



## PARENT COMPANY FINANCIAL STATEMENTS

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# Statement of comprehensive income

DKK million	Note	2012	2011
Revenue	2	141	119
Other external expenses		(325)	(276)
Staff costs	3	(32)	(25)
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>		<b>(216)</b>	<b>(182)</b>
Other operating income		38	-
Depreciation and impairment losses on property, plant and equipment	6	(5)	(5)
<b>Operating profit (loss) (EBIT)</b>		<b>(183)</b>	<b>(187)</b>
Finance income	13	16,792	14,820
Finance costs	13	(15,719)	(12,194)
<b>Profit before tax</b>		<b>890</b>	<b>2,439</b>
Income tax expense	4	190	169
<b>Profit for the year</b>		<b>1,080</b>	<b>2,608</b>
<b>Other comprehensive income:</b>			
Value adjustments for the year		(673)	(732)
Value adjustments transferred to finance income and costs		229	147
Tax on value adjustments of hedging instruments		111	146
<b>Other comprehensive income</b>		<b>(333)</b>	<b>(439)</b>
<b>Total comprehensive income</b>		<b>747</b>	<b>2,169</b>
<b>Profit for the year is attributable to:</b>			
Equity holders of DONG Energy A/S		531	2,339
Coupon payments after tax, hybrid capital holders of DONG Energy A/S		549	269
<b>Profit for the year</b>		<b>1,080</b>	<b>2,608</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Equity holders of DONG Energy A/S		198	1,900
Coupon payments after tax, hybrid capital holders of DONG Energy A/S		549	269
<b>Total comprehensive income</b>		<b>747</b>	<b>2,169</b>
Proposed dividend per share of DKK 10, in DKK		-	4.96

# Balance sheet

## Assets

DKK million	Note	2012	2011
Investment property		34	38
Fixtures and fittings, tools and equipment		7	8
<b>Property, plant and equipment</b>	<b>6</b>	<b>41</b>	<b>46</b>
Investments in subsidiaries	8	35,706	25,683
Receivables from subsidiaries		57,725	54,649
Receivables from jointly controlled entities		480	328
<b>Other non-current assets</b>		<b>93,911</b>	<b>80,660</b>
<b>Non-current assets</b>		<b>93,952</b>	<b>80,706</b>
Receivables from subsidiaries		7,543	8,103
Receivables from jointly controlled entities		343	0
Other receivables	7	124	1,774
Derivative financial instruments	11	7,165	6,274
Income tax		615	601
Securities	9	14,659	9,665
Cash	9	0	4
<b>Current assets</b>		<b>30,449</b>	<b>26,421</b>
<b>Assets</b>		<b>124,401</b>	<b>107,127</b>

## Equity and liabilities

DKK million	Note	2012	2011
Share capital		2,937	2,937
Reserves		8,277	8,610
Retained earnings		22,044	22,970
<b>Equity attributable to equity holders of DONG Energy A/S</b>		<b>33,258</b>	<b>34,517</b>
Hybrid capital		9,538	9,538
<b>Equity</b>	<b>15</b>	<b>42,796</b>	<b>44,055</b>
Deferred tax	5	2,632	1,714
Bank loans and issued bonds	10	45,969	32,959
Other payables	10	1,315	0
<b>Non-current liabilities</b>		<b>49,916</b>	<b>34,673</b>
Bank loans and issued bonds	10	7,063	9,207
Trade payables	10	68	19
Payables to subsidiaries	10	14,133	10,509
Other payables	10	945	622
Derivative financial instruments	10	9,480	8,042
<b>Current liabilities</b>		<b>31,689</b>	<b>28,399</b>
<b>Liabilities</b>		<b>81,605</b>	<b>63,072</b>
<b>Equity and liabilities</b>		<b>124,401</b>	<b>107,127</b>

# Statement of changes in equity

DKK million	Share capital	Hedging reserve	Share premium	Retained earnings	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Total
Equity at 1 January 2012	2,937	(638)	9,248	22,970	34,517	9,538	44,055
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	531	531	549	1,080
<b>Other comprehensive income:</b>							
Value adjustments of hedging instruments	-	(673)	-	-	(673)	-	(673)
Value adjustments transferred to finance income and costs	-	229	-	-	229	-	229
Tax on other comprehensive income	-	111	-	-	111	-	111
<b>Total comprehensive income</b>	-	<b>(333)</b>	-	<b>531</b>	<b>198</b>	<b>549</b>	<b>747</b>
<b>Transactions with owners:</b>							
Coupon payments, hybrid capital	-	-	-	-	-	(648)	(648)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	99	99
Addition, hybrid capital	-	-	-	-	-	-	-
Disposal, hybrid capital	-	-	-	-	-	-	-
Adjustments amortisation original hybrid capital	-	-	-	-	-	-	-
Dividends paid	-	-	-	(1,457)	(1,457)	-	(1,457)
<b>Total changes in equity in 2012</b>	-	<b>(333)</b>	-	<b>(926)</b>	<b>(1,259)</b>	-	<b>(1,259)</b>
<b>Equity at 31 December 2012</b>	<b>2,937</b>	<b>(971)</b>	<b>9,248</b>	<b>22,044</b>	<b>33,258</b>	<b>9,538</b>	<b>42,796</b>
Equity at 1 January 2011	2,937	(199)	9,248	22,959	34,945	8,088	43,033
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	2,339	2,339	269	2,608
<b>Other comprehensive income:</b>							
Value adjustments of hedging instruments	-	(732)	-	-	(732)	-	(732)
Value adjustments transferred to finance income and costs	-	147	-	-	147	-	147
Tax on other comprehensive income	-	146	-	-	146	-	146
<b>Total comprehensive income</b>	-	<b>(439)</b>	-	<b>2,339</b>	<b>1,900</b>	<b>269</b>	<b>2,169</b>
<b>Transactions with owners:</b>							
Coupon payments, hybrid capital	-	-	-	-	-	(515)	(515)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	246	246
Addition, hybrid capital	-	-	-	-	-	5,127	5,127
Disposal, hybrid capital	-	-	-	-	-	(3,802)	(3,802)
Adjustments amortisation original hybrid capital	-	-	-	(125)	(125)	125	-
Dividends paid	-	-	-	(2,203)	(2,203)	-	(2,203)
<b>Total changes in equity in 2011</b>	-	<b>(439)</b>	-	<b>11</b>	<b>(428)</b>	<b>1,450</b>	<b>1,022</b>
<b>Equity at 31 December 2011</b>	<b>2,937</b>	<b>(638)</b>	<b>9,248</b>	<b>22,970</b>	<b>34,517</b>	<b>9,538</b>	<b>44,055</b>

# Statement of cash flows

DKK million	Note	2012	2011
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)		(216)	(182)
Other items		110	1,010
Interest income and similar items		11,374	11,056
Interest expense and similar items		(11,394)	(11,215)
Income tax paid		1,305	715
<b>Cash flows from operating activities before change in net working capital (FFO)</b>		<b>1,179</b>	<b>1,384</b>
Change in trade receivables		(122)	(4)
Change in other receivables		(3)	183
Change in trade payables		(98)	77
Change in other payables		1,341	(198)
<b>Change in net working capital</b>		<b>1,118</b>	<b>58</b>
<b>Cash flows from operating activities</b>		<b>2,297</b>	<b>1,442</b>
Financial transactions with subsidiaries		(2,394)	(7,033)
Capital contributions to subsidiaries		(10,023)	-
Financial transactions with jointly controlled entities		(494)	(328)
Purchase of securities		(9,667)	(8,124)
Sale of securities		4,672	6,160
Other investments		0	(105)
Dividends received		1,689	3,113
<b>Cash flows from investing activities</b>		<b>(16,217)</b>	<b>(6,317)</b>
Proceeds from raising of loans		23,823	8,985
Instalments on loans		(8,000)	(6,426)
Coupon payments on hybrid capital		(648)	(515)
Repurchase of hybrid capital		-	(3,802)
Proceeds from issuing of hybrid capital		-	5,127
Dividends paid		(1,457)	(2,203)
Receivables from Group trading partner		1,713	(1,713)
<b>Cash flows from financing activities</b>		<b>15,431</b>	<b>(547)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,511</b>	<b>(5,422)</b>
Cash and cash equivalents at 1 January		(3,916)	1,506
Net increase (decrease) in cash and cash equivalents		1,511	(5,422)
<b>Cash and cash equivalents at 31 December</b>	<b>9</b>	<b>(2,405)</b>	<b>(3,916)</b>

## 01 Basis of reporting

### Parent company accounting policies

The parent company financial statements are prepared pursuant to the requirements in the Danish Financial Statements Act concerning preparation of separate parent company financial statements for companies applying IFRS.

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also comply with IFRSs issued by the IASB.

The financial statements have been prepared in accordance with Danish disclosure requirements for annual reports of listed and state-owned public limited companies, see the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

The annual report is presented in million Danish kroner (DKK), unless otherwise stated.

### Parent company financial statements

The parent company accounting policies are consistent with the accounting policies described for the consolidated financial statements (see notes 1-33 to the consolidated financial statements), with the following exceptions:

#### Foreign currency translation

Foreign exchange adjustments of balances accounted for as part of the total net investment in enterprises that have a functional currency other than DKK are recognised in profit for the year as finance income and costs in the parent company financial statements. Likewise, foreign exchange gains and losses on the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises are recognised directly in profit for the year as finance income and costs.

#### Revenue

Rental income comprises income from commercial leases and is recognised over the term of the lease. Income from services is recognised when delivery has taken place.

#### Dividends from investments in subsidiaries

Dividends from investments in subsidiaries are credited to profit for the year in the financial year in which they are declared. If distributions exceed the subsidiary's comprehensive income for the period, an impairment test is carried out.

### Property, plant and equipment

Investment property is property that is held to earn rental income and is used for own purposes to an insignificant extent only.

Investment property is measured at cost less accumulated depreciation and impairment losses. Investment property is depreciated over 20 years.

Fixtures and fittings, tools and equipment are depreciated over 3-5 years.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost in the parent company financial statements. Impairment testing is carried out if there is any indication of impairment, as described in the consolidated financial statements. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognised as a finance cost in profit for the year.

If the parent company has a legal or constructive obligation to cover a deficit in subsidiaries, a provision for this is recognised.

### Critical accounting estimates and judgements

In the process of preparing the parent company financial statements, a number of accounting estimates and judgements have been made that affect assets and liabilities at the balance sheet date and income and expenses for the reporting period. Management regularly reassesses these estimates and judgements, partly on the basis of historical experience and a number of other factors in the given circumstances.

Management is of the opinion that no accounting estimates or judgements are made in connection with the presentation of the parent company financial statements applying the parent company accounting policies that are material to the financial reporting, other than those disclosed in notes 10 and 11 to the consolidated financial statements concerning impairment testing.

### New standards and interpretations

Reference is made to the description in note 1 to the consolidated financial statements.

## 02 Revenue

DKK million	2012	2011
Rental income and sales of services	141	119
<b>Revenue</b>	<b>141</b>	<b>119</b>

## 03 Staff costs

DKK million	2012	2011
Wages, salaries and remuneration	31	24
Pensions	1	1
Other social security costs	0	0
<b>Staff costs</b>	<b>32</b>	<b>25</b>

DONG Energy A/S had an average of nine employees in 2012 (2011: seven employees).

### Remuneration of the Executive Board

DKK '000	2012				2011			
	Salaries	Bonus	Pension	Total	Salaries	Bonus	Pension	Total
<b>Parent company Executive Board:</b>								
CEO (from 27 August 2012)	2,863	600	1	3,464	-	-	-	-
CEO (until 12 March 2012) <sup>1</sup>	6,218	1,401	2	7,621	5,006	1,084	2	6,092
CFO <sup>2</sup>	5,113	1,202	2	6,317	4,565	1,141	2	5,708
<b>Remuneration</b>	<b>14,194</b>	<b>3,203</b>	<b>5</b>	<b>17,402</b>	<b>9,571</b>	<b>2,225</b>	<b>4</b>	<b>11,800</b>

<sup>1</sup> Comprises salaries, bonus and pension during notice period.

<sup>2</sup> Comprises compensation of DKK 500 thousand for temporarily also assuming the role of CEO.

Reference is made to note 6 to the consolidated financial statements for a description of the parent company's remuneration of the Executive Board,

termination and bonus scheme for the Executive Board and details on remuneration to the Board of Directors.

## 04 Income tax expense

DKK million	2012	2011
Income tax expense	190	169
Tax on other comprehensive income	111	146
<b>Tax for the year</b>	<b>301</b>	<b>315</b>
<b>Tax for the year can be broken down as follows:</b>		
Current tax for the year	86	134
Adjustments to deferred tax for the year	128	34
Adjustments to deferred tax in respect of prior years	(1,046)	(578)
Adjustments to current tax in respect of prior years	1,022	579
<b>Income tax expense</b>	<b>190</b>	<b>169</b>

	2012		2011	
	DKK million	%	DKK million	%
<b>Income tax expense can be explained as follows:</b>				
Calculated 25% tax on profit before tax	(223)	25	(610)	25
<b>Tax effect of:</b>				
Non-taxable income	460	(52)	778	(32)
Non-deductible expenses	(23)	3	(1)	0
Net adjustments to tax in respect of prior years	(24)	3	2	0
<b>Effective tax for the year</b>	<b>190</b>	<b>(21)</b>	<b>169</b>	<b>(7)</b>

## 05 Deferred tax

DKK million	2012			2011		
	Balance sheet at 1 January	Recognised in profit for the year	Balance sheet at 31 December	Balance sheet at 1 January	Recognised in profit for the year	Balance sheet at 31 December
Property, plant and equipment	18	16	34	18	-	18
Current assets	(65)	65	0	(10)	(55)	(65)
Non-current liabilities	17	(158)	(141)	17	-	17
Current liabilities	128	(134)	(6)	-	128	128
Retaxation	2,548	363	2,911	1,701	847	2,548
Tax loss carryforwards	(932)	766	(166)	(556)	(376)	(932)
<b>Deferred tax</b>	<b>1,714</b>	<b>918</b>	<b>2,632</b>	<b>1,170</b>	<b>544</b>	<b>1,714</b>

## 06 Property, plant and equipment

DKK million	Investment property	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2012	88	11	99
<b>Cost at 31 December 2012</b>	<b>88</b>	<b>11</b>	<b>99</b>
Depreciation at 1 January 2012	(50)	(3)	(53)
Depreciation charge	(4)	(1)	(5)
<b>Depreciation at 31 December 2012</b>	<b>(54)</b>	<b>(4)</b>	<b>(58)</b>
<b>Carrying amount at 31 December 2012</b>	<b>34</b>	<b>7</b>	<b>41</b>
Cost at 1 January 2011	88	11	99
<b>Cost at 31 December 2011</b>	<b>88</b>	<b>11</b>	<b>99</b>
Depreciation at 1 January 2011	(46)	(2)	(48)
Depreciation charge	(4)	(1)	(5)
<b>Depreciation at 31 December 2011</b>	<b>(50)</b>	<b>(3)</b>	<b>(53)</b>
<b>Carrying amount at 31 December 2011</b>	<b>38</b>	<b>8</b>	<b>46</b>

Total rental income for the year from investment property, DKK 4 million (2011: DKK 4 million), is recognised in profit for the year as revenue. Operation and maintenance costs for investment property are borne by the lessee. Investment property was let to subsidiaries throughout the year.

No mortgages or other restrictions on the use of investment property were registered at 31 December 2012.

## 07 Other receivables

DKK million	2012	2011
Receivables from Group trading partner	0	1,713
Deposits	21	23
Other receivables	103	38
<b>Other receivables at 31 December</b>	<b>124</b>	<b>1,774</b>



## 08 Subsidiaries

DKK million	Investments in subsidiaries	
	2012	2011
Cost at 1 January	25,702	25,702
Additions	10,023	-
Disposals	-	-
<b>Cost at 31 December</b>	<b>35,725</b>	<b>25,702</b>
Value adjustments at 1 January	(19)	(19)
<b>Value adjustments at 31 December</b>	<b>(19)</b>	<b>(19)</b>
<b>Carrying amount at 31 December</b>	<b>35,706</b>	<b>25,683</b>

An overview of subsidiaries and associates is set out in note 36 to the consolidated financial statements.

Investments in subsidiaries were tested for impairment in 2012. No impairment losses have been recognised, as the recoverable amount exceeded the cost.

In 2012, debt of DKK 10,023 million in DONG Energy Wind Power Holding A/S was converted to share capital.

## 09 Cash and cash equivalents and securities

DKK million	2012	2011
Available cash	0	4
Bank overdrafts that are part of the ongoing cash management, see note 10	(2,405)	(3,920)
<b>Cash and cash equivalents at 31 December, see statement of cash flows</b>	<b>(2,405)</b>	<b>(3,916)</b>
<b>Securities can be broken down into the following balance sheet items:</b>		
Available securities	11,907	8,129
Securities not available for use	2,752	1,536
<b>Securities at 31 December</b>	<b>14,659</b>	<b>9,665</b>

Securities are primarily highly liquid AAA-rated Danish mortgage bonds that qualify for repos in the Danish Central Bank.

The securities are part of the ongoing cash management. In accordance with IAS 7, cash flows from securities are recognised in cash flows from investing activities.

Securities not available for use comprise securities that form part of genuine sale and repurchase transactions (repo transactions) amounting to DKK 2,752 million (2011: DKK 1,536 million).

# 10 Loans and borrowings

## Maturity analysis of loans and borrowings, including interest payments

2012

DKK million	Carrying amount	Payment obligation	2013	2014	2015	2016	2017	After 2017
<b>Non-derivative financial instruments:</b>								
Bank loans and issued bonds	53,032	75,051	8,803	5,974	1,940	6,201	4,705	47,428
Trade payables	68	68	68	-	-	-	-	-
Payables to subsidiaries	14,133	14,133	14,133	-	-	-	-	-
Other payables	2,260	2,260	945	-	-	-	-	1,315
<b>Derivative financial instruments:</b>								
Fair value of derivative financial instruments	9,480	9,505	3,575	2,071	1,068	616	961	1,214
<b>Loans and borrowings</b>	<b>78,973</b>	<b>101,017</b>	<b>27,524</b>	<b>8,045</b>	<b>3,008</b>	<b>6,817</b>	<b>5,666</b>	<b>49,957</b>

2011

DKK million	Carrying amount	Payment obligation	2012	2013	2014	2015	2016	After 2016
<b>Non-derivative financial instruments:</b>								
Bank loans and issued bonds	42,166	57,508	10,751	3,252	5,636	1,539	5,784	30,546
Trade payables	19	19	19	-	-	-	-	-
Payables to subsidiaries	10,509	10,509	10,509	-	-	-	-	-
Other payables	622	622	622	-	-	-	-	-
<b>Derivative financial instruments:</b>								
Fair value of derivative financial instruments	8,042	8,239	3,646	1,761	1,066	436	134	1,196
<b>Loans and borrowings</b>	<b>61,358</b>	<b>76,897</b>	<b>25,547</b>	<b>5,013</b>	<b>6,702</b>	<b>1,975</b>	<b>5,918</b>	<b>31,742</b>

The company's financing agreements are not subject to any unusual terms or conditions, apart from those disclosed in note 19 to the consolidated financial statements.

At 31 December 2012, DONG Energy A/S had issued hybrid capital with a principal of DKK 9,664 million (2011: DKK 9,664 million) due in 3005 and 3010.

The maturity analysis is based on undiscounted cash flows relating to financial liabilities.

DKK million	2012	2011
<b>Bank loans and issued bonds:</b>		
Issued bonds	31,567	22,678
Bank loans	19,060	15,567
Bank overdrafts	2,405	3,921
<b>Carrying amount</b>	<b>53,032</b>	<b>42,166</b>
<b>Bank loans and issued bonds are recognised in the balance sheet as follows:</b>		
Non-current liabilities	45,969	32,959
Current liabilities	7,063	9,207
<b>Carrying amount</b>	<b>53,032</b>	<b>42,166</b>
Nominal value	53,395	42,523

# 11 Derivative financial instruments

## Categories of financial instruments

	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>DKK million</b>				
Derivative financial instruments included in trading portfolio	6,906	6,906	6,613	6,613
Securities	14,659	14,659	9,665	9,665
<b>Financial assets at fair value through profit or loss</b>	<b>21,565</b>	<b>21,565</b>	<b>16,278</b>	<b>16,278</b>
Derivative financial instruments entered into to hedge fair values	259	259	405	405
<b>Financial assets used as hedging instruments</b>	<b>259</b>	<b>259</b>	<b>405</b>	<b>405</b>
Other receivables	65,627	65,627	64,854	64,854
Cash	0	0	4	4
<b>Loans and receivables</b>	<b>65,627</b>	<b>65,627</b>	<b>64,858</b>	<b>64,858</b>
Derivative financial instruments included in trading portfolio	8,055	8,055	7,820	7,820
<b>Financial liabilities at fair value through profit or loss</b>	<b>8,055</b>	<b>8,055</b>	<b>7,820</b>	<b>7,820</b>
Derivative financial instruments entered into to hedge future cash flows	1,287	1,287	846	846
Derivative financial instruments entered into to hedge fair values	138	138	120	120
<b>Financial liabilities used as hedging instruments</b>	<b>1,425</b>	<b>1,425</b>	<b>966</b>	<b>966</b>
Issued bonds	31,567	35,574	22,678	25,228
Bank loans	21,465	22,272	19,488	20,135
Other payables	15,148	15,148	11,150	11,150
<b>Financial liabilities measured at amortised cost</b>	<b>68,180</b>	<b>72,994</b>	<b>53,316</b>	<b>56,513</b>

The fair value has been determined as the present value of expected future instalments and interest payments using the Group's current interest rate on loans as discount rate.

## Fair value hierarchy of financial instruments

	2012				2011			
	Quoted prices (Level 1)	Observable inputs (Level 2)	Non-observable inputs (Level 3)	Total	Quoted prices (Level 1)	Observable inputs (Level 2)	Non-observable inputs (Level 3)	Total
<b>DKK million</b>								
Derivative financial instruments	46	6,833	286	7,165	-	5,198	1,076	6,274
Securities	14,659	0	0	14,659	9,665	-	-	9,665
<b>Assets</b>	<b>14,705</b>	<b>6,833</b>	<b>286</b>	<b>21,824</b>	<b>9,665</b>	<b>5,198</b>	<b>1,076</b>	<b>15,939</b>
Derivative financial instruments	(46)	(9,228)	(206)	(9,480)	-	(7,322)	(720)	(8,042)
<b>Liabilities</b>	<b>(46)</b>	<b>(9,228)</b>	<b>(206)</b>	<b>(9,480)</b>	<b>-</b>	<b>(7,322)</b>	<b>(720)</b>	<b>(8,042)</b>

Reference is made to note 21 to the consolidated financial statements for a description of levels of fair value hierarchy of financial instruments.

## 11 Derivative financial instruments – continued

### Categories of financial instruments

DKK million	2012		2011	
	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)
Fair value at 1 January	1,076	(720)	381	-
Gains and losses recognised in profit for the year as revenue	(669)	(88)	696	(701)
Purchases	64	(38)	8	(28)
Other transfers to and from Level 3	(186)	640	(9)	9
<b>Fair value at 31 December</b>	<b>285</b>	<b>(206)</b>	<b>1,076</b>	<b>(720)</b>

A loss in respect of assets and liabilities that are valued based on non-observable inputs and were still recognised in the balance sheet at 31 Decem-

ber 2012 was recognised with DKK 732 million (2011: loss of DKK 25 million) in profit for the year as revenue.

## 12 Operating lease obligations

DKK million	2012			2011		
	Minimum lease payments	Subleasing	Net	Minimum lease payments	Subleasing	Net
0-1 year	(148)	133	(15)	(98)	85	(13)
1-5 years	(256)	243	(13)	(97)	87	(10)
Over 5 years	(239)	239	0	(77)	77	0
<b>Minimum lease payments</b>	<b>(643)</b>	<b>615</b>	<b>(28)</b>	<b>(272)</b>	<b>249</b>	<b>(23)</b>

DONG Energy A/S has entered into operating leases for leasing of office premises until 2026 and vehicle leasing on behalf of the Group's companies. There are no significant restrictions in the leases. In 2012, an amount of DKK 132 million (2011: DKK 102 million) was recognised in profit for the year in respect of operating lease payments.

DONG Energy A/S has entered into operating leases with subsidiaries for subleasing of office premises and leasing of investment property. There are no significant restrictions in the leases. In 2012, an amount of DKK 121 million (2011: DKK 104 million) was recognised in profit for the year in respect of rental income.

## 13 Finance income and costs

DKK million	2012	2011
Interest income from cash, etc.	272	284
Interest income from subsidiaries	1,669	1,731
Interest income from securities at fair value	335	259
Capital gains on securities at fair value	21	249
Foreign exchange gains	2,727	2,381
Value adjustments of derivative financial instruments	9,892	6,793
Dividends received	1,689	3,113
Other finance income	186	10
<b>Finance income</b>	<b>16,791</b>	<b>14,820</b>
Interest expense relating to payables	(1,993)	(1,548)
Interest expense to subsidiaries	(37)	(130)
Capital losses on securities at fair value	(95)	(19)
Foreign exchange losses	(2,072)	(2,042)
Value adjustments of derivative financial instruments	(11,461)	(8,455)
Other finance costs	(60)	0
<b>Finance costs</b>	<b>(15,718)</b>	<b>(12,194)</b>
<b>Net finance income</b>	<b>1,073</b>	<b>2,626</b>

## 14 Market risks

### Risk management policy

DONG Energy A/S acts as the Group's internal banker in relation to funding, currency, interest rate and cash management and the conclusion of some commodity-related contracts.

As part of its financial management, DONG Energy A/S hedges currency risks and interest rate risks. Full or partial hedging of recognised assets and liabilities (hedging of fair value) and of future transactions (hedging of cash flows) is carried out in accordance with the framework laid down in the

### Currency risks

A substantial part of DONG Energy A/S's activities and investments are made in other currencies than Danish kroner. The company's net position in individual currencies at 31 December is shown below:

DKK million	2012				2011			
	Cash and cash equivalents and receivables	Payables	Hedged using hedging instruments	Net position	Cash and cash equivalents and receivables	Payables	Hedged using hedging instruments	Net position
EUR	7,001	(36,390)	2,776	(26,613)	4,490	(30,424)	9,911	(16,023)
USD	2,151	(4,129)	12,793	10,815	3,375	(4,790)	(388)	(1,803)
GBP	24,353	(12,506)	(21,036)	(9,189)	20,012	(5,366)	(18,439)	(3,793)
SEK	0	(64)	(674)	(738)	40	(38)	(1,399)	(1,397)
NOK	7,392	(428)	847	7,811	8,007	-	(3,393)	4,614
Other	970	0	0	970	1,012	-	(1,194)	(182)
<b>Total</b>	<b>41,867</b>	<b>(53,517)</b>	<b>(5,294)</b>	<b>(16,944)</b>	<b>36,936</b>	<b>(40,618)</b>	<b>(14,902)</b>	<b>(18,584)</b>

As part of its financial management, DONG Energy A/S enters into a number of hedging instruments to hedge currency risks. At 31 December 2012, unrealised value adjustments of derivative financial instruments for currency hedging of recognised assets and liabilities totalled a charge of DKK 530 million (2011: charge of DKK 775 million).

financial risk policy implemented by DONG Energy. Both primary financial instruments, primarily loans (only currency risks) and derivative financial instruments such as forwards, swaps and options, are used as hedges. In some cases, the company has also entered into contracts to hedge risks in subsidiaries.

The financial risks to which DONG Energy A/S is exposed are described in the following. Reference is also made to the Risk and risk management chapter in Management's review on pages 30-31.

### Sensitivity analysis for currency risks

DONG Energy A/S's principal currency risks relate to USD, GBP, SEK and NOK. The company also calculates and manages the currency risk vis-à-vis EUR. However, as price fluctuations between DKK and EUR are small, the risk is considered to be insignificant.

Risk	Price change	At 31 December 2012		At 31 December 2011	
		Effect on profit before tax	Effect on equity before tax	Effect on profit before tax	Effect on equity before tax
USD	+10%	1,357	1,357	(180)	(180)
	-10%	(1,123)	(1,123)	180	180
GBP	+10%	(919)	(919)	(379)	(379)
	-10%	919	919	379	379
SEK	+10%	(74)	(74)	(140)	(140)
	-10%	74	74	140	140
NOK	+10%	781	781	461	461
	-10%	(781)	(781)	(461)	(461)

### Interest rate risks

The parent company is exposed to interest rate changes in connection with its cash portfolio, primarily floating-rate bank balances. For an analysis of the company's interest rate sensitivity, reference is made to note 25 to the consolidated financial statements.

As part of its financial management, DONG Energy A/S swaps the interest basis on loans from a floating rate to a fixed rate or vice versa using interest rate swaps. For interest rate swaps converting floating-rate loans to fixed-rate loans, value adjustments recognised directly in equity amounted to a loss of DKK 1,287 million (2011: loss of DKK 848 million).

### Credit risks

DONG Energy A/S's credit risk relates to loans to subsidiaries, investment of cash surplus in securities, and positive market value of derivative finan-

cial instruments. Credit risk related to securities is reduced by investing in securities with high credit ratings, primarily Danish mortgage bonds.

In the company's opinion, there are no special concentrations of counterparty risks. The company's counterparty risk in connection with derivative financial instruments entered into is limited as such instruments have primarily been entered into with major international banks or other counterparties with high credit ratings.

### Liquidity risks

DONG Energy A/S endeavours to mitigate its liquidity risk via a diversified loan portfolio and maturity profile and by making sure it has available committed borrowings and facilities.

## 15 Equity

Share capital composition and dividends are disclosed in note 26 to the consolidated financial statements.

## 16 Contingent assets and liabilities

### Contingent assets

In previous financial years, DONG Energy A/S has concluded agreements on the disposal of enterprises that feature contingent consideration, the consideration depending in part on several uncertain future events outside DONG Energy A/S's control.

### Contingent liabilities

#### Guarantees

DONG Energy A/S has provided guarantees in connection with participation by subsidiaries and participation by joint ventures in which subsidiaries are partners in natural gas and oil exploration and production, construc-

tion and operation of wind farms, and geothermal plants and natural gas installations. DONG Energy A/S has also provided guarantees in respect of leases, decommissioning obligations, purchase and sales and supply contracts, etc.

DONG Energy A/S acts as guarantor with primary liability for bank balances in subsidiaries for DKK 1,701 million (2011: DKK 1,294 million).

#### Litigation

DONG Energy A/S is a party to a number of litigation proceedings and legal disputes that do not have any effect on the company's financial position, either individually or collectively.

## 17 Related party transactions

### Trading with subsidiaries

DKK million	2012	2011
Rental income and services to subsidiaries	141	119
Purchases of goods and services from subsidiaries	(197)	(195)
Interest, subsidiaries (net income)	1,632	1,601

### Capital transactions and balances with subsidiaries and jointly controlled entities at 31 December

DKK million	2012	2011
Receivables from subsidiaries	65,268	62,752
Receivables from jointly controlled entities	823	328
Payables to subsidiaries	(14,133)	10,509
Dividends received from subsidiaries	1,689	3,113

For a description of related parties, reference is made to note 32 to the consolidated financial statements.

Remuneration to the Board of Directors and the Executive Board is disclosed in note 6 to the consolidated financial statements.

Transactions with related parties are made on arm's length terms. There were no other transactions with related parties during the year.