



INTERIM FINANCIAL REPORT

First quarter 2016

Company announcement No. 634

12 May 2016

Selected financial and operating data for the period 1 January – 31 March 2016

(DKKm)	Q1 2016	Q1 2015
Net revenue	15,319	12,601
Gross profit	3,607	2,682
Operating profit before special items	643	641
<i>Operating margin</i>	4.2%	5.1%
<i>Conversion ratio</i>	17.8%	23.9%
Net special items, costs	370	-
Profit before tax	319	569
Adjusted earnings for the period	527	454
Adjusted free cash flow	362	143
Diluted adjusted earnings per share of DKK 1 for the period	2.83	2.65

Jens Bjørn Andersen, CEO: "The acquisition of UTi has been a major theme in the first quarter of 2016. We took over the company at the end of January, and the integration process is ongoing. We have had a good start and the process is proceeding according to plan. It is of the utmost importance that we take good care of our customers during this phase – so far we have been successful doing that and it is something that we monitor closely. As anticipated, UTi contributed a loss in the first months of the year, but the existing DSV operations continued the positive development of 2015. All in all, we are very pleased to report a Q1 operating profit in line with last year."

DSV maintains its full-year outlook for 2016 previously announced.

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

Yours sincerely,
DSV A/S

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Financial highlights*

	Q1 2016	Q1 2015
Income statement (DKKm)		
Net revenue	15,319	12,601
Gross profit	3,607	2,682
Operating profit before amortisation, depreciation and special items	820	769
Operating profit before special items	643	641
Net special items, costs	370	-
Net financial expenses	(46)	72
Profit before tax	319	569
Profit for the period	233	427
Adjusted earnings for the period	527	454
Balance sheet (DKKm)		
DSV A/S shareholders' share of equity	11,435	6,049
Non-controlling interests	2	30
Balance sheet total	39,068	24,981
Equity	11,437	6,079
Net working capital	1,111	454
Net interest-bearing debt	9,232	6,088
Invested capital including goodwill and customer relationships	21,597	12,123
Gross investment in property, plant and equipment	143	128
Cash flows (DKKm)		
Operating activities	166	348
Investing activities	(4,641)	(205)
Free cash flow	(4,475)	143
Adjusted free cash flow	362	143
Financing activities	1,881	14
Share buybacks	-	(252)
Dividends distributed	(327)	(283)
Cash flow for the period	(2,594)	157
Financial ratios (%)		
Gross margin	23.5	21.3
Operating margin	4.2	5.1
Conversion ratio	17.8	23.9
Effective tax rate	27.0	25.0
ROIC before tax including goodwill and customer relationships	18.1	22.7
Return on equity	21.3	30.0
Solvency ratio	29.3	24.2
Gearing ratio	2.5	1.9
Share ratios		
Earnings per share of DKK 1 for the period	1.26	2.51
Earnings per share of DKK 1 for the last 12 months	10.74	10.47
Diluted adjusted earnings per share of DKK 1 for the period	2.83	2.65
Diluted adjusted earnings per share of DKK 1 for the last 12 months	13.00	11.07
Number of shares issued ('000)	192,500	177,000
Number of treasury shares ('000)	8,312	7,863
Average number of diluted shares outstanding for the period ('000)	186,166	171,367
Average number of shares issued for the last 12 months ('000)	173,566	171,778
Average number of diluted shares for the last 12 months ('000)	175,674	173,064
Share price at 31 March (DKK)	272.60	216.30
Staff		
Number of full-time employees at 31 March	44,334	22,599

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

Management's commentary

The Group achieved EBIT before special items of DKK 643 million for the first quarter of 2016 against DKK 641 million for the same period of 2015. The integration of UTi Worldwide Inc. has got off to a good start and the rest of the DSV operations have maintained the momentum of 2015.

” The UTi acquisition has the largest impact on the Air & Sea Division and has also contributed activities to the Road and Solutions Divisions.



Integration of UTi Worldwide Inc.

The acquisition of UTi Worldwide Inc. was closed on 22 January 2016, as from which date the UTi results are included in the consolidated financial statements of DSV. UTi Worldwide Inc. is a US based global supply chain services and logistics company. On acquisition, the company employed approx. 21,000 full-time employees in 58 countries across more than 300 offices and 200 logistics centres. The UTi activities are to a large extent an excellent match for the activities of DSV, encompassing complete supply chain services and solutions, including air, sea, distribution, customs clearance and contract logistics. UTi has a strong presence in North America and a leading position in South Africa. The company also operates a network in Asia-Pacific and Europe.

In the first quarter of 2016 we initiated the integration of UTi, realisation of synergies and adaptation of the legal and financial structures. The process is carried out while focusing on maintaining a high service level for our customers in the transition phase. We expect the main part of the integration to be completed within the first 12 months and the entire integration process to be completed within 24 months after the acquisition. The financial synergies are expected to fully materialise within three years after the acquisition.

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

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

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

Profit for the period

Net revenue

For Q1 2016, net revenue totalled DKK 15,319 million against DKK 12,601 million for the same period last year. Total growth was 21.6%, which is mainly attributable to the inclusion of approx. two months' results of the UTi operations. The UTi acquisition has the largest impact on the Air & Sea Division and has also contributed activities to the Road and Solutions Divisions.

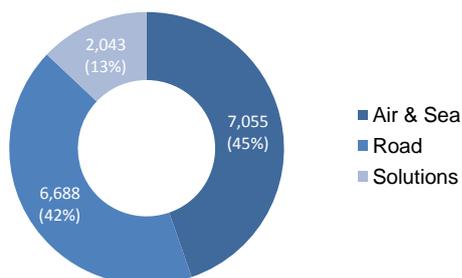
Organic growth in net revenue was negative at -3.4% for Q1 2016. The growth rate has been calculated based on DSV revenue for the corresponding period last year.

The decline is mainly due to a drop in freight rates and fuel prices, which had a negative impact particularly on the net revenue of the Air & Sea Division. The low freight rates also had an adverse effect on the acquired UTi revenue.

The original DSV operations reported volume growth for the first quarter of 2016 and is estimated to have gained market share in most markets.

Exchange rate fluctuations reduced revenue by DKK 163 million for the period, based on DSV's net revenue for the same period last year.

NET REVENUE YTD 2016 (DKKm)



Gross profit

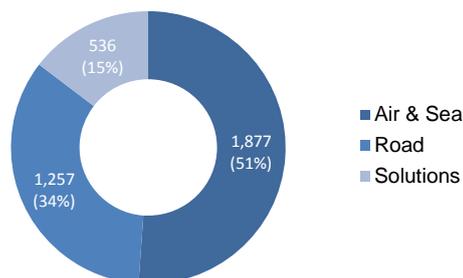
For Q1 2016, gross profit amounted to DKK 3,607 million against DKK 2,682 million for the same period last year.

Total growth was 34.5%, which is mainly attributable to UTi. Compared to net revenue, the acquisition of UTi had a relatively large impact on gross profit, which has not seen a similar negative effect of the drop in freight rates.

Excluding UTi, the Air & Sea Division delivered the best performance for the quarter reporting organic growth of 3.6% compared to Q1 2015.

Road and Solutions were negatively affected by the low number of work days.

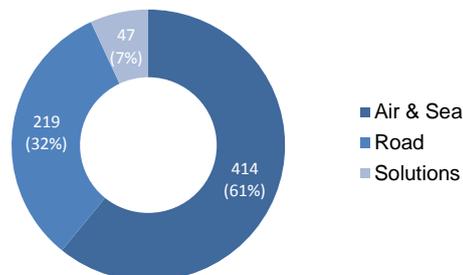
GROSS PROFIT YTD 2016 (DKKm)



The Group's gross margin came to 23.5% for the first three months of 2016 against 21.3% for the same period of 2015. The increase is partly due to low average freight rates and fuel prices.

The gross margin was also affected by changes in the Group's overall mix of activities, with Air & Sea and Solutions constituting an increasing proportion after the acquisition of UTi.

Operating profit before special items YTD 2016 (DKKm)



Operating profit before special items

For Q1 2016, EBIT before special items totalled DKK 643 million against DKK 641 million for the same period last year.

The operating profit was negatively affected by the integration of UTi, which reported negative EBIT before special items of approx. DKK 47 million for the period. The expected cost synergies relating to the acquisition only had limited effect in the quarter, but the effect is expected to increase in the coming quarters.

In the first weeks following the acquisition, the continuing regional and national management teams were appointed. The merger of offices and commercial activities is progressing well and involves particularly UTi's Freight Forwarding and DSV's Air & Sea activities. An important element of the UTi integration is the merger of the administrative functions of the two organisations, including IT, finance, commercial functions and global headquarters.

Conversion ratio was 17.8% for the period against 23.9% for the same period of 2015. The decline is attributable to the integration of UTi, which initially has an adverse effect on the overall margin of the Group. As the integration process progresses and the synergies are realised, the conversion ratio is expected again to increase.

The operating margin for Q1 2016 was 4.2% against 5.1% for the same period last year and was also affected by the UTi integration.

Special items

Special items totalled DKK 370 million for the first quarter of 2016. The costs mainly relate to the integration of UTi.

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

Financial items

Financial items totalled a net income of DKK 46 million for Q1 2016. Financial items for the quarter were positively impacted by an extraordinary foreign exchange gain of DKK 122 million. The gain relates to the acquisition of UTi and the subsequent internal restructuring process.

Effective tax rate

The effective tax rate was 27.0% for the first quarter of 2016 and was impacted by the acquisition of UTi. DSV maintains its expectations of an effective full-year tax rate of approx. 25.0% for 2016.

Profit for the period

The profit for the period was DKK 233 million against DKK 427 million for the same period of 2015. The decline is mainly attributable to special items relating to the integration, although partly counterbalanced by low financial expenses.

Adjusted earnings

Adjusted earnings for the three-month period under review were DKK 527 million against DKK 454 million for the same period of 2015. Adjusted earnings are the shareholders' share of the profit for the year adjusted for amortisation of customer relationships (DKK 24 million for the quarter), costs related to share-based payments (DKK 9 million for the quarter) and special items (DKK 370 million for the quarter). The tax effect of the adjustments has been taken into account.

Diluted adjusted earnings per share

Diluted adjusted earnings per share were DKK 2.83 for the first three months of 2016 and 6.8% higher than for the same period last year. The increase is due to an increase in adjusted earnings, whereas the average number of shares increased as a result of the capital increase carried out at the end of 2015.

The 12-month figure to the end of March 2016 was DKK 13.00 per share against DKK 11.07 for the same period of 2015, corresponding to an increase of 17.4%.

GROWTH

(DKKm)	Q1 2015	Currency translation adjustments	Acquisitions, net reported effect in 2016	Organic growth excl. acquisitions	Organic growth excl. acquisitions	Q1 2016
Net revenue	12,601	(163)	3,425	(544)	(3.4%)	15,319
Gross profit	2,682	(36)	986	(25)	(0.7%)	3,607
EBIT before special items	641	(7)	(47)	56	9.5%	643

Cash flows

Working capital

The Group's funds tied up in net working capital came to DKK 1,111 million at 31 March 2016 against DKK 454 million at 31 March 2015. The increase is mainly due to the inclusion of UTi.

Relative to the estimated full-year revenue the net working capital was 1.6% at 31 March 2016.

Cash flow from operating activities

Cash flow from operating activities was DKK 166 million for the first three months of 2016 against DKK 348 million for the same period of 2015. Cash flow from operating activities was affected by the high operating profit compared to the same period of 2015, whereas the development in working capital was affected by the UTi acquisition.

Cash flow from investing activities

Cash flow from investing activities came to DKK -4,641 million for Q1 2016 against DKK -205 million for the same period of 2015. The increase relates to the acquisition of UTi.

Cash flow from financing activities

Cash flow from financing activities came to DKK 1,881 million for Q1 2016 against DKK 14 million for the same period of 2015. The increase mainly relates to the financing of UTi.

Adjusted free cash flow

Adjusted free cash flow for the period came to DKK 362 million for the quarter against DKK 143 million for the same period last year. Adjusted for the acquisition of UTi, the growth in EBITDA has translated into cash flow growth.

CASH FLOW STATEMENT

(DKKm)	Q1 2016	Q1 2015
EBITDA before special items	820	769
Change in net working capital	(519)	(120)
Adjustment, non-cash operating items	67	(110)
Adjustment, other operating items	(202)	(191)
Cash flow from operating activities	166	348
Purchase and sale of intangibles, property, plant and equipment	(111)	(181)
Acquisition and disposal of subsidiaries and activities, excluding creditors	(4,587)	-
Other	57	(24)
Cash flow from investing activities	(4,641)	(205)
Free cash flow	(4,475)	143
Proceeds from and repayment of short-term and long-term debt	2,156	454
Allocated to shareholders	(327)	(535)
Exercise of share options	38	62
Other transactions with shareholders	14	33
Cash flow from financing activities	1,881	14
Cash flow for the period	(2,594)	157
Adjusted free cash flow	362	143

Capital structure and finances

Equity

The equity interest of DSV shareholders came to DKK 11,435 million at 31 March 2016 (DKK 11,809 million at 31 December 2015).

Equity was mainly affected by the profit for the period, share buybacks, distribution of dividends, fair value adjustment of hedging instruments, foreign currency translation adjustments and actuarial adjustments.

At 31 March 2016, the Company's portfolio of treasury shares amounted to 8,311,747 shares, corresponding to 4.32% of all 192.5 million shares issued. At 31 March 2015, the Company's portfolio of treasury shares amounts to 5,351,748 shares.

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

The solvency ratio excluding non-controlling interests came to 29.3% at 31 March 2016 (24.2% at 31 March 2015).

DEVELOPMENT IN EQUITY

(DKKm)	Q1 2016	Q1 2015
Equity at 1 January	11,809	6,052
Net profit for the period	232	426
Dividends distributed	(327)	(283)
Purchase of treasury shares	-	(252)
Sale of treasury shares	38	62
Adjustments relating to hedging instruments	(89)	6
Tax on changes in equity	89	16
Actuarial gains/(losses)	(130)	-
Other adjustments, net	(87)	22
Equity at 31 March	11,435	6,049

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 9,232 million at 31 March 2016 against DKK 6,088 million at 31 March 2015. The financial gearing ratio was 2.5 at 31 March 2016. The increase relates to the financing of UTi.

The duration of the Group's long-term loan and credit facilities was 3.5 years at 31 March 2016 against 4.5 years at 31 March 2015.

Invested capital including goodwill and customer relationships

The Group's invested capital including goodwill and customer relationships amounted to DKK 21,597 million at 31 March 2016 against DKK 12,123 million at 31 March 2015. The increase relates to the acquisition of UTi.

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

Return on invested capital including goodwill and customer relationships was 18.1% for the 12-month period ended 31 March 2016 against 22.7% for the 12-month period ended 31 March 2015.

Impact of seasonality

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

Outlook for 2016

DSV maintains its full-year outlook for 2016 previously announced:

- Operating profit before special items is expected to be in the range of DKK 3,100-3,500 million.
- Adjusted for foreign currency translation adjustments, net financial expenses are expected to approximate DKK 450 million.
- The effective tax rate of DSV is expected to be 25%.

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

The consolidated performance forecast measured in Danish kroner (DKK) is based on the average key currency rates of the Group listed below:

EXCHANGE RATES – OUTLOOK FOR 2016

EUR	746
GBP	980
HKD	86
CNY	104
SEK	79
USD	680

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

DSV Air & Sea

Activities

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

The Division achieved EBIT before special items of DKK 414 million for the first quarter of 2016 against DKK 388 million for the same period of 2015, despite UTi running at a loss in the first period.



” The integration project has got off to a good start and today, as at mid-May 2016, several large UTi countries have already been merged into DSV.

INCOME STATEMENT

(DKKm)	Q1 2016	Q1 2015
Net revenue	7,055	5,421
Direct costs	5,178	4,195
Gross profit	1,877	1,226
Other external expenses	479	264
Staff costs	937	545
EBITDA before special items	461	417
Amortisation and depreciation of intangibles, property, plant and equipment	47	29
EBIT before special items	414	388

KEY OPERATING DATA

	Q1 2016	Q1 2015
Gross margin (%)	26.6	22.6
Conversion ratio (%)	22.1	31.6
Operating margin (%)	5.9	7.2
Number of employees at 31 March	16,686	6,796
Total invested capital (DKKm)	12,151	6,650
Net working capital (DKKm)	1,611	1,160
ROIC before tax including goodwill and customer relationships (%)	20.7	24.8

Market development

Freight volume growth on Q1 2015

	DSV*	Market*
	Q1 2016	Q1 2016
Sea freight – TEUs	40%	1-3%
Air freight – tonnes	71%	-1-3%

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

The Air & Sea Division reported an increase in sea freight volumes (TEUs) of approx. 40% for Q1 2016 compared to the same period of 2015. Approx. 36% of the growth originates from UTi.

For air freight, the Air & Sea Division reported a volume increase (tonnes) of approx. 71% for Q1 2016 compared to the same period of 2015. Approx. 66% of the growth originates from UTi.

The original DSV air and sea freight operations continued the positive trend of above-market growth rates of 2015.

Seen in isolation, UTi saw a decline compared to the same period last year. The negative volume development in UTi is attributable partly to a number of large air freight shipments in the first quarter of 2015 – as a result of the US West Coast port strike.

Furthermore, UTi lost a couple of large contracts in the first and second quarters of 2015, the full-year effect of which has not yet materialised. Adjusted for these events and the general impact of seasonality, UTi has reported stable activity levels since the acquisition.

Net revenue

For Q1 2016, net revenue totalled DKK 7,055 million against DKK 5,421 million for the same period last year. Total growth was 30.1%, which is mainly attributable to UTi.

Organic growth was negative at -7% for the quarter. Organic growth has been calculated based on DSV's net revenue for the corresponding period last year.

Relative to the same period of 2015, the net revenues of both DSV and UTi were negatively affected by declining freight rates, for sea freight in particular.

The currency translation effect also had a negative impact of approx. DKK 108 million on net revenue for the period, based on DSV net revenue for Q1 2015.

Gross profit

Gross profit was DKK 1,877 million for the period against DKK 1,226 million for the same period of 2015. The growth in gross profit is mainly attributable to UTi having contributed activities to the Division worldwide, with USA as the largest single country and APAC and EMEA also having gained good growth.

In addition to the inclusion of UTi, the gross profit was also affected by increasing freight volumes in the original DSV operations, with positive development in both air and sea freight. The aggregate gross profit per unit (TEU/tonne) was in line with the same period of 2015. UTi's average gross profit per shipment is thereby on level with that of DSV. Similar to DSV, UTi offers a relatively large amount of value-added services, e.g. customs clearance, insurance and supply chain management.

It should be noted that UTi and DSV initially operate two different IT systems which may result in differing shipment definitions and overall data quality. Data quality will gradually improve as the UTi activities are migrated to the DSV IT platform.

The Division's gross margin for the three-month period under review was 26.6% against 22.6% for the same period last year. This development is partly attributable to low average freight rates and partly the inclusion of UTi, which reported a high average gross margin.

The currency translation effect had a negative impact of approx. DKK 27 million on gross profit for the period.

EBIT before special items

EBIT before special items was DKK 414 million for the first three months of 2016 against DKK 388 million for the same period of 2015. EBIT before special items increased despite UTi contributing a loss of approx. 60 million for the period and is thereby a result of a strong performance of the existing DSV operations.

The conversion ratio for the period under review was 22.1% against 31.6% for the same period last year. The decline is attributable to the integration of UTi, which currently has an adverse effect on the Division's earnings margin. The continuing integration process and realisation of synergies are expected to gradually drive up the conversion ratio.

The operating margin for Q1 2016 was 5.9% against 7.2% for the same period last year and was also affected by the UTi integration.

The physical merger of offices and the migration of UTi's activities onto the DSV IT platform have got off to a good start and today, as at mid-May 2016, several large UTi countries have been merged into DSV. A large part of the integration is expected to be completed within the first 12 months.

Working capital

The Air & Sea Division's funds tied up in net working capital came to DKK 1,611 million at 31 March 2016 against DKK 1,160 million at 31 March 2015. The increase is mainly attributable to the inclusion of UTi.

GROWTH

(DKKm)	Q1 2015	Currency translation adjustments	Acquisitions, net, reported effect in 2016	Organic growth excl. acquisitions	Organic growth excl. acquisitions	Q1 2016
Net revenue	5,421	(108)	2,271	(529)	(7.0%)	7,055
Gross profit	1,226	(27)	613	65	3.6%	1,877
EBIT before special items	388	(7)	(60)	93	29.0%	414

AIR AND SEA SPLIT

(DKKm)	Sea freight		Air freight		Total	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Net revenue	3,832	3,276	3,223	2,145	7,055	5,421
Direct costs	2,843	2,563	2,335	1,632	5,178	4,195
Gross profit	989	713	888	513	1,877	1,226
Gross margin (%)	25.8	21.8	27.6	23.9	26.6	22.6
Volumes (TEUs/tonnes)	285,109	204,057	122,817	71,749		
Gross profit per unit (DKK)	3,470	3,492	7,227	7,153		

DSV Road

Activities

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

For the first quarter of 2016, the Division reported 4% growth in number of consignments (excluding UTi). EBIT before special items was in line with last year and was negatively impacted by the low number of workdays in the quarter.



” The acquisition of UTi has contributed activities to the Road Division, mainly in USA and South Africa.

INCOME STATEMENT

(DKKm)	Q1 2016	Q1 2015
Net revenue	6,688	6,122
Direct costs	5,431	4,990
Gross profit	1,257	1,132
Other external expenses	332	274
Staff costs	670	606
EBITDA before special items	255	252
Amortisation and depreciation of intangibles, property, plant and equipment	36	32
EBIT before special items	219	220

KEY OPERATING DATA

	Q1 2016	Q1 2015
Gross margin (%)	18.8	18.5
Conversion ratio (%)	17.4	19.4
Operating margin (%)	3.3	3.6
Number of employees at 31 March	11,581	9,206
Total invested capital (DKKm)	4,102	3,167
Net working capital (DKKm)	(697)	(522)
ROIC before tax including goodwill and customer relationships (%)	25.3	24.9

Market development

Freight volume growth on Q1 2016

	DSV*	Market*
	Q1 2016	Q1 2016
Consignments	4%	1-2%

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

With consignment growth of approx. 4% in Q1 2016 compared to the same period last year. Management estimates that the Road Division has gained market share in most European markets.

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

Net revenue

For Q1 2016, net revenue totalled DKK 6,688 million against DKK 6,122 million for the same period last year. Total growth was 9.2%, which is mainly attributable to the UTi activities in USA and South Africa.

In addition, revenue was positively influenced by the growth in number of consignments, while the average invoiced price per consignment dropped, mainly as a result of low fuel prices.

Gross profit

For Q1 2016, gross profit totalled DKK 1,257 million against DKK 1,132 million for the same period last year. Total growth was 11%, which is mainly attributable to the UTi activities in USA and South Africa. The quarter was negatively impacted by the low number of workdays compared to last year due to the

Easter impact in Q1 2016. This affected both net revenue and gross profit.

The Division's gross margin was 18.8% for the three-month period under review against 18.5% for the same period last year. The increase is mainly attributable to the high average gross margin of the road freight activities of UTi.

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

The European road freight market is still marked by price pressure, impacting negatively on the margin of the existing DSV operations.

EBIT before special items

EBIT before special items totalled DKK 219 million for the first quarter of 2016 and was thus in line with the same period of 2015. The UTi activities contributed EBIT before special items of approx. DKK 15 million and organic growth was negative at -6.6% for the period. The decline is mainly attributable to the low number of workdays in the quarter.

The conversion ratio for the period under review was 17.4% against 19.4% for the same period last year. The decline is attributable partly to the inclusion of UTi and partly the low number of workdays in the quarter.

The Division's operating margin for the first quarter of 2016 was 3.3% against 3.6% for the same period last year.

Working capital

The Division's funds tied up in net working capital came to a negative DKK 697 million at 31 March 2016 against a negative DKK 522 million at 31 March 2015.

GROWTH

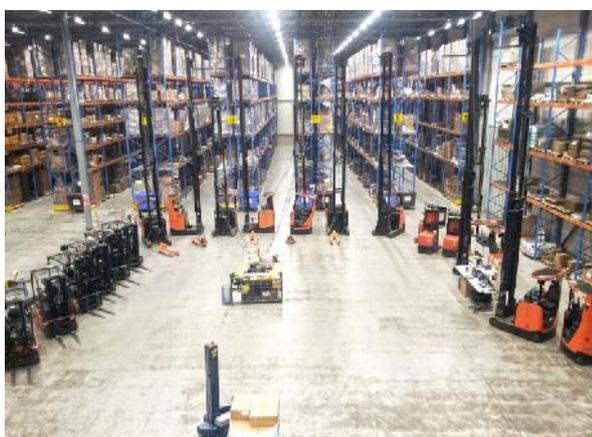
(DKKm)	Q1 2015	Currency translation adjustments	Acquisitions, net, reported effect in 2016	Organic growth excl. acquisitions	Organic growth excl. acquisitions	Q1 2016
Net revenue	6,122	(49)	537	78	1.2%	6,688
Gross profit	1,132	(10)	141	(6)	(0.5%)	1,257
EBIT before special items	220	(1)	15	(15)	(6.6%)	219

DSV Solutions

Activities

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

DSV Solutions reported EBIT before special items of DKK 47 million for the first quarter of 2016 against DKK 36 million for the same period of 2015.



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

INCOME STATEMENT

(DKKm)	Q1 2016	Q1 2015
Net revenue	2,043	1,440
Direct costs	1,507	1,110
Gross profit	536	330
Other external expenses	165	125
Staff costs	273	133
EBITDA before special items	98	72
Amortisation and depreciation of intangibles, property, plant and equipment	51	36
EBIT before special items	47	36

KEY OPERATING DATA

	Q1 2016	Q1 2015
Gross margin (%)	26.2	22.9
Conversion ratio (%)	8.8	10.9
Operating margin (%)	2.3	2.5
Number of employees at 31 March	15,057	5,690
Total invested capital (DKKm)	3,187	1,495
Net working capital (DKKm)	(9)	29
ROIC before tax including goodwill and customer relationships (%)	10.8	17.1

Market development

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

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

Net revenue

Net revenue was up 41.9% and totalled DKK 2,043 million for the first three months of 2016. The increase is mainly attributable to UTi.

Excluding UTi, DSV Solutions reported net revenue in line with the same period of 2015. The results owe to healthy growth in activity levels, whereas the average revenue per order line declined partly due to growth in e-commerce, which is characterised by typically small orders.

Gross profit

Gross profit increased by 62.4% and totalled DKK 536 million for Q1 2016. The growth mainly relates to UTi, while organic growth of the existing DSV operations was negative at -3.8%.

The gross margin for the period under review was 26.2% against 22.9% for the same period of 2015. The high gross margin is mainly due to the inclusion of UTi.

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

EBIT before special items

EBIT before special items was DKK 47 million for the first three months of 2016 against DKK 36 million for the same period of 2015. The organic growth was 11.8%.

Conversion ratio was 8.8% for the quarter against 10.9% for the same period of 2015. The decline is attributable to the integration of UTi, which currently has an adverse effect on the Division's earnings margin. The continuing integration process and realisation of synergies are expected to gradually drive up the conversion ratio.

Working capital

The Division's funds tied up in net working capital came to a negative DKK 9 million at 31 March 2016 against a positive net working capital of DKK 29 million at 31 March 2015.

GROWTH

(DKKm)	Q1 2015	Currency translation adjustments	Acquisitions, net, reported effect in 2016	Organic growth excl. acquisitions	Organic growth excl. acquisitions	Q1 2016
Net revenue	1,440	(13)	616	-	-	2,043
Gross profit	330	(3)	230	(21)	(3.8%)	536
EBIT before special items	36	(1)	7	5	11.8%	47

Interim financial statements

INCOME STATEMENT

(DKKm)	Q1 2016	Q1 2015
Net revenue	15,319	12,601
Direct costs	11,712	9,919
Gross profit	3,607	2,682
Other external expenses	790	543
Staff costs	1,997	1,370
Operating profit before amortisation, depreciation and special items	820	769
Amortisation and depreciation of intangibles, property, plant and equipment	177	128
Operating profit before special items	643	641
Net special items, costs	370	-
Financial items	(46)	72
Profit before tax	319	569
Tax on profit for the period	86	142
Profit for the period	233	427
Profit for the period is attributable to:		
Shareholders of DSV A/S	232	426
Non-controlling interests	1	1
Earnings per share:		
Earnings per share of DKK 1 for the period	1.26	2.51
Diluted earnings per share of DKK 1 for the period	1.25	2.49
Supplementary information:		
Diluted adjusted earnings per share of DKK 1 for the period	2.83	2.65
Diluted adjusted earnings per share of DKK 1 for the last 12 months	13.00	11.07

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Q1 2016	Q1 2015
Profit for the period	233	427
Items that will be reclassified to income statement when certain conditions are met:		
Currency translation adjustments, foreign enterprises	(100)	-
Fair value adjustment relating to hedging instruments	(194)	(7)
Fair value adjustment relating to hedging instruments transferred to financials	5	13
Actuarial gains/(losses)	(130)	-
Tax on items reclassified to income statement	84	-
Other comprehensive income, net of tax	(335)	6
Total comprehensive income	(102)	433
Total comprehensive income is attributable to:		
Shareholders of DSV A/S	(103)	431
Non-controlling interests	1	2
Total	(102)	433

CASH FLOW STATEMENT

(DKKm)	Q1 2016	Q1 2015
Operating profit before amortisation, depreciation and special items	820	769
<i>Adjustment, non-cash operating items etc.:</i>		
Share-based payments	9	10
Change in provisions	58	(120)
Change in net working capital	(519)	(120)
Special items	(76)	-
Interest received	141	18
Interest paid	(99)	(92)
Corporation tax, paid	(168)	(117)
Cash flow from operating activities	166	348
Purchase of intangible assets	(83)	(63)
Purchase of property, plant and equipment	(52)	(118)
Disposal of property, plant and equipment	24	-
Acquisition and disposal of subsidiaries and activities	(4,587)	-
Change in other financial assets	57	(24)
Cash flow from investing activities	(4,641)	(205)
Free cash flow	(4,475)	143
Proceeds from and repayment of short-term and long-term debt	2,162	440
Other financial liabilities incurred	(6)	14
<i>Shareholders:</i>		
Dividends distributed	(327)	(283)
Purchase of treasury shares	-	(252)
Sale of treasury shares, exercise of share options	38	62
Other transactions with shareholders	14	33
Cash flow from financing activities	1,881	14
Cash flow for the period	(2,594)	157
Cash and cash equivalents at 1 January	4,908	432
Cash flow for the period	(2,594)	157
Currency translation adjustments	(2)	(128)
Cash and cash equivalents at 31 March	2,312	461
The cash flow statement cannot be directly derived from the balance sheet and income statement.		
Statement of adjusted free cash flow		
Free cash flow	(4,475)	143
Net acquisition of subsidiaries and activities	4,587	-
Normalisation of working capital of acquired subsidiaries and activities	250	-
Adjusted free cash flow	362	143
Statement of enterprise value of acquirees		
Net acquisition of subsidiaries and activities*	4,587	-
Interest-bearing debt	4,883	-
Normalisation of working capital of acquired subsidiaries and activities	250	-
Enterprise value of acquirees	9,720	-

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

BALANCE SHEET, ASSETS

(DKKm)	31.03.2016	31.03.2015	31.12.2015
Intangible assets	16,830	8,977	8,996
Property, plant and equipment	4,428	4,132	3,568
Other receivables	293	320	119
Deferred tax asset	652	499	515
Total non-current assets	22,203	13,928	13,198
Trade receivables	11,498	8,792	7,799
Work in progress (services)	1,154	809	588
Other receivables	1,901	964	1,232
Cash and cash equivalents	2,312	461	4,908
Assets held for sale	-	27	-
Total current assets	16,865	11,053	14,527
Total assets	39,068	24,981	27,725

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	31.03.2016	31.03.2015	31.12.2015
Share capital	192	177	192
Reserves	11,243	5,872	11,617
DSV A/S shareholders' share of equity	11,435	6,049	11,809
Non-controlling interests	2	30	32
Total equity	11,437	6,079	11,841
Deferred tax	451	342	321
Pensions and similar obligations	1,419	1,317	1,226
Provisions	749	346	360
Financial liabilities	8,979	5,875	4,309
Total non-current liabilities	11,598	7,880	6,216
Provisions	373	317	270
Financial liabilities	2,860	884	313
Trade payables	6,408	5,338	4,997
Work in progress (services)	2,267	1,558	1,451
Other payables	3,686	2,674	2,347
Corporation tax	439	251	290
Total current liabilities	16,033	11,022	9,668
Total liabilities	27,631	18,902	15,884
Total equity and liabilities	39,068	24,981	27,725

STATEMENT OF CHANGES IN EQUITY – 1 JANUARY – 31 MARCH 2016

(DKKm)	Share capital	Share premium reserve	Reserve for treasury shares	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2016	192	4,744	(9)	56	(289)	7,115	11,809	32	11,841
Profit for the period	-	-	-	-	-	232	232	1	233
Currency translation adjustments, foreign enterprises	-	-	-	-	(100)	-	(100)	-	(100)
Fair value adjustments relating to hedging instruments	-	-	-	(194)	-	-	(194)	-	(194)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	5	-	-	5	-	5
Actuarial gains/(losses)	-	-	-	-	-	(130)	(130)	-	(130)
Tax on other comprehensive income	-	-	-	51	-	33	84	-	84
Other comprehensive income, net of tax	-	-	-	(138)	(100)	(97)	(335)	-	(335)
Total comprehensive income for the period	-	-	-	(138)	(100)	135	(103)	1	(102)
Transactions with owners:									
Share-based payments	-	-	-	-	-	9	9	-	9
Dividends distributed	-	-	-	-	-	(327)	(327)	-	(327)
Sale of treasury shares	-	-	1	-	-	37	38	-	38
Addition/disposal of non-controlling interests	-	-	-	-	-	-	-	(23)	(23)
Dividends on treasury shares	-	-	-	-	-	14	14	-	14
Other adjustments	-	-	-	-	-	(10)	(10)	(8)	(18)
Tax on transactions with owners	-	-	-	-	-	5	5	-	5
Total transactions with owners	-	-	1	-	-	(272)	(271)	(31)	(302)
Equity at 31 March 2016	192	4,744	(8)	(82)	(389)	6,978	11,435	2	11,437

STATEMENT OF CHANGES IN EQUITY – 1 JANUARY – 31 MARCH 2015

(DKKm)	Share capital	Reserve for treasury shares	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2015	177	(7)	(28)	(239)	6,149	6,052	29	6,081
Profit for the period	-	-	-	-	426	426	1	427
Currency translation adjustments, foreign enterprises	-	-	-	(1)	-	(1)	1	-
Fair value adjustments relating to hedging instruments	-	-	(7)	-	-	(7)	-	(7)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	13	-	-	13	-	13
Other comprehensive income, net of tax	-	-	6	(1)	-	5	1	6
Total comprehensive income for the period	-	-	6	(1)	426	431	2	433
Transactions with owners:								
Share-based payments	-	-	-	-	10	10	-	10
Dividends distributed	-	-	-	-	(283)	(283)	-	(283)
Purchase of treasury shares	-	(1)	-	-	(251)	(252)	-	(252)
Sale of treasury shares	-	-	-	-	62	62	-	62
Dividends on treasury shares	-	-	-	-	12	12	-	12
Other adjustments	-	-	-	-	1	1	(1)	-
Tax on transactions with owners	-	-	-	-	16	16	-	16
Total transactions with owners	-	(1)	-	-	(433)	(434)	(1)	(435)
Equity at 31 March 2015	177	(8)	(22)	(240)	6,142	6,049	30	6,079

Notes

1 ACCOUNTING POLICIES

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

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

Changes in accounting policies

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

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Changes in significant accounting estimates

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

3 SEGMENT INFORMATION

(DKKm)	Air & Sea		Road		Solutions		Other activities, non-allocated items and eliminations		Total	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Revenue	7,055	5,421	6,688	6,122	2,043	1,440	297	227	16,083	13,210
Intercompany revenue	(192)	(100)	(254)	(262)	(51)	(35)	(267)	(212)	(764)	(609)
Net revenue	6,863	5,321	6,434	5,860	1,992	1,405	30	15	15,319	12,601
Gross profit	1,877	1,226	1,257	1,132	536	330	(63)	-6	3,607	2,682
Other external expenses	479	264	332	274	165	125	(186)	(120)	790	543
Staff costs	937	545	670	606	273	133	117	86	1,997	1,370
Amortisation and depreciation of intangibles, property, plant and equipment	47	29	36	32	51	36	43	31	177	128
Operating profit before special items	414	388	219	220	47	36	(37)	(3)	643	641
Total assets	19,389	13,476	14,876	13,604	5,764	3,389	(961)	(5,488)	39,068	24,981
Total liabilities	27,736	12,174	8,273	8,466	5,910	3,604	(14,288)	(5,342)	27,631	18,902

4 SPECIAL ITEMS

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

Special items for the first quarter of 2016 totalled DKK 370 million and relate mainly to transaction and restructuring costs in connection with the acquisition of UTi. Transaction costs totalled DKK 82 million, DKK 71 million of which were charged to the income statement in 2015 and DKK 11 million have been charged to the income statement in Q1 2016.

5 ACQUISITION AND DIVESTMENT OF ENTERPRISES

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

About UTi Worldwide Inc.

UTi Worldwide Inc. is a US based global supply chain services and logistics company. UTi employs approx. 21,000 full-time employees in 58 countries across more than 300 offices and 200 logistics centres and offers complete supply chain services and solutions, including air, sea, distribution, customs clearance and contract logistics. UTi has a strong presence in North America and a leading position in South Africa. It also operates a network in Asia-Pacific and Europe.

Strategic rationale and synergies

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

The acquisition will significantly strengthen the Air & Sea Division, and DSV will increase its industry-specific capabilities across all divisions. Furthermore, DSV will now be truly global in contract logistics and expand into road freight activities outside Europe. This will enable the company to offer its customers a broader range of services.

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

Fair value of acquired net assets and recognised goodwill

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

In connection with the acquisition of UTi, adjustments have been made to a number of the acquired net assets in compliance with the financial reporting requirements. These include changes to DSV's accounting policies and fair value adjustments and relate mainly to impairment of IT systems, impairment of previously recognised goodwill, valuation of customer relationships and adjustment to provisions etc.

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

(DKKm)	Provisional fair value at date of acquisition
Intangible assets	343
Property, plant and equipment	879
Trade receivables	3,728
Work in progress (services)	175
Deferred tax assets	87
Other receivables	1,520
Cash and cash equivalents	2,001
Total assets	8,733
Provisions	480
Financial liabilities	4,950
Pensions and similar obligations	72
Trade payables	1,988
Work in progress (services)	512
Deferred tax	179
Corporation tax	200
Other payables	1,673
Total liabilities	10,054
Non-controlling interests' share of acquired net assets	22
Acquired net assets	(1,299)
Fair value of total consideration	6,588
Goodwill arising from the acquisition	7,887

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

Earnings impact

The Q1 2016 revenue and EBIT before special items comprise DKK 3,425 million and DKK -47 million, respectively, reported by UTi since the date of acquisition.

On a pro forma basis, if the acquisition had been effective from on 1 January 2016 UTi would have contributed DKK 5,100 million to revenue and DKK -70 million to EBIT before special items.

6 INCENTIVE SCHEME

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

Options are granted pursuant to the corporate guidelines for incentive pay for staff of DSV A/S as approved at the Annual General Meeting of the Company on 10 March 2016.

The options can be exercised by the employees by cash purchase of shares only. The obligation relating to incentive schemes is covered by the Company's treasury shares.

Outstanding share option schemes

The aggregate market value of all outstanding share option schemes of the Group at 31 March 2016 amounted to DKK 705.2 million, DKK 55.6 million of which constituted the proportion held by members of the Executive Board.

The market value of the share option schemes is estimated using the Black & Scholes valuation model. The assumptions used are based on Management's estimates of the elements on which the model is based.

Share option scheme 2016

	Share option scheme 2016
Exercise period	01.04.2019 - 31.03.2021
Number of employees	1,546
Number of options granted	
Executive Board	190,000
Senior staff	2,512,000
Total	2,702,000
Market value at date of grant	
Market value (DKKm)	77
Exercise price	274.25
Volatility (%)	19
Risk-free interest rate (%)	0.2
Expected dividend (%)	1.25
Expected remaining life (years)	3.5

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the three-month period ended 31 March 2016.

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

In our opinion, the interim financial statements give a true and fair view of the DSV Group's assets, equity, liabilities and financial position at 31 March 2016 and of the results of the Group's activities and the cash flow for the three-month period ended 31 March 2016.

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

Hedehusene, 12 May 2016

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
CFO

Board of Directors:

Kurt K. Larsen
Chairman

Thomas Plenborg
Deputy Chairman

Annette Sadolin

Birgit W. Nørgaard

Robert S. Kledal

Jørgen Møller