

(DKKm) 2011	Air & Sea Division	Road Division	Solutions Division	Parent	Other activities and non-allocated items	Total
Condensed income statement						
Revenue	18,926	22,641	5,009	438	-	47,014
Intercompany revenue	(781)	(1,672)	(429)	(438)	16	(3,304)
Revenue	18,145	20,969	4,580	-	16	43,710
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	132	154	158	103	2	549
Operating profit before special items	1,355	834	278	(58)	17	2,426
Special items					-	-
Share of associates' profit/(loss), net of tax					7	7
Financials, net					(438)	(438)
Profit (loss) before tax (EBT)						1,995
Condensed balance sheet						
Total gross investments	101	310	205	85	-	701
Total assets	10,374	9,627	1,611	1,122	-	22,734
Total liabilities	4,183	5,382	1,492	6,368	-	17,425

Geographical information	Europe	North America	Rest of world	Total
Revenue	37,836	2,565	3,309	43,710
Total intangibles, property, plant and equipment	10,820	1,640	726	13,186

Inter-segment transactions were made on an arm's length basis.

The corporate headquarter of DSV is located in Denmark. Revenue for Denmark came to DKK 6,318 million in 2011 (2010: DKK 5,980 million) and intangibles, property, plant and equipment stood at DKK 2,978 million at 31 December 2011 (2010: DKK 3,280 million).

NOTE 3 – REVENUE

(DKKm)	2010	2011
Sale of services	42,446	43,594
Other income	116	116
Total revenue	**42,562**	**43,710**

NOTE 4 – FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

(DKKm)	2010	2011
Statutory audit	17	17
Tax and VAT advisory services	2	3
Other services	3	4
Total fees to auditors appointed at the Annual General Meeting	**22**	**24**
Others, audit	2	1
Others, total fees	**2**	**1**
Total fees	**24**	**25**

Auditors appointed at the Annual General Meeting, 2011: KPMG (2010: KPMG).

NOTE 5 – STAFF COSTS

(DKKm)	2010	2011
Salaries and wages etc.	5,357	5,546
Defined contribution pension plans, see note 21	251	246
Defined benefit pension plans, see note 21	40	36
Other expenses for social security	989	1,009
Share-based payments	30	34
	6,667	6,871
Transferred to direct costs	(2,023)	(2,119)
Total staff costs	**4,644**	**4,752**
Average number of employees	21,200	21,445
Number of employees at year-end	21,300	21,678

Remuneration of the Executive Board

	Jens Bjørn Andersen		Jens H. Lund		Total	
(DKKm)	2010	2011	2010	2011	2010	2011
Fixed salary	5.7	6.2	3.5	4.3	9.2	10.5
Defined contribution pension plans	0.5	0.5	0.3	0.1	0.8	0.6
Bonus	1.5	2.5	1.0	1.7	2.5	4.2
Share-based payments	1.5	1.8	1.3	1.3	2.8	3.1
Total remuneration of Executive Board	**9.2**	**11.0**	**6.1**	**7.4**	**15.3**	**18.4**

The members of the Executive Board are subject to a notice period of up to 24 months.
For information on the exercise of share options by the Executive Board, please refer to note 6.

NOTE 5 – STAFF COSTS (CONTINUED)

Remuneration of the Board of Directors of the Parent

(DKK'000)	2010	2011
Kurt K. Larsen, Chairman	1,050	1,050
Erik B. Pedersen, Deputy Chairman	525	525
Kaj Christiansen	350	350
Per Skov	350	481
Annette Sadolin	350	481
Birgit W. Nørgaard (elected 2010)	263	350
Thomas Plenborg (elected 2011)	-	525
Total remuneration of the Board of Directors of the Parent	**2,888**	**3,762**

Remuneration of the members of the Executive Board and the Board of Directors is calculated using the principles of the Company's Remuneration Policy.

NOTE 6 – INCENTIVE PROGRAMMES AND SHARES HELD BY MANAGEMENT

DSV has launched incentive share option programmes with a view to motivating and retaining staff, senior staff and members of the Executive Board. The incentive programmes are also intended to make staff and shareholders identify with the same interests.

Alle exercise prices are set on the basis of the quoted market price at the date of grant.

The options can be exercised by the employees by cash purchase of shares only. The liability relating to the incentive programmes is partly hedged by the Company's treasury shares.

A total of 1,210 employees held options at 31 December 2011.

Current option schemes

Scheme	Number of employees	Options granted	Exercise price	Market value at date of grant
2007	811	1,500,000	97.5	29.2
2008	825	1,660,000	103.25	33.4
2009	984	1,941,000	41.1	17.6
2010	1,003	1,983,000	98.5	41.2
2011	1,011	1,977,000	129.9	46.9

Incentive programmes at 31 December 2011

	Exercise period	Board of Directors*	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2007 scheme	01/04/2010 - 30/03/2012	80,000	75,000	564,500	719,500	97.50
Outstanding options of 2008 scheme	01/04/2011 - 27/03/2013	90,000	135,000	967,000	1,192,000	103.25
Outstanding options of 2009 scheme	02/04/2012 - 31/03/2014	45,000	170,000	1,514,500	1,729,500	41.10
Outstanding options of 2010 scheme	02/04/2013 - 31/03/2015	45,000	170,000	1,636,000	1,851,000	98.50
Outstanding options of 2011 scheme	01/04/2014 - 01/04/2016	-	170,000	1,755,000	1,925,000	129.90
Outstanding at 31 December 2011		**260,000**	**720,000**	**6,437,000**	**7,417,000**	**93.93**
Exercise period open at 31 December 2011		**170,000**	**210,000**	**1,531,500**	**1,911,500**	**101.09**

* A member of the Board of Directors received options in his former capacity as CEO or in connection with certain day-to-day managerial tasks. The options were granted pursuant to the procedures laid down in the Remuneration Policy of the Group then applicable.

The weighted average remaining life at 31 December 2011 was 2.66 years. The aggregate market value was DKK 167.4 million, of which options amounting to DKK 16.2 million were held by Executive Board members and options amounting to DKK 4.6 million were held by members of the Board of Directors.

NOTE 6 – INCENTIVE PROGRAMMES AND SHARES HELD BY MANAGEMENT (CONTINUED)

Calculation of market values

Scheme	Share price	Volatility	Risk-free interest rate	Expected dividends	Expected remaining life (years)
Options of 2011 scheme at date of grant	129.9	28.0%	2.70%	1.00%	3.25
Outstanding options under schemes at reporting date	103.0	29.0%	0.74%	1.00%	1.19

The market value is calculated according to the Black & Scholes model. The assumptions used are based on Management's estimates. The estimated volatility is based on the historical volatility over the preceding four years adjusted for any unusual circumstances during the period.

Development in outstanding options

	Board of Directors	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding at 1 Januar 2010	355,000	498,000	5,429,200	6,282,200	75.83
Granted in 2010	45,000	170,000	1,768,000	1,983,000	98.50
Exercised in 2010	(140,000)	(118,000)	(1,097,100)	(1,355,100)	74.17
Options waived/expired	-	-	(314,500)	(314,500)	77.63
Outstanding at 31 December 2010	**260,000**	**550,000**	**5,785,600**	**6,595,600**	**82.90**
Granted in 2011	-	170,000	1,807,000	1,977,000	129.9
Exercised in 2011	-	-	(943,100)	(943,100)	92.9
Options waived/expired	-	-	(212,500)	(212,500)	90.9
Outstanding at 31 December 2011	**260,000**	**720,000**	**6,437,000**	**7,417,000**	**93.9**

The average consideration paid for options exercised in the financial year was DKK 124.32 per share at the date of exercise.

Oustanding options for members of the Board of Directors have been granted to Kurt K. Larsen, and outstanding options for Executive Board members were granted to Jens Bjørn Andersen (400,000 options) and Jens H. Lund (320,000 options).

Shares held by members of the Executive Board and the Board of Directors

	Shares at beginning of year	Shares purchased in 2011	Shares sold in 2011	Shares at year-end	Market value (DKKm)
Jens Bjørn Andersen	44,500	-	-	44,500	4.6
Jens H. Lund	61,370	-	-	61,370	6.3
Kurt K. Larsen	232,590	-	-	232,590	24.0
Erik B. Pedersen	380,000	-	80,000	300,000	30.9
Kaj Christiansen	54,000	-	1,000	53,000	5.5
Per Skov	24,400	-	-	24,400	2.5
Annette Sadolin	-	3,885	-	3,885	0.4
Birgit W. Nørgaard	-	-	-	-	-
Thomas Plenborg	-	-	-	-	-
Total	**796,860**	**3,885**	**81,000**	**719,745**	**74.2**

NOTE 7 – AMORTISATION, DEPRECIATION AND IMPAIRMENT OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT

(DKKm)	2010	2011
Software and other intangible assets	97	112
Customer relationships	107	107
Buildings	142	152
Other plant and operating equipment	211	194
Net gain on sale of assets	(38)	(16)
Total amortisation and depreciation of intangibles, property, plant and equipment	**519**	**549**

NOTE 8 – SPECIAL ITEMS

(DKKm)	2010	2011
Restructuring adjustment	57	-
Special items, total income	**57**	**-**
Loss on divestment of activities and enterprises including adjustments relating to previous years	6	-
Restructuring costs	56	-
Special items, total costs	**62**	**-**
Special items, net	**(5)**	**-**

NOTE 9 – FINANCIAL INCOME

(DKKm)	2010	2011
Interest income	54	52
Expected return on pension assets, see note 21	62	67
Total financial income	**116**	**119**

Interest income relates to interest from cash included at amortised cost.

NOTE 10 - FINANCIAL EXPENSES

(DKKm)	2010	2011
Interest expenses	515	447
Calculated interest relating to pension obligations, see note 21	103	104
Foreign currency translation adjustments, net	36	6
Total financial expenses	**654**	**557**

Interest expenses relate to interest on loans included at amortised cost and interest on tax liabilities.

NOTE 11 – TAX

(DKKm)	2010	2011
The tax for the year is disaggregated as follows:		
Tax on profit for the year	466	546
Tax on other changes in equity	(9)	14
Tax on other comprehensive income	54	16
Total tax for the year	**511**	**576**
Tax on profit for the year is calculated as follows:		
Current tax	445	551
Deferred tax	(3)	(17)
Tax adjustment relating to previous years	24	12
Total tax on profit for the year	**466**	**546**
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	415	499
Adjustment of calculated tax in foreign Group enterprises relative to 25%	20	38
Change in deferred tax as a result of change in corporation tax rate	1	(1)
Tax effect of:		
Non-deductible expenses/non-taxable income	21	8
Non-deductible losses/non-taxable gains on shares	(43)	-
Tax adjustment relating to previous years	24	12
Tax asset valuation adjustments, net	(22)	(63)
Other taxes and adjustments	50	53
Total	**466**	**546**
Effective tax rate	**28.1%**	**27.4%**

Tax on other comprehensive income

		2010			2011	
(DKKm)	Before tax	Tax income/ expense	Net of tax	Before tax	Tax income/ expense	Net of tax
Foreign currency translation adjustments, foreign enterprises	97	(18)	79	(8)	-	(8)
Fair value adjustment of hedging instruments	109	(25)	84	1	3	4
Actuarial gains (losses)	27	(11)	16	(171)	41	(130)
Other adjustments	(3)	-	(3)	(1)	(60)	(61)
Total	**230**	**(54)**	**176**	**(179)**	**(16)**	**(195)**

NOTE 12 – EARNINGS PER SHARE

(DKKm)	2010	2011
Profit for the year	1,194	1,449
Share of consolidated profit for the year attributable to non-controlling interests	10	9
DSV A/S shareholders' share of profit for the year	1,184	1,440
Amortisation of customer relationships	107	107
Share-based payments	30	34
Special items, net	5	-
Tax effect thereof	(36)	(35)
Adjusted profit for the year	**1,290**	**1,546**
Total average number of shares ('000)	209,150	204,169
Average number of treasury shares ('000)	(807)	(7,937)
Average number of shares ('000)	208,343	196,232
Average dilutive effect of outstanding options under incentive programmes ('000)	1,052	1,381
Diluted average number of shares ('000)	**209,395**	**197,613**
Earnings per share of DKK 1	5.68	7.34
Diluted earnings per share of DKK 1	5.65	7.29
Adjusted earnings per share of DKK 1	6.19	7.88
Diluted adjusted earnings per share of DKK 1	6.16	7.82

Diluted earnings per share and diluted adjusted earnings per share have been calculated exclusive of 962,500 out-of-the-money options (2010: 1,478,500 options), which may have a dilutive effect on earnings per share and adjusted earnings per share.

NOTE 13 – INTANGIBLES

(DKKm)	Goodwill	Software	Customer relationships	Other intangibles	Intangibles in progress	Total
Cost at 1 January 2010	**7,501**	**626**	**1,059**	**5**	**99**	**9,290**
Additions relating to acquisition of enterprises	47	–	3	–	–	50
Additions for the year	–	11	–	–	105	116
Disposals at cost	–	(9)	–	(1)	–	(10)
Reclassification	–	134	–	–	(133)	1
Foreign currency translation adjustments	77	2	14	–	–	93
Total cost at 31 December 2010	**7,625**	**764**	**1,076**	**4**	**71**	**9,540**
Total amortisation and impairment at 1 January 2010	**10**	**265**	**291**	**3**	**-**	**569**
Amortisation and impairment for the year	–	97	107	–	–	204
Amortisation of assets disposed of	–	(8)	–	–	–	(8)
Foreign currency translation adjustments	–	1	3	(1)	–	3
Total amortisation and impairment at 31 December 2010	**10**	**355**	**401**	**2**	**-**	**768**
Carrying amount at 31 December 2010	**7,615**	**409**	**675**	**2**	**71**	**8,772**
Of which assets under finance leases	–	5	–	–	–	5
Cost at 1 January 2011	**7,625**	**764**	**1,076**	**4**	**71**	**9,540**
Additions relating to acquisition of enterprises	31	–	–	–	–	31
Additions for the year	–	10	–	–	83	93
Disposals at cost	–	(9)	–	–	–	(9)
Reclassification	–	129	–	–	(126)	3
Foreign currency translation adjustments	3	(1)	1	–	1	4
Total cost at 31 December 2011	**7,659**	**893**	**1,077**	**4**	**29**	**9,662**
Total amortisation and impairment at 1 January 2011	**10**	**355**	**401**	**2**	**-**	**768**
Amortisation and impairment for the year	–	111	107	1	–	219
Amortisation of assets disposed of	–	(8)	–	–	–	(8)
Foreign currency translation adjustments	–	–	1	(1)	–	–
Total amortisation and impairment at 31 December 2011	**10**	**458**	**509**	**2**	**-**	**979**
Carrying amount at 31 December 2011	**7,649**	**435**	**568**	**2**	**29**	**8,683**
Of which assets under finance leases	–	–	–	–	–	–

All intangibles other than goodwill are deemed to have limited useful lives.

Capitalised software is mainly internally developed software.

NOTE 13 – INTANGIBLES (CONTINUED)

Breakdown of goodwill by division

The original cost of goodwill is DKK 7,870 million (2010: DKK 7,839 million). The original cost has been applied for calculating ROIC. Goodwill has been allocated to the divisions of the Group: Air & Sea, Road and Solutions.

	Goodwill		%	
(DKKm) 2010	Cost	Carrying amount	Cost	Carrying amount
Air & Sea	4,105	4,037	52%	53%
Road	2,653	2,499	34%	33%
Solutions	1,081	1,079	14%	14%
Total	**7,839**	**7,615**	**100%**	**100%**

	Goodwill		%	
(DKKm) 2011	Cost	Carrying amount	Cost	Carrying amount
Air & Sea	4,131	4,071	52%	53%
Road	2,652	2,492	34%	33%
Solutions	1,087	1,086	14%	14%
Total	**7,870**	**7,649**	**100%**	**100%**

Goodwill impairment testing

As at 31 December 2011, the carrying amount of goodwill was tested for impairment.

The impairment test is made of the Group's cash-generating units based on management structure and internal management control. Such determination is generally made at division level, i.e., for Air & Sea, Road and Solutions.

The impairment test for the cash-generating units compares the recoverable amount, equivalent to the discounted value of the expected future net cash flow, with the carrying amount of the individual cash-generating unit.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2012 and projections for subsequent years up to and including 2016. Important parameters are revenue development, gross profit, EBITA margin, future capital expenditure and growth expectations in the terminal period, based on assessments of the individual division.

The calculation of the discounted net cash flow applies discount rates reflecting the risk-free interest rate with the addition of the risks related to the individual cash-generating units, including geographical location and financial risk.

The key assumptions used in impairment tests are the following:

	Air & Sea		Road		Solutions	
	2010	2011	2010	2011	2010	2011
Expected annual revenue growth (weighted average)	5.0%	5.0%	5.0%	5.0%	2.7%	2.7%
Expected EBITA margin (weighted average)	6.7%	6.9%	4.1%	4.2%	5.7%	6.0%
Expected growth in terminal period (%)	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%
Discount rate before tax (%)	9.7%	10.6%	9.8%	10.6%	9.7%	10.5%

Management determines the expected annual revenue growth and the expected EBITA margin based on historical experience and assumptions of expected market developments.

Expected growth in the terminal period is deemed not to exceed the long-term average growth rate of the industry.

Based on the impairment tests carried out, it was concluded that no basis for impairment existed at 31 December 2011. Management assesses that the probable changes in the fundamental assumptions will not make the carrying amount of goodwill exceed the recoverable amount.

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2010	**4,476**	**1,630**	**297**	**6,403**
Additions relating to acquisition of enterprises	–	1	–	1
Additions for the year	38	144	152	334
Disposals at cost	(120)	(161)	(7)	(288)
Transferred to assets held for sale	(168)	–	–	(168)
Reclassification	327	(32)	(321)	(26)
Foreign currency translation adjustments	101	57	18	176
Total cost at 31 December 2010	**4,654**	**1,639**	**139**	**6,432**
Total depreciation and impairment at 1 January 2010	**524**	**904**	**–**	**1,428**
Depreciation for the year	142	211	–	353
Depreciation of assets disposed of	(29)	(119)	–	(148)
Transferred to assets held for sale	(16)	–	–	(16)
Reclassification	8	(24)	–	(16)
Foreign currency translation adjustments	12	37	–	49
Total depreciation and impairment at 31 December 2010	**641**	**1,009**	**–**	**1,650**
Carrying amount at 31 December 2010	**4,013**	**630**	**139**	**4,782**
Of which assets under finance leases	819	48	–	867
Cost at 1 January 2011	**4,654**	**1,639**	**139**	**6,432**
Additions relating to acquisition of enterprises	–	1	–	1
Additions for the year	43	170	363	576
Disposals at cost	(447)	(155)	–	(602)
Transferred to assets held for sale	(44)	–	(1)	(45)
Reclassification	58	14	(75)	(3)
Foreign currency translation adjustments	5	(11)	1	(5)
Total cost at 31 December 2011	**4,269**	**1,658**	**427**	**6,354**
Total depreciation and impairment at 1 January 2011	**641**	**1,009**	**–**	**1,650**
Depreciation for the year	152	194	–	346
Depreciation of assets disposed of	(36)	(106)	–	(142)
Transferred to assets held for sale	3	–	–	3
Reclassification	(1)	(1)	–	(2)
Foreign currency translation adjustments	1	(5)	–	(4)
Total depreciation and impairment at 31 December 2011	**760**	**1,091**	**–**	**1,851**
Carrying amount at 31 December 2011	**3,509**	**567**	**427**	**4,503**
Of which assets under finance leases	409	49	–	458

At 31 December 2011, DSV had contractual liabilities relating to property, plant and equipment in progress of DKK 170 million (2010: DKK 0 million).

No indication of impairment of property, plant and equipment was identified in the financial year.

Land and buildings with a carrying amount of DKK 185 million (2010: DKK 223 million) was provided as collateral to mortgage banks. Mortgage loans amounted to DKK 76 million at 31 December 2011 (2010: DKK 119 million).

NOTE 15 – INVESTMENTS IN ASSOCIATES

Summarised aggregate revenue, profit/loss, assets and liabilities of associates listed in the Group structure overview on page 82:

(DKKm)	2010	2011
Revenue	302	319
Profit (loss) for the year	7	28
Total assets	147	191
Total liabilities	84	104
DSV Group's share of profit for the year	1	7
Total carrying amount at 31 December	19	26

NOTE 16 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2010	2011
Other securities	13	11
Deposits	91	86
Other receivables	17	47
Total other securities and receivables	**121**	**144**

Investments in other securities are classified as 'available for sale'. They mainly relate to unlisted shares and other investments recognised at cost as reliable measurement of their fair value is impossible. No fair value adjustments recognised in equity have been made during the year.

Other receivables relate to loans granted and other financial receivables. The loans have a term of up to 4 years, and they will be fully repaid in 2015.

NOTE 17 – DEFERRED TAX

(DKKm)	2010	2011
Deferred tax at 1 January	70	127
Foreign currency translation adjustments, foreign subsidiaries	-	2
Deferred tax for the year	(3)	(17)
Adjustments relating to previous years	5	7
Tax on equity items	54	(21)
Disposals relating to divestment of enterprises	2	-
Other adjustments	(1)	(1)
Deferred tax at 31 December	**127**	**97**
Breakdown of deferred tax:		
Deferred tax asset	(449)	(430)
Deferred tax liability	576	527
Deferred tax at 31 December	**127**	**97**

NOTE 17 – DEFERRED TAX (CONTINUED)

The deferred tax assets and liabilities recognised are allocated to the following items:	Assets 2010	Assets 2011	Liabilities 2010	Liabilities 2011	Net liabilities 2010	Net liabilities 2011
Intangibles	30	33	286	275	256	242
Property, plant and equipment	–	–	405	284	405	284
Financial assets	–	42	5	4	5	(38)
Current assets	40	31	–	–	(40)	(31)
Provisions	144	170	–	–	(144)	(170)
Other liabilities	29	4	–	81	(29)	77
Tax loss carryforwards	326	267	–	–	(326)	(267)
Total	569	547	696	644	127	97
Set-off	(120)	(117)	(120)	(117)	–	–
Total	**449**	**430**	**576**	**527**	**127**	**97**

Deferred tax assets not recognised in the balance sheet	2010	2011
Temporary differences	68	12
Tax loss	715	828
Total deferred tax assets not recognised	**783**	**840**

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the amount by which they are estimated to reduce future tax payments. Of the unrecognised tax losses, DKK 782 million may be carried forward indefinitely, but it is uncertain whether the tax loss can be utilised. The remaining DKK 46 million may be carried forward for a limited period, but it is uncertain whether the tax loss can be utilised. Most of the time-limited tax loss can be carried forward for up to 10 years.

Deferred tax assets therefore cannot be measured reliably due to uncertainty about the time aspect of their use.

There are no major deferred tax liabilities relating to investments in subsidiaries and associates.

Change in temporary differences during the year

(DKKm) 2010	Balance at 1 January	Foreign currency translation adjustments	Disposals relating to divestment of enterprises	Recognised in profit for the year, net	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	268	4	-	(16)	-	-	256
Property, plant and equipment	366	4	2	33	-	-	405
Financial assets	3	-	-	2	-	-	5
Current assets	(27)	(1)	-	(36)	25	(1)	(40)
Provisions	(135)	(2)	-	(18)	11	-	(144)
Other liabilities	(21)	-	-	(26)	18	-	(29)
Tax loss carryforwards	(384)	(5)	-	63	-	-	(326)
Total	**70**	**-**	**2**	**2**	**54**	**(1)**	**127**

(DKKm) 2011	Balance at 1 January	Foreign currency translation adjustments	Disposals relating to divestment of enterprises	Recognised in profit for the year, net	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	256	(1)	-	(13)	-	-	242
Property, plant and equipment	405	1	-	(122)	-	-	284
Financial assets	5	(1)	-	(42)	-	-	(38)
Current assets	(40)	1	-	14	(5)	(1)	(31)
Provisions	(144)	(1)	-	11	(36)	-	(170)
Other liabilities	(29)	-	-	86	20	-	77
Tax loss carryforwards	(326)	3	-	56	-	-	(267)
Total	**127**	**2**	**-**	**(10)**	**(21)**	**(1)**	**97**

NOTE 18 – ASSETS AND LIABILITIES HELD FOR SALE

(DKKm)	2010	2011
Assets held for sale		
Property, plant and equipment	174	16
Total assets held for sale at 31 December	**174**	**16**
Liabilities relating to assets held for sale		
Financial liabilities	116	-
Total liabilities relating to assets held for sale at 31 December	**116**	**-**

Assets held for sale relate to properties expected to be sold within the next 12 months. These properties are attributable to the three Divisions of the Group.

NOTE 19 – TRADE AND OTHER RECEIVABLES

(DKKm)	2010	2011
Trade receivables	7,155	7,112
Accrued revenue	541	604
Other receivables etc.	521	687
Prepayments	188	162
Trade and other receivables at 31 December	**8,405**	**8,565**
Impairment losses relating to doubtful trade receivables		
Impairment at 1 January	**368**	**277**
Impairment for the year	91	68
Impairment losses recognised for receivables	(139)	(71)
Reversal of impairments	(48)	(27)
Foreign currency translation adjustments	5	(1)
Impairment at 31 December	**277**	**246**

In a number of situations, DSV receives security for sales on credit in the form of financial guarantees or charges, and the security provided is included in the assessment of the necessity to write down doubtful trade receivables for impairment. At 31 December 2011, security had been provided for DKK 3,724 million of all trade receivables. See note 29 regarding credit risks.

Overdue trade receivables not written off break down as follows:	2010	2011
Overdue for 1-30 days	950	959
Overdue for 31-120 days	445	356
Overdue for more than 120 days	42	60

The maximum credit risk is reflected in the carrying amounts recognised in the balance sheet.

NOTE 20 – SHARE CAPITAL

(DKKm)	2010	2011
Share capital, beginning of year	**209.2**	**209.2**
Capital reduction	-	(19.2)
Share capital, end of year	**209.2**	**190.0**

The share capital of DSV has a nominal value of DKK 190,000,000, corresponding to 190,000,000 shares with a nominal value of DKK 1 each. No share confers any special rights upon its holder. No restrictions apply to the transferability of the shares or to voting rights. The share capital is fully paid up.

Two capital reductions were made in 2011, reducing the share capital by a nominal amount of DKK 19,150,000.

Treasury shares

	Shares of DKK 1		Nominal value		% of share capital	
	2010	2011	2010	2011	2010	2011
Treasury shares, beginning of year	**450,827**	**2,643,496**	**450,827**	**2,643,496**	**0.2**	**1.3**
Purchases	3,551,769	21,805,364	3,551,769	21,805,364	1.7	10.7
Used for reduction of share capital	-	(19,150,000)	-	(19,150,000)	-	(9.2)
Used for exercise of share options	(1,359,100)	(943,100)	(1,359,100)	(943,100)	(0.6)	(0.5)
Treasury shares, end of year	**2,643,496**	**4,355,760**	**2,643,496**	**4,355,760**	**1.3**	**2.3**

Treasury shares are bought back to hedge the Company's incentive programmes and adapt its capital structure. The market value of treasury shares at 31 December 2011 was DKK 449 million (2010: DKK 326 million). The acquisition price of treasury shares repurchased in 2011 was DKK 2,505 million, and the selling price of treasury shares sold was DKK 88 million.

Dividends

It is proposed to distribute dividends of DKK 1.00 per share (2010: DKK 0.50). DSV A/S paid DKK 105 million as dividends on 30 March 2011, corresponding to DKK 0.50 per share (2010: DKK 52 million, corresponding to DKK 0.25 per share).

Distribution is not subject to any particular restrictions.

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.

NOTE 21 – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2010	2011
Present value of defined benefit plans	2,048	2,228
Fair value of pension plan assets	1,177	1,253
Pensions and similar obligations at 31 December	**871**	**975**
Development in present value of defined benefit obligations		
Obligations at 1 January	1,931	2,048
Foreign currency translation adjustments	63	15
Pension costs concerning current financial year	40	36
Calculated interest concerning obligations	103	104
Actuarial losses	17	113
Benefits paid	(98)	(88)
Additions relating to acquisition of enterprises	(8)	-
Obligations at 31 December	**2,048**	**2,228**
Specification of present value of defined benefit obligations at year-end		
Present value of obligations hedged in full or in part	1,347	1,458
Present value of non-hedged obligations	701	770
Present value of defined benefit obligations	**2,048**	**2,228**

NOTE 21 – PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

(DKKm)	2010	2011
Development in fair value of pension plan assets		
Pension plan assets at 1 January	1,047	1,177
Foreign currency translation adjustments	26	13
Expected return on pension plan assets	62	67
Actuarial gains and losses	34	(44)
Payments received	59	132
Benefits paid	(38)	(92)
Additions relating to acquisition of enterprises	(13)	-
Pension plan assets at 31 December	**1,177**	**1,253**
DSV expects to pay DKK 101 million into the assets of the defined benefit plans in 2012.		
Pension costs recognised in the income statement		
Pension costs concerning current financial year	40	36
Calculated interest concerning obligations	103	104
Expected return on pension plan assets	(62)	(67)
Total recognised for defined benefit plans	**81**	**73**
Total recognised for defined contribution plans	251	246
Total recognised in income statement	**332**	**319**
Costs are recognised under the following items of the income statement:		
Staff costs	291	282
Financial income	(62)	(67)
Financial expenses	103	104
Total costs recognised	**332**	**319**
The following cumulative actuarial gains and losses have been recognised in the statement of comprehensive income since 1 January 2004:		
Cumulative actuarial losses	(227)	(384)
Social security costs relating to actuarial losses	3	(11)
Cumulative actuarial losses including social security costs recognised in the statement of comprehensive income	**(224)**	**(395)**
Breakdown of pensions plan assets:		
Shares	27%	27%
Bonds	17%	23%
Properties	1%	1%
Insurance contracts	55%	49%
Total	**100%**	**100%**
Return on pension plan assets		
Expected return on pension plan assets	62	67
Actuarial gains and losses on pension plan assets	34	(44)
Total actual return on pension plan assets	**96**	**23**

NOTE 21 – PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Actuarial assumptions

The actuarial assumptions used in calculations and valuations vary from country to country owing to national economic and social conditions. In the European countries, which have the most significant pension plans, the following assumptions are used:

	2010		2011	
	Spread	Weighted average	Spread	Weighted average
Discount rate	4.00% - 5.50%	5.20%	2.50% - 5.25%	4.70%
Expected return on pension plan assets	4.00% - 6.40%	5.82%	4.40% - 5.25%	5.09%
Future rate of wage/salary increases	2.50% - 3.75%	2.93%	2.50% - 3.75%	2.89%
Future rate of inflation	1.75% - 2.85%	2.20%	1.75% - 2.50%	2.11%

The expected return on pension plan assets is determined on the basis of asset composition and general expectations of the economic development.

Five-year overview	2007	2008	2009	2010	2011
Pension obligations	1,478	1,785	1,931	2,048	2,228
Pension plan assets	1,073	975	1,047	1,177	1,253
Inadequate cover	405	810	884	871	975
Experience adjustments to pension obligations	(24)	(11)	6	(16)	(54)
Experience adjustments to pension plan assets	-	88	(71)	(39)	44

In defined contribution pension plans, the employer must make a specific contribution (a fixed amount or a fixed percentage of the wage or salary). Defined contribution plans imply no risk to the Group as concerns the future development in yield, inflation, mortality and disability.

In defined benefit pension plans, the employer undertakes to pay a specific benefit (an old-age pension as a fixed amount or a fixed percentage of the final wage or salary on retirement). Defined benefit plans imply a risk to the Group as concerns the future development in yield, inflation, mortality and disability. The Group has defined benefit pension plans mainly in Great Britain, the Netherlands, Belgium, Germany, Sweden and Italy.

The pension obligations of certain Group enterprises are hedged through insurance. Foreign enterprises with no or only partial insurance cover (defined benefit plans) measure the unhedged pension obligations actuarially at the present value at the reporting date. The Parent only has defined contribution pension plans.

NOTE 22 – PROVISIONS

(DKKm)	Restructuring costs	Provisions for disputes and legal actions	Onerous contracts	Other	Total
Provisions at 1 January 2011	**253**	**193**	**30**	**165**	**641**
Applied for the year	(137)	(15)	(10)	(63)	(225)
Provisions for the year	45	46	1	90	182
Adjustment of provisions made in previous years	2	1	(3)	8	8
Provisions at 31 December 2011	**163**	**225**	**18**	**200**	**606**
Expected time frame of provisions:					
Current liabilities	73	46	6	90	215
Non-current liabilities	90	179	12	110	391
Provisions at 31 December 2011	**163**	**225**	**18**	**200**	**606**

Provisions are not discounted because the resulting effect is immaterial.

Restructuring costs mainly relate to capacity adaptations in connection with the integration of ABX LOGISTICS and mainly consist of termination benefits and costs under terminated leases. Provisions for disputes and legal actions are mainly contingent liabilities taken over at the acquisition of enterprises.

Onerous contracts are mainly onerous contracts taken over in connection with the acquisition of ABX LOGISTICS, consisting of property leases with rent above market levels as well as contracts concluded with customers and leases under which unavoidable costs exceed earnings.

Other provisions predominantly relate to demolition liabilities, complaints and disputes concerning subcontractors.

Provisions are basically expected to be settled within 3 to 5 years.

NOTE 23 – FINANCIAL LIABILITIES

(DKKm)	2010	2011
Loans and credit facilities	5,406	6,551
Finance leases	793	365
Other non-current liabilities	36	36
Total financial liabilities	**6,235**	**6,952**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	5,642	6,091
Current liabilities	593	861
Financial liabilities at 31 December	**6,235**	**6,952**

Loans and credit facilities

(DKKm)	Expiry	Fixed/ floating interest rate	Carrying amount 2010	2011
Bank loans DKK	2013	Floating	1,343	944
Bank loans EUR	2016	Floating	3,432	1,836
Bank loans USD	2016	Floating	-	2,698
Bank loans other	2013	Floating	-	6
Mortgage loans	2014-2015	Floating/fixed	119	76
Overdraft facilities	2012	Floating	501	791
Long-term credit facility	2013-2014	Floating	11	200
Loans and credit facilities at 31 December			**5,406**	**6,551**

Bank loans are subject to standard trade covenants, see note 29.

The weighted average effective interest rate was 2.1% (2010: 2.3%).

Finance leases

Obligations relating to assets under finance leases break down as follows:

	Lease payments		Interest		Carrying amount	
(DKKm)	2010	2011	2010	2011	2010	2011
0-1 year	99	72	(33)	(15)	66	57
1-5 years	312	313	(117)	(60)	195	253
> 5 years	715	58	(183)	(3)	532	55
Total	**1,126**	**443**	**(333)**	**(78)**	**793**	**365**

Major finance leases relate to terminals. Such leases typically have a term of 10 to 15 years. Finance leases concluded have either an extension option or a purchase option.

NOTE 24 – TRADE AND OTHER PAYABLES

(DKKm)	2010	2011
Trade payables	4,195	4,350
Deferred income relating to forwarding in progress	1,418	1,283
Other payables	2,220	2,305
Trade and other payables at 31 December	**7,833**	**7,938**

Other payables mainly comprise holiday pay obligations, salary related items payable, VAT, customs duties, accruals and other payables.

NOTE 25 – CORPORATION TAX

The amounts of corporation tax recognised are as follows:

(DKKm)	2010	2011
Corporation tax (assets)	75	42
Corporation tax (liabilities)	(303)	(469)
Total corporation tax	**(228)**	**(427)**

NOTE 26 – OTHER FINANCIAL LIABILITIES

Operating lease obligations

(DKKm)	2010	2011
Operating lease obligations relating to land and buildings (including terminals) fall due:		
0-1 year	791	883
1-5 years	2,105	2,170
> 5 years	1,133	1,341
Total	**4,029**	**4,394**
Operating lease obligations relating to operating equipment fall due:		
0-1 year	332	337
1-5 years	320	370
> 5 years	1	1
Total	**653**	**708**
The following is recognised in the income statement:		
Operating leases relating to property	1,024	994
Operating leases relating to operating equipment	507	514
Total	**1,531**	**1,508**

The Group leases properties under operating leases. Such leases typically have a term of 7 to 15 years and an option to extend after expiry of the lease term.

The Group leases operating equipment under operating leases. Such leases typically have a term of up to 6 years and an option to extend after expiry of the lease term.

Contractual obligations

(DKKm)	2010	2011
DSV A/S has entered into IT service contracts with terms of up to 3 years and a notice period of 3 months. The minimum payments during the notice period amount to	134	104
DSV A/S has guaranteed for subsidiaries' outstanding balances with banks and liabilities to leasing companies, subcontractors and public authorities etc. in the amount of	3,013	3,659
Subsidiaries have guaranteed for outstanding balances with banks and liabilities to leasing companies, subcontractors and public authorities etc. in the amount of	4,906	5,067
Total contractual obligations	**8,053**	**8,830**

NOTE 27 – CONTINGENT LIABILITIES

Contingent liabilities

In recent years, various competition authorities have carried out inspections of several international transport companies. The inspections are based on alleged violations of competition law within the transport industry. As an international transport provider, DSV has also received inquiries from the competition authorities. In some of these cases, the authorities issued preliminary rulings, finding against DSV in on case, see Company Announcement No. 396 published on NASDAQ OMX Copenhagen on 16 June 2011. Management believes that these cases will have no material impact on the financial position of the Group.

As an international transport provider, DSV is regularly involved in tax and VAT cases. The effects of some of these cases are recognised based on Management's assessment of their expected outcome. Other cases are expected to have no material impact on the future financial results of the Group.

NOTE 28 – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Acquisition and divestment of subsidiaries and activities

The Group acquired Air & Sea and Solutions activities in Finland and Germany in 2011. No activities were divested during the year.

At the date of acquisition, the cost of the assets and liabilities acquired was DKK 28 million and DKK 11 million, respectively. Following adjustment of net assets to fair value, goodwill was measured at DKK 30 million. Goodwill represents the value of the staff taken over, know-how, expected synergies from combining the activities of the enterprises acquired with existing DSV activities and the value of access to new markets. Most of the goodwill recognised is not deductible for tax purposes. Transaction costs of the acquisition and divestment of enterprises are modest amounts which have all been recognised in the income statement.

Names of enterprises and activities acquired, 2011	Country	Division	Date of recognition	Proportion of acquired share capital
Ab Wasa Logistics Ltd Oy	Finland	Air & Sea	27 May 2011	100%
LLK Lagerlogistik GmbH	Tyskland	Solutions	1 November 2011	Activity acquired

No significant acquisitions or divestments of subsidiaries or activities were made in 2010.

Non-controlling interests

In the financial year of 2011, DSV acquired equity investments from non-controlling shareholders for a total amount of DKK 26 million, increasing the DSV A/S shareholders' share of equity by DKK 16 million. No significant equity investments were purchased from non-controling shareholders in the financial year of 2010.

Acquisitions after reporting date

No significant acquisitions have been made after the reporting date.

Change in treatment of previous acquisitions

No significant adjustments were made in 2011 to goodwill relating to previous acquisitions.

Impact on income statement from acquisition of enterprises	2010	2011
Share of revenue and profit for the year of enterprises and activities acquired from date of acquisition until 31 December		
Revenue	19	87
Operating profit before amortisation, depreciation and special items	(2)	(1)
Profit (loss) for the year	(2)	(1)
Group where enterprises and activities acquired are measured as if they had been owned on a full-year basis		
Revenue	42,662	43,791
Operating profit before amortisation, depreciation and special items	2,721	2,974

NOTE 29 – FINANCIAL RISKS

DSV's international activities imply that the Group's results and balance sheet are affected by various financial risks. Management identifies the scope and extent of such risks and launches relevant policies. The general purpose of the financial risk management is to restrict the short-term negative impact on earnings and cash flows caused by financial market developments, thereby improving the predictability of financial results. The Group does not speculate in financial risks. The Group's financial control is therefore only aimed at managing existing financial risks. This task is undertaken at central level by the Group's Treasury Department and is based on the general framework determined in the Corporate Finance Policy adopted by the Board of Directors. No major revision was made to the general policies in 2011.

Liquidity risks

The capital structure of DSV is intended to both ensure financial stability for the purpose of reducing the Group's cost of capital and maintain sufficient financial flexibility to reach the Group's strategic goals.

The capital structure of DSV is assessed on a regular basis. The gearing ratio, measured as net interest-bearing debt to operating profit before amortisation, depreciation and special items (EBITDA), was 2.2 at 31 December 2011. The target for the Group's capital structure is a ratio of net interest-bearing debt to EBITDA of 2.0-2.5.

DSV ensures that it has sufficient cash on demand in the form of short-term credit facilities and long-term credit lines from the main banks of the Group. The total duration of the Group's long-term loan commitments and the amounts drawn on the Group's credit lines at 31 December 2011 are shown in the table below.

List of commitments and amounts drawn on long-term credit facilities at 31 December 2011:

Loan facilities	Amounts (EURm)	Amounts (DKKm)	Expiry of commitments	Duration (years)	Not drawn
Long-term loan I	127	944	31/12/2013	2.0	-
Long-term loan II	600	4,461	30/09/2016	4.8	669
Long-term loan III	100	743	15/01/2016	4.0	-
Other	3	25	31/08/2013	1.7	19
Long-term credit facility [1]	106	785	31/12/2012	1.0	585
Total and weighted duration	**936**	**6,958**		**3.9**	**1,273**

[1] Credit facilities expiring in 2013 and 2014 with 12 months' notice at any time.

DSV extended and consolidated its long-term credit facilities in 2011. The transactions were made with the existing main banks of the Group and two new international banks. The weighted average duration of the long-term bank loans and credit facilities is now 3.9 years. The first instalment on the long-term loans is payable on 27 May 2013. The margin of the Group's long-term loans was reduced in connection with this refinancing.

Following the most recent refinancing transaction, the loan agreements of the Group are subject to covenants which relate to the ratio of net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items). Quarterly reporting on the development of covenants is made to the Company's banks. All covenants were observed in 2011.

The Group's financial liabilities fall due as follows:

2010 (DKKm)	0-1 year	1-3 years	3-5 years	> 5 years	Total cash flows, including interest
Loans and credit facilities	694	427	5,097	-	6,218
Finance leases	99	157	155	715	1,126
Trade payables	4,195	-	-	-	4,195
Interest rate derivatives	110	81	32	-	223
Total	**5,098**	**665**	**5,284**	**715**	**11,762**

2011 (DKKm)	0-1 year	1-3 years	3-5 years	> 5 years	Total cash flows, including interest
Loans and credit facilities	955	1,476	4,756	-	7,187
Finance leases	72	104	209	58	443
Trade payables	4,350	-	-	-	4,350
Interest rate derivatives	117	90	6	-	213
Total	**5,494**	**1,670**	**4,971**	**58**	**12,193**

The analysis of expected maturity is based on contractual cash flows, including estimated interest payments. Amounts have not been discounted for which reason they cannot necessarily be reconciled to the related items of the balance sheet.

NOTE 29 – FINANCIAL RISKS (CONTINUED)

Financial instruments categories

(DKKm)	2010 Carrying amounts	2011 Carrying amounts
Financial assets:		
Held for trading (derivative financial currency instruments)	8	8
Loans and receivables	7,155	7,112
Financial assets available for sale	13	11
Financial liabilities:		
Held for trading (derivative financial interest rate instruments)	223	211
Financial liabilities measured at amortised cost	10,394	11,592

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

The valuation of financial instruments measured at fair value was based on other observable inputs than prices quoted in active markets (level 2). Interest rate swaps and foreign exchange forward contracts were valued using generally accepted valuation techniques based on relevant observable data.

Foreign currency risks

Due to the operating activities of the Group, it is exposed to exchange rate fluctuations to a certain extent. DSV seeks to eliminate foreign currency risks related to the Group's subsidiaries by hedging currency exposures centrally via the Treasury Department. The risk hedging is managed on a net basis by borrowing in foreign currencies, drawing on credit facilities in foreign currencies, or using foreign exchange forward contracts and currency options. The Group's foreign subsidiaries are not affected where trading income and costs are denominated in the local currency. This applies to most of the Group's activities. Moreover, a large proportion of the income and expenses of the Group are denominated in EUR. The aggregate currency risk is therefore limited.

The Group is also exposed to foreign currency risks, partly on the translation of debt denominated in a foreign currency other than the functional currency of the relevant company, and partly on the translation of net investments in enterprises with a functional currency other than Danish kroner. The former risk affects profit before tax. However, where debt is classified as hedging of net investments in foreign subsidiaries, fair value adjustments are recognised directly in equity under other comprehensive income. On recognition of net investments in foreign subsidiaries, the Group is exposed to a translation risk when the profit or loss and equity of foreign subsidiaries are converted into Danish kroner at the reporting date based on the average rate of exchange and the closing rates. It is assessed on an ongoing basis whether to hedge the Parent's net investment in subsidiaries. The Group policy is to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends. At 31 December 2011, SEK 1,400 million and CHF 24 million, respectively, of the Group's net investments in Sweden and Switzerland had been hedged.

In general, the Group does not hedge positions in EUR as it expects the official Danish fixed exchange-rate policy against EUR to continue.

Exchange rates

		31 December		Annual average	
	Currency	2010	2011	2010	2011
Euro countries	EUR	745.44	743.42	744.73	745.05
Great Britain	GBP	866.59	890.00	868.42	859.05
Norway	NOK	95.34	95.88	93.02	95.61
Sweden	SEK	82.70	83.42	78.12	82.52
USA	USD	561.33	574.56	562.57	536.22

Exposure in major foreign currencies breaks down as follows:

	Net position		Exchange rate	Impact on profit/loss		Impact on equity	
(DKKm)	2010	2011	fluctuation	2010	2011	2010	2011
GBP/DKK	(4)	10	+/- 5%	7	8	14	13
NOK/DKK	(11)	11	+/- 5%	5	4	11	12
SEK/DKK	26	(3)	+/- 5%	7	8	22	42
USD/DKK	5	28	+/- 5%	13	15	27	23
Total			**+/- 5%**	**32**	**35**	**74**	**90**

NOTE 29 – FINANCIAL RISKS (CONTINUED)

The effect of foreign currency translation on revenue and EBITA has been calculated on the basis of the effect of a 5% change in average rates for 2010 and 2011. The exchange rate effect on equity has been calculated on the basis of the effect of a 5% change in year-end closing rates of exchange for 2010 and 2011. The method applied for the sensitivity analysis is unchanged compared to previous years.

Interest rate risks

The major interest rate risk relates to the long-term loans raised by the Parent. These loans are raised as long-term commitments with a floating rate of interest and refinanced to a fixed-rate loan by using interest rate swaps or interest rate caps with a duration of up to 60 months. The Group also has an interest rate risk in connection with the finance and operating leases concluded. The relevant interest rates are fixed on an ongoing basis for periods of 24 to 48 months.

It is the policy of DSV that the average period of fixed interest rates on net bank debts must be at least 8 months and not more than 30 months at any time.

At the end of 2011, duration of the the hedges on the bank and mortgage loans of the Group was 25 months (2010: 23 months). An increase in interest rates by 1 percentage point will reduce profit for the year by DKK 11 million (2010: DKK 2 million) and have an impact on equity by DKK 133 million (2010: DKK 96 million).

The method applied for the sensitivity analysis is unchanged compared to previous years. For information on the Group's interest rate exposure relating to loans and credit facilities, please refer to note 23 Financial liabilities.

Credit risks

The Group's credit risks relate mainly to trade receivables. The Group has no particular concentration of customers or suppliers and is not especially dependent on specific customers or suppliers. The credit risk of the Group is therefore deemed not material. The Group has issued an internal credit limit for each debtor. As set out in the Group Credit Policy, trade receivables are rated on an ongoing basis. Insurance policies are taken out with a credit insurance company for the majority of the Group's insurable receivables. Based on the internal credit policies and the risk assessment procedures of the Group, the credit quality of unimpaired undue receivables is assessed to have, to a very great extent, a high quality and imply a low risk of loss.

DSV is exposed to a counterparty credit risk when entering into derivative financial instruments. In order to reduce this risk, DSV only enters into derivative financial instruments with the existing banks of the Group whose credit rating from Standard & Poor's is long-term A or higher. As a general rule, the Group only enters into agreements on short-term deposits with banks rated as short-term A-2 or higher by Standard & Poor's and/or as P-2 by Moody's.

NOTE 30 – DERIVATIVE FINANCIAL INSTRUMENTS

External hedging instruments at 31 December 2010

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in equity
Currency instruments	2,041	2011	8	8	-
Interest rate instruments	7,147	2011-2014	(223)	(64)	(159)
Total			**(215)**	**(56)**	**(159)**

External hedging instruments at 31 December 2011

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in equity
Currency instruments	10,183	2012	8	40	(32)
Interest rate instruments	8,855	2012-2015	(211)	(45)	(166)
Total			**(203)**	**(5)**	**(198)**

Outstanding hedging instruments are recognised in the income statement over the remaining life. The majority of the outstanding foreign exchange forward contracts will mature in Q1 2012.

NOTE 30 – DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk hedging

The Group mainly uses foreign exchange forward contracts to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The foreign exchange forward contracts are used as fair value hedges of currency exposures relating to balance sheet assets and liabilities.

Net investments of the Group are also hedged to some extent. At 31 December 2011, the Group's net investments in Sweden and Switzerland had been hedged. Foreign exchange forward contracts used to hedge net investments and satisfying the conditions of hedge accounting are recognised directly in equity. Other fair value adjustments are recognised in the income statement under financial income or expenses.

Gains on hedging instruments of DKK 13 million (2010: a loss of DKK 79 million) were recognised in the income statement for the financial year of 2011. For the same period, hedged risks were recognised in the income statement by a negative DKK 18 million (2010: DKK 43 million).

Interest rate risk hedging

The Group has obtained long-term loans on a floating interest rate basis, which implies that the Group is exposed to future interest rate fluctuations. The Group uses interest rate swaps and interest rate caps to hedge interest rate risks. Thereby floating-rate loans are refinanced as fixed-rate loans. Interest rate swaps and interest rate caps satisfying the conditions of hedge accounting are recognised directly in equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting, as well as accrued interest, are recognised directly in the income statement under financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments used as hedges of long-term loans was 2.43% at the reporting date (2010: 3.49%).

Agreements on the use of derivative financial instruments are only concluded with parties whose credit rating from Standard & Poor's is A or higher.

Ineffectiveness had no significant effect on the income statement for 2011.

NOTE 31 – RELATED PARTIES

DSV has no related parties with control. Related parties of DSV with significant influence comprise associates as mentioned in the overview of the Group structure on page 80 and members of the associates' Boards of Directors, Executive Boards and senior staff as well as family members of those persons. Related parties also comprise companies in which the aforementioned persons have significant interests.

Associated companies

The Group had the following transactions with associates:

(DKKm)	2010	2011
Sale of services	103	129
Purchase of services	223	215

The Group had the following outstanding balances with associates at 31 December:

(DKKm)	2010	2011
Receivables	21	31
Liabilities	8	7

Transactions with related parties were made on an arm's length basis.

Board of Directors, Executive Board and senior staff

Please refer to note 5 on staff costs and note 6 on incentive programmes concerning remuneration and share-based payments to Management. The Group made or had no other transactions or outstanding balances with Board of Directors, Executive Board and senior staff.

NOTE 32 – EVENTS AFTER THE REPORTING DATE

No material events have occurred after 31 December 2011.

NOTE 33 – ACCOUNTING POLICIES

The Annual Report of DSV A/S comprises the consolidated financial statements of DSV A/S and its subsidiaries and separate financial statements of the Parent.

The 2011 Consolidated Financial Statements of the DSV Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements for listed companies.

The Annual Report of the Parent, DSV A/S, is an integral part of the consolidated Annual Report of DSV and is available on the CD-ROM enclosed and at www.dsv.com.

The Board of Directors considered and adopted the 2011 Annual Report of DSV A/S on 21 February 2012. The Annual Report will be submitted to the shareholders of DSV A/S for adoption at the Annual General Meeting on 21 March 2012.

Basis of preparation

Amounts in the Annual Report are stated in Danish kroner and rounded to the nearest million.

The Annual Report has been prepared under the historical cost convention, with the exception that derivative financial instruments are measured at fair value.

Non-current assets held for sale are measured at the lower of carrying amount before the change in classification and fair value less costs to sell.

The accounting policies described below have been applied consistently for the financial year and for the comparative figures.

Changes in accounting policies

DSV A/S has implemented the standards and interpretations that are effective for the financial year of 2011. None of these standards and interpretations had any impact on the recognition and measurement for 2011 and are not expected to impact on DSV A/S.

New accounting regulations

The IASB has published the following new accounting standards and interpretations deemed relevant to DSV A/S, but which had not become mandatory at the preparation of the 2011 Annual Report:

- IFRS 9 'Financial Instruments: Classification and Measurement'. This standard introduces changes to the classification and measurement of financial assets (replaces IAS 39). The standard applies to DSV A/S from 1 January 2015.

- IFRS 10 'Consolidated Financial Statements'. This standard amends the determination of when an entity should be included in the consolidated financial statements of the Parent. The standard applies to DSV A/S from 1 January 2013.

- IFRS 11 'Joint Arrangements'. This standard relates to joint ventures and similar arrangements and amends the method of accounting for joint arrangements. The standard applies to DSV A/S from 1 January 2013.

- IFRS 12 'Disclosure of Interest in Other Entities'. This standard includes the disclosure requirements for both consolidated and unconsolidated entities, joint ventures and associates. The standard applies to DSV A/S from 1 January 2013.

- IFRS 13 'Fair Value Measurement'. This standard replaces the guidance on fair value measurement of the individual IFRSs and provides a single definition of fair value and disclosure requirements for use. The standard applies to DSV A/S from 1 January 2013.

- IAS 19 'Employee Benefits'. This standard amends the recognition and disclosure requirements for defined benefit pension plans. The standard applies to DSV A/S from 1 January 2013.

DSV A/S expects that the amendments of IAS 19 may imply more detailed notes on pension obligations. The other changes are not expected to have any significant impact on the consolidated financial statements.

DESCRIPTION OF ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements include the Parent, DSV A/S, and the subsidiaries over which DSV A/S exercises control of the financial and operating policies. Control is obtained by possessing or holding, whether directly or indirectly, more than 50% of voting rights or by otherwise controlling the relevant enterprise.

Enterprises not controlled by the Group, but over which the Group has significant influence, are considered associates. Significant influence is usually obtained by possessing or holding, whether directly or indirectly, more than 20% of voting rights, but less than 50%. When assessing whether DSV A/S controls or has significant influence over an enterprise, potential voting rights must be taken into account.

The consolidated financial statements have been prepared by consolidating the financial statements of the Parent and the individual subsidiaries, computed in accordance with the accounting policies of the Group, and by eliminating intra-Group income, costs, shareholdings, accounts and dividends as well as realised and unrealised gains from intra-Group transactions. Unrealised gains from transactions with associates are eliminated proportionately to the ownership interest. Unrealised losses are eliminated in the same way as unrealised gains to the extent that no impairment losses are recorded.

Investments in subsidiaries are eliminated by the fair value of the subsidiaries' proportionate share of identifiable net assets and recognised contingent liabilities at the date of acquisition.

Accounting items of subsidiaries are fully recognised in the consolidated financial statements. The share attributable to non-controlling interests of the profit or loss for the year and of equity of subsidiaries that are not wholly-owned is included in the consolidated profit or loss and equity, respectively, but is stated separately.

Business combinations

Newly acquired or established enterprises are recognised in the consolidated financial statements from the date of acquisition. Enterprises divested or otherwise ceasing to be subsidiaries or associates are recognised in the consolidated income statement until the date of disposal.

On acquisition of enterprises over which the Parent obtains control, the purchase method is applied. Identifiable assets, liabilities and contingent liabilities of the acquirees are measured at fair value on acquisition. Identifiable intangibles are recognised if they are separable or arise from a contractual right. Deferred tax is recognised for the revaluation.

The date of acquisition is the date on which DSV A/S or a DSV subsidiary actually obtains control of the acquiree.

The date of disposal is the date on which DSV A/S or a DSV subsidiary actually surrenders control of the enterprise divested or otherwise ceasing to be a subsidiary or an associate.

The consideration for acquirees consists of the fair value of the agreed consideration in the form of assets and liabilities transferred and equity instruments issued. If part of the consideration is subject to future events or the performance of contractual obligations, such part of the consideration is recognised at fair value on acquisition. Costs attributable to business combinations are recognised directly in the income statement when incurred.

Comparative figures are not adjusted for enterprises recently acquired, divested or otherwise ceasing to be subsidiaries or associates.

Positive differences (goodwill) between, on the one side, the consideration, the value of non-controlling interests in the enterprise acquired and the fair value of any participating interests previously acquired and, on the other, the fair value of identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangibles. Goodwill is not amortised, but tested for impairment annually.
The first impairment test is carried out before the end of the year of acquisition. On acquisition, goodwill is attributed to the cash-genera-

ting units on which the impairment test is subsequently based. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity whose functional currency differs from the presentation currency of the DSV Group are treated as assets and liabilities belonging to the foreign entity and are translated into the functional currency of the foreign entity using the exchange rate ruling at the date of acquisition. Negative differences (negative goodwill) are charged to the income statement on acquisition.

If, on acquisition, there is uncertainty connected with measurement of the identifiable assets, liabilities and contingent liabilities acquired, the first recognition is made on the basis of a preliminary calculation of fair value. If the allocation of acquisition price is considered preliminary and it subsequently turns out that the identifiable assets, liabilities and contingent liabilities had another fair value on acquisition than first assumed, goodwill may be adjusted for up to 12 months following the date of acquisition. The effect of the adjustments is recognised in equity at the beginning of the financial year, and comparative figures are restated. After that, goodwill is not adjusted. Any change in estimated contingent consideration is recognised in the income statement.

Gains or losses on divestment of subsidiaries and associates or cessation of their status as such are stated as the difference between the selling price or price for the cessation and the carrying amount of net assets, including goodwill, at the date of disposal as well as selling costs or costs related to the cessation.

Acquisition of non-controlling interests
On initial recognition, non-controlling interests are measured at fair value or at their proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Accordingly, the first method implies that goodwill for the share of acquirees attributable to non-controlling interests is recognised, whereas the latter implies that goodwill for non-controlling interests is not recognised. The measurement of non-controlling interests is elected on a transaction-by-transaction basis.

Changes in the ownership interest of DSV A/S in a subsidiary are recognised in equity if control of the relevant subsidiary is maintained. Thus, no gains or losses are recognised in the income statement, and goodwill is not affected.

Foreign currency translation
A functional currency is determined for each reporting enterprise of the Group. The functional currency is the currency used in the primary financial environment in which the individual reporting enterprise operates. Transactions denominated in currencies other than the functional currency are considered foreign currency transactions.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rates ruling at the transaction dates. Exchange differences between the exchange rates at the individual transaction date and the date of payment are recognised in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in a foreign currency are translated at the exchange rates ruling at the reporting date. The difference between the exchange rates at the reporting date and the date on which the individual receivable or payable was recorded or the exchange rate used in the latest annual report is recognised in the income statement as financial income and expenses.

On recognition in the consolidated financial statements of foreign enterprises whose functional currency differs from the presentation currency of DSV, income statements are translated at the exchange rates ruling at the transaction dates, and balance sheet items are translated at the exchange rates ruling at the reporting date. An average exchange rate for the individual months is used as the transaction-date exchange rate if this exchange rate does not significantly deviate from the exchange rate ruling at the transaction dates in question. Exchange differences arising on translation of the equity of foreign enterprises at the beginning of the year at the exchange rates ruling at the reporting date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rates ruling at the reporting date are recognised directly in other comprehensive income as a separate foreign currency translation reserve.

Foreign exchange gains/losses are allocated between the equity of the Parent and the non-controlling interests.

Foreign currency adjustments of intra-Group balances with foreign enterprises considered as part of the total net investment in the enterprise, which has a functional currency other than Danish kroner, are recognised directly in other comprehensive income in the consolidated financial statements as a separate foreign currency translation reserve. Similarly, foreign exchange gains and losses on loans and derivative financial instruments which are designated as hedges of net investments in foreign enterprises and which effectively hedge against corresponding exchange gains and losses on the net investment in the enterprise are also recognised directly in other comprehensive income as a separate foreign currency translation reserve.

On recognition in the consolidated financial statements of associates whose functional currency differs from the presentation currency of DSV, the individual associate's share of the profit or loss for the year is translated using the average exchange rate, and its share of equity, including goodwill, is translated using the exchange rate ruling at the reporting date. Exchange differences arising on translation of DSV's share of foreign associates' equity at the beginning of the year at the exchange rates ruling at the reporting date and on translation of the individual associate's share of the profit for the year from the average exchange rate to the exchange rate ruling at the reporting date are recognised directly in other comprehensive income as a separate foreign currency translation reserve.

Derivative financial instruments
Derivative financial instruments are recognised as from the trade date and measured at fair value. Positive and negative fair values of derivative financial instruments are included in other current receivables or other current payables. Positive and negative fair values are only offset if the Group has a right and an intention to settle several financial instruments net (by means of settlement of differences). The fair value of derivative financial instruments is calculated on the basis of market data and recognised valuation models.

Changes in the fair value of derivative financial instruments which are classified as and meet the criteria for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the value of the part of the asset or liability that has been hedged.

Changes in the part of the fair value of derivative financial instruments which are classified as and meet the criteria for recognition as a future cash flow hedge and which effectively hedge against changes in the value of the hedged item are recognised in other comprehensive income as a separate hedging reserve. When a hedged transaction is carried out, any gain or loss on such hedging transaction is transferred from equity and recognised in the same item as the hedged item. In connection with hedging of proceeds from future loans, gains or losses on such hedging transactions are, however, transferred from equity over the term of the loan.

Changes in the fair value of derivative financial instruments not meeting the criteria for treatment as hedging instruments are recognised on an ongoing basis in the income statement under financials.

INCOME STATEMENT

Revenue
Revenue comprises the freight forwarded and the services provided in the financial year as well as changes in the value of forwarding in progress. All kinds of discounts, including cash discounts, are recognised in revenue. Revenue is measured exclusive of VAT and other tax collected on behalf of third parties.

Direct costs
Direct costs comprise costs paid to generate the revenue for the year. Direct costs include settlement of accounts with haulage contractors, shipping companies and airlines, etc., other direct costs, including staff costs for own staff used for fulfilling orders, as well as other operating costs.

Other external expenses
Other external expenses include expenses relating to marketing, IT, rent, training and education, office premises, travelling and communications as well as other selling costs and administrative expenses.

Staff costs
Staff costs include wages and salaries, pensions, social security costs and other staff costs, but are exclusive of staff costs recorded as direct costs.

Special items
Special items include material income and expenses not directly attributable to the operating activities of the Group, consisting of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals. Moreover, other significant non-recurring items are classified under this item.

The items are stated separately to give a fairer view of the primary activities of the Group.

Profit from investments in associates
The proportionate share of the results after tax of associates is recognised in the consolidated income statement after elimination of the proportionate share of intra-Group profits/losses.

Financial income and expenses
Financial income and expenses include interest, exchange rate gains and losses on and impairment of securities, payables and foreign currency transactions as well as amortisation of financial assets and liabilities, including obligations under finance leases. Furthermore, realised and unrealised gains and losses on derivative financial instruments that cannot be classified as hedging contracts are included.

Tax on profit or loss for the year
Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable to entries directly under other comprehensive income is recognised directly in other comprehensive income.

If the Group is able to claim tax allowances when reporting its taxable income in Denmark or abroad due to share-based compensation plans, the tax effect of these plans is recognised under tax on profit for the year. If the total tax allowance exceeds total accounting costs, the tax effect of the excess tax allowance is, however, recognised directly in equity.

BALANCE SHEET, ASSETS

Intangibles

Goodwill
On initial recognition, goodwill is recognised in the balance sheet at cost as described under 'Business combinations'. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units on acquisition. Determination of cash-generating units is based on the management structure and system of internal financial reporting. Such determination is generally made at division level, i.e. for Air & Sea, Road and Solutions.

Customer relationships
On initial recognition, customer relationships are recognised in the balance sheet at fair value as described under 'Business combinations'. Subsequently, customer relationships are measured at fair value less accumulated amortisation and impairment losses. Customer relationships are amortised on a straight-line basis over the expected duration of these relations, which is estimated to be 10 years.

Computer software
Computer software bought or developed for internal use is measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount.

Cost is calculated as costs, salaries and amortisation directly or indirectly attributable to software.

After commissioning, software is amortised on a straight-line basis over its expected useful life. The amortisation period is 1-8 years.

Gains or losses from the disposal of software are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of sale. Gains or losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Property, plant and equipment
Land and buildings, other plant and operating equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the acquisition price and costs directly associated with the acquisition until the time when the asset is ready for use. The cost of assets produced in-house comprises direct and indirect costs for materials, components, sub-contractors, wages and salaries. The present value of estimated obligations for dismantling and disposing of the asset as well as restoration costs are added to cost if such costs are recognised as a provision. Material borrowing costs directly attributable to the production of the individual asset are also added to cost. If the individual components of an asset have different useful lives, each component will be depreciated separately.

The cost of assets under finance leases is determined as the lower of the fair value of the assets and the present value of the future minimum lease payments. When the present value is calculated, the internal rate of return of the lease, or an alternative borrowing rate, is applied as the discount rate.

Subsequent costs, such as partial replacement of property, plant and equipment, are included in the carrying amount of the asset in question when it is probable that such costs will result in future economic benefits for the Group. The carrying amount of the replaced parts is derecognised from the balance sheet and recognised in the income statement. All other costs for general repairs and maintenance are recognised in the income statement when incurred.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Terminals and administration buildings	40 - 60 years
Other buildings and building elements	10 - 25 years
Technical plant and machinery	6 - 10 years
Other plant and operating equipment	3 - 8 years
Land is not depreciated	

The depreciation basis takes into account the residual value of assets and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and reassessed once a year. If the residual value exceeds the carrying amount of the asset, depreciation will no longer be provided.

If the depreciation period or the residual value is changed, the effect on future depreciation will be recognised as a change in accounting estimates.

Depreciation is recognised in the income statement under depreciation of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Assets held for sale
Assets held for sale include non-current assets held for sale. Liabilities relating to assets held for sale are liabilities directly associated with

such assets which will be transferred in connection with the transaction. Assets are classified as 'held for sale' if their carrying amounts will primarily be recovered through a sales transaction within one year according to a formal plan rather than through continued use.

Assets held for sale are measured at the lower of the carrying amount at the time of the classification as 'held for sale' and the fair value less costs to sell. Assets are no longer depreciated from the time when they are classified as 'held for sale'.

Impairment losses occurring at the initial classification as 'held for sale' and gains or losses arising in connection with the subsequent measurement of the lower of carrying amount and fair value less costs to sell are recognised in the income statement under the relevant items. Gains and losses are disclosed in the notes.

Assets and their associated liabilities are shown as separate lines in the balance sheet, and the main items are specified in the notes.

Investments in associates
Investments in associates are measured using the equity method.

Investments in associates are recognised in the balance sheet at the proportionate share of the associates' equity values in accordance with Group accounting policies with the deduction or addition of the proportionate share of unrealised intra-Group gains and losses and with the addition of the carrying amount of goodwill.

Associates having a negative equity value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the negative balance of an associate, such an obligation will be recognised as a liability.

Receivables from associates are written down to the extent deemed irrecoverable.

Securities
Securities classified as 'available for sale' are recognised at fair value under non-current assets. If reliable calculation of the fair value is impossible, securities are recognised at cost. Unrealised value adjustments are recognised directly in equity. However, writedown due to impairment and foreign exchange losses resulting from the translation of foreign currency bonds are recognised in the income statement under financials. Upon realisation, the accumulated value adjustment recognised in equity will be transferred to financials in the income statement.

Impairment of non-current assets
The carrying amount of goodwill is tested for impairment at least once a year together with the other non-current assets of the division to which the goodwill is allocated and written down to the recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is determined as the discounted value of the expected future net cash flow from the division to which the goodwill is associated. Goodwill impairment is recognised as a separate item in the income statement.

Ongoing IT projects are also tested for impairment annually.

Deferred tax assets are tested annually and are only recognised if they are likely to be utilised.

The carrying amount of other non-current assets is tested once a year to determine whether there is an indication of impairment. If so, the recoverable amount is calculated. The recoverable amount is the higher of the fair value of an asset less the expected costs to sell and the value in use. The value in use is calculated as the present value of expected future cash flow from the asset or the division of which the asset forms part.

Impairment losses are recognised if the carrying amount of an asset or a division exceeds the recoverable amount of the asset or division. Impairment losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Impairment of goodwill is not reversed. Impairment of other assets is reversed if the assumptions and estimates on which the impairment is based have changed. Impairments are only reversed if the new carrying amount of an asset does not exceed the carrying amount that the asset would have had if it had not been written down.

Receivables
Receivables are measured at amortised cost. Provision is made for expected losses on an individual basis.

EQUITY

Dividends
Proposed dividends are recognised as a liability when adopted at the annual general meeting (date of declaration). Dividends expected to be paid for the year are shown as a separate item under equity.

Interim dividends are recognised as a liability as from the date of the resolution.

Treasury shares
Purchase and selling prices as well as dividends on treasury shares are recognised directly in equity under retained earnings. Capital reductions through the cancellation of treasury shares will reduce the share capital by an amount corresponding to the nominal value of the equity interest.

Proceeds from the sale of treasury shares in connection with the exercise of share options are recognised directly in equity.

Foreign currency translation reserve
The foreign currency translation reserve comprises the Parent shareholders' share of gains and losses resulting from the translation of financial statements of foreign enterprises having a different functional currency than the presentation currency of the DSV Group (Danish kroner).

In the event of realisation of a net investment or part thereof, foreign exchange gains/losses will be recognised in the income statement.

Hedging reserve
The hedging reserve comprises the cumulative net change in the fair value of hedging transactions which satisfy the criteria for hedging future cash flows and where the hedged transactions have not yet been realised.

Incentive programmes
The incentive programmes of the DSV Group consist of share option schemes.

The value of the employee services received in exchange for the grant of options is measured at the fair value of the options.

The fair value of equity-settled share-based programmes is measured at the grant date and recognised in the income statement under staff costs over the period until the options are vested. The offsetting item is recognised directly in equity.

On initial recognition of such share-based programmes, an estimate is made of the number of options that the employees are expected to earn. The estimated number of options is adjusted subsequently to reflect the actual number of options earned.

The fair value of the options granted is estimated on the basis of the Black & Scholes valuation model. The estimate is based on the terms and conditions applicable to the grant of options and Management's expectations of the development in the elements on which the valuation model is based.

BALANCE SHEET, LIABILITIES

Pension and similar obligations
Obligations relating to defined contribution pension plans under which the Group pays regular pension contributions to independent pension funds are recognised in the income statement for the period in which they are earned, and contributions payable are recognised in the balance sheet under other current liabilities.

As regards defined benefit plans, an actuarial valuation of the present value of future benefits payable under the plan is made once a year. The present value is calculated on the basis of the assumptions of future development in wage/salary level, interest rates, inflation, mortality, etc. The present value is only calculated for benefits to which the employees have become entitled during their employment with the Group. The actuarial calculation of the value in use less the fair value of any assets under the plan is recognised in the balance sheet under pension obligations.

Pension costs of the year are recognised in the income statement based on actuarial estimates and financial expectations at the beginning of the year.

The differences between the expected development in pension assets and pension liabilities and the realised values are referred to as actuarial gains or losses and are recognised directly in other comprehensive income.

Changes in the benefits payable for employees' past services to the enterprise result in an adjustment of the actuarial calculation of the value in use, which is classified as past service costs. Past service costs are charged to the income statement immediately if the employees have already earned the right to the adjusted benefits. Otherwise, the benefits will be recognised in the income statement over the period in which the employees earn the right to the adjusted benefits.

If a pension plan constitutes a net asset, the asset is only recognised if it corresponds to the future payouts under the plan, or the future contributions to the plan will be reduced.

Other long-term employee benefits are also recognised by using an actuarial measurement. All actuarial gains and losses are, however, recognised directly in the income statement. Other long-term employee benefits include anniversary benefits.

Corporation tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income for previous years and for prepaid tax.

Deferred tax is provided for based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, office properties and other items disallowed for tax purposes if, except at the acquisition of enterprises, such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

Deferred tax is adjusted for elimination of unrealised intra-Group gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries which will be effective under current legislation at the reporting date on which the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of different tax rates are recognised in the income statement.

Provisions
Provisions are recognised when, due to an event occurring on or before the reporting date, the Group has a legal or constructive obligation, and it is probable that the Group will have to give up future economic benefits to meet the obligation.

Provisions are measured on the basis of Management's best estimate of the anticipated expenditure for settlement of the relevant obligation.

When provisions are measured, the costs necessary to settle the obligation are discounted to net present value if such discounting has a material impact on the measurement of the obligation. A pre-tax discount rate is used which reflects the general level of interest rates in society and the actual risks which are deemed to affect the provision in question. Changes in present values during the financial year are recognised under financial expenses.

Restructuring costs are recognised as provisions when a detailed, formal restructuring plan has been published on or before the reporting date and communicated to the parties affected by the plan. In connection with the acquisition of enterprises, provisions for the restructuring of such enterprises are solely included in the calculation of goodwill if the acquirees are subject to an obligation at the date of acquisition.

Provisions are made for onerous contracts if the expected benefits to the Group are outweighed by the unavoidable costs under the contract.

If the Group is under an obligation to dismantle an asset or restore the site where the asset has been used, a provision is made corresponding to the present value of the expected future costs.

Financial liabilities
Bank loans and other loans are recognised initially at fair value net of transaction expenses. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

The residual lease obligation under finance leases is also capitalised and recognised as a financial liability.

Other liabilities, including trade payables, payables to associates as well as other payables, are measured at amortised cost, which corresponds to the net realisable value in all essentials.

Leases
In the financial statements, lease obligations are divided into obligations under finance leases and operating leases.

A lease is classified as a finance lease when, in all essentials, it transfers the risks and benefits of ownership of the leased asset. Other leases are classified as operating leases.

The treatment in financial statements of assets under finance leases and the corresponding obligations is described in the sections 'Property, plant and equipment' and 'Financial liabilities'.

Lease payments under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Deferred income
Deferred income recognised under liabilities includes payments received in relation to income for subsequent years.

CASH FLOW STATEMENT

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of the acquisition and divestment of enterprises is shown as a separate item under cash flow from investing activities. The cash flow from acquired enterprises is recognised in the cash flow statement from the date of acquisition, and the cash flow from divested enterprises is recognised until the date of divestment.

Cash flow from operating activities
The cash flow from operating activities is recognised as a pre-tax amount, adjusted for non-cash operating items, working capital changes as well as interest and corporation tax paid.

Cash flow from investing activities
The cash flow from investing activities comprises payments relating to the acquisition and divestment of enterprises and activities, the purchase and sale of intangibles, property, plant and equipment and other non-current assets as well as the purchase and sale of securities not classified as cash and cash equivalents.

Free cash flow
The free cash flow is what remains after operating and investing activities.

Cash flow from financing activities
The cash flow from financing activities comprises changes in the amount or composition of the Group's share capital and related costs, including the purchase and sale of treasury shares as well as the raising of loans, repayments on interest-bearing debt and the payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term marketable securities that may readily be converted into cash without any risk of considerable loss in value.

SEGMENT INFORMATION

Information is provided on business segments and geographical markets. The segmentation is based on the risk factors affecting the Group and the internal financial management of the Group. Segment information has been prepared in accordance with the Group's accounting policies.

Income/expenses and assets/liabilities in the segments comprise the items directly attributable to the individual segment as well as the items that may be allocated to the individual segment on a reliable basis. Non-allocated items mainly comprise assets and liabilities as well as income and expenses relating to the Group's administrative functions, investing activities, corporation tax, etc.

The non-current assets in a segment comprise the non-current assets which are used directly for the operation of the segment, including intangibles and property, plant and equipment as well as investments in associates.

The current assets in a segment comprise the current assets which are used directly for the operation of the segment, including trade receivables, other receivables, prepayments and cash and bank deposits.

Segment liabilities comprise liabilities resulting from the operation of the segment, including trade payables and other payables. Segment liabilities also comprise interest-bearing liabilities.

DEFINITION OF FINANCIAL HIGHLIGHTS

Net interest-bearing debt
Interest-bearing debt at year-end less interest-bearing assets at year-end.

Net working capital
The sum of inventories, receivables and other current operating assets less trade payables and other payables and other current operating liabilities.

Invested capital including goodwill and customer relationships
The sum of the net working capital with the addition of property, plant and equipment, intangibles including goodwill and customer relationships and assets held for sale less long-term provisions, pension obligations and negative goodwill.

Gross margin
Gross profit multiplied by 100 and divided by revenue.

EBITDA margin
Operating profit before amortisation, depreciation, impairment of goodwill and special items multiplied by 100 and divided by revenue.

EBITA margin
Operating profit before impairment of goodwill and special items multiplied by 100 and divided by revenue.

EBIT margin
EBIT multiplied by 100 and divided by revenue.

Conversion ratio*
Operating profit before impairment of goodwill and special items (EBITA) multiplied by 100 and divided by gross profit.

ROIC including goodwill and customer relationships
Operating profit before impairment of goodwill and special items multiplied by 100 and divided by average invested capital including goodwill and customer relationships.

Effective tax rate*
Tax on profit for the year divided by profit before tax.

Return on equity
The DSV A/S shareholders' share of the profit for the year multiplied by 100 and divided by average equity exclusive of minority interests.

Solvency ratio
Equity exclusive of minority interests multiplied by 100 and divided by total equity and liabilities.

Net interest-bearing debt to EBITDA (financial gearing ratio)*
Interest-bearing liabilities at year-end less interest-bearing assets at year-end divided by operating profit before amortisation, depreciation and special items (EBITDA). 2008: adjusted for ABX Logistics acquisition.

Earnings per share
The DSV A/S shareholders' share of profit for the year divided by the average number of shares.

Diluted earnings per share
The DSV A/S shareholders' share of profit for the year divided by the average number of fully diluted shares.

Adjusted earnings
The DSV A/S shareholders' share of profit for the year, adjusted for amortisation and impairment of goodwill and customer relationships, costs related to share-based payments and special items. The tax effect of the adjustments has been taken into account.

Diluted adjusted earnings per share
Adjusted earnings per share divided by the average number of fully diluted shares.

Number of shares at year-end
Total number of shares outstanding at year-end, exclusive of treasury shares.

Diluted average number of shares
Average number of shares during the year inclusive of share options, but exclusive of out-of-the-money options.

Earnings per share and diluted earnings per share are calculated pursuant to IAS 33. The other financial ratios are calculated in accordance with 'Recommendations & Financial Ratios 2010' *("Anbefalinger og nøgletal 2010")* published by the Danish Society of Financial Analysts, except for financial ratios marked with * as these ratios are not included in the Recommendations.

GROUP STRUCTURE

The overview of the Group structure shows active companies at 31 December 2011 by segment and not by legal structure.

	Country	Ownership share	Air & Sea	Road	Solutions
Parent					
DSV A/S	Denmark	–			
Subsidiaries					
Europe					
DSV Air&Sea NV	Belgium	100%	x		
ABX Worldwide Holdings NV/SA	Belgium	100%	x		
ABX LOGISTICS Worldwide NV/SA	Belgium	100%	x		
ABX LOGISTICS Air & Sea Worldwide NV/SA	Belgium	100%	x		
DSV Road N.V.	Belgium	100%		x	
Marine Cargo Insurance (MCI) Agents N.V.	Belgium	100%		x	
DSV Solutions NV	Belgium	100%			x
DSV Solutions (Automotive) NV	Belgium	100%			x
DSV Air & Sea OOD	Bulgaria	100%	x		
DSV Road EOOD	Bulgaria	100%			x
DSV Air & Sea Holding A/S	Denmark	100%	x		
DSV Air & Sea A/S	Denmark	100%	x		
DSV Road Holding A/S	Denmark	100%		x	
DSV Road A/S	Denmark	100%		x	
DSV Insurance A/S	Denmark	100%			
DSV Solutions Holding A/S	Denmark	100%			x
DSV Solutions A/S	Denmark	100%			x
DSV Transport AS	Estonia	100%		x	
DSV Air & Sea Oy	Finland	100%	x		
Ab Wasa Logistics Ltd Oy	Finland	100%	x		
DSV Road Oy	Finland	100%		x	
Uudenmaan Pikakuljetus OY	Finland	100%		x	
DSV Solutions Oy	Finland	100%			x
DSV Road Holding S.A.	France	100%		x	
DSV Road SAS	France	100%		x	
ING Reeif Wattrelos	France	100%		x	
DSV Air & Sea SAS	France	100%	x		
Frans Maas Holding France S.A.	France	100%		x	
DSV Solutions S.A.	France	100%			x
DSV HELLAS S.A.	Greece	100%		x	
DSV Solutions Holding B.V.	The Netherlands	100%			x
DSV Solutions (Dordrecht) B.V.	The Netherlands	100%			x
ABX LOGISTICS (Nederland) B.V.	The Netherlands	100%	x		
DSV Solutions Nederland B.V.	The Netherlands	100%			x
DSV Solutions B.V.	The Netherlands	100%			x
DSV Air & Sea B.V.	The Netherlands	100%	x		
DSV Road B.V.	The Netherlands	100%		x	
DSV Road Holding NV	The Netherlands	100%		x	
Vastgoed Oostrum C.V.	The Netherlands	100%			x
DSV Transport Ltd.	Belarus	100%		x	
DSV Air & Sea Limited	Ireland	100%	x		
DSV Road Limited	Ireland	100%		x	
DSV Solutions Ltd.	Ireland	100%			x
Saima Avandero SpA	Italy	99.1%	x		
Logimek SRL	Italy	100%			x
DSV Road S.p.A.	Italy	100%		x	
Saima Caspian LLC	Kazakhstan	100%	x		
DSV Hrvatska d.o.o.	Croatia	100%		x	
DSV Transport SIA	Latvia	100%		x	

	Country	Ownership share	Air & Sea	Road	Solutions
DSV Transport UAB	Lithuania	100%		x	
XB Luxembourg Holdings 1 SA	Luxemburg	100%	x		
XB Luxembourg Holdings 2 SARL	Luxemburg	100%	x		
DSV Road S.A.	Luxemburg	100%		x	
DSV Air & Sea AS	Norway	100%	x		
DSV Road AS	Norway	100%		x	
DSV Solutions AS	Norway	100%			x
DSV Air & Sea Sp. z o.o.	Poland	100%	x		
DSV Road Sp. z.o.o.	Poland	100%		x	
DSV Solutions Sp.z o.o.	Poland	100%			x
DSV SGPS, Lda.	Portugal	100%		x	
DSV Solutions, Lda.	Portugal	100%		x	
DSV Transitarios, Lda.	Portugal	100%		x	
DSV Solutions S.R.L.	Romania	100%			x
OOO DSV Transport	Russia	100%		x	
DSV Road OOO	Russia	100%		x	
DSV Solutions OOO	Russia	100%			x
DSV Logistics SA	Switzerland	100%		x	
DSV Road d.o.o.	Serbia	100%		x	
DSV Slovakia S.R.O.	Slovakia	100%		x	
DSV Transport d.o.o.	Slovenia	100%		x	
DSV Holding Spain S.L.	Spain	100%		x	
DSV Road S.A.U	Spain	100%		x	
DSV Solutions S.A.U	Spain	100%			x
DSV Air & Sea S.A.U	Spain	100%	x		
DSV Solutions Ltd.	Great Britain	100%			x
DSV Air & Sea Limited	Great Britain	100%	x		
DSV Road Holding Ltd.	Great Britain	100%		x	
DSV Commercials Ltd.	Great Britain	100%		x	
DSV Road Ltd.	Great Britain	100%		x	
DSV Air & Sea AB	Sweden	100%	x		
DSV Road Holding AB	Sweden	100%		x	
DSV Group AB	Sweden	100%		x	
DSV Road AB	Sweden	100%		x	
Göinge Frakt EK	Sweden	100%		x	
NTS European Distribution AB	Sweden	100%		x	
DSV Solutions AB	Sweden	100%			x
Weibullsholms Östra LF AB	Sweden	100%			x
DSV Air & Sea s.r.o.	Czech Republic	100%	x		
DSV Road a.s.	Czech Republic	100%		x	
DSV Air & Sea A.S.	Turkey	100%	x		
DSV Road & Solutions A.S.	Turkey	100%		x	
ABX Transport & Logistics GmbH	Germany	100%		x	
DSV Road GmbH	Germany	100%		x	
DSV Immobilien GmbH	Germany	100%		x	
POP Gesellschaft für Prozesslogistik mbH	Germany	100%			x
Collico Verpackungslogistik und Service GmbH	Germany	100%			x
Administration & Accounting Service GmbH	Germany	100%		x	
Jolkos Grundstücksverwaltungsgesellschaft mbH	Germany	94%		x	
DSV Air & Sea GmbH	Germany	100%	x		
DSV Solutions Group GmbH	Germany	100%			x
DSV Solutions GmbH	Germany	100%			x
DSV Stuttgart GmbH & Co. KG	Germany	100%		x	
DSV Ukraine	Ukraine	100%		x	
DSV Hungaria Kft.	Hungary	100%		x	
ABX LOGISTICS (Austria) GmbH	Austria	100%		x	
DSV Österreich Spedition GmbH	Austria	100%		x	

	Country	Ownership share	Air & Sea	Road	Solutions
North America					
DSV Air & Sea Inc.	Canada	100%	x		
DSV Air & Sea, S.A. de C.V.	Mexico	100%	x		
DSV Air & Sea Inc.	USA	100%	x		
DSV Air & Sea Holding Inc.	USA	100%	x		
ABX LOGISTICS (USA) Inc.	USA	100%	x		
Asia					
DSV Air & Sea Ltd.	Bangladesh	100%	x		
ABX LOGISTICS (Bangladesh) Ltd.	Bangladesh	100%	x		
DSV Air & Sea (LLC)	United Arab Emirates	100%	x		
DSV Air & Sea Inc.	The Philippines	100%	x		
ABX LOGISTICS Holding Philippines Inc	The Philippines	97.6%	x		
DSV Air & Sea Ltd.	Hong Kong	100%	x		
ABX LOGISTICS (Hong Kong) Ltd.	Hong Kong	100%	x		
THL Container Line Ltd.	Hong Kong	100%	x		
DSV Air & Sea Pvt. Ltd.	India	100%	x		
PT. DFDS Transport Indonesia	Indonesia	100%	x		
DSV Air & Sea Co., Ltd.	Japan	79.6%	x		
DSV Air & Sea Co., Ltd.	China	100%	x		
DSV Logistics Co., Ltd.	China	100%	x		
DSV Air & Sea Ltd.	Korea	100%	x		
DSV Air & Sea Sdn Bhd	Malaysia	100%	x		
DSV Logistics Sdn. Bhd.	Malaysia	100%	x		
ABX LOGISTICS (Malaysia) SDN BHD	Malaysia	100%	x		
DSV Air & Sea Pte. Ltd.	Singapore	100%	x		
ABX LOGISTICS Singapore PTE LTD	Singapore	100%	x		
DSV Air & Sea Co. Ltd.	Taiwan	100%	x		
DSV Air & Sea Ltd.	Thailand	100%	x		
DSV Air & Sea Co., Ltd.	Vietnam	100%	x		
Other					
DSV Air & Sea Pty Ltd.	Australia	100%	x		
DSV Transport Int'l S.A	Morocco	100%	x		
Terminal Handling Company	Morocco	100%	x		
DSV Air & Sea Limited	New Zealand	100%	x		
Saima Nigeria Ltd.	Nigeria	40%	x		
Nationwide Clearing & Forwarding Ltd.	Nigeria	36.6%	x		
DSV Air and Sea (Proprietary) Limited	South Africa	100%	x		
Associates					
ABX-Penske Air & Sea Logistica Ltda	Brazil	50%	x		
DSV-GL Latin America S.A.	Chile	40%	x		
DSV-GL Chile S.A.	Chile	40%	x		
DSV Air & Sea LLC	Egypt	20%	x		
DDT Brokerage Inc.	The Philippines	100%	x		
GT Stevedores Oy	Finland	25.5%		x	
FRANCE AIR GROUPAGE SA	France	49.6%	x		
Vastgoed Beek CV	The Netherlands	100%			x
Sama Al Imad General Transport LLC	Iraq	49%	x		
MGM Lines Srl	Italy	30%	x		
DSV Air & Sea (PVT) Limited.	Pakistan	20%	x		
DSV-GL Peru S.A.	Peru	40%	x		
KM Logistik GmbH	Germany	35%		x	
IDS Logistik GmbH	Germany	28%		x	
DSV Honold Air & Sea GmbH & Co. KG	Germany	50%	x		
DSV Honold Air & Sea Verwaltungs GmbH	Germany	50%	x		

According to agreement, control of DDT Brokerage Inc. and Vastgoed Beek CV has been transferred to a third party, and the companies are therefore treated as associates.

CVR No. 58 23 35 28
35th financial year
Annual Report for the year ended
31 December 2011
Published 21 February 2012

DSV A/S
Banemarksvej 58
2605 Brøndby
Denmark
Tel. +45 43 20 30 40
www.dsv.com

The Annual Report has been prepared in Danish and English.
In case of discrepancies, the Danish version shall apply.

Design and graphic production: meyer & bukdahl as

DSV

Global Transport and Logistics

2011 Annual Report – Parent

The Annual Report of DSV A/S (Parent) is an integral part of the 2011 Consolidated Annual Report of DSV

TABLE OF CONTENTS

Financial statements

Income statement ... 88
Statement of comprehensive income ... 88
Balance sheet ... 89
Cash flow statement ... 90
Statement of changes in equity ... 91

Notes – Financial statements

1 Critical accounting estimates and judgements ... 92

Notes – Income statement

2 Revenue ... 92
3 Fees to auditors appointed at the Annual General Meeting ... 92
4 Staff costs ... 93
5 Incentive programmes ... 94
6 Amortisation, depreciation and impairment of intangibles, property, plant and equipment ... 94
7 Special items ... 94
8 Financial income ... 95
9 Financial expenses ... 95
10 Tax ... 95

Notes – Balance sheet

11 Intangibles ... 96
12 Property, plant and equipment ... 97
13 Investments in Group enterprises ... 97
14 Other non-current receivables ... 97
15 Receivables from Group enterprises and other receivables ... 98
16 Share capital ... 98
17 Deferred tax ... 99
18 Financial liabilities ... 99
19 Payables to Group enterprises and other payables ... 99

Notes – Supplementary information

20 Collaterals, contingent assets and liabilities, other financial liabilities etc ... 100
21 Derivative financial instruments ... 100
22 Financial risks ... 101
23 Related parties ... 102
24 Accounting policies ... 102

INCOME STATEMENT

(DKKm)	Note	2010	2011
Revenue	2	439	438
Direct costs		1	1
Gross profit		**438**	**437**
Other external expenses	3	190	170
Staff costs	4, 5	195	196
Operating profit before amortisation, depreciation and special items (EBITDA)		**53**	**71**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	6	86	101
Operating profit before special items (EBITA)		**(33)**	**(30)**
Special items	7	14	–
Operating profit (EBIT)		**(19)**	**(30)**
Financial income	8	2,371	691
Financial expenses	9	497	477
Profit before tax		**1,855**	**184**
Tax on profit for the year	10	64	73
Profit for the year		**1,791**	**111**
Proposed distribution of profit			
Proposed dividend per share is DKK 1.00 (2010: DKK 0.50 per share).		105	190
Retained earnings		1,686	(79)
Total distribution		**1,791**	**111**

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Note	2010	2011
Profit for the year		**1,791**	**111**
Other comprehensive income			
Fair value adjustment for the year relating to hedging instruments		(37)	(71)
Fair value adjustment relating to hedging instruments transferred to financial expenses		138	62
Other adjustments		71	-
Tax on other comprehensive income	10	(43)	2
Other comprehensive income net of tax		**129**	**(7)**
Total comprehensive income		**1,920**	**104**

BALANCE SHEET, ASSETS

(DKKm)	Note	2010	2011
Intangibles	11	446	431
Property, plant and equipment	12	10	8
Investments in Group enterprises	13	2,833	2,834
Other receivables	14	1,511	1,799
Total non-current assets		**4,800**	**5,072**
Receivables from Group enterprises and other receivables	15	11,999	11,063
Corporation tax		-	-
Cash		1	1
Total current assets		**12,000**	**11,064**
Total assets		**16,800**	**16,136**

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	Note	2010	2011
Share capital	16	209	190
Reserves		6,252	3,835
Total equity		**6,461**	**4,025**
Deferred tax	17	83	100
Financial liabilities	18	4,177	5,169
Total non-current liabilities		**4,260**	**5,269**
Financial liabilities	18	6	-
Short-term bank loans	18	168	598
Corporation tax		33	144
Payables to Group enterprises and other payables	19	5,872	6,100
Total current liabilities		**6,079**	**6,842**
Total liabilities		**10,339**	**12,111**
Total equity and liabilities		**16,800**	**16,136**

CASH FLOW STATEMENT

(DKKm)	Note	2010	2011
Profit before tax		1,855	184
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses	6	86	101
Share-based payments		6	36
Financial income	8	(2,371)	(691)
Financial expenses	9	497	477
Cash flow from operating activities before change in net working capital		**73**	**107**
Change in net working capital		(594)	1,148
Financial income, paid		2,371	695
Financial expenses, paid		(463)	(477)
Cash flow from operating activities before tax		**1,387**	**1,473**
Corporation tax, paid		53	(22)
Cash flow from operating activities		**1,440**	**1,451**
Acquisition of intangibles		(104)	(80)
Acquisition of property, plant and equipment		(4)	(4)
Change in other financial assets		7	(288)
Cash flow from investing activities		**(101)**	**(372)**
Free cash flow		**1,339**	**1,079**
Proceeds from non-current liabilities incurred		574	2,022
Repayment of loans and credits		(1,609)	(606)
Shareholders:			
Dividends distributed		(52)	(105)
Dividends on treasury shares		-	4
Purchase/sale of treasury shares		(254)	(2,394)
Cash flow from financing activities		**(1,341)**	**(1,079)**
Cash flow for the year		**(2)**	**-**
Cash at 1 January		3	1
Cash flow for the year		(2)	-
Cash at 31 December		**1**	**1**

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

STATEMENT OF CHANGES IN EQUITY – 2010

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2010	**209**	**(84)**	**4,664**	**52**	**4,841**
Profit for the year	**-**	**-**	**1,686**	**105**	**1,791**
Fair value adjustment for the year relating to hedging instruments	-	(37)	-	-	(37)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	138	-	-	138
Other adjustments	-	-	71	-	71
Tax on other comprehensive income	-	(25)	(18)	-	(43)
Total comprehensive income	**-**	**76**	**53**	**-**	**129**
Total comprehensive income for the year	**-**	**76**	**1,739**	**105**	**1,920**
Share-based payments	-	-	6	-	6
Dividends distributed	-	-	-	(52)	(52)
Purchase and sale of treasury shares, net	-	-	(254)	-	(254)
Total changes in equity in 2010	**-**	**76**	**1,491**	**53**	**1,620**
Equity at 31 December 2010	**209**	**(8)**	**6,155**	**105**	**6,461**

STATEMENT OF CHANGES IN EQUITY – 2011

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2011	**209**	**(8)**	**6,155**	**105**	**6,461**
Profit for the year	**-**	**-**	**(79)**	**190**	**111**
Fair value adjustment for the year relating to hedging instruments	-	(71)	-	-	(71)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	62	-	-	62
Other adjustments	-	-	-	-	-
Tax on other comprehensive income	-	2	-	-	2
Total comprehensive income	**-**	**(7)**	**-**	**-**	**(7)**
Total comprehensive income for the year	**-**	**(7)**	**(79)**	**190**	**104**
Share-based payments	-	-	5	-	5
Dividends distributed	-	-	-	(105)	(105)
Dividends on treasury shares	-	-	4	-	4
Other adjustments	-	-	(26)	-	(26)
Capital reduction	(19)	-	19	-	-
Purchase and sale of treasury shares, net	-	-	(2,418)	-	(2,418)
Total changes in equity in 2011	**(19)**	**(7)**	**(2,495)**	**85**	**(2,436)**
Equity at 31 December 2011	**190**	**(15)**	**3,660**	**190**	**4,025**

The retained earnings reserve at 31 December 2011 comprised a premium of DKK 1,354 million arising on the issue of shares (2010: DKK 1,354 million) less the negative balance between the purchase and sale of treasury shares of DKK 5,230 million (2010: a negative balance of DKK 2,812 million).

NOTE 1 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and judgements and determines the assumptions to be used as the basis for the recognition and measurement of assets and liabilities, contingent assets and -liabilities and the income and costs reported. The estimates made and assumptions used are based on historical experience and other factors deemed by Management to be reasonable in the circumstances, but in the nature of things such experience and factors are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may arise. Moreover, the organisation is subject to risks and uncertainties that may result in outcomes deviating from these estimates.

Management deems the following estimates and the pertaining judgements to be critical for the preparation of the Annual Report of the Parent:

Investments in subsidiaries
Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments will be tested for impairment in the same way as Group goodwill. In the assessment of Management, there was no such indication at 31 December 2011, and therefore investments in subsidiaries have not been tested for impairment.

NOTE 2 – REVENUE

(DKKm)	2010	2011
Group charges	439	438
Total revenue	**439**	**438**

NOTE 3 – FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

(DKKm)	2010	2011
Statutory audit	2	3
Total fees to auditors appointed at the Annual General Meeting	**2**	**3**
Others, audit	1	1
Total fees, others	**1**	**1**
Total fees	**3**	**4**

Auditors appointed at the Annual General Meeting, 2011: KPMG (2010: KPMG).

NOTE 4 – STAFF COSTS

(DKKm)	2010	2011
Remuneration for the Board of Directors	3	4
Salaries etc.	181	181
Defined contribution pension plans	11	11
Total staff costs	**195**	**196**
Average number of employees	243	251

Remuneration for the Executive Board

	Jens Bjørn Andersen		Jens H. Lund		Total	
(DKKm)	2010	2011	2010	2011	2010	2011
Fixed salary	5.7	6.2	3.5	4.3	9.2	10.5
Defined contribution pension plans	0.5	0.5	0.3	0.1	0.8	0.6
Bonus	1.5	2.5	1.0	1.7	2.5	4.2
Share-based payments	1.5	1.8	1.3	1.3	2.8	3.1
Total remuneration for the Executive Board	**9.2**	**11.0**	**6.1**	**7.4**	**15.3**	**18.4**

The members of the Executive Board are subject to a notice period of up to 24 months.
For information on the exercise of share options by the Executive Board, please refer to note 6 of the consolidated financial statements.

Remuneration for the Board of Directors of the Parent

(DKK'000)	2010	2011
Kurt K. Larsen, Chairman	1,050	1,050
Erik B. Pedersen, Deputy Chairman	525	525
Kaj Christiansen	350	350
Per Skov	350	481
Annette Sadolin	350	481
Birgit W. Nørgaard (elected 2010)	263	350
Thomas Plenborg (elected 2011)	–	525
Total remuneration for the Board of Directors of the Parent	**2,888**	**3,762**

NOTE 5 – INCENTIVE PROGRAMMES

DSV A/S has issued share options to staff, senior staff and members of the Executive Board of the Company. Please refer to note 6 of the consolidated financial statements for a calculation of market values and a list of current incentive share option programmes.

Incentive programmes at 31 December 2011

	Exercise period	Board of Directors	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2009 scheme	02/04/2012 - 31/03/2014	45,000	170,000	69,000	284,000	41.10
Outstanding options of 2010 scheme	02/04/2013 - 01/04/2015	45,000	170,000	108,000	323,000	98.50
Outstanding options of 2011 scheme	01/04/2014 - 01/04/2016	-	170,000	103,000	273,000	129.90
Outstanding at 31 December 2011		**90,000**	**510,000**	**280,000**	**880,000**	**89.72**
Exercise period open at 31 December 2011		**-**	**-**	**-**	**-**	

The weighted average remaining life at 31 December 2011 was 2.66 years. The aggregate market value was DKK 25.4 million, of which options amounting to DKK 16.2 million were held by Executive Board members and options amounting to DKK 4.6 million were held by a member of the Board of Directors.

Development in outstanding options

	Board of Directors	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding at 1 January 2010	45,000	170,000	71,000	286,000	41.10
Granted in 2010	45,000	170,000	111,000	326,000	98.50
Exercised in 2010	-	-	-	-	-
Options waived/expired	-	-	(2,000)	(2,000)	69.80
Outstanding at 31 December 2010	**90,000**	**340,000**	**180,000**	**610,000**	**71.68**
Granted in 2011	-	170,000	105,500	275,500	129.90
Exercised in 2011	-	-	-	-	-
Options waived/expired	-	-	(5,500)	(5,500)	102.34
Outstanding at 31 December 2011	**90,000**	**510,000**	**280,000**	**880,000**	**89.72**

Stock options granted to Group Management before 2009 were granted through Group subsidiaries.

NOTE 6 – AMORTISATION, DEPRECIATION AND IMPAIRMENT OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT

(DKKm)	2010	2011
Amortisation and depreciation		
Software	79	95
Other plant and operating equipment	7	6
Total amortisation and depreciation of intangibles, property, plant and equipment	**86**	**101**

NOTE 7 – SPECIAL ITEMS

(DKKm)	2010	2011
Restructuring costs	20	-
Profit on divestment of activities and enterprises including adjustments relating to previous years	(6)	-
Total special items, net	**14**	**-**

Restructuring costs mainly relate to severance pay and impairment of IT equipment.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2010	2011
Interest income	51	47
Interest income from Group enterprises	720	625
Foreign currency translation adjustments, net	-	19
Dividends from subsidiaries	1,600	-
Total financial income	**2,371**	**691**

Interest income relates to interest from cash included at amortised cost.

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2010	2011
Interest expenses	381	352
Foreign currency translation adjustments, net	6	-
Interest expenses for Group enterprises	110	125
Total financial expenses	**497**	**477**

Interest expenses relate to interest on loans included at amortised cost and interest on tax liabilities.

NOTE 10 – TAX

(DKKm)	2010	2011
The tax for the year is disaggregated as follows:		
Tax on profit for the year	64	73
Tax on other comprehensive income	(43)	2
Total tax for the year	**21**	**75**
Tax on profit for the year is calculated as follows:		
Current tax	49	51
Deferred tax	17	8
Tax adjustment relating to previous years	(2)	14
Total tax on profit for the year	**64**	**73**
Tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	464	46
Tax effect of:		
Non-taxable dividends	(398)	13
Tax adjustment relating to previous years	(2)	14
Total tax on profit for the year	**64**	**73**
Effective tax rate	**3.5%**	**39.7%**

Tax on other comprehensive income

(DKKm)	2010 Before tax	2010 Tax income/ expense	2010 Net of tax	2011 Before tax	2011 Tax income/ expense	2011 Net of tax
Fair value adjustment of hedging instruments	101	(25)	76	(9)	2	(7)
Other adjustments	71	(18)	53	-	-	-
Total	**172**	**(43)**	**129**	**(9)**	**2**	**(7)**

NOTE 11 – INTANGIBLES

(DKKm)	Software	Intangibles in progress	Total
Cost at 1 January 2010	**397**	**100**	**497**
Additions for the year	–	104	104
Reclassification	133	(133)	–
Total cost at 31 December 2010	**530**	**71**	**601**
Total amortisation and impairment at 1 January 2010	**76**	**-**	**76**
Amortisation for the year	79	–	79
Total amortisation and impairment at 31 December 2010	**155**	**-**	**155**
Carrying amount at 31 December 2010	**375**	**71**	**446**
Of which assets under finance leases	5	–	5
Cost at 1 January 2011	**530**	**71**	**601**
Additions for the year	–	80	80
Reclassification	124	(124)	–
Total cost at 31 December 2011	**654**	**27**	**681**
Total amortisation and impairment at 1 January 2011	**155**	**-**	**155**
Amortisation for the year	95	–	95
Total amortisation and impairment at 31 December 2011	**250**	**-**	**250**
Carrying amount at 31 December 2011	**404**	**27**	**431**
Of which assets under finance leases	–	–	–

Intangibles in progress and all material software assets have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2011.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Other plant and operating equipment
Cost at 1 January 2010	**12**
Additions for the year	4
Total cost at 31 December 2010	**16**
Total depreciation and impairment at 1 January 2010	**(1)**
Depreciation for the year	7
Total depreciation and impairment at 31 December 2010	**6**
Carrying amount at 31 December 2010	**10**
Cost at 1 January 2011	**16**
Additions for the year	4
Total cost at 31 December 2011	**20**
Total depreciation and impairment at 1 January 2011	**6**
Depreciation for the year	6
Total depreciation and impairment at 31 December 2011	**12**
Carrying amount at 31 December 2011	**8**

No events occurred in the financial year that gave rise to any indication of impairment of property, plant and equipment.

NOTE 13 – INVESTMENTS IN GROUP ENTERPRISES

DSV A/S owns the following subsidiaries, all of which are included in the consolidated financial statements:

	Ownership share 2010	Ownership share 2011	Registered office	Company's share capital
DSV Road Holding A/S	100%	100%	Brøndby, Denmark	100
DSV Air & Sea Holding A/S	100%	100%	Brøndby, Denmark	50
DSV Solutions Holding A/S	100%	100%	Taastrup, Denmark	100
DSV Insurance A/S	100%	100%	Brøndby, Denmark	25

NOTE 14 – OTHER NON-CURRENT RECEIVABLES

(DKKm)	2010	2011
Receivables from Group enterprises	1,511	1,799
Other receivables	–	–
Other non-current receivables at 31 December	**1,511**	**1,799**

NOTE 15 – RECEIVABLES FROM GROUP ENTERPRISES AND OTHER RECEIVABLES

(DKKm)	2010	2011
Receivables from Group enterprises	11,950	10,968
Fair value of derivative financial instruments	22	84
Other receivables etc.	27	11
Receivables from Group enterprises and other receivables at 31 December	**11,999**	**11,063**

NOTE 16 - SHARE CAPITAL

(DKKm)	2010	2011
Share capital, beginning of year	**209.2**	**209,2**
Capital reduction	-	(19,2)
Share capital at year-end	**209.2**	**190.0**

The share capital of DSV has a nominal value of DKK 190,000,000, corresponding to 190,000,000 shares with a nominal value of DKK 1 each. No share confers any special rights upon its holder. No restrictions apply to the transferability of the shares or to voting rights. The share capital is fully paid up.

Treasury shares

	Shares of DKK 1		Nominal value		% of share capital	
	2010	2011	2010	2011	2010	2011
Treasury shares, beginning of year	**422,900**	**2,643,496**	**422,900**	**2,643,496**	**0.2**	**1.3**
Purchases	3,575,696	21,805,364	3,575,696	21,805,364	1.7	10.7
Used for reduction of share capital	-	(19,150,000)	-	(19,150,000)		(9.2)
Used for exercise of share options	(1,355,100)	(943,100)	(1,355,100)	(943,100)	(0.6)	(0.5)
Treasury shares at year-end	**2,643,496**	**4,355,760**	**2,643,496**	**4,355,760**	**1.3**	**2.3**

Sale of treasury shares relates to the exercise of share options in connection with incentive programmes.

Treasury shares are bought back to hedge the Company's incentive programmes. The market value of treasury shares at 31 December 2011 was DKK 449 million (2010: DKK 326 million).

Dividends

It is proposed to distribute dividends of DKK 1.00 per share (2010: DKK 0.50). On 30 March 2011, DSV A/S paid DKK 105 million in dividends, corresponding to DKK 0.50 per share (2010: DKK 52 million, corresponding to DKK 0.25 per share).

Distribution is not subject to any particular restrictions.

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.

NOTE 17 – DEFERRED TAX

(DKKm)	2010	2011
Deferred tax at 1 January	**20**	**83**
Deferred tax for the year	63	17
Deferred tax at 31 December	**83**	**100**
Deferred tax at 31 December		
Intangibles	94	100
Current assets	(6)	(2)
Provisions	(5)	2
Deferred tax at 31 December	**83**	**100**
Breakdown of deferred tax		
Deferred tax liability	83	100
Deferred tax at 31 December	**83**	**100**

NOTE 18 – FINANCIAL LIABILITIES

(DKKm)	2010	2011
Loans and credit facilities	4,345	5,767
Finance leases	6	-
Total financial liabilities	**4,351**	**5,767**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	4,177	5,169
Current liabilities	174	598
Financial liabilities at 31 December	**4,351**	**5,767**

Loans and credit facilities

		Fixed/	Carrying amount	
(DKKm)	Expiry	floating	2010	2011
Bank loans (DKK)	2013	Floating	1,345	944
Bank loans (EUR)	2016	Floating	2,832	1,241
Bank loans (USD)	2016	Floating	-	2,698
Other	2014-2015	Fixed	-	13
Cash	2012-2014	Floating	168	871
Finance leases	2011	Floating	6	-
Loans and credit facilities at 31 December			**4,351**	**5,767**

Bank loans are subject to standard trade covenants. All financial ratio covenants were observed during the year.
The weighted average effective interest rate was 1.9% (2010: 2.3%).

NOTE 19 – PAYABLES TO GROUP ENTERPRISES AND OTHER PAYABLES

(DKKm)	2010	2011
Payables to Group enterprises	5,537	5,711
Fair value of derivative financial instruments	209	265
Other payables	126	124
Payables to Group enterprises and other payables at 31 December	**5,872**	**6,100**

NOTE 20 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES, OTHER FINANCIAL LIABILITIES ETC.

Operating leases:

(DKKm)	2010	2011
Operating lease obligations relating to operating equipment fall due:		
0-1 year	19	16
1-5 years	23	15
> 5 years	-	-
Total	**42**	**31**
The following is recognised in the income statement:		
Operating leases relating to operating equipment	17	17
Total	**17**	**17**

The Group leases operating equipment under operating leases. Such leases typically have a term of up to 6 years and an option to extend after expiry of the lease term.

Contractual obligations:

(DKKm)	2010	2011
DSV A/S has entered into IT service contracts with terms up to 3 years and a notice period of 3 months. The minimum payments during the notice period amount to	134	104
DSV A/S has guaranteed for subsidiaries' outstanding balances with banks and liabilities to leasing companies, suppliers and public authorities etc. in the amount of	3,012	3,659

Moreover, DSV has issued several declarations of intent relating to balances between subsidiaries and third parties.

Joint and several liability

DSV A/S and the other Danish Group enterprises registered jointly for VAT purposes are jointly and severally liable for the VAT liabilities.

DSV A/S is the administration company of the joint taxation arrangement and is only liable for tax payments received on account from the subsidiaries.

NOTE 21 – DERIVATIVE FINANCIAL INSTRUMENTS

Hedging instruments at 31 December 2010

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in equity
Currency instruments	2,041	2011	8	8	-
Interest rate instruments	6,496	2011-2014	(195)	(59)	(136)
Total			**(187)**	**(51)**	**(136)**

Hedging instruments at 31 December 2011

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in equity
Currency instruments	10,959	2011	7	7	-
Interest rate instruments	8,476	2011-2014	(189)	(44)	(145)
Total			**(182)**	**(37)**	**(145)**

Foreign currency risk hedging

The Company mainly uses foreign exchange forward contracts to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The Company is exposed to a low foreign currency risk. Foreign exchange forward contracts used to hedge net investments and satisfying the conditions of hedge accounting are recognised directly in equity. Other fair value adjustments are recognised in the income statement under financial income or expenses.

Interest rate risk hedging

The Company uses interest rate swaps and interest rate caps to hedge interest rate risks. Thereby floating-rate loans are refinanced as fixed-rate loans. Interest rate swaps and interest rate caps satisfying the conditions of hedge accounting are recognised directly in equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting as well as accrued interest are recognised directly in the income statement under financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments was 2.39% at the reporting date (2010: 3.40%).

NOTE 22 – FINANCIAL RISKS

Reference is made to note 29 of the 2011 Consolidated Annual Report for a detailed description of the financial risks.

The liabilities of DSV A/S fall due as listed below:

(DKKm)	0-1 year	1-3 years	3-5 years 2010	> 5 years	Contractual cash flows, incl. interest
Loans and credit facilities	317	298	4,421	-	5,036
Finance leases	6	-	-	-	6
Trade payables	335	-	-	-	335
Payables to Group Enterprises	5,537	-	-	-	5,537
Currency deriviates	(8)	-	-	-	(8)
Interest rate derivatives	92	103	-	-	195
Total	**6,279**	**401**	**4,421**	**-**	**11,101**

(DKKm)	0-1 year	1-3 years	3-5 years 2011	> 5 years	Contractual cash flows, incl. interest
Loans and credit facilities	727	1,366	4,114	-	6,207
Finance leases	-	-	-	-	-
Trade payables	124	-	-	-	124
Payables to Group Enterprises	5,711	-	-	-	5,711
Currency deriviates	(7)	-	-	-	(7)
Interest rate derivatives	106	78	6	-	190
Total	**6,661**	**1,444**	**4,120**	**-**	**12,225**

The analysis of expected maturity is based on contractual cash flows, including estimated interest payments. Amounts have not been discounted for which reason they cannot necessarily be reconciled to the related items of the balance sheet.

Financial instruments categories

	2010 Carrying amounts	2011 Carrying amounts
Financial assets:		
Held for trading (derivative financial currency instruments)	8	7
Loans and receivables	13,510	12,862
Financial liabilities:		
Held for trading (derivative financial interest rate instruments)	(195)	(188)
Financial liabilities measured at amortised cost	10,028	11,602

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

The valuation of financial instruments measured at fair value was based on other observable inputs than prices quoted in active markets (level 2). Interest rate swaps and foreign exchange forward contracts were valued using generally accepted valuation techniques based on relevant observable data.

NOTE 23 – RELATED PARTIES

DSV has no related parties with control. Related parties of DSV with significant influence comprise members of the companies' boards of directors, executive boards and senior staff as well as family members of those persons. Related parties also comprise companies in which the aforementioned persons have significant interests.

Remuneration for Directors and members of the Executive Board is detailed in note 4. Management incentive programmes are listed in note 5.

The Parent had the following transactions with related parties:

(DKKm)	2010	2011
Sale of services		
Group enterprises	438	438
Total sale of services	**438**	**438**
Purchase of services		
Group enterprises	48	24
Total purchase of services	**48**	**24**

Management fees invoiced by Group enterprises comprise remuneration for members of the Executive Board.

(DKKm)	2010	2011
Financials, net		
Group enterprises	2,210	512
Total financials, net	**2,210**	**512**

The Parent had the following outstanding balances with related parties at 31 December:

(DKKm)	2010	2011
Receivables		
Group enterprises	13,461	12,767
Total receivables	**13,461**	**12,767**
Liabilities		
Group enterprises	5,537	5,711
Total liabilities	**5,537**	**5,711**

NOTE 24 - ACCOUNTING POLICIES

The accounting policies of the Parent, DSV A/S, are identical with the policies for the consolidated financial statements, except for the following:

Dividends from investments in subsidiaries and associates

Dividends from investments in subsidiaries and associates are recognised as income in the Parent's income statement under financial income in the financial year in which the dividends are declared.

Investments in subsidiaries and associates in the Parent's financial statements

Investments in subsidiaries and associates are measured at cost. If there is any indication of impairment, investments are tested for impairment as described in the accounting policies applied by the Group. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

Foreign currency translation

Foreign currency adjustments of balances considered part of the total net investment in enterprises which have a functional currency other than Danish kroner are recognised in the income statement of the Parent under financials.

CVR No. 58 23 35 28
35th financial year
Annual Report for the year ended
31 December 2011
Published 21 February 2012

DSV A/S
Banemarksvej 58
2605 Brøndby
Denmark
Tel. +45 43 20 30 40
www.dsv.com

The Annual Report has been prepared in Danish and English.
In case of discrepancies, the Danish version shall apply.

Design and graphic production: meyer & bukdahl as