Copenhagen Stock Exchange
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STOCK EXCHANGE ANNOUNCEMENT NO. 214

Q1 2006 Report (1 January-31 March 2006) as well as upwards adjusted 2006 budget for DSV and description of the effect of the acquisition of Koninklijke Frans Maas Groep N.V.

Revenue amounted to DKK 6,429 million.

Gross profit came to DKK 1,311 million.

Operating profit before depreciation, amortisation and impairment of goodwill and special items totalled DKK 375 million.

Operating profit before impairment of goodwill and special items was DKK 335 million.

Operating profit (EBIT) came to DKK 335 million.

Profit before tax amounted to DKK 308 million.

Profit for the period amounted to DKK 215 million.

DSV's share of the profit for the period amounted to DKK 204 million.

Group Management considers the results for Q1 2006 very satisfactory.

As a consequence of the acquisition of Koninklijke Frans Maas Groep N.V., which will be recognised as from 1 April 2006, and the realised results for Q1 2006, DSV adjusts its 2006 budget upwards.

The expected 2006 revenue is adjusted from DKK 25,548 million to DKK 32,500 million.

The expected operating profit before impairment of goodwill and special items is adjusted from DKK 1,231 million to DKK 1,524 million.

The expected annual synergies from the acquisition of Frans Maas are DKK 400 million when the integration is finalised in 2008.

The integration is expected to be executed over a three-year period. In 2006, synergies of DKK 100 million are expected.

The integration of Frans Maas is expected to give rise to restructuring costs of DKK 250 million in 2006.

The expected profit after tax is adjusted from DKK 806 million to DKK 748 million.

The expected free cash flow is adjusted from DKK 750 million to DKK 800 million.

MANAGEMENT'S REVIEW

DSV achieved highly satisfactory financial results for the period, which are better than the same period of 2005 and above budget. This is mainly due to organic growth in revenue and earnings.

Results are also affected by non-budgeted proceeds from the sale of a property for DKK 45 million. The property has not been part of the operations. This is partly set off by non-budgeted impairment of the Group's IT outsourcing contract amounting to DKK 23 million.

For a comparison with the same period of 2005, it must be taken into account that in 2006 Easter falls in April whereas in 2005 Easter fell in March. This affected the financial Q1 2006 results favourably.

Revenue

Revenue grew organically by 11.9% in Q1 2006 compared with the same period of 2005 when adjusted for foreign currency translation differences and acquisition and divestment of enterprises.

Q1 revenue 2005 versus 2006

(DKKm)	
Q1 2005 revenue	4,997
Foreign currency translation adjustments	101
Acquisition and divestment of enterprises, net	645
Growth	686
Q1 2006 revenue	6,429

The Group's revenue was 2.7% over the budget when adjusted for foreign currency translation differences and acquisition and divestment of enterprises.

Q1 revenue
Budget 2006 versus realised 2006

(DKKm)	
Budgeted Q1 2006 revenue	6,227
Foreign currency translation adjustments	33
Acquisition and divestment of enterprises, net	0
Growth	169
Q1 2006 revenue	6,429

Gross profit

The consolidated gross margin ratio has declined, which is related to the enterprises acquired in the Road Division with a lower gross margin ratio and to changes in the shipping structure in the Nordic countries, as this structure has a lower gross margin ratio.

Operating profit before impairment of goodwill and special items

The Group returned an operating profit before impairment of goodwill and special items for Q1 2006 of DKK 335 million compared with DKK 221 million for the corresponding period of last year. Amortisation of customer relationships is included in the Q1 2006 results in the amount of DKK 3 million.

When adjusted for foreign currency translation differences and acquisition and divestment of enterprises, the operating profit before impairment of goodwill and special items increased by 47.6%.

The margin was 5.2% for the period compared with 4.4% for the same period of 2005.

Q1 operating profit before impairment of goodwill and special items
Realised 2005 versus realised 2006

(DKKm)	
Q1 2005 operating profit before impairment of goodwill and special items	221
Foreign currency translation adjustments	6
Acquisition and divestment of enterprises, net	0
Growth	108
Q1 2006 operating profit before impairment of goodwill and special items	335

Organic growth in operating profit before impairment of goodwill and special items relative to budget amounted to DKK 59 million, corresponding to 21.4% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises.

Q1 operating profit before impairment of goodwill and special items
Budget 2006 versus realised 2006

(DKKm)	
Budgeted Q1 2006 operating profit before impairment of goodwill and special items	273
Foreign currency translation adjustments	3
Acquisition and divestments of enterprises, net	0
Growth	59
Q1 2006 operating profit before impairment of goodwill and special items	335

Net financial expenses

Financial expenses netted DKK 27 million for the period against DKK 14 million for the same period of 2005. The increase is mainly due to higher net interest-bearing debt.

Net financial expenses were slightly above budget.

Profit before tax

Profit before tax came to DKK 308 million for the period as against DKK 207 million for the same period of 2005.

Profit before tax is 22.2% above budget.

Fully diluted adjusted earnings per share

Fully diluted adjusted earnings per share came to DKK 41 for 2006 compared with DKK 25 for 2005, corresponding to an increase of 64%.

Balance sheet

The balance sheet stood at DKK 10,561 million at 31 March 2006 as against DKK 10,449 million at 31 December 2005.

The increase is primarily attributable to non-current assets in the form of investments in activities and enterprises and tangible assets.

MANAGEMENT'S REVIEW

Equity

At 31 March 2006, Group equity came to DKK 3,522 million, DKK 123 million of which is attributable to minority interests. Solvency ratio exclusive of minority interests came to 32.2%. This is an increase on 31 December 2005 when the corresponding ratio was 30.7%. The increase derived mainly from the realised profit for Q1 2006.

Development in equity

(DKKm)	Q1 2006
Equity at 1 January 2006	3,323
Net profit for the period	215
Share buy-back, net	(16)
Adjustment of minority interests, net	1
Foreign currency translation adjustment	(14)
Capital increase, incentive programme	2
Other adjustments, net	11
Equity at 31 March 2006	3,522

Net working capital

The Company's funds tied up in net working capital came to DKK 478 million at 31 March 2006 compared with DKK 451 million at 31 December 2005. The increase is mainly due to the Group's increased activity level.

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 2,129 million at 31 March 2006 as against DKK 2,169 million at 31 December 2005.

Cash flow from operating activities

Cash flow from operating activities came to DKK 230 million for the period compared with DKK 147 million for the same period of 2005. The increase derived mainly from an improved operating profit.

Cash flow from investing activities

Cash flow from investing activities excluding the effect of acquisition and divestment of enterprises amounted to a net payment of DKK 66 million. Cash flows for the acquisition and divestment of enterprises totalled DKK 78 million.

Free cash flow

Free cash flow for the period came to DKK 86 million. Adjusted for the acquisition of enterprises and activities, the free cash flow for the period came to DKK 164 million, which is in accordance with the Group's expectations for the financial year.

Invested capital including goodwill and customer relationships

The Group's invested capital including goodwill and customer relationships came to DKK 5,978 million at 31 March 2006 as against DKK 5,290 million at 31 March 2005, equal to an increase of DKK 691 million. The increase is mainly due to acquisitions in the past year.

ROIC including goodwill and customer relationships

Return on invested capital including goodwill and customer relationships was 23.8% for the period compared with 18.1% for the same period of 2005. The increase is attributable to the positive development in the Group's operating profit before impairment of goodwill and special items.

Acquisitions

During the period under review, DSV signed an agreement on the acquisition of Transitas Internationale Spediteure GmbH. The 2005 revenue of the company is presumed to be approximately DKK 200 billion (27 billion euro). The company has activities within the Road Division in Germany.

Events after the balance sheet date of the Interim Report

With accounting effect from 1 April 2006, DSV has concluded a final agreement on the acquisition of Koninklijke Frans Maas Groep N.V. The enterprise value of the acquisition is DKK 3,150 million (425 million euro). In 2005, Frans Maas realised a revenue of about DKK 8.1 billion (1.1 billion euro) and an operating profit before impairment of goodwill and special items of DKK 165 million (22 million euro). The group has activities in Europe within Road, about 70%, Air & Sea, about 15%, and Solutions (logistics services), about 15%. The legal structure of Frans Maas does not coincide with the commercial structure in all cases. Therefore Frans Maas will at first be recognised by about 80% in the Road Division, by 5% in the Air & Sea Division and by 15% in the Solutions Division. In connection with the restructuring of Frans Maas, the current structure will be revised to make the commercial and legal structures coincide as much as possible. Therefore reported Road activities will be transferred little by little to the Air & Sea Division in particular.

Outlook for 2006 – Upwards adjustment of budget

As a consequence of the acquisition of Frans Maas Groep N.V. and the realised results for Q1 2006, DSV adjusts its 2006 budget upwards.

The expected revenue is adjusted from DKK 25,548 million to DKK 32,500 million. A total of DKK 900 million of the revenue adjustment is attributable to existing DSV activities. Had Frans Maas Groep N.V. been owned for the entire financial year of 2006, the expected revenue would have been almost DKK 35,000 million.

The expected operating profit before impairment of goodwill and special items is adjusted upwards to DKK 1,524 million. DKK 118 million of the total adjustment of DKK 293 million is attributable to existing DSV activities. Amortisation of customer relationships in the amount of DKK 39 million has been deducted from this result. If adjusted by this amount, the expected operating profit before impairment of goodwill and special items is DKK 1,563 million.

The expected synergies from the acquisition of Frans Maas are an annual DKK 400 million expected to be realised over a three-year period. In 2006, synergies of DKK 100 million are expected to be realised, which amount has been incorporated in the adjusted budget. In 2007 synergies for

MANAGEMENT'S REVIEW

the year are expected to be DKK 250 million and in 2008 DKK 400 million.

The expected restructuring costs related to the integration of Frans Maas are DKK 250 million in 2006. These costs will be recognised under special items.

The expected net financial expenses are adjusted from DKK 80 million to DKK 205 million due to a higher net interest-bearing debt as a consequence of the acquisition of Frans Maas, which is solely financed by debt.

The effective tax rate of the DSV Group is expected to remain at 30%, and therefore expected tax on profit for the year is adjusted from DKK 345 million to DKK 321 million.

The expected profit after tax is adjusted from DKK 806 million to DKK 748 million.

The expected investments in assets in 2006 are adjusted from DKK 250 million to DKK 300 million. Net investments in assets are expected to remain at the same level in 2007 and 2008 as in 2006, at DKK 300 million each year. The funds tied up in working capital are expected to show a slight downwards trend over the next three years. The expected free cash flow in 2006 is adjusted upwards from DKK 750 million to approximately DKK 800 million.

Audit

This Q1 Report has not been audited or reviewed.

Exchange rates

DKK for 100 currency units	Currency	Realised 31.03.2005	Realised 31.03.2006	Year-to-date Average 31.03.2005	Year-to-date Average 31.03.2006	Budget 2006
Euroland	EUR	745	746	744	746	745
UK	GBP	1,082	1,072	1,073	1,089	1,100
Norway	NOK	91	94	90	93	92
Sweden	SEK	81	79	82	80	80
USA	USD	575	617	568	621	600

MANAGEMENT'S REVIEW

DSV Group Income statement for the period, summary (DKKm)	01.01.2005- 31.03.2005 Realised	01.01.2006- 31.03.2006 Budget	01.01.2006- 31.03.2006 Realised
Revenue	4,997	6,227	6,429
Direct costs	3,929	4,953	5,118
Gross profit	1,068	1,274	1,311
Other external expenses	269	307	309
Staff costs	522	626	627
Operating profit before depreciation, amortisation and impairment of goodwill and special items	277	341	375
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	56	65	37
Amortisation and impairment of customer relationships	0	3	3
Operating profit before impairment of goodwill and special items	221	273	335
Impairment of goodwill	0	0	0
Special items, net	0	0	0
Operating profit (EBIT)	221	273	335
Net financial expenses	14	21	27
Profit before tax	207	252	308
Calculated tax	68	76	93
Net profit for the period	139	176	215
Net profit for the period is attributable to:			
Shareholders of DSV A/S	132	167	204
Minority interests	7	9	11

DSV Group Balance sheet, summary (DKKm)	31.12.2005	31.03.2006
Goodwill and customer relationships (acquisition cost: DKK 3,457 million)	2,981	3,040
Other property, plant and equipment and intangibles	2,485	2,535
Other non-current assets	186	188
Total non-current assets	5,652	5,763
Receivables	4,412	4,328
Cash and cash equivalents	385	470
Total current assets	4,797	4,798
Total assets	10,449	10,561
Equity	3,323	3,522
Interest-bearing long-term debt	1,852	1,820
Other non-current liabilities, including provisions	611	590
Non-current liabilities	2,463	2,410
Interest-bearing short-term debt	702	779
Other short-term debt	3,961	3,850
Total current liabilities	4,663	4,629
Total liabilities and equity	10,449	10,561

Number of employees: 11,967.

MANAGEMENT'S REVIEW

DSV Group Consolidated cash flow statement for the period (DKKm)	01.01.2005- 31.03.2005	01.01.2006- 31.03.2006
Operating profit before impairment of goodwill and special items	221	335
Reversed depreciation and amortisation of property, plant and equipment and intangibles	56	40
Changes in working capital 1)	(52)	(37)
Changes in provisions 1)	(4)	(13)
Net interest etc. paid	(14)	(27)
Corporation tax paid	(60)	(68)
Cash flow from operating activities	147	230
Acquisition/divestment of subsidiaries and activities, net	(301)	(78)
Acquisition/divestment of property, plant and equipment and intangibles, net 1)	(43)	(70)
Acquisition/divestment of fixed asset investments, net 1)	4	4
Cash flow from investing activities	(340)	(144)
Free cash flow	(193)	86
Financial payments, net 2)	5	25
Share buy-back	(168)	(16)
Capital increase	379	2
Other adjustments to equity	11	0
Cash flow from financing activities	227	11
Cash flows for the period	34	97
Cash and cash equivalents at 1 January 2006	172	385
Cash flows for the period	34	97
Foreign currency translation adjustments	7	(12)
Cash and cash equivalents at 31 March 2006	213	470

1) Adjusted for the impact of acquisition and divestment of enterprises, etc.

2) Bank loans less repayments and finance leases, etc.

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

Financial ratios (%) – annualised three-month figures	At 31.03.2005	At 31.03.2006
Gross margin ratio	21.4	20.4
EBITDA margin	5.5	5.8
EBITA margin	4.4	5.2
EBIT margin	4.4	5.2
ROIC including goodwill and customer relationships	18.1	23.8
Return on equity (ROE)	15.5	23.7
Equity ratio	41.3	32.3
Key figures (DKKm)		
Adjusted earnings	132	207
Net interest-bearing debt	1,324	2,129
Invested capital including goodwill and customer relationships	5,290	5,978
Financial ratios (DKK) – annualised three-month figures		
Earnings per share of DKK 2	27	41
Fully diluted adjusted earnings per share	25	41
Average number of shares ('000)	19,816	19,801
Average number of diluted shares ('000)	21,521	20,248

The financial ratios have been calculated in accordance with "Recommendations & Financial Ratios 2005" published by the Danish Society of Financial Analysts. See also DSV's 2005 Annual Report, page 37.

SUMMARY OF THE RESULTS OF THE INDIVIDUAL DIVISIONS

GENERAL

All three Divisions have recorded excellent results. Growth in revenue came to 28.7%, of which 11.9% stemmed from organic growth.

A large part of the challenges that the Group has worked with in recent years have now been solved. The Group has improved markedly on Solutions in Sweden, but what is even more important: the EBITA margin of Road traffic in Sweden and the UK is now at 4%, the level of the Group's old ambition. Growth is not intended to stop here, but the consolidated results have improved so much that the efforts carried out in the two countries are found to be satisfactory for the time being.

Cooperation is still thriving, with good harmony between Group Management, Divisions and national managements. This is also a precondition for being able to receive and integrate the new Frans Maas organisation.

Group Management finds that the integration of Frans Maas will be less complicated than was the case with DFDS Transport a little more than five years ago. The countries' readiness and strength are much higher today, which means that today the local integration is made to a much greater extent by the national managements than by headquarters in Copenhagen. Naturally there is a concept and a plan that is controlled by Copenhagen, but decisions are likely to have greater impact when the local managers, who are subsequently to run the local companies, are involved in the decision-making process.

ROAD DIVISION

Revenue

The revenue of the Road Division improved significantly on the corresponding period in 2005 and came a little higher than the 2006 budget. 44% of the increase on 2005 is attributable to the acquisition of activities and enterprises, mainly in Germany, and the rest is attributable to organic growth. The organic growth was 11.7% compared with the same period of 2005 when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. The organic growth mainly occurred in Denmark, Sweden and Norway.

The organic growth was 1.5% compared with the budget when adjusted for foreign currency translation differences and acquisition and divestment of enterprises.

Gross profit

The gross margin ratio of the Road Division declined from 21.2% in Q1 2005 to 19.9% in Q1 2006. This decline is related to the enterprises acquired within the Road Division, which enterprises have a lower gross margin ratio, and to changes in the shipping structure in the Nordic countries, which yield a lower gross margin ratio.

Operating profit before impairment of goodwill and special items

The Road Division achieved results that were significantly better than in the same period of 2005. The results are affected by non-budgeted proceeds from the sale of a property for DKK 45 million. The property has not been part of the operations .This is partly set off by impairment of the IT outsourcing contract amounting to DKK 23 million. The organic growth was 63.2% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. The positive difference mostly occurred in Denmark, Sweden, Norway and the UK.

The Road Division outperformed the budget. The positive difference is mainly due to gain on sale of property and organic growth, which constituted 17.3% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. The organic growth mainly occurred in Sweden and the UK, whereas Germany was below budget.

Balance sheet

The balance sheet of the Road Division stood at DKK 7,731 million at 31 March 2006 as against DKK 7,433 million at 31 December 2005. This increase is mainly attributable to acquisition of enterprises and a higher activity level in the Division, corresponding partly to dividends paid to DSV A/S.

Non-current assets

Non-current assets amounted to DKK 3,347 million at 31 March 2006 as against DKK 3,244 million at 31 December 2005, an increase of DKK 103 million.

Net working capital

The Road Division's funds tied up in net working capital came to DKK 242 million at 31 March 2006 compared with DKK 193 million at 31 December 2005.

Group Management is very satisfied with the development in and results of the Division.

AIR & SEA DIVISION

Revenue

The revenue of the Air & Sea Division improved markedly on the corresponding period last year. This is attributable to the acquisition of the J.H. Bachmann group and to organic growth, which was 11.7% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. In absolute figures, the USA, Denmark and China achieved the largest organic growth.

The revenue was above budget. This is mainly attributable to the organic growth, which was 5.7%

SUMMARY OF THE RESULTS OF THE INDIVIDUAL DIVISIONS

when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. In absolute figures, the USA and the Project Department in Denmark achieved the largest organic growth.

Gross profit

The gross margin ratio of the Air & Sea Division was at the same level as in the corresponding period last year.

Operating profit before impairment of goodwill and special items

The Air & Sea Division achieved results that outperformed those of the same period in 2005 by DKK 31 million. The positive difference mainly derived from organic growth, but also from the acquisition of J.H. Bachmann. The organic growth was 20% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. In absolute figures, the USA achieved the largest organic growth.

The Air & Sea Division outperformed the budget by DKK 25 million. This is mainly attributable to the organic growth, which was 27.1% when adjusted for foreign currency translation differences and acquisition and divestment of enterprises. In absolute figures, the USA and Denmark achieved the largest organic growth, whereas Canada underperformed the budget.

Balance sheet

The balance sheet of the Air & Sea Division stood at DKK 2,131 million at 31 March 2006 as against DKK 2,322 million at 31 December 2005. The decline is mainly due to dividends paid to DSV A/S.

Non-current assets

Non-current assets amounted to DKK 617 million at 31 March 2006 as against DKK 625 million at 31 December 2005.

Net working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 189 million at 31 March 2006 compared with DKK 239 million at 31 December 2005. This development is mainly caused by normalisation of the working capital and adjustment of purchase consideration for the J.H. Bachmann companies.

Group Management is very satisfied with the development in and results of the Division.

SOLUTIONS DIVISION

Revenue

The revenue of the Solutions Division was better than that for the corresponding period last year and the 2006 budget. This is mainly attributable to the organic growth, which was 15.6% and 13.5%, respectively, when adjusted for foreign currency translation differences and acquisition and divestment of enterprises.

Gross profit

The gross margin ratio of the Solutions Division increased from 21.2% in Q1 2005 to 23.4% in Q1 2006. The increase derived mainly from an improved ratio in Sweden.

Operating profit before impairment of goodwill and special items

Operating profit before impairment of goodwill and special items came to DKK 15 million for the first quarter of 2006, which is far better than in 2005 and the budget for 2006. This is mainly due to organic growth.

Group Management is highly satisfied with the development in and results of the Division.

ROAD DIVISION

Income statement for the period, summary

(DKKm)	01.01.2005-31.03.2005 Realised	01.01.2006-31.03.2006 Budget	01.01.2006-31.03.2006 Realised
Revenue	3,719	4.496	4,576
Direct costs	2,930	3,593	3,664
Gross profit	789	903	912
Other external expenses	203	215	215
Staff costs	400	447	450
Operating profit before depreciation, amortisation and impairment of goodwill and special items	186	241	247
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	48	56	29
Amortisation and impairment of customer relationships	0	1	1
Operating profit before impairment of goodwill and special items	138	184	217

Balance sheet, summary

(DKKm)	At 31.12.2005	At 31.03.2006
Goodwill and customer relationships	760	821
Other property, plant and equipment and intangibles	2,280	2,335
Other non-current assets	204	191
Total non-current assets	3,244	3,347
Receivables	3,042	3,094
Cash and cash equivalents and intercompany balances	1,147	1,290
Total current assets	4,189	4,384
Total assets	7,433	7,731
Equity	1,192	627
Interest-bearing long-term debt	491	460
Other non-current liabilities, including provisions	515	478
Non-current liabilities	1,006	938
Interest-bearing short-term debt, including intercompany debt	2,386	3,314
Other short-term debt	2,849	2,852
Total current liabilities	5,235	6,166
Total liabilities and equity	7,433	7,731

ROIC came to 20.9%. The calculation of ROIC included DKK 2,099 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and allocated goodwill from DSV.
Number of employees: 9,073.

Activities

The Road Division handles transport (full and part loads and mixed cargo) by trucks domestically and in Europe. The services are produced by own companies in the countries where DFDS Transport is represented and by the partners in the countries where the Group is still not represented.

The actual transports operations have basically been outsourced to sub-contractors.

The Division in brief

The results for Q1 2006 are some of the best results ever achieved. The Division experienced a growth of 23% and an improved EBITA margin of 57.2%.

For several years, focus has been on the Division's large enterprises in Sweden and the UK. The aim for these two countries was to attain the former level of an EBITA margin of 4%. Both companies achieved an EBITA margin of 4% in the period, which contributed to the very handsome Division results.

Demand varies highly in Europe from country to country, but in general Group Management is satisfied. The size of the Division in the German market has no doubt affected the other European markets. The Company did not make a profit in Germany, but the volume created to and from the other European countries has no doubt contributed to the improved results.

Following the acquisition of Frans Maas, the Company's European reality will change. The acquisition has lead to positions of a high strategic value in several East and Central European Countries, but particularly in Italy, Spain, Portugal and France. Due to these positions, increased volumes will improve the level of expenses related to line haul, terminals and distribution. Today the Company has partners and agents in charge of a number of important markets. Gaining control of its activities in all markets will benefit the Company. The Company's productivity per employee and profitability of traffic is lower when it cooperates with agents instead of having its own companies in all countries. Therefore it is an obvious benefit, strategically and in the long term, to be established in the major markets.

The Road Division therefore has immense future opportunities in Europe.

ROAD DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Denmark	Above budget.	Slightly above budget.	Strong company – solid management, but needs to strengthen EBITA margin on domestic market.
Sweden	Slightly below budget.	Above budget. Handsome improvement.	Continue growth. Strengthen EBITA on domestic market and maintain the very handsome improvement of EBITA.
Norway	Outperformed budget.	Slightly above budget.	The companies have experienced high growth. Fine EBITA margin – maintain both.
Finland	Almost on a level with budget.	On a level with budget.	Improve EBITA margin – particularly on domestic market.
UK	Slightly above budget.	Above budget. A twofold increase compared with the same period last year.	Maintain the improved EBITA margin – stronger growth.
Ireland	Above budget.	More than a twofold increase compared with 2005.	Maintain strong growth without a negative effect on EBITA margin.
Germany	Slightly above budget. More than a twofold increase compared with 2005.	Slightly below budget.	Integration, improve administration, create synergies and thus a modest EBITA margin.
The Netherlands	Outperformed budget.	On a level with budget.	Handsome growth and EBITA margin – maintain level.
Belgium	Outperformed budget.	On a level with budget.	The highest EBITA margin of the Road Division. Growth, growth, growth.
France	On a level with budget.	On a level with budget.	Improve a far too low EBITA margin.
Estonia	Above budget.	Above budget.	Aim at former EBITA level – growth.
Latvia	Above budget.	Above budget.	Handsome EBITA and handsome growth – maintain growth rate.
Lithuania	Above budget.	Below budget because of relocation to new facilities.	Growth in turnover and EBITA
Poland	Above budget.	Above budget.	Handsome growth in revenue, but very modest growth in EBITA margin – could be improved.

ROAD DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Czech Republic, Slovakia and Russia	Above budget.	Above budget.	The companies have a modest size, and presumably EBITA can only be improved through revenue growth.
Slovenia	Above budget.	Above budget.	EBITA margin not entirely satisfactory.

Revenue and operating profit before impairment of goodwill and special items (EBITA) by markets

	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
(DKKm)	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06
Denmark	1,056	1,151	1,185	55	63	64	5.2	5.5	5.4
Sweden	851	960	949	17	32	38	2.0	3.3	4.0
Norway	587	695	710	28	40	41	4.8	5.8	5.8
Finland	232	273	271	5	7	7	2.2	2.6	2.6
UK	405	424	402	10	17	20	2.5	4.0	5.0
Ireland	114	127	133	3	5	7	2.6	3.9	5.3
Germany	328	726	734	0	2	(5)	0.0	0.3	-0.7
The Netherlands	116	127	134	5	6	6	4.3	4.7	4.5
Belgium	101	109	113	9	10	10	8.9	9.2	8.8
France	125	139	137	0	2	2	0.0	1.4	1.5
Estonia	49	64	74	2	3	4	4.1	4.7	5.4
Latvia	23	30	37	1	1	2	4.3	3.3	5.4
Lithuania	28	35	39	2	1	1	7.1	2.9	2.6
Poland	59	63	72	3	2	3	5.1	3.2	4.2
Czech Republic, Slovakia and Russia	40	39	48	1	0	2	2.5	0.0	4.2
Slovenia	30	32	35	1	0	1	3.3	0.0	2.9
Total	4,144	4,994	5,073	142	191	203	3.4	3.8	4.0
Group	109	126	126	(4)	(6)	15	-	-	-
Amortisation of customer relationships	-	-	-	0	(1)	(1)	-	-	-
Elimination	(534)	(624)	(623)	-	-	-	-	-	-
Net	3,719	4,496	4,576	138	184	217	3.7	4.1	4.7

AIR & SEA DIVISION

Income statement for the period, summary

(DKKm)	01.01.2005-31.03.2005 Realised	01.01.2006-31.03.2006 Budget	01.01.2006-31.03.2006 Realised
Revenue	1,200	1,656	1,772
Direct costs	960	1,330	1,420
Gross profit	240	326	352
Other external expenses	57	82	82
Staff costs	102	155	156
Operating profit before depreciation, amortisation and impairment of goodwill and special items	81	89	114
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	4	4	4
Amortisation and impairment of customer relationships	0	2	2
Operating profit before impairment of goodwill and special items	77	83	108

Balance sheet, summary

(DKKm)	At 31.12.2005	At 31.03.2006
Goodwill and customer relationships	531	528
Other property, plant and equipment and intangibles	54	51
Other non-current assets	40	38
Total non-current assets	625	617
Receivables	1,275	1,113
Cash and cash equivalents and intercompany balances	422	401
Total current assets	1,697	1,514
Total assets	2,322	2,131
Equity	419	279
Interest-bearing long-term debt	2	1
Other non-current liabilities, including provisions	75	74
Non-current liabilities	77	75
Interest-bearing short-term debt, including intercompany debt	790	853
Other short-term debt	1,036	924
Total current liabilities	1,826	1,777
Total liabilities and equity	2,322	2,131

ROIC came to 37.2%. The calculation of ROIC included DKK 1,198 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and allocated goodwill from DSV.
Number of employees: 2,238.

Activities

The Air & Sea Division handles shipments to overseas markets by air and sea. The activities concentrate on transports between Scandinavia, the USA, the UK and the Far East. The Division handles full and part loads, containers and flight palettes. The Division does not have its own fleet of aircraft or ships, but mainly acts as intermediary between the customer and the shipping line or airline company.

The Division in brief

The results of the Division increased by almost 40% in the period. Half of the increase is organic growth. The Division is characterised by very strong results in the USA, the Far East and the Nordic countries. There was, however, good optimism and integration in the European part added to the Division in connection with the Bachmann transaction. There is therefore reason to assume that a number of the companies with lower earnings will approach the earnings average of the Division.

As from Q2, The Frans Maas organisation will contribute about DKK 1.8 billion (annual revenue), most of which will be in the Netherlands, although the other European countries will also get higher revenue and volume, which will make the Division even stronger.

AIR & SEA DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
USA	Markedly better than budget.	Much above budget.	The company is managed exemplarily with ideal results. Focus on growth.
Denmark (including Project Dept.)	Almost on a level with budget.	Above budget.	The company's EBITA margin is handsome, but growth is too slow. Results from the Project Department ought to be better.
Norway	Above budget.	Above budget.	Realised a very handsome EBITA margin. Growth.
Sweden	Above budget.	Above budget.	Improvement of EBITA margin.
Finland	Above budget.	Above budget.	Handsome improvement of EBITA margin. Revenue ought to be higher.
UK	Above budget.	Above budget.	EBITA margin has fallen compared with 2005 – ought to be improved. Revenue growth is somewhat low.
Germany	Slightly below budget.	On a level with budget.	Improve EBITA margin to come close to the Division average.
The Netherlands	Slightly below budget.	On a level with budget.	Requires volume and improved EBITA margin.
Central Europe	Above budget.	On a level with budget.	Improve EBITA margin.
Canada	Much below budget.	Much below budget.	A swift change leading to a decent level of EBITA margin.
China	Above budget.	Above budget.	Growth.
Hong Kong	Above budget.	Above budget.	Growth.
Australia	Above budget.	On a level with budget.	Relatively fair EBITA margin, but needs volume.
Other Far East	On a level with budget.	Above budget.	Maintain the improved EBITA margin.

AIR & SEA DIVISION

Revenue and operating profit before impairment of goodwill and special items (EBITA) by markets

(DKKm)	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06
USA	324	372	431	30	29	43	9.3	7.8	10.0
Denmark	322	351	341	16	15	20	5.0	4.3	5.9
Project Dept.	107	93	152	5	3	4	4.7	3.2	2.6
Norway	48	55	59	3	3	5	6.3	5.5	8.5
Sweden	100	108	123	3	3	4	3.0	2.8	3.3
Finland	37	45	49	1	1	2	2.7	2.2	4.1
UK	205	208	213	8	4	5	3.9	1.9	2.3
Germany	-	272	256	-	5	5	-	1.8	2.0
The Netherlands	42	39	36	0	1	1	0.0	2.6	2.8
Central Europe	-	35	41	-	1	1	-	2.9	2.4
Canada	-	51	34	-	1	(2)	-	2.0	-5.9
China	54	90	107	5	7	8	9.3	7.8	7.5
Hong Kong	51	87	73	5	6	7	9.8	6.9	9.6
Australia	-	41	48	-	2	2	-	4.9	4.2
Other Far East	78	106	106	3	4	5	3.8	3.8	4.7
Total	1,368	1,953	2,069	79	85	110	5.8	4.4	5.3
Group	0	1	2	(2)	0	0	-	-	-
Amortisation of customer relationships	-	-	-	0	(2)	(2)	-	-	-
Eliminated items	(168)	(298)	(299)	-	-	-	-	-	-
Net	1,200	1,656	1,772	77	83	108	6.4	5.0	6.1

SOLUTIONS DIVISION

Income statement for the period, summary

(DKKm)	01.01.2005-31.03.2005 Realised	01.01.2006-31.03.2006 Budget	01.01.2006-31.03.2006 Realised
Revenue	212	215	244
Direct costs	167	166	187
Gross profit	45	49	57
Other external expenses	18	19	16
Staff costs	18	21	22
Operating profit before depreciation, amortisation and impairment of goodwill and special items	9	9	19
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	3	3	4
Amortisation and impairment of customer relationships	0	0	0
Operating profit before impairment of goodwill and special items	6	6	15

Balance sheet, summary

(DKKm)	At 31.12.2005	At 31.03.2006
Goodwill and customer relationships	81	81
Other property, plant and equipment and intangibles	114	113
Other non-current assets	26	24
Total non-current assets	221	218
Receivables	203	214
Cash and cash equivalents and intercompany balances	93	107
Total current assets	296	321
Total assets	517	539
Equity	166	158
Interest-bearing long-term debt	10	9
Other non-current liabilities, including provisions	20	20
Non-current liabilities	30	29
Interest-bearing short-term debt, including intercompany debt	174	204
Other short-term debt	147	148
Total current liabilities	321	352
Total liabilities and equity	517	539

ROIC came to 21.1%. The calculation of ROIC included DKK 160 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and allocated goodwill from DSV.
Number of employees: 656.

Activities

The Solutions Division defines solutions as comprehensive logistics solutions, including outsourcing of stocks, distribution and a number of services related to the customers' supply chain. These services are mainly aimed at large industrial companies, branded products and brands. The Division's business areas also include distribution and cross-docking.

The Division in brief

The major challenge of the Division has been the improvement in Sweden. It was tough and required many human and financial resources, but has been completed now.

All countries experience great demand. The Division finds that capacity ought to be improved, that is, more square meters to be able to handle larger volumes.

Group Management has, however, been reluctant to make investments as long as the outcome of the Frans Maas transaction was not known.

It has long been planned to define the Solutions Division as covering not only the Nordic countries, but all Solutions activities, which should then be lifted out of the Road countries. This decision becomes even more relevant after the acquisition of Frans Maas because in the Netherlands the company possesses greater knowledge and expertise and has much larger volume than the old Dutch company.

It is likely that the Solutions Division will be rearranged in 2006, thereby becoming much bigger. Results are also likely to increase because the logistics activities of Frans Maas are some of the most profitable activities.

SOLUTIONS DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Denmark	Above budget.	Much above budget.	Maintain and improve EBITA margin – also during the anticipated growth.
Norway	Above budget.	Above budget.	Very handsome EBITA margin which the company should aim at maintaining – higher growth ought to be created.
Sweden	Above budget.	Above budget.	Great tributes the management for an EBITA margin of 5.5%, which is a glaring contrast to the negative EBITA margin of 3.9% in the same period last year.
Finland	On a level with budget.	Below budget.	Back to the former EBITA level and create stronger growth.

Revenue and operating profit before impairment of goodwill and special items (EBITA) by markets

	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
(DKKm)	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06	Realised 01.01.05-31.03.05	Budget 01.01.06-31.03.06	Realised 01.01.06-31.03.06
Denmark	100	90	105	5	0	6	5.0	0.0	5.7
Norway	35	35	44	2	3	4	5.7	8.6	9.1
Sweden	77	84	91	(3)	2	5	-3.9	2.4	5.5
Finland	25	27	26	2	1	0	8.0	3.7	0.0
Total	237	236	266	6	6	15	2.5	2.5	5.6
Group	1	1	1	-	-	-	-	-	-
Amortisation of customer relationships	-	-	-	0	0	0	-	-	-
Elimination	(26)	(22)	(23)	-	-	-	-	-	-
Net	212	215	244	6	6	15	2.8	2.8	6.1

SHAREHOLDER INFORMATION

Remuneration of the Executive Board

In Q1 2005, DKK 4.8 million was paid out to the members of the Executive Board of DSV as remuneration.

Incentive programmes

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

Share options are exercisable by a cash purchase of shares.

2001 warrant scheme

The scheme comprises warrants for the subscription of 500,000 shares. The warrants were granted on 8 February 2001 to 914 senior staff members. All warrants were vested before 1 January 2005. The exercise price is 230.00 per share with a nominal amount of DKK 2, which was the market price at the grant date. The warrants are exercisable in three tranches by one-third in each exercise period.

Warrants are exercisable by cash payment of the subscription amount.

2002 option scheme

The scheme comprises options for the purchase of 26,650 shares. The options were granted to one Company manager, four senior staff members and 55 other staff members. All options were vested before 1 January 2005. The exercise price is 202.00 per share with a nominal amount of DKK 2, which was the market price at the grant date.

2003 option scheme

Tranche I

Tranche I comprises options to buy 275,000 shares. The options were granted to four Company managers and 259 senior staff members. All options were vested before 1 January 2005. The exercise price has been determined to be DKK 141.50 per share with a nominal amount of DKK 2, which was the market price at the grant date.

Tranche II

Tranche II comprises options to buy 15,000 shares. The options were granted to two senior staff members. All options were vested before 1 January 2005. The exercise price has been determined to be DKK 217 per share with a nominal amount of DKK 2, which was the market price at the grant date.

April 2005 option scheme

The scheme comprises options to buy 99,300 shares. The options were granted to two Company managers and 481 senior staff members. The exercise price has been determined to be DKK 445 per share with a nominal amount of DKK 2, which was the market price at the grant date. Continued employment with DSV at the date of exercise is a condition for exercise of the options.

New option scheme issued in March 2006

The scheme comprises options to buy 150,000 shares. The options were granted to Company managers and senior staff. The exercise price has been determined to be DKK 820 per share with a nominal amount of DKK 2, which was the market price at the grant date. The options are exercisable in the period from 30 March 2010 to 30 March 2011. Continued employment with DSV at the date of exercise is a condition for exercise of the options.

Share options and warrants issued by DSV A/S

	Exercise period	Executive Board	Senior staff	Other staff	Total	Average exercise price for each option	Average share price at exercise date	Remaining exercise period (years)	Market value (DKKm)
Outstanding at 1 January 2005		46,500	671,736	1,650	719,886	194.9		1.7	
Granted in 2005		10,000	89,300		99,300	445.0			
Exercised in 2005		10,000	260,673	240	270,913	228.3	457.1		
Options waived/expired			100,321		100,321	229.6			
Outstanding at 31 December 2005		46,500	400,042	1,410	447,952	222.8		1.7	
Granted in 2006			160,000		160,000	809.4			
Exercised in 2006			87,719	30	87,749	149.6	844.4		
Options waived/expired					-	-			
Outstanding at 31 March 2006		46,500	472,323	1,380	520,203	415.6		2.5	
Outstanding warrants of 2001 scheme	04.03.05-14.04.06		49,223		49,223	230.0		0.0	29.0
Outstanding options of 2002 scheme	12.03.05-12.09.06			1,380	1,380	202.0		0.5	0.9
Outstanding options of 2003 scheme	24.03.06-24.03.07	36,500	158,800		195,300	141.5		1.0	131.8
Outstanding options of 2003 scheme	01.01.07-31.12.07		15,000		15,000	217.0		1.8	9.0
Outstanding options of 2005 scheme	26.04.09-26.04.10	10,000	89,300		99,300	445.0		3.5	40.4
Outstanding options of 2006 scheme	01.04.09-31.03.10	10,000			10,000	650.0		3.5	2.5
Outstanding options of 2006 scheme	30.03.10-30.03.11		150,000		150,000	820.0		4.5	25.3
Outstanding at 31 March 2006		56,500	462,323	1,380	520,203	415.6		2.5	238.9
Exercise period beginning at 31 March 2006		36,500	208,023	1,380	245,903	159.6		0.8	161.7

SHAREHOLDER INFORMATION

The market value of the incentive programmes is assessed by models based on Black & Scholes.

The value of the outstanding incentive programmes at the balance sheet date is assessed on the basis of the underlying market prices on the last business day of the period, while the market value of the options issued during the year is assessed on the basis of the underlying market prices on the issue date.

The contemplated volatility estimation method for future incentive programmes is the historical volatility since 1 January 2004; and from 1 January 2007 onwards, DSV contemplates estimating volatility by using the three-year rolling historical average volatility.

The interest rate used in connection with the most recent granting of options in March 2006 was a risk-free rate of 4.0% based on a Danish swap rate with the same term as the expected term of 4.5 years. Based on an expected dividend per share of 1% and an average historical volatility of the DSV share for the period 1 January 2004 to 31 March 2006 of 18%, the assessment is that the length of the period is sufficient to estimate the underlying volatility of the DSV share, taking into account that the period beginning 1 January 2004 reflects DSV as of today.

For the calculation of the market value of the incentive programmes at the balance sheet date, a risk-free interest rate of between 3.00% and 4.01% based on Danish swap rates with the same term as the expected term of the outstanding programmes has been applied. The expected term is determined to be until the end of the exercise period. The expected dividend per share is 1%, and the historical volatility of the DSV share for the period 1 January 2004 to 31 March 2006 is 18%. The price of DSV shares was DKK 770 per share with a nominal amount of DKK 2 at 31 December 2005 and DKK 820 at 31 March 2006, equivalent to the official closing share prices quoted by the Copenhagen Stock Exchange.

The liability relating to incentive programmes is covered by the Company's treasury shares and by acquisition of treasury shares.

Latest important stock exchange announcements

24 February 2005 (announcement no. 204):
Recommended bid from DSV for EUR 38 in cash for each ordinary share in Frans Maas.

16 March 2005 (announcement no. 208):
2005 Annual Report

28 March 2005 (announcement no. 210):
Frans Maas bid declared unconditional

12 April 2006 (announcement no. 212):
DSV A/S controls 99.96% of the shares in Frans Maas

Investor teleconference

DSV invites investors, shareholders, analysts and others to participate in an investor teleconference on 27 April 2006 at 11:00 a.m.

At this conference, DSV will present the Q1 2006 Report. Participants will have ample opportunity to ask questions.

Participants from DSV will be:
Kurt K. Larsen, CEO
Jens H. Lund, CFO

The phone number for the teleconference is +45 70 26 50 40.The conference will be in English. No prior registration is required to attend the teleconference.

Web-based investor teleconference

The teleconference can be viewed directly at the DSV website (www.dsv.dk) or via the Copenhagen Stock Exchange (www.cse.dk). Questions can only be asked by telephone. Please note that Microsoft Media Player is required to view the teleconference. Microsoft Media Player can be downloaded free of charge from both websites. It will be possible to test the line switching at the above websites in the hours before the teleconference.

This announcement has been forwarded to the Copenhagen Stock Exchange and to the press. It is also available on the Internet at www.dsv.dk. The announcement has been prepared in Danish and in English. In the event of discrepancies, the Danish version shall apply.

Inquiries relating to the Q1 Report

Questions may be addressed to:
Kurt K. Larsen, CEO, tel. +45 43 20 30 40, or
Jens H. Lund, CFO, tel. +45 43 20 30 40.

Statement by Supervisory Board and Executive Board

Today, the Supervisory Board and the Executive Board have reviewed and approved the Q1 2006 Report of DSV A/S.

The Interim Report (unaudited) has been prepared in accordance with the rules on recognition and measurement of the International Financial Reporting Standards (IFRS) as well as additional Danish disclosure requirements of the financial reporting of listed companies.

We consider the accounting policies appropriate and the estimates made acceptable so that the Interim Report presents a true and fair view of the assets, equity, liabilities and financial position of the Group at 31 March

SHAREHOLDER INFORMATION

2006 as well as the results of the activities and the cash flows of the Group for the period 1 January to 31 March 2006.

Brøndby, 27 April 2006

Executive Board:

Kurt K. Larsen CEO	Jens H. Lund CFO

Supervisory Board:

Palle Flackeberg Chairman	Erik B. Pedersen Deputy Chairman
Kaj Christiansen	Hans Peter Drisdal Hansen
Per Skov	Egon Korsbæk
Leif Tullberg	