2007 Annual Report

Global Transport and Logistics

DSV is a global supplier of transport and logistics services. DSV has offices in more than 50 countries all over the world. Supplemented by partners and agents, DSV offers services in more than 100 countries. By our professional and advantageous overall solutions, the 18,500 DSV employees are expected to achieve a worldwide annual turnover of about DKK 35 billion for 2008.

■ Countries in which DSV has its own companies.

DSV

Revenue:	Operating profit before special items:	Number of employees:
DKK 34,899 million	**DKK 1,882 million**	**19,211**

	ROAD	AIR & SEA	SOLUTIONS
Revenue:	**DKK 22,793 million**	**DKK 9,060 million**	**DKK 4,240 million**
Operating profit*:	**DKK 998 million**	**DKK 691 million**	**DKK 222 million**
Number of employees:	**11,474**	**2,925**	**4,812**

* before special items

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2007 in review

2007 became yet a successful year for DSV in which the company continued its efforts to integrate Koninklijke Frans Maas Groep N.V. (Frans Maas), which was acquired in 2006.

The comprehensive and complicated process of commercial integration, realisation of synergy potential and adjustment of legal and financial structures has now been completed in almost all countries, except for Germany and France where the last part of the process is not yet finished. The process has involved changes to traffic, termination of agency relationships, renegotiation of non-profitable agreements, combination of terminals and offices, consolidation of IT resources as well as staff adjustments.

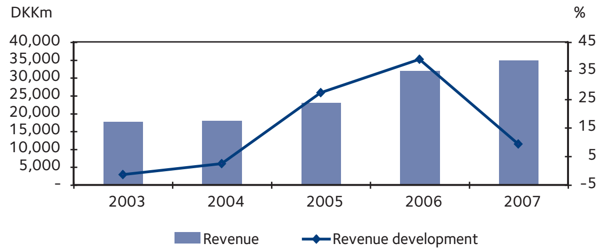
In addition to the efforts carried out to integrate Frans Maas, the original DSV companies managed to achieve an organic growth in revenue of 3.4%. The Road Division continues to grow organically, particularly in the Nordic countries and Eastern Europe. The Air & Sea Division continues its progress and once more obtained record revenue and earnings. The Solutions Division performs according to Management expectations.

The major 2007 financial results are:

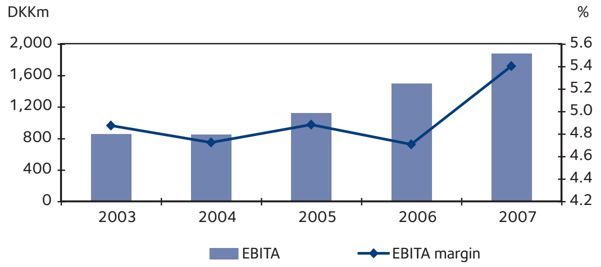
- Revenue came to DKK 34,899 million, the largest revenue ever realised by the Group.
- Operating profit before special items totalled DKK 1,882 million, corresponding to a margin of 5.4%.
- The net profit came to DKK 1,114 million, of which DKK 1,067 million is attributable to DSV.
- Diluted adjusted earnings per share of DKK 1 came to DKK 5.8.
- The Group's funds tied up in net working capital came to DKK 291 million at 31 December 2007.
- Shares worth DKK 1,222 million have been bought back.
- The Group's investments exclusive of acquisition and divestment of activities and enterprises netted DKK 262 million.
- The free cash flow of the Group adjusted for the acquisition and divestment of activities and enterprises amounted to DKK 1,145 million.
- ROIC including goodwill and customer relationships came to 20.7%.

The Group expects to distribute DKK 0.25 per share of DKK 1 as dividend for 2007. The share price increased from DKK 103.2 per share at 31 December 2006 to DKK 111.75 at 31 December 2007.

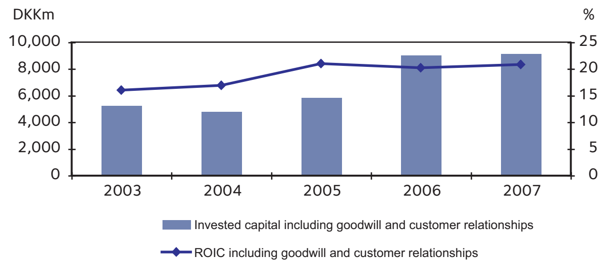
REVENUE DEVELOPMENT



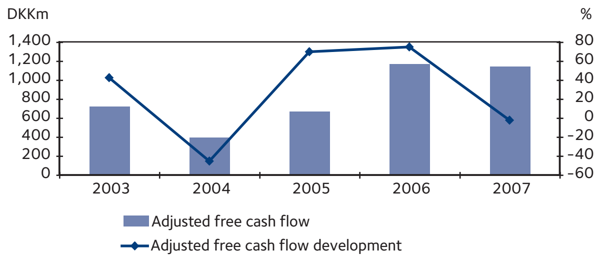
DEVELOPMENT IN OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)



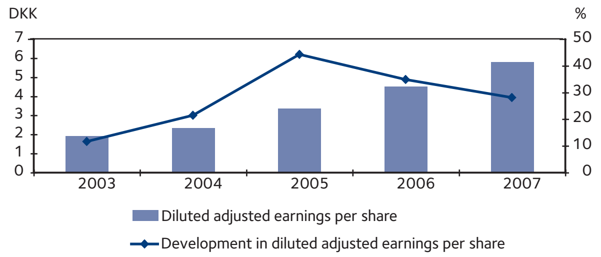
DEVELOPMENT IN ROIC AND INVESTED CAPITAL



ADJUSTED FREE CASH FLOW



DILUTED ADJUSTED EARNINGS PER SHARE



Financial highlights

FINANCIAL HIGHLIGHTS	2003 [1]	2004	2005	2006	2007
Income statement (DKKm)					
Revenue	17,676	18,092	23,015	31,972	34,899
Gross profit	3,888	3,863	4,667	6,904	7,704
Operating profit before amortisation, depreciation and special items (EBITDA)	1,071	1,063	1,332	1,834	2,126
Operating profit before special items (EBITA)	861	854	1,123	1,504	1,882
Operating profit (EBIT)	728	1,411	1,064	1,221	1,854
Net financial expenses	195	108	80	207	268
Profit before tax	529	1,301	984	1,014	1,586
DSV A/S shareholders' share of net profit for the year	304	1,083	658	677	1,067
Adjusted profit	437	527	709	914	1,141
Balance sheet (DKKm)					
Non-current assets	4,761	4,624	5,652	9,093	9,362
Current assets	3,269	3,397	4,797	6,969	6,942
DSV A/S shareholders' share of equity	2,399	3,107	3,212	3,699	3,457
Minority interests	78	84	111	145	192
Provisions	328	-	-	-	-
Non-current liabilities	1,555	956	2,463	5,740	5,783
Current liabilities	3,670	3,874	4,663	6,478	6,872
Balance sheet total	8,030	8,021	10,449	16,062	16,304
Net interest-bearing debt	2,260	1,287	2,204	4,835	5,121
Invested capital including goodwill and customer relationships	5,271	4,835	5,865	9,057	9,151
Gross investment in property, plant and equipment	478	358	392	391	742
Cash flows (DKKm)					
Operating activities	731	599	839	1,092	1,407
Investing activities	(25)	504	(1,004)	(1,576)	(379)
Financing activities (excluding dividends distributed)	(713)	(1,103)	530	579	(972)
Dividends distributed	(24)	(44)	(158)	(50)	(50)
Net cash flow	(8)	(44)	207	45	6
Foreign currency translation adjustments	23	(5)	6	(23)	(30)
Cash and cash equivalents at year-end	221	172	385	407	383
Financial ratios (%)					
Gross margin ratio	22.0	21.4	20.3	21.6	22.1
EBITDA margin	6.1	5.9	5.8	5.7	6.1
EBITA margin	4.9	4.7	4.9	4.7	5.4
EBIT margin	4.1	7.8	4.6	3.8	5.3
ROIC including goodwill and customer relationships	16.0	16.9	21.0	20.2	20.7
Return on equity	13.2	39.3	20.8	19.6	29.8
Equity ratio	29.9	38.7	30.7	23.0	21.2
Share ratios [2]					
Earnings per share of DKK 1	1.5	5.4	3.2	3.4	5.5
Diluted adjusted earnings per share of DKK 1	1.9	2.3	3.4	4.5	5.8
Net asset value per share of DKK 1	12.0	15.8	16.2	18.6	18.3
Number of shares issued at year-end ('000)	207,700	210,750	208,960	201,500	201,500
Number of shares at year-end ('000)	200,050	196,370	198,130	198,640	188,382
Average number of shares ('000)	200,170	200,860	203,120	198,540	194,296
Diluted average number of shares ('000)	228,190	226,440	211,150	201,960	197,876
Share price at year-end (DKK)	26.40	37.10	77.80	103.20	111.75
Dividend per share	0.21	0.75	0.25	0.25	0.25
Staff					
Number of employees at year-end	9,249	9,225	11,619	19,199	19,211

For a definition of the financial highlights, please refer to page 60.

1. Comparative figures for 2003 have been prepared in accordance with the previous accounting policies based on the provisions of the Danish Financial Statements Act and Danish accounting standards.
2. Comparative figures for 2003-2006 and purchases and sales until the issue of bonus shares in 2007 have been adjusted.

Business concept and vision

Business concept

DSV is a global provider of transport and logistics services and expects an annual revenue for 2008 of about DKK 35 billion. It has companies in more than 50 countries. The Group reached its current size by its involvement in the consolidation of the transport and logistics sector and through organic growth.

Today the Group is divided into three separate divisions with individual business areas:

- The Road Division offers direct land transport of full loads, part loads and mixed cargo all over Europe. The Group has more than 15,000 trucks on the European roads every day.
- The Air & Sea Division has a global air and sea transport network. The network of the Air & Sea Division is mainly structured around its own operations in countries with DSV representation and supported by agents in the markets where DSV is not yet present. The great majority of the volume is produced within DSV's own network. On an annual basis, the Group handles approximately 500,000 TEU of seafreight and 115,000 tons of airfreight.
- The Solutions Division supplies logistics services to the European market. The Group disposes of about 1,500,000 square metres of logistics facilities.

The business concept of DSV implies comprehensive outsourcing. DSV aims to produce a maximum of 5% of the revenue volume itself. The Group uses hauliers, airline companies and shipping companies as sub-contractors. As a result, DSV can quickly and cost-effectively adapt to changes in supply and demand in the transport market. The cooperation with sub-contractors is generally long-term and based on an atmosphere of mutual respect and requirements.

Vision

DSV wants to generate value to its shareholders by:

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

HISTORY	
1976	DSV, De Sammensluttede Vognmænd af 13-7 1976 A/S, is founded by ten independent hauliers.
1987	DSV is listed on the Copenhagen Stock Exchange.
1997	DSV acquires Samson Transport Co. A/S, thereby tripling the transport and logistics activities of the Group.
2000	DSV acquires DFDS Dan Transport Group A/S. The transport and logistics activities of DSV are quadrupled.
2002	DSV enters into a 50/50 joint venture with TNT regarding DFDS Transport Logistics A/S.
2004	DSV divests DSV Miljø A/S (Environment Division) to focus more on the transport and logistics parts of the DSV Group. DSV buys back the remaining 50% of the Logistics Division from TNT.
2005	DSV acquires J.H. Bachmann GmbH to strengthen the Air & Sea Division.
2006	DSV acquires Koninklijke Frans Maas Groep N.V., thereby becoming the third transport company with its own Road activities in all of Europe.

Financial targets and capital structure

DSV creates value for its shareholders by breaking down the financial elements of its vision into financial targets and Group capital structure targets.

Financial targets

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

These targets are expected to be realised in the medium term, depending on potential acquisitions of companies less profitable than DSV. The typical period required to integrate newly acquired companies is approximately three years.

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

FINANCIAL TARGETS

	DSV	Road	Air & Sea	Solutions
Organic revenue growth	6%	5%	12%	5%
EBITA margin	6%	6%	8%	7%
ROIC including goodwill and customer relationships	25%	25%	35%	25%

The financial targets of the Group for the Air & Sea Division and partly for the Solutions Division have been revised relative to last year's Annual Report following a revision of the potential of these Divisions and the results achieved.

Capital structure

The targets set for the capital structure of DSV are:

- A high degree of flexibility to meet the strategic goals, including to allow the financing of growth through acquisitions
- Financial stability for the purpose of reducing the corporate cost of capital

The capital structure of DSV is assessed on a regular basis. The target set out for the capital structure is a ratio of net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items) of at least 2-3.5 for the Group ("gearing"). With the current budget for 2008, this implies a net interest-bearing debt of between DKK 4.3 and 7.6 billion.

DSV aims to use the free cash flow as follows:

1. REPAYMENTS:
Repayment of net interest-bearing debt in periods when the gearing ratio of the Group is above the gearing target.

2. ACQUISITION OF ENTERPRISES:
If there are attractive candidates.

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

4. DIVIDENDS:
Dividends per share will be kept constant or increased at a measured rate in consideration of the gearing level of the Group and its plans for future acquisitions as well as planned share buy-backs.

The free cash flow is generated on an ongoing basis throughout the year although individual transactions and seasons may lead to minor fluctuations in the free cash flow from one quarter to the next. Dividends distributed to the Company's shareholders are adjusted in accordance with the Company's capital structure targets in connection with the publication of interim reports. The Group may exceed the gearing level for short periods due to the acquisition or divestment of enterprises.

2008 budget summary – Unaudited

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AND BUDGET		
(DKKm)	2007 Realised	2008 Budget Unaudited
Revenue	34,899	34,580
Direct costs	27,195	27,097
Gross profit	7,704	7,483
Other external expenses	1,862	1,681
Staff costs	3,716	3,618
Operating profit before amortisation, depreciation and special items (EBITDA)	2,126	2,184
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	244	388
Operating profit before special items (EBITA)	1,882	1,796
Special items, net	(28)	422
Operating profit (EBIT)	1,854	2,218
Financials etc.	268	230
Profit before tax	1,586	1,988
Tax on profit for the year	472	450
Net profit for the year	1,114	1,538
Net profit for the period is allocated to:		
Shareholders of DSV A/S	1,067	1,535
Minority interests	47	3

QUARTERLY BUDGETS, SUMMARY				
(DKKm)	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Revenue	8,020	8,951	8,693	8,916
Direct costs	6,283	7,004	6,803	7,007
Gross profit	1,737	1,947	1,890	1,909
Other external expenses	419	430	425	407
Staff costs	898	925	858	937
Operating profit before amortisation, depreciation and special items	420	592	607	565
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	(96)	(104)	(82)	(106)
Operating profit before special items	324	488	525	459

Budget assumptions

The 2008 budget includes a summary of the budgeted income statement of the DSV Group. The budget is broken down by quarters.

The budget comprises the companies owned by DSV at the publication of the 2007 Annual Report and hence acquisitions and divestments completed until 4 March 2008.

DSV's divestment of its stake in Tollpost Globe AS (Norway) and acquisition of Roadferry Ltd. (UK) have been incorporated into the above budget. In 2007, Tollpost Globe AS accounted for DKK 2,100 million of revenue and DKK 125 million of operating profit, and its minority interest of profit for the year was DKK 44 million. The earnings impact from the divestment of Tollpost Globe AS in 2008 will be an amount of DKK 440 million to be recognised as income under special items.

Roadferry Ltd. will be recognised in the consolidated revenue by DKK 400 million and in the operating profit by DKK 11 million in 2008.

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

EXCHANGE RATES	
For DKK 100	
EUR	744
GBP	1,000
NOK	93
SEK	79
USD	500

Revenue

DSV expects an organic revenue growth of 5.2% for 2008 compared with 2007.

REVENUE 2007 VERSUS BUDGET 2008	
DKKm	
Revenue 2007	34,899
Foreign currency translation adjustments	(457)
Acquisition and divestment of enterprises, net	(1,640)
Growth	1,778
Budgeted 2008 revenue	34,580

Operating profit before special items

DSV expects an organic growth of 3.7% in the 2008 operating profit before special items. The 2007 operating profit before special items is particularly affected by the gain on the sale of property in Brøndby, Denmark.

The budgeted operating profit before special items includes the following non-cash items: Amortisation of customer relationships in the amount of DKK 60 million (2007: DKK 59 million) and costs for incentive programmes of DKK 24 million (2007: DKK 14 million). In total, non-cash items in the amount of DKK 84 million (2007: DKK 73 million) are recognised in the budgeted operating profit. Hence, the operating profit before special items adjusted for non-cash item totals DKK 1,880 million (2007: DKK 1,955 million).

2007 OPERATING PROFIT BEFORE SPECIAL ITEMS VERSUS 2008 BUDGET

DKKm	
2007 operating profit before special items	1,882
Foreign currency translation adjustments	(40)
Acquisition and divestment of enterprises, net	(113)
Growth	67
Operating profit before special items, budget 2008	1,796

The budgeted margin of the consolidated operating profit before special items for 2008 totals 5.2%.

Special items, net

The budget includes a gain of DKK 440 million from the divestment of Tollpost Globe AS in February 2008 and costs for the restructuring of Roadferry Ltd. of DKK 18 million, which are expected to be realised in Q2 2008.

Financials

The budgeted financial expenses inclusive of interest on pension obligations for 2008 are DKK 230 million.

This amount includes interest payable on debt incurred to buy back shares to hedge an option scheme commencing in 2008 and a share buy-back programme which expired on 29 February 2008.

Tax on profit for the year

DSV expects an effective tax rate of 29% in 2008 when adjusted for the divestment of Tollpost Globe AS, the gain from which is non-taxable.

Net profit for the year

The budgeted net profit for the year is DKK 1,538 million.

Cash flows

The cash flow from operating activities is expected to amount to approx. DKK 1,725 million in 2008. This amount takes into account that funds tied up in working capital will increase by DKK 150 million and that provisions will be adjusted by DKK 50 million.

The Group expects its investments in assets to net approx. DKK 200 million in 2008 and free cash flow before net investments in subsidiaries and activities to total DKK 1,525 million.

As a consequence of the divestment of its stake in Tollpost Globe AS and the acquisition of Roadferry Ltd., the Group expects its investments in subsidiaries and activities to net an inflow of approx. DKK 900 million in 2008. The gain of DKK 440 million from these transactions has been included in cash flow from operating activities.

Accordingly, the expected free cash flow exclusive of acquisition and divestment of subsidiaries amounts to approx. DKK 1,100 million and approx. DKK 2,000 million inclusive of acquisition and divestment of subsidiaries for 2008.

Return on invested capital

Earnings will drop as a consequence of the divestment of Tollpost Globe AS. The invested capital will also be reduced by virtue of the divestment of Tollpost Globe AS, which implies that return on invested capital is expected to be at the same level as in 2007. The Group continues to focus particularly on adjusting its working and fixed capital.

Diluted adjusted earnings per share

At 29 February 2008, DSV had 191.2 million fully diluted shares. The budgeted diluted adjusted earnings per share will be DKK 6.1 as against the amount of DKK 5.8 realised in 2007.

Frans Maas – status of integration

Frans Maas is expected to become fully integrated in 2008, and as previously disclosed, the completed integration is expected to give rise to annual synergies of DKK 450 million.

Forward-looking statements

This Annual Report includes forward-looking statements on various matters, such as expected revenue and earnings and future strategy and expansion plans. Such statements are uncertain and involve various risks because many factors, some of which are beyond DSV's control, may result in actual developments differing considerably from the expectations set out in the Annual Report.

Such factors include, but are not limited to, general financial business conditions, exchange rate changes, changes in the level of interest rates, the demand for DSV's services, competition in the transport sector, operational problems in one or more of the Group's subsidiaries and uncertainty in connection with the acquisition and divestment of enterprises. Please also refer to 'Risk factors' on page 26.

Management's review – Financial review

For 2007, DSV achieved highly satisfactory financial results overall matching the expectations that were published in the 2006 Annual Report and adjusted in the Q3 2007 Report. 2007 was characterised by the continued integration of the Frans Maas activities. The acquired Frans Maas activities were taken over with effect from 1 April 2006.

REALISED 2007 VERSUS BUDGET 2007			
DKKm	Realised 2007	Adjusted budget	Original budget
Revenue	34,899	35,300	35,698
Operating profit before special items	1,882	1,875	1,658
Special items	(28)	(150)	(150)
Financials, net	(261)	(245)	(210)
Net profit for the year	1,114	1,050	922
Net investments	262	(100)	200
Free cash flow	1,145	1,250	1,000

The Group's revenue was slightly below the adjusted budget. This is mainly due to elimination of loss-making contracts and lower revenue than expected in the Netherlands and Germany. Moreover, exchange rate developments in GBP and USD further reduced revenue in Q4.

Operating profit before special items (EBITA) was above the adjusted budget. This is due to higher earnings in the Air & Sea Division in China, the UK and Ireland and in the Road Division in Denmark, Sweden and the UK. The German integration was slower than expected, which reduced the operating profit before special items.

Special items were considerably lower than expected due to the change of the Norwegian pension plans from defined benefit plans into defined contribution plans and the change of the Dutch pension plans, which resulted in substantial income at the end of Q4 2007. For the Dutch pension plans a corresponding actuarial loss has been recognised directly in equity. Finally, the expected restructuring costs were lower than expected. Both changes were recognised in Q4 2007.

Net financial expenses were slightly higher than in the adjusted budget as a result of the rising interest rate level.

The net profit for the year was DKK 64 million above the adjusted budget. This is due to the lower special items, which were to some extent offset by increased interest expenses.

The free cash flow was also positively affected by the fact that the funds tied up in working capital were reduced faster than budgeted. Hence the net working capital was lower than expected, while investments were higher than expected due to property purchases realised in December 2007.

Income statement

REVENUE

Revenue grew from DKK 31,972 million in 2006 to DKK 34,899 million in 2007, or an increase of 9.7% when adjusted for foreign currency translation differences. This is mainly due to the fact that only nine months of the Frans Maas revenue were included in the 2006 consolidated financial statements. The organic growth constituted 3.4%. The acquisition of Frans Maas had a negative impact on the organic growth because DSV is now represented in several new countries with its own company, for which reason agency revenue of the original DSV companies has been converted into own revenue in Frans Maas companies. Finally, the elimination of loss-making contracts was a contributory reason why revenue and organic growth did not increase as much as expected.

REVENUE 2006 VERSUS 2007	
DKKm	
2006 revenue	31,972
Foreign currency translation adjustments	(182)
Acquisition and divestment of enterprises, net	2,025
Growth	1,083
2007 revenue	34,899

The Road Division realised a revenue drop of 6.2% compared with 2006. The drop is attributable to the change in segmentation transferring part of the acquired revenue from the Road Division to the Solutions and Air & Sea Divisions. The increase in acquired growth is due to the fact that only nine months of the Frans Maas revenue were included in the 2006 consolidated financial statements. The growth was realised mainly in Germany, the Netherlands, the UK, Belgium, France, Italy and Spain. The Division also contributed to the organic growth, which was largest in Norway, Sweden and the Baltic countries when measured in absolute figures.

The Air & Sea Division realised a revenue increase of 16.2% compared with 2006. The increase is attributable to acquired growth through the acquisition of Frans Maas, various minor acquisitions in 2007 and organic growth. The organic growth of 11.5% was largest in Denmark, the USA, China and other Far East when measured in absolute figures.

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

The Group achieved revenue of 1.1% below budget compared with the adjusted budget for 2007.

REALISED REVENUE 2007 VERSUS ADJUSTED BUDGET 2007	
DKKm	
Budgeted 2007 revenue	35,300
Foreign currency translation adjustments	(19)
Acquisition and divestment of enterprises, net	-
Growth	(382)
2007 revenue	34,899

DIRECT COSTS

Direct costs came to DKK 27,195 million for 2007 compared with DKK 25,068 million for 2006, an increase of 8.5%. The increase is attributable to the rising revenue realised in 2007.

GROSS PROFIT

The consolidated gross profit came to DKK 7,704 million for 2007, corresponding to a gross margin ratio of 22.1%, an increase compared with the 2006 gross margin ratio of 21.6%. This is mainly due to the realised synergies and continued focus on elimination of loss-making contracts.

OTHER EXTERNAL EXPENSES

Other external expenses amounted to DKK 1,862 million for 2007 compared with DKK 1,737 million for 2006, an increase of 7.2%, which is predominantly attributable to the fact that only nine months of other external expenses for the former Frans Maas activities were included in the 2006 consolidated financial statements.

STAFF COSTS

Staff costs amounted to DKK 3,716 million in 2007 compared with DKK 3,333 million in 2006, an increase of 11.5%, due to the fact that the former Frans Maas activities were only included in the 2006 consolidated financial statements for nine months. In 2007, this item was affected by non-cash costs for share-based payments of DKK 14 million compared with DKK 6 million in 2006. The Group continued to adapt its capacity in Germany and France following the acquisition of Frans Maas. Costs for employees laid off are recognised under special items as part of the restructuring costs.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

For 2007, amortisation, depreciation and impairment losses constituted DKK 244 million compared with DKK 330 million for 2006. This item includes amortisation of customer relationships in the amount of DKK 59 million for 2007 compared with DKK 45 million for 2006. The item was positively influenced in 2007 by gains from the sale of properties.

OPERATING PROFIT BEFORE SPECIAL ITEMS

The Group returned an operating profit before special items for 2007 of DKK 1,882 million compared with DKK 1,504 million for 2006, corresponding to an increase of 26.9% when adjusted for foreign currency translation differences. This is mainly attributable to organic growth and synergies of 26.5%.

The margin was 5.4% for 2007 as against 4.7% for 2006. The increase is mainly due to the synergies realised after the acquisition of Frans Maas.

When adjusted for non-cash items relating to amortisation of customer relationships and costs for share-based payments, the adjusted operating profit before special items came to DKK 1,955 million for 2007 compared with DKK 1,555 million for 2006.

OPERATING PROFIT BEFORE SPECIAL ITEMS 2007 VERSUS 2006	
DKKm	
Operating profit before special items 2006	1,504
Foreign currency translation adjustments	(27)
Acquisition and divestment of enterprises, net	12
Growth	393
Operating profit before special items 2007	1,882

The operating profit before special items for the Road Division came to DKK 998 million compared with DKK 885 million for 2006, an increase of 12.8%. The increase is due to organic growth mainly deriving from Denmark, Norway and the UK. A large part of the growth in earnings in Denmark derives from the sale of properties in Q4 2007. Organic growth in earnings was partially set off by a drop in earnings in Germany and the Netherlands. The drop is attributable to the change in segmentation transferring part of the acquired revenue from the Road Division to the Solutions and Air & Sea Divisions.

The Air & Sea Division realised an operating profit before special items of DKK 691 million compared with DKK 574 million for 2006. The organic growth of the Division was 20.5%, the predominant part of which was realised in the USA, Denmark, China and other Far East when measured in absolute figures.

The Solutions Division realised an operating profit before special items of DKK 222 million compared with DKK 53 million for 2006. The Solutions Division realised the substantial increase in the operating profit before special items due to the change in segmentation transferring part of the acquired activities from the Road Division to the Solutions Division.

The Group realised an operating profit before special items on a level with the adjusted budget for 2007 when adjusted for foreign currency translation differences.

REALISED OPERATING PROFIT BEFORE SPECIAL ITEMS 2007 VERSUS ADJUSTED BUDGET 2007	
DKKm	
Operating profit before special items, budget 2007	1,875
Foreign currency translation adjustments	(3)
Acquisition and divestment of enterprises, net	-
Growth	10
Operating profit before special items 2007	1,882

SPECIAL ITEMS

Special items, net, were a charge of DKK 28 million for 2007 compared with a charge of DKK 283 million for 2006. The budgeted special items, net, for 2007 were a charge of DKK 150 million.

Income recorded under special items totalled DKK 102 million, which relates to a DKK 95 million non-recurring gain in connection with the revision of pension plans in Norway from defined benefits plans to defined contribution plans and the change of pension plans in the Netherlands, and to a DKK 7 million adjustment of gains from the divestment of activities and companies in previous years.

Costs recorded under special items totalled DKK 130 million for 2007, which relate to restructuring costs in Germany and France. These costs are mainly attributable to the general adaptation of capacity in connection with the integration of Frans Maas. Most of the costs are for termination of benefit schemes and costs payable under terminated leases.

FINANCIALS

For 2007, net financials constituted a charge of DKK 261 million compared with DKK 207 million for 2006.

The increase is mainly due to interest on external debt funding as a result of share buy-back programmes, the acquisition of enterprises and rising interest rates.

Net financials were DKK 16 million higher than in the adjusted budget for 2007.

PROFIT BEFORE TAX

Profit before tax came to DKK 1,586 million for 2007 compared with DKK 1,014 million for 2006. The increase is mainly due to the higher activity level and a decrease in special items. To some extent, this is offset by higher financing costs.

Profit before tax is DKK 106 million above the adjusted budget. This is due to lower special items than expected, which are partially offset by higher financial expenses.

TAX ON PROFIT FOR THE YEAR

The effective tax rate for 2007 was 29.8%, which is slightly above the 2006 figure, but in accordance with the adjusted 2007 budget.

NET PROFIT FOR THE YEAR

Net profit for the year came to DKK 1,114 million for 2007 compared with DKK 719 million for 2006. The net profit is DKK 64 million above the adjusted budget.

The adjusted net profit for the year came to DKK 1,141 million for 2007 compared with DKK 914 million for 2006, corresponding to an increase of 24.8%.

DILUTED ADJUSTED EARNINGS PER SHARE

Diluted adjusted earnings per share came to DKK 5.8 for 2007 compared with DKK 4.5 for 2006, corresponding to an increase of 28.9%.

Balance sheet

The balance sheet total at 31 December 2007 was DKK 16,304 million, on a level with the DKK 16,062 million at year-end 2006.

NON-CURRENT ASSETS

Non-current assets stood at DKK 9,362 million at 31 December 2007 as against DKK 9,093 million at year-end 2006, an increase of DKK 269 million. This increase is mainly attributable to an increase in goodwill relating to company acquisitions and to an increase in deferred tax.

Goodwill amounted to DKK 4,424 million at 31 December 2007 as against DKK 4,252 million at year-end 2006. The increase of DKK 172 million is due to additions from acquisitions.

EQUITY

At 31 December 2007, the equity interest of DSV shareholders came to DKK 3,457 million corresponding to an equity ratio of 21.2%. At 31 December 2006, equity came to DKK 3,699 million corresponding to an equity ratio of 23.0%.

The major part of the equity increase came from the net profit for the year, value adjustment of hedging instruments and tax on entries on equity, but equity decreased as a result of dividend payments, share buy-backs, foreign currency translation adjustments and actuarial losses on defined benefit pension plans.

At the Annual General Meeting on 30 April 2007, it was resolved to reduce the denomination of the Company's shares and to issue bonus shares so that one share was split into ten shares.

In 2007, DSV bought back shares for a total of DKK 1,222 million to cover the incentive programme, the share buy-back programme of DKK 400 million resolved on 30 April 2007, the share buy-back programme of DKK 500 million resolved on 3 August 2007 and the share buy-back programme of DKK 400 million resolved on 31 October 2007. For the share buy-back programme of 31 October 2007, shares worth DKK 180 million had been bought back at 31 December 2007.

DEVELOPMENT IN EQUITY

DKKm	2006	2007
Equity, beginning of year	**3,212**	**3,699**
Net profit for the year	677	1,067
Dividends distributed	(50)	(50)
Share buy-backs	(163)	(1,222)
Foreign currency translation adjustments	(29)	(67)
Capital increase	2	0
Actuarial pension losses	(20)	(11)
Value adjustment of hedging instruments	22	15
Tax, changes in equity	42	15
Other adjustments, net	6	11
Closing equity	**3,699**	**3,457**

NET WORKING CAPITAL

The Group's funds tied up in net working capital came to DKK 291 million at 31 December 2007 compared with DKK 722 million at 31 December 2006. The main reasons for the decrease are the completion of the acquisition of Frans Maas and increased focus on reduction of the net working capital. Net working capital was particularly fine at 31 December 2007.

NET INTEREST-BEARING DEBT

The net interest-bearing debt amounted to DKK 5,121 million at year-end 2007 as against DKK 4,835 at year-end 2006.

Cash flow statement

CASH FLOW STATEMENT		
DKKm	2006	2007
Profit before tax	1,014	1,586
Changes in net working capital	85	87
Adjustment, non-cash operating items etc.	(7)	(266)
Cash flow from operating activities	1,092	1,407
Purchase and sale of intangibles, property, plant and equipment	19	(277)
Acquisition of subsidiaries, activities	(1,558)	(117)
Other	(37)	(15)
Cash flow from investing activities	(1,576)	(379)
Free cash flow	(484)	1,028
Proceeds from and repayments of current and non-current liabilities	741	253
Transactions with shareholders	(212)	(1,275)
Cash flow from financing activities	529	(1,022)
Net cash flow for the year	45	6
Adjusted free cash flow	1,174	1,145

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities came to DKK 1,407 million for 2007 compared with DKK 1.092 million for 2006. The increase is due to improved operations and improvement in the net working capital. The change in net working capital totalling DKK 87 million does not include changes in corporation tax and changes in non-cash items.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities excluding the effect of the acquisition and divestment of enterprises amounted to a net payment of DKK 262 million for 2007 compared with a net payment of DKK 18 million for 2006. In 2007, the cash flow was affected by the purchase and sale of land and buildings as part of the capacity adaptation following the acquisition of Frans Maas.

Cash flow from investing activities relating to the acquisition and divestment of companies, a total of DKK 117 million, reflects a number of minor acquisitions of Air & Sea companies.

FREE CASH FLOW

Free cash flow came to DKK 1,028 million for 2007. Adjusted for the acquisition and divestment of enterprises and normalisation of net working capital in acquired enterprises, the free cash flow amounted to DKK 1,145 million for 2007 as compared with DKK 1,174 million for 2006. The increase in cash flow from operating activities was offset by the increase in cash flow from investing activities.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities constituted a net payment of DKK 1,022 million due to share buy-backs and distribution of dividends, while new non-current bank liabilities intended mainly for funding of acquisitions amounted to DKK 253 million for 2007.

NET CHANGE IN CASH AND CASH EQUIVALENTS

The net change in cash and cash equivalents constituted a net receipt of DKK 6 million, which increased the Group's cash. Foreign exchange translation adjustments more than offset the net receipt so that the Group's cash and cash equivalents amounted to DKK 383 million at year-end 2007 compared with DKK 407 million in 2006.

INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS

Invested capital including goodwill and customer relationships remained largely unchanged at DKK 9,151 million at 31 December 2007 as against DKK 9,057 million at 31 December 2006.

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

For 2007, the return on invested capital was 20.7% compared with 20.2% for 2006. The increase is attributable to the increase in the consolidated operating profit before special items.

Post balance sheet events

In February 2008, DSV sold its 50% stake in Norwegian Tollpost Globe AS, cf. also note 29.

For 2007, the activities disposed of were recognised in the consolidated revenue by DKK 2,100 million and in EBITA by DKK 125 million. Minority shareholders' share of the net profit for the year relating to Tollpost Globe AS came to DKK 44 million in the 2007 consolidated financial statements of DSV.

On 29 February 2008, DSV acquired the shares in Roadferry Ltd. in Great Britain. Roadferry Ltd. is expected to have an impact on the revenue of DSV of approx. DKK 400 million and on operating profit before special items of DKK 11 million in 2008.

The share buy-backs totalling DKK 400 million, launched on 31 October 2007, was completed on 29 February 2008.

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

Road

- 2007 revenue: DKK 22.8 billion
- Top 3 in Europe
- 11,474 employees
- More than 350 locations
- More than 15,000 trucks on the roads
- Mixed cargo, part loads and full loads
- Integrated shipping system
- Online booking facilities
- Track & Trace
- Customs clearance
- Terminal and storage facilities
- Distribution systems

Road Division

INCOME STATEMENT FOR THE YEAR

(DKKm)	2006 [1] Realised	2007 Adjusted budget Unaudited	2007 [1] Realised	2008 [1] Budget Unaudited
Revenue	**24,294**	**23,200**	**22,793**	**20,326**
Direct costs	19,127	18,307	17,985	16,420
Gross profit	**5,167**	**4,893**	**4,808**	**3,906**
Other external expenses	1,390	1,218	1,155	758
Staff costs	2,593	2,551	2,531	2,072
Operating profit before amortisation, depreciation and special items (EBITDA)	**1,184**	**1,124**	**1,122**	**1,076**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	264	114	110	153
Amortisation and impairment of customer relationships	35	14	14	13
Operating profit before special items (EBITA)	**885**	**996**	**998**	**910**
Special items, net	(279)	(150)	(42)	
Operating profit (EBIT)	**606**	**846**	**956**	
Financial expenses, net	222	193	206	
Profit before tax (EBT)	**384**	**653**	**750**	

1. Inter-division adjustments and transfers of activities have been made for 2006, 2007 and in the 2008 budget.

BALANCE SHEET, SUMMARY

(DKKm)	31.12.06	31.12.07
Goodwill and customer relationships	2,307	2,456
Other intangibles, property, plant and equipment	3,707	2,784
Other non-current assets	542	608
Total non-current assets	**6,556**	**5,848**
Receivables	5,278	4,333
Cash and intercompany balances	2,260	2,849
Total current assets	**7,538**	**7,182**
Total assets	**14,094**	**13,030**
Equity	**827**	**1,614**
Interest-bearing long-term debt	848	260
Other non-current liabilities, including provisions	1,037	617
Total non-current liabilities	**1,885**	**877**
Interest-bearing short-term debt, including intercompany debt	6,702	6,358
Other short-term debt	4,680	4,181
Total current liabilities	**11,382**	**10,539**
Total equity and liabilities	**14,094**	**13,030**

ROIC including goodwill and customer relationships came to 16.1% (2006: 15.6%). The calculation of ROIC included DKK 2,607 million of goodwill and customer relationships (2006: DKK 3,786 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.
Number of employees: 11,474.

Activities

The Road Division handles transport (full loads, part loads and mixed cargo) by trucks domestically and in Europe. The services are provided by its own companies throughout Europe.

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

The Division in brief

Discontinuing the partnerships in a number of European countries and switching to own production took up great resources for the Road Division in 2007. The Division experienced major changes in information technology, terminal structure and management.

The first changes were made at the end of 2006, but such change process cannot be completed in a year or two.

Re-establishing the old traffic in the Division's own name is a challenge, but at the same time the change offers a great opportunity to create size and growth that will no longer be subject to any risk of changes in the relevant countries.

Generally, the Division obtained very handsome results despite large geographical differences.

When looking at the former Eastern European countries, from Estonia in the north to Romania in the south, the Division did an excellent job in former Eastern Europe and generated strong growth and handsome operating results. The Nordic countries represent and have always represented a very strong DSV area. The Division made a great effort in the central part of Europe to create growth and better margins.

Group Management finds that the large, but relatively weak, European areas will see improved operating results in 2008.

DEVELOPMENT IN GEOGRAPHICAL SEGMENTS

Country	Development in revenue	Development in operating profit before special items (EBITA)	Focus
Denmark	On a level with budget	Outperformed budget. Very nice improvement compared with 2006, partly attributable to a considerable gain on sale of real property in 2007.	Create growth – maintain EBITA level. Continue outstanding inter-division cooperation.
Sweden	On a level with budget	Outperformed budget	Very positive development. Performs particularly well in the last six months of 2007. Maintain high EBITA level.
Norway	Outperformed budget	Slightly better than budget	Handsome results. Can create larger growth in the European market.
Finland	Outperformed budget	On a level with budget	The enterprise experienced handsome growth, but the EBITA level should be improved.
UK	On a level with budget	Outperformed budget	Very positive EBITA performance, but larger growth is needed, as it is still below 2006 revenue.
Ireland	Below budget	On a level with budget	Handsome results, but larger growth is needed.
Germany	Below budget	Below budget	Difficult market with very unsatisfactory results. Should be improved considerably in 2008.
The Netherlands	Below budget	On a level with budget	Dissappointing results in an otherwise good market. New management must improve results considerably.
Belgium	Outperformed budget	On a level with budget	Very handsome results. High EBITA margin. Management and enterprise have handled the integration process well.
France	On a level with budget	On a level with budget	Difficult market. Very difficult integration. Expectations of major improvement in 2008.
Italy	Slightly below budget	Below budget	Obtained a large increase in revenue – excellent. EBITA should be improved in 2008.
Spain	Below budget	Below budget	Poor results. Generally good conditions in the enterprise and a good market. There are expectations of the new management.
Portugal	Outperformed budget	On a level with budget	Revenue increased by 50% with a relatively handsome EBITA margin. Continue growth.
Poland	On a level with budget	On a level with budget	The enterprise is well-managed and has had a difficult integration process, but growth is too weak, particularly in comparison with corresponding countries.
The Baltics, Russia and Ukraine	On a level with budget	On a level with budget	Very strong growth. Handsome results.
Czech Republic	On a level with budget	On a level with budget	Strong growth. Handsome EBITA margin. This trend should be maintained.
Central Europe [1]	On a level with budget	On a level with budget	Handsome growth, but very modest results. An improved EBITA level is expected.
South Eastern Europe [2]	Outperformed budget	On a level with budget	The area is experiencing a fair increase in revenue, a fair result as such, but a considerable improvement in the EBITA margin would be welcomed in some of the countries.

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

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS									
	Revenue				Operating profit before special items (EBITA)				%
(DKKm)	Realised 01.01.06-31.12.06	Budget 01.01.07-31.12.07	Realised 01.01.07-31.12.07	Budget 01.01.08-31.12.08	Realised 01.01.06-31.12.06	Budget 01.01.07-31.12.07	Realised 01.01.07-31.12.07	Budget 01.01.08-31.12.08	Realised 01.01.07-31.12.07
Denmark	4,548	4,793	4,745	4,880	251	417	425	308	9.0
Sweden	4,115	4,122	4,088	4,233	137	132	135	151	3.3
Norway	3,029	3,330	3,382	1,227	130	195	197	81	5.8
Finland	1,199	1,248	1,266	1,403	38	40	40	43	3.2
UK	2,111	2,052	2,029	1,870	82	116	120	94	5.9
Ireland	601	603	572	537	27	32	32	22	5.6
Germany	3,691	2,350	2,290	2,262	(74)	(39)	(51)	2	-2.2
The Netherlands	2,107	1,039	918	856	174	6	6	-	0.7
Belgium	1,130	913	923	996	103	55	55	77	6.0
France	1,190	1,367	1,345	838	(43)	(27)	(27)	6	-2.0
Italy	567	901	891	667	(3)	8	7	16	0.8
Spain	400	523	496	443	(15)	(34)	(36)	(9)	-7.3
Portugal	99	151	155	165	1	6	6	6	3.9
Poland	540	413	409	460	22	18	18	22	4.4
The Baltics, Russia and Ukraine	875	1,064	1,059	1,114	45	59	59	60	5.6
Czech Republic	201	238	235	246	8	15	15	11	6.4
Central Europe [1]	405	582	581	658	4	5	5	12	0.9
South Eastern Europe [2]	417	417	437	493	19	13	13	20	3.0
Total	**27,225**	**26,106**	**25,821**	**23,348**	**906**	**1,017**	**1,019**	**922**	**4.0**
Group	613	840	837	428	14	(7)	(7)	1	-
Amortisation of customer relationships	-	-	-	-	(35)	(14)	(14)	(13)	-
Elimination	(3,544)	(3,746)	(3,865)	(3,450)	-	-	-	-	-
Net	**24,294**	**23,200**	**22,793**	**20,326**	**885**	**996**	**998**	**910**	**4.4**

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

Air & Sea

- 2007 revenue: DKK 9.0 billion
- 2,925 employees
- More than 350 locations in 103 countries (including partners and agents)
- 500,000 TEU
- 1.6 million shipments
- 115,000 tons of export airfreight
- Online booking system
- Track & Trace, POD
- Consolidated airfreight
- Import/export
- FCL (full container loads)/LCL (less than container loads)
- Project-related transport services

Air & Sea Division

INCOME STATEMENT FOR THE YEAR

(DKKm)	2006 [1] Realised	2007 Adjusted budget Unaudited	2007 [1] Realised	2008 [1] Adjusted budget Unaudited
Revenue	7,798	8,900	9,060	10,315
Direct costs	6,194	7,060	7,203	8,168
Gross profit	1,604	1,840	1,857	2,147
Other external expenses	355	363	389	499
Staff costs	649	759	744	912
Operating profit before amortisation, depreciation and special items (EBITDA)	600	718	724	736
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	19	25	24	25
Amortisation and impairment of customer relationships	7	9	9	10
Operating profit before special items (EBITA)	574	684	691	701
Special items, net	(19)	-	3	
Operating profit (EBIT)	555	684	694	
Financial expenses, net	3	20	40	
Profit before tax (EBT)	552	664	654	

1. Inter-division adjustments and transfers of activities have been made for 2006, 2007 and in the 2008 budget.

BALANCE SHEET, SUMMARY

(DKKm)	31.12.06	31.12.07
Goodwill and customer relationships	745	910
Other intangibles, property, plant and equipment	100	102
Other non-current assets	37	43
Total non-current assets	882	1,055
Receivables	1,301	1,480
Cash and intercompany balances	583	679
Total current assets	1,884	2,159
Total assets	2,766	3,214
Equity	491	693
Interest-bearing long-term debt	1	33
Other non-current liabilities, including provisions	83	81
Total non-current liabilities	84	114
Interest-bearing short-term debt, including intercompany debt	981	1,086
Other short-term debt	1,210	1,315
Total current liabilities	2,191	2,401
Total equity and liabilities	2,766	3,214

ROIC including goodwill and customer relationships came to 45.1% (2006: 40.5%). The calculation of ROIC included DKK 1,437 million of goodwill and customer relationships (2006: DKK 1,291 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.
Number of employees: 2,925.

Activities

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

The Division in brief

Generally, 2007 was a good year for the Air & Sea Division.

The Division achieved the best results ever. The EBITA margin is better than that of any comparable competitor.

The results were achieved in spite of the very low dollar rate, various changes in European partners and a complicated integration process in a couple of countries in Europe.

The rate structure and space on ships and aircraft were more fluctuating and less predictable than the situation previously experienced by the Division. It is impossible to say whether this is a future trend. This flexibility is also not unambiguously good or bad for the Division. Rather, it is a skill for us to learn.

It remains an ambition of DSV to see a high growth rate for the Division, ideally through acquisitions. The ambition of the Group is to double the Division within a relatively short timeframe.

DEVELOPMENT IN GEOGRAPHICAL SEGMENTS

Country	Development in revenue	Development in operating profit before special items (EBITA)	Focus
USA	On a level with budget	On a level with budget	Fantastic effort as regards both revenue and EBITA. The weak dollar is a challenge for the management. The highest EBITA margin of the Division.
Denmark	Outperformed budget	On a level with budget	Fine results. Handsome EBITA margin.
Denmark Project Dept.	On a level with budget	On a level with budget	Fine results. Markedly better than 2006.
Norway	Outperformed budget	On a level with budget	Very handsome results. Good management. Maintain very high EBITA in 2008.
Sweden	On a level with budget	On a level with budget	Markedly better than 2006 as regards EBITA. The enterprise should create larger growth.
Finland	Slightly below budget	On a level with budget	Handsome results, but not impressive. The lowest EBITA margin of the Nordic countries.
UK and Ireland	Outperformed budget	Outperformed budget	Excellent growth without a negative effect on EBITA margin. Good effort, but EBITA should be slightly improved.
Germany	On a level with budget	On a level with budget	The enterprise is experiencing declining revenue. EBITA margin is modest.
The Netherlands	Below budget	Slightly below budget	Somewhat dissappointing results. EBITA margin much too modest.
Central Europe [1]	Outperformed budget	On a level with budget	New areas which used to be partner markets. EBITA will improve.
Canada	Below budget	On a level with budget	The enterprise has had a turn-around year. Results markedly better in the last six months.
China	Outperformed budget	Outperformed budget	Very fine results. EBITA margin higher than ever. Handsome growth.
Hong Kong	Outperformed budget	On a level with budget	Fine results. Handsome growth. Good and stable EBITA margin.
Australia and New Zealand	Outperformed budget	On a level with budget	Fine development. Has succeeded in developing the enterprise based on a better network. Handsome growth.
Other Far East [2]	Outperformed budget	Slightly better than budget	Excellent improvement in revenue and EBITA.

1. Poland, Hungary, Czech Republic and Turkey
2. Indonesia, Thailand, Singapore, Malaysia, the Philippines, Korea, Taiwan, Vietnam, India, Bangladesh and the United Arab Emirates

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS									
	Revenue				Operating profit before special items (EBITA)				%
(DKKm)	Realised 01.01.06-31.12.06	Budget 01.01.07-31.12.07	Realised 01.01.07-31.12.07	Budget 01.01.08-31.12.08	Realised 01.01.06-31.12.06	Budget 01.01.07-31.12.07	Realised 01.01.07-31.12.07	Budget 01.01.08-31.12.08	Realised 01.01.07-31.12.07
USA	1,769	1,830	1,797	1,725	190	211	211	194	11.7
Denmark	1,479	1,700	1,776	1,739	83	93	93	100	5.2
Denmark Project Dept.	618	681	669	686	25	46	46	48	6.9
Norway	259	312	320	341	22	28	28	31	8.8
Sweden	559	435	427	440	22	28	28	24	6.6
Finland	219	235	227	249	11	11	11	13	4.8
UK & Ireland	925	1,250	1,349	1,443	43	59	62	60	4.6
Germany	1,103	1,023	1,029	1,057	29	30	31	27	3.0
The Netherlands	334	537	515	541	22	19	18	18	3.5
France	-	-	-	493	-	-	-	9	-
Italy	-	-	-	308	-	-	-	-	-
Spain	-	-	-	154	-	-	-	(2)	-
Central Europe [1]	162	269	284	371	5	3	3	10	1.1
Canada	142	125	119	133	3	5	5	6	4.2
China	485	515	557	644	43	60	63	65	11.3
Hong Kong	376	408	429	444	45	46	46	50	10.7
Australia & New Zealand	198	251	284	314	8	15	15	16	5.3
Other Far East [2]	514	677	693	823	29	40	41	43	5.9
Total	**9,142**	**10,248**	**10,475**	**11,905**	**580**	**694**	**701**	**712**	**6.7**
Group	12	5	7	16	1	(1)	(1)	(1)	-
Amortisation of customer relationships	-	-	-	-	(7)	(9)	(9)	(10)	-
Elimination	(1,356)	(1,353)	(1,422)	(1,606)	-	-	-	-	-
Net	**7,798**	**8,900**	**9,060**	**10,315**	**574**	**684**	**691**	**701**	**7.6**

1. Poland, Hungary, Czech Republic and Turkey
2. Indonesia, Thailand, Singapore, Malaysia, the Philippines, Korea, Taiwan, Vietnam, India, Bangladesh and the United Arab Emirates

Solutions

- 2007 revenue: DKK 4.2 billion
- 4,812 employees
- Approx. 1,500,000 m^2 warehouses
- Supply chain management
- Stock management
- Third-party and fourth-party logistics
- Return logistics
- Consultancy services in support of the customer's outsourcing process
- State-of-the-art warehousing
- Preparation and value-adding services
- Cross-docking
- Direct distribution

Solutions Division

INCOME STATEMENT FOR THE YEAR (DKKm)	2006 [1] Realised	2007 Adjusted budget Unaudited	2007 [1] Realised	2008 [1] Adjusted budget Unaudited
Revenue	**1,004**	**4,100**	**4,240**	**5,034**
Direct costs	784	2,988	3,110	3,828
Gross profit	**220**	**1,112**	**1,130**	**1,206**
Other external expenses	68	393	397	358
Staff costs	85	400	426	488
Operating profit before amortisation, depreciation and special items (EBITDA)	**67**	**319**	**307**	**360**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	14	60	52	93
Amortisation and impairment of customer relationships	-	33	33	37
Operating profit before special items (EBITA)	**53**	**226**	**222**	**230**
Special items, net	(1)	-	10	
Operating profit (EBIT)	**52**	**226**	**232**	
Financial expenses, net	9	32	91	
Profit before tax (EBT)	**43**	**194**	**141**	

1. Inter-division adjustments and transfers of activities have been made for 2006, 2007 and in the 2008 budget.

BALANCE SHEET, SUMMARY (DKKm)	31.12.06	31.12.07
Goodwill and customer relationships	81	764
Other intangibles, property, plant and equipment	111	1,126
Other non-current assets	26	119
Total non-current assets	**218**	**2,009**
Receivables	250	963
Cash and intercompany balances	86	560
Total current assets	**336**	**1,523**
Total assets	**554**	**3,532**
Equity	**276**	**408**
Interest-bearing long-term debt	8	466
Other non-current liabilities, including provisions	18	186
Total non-current liabilities	**26**	**652**
Interest-bearing short-term debt, including intercompany debt	63	1,485
Other short-term debt	189	987
Total current liabilities	**252**	**2,472**
Total equity and liabilities	**554**	**3,532**

ROIC including goodwill and customer relationships came to 16.0% (2006: 16.6%). The calculation of ROIC included DKK 1,401 million of goodwill and customer relationships (2006: DKK 168 million). The item consists of the Division's goodwill, customer relationships and goodwill allocated from DSV.
Number of employees: 4,812.

Activities

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

The Division in brief

2007 was a good year for the Solutions Division.

One of the best results from the acquisition of Frans Maas was the group's logistics activities. These activities now form the cornerstone of our Solutions Division, which has grown markedly since the time when it primarily comprised the Nordic countries.

The Division has identified solutions activities and gained a foothold around Europe. It has also been very helpful to the Road Division to have competent experts assist in the complex logistics tasks previously carried out by the Road Division.

As regards the Nordic countries, 2007 showed a somewhat disappointing development in earnings.

Demand is considerable, and the years ahead will undoubtedly bring significant growth.

DEVELOPMENT IN GEOGRAPHICAL SEGMENTS

Country	Development in revenue	Development in operating profit before special items (EBITA)	Focus
Nordic countries [1]	Outperformed budget	On a level with budget	Handsome growth, but EBITA margin not satisfactory, should be improved.
Other Europe [2]	On a level with budget	On a level with budget	Very handsome EBITA results. Particularly in light of the Division's participation in the very complicated German operations.

1. Denmark, Norway, Sweden and Finland
2. The UK, Germany, the Netherlands, Belgium, France, Poland, Romania and Russia

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

	Revenue				Operating profit before special items (EBITA)				%
(DKKm)	Realised 01.01.06–31.12.06	Budget 01.01.07–31.12.07	Realised 01.01.07–31.12.07	Budget 01.01.08–31.12.08	Realised 01.01.06–31.12.06	Budget 01.01.07–31.12.07	Realised 01.01.07–31.12.07	Budget 01.01.08–31.12.08	Realised 01.01.07–31.12.07
Nordic countries [1]	1,081	998	1,110	1,085	53	32	31	37	2.8
Other Europe [2]	–	3,209	3,263	4,101	–	227	224	231	6.9
Total	**1,081**	**4,207**	**4,373**	**5,186**	**53**	**259**	**255**	**268**	**5.8**
Group	5	5	5	11	–	–	–	(1)	–
Amortisation of customer relationships	–	–	–	–	–	(33)	(33)	(37)	–
Elimination	(82)	(112)	(138)	(163)	–	–	–	–	–
Net	**1,004**	**4,100**	**4,240**	**5,034**	**53**	**226**	**222**	**230**	**5.2**

1. Denmark, Norway, Sweden and Finland
2. The UK, Germany, the Netherlands, Belgium, France, Poland, Romania and Russia

Corporate governance

The DSV Management emphasises the exercise of corporate management and focus on investor relations. The discussions of DSV's Supervisory Board regarding corporate governance are a continuing process aiming to ensure that DSV relates to the development within corporate governance on an ongoing basis.

On 6 October 2005, the Copenhagen Stock Exchange (now OMX Nordic Exchange Copenhagen) published the revised Recommendations for corporate governance, which affect the disclosure requirements for listed companies.

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

The Supervisory Board has reviewed the Recommendations for corporate governance and finds that DSV complies with the Recommendations for corporate governance issued by the Copenhagen Stock Exchange to a very great extent.

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

Election period

According to the Articles of Association in force, Supervisory Board members elected at the general meeting are elected for a three-year period.

The Supervisory Board will propose a resolution at the Annual General Meeting on 30 April 2008 amending the length of the election period so that Board members are up for re-election at each annual general meeting.

Age limit

The Supervisory Board assesses on a regular basis whether the individual member is still able to actively contribute to its work. The Supervisory Board thus finds that the ability to discharge the duties as a Board member depends on the individual person.

Evaluation of performance of the Supervisory and Executive Boards

DSV has no formal procedure for an evaluation of the performance of the Supervisory Board. The Supervisory Board follows up on strategic goals and plans on a regular basis. So far this method has ensured an efficient Supervisory Board. The performance of the Executive Board is evaluated annually in connection with the review of the remuneration for the Executive Board members.

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

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

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

Environment

DSV makes ongoing efforts to reduce the environmental impact from its operations. The efforts are mainly aimed at the operation of the Group's own equipment and buildings, that is, trucks owned by the Road Division and the offices, terminals and/or warehouses of all three divisions. The Air & Sea Division does not have its own fleet of aircraft or ships.

The primary environmental impact from its operations derives from air pollution caused by road transport and energy consumed for the operation of trucks and buildings. The aggregate environmental impact is reduced by means of an ongoing modernisation of the production equipment applied in the production of the Group's services and focus on achieving the highest possible rate of utilisation in operations within all transport activities of the Group.

An updated survey of developments in the fuel consumption by DSV's own trucks is published each year on the corporate website www.dsv.com. A number of the Group's large customers and other stakeholders are also informed separately about the development in the environmental impact.

DSV monitors the development in environmentally friendly technology in the industry and actively supports the introduction of the so-called longer and heavier lorries (LHL) in several North European countries and maybe in the rest of the European Union.

Risk factors

General risks

The risks of the DSV Group relate to its exposure to the economic development in society. DSV's business model is based on leasing rather than owning equipment. This ensures a degree of operational flexibility which makes it possible to adapt the Group's capacity to the current demand on an ongoing basis.

CONSOLIDATION IN THE TRANSPORT SECTOR

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

The strategy of DSV is to participate actively in this consolidation process, which implies integration risks in connection with future acquisitions. Historically, the Group has grown considerably in connection with several acquisitions and has managed to integrate these successfully over time. The latest major acquisitions were Samson Transport Co. A/S in 1997, DFDS Dan Transport Group A/S in 2000, J.H. Bachmann GmbH in 2005 and Frans Maas in 2006.

PARTNERS

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

STAFF

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

Financial risks

DSV's international activities imply that the results and balance sheet are affected by various financial risks. The general purpose of the financial risk management is to restrict the short-term negative impact on earnings and cash flows caused by financial market developments, thereby improving the predictability of financial results. The Group does not speculate in financial risks. Group financial management is therefore only aimed at managing existing financial risks, a task undertaken at central level by the Group's Treasury Department. The general scope is determined in the corporate finance policy adopted by the Supervisory Board. The general policies have not been revised in 2007.

CURRENCY RISKS

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

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

The Group is also affected by changes in exchange rates because results and equity of the foreign subsidiaries are translated into Danish kroner at year-end based on average exchange rates for operations and year-end exchange rates for the balance sheet. No hedging is carried out in relation to the Parent's total net investments in subsidiaries. The Group policy is to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends.

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

EXCHANGE RATE

		31 December		Annual average	
Country	Currency	2006	2007	2006	2007
Euroland	EUR	746	746	746	745
UK	GBP	1,110	1,015	1,094	1,089
Norway	NOK	91	94	93	93
Sveden	SEK	82	79	81	81
USA	USD	566	508	595	544

EXPOSURE IN MAJOR FOREIGN CURRENCIES BREAKS DOWN AS FOLLOWS:

Currency risk (DKKm)	Change in exchange rate	Impact on revenue		Impact on EBITA	
		2006	2007	2006	2007
GBP	+/- 5%	126	139	6	9
NOK	+/- 5%	158	178	8	12
SEK	+/- 5%	211	203	9	8
USD	+/- 5%	78	77	10	11
Total	+/- 5%	573	597	33	40

The currency effect on revenue and EBITA has been calculated on the basis of the effect of a 5% change in average rates for 2006 and 2007.

INTEREST RATE RISKS

The major interest rate risk relates to the long-term loans raised by the Parent to finance previous acquisitions. These loans are raised as long-term commitments with a variable rate of interest, but refinanced to a fixed-rate loan by using interest rate swaps or interest rate caps with a duration of up to 60 months. The Group has also undertaken an interest rate risk in connection with the finance and operating leases concluded. The relevant interest rates are fixed on an ongoing basis for periods of 36 to 48 months.

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

INTEREST RATE SENSITIVITY AT 31 DECEMBER 2007	
Duration of the Group's bank loan hedges	28.3 months
A 1 percentage point interest rate change on Group bank loans will affect Group financials each year by	DKK 8 million

LIQUIDITY RISKS

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

DSV ensures the existence of sufficient cash resources through short-term credit facilities and long-term credit lines from the main banks of the Group. In 2007, the Group obtained an extension of its long-term loan commitments.

LIST OF LOAN COMMITMENTS AND UTILISATION OF LONG-TERM CREDIT LINES AT 31 DECEMBER 2007

Amount (DKKm)	Expiration of loan commitments	Not utilised
600	2012	
2,200	2013	
1,350	2014	
1,000	2015	1,000
5,150		1,000

CREDIT RISKS

The Group's credit risks relate mainly to its debtors. The Group has issued an internal credit limit for each individual debtor. Where credits issued exceed these credit limits, insurance for the outstanding amount is taken out with a credit insurance company. Historically, owing to this procedure the Group has experienced few bad debts. No segments or geographical areas see any special concentration.

RISK MANAGEMENT

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

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

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

Shareholder information

The DSV share

The share capital is listed on the OMX Nordic Exchange Copenhagen under the abbreviation DSV and the ISIN code DK0060079531.

At the Annual General Meeting of DSV A/S on 30 April 2007, the shareholders resolved to make a share split/issue bonus shares at a ratio of 1:10. The nominal value of each share in the Company was reduced from DKK 2 to DKK 1. Bonus shares were also allotted to the shareholders so that they received four new bonus shares for one existing share of a nominal value of DKK 1. The implementation of this share split/issuance of bonus shares was motivated by an intention to maintain, or even improve, the liquidity of the DSV share.

At 31 December 2007, the share capital equalled a nominal value of DKK 201,500,000, and 201,500,000 shares with a denomination of DKK 1 and one vote each had been issued.

The DSV share in 2007

At year-end, the closing price of the DSV share on the OMX Nordic Exchange Copenhagen was DKK 111.75. Compared with the 2006 year-end closing price of DKK 103.2 when adjusted for the share split, the DSV share increased by DKK 8.55 or 8% in 2007. During the same period, the OMXC20 Index of the OMX Nordic Exchange Copenhagen went up by 5%.

The DSV share was among the most traded shares on the OMX Nordic Exchange Copenhagen with a daily average turnover of 1,443,640 shares, corresponding to DKK 160 million each day.

At year-end 2007, DSV's market capitalisation was DKK 22.5 billion, inclusive of the value of treasury shares.

Dividends

The Supervisory Board proposes an unchanged ordinary dividend of DKK 0.25 per share for 2007, or DKK 50.4 million in total.

DATE OF DIVIDEND DISTRIBUTION	
Annual General Meeting	30 April 2008
Cut-off date for dividend	30 April 2008
DSV share traded ex-dividend	1 May 2008
Distribution of dividend	6 May 2008

Share buy-back

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

In the financial year 2007, DSV acquired a total of 10,478,677 treasury shares at a total acquisition price of DKK 1,222 million.

As from the balance sheet date until 29 February 2008, DSV acquired a total of 2,234,200 treasury shares at a total acquisition price of DKK 220 million.

At 29 February 2008, the Company held 15,350,927 shares as treasury shares corresponding to 7.62% of the share capital.

Incentive programmes

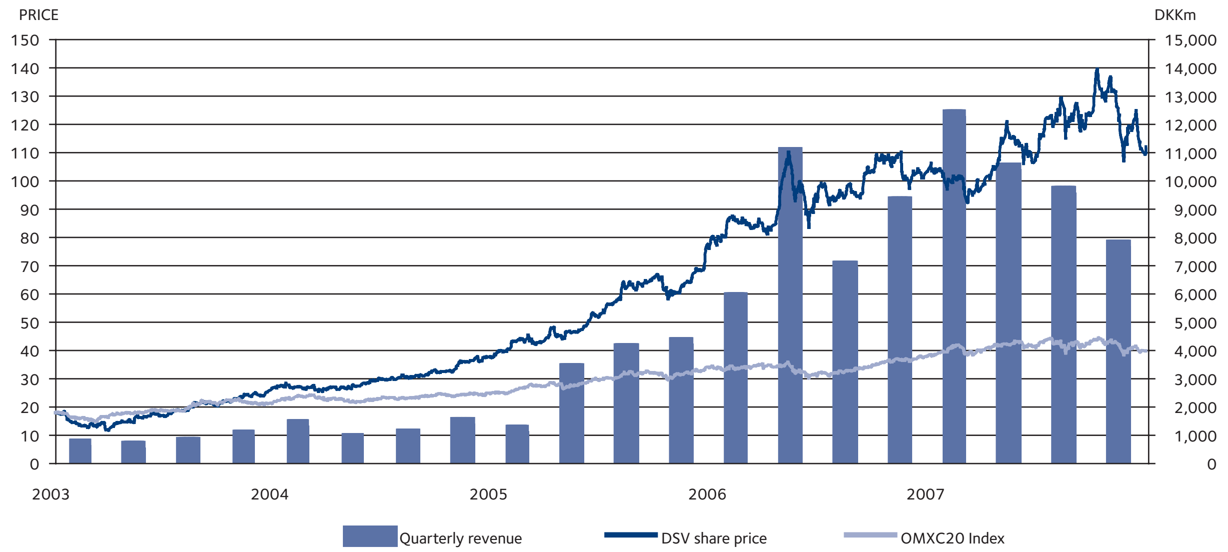
At the Board meeting on 3 March 2008, the Supervisory Board of DSV authorised the Executive Board of DSV to allocate 1,650,000 share options at the average share price on 31 March 2008. DSV will buy back shares before 31 March 2008 to hedge the incentive programme.

Cancellation of treasury shares

The purpose of the share buy-back programmes is to reduce DSV's share capital.

The Supervisory Board expects to propose a reduction of DSV's share capital by 11,350,000 shares at the Annual General Meeting on 30 April 2008.

DEVELOPMENT IN DSV'S SHARE PRICE COMPARED WITH THE OMXC20 INDEX AND TOTAL AMOUNT OF DSV SHARES TRADED



Authority

A resolution will be proposed at the Annual General Meeting on 30 April 2008 to extend the authority to buy back 10% of the Company's share capital.

The Supervisory Board of DSV has a standing authority to increase the share capital of DSV by up to 100,000,000 shares in one or more issues. This authority is valid until 1 May 2012.

Shareholder composition, registered shareholders

DSV A/S had a total of 143,195,159 registered shares corresponding to 71% of the share capital at 31 December 2007.

SHAREHOLDER COMPOSITION, REGISTERED SHAREHOLDERS

Category	Proportion of share capital (%)
Financial enterprises, trusts and pension funds	40
Private individuals	3
DSV	7
Other	21
Not registered	29
Total	**100**

At 31 December 2007, DSV had 25,493 registered shareholders. The largest 100 of these shareholders owned 51% of the entire share capital.

SHAREHOLDERS - GEOGRAPHICAL DISTRIBUTION

Category	Proportion of share capital (%)
Denmark	44
Foreign countries	27
Not registered	29
Total	**100**

SHAREHOLDERS TO BE DISCLOSED UNDER SECTION 28B OF THE DANISH PUBLIC COMPANIES ACT AT 31 DECEMBER 2007

Shareholder	Proportion of share capital (%)
ATP, Hillerød, Danmark	7.28
DSV, Brøndby, Danmark	6.51

LIST OF ANALYSTS

Dealer	
ABG Sundal Collier	Handelsbanken Securities
ABN Amro	HSBC Bank plc
Alm. Brand Bank A/S	JPMorgan
Bear Stearns	Jyske Bank
Carnegie Danmark	LD Markets
Dansk Aktie Analyse A/S	Standard & Poors/Nordea
Danske Bank A/S	Spar Nord Bank
Dredsner Kleinwort	Sydbank
Enskilda Securities	UBS
FIH – Capital Markets	

Investor relations policy

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

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

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

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

All interim reports and selected stock exchange announcements are sent to all registered shareholders who subscribe to DSV shareholder material by ordinary mail. All announcements are distributed electronically to subscribers of DSV's free e-mail updates. A list of all stock exchange announcements and press releases published in 2007 is available on www.dsv.com.

In addition, DSV publishes a news magazine, DSV Moves, on a quarterly basis. DSV aims to make the investor relations pages on www.dsv.com a natural venue and a complete source of information for current and potential investors.

All announcements to the OMX Nordic Exchange Copenhagen can be found on the DSV website to the extent that they are electronically available. The DSV website also provides a list of all announcements made in 2007.

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

Financial calendar

The financial calendar lists the expected dates for the publishing of stock exchange announcements relating to the financial year ending 31 December 2008:

FINANCIAL CALENDAR

Date	Start of quiet period	Stock exchange announcement
29 April 2008	8 April 2008	Q1 2008 Report
30 April 2008	5 February 2008	Annual General Meeting
1 August 2008	11 July 2008	H1 2008 Report
31 October 2008	10 October 2008	Q3 2008 Report

Statement by the Executive and Supervisory Boards and independent auditors' report

Statement by the Executive and Supervisory Boards

The Supervisory Board and the Executive Board have today considered and adopted the 2007 Annual Report of DSV A/S.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We consider the accounting policies applied to be appropriate so that the Annual Report gives a true and fair view of the Group's and the Parent's assets, equity, liabilities and financial position at 31 December 2007 and of the results of the Group's and Parent's activities and cash flows for the financial year ended 31 December 2007.

The other information on social responsibility of DSV A/S also gives a true and fair view.

The Annual Report is recommended for approval by the Annual General Meeting.

Brøndby, 4 March 2008

EXECUTIVE BOARD

Kurt K. Larsen CEO	Jens Lund CFO

SUPERVISORY BOARD

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

Independent auditors' report

TO THE SHAREHOLDERS OF DSV A/S

We have audited the annual report of DSV A/S for the financial year 1 January-31 December 2007, which comprises the statement by the Executive and Supervisory Boards, Management's review, income statement, balance sheet, statement of recognised income and expense, cash flow statement and notes for the Group as well as for the Parent company. Our audit has not included information about the budget 2008, pages 8 to 9, and the other information on social responsibility, pages 62 to 63. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

MANAGEMENT'S RESPONSIBILITY FOR THE ANNUAL REPORT

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

AUDITORS' RESPONSIBILITY

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

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.

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

Our audit did not result in any qualification.

OPINION

In our opinion, the annual report gives a true and fair view of the Group's and the Parent company's financial position at 31 December 2007 and of the results of the Group's and the Parent company's operations and cash flows for the financial year 1 January-31 December 2007 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Copenhagen, 4 March 2008

KPMG C. Jespersen
Statsautoriseret Revisionsinteressentskab

Jesper Koefoed
State-Authorised Public Accountant

Gerda Retbøll-Bauer
State-Authorised Public Accountant

Consolidated financial statements

INCOME STATEMENT			
(DKKm)	Note	2006	2007
Revenue	2	31,972	34,899
Direct costs		25,068	27,195
Gross profit		6,904	7,704
Other external expenses	3	1,737	1,862
Staff costs	4, 5	3,333	3,716
Operating profit before amortisation, depreciation and special items (EBITDA)		1,834	2,126
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	6	330	244
Operating profit before special items (EBITA)		1,504	1,882
Special items, net	7	(283)	(28)
Operating profit (EBIT)		1,221	1,854
Share of associates' net profit after tax	14	-	(7)
Financial income	8	94	109
Financial expenses	9	301	370
Profit before tax		1,014	1,586
Tax on profit for the year	10	295	472
Net profit for the year		719	1,114
Net profit for the period is allocated to:			
Shareholders of DSV A/S		677	1,067
Minority interests		42	47
Earnings per share:	11		
Earnings per share of DKK 1 (DKK)		3.4	5.5
Diluted earnings per share of DKK 1 (DKK)		3.4	5.4

STATEMENT OF RECOGNISED INCOME AND EXPENSE		
(DKKm)	2006	2007
Foreign currency translation adjustments, foreign enterprises	(34)	(70)
Value adjustment of hedging instruments	26	20
Value adjustment of hedging instruments transferred to financial expenses	(4)	(5)
Share-based payments	6	14
Actuarial gains (losses)	(25)	(11)
Others adjustments	1	3
Tax on changes in equity	42	13
Net income recognised directly in equity	12	(36)
Net profit for the year	719	1,114
Total statement of recognised income and expense	731	1,078
Statement of recognised income and expense is attributable to:		
Shareholders of DSV A/S	698	1,029
Minority interests	33	49
Total	731	1,078

BALANCE SHEET, ASSETS			
(DKKm)	Note	2006	2007
Non-current assets			
Intangibles	12	4,936	5,114
Property, plant and equipment	13	3,747	3,795
Investments in associates	14	15	7
Other securities and receivables	15	133	118
Deferred tax asset	16	262	328
Total non-current assets		9,093	9,362
Current assets			
Assets held for sale	17	142	121
Operating current assets			
Trade and other receivables	18	6,420	6,438
Cash		407	383
Total operating current assets		6,827	6,821
Total current assets		6,969	6,942
Total assets		16,062	16,304

BALANCE SHEET, EQUITY AND LIABILITIES			
(DKKm)	Note	2006	2007
Equity			
Share capital		40	202
Reserves		3,659	3,255
DSV A/S shareholders' share of equity		3,699	3,457
Minority interests		145	192
Total equity	19	3,844	3,649
Liabilities			
Non-current liabilities			
Deferred tax	16	308	300
Pensions and similar obligations	20	559	405
Provisions	21	269	178
Financial liabilities	22	4,604	4,900
Total non-current liabilities		5,740	5,783
Current liabilities			
Liabilities relating to assets held for sale	17	-	81
Other current liabilities			
Provisions	21	81	147
Financial liabilities	22	638	604
Trade and other payables	23	5,757	5,857
Corporation tax		2	183
Total other current liabilities		6,478	6,791
Total current liabilities		6,478	6,872
Total liabilities		12,218	12,655
Total equity and liabilities		16,062	16,304

CASH FLOW STATEMENT			
(DKKm)	Note	2006	2007
Profit before tax		1,014	1,586
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses		330	244
Share-based payments		6	14
Changes in provisions		(57)	(192)
Share of profit of associates		-	7
Financial income		(94)	(109)
Financial expenses		301	370
Cash flow from operating activities before changes in net working capital		1,500	1,920
Changes in net working capital		85	87
Financial income, paid		39	52
Financial expenses, paid		(225)	(293)
Cash flow from ordinary activities		1,399	1,766
Corporation tax, paid		(307)	(359)
Cash flow from operating activities		1,092	1,407
Acquisition of intangibles		(84)	(101)
Sale of intangibles		-	17
Acquisition of property, plant and equipment		(391)	(742)
Sale of property, plant and equipment		494	549
Acquisition of subsidiaries and activities	25	(1,558)	(117)
Change in other financial assets		(37)	15
Cash flow from investing activities		(1,576)	(379)
Free cash flow		(484)	1,028
Proceeds from incurring non-current liabilities		3,355	74
Repayments on loans and credits		(2,447)	-
Other financial liabilities incurred		121	179
Change in current liabilities		(288)	-
Shareholders:			
Dividends distributed		(50)	(50)
Share buy-backs		(163)	(1,222)
Other transactions with shareholders		1	(3)
Cash flow from financing activities		529	(1,022)
Net cash flow		45	6
Foreign currency translation adjustments		(23)	(30)
Cash at 1 January		385	407
Cash at 31 December		407	383

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

Specification 1: Statement of adjusted free cash flow		
Free cash flow	(484)	1,028
Acquisition of subsidiaries and activities	1,558	117
Normalisation of net working capital of acquirees and activities	100	-
Adjusted free cash flow	1,174	1,145

Specification 2: Statement of enterprise value of acquirees		
Acquisition of subsidiaries and activities	1,558	117
Interest-bearing debt	1,910	9
Enterprise value of acquirees	3,468	126
Normalisation of net working capital of acquirees and activities	100	-
Enterprise value of acquirees, inclusive of normalisation of net working capital	3,568	126

Notes

LIST OF NOTES

Notes – Financial statements

Notes – Income statement

Notes – Balance sheet

Notes – Supplementary information

NOTE 1 – SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and assessments and determines the assumptions to be used as the basis for the recognition and measurement of assets and liabilities and the income and costs reported. The estimates made and assumptions used are based on historical experience and other factors deemed by Management to be reasonable in the circumstances, but in the nature of things such experience and factors are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may arise. Moreover, the organisation is subject to risks and uncertainties that may result in outcomes deviating from these estimates.

Management deems the following estimates and the pertaining assessments to be essential for the preparation of the consolidated financial statements.

Forwarding in progress

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

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

Acquisitions

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

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

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

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

Goodwill impairment test

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

Special items

Special items are used in connection with the presentation of the net profit or loss for the year to delimit such items from the other items of the income statement. It is crucial to Management in connection with the use of special items that they are significant items not directly attributable to the operating activities of the Group and that they consist of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains and losses on disposals. Moreover, other significant non-recurring items are classified under this item. Management makes a careful assessment of reorganisations to ensure a correct distinction between Group operating activities and reorganisations of the Group that will improve the earnings potential of the Group in future and hence are presented under special items. Please refer to note 7 for a detailed specification and description of special items.

Provisions and contingencies

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

Pensions

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

Leases

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

Deferred tax assets

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

NOTE 2 – REVENUE

(DKKm)	2006	2007
Sale of services	31,899	34,794
Other income	73	105
Total revenue	**31,972**	**34,899**

NOTE 3 – FEES TO AUDITORS ELECTED BY THE GENERAL MEETING

(DKKm)	2006	2007
KPMG, audit	18	14
KPMG, other services	16	11
KPMG, total fees	**34**	**25**
Others, audit	-	1
Others, total fees	**-**	**1**
Total fees	**34**	**26**

NOTE 4 – STAFF COSTS

(DKKm)	2006	2007
Salaries and wages etc.	4,417	4,926
Defined contribution pension plans, cf. note 20	191	226
Defined benefit pension plans, cf. note 20	55	51
Other expenses for social security	593	650
Share-based payments	6	14
	5,262	**5,867**
Transferred to direct costs	(1,929)	(2,151)
Total staff costs	**3,333**	**3,716**
Average number of employees	16,404	19,213
Number of employees at year-end	19,199	19,211

Salaries and bonuses for the Executive Board

	Kurt K. Larsen		Jens Lund		Total	
(DKKm)	2006	2007	2006	2007	2006	2007
Fixed salary	2.2	2.3	1.8	2.2	4.0	4.5
Pension	3.0	3.0	0.1	0.2	3.1	3.2
Bonus	3.5	3.0	1.0	1.0	4.5	4.0
Share-based payments	0.4	0.8	0.3	0.5	0.7	1.3
Total salaries and bonuses for the Executive Board	**9.1**	**9.1**	**3.2**	**3.9**	**12.3**	**13.0**

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

Remuneration for the Supervisory Board of the Parent

(DKK'000)	2006	2007
Palle Flackeberg, Chairman	525	750
Erik B. Pedersen, Deputy Chairman	175	375
Kaj Christiansen [2]	175	250
Hans Peter Drisdal Hansen	175	250
Egon Korsbæk	175	250
Per Skov	175	250
Leif Tullberg [1]	175	146
Total remuneration for the Supervisory Board of the Parent	**1,575**	**2,271**

1. In 2006, Leif Tullberg received DKK 1.5 million as consultancy fees and DKK 0.4 million as remuneration for being on the supervisory board of a subsidiary.
2. In 2006, Kaj Christensen received DKK 0.1 million as consultancy fees.

NOTE 5 – INCENTIVE PROGRAMMES

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

List of current programmes

Programme	Number of employees	Options granted	Exercise price	Market value at date of grant
2003	465	150,000	21.7	-
2005	483	998,000	44.5	7.9
2006 – tranche I	767	1,500,000	82.0	24.3
2006 – tranche II	1	100,000	65.0	0.3
2007	818	1,500,000	97.5	29.2

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

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

All exercise prices have been fixed on the basis of the listed market value at the date of grant. The option schemes can be utilised by the employees by cash purchase of shares only. The liability relating to incentive programmes is covered by the Company's treasury shares.

A total of 903 employees held options at 31 December 2007.

Outstanding incentive programmes at 31 December 2007

	Exercise period	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2003 scheme	01.01.09 - 31.12.09	-	50,000	50,000	21.7
Outstanding options of 2005 scheme	26.04.09 - 26.04.10	100,000	820,700	920,700	44.5
Outstanding options of 2006 scheme	30.03.10 - 30.03.11	130,000	1,192,300	1,322,300	82.0
Outstanding options of 2006 scheme	01.04.09 - 31.03.10	-	30,000	30,000	65.0
Outstanding options of 2007 scheme	01.04.10 - 30.03.12	130,000	1,338,500	1,468,500	97.5
Outstanding at 31 December 2007		**360,000**	**3,431,500**	**3,791,500**	**78.0**
Exercise period open at 31 December 2007		-	-	-	

The weighted average remaining life at 31 December 2007 was 2.3 years. The aggregate market value was DKK 164.9 million, of which options amounting to DKK 15.9 million were held by Executive Board members.

Calculation of market values

Programme	Historical rolling three-year volatility	Risk-free interest rate	Expected dividends	Expected remaining life (years)
2007 scheme at date of grant	20.0%	4.41%	0.5%	3.25
Schemes outstanding at balance sheet date	22.9%	4.73%	0.5%	2.50

The market values are calculated according to the Black & Scholes model.

Overview of development in outstanding options

	Executive Board	Senior staff	Other staff	Total	Average exercise price per option
Outstanding at 1 January 2006	**465,000**	**4,020,420**	**13,800**	**4,499,220**	**22.2**
Granted in 2006	130,000	1,470,000	-	1,600,000	80.9
Exercised in 2006	365,000	2,301,860	1,800	2,668,660	14.4
Options waived/expired	-	661,330	12,000	673,330	17.2
Outstanding at 31 December 2006	**230,000**	**2,527,230**	**-**	**2,757,230**	**60.6**
Granted in 2007	130,000	1,370,000	-	1,500,000	97.5
Exercised in 2007	-	210,000	-	210,000	17.7
Options waived/expired	-	255,730	-	255,730	54.4
Outstanding at 31 December 2007	**360,000**	**3,431,500**	**-**	**3,791,500**	**78.0**

The average share price as at the date of exercise in 2007 was 101.2 (2006: 91.9).

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

(DKKm)	2006	2007
Amortisation and depreciation		
IT software	52	51
Customer relationships	45	59
Other intangibles	1	–
Buildings	103	123
Other plant and operating equipment	212	203
Net profit from the divestment of property, plant and equipment	(105)	(192)
Total amortisation and depreciation of intangibles, property, plant and equipment	**308**	**244**
Impairment		
Other intangibles	25	–
IT software	9	–
Total impairment of intangibles, property, plant and equipment	**34**	**–**
Total amortisation, depreciation and impairment of intangibles, property, plant and equipment	**342**	**244**
The cost is recognised under the following items of the income statement:		
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	330	244
Special items	12	–
Total	**342**	**244**

NOTE 7 – SPECIAL ITEMS

(DKKm)	2006	2007
Special items, income		
Profit on divestment of activities and enterprises including adjustments relating to previous years	15	7
Gain from change in pension plans	48	95
Special items, total income	**63**	**102**
Special items, costs		
Restructuring costs	321	128
Other special items	25	2
Special items, total costs	**346**	**130**
Special items, net	**(283)**	**(28)**

The restructuring costs mainly relate to capacity adaptations at the integration of Frans Maas and primarily consist of termination benefits, costs under terminated leases and impairment of software.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2006	2007
Interest income	39	52
Expected return on pension assets, cf. note 20	48	57
Foreign currency translation adjustments, net	7	–
Total financial income	**94**	**109**

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

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2006	2007
Interest expenses	239	295
Calculated interest relating to pension obligations, cf. note 20	62	73
Foreign currency translation adjustments, net	–	2
Total financial expenses	**301**	**370**

No provisions have been discounted because the resulting effect is immaterial. For that reason no element of interest from such provisions has been recognised under financial income.
No losses have been transferred during the year from financial assets "available for sale" to the income statement.

NOTE 10 – TAX

(DKKm)	2006	2007
The tax for the year is disaggregated as follows:		
Tax on profit for the year	295	472
Tax on changes in equity	(42)	(15)
Total tax for the year	**253**	**457**
The tax on profit for the year is calculated as follows:		
Current tax	298	530
Deferred tax	1	(61)
Adjustment of tax relating to previous years	(4)	3
Total tax on profit for the year	**295**	**472**
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	284	397
Adjustment of calculated tax in foreign Group enterprises relative to 25%	5	36
Change in deferred tax as a result of change in corporation tax rate	(4)	2
Tax effect of:		
Non-deductible expenses/non-taxable income	8	17
Non-deductible losses/non-taxable gains on shares	3	–
Adjustment of tax relating to previous years	(4)	3
Unbooked tax assets	–	20
Other adjustments	3	(3)
Total	**295**	**472**
Effective tax rate	29.1%	29.8%

NOTE 11 – EARNINGS PER SHARE

(DKKm)	2006	2007
Net profit for the year	**719**	**1,114**
Share of consolidated net profit for the year attributable to minority interests	42	47
DSV A/S shareholders' share of net profit for the year	**677**	**1,067**
Amortisation of customer relationships	45	59
Share-based payments	6	14
Special items, net	283	28
Tax effect thereof	(97)	(27)
Adjusted net profit for the year	**914**	**1,141**
Average number of shares ('000)	206,070	201,500
Average number of treasury shares ('000)	(7,530)	(7,204)
Average number of shares ('000)	**198,540**	**194,296**
Average dilutive effect of applicable incentive programmes/outstanding subscription rights ('000)	3,420	3,580
Diluted average number of shares ('000)	**201,960**	**197,876**
Earnings per share of DKK 1 (DKK)	3.4	5.5
Diluted earnings per share of DKK 1 (DKK)	3.4	5.4
Diluted adjusted earnings per share of DKK 1 (DKK)	4.5	5.8

NOTE 12 – INTANGIBLES

(DKKm) 2006	Goodwill	IT software	Customer relationships	Other intangibles	Intangibles in progress	Total
Cost at 1 January 2006	2,864	148	132	30	11	3,185
Additions relating to acquirees	1,402	51	427	3	–	1,883
Additions for the year	–	61	–	–	23	84
Disposals at cost	–	(7)	–	(2)	(1)	(10)
Reclassification	–	–	–	(28)	–	(28)
Foreign currency translation adjustments	(4)	–	–	–	–	(4)
Total cost at 31 December 2006	4,262	253	559	3	33	5,110
Total amortisation and impairment at 1 January 2006	10	49	11	6	-	76
Amortisation for the year	–	52	45	1	–	98
Impairment for the year	–	9	–	25	–	34
Amortisation of assets disposed of	–	(5)	–	(1)	–	(6)
Reclassification	–	–	–	(28)	–	(28)
Total amortisation and impairment at 31 December 2006	10	105	56	3	-	174
Carrying amount at 31 December 2006	4,252	148	503	-	33	4,936
Of which, assets under finance leases	–	46	–	–	–	46

(DKKm) 2007	Goodwill	IT software	Customer relationships	Other intangibles	Intangibles in progress	Total
Cost at 1 January 2007	4,262	253	559	3	33	5,110
Additions relating to acquirees	182	–	25	–	–	207
Additions for the year	–	9	–	–	93	102
Disposals at cost	–	(22)	–	–	(13)	(35)
Reclassification	(8)	78	8	(1)	(33)	44
Foreign currency translation adjustments	(2)	(1)	–	–	–	(3)
Total cost at 31 December 2007	4,434	317	592	2	80	5,425
Total amortisation and impairment at 1 January 2007	10	105	56	3	-	174
Amortisation for the year	–	51	59	–	–	110
Amortisation of assets disposed of	–	(9)	–	–	–	(9)
Reclassification	–	37	–	(1)	–	36
Total amortisation and impairment at 31 December 2007	10	184	115	2	-	311
Carrying amount at 31 December 2007	4,424	133	477	-	80	5,114
Of which, assets under finance leases	–	36	–	–	–	36

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

Breakdown of goodwill and customer relationships by divisions

The original cost of goodwill and customer relationships is DKK 5,445 million (2006: DKK 5,245 million). The original cost has been applied for calculating ROIC. Goodwill and customer relationships have been allocated to the legal entities in the individual countries in the Road, Air & Sea and Solutions Divisions, respectively.

	Goodwill		Customer relationships		Total		%	
(DKKm) 2006	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount
Road	3,333	3,056	453	416	3,786	3,472	72%	73%
Air & Sea	1,215	1,082	76	64	1,291	1,146	25%	24%
Solutions	138	114	30	23	168	137	3%	3%
Total	4,686	4,252	559	503	5,245	4,755	100%	100%

NOTE 12, CONTINUED – INTANGIBLES

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

Goodwill impairment test

As at 31 December 2007, Management carried out an impairment test of the carrying amount of goodwill.

The impairment test is made of the Group's cash-generating units based on management structure and internal management control. Generally it is made at country level and broken down into Road, Air & Sea and Solutions, which coincides with legally independent companies in most cases.

The impairment test for the cash-generating units compares the recoverable amount, equivalent to the discounted value of the expected future net cash flow with the carrying amount of the individual cash-generating unit.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2008 and projections for subsequent years up to and including 2012. Important parameters are revenue development, EBIT margin, future capital expenditure and growth expectations for the years following 2008, based on assessments of the individual unit.

The calculation of the discounted net cash flow applies discount rates reflecting the risk-free interest rate with the addition of the risks related to the individual cash-generation units, including geographical location, financial risk and the size of the cash-generation units.

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

	Road	Air & Sea	Solutions
Expected annual revenue growth (weighted average)	6.1%	7.7%	4.0%
Expected EBITA margin (weighted average)	6.0%	7.0%	7.0%
Expected growth during terminal period (%)	2.5%	2.5%	2.5%
Discount rate before tax (%)	11.6%	11.4%	11.8%

Expected growth during terminal period is deemed not to exceed the long-term average growth rate of the industry.

Based on the impairment tests carried out, it was concluded that no basis for impairment existed at 31 December 2007.

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

Impairment test of Intangibles in progress

Intangibles in progress have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2007.

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

(DKKm) 2006	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2006	2,357	1,266	44	3,667
Additions relating to acquirees	1,420	350	13	1,783
Additions for the year	95	181	115	391
Disposals at cost	(293)	(228)	(5)	(526)
Transferred to assets held for sale	(159)	–	–	(159)
Reversed from assets held for sale	85	–	–	85
Reclassification	109	(5)	(118)	(14)
Foreign currency translation adjustments	12	(8)	1	5
Total cost at 31 December 2006	3,626	1,556	50	5,232
Total depreciation and impairment at 1 January 2006	536	780	–	1,316
Depreciation for the year	103	212	–	315
Depreciation of assets disposed of	(37)	(119)	–	(156)
Transferred to assets held for sale	(17)	–	–	(17)
Reversed from assets held for sale	44	–	–	44
Reclassification	–	(7)	–	(7)
Foreign currency translation adjustments	(3)	(7)	–	(10)
Total depreciation and impairment at 31 December 2006	626	859	–	1,485
Carrying amount at 31 December 2006	3,000	697	50	3,747
Of which, assets under finance leases	628	173	–	801

NOTE 13, CONTINUED – PROPERTY, PLANT AND EQUIPMENT

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

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

NOTE 14 – INVESTMENTS IN ASSOCIATES

(DKKm)	2006	2007
Cost at 1 January	13	17
Additions for the year	4	-
Disposals for the year	-	1
Transferred to other securities	-	(2)
Cost at 31 December	17	16
Value adjustments at 1 January	(2)	(2)
Value adjustments for the year	-	(7)
Value adjustments at 31 December	(2)	(9)
Carrying amount at 31 December	15	7
Summarised aggregate financial information on associates:		
Revenue	270	50
Net profit for the year	6	7
Total assets	160	79
Total liabilities	125	56
DSV Group's share of net profit for the year	-	(7)
DSV Group's share of equity	9	7
Goodwill at 31 December	6	-
Carrying amount at 31 December	15	7

A list of all associates of the DSV Group is provided on page 65.

NOTE 15 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2006	2007
Other securities	38	38
Deposits	39	54
Other receivables	56	26
Other securities and receivables	**133**	**118**

Investments in other securities are classified as "available for sale". They mainly relate to unlisted shares and other equity investments recognised at cost as reliable measurement of their fair value is impossible. No value adjustments recognised in equity have been made during the year.
Other receivables mainly relate to loans granted. The terms of the loans are up to four years, and they will be fully repaid in 2011.

NOTE 16 – DEFERRED TAX

(DKKm)	2006	2007
Deferred tax at 1 January	**(56)**	**46**
Value adjustments, foreign subsidiaries	–	3
Deferred tax for the year	1	(61)
Adjustment of tax concerning previous years	(2)	1
Tax on equity items	(5)	(14)
Additions relating to acquisitions	108	5
Other adjustments	–	(8)
Deferred tax at 31 December	**46**	**(28)**
Deferred tax asset		
Intangibles	20	40
Property, plant and equipment	(14)	(56)
Current assets	7	17
Provisions	99	67
Other liabilities	16	83
Tax loss carryforwards	134	177
Deferred tax asset	**262**	**328**
Deferred tax liability		
Intangibles	180	150
Property, plant and equipment	180	120
Current assets	2	–
Provisions	(36)	(17)
Other liabilities	(18)	49
Tax loss carryforwards	–	(2)
Deferred tax liability	**308**	**300**
Breakdown of deferred tax		
Deferred tax asset	(262)	(328)
Deferred tax liability	308	300
Deferred tax at 31 December	**46**	**(28)**
Deferred tax assets not recognised in the balance sheet		
Temporary differences	1	–
Tax loss [1]	266	212
Total deferred tax assets not recognised at 31 December	**267**	**212**

1. Of the tax loss, DKK 110 million may be carried forward indefinitely, but it is uncertain whether the tax loss can be utilised. Of the tax loss, DKK 102 million may be carried forward for a limited period, but it is uncertain whether the tax loss can be utilised. The deferred tax asset therefore cannot be measured reliably due to uncertainty about the time aspect of its use.

NOTE 16, CONTINUED – DEFERRED TAX

(DKKm) 2006	Balance sheet at 1 January	Foreign currency translation adjustments	Additions relating to acquirees	Recognised in net profit for the year	Recognised in equity, net	Other adjustments	Balance sheet at 31 December
Intangibles	53	1	94	12	-	-	160
Property, plant and equipment	97	1	62	34	-	-	194
Financial assets	-	-	25	(25)	-	-	-
Current assets	(5)	-	(6)	6	-	-	(5)
Provisions	(89)	(1)	(66)	26	(5)	-	(135)
Other liabilities	(28)	-	5	(11)	-	-	(34)
Tax loss carryforwards	(84)	(1)	(6)	(43)	-	-	(134)
Total	**(56)**	**-**	**108**	**(1)**	**(5)**	**-**	**46**

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

NOTE 17 – ASSETS AND LIABILITIES HELD FOR SALE

(DKKm)	2006	2007
Assets held for sale		
Property, plant and equipment	142	121
Total assets held for sale at 31 December	**142**	**121**

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

Liabilities relating to assets held for sale		
Purchase price payable	-	81
Total liabilities relating to assets held for sale at 31 December	**-**	**81**

NOTE 18 – TRADE AND OTHER RECEIVABLES

(DKKm)	2006	2007
Trade receivables	5,266	5,484
Accrued revenue	491	365
Other receivables etc.	560	486
Prepayments	103	103
Trade and other receivables at 31 December	**6,420**	**6,438**

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

Impairment losses relating to doubtful trade receivables		
Impairment at 1 January	106	157
Change in impairment during the year	12	(1)
Realised losses for the year	39	18
Impairment at 31 December	**157**	**174**

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

Overdue trade receivables not written off break down as follows:		
Due in 1-30 days	790	880
Due in 31-120 days	405	390
Due after 120 days	-	-

NOTE 18 , CONTINUED – TRADE AND OTHER RECEIVABLES

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

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

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

NOTE 19 – EQUITY

(DKKm)	2006	2007
Share capital		
Developments in the share capital:		
Beginning of year	41.8	40.3
Capital increase	–	161.2
Capital reduction	(1.5)	–
Year-end	40.3	201.5

The Annual General Meeting on 30 April 2007 resolved to issue bonus shares of DKK 161,200,000. Accordingly, the share capital at year-end 2007 amounted to DKK 201,500,000 (equalling 201,500,000 shares of DKK 1) against DKK 40,300,000 (equalling 20,150,000 shares of DKK 2) at year-end 2006. No share confers any special rights upon its holder. No restrictions have been imposed on the negotiability of the shares or on voting rights.

Statement of changes in equity – 2006

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Minority interests	Total equity
Equity at 1 January 2006	42	2	22	3,092	54	3,212	111	3,323
Recognised income and expense for the year	–	16	(29)	661	50	698	33	731
Dividends distributed	–	–	–	–	(54)	(54)	(1)	(55)
Purchase and sale of treasury shares, net [1]	–	–	–	(163)	–	(163)	–	(163)
Capital reduction	(2)	–	–	(461)	–	(463)	–	(463)
Cancellation of shares	–	–	–	463	–	463	–	463
Capital increase including share premium	–	–	–	2	–	2	–	2
Purchase/disposal minority interests	–	–	–	–	–	–	2	2
Dividends treasury shares	–	–	–	4	–	4	–	4
Total changes in equity in 2006	(2)	16	(29)	506	(4)	487	34	521
Equity at 31 December 2006	40	18	(7)	3,598	50	3,699	145	3,844

Statement of changes in equity – 2007

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Minority interests	Total equity
Equity at 1 January 2007	40	18	(7)	3,598	50	3,699	145	3,844
Recognised income and expense for the year	–	11	(70)	1,038	50	1,029	49	1,078
Dividends distributed	–	–	–	–	(50)	(50)	(2)	(52)
Purchase and sale of treasury shares, net [1]	–	–	–	(1,222)	–	(1,222)	–	(1,222)
Issue of bonus shares	162	–	–	(162)	–	–	–	–
Dividends treasury shares	–	–	–	1	–	1	–	1
Total changes in equity in 2007	162	11	(70)	(345)	–	(242)	47	(195)
Equity at 31 December 2007	202	29	(77)	3,253	50	3,457	192	3,649

NOTE 19, CONTINUED – EQUITY

Treasury shares [2]

	Shares of DKK 1		Nominal value		% of share capital	
	2006	2007	2006	2007	2006	2007
Beginning of year	10,828,040	2,861,520	10,828,040	2,861,520	5.2	1.4
Purchases	1,655,510	10,478,677	1,655,510	10,478,677	1.1	5.2
Sales	(2,080,410)	(227,470)	(2,080,410)	(227,470)	-1.3	-0.1
Capital reduction	(7,541,620)	-	(7,541,620)	-	-3.6	0.0
Treasury shares at year-end	2,861,520	13,112,727	2,861,520	13,112,727	1.4	6.5

1. Sales of treasury shares relate to the exercise of share options in connection with incentive programmes. Treasury shares are bought back to hedge the Company's incentive programmes.
2. Comparative figures for 2006 and purchases and sales until the issue of bonus shares in 2007 have been adjusted.

By authority of the Annual General Meeting, DSV A/S may buy a maximum of 20,150,000 treasury shares, equalling 10% of the share capital, until 30 October 2008. The market value of treasury shares at 31 December 2007 was DKK 1,466 million (2006: DKK 296 million).

Dividends

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.
Distribution is not subject to any particular restrictions.
The dividend per share of DKK 1 is DKK 0.25 (2006: DKK 0.25 per share).

Hedging reserve

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

Foreign currency translation reserve

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

Reserve for securities available for sale

Reserve for securities available for sale comprises fair value adjustments of securities available for sale. The reserve amounted to DKK 0 million at 31 December 2007 (2006: DKK 0 million), for which reason it is not shown in the above statement of changes in equity.

NOTE 20 – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2006	2007
Present value of defined benefit plans	1,638	1,478
Fair value of pension plan assets	1,079	1,073
Pensions and similar obligations at 31 December	559	405
Development in present value of defined benefit obligations		
Obligations at 1 January	688	1,638
Foreign currency translation adjustments	19	(61)
Pension costs concerning current financial year	55	51
Calculated interest concerning obligation	62	73
Actuarial gains (losses)	(25)	(49)
Gain from change in pension plans	(98)	(138)
Benefits paid	(22)	(36)
Additions relating to acquisitions	959	-
Obligations at 31 December	1,638	1,478
Specification of present value of defined benefit obligations at year-end		
Present value of obligations hedged in full or in part	1,368	1,194
Present value of non-hedged obligations	270	284
Present value of defined benefit obligations	1,638	1,478
Development in fair value of pension plan assets		
Pension plan assets at 1 January	340	1,079
Foreign currency translation adjustments	5	(43)
Expected return on pension plan assets	48	57
Actuarial gains (losses)	(50)	(60)
Gain from change in pension plans	(50)	(43)
Payments received	44	119
Benefits paid	(22)	(36)
Additions relating to acquisitions	764	-
Pension plan assets at 31 December	1,079	1,073

DSV expects to pay DKK 45 million into the assets of the plans in 2008.

NOTE 20, CONTINUED – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2006	2007
Pension costs recognised in the income statement		
Pension costs concerning current financial year	55	51
Calculated interest concerning obligation	62	73
Expected return on pension plan assets	(48)	(57)
Gain from change in pension plans	(48)	(95)
Total recognised for defined benefit plans	**21**	**(28)**
Total recognised for defined contribution plans	191	226
Total recognised in income statement	**212**	**198**
The cost is recognised under the following items of the income statement:		
Staff costs	246	277
Special items, net	(48)	(95)
Financial income	(48)	(57)
Financial expenses	62	73
Total costs recognised	**212**	**198**
The following cumulative actuarial gains (losses) have been recognised in the statement of recognised income and expense since 1 January 2004:		
Cumulative actuarial gains (losses)	(86)	(97)
Social security costs relating to actuarial gains (losses)	(9)	(9)
Cumulative actuarial gains (losses) including social security costs recognised in the statement of recognised income and expense	**(95)**	**(106)**
Breakdown of pension plan assets:		
Shares	31%	34%
Bonds	12%	16%
Properties	2%	2%
Cash and cash equivalents	2%	2%
Insurance contracts	53%	46%
Total	**100%**	**100%**

The Dutch pension plan is a multi-employer plan. Its assets must cover obligations towards employees covered by the pension plan irrespective of who is their employer. The pension plan assets are insurance contracts whose funds are invested in financial assets.

	2006	2007
Return on pension plan assets		
Expected return on pension plan assets	48	57
Actuarial losses on pension plan assets	(50)	(60)
Total actual return on pension plan assets	**(2)**	**(3)**

Actuarial assumptions

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

	2006	2007
Discount rate	3,90% - 5,20%	4,50% - 5,90%
Expected return on pension plan assets	5,50% - 6,43%	4,25% - 6,57%
Future rate of wage/salary increases	2,00% - 4,10%	2,00% - 4,50%
Future inflation	1,80% - 3,10%	1,75% - 3,50%

The expected return on pension plan assets is determined on the basis of asset composition and general expectations of the economic development.

Five-year overview	2003	2004	2005	2006	2007
Pension obligations	-	-	688	1,638	1,478
Pension plan assets	-	-	(340)	(1,079)	(1,073)
Inadequate cover	**-**	**-**	**348**	**559**	**405**
Changes in pension obligations as per experience	-	-	-	(11)	(24)
Changes in pension plan assets as per experience	-	-	-	(59)	-

In defined contribution pension plans, the employer must make a specific contribution (a fixed amount or a fixed percentage of the wage or salary). Defined contribution plans imply no risk to the Group as concerns the future development in yield, inflation, mortality and disability.

In defined benefit pension plans, the employer has undertaken to pay a specific benefit (an old-age pension as a fixed amount or a fixed percentage of the final wage or salary on retirement). Defined benefit plans imply a risk to the Group as concerns the future development in yield, inflation, mortality and disability. The Group has defined benefit pension plans mainly in the UK, the Netherlands, Belgium, Germany and Sweden.

The pension obligations of certain Group enterprises are covered by insurance. Foreign enterprises with no or only partial insurance cover (defined benefit plans) measure the uncovered pension obligations actuarially at the present value as at the balance sheet date. The Parent only has defined contribution pension plans.

NOTE 21 – PROVISIONS

(DKKm)	Restructuring costs	Provisions for disputes and legal actions	Onerous contracts	Other	Total
Provisions at 1 January 2007	132	58	88	72	350
Additions relating to acquisitions	-	-	-	83	83
Applied for the year	(109)	(25)	(29)	(108)	(271)
Provisions for the year	127	11	7	18	163
Provisions at 31 December 2007	150	44	66	65	325
Expected time frame of the provisions:					
Current liabilities	107	1	12	27	147
Non-current liabilities	43	43	54	38	178
Provisions at 31 December 2007	150	44	66	65	325

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

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

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

Onerous contracts are mainly onerous contracts taken over in connection with the acquisition of Frans Maas, consisting of lease agreements with rent above market value as well as contracts concluded with customers and leases under which unavoidable costs exceed earnings.

Other provisions mainly relate to demolition liabilities, complaints and disputes concerning suppliers.

NOTE 22 – FINANCIAL LIABILITIES

	2006	2007
Loans and credit facilities	4,594	4,664
Finance leases	624	801
Other non-current liabilities	24	39
Total financial liabilities	5,242	5,504
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	4,604	4,900
Current liabilities	638	604
Financial liabilities at 31 December	5,242	5,504

Loans and credit facilities

	Expiry	Fixed/floating interest rate	Carrying amount	
(DKKm)			2006	2007
Bank loans DKK	2012-2014	Floating	2,356	2,754
Bank loans EUR	2013	Floating	1,394	1,394
Mortgage loans DKK	2008-2011	Floating/fixed	318	6
Overdraft facility	Call loan	Floating	526	510
Loans and credit facilities at 31 December			4,594	4,664

Bank loans are subject to standard trade covenants. All covenants have been observed during the year.
The fair value of loans and credit facilities was DKK 4,664 million (2006: DKK 4,597 million).
The weighted average effective interest rate was 5.1% (2006: 4.2%).

The loans and credit facilities fall due within the following time frames after the balance sheet date:

	2006	2007
0-1 year	542	509
1-5 years	1,639	611
> 5 years	2,413	3,544
Total loans and credit facilities	4,594	4,664

NOTE 22 , CONTINUED – FFINANCIAL LIABILITIES

Finance leases

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

	Lease payments		Interest		Carrying amount	
(DKKm)	2006	2007	2006	2007	2006	2007
0-1 years	104	120	(26)	(25)	78	95
1-5 years	389	455	(72)	(119)	317	336
> 5 years	312	560	(83)	(190)	229	370
Total	805	1,135	(181)	(334)	624	801

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

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

Other non-current liabilities

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

NOTE 23 – TRADE AND OTHER PAYABLES

(DKKm)	2006	2007
Trade payables	3,098	3,365
Deferred income relating to forwarding in progress	1,001	992
Other payables	1,658	1,500
Trade and other payables at 31 December	5,757	5,857

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

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

(DKKm)	2006	2007
Collaterals:		
Carrying amount of land and buildings etc. provided as collateral to mortgage banks [1]	398	10
Total collaterals	398	10

1. Mortgage loans amounted to DKK 3.6 million at 31 December 2007.

(DKKm)	2006	2007
Other financial liabilities:		
Road Holding A/S has entered into IT service contracts with terms of 2-6 years and a notice period of 6 months. The minimum payments during the notice period amount to:	42	86
DSV A/S has guaranteed for subsidiaries' bank commitments and subsidiaries' liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,238	2,458
Subsidiaries have guaranteed for bank commitments and liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,088	2,072
Total other financial liabilities	4,368	4,616

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

(DKKm)	2006	2007
Operating leases:		
Operating lease obligations relating to land and buildings (including terminals) fall due:		
0-1 years	486	546
1-5 years	1,282	1,505
> 5 years	1,097	989
Total	2,865	3,040
Operating lease obligations relating to operating equipment fall due:		
0-1 years	393	429
1-5 years	383	394
> 5 years	24	16
Total	800	839
The following is recognised in the income statement:		
Operating leases relating to property	566	712
Operating leases relating to operating equipment	418	558
Total	984	1,270

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

The Group leases properties under operating leases. Such leases typically have a term of 5-15 years with an extension option after expiry of the lease term.

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

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

NOTE 25 – ACQUISITION OF ENTERPRISES AND ACTIVITIES

	Carrying amount according to IFRS before takeover date		Adjustment at fair value		Fair value at takeover date		
(DKKm) 2006	Frans Maas	Other	Frans Maas	Other	Frans Maas	Other	Total
Intangibles	135	–	338	8	473	8	481
Property, plant and equipment	1,331	57	395	–	1,726	57	1,783
Financial assets	43	1	–	–	43	1	44
Deferred tax	82	3	(82)	–	–	3	3
Receivables	2,099	43	–	–	2,099	43	2,142
Cash	381	7	–	–	381	7	388
Total assets	**4,071**	**111**	**651**	**8**	**4,722**	**119**	**4,841**
Deferred tax	–	–	111	–	111	–	111
Pension provisions	197	–	–	–	197	–	197
Other provisions	173	–	46	–	219	–	219
Financial liabilities	1,899	11	–	–	1,899	11	1,910
Trade payables	975	33	–	–	975	33	1,008
Other current liabilities	801	49	–	–	801	49	850
Total liabilities	**4,045**	**93**	**157**	**–**	**4,202**	**93**	**4,295**
Net assets	**26**	**18**	**494**	**8**	**520**	**26**	**546**
Minority interests	(18)	16	–	–	(18)	16	(2)
Total net assets	**8**	**34**	**494**	**8**	**502**	**42**	**544**
Goodwill					1,221	181	1,402
Cash of acquirees					(381)	(7)	(388)
Cash acquisition cost, inclusive of purchase costs					**1,342**	**216**	**1,558**
Adjustment of purchase consideration receivable					–	–	–
Cash acquisition cost, inclusive of adjustment of purchase consideration receivable					**1,342**	**216**	**1,558**
Interest-bearing debt assumed					1,899	11	1,910
Enterprise value of acquirees					**3,241**	**227**	**3,468**

Names of acquirees and activities, 2006	Country	Division	Date of recognition	Share of acquired share capital
Koninklijke Frans Maas Groep N.V.	The Netherlands	All	1 April 2006	100%
Transitas Internationale Spediteure GmbH	Germany	Road	1 January 2006	100%
Frigoscandia	Denmark	Road	1 January 2006	Activity acquired
Arne Jensen Vognmandsforretning	Denmark	Road	1 September 2006	Activity acquired
Vognmand Bent Christensen A/S	Denmark	Road	1 December 2006	Activity acquired
DSV Air & Sea Co. Ltd.	China	Air & Sea	1 June 2006	Remaining 34% acquired
Trans Force Ltd.	Taiwan	Air & Sea	1 June 2006	Activity acquired
CDS-Frans Maas (Asia) Ltd.	Hong Kong	Air & Sea	1 July 2006	Activity acquired

NOTE 25, CONTINUED – ACQUISITION OF ENTERPRISES AND ACTIVITIES

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

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

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

Divestment of enterprises and activities, 2006 and 2007.
There were no major divestments of enterprises or activities in 2006 and 2007.

Post balance sheet acquisitions of enterprises
At the beginning of 2008, there are ongoing negotiations on the acquisition of a few small enterprises. After the balance sheet date, DSV has moreover agreed to buy all shares in Roadferry Ltd. For further details, please see the Management's review and note 29.

Information on individual transactions
In 2006 and 2007, the Group acquired a number of enterprises and activities. Details on the acquisition of Frans Maas are shown separately above. The individual acquisitions are not otherwise of a size necessitating separate disclosure.
Due to the continuous adjustment of the purchase considerations, the amounts recognised in relation to acquisitions are subject to change.

Disposal of operating units as a result of acquisition of enterprises
In connection with the acquisition of enterprises it has been decided not to dispose of parts of existing or acquired units.

Costs of business combinations
Purchase costs are included in the cash acquisition cost and comprise fees to lawyers, financial advisers, accountants and other experts as well as other directly attributable costs. In 2007, the purchase costs were DKK 3 million (2006: DKK 44 million).

Identification of intangibles
In connection with the acquisition of enterprises and activities in 2006 and 2007, DSV has measured identifiable intangibles in the form of customer relationships, which were recognised in the takeover balance sheet at their fair value. The value of customer relationships at the acquisition of Frans Maas was calculated at DKK 420 million.

NOTE 25, CONTINUED – ACQUISITION OF ENTERPRISES AND ACTIVITIES

Other adjustments at fair value
Other than the value of customer relationships, adjustments of intangibles in 2006 and 2007 relate to adjustment of software at fair value.
Adjustments of property, plant and equipment in 2006 and 2007 relate to adjustments of property, plant and equipment at fair value.
Adjustments of other provisions in 2006 and 2007 relate to demolition liabilities and pending legal actions and claims raised against Frans Maas. The provision has been made on the basis of an individual assessment of each action. Please refer to note 24, which discusses pending actions under contingent liabilities.

Goodwill
Following recognition of identifiable assets, liabilities and contingent liabilities at their fair value, the goodwill related to the takeovers has been measured at DKK 182 million (2006: DKK 1,402 million). The difference represents the value of assets whose fair value cannot be reliably measured, the value of the staff and know-how taken over, expected synergies from combining the enterprises acquired and the existing DSV activities and the value of access to new markets.

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

Change in treatment of previous acquisitions
An adjustment of DKK 75 million has been made to goodwill relating to business combinations in 2006 owing to contractual settlement and other adjustments to the opening balance sheet.

	2006	2007
Impact on income statement from acquisition of enterprises:		
Share of revenue and net profit for the year for acquirees from the takeover date until 31 December		
Revenue	5,554	202
Operating profit before amortisation, depreciation and special items	141	11
Acquirees measured as if they had been owned on a full-year basis		
Revenue	7,722	356
Operating profit before amortisation, depreciation and special items	175	19

NOTE 26 – DERIVATIVE FINANCIAL INSTRUMENTS

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

Hedging instruments at 31 December 2006

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	571	2007	(2.0)	(2.0)	0.0
Interest rate instruments	3,169	2007-2011	34.0	7.4	26.6
Total			32.0	5.4	26.6

Hedging instruments at 31 December 2007

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	492	2008	(0.6)	(0.6)	0.0
Interest rate instruments	4,168	2008-2012	52.3	11.1	41.2
Total			51.7	10.5	41.2

Currency risk hedging
The Group mainly uses forward exchange transactions to hedge currency risks. The Group mainly hedges GBP, NOK, SEK and USD. The Group's risk exposure is low, and adjustment of forward exchange transactions at fair value is recognised directly in the income statement.

Interest rate risk hedging
The Group mainly uses interest rate swaps and interest rate caps to hedge interest rate risks. Thereby floating-rate loans are refinanced to fixed-rate loans. Interest rate swaps and interest rate caps satisfying the conditions of hedge accounting are recognised directly in equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting as well as accrued interest are recognised directly in the income statement under financials.
The weighted average effective interest rate for existing interest rate instruments was 3.87% at the balance sheet date (2006: 3.41%).

NOTE 27 – RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

DSV has no related parties with controlling interests. Related parties of DSV with significant influence comprise associates as mentioned in note 14 and members of the associates' supervisory boards, executive boards and senior staff as well as the family members of these persons. Related parties also comprise companies, in which the aforementioned persons have significant interests.

The Group has had the following transactions with related parties:

(DKKm)	2006	2007
Sale of services		
Associates	21	2
Total sale of services	21	2
Purchase of services		
Associates	18	11
Consultancy fees to member of Supervisory Board	2	1
Enterprises related to Supervisory Board	1	1
Total purchase of services	21	13

Please refer to note 4 on staff costs and note 5 on incentive programmes concerning remuneration for and share-based payments to Management.
Properties in an amount of DKK 35 million were sold to a company related to a Supervisory Board member in 2006.
Transactions with related parties have been made on an arm's length basis.

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

(DKKm)	2006	2007
Receivables		
Loan to a company related to a Supervisory Board member	35	–
Associates	1	1
Receivables at 31 December	36	1
Liabilities		
Associates	1	1
Liabilities at 31 December	1	1

NOTE 28 – SEGMENT INFORMATION

(DKKm) 2006

Activities – primary segment

Income statement – Highlights	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items	Total
Gross revenue	24,294	7,798	1,004	3	–	33,099
Intercompany sales	(896)	(216)	(15)	–	–	(1,127)
Revenue	23,398	7,582	989	3	–	31,972
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	299	26	14	(9)	–	330
Operating profit before special items (EBITA)	885	574	53	(8)	–	1,504
Operating profit (EBIT)	606	555	52	8	–	1,221
Profit before tax (EBT)	384	552	43	35	–	1,014
Balance sheet – Highlights						
Total gross investments	3,854	265	22	–	–	4,141
Total investments in associates	14	1	–	–	–	15
Total assets	12,216	2,198	864	784	–	16,062
Total liabilities	7,038	1,194	165	3,821	–	12,218

Geographical location – secondary segment	Europe	North America	Rest of world	Non-allocated items	Total
Revenue	29,440	1,574	958	–	31,972
Total assets	15,494	285	283	–	16,062
Total gross investments	4,089	6	46	–	4,141

NOTE 28, CONTINUED – SEGMENT INFORMATION

(DKKm) 2007

Activities – primary segment

Income statement – Highlights	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items	Total
Gross revenue	22,793	9,060	4,240	-	-	36,093
Intercompany sales	(850)	(215)	(129)	-	-	(1,194)
Revenue	**21,943**	**8,845**	**4,111**	**-**	**-**	**34,899**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	124	33	85	2	-	244
Operating profit before special items (EBITA)	998	691	222	(29)	-	1,882
Operating profit (EBIT)	956	694	232	(28)	-	1,854
Profit before tax (EBT)	750	654	141	41	-	1,586
Share of associates' net profit after tax	(7)	-	-	-	-	(7)
Balance sheet – Highlights						
Total gross investments	575	155	314	-	-	1,044
Total investments in associates	6	-	1	-	-	7
Total assets	9,969	2,586	3,231	518	-	16,304
Total liabilities	5,485	1,386	1,575	4,209	-	12,655

Geographical location – secondary segment	Europe	North America	Rest of world	Non-allocated items	Total
Revenue	32,087	1,534	1,278	-	34,899
Total assets	15,662	298	344	-	16,304
Total gross investments	1,009	5	30	-	1,044

Segment information and Management's review of Divisions cannot be reconciled due to elimination of inter-division transactions.

NOTE 29 – POST BALANCE SHEET EVENTS

As mentioned in the Management's review, DSV has concluded an agreement after the balance sheet date with Posten AB on the sale of DSV's 50% stake in Tollpost Globe AS and acquired all shares in Roadferry Ltd.

The 2007 consolidated income statement included total revenue of DKK 2,100 million and EBITA of DKK 125 from Tollpost Globe AS. The minority shareholder's share of the net profit for the year relating to Tollpost Globe AS came to DKK 44 million in the 2007 consolidated financial statements of DSV.
The selling price agreed upon for the shares is DKK 993 million. The assets sold including allocated goodwill total DKK 720 million, and the liabilities sold total DKK 172 million, which results in a gain after selling costs of DKK 440 million to be recognised under special items in 2008. The sale of Tollpost Globe AS has not yet been closed, but is expected to close at 11 March 2008.

The acquisition of Roadferry Ltd. was completed on 29 February 2008. Roadferry Ltd. is expected to be recognised as from 1 March 2008 and has been included in the budget by DKK 400 million and in EBITA by DKK 11 million. The expected 2007/08 annual revenue of Roadferry Ltd. is DKK 480 million and the EBITA is DKK 8 million.
The major part of the activities of Roadferry Ltd. are Road activities.
As the acquisition was completed immediately before the publication of this Annual Report, it has not been possible in practice to procure all the information required by IFRS 3 "Business Combinations".

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

NOTE 30 – ACCOUNTING POLICIES

The 2007 Annual Report of DSV has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union and the supplementary Danish disclosure requirements for annual reports of listed companies, see the disclosure requirements of the OMX Nordic Exchange, Copenhagen, for annual reports of listed companies and the IFRS Executive Order issued in pursuance of the Danish Financial Statements Act.

The Annual Report of the Parent, DSV A/S, is an integral part of the Consolidated Annual Report of DSV and is available on the CD-ROM enclosed and at www.dsv.com.

Basis for preparation

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

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

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

New accounting regulations

In 2007, DSV applied all new and changed standards and interpretations of relevance to DSV which have entered into force with effect for accounting periods commencing on 1 January 2007 or later.

In 2007, the following standards and interpretations have been applied as from 1 January 2007:

- IFRS 7 "Financial Instruments: Disclosures"
- Amendment to IAS 1 "Presentation of Financial Statements"
- Amendment to IAS 32 "Financial Instruments: Presentation"
- IFRICs 7 to 10

The new accounting standards and interpretations have not affected recognition and measurement, and the accounting policies applied are thus consistent with those applied last year. The new standards and interpretations only imply changes to the disclosures in the notes. Comparative figures in the notes have been adjusted.

DSV has not implemented the following standards, which have been adopted, but not entered into force at 31 December 2007:

- IFRS 8 "Operating Segments"
- Amendment to IAS 1 "Presentation of Financial Statements"
- Amendment to IAS 23 "Borrowing Costs"
- IFRICs 11 to 14

The implementation of these standards is expected not to result in material changes in the amounts of the consolidated Annual Report. The implementation of IFRS 8 on operating segments is also expected not to materially influence the presentation of the DSV segments.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements include the Parent, DSV A/S, and the subsidiaries over which DSV A/S exercises control of the financial and operating policies to achieve an investment return or other advantages from their activities. Control is obtained through direct or indirect ownership, through exercise of more than 50% of the voting rights or otherwise.

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

The consolidated financial statements have been prepared in accordance with the accounting policies of the Group by consolidating the financial statements of the Parent and the individual subsidiaries and by eliminating intra-Group income, costs, shareholdings, accounts and dividends as well as realised and unrealised gains from intra-Group transactions. Unrealised gains from transactions with associates are eliminated proportionately to the ownership share. Unrealised losses are eliminated in the same way as unrealised gains to the extent that no impairment losses are recorded.

Investments in subsidiaries are eliminated by the fair value of the subsidiaries' proportionate share of identifiable net assets and recognised contingent liabilities at the date of acquisition.

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

Business combinations

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

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

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

On acquisition of enterprises over which the Parent obtains control, the purchase method is applied. Identifiable assets, liabilities and contingent liabilities of the enterprises acquired are measured at fair value at the date of acquisition. Identifiable intangibles are recognised if they are separable or arise from a contractual right and it is possible to make a reliable measurement of the fair value. Deferred tax is recognised for the revaluation.

Positive differences (goodwill) between the cost of the enterprise and the fair value of identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangibles. Goodwill is not amortised, but tested for impairment annually. The first impairment test must be carried out before the end of the year of acquisition. On acquisition, goodwill is attributed to the cash-generating units on which the impairment test is subsequently based. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity whose functional currency differs from the presentation currency of the DSV Group are treated as assets and liabilities belonging to the foreign entity and are translated into the functional currency of the foreign entity using the exchange rate ruling at the date of acquisition.

If, at the date of acquisition, there is uncertainty connected with measurement of the identifiable assets, liabilities and contingent liabilities acquired, the first recognition is made on the basis of a preliminary calculation of fair value. If it subsequently turns out that the identifiable assets, liabilities and contingent liabilities had another fair value at the date of acquisition than first assumed, goodwill may be adjusted for up to 12 months following the date of acquisition. The effect of the adjustments is recognised in equity at the beginning of the financial year, and comparative figures are restated. After that, goodwill is only adjusted due to changes in estimated contingent purchase consideration unless a material error has occurred. Subsequent realisation of the deferred tax assets of the acquired enterprise not recognised at the date of acquisition entails recognition of the tax advantage in the income statement and simultaneous reduction of the carrying amount of goodwill to the amount that would have been recognised had the deferred tax asset been recognised as an identifiable asset at the date of acquisition.

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

Acquisition of minority interests

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

Foreign currency translation

A functional currency is determined for each reporting enterprise of the Group. The functional currency is the currency used in the primary financial environment in which the individual reporting enterprise operates. Transactions denominated in currencies other than the functional currency are considered foreign currency transactions.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences between the exchange rates at the transaction date and the date of payment are recognised in the income statement under financials.

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

NOTE 30, CONTINUED – ACCOUNTING POLICIES

On recognition in the consolidated financial statements of foreign enterprises whose functional currency differs from the presentation currency of DSV, the income statements are translated at the exchange rate ruling at the transaction date, and the balance sheet items are translated at the exchange rate ruling at the balance sheet date. An average exchange rate for the individual months is used as the transaction-date exchange rate if this exchange rate does not significantly deviate from the exchange rates ruling at the transaction dates in question. Exchange differences arising on translation of the equity of foreign enterprises at the beginning of the year at the exchange rate ruling at the balance sheet date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rate ruling at the balance sheet date are recognised directly in equity as a separate foreign currency translation reserve.

Foreign currency adjustments of intra-Group balances with foreign enterprises considered as part of the total net investment in the enterprise, which has a functional currency other than Danish kroner, are recognised directly in equity in the consolidated financial statements as a separate foreign currency translation reserve. Similarly, exchange gains and losses on loans and derivative financial instruments which are designated as hedges of net investments in foreign enterprises and which effectively hedge against corresponding exchange gains and losses on the net investment in the enterprise are also recognised directly in equity as a separate foreign currency translation reserve.

On recognition in the consolidated financial statements of associates whose functional currency differs from the presentation currency of DSV, its share of the net profit for the year is translated using the average exchange rate, and its share of equity, including goodwill, is translated using the exchange rate ruling at the balance sheet date. Exchange differences arising on translation of DSV's share of foreign associates' equity at the beginning of the year at the exchange rates ruling at the balance sheet date and on translation of its share of the net profit for the year from the average exchange rates to the exchange rates ruling at the balance sheet date are recognised directly in equity as a separate foreign currency translation reserve.

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

Derivative financial instruments
Derivative financial instruments are recognised as from the trade date and measured at fair value. Positive and negative fair values of derivative financial instruments are included in other current receivables or other current payables. Positive and negative fair values are only set off if the Group has a right and an intention to settle several financial instruments net (by means of settlement of differences). The fair value of derivative financial instruments is calculated on the basis of market data and recognised pricing models.

Changes in the fair value of derivative financial instruments which are classified as and meet the criteria for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the value of the part of the asset or liability that has been hedged. Hedging of future cash flows pursuant to contract, except for hedging of foreign currency risks, is treated as a fair value hedge of a recognised asset or liability.

Changes in the part of the fair value of derivative financial instruments which are classified as and meet the criteria for recognition as a future cash flow hedge and which effectively hedge against changes in the value of the hedged item are recognised in equity as a separate hedging reserve. When a hedged transaction is carried out, any gains or losses are transferred from equity and recognised in the same item as the hedged item. Hedging proceeds from future borrowings, gains or losses on such hedging transactions are, however, transferred from equity over the term of the loan.

Changes in the fair value of derivative financial instruments not fulfilling the criteria for treatment as hedge instruments are recognised on a continuing basis in the income statement under financials.

Income statement

Revenue
Revenue comprises the freight forwarded and the services provided in the financial year as well as changes in the value of forwarding in progress. All kinds of discounts, including cash discounts, are recognised in the revenue. Revenue is measured exclusive of VAT and other taxes collected on behalf of third parties.

Direct costs
Direct costs comprise costs paid to generate the revenue for the year. Direct costs include settlement of accounts with haulage contractors, other direct costs, including staff costs for own staff used for fulfilling orders, as well as other operating costs.

Other external expenses
Other external expenses comprise expenses relating to marketing, IT, rent, training and education, office premises, travelling and communications as well as other selling costs and administrative expenses.

Staff costs
Staff costs include wages and salaries, pensions, social security costs and other staff costs, but are exclusive of staff costs recorded as direct costs.

Special items
Special items include material income and expenses not directly attributable to the operating activities of the Group, consisting of restructuring costs relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals. Moreover, other significant non-recurring items are classified under this item.

The items are stated separately to give a fairer view of the primary activities of the Group.

Profit from investments in associates
The proportionate share of the results after tax of associates is recognised in the consolidated income statement after elimination of the proportionate share of intra-Group profits/losses.

Financials
Financials include interest, exchange gains and losses on and impairment of securities, payables and foreign currency transactions as well as amortisation of financial assets and liabilities, including obligations under finance leases. Furthermore, realised and unrealised gains and losses on derivative financial instruments that cannot be classified as hedging contracts are included.

Tax on profit for the year
Tax for the year comprises current tax and changes in deferred tax. The share attributable to the net profit for the year is recognised in the income statement, and the share attributable to entries directly to equity is recognised directly in equity.

If the Group is able to claim tax allowances when reporting its taxable income in Denmark or abroad due to share-based compensation plans, the tax effect of these plans is recognised in tax on net profit for the year. If the total tax allowance exceeds the total accounting costs, the tax effect of the excess tax allowance is, however, recognised directly in equity.

Balance sheet, assets

Intangibles

GOODWILL

On initial recognition, goodwill is recognised in the balance sheet at cost as described under 'Business combinations'. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. Determination of cash-generating units follows the management structure and internal management control. Such determination is generally made at country level and broken down into Road, Air & Sea and Solutions, which coincides with legally independent companies in most cases.

CUSTOMER RELATIONSHIPS

On initial recognition, customer relationships are recognised in the balance sheet at fair value as described under 'Business combinations'. Subsequently, customer relationships are measured at fair value less accumulated amortisation and impairment losses. Customer relationships are amortised on a straight-line basis over the expected duration of these relations, which is estimated to be 10 years.

IT SOFTWARE

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

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

NOTE 30, CONTINUED – ACCOUNTING POLICIES

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

Gains or losses from the disposal of IT software are calculated as the difference between the selling price less selling costs and the carrying amount at the date of sale. Gains or losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Property, plant and equipment

Land and buildings, machinery, and other plant and operating equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the acquisition price and costs directly associated with the acquisition until the time when the asset is ready for use. The cost of assets produced in-house comprises direct and indirect costs for materials, components, sub-contractors, wages and salaries. The present value of estimated obligations for dismantling and disposing of the asset as well restoration costs are added to cost if such costs are recognised as a liability. If the individual parts of an asset have different useful lives, each part will be depreciated separately.

The cost of assets under finance leases is determined as the lower of the fair value of the assets and the present value of the future minimum lease payments. When the present value is calculated, the implicit interest rate of the lease, or an alternative borrowing rate, is applied as the discount rate.

Subsequent costs, such as partial replacement of property, plant and equipment, are included in the carrying amount of the asset in question when it is probable that such costs will result in future economic benefits for the Group. The carrying amounts of the replaced parts are derecognised from the balance sheet and recognised in the income statement. All other costs for general repairs and maintenance are recognised in the income statement when incurred.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Terminals and administration buildings	40-60 years
Other buildings and building elements	10-25 years
Technical plant and machinery	6-10 years
Other plant and operating equipment	3-8 years
Land is not depreciated.	

The depreciation basis takes into account the residual value of the asset and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and revised once a year. If the residual value exceeds the carrying amount of the asset, depreciation will no longer be provided.

If the depreciation period or the residual value is changed, the effect on future depreciation will be recognised as a change in accounting estimates.

Depreciation is recognised in the income statement under depreciation of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Assets held for sale

Assets held for sale include non-current assets held for sale. Liabilities relating to assets held for sale are liabilities directly associated with such assets which will be transferred in connection with the transaction. Assets are classified as 'held for sale' if their carrying amounts will primarily be recovered through a sales transaction within one year according to a formal plan rather than through continued use.

Assets held for sale are measured at the lower of the carrying amount at the time of the classification as 'held for sale' and the fair value less selling costs. Assets are no longer depreciated from the time when they are classified as 'held for sale'.

Impairment losses occurring at the initial classification as 'held for sale' and gains or losses arising in connection with the subsequent measurement of the lower of carrying amount and fair value less selling costs are recognised in the income statement under the relevant items. Gains and losses are disclosed in the notes.

Assets and their associated liabilities are shown as separate lines in the balance sheet, and the main items are specified in the notes.

Investments in associates

Investments in associates are measured using the equity method.

Investments in associates are recognised in the balance sheet at the proportionate share of the associates' equity values in accordance with Group accounting policies with the deduction or addition of the proportionate share of unrealised intra-Group gains and losses and with the addition of the carrying amount of goodwill.

Associates having a negative equity value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the negative balance of an associate, such an obligation will be recognised as a liability.

Receivables from associates are written down to the extent deemed irrecoverable.

Impairment of non-current assets

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

The carrying amount of goodwill is tested for impairment at least once a year together with the other non-current assets of the cash-generating unit to which the goodwill is allocated and written down to the recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is determined as the discounted value of the expected future net cash flow from the cash-generating unit to which the goodwill is associated. Goodwill impairment is recognised as a separate item in the income statement.

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

The carrying amounts of other non-current assets are assessed once a year to determine whether there is an indication of impairment. If so, their recoverable amounts are calculated. The recoverable amount is the higher of the fair value of the asset less the expected disposal costs and the value in use. The value in use is calculated as the present value of expected future cash flow from the asset or the cash-generating unit of which the asset forms part.

Impairment losses are recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Impairment losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Impairment of goodwill cannot be reversed. Impairment of other assets is reversed if the assumptions and estimates on which the impairment is based have changed. Impairments are only reversed if the new carrying amount of the asset does not exceed the carrying amount that the asset would have had if it had not been written down.

Receivables

Receivables are measured at amortised cost. Provision is made for expected losses on an individual basis.

Equity

Dividends

Proposed dividends are recognised as a liability when adopted at the Annual General Meeting (date of declaration). Expected dividends for the year are shown as a separate item under equity.

Interim dividends are recognised as a liability as from the date of the resolution.

Treasury shares

Purchase and selling prices as well as dividends on treasury shares are recognised directly in equity under retained earnings. Capital reductions through the cancellation of treasury shares will reduce the share capital by an amount corresponding to the nominal value of the equity interest.

Proceeds from the sale of treasury shares in connection with the exercise of share options are recognised directly in equity.

Foreign currency translation reserve

The foreign currency translation reserve comprises gains and losses resulting from the translation of financial statements of foreign enterprises having a different functional currency than the presentation currency of the DSV Group (Danish kroner).

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

Incentive programmes

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

NOTE 30, CONTINUED – ACCOUNTING POLICIES

The value of the services provided by the employees in return for options is measured at the fair value of the options.

The fair value of equity-settled share-based programmes is measured at the grant date and recognised in the income statement under staff costs over the period until the options are vested. The offsetting item is recognised directly in equity.

On initial recognition of such share-based programmes, an estimate is made of the number of options that the employees are expected to acquire. The estimated number of options is adjusted subsequently to reflect the actual number of options vested.

The fair value of the options granted is estimated on the basis of the Black & Scholes valuation model. The estimate is based on the terms and conditions applicable to the grant of options.

Balance sheet, liabilities

Pension obligations

Obligations relating to defined contribution pension plans under which the Group pays regular pension contributions to independent pension funds are recognised in the income statement for the period in which they are earned, and contributions payable are recognised in the balance sheet under other current payables.

As regards defined benefit plans, an actuarial valuation of the value in use of future benefits payable under the plan is made once a year. The value in use is calculated on the basis of the assumptions of future development in wage/salary level, interest rates, inflation, mortality, etc. The value in use is only calculated for benefits to which the employees have become entitled during their employment with the Group. The calculated actuarial value in use less the fair value of any assets under the plan is recognised in the balance sheet under pension obligations.

Pension costs of the year are recognised in the income statement based on actuarial estimates and financial expectations at the beginning of the year.

The differences between the expected development in pension assets and liabilities and the realised values are referred to as actuarial gains or losses and are recognised directly in equity.

Changes in the benefits payable for employees' past services to the enterprise will result in an adjustment of the actuarial value in use, which is classified as post service cost. Post service costs are charged to the income statement immediately if the employees have already earned the right to the adjusted benefits. Otherwise, the benefits will be recognised in the income statement over the period in which the employees earn the right to the adjusted benefits.

If a pension plan constitutes a net asset, the asset will only be recognised if it corresponds to the future payouts under the plan or the future contributions to the plan will be reduced.

Other long-term employee benefits are also recognised by using an actuarial measurement. All actuarial gains and losses are, however, recognised directly in the income statement. Other long-term employee benefits include anniversary benefits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of previous years and for prepaid tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, office properties and other items disallowed for tax purposes if, except at the acquisition of enterprises, such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different tax rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are set off if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

Deferred tax is adjusted for elimination of unrealised intra-Group gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries which will be effective at the balance sheet date under current legislation when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Provisions

Provisions are recognised when, due to an event occurring on or before the balance sheet date, the Group has a legal or constructive obligation, and it is probable that the Group will have to give up future economic benefits to meet the obligation.

Provisions are measured on the basis of Management's best estimate of the amount at which it expects to be able to settle the relevant obligation.

When provisions are measured, the costs necessary to settle the obligation are discounted to net present value if such discounting has a material impact on the measurement of the obligation. A pre-tax discount rate is used, which reflects the general level of interest rates in society and the actual risks which are deemed to affect the provision in question. Changes in present values during the financial year are recognised under financial expenses.

Restructuring expenses are recognised as provisions when a detailed, formal restructuring plan has been published on or before the balance sheet date and communicated to the parties affected by the plan. In connection with the acquisition of enterprises, provisions for restructuring of such enterprises are solely included in the calculation of goodwill if the enterprises acquired are subject to an obligation at the date of acquisition.

Provisions are made for onerous contracts if the expected benefits to the Group are outweighed by the unavoidable costs under the contract.

If the Group is under an obligation to dismantle an asset or restore the site where the asset has been used, a provision is made corresponding to the present value of the expected future costs.

Financial liabilities

Bank loans and other loans are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost corresponding to the capitalised value, using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

The residual lease obligation under finance leases is capitalised and recognised as a financial liability.

Other liabilities, including trade payables, payables to associates as well as other payables, are measured at amortised cost, which corresponds to the net realisable value in all essentials.

Leases

In the financial statements, lease obligations are divided into obligations under finance and operating leases.

A lease is classified as a finance lease when, in all essentials, it transfers the risks and benefits of ownership of the leased asset. Other leases are classified as operating leases.

The treatment of assets under finance leases and the corresponding obligations in financial statements is described in the sections on 'Property, plant and equipment' and 'Financial liabilities'.

Lease payments under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Deferred income

Deferred income includes payments received in relation to income for subsequent years.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect from the acquisition and divestment of enterprises is shown as a separate item under cash flow from investing activities. The cash flow from acquired enterprises is recognised in the cash flow statement from the date of acquisition, and the cash flow from divested enterprises is recognised until the date of divestment.

Cash flow from operating activities

The cash flow from operating activities is recognised as a pre-tax amount, adjusted for non-cash operating items, working capital changes as well as interest and corporation tax paid.

NOTE 30, CONTINUED – ACCOUNTING POLICIES

Cash flow from investing activities
The cash flow from investing activities comprises payments relating to the acquisition and divestment of enterprises and activities, the purchase and sale of intangibles, property, plant and equipment and other non-current assets as well as the purchase and sale of securities not classified as cash and cash equivalents.

Cash flow from financing activities
The cash flow from financing activities comprises changes in the amount or composition of the Group's share capital and related costs, including the purchase and sale of treasury shares as well as the raising of loans, repayments on interest-bearing debt and the payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank deposits.

Segment information
Information is provided on business segments (the Group's primary segment reporting format) and geographical markets (the Group's secondary segment reporting format). Segments are based on the risk factors affecting the Group and the internal financial management of the Group. Segment information has been prepared in accordance with the Group's accounting policies.

Income/expenses and assets/liabilities in the segments comprise the items directly attributable to the individual segment as well as the items that may be allocated to the individual segment on a reliable basis. Non-allocated items mainly comprise assets and liabilities as well as income and expenses relating to the Group's administrative functions, investing activities, corporation tax, etc.

The non-current assets in a segment comprise the non-current assets which are used directly for the operation of the segment, including intangibles and property, plant and equipment as well as investments in associates.

The current assets in a segment comprise the current assets which are used directly for the operation of the segment, including trade receivables, other receivables, prepayments and cash and bank deposits.

Segment liabilities comprise liabilities resulting from the operation of the segment, including trade payables and other payables. Segment liabilities also comprise interest-bearing liabilities.

Definition of financial highlights
Net interest-bearing debt
Interest-bearing debt at year-end less interest-bearing assets at year-end.

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

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

Gross margin ratio
Gross profit multiplied by 100 and divided by revenue.

EBITDA margin
Operating profit before amortisation, depreciation, impairment of goodwill and special items multiplied by 100 and divided by revenue.

EBITA margin
Operating profit before impairment of goodwill and special items multiplied by 100 and divided by revenue.

EBIT margin
EBIT multiplied by 100 and divided by revenue.

ROIC including goodwill and customer relationships
Operating profit before impairment of goodwill and special items multiplied by 100 and divided by average invested capital including goodwill and customer relationships.

Return on equity
The DSV A/S shareholders' share of the profit for the year, multiplied by 100 and divided by average equity exclusive of minority interests.

Equity ratio
Equity exclusive of minority interests multiplied by 100 and divided by total equity and liabilities.

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

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

Adjusted profit
The DSV A/S shareholders' share of the net profit for the year, adjusted for amortisation and impairment of goodwill and customer relationships, costs related to share-based payments and special items. The tax effect of the adjustments has been taken into account

Diluted adjusted earnings per share
Adjusted earnings per share divided by the average number of fully diluted shares.

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

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

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

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

Diluted average number of shares
Average number of shares outstanding during the year, inclusive of warrants and options.

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

EXECUTIVE BOARD

Kurt K. Larsen
CEO, DSV A/S
Born: 17 September 1945
Member of the Executive Board since: 1991
Options held: 220,000

Jens H. Lund
CFO, DSV A/S
Born: 8 November 1969
Member of the Executive Board since: 2002
Supervisory Board positions: Member of the Supervisory Board of Niras A/S
Options held: 140,000

SUPERVISORY BOARD

Palle Flackeberg
Chairman of the Supervisory Board
Born: 3 August 1952
Member of the Supervisory Board since: 1987
Elected until: 2010
Special competencies: General management experience. Experience from sector-specific production. Independent haulier since 1974

Erik B. Pedersen
Deputy Chairman of the Supervisory Board
Born: 13 June 1948
Member of the Supervisory Board since: 1989
Elected until: 2009
Special competencies: General management experience. Experience from sector-specific production. Independent haulier since 1976

Hans Peter Drisdal Hansen
Member of the Supervisory Board
Born: 4 November 1944
Member of the Supervisory Board since: 1998
Elected until: 2008
Supervisory Board positions: Chairman of the Supervisory Boards of Ammongas A/S, P/S Firgas, PV Fonden and its group enterprises. Member of the Board of TOPPTOPO ApS and the Tokai University Boarding School foundation as well as several minor charities
Special competencies: Attorney entitled to appear before the Supreme Court. Corporate law and construction law expert

Kaj Christiansen
Member of the Supervisory Board
Born: 20 February 1944
Member of the Supervisory Board since: 1995
Elected until: 2008
Special competencies: General management experience. Experience from sector-specific production. Independent haulier since 1978

Per Skov
Member of the Supervisory Board
Born: 28 September 1941
Member of the Supervisory Board since: 2000
Elected until: 2010
Supervisory Board positions: Chairman of the Supervisory Boards of Utility Development A/S, Nordlux A/S, Nordlux Holding A/S. Deputy Chairman of the Supervisory Board of Tryg i Danmark smba. Member of the Supervisory Boards of Tryg Vesta A/S, Tryg Forsikring A/S, Dagrofa A/S, Kemp & Lauritzen A/S, Nordea Liv & Pension, Livsforsikringsselskab A/S
Special competencies: General management experience from AP Møller, Lauritz Knudsen, FDB (CEO 1989-1998) and from serving on the supervisory boards of Danish and international companies. Financial management experience

Egon Korsbæk
Member of the Supervisory Board
Born: 25 September 1947
Member of the Supervisory Board since: 2002
Elected until: 2009
Supervisory Board positions: Chairman of the Supervisory Boards of Ebh bank A/S and its subsidiaries, EBH Fonden and its subsidiaries, Raunstrup Gruppen A/S and its subsidiaries, RBM HOLDING A/S and its subsidiaries, INWIDO DK A/S and its subsidiaries. Member of the Supervisory Boards of Løgstør Erhvervs Invest A/S, Alm. Brand Formue A/S, Samson Group A/S, Industri Invest Herning A/S, Asgaard A/S, Husby Invest A/S
Executive Board positions: Manager of Husby Invest A/S
Special competencies: Managing Director of Vest-Wood A/S (listed company) 1981-2002. International management experience

All Supervisory Board members are independent, cf. the revised Recommendations for corporate governance.

SHARES HELD BY EXECUTIVE AND SUPERVISORY BOARD MEMBERS

	Shares beginning of year	Shares purchased in 2007	Shares sold in 2007	Shares year-end	Market value (DKKm)
Kurt K. Larsen	555,390	-	162,800	392,590	43.9
Jens H. Lund	32,570	-	300	32,270	3.6
Palle Flackeberg	465,000	3,800	35,000	433,800	48.5
Erik B. Pedersen	630,000	-	30,000	600,000	67.1
Hans Peter Drisdal Hansen	8,360	-	-	8,360	0.9
Kaj Christiansen	63,000	-	4,000	59,000	6.6
Per Skov	14,400	-	-	14,400	1.6
Egon Korsbæk	118,000	17,750	-	135,750	15.2
Total	**1,886,720**	**21,550**	**232,100**	**1,676,170**	**187.4**

Social responsibility

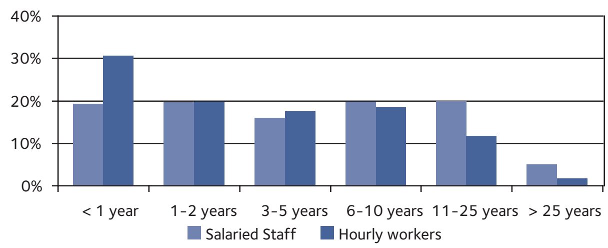
In relation to staff, 2007 was a year marked by the consolidation of the individual companies and divisions. One of the major changes of the year was the transfer of a number of companies from the Road Division to the Solutions Division. The transfer of companies contributed to making the Solutions Division the second-largest division of the DSV Group in terms of employees, employing 25% of the total staff.

The Road Division remains the largest division of the DSV Group with 60% of the staff, while 14% of the total number of DSV employees work in the Air & Sea Division. The total number of employees of the DSV Group was practically unchanged compared with the year before, and the distribution of hourly workers and salaried staff is 42% and 58%, respectively.

Seniority

In 2006, DSV acquired the Frans Maas Group which had about 8,000 employees. Subsequently, the DSV Group underwent a restructuring process. Compared with 2005, when DSV last measured staff seniority, the basis for measurement has changed considerably. Staff turnover in DSV has resulted in an increase in the proportion of employees with less than three years of seniority from 34% in 2005 to 44% in 2007, which must be viewed in close connection with the restructuring process. More than 20% of the staff still have more than 10 years of seniority with DSV, similar to 2005.

DSV STAFF BY SENIORITY

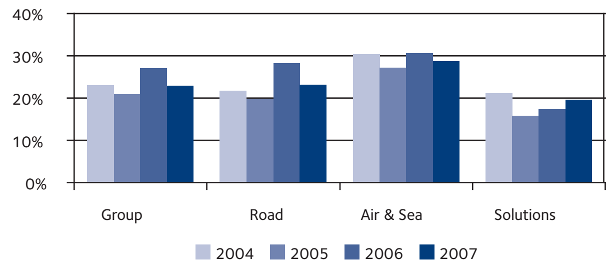


Staff turnover

Staff turnover for the DSV Group decreased markedly compared with 2006, which was highly characterised by the acquisition of Frans Maas. All three divisions as well as the various staff groups saw a decrease in the staff turnover. Measured in percentage points, the Road Division saw the largest decrease, particularly among the hourly workers of the Division.

Among hourly workers, staff turnover has been decreasing over the past couple of years in line with the growth in the total proportion of hourly workers of the Group. Among the hourly workers of the Solutions Division in particular, there was a relatively low staff turnover.

STAFF TURNOVER

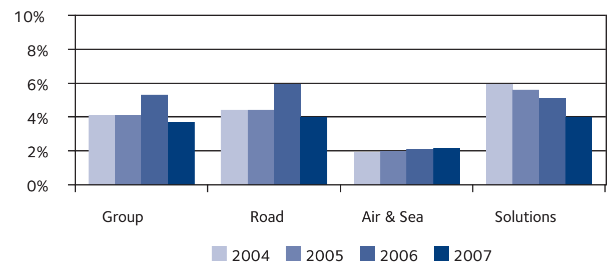


Absence due to illness

In addition to the fall in staff turnover, absence due to illness among DSV employees decreased in 2007. Absence due to illness fell in all divisions and all staff groups. The 2007 figures for absence due to illness for the entire DSV Group show the lowest absence recorded since the introduction of monthly reporting of a number of employee data.

In 2007, the employees of the DSV Group had a rate of absence due to illness of 3.7% on average, corresponding to less than nine days per year for each employee. Salaried staff with the Air & Sea Division continued to have the lowest average absence due to illness. This rate corresponds to less than five days per year for each employee.

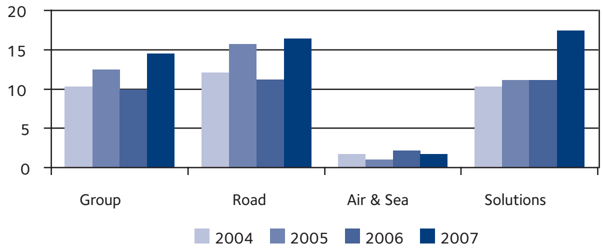
ABSENCE DUE TO ILLNESS



Rate of industrial accidents

Unfortunately, the large decrease in the rate of industrial accidents in 2006 could not be maintained in 2007. The rate of industrial accidents thus increased among both hourly workers and salaried staff. For the DSV Group as a whole the figure increased from 9.9 in 2006 to 14.5 in 2007. The Air & Sea Division experienced a continued decrease in the rate of industrial accidents. The increase is primarily attributable to a few companies in the two other divisions.

RATE OF INDUSTRIAL ACCIDENTS PER MILLION WORKING HOURS



Overall assessment

A number of the social indicators are seen to develop according to expectations after the comprehensive restructuring process undergone by DSV in 2006, but to a minor extent also in 2007.

As the staff is the primary resource of DSV, the Group will continue to implement initiatives to ensure a positive development in the social indicators.

SOCIAL INDICATORS

	2006	2007
Staff (Full-time staff)		
Group	19,199	19,213
Salaried staff	11,124	11,190
Hourly workers	8,075	8,023
Staff turnover (%)		
Group	27.1	23.9
Salaried staff	27.8	26.0
Hourly workers	26.2	19.2
Absence due to illness (%)		
Group	5.3	3.7
Salaried staff	4.3	3.0
Hourly workers	6.6	4.7
Rate of industrial accidents (Per million working hours)		
Group	9.9	14.5
Salaried staff	1.9	2.6
Hourly workers	20.6	30.6

DEFINITION OF INDICATORS

Staff
Average number of full-time staff of the year.

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

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

Rate of industrial accidents
Number of reported industrial accidents resulting in more than one day of absence per million working hours during the year.

Group overview

The Group overview shows active companies as at 31 December 2007 by segment applicable in 2007 and not by legal structure

GROUP OVERVIEW

			Division		
	Country	Ownership	Road	Air & Sea	Solutions
Parent					
DSV A/S	Denmark	-			
Subsidiaries					
Europe					
DSV Road N.V.	Belgium	100.0	x		
DSV Solutions NV	Belgium	100.0			x
DSV Solutions (Automotive) NV	Belgium	100.0			x
DSV Solutions Puurs NV	Belgium	100.0			x
Corsa Logistics O.o.d.	Bulgaria	85.0	x		
Vectra O.o.d.	Bulgaria	75.0	x		
DSV Road Holding A/S	Denmark	100.0	x		
DSV Road A/S	Denmark	100.0	x		
DSV Air & Sea Holding A/S	Denmark	100.0		x	
DSV Air & Sea A/S	Denmark	100.0		x	
DSV Solutions Holding A/S	Denmark	100.0			x
DSV Solutions A/S	Denmark	100.0			x
DSV Transport AS	Estonia	100.0	x		
DSV Road OY	Finland	100.0	x		
Kiinteistö Oy Raision Vuorelankatu 3	Finland	100.0	x		
DSV Domestic Oy	Finland	100.0	x		
Uudenmaan Pikakuljetus OY	Finland	100.0	x		
DSV Air & Sea Oy	Finland	100.0		x	
DSV Solutions OY	Finland	100.0			x
Kiinteistö Oy Vantaan Ansatie 4	Finland	100.0			x
DFDS Transport Group S.A.	France	100.0	x		
DSV S.A.	France	100.0	x		
DSV Solutions S.A.	France	100.0			x
DSV HELLAS S.A.	Greece	99.9	x		
DSV Road Holding NV	The Netherlands	100.0	x		
DSV Road B.V.	The Netherlands	100.0	x		
DSV Solutions B.V.	The Netherlands	100.0			x
DSV Solutions (Zaandam) B.V.	The Netherlands	100.0			x
DSV Solutions (Schiphol-Rijk) B.V.	The Netherlands	100.0			x
DSV Solutions (Dordrecht) B.V.	The Netherlands	100.0			x
DSV Solutions (Venray) B.V.	The Netherlands	100.0			x
Vastgoed Oostrum C.V.	The Netherlands	100.0			x
DSV Solutions (Moerdijk) B.V.	The Netherlands	100.0	x		
DSV Air & Sea B.V.	The Netherlands	100.0		x	
DSV Transport Ltd.	Belarus	50.0	x		
DSV Ireland Limited	Ireland	100.0	x		
DSV Solutions Ltd.	Ireland	100.0			x
DSV Air & Sea Limited	Ireland	100.0		x	
DSV Road S.p.A.	Italy	100.0	x		
DSV Air & Sea S.r.L.	Italy	100.0		x	
DSV Solutions S.r.L.	Italy	100.0			x
DSV Hrvatska d.o.o.	Croatia	100.0	x		
DSV Transport SIA	Latvia	100.0	x		
DSV Transport UAB	Lithuania	100.0	x		
DSV Road S.A.	Luxemburg	100.0	x		
Campbell Freight Agencies Limited	Nothern Ireland	100.0		x	
DSV Road AS	Norway	100.0	x		
Tollpost Globe AS	Norway	50.0	x		
DSV Air & Sea AS	Norway	100.0		x	
DSV Solutions AS	Norway	100.0			x
DSV Road Sp. z.o.o.	Poland	100.0	x		
Frans Maas Polska Sp.z o.o.	Poland	100.0	x		
DSV Solutions Sp.z o.o.	Poland	100.0			x
DSV Air & Sea Sp. z o.o.	Poland	100.0		x	
DSV SGPS, Lda.	Portugal	100.0	x		
DSV Solutions, Lda.	Portugal	100.0	x		
DSV Transitarios, Lda.	Portugal	100.0	x		
DSV Solutions S.R.L.	Romania	100.0			x
DFDS Transport (Moscow) OOO	Russia	100.0	x		
DFDS Transport (Kaliningrad) OOO	Russia	100.0	x		
RusTransService OOO	Russia	90.0	x		
DSV Solutions OOO	Russia	100.0			x
Frans Maas Logistics Sheremetyevo ooo	Russia	100.0			x

GROUP OVERVIEW

			Division		
	Country	Ownership	Road	Air & Sea	Solutions
OOO DSV Transport	Russia	100.0	x		
DSV Road OOO	Russia	100.0			x
DSV Speditionslogistik AG	Switzerland	100.0	x		
DSV Road d.o.o.	Serbia	100.0	x		
DSV Slovakia S.R.O.	Slovakia	100.0	x		
DSV Transport d.o.o.	Slovenia	100.0	x		
DSV Holding S.L.	Spain	100.0	x		
DSV Logistics & Freight Forwarding Spain, S.A.	Spain	100.0	x		
DSV Road Holding Ltd.	UK	100.0	x		
DSV Commercials Ltd.	UK	100.0	x		
DSV Road Ltd.	UK	100.0	x		
DSV Solutions Ltd.	UK	100.0	x		
DSV Solutions (UK) Ltd.	UK	100.0			x
Frans Maas (UK) Ltd.	UK	100.0	x		
Furness Logistics (UK) Ltd.	UK	100.0	x		
DSV Air & Sea Limited	UK	100.0		x	
DFDS Transport Group AB	Sweden	100.0	x		
DSV Road AB	Sweden	100.0	x		
Göinge Frakt EK	Sweden	100.0	x		
NTS European Distribution AB	Sweden	100.0	x		
DSV Samson Transport AB	Sweden	100.0	x		
DSV Air & Sea AB	Sweden	100.0		x	
DSV Solutions AB	Sweden	100.0			x
DSV Road a.s.	Czech Republic	100.0	x		
DSV Air & Sea s.r.o.	Czech Republic	100.0		x	
DSV Road & Solutions A.S.	Turkey	97.5	x		
DSV Air & Sea A.S.	Turkey	100.0		x	
DSV Road GmbH	Germany	100.0	x		
FMG Immobilien GmbH	Germany	100.0	x		
DSV Solutions Group GmbH	Germany	100.0			x
DSV Solutions GmbH	Germany	100.0			x
DSV Stuttgart GmbH & Co. KG	Germany	100.0			x
DSV Air & Sea GmbH	Germany	100.0		x	
DSV Ukraine	Ukraine	100.0	x		
DSV Hungaria Kft.	Hungary	100.0	x		
DSV Air & Sea (Hungary) Ltd.	Hungary	100.0		x	
DSV Österreich Spedition GmbH	Austria	100.0	x		
North America					
DSV Air & Sea Inc.	Canada	100.0		x	
DFDS International Corporation	USA	100.0		x	
DSV Air & Sea Inc.	USA	100.0		x	
Asia					
DSV Air & Sea Ltd.	Bangladesh	100.0		x	
DSV Air & Sea Inc.	The Philippines	100.0		x	
DSV Air & Sea Ltd.	Hong Kong	100.0		x	
DSV Air & Sea Pvt. Ltd.	India	72.0		x	
PT. DSV Air & Sea	Indonesia	100.0		x	
DSV Air & Sea Co., Ltd.	China	100.0		x	
DSV Logistics Co. Ltd.	China	100.0		x	
DSV Air & Sea Ltd.	Korea	75.0		x	
DSV Air & Sea Sdn Bhd	Malaysia	100.0		x	
DSV Air & Sea Pte. Ltd.	Singapore	100.0		x	
DSV Air & Sea Co. Ltd.	Taiwan	80.0		x	
DSV Air & Sea Ltd.	Thailand	100.0		x	
DSV Air & Sea (LLC)	The United Arab Emirates	100.0		x	
DSV Air & Sea Co., Ltd.	Vietnam	100.0		x	
Other					
DSV Air & Sea Pty Ltd.	Australia	100.0		x	
Elan Transport International S.A.	Morocco	62.9	x		
Terminal Handling Company	Morocco	90.0	x		
DSV Air & Sea Limited	New Zealand	100.0		x	
Associates					
GT Stevedoring Oy	Finland	25.5	x		
Auxilia Zorglogistiek BV	The Netherlands	33.3			x
Vastgoed Beek CV	The Netherlands	100.0	x		
DFDS Logistics (M) Sdn. Bhd.	Malaysia	30.0		x	
Country Logistics Ltd	Pakistan	20.0		x	
Logistic Center St.Petersburg Ltd.	Russia	40.0	x		
IDS	Germany	31.2	x		
DDT Brokerage Inc.	The Philippines	100.0		x	

According to agreement, control of Vastgoed Beek CV and DDT Brokerage Inc. has been tranfserred to a third party, for which reason the companies are treated as associates.

DSV A/S

ROAD

Banemarksvej 58
2605 Brøndby
Denmark
Tel. +45 43 20 30 40

AIR & SEA

Banemarksvej 58
2605 Brøndby
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SOLUTIONS

Litauen Allé 4
2630 Taastrup
Denmark
Tel. +45 72 15 27 00

2007 Annual Report for DSV A/S – Parent

The Annual Report of DSV A/S (Parent) is an integral part of the 2007 Consolidated Annual Report of DSV

2007 ANNUAL REPORT FOR DSV A/S – PARENT

Financial statements

Notes – Financial statements

Notes – Income statement

Notes – Balance sheet

Notes – Supplementary information

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31st financial year
Annual Report 1 Januar 2007 - 31 December 2007
Published on 4 March 2008

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The Annual Report has been prepared in Danish and English. In case of discrepancies, the Danish version shall apply.

INCOME STATEMENT

(DKKm)	Note	2006	2007
Revenue	*2*	3	–
Direct costs		–	–
Gross profit		3	–
Other external expenses	*3, 4*	12	11
Staff costs	*4, 5*	2	2
Operating profit before amortisation, depreciation and special items (EBITDA)		(11)	(13)
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	*6*	(12)	(4)
Operating profit before special items (EBITA)		1	(9)
Special items	*7*	14	(1)
Operating profit (EBIT)		15	(10)
Financial income	*8*	775	861
Financial expenses	*9*	133	183
Profit before tax		657	668
Tax on profit for the year	*10*	7	15
Net profit for the year		650	653
Proposed distribution of net profit			
Proposed dividend per share of DKK 1 is DKK 0.25 (2006: DKK 0.25 per share).		50	50
Retained earnings		600	603
Total distribution		650	653

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(DKKm)	2006	2007
Value adjustment of hedging instruments	26	18
Value adjustment of hedging instruments transferred to financial expenses	(4)	(3)
Other adjustments	(3)	–
Tax on changes in equity	(6)	(4)
Net income recognised directly in equity	13	11
Net profit for the year	650	653
Total statement of recognised income and expense	663	664

The Company has no minority interests.

BALANCE SHEET, ASSETS

(DKKm)	Note	2006	2007
Non-current assets			
Investments in Group enterprises	*11*	2,808	2,808
Other securities and receivables	*12*	32	21
Deferred tax asset	*13*	1	1
Total non-current assets		**2,841**	**2,830**
Current assets			
Receivables from Group enterprises and other receivables	*14*	4,746	4,774
Corporation tax		35	-
Cash		-	-
Total current assets		**4,781**	**4,774**
Total assets		**7,622**	**7,604**

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	Note	2006	2007
Equity			
Share capital		40	202
Reserves		3,739	3,106
Total equity	*15*	**3,779**	**3,308**
Liabilities			
Non-current liabilities			
Financial liabilities	*16*	3,747	4,141
Total non-current liabilities		**3,747**	**4,141**
Current liabilities			
Financial liabilities	*16*	-	-
Corporation tax		-	12
Trade and other payables	*17*	96	143
Total current liabilities		**96**	**155**
Total liabilities		**3,843**	**4,296**
Total equity and liabilities		**7,622**	**7,604**

CASH FLOW STATEMENT

(DKKm)	Note	2006	2007
Profit before tax		**657**	**668**
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses		(12)	(4)
Provisions		(16)	-
Financial income		(775)	(861)
Financial expenses		133	183
Cash flow from operating activities before changes in net working capital		**(13)**	**(14)**
Changes in net working capital		(3,383)	8
Financial income, paid		1,228	844
Financial expenses, paid		(120)	(139)
Cash flow from ordinary activities		**(2,288)**	**699**
Corporation tax, paid		(22)	32
Cash flow from operating activities		**(2,310)**	**731**
Sale of property, plant and equipment		14	4
Acquisition of subsidiaries and activities		(100)	-
Change in other financial assets		(1)	11
Cash flow from investing activities		**(87)**	**15**
Free cash flow		**(2,397)**	**746**
Raising of loans and credits		2,794	400
Repayments on loans and credits		(408)	(6)
Shareholders:			
Dividends distributed		(50)	(50)
Capital increase		2	-
Share buy-backs		(22)	(1,090)
Cash flow from financing activities		**2,316**	**(746)**
Net cash flow		**(81)**	**-**
Cash at 1 January		81	-
Cash at 31 December		**-**	**-**

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

NOTE 1 – SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and assessments and determines the assumptions to be used as the basis for the recognition and measurement of assets and liabilities, contingent assets and liabilities and the income and costs reported. The estimates made and assumptions used are based on historical experience and other factors deemed by Management to be reasonable in the circumstances, but in the nature of things such experience and factors are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may arise. Moreover, the organisation is subject to risks and uncertainties that may result in outcomes deviating from these estimates.

Management deems the following estimates and the pertaining assessments to be essential for the preparation of the Annual Report of the Parent.

Investments in subsidiaries
Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments will be tested for impairment in the same way as Group goodwill. In the assessment of Management, there is no such indication at 31 December 2007, and therefore investments in subsidiaries have not been tested for impairment.

NOTE 2 – REVENUE

(DKKm)	2006	2007
Sale of services	3	–
Total revenue	**3**	**–**

NOTE 3 – FEES TO AUDITORS ELECTED BY THE GENERAL MEETING

(DKKm)	2006	2007
KPMG, audit	0.6	1.0
KPMG, other services	0.3	0.1
KPMG, total fees	**0.9**	**1.1**
Others, audit	–	–
Others, other services	0.3	0.4
Others, total fees	**0.3**	**0.4**
Total fees	**1.2**	**1.5**

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

NOTE 4 – STAFF COSTS

(DKKm)	2006	2007
Remuneration for the Supervisory Board	2	2
Share-based payments	–	–
Total staff costs	**2**	**2**
Number of employees	–	–
Remuneration for the Supervisory Board of the Parent (DKK'000)		
Palle Flackeberg	525	750
Erik B. Pedersen	175	375
Leif Tullberg	175	146
Kaj Christiansen	175	250
Hans Peter Drisdal Hansen	175	250
Egon Korsbæk	175	250
Per Skov	175	250
Total remuneration for the Supervisory Board of the Parent	**1,575**	**2,271**

NOTE 5 – INCENTIVE PROGRAMMES

DSV A/S has issued share options to the Executive Board of the Company. Please refer to note 5 of the Consolidated Annual Report.

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

(DKKm)	2006	2007
Amortisation and depreciation		
Buildings	1	–
Net proceeds from sale of assets	(13)	(4)
Total amortisation and depreciation of intangibles, property, plant and equipment	(12)	(4)

NOTE 7 – SPECIAL ITEMS

(DKKm)	2006	2007
Profit on divestment of activities and enterprises including adjustments relating to previous years	14	(1)
Total special items, net	14	(1)

NOTE 8 – FINANCIAL INCOME

(DKKm)	2006	2007
Interest income	13	32
Interest income from Group enterprises	145	238
Foreign currency translation adjustments, net	3	1
Dividends from subsidiaries	614	590
Total financial income	775	861

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2006	2007
Interest expenses	133	181
Interest expenses for Group enterprises	–	2
Total financial expenses	133	183

NOTE 10 – TAX

(DKKm)	2006	2007
The tax for the year is disaggregated as follows:		
Tax on profit for the year	7	15
Tax on changes in equity	6	4
Total tax for the year	13	19
The tax on profit for the year is calculated as follows:		
Current tax	7	15
Deferred tax	–	–
Adjustment of tax relating to previous years	–	–
Total tax on profit for the year	7	15
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	184	167
Tax effect of:		
Non-deductible expenses/non-taxable income	–	–
Non-taxable dividends	(173)	(152)
Non-deductible losses/non-taxable gains on shares	(4)	–
Adjustment of tax relating to previous years	–	–
Total tax on profit for the year	7	15
Effective tax rate	1.1%	2.2%

NOTE 11 – INVESTMENTS IN GROUP ENTERPRISES

(DKKm)	2006	2007
Cost at 1 January	3,177	2,817
Additions for the year	100	–
Disposals for the year	–	–
Dividends distributed	(460)	–
Cost at 31 December	2,817	2,817
Impairment at 1 January	9	9
Impairment for the year	–	–
Impairment at 31 December	9	9
Carrying amount at 31 December	2,808	2,808

	Ownership share 2006	Ownership share 2007	Country	Company's share capital
DSV Road Holding A/S	100%	100%	Brøndby, Denmark	100
DSV Air & Sea Holding A/S	100%	100%	Brøndby, Denmark	50
DSV Solutions Holding A/S	100%	100%	Taastrup, Denmark	100

NOTE 12 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2006	2007
Other securities	4	–
Other receivables	28	21
Other securities and receivables	32	21

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

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

NOTE 13 – DEFERRED TAX

(DKKm)	2006	2007
Deferred tax at 1 January	(1)	(1)
Deferred tax for the year	–	–
Adjustment of tax concerning previous years	–	–
Deferred tax at 31 December	(1)	(1)
Deferred tax asset		
Property, plant and equipment	–	–
Current assets	–	–
Provisions	1	1
Deferred tax asset	1	1
Breakdown of deferred tax		
Deferred tax asset	1	1
Deferred tax liability	–	–
Deferred tax at 31 December	1	1

NOTE 14 – RECEIVABLES FROM GROUP ENTERPRISES AND OTHER RECEIVABLES

(DKKm)	2006	2007
Receivables from Group enterprises	4,705	4,713
Fair value of derivative financial instruments	34	52
Other receivables etc.	7	9
Trade and other receivables at 31 December	4,746	4,774

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

NOTE 15 – EQUITY

(DKKm)	2006	2007
Share capital		
Developments in the share capital:		
Beginning of year	41.8	40.3
Issue of bonus shares	–	161.2
Capital reduction	(1.5)	–
Year-end	40.3	201.5

The Annual General Meeting on 30 April 2007 resolved to issue bonus shares of DKK 161,200,000. Accordingly, the share capital at year-end 2007 amounted to DKK 201,500,000 (equalling 201,500,000 shares of DKK 1) against DKK 40,300,000 (equalling 20,150,000 shares of DKK 2) at year-end 2006. No share confers any special rights upon its holder. No restrictions have been imposed on the negotiability of the shares or on voting rights.

Statement of changes in equity – 2006

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2006	42	2	3,088	54	3,186
Recognised income and expense for the year	–	16	597	50	663
Dividends distributed	–	–	–	(54)	(54)
Purchase and sale of treasury shares, net [1]	–	–	(22)	–	(22)
Capital reduction	(2)	–	(461)	–	(463)
Cancellation of shares	–	–	463	–	463
Capital increase including share premium	–	–	2	–	2
Dividends treasury shares	–	–	4	–	4
Total changes in equity in 2006	(2)	16	583	(4)	593
Equity at 31 December 2006	40	18	3,671	50	3,779

Statement of changes in equity – 2007

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

NOTE 15, CONTINUED - EQUITY

Treasury shares [2]

	Shares of DKK 1		Nominal value		% of share capital	
	2006	2007	2006	2007	2006	2007
Beginning of year	9,728,040	261,520	9,728,040	261,520	4.7	0.1
Purchases	743,760	10,478,677	743,760	10,478,677	0.3	5.2
Sales	(2,668,660)	(1,622,470)	(2,668,660)	(1,622,470)	-1.3	-0.8
Capital reduction	(7,541,620)	-	(7,541,620)	-	-3.6	-
Treasury shares at year-end	261,520	9,117,727	261,520	9,117,727	0.1	4.5

1. Sale of treasury shares relates to the exercise of share options in connection with incentive programmes.
2. Comparative figures for 2006 and purchases and sales until the issue of bonus shares in 2007 have been adjusted.

By authority of the Annual General Meeting, DSV A/S may buy a maximum of 20,150,000 treasury shares, equalling 10% of the share capital, until 30 October 2008.

Treasury shares are bought back to hedge the Company's incentive programmes. The market value of treasury shares at 31 December 2007 was DKK 1,019 million (2006: DKK 27 million).

Dividends
Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.
Distribution is not subject to any particular restrictions.
The dividend per share of DKK 1 is DKK 0.25 (2006: DKK 0.25 per share).

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

Reserve for securities available for sale
Reserve for securities available for sale comprises fair value adjustments of securities available for sale. The reserve amounted to DKK 0 million at 31 December 2007 (2006: DKK 0 million), for which reason it is not shown in the above statement of changes in equity.

NOTE 16 – FINANCIAL LIABILITIES

(DKKm)	2006	2007
Loans and credit facilities	3,747	4,141
Total financial liabilities	3,747	4,141
Financial liabilities as recognised in the balance sheet		
Non-current liabilities	3,747	4,141
Current liabilities	-	-
Financial liabilities at 31 December	3,747	4,141

Loans and credit facilities	Expiry	Fixed/floating	Carrying amount	
(DKKm)			2006	2007
Bank loans DKK	2012-2014	Floating	2,350	2,750
Bank loans EUR	2013	Floating	1,391	1,391
Mortgage loans DKK		Fixed	6	-
Loans and credit facilities at 31 December			3,747	4,141

Bank loans are subject to standard trade covenants. All covenants have been observed during the year.

The fair value of loans and credit facilities was DKK 4,141 million (2006: DKK 3,747 million).

The weighted average effective interest rate was 5.1% (2006: 4.2%).

The loans and credit facilities fall due within the following time frames after the balance sheet date:	2006	2007
0-1 year	-	-
1-5 years	1,553	600
> 5 years	2,194	3,541
Total loans and credit facilities	3,747	4,141

NOTE 17 – TRADE AND OTHER PAYABLES

(DKKm)	2006	2007
Payables to Group enterprises	32	86
Other payables	64	57
Trade and other payables at 31 December	96	143

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

NOTE 18 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES AND OTHER FINANCIAL LIABILITIES ETC.

(DKKm)	2006	2007
Other financial liabilities		
DSV A/S has guaranteed for subsidiaries' bank commitments and subsidiaries' liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	2,280	2,515
The Parent has provided bank guarantees for liabilities to third parties in the amount of:	12	-
Total other financial liabilities	2,292	2,515

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

Joint and several liability
DSV A/S and the other Danish Group enterprises registered jointly for VAT purposes are jointly and severally liable for the VAT liabilities.

DSV A/S is assessed jointly with the other Danish Group enterprises for tax purposes, and they are jointly and severally liable for tax on the consolidated jointly taxed income up to and including the accounting period ended 31 December 2004. As from 2005, DSV A/S has been the administration company of the joint taxation arrangement and is only liable for tax payments on account received from the subsidiaries.

NOTE 19 – DERIVATIVE FINANCIAL INSTRUMENTS

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

Hedging instruments at 31 December 2006

Currency (DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Interest rate instruments	3,169	2007-2011	34	7.4	26.6
Total	3,169		34	7.4	26.6

Hedging instruments at 31 December 2007

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

Interest rate risk hedging
The Group mainly uses interest rate swaps and interest rate caps to hedge interest rate risks. Thereby floating rate loans are refinanced as fixed rate loans. Interest rate swaps and interest rate caps satisfying the conditions of hedge accounting are recognised directly in equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting as well as accrued interest are recognised directly in the income statement under financials.

The weighted average effective interest rate for existing interest rate instruments was 3.87% at the balance sheet date (2006: 3.41%).

NOTE 20 – RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

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

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

The Parent has had the following transactions with related parties:

(DKKm)	2006	2007
Sale of services		
Group enterprises	–	–
Total sale of services	**–**	**–**
Purchase of services		
Group enterprises	4	5
Total purchase of services	**4**	**5**

Management fees invoiced by Group enterprises comprise remuneration for members of the Executive Board.
Properties in an amount of DKK 35 million were sold to a company related to a Supervisory Board member in 2006.

(DKKm)	2006	2007
Financials, net		
Group enterprises	144	238
Total financials, net	**144**	**238**

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

(DKKm)	2006	2007
Receivables		
Loan to a company related to a Supervisory Board member	35	–
Group enterprises	4,705	4,713
Receivables at 31 December	**4,740**	**4,713**
Liabilities		
Group enterprises	1	86
Liabilities at 31 December	**1**	**86**

NOTE 21 – ACCOUNTING POLICIES

The accounting policies of the Parent, DSV A/S, are identical with the policies applicable to the consolidated financial statements, except for the following:

Dividends from investments in subsidiaries and associates

Dividends from investments in subsidiaries and associates are recognised as income in the Parent's income statement under financial income in the financial year in which dividends are declared. If the dividends distributed exceed the accumulated earnings after the date of acquisition, dividends are, however, not recognised as income in the income statement, but as an adjustment of the cost of the investment.

Investments in subsidiaries and associates in the Parent's financial statements

Investments in subsidiaries and associates are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

The cost is adjusted if dividends distributed exceed accumulated earnings after the date of acquisition.

DSV A/S

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