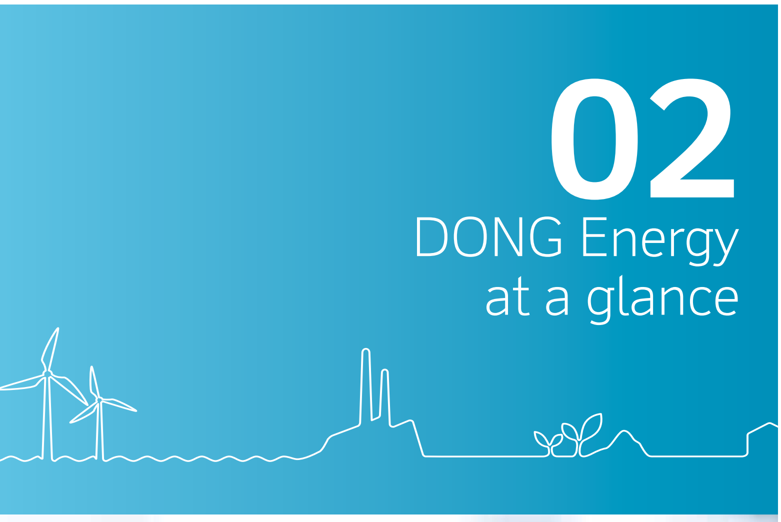
MOVING ENERGY FORWARD

ANNUAL REPORT **2013**

DONG energy

CONTENTS



MANAGEMENT'S REVIEW

CONSOLIDATED FINANCIAL STATEMENTS

PARENT COMPANY FINANCIAL STATEMENTS

CONSOLIDATED NON-FINANCIAL STATEMENTS

MANAGEMENT STATEMENT, INDEPENDENT AUDITOR'S REPORT AND ASSURANCE REPORT

ADDITIONAL INFORMATION

FURTHER INFORMATION

Media Relations
Karsten Anker Petersen
+45 9955 9662
Investor Relations
Allan Bødskov Andersen
+45 9955 9769

DONG Energy A/S
CVR No. 36213728
Kraftværksvej 53
7000 Fredericia
Denmark
Tel +45 9955 1111
www.dongenergy.com

Language
The report has been prepared in Danish and in English. In the event of any discrepancies between the Danish and the English reports, the Danish version shall prevail.

> The new investors have chosen to invest in DONG Energy because they believe in our strategy and want to be a part of realising it.

Robust platform for continued growth

DONG Energy developed satisfactorily in 2013 and delivered a marked improvement in operating profit. The positive development highlights the fact that the transformation of the Group's business model is on the right track. At the same time, once the capital injection has been completed, we will have restored the Group's financial platform.

An energy sector moving forward

The Group's positive development should be viewed against the background of the profound transformation that Europe's energy sector is undergoing, which has also had a major impact on DONG Energy's business. The power stations were traditionally the energy companies' core business and reliable source of earnings, but now represent a smaller share of earnings.

At the same time, earnings from long-term gas contracts have been falling dramatically and, at times, been negative. For DONG Energy, these changes have meant that earnings in our classic business areas – power stations and gas trading – have fallen by two-thirds in the past five years.

DONG Energy has responded with a strategy whereby it has built up two new growth drivers – offshore wind and oil and gas – to make up for the falling earnings in the traditional business areas. Earnings in Exploration & Production and Wind Power have thus more than doubled in the past five years as a result of substantial investments in new assets.

Financial action plan

In 2012, DONG Energy's financial platform came under pressure due to a number of losses in the gas market, and the company's Board of Directors therefore adopted an action plan that was designed to restore DONG Energy's financial platform and provide the necessary basis for realising the strategy for the period up to 2020. At the end of January 2014, the plan was completed, thanks to a sterling effort by the company's management and employees.

The injection of additional equity was a key element of the action plan. In October, we were in a position to announce that we had entered into an agreement with Goldman Sachs, ATP and PFA on an equity injection totalling DKK 11 billion, and the final investment agreement was signed at the end of November. For the company and its other shareholders it is positive that investors as strong as these will become part of the company's shareholder base. In addition, in January 2014, several of the existing shareholders agreed to inject further equity of DKK 2 billion.

Two drivers of future growth

The new investors have chosen to invest in DONG Energy because they believe in our strategy and want to be a part of realising it. Above all, this is because we have succeeded in building up two strong business units in offshore wind and oil and gas production. It is a key strategic target to double daily production of oil and gas compared with 2012 in our current geographical focus area, in which we boast strong positions and expertise. The offshore wind business, which has achieved its present strength in the course of just a few years, is the Group's fastest-growing area and the global market leader in its core area. The two growth areas contribute a number of profitable growth opportunities as a result of which we have a target to deliver operating profit (EBITDA) of around DKK 20 billion and a return on capital employed (ROCE) of at least 10% in 2016.

Employees can become co-owners

The capital increase will enable DONG Energy to offer its employees the chance to become co-owners of the company. This will mean that shareholders and employees will be brought even closer together so that they can jointly realise our 2020 strategy. Together, we look forward to continuing the development of DONG Energy as one of Europe's most progressive energy companies with the potential to make a vital contribution to the sustainable energy system of the future.

On behalf of the Board of Directors, I would like to thank the company's competent employees and management for their efforts in 2013, when we succeeded in delivering a marked improvement in operating profit. It is thanks to their dedication and perseverance that we have turned the Group's development around and are well on our way in the planned direction.

5 February 2014

Fritz H. Schur
Chairman of the Board of Directors

DONG Energy is one of the leading energy groups in Northern Europe

Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe.

DONG Energy has 6,500 employees and is headquartered in Denmark.

	EXPLORATION & PRODUCTION		WIND POWER	
Revenue, DKK billion (%)[1, 2]	**12.3**	(15%)	**12.0**	(14%)
EBITDA, DKK billion (%)[1]	**7.3**	(50%)	**4.3**	(29%)
Gross investments, DKK billion (%)[1]	**9.6**	(45%)	**9.5**	(45%)
Employees, FTE (%)[1]	**689**	(11%)	**1,909**	(29%)

	EXPLORATION & PRODUCTION	WIND POWER
Principal activity	Oil and gas exploration and production Read more on page 27	Development, construction and operation of offshore wind farms Read more on page 28
Market position	• Geographically focused positions in North West Europe • Favourable access to infrastructure • One of the largest E&P companies in DK • Seventh-largest producer in Norway • Leading exploration company in West of Shetland (UK)	• Market leader in offshore wind, has built 35% of European capacity • Strong pipeline of projects in lead-up to 2020
Business drivers	• Success rate of oil and gas exploration • Execution of investment projects • Uptime for plants • Changes in underlying cost level in supplier industry • Oil and gas prices	• Wind conditions • Availability • Market prices and regulated electricity prices • Standardisation and maturing of value chain • Securing supplies via framework agreements and partnerships with suppliers • Partnerships with industrial and financial investors • Execution of investment projects
ROCE (status and targets)	• 2013: -3.1% • 2016: 20% • 2020: 20%	• 2013: 4.6% • 2016: 6-8% • 2020: 12-14%
Strategic targets for 2020	• Oil and gas production: 150,000 boe/day • R/P ratio ≥ 10	• Installed offshore wind capacity (gross installed): 6.5 GW • Reducing offshore wind Cost of Electricity to EUR 100/MWh[3]

[1] The percentages indicate the proportion of the Group that each business unit represented in 2013.
[2] Intragroup revenue means that the business units' combined revenue exceeds consolidated revenue.
[3] Cost to society based on projects in the UK where final investment decision will be made in 2020.

See the detailed activities map on page 130

THERMAL POWER

9.7	(12%)
0.7	(5%)
0.7	(3%)
967	(15%)

Electricity and heat generation from power stations

Read more on page 29

- Nine central power stations in Denmark
- 44% of available thermal generation capacity in Denmark
- Generates around one-third of Danish district heat consumption

- Changes in electricity prices, primarily Nord Pool
- Changes in fuel and CO_2 prices
- The market's need for flexibility
- Interconnectors to other countries
- Regulatory framework conditions

Deliver annual operating cash flows of DKK 600-800 million from Danish power stations

- Among the best in Europe in terms of flexible and efficient operation of power stations
- Biomass share of electricity and heat generation in Denmark: >50%
- Commercialising New Bio Solutions

CUSTOMERS & MARKETS

49.7	(59%)
2.3	(16%)
1.4	(7%)
1,639	(25%)

Sales of electricity and gas in the wholesale and retail markets and optimisation and hedging of the Group's overall energy portfolio

Read more on page 30

- Leading Danish electricity and gas distributor with market shares of 26% and 28% respectively
- Active player in the wholesale energy market in North West Europe
- Retail sales in Denmark, Sweden and the UK
- Electricity and gas positions in Denmark, the UK, Germany and the Netherlands

- Customer service
- Changes in energy prices
- Regulatory framework and distribution tariffs
- Market liquidity
- Renegotiation of long-term gas contracts
- Cost efficiency

- 2013: 4.8%
- 2016: > 8%
- 2020: > 10%

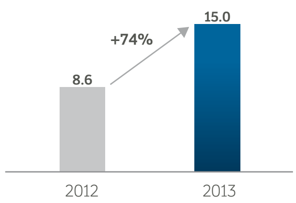
- Top quartile on customer satisfaction
- Quadrupling energy savings among Danish customers
- Among the best in Europe in terms of handling energy exposures

Improved earnings and strengthened capital base

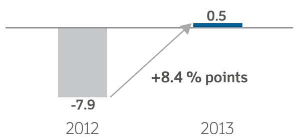
- EBITDA was DKK 15.0 billion in 2013 compared with DKK 8.6 billion in 2012, exceeding the latest EBITDA outlook of DKK 13.5-14.5 billion. The increase on 2012 reflected higher earnings from the wind activities, a higher ownership interest in the Ormen Lange gas field, and cost reductions. Furthermore, EBITDA in 2012 was adversely affected by provisions for onerous contracts.
- The result after tax was a loss of DKK 1.0 billion compared with a loss of DKK 4.0 billion in 2012. The improvement reflected the higher EBITDA, although the result was still affected by major impairment losses, which amounted to DKK 5.0 billion in 2013.
- Operating cash inflow increased to DKK 9.7 billion from DKK 7.9 billion in 2012. The improvement primarily reflected the improved operating profit.
- Gross investments amounted to DKK 21.2 billion and related primarily to offshore wind activities and oil and gas fields. Net investments were DKK 5.9 billion compared with DKK 13.4 billion in 2012. Divestments totalling DKK 15.3 billion were made in 2013.
- Interest-bearing net debt decreased by DKK 6.2 billion in 2013, to DKK 25.8 billion, and was 2.2 times EBITDA at the end of the year – a marked improvement on 4.0 at the end of 2012.
- At the end of 2013, the key rating ratios did not meet Standard & Poor's and Moody's criteria for a continued BBB+/Baa1 rating. If the DKK 13 billion equity injection had been completed in 2013, the criteria for the rating ratios would have been met for 2013.
- ROCE was 0.5% compared with -7.9% in 2012.

Read more on page 22

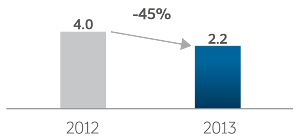
EBITDA, DKK billion



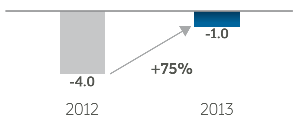
ROCE, %



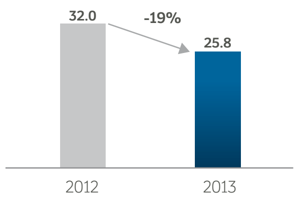
Adjusted net debt/EBITDA, times



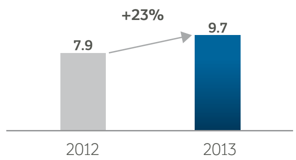
Profit (loss) after tax, DKK billion



Interest-bearing net debt, DKK billion



Cash flows from operating activities, DKK billion



PERFORMANCE HIGHLIGHTS			2013	2012	2011
Revenue	DKK million	▲	73,105	67,179	56,717
EBITDA	DKK million	▲	15,004	8,639	13,743
Profit (loss) for the year	DKK million	▲	(993)	(4,021)	2,882
Cash flows from operating activities	DKK million	▲	9,729	7,891	12,396
Net investments	DKK million	▲	(5,902)	(13,350)	(12,659)
Gross investments	DKK million	▲	(21,234)	(17,660)	(17,907)
Interest-bearing net debt	DKK million	▲	25,803	31,968	23,179
Adjusted net debt[1] / EBITDA	times	▲	2.2	4.0	1.8
FFO / adjusted net debt[1]	%	▲	23.1	7.8	31.4
Return on capital employed (ROCE)	%	▲	0.5	(7.9)	6.3
CO_2 emissions per energy unit generated	g/kWh	▼	445	443	486
Lost time injury frequency (LTIF)	per one million hours worked	▲	3.2	3.6	4.1
FTE	number	▲	6,496	7,000	6,098

[1] The two key ratios define adjusted net debt differently. See page 60.
All the Group's performance highlights are set out on page 20.

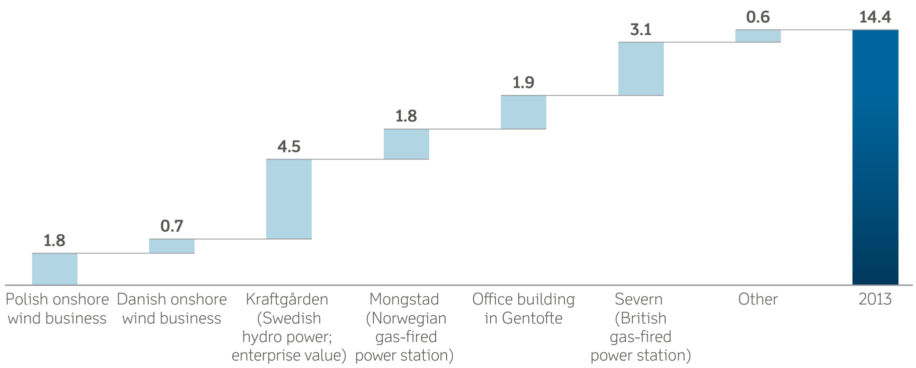
Progress of financial action plan

"We have completed the financial action plan we initiated in February 2013 to restore the financial platform for DONG Energy's continued growth. Divestments and the injection of equity have jointly boosted DONG Energy's capital base by DKK 33 billion over the past year."

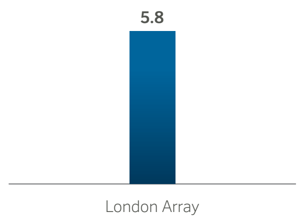
Henrik Poulsen, CEO

Read more on page 8

Divestment of non-core activities, DKK billion

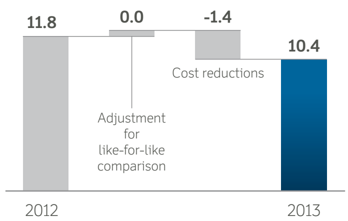


Reduction of ownership interests in core activities (2014), DKK billion



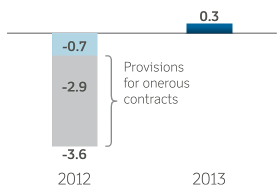
Cost reductions

Fixed costs, DKK billion

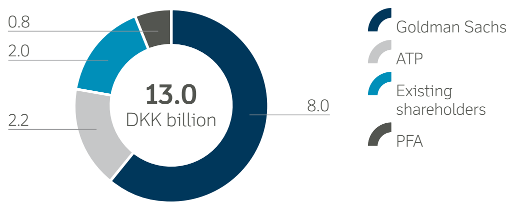


Restructuring of gas business

Energy Markets' EBITDA performance, DKK billion



Injection of equity, DKK billion



OUTLOOK	GUIDANCE FOR **2014**	GUIDANCE ANNOUNCED IN **2013**		
	5 February	**27 February**	**6 June**[1]	**23 October**[2]
EBITDA	DKK 15-17bn	DKK 11.5-12.5bn	DKK 13-14bn	DKK 13.5-14.5bn
Net investments	~ DKK 30bn (2014-2015)	DKK 25-30bn (2013-2014)	~DKK 30bn (2013-2014)	~DKK 30bn (2013-2014)
Adjusted net debt / EBITDA		~2.5 times (2014)	~2.5 times (2014)	<2.5 times (2014)
FFO / adjusted net debt	~25%			

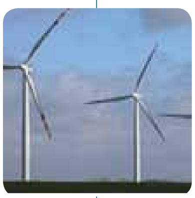
Read more on page 32

[1] DONG Energy's ownership interest in the Ormen Lange gas field increases.
[2] Results for the first nine months of the year outperform outlook.

Selected events 2013

JANUARY

30 January
Decision to build the Westermost Rough offshore wind farm in the UK

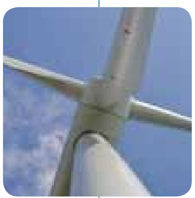
19 February


Divestment of onshore wind business in Poland

8 April


Agreement on biomass-based heat to the Greater Copenhagen area

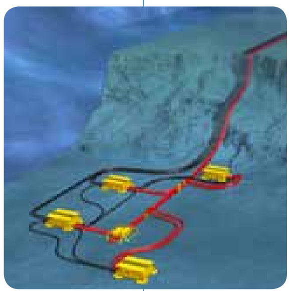
11 April
Agreements with Siemens on 6 MW offshore wind turbines for German projects



30 April


Two business units merge to form Customers & Markets

6 June
DONG Energy's stake in the Norwegian Ormen Lange gas field increases (from 1 July)



19 June and 2 July


Exchange of hybrid capital and new issuances

25 June
Divestment of onshore wind business in Denmark

27 June


Divestment of hydro power company in Sweden

JUNE

4 July
Divestment of the Mongstad power station in Norway

18 November
Decision to build the offshore wind farms Gode Wind 1 and 2 in Germany

10 December
Divestment of the Severn power station in the UK

4 September
Inauguration of Denmark's largest offshore wind farm, Anholt

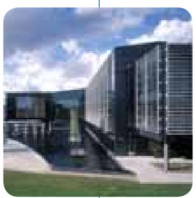
29 November
First oil produced from the phase 3 development of the Danish North Sea field Syd Arne

JULY

DECEMBER

12 July
Divestment of ownership interest in Stadtwerke Lübeck

3 October
Appointment of new CFO Marianne Wiinholt and departure of Carsten Krogsgaard Thomsen

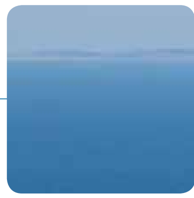


20 November
Office premises in Gentofte sold under sale-and-leaseback agreement

29 November
Agreement on DKK 11 billion capital injection signed with Goldman Sachs, ATP and PFA

4 July
Inauguration of the world's largest offshore wind farm, London Array in the UK

12 December
Acquisition of the UK offshore wind development project Race Bank



A complete list of company announcements can be found on page 128.

DONG Energy is on the right track

The development in DONG Energy's financial statements for 2013 was satisfactory, with a marked improvement in operating profit (EBITDA) to DKK 15 billion. With the divestment of non-core activities exceeding DKK 14 billion and the expected DKK 13 billion capital injection from new investors and minority shareholders in February 2014, the financial platform has been significantly strengthened at the same time.

The increase in EBITDA is mainly due to the fact that the results of the company's focused investment in offshore wind are now filtering through. The offshore wind farms London Array in the UK and Anholt in Denmark have been inaugurated, almost doubling earnings from Wind Power from 2012 to 2013. The higher ownership interest in the Ormen Lange gas field from July 2013 also benefited the company's EBITDA and gas reserves. Oil and gas production increased from 28.5 million boe in 2012 to 31.7 million boe in 2013.

Due to impairment losses on assets, including primarily oil and gas fields and gas-fired power stations, the result after tax was a loss. The Group has made extensive provisions and impairment charges on contracts and assets in recent years. This is, of course, unsatisfactory, and it is therefore a specific target for the coming years to reduce these effects significantly in order to raise net profit.

Despite its highest ever investment level in 2013, DKK 21 billion, DONG Energy succeeded in reducing its net debt due to an improved operating cash inflow and divestments.

The rating agencies have tightened their view of the utility sector in the last few years. This has led to stricter criteria concerning the ratios for a BBB+/Baa1 rating. With the financial action plan well underway and the prospect of the equity injection in early 2014, DONG Energy maintained its ratings in 2013, even though the key rating ratios did not meet Standard & Poor's and Moody's revised criteria for a continued BBB+/Baa1 rating. If the equity injection had been completed in 2013, the criteria for the rating ratios would have been met.

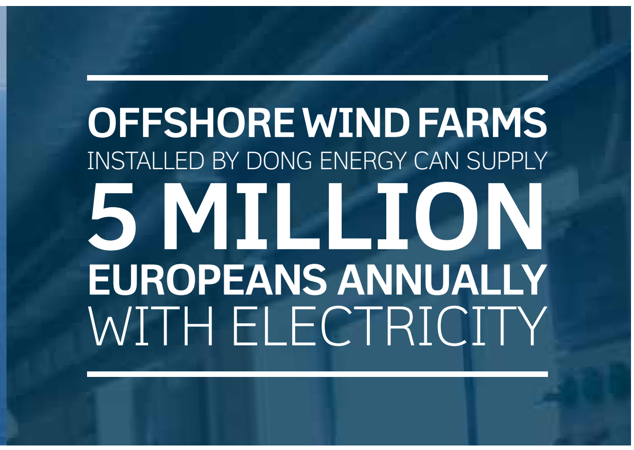
Progress of financial action plan

At the end of January 2014, we had completed the financial action plan we initiated in February 2013 to restore the financial platform for DONG Energy's continued growth. The action plan contained five points:

> We have completed the financial action plan we initiated in February 2013 to restore the financial platform for DONG Energy's continued growth.

- Divestment of non-core activities for DKK 10 billion
- Reduction of ownership interests in core activities
- Cost reductions of DKK 1.2 billion with full effect in 2013
- Restructuring of the loss-making gas business
- Injection of additional equity of at least DKK 6-8 billion

In 2013, DONG Energy divested non-core activities for DKK 14.4 billion. The divestments include the Swedish hydro power company Kraftgården, the Danish and Polish onshore wind businesses, the



DONG ENERGY'S **OIL AND GAS** PRODUCTION IN 2013 CORRESPONDS TO **2.2 MILLION EUROPEANS'** ANNUAL CONSUMPTION

UK gas-fired power station Severn, the Norwegian gas-fired power station Mongstad, and the office building in Gentofte.

In January 2014, we have sold 50% of our stake in the London Array offshore wind farm for DKK 5.8 billion, and it is still our strategy to enter into agreements with industrial and financial partners for our offshore wind farms in order to capture part of the value created, spread risk in our portfolio and raise capital for new investments in offshore wind.

DONG Energy realised cost reductions of DKK 1.4 billion in 2013, measured on a like-for-like basis. This means that we have also met the target in our financial action plan on this point. The reductions were achieved across a number of external cost categories and by streamlining internal processes, enabling the reduction of around 1,000 jobs.

The former Energy Markets business unit suffered substantial losses in 2012, mainly due to onerous contracts for gas storage facilities and LNG capacity as well as an adverse price trend on its portfolio of gas contracts. In order to restore profitability, we have reduced both fixed and variable costs and renegotiated a number of gas contracts. These steps have been instrumental in turning the business unit's loss in 2012 into a profit in 2013.

The final agreement on the injection of equity of DKK 11 billion by three new investors, Goldman Sachs, ATP and PFA, was signed on 29 November 2013 and is expected to be closed in February 2014. The new investors will subscribe shares for DKK 8 billion, DKK 2.2 billion and DKK 0.8 billion respectively and their ownership interests will be 18%, 5% and 2% respectively. Goldman Sachs and ATP will be represented on DONG Energy's Board of Directors. At the same time, four out of five existing minority shareholders have elected to inject equity of DKK 2 billion. Their combined stake will be reduced from 19% to 18%. The Danish State's ownership interest in DONG Energy A/S will be reduced from 81% to 57% as a result of the agreement.

Divestments and the injection of equity have jointly boosted DONG Energy's capital base by DKK 33 billion over the past year.

On completion of the equity injection, the financial action plan can be considered to have been accomplished and the Group will have restored the financial platform for the realisation of its growth strategy.

Profitability must be further enhanced

DONG Energy's earnings and return on capital employed must be improved further in the coming years. The objective for 2016 is to increase the return on capital employed (ROCE) to 10%. Adjusted for non-recurring factors, ROCE improved to 6.8% in 2013 from -0.9% in 2012. In 2016, the target is to deliver EBITDA of around DKK 20 billion.

Profitable growth potential

DONG Energy maintains its focus on implementing its 2020 strategy, which is to realise the potential for growth and value creation in the Group. In 2013, this led to the Group's highest ever investment level, DKK 21 billion. The four business units each have their role to play, along with a handful of clear priorities.

Wind Power

DONG Energy is a market leader in offshore wind and aims to maintain its global leadership position by:

- expanding current installed capacity to 6.5 GW in 2020;
- maturing a strong pipeline of new wind projects;
- improving the efficiency of and standardising operation of offshore wind farms;
- reducing Cost of Electricity via industrialisation of the value chain and technological development;
- further developing industrial and financial partnerships.

Wind Power almost doubled its earnings in 2013 as a result of the two large wind farms London Array and Anholt becoming operational. Four wind farms are at the design stage or under construction – two in the UK and two in Germany. These are scheduled for completion in 2014-2016. Wind Power also has an exciting pipeline of projects in the business unit's core markets in the UK, Germany and Denmark in the period up to 2020.

Exploration & Production

DONG Energy is engaged in oil and gas exploration and production in Denmark, Norway and the UK, and aims to further develop a regional position of strength by:

- increasing oil and gas production to 150,000 boe/day in 2020;
- optimising production at existing fields, partly via satellite development;
- developing the fields Laggan-Tormore (UK) and Hejre (Denmark);
- completing the repair work to the Siri platform and resuming production in the Siri area;
- investing in further development activities and focused exploration activities.

DONG Energy's increased stake in the Ormen Lange gas field contributed to Exploration & Production yet again making a substantial contribution to the Group's overall earnings. Production increased from 78,000 boe/day in 2012 to 87,000 boe/day in 2013. The business unit has a strong focus on the repair work to the Siri platform, the development of the two large projects Laggan-Tormore and Hejre, and securing the long-term pipeline through exploration activities.

Thermal Power
DONG Energy operates thermal power stations in Denmark and the Netherlands, and the aim is to align to the market development by:
- contributing a reliable, positive operating cash flow;
- expanding its position as one of Europe's most efficient power station businesses;
- converting Danish power stations to a biomass share of at least 50%;
- providing flexible back-up capacity to the Danish energy system;
- commercialising new, innovative biotechnologies such as Inbicon, REnescience and Pyroneer.

Despite difficult market conditions, Thermal Power made a robust contribution to the company's EBITDA in 2013. The business unit is focusing on improving production efficiency while at the same time maintaining its leadership position by converting an increasingly large proportion of production from fossil fuels to sustainable biomass.

Customers & Markets
DONG Energy is one of Denmark's largest players in sale and distribution of electricity and gas and also has trading and sales activities in the UK, Germany and Sweden. The aim is to strengthen the market position by:
- enhancing customers' product and service experience;
- maintaining high security of supply and developing a smart distribution network;
- increasing sales of energy solutions and climate partnerships;
- optimising DONG Energy's energy flows and mitigating market risks;
- improving earnings from wholesale electricity and gas trading.

Customers & Markets is developing as planned, and last year's DKK 1.5 billion loss, primarily reflecting the contract losses referred to earlier, was turned around to a DKK 2.3 billion profit in 2013. This business unit focuses especially on strengthening the customer and product platform and earnings in a highly competitive market.

Safety and job satisfaction are vital
Safety is a top priority at DONG Energy. We continue to focus strongly on ensuring that management, employees and suppliers jointly contribute to a safe working environment. In 2013, the lost time injury frequency (LTIF) was brought down to 3.2 from 3.6 in 2012, meeting the target for the year. In 2014, LTIF must be reduced further to no more than 2.9. We therefore continue to make a concerted effort to reduce the number of injuries. DONG Energy must be a safe workplace.

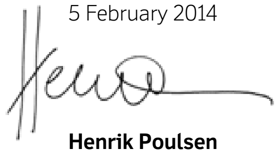
At the same time, we need to ensure a high level of job satisfaction among our employees to enable us to continue to attract and retain the best employees. One of the ways in which we are doing this is by investing in targeted employee and talent development programmes that underpin the employees' professional and personal development.

Contributes to the transformation of the energy system
DONG Energy's performance and financial strength are on the right track and at the same time we are making the transformation to more renewable energy and lower CO_2 emissions. We are convinced that we can generate growth and financial value, point the way to significantly lower CO_2 emissions and enhance our competitiveness.

With our strategic focus on offshore wind farms, intelligent energy solutions for our customers and reduction of our coal consumption, DONG Energy is making a marked contribution to the green transformation of society's electricity and heat generation. Our target is to reduce our CO_2 emissions from electricity and heat generation by 60% in 2020 compared with our emissions in 2006.

Leading the energy transformation
DONG Energy's vision is to lead the energy transformation. We want to build ever-stronger market positions based on innovative, diverse capabilities, and to create value for our investors. With a focused strategy, a robust capital base and competent and dedicated employees we are well on the way.

5 February 2014



Henrik Poulsen
CEO

Strategic targets	Results		Targets	
	2012	2013	2016	2020
ROCE	(7.9%)	0.5%	> 10%	> 12%
EBITDA	DKK 8.6 bn	DKK 15.0 bn	DKK ~20 bn	
FFO / adjusted net debt	7.8%	23.1%	~25%	~30%
Rating	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1
CO_2 emissions	443 g/kWh	445 g/kWh	350 g/kWh	260 g/kWh
Lost time injury frequency (LTIF)	3.6	3.2	≤ 2.5	< 1.5
Installed offshore wind capacity (gross installed)[1]	1.7 GW	2.1 GW	3.5 GW	6.5 GW
Offshore wind Cost of Electricity[2]	EUR ~160/MWh			EUR 100/MWh
Oil and gas production	78,000 boe/day	87,000 boe/day	130,000 boe/day	150,000 boe/day
Oil and gas reserves / annual production (R/P ratio)	16	15	≥ 10	≥ 10
Biomass share in Danish CHP generation	21%	18%	> 40%	> 50%
Customer satisfaction for residential customers and business customers in Denmark (1-100)	64 and 72	64 and 75	70 and 75	75 and 75
Energy savings among Danish customers[3]	1.6 TWh	2.0 TWh	3.7 TWh	5.9 TWh

[1] DONG Energy owns 1.4 GW of the capacity of 2.1 GW at 31/12 2013.
[2] Cost to society based on projects in the UK where final investment decision will be made in 2020.
[3] Cumulative first-year effect of energy savings since 2006.

Leading the energy transformation

> Through the transformation to more renewable energy, DONG Energy is renewing society's energy supply, contributing to a cleaner and healthier society and generating economic value.

Renewing society's energy supply, creating a cleaner energy supply and ensuring competitive energy costs for consumers and businesses: these are three of the major challenges facing our society and the energy industry, and DONG Energy wishes to contribute actively to finding solutions. Our vision is to lead the essential transformation to the energy system of the future. At the same time, we as a company must provide a safe and stimulating working environment for our employees and run a business with a high level of integrity.

The essential energy transformation

Energy is often taken for granted in everyday life. Private individuals and businesses expect electricity from power outlets, gas for gas boilers and petrol for vehicles when they need it. That is how it should be.

Europe's energy companies play an important part in supplying society with energy at all times. It is also their job to invest in new electricity generating plants to ensure that the energy system will be continually renewed at the same rate as old power stations come to the end of their technical lives. The same applies to the development of new oil and gas fields which, for many years to come, will supply the essential commodities to keep the wheels of modern society turning. Irrespective of where the investment is made, there is a pressing need to create a cleaner energy supply and constantly reduce the impact of energy production on the environment and CO_2 levels. The long-term goal is to transform the energy system to more renewable energy and make the use of energy more efficient. This transformation must be financially sound and provide energy at a reasonable price.

DONG Energy's contribution

DONG Energy is one of Northern Europe's leading energy groups. As a large energy company, much is also expected of us in terms of our contribution to finding solutions for the energy challenges facing society. DONG Energy is responsive to this.

DONG Energy's vision is to lead the energy transformation and thus contribute concrete solutions in the ongoing renewal of the energy supply in an increasingly environmentally-friendly way. In order to do this, DONG Energy will use its core expertise in such fields as wind energy, the use of biomass at power stations, oil and gas production, operating efficient distribution networks that guarantee customers security of supply, as well as energy efficient solutions. At the same time DONG Energy must be a safe workplace with a high degree of job satisfaction, and the business must be run with integrity. DONG Energy summarises this in five challenges:

- **Energy for society:** How do we continuously renew the energy supply so that it moves in a still more sustainable direction, and so that companies and individuals will continue to have access to abundant and reliable energy supplies?
- **Competitive energy:** How do we provide energy at competitive prices and contribute to the creation of growth and jobs?
- **Clean energy:** How do we make the transformation to cleaner energy to create a cleaner and healthier society, limit climate change and care for the environment?
- **People matter:** How do we promote safety, the right skills and stimulating working conditions in a high-tech industry that is characterised by powerful natural forces and constant change?
- **Business integrity:** How do we ensure that we are running our business with a high level of integrity and in dialogue with our customers and other stakeholders?

DONG Energy's responses to the five challenges are set out in our 2020 strategy. In 2013, DONG Energy carried out and launched a large number of activities with a view to achieving the targets in this strategy.

Read more on pages 12-19

Responsibility at DONG Energy

DONG Energy's Board of Directors has adopted a responsibility policy that applies to the whole Group and for which the Group Executive Management has ultimate responsibility. The policy is based on the UN Global Compact and commits DONG Energy to deliver continuous performance improvement in the four issue areas: climate and environment, human rights, labour rights, and anti-corruption.

The responsibility policy also sets out four principles that govern DONG Energy's work on responsibility: stakeholder engagement, materiality, action and transparency. The principles shape how DONG Energy works with corporate responsibility in practice. Through systematic dialogue with its stakeholders, DONG Energy identifies the areas in which the Group can make a particular contribution to the solution of crucial corporate responsibility challenges. This feeds into the Group's strategy and work on responsibility.

Pages 12-19 set out the specific targets in DONG Energy's 2020 strategy. The targets help to address the five corporate responsibility challenges that DONG Energy has identified through its stakeholder dialogue in line with the Group's responsibility policy. The pages describe how DONG Energy worked on these targets in 2013, the actions taken and the year's results at 31 December 2013. These pages consequently constitute DONG Energy's CSR report, see section 99(a)-(b) of the Danish Financial Statements Act. Read more about corporate responsibility at DONG Energy at dongenergy.com/EN/responsibility and in DONG Energy's CSR report 2013 at dongenergy.com/responsibility2013.

Developing offshore wind

Offshore wind farms installed by DONG Energy can supply 5 million Europeans annually with electricity

Increased oil and gas production

DONG Energy's oil and gas production corresponds to 2.2 million Europeans' annual consumption

Energy for society

How do we continuously renew the energy supply?

Read more on page 13

Clean energy

How do we make the transformation to more clean energy?

Read more on page 17

Biomass for energy

DONG Energy's generation of biomass-based electricity and heat corresponds to the annual consumption of 380,000 Danish households

Reduced climate impact

The difference between DONG Energy's CO_2 emissions in 2006 and 2013 corresponds to the CO_2 emitted by 4 million cars in one year

Improved energy efficiency

The energy savings realised by DONG Energy's Danish customers correspond to the annual electricity and heat consumption of 188,000 Danes

Competitive wind

In 2013, DONG Energy set itself the target to reduce the cost of electricity generation from offshore wind by 35-40% by 2020

Competitive energy

How do we provide energy at competitive prices and contribute to the creation of growth and jobs?

Read more on page 15

Fewer occupational injuries

The lost time injury frequency per one million hours worked has fallen from 7.5 in 2008 to 3.2 in 2013

People matter

How do we promote safety, the right skills and stimulating working conditions?

Read more on page 18

Business integrity

How do we ensure that we operate our business with high integrity?

Read more on page 19

Preventing fraud and corruption

96% of employees have completed the course on good business conduct

Energy for society

How do we continuously renew the energy supply so that it moves in a still more sustainable direction, and so that companies and individuals will continue to have access to abundant and reliable energy supplies?

It is a basic principle in the world of energy that old energy installations that have come to the end of their technical lives must be continuously replaced with new ones. Between now and 2035, the EU will have to replace and build what corresponds to more than 80% of current electricity capacity in order to be able to continue to provide a reliable electricity supply. For the countries of Europe it is an important political goal that the essential renewal of the energy system should be achieved mainly through renewable energy. This will make Europe's energy supply cleaner, reduce the need to import energy and reduce CO_2 emissions.

At the same time, oil and gas will constitute an important part of the energy supply for many years to come, and it is expected that oil and gas will make up 53% of EU energy consumption in 2035. However, production of oil and gas in the EU is falling, while imports are rising year by year. This means that Europe will become increasingly dependent on imports and fluctuating global energy prices in order to provide the necessary energy. If we are to avoid too great an increase in imports, we will have to continue to find new reserves that can become the production of the future.

DONG Energy's investment strategy in the period up to 2020 is based on the need to both continuously renew the energy system by expanding renewable energy and to tap into European oil and gas reserves. In the period up to 2020, 90% of the Group's investments will go to these two areas.

Developing offshore wind

DONG Energy is a global market leader in the development, construction and operation of offshore wind farms. The market share of installed offshore wind power in Europe is 35%. Continued growth is a key element of the Group's strategy, and the Group has a target of 6.5 GW of installed offshore wind capacity by 2020. At the end of 2013, installed capacity was 2.1 GW, of which 1.4 GW was owned by the Group. The wind farms Anholt in Denmark and London Array and Lincs in the UK were inaugurated in the third quarter of 2013 and are now fully operational. In total the wind farms can jointly supply 3 million Europeans with renewable energy. Overall, the offshore wind capacity installed by DONG Energy can supply 5 million Europeans with electricity.

DONG Energy currently has four offshore wind projects under development. Of these, West of Duddon Sands in the UK and Borkum Riffgrund 1 in Germany are at the most advanced stage. The first of 108 turbines in West of Duddon Sands was installed in September, and the wind farm generated first power in January 2014. The 389 MW wind farm is scheduled to be fully operational in the second half of 2014 and is owned in a 50/50 joint venture with ScottishPower Renewables.

The first important milestone on the construction of Borkum Riffgrund 1 was reached in August with the installation of the offshore transformer station. Installation of the foundations will commence in early 2014. When fully operational in 2015, the wind farm will consist of 77 turbines of 3.6 MW each, totalling 277 MW. DONG Energy has a 50% stake in the wind farm.

Construction of the Group's ninth UK offshore wind farm, Westermost Rough, will begin in the first half of 2014. The wind farm will have a capacity of 210 MW and will be the first commercial project on which DONG Energy will be using Siemens' 6.0 MW turbines. DONG Energy owns 100% of Westermost Rough, which is expected to be fully operational in the first half of 2015.

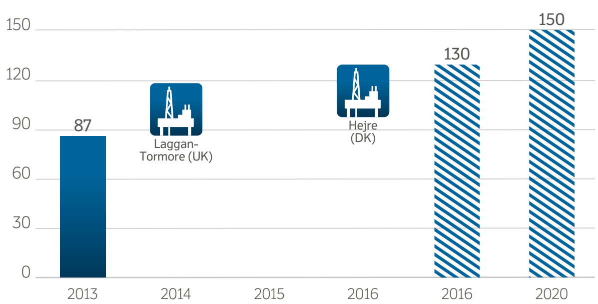
In November 2013, a decision was made to construct the German offshore wind farms Gode Wind 1 and 2 with a total installed capacity of 582 MW. These wind farms are also 100%-owned by DONG Energy and are expected to be fully operational in the second half of 2016.

Increased oil and gas production and reserves replacement

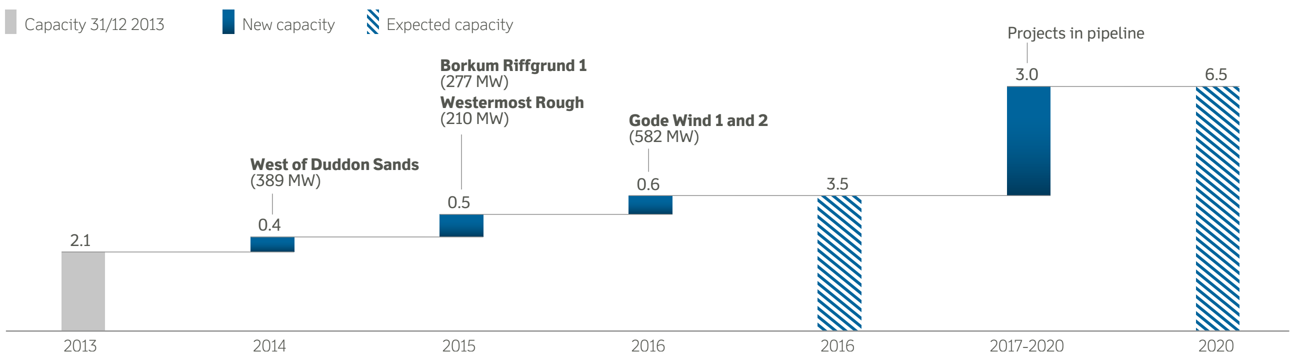
DONG Energy aims to double its daily production of oil and gas from 78,000 boe in 2012 to 150,000 boe in 2020. With the large development projects Hejre and Laggan-Tormore, along with more than 40 exploration licences in North West Europe, which still has significant potential for new discoveries, DONG Energy is well positioned for this growth. DONG Energy also aims to maintain an R/P ratio of at least 10, i.e. reserves equivalent to ten years' production. At the end of 2013, DONG Energy's oil and gas reserves (2P) totalled 471 million boe, equivalent to 15 years' production.

At the end of 2013, DONG Energy had shares in 13 producing fields in Norway and Denmark. As of 1 July, DONG Energy's ownership interest in the Ormen Lange gas field increased from 10.3% to

Expected development in oil and gas production, 1,000 boe/day



Expected development in installed offshore wind capacity, GW



Installed capacity is shown gross, i.e. before any divestments. Named wind farms are farms for which investment decisions had been made at 31/12 2013. Wind farms constructed over several years are only shown in the year in which they become fully operational.

14.0% as a result of a redetermination of the distribution of ownership interests in the field. DONG Energy's daily production consequently reached the milestone 100,000 boe in July. Average daily production for the year increased by 11% to 87,000 boe compared with 2012. The target is 130,000 boe/day by 2016, and three new fields will make this possible. The Danish field Syd Arne produced first oil from the phase 3 development in November 2013. First production from the Laggan-Tormore gas fields in the UK West of Shetland area is expected in the second half of 2014. Production start-up from the Hejre field in the Danish sector of the North Sea is expected in 2016. Delays in the design and construction of the platform mean that start-up has been postponed from the end of 2015 to 2016.

DONG Energy made a discovery in the Solsort licence in the Danish sector of the North Sea in 2010. Further wells were drilled in autumn 2013 and the results are still being evaluated.

Exploration activities in 2013 led to another two discoveries, Trym Syd in the Norwegian sector of the North Sea and Cragganmore in the West of Shetland area. DONG Energy and its partners in the two licences are in the process of analysing the data acquired in order to assess the commercial viability of the fields.

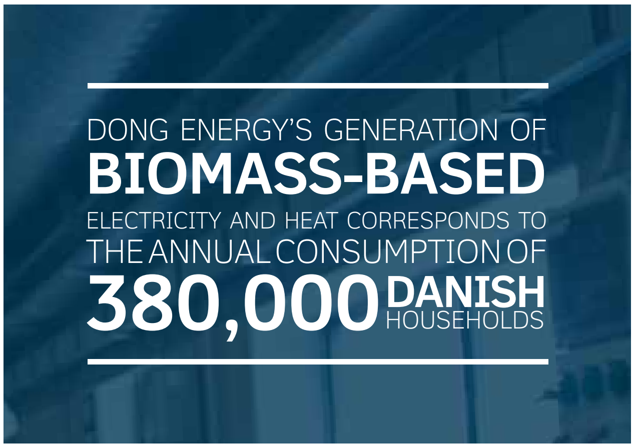
Flexible, efficient and green supply from power stations

In Denmark, DONG Energy generates electricity and heat from nine central power stations that represent just under half of Denmark's thermal generation capacity. The electricity generated is primarily sold on the Nordic Nord Pool power exchange, and the heat generated is sold to a number of regional Danish heat customers.

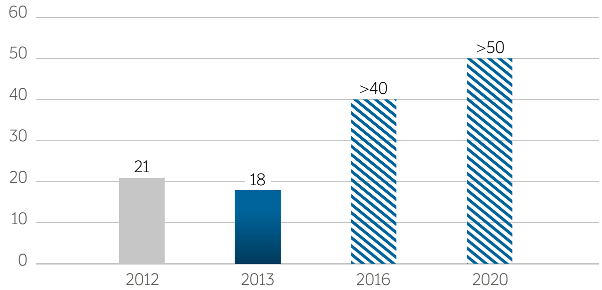
DONG Energy's strategy for its power stations is that they must support and enable the rapid expansion of renewable energy through flexible and efficient operation. In addition, in the period up to 2020, DONG Energy will work on converting at least 50% of its Danish capacity from fossil fuels to sustainable biomass such as wood pellets and wood chips in order to reduce CO_2 emissions from its generation.

Increased flexibility at power stations will increase the potential to quickly ramp generation up or down depending on the possibilities for producing renewable energy, i.e. whether the wind is blowing or the sun shining. Through its increased experience in enhancing power station flexibility, optimising operations and making various technical adjustments, DONG Energy has improved its capability to cut back electricity generation while continuing to supply heat and has also cut the time it takes to ramp electricity and heat generation up or down.

Biomass is a renewable, cost-effective resource with a large untapped potential in the European transformation of energy supply. DONG Energy wants to convert its thermal generation from coal to sustainable biomass. Read about DONG Energy's work on criteria for sustainable biomass on page 17. The conversions meet customer demand for green electricity and heat and help to ensure that DONG Energy will be able to maintain a leadership position in the use of biomass for energy. DONG Energy already uses biomass at a number of its plants, including Herning power station and Unit 2 of Avedøre power station. In 2013, 18% of DONG Energy's generation was biomass-based. Production corresponds to the annual electricity and heat consumption of 380,000 Danish households.



Biomass in electricity and heat generation at thermal power stations in Denmark, %



Continued reliable electricity supply to the customers

870,000 customers in Denmark receive their electricity via DONG Energy's electricity network, which covers North Zealand and Greater Copenhagen. Our ambition is that, on average, customers should be left without electricity supply for no more than 35 minutes per year, and the Group is making ongoing investments to ensure a high security of supply. This will result in reliable energy for both residential and business customers. In 2013, the average was 30 minutes.

Two large projects for replacing overhead lines with underground cables are underway, and these will help to maintain a high security of supply. In 2014, DONG Energy expects to complete the replacement of 4,000 km of low-voltage lines with underground cables, a project that began in 2003. The value of this investment was highlighted during the storm in October 2013, when significantly fewer customers were left without power than during the storms of 1999 and 2005.

In 2013, DONG Energy also began replacing overhead lines in the 50 kV network with underground cables. When this project is completed, the Group's entire electricity network will have been converted to underground cabling. With a total investment of just under DKK 500 million over the next six-seven years, this project is one of Customers & Markets' major infrastructure projects. It will fulfil a political request, please customers by improving security of supply, and has the aesthetic advantage that the overhead lines will disappear from many areas of natural beauty.

Energy for society – Results and targets

	Results		Targets	
Focus area	2012	**2013**	2016	2020
Development of offshore wind[1]	1.7 GW	2.1 GW	3.5 GW	6.5 GW
Increased oil and gas production	78,000 boe/day	87,000 boe/day	130,000 boe/day	150,000 boe/day
Oil and gas reserves / annual production (R/P ratio)	16	15	≥ 10	≥ 10
Biomass share in Danish CHP generation	21%	18%	> 40%	> 50%

[1] Installed capacity (before divestments). DONG Energy owns 1.4 GW of the capacity of 2.1 GW at 31/12 2013.

Competitive energy

How do we provide energy at competitive prices and contribute to the creation of growth and jobs?

DONG Energy wants to help its customers to save energy through improved energy efficiency. At the same time the Group aims to ensure cost-effective energy production. One important target is to bring down the cost of offshore wind so that, with time, the technology will no longer need subsidies.

The billion-kroner investments that DONG Energy intends to make in the renewal of the energy system in the period up to 2020 will also contribute to the continued technological development of the energy system and create economic activity, not least in the local communities where the investments are being made.

Wind energy must be competitive

The fact that offshore wind energy is still more costly than energy based on conventional technologies is a pressing challenge. To make wind energy competitive in the longer term, it is crucial that the cost is brought down.

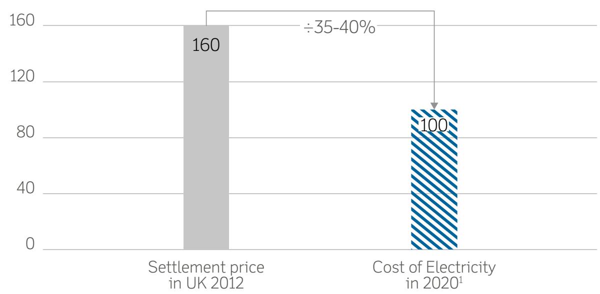
DONG Energy has an ambitious target to reduce costs from a level of EUR 160/MWh in 2012 to EUR 100/MWh for projects given the go-ahead in 2020. It is expected that the EUR 100/MWh cost, coupled with pricing of CO_2 emissions in Europe based on the real cost to society, will make offshore wind competitive compared with conventional energy technologies.

In 2013, DONG Energy introduced Siemens' 6.0 MW wind turbine on its Gunfleet Sands 3 test project and has also decided to use this turbine type on Westermost Rough and Gode Wind 1 and 2. The introduction of a larger turbine will reduce the cost per energy unit. However, more technological advances will be necessary to deliver the required cost cuts, as more than two-thirds of costs in the lifetime of a wind farm are incurred during the construction phase. DONG Energy has decided, among other things, to test a prototype for a new foundation from the E&P industry that is more suitable for 6-8 MW wind turbines and water depths of up to 60 metres. The prototype is expected to be tested on Borkum Riffgrund in the coming years.

Existing wind farms have been built based on the specific location, with few standardised elements. The objective of the 2020 strategy is to make considerable savings by streamlining the development and construction of new wind farms. Like more mature industries, DONG Energy will standardise the size and components in wind farms in future and, as far as possible, utilise synergies comprising its entire portfolio when designing and constructing wind farms and optimising and developing its supplier base. DONG Energy will also optimise the choice of future projects to ensure that locations are more compatible with standardised solutions. All these measures are designed to reduce the cost of offshore wind, and increased standardisation is also expected to improve safety and quality in the installation and operation of future wind farms.

One challenge to the reduction of costs is the fact that, in future, wind farms will have to be installed in locations further from

Electricity generated from offshore wind, EUR/MWh



[1] Cost to society based on projects in the UK where final investment decision will be made in 2020.

the coast and in greater water depths than previously. This will entail more cost-intensive elements such as larger, more sophisticated foundations and longer cables.

Improved energy efficiency for customers

DONG Energy aims to quadruple energy savings by the Group's Danish customers between 2012 and 2020 from 1.6 TWh to 5.9 TWh in cumulative savings since 2006. This will be achieved through climate partnerships, the sale of advisory services to companies and initiatives to extend the opportunities for grants under the Danish Energy Agency's Energy Saving Scheme. Altogether, DONG Energy's customers had made cumulative savings of 2.0 TWh at the end of 2013. This corresponds to the annual electricity and heat consumption of 188,000 Danes.

Through long-term climate partnerships DONG Energy advises its business customers on how they can reduce their energy consumption. In addition to being an effective way to reduce CO_2 emissions, this can result in considerable savings on their electricity bills. This helps to enable large energy concuming companies to remain competitive. One example is Novo Nordisk, which has realised increasing savings through its climate partnership with DONG Energy. The annual savings at Novo Nordisk's Danish factories thus reached DKK 50 million in 2013. For DONG Energy the partnerships mean building stronger relationships with large, important business customers. Read more about how DONG Energy's climate partnerships also contribute to CO_2 savings on page 17.

What the companies receiving advisory services have in common is that energy-saving projects have proved to be a quick, low-risk method of realising cost savings. In addition, customers have found that help from DONG Energy's advisors has accelerated the work of energy saving, whether identifying opportunities for making savings, developing projects that are ripe for investment or implementing savings in customers' buildings or production plants. In 2013, particularly Novozymes, Haldor Topsøe, Chr. Hansen, the University of Copenhagen and Aalborg Portland have made great savings and thus helped DONG Energy to achieve its target.

Competitive energy – Results and targets

	Results		Targets	
Focus area	2012	**2013**	2016	2020
Increasing energy savings among Danish customers[1]	1.6 TWh	2.0 TWh	3.7 TWh	5.9 TWh
Reducing offshore wind Cost of Electricity[2]	EUR ~160/MWh			EUR 100/MWh

[1] Cumulative first-year effect of energy savings since 2006.

[2] Cost to society based on projects in the UK where final investment decision will be made in 2020.

In 2013, we took a number of initiatives to meet the higher target for future energy savings set in 2012:

- setting up a web portal, where private individuals can apply for grants for energy-saving, a facility that is being extended so that it can also be used by small businesses;
- setting up partnerships with firms such as Brdr. Dahl, Dansk Energirådgivning and Kaeser Kompressorer to make the opportunities for grants under the Danish Energy Agency's Energy Saving Scheme available to a broader group of energy consumers;
- implementing tenders for energy savings of 90 GWh to provide an opportunity for electrical contractors, advisory engineers and other relevant players to tender for carrying out and documenting energy savings.

Investments generate economic activity

DONG Energy's investment strategy is based on the need to transform the energy system with renewable energy and develop Northern European oil and gas reserves for production. DONG Energy's net investments for the period 2014-2015 are expected to total around DKK 30 billion, the majority of which will be made in offshore wind and oil and gas activities. In 2013, DONG Energy invested DKK 9.5 billion in wind projects and DKK 9.6 billion in oil and gas activities. The investments centred on the UK, Denmark and Norway.

The investments represent part of the considerable need for investments in the Northern European energy sector. They also create much-needed local economic activity, especially during the construction phase. At the same time, they will boost DONG Energy's earnings as the activities come into operation.

Increasing return as assets come into operation

Very substantial amounts are invested during the construction phase, whereas earnings do not start until the assets come into operation. The Group's return on capital employed (ROCE) is thus adversely affected during the investment phase. However, the projects make a positive contribution to the return as the assets come into operation. The figures illustrate the cash flows during the lifetime of two specific projects.

Oil and gas production has been a core activity in DONG Energy for more than ten years, and the development of new assets has been constantly growing while earnings from assets in operation have risen. When the projects in the pipeline up to 2016 have become operational, the oil and gas activities are expected to be self-financing, and the ROCE target for the Exploration & Production business unit is 20%. In 2013, ROCE amounted to -3.1% (15% excl. impairment losses).

DONG Energy has been active in offshore wind for more than 20 years, while the rapid expansion with large offshore wind farms has only gained momentum in the past five years. The major investments and the fact that the business unit is still being built up, mean that assets in operation do not yet generate sufficient cash flows to finance the expansion of capacity. Loan finance is supplemented by agreements with industrial and financial partners that become co-owners of the wind farms. When the coming wind projects currently under construction become operational, the target is for ROCE in Wind Power to reach 6-8% in 2016, rising to 12-14% in 2020. In 2013, ROCE amounted to 4.6% (5.4% excl. impairment losses).

Social effects of investments in Anholt offshore wind farm

Anholt offshore wind farm, which was opened in 2013, is expected to be in operation for the next 24 years. The design and construction of the wind farm took four years and had a budget of DKK 10 billion, two-thirds of which was allocated to orders to Danish firms. Production will be settled at a fixed price for approximately half the wind farm's lifetime, after which it will be settled at market price.

8,000 jobs were created during the construction of the wind farm as a result of the involvement of a number of companies in the project. Through cooperation with Djurs Wind Power, a local network of 32 small companies in Djursland, the project also had a great effect on the local area. In connection with the construction, local companies secured contracts to a value of DKK 450 million, which translated into 330 jobs.

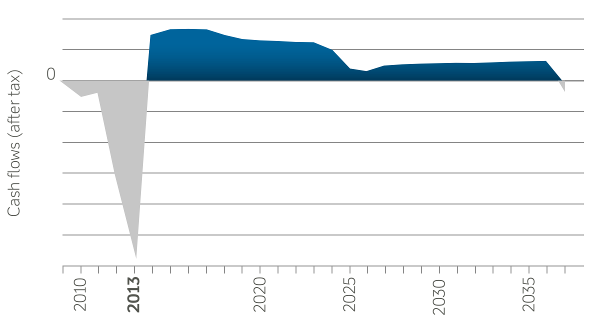
In connection with the commercial operation of the wind farm off Anholt, DONG Energy has set up operating facilities and offices at the port of Grenaa with jobs for 70 employees. In addition, three newly-built service vessels for the maintenance of the 111 wind turbines are stationed in the Port of Grenaa.

Social effects of investments in the Laggan-Tormore fields

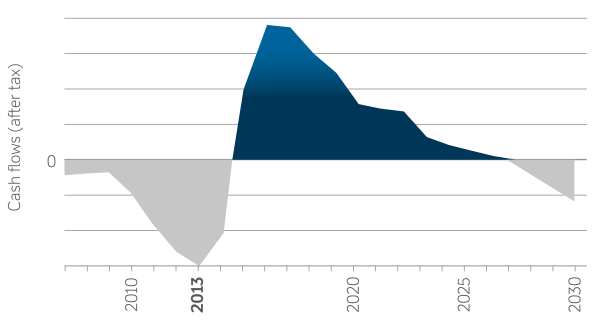
One of our most important projects in 2013 was the Laggan-Tormore gas fields. The fields are situated in the West of Shetland area, where DONG Energy is the leading exploration company. West of Shetland is expected to contain just under 20% of the UK's remaining oil and gas reserves.

The decision to expand Laggan-Tormore was taken in 2010, and the fields are expected to come onstream in 2014. In addition to the production installations, the expansion also includes a large gas treatment plant in Shetland and pipelines connecting the fields to the UK via Shetland. More than 1,400 people have worked on the construction site in Shetland, and the project has also created many jobs outside the area. The fields are expected to produce for 15 years and require around 80 employees to manage day-to-day operations. In addition, there are spin-off jobs with suppliers of maintenance services, etc.

Lifetime of Anholt offshore wind farm



Lifetime of the gas fields Laggan-Tormore



Clean energy

How do we make the transformation to cleaner energy to create a cleaner and healthier society, limit climate change and care for the environment?

It is a considerable challenge to create a cleaner, healthier society, in which CO_2 emissions, especially from the energy sector, and other environmental impacts are reduced. If Europe is to replace the majority of the capacity in the energy system over the next two decades, renewable energy will have to play a major part. DONG Energy will contribute to the reduction of CO_2 emissions by converting electricity and heat production so that it is based on renewable energy sources and by helping its customers to save energy and reduce their CO_2 emissions. In addition, the Group will endeavour to minimise the environmental impact of its activities.

85% less CO_2 from electricity and heat generation

EU has set a target to reduce emissions of greenhouse gases by 20% between 1990 and 2020. DONG Energy is at the forefront when it comes to rising to this challenge and has a target to reduce CO_2 emissions from its electricity and heat generation by 60% per kWh generated from 2006 to 2020. The reduction must reach 85% in 2040. The reduction must be effected by increasing generation from wind turbines and reducing the use of coal at Danish power stations.

In 2013, DONG Energy's electricity and heat generation emitted 30% less CO_2 per kWh than in 2006. The difference between DONG Energy's CO_2 emissions in 2006 and 2013 corresponds to the CO_2 emitted by 4 million cars in one year.

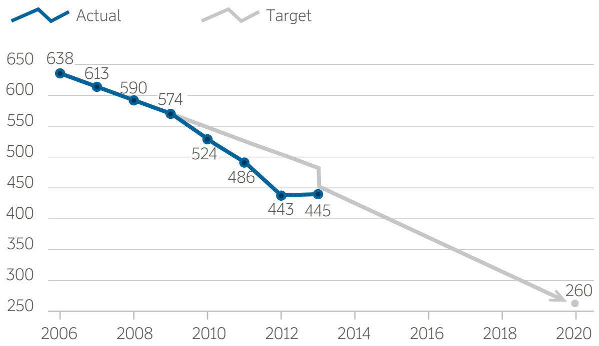
Reduced air pollution

Combustion of fossil fuels and biomass at power stations produces other gases besides greenhouse gases, including nitrogen oxides (NO_x) and sulphur dioxides (SO_2). NO_x leads to smog, which is harmful to human health, while SO_2 is a source of acid rain, which can harm forests and lakes. DONG Energy has a target to reduce NO_x and SO_2 emissions from its power stations by 90% and 95% respectively by 2020 compared with 1990. Ongoing operations optimisation and installation and maintenance of deNO_x facilities have already led to a significant reduction in emissions. The SO_2 reduction has actually outperformed the target since 2011, when emissions were reduced by 99%. In 2013, the focus was consequently on reducing NO_x emissions further through continuous improvements of facilities, including by replacing catalysts. DONG Energy consequently achieved a 90% reduction in NO_x emissions in 2013 compared with 1990, which meant that the 2020 target for NO_x emissions was also realised.

Criteria for sustainable biomass

An ever-increasing number of DONG Energy's power stations are being converted from fossil fuels to biomass in the form of wood

Reducing CO_2 emissions, g CO_2 per kWh



pellets and wood chips. The conversion of thermal generation from coal to sustainable biomass will make a considerable contribution to the reduction of CO_2 emissions in Denmark. DONG Energy's strict criteria will ensure that the biomass used is sustainable so that the conversion will result in real reductions in CO_2. This will require DONG Energy to only buy biomass from countries with a tradition of sustainable forestry and which in most cases have legislation protecting forests, water resources and biodiversity. In addition, DONG Energy collaborates with other large European energy companies in a Sustainable Biomass Partnership in order to define a market standard for sustainable biomass. The standard is expected to come into force in the course of 2014.

Climate partnerships reduce customers' CO_2 emissions

Through more than 135 climate partnerships DONG Energy advises companies, local authorities and public institutions on how they can save energy by using it more efficiently. In addition, the climate partners reduce their individual CO_2 footprint by covering all or part of their electricity consumption with certified climate-friendly power from DONG Energy's offshore wind farms. In 2013, DONG Energy also introduced the opportunity for its climate partners to purchase biogas certificates to cover all or part of their gas consumption, so that their CO_2 footprint can be further reduced.

Resource consumption

DONG Energy seeks to minimise the environmental impacts from its own activities and the Group's consumption of resources. DONG Energy therefore strives to improve energy efficiency in the areas in which this is technically feasible. For example, energy consumption in office buildings was reduced by 29% from 2010 to 2013, partly by introducing sensor control of lighting, optimising electricity consumption at data centres and implementing tighter, more advanced control of indoor climate systems.

In relation to waste, DONG Energy endeavours to maintain the current level of recycling, also when the Group's production patterns change. In 2013, 76% of waste from DONG Energy's facilities was recycled, and 61% of waste from administration.

Clean energy – Results and targets

	Results		Targets	
Focus area	2012	2013	2016	2020
Reducing CO_2 emissions	443 g/kWh	445 g/kWh	350 g/kWh	260 g/kWh
Reducing SO_2 and NO_x emissions compared with 1990	99% and 88%	99% and 90%		95% and 90%
Increased recycling of waste from administration and facilities	44% and 77%	61% and 76%	50%[1] and 70%[1]	

[1] 2015 targets.

People matter

How do we promote safety, the right skills and stimulating working conditions in a high-tech industry that is characterised by powerful natural forces and constant change?

Employee safety is a top priority throughout the organisation and for our suppliers. The same applies to job satisfaction and the way we focus on developing employees' professional and personal skills. A high degree of safety in the workplace and a motivating and stimulating working environment are crucial prerequisites for the Group to be able to attract and retain the best employees.

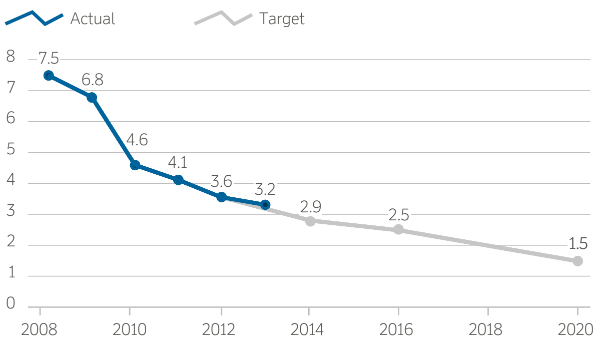
Safety throughout the organisation

Throughout the DONG Energy organisation we focus on ensuring that management, employees and suppliers contribute to a safe working environment. DONG Energy lays down safety guidelines, enforces strict safety policies and stages exercises for employees and suppliers that enable everyone to assess safety in respect of a specific activity and to stop an activity if conditions are unsafe.

In 2013, the lost time injury frequency (LTIF) was 3.2, which met our target. In 2014, LTIF must be reduced further to no more than 2.9. The Group will therefore continue work on developing and offering training programmes as well as a large number of improvement tools for employees and suppliers. In 2013, an ambitious programme called 'Safety through the line' was rolled out. A large proportion of DONG Energy's employees took part in workshops in 2013 and the remainder will have gone through the programme in the first quarter of 2014. The workshops focus on the individual's responsibility for preventing accidents and improving awareness of the factors that help to create a safe working environment.

In 2013, a compulsory e-learning course on safety was also introduced, adapted to the safety requirements of individual job functions. The majority of the employees completed it in 2013, while the rest will complete it in the early part of 2014. At the same time, we make employees aware of the Group's system for reporting incidents. The system also functions as a way of sharing knowledge across all business units. Safety is an important focus area at Group Executive Management meetings and developments are discussed every month.

Lost time injury frequency (LTIF), per one million hours worked



Satisfaction and motivation are crucial

It is vital that DONG Energy should be a good place to work in order for the Group to be able to achieve its ambitious goals. We have therefore set targets for employee satisfaction and motivation. The annual employee survey measures employee satisfaction and motivation and is the basis for the selection of action areas on the part of both the Group as a whole and every team of employees. In 2013, we carried out a simplification programme throughout the company, which led to a number of major changes to the organisation. As a result, we decided to defer the employee survey until spring 2014.

In 2013, we focused on dialogue between management and employees on the changes DONG Energy has been through. In connection with job reductions resulting from the simplification programme, the management, trade union representatives and other representatives of all groups of employees worked together to reduce the number of redundancies as far as possible and ensure that redundant workers were offered alternatives such as outplacement programmes and voluntary redundancy.

Skills in focus

Professional and personal development opportunities for employees are a prerequisite for satisfaction and motivation. A developing organisation also needs to maintain continual focus on employee development. DONG Energy works systematically on the development of skills and talents, for instance through mandatory annual performance and development dialogue between employees and their line managers, annual assessments of employee performance and in-house training schemes for talented people at all levels within the organisation. This systematic approach creates transparency around performance and what we do for talented people within the company. In 2013, 83% of all management posts were filled by internal promotions. In order to increase transparency in internal recruitment and the pool of talent, from and including 2013 DONG Energy will be measuring the proportion of talented women in management who have been promoted internally and among the specialist workers who have their performance measured annually. Read more about efforts to promote women in management in the section on Corporate governance on page 47.

People matter – Results and targets

	Results		Targets	
Focus area	2012	2013	2016	2020
Reducing lost time injury frequency (LTIF)	3.6	3.2	≤ 2.5	< 1.5
No fatal accidents (number of fatalities)	1	0	0	0
Increased employee satisfaction and motivation (1-100)	74	74 (2012)	75	77

Business integrity

How do we ensure that we are running our business with a high level of integrity and in dialogue with our customers and other stakeholders?

96%
OF EMPLOYEES HAVE COMPLETED THE COURSE ON GOOD BUSINESS CONDUCT

For DONG Energy it is fundamental to run the business with a high level of integrity. We focus particularly on customer satisfaction, responsible suppliers and preventing fraud, corruption and other inappropriate business practices.

Customer satisfaction

Increased customer satisfaction is a strategic target. For DONG Energy it is a matter of integrity that customers perceive the company as a simple, reliable, climate-friendly energy supplier. For customers in Denmark it is the target for 2016 to increase customer satisfaction for residential customers and business customers to 70 and 75 respectively, on a scale from 1-100, and to 75 in 2020 for both customer groups. In 2013, customer satisfaction among residential customers was 64 out of 100, in line with 2012. For business customers the figure was 75 in 2013 compared with 72 in 2012.

In order to achieve this target we are focusing on the Group's customer satisfaction programme, Customer Centricity (KiC). As part of this programme, DONG Energy has systematised its work on understanding customers' needs and improving customer service. The aim is for customers to experience good service every time they contact DONG Energy. Employees are therefore being given regular training on giving customers the best energy solution based on the customer's wishes and needs.

DONG Energy is also working to improve a number of processes and solutions for customers. For example, for the vast majority of customers, contact with the Group is via their electricity bill, so in 2013, DONG Energy introduced an improved annual statement that is easier to understand, because the most important information on, for instance, electricity consumption, amounts, changes in consumption and payment dates are highlighted.

In 2012, the vast majority of employees in the sales and distribution organisation attended KiC college to improve all aspects of service behaviour. In 2013, efforts in this area were continued with KiC college module 2, which focused on guidelines for good service behaviour and how to implement them in day-to-day work. The training is followed up by evaluations.

Responsible suppliers

DONG Energy has suppliers all over the world and the Group requires its suppliers to follow specific ethical guidelines. With more than 20,000 suppliers, DONG Energy invests its effort where the risk is greatest. DONG Energy aims for a systematic approach that follows international guidelines on good practice and the most recent UN recommendations. In 2013, the Group therefore developed a number of new tools that we expect to introduce in 2014. These include improved risk assessment of all suppliers, streamlining internal processes and more investigation of conditions at suppliers' premises.

This risk-based approach focuses the effort on those suppliers where the risk is greatest and sets up a coherent process for the way DONG Energy enters into dialogue with individual suppliers with a view to ensuring that they make improvements. For DONG Energy, a chain of responsible suppliers means increased stability and efficiency in the long term, which in turn means that the risk of unforeseen and costly delays, for example on construction projects, will be reduced.

Good business conduct

DONG Energy has a mandatory e-learning course to promote good business conduct, including the prevention of fraud and corruption. In 2013, 96% of the Group's employees had completed the course.

DONG Energy's whistleblowing procedure were updated in January 2014 so that it is more consistent with the Group's international growth. The procedure includes a separate website, a 24-hour telephone hotline, online forms in relevant languages and a case management system (see Corporate governance, page 47).

Human rights in focus

DONG Energy has identified the supplier chain as the area of activity where it is most important to focus time and resources on improving respect for human rights, especially among coal suppliers. DONG Energy does not have a separate human rights policy, but reference is made to the responsibility policy that was approved by the Group Executive Management in 2011, which states that respect for human rights is an integral part of the Group's strategy, activities and culture. The policy can be found at dongenergy.com/responsibility-policy.

Business integrity – Results and targets

	Results		Targets	
Focus area	2012	**2013**	2016	2020
Improved customer satisfaction for residential customers and business customers in Denmark (1-100)	64 and 72	64 and 75	70 and 75	75 and 75
Share of employees that have completed the course on good business conduct	95%	96%	95%	95%

Five-year record

		DKK million 2013	2012	2011	2010	2009
BUSINESS PERFORMANCE						
Income statement						
Revenue:		73,105	67,179	56,717	54,523	49,454
Exploration & Production		12,344	11,871	10,469	8,264	6,416
Wind Power		11,960	7,737	4,215	2,880	1,583
Thermal Power		9,658	9,063	11,466	11,888	10,832
Customers & Markets		49,663	46,569	37,551	36,953	34,834
Other activities / eliminations		(10,520)	(8,061)	(6,984)	(5,462)	(4,211)
EBITDA:		15,004	8,639	13,743	14,077	9,252
Exploration & Production		7,324	6,550	5,684	5,052	3,264
Wind Power		4,253	2,479	1,772	1,670	559
Thermal Power		744	1,067	1,863	2,124	388
Customers & Markets		2,348	(1,455)	4,383	5,100	4,964
Other activities / eliminations		335	(2)	41	131	77
EBITDA adjusted for current hydrocarbon tax		13,899	6,490	12,667	13,509	9,177
EBIT		2,041	(3,324)	6,100	8,095	4,199
Adjusted operating profit (loss)		378	(6,457)	4,879	7,404	4,029
Profit (loss) for the year		(993)	(4,021)	2,882	4,499	1,492
Key ratios						
FFO / adjusted net debt[1]	%	23.1	7.8	31.4	37.5	24.3
Adjusted net debt[1] / EBITDA	times	2.2	4.0	1.8	1.8	3.3
Return on capital employed (ROCE)	%	0.5	(-7.9)	6.3	10.2	6.1
IFRS						
Income statement						
Revenue		72,199	65,860	58,313	54,505	49,146
EBITDA		14,199	7,166	15,568	14,030	8,780
EBIT		1,236	(4,797)	7,925	8,048	3,727
Gain (loss) on disposal of enterprises		2,045	2,675	225	905	(62)
Net finance costs		(3,800)	(1,356)	(303)	(1,556)	(1,357)
Profit (loss) for the year		(1,591)	(5,126)	4,250	4,464	1,138
Balance sheet						
Assets		145,672	157,489	152,926	136,734	120,335
Additions to property, plant and equipment		19,437	16,549	18,702	14,546	15,646
Net working capital		2,599	(605)	33	2,324	3,844
Net working capital excl. trade payables relating to capital expenditure		4,150	2,544	2,995	3,361	3,844
Interest-bearing debt		46,460	52,745	40,287	38,098	35,850
Interest-bearing net debt		25,803	31,968	23,179	21,913	26,811
Adjusted net debt[1]		43,382	43,850	34,074	30,557	33,681
Equity		51,543	50,016	57,740	51,308	44,808
Capital employed		77,345	81,984	80,919	73,222	71,619
Cash flows						
Funds from operation (FFO)		10,026	3,418	10,711	11,471	8,175
Cash flows from operating activities		9,729	7,891	12,396	14,312	9,458
Cash flows from investing activities		(6,483)	(19,202)	(18,726)	(14,699)	(21,220)
Gross investments		(21,234)	(17,660)	(17,907)	(15,627)	(18,063)
Net investments		(5,902)	(13,350)	(12,659)	(7,161)	(18,972)
Volumes						
Oil and gas production	million boe	31.7	28.5	26.4	24.4	24.0
Electricity generation	TWh	19.1	16.1	20.4	20.2	18.1
- thermal	TWh	13.8	11.5	16.0	16.2	15.3
- wind and hydro	TWh	5.3	4.6	4.4	4.0	2.8
Heat generation	PJ	40.2	43.0	42.6	53.2	46.7
Gas sales (excl. own consumption at power stations)	TWh	134.6	127.9	113.7	116.7	124.2
Electricity sales	TWh	16.8	12.6	9.9	10.4	10.7
Gas distribution	TWh	8.8	9.1	9.9	11.4	10.0
Electricity distribution	TWh	8.6	8.7	8.8	9.1	9.2

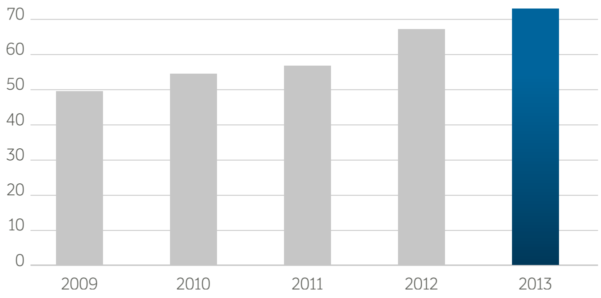
[1] The two key ratios define adjusted net debt differently. See page 60.

For a description of the performance measure 'business performance', see note 2.1 to the consolidated financial statements.

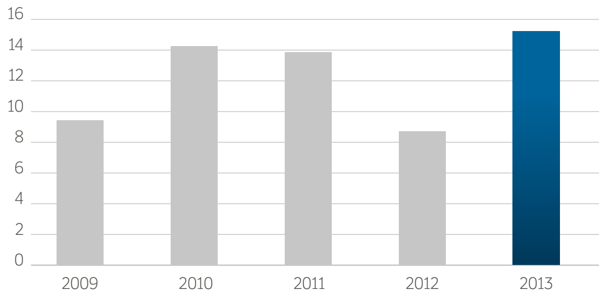
Definitions of performance highlights are set out in note 1 to the consolidated financial statements.

Five-year record

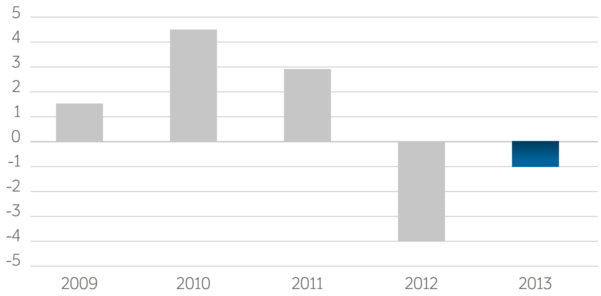
Revenue, DKK billion



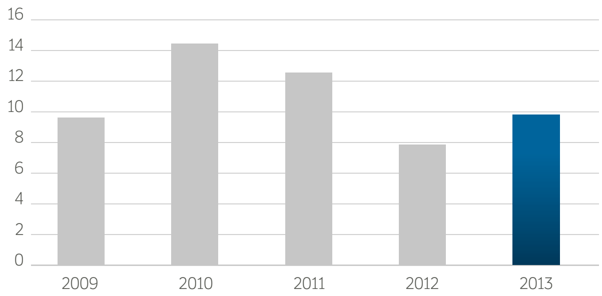
EBITDA, DKK billion



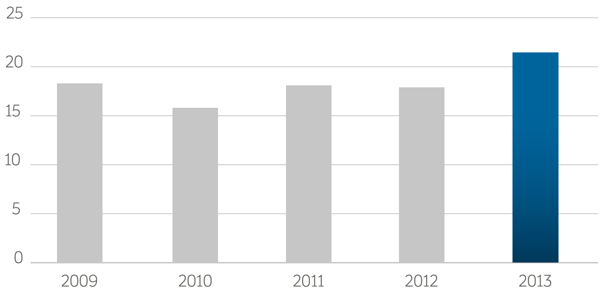
Profit (loss) after tax, DKK billion



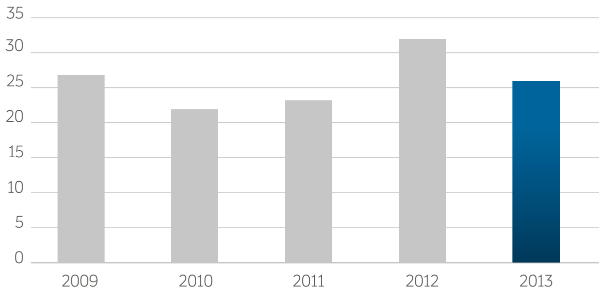
Cash flows from operating activities, DKK billion



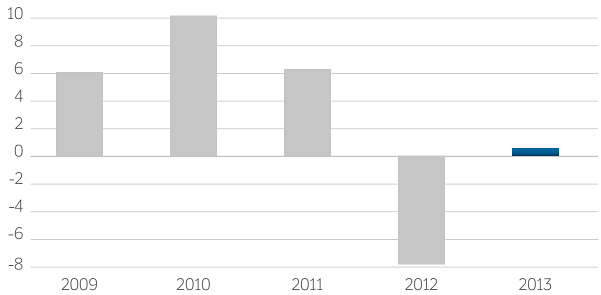
Gross investments, DKK billion



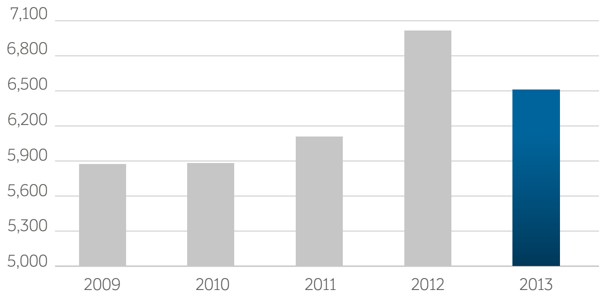
Interest-bearing net debt, DKK billion



ROCE, %



Employees, FTE



Financial performance

DONG Energy's revenue, EBITDA and result for the year increased by DKK 5.9 billion, DKK 6.4 billion and DKK 3.0 billion respectively, while cash inflow from operating activities was up DKK 1.8 billion. ROCE improved to 0.5% from -7.9% in 2012. Adjusted for impairment losses and the provisions for onerous contracts in 2012, ROCE would have been 6.8% in 2013 compared with -0.9% in 2012.

DKK million	2013	2012	Δ
Revenue	73,105	67,179	5,926
EBITDA	15,004	8,639	6,365
Profit (loss) for the year	(993)	(4,021)	3,028
Cash flows from operating activities	9,729	7,891	1,838
Return on capital employed (ROCE), %	0.5%	(7.9%)	-

The increase in EBITDA reflected earnings from the new offshore wind farms London Array in the UK and Anholt in Denmark, the higher ownership interest in the Ormen Lange gas field as of 1 July 2013 and the fact that 2012 was adversely affected by provisions for onerous contracts. Furthermore, costs were lower than in 2012. EBITDA was adversely affected by production problems on a number of oil and gas fields, exploration expenditure charged to the income statement as well as higher project development costs.

Income statement

Revenue

DKK million	2013	2012	Δ
Revenue	73,105	67,179	5,926

Revenue rose by 9% to DKK 73.1 billion in 2013. Higher electricity and gas production and gas sales and income from contracts for the construction of offshore wind farms for co-investors and of offshore transmission assets were partly offset by lower oil production.

Oil and gas production totalled 31.7 million boe against 28.5 million boe in 2012. The 11% increase was due to higher recognised gas production from Ormen Lange as a result of a redetermination of the field's reserves that increased DONG Energy's ownership interest in the gas field from 10.3% to 14.0% on 1 July 2013. Besides the direct, higher ownership interest, DONG Energy will receive extra volumes in the coming years as the redetermination has been made with retrospective effect from the field's production start-up in 2007. The increase was partly offset by lower oil production due to production problems on both Norwegian and Danish fields, including Trym, Alve, Marulk, Ula, Tambar, Oselvar and Siri, which were shut down for parts of the year. Production from the Danish Siri area was shut down in mid-July following the identification of a further crack in the Siri platform's subsea structure. At the end of 2013, the Danish Energy Agency granted permission for production from the satellite fields to be resumed under special circumstances. However, overall production from the Siri area is expected to be curtailed until the summer, when the ongoing work of stabilising the platform is expected to be completed.

Electricity generation was 19.1 TWh in 2013 compared with 16.1 TWh in 2012. The increase reflected higher thermal electricity generation at the Danish and foreign power stations due to an improved green dark spread and green spark spread and higher output from wind farms, especially London Array and Anholt.

DKK million	2013	2012	Δ
Exploration & Production	7,324	6,550	774
Wind Power	4,253	2,479	1,774
Thermal Power	744	1,067	(323)
Customers & Markets	2,348	(1,455)	3,803
Other activities / eliminations	335	(2)	337
Consolidated EBITDA	**15,004**	**8,639**	**6,365**

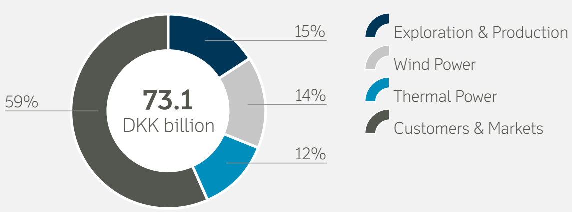
Implementation of IFRS 11 Joint Arrangements
DONG Energy has implemented IFRS 11 with effect from 1 January 2013. The change has no effect on profit (loss) for the year or equity, but has reduced the balance sheet total at 31 December 2012 by DKK 2.1 billion (1 January 2012: DKK 1.1 billion), net cash flows in 2012 by DKK 0.2 billion and net debt at the end of 2012 by DKK 1.5 billion.

Further details are provided in notes 1 and 7.11 to the consolidated financial statements.

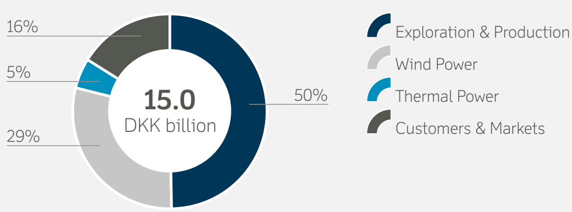
Business performance
Management's review comments on the business performance results, unless otherwise stated. For an explanation of differences between business performance and IFRS results, reference is made to note 2.4 to the consolidated financial statements.

Glossary
Reference is made to the glossary on page 129 for definitions of terms.

Revenue 2013



EBITDA 2013



Gas sales (excluding sales to own power stations) totalled 134.6 TWh, 5% ahead of 2012. The increase was due to higher sales in the UK, partly offset by lower sales on hubs and slightly lower wholesale sales.

EBITDA

EBITDA was DKK 15.0 billion in 2013 compared with DKK 8.6 billion in 2012. The 74% increase can be broken down by business unit as follows:

- in Exploration & Production, EBITDA was up DKK 0.8 billion at DKK 7.3 billion due to higher gas production from Ormen Lange and lower costs for the repair work to the Siri platform, partly offset by lower production on other fields and higher exploration expenses charged to the income statement;
- in Wind Power, EBITDA was up DKK 1.8 billion at DKK 4.3 billion due to higher electricity generation, primarily from the London Array and Anholt wind farms, and higher earnings from contracts for the construction of the Anholt and Borkum Riffgrund 1 offshore wind farms for co-investors, partly offset by higher project development costs charged to the income statement;
- in Thermal Power, EBITDA was down DKK 0.3 billion at DKK 0.7 billion, primarily reflecting the discontinuation of the free allocation of CO_2 emissions allowances;
- in Customers & Markets, EBITDA was DKK 3.8 billion ahead at DKK 2.3 billion, primarily because 2012 was adversely impacted by provisions for onerous contracts. Furthermore, current earnings from the gas activities were turned around from a substantial loss in 2012 to a profit of DKK 0.3 billion in 2013.

Depreciation, impairment losses, and EBIT

DKK million	2013	2012	Δ
Depreciation	(7,955)	(9,172)	1,217
Impairment losses, net	(5,008)	(2,791)	(2,217)
Depreciation and impairment losses	**(12,963)**	**(11,963)**	**(1,000)**
EBIT	2,041	(3,324)	5,365

Depreciation and impairment losses totalled DKK 13.0 billion, DKK 1.0 billion higher than in 2012.

Depreciation was DKK 1.2 billion lower than in 2012. The decline was due partly to lower depreciation in Exploration & Production due to production problems on several of the depreciation-intensive fields in 2013, and partly to a lower basis for depreciation in Thermal Power due to relatively high depreciation in 2012 as a result of a review of the useful lives of stand-by CHP plants in Denmark. By contrast, depreciation in Wind Power increased due to new assets in operation.

Impairment losses were DKK 5.0 billion compared with DKK 2.8 billion in 2012 and can be broken down as follows:

- in the fourth quarter, a DKK 0.5 billion impairment loss was recognised on the Norwegian Gyda field (DKK 0.1 billion after tax) due to a changed estimate of decommissioning obligations;
- in the third quarter, a DKK 1.8 billion impairment loss was recognised on the Norwegian fields Oselvar and Ula (DKK 0.4 billion after tax) due to a lower reserve estimate and performance problems on Oselvar. The lower reserve estimate also has an effect on the Ula field, as part of the gas from Oselvar is used in the production on Ula;
- in the second quarter, a DKK 0.9 billion impairment loss was recognised on the fields in the Siri area following the above-mentioned identification of a further crack in the Siri platform's subsea structure and the resulting temporary suspension of production;
- in the second quarter, a DKK 0.4 billion impairment loss was recognised on DONG Energy's 1% stake in the Norwegian Gassled transmission network following the Norwegian authorities' introduction of a significant tariff reduction in June, effective from 2016;
- in the second quarter, a DKK 1.0 billion impairment loss was recognised on the gas-fired Enecogen power station in the Netherlands. The impairment loss was due to an expectation of sustained low or negative green spark spreads in continental Europe for several years to come, reflecting low coal and CO_2 prices, which make it more profitable for generators to use coal than gas.

EBIT increased by DKK 5.4 billion due to the higher EBITDA and lower depreciation, partly offset by higher impairment losses.

Gain on disposal of enterprises

DKK million	2013	2012	Δ
Gain on disposal of enterprises	2,045	2,675	(630)

The gain on disposal of enterprises was DKK 2.0 billion in 2013 and related primarily to the divestments of the Swedish hydro power company Kraftgården with a gain of DKK 1.3 billion, the Polish and Danish onshore wind businesses with a total gain of DKK 0.9 billion, Stadtwerke Lübeck with a gain of DKK 0.2 billion, and the gas-fired Severn power station with a loss of DKK 0.4 billion.

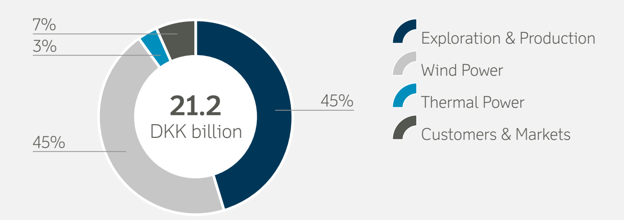
The gain on disposal of enterprises in 2012 primarily related to Oil Terminals, which yielded a gain of DKK 2.5 billion.

Share of profit (loss) of associates and joint ventures

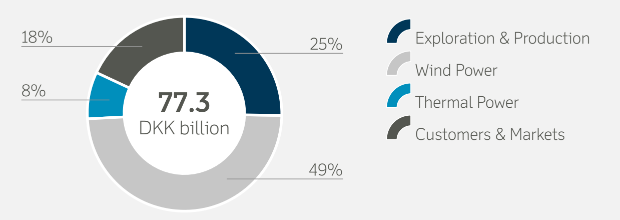
DKK million	2013	2012	Δ
Share of profit (loss) of associates and joint ventures	(57)	(699)	642

The result, which is recognised under EBIT, relates to the associates and joint ventures that are deemed not to be part of the Group's principal activities.

Gross investments 2013



Capital employed 2013



In 2012, the result related primarily to a negative adjustment of tax in respect of prior years in the now divested Swedish hydro power company Kraftgården. The adjustment was offset by a similar positive adjustment of income tax expense and therefore did not affect the consolidated result after tax.

Net finance cost

DKK million	2013	2012	Δ
Interest expense, net	(1,661)	(815)	(846)
Interest element of provisions	(501)	(285)	(216)
Early redemption of loans and associated interest rate swaps	(665)	0	(665)
Value adjustments of derivative financial instruments	(293)	(38)	(255)
Exchange rate adjustments, net	(210)	(230)	20
Disposal of assets held under finance leases	(201)	0	(201)
Value adjustments of securities, net	(189)	(77)	(112)
Other finance income and costs, net	(80)	89	(169)
Net finance costs	**(3,800)**	**(1,356)**	**(2,444)**

Net finance costs amounted to a net charge of DKK 3.8 billion compared with DKK 1.4 billion in 2012.

Interest expense (net) increased by DKK 0.8 billion, primarily reflecting an increase in average interest-bearing net debt from DKK 27 billion in 2012 to DKK 29 billion in 2013 and a falling interest rate for surplus liquidity.

The interest element of provisions increased by DKK 0.2 billion, reflecting a higher discount rate on decommissioning obligations and the interest element of the provisions in 2012 for onerous contracts for gas storage capacity and capacity in an LNG terminal.

Following the divestments in 2013, at the end of 2013 a number of loans were repaid before maturity in order to reduce the Group's gross debt. At the same time, interest rate swaps relating to non-current loans expected to be repaid in 2014 were repaid. The related costs were DKK 0.7 billion, but the repayments will result in lower interest expenses in the coming years.

The loss on disposal of assets held under finance leases related to the divestment of the Norwegian gas-fired Mongstad power station.

Income tax

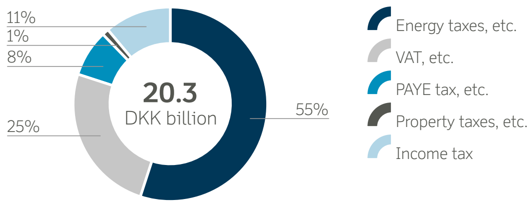
DKK million	2013	2012	Δ
Income tax expense	(1,222)	(1,317)	95

Income tax expense for the year was DKK 1.2 billion, which was DKK 0.1 billion less than in 2012. The tax rate was 534% compared with -49% in 2012. The fact that earnings from oil and gas production in Norway, where hydrocarbon income is taxed at 78%, significantly exceeded the Group's overall profit before tax had an upward effect on the tax rate in 2013, while non-taxable gains on disposals had a downward effect.

Total tax contribution

DONG Energy's contribution to society in the form of direct and indirect taxes amounted to DKK 20.3 billion in 2013 compared with DKK 20.4 billion in 2012. Of the contribution in 2013, DKK 17.5 billion (86%) accrued to Denmark. The contribution was calculated using the TTC model (Total Tax Contribution).

Total direct and indirect taxes (TTC model)



Profit (loss) for the year

DKK million	2013	2012	Δ
Profit (loss) for the year	(993)	(4,021)	3,028

The result for the year was a loss of DKK 1.0 billion, an improvement of DKK 3.0 billion on 2012, mainly reflecting the higher EBIT, partly offset by higher net finance costs than in 2012.

Interest-bearing net debt

DKK million	2013	2012	Δ
Net debt at 1 January	31,968	23,179	8,789
Cash flows from operating activities	(9,729)	(7,891)	(1,838)
Gross investments	21,234	17,660	3,574
Disposals	(15,332)	(4,310)	(11,022)
Additions, hybrid capital, net	(3,399)	0	(3,399)
Dividends and hybrid coupon paid	955	3,074	(2,119)
Exchange rate adjustments, etc.	106	256	(150)
Net debt at 31 December	**25,803**	**31,968**	**(6,165)**

Interest-bearing net debt was DKK 25.8 billion at the end of 2013 compared with DKK 32.0 billion at the end of 2012, down DKK 6.2 billion. This primarily reflected the divestments in 2013, see above, and the issuance of new hybrid capital.

The individual elements of the development are reviewed below.

Cash flows from operating activities

DKK million	2013	2012	Δ
EBITDA	15,004	8,639	6,365
Financial instruments and loans	1,324	(468)	1,792
Provisions	(241)	788	(1,029)
Other adjustments	1,424	1,934	(510)
Interest expense, net	(2,872)	(857)	(2,015)
Income tax paid	(2,856)	(2,642)	(214)
Change in working capital	(2,054)	497	(2,551)
Cash flows from operating activities	**9,729**	**7,891**	**1,838**

Cash inflow from operating activities was DKK 9.7 billion in 2013 compared with DKK 7.9 billion in 2012. The increase reflected the DKK 3.5 billion increase in EBITDA (adjusted for the provisions of DKK 2.9 billion in 2012) and a higher positive effect from financial instruments in addition to the amount recognised in EBITDA, including hedging of net investments in foreign subsidiaries. This was partly offset by an increase in funds tied up in working capital and an increase in finance costs.

The increase in funds tied up in working capital mainly reflected higher receivables from contracts for the construction of offshore transmission assets in connection with UK wind farms.

Investments

DKK million	2013	2012	Δ
Gross investments	(21,234)	(17,660)	(3,574)
Divestments	15,332	4,310	11,022
Net investments	**(5,902)**	**(13,350)**	**7,448**

Net investments were DKK 5.9 billion in 2013 compared with DKK 13.4 billion in 2012.

The main investments in 2013 were as follows:

- development of oil and gas fields and infrastructure (DKK 9.6 billion), including Ormen Lange, primarily as a result of the higher ownership interest, Laggan-Tormore in the UK and the Danish fields Hejre and Syd Arne;
- development of wind activities (DKK 9.5 billion), including the Danish offshore wind farm Anholt, the UK offshore wind farms West of Duddon Sands, Westermost Rough and London Array, the German offshore wind farms Gode Wind and Borkum Riffgrund 1, and the jack-up vessel Sea Challenger for installation of wind turbines.

Divestments in 2013 were DKK 15.3 billion and related primarily to the Swedish hydro power company Kraftgården (DKK 3.3 billion), the gas-fired Severn power station in the UK (DKK 3.1 billion), the London Array transmission assets (DKK 2.0 billion), the office building in Gentofte (DKK 1.9 billion), the Polish onshore wind business (DKK 1.8 billion), the Norwegian gas-fired Mongstad power station (DKK 1.8 billion), the Danish onshore wind business (DKK 0.7 billion) and the ownership interest in Stadtwerke Lübeck (DKK 0.3 billion).

Divestments in 2012 primarily related to Oil Terminals (DKK 2.6 billion) and transmission assets related to Walney 2 (DKK 1.0 billion).

Hybrid capital

In July 2013, DONG Energy issued hybrid bonds due in 3013 for nominally EUR 500 million (DKK 3.7 billion). The new hybrid capital will be assigned 50% equity credit on rating by S&P, Moody's and Fitch.

Dividends

Dividends paid to minority shareholders amounted to DKK 0.3 billion in 2013. In 2012, DKK 1.5 billion was paid to DONG Energy's shareholders and DKK 1.0 billion to minority shareholders.

Capital structure

At the end of 2013, adjusted net debt was 2.2 times EBITDA compared with 4.0 times in 2012.

The rating agencies have tightened their view of the utility sector in the last few years. As a consequence, DONG Energy's existing target for adjusted net debt not to exceed 2.5 times EBITDA is not strict enough in relation to the rating agencies' criteria for a BBB+/Baa1 rating.

A new, tighter capital structure target will therefore be introduced from 2014: Funds from operation (FFO) to adjusted net debt. The long-term objective is for FFO to be around 30% of adjusted net debt. The ratio was 23% in 2013.

DKK million	2013	2012	Δ
EBITDA	15,004	8,639	6,365
Adjusted interest expense, net	(2,796)	(1,860)	(936)
Reversal of recognised lease payment	354	401	(47)
Current tax	(2,536)	(3,762)	1,226
Funds from operation (FFO)	**10,026**	**3,418**	**6,608**
Adjusted net debt	**43,382**	**43,850**	**(468)**
FFO/adjusted net debt, %	**23.1%**	**7.8%**	**-**

Read more on pages 33, 57, 60 and 79

Equity

DKK million	2013	2012	Δ
Equity at 1 January	50,016	57,740	(7,724)
Profit (loss) for the year	(993)	(4,021)	3,028
Other comprehensive income	(232)	(935)	703
Additions, hybrid capital	3,698	0	3,698
Dividends and hybrid coupon paid	(994)	(3,074)	2,080
Transactions with non-controlling interests	128	299	(171)
Other adjustments	(80)	7	(87)
Equity at 31 December	**51,543**	**50,016**	**1,527**

Equity was DKK 51.5 billion at the end of 2013 compared with DKK 50.0 billion the previous year, corresponding to an increase of DKK 1.5 billion.

Return on capital employed (ROCE)

DKK million	2013	2012	Δ
EBITDA	15,004	8,639	6,365
Depreciation, amortisation and impairment losses	(12,963)	(11,963)	(1,000)
Operating profit (loss) (EBIT)	**2,041**	**(3,324)**	**5,365**
Share of profit (loss) of associates and joint ventures	(57)	(699)	642
Hydrocarbon tax	(1,105)	(2,149)	1,044
Interest element of provisions	(501)	(285)	(216)
Adjusted operating profit (loss)	**378**	**(6,457)**	**6,835**
Capital employed	**77,345**	**81,984**	**(4,639)**
Return on capital employed (ROCE), %	**0.5%**	**(7.9%)**	**-**

The return on capital employed was 0.5% in 2013 compared with -7.9% in 2012. Impairment losses of DKK 5.0 billion had a negative effect on the return achieved in 2013. Adjusted for impairment losses and the provisions for onerous contracts in 2012, ROCE would have been 6.8% in 2013 compared with -0.9% in 2012.

Follow-up on announced outlook

In connection with the annual report for 2012, the outlook was announced for EBITDA for 2013 (DKK 11.5-12.5 billion), net investments for 2013-2014 (DKK 25-30 billion) and adjusted net debt to EBITDA at the end of 2014 (around 2.5 times).

EBITDA was subsequently revised upward twice in 2013. First to DKK 13-14 billion in June due to the redetermination of the ownership interest in the Ormen Lange gas field, and then to DKK 13.5-14.5 billion in October due to the results for the first nine months of the year outperforming the outlook. Full-year EBITDA for 2013 was DKK 15.0 billion, exceeding the latest outlook.

At the same time, adjusted net debt to EBITDA was reduced to less than 2.5 times already at the end of 2013, when it was 2.2 times.

In June, the outlook for net investments for 2013-2014 was revised upward to net investments in the region of DKK 30 billion, also in this case as a result of the redetermination of the ownership interest in Ormen Lange. Net investments in 2013 were DKK 5.9 billion.

Non-financial performance

The Group's non-financial performance highlights and associated accounting policies are set out on pages 120-124 of the Group's non-financial statements. The figures are commented on below and on pages 27-30.

Read more about corporate responsibility at DONG Energy at dongenergy.com/EN/responsibility and in DONG Energy's CSR report 2013 at dongenergy.com/responsibility2013.

Environment

		2013	2012
EU ETS CO_2 emissions	million tonnes	9.3	7.8
CO_2 emissions per energy unit generated (electricity and heat)	g/kWh	445	443
Biomass share of Danish CHP generation	%	18	21

EU ETS CO_2 emissions were 9.3 million tonnes compared with 7.8 million tonnes in 2012. Emissions increased as a result of an increase in electricity generation that was only partly offset by a decrease in heat generation. The consumption of fossil fuels in electricity generation is higher than in heat generation, resulting in higher CO_2 emissions.

The proportion of biomass used in electricity and heat generation in Denmark was 18% against 21% in 2012. The increase in electricity generation led to a lower biomass proportion, as relatively less biomass is used in electricity generation than in heat generation, which declined.

CO_2 emissions per energy unit generated (electricity and heat) were 445 g/kWh against 443 g/kWh in 2012. The minor set-back reflected the increase in electricity generation from power stations as a result of low coal and CO_2 prices, as referred to above. Although electricity generation from wind and hydro power rose in 2013, it accounted for 28% of the Group's overall electricity generation, like 2012, due to the divestment of hydro power and onshore wind turbines coupled with the higher thermal electricity generation. The minor set-back in 2013 does not alter the expectations concerning falling levels in the coming years or the target of 260 g/kWh for 2020.

Environmental incidents are assessed and classified applying DONG Energy's own system, which operates with five impact levels, C1 (lowest) - C5 (highest). Environmental incidents in the two highest categories are reported as significant environmental incidents. In 2013, eight environmental incidents classified as C4 - major impact - were recorded. No environmental incidents classified as C5 - massive impact - were recorded. The eight environmental incidents were one discharge to sea, three to the soil and four to the atmosphere.

A leaky valve in the injection water system on Siri meant that for a period in 2013, 2.6 m^3 of oil was discharged to sea together with injection water. The three instances of soil contamination comprised a spill of up to 200 litres of oil that was cleaned up in its entirety by means of excavation. The two instances of air pollution were short-duration increased emissions of SO_2 and NO_x as a consequence of incidents that meant that the environmental facilities could not be connected. The two emissions to the atmosphere were a gas pipe failure that involved an emission of approx. 2 tonnes of natural gas, and an emission of 20 kg of refrigerant (R 407c).

Health and safety

		2013	2012
Lost time injuries	number	64	71
Lost time injury frequency (LTIF)	per 1 million hours worked	3.2	3.6
Fatalities	number	0	1

Safety is an essential element of DONG Energy's strategy and an integral part of employees' and managers' everyday working lives.

There were 64 lost time injuries in 2013, including 26 at DONG Energy and 38 among the Group's suppliers. Converted to lost time injuries per one million hours worked (LTIF), the lost time injury frequency was reduced for the sixth successive year, from 3.6 in 2012 to 3.2 in 2013.

The injury frequency target set for 2013 was 3.2, which was met, and the target for 2014 is a frequency of 2.9 or less.

The Group continues to attach great importance to further reducing the number of injuries. Initiatives put in place to achieve this are described on page 18.

REVENUE DKK 12.3BN	EBITDA DKK 7.3BN	EMPLOYEES (FTE) 689
15%	50%	11%

Exploration & Production explores for and produces oil and gas. At the end of 2013, Exploration & Production had 77 licences – 14 in Denmark, 27 in the UK, 30 in Norway, 2 in Greenland and 4 in the Faroe Islands. Ongoing exploration for oil and gas is a part of the basis for the Group's growth strategy. Our objective is solid growth in production in order to improve security of supply and earnings.

The percentages indicate the proportion of the Group that each business unit accounted for in 2013.

Exploration & Production

Performance highlights		2013	2012
Volumes			
Oil and gas production	million boe	31.7	28.5
- oil	million boe	8.2	10.0
- gas	million boe	23.5	18.5
Financial performance			
Revenue	DKK million	12,344	11,871
EBITDA	DKK million	7,324	6,550
EBITDA adjusted for current hydrocarbon tax	DKK million	6,219	4,401
EBIT	DKK million	736	3,088
Adjusted operating profit (loss)	DKK million	(598)	820
Gross investments	DKK million	(9,610)	(5,064)
Capital employed	DKK million	20,663	17,507
ROCE	%	(3.1%)	4.6%
Working conditions and environment			
Full time equivalents (FTE)	number	689	762
Lost time injury frequency (LTIF)	per 1 million hours worked	0.5	0.4
EU ETS CO_2 emissions	million tonnes	0.1	0.1
Gas flaring	million Nm^3	6.1	7.8
Oil discharged to sea	tonnes	19	16
Reinjection of produced water on production platforms	%	79	83

Volumes

Oil and gas production was 31.7 million boe, up 11% on 2012. 89% of production came from Norwegian fields and 11% from Danish fields.

Gas production, which came primarily from Ormen Lange in Norway, increased by 27% to 23.5 million boe in 2013. The increase in production reflected the 7.0 million boe increase in volumes from Ormen Lange due to the completion in June 2013 of a redetermination of the partners' stakes in the field's production licences. This redetermination led to an increase in DONG Energy's ownership interest from 10.3% to 14.0% on 1 July. Besides the direct, higher ownership interest, DONG Energy will receive extra volumes in the coming years as the redetermination of the field was made with retrospective effect. The increase was partly offset by lower production from the Trym, Alve and Marulk fields.

Oil production amounted to 8.2 million boe, down 18% on 2012. The decline was mainly due to the shutdown of the Siri area from mid-July 2013 following the identification of a further crack in the Siri platform's subsea structure. Oil production from Syd Arne and the Norwegian fields Trym, Alve and Marulk was also lower.

Financial performance

Revenue was DKK 12.3 billion, up DKK 0.5 billion on 2012 due to higher gas production and gas prices, partly offset by lower oil production and oil prices.

EBITDA rose by DKK 0.8 billion to DKK 7.3 billion in 2013. The increase primarily reflected the increased ownership interest in Ormen Lange and lower costs for the repair work to the Siri platform than in 2012. The repair project is expected within the previously announced costs of DKK 3.5 billion. These positive effects were partly offset by lower production from other fields and higher exploration expenditure charged to the income statement.

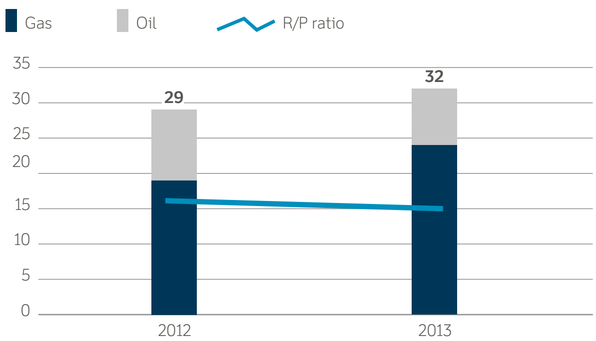
EBIT decreased by DKK 2.4 billion to DKK 0.7 billion, primarily reflecting impairment losses of DKK 3.7 billion in 2013. A DKK 1.8 billion impairment loss was recognised on the Norwegian fields Ula, and Oselvar due to a lower reserve estimate and performance problems on two of three production wells on Oselvar. The following impairment losses were recognised: DKK 0.9 billion on the fields in the Siri area due to the production shutdown, DKK 0.5 billion on the Norwegian Gyda field due to a changed estimate of decommissioning obligations and DKK 0.4 billion in Gassled as a consequence of a significant reduction in tariffs from 2016.

Environment

Discharges of oil to sea together with produced water from oil and gas activities in Norway and Denmark amounted to 19 tonnes in 2013, an increase of 3 tonnes on the previous year. At the same time, reinjection of produced water was reduced to 79% from 83% in 2012. Both changes primarily reflected unreliable production and drilling of a new well on the Ula field, as the unreliable production reduced the efficiency of the reinjection facilities.

Gas flaring from platforms decreased from 7.8 million Nm^3 in 2012 to 6.1 million Nm^3 in 2013, mainly due to reduced flaring on Siri due to the production shutdown since July.

R/P ratio and gas and oil production, million boe



R/P ratio: the ratio of reserves to production at the end of the year

REVENUE DKK 12.0BN	EBITDA DKK 4.3BN	EMPLOYEES (FTE) 1.909
14%	**29%**	**29%**

Wind Power develops, constructs and operates wind farms in Northern Europe. Wind Power concentrates on the UK, Germany and Denmark as the largest growth markets. The emphasis is on developing a robust and balanced project pipeline across countries and markets and having our own skills available to us at every stage of the project value chain. At the same time we focus on improving efficiency and reducing the costs of projects through standardisation and the introduction of new technology.

The percentages indicate the proportion of the Group that each business unit accounted for in 2013.

Wind Power

Performance highlights		**2013**	2012
Volumes			
Electricity generation, wind and hydro	TWh	5.3	4.6
Financial performance			
Revenue	DKK million	11,960	7,737
EBITDA	DKK million	4,253	2,479
EBIT	DKK million	1,894	715
Adjusted operating profit	DKK million	1,779	176
Gross investments	DKK million	(9,485)	(11,258)
Capital employed	DKK million	39,935	38,243
ROCE	%	4.6%	0.5%
Working conditions and environment			
Full time equivalents (FTE)	number	1,909	1,951
Lost time injury frequency (LTIF)	per 1 million hours worked	3.9	3.7

Volumes

Generation from wind and hydro increased by 15% to 5.3 TWh in 2013. The increase related primarily to the offshore wind farms London Array in the UK and Anholt in Denmark, both of which were inaugurated in the third quarter of 2013 and are fully operational. However, production was adversely affected by the divestment of hydro power activities and onshore wind farms in 2013.

Generation from wind and hydro accounted for 28% of the Group's total electricity output in 2013, in line with 2012.

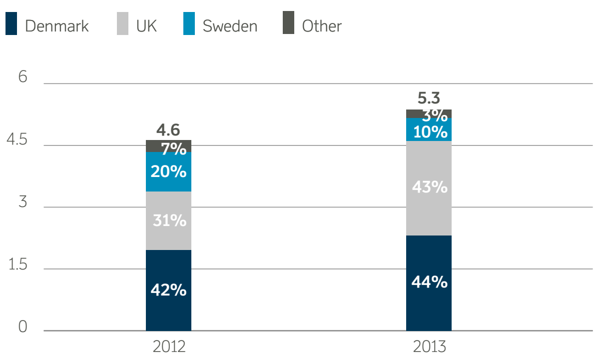
Financial performance

Revenue increased by DKK 4.2 billion to DKK 12.0 billion in 2013, primarily driven by higher electricity output and income from contracts for the construction of the offshore wind farms Anholt and Borkum Riffgrund 1 for co-investors as well as offshore transmission assets in connection with UK wind farms.

EBITDA rose by DKK 1.8 billion to DKK 4.3 billion in 2013, primarily reflecting the higher revenue and lower fixed costs. This was partly offset by higher project development costs.

EBIT rose by DKK 1.2 billion to DKK 1.9 billion in 2013. The lower increase in EBIT compared with EBITDA was due to depreciation of new wind farms and impairment losses of DKK 0.3 billion on capitalised project development costs in 2013.

Electricity generation from wind and hydro, TWh



REVENUE DKK 9.7BN	EBITDA DKK 0.7BN	EMPLOYEES (FTE) 967
12%	5%	15%

Thermal Power generates electricity and heat from thermal power stations. Most of our thermal generation output comes from central coal, gas and biomass-fired CHP plants in Denmark. Biomass is an important resource in the energy system of the future, and the conversion of electricity and heat generation from coal to sustainable biomass will continue. We also develop and market innovative solutions and technologies for the use of waste and biomass for energy and other resources.

The percentages indicate the proportion of the Group that each business unit accounted for in 2013.

Thermal Power

Performance highlights		2013	2012
Volumes			
Electricity generation, thermal	TWh	13.8	11.5
- Denmark	TWh	10.8	9.2
- abroad	TWh	3.0	2.3
Heat generation	PJ	40.2	43.0
Financial performance			
Revenue	DKK million	9,658	9,063
EBITDA	DKK million	744	1,067
EBIT	DKK million	(1,802)	(3,804)
Adjusted operating profit (loss)	DKK million	(1,861)	(3,854)
Gross investments	DKK million	(680)	(309)
Capital employed	DKK million	6,412	13,990
ROCE	%	(18.2%)	(24.1%)
Working conditions and environment			
Full time equivalents (FTE)	number	967	1,116
Lost time injury frequency (LTIF)	per 1 million hours worked	4.1	5.8
EU ETS CO_2 emissions	million tonnes	9.2	7.7

Volumes

Heat generation was 40.2 PJ, down 7% on 2012. The decrease was primarily due to the divestment of small-scale power stations.

Electricity generation was 13.8 TWh, 20% ahead of 2012. At the Danish power stations the increase was 17%. This was due to the improved green dark spread in the Danish price areas as a result of both lower coal and CO_2 prices and higher electricity prices. The higher electricity prices reflected low reservoir levels in Norway and Sweden in 2013. Electricity generation from Severn and Enecogen was 3.0 TWh, 30% ahead of 2012. The improvement was partly due to the fact that the turbines at Severn were subject to periodic repair work in 2012, and partly to improved green spark spreads in both the UK and the Netherlands compared with 2012.

Financial performance

Revenue increased by DKK 0.6 billion to DKK 9.7 billion in 2013, reflecting the higher electricity output and higher electricity prices.

EBITDA was DKK 0.7 billion in 2013, down DKK 0.3 billion on 2012. The decrease reflected partly the discontinuation of both the free allocation of CO_2 allowances in 2013 and income in 2012 from the adjustment of decommissioning obligations on property, plant and equipment that had been fully depreciated, and partly the fact that price hedging had a negative effect in 2013 and a positive effect in 2012. This was partly offset by improved spreads and lower fixed costs.

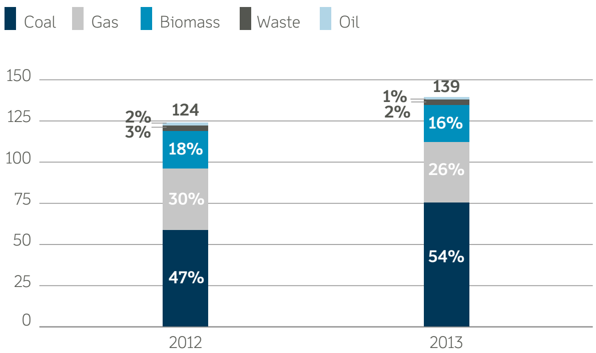
EBIT was a loss of DKK 1.8 billion, an improvement of DKK 2.0 billion on 2012. The improvement reflected partly the fact that impairment losses were DKK 1.4 billion lower than in 2012, and partly a DKK 0.8 billion decrease in depreciation due to relatively high depreciation in 2012 as a result of a review of the useful lives of stand-by CHP plants in Denmark.

In 2012, a DKK 2.0 billion impairment loss was recognised in respect of the gas-fired power stations Severn and Enecogen. In 2013, a further DKK 1.0 billion impairment loss was recognised on Enecogen due to an expectation of sustained low or negative green spark spreads in continental Europe for several years to come.

Environment

EU ETS CO_2 emissions from power stations were 9.2 million tonnes in 2013 compared with 7.7 million tonnes in 2012. The increase was due to higher electricity generation and the fact that biomass accounted for a lower proportion of fuel consumption at Danish power stations.

Fired fuels at power stations, PJ



As the chart includes foreign power stations, the proportion of biomass is less than stated in connection with the strategic target for biomass at Danish power stations.

REVENUE DKK 49.7BN **59%** | **EBITDA DKK 2.3BN** **16%** | **EMPLOYEES (FTE) 1.639** **25%**

Customers & Markets is responsible for the sale of electricity and gas in the wholesale and retail markets in Denmark, Germany, the UK and Sweden, as well as servicing customers with related energy products. We also operate and maintain the Group's electricity, gas and oil infrastructure. Customers & Markets is responsible for optimising the value of DONG Energy's overall energy portfolio and hedging the Group's market risks associated with the production, purchase and sale of energy.

The percentages indicate the proportion of the Group that each business unit accounted for in 2013.

Customers & Markets

Performance highlights		**2013**	2012
Volumes			
Gas sales	TWh	139.3	133.7
- wholesale and gas hubs	TWh	95.4	96.9
- retail	TWh	43.9	36.8
Electricity sales	TWh	16.8	12.6
Gas distribution	TWh	8.8	9.1
Electricity distribution	TWh	8.6	8.7
Financial performance			
Revenue	DKK million	49,663	46,569
EBITDA	DKK million	2,348	(1,455)
EBIT	DKK million	913	(3,213)
Adjusted operating profit (loss)	DKK million	758	(3,488)
Gross investments	DKK million	(1,447)	(1,439)
Capital employed	DKK million	14,551	16,722
ROCE	%	4.8%	(20.5%)
Working conditions and environment			
Full time equivalents (FTE)	number	1,639	1,841
Lost time injury frequency (LTIF)	per 1 million hours worked	3.7	4.0
Gas flaring	million Nm^3	1.0	1.1

Volumes

Gas sales (including sales to own power stations) increased by 4% to 139.3 TWh. The increase was driven by higher sales to end customers due to the acquisition of the UK gas trading company Shell Gas Direct, which was recognised from May 2012. The increase in retail sales was partly offset by lower sales on hubs and slightly lower wholesale sales.

Electricity sales were 16.8 TWh, up 33% on 2012, mainly due to higher sales of electricity from the UK wind farms.

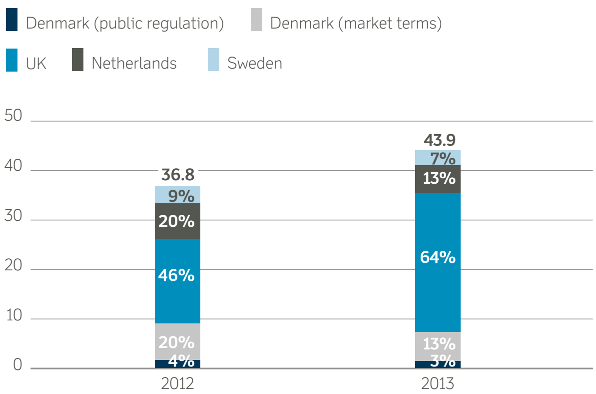
Financial performance

Revenue was DKK 49.7 billion, up DKK 3.1 billion on 2012 due to higher electricity and gas sales.

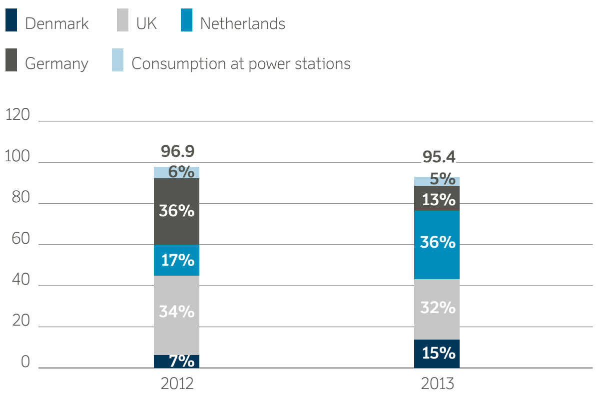
EBITDA was DKK 2.3 billion, DKK 3.8 billion higher than in 2012. This mainly reflected the fact that the 2012 results were adversely impacted by provisions of DKK 2.3 billion for three long-term, onerous gas storage facility contracts in Germany and DKK 0.6 billion relating to an onerous contract for capacity in an LNG terminal in the Netherlands. The remaining DKK 0.9 billion increase related primarily to the Markets activities, which turned the negative EBITDA of DKK 3.6 billion (including provisions) in 2012 around to a positive EBITDA of DKK 0.3 billion in 2013. The financial action plan for the Markets activities that was initiated at the end of 2012 has focused on the renegotiation of long-term gas contracts, streamlining the organisation and reducing costs. EBITDA in the former Sales & Distribution was slightly lower than in 2012, when income was recognised from adjustment of decommissioning obligations on property, plant and equipment that had been fully depreciated. The underlying activities performed positively compared with last year.

EBIT rose by DKK 4.1 billion to DKK 0.9 billion in 2013, mainly due to the higher EBITDA.

Gas sales, retail customers, TWh



Gas sales, wholesale customers and gas hubs, TWh



(average)		Estimate 2014	Actual 2013	Actual 2012
Oil, Brent	USD/bbl	105	109	112
Oil, Brent	DKK/bbl	575	610	646
Gas, TTF	EUR/MWh	27	27	25
Gas, NBP	EUR/MWh	27	27	25
Electricity, Nord Pool system	EUR/MWh	32	38	31
Electricity, Nord Pool, DK[1]	EUR/MWh	36	39	37
Electricity, EEX	EUR/MWh	37	38	43
Electricity, UK	EUR/MWh	61	59	55
Coal, API 2	USD/tonne	81	82	93
CO_2, EUA	EUR/tonne	4.7	4.5	7.5
Green dark spread, DK[1]	EUR/MWh	10.1	12.8	4.0
Green spark spread, UK	EUR/MWh	5.4	2.8	2.3
Green spark spread, NL	EUR/MWh	(5.9)	(3.8)	(4.5)
USD exchange rate	DKK/USD	5.5	5.6	5.8
GBP exchange rate	DKK/GBP	9.0	8.8	9.2

Source: Platts, Argus, Nord Pool, LEBA, ECX.
[1] Based on average prices in DK1 and DK2.

Oil prices

The oil price was USD 109/bbl in 2013 (average), down 3% on 2012. The oil price fluctuated considerably, peaking at USD 120/bbl in early February and subsequently falling to USD 97/bbl in mid-April. The year began with a brighter global economic outlook, which triggered higher oil prices. The subsequent fall was the result of heightened uncertainty concerning growth in China, in particular, the prospect of a tighter monetary policy in the USA and higher oil production. The price stabilised over the summer due to an improved economic outlook and various supply problems in a number of oil-producing countries. Growing uncertainty over developments in Syria and uncertainty concerning Iran's nuclear programme contributed to major fluctuations in the oil market in the second half.

Gas prices

The gas hub price (TTF) in continental Europe was EUR 27/MWh in 2013 (average), 9% higher than in 2012. The higher level was mainly driven by a long, cold winter. Fuelling the price increase over the summer were low gas inventories and the low supply of liquefied gas (LNG) to the European market caused by high demand in Asia. Overall, European demand for gas was low due to the subdued economic activity in the region. This was further exacerbated by falling coal and CO_2 prices, which made it more profitable for generators to use coal than gas.

Electricity prices

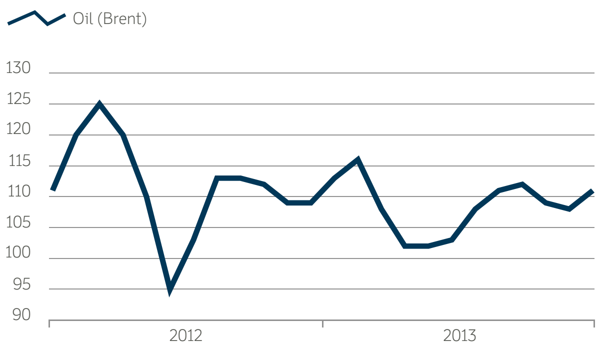
The electricity price in the two Danish price areas averaged EUR 39/MWh in 2013, 6% higher than in 2012. The increase primarily reflected low reservoir levels in Norway and Sweden, which offset the effect of lower coal and CO_2 prices. Furthermore, the average price was affected by the fact that cable works periodically led to strongly curtailed import capacity with occasionally very high hourly prices in the western area. However, the subdued economic activity in Europe continued to contribute to driving down prices.

The electricity price in Germany was EUR 38/MWh in 2013, equivalent to a 11% decrease on 2012. Lower coal and CO_2 prices and increased electricity generation from solar and wind energy drove down prices.

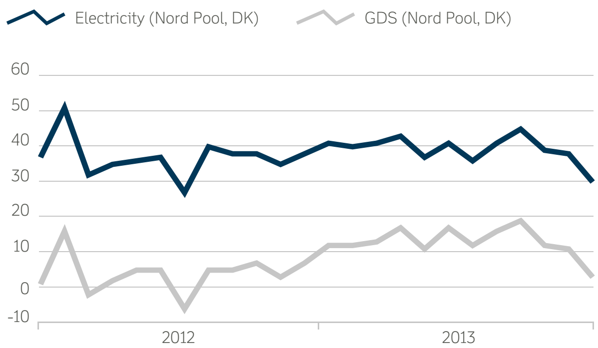
Spreads

The green dark spread in the Danish price areas increased to EUR 12.8/MWh from EUR 4.0/MWh in 2012 due to higher electricity prices and lower coal and CO_2 prices. The Dutch green spark spread was negative, at EUR (3.8)/MWh, but better than in 2012. The UK green spark spread was EUR 2.8/MWh, 25% above 2012.

Oil, USD/bbl

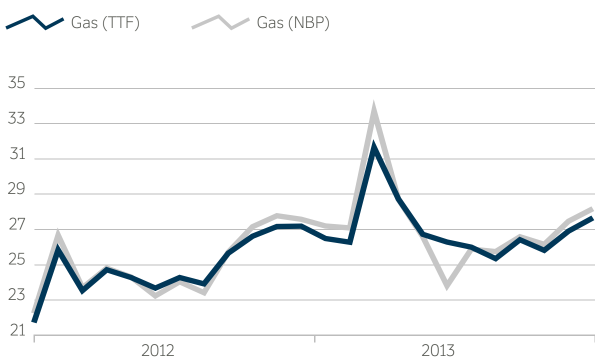


Electricity and green dark spread (GDS), EUR/MWh



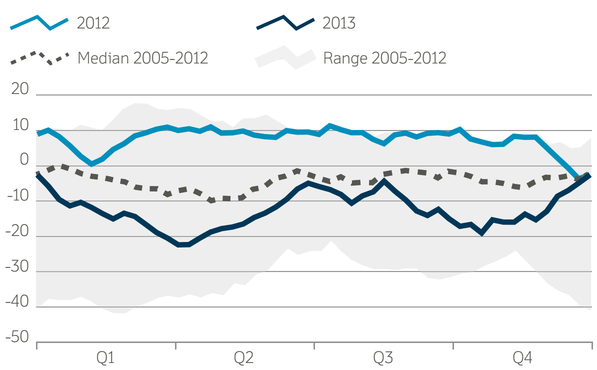
Source: Nord Pool, Argus and ECX

Gas, EUR/MWh



Source: Argus

Hydrological balance, TWh



Source: SKM Market Predictor

Outlook

EBITDA for 2014

Business performance EBITDA for 2014 is expected to be DKK 15-17 billion. The outlook is based on financial forecasts for each business unit and thus reflects expectations concerning production from existing and new assets, profits from construction contracts, renegotiation of gas contracts, completion of the repair work to the Siri platform, gains and lost EBITDA in connection with divestments, and the market price and exchange rate outlook set out in the section on market prices. A large proportion of price exposure for 2014 has been hedged using financial contracts.

Investments

Net investments for the period 2014-2015 are expected to be around DKK 30 billion.

Capital structure

Funds from operation (FFO) to adjusted net debt is expected to be around 25% in 2014. The objective is for FFO to be around 30% of adjusted net debt from 2015 onwards.

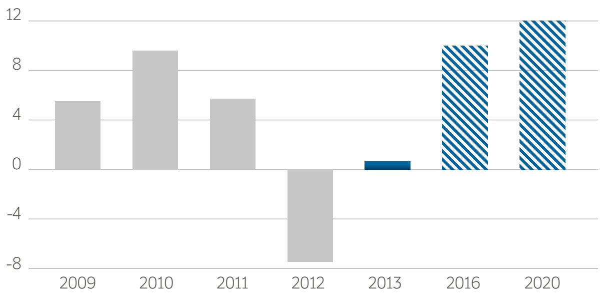
OUTLOOK	GUIDANCE FOR **2014**
	5 February
EBITDA	DKK 15-17 billion
Net investments	~DKK 30 billion (2014-2015)
FFO / adjusted net debt	~25%

Forward-looking statements

The annual report contains forward-looking statements, which include projections of short and long-term financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this report due to a variety of factors, including, but not limited to, changes in temperature and precipitation levels; the development in oil, gas, electricity, coal, CO_2, currency and interest rate markets; changes in legislation, regulation or standards; renegotiation of contracts; changes in the competitive environment in DONG Energy's markets; and security of supply. Reference is made to Risk and risk management on page 35 and to note 6 to the consolidated financial statements.

DONG Energy's key financial targets are ROCE, EBITDA, Funds from operation / adjusted net debt and our external rating.

ROCE, %



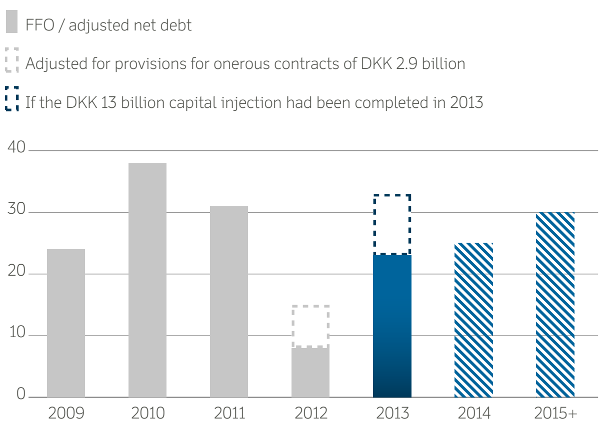
The business units' ROCE targets for 2016 and 2020 can be seen on pages 2-3

The return on capital employed (ROCE) was 0.5% in 2013 compared with -7.9% in 2012. The improvement primarily reflected the increase in EBIT as described on page 23.

ROCE was adversely impacted by impairment losses in both years. In 2012, the DKK 2.9 billion provisions relating to onerous contracts also had an adverse impact on ROCE. Adjusted for impairment losses and the provisions for onerous contracts in 2012, ROCE for 2013 would be 6.8% compared with -0.9% in 2012.

For 2016, the targets are ROCE of at least 10% and EBITDA of around DKK 20 billion. In 2020, ROCE must be at least 12%.

FFO / adjusted net debt, %

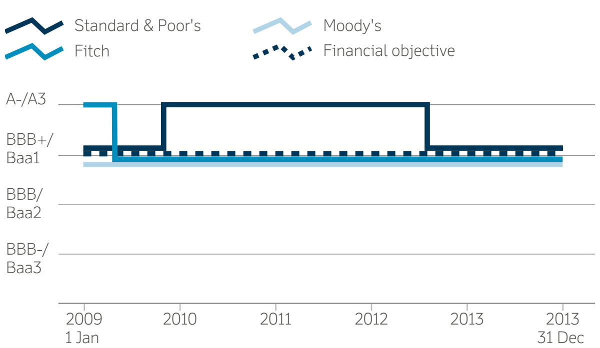


The rating agencies have tightened their view of the utility sector in the last few years. As a consequence, DONG Energy's existing target for adjusted net debt not to exceed 2.5 times EBITDA is not strict enough in relation to the rating agencies' criteria for a BBB+/Baa1 rating.

A new, tighter capital structure target will therefore be introduced from 2014: Funds from operation (FFO) to adjusted net debt.

The long-term objective is for FFO to be around 30% of adjusted net debt. A ratio of around 25% is expected for 2014 on the assumption that the DKK 13 billion equity injection is completed.

Rating



Moody's, Standard & Poor's and Fitch follow DONG Energy and publish ratings of the Group's senior bonds, hybrid bonds and the company.

At the end of 2013, the corporate rating with Moody's was Baa1 and the rating with Standard & Poor's and Fitch BBB+.

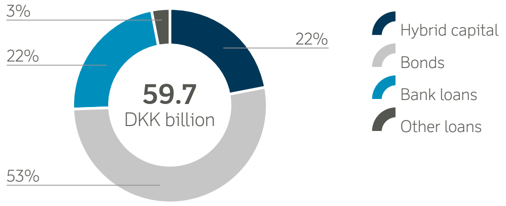
The ratings from all three agencies were consistent with DONG Energy's target of a rating of at least BBB+/Baa1. This target is unchanged in DONG Energy's 2020 strategy.

Financing strategy

DONG Energy primarily finances its non-current assets through surplus liquidity from operations and by raising debt. DONG Energy endeavours to diversify its financing across several financing markets, lenders and maturities.

DONG Energy has expanded its presence in the international capital market in recent years by issuing bonds and hybrid capital in various currencies. To ensure flexible, efficient access to financing in the bond market, the Group has also set up a EUR 7 billion bond programme (Euro Medium Term Note).

Gross debt including hybrid capital at 31.12.2013



Outstanding bonds

Currency	Principal amount (million)	Coupon (%)	Maturity	Listed in
Senior bonds				
EUR	500	4.875	7 May 2014	London
EUR	500	4.000	16 Dec 2016	London
EUR	500	6.500	7 May 2019	London
EUR	500	4.875	16 Dec 2021	London
EUR	750	2.625	19 Sep 2022	London
GBP	750	4.875	12 Jan 2032	London
GBP	500	5.750	9 Apr 2040	London
Hybrid bonds				
EUR	600	5.500	Year 3005	Luxembourg
EUR	700	6.250	Year 3013	Luxembourg
EUR	500	4.875	Year 3013	Luxembourg

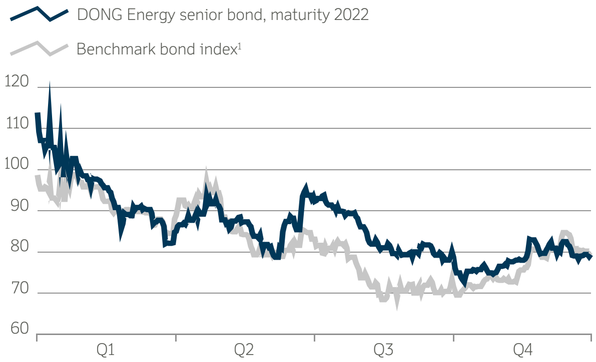
The two hybrid bonds due in 3013 were issued in June (EUR 700 million) and July 2013 (EUR 500 million), with the former being an exchange of a previously issued hybrid bond due in 3010. The decision to offer investors an exchange followed S&P's change of the equity credit for the bond in question from 100% to 0% with the effect that it was no longer cost-effective. The transactions in June and July helped to bolster DONG Energy's capital base.

The spread figure shows that DONG Energy's credit margin is on a par with similar bonds of large European energy companies. To allow comparison, an index of bonds issued by other energy companies in the same currency and with largely identical maturity as the DONG Energy bond shown has been produced.

Significant financing activities in 2013

Month	Activity
May	Raising of credit facilities of DKK 5.1 billion
June	Exchange of hybrid bonds due in 3010
June	Issuance of EUR 90 million new NC10 hybrid bonds
July	Issuance of EUR 500 million new NC5 hybrid bonds
July	Cash tender offer for 3010 hybrid bonds at 104% of principal amount (EUR 61 million)
October	Cash tender offer for outstanding 3010 hybrid bonds at 101% of principal amount (EUR 29 million)
November	Raising of DKK 0.7 billion credit facility
December	Early repayment of DKK 1.7 billion bank loan

Spread (credit margin) compared with swap rate, 2013



[1] Composite index consisting of bonds in the same currency and with largely identical maturity in large European energy companies.

Financing structure

The Group's business units raise financing through the parent company DONG Energy A/S. The purpose is to ensure optimum loan terms and maintain a simple, transparent capital structure. It also ensures uniform loan documentation so that external lenders achieve relatively comparable terms. Financing needs among the Group's subsidiaries are met by the parent company through an internal banking function on arm's length terms.

Liquidity

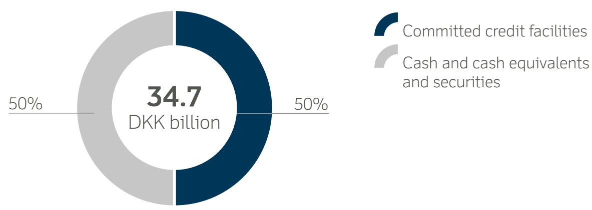
DONG Energy strives to maintain a sound liquidity reserve to ensure it has robust resources at all times. This is ensured through committed credit facilities from a group of international, strong banks and through cash resources.

Liquidity is made available to the whole Group through cash pool schemes in which all wholly-owned subsidiaries participate.

Cash and cash equivalents and securities were at a relatively high level at the end of 2013 as a result of the assets disposed of during the year.

In 2013, six bilateral credit facilities were entered into for a total net amount of DKK 5.8 billion.

Cash reserves at 31.12.2013



Rating

	Moody's	Standard & Poor's	Fitch
Rating	Baa1	BBB+	BBB+
Senior bonds	Baa1	BBB+	BBB+
Hybrid bonds	Baa3	BBB- / BB+	BBB-
Outlook	Stable	Negative	Negative
Latest update	Dec 2013	Jan 2014	Nov 2013

Read more about Interest-bearing debt in note 4 to the consolidated financial statements.

2020 strategy transforms DONG Energy's risk profile

Risk management

The composition of the Group's energy portfolio makes it both robust and mitigates risks, as business drivers in the four business units vary. The Group works systematically to identify and handle risks. Once a year, the Group identifies and prioritises its risks in a matrix based on an assessment of their financial effects and whether they are short or long-term risks. Risks can be organised into four main categories and are partly interdependent. The risks highlighted in the table below are explained on the following pages. In addition, the Top 10 risks are illustrated in the matrix on the right.

The business transformation that DONG Energy has been and is still undergoing changes its risk profile compared with the period immediately after the merger in 2006, when traditional energy supply activities made up the majority of the Group's earnings. This part of the business will make up a relatively modest part in 2020, and the two strategic growth areas, offshore wind and oil and gas production, will account for the majority of earnings. At the same time, the Group's risk exposure is changing radically as a consequence of the many new assets it is investing in. The risks associated with development and construction of production assets will be high in the years ahead and have therefore been prioritised as No 2 in the Top 10 risk matrix.

The two growth areas complement each other in terms of risk. Wind Power's investments are characterised by providing relatively stable income due to the economic schemes that have been set up to support the industry while it is maturing. Exploration & Production's investments are characterised by generating high returns, but with less certainty.

The transformation of the electricity generation portfolio towards more wind farms with a geographical spread reduces the Group's electricity price risks. In 2007, two-thirds of the value of the electricity generated by power stations and wind farms was sold at market prices on the Nord Pool power exchange. This proportion is expected to be reduced to less than 10% in 2016, providing a lower market risk, as the price of this part of generation is highly dependent on temperatures and precipitation levels in the Nordic countries and is therefore difficult to predict and fluctuates greatly. However, the proportion of electricity generation that is settled at fixed prices is expected to increase from just over 10% in 2007 to just over 60% in 2016. By contrast, the risk of changes in economic schemes for the wind industry and the regime for CO_2 emissions allowances will in-

	MARKET, LIQUIDITY AND CREDIT RISKS	OPERATIONAL RISKS	REGULATORY RISKS	STAFF AND ORGANISATIONAL RISKS
Short term		**3 Siri repair** **7 Conversion to biomass**		
Short/long term	▪ **Market Trading** ▪ **Liquidity and financing risks** ▪ **Credit risks**	**2 Development and construction of production assets** **4 Operation and maintenance of production assets** **5 Renegotiation of oil-indexed gas contracts** **8 The weather** **9 Partnerships in Wind Power** ▪ **IT security** ▪ **Environment**		▪ **Employee safety** ▪ **Access to talent and critical skills** ▪ Fraud and corruption
Long term	**1 Market risks** Customers & Markets Exploration & Production Thermal Power Wind Power Exchange rates Interest rates	**10 Offshore wind Cost of Electricity** ▪ Development of exploration portfolio	**6 Economic schemes in Wind Power** **6 Electricity and gas distribution** ▪ Financial regulation ▪ Tax	
Extreme events		▪ 1,000-year storm ▪ Explosion/fire at E&P installation ▪ Collision with production facility ▪ Discharge/fire at Stenlille gas storage facility ▪ Pipe failure at Nybro ▪ Breakdown on power stations ▪ Collapse of financial markets		

The highlighted risks are explained on the following pages.

crease in the long term (see risk No 6). Price risks related to electricity generation from DONG Energy's power stations are expected to fall in the years ahead in step with the conversion to biomass-firing, as long-term heat contracts are entered into at the same time, providing more stable earnings (see risk No 7).

Another material risk is the renegotiation of oil-indexed gas contracts (see risk No 5), as the relative oil and gas price trend has been unfavourable for the European mid-stream energy companies since 2009. The main options open for reducing the price imbalance between sales and procurement of gas are to renegotiate purchase contracts to a higher degree of gas hub price indexation and increase equity production of gas and oil in DONG Energy. This will reduce exposure to the gas/oil spread in favour of a pure gas margin, which will contribute to stabilising income from the gas business.

Market, liquidity and credit risks

DONG Energy's market, liquidity and credit risks are managed based on the Group's desire to have stable financial ratios to ensure a robust platform for the growth strategy.

DONG Energy's material market risks relate to the energy markets, including the oil, gas and electricity markets. Firstly, prices are subject to considerable uncertainty as the energy markets are characterised by being highly volatile - far more than, for example, currency markets. Secondly, the magnitude of DONG Energy's energy exposure is subject to uncertainty. Examples of this are uncertainty relating to production volumes or special contractual risks applying in the energy markets. Examples of the latter are flexibility in gas purchases or renegotiation clauses, both of which will depend on the future energy price trend and the general economy. Energy price risks can also be organised into direct price risks, where the exposure depends on one specific price, and spread risks, where the exposure depends on the difference between two or more prices. Market price risk on direct price risks is normally higher than for spread-based exposures as the prices of individual commodities are typically more volatile than the difference between correlated energy prices. The exposure scenario for DONG Energy is therefore based on expectations concerning the factors outlined above.

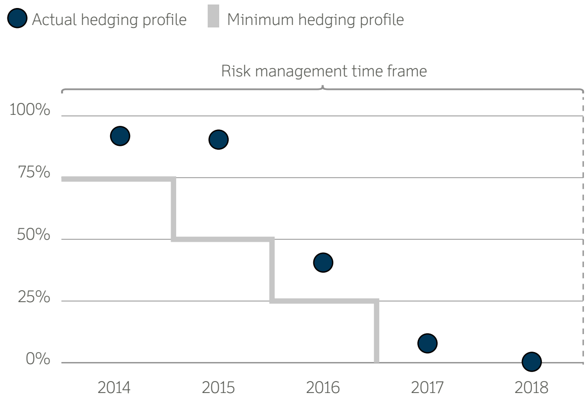
To reduce the fluctuations in its cash flows in the short and medium terms, the Group enters into price hedging contracts within its risk management time frame (up to five years). Market price risks are hedged in accordance with given minimum hedging levels and are illustrated in the figure below together with the Group's actual hedging profile at the end of 2013. At the short end of the time frame, the Group wants a high level of hedging to achieve a high degree of certainty with regard to results and cash flows, while the hedging level is lower in subsequent years. This approach is chosen partly because the underlying longer-term exposure is subject to greater uncertainty, and partly because financial and physical markets are less liquid in the longer term.

As a result of the hedging strategy, energy price changes in the near term (coming two years) will only have a limited effect on the Group's results, while the effect in subsequent years (3-5 years) will be greater. The figure below shows the effect of an adverse 20% change in the price of gas, oil, electricity from wind generation and the contribution margin on thermal electricity generation respectively.

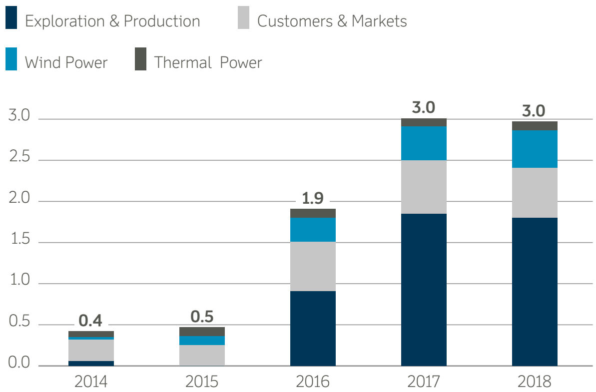
The Group's long-term, structural market risks are determined by its strategic choices and the associated asset composition and long-term physical contracts. The long-term market risks cannot be controlled via the financial markets.

Before they are hedged in the market, energy and currency exposures are consolidated in Customers & Markets and the Group Treasury department respectively. This way, use is made of the Group's inherent, internal hedging. For example, oil price-indexed gas purchase contracts can contribute to reducing the long-term oil price exposure from DONG Energy's equity production of oil.

Hedging profile



Financial sensitivity[1] to an adverse 20% price change, DKK billion



[1] After deduction of hydrocarbon tax on production in Exploration & Production

Risk and risk policy

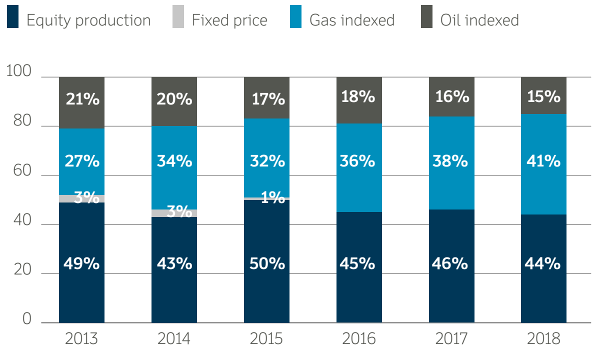
Exposure and hedging

1 Customers & Markets – Purchase and sale of energy

Customers & Markets' price exposure is mainly related to purchases and sales of gas and electricity. The exposure to purchases and sales of gas is determined by differences in the indexation of sales and purchase prices.

The expected development in the indexation of DONG Energy's gas purchases is illustrated below. The expectations take account of factors such as the outcome of renegotiations of major gas purchase contracts. Both purchases and sales of gas are expected to be increasingly indexed to gas prices, while the indexation of oil is expected to decline over time. Viewed in isolation, oil price-indexed gas purchase contracts result in a long gas position and a short oil position.

Indexation of gas purchase contracts in Customers & Markets, %



The long-term purchase and sales contracts feature embedded options, for example in the form of volume flexibility and renegotiation clauses that may alter the risk profile in both the short and the long term. Like other European companies, DONG Energy is currently renegotiating its long-term gas purchase contracts. If the outcome of the renegotiations is different than expected, it may significantly change the price indexation in the gas purchase contracts.

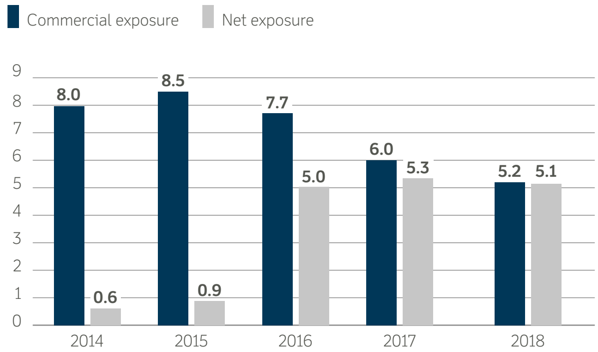
Customers & Markets' purchase and sale of electricity can be viewed, to a greater extent, as a purer margin business, where earnings consist of a more or less fixed difference between purchase and sales prices. As the related price risk therefore relates primarily to timing differences, it is considered to be low.

The risk on future cash flows from the purchase and sale of energy is managed with a time frame of up to five years through relative minimum hedging requirements in relation to the value of the exposure.

Net exposure for the years 2014-2018 was DKK 16.9 billion at the end of 2013.

The very low exposure after hedging in 2014 and 2015 and the reduced exposure in 2016 are consistent with the hedging strategy.

Gas, oil and electricity price exposures[1], DKK billion



[1]Exposures are expressed as absolute values

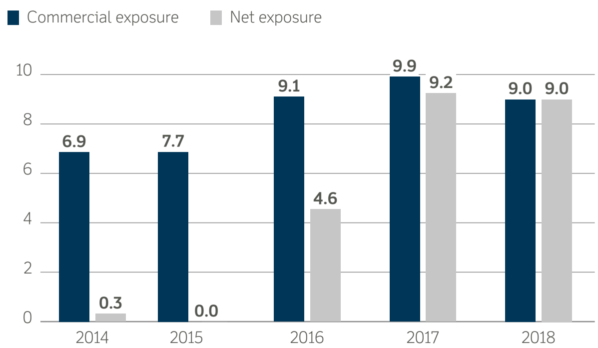
1 Exploration & Production - Equity production of gas and oil

Exploration & Production's exposure to gas and oil is expected to rise in the coming years, reflecting increasing equity production, primarily related to the production fields Hejre and Laggan-Tormore, which are under development.

The risk on future cash flows from gas and oil exposures is considered a direct price risk and is managed with a time frame of up to five years through relative minimum hedging requirements in relation to the value of the exposure. Gas and oil exposures are hedged on a reduced exposure volume to take account of hydrocarbon taxation to achieve the desired cash flow effect after tax.

Net exposure for the years 2014-2018 was DKK 23.1 billion at the end of 2013.

Price exposure[1] from sales of gas and oil, DKK billion



[1]Exposure is shown net of effect of hydrocarbon tax

Risk and risk policy

Exposure and hedging

1 Thermal Power - Sale of thermal electricity generation

The electricity price is determined by fuel prices, prices for CO_2 emissions allowances and general supply side and demand side characteristics, where weather conditions play a part.

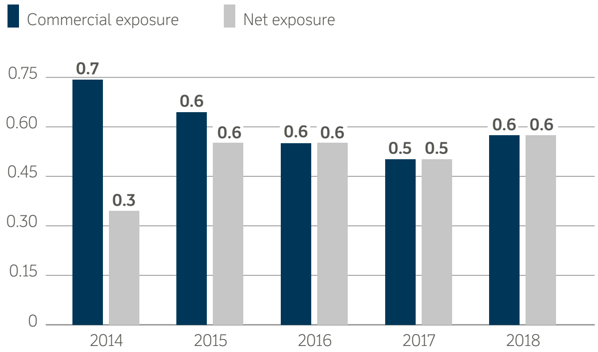
Risk management of thermal electricity generation is based on locking-in the contribution margin for future electricity generation by selling electricity while at the same time buying fuel and CO_2 emissions allowances. The spread-based price exposure from electricity generation is managed with a time frame of up to five years. The time frame reflects the given liquidity conditions for trading in the forward market.

The power station portfolio consists of gas, coal and biomass-fired plants in Denmark and the Netherlands. The profitability of each power station will depend on prices of competing fuels, for example gas and coal.

At the end of 2013, the price exposure relating to 54% of expected thermal electricity generation in 2014 had been hedged. Net exposure for the years 2014-2018 was DKK 2.5 billion.

The currently relatively low exposure mainly reflects unfavourable relationships between electricity and fuel prices, i.e. a low contribution margin. For a given expected output, this results in a low exposure.

Price exposure from thermal electricity generation, DKK billion



1 Wind Power – Sale of electricity generation from wind turbines

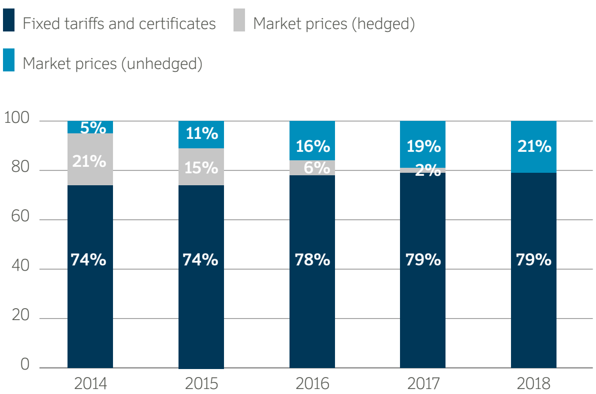
In connection with the development of renewable energy sources, primarily offshore wind farms, a major part of the earnings from wind power will come from activities subject to regulated pricing. The key components are fixed tariffs (Denmark and Germany) and guaranteed minimum prices for green certificates (the UK).

The market price risk, which mainly relates to the sale of electricity in the UK, is considered a direct price risk and managed with a time frame of up to five years through relative minimum hedging requirements in relation to the value of the exposure.

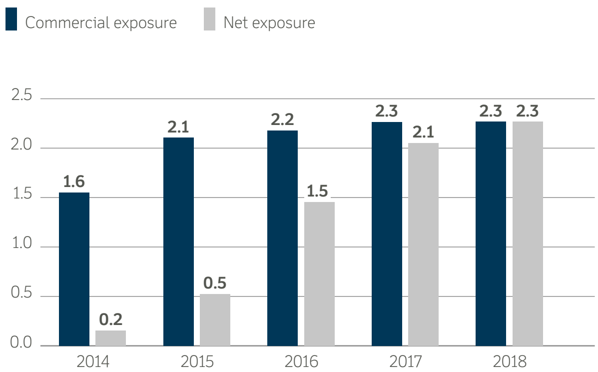
At the end of 2013, fixed tariffs and guaranteed minimum prices for green certificates accounted for 77% of expected revenue from the wind power portfolio over the coming five years.

Net exposure for the years 2014-2018 was DKK 6.5 billion at the end of 2013.

Breakdown of income from electricity generation, %



Price exposure from electricity generation from wind turbines, DKK billion



Risk and risk policy

Exposure and hedging

1 Exchange rates

The majority of DONG Energy's activities entail exposure to fluctuations in exchange rates.

Currency exposures are determined on the basis of relatively certain cash flows, primarily from:

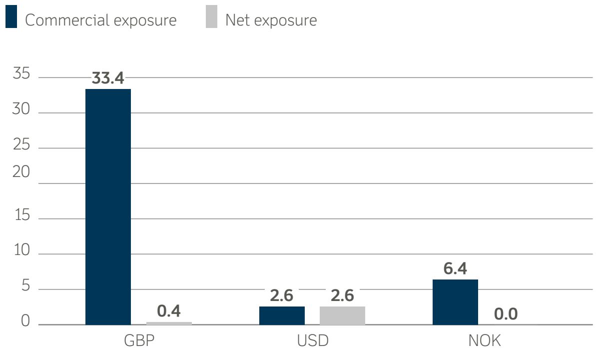
- price-hedged energy exposures
- loans raised in foreign currencies
- capital expenditure and operating expenses paid in foreign currencies
- unutilised tax deductions in foreign companies

Currency exposures are calculated on an ongoing basis for the Group as a whole. The Group endeavours to minimise its exposures via forward contracts, swaps and options.

Risk limits are based on maximum accepted exposure values after hedging for each currency (except for EUR), both aggregated and on an annual basis over the coming three years.

At the end of 2013, most of the currency exposures from relatively certain cash flows had been hedged. The principal currencies are GBP, USD and NOK.

Currency exposure, DKK billion



1 Interest rates

DONG Energy's interest rate risks relate to

- interest-bearing liabilities
- interest-bearing assets
- financial price hedges

The Group aims to limit the effect of changes in interest rates. As a result, the loan portfolio (including hybrid capital) was predominantly fixed-rate at the end of 2013. Interest rate risk is managed actively via a target for the duration of the net debt.

At the end of 2013, 78% of DONG Energy's debt was fixed-rate. The loan portfolio had an average time to maturity of approx. nine years, which reflects the fact that DONG Energy has endeavoured to reduce its refinancing risk.

Interest-bearing assets predominantly consist of short-term Danish mortgage bonds.

In 2014, a one percentage point parallel increase in the yield curve would result in a DKK 1 million increase in DONG Energy's net interest expense, while the market value of the net debt and hybrid capital would decrease by DKK 3.5 billion. This should be viewed in the context of an annual interest expense totalling approx. DKK 2.2 billion.

Market Trading

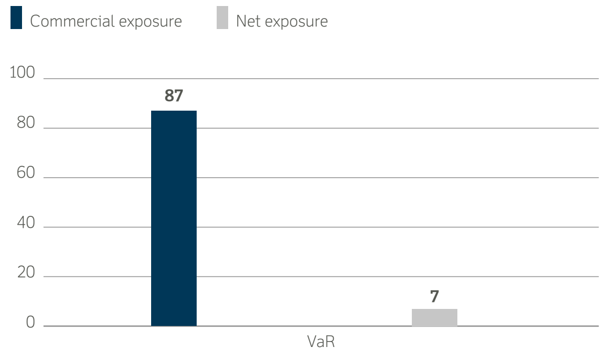
When the Group's desired hedging level has been set, the Market Trading function is responsible for executing the physical and financial transactions in the market. It is not always possible to hedge the transferred price risks in full. DONG Energy therefore has some remaining exposure resulting from these activities.

Market Trading also balances physical volumes in the market and, to a lesser extent, takes positions to ensure an ongoing market presence and thus gain more detailed market insight. Furthermore, DONG Energy has assumed the role of market maker in the Danish electricity market, which involves further market risks.

Limits for Market Trading are based on Value-at-Risk (VaR) and Stress, which measure the risk of losses on the portfolio from day to day, calculated on a fair value basis. VaR is determined as the maximum loss with a 95% probability within one trading day and thus measures the risk under normal market conditions. Stress is determined as the worst loss within one trading day based on all actual price movements since 1 January 2006 and thus shows the risk under more extreme market conditions.

For the period 2014-2018, 1-day 95% VaR is DKK 87 million before hedging and DKK 7 million after hedging. External hedging reduces both VaR and Stress by more than 90%.

Market Trading energy price exposure, DKK billion



Risk and risk policy

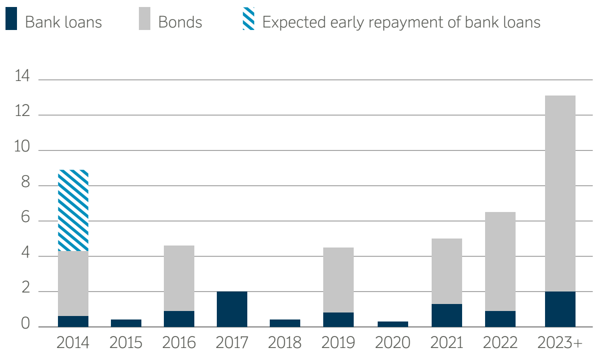
Exposure and hedging

Liquidity and financing risks
Implementation of DONG Energy's strategy assumes financing in the form of the raising of loans in addition to the free cash inflow from operating activities, and asset disposals. The refinancing risk is reduced by having a diversified debt mix (see page 34) and maturity profile.

DONG Energy determines the amount of its cash resources in such a way that the Group will be able to meet all its liabilities, including going ahead with initiated and planned investments, for a lengthy period (1-2 years), in a stress scenario in which DONG Energy's financial situation becomes worse than anticipated and new loans cannot be raised, for example as a result of another major financial crisis.

At the end of 2013, cash resources were DKK 34.7 billion, of which DKK 17.4 billion was committed credit facilities and DKK 17.3 billion available cash and cash equivalents and securities.

Maturity profile, DKK billion



Credit risks
DONG Energy seeks to mitigate its credit risks by systematically credit-rating its counterparties in the areas of energy trading and financial activities, by using financial standard contracts and by requiring collateral. Allocated credit lines are monitored continuously and counterparties are monitored daily.

Counterparties are monitored and credit lines allocated based on limits set by the Board of Directors and the Executive Board. An internal credit rating is required for major counterparties. Information from external credit rating agencies, information in the public domain and DONG Energy's own analyses are used to establish the internal rating and assess the maximum permitted commitment for each counterparty.

DONG Energy did not suffer any losses on any single major counterparty in 2013, and arrears relative to revenue for the retail customer segment remained unchanged from 2012 despite an ever-increasing proportion of private households defaulting on debt and only a marginal decline in business failures among business customers.

For an overview of the credit quality at the end of 2013, reference is made to note 6.3 to the consolidated financial statements.

Risks related to operations, regulation and employees

2 Development and construction of production assets

There are a variety of material risks associated with DONG Energy's development and construction of new production assets. Value creation on new projects depends to a great extent on having the right technical and commercial solutions, meeting investment budgets and starting up new assets on time.

The biggest investments are primarily made in offshore assets. As such investments depend on the composition of the seabed and good weather conditions, they are naturally subject to a degree of uncertainty. To this should be added the dependence on commercial partners, suppliers, subcontractors and jack-up vessels, all of which can potentially be sources of both budget overruns and delays.

DONG Energy seeks to mitigate the risk related to the development and construction of new assets by entering into fixed contracts for a large proportion of its investment budgets before start-up and by including a contingency reserve. DONG Energy also draws on experience from previous projects.

3 Siri repair

In mid-2009, cracks were identified in the sponson, which is a 'projection' on the subsea oil tank beneath the Siri platform. In January 2010, support and stabilisation were added to the damaged sponson to prevent further cracks from forming. Production from the Siri area was then resumed as the repair work was being planned and carried out, but with tightened safety requirements.

In July 2013, a further crack in the sponson was detected. For safety reasons, production from Siri and the neighbouring satellite fields was suspended, and the platform was temporarily manned down. Following thorough analyses, increased understanding of the identified crack and updated calculations of the structure and load capacity, the Siri platform was manned up again. Oil production from the satellite fields Nini and Cecilie has been resumed in early 2014, with tightened safety requirements.

The repair work to the Siri platform is subject to significant uncertainty with respect to both time schedule and costs. This is mainly because a large part of the project follows complex installation procedures, which, moreover, require relatively good weather conditions.

Daily inspections of the platform and meticulous planning procedures help to mitigate the future risk. The repair work is expected to be completed during summer 2014, following which full production can be resumed.

4 Operation and maintenance of production assets

An important factor in relation to the profitability of production assets is availability, which depends, among other things, on their age and condition as well as a regular, targeted maintenance strategy. Material risks associated with operation and maintenance relate primarily to DONG Energy's offshore production assets, where weather conditions, production capacity of related infrastructure, ageing facilities, custommade components and, in some cases, the need for specialised vessels to perform repairs, may result in cost-intensive and time-consuming operations. During 2013, DONG Energy experienced cable failures on offshore wind farms and a number of production shutdowns on its oil and gas fields, mainly caused by technical and safety factors.

There is also a risk of outages at the Danish power stations. Power station availability is essential in relation to making optimum use of daily changes in the electricity price market.

DONG Energy seeks to reduce this risk by carrying out planned maintenance on days with favourable weather conditions and by constantly improving the possibilities for safe access in poor weather. DONG Energy also works on contracts for jack-up vessels to ensure the necessary capacity for the performance of the day-to-day operation and maintenance in future.

DONG Energy seeks to reduce the risk of outages at power stations by maintaining and inspecting the plants on a regular basis. Furthermore, electricity and heat generation can often be picked up by another power station in the event of an outage.

5 Renegotiation of oil-indexed gas contracts

DONG Energy is a party to a number of long-term gas purchase contracts. The contract price for several of these is indexed to the oil price in the same way as the sales price to end customers has been in the past. However, the gas market has evolved in a way where the oil price and the gas price no longer change in unison, and demand by end customers is now primarily priced in relation to the market price on the liquid gas hubs.

DONG Energy renegotiates these contracts on an ongoing basis in order to reduce the purchase price to a competitive level. However, the price reduction depends on the wording of the individual contracts, and there is therefore a risk that DONG Energy may not be able to achieve a price that is on a par with the market price of gas. The renegotiation of three contracts was concluded at the end of 2012 and in 2013. DONG Energy expects to renegotiate a further six contracts in the course of 2014 and 2015.

6 Regulatory risks

Regulatory frameworks in the countries in which DONG Energy operates affect DONG Energy's strategic opportunities and therefore also its future earnings. DONG Energy is active in several countries in North West Europe, which reduces the risk of its activities being affected by material changes in the regulatory framework. Traditionally, countries in North West Europe do not alter economic schemes for realised investments.

DONG Energy also has activities in several stages of the value chain, which helps to mitigate the effects of regulatory changes in individual stages of the chain. The Group monitors political and regulatory developments in the countries within its geographical focus area closely and submits responses when legislative and regulatory proposals of major relevance to the company go out for consultation. DONG Energy also enters into dialogue with politicians and authorities in situations in which the company can contribute relevant knowledge. DONG Energy is a member of industrial organisations that are in contact with politicians and authorities in the various countries in which the Group operates.

7 Conversion to biomass

The principal risk related to conversion of the Danish central power stations to biomass concerns the way in which biomass is taxed. Overall sustainability is also important, although it is not expected to constitute a potential barrier, as DONG Energy is already only buying sustainable biomass.

DONG Energy is in ongoing dialogue with the relevant authorities, not least the Danish Energy Agency, concerning sustainability criteria for biomass to reduce the risk. Further risk mitigation has been achieved by establishing a certification system for wood pellets through industrial cooperation with Sustainable Biomass Partnership.

8 The weather

DONG Energy's two electricity-generating business units, Wind Power and Thermal Power, are exposed to weather conditions to some extent.

Thermal Power is primarily exposed in relation to winter temperatures in North West Europe and precipitation levels in Sweden and Norway. The latter determine changes to the hydrological balance, which defines the amount of electricity generated at very low cost. In years with very high winter temperatures and high precipitation levels in Sweden and Norway, Thermal Power may experience a fall in earnings.

In Wind Power, the exposure is primarily in relation to wind conditions in Denmark, the UK and Germany. This exposure can be divided into three groups:

- Annual wind conditions: The average energy content of the wind may vary from year to year
- Local wind conditions: This exposure relates primarily to the wind measurements and estimates that are prepared in connection with new projects. The measuring equipment, local atmospheric conditions and variations in wind speed over time are all subject to some uncertainty.
- Wind conditions in geographical focus area: DONG Energy's production assets are primarily situated in Northern Europe, where weather and wind conditions are correlated to some extent. This means that the entire portfolio may potentially be affected if the average wind content is lower than normal.

Thermal Power's sale of electricity is hedged, as far as possible, in the forward market to reduce the risk exposure arising from changing weather conditions. Wind Power focuses on supporting the development and testing of better, more precise measuring equipment to reduce uncertainty in relation to the expected wind resource on new projects.

9 Partnerships in Wind Power

The partnership strategy is an important factor in relation to achieving the strategic target of 6.5 GW of installed offshore wind capacity in 2020. There are a number of strategic risks and process risks related to this. These may take the form of a delay in the divestment of ownership interests, lack of interest among investors or regulatory/contractual restrictions.

DONG Energy's management pays a great deal of attention to these partnerships and has set up an organisational unit that handles all processes in relation to the conclusion of future partnerships.

10 Offshore wind Cost of Electricity

DONG Energy is exposed to changes in the offshore wind market and its competitiveness relative to other forms of energy. The offshore wind market is still maturing and new technologies and concepts are continuously being developed to reduce the long-term costs to a competitive level.

Wind Power seeks to reduce the cost level by continuously improving the efficiency of its processes and project planning and by focusing on developing new technologies and methods. In addition, at the end of 2013, DONG Energy introduced the Standard Wind Farm concept, which should help to bring down the cost of both construction and subsequent maintenance and thus contribute to the industrialisation of the offshore wind market. Read more in the section on Competitive energy on page 15.

IT security

DONG Energy is highly dependent on IT systems as many of its tasks would be difficult or impossible to carry out without supporting IT systems. Increased demand for availability outside normal working hours and the normal place of work increases the risk of attempts at unauthorised access and may result in DONG Energy being exposed to hacking, industrial espionage, blackmail, etc.

Technical IT systems (ICS) are crucial for the day-to-day operation of power stations, wind farms, transformer stations, etc. For example, crashes or unauthorised modifications to ICS system functionality may result in a power station being disabled and unable to generate electricity.

The Group is reducing the risk associated with administrative IT systems by basing its IT security on internationally recognised standards such as ISO-27001/27002, and internal procedures and guidelines on the ITILv3 standard. The guidelines set high requirements for the handling of changes, problems and incidents as well as data back-up, etc. In addition, IT system security is constantly updated, logging is activated on all critical transactions, hard disks on PCs are encrypted, anti-virus and anti-spam are installed, etc.

The risk associated with ICS systems is reduced by using a governance model that unambiguously describes the distribution of responsibilities and tasks between the business units and the IT department. Handling of the systems is documented in 'Code of Conduct for ICS'. The ICS systems are not connected to the internet and they are tested regularly.

Environment

As an energy company, DONG Energy has a material impact on the environment. The Group therefore has an obligation to society to work in a long-term, systematic manner to limit this impact. Consideration for the climate and the environment is an integral part of the Group's activities and decision-making processes.

Identification and reduction of potential environmental risks and social risks is a statutory requirement on large projects, for example wind farm construction and exploration and production activities. Such assessments (Environmental Impact Assessment, EIA) help to achieve the objective of a low environmental impact.

DONG Energy has an environment policy, partly to minimise its environmental impact, and partly to endeavour to continually optimise the relevant systems and processes. The policy is followed up by internationally certified management systems in the parts of the Group where this creates value and where risk exposure is highest. The ISO 14001 environmental management standard is applied, for example, at all Danish facilities that generate electricity and heat, in electricity distribution and in the Group's oil and gas activities.

DONG Energy works systematically to record and manage environmental incidents, and the Group has a risk assessment and follow-up system for such incidents.

Employee safety

For DONG Energy, a stimulating and healthy working environment and a high level of safety in the workplace are prerequisites for operating a responsible and efficient company. Safety is therefore an integral part of the Group's values, and constant efforts are being made to improve safety performance by means of prevention, training, education and engaging employees to maintain a culture in which work is carried out 'The safe way - or no way'.

DONG Energy makes extensive use of suppliers, particularly on large construction projects such as wind farms and oil and gas installations. DONG Energy focuses on and monitors supplier safety in the same way as the safety of its own employees.

Incidents, near-misses and observations relating to hazardous conditions for DONG Energy's own employees and supplier employees are systematically recorded, risk assessed and handled in order to minimise the risk of injuries. The knowledge acquired in this way is used to continuously put in place new initiatives to minimise relevant risks. These initiatives have resulted in a marked drop in the injury frequency in recent years. Read more in the People matter section on page 18.

.

Access to talent and critical skills

DONG Energy employs a large number of highly specialised employees, whose skills are much in demand in the international labour market. This applies especially in the oil and gas industry, where there is a general shortage of specialists, and in offshore wind, where DONG Energy's market position makes its employees particularly attractive. In 2013, voluntary employee turnover at DONG Energy showed a slightly upward trend. Overall, this means that there is an element of risk associated with access to the critical skills required to secure the company's future growth.

In our opinion, the increase in the number of employee resignations is a consequence of the financial challenges in 2012, which DONG Energy has addressed in the past year, partly through organisational restructuring. This is supported by the fact that employee resignations declined at the end of 2013. In order to improve the retention and attraction of talent, the general branding of DONG Energy as a workplace will be replaced by setting up a more specifically targeted recruitment pipeline and intensifying talent and management development. At the same time, work is underway to introduce an employee share scheme that is designed to increase retention and inspire the organisation to work together towards the planned IPO (see Corporate governance on page 46).

Glossary

Reference is made to the glossary on page 129 for definitions of terms.

Statutory corporate governance report, cf. section 107(c) of the Danish Financial Statements Act

Corporate governance

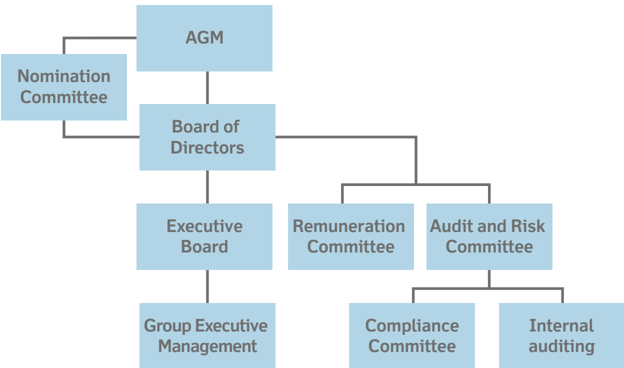
As a state-owned public limited company, DONG Energy has prepared this statutory report on the company's management and control in accordance with section 107(c) of the Danish Financial Statements Act.

The report describes the company's management structure and how it underpins the company's strategy and objectives. It also explains the policy on remuneration of the Group Executive Management, focusing on how it advances the company's strategy and value creation.

DONG Energy's corporate governance is based on, among other things, the Danish Companies Act, the Danish Financial Statements Act, the Danish Securities Trading Act, the company's Articles of Association, etc.

DONG Energy has chosen, as a general rule, to follow 'Recommendations on corporate governance' published by the Danish Committee on Corporate Governance in May 2013. The company has outlined its compliance with this code below, in accordance with the 'comply or explain' principle.

Management bodies and committees in DONG Energy A/S



Shareholders and capital structure

The Board of Directors regularly assesses whether DONG Energy's capital structure is in line with the shareholders' and the Group's interests. The overall aim is to ensure a capital structure that supports the Group's strategy for profitable, long-term growth and value creation.

In February 2013, DONG Energy published a financial action plan one of the aims of which was the injection of additional capital. Following on from this, on 29 November 2013, the Danish State represented by the Ministry of Finance and DONG Energy A/S signed an investment agreement with the merchant bank Goldman Sachs and the Danish pension funds Arbejdsmarkedets Tillægspension (ATP) and PFA Pension Forsikringsaktieselskab on an injection of additional equity totalling DKK 11 billion by subscription for new shares. As part of the investment agreement, the Danish State and the new investors have signed a shareholders' agreement that will enter into effect on closing of the investment agreement.

The existing minority shareholders were offered the opportunity to participate in the capital increase in order to maintain their ownership interests in DONG Energy. Against that background, SEAS-NVE Holding, Syd Energi, Nyfors Entreprise and Insero Horsens have opted to participate in the capital increase with a combined amount of DKK 2.0 billion. It is also expected that a share scheme for DONG Energy's managers and employees based on share subscription will be set up, see the section on remuneration below.

Active ownership

Developing and maintaining good relations with all stakeholders is part of DONG Energy's policies as good relations are considered essential to the company's development.

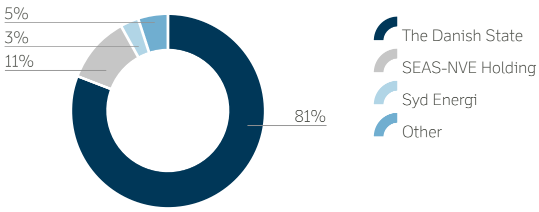
The company has prepared various policies on communications, HR, good business conduct, safety and responsibility towards customers and society at large.

The state, as principal shareholder, exercises its ownership in accordance with the principles in the publication 'The state as shareholder' from January 2004.

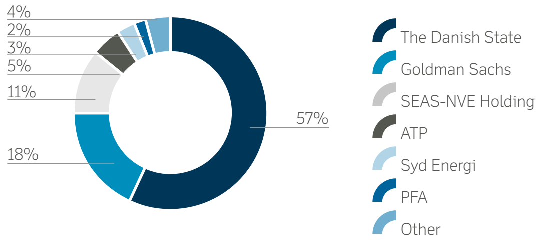
The company's Articles of Association allow the Chairman of DONG Energy's Board of Directors to disclose confidential information to the Danish Minister of Finance, representing the state as shareholder, as long as the Danish State holds a controlling interest in the company, provided it is done in conformity with the legislation and is in the company's interest. One effect of this is that the company's management is able to involve the state in major strategic decisions.

Following closing of the investment agreement, the new investors and existing investors with an ownership interest of more than 1% will receive detailed information on the company's operating and financial performance on a monthly and quarterly basis. The investors will also receive selected information distributed to other shareholders or the Board of Directors of relevance to the new investors' exercise of their rights under the investment agreement

Owners at 31/12 2013



Expected owners 2014



and shareholders' agreement. Such information may only be disclosed if a conflict of interest has not arisen or will not arise, and will be subject to confidentiality.

The decision-making process at the Annual General Meeting (AGM) and on the Board of Directors will, in principle, follow the general rules of the Companies Act; however, Goldman Sachs has been afforded further minority protection in a number of closely defined areas.

Amendments to the Articles of Association are thus subject to consent by Goldman Sachs. This also applies to a number of Board decisions such as significant departures from the business plan that forms the basis for the new investors' investment in DONG Energy, including the start-up of new activities in new business areas or in countries in which the Group does not already have a presence; major acquisitions, divestments and investments that are not part of the business plan; major investments in Exploration & Production; major issuances of new capital and hybrid capital, etc.; and changes on the Executive Board registered with the Danish Business Authority.

Nomination Committee

A Nomination Committee is set up after the AGM each year and has six members: the Chairman and Deputy Chairman of the Board and four members appointed by each of the four largest registered shareholders.

The Nomination Committee's role is to review the Board's composition and recommend suitable candidates to the Board for election by the shareholders at the AGM.

The Committee held one meeting in 2013. The rules of procedure of the Nomination Committee can be found at dongenergy.com/corporate_governance.

Board of Directors

DONG Energy has a two-tier management structure, consisting of a Board of Directors and an Executive Board.

The Board of Directors consisted of 11 members at the end of 2013. Seven members are elected at the AGM and four by the employees. When the three new investors have joined the group of owners, the Board of Directors will consist of 12 members, eight of whom will be elected at the AGM.

On closing of the investment agreement, an amendment to the Articles of Association will allow observers to participate in Board meetings, and English is expected to be adopted as the corporate language and thus the Board's working language.

Following the amendment to the Articles of Association, observers will be able to participate actively in Board meetings and meetings of Board committees, but will not have a vote. Nor will observers be included in the determination of whether a Board meeting forms a quorum. The Board will be able to decide that observers should be given access to the same material as that distributed to the Board or one of the Board's committees. Observers will not receive any remuneration and must sign a customary non-disclosure agreement.

The company's current Articles of Association can be found at dongenergy.com/articles-of-association.

Details on Board members, including career and posts, can be found on pages 50-51.

The Board of Directors is responsible for the overall management of the company. The Board sets the company's overall objectives and strategy and is responsible for appointing a competent Executive Board. The Board makes decisions on major investments and divestments, capital base, key policies, control and audit issues, risk management, and significant operational issues. The remit of the Board and its Chairman is set out in the Board's rules of procedure, which are reviewed and updated annually by the full Board.

DONG Energy attaches importance to Board members having extensive knowledge and experience from key appointments with large Danish and foreign companies covering a broad range of areas of activity, including areas directly related to the company's business areas.

The Board carries out an annual self-assessment. It concentrates on issues such as whether all relevant skills are represented on the Board and whether they are being applied and developed in the Board's tasks. It also focuses on the working climate and cooperation within the Board and on planning and implementation of the Board's work.

The Board held twelve meetings in 2013.

Executive Board and Group Executive Management

CEO Henrik Poulsen and CFO Marianne Wiinholt constitute the registered Executive Board of DONG Energy A/S. Details on the CEO and the CFO, including their current and previous appointments and other posts can be found on page 49.

The Board of Directors lays down the detailed rules for the Executive Board, including the segregation of duties between the Board of Directors and the Executive Board and the latter's powers to enter into agreements on behalf of the company.

The Board regularly assesses the CEO's performance by following up on the company's development in relation to strategy and objectives. Once a year the Chairman of the Board and the CEO assess the cooperation between the Board of Directors and the Executive Board, including reporting and communications.

The Executive Board is responsible for the day-to-day management through the Group Executive Management, which, besides the Executive Board, comprises the Executive Vice Presidents of the company's four business units.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board and a further two Board members. The members are elected for one year at a time. The CEO and the Vice President of HR participate in the Committee's meetings.

The Committee assists the Board in the performance of its duties related to the preparation and implementation of the company's remuneration policy. The Committee also assesses and prepares recommendations on the Group Executive Management's salary reviews, bonus for the current and the coming year, application of retention schemes for key personnel, application of one-off payments to the Group Executive Management and application and introduction of new compensation components for members of the Group's Leadership Forum (Top 300).

The Remuneration Committee's main priority area in 2013 was a review and update of the company's compensation model for Leadership Forum. Here, the Committee took into account the Danish National Audit Office's review (Report No 4/2012 on DONG Energy A/S) of the company's compensation arrangements.

The Committee concluded that the overall remuneration of the top group of executives was below that of comparable positions with large listed Danish companies, while the overall remuneration of other executives and managers was consistent with comparable positions.

The Committee also found that the company's existing performance-based remuneration, based on financial and operational value creation, ensures alignment between the owners' and the managers' interests, but that it would be possible to align interests further and in a manner more relevant to the business by introducing a more long-term incentive scheme.

Lastly, the Committee focused on strengthening corporate governance in relation to one-off payments and one-off bonus components (typically retention schemes) that are not part of the standard terms and conditions for management and employees. The scope of such schemes must be restricted so that the relevance of paying the various compensation components cannot be called into question.

The Committee met twice in 2013. The terms of reference of the Remuneration Committee can be found at dongenergy.com/corporate_governance.

Remuneration

DONG Energy's remuneration of the Board of Directors comprises fixed remuneration only, while for the Group Executive Management it comprises both fixed and incentive-based remuneration. The incentive-based remuneration is a cash variable salary (bonus) that follows the financial year. As a rule, bonus cannot exceed 30% of the fixed annual salary.

To date, the members of the Board of Directors and the Group Executive Management have not been entitled to buy shares in DONG Energy A/S, and the company has not issued options or warrants. However, a share scheme for managers and employees is expected to be set up in February 2014. The aim of the scheme will be to bring employee incentives, especially those of management, in line with those of shareholders, thus supporting value creation in the period up to the planned initial public offering (IPO) of the company.

The share scheme will enable around 250 senior executives to subscribe for shares in DONG Energy A/S for an amount equivalent to 60-100% of their annual salaries, depending on management level. Senior executives will pay the same price as the new investors referred to earlier. Other employees will be able to subscribe for shares in DONG Energy A/S for an amount of up to DKK 40,000. Employees will be offered a 25% discount compared with the price paid by the new investors and senior executives.

If all managers and employees exercise their options to subscribe for shares in full, new shares to a total value of approx. DKK 450 million will require to be issued for the scheme. Approximately half of this amount will relate to senior executives.

Either in connection with an IPO or in 2018 at the latest, managers and employees who have subscribed for shares will be entitled to a number of free shares, depending on the individual person's share purchases and DONG Energy's financial performance benchmarked against ten comparable European energy companies. Managers and employees may receive free shares up to a maximum of 125% of their share purchases in the first half of 2014. This maximum will be applied if DONG Energy's performance is the best among the eleven companies included in the above benchmarking. If an IPO does not go ahead, managers and employees may sell their shares, including free shares, back to the company at fair market value calculated by an independent third party.

Remuneration details for the members of the Board of Directors and the Group Executive Management can be found in note 2.5 to the consolidated financial statements.

The bonus targets for the Group Executive Management are linked to the company's financial and operating performance as well as the company's strategic focus on safety. Performance will be measured against return on capital employed (ROCE), operating results (FFO), and reduction of the lost time injury frequency (LTIF). To this should be added individual strategic performance targets such as the implementation of specific development and construction projects.

The table below shows the combination of the various types of bonus targets for the CEO. The bonus targets applied support DONG Energy's long-term strategic targets.

Bonus targets for CEO in 2013

	Weighting
Return on capital employed (ROCE)	20%
Funds from operation – FFO	20%
Investment projects – On-time / On-budget	20%
Lost time injury frequency (LTIF)	8%
Restructuring of gas business	12%
Injection of equity	20%

Audit and Risk Committee

The Board has appointed an Audit and Risk Committee. It consists of three members appointed by the Board for one year at a time. At the AGM in 2013, Lars Nørby Johansen stepped down from the Audit and Risk Committee, and was succeeded by Jakob Brogaard as Chairman.

The members meet all the requirements made with respect to independence, experience and expertise in accordance with the current Danish corporate governance recommendations, including in accounting, so that the Committee as a whole has the necessary skills.

The Audit and Risk Committee must assist the Board in overseeing the financial reporting, financial and operational risks, the internal control environment and compliance with legislation and other requirements from public authorities. The Committee must also set the framework for the internal and external auditors' work, evaluate their independence and qualifications and oversee the whistleblowing procedure.

In 2013, the Audit and Risk Committee focused, in particular, on overseeing the financial reporting process, including management's estimates and the assumptions underlying the company's full-year profit outlook ahead of the publication of relevant company announcements. The Committee also focused on the establishment of Internal Auditing (see below), including discussing its functional description, remit, manning, etc.

The Audit and Risk Committee held six meetings in 2013. The terms of reference of the Committee can be found at dongenergy.com/corporate_governance.

Compliance with code

DONG Energy has chosen to follow 'Recommendations on corporate governance' issued by the Danish Committee on Corporate Governance. The company fully complies with 44 of the 47 recommendations, and explains its non-compliance with the remaining three recommendations as follows.

The recommendation to set up a contingency procedure in the event of takeover bids (1.3.1) is not deemed to be relevant to DONG Energy, as the company has not issued listed shares and its principal shareholder is the Danish State.

Furthermore, the company has elected not to comply with the recommendation to stipulate a retirement age for members of the Board of Directors (3.1.4), but has elected to include age as a parameter in the overall assessment of Board members and new candidates.

Lastly, the company has elected to only partly comply with the recommendation related to the composition of a nomination committee and the preparatory tasks the committee should have as a minimum (3.4.6). Most of the Nomination Committee's members are appointed by the company's largest shareholders, giving the Committee a different composition than assumed in the recommendation. With respect to preparatory tasks, the Committee is not involved in the appointment or assessment of the Executive Board.

The company's position on each of the 47 recommendations is set out on its website (dongenergy.com/corporate_governance/2013). The recommendations can be found on the website www.corporategovernance.dk.

Internal auditing

In 2013, DONG Energy set up an independent internal auditing function (Internal Auditing) reporting to the Audit and Risk Committee. Its establishment was agreed by the Board in 2012, and the internal auditor took up her post in April 2013.

Internal Auditing provides independent and objective auditing and consultancy services that are designed to improve and streamline the company's processes and control environment, including IT. The focus is mainly on financial and operational auditing and compliance auditing.

To ensure that the Executive Board is independent, the Audit and Risk Committee approves Internal Auditing's functional description, audit plan and budget. The Committee also prepares recommendations to the Board of Directors on recruitment or dismissal of the internal auditor.

An annual audit plan is prepared based on input from the Board of Directors, the Audit and Risk Committee, the Executive Board, the Group Executive Management and relevant senior executives. The plan is reviewed and approved by the Audit and Risk Committee and the Board of Directors. Internal Auditing is responsible for planning, performing and reporting on the audit performed. The reporting includes observations and opinions along with suggested improvements of internal controls in each audited area. A report for the Board of Directors is also prepared.

Women in management

Women are currently underrepresented at all management levels in DONG Energy. Against that background and in accordance with new Danish legislation, the Group has prepared a policy for women in management and set targets for female representation at various management levels.

The policy for women in management is part of the company's diversity policy, which aims to promote a working culture based on mutual trust and respect and to create a workplace that can attract the right skills, regardless of sex, age, ethnic origin, religion, etc. The policy is based on a fundamental belief that diversity engenders value creation.

Although the proportion of female managers in the Group has been rising in recent years, at the top management levels it does not reflect total female representation in the company. The company has therefore sharpened its focus on women in management. Most importantly, initiatives have been put in place that ensure transparent identification and selection of talent and aim to create a culture in which female employees experience having the same opportunities for a career and management positions as their male colleagues. These initiatives do not alter the fact that skills are always the deciding factor in connection with recruitment and promotion.

For the Board of Directors a target of at least two female members elected by the shareholders in AGM has been set, equivalent to 25%. The Board currently has one female member elected at the AGM. The target is expected to be met by 2016. The target for the average female representation on the boards of the Group's Danish subsidiaries is at least 30% by 2014. In 2013, the average representation was 26%.

DONG Energy has set targets for female managers to be met by 2020. The targets reflect a wish to be ambitious and realistic without forcing change.

Women in management

	31.12.12	31.12.13	2020 target
Managers, Strategic Forum (Top 50)	10%	14%	> 22%
Managers, Leadership Forum (Top 300)	16%	17%	> 25%
Other managers	31%	30%	> 32%

The number of female managers in Strategic Forum rose to 14% in 2013. This was an improvement in terms of the target to, as a minimum, double female representation in Strategic Forum by 2020. With respect to the target for female representation in Leadership Forum, the percentage increased to 17%, whereas for other managers it dropped to 30%

Whistleblowing procedure

DONG Energy has a whistleblowing procedure whereby employees and other persons associated with the company can report serious violations, including bribery, fraud and other offences. There were no cases in 2013.

In 2013, the Audit and Risk Committee decided to strengthen the existing whistleblowing procedure. In future, the procedure will be based on a system set up by an international company specialising in such procedures in order to ensure the highest level of safety and confidentiality. The new system features a separate website, a 24-hour telephone hotline, online forms in relevant languages and a case management system. The new procedure is part of Internal Auditing, where a small group of employees is responsible for receiving and dealing with reports. The changes were introduced in January 2014.

Internal Auditing reports regularly and at least quarterly to the Audit and Risk Committee on reports via the whistleblowing procedure and any initiated and closed investigations resulting from this.

Internal control and risk management in relation to financial reporting

DONG Energy evaluates and adjusts its internal control and risk management systems on an ongoing basis. They are designed to ensure that material errors or irregularities in relation to the financial reporting are prevented or detected and corrected to ensure that the internal and external financial reporting gives a true and fair view.

Efforts in 2013 focused especially on adjustments in relation to the organisational changes put in place, including management changes and the merger of the two business units Energy Markets and Sales & Distribution. The work included an assessment of whether the updated COSO framework gives rise to changes in DONG Energy's internal control system. This work will continue in 2014. The establishment of the internal auditing function has also been instrumental in increasing DONG Energy's focus on monitoring of the internal control and risk management systems.

Control environment

The Board of Directors and the Group Executive Management have overall responsibility for the Group's risk management and internal control in relation to its financial reporting, and they approve DONG Energy's overall policies and guidelines in key areas. The overall policies and other management-approved guidelines include the risk policy, the IT security policy and the policy on good business conduct. The Audit and Risk Committee helps the Board of Directors oversee the financial reporting process and the material risks related to it. The Audit and Risk Committee also oversees the development in the internal control and risk management systems as well as the business units' ongoing reporting on assessed risks and internal controls.

The Group Executive Management, including the individual business units, is responsible for ensuring that the internal control and risk management systems are effective and that controls have been implemented to limit risks related to the financial reporting. The Group's business units are responsible for their own strategies, risk assessments and budgets. This division of responsibilities results in an effective control environment in the Group.

In 2013, DONG Energy established a Compliance Committee, which is responsible for ensuring that DONG Energy operates in accordance with current ethical standards. The Committee's responsibilities include DONG Energy's policy on good business conduct. The Committee reports to the Audit and Risk Committee.

Risk assessment

Management carries out an annual, overall risk assessment of the accounting areas and processes that involve a particular risk of material errors in the financial reporting. As risks vary in each business unit, an individual assessment is performed of each unit and it is then judged which risks are material to the Group's internal and external reporting. The review identifies the items and companies where it is deemed that the risk of material errors is the highest, and these areas are included in the internal control reporting to management. The risk of fraud and the measures put in place to mitigate this risk are evaluated as part of the risk assessment.

Any possibilities for the day-to-day management to override controls and manipulate the financial statements are also assessed.

Control activities

The control activities in place are designed to prevent or detect and correct material errors in the financial statements to reduce the risk of material errors to an acceptable level. The control activities are based on the risk assessment and comprise approvals, segregation of duties, analyses, reconciliation, assessment of targets and follow-up on key performance indicators and controls relating to IT applications and general IT controls. The control activities are an integral part of the Group's accounting and reporting systems and associated procedures. Material risks and the associated internal controls are compiled in control catalogues for the Group's business units and significant Group functions.

In 2013 and 2014, the focus will be partly on increasing the proportion of preventive controls and system controls in the catalogues, and partly on identifying which control activities are deemed to be the Group's principal key controls.

Information and communications

DONG Energy's information and communications systems are designed to meet the reporting requirements that also apply to listed companies. To ensure that the internal and external financial reporting is carried out on a uniform basis and is of a high quality, a corporate accounting manual, reporting instructions and guidance on the performance of internal controls have been prepared. These can be found on the Group's intranet. Changes to these and current priority areas are communicated on a regular basis via meetings with business units and via various internal networks. Networks thus include a finance network, an accounting network and a network for internal controls. DONG Energy also has a formalised reporting process for monthly and quarterly financial reporting, including budgets and forecasts.

The information and communications systems thus include:

- financial management systems
- consolidation system
- reporting system on internal controls
- fixed meeting structures
- various internal networks.

Monitoring

The business units' monthly financial reporting is analysed and monitored by their controllers and management. The business units' reporting and the overall consolidated financial statements are controlled at corporate level. The business units and the key corporate functions regularly report on the performance and maturity of the Group's key controls that mitigate material errors in the financial reporting. The persons responsible in the business units monitor the performance of internal control and submit a quarterly summary report to the Group, supplemented by any action plans for identified weaknesses. Major initiatives, weaknesses and action plans are reported to the Audit and Risk Committee quarterly.

Internal Auditing tests the efficiency of selected operational and financial processes and reports to the Audit and Risk Committee quarterly.

The Group Executive Management included six members at the end of 2013
From the left: Thomas Dalsgaard (Thermal Power), Morten Hultberg Buchgreitz (Customers & Markets), Henrik Poulsen (CEO), Marianne Wiinholt (CFO), Søren Gath Hansen (Exploration & Production) and Samuel Leupold (Wind Power).

Henrik Poulsen

Registered with the Danish Business Authority as CEO
Chief Executive Officer (CEO) since August 2012
Education: MSc (Finance and Accounting), Aarhus School of Business, 1994
Born 1967 ♂

Remuneration: 10,747,000

Career and posts

- 1994-1995 Novo Nordisk A/S, Controller
- 1995-1996 Aarsø Nielsen & Partners, Senior Consultant
- 1996-1999 McKinsey & Co., Senior Engagement Managerer
- 1999-2006 LEGO, VP, Business Development (1999-2000), SVP, Global Segment 8+ (2000-02), SVP, Global Innovation and Marketing (2002-03), Regional Managing Director, Europe and Asia (2004-05), EVP, Markets and Products (2005-06)
- 2006-2008 Capstone/KKR. Operating Executive
- 2008-2012 TDC A/S, CEO and President
- 2012- DONG Energy A/S, CEO

Other management positions

Member:
- Chr. Hansen Holding A/S, Deputy Chairman, member of the Nomination Committee and Remuneration Committee
- ISS A/S and a one wholly-owned subsidiary, Chairman of the Audit Committee
- Falck A/S and a one wholly-owned subsidiary[1]
- Denmark-America foundation

Member of shareholders' Committee:
- Danske Bank A/S

Adviser:
- EQT Partners

[1] Stepping down from the Falck Group's Board of Directors at the next Annual General Meeting.

Marianne Wiinholt

Registered with the Danish Business Authority as CFO
Chief Financial Officer (CFO) since October 2013
Education: MSc in Business Administration and Auditing, Copenhagen Business School 1990, State Authorised Public Accountant 1992
Born 1965 ♀

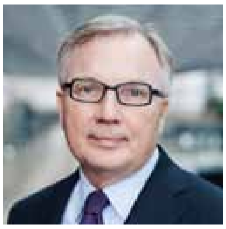
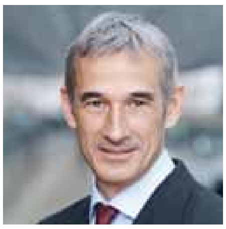
Remuneration: 1,406,000

Career and posts

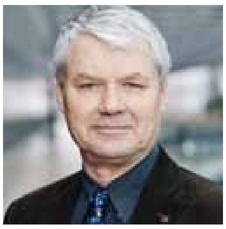
- 1987-1997 Arthur Andersen, Accountant
- 1997-2003 Borealis A/S, Head of Group Accounting, Controlling & Tax
- 2004-2006 DONG A/S, VP, Group Finance (2004-2006),
- 2006- DONG Energy A/S, SVP, Group Finance (2006-2008), SVP, Group Finance and Head of Finance, Energy Markets (2008-2010), SVP, Head of Finance, Energy Markets (2010-2011), SVP, Head of Corporate Finance (2011-2013), SVP, CFO, Customer & Markets (2013), CFO (2013-)

Other management positions

Member:
- J. Lauritzen A/S, member of the Audit Committee

	Name / Born / Gender	Joined / Re-elected	Term of office expires	Present posts	Other management positions
	Fritz H. Schur (chairman since 2005) Born: 1951 ♂	2005 / 2013	2014	CEO, Chairman, Deputy Chairman or Member of the Board of Directors of companies in the Fritz Schur Group	Member of the Board of Directors and/or CEO of F. Schur & Co. A/S, FSS MID ApS, Havnefrontens Selskabslager 909 ApS. Member of the Board of Directors and CEO of Fritz Schur A/S and CEO or Chairman of the Board of Directors of two wholly-owned subsidiaries. CEO of FS 1 ApS. CEO of FS 11 ApS and Chairman of the Board of Directors of two wholly-owned subsidiaries. CEO of FS 12 ApS and Deputy Chairman of one directly and one indirectly wholly-owned subsidiary. Chairman: SAS AB (Sweden), F. Uhrenholt Holding A/S, C.P. Dyvig & Co. A/S. Deputy Chairman: Brd. Klee A/S. Member: WEPA Industrieholding SE, Experimentarium – Center for formidling af naturvidenskab og moderne teknologi (foundation).
	Jakob Brogaard (Deputy Chairman since 2013) Born: 1947 ♂	2007 / 2013	2014		Chairman: Finansiel Stabilitet A/S. Member: OW Bunker & Trading A/S, Newco AEP A/S.
	Hanne Sten Andersen (employee representative) Born: 1960 ♀	2007 / 2011	2014	DONG Energy A/S, Lead HR Business Partner, Customers & Markets	
	Pia Gjellerup Born: 1959 ♀	2012 / 2013	2014	Center for Public Innovation, Center Director	Chairman: Vanførefonden. Member: Gefion Gymnasium, Fondet Dansk-Norsk Samarbejde, Fonden Rådmandsgade 34.
	Benny Gøbel (employee representative) Born: 1967 ♂	2011	2014	DONG Energy A/S, Engineer, Thermal Power	

Information regarding remuneration is provided in note 2.5 to the consolidated financial statements

	Name / Born / Gender	Joined / Re-elected	Term of office expires	Present posts	Other management positions
	Jørn Peter Jensen Born: 1964 ♂	2011 / 2013	2014	Carlsberg Breweries and Carlsberg A/S, Deputy CEO and CFO	Chairman, Deputy Chairman or Member: 16 wholly-owned subsidiaries of the Carlsberg Group in Denmark and abroad. Member of management: Boliginteressentskabet Tuborg. Member: Danske Bank A/S. Member of the Committee on Corporate Governance
	Benny D. Loft Born: 1965 ♂	2012 / 2013	2014	Novozymes A/S, Executive Vice President and CFO	Member: 6 wholly-owned companies in the Novozymes Group. Member and chairman of the Finance and Audit Committee: New Xellia Group A/S. Member: Den Blå Planet.
	Jytte Koed Madsen (employee representative) Born: 1953 ♀	2011	2014	DONG Energy A/S, Technical Coordinator, Group Functions	
	Poul Arne Nielsen Born: 1944 ♂	2006 / 2013	2014		Chairman: SEAS-NVE A.m.b.a. and a wholly-owned subsidiary, SEAS-NVE Strømmen A/S, Sjællandske Medier A/S, Dansk Energi. Member: Sampension KP Livsforsikring A/S and a wholly-owned subsidiary.
	Jens Nybo Stilling Sørensen (employee representative) Born: 1968 ♂	2007 / 2011	2014	DONG Energy A/S, Habour Master, Thermal Power	
	Mogens Vinther Born: 1947 ♂	2010 / 2013	2014	Advokatfirmaet Langberg & Vinther, (law firm) partner	Chairman: Fonden Det Gamle Apotek i Ribe, Foreningen Gammelt Præg - Ribe Bybevaring. Member: Syd Energi Holding A/S, Syd Energi A.m.b.a., Fonden Ribe Byferie, Fonden til Ribe Bys Forskønnelse.

CONSOLIDATED FINANCIAL STATEMENTS

Income statement

DKK million	Note	2013 Business performance	2013 Adjustments	2013 IFRS	2012 Business performance	2012 Adjustments	2012 IFRS
Revenue	2.1, 2.2	73,105	(906)	72,199	67,179	(1,319)	65,860
Cost of sales	2.3	(47,224)	101	(47,123)	(47,360)	(154)	(47,514)
Other external expenses	7.9	(6,955)	-	(6,955)	(8,142)	-	(8,142)
Employee costs	2.5	(3,491)	-	(3,491)	(3,638)	-	(3,638)
Share of profit (loss) of associates and joint ventures	3.4	(711)	-	(711)	(3)		(3)
Other operating income	2.6	705	-	705	848	-	848
Other operating expenses	3.7	(425)	-	(425)	(245)	-	(245)
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		**15,004**	**(805)**	**14,199**	**8,639**	**(1,473)**	**7,166**
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	2.1, 3.1, 3.3	(12,963)	-	(12,963)	(11,963)	-	(11,963)
Operating profit (loss) EBIT)		**2,041**	**(805)**	**1,236**	**(3,324)**	**(1,473)**	**(4,797)**
Gain on disposal of enterprises	3.7	2,045	-	2,045	2,675	-	2,675
Share of profit (loss) of associates and joint ventures	3.4	(57)	-	(57)	(699)	-	(699)
Finance income	4.3	3,099	-	3,099	3,667	-	3,667
Finance costs	4.3	(6,899)	-	(6,899)	(5,023)	-	(5,023)
Profit (loss) before tax		**229**	**(805)**	**(576)**	**(2,704)**	**(1,473)**	**(4,177)**
Income tax expense	7.1	(1,222)	207	(1,015)	(1,317)	368	(949)
Profit (loss) for the year		**(993)**	**(598)**	**(1,591)**	**(4,021)**	**(1,105)**	**(5,126)**
Profit (loss) for the year is attributable to:							
Equity holders of DONG Energy A/S		(1,729)	(598)	(2,327)	(4,130)	(1,105)	(5,235)
Coupon payments and bond discount after tax, hybrid capital holders of DONG Energy A/S		765	-	765	549	-	549
Non-controlling interests		(29)	-	(29)	(440)	-	(440)
Profit (loss) for the year		**(993)**	**(598)**	**(1,591)**	**(4,021)**	**(1,105)**	**(5,126)**

Statement of comprehensive income

DKK million	2013 IFRS	2012 IFRS
Profit (loss) for the year	**(1,591)**	**(5,126)**
Other comprehensive income[1]:		
Hedging instruments:		
Value adjustments for the year	174	(590)
Value adjustments transferred to revenue	274	14
Value adjustments transferred to cost of sales	(7)	(62)
Value adjustments transferred to finance income and costs	851	413
Tax on value adjustments of hedging instruments	(337)	46
Foreign exchange adjustments:		
Relating to foreign enterprises, etc.	(828)	707
Relating to equity-like loans, etc.	200	(492)
Value adjustments transferred to gain on disposal of enterprises	193	-
Tax on foreign exchange adjustments	(94)	134
Change in tax rate	(60)	-
Other comprehensive income	**366**	**170**
Total comprehensive income	**(1,225)**	**(4,956)**
Total comprehensive income for the year is attributable to:		
Equity holders of DONG Energy A/S	(1,799)	(5,256)
Coupon payments and bond discount after tax, hybrid capital holders of DONG Energy A/S	755	549
Non-controlling interests	(181)	(249)
Total comprehensive income	**(1,225)**	**(4,956)**

[1] All items in other comprehensive income may be reclassified to the income statement.

Assets

DKK million	Note	2013	2012
Intangible assets	**3.3**	**2,167**	**2,425**
Land and buildings	3.1	1,979	3,806
Production assets	3.1	67,758	70,266
Exploration assets	3.1	1,192	1,401
Fixtures and fittings, tools and equipment	3.1	296	266
Property, plant and equipment under construction	3.1	20,297	18,181
Property, plant and equipment		**91,522**	**93,920**
Investments in associates and joint ventures	3.4	2,013	4,459
Receivables from associates and joint ventures		933	1,645
Other securities and equity investments	3	261	382
Deferred tax	7.2	130	265
Other receivables	5.3	278	2,266
Prepayments		-	41
Other non-current assets		**3,615**	**9,058**
Non-current assets		**97,304**	**105,403**
Inventories	5.1	3,560	3,765
Derivative financial instruments	6.1	9,147	12,582
Construction contracts	5.2	1,890	853
Trade receivables	5	8,875	7,873
Other receivables	5.3	4,426	4,087
Prepayments		1,009	849
Income tax		169	181
Securities	4.2	16,118	14,914
Cash	4.2	2,894	3,351
Current assets		**48,088**	**48,455**
Assets classified as held for sale	**3.6**	**280**	**3,631**
Assets		**145,672**	**157,489**

Equity and liabilities

DKK million	Note	2013	2012
Share capital	7.3	2,937	2,937
Reserves		8,431	7,903
Retained earnings		20,231	22,581
Equity attributable to equity holders of DONG Energy A/S		**31,599**	**33,421**
Hybrid capital	7.3	13,236	9,538
Non-controlling interests	3.8	6,708	7,057
Equity		**51,543**	**50,016**
Deferred tax	7.2	5,496	6,917
Provisions	3.2	12,891	12,408
Bank loans and issued bonds	4.1	36,767	47,673
Other payables	5.3	1,739	1,552
Deferred income		2,219	1,748
Non-current liabilities		**59,112**	**70,298**
Provisions	3.2	719	567
Bank loans and issued bonds	4.1	9,389	5,072
Derivative financial instruments	6.1	8,519	12,541
Construction contracts	5.2	415	68
Trade payables		7,329	9,531
Other payables	5.3	6,625	6,105
Deferred income		1,033	1,285
Income tax		986	1,825
Current liabilities		**35,015**	**36,994**
Liabilities		**94,127**	**107,292**
Liabilities relating to assets classified as held for sale	**3.6**	**2**	**181**
Equity and liabilities		**145,672**	**157,489**

Statement of changes in equity

DKK million	Share capital	Hedging reserve	Translation reserve	Share premium	Retained earnings	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2013	2,937	(1,692)	347	9,248	22,581	33,421	9,538	7,057	50,016
Comprehensive income for the year									
Profit (loss) for the year	-	-	-	-	(2,327)	(2,327)	765	(29)	(1,591)
Other comprehensive income:									
Hedging instruments	-	1,299	-	-	-	1,299	-	(7)	1,292
Foreign exchange adjustments	-	6	(294)	-	-	(288)	-	(147)	(435)
Tax on other comprehensive income	-	(339)	(94)	-	-	(433)	-	2	(431)
Change in tax rate	-	4	(54)	-	-	(50)	(10)	-	(60)
Total comprehensive income	**-**	**970**	**(442)**	**-**	**(2,327)**	**(1,799)**	**755**	**(181)**	**(1,225)**
Transactions with owners:									
Coupon payments, hybrid capital	-	-	-	-	-	-	(675)	-	(675)
Bond discount and costs, hybrid capital	-	-	-	-	-	-	(304)	-	(304)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	-	224	-	224
Additions, hybrid capital	-	-	-	-	-	-	8,825	-	8,825
Disposals, hybrid capital	-	-	-	-	-	-	(5,127)	-	(5,127)
Dividends paid	-	-	-	-	-	-	-	(319)	(319)
Additions, non-controlling interests	-	-	-	-	(23)	(23)	-	151	128
Changes in equity in 2013	**-**	**970**	**(442)**	**-**	**(2,350)**	**(1,822)**	**3,698**	**(349)**	**1,527**
Equity at 31 December 2013	**2,937**	**(722)**	**(95)**	**9,248**	**20,231**	**31,599**	**13,236**	**6,708**	**51,543**

DKK million	Share capital	Hedging reserve	Translation reserve	Share premium	Retained earnings	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2012	2,937	(1,523)	188	9,248	29,400	40,250	9,538	7,952	57,740
Effect of change in accounting policy	-	11	-	-	(11)	-	-	-	-
Equity at 1 January 2012 after change	2,937	(1,512)	188	9,248	29,389	40,250	9,538	7,952	57,740
Comprehensive income for the year									
Profit (loss) for the year	-	-	-	-	(5,235)	(5,235)	549	(440)	(5,126)
Other comprehensive income:									
Hedging instruments	-	(226)	-	-	-	(226)	-	1	(225)
Foreign exchange adjustments	-	-	25	-	-	25	-	190	215
Tax on other comprehensive income	-	46	134	-	-	180	-		180
Total comprehensive income	**-**	**(180)**	**159**	**-**	**(5,235)**	**(5,256)**	**549**	**(249)**	**(4,956)**
Transactions with owners:									
Coupon payments, hybrid capital	-	-	-	-	-	-	(648)	-	(648)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	-	99	-	99
Dividends paid	-	-	-	-	(1,457)	(1,457)	-	(999)	(2,456)
Additions, non-controlling interests	-	-	-	-	(83)	(83)	-	353	270
Disposals, non-controlling interests	-	-	-	-	(33)	(33)	-	-	(33)
Changes in equity in 2012	**-**	**(180)**	**159**	**-**	**(6,808)**	**(6,829)**	**-**	**(895)**	**(7,724)**
Equity at 31 December 2012	**2,937**	**(1,692)**	**347**	**9,248**	**22,581**	**33,421**	**9,538**	**7,057**	**50,016**

Accounting policies

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as hedges of future cash flows, and where the hedged transaction has yet to be realised, less the related tax.

The translation reserve comprises exchange differences arising on translation of the financial statements of foreign entities with a currency that is not the Group's functional currency, foreign exchange adjustments relating to assets and liabilities that form a part of the Group's net investment in such entities, and foreign exchange adjustments relating to hedging transactions that hedge the Group's net investment in such entities, less the related tax. On realisation or partial realisation of the net investment, the foreign exchange adjustments are recognised in profit for the year in the line 'Gain on disposal of enterprises'.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares in connection with capital increases. The reserve is part of DONG Energy's distributable reserves.

Statement of cash flows

DKK million	Note	2013	2012
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		14,199	7,166
Change in derivative financial instruments and loans, business performance adjustments	2.4	805	1,473
Change in derivative financial instruments and loans, other adjustments		1,324	(468)
Change in provisions		(241)	788
Other items[1]		1,424	1,934
Interest income and similar items		3,304	3,322
Interest expense and similar items		(6,176)	(4,179)
Income tax paid	7.1	(2,856)	(2,642)
Cash flows from operating activities before change in net working capital		**11,783**	**7,394**
Change in inventories		199	506
Change in construction contracts		(685)	(1,208)
Change in trade receivables		(1,305)	361
Change in other receivables		(195)	415
Change in trade payables		(532)	(445)
Change in other payables		464	868
Change in net working capital		**(2,054)**	**497**
Cash flows from operating activities		**9,729**	**7,891**
Purchase of intangible assets and property, plant and equipment		(21,039)	(16,546)
Sale of intangible assets and property, plant and equipment	3.7	3,981	1,389
Acquisition of enterprises		-	(291)
Disposal of enterprises	3.7	9,184	2,922
Acquisition of other equity investments		(8)	(11)
Disposal of other equity investments	3.7	1,991	-
Purchase of securities		(13,569)	(10,184)
Sale of securities		12,365	5,184
Change in other non-current assets		41	(42)
Financial transactions with associates and joint ventures		532	(1,653)
Dividends received and capital reduction		39	30
Cash flows from investing activities		**(6,483)**	**(19,202)**
Proceeds from raising of loans		4,722	19,280
Instalments on loans		(11,157)	(7,678)
Coupon payments on hybrid capital		(675)	(648)
Repurchase of hybrid capital		(695)	-
Proceeds from issuance of hybrid capital		4,094	-
Dividends paid to equity holders of DONG Energy A/S		-	(1,457)
Transactions with non-controlling interests	3.8	(474)	2,373
Change in other non-current liabilities		353	(20)
Cash flows from financing activities		**(3,832)**	**11,850**
Net increase (decrease) in cash and cash equivalents		**(586)**	**539**
Cash and cash equivalents at 1 January	4.2	1,952	1,361
Net increase (decrease) in cash and cash equivalents		(586)	539
Cash classified as held for sale		93	23
Foreign exchange adjustments of cash and cash equivalents		(28)	29
Cash and cash equivalents at 31 December	**4.2**	**1,431**	**1,952**

[1]Other items primarily comprise reversal of gain on disposal of assets, reversal of share of profit (loss) of and dividends in associates and joint ventures, reversal of drilling expenses charged to the income statement, changes in bad debt provisions and changes in prepayments and deferred income.

Accounting policies

Cash flows from operating activities are determined using the indirect method as operating profit before depreciation, amortisation and impairment losses adjusted for changes in provisions, prepayments and deferred income, value adjustments of financial instruments, etc., change in net working capital, interest received and interest paid, and income tax paid. Trade payables relating to purchases of intangible assets and property, plant and equipment are not recognised in change in net working capital.

Cash flows from investing activities comprise payments in connection with acquisition and disposal of enterprises and activities; purchase and sale of intangible assets, property, plant and equipment and other non-current assets; and purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and hybrid capital, expenses associated with such changes, and dividend payments to owners and coupon payments on hybrid capital. Cash flows from financing activities also include raising of and instalments on loans, transactions with non-controlling interests, and changes in other non-current payables.

Finance leases are accounted for as non-cash transactions. Cash flows relating to assets held under finance leases are recognised as payment of interest and repayment of debt.

Cash flows in currencies other than the functional currency are translated at the average exchange rates for the month in question, unless these differ significantly from the rates at the transaction date.

Supplementary balance sheet

NET ASSETS

DKK million	2013	2012
Property, plant and equipment and intangible assets	93,689	96,345
Investments in associates and joint ventures, other securities and equity investments, etc.	2,323	7,077
Net working capital, including trade payables relating to capital expenditure	2,599	(605)
Hedging instruments, net	628	41
Assets classified as held for sale, net	278	3,195
Total net assets	**99,517**	**106,053**

NET EQUITY AND LIABILITIES

	2013	2012
Equity	51,543	50,016
Interest-bearing net debt	25,803	31,968
Decommissioning obligations	8,821	8,415
Other provisions	4,789	4,560
Tax, net	6,183	8,296
Deferred income, etc., net	2,378	2,798
Total net equity and liabilities	**99,517**	**106,053**

The supplementary balance sheet is used in connection with internal control and management reporting, including reporting to the Board of Directors.

Supplementary information to the statement of cash flows

DKK million	Note	2013	2012
EBITDA – Business performance		**15,004**	**8,639**
Interest expense, net	4.3	(1,661)	(815)
Reversal of interest expense transferred to assets	4.3	(282)	(576)
Interest element of decommissioning obligations	3.2	(363)	(241)
50% of coupon paid on hybrid capital (2012: 50% of hybrid capital due in 3005)		(337)	(123)
Calculated interest expense on operating lease obligations	7.5	(153)	(105)
Adjusted interest expense, net		**(2,796)**	**(1,860)**
Reversal of recognised operating lease payment in profit for the year	7.5	354	401
Total current tax	7.1	(2,536)	(3,762)
Funds From Operation (FFO)		**10,026**	**3,418**
Cash flows from investing activities		(6,483)	(19,202)
Dividends received and capital reduction, reversal		(39)	(30)
Purchase and sale of securities, reversal		1,204	5,000
Loans to associates and joint ventures, reversal		(760)	883
Sale of non-current assets, reversal	3.7	(15,156)	(4,311)
Gross investments		**(21,234)**	**(17,660)**
Transactions with non-controlling interests in connection with disposals		65	100
Interest-bearing balances on acquisition and disposal of enterprises		111	(101)
Sale of non-current assets	3.7	15,156	4,311
Total cash flows from disposals		**15,332**	**4,310**
Net investments		**(5,902)**	**(13,350)**
Dividends paid to equity holders		-	(1,457)
Dividends paid to non-controlling interests		(319)	(999)
Dividends received and capital reductions		39	30
Coupon payments, hybrid capital		(675)	(648)
Dividends and hybrid capital coupon		**(955)**	**(3,074)**

Supplementary information relating to the statement of cash flows is used both internally and by rating agencies.

The supplementary information shows the connection between EBITDA and Funds From Operation (FFO) and the connection between cash flows from investing activities and the adjustments made to gross investments and net investments respectively.

Net investments, dividends paid and coupon paid, along with cash flows from operating activities, form the primary components in analyses of changes in the Group's net debt, see section 4.

1 Basis of reporting

DONG Energy prepares its consolidated financial statements in accordance with IFRS.

The accounting policies applied to the consolidated financial statements as a whole are described below, while the remaining accounting policies are described in the notes to which they relate.

When preparing the annual report, emphasis is placed on the importance of the content for the user of the financial statements. The focus is therefore on ensuring that the content is relevant and the presentation clear.

In the process of preparing the consolidated financial statements, a number of accounting estimates have been made. Management regularly reassesses these estimates, partly on the basis of historical experience and a number of other factors in the given circumstances.

Critical accounting estimates made in connection with the financial reporting are set out in the following notes:

- Revenue — note 2.2
- Impairment testing of property, plant and equipment — note 3.1
- Useful lives for production assets — note 3.1
- Decommissioning obligations — note 3.2
- Onerous contracts — note 3.2
- Litigation — note 3.2
- Investments in associates and joint ventures — note 3.4
- Construction contracts — note 5.2
- Deferred tax — note 7.2

The financial statements for the period 1 January – 31 December 2013 comprise the consolidated financial statements of DONG Energy A/S and its subsidiaries (the Group) as well as separate financial statements for the parent company, DONG Energy A/S. Reference is made to page 110 for the parent company's accounting policies.

The consolidated 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 consolidated 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 financial statements are presented in million Danish kroner (DKK), unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, financial instruments in trading portfolio, financial instruments classified as available for sale and CO_2 emissions allowances in trading portfolio that are measured at fair value.

The accounting policies have been applied consistently to the financial year and the comparative figures.

Accounting policies

The accounting policies applied to the consolidated financial statements as a whole are described below, while the remaining accounting policies are described in the notes to which they relate.

The descriptions of accounting policies in the statements and notes form part of the overall description of accounting policies:

- Statement of changes in equity
- Statement of cash flows
- Segment information — note 2.1
- Revenue — note 2.2
- Trading portfolio and hedging of EBITDA — note 2.4
- Property, plant and equipment — note 3.1
- Provisions — note 3.2
- Intangible assets — note 3.3
- Investments in associates and joint ventures — note 3.4
- Acquisition of enterprises — note 3.5
- Assets classified as held for sale — note 3.6
- Disposals of assets and enterprises — note 3.7
- Non-controlling interests — note 3.8
- Interest-bearing debt — note 4.1
- Financial resources — note 4.2
- Finance income and costs — note 4.3
- Inventories — note 5.1
- Construction contracts — note 5.2
- Hedge accounting and economic hedging — note 6.1
- Offsetting of financial assets and liabilities — note 6.3
- Deferred tax — note 7.2
- Equity — note 7.3
- Operating lease obligations — note 7.5

Consolidated financial statements
The consolidated financial statements include the parent company DONG Energy A/S and subsidiaries controlled by DONG Energy A/S.

Enterprises in which the Group holds or has the ability to exercise, directly or indirectly, between 20% and 50% of the voting rights, but does not exercise control, are accounted for as associates. However, this is based on a specific assessment of the possibility of exercising influence. Any such enterprises that satisfy the criteria for joint control are instead accounted for as investments in joint ventures.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements prepared in accordance with the Group's accounting policies. Intragroup income and expenses, shareholdings, balances and dividends as well as realised and unrealised gains and losses arising from intragroup transactions are eliminated on consolidation. Unrealised gains resulting from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the

1 Basis of reporting – continued

enterprise. Unrealised losses are eliminated in the same way as unrealised gains to the extent that there has been no impairment.
The Group's share in joint operations is recognised in the consolidated balance sheet through recognition of the Group's own assets and liabilities and income and expenses. The Group's share of joint income and expenses and assets and liabilities is then recognised. The proportionate share of realised and unrealised gains and losses arising from intragroup transactions between fully consolidated enterprises and joint operations is eliminated.

Foreign currency translation
For each reporting enterprise in the Group, items are determined in the currency of the primary economic environment in which the individual reporting enterprise operates (functional currency). Transactions in currencies other than the functional currency of each enterprise are accounted for as transactions in foreign currencies and translated on initial recognition at the exchange rate at the transaction date. Exchange differences arising between the exchange rate at the transaction date and at the date of payment are recognised in profit for the year as finance income or costs.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and at the date at which the receivable or payable arose is recognised in profit for the year as finance income or costs.

For foreign subsidiaries, proportionately recognised enterprises and associates and joint ventures, the statements of comprehensive income are translated at monthly average exchange rates in so far as these do not deviate materially from the actual exchange rates at the transaction dates. Balance sheet items are translated at the exchange rates at the balance sheet date. All exchange differences are recognised in profit for the year, except for exchange differences arising on:

- translation of the opening equity of these enterprises at the exchange rates at the balance sheet date
- translation of the statements of comprehensive income of these enterprises from the rates at the transaction date to the exchange rates at the balance sheet date
- translation of balances accounted for as part of the total net investment
- translation of the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises and that provides an effective hedge against corresponding foreign exchange gains/losses on the net investment in the enterprise

The above types of exchange differences are recognised in other comprehensive income. Such foreign exchange adjustments are allocated between the parent company's and the non-controlling interests' equity.

When a foreign entity is disposed of, in full or in part, and control is lost, or when balances that are considered part of the net investment are repaid, the share of the accumulated exchange adjustments, including any associated hedging, that is recognised directly in equity relating to that foreign entity is reclassified to profit for the year together with any gain or loss on disposal. The part of the translation reserve that relates to non-controlling interests is not transferred to profit for the year.

On partial disposal of foreign subsidiaries that does not result in a loss of control, a proportionate share of the translation reserve is transferred from the parent company equity holders' share of equity to the non-controlling interests' share of equity.

Repayment of balances that are considered part of the net investment does not constitute a partial disposal of the subsidiary.

Implementation of new standards and interpretations
In 2013, DONG Energy implemented the following standards (IASs and IFRSs) and interpretations (IFRICs), effective for reporting periods beginning on or after 1 January 2013:

- IFRS 10 Consolidated Financial Statements. IFRS 10 introduces a 'de facto control' concept as a result of which the question of who effectively has the power to make operating and financial decisions will be relevant in borderline cases.
- IFRS 11 Joint Arrangements. IFRS 11 removes the accounting choice of proportionate recognition for joint ventures in some cases. In such cases, profit is presented as one aggregate amount in the income statement. Profit of associates and joint ventures that are deemed to be part of the Group's principal activities is presented before EBITDA, while associates and joint ventures that are not part of the Group's principal activities are presented after EBIT. In the balance sheet, assets and liabilities relating to joint ventures must be presented as a single net amount in future.
- IFRS 12 Disclosure of Interests in Other Entities. This standard contains disclosure requirements for consolidated enterprises and joint operations as well as for joint ventures and associates recognised using the equity method.
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates
- Amendment to IAS 36.134 relating to disclosure requirements in connection with impairment testing
- IFRS 13 Fair Value Measurement. IFRS 13 replaces the guidance in several standards on fair value measurement. It also requires additional disclosures on fair value measurement.
- Annual improvements 2009-11
- Amendments to IFRS 10, 11, 12 and 13 Transition Guidance.
- Amendments to IFRS 7 Financial Instruments: Disclosure. The amendment requires disclosure of information about offsetting in the balance sheet and other matters.
- Amendments to IAS 1 Presentation of Financial Statements.

The implementation of the amended standards in the consolidated financial statements for 2013 has not had any impact on DONG Energy's consolidated financial statements for 2013, except for the implementation of IFRS 11.

The implementation of IFRS 11 has no effect on profit or equity. The balance sheet total at 31 December 2012 is reduced by DKK 2,105 million (1 January 2012: DKK 1,148 million), net cash flows for the year are reduced by DKK 184 million and the Group's net debt is reduced by DKK 1,526 million. EBITDA is increased by DKK 7 million.

The effect of the implementation of IFRS 11 on profit for the year, balance sheet and cash flows for 2012 is set out in note 7.11.

New standards and interpretations
The IASB has issued a number of new or amended standards and interpretations that have been adopted by the EU but not yet become effective and are consequently not mandatory in connection with the preparation of DONG Energy's consolidated financial statements for 2013.
- Amendments to IAS 32 Financial Instruments: Presentation.
- Amendments to IFRS 10, IFRS 12 and IAS 27 on Investment Entities.
- Amendments to IAS 39

In addition, the following new or amended standards and interpretations have been published that have yet to be adopted by the EU and are consequently not relevant for 2013.
- IFRS 9 Financial Instruments
- IFRIC 21 Levies

The new or amended standards and interpretations are not mandatory in connection with the financial reporting for 2013. DONG Energy expects to implement the standards and interpretations from their mandatory effective dates.

DONG Energy has initiated assessments of the impact of the amended standards and interpretations and expects that these will not have any material impact on the financial reporting.

1 Basis of reporting – continued

DEFINITIONS OF PERFORMANCE HIGHLIGHTS

EBITDA adjusted for current hydrocarbon tax	Hydrocarbon tax is a result of the Group's oil and gas extraction.
Funds From Operation (FFO)[1]	Supplementary concept for cash flows from operating activities determined as EBITDA less interest expense (net) on interest-bearing net debt and hybrid capital (50%), interest element of decommissioning obligations and current tax. In addition, operating lease obligations have been recognised as if they were finance lease obligations, where operating lease payments have been reversed and calculated interest expense of the present value of lease payments has been deducted.
Gross investments	Cash flows from investing activities, excluding dividends received from associates, joint ventures and equity investments, purchase and sale of securities, loans to joint ventures and joint operations, and disposals of assets and enterprises.
Net investments	Gross investments less disposals of assets and enterprises. To/from this is added/deducted acquired/transferred debt in connection with acquisitions and disposals of enterprises, and deducted non-controlling interests' share of investments in fully consolidated investment projects, and deducted the selling price of non-controlling interests.
Adjusted interest-bearing net debt	Interest-bearing net debt plus 50% of the hybrid capital, cash and cash equivalents and securities not available for use with the exception of repo transactions, present value of lease obligations (operating lease obligations calculated as if they were finance lease obligations), and decommissioning obligations less deferred tax.
FFO to Adjusted interest-bearing net debt	$\frac{\text{FFO}}{\text{Adjusted interest-bearing net debt}}$
Adjusted interest-bearing net debt to EBITDA[2]	$\frac{\text{Adjusted interest-bearing net debt}}{\text{EBITDA}}$
Return on capital employed (ROCE)	$\frac{\text{Adjusted operating profit}}{\text{Average capital employed}}$
Adjusted operating profit	EBIT adjusted for current hydrocarbon tax plus profit from associates and joint ventures that are not part of the Group's principal activities, less interest element of provisions.
Capital employed	Non-interest-bearing net assets corresponding to non-interest-bearing assets less non-interest-bearing liabilities.
Average capital employed	$\frac{\text{(Capital employed beginning of year + capital employed year end)}}{2}$
Proposed dividend per share (DPS) of DKK 10	$\frac{\text{Total proposed dividend}}{\text{Number of shares year end}}$
Payout ratio	$\frac{\text{Total proposed dividend}}{\text{Profit for the year attributable to equity holders}}$
Average number of shares	$\frac{1}{\text{Number of days}} \sum_{i=1}^{\text{Number of days}} \text{Number of days}_i$
External net working capital	Inventories, trade receivables, associates and joint ventures and other operating current assets less trade payables, excluding asset suppliers and liabilities to associates and joint ventures and other operating current liabilities.
Intragroup net working capital	Intragroup trade receivables less intragroup trade payables.
Net working capital excl. trade payables	Net working capital excl. trade payables relating to purchases of intangible assets and property, plant and equipment.

[1] The definition of Funds From Operation (FFO) has been changed compared with 2012.

[2] In the key ratio Adjusted interest-bearing net debt / EBITDA, only 50% of the hybrid capital is added to adjusted interest-bearing net debt.

2 Return on capital employed

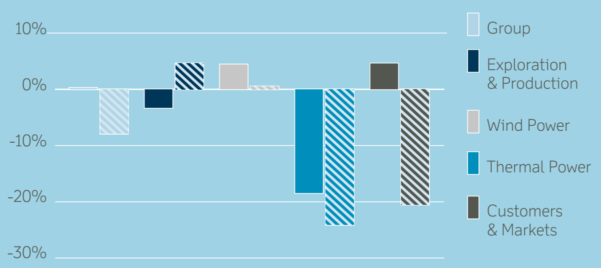
Return on capital employed (ROCE) is a strategic key ratio for DONG Energy that shows how profitable DONG Energy's business is.

ROCE was 0.5% for 2013 and (7.9%) for 2012.

It is an important strategic objective for the Group to increase ROCE to at least 10% in 2016 and at least 12% in 2020.

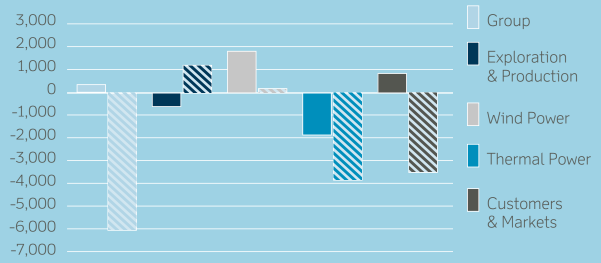
This section examines revenue, cost of sales, employee costs and other operating income, which are the key components of adjusted operating profit. Adjusted operating profit, together with capital employed, is included in the calculation of the return on capital employed.

Return on capital employed (ROCE), business performance, %



2012 comparative figures are shown in the cross-hatched bars

Adjusted operating profit, business performance, DKK million



2012 comparative figures are shown in the cross-hatched bars

		Business performance		IFRS	
DKK million	Note	**2013**	2012	**2013**	2012
Revenue	2.2	73,105	67,179	72,199	65,860
Cost of sales	2.3	(47,224)	(47,360)	(47,123)	(47,514)
Other external expenses		(6,955)	(8,142)	(6,955)	(8,142)
Employee costs	2.5	(3,491)	(3,638)	(3,491)	(3,638)
Share of profit (loss) of associates and joint ventures	3.4	(711)	(3)	(711)	(3)
Other operating income	2.6	705	848	705	848
Other operating expenses		(425)	(245)	(425)	(245)
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment		(12,963)	(11,963)	(12,963)	(11,963)
Operating profit (loss) (EBIT)		**2,041**	**(3,324)**	**1,236**	**(4,797)**
Share of profit (loss) of associates and joint ventures	3.4	(57)	(699)	(57)	(699)
Hydrocarbon tax, current	7.1	(1,105)	(2,149)	(1,105)	(2,149)
Interest element of provisions	3.2	(501)	(285)	(501)	(285)
Adjusted operating profit (loss)		**378**	**(6,457)**	**(427)**	**(7,930)**
Capital employed		**77,345**	**81,984**	**77,345**	**81,984**
Return on capital employed (ROCE)		**0.5%**	**(7.9%)**	**-**	**-**

2.1 Segment information

Reportable segments comprise the following products and services:

- **Exploration & Production:** Oil and gas exploration and production in Denmark, Norway, the UK, the Faroe Islands and Greenland as well as an ownership interest in the Gassled gas pipeline network connecting the Norwegian fields with the European continent and the UK.
- **Wind Power:** Development, construction and operation of wind farms in Denmark, the UK, Norway, Sweden, Germany, France and the Netherlands.
- **Thermal Power:** Generation and sale of electricity and heat from thermal power stations in Denmark and a gas-fired power station in the Netherlands, and ownership of a demonstration plant for production of second-generation bioethanol in Denmark.
- **Customers & Markets:** Sale of electricity, gas, climate partnerships and related energy products in Denmark, Sweden, Germany and the UK as well as operation of the Group's electricity, gas and oil infrastructure in Denmark. The segment is also responsible for optimising

2.1 Segment information – continued

the value of DONG Energy's overall energy portfolio and executing the Group's hedging strategy.

Management has defined the Group's business segments based on the reporting regularly presented to the Group Executive Management, and which forms the basis for management's strategic decisions.

On 1 May 2013, DONG Energy merged the business segments Energy Markets and Sales & Distribution under the name Customers & Markets. In connection with the restructuring, full responsibility for the Group's gas-fired power station in the Netherlands was transferred to the Thermal Power business segment. Previously, Energy Markets has been responsible for commercial optimisation of the gas-fired power station, while Thermal Power has been responsible for its operation. The reporting to the Group Executive Management has been aligned to the new corporate structure.

Prior-period segment information has been restated to reflect the new structure.

ACTIVITIES

2013 DKK million	Exploration & Production	Wind Power	Thermal Power	Customers & Markets	**Reportable segments**	Other activities/ eliminations	**Business performance**	Adjustments	**IFRS**
External revenue	4,550	10,102	10,117	48,165	72,934	171	73,105	(906)	72,199
Intragroup revenue	7,794	1,858	(459)	1,498	10,691	(10,691)[1]	-	-	-
Revenue	**12,344**	**11,960**	**9,658**	**49,663**	**83,625**	**(10,520)**	**73,105**	**(906)**	**72,199**
Cost of sales	(684)	(4,915)	(7,071)	(44,887)	(57,557)	10,333	(47,224)	101	(47,123)
Fixed costs[2]	(4,433)	(1,900)	(1,918)	(2,435)	(10,686)	240	(10,446)	-	(10,446)
Other operating income and expenses	97	(313)	73	6	(137)	5	(132)	-	(132)
Gain/(loss) on disposal of non-current assets	-	131	3	1	135	277	412	-	412
Investments in associates and joint ventures	-	(710)	(1)	-	(711)	-	(711)	-	(711)
EBITDA	**7,324**	**4,253**	**744**	**2,348**	**14,669**	**335**	**15,004**	**(805)**	**14,199**
Depreciation and amortisation	(2,925)	(2,020)	(1,546)	(1,429)	(7,920)	(35)	(7,955)	-	(7,955)
Impairment losses	(3,663)	(339)	(1,000)	(6)	(5,008)	-	(5,008)	-	(5,008)
Operating profit (loss) (EBIT)	**736**	**1,894**	**(1,802)**	**913**	**1,741**	**300**	**2,041**	**(805)**	**1,236**
Gain on disposal of enterprises									2,045
Investments in associates and joint ventures									(57)
Net finance costs									(3,800)
Profit (loss) before tax									**(576)**
Adjusted operating profit (loss)	**(598)**	**1,779**	**(1,861)**	**758**	**78**	**300**	**378**	**(805)**	**(427)**
Capital employed	**20,663**	**39,935**	**6,412**	**14,551**	**81,561**	**(4,216)**	**77,345**	**-**	**77,345**
Return on capital employed (ROCE)[3]	**(3.1)%**	**4.6%**	**(18.2)%**	**4.8%**			**0.5%**		

[1] Of which elimination of intragroup revenue accounts for an outflow of DKK 12,554 million

[2] Includes employee costs and other external expenses

[3] Return on capital employed (ROCE) is calculated as adjusted operating profit / average capital employed

DKK million	Exploration & Production	Wind Power	Thermal Power	Customers & Markets	Reportable segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External net working capital	(1,284)	1,395	643	3,650	4,404	(1,805)	2,599	-	2,599
Intragroup net working capital	1,301	813	(560)	(1,997)	(443)	443	-	-	-
Net working capital	**17**	**2,208**	**83**	**1,653**	**3,961**	**(1,362)**	**2,599**	**-**	**2,599**
Net working capital excl. trade payables, non-current assets	1,016	2,727	116	1,653	5,512	(1,362)	4,150	-	4,150
Gross investments	(9,610)	(9,485)	(680)	(1,447)	(21,222)	(12)	(21,234)	-	(21,234)
Segment assets	38,628	66,880	15,367	50,256	171,131	(25,758)[4]	145,373	-	145,373
Deferred tax	354	470	888	464	2,176	(2,046)	130	-	130
Income tax receivable	47	509	411	303	1,270	(1,101)	169	-	169
Total assets	**39,029**	**67,859**	**16,666**	**51,023**	**174,577**	**(28,905)**	**145,672**	**-**	**145,672**

[4] Of which elimination of intragroup assets accounts for an outflow of DKK 110,989 million.

Oil and gas exploration expenses of DKK 1,823 million were recognised in Exploration & Production (2012: DKK 1,230 million). At 31 December 2013, assets and liabilities relating to oil and gas exploration amounted to DKK 5,743 million and DKK 597 million respectively (2012: DKK 3,801 million and DKK 886 million respectively). Operating and investing activities related to oil and gas exploration absorbed cash of DKK 3,514 million and DKK 1,082 million respectively (2012: outflows of DKK 2,504 million and DKK 917 million respectively).

2.1 Segment information – continued

2012 DKK million	Exploration & Production	Wind Power	Thermal Power	Customers & Markets	**Reportable segments**	Other activities/ eliminations	**Business performance**	Adjustments	**IFRS**
External revenue	6,175	6,783	8,851	45,409	67,218	(39)	67,179	(1,319)	65,860
Intragroup revenue	5,696	954	212	1,160	8,022	(8,022)[1]	-	-	-
Revenue	**11,871**	**7,737**	**9,063**	**46,569**	**75,240**	**(8,061)**	**67,179**	**(1,319)**	**65,860**
Cost of sales	(664)	(3,214)	(5,933)	(45,453)	(55,264)	7,904	(47,360)	(154)	(47,514)
Fixed costs	(4,660)	(2,081)	(2,305)	(2,890)	(11,936)	156	(11,780)	-	(11,780)
Other operating income and expenses	-	(102)	226	334	458	3	461	-	461
Gain/(loss) on disposal of non-current assets	3	143	15	(15)	146	(4)	142	-	142
Share of profit (loss) of associates and joint ventures	-	(4)	1	-	(3)	-	(3)	-	(3)
EBITDA	**6,550**	**2,479**	**1,067**	**(1,455)**	**8,641**	**(2)**	**8,639**	**(1,473)**	**7,166**
Depreciation and amortisation	(3,462)	(1,442)	(2,447)	(1,713)	(9,064)	(108)	(9,172)	-	(9,172)
Impairment losses, net	-	(322)	(2,424)	(45)	(2,791)	-	(2,791)	-	(2,791)
Operating profit (loss) (EBIT)	**3,088**	**715**	**(3,804)**	**(3,213)**	**(3,214)**	**(110)**	**(3,324)**	**(1,473)**	**(4,797)**
Gain on disposal of enterprises									2,675
Share of profit (loss) of associates and joint ventures									(699)
Net finance costs									(1,356)
Profit (loss) before tax									**(4,177)**
Adjusted operating profit (loss)	**820**	**176**	**(3,854)**	**(3,488)**	**(6,346)**	**(111)**	**(6,457)**	**(1,473)**	**(7,930)**
Capital employed	**17,507**	**38,243**	**13,990**	**16,722**	**86,462**	**(4,478)**	**81,984**	**-**	**81,984**
Return on capital employed (ROCE)	**4.6%**	**0.5%**	**(24.1%)**	**(20.5%)**			**(7.9%)**		

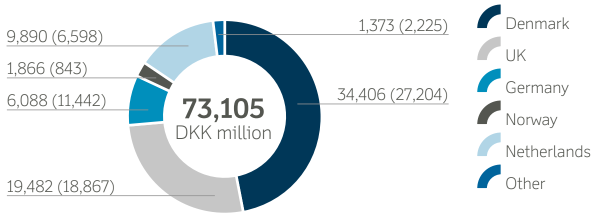
[1] Of which elimination of intragroup revenue accounts for an outflow of DKK 10,206 million.

External net working capital	(2,337)	(1,568)	522	4,564	1,181	(1,786)	(605)	-	(605)
Intragroup net working capital	1,032	469	(619)	(1,276)	(394)	394	-	-	-
Net working capital	**(1,305)**	**(1,099)**	**(97)**	**3,288**	**787**	**(1,392)**	**(605)**	**-**	**(605)**
Net working capital excl. trade payables, non-current assets	56	669	(77)	3,288	3,936	(1,393)	2,543	-	2,543
Gross investments	(5,064)	(11,258)	(309)	(1,439)	(18,070)	410	(17,660)	-	(17,660)
Segment assets	36,955	54,067	21,684	51,545	164,251	(7,208)[2]	157,043	-	157,043
Deferred tax	481	443	1,083	643	2,650	(2,385)	265	-	265
Income tax receivable	-	754	185	347	1,286	(1,105)	181	-	181
Total assets	**37,436**	**55,264**	**22,952**	**52,535**	**168,187**	**(10,698)**	**157,489**	**-**	**157,489**

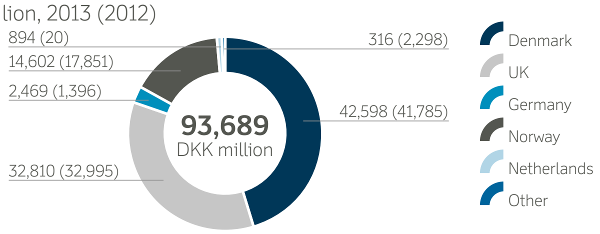
[2] Of which elimination of intragroup assets accounts for an outflow of DKK 94,572 million.

Geographical information

Revenue, DKK million, 2013 (2012)[1]



Property, plant and equipment and intangible assets, DKK million, 2013 (2012)



[1] Revenue determined based on business performance.

A significant part of the Group's sales takes place via power exchanges and gas hubs in Europe, the physical location of which does not reflect the Group's market risks. Segment revenue is broken down, as far as possible, by the customer's geographical location based on supply point. However, when delivery is made directly from production platforms in the North Sea, the final supply point is not known to DONG Energy. In such cases, the customer's geographical location is defined on the basis of invoicing address.

Non-current assets are broken down geographically based on the physical location of the assets and comprise intangible assets and property, plant and equipment.

No single customer accounts for more than 10% of consolidated revenue.

2.1 Segment information – continued

Accounting policies
Segment assets and segment liabilitities are measured in accordance with the accounting policies applied in the consolidated financial statements.

The Group presents an alternative performance measure, business performance, in connection with the statement of profit for the year. Business performance has been determined in accordance with the internal management reporting. In determining business performance results, fair value adjustments on hedging transactions relating to commodity risks are recognised in the period in which the hedged transaction affects profit, regardless of whether the hedging meets all criteria prescribed by IFRS. This means that transactions are recognised at the hedged value. No adjustments are made in respect of gains and losses on other financial instruments.

If a hedged transaction ceases, for example as a result of disposal, changed outlook, etc., the market value of the related hedging transaction is recognised in the period in which the hedged transaction ceases.

The adjustments column consists of fair value adjustments of commodity hedge transactions and realised gains and losses on these transactions and therefore solely reflects timing differences. The additional information is presented in accordance with IAS 1.

Segment income, segment expense, segment assets and segment liabilities are those items that, in the internal management reporting, are directly attributable to the individual segment or can be indirectly allocated to the individual segment on a reliable basis. Other activities primarily comprise income and expenses, assets and liabilities, investing activities, taxes, etc., that are not directly employed by the individual segment in its operating activities. Intersegment transactions are priced on arm's length terms.

2.2 Revenue

	Business performance		IFRS	
DKK million	**2013**	2012	**2013**	2012
Sales of gas	33,635	28,953	33,041	28,117
Sales and distribution of oil	4,995	6,368	4,995	6,368
Sales of electricity	18,775	17,524	18,963	17,286
Sales of district heat	2,729	2,857	2,729	2,857
Distribution and storage of gas	1,150	1,187	1,150	1,187
Distribution of electricity	3,999	3,964	3,999	3,964
Construction contracts	5,612	3,244	5,612	3,244
Trading activities, net	(310)	415	(310)	415
Economic hedging, net	(220)	(12)	(416)	(285)
Hedge accounting, net	-	-	(304)	28
Other revenue	2,740	2,679	2,740	2,679
Revenue	**73,105**	**67,179**	**72,199**	**65,860**

Of total revenue of DKK 72,199 million (2012: DKK 65,860 million), revenue from the sale of products accounted for DKK 65,802 million (2012: DKK 59,484 million), while revenue from the sale of services accounted for DKK 6,397 million (2012: DKK 6,376 million).

Accounting policies
Revenue from sales of gas, sales and distribution of oil, distribution and storage of gas, and sales and distribution of electricity and heat is recognised in profit for the year when delivery and transfer of risk to buyer have taken place and to the extent that the income can be measured reliably and is expected to be received. Revenue is measured at the fair value of the agreed consideration excluding VAT and other indirect taxes collected on behalf of third parties. All forms of discounts granted are recognised as revenue.

Revenue from the Group's offshore wind turbines comprises sale of electricity at market prices and regulated prices (fixed tariffs and guaranteed minimum prices for green certificates), which is recognised at the production date.

Construction contracts are recognised as revenue as the work is performed to the effect that revenue corresponds to the selling price of the work performed during the year (percentage of completion method). When the outcome of a construction contract cannot be estimated reliably, revenue is recognised to the extent of costs incurred that it is probable will be recoverable.

Critical accounting estimates
In connection with the determination of revenue, the accrual of revenue relating to sales of electricity and gas to residential and business customers is subject to considerable uncertainty due to the fact that customers' realised consumption can only be verified through meter readings, which are not available at the date of presentation of the annual report. Revenue is recognised on the basis of statements that take account of relevant factors.

2.3 Cost of sales

	Business performance		IFRS	
DKK million	**2013**	2012	**2013**	2012
Gas	26,260	23,951	26,084	23,951
Electricity	6,949	9,063	6,949	9,063
Coal	1,707	1,568	1,707	1,568
Biomass	1,270	1,266	1,270	1,266
Oil	209	288	209	288
Transportation costs, etc.	4,678	7,796	4,678	7,796
Economic hedging, net	311	(353)	387	(141)
Hedge accounting, net	-	-	(1)	(58)
Costs associated with construction contracts	4,189	2,354	4,189	2,354
Other cost of sales	1,651	1,427	1,651	1,427
Cost of sales	**47,224**	**47,360**	**47,123**	**47,514**

In 2012, transportation costs, etc., were affected by a DKK 2,347 million provision for three long-term contracts for leasing of gas storage capacity in Germany, and a DKK 564 million provision for an onerous contract for capacity in the LNG terminal in the Netherlands. These contracts had become onerous due to market developments, the value of gas storage capacity having deteriorated significantly since the contracts were concluded.

2.4 Trading portfolio and hedging of EBITDA

DONG Energy is affected by the changes in energy prices and related exchange rates. DONG Energy engages in hedging to reduce this risk to an acceptable level.

The Group also engages in trading activities with a view to generating gains from short-term fluctuations in energy prices.

The Group's hedging of energy prices and the associated currency risk and trading portfolio can be broken down as follows:

At 31 December 2013	Total		Economic hedging[1] and commercial contracts		Trading portfolio		Cash flow hedging				
										Expected date of transfer to EBITDA	
DKK million	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Recognised in other comprehensive income	2014	2015
Energy											
Oil swaps	4,451	(78)	4,150	(190)	301	112	-	-	(55)	(55)	-
Oil options	222	(3)	173	(2)	49	(1)	-	-	-	-	-
Gas swaps	27,538	513	26,719	353	819	160	-	-	-	-	-
Electricity swaps	7,748	951	5,211	704	2,537	247	-	-	(1)	(1)	-
Electricity options	1,697	(353)	1,627	(358)	70	5	-	-	-	-	-
CO_2 emissions allowances	15	(1)	-	-	15	(1)	-	-	-	-	-
Coal	1,692	(266)	1,600	(214)	92	(52)	-	-	-	-	-
Currency											
Forward exchange contracts	5,775	(142)	5,775	(142)	-	-	-	-	(310)	(315)	5
Options	2,165	(121)	2,165	(121)	-	-	-	-	-	-	-
Total	**51,303**	**500**	**47,420**	**30**	**3,883**	**470**	**-**	**-**	**(366)**	**(371)**	**5**

2.4 Trading portfolio and hedging of EBITDA – continued

At 31 December 2012	Total		Economic hedging[1] and commercial contracts		Trading portfolio		Cash flow hedging					
										Expected date of transfer to EBITDA		
DKK million	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Contractual principal amount[2]	Fair value	Recognised in other comprehensive income	2013	2014	After 2014
Energy												
Oil swaps	8,182	631	5,609	422	2,573	209	-	-	(94)	(39)	(55)	-
Oil options	389	73	340	78	49	(5)	-	-	109	109	-	-
Gas swaps	22,222	589	21,162	322	1,060	267	-	-	-	-	-	-
Electricity swaps	10,459	1,178	9,763	1,042	696	136	-	-	(5)	(4)	(1)	-
Electricity options	2,544	(417)	2,489	(420)	55	3	-	-	-	-	-	-
CO_2 emissions allowances	157	127	-	-	157	127	-	-	-	-	-	-
Coal	1,741	(309)	1,615	(237)	126	(72)	-	-	9	9	-	-
Currency												
Forward exchange contracts	13,559	11	13,559	11	-	-	-	-	(726)	(389)	(309)	(28)
Options	6,008	(193)	6,008	(193)	-	-	-	-	-	-	-	-
Total	**65,261**	**1,690**	**60,545**	**1,025**	**4,716**	**665**	**-**	**-**	**(707)**	**(314)**	**(365)**	**(28)**

[1] Economic hedging is accounted for in accordance with business performance as effective hedging, and the resulting market value adjustment is consequently deferred to the period in which the hedged transaction affects profit.
[2] The contractual principal amount has been determined as the net position per derivate type (oil swaps, etc.).

The business performance results have been adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods and therefore represent the underlying financial performance of the Group in the reporting period.

The difference between IFRS and business performance can be broken down as follows:

DKK million	2013	2012
EBITDA – Business performance	**15,004**	**8,639**
Market value adjustments for the period of physical and financial hedging contracts that relate to future periods	(162)	(460)
Deferred losses/gains relating to financial and physical hedging contracts, where the hedged production or trading is recognised in the period under review	(643)	(1,013)
Total adjustments	**(805)**	**(1,473)**
Amount recognised as revenue	(906)	(1,319)
Amount recognised as cost of sales	101	(154)
EBITDA – IFRS	**14,199**	**7,166**

Market value adjustments related to future periods amounted to a charge of DKK 162 million and primarily relate to hedging of oil and coal, partly offset by gas hedging.

Deferred losses/gains recognised in this period amounted to a loss of DKK 643 million and primarily relate to losses on hedging of gas and electricity, partly offset by coal hedging.

Total difference deferred to a future period
Results deferred for recognition in the business performance results in a subsequent period can be broken down as follows:

DKK million	Deferred for subsequent recognition 31 December 2013	Expected date of transfer to EBITDA 2014	2015	After 2015	Deferred for subsequent recognition 31 December 2012	Expected date of transfer to EBITDA 2013	2014	After 2014
Oil	(277)	(117)	(54)	(106)	266	156	5	105
Gas	353	93	125	135	322	469	(198)	51
Electricity	(487)	(99)	(55)	(333)	(343)	50	23	(416)
Coal	(214)	(164)	(47)	(3)	(237)	(158)	(73)	(6)
Currency	(259)	(436)	20	157	(319)	(386)	(257)	324
Total	**(884)**	**(723)**	**(11)**	**(150)**	**(311)**	**131**	**(500)**	**58**

2.4 Trading portfolio and hedging of EBITDA – continued

At 31 December 2013, a loss of DKK 884 million had been deferred (2012: DKK 311 million loss), which will affect business performance EBITDA in subsequent years. Of the total deferred loss, a loss of DKK 723 million (2012: DKK 131 million gain) will affect business performance EBITDA in 2014 (2013).

Accounting policies
Fair value adjustments of financial contracts offered to customers with a view to price hedging and financial instruments that have been entered into to hedge the Group's principal operating activities are recognised as revenue or cost of sales. Likewise, fair value adjustments of physical and financial contracts relating to energy that are concluded in the course of the Group's trading activities with a view to generating gains from short-term price fluctuations are recognised as revenue.

2.5 Employee costs

DKK million	2013	2012
Wages, salaries and remuneration	4,359	3,961
Pensions	343	338
Other social security costs	129	123
Other employee costs	58	74
Employee costs before transfers to assets	**4,889**	**4,496**
Transfers to assets	(1,398)	(858)
Employee costs	**3,491**	**3,638**

The Group's pension plans are primarily defined contribution plans that do not commit DONG Energy beyond the amounts contributed. The defined benefit plans relate to obligations to pay a defined benefit to a few power station employees that are no longer with the company and to public servants taken over from municipally owned regional companies. In 2013, these obligations amounted to DKK 13 million (2012: DKK 13 million). The average number of employees in DONG Energy in 2013 was 6,692 (2012: 6,735 employees).

Remuneration of Group Executive Management

The remuneration of the Group Executive Management is based on a fixed salary, including personal benefits such as a company car, free telephone, etc., a variable salary, and, in some cases, a pension.

The Group Executive Management will be entitled to 24 months' salary, including pension, made up of salary during the notice period (12 months) and termination payment (12 months), if their contracts of service are terminated by the company.

EXECUTIVE BOARD

	Henrik Poulsen (joined in August 2012)		Marianne Wiinholt (appointed in October 2013)		Carsten Krogsgaard Thomsen (departed in October 2013)		Anders Eldrup (departed in March 2012)		Total	
DKK '000	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Fixed salary	8,614	2,863	1,152	-	4,004	5,113	-	1,244	13,770	9,220
Variable salary	2,131	600	253	-	714	1,202	-	292	3,098	2,094
Pension	2	1	1	-	1	2	-	2	4	5
Salary during notice period[1]	-	-	-	-	9,084	-	-	6,083	9,084	6,083
Termination payment	-	-	-	-	4,680	-	8,710	-	13,390	-
Total	**10,747**	**3,464**	**1,406**	**-**	**18,483**	**6,317**	**8,710**	**7,621**	**39,346**	**17,402**

[1] Comprises salaries, bonus and pension and is recognised at the departure date.

Carsten Krogsgaard Thomsen departed in October 2013 and received salary during the notice period (18 months) and termination payment (12 months).

The arbitration case that Anders Eldrup brought following the termination of his employment in March 2012 has been decided. As a result, Anders Eldrup has received termination payment equivalent to 21½ months' remuneration.

2.5 Employee costs – continued

OTHER MEMBERS OF THE GROUP EXECUTIVE MANAGEMENT[1]

DKK '000	2013	2012
Fixed salary	14,803	12,211
Variable salary	2,685	2,660
Pension	1,997	1,778
Salary during notice period[2]	2,264	4,350
Termination payment	3,494	3,468
Total	**25,243**	**24,467**

[1] Other members of the Group Executive Management:
Søren Gath Hansen
Samuel Leupold (joined in March 2013)
Thomas Dalsgaard
Morten Hultberg Buchgreitz (appointed in March 2013)
Lars Clausen (departed in May 2013)
Kurt Bligaard Pedersen (departed in November 2012)
[2] Comprises salaries, bonus and pension and is recognised at the departure date.

BOARD OF DIRECTORS

DKK '000	Board of Directors remuneration	Audit and Risk Committee	Remuneration Committee	2013	2012
Fritz H. Schur	500	-	50	550	550
Jacob Brogaard	269	88	19	376	225
Poul Arne Nielsen	175	-	-	175	175
Jørn P. Jensen	175	50	-	225	225
Mogens Vinther	175[1]	-	-	175	175
Pia Gjellerup	175	-	25	200	150
Benny D. Loft	175	50	-	225	169
Hanne Sten Andersen	175	-	-	175	175
Benny Gøbel	225[2]	-	-	225	225
Jytte Koed Madsen	175	-	-	175	175
Jens Nybo Stilling Sørensen	175	-	-	175	175
Lars Nørby Johansen (departed in April 2013)	150	50	12	212	425
Jens Kampmann (departed in April 2012)	44	-	-	44	125
Lars Rebien Sørensen (departed in April 2012)	17	-	-	17	87
Total	**2,605**	**238**	**106**	**2,949**	**3,056**

[1] Mogens Vinther has also received separate compensation of DKK 24 thousand
[2] Benny Gøbel has received DKK 175 thousand as Board member of DONG Energy A/S and DKK 50 thousand (2012: DKK 50 thousand) as Board member of DONG Energy Thermal Power A/S.

No remuneration has been paid to the Board representatives (Chairman and Deputy Chairman) on the Nomination Committee.

No agreements on termination payments to members of the Board of Directors have been made and no termination payments have been made to members of the Board of Directors. Remuneration of the Board of Directors comprises salary only.

2.6 Other operating income

DKK million	2013	2012
Gain on disposal of assets	451	217
Adjustment of decommissioning obligations	64	465
Miscellaneous operating income	190	166
Other operating income	**705**	**848**

Gain on disposal of assets in 2013 consists primarily of the gain on sale of the office premises in Gentofte. Reference is made to note 3.7 for a further breakdown of gain on disposal of assets. Adjustment of decommissioning obligations relates to production assets with a carrying amount of nil as a result of the assets having been fully depreciated.

3 Capital employed

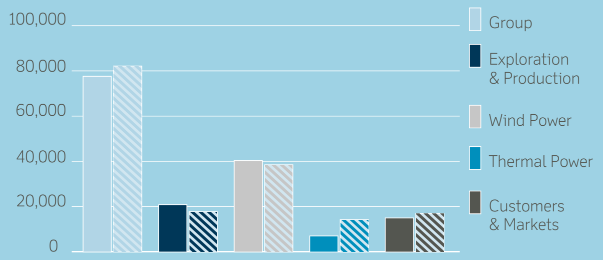
Capital employed is part of the strategic key ratio return on capital employed (ROCE) and comprises non-interest-bearing assets and liabilities.

The Group's total capital employed was DKK 77,345 million at 31 December 2013 compared with DKK 81,984 million at 31 December 2012.

The Group has an extensive investment and divestment programme and, in 2013, made gross investments totalling DKK 21,234 million and divested assets and enterprises totalling DKK 15,156 million.

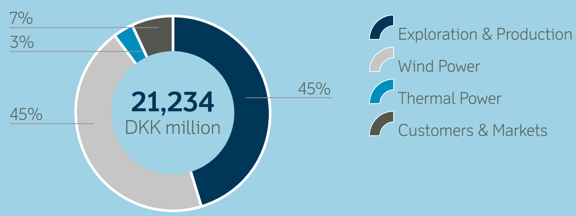
This section examines property, plant and equipment, provisions, intangible assets and investments in associates and joint ventures recognised in capital employed.

Capital employed, DKK million



2012 comparative figures are shown in the cross-hatched bars

Gross investments



DKK million	Note	2013	2012
Property, plant and equipment	3.1	91,522	93,920
Intangible assets	3.3	2,167	2,425
Investments in associates and joint ventures	3.4	2,013	4,459
Other equity investments		261	382
Other receivables, non-current	5.3	49	2,197
Other receivables, current	5.3	539	400
Assets classified as held for sale, net	3.6	278	3,195
Working capital	5	4,150	2,543
Trade payables, non-current assets		(1,533)	(3,148)
Other payables, non-current	5.3	(380)	(235)
Other payables, current	5.3	(871)	(1,183)
Prepayments and deferred income, net		(1,685)	(1,741)
Derivative financial instruments, net	6.1	628	41
Provisions	3.2	(13,610)	(12,975)
Tax, net	7.2	(6,183)	(8,296)
Capital employed		**77,345**	**81,984**

3.1 Property, plant and equipment

DKK million	Land and buildings	Production assets	Exploration assets	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2013	5,020	116,007	1,401	759	18,355	141,542
Foreign exchange adjustments	(8)	(4,183)	(72)	(4)	(253)	(4,520)
Additions	15	3,953	1,082	64	14,323	19,437
Disposal on sale of enterprises	(73)	(6,057)	-	(1)	-	(6,131)
Disposals	(1,926)	(270)	(1,136)	(32)	(157)	(3,521)
Adjustment of decommissioning obligations	-	475	(31)	-	81	525
Transfers to assets classified as held for sale	-	8	-	(5)	22	25
Transfers	13	11,549	(52)	51	(11,561)	-
Cost at 31 December 2013	**3,041**	**121,482**	**1,192**	**832**	**20,810**	**147,357**
Depreciation and impairment losses at 1 January 2013	(1,214)	(45,741)	-	(493)	(174)	(47,622)
Foreign exchange adjustments	3	1,579	-	1	-	1,583
Disposal on sale of enterprises	31	2,335	-	1	-	2,367
Disposals	292	197	-	15	-	504
Depreciation	(163)	(7,436)	-	(66)	-	(7,665)
Impairment losses	(11)	(4,658)	-	-	(339)	(5,008)
Transfers to assets classified as held for sale	-	-	-	6	-	6
Depreciation and impairment losses at 31 December 2013	**(1,062)**	**(53,724)**	**-**	**(536)**	**(513)**	**(55,835)**
Carrying amount at 31 December 2013	**1,979**	**67,758**	**1,192**	**296**	**20,297**	**91,522**

DKK million	Land and buildings	Production assets	Exploration assets	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2012	5,076	99,613	1,611	698	21,492	128,490
Foreign exchange adjustments	10	2,224	41	20	375	2,670
Addition on acquisition of enterprises	-	406	-	-	-	406
Additions	41	1,138	917	57	14,396	16,549
Disposal on sale of enterprises	-	3	-	-	(23)	(20)
Disposals	(131)	(206)	(688)	(18)	(187)	(1,230)
Adjustment of decommissioning obligations	-	(1,106)	74	-	350	(682)
Transfers to assets classified as held for sale	-	(2,511)	-	(59)	(2,070)	(4,640)
Transfers	24	16,446	(554)	61	(15,978)	(1)
Cost at 31 December 2012	**5,020**	**116,007**	**1,401**	**759**	**18,355**	**141,542**
Depreciation and impairment losses at 1 January 2012	(934)	(34,592)	-	(416)	(17)	(35,959)
Foreign exchange adjustments	(8)	(692)	-	(13)	-	(713)
Disposals	22	200	-	21	17	260
Depreciation	(250)	(8,446)	-	(85)	-	(8,781)
Impairment losses	(44)	(2,565)	-	(1)	(174)	(2,784)
Impairment losses reversed	-	114	-	-	-	114
Transfers to assets classified as held for sale	-	240	-	1	-	241
Depreciation and impairment losses at 31 December 2012	**(1,214)**	**(45,741)**	**-**	**(493)**	**(174)**	**(47,622)**
Carrying amount at 31 December 2012	**3,806**	**70,266**	**1,401**	**266**	**18,181**	**93,920**

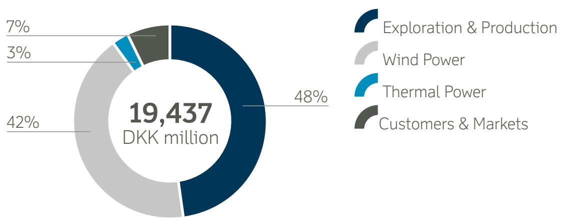
Capital commitments

At 31 December 2013, DONG Energy had entered into agreements on investments in property, plant and equipment (primarily wind farms) totalling DKK 43,241 million (2012: DKK 36,775 million).

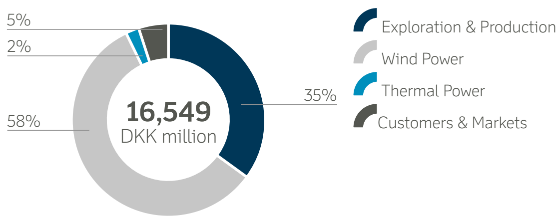
Security arrangements

Loans totalling DKK 1,744 million (2012: DKK 1,760 million) are secured on power stations and vessels with a carrying amount of DKK 2,274 million (2012: DKK 2,506 million).

Additions, 2013



Additions, 2012



3.1 Property, plant and equipment – continued

Impairment losses

Oil and gas activities

The Group recognised a DKK 1,832 million impairment loss on the value of the Ula-Tambar-Oselvar area (UTO), reflecting lower reserve estimates as well as performance problems on two of three production wells on Oselvar, which also had an effect on Ula.

A DKK 922 million impairment loss was charged on the fields in the Siri area as a result of a lower future earnings outlook following the identification of a further crack in the Siri platform's subsea structure.

Moreover, a DKK 476 million impairment loss was charged on the Gyda field as a result of a changed estimate of the decommissioning obligations, and a DKK 433 million impairment loss was charged on the stake in the Gassled transmission network as a result of the Norwegian authorities having introduced a tariff reduction of up to 90% from 2016.

The UTO area, the Siri area, the Gyda field and the Gassled transmission network are part of the Exploration & Production segment.

Gas-fired power stations

DONG Energy has recognised a DKK 1,000 million impairment loss on the value of the Dutch Enecogen power station. The reason for the impairment loss was a changed outlook concerning the development in long-term green spark spreads (contribution margin on electricity generation at gas-fired power stations). The development in green spark spreads led to the recognition of a DKK 624 million impairment loss on the power station in 2012.

A DKK 1,393 million impairment loss was recognised on the Severn power station in the UK in 2012, also in this case reflecting the development in green spark spreads. Severn was divested in 2013.

The gas-fired power stations are part of the Thermal Power segment.

Other impairment losses

DONG Energy also recognised a DKK 339 million impairment charge in respect of capitalised project development costs in Wind Power due to uncertainty as to whether these projects will go ahead. Other impairment losses recognised in 2012 were a DKK 888 million impairment loss on property, plant and equipment, of which DKK 254 million related to Wind Power, DKK 521 million to Thermal Power and DKK 113 million to Customers & Markets.

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. In the case of property, plant and equipment, cost is, as a rule, depreciated on a straight-line basis over the estimated future useful lives, which are:

Buildings	20 - 50 years
Production assets, oil og gas[1]	20 - 40 years
Wind turbines	20 - 24 years
Production assets, electricity (thermal) and district heat	20 - 35 years
Gas transportation system (marine pipelines) and gas storage facilities	20 - 40 years
Oil transportation system (marine pipeline)	15 years
Distribution networks, gas	20 - 40 years
Distribution networks, electricity	20 - 40 years
Fixtures and fittings, tools and equipment	3 - 10 years

[1] Depreciation is charged using the unit-of-production method based on the ratio of current production to estimated reserves by individual field

Cost comprises purchase price and any costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers and labour. Borrowing costs relating to both specific and general borrowing directly attributable to assets under construction with a lengthy construction period are recognised in cost during the construction period. Cost is increased by the present value of the estimated obligations for decommissioning and restoration to the extent that they are recognised as a provision.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the Group from the expenses incurred. Replaced parts are derecognised from the balance sheet, and their carrying amount is recognised in profit for the year. All other repair and maintenance expenses are recognised in profit for the year as incurred.

Exploration assets comprise acquired licences and reserves as well as exploration expenses that relate to successful wells. Costs are recognised using the successful efforts method. Under the successful efforts method, exploration expenses for drilling specific exploration wells are recognised in the balance sheet if the well is successful. Recognition in the balance sheet is maintained pending determination of commercial viability. Recognised exploration expenses for commercial discoveries are transferred to property, plant and equipment under construction on commencement of the construction of a field. All exploration expenses determined as unsuccessful are recognised in profit for the year as other external expenses. Application of the successful efforts method means that the value of the Group's exploration assets is lower than if the full cost method had been applied. Exploration assets are not depreciated, as depreciation of such assets does not commence until the assets are available for use, on which date they are transferred to production assets.

Critical accounting estimates

Impairment testing

Property, plant and equipment are tested for impairment if there is any indication of impairment. In an impairment test, the recoverable amount of the tested asset or cash-generating unit (CGU) is compared with its carrying amount. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less expected disposal costs and the present value of the expected future net cash flows (value in use). The assumptions and criteria used to determine the assets' recoverable amounts constitute management's best estimates.

The determination of the recoverable amount for production assets is based on a number of assumptions where estimates are made that are material to the determination. Such assumptions include future market conditions, market prices of oil, gas, electricity, biofuel, coal, CO_2, estimated oil and gas reserves, weighted average cost of capital, and exchange rates, etc. The assessment of oil and gas reserves is based on estimates of both proved and probable reserves (Proved plus Probable/2P). Proved reserves are the estimated volumes of oil and gas that, under existing economic conditions, are recoverable using known technology from reservoirs in which oil or gas has been proved. Probable reserves are those additional reserves that are less likely to be recovered than proved reserves. DONG Energy conducts an annual internal evaluation and review of the Group's reserves. An independent valuer has reviewed DONG Energy's reserves classification system and guidelines and has verified that the internal guidelines are in agreement with the SPE-PRMS guidelines.

Exploration assets are tested for impairment when sufficient data have been obtained to assess each asset's technical and commercial potential and if there is any indication of impairment. Impairment testing is also carried out at the time commercial discoveries of oil or gas have been identified, and when exploration assets are reclassified to assets under construction. Significant estimates made in determining the recoverable amount of exploration assets include the timing and the timing of costs in connection with the exploration wells, the results of existing exploration wells and the expectations concerning future exploration wells in the individual fields, including the probability that the exploration wells will result in commercial discoveries.

Useful lives for production assets

The expected useful lives of production assets are determined based on historical experience and expectations concerning the future use of these assets. The expected future applications may subsequently prove not to be realisable, which may require useful lives to be reassessed. Oil and gas production assets are depreciated using the unit-of-production method, which means that the useful lives of these production assets are determined based on expectations concerning annual production and estimated reserves for each field. Changed expectations concerning future annual production and/or estimated reserves for each field may therefore result in a need to reassess the useful lives of the production assets of the individual fields.

3.2 Provisions

	2013			2012		
DKK million	Decom-missioning obligations	Other provisions	**Total**	Decom-missioning obligations	Other provisions	**Total**
Provisions at 1 January	8,415	4,560	12,975	9,300	3,069	12,369
Foreign exchange adjustments	(366)	(28)	(394)	185	10	195
Provisions used during the year	(32)	(961)	(993)	(32)	(1,849)	(1,881)
Provisions reversed during the year	-	(248)	(248)	(8)	(316)	(324)
Provisions made during the year	377	1,328	1,705	862	3,606	4,468
Change in interest rate estimates	-	-	-	(2,780)	-	(2,780)
Change in estimates of other factors	135	-	135	771	-	771
Transfers to/from liabilities relating to assets classified as held for sale	(71)	-	(71)	(124)	(4)	(128)
Interest element of provisions	363	138	501	241	44	285
Provisions at 31 December	**8,821**	**4,789**	**13,610**	**8,415**	**4,560**	**12,975**

Decommissioning obligations mainly comprise expected future expenses relating to decommissioning and restoration of oil and gas fields, power stations and wind farms.

Other provisions primarily include provisions for onerous contracts; guarantee obligations; CO_2 obligations; expected repayments to electricity consumers, etc., relating to litigation and contractual disputes, etc.

In 2012, other provisions increased by DKK 2,347 million due to a loss on three long-term contracts for leasing of gas storage capacity in Germany and DKK 564 million due to an onerous contract for capacity in the LNG terminal in the Netherlands. These contracts had become onerous due to market developments, the value of gas storage capacity having deteriorated significantly since the contracts were concluded.

	2013			2012		
DKK million	Decom-missioning obligations	Other provisions	**Total**	Decom-missioning obligations	Other provisions	**Total**
0 - 1 year	38	681	719	50	517	567
1 - 5 years	1,917	2,076	3,993	1,538	2,201	3,739
5 - 10 years	2,459	518	2,977	2,870	869	3,739
10 - 20 years	2,259	742	3,001	1,764	625	2,389
20 - 30 years	1,466	772	2,238	1,679	348	2,027
30 - 40 years	682	-	682	514	-	514
Provisions at 31 December	**8,821**	**4,789**	**13,610**	**8,415**	**4,560**	**12,975**

Accounting policies

Provisions are recognised when, as a result of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the Group of resources embodying economic benefits. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning and restoration as expected at the balance sheet date. The value of the provision is recognised in property, plant and equipment and depreciated together with the associated asset. The increase in time of the present value of the provision is recognised in profit for the year as finance costs.

Critical accounting estimates

Estimates of the Group's provisions are updated quarterly on the basis of management's expectations.

Decommissioning obligations

Estimates of decommissioning obligations are based on management's expectations concerning timing and scope, future cost level, and adopted laws and regulations on decommissioning.

The timing of decommissioning obligations depends on the useful lives of the assets. In the case of oil and gas fields, the expected useful lives depend on the current estimates of oil and gas reserves. The determination of these reserve estimates is subject to uncertainty, see the section on impairment testing in note 3.1 on property, plant and equipment. There is a statutory requirement for the power stations to be removed no later than 12 years after they have been decommissioned.

In measuring provisions, the costs required to settle the liability are discounted. In determining decommissioning obligations at 31 December 2013, a discount rate of 4.5% was used, the same discount rate as the Group used at 31 December 2012. The discount rate of 4.5% used is still expected to be used over a prolonged period. The rate has been estimated on the basis of expectations concerning the future, long-term interest rate level, based on the historical interest rate level.

The extent to which decommissioning and restoration will be required is estimated based on current legislation and standards in this area. Expectations concerning the future cost level are based on variables such as expectations concerning the general price trend or the oil price trend, demand conditions and the development in existing technologies.

Onerous contracts

In the course of the Group's operations, a number of commercial contracts have been entered into with fixed terms of contract that may result in the contracts becoming onerous depending on market developments, etc., and the obligations incurred by the Group as a result of these contracts may also be subject to uncertainty. The judgements concerning these complex contracts and their future effects are subject to significant uncertainties.

Litigation

When exercising a judgement about a potential liability in connection with litigation, the nature of the litigation, claim or statement is assessed. Other factors taken into account are the development of the case, the judgements and recommendations of legal or other advisers, experience from similar cases, and management's decision on how the Group will react to the litigation, claim or statement.

3.3 Intangible assets

DKK million	Goodwill	Rights	CO_2 emissions allowances	Completed development projects	In-process development projects	**Total**
Cost at 1 January 2013	843	3,286	738	1,027	84	5,978
Foreign exchange adjustments	1	-	(1)	5	6	11
Additions	-	19	149	-	119	287
Disposal on sale of enterprises	-	(182)	-	-	-	(182)
Disposals	-	-	(139)	(22)	(2)	(163)
Transfers to assets classified as held for sale	-	-	-	-	(19)	(19)
Transfers	-	4	-	80	(84)	-
Cost at 31 December 2013	**844**	**3,127**	**747**	**1,090**	**104**	**5,912**
Amortisation and impairment losses at 1 January 2013	(353)	(2,348)	-	(852)	-	(3,553)
Foreign exchange adjustments	-	-	-	(5)	-	(5)
Disposal on sale of enterprises	-	103	-	-	-	103
Disposals	-	-	-	-	-	-
Amortisation	-	(194)	-	(96)	-	(290)
Impairment losses	-	-	-	-	-	-
Amortisation and impairment losses at 31 December 2013	**(353)**	**(2,439)**	**-**	**(953)**	**-**	**(3,745)**
Carrying amount at 31 December 2013	**491**	**688**	**747**	**137**	**104**	**2,167**
Cost at 1 January 2012	650	3,279	927	1,023	22	5,901
Foreign exchange adjustments	5	-	1	-	1	7
Addition on acquisition of enterprises	188	14	-	-	-	202
Additions	-	33	208	1	65	307
Disposals	-	(41)	(398)	-	-	(439)
Transfers	-	1	-	3	(4)	-
Cost at 31 December 2012	**843**	**3,286**	**738**	**1,027**	**84**	**5,978**
Amortisation and impairment losses at 1 January 2012	(277)	(2,058)	(93)	(744)	-	(3,172)
Foreign exchange adjustments	-	-	-	(1)	-	(1)
Disposals	-	39	93	-	-	132
Amortisation	-	(284)	-	(107)	-	(391)
Impairment losses	(76)	(45)	-	-	-	(121)
Amortisation and impairment losses at 31 December 2012	**(353)**	**(2,348)**	**-**	**(852)**	**-**	**(3,553)**
Carrying amount at 31 December 2012	**490**	**938**	**738**	**175**	**84**	**2,425**

Recognised goodwill is attributable to the following cash-generating units: Central power stations, A2SEA, Markets and DONG Energy S&D UK Limited. The recoverable amount of cash-generating units is determined as a value in use, where net cash flows are determined on the basis of business plans and budgets that have been approved by management.

Accounting policies

Goodwill is measured at cost on recognition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, and impairment losses charged in previous years are not reversed. The carrying amount of goodwill is allocated to the Group's cash-generating units on recognition. The determination of cash-generating units follows the Group's organisational and internal reporting structure. Goodwill and in-process development projects are tested for impairment annually. Other intangible assets are tested for impairment if there is any indication of impairment.

Rights are measured at cost less accumulated amortisation and impairment losses. Gas purchase rights are amortised using the unit-of-production method. Other rights are amortised on a straight-line basis over their estimated future useful lives, which are 5-20 years.

Allocated and purchased CO_2 emissions allowances, including CO_2 credits, that are accounted for as rights are measured on recognition at cost. If a grant is received in connection with an allocation, the cost constitutes the actual consideration paid for the allowances, i.e. nil if the allowances are allocated free of charge. CO_2 emissions allowances are not amortised, as their residual value equals their cost.

Development projects that are clearly defined and identifiable, and for which technical feasibility, adequate resources and a future application in the enterprise can be demonstrated, and which the enterprise intends to manufacture or use, are recognised within intangible assets if the cost can be determined reliably and if there is reasonable certainty that the future earnings will cover all costs. Other development costs are recognised in profit for the year as incurred. Cost comprises wages and salaries and other costs attributable to the Group's development activities. Borrowing costs relating to specific and general borrowing directly attributable to the development of development projects are recognised in cost. On completion of the development work, development projects are amortised on a straight-line basis over their estimated future useful lives from the date the asset is available for use. The amortisation period is usually five years.

3.4 Investments in associates and joint ventures

Financial information for the Group's individually material associates and joint ventures. The amounts stated are the overall accounting figures for the individual associates and joint ventures, determined applying the DONG Energy Group's accounting policies.

	Associates		Joint ventures			
	Etzel Kavernenbetriebs-gesellschaft GmbH & Co. KG, Hamburg, Germany		Lincs Renewable Energy Holdings Limited, London, UK		Barrow Offshore Wind Ltd.	
DKK million	**2013**	2012	**2013**	2012	**2013**	2012
Ownership interest	33%	33%	50%	50%	50%	50%
Statement of comprehensive income						
Revenue	466	236	-	-	189	176
Depreciation and amortisation	(116)	(41)	-	-	(53)	(58)
Impairment losses	-	-	-	-	-	-
Finance income	-	1	105	115	-	1
Finance costs	(1)	(142)	-	-	(6)	(4)
Income tax expense	27	23	28	(28)	3	19
Profit (loss) for the year	(64)	(267)	(56)	(20)	55	26
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(64)	(267)	(56)	(20)	55	26
Balance sheet						
Non-current assets	2,210	2,228	778	614	702	766
Current assets	102	47	1,377	1,301	110	121
Cash	67	17	4	4	41	51
Equity	2,153	2,217	2,115	1,846	464	522
Non-current liabilities	1	1	-	-	293	306
Non-current liabilities, excluding provisions	-	-	-	-	160	184
Current liabilities, excluding trade payables and provisions	131	19	40	69	50	50
Current liabilities	158	57	40	69	55	59

	Associates				Joint ventures					
	Individually material		Not individually material		Individually material		Not individually material		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
The DONG Energy Group's share of:										
Profit (loss) for the year	(21)	(89)	(420)	(464)	(1)	3	(326)	(152)	**(768)**	**(702)**
Other comprehensive income	-	-	-	-	-	-	-	-	**-**	**-**
Total comprehensive income	**(21)**	**(89)**	**(420)**	**(464)**	**(1)**	**3**	**(326)**	**(152)**	**(768)**	**(702)**
Equity of associates and joint ventures attributable to DONG Energy	**718**	**739**	**4**	**2,315**	**1,290**	**1,184**	**1**	**221**	**2,013**	**4,459**

The Group's share of profit (loss) for the year of associates and joint ventures, a total loss of DKK 768 million (2012: DKK 702 million loss), is recognised in the income statement in share of profit (loss) of associates and joint ventures that are deemed to be part of the Group's principal activities with a loss of DKK 711 million (2012: DKK 3 million loss) and with a loss of DKK 57 million (2012: DKK 699 million loss) for associates and joint ventures that are deemed not to be part of the Group's principal activities.

Capital commitments

The Group has assumed capital commitments of DKK 780 million (2012: DKK 996 million) in connection with investments in joint ventures. The Group has not assumed any capital commitments in connection with investments in associates.

3.4 Investments in associates and joint ventures – continued

Accounting policies

Investments in associates and joint ventures are measured in the consolidated financial statements using the equity method.

Profit of associates and joint ventures that are deemed to be part of the Group's principal activities is presented before EBITDA, while profit of associates and joint ventures that are deemed not to be part of the Group's principal activities is presented after EBIT.

Associates and joint ventures with negative net assets are measured at nil. If the Group has a legal or constructive obligation to cover the deficit of the associate or joint venture, the obligation is recognised as a liability. Receivables from associates and joint ventures are measured at amortised cost and write-downs are made for bad debts.

The proportionate share of associates' and joint ventures' profit after tax and non-controlling interests and after elimination of the proportionate share of intragroup profits/losses is recognised in profit for the year.

On acquisition of investments in associates and joint ventures, the purchase method is applied. Gains or losses on disposal of investments in associates and joint ventures are determined as the difference between the selling price and the carrying amount of net assets, including goodwill, at the date of disposal and transaction costs. Gains/losses are recognised in profit for the year as gain (loss) on disposal of enterprises.

Critical accounting estimates

Investments in associates and joint ventures are tested for impairment if there is any indication of impairment. Such indications may include changes in regulatory, financial and technological factors and general market conditions.

A distinction is made between joint ventures and joint operations. When determining whether an investment is in a joint venture or a joint operation, a holistic view is adopted of the factors deemed relevant in the situation in question. These factors include whether the collaboration has been established in corporate form and whether only DONG Energy is entitled to the net profit or income and expenses resulting from the operation. Reference is also made to the information on associates and joint ventures in the basis of reporting for the consolidated financial statements.

3.5 Acquisition of enterprises

Acquisition of enterprises in 2013

There were no business combinations in 2013.

Acquisition of enterprises in 2012

In 2012, DONG Energy obtained control of CT Offshore A/S and Shell Gas Direct Ltd.

At the acquisition date, the cost of assets and liabilities acquired was DKK 125 million and DKK 247 million respectively. After adjustment of net assets to fair value, goodwill has been determined at DKK 186 million. Goodwill relates to employee skills, expected cost synergies and access to the UK market. The goodwill recognised in respect of the transactions is not deductible for tax purposes.

Revenue and profit (loss) of CT Offshore A/S in the 2012 financial year from the date of acquisition and up to 31 December was DKK 162 million and a loss of DKK 92 million respectively.

Revenue and profit (loss) of Shell Gas Direct Ltd. in the 2012 financial year from the date of acquisition and up to 31 December was DKK 3,725 million and a loss of DKK 19 million respectively.

If the two companies had been acquired on 1 January 2012, consolidated revenue and profit (loss) would have been DKK 67,824 million and a loss of DKK 5,122 million respectively.

DKK million	Existing ownership interest	Ownership interest acquired	DONG Energy ownership interest, total	Acquisition date	Core activity
CT Offshore A/S	29%	37.67%	66.67%	9 January 2012	Offshore cable installation
Shell Gas Direct Ltd	-	100.00%	100.00%	30 April 2012	Gas trading

Accounting policies

Enterprises acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. The acquisition date is the date on which DONG Energy effectively obtains control of the acquiree. On acquisition of new enterprises whereby the parent company obtains control of the acquiree, the purchase method is applied, whereby the acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date.

The consideration transferred in exchange for an acquiree is measured at the fair value of the agreed consideration in the form of assets acquired, liabilities assumed and issued equity instruments. If parts of the consideration are contingent on future events, these are recognised in the consideration at the acquisition-date fair value. Costs incurred in connection with business combinations are recognised directly in profit for the year as incurred.

The excess of the cost of the consideration transferred in exchange for the acquiree, the amount of any non-controlling interests in the acquiree and the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill.

If there is any uncertainty, at the acquisition date, concerning the measurement of identifiable assets acquired and liabilities and contingent liabilities assumed, initial recognition is based on provisional fair values. Subsequent adjustments, including goodwill, are made retrospectively within twelve months of the acquisition date, and comparative figures are restated. Changes in estimates of contingent consideration are generally recognised directly in profit for the year.

Non-controlling interests are measured on initial recognition either at fair value or at their proportionate interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The measurement of non-controlling interests is elected on a transaction-by-transaction basis.

Comparative figures are not restated to reflect acquisitions or disposals; however, discontinued operations are presented separately.

3.6 Assets classified as held for sale

DKK million	2013	2012
Intangible assets	13	-
Property, plant and equipment	1	3,249
Other non-current assets	-	35
Non-current assets	**14**	**3,284**
Current assets	266	347
Assets classified as held for sale at 31 December	**280**	**3,631**
Non-current liabilities	-	127
Current liabilities	2	54
Liabilities related to assets classified as held for sale at 31 December	**2**	**181**
Assets classified as held for sale, net	**278**	**3,450**

On 21 January 2014, DONG Energy signed an agreement to divest its Dutch sales company DONG Energy Sales B.V. (Customers & Markets segment). Completion of the transaction is subject to regulatory approval.

In 2012, assets classified as held for sale comprised offshore transmission networks in the UK and the Group's Polish wind activities (Wind Power segment), which were sold in 2013. Reference is made to note 3.7.

Accounting policies
Assets classified as held for sale are measured at the lower of carrying amount before the reclassification and fair value less costs to sell.

3.7 Disposals of assets and enterprises

Assets and enterprises totalling DKK 15,156 million were divested in 2013 (2012: DKK 4,311 million). A breakdown of cash selling prices and gains/(losses) by assets and enterprises is set out below. Gain on disposal of assets is recognised in other operating income, other operating expenses or net finance income or costs, while gain on disposal of enterprises is presented in a separate line in the income statement under EBIT.

DISPOSAL OF ASSETS

Cash selling price on disposal of assets can be broken down as follows:

DKK million	2013	2012
Offshore transmission networks (Wind Power)	2,045	1,015
Energiverk Mongstad (Thermal Power)	1,836	-
Gentofte office premises (other activities)	1,900	-
50% of Borkum Riffgrund I (Wind Power)	-	283
Other	191	91
Cash selling price on disposal of assets[1]	**5,972**	**1,389**

[1] Cash selling price on disposal of assets consists of sales of intangible assets and property, plant and equipment and disposals of other equity investments.

Gain on disposal of the above assets can be broken down as follows:

DKK million	2013	2012
Offshore transmission networks (Wind Power)	135	(3)
Energiverk Mongstad (Thermal Power)	(201)	-
Gentofte office premises (other activities)	280	-
50% of Borkum Riffgrund I (Wind Power)	-	149
Other	(3)	(4)
Gain on disposal of assets	**211**	**142**
Gain on disposal of assets is recognised in the income statement as follows:		
Other operating income	451	217
Other operating expenses	(39)	(75)
Finance costs	(201)	-
Gain on disposal of assets	**211**	**142**

3.7 Disposals of assets and enterprises – continued

DISPOSAL OF ENTERPRISES

Assets and liabilities related to enterprises disposed of can be broken down as follows:

DKK million	2013	2012
Non-current assets	7,319	513
Current assets	250	354
Assets classified as held for sale	556	-
Non-current liabilities	(430)	(336)
Current liabilities	(3,490)	(47)
Liabilities relating to assets classified as held for sale	(115)	-
Gain on disposal of enterprises	2,045	2,675
Selling price on disposal of enterprises	**6,135**	**3,159**
Of which selling price receivable	(125)	-
Of which recognised as other provisions	57	40
Cash transferred	3,117	(277)
Cash selling price on disposal of enterprises	**9,184**	**2,922**

The cash selling price on disposal of enterprises referred to above can be broken down as follows:

DKK million	2013	2012
Kraftgården AB (Wind Power)	3,312	-
Polish onshore wind activities (Wind Power)	1,782	-
Danish onshore wind activities (Wind Power)	698	-
Stadtwerke Lübeck (Customers & Markets)	284	-
DONG Energy Speicher GmbH (Customers & Markets)	31	-
Severn Power Limited (Thermal Power)	3,054	-
Oil Terminals (Thermal Power)	-	2,620
Small-scale CHP plants (Thermal Power)	-	230
Other	23	72
Cash selling price on disposal of enterprises	**9,184**	**2,922**

Gain on disposal of enterprises can be broken down as follows:

DKK million	2013	2012
Kraftgården AB (Wind Power)	1,262	-
Polish onshore wind activities (Wind Power)	475	-
Danish onshore wind activities (Wind Power)	451	-
Stadtwerke Lübeck (Customers & Markets)	174	-
DONG Energy Speicher GmbH (Customers & Markets)	97	-
Severn Power Limited (Thermal Power)	(422)	-
Oil Terminals (Thermal Power)	-	2,490
Small-scale CHP plants (Thermal Power)	-	160
Other	8	25
Gain on disposal of enterprises	**2,045**	**2,675**

Accounting policies

Enterprises disposed of are recognised in the consolidated income statement up to the date of disposal. The date of disposal is the date on which DONG Energy A/S or its subsidiaries effectively relinquish control of the enterprise disposed of.

Comparative figures are not adjusted to reflect disposals.

Gains or losses on disposal of subsidiaries and associates are determined as the difference between the selling price and the carrying amount of net assets, including goodwill, at the date of disposal and costs necessary to make the sale.

3.8 Non-controlling interests

Information about the Group's subsidiaries that have material non-controlling interests. The figures stated are the subsidiaries' or the Group's aggregate accounting figures.

	A2Sea A/S Group, Fredericia, Denmark		Gunfleet Sands Holding Ltd. Group, London, UK		Walney Offshore Wind-farms Ltd., London, UK		Other non-controlling interests		**Total**	
DKK million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Ownership interest of non-controlling interests	49%	49%	49.9%	49.9%	49.9%	49.9%				
Statement of comprehensive income										
Revenue	1,489	1,365	392	386	985	983				
Profit (loss) for the year	176	(74)	36	18	99	(137)				
Total comprehensive income	165	(72)	36	18	99	(137)				
Profit (loss) for the year attributable to non-controlling interests	86	(53)	(115)	9	(131)	(307)	131	(89)	**(29)**	**(440)**
Balance sheet										
Non-current assets	2,543	2,257	3,132	3,513	8,322	8,828				
Current assets	346	248	156	223	262	408				
Non-current liabilities	293	273	225	328	477	438				
Current liabilities	216	243	36	53	182	179				
Carrying amount of non-controlling interests	1,194	1,004	1,510	1,674	3,914	4,284	90	95	**6,708**	**7,057**
Statement of cash flows										
Cash flows from operating activities	224	351	219	(9)	602	402				
Cash flows from investing activities	(437)	(749)	-	16	(114)	(710)				
Cash flows from financing activities	262	254	(280)	(114)	(616)	(2,357)				
Transactions with non-controlling interests										
Dividends paid to non-controlling interests									(319)	(999)
Disposal of equity investments to non-controlling interests									(303)	1,185
Other capital transactions with non-controlling interests									148	2,187
Transactions with non-controlling interests									**(474)**	**2,373**
Disposal of equity investments to non-controlling interests										
Selling price									(35)	(33)
Of which change in receivables relating to acquisition and disposal of non-controlling interests									(222)	1,186
Of which change in payables relating to acquisition and disposal of non-controlling interests									(46)	32
Cash selling price									**(303)**	**1,185**

Accounting policies

Transactions with non-controlling interests are accounted for as transactions with the shareholder base. Gains and losses on disposal of equity investments to non-controlling interests are recognised in equity to the extent that the sale does not result in a loss of control. Net assets acquired are not revalued on acquisition of non-controlling interests. Any difference between the carrying amount and the acquisition or selling price is recognised in equity.

4 Interest-bearing debt

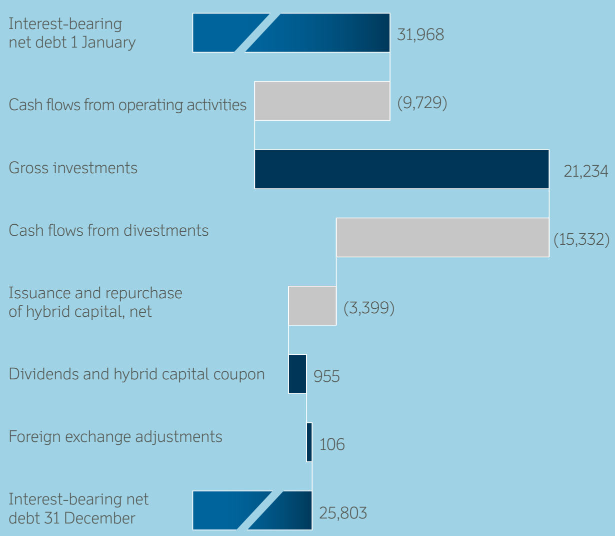
The composition of interest-bearing debt ensures a balance between future earnings and debt maturity.

The Group's total interest-bearing net debt was DKK 25,803 million at 31 December 2013 compared with DKK 31,968 million at 31 December 2012.

The long-term objective is for Funds From Operation (FFO) to be around 30% of adjusted interest-bearing net debt. At 31 December 2013, FFO to adjusted interest-bearing net debt was 23.1% compared with 7.8% at 31 December 2012.

The composition of interest-bearing debt, the Group's financial resources and income and expenses related to financing will be examined in this section.

Interest-bearing net debt 2013, DKK million



DKK million	Note	2013	2012
Bank loans and issued bonds	4.1	46,156	52,745
Other payables, current	4.1	304	-
Interest-bearing debt		**46,460**	**52,745**
Securities	4.2	16,118	14,914
Cash	4.2	2,894	3,334
Receivables from associates and joint ventures		933	1,645
Other receivables, non-current	5.3	229	69
Other receivables, current	5.3	483	560
Assets classified as held for sale	3.6	-	255
Interest-bearing assets		**20,657**	**20,777**
Interest-bearing net debt		**25,803**	**31,968**
Funds From Operation (FFO) / Adjusted interest-bearing net debt			
Interest-bearing net debt		**25,803**	**31,968**
50% of the hybrid capital (50% of hybrid capital due in 3005)		6,618	2,206
Cash and securities not available for distribution, excluding repo loans	4.2, 6.3	1,678	1,756
Present value of operating lease payments	7.5	3,933	2,844
Decommissioning obligations	3.2	8,821	8,415
Deferred tax on decommissioning obligations	7.2	(3,471)	(3,339)
Adjusted interest-bearing net debt		**43,382**	**43,850**
Funds From Operation (FFO)[1]		10,026	3,418
Funds From Operation (FFO) / Adjusted interest-bearing net debt		**23,1%**	**7,8%**
Long-term objective		**30%**	**30%**
Adjusted interest-bearing debt / EBITDA			
Interest-bearing net debt at 31 December		**25,803**	**31,968**
50% of hybrid capital (50% of hybrid capital due in 3005)		6,618	2,206
Adjusted interest-bearing net debt		**34,421**	**34,174**
EBITDA (Business Performance)		15,004	8,639
Adjusted interest-bearing net debt /EBITDA		**2.2x**	**4.0x**
Long-term objective		**<2.5x**	**<2,5x**

[1] For further details, see supplementary information to the statement of cash flows (page 57)

4.1 Interest-bearing debt

DKK million	2013	2012
Bank loans	14,826	21,178
Issued bonds	31,330	31,567
Bank loans and issued bonds	**46,156**	**52,745**
Other interest-bearing liabilities	304	-
Total interest-bearing debt	**46,460**	**52,745**
Bank loans and issued bonds are recognised in the balance sheet as follows:		
Non-current liabilities	36,767	47,673
Current liabilities	9,389[1]	5,072
Total bank loans and issued bonds	**46,156**	**52,745**
Change in interest-bearing net debt		
Interest-bearing net debt at 1 January	31,968	23,179
Cash flows from operating activities	(9,729)	(7,891)
Gross investments[2]	21,234	17,660
Cash flows from divestments[2]	(15,332)	(4,310)
Issuance and repurchase of hybrid capital	(3,399)	-
Dividends and hybrid capital coupon[2]	955	3,074
Foreign exchange adjustments, etc.	106	256
Interest-bearing net debt at 31 December	**25,803**	**31,968**

[1] This includes expected early repayment of bank loans of DKK 4.5 billion

[2] For further details, see supplementary information to the statement of cash flows (page 57)

[3] 2012: 50% of hybrid capital due in 3005

Financing policy

DONG Energy manages its financing activities, debt portfolio and financial resources via various policies that are designed to ensure optimum borrowing terms and at the same time minimise the Group's net finance costs and liquidity and refinancing risks. It is part of the Group's overall policy to concentrate its borrowing activities in the parent company, as far as possible, and to help to protect the Group against liquidity and refinancing risks by diversifying borrowing activities among various funding sources and maturities and securing robust financialresources in the form of cash and cash equivalents, securities and non-cancellable credit facilities.

Loan arrangements

At 31 December 2013, DONG Energy had loan obligations totalling DKK 12.0 billion (2012: DKK 15.7 billion), primarily to the European Investment Bank and the Nordic Investment Bank. The loans are recognised in the balance sheet under bank loans. The loans offered by these multilateral financial institutions include loans to co-fund infrastructure and energy projects on favourable terms and with maturities exceeding those normally available in the commercial banking market. In connection with these loans the Group may be meet with demands for:

- collateral in the event of the Danish State holding less than 50% of the share capital or voting rights in DONG Energy A/S (change of control), or
- repayment in the event of Moody's or Standard & Poor's downgrading DONG Energy A/S's rating to Baa3 or BBB- or less respectively.

Furthermore, at 31 December 2013, the Group had loans of DKK 0.7 billion (2012: DKK 0.7 billion) with KfW-IPEX Bank and non-cancellable credit facilities of DKK 17.4 billion (2012: DKK 11.6 billion) with a number of Scandinavian and international banks. In connection with these credit facilities and the loan, the Group may be met with demands concerning collateral in the event of other players than a group consisting of the Danish State and Danish electricity distribution companies acquiring more than 50% of the share capital or voting rights in DONG Energy, or in the event of the Danish State ceasing to hold at least 20% of the share capital.

The Group's financing agreements are not subject to any other unusual terms or conditions. Further details of the Group's risk management are provided in the section on Risk management on pages 35-43 of Management's review.

Fair value of issued bonds and bank loans

The fair value of issued bonds and bank loans at 31 December 2013 was DKK 34,018 million (2012: DKK 35,574 million) and DKK 15,047 million respectively (2012: DKK 23,549 million).

The fair value of issued bonds (Level 1 – quoted prices) has been determined as the market value at 31 December.

The fair value of bank loans (Level 2 – observable inputs) 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.

Hybrid capital

At 31 December 2013, DONG Energy had issued hybrid capital with a principal amount totalling DKK 13,428 million (2012: DKK 9,664 million) due in 3005 (DKK 4,476 million) and 3013 (DKK 8,952 million). For further details on the hybrid capital, reference is made to note 7.3.

Hedging of future interest payments

As part of its risk management, the Group has hedged part of its future interest payments. The hedging is in the form of raising of fixed-interest debt and entering into interest rate swaps. The table below shows interest rate swaps hedging interest payments on the loan portfolio, ensuring that interest payments are fixed:

4.1 Interest-bearing debt – continued

DKK million	Notional amount	Fair value	Recognition in comprehensive income	Expected date of transfer to profit for the year		
				2014	**2015**	**After 2015**
Interest rate swaps at 31 December 2013	5,975	(431)	(495)	(125)	(93)	(277)
				2013	2014	After 2014
Interest rate swaps at 31 December 2012	10,544	(1,287)	(1,287)	(213)	(200)	(874)

Accounting policies

Issued bonds, bank loans, lease obligations and other payables are recognised at inception at fair value (typically proceeds received) net of transaction costs incurred. In subsequent periods, the liabilities are measured at amortised cost so that the difference between the cost (proceeds) and the nominal amount is recognised in profit for the year as interest expense over the term of the loan, using the effective interest rate method.

Bank loans and issued bonds include the capitalised residual lease commitment under finance leases.

Financial liabilities are classified as current unless the Group has an unconditional right to defer settlement of the liability to at least one year after the balance sheet date.

4.2 Financial resources

FINANCIAL RESOURCES

DONG Energy's financial resources can be broken down as follows:

DKK million	2013	2012
Cash, available	1,909	2,024
Securities, available	15,425	11,907
Undrawn non-cancellable credit facilities	17,378	11,600
Total	**34,712**	**25,531**

Cash management

DONG Energy's liquidity and financing risks are managed centrally in accordance with principles and delegated authorities laid down by the Board of Directors. One of the most important financial management tasks in DONG Energy is to secure sufficient and flexible financial resources in relation to the day-to-day operations and the Group's investment programme. To this end, internal management targets have been set for the required level of financial resources, taking into account primarily factors such as the investment programme, cash flows from operating activities and debt maturity profile.

CASH AND CASH EQUIVALENTS AND SECURITIES

DKK million	2013	2012
Cash, available	1,909	2,024
Bank overdrafts that are part of the ongoing cash management	(478)	(72)
Cash and cash equivalents at 31 December, see statement of cash flows	**1,431**	**1,952**
Cash can be broken down into the following balance sheet items:		
Cash, available	1,909	2,024
Cash, not available for use, interest-bearing	985	1,310
Cash, not available for use, non-interest-bearing	-	17
Cash at 31 December	**2,894**	**3,351**
Securities can be broken down into the following balance sheet items:		
Securities, available	15,425	11,907
Securities, not available for use	693	3,007
Securities at 31 December	**16,118**	**14,914**

Cash not available for use primarily comprises cash and cash equivalents tied up for use in jointly controlled wind turbine projects and operated oil and gas licences, cash and cash equivalents pledged as collateral for trading in financial instruments, cash and cash equivalents to cover insurance-related provisions, and cash and cash equivalents received from the users of the North Sea oil pipeline for use for pipeline maintenance.

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), securities used to hedge insurance provisions, and securities used as collateral in respect of trading in financial instruments.

4.2 Financial resources – continued

SECURITIES – OVERVIEW OF BOND PORTFOLIO

DKK million	2013 Carrying amount	2013 Maturity 2014	2015-16	2017-19	2012 Carrying amount	2012 Maturity 2013	2014-15	2016-18
Danish mortgage bonds (aaa rating)	10,567	5,462	3,469	1,636	11,238	5,940	3,346	1,952
Government bonds (aaa/aa rating)	900	305	595	-	312	-	312	-
Fixed-interest	**11,467**	**5,767**	**4,064**	**1,636**	**11,550**	**5,940**	**3,658**	**1,952**
Danish mortgage bonds (aaa rating)	4,651	638	2,188	1,825	3,364	591	2,173	600
Floating-rate	**4,651**	**638**	**2,188**	**1,825**	**3,364**	**591**	**2,173**	**600**
Total securities	**16,118**	**6,405**	**6,252**	**3,461**	**14,914**	**6,531**	**5,831**	**2,552**

Because securities are a key element of the Group's financial resources, the Group only invests in bonds that have a high credit rating, an insignificant price risk and are highly liquid.

Hedging of fair values of securities

As part of its risk management, the Group has hedged part of the interest rate risk on its securities portfolio. The Group has entered into interest rate swaps with a notional amount of DKK 2,796 million (2012: DKK 0 million). The market value was DKK 6 million (2012: DKK 0 million).

Accounting policies

Securities comprise bonds that are monitored, measured and reported at fair value on an ongoing basis in conformity with the Group's investment policy. Changes in fair value are recognised in profit for the year as finance income and costs.

For listed securities, fair value equals the market price, and for unlisted securities, fair value is estimated based on generally accepted valuation methods and market data.

Sold securities where a repurchase agreement (repo transactions) has been made at the time of sale are recognised in the balance sheet at the settlement date as if the securities were still held. The amount received is recognised as a liability, and the difference between the selling price and the purchase price is recognised in profit for the year over the term as interest. The return on the securities is recognised in profit for the year.

MATURITY ANALYSIS OF LOANS AND BORROWINGS

The Group's financial payment obligations fall due as follows:

	2013 Payment obligation	2014	2015	2016 & 2017	After 2017	2012 Payment obligation	2013	2014	2015 & 2016	After 2016
Bank loans and issued bonds	66,289	11,006[1]	1,871	9,459	43,953	75,083	6,842	6,068	8,231	53,942
Trade payables	7,329	7,329	-	-	-	9,531	9,531	-	-	-
Other payables	11,295	7,691	312	302	2,990	10,807	7,486	214	241	2,866
Derivative financial instruments	9,204	5,968	1,815	1,119	302	12,537	7,779	2,318	803	1,637
Liabilities relating to assets classified as held for sale	2	2	-	-	-	181	181	-	-	-
Total	**94,119**	**31,996**	**3,998**	**10,880**	**47,245**	**108,139**	**31,819**	**8,600**	**9,275**	**58,445**

[1] This includes expected early repayment of bank loans of DKK 4.5 billion

At 31 December 2013, DONG Energy had issued hybrid capital with a principal amount totalling DKK 13,428 million due in 3005 (DKK 4,476 million) and 3013 (DKK 8,952 million).

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on market conditions and interest-rate hedging entered into at 31 December.

4.3 Finance income and costs

DKK million	2013	2012
Interest income from cash, etc.	93	520
Interest income from securities at fair value	297	340
Capital gains on securities at fair value	19	21
Foreign exchange gains	2,091	2,339
Value adjustments of derivative financial instruments	554	351
Other finance income	45	96
Finance income	**3,099**	**3,667**
Interest expense relating to payables	(2,333)	(2,251)
Interest expense transferred to assets	282	576
Interest element of provisions	(501)	(285)
Capital losses on securities at fair value	(214)	(98)
Foreign exchange losses	(1,709)	(2,569)
Value adjustments of derivative financial instruments	(1,916)	(389)
Other finance costs	(508)	(7)
Finance costs	**(6,899)**	**(5,023)**
Net finance costs are presented in the internal management reporting as follows:		
Interest expense, net	(1,661)	(815)
Interest element of provisions	(501)	(285)
Capital losses on early repayment of loans and interest rate swaps[1]	(665)	-
Value adjustments of derivative financial instruments, net[1]	(293)	(38)
Foreign exchange adjustments, net[1]	(210)	(230)
Disposal of assets held under finance leases	(201)	-
Value adjustments of securities, net	(189)	(77)
Other finance income and costs, net	(80)	89
Net finance costs	**(3,800)**	**(1,356)**

[1] Derivative financial instruments entered into to hedge currency risks are presented in the internal management reporting together with foreign exchange adjustments in the line 'foreign exchange adjustments, net'. Capital losses on early repayment of interest rate swaps are also presented separately, in the line 'capital losses on early repayment of loans and interest rate swaps'.

Exchange adjustments of currency derivatives are recognised in revenue and cost of sales with a loss of DKK 656 million (2012: DKK 221 million loss).

Borrowing costs transferred to assets under construction are calculated at the weighted average effective interest rate for general borrowing, which was 4.0% (2012: 4.4%).

In 2013, DONG Energy sold the gas-fired Mongstad power station in Norway to Statoil. The loss on the sale is recognised in finance costs, as the lease had been recognised for accounting purposes as an asset held under a finance lease.

Accounting policies

Exchange adjustments of interest rate and currency derivatives that have not been entered into to hedge revenue, cost of sales or non-current assets are presented as finance income or costs.

5 Working capital

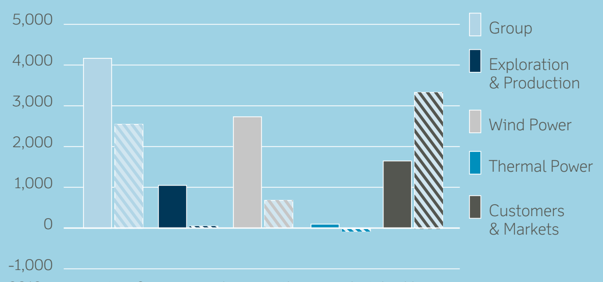
The Group has substantial funds tied up in working capital because of its activities. The working capital is volatile due to the effects of changes in energy prices, seasonal fluctuations, weather conditions and partnerships.

The Group's funds tied up in working capital totalled DKK 4,150 million at 31 December 2013 compared with DKK 2,543 million at 31 December 2012.

The Group continuously strives to reduce funds tied up in working capital while maintaining security of supply and flexibility.

This section examines the key components of working capital.

Working capital, DKK million



2012 comparative figures are shown in the cross-hatched bars

DKK million	Note	**2013**	2012
Inventories	5.1	3,560	3,765
Construction contracts, net	5.2	1,475	785
Trade receivables		8,875	7,873
Other receivables, current	5.3	3,404	3,127
Trade payables, operating expenses		(5,796)	(6,383)
Other payables, non-current	5.3	(1,359)	(1,317)
Other payables, current	5.3	(5,450)	(4,922)
Other items[1]		(559)	(385)
Working capital		**4,150**	**2,543**

[1] Other items primarily consist of prepayments from customers, which are recognised in prepayments in the balance sheet.

5.1 Inventories

DKK million	2013	2012
Biomass	78	32
Gas	1,801	2,252
Coal	459	651
Oil	211	251
Green certificates	817	475
CO_2 emissions allowances	96	2
Other inventories	98	102
Inventories at 31 December	**3,560**	**3,765**

Accounting policies

In the case of gas, cost is determined as a weighted average of the previous month's buying prices, including transportation costs.

Allocated and purchased CO_2 emissions allowances that form part of the Group's trading activities with a view to generating gains from short-term price fluctuations are measured at fair value.

Other inventories are measured at cost using the first-in, first-out (FIFO) principle or net realisable value. Inventories are written down to net realisable value whenever the cost exceeds the net realisable value.

5.2 Construction contracts

DKK million	2013	2012
Selling price of construction contracts	8,932	3,462
Progress billings	(7,650)	(3,048)
Payments on account to suppliers	193	371
Construction contracts at 31 December	**1,475**	**785**
Construction contracts (assets)	1,890	853
Construction contracts (liabilities)	(415)	(68)
Construction contracts at 31 December	**1,475**	**785**

Selling price and progress billings relate to the construction of 50% of the offshore wind farms Anholt and Borkum Riffgrund 1, which are owned by co-investors (expected to be handed over in 2014 and 2015 respectively) and the construction of two offshore transmission networks in the UK (expected to be handed over in 2014 and 2015).

Accounting policies

Construction contracts are recognised in revenue and primarily comprise the construction of assets for third parties involving a high degree of customisation in terms of design.

When the outcome of a construction contract can be estimated reliably, the contract is measured at the selling price of the work performed less progress billings, by reference to the stage of completion of the contract at the balance sheet date and total expected income from the contract.

When it is probable that total contract costs on a construction contract will exceed total contract revenue, the expected loss on the contract is recognised as an expense and a provision.

Where the selling price of work performed on construction contracts exceeds progress billings and expected losses, the contracts are recognised as receivables. Where progress billings and expected losses exceed the selling price of construction contracts, the contracts are recognised as liabilities. Prepayments from customers are recognised as liabilities.

Critical accounting estimates

The determination of the expected selling price of construction contracts includes estimates of the stage of completion, the value of incentive agreements, liabilities assumed, etc., based on the individual contract. The determination of profit on payments received on account and the recognition of receivables are therefore subject to uncertainty. The determination is based on management's estimates of the most likely outcomes of future events.

5.3 Other receivables and other payables

OTHER RECEIVABLES

Other receivables are recognised in capital employed, interest-bearing assets and working capital respectively:

	Capital employed		Interest-bearing assets		Working capital		**Total**	
DKK million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Receivables under finance leases	-	2,022	-	-	-	-	-	2,022
Receivables from the disposal of activities and equity investments	-	110	-	-	-	-	-	110
Receivables from the disposal of equity investments to non-controlling interests	-	-	229	69	-	-	229	69
Other receivables	49	65	-	-	-	-	49	65
Other receivables, non-current	**49**	**2,197**	**229**	**69**	**-**	**-**	**278**	**2,266**
Receivables from the disposal of activities and equity investments	367	163	-	-	-	-	367	163
Deposits	-	-	-	-	28	328	28	328
VAT and other indirect taxes receivable	-	-	-	-	623	539	623	539
Central clearing counterparties	-	-	-	-	1,656	1,412	1,656	1,412
Other receivables	172	237	483	560	1,097	848	1,752	1,645
Other receivables, current	**539**	**400**	**483**	**560**	**3,404**	**3,127**	**4,426**	**4,087**

Receivables under finance leases comprise the gas-fired Mongstad power station in Norway, which was sold to Statoil in 2013.

OTHER PAYABLES

Other payables are recognised in capital employed, interest-bearing debt and working capital respectively:

	Capital employed		Interest-bearing debt		Working capital		**Total**	
DKK million	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Prepaid VAT on exports	-	-	-	-	1,359	1,317	1,359	1,317
CO_2 rights	362	235	-	-	-	-	362	235
Other payables	18	-	-	-	-	-	18	-
Other payables, non-current	**380**	**235**	**-**	**-**	**1,359**	**1,317**	**1,739**	**1,552**
VAT and other indirect taxes payable	-	-	-	-	2,182	2,281	2,182	2,281
Pay-related items payable	-	-	-	-	888	1,058	888	1,058
Accrued interest	855	905	-	-	-	-	855	905
Virtual gas inventory	-	-	-	-	593	-	593	-
Other payables	16	278	304	-	1,787	1,583	2,107	1,861
Other payables, current	**871**	**1,183**	**304**	**-**	**5,450**	**4,922**	**6,625**	**6,105**

6 Risk management

Because DONG Energy is a North West European energy company, what happens in the outside world has a major impact on the company.

Material financial risks include:

- Changes in market prices, including energy prices and exchange rates
- Changes in interest rates
- The risk of losses on counterparties

The Group hedges risks related to changes in energy prices, exchange rates and interest rates with a view to reducing the effect on profit from these risks.

This section examines DONG Energy's hedging and trading activities involving energy and currency derivatives.

6.1 Hedge accounting and economic hedging

		At 31 December 2013				At 31 December 2012			
		Energy		Currency/interest		Energy		Currency/interest	
DKK million	Note	Contractual principal amount	Fair value	Contractual principal amount	Fair value	Contractual principal amount	Fair value	Contractual principal amount	Fair value
Trading portfolio	2.4	3,883	470	-	-	4,716	665	-	-
Economic hedging	2.4	39,480	293	7,940	(263)	40,978	1,207	19,567	(182)
Hedging of fair value – securities	4.2	-	-	2,796	6	-	-	-	-
Finance income and costs	6.1	-	-	17,521	(484)	-	-	35,661	(973)
Hedging of fair value – currency	6.1	-	-	15,115	(127)	-	-	18,735	121
Hedging of net investments	6.1	-	-	39,104	733	-	-	36,259	(797)
Total		**43,363**	**763**	**82,476**	**(135)**	**45,694**	**1,872**	**110,222**	**(1,831)**

	2013	2012
Fair value, energy	763	1,872
Fair value, currency/interest	(135)	(1,831)
Total fair value of energy and currency/interest	**628**	**41**
Fair value of energy and currency/interest is recognised in the balance sheet as follows:		
Derivative financial instruments, liabilities	(8,519)	(12,541)
Derivative financial instruments, assets	9,147	12,582
Derivative financial instruments, net	**628**	**41**

6.1 Hedge accounting and economic hedging – continued

Finance income and costs
The scope of hedging and trading activities that affect finance income and costs can be broken down as follows:

2013	**Total**		Trading portfolio		Cash flow hedging					
								Expected transfer to finance income and costs		
DKK million	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Recognised in other comprehensive income	**2014**	**2015**	**After 2015**
Currency at 31 December										
Forward exchange contracts	3,428	109	1,287	26	2,141	83	5	(38)	(40)	83
Currency swaps	3,166	(243)	44	(160)	3,122	(83)	(83)	-	-	(83)
Interest at 31 December										
Interest rate swaps	10,927	(350)	4,952	81	5,975	(431)	(495)	(125)	(93)	(277)
Total derivative financial instruments	**17,521**	**(484)**	**6,283**	**(53)**	**11,238**	**(431)**	**(573)**	**(163)**	**(133)**	**(277)**

2012								2013	2014	After 2014
Currency at 31 December										
Forward exchange contracts	5,850	(14)	5,850	(14)	-	-	(161)	(60)	(83)	(18)
Currency swaps	4,952	216	4,952	216	-	-	-	-	-	-
Interest at 31 December										
Interest rate swaps	24,859	(1,175)	14,315	112	10,544	(1,287)	(1,287)	(213)	(200)	(874)
Total derivative financial instruments	**35,661**	**(973)**	**25,117**	**314**	**10,544**	**(1,287)**	**(1,448)**	**(273)**	**(283)**	**(892)**

An amount of DKK 478 million (2012: DKK 0 million) was charged to the income statement in respect of interest rate swaps related to loans that are expected to be repaid early, in 2014. Ineffectiveness of currency hedging amounted to a charge of DKK 85 million (2012: DKK 14 million charge).

Accounting policies
The Group applies the provisions on hedge accounting to derivative financial instruments and loans that hedge currency and interest rate risks. Commodity hedge transactions and related foreign exchange exposures are no longer accounted for as cash flow hedge accounting. Market value adjustments of these, which were previously recognised in comprehensive income and a special reserve in equity, are recognised in profit for the year as the underlying transactions are realised or if the hedges are judged to no longer be effective.

Value adjustments of financial contracts that are not used as economic hedges of the Group's principal activities or are part of the Group's trading portfolio are recognised as finance income and costs.

Cash flow hedging
Changes in the portion of the fair value of derivative financial instruments and foreign exchange adjustments of loans that is designated as and qualifies for recognition as a hedge of future cash flows and that provides an effective hedge against changes in the value of the hedged item are recognised in other comprehensive income within a separate hedging reserve until the hedged cash flow is realised. On realisation of the hedged cash flow, the resulting gain or loss is transferred from equity and recognised in the same item as the hedged item. However, on hedging of proceeds from future loans, the resulting gain or loss is transferred from equity over the term of the loan.

If the hedged cash flows are no longer expected to be realised, the accumulated value adjustment is transferred immediately to profit for the year.

6.1 Hedge accounting and economic hedging – continued

HEDGING OF FAIR VALUES – CURRENCY

2013 DKK million	Assets	Liabilities	Hedged using hedging instruments	Net position	Fair value of hedging instrument
EUR	12,036	(34,592)	5,036	(17,520)	17
USD	2,180	(2,911)	-	(731)	-
GBP	4,646	(15,298)	10,079	(573)	(144)
SEK	387	(50)	-	337	-
NOK	976	(612)	-	364	-
Other	8	(3)	-	5	-
Total at 31 December 2013	**20,233**	**(53,466)**	**15,115**	**(18,118)**	**(127)**
2012					
EUR	18,905	(44,480)	6,558	(19,017)	47
USD	1,241	(4,595)	1,418	(1,936)	(72)
GBP	2,765	(15,322)	10,776	(1,781)	147
SEK	1,451	(47)	-	1,404	-
NOK	1,591	(1,176)	(17)	398	(1)
Other	1	(2)	-	(1)	-
Total at 31 December 2012	**25,954**	**(65,622)**	**18,735**	**(20,933)**	**121**

Hedging of fair value is used to hedge the currency risk on recognised financial assets and liabilities.

The principal hedging instruments used are forward exchange contracts and currency swaps.

Accounting policies
Changes in the fair value of derivative financial instruments that are designated as and qualify for recognition as hedges of the fair value of a recognised asset or liability are recognised in profit for the year together with changes in the value of the hedged asset or liability to the extent of the hedged risk.

HEDGING OF NET INVESTMENTS IN FOREIGN SUBSIDIARIES

2013 DKK million	Net investment including equity-like loans	Hedged amount in currency	Net position	Acc. foreign exchange adjustment of net investments, incl. equity-like loans	Acc. foreign exchange adjustment of hedging of net investment, incl. equity-like loans	Acc. net foreign exchange adjustment recognised in other comprehensive income
GBP	43,944	(32,646)	11,298	12	(331)	(319)
NOK	9,959	(6,104)	3,855	(163)	486	323
SEK	473	(354)	119	10	(54)	(44)
EUR	2,947	-	2,947	6	-	6
Other	8	-	8	-	-	-
Total at 31 December 2013	**57,331**	**(39,104)**	**18,227**	**(135)**	**101**	**(34)**
2012						
GBP	42,662	(32,574)	10,088	1,166	(1,228)	(62)
NOK	10,281	(1,983)	8,298	1,138	(361)	777
SEK	2,449	(336)	2,113	201	(370)	(169)
EUR	5,458	-	5,458	9	5	14
PLN	1,500	(1,366)	134	37	(126)	(89)
Total at 31 December 2012	**62,350**	**(36,259)**	**26,091**	**2,551**	**(2,080)**	**471**

In connection with its net investments, the Group has hedged future investments with a contract value of DKK 5,263 million (2012: DKK 5,054 million) and a market value of DKK 0 million (2012: DKK 86 million). Hedging of net investments is used to hedge the currency risk on the Group's investments in foreign operations.

The principal hedging instrument used is allocated loans in foreign currencies and foreign exchange contracts and currency swaps.

Ineffectiveness relating to hedging of net investments in foreign subsidiaries was DKK 8 million (2012: DKK 63 million).

Accounting policies
Changes in the fair value of derivative financial instruments and borrowings that are used to hedge net investments in foreign subsidiaries or associates and that provide effective hedges against changes in foreign exchange rates in these enterprises are recognised in the consolidated financial statements directly in equity within a separate translation reserve.

6.2 Market risks

Market risk is the risk that changes in market prices such as commodity prices, exchange rates and interest rates will affect the Group's profit and/or equity.

The market risk on commodities primarily relates to portfolio management and trading activities. The Group is exposed to two types of energy risk: fluctuations in market prices and fluctuations in volumes due to the fluctuating needs of the underlying business.

By virtue of its day-to-day activities, the Group is exposed to fluctuations in the prices of gas, oil, electricity, coal and CO_2 and, to a lesser extent, other commodities. The Group trades actively in these commodities in the relevant markets to hedge and optimise its supply requirements and secure the Group's supply chain. In this connection, the Group uses derivatives to hedge its positions.

As a result of its activities, the Group is primarily exposed to USD, GBP and NOK. The Group hedges currency risk to mitigate the effect of exchange rate movements.

Sensitivity analysis

The sensitivity analysis below shows the effect of market value changes assuming a relative price change at 31 December 2013. Effect on profit before tax comprises financial instruments that remained open at the balance sheet date and have an effect on profit in the financial year in question. Effect on profit before tax is divided into trading portfolio and economic hedging. Effect on profit of financial instruments allocated to economic hedging is offset, over time, by the opposite effect of the hedged exposure. The illustrated sensitivity is therefore only temporary, unlike the effect on profit of financial instruments allocated as trading portfolio, which is not offset by an underlying exposure. Effect on equity before tax comprises financial instruments that remained open at the balance sheet date and are value-adjusted directly on equity. Besides derivative financial instruments on commodities and currency, financial instruments in this context include receivables and payables in foreign currencies.

The illustrated sensitivities only comprise the Group's financial instruments and therefore exclude the effect from contracts concluded under which physical delivery of the underlying assets is made, as these are not recognised as financial instruments in accordance with IAS 39. If the underlying exposure had been included in the sensitivity analysis, the effect of a price change would have been reduced.

Net investments and associated hedging of net investments in foreign subsidiaries are not included in the table, as the effect of the sum of the investment and the hedging is considered to be neutral to price changes. A 10% increase in the currencies hedged in connection with net investments would reduce equity by DKK 3,910 million (2012: DKK 3,626 million decrease) arising from the hedging instruments. All other conditions being equal, a decrease in the exchange rate would have had a corresponding opposite effect. For further details on currency positions hedged by hedging of net investments, reference is made to note 6.1, hedging of net investments in foreign subsidiaries.

Further details of the Group's risk management are provided in the section on Risk and risk management on pages 35-43 of Management's review.

		At 31 December 2013			At 31 December 2012		
Risk	Price change	**Effect on profit before tax (trading portfolio)**	**Effect on profit before tax (economic hedging, etc.)[1]**	**Effect on equity before tax**	Effect on profit before tax (trading portfolio)	Effect on profit before tax (economic hedging, etc.)[1]	Effect on equity before tax
Oil	+10%	(16)	(219)	-	279	780	-
	-10%	15	216	-	(279)	(755)	-
Gas	+10%	(58)	(3,244)	-	(79)	(1,756)	-
	-10%	58	3,244	-	79	1,756	-
Electricity	+10%	(227)	(423)	-	(56)	(810)	-
	-10%	229	403	-	56	767	-
Coal	+10%	(2)	(5)	-	(3)	(87)	-
	-10%	2	5	-	3	87	-
USD	+10%	(3)	1	-	108	1,356	-
	-10%	3	32	-	(108)	(1,123)	-
GBP	+10%	97	(612)	(526)	(168)	288	(488)
	-10%	(97)	612	526	168	(288)	488
NOK	+10%	9	36	-	0	60	-
	-10%	(9)	(36)	-	0	(60)	-
SEK	+10%	2	38	-	3	17	-
	-10%	(2)	(38)	-	(3)	2	-
EUR	+10%	114	(2,042)	-	279	(2,548)	-
	-10%	(114)	2,059	-	(279)	2,685	-
Other	+10%	21	-	-	47	(47)	-
	-10%	(21)	-	-	(47)	47	-
Interest	+100 basis points	(47)	-	258	(171)	-	486

[1] Economic hedging comprises derivatives entered into to hedge future financial risks. The market value changes of these contracts will be offset, wholly or in part, by a change in the hedged risk. Also included are commercial contracts recognised at fair value.

Effect on profit before tax is broken down by sensitivity of the part that is recognised in:

- Trading portfolio, these contracts will affect profit.
- Economic hedging, including commercial contracts. The market value changes of contracts allocated as economic hedging will be offset, wholly or in part, by a change in the hedged risk.

6.3 Credit risks

DKK million	Clearing centres	AAA/Aaa	AA/Aa	A/A	BBB/Baa	Other	Total
2013	2,336	13,969	2,345	7,697	3,029	15,474	**44,850**
2012	2,441	14,921	5,124	7,252	3,992	10,783	**44,513**

The quality of the Group's financial assets is primarily assessed for the items derivative financial instruments, cash and bond portfolios and receivables, and is based on the individual counterparty's ratings with Standard & Poor's and Moody's. The figures above have been calculated before offsetting in respect of any collateral and offsetting, and the figures therefore do not reflect the Group's actual credit risk

DONG Energy's counterparty risks are largely concentrated on large international energy companies and banks. Such trading is regulated under standard agreements, such as EFET and ISDA agreements, which feature credit rating and netting provisions.

The AAA/Aaa category covers DONG Energy's position in Danish AAA-rated government and mortgage bonds and the category other predominantly consists of trade receivables from customers such as end users and PSO customers.

The Group's losses on counterparties were limited. In 2013, write-downs on receivables amounted to DKK 47 million (2012: DKK 93 million).

Further details of the Group's risk management are provided in the section on Risk and risk management on pages 35-43 of Management's review.

Offsetting of financial assets and liabilities

The netting agreements with the individual counterparties are often limited to offsetting within specific products. In addition, it is often the case that the settlement of liabilities and the realisation of assets do not take place simultaneously. Consequently, only some of the Group's netting agreements meet the provisions in IFRS on offsetting.

The table below shows financial assets and liabilities that are subject to netting agreements, and related security:

OFFSETTING OF FINANCIAL ASSETS				Amounts not offset in the balance sheet		
At 31 December 2013 **DKK million**	Financial assets, net	Financial liabilities, offset	Financial assets in the balance sheet	Liabilities with right of set-off	Security received in the form of bonds	**Net**
Derivative financial instruments	3,835	(2,307)	1,528	(352)	(192)	984
Trade receivables	19,484	(17,275)	2,209	-	-	2,209
Total	**23,319**	**(19,582)**	**3,737**	**(352)**	**(192)**	**3,193**
At 31 December 2012						
DKK million						
Derivative financial instruments	5,200	-	5,200	(3,337)	(5)	1,858
Trade receivables	21,841	(19,976)	1,865	-	-	1,865
Total	**27,041**	**(19,976)**	**7,065**	**(3,337)**	**(5)**	**3,723**

OFFSETTING OF FINANCIAL LIABILITIES				Amounts not offset in the balance sheet		
At 31 December 2013 **DKK million**	Financial liabilities, net	Financial assets, offset	Financial liabilities in the balance sheet	Assets with right of set-off	Security provided in the form of bonds	**Net**
Derivative financial instruments	3,397	(2,307)	1,090	(352)	(283)	455
Repo loans	-	-	-	-	-	-
Trade payables	19,940	(17,275)	2,665	-	-	2,665
Total	**23,337**	**(19,582)**	**3,755**	**(352)**	**(283)**	**3,120**
At 31 December 2012						
DKK million						
Derivative financial instruments	4,692	-	4,692	(3,337)	(191)	1,164
Repo loans	2,561	-	2,561	-	(2,561)	-
Trade payables	22,385	(19,976)	2,409	-	-	2,409
Total	**29,638**	**(19,976)**	**9,662**	**(3,337)**	**(2,752)**	**3,573**

Accounting policies

Positive and negative values are only offset if the enterprise is entitled to and intends to settle several financial instruments net.

7 Other notes

This section comprises the remaining statutory note disclosures that are not included in the other sections.

Section 7 includes all statutory tax information for the Group and information on unrecognised assets and liabilities.

Information is also provided on the composition of equity, in addition to the information already set out in the statement of changes in equity on page 55.

Lastly, information is provided on the Group's related party transactions, fees to the auditor appointed at the Annual General Meeting, the effect of the implementation of IFRS 11, the statutory overviews of the Group's oil and gas exploration and extraction licences and an overview of the Group's group enterprises.

7.1 Income tax expense

DKK million	2013	2012
Income tax expense	(1,015)	(949)
Tax on other comprehensive income	(491)	180
Total tax for the year	**(1,506)**	**(769)**
Income tax expense can be broken down as follows:		
Current tax (income tax and hydrocarbon tax) calculated applying normal tax rates	(1,142)	(1,806)
Current tax, hydrocarbon tax calculated applying higher tax rate	(1,105)	(2,149)
Deferred tax, calculated applying normal tax rates	1,294	2,096
Deferred tax, hydrocarbon tax calculated applying higher tax rate	(6)	376
Adjustments to tax in respect of prior years	(56)	534
Income tax expense	**(1,015)**	**(949)**
Tax on other comprehensive income can be broken down as follows:		
Current tax (income tax and hydrocarbon tax) calculated applying normal tax rates	(289)	193
Deferred tax, calculated applying normal tax rates	(202)	(13)
Tax on other comprehensive income	**(491)**	**180**

DKK million	2013	2012
Total tax for the year can be broken down as follows:		
Current tax	(2,536)	(3,762)
Deferred tax	1,086	2,459
Adjustments to tax in respect of prior years	(56)	534
Total tax for the year	**(1,506)**	**(769)**

7.1 Income tax expense – continued

	2013		2012	
	DKK million	**%**	DKK million	%
Income tax expense can be explained as follows:				
Calculated 25% tax on profit before tax	144	25	1,044	25
Adjustments of calculated tax in foreign subsidiaries in relation to 25%	14	2	(79)	(2)
Hydrocarbon tax	(1,111)	(193)	(1,774)	(43)
Tax effect of:				
Non-taxable income and non-deductible costs, net	502	87	(75)	(2)
Unrecognised tax assets and capitalisation of tax assets not previously capitalised	(317)	(55)	(408)	(10)
Share of profit (loss) of associates and joint ventures	(192)	(33)	(176)	(4)
Adjustments to tax in respect of prior years	(34)	(6)	73	2
Effect of change in tax rate	(21)	(3)	-	-
Adjustments to tax relating to associates and joint ventures	-	-	446	11
Effective tax for the year	**(1,015)**	**(176)**	**(949)**	**(23)**

Income tax expense was DKK 1,015 million (2012: DKK 949 million) despite a loss before tax of DKK 576 million (2012: DKK 4,177 million profit).

The tax rate primarily reflected positive earnings from oil and gas production in Norway, where hydrocarbon income is taxed at 78%, and non-deductible amortisation of licence rights in Norway.

Income tax expense for the year was also affected by non-taxable income and non-deductible expenses relating to disposals of assets and enterprises amounting to DKK 416 million (2012: DKK 13 million).

Finally income tax expense was affected by unrecognised tax assets relating to losses in companies in which utilisation of tax loss carryforwards in the foreseeable future is uncertain, including losses from oil and gas exploration and other development costs, where a final investment decision has not yet been made.

DKK million	2013	2012
Income tax paid in Denmark (adjustment in respect of prior years)	-	(112)
Income tax paid outside Denmark	2,856	2,754
Total income tax paid	**2,856**	**2,642**

The Group is taxed jointly with its Danish and foreign subsidiaries (international joint taxation). The Group's subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

The current Danish income tax is allocated in full among the jointly taxed Danish subsidiaries in proportion to their taxable income (full allocation).

Income tax expense, which consists of current tax and changes in deferred tax, is recognised in profit for the year except for the portion that relates to entries directly to other comprehensive income.

Subsidiaries that are engaged in oil and gas extraction (hydrocarbons) are subject to the hydrocarbon tax legislation in the countries in which they operate. Hydrocarbon taxes are calculated on the basis of taxable hydrocarbon income and comprise taxes calculated applying the respective country's ordinary income tax rate as well as taxes calculated applying increased tax rates. Hydrocarbon taxes are recognised within income tax expense.

7.2 Deferred tax

2013

DKK million	Balance sheet at 1 January	Foreign exchange adjustments	Additions, individual assets and activities, net	Recognised in profit for the year	Recognised in other comprehensive income	Adjustments in respect of prior years, etc.	Transfers to assets classified as held for sale	Balance sheet at 31 December
Intangible assets	225	(2)	-	12	-	83	-	318
Property, plant and equipment	10,860	(783)	80	(1,405)	83	(465)	-	8,370
Other non-current assets	117	1	48	(5)	-	(32)	-	129
Current assets	(150)	3	7	349	-	-	-	209
Decommissioning obligations	(3,339)	258	-	(480)	-	90	-	(3,471)
Other non-current liabilities	(900)	3	65	217	46	(116)	-	(685)
Current liabilities	(285)	-	-	(31)	-	8	-	(308)
Retaxation	2,911	-	-	(329)	-	181	-	2,763
Tax loss carryforwards	(2,787)	23	(51)	384	73	399	-	(1,959)
Deferred tax	**6,652**	**(497)**	**149**	**(1,288)**	**202**	**148**	**-**	**5,366**
2012								
Intangible assets	(10)	-	-	361	-	(126)	-	225
Property, plant and equipment	11,526	286	(2)	(912)	(65)	(39)	66	10,860
Other non-current assets	27	(2)	15	49	-	28	-	117
Current assets	158	17	(8)	(321)	52	(48)	-	(150)
Decommissioning obligations	(3,402)	(102)	-	149	-	16	-	(3,339)
Other non-current liabilities	96	(2)	-	(886)	26	(134)	-	(900)
Current liabilities	(125)	33	12	184	-	(392)	3	(285)
Retaxation	2,548	-	-	208	-	155	-	2,911
Tax loss carryforwards	(1,711)	1	(5)	(1,304)	-	228	4	(2,787)
Deferred tax	**9,107**	**231**	**12**	**(2,472)**	**13**	**(312)**	**73**	**6,652**

DKK million	2013	2012
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	(130)	(265)
Deferred tax (liabilities)	5,496	6,917
Deferred tax at 31 December, net	**5,366**	**6,652**

Of the deferred tax of DKK 5,366 million (2012: DKK 6,652 million), DKK 226 million (2012: DKK 0 million) falls due within twelve months.

The tax base of taxable losses includes DKK 140 million (2012: DKK 577 million) relating to unutilised deductible net finance costs.

At 31 December 2013, unrecognised deferred tax assets were DKK 11,049 million (2012: DKK 15,445 million) and related primarily to unutilised losses in hydrocarbon income in Denmark and the UK. It is considered unlikely that these losses can be utilised in the foreseeable future.

Accounting policies

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amounts and the tax base of assets and liabilities, with the exception of deferred tax on temporary differences in respect of goodwill not deductible for tax purposes, office properties and other items – apart from business combinations – where temporary differences have arisen at the acquisition date without having any effect on profit/loss or taxable income.

Deferred tax is measured on the basis of management's planned use of the asset or settlement of the liability respectively.

Deferred tax assets are recognised at the value at which they are expected to be utilised either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment of deferred tax is made relating to eliminations made of unrealised intragroup profits and losses.

Deferred tax is measured in accordance with the tax rules and tax rates in the respective countries that will apply under the legislation enacted at the balance sheet date when the deferred tax is expected to crystallise in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognised in profit for the year.

Deferred tax on temporary differences between the carrying amounts and the tax base of acquisitions of joint assets, including licence interests, is not provided for.

Critical accounting estimates

Deferred tax assets, including the tax base of tax loss carryforwards, are reassessed annually and recognised to the extent that it is probable that they will be utilised in the foreseeable future. Management's reassessment is based on whether a final investment decision has been made in companies involved in oil and gas exploration and companies with other development costs, and on the long-term outlook for the Group's development.

7.3 Equity

SHARE CAPITAL

DKK million	2013	2012
Share capital at 1 January	2,937	2,937
Share capital at 31 December	**2,937**	**2,937**

The company's share capital is DKK 2,937,099,000, divided into shares of DKK 10. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up. The shares may only be assigned or otherwise transferred with the written consent of the Danish Finance Minister.

Resolutions concerning amendments to the Articles of Association or DONG Energy A/S's dissolution require at least two thirds of the votes cast and of the voting share capital to be represented at the general meeting in order to be carried.

Capital structure

Management evaluates the Group's capital structure on an ongoing basis to ensure that it is aligned with the Group's and the shareholders' interests and underpins the Group's strategy. Equity, hybrid capital, bank loans, issued bonds and other interest-bearing debt are considered to be capital.

To secure financing on attractive terms at all times, DONG Energy has set targets for its credit rating and capital structure. The credit rating target is for ratings of at least BBB+ and Baa1 respectively to be maintained with the rating agencies Standard & Poor's, Fitch and Moody's. DONG Energy has been rated BBB+ with a negative outlook by Standard & Poor's, BBB+ with a negative outlook by Fitch and Baa1 with a stable outlook by Moody's. A new capital structure target has been introduced from 2014: Funds From Operation (FFO) to adjusted interest-bearing net debt. The long-term objective is for FFO to be around 30% of adjusted interest-bearing net debt.

Dividends

The Board of Directors will recommend that no dividend be paid for the 2013 financial year. Dividend distributions to shareholders have no tax implications for DONG Energy A/S. Dividend paid per share (DPS) of DKK 10 in 2013 for the 2012 financial year was DKK 0. (Dividend paid per share of DKK 10 in 2012 for the 2011 financial year was DKK 4.96).

Accounting policies

Proposed dividends are recognised as a liability at the date of their adoption at the Annual General Meeting (declaration date). Extraordinary dividends are recognised as a liability at the declaration date.

Hybrid capital

The hybrid capital with a total nominal value of DKK 13,428 million (EUR 1,800 million) comprises EUR hybrid bonds issued in the European capital markets to which a series of special terms are attached. The hybrid capital is subordinate to the Group's other creditors. The purpose of issuing hybrid capital was to strengthen the Group's capital base and fund the Group's CAPEX.

The total hybrid capital consists of hybrid bonds due in 3005 and hybrid bonds due in 3013. Further details on the three hybrid bonds are provided in the table below.

Coupon on hybrid capital is settled annually. Coupon payments and their tax effect are recognised directly in equity.

DONG Energy A/S may, at its sole discretion, omit or defer coupon payments to bond holders. However, deferred coupon payments will fall due for payment in the event of DONG Energy A/S subsequently making any distributions to its shareholders. So far, DONG Energy A/S has not used the option to defer coupon payments.

Accounting policies

Hybrid capital comprises issued bonds that qualify for treatment in accordance with the rules on compound financial instruments due to the special characteristics of the loan. The principal amount, which constitutes a liability, is recognised at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. Accordingly, any coupon payments are accounted for as dividends, which are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to the part of the hybrid capital that is recognised in equity. Coupon payments consequently do not have any effect on profit for the year.

The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. However, as the carrying amount of this component amounted to nil on initial recognition, and because of the 1,000-year term of the hybrid capital, amortisation charges will only impact on profit for the year towards the end of the 1,000-year term of the hybrid capital. Coupon payments are recognised in the statement of cash flows in the same way as dividend payments within financing activities.

On redemption of the hybrid capital the payment on redemption will be distributed between the liability and equity applying the same principles as used when the hybrid capital was issued. This means that the difference between the payment on redemption and the net proceeds received on issue is recognised directly in equity as the debt portion of the existing hybrid issues will be nil during the first part of the life of the hybrid capital.

On the date on which the Board of Directors decides to exercise an option to redeem the hybrid capital, the part of the hybrid capital that will be redeemed will be reclassified to liabilities. The reclassification will be made at the fair value of the hybrid capital at the date the decision is made. Interest expense and exchange adjustments following the reclassification to liabilities will be recognised in profit for the year as finance income or costs.

	Hybrid capital due in 3005	Hybrid capital due in 3013 (June)	Hybrid capital due in 3013 (July)
Carrying amount	DKK 4,411 million	DKK 5,127 million	DKK 3,698 million
Notional amount	EUR 600 million (DKK 4,476 million)	EUR 700 million (DKK 5,222 million)	EUR 500 million (DKK 3,730 million)
Issued	June 2005	June 2013	July 2013
Maturing	June 3005	June 3013	July 3013
First call date	29 June 2015	26 June 2023	8 July 2018
Interest	Coupon for the first ten years is fixed at 5.5% p.a., after which it becomes floating at 3 month EURIBOR + 3.2% points	Coupon for the first ten years is fixed at 6.25% p.a., after which it is adjusted every five years with the 5-year euro swap + 4.75% points from 2023-2043 and +5.5% points after 2043	Coupon for the first five years is fixed at 4.875% p.a., after which it is adjusted every five years with the 5-year euro swap + 3.8% points from 2018, 4.05% points from 2023 and 4.80% points from 2038
Deferral of coupon payment	Optional deferral option	Optional deferral option	Optional deferral option

7.4 Contingent assets and liabilities

Contingent assets
The Group has deferred tax assets of DKK 11.0 billion (2012: DKK 15.5 billion) that have not been recognised. Reference is made to note 7.2.

DONG Energy has advanced claims against insurance companies. The claims have not been recognised, as the existence of these assets is subject to several uncertain future events that are outside DONG Energy's control.

Contingent liabilities

Liability to pay compensation
According to the legislation, DONG Energy's gas companies DONG Oil Pipe A/S, DONG E&P A/S and DONG E&P Grønland A/S are liable to pay compensation for damage caused by their gas and oil activities, even where there is no proof of negligence (strict liability). The usual insurance has been taken out to cover any such claims.

Guarantees
DONG Energy A/S has furnished the Danish Ministry for Economic Affairs and the Interior with guarantees for fulfilment of obligations and liability in damages towards the Danish State or third parties incurred by DONG E&P A/S in connection with the company's participation in exploration and production licences, irrespective of whether the obligations and liability rest on DONG E&P A/S alone or jointly and severally with others. The guarantees are not capped, but cannot exceed a sum corresponding to twice DONG E&P's share of each obligation or liability.

As a condition for approval of its participation in gas and oil exploration and production on the Norwegian, UK, Greenland and Faroese continental shelves, DONG Energy A/S has provided a guarantee under which it assumes primary liability as normally required by the local authorities. The guarantees cover obligations and liability incurred or assumed by the DONG E&P Group in connection with its exploration and production activities. The guarantees are not capped and the DONG E&P Group is jointly and severally liable with the other partners for obligations and liability.

Indemnities
The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. Total income tax payable appears from the annual report of DONG Energy A/S, which is the administration company in relation to joint taxation. The Group's Danish companies are also jointly and severally liable for Danish withholding taxes in the form of tax on dividends, on royalty payments and on interest. Any subsequent adjustments to income taxes and withholding taxes may result in the company's liability being higher.

Litigation
DONG Energy is a party to actions relating to the competition authorities' claim that Elsam A/S and Elsam Kraft A/S charged excessive prices in the Danish wholesale electricity market in some periods. Following a merger in 2008, Elsam Kraft A/S is part of DONG Energy Thermal Power A/S.

The Competition Appeals Tribunal has concluded that Elsam A/S and Elsam Kraft A/S abused their dominant position in the wholesale electricity market in Western Denmark to some extent in the periods 1 July 2003 to 31 December 2004 and 1 January 2005 to 30 June 2006 by charging excessive prices. DONG Energy disputes the rulings and has appealed them to the Copenhagen Maritime and Commercial Court.

A group of electricity consumers has filed a claim with the Copenhagen Maritime and Commercial Court for compensation of up to DKK 4.4 billion with addition of interest in connection with the above actions relating to excessive prices in Western Denmark. DONG Energy has recognised a provision of DKK 298 million (with addition of interest), which has been determined on the basis of the Danish Competition Council's calculation of the consumers' losses.

7.5 Operating lease obligations

DKK million	2013	2012
0-1 year	698	396
1-5 years	1,545	1,118
Over 5 years	3,052	1,812
Minimum lease payments	**5,295**	**3,326**
Lease payments recognised in profit for the year	354	401

Supplementary information to operating lease obligations

DKK million	2013	2012
Present value of lease payments	3,933	2,844
Calculated interest expense on lease obligations	153	105
Internal rate of return applied	4.5%	4.5%

Assets held under operating leases comprise land and seabed relating to wind farms in the UK until 2034, gas storage facilities in Germany until 2025, a port area in Belfast in Northern Ireland until 2017, a power station site in the Netherlands until 2037, a service vessel until 2017, a construction vessel until September 2014, office premises in Gentofte until 2029 and other office premises, etc.

Lease payments relating to leasing of seabed in connection with wind farms in the UK vary with the MWh generated, but with agreed minimum lease payments. Seabed leases typically have a five-year term with an option for five-year extensions.

Accounting policies
Lease payments under operating leases are recognised in profit for the year over the term of the lease on a straight-line basis.

7.6 Financial instruments

CATEGORIES OF FINANCIAL INSTRUMENTS

	2013	2012
DKK million	**Carrying amount**	Carrying amount
Financial assets at fair value through profit or loss (Derivative financial instruments)	7,806	11,013
Financial assets at fair value through profit or loss (Securities)	16,118	14,914
Financial assets used as hedging instruments	1,341	1,569
Loans and receivables	16,612	18,488
Available-for-sale financial assets	261	382
Financial liabilities measured at fair value through profit or loss	7,359	9,009
Financial liabilities used as hedging instruments	1,160	3,532
Financial liabilities measured at amortised cost	57,330	65,431

The carrying amount of the financial instruments above corresponds to the fair value, with the exception of issued bonds and bank loans, which are recognised at amortised cost. The fair value of issued bonds and bank loans is stated in note 4.1 Interest-bearing debt.

7.7 Assets and liabilities measured at fair value

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

	2013				2012			
DKK million	Quoted prices (Level 1)	Observ-able inputs (Level 2)	Non-observ-able inputs (Level 3)	**Total**	Quoted prices (Level 1)	Observ-able inputs (Level 2)	Non-observ-able inputs (Level 3)	**Total**
Securities	16,118	-	-	16,118	14,914	-	-	14,914
Total securities	**16,118**	**-**	**-**	**16,118**	**14,914**	**-**	**-**	**14,914**
Commodities	1,804	5,415	765	7,984	1,727	9,132	839	11,698
Currency	-	1,008	-	1,008	-	612	-	612
Interest	-	155	-	155	-	272	-	272
Total derivative financial instruments	**1,804**	**6,578**	**765**	**9,147**	**1,727**	**10,016**	**839**	**12,582**
Total assets	**17,922**	**6,578**	**765**	**25,265**	**16,641**	**10,016**	**839**	**27,496**
Commodities	2,856	3,444	921	7,221	2,626	6,459	739	9,824
Currency	-	800	-	800	-	1,336	-	1,336
Interest	-	498	-	498	-	1,381	-	1,381
Total derivative financial instruments	**2,856**	**4,742**	**921**	**8,519**	**2,626**	**9,176**	**739**	**12,541**
Total liabilities	**2,856**	**4,742**	**921**	**8,519**	**2,626**	**9,176**	**739**	**12,541**

All assets and liabilities measured at fair value are measured on a recurring basis.

Level 1 comprises quoted securities and derivative financial instruments that are traded in active markets.

Level 2 comprises derivative financial instruments, where valuation models with observable inputs are used to measure fair value, but with discounting to present value applying one of the discount rates set by the Group.

Level 3 comprises primarily long-term contracts on purchase/sale of, in particular, electricity and gas, and oil options. The fair values are based on assumptions concerning the long-term prices of, in particular, electricity, gas, coal, USD, EUR, volatilities as well as risk premiums in respect of liquidity and market risks and are determined by discounting of expected cash flows. Level 3 also includes other financial instruments in which primarily electricity, oil and gas prices have been estimated, and where the sum of these estimated, non-observable inputs may have a significant effect on fair value.

The fair value of financial instruments based on non-observable inputs is significantly affected by the non-observable inputs used. As a result of the long-term and illiquid nature of the contracts, the fair value may change significantly in the event of a change in the Group's reasonable expectations relating to the non-observable inputs used.

7.7 Assets and liabilities measured at fair value – continued

RECONCILIATION OF FINANCIAL INSTRUMENTS BASED ON NON-OBSERVABLE INPUTS

	2013		2012	
DKK million	**Derivative financial instruments (assets)**	**Derivative financial instruments (liabilities)**	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)
Fair value at 1 January	839	(739)	2,093	(960)
Gains and losses recognised in profit for the year as revenue	(278)	(112)	(1,484)	765
Issuances	-	(414)	277	(676)
Repayments	217	264	-	-
Transferred to Level 2 due to market data having become available	(13)	80	(47)	132
Fair value at 31 December	**765**	**(921)**	**839**	**(739)**
Gains/losses recognised in profit for the year relating to assets/liabilities that are still recognised in the balance sheet at 31 December	(497)	38	(1,207)	89

Valuation principles and material assumptions
In order to keep modifications of parameters, calculation models or the use of subjective estimates to a minimum, it is the Group's policy to determine fair values on the basis of external information that most accurately reflects the values of assets or liabilities.

Market values are determined by the Risk Management function, which reports to the CFO. The development in market values is monitored on a continuous basis and reported on to the Executive Board.

Valuation principles and relevant assumptions for material assets or liabilities at Level 3 can be summarised as follows:

At 31 December 2013

Fair value of derivative financial instruments	**Assets DKK million**	**Liabilities DKK million**	**Valuation principle**	**Non-observable inputs**	**Range**
Electricity swaps	602	444	Cash flow	Electricity prices in 2018-2020	EUR 27-51/MWh
Electricity options	6	358	Option model	Volatility from 2016 Electricity prices in 2018-2020	12%-16% EUR 27-51/MWh

7.8 Related party transactions

Related parties that have control over the Group comprise the Danish State, represented by the Danish Ministry of Finance.

Other related parties are the Group's associates and joint ventures, members of the Board of Directors and the Executive Board and other senior executives.

Reference is made to note 7.13 for an overview of the Group's joint ventures and associates.

Transactions with joint ventures and associates appear from the table below. Remuneration to the Board of Directors, the Executive Board and other senior executives is disclosed in note 2.5.

	Joint ventures		Associates	
DKK million	**2013**	2012	**2013**	2012
Dividends received and capital reductions	-	-	74	30
Capital transactions, net	(41)	(294)	(29)	(328)
Trade receivables	33	248	49	-
Trade payables	(110)	(35)	(42)	(107)
Interest, net	38	52	1	23
Receivables	1,202	1,117	238	995
Payables	-	(3)	-	(5)

Related party transactions are made on arm's length terms. Intragroup transactions have been eliminated in the consolidated financial statements.

There were no other related party transactions during the year.

7.9 Auditors' fees

DKK million	**2013**	2012
Audit fees	13	13
Other assurance engagements	9	3
Tax and VAT advice	16	14
Non-audit services	26	26
Total fees to PwC	**64**	**56**

7.10 Events after the reporting period

Subscription for new shares

The Danish State represented by the Ministry of Finance, DONG Energy A/S, the Danish pension fund Arbejdsmarkedets Tillægspension (ATP), funds managed by the Merchant Banking Division of Goldman Sachs through New Energy Investment S.a.r.l. (Goldman Sachs funds) and the Danish pension fund PFA Pension Forsikringsaktieselskab (PFA) have signed a legally binding investment agreement that sets out the terms and conditions for ATP's, Goldman Sachs funds' and PFA's investment of a total of DKK 11 billion in DONG Energy A/S by subscription for new shares.

The existing minority shareholders of DONG Energy A/S have been offered to participate in the capital increase on the same terms and conditions as the new investors to allow them to maintain their current ownership shares. Four of the existing five minority shareholders have opted to participate in DONG Energy's capital increase by subscribing for new shares.

The combined capital contribution from ATP, PFA, Goldman Sachs funds and the existing minority shareholders will consequently total DKK 13 billion. Completion of the transaction will take place in connection with an extraordinary general meeting in February 2014.

Divestment of Dutch sales company

DONG Energy has signed an agreement to divest its sales company in the Netherlands, DONG Energy Sales B.V, which sells electricity and gas to residential and commercial customers and manages back-office-services to a third party. The transaction concerns the sales activities only.

The divestment is subject to certain conditions, including merger control clearance in the Netherlands.

Divestment of share in London Array 1 offshore wind farm

DONG Energy has signed an agreement to sell half of its 50 per cent share in the 630 MW offshore wind farm London Array 1 to La Caisse de dépôt et placement du Québec (La Caisse) for a total sum of GBP 644 million (approx. DKK 5.8 billion).

On completion of the transaction, La Caisse will enter into the existing joint venture with a 25 per cent ownership interest alongside DONG Energy (25 per cent), E.ON (30 per cent) and Masdar (20 per cent).

The transaction is subject to a number of customary conditions for a transaction of this nature, including transfer of project rights and operational performance of the wind farm and approval by relevant authorities. The transaction is expected to be completed in the first half of 2014.

7.11 Effect of implementation of IFRS 11

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Business performance			IFRS		
DKK million	2012 before adjustment	IFRS 11 adjustment	**2012 after adjustment**	2012 before adjustment	IFRS 11 adjustment	**2012 after adjustment**
Share of profit (loss) of associates and joint ventures	-	(3)	(3)	-	(3)	(3)
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	8,632	7	8,639	7,159	7	7,166
Operating profit (loss) (EBIT)	(3,481)	157	(3,324)	(4,954)	157	(4,797)
Investments in associates and joint ventures	(553)	(146)	(699)	(553)	(146)	(699)
Profit (loss) before tax	(2,712)	8	(2,704)	(4,185)	8	(4,177)
Profit (loss) for the year	(4,021)	-	(4,021)	(5,126)	-	(5,126)
Other comprehensive income				170	-	170
Total comprehensive income				**(4,956)**	**-**	**(4,956)**

ASSETS

DKK million	31/12 2012 before adjustment	IFRS 11 adjustment	**31/12 2012 after adjustment**
Intangible assets	2,425	-	2,425
Property, plant and equipment	96,307	(2,387)	93,920
Share of profit (loss) of associates and joint ventures	3,055	1,404	4,459
Other non-current assets	7,508	1,550	9,058
Non-current assets	106,240	(837)	105,403
Current assets	49,011	(556)	48,455
Assets classified as held for sale	4,343	(712)	3,631
Assets	**159,594**	**(2,105)**	**157,489**

EQUITY AND LIABILITIES

Equity attributable to equity holders of DONG Energy A/S	33,421	-	33,421
Equity	50,016	-	50,016
Non-current liabilities	71,384	(1,086)	70,298
Current liabilities	38,013	(1,019)	36,994
Liabilities relating to assets classified as held for sale	181	-	181
Equity and liabilities	**159,594**	**(2,105)**	**157,489**

STATEMENT OF CASH FLOWS

DKK million	2012 before adjustment	IFRS 11 adjustment	**2012 after adjustment**
Cash flows from operating activities	7,701	190	7,891
Cash flows from investing activities	(20,004)	802	(19,202)
Cash flows from financing activities	13,026	(1,176)	11,850
Total	**723**	**(184)**	**539**

7.12 Licence overview

HYDROCARBON EXPLORATION AND EXTRACTION LICENCES IN DENMARK AND ABROAD

Country	Licence	Ownership interest
Denmark	7/86 Amalie Part	30%
Denmark	7/86 Lulita part	44%
Denmark	7/89 Syd Arne Field	37%
Denmark	1/90 Lulita	22%
Denmark	4/95 Nini Field	40%
Denmark	6/95 Siri	100%
Denmark	9/95 Maja	27%
Denmark	4/98 Svane/Solsort	35%
Denmark	5/98 Hejre	60%
Denmark	16/98 Cecilie Field	22%
Denmark	1/06 Hejre Extension	48%
Denmark	7/06 Rau	40%
Denmark	3/09 Solsort	35%
Denmark	1/12 Nena/Nelly	80%
Faroe Islands	F008 Sula/Stelkur	30%
Faroe Islands	F016 Kúlubøkan	30%
Faroe Islands	F018 Naddoddur	100%
Faroe Islands	F019 Marjun	100%
Greenland	G2011/11 Qamut	26%
Greenland	G2013/40 Amaroq	18%
Norway	PL019 Ula	20%
Norway	PL019B Gyda	34%
Norway	PL019C Kark	35%
Norway	PL019D	34%
Norway	PL065 Tambar	45%
Norway	PL113 Mjølner	70%
Norway	PL122 Marulk	30%
Norway	PL122B Marulk	30%
Norway	PL122C Marulk	30%
Norway	PL122D Marulk	30%
Norway	PL147 Trym/Trym South	50%
Norway	PL159B Alve	15%
Norway	PL208 Ormen Lange	45%
Norway	PL250 Ormen Lange	9%
Norway	PL274 Oselvar	55%
Norway	PL274CS Oselvar	55%
Norway	PL289 Musling	50%
Norway	PL299 Frode	20%
Norway	PL300 Tambar East	45%
Norway	PL360 Lupin	20%
Norway	PL529 Himmelbjerget/Bønna	20%
Norway	PL613 Fafner	40%
Norway	PL624 Ve	20%
Norway	PL656 Clipper	20%
Norway	PL658 Gram	50%
Norway	PL664S Løven	30%
Norway	PL669 Ula NE	40%
Norway	PL689 Hyse	40%
Norway	PL698 Carmen	10%
Norway	PL699 Ormen Korte	10%
Norway	Gassled	1%
UK	P911 Laggan	20%
UK	P967 Tobermory	33%
UK	P1026 Rosebank	10%
UK	P1028 Cambo	20%
UK	P1159 Tormore	20%
UK	P1189 Cambo	20%
UK	P1190 Tornado	20%
UK	P1191 Rosebank South	10%
UK	P1195 Glenlivet	80%
UK	P1262 Tornado	20%
UK	P1272 Rosebank	10%
UK	P1453 Edradour	25%
UK	P1454 Glenrothes	40%
UK	P1598 Cragganmore	40%
UK	P1678 Tormore	20%
UK	P1830 Black Rock	25%
UK	P1831 Cambo South	25%
UK	P1846 Sula/Stelkur	30%
UK	P1847 Milburn	30%
UK	P1931 Neptune	50%
UK	P2014 Flett Basin	60%
UK	P2021 Jameson	50%
UK	P2022 Audacious	40%
UK	P2044 Dalwhinnie	35%
UK	P2061 Sula	30%
UK	P2067 Kookaburra	15%

7.13 Company overview

Segment/company	Type[1]	Registered office	Ownership interest
Parent company			
DONG Energy A/S		Fredericia, Denmark	-
Exploration & Production			
DONG Central Graben E&P Ltd.[2]	S	Fredericia, Denmark	100%
DONG E&P A/S[3]	S	Fredericia, Denmark	100%
DONG E&P DK A/S[3]	S	Fredericia, Denmark	100%
DONG E&P Føroyar P/F	S	Torshavn, Faroe Islands	100%
DONG E&P Grønland A/S	S	Sermersooq, Greenland	100%
DONG E&P Norge AS	S	Stavanger, Norway	100%
DONG E&P nr. 1 2008 A/S[2]	S	Fredericia, Denmark	100%
DONG E&P Services (UK) Ltd.	S	London, UK	100%
DONG E&P Siri (UK) Ltd.	S	London, UK	100%
DONG E&P (UK) Ltd.	S	London, UK	100%
Shetland Land lease Ltd.	A	London, UK	20%
Wind Power			
Anholt Havvindmøllepark I/S	JO	Fredericia, Denmark	50%
A2SEA A/S	S	Fredericia, Denmark	51%
A2SEA Deutschland GmbH	S	Hamburg, Germany	100%
A2SEA Ltd.	S	London, UK	100%
Barrow Offshore Wind Ltd.	JV	Berkshire, UK	50%
Borkum Riffgrund I Holding A/S	S	Fredericia, Denmark	100%
Borkum Riffgrund I Offshore Windpark A/S GmbH & Co. oHG	JO	Norden, Germany	50%
Breeveertien II Wind Farm B.V.	S	Rotterdam, Netherlands	100%
Celtic Array Limited	JV	Berkshire, UK	50%
CT Offshore A/S	S	Odense, Denmark	67%
Den Helder Wind Farm B.V.	S	Rotterdam, Netherlands	100%
DONG Energy - Anholt Offshore A/S	S	Fredericia, Denmark	100%
DONG Energy Borkum Riffgrund I GmbH	S	Rubenow, Germany	100%
DONG Energy Borkum Riffgrund I HoldCo GmbH	S	Hamburg, Germany	100%
DONG Energy Borkum Riffgrund II GmbH	S	Hamburg, Germany	100%
DONG Energy Borkum Riffgrund West I GmbH	S	Hamburg, Germany	100%
DONG Energy Burbo (UK) Limited	S	London, UK	100%
DONG Energy Burbo Extension (UK) Ltd.	S	London, UK	100%
DONG Energy Gunfleet Sands Demo (UK) Ltd.	S	London, UK	100%
DONG Energy Horns Rev I A/S	S	Fredericia, Denmark	100%
DONG Energy Horns Rev 2 A/S	S	Fredericia, Denmark	100%
DONG Energy Hydro Power Holding AB	S	Malmö, Sweden	100%
DONG Energy Lincs (UK) Ltd.	S	London, UK	100%
DONG Energy London Array Ltd.	S	London, UK	100%
DONG Energy London Array II Ltd.	S	London, UK	100%
DONG Energy Nearshore Wind ApS	S	Fredericia, Denmark	100%
DONG Energy Nysted I A/S	S	Fredericia, Denmark	86%
DONG Energy Power (Gunfleet Sands) Ltd.	S	London, UK	100%
DONG Energy Power (Participation) Ltd.	S	London, UK	100%
DONG Energy Power (UK) Ltd.	S	London, UK	100%
DONG Energy RB (UK) Ltd.	S	London, UK	100%
DONG Energy Renewables Germany GmbH	S	Hamburg, Germany	100%
DONG Energy Shell Flats (UK) Limited	S	London, UK	100%
DONG Energy UK III Limited	S	London, UK	100%
DONG Energy Walney Extension (UK) Ltd.	S	London, UK	100%
DONG Energy West of Duddon Sands (UK) Limited	S	London, UK	100%
DONG Energy Wind Power A/S	S	Fredericia, Denmark	100%
DONG Energy Wind Power Denmark A/S	S	Fredericia, Denmark	100%
DONG Energy Wind Power France S.A.S.	S	Paris, France	100%
DONG Energy Wind Power Holding A/S[3]	S	Fredericia, Denmark	100%
DONG VE A/S	S	Fredericia, Denmark	100%
DONG Vind A/S	S	Fredericia, Denmark	100%
DONG Wind I (UK) Ltd.	S	London, UK	100%

7.13 Company overview – continued

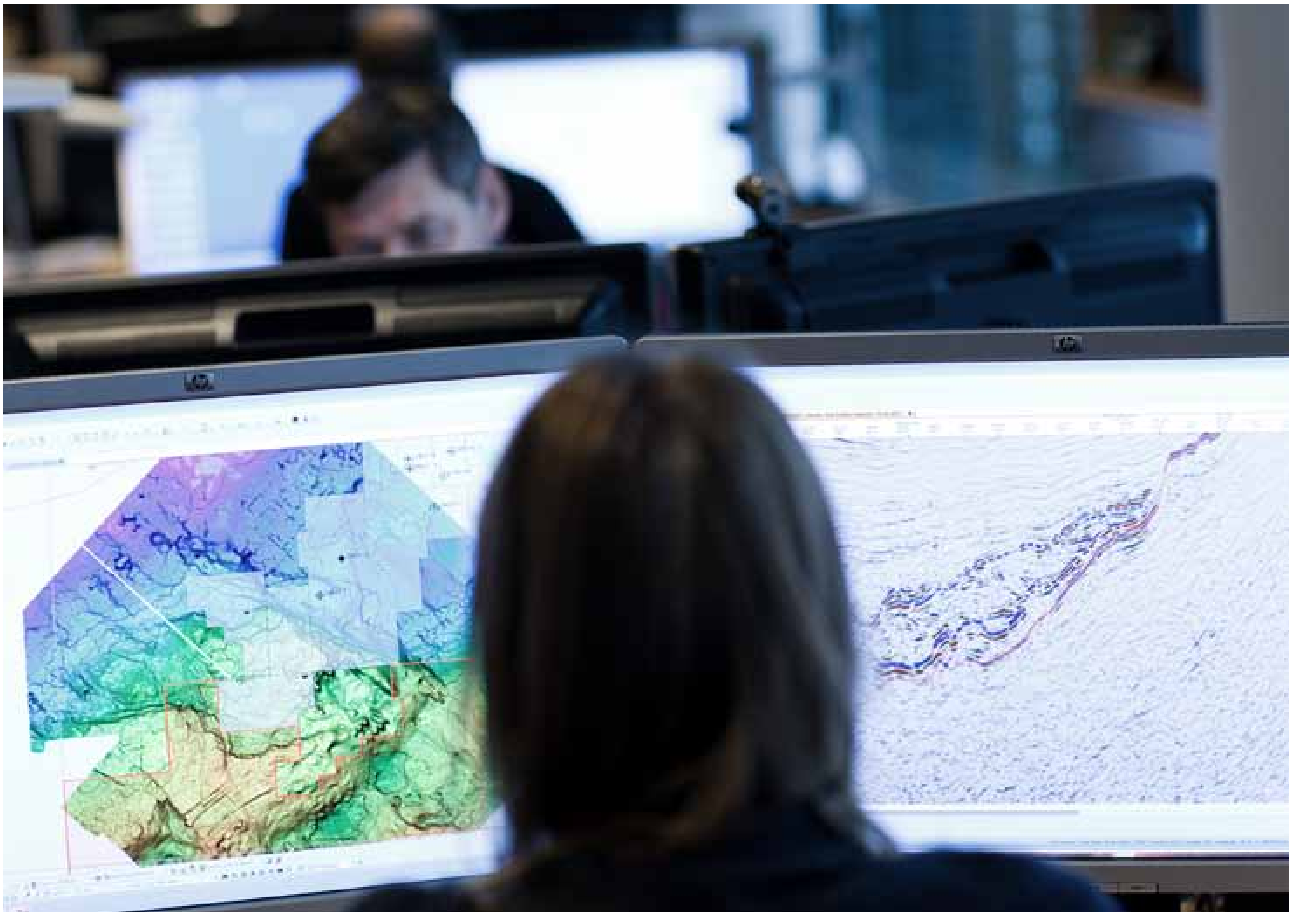
Segment/company	Type[1]	Registered office	Ownership interest
Energi E2 Renewables A/S in liquidation	S	Fredericia, Denmark	100%
Eolien Maritimes de France S.A.S.	A	Paris, France	40%
First Flight Wind Limited	JV	Larne, UK	50%
Gode Wind I GmbH	S	Hamburg, Germany	100%
Gode Wind II GmbH	S	Hamburg, Germany	100%
Greenpower (Broadmeadows) Limited	JV	Aberdeen, UK	50%
Gunfleet Grid Company Limited	S	London, UK	100%
Gunfleet Sands Ltd.	S	London, UK	100%
Gunfleet Sands II Ltd.	S	London, UK	100%
Gunfleet Sands Holding Ltd.	S	London, UK	50%
Heron Wind Limited	A	London, UK	33%
Horns Rev I Offshore Wind Farm	JO	-	40%
Lincs Renewable Energy Holdings Limited	JV	London, UK	50%
Lincs Wind Farm Ltd.	JV	Aberdeen, UK	50%
London Array Ltd.	JO	Coventry, UK	50%
London Array Unicorporated JV	JO	-	50%
Morecambe Wind Ltd.	JO	Prenton, UK	50%
Njord Limited	A	London, UK	33%
Nysted Havmøllepark I	JO	-	50%
OFTRAC Limited	S	London, UK	100%
Ploudalmezeau - Breiz Avel 01 S.A.S.	S	Paris, France	100%
P/S New Energy Solutions	A	Copenhagen, Denmark	22%
Rhiannon Wind Farm Limited	JV	Windsor, UK	100%
Scarweather Sands Ltd.	JV	Coventry, UK	50%
Storrun Vindkraft AB	S	Uddevalla, Sweden	80%
Storrun Vindkraft Elnät AB	S	Stockholm, Sweden	100%
UMBO GmbH	S	Hamburg, Germany	100%
Walney (UK) Offshore Windfarms Ltd.	S	London, UK	50%
West of Duddon Sands	JO	-	50%
West Rijn Wind Farm B.V.	S	Rotterdam, Netherlands	100%
Westermost Rough Ltd.	S	London, UK	100%
Zephyr AS	A	Sarpsborg, Norway	33%
Thermal Power			
Carron Engineering & Construction Limited	S	London, UK	100%
DONG Energy Holding Ludwigsau I GmbH	S	Hamburg, Germany	100%
DONG Energy Holding Ludwigsau II GmbH	S	Hamburg, Germany	100%
DONG Energy Kraftwerke Emden GmbH in liquidation	S	Hamburg, Germany	100%
DONG Energy Kraftwerke Greifswald Verwaltungs GmbH	S	Rubenow, Germany	100%
DONG Energy Kraftwerke Holding GmbH	S	Hamburg, Germany	100%
DONG Energy Maabjerg Energy Concept A/S	S	Fredericia, Denmark	70%
DONG Energy Netherlands B.V.	S	Rotterdam, Netherlands	100%
DONG Energy New Bio Solutions (China) A/S	S	Fredericia, Denmark	100%
DONG Energy New Bio Solutions Holding A/S	S	Fredericia, Denmark	100%
DONG Energy Power Rotterdam B.V.	S	Rotterdam, Netherlands	100%
DONG Energy SP (UK) Ltd.	S	London, UK	100%
DONG Energy Thermal Power A/S[3]	S	Fredericia, Denmark	100%
DONG Energy Waste (UK) Ltd.	S	London, UK	100%
Dublin Waste to Energy (Holdings) Limited	A	Dublin, Ireland	49%
Emineral A/S	JV	Aalborg, Denmark	50%
Enecogen V.O.F	JO	Rotterdam, Netherlands	50%
Haderslev Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Horsens Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Hovedstadsområets Geotermiske Samarbejde	JO	-	46%
I/S Ensted Transithavn	JO	Aabenraa, Denmark	50%
Inbicon A/S	S	Fredericia, Denmark	100%
Konsortiet for etablering af Maabjerg Energy Concept I/S	S	Holstebro, Denmark	50%
Kraftwerk Ludwigsau GmbH & Co, KG	S	Hamburg, Germany	100%
Kraftwerk Ludwigsau Verwaltungs GmbH	S	Hamburg, Germany	100%
Måbjergværket A/S	S	Fredericia, Denmark	100%

7.13 Company overview – continued

Segment/company	Type[1]	Registered office	Ownership interest
Pyroneer A/S	S	Fredericia, Denmark	100%
REnescience A/S	S	Fredericia, Denmark	100%
Severn Power Funding Limited	S	London, UK	100%
DONG Energy SP Holding (UK) Limited	S	London, UK	100%
Stigsnæs Vandindvinding I/S	NC	Slagelse, Denmark	64%
Vejen Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Customers & Markets			
Dansk Gasteknisk Center A/S	A	Rudersdal, Denmark	36%
DONG Energy Aktiebolag	S	Gothenburg, Sweden	100%
DONG Energy Business GmbH	S	Hamburg, Germany	100%
DONG Energy El & Gas A/S	S	Fredericia, Denmark	100%
DONG Energy Eldistribution A/S	S	Fredericia, Denmark	100%
DONG Energy Infrastructure GmbH[3]	S	Hamburg, Germany	100%
DONG Energy Kabler A/S	S	Fredericia, Denmark	100%
DONG Energy Leitung E GmbH	S	Hamburg, Germany	100%
DONG Energy Markets B.V.	S	Amsterdam, Netherlands	100%
DONG Energy Markets GmbH	S	Hamburg, Germany	100%
DONG Energy Pipelines A/S	S	Fredericia, Denmark	100%
DONG Energy Power Sales UK Limited	S	London, UK	100%
DONG Energy S&D UK Limited	S	London, UK	100%
DONG Energy Sales B.V.	S	Hertogenbosch, Netherlands	100%
DONG Energy Sales (UK) Limited	S	London, UK	100%
DONG Energy Sales & Distribution A/S[3]	S	Fredericia, Denmark	100%
DONG Energy Service 1 A/S	S	Fredericia, Denmark	100%
DONG Energy Service 2 A/S	S	Fredericia, Denmark	100%
DONG Energy Speicher E GmbH	S	Hamburg, Germany	100%
DONG Energy Speicher R GmbH	S	Hamburg, Germany	100%
DONG Gas Distribution A/S[3]	S	Fredericia, Denmark	100%
DONG Naturgas A/S[3]	S	Fredericia, Denmark	100%
DONG Offshore Gas Systems A/S	S	Fredericia, Denmark	100%
DONG Oil Pipe A/S[3]	S	Fredericia, Denmark	100%
DONG Storage A/S[3]	S	Fredericia, Denmark	100%
Etzel Kavernenbetriebsverwaltungsgesellschaft mbH	A	Hamburg, Germany	33%
Etzel Kavernenbetriebsgesellschaft mbH & Co. KG	A	Hamburg, Germany	33%
FordonsGas Sverige AB	A	Gothenburg, Sweden	50%
PowerSense A/S	A	Rudersdal, Denmark	28%
Other			
DONG EGJ A/S	S	Fredericia, Denmark	100%
DONG El A/S[3]	S	Fredericia, Denmark	100%
DONG Energy (UK) Ltd.	S	London, UK	100%
DONG Energy IT Malaysia Sdn. Bhd.	S	Kuala Lumpur, Malaysia	100%
DONG Energy IT Polska Sp. z o. o.	S	Warsaw, Poland	100%
DONG Energy Oil & Gas A/S[3]	S	Fredericia, Denmark	100%
DONG Insurance A/S[3]	S	Fredericia, Denmark	100%
EM El Holding A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland El A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland El Holding A/S	S	Fredericia, Denmark	100%
Lithium Balance A/S	A	Ishøj, Denmark	20%

[1] S = subsidiary, A = associate, JO = joint operation, JV = joint venture, NC = non-consolidated entity.
[2] The company applies the provision in section 6 of the Danish Financial Statements Act to omit presenting a separate annual report.
[3] Subsidiaries owned directly by DONG Energy A/S.

The Group participates in hydrocarbon exploration and extraction licences, and these licences are classified as joint operations. The Group's licence participation is set out in note 7.12, to which reference is made.



PARENT COMPANY FINANCIAL STATEMENTS

Income statement

DKK million	Note	2013	2012
Revenue	2	131	141
Other external expenses		(209)	(325)
Staff costs	3	(45)	(32)
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)		**(123)**	**(216)**
Other operating income		-	38
Other operating expenses		(7)	-
Depreciation, amortisation and impairment losses on property, plant and equipment		(5)	(5)
Operating profit (loss) (EBIT)		**(135)**	**(183)**
Gain on disposal of enterprises		(19)	-
Finance income	11	9,729	16,792
Finance costs	11	(12,223)	(15,719)
Profit (loss) before tax		**(2,648)**	**890**
Income tax expense	4	714	190
Profit (loss) for the year		**(1,934)**	**1,080**
Profit (loss) for the year is attributable to:			
Equity holders of DONG Energy A/S		(2,699)	531
Coupon payments and bond discount after tax, hybrid capital holders of DONG Energy A/S		765	549
Profit (loss) for the year		**(1,934)**	**1,080**

Statement of comprehensive income

	2013	2012
Profit (loss) for the year	**(1,934)**	**1,080**
Other comprehensive income[1]:		
Hedging instruments:		
Value adjustments for the year	35	(673)
Value adjustments transferred to finance income and costs	764	229
Tax on value adjustments of hedging instruments	(176)	111
Change in tax rate	(48)	-
Other comprehensive income	**575**	**(333)**
Total comprehensive income	**(1,359)**	**747**
Total comprehensive income for the year is attributable to:		
Equity holders of DONG Energy A/S	(2,114)	198
Coupon payments and bond discount after tax, hybrid capital holders of DONG Energy A/S	755	549
Total comprehensive income	**(1,359)**	**747**

[1] All items in other comprehensive income may be reclassified to the income statement.

Assets

DKK million	Note	2013	2012
Investment property		28	34
Fixtures and fittings, tools and equipment		-	7
Property, plant and equipment		**28**	**41**
Investments in subsidiaries	6	42,133	35,706
Receivables from subsidiaries		59,917	58,205
Other non-current assets		**102,050**	**93,911**
Non-current assets		**102,078**	**93,952**
Receivables from subsidiaries		6,143	7,886
Derivative financial instruments	9	5,059	7,165
Other receivables		325	124
Income tax		714	615
Securities	7	15,708	14,659
Cash	7	301	0
Current assets		**28,250**	**30,449**
Assets		**130,328**	**124,401**

Equity and liabilities

DKK million	Note	2013	2012
Share capital		2,937	2,937
Reserves		8,862	8,277
Retained earnings		19,345	22,044
Equity attributable to equity holders of DONG Energy A/S		**31,144**	**33,258**
Hybrid capital		13,236	9,538
Equity		**44,380**	**42,796**
Deferred tax	5	2,517	2,632
Bank loans and issued bonds	8	35,185	45,969
Other payables	8	1,357	1,315
Non-current liabilities		**39,059**	**49,916**
Bank loans and issued bonds	8	21,797	7,063
Trade payables	8	80	68
Payables to subsidiaries	8	17,586	14,133
Derivative financial instruments	9	6,517	9,480
Other payables	8	909	945
Current liabilities		**46,889**	**31,689**
Liabilities		**85,948**	**81,605**
Equity and liabilities		**130,328**	**124,401**

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 2013	2,937	(971)	9,248	22,044	33,258	9,538	42,796
Comprehensive income for the year							
Profit (loss) for the year	-	-	-	(2,699)	(2,699)	765	(1,934)
Other comprehensive income:							
Value adjustments of hedging instruments	-	35	-	-	35	-	35
Value adjustments transferred to finance income and costs	-	764	-	-	764	-	764
Tax on other comprehensive income	-	(176)	-	-	(176)	-	(176)
Change in tax rate	-	(38)	-	-	(38)	(10)	(48)
Total comprehensive income	**-**	**585**	**-**	**(2,699)**	**(2,114)**	**755**	**(1,359)**
Transactions with owners:							
Coupon payments, hybrid capital	-	-	-	-	-	(675)	(675)
Bond discount and costs, hybrid capital	-	-	-	-	-	(304)	(304)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	224	224
Additions, hybrid capital	-	-	-	-	-	8,825	8,825
Disposals, hybrid capital	-	-	-	-	-	(5,127)	(5,127)
Total changes in equity in 2013	**-**	**585**	**-**	**(2,699)**	**(2,114)**	**3,698**	**1,584**
Equity at 31 December 2013	**2,937**	**(386)**	**9,248**	**19,345**	**31,144**	**13,236**	**44,380**
Equity at 1 January 2012	2,937	(638)	9,248	22,970	34,517	9,538	44,055
Comprehensive income for the year							
Profit for the year	-	-	-	531	531	549	1,080
Other comprehensive income:							
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
Total comprehensive income	**-**	**(333)**	**-**	**531**	**198**	**549**	**747**
Transactions with owners:							
Coupon payments, hybrid capital	-	-	-	-	-	(648)	(648)
Tax on coupon and costs, hybrid capital	-	-	-	-	-	99	99
Dividends paid	-	-	-	(1,457)	(1,457)	-	(1,457)
Total changes in equity in 2012	**-**	**(333)**	**-**	**(926)**	**(1,259)**	**-**	**(1,259)**
Equity at 31 December 2012	**2,937**	**(971)**	**9,248**	**22,044**	**33,258**	**9,538**	**42,796**

Share capital composition and dividends are disclosed in note 7.3 to the consolidated financial statements.

Statement of cash flows

DKK million	Note	2013	2012
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)		(123)	(216)
Other items		(1,789)	110
Interest income and similar items		8,747	11,374
Interest expense and similar items		(10,047)	(11,394)
Income tax paid		500	1,305
Cash flows from operating activities before change in net working capital		**(2,712)**	**1,179**
Change in trade receivables		68	(122)
Change in other receivables		3	(3)
Change in trade payables		203	(98)
Change in other payables		57	1,341
Change in net working capital		**331**	**1,118**
Cash flows from operating activities		**(2,381)**	**2,297**
Financial transactions with subsidiaries		(63)	(2,888)
Capital contributions to subsidiaries		(8,356)	(10,023)
Disposal of subsidiaries		1,900	-
Purchase of securities		(13,158)	(9,667)
Sale of securities		12,109	4,672
Dividends received and capital reduction		211	1,689
Cash flows from investing activities		**(7,357)**	**(16,217)**
Proceeds from raising of loans		4,673	23,823
Instalments on loans		(7,827)	(8,000)
Coupon payments on hybrid capital		(675)	(648)
Repurchase of hybrid capital		(695)	-
Proceeds from issuance of hybrid capital		4,094	-
Other items		(89)	-
Dividends paid		-	(1,457)
Receivables from Group trading partner		-	1,713
Cash flows from financing activities		**(519)**	**15,431**
Net increase (decrease) in cash and cash equivalents		**(10,257)**	**1,511**
Cash and cash equivalents at 1 January		(2,405)	(3,916)
Net increase (decrease) in cash and cash equivalents		(10,257)	1,511
Cash and cash equivalents at 31 December	**7**	**(12,662)**	**(2,405)**

1 Basis of reporting

Parent company accounting policies
The parent company financial statements are prepared pursuant to the requirements of the Danish Financial Statements Act concerning preparation of separate parent company financial statements for companies reporting under 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, 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 3.1 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.

2 Revenue

Revenue comprises rental income and sales of services.

3 Employee costs

DKK million	2013	2012
Wages, salaries and remuneration	44	31
Pensions	1	1
Employee costs	**45**	**32**

DONG Energy A/S had an average of 6 employees in 2013 (2012: 9 employees).

3 Employee costs – continued

REMUNERATION OF THE EXECUTIVE BOARD

DKK '000	Henrik Poulsen (joined in August 2012) 2013	2012	Marianne Wiinholt (appointed in October 2013) 2013	2012	Carsten Krogsgaard Thomsen (departed in October 2013) 2013	2012	Anders Eldrup (departed in March 2012) 2013	2012	Total 2013	2012
Fixed salary	8,614	2,863	1,152	-	4,004	5,113	-	1,244	13,770	9,220
Variable salary	2,131	600	253	-	714	1,202	-	292	3,098	2,094
Pension	2	1	1	-	1	2	-	2	4	5
Salary during notice period[1]	-	-	-	-	9,084	-	-	6,083	9,084	6,083
Termination payment	-	-	-	-	4,680	-	8,710	-	13,390	-
Total	**10,747**	**3,464**	**1,406**	**-**	**18,483**	**6,317**	**8,710**	**7,621**	**39,346**	**17,402**

[1] Comprises salaries, bonus and pension and is recognised at the departure date.

Reference is made to note 2.5 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.

4 Income tax expense

DKK million	2013	2012
Income tax expense	714	190
Tax on other comprehensive income	(224)	111
Tax for the year	**490**	**301**
Tax for the year can be broken down as follows:		
Current tax for the year	756	86
Adjustments to deferred tax for the year	81	128
Adjustments to deferred tax in respect of prior years	116	(1,046)
Adjustments to current tax in respect of prior years	(115)	1,022
Effect of change in tax rate	(124)	-
Income tax expense	**714**	**190**

	2013		2012	
	DKK million	**%**	DKK million	%
Income tax expense can be explained as follows:				
Calculated 25% tax on profit before tax	662	25	(223)	25
Tax effect of:				
Non-taxable income	190	7	460	(52)
Non-deductible expenses	(15)	-	(23)	3
Adjustments to tax in respect of prior years, net	1	-	(24)	3
Effect of change in tax rate	(124)	(5)	-	-
Effective tax for the year	**714**	**27**	**190**	**(21)**

5 Deferred tax

	2013			2012		
DKK million	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	34	(18)	16	18	16	34
Current assets	-	-	-	(65)	65	-
Non-current liabilities	(141)	66	(75)	17	(158)	(141)
Current liabilities	(6)	5	(1)	128	(134)	(6)
Retaxation	2,911	(148)	2,763	2,548	363	2,911
Tax loss carryforwards	(166)	(20)	(186)	(932)	766	(166)
Deferred tax	**2,632**	**(115)**	**2,517**	**1,714**	**918**	**2,632**

6 Subsidiaries

DKK million	Investments in subsidiaries 2013	2012
Cost at 1 January	35,725	25,702
Additions	8,355	10,023
Disposals	(1,928)	-
Cost at 31 December	**42,152**	**35,725**
Value adjustments at 1 January	(19)	(19)
Value adjustments at 31 December	**(19)**	**(19)**
Carrying amount at 31 December	**42,133**	**35,706**

An overview of subsidiaries, joint ventures and associates is set out in note 7.13 to the consolidated financial statements.

Investments in subsidiaries were tested for impairment in 2013. No impairment losses were recognised, as the recoverable amount exceeded the cost.

In 2013, debt of DKK 1,128 million in DONG Energy Vangede A/S was converted to share capital.

In 2013, the following capital increases were implemented: DKK 7,000 million to DONG Naturgas A/S, DKK 30 million to DONG E&P DK A/S and DKK 197 million to DONG Oil Pipe A/S.

DONG Energy Vangede A/S was divested in 2013. DONG Energy Ayrshire Holding Ltd. and DONG Sverige Distribution AB were wound up.

7 Cash and cash equivalents and securities

DKK million	2013	2012
Cash, available	301	-
Bank overdrafts that are part of the ongoing cash management, see note 8	(12,963)	(2,405)
Cash and cash equivalents at 31 December, see statement of cash flows	**(12,662)**	**(2,405)**
Securities can be broken down into the following balance sheet items:		
Securities, available	15,425	11,907
Securities, not available for use, interest-bearing	283	2,752
Securities at 31 December	**15,708**	**14,659**

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

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), and securities used as collateral in respect of trading in financial instruments.

8 Loans and borrowings

MATURITY ANALYSIS OF LOANS AND BORROWINGS

The parent company's financial payment obligations fall due as follows:

	2013					2012				
	Payment obligation	2014	2015	2016 & 2017	After 2017	Payment obligation	2013	2014	2015 & 2016	After 2016
Bank loans and issued bonds	63,739	10,874[1]	1,799	9,371	41,695	75,051	8,803	5,974	8,141	52,133
Trade payables	80	80	-	-	-	68	68	-	-	-
Payables to subsidiaries	17,586	17,586	-	-	-	14,133	14,133	-	-	-
Derivative financial instruments	7,138	2,903	1,426	1,931	878	9,505	3,575	2,071	1,684	2,175
Other payables	2,266	909	-	-	1,357	2,260	945	-	-	1,315
Total	**90,809**	**32,352**	**3,225**	**11,302**	**43,930**	**101,017**	**27,524**	**8,045**	**9,825**	**55,623**

[1] This includes expected early repayment of DKK 4.5 billion.

8 Loans and borrowings - continued

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on market conditions and interest rate hedging entered into at 31 December.

The company's financing agreements are not subject to any unusual terms or conditions, apart from those disclosed in note 4.2 to the consolidated financial statements.

At 31 December 2013, DONG Energy A/S had issued hybrid capital with a principal amount totalling DKK 13,428 million due in 3005 (DKK 4,476 million) and 3013 (DKK 8,952 million).

DKK million	2013	2012
Bank loans and issued bonds:		
Issued bonds	31,330	31,567
Bank loans	12,689	19,060
Bank overdrafts	12,963	2,405
Carrying amount	**56,982**	**53,032**
Bank loans and issued bonds are recognised in the balance sheet as follows:		
Non-current liabilities	35,185	45,969
Current liabilities	21,797	7,063
Carrying amount	**56,982**	**53,032**

9 Derivative financial instruments

CATEGORIES OF FINANCIAL INSTRUMENTS

	2013	2012
DKK million	Carrying amount	Carrying amount
Financial assets measured at fair value through profit or loss (Derivative financial instruments)	4,827	6,906
Financial assets measured at fair value through profit or loss (Securities)	15,708	14,659
Financial assets used as hedging instruments	232	259
Loans and receivables	66,594	66,241
Financial liabilities measured at fair value through profit or loss	5,761	8,055
Financial liabilities used as hedging instruments	756	1,425
Financial liabilities measured at amortised cost	75,594	68,180

The carrying amount of the financial instruments above corresponds to the fair value, with the exception of issued bonds and bank loans. The fair value of issued bonds and bank loans was DKK 34,018 million (2012: DKK 35,574 million) and DKK 12,910 million respectively (2012: DKK 19,867 million).

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

	2013				2012			
DKK million	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
Securities	15,708	-	-	15,708	14,659	-	-	14,659
Total securities	**15,708**	**-**	**-**	**15,708**	**14,659**	**-**	**-**	**14,659**
Commodities	28	1,703	240	1,971	46	2,498	286	2,830
Currency	-	2,913	-	2,913	-	4,022	-	4,022
Interest rate	-	175	-	175	-	313	-	313
Total derivative financial instruments	**28**	**4,791**	**240**	**5,059**	**46**	**6,833**	**286**	**7,165**
Total assets	**15,736**	**4,791**	**240**	**20,767**	**14,705**	**6,833**	**286**	**21,824**
Commodities	28	2,774	750	3,552	46	3,558	206	3,810
Currency	-	2,466	-	2,466	-	4,289	-	4,289
Interest rate	-	499	-	499	-	1,381	-	1,381
Total derivative financial instruments	**28**	**5,739**	**750**	**6,517**	**46**	**9,228**	**206**	**9,480**
Total liabilities	**28**	**5,739**	**750**	**6,517**	**46**	**9,228**	**206**	**9,480**

9 Derivative financial instruments - continued

All assets and liabilities measured at fair value are measured on a recurring basis.

Level 1 comprises quoted securities and derivative financial instruments that are traded in active markets.

Level 2 comprises derivative financial instruments, where valuation models with observable inputs are used to measure fair value, but with discounting to present value applying one of the discount rates set by the Group.

Level 3 comprises primarily long-term contracts on purchase/sale of, in particular, electricity and gas, and oil options. The fair values are based on assumptions concerning the long-term prices of, in particular, electricity, gas, coal, USD, EUR, volatilities as well as risk premiums in respect of liquidity and market risks and are determined by discounting of expected cash flows. Level 3 also includes other financial instruments in which primarily electricity, oil and gas prices have been estimated, and where the sum of these estimated, non-observable inputs may have a significant effect on fair value.

RECONCILIATION OF FINANCIAL INSTRUMENTS BASED ON NON-OBSERVABLE INPUTS

	2013		2012	
DKK million	**Derivative financial instruments (assets)**	**Derivative financial instruments (liabilities)**	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)
Fair value at 1 January	285	(206)	1,076	(720)
Gains and losses recognised in profit for the year in finance income and costs	(3)	(606)	(669)	(88)
Purchases	-	-	64	(38)
Actual	(36)	-	-	-
Transfers to Level 2	(6)	62	(186)	640
Fair value at 31 December	**240**	**(750)**	**285**	**(206)**
Gain/loss recognised in profit for the period relating to assets/liabilities that are still recognised in the balance sheet at 31 December	33	(606)	(669)	(88)

The fair value of financial instruments based on non-observable inputs is significantly affected by the non-observable inputs used. As a result of the long-term and illiquid nature of the contracts, the fair value may change significantly in the event of a change in the Group's reasonable expectations relating to the non-observable inputs used.

Valuation principles and material assumptions

In order to keep modifications of parameters, calculation models or the use of subjective estimates to a minimum, it is the Group's policy to determine fair values on the basis of external information that most accurately reflects the values of assets or liabilities.

Valuation principles and relevant assumptions for material assets or liabilities at Level 3 can be summarised as follows:

At 31 December 2013

Fair value of derivative financial instruments	**Assets DKK million**	**Liabilities DKK million**	**Valuation principle**	**Non-observable inputs**	**Range**
Oil swaps	75	545	Cash flow	Oil price	USD 86-99/bbl

Market values are determined by the Risk Management function, which reports to the CFO. Changes in market values are monitored on a continuous basis and reported on to the Executive Board.

10 Operating lease obligations

DKK million	2013 Minimum lease payments	2013 Subleasing	2013 Net	2012 Minimum lease payments	2012 Subleasing	2012 Net
0-1 year	(174)	155	(19)	(148)	133	(15)
1-5 years	(616)	613	(3)	(256)	243	(13)
Over 5 years	(1,564)	1,564	-	(239)	239	-
Minimum lease payments	**(2,354)**	**2,332**	**(22)**	**(643)**	**615**	**(28)**

DONG Energy A/S has entered into operating leases that include leasing of office premises until 2030. There are no significant restrictions in the leases. In 2013, an amount of DKK 109 million (2012: DKK 132 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 2013, an amount of DKK 118 million (2012: DKK 121 million) was recognised in profit for the year in respect of rental income.

11 Finance income and costs

DKK million	2013	2012
Interest income from cash, etc.	59	272
Interest income from subsidiaries	1,626	1,669
Interest income from securities at fair value	290	335
Capital gains on securities at fair value	19	21
Foreign exchange gains	1,577	2,727
Value adjustments of derivative financial instruments	5,948	9,892
Dividends received	200	1,689
Other finance income	10	187
Finance income	**9,729**	**16,792**
Interest expense relating to payables	(2,130)	(1,993)
Interest expense to subsidiaries	(32)	(37)
Capital losses on securities at fair value	(208)	(95)
Foreign exchange losses	(2,614)	(2,072)
Value adjustments of derivative financial instruments	(6,935)	(11,461)
Other finance costs	(304)	(61)
Finance costs	**(12,223)**	**(15,719)**
Net finance costs	**(2,494)**	**1,073**

12 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 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 section in Management's review on pages 35-43.

Currency risks

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

	2013				2012			
DKK million	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	5,744	(34,401)	21,828	(6,829)	7,001	(36,390)	2,776	(26,613)
USD	235	(1,939)	4,672	2,968	2,151	(4,129)	12,793	10,815
GBP	26,187	(13,892)	(25,094)	(12,799)	24,353	(12,506)	(21,036)	(9,189)
SEK	4	(402)	(188)	(586)	-	(64)	(674)	(738)
NOK	6,474	(300)	(6,122)	52	7,392	(428)	847	7,811
Other	-	(2)	-	(2)	970	-	-	970
Total	**38,644**	**(50,936)**	**(4,904)**	**(17,196)**	**41,867**	**(53,517)**	**(5,294)**	**(16,944)**

As part of its financial management, DONG Energy A/S enters into a number of hedging instruments to hedge currency risks. At 31 December 2013, unrealised value adjustments of derivative financial instruments for currency hedging of recognised assets and liabilities amounted to a total gain of DKK 1,079 million (2011: loss of DKK 530 million).

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.

		At 31 December 2013		At 31 December 2012	
Risk	Price change	**Effect on profit before tax**	**Effect on equity before tax**	Effect on profit before tax	Effect on equity before tax
USD	+10%	96	-	1,357	-
	-10%	(64)	-	(1,123)	-
GBP	+10%	(1,280)	-	(919)	-
	-10%	1,280	-	919	-
SEK	+10%	(59)	-	(74)	-
	-10%	59	-	74	-
NOK	+10%	5	-	781	-
	-10%	(5)	-	(781)	-

Interest rate risks

The parent company is exposed to interest rate changes in connection with its liquid portfolio, primarily floating-rate bank balances. For an analysis of the company's interest rate sensitivity, reference is made to note 6.2 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 net gain of DKK 431 million (2012: DKK 1,287 million loss).

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.

Credit risks

DONG Energy A/S's credit risk relates to loans to subsidiaries, placing of surplus liquidity in securities and positive market value of derivative financial instruments. Credit risk related to securities is reduced by investing in securities with high credit ratings, primarily Danish mortgage bonds.

12 Market risks - continued

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.

Offsetting of financial assets and liabilities
DONG Energy's counterparty risks are largely concentrated on large international energy companies and banks. Such trading is regulated under standard agreements, such as EFET and ISDA agreements, which feature credit rating and netting provisions.

The table below shows financial assets and liabilities that are subject to netting agreements, and associated security:

OFFSETTING OF FINANCIAL ASSETS

				Amounts not offset in the balance sheet		
At 31 December 2013 **DKK million**	Financial assets, net	Financial liabilities, offset	Financial assets in the balance sheet	Liabilities with right of set-off	Security received in the form of bonds	**Net**
Derivative financial instruments	19,656	(17,989)	1,667	(115)	(192)	1,360
Total	**19,656**	**(17,989)**	**1,667**	**(115)**	**(192)**	**1,360**
At 31 December 2012						
DKK million						
Derivative financial instruments	1,085	-	1,085	-	(5)	1,080
Total	**1,085**	**-**	**1,085**	**-**	**(5)**	**1,080**

OFFSETTING OF FINANCIAL LIABILITIES

				Amounts not offset in the balance sheet		
At 31 December 2013 **DKK million**	Financial liabilities, net	Financial assets, offset	Financial liabilities in the balance sheet	Assets with right of set-off	Security received in the form of bonds	**Net**
Derivative financial instruments	18,789	(17,989)	800	(115)	(283)	402
Repo loans	-	-	-	-	-	-
Total	**18,789**	**(17,989)**	**800**	**(115)**	**(283)**	**402**
At 31 December 2012						
DKK million						
Derivative financial instruments	945	-	945		(191)	754
Repo loans	2,561	-	2,561	-	(2,561)	-
Total	**3,506**	**-**	**3,506**	**-**	**(2,752)**	**754**

Accounting policies
Positive and negative fair values are only offset if the enterprise is entitled to and intends to settle several financial instruments net.

13 Contingent liabilities

Contingent liabilities

Guarantees

DONG Energy A/S has furnished the Danish Ministry for Economic Affairs and the Interior with a guarantee for fulfilment of obligations and liability in damages towards the Danish State or third parties incurred by DONG E&P A/S in connection with the company's participation in exploration and production licences, irrespective of whether the obligations and liability rest on DONG E&P A/S alone or jointly and severally with others. The guarantees are not capped, but cannot exceed a sum corresponding to twice DONG E&P's share of each obligation or liability.

As a condition for approval of its participation in gas and oil exploration and production on the Norwegian, UK, Greenland and Faroese continental shelves, DONG Energy A/S has provided a guarantee under which it assumes primary liability as normally required by the local authorities. The guarantee covers obligations and liability incurred or assumed by the DONG E&P Group in connection with its exploration and production activities. The guarantees are not capped and the DONG E&P Group is jointly and severally liable with the other partners for obligations and liability.

DONG Energy A/S has also provided guarantees in connection with participation by subsidiaries and subsidiaries joint operations and joint ventures in gas and oil exploration and production, construction and operation of wind farms, and geothermal plants and gas installations, and has provided guarantees in respect of leases, decommissioning obligations, and purchase, sale and supply agreements, etc.

DONG Energy A/S also acts as guarantor with primary liability for bank balances in certain subsidiaries.

Indemnities

DONG Energy is a member of the reinsurance company Oil Insurance Ltd. In the event of a member's exit, an exit premium will be payable that has been calculated at USD 25.6 million (2012: USD 27.4 million) at 31 December 2013.

DONG Energy A/S is taxed jointly with other companies in the DONG Energy Group. As management company, the company has unlimited and several liability together with the other jointly taxed companies for Danish income taxes and withholding taxes on dividends, interest and royalties within the jointly taxed companies.

Litigation

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

14 Related party transactions

TRADING WITH SUBSIDIARIES

DKK million	2013	2012
Rental income and services to subsidiaries	131	141
Purchases of goods and services from subsidiaries	(110)	(197)
Interest, subsidiaries (net income)	1,594	1,632

Capital transactions and balances with subsidiaries and joint ventures at 31 December

DKK million	2013	2012
Receivables from subsidiaries	66,060	66,091
Payables to subsidiaries	(17,586)	(14,133)
Dividends received from subsidiaries	200	1,689

For a description of related parties, reference is made to note 7.13 to the consolidated financial statements.

Remuneration of the Board of Directors and the Executive Board is disclosed in note 3.

Related party transactions are made on arm's length terms.

There were no other related party transactions during the year.

15 Events after the reporting period

Subscription for new shares

The Danish State represented by the Ministry of Finance, DONG Energy A/S, the Danish pension fund Arbejdsmarkedets Tillægspension (ATP), funds managed by the Merchant Banking Division of Goldman Sachs through New Energy Investment S.a.r.l. (Goldman Sachs funds) and the Danish pension fund PFA Pension Forsikringsaktieselskab (PFA) have signed a legally binding investment agreement that sets out the terms and conditions for ATP's, Goldman Sachs funds' and PFA's investment of a total of DKK 11 billion in DONG Energy A/S by subscription for new shares.

The existing minority shareholders of DONG Energy A/S have been offered to participate in the capital increase on the same terms and conditions as the new investors to allow them to maintain their current ownership shares. Four of the existing five minority shareholders have opted to participate in DONG Energy's capital increase by subscribing for new shares.

The combined capital contribution from ATP, PFA, Goldman Sachs funds and the existing minority shareholders will consequently total DKK 13 billion. Completion of the transaction will take place in connection with an extraordinary general meeting in February 2014.

Performance highlights - non-financial

		2013	2012	2011	2010	2009
Volumes						
Production:						
Oil and gas production	million boe	31.7	28.5	26.4	24.4	24.0
- oil	million boe	8.2	10.0	9.3	9.0	8.5
- gas	million boe	23.5	18.5	17.1	15.4	15.5
Electricity generation	TWh	19.1	16.1	20.4	20.2	18.1
- thermal	TWh	13.8	11.5	16.0	16.2	15.3
- wind and hydro	TWh	5.3	4.6	4.4	4.0	2.8
Heat generation	PJ	40.2	43.0	42.6	53.2	46.7
Sales and distribution:						
Gas sales (excl. own consumption at power stations)	TWh	134.6	127.9	113.7	116.7	124.2
Electricity sales	TWh	16.8	12.6	9.9	10.4	10.7
Gas distribution	TWh	8.8	9.1	9.9	11.4	10.0
Electricity distribution	TWh	8.6	8.7	8.8	9.1	9.2
Oil transportation, Denmark	million boe	58	66	72	78	85
Environment						
EU ETS CO_2 emissions	million tonnes of CO_2	9.3	7.8	10.8	11.8	11.9
CO_2 emissions per energy unit generated (electricity and heat)[1]	g/kWh	445	443	486	524	574
Biomass share of Danish CHP generation	%	18	21	18	16	11
Nitrogen oxides (NO_x)	g/kWh	0.33	0.39	0.36	0.38	0.50
Sulphur dioxide (SO_2)	g/kWh	0.07	0.07	0.06	0.07	0.14
Gas flaring (offshore and at gas storage facility)	million Nm^3	7.1	8.9	9.0	33.0	7.3
Oil discharged to sea from production platforms	tonnes	19	16	16	8	18
Reinjection of produced water on production platforms	%	79	83	68	78	49
Recycling of waste in administration	%	61	44	48	32	31
Recycling of waste in facilities	%	76	63	59	57	57
Significant environmental incidents	number	8	3	5	6	5
Working conditions						
Full time equivalents (FTE)	number	6,496	7,000	6,098	5,874	5,865
Average age	years	42	42	42	43	43
Employee turnover	%	17	10	12	12	11
Lost time injuries	number	64	71	74	93	129
Lost time injury frequency (LTIF)	per one million hours worked	3.2	3.6	4.1	4.6	6.8
Fatalities	number	0	1	3	3	1

[1] Measured on a proportionate basis for all activities and consequently includes associates and non-consolidated enterprises.

Accounting policies for non-financial data

General

The overview of non-financial highlights for the reporting period 1 January – 31 December 2013 on page 120 and the reviews of the Group's non-financial performance and the business units' non-financial performance in 2013 on pages 26-30 include data from the entire DONG Energy Group.

DONG Energy's non-financial reporting in this report is reviewed externally. Reference is made to the assurance statement on page 127.

The compilation and determination of non-financial data comprise data relating to production, environment, health and safety and employees, applying the same delimitations and basis as for the financial data, with a few exceptions as described in the following sections. For a description of delimitations and basis for financial data, reference is made to page 122.

Materiality criteria

Management's reasons for selecting the environmental data included in this report are based on an evaluation of the business units' material environmental impacts, subsequently set corporate targets and underlying key performance indicators (KPIs) identified for one or more business units. Within health and safety and employee data, occupational injuries and injury frequency have been identified as the key KPIs based on a management evaluation, because of the major strategic focus on these throughout the Group.

This year a materiality approach has been introduced in relation to any differences detected after the closure of the reporting for the non-financial statements. Accordingly, data will only be changed if any differences detected result in a change to a KPI equalling or exceeding the materiality level.

The non-financial statements operate with two materiality levels:

- 2% for strategic KPIs set as part of DONG Energy's strategy, and
- 5% for other KPIs.

Standards applied

DONG Energy is a signatory to the UN Global Compact and prepares an annual 'Communication on Progress' report to the UN. DONG Energy's report for 2013 can be found at dongenergy.com and Global Compact's website at http://unglobalcompact.org/participant/2968-DONG-Energy-A-S.

DONG Energy has been submitting non-financial reporting annually since 2006. Global Reporting Initiative's (GRI) Reporting Guidelines have provided support in the setting up of the Group's processes for compiling non-financial data. However, in our opinion, the value of the non-financial reporting to DONG Energy could be enhanced if the indicators and choice of indicators were more in keeping with DONG Energy's business. For this reason, DONG Energy has chosen not to report in accordance with GRI in 2013. DONG Energy will follow the development in international reporting standards for non-financial reporting in order to continuously evaluate which reporting form provides DONG Energy's stakeholders with the fairest picture of the Group.

However, this change has not led to any changes in the determination of data compared with last year. The data are therefore still based on the methods described in GRI Reporting Guidelines G3.0.

Organisation and data quality

The business units' reporting has been systematised and harmonised via a common reporting system that forms the basis for the consolidated reporting. The business units are responsible for the quality of their data based on a reporting procedure designed to support a Group-wide harmonised approach to data quality. The procedure also ensures that data in the consolidated reporting can be reproduced in accordance with the stated methods for recognition, measurement and determination of data described below. Data have been recognised in the consolidated reporting based on the data reported by the business units and after an accounting technical analysis at Group level.

Additions and disposals during the year

If an activity has not been owned for the entire reporting period, it is, in principle, recognised from the date on which operation began, the acquisition date or up to the date of transfer.

For information on acquisitions and disposals of enterprises, reference is made to notes 3.5 and 3.7 on 'Acquisition of enterprises' and 'Disposals of assets and enterprises' in the consolidated financial statements.

Changes to reported data compared with 2012

The non-financial data in the performance highlights on page 120 and the review of the Group's non-financial performance and the business units' non-financial performance in 2013 on pages 26-30 are unchanged.

DONG Energy has gradually moved towards integration of financial and non-financial reporting. In 2013, non-financial reporting was further integrated into the annual report, with the integration of the operating review in management's review and the Group's CSR report in accordance with section 99(a)-(b) of the Danish Financial Statements Act. This chapter can be found on pages 11-19. Various non-financial data therefore appear in the operating review but not in the overview of non-financial highlights. The accounting policies for these data is also described below. The data relate to the calculation of DONG Energy's KPIs for installed offshore wind capacity, oil and gas production per day, energy savings by Danish customers, employees trained in good business conduct, and customer satisfaction.

In 2012, a KPI for the number of climate partnerships with the largest and most prominent Danish companies was introduced. This KPI has been omitted in 2013, as it is no longer a strategic priority for DONG Energy.

Furthermore, the operating review includes reporting on targets and policies for the distribution by gender ratio on the supreme management body and at the Group's other management levels, in accordance with section 99(b) of the Danish Financial Statements Act. A description of the method for determining targets and policies can be found in the section on Corporate governance on page 47.

The operating review includes a number of calculations of what capacity and production correspond to in terms of the consumption by households, individuals and cars. Data sources for these calculations are described at the end of the accounting policies.

Accounting policies for data compilation

As mentioned above, non-financial data are consolidated in the same way as financial data. However, special considerations apply to the KPIs CO_2 emissions per energy unit generated (g CO_2/kWh) and biomass proportion of electricity and heat generation, as described in the separate section below.

Production, capacity and sales

Electricity generation has been determined as net generation sold based on settlements from the official Danish production database. Data for generation from foreign and non-operated facilities are provided by the operators.

Heat generation is measured as net output sold. Heat generation from renewable sources is measured on the basis of monthly heat withdrawals from geothermal water. The Margretheholmen geothermal plant is not recognised, as DONG Energy does not have a share in the production, but only owns the substrata on which the facility lies.

For the hydro-electric power station Indalselven, the ownership interest has been converted to an annual withdrawal right from the plant, and the reporting is consequently based on annual withdrawals and not on total output based on ownership interest. The plant was divested in 2013.

Oil and gas production is determined on the basis of meter readings on delivery to shore.

The capacities of individual facilities have been determined as the volume of energy that the facilities can produce in the event of maximum output all year round. There is therefore a difference between capacity data and actual generation data.

Installed offshore wind capacity is a determination of the cumulative offshore wind capacity constructed by DONG Energy going back in time, regardless of whether or not DONG Energy owned the wind farms at the date of determination.

Bioethanol and bio natural gas production and sales on a pilot basis are not reported.

Electricity sales are determined as physical electricity sales to identifiable counterparties and reported on a gross basis in the financial statements. Electricity volumes and revenue are based on readings from the trading systems.

Gas sales have been determined as the physical sales recorded in the ERP system from the trading systems. Wholesale sales (including intragroup sales) are reported as total volume of gas sold less any possibilities for selling the gas back to DONG Energy under the supply contract in question. Gas sold on gas hubs in the course of the Group's physical sales and purchase activities and gas sold as part of physical swap contracts are reported on a net basis.

Data relating to gas and electricity distribution comprise Denmark only.

Electricity distribution has been determined on the basis of data from the official system in Denmark (El-Panda), which measures and calculates total area consumption.

Gas distribution has been determined on the basis of data from the official system in Denmark (Gas-Panda) that have been calculated internally based on total volumes and calorific values received from Energinet.dk.

Oil transportation has been determined on the basis of flow meter readings on delivery to shore.

Environment

Environmental data comprise resource consumption, emissions and discharges, waste and environmental incidents. Construction projects and development projects and similar activities that are not part of the ordinary operations are not included in the reporting.

In the case of activities in Exploration & Production, Wind Power and Customers & Markets where DONG Energy is not the operator, only environmental impacts from the production activities are included, and not any impact from administrative support functions. Construction projects, exploration and drilling projects, development projects and non-operated gas storage facilities, including the LNG terminal and similar activities that are not part of the Group's ordinary operating activities, are not included in the reporting. Waste data are not received from fields where DONG Energy is not the operator.

Emissions and discharges

Calculations of EU ETS (CO_2) emissions are made at facilities that are subject to these emissions trading schemes and for which DONG Energy is responsible in its capacity as operator or its capacity as accountable for operations, and in accordance with the methods laid down in the Danish Act on (CO_2) Emissions Allowances.

CO_2 emissions per energy unit generated (g CO_2/kWh) have been determined as physical CO_2 emissions relative to total physical generation of electricity, heat and steam supplied to the grid. For the purposes of calculating specific emissions in connection with the KPI CO_2 emissions per energy unit generated, electricity, heat and steam supplies as well as CO_2 emissions from all generating installations are recognised, excluding the Exploration & Production business unit, based on DONG Energy's actual ownership interests. This means that directly owned associates and investments are also recognised based on a proportionate basis. However, a triviality rule has been introduced, which means that facilities with a total installed electricity, heat or steam capacity of less than 10 MW are omitted. Mongstad power station is also included as it is owned and operated by DONG Energy; however, the plant is not consolidated financially as it is held under a lease. The company was divested in 2013.

Specific CO_2 emissions (g CO_2/kWh) are calculated by converting heat and steam to electricity equivalents. The equivalent electricity supplies represent the volume of additional electricity that could have been supplied if the power stations had not been generating heat and/or steam.

Waste is not recognised as being a 100% CO_2-neutral fuel: a conversion factor of 35 kg CO_2/GJ from incinerated waste to CO_2 emissions is applied. Biomass, biogas, landfill gas and livestock manure are recognised as CO_2-neutral.

Emission and production data are compiled applying the normal quality criteria, with the exception of data from associates, where a lower quality level is accepted. Data from the associate Stadtwerke Lübeck GmbH have not been recognised, as no data were available. The company was divested in 2013.

Power station nitrogen oxide (NO_x) and sulphur dioxide (SO_2) emissions are mainly determined based on continuous measurement. A few power stations use plant-specific emission factors to calculate emissions. Specific emissions are determined as physical NO_x/SO_2 emissions from power stations relative to their total physical production of electricity, heat and steam supplied to the grid.

Specific emissions (g NO_x/SO_2 per kWh) are calculated by converting heat and steam to electricity equivalents using the same method as for calculating specific CO_2 emissions.

Flaring of natural gas at offshore installations is determined using ultrasonic measurements. Volumes for the Stenlille gas storage facility are calculated based on pressure and the dimension of the emptied process plant.

Oil discharged to sea from production platforms is determined on the basis of extracted and reinjected volume, including measurements of content (oil and water). Oil discharged with produced water is calculated on the basis of three daily samples that are analysed for oil content and one sample every 24 hours based on ballast water.

Reinjection of produced water at production platforms is determined based on pump capacity, pressure and time.

Biomass proportion

The biomass proportion in Danish power station generation is calculated as the proportion of total generation at the Danish power stations that is based on biomass. The proportion of power station generation based on biomass is calculated as the ratio of the energy content of the biomass fuels to the total energy content of the total fuels used at each plant. To allow a compilation of generation at power stations that generate both electricity and heat, heat generation is converted to equivalent electricity generation using the same method as for calculating specific emissions.

Energy efficiency

DONG Energy no longer reports overall energy savings as the existing calculation method does not allow account to be taken of the fact that, in the transformation towards more renewable energy, DONG Energy has to use larger volumes of energy to maintain security of supply. When less wind energy is generated, more energy-intensive start-ups at the power stations are required. In 2014, DONG Energy will determine how to report on and calculate energy efficiency in future in order to provide a fairer view of the energy saving activities undertaken.

The energy consumption reported and the savings made apply to office buildings operated by DONG Energy.

Recycling of waste

Waste and recycling of same are measured on the basis of invoices received from waste recipients and/or using plant-specific measuring methods for production facilities, including construction activities.

Waste from buildings that accommodate 1% or less of the total number of employees is not reported. Waste from the construction of office buildings is not recognised, as the contractor disposes of waste as part of the design-build contract.

For offshore installations and power stations, the reporting includes drilling projects and projects at existing installations, as waste data from projects form part of the plants' overall waste data.

Significant environmental incidents

The impact and materiality of all environmental incidents at facilities for which DONG Energy is responsible in its capacity as operator or its capacity as accountable for operations are evaluated applying the Group's procedure for impact assessment of environmental incidents. In this context, an environmental incident is defined as an unwanted event that has a negative environmental impact. Only incidents with actual environmental impact are reported. Incidents are only determined for DONG Energy-operated facilities and the Group's operating activities.

Labour

Labour comprises employee data and safety data in the form of occupational injuries.

Employees

Employees working under contract in Danish and foreign DONG Energy companies are included in the reporting if the company is more than 50%-owned, but not employees of associates. Employee data are recognised based on records from the Group's ordinary registration systems. The number of employees is determined as the number of employees at the end of the financial year converted to full-time equivalents (FTE). Employees that have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or part of their duties during the notice period.

Employee turnover is calculated as the number of permanent employees that have left the company relative to the average number of permanent employees in the financial year. The average number of employees is determined as a weighted average of recorded permanent employees during the year.

Average age has been measured as the average age of employees at the end of the financial year.

Occupational injuries

Occupational injuries and lost time injuries for own employees and suppliers are included for companies that are wholly or partly owned by DONG Energy and where DONG Energy is directly responsible for safety.

Data are recognised for own employees and for suppliers working in or providing services in areas in which DONG Energy is directly responsible for safety in its capacity as operator or because of the operating assignment or construction/design assignment. Data from Danish and most of the foreign sites are recognised. The criteria for the recognition of suppliers vary for the individual business units and over time.

A lost time injury is defined as an injury that results in incapacity for work of one or more calendar days in addition to the day of the incident. Fatalities are included.

The lost time injury frequency is calculated as the number of lost time injuries per one million hours worked. Working hours are based on 1,667 working hours annually per full time equivalent (FTE) and monthly records of the number of employees converted to FTE. For suppliers, the actual number of hours worked is recognised on the basis of data provided by the supplier, access control systems at locations or estimates. The injury frequency, and the development of the injury frequency, is subject to some uncertainty as a result of the data basis for hours worked and varying criteria for recognition of suppliers.

Other

Energy savings by customers

DONG Energy helps its customers by providing energy advisory services, including through climate partnerships, the sale of advisory services to companies and initiatives to extend the opportunities for grants under the Danish Energy Agency's energy saving scheme. The reported data are determined in accordance with Agreement of 13 November 2012 on the Energy companies' energy savings efforts.

Customer satisfaction

Customer satisfaction for business customers is determined on the basis of 200 quarterly interviews with DONG Energy's business customers, chosen by random selection from all business customers, with the exception of small and medium-sized enterprises.

Customer satisfaction for residential customers is determined on the basis of monthly interviews with 300 electricity customers and 100 gas customers, chosen by random selection from all residential customers. Results are weighted based on the ratio of the number of electricity customers to the number of gas customers and combined into a single figure for satisfaction among residential customers.

Employees trained in good business conduct

The percentage proportion of employees is the proportion of active employees at 31 December that had completed training in good business conduct.

Comparisons with consumption and CO_2 emissions

A number of comparable calculations of KPIs are made in the chapter Our activities on pages 11-19. Offshore wind capacity is compared with Europeans' annual electricity consumption based on 4,000 full-load hours per year and eurostat's data for electricity consumption per capita in the home (EU27) in 2010.

Biomass-based electricity and heat generation is compared with Danish households' annual electricity and heat consumption based on consumption data from the Danish Energy Agency (2010). The same applies to energy savings achieved by Danish customers; however, household consumption is broken down by consumption per capita based on an average of two persons per household.

Oil and gas production is compared with Europeans' annual oil and gas consumption in the home and for transport, based partly on data for households' oil and gas consumption from eurostat (EU27, 2011), and partly on a calculation of annual petrol consumption for transport (EU27) based on data from the Odyssee database and data for the calorific value of petrol from the Danish Energy Agency.

The difference between DONG Energy's CO_2 emissions from electricity and heat generation in 2013 and 2006 respectively is compared with the annual CO_2 emissions of passenger cars based on the same data for transport as referred to above and data for CO_2 emissions per energy unit of petrol from the Danish Energy Agency.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the annual report of DONG Energy A/S for the financial year 1 January - 31 December 2013.

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 and state-owned public limited companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2013 of the Group and the Parent Company 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 2013.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

DONG Energy's non-financial reporting is presented in accordance with the disclosure requirements for presenting a social responsibility statement as set out in section 99(a)-(b) of the Danish Financial Statements Act. In our opinion, the non-financial report represents a reasonable and balanced representation of the Company's corporate responsibility and sustainability performance.

We recommend that the annual report be approved at the Annual General Meeting.

Skærbæk, 5 February 2014

Executive Board:

Henrik Poulsen
CEO

Marianne Wiinholt
CFO

Board of Directors:

Fritz H. Schur
Chairman

Jakob Brogaard
Deputy Chairman

Hanne Steen Andersen*

Benny Gøbel*

Jørn P. Jensen

Pia Gjellerup

Jytte Koed Madsen*

Poul Arne Nielsen

Jens Nybo Stilling Sørensen*

Benny D. Loft

Mogens Vinther

* Employee representative

Independent Auditor's Report

To the Shareholders of DONG Energy A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DONG Energy A/S for the financial year 1 January to 31 December 2013, pages 52-118, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies, for both the Group and 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 and State-owned public limited companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgment, 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 auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management, as well as 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 audit 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 2013 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and State-owned public limited companies.

Statement on Management's Review

We have read Management's Review, pages 1-51, in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements.

On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 5 February 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Fin T. Nielsen
State Authorised Public Accountant

Mogens Nørgaard Mogensen
State Authorised Public Accountant

Independent Auditor's Assurance Report

Independent Auditor's Assurance Report for DONG Energy's stakeholders

We have reviewed DONG Energy's 2013 non-financial statements for the purpose of expressing an opinion on DONG Energy's CSR data.

Criteria used to prepare the non-financial statements

The criteria used to prepare the non-financial statements are set out in the description of accounting policies on pages 121-124. The description contains information on which of DONG Energy Group's business units and activities are comprised by the reporting and Management's reasons for choosing the data included. Data are recognised in accordance with the described applied accounting policies for non-financial data.

Responsibilities

DONG Energy Management is responsible for preparing the non-financial statements, including for establishing registration and internal control systems with a view to ensuring a reliable reporting basis, specifying acceptable reporting criteria and choosing data to be collected. Based on our review, it is our responsibility to express an opinion on the CSR data in the non-financial statements.

Scope

We have planned and performed our work in accordance with the international standard on assurance engagements ISAE 3000 ("Assurance Engagements Other than Audits or Reviews of Historical Financial Information") for the purpose of obtaining limited assurance that the CSR data presented on page 120 have been recognised in accordance with the criteria used to prepare the non-financial statements. The obtained assurance is limited as our engagement has been limited compared to an audit engagement. Based on an assessment of materiality and risk, our work has first and foremost comprised enquiries regarding applied instructions, registration and reporting systems, procedures with focus on internal controls, auditing analyses of the master data used to prepare the non-financial statements, sample testing of data and underlying documentation, including visits at selected local entities, and control of whether the non-financial data comply with DONG Energy's described accounting policies.

Opinion

Based on our work, nothing has come to our attention causing us to believe that the CSR data presented on page 120 of the 2013 Annual Report have not been recognised in accordance with the criteria used to prepare the non-financial statements.

Special statement on social responsibility statement

We have furthermore assessed if and can confirm that DONG Energy in its reporting complies with the requirements for presenting a social responsibility statement as set out in section 99a of the Danish Financial Statements Act.

Copenhagen, 5 February 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Fin T. Nielsen
State Authorised Public Accountant

Mogens Nørgaard Mogensen
State Authorised Public Accountant

Company announcements published in 2013

Q1

23 January
DONG Energy's comments on the report of the Danish National Audit Office (Rigsrevisionen)

28 January
Financial Calendar 2013

30 January
DONG Energy to build Westermost Rough offshore wind farm

18 February
DONG Energy to present full-year 2012 results

19 February
DONG Energy to divest its Polish onshore wind business to PGE and Energa

21 February
DONG Energy comments on article in the Danish weekly newspaper Weekendavisen

27 February
Announcement of financial results 2012

7 March
Aarhus to get green district heat

Q2

2 April
Revised hybrid criteria announced by Standard & Poor's

4 April
Additional information from Standard & Poor's on revised hybrid criteria

8 April
Green heat to the Greater Copenhagen area

11 April
DONG Energy enters into agreements on 6 megawatt offshore wind turbines with Siemens AG for German projects

15 April
DONG Energy to present first quarter results

22 April
Interim financial report – Q1 2013 – Satisfactory start to the year

30. April
DONG Energy merges two business units

23 May
DONG Energy signs new credit facilities

28 May
Conversion of Studstrup Power Station is postponed

5 June
Polish competition authorities approve DONG Energy's sale of the Polish onshore wind business

6 June
DONG Energy's interest in the Ormen Lange gas field increases – Positive impact on financial outlook

10 June
Update on DONG Energy A/S' 3010 hybrid securities

13 June
Announcement of Minimum New Issue Spread for the NC10 New Securities

19 June
Announcement of Indicative Exchange Offer results

19 June
Intention to issue Additional NC10 New Securities

19 June
Results of Exchange Offer and NC10 New Issuance

20 June
Launch of Tender Offer

25 June
DONG Energy to divest onshore wind business in Denmark to SE and PFA

27 June
DONG Energy divests its stake in the Swedish hydro power company Kraftgården AB to three Finnish energy companies

Q3

2 July
DONG Energy A/S announces its intention to issue hybrid capital with first par call date in 2018

2 July
Successful issuance of hybrid capital with first par call date in 2018

4 July
DONG Energy divests Norwegian power plant to Statoil

11 July
Result of Tender Offer

12 July
DONG Energy divests ownership interest in Stadtwerke Lübeck GmbH

13 August
DONG Energy to present first half-year results

20 August
DONG Energy: Interim financial report – H1 2013 – Good progress on implementation of financial action plan

10 September
Redemption notice to the remaining holders of €700,000,000 7.75 per cent. callable subordinated capital securities due 3010 and notice to the holders of £500,000,000 5.75 per cent. securities due 2040

10 September
Disposal of transmission assets at London Array, the world's largest offshore wind farm

Q4

2 October
Goldman Sachs, ATP and PFA to invest DKK 11 billion in DONG Energy A/S – final agreement expected to be concluded before the end of 2013

3 October
Carsten Krogsgaard Thomsen to step down as CFO. Marianne Wiinholt will be the new CFO

14 October
DONG Energy presents first nine months results

23 October
Interim financial report – 9M 2013 – DONG Energy revises 2013 outlook upward

18 November
DONG Energy to build Gode Wind 1 and 2 offshore wind farms in Germany

20 November
DONG Energy is selling the office premises in Gentofte to ATP and has entered into a long-term lease agreement

29 November
ATP, Goldman Sachs funds and PFA to invest DKK 11 billion in DONG Energy A/S – Investment agreement has been signed

10 December
DONG Energy divests British power station

12 December
DONG Energy acquires UK offshore wind development project Race Bank

16 December
Financial Calendar 2014

20. December
DONG Energy acquires full ownership of three offshore wind development projects in the Netherlands

Glossary

2P reserves: Sum of Proved reserves plus Probable reserves (Society of Petroleum Engineers and World Petroleum Congress (SPE/WPC) reserve classification standards).

Biomass: Also known as biomass fuel. A term for all combustible organic materials, including straw, wood chips and wood pellets. CO_2 emissions produced by the combustion of biomass are not covered by EU ETS. Biomass can be used in both central power stations and small-scale CHP plants.

CHP plant: A Combined Heat and Power (CHP) plant generates both heat and electricity in the same process. The heat generated may be used for industrial purposes and/or district heating.

Climate partnerships: A climate partnership helps the company to reduce energy consumption, use renewable energy and ensure a transparent climate profile.

CO_2 allowances: Carbon dioxide emissions allowances subject to the European Union Emissions Trading Scheme (EU ETS).

Cost of Electricity: Average cost measured as present value per megawatt hour (MWh) generated from offshore wind power covering costs for development and construction as well as subsequent operation and maintenance of the wind farm.

DK1 and DK2: Area prices for electricity in West Denmark (DK1) and East Denmark (DK2).

EEX: European Energy Exchange, German power exchange.

Exploration and appraisal wells: Wells drilled to discover and evaluate natural gas or oil in an unproved area to find new reserves in an area in which hydrocarbon discoveries have previously been made or to delineate a known accumulation.

Fossil fuels: Fuel resources such as coal, coal products, natural gas, crude oil and other hydrocarbon products.

FTE: Full Time Equivalent. The number of full-time employees during a fixed time period. An FTE of 1.0 indicates that the person is equivalent to a full-time worker, while an FTE of 0.5 indicates that the person works part time only.

Green certificates: Certificate awarded to generators of environment-friendly electricity as a supplement to the market price of electricity in the given price area.

Green dark spread (GDS): Green dark spread represents the contribution margin per MWh of electricity generated at a coal-fired power station of a given efficiency. It is determined as the difference between the market price of electricity and the cost of the coal (including associated freight costs) and CO_2 allowances used to generate the electricity.

Green spark spread (GSS): Green spark spread represents the contribution margin per MWh generated at a gas-fired power station of a given efficiency. It is determined as the difference between the market price of electricity and the costs of the gas and CO_2 allowances used to generate the electricity.

Hedging instruments: Financial and physical instruments that can be used to guarantee a specific price for the purchase or sale of, for example, commodities and currency.

Hydrological balance: Most of the electricity generated in the Nordic countries comes from hydro electric stations, and their output depends on their water reservoir levels. The hydrological balance reflects whether the levels in the Norwegian and Swedish water and snow reservoirs are above or below normal.

LNG: Liquefied Natural Gas. Gas that has been liquefied by cooling to minus 161 degrees Celsius. LNG takes up 600 times less space than conventional gas. LNG can be transported in customised tankers to receiving terminals, where the LNG is vaporised and pressurised before being routed into the transmission system for onwards distribution and sale.

LTIF: Lost Time Injury Frequency. DONG Energy defines lost time injuries as occupational injuries resulting in at least one day's absence from work in addition to the day of the injury.

Million boe: Million barrels of oil equivalent.

NBP: National Balancing Points, UK gas hub.

Nord Pool: The Norwegian-based Nordic power exchange, which facilitates electricity trading in Norway, Sweden, Finland and Denmark.

Oil/gas spread: The difference in price between a TWh of gas traded on a gas hub and a TWh of gas bought or sold under an oil price-indexed contract.

Operator: The company appointed to conduct operations under an exploration, production and/or development licence or concession governing an oil or natural gas licence or concession area.

PJ: Petajoule, a unit of energy. 1 PJ is equivalent to 1,000 TJ or 1,000,000 GJ or 1,000,000,000 MJ.

Power station: A power station generates electricity only. A large (central) power station typically has a net installed capacity of more than 100 MW. A small-scale power station typically has a net installed capacity of less than 100 MW.

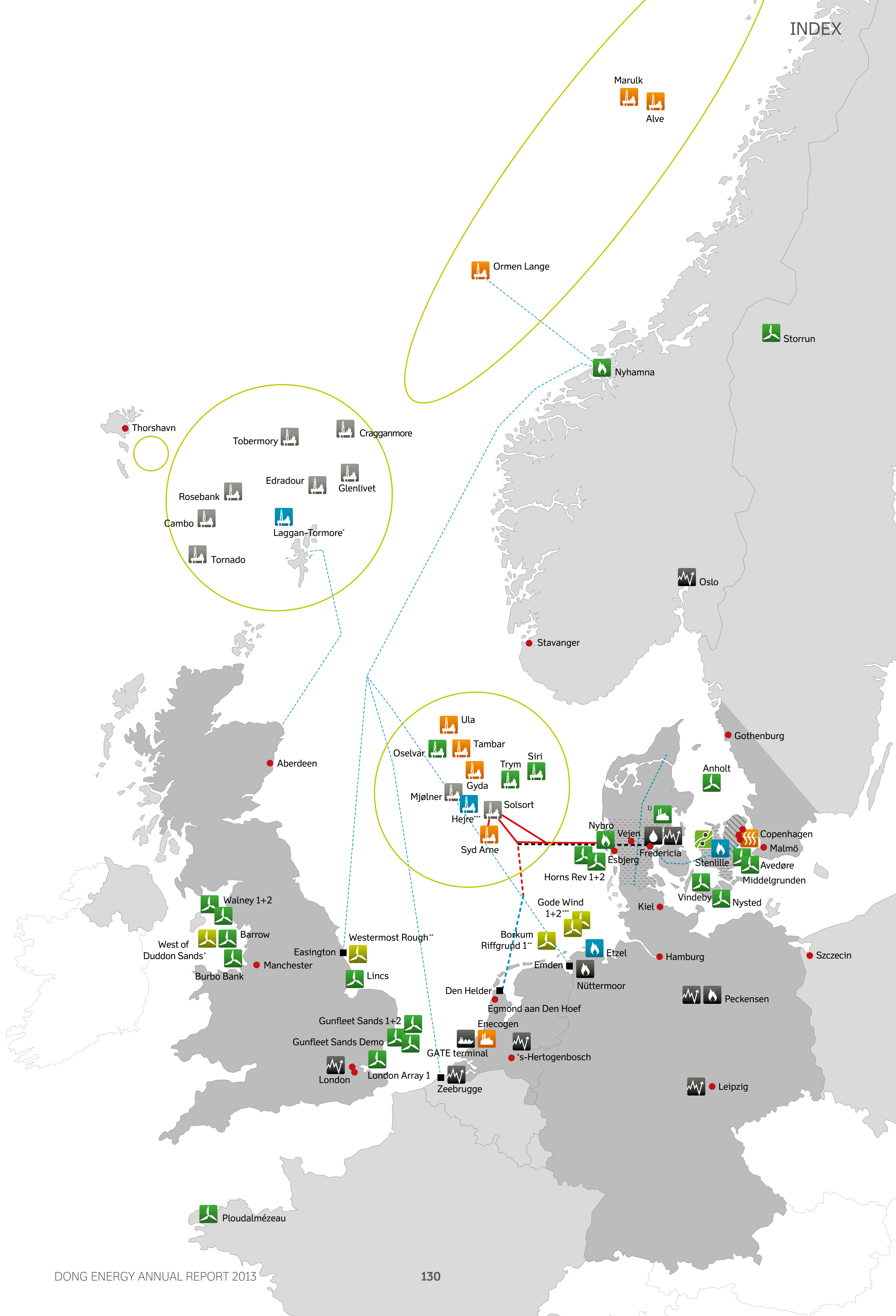
Supply obligation: A company with a supply obligation is bound by law to deliver electricity or natural gas to a certain geographic area at prices approved by the Danish Energy Regulatory Authority.

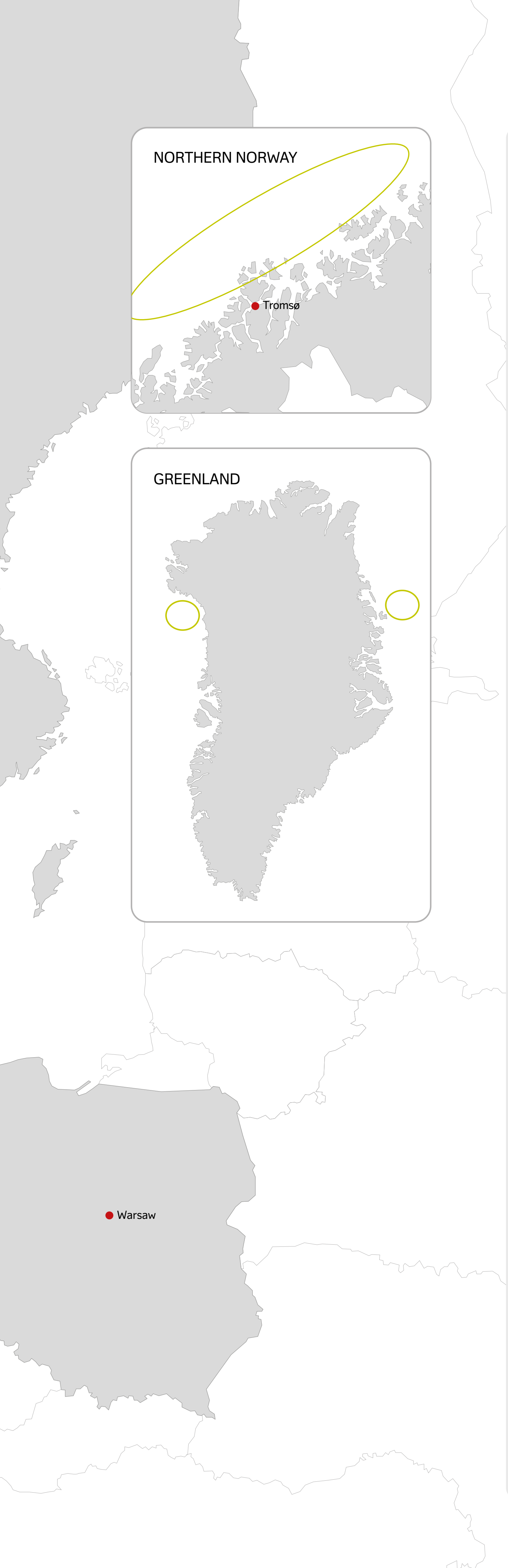
Thermal generation: Electricity and heat generated through the combustion of fossil fuels, biomass or waste.

TTF: Title Transfer Facility, Dutch gas hub.

TWh: Terawatt hour. The amount of energy generated in one hour with the effect of 1 TW. 1 TWh is equivalent to 1,000 GWh or 1,000,000 MWh.

Value at Risk (VaR): Indicator that reflects the maximum amount by which the value of a position will fall in the course of one day, with a probability of 95%, given normal market conditions.


Marulk
Alve
Ormen Lange
Storrun
Nyhamna
Thorshavn
Tobermory
Cragganmore
Edradour
Glenlivet
Rosebank
Cambo
Laggan-Tormore*
Tornado
Oslo
Stavanger
Aberdeen
Ula
Tambar
Oselvar
Siri
Trym
Gyda
Mjølner
Solsort
Hejre***
Syd Arne
Gothenburg
Anholt
1)
Nybro
Vejen
Fredericia
Esbjerg
Horns Rev 1+2
Copenhagen
Malmö
Stenlille
Avedøre
Middelgrunden
Vindeby
Nysted
Kiel
Gode Wind
1+2***
Borkum
Riffgrund 1**
Etzel
Emden
Nüttermoor
Hamburg
Szczecin
Walney 1+2
Barrow
West of
Duddon Sands*
Burbo Bank
Manchester
Westermost Rough**
Easington
Lincs
Den Helder
Egmond aan Den Hoef
Enecogen
Peckensen
Gunfleet Sands 1+2
Gunfleet Sands Demo
GATE terminal
's-Hertogenbosch
London
London Array 1
Zeebrugge
Leipzig
Ploudalmézeau



Current geographic focus area for exploration and production of oil and natural gas

Natural gas pipeline owned by DONG Energy

Natural gas pipeline owned by third parties

Natural gas pipeline partly owned by DONG Energy

Gassled, natural gas transmission system partly owned by DONG Energy

Oil pipeline owned by DONG Energy

Oil processing plant

Gas and/or electricity sales

Electricity distribution

Natural gas distribution

Natural gas storage facility

Leased natural gas storage facility

Natural gas treatment plant

Gas receiving facility

Heat and electricity generation

Electricity generation, gas-fired power station

Wind in operation

Wind project under construction

Generation of geothermal heat

Energy hub or exchange

DONG Energy office

GATE terminal. Liquefied natural gas (LNG) terminal, import capacity

Producing oil/gas field. DONG Energy is a licence partner

Producing oil/gas field. DONG Energy is the licence operator

Oil/gas field under development

Oil/gas field under evaluation

Inbicon bioethanol plant

* Expected on stream in 2014

** Expected on stream in 2015

*** Expected on stream in 2016

1) 9 central power stations and 1 waste-fired CHP plant in Denmark