



# INTERIM FINANCIAL REPORT

## Third quarter 2016

Company announcement no. 640

1 November 2016

### Selected financial and operating data for the period 1 January – 30 September 2016

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	17,205	12,535	50,130	38,263
Gross profit	4,019	2,802	11,839	8,371
Operating profit before special items	1,003	851	2,546	2,301
<i>Operating margin</i>	5.8%	6.8%	5.1%	6.0%
<i>Conversion ratio</i>	25.0%	30.4%	21.5%	27.5%
Net special items, costs	155	-	866	-
Profit before tax	763	773	1,537	2,052
Adjusted earnings for the period	692	603	1,829	1,617
Adjusted free cash flow			807	1,864
Diluted adjusted earnings per share for the period	3.69	3.55	9.79	9.48

Jens Bjørn Andersen, CEO: "We are keeping momentum in the UTi integration process, and all three Divisions have delivered solid growth. The positive development in the third quarter is again proof that all employees across the Group are working hard to deliver good results. With aggregate earnings growth of 18% for the quarter, we are once again very pleased with DSV's performance."

The full-year outlook for 2016 previously announced is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 3,400-3,500 million (previously DKK 3,300-3,500 million).
- Net financial expenses are expected to approximate DKK 350 million (previously DKK 450 million), net of foreign currency translation adjustments.
- The effective tax rate is expected to be around 27.0 (previously 25.0).

All other expectations for the full-year performance are unchanged.

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This announcement is available at [www.dsv.com](http://www.dsv.com). The announcement has been prepared in Danish and in English. In case of discrepancies, the Danish version will prevail.

Yours sincerely,  
DSV A/S

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## Financial highlights\*

	Q3 2016	Q3 2015	YTD 2016	YTD 2015
<b>Income statement (DKKm)</b>				
Net revenue	17,205	12,535	50,130	38,263
Gross profit	4,019	2,802	11,839	8,371
Operating profit before amortisation, depreciation and special items	1,206	978	3,135	2,686
Operating profit before special items	1,003	851	2,546	2,301
Special items (net costs)	155	-	866	-
Financial items (net costs)	85	78	143	249
Profit before tax	763	773	1,537	2,052
Profit for the period	552	578	1,118	1,538
Adjusted earnings for the period	692	603	1,829	1,617
<b>Balance sheet (DKKm)</b>				
DSV A/S shareholders' share of equity			12,553	6,360
Balance sheet total			39,669	24,114
Equity			12,557	6,391
Net working capital			1,869	496
Net interest-bearing debt			8,561	5,177
Invested capital including goodwill and customer relationships			21,968	11,289
Gross investment in property, plant and equipment			272	528
<b>Cash flows (DKKm)</b>				
Operating activities			853	1,728
Investing activities			(4,915)	29
Free cash flow			(4,062)	1,757
Adjusted free cash flow			807	1,864
Financing activities			925	(1,555)
Share buybacks			-	(1,237)
Dividends distributed			(327)	(283)
Cash flow for the period			(3,137)	202
<b>Financial ratios (%)</b>				
Gross margin	23.4	22.4	23.6	21.9
Operating margin	5.8	6.8	5.1	6.0
Conversion ratio	25.0	30.4	21.5	27.5
Effective tax rate	27.7	25.2	27.3	25.0
ROIC before tax including goodwill and customer relationships			19.8	25.0
Return on equity			17.3	31.2
Solvency ratio			31.6	26.4
Gearing ratio			2.1	1.5
<b>Share ratios</b>				
Earnings per share for the period	2.97	3.44	6.01	9.09
Earnings per share for the last 12 months			8.89	11.57
Diluted adjusted earnings per share for the period	3.69	3.55	9.79	9.48
Diluted adjusted earnings per share for the last 12 months			13.04	12.14
Number of shares issued ('000)			190,000	175,000
Number of treasury shares ('000)			4,539	8,698
Average number of outstanding shares for the period ('000)	185,371	167,680	184,757	168,876
Average number of shares issued for the last 12 months ('000)			183,865	169,274
Average number of diluted shares outstanding for the period ('000)	187,547	169,414	186,780	170,637
Average number of diluted shares for the last 12 months ('000)			183,865	170,836
Share price at 30 September (DKK)			330.00	249.30
<b>Staff</b>				
Number of full-time employees at 30 September			45,395	22,773

\*) For a definition of the financial highlights, please refer to pages 78-79 of the 2015 Annual Report.

# Management's commentary

The Group achieved gross profit of DKK 11,839 million for the first nine months of 2016 against DKK 8,371 million for the same period last year. The increase is mainly attributable to the acquisition of UTi. Operating profit before special items came to DKK 2,546 million for the nine months under review against DKK 2,301 million for the same period of 2015.

The integration of UTi is proceeding as planned and the expected synergies and integration costs previously announced are unchanged.

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For Q3 2016, EBIT before special items totalled DKK 1,003 million against DKK 851 million last year

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## Integration of UTi Worldwide Inc.

The acquisition of UTi Worldwide Inc. was closed on 22 January 2016. This means that UTi is included in full in the Q2 and Q3 results, whereas Q1 only included approx. 2 months' results of the UTi operations.

The integration of UTi, including realisation of synergies and adaptation of legal and financial structures, is carried out while focusing on maintaining a high service level for our customers in the transition phase. We expect the main part of the integration to be completed within the first 12 months and the entire integration process to be completed within 24 months after the acquisition. The financial synergies are expected to fully materialise within three years after the acquisition.

The UTi activities are included in the existing DSV divisional structure from the date of acquisition and are based on UTi's segment structure with Freight Forwarding (included in Air & Sea), Contract Logistics (included in Solutions) and Distribution (included in Road). UTi also operated a separate segment reporting procedure for a number of corporate functions. Going forward, these costs will be allocated to the individual segments

using activity-defined cost allocation bases in accordance with general DSV policy.

In connection with the consolidation of UTi, acquired net assets are recognised at fair value and accounting policies are adjusted to match those of DSV. This implies changes to the calculation of gross profit, adjustment of depreciation and amortisation losses, etc., relative to historic UTi numbers. On consolidation, Management makes various accounting estimates based on the information currently available.

As the integration progresses, new information and improved data quality may result in adjustments to the accounting estimates as well as changes to the allocation of activities and number of employees.

In Q3 2016, the headcount was raised by approx. 2,000 FTEs after a review of local headcount principles. The adjustment concerns hourly workers in South Africa and North America and relates to Road and Solutions. The employees have been with the Group since the acquisition of UTi. The adjustment only relates to the estimated number of FTEs and had no impact on the income statement.

## Profit for the period

### Net revenue

For the first nine months of 2016, DSV recorded net revenue of DKK 50,130 million against DKK 38,263 million for the corresponding period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 33.1%.

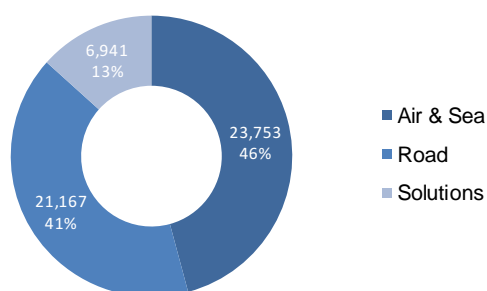
For Q3 2016, revenue amounted to DKK 17,205 million against DKK 12,535 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 39.4%.

The increase is mainly attributable to the UTi acquisition, which has impacted mainly on the Air & Sea Division but also contributed activities to Road and Solutions.

Relative to the same period of 2015, net revenue was negatively affected by declining freight rates and fuel prices as well as low exchange rates.

Exchange rate fluctuations impacted negatively on net revenue by DKK 274 million in Q3 2016 and DKK 782 million in the nine-month period ended 30 September.

### NET REVENUE YTD 2016 (DKKm)



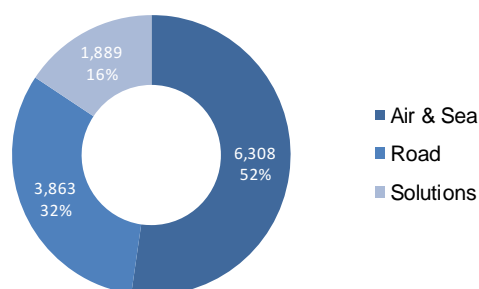
### Gross profit

Gross profit came to DKK 11,839 million for the first nine months of the year against DKK 8,371 million for the same period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 43.6%.

For Q3 2016, gross profit amounted to DKK 4,019 million against DKK 2,802 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 45.7%.

The increase is mainly attributable to the acquisition of UTi. The existing DSV operations also continued the positive development with growth in freight volumes.

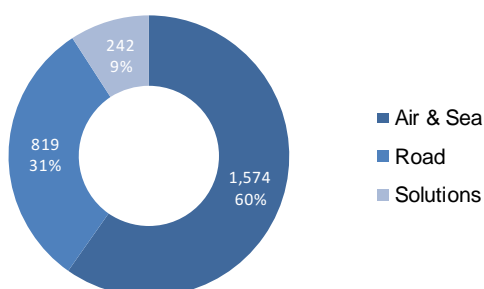
### GROSS PROFIT YTD 2016 (DKKm)



The consolidated gross margin came to 23.6% for the first nine months of 2016 against 21.9% for the same period of 2015. The increase is mainly attributable to the Air & Sea Division, where low average freight rates have resulted in a higher gross margin. In addition, the UTi activities have impacted on the Group's overall mix of activities with Air & Sea and Solutions now representing a larger part of consolidated gross profit.

Exchange rate fluctuations impacted negatively on gross profit by DKK 63 million in Q3 2016 and DKK 183 million in the nine-month period ended 30 September.

### Operating profit before special items YTD 2016 (DKKm)



### Operating profit before special items

Operating profit before special items came to DKK 2,546 million for the nine months under review against DKK 2,301 million for the same period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 13.4%.

For Q3 2016, operating profit before special items amounted to DKK 1,003 million against DKK 851 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 20.7%.

Exchange rate fluctuations had a negative impact on operating profit before special items of DKK 24 million in Q3 2016 and DKK 63 million in the nine-month period ended 30 September.

Conversion ratio was 21.5% for the nine-month period against 27.5% for the corresponding period of 2015. The decline is mainly attributable to UTi, which initially has an adverse

effect on the overall margin of the Group. As the integration process progresses and the synergies are realised, the conversion ratio is expected again to increase.

The operating margin (before special items) was 5.1% for the nine months under review against 6.0% for the same period last year and was also impacted by the UTi integration.

The merger of offices and commercial activities is progressing well and involves particularly UTi's Freight Forwarding and DSV's Air & Sea activities. An important element of the UTi integration is the merger of the administrative functions of the two organisations, including IT, finance, commercial functions and global headquarters.

In line with the forecast previously announced, the Group expects synergies of around DKK 1.5 billion, of which approx. 40% are expected to materialise in 2016 and 40% in 2017, while the remaining 20% are expected in 2018.

Further optimisations and synergies are expected during 2019 and 2020 with a view to achieving the long-term financial targets.

### Special items

Special items totalled DKK 866 million for the first nine months of 2016. For Q3 2016, special items totalled DKK 155 million.

The costs mainly relate to the integration of UTi, including transaction and restructuring costs.

In line with the forecast previously announced, DSV expects total integration costs of DKK 1.5 billion, approx. two-thirds of which are expected to be charged to the income statement in 2016 as the integration progresses. The remaining part is expected to be expensed in 2017.

### Financial items

Financial items totalled a net expense of DKK 85 million for Q3 2016.

For the nine months under review, financial items totalled a net expense of DKK 143 million. This figure includes an extraordinary

foreign exchange gain of approx. DKK 100 million relating to the acquisition of UTi and the subsequent internal restructuring process.

### Effective tax rate

The effective tax rate was 27.3 for the nine months under review and was impacted by the acquisition of UTi as certain integration costs are not fully deductible.

The effective tax rate of the Group is still expected to approximate 25.0 in the coming years.

### Profit for the period

The profit for the first nine months of 2016 was DKK 1,118 million against DKK 1,538 million for the same period of 2015. The decline is mainly due to special items relating to the integration, although these are partly counterbalanced by the higher operating profit and lower financial expenses.

### Adjusted earnings

Adjusted earnings totalled DKK 1,829 million for the nine months under review against DKK 1,617 million for the same period of 2015.

Adjusted earnings are the shareholders' share of the profit for the year adjusted for amortisation of customer relationships (DKK 86 million), costs related to share-based payments (DKK 35 million) and special items (DKK 866 million). The tax effect of the adjustments has been taken into account.

### Diluted adjusted earnings per share

Diluted adjusted earnings per share were DKK 9.8 for the first nine months of 2016, up 3.4% compared to the same period last year. The increase is due to an increase in adjusted earnings, which more than compensated for the increase in the average number of shares as a result of the capital increase carried out at the end of 2015.

The 12-month figure to the end of September 2016 was DKK 13.0 per share against DKK 12.1 for the same period last year, corresponding to an increase of 7.4%.

## GROWTH

(DKKm)	Q3 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions (%)	Q3 2016
Net revenue	12,535	(274)	4,944	39.4%	17,205
Gross profit	2,802	(63)	1,280	45.7%	4,019
EBIT before special items	851	(24)	176	20.7%	1,003
	YTD 2015				YTD 2016
Net revenue	38,263	(782)	12,649	33.1%	50,130
Gross profit	8,371	(183)	3,651	43.6%	11,839
EBIT before special items	2,301	(63)	308	13.4%	2,546

## Cash flows

### Working capital

The Group's funds tied up in net working capital came to DKK 1,869 million at 30 September 2016 against DKK 496 million at 30 September 2015. The high net working capital is mainly due to the integration of UTi, which increased the Group's exposure to Air & Sea and areas with traditionally a high level of funds tied up in working capital.

The optimisation of funds tied up in working capital is a high-focus issue in the integration process, but the conversion of IT systems and restructuring of business processes may have an adverse impact in certain periods. In addition, we see increasing pressure on working capital in the market in general, not least from large accounts.

Relative to estimated full-year revenue, the net working capital amounted to 2.7% at 30 September 2016.

### Cash flow from operating activities

Cash flow from operating activities was DKK 853 million for the first nine months of 2016 against DKK 1,728 million for the same period of 2015. The decline is mainly due to the high working capital and integration costs paid (special items).

### Cash flow from investing activities

Cash flow from investing activities amounted to a negative DKK 4,915 million for the first nine months of 2016 against DKK 29 million for the same period of 2015. The decline mainly relates to the acquisition of UTi.

### Cash flow from financing activities

Cash flow from investing activities amounted to DKK 925 million for the nine months under review against a negative DKK 1,555 million for the same period of 2015. The increase mainly relates to the financing of UTi in 2016, whereas share repurchases were made in 2015.

### Adjusted free cash flow

Adjusted free cash flow for the period came to DKK 807 million against DKK 1,864 million for the same period last year.

## CASH FLOW STATEMENT

(DKKm)	YTD 2016	YTD 2015
<b>EBITDA before special items</b>	<b>3,135</b>	<b>2,686</b>
Change in net working capital	(825)	(162)
Adjustment, non-cash operating items	(240)	(102)
Adjustment, other operating items	(1,217)	(694)
<b>Cash flow from operating activities</b>	<b>853</b>	<b>1,728</b>
Purchase and sale of intangibles, property, plant and equipment	(296)	166
Acquisition and disposal of subsidiaries and activities, excluding creditors	(4,619)	(137)
<b>Cash flow from investing activities</b>	<b>(4,915)</b>	<b>29</b>
<b>Free cash flow</b>	<b>(4,062)</b>	<b>1,757</b>
Proceeds from and repayment of short-term and long-term debt	1,028	(328)
Allocated to shareholders	(327)	(1,520)
Exercise of share options	224	293
<b>Cash flow from financing activities</b>	<b>925</b>	<b>(1,555)</b>
<b>Cash flow for the period</b>	<b>(3,137)</b>	<b>202</b>
<b>Adjusted free cash flow</b>	<b>807</b>	<b>1,864</b>

## Capital structure and finances

### Equity

The equity interest of DSV shareholders came to DKK 12,553 million at 30 September 2016 (DKK 11,809 million at 31 December 2015).

Equity was mainly affected by the profit for the period, distribution of dividends, sale of treasury shares (relating to employees' exercise of share options) and actuarial adjustments.

At 30 September 2016, the Company's portfolio of treasury shares amounted to 4,538,748 shares, corresponding to 2.4% of the total number of shares issued. At 1 November 2016, the Company's portfolio of treasury shares amounts to 4,532,248 shares.

DSV reduced its share capital on 13 April 2016 through the cancellation of 2.5 million treasury shares. Consequently, the share capital of DSV has a current nominal value of DKK 190 million, corresponding to 190 million shares with a face value of DKK 1.

The solvency ratio excluding non-controlling interests came to 31.6% at 30 September 2016 (30 September 2015: 26.4%).

## DEVELOPMENT IN EQUITY

(DKKm)	YTD 2016	YTD 2015
<b>Equity at 1 January</b>	<b>11,809</b>	<b>6,052</b>
Net profit for the period	1,111	1,535
Dividends distributed	(327)	(283)
Purchase/sale of treasury shares	218	(1,000)
Actuarial gains/(losses)	(309)	-
Other adjustments, net	51	56
<b>Equity at 30 September</b>	<b>12,553</b>	<b>6,360</b>

### **Net interest-bearing debt**

Consolidated net interest-bearing debt amounted to DKK 8,561 million at 30 September 2016 against DKK 5,177 million at 30 September 2015. The increase is due to the acquisition of UTi.

The financial gearing ratio was 2.1 at 30 September 2016 against 1.5 for the same period last year.

The duration of the Group's long-term loan and credit facilities was 3.1 years at 30 September 2016 against 4.5 years at 30 September 2015.

### **Invested capital including goodwill and customer relationships**

The Group's invested capital including goodwill and customer relationships amounted to DKK 21,968 million at 30 September 2016 against DKK 11,289 million at 30 September 2015. The increase relates to the acquisition of UTi.

### **Return on invested capital (ROIC including goodwill and customer relationships)**

Return on invested capital including goodwill and customer relationships was 19.8% for the 12-month period ended 30 September 2016 against 25.0% for the 12-month period ended 30 September 2015.

### **Impact of seasonality**

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

### **Outlook for 2016**

The consolidated full-year outlook for 2016 is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 3,400-3,500 million (previously DKK 3,300-3,500 million).
- Adjusted for foreign currency translation adjustments, net financial expenses are expected to approximate DKK 350 million (previously DKK 450 million).
- The effective tax rate is expected to be around 27.0 (previously 25.0).

The revised outlook for operating profit before special items should primarily be seen in the light of the UTi integration making good progress.

The interest rate level of the Group is lower than previously forecasted. The main reason is that high interest liabilities of UTi have been settled earlier than expected.

The expected effective tax rate has been adjusted as certain integration costs are not fully deductible.

The outlook is based on the exchange rates of the Group's key currencies at the beginning of November 2016.

The expectations stated above are uncertain and involve various risks. Critical factors may influence actual results. Such factors include, but are not limited to, unforeseen changes in economic and political conditions, changes in the demand for DSV's services, consolidation in the industry and impact from the acquisition and divestment of enterprises, and other material factors, including interest rate and exchange rate fluctuations. These factors may result in the actual development and results of the Group differing from the expectations set out in this Report.

The outlook for 2016 is based on the assumption of a stable development in the markets in which the Group operates.

# DSV Air & Sea

## Activities

The Air & Sea Division specialises in the transportation of cargo by air and sea. The Division offers both conventional freight services and tailored project cargo solutions. The acquisition of UTi has considerably strengthened the Division's global network and industry-specific solutions.

The Division reported EBIT before special items of DKK 1,574 million for the nine months under review against DKK 1,431 million for the same period of 2015, despite the acquired UTi activities initially running at a loss.



” For Q3 2016, EBIT before special items totalled DKK 626 million against DKK 541 million last year

## INCOME STATEMENT

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	8,282	5,379	23,753	16,503
Direct costs	6,159	4,012	17,445	12,558
<b>Gross profit</b>	<b>2,123</b>	<b>1,367</b>	<b>6,308</b>	<b>3,945</b>
Other external expenses	550	258	1,669	779
Staff costs	898	544	2,913	1,654
<b>EBITDA before special items</b>	<b>675</b>	<b>565</b>	<b>1,726</b>	<b>1,512</b>
Amortisation and depreciation of intangibles, property, plant and equipment	49	24	152	81
<b>EBIT before special items</b>	<b>626</b>	<b>541</b>	<b>1,574</b>	<b>1,431</b>

## KEY OPERATING DATA

	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Gross margin (%)	25.6	25.4	26.6	23.9
Conversion ratio (%)	29.5	39.6	25.0	36.3
Operating margin (%)	7.6	10.1	6.6	8.7
Number of employees at 30 September			13,799	6,790
Total invested capital (DKKm)			12,029	6,448
Net working capital (DKKm)			2,393	1,103
ROIC before tax including goodwill and customer relationships (%)			22.4	27.6



## Market development

### Freight volume growth on 2015

	DSV Q3 2016	Market Q3 2016	DSV YTD 2016	Market YTD 2016
Sea freight – TEUs	57%	2%	51%	2%
Air freight – tonnes	84%	2%	84%	1%

*DSV growth includes acquired and organic growth. Market growth rates are based on own estimates.*

The Air & Sea Division reported an increase in sea freight volumes (TEUs) of approx. 51% for the first nine months of 2016 compared to the same period of 2015.

For air freight, the Air & Sea Division reported a volume increase (tonnes) of approx. 84% for the period compared to the same period of 2015.

The growth for the period is mainly attributable to UTi.

### Net revenue

Net revenue amounted to DKK 23,753 million for the first nine months of 2016 against DKK 16,503 million for the same period last year.

For Q3 2016, net revenue amounted to DKK 8,282 million against DKK 5,379 million for the same period last year.

The high net revenue is mainly attributable to UTi having contributed activities to the Division worldwide, with USA as the largest single country, but also contributing major activities in Europe, APAC and Africa. UTi is fully consolidated in the Q2 and Q3 earnings reports, but was only included in the Q1 financial statements from the date of acquisition at the end of January 2016.

Relative to the same period of 2015, the net revenue of both DSV and UTi was negatively affected by low freight rates and exchange rates.

### Gross profit

Gross profit was DKK 6,308 million for the nine months under review against DKK 3,945 million for the same period of 2015. For Q3 2016, gross profit amounted to DKK 2,123 million against DKK 1,367 million for the same period last year.

The increase is mainly attributable to the acquisition of UTi.

Initially, UTi and DSV operated on two different IT systems and with different policies for allocation of various costs. In connection with the integration, UTi's activities are migrated to DSV's IT platform and allocation policies. As a result, data quality will continuously be improved and adjustments may be made to the recognition of UTi's activities.

The Division's gross margin was 26.6% for the nine months under review against 23.9% for the same period last year.

Exchange rate fluctuations impacted negatively on gross profit by DKK 40 million in Q3 2016 and DKK 128 million in the nine-month period ended 30 September.

### EBIT before special items

EBIT before special items came to DKK 1,574 million for the first nine months of 2016 against DKK 1,431 million for the same period last year.

For Q3 2016, EBIT before special items totalled DKK 626 million against DKK 541 million for Q3 2015.

EBIT before special items increased despite the UTi activities initially running at a loss. The positive development is a result of a strong performance by the original DSV operations along with the integration process starting to impact positively on the UTi activities.

Conversion ratio was 25.0% for the nine months under review against 36.3% for the same period last year. The decline is attributable to UTi, which initially has an adverse effect on the Division's earnings margin. The continuing integration process and realisation of synergies are expected to gradually drive up the conversion ratio.

The operating margin was 6.6% for the first nine months of 2016 against 8.7% for the same period last year and was also affected by the UTi integration.

Exchange rate fluctuations had a negative impact on EBIT before special items of DKK 17 million in Q3 2016 and DKK 49 million in the nine-month period ended 30 September.

### Working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 2,393 million at 30 September 2016 against DKK 1,103 million at 30 September 2015. The increase is mainly attributable to the growth in activities relating to UTi.

## GROWTH

(DKKm)	Q3 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions (%)	Q3 2016
Net revenue	5,379	(138)	3,041	56.5%	8,282
Gross profit	1,367	(40)	796	58.2%	2,123
EBIT before special items	541	(17)	102	18.9%	626
	YTD 2015				YTD 2016
Net revenue	16,503	(459)	7,709	46.7%	23,753
Gross profit	3,945	(128)	2,491	63.1%	6,308
EBIT before special items	1,431	(49)	192	13.4%	1,574

## AIR AND SEA SPLIT

(DKKm)	Sea freight				Air freight			
	Q3 2016	Q3 2015	YTD 2016	YTD 2015	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	4,317	3,080	12,458	9,704	3,965	2,299	11,295	6,799
Direct costs	3,193	2,287	9,154	7,407	2,966	1,725	8,291	5,151
<b>Gross profit</b>	<b>1,124</b>	<b>793</b>	<b>3,304</b>	<b>2,297</b>	<b>999</b>	<b>574</b>	<b>3,004</b>	<b>1,648</b>
Gross margin (%)	26.0	25.7	26.5	23.7	25.2	25.0	26.6	24.2
Volumes (TEUs/tonnes)	345,463	220,598	976,380	644,677	147,744	80,080	422,123	228,975
Gross profit per unit (DKK)	3,254	3,597	3,384	3,563	6,762	7,162	7,116	7,197

# DSV Road

## Activities

DSV Road is among the top three road freight companies in Europe. The Division offers full load, part load and groupage services through a strong network of more than 200 terminals across Europe. The acquisition of UTi contributed activities to the Road Division, mainly in USA and South Africa.

The Division reported EBIT before special items of DKK 819 million for the nine months under review against DKK 721 million for the same period of 2015.



” For Q3 2016, EBIT before special items totalled DKK 290 million against DKK 242 million last year

## INCOME STATEMENT

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	7,111	6,044	21,167	18,464
Direct costs	5,864	4,966	17,304	15,071
<b>Gross profit</b>	<b>1,247</b>	<b>1,078</b>	<b>3,863</b>	<b>3,393</b>
Other external expenses	304	238	950	785
Staff costs	612	568	1,973	1,793
<b>EBITDA before special items</b>	<b>331</b>	<b>272</b>	<b>940</b>	<b>815</b>
Amortisation and depreciation of intangibles, property, plant and equipment	41	30	121	94
<b>EBIT before special items</b>	<b>290</b>	<b>242</b>	<b>819</b>	<b>721</b>

## KEY OPERATING DATA

	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Gross margin (%)	17.5	17.8	18.3	18.4
Conversion ratio (%)	23.3	22.4	21.2	21.2
Operating margin (%)	4.1	4.0	3.9	3.9
Number of employees at 30 September			12,710	9,251
Total invested capital (DKKm)			4,106	2,872
Net working capital (DKKm)			(360)	(460)
ROIC before tax including goodwill and customer relationships (%)			29.1	28.2

## Market development

### Freight volume growth on 2015

	DSV Q3 2016	Market Q3 2016	DSV YTD 2016	Market YTD 2016
Consignments	5%	2-3%	5%	2-3%

*DSV growth is exclusive of UTi. Market growth rates are based on own estimates.*

With consignment growth of 5% in the first nine months of 2016 compared to the same period last year, Management estimates that the Road Division has gained market share in most European markets.

Due to differences in the data used, the new Road activities in USA and South Africa contributed by UTi are not yet included in the volume statement.

### Net revenue

Net revenue amounted to DKK 21,167 million for the first nine months of 2016 against DKK 18,464 million for the same period last year.

For Q3 2016, net revenue amounted to DKK 7,111 million against DKK 6,044 million for the same period last year.

The increase is partly attributable to the acquired UTi activities in USA and South Africa and partly the growth in number of consignments, which also had a positive effect on net revenue.

Relative to the same period of 2015, the net revenue of both DSV and UTi was negatively affected by low exchange rates.

### Gross profit

For the first nine months of 2016, gross profit totalled DKK 3,863 million against DKK 3,393 million for the same period last year.

For Q3 2016, gross profit amounted to DKK 1,247 million against DKK 1,078 million for the same period last year. The growth is mainly attributable to UTi's activities in USA and South Africa.

In a market still characterised by fierce competition and price pressure, the Division's gross margin for the nine months under review was 18.3% and thereby in line with the same period last year.

For Q3 2016, the gross margin was 17.5% against 17.8% for the same period last year. Minor reclassifications of UTi activities, which partly relate to previous periods, had a negative impact on the Q3 figures.

Historically, UTi based its gross profit reports on different policies than those applied by DSV, and as the integration progresses the quality of the data used will be strengthened and adjustments may occur.

Exchange rate fluctuations impacted negatively on gross profit by DKK 23 million in Q3 2016 and DKK 57 million in the nine-month period ended 30 September.

### EBIT before special items

EBIT before special items was DKK 819 million for the first nine months of 2016 against DKK 721 million for the same period last year.

For Q3 2016, EBIT before special items totalled DKK 290 million against DKK 242 million for Q3 2015. The increase is attributable both to UTi and the original DSV activities.

Conversion ratio was 21.2% for the nine months under review and in line with the same period of 2015.

The Division's operating margin for the nine months under review was 3.9% and thereby also in line with the same period last year.

Exchange rate fluctuations had a negative impact on EBIT before special items of DKK 5 million in Q3 2016 and DKK 11 million in the nine-month period ended 30 September.

### Working capital

The Road Division's funds tied up in net working capital came to a negative DKK 360 million at 30 September 2016 against a negative DKK 460 million at 30 September 2015. The development is mainly attributable to UTi.

## GROWTH

(DKKm)	Q3 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions (%)	Q3 2016
Net revenue	6,044	(110)	1,177	19.5%	7,111
Gross profit	1,078	(23)	192	17.8%	1,247
EBIT before special items	242	(5)	53	21.9%	290
	YTD 2015				YTD 2016
Net revenue	18,464	(277)	2,980	16.1%	21,167
Gross profit	3,393	(57)	527	15.5%	3,863
EBIT before special items	721	(11)	109	15.1%	819

# DSV Solutions

## Activities

DSV Solutions specialises in contract logistics – logistics and warehousing solutions that support customers' entire supply chain. In addition to traditional warehousing and distribution services, the Division's service portfolio also includes freight management, customs clearance, order management and e-commerce solutions. With the acquisition of UTi, DSV Solutions has become a global player in contract logistics.

DSV Solutions reported EBIT before special items of DKK 242 million for the first nine months of 2016 against DKK 179 million for the same period last year.



” For Q3 2016, EBIT before special items totalled DKK 105 million against DKK 75 million last year

## INCOME STATEMENT

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	2,492	1,476	6,941	4,416
Direct costs	1,808	1,117	5,052	3,369
<b>Gross profit</b>	<b>684</b>	<b>359</b>	<b>1,889</b>	<b>1,047</b>
Other external expenses	202	113	559	355
Staff costs	311	132	906	401
<b>EBITDA before special items</b>	<b>171</b>	<b>114</b>	<b>424</b>	<b>291</b>
Amortisation and depreciation of intangibles, property, plant and equipment	66	39	182	112
<b>EBIT before special items</b>	<b>105</b>	<b>75</b>	<b>242</b>	<b>179</b>

## KEY OPERATING DATA

	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Gross margin (%)	27.4	24.3	27.2	23.7
Conversion ratio (%)	15.4	20.9	12.8	17.1
Operating margin (%)	4.2	5.1	3.5	4.1
Number of employees at 30 September			16,854	5,844
Total invested capital (DKKm)			3,210	1,547
Net working capital (DKKm)			248	92
ROIC before tax including goodwill and customer relationships (%)			12.8	16.5

## Market development

The acquisition of UTi has considerably strengthened the activities of the Division. UTi has contributed activities in North America, South Africa, Asia and Europe and doubled the total capacity of the Division to approx. 4.7 million square metres.

Due to differences in IT systems and the data used by DSV and UTi, the statement of order line growth has been omitted for the time being. We intend to publish the volume statement again as the integration progresses and a sufficient data quality has been established.

## Net revenue

Net revenue was DKK 6,941 million for the nine months under review against DKK 4,416 million for the same period of 2015.

For Q3 2016, net revenue totalled DKK 2,492 million against DKK 1,476 million for the same period last year.

The increase is mainly attributable to UTi.

Relative to the same period of 2015, the net revenue of both DSV and UTi was negatively affected by low exchange rates.

## Gross profit

Gross profit totalled DKK 1,889 million for the nine months under review against DKK 1,047 million for the same period last year.

For Q3 2016, gross profit amounted to DKK 684 million against DKK 359 million for the same period last year.

The increase in gross profit for the period is mainly attributable to UTi.

The Division's gross margin was 27.2% for the nine months under review against 23.7% for the same period of 2015. The higher gross margin mainly relates to the consolidation of UTi.

Historically, UTi based its gross profit reports on different policies than those applied by DSV, and as the integration progresses the quality of the data used will be strengthened.

Exchange rate fluctuations impacted negatively on gross profit by DKK 7 million in Q3 2016 and DKK 16 million in the nine-month period ended 30 September.

## EBIT before special items

EBIT before special items was DKK 242 million for the first nine months of 2016 against DKK 179 million for the same period last year.

For Q3 2016, EBIT before special items totalled DKK 105 million against DKK 75 million for Q3 2015.

The increase is mainly attributable to UTi.

Conversion ratio was 12.8% for the nine months under review against 17.1% for the same period last year. The decline is attributable to the integration of UTi, which has an adverse effect on the average earnings margin of the Division.

The Division's operating margin was 3.5% for the nine months under review against 4.1% for the same period last year and was also impacted by UTi.

## Working capital

The Group's funds tied up in net working capital came to DKK 248 million at 30 September 2016 against DKK 92 million at 30 September 2015. The increase is mainly attributable to UTi.

## GROWTH

(DKKm)	Q3 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions (%)	Q3 2016
Net revenue	1,476	(37)	1,053	71.3%	2,492
Gross profit	359	(7)	332	92.5%	684
EBIT before special items	75	(1)	31	41.3%	105
	YTD 2015				YTD 2016
Net revenue	4,416	(89)	2,614	59.2%	6,941
Gross profit	1,047	(16)	858	81.9%	1,889
EBIT before special items	179	(2)	65	36.3%	242

# Interim financial statements

## INCOME STATEMENT

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net revenue	17,205	12,535	50,130	38,263
Direct costs	13,186	9,733	38,291	29,892
<b>Gross profit</b>	<b>4,019</b>	<b>2,802</b>	<b>11,839</b>	<b>8,371</b>
Other external expenses	786	505	2,452	1,598
Staff costs	2,027	1,319	6,252	4,087
<b>Operating profit before amortisation, depreciation and special items</b>	<b>1,206</b>	<b>978</b>	<b>3,135</b>	<b>2,686</b>
Amortisation and depreciation of intangibles, property, plant and equipment	203	127	589	385
<b>Operating profit before special items</b>	<b>1,003</b>	<b>851</b>	<b>2,546</b>	<b>2,301</b>
Special items (net costs)	155	-	866	-
Financial items (net costs)	85	78	143	249
<b>Profit before tax</b>	<b>763</b>	<b>773</b>	<b>1,537</b>	<b>2,052</b>
Tax on profit for the period	211	195	419	514
<b>Profit for the period</b>	<b>552</b>	<b>578</b>	<b>1,118</b>	<b>1,538</b>
<b>Profit for the period is attributable to:</b>				
Shareholders of DSV A/S	551	577	1,111	1,535
Non-controlling interests	1	1	7	3
<b>Earnings per share:</b>				
Earnings per share for the period	2.97	3.44	6.01	9.09
Diluted earnings per share for the period	2.94	3.40	5.95	9.00
<b>Supplementary information:</b>				
Diluted adjusted earnings per share for the period	3.69	3.55	9.79	9.48
Diluted adjusted earnings per share for the last 12 months			13.04	12.14

## STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
<b>Profit for the period</b>	<b>552</b>	<b>578</b>	<b>1,118</b>	<b>1,538</b>
<b>Items that will be reclassified to income statement when certain conditions are met:</b>				
Currency translation adjustments, foreign enterprises	65	(75)	(30)	(59)
Fair value adjustment relating to hedging instruments	28	(18)	(108)	10
Fair value adjustment relating to hedging instruments transferred to financials	2	5	11	26
Actuarial gains/(losses)	(89)	-	(309)	-
Tax on other comprehensive income	29	3	97	(9)
<b>Other comprehensive income, net of tax</b>	<b>35</b>	<b>(85)</b>	<b>(339)</b>	<b>(32)</b>
<b>Total comprehensive income</b>	<b>587</b>	<b>493</b>	<b>779</b>	<b>1,506</b>
<b>Total comprehensive income is attributable to:</b>				
Shareholders of DSV A/S	587	492	779	1,504
Non-controlling interests	-	1	-	2
<b>Total</b>	<b>587</b>	<b>493</b>	<b>779</b>	<b>1,506</b>

## CASH FLOW STATEMENT

(DKKm)	YTD 2016	YTD 2015
Operating profit before amortisation, depreciation and special items	3,135	2,686
<i>Adjustment, non-cash operating items etc.:</i>		
Share-based payments	35	28
Change in provisions	(275)	(130)
Change in net working capital	(825)	(162)
Special items	(441)	-
Interest received	179	31
Interest paid	(332)	(296)
Corporation tax, paid	(623)	(429)
<b>Cash flow from operating activities</b>	<b>853</b>	<b>1,728</b>
Purchase of intangible assets	(160)	(180)
Purchase of property, plant and equipment	(273)	(528)
Disposal of property, plant and equipment	151	874
Acquisition and disposal of subsidiaries and activities	(4,619)	(107)
Change in other financial assets	(14)	(30)
<b>Cash flow from investing activities</b>	<b>(4,915)</b>	<b>29</b>
<b>Free cash flow</b>	<b>(4,062)</b>	<b>1,757</b>
Proceeds from and repayment of short-term and long-term debt	1,079	(332)
Proceeds from and repayment of other financial liabilities	(51)	4
<i>Shareholders:</i>		
Dividends distributed	(327)	(283)
Purchase of treasury shares	-	(1,237)
Sale of treasury shares, exercise of share options	216	237
Other transactions with shareholders	8	56
<b>Cash flow from financing activities</b>	<b>925</b>	<b>(1,555)</b>
<b>Cash flow for the period</b>	<b>(3,137)</b>	<b>202</b>
Cash and cash equivalents at 1 January	4,908	432
Cash flow for the period	(3,137)	202
Currency translation adjustments	97	(66)
<b>Cash and cash equivalents at 30 September</b>	<b>1,868</b>	<b>568</b>
The cash flow statement cannot be directly derived from the balance sheet and income statement.		
<b>Statement of adjusted free cash flow</b>		
Free cash flow	(4,062)	1,757
Net acquisition of subsidiaries and activities	4,619	107
Normalisation of working capital of acquired subsidiaries and activities	250	-
<b>Adjusted free cash flow</b>	<b>807</b>	<b>1,864</b>
<b>Statement of enterprise value of acquirees</b>		
Net acquisition of subsidiaries and activities*	4,619	107
Interest-bearing debt	4,880	-
Normalisation of working capital of acquired subsidiaries and activities	250	-
<b>Enterprise value of acquirees</b>	<b>9,749</b>	<b>107</b>

\*) Fair value of total consideration excluding cash and cash equivalents.



## BALANCE SHEET, ASSETS

(DKKkm)	30.09.2016	30.09.2015	31.12.2015
Intangible assets	16,834	8,946	8,996
Property, plant and equipment	4,016	3,538	3,568
Other receivables	306	327	119
Deferred tax asset	785	484	515
<b>Total non-current assets</b>	<b>21,941</b>	<b>13,295</b>	<b>13,198</b>
Trade receivables	12,136	8,423	7,799
Work in progress (services)	1,720	810	588
Other receivables	2,004	1,017	1,232
Cash and cash equivalents	1,868	568	4,908
Assets held for sale	-	1	-
<b>Total current assets</b>	<b>17,728</b>	<b>10,819</b>	<b>14,527</b>
<b>Total assets</b>	<b>39,669</b>	<b>24,114</b>	<b>27,725</b>

## BALANCE SHEET, EQUITY AND LIABILITIES

(DKKkm)	30.09.2016	30.09.2015	31.12.2015
Share capital	190	175	192
Reserves	12,363	6,185	11,617
<b>DSV A/S shareholders' share of equity</b>	<b>12,553</b>	<b>6,360</b>	<b>11,809</b>
Non-controlling interests	4	31	32
<b>Total equity</b>	<b>12,557</b>	<b>6,391</b>	<b>11,841</b>
Deferred tax	332	329	321
Pensions and similar obligations	1,578	1,305	1,226
Provisions	716	361	360
Financial liabilities	9,095	5,190	4,309
<b>Total non-current liabilities</b>	<b>11,721</b>	<b>7,185</b>	<b>6,216</b>
Provisions	468	303	270
Financial liabilities	1,396	782	313
Trade payables	6,316	4,784	4,997
Work in progress (services)	2,417	1,588	1,451
Other payables	4,433	2,775	2,347
Corporation tax	361	306	290
<b>Total current liabilities</b>	<b>15,391</b>	<b>10,538</b>	<b>9,668</b>
<b>Total liabilities</b>	<b>27,112</b>	<b>17,723</b>	<b>15,884</b>
<b>Total equity and liabilities</b>	<b>39,669</b>	<b>24,114</b>	<b>27,725</b>

## STATEMENT OF CHANGES IN EQUITY – 1 JANUARY - 30 SEPTEMBER 2016

(DKKm)	Share capital	Share premium reserve	Reserve for treasury shares	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January 2016</b>	<b>192</b>	<b>4,744</b>	<b>(9)</b>	<b>56</b>	<b>(289)</b>	<b>7,115</b>	<b>11,809</b>	<b>32</b>	<b>11,841</b>
<b>Profit for the period</b>	-	-	-	-	-	<b>1,111</b>	<b>1,111</b>	<b>7</b>	<b>1,118</b>
Currency translation adjustments, foreign enterprises	-	-	-	-	(23)	-	(23)	(7)	(30)
Fair value adjustments relating to hedging instruments	-	-	-	(108)	-	-	(108)	-	(108)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	11	-	-	11	-	11
Actuarial gains/(losses)	-	-	-	-	-	(309)	(309)	-	(309)
Tax on other comprehensive income	-	-	-	29	-	68	97	-	97
<b>Other comprehensive income, net of tax</b>	-	-	-	<b>(68)</b>	<b>(23)</b>	<b>(241)</b>	<b>(332)</b>	<b>(7)</b>	<b>(339)</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>(68)</b>	<b>(23)</b>	<b>870</b>	<b>779</b>	-	<b>779</b>
Transactions with owners:									
Share-based payments	-	-	-	-	-	35	35	-	35
Dividends distributed	-	-	-	-	-	(327)	(327)	-	(327)
Sale of treasury shares	-	-	2	-	-	216	218	-	218
Capital reduction	(2)	-	2	-	-	-	-	-	-
Addition/disposal of non-controlling interests	-	-	-	-	-	-	-	(5)	(5)
Dividends on treasury shares	-	-	-	-	-	14	14	-	14
Other adjustments	-	-	-	-	-	(4)	(4)	(13)	(17)
Tax on transactions with owners	-	-	-	-	-	29	29	-	29
<b>Total transactions with owners</b>	<b>(2)</b>	-	<b>4</b>	-	-	<b>(37)</b>	<b>(35)</b>	<b>(28)</b>	<b>(63)</b>
<b>Equity at 30 September 2016</b>	<b>190</b>	<b>4,744</b>	<b>(5)</b>	<b>(12)</b>	<b>(312)</b>	<b>7,948</b>	<b>12,553</b>	<b>4</b>	<b>12,557</b>

## STATEMENT OF CHANGES IN EQUITY – 1 JANUARY - 30 SEPTEMBER 2015

(DKKm)	Share capital	Reserve for treasury shares	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
<b>Equity at 1 January 2015</b>	<b>177</b>	<b>(7)</b>	<b>(28)</b>	<b>(239)</b>	<b>6,149</b>	<b>6,052</b>	<b>29</b>	<b>6,081</b>
<b>Profit for the period</b>	-	-	-	-	<b>1,535</b>	<b>1,535</b>	<b>3</b>	<b>1,538</b>
Currency translation adjustments, foreign enterprises	-	-	-	(58)	-	(58)	(1)	(59)
Fair value adjustments relating to hedging instruments	-	-	10	-	-	10	-	10
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	26	-	-	26	-	26
Tax on other comprehensive income	-	-	(9)	-	-	(9)	-	(9)
<b>Other comprehensive income, net of tax</b>	-	-	<b>27</b>	<b>(58)</b>	-	<b>(31)</b>	<b>(1)</b>	<b>(32)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>27</b>	<b>(58)</b>	<b>1,535</b>	<b>1,504</b>	<b>2</b>	<b>1,506</b>
Transactions with owners:								
Share-based payments	-	-	-	-	28	28	-	28
Dividends distributed	-	-	-	-	(283)	(283)	-	(283)
Purchase of treasury shares	-	(4)	-	-	(1,233)	(1,237)	-	(1,237)
Sale of treasury shares	-	-	-	-	237	237	-	237
Capital reduction	(2)	2	-	-	-	-	-	-
Dividends on treasury shares	-	-	-	-	12	12	-	12
Other adjustments	-	-	-	-	14	14	-	14
Tax on transactions with owners	-	-	-	-	33	33	-	33
<b>Total transactions with owners</b>	<b>(2)</b>	<b>(2)</b>	-	-	<b>(1,192)</b>	<b>(1,196)</b>	-	<b>(1,196)</b>
<b>Equity at 30 September 2015</b>	<b>175</b>	<b>(9)</b>	<b>(1)</b>	<b>(297)</b>	<b>6,492</b>	<b>6,360</b>	<b>31</b>	<b>6,391</b>

# Notes

## 1 ACCOUNTING POLICIES

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

Except as stated below, the accounting policies applied are consistent with those applied in the 2015 consolidated financial statements. The 2015 consolidated financial statements provide a full description of the accounting policies applied.

### Changes in accounting policies

DSV A/S has implemented the standards and interpretations effective as of 1 January 2016. The new standards and interpretations did not affect DSV, nor are they expected to have any significant future impact.

## 2 ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the interim financial statements of DSV A/S, Management makes various accounting estimates and judgements that may affect the reported amounts of assets, liabilities, income, expenses, cash flow and related information at the reporting date. By their nature, such estimates are subject to some uncertainty, and the actual results may deviate from the estimates. The estimates are continually evaluated, and the effect of any changes is recognised in the relevant period.

### Changes in significant accounting estimates

With effect from 1 January 2016, DSV has changed the amortisation method and period for measuring customer relationships. Customer relationships are now amortised over 8 years based on the reducing balance method and not as previously over 10 years using the straight-line method.

## 3 SEGMENT INFORMATION

(DKKm)	Air & Sea		Road		Solutions		Other activities, non-allocated items and eliminations		Total	
	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015	YTD 2016	YTD 2015
Revenue	23,753	16,503	21,167	18,464	6,941	4,416	1,213	697	53,074	40,080
Intercompany revenue	(493)	(299)	(874)	(765)	(274)	(111)	(1,303)	(642)	(2,944)	(1,817)
<b>Net revenue</b>	<b>23,260</b>	<b>16,204</b>	<b>20,293</b>	<b>17,699</b>	<b>6,667</b>	<b>4,305</b>	<b>(90)</b>	<b>55</b>	<b>50,130</b>	<b>38,263</b>
<b>Gross profit</b>	<b>6,308</b>	<b>3,945</b>	<b>3,863</b>	<b>3,393</b>	<b>1,889</b>	<b>1,047</b>	<b>(221)</b>	<b>(14)</b>	<b>11,839</b>	<b>8,371</b>
Other external expenses	1,669	779	950	785	559	355	(726)	(321)	2,452	1,598
Staff costs	2,913	1,654	1,973	1,793	906	401	460	239	6,252	4,087
Amortisation and depreciation of intangibles, property, plant and equipment	152	81	121	94	182	112	134	98	589	385
<b>Operating profit before special items</b>	<b>1,574</b>	<b>1,431</b>	<b>819</b>	<b>721</b>	<b>242</b>	<b>179</b>	<b>(89)</b>	<b>(30)</b>	<b>2,546</b>	<b>2,301</b>
Total assets	25,302	13,354	16,274	13,179	7,890	3,177	(9,797)	(5,596)	39,669	24,114
Total liabilities	28,064	11,448	8,961	7,710	6,664	3,372	(16,577)	(4,807)	27,112	17,723

## 4 SPECIAL ITEMS

Special items are used in connection with the presentation of the profit or loss for the period to distinguish the consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations or otherwise related to the maintenance or development of our business concept.

Special items for the first nine months of 2016 totalled DKK 866 million and relate mainly to transaction and restructuring costs in connection with the acquisition of UTi.

## 5 ACQUISITION AND DIVESTMENT OF ENTERPRISES

With effect from 22 January 2016, DSV acquired UTi Worldwide Inc. by cash purchase of 100% of the shares in the company at a price of USD 7.10 per ordinary share. The total consideration amounted to DKK 6,588 million.

### About UTi Worldwide Inc.

On acquisition, UTi Worldwide Inc. was a US based global supply chain services and logistics company. UTi employed around 23,000 full-time employees in 58 countries across more than 300 offices and 200 logistics centres and offered complete

supply chain services and solutions, including air, sea, distribution, customs clearance and contract logistics.

UTi had a strong geographical presence in North America and a leading position in South Africa and also operated a network in Asia-Pacific and Europe.

#### Strategic rationale and synergies

The combined company is now one of the world's strongest transport and logistics networks of more than 80 countries and more than 40,000 employees.

The acquisition has significantly strengthened the Air & Sea Division, and DSV has increased its industry-specific capabilities across all Divisions. Furthermore, DSV has become truly global in contract logistics and has expanded into road freight activities outside Europe. This enables the company to offer its customers a broader range of services.

The DSV and UTi business combination provides a strong match with several potential synergies as a result of similarities in business models and services. This includes commercial synergies from a stronger network and service offerings, consolidation and optimisation of offices, logistics facilities and IT infrastructure, and a stronger buying power.

#### Earnings impact

In connection with the integration, the UTi operations, IT systems and administration are merged with DSV and no separate reports are prepared for DSV or UTi. The integration is so advanced in the third quarter of 2016 that making an estimate of net revenue and operating profit before special items has now become impracticable for the period from acquisition as well as on a pro forma basis for the full financial year.

#### Transaction costs

Total transaction costs relating to the acquisition amount to DKK 131 million, DKK 60 million of which have been charged to the income statement in the first nine months of 2016.

#### Fair value of acquired net assets and recognised goodwill

The integration of UTi is ongoing for which reason net assets and goodwill may be adjusted and off-balance sheet items may be recorded for up to 12 months from the date of acquisition in compliance with IFRS 3.

The provisional fair value of net assets at the date of acquisition is summarised below:

(DKKm)	Provisional fair value at date of acquisition
Intangible assets	344
Property, plant and equipment	836
Trade receivables	3,713
Work in progress (services)	569
Deferred tax assets	131
Other receivables	1,066
Cash and cash equivalents	1,969
<b>Total assets</b>	<b>8,628</b>
Provisions	539
Financial liabilities	4,895
Pensions and similar obligations	74
Trade payables	1,823
Work in progress (services)	554
Deferred tax	69
Corporation tax	205
Other payables	1,668
<b>Total liabilities</b>	<b>9,827</b>
Non-controlling interests' share of acquired net assets	15
<b>Acquired net assets</b>	<b>(1,184)</b>
Fair value of total consideration	6,588
<b>Goodwill arising from the acquisition</b>	<b>7,772</b>

The fair value of acquired trade receivables, work in progress and other receivables amounts to DKK 5,348 million.

Goodwill relate to expected synergies. Recognised goodwill is non-deductible for tax purposes.

# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the nine-month period ended 30 September 2016.

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

In our opinion, the Interim Financial Statements give a true and fair view of the DSV Group's assets, equity, liabilities and financial position at 30 September 2016 and of the results of the Group's activities and the cash flow for the nine-month period ended 30 September 2016.

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

Hedehusene, 1 November 2016

## Executive Board:

Jens Bjørn Andersen  
CEO

Jens H. Lund  
CFO

## Board of Directors:

Kurt K. Larsen  
Chairman

Thomas Plenborg  
Deputy Chairman

Annette Sadolin

Birgit W. Nørgaard

Robert S. Kledal

Jørgen Møller