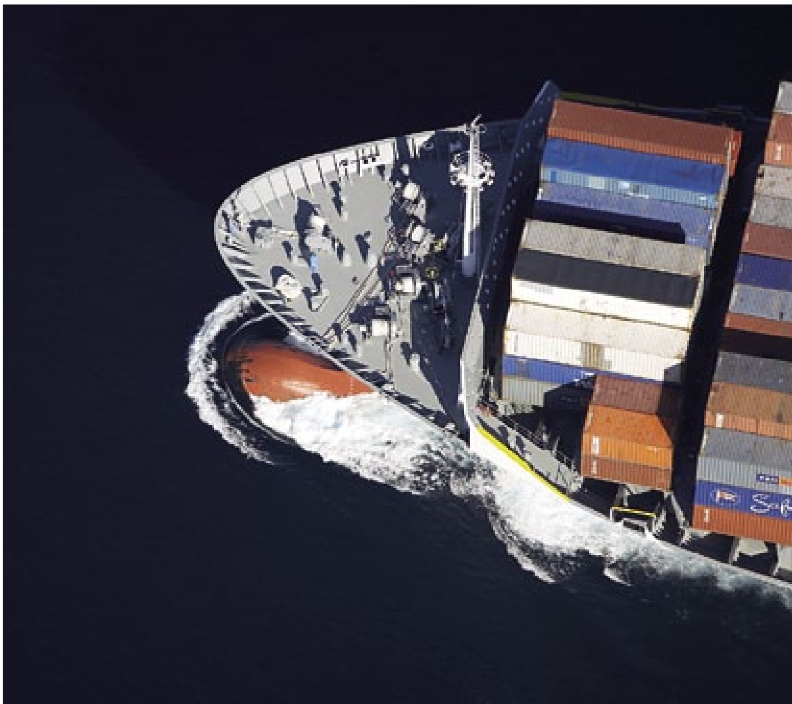
Global Transport and Logistics

2012 Annual Report

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Global Transport and Logistics

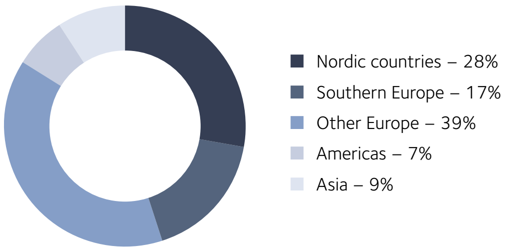
DSV is a global supplier of transport and logistics services. The Group has operations in more than 70 countries and approx. 22,000 employees worldwide.

DSV Air & Sea specialises in the handling of air and sea freight to destinations all over the world. The Division plans and executes shipments in a quick, efficient, safe and environmentally friendly manner and combines the means of transportation when most appropriate. The Division has approx. 6,000 employees.

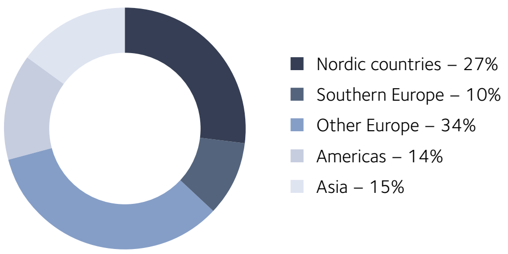
DSV Road offers transportation of full, part and groupage loads all over Europe in a quick, efficient, flexible and environmentally friendly manner and provides good connections to the rest of the world. The Division has approx.10,000 employees.

DSV Solutions specialises in logistics services across the entire supply chain from design through freight management, customs clearance, warehousing and distribution to information management and e-business support. DSV Solutions has approx. 5,000 employees.

REVENUE – BY REGION



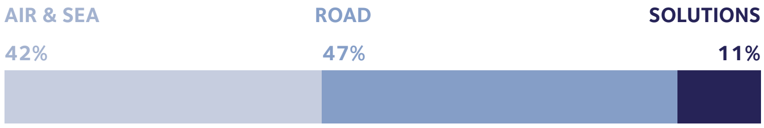
EBITA – BY REGION



Revenue*

DKKM

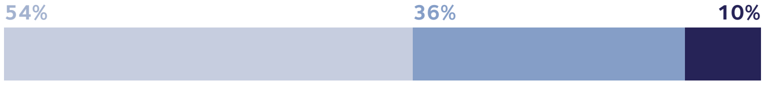
44,912



EBITA*

DKKM

2,540



Employees**

NUMBER OF

21,932

* External revenue and EBITA after elimination of internal transactions

** Including Group functions

Countries in which DSV has its own companies

Growth in a difficult market

In 2012 DSV has defied a market showing lower than expected freight volumes. For DSV the formula for success is classic: Providing good services for the customers through hard work while maintaining a high focus on productivity and internal cost management.

In a year marked by macro-economic uncertainty, a highly volatile transport market and general economic slowdown in many of the countries in which DSV operates, I am very pleased to state that, once again, DSV has achieved progress and delivered a profit before tax that outperformed last year's figures. Furthermore, our network has grown stronger in 2012 through strategic acquisitions in key growth markets, fortifying the Group's position in the highly competitive transport industry. We have generated a reasonable return for our shareholders in 2012 and realised our target of allocating a considerable amount back to the shareholders through share buy-backs and dividends.

Jens Bjørn Andersen
CEO
DSV A/S

Declining market growth

2012 started off with cautious optimism and market expectations of stable growth in freight volumes. But expectations went unfulfilled, and towards the end of 2012 we had to realise that overall freight volumes had declined compared to 2011. However, the market development differed across the regions. Asian and Northern European markets saw positive growth rates, whereas Europe – the most important market of DSV – was characterised by negative development with declining freight volumes, in some areas dropping by more than 10%. In particular import levels to Southern Europe showed a negative growth trend in 2012, but as DSV has been able to gain market share in Southern Europe the negative development did not affect DSV as much as we might have feared. Southern Europe accounts for 10% of the consolidated EBITA of DSV and the 2012 results for this region were only down by DKK 7 million compared to 2011. Our employees in Southern Europe can rightly be proud of that.

Acquisitions on the agenda

Until 2012, Africa and Latin America were almost non-existent in the global DSV network. This prompted us to take steps during 2012 to strengthen DSV in these growth markets. First, we established DSV Brazil and we expect to develop the Brazilian company and open several new offices in Brazil in the next coming years. Secondly, we acquired the remaining shares in our joint venture companies in Argentina, Chile and Peru, making these three countries fully-fledged members of the DSV network. Finally, DSV really sat foot on a new continent in 2012: Africa. We have no doubt that there is a major development potential for DSV in the African market. That is why we acquired part of Swift Freight which has operations in Dubai, India and China as well as offices in 12 African countries.

We hope that 2013 will bring additional acquisitions to supplement our organic growth plans.

Operational Excellence

2012 was a year characterised by cost saving initiatives. We spent part of the year implementing the savings measures of "Operational Excellence"; a project launched to reduce the overhead costs of the Group. The project

> …fortifying the Group's position in the highly competitive transport industry

implied a number of staff cuts. Having to let competent employees go on that basis is a tough, but necessary decision. The project also made it possible for us to consolidate our network and to close a number of locations in Europe in that connection. The project was completed at the end of the year and we expect to see the full impact of the savings in 2013. Process optimisation and tight cost management have always been of high priority at DSV. This work will continue in 2013, both locally in the individual countries and at Group level through the establishment of central functions in our new Shared Service Centre in Poland and other initiatives.

Divisions

The three Divisions of DSV reported satisfactory results for the year. In particular the Air & Sea Division and the Road Division deserve recognition for the positive development in a highly competitive transport market. Both Divisions have strengthened their market position in 2012 and are both still among the most profitable businesses in the industry. The results reported by the Solutions Division for 2012 were adversely affected by surplus capacity in the market and costs related to the implementation of new large customers. Management changes were made during the year and, with great commitment, the new Solutions management has collaborated with the individual Solutions countries on detailed action plans to improve performance going forward.

DSV has a clear goal of growing faster than the market. This goal was achieved in 2012 to a great extent, with only DSV's sea freight volumes showing slightly weaker growth than the market. This was due to our large exposure to the Asia-Europe trade lane, which saw growth rates considerably below the sea freight market in general.

Product development

The transport and logistics market is constantly moving, which poses great demands on a company like DSV to continuously refine and improve products and services. We see our customers adopting an increasingly professional approach to supply chain management, and it is of great importance to DSV to have the competencies required to offer a powerful concept to existing as well as new customers.

Several interesting projects have been launched and we expect to accelerate the roll-out of two new products in 2013: "DSV Daily Pallet" – a time-sensitive concept linking more than 200 European locations with daily departures, and "DSV X-press" – worldwide express delivery of documents and small shipments. Both products have considerable potential and will be rolled out across the Group in the course of 2013.

Corporate Social Responsibility at DSV

DSV being a major global corporation, CSR has become an increasingly important part of our daily operations. CSR previously played a more peripheral role, but is now a highly important focus area and an integral part of the business processes at DSV. We demand a lot from ourselves and our suppliers and we are also met with increasing demands from customers and business partners. It is a pleasure to note that DSV has made progress in most areas in 2012 towards achieving our ambitious CSR targets, as described in the separate CSR Report of DSV.

Employees – our greatest asset

We often say that our industry is a "people's business" and nothing could be more true! Although IT, fully automated systems and business processes play an increasingly important role, our greatest asset will always be our employees. We have loyal and skillful staff all of whom are bearers of our unique DSV culture, and it is fantastic to see that DSV is an attractive workplace to both young and more experienced freight forwarders. In the DSV culture, a decentralised organisational structure goes hand in hand with central guidelines and the individual entities of the Group have a large degree of autonomy to influence their performance. That is a major asset of DSV which we must always safeguard.

This is also a good opportunity for me to thank all our approx. 22,000 employees, who by their hard work have contributed to DSV reporting good financial results for 2012 – Thank you!

Outlook for 2013

Since 2008 we have grown accustomed to the fact that uncertainty and volatility are part of the market conditions for DSV, and 2013 will be no different. The global markets are still characterised by economic uncertainty, and although the European debt crisis is hopefully drawing to an end we do not anticipate any notable improvement in the international transport markets any time soon. We expect very limited growth in the markets of DSV in the coming year. And yet, DSV has reason to be cautiously optimistic. We have a strong product in the market and with own operations in 74 countries we are well positioned to gain market share in both existing markets and growth markets.

FINANCIAL HIGHLIGHTS*

	2008	2009	2010	2011	2012
Income statement (DKKm)					
Revenue	37,435	36,085	42,562	43,710	44,912
Gross profit	8,175	8,898	9,320	9,819	10,054
Operating profit before amortisation, depreciation and special items (EBITDA)	2,338	2,239	2,721	2,975	3,074
Operating profit before special items (EBITA)	1,936	1,703	2,202	2,426	2,540
Special items	78	(688)	(5)	-	(275)
Operating profit (EBIT)	2,014	1,015	2,197	2,426	2,265
Net financial expenses	404	555	537	431	246
Profit before tax	1,610	460	1,660	1,995	2,019
Profit for the year	1,233	191	1,194	1,449	1,430
Adjusted earnings	1,131	799	1,290	1,546	1,745
Balance sheet (DKKm)					
Non-current assets	13,942	14,180	14,143	13,786	13,546
Current assets	9,783	8,000	8,942	8,948	9,248
DSV A/S shareholders' share of equity	3,808	5,501	6,549	5,279	5,348
Non-controlling interests	49	29	36	30	37
Non-current liabilities	8,702	8,532	7,398	7,984	8,097
Current liabilities	11,166	8,118	9,102	9,441	9,312
Balance sheet total	23,725	22,180	23,085	22,734	22,794
Net working capital	1,074	135	70	1	307
Net interest-bearing debt	9,541	6,890	5,872	6,585	6,561
Invested capital including goodwill and customer relationships	13,323	13,100	13,046	12,030	11,953
Gross investment in property, plant and equipment	731	488	334	576	453
Cash flows (DKKm)					
Operating activities	895	1,702	1,663	1,863	1,651
Investing activities	(3,119)	(486)	(151)	(34)	(249)
Free cash flow	(2,224)	1,216	1,512	1,829	1,402
Adjusted free cash flow	624	1,257	1,566	1,894	1,509
Financing activities (excluding dividends distributed)	2,159	(1,373)	(1,346)	(1,712)	(912)
Dividends distributed	(50)	-	(52)	(105)	(190)
Cash flow for the year	(115)	(157)	114	12	300
Foreign currency translation adjustments	248	8	(118)	(8)	(115)
Cash and cash equivalents at year-end	516	367	363	367	552
Financial ratios (%)					
Gross margin	21.8	24.7	21.9	22.5	22.4
EBITDA margin	6.2	6.2	6.4	6.8	6.8
EBITA margin	5.2	4.7	5.2	5.6	5.7
EBIT margin	5.4	2.8	5.2	5.6	5.0
EBITA as a percentage of gross profit (conversion ratio)	23.7	19.1	23.6	24.7	25.3
Effective tax rate	23.4	58.5	28.1	27.4	29.2
ROIC before tax including goodwill and customer relationships	17.2	12.9	16.8	19.7	21.2
ROIC before tax excluding goodwill and customer relationships	42.6	35.8	53.2	62.5	71.1
Return on equity (ROE)	33.8	4.0	19.7	24.3	26.9
Solvency ratio	16.0	24.8	28.4	23.2	23.5
Financial gearing ratio	3.6	3.1	2.2	2.2	2.1
Share ratios					
Earnings per share of DKK 1 (EPS)	6.66	0.93	5.68	7.34	7.81
Diluted adjusted earnings per share of DKK 1	6.12	3.93	6.16	7.82	9.48
Number of shares at year-end ('000)	182,872	208,699	206,507	185,644	178,063
Diluted average number of shares ('000)	184,955	203,248	209,395	197,613	183,971
Share price at year-end (DKK)	56.50	94.00	123.30	103.00	145.70
Dividend per share	0.00	0.25	0.50	1.00	1.25
Staff					
Number of employees at year-end	25,056	21,280	21,300	21,678	21,932

*) For a definition of the financial highlights, please refer to page 75.

Strategy and financial targets

Operating in a market which is expected to see continued growth, DSV wants to strengthen its position among the world's leading transport and logistics companies.

The transport and logistics market

As a global freight forwarding company, DSV offers transport and logistics solutions to its customers, but the actual transport operations are performed by external hauliers, shipping companies and airlines. DSV does not own the transport equipment.

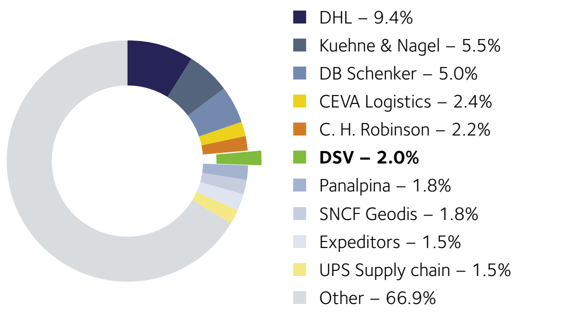
In addition to physical transportation services customers also demand various related services, such as handling of freight documents, customs clearance, cargo insurance, warehousing and distribution.

COMPETITORS

The transport and logistics market is fragmented and even the largest global players have modest market shares. The world's ten largest players are estimated to have an aggregate market share of approx. 33%. The global market share of DSV is estimated at approx. 2%.

Measured by revenue (2011), DSV ranks as number six among the world's largest freight forwarders.

MARKET SHARES



Source: Journal of Commerce, based on 2011 revenue

MARKET GROWTH

FREIGHT VOLUME DEVELOPMENT

Freight volumes are cyclical and sensitive to the global economic development. Over the last 20 years, the average annual growth in freight volumes has been two-three times higher than global economic growth, partly driven by outsourcing of production activities to the Far East.

The production outsourcing trend is estimated to have peaked, particularly in Europe and North America, and the gap between freight volume growth figures and economic growth figures is expected to narrow. However, increasing prosperity in, e.g., Asia and South America and, in the longer term also in Africa, also creates a basis for continued freight volume growth.

INCREASING OUTSOURCING OF TRANSPORT AND LOGISTICS SERVICES

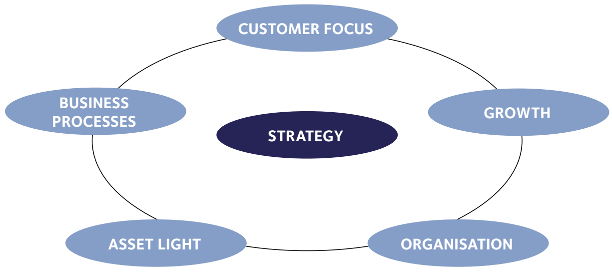
There is a growing desire among enterprises to reduce their overall logistics costs and a decreasing number consider transport and logistics operations as part of their core competencies. This forms the basis of more outsourcing, thereby boosting growth for transport and logistics providers relative to the underlying freight volume growth.

THE LARGE BECOME LARGER

For a number of years, the largest transport and logistics providers have reported higher growth than the small players due to economies of scale and strong global networks. This trend is expected to continue and lead to further consolidation in the industry.

The five core elements of the DSV Strategy

The strategy of DSV is based on the market as outlined above and is structured around five pivotal elements:



CUSTOMER FOCUS
For DSV, the provision of quality services at competitive prices is key to creating supply chain value for its customers. Therefore the Group has constant focus on optimising its services to always offer market-leading services of a consistent quality.

The customer segment of small and medium-sized enterprises is a strong vertical of DSV, and the Group aims to expand its market share in this segment. This objective is supported by targeted local sales efforts in the individual countries and a continued focus on product and service development.

Additionally, the Group aims to increase its market share among large, multinational customers. This objective is addressed by the establishment of Global Accounts, a special department for large customers, the role of which is to support the sales efforts and services targeted at this segment in cooperation with the rest of the organisation. Over the last couple of years the focus on the large global enterprises has yielded positive results and this segment is still being developed.

Particularly the large, multinational customers demand transport and logistics solutions tailored to their individual business areas. Management has therefore decided to focus the sales efforts on a number of areas in which the Group has a particularly strong product and deep insight into customer needs. The relevant areas include the automotive, medical and aviation industries and more specialised fields such as the wind energy industry and logistics services for the national defence forces of a number of countries.

GROWTH
As a world leader in its field, DSV must gain market shares over time. DSV aims to achieve organic growth above the market growth rate in the markets in which the Group operates through targeted sales efforts and strong products.

In addition to organic growth, DSV aims to create growth through business acquisitions which can add further economies of scale and strengthen its global network. The Group has a positive track record when it comes to the efficient and succesful integration of acquirees. Management intends to utilise this capacity in case of any attractive acquisition opportunities in future.

The primary acquisition targets are air and sea freight providers which can strengthen the overall market position of the Air & Sea Division and increase the exposure in markets outside of Europe. For the Road and Solutions Divisions, bolt-on acquisitions may become relevant.

ORGANISATION
DSV's corporate structure builds on the three Divisions and is characterised by a flat, decentralised organisational structure. The individual national managements are responsible for their respective operating activities and administration according to the guidelines communicated by Division and Group Managements.

The decentralised structure makes it possible to act in consideration of local market conditions, culture and language. In addition, the national managements are close to the local customers and able to quickly make decisions when needed.

The strong group and shared-service functions of DSV (e.g., procurement, finance, compliance, sales and marketing, and IT) support the decentralised corporate structure. The shared-service functions of the Group are continously optimised with the aim to further centralise and standardise the Group's business processes in the coming years.

ASSET LIGHT
To facilitate ongoing adjustment of capacity, and thereby overheads, relative to the market development DSV applies a flexible business model, which means that the Group does not invest in fixed assets in the form of trucks, ships and aeroplanes. Moreover, it is a clear goal for DSV to own no terminals or other logistics facilities of its own, and operational leases are therefore used to the widest extent possible.

BUSINESS PROCESSES
Effective and efficient business processes are essential to satisfactory earnings in a competitive market characterised by low margins. The continued development and optimisation of processes are therefore a vital element of the corporate strategy to ensure that IT platforms support the day-to-day operations in the best possible way.

IT systems are also a pivotal element of the services offered by DSV to its customers, and it is therefore crucial that the systems are reliable and meet customer requirements.

Long-term financial targets
Management has a clear goal of maximising the return on invested capital (ROIC). This objective is to be achieved through increased earnings and a reduction of invested capital. This focus is reflected in the Group's financial and capital structure targets and priorities for the use of free cash flow.

FREIGHT VOLUME GROWTH

The demand for transport and logistics solutions are expected to continue to exceed the general economic growth rate in the coming years. DSV aims to gain market share in all markets of the Group.
The Air & Sea Division is measured against the global markets, whereas Road and Solutions are measured against the European market.

EARNINGS MARGINS AND ROIC

	DSV	Air & Sea	Road	Solutions
EBITA margin	7%	7-8%	5%	7%
Conversion ratio	30%	35%	25%	25%
ROIC before tax	25%	25%	25%	20%

The financial targets are unchanged relative to the 2011 Annual Report, and the Group expects to achieve the targets within 3-4 years. The targets are based on expectations of stable economic development in Europe and globally during the period.

As previously stated, the Group intends to achieve growth through acquisitions and organic growth, both of which are to support the realisation of the financial targets. Acquisitions and other investments are therefore always compared to the targets, and investments are made in the activity areas with the highest expected return.

CAPITAL STRUCTURE

The targets set for the capital structure of DSV are:

- Sufficient financial flexibility to meet the strategic objectives
- A solid financing structure to increase the return on invested capital

The financial gearing ratio, i.e. net interest-bearing debt to EBITDA, was 2.1x at 31 December 2012. The previous target was a net interest-bearing debt to EBITDA ratio of 2.0 to 2.5.

This target has been adjusted as the Group wants to strengthen its financial rating, which implies that the financial gearing ratio must be reduced to less than 2.0 in 2013.

The adjustment of the financial gearing target does not reflect any significant change in the Group's approach in regards to capital structure. Borrowed funds will still be an important part of the overall financing going forward, and DSV expects a net interest-bearing debt to EBITDA ratio of just below 2.0 in future.

The net interest-bearing debt to EBITA ratio may exceed 2.0 in extraordinary periods due to acquisitions made by the Group.

As part of the efforts to achieve the capital structure targets the long-term loan commitments of the Group are constantly monitored to ensure adequate duration. At 31 December 2012, the average duration was 3.7 years.

CAPITAL ALLOCATION

The Group aims to spend free cash flow as follows:

1. Repayment of net interest-bearing debt in periods when the financial gearing ratio of the Group is above the capital structure target.
2. Acquisitions if there are attractive candidates.
3. Distribution to the Company's shareholders by means of share buy-backs in preparation for capital reduction and dividends.

Seasonality and individual transactions may lead to fluctuations in the free cash flow from quarter to quarter. Management monitors on an ongoing basis that the realised and expected capital structure of the Group satisfy the targets set. Any adjustments of the capital structure are determined in connection with the release of financial reports and are made primarily by means of share buy-backs.

Proposed dividends for 2012 amount to DKK 1.25 per share, corresponding to a 25% increase compared to 2011. For 2013 DSV aims to increase dividends by around 25%.

Financial review

DSV achieved satisfactory financial results for 2012 in line with the expectations of revenue, gross profit and EBITA disclosed. Full-year activity levels for 2012 were in line with 2011 and business process development and optimisation continued during the year. 2012 was also the year when DSV again embarked on new acquisitions.

Income statement

REVENUE

Revenue grew from DKK 43,710 million in 2011 to DKK 44,912 million in 2012.

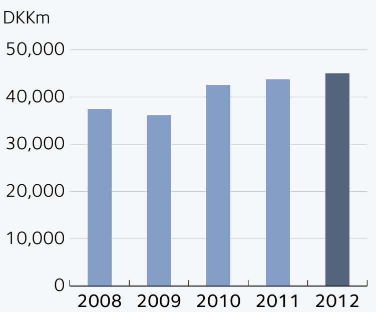
REVENUE 2012 VERSUS 2011

(DKKm)	
Revenue 2011	43,710
Foreign currency translation adjustments	772
Acquisition and divestment of enterprises, net	209
Organic growth (0.5%)	221
Revenue 2012	44,912

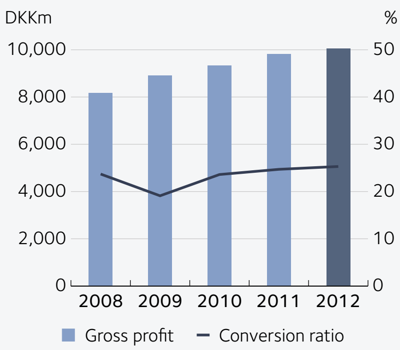
2012 was characterised by volatile activity levels, starting off with positive growth rates which declined during the year. The organic growth in consolidated revenue was 0.5%.

Jens H. Lund
CFO
DSV A/S

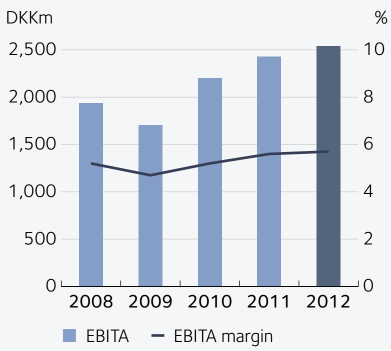
REVENUE



GROSS PROFIT



EBITA



> Diluted adjusted earnings per share increased by approx. 21% on 2011

GROSS PROFIT

The consolidated gross profit came to DKK 10,054 million for 2012 against DKK 9,819 million for 2011. The Group thereby more than maintained profit in a difficult market. Organic growth for 2012 was 0.3% and the gross margin was 22.4% against 22.5% for 2011.

GROSS PROFIT 2012 VERSUS 2011

(DKKm)	
Gross profit 2011	9,819
Foreign currency translation adjustments	195
Acquisition and divestments of enterprises, net	6
Organick growth (0.3%)	34
Gross profit 2012	10,054

Gross profit was affected by positive exchange rate adjustments. This primarily affected the Air & Sea Division.

The Air & Sea Division reported organic growth in gross profit of 1.2%, mainly as a result of an improved average profit per unit.

The Road Division reported gross profit in line with 2011 (organic growth of 0.6%) in a very competitive market. A change in product mix had a negative impact on the gross profit.

The gross profit of the Solutions Division declined (negative organic growth of 3.7%), mainly due to fierce price competition and costs related to the implementation of new customer contracts.

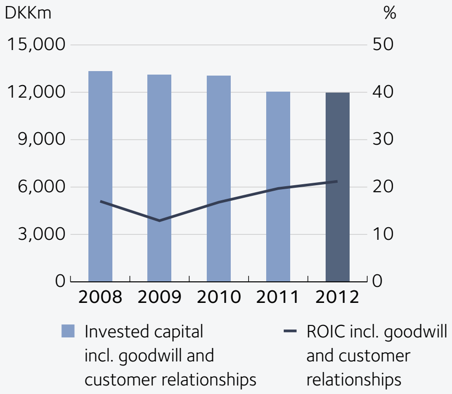
OTHER EXTERNAL EXPENSES

Other external expenses amounted to DKK 2,116 million in 2012 against DKK 2,092 million in 2011, corresponding to an increase of 1.1%. Adjusted for exchange rate movements and acquisitions made in Q4 2012 other external expenses decreased by 1.4% compared to 2011.

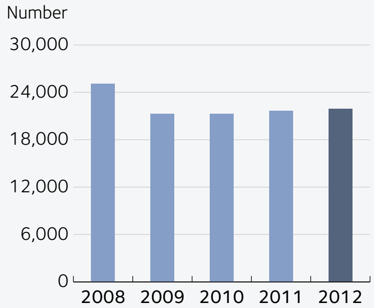
STAFF COSTS

Staff costs amounted to DKK 4,864 million in 2012 against DKK 4,752 million in 2011, corresponding to an increase of 2.4%. Adjusted for exchange rate movements and acquisitions made in Q4 2012, staff costs decreased by 1.6% on 2011 partly as a result of project "Operational Excellence", which was launched in 2012. This project resulted in increased productivity enabling the Group to maintain the

ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



number of staff on level with that at end of 2011 despite the acquisitions made.

Staff costs were affected by non-cash costs for share-based payments of DKK 40 million in 2012 against DKK 34 million in 2011.

AMORTISATION AND DEPRECIATION

For 2012, amortisation and depreciation amounted to DKK 534 million against DKK 549 million for 2011. This item includes amortisation of software in the amount of DKK 131 million for 2012 against DKK 112 million for 2011. As a general rule, new software investments will be made when amortised. This item also includes amortisation of customer relationships in the amount of DKK 109 million for 2012 against DKK 107 million for 2011. Amortisation of customer relationships is a non-cash cost and no re-investments are made.

OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)

Consolidated EBITA was DKK 2,540 million for 2012 against DKK 2,426 million for 2011. The organic growth was 1.7%.

EBITA was positively affected by the increased gross profit without a corresponding increase in overheads. The conversion ratio thereby increased to 25.3% for 2012 against 24.7% for 2011, mainly as a result of the streamlining of workflows and business processes. The EBITA margin was 5.7% for 2012 against 5.6% for 2011.

EBITA 2012 VERSUS 2011

(DKKm)	
EBITA 2011	2,426
Foregn currency translation adjustments	78
Acquisition and divestment of enterprises, net	(7)
Organic growth (1.7%)	43
EBITA 2012	2,540

Adjusted for non-cash items relating to amortisation of customer relationships and costs of share-based payments, the adjusted consolidated EBITA came to DKK 2,689 million for 2012 against DKK 2,567 million for 2011.

The Air & Sea Division reported EBITA of DKK 1,412 million against DKK 1,355 million for 2011. EBITA increased mainly as a result of positive foreign currency translation adjustments. The organic growth was -0.5%.

The Road Division reported EBITA of DKK 933 million against DKK 834 million for 2011. The organic growth was 11.1%. The higher EBITA was mainly a result of increased productivity as consignment volumes remained almost unchanged.

The Solutions Division reported EBITA of DKK 250 million against DKK 278 million for 2011. The organic growth was -10.7%. Costs related to the implementation of large customers impacted negatively on EBITA results.

FINANCIALS

For 2012, net financials constituted an expense of DKK 246 million against DKK 431 million for 2011.

Financials developed as expected with interest rates below 2011, however the item was also affected by a large one-off exchange gain in connection with internal restructuring initiatives. In 2011, financials were affected by a one-off interest expense related to a tax case ruling.

SPECIAL ITEMS, NET

Special items netted DKK 275 million for 2012 and relate mainly to the allocation of a non-recurring expense in connection with the ongoing restructuring plan "Operational Excellence" as described in the 2011 Annual Report and costs related to the integration of acquirees. Costs related to "Operational Excellence" amounted to DKK 258 million.

PROFIT BEFORE TAX

Profit before tax came to DKK 2,019 million for 2012 against DKK 1,995 million for 2011. The increase is mainly due to improved operating profit before special items and a reduction in financials, which were to a great extent counterbalanced by special items.

TAX ON PROFIT FOR THE YEAR

The effective tax rate was 29.2% for 2012, which is in line with disclosed expectations and an increase compared to 2011, when the effective tax rate was 27.4%. The 2012 tax rate was affected by isolated internal restructuring initiatives and non-deductible expenses related to the restructuring plan.

PROFIT FOR THE YEAR

Profit for the year came to DKK 1,430 million for 2012 against DKK 1,449 million for 2011. Profit declined mainly due to special items and increased tax costs, which were counterbalanced to a certain extent by the improved operating profit and the reduction in financials.

Adjusted profit for the year came to DKK 1,745 million for 2012 against DKK 1,546 million for 2011.

DILUTED ADJUSTED EARNINGS PER SHARE

Diluted adjusted earnings per share came to DKK 9.5 for 2012 against DKK 7.8 for 2011, corresponding to an increase of approx. 21%. The increase was due to the higher adjusted profit and the lower number of outstanding shares as a result of the share buy-backs made.

Balance sheet

The balance sheet total at 31 December 2012 was DKK 22,794 million against DKK 22,734 million at year-end 2011.

NON-CURRENT ASSETS

Non-current assets stood at DKK 13,546 million at 31 December 2012 against DKK 13,786 million at year-end 2011.

NET WORKING CAPITAL

The Group's funds tied up in net working capital came to DKK 307 million at 31 December 2012 against DKK 1 million at 31 December 2011. Net working capital was affected by the recent acquisitions and increasing pressure from customers as well as suppliers regarding payment terms.

Net working capital as a percentage of revenue was approx. 0.7% against 0.0% for 2011.

EQUITY

The equity interest of DSV shareholders came to DKK 5,348 million at 31 December 2012, corresponding to a solvency ratio of 23.5%. At 31 December 2011, equity was DKK 5,279 million, corresponding to a solvency ratio of 23.2%. Equity was mainly affected by the profit for the year, share buy-backs, distribution of dividends and actuarial gains/losses on pension plans.

DEVELOPMENT IN EQUITY

(DKKm)	2011	2012
Equity at 1 January	**6,549**	**5,279**
Net profit for the period	1,440	1,427
Dividends distributed	(105)	(190)
Purchase of treasury shares	(2,505)	(1,303)
Sale of treasury shares	87	219
Actuarial gains/losses on pension plans	(171)	(115)
Tax on changes in equity	(30)	54
Other adjustments, net	14	(23)
Equity at 31 December	**5,279**	**5,348**

NET INTEREST-BEARING DEBT

Net interest-bearing debt amounted to DKK 6,561 million at 31 December 2012 against DKK 6,585 million at 31 December 2011.

At year-end 2012, the financial gearing ratio of the Group was 2.1 and in line with the ratio at year-end 2011.

Loans and credit facilities amounted to DKK 6,773 million of the total net interest-bearing debt, DKK 5,911 million of which was long-term debt. Long-term loans amounted to DKK 5,838 million, the next refinancing being due in 2014.

At year end 2012, DSV issued an eight-year corporate bond of DKK 750 million. Undrawn loan and credit facilities amounted to DKK 1,475 million at 31 December 2012. At 31 December 2012, the total duration of the Group's long-term loan commitments was 3.7 years.

In 2012, the average interest rate payable for the long-term loans of the Group was 2.8% as against 4.2% in 2011.

CASH FLOW STATEMENT

(DKKm)	2011	2012
Profit before tax	**1,995**	**2,019**
Change in net working capital	(184)	(196)
Adjustment, non-cash operating items, etc.	52	(172)
Cash flow from operating activities	**1,863**	**1,651**
Purchase and sale of intangibles, property, plant and equipment	36	(174)
Net acquisition of subsidiaries and activities	(65)	(94)
Other	(5)	19
Cash flow from investing activities	**(34)**	**(249)**
Free cash flow	**1,829**	**1,402**
Proceeds from and repayment of short-term and long-term debt	683	137
Allocated to shareholders	(2,610)	(1,492)
Exercised under option programme	87	219
Other transactions with shareholders	23	34
Cash flow from financing activities	**(1,817)**	**(1,102)**
Net change in cash and cash equivalents	**12**	**300**
Adjusted free cash flow	1,894	1,509

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities came to DKK 1,651 million in 2012 against DKK 1,863 million in 2011. Cash flow from operating activities decreased mainly as a result of a one-off tax payment in Q1 2012 following a tax case ruling and increased funds tied up in working capital.

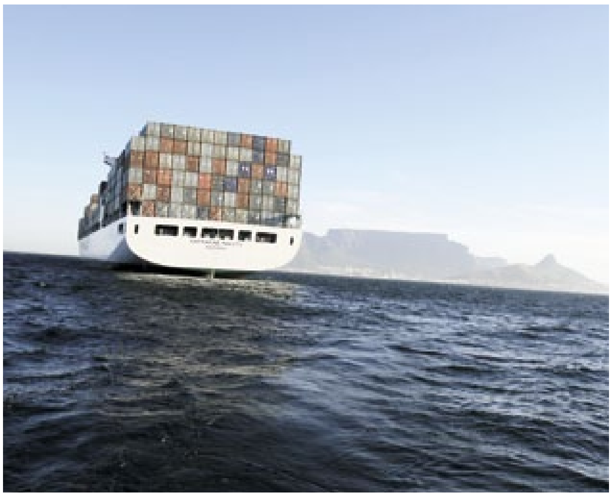
CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities, excluding the effect of the acquisition and divestment of subsidiaries and activities, amounted to a net outflow of DKK 155 million in 2012 compared with a net inflow of DKK 31 million in 2011. In 2011, the cash flow from investing activities was affected by property transactions to a larger degree than in 2012.

FREE CASH FLOW

The free cash flow came to DKK 1,402 million for 2012 against DKK 1,829 million for 2011. Free cash flow was negatively affected by a tax payment, increased funds tied up in working capital and acquisition and divestment of enterprises.

Adjusted for the acquisition and divestment of subsidiaries and activities, the free cash flow amounted to DKK 1,509 million in 2012 against DKK 1,894 million in 2011.



CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities constituted a net outflow of DKK 1,102 million in 2012 against a net outflow of DKK 1,817 million in 2011. The share buy-backs totalling DKK 1,302 million and distribution of dividends of DKK 190 million had a significant impact on the cash flow from financing activities for 2012.

NET CHANGE IN CASH AND CASH EQUIVALENTS

The net change in cash and cash equivalents was a net inflow of DKK 300 million, and foreign exchange translation adjustments constituted a loss of DKK 115 million; accordingly, the Group's cash and cash equivalents amounted to DKK 552 million at year-end 2012 against DKK 367 million in 2011.

INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS

The invested capital including goodwill and customer relationships amounted to DKK 11,953 million at 31 December 2012 against DKK 12,030 million at 31 December 2011.

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

In 2012, return on invested capital was 21.2% against 19.7% in 2011. The increase is due to the higher EBITA and the decrease in average invested capital.

EVENTS AFTER THE REPORTING DATE

No material events have occurred after the end of the financial year.

OUTLOOK FOR 2013

The outlook for 2013 is affected by the general uncertainty about macroeconomic developments. However, a stable development is expected in the markets in which the Group operates.

The separate divisional reviews provide additional information on expected market developments.

MARKET GROWTH FORECAST – FREIGHT VOLUMES, 2013

Sea freight	2-4% growth
Air freight	0-2% growth
Road	1-2% decline
Solutions	1-2% decline

OUTLOOK 2013

(DKKm)	Results 2012	Outlook 2013	Growth (%)
Gross profit	10,054	10,100-10,500	0%-4%
Operating profit before special items (EBITA)	2,540	2,550-2,750	0%-8%
Net financial expenses	246	300	
Effective tax rate	29.2%	26%	
Free cash flow*	1,509	1,750	

*) Adjusted for acquisition and divestment of subsidiaries

The consolidated performance forecast is based on the exchange rates listed below.

EXCHANGE RATES USED FOR THE FORECAST 2013

EUR	745
GBP	870
NOK	101
SEK	87
USD	560

FORWARD-LOOKING STATEMENTS

This Annual Report includes forward-looking statements on various matters, such as expected earnings and future strategies 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 economic and business conditions, exchange rate and interest rate fluctuations, 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.

FINANCIAL HIGHLIGHTS – QUARTERLY OVERVIEW*

	2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Income statement (DKKm)								
Revenue	10,793	11,089	10,905	10,923	10,819	11,372	11,313	11,408
Gross profit	2,372	2,500	2,450	2,497	2,435	2,578	2,529	2,512
EBITA	534	649	654	589	555	687	691	607
Special items	-	-	-	-	(251)	-	(3)	(21)
Operating profit (EBIT)	534	649	654	589	304	687	688	586
Net financial expenses	107	107	93	124	81	75	80	10
Profit before tax	427	542	561	465	223	612	608	576
Profit for the year	313	390	407	339	162	430	436	402
Gross margin	22.0%	22.5%	22.5%	22.9%	22.5%	22.7%	22.4%	22.0%
EBITA margin	4.9%	5.9%	6.0%	5.4%	5.1%	6.0%	6.1%	5.3%
Conversion ratio	22.5%	26.0%	26.7%	23.6%	22.8%	26.6%	27.3%	24.2%
Balance sheet (DKKm)								
Net working capital	141	241	101	1	(110)	96	210	307
Net interest-bearing debt	6,050	6,018	6,445	6,585	6,584	6,713	6,478	6,561
Cash flows (DKKm)								
Operating activities	540	163	638	522	393	336	407	515
Investing activities	(24)	400	(186)	(224)	(99)	(102)	159	(207)
Free cash flow	516	563	452	298	294	234	566	308
Segment information								
Air & Sea								
Revenue	4,665	4,743	4,742	4,776	4,414	5,048	5,236	5,157
Gross profit	965	1,020	1,027	1,078	998	1,088	1,106	1,077
EBITA	291	345	356	363	298	376	397	341
Gross margin	20.7%	21.5%	21.7%	22.6%	22.6%	21.6%	21.1%	20.9%
EBITA margin	6.2%	7.3%	7.5%	7.6%	6.8%	7.4%	7.6%	6.6%
Conversion ratio	30.2%	33.8%	34.7%	33.7%	29.9%	34.6%	35.9%	31.7%
Road								
Revenue	5,594	5,815	5,646	5,586	5,785	5,756	5,494	5,619
Gross profit	1,047	1,120	1,058	1,055	1,099	1,133	1,054	1,060
EBITA	179	245	226	184	220	264	234	215
Gross margin	18.7%	19.3%	18.7%	18.9%	19.0%	19.7%	19.2%	18.9%
EBITA margin	3.2%	4.2%	4.0%	3.3%	3.8%	4.6%	4.3%	3.8%
Conversion ratio	17.1%	21.9%	21.4%	17.4%	20.0%	23.3%	22.2%	20.3%
Solutions								
Revenue	1,248	1,259	1,231	1,271	1,285	1,275	1,286	1,335
Gross profit	369	372	370	372	351	361	369	357
EBITA	69	65	71	73	55	59	69	67
Gross margin	29.6%	29.5%	30.1%	29.3%	27.3%	28.3%	28.7%	26.7%
EBITA margin	5.5%	5.2%	5.8%	5.7%	4.3%	4.6%	5.4%	5.0%
Conversion ratio	18.7%	17.5%	19.2%	19.6%	15.7%	16.3%	18.7%	18.8%

*) For a definition of the financial highlights, please refer to page 75.

DSV Air & Sea

The Air & Sea Division organises transports of cargo by air and sea. The Division offers conventional freight services through its global network supplemented by a Project Department. The Division has approx. 6,000 employees.

Market development

The overall development in global freight volumes in 2012 has been characterised by weaker than expected volumes, both for sea and air freight.

Global sea freight volumes started 2012 on a positive note with growth rates for the market around 5%, but during the year the market lost momentum.

Growth in global air freight has been in negative territory in 2012, and only at the end of the year the trend has improved slightly.

The sea freight volumes measured in containers (TEUs) realised by the Division was on level with 2011, while the market in general is estimated to have increased by 0-2%.

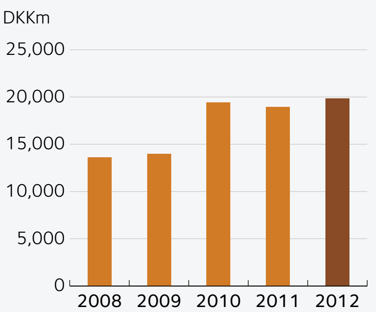
GROWTH IN FREIGHT VOLUMES

	Q4 2012 DSV	Q4 2012 Market	2012 DSV	2012 Market
Sea freight - TEUs	0%	-1-2%	0%	0-2%
Air freight - tonnes	-2%	-1-3%	-1%	1-3%

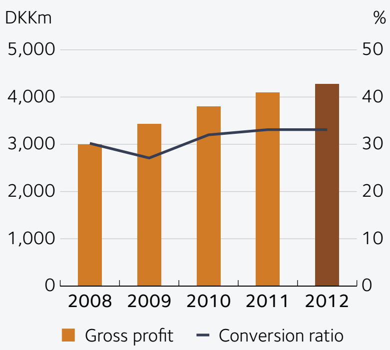
Market growth rates are based on own estimates.

Jørgen Møller
Managing Director
Air & Sea Division

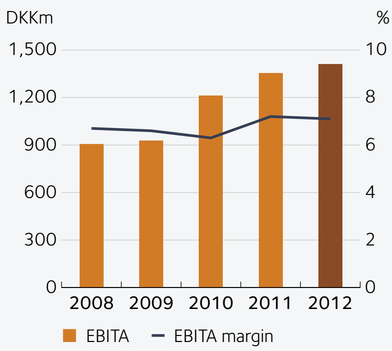
REVENUE



GROSS PROFIT



EBITA



> The Division's global network has been strengthened in 2012

DSV has relatively high exposure to Asia-Europe, which accounts for approx. 40% of DSV's total sea freight volume. Due to declining import in Europe the market conditions on this trade lane were challenging in 2012.

Air freight volumes (tonnes) recorded by the Division in 2012 declined by 1% compared to 2011, while the market in general is estimated to have contracted 1-3%. In a challenging market the Division has been successful in gaining market share, mainly due to strong development in DSV's exports activities out of Europe and USA.

In spite of relatively weak volumes and influx of new transport capacity, the sea freight rates increased dramatically in the beginning of 2012. During second half of 2012 the rates have declined, and at the end of the year new rate increases have been announced and fully or partly implemented by the shipping companies.

The air freight market was less turbulent, however still impacted by rate fluctuation.

Strategic and operational highlights

With the overall target of gaining market share the Division has continued the development of products and services within both sea and air freight.

In response to increasing customer demands for industry-specific logistics services, the Division has launched initiatives to optimise product development and sales efforts within selected focus segments and industry verticals, e.g. automotive, aerospace, renewable energy and military of defence.

The Division's global network has been strengthened in 2012. With the acquisition of Dubai based Swift Freight, DSV Air & Sea is now present in 15 African countries and has a good platform for taking part in future growth on the continent.

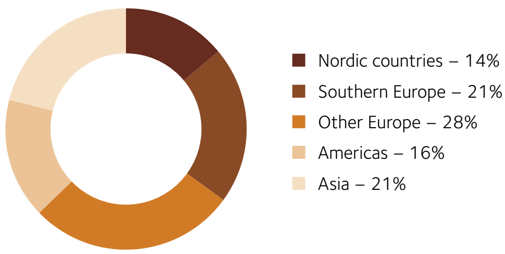
Furthermore, the Division has established a subsidiary in Brazil and obtained full ownership of the DSV-GL joint venture in Chile, Argentina and Peru. These initiatives bring DSV closer to the target of having a full Air & Sea network in Latin America.

The stronger presence in emerging markets will also enable DSV to take part in the expected growth in project logistics, e.g., for the energy sector, industrial projects and infrastructure. DSV Air & Sea is constantly alert to attractive bolt-on acquisition opportunities to supplement the existing network and support growth plans.

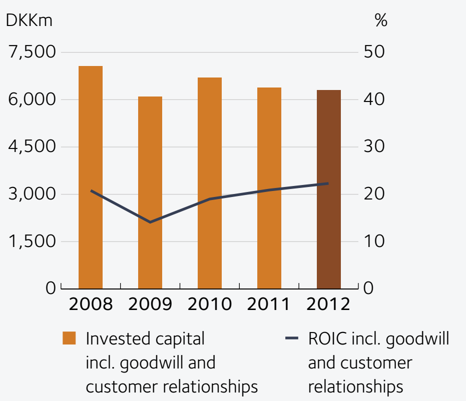
The Division expects to finalise the roll-out of its global Transport Management System in 2013. The implementation was initiated in 2011 and has proceeded as planned. The new system has already had positive impact on the productivity in the countries where the system has been implemented.

GEOGRAPHIC EXPOSURE

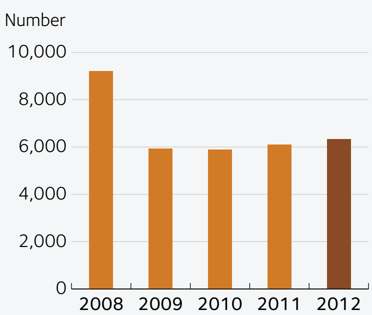
Division revenue can be broken down by the following geographical areas:

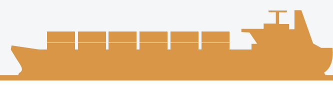


ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES





Financial results for 2012

CONDENSED INCOME STATEMENT

(DKKm)	2011	2012
Revenue	18,926	19,855
Direct costs	14,836	15,586
Gross profit	**4,090**	**4,269**
Other external expenses	863	909
Staff costs	1,740	1,814
EBITDA	**1,487**	**1,546**
Amortisation and depreciation	79	81
Amortisation of customer relationships	53	53
EBITA	**1,355**	**1,412**
Gross margin (%)	21.6	21.5
Conversion ratio (%)	33.1	33.1
EBITA margin (%)	7.2	7.1
Number of employees at year-end	6,092	6,331
Total invested capital (DKKm)	6,372	6,303
Net working capital (DKKm)	818	943
ROIC (%)	20.9	22.3

For 2012, DSV Air & Sea recorded revenue of DKK 19,855 million against DKK 18,926 million for 2011. The organic growth was 1.0%.

Gross profit came to DKK 4,269 million for 2012 against DKK 4,090 million for 2011. The organic growth was 1.2% and was mainly attributable to increased average profit per unit (TEUs/tonnes) compared to 2011. The increased profit per unit mainly characterised the first half of 2012.

The gross margin was 21.5% for 2012 against 21.6% for 2011.

AIR & SEA SPLIT

	Sea freight		Air freight	
(DKKm)	YTD 2011	YTD 2012	YTD 2011	YTD 2012
Revenue	10,590	11,621	8,336	8,234
Direct costs	8,302	9,213	6,534	6,373
Gross profit	**2,288**	**2,408**	**1,802**	**1,861**
Gross margin (%)	21.6	20.7	21.6	22.6
Volume (TEUs/Tonnes)	727,861	725,806	262,362	259,057

EBITA was DKK 1,412 million for 2012 against DKK 1,355 million for 2011. The organic growth dropped by 0.5% for 2012.

The conversion ratio was 33.1% for 2012, approximating the level for 2011. The EBITA margin was 7.1% for 2012 against 7.2% for 2011. Conversion ratio and EBITA margin were negatively affected by acquisitions in Q4 2012.

The operating profit for 2012 was impacted by a strong development in North America and a marginal decline in Europe. The results in Europe should be seen in the context of tough market conditions with weak import in most markets and strong competition. The results in North America and Asia are positively impacted by foreign currency translation.

Financial targets

The following long-term financial targets have been set for the Division:

	Target	Realised 2012
EBITA margin	7-8%	7.1%
Conversion ratio	35%	33.1%
ROIC - before tax	25%	22.3%

GROWTH

	Q4 2011	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2012
Revenue	4,776	132	114	135	2.7%	5,157
Gross profit	1,078	25	10	(36)	(3.2%)	1,077
EBITA	363	12	(1)	(33)	(8.8%)	341
	2011					2012
Revenue	18,926	562	176	191	1.0%	19,855
Gross profit	4,090	125	4	50	1.2%	4,269
EBITA	1,355	66	(2)	(7)	(0.5%)	1,412

Summary – Q4 2012

Air freight volumes dropped by 2% and sea freight volumes were on level with Q4 2011. The volume development for both air and sea freight is estimated to be in line with the market growth rate.

Gross profit amounted to DKK 1,077 million for Q4 2012 (2011: DKK 1,078 million). The organic growth declined by 3.2%. The Division maintained gross profit per sea freight unit on level with Q3 2012, however air freight volumes declined slightly as a result of increasing price competition.

EBITA was DKK 341 million for Q4 2012 (2011: DKK 363 million). The organic growth declined by 8.8%.

Outlook for 2013

DSV expects that the global sea freight market will grow by approx. 2-4% in 2013, measured by volume, while the air freight market measured by volume is expected to increase 0-2%. Similar to 2012, the growth in Asia-Europe volumes is expected to remain below the global market development.

Management expects to achieve the goal of gaining market shares in the markets in which the Division operates.

In accordance with the financial targets set for the Division DSV Air & Sea is expected to increase earnings in 2013.

AIR & SEA SEGMENT INFORMATION

	Revenue		Gross profit		EBITA		EBITA margin		Conversion ratio	
(DKKm)	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Europe	13,841	13,913	2,585	2,578	686	682	5.0	4.9	26.5	26.5
Asia	4,142	4,666	845	930	384	393	9.3	8.4	45.4	42.3
Americas	3,330	3,563	653	754	339	391	10.2	11.0	51.9	51.9
Eliminations, etc.	(2,387)	(2,287)	7	7	(54)	(54)	-	-	-	-
Total	**18,926**	**19,855**	**4,090**	**4,269**	**1,355**	**1,412**	**7.2**	**7.1**	**33.1**	**33.1**

DSV Road

With a complete European network, the DSV Road Division is among the top three transport companies in Europe. The Division offers full and part load services through a strong network of more than 200 terminals across Europe. The Division has approx. 10,000 employees.

Market development

As has been the case in recent years, the European road transport market was impacted by the economic crisis in 2012. Freight volumes declined throughout the year in Southern Europe and the Northern and Eastern European markets lost momentum in the second half of 2012, partly as a result of decreasing activity levels in key markets such as Germany and Sweden.

The total freight volume of the Road Division measured in consignments increased by approx. 1% on 2011. The market in general is estimated to have dropped by 1-3%. In the assessment of Management, the Division gained market share in most European countries in 2012.

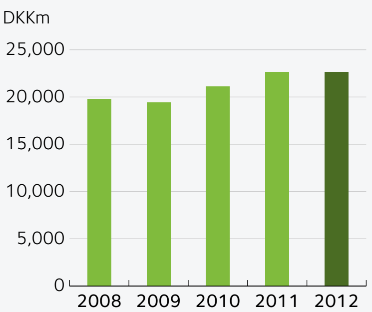
GROWTH IN FREIGHT VOLUMES

	Q4 2012 DSV	Q4 2012 Market	2012 DSV	2012 Market
Consignments	1%	-2-3%	1%	-1-3%

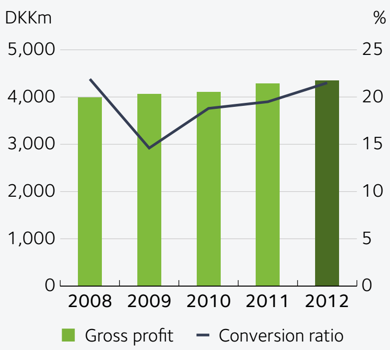
Market growth rates are based on own estimates.

Søren Schmidt
Managing Director
Road Division

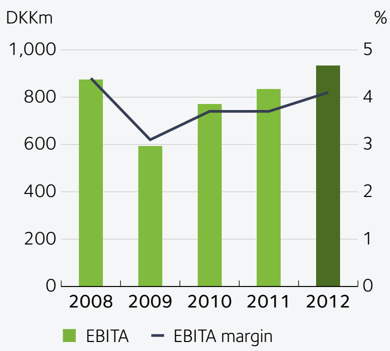
REVENUE



GROSS PROFIT



EBITA



„In the assessment of Management, the Division gained market share in most European countries in 2012

Overall, in terms of capacity there was a good balance between supply and demand in the European road transport market in 2012. Due to the weak market development there was generally sufficient capacity among hauliers, and rates remained relatively stable during the year.

In terms of customers the market was characterised by fierce price competition, particularly in the second half of 2012.

Strategic and operational highlights

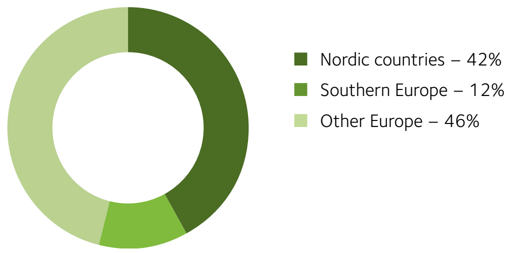
In 2012, the Division focused on gaining market share both within international forwarding as well as national distribution. This focus is reflected in the Division's ongoing efforts to develop its transport service offerings: full loads, part loads and groupage loads.

2012 saw the launch of the new Road concept "DSV Daily Pallet", offering customers daily departures from all DSV terminals to destinations throughout Europe. The Division also continued the work of developing services within specific segments, e.g., the automotive and retail industries.

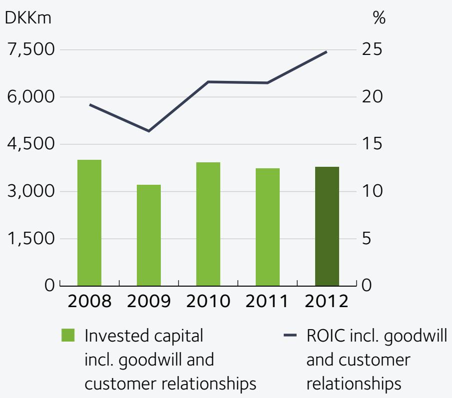
DSV Road is constantly alert to attractive bolt-on acquisition opportunities to supplement the existing network and support growth plans. The acquisition of the freight forwarding activities of AWT Cechofracht in 2012 strengthened the position of DSV Road in the Czech market and is a good example of a bolt-on acquisition.

GEOGRAPHIC EXPOSURE

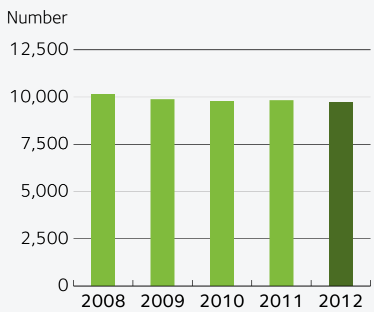
Division revenue can be broken down by the following geographical areas:



ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



Financial results

CONDENSED INCOME STATEMENT

(DKKm)	2011	2012
Revenue	22,641	22,654
Direct costs	18,361	18,308
Gross profit	**4,280**	**4,346**
Other external expenses	1,034	1,020
Staff costs	2,258	2,258
EBITDA	**988**	**1,068**
Amortisation and depreciation	137	117
Amortisation of customer relationships	17	18
EBITA	**834**	**933**
Gross margin (%)	18.9	19.2
Conversion ratio (%)	19.5	21.5
EBITA margin (%)	3.7	4.1
Number of employees at year-end	9,806	9,730
Total invested capital (DKKm)	3,734	3,786
Net working capital (DKKm)	(376)	(396)
ROIC (%)	21.5	24.8

DSV Road delivered revenue of DKK 22,654 million for 2012 against DKK 22,641 million for 2011. For the period under review, the organic growth declined by 1.0%.

Gross profit came to DKK 4,346 million for 2012 against DKK 4,280 million for 2011. The organic growth was 0.6%.

While the number of consignments increased slightly in 2012, both revenue and gross profit were affected by severe price competition in the second half of 2012 in particular. In addition, the product mix changed in 2012 and the Division has gained market share in national transport and distribution, which is characterised by lower average revenue and gross profit per consignment compared to international consignments.

The gross margin was 19.2% for 2012 against 18.9% for 2011.

> "Through effective cost management and improved productivity the Division delivered a considerable increase in operating profit for 2012

EBITA was DKK 933 million for 2012 against DKK 834 million for 2011. For the period under review, the organic growth was 11.1%.

The EBITA margin was 4.1% for 2012 against 3.7% for 2011. The conversion ratio was 21.5% for 2012 against 19.5% for 2011.

Through effective cost management and improved productivity the Division delivered a considerable increase in operating profit for 2012, partly as a result of the ongoing adjustment of overheads ("Operational Excellence") during the year. Division results also improved in some of the countries which have reported disappointing earnings in previous years.

Financial targets

The following long-term financial targets have been set for the Division:

	Target	Realised 2012
EBITA margin	5%	4.1%
Conversion ratio	25%	21.5%
ROIC - before tax	25%	24.8%

MARKET DEVELOPMENT

	Q4 2011 (DKKm)	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2012 (DKKm)
Revenue	5,586	106	33	(106)	(1.9%)	5,619
Gross profit	1,055	18	2	(15)	(1.4%)	1,060
EBITA	184	6	(5)	30	16.2%	215
	2011					2012
Revenue	22,641	214	33	(234)	(1.0%)	22,654
Gross profit	4,280	37	2	27	0.6%	4,346
EBITA	834	11	(5)	93	11.1%	933

Summary – Q4 2012

The number of consignments increased by approx. 1% in Q4 2012, while the market in general is estimated to have decreased 2-3%.

Gross profit amounted to DKK 1,060 million for Q4 2012 (2011: DKK 1,055 million). The organic growth declined by 1.4%, mainly as a result of fierce price competition in the market and a change in product mix, with a larger proportion of national distribution.

EBITA amounted to DKK 215 million for Q4 2012 (2011: DKK 184 million). The organic growth was 16.2%. The improved EBITA mainly reflects the adjustment of overheads and increased efficiency.

Outlook for 2013

DSV expects that the European road transport market will decrease slightly by 1-2% compared to 2012. Although there may be regional differences, overall stagnation or recession is expected across most of Europe.

Operating in a stagnating environment, the Division aims to use its strong position and market leading service offerings to gain additional market share.

The Division will maintain the focus on productivity optimisation and adjustment of overheads in the individual countries.

On this basis, the Division is expected to achieve earnings growth in 2013.

DSV Solutions

DSV Solutions specialises in logistics services across the entire supply chain, including freight management, customs clearance, warehousing and distribution, information management and e-business support. The Division has approx. 5,000 employees.

Market development

In 2012, the European logistics services market was impacted by the economic crisis, which spread from Southern Europe to Northern Europe in the course of the year resulting in stagnating, and in some industries even declining, activity levels in the second half of 2012.

Division volumes measured in order lines (transactions) increased by approx. 1% in 2012 compared to 2011, while the market in general is estimated to be on level with 2011. Volume growth for Q4 2012 was in line with Q3 and full-year 2012.

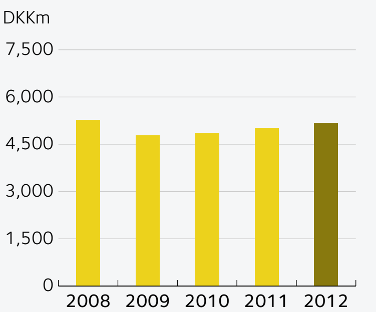
GROWTH IN LOGISTICS VOLUMES

	Q4 2012 DSV	Q4 2012 Market	2012 DSV	2012 Market
Order lines	1%	-1-0%	1%	0%

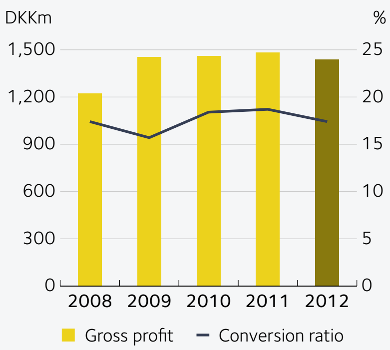
Market growth rates are based on own estimates.

Brian Ejsing
Managing Director
Solutions Division

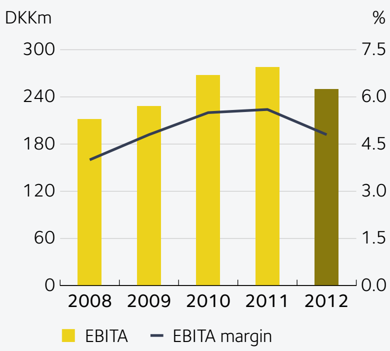
REVENUE



GROSS PROFIT



EBITA



> DSV Solutions continues the development of industry-specific logistics solutions...

Surplus capacity affected the logistics services market in several geographical areas. This caused fierce price competition in connection with the renegotiation of contracts and participation in tenders.

Strategic and operational highlights

The objective of gaining market share is to be achieved mainly through organic growth, with particular focus on the areas where the Division has well established business operations, e.g. the Benelux, Germany and the Nordic countries. DSV has also established Solutions facilities on a small scale in China and other parts of Asia in connection with the other activities of the Group outside Europe, and Division management sees good growth potential in the Asian market.

DSV Solutions continues the development of industry-specific logistics solutions for the automotive, high-tech, healthcare and retail industries, etc. In response to the growing e-commerce the Group has developed a concept which is tailored to businesses in this segment.

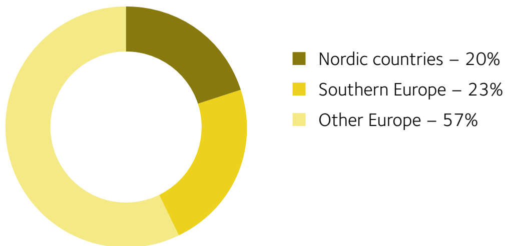
As a key element of the Group's strategy, DSV Solutions collaborates with the other two Divisions in offering integrated solutions that give the customers complete overview of the supply chain while at the same time considering their capital investments and transport and logistics costs.

The Division offers customers a wide range of value-added services, including packaging and labelling of goods, assembly and kitting, product testing, etc., which are in growing demand and which the Division regards as an area with good growth potential.

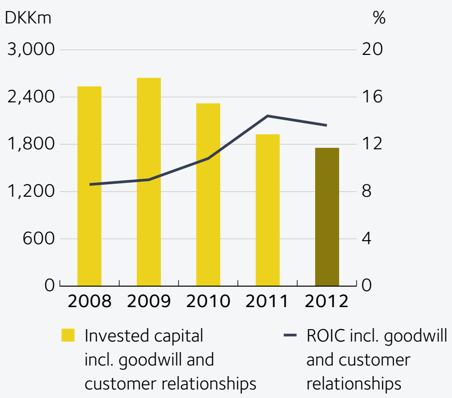
A new Managing Director was appointed for the Division in the second quarter of the year. The new management is expected to continue and strengthen the development of the Division.

GEOGRAPHIC EXPOSURE

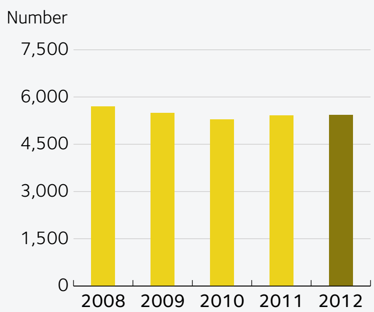
Division revenue can be broken down by the following geographical areas:



ROIC AND INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS



NUMBER OF EMPLOYEES



Financial results

CONDENSED INCOME STATEMENT

(DKKm)	2011	2012
Revenue	5,009	5,181
Direct costs	3,526	3,743
Gross profit	**1,483**	**1,438**
Other external expenses	526	502
Staff costs	521	541
EBITDA	**436**	**395**
Amortisation and depreciation	122	110
Amortisation of customer relationships	36	35
EBITA	**278**	**250**
Gross margin (%)	29.6	27.8
Conversion ratio (%)	18.7	17.4
EBITA margin (%)	5.6	4.8
Number of employees at year-end	5,414	5,428
Total invested capital (DKKm)	1,922	1,755
Net working capital (DKKm)	44	76
ROIC (%)	14.4	13.6

"DSV Solutions expects to gain market share in 2013"

The Division recorded revenue of DKK 5,181 million for 2012 against DKK 5,009 million for 2011. The organic growth was 2.6% for 2012.

Gross profit came to DKK 1,438 million for 2012 against DKK 1,483 million for 2011. The organic growth for the year dropped by 3.7%.

The gross margin was 27.8% for 2012 against 29.6% for 2011.

Despite higher activity level and revenue, gross profit declined partly as a result of extraordinarily high costs related to the implementation of new customer contracts in the first half of 2012. In addition, the market development in Southern Europe and other regions created pressure on earnings, partly due to the declining activity level and partly due to the pressure on prices as a result of excess capacity of facilities.

EBITA was DKK 250 million for 2012 against DKK 278 million for 2011. The organic growth dropped by 10.7% for 2012.

The EBITA margin was 4.8% for 2012 against 5.6% for 2011. The conversion ratio was 17.4% for 2012 against 18.7% for 2011.

The low operating profit is attributable to the low gross profit. The costs level was lower than for 2011, however savings measures and productivity improvements were not enough to fully counterbalance the lower gross profit.

Financial targets

The following long-term financial targets have been set for the Division:

	Target	Realised 2012
EBITA Margin	7%	4.8%
Conversion ratio	25%	17.4%
ROIC - before tax	20%	13.6%

MARKET DEVELOPMENT

	Q4 2011 (DKKm)	Foreign currency translation adjustments (DKKm)	Acquisitions, net (DKKm)	Organic growth (DKKm)	Organic growth (%)	Q4 2012 (DKKm)
Revenue	1,271	18	-	46	3.6%	1,335
Gross profit	372	4	-	(19)	(5.1%)	357
EBITA	73	1	-	(7)	(9.5%)	67
	2011					2012
Revenue	5,009	39	-	133	2.6%	5,181
Gross profit	1,483	10	-	(55)	(3.7%)	1,438
EBITA	278	2	-	(30)	(10.7%)	250

Summary – Q4 2012

The number of order lines increased by approx. 1% in Q4 2012, while the market in general is estimated to have declined slightly.

Gross profit amounted to DKK 357 million for Q4 2012 (2011: DKK 372 million). The organic growth declined by 5.1%. The decline mainly reflects the fierce price competition in the logistics market.

EBITA amounted to DKK 67 million for Q4 2012 (2011: DKK 73 million). The organic growth declined by 9.5%. The decline was mainly a result of the low gross profit, which was only partly counterbalanced by the adjustment of overheads.

Outlook for 2013

The activity level of the European logistics services market is expected to decline slightly by 1-2% in 2013.

DSV Solutions expects to gain market share in 2013 and to improve capacity utilisation and thereby achieve earnings growth.

Risk management

The day-to-day operations of the DSV Group entail various risks. It is crucial for the Group that these risks are identified and addressed in accordance with the risk management objectives established by Management.

Risk management at DSV

DSV considers effective risk management an integral element in the daily work of the Executive Board and the day-to-day operations. The efforts to identify and analyse key risks enable the DSV Management to respond timely to issues that may have a material impact on Group earnings and achievement of financial targets.

The Board of Directors has the ultimate responsibility for the Group's risk management process and establishes the overall framework in this respect, whereas the duty of monitoring compliance with Group risk management policies has been delegated to DSV's Audit Committee to a predominant extent. The Executive Board is responsible for identifying and addressing key risks on a day-to-day basis and to develop the risk management procedures of the Group.

Risk management process

Risk management is an ongoing process in DSV involving the identification of risks and assessment of the potential impact on Group earnings. The Group aims to mitigate risks identified and accepted following a commercial assessment through internal business procedures or insurance. In the mitigation of risks a thorough allocation is made of the organisational responsibilities for implementation and ongoing follow-up. Procedures, guidelines and various key control systems have been developed to monitor and mitigate the risks identified by the Group, ensuring optimal management of all key risks.

In 2012, DSV analysed the Group's key risks through a risk mapping process with participation of relevant employees from all business areas. The process included an assessment of the risk of occurrence of the risks identified and any potential consequences thereof. The purpose of the process was to map any unidentified risks and to confirm or disconfirm the risks already established. This initiative uncovered no risks which had not already been identified and addressed.

Risk reporting

Any risks identified are reported to central Group functions on an ongoing basis and this information is then submitted to the Executive Board. The Executive Board notifies the Board of Directors on a weekly basis of any matters of relevance to the risk management process and of any risk mitigation measures taken. The continuous dialogue with the Board of Directors and the Audit Committee and regular reports from the Executive Board on the development in the key risk factors provide an adequate risk management framework.

In addition to the regular reports DSV's Audit Committee also receives status reports on the key risks at all Committee meetings.

Based on the most recent review of the risk scenario of DSV, Management estimates that the risks identified and the mitigation thereof are unchanged relative to last year in all essentials. The key risks and measures established are listed on pp. 29-30.

Commercial risks

RISK FACTORS	POTENTIAL IMPACT	RISK MITIGATION MEASURES
GENERAL ECONOMIC DEVELOPMENT		
DSV has own operations in more than 70 countries and is therefore affected by both global and regional economic and political trends.	Declining economic activity impacts directly on the demand for transport and logistics services and consequently on the financial results of DSV.	The asset light business model ensures a low level of fixed costs, enabling DSV to adjust overheads according to current market activity levels. By its worldwide activities DSV has a good basis for offsetting any adverse effects from economic developments in different parts and regions of the world. This exposure is an element of the market in which DSV operates, but Management monitors the economic development and initiates the measures necessary to counter any negative development. The risk of material impact is assessed as moderate.
CONSOLIDATION IN THE TRANSPORT INDUSTRY		
The transport industry is in a continuous process of consolidation driven by globalisation and the resulting increase in cross-border trade.	The consolidation process may weaken the relative competitive position of DSV and impede the achievement of necessary economies of scale. However, it may also provide development opportunities in regards to the Group's activities.	By taking an active part in the consolidation of the transport industry DSV has created economies of scale and strengthened its competitive position through acquisitions. DSV continuously monitors the consolidation process and intends to continue to participate actively in this process in line with the strategy described. Acquisitions are made based on a business plan to ensure that the relevant activity/company will be able to meet the Group's financial targets within a few years. In order to minimise the risks related to acquisitions, DSV always performs a due diligence review before signing any transfer agreement. The risk of material impact is assessed as low.
FREIGHT RATE VOLATILITY		
Fluctuations in freight volumes and transport market capacity impact on DSV's freight rates relative to its subcontractors.	If DSV cannot fully pass on freight rate fluctuations to the end customer, this may impact negatively on the financial results of the Group.	The development in freight rates is constantly monitored and initiatives are launched to mitigate the risk by ensuring that changes in freight rates are quickly reflected in customer prices. Oil price fluctuations have a significant impact on freight rates. DSV concludes customer agreements on separate invoicing of variable fuel surcharges to mitigate the risk. The risk of material impact is assessed as low.

IT risks

RISK FACTORS	POTENTIAL IMPACT	RISK MITIGATION MEASURES
IT APPLICATIONS		
Effective and reliable IT systems are essential for the Group in the efficient performance of its day-to-day operations.	The business operations of DSV are highly dependent on IT systems, and process disturbances may have a significant impact on the Group's operations and thereby a negative impact on the consolidated financial results.	Optimisation of the IT production environment is an ongoing process at DSV, which includes the establishment of various minimum service level requirements. Several key control systems have been set up to monitor compliance with the required service levels for the Group's IT applications. DSV also makes targeted efforts to further centralise essential IT systems to support a continuous IT optimisation and IT security improvement process. The risk of material impact is assessed as low.

Continued >

Compliance risks

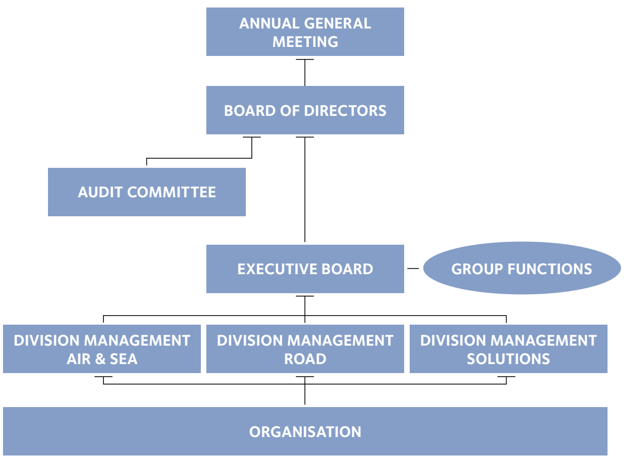
RISK FACTORS	POTENTIAL IMPACT	RISK MITIGATION MEASURES
TRANSPORT AGREEMENTS AND DAMAGE TO CARGO		
DSV may incur liability for damage to cargo during transport, and in some cases customers demand a larger compensation than provided by law and business standards.	The Group is exposed to the risk that agreements are made which could inflict losses on the Group exceeding general statutory limits.	This risk is typically mitigated by the conclusion of customer agreements restricting the potential liability of DSV, agreements on the transfer of risk to sub-contractors or through insurance coverage. Group policies on the conclusion of contracts have been prepared and implemented with the aim to counter this risk. These policies define the powers of authorisation and stipulate procedures regarding the review and approval of draft agreements by the Group Legal Department. This means that any risk of loss can be assessed separately and mitigated by transferring risk to subcontractors or through insurance coverage. The risk of a material impact is assessed as low.
INCREASED REGULATION		
Authorities and organisations enforce stricter regulation in many different areas.	Ever increasing regulation implies a greater risk of violation of rules and recommendations which may entail substantial fines.	It is of great importance to DSV that all its operations comply with national, regional and international rules and recommendations. DSV has formulated internal policies on business ethics. The policies include clear guidelines on how employees should act in relation to particularly risky issues, including anti-competitive agreements, bribery and corruption, and are communicated to all employees on an ongoing basis. Various campaigns and training programmes are carried out and employee tests concerning the various policies are conducted when relevant to ensure that all employees of the organisation are familiar with and understand the policies. Training programmes and tests are aimed at the entire organisation with special focus on executive employees. It is corporate policy that current legislation must be complied with and no derogation from established policies in this field is accepted. This message has been communicated very clearly to the entire organisation. The risk of material impact is assessed as low.
COMPETITION LAW		
The area of competition law has been given special focus in recent years, which has also affected the transport industry.	In recent years, various competition authorities have carried out inspections of international transport companies. Being a global provider of transport and logistics services, DSV may also be affected by this and potentially become a party to competition law proceedings.	DSV has formulated Group policies to mitigate the risk of competition law breaches, e.g., by banning any active involvement in trade organisations and meetings with competitors. The DSV Management follows up on the compliance with these policies on a regular basis, and the importance of strict observance of the rules is frequently communicated to the entire organisation. The risk of material impact is assessed as low.
EMBARGOES		
DSV performs transport services to all regions of the world, an increasing number of which are subject to international embargoes.	This entails an increased risk of violation of any embargos ordered by, e.g., the UN, EU and USA, and of facing heavy fines as a result thereof.	Targeted efforts are made to mitigate the risk of violating such embargos through ongoing communication of guidelines and training of the employees. In addition, DSV applies electronic screening tools that are integrated with the Group's production systems. These systems facilitate automatic screening of new customers and suppliers, thereby reducing the risk of trading with embargoed countries or individuals. The risk of material impact is assessed as low.
FINANCIAL RISKS		
DSV is exposed to interest rate, exchange rate, credit, financing and liquidity risks.	Any development in the financial markets may have a negative impact on the financial results of the Group.	The financial risks are managed and mitigated on corporate level. This concerns interest rate, exchange rate, credit, financing and liquidity risks. Exchange rate and interest rate risks are mitigated according to established policies and are subject to ongoing follow-up and reporting. These factors are described in more detail in note 26 in the Annual Report. The risk of material impact is assessed as low.

Corporate governance

Corporate governance is of great importance to DSV. The entire corporate structure supports a strong control environment and is designed as a simple structure based on the Group's commercial activities with a clear division of management responsibilities.

Management structure

The management structure of DSV consists of a Board of directors and an Executive board. The ultimate authority rests with the shareholders in general meeting. The Board of Directors supervises the development of the Group and sets out the overall visions, strategies and objectives, whereas the Executive Board is responsible for the day-to-day management and the execution of the strategy and contributes essential input to the work of the Board of Directors. The allocation of responsibilities is laid down in the Rules of Procedure of the Board of Directors and Executive Board.



Board of Directors

COMPOSITION AND MEETING FREQUENCY OF THE BOARD OF DIRECTORS

The Board of Directors currently has six members (Directors). According to the Articles of Association of the Company, the Board of Directors must comprise at least five and not more than nine Directors. The composition of the Board is intended to ensure that it has a diverse competency profile to be able to perform its duties as effectively as possible. Reference is made to page 77 for a description of the individual Directors' special competencies in relation to the work of the Board.

Directors are elected for a term of one year at a time, and new Directors are elected according to the current rules of the Danish Companies Act. The upper age limit for Directors stipulated in the Company's Articles of Association implies that Directors must retire at the first annual general meeting after having attained the age of 70.

In the financial year of 2012, the Board of Directors held ten ordinary board meetings and one strategy meeting. The content of the meetings is partly determined by the annual cycle of the Board which helps to ensure that all important policies are reviewed.

BOARD OF DIRECTORS SELF-EVALUATION

The Board of Directors conducts an overall performance evaluation of the Board as a whole once a year. This process also includes evaluation of the performance and competencies of the individual Directors to assess whether the mix of competencies are satisfactory and identify any need for further training. The Chairman of the Board is in charge of the self-evaluation, but may retain an external consultant to assist in connection with the self-evaluation process. The self-evaluation report has been discussed by the Board of Directors and did not give rise to any further initiatives.

INDEPENDENCE OF BOARD MEMBERS

According to the Recommendations on Corporate Governance, three of the six members of the Board of Directors are regarded as independent persons. Kurt K. Larsen (Chairman) was a member of the Executive Board less than five years ago and is therefore not regarded as an independent person. Nor are Erik B. Pedersen or Kaj Christiansen regarded as independent persons as they have both been Directors for more than 12 years.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee with the primary task of monitoring the processes relating to the Group's financial reporting, control environment, financial resources and cash situation and determining the framework for the external audit. The Rules of Procedure of the Audit Committee are available at www.dsv.com. The Committee held three meetings in 2012.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

DSV has adopted a Remuneration Policy which lays down the guidelines for determining and approving the remuneration of the members of the Board of Directors and Executive Board. The Remuneration Policy is designed to always reflect the goal of being able to attract and retain a competent Management. The Remuneration Policy is discussed and approved at the annual general meeting of the Company and is available at www.dsv.com.

Recommendations on Corporate Governance

The Recommendations issued by the Committee on Corporate Governance in August 2011 are actively used by the Board of Directors in its work, and the Board regularly assesses its procedures according to the Recommendations. DSV has opted to derogate from three of the 79 Recommendations: (1) the Recommendation on nomination committee, (2) the Recommendation on remuneration committee, and (3) parts of the Recommendation on diversity at management levels.

NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The Board of Directors regularly considers the need for nomination and remuneration committees, but has not found it necessary to establish such committees for the time being. In the assessment of the Board, the tasks which are to be undertaken by a nomination committee and a remuneration committee according to the Recommendations are performed efficiently by the Chairman of the Board. The Chairman subsequently reports to the other Directors.

DIVERSITY AT MANAGEMENT LEVELS

The Board of Directors discusses the Group's activities on a regular basis, one aim being to ensure that the Group has optimal management teams at all management levels. In connection with these discussions, the Board also considers the element of diversity, but the Board sees no clear connection between fixed levels of diversity and the best possible governance of the Group. For that reason, the Board of Directors has not found it expedient to set specific targets for diverse management teams so far. However, due to the entry into force of new national rules, the Board will establish specific diversity objectives during the first quarter of 2013 to assure that DSV complies with the rules.

For a detailed description of DSV's position on the Recommendations, reference is made to www.dsv.com. The Recommendations are available in their entirety at www.corporategovernance.dk.

Internal control and risk management in connection with financial reporting

The Board of Directors has the overall responsibility for risk management and internal control in connection with the presentation of the financial statements. The internal

control and risk management systems of DSV related to the financial reporting process are designed to minimise the risk that internal and external financial statements include misstatements or irregularities. DSV's internal control and risk management system is not designed according to one specific method package; rather, it is inspired by a series of methods which have been used in establishing the Group's risk management methodology.

The key elements of the Group's risk management and internal control systems in connection with the presentation of financial statements are summarised below.

CONTROL ENVIRONMENT

The control environment in DSV is based on clear guidelines, a simple organisational structure, clear division of responsibilities and constant efforts to strengthen the control environment with due consideration of materiality and risk. This culture is driven from senior management level. The Board of Directors and the Executive Board believe that a strong control environment supported by the tone at the top is crucial to good risk management and effective internal control.

The entire corporate structure is designed as a simple structure based on the Group's commercial activities with a clear division of management responsibilities. The Group Executive Board is represented in the Boards of directors of all material subsidiaries, which apply standard provisions regulating the power to bind the company. This supports a strong control environment throughout the organisation.

The Board of Directors and Executive Board establish and approve at least once a year all general policies, procedures and control systems in essential fields, including Code of Conduct, Corporate Social Responsibility Policy and the Rules of Procedure of the Board of Directors and Executive Board. In addition, policies have been adopted and manuals created within essential fields of financial reporting: accounting and reporting manual, finance, credit and authorisation policies, efficient separation of functions and IT strategy.

The Group's central control and compliance functions are responsible for following up on existing policies and manuals. The Audit Committee is also considered to support a strong control environment.

As part of its annual responsibilities, the Audit Committee assesses the need for an internal audit function and in that connection formulates recommendations for the Board of Directors regarding the establishment of such function. The Audit Committee deems that the existing control and risk management systems are adequate and DSV has opted not to establish an internal audit function for the time being.

RISK ASSESSMENT

The Board of Directors and Executive Board regularly assess key risks and internal control systems in connection with the presentation of consolidated financial statements. This implies, inter alia, that the risk factors and financial and management control systems relating to financial reporting are assessed by the Board of Directors at least once a year. This process includes an assessment of whether the organisational structure and allocation of human resources remain optimal.

The most material and risky items are identified and assessed annually and the risks identified are matched with internal procedures and controls. The items deemed to be the most material and risky are unchanged relative to last year and are described in more detail in note 1 of the Consolidated Financial Statements. Other material risk factors of relevance to the financial reporting include authorisations, conclusion of contracts, IT organisation and IT security as well as risks relating to the separation of functions, etc.

CONTROL ACTIVITIES

The control activities are designed to address the risks identified by Management. The purpose of the control activities is to verify that the policies, manuals and procedures laid down are followed and that any material misstatement is prevented, discovered and remedied. In that connection it is vital that the reasons for any misstatements are identified and eliminated. Minimum requirements of control systems that apply to all Group companies have been laid down on the basis of the risks identified. The control activities include procedures for authorisation, approval, reconciliation, results and liquidity analyses and efficient separation of functions. The control systems cover both manual and automated controls.

DSV also applies various key IT control systems. These key control systems are primarily targeted at corporate IT functions to help safeguard IT operations and thereby support the quality and reliability of the Group's financial reporting.

Group Management and the managements of the national subsidiaries have high focus on financial ratios and follow-up in this respect. Monthly internal financial reports are subject to permanent internal control procedures, including central closing of reporting systems and central review and analysis of reports received from the subsidiaries. The review of reports received is based on an assessment of materiality and risk factors relating to the individual subsidiary.

Detailed procedures and control systems have been established at Group level to ensure timely notification of NASDAQ OMX Copenhagen in accordance with applicable rules.

INFORMATION AND REPORTING

DSV has established standardised information and reporting systems to ensure that the financial reporting gives a true and fair view and is in compliance with legislation and that other internal control procedures of the Group are observed.

Internal reporting instructions and control procedures are continuously revised and evaluated to constantly ensure that financial reports are reliable and transparent.

Management's position on risk management and changes in reporting requirements, etc., is regularly communicated through various channels, e.g., through newsletters, by holding financial conferences for financial managers of all subsidiaries and through dialogue with the individual national managements.

Management emphasises an adequate level of internal communication within the framework of the current stock exchange legislation to ensure in the best possible manner that all employees are aware of their responsibilities within the organisation and accordingly are able to effectively and reliably perform their duties.

MONITORING

The internal control and risk management in connection with the presentation of financial statements are monitored at various levels, including by means of monthly reports to the DSV Management on comprehensive consolidated accounting data, the Group's markets and segments, and by regular control visits to Group entities, and the Audit Committee's work. Furthermore, Management receives cash reports from the subsidiaries on a weekly basis.

The Rules of Procedure of the Audit Committee contain a description of the Committee's role and responsibilities relative to its duty to monitor the financial reporting process. The financial monitoring process is based on regular reports from the Group Finance Department, annual updates as regards the status of the key financial reporting control systems and review of critical accounting estimates and policies. Finally, external audit reports are also reviewed.

The Board of Directors oversees the Executive Board to ensure that it responds effectively in case of weaknesses or deficiencies detected by internal control systems or external audits and that any agreed initiatives to improve risk management and internal control are implemented as planned.

DSV established a global whistleblower scheme in 2012. The scheme enables the employees to anonymously report any material offences or suspicion thereof and thereby contributes to strengthening the monitoring of compliance with Group policies. Information regarding the intended use of DSV's Whistleblower Programme has been communicated to all subsidiaries. The same information is available to all employees via the corporate intranet, which is updated on an ongoing basis.

Shareholder information

In 2012, the DSV share was again among the most traded shares on NASDAQ OMX Copenhagen.
The DSV share rose by 41.5% during the year, and at year-end 2012 the total market capitalisation was DKK 27.4 billion.

The DSV share in 2012

With an average daily trading volume of 604,814 shares, corresponding to DKK 75 million each day, the DSV share was also among the 10 most traded shares on NASDAQ OMX Copenhagen in 2012.

At year-end 2012, the closing price of the DSV share on NASDAQ OMX Copenhagen was DKK 145.7, whereas the 2011 year-end closing price was DKK 103.0. Accordingly, the DSV share was up by DKK 42.7 in 2012, corresponding to 41.5%. During the same period, the OMXC20 Index of NASDAQ OMX Copenhagen rose by 27.2%.

At year-end 2012, the market capitalisation of DSV was DKK 27.4 billion, inclusive of the value of treasury shares.

BASIC DATA

Share capital at 31 December 2012	DKK 188,000,000
Number of shares at 31 December 2012	188,000,000
Denomination and voting rights per share	1
Share classes	1
Restrictions on transferability and voting rights	None
Listed	NASDAQ OMX Copenhagen
Trading symbol	DSV
ISIN code	DK0060079531

Dividends

The Board of Directors proposes ordinary dividends of DKK 1.25 per share for 2012. Dividends of DKK 1.00 per share were distributed for 2011.

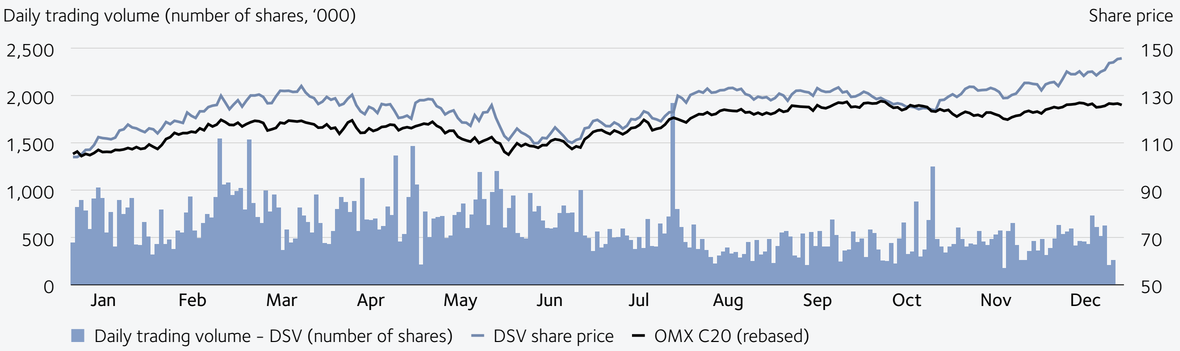
Share buy-back

In the financial year of 2012, DSV acquired 10,421,661 own shares at a total purchase price of DKK 1.3 billion. Added to the dividends distributed, DSV has distributed almost DKK 1.5 billion to the shareholders of the Company, which is in line with the expectations previously announced. The average price of the repurchased shares was DKK 125.0, and the total number of shares repurchased corresponds to 5.5% of the Company's share capital at the beginning of the financial year.

The purpose of the share buy-back scheme was to hedge incentive programmes and adjust the capital structure in accordance with the financial targets. The shares were bought back under the powers granted at the Annual General Meeting of DSV on 21 March 2012 using the safe harbour method.

At 31 December 2012, the Company held 9,937,421 shares as treasury shares, corresponding to 5.3% of the share capital. As at 20 February 2013, the Company's portfolio of treasury shares amounts to 9,779,421 shares.

SHARE PRICE AND TRADING VOLUME, 2012



Capital reduction

Following the acquisition of treasury shares in 2011, the Company has reduced its share capital. The share capital of DSV A/S was reduced by a nominal value of DKK 2 million on 18 April 2012. The capital reduction was carried out in accordance with the resolution passed at the Annual General Meeting on 21 March 2012 through the cancellation of two million treasury shares.

At the next General Meeting, the Board of Directors expects to propose a further reduction of the Company's share capital of a nominal amount of DKK 8 million.

Incentive programmes

At its Board meeting on 21 March 2013, the DSV Board of Directors expects to authorise the Executive Board to allocate up to two million share options to senior staff members in accordance with the guidelines for incentive pay. The allocation will be made at the average quoted price on the five consecutive trading days preceding 31 March 2013.

Authority

The Board of Directors is authorised by the General Meeting to increase the Company's share capital. The total number of shares that may be acquired under the authority is 37.6 million. The authority is valid until 21 March 2017.

The Board of Directors has also been authorised by the General Meeting to issue convertible debt instruments and warrants and to make the related capital increase. This authority is valid until 26 March 2015 and covers shares of a total nominal value of up to DKK 25 million. Shareholders have no pre-emptive rights if the Board of Directors exercises the said authorities.

The General Meeting also authorised the Board of Directors on 21 March 2012 to buy back a maximum of 18.8 million shares in the Company. At 20 February 2013, the remaining number of shares that may be acquired under the authority may not exceed 8,862,579. The authority is valid until 21 March 2017. The purchase price of treasury shares acquired under the authority may not deviate by more than 5% from the most recently quoted market price of the shares at the date of acquisition. The Board of Directors expects to propose at the next General Meeting that the Board be granted authority to acquire up to 18 million treasury shares.

The authorities have been incorporated into the Company's Articles of Association. The Articles of Association are amended according to the rules of the Danish Companies Act. The latest amendment of the Articles of Association was made in connection with the capital reduction on 18 April 2012.

Company announcements published in 2012

DSV published a total of 58 company announcements in 2012 (Nos. 426-483). The most important announcements in 2012 are listed below:

23 January	No. 428	Conclusion of share buy-back programme in DSV A/S
21 February	No. 434	2011 Annual Report
21 February	No. 435	Launch of new share buy-back programme according to the safe harbour method
21 March	No. 442	Minutes of DSV's Annual General Meeting
28 March	No. 443	European Commission's final decision following a Statement of Objections
31 March	No. 445	Antitrust proceedings in Italy
23 April	No. 448	Conclusion of share buy-back programme and reduction of share capital in DSV A/S
27 April	No. 449	Interim Financial Report First Quarter 2012
27 April	No. 450	Launch of new share buy-back programme according to the safe harbour method
30 July	No. 461	Conclusion of share buy-back programme in DSV A/S
31 July	No. 462	Interim Financial Report H1 2012
31 July	No. 463	Launch of new share buy-back programme according to the safe harbour method
16 October	No. 474	Conclusion of share buy-back programme in DSV A/S
25 October	No. 475	Interim Financial Report Third Quarter 2012
25 October	No. 476	Launch of new share buy-back programme according to the safe harbour method
7 November	No. 478	Financial Calendar 2013
3 December	No. 481	Share buy-back and major shareholder announcement - DSV A/S
21 December	No. 483	Conclusion of share buy-back programme in DSV A/S

Other company announcements concerned share buy-backs in all essentials. For a complete list of 2012 company announcements, please refer to www.dsv.com.

Shareholder composition

At 31 December 2012, registered shares in DSV A/S totalled 165.1 million, corresponding to 88% of the share capital. The largest 25 of these shareholders owned 42% of the entire share capital. Of the registered shareholders 20% are private investors and 80% institutional investors.

SHAREHOLDERS - GEOGRAPHICAL DISTRIBUTION

Category	Proportion of share capital
Denmark	30
Foreign countries	53
Treasury shares	5
Not registered	12
Total	100

DSV A/S owns 9,779,421 (5.2%) treasury shares. No other shareholders of DSV own more than 5% of the share capital.

LIST OF ANALYSTS

ABG Sundal Collier	HSBC
Alm. Brand Markets	Jyske Bank
Bank of America Merrill Lynch	Macquarie
Barclays Capital	Mainfirst
Berenberg Bank	Morgan Stanley
CA Cheuvreux	Nomura International
Cantor Fitzgerald	Nordea Markets
Carnegie Bank	Nykredit Markets
Credit Suisse	RBC
Danske Markets Equities	SEB Enskilda Equities
Davy Research	Sydbank
Deutche Bank	Thompson Davis & Co.
Goldman Sachs	UBS
Handelsbanken Capital Markets	

Investor relations policy

DSV plans and structures its financial reports to the market and dialogue with investors and analysts with a view to ensuring a high and uniform level of information and an open and active dialogue. The aim is to ensure that the development in the DSV share price reflects the underlying financial development of the Company at any time. In line with this policy, the Company's interim and annual reports are webcast, and the DSV Management participates in investor meetings and conferences in Denmark and abroad. Finally, DSV hosts a Capital Markets Day at regular intervals to give a more detailed presentation of the Group.

The investor relations pages at www.dsv.com are intended to function as a natural venue and a complete source of information for current and potential investors. Hence, annual reports, interim reports, investor presentations and other company announcements of the past five years to NASDAQ OMX Copenhagen are available at www.dsv.com.

Questions concerning investor relations may be addressed to investor@dsv.com.

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 the annual report and four weeks prior to the publication of interim reports.

Financial calendar

The financial calendar 2013 is as follows:

FINANCIAL CALENDAR

Activity	Date	Start of quiet period
Annual General Meeting	21 March 2013	-
Q1 2013 Report	30 April 2013	29 March 2013
H1 2013 Report	30 July 2013	28 June 2013
Q3 2013 Report	29 October 2013	27 September 2013

Corporate social responsibility

DSV still has high focus and continues to make progress on Corporate Social Responsibility (CSR). Targeted efforts are made within a few, relevant core areas with the aim to achieve concrete and measurable results.

DSV is a participant of the United Nations Global Compact and submitted its progress report (Communication on Progress) to the Global Compact on 20 February 2013, excerpts of which are given below. The report describes key issue areas and the actions and progress made by DSV in implementing the CSR initiatives in 2012.

The progress report replaces the statutory report on corporate social responsibility in accordance with the exemption provision in section 99a of the Danish Financial Statements Act and is available in its entirety on DSV's website at www.dsv.com.

Key focus areas embedded across the Group

DSV focuses on three specific CSR issue areas:

- Environment and climate
- Business ethics and anti-corruption
- Employees and working environment

These areas have been selected as they have the highest relevance to the core business of DSV and therefore are areas where DSV is in a favourable position to exert influence. The focus areas are also considered to be of major importance to the Group's stakeholders, employees and shareholders.

The issue areas are described in the DSV CSR strategy and each area is supported by a number of targets to drive progress in the field of CSR. The targets have been adopted by the Board of Directors, and CSR is a permanent item in the annual cycle of the Board which includes the annual task of reviewing the Group's internal Code of Conduct and its Supplier Code of Conduct. The decisions made by the Board of Directors are subsequently implemented by the Executive Board. As an embedded element of Group Management's responsibilities CSR is a high-focus area of the Group, and DSV thereby sends a clear signal to the entire organisation about the importance of CSR to all Group companies.

CSR objectives – follow-up and updating of targets

In 2011, Management set a number of targets based on the adopted strategy and policies. One or more activities were established for each target to ensure that efforts are made to achieve the CSR targets.

Management evaluated the targets during the year and concluded that most of them have been achieved and that DSV is on the right track to achieve the long-term objectives. To further accelerate the CSR performance of the Group, several new targets have been adopted. Various new and updated activities were also established for each target.

Environment and climate

Effective transportation is a crucial prerequisite for an efficient and high-growth society. Historically, DSV has grown through organic growth and acquisitions and intends to continue to develop its business.

DSV provides transport and logistics services. This means that increased operations will also entail an increase in the energy consumption of our suppliers which perform the physical transportation of cargo. As transportation is based to a large extent on fossil fuels, a growing energy consumption leads to increased burning of fossil fuels and thereby increased emissions of CO_2 and other substances.

This means that DSV must continue to work with the suppliers to improve fuel efficiency and that DSV must continue its efforts to optimise capacity utilisation per unit. An optimum utilisation of the space available on the individual means of transportation will benefit the environment and can be achieved, e.g., by ensuring a good and effecive planning of the cargo volumes available in the business network.

With the aim to promote a positive development DSV has set a number of internal targets for the internal processes of DSV and targets aimed at the suppliers providing transport services for the Group. As a general objective, DSV must reduce the carbon emissions of suppliers and own operations. Therefore, DSV has set a concrete target of a 15% improvement of the energy efficiency of all transport activities by 2015 compared to 2010 figures.

PROGRESS THROUGH COLLABORATION AND MEASUREMENT

DSV partners with several customers to reduce the emissions from transport operations. DSV makes a specific calculation of transport emissions based on key figures from its suppliers and actual cargo volumes carried for the customers. This calculation forms the basis of an assessment of the emission reduction potential of the Group's transport operations. Improvements can be obtained through better planning of shipments or use of intermodal transportation.

Business ethics and anti-corruption

Operating across many different cultures all over the world, DSV finds it essential that all employees share the same business ethical values; that all commercial agreements must be concluded by equal partners on a fair and transparent basis. In order to ensure that this is the case in business transactions involving DSV a number of guidelines are stipulated in the DSV Code of Conduct, which constitutes the very basis of the Group's CSR initiatives in relation to business ethics and anti-corruption. The guidelines have been formulated so as to serve as a source of information as well as a guide on ethical conduct for the employees in their interaction with customers, competitors and suppliers.

CODE OF CONDUCT FOR SUPPLIERS

In 2012, DSV formulated the Supplier Code of Conduct - a common set of business ethics rules and requirements for the suppliers of the Group. The requirements made on the suppliers of the Group are not very different from the internal DSV Code of Conduct as the suppliers must adhere to the same high standards as DSV.

The guidelines describe what DSV considers appropriate business conduct from its suppliers and thereby also the conduct that is expected from the suppliers when performing services on behalf of or supplying products to DSV.

ACTIVE FIGHT AGAINST FACILITATION PAYMENTS

By its worldwide operations, DSV is faced with a highly complex problem related to the concept of corruption that is difficult to combat: the so-called facilitation payments. DSV supports the abolition of facilitation payments, but understands that it is a practice which is widely used in certain countries and regions and which the employees of DSV experience in their daily work.

In 2012, DSV analysed the scope of the problem among the companies that face this challenge in their day-to-day operations. It can be concluded that it requires extraordinary efforts to resist or minimise demands for facilitation payments.

The DSV Management has therefore decided to examine the possibilities of eliminating facilitation payments. Consequently a pilot project will be launched which is to work towards an elimination of facilitation payments through targeted efforts in some of the affected countries, dialogue through relevant networks and other initiatives.

Employees and working environment

Employees and working environment is an obvious focus area in relation to the CSR strategy and initiatives of DSV. Employees are the backbone of DSV, whether they plan the shipments, load and unload cargo at the terminals, find the best possible transport solution for the customers or work to develop the business in general. DSV aims to minimise the number of occupational injuries and accidents, and ideally eliminate this issue altogether, by focusing on minimising the risks and raising employees' awareness of safety. Management has therefore set various targets with the view to maintaining and nurturing a positive working environment at all DSV locations.

FEWER OCCUPATIONAL ACCIDENTS AT DSV

Management has set an ambitious target stating that the number of occupational accidents must be reduced by 25% compared to 2010 figures. Several companies have subsequently been involved in a joint initiative to share knowledge and best practice on the prevention of work-related accidents. Furthermore, companies across the Group have been engaged in various local initiatives, from risk mapping and management to registration of "near accidents" and causal analyses of accidents.

It is satisfactory to note that the initiatives have led to a major overall decline in the number of occupational accidents as well as in the rate of occupational accidents among the employees of DSV. Occupational accidents declined considerably among hourly workers in particular, down almost 10% compared to the year before and a reduction of almost 18% compared to 2010, when the target was adopted. All Divisions have worked with various initiatives and contributed to reducing the number of occupational accidents among hourly workers. Overall, the number of reported accupational accidents dropped by almost 100 accidents compared with the year before.

Traditionally, the salaried staff of DSV are less likely to suffer a work-related accident as they are mainly engaged in office work. The rate of occupational accidents dropped considerably by almost 29% compared to last year. Despite the notable reduction of almost 19% in the total number of accidents compared to 2010 as a result of the efforts to prevent accupational accidents, we have to realise that the target of a 25% reduction relative to the 2010 level has not been achieved.

Any type of occupational accident, regardless of the consequences it may have for the employee, is a major concern and cannot be accepted. DSV therefore continues its efforts to further reduce the number of work-related accidents with the aim to continuously improve performance in this area. The initiatives mentioned above is an ongoing process and further efforts will be made in a number of DSV companies where the effect of the initiatives have not yet materialised. By these measures DSV expects to achieve the target in 2013.

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INCOME STATEMENT

(DKKm)	Note	2011	2012
Revenue		43,710	44,912
Direct costs		33,891	34,858
Gross profit		**9,819**	**10,054**
Other external expenses	3	2,092	2,116
Staff costs	4, 5	4,752	4,864
Operating profit before amortisation, depreciation and special items (EBITDA)		**2,975**	**3,074**
Amortisation and depreciation of intangibles, property, plant and equipment	6	549	534
Operating profit before special items (EBITA)		**2,426**	**2,540**
Special items	7	-	(275)
Operating profit (EBIT)		**2,426**	**2,265**
Share of associates' profit, net of tax	14	7	7
Financial income	8	119	141
Financial expenses	9	557	394
Profit before tax		**1,995**	**2,019**
Tax on profit for the year	10	546	589
Profit for the year		**1,449**	**1,430**
Profit for the year is attributable to:			
Shareholders of DSV A/S		1,440	1,427
Non-controlling interests		9	3
Earnings per share:	11		
Earnings per share of DKK 1		7.34	7.81
Diluted earnings per share of DKK 1		7.29	7.76

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Note	2011	2012
Profit for the year		**1,449**	**1,430**
Foreign currency translation adjustments, foreign enterprises		(8)	(42)
Fair value adjustment for the year relating to hedging instruments		(61)	(85)
Fair value adjustment relating to hedging instruments transferred to financials		62	61
Actuarial gains/(losses)	19	(171)	(115)
Other adjustments		(1)	-
Tax on other comprehensive income	10	(16)	38
Other comprehensive income, net of tax		**(195)**	**(143)**
Total comprehensive income		**1,254**	**1,287**
Statement of comprehensive income is allocated to:			
Shareholders of DSV A/S		1,245	1,284
Non-controlling interests		9	3
Total		**1,254**	**1,287**

BALANCE SHEET, ASSETS

(DKKm)	Note	2011	2012
Intangibles	12	8,683	8,723
Property, plant and equipment	13	4,503	4,261
Investments in associates	14	26	17
Other securities and receivables	15	144	136
Deferred tax asset	16	430	409
Total non-current assets		**13,786**	**13,546**
Trade and other receivables	17	8,565	8,658
Cash and cash equivalents		367	552
Assets held for sale		16	38
Total current assets		**8,948**	**9,248**
Total assets		**22,734**	**22,794**

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	Note	2011	2012
Share capital	18	190	188
Reserves		5,089	5,160
DSV A/S shareholders' share of equity		**5,279**	**5,348**
Non-controlling interests		30	37
Total equity		**5,309**	**5,385**
Deferred tax	16	527	411
Pensions and similar obligations	19	975	1,078
Provisions	20	391	418
Financial liabilities	21	6,091	6,190
Total non-current liabilities		**7,984**	**8,097**
Provisions	20	215	275
Financial liabilities	21	861	923
Trade and other payables	22	7,938	7,917
Corporation tax		427	197
Total current liabilities		**9,441**	**9,312**
Total liabilities		**17,425**	**17,409**
Total equity and liabilities		**22,734**	**22,794**

CASH FLOW STATEMENT

(DKKm)	Note	2011	2012
Profit before tax		1,995	2,019
Adjustment, non-cash operating items etc.:			
Amortisation and depreciation		555	534
Share-based payments		34	40
Special items		-	4
Change in provisions		(128)	22
Share of profit of associates		(7)	(7)
Financial income	8	(119)	(141)
Financial expenses	9	557	394
Cash flow from operating activities before change in net working capital and tax		**2,887**	**2,865**
Change in net working capital		(184)	(196)
Financial income, paid		120	141
Financial expenses, paid		(535)	(377)
Corporation tax, paid		(425)	(782)
Cash flow from operating activities		**1,863**	**1,651**
Acquisition of intangibles		(96)	(132)
Acquisition of property, plant and equipment		(548)	(446)
Sale of property, plant and equipment		680	404
Acquisition of subsidiaries and activities	25	(65)	(106)
Divestment of subsidiaries and activities	25	-	12
Change in other financial assets		(5)	19
Cash flow from investing activities		**(34)**	**(249)**
Free cash flow		**1,829**	**1,402**
Other non-current liabilities incurred		2,022	750
Repayment of loans and credits		(880)	(547)
Other financial liabilities incurred		(459)	(66)
Shareholders:			
Dividends distributed		(105)	(190)
Purchase and sale of treasury shares		(2,505)	(1,302)
Sale of treasury shares, exercise of share options		87	219
Other transactions with shareholders		23	34
Cash flow from financing activities		**(1,817)**	**(1,102)**
Cash flow for the year		**12**	**300**
Cash and cash equivalents 1 January*		363	367
Cash flow for the year		12	300
Foreign currency translation adjustments		(8)	(115)
Cash and cash equivalents 31 December		**367**	**552**

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

Statement of adjusted free cash flow		2011	2012
Free cash flow		1,829	1,402
Net acquisition of subsidiaries and activities		65	94
Normalisation of working capital in subsidiaries and activities acquired		-	13
Adjusted free cash flow		**1,894**	**1,509**

*) Cash and cash equivalents comprised DKK 369 million (2011: DKK 234 million) relating to subsidiaries' cash and cash equivalents in countries with foreign exchange control or other restrictions which imply that the cash is not immediately available for general use for the Group.

STATEMENT OF CHANGES IN EQUITY – 2011

(DKKm)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2011	**209**	**(110)**	**66**	**6,279**	**105**	**6,549**	**36**	**6,585**
Profit for the year	**-**	**-**	**-**	**1,250**	**190**	**1,440**	**9**	**1,449**
Foreign currency translation adjustments, foreign enterprises	-	-	(8)	-	-	(8)	-	(8)
Fair value adjustments for the year relating to hedging instruments	-	(61)	-	-	-	(61)	-	(61)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	62	-	-	-	62	-	62
Actuarial gains/(losses)	-	-	-	(171)	-	(171)	-	(171)
Other adjustments	-	-	-	(1)	-	(1)	-	(1)
Tax on other comprehensive income	-	3	-	(19)	-	(16)	-	(16)
Other comprehensive income, net of tax	**-**	**4**	**(8)**	**(191)**	**-**	**(195)**	**-**	**(195)**
Total comprehensive income for the period	**-**	**4**	**(8)**	**1,059**	**190**	**1,245**	**9**	**1,254**
Transactions with owners:								
Share-based payments	-	-	-	34	-	34	-	34
Dividends distributed	-	-	-	-	(105)	(105)	(5)	(110)
Purchase and sale of treasury shares, net	-	-	-	(2,418)	-	(2,418)	-	(2,418)
Capital reduction	(19)	-	-	19	-	-	-	-
Acquisition/sale of non-controlling interests	-	-	-	(16)	-	(16)	(10)	(26)
Dividends on treasury shares	-	-	-	4	-	4	-	4
Tax on transactions with owners	-	-	-	(14)	-	(14)	-	(14)
Total transactions with owners	**(19)**	**-**	**-**	**(2,391)**	**(105)**	**(2,515)**	**(15)**	**(2,530)**
Equity at 31 December 2011	**190**	**(106)**	**58**	**4,947**	**190**	**5,279**	**30**	**5,309**

STATEMENT OF CHANGES IN EQUITY – 2012

(DKKm)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2012	**190**	**(106)**	**58**	**4,947**	**190**	**5,279**	**30**	**5,309**
Profit for the year	**–**	**–**	**–**	**1,192**	**235**	**1,427**	**3**	**1,430**
Foreign currency translation adjustments, foreign enterprises	–	–	(42)	–	–	(42)	–	(42)
Fair value adjustment for the year relating to hedging instruments	–	(85)	–	–	–	(85)	–	(85)
Fair value adjustment relating to hedging instruments transferred to financial expenses	–	61	–	–	–	61	–	61
Actuarial gains/(losses)	–	–	–	(115)	–	(115)	–	(115)
Tax on other comprehensive income	–	23	–	15	–	38	–	38
Other comprehensive income, net of tax	**–**	**(1)**	**(42)**	**(100)**	**–**	**(143)**	**–**	**(143)**
Total comprehensive income for the period	**–**	**(1)**	**(42)**	**1,092**	**235**	**1,284**	**3**	**1,287**
Transactions with owners:								
Share-based payments	–	–	–	40	–	40	–	40
Dividends distributed	–	–	–	–	(190)	(190)	–	(190)
Purchase and sale of treasury shares, net	–	–	–	(1,084)	–	(1,084)	–	(1,084)
Capital reduction	(2)	–	–	2	–	–	–	–
Dividends on treasury shares	–	–	–	3	–	3	–	3
Other adjustments	–	–	–	–	–	–	4	4
Tax on transactions with owners	–	–	–	16	–	16	–	16
Total transactions with owners	**(2)**	**–**	**–**	**(1,023)**	**(190)**	**(1,215)**	**4**	**(1,211)**
Equity at 31 December 2012	**188**	**(107)**	**16**	**5,016**	**235**	**5,348**	**37**	**5,385**

Retained earnings reserve at 31 December 2012 comprised a premium of DKK 1,354 million arising on the issue of shares (2011: DKK 1,354 million) less the negative balance between the purchase and sale of treasury shares of DKK 6,501 million (2011: a negative DKK 5,417 million).

Sale of treasury shares relates to the exercise of share options in connection with incentive schemes.

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NOTE 1 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the Consolidated Financial Statements of DSV A/S, Management makes various accounting estimates and judgements that affect the reported amounts of assets, liabilities, income, expenses, cash flow and related information at the reporting date. The estimates are based on historical experience and other factors deemed reasonable in the circumstances. By their nature, such estimates are subject to some uncertainty and the actual results may deviate from these estimates. The estimates are continually evaluated and the effect of any changes are recognised in the relevant period.

The accounting estimates and judgements deemed by Management to be material for the preparation of the consolidated financial statements are as follows:

GOODWILL IMPAIRMENT TESTING

The annual goodwill impairment test implies an assessment as to whether the units of the Group to which the reported goodwill relates will be able to generate sufficient positive cash flow in future to support the carrying amount of the goodwill. A number of critical estimates are made in connection with the impairment test, including of the expected free cash flow a number of years ahead and in relation to determination of the discount rate. Please refer to note 12 for a detailed description of the goodwill impairment test.

REVENUE

At the close of accounting periods accounting estimates and judgements are made regarding forwarding in progress, including accrual of income and pertaining direct costs. These estimates are based on experience and continuous follow-up on provisions for forwarding in progress relative to subsequent invoicing. Changes in forwarding in progress are recognised in revenue and direct costs.

PROVISIONS AND CONTINGENCIES

Management continually assesses provisions, contingent assets and liabilities and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are obviously uncertain. Management includes judgements by external legal experts and existing case law in assessing the probable outcome of material legal proceedings, tax issues, etc. Please refer to notes 20 and 24 for detailed information on provisions and contingencies.

PENSIONS

For the determination of the Group's pension obligations related to defined benefit plans, Management is required to make several estimates and assessments, e.g., of the expected development in wage/salary level, interest yield, inflation, discount rate and average life expectancy. In determining the obligation, the Group makes use of external and independent actuaries. The financial crisis has implied a greater degree of uncertainty in the determination of the discount rate. Please refer to note 19 for a detailed description and specification of pension amounts.

DEFERRED TAX ASSETS

The Group recognises deferred tax assets, including the tax base of tax loss carryforwards, if it is estimated that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Please refer to note 16 for a further description of deferred tax assets.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

As an element of the Group's accounting policies, Management makes judgements that may have a material impact on the amounts recognised in the Consolidated Financial Statements. The critical judgements made for 2012 are summarised below.

LEASES

The Group has concluded arm's length leases for buildings and other equipment. Based on an assessment of the individual lease, an assessment is made as to whether these leases are to be considered finance or operating leases in the financial statements.

SPECIAL ITEMS

Special items are used in connection with the presentation of the profit or loss for the year to distinguish certain items from the other items of the income statement. In connection with the use of special items it is crucial that they are significant items not directly attributable to the ordinary operating activities of the Group. Special items consist 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.

Management exercises careful judgement to ensure a correct distinction between ordinary Group operating activities and activities involving income and expenses to be presented under special items. Please refer to note 7 for a further specification and description of special items.

FINANCIAL INSTRUMENTS

When entering into contracts for financial instruments, an assessment is made of whether the instrument qualifies for hedge accounting, including whether the instrument hedges recognised assets and liabilities, expected future cash flows or net investments in foreign entities. The effectiveness of recognised financial instruments is assessed on a monthly basis, and any ineffectiveness is recognised in the income statement.

MATERIALITY IN FINANCIAL REPORTING

For the preparation of the Annual Report, Management considers the optimum way of presenting the financial statements. It is important that the content is material to the user. This objective is pursued by making relevant rather than generic descriptions in the Management's Commentary and only including descriptions of risks, the mitigation thereof and value drivers, etc., that may have or had a material influence on the achievement of the Group's targets.

A judgements is made when more detailed specifications are necessary in the presentation of the Group's assets, liabilities, financial position and results or whether an aggregation of less material amounts is preferred. The notes to the financial statements are prepared with focus on ensuring that the content is relevant and the presentations clear. All judgements are made with due consideration of legislation, international accounting standards and guidelines and of the Annual Report as a whole presenting a true and fair view.

NOTE 2 – SEGMENT INFORMATION

The activities of DSV are divided into three divisions: Air & Sea, Road and Solutions. Segment identification is based on the internal financial reporting of the Group.

(DKKm) 2011	Air & Sea Division	Road Division	Solutions Division	Parent	Other activities and non-allocated items and eliminations	Total
Condensed income statement						
Revenue	18,926	22,641	5,009	438	-	47,014
Intercompany revenue	(781)	(1,672)	(429)	(438)	16	(3,304)
Revenue	18,145	20,969	4,580	-	16	43,710
Amortisation and depreciation of intangibles, property, plant and equipment	132	154	158	103	2	549
Operating profit before special items	1,355	834	278	(58)	17	2,426
Share of associates' profit, net of tax					7	7
Net financials					(438)	(438)
Profit before tax (EBT)						1,995
Condensed balance sheet						
Total gross investments	101	310	205	85	-	701
Total assets	10,374	9,627	1,611	1,122	-	22,734
Total liabilities	4,183	5,382	1,492	6,368	-	17,425

Geographical information	Europe	Americas	Rest of world	Total
Revenue	37,836	2,565	3,309	43,710
Total intangibles, property, plant and equipment	10,820	1,640	726	13,186

(DKKm) 2012	Air & Sea Division	Road Division	Solutions Division	Parent	Other activities and non-allocated items and eliminations	Total
Condensed income statement						
Revenue	19,855	22,654	5,181	480	144	48,314
Intercompany revenue	(846)	(1,692)	(304)	(480)	(80)	(3,402)
Revenue	19,009	20,962	4,877	-	64	44,912
Amortisation and depreciation of intangibles, property, plant and equipment	134	135	145	120	-	534
Operating profit before special items	1,412	933	250	(65)	10	2,540
Special items					(275)	(275)
Share of associates' profit, net of tax					7	7
Net financials					(253)	(253)
Profit before tax (EBT)						2,019
Condensed balance sheet						
Total gross investments	151	262	163	127	-	703
Total assets	10,645	9,613	1,546	990	-	22,794
Total liabilities	3,986	5,453	1,514	6,456	-	17,409

Geographical information	Europe	Americas	Rest of world	Total
Revenue	38,366	2,944	3,602	44,912
Total intangibles, property, plant and equipment	10,636	1,615	711	12,962

Inter-segment transactions are made on an arm's length basis.

The corporate headquarters of DSV is located in Denmark. Revenue for Denmark came to DKK 6,147 million for 2012 (2011: DKK 6,318 million) and intangibles, property, plant and equipment stood at DKK 2,670 million at 31 December 2012 (2011: DKK 2,978 million).

NOTE 3 – FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

(DKKm)	2011	2012
Statutory audit	17	16
Tax and VAT advisory services	3	4
Other services	4	2
Total fees to auditors appointed at the Annual General Meeting	**24**	**22**
Others, audit	1	2
Others, total fees	**1**	**2**
Total fees	**25**	**24**

Auditors appointed at the Annual General Meeting, 2012: KPMG (2011: KPMG).

NOTE 4 – STAFF COSTS

(DKKm)	2011	2012
Wages and salaries etc.	5,546	5,702
Defined contribution pension plans, see note 19	246	259
Defined benefit pension plans, see note 19	36	45
Other expenses for social security	1,009	1,035
Share-based payments	34	40
	6,871	7,081
Transferred to direct costs	(2,119)	(2,217)
Total staff costs	**4,752**	**4,864**
Average number of full-time employees	21,445	21,573
Number of full-time employees at year-end	21,678	21,932

Remuneration of the Executive Board

	Jens Bjørn Andersen		Jens H. Lund		Total	
(DKKm)	2011	2012	2011	2012	2011	2012
Fixed salary	6.2	6.4	4.3	4.6	10.5	11.0
Defined contribution pension plans	0.5	0.5	0.1	0.1	0.6	0.6
Bonus	2.5	2.5	1.7	1.7	4.2	4.2
Share-based payments	1.8	2.1	1.3	1.5	3.1	3.6
Total remuneration of Executive Board	**11.0**	**11.5**	**7.4**	**7.9**	**18.4**	**19.4**

The members of the Executive Board are subject to a notice period of up to 24 months.
For information on the exercise of share options by the Executive Board, please refer to note 5.

Remuneration of the Board of Directors of the Parent

(DKK'000)	2011	2012
Kurt K. Larsen, Chairman	1,050	1,181
Erik B. Pedersen, Deputy Chairman	525	525
Kaj Christiansen	350	350
Per Skov (resigned 2012)	481	131
Annette Sadolin	481	525
Birgit W. Nørgaard	350	350
Thomas Plenborg (elected 2011)	525	700
Total remuneration of the Board of Directors of the Parent	**3,762**	**3,762**

Remuneration of the members of the Executive Board and the Board of Directors is calculated using the principles of the Company's Remuneration Policy.

NOTE 5 – INCENTIVE SCHEMES AND SHARES HELD BY MANAGEMENT

DSV has launched incentive share option programmes with a view to motivating and retaining senior staff and members of the Executive Board. The incentive schemes are also intended to make staff and shareholders identify with the same interests.

Alle exercise prices are set on the basis of the quoted market price at the date of grant.

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

A total of 1,202 employees held options at 31 December 2012.

Current option schemes

Scheme	Number of employees	Options granted	Exercise price	Market value at date of grant (DKKm)
2008	825	1,660,000	103.25	33.4
2009	984	1,941,000	41.10	17.6
2010	1,003	1,983,000	98.50	41.2
2011	1,011	1,977,000	129.90	46.9
2012	1,035	1,964,500	128.00	38.0

Incentive schemes at 31 December 2012

	Exercise period	Board of Directors*	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2008 scheme	01.04.11 - 27.03.13	-	-	165,500	165,500	103.25
Outstanding options of 2009 scheme	02.04.12 - 31.03.14	45,000	170,000	371,500	586,500	41.10
Outstanding options of 2010 scheme	02.04.13 - 31.03.15	45,000	170,000	1,571,500	1,786,500	98.50
Outstanding options of 2011 scheme	01.04.14 - 01.04.16	-	170,000	1,679,000	1,849,000	129.90
Outstanding options of 2012 scheme	01.04.15 - 31.03.17	-	170,000	1,733,000	1,903,000	128.00
Outstanding at 31 December 2012		**90,000**	**680,000**	**5,520,500**	**6,290,500**	**111.43**
Exercise period open at 31 December 2012		**45,000**	**170,000**	**537,000**	**752,000**	**54.78**

*) A Director received options in his former capacity as CEO and in connection with certain day-to-day managerial tasks. The options were granted pursuant to the procedures laid down in the Remuneration Policy of the Group then applicable.

The weighted average remaining life at 31 December 2012 was 3.0 years. The aggregate market value was DKK 248.2 million, of which options amounting to DKK 34.4 million were held by Executive Board members and options amounting to DKK 6.8 million were held by a member of the Board of Directors.

Calculation of market values

Scheme	Share price	Volatility	Risk-free interest rate	Expected dividends	Expected remaining life (years)
2012 scheme	128.00	28.0%	0.90%	1.75%	3.25
2011 scheme	129.90	28.0%	2.70%	1.00%	3.25

The market value is calculated according to the Black & Scholes model. The assumptions used are based on Management's estimates. The estimated volatility is based on the historical volatility over the preceding 4 years adjusted for any unusual circumstances during the period.

NOTE 5 – INCENTIVE SCHEMES AND SHARES HELD BY MANAGEMENT (CONTINUED)

Development in outstanding options

	Board of Directors	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding at 1 Januar 2011	260,000	550,000	5,785,600	6,595,600	82.90
Granted in 2011	-	170,000	1,807,000	1,977,000	129.90
Exercised in 2011	-	-	(943,100)	(943,100)	92.86
Options waived/expired	-	-	(212,500)	(212,500)	90.94
Outstanding at 31 December 2011	**260,000**	**720,000**	**6,437,000**	**7,417,000**	**93.93**
Granted in 2012	-	170,000	1,794,500	1,964,500	128.00
Exercised in 2012	(170,000)	(210,000)	(2,460,000)	(2,840,000)	77.23
Options waived/expired	-	-	(251,000)	(251,000)	111.03
Outstanding at 31 December 2012	**90,000**	**680,000**	**5,520,500**	**6,290,500**	**111.43**

The average consideration paid for options exercised in the financial year was DKK 127.89 per share at the date of exercise.

Oustanding options for members of the Board of Directors have been granted to Kurt K. Larsen, and outstanding options for Executive Board members were granted to Jens Bjørn Andersen (400,000 options) and Jens H. Lund (280,000 options).

Shares held by members of the Executive Board and the Board of Directors

	Shares at beginning of year	Shares purchased in 2012	Shares sold in 2012	Shares at year-end	Market value (DKKm)
Jens Bjørn Andersen	44,500	100,000	100,000	44,500	6.5
Jens H. Lund	61,370	110,000	161,370	10,000	1.4
Kurt K. Larsen *	232,590	170,000	170,000	232,590	33.9
Erik B. Pedersen	300,000	-	-	300,000	43.7
Kaj Christiansen	53,000	-	1,000	52,000	7.6
Annette Sadolin	3,885	-	-	3,885	0.6
Total	**695,345**	**380,000**	**432,370**	**642,975**	**93.7**

*) Of which, 145,500 shares are held in a custody account in the name of a related party, reference is made to Company Announcement No. 440.

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

(DKKm)	2011	2012
Software	112	131
Customer relationships	107	109
Buildings	152	141
Other plant and operating equipment	194	185
Net gain on sale of assets	(16)	(32)
Total amortisation and depreciation of intangibles, property, plant and equipment	**549**	**534**

NOTE 7 – SPECIAL ITEMS

(DKKm)	2011	2012
Net loss on acquisition and divestment of enterprises and related restructuring costs	-	17
Restructuring costs	-	258
Special items, total costs	**-**	**275**
Special items, net	**-**	**(275)**

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

Special items totalled an expense of DKK 275 million. Restructuring costs include a non-recurring expense relating to the planned optimisation of business processes and adjustment of overheads. Overheads have been reduced to enable the Group to meet any challenges and maintain a high level of efficiency and profitability and thereby to meet the financial targets set for the Group.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2011	2012
Interest income	52	52
Expected return on pension assets, see note 19	67	66
Foreign currency translation adjustments, net	-	23
Total financial income	**119**	**141**

Interest income relates to interest from cash included at amortised cost.

NOTE 9 - FINANCIAL EXPENSES

(DKKm)	2011	2012
Interest expenses	447	290
Calculated interest on pension obligations, see note 19	104	104
Foreign currency translation adjustments, net	6	-
Total financial expenses	**557**	**394**

Interest expenses relate to interest on loans included at amortised cost and interest on tax liabilities.

NOTE 10 – TAX

(DKKm)	2011	2012
The tax for the year is disaggregated as follows:		
Tax on profit for the year	546	589
Tax on other changes in equity	14	(16)
Tax on other comprehensive income	16	(38)
Total tax for the year	**576**	**535**
Tax on profit for the year is calculated as follows:		
Current tax	551	648
Deferred tax	(17)	(60)
Tax adjustment relating to previous years	12	1
Total tax on profit for the year	**546**	**589**
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	499	505
Adjustment of calculated tax in foreign Group enterprises relative to 25%	38	70
Change in deferred tax as a result of change in corporation tax rate	(1)	(4)
Tax effect of:		
Non-deductible expenses/non-taxable income	8	(42)
Non-deductible losses/non-taxable gains on shares	-	(11)
Tax adjustment relating to previous years	12	1
Tax asset valuation adjustments, net	(63)	22
Other taxes and adjustments	53	48
Total	**546**	**589**
Effective tax rate	**27.4%**	**29.2%**

Tax on other comprehensive income

	2011			2012		
(DKKm)	Before tax	Tax income/ expense	Net of tax	Before tax	Tax income/ expense	Net of tax
Foreign currency translation adjustments, foreign enterprises	(8)	-	(8)	(42)	-	(42)
Fair value adjustment of hedging instruments	1	3	4	(24)	23	(1)
Actuarial gains/(losses)	(171)	41	(130)	(115)	15	(100)
Other adjustments	(1)	(60)	(61)	-	-	-
Total	**(179)**	**(16)**	**(195)**	**(181)**	**38**	**(143)**

NOTE 11 – EARNINGS PER SHARE

(DKKm)	2011	2012
DSV A/S shareholders' share of profit for the year	1,440	1,427
Amortisation of customer relationships	107	109
Share-based payments	34	40
Special items, net	-	275
Tax effect thereof	(35)	(106)
Adjusted profit for the year	**1,546**	**1,745**
Total average number of shares ('000)	204,169	188,596
Average number of treasury shares ('000)	(7,937)	(5,966)
Average number of shares in circulation ('000)	196,232	182,630
Average dilutive effect of outstanding options under incentive schemes ('000)	1,381	1,341
Diluted average number of shares in circulation ('000)	**197,613**	**183,971**
Earnings per share of DKK 1	7.34	7.81
Diluted earnings per share of DKK 1	7.29	7.76
Adjusted earnings per share of DKK 1	7.88	9.55
Diluted adjusted earnings per share of DKK 1	7.82	9.48

Diluted earnings per share and diluted adjusted earnings per share have been calculated exclusive of 2,838,500 out-of-the-money options (2011: 962,500 options), which may have a dilutive effect on earnings per share and adjusted earnings per share.

NOTE 12 – INTANGIBLES

(DKKm)	Goodwill	Software	Customer relationships	Intangibles in progress	Total
Cost at 1 January 2011	**7,625**	**768**	**1,076**	**71**	**9,540**
Additions from acquisition of enterprises	31	-	-	-	31
Additions for the year	-	10	-	83	93
Disposals at cost	-	(9)	-	-	(9)
Reclassification	-	129	-	(126)	3
Foreign currency translation adjustments	3	(1)	1	1	4
Total cost at 31 December 2011	**7,659**	**897**	**1,077**	**29**	**9,662**
Total amortisation and impairment at 1 January 2011	**10**	**357**	**401**	**-**	**768**
Amortisation and impairment for the year	-	112	107	-	219
Amortisation of assets disposed of	-	(8)	-	-	(8)
Foreign currency translation adjustments	-	(1)	1	-	-
Total amortisation and impairment at 31 December 2011	**10**	**460**	**509**	**-**	**979**
Carrying amount at 31 December 2011	**7,649**	**437**	**568**	**29**	**8,683**
Cost at 1 January 2012	**7,659**	**897**	**1,077**	**29**	**9,662**
Additions from acquisition of enterprises	97	-	17	-	114
Additions for the year	-	6	-	126	132
Disposals at cost	-	(5)	-	-	(5)
Reclassification	-	85	-	(85)	-
Foreign currency translation adjustments	32	1	4	-	37
Total cost at 31 December 2012	**7,788**	**984**	**1,098**	**70**	**9,940**
Total amortisation and impairment at 1 January 2012	**10**	**460**	**509**	**-**	**979**
Amortisation and impairment for the year	-	131	109	-	240
Amortisation of assets disposed of	-	(4)	-	-	(4)
Foreign currency translation adjustments	-	1	1	-	2
Total amortisation and impairment at 31 December 2012	**10**	**588**	**619**	**-**	**1,217**
Carrying amount at 31 December 2012	**7,778**	**396**	**479**	**70**	**8,723**

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

Capitalised software is mainly internally developed software.

NOTE 12 – INTANGIBLES (CONTINUED)

Breakdown of goodwill by division

The original cost of goodwill is DKK 7,967 million (2011: DKK 7,870 million). The original cost has been applied for calculating ROIC. Goodwill has been allocated to the divisions of the Group: Air & Sea, Road and Solutions.

	Goodwill		%	
(DKKm) 2011	Cost	Carrying amount	Cost	Carrying amount
Air & Sea	4,131	4,071	52%	53%
Road	2,652	2,492	34%	33%
Solutions	1,087	1,086	14%	14%
Total	**7,870**	**7,649**	**100%**	**100%**

	Goodwill		%	
(DKKm) 2012	Cost	Carrying amount	Cost	Carrying amount
Air & Sea	4,218	4,171	53%	53%
Road	2,662	2,520	33%	33%
Solutions	1,087	1,087	14%	14%
Total	**7,967**	**7,778**	**100%**	**100%**

Goodwill impairment testing

As at 31 December 2012, the carrying amount of goodwill was tested for impairment.

The impairment test is made of the Group's cash-generating units based on management structure and internal management control. Such determination is generally made at division level, for Air & Sea, Road and Solutions.

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 2013 and projections for subsequent years up to and including 2017. Important parameters are revenue development, gross profit, EBITA margin, future capital expenditure and growth expectations in the terminal period, based on assessments of the individual division.

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-generating units, including geographical location and financial risk.

Impairment tests are based on the following key assumptions:

	Air & Sea		Road		Solutions	
	2011	2012	2011	2012	2011	2012
Expected annual revenue growth (weighted average)	5.0%	5.0%	5.0%	5.0%	2.7%	5.3%
Expected EBITA margin (weighted average)	6.9%	7.1%	4.2%	4.3%	6.0%	6.2%
Expected growth in terminal period (%)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Discount rate before tax (%)	10.6%	10.1%	10.6%	10.1%	10.5%	10.0%

Management determines the expected annual revenue growth and the expected EBITA margin based on historical experience and assumptions of expected market developments.

Expected growth in the 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 2012.

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

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2011	**4,654**	**1,639**	**139**	**6,432**
Additions from acquisition of enterprises	–	1	–	1
Additions for the year	43	170	363	576
Disposals at cost	(447)	(155)	–	(602)
Transferred to assets held for sale	(44)	–	(1)	(45)
Reclassification	58	14	(75)	(3)
Foreign currency translation adjustments	5	(11)	1	(5)
Total cost at 31 December 2011	**4,269**	**1,658**	**427**	**6,354**
Total depreciation and impairment at 1 January 2011	**641**	**1,009**	**-**	**1,650**
Depreciation for the year	152	194	–	346
Depreciation of assets disposed of	(36)	(106)	–	(142)
Transferred to assets held for sale	3	–	–	3
Reclassification	(1)	(1)	–	(2)
Foreign currency translation adjustments	1	(5)	–	(4)
Total depreciation and impairment at 31 December 2011	**760**	**1,091**	**-**	**1,851**
Carrying amount at 31 December 2011	**3,509**	**567**	**427**	**4,503**
Of which assets under finance leases	409	49	–	458
Cost at 1 January 2012	**4,269**	**1,658**	**427**	**6,354**
Additions from acquisition of enterprises	–	4	–	4
Additions for the year	48	137	268	453
Disposals at cost	(174)	(187)	(202)	(563)
Transferred to assets held for sale	(30)	–	–	(30)
Reclassification	30	6	(36)	–
Foreign currency translation adjustments	50	21	17	88
Total cost at 31 December 2012	**4,193**	**1,639**	**474**	**6,306**
Total depreciation and impairment at 1 January 2012	**760**	**1,091**	**-**	**1,851**
Depreciation for the year	141	185	–	326
Depreciation of assets disposed of	(24)	(161)	–	(185)
Transferred to assets held for sale	(4)	–	–	(4)
Impairment*	13	–	20	33
Foreign currency translation adjustments	9	15	–	24
Total depreciation and impairment at 31 December 2012	**895**	**1,130**	**20**	**2,045**
Carrying amount at 31 December 2012	**3,298**	**509**	**454**	**4,261**
Of which assets under finance leases	395	27	–	422

At 31 December 2012, DSV had contractual liabilities relating to property, plant and equipment in progress of DKK 5 million (2011: DKK 170 million).

No indication of impairment of property, plant and equipment was identified in the financial year.

*) DKK 33 million recognised as special items (2011: DKK 0 million).

NOTE 14 – INVESTMENTS IN ASSOCIATES

Summarised aggregate revenue, profit/loss, assets and liabilities of associates listed in the Group structure overview on page 80.

(DKKm)	2011	2012
Revenue	319	435
Profit for the year	28	25
Total assets	191	182
Total liabilities	104	117
DSV Group's share of profit for the year	7	7
Total carrying amount at 31 December	26	17

NOTE 15 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2011	2012
Other securities	11	8
Deposits	86	78
Other receivables	47	50
Total other securities and receivables	**144**	**136**

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

Other receivables relate to loans granted and other financial receivables. The terms of the loans are up to 5 years, and they will be fully repaid in 2017.

NOTE 16 – DEFERRED TAX

(DKKm)	2011	2012
Deferred tax at 1 January	127	97
Foreign currency translation adjustments, foreign subsidiaries	2	1
Deferred tax for the year	(17)	(60)
Adjustments relating to previous years	7	(10)
Tax on equity items	(21)	(29)
Additions from acquisition of enterprises	-	(2)
Other adjustments	(1)	5
Deferred tax at 31 December	**97**	**2**
Breakdown of deferred tax:		
Deferred tax asset	(430)	(409)
Deferred tax liability	527	411
Deferred tax at 31 December	**97**	**2**

NOTE 16 – DEFERRED TAX (CONTINUED)

The deferred tax assets and liabilities recognised are allocated to the following items:	Assets 2011	Assets 2012	Liabilities 2011	Liabilities 2012	Net liabilities 2011	Net liabilities 2012
Intangibles	33	33	275	231	242	198
Property, plant and equipment	–	–	284	237	284	237
Financial assets	42	42	4	–	(38)	(42)
Current assets	31	21	–	–	(31)	(21)
Provisions	170	194	–	–	(170)	(194)
Other liabilities	4	3	81	71	77	68
Tax base of tax loss carryforwards	267	244	–	–	(267)	(244)
Total	547	537	644	539	97	2
Set-off	(117)	(128)	(117)	(128)	–	–
Total	**430**	**409**	**527**	**411**	**97**	**2**

Deferred tax assets not recognised in the balance sheet	2011	2012
Temporary differences	12	12
Unrecognised tax assets [1]	828	1,123
Total deferred tax assets not recognised	**840**	**1,135**

[1] Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the amount by which they are estimated to reduce future tax payments. Of the unrecognised tax assets, DKK 1,094 million may be carried forward indefinitely, but it is uncertain whether the tax asset can be utilised. The remaining DKK 29 million may be carried forward for a limited period, but it is uncertain whether the tax loss can be utilised. Most of the time-limited tax loss can be carried forward for up to 10 years.

The deferred tax asset therefore cannot be measured reliably due to uncertainty about the time aspect of its use.

There are no major deferred tax liabilities relating to investments in subsidiaries and associates.

Change in temporary differences during the year

(DKKm) 2011	Balance at 1 January	Foreign currency translation adjustments	Disposals relating to divestment of enterprises	Recognised in profit for the year, net	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	256	(1)	-	(13)	–	–	242
Property, plant and equipment	405	1	-	(122)	–	–	284
Financial assets	5	(1)	-	(42)	–	–	(38)
Current assets	(40)	1	-	14	(5)	(1)	(31)
Provisions	(144)	(1)	-	11	(36)	–	(170)
Other liabilities	(29)	–	-	86	20	–	77
Tax base of tax loss carryforwards	(326)	3	-	56	–	–	(267)
Total	**127**	**2**	**-**	**(10)**	**(21)**	**(1)**	**97**

(DKKm) 2012	Balance at 1 January	Foreign currency translation adjustments	Additions from acquisitions	Recognised in profit for the year, net	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	242	2	-	(46)	–	–	198
Property, plant and equipment	284	2	-	(49)	–	–	237
Financial assets	(38)	–	-	(4)	–	–	(42)
Current assets	(31)	(1)	-	6	–	5	(21)
Provisions	(170)	(1)	(2)	(5)	(16)	–	(194)
Other liabilities	77	–	-	4	(13)	–	68
Tax base of tax loss carryforwards	(267)	(1)	-	24	–	–	(244)
Total	**97**	**1**	**(2)**	**(70)**	**(29)**	**5**	**2**

NOTE 17 – TRADE AND OTHER RECEIVABLES

(DKKm)	2011	2012
Trade receivables	7,112	7,238
Forwarding in progress	604	629
Other receivables etc.	687	584
Prepayments	162	207
Trade and other receivables at 31 December	**8,565**	**8,658**
Impairment losses relating to doubtful trade receivables		
Impairment at 1 January	**277**	**246**
Impairment for the year	68	55
Impairment losses recognised for receivables	(71)	(78)
Reversal of impairments	(27)	1
Foreign currency translation adjustments	(1)	2
Impairment at 31 December	**246**	**226**

In a number of situations DSV receives security in the form of financial guarantees or charges for sales on credit, and the security provided is included in the assessment of the necessity to write down doubtful trade receivables for impairment. At 31 December 2012, security had been provided for DKK 4,031 million of all trade receivables.

See note 26 regarding credit risks.

Overdue trade receivables not written off break down as follows:	2011	2012
Overdue for 1-30 days	959	1,131
Overdue for 31-120 days	356	414
Overdue for more than 120 days	60	60

The carrying amount of receivables approximates fair value in all essentials.

NOTE 18 – SHARE CAPITAL

(DKKm)	2011	2012
Share capital, beginning of year	**209.2**	**190.0**
Capital reduction	(19.2)	(2.0)
Share capital, end of year	**190.0**	**188.0**

The share capital of DSV has a nominal value of DKK 188,000,000, corresponding to 188,000,000 shares with a nominal value of DKK 1 each. No share confers any special rights upon its holder. No restrictions apply to the transferability of the shares or to voting rights. The share capital is fully paid up.

Treasury shares

	Shares of DKK 1		Nominal value		% of share capital	
	2011	2012	2011	2012	2011	2012
Treasury shares, beginning of year	**2,643,496**	**4,355,760**	**2,643,496**	**4,355,760**	**1.3**	**2.3**
Purchases	21,805,364	10,421,661	21,805,364	10,421,661	10.7	5.5
Used for reduction of share capital	(19,150,000)	(2,000,000)	(19,150,000)	(2,000,000)	(9.2)	(1.0)
Used for exercise of share options	(943,100)	(2,840,000)	(943,100)	(2,840,000)	(0.5)	(1.5)
Treasury shares, end of year	**4,355,760**	**9,937,421**	**4,355,760**	**9,937,421**	**2.3**	**5.3**

Treasury shares are bought back to hedge the Company's incentive schemes and adapt its capital structure. The market value of treasury shares at 31 December 2012 was DKK 1,448 million (2011: DKK 449 million). The acquisition price of treasury shares repurchased in 2012 was DKK 1,302 million, and the selling price of treasury shares sold was DKK 326 million.

Dividends

It is proposed to distribute dividends of DKK 1.25 per share (2011: DKK 1.00). DSV A/S paid DKK 190 million as dividends on 27 March 2012, corresponding to DKK 1 per share (2011: DKK 105 million, corresponding to DKK 0.50 per share).

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.

NOTE 19 – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2011	2012
Present value of defined benefit plans	2,228	2,606
Fair value of pension plan assets	1,253	1,528
Pensions and similar obligations at 31 December	**975**	**1,078**
Development in present value of defined benefit obligations:		
Obligations at 1 January	2,048	2,228
Foreign currency translation adjustments	15	35
Pension costs relating to current financial year	36	45
Calculated interest on obligations	104	104
Actuarial losses	113	274
Benefits paid	(88)	(81)
Additions from acquisition of enterprises	-	1
Obligations at 31 December	**2,228**	**2,606**
Specification of present value of defined benefit obligations at year-end		
Present value of obligations hedged in full or in part	1,458	1,758
Present value of non-hedged obligations	770	848
Present value of defined benefit obligations	**2,228**	**2,606**

NOTE 19 – PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

(DKKm)	2011	2012
Development in fair value of pension plan assets:		
Pension plan assets at 1 January	1,177	1,253
Foreign currency translation adjustments	13	20
Expected return on pension plan assets	67	66
Actuarial gains and losses	(44)	158
Payments received	132	115
Benefits paid	(92)	(84)
Pension plan assets at 31 December	**1,253**	**1,528**

DSV expects to pay DKK 104 million into the assets of the defined benefit plans in 2013.

(DKKm)	2011	2012
Pension costs recognised in the income statement:		
Pension costs relating to current financial year	36	45
Calculated interest on obligations	104	104
Expected return on pension plan assets	(67)	(66)
Total recognised for defined benefit plans	**73**	**83**
Total recognised for defined contribution plans	246	259
Total recognised in income statement	**319**	**342**
Costs are recognised under the following items of the income statement:		
Staff costs	282	304
Financial income	(67)	(66)
Financial expenses	104	104
Total costs recognised	**319**	**342**
The following cumulative actuarial gains and losses have been recognised in the statement of comprehensive income since 1 January 2004:		
Cumulative actuarial losses	(384)	(499)
Social security costs relating to actuarial losses	(11)	(11)
Cumulative actuarial losses including social security benefits recognised in the statement of comprehensive income	**(395)**	**(510)**
Breakdown of pensions plan assets:		
Shares	27%	23%
Bonds	23%	20%
Properties	1%	0%
Insurance contracts	49%	57%
Total	**100%**	**100%**
Return on pension plan assets:		
Expected return on pension plan assets	67	66
Actuarial gains and losses on pension plan assets	(44)	157
Total actual return on pension plan assets	**23**	**223**

NOTE 19 – PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Actuarial assumptions

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

	2011		2012	
	Spread	Weighted average	Spread	Weighted average
Discount rate	2.50% - 5.25%	4.70%	3.00% - 4.50%	4.01%
Expected return on pension plan assets	4.40% - 5.25%	5.09%	3.50% - 4.50%	4.29%
Future rate of wage/salary increases	2.50% - 3.75%	2.89%	2.00% - 3.40%	2.82%
Future rate of inflation	1.75% - 2.50%	2.11%	1.75% - 2.50%	2.08%

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	2008	2009	2010	2011	2012
Pension obligations	1,785	1,931	2,048	2,228	2,606
Pension assets	975	1,047	1,177	1,253	1,528
Inadequate cover	810	884	871	975	1,078
Experience adjustment to pension obligations	(11)	6	(16)	(54)	21
Experience adjustment to pension assets	88	(71)	(39)	44	(159)

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 undertakes 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 Great Britain, the Netherlands, Belgium, Germany, Sweden and Italy.

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

NOTE 20 – PROVISIONS

(DKKm)	Restructuring costs	Disputes and legal actions	Onerous contracts	Restoration of leased premises and demolition liabilities	Other	Total
Provisions at 1 January 2012	**163**	**267**	**18**	**85**	**73**	**606**
Additions from acquisition of enterprises	-	-	-	-	1	1
Applied for the year	(55)	(84)	(9)	(1)	(53)	(202)
Provisions for the year	94	49	18	11	59	231
Adjustment of provisions made in previous years	(13)	65	1	-	2	55
Foreign currency translation adjustments	1	-	-	-	1	2
Provisions at 31 December 2012	**190**	**297**	**28**	**95**	**83**	**693**
Expected time frame of provisions:						
Current liabilities	96	101	13	-	65	275
Non-current liabilities	94	196	15	95	18	418
Provisions at 31 December 2012	**190**	**297**	**28**	**95**	**83**	**693**

Provisions are not discounted because the resulting effect is immaterial.

Restructuring costs mainly relate to the restructuring plan previously announced and mainly consist of termination benefits and costs under terminated leases.

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

Onerous contracts are mainly onerous contracts taken over in connection with acquisitions, consisting of property leases with rent above market levels as well as contracts concluded with customers and leases under which unavoidable costs exceed earnings.

Other provisions predominantly relate to earn-out agreements, accrued gain on sale and lease-back arrangements and complaints.

Provisions are basically expected to be settled within 1 to 2 years.

NOTE 21 – FINANCIAL LIABILITIES

(DKKm)	2011	2012
Loans and credit facilities	6,551	6,773
Finance leases	365	312
Other non-current liabilities	36	28
Total financial liabilities	**6,952**	**7,113**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	6,091	6,190
Current liabilities	861	923
Financial liabilities at 31 December	**6,952**	**7,113**

Loans and credit facilities

(DKKm)	Expiry	Fixed/ floating interest rate	Carrying amount 2011	2012
Bank loans DKK	2014	Floating	944	943
Bank loans EUR	2016	Floating	1,836	4,073
Bank loans USD	2016	Floating	2,698	-
Bank loans other	2015	Floating	6	9
Bond loan	2020	Fixed	-	748
Mortgage loans	2015-2024	Floating/fixed	76	65
Overdraft facilities	2013	Floating	791	862
Long-term credit facility	2014	Floating	200	73
Loans and credit facilities at 31 December			**6,551**	**6,773**

Bank loans are subject to standard trade covenants, see note 26.

The weighted average effective interest rate was 1.5% (2011: 2.1%).

Finance leases

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

	Lease payments		Interest		Carrying amount	
(DKKm)	2011	2012	2011	2012	2011	2012
0-1 year	72	65	(15)	(14)	57	51
1-5 years	313	281	(60)	(51)	253	230
> 5 years	58	32	(3)	(1)	55	31
Total	**443**	**378**	**(78)**	**(66)**	**365**	**312**

Major finance leases relate to terminals. Such leases typically have a term of 3 years. Finance leases concluded have either an extension option or a purchase option.

NOTE 22 – TRADE AND OTHER PAYABLES

(DKKm)	2011	2012
Trade payables	4,350	4,385
Forwarding in progress	1,283	1,284
Other payables	2,305	2,248
Trade and other payables at 31 December	**7,938**	**7,917**

Other payables mainly comprise holiday pay obligations, salary related items payable, VAT, customs, duties, accruals and other payables.

NOTE 23 – OPERATING LEASE OBLIGATIONS

(DKKm)	2011	2012
Operating lease obligations relating to land and buildings (including terminals) fall due:		
0-1 year	883	928
1-5 years	2,170	2,263
> 5 years	1,341	1,716
Total	**4,394**	**4,907**
Operating lease obligations relating to operating equipment fall due:		
0-1 year	337	381
1-5 years	370	512
> 5 years	1	9
Total	**708**	**902**
The following is recognised in the income statement:		
Operating leases relating to property	994	1,116
Operating leases relating to operating equipment	514	564
Total	**1,508**	**1,680**

The Group leases properties under operating leases with an average lease term of 4 years.

The Group has concluded back-to-back leases with several customers, securing future activity at several of its premises leased under operating leases. Of the lease obligations, DKK 0.5 billion relate to back-to-back leases.

The Group leases operating equipment under operating leases. The leases typically have a term of up to 5 years.

NOTE 24 – CONTINGENT LIABILITIES

Contingent liabilities

In recent years, various competition authorities have carried out inspections of several international transport companies. The inspections are based on alleged violations of competition law within the transport industry. As an international transport provider, DSV has also received notifications and inquiries from the competition authorities. In some of these cases, the authorities issued preliminary rulings, and in one case the authorities found against DSV, see Company Announcement No. 443, published on NASDAQ OMX Copenhagen on 28 March 2012, and one case was decided partly in favour of DSV, see Company Announcement No. 445, published on NASDAQ OMX Copenhagen on 31 March 2012. Management believes that these cases will have no material impact on the financial position of the Group.

As an international transport provider, DSV is regularly involved in tax and VAT cases and other legal proceedings. The effects of some of these cases are recognised based on Management's assessment of their expected outcome. Other cases are expected to have no material impact on the future financial results of the Group.

Security for debt

Bank guarantees

As part of its ordinary operations DSV has provided bank guarantees to authorities, suppliers, etc. The counterparties may claim the security for any unpaid amount due from DSV. At the reporting date all liabilities relating to the bank guarantees provided were recognised in the balance sheet or stated in note 23 as operating lease obligations.

Property, plant and equipment provided as security

Land and buildings with a carrying amount of DKK 184 million (2011: DKK 185 million) have been provided as security to mortgage banks. Mortgage debt amounted to DKK 65 million at 31 December 2012 (2011: DKK 76 million).

Contracts

DSV has concluded IT service contracts. The costs related to these contracts are recognised as the services are provided.

NOTE 25 – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Acquisition and divestment of subsidiaries and activities in 2012

In 2012, the Group acquired enterprises and activities in the Czech Republic, South America, the Middle East and Asia relating to the Group's three business areas. No significant activities were divested during the year.

On 27 September 2012, DSV signed an agreement to acquire activities from the Czech company AWT Cechofracht a.s. The acquisition strengthened the market position of all three DSV divisions in the Czech Republic.

On 1 October 2012, DSV signed an agreement to acquire the Swift Freight Group of Companies. By the acquisition DSV gained access to new markets on the African continent and strengthened its existing Air & Sea activities in the Middle East and Asia. Under the purchase agreement DSV acquired full ownership of the companies in UAE, China and India and a 33.3% share of ownership of the Swift Freight companies in Africa.

Moreover, on 6 November 2012, DSV signed an agreement to acquire the remaining 60% of the shares in DSV Latin America S.A. (DSV-GL) from the Company's former Joint Venture partner LOS INKAS S.A. The acquisition strengthened the presence of DSV in Latin America and the existing Air & Sea activities on the continent.

The acquisitions had no significant individual or aggregate impact on Group revenue, profit or balance sheet items. If the acquired companies had been owned by DSV from the beginning of the financial year, this would have had no material effect on consolidated revenue, profit or balance sheet items.

The assets and liabilities acquired include trade receivables and trade payables as well as a small goodwill amount related to the acquisitions. The transaction expenses related to the acquisitions are modest amounts and recognised as special items in the income statement.

Non-controlling interests

No significant equity investments were purchased from non-controlling shareholders in the financial year of 2012. In the financial year of 2011, DSV acquired equity investments from non-controlling shareholders for a total amount of DKK 26 million, increasing the DSV A/S shareholders' share of equity by an enquivalent amount.

In the financial years of 2012 and 2011, DSV lost no control over any entities in connection with the sale of shares and sold no shares to non-controlling interests in which transaction it would have retained control.

Acquisitions after reporting date

No significant enterprises have been acquired after the reporting date.

Change in treatment of previous acquisitions

No significant adjustments were made in 2011 and 2012 to goodwill relating to previous acquisitions.

NOTE 26 – FINANCIAL RISKS

Liquidity risks

The capital structure of DSV is intended to ensure financial stability for the purpose of reducing its cost of capital and maintain sufficient financial stability to reach its strategic goals.

The capital structure of DSV is assessed on a regular basis. The gearing ratio, i.e. net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items), was 2.1 at 31 December 2012. The adjusted target for the Group's capital structure states that, as a rule, the ratio of net interest-bearing debt to EBITDA may not exceed 2.0.

DSV ensures that it has sufficient cash on demand in the form of short-term credit facilities and long-term credit lines from the main banks of the Group. The total duration of the Group's long-term loan commitments and the amounts drawn on its credit lines at 31 December 2012 are shown in the table below.

List of commitments and amounts drawn on long-term credit facilities at 31 December 2012:

Loan facilities	Amounts (EURm)	Amounts (DKKm)	Expiry of commitments	Duration (years)	Not drawn
Long-term loan I	127	947	31/12/2014	2.0	-
Long-term loan II	600	4,476	30/09/2016	3.8	1,141
Long-term loan III	100	746	15/01/2016	3.0	-
Bond loan	101	750	23/11/2020	7.9	-
Other	3	22	31/12-14/15	2.2	-
Long-term credit facility [1)]	55	407	31/12/2013	1.0	334
Total and weighted duration	**986**	**7,348**		**3.7**	**1,475**

[1)] Credit facilities expiring in 2014 with 12 months' notice at any time.

DSV obtained a corporate bond loan of DKK 750 million with a Danish pension fund in 2012. The loan is a fixed-rate bullet loan with a duration of 8 years. The loan was obtained with a view to achieving a diverse funding structure, increasing the duration of the Group's long-term loan facilities and making use of the historic low interest rates. DSV intends to continue to examine the possibilities of further diversifying the funding structure to reduce the Group's dependecy on bank loans.

NOTE 26 – FINANCIAL RISKS (CONTINUED)

The loan agreements of the Group are subject to covenants. The covenants of the Group are related to the ratio of net interest-bearing debt to EBITDA (operating profit before amortisation, depreciation and special items) and the Group's solvency ratio. Quarterly reporting on the development of these covenants is made to the Company's providers of funding. All covenants were observed in 2012.

The Group's financial liabilities fall due as follows:

			2011		
(DKKm)	0-1 year	1-3 years	3-5 years	> 5 years	Total cash flows, including interest
Loans and credit facilities	955	1,476	4,756	-	7,187
Finance leases	72	104	209	58	443
Trade payables	4,350	-	-	-	4,350
Interest rate derivatives	117	90	6	-	213
Total	**5,494**	**1,670**	**4,971**	**58**	**12,193**

			2012		
(DKKm)	0-1 year	1-3 years	3-5 years	> 5 years	Total cash flows, including interest
Loans and credit facilities	1,074	1,244	4,190	865	7,373
Finance leases	62	198	81	37	378
Trade payables	4,385	-	-	-	4,385
Interest rate derivatives	120	95	2	-	217
Total	**5,641**	**1,537**	**4,273**	**902**	**12,353**

The analysis of expected maturity is based on contractual cash flows, including estimated interest payments. Amounts have not been discounted for which reason they cannot necessarily be reconciled to the related items of the balance sheet.

Financial instruments categories

(DKKm)	2011 Carrying amounts	2012 Carrying amounts
Financial assets:		
Held for trading (derivative financial instruments)	8	16
Loans and receivables	7,112	7,238
Financial assets available for sale	11	8
Financial liabilities:		
Held for trading (derivative financial instruments)	211	210
Financial liabilities measured at amortised cost	11,592	11,470

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

The valuation of financial instruments measured at fair value is based on other observable inputs than prices quoted in active markets (level 2). Interest rate swaps and foreign exchange forward contracts are valued using generally accepted valuation techniques based on relevant observable data.

NOTE 26 – FINANCIAL RISKS (CONTINUED)

Foreign currency risks

Due to the operating activities of the Group, it is exposed to exchange rate fluctuations to a certain extent. DSV seeks to eliminate foreign currency risks related to revenue in foreign currencies in both Danish and foreign subsidiaries by hedging currency exposures centrally via the Treasury Department. The risk exposure is managed on a net basis by borrowing in foreign currencies, drawing on credit facilities in foreign currencies, or using foreign exchange forward contracts and currency options. The Group's foreign subsidiaries are not affected where trading income and costs are denominated in the local currency. This applies to most of the Group's activities. Moreover, a large proportion of the income and expenses of the Group are denominated in euro. The aggregate currency risk is therefore limited.

The Group is also exposed to foreign currency risks, partly on the translation of debt denominated in a foreign currency other than the functional currency of the relevant company, and partly on the translation of net investments in enterprises with a functional currency other than Danish kroner. The former risk affects profit before tax. However, where debt is classified as hedging of net investments in foreign subsidiaries, fair value adjustments are recognised directly in equity under other comprehensive income. On recognition of net investments in foreign subsidiaries, the Group is exposed to a translation risk when the profit or loss and equity of foreign subsidiaries are converted into Danish kroner at the reporting date based on the average rate of exchange and the closing rates. It is assessed on an ongoing basis whether to hedge the Parent's net investment in subsidiaries. It is DSV Group policy to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends. At 31 December 2012, no net investments in subsidiaries had been hedged.

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 rates

		31 December		Annual average	
	Currency	2011	2012	2011	2012
Euro countries	EUR	743.42	746.04	745.05	744.37
Great Britain	GBP	890.00	913.20	859.05	918.37
Norway	NOK	95.88	101.67	95.61	99.61
Sweden	SEK	83.42	87.14	82.52	85.61
USA	USD	574.56	565.91	536.22	579.79

Exposure in major foreign currencies breaks down as follows:

	Net position		Exchange rate	Impact on profit/loss		Impact on other comprehensive income	
(DKKm)	2011	2012	fluctuation	2011	2012	2011	2012
GBP/DKK	10	14	+/- 5%	8	8	13	14
NOK/DKK	11	18	+/- 5%	4	4	12	14
SEK/DKK	(3)	15	+/- 5%	8	12	42	145
USD/DKK	28	121	+/- 5%	15	18	23	21
Total			**+/- 5%**	**35**	**42**	**90**	**194**

The effect of foreign currency translation on revenue and EBITA has been calculated on the basis of the effect of a 5% change in average rates for 2011 and 2012. The effect on other comprehensive income has been calculated on the basis of the effect of a 5% change in year-end closing rates of exchange for 2011 and 2012. The method applied for the sensitivity analysis is unchanged compared to previous years.

Interest rate risks

The major interest rate risk relates to the long-term loans raised by the Parent to finance previous acquisitions. These loans were raised as long-term commitments with a variable rate of interest, but refinanced to a fixed-rate loan by using mainly interest rate swaps with a duration of up to 60 months. The Group also has 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 24 to 48 months.

It is the policy of DSV that the average period of fixed interest rates on all net bank debts must be at least 8 months and not more than 40 months at any time.

At the end of 2012, duration of the hedges on the bank and mortgage loans of the Group was 33 months (2011: 25 months). An increase in interest rates by 1 percentage point will reduce profit for the year by DKK 18 million (2011: DKK 11 million) and have an impact on other comprehensive income of DKK 108 million (2011: DKK 133 million).

The method applied for the sensitivity analysis is unchanged compared to previous years.

Credit risks

The Group's credit risks relate mainly to trade receivables. The Group has no particular concentration of customers or suppliers and is not especially dependent on specific customers or suppliers. The credit risk of the Group is therefore deemed not material. The Group has issued an internal credit limit for each debtor. As set out in the Group Credit Policy, trade receivables are rated on an ongoing basis. Insurance policies are taken out with a credit insurance company for the majority of the Group's receivables. Based on the internal credit policies and the risk assessment procedures of the Group, the credit quality of unimpaired undue receivables is assessed to have, to a very great extent, a high quality and imply a low risk of loss.

DSV is exposed to a counterparty credit risk when entering into derivative financial instruments. In order to reduce this risk, DSV only enters into derivative financial instruments with the existing banks of the Group whose credit rating from Standard & Poor's is long-term A or higher. As a general rule, the Group only makes short-term deposits with banks rated as short-term A-2 or higher by Standard & Poor's and/or as P-2 or higher by Moody's.

NOTE 27 – DERIVATIVE FINANCIAL INSTRUMENTS

External hedging instruments at 31 December 2011

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in other comprehensive income
Currency instruments	10,183	2012	8	40	(32)
Interest rate instruments	8,855	2012-2015	(211)	(45)	(166)
Total			**(203)**	**(5)**	**(198)**

External hedging instruments at 31 December 2012

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in other comprehensive income
Currency instruments	6,326	2013	16	16	-
Interest rate instruments	7,893	2013-2016	(210)	(26)	(184)
Total			**(194)**	**(10)**	**(184)**

Outstanding hedging instruments are recognised in the income statement over the remaining life. The majority of the outstanding foreign exchange forward contracts will mature in Q1 2013.

Foreign currency risk hedging

The Group mainly uses foreign exchange forward contracts to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The foreign exchange forward contracts are used as fair value hedges of currency exposures relating to balance sheet assets and liabilities.

Foreign exchange forward contracts used to hedge net investments and satisfying the conditions of hedge accounting are recognised directly in other comprehensive income. At 31 December 2012, no net investments in subsidiaries had been hedged.

Other fair value adjustments are recognised in the income statement under financial income or expenses.

Losses on hedging instruments of DKK 34 million (2011: a gain of DKK 13 million) were recognised in the income statement for the financial year of 2012. For the same period, hedged risks were recognised in the income statement by a gain of DKK 57 million (2011: a loss of DKK 18 million).

Interest rate risk hedging

The Group has obtained long-term loans on a floating interest rate basis, which implies that the Group is exposed to interest rate fluctuations. The Group mainly uses interest rate swaps to hedge future cash flow relating to interest 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 other comprehensive income. 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 financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments used as hedges of long-term loans was 1.87% at the reporting date (2011: 2.43%).

Agreements on the use of derivative financial instruments are only concluded with parties whose credit rating from Standard & Poor's is A or higher.

Ineffectiveness had no significant effect on the income statement for 2012.

NOTE 28 – RELATED PARTIES

DSV has no related parties with control. Related parties of DSV with significant influence comprise associates as mentioned in the overview of the Group structure on page 80 and members of the associates' boards of directors, executive boards and senior staff as well as family members of those persons. Related parties also comprise companies in which the aforementioned persons have significant interests.

Associated companies

The Group had the following transactions with associates:

(DKKm)	2011	2012
Sale of services	129	64
Purchase of services	215	160

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

(DKKm)	2011	2012
Receivables	31	13
Liabilities	7	3

Transactions with related parties were made on an arm's length basis.

Board of Directors, Executive Board and senior staff

Please refer to note 4 - Staff costs and note 5 - Incentive schemes and shares held by Management. The Group made or had no other transactions or outstanding balances with the Board of Directors, Executive Board or senior staff.

NOTE 29– ACCOUNTING POLICIES

The Annual Report of DSV A/S comprises the consolidated financial statements of DSV A/S and its subsidiaries and separate financial statements of the Parent.

The 2012 consolidated financial statements of the DSV Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements for listed companies.

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.

The Board of Directors considered and adopted the 2012 Annual Report of DSV A/S on 20 February 2013. The Annual Report will be submitted to the shareholders of DSV A/S for adoption at the Annual General Meeting on 21 March 2013.

Basis of preparation

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

The Annual Report has been prepared under the historical cost convention, with the exception that derivative financial instruments are measured at fair value.

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

The accounting policies described below have been applied consistently for the financial year and for the comparative figures.

Changes in accounting policies

DSV A/S has implemented the standards and interpretations that are effective for the financial year of 2012. None of these standards and interpretations had any impact on the recognition and measurement for 2012 and are not expected to impact on DSV A/S.

New accounting regulations

A number of new standards and interpretations have been issued which had not become mandatory at the preparation of the 2012 Annual Report. The Group expects that the amendments of IAS 19 'Employee Benefits' may imply more detailed notes on pension obligations. The other new standards and interpretations are not expected to have any significant impact on the consolidated financial statements of DSV A/S.

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. Control is obtained by possessing or holding, whether directly or indirectly, more than 50% of voting rights or by otherwise controlling the relevant enterprise.

Enterprises not controlled by the Group, but over which the Group has significant influence, are considered associates. Significant influence is usually obtained by possessing or holding, whether directly or indirectly, more than 20% of voting rights, but less than 50%. When assessing whether DSV A/S controls or has significant influence over an enterprise, potential voting rights must be taken into account.

The consolidated financial statements have been prepared by consolidating the financial statements of the Parent and the individual subsidiaries, computed in accordance with the accounting policies of the Group, 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 interest. 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.

Accounting items of subsidiaries are fully recognised in the consolidated financial statements. The share attributable to non-controlling interests of the profit or loss for the year and of equity of subsidiaries that are not wholly-owned is included in the consolidated profit or loss and equity, respectively, but is stated separately.

Business combinations

Newly acquired or established enterprises are recognised in the consolidated financial statements from the date of acquisition. Enterprises divested or otherwise ceasing to be subsidiaries or associates are recognised in the consolidated income statement until the date of disposal.

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

The date of acquisition is the date on which DSV A/S or a DSV subsidiary actually obtains control of the acquiree.

The date of disposal is the date on which DSV A/S or a DSV subsidiary actually surrenders control of the enterprise divested or otherwise ceasing to be a subsidiary or an associate.

The consideration for acquirees consists of the fair value of the agreed consideration in the form of assets and liabilities transferred and equity instruments issued. If part of the consideration is subject to future events or the performance of contractual obligations, such part of the consideration is recognised at fair value on the date of acquisition. Costs attributable to business combinations are recognised directly in the income statement when incurred.

Comparative figures are not adjusted for enterprises recently acquired, divested or otherwise ceasing to be subsidiaries or associates.

Positive differences (goodwill) between, on the one side, the consideration, the value of non-controlling interests in the enterprise acquired and the fair value of any participating interests previously acquired and, on the other side, 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 is 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, on 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 the allocation of acquisition price is considered preliminary and it subsequently turns out that the identifiable assets, liabilities and contingent liabilities had another fair value on 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 not adjusted. Any change in estimated contingent consideration is recognised in the income statement.

Gains or losses on divestment of subsidiaries and associates or cessation of their status as such are stated as the difference between the selling price or price for the cessation and the carrying amount of net assets, including goodwill, at the date of disposal as well as selling costs or costs related to the cessation.

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 rates ruling at the transaction date. Exchange differences between the exchange rate at the individual 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 rates ruling at the reporting date. The difference between the exchange rates at the reporting date and the date on which the individual receivable or payable was recorded or the exchange rate used in the latest annual report is recognised in the income statement under financials.

On recognition in the consolidated financial statements of foreign enterprises whose functional currency differs from the presentation currency of DSV, income statements are translated at the exchange rates ruling at the transaction dates, and balance sheet items are translated at the exchange rates ruling at the reporting date. An average exchange rate for the period is used as the transaction-date exchange rate if this exchange rate does not significantly deviate from the exchange rate 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 rates ruling at the reporting date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rates ruling at the reporting date are recognised directly in other comprehensive income as a separate foreign currency translation reserve. Foreign exchange gains/losses are allocated between the equity of the Parent and the non-controlling interests.

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 other comprehensive income in the consolidated financial statements as a separate foreign currency translation reserve. Similarly, foreign 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 other comprehensive income 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, the individual associate's share of the profit or loss 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 reporting 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 reporting date and on translation of the individual associate's share of the profit for the year from the average exchange rate to the exchange rate ruling at the reporting date are recognised directly in other comprehensive income as a separate foreign currency translation reserve.

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 offset 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 valuation 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.

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 other comprehensive income as a separate hedging reserve. When a hedged transaction is carried out, any gain or loss on such hedging transaction is transferred from equity and recognised in the same item as the hedged item. In connection with hedging of proceeds from future loans, 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 meeting the criteria for treatment as hedging instruments are recognised on an ongoing 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 revenue. Revenue is measured exclusive of VAT and other tax 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, shipping companies and airlines, etc., 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 include 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 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 or loss for the year
Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable to entries directly under other comprehensive income is recognised directly in other comprehensive income.

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 under tax on profit for the year. If the total tax allowance exceeds 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 on acquisition. Determination of cash-generating units is based on the management structure and system of internal financial reporting. Such determination is generally made at division level, i.e. for Air & Sea, Road and Solutions.

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 cost 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.

Computer software
Computer software bought or developed for internal use is measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount.

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

After commissioning, software is amortised on a straight-line basis over its expected useful life. The amortisation period is 1-8 years.

Gains and losses from the disposal of software are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of sale. Gains and losses are recognised in the income statement under amortisation and depreciation of intangibles, property, plant and equipment.

Property, plant and equipment
Land and buildings, 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 as restoration costs are added to cost if such costs are recognised as a provision. Material borrowing costs directly attributable to the production of the individual asset are also added to cost. If the individual components of an asset have different useful lives, each component 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 internal rate of return 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 amount of the replaced parts is 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 assets and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and reassessed 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 amortisation and depreciation of intangibles, 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 costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement under amortisation and depreciation of intangibles, property, plant and equipment.

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 and 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
The carrying amount of goodwill is tested for impairment at least once a year together with the other non-current assets of the division 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 division to which the goodwill is associated. Goodwill impairment is recognised as a separate item in the income statement.

Ongoing IT projects are also tested for impairment annually.

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

The carrying amount of other non-current assets is tested once a year to determine whether there is an indication of impairment. If so, the recoverable amount is calculated. The recoverable amount is the higher of the fair value of an asset less the expected costs to sell 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 division of which the asset forms part.

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

Impairment of goodwill is not 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 an 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). Dividends expected to be paid 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 the Parent shareholders' share of 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 a net investment or part thereof, foreign exchange gains/losses will be recognised in the income statement.

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

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

The value of the employee services received in exchange for the grant of options is measured at the fair value of the options.

The fair value of equity-settled share-based schemes 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 schemes, an estimate is made of the number of options that the employees are expected to earn. The estimated number of options is adjusted subsequently to reflect the actual number of options earned.

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 and Management's expectations of the development in the elements on which the valuation model is based.

BALANCE SHEET, LIABILITIES

Pension and similar 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 liabilities.

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 actuarial calculation of the 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 pension liabilities and the realised values are referred to as actuarial gains and losses and are recognised directly in other comprehensive income.

Changes in the benefits payable for employees' past services to the enterprise result in an adjustment of the actuarial calculation of the value in use, which is classified as past service costs. Past 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.

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 for previous years and for prepaid tax.

Deferred tax is recognised based on temporary differences between the carrying amount 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 taxation 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 offset 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 under current legislation at the reporting date on which the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of different tax rates are recognised in the income statement.

Provisions
Provisions are recognised when, due to an event occurring on or before the reporting 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 anticipated expenditure for settlement of 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 costs are recognised as provisions when a detailed, formal restructuring plan has been published on or before the reporting date and communicated to the parties affected by the plan. In connection with the acquisition of enterprises, provisions for the restructuring of such enterprises are solely included in the calculation of goodwill if the acquirees 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 fair value net of transaction expenses. 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 also capitalised and recognised as a financial liability.

Other liabilities, including trade payables, payables to associates, accruals relating to forwarding in progress and 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 leases 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 in financial statements of assets under finance leases and the corresponding obligations is described in the sections '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.

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 of 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.

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.

Free cash flow
The free cash flow is what remains after operating and investing activities.

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 short-term marketable securities that may readily be converted into cash without any risk of considerable loss in value.

SEGMENT INFORMATION

Information is provided on business segments and geographical markets. The segmentation is 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 (NWC)
The sum of inventories, receivables and other current operating assets less trade payables and other payables and other current operating liabilities.

Invested capital including goodwill and customer relationships
The sum of the net working capital with the addition of property, plant and equipment, intangibles including goodwill and customer relationships and assets held for sale less long-term provisions, pension obligations and negative goodwill.

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

Conversion ratio*
Operating profit before impairment of goodwill and special items (EBITA) multiplied by 100 and divided by gross profit.

ROIC before tax 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.

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

Effective tax rate*
Tax on profit for the year divided by profit before tax.

Return on equity (ROE)
The DVS A/S shareholders' share of the profit for the year multiplied by 100 and divided by average equity exclusive of non-controlling interests.

Solvency ratio
Equity exclusive of non-controlling interests multiplied by 100 and divided by total assets.

Net interest-bearing debt to EBITDA (financial gearing ratio)*
Interest-bearing liabilities at year-end less interest-bearing assets at year-end divided by operating profit before amortisation, depreciation, impairment of goodwill and special items (EBITDA).

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

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

Adjusted earnings
The DSV A/S shareholders' share of 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 divided by the average number of fully diluted shares.

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

Diluted average number of shares
Average number of shares during the year inclusive of share options, but exclusive of out-of-the-money options measured relative to the average share price for the year.

Earnings per share and diluted earnings per share are calculated pursuant to IAS 33. The other financial ratios are calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts, except for financial ratios marked with * as these ratios are not included in the Recommendations.

The Board of Directors and the Executive Board

Standing (from left): Thomas Plenborg, Kurt K. Larsen, Jens H. Lund, Birgit W. Nørgaard, Jens Bjørn Andersen, Erik B. Pedersen.
Sitting (from left): Annette Sadolin, Kaj Christiansen.

Executive Board

Jens Bjørn Andersen

CEO

Born: 22 March 1966

Member of the Executive Board since: 2008

Jens H. Lund

CFO

Born: 8 November 1969

Member of the Executive Board since: 2002

Board of Directors

	BOARD POSITIONS		SPECIAL COMPETENCIES
Kurt K. Larsen			
CHAIRMAN Born: 17 September 1945 Member of the Audit Committee Board member since: 2008 Elected until: 2013	(Board member)	Saxo Bank A/S Polaris III Invest Fonden Ove Wrist & Co. A/S	• General management experience • CEO of DSV A/S 2005-2008 • Group CEO of DSV A/S 1991-2005
Erik B. Pedersen			
DEPUTY CHAIRMAN Born: 13 June 1948 Board member since: 1989 Elected until: 2013			• General management experience • Sector-specific production experience • Independent haulier 1976-2012
Thomas Plenborg			
MEMBER OF THE BOARD Born: 23 January 1967 Chairman of the Audit Committee Board member since: 2011 Elected until: 2013	(Chairman) (Board member)	Rosemunde ApS COWI Holding A/S Saxo Bank A/S, chairman of the Audit Committee	• Professor of accounting and auditing at Copenhagen Business School • Management experience from directorships and honorary offices held • Experience with strategic and financial planning • MSc. in Economics and Business Administration, Ph.d., Copenhagen Business School
Kaj Christiansen			
MEMBER OF THE BOARD Born: 20 February 1944 Board member since: 1995 Elected until: 2013			• General management experience • Sector-specific production experience • Independent haulier 1978-2001
Annette Sadolin			
MEMBER OF THE BOARD Born: 4 January 1947 Member of the Audit Committee Board member since: 2009 Elected until: 2013	(Chairman) (Deputy chairman) (Board member)	Østre Gasværk Theatre DSB A/S Danish Standards Topdanmark A/S Skodsborg Kurhotel & Spa A/S Ratos AB (Sweden) Ny Carlsberg Glyptotek (art museum) Blue Square Reinsurance NV	• General global management experience from General Electric (GE), the reinsurance industry and other organisations • Acquisition and divestment of international enterprises • Former executive officer of GE Frankona, Munich, Germany • Former CEO of Employers Reinsurance International • Master of Laws (LL.M.)
Birgit W. Nørgaard			
MEMBER OF THE BOARD Born: 9 July 1958 Board member since: 2010 Elected until: 2013	(Chairman) (Deputy Chairman) (Board member)	E. Pihl & Søn A/S NNE Pharmaplan A/S Investeringsforeningen StockRate Invest (unit trust) Stakeholder Forum for Energi.dk The Danish Council for IT Projects Sonion A/S (Xilco A/S, Xilco Holding A/S) Abeo A/S GEO The Energy Technology Development and Demonstration Programme (EUDP) Dansk Vækstkapital Lindab International AB (Sweden) IMI Plc. (UK)	• General management experiences from Grontmij NV (COO), Grontmij | Carl Bro A/S (Managing Director), Danisco and McKinsey • Acquisition and divestment of enterprises, strategy • Financial management experience • MSc in Economics and Business Administration, MBA, Insead

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of DSV A/S for the financial year 2012.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and Danish disclosure requirements for listed companies.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2012 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 2012.

In our opinion, the Management's Commentary includes a fair review of the development in the Parent Company's and the Group's operations and financial conditions, the results for the year, cash flow and financial position as well as a description of the more significant risks and uncertainty factors that the Parent Company and the Group face.

We recommend that the Annual Report be approved at the Annual General Meeting.

Brøndby, 20 February 2013

Executive Board:

Jens Bjørn Andersen CEO	Jens H. Lund CFO

Board of Directors:

Kurt K. Larsen Chairman	Erik B. Pedersen Deputy Chairman	Kaj Christiansen
Annette Sadolin	Birgit W. Nørgaard	Thomas Plenborg

Independent auditors' report

To the shareholders of DSV A/S

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the Parent Company financial statements of DSV A/S for the financial year 1 January – 31 December 2012. The consolidated financial statements and the Parent Company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the Parent Company. The consolidated financial statements and the Parent Company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements and the Parent Company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the Parent Company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the Parent Company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the Parent Company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view 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 accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the Parent Company financial statements.

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

Our audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2012 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 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

STATEMENT ON THE MANAGEMENT'S COMMENTARY

Pursuant to the Danish Financial Statements Act, we have read the Management's Commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the Parent Company financial statements. On this basis, it is our opinion that the information provided in the Management commentary is consistent with the consolidated financial statements and the Parent Company financial statements.

Copenhagen, 20 February 2013

KPMG
Statsautoriseret Revisionspartnerselskab

Jesper Koefod	Gerda Retbøll-Bauer
State Authorised	State Authorised
Public Accountant	Public Accountant

GROUP STRUCTURE

The overview of the Group structure active companies at 31 December 2012 by segment and not by legal structure.

	Country	Ownership share	Air & Sea	Road	Solutions
Parent					
DSV A/S	Denmark	-			
Subsidiaries					
Europe					
DSV Air&Sea NV	Belgium	100%	x		
ABX LOGISTICS Worldwide NV/SA	Belgium	100%	x		
ABX Worldwide Holdings NV/SA	Belgium	100%	x		
ABX LOGISTICS Air & Sea Worldwide NV/SA	Belgium	100%	x		
DSV Road N.V.	Belgium	100%		x	
Marine Cargo Insurance (MCI) Agents N.V.	Belgium	100%		x	
DSV Solutions NV	Belgium	100%			x
DSV Solutions (Automotive) NV	Belgium	100%			x
DSV Air & Sea OOD	Bulgaria	100%	x		
DSV Road EOOD	Bulgaria	100%		x	
DSV Air & Sea Holding A/S	Denmark	100%	x		
DSV Air & Sea A/S	Denmark	100%	x		
DSV Road Holding A/S	Denmark	100%		x	
DSV Road A/S	Denmark	100%		x	
DSV Insurance A/S	Denmark	100%			
DSV FinCo A/S	Denmark	100%			
DSV Group Services A/S	Denmark	100%			
DSV Solutions Holding A/S	Denmark	100%			x
DSV Solutions A/S	Denmark	100%			x
DSV Transport AS	Estonia	100%		x	
DSV Air & Sea Oy	Finland	100%	x		
Ab Wasa Logistics Ltd Oy	Finland	100%	x		
DSV Road Oy	Finland	100%		x	
Uudenmaan Pikakuljetus OY	Finland	100%		x	
DSV Solutions Oy	Finland	100%			x
DSV Road Holding S.A.	France	100%		x	
DSV Road SAS	France	100%		x	
ING Reeif Wattrelos	France	100%		x	
DSV Air & Sea SAS	France	100%	x		
Frans Maas Holding France S.A.	France	100%		x	
DSV Solutions SAS	France	100%			x
DSV HELLAS S.A.	Greece	100%		x	
DSV Solutions Holding B.V.	The Netherlands	100%			x
DSV Solutions (Dordrecht) B.V.	The Netherlands	100%			x
ABX LOGISTICS (Nederland) B.V.	The Netherlands	100%	x		
DSV Solutions Nederland B.V.	The Netherlands	100%			x
Vastgoed Oostrum C.V.	The Netherlands	100%			x
DSV Air & Sea B.V.	The Netherlands	100%	x		
DSV Road B.V.	The Netherlands	100%		x	
DSV Road Holding NV	The Netherlands	100%		x	
DSV Transport Ltd.	Belarus	100%		x	
DSV Air & Sea Limited	Ireland	100%	x		
DSV Road Limited	Ireland	100%		x	
DSV Solutions Ltd.	Ireland	100%			x
Saima Avandero SpA	Italy	99.1%	x		
Logimek SRL	Italy	100%			x
Saima Caspian LLC	Kazakhstan	100%	x		
DSV Hrvatska d.o.o.	Croatia	100%		x	
DSV Transport SIA	Latvia	100%		x	
DSV Transport UAB	Lithuania	100%		x	
XB Luxembourg Holdings 1 SA	Luxemburg	100%	x		
XB Luxembourg Holdings 2 SARL	Luxemburg	100%	x		
DSV Road S.A.	Luxemburg	100%		x	
DSV Air & Sea AS	Norway	100%	x		
DSV Road AS	Norway	100%		x	
Kongeveien 47 AS	Norway	100%		x	
Åsbieveien 15 AS	Norway	100%		x	
DSV Solutions AS	Norway	100%			x

	Country	Ownership share	Air & Sea	Road	Solutions
Subsidiaries					
Europe – continued					
DSV Air & Sea Sp. z o.o.	Poland	100%	x		
DSV Road Sp. z.o.o.	Poland	100%		x	
DSV Solutions Sp.z o.o.	Poland	100%			x
DSV International Shared Services Sp. z o.o.	Poland	100%			
DSV SGPS, Lda.'	Portugal	100%		x	
DSV Solutions, Lda.	Portugal	100%		x	
DSV Transitarios, Lda.	Portugal	100%		x	
DSV Solutions S.R.L.	Romania	100%			x
OOO DSV Transport	Russia	100%		x	
DSV Road OOO	Russia	100%		x	
DSV Solutions OOO	Russia	100%			x
DSV Logistics SA	Switzerland	100%		x	
DSV Road d.o.o.	Serbia	100%		x	
DSV Slovakia S.R.O.	Slovakia	100%		x	
DSV Transport d.o.o.	Slovenia	100%		x	
DSV Holding Spain S.L.	Spain	100%		x	
DSV Road S.A.U	Spain	100%		x	
DSV Solutions S.A.U	Spain	100%			x
DSV Air & Sea S.A.U	Spain	100%	x		
DSV Solutions Ltd.	Great Britain	100%			x
DSV Air & Sea Limited	Great Britain	100%	x		
DSV Road Holding Ltd.	Great Britain	100%		x	
DSV Commercials Ltd.	Great Britain	100%		x	
DSV Road Ltd.	Great Britain	100%		x	
DSV Air & Sea AB	Sweden	100%	x		
DSV Road Holding AB	Sweden	100%		x	
DSV Group AB	Sweden	100%		x	
DSV Road AB	Sweden	100%		x	
Göinge Frakt EK	Sweden	100%		x	
NTS European Distribution AB	Sweden	100%		x	
DSV Solutions AB	Sweden	100%			x
DSV Road Property Holding AB	Sweden	100%		x	
DSV Air & Sea s.r.o.	Czech Republic	100%	x		
DSV Road a.s.	Czech Republic	100%		x	
DSV Air & Sea A.S.	Turkey	100%	x		
DSV Road & Solutions A.S.	Turkey	100%		x	
DSV Road GmbH	Germany	100%		x	
DSV Immobilien GmbH	Germany	100%		x	
POP Gesellschaft für Prozesslogistik mbH	Germany	100%			x
Collico Verpackungslogistik und Service GmbH	Germany	100%			x
Administration & Accounting Service GmbH	Germany	100%		x	
Jolkos Grundstücksverwaltungsgesellschaft mbH	Germany	94%		x	
DSV Air & Sea GmbH	Germany	100%	x		
DSV Solutions Group GmbH	Germany	100%			x
DSV Solutions GmbH	Germany	100%			x
DSV Stuttgart GmbH & Co. KG	Germany	100%		x	
DSV Ukraine	Ukraine	100%		x	
DSV Hungaria Kft.	Hungary	100%		x	
ABX LOGISTICS (Austria) GmbH	Austria	100%		x	
DSV Österreich Spedition GmbH	Austria	100%		x	
North America					
DSV Air & Sea Inc.	Canada	100%	x		
DSV Air & Sea, S.A. de C.V.	Mexico	100%	x		
DSV Air & Sea Inc.	USA	100%	x		
DSV Air & Sea Holding Inc.	USA	100%	x		
ABX LOGISTICS (USA) Inc.	USA	100%	x		
South America					
DSV-GL Argentina S.A.	Argentina	100%	x		
DSV Air & Sea Logística Ltda.	Brazil	100%	x		
DSV-GL Chile S.A.	Chile	100%	x		
DSV-GL Latin America S.A.	Chile	100%	x		
DSV-GL Peru S.A.	Peru	100%	x		

	Country	Ownership Share	Air & Sea	Road	Solutions
Asia					
DSV Air & Sea Ltd.	Bangladesh	100%	x		
ABX LOGISTICS (Bangladesh) Ltd.	Bangladesh	100%	x		
DSV Air & Sea (LLC)	United Arab Emirates	100%	x		
Swift Freight International LLC	United Arab Emirates	100%	x		
DSV Air & Sea Inc.	The Philippines	100%	x		
ABX LOGISTICS Holding Philippines Inc	The Philippines	97.6%	x		
DSV Air & Sea Ltd.	Hong Kong	100%	x		
ABX LOGISTICS (Hong Kong) Ltd.	Hong Kong	100%	x		
THL Container Line Ltd.	Hong Kong	100%	x		
Swift Global Logistics Limited	Hong Kong	100%	x		
DSV Air & Sea Pvt. Ltd.	India	100%	x		
Swift Shipping and Freight Logistics Private Limited	India	100%	x		
PT. DFDS Transport Indonesia	Indonesia	100%	x		
DSV Air & Sea Co., Ltd.	Japan	79.6%	x		
DSV Air & Sea Co., Ltd.	China	100%	x		
DSV Logistics Co., Ltd.	China	100%	x		
Swift Global Logistics Limited	China	100%	x		
DSV Air & Sea Ltd.	Korea	100%	x		
DSV Air & Sea Sdn Bhd	Malaysia	100%	x		
DSV Logistics Sdn. Bhd.	Malaysia	49%	x		
DSV Air & Sea Pte. Ltd.	Singapore	100%	x		
ABX LOGISTICS Singapore PTE LTD	Singapore	100%	x		
DSV Air & Sea Co. Ltd.	Taiwan	100%	x		
DSV Air & Sea Ltd.	Thailand	100%	x		
DSV Air & Sea Co., Ltd.	Vietnam	100%	x		
Other					
DSV Air & Sea Pty Ltd.	Australia	100%	x		
DSV Transport Int'l S.A	Morocco	100%	x		
Terminal Handling Company	Morocco	100%	x		
DSV Air & Sea Limited	New Zealand	100%	x		
Saima Nigeria Ltd.	Nigeria	40%	x		
Nationwide Clearing & Forwarding Ltd.	Nigeria	36.6%	x		
DSV Air and Sea (Proprietary) Limited	South Africa	100%	x		
Associates					
ABX-Penske Air & Sea Logistica Ltda	Brazil	50%	x		
Swift Freight International Burundi SA	Burundi	33.3%	x		
Swift Freight DRC San NCR KIN	DR Congo	33.3%	x		
DSV Air & Sea LLC	Egypt	20%	x		
DDT Brokerage Inc.	The Philippines	100%	x		
GT Stevedores Oy	Finland	25.5%		x	
FRANCE AIR GROUPAGE SA	France	49.6%	x		
Swift Freight Forwarders (Ghana) Limited	Ghana	33.3%	x		
Sama Al Imad General Transport LLC	Iraq	30%	x		
MGM Lines Srl	Italy	30%	x		
Swift Global Logistics Limited	Kenya	33.3%	x		
Swift Global Logistics Limited	Mozambique	33.3%	x		
Swift Freight International Nigeria Limited	Nigeria	33.3%	x		
DSV Air & Sea (PVT) Limited.	Pakistan	20%	x		
Swift Freight International Rwanda Limited	Rwanda	33.3%	x		
Swift Global Logistics Limited	Tanzania	33.3%	x		
Swift Global Logistics	Togo	33.3%	x		
KM Logistik GmbH	Germany	35%		x	
IDS Logistik GmbH	Germany	28%		x	
DSV Honold Air & Sea GmbH & Co. KG	Germany	50%	x		
DSV Honold Air & Sea Verwaltungs GmbH	Germany	50%	x		
Swift Freight International (Uganda) Limited	Uganda	33.3%	x		
Swift Freight International Tours & Travels Limited	Uganda	33.3%	x		
Swift Freight International (Zambia) Limited	Zambia	33.3%	x		

According to agreement, control of DDT Brokerage Inc. has been transferred to a third party, and the company is therefore treated as an associate.

Global Transport and Logistics

DSV A/S
Banemarksvej 58
2605 Brøndby
Denmark

Tel. +45 43 20 30 40
www.dsv.com

CVR-No. 58 23 35 28
36th financial year
Annual Report for the year ended
31 December 2012
Published 20 February 2013

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

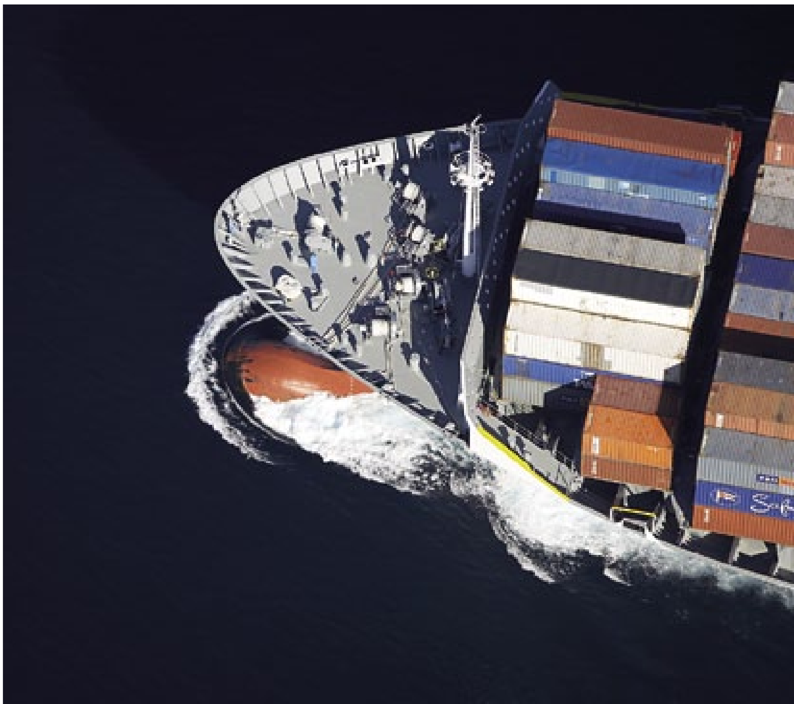
Design and graphic production: meyer & bukdahl as

DSV

Global Transport and Logistics

2012 Annual Report – Parent

The Annual Report of DSV A/S (Parent) is an integral part of the 2012 Consolidated Annual Report of DSV



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INCOME STATEMENT

(DKKm)	Note	2011	2012
Revenue	2	438	480
Direct costs		1	-
Gross profit		**437**	**480**
Other external expenses	3	170	193
Staff costs	4, 5	196	200
Operating profit before amortisation, depreciation and special items (EBITDA)		**71**	**87**
Amortisation and depreciation of intangibles, property, plant and equipment	10, 11	101	118
Operating profit before special items (EBITA)		**(30)**	**(31)**
Special items	6	-	(24)
Operating profit (EBIT)		**(30)**	**(55)**
Financial income	7	691	917
Financial expenses	8	477	319
Profit before tax		**184**	**543**
Tax on profit for the year	9	73	41
Profit for the year		**111**	**502**
Proposed distribution of profit			
Proposed dividend per share of DKK 1 is DKK 1.25 (2011: DKK 1.00 per share).		190	235
Retained earnings		(79)	267
Total distribution		**111**	**502**

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Note	2011	2012
Profit for the year		**111**	**502**
Fair value adjustment for the year relating to hedging instruments		(71)	(90)
Fair value adjustment relating to hedging instruments transferred to financial expenses		62	61
Tax on other comprehensive income	9	2	22
Other comprehensive income net of tax		**(7)**	**(7)**
Total comprehensive income		**104**	**495**

BALANCE SHEET, ASSETS

(DKKm)	Note	2011	2012
Intangibles	10	431	441
Property, plant and equipment	11	8	8
Investments in Group enterprises	12	2,834	5,292
Other receivables	13	1,799	1,114
Total non-current assets		**5,072**	**6,855**
Receivables from Group enterprises and other receivables	14	11,063	10,163
Corporation tax		–	11
Cash		1	–
Total current assets		**11,064**	**10,174**
Total assets		**16,136**	**17,029**

BALANCE SHEET, EQUITY AND LIABILITIES

(DKKm)	Note	2011	2012
Share capital	15	190	188
Reserves		3,835	3,213
Total equity		**4,025**	**3,401**
Deferred tax	16	100	84
Financial liabilities	17	5,169	5,253
Total non-current liabilities		**5,269**	**5,337**
Financial liabilities	17	598	793
Corporation tax		144	–
Payables to Group enterprises and other payables	18	6,100	7,498
Total current liabilities		**6,842**	**8,291**
Total liabilities		**12,111**	**13,628**
Total equity and liabilities		**16,136**	**17,029**

CASH FLOW STATEMENT

(DKKm)	Note	2011	2012
Profit before tax		184	543
Adjustment, non-cash operating items etc.:			
Amortisation, depreciation and impairment losses	10, 11	101	118
Share-based payments		36	143
Financial income	7	(691)	(917)
Financial expenses	8	477	319
Cash flow from operating activities before change in net working capital and tax		**107**	**206**
Change in net working capital		1,148	2,247
Financial income, paid		695	913
Financial expenses, paid		(477)	(319)
Corporation tax, paid		(22)	(190)
Cash flow from operating activities		**1,451**	**2,857**
Acquisition of intangibles	10	(80)	(122)
Acquisition of property, plant and equipment	11	(4)	(6)
Change in other financial assets		(288)	(1,773)
Cash flow from investing activities		**(372)**	**(1,901)**
Free cash flow		**1,079**	**956**
Other non-current liabilities incurred		2,022	750
Repayment of loans and credits		(606)	(471)
Shareholders:			
Dividends distributed	15	(105)	(190)
Dividends on treasury shares		4	5
Purchase and sale of treasury shares		(2,394)	(1,058)
Cash flow from financing activities		**(1,079)**	**(964)**
Cash flow for the year		**-**	**(8)**
Cash at 1 January		1	1
Cash flow for the year		-	(8)
Foreign currency translation adjustments		-	7
Cash at 31 December		**1**	**-**

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

STATEMENT OF CHANGES IN EQUITY – 2011

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2011	**209**	**(8)**	**6,155**	**105**	**6,461**
Profit for the year	**-**	**-**	**(79)**	**190**	**111**
Fair value adjustment for the year relating to hedging instruments	-	(71)	-	-	(71)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	62	-	-	62
Tax on other comprehensive income	-	2	-	-	2
Total comprehensive income	**-**	**(7)**	**-**	**-**	**(7)**
Total comprehensive income for the year	**-**	**(7)**	**(79)**	**190**	**104**
Share-based payments	-	-	5	-	5
Dividends distributed	-	-	-	(105)	(105)
Purchase and sale of treasury shares, net	-	-	(2,418)	-	(2,418)
Capital reduction	(19)	-	19	-	-
Dividends on treasury shares	-	-	4	-	4
Other adjustments	-	-	(26)	-	(26)
Total changes in equity in 2011	**(19)**	**(7)**	**(2,495)**	**85**	**(2,436)**
Equity at 31 December 2011	**190**	**(15)**	**3,660**	**190**	**4,025**

STATEMENT OF CHANGES IN EQUITY – 2012

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2012	**190**	**(15)**	**3,660**	**190**	**4,025**
Profit for the year	**-**	**-**	**267**	**235**	**502**
Fair value adjustment for the year relating to hedging instruments	-	(90)	-	-	(90)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	61	-	-	61
Tax on other comprehensive income	-	22	-	-	22
Total comprehensive income	**-**	**(7)**	**-**	**-**	**(7)**
Total comprehensive income for the year	**-**	**(7)**	**267**	**235**	**495**
Share-based payments	-	-	6	-	6
Dividends distributed	-	-	-	(190)	(190)
Purchase and sale of treasury shares, net	-	-	(1,084)	-	(1,084)
Capital reduction	(2)	-	2	-	-
Dividends on treasury shares	-	-	5	-	5
Other adjustments	-	-	144	-	144
Total changes in equity in 2012	**(2)**	**(7)**	**(660)**	**45**	**(624)**
Equity at 31 December 2012	**188**	**(22)**	**3,000**	**235**	**(3,401)**

The retained earnings reserve at 31 December 2012 comprised a premium of DKK 1,354 million arising on the issue of shares (2011: DKK 1,354 million) less the negative balance between the purchase and sale of treasury shares of DKK 6,314 million (2011: a negative balance of DKK 5,230 million).

NOTE 1 – SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

For the preparation of the Annual Report of DSV A/S, Management makes various accounting estimates and judgements 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 judgements 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 was no such indication at 31 December 2012, and therefore investments in subsidiaries have not been tested for impairment.

NOTE 2 – REVENUE

(DKKm)	2011	2012
Group charges	438	480
Total revenue	**438**	**480**

NOTE 3 – FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

(DKKm)	2011	2012
Statutory audit	3	2
Tax and VAT advisory services	-	1
Total fees to auditors appointed at the Annual General Meeting	**3**	**3**
Others, audit	1	2
Others, total fees	**1**	**2**
Total fees	**4**	**5**

Auditors appointed at the Annual General Meeting, 2012: KPMG (2011: KPMG).

NOTE 4 – STAFF COSTS

(DKKm)	2011	2012
Remuneration for the Board of Directors	4	4
Wages and salaries etc.	181	183
Defined contribution pension plans	11	13
Total staff costs	**196**	**200**
Average number of full-time employees	251	284

Remuneration of the Executive Board

	Jens Bjørn Andersen		Jens H. Lund		Total	
(DKKm)	2011	2012	2011	2012	2011	2012
Fixed salary	6.2	6.4	4.3	4.6	10.5	11.0
Defined contribution pension plans	0.5	0.5	0.1	0.1	0.6	0.6
Bonus	2.5	2.5	1.7	1.7	4.2	4.2
Share-based payments	1.8	2.1	1.3	1.5	3.1	3.6
Total remuneration of the Executive Board	**11.0**	**11.5**	**7.4**	**7.9**	**18.4**	**19.4**

The members of the Executive Board are subject to a notice period of up to 24 months.
For information on the exercise of share options by the Executive Board, please refer to note 5 of the consolidated financial statements.

Remuneration of the Board of Directors of the Parent

(DKK'000)	2011	2012
Kurt K. Larsen, Chairman	1,050	1,181
Erik B. Pedersen, Deputy Chairman	525	525
Kaj Christiansen	350	350
Per Skov (resigned 2012)	481	131
Annette Sadolin	481	525
Birgit W. Nørgaard	350	350
Thomas Plenborg (elected 2011)	525	700
Total remuneration of the Board of directors of the Parent	**3,762**	**3,762**

NOTE 5 – INCENTIVE SCHEMES

DSV A/S has issued share options to staff, senior staff and members of the Executive Board of the Company. Please refer to note 5 of the consolidated financial statements for a calculation of market values and a list of current incentive share option programmes.

Incentive schemes at 31 December 2012

	Exercise period	Board of Directors*	Executive Board	Senior Staff	Total	Average exercise price per option
Outstanding options of 2009 scheme	02/04/2012 - 31/03/2014	45,000	170,000	27,000	242,000	41.10
Outstanding options of 2010 scheme	02/04/2013 - 31/03/2015	45,000	170,000	108,000	323,000	98.50
Outstanding options of 2011 scheme	01/04/2014 - 01/04/2016	-	170,000	103,000	273,000	129.90
Outstanding options of 2012 scheme	01/04/2015 - 31/03/2017	-	170,000	114,000	284,000	128.00
Outstanding at 31 December 2012		**90,000**	**680,000**	**352,000**	**1,122,000**	**101.23**
Exercise period open at 31 December 2012		**45,000**	**170,000**	**27,000**	**242,000**	**41.10**

* A Director received options in his former capacity as CEO and in connection with certain day-to-day managerial tasks. The options were granted pursuant to the procedures laid down in the Remuneration Policy of the Group then applicable.

The weighted average remaining life at 31 December 2012 was 2.8 years. The aggregate market value was DKK 54.6 million, of which options amounting to DKK 34.4 million were held by Executive Board members and options amounting to DKK 6.8 million were held by a member of the Board of Directors.

Development in outstanding options

	Board of Directors	Executive Board	Senior Staff	Total	Average exercise price per option
Outstanding at 1 January 2011	90,000	340,000	180,000	610,000	71.68
Granted in 2011	-	170,000	105,500	275,500	129.90
Options waived/expired	-	-	(5,500)	(5,500)	69.80
Outstanding at 31 December 2011	**90,000**	**510,000**	**280,000**	**880,000**	**89.72**
Granted in 2012	-	170,000	114,000	284,000	128.00
Exercised in 2012	-	-	(42,000)	(42,000)	41.10
Outstanding at 31 December 2012	**90,000**	**680,000**	**352,000**	**1,122,000**	**101.23**

NOTE 6 – SPECAL ITEMS

(DKKm)	2011	2012
Restructuring costs	-	(24)
Total special items, net	**-**	**(24)**

NOTE 7 – FINANCIAL INCOME

(DKKm)	2011	2012
Interest income	47	48
Interest income from Group enterprises	625	487
Foreign currency translation adjustments, net	19	-
Dividends from subsidiaries	-	382
Total financial income	**691**	**917**

Interest income relates to interest from cash included at amortised cost.

NOTE 8 – FINANCIAL EXPENSES

(DKKm)	2011	2012
Interest expenses	352	211
Interest expenses for Group enterprises	125	95
Foreign currency translation adjustments, net	-	13
Total financial expenses	**477**	**319**

Interest expenses relate to interest on loans included at amortised cost.

NOTE 9 – TAX

(DKKm)	2011	2012
The tax for the year is disaggregated as follows:		
Tax on profit for the year	73	41
Tax on other comprehensive income	(2)	(22)
Total tax for the year	**71**	**19**
Tax on profit for the year is calculated as follows:		
Current tax	51	40
Deferred tax	9	(16)
Tax adjustment relating to previous years	13	17
Total tax on profit for the year	**73**	**41**
Tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	46	136
Tax effect of:		
Non-deductible expenses/non-taxable income etc.	13	(112)
Tax adjustment relating to previous years	14	17
Total tax on profit for the year	**73**	**41**
Effective tax rate	**39.7%**	**7.6%**

Tax on other comprehensive income

(DKKm)	2011 Before tax	2011 Tax income/ expense	2011 Net of tax	2012 Before tax	2012 Tax income/ expense	2012 Net of tax
Fair value adjustment of hedging instruments	(9)	2	(7)	(29)	22	(7)
Total	**(9)**	**2**	**(7)**	**(29)**	**22**	**(7)**

NOTE 10 – INTANGIBLES

(DKKm)	Software	Intangibles in progress	Total
Cost at 1 January 2011	**530**	**71**	**601**
Additions for the year	–	80	80
Reclassifications	124	(124)	–
Total cost at 31 December 2011	**654**	**27**	**681**
Total amortisation and impairment at 1 January 2011	**155**	**–**	**155**
Amortisation for the year	95	–	95
Total amortisation and impairment at 31 December 2011	**250**	**–**	**250**
Carrying amount at 31 December 2011	**404**	**27**	**431**
Cost at 1 January 2012	**654**	**27**	**681**
Additions for the year	–	122	122
Reclassifications	85	(85)	–
Total cost at 31 December 2012	**739**	**64**	**803**
Total amortisation and impairment at 1 January 2012	**250**	**–**	**250**
Amortisation for the year	112	–	112
Total amortisation and impairment at 31 December 2012	**362**	**–**	**362**
Carrying amount at 31 December 2012	**377**	**64**	**441**

Intangibles in progress and all material software assets have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2012.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Other plant and operating equipment
Cost at 1 January 2011	**16**
Additions for the year	4
Total cost at 31 December 2011	**20**
Total depreciation and impairment at 1 January 2011	**6**
Depreciation for the year	6
Total depreciation and impairment at 31 December 2011	**12**
Carrying amount at 31 December 2011	**8**

Cost at 1 January 2012	**20**
Additions for the year	6
Total cost at 31 December 2012	**26**
Total depreciation and impairment at 1 January 2012	**12**
Depreciation for the year	6
Total depreciation and impairment at 31 December 2012	**18**
Carrying amount at 31 December 2012	**8**

No events occurred in the financial year that gave rise to any indication of impairment of property, plant and equipment.

NOTE 12 – INVESTMENTS IN GROUP ENTERPRISES

DSV A/S owns the following subsidiaries, all of which are included in the consolidated financial statements

	Ownership share 2011	Ownership share 2012	Registered office	Company's share capital (DKKm)
DSV Road Holding A/S	100%	100%	Brøndby, Danmark	100
DSV Air & Sea Holding A/S	100%	100%	Brøndby, Danmark	50
DSV Solutions Holding A/S	100%	100%	Taastrup, Danmark	151
DSV Insurance A/S	100%	100%	Brøndby, Danmark	25
DSV Group Services A/S		100%	Brøndby, Danmark	5
DSV FinCo A/S		100%	Brøndby, Danmark	0.5

Additions to investments in Group enterprises relate to the recapitalisation of a subsidiary in all essentials.

NOTE 13 – OTHER NON-CURRENT RECEIVABLES

(DKKm)	2011	2012
Receivables from Group enterprises	1,799	1,113
Other receivables	-	1
Other non-current receivables at 31 December	**1,799**	**1,114**

NOTE 14 – RECEIVABLES FROM GROUP ENTERPRISES AND OTHER RECEIVABLES

(DKKm)	2011	2012
Receivables from Group enterprises	10,968	10,086
Fair value of derivative financial instruments	84	23
Other receivables etc.	11	54
Receivables from Group enterprises and other receivables at 31 December	**11,063**	**10,163**

NOTE 15 - SHARE CAPITAL

(DKKm)	2011	2012
Share capital, beginning of year	**209.2**	**190.0**
Capital reduction	(19.2)	(2.0)
Share capital, end of year	**190.0**	**188.0**

The share capital of DSV A/S has a nominal value of DKK 188,000,000, corresponding to 188,000,000 shares with a nominal value of DKK 1 each. No share confers any special rights upon its holder. No restrictions apply to the transferability of the shares or to voting rights. The share capital is fully paid up.

Treasury shares

	Shares of DKK 1		Nominal value		% of share capital	
	2011	2012	2011	2012	2011	2012
Treasury shares, beginning of year	**2,643,496**	**4,355,760**	**2,643,496**	**4,355,760**	**1.3**	**2.3**
Purchases	21,805,364	10,421,661	21,805,364	10,421,661	10.7	5.5
Used for reduction of share capital	(19,150,000)	(2,000,000)	(19,150,000)	(2,000,000)	(9.2)	(1.0)
Used for exercise of share options	(943,100)	(2,840,000)	(943,100)	(2,840,000)	(0.5)	(1.5)
Treasury shares, end of year	**4,355,760**	**9,937,421**	**4,355,760**	**9,937,421**	**2.3**	**5.3**

Treasury shares are bought back to hedge the Company's incentive schemes and adapt its capital structure. The market value of treasury shares at 31 December 2012 was DKK 1,448 million (2011: DKK 449 million). The acquisition price of treasury shares repurchased in 2012 was DKK 1,302 million, and the selling price of treasury shares sold was DKK 326 million.

Dividends

It is proposed to distribute dividends of DKK 1.25 per share (2011: DKK 1.00). DSV A/S paid DKK 190 million as dividends on 27 March 2012, corresponding to DKK 1 per share (2011: DKK 105 million, corresponding to DKK 0.50 per share).

Distribution of dividends to the shareholders of DSV A/S has no tax consequences for DSV A/S.

NOTE 16 – DEFERRED TAX

(DKKm)	2011	2012
Deferred tax at 1 January	83	100
Deferred tax for the year	9	(16)
Tax on equity items	4	–
Adjustments relating to previous years	4	–
Deferred tax at 31 December	**100**	**84**
Deferred tax at 31 December		
Intangibles	100	94
Current assets	(2)	(9)
Provisions	2	(1)
Deferred tax at 31 December	**100**	**84**
Breakdown of deferred tax		
Deferred tax liability	100	84
Deferred tax at 31 December	**100**	**84**

NOTE 17 – FINANSIELLE FORPLIGTELSER

(DKKm)	2011	2012
Loans and credit facilities	5,767	6,046
Total financial liabilities	**5,767**	**6,046**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	5,169	5,253
Current liabilities	598	793
Financial liabilities at 31 December	**5,767**	**6,046**

Loans and credit facilities

		Fixed/	Carrying amount	
(DKKm)	Expiry	floating	2011	2012
Bank loans (DKK)	2013	Floating	944	943
Bank loans (EUR)	2016	Floating	1,241	3,475
Bank loans (USD)	2016	Floating	2,698	–
Bond loan	2020	Fixed	–	748
Other	2014-2015	Fixed	13	13
Cash	2013-2014	Floating	871	867
Loans and credit facilities at 31 December			**5,767**	**6,046**

Bank loans are subject to standard trade covenants. All financial ratio covenants were observed during the year.
The weighted average effective interest rate was 1.5% (2011: 1.9%).

NOTE 18 – PAYABLES TO GROUP ENTERPRISES AND OTHER PAYABLES

(DKKm)	2011	2012
Payables to Group enterprises	5,711	7,134
Fair value of derivative financial instruments	265	201
Other payables	124	163
Payables to Group enterprises and other payables at 31 December	**6,100**	**7,498**

NOTE 19 – CONTINGENT LIABILITIES, COLLATERALS CAND OTHER FINANCIAL LIABILITIES ETC.

Operating leases:

(DKKm)	2011	2012
Operating lease obligations relating to operating equipment fall due:		
0-1 year	16	24
1-5 years	15	24
Total	**31**	**48**
The following is recognised in the income statement:		
Operating leases relating to operating equipment	24	19
Total	**24**	**19**

DSV A/S leases properties under operating leases with an average lease term of 4 years.

Contractual obligations

DSV A/S has concluded IT service contracts. The costs related to these contracts are recognised as the services are provided.

DSV A/S has guaranteed for subsidiaries' outstanding balances with banks and liabilities to leasing companies, suppliers and public authorities etc. in the amount of DKK 3,262 million (2011: DKK 3,659 million).

Moreover, DSV A/S has issued 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 the administration company of the joint taxation arrangement and is only liable for tax payments received on account from the subsidiaries.

NOTE 20 – DERIVATIVE FINANCIAL INSTRUMENTS

Hedging instruments at 31 December 2011

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in other comprehen-sive income
Currency instruments	10,959	2012	7	39	(32)
Interest rate instruments	8,476	2012-2015	(189)	(44)	(145)
Total			**(182)**	**(5)**	**(177)**

Hedging instruments at 31 December 2012

(DKKm)	Contractual value	Maturity	Fair value	Of which recognised in income statement	Of which recognised in other comprehen-sive income
Currency instruments	7,358	2013	16	16	-
Interest rate instruments	7,518	2013-2016	(193)	(23)	(170)
Total			**(177)**	**(7)**	**(170)**

Foreign currency risk hedging

The Company mainly uses foreign exchange forward contracts to hedge foreign currency risks. The main currencies hedged are SEK, NOK, GBP and USD. The Company is exposed to a low foreign currency risk. Foreign exchange forward contracts used to hedge net investments and satisfying the conditions of hedge accounting are recognised in other comprehensive income. Other fair value adjustments are recognised in the income statement under financial income or expenses.

Interest rate risk hedging

The Company 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 other comprehensive income. 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 financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments was 1.77% at the reporting date (2011: 2.39%).

NOTE 21 – FINANCIAL RISKS

Reference is made to note 26 of the 2012 Consolidated Annual Report for a detailed description of the financial risks.

The liabilities of DSV A/S fall due as listed below:

(DKKm)	0-1 year	1-3 years	3-5 years (2011)	> 5 years	Contractual cashflows, incl. interest
Loans and credit facilities	727	1,366	4,114	-	6,207
Other payables	124	-	-	-	124
Payables to Group enterprises	5,711	-	-	-	5,711
Currency derivatives	(7)	-	-	-	(7)
Interest rate derivatives	106	78	6	-	190
Total	**6,661**	**1,444**	**4,120**	**-**	**12,225**

(DKKm)	0-1 year	1-3 years	3-5 years (2012)	> 5 years	Contractual cashflows, incl. interest
Loans and credit facilities	918	1,199	3,575	835	6,527
Other payables	163	-	-	-	163
Payables to Group enterprises	7,134	-	-	-	7,134
Currency derivatives	(16)	-	-	-	(16)
Interest rate derivatives	107	91	2	-	200
Total	**8,306**	**1,290**	**3,577**	**835**	**14,008**

The analysis of expected maturity is based on contractual cash flows, including estimated interest payments. Amounts have not been discounted for which reason they cannot necessarily be reconciled to the related items of the balance sheet.

Financial instruments categories

	2011 Carrying amounts	2012 Carrying amounts
Financial assets:		
Held for trading (derivative financial currency instruments)	7	16
Loans and receivables	12,862	11,277
Financial liabilities:		
Held for trading (derivative financial instruments)	188	193
Financial liabilities measured at amortised cost	11,602	13,343

The fair value of financial assets and liabilities does not differ significantly from the carrying amount.

The valuation of financial instruments measured at fair value was based on other observable inputs than prices quoted in active markets (level 2). Interest rate swaps and foreign exchange forward contracts were valued using generally accepted valuation techniques based on relevant observable data.

DSV A/S obtained a corporate bond loan of DKK 750 million with a Danish pension fund in 2012. The loan is a fixed-rate bullet loan with a duration of 8 years.

NOTE 22 – RELATED PARTIES

DSV A/S has no related parties with control. Related parties of DSV A/S with significant influence comprise members of the companies' boards of directors, executive boards and senior staff as well as family members of those persons. Related parties also comprise companies in which the aforementioned persons have significant interests.

Remuneration for Directors and members of the Executive Board is detailed in note 4. Management incentive programmes are listed in note 5.

The Parent had the following transactions with related parties:

(DKKm)	2011	2012
Sale of services		
Group enterprises	438	480
Total sale of services	**438**	**480**
Purchase of services		
Group enterprises	24	19
Total purchase of services	**24**	**19**

Management fees invoiced by Group enterprises comprise remuneration for members of the executive boards of the subsidiaries.

(DKKm)	2011	2012
Financials, net		
Group enterprises	512	392
Total financials, net	**512**	**392**

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

(DKKm)	2011	2012
Receivables		
Group enterprises	12,767	11,199
Total receivables	**12,767**	**11,199**
Liabilities		
Group enterprises	5,711	7,134
Total liabilities	**5,711**	**7,134**

NOTE 23 - ACCOUNTING POLICIES

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

Dividends from investments in subsidiaries

Dividends from investments in subsidiaries are recognised as income in the Parent's income statement under financial income in the financial year in which the dividends are declared.

Investments in subsidiaries in the Parent's financial statements

Investments in subsidiaries are measured at cost. If there is any indication of impairment, investments are tested for impairment as described in the accounting policies applied by the Group. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

Foreign currency translation

Foreign currency adjustments of balances considered part of the total net investment in enterprises which have a functional currency other than Danish kroner are recognised in the income statement of the Parent under financials.

Global Transport and Logistics

DSV A/S
Banemarksvej 58
2605 Brøndby
Denmark

Tel. +45 43 20 30 40
www.dsv.com

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