2010 Annual Report

Global Transport and Logistics

DSV is a global supplier of transport and logistics solutions. The Group has subsidiaries in more than 60 countries and more than 21,000 employees.

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 and subsidiaries in more than 60 countries.

DSV Road offers transportation of full, part and groupage loads by road 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 and subsidiaries in more than 30 countries in Europe.

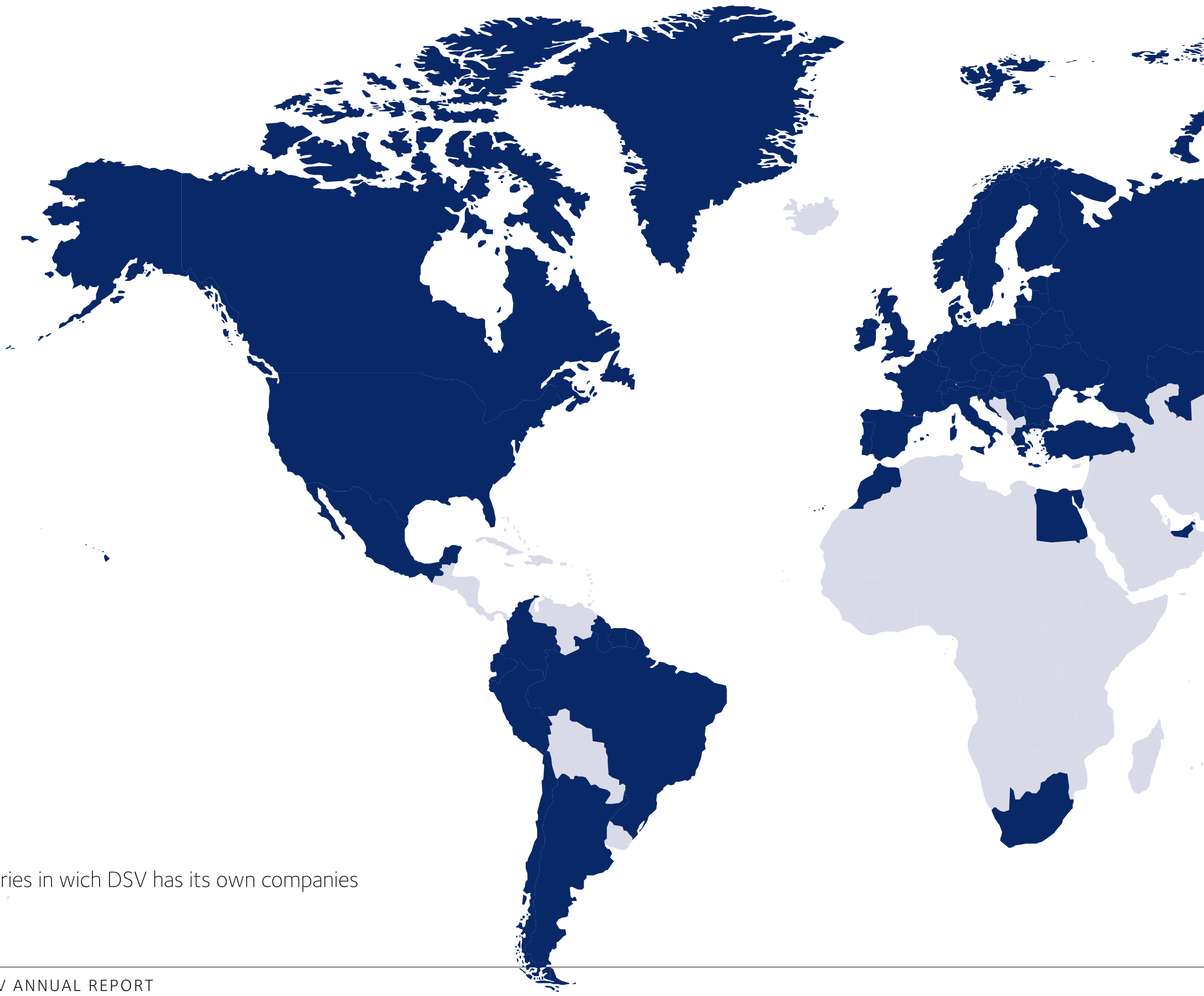
DSV Solutions specialises in logistics solutions across the entire supply chain from design through freight management, customs clearance, warehousing and distribution to information management and e-business support. DSV Solutions has approx. 5,000 employees and subsidiaries in 16 countries in Europe.

REVENUE*
DKK million
42,562

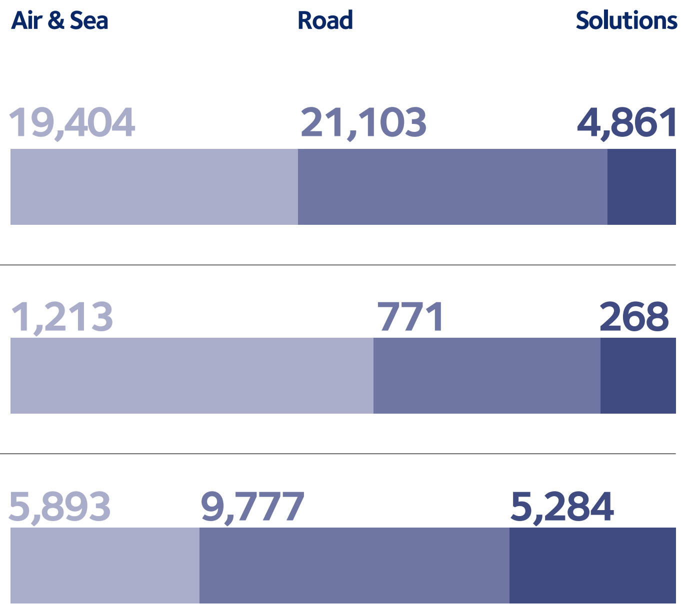
EBITA*
DKK million
2,202

EMPLOYEES
Number of**
21,300

* External revenue and EBITA (operating profit before special items) after elimination of intra-Group transactions.
** including Group functions.



■ Countries in wich DSV has its own companies



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DSV A/S
CEO's report

Jens Bjørn Andersen
CEO
DSV A/S

Best results in the history of DSV

With a net profit of around DKK 500 million above 2009, 2010 was a highly satisfactory year – and the foundation has thus been laid for reaching new heights in 2011.

DSV upheld its position among the world's leading freight forwarders in 2010 through hard work and business talent.

2010 was characterised by a beginning global economic rebound. At the same time, the transport industry was challenged by external factors such as an extremely tough winter, volcanic eruption and tightened international air transport security requirements.

The improved net profit for 2010 is attributable to an increase in revenue of DKK 6.5 billion and in gross profit of DKK 422 million. Costs were maintained on a level with last year, and DSV intends to put intensive efforts into further productivity improvements in 2011. DSV considers it unavoidable that costs will increase to some extent as a result of the increased activity level, but we are confident that the increase in costs will not exceed the expected activity increase.

New market shares

DSV won new market shares in 2010 with growth levels exceeding the market level by up to 50% in some cases. The considerable activity increase is of course the reason for the pronounced improvement in 2010, and it is highly satisfactory that growth levels recorded by all DSV divisions exceeded the general market levels. To give an example, the air freight market grew by 18-20%, whereas in the same period DSV achieved a growth rate of 29%, corresponding to an increase of as much as 50% above the market in general. With major improvements in several areas, the perfect basis has been created for making 2011 yet another good year for DSV:

- In the past year, the geographical footprint of DSV was expanded by new offices in several countries and completely new operations in South Africa, to mention one country, where we raised the DSV flag in Cape Town, Johannesburg and Port Elizabeth. By these expansions DSV has strengthened its position in the rapidly growing African market, not least in relation to China-Africa trade.

- By the successful integration of ABX LOGISTICS, DSV now has a comprehensive Asian network of offices in almost all countries of the region. This puts DSV in a position to assume its share of the growth in intra-Asian trade.

- Pronounced development in Germany, France and Spain, where the national results of all divisions combined improved by DKK 228 million. This was a large step in the right direction, and there is still great potential for improvement.

Air & Sea – Pronounced development

A large part of the development in the Air & Sea Division is fuelled by the USA, the Far East and Germany. The Air & Sea Division maintains its position as the DSV Division with the highest earnings and accordingly also the highest margin and growth rate. We expect that the Division will maintain this position in future. Rapidly increasing sea and air freight volumes contributed to the good results for 2010. The most important indicators point towards a future increase in total global container volumes of 2-3 times that of world GDP, which makes this a very interesting market.

2010 was a year characterised by large fluctuations. Relative stagnation in January and February changed into considerable growth in March. Shipping companies and airlines managed to quickly adapt rate levels to the sudden increase in freight volumes, resulting in major pressure on our margins as we were unable to raise customer prices at the same speed. During the second half of 2010, however, we witnessed falling rates. All entities of the Division achieved high growth rates, and the USA, Italy, China, Hong Kong and Germany deserve praise in particular. As a matter of fact, Germany managed to double its results in 2010, which indicates that the long-term focus is now beginning to bear fruit.

Road – Successful turn-around in three important countries

The three focus countries, Germany, France and Spain, achieved positive results for 2010. Altogether, these countries improved their EBITA by DKK 159 million, recording an aggregate operating profit of DKK 26 million, which is very positive. I would like to emphasise the development in Germany in particular, which recorded the first operating profit in the history of DSV Road Germany, but also France and Spain benefited greatly from the improvements over the last couple of years, including the new managements in all three countries.

In the year under review, the Road Division optimised and improved performance considerably through cost-reduction initiatives and a strong focus on creating profitable operating activities. The implementation of e-services and other IT tools, such as Track & Trace, also strengthened communications with DSV customers. This boosted the quality of the DSV product, which is necessary to maintain organic growth. At the same time, we can see that as a result of the expansion of the network of Road offices in recent years all shipments are now handled within the network, which is a major advantage compared with previous years when we made use of external partners and agents to a wide extent. This makes DSV one of the few players in the market that is able to offer road transport services from a comprehensive network of its own offices across Europe.

"DSV won new market shares in 2010 with growth levels exceeding the market level by up to 50% in some cases. The considerable activity increase is of course the reason for the pronounced improvement in 2010 ...

2010 was a challenging year for the Nordic countries, which reported lower results than in 2009. Coupled with a rapid increase in activity level, Sweden in particular suffered under a severe lack of haulier capacity, which put pressure on our gross profit. Towards the end of the year, the Swedish organisation made the required freight rate adjustments, and we expect the situation to improve this year as Sweden has already gained many new large customers.

Solutions – Full-scope logistics

The Division as such experienced pressure on prices for most of the year due to general excess capacity in the market. Still, the Solutions Division managed to report satisfactory and improved results for 2010. The automotive segment in the Benelux countries is now running well, and this segment contributed to a large extent to the improved results. The situation of excess capacity is now less pronounced, and the improvement in the sectors that were badly affected in 2009 makes DSV positive about the future. DSV Solutions is a strong organisation with dedicated experts and high focus on the potential gains from IT, which is indeed necessary in this market. There is good collaboration with the other divisions of the Group, and Solutions thus complements the rest of the business, enabling DSV to offer customers full-scope logistics solutions.

Reduced debt

DSV worked intensively the past year to reduce net interest-bearing debt, both in absolute figures and relative to EBITA. Already in the third quarter, the Group managed to reduce its financial gearing ratio to 2.49 times EBITDA, which is within its target debt to EBITDA ratio of 2.0-2.5. In 2009, the debt to EBITDA ratio was 3.1, and it is therefore highly satisfactory that we met the target already three months before year-end. On 31 December 2010, the debt to EBITDA ratio was 2.2.

DSV expects to continue growing and increasing its market shares in 2011. We have further improved the profit margin, which is one of the absolute highest margins of the industry.

Global sales

The new global sales organisation initiative proved successful. DSV concluded several considerable contracts in 2010, and there is still large growth potential in continuing the targeted sales efforts aimed at new, large international customers. Moreover, DSV increased its focus on cross-selling between its three Divisions. It is obvious to emphasise other services offered by DSV to existing customers. The implementation of a global CRM system in 2010 further strengthened the cross-selling efforts as it gives our sales staff a better overview of the possibilities across the divisions. In 2010, the head of the sales organisation was appointed Chief Commercial Officer (CCO) and thus joined the senior management team of DSV.

M&A timeout

The Supervisory and Executive Boards of DSV fine-tuned the strategic goals of the Company in 2010. As previously announced, after a thorough examination of potential acquisition candidates, DSV decided to allocate capital to its shareholders by repurchasing shares. Accordingly, no major transforming acquisitions are expected in the near future. That being said, it should be emphasised that DSV intends to play an active part in the expected consolidation in the industry. DSV has considerable competencies in this area, and it will continue to be part of the strategy of the Company also in future.

Corporate Social Responsibility Policy

DSV joined the United Nations Global Compact initiative in 2009 and has since then made targeted efforts to create a strong basis for its approach to the corporate social responsibility principles. In 2010, the Supervisory Board adopted the CSR Policy of DSV. DSV makes targeted efforts within all areas of CSR, but some areas are more relevant to the core business of the organisation than others. The most essential areas are employees and working environment, environment and climate, and business ethics and anti-corruption.

Environment

The Group emitted a total of 3.2 million tonnes of carbon dioxide in 2010, which is almost the same as in 2009 despite increasing activity level. Accordingly, emissions per unit declined during the year. Developments in the individual divisions and modes of transport applied by DSV show that DSV moves an ever increasing proportion of goods by aeroplanes and container ships. Since 2008, the largest increase has been seen in containerised sea freight, and since this mode of transportation is among the least polluting, total carbon emissions of DSV increased at a proportionally lower rate. Larger cargo quantities were also moved by truck, but usually over fairly short distances and consequently causing less carbon emissions.

The values of DSV

The traditional corporate values of entrepreneurial spirit and business talent are still of high priority to DSV. Through this approach and good management, DSV has become one of the world's leading freight forwarders and a stronger company with a more clear structure than ever before. We believe in providing the best possible framework for our employees all over the world to demonstrate drive and initiative. The strength of DSV does not come from the executive office at Group headquarters in Broendby, but from the thousands of sales staff and freight forwarders who are in contact with our customers on a daily basis and know their needs best. I would like to take the opportunity to thank our loyal and competent employees for their great and outstanding efforts in a year of volatile markets.

The future

DSV expects to continue growing and increasing its market shares in 2011. We have further improved the profit margin, which is one of the absolute highest margins of the industry. We will see the positive effect of the initiatives launched in 2010, including the strong focus on the trimming of operations and processes and on putting the customers at the centre. DSV has thereby taken a big step towards the fulfilment of its long-term financial targets. Major share buy-back schemes in 2011 are also intended to generate more value for the shareholders of DSV.

Thank you to all employees, customers, shareholders and subcontractors for your efforts in 2010. The foundation has now been laid for achieving new heights in 2011, and we look forward to sharing this venture with you!

Yours sincerely,

Jens Bjørn Andersen

FINANCIAL HIGHLIGHTS	2006	2007	2008	2009	2010
Income statement (DKKm)					
Revenue	31,972	34,899	37,435	36,085	42,562
Gross profit	6,904	7,704	8,175	8,898	9,320
Operating profit before amortisation, depreciation and special items (EBITDA)	1,834	2,126	2,338	2,239	2,721
Operating profit before special items (EBITA)	1,504	1,882	1,936	1,703	2,202
Special items, net	(283)	(28)	78	(688)	(5)
Operating profit (EBIT)	1,221	1,854	2,014	1,015	2,197
Net financial expenses	207	268	404	555	537
Profit before tax	1,014	1,586	1,610	460	1,660
DSV A/S shareholders' share of profit for the year	677	1,067	1,227	185	1,184
Adjusted earnings	914	1,141	1,131	799	1,290
Balance sheet (DKKm)					
Non-current assets	9,093	9,362	13,942	14,180	14,143
Current assets	6,969	6,942	9,783	8,000	8,942
DSV A/S shareholders' share of equity	3,699	3,457	3,808	5,501	6,549
Non-controlling interests	145	192	49	29	36
Non-current liabilities	5,740	5,783	8,702	8,532	7,398
Current liabilities	6,478	6,872	11,166	8,118	9,102
Balance sheet total	16,062	16,304	23,725	22,180	23,085
Net working capital	722	291	1,074	135	70
Net interest-bearing debt	4,835	5,121	9,541	6,890	5,872
Invested capital including goodwill and customer relationships	9,057	9,151	13,323	13,100	13,046
Gross investment in property, plant and equipment	391	742	731	488	334
Cash flows (DKKm)					
Operating activities	1,092	1,407	895	1,702	1,663
Investing activities	(1,576)	(379)	(3,119)	(486)	(151)
Free cash flow	(484)	1,028	(2,224)	1,216	1,512
Financing activities (excluding dividends distributed)	579	(972)	2,159	(1,373)	(1,346)
Dividends distributed	(50)	(50)	(50)	-	(52)
Cash flow for the year	45	6	(115)	(157)	114
Foreign currency translation adjustments	(23)	(30)	248	8	(118)
Cash and cash equivalents at year-end	407	383	516	367	363
Financial ratios (%)					
Gross margin	21.6	22.1	21.8	24.7	21.9
EBITDA margin	5.7	6.1	6.2	6.2	6.4
EBITA margin	4.7	5.4	5.2	4.7	5.2
EBIT margin	3.8	5.3	5.4	2.8	5.2
Effective tax rate	29.1	29.8	23.4	58.5	28.1
ROIC including goodwill and customer relationships	20.2	20.7	17.2	12.9	16.8
Return on equity	19.6	29.8	33.8	4.0	19.7
Solvency ratio	23.0	21.2	16.0	24.8	28.4
Share ratios					
Earnings per share of DKK 1	3.4	5.5	6.7	0.9	5.7
Diluted adjusted earnings per share of DKK 1	4.5	5.8	6.1	3.9	6.2
Number of shares at year-end ('000)	198,640	188,382	182,872	208,699	206,507
Diluted average number of shares ('000)	201,960	197,876	184,955	203,248	209,395
Share price at year-end (DKK)	103.20	111.75	56.50	94.00	123.30
Dividend per share	0.25	0.25	-	0.25	0.50
Staff					
Number of employees at year-end	19,199	19,211	25,056	21,280	21,300

For a definition of the financial highlights, please refer to page 71.

Strategy

DSV pursues a general strategy for the entire Group supplemented by divisional strategies. The strategy is based on the key areas: growth through customers focus, asset-light business model, IT systems and organisation.

Growth through customer focus

Historically, DSV has created growth both in revenue and earnings through a series of very large acquisitions, including DFDS Dan Transport Group A/S, Koninklijke Frans Maas Groep N.V. and ABX LOGISTICS, thereby establishing a solid platform for future organic growth in all three Divisions. The Group will use this platform more than previously to focus on organic growth, and future acquisitions are expected to be bolt-on acquisitions intended to supplement the existing network and cater for new markets.

Organic growth is to be obtained by increasing the sales volume of the Group and optimising the business processes across the organisation.

DSV will create value for the customers of the Group, and accordingly higher sales volumes of the Group, by maintaining and expanding its position among the leading transport and logistics enterprises and continuously providing quality services to its customers. DSV will enhance and optimise sales efforts by strengthening the local sales resources intended to address local small and medium-sized customers and by increasing sales activities in the department handling the large, multi-national customers of the Group. Through close collaboration across all three Divisions, the Group also wants to offer one-stop shopping within all customer segments to allow customers of the Group to focus on their core activities to a greater extent.

Corporate business processes are optimised on an ongoing basis to continuously increase the number of shipments per employee. This optimisation is driven by a high level of management involvement and the governance model developed for the Group, which ensures the streamlining of all business processes.

The Group Management's strategy for the Air & Sea Division focuses particularly on a continued increase in the market share to maintain the critical mass of the Division and accordingly also on exploiting the benefits of its global network to a greater extent. The main focus of the growth intentions of the Air & Sea Division is on organic growth, although the strategy of DSV for this Division is still to be involved in the consolidation of the industry through potential acquisition of medium-sized competitors.

Asset-light business model

DSV applies a flexible business model, which implies that the Group only invests to a limited extent in assets in the form of trucks and facilities and not at all in ships and aeroplanes. This asset-light strategy has proved to have certain benefits, particularly in a period of recession, as it ensures a flexible cost structure that keeps the fixed costs of DSV at a minimum level. This business concept implies comprehensive outsourcing, and the Group aims to generate no more than 5% of the total sales volume itself. The DSV Management also wants to base its future strategy on this essential assumption and maintain its asset-light business model.

IT systems

Efficient IT systems are essential to the continued growth of the Group. The integration and consolidation of IT platforms is therefore a vital element of the corporate strategy, the main focus being on supporting the day-to-day operations of the Group and continuously streamlining its business processes. This will also contribute to improved KPI reporting tools both internally and externally.

Organisation

The global organisation is to support the corporate strategy by maintaining a flat, decentralised organisational structure, emphasising empowerment and direct communication channels at all levels. The national managements are responsible for operating activities and administration in their relevant countries based on the general guidelines communicated by Group Management.

All national companies have their own independent budgets, which are monitored closely by the relevant national managements as well as Division and Group Managements.

Due to its decentralised structure, DSV is able to develop its national companies in consideration of local market conditions and culture. In addition, the national organisations are close to the local customers and able to quickly make decisions when needed.

As it is essential to the countries of the Divisions that the Group as a whole provides high-quality services, close collaboration and dialogue across countries and Divisions has high priority.

Financial targets and capital structure

The financial targets and capital structure of DSV are based on the strategy, current activity level, earnings and cash flows of the organisation. It is the overall financial target of the Group to continuously improve EBITA while converting this improvement into cash flows. Another key emphasis of DSV is to constantly reduce the funds tied up in non-current and current assets. In combination with increased earnings, the aim is to increase the return on invested capital (ROIC).

Financial targets

DSV has set financial targets for the Group in its entirety and for each Division. The financial targets are expected to be realisable in the medium term, depending on the global economic development.

The financial targets are as follows:

FINANCIAL TARGETS				
	DSV	Air & Sea	Road	Solutions
Organic revenue growth	5-7%	5-10%	4-5%	4-5%
EBITA margin	7%	8%	6%	7%
ROIC (including goodwill and customer relationships)	20%	25%	20%	20%

The earnings targets of the Group have been slightly adjusted relative to last year's Annual Report following a reassessment of the potential of the Divisions, the results achieved and the resources applied. Future acquisitions and other investments will be made in the areas with the highest expected return.

Capital structure

The targets set for the capital structure of DSV are:
- financial stability to increase the Group's return on invested capital
- sufficient financial flexibility to meet the 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 2.2 at 31 December 2010.

Due to the increased focus on organic growth, the target set for the capital structure of the Company has been tightened compared to previously. Accordingly, the target is a ratio of net interest-bearing debt to historically realised EBITDA of 2.0 to 2.5 for the Group.

DSV aims to spend the free cash flow on:

1. REPAYMENT

Repayment of net interest-bearing debt in periods when the gearing ratio of the Group is above the targeted capital structure.

2. SHARE BUY-BACKS AND DIVIDENDS

Adjustments to maintain the gearing ratio below the set limit will mainly be achieved through share buy-backs.

3. ACQUISITIONS

Acquisition of enterprises if there are attractive candidates.

The order of priority in which the free cash flow will be spent has been revised since the release of the 2009 Annual Report due to the Group's increased focus on organic growth.

Free cash flow is generated on an ongoing basis throughout the year, although individual transactions and seasonality lead to minor fluctuations in the free cash flow from one quarter to the next. Any adjustments relative to the Company's capital structure targets are made by means of share buy-backs determined in connection with the release of interim reports. If the company does not make any major acquisitions in 2011, there will be potential financial capacity in the order of DKK 2.0 to 2.5 billion for share buy-backs.

DSV A/S
Financial review

Jens H. Lund
CFO
DSV A/S

Improvement and strong cash flow

DSV A/S achieved highly satisfactory financial results for 2010 in line with the expectations of revenue, gross profit and EBITA disclosed. The free cash flow of the Group was higher than expected due to a very positive development in the fourth quarter of the year.

In 2010, the main focus areas were the completion of the integration of ABX LOGISTICS (ABX), business process optimisation and efficiency improvements. 2010 was also a year characterised by increasing activity levels, which contributed to the improved results.

Income statement

REVENUE

Revenue grew from DKK 36,085 million in 2009 to DKK 42,562 million in 2010, an increase of almost 15% when adjusted for foreign currency translation differences. This is attributable to increasing activity levels and higher freight rates.

REVENUE 2010 VERSUS 2009	
DKKm	
Revenue 2009	36,085
Foreign currency translation adjustments	1,180
Acquisition and divestment of enterprises, net	(133)
Organic growth (14.6%)	5,430
Revenue 2010	42,562

The revenue of the Air & Sea Division increased by 38.7% compared with 2009. The main reasons for the increase are the increasing activity levels and higher average freight rates in 2010 compared with 2009. Adjusted for the acquisition and divestment of enterprises and for foreign currency translation differences, the Division achieved organic growth of approx. 34%.

The revenue of the Road Division increased by 8.7% compared with 2009. The main reasons for the increase are higher trade volumes and increasing exchange rates. Adjusted for the acquisition and divestment of enterprises and for foreign currency translation differences, the Division achieved organic growth of approx. 6%.

The revenue of the Solutions Division increased by 1.8% compared with 2009. The main reason for the increase is rising exchange rates. Adjusted for the acquisition and divestment of enterprises and for foreign currency translation differences, the Division achieved organic growth of 0.1%.

DIRECT COSTS

Direct costs came to DKK 33,242 million in 2010 compared with DKK 27,187 million in 2009, an increase of 22.3%. The increase is mainly attributable to the high activity levels, increasing freight rates and the effect of the development in exchange rates.

GROSS PROFIT

The consolidated gross profit came to DKK 9,320 million for 2010 as against DKK 8,898 million for 2009, corresponding to a gross margin of 21.9%, down from 24.7% in 2009. The lower gross margin is mainly attributable to increasing subcontractor prices due to higher demand. Moreover, selling prices to customers have also been adapted with some delay in 2010, which contributed to the reduced gross margin.

GROSS PROFIT 2010 VERSUS 2009

DKKm	
Gross profit 2009	8,898
Foreign currency translation adjustments	237
Acquisition and divestment of enterprises, net	(25)
Organic growth (2.3%)	210
Gross profit 2010	**9,320**

OTHER EXTERNAL EXPENSES

Other external expenses amounted to DKK 1,955 million in 2010 as against DKK 1,988 million in 2009, a decline of 3.7% when adjusted for foreign currency translation differences. Other external expenses were maintained on a level with last year, despite a considerably higher activity level, mainly because the Group has focused intensively on cost management and the streamlining of working procedures in recent years.

STAFF COSTS

Staff costs amounted to DKK 4,644 million in 2010 compared with DKK 4,671 million in 2009, a decline of 3.0% when adjusted for foreign currency translation differences. Staff costs declined in 2008, 2009 and 2010 as a consequence of resignations in connection with the integration of ABX and adaptation of capacity in general. In 2010, the number of employees was maintained at the same level as on 31 December 2009 due to improved productivity.

Staff costs were affected by non-cash costs for share-based payments of DKK 30 million in 2010 compared with DKK 25 million in 2009.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

For 2010, amortisation, depreciation and impairment losses amounted to DKK 519 million as against DKK 536 million for 2009. This item includes amortisation of customer relationships in the amount of DKK 107 million for 2010 compared with DKK 106 million for 2009.

OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA)

The Group returned an operating profit before special items for 2010 of DKK 2,202 million compared with DKK 1,703 million for 2009, corresponding to an increase of 24% when adjusted for foreign currency translation differences.

Operating profit before special items was positively affected by the activity increase in 2010 and the stable cost level. The EBITA margin was 5.2% for 2010 as against 4.7% for 2009. The improved margin is mainly a result of the initiatives launched to reduce costs and streamline working procedures and business processes as well as the full-year effect of the synergies from the ABX integration.

OPERATING PROFIT BEFORE SPECIAL ITEMS 2010 VERSUS 2009

DKKm	
Operating profit before special items 2009	1,703
Foreign currency translation adjustments	76
Acquisition and divestment of enterprises, net	(7)
Organic growth (24.3%)	430
Operating profit before special items 2010	**2,202**

Adjusted for non-cash items relating to amortisation of customer relationships and costs of share-based payments, the adjusted consolidated operating profit before special items came to DKK 2,339 million for 2010 compared with DKK 1,834 million for 2009.

The Air & Sea Division realised an operating profit before special items of DKK 1,213 million compared with DKK 929 million for 2009, corresponding to an increase of approx. 25% when adjusted for foreign currency translation differences. Division results were positively affected by the increase in trade volume, in particular, as well as its ability to keep staff figures at the same level as on 31 December 2009. The following countries and regions in particular contributed to the positive development in 2010: the USA, Germany, China, Hong Kong and other Far East. Italy and Denmark still contributed a large share of the total earnings of the Division.

The Road Division realised an operating profit before special items of DKK 771 million compared with DKK 592 million for 2009, corresponding to an increase of approx. 25% when adjusted for foreign currency translation differences. The considerably higher results are due in particular to the positive development in Germany, France and Spain, the three countries together having improved results by approx. DKK 159 million. Traditionally strong countries such as Sweden, Norway and Denmark did not achieve the same results as previously. The Division was affected by the rapidly increasing activity level, which resulted in rising haulier prices in the Nordic countries in particular.

The Solutions Division realised an operating profit before special items of DKK 268 million compared with DKK 228 million for 2009, up by approx. 19% when adjusted for foreign currency translation differences. The development in the Benelux countries is the main reason for the increase.

SPECIAL ITEMS

Special items were a net charge of DKK 5 million for the period and mainly consist of gains/losses on the disposal of equity investments and adjustments relating to restructuring processes in connection with the integration of ABX.

FINANCIALS
For 2010, net financials constituted an expense of DKK 537 million compared with DKK 555 million for 2009.

PROFIT BEFORE TAX
Profit before tax came to DKK 1,660 million for 2010 compared with DKK 460 million for 2009. The increase is mainly attributable to the higher activity level, improved productivity and a pronounced reduction in costs recorded under special items.

TAX ON PROFIT FOR THE YEAR
The effective tax rate was 28.1% for 2010, which is a substantial reduction compared with 2009. The effective tax rate for 2009 was affected to a large extent by tax losses in countries where tax loss carryforwards could not be capitalised and by non-deductible restructuring costs. Adjusted for these factors, the effective tax rate for 2009 was 29.0% and accordingly one percentage point above the tax rate for 2010.

PROFIT FOR THE YEAR
Profit for the year came to DKK 1,194 million for 2010 compared with DKK 191 million for 2009. The increase is due to higher activity levels and a reduction of costs recorded under special items.

Adjusted profit for the year came to DKK 1,290 million for 2010 compared with DKK 799 million for 2009.

DILUTED ADJUSTED EARNINGS PER SHARE
Diluted adjusted earnings per share came to DKK 6.2 for 2010 compared with DKK 3.9 for 2009, corresponding to an increase of approx. 59%. The increase is due to the improved results.

Balance sheet
The balance sheet total at 31 December 2010 was DKK 23,085 million as against DKK 22,180 million at year-end 2009. The increase was mainly attributable to an increase in current assets as a result of the higher activity levels.

NON-CURRENT ASSETS
Non-current assets stood at DKK 14,143 million at 31 December 2010 as against DKK 14,180 million at year-end 2009.

EQUITY
The equity interest of DSV shareholders came to DKK 6,549 million at 31 December 2010, corresponding to a solvency ratio of 28.4%. At 31 December 2009, equity was DKK 5,501 million, corresponding to a solvency ratio of 24.8%. Equity was mainly affected by the profit for the year, share buy-backs and foreign currency translation and fair value gains.

DEVELOPMENT IN EQUITY

DKKm	2009	2010
Equity at 1 January	3,808	5,501
Net profit for the period	185	1,184
Dividends distributed	–	(52)
Purchase and sale of treasury shares	376	(297)
Capital increase	1,052	–
Foreign currency translation adjustments	135	97
Actuarial gains (losses)	(103)	27
Value adjustment of hedging instruments	(69)	109
Tax on changes in equity	92	(45)
Acquisition and sale of non-controlling interests	–	(3)
Other adjustments, net	25	28
Equity at 31 December	5,501	6,549

NET WORKING CAPITAL
The Group's funds tied up in net working capital came to DKK 70 million at 31 December 2010 compared with DKK 135 million at 31 December 2009. Net working capital was 0.2% of revenue and on a level with 2009.

NET INTEREST-BEARING DEBT
The net interest-bearing debt amounted to DKK 5,872 million at year-end 2010 as against DKK 6,890 million at year-end 2009.

Loans and credit facilities amounted to DKK 5,406 million of the total net interest-bearing debt, DKK 4,905 million of which was long-term debt. Long-term loans amounted to DKK 4,878 million, the next refinancing being due in 2014. Undrawn loan and credit facilities amounted to DKK 1,282 million.

In 2010, the average interest rate payable for the long-term loans of the Group was approx. 5.6% as against approx. 6.5% in 2009. The average interest rate payable for the long-term loans is based on the interest rate of the corporate interest-rate hedge with the addition of the banks' credit margin.

CASH FLOW STATEMENT

DKKm	2009	2010
Profit before tax	460	1,660
Changes in net working capital	985	(8)
Adjustment, non-cash operating items etc.	257	11
Cash flow from oeprating activities	1,702	1,663
Purchase and sale of intangibles, property, plant and equipment	(466)	(69)
Net acquisition of subsidiaries and activities	(41)	(54)
Other	21	(28)
Cash flow from investing activities	(486)	(151)
Free cash flow	1,216	1,512
Proceeds from and repayment of short-term and long-term debt	(2,800)	(1,042)
Transactions with shareholders	1,427	(356)
Cash flow from investing activities	(1,373)	(1,398)
Net change in cash and cash equivalents	(157)	114
Adjusted free cash flow	1,257	1,566

CASH FLOW FROM OPERATING ACTIVITIES
Cash flow from operating activities came to DKK 1,663 million in 2010 as against DKK 1,702 million in 2009, remaining relatively stable. This is due to improved results and lower tax payments and working capital. In 2009, cash flow from operating activities was positively affected by a significant reduction in funds tied up in net working capital.

CASH FLOW FROM INVESTING ACTIVITIES
Cash flow from investing activities, excluding the effect of the acquisition and divestment of subsidiaries, amounted to a net outflow of DKK 97 million in 2010 compared with a net outflow of DKK 445 million in 2009.

FREE CASH FLOW
Free cash flow came to DKK 1,512 million in 2010 as against DKK 1,216 million in 2009. Adjusted for the acquisition and divestment of subsidiaries and activities and normalisation of the net working capital of acquirees, the free cash flow amounted to DKK 1,566 million in 2010 as against DKK 1,257 million in 2009.

The free cash flow was positively affected by improved results, a stable low level of funds tied up in net working capital and lower net investments than in 2009.

CASH FLOW FROM FINANCING ACTIVITIES
Cash flow from financing activities constituted a net outflow of DKK 1,398 million primarily due to the repayment of long-term bank loans and share buy-backs. The cash flow from financing activities for 2010 was on a level with 2009.

NET CHANGE IN CASH AND CASH EQUIVALENTS
The net change in cash and cash equivalents was a net inflow of DKK 114 million, and foreign exchange translation adjustments constituted a loss of DKK 118 million; accordingly, the Group's cash and cash equivalents amounted to DKK 363 million at year-end 2010 compared with DKK 367 million in 2009.

INVESTED CAPITAL INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS
The invested capital including goodwill and customer relationships amounted to DKK 13,046 million at 31 December 2010 as against DKK 13,100 million at 31 December 2009.

RETURN ON INVESTED CAPITAL (ROIC INCLUDING GOODWILL AND CUSTOMER RELATIONSHIPS)
In 2010, return on invested capital was 16.8% compared with 12.9% in 2009. The increase is due to the higher operating profit before special items as the average invested capital was on a level with 2009.

EVENTS AFTER THE REPORTING DATE
No material events have occurred after the end of the financial year.

Outlook for 2011
The budget has been prepared from the point of view of the individual countries, based on the national managements' expectations of their local markets. Division and Group Managements review and approve the individual national budgets and the consolidated budget.

The outlook for 2011 is affected by the general uncertainty about macroeconomic developments. It is, however, assumed that the situation will continue to become more stable in the markets in which the Group operates. Management expects to maintain its focus on earnings in 2011 through organic growth, tight cost control and capacity management and continued reduction of invested capital.

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

REVENUE
DSV expects revenue to be in the range of DKK 44,000-47,000 million.

GROSS PROFIT
Gross profit is expected to be in the range of DKK 9,800-10,200 million.

OPERATING PROFIT BEFORE SPECIAL ITEMS
The Group expects operating profit before special items in the range of DKK 2,400-2,550 million.

NET FINANCIALS
Financial expenses are expected to net about DKK 400 million.

TAX RATE
The Group expects its tax rate for the year to be close to 27%.

FREE CASH FLOW
The free cash flow of the Group is expected to be close to DKK 1,700 million.

FORWARD-LOOKING STATEMENTS
This Annual Report includes forward-looking statements on various matters, such as expected revenue and 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 changes, changes in interest rates, the demand for DSV's services, competition in the transport sector, operational problems in one or more of the Group's subsidiaries and uncertainty in connection with the acquisition and divestment of enterprises.

Air & Sea
Divisional review

Jørgen Møller
President
Air & Sea Division

Global growth and solid bottom line results

Activities

DSV Air & Sea has approx. 6,000 employees and specialises in the handling of air and sea freight to destinations all over the world. The Division offers movement of cargo by air and sea through its subcontractors both as sea freight consolidations, full container loads, air freight consolidations and direct air freight.

The Air & Sea Division also has a Project Department, which handles non-conventional types of air and sea freight, including air and ship charters, turn-key projects and out-of-gauge and heavy-lift shipments.

The Air & Sea Division's own offices in more than 60 countries handle approx. 710,000 TEUs of sea freight and 250,000 tonnes of air freight each year.

Goals

A key goal of the Division is to continue increasing its market share, which is an essential element in the efforts to maintain a critical mass. This goal is to be achieved mainly through organic growth and acquisitions to strengthen and expand the existing platform.

The Air & Sea Division will continue its focus on developing traffic routes between the Far East and Europe/USA and between the USA and Europe. Considering the growth in intra-Asian traffic routes, the Division also focuses on creating a positive development in these markets. The Division established a subsidiary in South Africa at the end of 2010 and aims to strengthen its position in South America.

The Air & Sea Division has a goal of operating with one global Transport Management System. This will support the efforts of streamlining and trimming the business processes of the Division and improving KPI reporting, both internally and to Division customers. The selected system is now applied in the Far East, North America and some European countries. The implementation process was kicked off in Europe in 2010 and will continue over the next years.

The Air & Sea Division will maintain the current sales focus on its traditional key segment: small and medium-sized customers. In addition, during the past year the Division has undertaken transport services for a number of large, multinational companies and expects to increase its sales efforts further in this field.

Market developments in 2010

The global air and sea freight market was turbulent in 2010, which affected the activities and results of DSV Air & Sea. The dawning recovery of the world economy and restocking resulted in a rapid increase in freight volumes relative to the lower levels in 2009.

Both air freight and sea freight rates increased from a historic low in 2009 to an all-time high in the summer of 2010. The main reason for the increase in freight rates during the year was that capacity in the market could not keep up with demand. Additional capacity was injected into the market on a continuous basis, although the capacity increase was partly offset by the fact that shipping companies were sailing at lower speed to minimise fuel costs. Freight rates dropped in the last period of 2010, which was mainly caused by excess capacity in the market.

The Air & Sea Division handled higher freight volumes than the market in general. The sea freight volume (TEUs) handled by the Division accordingly rose by approx. 19% compared with 2009, while the market in general is estimated to have increased by approx. 10-12%.

The air freight volume (tonnes) recorded by the Division rose by approx. 29% compared with 2009, while the market in general is estimated to have increased by approx. 18-20%.

2010 results

For 2010, the Division recorded revenue of DKK 19,404 million as against DKK 13,994 million for 2009. Organic growth for the period under review was approx. 34%. The main reasons for the increase are higher air and sea freight volumes and higher average freight rates in 2010 compared with 2009.

Gross profit for the period came to DKK 3,795 million as against DKK 3,424 million for 2009. Organic growth for the period was approx. 8%. The gross margin was 19.6% for 2010 as against 24.5% for 2009. The lower gross margin was mainly attributable to the higher freight rates. In addition, the gross profit per unit (measured in TEUs and air freight tonnes) for the first six months of 2010 was negatively affected by the rapidly increasing freight rates. In periods of rising freight rates of shipping companies and airlines, the Division will only be able to pass the higher rates on to its customers at some delay. The freight rates stabilised after having reached an all-time high during the summer of 2010, and the Division recorded increasing earnings per unit in the last six months of 2010.

EBITA for 2010 came to DKK 1,213 million as against DKK 929 million for 2009. Organic growth for the period was approx. 25%. The increase is attributable to the higher gross profit and the fact that costs remained stable compared with 2009. The larger freight volumes were handled without any staff increases, and the improved results are to a large extent based on this increase in productivity.

CONDENSED INCOME STATEMENT

(DKKm)	2009[1]	2010[1]
Revenue	13,994	19,404
Direct costs	10,570	15,609
Gross profit	3,424	3,795
Other external expenses	737	819
Staff costs	1,647	1,637
Operating profit before amortisation, depreciation and special items (EBITDA)	1,040	1,339
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	60	75
Amortisation and impairment of customer relationships	51	51
Operating profit before special items	**929**	**1,213**

1. Comparative figures for 2009 have been restated due to inter-division transfer of activities. As a consequence of the adaptation of the Group structure, minor adjustments may be required in future.

FINANCIAL RATIOS

	2009	2010
Gross margin (%)	24.5	19.6
Conversion ratio (%)	27.1	32.0
EBITA margin (%)	6.6	6.3
Total invested capital (DKKm)	6,093	6,696
Net working capital (DKKm)	302	891
ROIC (%)	14.1	19.0
Staff	5,925	5,893

RESULTS BY AIR AND SEA FREIGHT

	Sea freight		Air freight		Total	
(DKKm)	2009	2010	2009	2010	2009	2010
Revenue	7,963	11,224	6,031	8,180	13,994	19,404
Direct costs	6,041	9,144	4,529	6,465	10,570	15,609
Gross profit	1,922	2,080	1,502	1,715	3,424	3,795
Gross margin (%)	24.1	18.5	24.9	21.0	24.5	19.6
Volume (TEUs/tonnes)	595,000	710,000	190,000	250,000		

MANAGEMENT COMMENTARY – AIR & SEA DIVISION	
Country	Comments/focus
USA	Excellent results. The company demonstrated considerable growth while maintaining an impressive EBITA margin. The company deserves much praise for having expanded its position as the best earner of the Division.
Italy	Results were good and in line with 2009 despite a difficult market. The company enjoys a unique position in the local market, which must be used to generate future growth.
Denmark	Great improvement on 2009. The initiatives launched had a positive effect. The company expects to continue the positive development, returning the previous high earnings levels.
Project Dept. Denmark	Good results, seen in isolation, but a little weak compared with 2009. The project market was under pressure in 2010 due to the crisis of 2008 and 2009. Slightly brighter prospects for 2011.
Norway	Great results yet again. The company recorded the highest EBITA margin of the European DSV companies and deserves praise for the many years of great development.
Sweden	Great improvement. The market has a large and interesting potential, and the company must focus on achieving profitable growth in 2011.
Finland	Disappointing results and development. The company's management is relatively new, and Group Management expects to see the effect of this change in 2011.
Great Britain	Great improvement in a geographical area with a difficult macroeconomic environment. The company is well run and must focus on improving its market position in 2011.
Ireland and Northern Ireland	Situation almost unchanged on 2009 in a market characterised by the euro crisis and major macroeconomic challenges.
Germany	Great results and considerable improvement on 2009 in a very interesting market. The company is finding its place among the most successful Air & Sea companies.
The Netherlands	Somewhat disappointing results compared with 2009. The company is well run and has launched many initiatives to support improvements in 2011. It is a very interesting market, and Group Management is optimistic about the future.
Belgium	Fine improvement on 2009. With a modest activity level, the company's focus for 2011 is growth.
France	Great development on 2009. The integration of ABX LOGISTICS has been completed, and Group Management expects an improved EBITA margin for 2011.
Spain	Pronounced improvement compared with 2009. The company is on the right track in a difficult market. The EBITA margin ought to improve.
Poland	Pronounced and impressive development in all financial ratios. The company operates in a large and interesting market and has a good basis for future growth.
Turkey	Pronounced and impressive revenue growth, but not fully reflected in EBITA. The company now has a critical mass, and it should be possible to improve the EBITA margin.
Other Europe etc.[1]	Good development in almost all countries.
Canada	Great results and high EBITA margin. The company's results were almost on a level with those of 2009, but it will probably experience a positive development in 2011.
China	Impressive results. Considerable improvement in the company's activities and results in 2010. The company is becoming one of the most important Air & Sea companies with a size enabling it to benefit from the high growth which is expected to continue in the country.
Hong Kong	Great results. The company exploited the strong growth in the region and has produced larger volumes without a corresponding increase in costs.
Indonesia	Great development in results. The company is fairly small, but the market certainly offers growth opportunities.
Singapore	A slight decline on 2009. Still, the company reported an impressive EBITA margin. The goal is now growth while maintaining the high EBITA margin.
Malaysia	Great results and high EBITA margin. The company is well positioned for growth, in both the intercontinental and Asian markets.
Korea	Impressive development in revenue and EBITA. 2010 was a really good year for the company, promising well for 2011.
Taiwan	Great results and pronounced development, surpassed by only few other countries in the region. The company ought to continue the impressive growth in 2011.
India	Great development in this very interesting market. The company still has a modest size, but has prepared an ambitious growth plan that will be interesting to follow in 2011.
Australia	Fine results in line with those achieved by the company in 2009. The company ought to achieve a higher EBITA margin in 2011.
Other Far East etc.[2]	Great development in EBITA levels in almost all countries. However, the Japanese company in particular still has great development potential, being a company of a considerable size.
Central and South America[3]	Fine development in all countries. It is a very large market, and the main focus for 2011 should be growth.

1. Portugal, Switzerland, Austria, Greece, Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Romania, Estonia, Latvia, Lithuania, Russia, Ukraine, Morocco, Nigeria and South Africa
2. Thailand, the Philippines, Vietnam, Japan, Bangladesh, United Arab Emirates and New Zealand
3. Mexico, Argentina, Venezuela and Chile

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

	Revenue		Gross profit		Operating profit before special items		Gross margin ratio		EBITA margin	
(DKKm)	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
USA	1,796	2,571	437	513	186	243	24.3	20.0	10.4	9.5
Italy	2,961	3,811	667	652	191	189	22.5	17.1	6.5	5.0
Denmark	1,010	1,370	221	225	27	57	21.9	16.4	2.7	4.2
Project Dept. Denmark	768	628	108	103	50	45	14.1	16.4	6.5	7.2
Norway	237	398	66	87	26	33	27.8	21.9	11.0	8.3
Sweden	274	420	52	70	11	21	19.0	16.7	4.0	5.0
Finland	145	211	37	33	12	8	25.5	15.6	8.3	3.8
Great Britain	764	1,083	153	167	39	49	20.0	15.4	5.1	4.5
Ireland and Northern Ireland	174	244	35	37	12	12	20.1	15.2	6.9	4.9
Germany	1,686	2,464	355	397	56	96	21.1	16.1	3.3	3.9
The Netherlands	358	479	89	85	32	21	24.9	17.7	8.9	4.4
Belgium	161	208	62	59	3	6	38.5	28.4	1.9	2.9
France	625	907	163	169	11	21	26.1	18.6	1.8	2.3
Spain	461	712	107	115	5	16	23.2	16.2	1.1	2.2
Poland	92	172	21	32	4	14	22.8	18.6	4.3	8.1
Turkey	264	424	27	40	4	6	10.2	9.4	1.5	1.4
Other Europe etc. [1]	537	897	103	142	18	38	19.2	15.8	3.4	4.2
Canada	155	222	43	44	20	20	27.7	19.8	12.9	9.0
China	859	1,297	173	226	86	124	20.1	17.4	10.0	9.6
Hong Kong	529	867	121	154	77	102	22.9	17.8	14.6	11.8
Indonesia	84	82	22	28	11	16	26.2	34.1	13.1	19.5
Singapore	132	144	33	34	14	11	25.0	23.6	10.6	7.6
Malaysia	100	126	22	24	14	14	22.0	19.0	14.0	11.1
Korea	139	275	25	38	13	21	18.0	13.8	9.4	7.6
Taiwan	107	188	33	45	15	25	30.8	23.9	14.0	13.3
India	96	168	26	37	7	13	27.1	22.0	7.3	7.7
Australia	333	380	77	88	16	16	23.1	23.2	4.8	4.2
Other Far East[2]	545	743	94	112	10	12	17.2	15.1	1.8	1.6
Central and South America[3]	179	162	37	33	5	11	20.7	20.4	2.8	6.8
Total	15,571	21,653	3,409	3,789	975	1,260	21.9	17.5	6.3	5.8
Group	26	26	30	24	5	4	-	-	-	-
Amortisation of customer relationships	-	-	-	-	(51)	(51)	-	-	-	-
Elimination	(1,603)	(2,275)	(15)	(18)	-	-	-	-	-	-
Net	13,994	19,404	3,424	3,795	929	1,213	24.5	19.6	6.6	6.3

1. Portugal, Switzerland, Austria, Greece, Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Romania, Estonia, Latvia, Lithuania, Russia, Ukraine, Morocco, Nigeria and South Africa
2. Thailand, the Philippines, Vietnam, Japan, Bangladesh, United Arab Emirates and New Zealand
3. Mexico, Argentina, Venezuela and Chile

The EBITA margin came to 6.3% as against 6.6% for 2009. The decrease in EBITA is attributable to the higher freight rates in 2010 compared with 2009. The EBITA to gross profit ratio (conversion ratio) was 32.0% for 2010 as against 27.1% for 2009.

Growth was achieved in most countries of the Division in 2010. Particularly the USA, Germany, China, Hong Kong and other Far East deserve praise for the highest growth rates of the Division in 2010. Italy and Denmark also contributed considerably to earnings.

Approx. 30% of the earnings of the Division in 2010 were recorded in the Far East, as against approx. 28% in 2009.

Outlook for 2011

Based on a general assumption that the world economy will continue the steady, positive trends of 2010, DSV Air & Sea expects the global freight forwarding market to experience a steady increase in freight volumes.

The Air & Sea Division expects sea freight volumes to grow by 6-8% in the global market and air freight volumes to grow by 4-5%. The Division has a goal of higher growth rates than the market as such and expects to achieve growth rates above those of the market.

The Division expects that steadily increasing market volumes will create the basis for a more stable and balanced price development in 2011 than was the case in 2009 and 2010. However, freight rate levels depend to a large extent on the capacity management of shipping companies and airlines, and rate fluctuations may occur even in periods of stable growth in freight volumes.

In 2011, sales and marketing will be the main focus areas of the Division, and the Air & Sea companies in most countries have already adapted their organisations to match the future increase in sales activities.

Road
Divisional review

Søren Schmidt
Chief Operation Officer
Road Division

Increased productivity and improvement in important countries

Activities

The DSV Road Division is among the top three transport companies in Europe with about 10,000 employees and about 17,000 trucks on the roads every day. DSV Road provides transportation of full, part and groupage loads all over Europe. The transport services are mainly provided within DSV's own network of more than 30 countries in Europe.

The actual transportation services are provided by various subcontractors, and quality, prices and service levels are assessed on an ongoing basis. The business concept of DSV implies comprehensive outsourcing, and the Group aims to generate no more than 5% of the total sales volume using its own trucks. The Road Division meets this objective.

Goals

The Road Division has a clear goal of creating revenue growth and continuously achieving profitable results in all its markets. Increase in revenue is mainly to be achieved through organic growth.

The customer portfolio of the Road Division comprises small and medium-sized enterprises, and the Division also serves a number of large, multinational customers. It is the aim of the Division that all current customer segments should grow through targeted sales efforts.

As regards IT, the Road Division will use as few systems as possible. This approach supports the Division's goal of uniform and effective business processes as well as optimum KPI reporting, both internally and externally to Division customers. The proportion of bookings received electronically must be maximised, and the Division must continue the development of IT systems that will ensure high-quality services to customers.

The Road Division will continue the consolidation of the Division, maintain focus on optimisation of business processes and operating expenses, and attempt to realise additional synergies.

Market developments

Market developments differed across Europe in 2010. Growth was low in Southern Europe because of the financial uncertainty and crisis. Freight volumes were rather modest, and competition was severe.

In the rest of Europe, the market was characterised by large fluctuations, but in general the development was positive. Freight volumes were increasing in some periods, whereas capacity was limited, which caused increases in the payment for subcontractors, particularly in the last six months of 2010. Lack of capacity and increasing haulier prices were particularly pronounced in the Nordic countries.

Under normal circumstances, this market situation would lead to increasing freight rates to the customers of the Division, but competition in the market was fierce, and the tradition of one-year price agreements in certain markets made it difficult to increase rates in 2010. Late December 2010 and early January 2011, the Road Division notified its customers of rate increases to sustain and improve operating results. At future large supplier price fluctuations, the Division will apply a special capacity surcharge to customers to a greater extent.

The total freight volume of the Road Division measured in number of shipments increased by approx. 12% on 2009. The market in general is estimated to have increased by approx. 6-9%. Competition in the freight transport market was not limited to specific geographical areas, and most countries faced fierce competition. However, in the assessment of the Division, it gained market shares in most European countries in 2010.

The market of the Road Division is highly fragmented and characterised by many small and medium-sized players and a small number of large players. In this connection, DSV Road benefits from a network which offers uniform quality and services to customers.

2010 results

The Division recorded revenue of DKK 21,103 million for 2010 as against DKK 19,408 million for 2009. For the period under review, the organic growth was about 6%. The Division transported a larger freight volume in 2010 measured in number of shipments, but the average consignment was smaller and the average price charged per consignment was lower than in 2009.

Gross profit was DKK 4,105 million for 2010 as against DKK 4,060 million for 2009. Adjusted for foreign currency translation differences, this corresponds to a decline of approx. 1%.

The gross margin was 19.5% for 2010 as against 20.9% for 2009. There was a negative impact on the gross margin of the Road Division from the high volatility in the European markets where increasing freight volumes and scarce capacity gave rise to increasing haulier prices. Although freight volumes increased in general, the freight rates charged from customers were still fairly low by the end of 2010. This development was particularly pronounced in the Nordic countries.

EBITA was DKK 771 million for 2010 as against DKK 592 million for 2009. In the period under review, the organic growth was approx. 25%. The EBITA margin was 3.7% for 2010 as against 3.1% for 2009. The results improved mainly because of improved national results in Germany, France and Spain. These countries are some of the major freight markets in Europe, and all three companies achieved positive results for 2010. Moreover, all three countries strengthened their business platforms and are now ready for generating even better results in future.

The Road Division handled an increasing number of consignments in 2010 without increasing the number of staff since 31 December 2009. The improved employee productivity contributed to higher earnings in 2010, one reason being more effective IT tools, such as electronic booking.

CONDENSED INCOME STATEMENT

(DKKm)	2009[1]	2010[1]
Revenue	19,408	21,103
Direct costs	15,348	16,998
Gross profit	4,060	4,105
Other external expenses	1,009	973
Staff costs	2,279	2,199
Operating profit before amortisation, depreciation and special items (EBITDA)	772	933
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	162	143
Amortisation and impairment of customer relationships	18	19
Operating profit before special items	**592**	**771**

1. Comparative figures for 2009 have been restated due to inter-division transfer of activities. As a consequence of the adaptation of the Group structure, minor adjustments may be required in future.

FINANCIAL RATIOS

	2009	2010
Gross margin (%)	20.9	19.5
Conversion ratio (%)	14.6	18.8
EBITA margin (%)	3.1	3.7
Total invested capital (DKKm)	3,214	3,919
Net working capital (DKKm)	(896)	(360)
ROIC (%)	16.4	21.6
Staff	9,858	9,777

MANAGEMENT COMMENTARY – ROAD DIVISION	
Country	Comments/focus
Denmark	Great and impressive results despite slight decline on 2009. Still clearly the largest and most profitable entity of the Division. The company has a strong position and high market share, but there is still room for improvement of all financial results in future.
Sweden	Disappointing results compared with the good operating performance in previous years. Revenue increased considerably, but both gross profit and EBITA declined. The high level of activity of the company bodes for better results for 2011 when the recent initiatives will take effect.
Norway	The financial results of the company did not entirely match the levels of previous years. The national management has taken some initiatives expected to improve results for 2011.
Finland	Fine results created in a difficult market with large imbalances between imports and exports. The company has a good position in the domestic market with future growth potential.
Great Britain	Impressive results created in a difficult macroeconomic environment. The company is a market leader in the international British market, and Group Management is optimistic about the future development of the company.
Ireland	Great results created in an environment suffering from a negative impact from the euro crisis. The company grew in all aspects, and the national organisation and management team deserve praise for the fine performance.
Germany	Finally! The first positive financial results of Road Germany in the history of DSV. Considerable improvement on 2009. Much praise to the entire German organisation and its management. The 2009 plans were executed, and the results did not fail to appear. The company is heading in the right direction, although there is still room for further improvement.
Austria	Slight improvement on 2009 although the EBITA margin of the company is modest. A new country manager was appointed in 2010, and detailed plans have been made for growth in both revenue and results.
The Netherlands	Situation almost unchanged on 2009. The market potential is huge, and the company must develop its position among the leading freight forwarders in 2011.
Belgium	Great improvement compared with the somewhat weak results for 2009. The company has a stable footing, which promises continued success in 2011. It is still possible to improve the margins of the company, which used to be considerably higher.
Switzerland	Excellent development. The national management, which is from the former ABX LOGISTICS organisation, has quickly adopted the profit-driven culture of DSV and returned exceptionally good results with the highest EBITA margin of the Division.
France	Excellent development – considerable improvement on 2009. The expectations of positive results were met by the French organisation. The integration of ABX was completed in 2010, the effect showing in the results. The company is on the right track, having laid the basis for further improvements.
Italy	Pronounced development on 2009. The company rose to the occasion and outperformed the expectations of both Group and national managements.
Spain	Excellent development achieved in even a very difficult macroeconomic environment. The company management was replaced early 2010. This contributed new vitality, motivation and energy to the company. The goal of positive results was achieved, and the hard work of the entire Spanish organisation was fruitful.
Portugal	Great improvement on 2009. It is still quite a way from a satisfactory EBITA margin, but the development in 2010 gives hope of future success.
Estonia	Great results – strong improvement in Q3 and Q4 compared with 2009. The company has a unique position in the domestic market and is relatively optimistic about the prospects for 2011.
Latvia	Good development in a difficult environment at the beginning of the year. The country continues to be the most vulnerable of the three Baltic countries; still it returns satisfactory results.
Lithuania	Really good results – for the first time the company became the most profitable of the three Baltic countries. The company's competitive position in the market gives hope for future improvement.
Russia	Good improvement on 2009. Particularly the last six months of 2010 delivered a positive surprise. Overheads were reduced considerably during the year, leaving the company in a good position for future growth in revenue and financial results.
Poland	Great results and very high EBITA margin. The positive trend in 2009 continued; the company did not disappoint. The market potential is big, and the company has the right positioning for achieving further growth.
Kaliningrad, Belarus and Ukraine	Modest activity level and modest results. Improvements are expected in 2011.
Czech Republic	Disappointing and dissatisfactory results. Various initiatives have been launched, and the national management expects to improve results in 2011.
Hungary	Fine development in EBITA and EBITA margin. The company has a fairly modest size, but the market has large potential of continued growth.
Slovenia	The company has a good position in the domestic market. The company operates from one single high-standard location. This company must focus on increasing organic revenue and EBITA growth.
Central and South Eastern Europe[1]	Good development in most of the countries, giving hope for future growth and profits.

1. Greece, Bulgaria, Croatia, Serbia, Turkey, Romania and Slovakia.

REVENUE AND OPERATING PROFIT BEFORE SPECIAL ITEMS (EBITA) BY MARKETS										
	Revenue		Gross profit		Operating profit before special items		Gross margin ratio		EBITA margin	
(DKKm)	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Denmark	3,911	4,009	738	695	284	258	18.9	17.3	7.3	6.4
Sweden	3,080	3,766	584	558	133	93	19.0	14.8	4.3	2.5
Norway	1,143	1,175	211	205	69	57	18.5	17.4	6.0	4.9
Finland	1,002	989	160	157	22	30	16.0	15.9	2.2	3.0
Great Britain	1,533	1,648	304	314	70	85	19.8	19.1	4.6	5.2
Ireland	402	457	62	69	10	16	15.4	15.1	2.5	3.5
Germany	3,251	3,265	460	501	(54)	24	14.1	15.3	-1.7	0.7
Austria	299	299	69	61	3	4	23.1	20.4	1.0	1.3
The Netherlands	682	707	145	142	25	24	21.3	20.1	3.7	3.4
Belgium	704	774	155	167	17	27	22.0	21.6	2.4	3.5
Switzerland	308	308	100	108	15	28	32.5	35.1	4.9	9.1
France	1,165	1,124	241	258	(41)	1	20.7	23.0	-3.5	0.1
Italy	888	880	233	246	13	31	26.2	28.0	1.5	3.5
Spain	770	749	142	134	(38)	1	18.4	17.9	-4.9	0.1
Portugal	181	168	30	30	(3)	2	16.6	17.9	-1.7	1.2
Estonia	252	314	46	52	9	14	18.3	16.6	3.6	4.5
Latvia	187	236	24	28	4	8	12.8	11.9	2.1	3.4
Lithuania	186	243	30	37	7	16	16.1	15.2	3.8	6.6
Russia	120	179	40	39	-	3	33.3	21.8	-	1.7
Poland	524	596	103	103	43	41	19.7	17.3	8.2	6.9
Kaliningrad, Belarus and Ukraine	79	127	18	24	3	1	22.8	18.9	3.8	0.8
Czech Republic	214	234	35	28	8	1	16.4	12.0	3.7	0.4
Hungary	73	91	25	22	2	5	34.2	24.2	2.7	5.5
Slovenia	116	130	28	32	5	5	24.1	24.6	4.3	3.8
Central and South Eastern Europe[1]	408	449	86	88	8	12	21.1	19.6	2.0	2.7
Total	21,478	22,917	4,069	4,098	614	787	18.9	17.9	2.9	3.4
Group	355	374	22	34	(4)	3	-	-	-	-
Amortisation of customer relationships	-	-	-	-	(18)	(19)	-	-	-	-
Elimination	(2,425)	(2,188)	(31)	(27)	-	-	-	-	-	-
Net	19,408	21,103	4,060	4,105	592	771	20.9	19.5	3.1	3.7

1. Greece, Bulgaria, Croatia, Serbia, Turkey, Romania and Slovakia

The EBITA to gross profit ration (conversion ratio) was 18.8% for 2010 as against 14.6% for 2009.

In addition to the positive development in Germany, France and Spain, the three countries Denmark, Sweden and Great Britain deserve praise because they continue to contribute considerably to good Division results; and it should also be pointed out that countries like Belgium, Switzerland and Italy showed good development in 2010.

Outlook for 2011

DSV Road will endeavour to increase its market share by strengthening and streamlining sales activities, including through intensive sales training and the development of new services and products for customers.

As regards market developments in 2011, DSV anticipates a more positive development in the Southern European markets from which DSV Road is ready to benefit. In the European market in general, DSV expects the positive trend of increasing freight volumes to continue in 2011, although less pronounced than in 2010. DSV expects a general market growth of 2-3% and a growth rate for DSV Road above market growth.

Based on the increase in the freight rates for customers, the Road Division expects the gross margin to show an upward trend as compared with the level at the end of 2010.

It is also expected that the positive development in Germany, France and Spain to will continue in 2011.

DSV Road expects to continue its consolidation of activities and creation of synergies in 2011. Synergies will mainly be created by automating and optimising working procedures and developing and improving IT tools.

Solutions
Divisional review

Anton van Beers
Managing Director
Solutions Division

Good results in a difficult market

Activities

DSV Solutions has approx. 5,000 employees and operates in 16 countries in Europe. The Division specialises in logistics solutions across the entire supply chain from design through freight management, customs clearance, warehousing and distribution to information management and e-business support. State-of-the-art technology and experienced and competent employees put the Division in a position to offer high-quality services adapted to customers' needs, which is key to the commercial success of the Division.

By offering efficient logistics solutions, the Division makes it possible for its customers to reduce inventories and thereby capital investments, while at the same time giving them access to transparent supply chains and the possibility to monitor status and performance efficiency.

The services offered by DSV Solutions include the planning and management of transactions and physical product flows in the supply chain. Full data integration, process synchronisation and reporting allow the Division to identify and eliminate non-value adding activities.

The services offered by DSV Solutions relate to the following five business segments:

- Automotive
- Components & spare parts
- High-tech
- Health care & protection
- Retail

The asset-light business concept of the DSV Group implies comprehensive outsourcing. Outsourcing is therefore an essential part of the business concept of DSV Solutions, which maintains constant focus on making the cost structure as flexible as possible.

Goals

DSV Solutions aims to be among the leading European logistics providers by developing flexible logistics solutions which facilitate the optimisation of customers' supply chains and give them competitive advantages.

Long-term relationships are essential to DSV Solutions in order to achieve its goals, and the Division therefore aims to create long-term customer relationships based on reliability and flexibility.

DSV Solutions has developed its own integrated IT system, CargoWRITE, which was fully developed in 2009. The system is based on proven technology and robust tools and ensures efficient and transparent high-quality services. Driven by customers' needs, the Division implements best operating practices throughout the organisation, based on a framework of principles and tools. The Division aims to continue offering efficient logistics solutions that allow customers to monitor status and performance efficiency in connection with individual assignments.

Market developments

Similar to the year before, DSV Solutions received many invitations to logistics tenders in 2010 from customers wanting to reduce costs. Many enterprises still focus on optimising their net working capital, which also implies a reduction of inventories. This also applied to the customers of the Division, which resulted in excess warehouse capacity in several Solutions countries in 2010. However, demand for logistics solutions saw a moderately upward trend during the year due to the improved world economy. Customers are restocking, but it is a slow process as the fear of losses makes enterprises cautious.

Due to the increase in activity levels, the trade volumes of the Division measured in number of order lines grew by approx. 8-10% compared with 2009, while the market in general is estimated to have increased by approx. 3-6%.

The market in general still has surplus capacity compared with demand. The surplus capacity in the market maintains price competition and unutilised capacity. DSV Solutions keeps constant focus on reducing its surplus capacity, mainly by expanding its business activities and through termination of leases. The development in the transport market with highly volatile freight rates, scarce capacity and generally high focus on sustainability continue to affect logistics activities. DSV Solutions constantly strives to accommodate and exploit these market changes.

2010 results

The Division recorded revenue of DKK 4,861 million for 2010 as against DKK 4,775 million for 2009. Adjusted for foreign currency translation differences, revenue is on a level with 2009.

DSV Solutions saw the highest increase in activity level in the automotive segment, whereas the activity level for the high-tech segment in particular did not meet expectations. Prices dropped in most markets of the Division.

CONDENSED INCOME STATEMENT

(DKKm)	2009[1]	2010[1]
Revenue	4,775	4,861
Direct costs	3,322	3,401
Gross profit	1,453	1,460
Other external expenses	525	517
Staff costs	524	531
Operating profit before amortisation, depreciation and special items (EBITDA)	404	412
Amortisation, depreciation and impairment of intangibles, property, plant and equipment, excluding customer relationships	142	109
Amortisation and impairment of customer relationships	34	35
Operating profit before special items	**228**	**268**

1. Comparative figures for 2009 have been restated due to inter-division transfer of activities. As a consequence of the adaptation of the Group structure, minor adjustments may be required in future.

FINANCIAL RATIOS

	2009	2010
Gross margin (%)	30.4	30.0
Conversion ratio (%)	15.7	18.4
EBITA margin (%)	4.8	5.5
Total invested capital (DKKm)	2,641	2,317
Net working capital (DKKm)	62	(39)
ROIC (%)	8.8	10.8
Staff	5,497	5,284

Gross profit was DKK 1,460 million for 2010 as against DKK 1,453 million for 2009. Adjusted for foreign currency translation differences, this corresponds to a decline of approx. 1%. The gross margin was 30.0% for 2010 as against 30.4% for 2009. The lower gross margin is attributable to the current market situation with price competition and surplus capacity.

EBITA was DKK 268 million for 2010 as against DKK 228 million for 2009. Organic growth was approx. 19% for the period under review. The EBITA margin was 5.5% as against 4.8% in 2009. The high focus of the Division on productivity improvement and cost management resulted in a higher EBITA margin for 2010 relative to 2009.

The EBITA to gross profit ratio (conversion ratio) was 18.4% for 2010 as against 15.7% for 2009.

The national entities in Sweden, Germany and the Benelux countries recorded good results compared with 2009, while the Russian results were still negatively affected by surplus capacity.

The implementation of the CargoWRITE system continued in 2010, and the system is expected to be rolled out to more European countries over the next years. The implementation plan of the Division may be influenced by new large customers as well as by existing customers wanting increased supply chain monitoring.

MANAGEMENT COMMENTARY – SOLUTIONS DIVISION

Country	Comments/focus
Denmark	Disappointing results created in a market characterised by fierce competition and surplus capacity. The company has failed to exploit DSV's position in the domestic market to a satisfactory extent. Positive effects of new sales initiatives are expected in future.
Sweden	Great development in all respects. The company has by now achieved the proper size and is beginning to benefit from economies of scale. The goal for the company is to grow while maintaining the high EBITA margin.
Norway	Unfortunately, the fine development in revenue is not reflected in EBITA. An interesting market, and the company ought to repeat previous EBITA margins.
Finland	Great results which were, however, to some extent caused by gains on the sale of real property as in 2009.
Germany	Not entirely satisfactory results, although better than for 2009. Positive development towards the end of the year, which promises for better results in 2011.
Italy	Great results in line with previous years. The company has a unique market position and benefits from the collaboration with the other two strong Divisions in the country.
Great Britain	Solid performance in a difficult market characterised by surplus capacity and macroeconomic challenges. The company has a modest market position and focuses on profitable growth.
Ireland	Acceptable results, although slightly below 2009.
Benelux	Pronounced improvement on 2009. Previous problems are deemed to have been solved in Belgium, and it should be possible in 2011 to profit from the company's considerable size in the market.
Other Europe[1]	Great improvement on 2009. Considerable improvement in Russia in particular, where a loss was transformed into acceptable results. The results reported by Poland and Romania were also higher than for 2009.

1. France, Poland, Romania, Russia, Spain and Switzerland

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

	Revenue		Gross profit		Operating profit before special items		Gross margin ratio		EBITA margin	
(DKKm)	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Denmark	343	294	84	74	15	6	24.5	25.2	4.4	2.0
Sweden	330	364	77	87	27	32	23.3	23.9	8.2	8.8
Norway	147	177	25	27	6	4	17.0	15.3	4.1	2.3
Finland[1]	121	98	56	34	30	29	46.3	34.7	24.8	29.6
Germany	277	315	67	76	(7)	(6)	24.2	24.1	-2.5	-1.9
Italy	973	986	345	337	55	56	35.5	34.2	5.7	5.7
Great Britain	256	291	84	86	9	15	32.8	29.6	3.5	5.2
Ireland	211	206	58	49	10	9	27.5	23.8	4.7	4.4
Benelux	1,731	1,730	540	578	112	147	31.2	33.4	6.5	8.5
Other Europe etc.[2]	552	607	124	138	(3)	11	22.5	22.7	-0.5	1.8
Total	**4,941**	**5,068**	**1,460**	**1,486**	**254**	**303**	**29.5**	**29.3**	**5.1**	**6.0**
Group	30	26	31	25	8	-	-	-	-	-
Amortisation of customer relationships	-	-	-	-	(34)	(35)	-	-	-	-
Elimination	(196)	(233)	(38)	(51)	-	-	-	-	-	-
Net	**4,775**	**4,861**	**1,453**	**1,460**	**228**	**268**	**30.4**	**30.0**	**4.8**	**5.5**

1. Operating profit before special items of 2010 was affected positively by gains of DKK 20 million on the sale of real property
2. France, Poland, Romania, Russia, Spain, Switzerland and USA

In 2010, the Division focused on boosting sales efforts, and during the year several employees of the Division completed training courses focusing on ways to increase Division revenue. The training programme was positively received throughout the organisation and is expected to continue in 2011.

Outlook for 2011

DSV Solutions expects the surplus capacity and fierce competition to continue in most markets in 2011 and accordingly to maintain focus on cost savings.

Market activity levels are expected to increase slightly by 2-3%, and in the light of the market situation DSV Solutions is expected to achieve a corresponding growth rate.

The Division has prepared its employees for greater sales efforts in 2011, where focus will be on both retaining existing customers and winning new contracts within all five business segments. Employees have received sales training, and new initiatives have been launched to support the sales processes.

Shareholder information

The DSV share in 2010

The share capital is listed on NASDAQ OMX Copenhagen under the abbreviation DSV and the ISIN code DK0060079531. The DSV share was among the most traded shares on NASDAQ OMX Copenhagen with an average daily trading volume of 990,261 shares, corresponding to DKK 98.9 million each day.

At 31 December 2010, the share capital equalled a nominal value of DKK 209,150,000 and was divided into 209,150,000 shares with a denomination of DKK 1 and one vote each.

At year-end, the closing price of the DSV share on NASDAQ OMX Copenhagen was DKK 123.30. Compared with the 2009 year-end closing price of DKK 94.00, the DSV share increased by DKK 29.30 or 31% in 2010. During the same period, the OMXC20 Index of NASDAQ OMX Copenhagen increased by 36%.

At year-end 2010, the market capitalisation of DSV was DKK 25.8 billion, inclusive of the value of treasury shares.

Dividends

The Supervisory Board proposes ordinary dividends of DKK 0.50 per share for 2010, or DKK 104.6 million in total. Dividends of DKK 0.25 per share were distributed for 2009. Accordingly, dividends distributed per share for 2010 will be twice the amount distributed for 2009.

Share buy-back

The Company acquired treasury shares in the financial year of 2010. The purpose of the share buy-back scheme is to hedge the Company's incentive programmes and adapt its capital structure. The shares were bought back under the powers granted at the Annual General Meeting of DSV on 26 March 2010 using the safe harbour method.

In the financial year of 2010, DSV acquired a total of 3,547,769 treasury shares at a total purchase price of DKK 397.2 million. At 31 December 2010, the Company held 2,643,496 shares as treasury shares, corresponding to 1.26% of the share capital.

In the period from the reporting date until the date of this Annual Report, the Company has acquired 2,593,265 treasury shares at a total purchase price of DKK 306.4 million.

Incentive programmes

At its Board meeting on 24 March 2011, the Supervisory Board of DSV expects to authorise the Executive Board of DSV, in accordance with the guidelines for incentive pay of the Group, to allocate up to 2 million share options to senior staff members of the Group. The allocation will be made at the closing price recorded on 31 March 2011.

Authority

The Supervisory Board of the Company is authorised by the General Meeting to increase the Company's share capital. At 31 December 2010, the number of shares which may be issued under this authority was 81 million shares. The authority is valid until 1 May 2012.

The General Meeting has also authorised the Supervisory Board to buy back a maximum of 25 million shares in the Company. At 24 February 2011, the remaining number of shares that may be acquired under the authority may not exceed 18.9 million. The authority is valid until 26 March 2015. 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 Supervisory Board has also been authorised by the General Meeting to issue convertible debt instruments and warrants and to make the related capital increase. This

SHARE PRICE DEVELOPMENT

authority is valid until 26 March 2015 and applies to shares of a total nominal value of up to DKK 25 million.

The above authorities may be exercised by means of one or more issues. Company shareholders have no pre-emptive rights if the Supervisory Board exercises such authority. The authorities have been incorporated into the Company's Articles of Association. Any amendments to the Articles of Association are subject to the general rules of the Companies Act.

COMPANY ANNOUNCEMENTS PUBLISHED IN 2010

DSV A/S published a total of 28 company announcements in 2010 (Nos. 343-370). The most important announcements in 2010 are listed below:

10 February	No. 343 Statement of Objections from the European Commission
4 March	No. 345 Publication of 2009 Annual Report
26 March	No. 348 Minutes of DSV's Annual General Meeting
15 April	No. 351 Comment on News Information
29 April	No. 355 Interim Financial Report, First Quarter 2010
30 July	No. 359 Interim Financial Report, H1 2010
29 October	No. 361 Interim Financial Report, Third Quarter 2010 and announcement of share-buy back scheme
22 November	No. 366 Financial Calendar 2011

For a complete list of company announcements in 2010, please refer to www.dsv.com.

Shareholder composition

At 31 December 2010, registered shares in DSV A/S totalled 165,597,202, corresponding to 79% of the share capital. The largest 25 of these shareholders owned 37% of the entire share capital.

SHAREHOLDERS – GEOGRAPHICAL DISTRIBUTION

Category	Proportion of share capital (%)
Denmark	36
Foreign countries	43
Not registered	21
Total	100

SHAREHOLDERS TO BE DISCLOSED UNDER THE COMPANIES ACT, AT 31 DECEMBER 2010

Shareholder	Proportion of share capital (%)
ATP, Hillerød, Denmark	5.05%

LIST OF ANALYSTS

Dealer	
ABG Sundal Collier	Macquarie
Alm. Brand Markets	Mainfirst Bank
CA Cheuvreux	Nomura International plc
Carnegie Bank A/S	Nordea Markets
Dansk Aktie Analyse	Nykredit Markets
Danske Markets	RBC Markets
Deutche Bank AG	RBS
Handelsbanken Capital Markets	SEB Enskilda Equities
HSBC Bank plc	Sydbank A/S
ING Group N.V.	UBS AG
Jyske Bank A/S	West LB
LD Invest	

Investor Relations Policy

DSV focuses on generating sound financial results and continuing the positive development of the Group for the benefit of all investors. DSV aims to maintain a high and uniform level of information by having an open and active dialogue with investors and analysts to ensure that all available information is reflected in the expectations for DSV at all times.

DSV holds investor meetings for analysts and investors, e.g. in connection with the release of interim reports. The presentation of interim reports is webcast to ensure that all stakeholders can obtain the same high level of information about DSV. Furthermore, DSV's Management holds road-shows in Denmark and abroad to the widest possible extent and also hosted a capital markets day in 2010.

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

DSV aims to make the investor relations pages at www.dsv.com a natural venue and a complete source of information for current and potential investors. Annual reports, interim reports, other company announcements to NASDAQ OMX Copenhagen and press releases during the last five years are available on the DSV website. All announcements are distributed directly to subscribers of DSV's email updates. New subscribers can sign up at the DSV website. In addition, DSV publishes a news magazine, DSV Moves, on a quarterly basis.

Shareholders and other stakeholders with questions or comments relating to investor relations may also write to investor@dsv.com.

Financial calendar

The financial calendar 2011 is as follows:

FINANCIAL CALENDAR

Activity	Date	Start of quiet period
2010 Annual Report	24 February 2011	20 January 2011
Annual General Meeting	24 March 2011	-
Q1 2011 Report	29 April 2011	1 April 2011
H1 2011 Report	28 July 2011	1 July 2011
Q3 2011 Report	26 October 2011	29 September 2011

Corporate governance

The DSV Management recognises the importance of sound corporate governance, and the Supervisory Board of DSV continuously discusses corporate governance to maintain a high level of corporate governance.

In 2010, the Committee on Corporate Governance published its revised Recommendations on Corporate Governance. Similar to previous versions, the Recommendations are based on the 'comply-or-explain' principle, which makes it legitimate for a company either to comply with the Recommendations or explain why it does not comply with them. DSV fully complies with 75 of the 78 recommendations, but does not comply with three recommendations. For a detailed description of DSV's position on the Recommendations, select 'Corporate Governance' in the 'Investor Relations' menu on the corporate website at www.dsv.com, where the schedule on DSV's approach to the Recommendations is available in its entirety.

Recommendations not complied with

DSV has opted not to comply with the recommendations relating to nomination and remuneration committees and retirement age of Supervisory Board members.

NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The Supervisory Board is considering the relevance of nomination and remuneration committees, but has so far considered it not expedient to establish such committees. In the assessment of the Supervisory Board, the preparatory tasks which are to be undertaken by a nomination committee and a remuneration committee according to the Recommendations are handled most efficiently by the entire Supervisory Board.

RETIREMENT AGE OF SUPERVISORY BOARD MEMBERS

The DSV Articles of Association do not fix any retirement age for the members of the Supervisory Board. The Supervisory Board will propose a resolution at the Company's Annual General Meeting on 24 March 2011 to amend the Articles of Association by inserting an age limit of 70 years for election to the Supervisory Board.

Internal control and risk management in connection with the presentation of financial statements

The Supervisory and Executive Boards have the overall responsibility for risk management and internal control in connection with the presentation of financial statements, including compliance with the relevant legislation in connection with the financial reporting. The internal control and risk management systems of DSV related to the financial reporting process are designed to ensure that internal and external financial statements present a true and fair view and are free from material misstatement and irregularities.

In 2010, the Supervisory Board as a whole was responsible for following up on this. An actual audit committee will be set up at the first meeting of the Supervisory Board after the 2011 Annual General Meeting in connection with the election of officers.

The internal control and risk management systems of DSV are designed to identify and eliminate material misstatements in the financial statements. The key elements of the Group's risk management and internal control in connection with the presentation of financial statements are summarised below.

CONTROL ENVIRONMENT

The Supervisory and Executive Boards consider the tone at the top to be crucial to good risk management and internal control, and therefore the attitude of Management to risk management is regularly highlighted. Among other means, this is communicated through electronic newsletters, by holding financial conferences for financial managers of all Group subsidiaries and through ongoing dialogue with the individual national managements.

DSV has a simple group structure based on the Group's commercial activities with a clear division of management responsibilities. The Executive Board is represented in the supervisory boards of all subsidiaries, which apply standard provisions relating to the power to bind the company, thereby creating a strong control environment throughout the organisation.

The tasks of the Supervisory and Executive Boards include the establishment and approval of all general policies, procedures and control systems in essential fields, including Code of Conduct, Corporate Social Responsibility Policies and Rules of Procedure of the Supervisory and Executive Boards. In addition, policies have been adopted and manuals created within essential fields in connection with the financial reporting, including an accounting and reporting manual, finance, credit and authorisation policies, efficient segregation of duties and an IT strategy.

Central control and compliance functions have been set up with the task of following up on existing policies, manuals and reports.

RISK ASSESSMENT

The Supervisory Board assesses at least once a year the risk factors and the financial and management control of the Group relating to financial reporting, including organisational structure and the human resources allocated to essential fields of relevance to the accounting process.

The most material and risky items have been identified and the risks identified have been matched with internal procedures and controls. Through this mapping of risk factors, the areas and transactions deemed to entail the highest risk of material error have been identified. These are described in note 1 of the Annual Report.

In connection with acquisitions, an overall risk assessment of the relevant acquiree is carried out, and its essential business and internal control procedures in connection with the financial reporting are evaluated as part of the due diligence process and immediately after the date of acquisition.

An ongoing dialogue between the Supervisory Board and the Executive Board ensures timely focus on risks identified, including risks in connection with the financial reporting.

CONTROL ACTIVITIES

The control activities are designed to address the risks identified. The purpose of the control activities is to verify that the policies, manuals, procedures, etc., laid down by Management are followed and that any misstatement is prevented, discovered and remedied. Minimum requirements of control that must be complied with by all Group entities have been laid down on the basis of the risks identified. The activities include procedures for authorisation, approval, reconciliation, result and liquidity analyses and efficient separation of functions.

Control visits are paid to subsidiaries to assess the control environment of subsidiaries and to verify that Group policies are observed. The outcome of the control visits are reported to Division and Group Managements.

Group Management and the managements of the national subsidiaries have high focus on financial ratios and follow-up in this respect. Monthly financial reports are subject to effective internal control procedures, including central closing of reporting systems and review 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.

The Supervisory Boards assesses the need for the establishment of an internal audit function once a year upon recommendation of the Executive Board. The Supervisory Board has assessed that the current level of control activity is the optimum level for the Group and has therefore opted not to establish an internal audit function for the time being.

INFORMATION AND REPORTING

DSV has established formal information and Group reporting systems to ensure constant compliance of the financial reporting with legislation and that other internal control procedures of the Group are observed.

Reporting instructions, including accounting manual as well as budgeting and monthly closing procedures, etc., and other policies of relevance to the internal control are updated if deemed necessary and at least once a year. Detailed procedures and control systems have been established to ensure timely notification of NASDAQ OMX Copenhagen pursuant to applicable rules.

The Group's internal control policies are available for the relevant DSV employees. Changes to these policies and special focus areas are communicated on an ongoing basis through monthly newsletters, annual financial conferences and otherwise when necessary.

The DSV Management emphasises open communication and information throughout the organisation 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 perform their tasks and control duties.

MONITORING

Each month, comprehensive consolidated accounting data for the entire Group is submitted to the DSV Management. This data is analysed and monitored by Division and Group Managements. Moreover, Group Management receives weekly liquidity reports, which are thoroughly analysed.

In connection with the weekly reporting and at meetings of the Supervisory Board, the Executive Board presents the current status of essential risk factors to the Supervisory Board. Any relevant adjustment of conduct in connection with risk reporting and risk management is discussed at weekly meetings between the Executive Board and the Chairman of the Supervisory Board. These discussions include, but are not limited to, risks relating to the financial reporting.

The Supervisory Board 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 in connection with the accounting process are implemented as planned. The Supervisory Board receives status updates at least once a year on the implementation of the key controls of DSV relating to financial reporting.

Risk factors

In identifying and managing business risks, the Supervisory Board has identified the following major business risks of the Group.

General economic development

The DSV Group is influenced by the global economic development. The asset-light business model of the Group ensures operational flexibility, which makes it possible to adapt its capacity to the current demand situation. In connection with major deviations, the Group can adjust both direct production costs and fixed costs. The process of adjusting direct costs is faster than adjusting fixed costs.

Consolidation in the transport sector

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

For a number of years, DSV has taken active part in this consolidation process and completed the integration of ABX LOGISTICS (ABX) in 2010. DSV will continue to monitor the consolidation process in the industry, but will focus more on organic growth than previously in accordance with the updated strategy of the Group.

Partners

It is essential to DSV to maintain good working relations with all partners of the Group. The Air & Sea Division has partners in the countries in which it does not have its own offices. Changes in relation to partners may affect the international activities of the organisation.

Staff

DSV is a service provider and therefore dependent on its ability to attract and retain qualified and committed staff. The Group keeps a constant focus on staff conditions to enable the Group to recruit and retain the employees needed also in future.

IT

IT is essential for providing transport services on a daily basis.

Operations have become increasingly dependent on IT in recent years, and operational disturbances may have a crucial impact on the Group's operations. Therefore, the Group has invested heavily in an improved IT production environment. The investment programme will continue. It is based on internal analyses of the IT dependency of the individual business areas.

The ability to integrate, develop and implement new IT systems is key to the Group's continued optimisation of business processes. The Group's ability to implement new business processes is being developed and assessed on an ongoing basis. The area is deemed to be critical in order to maintain the Group's competitiveness in future.

Competition law

In recent years, various competition authorities have carried out inspections of international transport companies. As a global transport and logistics provider, DSV may also be affected by such inspections to a varying extent and in different geographical areas. For that reason, DSV has great focus on this development and has adopted a corporate Code of Conduct, including policies on a preventive approach to risks of competition law breaches.

Financial risks

Financial risks are described in note 27 in the consolidated financial statements.

Corporate social responsibility

As DSV is one of the world's largest providers of transport and logistics services, corporate social responsibility (CSR) is essential to the organisation, and DSV has therefore opted to join the United Nations Global Compact. It seems obvious to DSV to care for employees and the environment and to ensure that all corporate activities are based on an ethical business model.

Efforts are targeted at creating a strong basis for DSV's approach to the individual principles. This work was formalised and structured to a much greater extent in 2010, leaving DSV better equipped to continuously meet strategic challenges in a financially and socially responsible manner and to follow the national legislation of the individual countries and communities, also in future.

The CSR Policy of DSV is based on the ten principles of the Global Compact. The ten principles are based on universally accepted principles and conventions within four main areas: human rights, labour standards, environment and anti-corruption. Each of the general policies is further substantiated by a code for each of the areas of human and labour rights, environment and business ethics.

The CSR Policy and the individual codes give clear guidelines of good conduct in the daily work of both management and staff, and the documents also provide the framework for the way in which the organisation addresses CSR issues. DSV makes targeted efforts within all areas of CSR, but gives priority to areas relating to the core business of DSV. The three most essential areas are: employees and working environment, environment and climate, and business ethics and anti-corruption.

EMPLOYEES AND WORKING ENVIRONMENT

Our employees are an essential asset of our organisation, and it is crucial for the success and future of DSV that they experience job satisfaction and feel appreciated for their work.

The managements of all DSV enterprises are responsible for observing the Code of Human and Labour Rights of the DSV Group. They are moreover to partner with their staff to maintain a good physical and psychological working environment that contributes to general content and job satisfaction. The managements are also responsible for taking initiatives intended to counter occupational diseases and prevent occupational accidents.

ENVIRONMENT AND CLIMATE

DSV wants to assume its share of the responsibility for reducing the environmental impact of transportation. DSV therefore constantly works to improve the geographical balance in the market and improve the capacity utilisation of the Group's equipment.

Most transports organised by DSV are, however, carried out by subcontractors, and DSV can therefore mainly exercise influence through dialogue with and requirements of these subcontractors. In addition to improved competitiveness, these efforts, whether direct or indirect, also entail less empty running and reduced environmental impact from each shipment.

Various local activities have also been launched to reduce the environmental impact from the activities of DSV.

BUSINESS ETHICS AND ANTI-CORRUPTION

DSV has grown considerably in recent years, now offering activities and services all over the world. This implies several business partners with very different cultural backgrounds, and therefore it becomes ever more important for the Group to have a set of common values and guidelines. DSV considers it crucial that all its employees maintain a high level of business ethics in their relations with customers, shareholders, suppliers, partners and public authorities. DSV therefore made targeted efforts in 2010 to lay down principles of business ethics for DSV in its formal Code of Conduct.

The Code is based on the values of DSV and comprises guidelines and expectations of the Group relating to subjects such as anti-corruption legislation, legislation on competition and conflicts of interest, and general principles on good ethical conduct of all DSV employees, including senior and middle managers.

Implementation of CSR Policy

In the autumn of 2010, the CSR Policy of DSV was communicated globally to all employees of the Group through the national managements of all subsidiaries, who were responsible for presenting and sharing the CSR Policy among their staff. Almost two-thirds of all subsidiaries have also opted to implement procedures on the introduction of new employees to the DSV Code of Conduct.

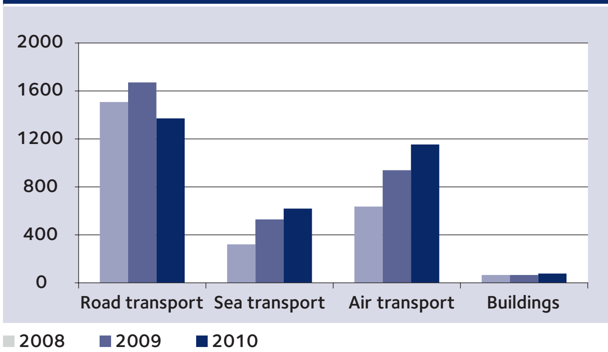
Outcome of CSR initiatives

All companies of the DSV Group made extensive work in the autumn months to convey the CSR Policy of DSV to their employees. Currently, 85% of all employees have now received information about anti-corruption procedures, and 80% of all employees have received information about the Group's human rights policies and procedures. Moreover, 78% of all Group companies have evaluated national policies and procedures and concluded that they are in accordance with the new CSR Policy of the DSV Group.

ENVIRONMENT

The Group emitted 3.2 million tonnes of CO_2 in 2010, which is almost the same as in 2009 despite increasing activity level. Developments in the individual divisions and modes of transport applied by DSV show that DSV moves an ever increasing proportion of goods by aeroplanes and container ships. Since 2008, the largest increase has been seen in containerised sea freight, and since this mode of transportation is among the least polluting, total carbon emissions of DSV increased at a proportionally lower rate. Considerable cargo quantities are also moved by truck, but usually over fairly short distances and consequently causing less carbon emissions.

TOTAL CO_2 EMISSIONS (TONNES) – BY ACTIVITY



The aggregate environmental impact is calculated by using own data on the quantities carried and the environment ratios reported by subcontractors to DSV. These data and ratios are used to calculate the energy efficiency of the Group, a figure reflecting the emission of carbon dioxide each time DSV moves one tonne of freight one kilometre by different modes of transportation.

The aggregate energy efficiency showed an improvement from 36.6 grams of CO_2 per tonne-km in 2009 to 36.4 in 2010. It also has an impact on the aggregate energy efficiency that an ever increasing proportion of all transport services are performed by container ships, which are less harmful to the environment. The ratios reported to DSV by its air freight suppliers also showed an aggregate improvement in energy efficiency. The subcontractors of the Road Division reported continuous improvement in the level of emissions of carbon dioxide per kilometre driven; however, as the average weight of a DSV shipment is decreasing, the aggregate energy efficiency of the Division increased.

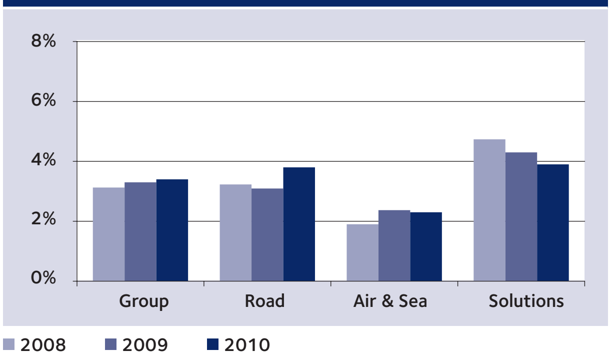
The Road Division is pursuing various initiatives to reduce the environmental impact. An example is the various types of flexible trailers developed by the Division for a great variety of transport logistics. The use of flexible trailers is a great advantage in markets characterised by imbalance to minimise the towing of empty trailers. The Division also aims to create better balance in full-load transportation on the European continent to better utilise the trailer fleet of DSV. DSV willingly transports its customers' freight by rail, thus transporting large quantities of freight by rail each year. Railways are usually the preferred mode of transportation at long geographical distances and when this solution fits customer needs and is competitive relative to the price of other modes of transportation.

EMPLOYEES

After the considerable changes in staff in 2009, employee figures remained stable throughout 2010. The Group's rate of employee turnover therefore dropped considerably from 33.5% to 22.7%, which reflects significant reductions in the rates of the Air & Sea and Road Divisions, but also an increase in the Solutions Division. The rate of employee turnover was lower in 2010 than the average rate of employee turnover of the DSV Group for the preceding seven years. The fairly high employee turnover level must be viewed in light of the integration activities following the acquisition of Koninklijke Frans Maas Groep N.V. in 2006 and ABX LOGISTICS in 2008, to mention the major transactions.

The rate of absence due to illness among Group employees was 3.4% in 2010, having been stable for some years. This corresponds to an average of less than eight days' absence each year for each employee. The rate of absence saw a slight decline among Solutions and Air & See staff, but increased slightly in the Road Division. Both hourly workers and salaried employees of the Air & Sea Division continue to have the lowest rates of absence due to illness among all Group employees.

DEVELOPMENT IN ABSENCE DUE TO ILLNESS



Unfortunately, the rate of occupational accidents did not remain stable at the same level as in 2009. The Group saw an overall increase in this rate, which was caused by a combination of the large increase in the Road Division and a minor increase in the Solutions Division, but also continued reduction of the rate of occupational accidents in the Air & Sea Division. Group Management considers this increase in the rate of occupational accidents serious. It intends to launch a comprehensive initiative in 2011 to reduce the number of occupational accidents among DSV staff.

NON-FINANCIAL HIGHLIGHTS AND INDICATORS OF THE GROUP

	2008	2009	2010	Reference to GRI indicators [1]
Emissions ('000 tonnes)				EN16
CO_2 emissions – Group	2,464	*3,212	3,221	
CO_2 emissions – Container shipping	321	529	619	
CO_2 emissions – Air transport	636	939	1,154	
CO_2 emissions – Road transport	1,507	*1,679	1,371	
CO_2 emissions – Buildings	–	65	77	
Water ('000 m^3)				EN8
Total water use	–	310	317	
Rate of employee turnover (%)				LA2
Group	19.4	33.5	22.7	
Salaried staff	17.4	39.7	18.8	
Hourly workers	22.5	23.6	29.0	
Absence due to illness (%)				
Group	3.1	3.3	3.4	
Salaried staff	2.6	2.7	2.9	
Hourly workers	4.0	4.3	4.4	
Rate of occupational accidents (per million working hours)				LA7
Group	11.4	7.6	11.3	
Salaried staff	3.0	1.3	2.8	
Hourly workers	23.5	18.6	25.8	
Energy efficiency (g/tonne-km)				
CO_2 per consignment – Group	43.0	*36.6	36.4	
CO_2 per consignment – Container shipping	8.4	9.0	9.2	
CO_2 per consignment – Air transport	762.3	775.4	762.0	
CO_2 per consignment – Road transport	67.9	*65.8	77.8	
Quality management standards (%)				
ISO 14001	–	33	34	
ISO 9001	–	67	71	
OHSAS 18001	–	15	15	
Anti-corruption (%)				SO3
Employees who have received information about anti-corruption policies and procedures	–	–	85	
Human rights (%)				HR3
Employees who have received information about human rights policies and procedures	–	–	80	
Implementation of CSR Policy (%)				
Proportion of DSV entities which have produced a self-declaration of compliance with the CSR Policy of the DSV Group	–	–	78	

1. Reported in full or in part according to GRI G3

Non-financial highlights and indicators of the Group

Emissions

CO_2 emissions from transport activities are calculated based on the average fuel utilisation ratios and CO_2 emissions reported in respect of trucks owned by DSV and subcontractors in connection with the transportation of DSV freight, partly on data from DSV's own traffic management systems, including data on the freight volumes carried to and from various destinations. CO_2 emissions from buildings are calculated based on direct consumption of electricity, gas, oil and water at DSV's own locations.

Rate of employee turnover

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

Rate of absence

Number of days of absence due to illness relative to the number of working days during the year adjusted for maternity/paternity leave, agreed holidays and national public holidays. Absence due to illness is measured on the basis of wage/salary system records.

Rate of occupational accidents

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

Energy efficiency

Emissions from consignment relative to freight volume and transportation distance.

Quality management standards

Percentage of DSV enterprises certified according to ISO 14001, ISO 9001 or OHSAS 18001. Calculation proportionate to the number staff of the certified enterprises.

Anti-corruption and human rights

Number of employees of the enterprises that have informed its staff about the CSR policies and procedures of DSV that must be followed relative to the total staff of the Group.

Implementation of CSR Policy

Number of enterprises that have evaluated whether they are following the CSR Policy of the DSV Group relative the to total number of Group enterprises.

Comments

* A review of the fuel consumption and Euronorms reported by subcontractors of the Road Division for 2009 revealed incorrectly reported data. These incorrect data had some influence on the CO_2 emissions calculated for the Division, and accordingly also for the Group, as well as various values for the energy efficiency of the Division and the Group. Comparative figures have been restated accordingly.

UN GLOBAL COMPACT	DSV POLICIES
HUMAN RIGHTS PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights PRINCIPLE 2 Businesses should make sure that they are not complicit in human rights abuses	HUMAN RIGHTS • DSV supports and wishes to comply with internationally proclaimed human rights. • DSV recognises and supports equal human rights and is against discrimination and differential treatment in employment and working conditions, whether based on race or gender, or sexual, religious or political orientation or ethnical or social background.
LABOUR STANDARDS PRINCIPLE 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining PRINCIPLE 4 Businesses should uphold the elimination of all forms of forced and compulsory labour PRINCIPLE 5 Businesses should uphold the effective abolition of child labour PRINCIPLE 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	LABOUR STANDARDS • DSV recognises employees' right to join a union and to collective bargaining. DSV supports a constructive dialogue between employer and employee. • DSV is against all kinds of forced employment and working conditions. • DSV does not employ children and recognises international standards of minimum age for children and that youths should work in different types of employment than adults. • Employees of DSV must receive a letter of confirmation of their employment conditions if so required by national legislation. • The remuneration of DSV employees meets or exceeds statutory or agreed national industry minimum standards. • DSV complies with current national legislation and agreed standards relating to employee working hours. • The employees are the most important group of stakeholders of DSV. In DSV, a healthy physical and psychological working environment should contribute to creating job satisfaction, avoiding work related sickness and preventing accidents at work for all DSV employees. • All DSV managers are responsible for the safety of our employees and, in addition to giving instructions and supervising that this is observed, they must also establish an understanding of the necessary safety measures. • All employees of DSV are responsible for their own safety when performing their work and must therefore comply with all safety regulations and exercise proper care to contribute to the prevention of accidents.
ENVIRONMENT PRINCIPLE 7 Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8 Businesses should undertake initiatives to promote greater environmental responsibility PRINCIPLE 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	ENVIRONMENT • DSV is committed to offering sustainable transport and logistics systems which result in the lowest possible depletion of resources and strain on the environment. Therefore, the business concept of DSV is constantly being developed and improved so that the products and services of the Group always reflect our environmental considerations. • DSV will lead an open and constructive dialogue with authorities, shareholders, customers, suppliers, employees, and other stakeholders about the environmental and safety conditions related to the activities of the Group. DSV has a clear conception of its responsibility so that we comply with public authority requirements at all times. • Our suppliers are selected on the basis of professional business parameters, including assessment of their environmental and social responsibility policies.
ANTI-CORRUPTION PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion and bribery	ANTI-CORRUPTION DSV wants: • to make all employees of the Group observe general principles of business ethics; • to support the work against bribery, facilitation payments, certain types of gifts, entertainment, travel costs, etc. • to provide guidance on charitable donations and rules on contributions to political parties and non-governmental organisations; • to prohibit staff and companies from engaging in cartel activities and to restrict membership of trade and industry organisations; and • to avoid conflicts of interest and related-party transactions.

ACTIVITIES	RESULTS[1]
HUMAN RIGHTS DSV joined the Global Compact initiative in 2009. DSV has prepared a Code of Human and Labour Rights, which has been communicated to all employees in informative brochures, at staff meetings, and through the intranet and/or shared computer drives.	**HUMAN RIGHTS** The Code of Human and Labour Rights of the DSV Group was made available to all employees in 2010. 15% of all DSV companies are certified according to OHSAS 18001.
LABOUR STANDARDS DSV joined the Global Compact initiative in 2009. DSV has prepared a Code of Human and Labour Rights, which has been communicated to all employees in informative brochures, at staff meetings, and through the intranet and/or shared computer drives.	**LABOUR STANDARDS** The Code of Human and Labour Rights of the DSV Group was made available to all employees in 2010. The Group's aggregate rate of employee turnover decreased from 33.5% in 2009 to 22.7% in 2010. The rate of occupational accidents at DSV per million working hours increased from 7.6 in 2009 to 11.3 in 2010. 15% of all DSV companies are certified according to OHSAS 18001.
ENVIRONMENT DSV joined the Global Compact initiative in 2009. DSV has prepared a Code of Environmental Behaviour, which has been communicated to all employees in informative brochures, at staff meetings, and through the intranet and/or shared computer drives. DSV is committed to promoting responsible environmental conduct. The Road Division of DSV has developed various flexible trailers to reduce empty running. Road Sweden continues its efforts to spread the DSV ECO product.	**ENVIRONMENT** The Code of Environmental Behaviour of the DSV Group was made available to all employees in 2010. In total, the Group emitted 3.2 million tonnes of CO_2 in 2010. The aggregate energy efficiency of the Group measured in CO_2 emissions was 36.4 g/tonne-km in 2010.
ANTI-CORRUPTION DSV joined the Global Compact initiative in 2009. DSV has prepared a Code of Conduct of the DSV Group, which has been communicated to all employees in informative brochures, at staff meetings, and through the intranet and/or shared computer drives. All financial managers of DSV received information about the Code of Conduct of the DSV Group at a financial conference in 2010.	**ANTI-CORRUPTION** The Code of Conduct of the DSV Group was made available to all employees in 2010.

1. Further results are described under non-financial highlights and indicators on page 33.

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

SUPERVISORY BOARD

Kurt K. Larsen

CHAIRMAN
Born: 17 September 1945
Member of the Executive Board: 1991-2008
Board member since: 2008
Elected until: 2011

Supervisory board positions
Chairman: Saxo Bank A/S
Ordinary member: Polaris Private Equity III and Ove Wrist & Co. A/S

Special competencies
- 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: 2011

Special competencies
- General management experience
- Sector-specific production experience
- Independent haulier since 1976

Kaj Christiansen

MEMBER
Born: 20 February 1944
Board member since: 1995
Elected until: 2011

Special competencies
- General management experience
- Sector-specific production experience
- Independent haulier 1978-2001

Per Skov

MEMBER
Born: 28 September 1941
Board member since: 2000
Elected until: 2011

Supervisory board positions
Chairman: Utility Development A/S and NX Holding A/S
Ordinary member: Dagrofa A/S and Kemp & Lauritzen A/S

Special competencies
- General management experience from A.P. Møller – Mærsk A/S, Lauritz Knudsen and FDB (CEO 1989-1998)
- Financial management experience

Annette Sadolin

MEMBER
Born: 4 January 1947
Board member since: 2009
Elected until: 2011

Supervisory board positions
Chairman: Østre Gasværk Theatre
Deputy Chairman: DSB A/S and Danish Standards Association
Ordinary member: Topdanmark A/S, Skodsborg Kurhotel og Spa A/S, Lindab International AB, Sweden, Ratos AB, Sweden, and Ny Carlsberg Glyptotek (art museum)

Special competencies
- General management experience from GE and the reinsurance industry
- Acquisition and divestment of enterprises
- Former executive officer of GE Frankona, Munich, Germany
- Former CEO of Employers Reinsurance International
- Master of Laws (LL.M.)

Birgit W. Nørgaard

MEMBER
Born: 9 July 1958
Board member since: 2010
Elected until: 2011

Supervisory board positions
Ordinary member: Sonion A/S, Xilco A/S, Abeo A/S, the Danish Technical University (DTU), the Energy Technology Development and Demonstration Programme (EUDP) and the Danish Business Innovation Fund

Special competencies:
- General management experience from Grontmij NV (COO), Grontmij | Carl Bro A/S (Managing Director), Danisco and McKinsey
- Acquisition and divestment of enterprises
- Financial management experience
- MSc in Business Administration and MBA from INSEAD

KAJ CHRISTIANSEN · ANNETTE SADOLIN · ERIK B. PEDERSEN · BIRGIT W. NØRGAARD · JENS H. LUND · KURT K. LARSEN · JENS BJØRN ANDERSEN · PER SKOV

Supervisory Board self-evaluation

As an element of corporate governance, the Supervisory Board 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 Board members to assess whether the mix of competencies is 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 did not give rise to any further initiatives.

Remuneration of members of the Supervisory and Executive Boards

DSV has adopted a Remuneration Policy which lays down the guidelines for determining and approving the remuneration of the members of the Supervisory and Executive Boards. The Remuneration Policy is designed to always reflect the goal of being able to attract and retain a competent Management, thereby continuously creating long-term value for the DSV shareholders. The Remuneration Policy is disclosed and approved at the annual general meeting of the Company and is available on the corporate website at www.dsv.com.

Composition and meeting frequency of the Supervisory Board

The Supervisory Board currently has six members. According to the Articles of Association of the Company, the Supervisory Board must have three to nine members. Members of the Supervisory Board are elected for a term of one year at a time, and new members are elected according to the general rules of the Danish Companies Act. In the financial year of 2010, the Supervisory Board held 11 meetings.

Independence of supervisory board members

Three out of six Supervisory Board members are independent according to the Recommendations on Corporate Governance. Kurt K. Larsen (Chairman) has been a member of the Executive Board within the past five years and is therefore deemed to be not independent according to the Recommendations. Erik B. Pedersen and Kaj Christiansen are deemed not to be independent as they have been members of the Supervisory Board for more than 12 years.

Management's statement

The Supervisory Board and the Executive Board have today discussed and approved the Annual Report of DSV A/S for the financial year 2010.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU 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 Company's financial position at 31 December 2010 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2010.

In our opinion, the Management 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 and the parent company's financial position, and the position as a whole for the entities included in the consolidated financial statements, 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, 24 February 2011

Executive Board

Jens Bjørn Andersen CEO	Jens H. Lund CFO

Supervisory board

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

Independent auditors' report

To the shareholders of DSV A/S

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 2010, pp. 40-91. 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 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.

In addition to our audit, we have read the Management's review which is prepared in accordance with Danish disclosure requirements for listed companies and provided a statement hereon.

Management's responsibility

Management is responsible for the preparation and presentation 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Management is also responsible for the preparation of a Management's review that includes a fair review in accordance with Danish disclosure requirements for listed companies.

Auditors' responsibility and basis of opinion

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 Danish Standards on Auditing. Those standards require 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 and presentation 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 2010 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 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. 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's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 February 2011

KPMG

STATSAUTORISERET REVISIONSPARTNERSELSKAB

Jesper Koefoed
State Authorised Public Accountant

Gerda Retbøll-Bauer
State Authorised Public Accountant

INCOME STATEMENT

(DKKm)	Note	2009	2010
Revenue	2	36,085	42,562
Direct costs		27,187	33,242
Gross profit		8,898	9,320
Other external expenses	3	1,988	1,955
Staff costs	4, 5	4,671	4,644
Operating profit before amortisation, depreciation and special items (EBITDA)		2,239	2,721
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	6	536	519
Operating profit before special items (EBITA)		1,703	2,202
Special items	7	(688)	(5)
Operating profit (EBIT)		1,015	2,197
Share of associates' profit (loss) after tax	14	(8)	1
Financial income	8	202	116
Financial expenses	9	749	654
Profit before tax		460	1,660
Tax on profit for the year	10	269	466
Profit for the year		**191**	**1,194**
Profit for the year is attributable to:			
Shareholders of DSV A/S		185	1,184
Non-controlling interests		6	10
Earnings per share:	11		
Earnings per share of DKK 1 (DKK)		0.9	5.7
Diluted earnings per share of DKK 1 (DKK)		0.9	5.7

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	Note	2009	2010
Profit for the year		191	1,194
Other comprehensive income			
Foreign currency translation adjustments, foreign enterprises		104	97
Fair value adjustment for the year relating to hedging instruments		(245)	(29)
Fair value adjustment relating to hedging instruments transferred to financials		207	138
Actuarial gains (losses)	20	(103)	27
Other adjustments		-	(3)
Tax on other comprehensive income	10	86	(54)
Other comprehensive income after tax		49	176
Total comprehensive income		**240**	**1,370**
Statement of comprehensive income is allocated to:			
Shareholders of DSV A/S		235	1,360
Non-controlling interests		5	10
Total		**240**	**1,370**

BALANCE SHEET, ASSETS

(DKKm)	Note	2009	2010
Non-current assets			
Intangibles	12	8,721	8,772
Property, plant and equipment	13	4,975	4,782
Investments in associates	14	9	19
Other securities and receivables	15	96	121
Deferred tax asset	16	379	449
Total non-current assets		14,180	14,143
Current assets			
Trade and other receivables	18	7,399	8,405
Corporation tax	24	23	-
Cash and cash equivalents		367	363
Assets held for sale	17	211	174
Total current assets		8,000	8,942
Total assets		22,180	23,085

BALANCE SHEET, LIABILITIES

(DKKm)	Note	2009	2010
Equity			
Share capital	19	209	209
Reserves		5,292	6,340
DSV A/S shareholders' share of equity		5,501	6,549
Non-controlling interests		29	36
Total equity		5,530	6,585
Liabilities			
Non-current liabilities			
Deferred tax	16	449	576
Pensions and similar obligations	20	884	871
Provisions	21	562	309
Financial liabilities	22	6,637	5,642
Total non-current liabilities		8,532	7,398
Current liabilities			
Provisions	21	373	332
Financial liabilities	22	620	593
Trade and other payables	23	7,108	7,833
Corporation tax	24	-	228
Liabilities relating to assets held for sale	17	17	116
Total current liabilities		8,118	9,102
Total liabilities		16,650	16,500
Total equity and liabilities		22,180	23,085

CASH FLOW STATEMENT

(DKKm)	Note	2009	2010
Profit before tax		460	1,660
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses		536	523
Share-based payments		25	30
Special items		(7)	6
Changes in provisions		(62)	(372)
Share of profit of associates		8	(1)
Financial income	*8*	(202)	(116)
Financial expenses	*9*	749	654
Cash flow from operating activities before changes in net working capital and tax		1,507	2,384
Changes in net working capital		985	(8)
Financial income, paid		202	116
Financial expenses, paid		(717)	(648)
Cash flow from operating activities before tax		1,977	1,844
Corporation tax, paid		(275)	(181)
Cash flow from operating activities		**1,702**	**1,663**
Acquisition of intangibles		(137)	(117)
Sale of intangibles		1	2
Acquisition of property, plant and equipment		(470)	(330)
Sale of property, plant and equipment		140	376
Acquisition of subsidiaries and activities	*26*	(29)	(50)
Divestment of subsidiaries and activities	*26*	(12)	(4)
Change in other financial assets		21	(28)
Cash flow from investing activities		**(486)**	**(151)**
Free cash flow		**1,216**	**1,512**
Other non-current liabilities incurred		1,022	574
Repayments on loans and credits		(3,733)	(1,605)
Other financial liabilities incurred		(89)	(11)
Shareholders:			
Dividends distributed		-	(52)
Purchase and sale of treasury shares		377	(297)
Capital increase		1,050	-
Other transactions with shareholders		-	(7)
Cash flow from financing activities		**(1,373)**	**(1,398)**
Cash flow for the year		**(157)**	**114**
Foreign currency translation adjustments		8	(118)
Cash and cash equivalents at 1 January		516	367
Cash and cash equivalents at 31 December		**367**	**363**

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

Specification 1: Statement of adjusted free cash flow		2009	2010
Free cash flow		1,216	1,512
Net acquisition of subsidiaries and activities		41	54
Adjusted free cash flow		**1,257**	**1,566**

STATEMENT OF CHANGES IN EQUITY – 2009

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2009	190	(160)	(117)	3,895	-	3,808	49	3,857
Comprehensive income for the period								
Profit for the year	-	-	-	133	52	185	6	191
Other comprehensive income								
Foreign currency translation adjustments, foreign enterprises	-	-	104	-	-	104	-	104
Fair value adjustment for the year relating to hedging instruments	-	(245)	-	-	-	(245)	-	(245)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	207	-	-	-	207	-	207
Actuarial gains and losses	-	-	-	(103)	-	(103)	-	(103)
Other adjustments	-	-	-	1	-	1	(1)	-
Tax on other comprehensive income	-	4	-	82	-	86	-	86
Other comprehensive income after tax	-	(34)	104	(20)	-	50	(1)	49
Total comprehensive income for the period	-	(34)	104	113	52	235	5	240
Transactions with owners								
Share-based payments	-	-	-	30	-	30	-	30
Purchase and sale of treasury shares, net	-	-	-	376	-	376	-	376
Capital increase	19		-	1,033	-	1,052	-	1,052
Acquisition/sale of non-controlling interests	-	-	-	-	-	-	(25)	(25)
Total transactions with owners	19	-	-	1,439	-	1,458	(25)	1,433
Equity at 31 December 2009	209	(194)	(13)	5,447	52	5,501	29	5,530

STATEMENT OF CHANGES IN EQUITY – 2010

(DKKm)	Share capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Proposed dividends	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity at 1 January 2010	209	(194)	(13)	5,447	52	5,501	29	5,530
Comprehensive income for the period								
Profit for the year	-	-	-	1,079	105	1,184	10	1,194
Other comprehensive income								
Foreign currency translation adjustments, foreign enterprises	-	-	97	-	-	97	-	97
Fair value adjustment for the year relating to hedging instruments	-	(29)	-	-	-	(29)	-	(29)
Fair value adjustment relating to hedging instruments transferred to financial expenses	-	138	-	-	-	138	-	138
Actuarial gains and losses	-	-	-	27	-	27	-	27
Other adjustments	-	-	-	(3)	-	(3)	-	(3)
Tax on other comprehensive income	-	(25)	(18)	(11)	-	(54)	-	(54)
Other comprehensive income after tax	-	84	79	13	-	176	-	176
Total comprehensive income for the period	-	84	79	1,092	105	1,360	10	1,370
Transactions with owners								
Share-based payments	-	-	-	40	-	40	-	40
Dividends distributed					(52)	(52)		(52)
Purchase and sale of treasury shares, net	-	-	-	(297)	-	(297)	-	(297)
Acquisition/sale of non-controlling interests	-	-	-	(3)	-	(3)	(3)	(6)
Total transactions with owners	-	-	-	(260)	(52)	(312)	(3)	(315)
Equity at 31 December 2010	209	(110)	66	6,279	105	6,549	36	6,585

The retained earnings reserve at 31 December 2010 comprised a premium of DKK 1,354 million arising on the issue of shares (2009: DKK 1,354 million) less the balance between the purchase and sale of treasury shares of DKK 2,999 million (2009: DKK 2,702 million).

Sale of treasury shares relates to the exercise of share options in connection with incentive programmes and the sale in connection with the capital increase.

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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 to be used as the basis for the recognition and measurement of assets and liabilities and the income and expense items reported.

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

Significant accounting estimates

The determination of the carrying amount of certain assets and liabilities and the recognition of certain income and expense items require judgements, estimates and assumptions about future events or performance. 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 those estimates.

Forwarding in progress

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

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

Acquisitions

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

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

Depending on the nature of the items, the total pre-acquisition balance sheet may be subject to some uncertainty and may be adjusted within the following 12-month period. Please refer to note 26 for a detailed description and specification of the amounts of the estimates made.

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

Goodwill impairment testing

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

Provisions and contingencies

Management assesses provisions, contingent assets and liabilities and the likely outcome of pending and potential legal proceedings on an ongoing basis. The outcome of such proceedings depends on future events, which are obviously uncertain. Management involves external legal experts and existing case law for its assessment of the probable outcome of material legal proceedings, tax issues, etc. Please refer to notes 21 and 25 for a detailed description and specification of amounts of provisions and contingencies.

Pensions

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

Deferred tax assets

The Group recognises deferred tax assets, including the tax base of tax loss carryforwards, if Management deems that the tax assets can be utilised in the foreseeable future against future positive taxable income. Assessment is carried out annually and is based on budgets and business plans for the following years, including planned business initiatives. Please refer to note 16 for a detailed description of the deferred tax assets.

Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, Management exercises judgements which may significantly affect the amounts recognised in the consolidated financial statements. The critical judgements are summarised below.

Leases

The Group has concluded leases for buildings and other equipment on ordinary lease terms. Based on a separate assessment of the individual lease at its effective date, Management has assessed whether these leases are to be considered financial or operating leases.

Special items

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

Financial instruments

When entering into contracts for financial instruments, Management assesses whether the instrument is an effective hedge of recognised assets and liabilities, expected future cash flows or financial investments. The effectiveness of recognised hedging instruments is assessed on a monthly basis, and any ineffectiveness is recognised in the income statement.

NOTE 2 – REVENUE

(DKKm)	2009	2010
Sale of services	35,949	42,446
Other income	136	116
Total revenue	**36,085**	**42,562**

NOTE 3 – FEES TO AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

(DKKm)	2009	2010
Audit, auditors elected by the Annual General Meeting[1]	19	17
Tax advice, auditors elected by the Annual General Meeting[1]	3	2
Other services, auditors elected by the Annual General Meeting[1]	5	3
Total fees to auditors elected by the Annual General Meeting	**27**	**22**
Others, audit	2	2
Others, total fees	**2**	**2**
Total fees	**29**	**24**

1. Auditors elected by the Annual General Meeting 2010: KPMG (2009: Ernst & Young).

NOTE 4 – STAFF COSTS

(DKKm)	2009	2010
Salaries and wages etc.	5,470	5,357
Defined contribution pension plans, see note 20	227	251
Defined benefit pension plans, see note 20	38	40
Other expenses for social security	892	989
Share-based payments	25	30
	6,652	6,667
Transferred to direct costs	(1,981)	(2,023)
Total staff costs	**4,671**	**4,644**
Average number of employees	22,441	21,200
Number of employees at year-end	21,280	21,300

Remuneration of the Executive Board	Jens Bjørn Andersen		Jens H. Lund		Total	
(DKKm)	2009	2010	2009	2010	2009	2010
Fixed salary	5.2	5.7	3.0	3.5	8.2	9.2
Defined contribution pension plans	0.4	0.5	0.2	0.3	0.6	0.8
Bonus	1.5	1.5	1.0	1.0	2.5	2.5
Share-based payments	0.9	1.5	1.0	1.3	1.9	2.8
Total remuneration of the Executive Board	**8.0**	**9.2**	**5.2**	**6.1**	**13.2**	**15.3**

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 Supervisory Board of the Parent

(DKK'000)	2009	2010
Kurt K. Larsen, Chairman	750	1,050
Erik B. Pedersen, Deputy Chairman	375	525
Kaj Christiansen	250	350
Hans Peter Drisdal Hansen (resigned 2009)	83	-
Per Skov	250	350
Annette Sadolin (elected 2009)	167	350
Birgit W. Nørgaard (elected 2010)	-	263
Total remuneration of the Supervisory Board of the Parent	**1,875**	**2,888**

Remuneration of the members of the Executive and Supervisory Boards is calculated using the principles of the Company's Remuneration Policy.

NOTE 5 – INCENTIVE PROGRAMMES

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

Current option schemes

Scheme	Number of employees	Options granted	Exercise price	Market value at date of grant
2006	766	1,494,300	82.0	24.3
2007	811	1,500,000	97.5	29.2
2008	825	1,660,000	103.25	33.4
2009	984	1,941,000	41.1	17.6
2010	1,003	1,983,000	98.5	41.2

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

All exercise prices are set on the basis of the quoted market value 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 programmes is partly hedged by the Company's treasury shares.

A total of 1,193 employees held options at 31 December 2010.

Incentive programmes at 31 December 2010

	Exercise period	Supervisory Board*	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2006 scheme	30.03.10 - 30.03.11	-	-	388,100	388,100	82.00
Outstanding options of 2007 scheme	01.04.10 - 30.03.12	80,000	75,000	915,500	1,070,500	97.50
Outstanding options of 2008 scheme	01.04.11 - 27.03.13	90,000	135,000	1,215,000	1,440,000	103.25
Outstanding options of 2009 scheme	02.04.12 - 31.03.14	45,000	170,000	1,566,500	1,781,500	41.10
Outstanding options of 2010 scheme	02.04.13 - 01.04.15	45,000	170,000	1,700,500	1,915,500	98.50
Outstanding at 31 December 2010		**260,000**	**550,000**	**5,785,600**	**6,595,600**	**82.90**
Exercise period open at 31 December 2010		**80,000**	**75,000**	**1,303,600**	**1,458,600**	**93.38**

* A Supervisory Board member received options in 2007 and 2008 in his former capacity as CEO and in connection with certain day-to-day managerial tasks in 2009 and 2010. The options were granted pursuant to the procedures laid down in the Remuneration Policy of the Group.

The weighted average remaining life at 31 December 2010 was 2.8 years. The aggregate market value was DKK 288.1 million, of which options amounting to DKK 24.8 million were held by Executive Board members and options amounting to DKK 9.3 million were held by a Supervisory Board member.

Calculation of market values

Scheme	Volatility	Risk-free interest rate	Expected dividends	Expected remaining life (years)
Options of 2010 scheme at date of grant	32.0%	2.47%	0.50%	3.25
Outstanding options under schemes at reporting date	28.0%	1.40%	0.75%	1.29

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 four years adjusted for any unusual circumstances during the period.

Development in outstanding options

	Supervisory Board	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding at 1 January 2009	310,000	328,000	4,548,300	5,186,300	82.00
Granted in 2009	45,000	170,000	1,726,000	1,941,000	41.10
Exercised in 2009	-	-	(527,100)	(527,100)	42.34
Adjustment	-	-	2,000	2,000	-
Options waived/expired	-	-	(320,000)	(320,000)	81.28
Outstanding at 31 December 2009	355,000	498,000	5,429,200	6,282,200	75.83
Granted in 2010	45,000	170,000	1,768,000	1,983,000	98.50
Exercised in 2010	(140,000)	(118,000)	(1,097,100)	(1,355,100)	74.17
Options waived/expired	-	-	(314,500)	(314,500)	77.63
Outstanding at 31 December 2010	**260,000**	**550,000**	**5,785,600**	**6,595,600**	**82.90**

The average consideration paid for options exercised in the financial year was DKK 106.68 per share at the date of exercise.

NOTE 5, CONTINUED – INCENTIVE PROGRAMMES

Shares held by Executive and Supervisory Board members

	Shares at beginning of year	Shares purchased in 2010	Shares sold in 2010	Shares at year-end	Market value (DKKm)
Jens Bjørn Andersen	37,500	28,000	21,000	44,500	5.5
Jens H. Lund	32,270	90,000	60,900	61,370	7.6
Kurt K. Larsen	192,590	140,000	100,000	232,590	28.7
Erik B. Pedersen	580,000	-	200,000	380,000	46.9
Kaj Christiansen	59,000	-	5,000	54,000	6.7
Per Skov	24,400	-	-	24,400	3.0
Annette Sadolin	-	-	-	-	-
Birgit W. Nørgaard	-	-	-	-	-
Total	925,760	258,000	386,900	796,860	98.4

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

(DKKm)	2009	2010
Amortisation and depreciation		
Software	78	97
Customer relationships	106	107
Buildings	138	142
Other plant and operating equipment	228	211
Net gain on sale of assets	(14)	(38)
Total amortisation and depreciation of intangibles, property, plant and equipment	536	519

NOTE 7 – SPECIAL ITEMS

(DKKm)	2009	2010
Special items, income		
Profit on divestment of activities and enterprises including adjustments relating to previous years	5	-
Restructuring adjustment	-	57
Special items, total income	5	57
Special items, costs		
Loss on divestment of activities and enterprises including adjustments relating to previous years	-	6
Restructuring costs	683	56
Loss from change in pension plans	5	-
Other special items	5	-
Special items, total costs	693	62
Special items, net	(688)	(5)

Restructuring costs mainly relate to capacity adaptations in connection with the integration of ABX LOGISTICS and mainly consist of termination benefits, costs under terminated leases, impairment of software and other material non-recurring amounts.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2009	2010
Interest income	150	54
Expected return on pension assets, see note 20	52	62
Total financial income	202	116

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

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2009	2010
Interest expenses	627	515
Calculated interest relating to pension obligations, see note 20	94	103
Foreign currency translation adjustments, net	28	36
Total financial expenses	**749**	**654**

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

NOTE 10 – TAX

(DKKm)	2009	2010
The tax for the year is disaggregated as follows:		
Tax on profit for the year	269	466
Tax on other changes in equity	(6)	(9)
Tax on other comprehensive income	(86)	54
Total tax for the year	**177**	**511**
The tax on profit for the year is calculated as follows:		
Current tax	300	445
Deferred tax	(36)	(3)
Tax adjustment relating to previous years	5	24
Total tax on profit for the year	**269**	**466**
The tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	115	415
Adjustment of calculated tax in foreign Group enterprises relative to 25%	(13)	20
Change in deferred tax as a result of change in corporation tax rate	1	1
Tax effect of:		
Non-deductible expenses/non-taxable income	12	21
Non-deductible losses/non-taxable gains on shares	1	(43)
Tax adjustment relating to previous years	5	24
Tax asset valuation adjustment, net	124	(22)
Other taxes and adjustments	24	50
Total	**269**	**466**
Effective tax rate	58.5%	28.1%

Tax on other comprehensive income

	Before tax	Tax income/ expense	After tax	Before tax	Tax income/ expense	After tax
(DKKm)	2009			2010		
Foreign currency translation adjustments, foreign enterprises	104	-	104	97	(18)	79
Fair value adjustment of hedging instruments	(38)	4	(34)	109	(25)	84
Actuarial gains (losses)	(103)	22	(81)	27	(11)	16
Other adjustments	-	60	60	(3)	-	(3)
Total	**(37)**	**86**	**49**	**230**	**(54)**	**176**

NOTE 11 – EARNINGS PER SHARE

(DKKm)	2009	2010
Profit for the year	191	1,194
Share of consolidated profit for the year attributable to non-controlling interests	6	10
DSV A/S shareholders' share of profit for the year	185	1,184
Amortisation of customer relationships	106	107
Share-based payments	25	30
Special items, net	688	5
Tax effect thereof	(205)	(36)
Adjusted profit for the year	**799**	**1,290**
Total average number of shares ('000)	202,643	209,150
Average number of treasury shares ('000)	(2,943)	(807)
Average number of shares ('000)	199,700	208,343
Average dilutive effect of outstanding options under incentive programmes ('000)	3,548	1,052
Diluted average number of shares ('000)	**203,248**	**209,395**
Earnings per share of DKK 1 (DKK)	0.9	5.7
Diluted earnings per share of DKK 1 (DKK)	0.9	5.7
Diluted adjusted earnings per share of DKK 1 (DKK)	3.9	6.2

NOTE 12 – INTANGIBLES

(DKKm)	Goodwill	Software	Customer relationships	Other ntangibles	Intangibles in progress	Total
Cost at 1 January 2009	7,180	470	1,051	7	125	8,833
Additions relating to acquisition of enterprises	265	–	–	–	–	265
Additions for the year	–	17	1	1	112	131
Disposals at cost	(16)	(13)	–	–	–	(29)
Reclassification	–	152	–	(2)	(138)	12
Foreign currency translation adjustments	72	–	7	(1)	–	78
Total cost at 31 December 2009	**7,501**	**626**	**1,059**	**5**	**99**	**9,290**
Total amortisation and impairment at 1 January 2009	10	200	185	2	–	397
Amortisation and impairment for the year	–	78	106	–	–	184
Amortisation of assets disposed of	–	(15)	–	–	–	(15)
Reclassification	–	2	–	–	–	2
Foreign currency translation adjustments	–	–	–	1	–	1
Total amortisation and impairment at 31 December 2009	**10**	**265**	**291**	**3**	**–**	**569**
Carrying amount at 31 December 2009	**7,491**	**361**	**768**	**2**	**99**	**8,721**
Of which, assets under finance leases	–	15	–	–	–	15
Cost at 1 January 2010	7,501	626	1,059	5	99	9,290
Additions relating to acquisition of enterprises	47	–	3	–	–	50
Additions for the year	–	11	–	–	105	116
Disposals at cost	–	(9)	–	(1)	–	(10)
Reclassification	–	134	–	–	(133)	1
Foreign currency translation adjustments	77	2	14	–	–	93
Total cost at 31 December 2010	**7,625**	**764**	**1,076**	**4**	**71**	**9,540**
Total amortisation and impairment at 1 January 2010	10	265	291	3	–	569
Amortisation and impairment for the year	–	97	107	–	–	204
Amortisation of assets disposed of	–	(8)	–	–	–	(8)
Foreign currency translation adjustments	–	1	3	(1)	–	3
Total amortisation and impairment at 31 December 2010	**10**	**355**	**401**	**2**	**–**	**768**
Carrying amount at 31 December 2010	**7,615**	**409**	**675**	**2**	**71**	**8,772**
Of which, assets under finance leases	–	5	–	–	–	5

NOTE 12, CONTINUED – INTANGIBLES

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

Capitalised software is mainly internally developed software.

Breakdown of goodwill and customer relationships by divisions
The original cost of goodwill and customer relationships is DKK 8,901 million (2009: DKK 8,851 million). The original cost has been applied for calculating ROIC. Goodwill and customer relationships have been allocated to the divisions of the Group: Road, Air & Sea and Solutions.

(DKKm) 2009	Goodwill		Customer relationships[1]		Total		I %	
	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount
Road	2,621	2,414	203	142	2,824	2,556	32%	31%
Air & Sea	4,090	4,001	481	394	4,571	4,395	52%	53%
Solutions	1,081	1,076	375	232	1,456	1,308	16%	16%
Total	7,792	7,491	1,059	768	8,851	8,259	100%	100%

(DKKm) 2010	Goodwill		Customer relationships		Total		I %	
	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount	Cost	Carrying amount
Road	2,653	2,499	203	128	2,856	2,627	32%	32%
Air & Sea	4,105	4,037	484	352	4,589	4,389	52%	53%
Solutions	1,081	1,079	375	195	1,456	1,274	16%	15%
Total	7,839	7,615	1,062	675	8,901	8,290	100%	100%

1. Comparative figures for 2009 have been restated due to inter-division transfer of activities. As a consequence of the adaptation of the Group structure, minor adjustments may be required in future

Goodwill impairment testing
As at 31 December 2010, the carrying amount of goodwill was tested for impairment.

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 2011 and projections for subsequent years up to and including 2015. Important parameters are revenue development, gross profit, EBITA margin, future capital expenditure and growth expectations for 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.

The key assumptions used in impairment tests are the following:

	Road		Air & Sea		Solutions	
	2009	2010	2009	2010	2009	2010
Expected annual revenue growth (weighted average)	2.0%	5.0%	5.0%	5.0%	2.7%	2.7%
Expected EBITA margin (weighted average)	4.6%	4.1%	6.9%	6.7%	5.5%	5.7%
Expected growth in terminal period (%)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate before tax (%)	11.9%	9.8%	12.0%	9.7%	11.8%	9.7%

Management determined the expected annual revenue growth and the expected EBITA margin based on historical experience and conservative 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 2010.

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

Impairment test of intangibles in progress
Intangibles in progress have been tested for impairment, and it was concluded that no basis for impairment existed at 31 December 2010.

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2009	4,562	1,606	190	6,358
Additions relating to acquisition of enterprises	(23)	(2)	–	(25)
Additions for the year	94	173	221	488
Disposals at cost	(73)	(166)	–	(239)
Transferred to assets held for sale	(250)	(2)	–	(252)
Reclassification	94	12	(120)	(14)
Foreign currency translation adjustments	72	9	6	87
Total cost at 31 December 2009	**4,476**	**1,630**	**297**	**6,403**
Total depreciation and impairment at 1 January 2009	490	775	–	1,265
Depreciation for the year	138	228	–	366
Depreciation of assets disposed of	(30)	(110)	–	(140)
Transferred to assets held for sale	(71)	–	–	(71)
Reclassification	(22)	4	–	(18)
Foreign currency translation adjustments	19	7	–	26
Total depreciation and impairment at 31 December 2009	**524**	**904**	**–**	**1,428**
Carrying amount at 31 December 2009	**3,952**	**726**	**297**	**4,975**
Of which, assets under finance leases	809	70	–	879

(DKKm)	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2010	4,476	1,630	297	6,403
Additions relating to acquisition of enterprises	–	1	–	1
Additions for the year	38	144	152	334
Disposals at cost	(120)	(161)	(7)	(288)
Transferred to assets held for sale	(168)	–	–	(168)
Reclassification	327	(32)	(321)	(26)
Foreign currency translation adjustments	101	57	18	176
Total cost at 31 December 2010	**4,654**	**1,639**	**139**	**6,432**
Total depreciation and impairment at 1 January 2010	524	904	–	1,428
Depreciation for the year	142	211	–	353
Depreciation of assets disposed of	(29)	(119)	–	(148)
Transferred to assets held for sale	(16)	–	–	(16)
Reclassification	8	(24)	–	(16)
Foreign currency translation adjustments	12	37	–	49
Total depreciation and impairment at 31 December 2010	**641**	**1,009**	**–**	**1,650**
Carrying amount at 31 December 2010	**4,013**	**630**	**139**	**4,782**
Of which, assets under finance leases	819	48	–	867

DSV had no contractual liabilities relating to property, plant and equipment in progress at 31 December 2010 (2009: DKK 31 million).

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

NOTE 14 – INVESTMENTS IN ASSOCIATES

(DKKm)	2009	2010
Cost at 1 January	19	29
Additions for the year	10	9
Cost at 31 December	**29**	**38**
Fair value adjustment at 1 January	(12)	(20)
Fair value adjustment for the year	(8)	1
Fair value adjustment at 31 December	**(20)**	**(19)**
Carrying amount at 31 December	**9**	**19**
Summarised aggregate financial information on associates:		
Revenue	296	302
Profit (loss) for the year	(12)	7
Total assets	184	147
Total liabilities	125	84
DSV Group's share of profit (loss) for the year	(8)	1
DSV Group's share of equity	9	19
Total carrying amount at 31 December	**9**	**19**

A list of all associates of the DSV Group is provided on page 74.

NOTE 15 – OTHER SECURITIES AND RECEIVABLES

(DKKm)	2009	2010
Other securities	11	13
Deposits	77	91
Other receivables	8	17
Other securities and receivables	**96**	**121**

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 mainly relate to loans granted. The terms of the loans are up to 5 years, and they will be fully repaid in 2015.

NOTE 16 – DEFERRED TAX

(DKKm)	2009	2010
Deferred tax at 1 January	172	70
Deferred tax for the year	(36)	(3)
Tax adjustment relating to previous years	52	5
Tax on equity items	(16)	54
Additions relating to acquisition of enterprises	(86)	–
Disposals relating to divestment of enterprises	4	2
Other adjustments	(20)	(1)
Deferred tax at 31 December	70	127
Deferred tax asset		
Intangibles	26	30
Property, plant and equipment	(101)	(16)
Financial assets	(3)	–
Current assets	5	24
Provisions	92	62
Other liabilities	–	23
Tax loss carryforwards	360	326
Deferred tax asset	379	449
Deferred tax liability		
Intangibles	294	286
Property, plant and equipment	265	389
Financial assets	–	5
Current assets	(22)	(16)
Provisions	(43)	(82)
Other liabilities	(21)	(6)
Tax loss carryforwards	(24)	–
Deferred tax liability	449	576
Breakdown of deferred tax		
Deferred tax asset	(379)	(449)
Deferred tax liability	449	576
Deferred tax at 31 December	70	127
Deferred tax assets not recognised in the balance sheet		
Temporary differences	3	68
Tax loss[1]	687	715
Total deferred tax assets not recognised	690	783

1. Of the tax loss, DKK 673 million may be carried forward indefinitely, but it is uncertain whether the tax loss can be utilised.

Of the tax loss, DKK 42 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) 2009	Balance at 1 January	Foreign currency translation adjustments	Additions relating to acquisition of enterprises	Disposals relating to divestment of enterprises	Recognised in profit for the year	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	255	3	–	–	10	–	–	268
Property, plant and equipment	290	2	–	–	74	–	–	366
Financial assets	5	1	–	–	(3)	–	–	3
Current assets	(40)	–	–	–	16	12	(15)	(27)
Provisions	(102)	(1)	–	–	(5)	(22)	(5)	(135)
Other liabilities	14	(1)	–	–	(28)	(6)	–	(21)
Tax loss carryforwards	(250)	(4)	(86)	4	(48)	–	–	(384)
Total	172	–	(86)	4	16	(16)	(20)	70

NOTE 16, CONTINUED – DEFERRED TAX

(DKKm) 2010	Balance at 1 January	Foreign currency translation adjustments	Additions relating to acquisition of enterprises	Disposals relating to divestment of enterprises	Recognised in profit for the year	Recognised in equity, net	Other adjustments	Balance at 31 December
Intangibles	268	4	-	-	(16)	-	-	256
Property, plant and equipment	366	4	-	2	33	-	-	405
Financial assets	3	-	-	-	2	-	-	5
Current assets	(27)	(1)	-	-	(36)	25	(1)	(40)
Provisions	(135)	(2)	-	-	(18)	11	-	(144)
Other liabilities	(21)	-	-	-	(26)	18	-	(29)
Tax loss carryforwards	(384)	(5)	-	-	63	-	-	(326)
Total	70	-	-	2	2	54	(1)	127

NOTE 17 – ASSETS AND LIABILITIES HELD FOR SALE

(DKKm)	2009	2010
Assets held for sale		
Property, plant and equipment	211	174
Total assets held for sale at 31 December	211	174
Liabilities relating to assets held for sale		
Deferred tax	15	-
Financial liabilities	2	116
Total liabilities relating to assets held for sale at 31 December	17	116

Assets held for sale relate to properties expected to be sold within the next 12 months. These properties are attributable to the Road and Air & Sea Divisions.

No significant gains or losses were recognised on assets or liabilities held for sale.

NOTE 18 – TRADE AND OTHER RECEIVABLES

(DKKm)	2009	2010
Trade receivables	6,098	7,155
Accrued revenue	513	541
Other receivables etc.	654	521
Prepayments	134	188
Trade and other receivables at 31 December	7,399	8,405

	2009	2010
Impairment losses relating to doubtful trade receivables		
Impairment at 1 January	424	368
Impairment for the year	159	91
Impairment losses recognised for receivables	(153)	(139)
Reversal of impairments	(65)	(48)
Foreign currency translation adjustments	3	5
Impairment at 31 December	368	277

In a number of situations, DSV receives security for sales on credit, and the security provided is included in the assessment of the necessity to write down doubtful trade receivables for impairment. See note 27 regarding credit risks.

	2009	2010
Overdue trade receivables not written off break down as follows:		
Overdue for 1-30 days	787	950
Overdue for 31-120 days	403	445
Overdue for more than 120 days	61	42

The maximum credit risk is reflected in the carrying amounts recognised in the balance sheet.

In a number of situations, DSV also receives security for sales on credit in the form of financial guarantees or charges. At 31 December 2010, security had been provided for DKK 3,368 million of all trade receivables.

NOTE 19 – SHARE CAPITAL

(DKKm)	2009	2010
Share capital		
Development in share capital:		
Beginning of year	190.2	209.2
Capital increase	19.0	–
Year-end	209.2	209.2

The share capital of DSV has a nominal value of DKK 209,150,000, corresponding to 209,150,000 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.

The share capital was increased by a nominal amount of DKK 19,000,000 in 2009.

Treasury shares	Shares of DKK 1		Nominal value		% of share capital	
	2009	2010	2009	2010	2009	2010
Beginning of year	7,277,927	450,827	7,277,927	450,827	3.5	0.2
Purchases	–	3,551,769	–	3,551,769	–	1.7
Sales	(6,827,100)	(1,359,100)	(6,827,100)	(1,359,100)	(3.3)	(0.6)
Treasury shares at year-end	450,827	2,643,496	450,827	2,643,496	0.2	1.3

In connection with the capital increase in 2009, existing shares (treasury shares) of a nominal value of DKK 6,300,000 were sold.

Treasury shares are bought back to hedge the Company's incentive programmes and adapt its capital structure. The market value of treasury shares at 31 December 2010 was DKK 326 million (2009: DKK 42 million). The acquisition price of treasury shares repurchased in 2010 was DKK 397.2 million, and the selling price of treasury shares sold was DKK 100.5 million.

Dividends

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

Distribution is not subject to any particular restrictions.

It is proposed to distribute dividends of DKK 0.50 per share (2009: DKK 0.25). DSV A/S paid DKK 52 million as dividends on 6 April 2010 (2009: DKK 0).

NOTE 20 – PENSIONS AND SIMILAR OBLIGATIONS

(DKKm)	2009	2010
Present value of defined benefit plans	1,931	2,048
Fair value of pension plan assets	1,047	1,177
Pensions and similar obligations at 31 December	884	871
Development in present value of defined benefit obligations		
Obligations at 1 January	1,785	1,931
Foreign currency translation adjustments	45	63
Pension costs concerning current financial year	38	40
Calculated interest concerning obligations	94	103
Actuarial gains and losses	173	17
Adjustment due to change in pension plans	5	–
Benefits paid	(211)	(98)
Additions relating to acquisition of enterprises	2	(8)
Obligations at 31 December	1,931	2,048
Specification of present value of defined benefit obligations at year-end		
Present value of obligations hedged in full or in part	1,230	1,347
Present value of non-hedged obligations	701	701
Present value of defined benefit obligations	1,931	2,048
Development in fair value of pension plan assets		
Pension plan assets at 1 January	975	1,047
Foreign currency translation adjustments	31	26
Expected return on pension plan assets	52	62
Actuarial gains and losses	68	34
Payments received	66	59
Benefits paid	(154)	(38)
Additions relating to acquisition of enterprises	9	(13)
Pension plan assets at 31 December	1,047	1,177

DSV expects to pay DKK 99 million into the assets of the defined benefit plans in 2011.

NOTE 20, CONTINUED – PENSIONS AND SIMILAR OBLIGATIONS

(DKK mio.)	2009	2010
Pension costs recognised in the income statement		
Pension costs concerning current financial year	38	40
Calculated interest concerning obligations	94	103
Expected return on pension plan assets	(52)	(62)
Adjustment due to change in pension plans	5	–
Total recognised for defined benefit plans	85	81
Total recognised for defined contribution plans	227	251
Total recognised in income statement	312	332
Costs are recognised under the following items of the income statement:		
Staff costs	265	291
Special items	5	–
Financial income	(52)	(62)
Financial expenses	94	103
Total costs recognised	312	332
The following cumulative actuarial gains and losses have been recognised in the statement of comprehensive income since 1 January 2004:		
Cumulative actuarial losses	(244)	(227)
Social security costs relating to actuarial losses	(7)	3
Cumulative actuarial losses including social security costs recognised in the statement of comprehensive income	(251)	(224)
Breakdown of pension plan assets:		
Shares	27%	27%
Bonds	17%	17%
Properties	2%	1%
Insurance contracts	54%	55%
Total	100%	100%
Return on pension plan assets		
Expected return on pension plan assets	52	62
Actuarial gains and losses on pension plan assets	68	34
Total actual return on pension plan assets	120	96

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:

	Spread	Weighted average	Spread	Weighted average
	2009		2010	
Discount rate	4.00% - 5.60%	5.33%	4.00% - 5.50%	5.20%
Expected return on pension plan assets	4.25% - 5.85%	5.59%	4.00% - 6.40%	5.82%
Future rate of wage/salary increases	2.50% - 3.75%	2.93%	2.50% - 3.75%	2.93%
Future rate of inflation	1.75% - 3.40%	2.34%	1.75% - 2.85%	2.20%

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	2006	2007	2008	2009	2010
Pension obligations	1,638	1,478	1,785	1,931	2,048
Pension plan assets	1,079	1,073	975	1,047	1,177
Inadequate cover	559	405	810	884	871
Experience adjustments to pension obligations	(11)	(24)	(11)	6	(16)
Experience adjustments to pension plan assets	(59)	–	88	(71)	(39)

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 21 – PROVISIONS

(DKKm)	Restructuring costs	Provisions for disputes and legal actions	Onerous contracts	Other	Total
Provisions at 1 January 2010	477	225	49	184	935
Applied for the year	(249)	(22)	(28)	(68)	(367)
Provisions for the year	47	44	2	70	163
Adjustment of provisions made in previous years	(25)	(53)	7	(16)	(87)
Foreign currency translation adjustments	3	(1)	-	(5)	(3)
Provisions at 31 December 2010	253	193	30	165	641
Expected time frame of provisions:					
Current liabilities	171	50	9	102	332
Non-current liabilities	82	143	21	63	309
Provisions at 31 December 2010	253	193	30	165	641

Provisions are not discounted because the resulting effect is immaterial.

Restructuring costs mainly relate to capacity adaptations in connection with the integration of ABX LOGISTICS and mainly consist of termination benefits and costs under terminated leases.

Onerous contracts are mainly onerous contracts taken over in connection with the acquisition of ABX LOGISTICS, 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 demolition liabilities, complaints and disputes concerning subcontractors.

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

Provisions are basically expected to be settled within 3-5 years.

NOTE 22 – FINANCIAL LIABILITIES

(DKKm)	2009	2010
Loans and credit facilities	6,409	5,406
Finance leases	821	793
Other non-current liabilities	27	36
Total financial liabilities	7,257	6,235
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	6,637	5,642
Current liabilities	620	593
Financial liabilities at 31 December	7,257	6,235

Loans and credit facilities	Expiry	Fixed/floating interest rate	Carrying amount	
(DKKm)			2009	2010
Bank loans DKK	2014-2015	Floating	1,473	1,343
Bank loans EUR	2011-2015	Floating	4,285	3,443
Mortgage loans	2011-2015	Floating/fixed	123	119
Overdraft facilities	2011	Floating	528	501
Loans and credit facilities at 31 December			6,409	5,406

Bank loans are subject to standard trade covenants, see note 27.

The weighted average effective interest rate was 2.3% (2009: 3.0%).

Finance leases

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

(DKKm)	Lease payments		Interest		Carrying amount	
	2009	2010	2009	2010	2009	2010
0-1 year	237	99	(36)	(33)	201	66
1-5 years	310	312	(101)	(117)	209	195
> 5 years	577	715	(166)	(183)	411	532
Total	1,124	1,126	(303)	(333)	821	793

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

Major finance leases relate to terminals. Such leases typically have a term of 10 to 15 years. Finance leases concluded have either an extension option or a purchase option.

NOTE 23 – TRADE AND OTHER PAYABLES

(DKKm)	2009	2010
Trade payables	3,755	4,195
Deferred income relating to forwarding in progress	1,120	1,418
Other payables	2,233	2,220
Trade and other payables at 31 December	7,108	7,833

NOTE 24 – CORPORATION TAX

The amounts of corporation tax recognised are as follows:

(DKKm)	2009	2010
Corporation tax (assets)	231	75
Corporation tax (liabilities)	(208)	(303)
Total Corporation tax	23	(228)

NOTE 25 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES, OTHER FINANCIAL LIABILITIES ETC.

(DKKm)	2009	2010
Collaterals:		
Carrying amount of land and buildings etc. provided as collateral to mortgage banks[1]	217	223
Total collaterals	217	223

1. Mortgage loans amounted to DKK 103 million at 31 December 2010.

	2009	2010
Operating leases:		
Operating lease obligations relating to land and buildings (including terminals) fall due:		
0-1 year	782	791
1-5 years	1,624	2,105
> 5 years	1,295	1,133
Total	3,701	4,029
Operating lease obligations relating to operating equipment fall due:		
0-1 year	352	332
1-5 years	386	320
> 5 years	1	1
Total	739	653
The following is recognised in the income statement:		
Operating leases relating to property	943	1,024
Operating leases relating to operating equipment	539	507
Total	1,482	1,531

The Group leases properties under operating leases. Such leases typically have a term of 7 to 15 years and an option to extend after expiry of the lease term.

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

Other financial liabilities:	2009	2010
DSV A/S has entered into IT service contracts with terms of 3 to 7 years and a notice period of 6 months. The minimum payments during the notice period amount to:	153	134
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:	2,798	3,013
Subsidiaries have guaranteed for outstanding balances with banks and liabilities to leasing companies, suppliers and public authorities etc. in the amount of:	4,383	4,906
Total other financial liabilities	7,334	8,053

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 the transport industry. As an international transport provider, DSV has also received inquiries from the competition authorities, but 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 cases. The effects of such tax cases are recognised based on Management's assessment of their expected outcome.

Contingent assets
As an international transport provider, DSV is regularly involved in tax cases. The effects of such tax cases are recognised based on Management's assessment of their expected outcome.

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

NOTE 26 – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Acquisition of subsidiaries and activities in 2010
The Group acquired Road and Air & Sea activities in Denmark and South Africa in 2010.

The fair value of the assets acquired was: goodwill DKK 15 million and customer relationships DKK 3 million. No liabilities or contingent liabilities were assumed in the acquisitions. Following recognition of identifiable assets at fair value, goodwill was measured at DKK 15 million. Goodwill represents the value of the staff taken over, know-how, expected synergies from combining the activities of the enterprises acquired with existing DSV activities, and the value of access to new markets. Amortisation of the goodwill recognised is disallowed for tax purposes. The fair value of customer relations was measured based on the present value of anticipated earnings from existing customers.

Names of subsidiaries and activities acquired, 2010	Country	Division	Date of recognition	Proportion of acquired share capital
Transmedit Forwarding (Proprietary) Limited	South Africa	Air & Sea	1 December 2010	Activity acquired
IAT A/S	Denmark	Road	13 August 2010	Activity acquired

Acquisition of subsidiaries and activities in 2009
The Group did not assume control of any new subsidiaries in 2009. The Group acquired activities for DKK 2 million.

Divestment of subsidiaries and activities

Divestment of subsidiaries and activities	Carrying amount at date of divestment	
(DKKm)	2009	2010
Intangibles	14	–
Property, plant and equipment	11	1
Financial assets	(5)	–
Receivables	20	12
Cash	(9)	6
Total assets	31	19
Non-controlling interests	9	–
Deferred tax	(4)	–
Other provisions	–	2
Trade payables	15	2
Other current liabilities	39	7
Total liabilities	59	11
Net assets	(28)	8
Profit on divestments	7	(6)
Cash selling price before cash of divested enterprises	(21)	2
Cash of divested enterprises	(9)	6
Cash selling price	(12)	(4)
Interest-bearing debt etc.	–	–
Enterprise value of divested enterprises	(12)	(4)

Names of enterprises and activities divested, 2010	Country	Division	Date of recognition	Proportion of shares sold
DSV Air & Sea CS	Venezuela	Air & Sea	1 September 2010	100%
Saima Servizi Srl.	Italy	Air & Sea	1 August 2010	100%

Names of enterprises and activities divested, 2009	Country	Division	Date of recognition	Proportion of shares sold
DSV Domestic Oy	Finland	Road	15 May 2009	100%
MGM Lines Srl.	Italy	Air & Sea	21 July 2009	21%
Textil-Aufbereitung Weser-Nord GmbH	Germany	Solutions	1 January 2009	100%

Non-controlling interests
No significant equity investments were purchased from non-controlling shareholders in the financial year of 2010. In the financial year of 2009, the Group purchased non-controlling interests for a total amount of DKK 27 million.

In the financial year of 2010, 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. In 2009, the Group sold 21% of the shares in MGM Lines Srl., thereby surrendering control of the company.

Acquisitions after reporting date
No enterprises have been acquired after the reporting date.

Change in treatment of previous acquisitions
An adjustment of DKK 32 million was made in 2010 to goodwill relating to previous acquisitions owing to adjustment of purchase considerations.

NOTE 26, CONTINUED – ACQUISITION AND DIVESTMENT OF ENTERPRISES AND ACTIVITIES

Impact on income statement from acquisition of enterprises:	2009	2010
Share of revenue and profit for the year of enterprises and activities acquired from date of acquisition until 31 December		
Revenue	20	19
Operating profit before amortisation, depreciation and special items (EBITDA)	1	(2)
Profit (loss) for the year	1	(2)
Group where enterprises and activities acquired are measured as if they had been owned on a full-year basis		
Revenue	36,125	42,662
Operating profit before amortisation, depreciation and special items (EBITDA)	2,235	2,721

NOTE 27 – FINANCIAL RISKS AND CAPITAL MANAGEMENT

DSV's international activities imply that the results and balance sheet are affected by various financial risks. Management identifies the scope and extent of risks and launches policies intended to address such risks by ongoing review of operations. The general purpose of the financial risk management is to restrict the short-term negative impact on earnings and cash flows caused by financial market developments, thereby improving the predictability of financial results. The Group does not speculate in financial risks. The Group's financial control is therefore only aimed at managing existing financial risks, a task undertaken at central level by the Group's Treasury Department. The general scope is determined in the Corporate Finance Policy adopted by the Supervisory Board. No major revision was made to the general policies in 2010.

Credit risks

The Group's credit risks relate mainly to trade receivables. The credit risk is deemed not material as exposure is spread over a large number of customers. 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 insurable 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 for loss.

Liquidity risks

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

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 2010 are shown in the table below.

List of commitments and amounts drawn on long-term credit facilities at 31 December 2010

Loan facilities	Amount (EURm)	Amount (DKKm)	Expiry of commitments	Duration (years)	Not drawn
Long-term loan I	127	947	30.06.2014	3.5	2
Long-term loan II	638	4,756	31.10.2015	4.8	918
Long-term credit facility III[1]	50	373	31.12.2011	1.0	362
Total and weighted duration	815	6,076		4.4	1,282

1. Credit facility with 12 months' notice at any time

DSV extended and consolidated its long-term credit facilities in 2010. The transactions were made with the existing main banks of the Group. The weighted average duration of the long-term bank loans and credit facilities is now 4.4 years. The first instalment on the long-term loans is now payable on 30 June 2014. The margin of the corporate long-term loans was reduced in connection with this refinancing.

The loan agreements of the Group are subject to covenants to ensure coherence between the earnings of the Group and the debts that the Company may assume. The most important 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 banks. All covenants were observed in 2010.

The following table illustrates the timing of cash flows from financial liabilities and financial assets affecting cash flow management

NOTE 27, CONTINUED – FINANCIAL RISKS AND CAPITAL MANAGEMENT

(DKKm) 2009	Carrying amount	Fair value	Contractual cash flows	0-1 year	1-5 years	> 5 years
Recognised at amortised cost						
Loans and credit facilities	6,409	6,409	7,469	814	6,655	–
Financial leases	821	821	1,124	237	310	577
Trade payables	3,755	3,755	3,755	3,755	–	–
Total	10,985	10,985	12,348	4,806	6,965	577
Recognised at fair value						
Currency derivatives	38	38	38	38	–	–
Interest rate derivatives	355	355	355	184	171	–
Total	393	393	393	222	171	–
Total financial liabilities	11,378	11,378	12,741	5,028	7,136	577
Recognised at amortised cost						
Trade receivables	6,098	6,098	6,098	6,098	–	–
Cash and cash equivalents	367	367	367	367	–	–
Total	6,465	6,465	6,465	6,465	–	–
Total financial assets	6,465	6,465	6,465	6,465	–	–

(DKKm) 2010	Carrying amount	Fair value	Contractual cash flows	0-1 year	1-5 years	> 5 years
Recognised at amortised cost						
Loans and credit facilities	5,406	5,406	6,218	694	5,524	–
Financial leases	793	793	1,126	99	312	715
Trade payables	4,195	4,195	4,195	4,195	–	–
Total	10,394	10,394	11,539	4,988	5,836	715
Recognised at fair value						
Interest rate derivatives	223	223	223	110	113	–
Total	223	223	223	110	113	–
Total financial liabilities	10,617	10,617	11,762	5,098	5,949	715
Recognised at amortised cost						
Trade receivables	7,155	7,155	7,155	7,155	–	–
Cash and cash equivalents	363	363	363	363	–	–
Total	7,518	7,518	7,518	7,518	–	–
Recognised at fair value						
Currency derivatives	8	8	8	8	–	–
Total	8	8	8	8	–	–
Total financial assets	7,526	7,526	7,526	7,526	–	–

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.

Foreign currency risks

Due to the operating activities of the Group, it is exposed to exchange rate fluctuations. 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. At 31 December 2010, no net investments in subsidiaries of the Group had been hedged.

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. The Group policy is to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends.

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

NOTE 27, CONTINUED – FINANCIAL RISKS AND CAPITAL MANAGEMENT

EXCHANGE RATES		31 December		Annual average	
Country	Currency	2009	2010	2009	2010
Euro countries	EUR	744.15	745.44	744.63	744.73
Great Britain	GBP	823.17	866.59	836.26	868.42
Norway	NOK	89.42	95.34	85.39	93.02
Sweden	SEK	72.28	82.70	70.18	78.12
USA	USD	519.01	561.33	535.51	562.57

Exposure in major foreign currencies breaks down as follows:

(DKKm)	Change in exchange rate	Impact on revenue		Impact on EBITA		Impact on equity	
		2009	2010	2009	2010	2009	2010
GBP	+/- 5%	114	131	6	7	8	14
NOK	+/- 5%	66	77	5	5	10	11
SEK	+/- 5%	157	198	9	7	33	22
USD	+/- 5%	75	109	10	13	30	27
Total	+/- 5%	412	515	30	32	81	74

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 2009 and 2010. The effect on equity has been calculated on the basis of the effect of a 5% change in year-end closing rates of exchange for 2009 and 2010.

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 interest rate swaps or interest rate caps 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 30 months at any time.

At the end of 2010, duration of the the hedges on the bank and mortgage loans of the Group was 23 months (2009: 19 months). An increase in interest rates by 1 percentage points will reduce profit for the year by DKK 2 million (2009: DKK 3 million) and have an impact on equity by DKK 96 million (2009: DKK 98 million).

Capital management

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 2.2 at 31 December 2010. The target for the capital structure is a ratio of net interest-bearing debt to EBITDA of 2.0-2.5 for the Group.

NOTE 28 – DERIVATIVE FINANCIAL INSTRUMENTS

External hedging instruments at 31 December 2009

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	2,850	2010	(38)	(24)	(14)
Interest rate instruments	7,280	2010-2014	(355)	(78)	(276)
Total			(393)	(102)	(290)

External hedging instruments at 31 December 2010

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	2,041	2011	8	8	-
Interest rate instruments	7,147	2011-2014	(223)	(64)	(159)
Total			(215)	(56)	(159)

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 Group 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 directly in equity. At 31 december 2010, no net investments in subsidiaries had been hedged. Other fair value adjustments are recognised in the income statement under financial income or expenses.

Interest rate risk hedging

The Group uses interest rate swaps and interest rate caps to hedge interest rate risks. Thereby floating-rate loans are refinanced as fixed-rate loans. Interest rate swaps and interest rate caps satisfying the conditions of hedge accounting are recognised directly in equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting, as well as accrued interest, are recognised directly in the income statement under financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments used as hedges of long-term loans was 3.49% at the reporting date (2009: 4.06%).

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.

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

NOTE 29 – 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 and members of the associates' supervisory boards, 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.

The Group had the following transactions with related parties:

(DKKm)	2009	2010
Sale of services		
Associates and joint ventures	105	103
Total sale of services	105	103
Purchase of services		
Associates and joint ventures	90	223
Consultancy fees to member of Supervisory Board	2	-
Total purchase of services	92	223

Please refer to note 4 on staff costs and note 5 on incentive programmes concerning remuneration of and share-based payments to Management.

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

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

(DKKm)	2009	2010
Receivables		
Associates and joint ventures	20	21
Total Receivables	20	21
Liabilities		
Associates and joint ventures	7	8
Total Liabilities	7	8

NOTE 30 – SEGMENT INFORMATION

The activities of DSV are divided into three divisions: Road, Air & Sea and Solutions. Segment identification is based on the internal financial reporting of the Group. Segment information cannot be reconciled to the related items of the divisional reviews in the management commentary due to elimination of inter-division transactions.

Due to the revised Group structure of DSV, the segment reporting disclosure was changed in 2010. Comparative figures have been restated.

Activities (DKKm) 2009

Condensed income statement	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items and elimination	Total
Revenue	19,408	13,994	4,775	416	-	38,593
Intercompany revenue	(1,113)	(713)	(266)	(416)	-	(2,508)
Revenue	**18,295**	**13,281**	**4,509**	**-**	**-**	**36,085**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	180	111	176	66	3	536
Operating profit before special items	592	929	228	(47)	1	1,703
Special items	(530)	853	16	14	(1,041)	(688)
Financials, net	(252)	(418)	(176)	299	(8)	(555)
Profit (loss) before tax (EBT)	(193)	1,351	84	241	(1,023)	460
Condensed balance sheet						
Total gross investments	387	272	81	119	-	859
Total investments in associates	6	3	-	-	-	9
Total assets	10,762	9,555	1,917	1,587	(1,641)	22,180
Total liabilities	6,203	3,757	1,682	5,050	(42)	16,650

Geographical information	Europe	North America	Rest of world	Total
Revenue	32,382	1,524	2,179	36,085
Total intangibles, property, plant and equipment	11,596	1,483	617	13,696

Activities (DKKm) 2010

Condensed income statement	Road Division	Air & Sea Division	Solutions Division	Parent	Non-allocated items and elimination	Total
Revenue	21,103	19,404	4,861	439	-	45,807
Intercompany revenue	(1,388)	(968)	(461)	(433)	5	(3,245)
Revenue	**19,715**	**18,436**	**4,400**	**6**	**5**	**42,562**
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	162	126	144	89	(2)	519
Operating profit before special items	771	1,213	268	58	(108)	2,202
Special items	(1,334)	39	(52)	73	1,269	(5)
Financials, net	(260)	(380)	(159)	261	1	(537)
Profit (loss) before tax (EBT)	(821)	819	108	1,246	308	1,660
Condensed balance sheet						
Total gross investments	232	98	64	107	-	501
Total investments in associates	13	14	(8)	-	-	19
Total assets	9,346	10,258	2,243	1,238	-	23,085
Total liabilities	5,715	4,284	1,656	4,845	-	16,500

Geographical information	Europe	North America	Rest of world	Total
Revenue	37,257	2,273	3,032	42,562
Total intangibles, property, plant and equipment	11,248	1,604	702	13,554

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

The corporate headquarter of DSV is located in Denmark. Revenue for Denmark came to DKK 5,980 million in 2010 (2009: DKK 5,668 million) and intangibles, property, plant and equipment stood at DKK 3,280 million at 31 December 2010 (2009: DKK 4,885 million).

NOTE 31 – EVENTS AFTER THE REPORTING DATE

No material events have occurred after 31 December 2010.

NOTE 32 – 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 2010 consolidated financial statements of the DSV Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union and the 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 Supervisory Board considered and adopted the 2010 Annual Report of DSV A/S on 24 February 2011. The Annual Report will be submitted to the shareholders of DSV A/S for adoption at the Annual General Meeting on 24 March 2011.

Basis for 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 the following assets and liabilities are measured at fair value: derivatives, financial instruments held for trading and financial instruments classified as available for sale.

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

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

DSV has made ongoing adjustments to statements of income and results for the three Divisions since the acquisition of ABX LOGISTICS in 2008. That process was completed in 2010, and the segment information about the Divisions of the DSV Group has been computed according to the final Group structure. Comparative figures for the 2009 financial year have been restated.

Changes in accounting policies

DSV has implemented IFRS 3 'Business Combinations' (updated in 2008) and amendments to IAS 27 'Consolidation and Separate Financial Statements' (updated in 2008) with effect from 1 January 2010. These changes apply to transactions carried out on or after 1 January 2010. The most significant new provisions of the standards are listed below:

- Transaction costs and changes in contingent consideration are recognised directly in the income statement.
- Possibility of opting for full recognition of goodwill for the share of acquirees attributable to non-controlling interests. The method of recognition is elected on a transaction-by-transaction basis.
- More specific requirements for the separation of intangible assets acquired.
- In step acquisitions, fair value adjustments of previous equity investments are recognised in the income statement.
- Any gain or loss in connection with the sale of investments in subsidiaries resulting in loss of control is recognised in the income statement. At the same time, any remaining equity investments in the relevant enterprise are remeasured at fair value, and any value adjustments are recognised in the income statement.
- Any acquisition and sale of non-controlling interests not leading to loss of control are recognised directly in equity.

Moreover, DSV A/S has implemented parts of Improvements to IFRSs (May 2008), which entered into force on 1 July 2009, and Improvements to IFRSs (April 2009).

The changes did not significantly influence the financial reporting for this period or previous accounting periods.

New accounting regulations

The IASB has published the following new accounting standards and interpretations deemed relevant to DSV A/S, but which had not become mandatory at the preparation of the 2010 Annual Report:

- IFRS 9 'Financial Instruments: Classification and Measurement'. This standard introduces changes to the classification and measurement of financial assets (replaces IAS 39). The standard applies to accounting periods commencing on or after 1 January 2013.
- IAS 24 'Related Party Disclosures': This standard amends the definition of related parties. The standard applies to accounting periods commencing on or after 1. January 2011.
- Improvement of IFRS (May 2010): IAS 34 'Interim Financial Reporting' is amended as part of the Annual Improvements 2010. This standard only affects the interim financial reports of the Group. The amendment applies to accounting periods commencing on or after 1 January 2011.

DSV A/S does not expect that the amendments described above will have any implications of the consolidated financial reporting.

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 at the date of 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 one of its subsidiaries actually obtains control of the acquiree.

The date of disposal is the date on which DSV A/S or one of its subsidiaries 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 at 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, 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. Negative differences (negative goodwill) are charged to the income statement at the date of acquisition.

If, at the date of acquisition, there is uncertainty connected with measurement of the identifiable assets, liabilities and contingent liabilities acquired, the first

NOTE 32, CONTINUED – ACCOUNTING POLICIES

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 at the date of acquisition than first assumed, goodwill may be adjusted for up to 12 months following the date of acquisition. The effect of the adjustments is recognised in equity at the beginning of the financial year, and comparative figures are restated. After that, goodwill is 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.

Acquisition of non-controlling interests

On initial recognition, non-controlling interests are measured at fair value or at their proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Accordingly, the first method implies that goodwill for the share of acquirees attributable to non-controlling interests is recognised, whereas the latter implies that goodwill for non-controlling interests is not recognised. The measurement of non-controlling interests is elected on a transaction-by-transaction basis.

Changes in the ownership interest of DSV A/S in a subsidiary are recognised in equity if control of the relevant subsidiary is maintained. Thus, no gains or losses are recognised in the income statement, and goodwill is not affected.

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 dates. Exchange differences between the exchange rates 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 individual months 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 rate ruling at the reporting date and on translation of the income statements from the exchange rates ruling at the transaction dates to the exchange rate ruling at the reporting date are recognised directly in other comprehensive income as a separate foreign currency translation reserve. Foreign currency translation adjustments 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, 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 costs of disposal and administrative expenses.

Staff costs

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

Special items

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

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

Profit from investments in associates

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

Financials

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

NOTE 32, CONTINUED – ACCOUNTING POLICIES

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 at the date of 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 Road, Air & Sea 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 fair value less accumulated amortisation and impairment losses. Customer relationships are amortised on a straight-line basis over the expected duration of these relations, which is estimated to be 10 years.

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. For software developed for internal use, borrowing costs directly attributable to the development of the individual asset are added to cost.

After its commissioning, software is amortised on a straight-line basis over its estimated useful life. The amortisation period is 1-8 years. Previously, the estimated useful life was 1-6 years. The change has not significantly influenced the results for the financial year and is expected to have no significant impact on future periods.

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

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

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

The cost of assets under finance leases is determined as the lower of the fair value of the assets and the present value of the future minimum lease payments. When the present value is calculated, the 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 depreciation of property, plant and equipment.

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

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

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

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

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

Investments in associates
Investments in associates are measured using the equity method.

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

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

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

Securities
Securities classified as 'available for sale' are recognised at fair value under non-current assets. If reliable calculation of the fair value is impossible, securities are recognised at cost. Unrealised value adjustments are recognised directly in equity. However, writedown due to impairment and foreign currency translation adjustments of foreign currency bonds are recognised in the income statement under financials. Upon realisation, the accumulated value adjustment recognised in equity will be transferred to financials in the income statement.

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.

NOTE 32, CONTINUED – ACCOUNTING POLICIES

Ongoing development 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 disposal costs and the value in use. The value in use is calculated as the present value of expected future cash flow from the asset or the 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 currency translation adjustments 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 programmes

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

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

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

On initial recognition of such share-based programmes, an estimate is made of the number of options that the employees are expected to 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 liabilities and the realised values are referred to as actuarial gains or 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.

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

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

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all 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 amount needed to settle the relevant obligation.

NOTE 32, CONTINUED – ACCOUNTING POLICIES

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 the proceeds received 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 as well as other payables, are measured at amortised cost, which corresponds to the net realisable value in all essentials.

Leases

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

Deferred income

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

Cash flow statement

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

The cash flow effect 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 low-risk securities.

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.

NOTE 32, CONTINUED – ACCOUNTING POLICIES

Definition of financial highlights

Net interest-bearing debt
Interest-bearing debt at year-end less interest-bearing assets at year-end.

Net working capital
The sum of inventories, receivables and other 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
EBIT multiplied by 100 and divided by revenue.

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

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

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

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

Earnings per share
The DSV A/S shareholders' share of 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 per share 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 outstanding during the year, inclusive of share options, but exclusive of out-of-the-money options.

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.

Group structure

The overview of the Group structure shows active companies at 31 December 2010 by segment and not by legal structure.

GROUP STRUCTURE

			Division		
	Country	Ownership share	Road	Air & Sea	Solutions
Parent					
DSV A/S	Denmark	-			
Subsidiaries					
Europe					
ABX LOGISTICS Worldwide NV/SA	Belgium	100.0		x	
ABX Worldwide Holdings NV/SA	Belgium	100.0		x	
DSV Air & Sea NV	Belgium	100.0		x	
DSV Road NV	Belgium	100.0	x		
DSV Solutions (Automotive) NV	Belgium	100.0			x
DSV Solutions NV	Belgium	100.0			x
DSV Solutions Puurs NV	Belgium	100.0			x
ABX LOGISTICS Air & Sea Worldwide NV/SA	Belgium	100.0		x	
DSV Road EOOD	Bulgaria	100.0	x		
DSV Air & Sea OOD	Bulgaria	100.0		x	
DSV Insurance A/S	Denmark	100.0			
DSV Air & Sea A/S	Denmark	100.0		x	
DSV Air & Sea Holding A/S	Denmark	100.0		x	
DSV Road A/S	Denmark	100.0	x		
DSV Road Holding A/S	Denmark	100.0	x		
DSV Solutions A/S	Denmark	100.0			x
DSV Solutions Holding A/S	Denmark	100.0			x
DSV Transport AS	Estonia	100.0	x		
DSV Air & Sea Oy	Finland	100.0		x	
DSV Road Oy	Finland	100.0	x		
DSV Solutions Oy	Finland	100.0			x
Uudenmaan Pikakuljetus Oy	Finland	100.0	x		
DSV Air & Sea SAS	France	100.0		x	
DSV Road Holding S.A.	France	100.0	x		
DSV S.A.	France	100.0	x		
DSV Solutions S.A.	France	100.0			x
Frans Maas Holding France S.A.	France	100.0	x		
ING Reeif Wattrelos	France	100.0	x		
SCI des fréres lumiéres	France	100.0	x		
DSV HELLAS S.A.	Greece	100.0	x		
DSV Air & Sea B.V.	The Netherlands	100.0		x	
DSV Road B.V.	The Netherlands	100.0	x		
DSV Road Holding NV	The Netherlands	100.0	x		
DSV Solutions (Dordrecht) B.V.	The Netherlands	100.0			x
DSV Solutions 2 B.V.	The Netherlands	100.0			x
DSV Solutions B.V.	The Netherlands	100.0			x
DSV Solutions Nederland B.V.	The Netherlands	100.0			x
Vastgoed Oostrum C.V.	The Netherlands	100.0			x
DSV Transport Ltd.	Belarus	100.0	x		
DSV Air & Sea Limited	Ireland	100.0		x	
DSV Road Limited	Ireland	100.0	x		
DSV Solutions Ltd.	Ireland	100.0			x
Logimek SRL	Italy	100.0			x
Saima Avandero SpA	Italy	99.1		x	
Saima Caspian LLC	Kazakhstan	100.0		x	
DSV Hrvatska d.o.o.	Croatia	100.0	x		
DSV Transport SIA	Latvia	100.0	x		
DSV Transport UAB	Lithuania	100.0	x		
DSV Road S.A.	Luxemburg	100.0	x		

GROUP STRUCTURE

			Division		
	Country	Ownership share	Road	Air & Sea	Solutions
XB Luxembourg Holdings 1 S.A.	Luxemburg	100.0		x	
XB Luxembourg Holdings 2 SARL	Luxemburg	100.0		x	
Campbell Freight Agencies Limited	Northern Ireland	100.0		x	
DSV Air & Sea AS	Norway	100.0		x	
DSV Road AS	Norway	100.0	x		
DSV Solutions AS	Norway	100.0			x
Sandtorp Thermotransport AS	Norway	100.0	x		
Waagan Bil AS	Norway	100.0	x		
Waagan Transport AS	Norway	100.0	x		
DSV Air & Sea Sp. z o.o.	Poland	100.0		x	
DSV Road Sp. z.o.o.	Poland	100.0	x		
DSV Solutions Sp.z o.o.	Poland	100.0			x
DSV Solutions, Lda.	Portugal	100.0			x
DSV SGPS, Lda.	Portugal	100.0	x		
DSV Transitarios, Lda.	Portugal	100.0	x		
ABX LOGISTICS (Portugal) - Logistica de Transportes Lda.	Portugal	100.0	x		
DSV Solutions S.r.L.	Romania	100.0			x
DSV Road OOO	Russia	100.0	x		
DSV Solutions OOO	Russia	100.0			x
OOO DSV Transport	Russia	100.0	x		
DSV Logistics SA	Switzerland	100.0		x	
DSV Road d.o.o.	Serbia	100.0	x		
DSV Slovakia S.R.O.	Slovakia	100.0	x		
DSV Transport d.o.o.	Slovenia	100.0	x		
DSV Air & Sea S.A.U.	Spain	100.0		x	
DSV Holding S.L.	Spain	100.0	x		
DSV Road S.A.U.	Spain	100.0	x		
DSV Solutions S.A.U.	Spain	100.0			x
DSV Air & Sea Limited	Great Britain	100.0		x	
DSV Commercials Ltd.	Great Britain	100.0	x		
DSV Road Holding Ltd.	Great Britain	100.0	x		
DSV Road Ltd.	Great Britain	100.0	x		
DSV Solutions Ltd.	Great Britain	100.0			x
DSV Group AB	Sweden	100.0	x		
DSV Air & Sea AB	Sweden	100.0		x	
DSV Road AB	Sweden	100.0	x		
DSV Road Holding AB	Sweden	100.0	x		
DSV Solutions AB	Sweden	100.0			x
Göinge Frakt EK	Sweden	100.0	x		
NTS European Distribution AB	Sweden	100.0	x		
Weibullsholms Östra LF AB	Sweden	100.0			x
DSV Air & Sea s.r.o.	Czech Republic	100.0		x	
DSV Road a.s.	Czech Republic	100.0	x		
DSV Air & Sea A.S.	Turkey	100.0		x	
DSV Road & Solutions A.S.	Turkey	100.0	x		
ABX Transport & Logistics GmbH	Germany	100.0	x		
Administration & Accounting Service GmbH	Germany	100.0	x		
Collico Verpackungslogistik und Service GmbH	Germany	100.0			x
DSV Air & Sea GmbH	Germany	100.0		x	
DSV Road GmbH	Germany	100.0	x		
DSV Solutions GmbH	Germany	100.0			x
DSV Solutions Group GmbH	Germany	100.0			x
DSV Stuttgart GmbH & Co. KG	Germany	100.0	x		
DSV Immobilien GmbH	Germany	100.0	x		
POP Gesellschaft für Prozesslogistik mbH	Germany	100.0			x
Jolkos Grundstücksverwaltungsgesellschaft mbH	Germany	94.0	x		
DSV Ukraine	Ukraine	100.0	x		
DSV Hungaria Kft.	Hungary	100.0	x		
ABX LOGISTICS (Austria) GmbH	Austria	100.0	x		
DSV Österreich Spedition GmbH	Austria	100.0	x		

GROUP STRUCTURE

			Division		
	Country	Ownership share	Road	Air & Sea	Solutions
North America					
DSV Air & Sea Inc.	Canada	100.0		x	
DSV Air & Sea, S.A. de C.V.	Mexico	100.0		x	
ABX LOGISTICS (USA) Inc.	USA	100.0		x	
DSV Air & Sea Holding Inc.	USA	100.0		x	
DSV Air & Sea Inc.	USA	100.0		x	
Asia					
DSV Air & Sea Ltd.	Bangladesh	100.0		x	
ABX LOGISTICS (Bangladesh) Ltd.	Bangladesh	100.0		x	
DSV Air & Sea (LLC)	United Arab Emirates	100.0		x	
DSV Air & Sea Inc.	The Philippines	100.0		x	
ABX LOGISTICS (Hong Kong) Ltd.	Hong Kong	100.0		x	
DSV Air & Sea Ltd.	Hong Kong	100.0		x	
DSV Air & Sea Pvt. Ltd.	India	100.0		x	
PT. DSV Air & Sea	Indonesia	100.0		x	
DSV Air & Sea Co., Ltd.	Japan	79.6		x	
DSV Air & Sea Co., Ltd.	China	100.0		x	
DSV Logistics Co., Ltd.	China	100.0		x	
DSV Air & Sea Ltd.	Korea	75.0		x	
DSV Air & Sea Sdn. Bhd.	Malaysia	100.0		x	
DSV Logistics Sdn. Bhd.	Malaysia	100.0		x	
DSV Air & Sea Pte. Ltd.	Singapore	100.0		x	
DSV Air & Sea Co. Ltd.	Taiwan	100.0		x	
DSV Air & Sea Ltd.	Thailand	100.0		x	
DSV Air & Sea Co., Ltd.	Vietnam	100.0		x	
Other					
DSV Air & Sea Pty Ltd.	Australia	100.0		x	
DSV Transport Int'l S.A.	Morocco	100.0	x		
Terminal Handling Company	Morocco	100.0	x		
DSV Air & Sea Limited	New Zealand	100.0		x	
DSV Air and Sea (Proprietary) Limited	South Africa	100.0		x	
Associates					
ABX-Penske Air & Sea Logistica Ltda	Brazil	50.0		x	
DSV-GL Chile S.A.	Chile	40.0		x	
DSV-GL Latin America S.A.	Chile	40.0		x	
DSV Air & Sea LLC	Egypt	20.0		x	
DDT Brokerage Inc.	The Philippines	100.0		x	
GT Stevedores Oy	Finland	25.5	x		
FRANCE AIR GROUPAGE S.A.	France	49.6	x		
Auxilia Zorglogistiek B.V.	The Netherlands	33.0			x
Vastgoed Beek CV	The Netherlands	100.0	x		
MGM Lines Srl	Italy	30.0		x	
Saima Nigeria Ltd.	Nigeria	40.1		x	
Nationwide Clearing & Forwarding Ltd.	Nigeria	40.0		x	
DSV Air & Sea (PVT) Limited	Pakistan	20.0		x	
DSV-GL Peru S.A.	Peru	40.0		x	
DSV Honold Air & Sea GmbH & Co. KG (50%)	Germany	50.0		x	
DSV Honold Air & Sea Verwaltungs GmbH (50%)	Germany	50.0		x	

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

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2010 Annual Report of DSV A/S – Parent

The Annual Report of DSV A/S (Parent) is an integral part of the 2010 Consolidated Annual Report of DSV

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INCOME STATEMENT

(DKKm)	Note	2009	2010
Revenue	2	417	439
Direct costs		1	1
Gross profit		416	438
Other external expenses	3	211	190
Staff costs	4, 5	165	195
Operating profit before amortisation, depreciation and special items (EBITDA)		40	53
Amortisation, depreciation and impairment of intangibles, property, plant and equipment	6	63	86
Operating profit before special items		(23)	(33)
Special items	7	(15)	14
Operating profit (EBIT)		(38)	(19)
Financial income	8	1,720	2,371
Financial expenses	9	609	497
Profit before tax		1,073	1,855
Tax on profit for the year	10	60	64
Profit for the year		**1,013**	**1,791**
Proposed distribution of profit			
Proposed dividend per share of DKK 1 is DKK 0.50 (2009: DKK 0.25 per share).		52	105
Retained earnings		961	1,686
Total distribution		**1,013**	**1,791**

STATEMENT OF COMPREHENSIVE INCOME

(DKKm)	2009	2010
Profit for the year	1,013	1,791
Other comprehensive income		
Fair value adjustment for the year relating to hedging instruments	(251)	(37)
Fair value adjustment relating to hedging instruments transferred to financial expenses	176	138
Foreign currency translation adjustments	-	71
Tax on other comprehensive income	124	(43)
Other comprehensive income after tax	49	129
Total comprehensive income	**1,062**	**1,920**

BALANCE SHEET, ASSETS

(DKKm)	Note	2009	2010
Non-current assets			
Intangibles	*11*	421	446
Property, plant and equipment	*12*	13	10
Investments in Group enterprises	*13*	2,833	2,833
Other receivables	*14*	8	–
Total non-current assets		**3,275**	**3,289**
Current assets			
Receivables from Group enterprises and other receivables	*15*	11,972	13,510
Corporation tax		127	–
Cash		3	1
Total current assets		**12,102**	**13,511**
Total assets		**15,377**	**16,800**

BALANCE SHEET, LIABILITIES

(DKKm)	Note	2009	2010
Equity			
Share capital	*16*	209	209
Reserves		4,632	6,252
Total equity		**4,841**	**6,461**
Liabilities			
Non-current liabilities			
Deferred tax	*17*	20	83
Financial liabilities	*18*	5,143	4,177
Total non-current liabilities		**5,163**	**4,260**
Current liabilities			
Financial liabilities	*18*	32	6
Short-term bank loans	*18*	282	168
Corporation tax		–	33
Payables to Group enterprises and other payables	*19*	5,059	5,872
Total current liabilities		**5,373**	**6,079**
Total liabilities		**10,536**	**10,339**
Total equity and liabilities		**15,377**	**16,800**

CASH FLOW STATEMENT

(DKKm)	Note	2009	2010
Profit before tax		1,073	1,855
Adjustment, non-cash operating items etc.			
Amortisation, depreciation and impairment losses	*6*	63	86
Share-based payments		22	6
Financial income	*8*	(1,720)	(2,371)
Financial expenses	*9*	609	497
Cash flow from operating activities before changes in net working capital		47	73
Changes in net working capital		354	(594)
Financial income, paid		1,720	2,371
Financial expenses, paid		(586)	(463)
Cash flow from operating activities before tax		1,535	1,387
Corporation tax, paid		(71)	53
Cash flow from operating activities		**1,464**	**1,440**
Acquisition of intangibles		(120)	(104)
Sale of intangibles		3	-
Acquisition of property, plant and equipment		(1)	(4)
Sale of property, plant and equipment		3	-
Change in other financial assets		-	7
Cash flow from investing activities		**(115)**	**(101)**
Free cash flow		**1,349**	**1,339**
Proceeds from non-current liabilities incurred		1,022	574
Repayments on loans and credits		(3,457)	(1,609)
Shareholders:			
Capital increase		1,052	-
Dividends distributed		-	(52)
Purchase/sale of treasury shares		33	(254)
Cash flow from financing activities		**(1,350)**	**(1,341)**
Cash flow for the year		(1)	(2)
Cash at 1 January		4	3
Cash at 31 December		**3**	**1**

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

STATEMENT OF CHANGES IN EQUITY – 2009

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2009	190	(133)	2,615	–	2,672
Comprehensive income for the period					
Profit for the year	–	–	961	52	1,013
Other comprehensive income					
Fair value adjustment for the year relating to hedging instruments	–	(251)	–	–	(251)
Fair value adjustment relating to hedging instruments transferred to financial expenses	–	176	–	–	176
Tax on other comprehensive income	–	124	–	–	124
Total comprehensive income	–	49	–	–	49
Total comprehensive income for the year	–	49	961	52	1,062
Share-based payments	–	–	22	–	22
Purchase and sale of treasury shares, net	–	–	33	–	33
Capital increase	19	–	1,033	–	1,052
Total changes in equity in 2009	19	49	2,049	52	2,169
Equity at 31 December 2009	209	(84)	4,664	52	4,841

STATEMENT OF CHANGES IN EQUITY – 2010

(DKKm)	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2010	209	(84)	4,664	52	4,841
Comprehensive income for the period					
Profit for the year	–	–	1,686	105	1,791
Fair value adjustment for the year relating to hedging instruments	–	(37)	–	–	(37)
Fair value adjustment relating to hedging instruments transferred to financial expenses	–	138	–	–	138
Other regulations	–	–	71	–	71
Tax on other comprehensive income	–	(25)	(18)	–	(43)
Total comprehensive income	–	76	53	–	129
Total comprehensive income for the year	–	76	1,739	105	1,920
Share-based payments	–	–	6	–	6
Dividends distributed	–	–	–	(52)	(52)
Purchase and sale of treasury shares, net	–	–	(254)	–	(254)
Total changes in equity in 2010	–	76	1,491	53	1,620
Equity at 31 December 2010	209	(8)	6,155	105	6,461

The retained earnings reserve at 31 December 2010 comprised a premium of DKK 1,354 million arising on the issue of shares (2009: DKK 1,354 million) less the balance between the purchase and sale of treasury shares of DKK 2,812 million (2009: DKK 2,558 million).

Notes – Parent

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 is no such indication at 31 December 2010, and therefore investments in subsidiaries have not been tested for impairment.

NOTE 2 – REVENUE

(DKKm)	2009	2010
Group charges	417	439
Total revenue	417	439

NOTE 3 – FEES TO AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

(DKKm)	2009	2010
Audit, auditors elected by the Annual General Meeting[1]	2	2
Other services, auditors elected by the Annual General Meeting[1]	1	–
Total fees to auditors elected by the Annual General Meeting	3	2
Others, audit	–	1
Others, total fees	–	1
Total fees	3	3

1. Auditors elected by the Annual General Meeting 2010: KPMG (2009: Ernst & Young).

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

NOTE 4 – STAFF COSTS

(DKKm)	2009	2010
Remuneration for the Supervisory Board	2	3
Salaries etc.	154	181
Defined contribution pension plans	9	11
Total staff costs	**165**	**195**
Average number of employees	209	243

Remuneration for the Executive Board	Jens Bjørn Andersen		Jens Lund		Total	
(DKKm)	2009	2010	2009	2010	2009	2010
Fixed salary	5.2	5.7	3.0	3.5	8.2	9.2
Defined contribution pension plans	0.4	0.5	0.2	0.3	0.6	0.8
Bonus	1.5	1.5	1.0	1.0	2.5	2.5
Share-based payments	0.9	1.5	1.0	1.3	1.9	2.8
Total remuneration for the Executive Board	**8.0**	**9.2**	**5.2**	**6.1**	**13.2**	**15.3**

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 for the Supervisory Board of the Parent

(DKK'000)	2009	2010
Kurt K. Larsen, Chairman	750	1,050
Erik B. Pedersen, Deputy Chairman	375	525
Kaj Christiansen	250	350
Hans Peter Drisdal Hansen (resigned 2009)	83	-
Per Skov	250	350
Annette Sadolin (elected 2009)	167	350
Birgit Nørgaard (elected 2010)	-	263
Total remuneration for the Supervisory Board of the Parent	**1,875**	**2,888**

NOTE 5 – INCENTIVE PROGRAMMES

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 programmes at 31 December 2010

	Exercise period	Supervisory Board	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding options of 2009 scheme	02.04.12 - 31.03.14	45,000	170,000	70,000	285,000	41.10
Outstanding options of 2010 scheme	02.04.13 - 01.04.15	45,000	170,000	110,000	325,000	98.50
Outstanding at 31 December 2010		**90,000**	**340,000**	**180,000**	**610,000**	**71.68**
Exercise period open at 31 December 2010		**-**	**-**	**-**	**-**	

The weighted average remaining life at 31 December 2010 was 3.78 years. The aggregate market value was DKK 34.5 million, of which options amounting to DKK 19.8 million were held by Executive Board members and options amounting to DKK 5.2 million were held by a Supervisory Board member.

Development in outstanding options

	Supervisory Board	Executive Board	Senior staff	Total	Average exercise price per option
Outstanding at 31 December 2009	-	-	-	-	-
Granted in 2009	45,000	170,000	71,000	286,000	41.10
Exercised in 2009	-	-	-	-	-
Options waived/expired	-	-	-	-	-
Outstanding at 31 December 2009	**45,000**	**170,000**	**71,000**	**286,000**	**41.10**
Granted in 2010	45,000	170,000	111,000	326,000	98.50
Exercised in 2010	-	-	-	-	-
Options waived/expired	-	-	(2,000)	(2,000)	69.80
Outstanding at 31 December 2010	**90,000**	**340,000**	**180,000**	**610,000**	**71.68**

Stock options granted to Group Management before 2009 were granted through Group subsidiaries.

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

(DKKm)	2009	2010
Amortisation and depreciation		
Software	60	79
Other plant and operating equipment	6	7
Net gain on sale of assets	(3)	–
Total amortisation and depreciation of intangibles, property, plant and equipment	63	86

NOTE 7 – SPECIAL ITEMS

(DKKm)	2009	2010
Restructuring costs	(15)	20
Profit on divestment of activities and enterprises including adjustments relating to previous years	–	(6)
Total special items, net	(15)	14

Restructuring costs mainly relate to termination benefits and impairment of IT equipment.

NOTE 8 – FINANCIAL INCOME

(DKKm)	2009	2010
Interest income	113	51
Interest income from Group enterprises	796	720
Foreign currency translation adjustments, net	11	–
Dividends from subsidiaries	800	1,600
Total financial income	1,720	2,371

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

NOTE 9 – FINANCIAL EXPENSES

(DKKm)	2009	2010
Interest expenses	489	381
Foreign currency translation adjustments, net	–	6
Interest expenses for Group enterprises	120	110
Total financial expenses	609	497

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

NOTE 10 – TAX

(DKKm)	2009	2010
The tax for the year is disaggregated as follows:		
Tax on profit for the year	60	64
Tax on other comprehensive income	(124)	(43)
Total tax for the year	(64)	21
Tax on profit for the year is calculated as follows:		
Current tax	38	49
Deferred tax	29	17
Tax adjustment relating to previous years	(7)	(2)
Total tax on profit for the year	60	64
Tax on profit for the year breaks down as follows:		
Calculated 25% tax on profit for the year before tax	268	464
Tax effect of:		
Non-taxable dividends	(201)	(398)
Tax adjustment relating to previous years	(7)	(2)
Total tax on profit for the year	60	64
Effective tax rate	5.6%	3.5%

NOTE 10, CONTINUED – TAX

Tax on other comprehensive income

(DKKm)	Before tax 2009	Tax income/ expense 2009	After tax 2009	Before tax 2010	Tax income/ expense 2010	After tax 2010
Fair value adjustment of hedging instruments	(75)	124	49	101	(25)	76
Other adjustments	–	–	–	71	(18)	53
Total	**(75)**	**124**	**49**	**172**	**(43)**	**129**

NOTE 11 – INTANGIBLES

(DKKm)	Software	Intangibles in progress	Total
Cost at 1 January 2009	258	125	383
Additions for the year	7	113	120
Disposals at cost	(6)	–	(6)
Reclassification	138	(138)	–
Total cost at 31 December 2009	**397**	**100**	**497**
Total amortisation and impairment at 1 January 2009	19	–	19
Amortisation for the year	60	–	60
Amortisation of assets disposed of	(3)	–	(3)
Total amortisation and impairment at 31 December 2009	**76**	**–**	**76**
Carrying amount at 31 December 2009	**321**	**100**	**421**
Of which, assets under finance leases	15	–	15
Cost at 1 January 2010	397	100	497
Additions for the year	–	104	104
Disposals at cost	–	–	–
Reclassification	133	(133)	–
Total cost at 31 December 2010	**530**	**71**	**601**
Total amortisation and impairment at 1 January 2010	76	–	76
Amortisation for the year	79	–	79
Amortisation of assets disposed of	–	–	–
Total amortisation and impairment at 31 December 2010	**155**	**–**	**155**
Carrying amount at 31 December 2010	**375**	**71**	**446**
Of which, assets under finance leases	5	–	5

All intangibles are deemed to have limited useful lives. No changes have been made to significant estimates in respect of intangibles.

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 2010.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

(DKKm)	Other plant and operating equipment
Cost at 1 January 2009	26
Additions for the year	5
Disposals at cost	(19)
Total cost at 31 December 2009	**12**
Total depreciation and impairment at 1 January 2009	8
Depreciation for the year	7
Depreciation of assets disposed of	(16)
Total depreciation and impairment at 31 December 2009	**(1)**
Carrying amount at 31 December 2009	**13**
Of which, assets under finance leases	–
Cost at 1 January 2010	12
Additions for the year	4
Disposals at cost	–
Total cost at 31 December 2010	**16**
Total depreciation and impairment at 1 January 2010	(1)
Depreciation for the year	7
Depreciation of assets disposed of	–
Total depreciation and impairment at 31 December 2010	**6**
Carrying amount at 31 December 2010	**10**
Of which, assets under finance leases	–

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

NOTE 13 – INVESTMENTS IN GROUP ENTERPRISES

(DKKm)	2009	2010
Cost at 1 January	2,842	2,842
Additions for the year	–	–
Cost at 31 December	**2,842**	**2,842**
Impairment at 1 January	9	9
Impairment at 31 December	**9**	**9**
Carrying amount at 31 December	**2,833**	**2,833**

	Ownership share 2009	Ownership share 2010	Registered office	Company's share capital
DSV Road Holding A/S	100%	100%	Brøndby	100
DSV Air & Sea Holding A/S	100%	100%	Brøndby	50
DSV Solutions Holding A/S	100%	100%	Taastrup	100
DSV Insurance A/S	100%	100%	Brøndby	25

NOTE 14 – OTHER RECEIVABLES

(DKKm)	2009	2010
Other receivables	8	–
Other receivables at 31 December	8	–

NOTE 15 – RECEIVABLES FROM GROUP ENTERPRISES AND OTHER RECEIVABLES

(DKKm)	2009	2010
Receivables from Group enterprises	11,890	13,461
Fair value of derivative financial instruments	(3)	–
Other receivables etc.	85	49
Receivables from Group enterprises and other receivables at 31 December	11,972	13,510

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

NOTE 16 – SHARE CAPITAL

(DKKm)	2009	2010
Share capital		
Development in share capital:		
Beginning of year	190.2	209.2
Capital increase	19.0	–
Year-end	209.2	209.2

The share capital of DSV has a nominal value of DKK 209,150,000, corresponding to 209,150,000 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. Costs related to the capital increase included as a reduction of equity amounted to DKK 35.9 million.

Treasury shares	Shares of DKK 1		Nominal value		% of share capital	
	2009	2010	2009	2010	2009	2010
Beginning of year	1,777,927	422,900	1,777,927	422,900	0.9	0.2
Purchases	900,000	3,575,696	900,000	3,575,696	0.4	1.7
Sales	(2,255,027)	(1,355,100)	(2,255,027)	(1,355,100)	(1.1)	(0.6)
Treasury shares at year-end	422,900	2,643,496	422,900	2,643,496	0.2	1.3

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

Treasury shares are bought back to hedge the Company's incentive programmes. The market value of treasury shares at 31 December 2010 was DKK 326 million (2009: DKK 39.8 million).

Dividends

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

Distribution is not subject to any particular restrictions.

It is proposed to distribute dividends of DKK 0.50 per share (2009: DKK 0.25). On 6th April 2010, DSV A/S paid DKK 52 million in dividends (2009: DKK 0).

NOTE 17 – DEFERRED TAX

(DKKm)	2009	2010
Deferred tax at 1 January	(20)	20
Deferred tax for the year	40	63
Deferred tax at 31 December	20	83
Deferred tax at 31 December		
Intangibles	80	94
Current assets	(54)	(6)
Provisions	(6)	(5)
Deferred tax at 31 December	20	83
Breakdown of deferred tax		
Deferred tax asset	–	–
Deferred tax liability	20	83
Deferred tax at 31 December	20	83

NOTE 18 – FINANCIAL LIABILITIES

(DKKm)	2009	2010
Loans and credit facilities	5,440	4,345
Finance leases	17	6
Total financial liabilities	**5,457**	**4,351**
Financial liabilities as recognised in the balance sheet:		
Non-current liabilities	5,143	4,177
Current liabilities	314	174
Financial liabilities at 31 December	**5,457**	**4,351**

Loans and credit facilities	Expiry	Fixed/floating	Carrying amount	
(DKKm)			2009	2010
Bank loans (DKK)	2013-2014	Floating	1,463	1,345
Bank loans (EUR)	2012-2014	Floating	3,695	2,832
Cash	2011	Floating	282	168
Finance leases	2011	Floating	17	6
Loans and credit facilities at 31 December			5,457	4,351

Bank loans are subject to standard trade covenants. All financial ratio covenants were observed during the year.

The fair value of floating-rate loans are deemed to correspond to the carrying amount. The fair value of loans and credit facilities was DKK 4,351 million (2009: DKK 5,457 million).

The weighted average effective interest rate was 2.3% (2009: 3.1%).

NOTE 19 – PAYABLES TO GROUP ENTERPRISES AND OTHER PAYABLES

(DKKm)	2009	2010
Payables to Group enterprises	4,572	5,537
Other payables	487	335
Payables to Group enterprises and other payables at 31 December	**5,059**	**5,872**

Payables to Group enterprises and other payables equal the carrying amount.

NOTE 20 – COLLATERALS, CONTINGENT ASSETS AND LIABILITIES, OTHER FINANCIAL LIABILITIES ETC.

(DKKm)	2009	2010
Operating leases:		
Operating lease obligations relating to operating equipment fall due:		
0-1 year	15	19
1-5 years	18	23
> 5 years	-	-
Total	33	42
The following is recognised in the income statement:		
Operating leases relating to operating equipment	13	17
Total	13	17

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

Other financial liabilities:

(DKKm)	2009	2010
DSV A/S has entered into IT service contracts with terms of 3 to 7 years and a notice period of 6 months. The minimum payments during the notice period amount to:	153	134
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:	2,798	3,012

Moreover, DSV 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 21 – DERIVATIVE FINANCIAL INSTRUMENTS

Hedging instruments at 31 December 2009

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	2,850	2010	(38)	(24)	(14)
Interest rate instruments	7,280	2010-2012	(315)	(79)	(236)
Total			(353)	(103)	(250)

Hedging instruments at 31 December 2010

(DKKm)	Contractual value	Maturity	Fair value	Of which, recognised in income statement	Of which, recognised in equity
Currency instruments	2,041	2011	8	8	-
Interest rate instruments	6,496	2011-2014	(195)	(59)	(136)
Total			(187)	(51)	(136)

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 directly in equity. 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 equity. Interest rate swaps and interest rate caps not satisfying the conditions of hedge accounting as well as accrued interest are recognised directly in the income statement under financial income or expenses.

The weighted average effective interest rate for existing interest rate instruments was 3.40% at the reporting date (2009: 4.06%).

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 according to generally recognised valuation methods based on relevant observable data.

NOTE 22 – FINANCIAL RISKS

Refrence is made to note 27 of the 2010 Consolidated Annual Report for a detailed description of the financial risks.

Liabilities and financial assets of DSV A/S forming part of the cash management fall due as listed below:

2009 (DKKm)	Carrying amount	Fair value	Contractual cash flows	0-1 year	1-5 years	> 5 years
Loans and credit facilities	5,440	5,440	6,511	539	5,972	-
Finance leases	17	17	18	12	6	-
Trade payables	465	465	465	465	-	-
Payables to Group enterprises	3,017	3,017	3,017	3,017	-	-
Currency derivatives	38	38	38	38	-	-
Interest rate derivatives	315	315	315	184	131	-
Total liabilities	9,292	9,292	10,364	4,255	6,109	-
Receivables from Group enterprises	11,890	11,890	11,890	11,890	-	-
Cash and cash equivalents	3	3	3	3	-	-
Total assets	11,893	11,893	11,893	11,893	-	-

2010 (DKKm)	Carrying amount	Fair value	Contractual cash flows	0-1 year	1-5 years	> 5 years
Loans and credit facilities	4,345	4,345	5,036	317	4,719	-
Finance leases	6	6	6	6	-	-
Trade payables	335	335	335	335	-	-
Payables to Group enterprises	5,537	5,537	5,537	5,537	-	-
Currency derivatives	(8)	(8)	(8)	(8)	-	-
Interest rate derivatives	195	195	195	92	103	-
Total liabilities	10,410	10,410	11,101	6,279	4,822	-
Receivables from Group enterprises	13,461	13,461	13,461	13,461	-	-
Cash and cash equivalents	1	1	1	1	-	-
Total assets	13,462	13,462	13,462	13,462	-	-

NOTE 23 – RELATED PARTIES

DSV has no related parties with control. Related parties of DSV with significant influence comprise members of the companies' supervisory boards, 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 members of the Supervisory and Executive Boards is detailed in note 4. Management incentive programmes are listed in note 5.

The Parent had the following transactions with related parties:

(DKKm)	2009	2010
Sale of services		
Group enterprises	417	438
Total sale of services	417	438
Purchase of services		
Group enterprises	2	–
Total purchase of services	2	–

Management fees invoiced by Group enterprises comprise remuneration for members of the Executive Board.

(DKKm)	2009	2010
Financials, net		
Group enterprises	1,479	2,210
Total financials, net	1,479	2,210

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

(DKKm)	2009	2010
Receivables		
Group enterprises	11,890	13,461
Total Receivables	11,890	13,461
Liabilities		
Group enterprises	4,572	5,537
Total Liabilities	4,572	5,537

NOTE 24 – 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 and associates
Dividends from investments in subsidiaries and associates are recognised as income in the Parent's income statement under financial income in the financial year in which the dividends are declared.

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

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