

INTERIM FINANCIAL REPORT H1 2016

Company announcement no. 637

5 August 2016

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

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	17,606	13,127	32,925	25,728
Gross profit	4,214	2,887	7,821	5,569
Operating profit before special items	900	809	1,543	1,450
<i>Operating margin</i>	5.1%	6.2%	4.7%	5.6%
<i>Conversion ratio</i>	21.4%	28.0%	19.7%	26.0%
Net special items, costs	341	-	711	-
Profit before tax	455	710	774	1,279
Adjusted earnings for the period	610	560	1,137	1,014
Adjusted free cash flow			756	1,192
Diluted adjusted earnings per share for the period	3.27	3.27	6.11	5.93

Jens Bjørn Andersen, CEO: "With earnings growth of more than 10%, we are very satisfied with our performance in the second quarter. DSV continues the positive development, and UTi's operating deficit has been neutralised only five months after the acquisition. The integration of UTi is progressing faster than we had originally anticipated, and the merger of offices and IT systems is already more than halfway complete. UTi's and DSV's employees and operations are being united step by step across the world, and it is great to see that our new colleagues are highly motivated to become part of the DSV culture – that is crucial for a successful integration."

The consolidated 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 3,300-3,500 million (previously DKK 3,100-3,500 million)

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

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This announcement is available at www.dsv.com. The announcement has been prepared in Danish and in English. In the event of discrepancies, the Danish version prevails.

Yours sincerely,
DSV A/S

Financial highlights*

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Income statement (DKKm)				
Net revenue	17,606	13,127	32,925	25,728
Gross profit	4,214	2,887	7,821	5,569
Operating profit before amortisation, depreciation and special items	1,109	939	1,929	1,708
Operating profit before special items	900	809	1,543	1,450
Net special items, costs	341	-	711	-
Net financial expenses	104	99	58	171
Profit before tax	455	710	774	1,279
Profit for the period	333	533	566	960
Adjusted earnings for the period	610	560	1,137	1,014
Balance sheet (DKKm)				
DSV A/S shareholders' share of equity			11,892	6,360
Balance sheet total			38,931	24,057
Equity			11,899	6,390
Net working capital			1,422	503
Net interest-bearing debt			8,750	5,313
Invested capital including goodwill and customer relationships			21,590	11,668
Gross investment in property, plant and equipment			145	255
Cash flows (DKKm)				
Operating activities			652	1,082
Investing activities			(4,741)	110
Free cash flow			(4,089)	1,192
Adjusted free cash flow			756	1,192
Financing activities			1,203	(1,226)
Share buybacks			-	(702)
Dividends distributed			(327)	(283)
Cash flow for the period			(2,886)	(34)
Financial ratios (%)				
Gross margin	23.9	22.0	23.8	21.6
Operating margin	5.1	6.2	4.7	5.6
Conversion ratio	21.4	28.0	19.7	26.0
Effective tax rate	26.8	24.9	26.9	24.9
ROIC before tax including goodwill and customer relationships			18.9	23.9
Return on equity			18.2	29.7
Solvency ratio			30.5	26.4
Gearing ratio			2.3	1.6
Share ratios				
Earnings per share for the period	1.77	3.14	3.04	5.65
Earnings per share for the last 12 months			9.36	10.96
Diluted adjusted earnings per share for the period	3.27	3.27	6.11	5.93
Diluted adjusted earnings per share for the last 12 months			13.03	11.55
Number of shares issued ('000)			190,000	175,000
Number of treasury shares ('000)			4,719	6,621
Average number of outstanding shares for the period ('000)	184,886	169,359	184,446	169,484
Average number of shares issued for the last 12 months ('000)			177,426	170,508
Average number of diluted shares outstanding for the period ('000)	186,736	171,051	186,232	171,063
Average number of diluted shares for the last 12 months ('000)			179,125	171,702
Share price at 30 June (DKK)			280.20	216.80
Staff				
Number of full-time employees at 30 June			43,593	22,467

*) 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 7,821 million for the first six months of 2016 against DKK 5,569 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 1,543 million for the period against DKK 1,450 million for the same period of 2015.

The integration of UTi is going well and is ahead of schedule in some areas. We therefore expect that 40% of the total synergies of DKK 1.5 billion will materialise in 2016 (previous estimate 30%).

” For Q2 2016, EBIT before special items totalled DKK 900 million against DKK 809 million for the same period last year



Integration of UTi Worldwide Inc.

The acquisition of UTi Worldwide Inc. was closed on 22 January 2016, as from which date the UTi results are included in the consolidated financial statements of DSV. This means that UTi is recognised in full in the Q2 earnings report, 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 are now in full swing. The process 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 inclusion of UTi, acquired net assets are recognised at fair value and accounting policies are adjusted so as 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 to the individual segments (Divisions).

In connection with the integration process, freight volumes are migrated to common IT platforms and administrative departments are combined. Therefore, the Q2 financial statements do not present separate reports on acquired growth or financial results for the individual business segments.

Profit for the period

Net revenue

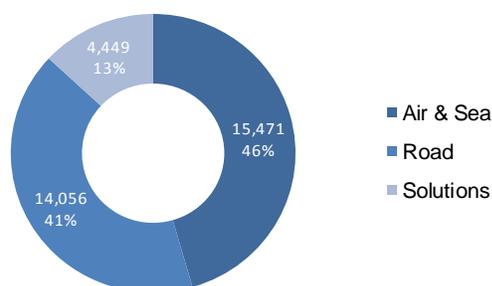
For the first six months of 2016, DSV recorded revenue of DKK 32,925 million against DKK 25,728 million for the same period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 29.9%.

For Q2 2016, revenue amounted to DKK 17,606 million against DKK 13,127 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 36.7%.

The increase is mainly attributable to UTi, which is included in DSV's consolidated financial statements as from the acquisition at the end of January. The acquisition of UTi impacts mainly on the Air & Sea Division, but has also contributed activities to Road and Solutions.

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

NET REVENUE YTD 2016 (DKKm)



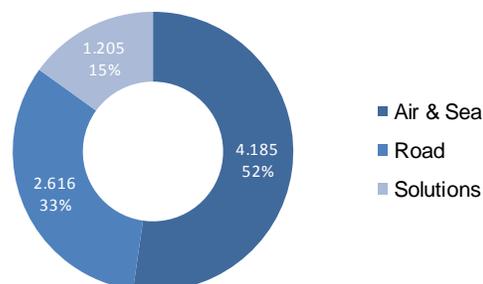
Gross profit

Gross profit came to DKK 7,821 million for the first six months of 2016 against DKK 5,569 million for the same period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 42.6%.

For Q2 2016, gross profit amounted to DKK 4,214 million against DKK 2,887 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 48.8%.

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

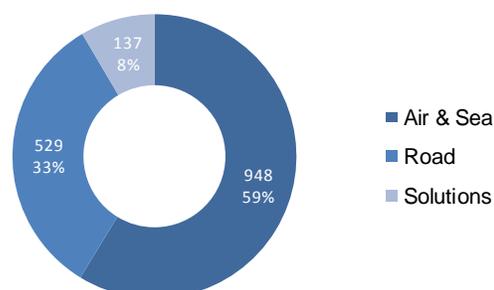
GROSS PROFIT YTD 2016 (DKKm)



The consolidated gross margin for the first six months of the year came to 23.8% against 21.6% for the same period of 2015. The increase is mainly attributable to the Air & Sea Division, where low average freight rates resulted in low net revenue and thus a high gross margin. In addition, the UTi activities contributed a high average gross margin.

Exchange rate fluctuations impacted negatively on gross profit by DKK 83 million in Q2 2016 and DKK 119 million in the six-month period ended 30 June.

Operating profit before special items YTD 2016 (DKKm)



Operating profit before special items

Operating profit before special items came to DKK 1,543 million for the period against DKK 1,450 million for the same period of 2015. Adjusted for exchange rate fluctuations, growth for the period was 9.1%.

For Q2 2016, operating profit before special items amounted to DKK 900 million against DKK 809 million for the same period last year. Adjusted for exchange rate fluctuations, growth for the period was 15.2%.

Exchange rate fluctuations impacted negatively on EBIT before special items by DKK 32 million in Q2 2016 and DKK 39 million in the six-month period ended 30 June.

Conversion ratio was 19.7% for the first six months of the year against 26.0% for the same period of 2015. The decline is attributable to the UTi, which initially has an adverse effect on the overall margin of the Group. As the integration progresses and the synergies are realised, the conversion ratio is expected again to increase.

The operating margin (before special items) for the six-month period under review was 4.7% against 5.6% for the same period last year.

UTi was running at a loss at the time of acquisition, but the integration actions implemented are estimated to have neutralised the earnings impact (EBIT before special items) in the first six months of 2016.

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 over a three-year period. With the integration process progressing well, we expect 40% of the synergies to materialise in 2016 (previous estimate 30% in 2016) and 40% to materialise in 2017 and the remaining 20% 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 711 million for the first six months of 2016. For Q2 2016, special items totalled DKK 341 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 charged to the income statement in 2017.

Financial items

Financial items totalled a net expense of DKK 58 million for the first six months of 2016. Financial items for the period were positively impacted by an extraordinary foreign exchange gain of DKK 122 million recognised in Q1 2016. The gain relates to the acquisition of UTi and the subsequent internal restructuring process.

For Q2 2016, financial items totalled a net expense of DKK 104 million and were in line with expectations.

Effective tax rate

The effective tax rate was 26.9% for the first six months of 2016 and was impacted by the acquisition of UTi as certain integration costs are not fully deductible for tax purposes.

The effective tax rate of the Group is still expected to approximate 25% in the coming years.

Profit for the period

The profit for the six-month period was DKK 566 million against DKK 960 million for H1 2015. The decline is mainly attributable to special items relating to the integration, although these are partly counterbalanced by the high operating profit and low financial expenses.

Adjusted earnings

Adjusted earnings for the six-month period under review were DKK 1,137 million against DKK 1,014 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 56 million for the period), costs related to share-based payments (DKK 22 million for the period) and special items (DKK 711 million for the period). The tax effect of the adjustments has been taken into account.

Diluted adjusted earnings per share

Diluted adjusted earnings per share were DKK 6.11 for the first six months of 2016, which was 3.0% higher than for 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 June 2016 was DKK 13.03 per share against DKK 11.55 for the same period of 2015, corresponding to an increase of 12.8%.

GROWTH

(DKKm)	Q2 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions, (%)	Q2 2016
Net revenue	13,127	(345)	4,824	36.7%	17,606
Gross profit	2,887	(83)	1,410	48.8%	4,214
EBIT before special items	809	(32)	123	15.2%	900
	YTD 2015				YTD 2016
Net revenue	25,728	(508)	7,705	29.9%	32,925
Gross profit	5,569	(119)	2,371	42.6%	7,821
EBIT before special items	1,450	(39)	132	9.1%	1,543

Cash flows

Working capital

The Group's funds tied up in net working capital came to DKK 1,422 million at 30 June 2016 against DKK 503 million at 30 June 2015. The increase is mainly due to the inclusion of UTi. The optimisation of funds tied up in working capital is a high-focus area in the integration process. In general, we see increasing pressure on working capital in the market.

Relative to estimated full-year revenue the net working capital amounted to 2.0% at 30 June 2016.

Cash flow from operating activities

Cash flow from operating activities was DKK 652 million for the first six months of 2016 against DKK 1,082 million for the same period of 2015. The decline is mainly due to the high working capital and integration expenses paid (special items).

Cash flow from investing activities

Cash flow from investing activities amounted to a negative DKK 4,741 million for the first six months of 2016 against DKK 110 million for the same period of 2015. The decline mainly relates to the acquisition of UTi.

Cash flow from financing activities

Cash flow from financing activities came to DKK 1,203 million for H1 2016 against a negative DKK 1,226 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 came to DKK 756 million for H1 2016 against DKK 1,192 million for the same period last year.

CASH FLOW STATEMENT

(DKKm)	YTD 2016	YTD 2015
EBITDA before special items	1,929	1,708
Change in net working capital	(359)	22
Adjustment, non-cash operating items	(114)	(127)
Adjustment, other operating items	(804)	(521)
Cash flow from operating activities	652	1,082
Purchase and sale of intangibles, property, plant and equipment	(146)	110
Acquisition and disposal of subsidiaries and activities, excluding creditors	(4,595)	-
Cash flow from investing activities	(4,741)	110
Free cash flow	(4,089)	1,192
Proceeds from and repayment of short-term and long-term debt	1,330	(473)
Allocated to shareholders	(327)	(985)
Exercise of share options	200	232
Cash flow from financing activities	1,203	(1,226)
Cash flow for the period	(2,886)	(34)
Adjusted free cash flow	756	1,192

Capital structure and finances

Equity

The equity interest of DSV shareholders came to DKK 11,892 million at 30 June 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 June 2016, the Company's portfolio of treasury shares amounted to 4,719,248 shares, corresponding to 2.48% of all 190 million shares issued. At 5 August 2016, the Company's portfolio of treasury shares amounts to 4,705,748 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 30.5% at 30 June 2016 (30 June 2015: 26.4%).

DEVELOPMENT IN EQUITY

(DKKm)	YTD 2016	YTD 2015
Equity at 1 January	11,809	6,052
Net profit for the period	560	958
Dividends distributed	(327)	(283)
Purchase/sale of treasury shares	192	(485)
Actuarial gains/(losses)	(220)	-
Other adjustments, net	(122)	118
Equity at 30 June	11,892	6,360

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 8,750 million at 30 June 2016 against DKK 5,313 million at 30 June 2015. The increase relates to the acquisition of UTi.

The financial gearing ratio was 2.3 at 30 June 2016 against 1.6 for the same period last year.

The duration of the Group's long-term loan and credit facilities was 3.3 years at 30 June 2016 against 4.7 years at 30 June 2015.

Invested capital including goodwill and customer relationships

The Group's invested capital including goodwill and customer relationships amounted to DKK 21,590 million at 30 June 2016 against DKK 11,668 million at 30 June 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 18.9% for the 12-month period ended 30 June 2016 against 23.9% for the 12-month period ended 30 June 2015.

Impact of seasonality

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

Outlook for 2016

The consolidated 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 3,300-3,500 million (previously DKK 3,100-3,500 million).
- Adjusted for foreign currency translation adjustments, net financial expenses are expected to approximate DKK 450 million (unchanged).
- The effective tax rate is expected to be around 25.0% (unchanged).

The revised outlook for operating profit before special items should be seen in the light of the UTi integration progressing well and the synergies materialising faster than anticipated. The synergy effect is partly counterbalanced by the negative development in the main currencies of the Group compared to the exchange rates at the beginning of 2016.

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

Exchange rates – outlook for 2016

The outlook is based on the exchange rates on the key currencies of the Group at the beginning of August 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.

DSV Air & Sea

Activities

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

The Division reported EBIT before special items of DKK 948 million for the first six months of 2016 against DKK 890 million for the same period of 2015, despite the acquired UTi activities initially running at a loss.



” For Q2 2016, EBIT before special items totalled DKK 534 million against DKK 502 million last year

INCOME STATEMENT

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	8,416	5,703	15,471	11,124
Direct costs	6,108	4,351	11,286	8,546
Gross profit	2,308	1,352	4,185	2,578
Other external expenses	640	257	1,119	521
Staff costs	1,078	565	2,015	1,110
EBITDA before special items	590	530	1,051	947
Amortisation and depreciation of intangibles, property, plant and equipment	56	28	103	57
EBIT before special items	534	502	948	890

KEY OPERATING DATA

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Gross margin (%)	27.4	23.7	27.1	23.2
Conversion ratio (%)	23.1	37.1	22.7	34.5
Operating margin (%)	6.3	8.8	6.1	8.0
Number of employees at 30 June			15,016	6,804
Total invested capital (DKKm)			11,336	6,571
Net working capital (DKKm)			1,628	1,098
ROIC before tax including goodwill and customer relationships (%)			22.1	25.9

Market development

Freight volume growth on H1 2016

	DSV Q2 2016	Market Q2 2016	DSV YTD 2016	Market YTD 2016
Sea freight – TEUs	57%	2%	49%	2%
Air freight – tonnes	96%	2%	84%	0%

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 49% for the first six months of 2016 compared to the same period of 2015.

For air freight, the Air & Sea Division reported a volume increase (tonnes) of 84% for H1 2016 compared to the same period of 2015.

The growth for the period is mainly attributable to UTi. Management also estimates that the original DSV operations achieved organic growth above the market rate.

Net revenue

For H1 2016, net revenue totalled DKK 15,471 million against DKK 11,124 million for the same period last year.

For Q2 2016, net revenue amounted to DKK 8,416 million against DKK 5,703 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 with major activities in Europe, APAC and Africa. UTi is recognised in full in the Q2 earnings report, whereas the company was only included in DSV's Q1 financial statements from the date of acquisition at the end of January 2016.

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

Gross profit

Gross profit was DKK 4,185 million for the H1 2016 against DKK 2,578 million for the same period of 2015. For Q2 2016, gross profit amounted to DKK 2,308 million against DKK 1,352 million for the same period last year.

In addition to the inclusion of UTi, the gross profit was also affected by increasing freight volumes in the original DSV operations, with both air and sea freight showing positive development. The aggregate gross profit per unit (TEU/tonne) was in line with the same period of 2015.

Initially, UTi and DSV operated on two different IT systems and according to 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 for the six-month period under review was 27.1% against 23.2% for the same period last year. The increase is mainly attributable to low average freight rates.

The currency translation effect had a negative impact on gross profit of DKK 61 million in Q2 2016 and DKK 89 million in the six-month period ended 30 June.

EBIT before special items

EBIT before special items was DKK 948 million for the first six months of 2016 against DKK 890 million for the same period last year. For Q2 2016, EBIT before special items totalled DKK 534 million against DKK 502 million for the same period last year.

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.

The conversion ratio for the first six months of 2016 was 22.7% against 34.5% for the same period last year. The decline is attributable to UTi, which currently 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 for H1 2016 was 6.1% against 8.0% for the same period last year and was also affected by the UTi integration.

The currency translation effect had a negative impact on EBIT before special items by DKK 25 million in Q2 2016 and DKK 32 million in the six-month period ended 30 June.

Working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 1,628 million at 30 June 2016 against DKK 1,098 million at 30 June 2015. The decline is mainly attributable to the recognition of UTi.

GROWTH

(DKKm)	Q2 2015	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions (%)	Q2 2016
Net revenue	5,703	(213)	2,926	51.3%	8,416
Gross profit	1,352	(61)	1,017	75.2%	2,308
EBIT before special items	502	(25)	57	11.4%	534
	YTD 2015				YTD 2016
Net revenue	11,124	(322)	4,669	42.0%	15,471
Gross profit	2,578	(89)	1,696	65.8%	4,185
EBIT before special items	890	(32)	90	10.1%	948

AIR AND SEA SPLIT

(DKKm)	Sea freight				Air freight			
	Q2 2016	Q2 2015	YTD 2016	YTD 2015	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	4,309	3,348	8,141	6,624	4,107	2,355	7,330	4,500
Direct costs	3,118	2,557	5,961	5,120	2,990	1,794	5,325	3,426
Gross profit	1,191	791	2,180	1,504	1,117	561	2,005	1,074
Gross margin (%)	27.6	23.6	26.8	22.7	27.2	23.8	27.4	23.9
Volumes (TEUs/tonnes)	345,808	220,023	630,917	424,079	151,562	77,146	274,379	148,895
Gross profit per unit (DKK)	3,443	3,595	3,456	3,547	7,371	7,273	7,307	7,215

DSV Road

Activities

With a complete European network 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 has contributed activities to the Road Division, mainly in USA and South Africa.

The Division reported EBIT before special items of DKK 529 million for the first six months of 2016 against DKK 479 million for the same period of 2015.



” For Q2 2016, EBIT before special items totalled DKK 310 million against DKK 259 million last year

INCOME STATEMENT

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	7,368	6,298	14,056	12,420
Direct costs	6,009	5,115	11,440	10,105
Gross profit	1,359	1,183	2,616	2,315
Other external expenses	314	273	646	547
Staff costs	691	619	1,361	1,225
EBITDA before special items	354	291	609	543
Amortisation and depreciation of intangibles, property, plant and equipment	44	32	80	64
EBIT before special items	310	259	529	479

KEY OPERATING DATA

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Gross margin (%)	18.4	18.8	18.6	18.6
Conversion ratio (%)	22.8	21.9	20.2	20.7
Operating margin (%)	4.2	4.1	3.8	3.9
Number of employees at 30 June			11,931	9,167
Total invested capital (DKKm)			4,082	2,961
Net working capital (DKKm)			(432)	(547)
ROIC before tax including goodwill and customer relationships (%)			27.5	27.6

Market development

Freight volume growth on H1 2016

	DSV Q2 2016	Market Q2 2016	DSV YTD 2016	Market YTD 2016
Consignments	6%	2-3%	5%	2-3%

DSV growth excluding UTi. Market growth rates are based on own estimates.

With consignment growth of approx. 5% in the first six 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

For H1 2016, net revenue totalled DKK 14,056 million against DKK 12,420 million for the same period last year.

For Q2 2016, net revenue amounted to DKK 7,368 million against DKK 6,298 million for the same period last year.

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

Gross profit

For the first six months of 2016, net revenue totalled DKK 2,616 million against DKK 2,315 million for the same period last year.

For Q2 2016, gross profit amounted to DKK 1,359 million against DKK 1,183 million for the same period last year. The quarter was positively impacted by the higher number of workdays compared to last year as Easter fell in Q1 2016.

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 six-month period under review was 18.6%, which is in line with the same period last year.

Historically, UTi has 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.

EBIT before special items

EBIT before special items was DKK 529 million for the first six months of 2016 against DKK 479 million for the same period last year.

For Q2 2016, EBIT before special items totalled DKK 310 million against DKK 259 million for the same period last year. The high gross profit for the quarter had a positive impact on EBIT before special items.

The conversion ratio for the first six months of 2016 was 20.2% against 20.7% for the same period last year. The decline is attributable partly to the inclusion of UTi with the UTi activities contributing positively to EBIT before special items for the period, although with a lower earnings margin than the original Road operations.

The Division's operating margin for the period under review was 3.8% against 3.9% for the same period last year.

Working capital

The Division's funds tied up in net working capital came to a negative DKK 432 million at 30 June 2016 against a negative DKK 547 million at 30 June 2015.

GROWTH

(DKKm)	Q2 2015	Currency translation adjustments	Grow th incl. acquisitions	Grow th incl. acquisitions (%)	Q2 2016
Net revenue	6,298	(117)	1,187	18.8%	7,368
Gross profit	1,183	(24)	200	16.9%	1,359
EBIT before special items	259	(5)	56	21.6%	310
	YTD 2015				YTD 2016
Net revenue	12,420	(167)	1,803	14.5%	14,056
Gross profit	2,315	(34)	335	14.5%	2,616
EBIT before special items	479	(6)	56	11.7%	529

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 137 million for the first six months of 2016 against DKK 104 million for the same period of 2015.



” For Q2 2016, EBIT before special items totalled DKK 90 million against DKK 68 million for the same period last year

INCOME STATEMENT

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	2,406	1,500	4,449	2,940
Direct costs	1,737	1,142	3,244	2,252
Gross profit	669	358	1,205	688
Other external expenses	192	117	357	242
Staff costs	322	136	595	269
EBITDA before special items	155	105	253	177
Amortisation and depreciation of intangibles, property, plant and equipment	65	37	116	73
EBIT before special items	90	68	137	104

KEY OPERATING DATA

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Gross margin (%)	27.8	23.9	27.1	23.4
Conversion ratio (%)	13.5	19.0	11.4	15.1
Operating margin (%)	3.7	4.5	3.1	3.5
Number of employees at 30 June			14,598	5,650
Total invested capital (DKKm)			3,087	1,666
Net working capital (DKKm)			163	127
ROIC before tax including goodwill and customer relationships (%)			11.6	16.0

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 calculation 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 4,449 million for H1 2016 against DKK 2,940 million for the same period of 2015.

For Q2 2016, net revenue amounted to DKK 2,406 million against DKK 1,500 million for the same period last year.

The increase is mainly attributable to UTi.

Gross profit

Gross profit totalled DKK 1,205 million for the first six months of 2016 against DKK 688 million for the same period of 2015.

For Q2 2016, gross profit amounted to DKK 669 million against DKK 358 million for the same period last year.

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

The gross margin for the six-month period under review was 27.1% against 23.4% for the same period last year. The high gross margin is mainly due to the inclusion of UTi.

Historically, UTi has 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.

EBIT before special items

EBIT before special items was DKK 137 million for the first six months of 2016 against DKK 104 million for the same period of 2015.

For Q2 2016, EBIT before special items totalled DKK 90 million against DKK 68 million for the same period last year.

The increase is partly attributable to UTi. In addition, the original DSV Solutions operations also reported an increase in earnings.

Conversion ratio was 11.4% for the six months under review against 15.1% for the same period of 2015. The decline is attributable to UTi, which has an adverse effect on the average earnings margin of the Division.

Working capital

The Division's funds tied up in net working capital came to DKK 163 million at 30 June 2016 against DKK 127 million at 30 June 2015.

GROWTH

(DKKm)	Q2 2015	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions (%)	Q2 2016
Net revenue	1,500	(38)	944	62.9%	2,406
Gross profit	358	(6)	317	88.5%	669
EBIT before special items	68	(1)	23	33.8%	90
	YTD 2015				YTD 2016
Net revenue	2,940	(52)	1,561	53.1%	4,449
Gross profit	688	(9)	526	76.5%	1,205
EBIT before special items	104	(1)	34	32.7%	137

Interim financial statements

INCOME STATEMENT

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Net revenue	17,606	13,127	32,925	25,728
Direct costs	13,392	10,240	25,104	20,159
Gross profit	4,214	2,887	7,821	5,569
Other external expenses	877	550	1,667	1,093
Staff costs	2,228	1,398	4,225	2,768
Operating profit before amortisation, depreciation and special items	1,109	939	1,929	1,708
Amortisation and depreciation of intangibles, property, plant and equipment	209	130	386	258
Operating profit before special items	900	809	1,543	1,450
Net special items, costs	341	-	711	-
Financial items, costs	104	99	58	171
Profit before tax	455	710	774	1,279
Tax on profit for the period	122	177	208	319
Profit for the period	333	533	566	960
Profit for the period is attributable to:				
Shareholders of DSV A/S	327	532	560	958
Non-controlling interests	6	1	6	2
Earnings per share:				
Earnings per share for the period	1.77	3.14	3.04	5.65
Diluted earnings per share for the period	1.75	3.11	3.01	5.60
Supplementary information:				
Diluted adjusted earnings per share for the period	3.27	3.27	6.11	5.93
Diluted adjusted earnings per share for the last 12 months			13.03	11.55

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Profit for the period	333	533	566	960
Items that will be reclassified to income statement when certain conditions are met:				
Currency translation adjustments, foreign enterprises	5	16	(95)	16
Fair value adjustment relating to hedging instruments	58	35	(136)	28
Fair value adjustment relating to hedging instruments transferred to financials	4	8	9	21
Actuarial gains/(losses)	(90)	-	(220)	-
Tax on other comprehensive income	(16)	(12)	68	(12)
Other comprehensive income, net of tax	(39)	47	(374)	53
Total comprehensive income	294	580	192	1,013
Total comprehensive income is attributable to:				
Shareholders of DSV A/S	295	581	192	1,012
Non-controlling interests	(1)	(1)	-	1
Total	294	580	192	1,013

CASH FLOW STATEMENT

(DKKm)	YTD 2016	YTD 2015
Operating profit before amortisation, depreciation and special items	1,929	1,708
<i>Adjustment, non-cash operating items etc.:</i>		
Share-based payments	22	18
Change in provisions	(136)	(145)
Change in net working capital	(359)	22
Special items	(265)	-
Interest received	159	16
Interest paid	(241)	(222)
Corporation tax, paid	(457)	(315)
Cash flow from operating activities	652	1,082
Purchase of intangible assets	(102)	(123)
Purchase of property, plant and equipment	(145)	(270)
Disposal of property, plant and equipment	101	530
Acquisition and disposal of subsidiaries and activities	(4,595)	-
Change in other financial assets	-	(27)
Cash flow from investing activities	(4,741)	110
Free cash flow	(4,089)	1,192
Proceeds from and repayment of short-term and long-term debt	1,379	(482)
Proceeds from and repayment of other financial liabilities	(49)	9
<i>Shareholders:</i>		
Dividends distributed	(327)	(283)
Purchase of treasury shares	-	(702)
Sale of treasury shares, exercise of share options	192	217
Other transactions with shareholders	8	15
Cash flow from financing activities	1,203	(1,226)
Cash flow for the period	(2,886)	(34)
Cash and cash equivalents at 1 January	4,908	432
Cash flow for the period	(2,886)	(34)
Currency translation adjustments	44	(100)
Cash and cash equivalents at 30 June	2,066	298
The cash flow statement cannot be directly derived from the balance sheet and income statement.		
Statement of adjusted free cash flow		
Free cash flow	(4,089)	1,192
Net acquisition of subsidiaries and activities	4,595	-
Normalisation of working capital of acquired subsidiaries and activities	250	-
Adjusted free cash flow	756	1,192
Statement of enterprise value of acquirees		
Net acquisition of subsidiaries and activities*	4,595	-
Interest-bearing debt	4,883	-
Normalisation of working capital of acquired subsidiaries and activities	250	-
Enterprise value of acquirees	9,728	-

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

BALANCE SHEET, ASSETS

(DKKm)	30.06.2016	30.06.2015	31.12.2015
Intangible assets	16,859	8,969	8,996
Property, plant and equipment	4,071	3,637	3,568
Other receivables	292	323	119
Deferred tax asset	714	491	515
Total non-current assets	21,936	13,420	13,198
Trade receivables	11,815	8,611	7,799
Work in progress (services)	1,374	834	588
Other receivables	1,740	894	1,232
Cash and cash equivalents	2,066	298	4,908
Total current assets	16,995	10,637	14,527
Total assets	38,931	24,057	27,725

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	30.06.2016	30.06.2015	31.12.2015
Share capital	190	175	192
Reserves	11,702	6,185	11,617
DSV A/S shareholders' share of equity	11,892	6,360	11,809
Non-controlling interests	7	30	32
Total equity	11,899	6,390	11,841
Deferred tax	460	330	321
Pensions and similar obligations	1,492	1,319	1,226
Provisions	735	350	360
Financial liabilities	9,328	5,234	4,309
Total non-current liabilities	12,015	7,233	6,216
Provisions	507	284	270
Financial liabilities	1,542	598	313
Trade payables	6,314	4,924	4,997
Work in progress (services)	2,196	1,671	1,451
Other payables	4,167	2,719	2,347
Corporation tax	291	238	290
Total current liabilities	15,017	10,434	9,668
Total liabilities	27,032	17,667	15,884
Total equity and liabilities	38,931	24,057	27,725

STATEMENT OF CHANGES IN EQUITY – 1 JANUARY – 30 JUNE 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
Equity at 1 January 2016	192	4,744	(9)	56	(289)	7,115	11,809	32	11,841
Profit for the period	-	-	-	-	-	560	560	6	566
Currency translation adjustments, foreign	-	-	-	-	(89)	-	(89)	(6)	(95)
Fair value adjustments relating to hedging	-	-	-	(136)	-	-	(136)	-	(136)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	9	-	-	9	-	9
Actuarial gains/(losses)	-	-	-	-	-	(220)	(220)	-	(220)
Tax on other comprehensive income	-	-	-	5	-	53	68	-	68
Other comprehensive income, net of tax	-	-	-	(112)	(89)	(167)	(368)	(6)	(374)
Total comprehensive income for the period	-	-	-	(112)	(89)	393	192	-	192
Transactions with owners:									
Share-based payments	-	-	-	-	-	22	22	-	22
Dividends distributed	-	-	-	-	-	(327)	(327)	-	(327)
Sale of treasury shares	-	-	2	-	-	190	192	-	192
Capital reduction	(2)	-	2	-	-	-	-	-	-
Addition/disposal of non-controlling interests	-	-	-	-	-	-	-	(15)	(15)
Dividends on treasury shares	-	-	-	-	-	14	14	-	14
Other adjustments	-	-	-	-	-	4	4	(10)	(6)
Tax on transactions with owners	-	-	-	-	-	(14)	(14)	-	(14)
Total transactions with owners	(2)	-	4	-	-	(111)	(109)	(25)	(134)
Equity at 30 June 2016	190	4,744	(5)	(56)	(378)	7,397	11,892	7	11,899

STATEMENT OF CHANGES IN EQUITY – 1 JANUARY – 30 JUNE 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
Equity at 1 January 2015	177	(7)	(28)	(239)	6,149	6,052	29	6,081
Profit for the period	-	-	-	-	958	958	2	960
Currency translation adjustments, foreign enterprises	-	-	-	17	-	17	(1)	16
Fair value adjustments relating to hedging instruments	-	-	28	-	-	28	-	28
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	21	-	-	21	-	21
Tax on other comprehensive income	-	-	(12)	-	-	(12)	-	(12)
Other comprehensive income, net of tax	-	-	37	17	-	54	(1)	53
Total comprehensive income for the period	-	-	37	17	958	1,012	1	1,013
Transactions with owners:								
Share-based payments	-	-	-	-	18	18	-	18
Dividends distributed	-	-	-	-	(283)	(283)	-	(283)
Purchase of treasury shares	-	(2)	-	-	(700)	(702)	-	(702)
Sale of treasury shares	-	-	-	-	217	217	-	217
Capital reduction	(2)	2	-	-	-	-	-	-
Dividends on treasury shares	-	-	-	-	12	12	-	12
Other adjustments	-	-	-	-	5	5	-	5
Tax on transactions with owners	-	-	-	-	29	29	-	29
Total transactions with owners	(2)	-	-	-	(702)	(704)	-	(704)
Equity at 30 June 2015	175	(7)	9	(222)	6,405	6,360	30	6,390

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 from 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	15,471	11,124	14,056	12,420	4,449	2,940	658	458	34,634	26,942
Intercompany revenue	(447)	(199)	(545)	(517)	(137)	(74)	(580)	(424)	(1,709)	(1,214)
Net revenue	15,024	10,925	13,511	11,903	4,312	2,866	78	34	32,925	25,728
Gross profit	4,185	2,578	2,616	2,315	1,205	688	(185)	(12)	7,821	5,569
Other external expenses	1,119	521	646	547	357	242	(455)	(217)	1,667	1,093
Staff costs	2,015	1,110	1,361	1,225	595	269	254	164	4,225	2,768
Amortisation and depreciation of intangibles, property, plant and equipment	103	57	80	64	116	73	87	64	386	258
Operating profit before special items	948	890	529	479	137	104	(71)	(23)	1,543	1,450
Total assets	25,773	13,317	15,964	13,229	7,012	3,311	(9,818)	(5,800)	38,931	24,057
Total liabilities	28,844	11,696	8,822	7,952	6,171	3,493	(16,805)	(5,474)	27,032	17,667

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 six months of 2016 totalled DKK 711 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 approx. 21,000 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, enabling 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 and administration are merged with DSV and no separate financial reports are prepared for DSV or UTi. The earnings impact is therefore based on estimates.

UTi is estimated to have contributed approx. DKK 8,600 million to net revenue, while the reported operating profit before special items was break even in the period from the acquisition date on 22 January 2016 to 30 June 2016.

On a pro forma basis, if the acquisition had been effective from 1 January 2016 UTi would have contributed DKK 10,300 million to net revenue, whereas operating profit before special items would have been unaffected.

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 six months of 2016 (Q4 2015: DKK 71 million).

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	3,717
Work in progress (services)	173
Deferred tax assets	85
Other receivables	1,487
Cash and cash equivalents	1,993
Total assets	8,635
Provisions	509
Financial liabilities	4,902
Pensions and similar obligations	74
Trade payables	1,823
Work in progress (services)	560
Deferred tax	179
Corporation tax	152
Other payables	1,697
Total liabilities	9,896
Non-controlling interests' share of acquired net assets	15
Acquired net assets	(1,246)
Fair value of total consideration	6,588
Goodwill arising from the acquisition	7,834

The fair value of acquired trade receivables, work in progress and other receivables amounts to DKK 5,377 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 six-month period ended 30 June 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 Report gives a true and fair view of the DSV Group's assets, equity, liabilities and financial position at 30 June 2016 and of the results of the Group's operations and cash flow for the six-month period ended 30 June 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, 5 August 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