Copenhagen Stock Exchange
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STOCK EXCHANGE ANNOUNCEMENT NO. 228

Q3 2006 Report (1 January-30 September 2006)

Revenue amounted to DKK 23,262 million.

Gross profit came to DKK 5,004 million.

Operating profit before impairment of goodwill and special items totalled DKK 1,071 million.

Operating profit (EBIT) came to DKK 821 million.

Profit before tax amounted to DKK 665 million.

DSV's share of the profit for the period amounted to 441 million, and the fully diluted adjusted earnings per share amounted to DKK 31.

Free cash flow for the period adjusted for the acquisition of enterprises and activities amounted to DKK 710 million.

Group Management considers the results for the nine months ended 30 September 2006 very satisfactory.

The integration of Frans Maas Groep is progressing as planned. Free cash flow for 2006 adjusted for the acquisition of enterprises and activities is expected to be DKK 900 million as against the amount of DKK 800 million previously announced.

MANAGEMENT'S REVIEW

DSV achieved highly satisfactory financial results for the first nine months of 2006, which was characterised by major changes to the Group as a consequence of the integration of Frans Maas Groep N.V. ("Frans Maas").

Integration of Frans Maas

DSV completed the acquisition of Frans Maas as of 1 April 2006. The present process of commercial integration, realisation of synergy potential and adjustment of legal structure proceeds as scheduled.

The integration process is comprehensive and complicated, involving changes to traffic, termination of agency relationships, renegotiation of non-profitable agreements, combination of terminals and offices, consolidation of IT resources as well as staff redundancy, rotation and training, etc.

The various challenges have been met with great commitment, and many countries have more or less completed the integration process, some countries are in the middle of the process, and a few have not yet, as scheduled, been able to effect the adaptations planned due to legal or labour market barriers.

The synergies seen in 2006 are realised by reduction in unprofitable activities, savings as a consequence of staff redundancies and a reduction of other overhead costs, as well as divestment of excess property, plant and equipment.

Revenue and earnings of the acquired Frans Maas companies are in accordance with Management expectations.

However, the integration implies temporary revenue variations. The main cause of this is that agency revenue has been replaced by own revenue, which increases revenue in the Frans Maas units and on the other hand reduces revenue in the original units. Moreover, the unprofitable activities acquired have been considered and some of them eliminated.

The Frans Maas activities are also being adapted to the existing DSV divisions. In Q3, the Air & Sea activities of Frans Maas have accordingly been transferred to the Air & Sea Division in the European countries where DSV already had Air & Sea companies prior to the acquisition of Frans Maas. The largest effect has been seen in the Netherlands.

The plan is that the final segmentation of the activities of the Frans Maas companies will be completed by the end of 2006. Management still expects nearly 15% of all Frans Maas activities to be referred to Air & Sea and about 20% to Solutions.

An opening balance sheet has been prepared at 1 April 2006, and goodwill has been computed on that basis. Minor adjustments are, however, foreseen for the remainder of 2006.

Financial development of DSV

Revenue

Revenue grew organically by 39.8% in total, attaining DKK 23,262 million for the nine months ended 30 September 2006 compared with DKK 16,640 million for the same period of 2005.

Revenue grew organically by 7.6% in the first nine months of 2006 compared with the corresponding period of 2005 when adjusted for foreign currency translation differences and the acquisition and divestment of enterprises. The organic growth is affected by the replacement of agency revenue with own revenue, which reduces the revenue earned by the original DSV units and thus the organic growth, whereas the growth of the Frans Maas units acquired increases correspondingly.

Nine-month revenue
Realised 2006 versus realised 2005

(DKKm)	
Nine-month revenue 2005	16,640
Foreign currency translation adjustments	93
Acquisition and divestment of enterprises, net	5,266
Growth	1,263
Nine-month revenue 2006	23,262

The Group's revenue was 0.3% below the increased budget when adjusted for foreign currency translation differences. The increased budget incorporates the effect of replacing agency revenue with own revenue; accordingly the total budget revenue has been obtained in the period under review.

Nine-month revenue
Realised 2006 versus budget 2006

(DKKm)	
Nine-month budget 2006	23,311
Foreign currency translation adjustments	12
Acquisition and divestment of enterprises, net	0
Growth	(61)
Nine-month revenue 2006	23,262

Gross profit

The consolidated gross margin ratio increased to 21.5% on 20.7% for the same period of 2005. This is mainly related to a change in the product mix after the acquisition of Frans Maas, which has a comparatively higher proportion of international mixed cargo, which usually realises a higher gross margin ratio. This is partly offset by the other enterprises acquired within the Road Division, which enterprises have a lower gross margin ratio. Changes in the shipping structure in the Nordic countries have also yielded a lower gross margin ratio.

Operating profit before impairment of goodwill and special items

The Group returned an operating profit before impairment of goodwill and special items for the first three quarters of 2006 of DKK 1,071 million compared with DKK 839 million for the corresponding period of last year. When adjusted for foreign currency translation differences and the acquisition and divestment of enterprises, the operating profit before impairment of goodwill and special items increased by 16.1%.

MANAGEMENT'S REVIEW

The ratio was 4.6% for the period compared with 5.0% for the same period of 2005. The decline is due to the acquisition of Frans Maas, which has lower margins than DSV.

Results are also affected by proceeds of DKK 45 million from the sale of a property in Denmark in Q1 and of DKK 30 million from the sale of properties in Sweden and Denmark in Q3, and by the impairment of an IT outsourcing contract amounting to DKK 23 million in Q1 2006.

When adjusted for amortisation of customer relationships of DKK 28 million and costs related to share-based payments of DKK 4 million, the operating profit before impairment of goodwill and special items came to DKK 1,103 million.

Nine-month operating profit before impairment of goodwill and special items
Realised 2006 versus realised 2005

(DKKm)	
Nine-month operating profit before impairment of goodwill and special items 2005	839
Foreign currency translation adjustments	7
Acquisition and divestment of enterprises, net	88
Growth	137
Nine-month operating profit before impairment of goodwill and special items 2006	1,071

Operating profit before impairment of goodwill and special items is slightly above the increased budget.

Nine-month operating profit before impairment of goodwill and special items
Realised 2006 versus budget 2006

(DKKm)	
Budgeted nine-month operating profit before impairment of goodwill and special items 2006	1,060
Foreign currency translation adjustments	3
Acquisition and divestment of enterprises, net	0
Growth	8
Nine-month operating profit before impairment of goodwill and special items 2006	1,071

Special items
Special items represent costs of DKK 250 million for the first three quarters of 2006. Special items relate to the restructuring costs of the integration of Frans Maas pursuant to the integration plans prepared for the individual countries.

Net financial expenses
Financial expenses netted DKK 156 million for the period as against DKK 51 million for the same period of 2005. The increase is due to higher net interest-bearing debt to finance the Frans Maas acquisition and the net interest-bearing debt of Frans Maas taken over.

Net financial expenses were slightly above the increased budget.

Profit before tax
Profit before tax came to DKK 665 million for the period as against DKK 749 million for the same period of 2005. The lower profit is attributable to restructuring costs and higher financial expenses for the acquisition of Frans Maas and is partly offset by a higher operating profit before impairment of goodwill and special items.

Profit before tax is 0.8% above the increased budget.

Fully diluted adjusted earnings per share
Fully diluted adjusted earnings per share came to DKK 42 for 2006 (DKK 31 for the first nine months of 2006) compared with DKK 33 for 2005 (DKK 25 for the first nine months of 2005), corresponding to an increase of 24%.

Balance sheet
The balance sheet stood at DKK 16,200 million at 30 September 2006 as against DKK 10,449 million at 31 December 2005. The increase is primarily caused by the acquisition of Frans Maas.

Equity
At 30 September 2006, Group equity came to DKK 3,570 million, DKK 131 million of which is attributable to minority interests. The solvency ratio exclusive of minority interests came to 21.2%. This is a decrease on 31 December 2005, when the corresponding ratio was 30.7%. The decrease is mainly due to the acquisition of Frans Maas, which was wholly financed by debt, and distributions of DKK 206 million in Q2 in particular.

Development in equity

(DKKm)	Nine months 2006
Equity at 1 January 2006	3,323
Net profit for the period	463
Share buy-back, net	(156)
Acquisition/sale minority interests, net	3
Foreign currency translation adjustments	(33)
Capital increase	2
Share-based compensation plans	4
Adjustment of interest swaps	14
Dividend	(50)
Equity at 30 September 2006	3,570

Net working capital
The Company's funds tied up in net working capital came to DKK 780 million at 30 September 2006 compared with DKK 451 million at 31 December 2005. The increase is mainly due to the acquisition of Frans Maas, a generally higher level of working capital in the Frans Maas companies acquired and the growth in the Group's activity level. This is partly offset by improved net working capital of the Air & Sea Division.

Net interest-bearing debt
Net interest-bearing debt amounted to DKK 5,162 million at 30 September 2006 as against DKK 2,169 million at 31 December 2005. This increase is attributable to the acquisition of Frans Maas and to the net interest-bearing debt of Frans Maas taken over.

The Frans Maas acquisition has been provisionally financed with short-term funding. It is expected that the bridge financing will be replaced by bullet loans in the fourth quarter of 2006.

MANAGEMENT'S REVIEW

Cash flow from operating activities
Cash flow from operating activities came to DKK 619 million for the period compared with DKK 634 million for the same period of 2005. The decrease is caused mainly by realised provisions for restructuring, non-normalised working capital in Frans Maas of about DKK 100 million and higher interest payments, but it is to some extent offset by an improved operating profit.

Cash flow from investing activities
Cash flow from investing activities excluding the effect of the acquisition and divestment of enterprises netted an outflow of DKK 9 million. The Group has divested property and operating fixtures and equipment in connection with the integration of these companies. One of the divestments of Q2 was a Frans Maas property in the UK sold for about DKK 100 million, and in Q3 properties have been divested in Sweden and Denmark for about DK 100 million.

The net outflow for the acquisition and divestment of enterprises was DKK 1,537 million, mainly attributable to the acquisition of Frans Maas.

Free cash flow
Free cash flow for the period was a net outflow of DKK 927 million. Adjusted for the acquisition of enterprises and activities as well as normalisation of working capital, the free cash flow for the period was a net inflow of DKK 710 million.

Invested capital including goodwill and customer relationships
The Group's invested capital including goodwill and customer relationships came to DKK 8,965 million at 30 September 2006 as against DKK 5,894 million at 30 September 2005, equal to an increase of DKK 3,071 million. The increase is mainly due to acquisitions in the past year.

ROIC including goodwill and customer relationships
Return on invested capital including goodwill and customer relationships was 19.2% for the nine-month period ended 30 September 2006 compared with 21.0% for the same period of 2005. The development is attributable to the increase in invested capital resulting from the acquisition of Frans Maas.

Events after the balance sheet date of the Interim Announcement
No material events have occurred after the balance sheet date.

Outlook for 2006
The expected revenue, operating profit before impairment of goodwill and special items and profit after tax for the year remain unchanged from the forecasts stated in stock exchange announcement no. 214 of 27 April 2006.

The expected free cash flow, adjusted for the acquisition of enterprises and activities as well as normalisation of working capital, is expected to be realised at DKK 900 million as against the figure of DKK 800 million announced earlier this year. This is due in part to the expectations of lower investments in 2006, as announced in Stock Exchange Announcement no. 226 of 23 August 2006, and in part to the positive development of the net working capital in 2006, but also to the expected time lag of the realisation of some of the provisions for restructuring costs until 2007.

All the budget figures in this Interim Announcement are in agreement with the increased budget (see H1 2006).

Audit
This Q3 Report has not been audited or reviewed.

Exchange rates

DKK for 100 currency units	Currency	Realised 30-09-05	Realised 30-09-06	Year-to-date average 30-09-05	Year-to-date average 30-09-06	Budget 2006
Euroland	EUR	746	746	745	746	745
UK	GBP	1,094	1,100	1,087	1,090	1,100
Norway	NOK	95	91	93	94	94
Sweden	SEK	80	80	81	80	80
USA	USD	620	589	590	601	615

MANAGEMENT'S REVIEW

DSV Group Income statement for the period, summary (DKKm)	01.01.05- 30.09.05 Realised	01.01.06- 30.09.06 Budget	01.01.06- 30.09.06 Realised
Revenue	16,640	23,311	23,262
Direct costs	13,199	18,269	18,258
Gross profit	3,441	5,042	5,004
Other external expenses	788	1,288	1,267
Staff costs	1,649	2,446	2,432
Operating profit before depreciation, amortisation, impairment of goodwill and special items	1,004	1,308	1,305
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	165	224	206
Amortisation and impairment of customer relationships	0	24	28
Operating profit before impairment of goodwill and special items	839	1,060	1,071
Impairment of goodwill	0	0	0
Special items, net	(39)	(250)	(250)
Operating profit (EBIT)	800	810	821
Net financial expenses	51	150	156
Profit before tax	749	660	665
Calculated tax	228	199	202
Net profit for the period	521	461	463
Net profit for the period is attributable to:			
Shareholders of DSV A/S	494	437	441
Minority interests	27	24	22

DSV Group Balance sheet, summary (DKKm)	31.12.05	30.09.06
Goodwill and customer relationships (acquisition cost: DKK 5,069 million)	2,981	4,625
Other property, plant and equipment and intangibles	2,485	4,051
Other non-current assets	186	426
Total non-current assets	5,652	9,102
Receivables	4,412	6,486
Cash	385	612
Total current assets	4,797	7,098
Total assets	10,449	16,200
Equity including minority interests	3,323	3,570
Interest-bearing long-term debt	1,852	2,317
Other non-current liabilities, including provisions	611	1,150
Non-current liabilities	2,463	3,467
Interest-bearing short-term debt	702	3,457
Other short-term debt	3,961	5,706
Total current liabilities	4,663	9,163
Total liabilities and equity	10,449	16,200

Number of employees: 19,394.

MANAGEMENT'S REVIEW

DSV Group Consolidated cash flow statement for the period (DKKm)	01.01.05- 30.09.05	01.01.06- 30.09.06
Operating profit before impairment of goodwill and special items	839	1,071
Reversed depreciation and amortisation of property, plant and equipment and intangibles	165	234
Changes in working capital	(115)	(153)
Changes in provisions	(46)	(174)
Net interest etc. paid	(51)	(155)
Corporation tax paid	(158)	(204)
Cash flow from operating activities	634	619
Acquisition/divestment of subsidiaries and activities, net	(885)	(1,537)
Acquisition/divestment of property, plant and equipment, intangibles and financial assets, net	(161)	(9)
Cash flow from investing activities	(1,046)	(1,546)
Free cash flow	(412)	(927)
Net financial payments	801	1,370
Distributions	(68)	(206)
Capital increase	(170)	2
Cash flow from financing activities	563	1,166
Cash flows for the period	151	239
Cash and cash equivalents at 1 January 2006	172	385
Cash flows for the period	151	239
Foreign currency translation adjustments	14	(12)
Cash and cash equivalents at 30 September 2006	337	612

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

Note 1: Statement of adjusted free cash flow:		
Free cash flow	(412)	(927)
Acquisition/divestment of subsidiaries and activities, net	885	1,537
Normalisation of working capital in acquired subsidiaries and activities	0	100
Adjusted free cash flow	473	710

Note 2: Statement of enterprise value of acquired enterprises:		
Acquisition/divestment of subsidiaries and activities, net	885	1,537
Interest-bearing debt	0	1,874
Normalisation of working capital in acquired subsidiaries and activities	0	103
Enterprise value of acquired enterprises	885	3,514

Financial ratios (%) – annualised nine-month figures	At 30.09.05	At 30.09.06
Gross margin ratio	20.7	21.5
EBITDA margin	6.0	5.6
EBITA margin	5.0	4.6
EBIT margin	4.8	3.5
ROIC including goodwill and customer relationships	21.0	19.2
Return on equity (ROE)	19.5	17.4
Equity ratio (exclusive of minority interests)	34.8	21.2
Key figures (DKKm)		
Adjusted earnings	521	635
Net interest-bearing debt	1,986	5,162
Invested capital including goodwill and customer relationships	5,894	8,965
Financial ratios (DKK) – annualised nine-month figures		
Earnings per share of DKK 2	32	30
Fully diluted adjusted earnings per share	33	42
Average number of shares ('000)	20,414	19,855
Average number of diluted shares ('000)	21,322	20,208

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

SUMMARY OF DIVISION RESULTS

ROAD DIVISION

Revenue

The revenue of the Road Division improved markedly on the corresponding period in 2005. This is mainly due to the acquisition of Frans Maas, which has resulted in increases in almost all countries, the most significant results being obtained in Germany, the Netherlands, Belgium, France, Italy, Spain and the UK. Moreover, the Group realised organic growth of DKK 775 million, most of it in the Nordic and Baltic countries.

The revenue of the Road Division is slightly below budget.

Revenue and earnings of the acquired Frans Maas companies are in accordance with Management expectations, although the integration implies revenue variations. The main cause of this is that agency revenue has been replaced by own revenue, which increases revenue in the Frans Maas units and on the other hand reduces revenue in the original units. Moreover, the unprofitable activities acquired have been considered and some of them eliminated.

Gross profit

The gross margin ratio of the Road Division increased from 20.7% for the first three quarters of 2005 to 21.4% for the first three quarters of 2006. This is mainly related to a change in the product mix after the acquisition of Frans Maas, which has a comparatively higher proportion of international mixed cargo, which usually realises a higher gross margin ratio. This is partly offset by the other enterprises acquired, which have a lower gross margin ratio, and by changes in the shipping structure in the Nordic countries, which has yielded a lower gross margin ratio.

Operating profit before impairment of goodwill and special items

The Road Division achieved results that were significantly better than for the same period of 2005. This is due to the acquisition of Frans Maas, which mainly affected the Netherlands and Belgium, and the organic growth in the original DSV companies. The organic growth was mainly realised in Sweden, the UK and the Baltic countries. This is partly offset by a decrease in Germany and France.

The organic growth in Sweden is mainly due to the profit on the sale of a property in Q3. Moreover, the Group realised a profit of DKK 45 million in Denmark in Q1 on the sale of a property, which less the impairment of an IT outsourcing contract amounting to DKK 23 million, yielded a net profit of DKK 22 million.

The Road Division is on a level with the increased budget. Sweden and the Baltic countries are above budget, while Germany and France are below budget.

Balance sheet

The balance sheet of the Road Division stood at DKK 13,525 million at 30 September 2006 as against DKK 7,433 million at 31 December 2005. This increase is mainly attributable to the acquisition of Frans Maas and a generally higher activity level in the Division.

Non-current assets

Non-current assets amounted to DKK 6,785 million at 30 September 2006 as against DKK 3,244 million at 31 December 2005. The increase was caused by the acquisition of Frans Maas.

Net working capital

The Road Division's funds tied up in net working capital came to DKK 639 million at 30 September 2006 compared with DKK 193 million at 31 December 2005. The main reason for the increase is the higher activity level following the acquisition of Frans Maas and a non-normalised working capital in Frans Maas of about DKK 100 million.

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

AIR & SEA DIVISION

Revenue

The revenue of the Air & Sea Division improved markedly on the corresponding period last year. This is attributable both to the acquisition of the J.H. Bachmann group and of Frans Maas and to organic growth, which was 9.2% when adjusted for foreign currency translation differences and the acquisition and divestment of enterprises. In absolute figures, the USA, Sweden and the Project Department in Denmark achieved the largest organic growth.

The revenue was also above the increased budget. This is mainly attributable to the organic growth, which was largest in absolute figures in the USA and the Project Department in Denmark. Germany, Canada and Hong Kong underperformed.

Gross profit

The gross margin ratio of the Air & Sea Division increased from 19.2% for the first nine months of 2005 to 20.3% for the corresponding period this year.

Operating profit before impairment of goodwill and special items

The Air & Sea Division achieved results that outperformed those of the same period of 2005 by DKK 97 million. The positive difference mainly derived from organic growth, but also from the acquisition of J.H. Bachmann and Frans Maas. The organic growth was 22.9% when adjusted for foreign currency translation differences and the acquisition and divestment of enterprises. In absolute figures, the USA and Denmark achieved the largest organic growth.

The Air & Sea Division outperformed the budget by DKK 19 million. This is mainly attributable to the organic growth, which was largest in the USA and Denmark when measured in absolute figures.

Balance sheet

The balance sheet of the Air & Sea Division stood at DKK 2,533 million at 30 September 2006 as against DKK 2,322 million at 31 December 2005.

Non-current assets

Non-current assets amounted to DKK 706 million at 30 September 2006 as against DKK 625 million at 31

December 2005, attributable to the purchase of the remaining minority shares in China and the acquisition of activities in Taiwan and Hong Kong as well as acquisition of a property from the Road Division in the Netherlands.

Net working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 131 million at 30 September 2006 compared with DKK 239 million at 31 December 2005. This very positive development was obtained through improved credit management.

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

SOLUTIONS DIVISION

Revenue

The revenue of the Solutions Division was better than that for the corresponding period last year and the increased 2006 budget. This is mainly attributable to organic growth.

Gross profit

The gross margin ratio of the Solutions Division increased from 20.5% for 2005 to 23.3% for the period ended 30 September 2006. The increase derived mainly from an improved ratio in Sweden.

Operating profit before impairment of goodwill and special items

Operating profit before impairment of goodwill and special items came to DKK 40 million for the first nine months of 2006, which is far better than for the corresponding period of 2005 and slightly above the increased budget for 2006. This is mainly due to organic growth in Sweden, while Finland is below budget.

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

ROAD DIVISION

Income statement for the period, summary (DKKm)	01.01.05-30.09.05 Realised	01.01.06-30.09.06 Budget	01.01.06-30.09.06 Realised
Revenue	11,868	17,529	17,449
Direct costs	9,410	13,747	13,723
Gross profit	2,458	3,782	3,726
Other external expenses	566	998	975
Staff costs	1,224	1,923	1,894
Operating profit before depreciation, amortisation, impairment of goodwill and special items	668	861	857
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	141	194	192
Amortisation and impairment of customer relationships	0	19	23
Operating profit before impairment of goodwill and special items	527	648	642

Balance sheet, summary (DKKm)	31.12.05	30.09.06
Goodwill and customer relationships	760	2,373
Other property, plant and equipment and intangibles	2,280	3,864
Other non-current assets	204	548
Total non-current assets	3,244	6,785
Receivables	3,042	5,109
Cash and intercompany balances	1,147	1,631
Total current assets	4,189	6,740
Total assets	7,433	13,525
Equity	1,192	754
Interest-bearing long-term debt	491	950
Other non-current liabilities, including provisions	515	1,041
Non-current liabilities	1,006	1,991
Interest-bearing short-term debt, including intercompany debt	2,386	6,310
Other short-term debt	2,849	4,470
Total current liabilities	5,235	10,780
Total liabilities and equity	7,433	13,525

ROIC came to 15.1%. The calculation of ROIC included DKK 3,621 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.

Number of employees: 16,202.

Activities

The Road Division handles transport (full and part loads and mixed cargo) by trucks domestically and in Europe. The actual transports operations have basically been outsourced to sub-contractors.

The Division in brief

The Division has worked very hard during the past three months on the integration of Frans Maas and DFDS Transport. This work focused mainly on becoming better acquainted with each other's working methods and different approaches.

Even though the companies basically provide the same services within full and part loads and mixed cargo, the operational reality in the various countries and companies differs greatly.

This gives rise to discussions and decisions; to some employees they are perceived as victories, to others defeats and disappointments. But the discussions also provide an opportunity to learn and to discover improved operations and better methods with the 'other party', thereby making it possible to improve the existing operations.

Replacement of information technology and agents has also taken up great resources in Q3, as have also capacity problems. There are great challenges and great changes, and therefore it is natural that things do not always work smoothly.

However, basically the Division is in good shape, and the employees and managers have provided exemplary work.

ROAD DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Denmark	On a level with budget. To some extent growth is restricted by lack of capacity.	On a level with budget. Handsome result, taking into consideration the capacity situation.	Ensure the necessary capacity to allow for growth. Possibly through internal production.
Sweden	On a level with budget. Also restricted by lack of capacity.	Outperformed budget – but still relatively low margin.	Improve margin, with special focus on domestic traffic.
Norway	Outperformed budget – the Nordic country most severely affected by lack of capacity. Nice result.	Below budget – but still nice margin. Results are clearly affected by pressure on subcontractor prices.	Maintain quality and price. Focus on avoiding being squeezed by aggressive subcontractor pressure not passed on to customers.
Finland	Slightly below budget.	Almost on a level with budget.	Nice development, although an improved EBITA margin would be appropriate.
UK	Below budget due to commercial clearance in connection with the integration, the most comprehensive clearance experienced by the Road countries.	Outperformed budget. Extremely fine considering the huge loss taken over in connection with the acquisition of Frans Maas.	Exploit growth potential of the new network. Raise total revenue to obtain better EBITA margin.
Ireland	Outperformed budget considerably.	On a level with budget.	Maintain large revenue and restore the pre-Frans Maas EBITA margin.
Germany	On a level with budget.	Below budget. Unsatisfactory result.	One of the weakest countries of DFDS Transport. The results reported include Frans Maas figures and have not contributed to an improve-ment. Only one focus point: establishment of a tolerable EBITA margin.
The Netherlands	Outperformed budget. Has now become one the major markets.	Outperformed budget – a very good result for which the Frans Maas organisation should be praised. The figures include large revenue from logistics activities.	Improve the integration between DFDS Transport and Frans Maas. Implement the Shared Service Plan. Effect IT harmonisation.
Belgium	On a level with budget. More than twice the pre-Frans Maas results.	On a level with budget. A very good margin. The Nether-lands and Belgium have the highest margins among the Road countries. Both markets comprise logistics activities.	Integration. Establish a Shared Service Plan with the Netherlands and solve IT situation.
France	Below budget.	Below budget. Management in France returned black figures, but the future activities, which include Frans Maas, require hard work to return to black figures.	Integration and creation of a decent EBITA margin.
Italy	On a level with budget.	On a level with budget.	Handle all new traffic orders coming after the shift from agents to own facilities. A big, important and challenging task.

ROAD DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Spain and Portugal	On a level with budget.	On a level with budget.	Higher quality. Has managed the transition from agents to own traffic well. A higher EBITA margin.
Poland	Outperformed budget. Very handsome when seen in relation to a rather complicated integration process.	Outperformed budget. Nice compared to a problematic integration process.	Maintain growth and restore former EBITA margin.
The Baltics, Russia and Ukraine	Outperformed budget.	Outperformed budget.	One of the best run areas. Complete integration. Back to former high EBITA margin.
Central Europe	Outperformed budget.	Outperformed budget.	Inhomogeneous countries with different profiles. The weakest countries ought to improve their EBITA margin considerably. The Czech Republic worth mentioning as a profitable country.
South Eastern Europe	Outperformed budget.	Outperformed budget.	Also a number of inhomogeneous markets. Rumania and Slovakia should be mentioned as positive examples. The rest of the countries should improve their margin.

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

	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
(DKKm)	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06
Denmark	3,329	3,415	3,444	180	184	186	5.4	5.3	5.3
Sweden	2,668	2,971	3,019	71	92	104	2.7	3.0	3.3
Norway	1,915	2,094	2,224	101	98	92	5.3	4.7	4.1
Finland	770	914	879	23	27	26	3.0	3.0	2.8
UK	1,234	1,760	1,588	39	36	41	3.2	1.9	2.5
Ireland	364	422	447	20	18	19	5.5	4.3	4.0
Germany	1,116	2,754	2,700	23	(18)	(36)	2.1	-0.7	-1.4
The Netherlands	357	1,440	1,461	16	117	119	4.5	8.1	8.1
Belgium	306	801	799	29	67	65	9.5	8.4	8.1
France	408	885	831	3	(11)	(19)	0.7	-1.2	-2.4
Italy	-	383	370	-	0	0	-	0	0
Spain and Portugal	-	330	333	-	(8)	(8)	-	-2.4	-2.4
Poland	193	349	395	10	14	15	5.2	4.0	3.8
The Baltics, Russia and Ukraine	393	562	618	21	26	31	5.3	4.6	5.0
Central Europe[1)]	104	390	400	3	1	4	2.9	0.3	1.0
South Eastern Europe[2)]	99	269	299	2	9	11	2.0	3.3	3.7
Total	13,256	19,739	19,807	541	652	650	4.1	3.3	3.2
Group	348	384	417	(14)	15	15	-	-	-
Amortisation of customer relationships	-	-	-	-	(19)	(23)	-	-	-
Eliminated items	(1,736)	(2,594)	(2,775)	-	-	-	-	-	-
Net	11,868	17,529	17,449	527	648	642	4,4	3,7	3,7

1) The segment comprises the following countries: Austria, Switzerland, Hungary, the Czech Republic and Slovakia.

2) The segment comprises the following countries: Greece, Romania, Bulgaria, Slovenia, Croatia, Serbia, Turkey, Morocco, Algeria and Tunisia.

AIR & SEA DIVISION

Income statement for the period, summary (DKKm)	01.01.05-30.09.05 Realised	01.01.06-30.09.06 Budget	01.01.06-30.09.06 Realised
Revenue	4,544	5,503	5,650
Direct costs	3,671	4,391	4,505
Gross profit	873	1,112	1,145
Other external expenses	195	257	260
Staff costs	370	467	473
Operating profit before depreciation, amortisation, impairment of goodwill and special items	308	388	412
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	11	8	13
Amortisation and impairment of customer relationships	0	5	5
Operating profit before impairment of goodwill and special items	297	375	394

Balance sheet, summary (DKKm)	31.12.05	30.09.06
Goodwill and customer relationships	531	598
Other property, plant and equipment and intangibles	54	76
Other non-current assets	40	32
Total non-current assets	625	706
Receivables	1,275	1,326
Cash and intercompany balances	422	501
Total current assets	1,697	1,827
Total assets	2,322	2,533
Equity	419	421
Interest-bearing long-term debt	2	5
Other non-current liabilities, including provisions	75	77
Non-current liabilities	77	82
Interest-bearing short-term debt, including intercompany debt	790	835
Other short-term debt	1,036	1,195
Total current liabilities	1,826	2,030
Total liabilities and equity	2,322	2,533

ROIC came to 35.7%. The calculation of ROIC included DKK 1,288 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.

Number of employees: 2,482

Activities

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

The Division in brief

The trend of falling sea freight rates on the main markets continued in Q3 and had a negative impact on the revenue growth of the Division, although the actual volume growth and the EBITA were not affected in real figures.

The Division Management sees no indications of a slowdown of the traffic volume between Asia, the USA and Europe – the main areas of global trade.

The new extended European network will generate additional volume for the Division and create better opportunities for the large European countries that were less accessible before the acquisition of Frans Maas.

The Division Management spent a lot of resources on establishing DSV India in Q3.

Air & Sea now has its own operations in Mumbai, Delhi, Chennai and Bangalore. In terms of management, the existing concept in the USA and Asia with a Danish management has been applied. The Indian business start-up is made on a 'green-field' basis, thereby introducing the culture and management systems of the Division from the very beginning.

Management has great expectations of the new operations in India and sees business potential along the lines of the development in China and Hong Kong.

AIR & SEA DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
USA	Outperformed budget.	Outperformed budget. Very good EBITA margin. Margin higher than Asia, thereby the highest margin of the Division.	Growth, growth, growth (the growth was larger than 20% from Q1 to Q3).
Denmark	Outperformed budget.	Outperformed budget. Nice result.	Maintain the high level of both revenue and EBITA.
Danish Project Department	Outperformed budget.	Outperformed budget.	Handsome growth in revenue. EBITA ought to increase a little.
Norway	Outperformed budget.	Outperformed budget. Very handsome result. Efficient and competent management.	Maintain high revenue and EBITA levels.
Sweden	Outperformed budget.	Outperformed budget. Good operation and fine growth, although margin a little too small.	The company ought to have a much larger market share.
Finland	Outperformed budget.	Outperformed budget. Credits to the management for considerable improvements of EBITA margin.	Maintain EBITA margin. Exploit increased market share in connection with the integration of Frans Maas.
UK	On a level with budget.	On a level with budget.	Gain a larger market share in one of the most important markets in Europe.
Germany	Below budget.	Slightly above budget.	Increased revenue and higher EBITA margin must be given high priority.
The Netherlands	Outperformed budget.	On a level with budget.	Obtain good integration locally and optimise the potential of the new and much larger network.
Central Europe	Below budget.	Below budget.	Significant improvement of revenue and EBITA. Optimise the potential of the new, larger network.
Canada	Below budget.	Below budget.	Restore unsatisfactory integration and unsatisfactory EBITA.
China	Outperformed budget.	Outperformed budget.	Maintain excellent operating profit, growth and EBITA. Exploit the potential of the extended European network.
Hong Kong	Below budget.	Outperformed budget.	Continued growth. In general, both China and Hong Kong gained excellent results and are well managed. Exploit the potential of the extended European network.
Australia	Outperformed budget.	Outperformed budget.	Continue development of the global network. Improved EBITA is expected to reach the level of the countries in Asia. Exploit the potential of the extended European network.
Other Far East	On a level with budget.	On a level with budget. The markets/countries are different, but have a nice average EBITA.	Exploit the potential of the extended European network.

AIR & SEA DIVISION

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

(DKKm)	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06
USA	1,167	1,296	1,336	110	128	140	9.4	9.9	10.5
Denmark	1,038	1,063	1,080	47	60	63	4.5	5.6	5.8
Project Dept.	330	354	476	14	17	18	4.2	4.8	3.8
Norway	158	172	189	9	14	15	5.7	8.1	7.9
Sweden	326	361	414	12	14	16	3.7	3.9	3.9
Finland	133	148	165	4	7	8	3.0	4.7	4.8
UK	676	681	666	23	29	29	3.4	4.3	4.4
Germany	395	848	799	10	19	20	2.5	2.2	2.5
The Netherlands	131	187	195	3	9	9	2.3	4.8	4.6
Central Europa[1)]	38	113	103	3	5	2	7.9	4.4	1.9
Canada	47	156	111	2	5	1	4.3	3.2	0.9
China	264	312	333	24	25	26	9.1	8.0	7.8
Hong Kong	204	312	268	22	25	27	10.8	8.0	10.1
Australia	60	142	143	2	5	6	3.3	3.5	4.2
Other Far East[2)]	314	355	353	16	19	19	5.1	5.4	5.4
Total	5,281	6,500	6,631	301	381	399	5.7	5.9	6.0
Group	1	4	8	(4)	(1)	0			
Amortisation of customer relationships	-				(5)	(5)			
Eliminated items	(738)	(1,001)	(989)						
Net	4,544	5,503	5,650	297	375	394	6.5	6.8	7.0

1) The segment comprises the following countries: Poland, Hungary and the Czech Republic.

2) The segment comprises the following countries: Indonesia, Thailand, Singapore, Malaysia, the Philippines, Korea, Taiwan and Vietnam.

SOLUTIONS DIVISION

Income statement for the period, summary (DKKm)	01.01.05-30.09.05 Realised	01.01.06-30.09.06 Budget	01.01.06-30.09.06 Realised
Revenue	655	712	722
Direct costs	521	546	554
Gross profit	134	166	168
Other external expenses	53	54	52
Staff costs	54	64	65
Operating profit before depreciation, amortisation, impairment of goodwill and special items	27	48	51
Amortisation, depreciation and impairment of property, plant and equipment and intangibles exclusive of customer relationships	11	10	11
Amortisation and impairment of customer relationships	0	0	0
Operating profit before impairment of goodwill and special items	16	38	40

Balance sheet, summary (DKKm)	31.12.05	30.09.06
Goodwill and customer relationships	81	81
Other property, plant and equipment and intangibles	114	113
Other non-current assets	26	24
Total non-current assets	221	218
Receivables	203	223
Cash and intercompany balances	93	99
Total current assets	296	322
Total assets	517	540
Equity	166	167
Interest-bearing long-term debt	10	7
Other non-current liabilities, including provisions	20	17
Non-current liabilities	30	24
Interest-bearing short-term debt, including intercompany debt	174	187
Other short-term debt	147	162
Total current liabilities	321	349
Total liabilities and equity	517	540

ROIC came to 17.5%. The calculation of ROIC included DKK 160 million of goodwill and customer relationships. The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.

Number of employees: 710

Activities

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

The Division in brief

The nine-month profit has seen a pronounced improvement for the same period of 2005. Like the Road Division, the Solutions Division sees a strong demand for logistics services. Management and employees have handled this demand and developments in a very sensible manner.

A new IT system has been acquired; actually this investment was made before the acquisition of Frans Maas, and it is likely that this system will be used by the new Solutions Division.

The collaboration with the much bigger and older organisation of Frans Maas has been positive, and the integration of logistics activities has been much better and more harmonic than in the other two divisions. Corporate governance of the former Frans Maas entities is good as is also that of the former DFDS Transport entities. At management level, much effort has been put into identifying logistics activities all over Europe in order to create one complete European Logistics Division as from 1 January 2007.

SOLUTIONS DIVISION

Country	Development in revenue	Development in operating profit before impairment of goodwill and special items (EBITA)	Focus
Denmark	On a level with budget.	Outperformed budget.	Maintain and develop the very strong direction taken by the Danish company. Exploit the new facilities that will be invested in. Nice operating results and well managed.
Norway	Outperformed budget.	Outperformed budget.	Very handsome EBITA margin, but growth too small and expected to improve when operations will be combined at two new locations.
Sweden	Outperformed budget.	Much above budget.	Maintain the current trend of the company, which is impressive considering the previous circumstances of the Swedish logistics company.
Finland	Below budget.	Below budget.	Operating and net results disappointing. Management has been replaced, and the new management is to focus on improving the margin. Previously the company provided some of the best results of the Division.

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

	Revenue			Operating profit before impairment of goodwill and special items (EBITA)			EBITA margin		
(DKKm)	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06	Realised 01.01.05-30.09.05	Budget 01.01.06-30.09.06	Realised 01.01.06-30.09.06
Denmark	296	314	310	12	16	18	4.1	5.1	5.8
Norway	112	109	118	4	8	9	3.6	7.3	7.6
Sweden	230	265	274	(6)	8	13	-2.6	3.0	4.7
Finland	77	83	77	6	6	0	7.8	7.2	0.0
Total	715	771	779	16	38	40	2.2	4.9	5.1
Group	4	4	3	-	-	-			
Amortisation of customer relationships				-	-	-			
Eliminated items	(64)	(63)	(60)	-	-	-			
Net	655	712	722	16	38	40	2.4	5.3	5.5

SHAREHOLDER INFORMATION

Remuneration of Executive Board, contractual matters and incentive programmes

In the period ended 30 September 2006, DKK 9.1 million was paid out to the members of the Executive Board of DSV as remuneration.

In the period 2003-2006, the Group has issued share options to its Executive Board and employees. The market value of the Group's incentive programmes at 30 September 2006 amounted to DKK 146.0 million, DKK 10.2 million of which constituted the proportion held by members of the Executive Board. The market value is calculated according to the Black & Scholes model.

Latest important stock exchange announcements

23 August 2006 (announcement no. 226)
Q2 2006 Report

Investor teleconference

DSV invites investors, shareholders, analysts and others to participate in an investor teleconference on 15 November 2006 at 11:00 a.m.

At this conference, DSV will present this Q3 2006 Report. Participants will have ample opportunity to ask questions.

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

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

Web-based investor teleconference

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

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

Inquiries relating to this Interim Announcement

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

Statement by Supervisory Board and Executive Board

Today, the Supervisory Board and the Executive Board have reviewed and approved the Interim Announcement of DSV A/S for the nine months ended 30 September 2006.

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

We consider the accounting policies appropriate and the estimates made acceptable so that the Interim Announcement presents a true and fair view of the assets, equity, liabilities and financial position of the Group at 30 September 2006 as well as the results of the activities and the cash flows of the Group for the nine-month period ended 30 September 2006.

Brøndby, 15 November 2006

Executive Board:

Kurt K. Larsen CEO	Jens H. Lund CFO

Supervisory Board:

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