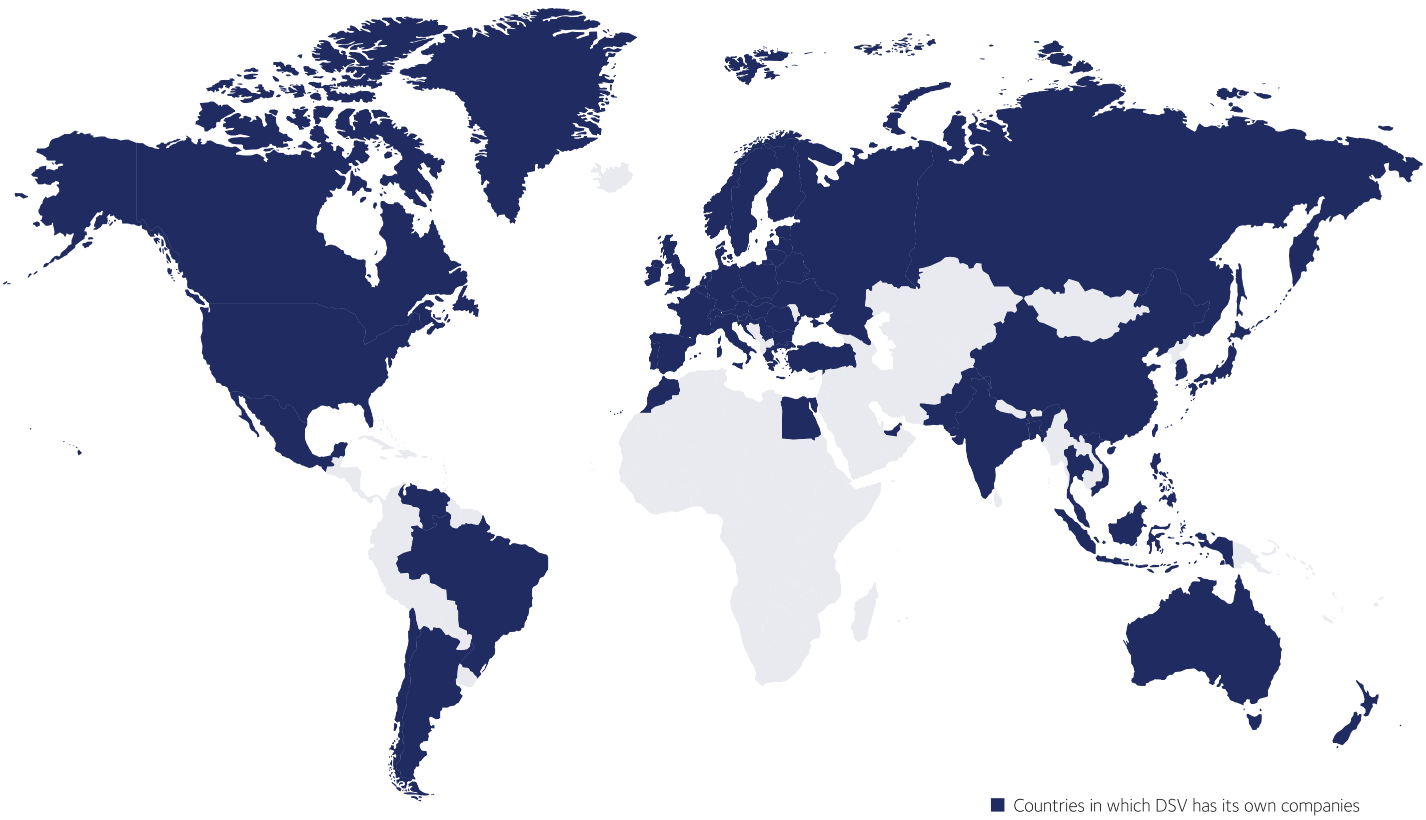
2008 Annual Report

About DSV – Global Transport and Logistics



■ Countries in which DSV has its own companies

DSV is a global supplier of transport and logistics services. DSV has offices in more than 55 countries all over the world. Supplemented by partners and agents, DSV offers services in more than 110 countries. By our professional and advantageous overall solutions, the 25,000 DSV employees are expected to achieve worldwide annual revenue of about DKK 44 billion for 2009.

DSV

Revenue:	Operating profit*:	Number of employees:
DKK 37,435 million	DKK 1,936 million	25,056

ROAD	AIR & SEA	SOLUTIONS
Revenue: DKK 19,806 million	Revenue: DKK 13,584 million	Revenue: DKK 5,275 million
Operating profit*: DKK 874 million	Operating profit*: DKK 906 million	Operating profit*: DKK 212 million
Number of employees: 10,147	Number of employees: 9,204	Number of employees: 5,705

* before special items (EBITA)

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FINANCIAL HIGHLIGHTS	2004	2005	2006	2007	2008
Income statement (DKKm)					
Revenue	18,092	23,015	31,972	34,899	37,435
Contribution margin	3,863	4,667	6,904	7,704	8,175
Operating profit before amortisation, depreciation and special items (EBITDA)	1,063	1,332	1,834	2,126	2,338
Operating profit before special items (EBITA)	854	1,123	1,504	1,882	1,936
Special items, net	567	(59)	(283)	(28)	78
Operating profit (EBIT)	1,411	1,064	1,221	1,854	2,014
Net financial expenses	108	80	207	268	404
Profit before tax	1,301	984	1,014	1,586	1,610
DSV A/S shareholders' share of net profit for the year	1,083	658	677	1,067	1,227
Adjusted profit	527	709	914	1,141	1,131
Balance sheet (DKKm)					
Non-current assets	4,624	5,652	9,093	9,362	13,942
Current assets	3,397	4,797	6,969	6,942	9,783
DSV A/S shareholders' share of equity	3,107	3,212	3,699	3,457	3,808
Minority interests	84	111	145	192	49
Non-current liabilities	956	2,463	5,740	5,783	8,702
Current liabilities	3,874	4,663	6,478	6,872	11,166
Balance sheet total	8,021	10,449	16,062	16,304	23,725
Net working capital	(469)	(451)	(722)	(291)	(1,074)
Net interest-bearing debt	1,287	2,204	4,835	5,121	9,541
Invested capital including goodwill and customer relationships	4,835	5,865	9,057	9,151	13,323
Gross investment in property, plant and equipment	358	392	391	742	731
Cash flows (DKKm)					
Operating activities	599	839	1,092	1,407	895
Investing activities	504	(1,004)	(1,576)	(379)	(3,119)
Free cash flow	1,254	(165)	(484)	1,028	(2,224)
Adjusted free cash flow	366	672	1,174	1,145	624
Financing activities (excluding dividends distributed)	(1,103)	530	579	(972)	2,159
Dividends distributed	(44)	(158)	(50)	(50)	(50)
Net cash flow for the year	(44)	207	45	6	(115)
Foreign currency translation adjustments	(5)	6	(23)	(30)	248
Cash and cash equivalents at year-end	172	385	407	383	516
Financial ratios (%)					
Contribution ratio	21.4	20.3	21.6	22.1	21.8
EBITDA margin	5.9	5.8	5.7	6.1	6.2
EBITA margin	4.7	4.9	4.7	5.4	5.2
EBIT margin	7.8	4.6	3.8	5.3	5.4
Effective tax rate	14.5	29.3	29.1	29.8	23.4
ROIC including goodwill and customer relationships	16.9	21.0	20.2	20.7	17.2
Return on equity	39.3	20.8	19.6	29.8	33.8
Solvency ratio	38.7	30.7	23.0	21.2	16.0
Share ratios[1]					
Earnings per share of DKK	5.4	3.2	3.4	5.5	6.7
Diluted adjusted earnings per share of DKK	2.3	3.4	4.5	5.8	6.1
Net asset value per share of DKK	15.8	16.2	18.6	18.3	20.8
Number of shares issued at year-end ('000)	210,750	208,960	201,500	201,500	190,150
Number of shares at year-end ('000)	196,370	198,130	198,640	188,382	182,872
Average number of shares ('000)	200,860	203,120	198,540	194,296	184,189
Diluted average number of shares ('000)	226,440	211,150	201,960	197,876	184,955
Share price at year-end (DKK)	37.10	77.80	103.20	111.75	56.50
Dividend per share	0.75	0.25	0.25	0.25	0.00
Staff					
Number of employees at year-end	9,225	11,619	19,199	19,211	25,056

For a definition of the financial highlights, please refer to page 66.

1. Comparative figures for 2004-2006 and purchases and sales until the issue of bonus shares in 2007 have been adjusted.

DSV is prepared for the future

2008 was a good year for DSV. Despite the difficult market conditions in the last six months of the year, the Group achieved the highest ever revenue in the history of the Group of more than DKK 37 billion and profit before special items (EBITA) of just over DKK 1.9 billion. These results are highly satisfactory and meet our targets. DSV is a strong group and one of the best earners of the industry.

Stronger network

The year was interesting and eventful for DSV. Through both divestments and acquisitions, all DSV divisions are stronger today than ever before. First of all, the acquisition of ABX LOGISTICS strengthened the organisation and notably strengthened the networks of both the Air & Sea and Road Divisions. Most countries are well into the comprehensive process of integrating ABX LOGISTICS, realising synergies and adapting the legal and financial structures. This implies that the countries are carrying out the necessary changes to traffic, terminating agency relationships, renegotiating non-profitable agreements, combining terminals and offices, consolidating IT resources and carrying out staff adjustments. Things are looking promising. We have encountered no unpleasant surprises, and our expectations have been met. In the coming period, we will continue our focused efforts to integrate the companies.

> *"These results are highly satisfactory and meet our targets. DSV is a strong group and one of the best earners of the industry"*

Restructurings

In Norway, the organisation was restructured and DSV sold its 50% shareholding in Tollpost Globe AS to the Swedish postal service. In return, the Group rearmed with the acquisitions of Waagan Transport Group AS and Unicargo AS, thereby obtaining a strong market position in the most productive industrial area in Norway.

As a result of the acquisition of Roadferry Ltd., DSV Road Holding Ltd. now has a prominent position as concerns domestic traffic in both Great Britain and Ireland. Accordingly, the capacity utilisation has improved considerably.

In connection with the most recently announced acquisition of an ownership interest in DFDS A/S, which will be operated together with JL-Fondet, DSV will obtain significant synergies and improve services in general. By combining the strengths of DSV with the position of DFDS at sea, DSV will have a unique market position and the possibility of offering transport solutions from A to Z to the benefit of customers. We feel convinced that this cooperation will prove to be a very great advantage to DSV and to DFDS as well, which will benefit from increased volumes. The acquisition will also enable DSV to move part of its focus from road transport to the more environmentally friendly sea transport.

Growth despite crisis

With these steps, DSV is optimistic about the future – regardless of the financial crisis. Lately, volumes have been under pressure. However, due to the corporate focus on consistently high service levels DSV has not seen customers leave the Group. On the contrary, we have seen some of the major industries turn to the large players in the market to ensure reliable delivery. Thus, DSV is trying to counterbalance decreasing volumes by attracting new customers and gaining larger market shares.

I have no doubt that 2009 will become a difficult and turbulent year where focus will be on costs and ongoing restructurings and adaptation of our activities to the market. We have taken steps to adjust the capital structure to the changes in the market; however, I also feel convinced that 2009 will become the year in which DSV's asset-light business model will prove its worth. We are prepared for the challenges and opportunities that the future will bring.

Thank you

In this Management's review we take stock of 2008, which became another good year for DSV. I would like to thank everybody – employees, customers, suppliers and shareholders – for the great confidence that you have showed DSV throughout the year. I hope that you will enjoy this insight into our wide-spread activities and the strong basis that the Group has for meeting the expectations for 2009 as well.

Jens Bjørn Andersen
CEO

DSV in brief

A global supplier of transport and logistics services

DSV is a global supplier of transport and logistics services. DSV has offices in more than 55 countries all over the world. Supplemented by partners and agents, DSV offers services in more than 110 countries. By our professional and advantageous overall solutions, the 25,000 DSV employees are expected to achieve worldwide annual revenue of about DKK 44 billion for 2009.

The Group reached its current size by its involvement in the consolidation of the transport and logistics sector and through organic growth. The Group's activities are organised in three business areas:

- The Road Division offers direct door-to-door land transport of full loads and part loads and transport of mixed cargo all over Europe.

- The Air & Sea Division transports approx. 850,000 TEUs of seafreight and 215,000 tons of airfreight each year. This takes place in a global transport network that is mainly structured around the Division's own operations and agents in the markets where DSV is not yet present. The great majority of the volume is produced within DSV's own network.

- The Solutions Division provides comprehensive logistics solutions, including outsourcing of stocks, distribution and a number of services related to the customers' value chain. The Division disposes of about 2,200,000 square metres of logistics facilities in the European market.

Flexibility through outsourcing

The business concept of DSV implies comprehensive outsourcing of the provision of the Group's services, and the Group aims to generate a maximum of 5% of the revenue volume itself. This means that most DSV services are provided by sub-contractors. The Group uses independent hauliers, airline companies and shipping lines as sub-contractors. As a result of the Group's limited capital stock, DSV can efficiently adapt to changes in supply and demand in the transport market.

Value creation

DSV wants to create value to its shareholders and stakeholders by:

- maintaining and expanding its position among the leading transport and logistics businesses in Europe;
- providing quality services to the customers of the Group;
- being an attractive workplace for the employees of the Group;
- maintaining and increasing the earnings margin of the Group;
- generating a solid cash flow for optimisation of the capital structure of the Group and investments;
- providing continued growth above market growth rate through organic growth and acquisitions;
- maintaining a high degree of reporting transparency;
- being a professional partner of the sub-contractors of the Group; and
- acting in a professional manner towards the other stakeholders of the Group.

Milestones

2008 DSV acquired ABX LOGISTICS and expanded its position among the leading transport and logistics businesses in Europe.

2006 DSV acquired Koninklijke Frans Maas Groep N.V. and became the third transport company to have its own Road activities all over Europe.

2004 DSV divested DSV Miljø A/S (Environment Division) to focus on transport and logistics.

2001 DSV divested DPD parcel (Nordic countries) to Svenska Posten.

2000 DSV acquired DFDS Dan Transport Group A/S, thereby quadrupling the transport and logistics activities.

1997 DSV acquired Samson Transport Co. A/S, thereby tripling the transport and logistics activities of the Group.

1987 DSV was listed on NASDAQ OMX Copenhagen (previously the Copenhagen Stock Exchange).

1976 DSV, De Sammensluttede Vognmænd af 13-7 1976 A/S, was founded by ten independent hauliers.

Financial targets and capital structure

Financial targets

The financial targets of DSV are based on the historical development and the current activity level, earnings and cash flow generation. According to the Group strategy, this development has been achieved without considerable capital expenditure. Utilisation of the Group's capital stock has thus improved. Group Management anticipates higher growth in the activity level in future and improved earnings due to this growth as well as improved utilisation of the capital stock.

These targets are expected to be realised in the medium term, depending on potential acquisitions of enterprises less profitable than DSV. The typical period required to integrate newly acquired enterprises is about 2-3 years.

DSV has fixed financial targets for the Group and for each Division. The financial targets are as follows:

FINANCIAL TARGETS

	DSV	Road	Air & Sea	Solutions
Organic revenue growth	3-5%	2-4%	8-10%	3-5%
EBITA margin	6%	6%	7%	7%
ROIC (including goodwill and customer relationships)	20%	20%	25%	20%

The financial targets of the Group have been revised relative to last year's Annual Report following a revision of the potential of the Divisions and the results achieved. The development in general market conditions have been taken into account, but the current, low activity level is not expected to continue in the long term. Furthermore, the integration of ABX LOGISTICS has been taken into account.

Capital structure

The targets set for the capital structure of DSV are:

- Financial stability for the purpose of reducing the corporate cost of capital;
- A high degree of flexibility to meet the strategic goals.

The capital structure of DSV is assessed on a regular basis. The gearing ratio, i.e. net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items), was 3.6 at 31 December 2008. In the light of the past year's financial market developments, increasing interest margins and higher focus on gearing levels, it has been decided to make an adjustment of the target set out for the capital structure to reduce the gearing ratio of the Group. The target for the future capital structure is a ratio of net interest-bearing debt to EBITDA of 1.5-2-5 for the Group. With the 2009 budget, this implies a net interest-bearing debt of between DKK 4.1 and 6.8 billion.

To meet the adjusted financial targets sooner, the Company plans to carry out a capital increase which is expected to generate net proceeds of around DKK 1.5 billion. The capital increase is expected to be carried out as a rights issue in 2009. Once the proceeds from the capital increase have been applied to reduce the net interest-bearing debt, the adjusted target for the capital structure is expected to be met during 2010.

DSV aims to use the free cash flow as follows:

1. FOR REPAYMENT

Repayment of net interest-bearing debt in periods when the gearing ratio of the Group is above the targeted capital structure.

2. FOR ACQUISITION

Acquisition of enterprises if there are attractive candidates.

3. FOR SHARE BUY-BACKS

Adjustments to the relevant gearing level will mainly be achieved through share buy-backs if no acquisitions are made.

4. FOR DIVIDENDS

In general, dividends per share will be kept constant in consideration of the gearing level of the Group, plans for future acquisitions and planned share buy-backs. A rare implication may be that no annual dividends will be distributed.

The free cash flow is generated on an ongoing basis throughout the year although individual transactions and seasons may lead to minor fluctuations in the free cash flow from one quarter to the next. Dividends distributed to the Company's shareholders are adjusted in accordance with the Company's capital structure targets in connection with preliminary announcements of financial statements. The Group may exceed the gearing level over periods of time due to the acquisition or divestment of enterprises and to focus on the reduction of the Group's debt.

2009 budget summary – Unaudited

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AND BUDGET

(DKKm)	2008 Realised	2009 Budget Unaudited
Revenue	37,435	44,014
Direct costs	29,260	33,994
Contribution margin	8,175	10,020
Other external expenses	1,843	2,179
Staff costs	3,994	5,122
Operating profit before amortisation, depreciation and special items (EBITDA)	2,338	2,719
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	402	577
Budget reserve	-	142
Operating profit before special items (EBITA)	1,936	2,000
Special items, net	78	(463)
Operating profit (EBIT)	2,014	1,537
Financials etc.	404	633
Profit before tax	1,610	904
Tax on profit for the year	377	404
Net profit for the year	**1,233**	**500**
Net profit for the year is attributable to:		
Shareholders of DSV A/S	1,227	493
Minority interests	6	7

Budget assumptions

The 2009 budget includes a summary of the budgeted income statement of the DSV Group.

The budget is affected by the current market situation, hence by the uncertainty related to the financial situation in 2009. The budget reflects Management expectations and has been prepared with great focus on strict cost management, investment limitations and adjustment of capacity.

Due to the market uncertainty, Management has opted to incorporate a non-allocated budget reserve of DKK 142 million at the EBITA level. The reserve reflects the uncertainty related to the Group's budgeted operating profit, estimated restructuring costs and development in foreign exchange rates. Hence the EBIT-to-EBITA ratio may change.

The budget includes the companies owned by DSV at the date of publication of the 2008 Annual Report. Accordingly, the acquisition of shares in Vesterhavet-DSV Holding A/S has not been incorporated into the budget as the transaction has not yet been finally approved by the competition authorities. For further details, please see the financial review.

The integration of ABX LOGISTICS progresses according to the plan for 2009. Aggregate annual synergies of at least DKK 750 million are expected to be realised when the integration has been completed, which is in line with previous announcements.

The following significant exchange rates have been used in the budgets:

EXCHANGE RATES

For DKK 100	
EUR	746
GBP	847
NOK	86
SEK	65
USD	584

Revenue

DSV expects a drop in revenue of 9.4% for 2009 compared with 2008.

REVENUE 2008 VERSUS BUDGET 2009

DKKm	
Revenue 2008	37,435
Foreign currency translation adjustments	(601)
Acquisition and divestment of enterprises, net	10,716
Growth	(3,536)
Budgeted 2009 revenue	**44,014**

Contribution margin

The contribution margin is expected to be DKK 10,020 million for 2009 (2008: DKK 8,175 million), corresponding to a contribution ratio of 22.8% (2008: 21.8%). The reason for the expected increase in contribution ratio is that Air &

Sea activities of the Group constitute a larger proportion of the total activities following the acquisition of ABX LOGISTICS.

Operating profit before special items (EBITA)

DSV expects a drop in the 2009 operating profit before special items of 1.3%.

The budgeted operating profit before special items includes the following non-cash items: Amortisation of customer relationships in the amount of DKK 108 million (2008: DKK 71 million) and costs for incentive programmes of DKK 36 million (2008: DKK 25 million). In total, non-cash items in the amount of DKK 144 million (2008: DKK 96 million) are recognised in the budgeted operating profit. Hence, operating profit before special items adjusted for non-cash items totals DKK 2,144 million (2008: DKK 2,032 million).

OPERATING PROFIT BEFORE SPECIAL ITEMS 2008 VERSUS BUDGET 2009

DKKm	
Operating profit before special items 2008	1,936
Foreign currency translation adjustments	(38)
Acquisition and divestment of enterprises, net	128
Growth	(26)
Operating profit before special items, budget 2009	2,000

The Group's total budgeted EBITA margin for 2009 totals 4.5% (2008: 5.2%).

Special items, net

Restructuring costs of approx. DKK 463 million have been recognised in the budget in relation to the integration of ABX LOGISTICS. Total restructuring costs for the integration of ABX LOGISTICS are expected to amount to DKK 800 million, up by DKK 100 million on the original estimate. The main reasons are that the restructuring process has turned out to be more comprehensive in some countries than originally anticipated and that the reduction potential in respect of the number of employees has improved.

Financials

The budgeted financial expenses inclusive of interest on pension obligations for 2009 are DKK 633 million. Financial expenses are affected by external debt raised in connection with the acquisition of ABX LOGISTICS and higher interest margin due to the larger commitments made by the Group's banks.

Tax on profit for the year

The DSV Group expects an effective tax rate in 2009 of approx. 31%. The calculation thereof is adjusted for entities budgeting with a deficit, but not with capitalisation of loss carryforwards, and entities having a budget deficit because of large non-deductible restructuring costs. As from 2010 and onwards, the tax rate is expected to be normalised at around 31%.

Net profit for the period

The budgeted net profit for the year is DKK 500 million.

Cash flows

Cash flow from operating activities is expected to amount to approx. DKK 1,030 million in 2009. This amount takes into account that funds tied up in net working capital will be reduced by DKK 100 million and that provisions will be adjusted downwards by DKK 150 million.

The Group expects its investments in assets to net approx. DKK 100 million in 2009.

Accordingly, the free cash flow is expected to total DKK 930 million.

Return on invested capital

The invested capital has increased as a consequence of the acquisition of ABX LOGISTICS, which implies that return on invested capital is expected to become lower compared with 2008. The Group continues to focus particularly on adjusting its working and fixed capital.

Diluted adjusted earnings per share

At 16 March 2009, DSV had 182.9 million fully diluted shares. The budgeted diluted adjusted earnings per share will be DKK 5.2 as against the amount of DKK 6.1 realised in 2008.

Forward-looking statements

This Annual Report includes forward-looking statements on various matters, such as expected revenue and earnings and future strategy 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 financial business conditions, exchange rate changes, changes in the level of interest rates, 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. Please also refer to 'Risk factors' on page 26.

Financial review

DSV achieved highly satisfactory financial results for 2008, which were altogether in line with the expectations disclosed.

2008 was an eventful year due to the acquisition of ABX LOGISTICS, the divestment of Tollpost Globe AS and considerable changes in economic trends, the first six months being characterised by a very high activity level and the last six months by a much lower activity level, not least in the last months of 2008. The year was affected greatly by the work involved in the acquisition and integration of ABX LOGISTICS.

As at 1 January 2008, DSV sold its 50% stake in the Norwegian company Tollpost Globe AS, which was fully consolidated in 2007. For 2007, Tollpost Globe AS recorded revenue of DKK 2,100 million and EBITA of DKK 125 million. The comparative figures for 2007 have not been restated.

ABX LOGISTICS has been recognised in the consolidated financial statements of DSV as from 1 October 2008, the date of completion of the acquisition. For 2008, the ABX LOGISTICS activities are recognised under the Air & Sea Division. In connection with the restructuring, the current structure will be revised to make the commercial and legal structures coincide as much as possible. Therefore, in 2009 some of the reported Air & Sea activities will be transferred little by little to being reported as Road and Solutions activities.

Status of the acquisition and integration of ABX LOGISTICS

The first phase of the integration of ABX LOGISTICS has nearly been completed in many countries. Most countries have come very far in the process of combining administrative functions and terminals, adjusting the work force, consolidating IT systems, changing traffic routes, etc. The German, Italian and French integration processes have been planned, but the major elements of the plans have only launched in 2009 because of the size of and complicated national legislation of those countries. Accordingly, a large portion of the expected restructuring costs have already been defrayed, but synergies have not yet been reflected in the income statement. The synergy expectations remain unchanged compared with the latest announcement.

Market development

Until the end of October 2008, activities were at a historically high level. During Q4, the financial crisis led to a steep reduction in the demand for transport services.

Another consequence of the financial crisis is an increased risk of bad debts, which has led to an even greater focus on the collection of trade receivables. Moreover, the Group has focused greatly on strict cost management, rapid adjustment of capacity and investment limitations, which will continue in 2009.

Not all markets have been affected by the economic slowdown to the same extent.

The Group's revenue was below adjusted budget. The main reasons are intensified price competition and decreasing volumes, particularly in Germany, France, Spain and Denmark. Moreover, exchange rate developments in SEK, NOK and GBP further reduced revenue in Q4.

REALISED 2008 VERSUS BUDGET 2008

DKKm	Realised 2008	Adjusted budget
Revenue	37,435	38,500
Operating profit before special items (EBITA)	1,936	1,950
Special items	78	272
Financials, net	(404)	(363)
Net profit for the year	1,233	1,406
Net investments	(585)	(300)
Free cash flow	624	1,000

Operating profit before special items was in line with the adjusted budget. This is chiefly due to higher earnings of the Air & Sea Division in Italy, Germany and the Far East, although that was offset by lower earnings mainly in the Road Division and particularly in Italy, Belgium, France and the Nordic countries.

Special item income is attributable to the sale of Tollpost Globe AS; the gain was in line with the adjusted budget. Special item expenses were higher than expected, which is due to restructuring costs in connection with the integration of ABX LOGISTICS.

Net financial expenses were higher than in the adjusted budget as a result of higher interest expenses and foreign exchange losses.

The net profit for the year was DKK 179 million below adjusted budget. This is due to lower net income from special items and increased net financial expenses.

The free cash flow was negatively affected by the increase in restructuring costs, investments and funds tied up in net working capital. Hence the net working capital was at the expected level. Investments were higher than expected, mainly because major IT investments were made already in December 2008, which was earlier than planned, and because investments in terminals were larger than expected.

Income statement

REVENUE

Revenue grew from DKK 34,899 million in 2007 to DKK 37,435 million in 2008, an increase of 9.2% when adjusted for foreign currency translation differences. The main reason is that the acquired revenue of ABX LOGISTICS is higher than the reduction in revenue following the divestment of Tollpost Globe AS.

REVENUE 2007 VERSUS 2008

DKKm	
Revenue 2007	34,899
Foreign currency translation adjustments	(690)
Acquisition and divestment of enterprises, net	1,771
Growth	1,455
Revenue 2008	37,435

Organic growth constituted 4.2% despite the difficult market conditions towards the end of 2008. Organic growth was negatively impacted by a decreasing activity level and fiercer price competition in the last six months of 2008, which contributed to a lower increase in revenue and organic growth than expected.

The Road Division recorded a revenue drop of 13% compared with 2007. The drop is attributable to the divestment of Tollpost Globe AS, a change in segmentation involving the transfer of some revenue from the Road Division to the Solutions and Air & Sea Divisions, and decreasing exchange rates. A number of minor acquisitions, mainly in Norway and Great Britain, contributed to mitigating the drop. When adjusted for acquisitions and divestments and for foreign currency translation differences, the Division achieved organic growth of 5.7%.

The revenue of the Air & Sea Division increased by 50% compared with 2007. The increase is attributable to growth acquired in connection with the acquisition of ABX LOGISTICS and to organic growth. The organic growth of 2.2% was largest in the USA, China, Denmark and other Far East when measured in absolute figures.

The Solutions Division realised a substantial increase in revenue due to the change in segmentation, which involved the transfer of part of the acquired activities from the Road Division to the Solutions Division.

The revenue achieved by the Group was 2.8% below budget compared with the adjusted budget for 2008.

REALISED REVENUE 2008 VERSUS ADJUSTED BUDGET 2008	
DKKm	
Revenue, adjusted budget 2008	38,500
Foreign currency translation adjustments	(225)
Acquisition and divestment of enterprises, net	-
Growth	(840)
Revenue 2008	**37,435**

DIRECT COSTS

Direct costs came to DKK 29,260 million in 2008 compared with DKK 27,195 million in 2007, an increase of 7.6%. The increase is mainly attributable to rising revenue.

CONTRIBUTION MARGIN

The consolidated contribution margin came to DKK 8,175 million for 2008, corresponding to a contribution ratio of 21.8%, which is a decrease of 22.1% on the contribution ratio for 2007. The contribution margin decrease is attributable to the effect of fuel surcharges, which have a neutral contribution margin, and a marginally decreasing contribution margin of the Road and Solutions Divisions.

OTHER EXTERNAL EXPENSES

Other external expenses amounted to DKK 1,843 million in 2008 compared with DKK 1,862 million in 2007, a decline of 1% despite the fact that other external expenses of ABX LOGISTICS in 2008 were higher than other external expenses of Tollpost Globe AS in 2007.

STAFF COSTS

Staff costs amounted to DKK 3,994 million in 2008 compared with DKK 3,716 million in 2007, an increase of 7.5%. If adjusted for the acquisition/divestment of enterprises, staff costs increased by less than 1% as a result of efficient cost management by the Group companies. In 2008, this item was affected by non-cash costs for share-based payments of DKK 25 million compared with DKK 14 million in 2007. Costs for employees laid off are recognised under special items as part of the restructuring costs.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

For 2008, amortisation, depreciation and impairment losses constituted DKK 402 million as against DKK 244 million for 2007. The item includes amortisation of customer relationships in the amount of DKK 71 million for 2008 compared with DKK 59 million for 2007. The item was positively influenced in 2008 by a gain of approx. DKK 49 million on the sale of assets, approx. DKK 20 million of which was included in the budget. In 2007, gain on the sale of assets amounted to approx. DKK 192 million.

OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)

The Group returned an operating profit before special items for 2008 of DKK 1,936 million compared with DKK 1,882 million for 2007, corresponding to an increase of 6.2% when adjusted for foreign currency translation differences.

When adjusted for the sale of assets and the ABX LOGISTICS/Tollpost Globe AS transactions, the Group recorded a handsome increase in the underlying operating activities, despite the pronounced slow-down in organic growth in Q4. ABX LOGISTICS had a positive impact on the Q4 results.

The ratio was 5.2% for 2008 as against 5.4% for 2007. The decline is a consequence of the acquisition of ABX LOGISTICS whose ratio of around 1.7% was generally lower than that of the original DSV companies.

When adjusted for non-cash items relating to amortisation of customer relationships and costs for share-based payments, the adjusted operating profit before special items came to DKK 2,032 million for 2008 compared with DKK 1,955 million for 2007.

OPERATING PROFIT BEFORE SPECIAL ITEMS 2008 VERSUS 2007	
DKKm	
Operating profit before special items 2007	1,882
Foreign currency translation adjustments	(59)
Acquisition and divestment of enterprises, net	17
Growth	96
Operating profit before special items 2008	**1,936**

The operating profit before special items for the Road Division came to DKK 874 million compared with DKK 998 million for 2007, a decrease of 12.4%. When adjusted for the divestment of Tollpost Globe AS and gains on the sale of properties realised in 2007, the Division recorded organic growth of approx. 13%. The increase is due to organic growth mainly deriving from Denmark, Sweden, Great Britain, Germany and the Netherlands.

The Air & Sea Division realised an operating profit before special items of DKK 906 million compared with DKK 691 million for 2007, an increase of 31.1%. The increase is attributable to the acquisition of ABX LOGISTICS and organic growth. The organic growth of the Division was 12.6%, the predominant part of which was realised in the USA, Denmark and other Far East when measured in absolute figures.

The Solutions Division realised an operating profit before special items of DKK 212 million compared with DKK 222 million for 2007, a decline of 4.5%. The Solutions Division recorded lower operating profit before special items due to the development in Belgium.

REALISED OPERATING PROFIT BEFORE SPECIAL ITEMS 2008 VERSUS ADJUSTED BUDGET 2008

DKKm	
Operating profit before special items, budget 2008	1,950
Foreign currency translation adjustments	(19)
Acquisition and divestment of enterprises, net	-
Growth	5
Operating profit before special items 2008	1,936

SPECIAL ITEMS
Special items netted an income of DKK 78 million in 2008 compared with a net expense of DKK 28 million in 2007.

Special item income totalled DKK 437 million, which relates to gain from the divestment of Tollpost Globe AS.

Costs recorded under special items totalled DKK 359 million in 2008. They were restructuring costs defrayed in connection with the integration of acquirees. The costs are mainly attributable to adaptation of capacity in connection with the integration of ABX LOGISTICS. Most of the costs are for termination benefit schemes and costs payable under terminated leases. Restructuring costs exceeded those of the adjusted 2008 budget, one reason being that in many countries the integration of ABX LOGISTICS entities went quicker than anticipated.

FINANCIALS
For 2008, net financials constituted an expense of DKK 404 million compared with DKK 268 million for 2007.

The increase is mainly due to interest on external debt financing related to the acquisition of ABX LOGISTICS, capital losses and the rising interest expenses.

Net financials were DKK 41 million higher than in the adjusted 2008 budget, which is due to capital losses caused by the very high volatility of the currency exchange market. The acquisition of ABX LOGISTICS also led to higher capital losses because these companies needed some time to get accustomed to the exchange rate policy of DSV.

PROFIT BEFORE TAX
Profit before tax came to DKK 1,610 million for 2008 compared with DKK 1,586 million for 2007. The increase is mainly due to the higher activity level and special item income. To some extent, this was offset by higher financing costs.

Profit before tax is DKK 249 million below adjusted budget, the reasons being higher special items than expected and higher net financial expenses. The higher special items are to be seen as a consequence of the integration of ABX LOGISTICS that was quicker than anticipated.

TAX ON PROFIT FOR THE YEAR
When adjusted for the non-taxable gain from the divestment of Tollpost Globe AS, the effective tax rate for 2008 was approx. 32%, which is in line with the adjusted budget for 2008.

NET PROFIT FOR THE YEAR
Net profit for the year came to DKK 1,233 million for 2008 compared with DKK 1,114 million for 2007. The net profit for the year is DKK 173 million below adjusted budget.

The adjusted net profit for the year came to DKK 1,131 million for 2008 compared with DKK 1,141 million for 2007, which is in line with 2007.

DILUTED ADJUSTED EARNINGS PER SHARE
Diluted adjusted earnings per share came to DKK 6.1 for 2008 compared with DKK 5.8 for 2007, corresponding to an increase of 5.2%.

Balance sheet
The balance sheet total at 31 December 2008 was DKK 23,725 million as against DKK 16,304 million at year-end 2007. The main reason for this increase is the acquisition of ABX LOGISTICS.

NON-CURRENT ASSETS
Non-current assets stood at DKK 13,942 million at 31 December 2008 as against DKK 9,362 million at year-end 2007, an increase of DKK 4,580 million. This increase is mainly attributable to an increase in goodwill relating to acquisition of enterprises.

Goodwill amounted to DKK 7,170 million at 31 December 2008 as against DKK 4,424 million at year-end 2007.

EQUITY
At 31 December 2008, the equity interest of DSV shareholders came to DKK 3,808 million, corresponding to an equity ratio of 16%. At 31 December 2007, equity came to DKK 3,457 million, corresponding to an equity ratio of 21%.

Equity increased mainly by net profit for the year and decreased because of share buy-backs and value adjustment of hedging instruments.

DSV has bought back shares for a total of DKK 581 million to hedge an incentive programme and to reduce the share capital.

DEVELOPMENT IN EQUITY

DKKm	2007	2008
Equity at 1 January	3,699	3,457
Net profit for the year	1,067	1,227
Dividends distributed	(50)	(50)
Share buy-backs	(1,222)	(581)
Foreign currency translation adjustments	(67)	(40)
Actuarial pension losses	(11)	(42)
Value adjustment of hedging instruments	15	(243)
Tax on changes in equity	15	51
Other adjustments, net	11	29
Equity at 31 December	3,457	3,808

NET WORKING CAPITAL
The Group's funds tied up in net working capital came to DKK 1,074 million at 31 December 2008 compared with DKK 291 million at 31 December 2007 when the net working capital was particularly high.

The main reason for this increase was the acquisition of ABX LOGISTICS. The net working capital of the ABX LOGISTICS group was generally higher than that of DSV, one reason being that the main activities of ABX LOGISTICS were within the Air & Sea Division and in Southern Europe where terms of payment are usually longer than in Northern Europe. As expected according to the stock exchange announcement of 1 October 2008, net working capital at year-end 2008 exceeded 3% of revenue.

The Group is making targeted efforts to reduce the net working capital of the ABX LOGISTICS entities.

NET INTEREST-BEARING DEBT

The net interest-bearing debt amounted to DKK 9,541 million at year-end 2008 as against DKK 5,121 million at year-end 2007. The increase is mainly a result of the large external debt financing of the acquisition of ABX LOGISTICS.

Loans and credit facilities amounted to DKK 9,051 million of the total net interest-bearing debt, DKK 6,211 million of which falls due more than one year after 31 December 2008. The credit facilities are sufficient to refinance the short-term portion of the debt when due. The interest rate is fixed for approx. 73% of the debt, the average rate of interest being 4.6%.

Please refer to the paragraph 'Risk factors' for a detailed list of all loan commitments of the Group.

CASH FLOW STATEMENT

DKKm	2007	2008
Profit before tax	1,586	1,610
Changes in net working capital	87	(228)
Adjustment, non-cash operating items etc.	(266)	(487)
Cash flow from operating activities	1,407	895
Purchase and sale of intangibles, property, plant and equipment	(277)	(585)
Net acquisition of subsidiaries and activities	(117)	(2,545)
Other	15	11
Cash flow from investing activities	(379)	(3,119)
Free cash flow	1,028	(2,224)
Proceeds from and repayments of short-term and long-term debt	253	2,738
Transactions with shareholders	(1,275)	(629)
Cash flow from financing activities	(1,022)	2,109
Net change in cash and cash equivalents	6	(115)
Adjusted free cash flow	1,145	624

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities came to DKK 895 million for 2008 compared with DKK 1,407 million for 2007. The reduction is due to higher restructuring costs, reduction of net working capital and higher tax payments. The net working capital reduction of DKK 228 million does not include any changes in corporation tax and non-cash items.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities, excluding the effect of the acquisition and divestment of enterprises, amounted to a net payment of DKK 574 million in 2008 compared with a net payment of DKK 262 million in 2007. The cash flow for 2008 was affected by major investments in IT systems, investments in terminals and capacity adaptation following the acquisition of ABX LOGISTICS.

The cash flow from investing activities relating to the acquisition and divestment of enterprises, DKK 2,545 million in total, is attributable to the acquisition of ABX LOGISTICS, the divestment of Tollpost Globe AS, the acquisition of Road companies in Norway and Great Britain in particular as well as the acquisition of minor Air & Sea companies.

FREE CASH FLOW

The Group had a negative free cash flow of DKK 2,224 million in 2008. Adjusted for the acquisition and divestment of enterprises and normalisation of the net working capital of acquirees, the free cash flow amounted to DKK 624 million in 2008 as against DKK 1,145 million in 2007.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities constituted a net inflow of DKK 2,109 million due to new non-current bank loans raised to finance acquisitions, share buy-backs and distribution of dividends.

NET CHANGE IN CASH AND CASH EQUIVALENTS

The net change in cash and cash equivalents was a net outflow of DKK 115 million, and foreign exchange translation adjustments came to DKK 248 million; accordingly, the cash and cash equivalents of the Group amounted to DKK 516 million at year-end 2008 compared with DKK 383 million in 2007.

INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS

The invested capital including goodwill and customer relationships increased to DKK 13,323 million at 31 December 2008 as against DKK 9,151 million at 31 December 2007. The increase is mainly attributable to the acquisition of ABX LOGISTICS.

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

In 2008, return on invested capital was 17.2% compared with 20.7% in 2007. The main reason for this reduction is the increase in invested capital due to the acquisition of ABX LOGISTICS.

Post balance sheet events

On 13 January 2009, JL-Fondet and DSV concluded a conditional agreement on joint ownership of a controlling interest of approx. 56% of the share capital and voting rights in DFDS. DFDS will become jointly owned through Vesterhavet-DSV Holding A/S, a newly founded company of which JL-Fondet owns 55% and DSV owns 45%.

The transaction is subject to approval by the competition authorities, which approval is expected to be given in the second quarter of 2009.

At the end of March 2009, the bridge loan will be converted into a bullet loan which will be repaid in 2010 and 2011.

DSV also plans to carry out a capital increase in 2009, which is expected to generate net proceeds of around DKK 1.5 billion. The capital increase is expected to be carried out as an issue with pre-emptive rights for existing shareholders.

No other material events have occurred after the balance sheet date.

Søren Schmidt, Chief Operating Officer of the Road Division

One of the new heavy goods vehicles of DSV measuring 25.25 metres. It can carry three 20-foot containers, thereby contributing to less road traffic and reduced CO_2 emissions.

Divisional review – Road Division

Activities

The Road Division offers transport of full loads, part loads and mixed cargo all over Europe. The transport services are mainly provided within DSV's own network of 34 Road countries in Europe. The Road Division operates as an internal sub-contractor for the Air & Sea and Solutions Divisions in respect of European terminal and distribution activities.

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

Organisational structure

The Division has a decentralised structure and a national management of the Road company in each country in which the Division is represented. The national managements are responsible for operating activities and administration in their relevant countries. All national companies have their own independent budgets, which are monitored closely by the relevant national managements and the Division management.

By its decentralised structure, DSV is able to develop its national companies according to market conditions, culture and language. Thereby the organisation is also close to the local customers and able to quickly make local decisions, when needed.

Acquisitions during the year

The acquisition of ABX LOGISTICS primarily strengthened the Division in Southern Europe, where ABX LOGISTICS had a strong presence and DSV had minor companies. In many ABX LOGISTICS countries DSV was also represented. In these countries integration will be made by combining locations and terminals at the same sites. The combination is expected to spark further synergies that will create the basis for healthy and efficient operating activities in future.

In Great Britain and Ireland, the existing Road Division was strengthened by the acquisition of Roadferry Ltd. at the end of February 2008.

In October 2008, the Division acquired the Norwegian enterprises Unicargo AS and Waagan Transport Group AS for the purpose of integrating them into the Norwegian Road Division. This has particularly strengthened the Norwegian company's domestic transport services.

As at 1 January 2008, DSV sold its 50% stake in the Norwegian company Tollpost Globe AS, which was fully consolidated in 2007.

Operational initiatives

In 2008, the Division continued its efforts to streamline and optimise its working processes. A major element of this work is to further integrate and streamline IT systems to obtain high quality and a transparent and efficient cross-border organisation.

Among its other initiatives, the Division has implemented a new online booking system which ensures high-quality services and creates value for the customers by simplifying the booking procedure. The system also has functionalities such as Track & Trace.

Market development

The financial crisis has lead to a slowdown in the European cargo flow due to a reduced demand for consumer goods in general. However, the Division has a broad range of transport services and customer segments and is therefore less affected by the situation.

Moreover, market developments and the increased risk of bad debts have resulted in an even greater focus on the customers' credit period and efficient collection of debts.

The Division in brief

The long-term goal is still to enhance and expand the Division's own strong European network and become less dependent on partners. By becoming independent of partners, the Division will no longer run the risk of partners being acquired or partners choosing to collaborate with other players in the market, thereby reducing DSV's network.

By the acquisitions of Frans Maas in 2006 and of ABX LOGISTICS in 2008, the Division gained a comprehensive and well-established network of homogeneous organisations in all European countries. The basis is now laid for expanding and creating organic growth so that the organisation will no longer be vulnerable to the risk of changes.

CONDENSED INCOME STATEMENT

(DKKm)	2007 [1] Realised	2008 [1] Realised	2009 [1] Budget Unaudited
Revenue	22,793	19,806	19,478
Direct costs	17,985	15,813	15,566
Contribution margin	4,808	3,993	3,912
Other external expenses	1,155	933	735
Staff costs	2,531	2,049	2,182
Operating profit before amortisation, depreciation and special items (EBITDA)	1,122	1,011	995
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	110	123	135
Amortisation and impairment of customer relationships	14	14	17
Operating profit before special items (EBITA)	**998**	**874**	**843**

1. Inter-division adjustments and transfers of activities have been made for 2007, 2008 and in the 2009 budget.

CONDENSED BALANCE SHEET

(DKKm)	31.12.07	31.12.08
Goodwill and customer relationships	2,456	2,527
Other intangibles, property, plant and equipment	2,784	2,061
Other non-current assets	608	728
Total non-current assets	**5,848**	**5,316**
Receivables	4,333	3,369
Cash and intercompany balances	2,849	2,004
Total current assets	**7,182**	**5,373**
Total assets	**13,030**	**10,689**
Equity	1,614	2,819
Interest-bearing long-term debt	260	170
Other non-current liabilities, including provisions	617	549
Non-current liabilities	**877**	**719**
Interest-bearing short-term debt, including intercompany debt	6,358	3,803
Other short-term debt	4,181	3,348
Total current liabilities	**10,539**	**7,151**
Total equity and liabilities	**13,030**	**10,689**

ROIC including goodwill and customer relationships came to 19.2% (2007: 16.1%). The calculation of ROIC included DKK 2,313 million of goodwill and customer relationships (2007: DKK 2,607 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV. Number of employees: 10,147.

In general, the final months of 2008 were characterised by decreasing cargo volumes in Europe. DSV is adapting to the capacity on an ongoing basis to maintain a healthy operational level in the Road Division.

The decreasing volume and the supply of/demand for road transport services have affected the market prices in general, resulting in stagnating and decreasing prices. This has caused an excess capacity in the market of hauliers and

MANAGEMENT'S REVIEW – ROAD DIVISION

Country	Revenue realised in 2008 compared with 2007	Contribution margin realised in 2008 compared with 2007	Operating profit before special items (EBITA) realised in 2008 compared with 2007	Comments/focus
Denmark	On a level	On a level	Considerably below	Fine results! High EBITA margin is maintained after adjustments for gain on the sale of property in 2007.
Sweden	On a level	Above	Considerably above	Excellent development. The Swedish management deserves praise for having realised handsome results despite a weak national currency. The new and high EBITA level ought to be maintained.
Norway	Considerably below	Considerably below	Considerably below	Slightly disappointing period at the end of the year, partly due to a weak national currency. The new acquisitions look promising. Efforts must be made to return to the previous level of results.
Finland	Above	On a level	Considerably below	Positive revenue development. Efforts must be made to improve EBITA.
Great Britain	Below	Below	Below	Results are suffering due to national currency weakening. Despite that, handsome results have been achieved, and the EBITA margin is among the best in the Road Division.
Ireland	Considerably below	Considerably below	Considerably below	The country is among those hit most severely by the crisis. Country management is good, and results ought to improve in 2009.
Germany	On a level	On a level	Considerably below	EBITA improved on 2007 but is far from satisfactory. New country management expects improvements in 2009.
Austria	On a level	On a level	Above	Positive development. EBITA ought to improve.
The Netherlands	Below	On a level	Considerably above	Significant and handsome improvement of results against 2007. Previous problems seem to have been solved. The country ought to return to its previous high EBITA level.
Belgium	On a level	On a level	Above	The country is characterised by stable operations and good management. The high EBITA margin ought to be maintained.
France	Considerably below	Considerably below	Considerably above	Disappointing development in revenue and contribution margin. The merger with ABX LOGISTICS is expected to create a basis for future improvement of results.
Italy	Considerably below	Considerably below	Considerably below	Dissatisfactory development. The country will have a significantly different profile and size due to the acquisition of ABX LOGISTICS. Group Management has high expectations of the Italian management.
Spain	Considerably below	Considerably below	On a level	Dissatisfactory results which must definitely be improved in 2009. Synergy plans look promising!
Portugal	On a level	Below	Below	Dissatisfactory development. Focus must be on growth and improvement of contribution margin.
Estonia	On a level	Below	Considerably below	This is probably the Baltic country most severely hit. The previous EBITA level should be recreated through cost reduction programmes.
Latvia	Above	On a level	On a level	Handsome results in a difficult market. The company has a good market position and must focus on improving EBITA.
Lithuania	On a level	On a level	Below	Small decrease as compared to 2007, but still a high EBITA margin.
Russia	Considerably below	Considerably below	Considerably below	Dissatisfactory results. The size of the company will change markedly due to the acquisition of ABX LOGISTICS. Group Management expects significant improvements in 2009.
Poland	Considerably above	Considerably above	Considerably above	Handsome results. Good management and stable operations. Focus must be on profitable growth.
Kaliningrad, Belarus and Ukraine	Above	On a level	Below	Not quite as expected. The market is large and interesting, and results ought to improve.
Czech Republic	Above	On a level	Below	Handsome growth and fine EBITA. The company management is good and loyal.
Central Europe [1]	Considerably above	Considerably above	Above	Handsome growth; fine results. In 2009, the EBITA margin ought to approach the average level of the Road Division.
South Eastern Europe [2]	Above	Above	Below	Handsome growth; slightly disappointing EBITA development. Growth must be maintained, but EBITA ought to improve. Large national differences in developments.

1. Hungary and Slovakia
2. Greece, Bulgaria, Slovenia, Croatia, Serbia, Turkey and Morocco

other sub-contractors, who have also had to adapt to a new price structure due to the change in supply/demand.

It is still DSV's goal to gain market shares in 2009 by constantly offering competitive prices to customers in the transport market.

In 2008, oil prices were highly volatile, reaching a record high in the first six months of 2008 while being significantly lower in the last six months of the year. As the Division operates with an oil key, which is adjusted according to the development in oil prices and linked to its rates, oil prices had no major impact on the operating profit of the Division.

In 2008, exchange rates had a negative effect on the operating profit of the Division due to falling exchanges rates of NOK, SEK and GBP in particular, which reduced operating profit by approx. 3%.

Generally, the Division obtained handsome results despite large geographical differences. Historically, the Northern European countries, and the Nordic countries in particular, have been very strong and solid countries generating high earnings.

The Southern European countries did not reach their full earnings potential in 2008.

The Eastern European countries demonstrated stable revenue and reasonable earnings and have additional growth and earnings potential.

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS

	Revenue			Contribution margin			Operating profit before special items (EBITA)			Contribution ratio	EBITA margin
(DKKm)	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.08-31.12.08	Realised 01.01.08-31.12.08
Denmark	4,745	4,767	3,836	839	851	797	425	314	297	17.9	6.6
Sweden	4,088	4,073	3,249	671	751	655	135	227	198	18.4	5.6
Norway	3,382	1,195	1,265	731	214	245	197	71	93	17.9	5.9
Finland	1,266	1,413	1,326	171	172	192	40	17	30	12.2	1.2
Great Britain	2,029	1,879	1,667	448	376	328	120	111	76	20.0	5.9
Ireland	572	421	485	118	68	80	32	11	17	16.2	2.6
Germany	2,290	2,211	2,537	311	297	454	(51)	(26)	(33)	13.4	-1.2
Austria	304	313	330	53	55	56	3	5	3	17.6	1.6
The Netherlands	918	852	924	147	151	169	6	28	28	17.7	3.3
Belgium	923	951	900	193	188	192	55	62	35	19.8	6.5
Switzerland	102	-	-	34	-	-	(3)	-	-	-	-
France	1,345	743	1,961	252	180	404	(27)	11	22	24.2	1.5
Italy	891	577	67	202	92	11	7	(12)	(7)	15.9	-2.1
Spain	496	375	330	91	64	38	(36)	(36)	(26)	17.1	-9.6
Portugal	155	155	285	34	28	53	6	2	10	18.1	1.3
Estonia	358	365	385	65	59	60	24	16	16	16.2	4.4
Latvia	241	278	288	32	35	38	11	11	12	12.6	4.0
Lithuania	254	259	266	39	40	40	15	13	13	15.4	5.0
Russia	136	74	200	36	13	39	6	1	10	17.6	1.4
Poland	409	508	715	69	88	112	18	26	33	17.3	5.1
Kaliningrad, Belarus and Ukraine	70	84	96	18	17	21	3	1	2	20.2	1.2
Czech Republic	235	272	288	42	44	43	15	12	12	16.2	4.4
Central Europe [1]	175	252	275	48	64	64	5	7	7	25.4	2.8
South Eastern Europe [2]	437	476	516	91	100	114	13	10	19	21.0	2.1
Total	**25,821**	**22,493**	**22,191**	**4,735**	**3,947**	**4,205**	**1,019**	**882**	**867**	**17.5**	**3.9**
Group	837	467	428	420	57	42	(7)	6	(7)	-	-
Amortisation of customer relationships	-	-	-	-	-	-	(14)	(14)	(17)	-	-
Elimination	(3,865)	(3,154)	(3,141)	(347)	(11)	(335)	-	-	-	-	-
Net	**22,793**	**19,806**	**19,478**	**4,808**	**3,993**	**3,912**	**998**	**874**	**843**	**20.2**	**4.4**

1. Hungary and Slovakia
2. Greece, Bulgaria, Slovenia, Croatia, Serbia, Turkey and Morocco

Jørgen Møller, President of the Air & Sea Division

The acquisition of ABX LOGISTICS increased the seafreight volume of the Division

Divisional review – Air & Sea Division

Activities

The Air & Sea Division specialises in the handling of airfreight and seafreight between global destinations. The Division focuses on the movement of cargo via air and sea both as full container loads (FCL), seafreight consolidations (LCL), airfreight consolidations and direct airfreight (back-to-back) shipments. In 2008, the Division's main markets were the Nordic countries, the USA, Germany, the Far East and Great Britain. The Division also has a Project Department with Denmark and Germany as the leading countries, although Italy will also assume a prominent position now due to the acquisition of ABX LOGISTICS in October 2008. The Division's Project Department handles air charter, ship charter, turn-key projects and out-of-gauge and heavy-lift shipments.

Organisational structure

The Division has a flat management structure in which the country managers are responsible for developing the national companies within the overall guidelines set by the Division Management. The Division and its customers benefit from the comprehensive global network of DSV offices and the Division's strategic partners. The main activities of the Division are provided by the DSV companies of the 54 Air & Sea countries. This comprehensive network offers the customers stability and one-stop shipping possibilities.

The Division is very focused on detailed KPIs. They are used to track the general development and performance of the Division and the individual countries and the general performance of the branches in each country. The KPI scores are used to make quicker decisions and provide the basis for many management decisions regarding adjustments required to meet the target KPIs established.

Acquisitions during the year

In October 2008, the Air & Sea Division acquired the global network of ABX LOGISTICS, which nearly doubled the size of the Division. The acquisition of ABX LOGISTICS not only complemented our existing transport routes, but also brought the Division into a leading position in Italy and Spain. Through the acquisition, the Division increased both its seafreight and airfreight volumes. The Division is well into the process of realising the expected synergies which will help us obtain the 'shared culture' needed to run a successful organisation. The acquisition also increased the Division's global presence by adding countries in which DSV Air & Sea previously did not have its own offices.

Operational initiatives

Initiatives to streamline the Division's IT systems have been launched, and a roll-out of a shared global IT system is in progress.

The Division will benefit from the increase in volume achieved through the acquisition of ABX LOGISTICS that will provide better utilisation of transport units and maximise the procurement and expansion of additional transport routes operated by DSV's own transport units.

Market development

The year 2008 was influenced by the global financial crisis, decreasing rates and excess capacity in the market for both air and sea transport. Still the Air & Sea Division returned its best results ever in 2008. It is expected to continue the positive development in 2009. The Division now has a comprehensive network and is able to continue its organic growth and further increase its market share. The Division is non-asset based, which will benefit its performance. The Air & Sea Division is not immune to the global financial crisis, but its Management believes that there is plenty of room to grow and to increase the market share of the Division in all countries. The decrease in rates seen in the last part of 2008 is expected to continue in the first part of 2009, but the Division Management expects that rates will stabilise or increase as we get further into 2009.

The Division in brief

Despite the financial crisis, 2008 was the best year ever for the Air & Sea Division. Most of the countries improved results compared with 2007. In addition to the main markets listed above, the Air & Sea activities in Australia, the Netherlands, France and Canada also improved, and the activities in Ireland, Northern Ireland, Estonia, Poland, the Czech Republic, Turkey, India and the United Arab Emirates achieved results that exceeded expectations. Prior to the ABX LOGISTICS acquisition, the Air & Sea Division had an unsatisfactory profitability in Italy and Spain. However, these were among the best performing countries in the ABX LOGISTICS network, and Management expects Italy to

CONDENSED INCOME STATEMENT

(DKKm)	2007 [1] Realised	2008 [1] Realised	2009 [1] Budget Unaudited
Revenue	9,060	13,584	20,782
Direct costs	7,203	10,586	15,910
Contribution margin	1,857	2,998	4,872
Other external expenses	389	692	1,260
Staff costs	744	1,326	2,241
Operating profit before amortisation, depreciation and special items (EBITDA)	724	980	1,371
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	24	65	140
Amortisation and impairment of customer relationships	9	9	54
Operating profit before special items (EBITA)	**691**	**906**	**1,177**

1. Inter-division adjustments and transfers of activities have been made for 2007, 2008 and in the 2009 budget.

CONDENSED BALANCE SHEET

(DKKm)	31.12.07	31.12.08
Goodwill and customer relationships	910	4,348
Other intangibles, property, plant and equipment	102	1,885
Other non-current assets	43	124
Total non-current assets	**1,055**	**6,357**
Receivables	1,480	5,022
Cash and intercompany balances	679	1,070
Total current assets	**2,159**	**6,092**
Total assets	**3,214**	**12,449**
Equity	699	977
Interest-bearing long-term debt	33	364
Other non-current liabilities, including provisions	81	951
Non-current liabilities	**114**	**1,315**
Interest-bearing short-term debt, including intercompany debt	1,086	6,121
Other short-term debt	1,315	4,036
Total current liabilities	**2,401**	**10,157**
Total equity and liabilities	**3,214**	**12,449**

ROIC including goodwill and customer relationships came to 20.8% (2007: 45.1%). The calculation of ROIC included DKK 4,887 million of goodwill and customer relationships (2007: DKK 1,437 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV. Number of employees: 9,204.

become one of the leading countries in terms of profitability in 2009. The influence of ABX LOGISTICS is expected to generate improvements in Spain as well.

The 2008 revenue was greatly influenced by increased fuel prices and highly fluctuating rates of exchange during the year. The lower rate levels on many transport routes will also influence the overall revenue in 2009. However, the Division is expected to maintain its EBITA level and further increase its high profitability. The Division has high expectations of the profitability as a result of the ABX LOGISTICS acquisition. The Division expects to continue benefiting from the expediency and efficiency that characterises the

MANAGEMENT'S REVIEW – AIR & SEA DIVISION

Country	Revenue realised in 2008 compared with 2007	Contribution margin realised in 2008 compared with 2007	Operating profit before special items (EBITA) realised in 2008 compared with 2007	Comments/focus
USA	Considerably above	Above	On a level	The country suffered due to fluctuations in national currency. Management still realised excellent results which are absolutely 'best in class'.
Denmark	Below	Above	Considerably above	Handsome results. Fine EBITA margin. Excellent position in the local market.
Project Dept.	Considerably above	Above	On a level	Fine development in all areas.
Norway	Above	Above	Above	Impressive development compared with 2007. Very high EBITA margin. Efforts should be made to maintain that level in a difficult market.
Sweden	Below	Below	Below	Fine results, but slightly disappointing development. The company ought to grow in terms of size. A very interesting market.
Finland	Above	On a level	On a level	Fine development. Focus must be on EBITA margin improvements.
Great Britain	On a level	On a level	On a level	The company suffered due to a weak national currency, but still achieved handsome results.
Ireland and Northern Ireland	Considerably above	Considerably above	Above	Fine development. EBITA margin ought to improve a little.
Germany	Considerably above	Considerably above	Considerably above	Impressive development in one of the most important markets in Europe. Very large potential.
The Netherlands	Above	Above	Below	Handsome growth, but slightly disappointing EBITA development. The company must aim at the average EBITA margin of the Division.
Belgium	New in the Division	New in the Division	New in the Division	Handsome results. Fine EBITA margin.
France	New in the Division	New in the Division	New in the Division	Modest results which ought to improve in 2009.
Italy	New in the Division	New in the Division	New in the Division	Handsome results. The effects of the acquisition of ABX LOGISTICS are clear: The company management is experienced and very strong. The company has a good position in the national market and will become one of the most important ones of the Group.
Spain	New in the Division	New in the Division	New in the Division	The basis for stable operations is definitely there, but satisfactory EBITA was not achieved. The position is expected to improve notably in 2009.
Portugal	New in the Division	New in the Division	New in the Division	Modest size and disappointing EBITA.
Turkey	Considerably above	Considerably above	On a level	Handsome development in revenue and contribution margin, but EBITA ought to improve markedly in 2009.
Central Europe [1]	Considerably above	Considerably above	Above	Positive development. EBITA ought to improve in 2009. There are national development differences.
Canada	Above	Above	Above	Handsome results; high EBITA margin. Fine turnaround from previous poor results.
China	Considerably above	Considerably above	Above	Positive development in all areas. Fine results!
Hong Kong	Above	Above	Above	Fine results; excellent EBITA margin.
Australia	Considerably above	Above	Above	Positive development; fine results. The size of the company will improve due to the acquisition of ABX LOGISTICS.
Other Far East [2]	Considerably above	Considerably above	Considerably above	Positive development in all areas; high EBITA margin. Markets are enormous and still represent great development potential.
Central and South America [3]	New in the Division	New in the Division	New in the Division	Modest activity level and results. The companies ought to get more out of their efforts.

1. Poland, Hungary, Czech Republic, Austria, Switzerland, Belarus, Ukraine, Bulgaria and Nigeria
2. Indonesia, Thailand, Singapore, Malaysia, the Philippines, Korea, Taiwan, Vietnam, India, Bangladesh, United Arab Emirates, Japan and New Zealand
3. Mexico, Argentina, Venezuela and Chile

amalgamation of the two organisations. By combining the volumes of the two organisations the Division gained access to a new playing field, and Management expects that the Division and its customers will benefit from improved transit times and service levels through better combinations and higher volumes.

The focus in 2009 will be heavily influenced by the continued achievement of synergies facilitated by the acquisition of ABX LOGISTICS, including improved procurement of business, higher output per employee and better volume utilisation.

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS

	Revenue			Contribution margin			Operating profit before special items (EBITA)			Contribution ratio	EBITA margin
(DKKm)	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.08-31.12.08	Realised 01.01.08-31.12.08
USA	1,797	2,142	2,704	394	439	606	211	214	275	20.5	10.0
Denmark	1,776	1,725	1,480	300	331	325	93	112	102	19.2	6.5
Project Dept.	670	825	917	90	98	100	46	48	49	11.9	5.8
Norway	320	333	309	69	81	79	28	35	33	24.3	10.5
Sweden	427	400	368	74	70	65	28	21	18	17.5	5.3
Finland	227	270	252	38	40	37	11	12	9	14.8	4.4
Great Britain	1,200	1,160	880	204	204	184	57	56	47	17.6	4.8
Ireland and Northern Ireland	149	222	224	21	43	41	5	9	10	19.4	4.1
Germany	1,029	1,583	2,526	158	260	434	31	49	63	16.4	3.1
The Netherlands	515	549	587	77	94	103	18	15	26	17.1	2.7
Belgium	-	83	317	-	27	68	-	5	9	32.5	6.0
France	-	783	587	-	149	117	-	10	16	19.0	1.3
Italy	-	1,605	5,711	-	387	1,277	-	90	248	24.1	5.6
Spain	-	463	1,585	-	79	275	-	(3)	11	17.1	-0.6
Portugal	-	30	-	-	5	-	-	(2)	(1)	16.7	-6.7
Turkey	89	185	297	12	21	31	1	2	7	11.4	1.1
Central Europe [1]	195	565	1,071	30	128	270	3	7	42	22.7	1.2
Canada	119	144	223	29	35	48	5	10	17	24.3	6.9
China	557	809	1,092	109	141	179	63	69	84	16.7	8.5
Hong Kong	429	475	591	73	88	134	46	55	70	17.4	11.6
Australia	261	341	500	49	63	95	14	18	27	18.5	5.3
Other Far East [2]	717	929	1,554	128	180	286	42	64	81	19.4	6.9
Central and South America [3]	-	66	267	-	11	52	-	-	3	16.7	-
Total	**10,477**	**15,687**	**24,042**	**1,855**	**2,974**	**4,806**	**702**	**896**	**1,246**	**19.0**	**5.9**
Group	5	76	87	10	75	84	(2)	30	(15)	-	-
Amortisation of customer relationships	-	-	-	-	-	-	(9)	(20)	(54)	-	-
Elimination	(1,422)	(2,179)	(3,347)	(8)	(51)	(18)	-	-	-	-	-
Net	**9,060**	**13,584**	**20,782**	**1,857**	**2,998**	**4,872**	**691**	**906**	**1,177**	**22.1**	**6.7**

1. Poland, Hungary, the Czech Republic, Austria, Switzerland, Belarus, Ukraine, Bulgaria and Nigeria
2. Indonesia, Thailand, Singapore, Malaysia, the Philippines, Korea, Taiwan, Vietnam, India, Bangladesh, United Arab Emirates, Japan and New Zealand
3. Mexico, Argentina, Venezuela and Chile

Anton van Beers, Managing Director of the Solutions Division

The operation of a LogiMat vertical lift. The LogiMat is used to pick the individual items for an order, e.g. auto spare parts. The system verifies that the weight of the individual item picked is identical with the weight data stored.

Divisional review – Solutions Division

Activities

The service portfolio of DSV Solutions encompasses all supply chain solutions, from design through freight management, customs clearance, warehousing & distribution and value-added services to information management and e-business support. The use of state-of-the-art technology and competent employees are essential to the Solutions Division. These features offer our customers a competitive advantage to increase their market shares by means of customer-focused supply chain solutions.

We understand that reliability is key to delivering on our promises because this allows customers to reduce inventories and thus save capital. A high level of reliability immediately results in higher service levels.

We simultaneously orchestrate and manage transactions and physical flows in the supply chain within our DSV network. Full data integration, process synchronisation and reporting allow us to identify and eliminate non-value adding activities.

Based on best practice, we offer five strong industry concepts to our customers:

- Automotive
- Components & spare parts
- Electronics & communication
- Health care & protection
- Retail

The Division focuses on organic growth within all five industries; the concepts can easily by tailor-made according to customer needs. The customers can trust that they will have a financially well-run cooperation with DSV.

Organisational structure

Industry specialisation at site level and flexibility to respond seamlessly to changes in demand or sources of supply are reflected in the decentralised structure of the Solutions Division.

Country and site managements are responsible for account management, operations and administration. All sites have budget responsibility and are closely monitored by country and site managements. The central support activities of the Division are Business Development, Project Management & Engineering, Process Control and Systems & IT.

Acquisitions during the year

The acquisition of ABX LOGISTICS strengthened the Division, primarily in Belgium, Italy, Great Britain, Ireland and Russia. Synergies will be generated through increased economies of scale and standardisation of process IT systems.

Operational initiatives

Initiatives have been taken to optimise the IT systems of the Division, and the roll-out of a common global process IT system has already started. In some countries, the roll-out has in fact been completed, even successfully. The complete global roll-out is expected to last several years.

Market development

The year 2008 was affected by the world-wide financial crisis. Solutions customers within the automotive industry were strongly affected by the financial crisis. Accordingly, several car assembly plants were shut down for several weeks in December, and many have reduced production for at least three to six months in 2009. Management expects the negative trend to continue throughout 2009. However, Management also guesstimates that the financial crisis will give rise to new outsourcing initiatives that will create the basis of more organic growth.

The Division in brief

The Nordic countries outperformed their budgets. Except for Belgium, France and Norway, the national companies generally developed as expected in the first three quarters of 2008. In Belgium, the Division was affected by the declining activities of the automotive industry. In France, new initiatives were taken, one of them being to centralise all national activities in the northern part of France.

CONDENSED INCOME STATEMENT

(DKKm)	2007 [1] Realised	2008 [1] Realised	2009 [1] Budget Unaudited
Revenue	4,240	5,275	5,181
Direct costs	3,110	4,054	3,924
Contribution margin	1,130	1,221	1,257
Other external expenses	397	383	412
Staff costs	426	486	506
Operating profit before amortisation, depreciation and special items (EBITDA)	307	352	339
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	52	104	118
Amortisation and impairment of customer relationships	33	36	34
Operating profit before special items (EBITA)	**222**	**212**	**187**

1. Inter-division adjustments and transfers of activities have been made for 2007, 2008 and in the 2009 budget.

CONDENSED BALANCE SHEET

(DKKm)	31.12.07	31.12.08
Goodwill and customer relationships	764	860
Other intangibles, property, plant and equipment	1,126	1,176
Other non-current assets	119	107
Total non-current assets	**2,009**	**2,143**
Receivables	963	966
Cash and intercompany balances	560	582
Total current assets	**1,523**	**1,548**
Total assets	**3,532**	**3,691**
Equity	408	390
Interest-bearing long-term debt	466	449
Other non-current liabilities, including provisions	186	221
Non-current liabilities	**652**	**670**
Interest-bearing short-term debt, including intercompany debt	1,485	1,780
Other short-term debt	987	851
Total current liabilities	**2,472**	**2,631**
Total equity and liabilities	**3,532**	**3,691**

ROIC including goodwill and customer relationships came to 8.6% (2007: 16.0%). The calculation of ROIC included DKK 1,381 million of goodwill and customer relationships (2007: DKK 1,401 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV. Number of employees: 5,705.

In addition to the 'inflow' from the ABX LOGISTICS acquisition, the Division opened new warehouses in Russia, Slovakia, Romania, the Netherlands and Belgium to replace old and outdated buildings. The project of establishing a warehouse in Belgium was the most complex and difficult project in the history of the Division, and it had a negative impact on operating profit before special items for 2008.

In Q4, the seasonal fluctuations in most trade lanes did not meet customers' revenue forecasts. The automotive industry in general, including car manufacturers and sub-suppliers, was severely affected. As Management does not expect market conditions to change rapidly, the Division has started implementing cost reduction programmes.

The Division aims to increase earnings in the near future and to achieve higher organic growth.

MANAGEMENT'S REVIEW – SOLUTIONS DIVISION

Country	Revenue realised in 2008 compared with 2007	Contribution margin realised in 2008 compared with 2007	Operating profit before special items (EBITA) realised in 2008 compared with 2007	Comments/focus
Denmark	Below	Above	Considerably above	Positive development; major improvement on 2007.
Sweden	On a level	Above	Considerably above	Positive development; major improvement on 2007.
Other Nordic countries (Norway and Finland)	Above	Above	Considerably above	Positive development; high EBITA margin.
Great Britain	Considerably above	Considerably above	Considerably above	Handsome results in a competitive market. Improved EBITA margin feasible.
Ireland	New in the Division	New in the Division	New in the Division	Fine results; a well run company.
The Netherlands	On a level	Below	Below	Excellent results although not as good as 2007. Efforts should be made to maintain the high EBITA margin.
Belgium	Above	Below	Considerably below	Difficulties with a new contract with a major European industrial customer are causing problems for the company. The matter must be settled early 2009.
Other Europe [1]	Considerably above	Considerably above	Considerably above	Major improvements in all fields, although improved EBITA is feasible in many countries. Large national development differences.

1. France, Italy, Poland, Romania, Russia, Spain and Germany

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS

	Revenue			Contribution margin			Operating profit before special items (EBITA)			Contri-bution ratio	EBITA margin
(DKKm)	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.07-31.12.07	Realised 01.01.08-31.12.08	Budget 01.01.09-31.12.09	Realised 01.01.08-31.12.08	Realised 01.01.08-31.12.08
Denmark	466	429	381	88	106	99	10	18	16	24.7	4.2
Sweden	367	375	259	56	69	57	6	17	12	18.4	4.5
Other Nordic countries [1]	275	296	268	56	63	61	14	19	15	21.3	6.4
Great Britain	9	275	271	2	81	82	-	9	8	29.5	3.3
Ireland	-	195	239	-	51	63	-	14	15	26.2	7.2
The Netherlands	1,187	1,234	1,191	517	365	360	163	148	114	29.6	12.0
Belgium	438	519	600	179	159	182	62	15	23	30.6	2.9
Other Europe [2]	1,629	2,107	2,107	267	350	380	-	18	22	16.6	0.9
Total	**4,371**	**5,430**	**5,316**	**1,165**	**1,244**	**1,284**	**255**	**258**	**225**	**22.9**	**4.8**
Group	7	1	19	6	1	17	-	(12)	(4)	-	-
Amortisation of customer relationships	-	-	-	-	-	-	(33)	(34)	(34)	-	-
Elimination	(138)	(156)	(154)	(41)	(24)	(44)	-	-		-	-
Net	**4,240**	**5,275**	**5,181**	**1,130**	**1,221**	**1,257**	**222**	**212**	**187**	**23.1**	**4.0**

1. Norway and Finland
2. France, Italy, Poland, Romania, Russia, Spain and Germany

Risk factors

General risks

The risks of the DSV Group relate to its exposure to the economic development in society. DSV's business model is based on leasing rather than owning equipment. This ensures a degree of operational flexibility which makes it possible to adapt the Group's capacity to the current demand on an ongoing basis. In connection with major deviations, the Group must adjust both direct production costs and fixed costs. The process of adjusting direct costs is faster than adjusting fixed costs.

CONSOLIDATION IN THE TRANSPORT SECTOR

The transport sector is subject to a continuous consolidation process. This process is driven by globalisation and the consequent increase in cross-border trade.

The strategy of DSV is to participate actively in this consolidation process, which implies integration and financing risks in connection with future acquisitions. Historically, the Group has grown considerably in connection with several acquisitions and has managed to integrate the acquirees successfully over time. The latest major acquisitions were:

- Samson Transport Co. in 1997
- DFDS Dan Transport Group in 2000
- Frans Maas in 2006
- ABX LOGISTICS in 2008

PARTNERS

It is essential to DSV to maintain good working relations with our partners. The Air & Sea Division has partners in the countries where the Division does not have its own offices. Changes in relation to the partners may affect the Company's international activities.

STAFF

DSV is a service organisation and therefore affected by the Group's ability to attract and retain qualified and committed staff.

Financial risks

DSV's international activities imply that the results and balance sheet are affected by various financial risks. 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. Group financial management is therefore only aimed at managing existing financial risks, a task undertaken at central level by the Group's Treasury Department. The general scope is determined in the corporate finance policy adopted by the Supervisory Board. The general policies were not revised in 2008.

FOREIGN CURRENCY RISKS

The Group's foreign subsidiaries are not affected where costs and income are settled in local currencies. This applies to most of the Group's activities. Moreover, a great proportion of the income and expenses of the Group is settled in euro. The aggregate foreign currency risk is therefore limited.

DSV seeks to eliminate foreign currency risks related to revenue settled in foreign currencies in both Danish and foreign subsidiaries by hedging currency exposures centrally via the Treasury Department. Hedging is made on a net basis by raising foreign currency loans, drawing on foreign currency overdraft facilities or applying forward exchange transactions and currency options.

The Group is also affected by changes in exchange rates because results and equity of the foreign subsidiaries are translated into Danish kroner at year-end based on average exchange rates for operating activities and year-end exchange rates for the balance sheet. It is assessed on a regular basis whether hedging should be carried out in relation to the Parent's total net investments in subsidiaries. The Group policy is to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends.

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

EXCHANGE RATES

		31 December		Annual average	
Country	Currency	2007	2008	2007	2008
Euroland	EUR	746	745	745	746
UK	GBP	1,015	765	1,089	940
Norway	NOK	94	76	93	91
Sweden	SEK	79	68	81	78
USA	USD	508	528	544	510

EXPOSURE IN MAJOR FOREIGN CURRENCIES BREAKS DOWN AS FOLLOWS:

Currency risk (DKKm)	Change in exchange rate	Impact on revenue		Impact on EBITA	
		2007	2008	2007	2008
GBP	+/- 5%	139	147	9	9
NOK	+/- 5%	178	77	12	5
SEK	+/- 5%	203	204	8	13
USD	+/- 5%	77	91	11	11
Total	+/- 5%	597	519	40	38

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 2007 and 2008.

INTEREST RATE RISKS
The major interest rate risk relates to the long-term loans raised by the Parent to finance previous acquisitions. These loans are raised as long-term commitments with a variable rate of interest, but 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 has also undertaken 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 36 to 48 months.

It is the policy of DSV that the average period of fixed interest rates on all net bank loans at any time must be at least 12 months and not more than 36 months.

INTEREST RATE SENSITIVITY AT 31 DECEMBER 2008

Duration of the Group's bank and mortgage loan hedges	22 months
A 1 percentage point interest rate change on Group bank and mortgage loans will affect Group financials each year by	DKK 24 million

LIQUIDITY RISKS
The Group's Treasury Department is responsible for ensuring that there is always sufficient liquidity to meet the Group's liabilities.

DSV ensures the existence of sufficient cash resources through short-term credit facilities and long-term credit lines from the main banks of the Group. In 2008, the Group obtained new loan commitments for the acquisition of ABX LOGISTICS. Loans of EUR 600 million corresponding to the total need for funding were raised with the Group's existing banks and were a combination of a 30-month commitment of EUR 300 million and a 12-month bridge financing facility of EUR 300 million. The total duration of the Group's long-term loan commitments and the utilisation of credit lines at 31 December 2008 are shown in the table below.

LIST OF COMMITMENTS AND UTILISATION OF LONG-TERM CREDIT LINES AT 31 DECEMBER 2008

Loan facility	Amount (DKK)	Expiration of loan commitments	Duration (years)	Not utilised
Bridge facility[1]	2,238	24.09.2009	0.7	746
Long-term loans I	2,238	25.03.2011	2.2	-
Long-term loans II	600	20.12.2012	4.0	-
Long-term loans III	2,200	20.12.2013	5.0	-
Long-term loans IV	1,350	19.09.2014	5.7	276
Total and weighted duration	8,626		3.2	1,022

1. At the end of March 2009, the facility will be converted into a bullet loan which will be repaid in 2010 and 2011.

At the beginning of 2009, some of the facilities that were not utilised at 31 December 2008 were used for repayment of mortgage loans assumed in connection with the acquisition of the ABX LOGISTICS group.

The loan agreements of the Group are subject to covenants to ensure coherence between the earnings of the Group and the debts that the Company may raise. The major covenants for the Group are related to the ratio of net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items) and the Group's solvency ratio. Quarterly reporting on the development of these covenants is made to the Company's banks.

CREDIT RISKS
The Group's credit risks relate mainly to its debtors. The Group has issued an internal credit limit for each individual debtor. Insurance policies for the majority of the Group's insurable receivables are taken out with a credit insurance company. The proportion of non-insurable receivables has increased over the past six months. The financial crisis has increased the internal focus on credit risk management, but increased losses as compared with the very modest losses of previous years are expected.

RISK MANAGEMENT
DSV has internal procedures and manuals for the purpose of hedging and managing the Group's risks. These procedures and manuals are reviewed on an ongoing basis by the Supervisory Board and include:

- DSV seeks to restrict operational risks by seeking approval of Group Management for important transactions and investments.
- Foreign currency risks and interest rate risks are managed in accordance with a treasury manual adopted by the Supervisory Board.
- Financial control of subsidiaries is described in a controlling manual.
- Accounting risks are managed in accordance with a financial manual describing the accounting policies of the Group.
- Central insurance matters are reported to the Supervisory Board and the framework thereof is laid down in an insurance manual.

The Group has also focused specifically on increasing the speed and volume of reporting in recent years. This guarantees quick and relevant information for the Supervisory Board as well as the Executive Board.

IT
IT is essential for providing transport services on a daily basis.

Operations have become increasingly dependent on IT in recent years, and operational disturbances may have a crucial impact on the Group's operations. Therefore, the Group has invested heavily in an improved IT production environment. The investment programme will continue. It is based on internal analyses of the IT dependency of the individual business areas.

The ability to integrate, develop and implement new IT systems is key to the Group's continued optimisation of business processes. The Group's ability to implement new business processes is being developed and assessed on an ongoing basis. The area is deemed to be critical in order to maintain the Group's competitiveness in future.

Shareholder information

The DSV share

The share capital is listed on the NASDAQ OMX Copenhagen stock exchange under the abbreviation DSV and the ISIN code DK0060079531.

At the Annual General Meeting on 30 April 2008, shareholders resolved to reduce the share capital by DKK 11,350,000. Accordingly, the share capital amounted to DKK 190,150,000 after the reduction.

At 31 December 2008, the share capital equalled a nominal value of DKK 190,150,000, and 190,150,000 shares with a denomination of DKK 1 and one vote each had been issued.

The DSV share in 2008

At year-end, the closing price of the DSV share on NASDAQ OMX Copenhagen was DKK 56.50. Compared with the 2007 year-end closing price of DKK 111.75, the DSV share decreased by DKK 55.25 or 49% in 2008. During the same period, the OMXC20 Index of NASDAQ OMX Copenhagen went down by 47%.

The DSV share was among the most traded shares on NASDAQ OMX Copenhagen with a daily average turnover of 1,129,805 shares, corresponding to DKK 104 million each day.

At year-end 2008, the market capitalisation of DSV was DKK 10.7 billion, inclusive of the value of treasury shares.

Dividends

In view of the expectations of the general financial situation, the Supervisory Board proposes that no dividend be paid for 2008. That will leave sufficient financial scope and make it possible to make repayments on the Group's debt.

Share buy-back

The Company has acquired treasury shares to hedge the Company's incentive programmes and as a consequence of initiated share buy-back schemes.

In the financial year 2008, DSV acquired a total of 5,511,200 treasury shares at a total acquisition price of DKK 581.2 million.

At 31 December 2008, the Company held 7,277,927 shares as treasury shares, corresponding to 3.8% of the share capital.

No treasury shares were acquired as from the balance sheet date until the date of this Annual Report.

Incentive programmes

At the Board meeting on 23 March 2009, the Supervisory Board of DSV authorised the Executive Board of DSV, in accordance with the Articles of Association of the Group, to allocate 2,000,000 share options at the quoted market price registered at 6:00 p.m. on 31 March 2009. The Group will not acquire treasury shares to hedge the new programme as the 2009 incentive programme is hedged by the current portfolio.

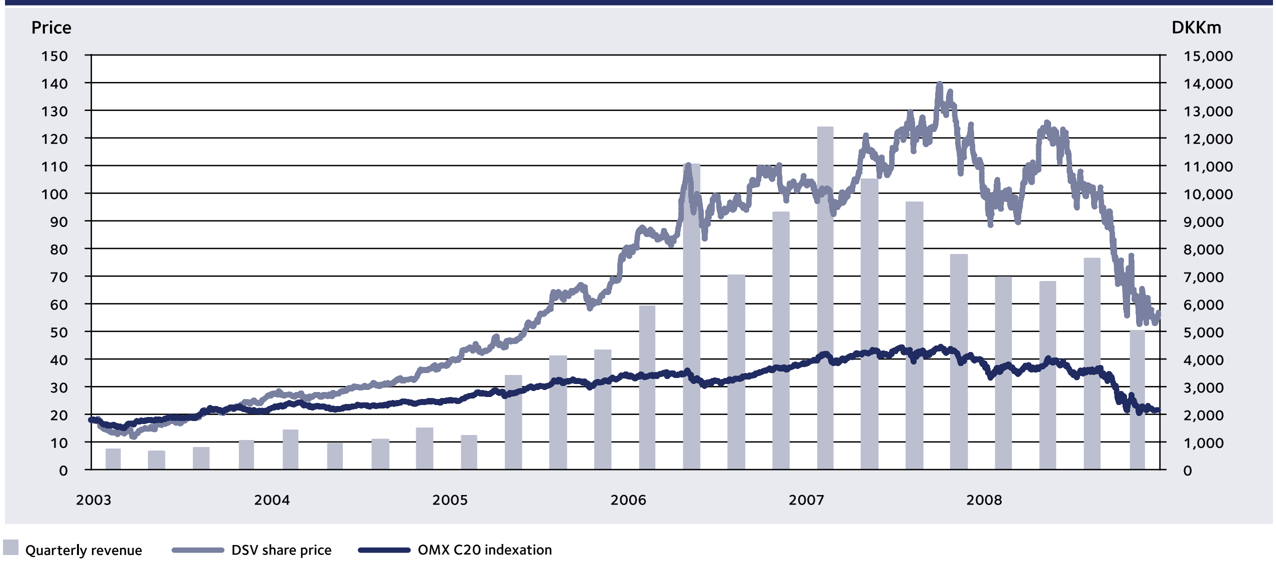
Authority

The Supervisory Board of the Company has a permanent authority to increase the Company's share capital by up to 100,000,000 shares by one or more issues. 11,083,724 of the said shares are expected to be issued in connection with the direct placement mentioned below. The authority applies until 1 May 2012.

Share issues

In 2009, JL-Fondet, acting through its wholly owned subsidiary Vesterhavet A/S, and DSV A/S have established joint

SHARE PRICE DEVELOPMENT OF DSV RELATIVE TO THE OMXC20 INDEX AND TURNOVER IN DSV SHARES



ownership of the majority shareholding in DFDS A/S. Upon approval of the transaction by the competition authorities, a total of 11,083,724 new shares in DSV will be placed directly with JL-Fondet, corresponding to 5.51% of the nominal share capital of DSV. The competition authorities are expected to approve the transaction in the second quarter of 2009. For further information, please see the financial review under 'Post balance sheet events'.

In 2009, the Supervisory Board expects to carry out a share issue with pre-emptive rights for existing shareholders, as mentioned under 'Financial targets and capital structure'.

Shareholder composition, registered shareholders

At 31 December 2008, DSV A/S had a total of 136,001,840 registered shares, corresponding to 72% of the share capital.

SHAREHOLDER INFORMATION, REGISTERED SHAREHOLDERS

Category	Proportion of share capital (%)
Financial enterprises, trusts and pension funds	38.83
Private individuals	3.44
DSV	3.83
Other	25.42
Not registered	28.48
Total	100

At 31 December 2008, DSV had 35,406 registered shareholders. The largest 100 of these shareholders owned 56.36% of the entire share capital.

SHAREHOLDERS - GEOGRAPHICAL DISTRIBUTION

Category	Proportion of share capital (%)
Denmark	42
Foreign countries	29
Not registered	29
Total	100

SHAREHOLDERS TO BE DISCLOSED UNDER SECTION 28B OF THE DANISH PUBLIC COMPANIES ACT AT 31 DECEMBER 2008

Shareholder	Proportion of share capital (%)
ATP, Hillerød, Denmark	9.07

LIST OF ANALYSTS

Dealer	
ABG Sundal Collier	HSBC Bank plc
ABN Amro	JP Morgan
Alm. Brand Bank A/S	Jyske Bank
Carnegie Danmark	LD Markets
Dansk Aktie Analyse A/S	Nordea
Danske Bank A/S	Spar Nord Bank
Enskilda Securities	Sydbank
Handelsbanken Securities	UBS

Investor relations policy

DSV focuses on generating sound financial results and continuing the positive development of the Group for the benefit of all investors.

DSV aims to maintain a high and uniform level of information, the top priority being an open and active dialogue with investors and analysts to ensure that all available information at all times is reflected in the expectations for DSV.

DSV holds investor meetings for analysts and investors in connection with e.g. the publishing of interim reports. The presentation of interim reports is webcast to ensure that all stakeholders can obtain the same high level of information about DSV. Webcasting activities are done together with NASDAQ OMX Copenhagen. Furthermore, DSV's Management holds road shows in Denmark and abroad to the widest possible extent.

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

All interim reports and selected stock exchange announcements are sent by ordinary mail to all registered shareholders who subscribe to DSV shareholder material. All announcements are distributed electronically to subscribers of DSV's free e-mail updates. A list of all stock exchange announcements and press releases published in 2008 is available at www.dsv.com.

In addition, DSV publishes a news magazine, DSV Moves, on a quarterly basis. 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.

All announcements to NASDAQ OMX Copenhagen can be found on the DSV website to the extent that they are electronically available. The DSV website also provides a list of all announcements made in 2008.

Registered shareholders will receive an invitation to the Annual General Meeting of DSV A/S.

Financial calendar

The financial calendar lists the expected dates for the publishing of stock exchange announcements relating to the financial year ending 31 December 2009:

FINANCIAL CALENDAR

Date	Start of quiet period	Stock exchange announcement
29 April 2009	6 April 2009	Q1 2009 Report
30 April 2009	10 February 2009	Annual General Meeting
31 July 2009	3 July 2009	H1 2009 Report
30 October 2009	2 October 2009	Q3 2009 Report

Corporate governance

The DSV Management emphasises the exercise of sound corporate management and focus on investor relations. The Supervisory Board continuously discusses corporate governance to ensure that DSV relates to developments in corporate governance on an ongoing basis.

On 6 October 2005, NASDAQ OMX Copenhagen published revised Recommendations for corporate governance (latest version is dated 10 December 2008), which affect the disclosure requirements for listed companies.

The 'comply-or-explain' principle is a fundamental element of the Recommendations, making it legitimate for a company either to comply with the Recommendations or explain why it does not comply with them.

The Supervisory Board has reviewed the Recommendations issued by NASDAQ OMX Copenhagen and finds that DSV complies with them to a very great extent.

The deviations from the revised Recommendations for corporate governance are explained below.

Age limit

The Supervisory Board assesses regularly whether the individual member can still actively contribute. The Supervisory Board thus finds that the ability to discharge the duties as a Board member depends on the individual person.

Composition of the Supervisory Board

Following the discussions at the Annual General Meeting on 30 April 2008, the Supervisory Board is making efforts to expand its aggregate competencies and diversity.

One of the five members elected by the Annual General Meeting, Kurt K. Larsen, is not independent according to the definition of the Recommendations, as he has been an executive officer of the Group within the past five years. The Board finds that Kurt K. Larsen gained unique competencies and experience through many years of service with DSV, and the Board wishes to continue to benefit from that.

Evaluation of performance of the Supervisory and Executive Boards

DSV has no formal procedure to evaluate the performance of the Supervisory Board. The Board follows up on strategic goals and plans on a regular basis, which has ensured an efficient Supervisory Board so far. The performance of the Executive Board members is evaluated annually when their remuneration is discussed.

DSV has no formal procedure to evaluate the internal cooperation between the Supervisory and Executive Boards. The internal cooperation between the Boards is coordinated on an ongoing basis, and the Chairman of the Supervisory Board has a weekly consultation with the CEO.

Special tasks

The Supervisory Board may establish committees for special tasks, but has so far found no reason to establish any permanent ones. Such special tasks are therefore undertaken by the entire Board.

For a detailed description of DSV's position on the revised Recommendations see www.dsv.com.

The remuneration policy is available on the DSV website at www.dsv.com.

Environment

Economic growth and the need for transport go hand in hand. Globalisation has been powered by increased trade, and companies' ability to compete is highly dependent on reliable and efficient transportation. Therefore, transportation is a necessity for industrialised countries and for maintaining and improving the standards of living in these countries.

For as long as the fuel used for transport is mainly based on non-renewable resources, the activities of the transport industry will have an impact on the environment. The field thus constitutes an important challenge to the industry. As one of the largest providers of transport and logistics services, DSV is highly aware of this problematic issue and therefore assumes a responsibility for reducing the impact.

The primary environmental impact from the operations of DSV derives from air pollution caused by road transport and energy consumed for the operation of trucks and buildings. DSV owns only a small part of the total fleet of trucks and owns no aircraft or ships. Thus, the largest part of the environmental impact is caused by DSV's sub-contractors. The aggregate environmental impact is reduced by means of an ongoing modernisation of the production equipment applied for the production of the Group's services. Furthermore, the Group has strong focus on achieving the highest possible rate of utilisation in operations for the benefit of the environment and Group profitability.

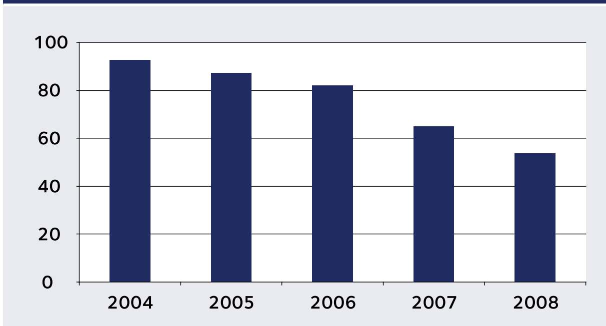
In 2009, DSV will continue the efforts to establish a 'carbon footprint' for all its primary activities affecting the environment and to subsequently set out targets for a reduction of the environmental impact. This also implies that DSV will impose increased environmental requirements on its sub-contractors in the fields of sea, air and road transport. Information on the environmental actions of DSV will be posted regularly on the corporate website.

Road transport

In 2008, all DSV Road countries collected information on fuel consumption of and the Euro norms observed by the sub-contractors that provide daily cargo transport services to DSV on European roads. In 2007, the survey included about 2,500 trucks owned by DSV or sub-contractors; in 2008 about 8,100 trucks were included. Extending the survey to include data from an increased number of sub-contractors from various European areas is in line with DSV's increased activity level in Europe and the desire to achieve a more reliable overall picture of the environmental impact of the Group's road transports.

The average diesel consumption of the trucks used by DSV showed improvement in 2008 on 2007. The discharge of CO_2 from trucks is directly proportional to fuel consumption, which means that the CO_2 emissions from DSV's road transport have been reduced in terms of grams per kilometre driven. This also appears from the figure.

DEVELOPMENT IN THE EMISSION OF PARTICULATE MATTER *



* (grams per kilometre) from trucks (2003 = index 100)

Environmental considerations are an important factor for the DSV hauliers when deciding on a new truck. This can be seen from the fact that the total share of trucks that comply with the most recent Euro norms already represents 43%, even though the Euro 5 norm will not enter into force until October 2009. Because of the relatively small difference between the emission requirements of the Euro 4 and the Euro 5 norms, almost all truck manufacturers have opted to introduce the Euro 5 norm shortly after the Euro 4 norm. The hauliers' choice of new trucks is probably also affected by discounts on various taxes for using the least polluting trucks, for example, the German MAUT, and the introduction of environmental zones in several major European cities. Moreover, the possibility of using the new heavy goods vehicles has also affected the hauliers' choice and has thus had a positive impact on the total CO_2 emissions.

Provided that the competition authorities will approve the joint ownership of DFDS A/S by DSV and JL-Fondet, DSV will expand its cooperation with the shipping line DFDS in future and transfer a part of the North European freight from road to sea for a number of the most obvious lines. This will imply a reduction of the discharge of CO_2 from the Group's road transport.

More information on the development relating to emissions from DSV trucks is available on the corporate website at www.dsv.com.

Social responsibility

DSV experienced major staff changes in 2008 in connection with both the divestment and acquisition of enterprises. The total staff increased by 30%, mainly as a result of the acquisition of ABX LOGISTICS.

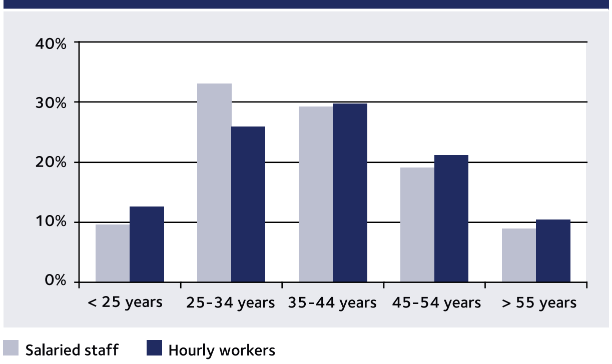
The staff mix in the divisions of the Group also changed markedly. The employees of ABX LOGISTICS primarily worked in fields related to Air & Sea activities, and Air & Sea has therefore become the second-largest division of the Group when measured by employees. 37% of the Group's staff work in the Air & Sea Division. This percentage is almost as high as that of the Road Division, which remains the largest division, however, with 40% of the total staff. The remaining 23% of the staff work in the Solutions Division.

The proportion of hourly workers and salaried staff in the Group also changed as a result of the integration of new companies into the Group. Thus, hourly workers made up 37% of the Group's staff in 2008 against 42% in 2007, while salaried staff made up 63% against 58% in 2007. If broken down, major differences are revealed within the individual divisions as a natural consequence of the main functions of the divisions. In the Solutions Division, which specialises in third-party logistics, etc., for enterprises that have outsourced their warehousing function, the share of hourly workers is 75%. The percentage of hourly workers in the Air & Sea Division is lower at just 15% of the total staff. The main reason for the lower percentage of hourly workers in the Air & Sea Division is that, to a wide extent, the Air & Sea Division uses the terminal activities of the Road Division for the handling of cargo. The proportions of hourly workers and salaried staff in the Road Division are almost identical to those of the Group.

Age composition

In previous years, the staff of the Group became ever younger. With the latest staff changes in the Group, this no longer seems to be the case. The percentage of employees younger than 45 years of age fell slightly from 74% in 2006 to 71% in 2008. The employees of the Air & Sea Division are generally the youngest, and the salaried staff of the Group are generally younger than the hourly workers.

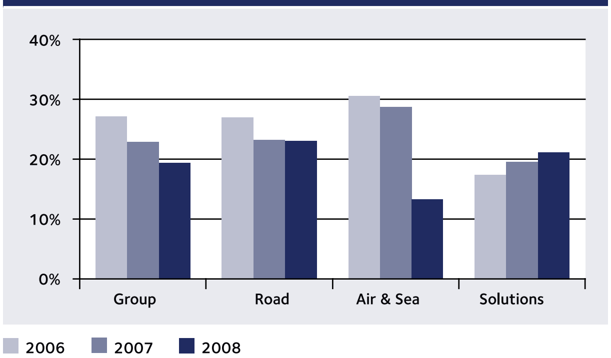
STAFF BY AGE GROUPS



Staff turnover

Altogether, the staff turnover of the DSV Group in 2008 fell to the lowest level in years. The fall represents various trends in the individual divisions and staff groups. In general, the staff turnover is decreasing for salaried staff and increasing for hourly workers. This trend can be established in the Road and Solutions Divisions, while the staff turnover of both staff groups of the Air & Sea Division is decreasing considerably.

STAFF TURNOVER

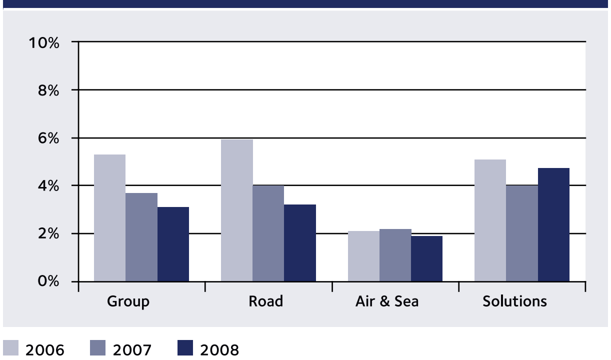


Absence due to illness

Again this year, the total rate of absence due to illness in the DSV Group decreased among both hourly workers and salaried staff. The average rate of absence due to illness of 3.1% corresponds to each employee having been absent due to illness for just over seven days of the year.

The hourly workers of the Air & Sea Division have taken the lead from the salaried staff of the Division as the staff group with the lowest rate of absence due to illness. In 2008, the hourly workers of the Air & Sea Division had a rate of absence due to illness of 1.6%, corresponding to about only four days of the year.

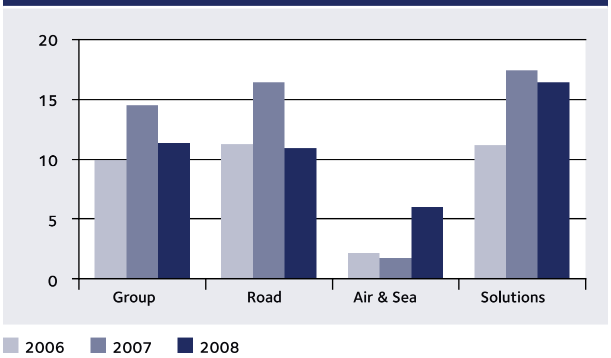
ABSENCE DUE TO ILLNESS



Rate of industrial accidents

DSV was pleased to see a decrease in the rate of industrial accidents in 2008. The rate decreased considerably among hourly workers, but increased slightly among salaried staff. The largest decrease was in the Road Division, where the rate decreased among both staff groups. The Air & Sea Division saw an increase in the rate of industrial accidents. This increase was more or less expected as the percentage of hourly workers of the Division increased in connection with the acquisition of ABX LOGISTICS.

RATE OF INDUSTRIAL ACCIDENTS PER MILLION WORKING HOURS



SOCIAL INDICATORS

	2007	2008
Staff (full-time employees)		
Group	19,213	25,056
Salaried staff	11,190	15,815
Hourly workers	8,023	9,241
Staff turnover (%)		
Group	23.9	19.4
Salaried staff	26.0	17.4
Hourly workers	19.2	22.5
Absence due to illness		
Group	3.7	3.1
Salaried staff	3.0	2.6
Hourly workers	4.7	4.0
Rate of industrial accidents (per million working hours)		
Group	14.5	11.4
Salaried staff	2.6	3.0
Hourly workers	30.6	23.5

DEFINITION OF INDICATORS

Staff
Average annual number of full-time employees.

Staff turnover
Number of staff leaving the Group during the year relative to the average number of staff calculated on the basis of monthly surveys of the actual number of staff at the end of the month.

Rate of absence
Number of days of absence due to illness relative to the annual number of working days adjusted for maternity/paternity leave, agreed holidays and national public holidays.

Rate of industrial accidents
Number of reported industrial accidents resulting in more than one day of absence relative to each annual million working hours.

ERIK B. PEDERSEN PER SKOV KAJ CHRISTIANSEN JENS H. LUND HANS P. D. HANSEN JENS B. ANDERSEN KURT K. LARSEN

EXECUTIVE BOARD

Jens Bjørn Andersen
CEO, DSV A/S
Born: 22 March 1966
Executive officer since: 2008
Options held: 128,000

Jens H. Lund
CFO, DSV A/S
Born: 8 November 1969
Executive officer since: 2002
Options held: 200,000
Supervisory boards:
Niras A/S

SUPERVISORY BOARD

Kurt K. Larsen
Chairman of the Supervisory Board
Born: 17 September 1945
Executive officer: 1991-2008
Board member since: 2008
Elected until: 2009
Options held: 310,000
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 of the Supervisory Board
Born: 13 June 1948
Board member since: 1989
Elected until: 2009
Special competencies:
- General management experience
- Experience from sector-specific production
- Independent haulier since 1976

Hans Peter Drisdal Hansen
Member of the Supervisory Board
Born: 4 November 1944
Board member since: 1998
Elected until: 2009
Supervisory boards:
Chairman: Ammongas A/S, P/S Firgas, PV Fonden and its group enterprises. Ordinary member: Viuff A/S, TOPPTOPO ApS and the Tokai University Boarding School foundation as well as several minor charities. Director: the Bosei sports folk high school.
Special competencies:
- Attorney entitled to appear before the Supreme Court
- Corporate law and construction law expert

Kaj Christiansen
Member of the Supervisory Board
Born: 20 February 1944
Board member since: 1995
Elected until: 2009
Special competencies:
- General management experience
- Experience from sector-specific production
- Independent haulier 1978-2001

Per Skov
Member of the Supervisory Board
Born: 28 September 1941
Board member since: 2000
Elected until: 2009
Supervisory boards:
Chairman: Utility Development A/S and NX Holding A/S. Deputy Chairman: Trygheds-gruppen smba. Ordinary member: Tryg Vesta A/S, Tryg Forsikring A/S, Dagrofa A/S, Kemp & Lauritzen A/S, Nordea Liv & Pension and Livsforsikringselskab A/S.
Special competencies:
- General management experience from AP Møller, Lauritz Knudsen and FDB (CEO 1989-1998) and from the supervisory boards of Danish and international companies
- Financial management experience

Four out of five Supervisory Board members are independent according to the revised Recommendations for corporate governance. The fifth Supervisory Board member, Kurt K. Larsen (Chairman), was a member of the Executive Board of the company, and the condition of independence is thus not met.

Statement of the Supervisory and Executive Boards on the Annual Report

The Executive and Supervisory Boards have presented the Annual Report for the year ended 31 December 2008. The Annual Report was discussed and adopted on today's date.

The Annual Report has been presented in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and additional Danish disclosure requirements for Annual Reports of listed companies.

We consider the accounting policies used appropriate and the accounting estimates made reasonable. To the best of our belief, the Annual Report includes the information which is relevant for an assessment of the Group's and the parent company's financial position. Against this background, it is our opinion that the Annual Report gives a true and fair view of the Group's and the parent company's assets and liabilities, financial position and results of operations and the consolidated cash flows for the year ended 31 December 2008.

In our opinion, the Management's Review gives a true and fair view of the results of the group's and the Company's operations and of the overall financial position of the companies included in the consolidated financial statements and of the Company, as well as the significant risks and uncertainties facing these entities.

We recommend that the Annual Report be adopted by the Annual General Meeting of shareholders.

Brøndby, 24 March 2009

EXECUTIVE BOARD

Jens Bjørn Andersen
CEO

Jens H. Lund
CFO

SUPERVISORY BOARD

Kurt K. Larsen
Chairman

Erik B. Pedersen
Deputy Chairman

Kaj Christiansen

Per Skov

Hans Peter Drisdal Hansen

Independent Auditors' Report

To the Shareholders of DSV A/S

We have audited the Annual Report of DSV A/S for the financial year ended 31 December 2008, which comprises the Statement of the Supervisory and Executive Boards on the Annual Report, the Management's Review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Group as well as for the Parent Company. Our audit did not extend to the information about the budget for 2009, pages 8-9, or the supplementary non-financial reports on environmental matters and corporate social responsibility, pages 30-32. The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for Annual Reports of listed companies.

The Supervisory and Executive Boards' Responsibility for the Annual Report

The Supervisory and Executive Boards are responsible for the preparation and fair presentation of this Annual Report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for Annual Reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Supervisory and Executive Boards, as well as evaluating the overall presentation of the Annual Report.

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

The audit did not result in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for Annual Reports of listed companies.

Copenhagen, 24 March 2009

ERNST & YOUNG
Statsautoriseret Revisionsaktieselskab

Søren Strøm
State Authorised Public Accountant

Benny Lynge Sørensen
State Authorised Public Accountant

Consolidated financial statements

INCOME STATEMENT

(DKKm)	Note	2007	2008
Revenue	2	34,899	37,435
Direct costs		27,195	29,260
Contribution margin		7,704	8,175
Other external expenses	3	1,862	1,843
Staff costs	4, 5	3,716	3,994
Operating profit before amortisation, depreciation and special items (EBITDA)		2,126	2,338
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	6	244	402
Operating profit before special items (EBITA)		1,882	1,936
Special items, income	7	102	437
Special items, costs	7	130	359
Operating profit (EBIT)		1,854	2,014
Share of associates' net profit (loss) after tax	14	(7)	(3)
Financial income	8	109	121
Financial expenses	9	370	522
Profit before tax		1,586	1,610
Tax on profit for the year	10	472	377
Net profit for the year		**1,114**	**1,233**
Net profit for the year is attributable to:			
Shareholders of DSV A/S		1,067	1,227
Minority interests		47	6
Earnings per share:	11		
Earnings per share of DKK 1 (DKK)		5.5	6.7
Diluted earnings per share of DKK 1 (DKK)		5.4	6.6

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(DKKm)	2007	2008
Foreign currency translation adjustments, foreign enterprises	(70)	(44)
Value adjustment of hedging instruments	20	(202)
Value adjustment of hedging instruments transferred to financial expenses	(5)	(41)
Actuarial gains (losses)	(11)	(42)
Other adjustments	3	-
Tax on changes in equity [1]	9	60
Net income (loss) recognised directly in equity	(54)	(269)
Net profit for the year	1,114	1,233
Total statement of recognised income and expense	**1,060**	**964**
Statement of recognised income and expense is attributable to:		
Shareholders of DSV A/S	1,011	962
Minority interests	49	2
Total	**1,060**	**964**

1. Cannot be reconciled directly to equity as several tax items are recognised in equity.

BALANCE SHEET, ASSETS			
(DKKm)	Note	2007	2008
Non-current assets			
Intangibles	12	5,114	8,436
Property, plant and equipment	13	3,795	5,093
Investments in associates	14	7	7
Other securities and receivables	15	118	149
Deferred tax asset	16	328	257
Total non-current assets		9,362	13,942
Current assets			
Assets held for sale	17	121	82
Operating current assets			
Trade and other receivables	18	6,438	9,185
Cash		383	516
Total operating current assets		6,821	9,701
Total current assets		6,942	9,783
Total assets		16,304	23,725

BALANCE SHEET, LIABILITIES			
(DKKm)	Note	2007	2008
Equity			
Share capital		202	190
Reserves		3,255	3,618
DSV A/S shareholders' share of equity		3,457	3,808
Minority interests		192	49
Total equity	19	3,649	3,857
Liabilities			
Non-current liabilities			
Deferred tax	16	300	429
Pensions and similar obligations	20	405	810
Provisions	21	178	379
Financial liabilities	22	4,900	7,084
Total non-current liabilities		5,783	8,702
Current liabilities			
Liabilities relating to assets held for sale	17	81	35
Other current liabilities			
Provisions	21	147	288
Financial liabilities	22	604	2,973
Trade and other payables	23	5,857	7,802
Corporation tax		183	68
Total other current liabilities		6,791	11,131
Total current liabilities		6,872	11,166
Total liabilities		12,655	19,868
Total equity and liabilities		16,304	23,725

CASH FLOW STATEMENT

(DKKm)	Note	2007	2008
Profit before tax		1,586	1,610
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses	*6*	244	402
Share-based payments		14	25
Special items		-	(401)
Changes in provisions		(192)	(73)
Share of profit of associates		7	3
Financial income	*8*	(109)	(121)
Financial expenses	*9*	370	522
Cash flow from operating activities before changes in net working capital and tax		1,920	1,967
Changes in net working capital		87	(228)
Financial income, paid		52	121
Financial expenses, paid		(293)	(474)
Cash flow from operating activities before tax		1,766	1,386
Corporation tax, paid		(359)	(491)
Cash flow from operating activities		**1,407**	**895**
Acquisition of intangibles		(101)	(225)
Sale of intangibles		17	12
Acquisition of property, plant and equipment		(742)	(838)
Sale of property, plant and equipment		549	466
Divestment of subsidiaries and activities	*25*	-	962
Acquisition of subsidiaries and activities	*25*	(117)	(3,507)
Change in other financial assets		15	11
Cash flow from investing activities		**(379)**	**(3,119)**
Free cash flow		**1,028**	**(2,224)**
Proceeds from non-current liabilities incurred		74	2,919
Repayments of loans and credits		-	-
Other financial liabilities incurred		179	(181)
Change in current liabilities		-	-
Shareholders:			
Dividends distributed		(50)	(50)
Share buy-backs		(1,222)	(581)
Other transactions with shareholders		(3)	2
Cash flow from financing activities		**(1,022)**	**2,109**
Net cash flow		**6**	**(115)**
Foreign currency translation adjustments		(30)	248
Cash at 1 January		407	383
Cash at 31 December		**383**	**516**

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

Specification 1: Statement of adjusted free cash flow			
Free cash flow		1,028	(2,224)
Net acquisition of subsidiaries and activities		117	2,545
Normalisation of net working capital of subsidiaries and activities acquired		-	303
Adjusted free cash flow		**1,145**	**624**
Specification 2: Statement of enterprise value of acquirees			
Net acquisition of subsidiaries and activities		117	2,545
Interest-bearing debt		9	1,821
Enterprise value of acquirees		126	4,366
Normalisation of net working capital of subsidiaries and activities acquired		-	303
Enterprise value of acquirees, including normalisation of net working capital		**126**	**4,669**

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NOTE 1 – SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and assessments and determines the assumptions to be used as the basis for the recognition and measurement of 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 assessments to be essential for the preparation of the consolidated financial statements.

Forwarding in progress

Revenue comprises the freight forwarded and the services provided in the financial year as well as changes in the value of forwarding in progress. Direct costs comprise costs paid to generate the revenue for the year.

At the close of periods, including at the end of the financial year, estimates and assessments are made regarding forwarding in progress and the pertaining revenue and direct costs. These assessments are based on historical experience and ongoing follow-up on provisions for forwarding in progress relative to subsequent invoicing. Management assesses on the basis of this experience that the assessment and estimates of forwarding in progress and the pertaining revenue and costs have been correctly determined.

Acquisitions

In connection with the acquisition of other enterprises, the assets, liabilities and contingent liabilities of the acquirees must be recognised according to the purchase method. Management makes several estimates of the assets, liabilities and contingent liabilities acquired in connection with the determination of their market value.

Estimates also comprise valuation of intangibles acquired, such as customer relationships, where the valuation is based on an expected future cash flow from the customer relationships, where the most significant assumptions are revenue development, profit margin, customer loyalty and theoretically calculated tax and contributions to other assets. The post-tax discount rate used reflects the risk-free interest rate plus specific and future risks relating to the customer relationships.

Depending on the nature of the items, the total pre-acquisition balance sheet may be subject to some uncertainty and may be adjusted within the following 12-month period. Please refer to note 25 for a detailed description and specification of the amounts of the estimates made.

The non-allocated purchase price is recognised in the balance sheet as goodwill, which is allocated to the cash-generating units of the Group. In that connection, Management estimates the cash-generating units acquired and the consequential goodwill allocation. In the assessment of Management, the allocation made is correct in consideration of the uncertainty connected with the determination of the cash-generating units acquired. Please refer to note 12 for a detailed description and specification of amounts of goodwill as well as the allocation to cash-generating units.

Goodwill impairment test

The annual goodwill impairment test implies an assessment of how the cash-generating units of the Group to which the goodwill relates will be able to generate a sufficient, positive net cash flow in future to support the value of goodwill and other net assets in the relevant part of the enterprise. Management makes a number of significant estimates in connection with the impairment test, including of the expected cash flow a number of years ahead, and it determines the discount rate. The uncertainty related to the estimates is reflected in the discount rate selected. Please refer to note 12 for a detailed description of the goodwill impairment test.

Special items

Special items are used in connection with the presentation of the net profit or loss for the year to delimit 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 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 and losses on disposals. Moreover, other significant non-recurring items are classified under this item. Management makes a careful assessment of reorganisations to ensure a correct distinction between 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 7 for a detailed specification and description of special items.

Provisions and contingencies

Management assesses provisions, contingent assets and liabilities and the likely outcome of pending and threatened legal proceedings on an ongoing basis. The outcome of such proceedings depends on future events, which are obviously uncertain. Management involves external legal experts and existing case law for its assessment of the probable outcome of major legal proceedings, tax issues, etc. Please refer to notes 21 and 24 for a detailed description and specification of amounts of provisions and contingencies.

Pensions

For the determination of the Group's pension obligations, it is necessary to make several assessments and estimates to determine the Group's obligations related to defined benefit plans. They include the expected developments in wage/salary level, interest yield, inflation and mortality. For determining the obligation, the Group makes use of external and independent actuaries, which is considered to reduce the uncertainty of the statements. Please refer to note 20 for a detailed description and specification of amounts of pensions.

Leases

The Group has concluded leases on buildings and other equipment on ordinary lease terms. Based on a separate assessment of the individual lease at its effective date, Management finds that some of them must be considered financial or operating leases.

Deferred tax assets

The Group recognises deferred tax assets, including the tax base of tax loss carryforwards, if Management deems that the tax assets can be utilised in the foreseeable future against future positive taxable income. Assessment is carried out annually and is based on budgets and business plans for the following years, including planned business initiatives.

NOTE 2 – REVENUE

(DKKm)	2007	2008
Sale of services	34,794	37,330
Other income	105	105
Total revenue	**34,899**	**37,435**

NOTE 3 – FEES TO AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

(DKKm)	2007	2008
Audit, auditors elected by the Annual General Meeting [1]	14	22
Other services, auditors elected by the Annual General Meeting [1]	11	8
Total fees to auditors elected by the Annual General Meeting	**25**	**30**
Others, audit	1	1
Others, total fees	**1**	**1**
Total fees	**26**	**31**

1. Auditors elected by the Annual General Meeting 2008: Ernst & Young (2007: KPMG).

NOTE 4 – STAFF COSTS

(DKKm)	2007	2008
Salaries and wages etc.	4,926	5,090
Defined contribution pension plans, see note 20	226	226
Defined benefit pension plans, see note 20	51	20
Other expenses for social security	650	690
Share-based payments	14	25
	5,867	6,051
Transferred to direct costs	(2,151)	(2,057)
Total staff costs	**3,716**	**3,994**
Average number of employees	19,213	20,723
Number of employees at year-end	19,211	25,056

Remuneration for the Executive Board	Kurt K. Larsen [2]		Jens Bjørn Andersen [3]		Jens H. Lund		Total	
(DKKm)	2007	2008	2007	2008	2007	2008	2007	2008
Fixed salary	2.3	1.3	-	1.8	2.2	2.5	4.5	5.6
Defined contribution pension plans	3.0	1.7	-	-	0.2	0.2	3.2	1.9
Bonus [1]	3.0	10.5	-	1.5	1.0	1.0	4.0	13.0
Share-based payments	0.8	1.5	-	0.7	0.5	0.9	1.3	3.1
Total remuneration for the Executive Board	**9.1**	**15.0**	**-**	**4.0**	**3.9**	**4.6**	**13.0**	**23.6**

1. The 2008 bonus amount relating to Kurt K. Larsen includes ordinary bonus, a bonus for the acquisition of ABX LOGISTICS and a stay-on bonus.
2. Kurt K. Larsen resigned as Group CEO on 1 August 2008.
3. Jens Bjørn Andersen was appointed CEO as from 1 August 2008.

The members of the Executive Board are subject to a notice period of up to 18 months.
For information on the exercise of share options by the Executive Board, please refer to note 5.

Remuneration for the Supervisory Board of the Parent (DKK'000)	2007	2008
Kurt K. Larsen, Chairman (elected 2008)	-	312
Palle Flackeberg, Chairman (resigned 2008)	750	438
Erik B. Pedersen, Deputy Chairman	375	375
Kaj Christiansen	250	250
Hans Peter Drisdal Hansen	250	250
Egon Korsbæk (resigned 2008)	250	250
Per Skov	250	250
Leif Tullberg (resigned 2007)	146	-
Total remuneratin for the Supervisory Board of the Parent	**2,271**	**2,125**

NOTE 5 – INCENTIVE PROGRAMMES

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

Current programmes

Programme	Number of employees	Options granted	Exercise price	Market value at date of grant
2003	2	150,000	21.70	-
2005	483	998,000	44.50	7.9
2006 - tranche I	767	1,500,000	82.00	24.3
2006 - tranche II	1	100,000	65.00	0.3
2007	818	1,500,000	97.50	29.2
2008	825	1,660,000	103.25	33.4

Options granted in 2003 are deemed to have vested before 1 January 2005. Therefore no market value is calculated at the date of grant as a consequence of the transitional provisions applicable for the transition to the IFRS reporting standards at 1 January 2005.

Continued employment with DSV at the date of exercise is a condition for exercise of options granted after 2003.

All exercise prices have been fixed on the basis of the quoted market value at the date of grant.

The option schemes can be utilised by the employees by cash purchase of shares only. The liability relating to incentive programmes is hedged by the Company's treasury shares.

A total of 984 employees held options at 31 December 2008.

Existing incentive programmes at 31 December 2008

	Exercise period	Supervisory Board	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2003 scheme	01.01.09 - 31.12.09	-	-	50,000	50,000	21.70
Outstanding options of 2005 scheme	26.04.09 - 26.04.10	60,000	54,000	757,700	871,700	44.50
Outstanding options of 2006 scheme	30.03.10 - 30.03.11	80,000	64,000	1,090,600	1,234,600	82.00
Outstanding options of 2006 scheme	01.04.09 - 31.03.10	-	-	30,000	30,000	65.00
Outstanding options of 2007 scheme	01.04.10 - 30.03.12	80,000	75,000	1,239,500	1,394,500	97.50
Outstanding options of 2008 scheme	01.04.11 - 27.03.13	90,000	135,000	1,380,500	1,605,500	103.25
Outstanding at 31 December 2008		**310,000**	**328,000**	**4,548,300**	**5,186,300**	**85.76**
Exercise period open at 31 December 2008		**-**	**-**	**-**	**-**	

The weighted average remaining life at 31 December 2008 was 2.2 years. The aggregate market value was DKK 21.6 million, of which options amounting to DKK 1.3 million were held by Executive Board members and options amounting to DKK 1.3 million were held by Supervisory Board members.

Kurt K. Larsen received options in his capacity as Group CEO. Those options are listed under Supervisory Board and not under Executive Board as previously. Options granted to Jens Bjørn Andersen were granted before his appointment as CEO. Those options are listed under Executive Board.

Calculation of market values

Programme	Historical rolling three-year volatility	Risk-free interest rate	Expected dividends	Expected remaining life (years)
2008 scheme at date of grant	23.7%	4.06%	0.5%	3.25
Schemes outstanding at balance-sheet date	29.8%	3.80%	0.5%	1.62

The market value is calculated according to the Black & Scholes model.

Development in outstanding options

	Supervisory Board	Executive Board	Senior staff	Other staff	Total	Average exercise price per option
Outstanding at 1 January 2007	-	230,000	2,527,230	-	2,757,230	60.60
Granted in 2007	-	130,000	1,370,000	-	1,500,000	97.50
Exercised in 2007	-	-	(210,000)	-	(210,000)	17.70
Options waived/expired	-	-	(255,730)	-	(255,730)	54.40
Outstanding at 31 December 2007	-	360,000	3,431,500	-	3,791,500	78.00
Granted in 2008	-	150,000	1,510,000	-	1,660,000	103.25
Exercised in 2008	-	-	(1,000)	-	(1,000)	82.00
Adjustment [1]	310,000	(182,000)	(128,000)	-	-	-
Options waived/expired	-	-	(264,200)	-	(264,200)	83.80
Outstanding at 31 December 2008	**310,000**	**328,000**	**4,548,300**	**-**	**5,186,300**	**82.00**

1. Adjustment in connection with Kurt K. Larsen's resignation from the Executive Board and election for the Supervisory Board and Jens Bjørn Andersen's appointment as a member of the Executive Board.

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

(DKKm)	2007	2008
Amortisation and depreciation		
IT software	51	56
Customer relationships	59	71
Buildings	123	104
Other plant and operating equipment	203	220
Net gain on sale of assets	(192)	(49)
Total amortisation and depreciation of intangibles, property, plant and equipment	244	402
Impairment		
Goodwill [1]	–	19
Other intangibles	–	–
IT software	–	–
Other plant and operating equipment	–	–
Total impairment of intangibles, property, plant and equipment	–	19
Total amortisation, depreciation and impairment of intangibles, property, plant and equipment	**244**	**421**
The costs are recognised under the following items of the income statement:		
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	244	402
Special items	–	19
Total	**244**	**421**

1. Impairment of goodwill relates to restructuring of ABX LOGISTICS.

NOTE 7 – SPECIAL ITEMS

(DKKm)	2007	2008
Special items, income		
Profit on divestment of activities and enterprises including adjustments relating to previous years	7	437
Gain from change in pension plans	95	–
Special items, total income	**102**	**437**
Special items, costs		
Restructuring costs	128	359
Other special items	2	–
Special items, total costs	**130**	**359**
Special items, net	**(28)**	**78**

Restructuring costs mainly relate to adaptation of capacity at the integration of ABX LOGISTICS and Roadferry Ltd. The costs primarily consist of termination benefits, costs under terminated leases and impairment of software.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2007	2008
Interest income	52	63
Expected return on pension assets, see note 20	57	58
Total financial income	**109**	**121**

No gains have been transferred during the year from financial assets 'available for sale' to the income statement.

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2007	2008
Interest expenses	295	388
Calculated interest relating to pension obligations, see note 20	73	78
Foreign currency translation adjustments, net	2	56
Total financial expenses	**370**	**522**

No provisions have been discounted because the resulting effect is immaterial. For that reason no element of interest from such provisions has been recognised under financial income.

No losses have been transferred during the year from financial assets 'available for sale' to the income statement.

NOTE 10 – TAX

(DKKm)	2007	2008
The tax for the year is disaggregated as follows:		
Tax on profit for the year	472	377
Tax on changes in equity	(15)	(51)
Total tax for the year	457	326
The tax on profit for the year is calculated as follows:		
Current tax	530	414
Deferred tax	(61)	(14)
Adjustment of tax relating to previous years	3	(23)
Total tax on profit for the year	472	377
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	397	402
Adjustment of calculated tax in foreign Group enterprises relative to 25%	36	49
Change in deferred tax as a result of change in corporation tax rate	2	(2)
Tax effect of:		
Non-deductible expenses/non-taxable income	17	1
Non-deductible losses/non-taxable gains on shares	-	(97)
Adjustment of tax relating to previous years	3	(23)
Value adjustment of tax assets, net	20	64
Other adjustments	(3)	(17)
Total	472	377
Effective tax rate	29.8%	23.4%

NOTE 11 – EARNINGS PER SHARE

(DKKm)	2007	2008
Net profit for the year	1,114	1,233
Share of consolidated net profit for the year attributable to minority interests	47	6
DSV A/S shareholders' share of net profit for the year	1,067	1,227
Amortisation of customer relationships	59	71
Share-based payments	14	25
Special items, net	28	(78)
Tax effect thereof	(27)	(114)
Adjusted net profit for the year	1,141	1,131
Total average number of shares ('000)	201,500	196,879
Average number of treasury shares ('000)	(7,204)	(12,690)
Average number of shares ('000)	194,296	184,189
Average dilutive effect of existing incentive programmes/subscription rights ('000)	3,580	766
Diluted average number of shares ('000)	197,876	184,955
Earnings per share of DKK 1 (DKK)	5.5	6.7
Diluted earnings per share of DKK 1 (DKK)	5.4	6.6
Diluted adjusted earnings per share of DKK 1 (DKK)	5.8	6.1

NOTE 12 – INTANGIBLES

(DKKm)	Goodwill	IT software	Customer relationships	Other intangibles	Intangibles in progress	Total
Cost at 1 January 2007	4,262	253	559	3	33	5,110
Additions relating to acquisition of enterprises	182	–	25	–	–	207
Additions for the year	–	9	–	–	93	102
Disposals at cost	–	(22)	–	–	(13)	(35)
Reclassification	(8)	78	8	(1)	(33)	44
Foreign currency translation adjustments	(2)	(1)	–	–	–	(3)
Total cost at 31 December 2007	**4,434**	**317**	**592**	**2**	**80**	**5,425**
Total amortisation and impairment at 1 January 2007	10	105	56	3	–	174
Amortisation and impairment for the year	–	51	59	–	–	110
Amortisation of assets disposed of	–	(9)	–	–	–	(9)
Reclassification	–	37	–	(1)	–	36
Total amortisation and impairment at 31 December 2007	**10**	**184**	**115**	**2**	**–**	**311**
Carrying amount at 31 December 2007	**4,424**	**133**	**477**	**–**	**80**	**5,114**
Of which, assets under finance leases	–	36	–	–	–	36
Cost at 1 January 2008	4,434	317	592	2	80	5,425
Additions relating to acquisition of enterprises	3,241	15	468	2	–	3,726
Additions for the year	–	184	–	1	46	231
Disposals at cost	(393)	(36)	–	–	(1)	(430)
Reclassification	–	(8)	–	–	–	(8)
Foreign currency translation adjustments	(102)	(2)	(9)	2	–	(111)
Total cost at 31 December 2008	**7,180**	**470**	**1,051**	**7**	**125**	**8,833**
Total amortisation and impairment at 1 January 2008	10	184	115	2	–	311
Amortisation and impairment for the year	19	56	71	–	–	146
Amortisation of assets disposed of	(19)	(29)	–	1	–	(47)
Reclassification	–	(8)	–	–	–	(8)
Foreign currency translation adjustments	–	(3)	(1)	(1)	–	(5)
Total amortisation and impairment at 31 December 2008	**10**	**200**	**185**	**2**	**–**	**397**
Carrying amount at 31 December 2008	**7,170**	**270**	**866**	**5**	**125**	**8,436**
Of which, assets under finance leases	–	26	–	–	–	26

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

Breakdown of goodwill and customer relationships by divisions

The original cost of goodwill and customer relationships is DKK 8,593 million (2007: DKK 5,445 million). The original cost has been applied for calculating ROIC. Goodwill and customer relationships have been allocated to the legal entities in the individual countries in the Road, Air & Sea and Solutions Divisions, respectively.

	Goodwill		Customer relationships		Total		%	
(DKKm) 2007	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount
Road	2,489	2,209	118	91	2,607	2,300	48%	47%
Air & Sea	1,337	1,213	100	80	1,437	1,293	26%	26%
Solutions	1,027	1,002	374	306	1,401	1,308	26%	27%
Total	**4,853**	**4,424**	**592**	**477**	**5,445**	**4,901**	**100%**	**100%**

	Goodwill		Customer relationships		Total		%	
(DKKm) 2008	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount
Road	2,153	1,925	162	123	2,315	2,048	27%	25%
Air & Sea	4,373	4,254	515	474	4,888	4,728	57%	59%
Solutions	1,016	991	374	269	1,390	1,260	16%	16%
Total	**7,542**	**7,170**	**1,051**	**866**	**8,593**	**8,036**	**100%**	**100%**

NOTE 12, CONTINUED – INTANGIBLES

Goodwill impairment test
As at 31 December 2008, Management carried out an impairment test of the carrying amount of goodwill.

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, that is, Road, Air & Sea 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 2009 and projections for subsequent years up to and including 2013. Important parameters are revenue development, EBIT margin, future capital expenditure and growth expectations for the years following 2009, 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, financial risk and the size of the cash-generating units.

The most important assumptions applied in impairment tests are the following:

	Road		Air & Sea		Solutions	
	2007	2008	2007	2008	2007	2008
Expected annual revenue growth (weighted average)	6.1%	4.0%	7.7%	5.8%	4.0%	5.0%
Expected EBITA margin (weighted average)	6.0%	4.3%	7.0%	6.7%	7.0%	5.7%
Expected growth during terminal period (%)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate before tax (%)	11.6%	10.5%	11.4%	10.5%	11.8%	10.3%

Expected growth during 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 2008.

Management assesses that the probable changes in the fundamental assumptions will not make the carrying amount of goodwill exceed the recoverable amount.

Impairment test of intangibles in progress
Intangibles in progress have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2008.

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2007	3,626	1,556	50	5,232
Additions relating to acquisition of enterprises	(10)	3	-	(7)
Additions for the year	280	221	241	742
Disposals at cost	(385)	(208)	-	(593)
Transferred to assets held for sale	(6)	-	-	(6)
Reversed from assets held for sale	39	-	-	39
Reclassification	67	13	(119)	(39)
Foreign currency translation adjustments	(30)	-	2	(28)
Total cost at 31 December 2007	**3,581**	**1,585**	**174**	**5,340**
Total depreciation and impairment at 1 January 2007	626	859	-	1,485
Depreciation for the year	123	203	-	326
Depreciation of assets disposed of	(92)	(134)	-	(226)
Transferred to assets held for sale	(5)	-	-	(5)
Reclassification	(9)	(24)	-	(33)
Foreign currency translation adjustments	(2)	-	-	(2)
Total depreciation and impairment at 31 December 2007	**641**	**904**	**-**	**1,545**
Carrying amount at 31 December 2007	**2,940**	**681**	**174**	**3,795**
Of which, assets under finance leases	637	115	-	752

NOTE 13, CONTINUED – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2008	3,581	1,585	174	5,340
Additions relating to acquisition of enterprises	1,612	218	1	1,831
Additions for the year	122	264	345	731
Disposals at cost	(585)	(439)	(242)	(1,266)
Transferred to assets held for sale	(55)	–	–	(55)
Reversed from assets held for sale	–	–	–	–
Reclassification	53	42	(99)	(4)
Foreign currency translation adjustments	(166)	(64)	11	(219)
Total cost at 31 December 2008	**4,562**	**1,606**	**190**	**6,358**
Total depreciation and impairment at 1 January 2008	641	904	–	1,545
Depreciation for the year	104	220	–	324
Depreciation of assets disposed of	(233)	(333)	–	(566)
Transferred to assets held for sale	1	–	–	1
Reclassification	(19)	29	–	10
Foreign currency translation adjustments	(4)	(45)	–	(49)
Total depreciation and impairment at 31 December 2008	**490**	**775**	**–**	**1,265**
Carrying amount at 31 December 2008	**4,072**	**831**	**190**	**5,093**
Of which, assets under finance leases	845	108	–	953

No changes in the significant estimates have been made in respect of property, plant and equipment.

At 31 December 2008, DSV had contractual liabilities of DKK 301 million for property, plant and equipment in progress.

NOTE 14 – INVESTMENTS IN ASSOCIATES

(DKKm)	2007	2008
Cost at 1 January	17	16
Additions for the year	–	3
Disposals for the year	1	–
Transferred to other securities	(2)	–
Cost at 31 December	**16**	**19**
Value adjustments at 1 January	(2)	(9)
Value adjustments for the year	(7)	(3)
Value adjustments at 31 December	**(9)**	**(12)**
Carrying amount at 31 December	**7**	**7**
Summarised aggregate financial information on associates:		
Revenue	50	143
Net profit (loss) for the year	7	(1)
Total assets	79	99
Total liabilities	56	79
DSV Group's share of net profit (loss) for the year	(7)	(3)
DSV Group's share of equity	7	7
Goodwill at 31 December	–	–
Total carrying amount at 31 December	**7**	**7**

A list of all associates of the DSV Group is provided in the overview of the Group structure on page 69.

NOTE 15 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2007	2008
Other securities	38	39
Deposits	54	82
Other receivables	26	28
Other securities and receivables	**118**	**149**

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

Other receivables mainly relate to loans granted. The terms of the loans are up to 15 years, and they will be fully repaid in 2023.

NOTE 16 – DEFERRED TAX

(DKKm)	2007	2008
Deferred tax at 1 January	46	(28)
Value adjustments, foreign subsidiaries	3	2
Deferred tax for the year	(61)	(14)
Adjustment of tax concerning previous years	1	(11)
Tax on equity items	(14)	3
Additions relating to acquisition of enterprises	5	227
Disposals relating to divestment of enterprises	-	(3)
Other adjustments	(8)	(4)
Deferred tax at 31 December	**(28)**	**172**
Deferred tax asset		
Intangibles	40	10
Property, plant and equipment	(56)	13
Financial assets	-	-
Current assets	17	10
Provisions	67	45
Other liabilities	83	1
Tax loss carryforwards	177	178
Deferred tax asset	328	257
Deferred tax liability		
Intangibles	150	265
Property, plant and equipment	120	303
Financial assets	-	5
Current assets	-	(30)
Provisions	(17)	(57)
Other liabilities	49	15
Tax loss carryforwards	(2)	(72)
Deferred tax liability	300	429
Breakdown of deferred tax:		
Deferred tax asset	(328)	(257)
Deferred tax liability	300	429
Deferred tax at 31 December	**(28)**	**172**
Deferred tax assets not recognised in the balance sheet		
Temporary differences	-	10
Tax loss [1]	212	533
Total deferred tax assets not recognised	**212**	**543**

1. Of the tax loss, DKK 403 million may be carried forward indefinitely, but it is uncertain whether the tax loss can be utilised.

Of the tax loss, DKK 130 million may be carried forward for a limited period, but it is uncertain whether the tax loss can be utilised.

The deferred tax asset therefore cannot be measured reliably due to uncertainty about the time aspect of its use.

The change from 2007 to 2008 is attributable to the acquisition of ABX LOGISTICS.

NOTE 16, CONTINUED – DEFERRED TAX

Change in temporary differences during the year

(DKKm) 2007	Balance sheet at 1 January	Foreign currency translation adjustments	Additions relating to acquisition of enterprises	Disposals relating to divestment of enterprises	Recognised in net profit for the year	Recognised in equity, net	Other adjustments	Balance sheet at 31 December
Intangibles	160	10	35	-	(96)	-	-	109
Property, plant and equipment	194	13	(3)	-	(28)	-	-	176
Financial assets	-	-	-	-	-	-	-	-
Current assets	(5)	-	-	-	3	(14)	-	(16)
Provisions	(135)	(9)	(27)	-	95	-	(8)	(84)
Other liabilities	(34)	(2)	-	-	3	-	-	(33)
Tax loss carryforwards	(134)	(9)	-	-	(37)	-	-	(180)
Total	46	3	5	-	(60)	(14)	(8)	(28)

(DKKm) 2008	Balance sheet at 1 January	Foreign currency translation adjustments	Additions relating to acquisition of enterprises	Disposals relating to divestment of enterprises	Recognised in net profit for the year	Recognised in equity, net	Other adjustments	Balance sheet at 31 December
Intangibles	109	(6)	112	-	40	-	-	255
Property, plant and equipment	176	(9)	115	(3)	11	-	-	290
Financial assets	-	-	-	-	5	-	-	5
Current assets	(16)	1	(15)	-	(20)	10	-	(40)
Provisions	(84)	4	(3)	(1)	(7)	(7)	(4)	(102)
Other liabilities	(33)	2	18	1	26	-	-	14
Tax loss carryforwards	(180)	10	-	-	(80)	-	-	(250)
Total	(28)	2	227	(3)	(25)	3	(4)	172

NOTE 17 – ASSETS AND LIABILITIES HELD FOR SALE

(DKKm)	2007	2008
Assets held for sale		
Property, plant and equipment	121	82
Total assets held for sale at 31 December	121	82
Liabilities relating to assets held for sale		
Purchase price payable	81	35
Total liabilities relating to assets held for sale at 31 December	81	35

Assets held for sale include properties expected to be sold within the next 12 months. These properties are attributable to the Road and Solutions Divisions.

No significant gains or losses have been recognised on assets or liabilities held for sale.

NOTE 18 – TRADE AND OTHER RECEIVABLES

(DKKm)	2007	2008
Trade receivables	5,484	7,356
Accrued revenue	365	530
Other receivables etc.	486	1,076
Prepayments	103	223
Trade and other receivables at 31 December	6,438	9,185

The carrying amount of receivables is deemed to correspond to the fair value.

Impairment losses relating to doubtful trade receivables		
Impairment at 1 January	157	174
Change in impairment during the year	35	320
Realised losses for the year	(18)	(70)
Impairment at 31 December	174	424

In a number of situations, DSV receives security for credit sales, and the security provided is included in the assessment of the necessity to write down doubtful trade receivables for impairment. Such securities may be provided in the form of financial guarantees or charges.

Overdue trade receivables not written off break down as follows:		
Overdue for 1-30 days	880	1,293
Overdue for 31-120 days	390	697
Overdue for more than 120 days	-	21

The maximum credit risk is reflected in the carrying amount of the individual financial assets of the balance sheet.

DSV does not have any considerable credit risk from receivables because the exposure is spread on many customers. Moreover, receivables are rated on an ongoing basis as set out in the Group credit policy, and the credit risk from large trade receivables is hedged by credit insurance. The credit quality is deemed to be homogenous to a very great extent because of the large number of customers.

Agreements on the use of derivative financial instruments are only concluded with parties whose credit rating from Standard & Poors is AA or higher.

NOTE 19 – EQUITY

(DKKm)	2007	2008
Share capital		
Development in share capital:		
Beginning of year	40.3	201.5
Issue of bonus shares	161.2	-
Capital reduction	-	(11.3)
Year-end	201.5	190.2

At the Annual General Meeting on 30 April 2008, shareholders resolved to reduce the share capital by a nominal amount of DKK 11,350,000 through the cancellation of 11,350,000 treasury shares. Following the reduction, the share capital of DSV had a nominal value of DKK 190,150,000, corresponding to 190,150,000 shares with a face value of DKK 1. No share confers any special rights upon its holder. No restrictions have been imposed on the negotiability of the shares or on voting rights.

Statement of changes in equity – 2007

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Minority interests	Total equity
Equity at 1 January 2007	40	18	(7)	3,598	50	3,699	145	3,844
Recognised income and expense for the year	-	11	(70)	1,020	50	1,011	49	1,060
Share-based payments				18		18		18
Dividends distributed	-	-	-	-	(50)	(50)	(2)	(52)
Purchase and sale of treasury shares, net [1]	-	-	-	(1,222)	-	(1,222)	-	(1,222)
Issue of bonus shares	162	-	-	(162)	-	-	-	-
Dividends on treasury shares	-	-	-	1	-	1	-	1
Total changes in equity in 2007	162	11	(70)	(345)	-	(242)	47	(195)
Equity at 31 December 2007	202	29	(77)	3,253	50	3,457	192	3,649

NOTE 19, CONTINUED – EQUITY

Statement of changes in equity – 2008

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Minority interests	Total equity
Equity at 1 January 2008	202	29	(77)	3,253	50	3,457	192	3,649
Recognised income and expense for the year	-	(189)	(40)	1,191	-	962	2	964
Share-based payments	-	-	-	16	-	16	-	16
Dividends distributed	-	-	-	-	(50)	(50)	(2)	(52)
Purchase and sale of treasury shares, net [1]	-	-	-	(581)	-	(581)	-	(581)
Capital reduction	(12)	-	-	12	-	-	-	-
Issue of bonus shares	-	-	-	-	-	-	-	-
Purchase/disposal of minority interests	-	-	-	-	-	-	(143)	(143)
Dividends on treasury shares	-	-	-	4	-	4	-	4
Total changes in equity in 2008	**(12)**	**(189)**	**(40)**	**642**	**(50)**	**351**	**(143)**	**208**
Equity at 31 December 2008	**190**	**(160)**	**(117)**	**3,895**	**-**	**3,808**	**49**	**3,857**

Treasury shares	Shares of DKK 1		Nominal value		% of share capital	
	2007	2008	2007	2008	2007	2008
Beginning of year	2,861,520	13,112,727	2,861,520	13,112,727	1.4	6.5
Purchases	10,478,677	5,516,200	10,478,677	5,516,200	5.2	2.8
Sales	(227,470)	(1,000)	(227,470)	(1,000)	-0.1	-
Capital reduction	-	(11,350,000)	-	(11,350,000)	-	-5.5
Treasury shares at year-end	**13,112,727**	**7,277,927**	**13,112,727**	**7,277,927**	**6.5**	**3.8**

1. Sales of treasury shares relate to the exercise of share options in connection with incentive programmes.

By authority of the Annual General Meeting, DSV A/S may buy a maximum of 19,015,000 treasury shares, equalling 10% of the share capital, until 30 October 2009.

Treasury shares are bought back to hedge the Company's incentive programmes. The market value of treasury shares at 31 December 2008 was DKK 411 million (2007: DKK 1,466 million).

Dividends

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.
Distribution is not subject to any particular restrictions.
The dividend per share of DKK 1 is DKK 0.00 (2007: DKK 0.25 per share).

Hedging reserve

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

Foreign currency translation reserve

The foreign currency translation reserve comprises all gains and losses resulting from the translation of financial statements of foreign units having a different functional currency from the Group's presentation currency and gains and losses concerning assets and liabilities hedging the currency element of the Group's net investment in foreign units.

Reserve for securities available for sale

The reserve for securities available for sale comprises fair value adjustments of securities available for sale. The reserve amounted to DKK 0 million at 31 December 2008 (2007: DKK 0 million), for which reason it is not shown in the above statement of changes in equity.

NOTE 20 – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2007	2008
Present value of defined benefit plans	1,478	1,785
Fair value of pension plan assets	1,073	975
Pensions and similar obligations at 31 December	405	810
Development in present value of defined benefit obligations		
Obligations at 1 January	1,638	1,478
Foreign currency translation adjustments	(61)	(169)
Pension costs concerning current financial year	51	20
Calculated interest concerning obligations	73	78
Actuarial gains (losses)	(49)	(140)
Adjustment due to change in pension plans	(138)	-
Benefits paid	(36)	(42)
Additions relating to acquisition of enterprises	-	560
Obligations at 31 December	**1,478**	**1,785**
Specification of present value of defined benefit obligations at year-end		
Present value of obligations hedged in full or in part	1,194	1,116
Present value of non-hedged obligations	284	669
Present value of defined benefit obligations	**1,478**	**1,785**
Development in fair value of pension plan assets		
Pension plan assets at 1 January	1,079	1,073
Foreign currency translation adjustments	(43)	(137)
Expected return on pension plan assets	57	58
Actuarial gains (losses)	(60)	(182)
Adjustment due to change in pension plans	(43)	-
Payments received	119	76
Benefits paid	(36)	(46)
Additions relating to acquisition of enterprises	-	133
Pension plan assets at 31 December	**1,073**	**975**

DSV expects to pay DKK 60 million into the assets of the plans in 2009.

	2007	2008
Pension costs recognised in the income statement		
Pension costs concerning current financial year	51	20
Calculated interest concerning obligations	73	78
Expected return on pension plan assets	(57)	(58)
Adjustment due to change in pension plans	(95)	-
Total recognised for defined benefit plans	(28)	40
Total recognised for defined contribution plans	226	226
Total recognised in income statement	**198**	**266**
The costs are recognised under the following items of the income statement:		
Staff costs	277	246
Special items, net	(95)	-
Financial income	(57)	(58)
Financial expenses	73	78
Total costs recognised	**198**	**266**
The following cumulative actuarial gains (losses) have been recognised in the statement of recognised income and expense since 1 January 2004:		
Cumulative actuarial gains (losses)	(97)	(139)
Social security costs relating to actuarial gains (losses)	(9)	(9)
Cumulative actuarial gains (losses) including social security costs recognised in the statement of recognised income and expense	(106)	(148)

NOTE 20, CONTINUED – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2007	2008
Breakdown of pension plan assets:		
Shares	34%	23%
Bonds	16%	11%
Properties	2%	2%
Cash and cash equivalents	2%	0%
Insurance contracts	46%	64%
Total	**100%**	**100%**
Return on pension plan assets		
Expected return on pension plan assets	57	58
Actuarial gains (losses) on pension plan assets	(60)	(182)
Total actual return on pension plan assets	**(3)**	**(124)**

Actuarial assumptions

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

	2007	2008
Discount rate	4.50% - 5.90%	4.25% - 6.00%
Expected return on pension plan assets	4.25% - 6.57%	4.25% - 5.85%
Future rate of wage/salary increases	2.00% - 4.50%	2.00% - 3.75%
Future inflation	1.75% - 3.50%	1.75% - 2.50%

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	2004	2005	2006	2007	2008
Pension obligations	-	688	1,638	1,478	1,785
Pension plan assets	-	(340)	(1,079)	(1,073)	(975)
Inadequate cover	**-**	**348**	**559**	**405**	**810**
Changes in pension obligations as per experience	-	-	(11)	(24)	(11)
Changes in pension plan assets as per experience	-	-	(59)	-	88

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 by insurance. Foreign enterprises with no or only partial insurance cover (defined benefit plans) measure the unfunded pension obligations actuarially at the present value at the balance-sheet date. The Parent only has defined contribution pension plans.

NOTE 21 – PROVISIONS

(DKKm)	Restructuring costs	Provisions for disputes and legal actions	Onerous contracts	Other	Total
Provisions at 1 January 2008	150	44	66	65	325
Additions relating to acquisition of enterprises	129	146	-	125	400
Applied for the year	(97)	(38)	(42)	(100)	(277)
Provisions for the year	129	8	24	58	219
Provisions at 31 December 2008	**311**	**160**	**48**	**148**	**667**
Expected time frame of the provisions:					
Current liabilities	196	44	10	38	288
Non-current liabilities	115	116	38	110	379
Provisions at 31 December 2008	**311**	**160**	**48**	**148**	**667**

No provisions have been discounted because the resulting effect is immaterial.

Restructuring costs mainly relate to capacity adaptations at the integration of Frans Maas and ABX LOGISTICS and mostly consist of termination benefits and costs under terminated leases. Restructuring costs have primarily been recognised in the income statement under special items.

Provisions for disputes and legal actions are mainly contingent liabilities taken over at the acquisition of enterprises.

Onerous contracts are primarily onerous contracts taken over in connection with the acquisition of Frans Maas and ABX LOGISTICS, consisting of lease agreements with rent above market value 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 suppliers.

NOTE 22 – FINANCIAL LIABILITIES

(DKKm)	2007	2008
Loans and credit facilities	4,664	9,051
Finance leases	801	932
Other non-current liabilities	39	74
Total financial liabilities	**5,504**	**10,057**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	4,900	7,084
Current liabilities	604	2,973
Financial liabilities at 31 December	**5,504**	**10,057**

Loans and credit facilities	Expiry	Fixed/floating interest rate	Carrying amount	
(DKKm)			2007	2008
Bank loans DKK	2013-2014	Floating	2,754	2,150
Bank loans EUR	2009-2013	Floating	1,394	5,439
Mortgage loans	2009-2014	Floating/fixed	6	954
Overdraft facility	2009	Floating	510	508
Loans and credit facilities at 31 December			**4,664**	**9,051**

Bank loans are subject to standard trade covenants. All covenants have been observed during the year.
The fair value of loans and credit facilities was DKK 9,051 million (2007: DKK 4,664 million).
The weighted average effective interest rate was 4.6% (2007: 5.1%).

The loans and credit facilities fall due within the following time frames after the balance sheet date:	2007	2008
0-1 year	509	2,840
1-5 years	611	4,861
> 5 years	3,544	1,350
Total loans and credit facilities	**4,664**	**9,051**

Finance leases

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

	Lease payments		Interest		Carrying amount	
(DKKm)	2007	2008	2007	2008	2007	2008
0-1 years	120	135	(25)	(40)	95	95
1-5 years	455	510	(119)	(122)	336	388
> 5 years	560	641	(190)	(192)	370	449
Total	**1,135**	**1,286**	**(334)**	**(354)**	**801**	**932**

The fair value of the obligations relating to assets under finance leases corresponds to the carrying amount. The fair value has been estimated as the present value of future cash flows at a market interest rate for corresponding leases.

The most important finance leases relate to terminals. Such leases typically have a term of between 3 and 19 years. Finance leases concluded have either an extension option or a purchase option.

Other non-current liabilities

Other non-current liabilities mainly relate to earn-outs. They are expected to mature 1-2 years after the balance sheet date. The fair value is deemed to correspond to the carrying amount.

NOTE 23 – TRADE AND OTHER PAYABLES

(DKKm)	2007	2008
Trade payables	3,365	3,855
Deferred income relating to forwarding in progress	992	1,361
Other payables	1,500	2,586
Trade and other payables at 31 December	**5,857**	**7,802**

The fair value of trade and other payables equals the carrying amount. Trade payables fall due within 1 year.

NOTE 24 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES AND OTHER FINANCIAL LIABILITIES ETC.

(DKKm)	2007	2008
Collaterals:		
Carrying amount of land and buildings etc. provided as collateral to mortgage banks [1]	10	907
Total collaterals	10	907

1. Mortgage loans amounted to DKK 954 million at 31 December 2008.

	2007	2008
Other financial liabilities:		
DSV A/S has entered into IT service contracts with terms of 3-7 years and a notice period of 6 months. The minimum payments during the notice period amount to:	86	74
DSV A/S has guaranteed for subsidiaries' outstanding balances with banks and subsidiaries' liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,458	2,185
Subsidiaries have guaranteed for outstanding balances with banks and liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,072	5,491
Total other financial liabilities	4,616	7,750

Moreover, DSV has executed several declarations of intent relating to balances between subsidiaries and third parties.

	2007	2008
Operating leases:		
Operating lease obligations relating to land and buildings (including terminals) fall due:		
0-1 years	546	767
1-5 years	1,505	1,858
> 5 years	989	1,466
Total	3,040	4,091
Operating lease obligations relating to operating equipment fall due:		
0-1 years	429	374
1-5 years	394	442
> 5 years	16	3
Total	839	819
The following is recognised in the income statement:		
Operating leases relating to property	712	811
Operating leases relating to operating equipment	558	509
Total	1,270	1,320

The Group leases properties under operating leases. Such leases typically have a term of 10-18 years with 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 0-6 years with an option to extend after expiry of the lease term. There are no purchase options/obligations for assets held under operating leases.

Contingent assets
Other than the non-recognised tax assets mentioned in note 16, the Group has no material contingent assets.

NOTE 25 – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Enterprises acquired in 2007	Carrying amount according to IFRS before takeover date	Adjustment at fair value		Fair value at takeover date		
(DKKm)	2007	2006 [1]	2007	2006 [1]	2007	Total
Intangibles	-	-	25	-	25	25
Property, plant and equipment	5	(10)	(2)	(10)	3	(7)
Deferred tax	-	26	-	26	-	26
Receivables	56	14	(1)	14	55	69
Cash	26	-	-	-	26	26
Total assets	**87**	**30**	**22**	**30**	**109**	**139**
Deferred tax	-	27	4	27	4	31
Other provisions	-	75	8	75	8	83
Financial liabilities	1	-	-	-	1	1
Trade payables	40	-	-	-	40	40
Other current liabilities	26	(3)	-	(3)	26	23
Total liabilities	**67**	**99**	**12**	**99**	**79**	**178**
Net assets	20	(69)	10	(69)	30	(39)
Minority interests	-	-	-	-	-	-
Total net assets	**20**	**(69)**	**10**	**(69)**	**30**	**(39)**
Goodwill				75	107	182
Cash acquisition cost, including transaction costs, before cash of acquirees				6	137	143
Cash of acquirees				-	(26)	(26)
Cash acquisition cost, including transaction costs				6	111	117
Interest-bearing debt assumed				-	9	9
Enterprise value of acquirees				**6**	**120**	**126**

1. Adjustments relating to 2006 are due to adjustments of the preliminary determinations of fair value at the date of acquisition presented in the 2006 Annual Report. Adjustments are recognised under the relevant items and included in additions relating to acquisition of enterprises. No adjustment has been made of comparative figures because the amounts are deemed to be immaterial.

Names of enterprises and activities acquired, 2007	Country	Division	Date of recognition	Share of acquired share capital
Campbell Freight Agencies Limited	Northern Ireland	Air & Sea	1 June 2007	100%
Campbell Freight Agencies (Ireland) Limited	Ireland	Air & Sea	1 June 2007	100%
Active Freight Management Llc	United Arab Emirates	Air & Sea	1 June 2007	100%
DFDS Transport (Bangladesh) Ltd.	Bangladesh	Air & Sea	1 January 2007	Remaining 80% acquired
Leader Container Line International Limited	New Zealand	Air & Sea	1 August 2007	Activity acquired

NOTE 25, CONTINUED – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Enterprises acquired in 2008	Carrying amount according to IFRS before takeover date		Adjustment at fair value		Fair value at takeover date		
(DKKm)	ABX LOGISTICS	Other	ABX LOGISTICS	Other	ABX LOGISTICS	Other	Total
Intangibles	20	-	411	54	431	54	485
Property, plant and equipment	1,430	35	366	-	1,796	35	1,831
Financial assets	51	(1)	-	-	51	(1)	50
Deferred tax	15	2	-	-	15	2	17
Receivables	3,880	184	18	(2)	3,898	182	4,080
Cash	874	52	-	-	874	52	926
Total assets	**6,270**	**272**	**795**	**52**	**7,065**	**324**	**7,389**
Deferred tax	14	-	218	12	232	12	244
Other provisions	757	20	46	5	803	25	828
Financial liabilities	1,815	6	-	-	1,815	6	1,821
Trade payables	1,953	106	7	-	1,960	106	2,066
Other current liabilities	1,153	55	-	-	1,153	55	1,208
Total liabilities	**5,692**	**187**	**271**	**17**	**5,963**	**204**	**6,167**
Net assets	578	85	524	35	1,102	120	1,222
Minority interests	(30)	-	-	-	(30)	-	(30)
Total net assets	**548**	**85**	**524**	**35**	**1,072**	**120**	**1,192**
Goodwill					2,972	269	3,241
Cash acquisition cost, including transaction costs, before cash of acquirees					4,044	389	4,433
Cash of acquirees					(874)	(52)	(926)
Cash acquisition cost, including transaction costs					3,170	337	3,507
Interest-bearing debt assumed					1,815	6	1,821
Enterprise value of acquirees					**4,985**	**343**	**5,328**

Names of enterprises and activities acquired, 2008	Country	Division	Date of recognition	Share of acquired share capital
ABX LOGISTICS NV/SA	Belgium	All	1 October 2008	100%
ABX LOGISTICS (Australia) Pty. Ltd.	Australia	Air & Sea	1 November 2008	Remaining 60% acquired
Waagan Transport Group AS	Norway	Road	1 October 2008	100%
Unicargo AS	Norway	Road	1 November 2008	100%
Termoline Oy	Finland	Road	1 April 2008	100%
DSV Air & Sea Pvt. Ltd	India	Air & Sea	1 June 2008	Remaining 28% acquired
Roadferry Ltd.	Great Britain & Ireland	Road & Solutions	1 March 2008	100%
Elan Transport International S.A.	Morocco	Road	1 January 2008	Remaining 37% acquired
Airlift/Sealift International Limited	Great Britain	Air & Sea	1 April 2008	100%

Divestment of enterprises and activities in 2007
There were no major divestments of enterprises or activities in 2007.

NOTE 25, CONTINUED – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Divestment of enterprises in 2008	Carrying amount at date of divestment
(DKKm)	Tollpost Globe AS
Intangibles	374
Property, plant and equipment	345
Financial assets	2
Receivables	303
Cash	40
Total assets	**1,064**
Minority interests	173
Deferred tax	3
Other provisions	–
Financial liabilities	19
Trade payables	191
Other current liabilities	132
Total liabilities	**518**
Net assets	546
Profit on divestments	437
Cash selling price	983
Interest-bearing debt etc.	(21)
Enterprise value	**962**

Post balance sheet acquisitions of enterprises
At the beginning of 2009, there are ongoing negotiations on the acquisition of a few small enterprises.

Information on individual transactions
In 2007 and 2008, the Group acquired a number of enterprises and activities. Details on the acquisition of ABX LOGISTICS are shown separately above. The remaining acquisitions are not otherwise of a size necessitating separate disclosure.
Due to the continuous adjustment of purchase considerations, the amounts recognised in relation to acquisitions are subject to change.

Disposal of operating entities as a result of acquisitions of enterprises
In connection with the acquisition of ABX LOGISTICS it was decided to dispose of Textil-Aufbereitung Weser-Nord GmbH. No other existing or acquired entities have been disposed of following the acquisition of an enterprise.

Costs of business combinations
Transaction costs are included in the cash acquisition cost and comprise fees to lawyers, financial advisers, accountants and other experts as well as other directly attributable costs. In 2008, the transaction costs were DKK 38 million (2007: DKK 3 million).

Identification of intangibles
In connection with the acquisition of enterprises and activities in 2007 and 2008, DSV measured identifiable intangibles in the form of customer relationships, which were recognised in the takeover balance sheet at their fair value. The value of customer relationships at the acquisition of ABX LOGISTICS was calculated at DKK 413 million.

Other adjustments at fair value
Other than the value of customer relationships, adjustments of intangibles in 2007 and 2008 relate to adjustment of software at fair value.
Adjustments of property, plant and equipment in 2007 and 2008 relate to adjustments of property, plant and equipment at fair value.
Adjustments of other provisions in 2007 and 2008 relate to demolition liabilities and pending legal actions and claims raised against ABX LOGISTICS. The provision was made on the basis of an individual assessment of each action. Please refer to note 24, which discusses pending actions under contingent liabilities.

Goodwill
Following recognition of identifiable assets, liabilities and contingent liabilities at their fair value, the goodwill related to the takeovers has been measured at DKK 3,241 million (2007: DKK 182 million). The difference represents the value of assets whose fair value cannot be reliably measured, including the value of the staff and know-how taken over, expected synergies from combining the enterprises acquired and the existing DSV activities, and the value of access to new markets.

Negative goodwill
No negative goodwill has arisen as the fair value of the net assets of the enterprises taken over is higher than the acquisition cost.

Change in treatment of previous acquisitions
An adjustment of DKK 3 million has been made to goodwill relating to business combinations in 2007 owing to adjustment of purchase considerations and other adjustments to the opening balance sheet.

Preliminary opening balance sheets
In accordance with IFRS 3, opening balance sheets are preliminary only until 12 months after the date of acquisition. This must be seen in the light of the complexity of the acquirees.

NOTE 25, CONTINUED – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Impact on income statement from acquisition of enterprises:	2007	2008
Share of revenue and net profit for the year for acquirees from the takeover date until 31 December		
Revenue	202	3,901
Operating profit before amortisation, depreciation and special items (EBITDA)	11	192
Net profit for the year	6	48
Group in which acquirees were measured as if they had been owned on a full-year basis		
Revenue	35,053	48,984
Operating profit before amortisation, depreciation and special items (EBITDA)	2,134	2,718

NOTE 26 – DERIVATIVE FINANCIAL INSTRUMENTS

Financial risks

For further information on the Group's financial risks, please refer to the paragraph 'Risk factors' in the Management's Review, page 26.

External hedging instruments at 31 December 2007

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	492	2008	(0.6)	(0.6)	-
Interest rate instruments	4,168	2008-2012	52.3	11.1	41.2
Total			51.7	10.5	41.2

External hedging instruments at 31 December 2008

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	1,732	2009	202.2	202.2	-
Interest rate instruments	7,691	2009-2014	(250.8)	(45.9)	(204.9)
Total			(48.6)	156.3	(204.9)

Foreign currency risk hedging

The Group mainly uses forward exchange transactions to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The Group has a low risk exposure and recognises adjustment of forward exchange transactions at fair value directly in the income statement.

Interest rate risk hedging

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 financials.

The weighted average effective interest rate for existing interest rate instruments was 4.19% at the balance sheet date (2007: 3.87%).

NOTE 27 – RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

DSV has no related parties with controlling interests. Related parties of DSV with significant influence comprise associates as mentioned in the overview of the Group structure and members of the associates' supervisory boards, executive boards and senior staff as well as the family members of those persons. Related parties also comprise companies, in which the aforementioned persons have significant interests.

The Group has had the following transactions with related parties:

(DKKm)	2007	2008
Sale of services		
Associates and joint ventures	2	26
Total sale of services	2	26
Purchase of services		
Associates and joint ventures	11	34
Consultancy fees to member of Supervisory Board	1	-
Enterprises related to Supervisory Board members	1	1
Total purchase of services	13	35

Please refer to note 4 on staff costs and note 5 on incentive programmes concerning remuneration for and share-based payments to Management. Transactions with related parties have been made on an arm's length basis.

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

(DKKm)	2007	2008
Receivables		
Associates and joint ventures	1	15
Receivables at 31 December	1	15
Liabilities		
Associates and joint ventures	1	6
Liabilities at 31 December	1	6

NOTE 28 - SHARES HELD BY EXECUTIVE AND SUPERVISORY BOARD MEMBERS

	Shares at beginning of year	Shares purchased in 2008	Shares sold in 2008	Shares at year-end	Market value (DKKm)
Jens Bjørn Andersen	37,500	-	-	37,500	2.1
Jens H. Lund [1]	32,270	-	525	31,745	1.8
Kurt K. Larsen	392,590	-	-	392,590	22.2
Erik B. Pedersen	600,000	-	-	600,000	33.9
Hans Peter Drisdal Hansen	8,360	-	-	8,360	0.5
Kaj Christiansen	59,000	-	-	59,000	3.3
Per Skov	14,400	-	-	14,400	0.8
Total	1,144,120	-	525	1,143,595	64.6

1. Shares sold during the year relate to a transaction with related parties.

NOTE 29 – SEGMENT INFORMATION

Activities (DKKm) 2007

Condensed income statement	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items and elimination	Total
Revenue	22,793	9,060	4,240	-	-	36,093
Intercompany sales	(850)	(215)	(129)	-	-	(1,194)
Revenue	**21,943**	**8,845**	**4,111**	**-**	**-**	**34,899**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	124	33	85	2	-	244
Operating profit before special items (EBITA)	998	691	222	(29)	-	1,882
Special items	-	-	-	-	(28)	(28)
Financials, net	-	-	-	-	(268)	(268)
Profit before tax (EBT)	750	654	141	41	-	1,586
Condensed balance sheet						
Total gross investments	575	155	314	-	-	1,044
Total investments in associates	6	-	1	-	-	7
Total assets	9,969	2,586	3,231	518	-	16,304
Total liabilities	5,485	1,386	1,575	4,209	-	12,655

Geographical information	Europe	North America	Rest of world	Non-allocated items	Total
Revenue	32,087	1,534	1,278	-	34,899
Total intangibles, property, plant and equipment	8,820	35	54	-	8,909

Activities (DKKm) 2008

Condensed income statement	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items and elimination	Total
Revenue	19,806	13,584	5,275	-	-	38,665
Intercompany sales	(819)	(277)	(134)	-	-	(1,230)
Revenue	**18,987**	**13,307**	**5,141**	**-**	**-**	**37,435**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	137	74	140	51	-	402
Operating profit before special items (EBITA)	874	906	212	(56)	-	1,936
Special items	345	(202)	(28)	(37)	-	78
Financials, net	(217)	(140)	(127)	80	-	(404)
Profit (loss) before tax (EBT)	1,002	564	57	(13)	-	1,610
Condensed balance sheet						
Total gross investments	607	5,340	346	226	-	6,519
Total investments in associates	13	3	(9)	-	-	7
Total assets	8,692	11,596	3,104	333	-	23,725
Total liabilities	3,915	6,410	1,470	8,073	-	19,868

Geographical information	Europe	North America	Rest of world	Non-allocated items	Total
Revenue	33,889	1,829	1,717	-	37,435
Total intangibles, property, plant and equipment	13,289	32	208	-	13,529

Segment information and Divisional reviews cannot be reconciled due to elimination of inter-division transactions.

NOTE 30 – POST BALANCE SHEET EVENTS

As mentioned in the Management's review, JL-Fondet, acting through its wholly owned subsidiary Vesterhavet A/S, and DSV A/S have established joint ownership of the majority shareholding in DFDS A/S. A total of 11,083,724 new shares in DSV will be placed directly with JL-Fondet, corresponding to 5.51% of the nominal share capital of DSV. The Supervisory Board of DSV has decided to make the requisite capital increase according to the powers granted in the Articles of Association, however the subscription for the new shares and the subsequent admission of the shares for trading and listing on NASDAQ OMX Copenhagen are subject to approval of the transaction by the competition authorities. The competition authorities are expected to approve the transaction in the second quarter of 2009. When the transaction has been finally approved by the relevant authorities, the shares in Vesterhavet-DSV Holding A/S will become recognised in the consolidated financial statements of DSV using the equity method, that is, in one line in the income statement and in one line under assets.

DSV also plans to carry out a capital increase in 2009, which is expected to generate net proceeds of around DKK 1.5 billion. The capital increase is expected to be carried out as an issue with pre-emptive rights for existing shareholders.

At the end of March 2009, the bridge loan will be converted into a bullet loan which will be repaid in 2010 and 2011.

Other than the above transactions, no material events have occurred after the balance sheet date.

NOTE 31 – ACCOUNTING POLICIES

The 2008 Annual Report of DSV has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union and the supplementary Danish disclosure requirements for annual reports of listed companies, see the disclosure requirements of the NASDAQ OMX Copenhagen stock exchange for annual reports of listed companies and the IFRS Executive Order issued in pursuance of the Danish Financial Statements Act.

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.

Basis for preparation

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

The Annual Report has been prepared under the historical cost convention, with the exception that the following assets and liabilities are measured at fair value: derivatives, financial instruments held for trading and financial instruments classified as available for sale.

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

New accounting regulations

DSV has opted for early adoption of IFRS 8 'Operating Segments' with effect from 1 January 2008. The new financial reporting standard has not influenced recognition and measurement, but has implied additional segment reporting.

The following adopted standards and interpretations entered into force in 2008, but were deemed irrelevant to DSV:

- Revised IAS 39 'Financial Instruments: Recognition and Measurement'
- Revised IFRS 7 'Financial Instruments: Disclosures'
- IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions'

DSV has not implemented the following new or revised standards, which had been adopted, but not entered into force at 31 December 2008:

- IAS 1 'Presentation of Financial Statements'
- IAS 23 'Borrowing Costs'
- IAS 27 'Consolidated and Separate Financial Statements'
- IFRS 2 'Share-based Payment'
- IFRS 3 'Business Combinations'
- IFRICs 12 to 16
- Revised IAS 32 'Financial Instruments: Presentation'
- 'Improvements to International Financial Reporting Standards 2008'
- Revised IAS 27 'Consolidated and Separate Financial Statements'

DSV A/S expects to implement the new accounting standards and interpretations when they become mandatory in 2009 and 2010, respectively.

The implementation of these standards is expected not to result in material changes in recognition and measurement of the amounts of the consolidated Annual Report. In connection with the implementation of IFRS 3 'Business Combinations', DSV expects not to opt for recognition of goodwill related to any minority interests in acquirees. IFRS 3 is expected to influence the financial reporting only to a limited extent as future acquisition costs will be charged to the income statement.

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 to achieve an investment return or other advantages from their activities. Control is obtained through direct or indirect ownership, through exercise of more than 50% of the voting rights or otherwise.

Enterprises not controlled by the Group, but in which the Group has considerable interest, are considered associates. Considerable interest is usually obtained through direct or indirect ownership or exercise of more than 20% of the voting rights, but less than 50%. When assessing whether DSV A/S controls or has a considerable interest in 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 share. 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.

Items of subsidiaries are fully recognised in the consolidated financial statements. Minority interests' share of the profit or loss for the year and equity of subsidiaries that are not wholly-owned are included in the consolidated profit or loss and equity, respectively, but are stated separately.

Business combinations

Recently acquired or established enterprises are recognised in the consolidated financial statements as from the date of acquisition. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal.

The date of acquisition is the date on which DSV A/S or one of its subsidiaries actually obtains control of the acquiree.

The cost of acquirees consists of the fair value of the agreed payment with the addition of costs directly attributable to the acquisition. If parts of the payment are subject to future events, such parts of the payment are recognised in the cost to the extent that the events are probable and it is possible to make a reliable measurement of the payment.

Comparative figures are not adjusted for enterprises recently acquired, divested or wound up.

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 at the date of acquisition. Identifiable intangibles are recognised if they are separable or arise from a contractual right and it is possible to make a reliable measurement of the fair value. Deferred tax is recognised for the revaluation.

Positive differences (goodwill) between the cost of the enterprise and 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 must be carried out before the end of the year of acquisition. On acquisition, goodwill is attributed to the cash-generating 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.

If, at the date of 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 it subsequently turns out that the identifiable assets, liabilities and contingent liabilities had another fair value at the date of 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 only adjusted due to changes in estimated contingent purchase consideration unless a material error has occurred. Subsequent realisation of the deferred tax assets of the acquiree not recognised at the date of acquisition entails recognition of the tax advantage in the income statement and simultaneous reduction of the carrying amount of goodwill

NOTE 31, CONTINUED – ACCOUNTING POLICIES

to the amount that would have been recognised had the deferred tax asset been recognised as an identifiable asset at the date of acquisition.

Gains or losses on disposal or winding up of subsidiaries and associates are stated as the difference between the selling price or winding up loss and the carrying amount of the net assets, including goodwill, at the date of disposal as well as selling or winding up costs.

Acquisition of minority interests

On acquisition of minority interests (that is, acquisitions made when the Group has obtained a controlling interest), the net assets taken over will not be revalued to market value. The difference between cost and the carrying amount of minority interests at the date of acquisition is recognised as goodwill.

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 rate ruling at the transaction date. Exchange differences between the exchange rates at the transaction date and the date of payment are recognised in the income statement under financials.

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

On recognition in the consolidated financial statements of foreign enterprises whose functional currency differs from the presentation currency of DSV, the income statements are translated at the exchange rate ruling at the transaction date, and the balance sheet items are translated at the exchange rate ruling at the balance sheet 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 rates 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 rate ruling at the balance sheet date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rate ruling at the balance sheet date are recognised directly in equity as a separate foreign currency translation reserve.

Foreign currency adjustments of intra-Group balances with foreign enterprises considered part of the total net investment in the enterprise, which has a functional currency other than Danish kroner, are recognised directly in equity in the consolidated financial statements as a separate foreign currency translation reserve. Similarly, 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 equity 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, its share of the net 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 balance sheet 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 balance sheet date and on translation of its share of the net profit for the year from the average exchange rates to the exchange rates ruling at the balance sheet date are recognised directly in equity as a separate foreign currency translation reserve.

On full or partial disposal of foreign entities or repayment of balances considered part of the net investment, the share of the accumulated foreign currency translation adjustments recognised in equity and attributable to equity is recognised in the income statement simultaneously with any gains or losses from the disposal.

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 set off 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 pricing 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. Hedging of future cash flows pursuant to contract, except for hedging of foreign currency risks, is treated as a fair value hedge of a recognised asset or liability.

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 equity as a separate hedging reserve. When a hedged transaction is carried out, any gains or losses are transferred from equity and recognised in the same item as the hedged item. In connection with hedging of proceeds from future borrowings, 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 fulfilling the criteria for treatment as hedge instruments are recognised on a continuing 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 the revenue. Revenue is measured exclusive of VAT and other taxes 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 airline companies, 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 comprise 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.

Financials

Financials include interest, exchange 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 net profit or loss for the year is recognised in the income statement, and the share attributable to entries directly under equity is recognised directly in equity.

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 in tax on net profit for the year. If the total tax allowance exceeds the total accounting costs, the tax effect of the excess tax allowance is, however, recognised directly in equity.

NOTE 31, CONTINUED – ACCOUNTING POLICIES

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 at the date of acquisition. Determination of cash-generating units follows the management structure and internal management control. Such determination is generally made at division level, that is, Road, Air & Sea 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.

IT SOFTWARE

IT software bought or developed for internal use is measured at cost less accumulated amortisation and impairment losses or recoverable amount, if lower.

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

After its entry into service, IT software is amortised on a straight-line basis over its estimated useful life. The amortisation period is 1-6 years.

Gains or losses from the disposal of IT software are calculated as the difference between the selling price less selling costs 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, machinery, and 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 restoration costs are added to cost if such costs are recognised as a liability. If the individual parts of an asset have different useful lives, each part 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 amounts of the replaced parts are 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 the asset and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and revised 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 selling costs 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 selling costs. 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 selling costs 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.

Impairment of non-current assets

Goodwill is tested for impairment once a year, the first time before the end of the year of acquisition. Ongoing development projects are also tested for impairment annually.

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.

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

The carrying amounts of other non-current assets are assessed once a year to determine whether there is an indication of impairment. If so, their recoverable amounts are calculated. The recoverable amount is the higher of the fair value of the asset less the expected disposal costs 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 cannot be 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 the 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). Expected dividends 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.

NOTE 31, CONTINUED – ACCOUNTING POLICIES

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 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 the net investment or part thereof, the foreign currency translation adjustments will be recognised in the income statement.

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

The value of the services provided by the employees in return for 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 acquire. The estimated number of options is adjusted subsequently to reflect the actual number of options vested.

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.

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 payables.

As regards defined benefit plans, an actuarial valuation of the value in use of future benefits payable under the plan is made once a year. The value in use is calculated on the basis of the assumptions of future development in wage/salary level, interest rates, inflation, mortality, etc. The value in use is only calculated for benefits to which the employees have become entitled during their employment with the Group. The calculated actuarial 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 liabilities and the realised values are referred to as actuarial gains or losses and are recognised directly in equity.

Changes in the benefits payable for employees' past services to the enterprise will result in an adjustment of the actuarial value in use, which is classified as past service cost. 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 will only be 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 of previous years and for prepaid tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts 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 tax 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 set off 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 at the balance sheet date under current legislation when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Provisions
Provisions are recognised when, due to an event occurring on or before the balance sheet 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 amount at which it expects to be able to settle 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 balance sheet date and communicated to the parties affected by the plan. In connection with the acquisition of enterprises, provisions for 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 the proceeds received net of transaction expenses incurred. 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 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 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 of assets under finance leases and the corresponding obligations in financial statements is described in the sections on '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.

NOTE 31, CONTINUED – ACCOUNTING POLICIES

Deferred income
Deferred income 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 from 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 bank deposits.

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.

Adjusted free cash flow
The free cash flow adjusted for the acquisition and divestment of enterprises and for normalisation of net working capital.

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

Invested capital including goodwill and customer relationships
The sum of the net working capital with the addition of property, plant and equipment, intangibles exclusive of goodwill and customer relationships and the acquisition cost of goodwill and customer relationships less provisions, other non-current operating liabilities, writedown for impairment losses on goodwill and customer relationships and negative goodwill.

Contribution ratio
Contribution margin 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.

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 net profit for the year before tax.

Return on equity
The DSV A/S shareholders' share of the net 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.

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

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

Adjusted profit
The DSV A/S shareholders' share of net 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.

Net asset value per share
Equity exclusive of minority interests divided by the number of shares at year-end.

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

Number of shares issued at year-end
The total number of shares issued and outstanding at year-end, inclusive of treasury shares.

Average number of shares
Average number of shares outstanding during the year, exclusive of treasury shares.

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

The financial ratios have been calculated in accordance with "Recommendations & Financial Ratios 2005" published by the Danish Society of Financial Analysts.

Group structure

The overview of the Group structure shows active companies at 31 December 2008 by segment and not by legal structure.

GROUP STRUCTURE

			Division		
	Country	Ownership	Road	Air & Sea	Solutions
Parent					
DSV A/S	Denmark	-			
Subsidiaries					
Europe					
ABX LOGISTICS Air & Sea Worldwide NV/SA	Belgium	100.0		x	
ABX LOGISTICS Worldwide NV/SA	Belgium	100.0		x	
ABX Worldwide Holdings NV/SA	Belgium	100.0		x	
DSV Air & Sea NV	Belgium	100.0		x	
DSV Road NV	Belgium	100.0	x		
DSV Solutions (Automotive) NV	Belgium	100.0			x
DSV Solutions NV	Belgium	100.0			x
DSV Solutions Puurs NV	Belgium	100.0			x
Corsa Logistics O.o.d.	Bulgaria	85.0	x		
Vectra O.o.d.	Bulgaria	75.0	x		
DSV Air & Sea A/S	Denmark	100.0		x	
DSV Air & Sea Holding A/S	Denmark	100.0		x	
DSV Road A/S	Denmark	100.0	x		
DSV Road Holding A/S	Denmark	100.0	x		
DSV Solutions A/S	Denmark	100.0			x
DSV Solutions Holding A/S	Denmark	100.0			x
DSV Solutions Holding Nordic A/S	Denmark	100.0			x
DSV Transport AS	Estonia	100.0	x		
DSV Air & Sea Oy	Finland	100.0		x	
DSV Domestic Oy	Finland	100.0	x		
DSV Road Oy	Finland	100.0	x		
DSV Solutions Oy	Finland	100.0			x
Kiinteistö Oy Vantaan Ansatie 4	Finland	100.0			x
Termoline Oy	Finland	100.0	x		
Uudenmaan Pikakuljetus Oy	Finland	100.0	x		
ABX LOGISTICS Air & Sea (France) SAS	France	100.0		x	
ABX LOGISTICS Eurocargo (France) SAS	France	100.0	x		
AIT SAS	France	100.0	x		
DSV Road Holding S.A.	France	100.0	x		
DSV S.A.	France	100.0	x		
DSV Solutions S.A.	France	100.0			x
Frans Maas Holding France S.A.	France	100.0	x		
ING Reeif Wattrelos	France	100.0	x		
DSV HELLAS S.A.	Greece	100.0	x		
ABX LOGISTICS (Nederland) B.V.	The Netherlands	100.0		x	
DSV Air & Sea B.V.	The Netherlands	100.0		x	
DSV Road B.V.	The Netherlands	100.0	x		
DSV Road Holding NV	The Netherlands	100.0	x		
DSV Solutions (Dordrecht) B.V.	The Netherlands	100.0			x
DSV Solutions (Moerdijk) B.V.	The Netherlands	100.0			x
DSV Solutions (Schiphol-Rijk) B.V.	The Netherlands	100.0			x
DSV Solutions (Venray) B.V.	The Netherlands	100.0			x
DSV Solutions 2 B.V.	The Netherlands	100.0			x
DSV Solutions B.V.	The Netherlands	100.0			x
DSV Solutions Nederland B.V.	The Netherlands	100.0			x
Frans Maas International B.V.	The Netherlands	100.0	x		
Vastgoed Oostrum C.V.	The Netherlands	100.0			x
VTS Beheer B.V.	The Netherlands	100.0			x
DSV Transport Ltd.	Belarus	50.0	x		
FBEU ABX LOGISTICS	Belarus	100.0	x		
ABX LOGISTICS (Ireland) Ltd.	Ireland	100.0		x	
DSV Air & Sea Limited	Ireland	100.0		x	
DSV Road Limited	Ireland	100.0	x		
DSV Solutions Ltd.	Ireland	100.0			x
Frans Maas Holding Ireland Ltd	Ireland	100.0	x		
Groupex Freight Services Limited	Ireland	100.0		x	
ABX Italy S.r.L.	Italy	100.0		x	
DSV Air & Sea S.r.L.	Italy	100.0		x	
DSV Road S.p.A.	Italy	100.0	x		
DSV Solutions S.r.L.	Italy	100.0			x
Logimek S.r.L.	Italy	100.0			x
MGM Lines S.r.L.	Italy	51.0		x	
Saima Avandero S.p.A.	Italy	99.1		x	
Saima Servizi S.r.L.	Italy	100.0	x		
DSV Hrvatska d.o.o.	Croatia	100.0	x		
DSV Transport SIA	Latvia	100.0	x		
DSV Transport UAB	Lithuania	100.0	x		
DSV Road S.A.	Luxemburg	100.0	x		
XB Luxembourg Holdings 1 SA	Luxemburg	100.0		x	
XB Luxembourg Holdings 2 SARL	Luxemburg	100.0		x	
Campbell Freight Agencies Limited	Northern Ireland	100.0		x	
DSV Air & Sea AS	Norway	100.0		x	
DSV Road AS	Norway	100.0	x		

GROUP STRUCTURE

			Division		
	Country	Ownership	Road	Air & Sea	Solutions
DSV Solutions AS	Norway	100.0			x
Sandtorp Thermotransport AS	Norway	100.0	x		
Unicargo AS	Norway	100.0	x		
Waagan Bil AS	Norway	100.0	x		
Waagan Transport AS	Norway	100.0	x		
ABX LOGISTICS (Poland) Sp. z.o.o.	Poland	100.0		x	
DSV Air & Sea Sp. z o.o.	Poland	100.0		x	
DSV Road Sp. z.o.o.	Poland	100.0	x		
DSV Solutions Sp. z.o.o.	Poland	100.0			x
Frans Maas Polska Sp. z.o.o.	Poland	100.0			x
ABX LOGISTICS (Portugal) – Logistica de Transportes Lda	Portugal	100.0	x		
DSV SGPS, Lda.	Portugal	100.0	x		
DSV Solutions, Lda.	Portugal	100.0	x		
DSV Transitarios, Lda.	Portugal	100.0	x		
DSV Solutions S.r.L.	Romania	100.0			x
DFDS Transport (Moscow) OOO	Russia	100.0	x		
DFDS Transport (Kaliningrad) OOO	Russia	100.0	x		
DSV Road OOO	Russia	100.0	x		
DSV Solutions OOO	Russia	100.0			x
Frans Maas Logistics Sheremetyevo OOO	Russia	100.0			x
OOO ABX LOGISTICS	Russia	100.0	x		
OOO DSV Transport	Russia	100.0	x		
RusTransService OOO	Russia	90.0	x		
ABX LOGISTICS / Saima S.A.	Switzerland	100.0	x		
DSV Road d.o.o.	Serbia	100.0	x		
DSV Slovakia S.R.O.	Slovakia	100.0	x		
DSV Transport d.o.o.	Slovenia	100.0	x		
ABX LOGISTICS (España) SA	Spain	100.0	x		
DSV Air & Sea S.A.U	Spain	100.0		x	
DSV Holding S.L.	Spain	100.0	x		
DSV Road S.A.U	Spain	100.0	x		
DSV Solutions S.A.U	Spain	100.0	x		
ABX LOGISTICS (Basildon) Ltd.	Great Britain	100.0	x		
ABX LOGISTICS (UK) Ltd.	Great Britain	100.0	x		
DSV Air & Sea Limited	Great Britain	100.0		x	
DSV Commercials Ltd.	Great Britain	100.0	x		
DSV Road Holding Ltd.	Great Britain	100.0	x		
DSV Road Ltd.	Great Britain	100.0	x		
DSV Solutions Ltd.	Great Britain	100.0			x
Frans Maas UK Ltd.	Great Britain	100.0	x		
Furness Logistics UK Ltd.	Great Britain	100.0	x		
Roadferry Ltd.	Great Britain	100.0	x		
Roadferry Transport (Ireland) Ltd.	Great Britain	100.0	x		
Roadferry Transport Ltd.	Great Britain	100.0	x		
DFDS Transport Group AB	Sweden	100.0	x		
DSV Air & Sea AB	Sweden	100.0		x	
DSV Road AB	Sweden	100.0	x		
DSV Samson Transport AB	Sweden	100.0	x		
DSV Solutions AB	Sweden	100.0			x
Göinge Frakt EK	Sweden	100.0	x		
NTS European Distribution AB	Sweden	100.0	x		
DSV Air & Sea s.r.o.	Czech Republic	100.0		x	
DSV Road a.s.	Czech Republic	100.0	x		
ABX LOGISTICS Taçimalcilik Ve Ticaret AS	Turkey	100.0	x		
DSV Air & Sea A.S.	Turkey	100.0		x	
DSV Road & Solutions A.S.	Turkey	97.5	x		
ABX LOGISTICS (Deutschland) GmbH	Germany	100.0	x		
ABX LOGISTICS Air & Sea (Deutschland) GmbH	Germany	100.0		x	
ABX Transport & Logistics GmbH	Germany	100.0	x		
Administration & Accounting Service GmbH	Germany	100.0	x		
Collico Verpackungslogistik und Service GmbH	Germany	100.0	x		
DSV Air & Sea GmbH	Germany	100.0		x	
DSV Road GmbH	Germany	100.0	x		
DSV Solutions GmbH	Germany	100.0			x
DSV Solutions Group GmbH	Germany	100.0			x
DSV Stuttgart GmbH & Co. KG	Germany	100.0			x
FMG Immobilien GmbH	Germany	100.0	x		
Jolkos Grundstücksverwaltungsgesellschaft mbH	Germany	94.0	x		
POP Gesellschaft für Prozesslogistik mbH	Germany	100.0			x
DSV Ukraine	Ukraine	100.0	x		
LLC ABX LOGISTICS	Ukraine	100.0	x		
DSV Air & Sea (Hungary) Ltd.	Hungary	100.0		x	
DSV Hungaria Kft.	Hungary	100.0	x		
ABX LOGISTICS (Austria) GmbH	Austria	100.0	x		
DSV Österreich Spedition GmbH	Austria	100.0	x		
North America					
ABX LOGISTICS (Canada) Inc.	Canada	100.0		x	
DSV Air & Sea Inc.	Canada	100.0		x	
ABX LOGISTICS (USA) Inc.	USA	100.0		x	
DFDS International Corporation	USA	100.0		x	
DSV Air & Sea Inc.	USA	100.0		x	

GROUP STRUCTURE

	Country	Ownership	Division		
			Road	Air & Sea	Solutions
South America					
ABX LOGISTICS (Argentina) SA	Argentina	100.0		x	
ABX LOGISTICS (Chile) SA	Chile	100.0		x	
ABX LOGISTICS (Mexico) SA de CV	Mexico	100.0		x	
ABX LOGISTICS (Venezuela) CA	Venezuela	100.0		x	
Asia					
ABX LOGISTICS (Bangladesh) Ltd.	Bangladesh	87.5		x	
DSV Air & Sea Ltd.	Bangladesh	100.0		x	
DSV Air & Sea (LLC)	United Arab Emirates	100.0		x	
ABX PAN GLOBE LOGISTICS Inc.	The Philippines	92.6		x	
DSV Air & Sea Inc.	The Philippines	100.0		x	
ABX LOGISTICS (Hong Kong) Ltd.	Hong Kong	100.0		x	
DSV Air & Sea Ltd.	Hong Kong	100.0		x	
Saima Avandero Hongkong Ltd.	Hong Kong	100.0		x	
THL Container Line Ltd.	Hong Kong	100.0		x	
DSV Air & Sea Pvt. Ltd.	India	100.0		x	
PT. DSV Air & Sea	Indonesia	100.0		x	
DSV Air & Sea Co., Ltd.	Japan	75.9		x	
ABX LOGISTICS (China) Co. Ltd.	China	100.0		x	
ABX LOGISTICS (Shenzhen) Co. Ltd.	China	100.0		x	
DSV Air & Sea Co., Ltd.	China	100.0		x	
DSV Logistics Co., Ltd.	China	100.0		x	
DSV Air & Sea Ltd.	Korea	75.0		x	
ABX LOGISTICS (Malaysia) SDN BHD	Malaysia	100.0		x	
DSV Air & Sea Sdn Bhd	Malaysia	100.0		x	
DSV Logistics Sdn. Bhd.	Malaysia	70.0		x	
ABX LOGISTICS Singapore PTE LTD	Singapore	100.0		x	
DSV Air & Sea Pte. Ltd.	Singapore	100.0		x	
ABX LOGISTICS (Taiwan) Ltd.	Taiwan	100.0		x	
DSV Air & Sea Co. Ltd.	Taiwan	100.0		x	
ABX Holding (Thailand) Co.Ltd.	Thailand	100.0		x	
ABX LOGISTICS (Thailand) Ltd.	Thailand	99.6		x	
DSV Air & Sea Ltd.	Thailand	100.0		x	
DSV Air & Sea Co., Ltd.	Vietnam	100.0		x	
Other					
ABX LOGISTICS (Australia) Pty. Ltd.	Australia	100.0		x	
DSV Air & Sea Pty. Ltd.	Australia	100.0		x	
Three Times Ltd.	Australia	100.0		x	
DSV Transport Int'l S.A	Morocco	100.0	x		
Terminal Handling Company	Morocco	100.0	x		
DSV Air & Sea Limited	New Zealand	100.0		x	
Nationwide Clearing & Forwarding Ltd.	Nigeria	40.0		x	
Saima Nigeria Ltd.	Nigeria	40.1		x	
Associates					
ABX-Penske Air & Sea Logistica Ltda	Brazil	50.0		x	
ABX LOGISTICS (Egypt) LLC	Egypt	20.0		x	
DDT Brokerage Inc.	The Philippines	100.0		x	
GT Stevedores Oy	Finland	20.0	x		
FRANCE AIR GROUPAGE SA	France	49.6		x	
Auxilia Zorglogistiek B.V.	The Netherlands	33.0			x
Saima Caspian LLP FE	Kazakhstan	50.0		x	
DSV Air & Sea (PVT) Limited	Pakistan	20.0		x	
Amm GmbH & Co KG Spedition	Germany	44.0	x		
Euroline System GmbH	Germany	50.0	x		
FCL Logistik GmbH & Co KG	Germany	25.0		x	
FCL Logistik Verwaltungs-GmbH	Germany	25.0		x	
Fritz Amm GmbH Beteiligungsgesellschaft	Germany	44.0	x		
KM Logistik GmbH	Germany	35.0	x		
Nellen & Quack International GmbH & Co KG	Germany	49.0	x		
Nellen & Quack International Verwaltungs GmbH	Germany	49.0	x		
ABX Honold Air & Sea (Verwaltungs) GmbH & Co KG	Germany	50.0		x	
ABX Honold Air & Sea GmbH	Germany	50.0		x	

According to agreement, control of DDT Brokerage Inc. has been transferred to a third party, for which reason the company is treated as an associate.

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2008 Annual Report of DSV A/S – Parent

The Annual Report of DSV A/S (Parent) is an integral part of the 2008 Consolidated Annual Report of DSV

2008 ANNUAL REPORT OF DSV A/S – PARENT

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INCOME STATEMENT			
(DKKm)	Note	2007	2008
Revenue	*2*	–	342
Direct costs		–	–
Contribution margin		–	342
Other external expenses	*3*	11	215
Staff costs	*4, 5*	2	108
Operating profit before amortisation, depreciation and special items (EBITDA)		(13)	19
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	*6*	(4)	47
Operating profit before special items (EBITA)		(9)	(28)
Special items	*7*	(1)	(43)
Operating profit (EBIT)		(10)	(71)
Financial income	*8*	861	446
Financial expenses	*9*	183	360
Profit before tax		668	15
Tax on profit for the year	*10*	15	1
Net profit for the year		**653**	**14**
Proposed distribution of net profit			
Proposed dividend per share of DKK 1 is DKK 0.00 (2007: DKK 0.25 per share).		50	–
Retained earnings		603	14
Total distribution		**653**	**14**

STATEMENT OF RECOGNISED INCOME AND EXPENSE		
(DKKm)	2007	2008
Value adjustment of hedging instruments	18	(216)
Value adjustment of hedging instruments transferred to financial expenses	(3)	–
Tax on changes in equity	(4)	54
Net income recognised directly in equity	11	(162)
Net profit for the year	653	14
Total statement of recognised income and expense	**664**	**(148)**

The Company has no minority interests.

BALANCE SHEET, ASSETS			
(DKKm)	Note	2007	2008
Non-current assets			
Intangibles	*11*	–	364
Property, plant and equipment	*12*	–	18
Investments in Group enterprises	*13*	2,808	2,833
Other receivables	*14*	21	8
Deferred tax asset	*15*	1	20
Total non-current assets		2,830	3,243
Current assets			
Receivables from Group enterprises and other receivables	*16*	4,774	10,832
Corporation tax		–	32
Cash		–	4
Total current assets		4,774	10,868
Total assets		7,604	14,111

BALANCE SHEET, LIABILITIES			
(DKKm)	Note	2007	2008
Equity			
Share capital		202	190
Reserves		3,106	2,482
Total equity	*17*	3,308	2,672
Liabilities			
Non-current liabilities			
Financial liabilities	*18*	4,141	6,101
Total non-current liabilities		4,141	6,101
Current liabilities			
Financial liabilities	*18*	–	1,503
Short-term bank loans		–	288
Corporation tax		12	–
Payables to Group enterprises and other payables	*19*	143	3,547
Total current liabilities		155	5,338
Total liabilities		4,296	11,439
Total equity and liabilities		7,604	14,111

CASH FLOW STATEMENT			
(DKKm)	Note	2007	2008
Profit before tax		668	15
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses	*6*	(4)	47
Financial income	*8*	(861)	(446)
Financial expenses	*9*	183	360
Cash flow from operating activities before changes in net working capital		(14)	(24)
Changes in net working capital		8	(2.894)
Financial income, paid		844	446
Financial expenses, paid		(139)	(332)
Cash flow from ordinary activities		699	(2.804)
Corporation tax, paid		32	(13)
Cash flow from operating activities		**731**	**(2.817)**
Sale of property, plant and equipment		4	-
Additions of intangibles		-	(406)
Additions of property, plant and equipment		-	(23)
Acquisition of subsidiaries and activities		-	(25)
Change in other financial assets		11	14
Cash flow from investing activities		**15**	**(440)**
Free cash flow		**746**	**(3.257)**
Raising of loans and credits		400	3.751
Repayments on loans and credits		(6)	-
Shareholders:			
Dividends distributed		(50)	(50)
Share buy-backs		(1.090)	(440)
Cash flow from financing activities		(746)	3.261
Net cash flow		**-**	**4**
Cash at 1 January		-	-
Cash at 31 December		**-**	**4**

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

NOTE 1 – SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and assessments 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 those estimates.

Management deems the following estimates and the pertaining assessments to be essential 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 is no such indication at 31 December 2008, and therefore investments in subsidiaries have not been tested for impairment.

NOTE 2 – REVENUE

(DKKm)	2007	2008
Group charges	–	342
Total revenue	**–**	**342**

NOTE 3 – FEES TO AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

(DKKm)	2007	2008
Audit, auditors elected by the Annual General Meeting [1]	1.0	1.9
Other services, auditors elected by the Annual General Meeting [1]	0.1	0.2
Total fees to auditors elected by the Annual General Meeting	1.1	2.1
Others, audit	0.4	–
Others, total fees	**0.4**	**–**
Total fees	**1.5**	**2.1**

1. Auditors elected by the Annual General Meeting 2008: Ernst & Young (2007: KPMG).

Fees to auditors elected by the Annual General Meeting are included under 'Other external expenses' in the income statement.

NOTE 4 – STAFF COSTS

(DKKm)	2007	2008
Remuneration for the Supervisory Board	2	2
Salaries etc.	–	98
Defined contribution pension plans	–	8
Total staff costs	**2**	**108**
Average number of employees	–	189

Remuneration for the Executive Board	Kurt K. Larsen [2]		Jens Bjørn Andersen [3]		Jens H. Lund		Total	
(DKKm)	2007	2008	2007	2008	2007	2008	2007	2008
Fixed salary	2.3	1.3	–	1.8	2.2	2.5	4.5	5.6
Defined contribution pension plans	3.0	1.7	–	–	0.2	0.2	3.2	1.9
Bonus [1]	3.0	10.5	–	1.5	1.0	1.0	4.0	13.0
Share-based payments	0.8	1.5	–	0.7	0.5	0.9	1.3	3.1
Total remuneration for the Executive Board	**9.1**	**15.0**	**–**	**4.0**	**3.9**	**4.6**	**13.0**	**23.6**

1. The 2008 bonus amount relating to Kurt K. Larsen includes ordinary bonus, a bonus for the acquisition of ABX LOGISTICS and a stay-on bonus.
2. Kurt Larsen resigned as CEO on 1 August 2008.
3. Jens Bjørn Andersen was appointed CEO as from 1 August 2008.

The members of the Executive Board are subject to a notice period of up to 18 months.

For information on the exercise of share options by the Executive Board, please refer to note 5 of the consolidated financial statements.

NOTE 4, CONTINUED – STAFF COSTS

Remuneration for the Supervisory Board of the Parent (DKK'000)	2007	2008
Kurt K. Larsen, Chairman (elected 2008)	–	312
Palle Flackeberg, Chairman (resigned 2008)	750	438
Erik B. Pedersen, Deputy Chairman	375	375
Kaj Christiansen	250	250
Hans Peter Drisdal Hansen	250	250
Egon Korsbæk (resigned 2008)	250	250
Per Skov	250	250
Leif Tullberg (resigned 2007)	146	–
Total remuneration for the Supervisory Board of the Parent	2,271	2,125

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 5 of the consolidated financial statements.

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

(DKKm)	2007	2008
Amortisation and depreciation		
Software	–	42
Other plant and operating equipment	–	10
Net gain on sale of assets	(4)	(5)
Total amortisation and depreciation of intangibles, property, plant and equipment	(4)	47

NOTE 7 – SPECIAL ITEMS

(DKKm)	2007	2008
Restructuring costs	–	(43)
Profit on divestment of activities and enterprises including adjustments relating to previous years	(1)	–
Total special items, net	(1)	(43)

Restructuring costs mainly relate to termination benefits and impairment of IT equipment.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2007	2008
Interest income	32	11
Interest income from Group enterprises	238	435
Foreign currency translation adjustments, net	1	–
Dividends from subsidiaries	590	–
Total financial income	861	446

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2007	2008
Interest expenses	181	252
Foreign currency translation adjustments, net	–	26
Interest expenses for Group enterprises	2	82
Total financial expenses	183	360

NOTE 10 – TAX

(DKKm)	2007	2008
The tax for the year is disaggregated as follows:		
Tax on profit for the year	15	1
Tax on changes in equity	4	(54)
Total tax for the year	**19**	**(53)**
The tax on profit for the year is calculated as follows:		
Current tax	15	23
Deferred tax	-	(19)
Adjustment of tax relating to previous years	-	(3)
Total tax on profit for the year	**15**	**1**
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	167	4
Tax effect of:		
Non-taxable dividends	(152)	-
Adjustment of tax relating to previous years	-	(3)
Total tax on profit for the year	**15**	**1**
Effective tax rate	2.2%	6.7%

NOTE 11 – INTANGIBLES

(DKKm)	IT software	Intangibles in progress	Total
Cost at 1 January 2007	-	-	-
Additions relating to acquisition of enterprises	-	-	-
Additions for the year	-	-	-
Disposals at cost	-	-	-
Reclassification	-	-	-
Foreign currency translation adjustments	-	-	-
Total cost at 31 December 2007	**-**	**-**	**-**
Total amortisation and impairment at 1 January 2007	-	-	-
Amortisation for the year	-	-	-
Amortisation of intangibles disposed of	-	-	-
Reclassification	-	-	-
Total amortisation and impairment at 31 December 2007	**-**	**-**	**-**
Carrying amount at 31 December 2007	**-**	**-**	**-**
Of which, assets under finance leases	-	-	-
Cost at 1 January 2008	-	-	-
Additions for the year	286	126	412
Disposals at cost	(28)	(1)	(29)
Total cost at 31 December 2008	**258**	**125**	**383**
Total amortisation and impairment at 1 January 2008	-	-	-
Amortisation for the year	42	-	42
Amortisation of intangibles disposed of	(23)	-	(23)
Total amortisation and impairment at 31 December 2008	**19**	**-**	**19**
Carrying amount at 31 December 2008	**239**	**125**	**364**
Of which, assets under finance leases	26	-	26

All intangibles are deemed to have limited useful lives.

Impairment test of intangibles in progress
Intangibles in progress have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2008.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Other plant and operating equipment	Total
Cost at 1 January 2007	–	
Additions for the year	–	–
Total cost at 31 December 2007	**–**	**–**
Total depreciation and impairment at 1 January 2007	–	–
Depreciation for the year	–	–
Total depreciation and impairment at 31 December 2007	**–**	**–**
Carrying amount at 31 December 2007	**–**	**–**
Of which, assets under finance leases	–	–
Cost at 1 January 2008	–	–
Additions for the year	28	28
Disposals at cost	(2)	(2)
Total cost at 31 December 2008	**26**	**26**
Total depreciation and impairment at 1 January 2008	–	–
Depreciation for the year	10	10
Depreciation of assets disposed of	(2)	(2)
Total depreciation and impairment at 31 December 2008	**8**	**8**
Carrying amount at 31 December 2008	**18**	**18**
Of which, assets under finance leases	–	–

No changes in the significant estimates have been made in respect of property, plant and equipment.

NOTE 13 – INVESTMENTS IN GROUP ENTERPRISES

(DKKm)	2007	2008
Cost at 1 January	2,817	2,817
Additions for the year	–	25
Cost at 31 December	**2,817**	**2,842**
Impairment at 1 January	9	9
Impairment at 31 December	**9**	**9**
Carrying amount at 31 December	**2,808**	**2,833**

	Ownership share 2007	Ownership share 2008	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%	Brøndby, Denmark	25

DSV Insurance A/S was incorporated in 2008.

NOTE 14 – OTHER RECEIVABLES

(DKKm)	2007	2008
Other receivables	21	8
Other receivables at 31 December	**21**	**8**

Other receivables mainly relate to loans granted. The term of the loans is five years, and they will be fully repaid in 2011. The carrying amount of the loans is deemed to correspond to the fair value.

NOTE 15 – DEFERRED TAX

(DKKm)	2007	2008
Deferred tax at 1 January	(1)	(1)
Deferred tax for the year	-	(19)
Deferred tax at 31 December	**(1)**	**(20)**
Deferred tax asset		
Intangibles	-	(60)
Current assets	-	69
Provisions	1	11
Deferred tax asset	**1**	**20**
Breakdown of deferred tax		
Deferred tax asset	1	20
Deferred tax at 31 December	**1**	**20**

NOTE 16 – RECEIVABLES FROM GROUP ENTERPRISES AND OTHER RECEIVABLES

(DKKm)	2007	2008
Receivables from Group enterprises	4,713	10,559
Fair value of derivative financial instruments	52	204
Other receivables etc.	9	69
Receivables from Group enterprises and other receivables at 31 December	**4,774**	**10,832**

The carrying amount of the receivables is deemed to correspond to the fair value.

NOTE 17 – EQUITY

(DKKm)	2007	2008
Share capital		
Development in share capital:		
Beginning of year	40.3	201.5
Issue of bonus shares	161.2	-
Capital reduction	-	(11.3)
Year-end	**201.5**	**190.2**

At the Annual General Meeting on 30 April 2008, shareholders resolved to reduce the share capital by a nominal amount of DKK 11,350,000 through the cancellation of 11,350,000 treasury shares. Following the reduction, the share capital of DSV had a nominal value of DKK 190,150,000, corresponding to 190,150,000 shares with a face value of DKK 1. No share confers any special rights upon its holder. No restrictions have been imposed on the negotiability of the shares or on voting rights.

Statement of changes in equity – 2007

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2007	40	18	3,671	50	3,779
Recognised income and expense for the year	-	11	603	50	664
Dividends distributed	-	-	-	(50)	(50)
Purchase and sale of treasury shares, net [1]	-	-	(1,085)	-	(1,085)
Issue of bonus shares	162	-	(162)	-	-
Dividends on treasury shares	-	-	-	-	-
Total changes in equity in 2007	**162**	**11**	**(644)**	**-**	**(471)**
Equity at 31 December 2007	**202**	**29**	**3,027**	**50**	**3,308**

NOTE 17, CONTINUED – EQUITY

Statement of changes in equity – 2008

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2008	202	29	3,027	50	3,308
Recognised income and expense for the year	-	(162)	14	-	(148)
Dividends distributed	-	-	-	(50)	(50)
Purchase and sale of treasury shares, net [1]	-	-	(440)	-	(440)
Capital reduction	(12)	-	12	-	-
Dividends on treasury shares	-	-	2	-	2
Total changes in equity in 2008	**(12)**	**(162)**	**(412)**	**(50)**	**(636)**
Equity at 31 December 2008	**190**	**(133)**	**2,615**	**-**	**2,672**

Treasury shares	Shares of DKK 1		Nominal value		% of share capital	
	2007	2008	2007	2008	2007	2008
Beginning of year	261,520	9,117,727	261,520	9,117,727	0.1	4.5
Purchases	10,478,677	5,511,200	10,478,677	5,511,200	5.2	2.9
Sales	(1,622,470)	(1,501,000)	(1,622,470)	(1,501,000)	-0.8	-0.8
Capital reduction	-	(11,350,000)	-	(11,350,000)	-	-5.5
Treasury shares at year-end	**9,117,727**	**1,777,927**	**9,117,727**	**1,777,927**	**4.5**	**1.1**

1. Sales of treasury shares relate to the exercise of share options in connection with incentive programmes.

By authority of the Annual General Meeting, DSV A/S may buy a maximum of 19,015,000 treasury shares, equalling 10% of the share capital, until 30 October 2009.

Treasury shares are bought back to hedge the Company's incentive programmes. The market value of treasury shares at 31 December 2008 was DKK 100.5 million (2007: DKK 1,019 million).

Dividends

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.
Distribution is not subject to any particular restrictions.
The dividend per share of DKK 1 is DKK 0.00 (2007: DKK 0.25 per share).

Hedging reserve

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

Reserve for securities available for sale

The reserve for securities available for sale comprises fair value adjustments of securities available for sale. The reserve amounted to DKK 0 million at 31 December 2008 (2007: DKK 0 million), for which reason it is not shown in the above statement of changes in equity.

NOTE 18 – FINANCIAL LIABILITIES

(DKKm)	2007	2008
Loans and credit facilities	4,141	7,604
Total financial liabilities	**4,141**	**7,604**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	4,141	6,101
Current liabilities	-	1,503
Financial liabilities at 31 December	**4,141**	**7,604**

Loans and credit facilities	Expiry	Fixed/floating	Carrying amount	
(DKKm)			2007	2008
Bank loans DKK	2012-2014	Floating	2,750	2,161
Bank loans EUR	2013	Floating	1,391	5,443
Loans and credit facilities at 31 December			**4,141**	**7,604**

Bank loans are subject to standard trade covenants. All covenants have been observed during the year.
The fair value of loans and credit facilities was DKK 7,604 million (2007: DKK 4,141 million).
The weighted average effective interest rate was 4.6% (2007: 5.1%).

NOTE 18, CONTINUED – FINANCIAL LIABILITIES

The loans and credit facilities fall due within the following time frames after the balance sheet date:	2007	2008
0-1 year	–	1,503
1-5 years	600	5,051
> 5 years	3,541	1,050
Total loans and credit facilities	4,141	7,604

NOTE 19 – TRADE AND OTHER PAYABLES

(DKKm)	2007	2008
Payables to Group enterprises	86	3,017
Other payables	57	530
Trade and other payables at 31 December	143	3,547

The fair value of trade and other payables equals the carrying amount.

NOTE 20 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES AND OTHER FINANCIAL LIABILITIES ETC.

(DKKm)	2007	2008
Other financial liabilities		
DSV A/S has guaranteed for subsidiaries' bank commitments and subsidiaries' liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,515	2,185
Total other financial liabilities	2,515	2,185

Moreover, DSV has executed 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 and the other Danish Group enterprises are assessed jointly for tax purposes, and they are jointly and severally liable for tax on the consolidated jointly taxed income up to and including the accounting period ended 31 December 2004. As from 2005, DSV A/S has been 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

Risk management policy
For further information on the Group's risk management policy, please refer to the paragraph 'Risk factors' in the Management's review, page 26.

Hedging instruments at 31 December 2007

Currency (DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	-	-	-	-	-
Interest rate instruments	4,168	2008-2012	52.3	11.1	41.2
Total			52.3	11.1	41.2

Hedging instruments at 31 December 2008

Currency	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	1,615	2009	202.0	202.0	-
Interest rate instruments	7,146	2009-2012	(220.0)	(46.0)	(174.0)
Total			(18.0)	156.0	(174.0)

Currency instruments were transferred in 2008 from DSV Road Holding A/S to DSV A/S.

Foreign currency risk hedging
The Group mainly uses forward exchange transactions to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The Group has a low risk exposure and recognises adjustment of forward exchange transactions at fair value directly in the income statement.

Interest rate risk hedging
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 financials.
The weighted average effective interest rate for existing interest rate instruments was 4.15% at the balance sheet date (2007: 3.87%).

NOTE 22 – RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

DSV has no related parties with controlling interests. Related parties of DSV with significant influence comprise members of the companies' supervisory boards, executive boards and senior staff as well as the family members of those persons. Related parties also comprise companies, in which the aforementioned persons have significant interests.

Remuneration for members of the Supervisory and Executive Boards is detailed in note 4.

The Parent has had the following transactions with related parties:

(DKKm)	2007	2008
Sale of services		
Group enterprises	–	342
Total sale of services	–	342
Purchase of services		
Group enterprises	5	8
Total purchase of services	5	8

Management fees invoiced by Group enterprises comprise remuneration for members of the Executive Board.

(DKKm)	2007	2008
Financials, net		
Group enterprises	238	353
Total financials, net	238	353

The Parent had the following outstanding balances with related parties at 31 December:

(DKKm)	2007	2008
Receivables		
Group enterprises	4,713	10,559
Receivables at 31 December	4,713	10,559
Liabilities		
Group enterprises	86	3,017
Liabilities at 31 December	86	3,017

NOTE 23 – ACCOUNTING POLICIES

The accounting policies of the Parent, DSV A/S, are identical with the policies applicable to 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 dividends are declared. If the dividends distributed exceed the accumulated earnings after the date of acquisition, dividends are, however, not recognised as income in the income statement, but as an adjustment of the cost of the investment.

Investments in subsidiaries and associates in the Parent's financial statements
Investments in subsidiaries and associates are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to this lower value.
The cost is adjusted if dividends distributed exceed accumulated earnings after the date of acquisition.

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