DONG ENERGY – LEADING THE ENERGY TRANSFORMATION

May/June, 2016

DONG energy

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DONG energy

DONG Energy today

Key figures 2015:
- DKK 70.8 Bn revenue
- DKK 18.5 Bn EBITDA
- ~6,700 employees

% share of operating profit (EBITDA[1]), 2015

% share of capital employed as of 31 December 2015

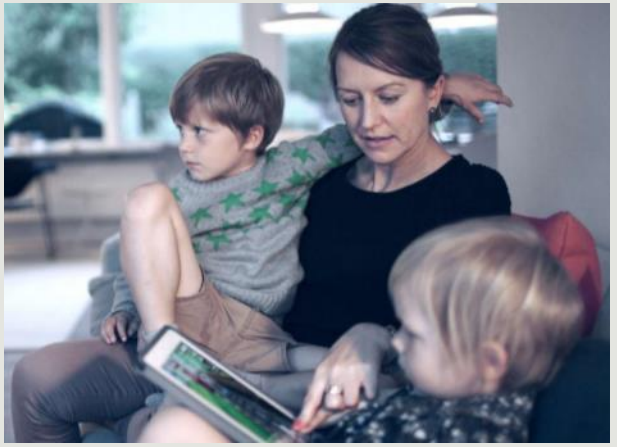
Wind Power

34% | 75%

- Global leader in attractive offshore wind market
- Solid track-record in delivering large projects
- Cost-of-electricity being systematically reduced by offshore wind
- Robust and highly visible build-out plan
- Differentiated partnership model
- Attractive pipeline options post-2020

Danish utility

13% | 16%



- #1 power distribution network in Denmark
- #1 residential and industrial energy sales position in Denmark
- #1 in Danish heat and power generation with a strong and increasing biomass position
- REnescience: Innovative bioenergy technology for waste treatment

Oil & Gas

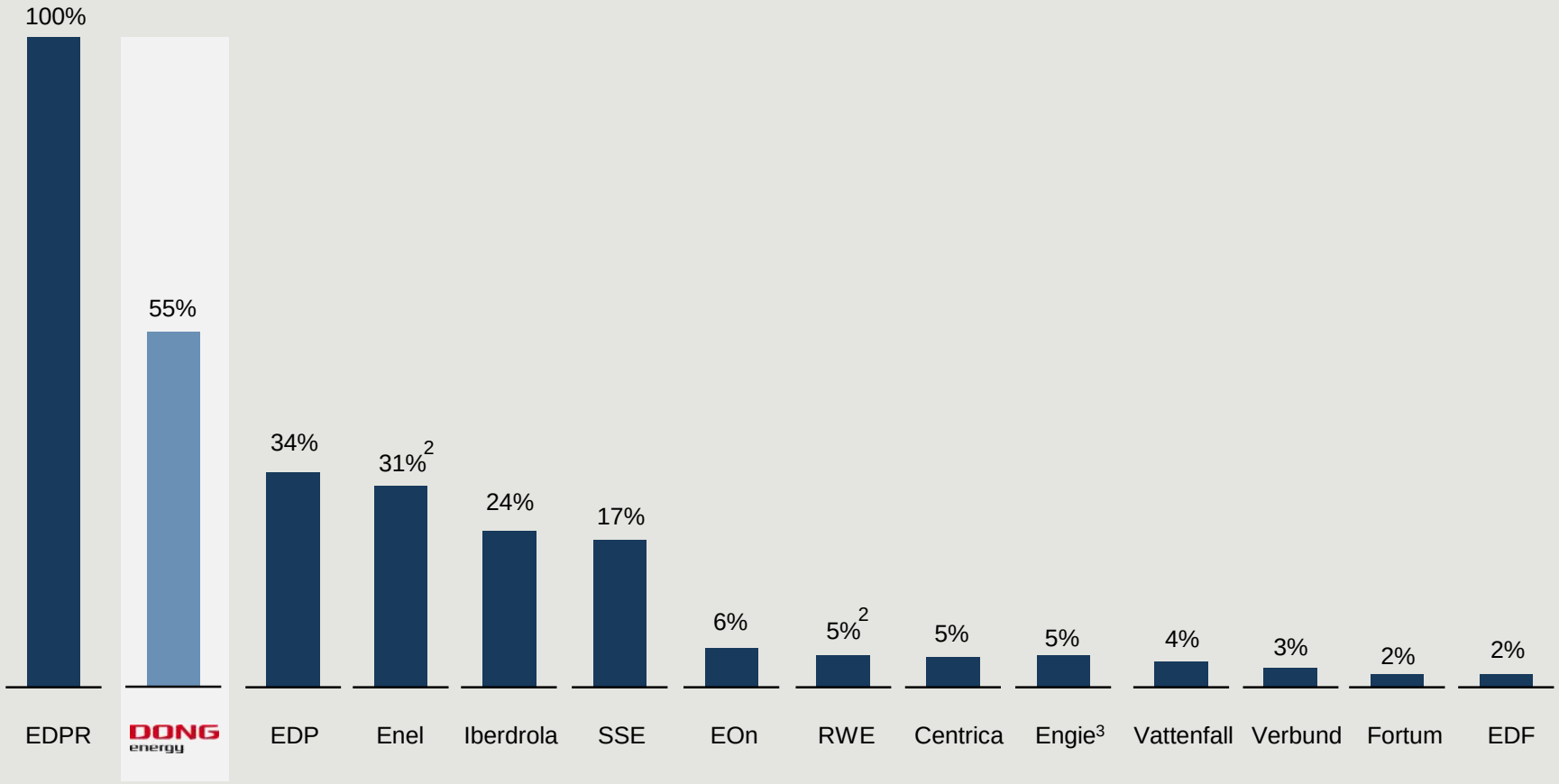
53% | 9%

- Focused position with activities in Denmark, Norway and UK
- Low-cost, low-risk core assets
- Managed for cash to support renewable growth
- Strong hedging position

1. Unless otherwise specified EBITDA is stated in business performance throughout this presentation

DONG Energy is at the forefront of shift towards renewable energy

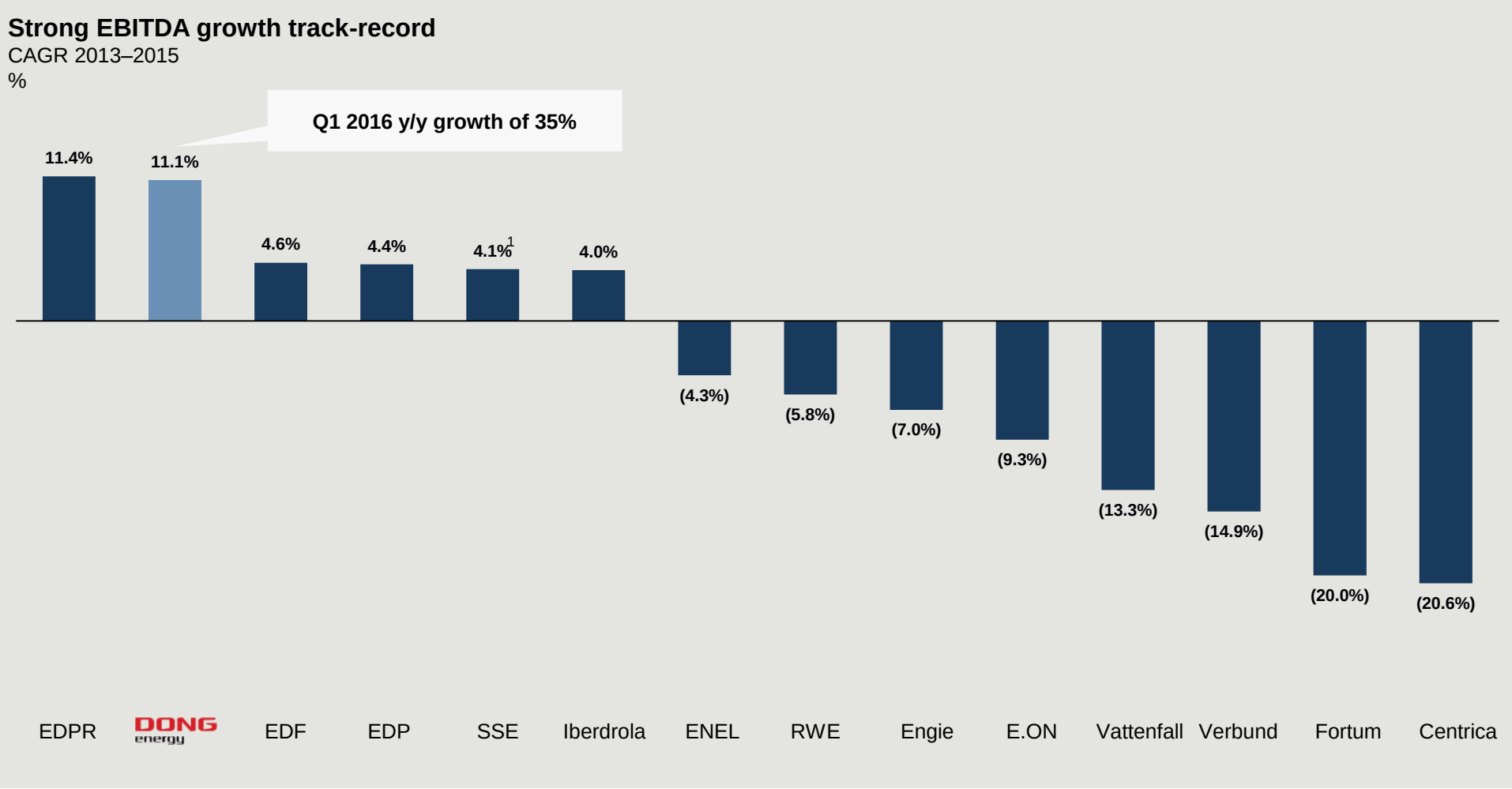
2015 production from new renewables in % of total[1] compared with peers



Source: Company reports and other publicly available information

1. New renewables include onshore wind, offshore wind, solar PV and bioenergy
2. Includes hydro due to lack of disclosure granularity
3. Engie estimates are based on net ownership

Outperforming most peers



Source: Company reports

1. SSE CAGR based on fiscal years 2013-2015, ended 31 March

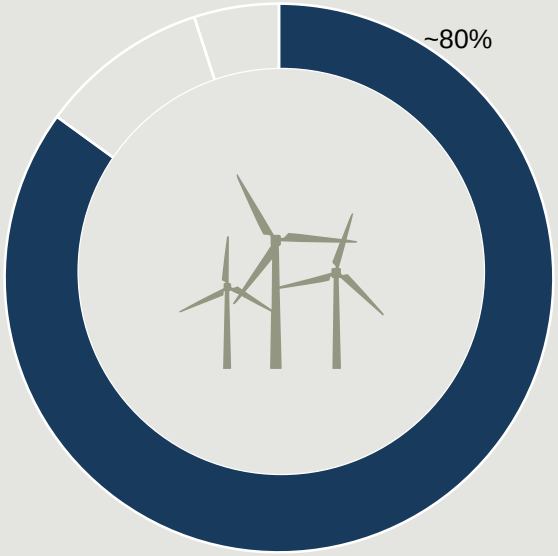
Investment strategy drives growth and returns

Gross CAPEX target 2016-2020

Wind Power

Growth engine

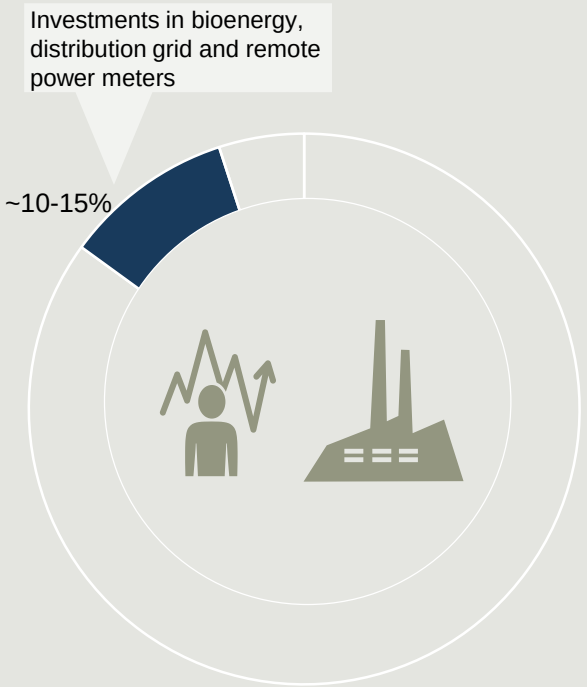
– **Invest in competitive advantage and accelerated, profitable growth**



Danish utility

Stable earnings and green conversion

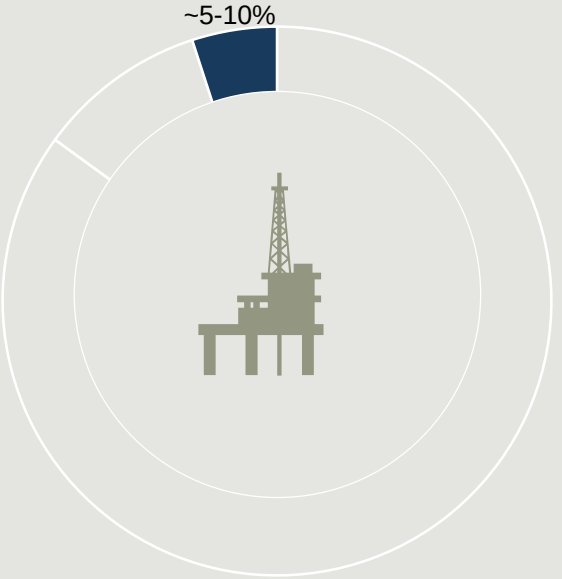
– **Optimise regulated returns and develop growth options**



Oil & Gas

Cash generator

– **Manage quality producing assets for cash and reinvest in renewables**

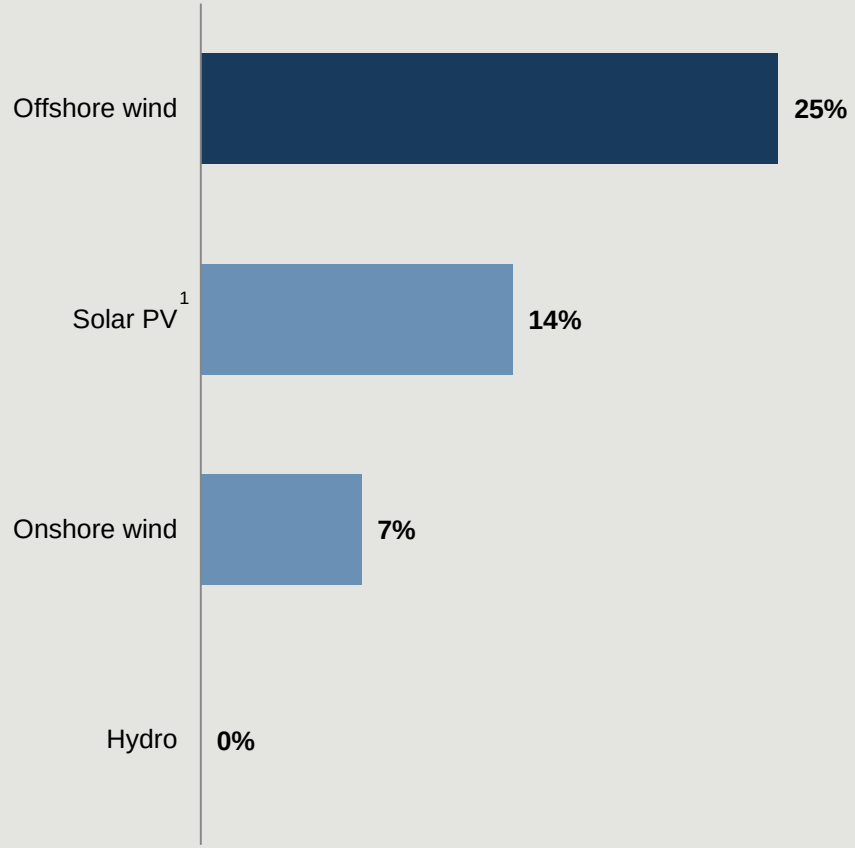


Gross capex target 2016: DKK 18-21 Bn; Gross capex target 2017-2020: DKK 60-70 Bn

Offshore wind is a large scale renewable technology with growth rates exceeding other renewables

Fastest growing renewable technology in OECD

Installed capacity CAGR, 2014-2020
%



Offshore wind offers multiple advantages

Utility size power generation
659 MW Walney Extension will power more than 460,000 UK homes

Offers +45% load factors[2]
Significantly higher than onshore wind and solar PV

Rapidly declining cost
Industry maturity, volume and technological development reduce LCoE[3]

Limited visual impact on landscape
Wind farms are built far from shore

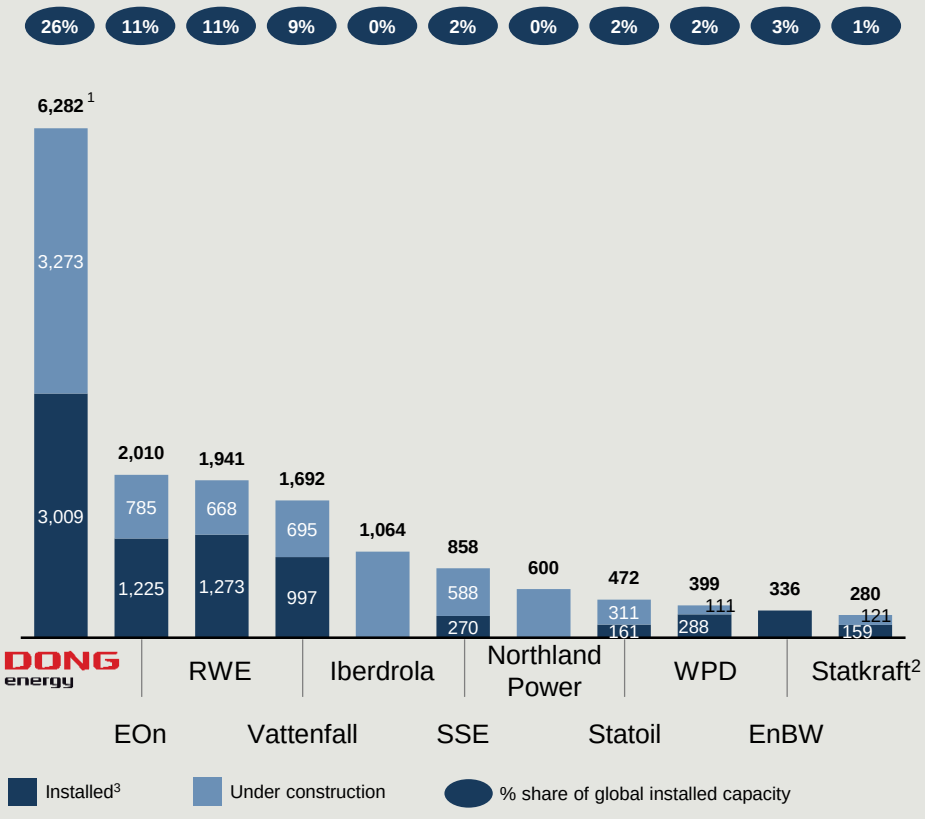
Source: Bloomberg New Energy Finance (BNEF)
1. Sum of utility-scale PV and small-scale PV
2. Load factor is a performance indicator measuring to what degree a wind farm has produced according to the farms capacity (actual production / (capacity x hours in period))
3. According to BNEF, long-term offtake price required to achieve a required equity hurdle rate for the project

DONG energy

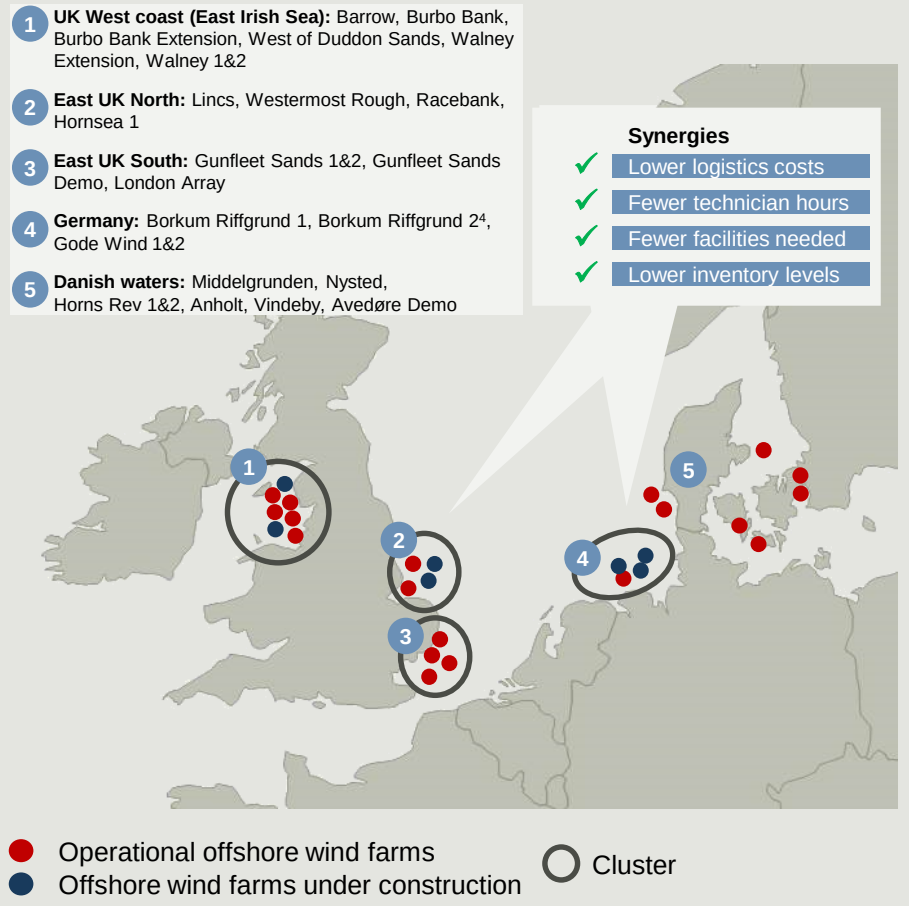
DONG Energy pioneered the offshore wind industry and is today the global leader

Largest offshore wind player globally today

Global offshore wind capacity
MW



Wind Power's scale enables cluster synergies



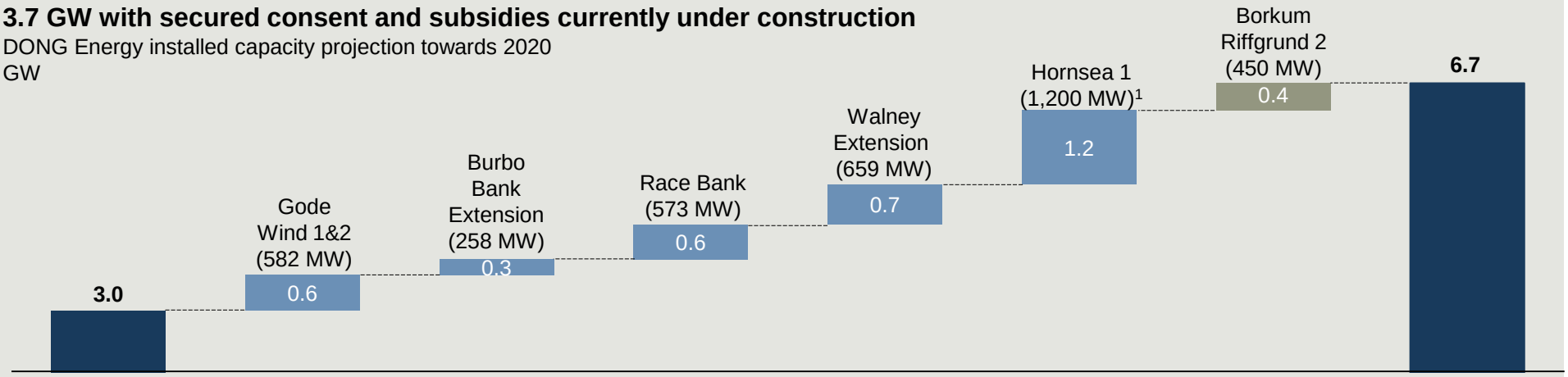
Source: Bloomberg New Energy Finance February 2016, DONG Energy analysis

1. Excluding Borkum Riffgrund 2 which is pending FID
2. Statkraft has decided to scale down their activities in offshore wind. Current assets will be built and development projects will be brought forward to allow divestment before FID
3. If a project is executed on behalf of a lead developer managing the construction, then 100% of capacity is allocated to the lead developer. If construction is executed by an integrated joint venture, capacity is allocated in proportion to the JV share
4. Pending FID

Robust and highly visible offshore wind build-out plan until 2020

3.7 GW with secured consent and subsidies currently under construction

DONG Energy installed capacity projection towards 2020
GW



Country						
FID timing	November 2013	December 2014	June 2015	October 2015	February 2016	Later 2016
Expected commissioning	Q3 2016[2]	Q2 2017	H1 2018	H2 2018	H1 2020	H1 2019
Current progress						
On budget	✓	✓	✓	✓	✓	NA
Subsidy regime	Feed-in-tariff	CfD[3]	ROC[4]	CfD[3]	CfD[3]	Feed-in-tariff
Subsidy level	194/154/39 EUR/MWh[5]	150 GBP/MWh	1.8 ROC/MWh	150 GBP/MWh	140 GBP/MWh	184/149/39 EUR/MWh[4]
Subsidy expiry	2036	2032	2037	2033	2036	2039

1. The export capacity of Hornsea 1 is 1,200 MW determined by the boundary of the facility (offshore substations), while the aggregated installed generator capacity is 1,218 MW
2. Gode Wind 1 to be commissioned in Q3 2016, while Gode Wind 2 is to be commissioned in Q2 2016
3. Contract for difference, indexed with CPI
4. Renewable obligation certificates, indexed with RPI
5. Phase 1 for 8 years, phase 2 for 21 months (28 months for Gode Wind 2) and phase 3 (floor) to year 20

Wind Power has built a strong integrated end-to-end business model

DONG Energy Wind Power core competencies

~1,970 Full-time employees[2]

Develop *Identify and mature projects* **~100**

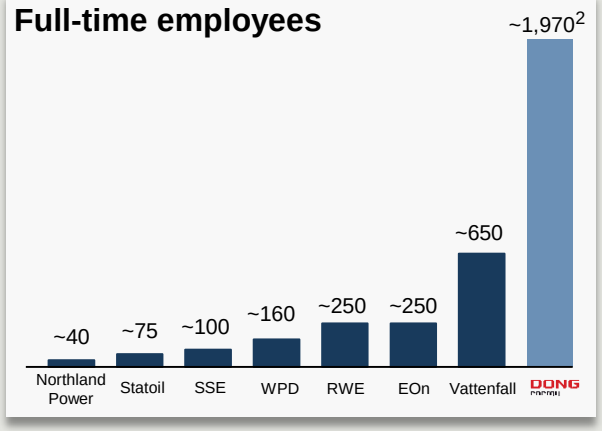
Build *Manage construction, sourcing and supply* **~1,140**

Operate *Conduct life-cycle maintenance* **~640**

Own *Attract capital through partnerships* **~90**

- ✓ Ability to **design and optimise** projects with a **'total life-cycle cost of wind farm'** mindset
- ✓ Experience and expertise along the entire value chain allow for **better understanding and management of risks**
- ✓ End-to-end model reduces LCoE through **fast** feedback and **learning** across the entire organisation

Full-time employees



1. Front-end engineering design
2. Excluding CT Offshore and A2SEA

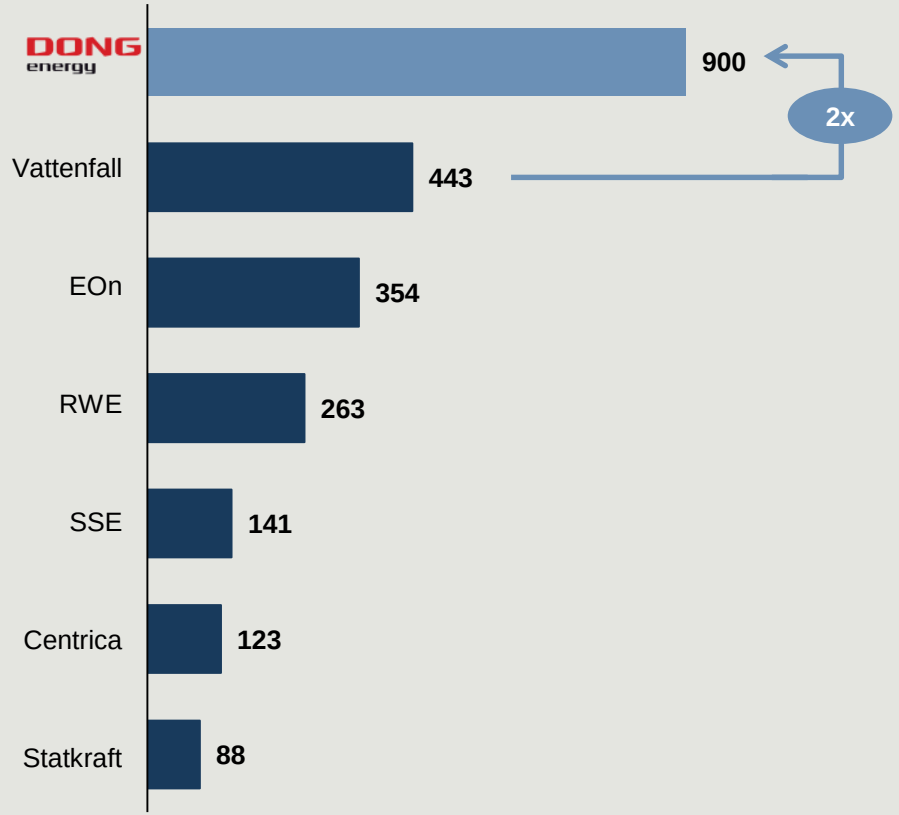
Proven construction track-record and leading operating capabilities

Construction track-record due to full EPC[1] control

Country	Asset	FID	Gross capacity (MW)	FID budget
	Westermost Rough	2013	210	15-20%, below
	Borkum Riffgrund 1	2011	312	5-10%, below
	West of Duddon Sands	2011	389	5-10%, below
	Anholt	2010	400	10-15%, below
	London Array	2009	630	10-15%, above
	Walney 1&2	2009	367	5-10%, above
	Horns Rev 2	2007	209	5-10%, above

Leader in operating offshore wind farms

of operated turbines end of 2015



1. Engineering, procurement and construction

Source: Bloomberg New Energy Finance February 2016

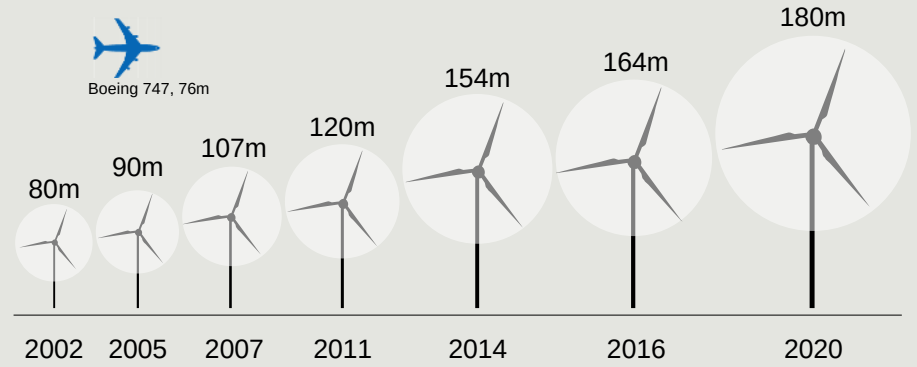
At the forefront of making the industry cost competitive

Multiple levers to drive down cost in offshore wind

	Development		Impact
Scale	▪ Turbines and rotor size	6-8 MW → +10 MW	▪ Fewer positions
	▪ Sites	200-300 MW → +1 GW	▪ Greater overhead leverage ▪ Scale effects
	▪ Vessel size	2-4 wind turbines → 8 wind turbines	▪ Less transit time ▪ Higher utilisation
	▪ Cable capacity	300 MW → 400 MW	▪ Fewer substations ▪ Fewer cables
Innovation	▪ Foundation design	Monopile → Suction bucket jackets	▪ Greater water depth and heavier loads possible ▪ Faster installation time
	▪ Electrical	AC → 2nd generation HVDC[1]	▪ Longer distance to shore ▪ Less grid loss
Industrialisa-tion	▪ Supply base	Single supply → Multiple global suppliers and purpose built factories	▪ Broader and more robust supply base ▪ Low-cost country sourcing ▪ Efficient production

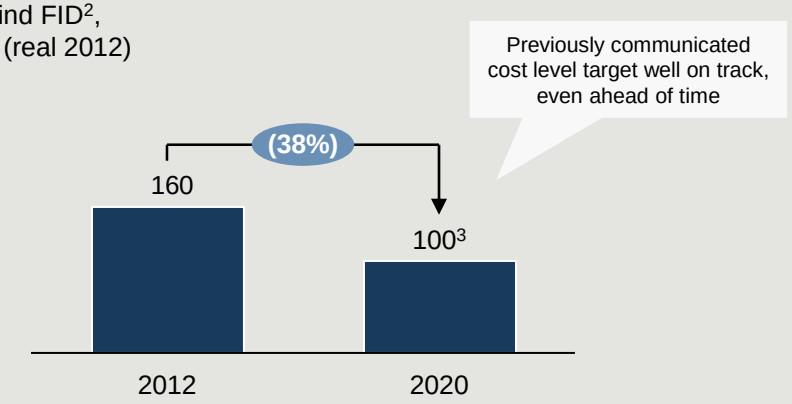
Rapid technological development

Wind turbine rotor diameter, year of commissioning



Significant cost reduction trajectory

Offshore wind FID[2], EUR/MWh (real 2012)

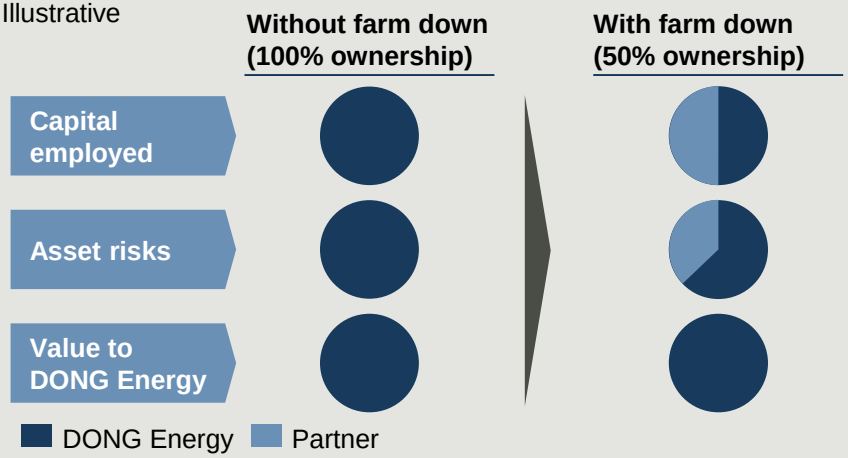


1. High-voltage direct current transmission
2. Final investment decision (FID). All LCoE estimates assume a WACC of 10%.
3. For UK project with FID taken in 2020, corresponding to CoD in 2023

Partnership model allows for significant portfolio value with less capital and reduced risk

Significant up-front value realisation from partnership model

Illustrative



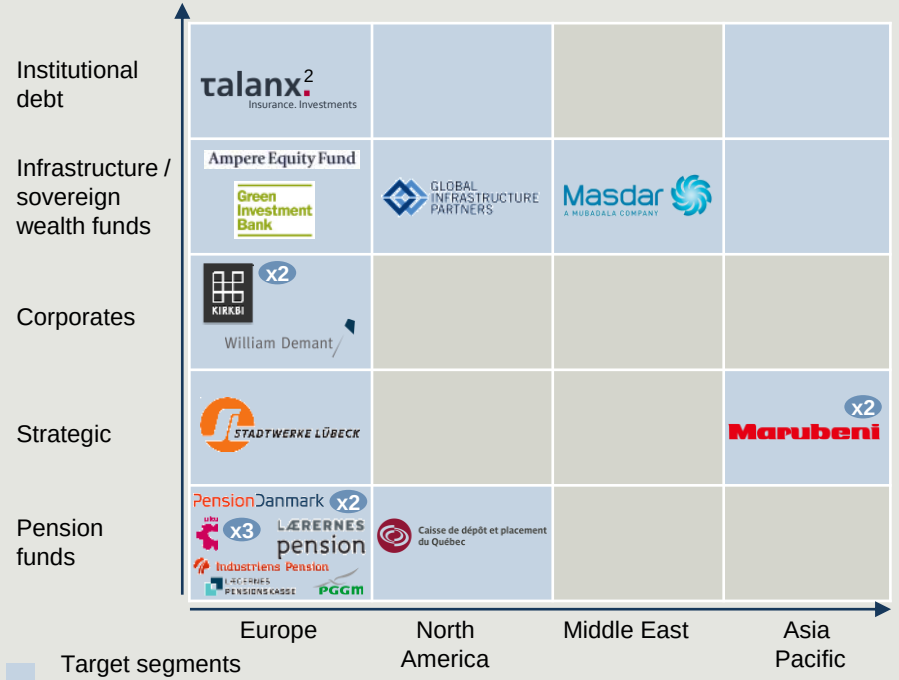
DONG Energy brings in partners at a price around DONG Energy's cost of capital, thereby allowing for up-front value realisation to invest in new value creating projects

Multiple portfolio benefits from partnership model

- ✓ Recycle capital
- ✓ Portfolio value creation
- ✓ Risk diversification
- ✓ Scale and standardisation from large portfolio

DKK +42 Bn secured between 2010-2016

Wind farm partners by type, geography and # of partnerships[1]



Target segments (bids received)

\# # of repeat partnerships

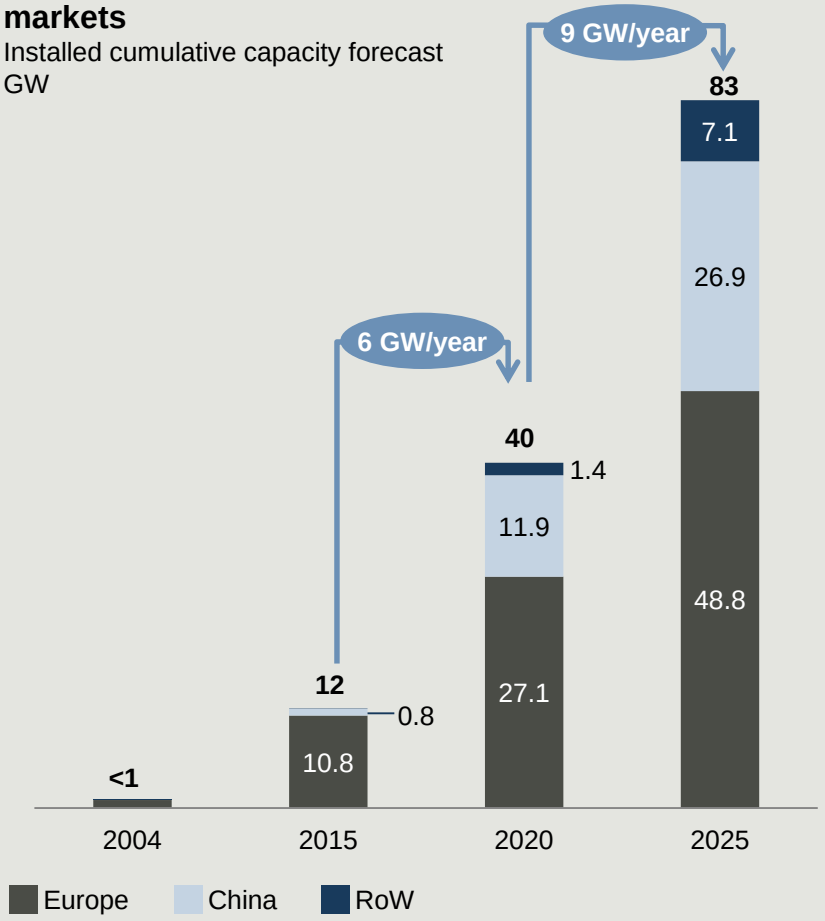
- More partnerships than any other competitor in the industry
- DONG Energy has been able to consistently divest 50% of assets during construction phase

1. Excludes utilities and other strategic partners such as Siemens, Vattenfall, SSE, Scottish Power, Centrica, and E.ON
2. Cornerstone bond investor in Global Infrastructure Partners' acquisition of 50% of Gode Wind 1

Global potential with high long-term growth in existing and new offshore wind markets

Strong growth in existing and new offshore wind markets

Installed cumulative capacity forecast
GW



Source: Bloomberg New Energy Finance

Continued robust growth in Europe and potential long-term opportunity globally

Political targets for offshore wind volume build-out

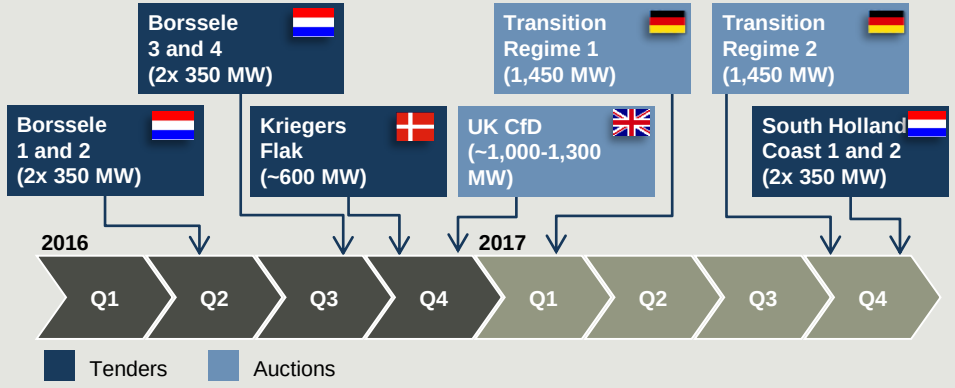
United Kingdom
10GW
Government target
(Capacity build-out between 2020-2030)

France
3GW
Government target
(Commissioned by 2023)

Germany
15GW
Government target
(Commissioned by 2030)

Netherlands
4.5GW
Government target
(Commissioned by 2023)

Auctions/tenders to be held by European governments in the next 18 months

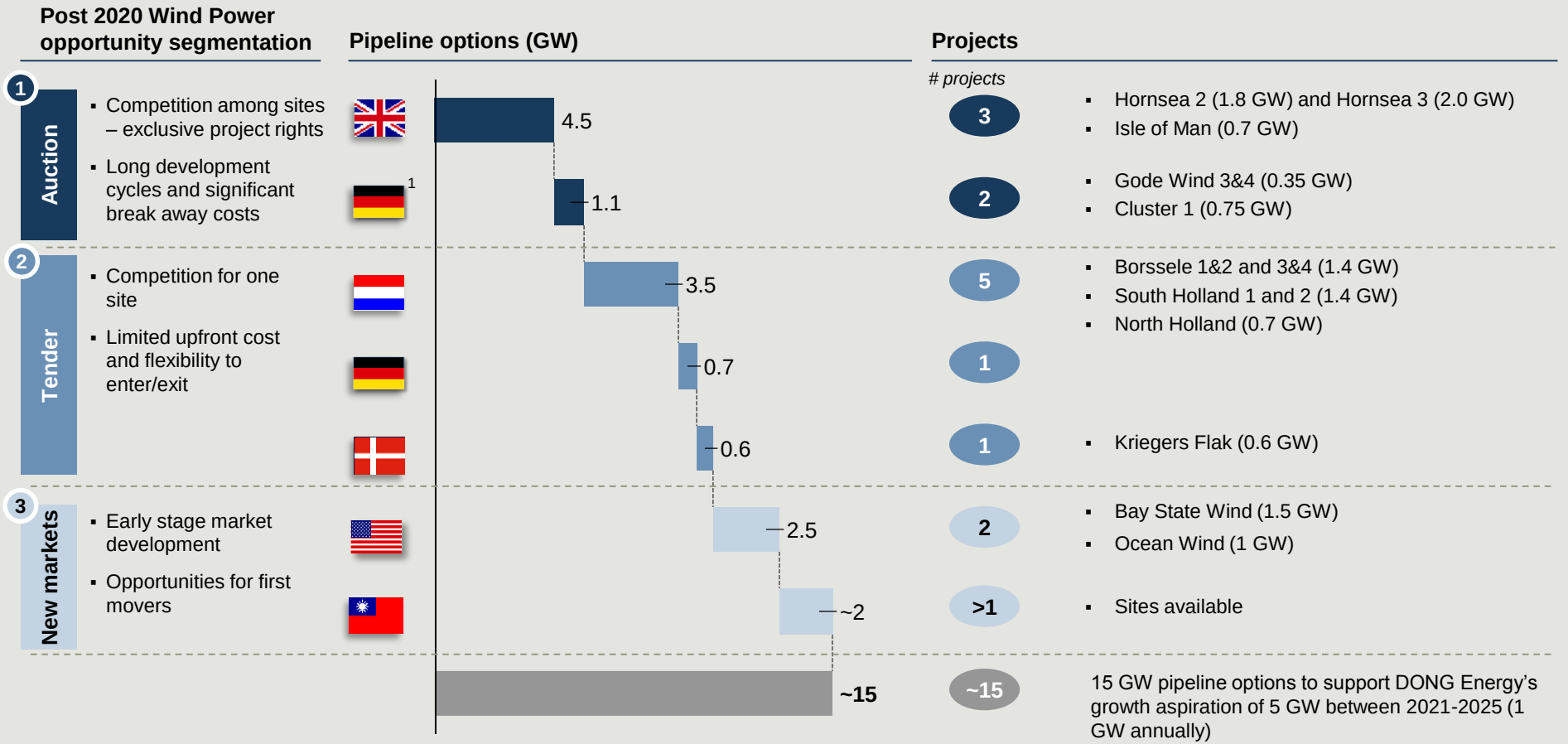


Source: Danish Energy Agency; German Federal Ministry of Economy and Energy; Netherlands Ministry of Economic Affairs; UK Treasury March Budget 2016

DONG Energy's 2021-2025 growth aspiration of 5 GW supported by substantial pipeline options

Pipeline options to date for 2021-2025 construction

GW



1. In relation to Gode Wind 3, we have entered into a conditional purchase agreement for the expected 90 MW project rights. The agreement is conditional on certain conditions precedent being satisfied by the seller

Connecting the dots: Shaping a double-digit IRR case in 18 months

Race Bank – a show case of value creation from the integrated business model
Example

- Strong **buying power**
- **Innovative** technology
- Superior **standardised design**
- Synergies from **O&M cluster**
- 1st mover on **6.3 MW turbine**[1]
- Fast **re-consenting**

December 2013
Project under development acquired

June 2015
FID with attractive double-digit IRR for DONG Energy

1. Siemens 6.0 MW platform with performance enhancing features delivering 6.3 MW effect

DONG energy

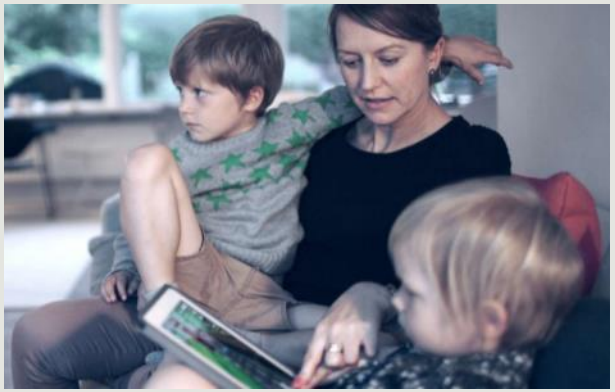
Danish utility

% share of Danish utility 2015 operating profit (EBITDA)

Distribution 67%

- Stable earnings from regulated business
- High quality asset with low maintenance costs
- DKK 10.8 Bn power distribution RAB[1], expected to increase to DKK 13.7 Bn in 2020
- High security of supply
- ~1.0 million power distribution customers
- Covers ~30% of Denmark's population

Customer solutions 21%



- Market leading B2C position with +700k power and +90k gas supply B2C customers in Denmark
- B2C and B2B sales generate stable earnings with no capital employed
- B2B sales in Denmark, Sweden, Germany and UK
- Optimise and hedge power and gas portfolio, and proprietary trading within strict mandates
- Pioneering demand flexibility solutions in UK and Germany

Bioenergy & Thermal Power 12%

- 8 combined heat and power plants (CHPs), one heat plant and one peak load power plant in Denmark with 3.0 GW capacity
- Transformation to resilient heat production business with a growing contribution from converted biomass plants
- Significant reduction in capacity, FTEs and OPEX since 2009
- REnescience: Innovative bioenergy technology for waste treatment

1. Regulated asset base (RAB) as of 31 December 2015

DONG energy

Oil & Gas: Low-cost, low-risk asset portfolio centred around three high-quality, cash generative assets

Sizeable and well positioned portfolio

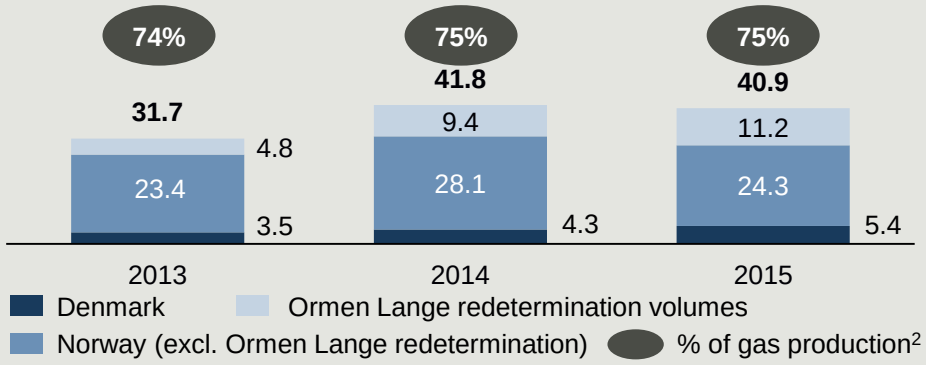
- Focused North Western European footprint with more than 30 years of experience
- Diversified 2P reserve base of 238 MM Boe[1]
- Medium-term free cash flow break-even price at a level around USD 35/bbl excluding DONG Energy's hedging position
- 2016 and 2017 production almost fully hedged at USD 80/bbl for oil and 20 EUR/MWh for gas

Three attractive high-quality assets constituting ~75% of production in 2015

Country	Asset	Working Interest	Operator
Norway	Ormen Lange	14%	Shell
Denmark	Syd Arne	37%	Hess
UK	Laggan-Tormore	20%	Total

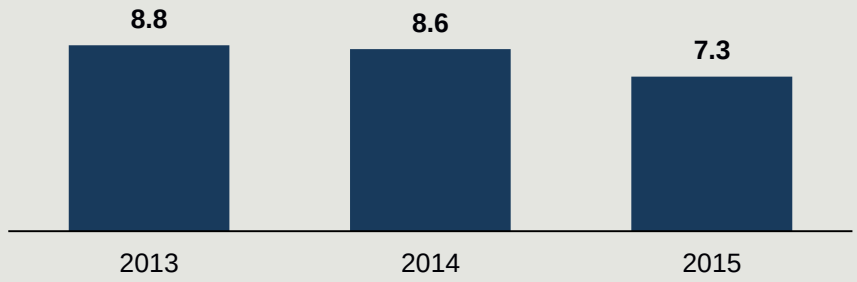
Material gas-weighted production

Annual production
MM Boe



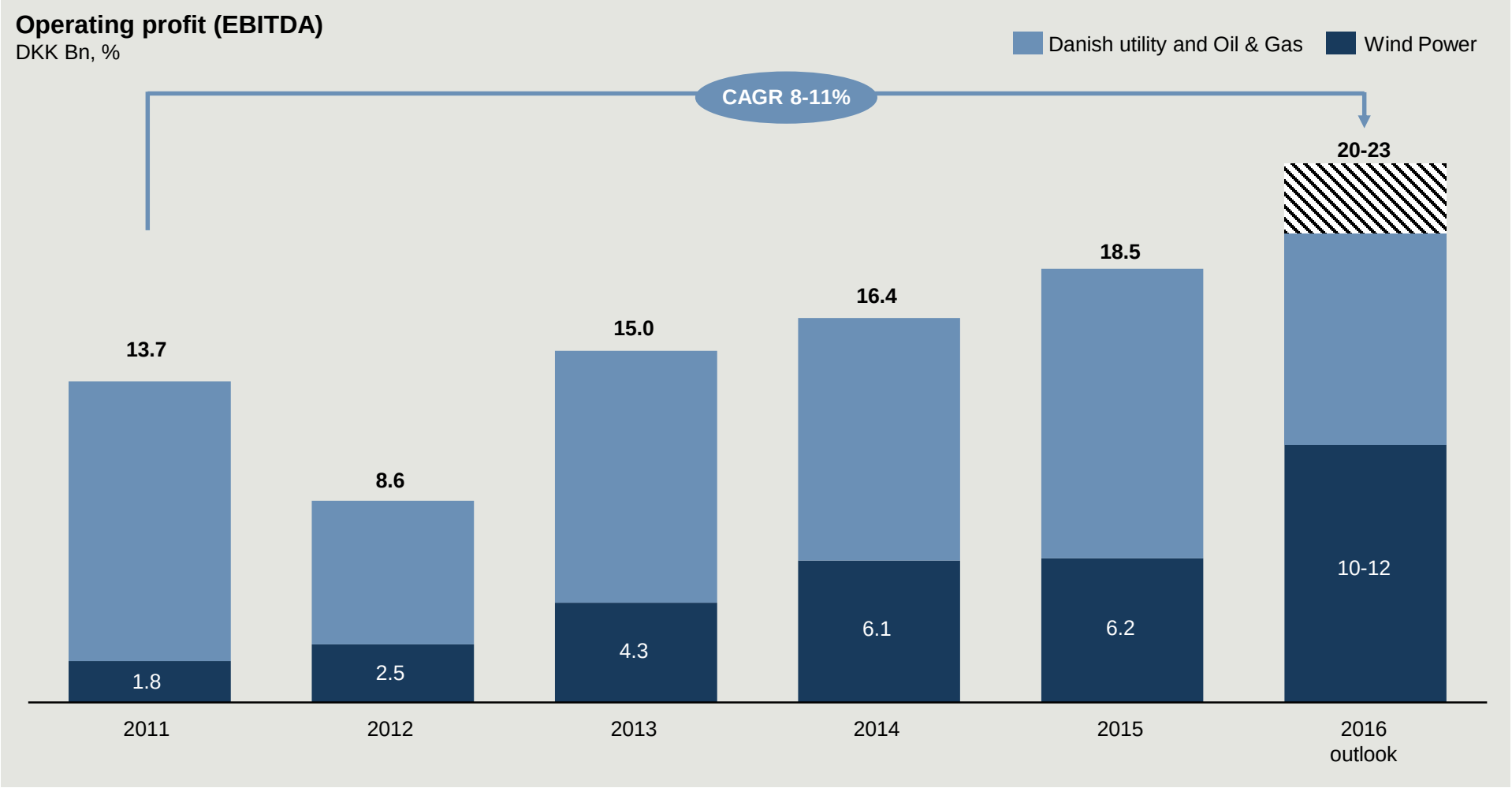
Attractive lifting costs across portfolio

Lifting cost[3]
USD/Boe



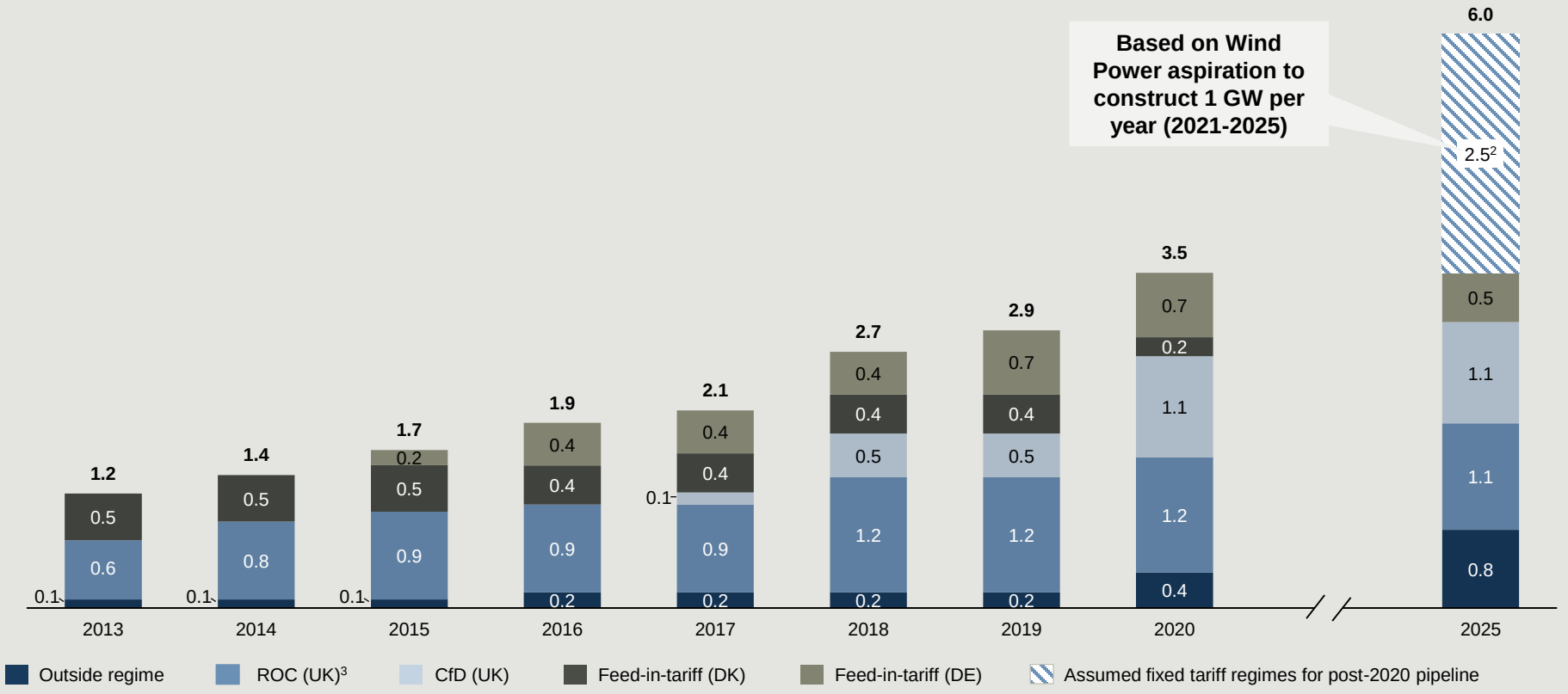
1. DONG Energy 2P reserves as of Q1 2016
2. Gas production as a proportion of total production (gas plus liquids). Liquids defined as oil, NGL and condensate
3. Lifting costs calculated as the sum of OPEX and processing cost divided by working interest production. Siri repair costs have been excluded as not part of ordinary operations

Strong growth in operating profit



Highly visible long-term growth in Wind Power with secured subsidies

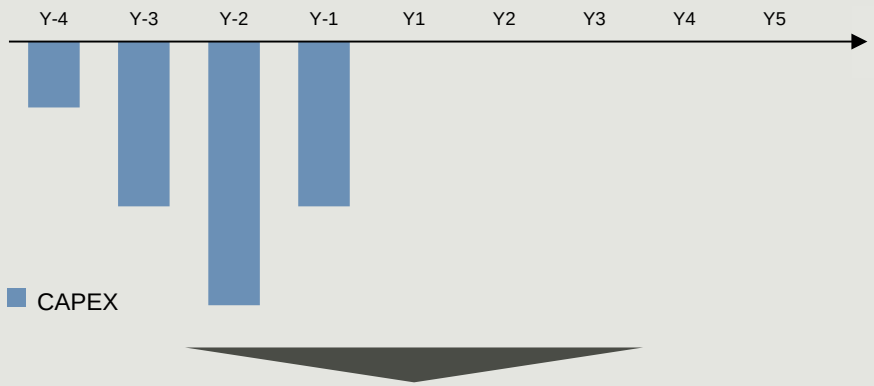
Regime overview for production capacity[1], end of period
GW, Production capacity



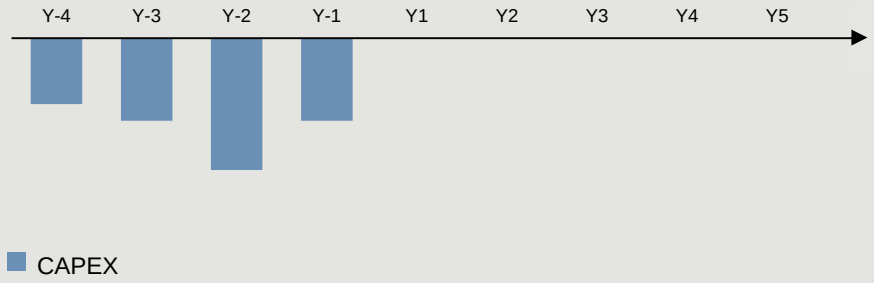
1. 50% farm down of execution pipeline assumed. Lincs not forming part of the production capacity definition due to one-line consolidation
2. 2.5 GW is assumed fixed tariff regimes for post-2020 pipeline is based on 1 GW of additional capacity added yearly of which half is farmed down
3. The ROC (UK) includes ~1/4 from sale of electricity at market prices and ~3/4 from the ROC-subsidy (Q1 2016)

Illustrative example of Wind Power Partnership mechanics: EPC wrap / Construction Agreement – selected items[1]

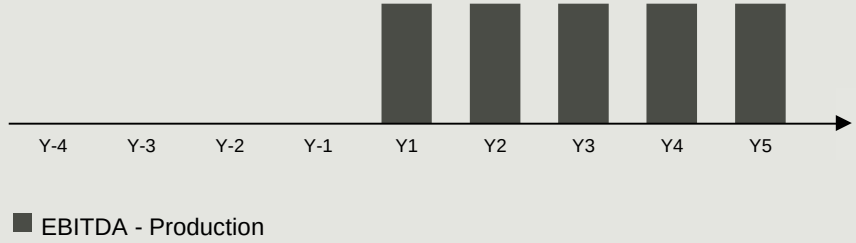
CAPEX – base
Without farm down



CAPEX – base
With farm down



EBITDA
Without farm down



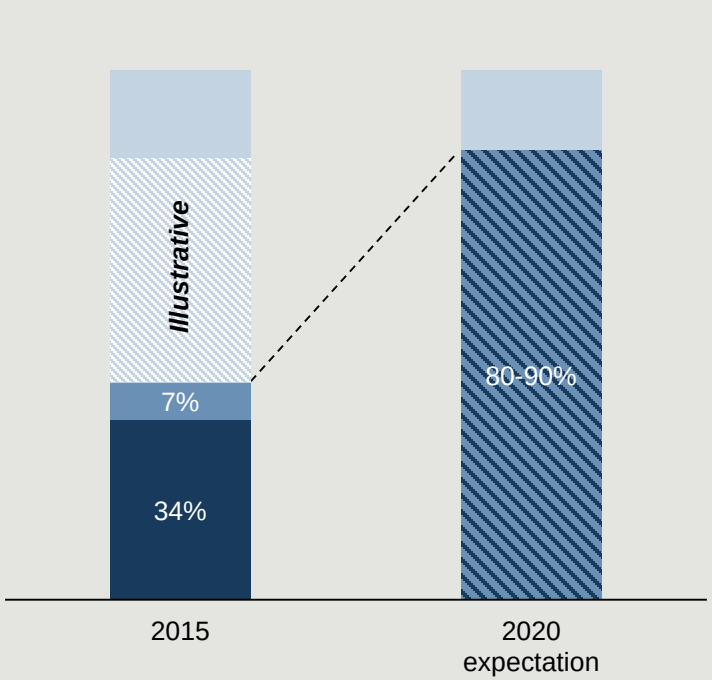
EBITDA
With farm down

Note: Please note that this is an illustrative example and does not reflect any particular transaction. The only purpose of the example is to illustrate the Wind Power partnership mechanics

1. Hypothetical pre-farm down case assuming the wind farm is developed and operated within the same entity without any inter-company transactions

Quality of earnings is going up

Operating profit (EBITDA) contribution from regulated, quasi-regulated and contracted activities
Share of operating profit (EBITDA)



Market exposed

Majority of the commodity price exposure was hedged at the beginning of 2015[1]

Contracted

Regulated & quasi-regulated

1. Commodity prices are hedged on a post-tax cash flow basis (not EBITDA)

UK energy policy and DONG Energy's hedging strategy mitigate potential risks of EU referendum

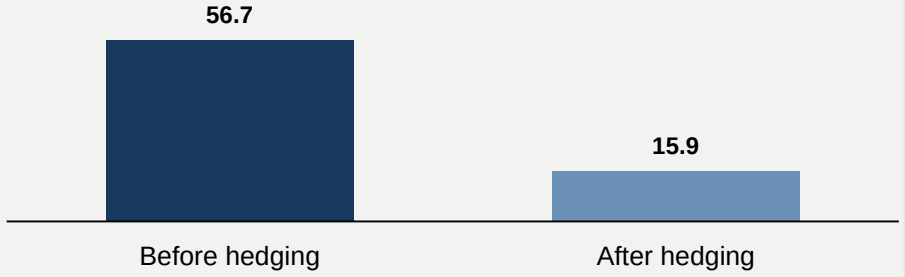
View on impact of Brexit on UK energy policy and commitment to offshore wind

✓ **UK energy policy independent of EU energy policies and derives targets from the COP 21 agreement**

✓ **Offshore wind considered key to UK decarbonisation and security of supply targets**

Conservative hedging policy limits FX risk

GBP exposure[1] 2016-2020
DKK Bn



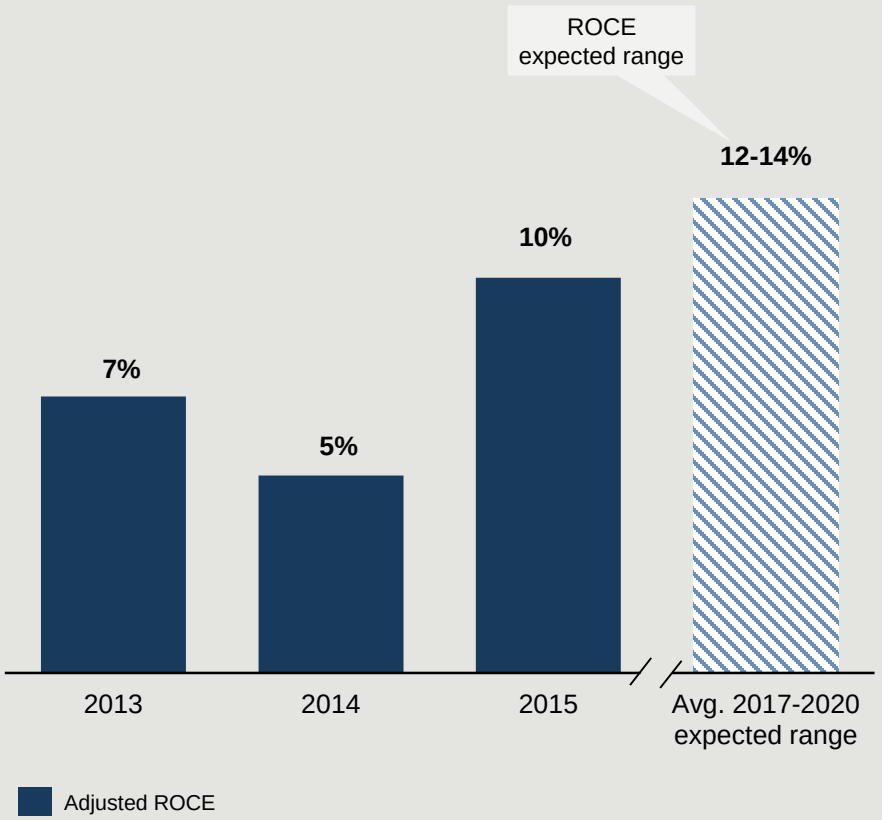
- The main principle is to hedge FX exposure once it is deemed relatively certain that the underlying cash flows in foreign currency will materialise
  - FX risk is hedged concurrently with the hedging of energy price risk
  - Farm down proceeds are hedged when transaction structure and amounts are relatively certain
- Conservative FX hedging policy with a goal to reduce the Group's currency risk over a 5-year horizon
- GBP cash flows in 2016 and 2017 almost fully hedged

1. Currency exposure is defined as future highly certain net cash flows in foreign currencies multiplied by the forward currency price – both at the time of risk assessment

ROCE growth supported by investments in offshore wind

Adjusted ROCE[1]

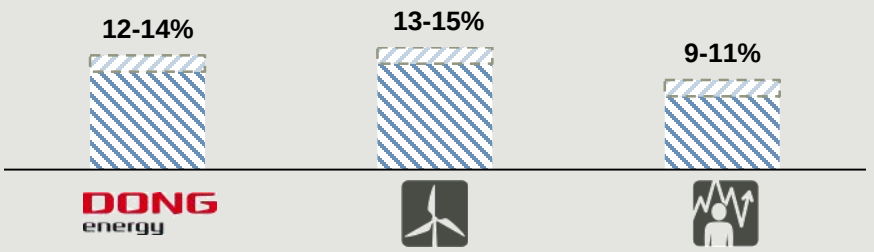
%



Key ROCE drivers

- Investment programme focused on attractive Wind Power projects
- Partnership model reduces capital employed while retaining NPV
- Investments in Power Distribution and Bioenergy at solid, stable returns
- Wind farms coming on stream

2017-2020 (avg.) ROCE expected ranges[2]



1. Adjusted ROCE defined as EBIT less current hydrocarbon taxes plus impairment losses for the year (added-back) / Average Capital Employed (with impairment losses after tax added back to ultimo capital employed)
2. For Bioenergy & Thermal Power and Oil & Gas the Group considers ROCE to be less meaningful and therefore focuses on free cash flow targets

Committed to high single digit dividend growth towards 2020

- DONG Energy will expect to pay a dividend of DKK 2.5 Bn for FY 2016

- For subsequent years towards 2020, DONG Energy's target, supported by expected cash flow growth from new offshore wind farms coming into operation, is to increase the dividend annually by a high single digit rate compared to the dividend for the previous year

- The updated dividend policy following an IPO is subject to DONG Energy's commitment to maintain a Baa1/BBB+ rating profile

Continued strong earnings growth in Q1 2016

Growth trajectory continues

DONG energy

✓ 35% EBITDA growth, both reported and underlying

Wind Power

✓ Strong underlying growth in Wind Power with contribution from new wind farms and higher activity on partnership contracts. Q1 2016 y/y growth of 53%

DCS

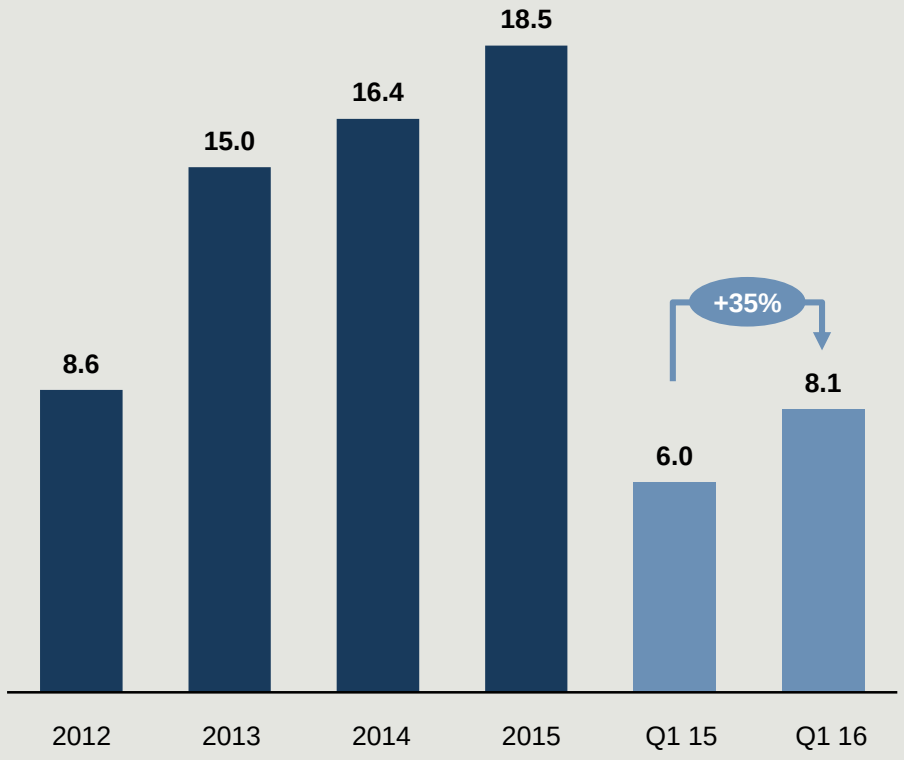
✓ Significant impact from settlement of gas sourcing contracts

O&G

× Declining oil and gas prices – only partly offset by hedging as it is conducted after tax. DKK 2.0 Bn negative y/y impact from provisions in Q1 2016 and one-off gains in Q1 2015

Group EBITDA

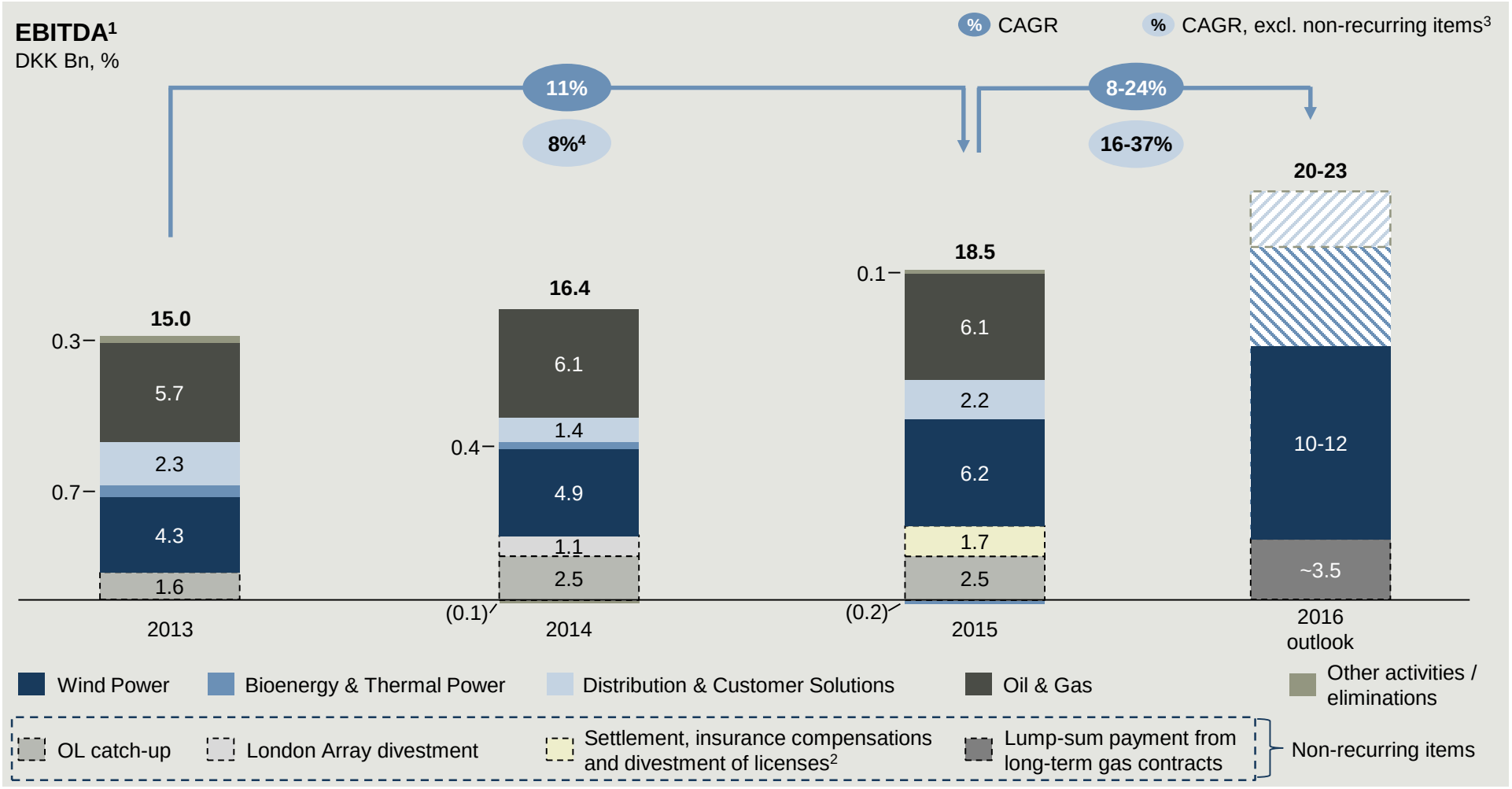
DKK Bn



DONG energy

APPENDIX – DONG ENERGY GROUP

Strong EBITDA growth



1. All Group overhead costs allocated to business units and business unit EBITDA adjusted for non-recurring items
2. Gain on the sale of Oil & Gas licence interests, insurance compensations as well as a settled dispute from 2005 and 2006 concerning CO_2 emissions allowances
3. Non-recurring items constitute Ormen Lange catch-up volumes for 2013-2015, London Array divestment in 2014 to 25%, lump-sum payment from long-term gas contracts in 2016, settlement of legal dispute, insurance compensations and divestment of licenses
4. The CAGR is adjusted for the divestments of onshore wind farms, hydro, Stenlille gas storage, Severn and Mongstad in 2013 and for the additional EBITDA from London Array in 2013 compared to 2015 caused by the 50% divestment of our ownership stake in 2014, all with a combined EBITDA impact of DKK 1.1 Bn in 2013

Directional business unit guidance for 2016-2017

Direction of expected development vs. previous year

2015 to 2016 Guidance

WP	DKK 10-12 Bn	↑ Ramp up of power generation ↑ Substantially higher activity and earnings from farm down gains and construction agreements ↓ Expensed project development costs expected to increase
BTP	Lower	↑ Stable heat volumes but higher earnings per MWth following bioconversions → Steady development from ancillary services ↓ 2015 positively impacted by one-off settlements
DCS	Significantly higher	↑ Renegotiations of long-term gas sourcing contracts → Power Distribution and Sales to remain stable ↑ LNG slightly better ↓ Lost EBITDA from sale of Oil & Gas infrastructure assets
O&G	Significantly lower	↑ Ramp-up of production from Laggan-Tormore ↑ Restructuring and refocus of business model will improve earnings due to reduced spend ↓ Net effect of lower oil and gas forward prices (and related FX) despite high hedge ratio (hedging done after tax) ↓ Significant decline in Ormen Lange catch-up volumes ↓ Insurance compensations and divestment gains received in 2015 not expected to be repeated in 2016 ↓ Hejre related OPEX provision regarding termination of contracts (vessels etc.)[3]

2016 to 2017 Guidance

WP	Higher	↑ Ramp up of power generation from ↑ Higher activity from farm down gains and construction agreements
BTP	Higher	↑ Bio-conversion of Skærbæk and full-year effect of new heat contracts → Ancillary services to exhibit steady development
DCS	Significantly lower	→ Power Distribution and Sales to remain stable ↑ LNG slightly better in near-term and stable in the medium-term ↓ Lump-sum payments in 2016 negatively impacting y/y comparison for Markets in 2017 ↓ Full year effect from divestment of gas distribution
O&G	Neutral	↑ Restructuring and refocus of business model will improve earnings due to reduced spend ↑ Hejre OPEX provision in 2016 not repeated ↓ Production assumed to be lower than in 2016 due to decline in production from existing fields only partly offset by ramp-up in production from Laggan-Tormore

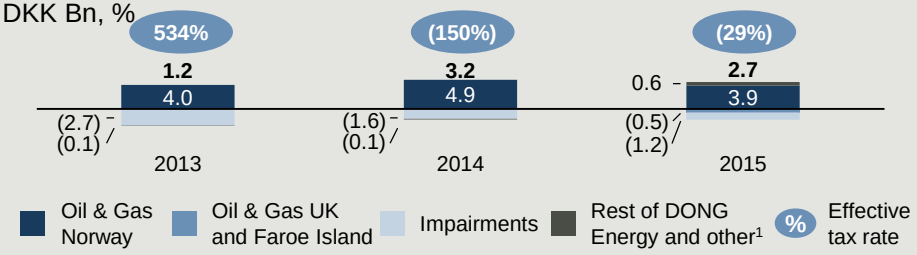
1. Commissioned in 2015
2. Expected to be commissioned in 2016
3. Offset by reversal of CAPEX provision in impairment losses (EBIT and total provisions unchanged)

DONG energy

Overview of DONG Energy Group tax

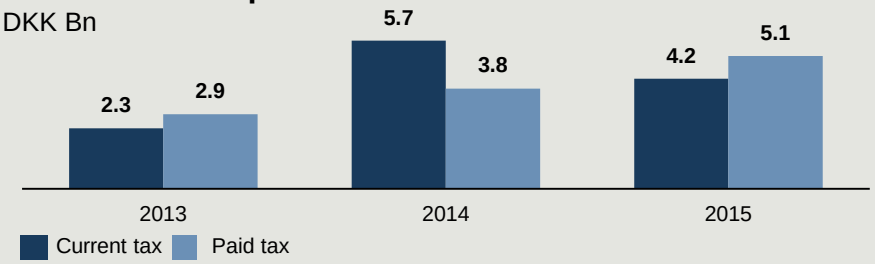
P&L tax

DKK Bn, %



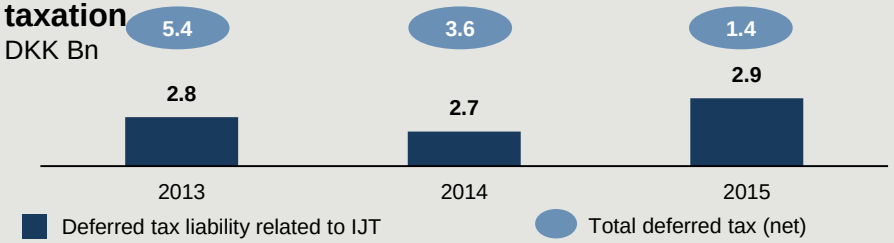
Current tax and paid tax

DKK Bn



Deferred tax liabilities related to international joint taxation

DKK Bn



Key commentary

Past development

- The Group is subject to various tax regimes due to its operations in different countries with the most significant being Norway, Denmark and UK
- From 2013 to 2015 the majority of the total taxes paid relate to operations in Norway which is under the hydrocarbon regime (Oil & Gas division), whereas other parts of the business are subject to less taxation

Future development

- Going forward the most significant tax payments are expected to relate to:
  - Wind farm construction activities
  - Operation of UK and German wind farms
  - Norwegian Oil & Gas activities
- In the future the effective tax rate is expected to be closer to the weighted average of the ordinary statutory tax rates in Denmark, UK, Germany and Norway and tax-exempt gains on divestments[2]

IJT & tax loss utilisation

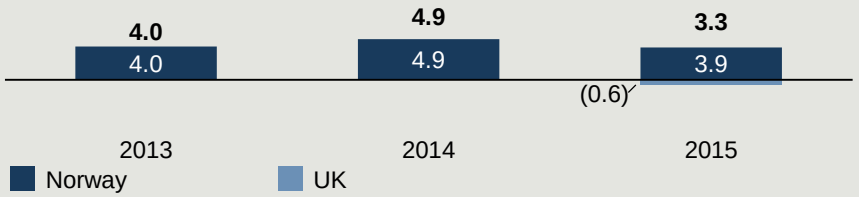
- Since 2005, DONG Energy has chosen to use the Danish rules on international joint taxation, which have resulted in a deferred tax liability[3]
- The Group continuously monitors the most appropriate time to exit IJT, and currently anticipates that this will be during the period between 2016 and 2018. If the Group exits IJT in 2016, it will trigger a tax payment of DKK ~2.6 Bn[4]
- In Denmark and UK tax losses from the current year can be transferred from Oil & Gas to the Wind Power business allowing for employment of tax deficits which would not otherwise be utilised

1. Other includes gain/loss on divestments and other non-taxable income and non-deductible costs and effects of changes in tax rates
2. Key driver is earnings from Oil & Gas which are expected to be less prominent compared to previous years
3. The tax rules concerning international joint taxation, were originally introduced to promote Danish companies investments abroad. In recent years DONG Energy has made significant investments in Denmark and abroad, especially in Wind Power and in development of oil & gas production. Over the past decade, DONG Energy has thus realised significant increased deductions, resulting in some of the Danish tax payments being postponed to subsequent years
4. The remaining DKK 0.3 Bn relate to a tax provision that will not fall due at time of exit

Oil & Gas not expected to pay tax in Denmark and UK due to tax loss carry forward

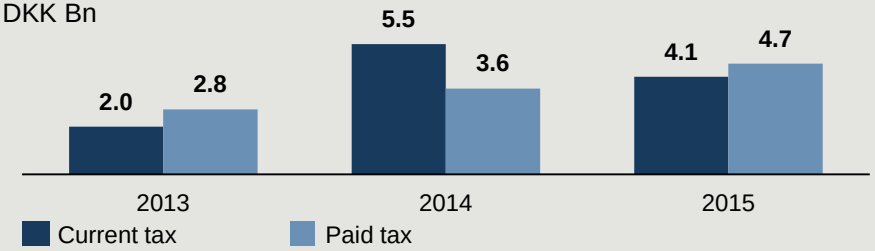
P&L tax

DKK Bn



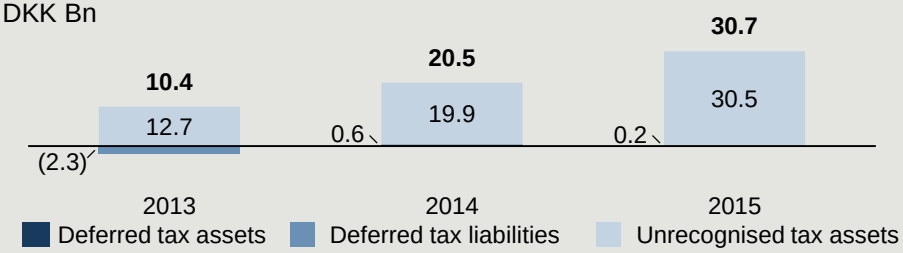
Current tax and paid tax[1]

DKK Bn



Net deferred tax assets

DKK Bn



Key commentary

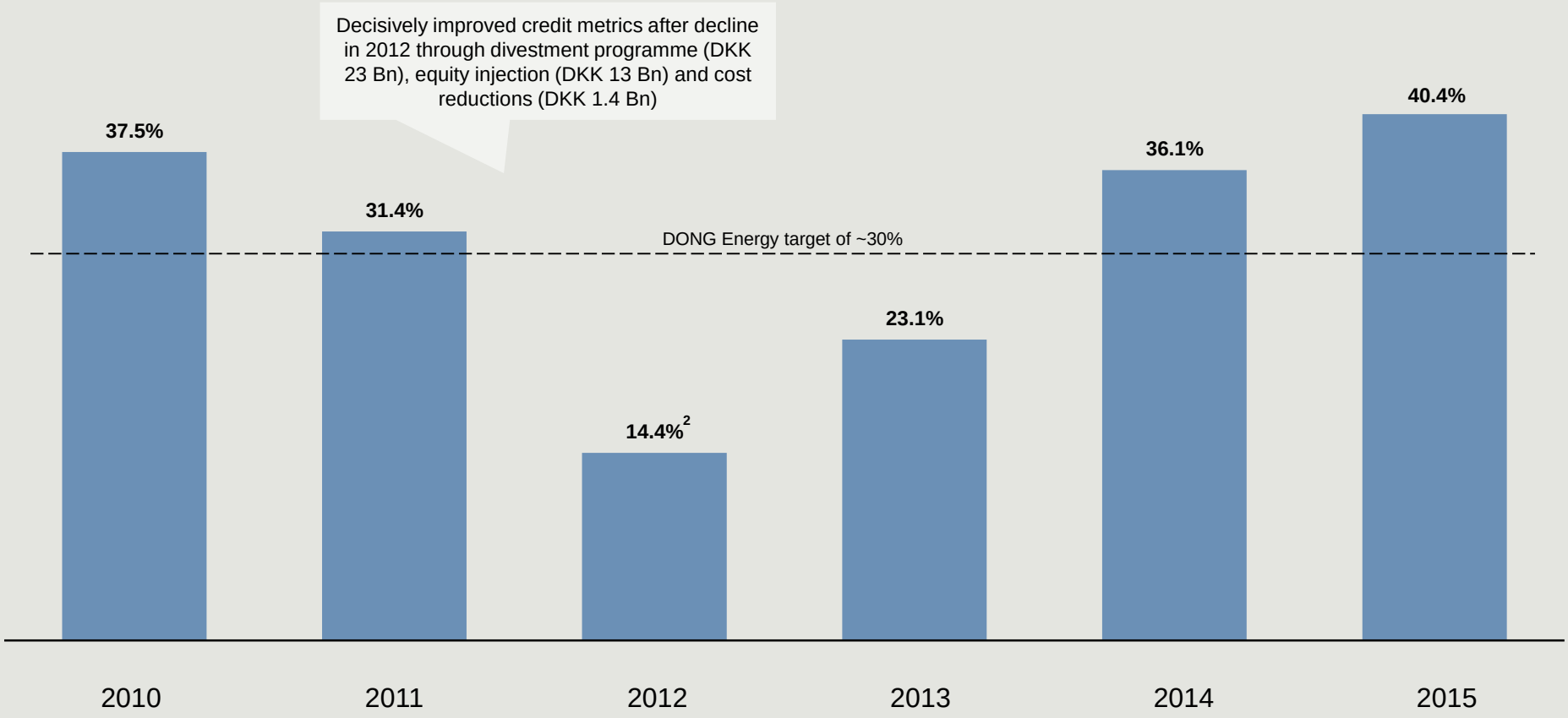
- Substantial costs associated with establishing oil and gas production facilities in Denmark and UK have resulted in the accumulation of significant tax assets and no tax being paid since 2008
- The Norwegian Oil & Gas business pays tax and is expected to continue to do so:
  - The P&L tax rate reflects that the Norwegian activities, where hydrocarbon income is taxed at 78%, constitutes the largest share of earnings
  - Non-deductible amortisation of license rights etc. gave an effective tax rate of 83% in Norway in 2015
- The earnings and tax in Norway will decrease in the future compared to 2014-2015, partly because the Ormen Lange catch-up volumes ends in Q1 2016, partly due to lower gas and oil prices
- Oil & Gas has unrecognised deferred tax assets of DKK 30.5 Bn[2], reflecting that the Danish and UK oil businesses are not expected to pay taxes in the near-term

1. In Norway 50% of the tax is paid in the current year while the other 50% is deferred to the following year
2. Of which DKK 15 Bn relate to tax loss carry forward and the other DKK 15 Bn relate to timing differences (based on 2015 annual report)

Robust capital structure foundation for future growth

Solid credit metrics supporting rating target of Baa1/BBB+

FFO / Adjusted Net Debt, %[1]

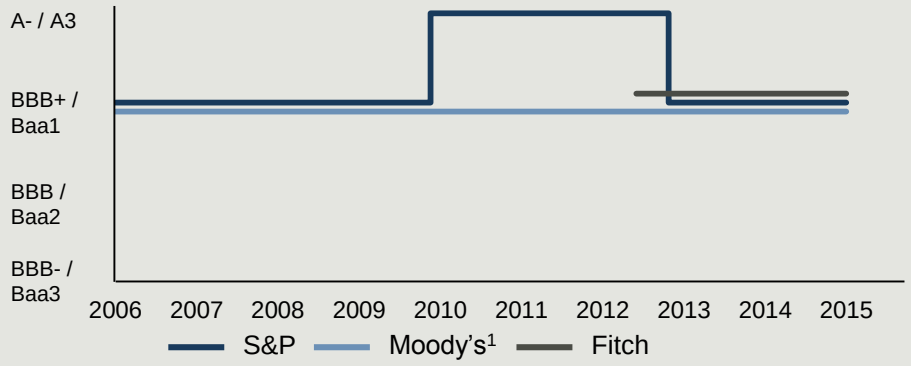


1. Adjusted Net Debt including 50% of hybrid capital, present value of lease obligations and decommissioning obligations less deferred tax and cash and securities not available for use (with the exception of repo transactions)
2. Adjusted for non-cash provisions of DKK 2.9 Bn

Well balanced capital structure with a low risk profile

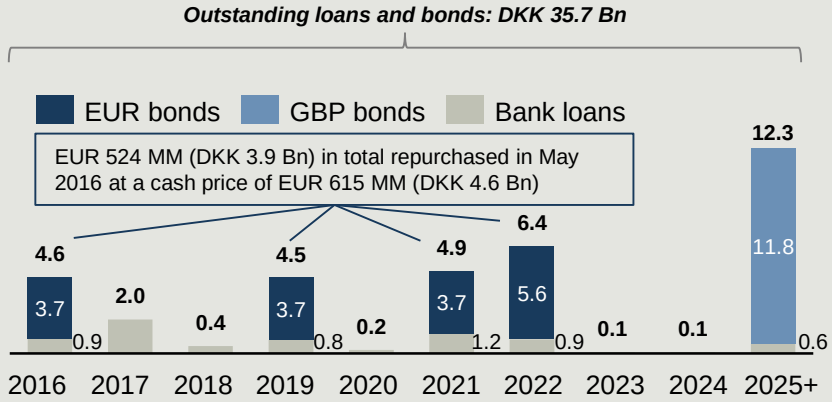
Stable ratings

Rating history (solicited ratings)



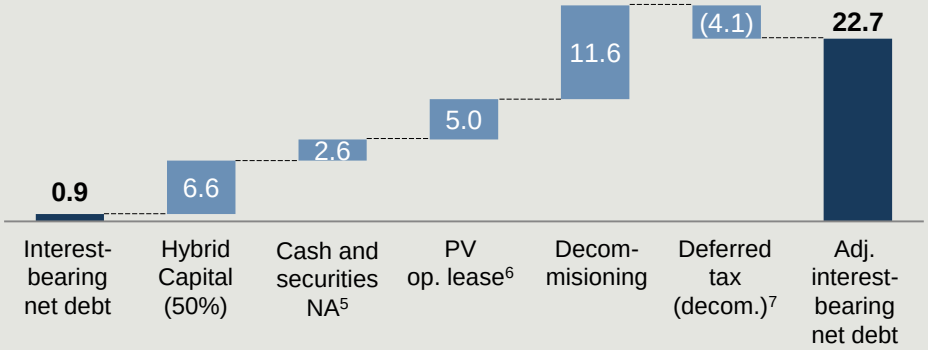
Well-balanced debt profile with long maturity[2]

DKK Bn



Interest-bearing net debt to adj. interest-bearing net debt[4]

DKK Bn, Q1 2016



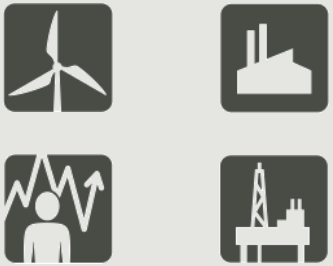
Bond overview post repurchase in May 2016

Outstanding amount (MM)	Coupon (%)	Maturity	Current credit spread (bps)[3]
EUR 457	4.000	2016	19
EUR 306	6.500	2019	28
EUR 360	4.875	2021	55
EUR 602	2.625	2022	63
GBP 750	4.875	2032	148
GBP 750	5.750	2040	153

1. 26 April 2016 Moody's confirmed Baa1 rating with a negative outlook
2. Debt maturity profile as of 31 March 2016 (i.e. pre repurchase in May 2016)
3. Asset Swap Spread for EUR bonds and Gilt spread for GBP bonds as of 17 May 2016
4. For rating purposes
5. Not available for distribution, excluding repo loans
6. Present value of operating lease payments
7. Deferred tax on decommissioning obligations

Risk management mandates and historical risk exposure

Centralised risk management



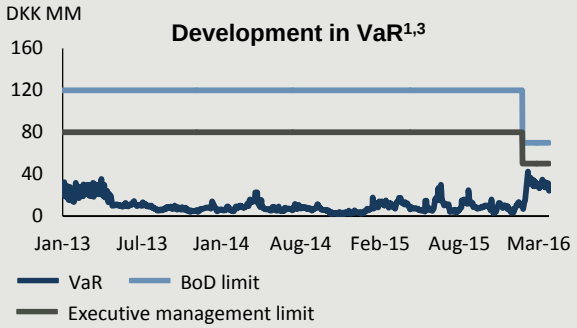
Group hedge

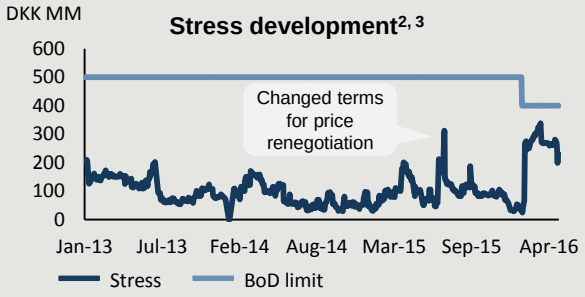
Market Trading

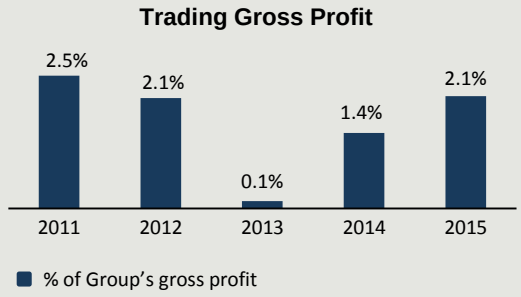
- Netting
- Hedging strategies are executed in the market
- VaR[1]: Max DKK 70 MM (BoD) and max DKK 50 MM (Group Management)
- Stress[2]: Max DKK 400 MM

Market
(strict control of counterparties' creditworthiness)

Risk management mandates







- Consistent low utilisation of VaR and stress mandates since 2013
- Increase in VaR level 2016 due to merger of Market Trading and Exposure Management
- Risk limit mandates tightened in Q1 2016 as part of conservative risk management strategy

- Trading constitutes a very small share of total DONG Energy gross profit

1. VaR is determined as the maximum 1-day loss with a 95% probability and thus measures the risk under normal market conditions
2. 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
3. Exposure Management and Market Trading was merged in Q1 2016 resulting in higher traded volumes

Commodity price risk management

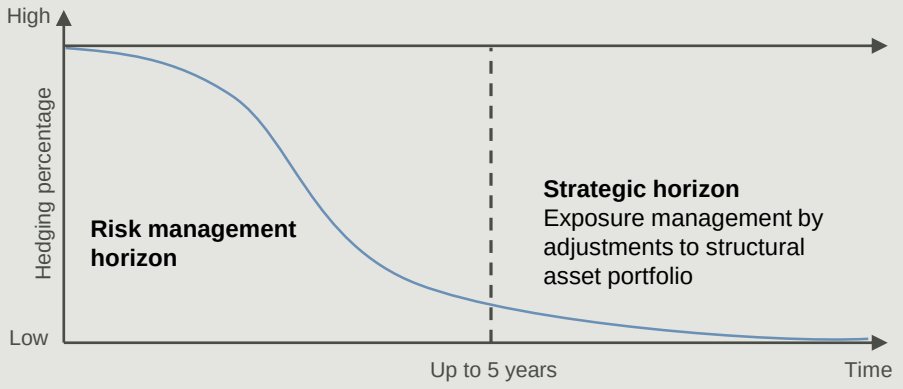
Energy price exposure and purpose of risk management

- Outright power exposure from DONG Energy's production
- Spread exposure from power production
- Spread exposure from sourcing contracts and outright exposures from Sales and PPA contracts
- Outright gas and oil exposure from DONG Energy's production

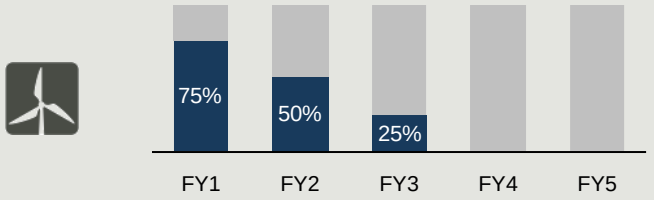
Risk management purpose

- Protect value of assets
- Decrease cash flow volatility
- Safeguard strong credit profile

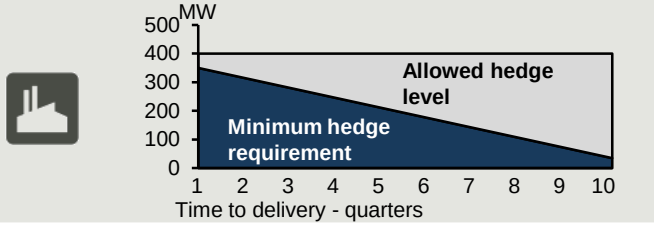
Hedging strategy focus on cash flow after tax



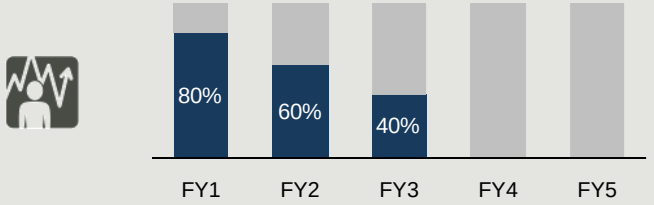
Board mandates for minimum hedging requirements



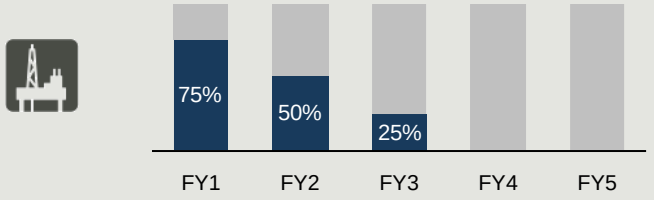
Actual hedge[1] %
2016: 94%
2017: 92%
2018: 76%
2019: 51%
2020: 23%



Actual hedge[1] %
2016: 41%
2017: 18%
2018: 3%
2019: 0%
2020: 0%



Actual hedge[1] %
2016: 99%
2017: 96%
2018: 99%
2019: 97%
2020: 81%



Actual hedge[1] %
2016: 97%
2017: 98%
2018: 57%
2019: 14%
2020: 0%

1. Hedge ratios as of 31 March 2016

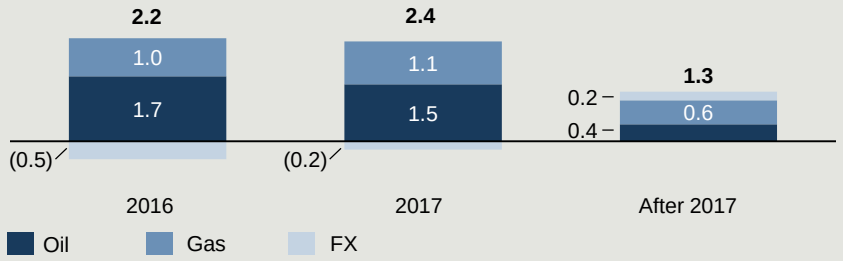
Significant current value in Oil & Gas hedges

Extensive hedging to secure after tax result

- DONG Energy has a conservative hedge policy with a hedge horizon of up to 5 years for oil and gas production
- For 2016 and 2017, oil and gas production is close to fully hedged at prices significantly above current spot:
  - Oil hedged at around USD 80/boe for 2016 and 2017[1]
  - Gas hedged at around EUR 20/MWh for 2016 and 2017[1]
- More than half of after tax results hedged for 2018
  - Hedge price for oil is USD 60/boe and EUR 16/MWh for gas[1]
- Hedging is conducted to achieve the desired cash flow impact after tax as tax costs reduce the actual price exposure (see example on RHS)
- Price changes will therefore impact EBITDA despite high hedge ratio
- The difference between the impact on cash flow after tax and EBITDA is particularly noticeable within oil and gas production in Norway, where the total tax rate is 78% (corporate tax and hydrocarbon tax)

Expected transfer of Oil & Gas hedge value to EBITDA[1]

DKK Bn



Illustrative example of hedging after tax

Assumptions:

- Norwegian gas exposure of DKK 1,000 MM
- Gas price fully hedged
- Gas price declines by 10%

Price impact on Oil & Gas exposure value	Change DKK MM
(1) Impact before hedging	(100)
(2) Tax effect (78%)	78
(3) Impact after taxes	(22)
(4) Hedged (100% hedged), before tax	28
(5) Taxed gain on hedge (22% tax rate in Denmark)	(6)
(6) Hedge impact after taxes	22
(7) Impact after hedging of taxes	**0**

Impact on accounts	DKK MM
EBITDA (1, 4)	(72)
Taxes (2, 5)	72
Result after taxes	**0**

➢ ***As hedging is conducted to secure after tax results, EBITDA is impacted despite full hedging***

1. Hedge levels per 31 March 2016

Elsam cases

Cases against the competition authorities

2003-2004	**Elsam 03-04:** Alleged abuse of a dominant position in the form of excessive pricing in the Western Danish market for wholesale electricity in 2003 - 2004
2005	**Elsam 03-04:** DCC[1] determined that Elsam had abused its dominant position during 2. half 2003 - 2004
2006	**Elsam 03-04:** DCAT[2] stated that Elsam had abused its dominant position during 2. half 2003 - 2004
2007	**Elsam 03-04:** Decision appealed to DMCHC[3]. Case is stayed on outcome of Elsam 05-06
2005-2006	**Elsam 05-06:** Alleged abuse of a dominant position in the form of excessive pricing in the Western Danish market for wholesale electricity in 2005-2006
2007	**Elsam 05-06:** DCC determined that Elsam had abused its dominant position during 2005 - 2006
2008	**Elsam 05-06:** DCAT determined that Elsam had abused its dominant position during 2005 – 2. half 2006
2008	**Elsam 05-06:** Decision appeal to DMCHC
May 2016	Judgement expected on 30 August 2016

Possible appeal to Danish High Court or the Supreme Court

Pending claims for damages and economic exposure

- **Claims for Damages**. Based on Elsam 03-04 and 05-06, 1.106 plaintiffs have in November 2007 filed a claim for damages with DMCHC. The case is stayed pending ruling in Elsam 05-06 from DMCC
- The primary claim for damages amounts to **DKK 4.405 Bn with addition of interest** calculated as per the date of the individual payments of the alleged excessive prices and until the payments have been settled
- To date the plaintiffs have not explained in details how the claims for damages have been calculated nor provided adequate proof of the claims
- We have claimed dismissal of the entire claims for damages
- As a reaction to the claims for damages**, we have currently provisioned DKK 298 MM** which with addition of interest calculated from the date of the plaintiffs' commencement of legal proceedings against us amounts to DKK 504 MM as of 1 April 2016. Our provision is based on DCC's estimation of consumer losses in **Elsam 03-04** and **Elsam 05-06**

1. Danish Competition Council
2. Danish Competition Appeals Tribunal
3. Danish Maritime and Commercial High Court

DONG energy

Income statement

	2015			2014			2013		
DKK MM	**Business performance**	**Adjustments**	**IFRS**	**Business performance**	**Adjustments**	**IFRS**	**Business performance**	**Adjustments**	**IFRS**
Revenue	70,843	3,544	74,387	67,048	4,781	71,829	73,105	(906)	72,199
Cost of sales	(44,966)	(106)	(45,072)	(42,226)	(837)	(43,063)	(47,224)	101	(47,123)
Other external expenses	(6,237)		(6,237)	(7,147)		(7,147)	(6,955)		(6,955)
Employee costs	(3,804)		(3,804)	(3,336)		(3,336)	(3,491)		(3,491)
Share of profit (loss) in associates and joint ventures	112		112	(93)		(93)	(711)		(711)
Other operating income	2,933		2,933	2,466		2,466	705		705
Other operating expenses	(397)		(397)	(323)		(323)	(425)		(425)
EBITDA	**18,484**	**3,438**	**21,922**	**16,389**	**3,944**	**20,333**	**15,004**	**(805)**	**14,199**
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment	(25,734)		(25,734)	(17,566)		(17,566)	(12,963)		(12,963)
EBIT	**(7,250)**	**3,438**	**(3,812)**	**(1,177)**	**3,944**	**2,767**	**2,041**	**(805)**	**1,236**
Gain on divestment of enterprises	16		16	1,258	(5)	1,253	2,045		2,045
Share of profit (loss) in associates and joint ventures	(8)		(8)	(484)		(484)	(57)		(57)
Financial income	9,275		9,275	5,261		5,261	3,273		3,273
Financial expenses	(11,400)		(11,400)	(6,971)		(6,971)	(7,073)		(7,073)
Profit (loss) before tax	**(9,367)**	**3,438**	**(5,929)**	**(2,113)**	**3,939**	**1,826**	**229**	**(805)**	**(576)**
Tax on profit (loss) for the year	(2,717)	(807)	(3,524)	(3,171)	(965)	(4,136)	(1,222)	207	(1,015)
Profit (loss) for the year	**(12,084)**	**2,631**	**(9,453)**	**(5,284)**	**2,974**	**(2,310)**	**(993)**	**(598)**	**(1,591)**
Profit (loss) for the year attributable to:									
Shareholders of DONG Energy A/S			(10,198)			(2,976)			(2,327)
Coupon payments and costs after tax, hybrid capital holders of DONG Energy A/S			714			588			765
Non-controlling interests			31			78			(29)
Profit (loss) for the year			**(9,453)**			**(2,310)**			**(1,591)**

Balance sheet & cash flow statement

DKK MM	2015	2014	2013
Balance Sheet Items			
Tangible and intangible assets	81,363	87,275	93,689
Assets held for sale	1,452	(1)	278
Investment in ass. and JVs	1,640	1,584	2,323
Net Working Capital, operations	(2,887)	(1,632)	2,104
Net Working Capital, CAPEX	(3,772)	(2,415)	(1,551)
Financial instruments, net	6,110	2,870	628
Accruals etc., net	(91)	(196)	(333)
Decommissioning obligations	(11,444)	(10,367)	(8,821)
Provisions, Other	(8,045)	(5,567)	(4,789)
Tax, net	(3,698)	(6,041)	(6,184)
Capital employed	**60,930**	**65,511**	**77,345**
Equity	**51,736**	**61,533**	**51,543**
- Shareholders	32,029	41,654	31,526
- Hybrid capital	13,309	13,318	13,308
- Minority interest	6,398	6,561	6,708
Net interest-bearing debt	**9,193**	**3,978**	**25,803**
Equity and NIBD	**60,930**	**65,511**	**77,345**

DKK MM	2015	2014	2013
Cash flow statement			
EBITDA	18,484	16,389	15,044
Other adjustments	(482)	(658)	2,540
Financial items, net	**(658)**	**(1,065)**	**(2,872)**
Paid taxes	(5,091)	(3,835)	(2,856)
Accounting FFO	**12,253**	**10,830**	**11,817**
Change in work-in-progress (WIP)	(1,418)	1,395	(1,592)
Change in other net working capital	2,736	2,732	(496)
Cash from operating activities	**13,571**	**14,958**	**9,729**
Gross investments	(18,693)	(15,359)	(21,234)
Divestments	2,573	10,653	15,332
Net investments	**(16,120)**	**(4,706)**	**(5,902)**
Paid dividends to shareholders, net	0	0	0
Paid dividends to minority shareholders	(548)	(528)	(318)
Received dividends	20	15	39
Paid coupon on hybrid capital	(822)	(754)	(675)
Dividends and other financing	**(1,350)**	**(1,267)**	**(954)**
Cash flow total	**(3,899)**	**8,985**	**2,873**
Net Debt	**2015**	**2014**	**2013**
Net interst-bearing debt, beginning of period	3,978	25,803	31,968
Cash flow total	3,899	(8,985)	(2,873)
Capital injection, net	0	(13,007)	0
Hybrid capital, addition	0	0	(3,400)
Exchange rate adjustments etc.	1,316	167	108
Net Debt increase / decrease	**5,216**	**(21,825)**	**(6,165)**
Net Interest bearing debt, end of period	**9,193**	**3,978**	**25,803**

Segment information – 2015

DKK MM	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Reporting segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
INCOME STATEMENT									
External revenue	11,818	4,651	48,485	5,399	70,353	490	70,843	3,544	74,387
Intragroup revenue	4,687	527	959	7,371	13,544	(13,544)			
Revenue	**16,505**	**5,178**	**49,444**	**12,770**	**83,897**	**(13,054)**	**70,843**	**3,544**	**74,387**
Cost of sales	(7,930)	(3,819)	(45,259)	(902)	(57,910)	12,944	(44,966)	(106)	(45,072)
Employee costs and other external expenses	(3,140)	(1,572)	(2,080)	(3,468)	(10,260)	219	(10,041)		(10,041)
Other operating income and expenses	595	495	121	951	2,162	1	2,163		2,163
Gain (loss) on disposal of non-current assets	7	3	(53)	403	360	13	373		373
Share of profit (loss) in associates and joint ventures	114	(2)			112		112		112
EBITDA	**6,151**	**283**	**2,173**	**9,754**	**18,361**	**123**	**18,484**	**3,438**	**21,922**
Depreciation and amortisation	(3,164)	(1,367)	(1,109)	(3,028)	(8,668)	(33)	(8,701)		(8,701)
Impairment losses	(504)	(680)		(15,849)	(17,033)		(17,033)		(17,033)
Operating profit (loss) (EBIT)	**2,483**	**(1,764)**	**1,064**	**(9,123)**	**(7,340)**	**90**	**(7,250)**	**3,438**	**(3,812)**
Current hydrocarbon tax				(2,591)	(2,591)		(2,591)		(2,591)
EBIT less current hydrocarbon tax	**2,483**	**(1,764)**	**1,064**	**(11,714)**	**(9,931)**	**90**	**(9,841)**	**3,438**	**(6,403)**
Reversal of impairment losses for the year	504	680		15,849	17,033		17,033		17,033
Adjusted operating profit (loss)	**2,987**	**(1,084)**	**1,064**	**4,135**	**7,102**	**90**	**7,192**	**3,438**	**10,630**
KEY FIGURES									
Property, plant and equipment and intangible assets	50,653	5,855	12,140	12,382	81,030	333	81,363		81,363
Investments in associates and joint ventures as well as other equity investments	1,227	9	404		1,640	2	1,642		1,642
Net working capital, operations	3,077	(2,344)	(4,755)	812	(3,210)	323	(2,887)		(2,887)
Net working capital, installations	(2,598)	(236)		(938)	(3,772)		(3,772)		(3,772)
Derivative financial instruments, net	479	128	1,696	5,653	7,956	(1,845)	6,111		6,111
Assets classified as held for sale, net			2,452		2,452	(1,000)	1,452		1,452
Decommissioning obligations	(2,461)	(790)	(185)	(7,708)	(11,144)		(11,144)		(11,144)
Other provisions	(1,648)	(859)	(2,977)	(3,524)	(9,008)	964	(8,044)		(8,044)
Tax, net	(1,296)	459	(143)	(1,223)	(2,213)	(1,487)	(3,700)		(3,700)
Other receivables and other payables, net	573		25		598	(689)	(91)		(91)
Capital employed at 31 December	**48,006**	**2,222**	**8,657**	**5,444**	**64,329**	**(3,399)**	**60,930**	**-**	**60,930**
Return on capital employed (ROCE) %	**5.7**	**(50.0)**	**11.5**	**(101.9)**	**-**	**-**	**(15.6)**	**-**	**-**
Adjusted ROCE %	**6.9**	**(28.6)**	**11.5**	**21.9**	**-**	**-**	**10.1**	**-**	**-**
Cash flows from operating activities	3,074	2,488	3,691	6,049	15,302	(1,731)	13,571		13,571
Gross investments	(10,192)	(1,214)	(1,110)	(5,985)	(18,501)	(192)	(18,693)		(18,693)
Divestments	1,603	280	108	591	2,582	(9)	2,573		2,573
Free cash flow (FCF)	**(5,515)**	**1,554**	**2,689**	**655**	**(617)**	**(1,932)**	**(2,549)**	**-**	**(2,549)**

APPENDIX – WIND POWER

DONG energy

Wind Power fact sheet

Offshore wind farms[1]

Denmark GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ownership share, %	Owned capacity, MW	Financial consolidation	Commercial operational date	Subsidy regime	Subsidy expiry	Fixed feed-in tarif, DKK/MWh
Anholt	Pension Danmark, PKA	400	400	50%	200	Pro rata	2013	Fixed feed-in tarif	20 TWh (5 TWh produced)[2]	1,051
Horns Rev 2	-	209	209	100%	209	Full	2010	Fixed feed-in tarif	10 TWh (5.8 Twh produced)[2]	518
Nysted	Pension Danmark , Stadtwerke Lübeck	166	166	42.75%	71	Pro rata	2003	Fixed feed-in tarif	2016[8]	453
Horns Rev 1	Vattenfall	160	160	40%	64	Pro rata	2003	Market price + 100DKK/MWh[3]	Expired after 20 years	-
Middelgrunden[4]		20	40	100%	20	Full	2001	Market price + 100DKK/MWh[3]	Expired after 20 years	-
Avedøre Holme[4]		7	11	100%	7	Full	2009 and 2011	Fixed feed-in tarif	20,200 full-load hours[5]	Market price + 250
Vindeby	-	5	5	100%	5	Full	1991	Market price	NA	-
Sub total		**967**	**991**		**576**					

United Kingdom GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ownership share, %	Owned capacity, MW	Consolidation	Commercial operational date	Subsidy regime	Subsidy expiry	CfD, GBP/MWh (Real 2012)	ROCs/MWh
London Array 1	E.ON, Masdar & CDPQ	630	315	25%	158	Pro rata	2013	ROC	2033	-	2.0
West of Duddon Sands	Scottish Power Renewables (Iberdrola)	389	389	50%	194	Pro rata	2014	ROC	2034	-	2.0
Walney 1&2	PGGM & Ampere, SSE	367	367	50.1%	184	Full	2011 and 2012	ROC	2032	-	2.0
Lincs	Centrica, Siemens PV	270	-	25%	68	One-line	2013	ROC	2033	-	2.0
Westermost Rough	Marubeni & Green Investment Bank	210	210	50%	105	Pro rata	2015	ROC	2035	-	2.0
Gunfleet Sands 1&2	Marubeni & Development Bank of Japan	173	173	50.1%	87	Full	2010	ROC	2030	-	1.5
Barrow	-	90	45	100%	90	Full	2006	ROC	2025	-	1.0
Burbo Bank	-	90	90	100%	90	Full	2007	ROC	2027	-	1.5
Gunfleet Sands Demo	-	12	12	100%	12	Full	2013	ROC	2033	-	2.0
Sub total, excl parks under construction		**2,231**	**1,601**		**987**						
Hornsea	-	1,218	1,218	100%	1,218	Full	2020[7]	CFD	2036	140	-
Walney Extension	-	659	659	100%	659	Full	2018[7]	CFD	2033	150	-
Race Bank	-	573	573	100%	573	Full	2018[7]	ROC	2037	-	1.8
Burbo Bank Extension	Kirkbi, PKA	258	258	50%	129	Pro rata	2017[7]	CFD	2032	150	-
Sub total, incl. parks under construction		**4,939**	**4,309**		**3,566**						

Germany GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ownership share, %	Owned capacity, MW	Consolidation	Commercial operational date	Subsidy regime	Subsidy expiry period 1	Subsidy expiry period 2	Fixed feed-in tarif period 1, EUR/MWh	Feed-in tarif period 2, EUR/MWh
Borkum Riffgrund 1	Kirkbi, William Demant	312	312	50.0%	156	Pro rata	2015	Fixed feed-in tarif	2023	2025[9]	194	154
Sub total, excl. parks under construction		**312**	**312**		**156**							
Gode Wind 1	Global Infrastructure Partners	330	330	50.0%	165	Pro rata	2016[7]	Fixed feed-in tarif	2024	2026[9]	194	154
Gode Wind 2	PKA, Industriens Pension , Lærerenes- & Lægernes Pensionskasse	252	252	50.0%	126	Pro rata	2016[7]	Fixed feed-in tarif	2023	2026[9]	194	154
Sub total, incl. parks under construction		**894**	**894**		**447**							
Divested offshore wind farms, but constructed by DONG Energy[6]		**106**	**106**									

Totals	Park capacity, MW	Installed capacity, MW	Owned capacity, MW
Total capacity for operational parks	3,510	2,904	1,719
Total capacity operational parks incl. installed but divested farms	3,616	3,010	1,719
Total installed capacity incl. parks under construction + divested farms	6,906	6,300	4,590

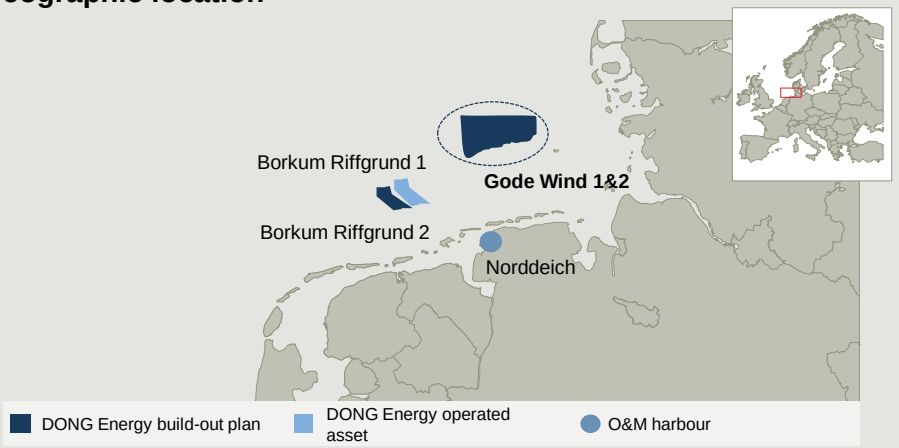
1. Assets in operation and assets where Final Investment Decision has been taken
2. By December 31, 2015
3. The supplement depends on the development of market price and is increased pro rata – a market price below 260 DKK/MWh equals 100 DKK/MWh and over 360 DKK/MWh 0 DKK/MWh
4. DONG Energy has installed Middelgrunden (40 MW) and Avedøre Holme (10,8 MW), however DONG Energy has subsequently divested 50% of the turbines in Middelgrunden and one of the three turbines on Avedøre Holme. No partnerships on either of the parks
5. The first and second turbines reached approximately 14,600 and 20,200 full-load hours, respectively, by December 31, 2015
6. Kentish Flats (90MW), Frederikshavn (11MW) and Tunø Knob (5MW)
7. Expected year of commissioning
8. After expiry of fixed feed-in-tariff period in 2016, Nysted will receive market price + supplement dependent on the development of market price which is increased pro rate – a market price below 260 DKK/MWh equals 100 DKK/MWh and over 360 DKK/MWh 0 DKK/MWH
9. Floor price of 39 EUR/MWh for up to 20 years

DONG energy

Gode Wind 1&2 project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

Geographic location

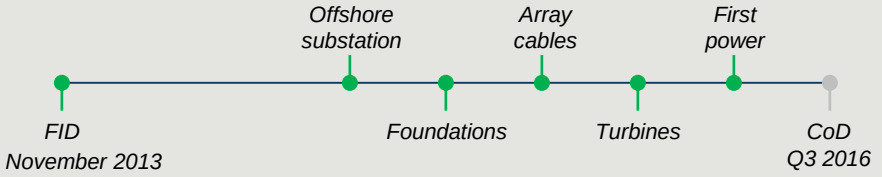


Key parameters

Capacity	582 MW
# of turbines	97
CoD	Q3 2016[2]
Location	Germany
Distance from shore	45 km
Water depth	28-34 m
O&M harbour	Norddeich
Turbine model	Siemens 6.0 MW-154
Foundations	Monopiles
Ownership	Gode Wind 1: 50% DONG Energy / 50% GIP[4] Gode Wind 2: 50% DONG Energy / 50% PKA, IP, LPI, LP
FID Timing	November 2013
Farm down status	Completed

Project status and challenges[1]

On budget
On time
HSE



Status

- First power achieved on Gode Wind 2. First Power for Gode Wind 1 expected in Q2 2016
- All array cables installed and terminated
- All turbines installed and 93 turbines pre-commissioned. Continuation of 240h testing awaiting grid availability

Key challenges & achievements

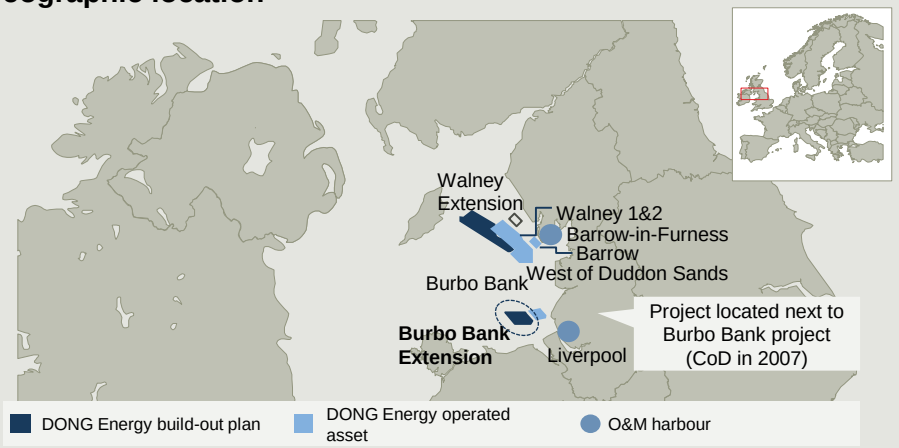
- Delays by TenneT[3] in installation and commissioning of offshore transmission assets, resulting in postponement of first power and turbine commissioning. Compensation for lost production predominantly covered by TenneT
- Despite rough weather conditions and delayed array cable installation initial CoD still achievable, subject to limiting additional delays by TenneT
- 50% farm down as separate projects to financial partners, including a setup enabling GIP[4] to issue rated project bonds

1. Timeline reflects commencement of installation activity as these are not sequential
2. Gode Wind 1 to be commissioned in Q3 2016, while Gode Wind 2 is to be commissioned in Q2 2016
3. German TSO
4. GIP: Global Infrastructure Partners

Burbo Bank Extension project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

Geographic location

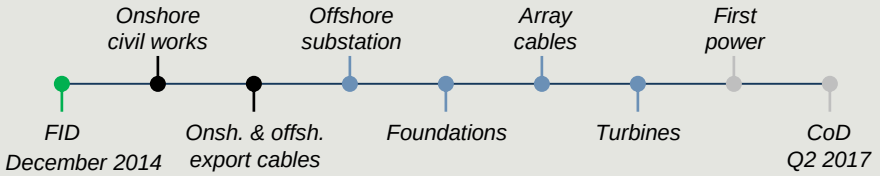


Key parameters

Capacity	258 MW
# of turbines	32
CoD	Q2 2017
Location	UK
Distance from shore	6 km
Water depth	3-17 m
O&M harbour	Liverpool
Turbine model	MHI Vestas V164-8.0 MW
Foundations	Monopiles
Ownership	50% DONG Energy / 25% PKA / 25% Kirkbi
FID Timing	December 2014
Farm down status	Completed

Project status and challenges[1]

On budget
On time
HSE



Status

- Onshore civil works substantially complete, electrical equipment installed and commissioning ongoing
- Offshore substation structure complete, electrical equipment installed and commissioning ongoing
- Focus on quality and progress monitoring of turbine fabrication
- Installation preparation ongoing for export cable, offshore substation and foundations which are to commence in June 2016

Key challenges & achievements

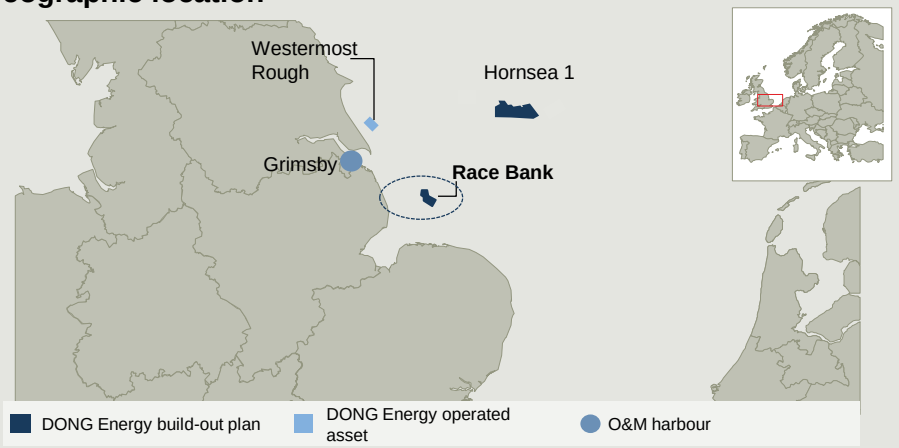
- CfD secured with 150 GBP/MWh offtake price for 15 years. Critical to comply with Milestone Delivery Date which was successfully passed May 2015
- New turbine technology and supplier (MHI-Vestas v164-8.0 MW) enabling CoE improvements and expanding turbine supplier base. Main risks are mitigated through commercial 'new technology protection' agreements
- New foundation supplier (EEW SPC in a joint venture with Bladt Industries A/S) enabling a further strengthening of supply chain
- Alternative radar solution identified for Liverpool Airport and BAE System, as the turbines are anticipated to cause radar interference
- ~40 land owner agreements and +10 crossing agreements in place to secure onshore and offshore cable route

1. Timeline reflects commencement of installation activity as these are not sequentiall

Race Bank project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

Geographic location

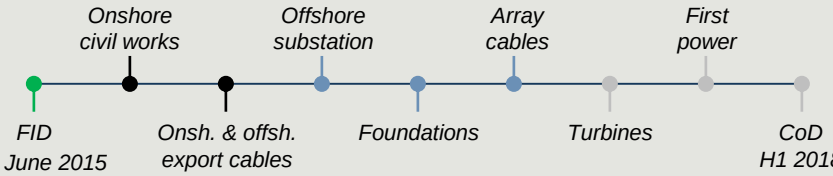


Key parameters

Capacity	573 MW
# of turbines	91
CoD	H1 2018
Location	UK
Distance from shore	27 km
Water depth	6-24 m
O&M harbour	Grimsby
Turbine model	Siemens 6.0 MW-154 (upgraded to 6.3 MW)[3]
Foundations	Monopiles
Ownership	100% DONG Energy
FID Timing	June 2015
Farm down status	Advanced

Project status and challenges[1]

On budget
On time
HSE



Status

- Onshore substation construction finalising and installation of electrical components is ongoing
- Onshore cable installation finalised and export cable installation is commencing with the cable installation tools present by the landfall (Jan de Nul's Moonfish & Sunfish tools)
- Fabrication completed on +40 monopile foundations at Steelwind

Key challenges & achievements

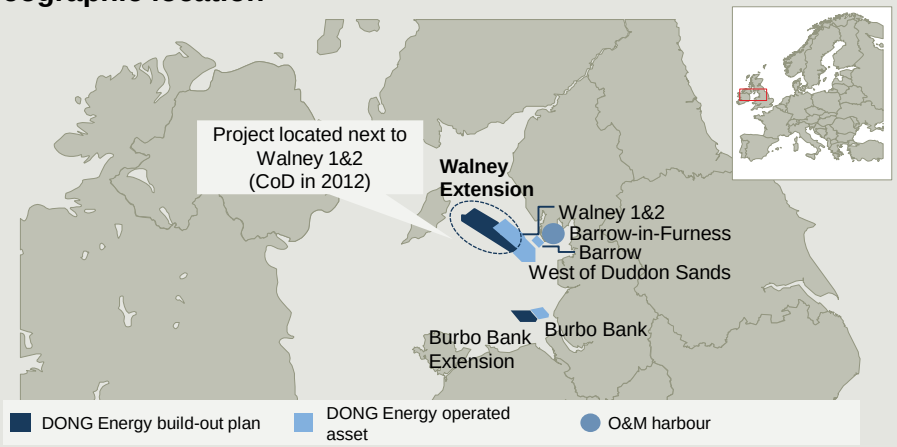
- Challenging export cable installation in the intertidal region (saltmarsh and mudflats) is mitigated through development of built-for-purpose burial equipment with numerous redundancy features
- Following project acquisition, the electrical export system was redesigned to reduce cost and complexity (reduced from 3 to 2 offshore substations and export cables). Strong competencies in consenting stakeholder engagement enabled this to be achieved within the required timeframe
- Sand wave migration potentially affecting array cable burial depth and foundation scour development[2]. This is being mitigated through additional seabed surveys and revised cable routes
- To remain eligible for the RO support scheme, the Race Bank offshore wind farm must have been accredited by OfGEM by 31 March 2018. DONG Energy's construction schedule is planned in preparation of getting accredited prior to this date and it is progressing on schedule

1. Timeline reflects commencement of installation activity as these are not sequential
2. Sea bed migration, which can create a pit around the foundation and if not mitigated can potentially destabilize the structure
3. Siemens 6.0 MW platform with performance enhancing features delivering 6.3 MW effect

Walney Extension project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

Geographic location

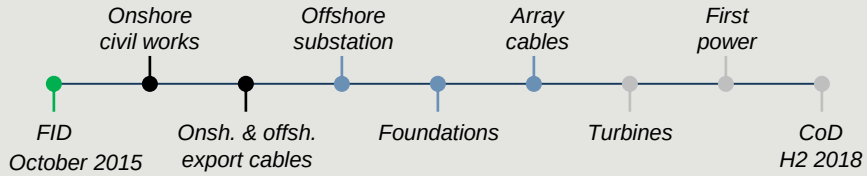


Key parameters

Capacity	659 MW
# of turbines	87
CoD	H2 2018
Location	UK
Distance from shore	19 km
Water depth	20-37 m
O&M harbour	Barrow-in-Furness
Turbine model	Siemens 7.0 MW-154 (47) / MHI-Vestas V164-8.25 MW (40)
Foundations	Monopiles
Ownership	100% DONG Energy
FID Timing	October 2015
Farm down status	Initiated

Project status and challenges[1]

On budget
On time
HSE



Status

- Onshore cable installation works underway. Onshore civil works ongoing and transformers installed at site
- Export cables and Offshore Substations manufacturing ongoing, offshore construction is expected to take place in 2017 and the first half of 2018
- Foundation manufacturing commenced

Key challenges & achievements

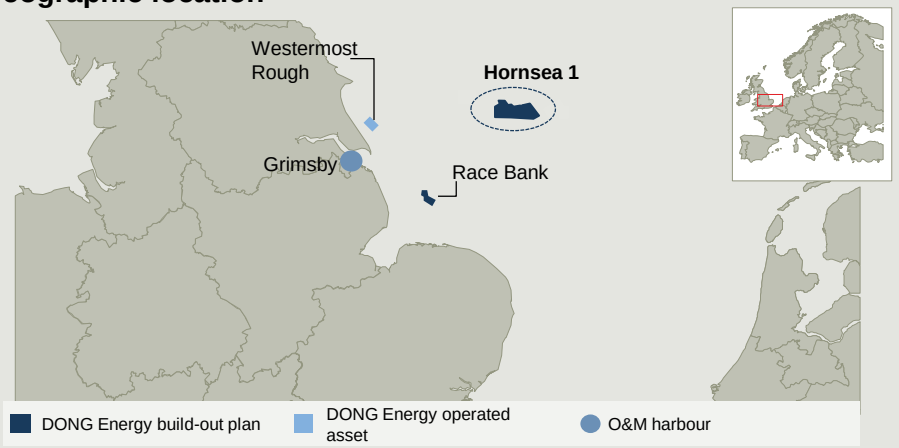
- CfD secured with 150 GBP/MWh offtake price for 15 years. Critical to comply with Milestone Delivery Date which was successfully passed 1 December 2015
- Similar radar situation towards BAE Systems as Burbo Extension. Walney Extension will apply similar technical and commercial solutions as Burbo Extention
- New turbine technology and supplier (MHI-Vestas v.164-8.0 MW)[2] enabling CoE improvements and expanding turbine supply chain. Main risks are mitigated through commercial 'new technology protection' agreements
- Offshore substation supplied through frame agreement with JVFI[3] enabling standardisation and volume discounts

1. Timeline reflects commencement of installation activity as these are not sequential
2. V164-8.0 MW turbines – rated with a capacity of 8 MW – have been optimised for the Walney Extension utilising a power mode to be able to deliver a maximum output of 8.25 MW
3. JVFI: Joint Venture between Cofely Fabricom NV/SA and Lemants NV

Hornsea 1 project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

Geographic location



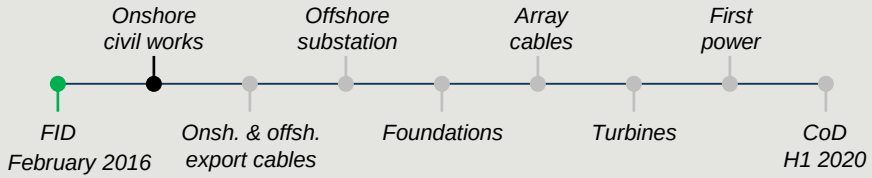
Key parameters

Capacity	1,200 MW[1]
# of turbines	174
CoD	H1 2020
Location	UK
Distance from shore	120 km
Water depth	23-37 m
O&M harbour	Grimsby
Turbine model	Siemens 7.0 MW-154
Foundations	Monopiles (116) / Suction bucket jackets (58)
Ownership	100% DONG Energy
FID Timing	February 2016
Farm down status	Not started. Farm down of a portion of our ownership interest expected in 2018

Project status and challenges[2]

On budget
On time
HSE

~60% of main contracts signed incl. export cables, offshore substation, turbines and onshore civil works



Status

- Onshore civil works commenced prior to FID to ensure sufficient readiness for energisation
- Ongoing progress on signing main supply and installation contracts
- Despite being the world's largest offshore wind farm currently under construction, Hornsea is to a large extent using known technologies and installation principles similar to a other UK offshore construction project in build-out plan

Key challenges & achievements

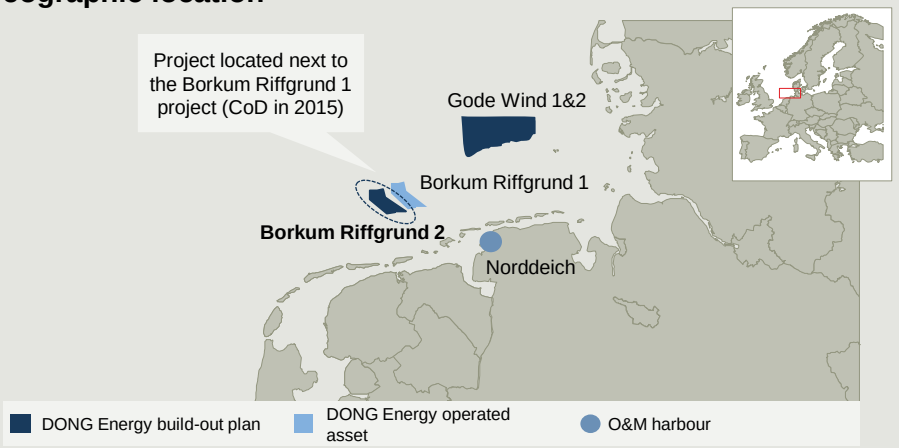
- CfD secured with 140 GBP/MWh offtake price for 15 years. Critical to comply with Milestone Delivery Date which was successfully passed in April 2016
- Redesigned electrical offshore export system from HVDC to HVAC[3] solution with reactive compensation stations to compensate for the significant distance to shore. Redesign required to de-risk project, increase supplier base and reduce manufacturing and design lead time
- Selected suppliers expected to use new manufacturing facilities, enabling on-time delivery of the main components. Increased monitoring of these supplier to ensure satisfactory manufacturing quality and pace

1. The export capacity of Hornsea 1 is 1,200 MW determined by the boundary of the facility (offshore substations) while the aggregated installed generator capacity is 1,218 MW
2. Timeline reflects commencement of installation activity as these are not sequential
3. HVDC: High Voltage Direct Current, HVAC: High Voltage Alternating Current

Borkum Riffgrund 2 project overview

Activity completed
Activity commenced
Component in fabrication
Activity pending

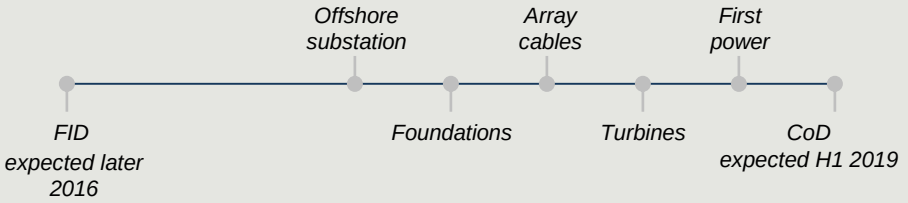
Geographic location



Key parameters

Capacity	450 MW
# of turbines	56
CoD	H1 2019
Location	Germany
Distance from shore	56 km
Water depth	26-29 m
O&M harbour	Norddeich
Turbine model	MHI Vestas V164-8.0 MW[2]
Foundations	Monopiles (36) / Suction bucket jackets (20)
Ownership	100% DONG Energy
FID Timing	Expected later 2016
Farm down status	Not started

Project status and challenges[1]



Status

- FID-process on-track
- Tendering and signing main supply and installation contracts ongoing
- Key project consent is still pending, and is expected later in 2016
- Installation activities anticipated in 2017 and 2018

Key challenges & achievements

- Despite regulatory certainty that German TSO (TenneT) will provide a grid connection, experience indicate significant risk of TenneT not providing grid connection as scheduled. As seen for Gode Wind delay compensation scheme in place covering most lost production, further TenneT will have more than twice as much time compared to Gode Wind to provide the connection
- Foundation (suction bucket jackets) technology to be applied

1. Timeline reflects commencement of installation activity as these are not sequential
2. V164-8.3 MW turbines – rated with a capacity of 8 MW – have been optimised for the Borkum Riffgrund 2 utilising a power mode to be able to deliver a continuous maximum output of 8.3 MW

Wind Power value drivers

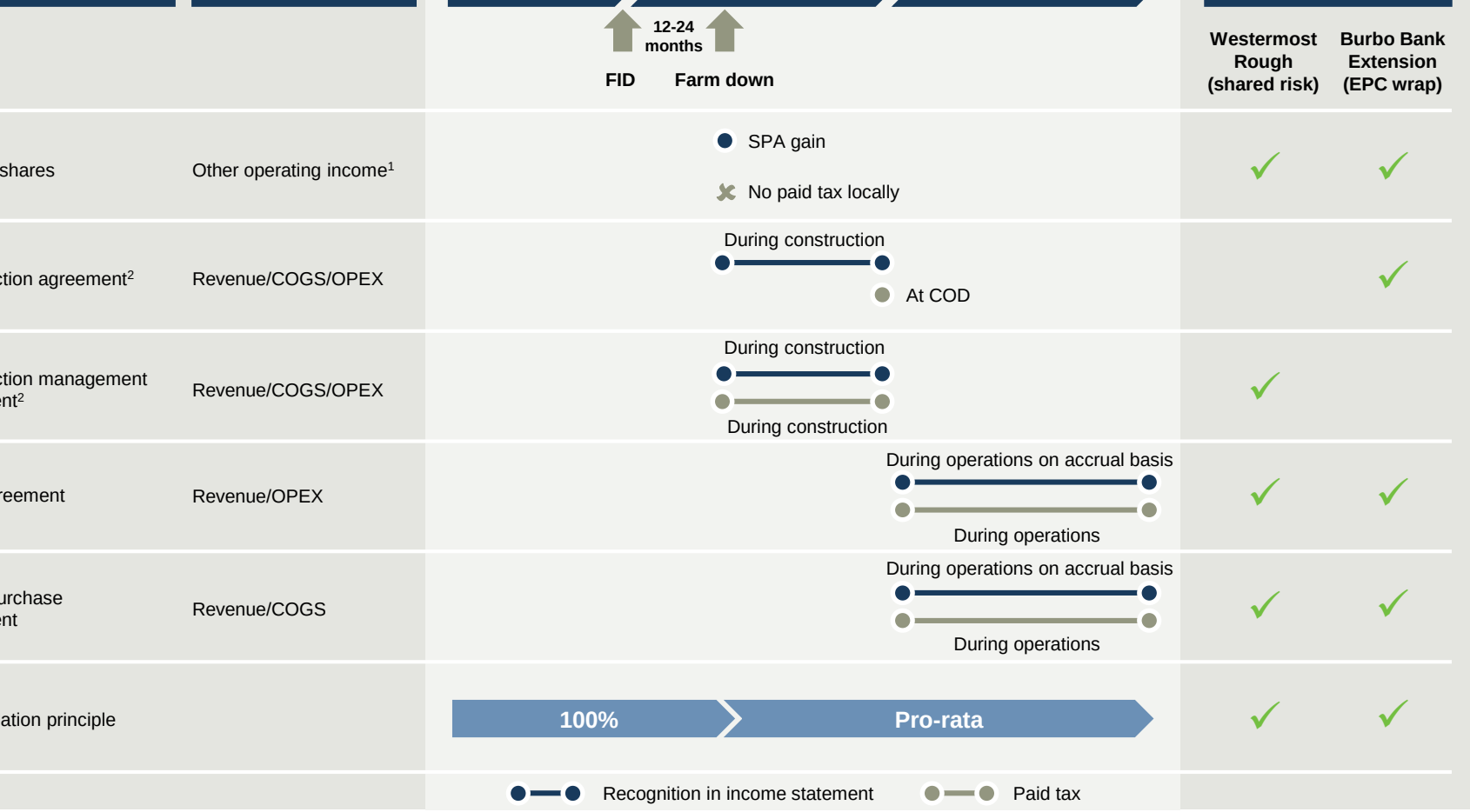
Key drivers[1]

	Execution Assets[2]
Load Factor	48-50% (weighted average) Burbo Bank Extension is an outlier with lower than average expected load factor
COGS	Primarily include BSUoS and TNUoS charges for UK wind farms[3], as well as balancing and other fees
OPEX	Expected to decrease in the long-term from current level for existing operating assets of ~DKK 15.0-17.0 MM/MW (2015 real terms) due to cost-out initiatives and increasing scale of portfolio. OPEX per MW expresses the total lifetime cost
CAPEX[4,5,6]	DKK 22-24 MM/MW (weighted average in 2015 prices)
Partnerships	DONG Energy brings in partners at around its cost of capital Farm down timing expected 12-24 months after FID

	Name	Capacity (MW)	Year commissioned	Owner-ship
Execution assets	Gode Wind 1	330	Q3 2016	50%
	Gode Wind 2	252	Q2 2016	50%
	Burbo Bank Extension	258	Q2 2017	50%
	Race Bank	573	H1 2018	100%
	Walney Extension	659	H2 2018	100%
	Borkum Riffgrund 2 (pending FID)	450	H1 2019	100%
	Hornsea 1	1,200	H1 2020	100%

1. Based on life-cycle calculations
2. Includes Gode Wind 1+2, Burbo Bank Extension, Race Bank, Walney Extension, Borkum Riffgrund 2 and Hornsea 1
3. For more information on BSUoS (Balancing Services Use of System) and TNUoS (Transmission Network Use of System) charges please see http://www2.nationalgrid.com/bsuos/ and http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Transmission-network-use-of-system-charges/, respectively
4. Incl. contingency and management reserve and allocated group overheads and excl. OFTO
5. DONG Energy incurs project development costs and 100% of the CAPEX prior to FID and pre-farm down, which is not accounted for in this multiple
6. Please refer to page 75 of DONG Energy's 2015 Annual Report for detail on share of already invested CAPEX in Wind Power property, plant and equipment under construction as of 31 December 2015

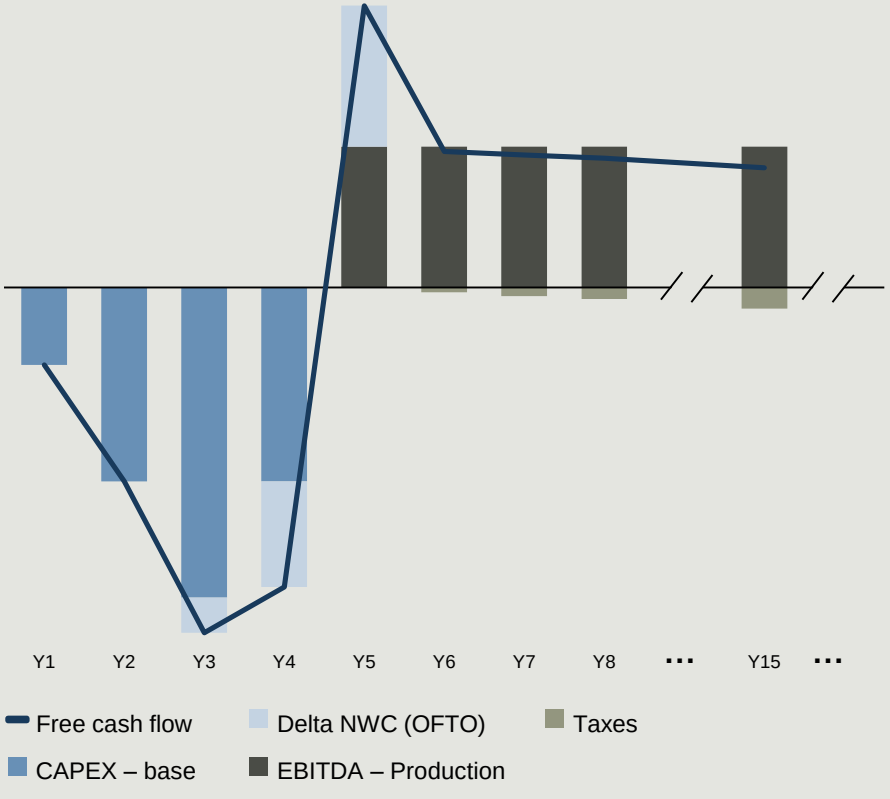
Overview of key financial accounting and tax recognition effects for Wind Power partnerships



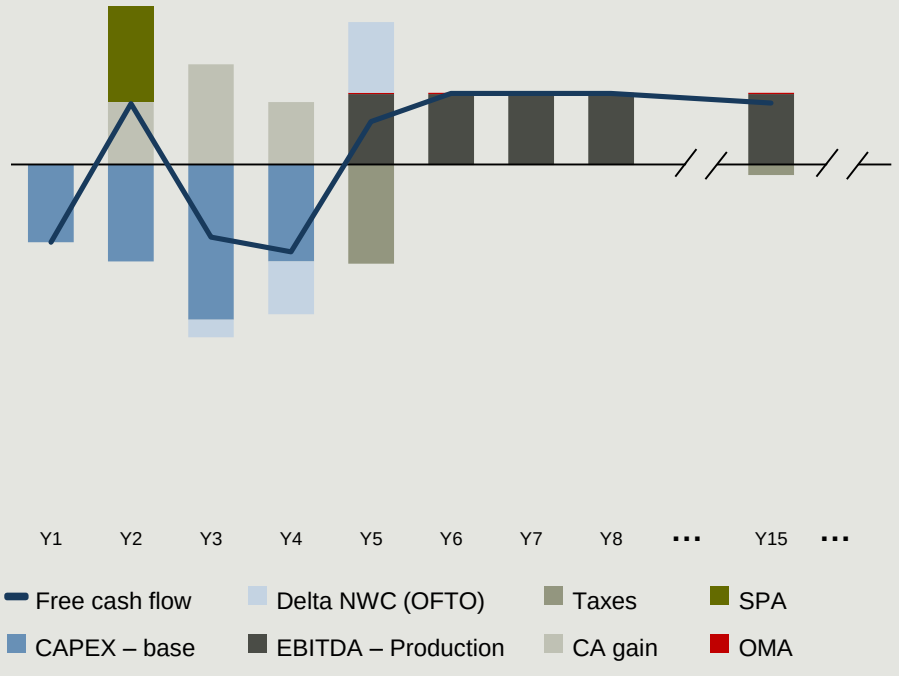
1. Gain on shares is not part of cash flows from operating activities, but part of cash flows from investing activities
2. Internal construction agreement gains and construction management agreement gains eliminated for accounting purposes are still subject to taxation in the entity acting as constructor or construction manager

Illustrative example of Wind Power Partnership mechanics: EPC wrap / Construction Agreement – all items

Without farm down[1]
Free cash flow
Illustrative



With farm down
Free cash flow
Illustrative



Note: Please note that this is an illustrative example and does not reflect any particular transaction. The only purpose of the example is to illustrate the Wind Power partnership mechanics

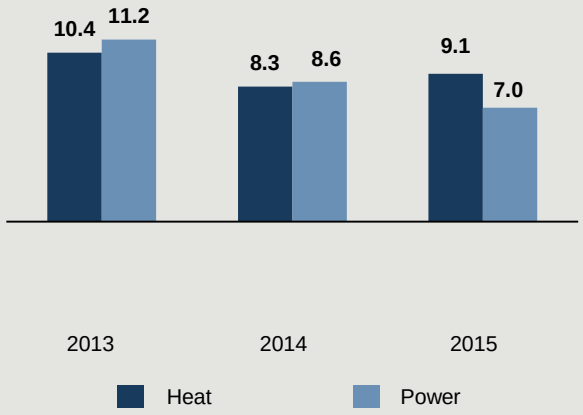
1. Hypothetical case without farm down is assuming the wind farm is developed and operated within the same entity without any inter-company transactions

APPENDIX – BIOENERGY & THERMAL POWER

Stable financial profile in Heat and Ancillary services

Volume[1]

TWh

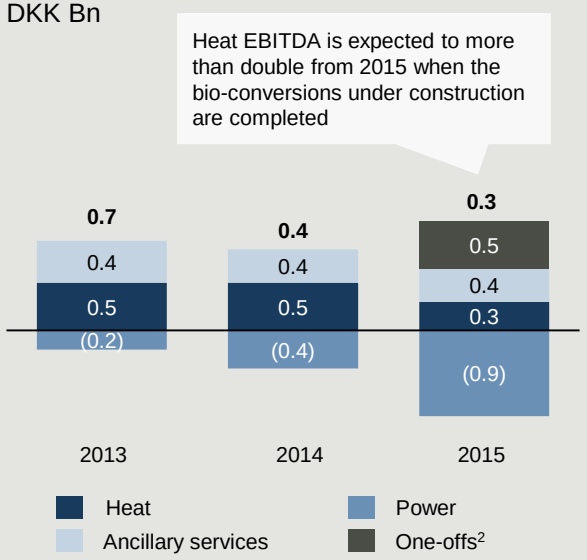


Key commentary

- Heat production has generally exhibited a stable development, where fluctuations primarily are related to weather conditions (production increase in 2015 explained by colder weather conditions compared to 2014)
- The decline in power production since 2013 is primarily explained by a challenging market situation

EBITDA

DKK Bn

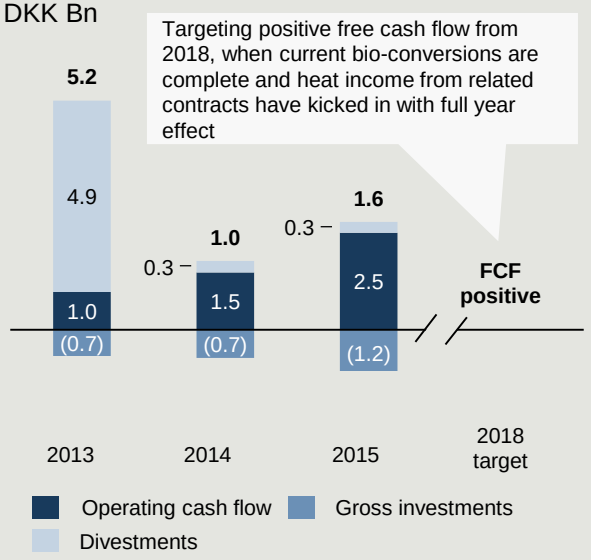


Key commentary

- Stable earnings from both Heat and Ancillary services
- Power earnings under pressure from challenging market with low to negative Green Dark and Spark spreads
- Power EBITDA expected to improve due to new heat contracts (coverage of costs and forced production) and enhanced by-pass options

Free cash flow

DKK Bn



Key commentary

- Significant positive impact on FCF in 2013 to 2015 from prepayment from heat customers[3]
- FCF expected to be negative in 2016 and 2017 due to investments in bio-conversions
- Targeting positive free cash flow from 2018 following completion of bio-conversions

1. Volumes are excluding Maabjergværket (divested in 2015)
2. One-off compensation of DKK 488 MM received in 2015 from dispute settlement regarding CO_2 allowances from 2005 and 2006, and insurance compensation
3. Recognised as working capital

Resilient heat production business with a growing contribution from converted biomass plants

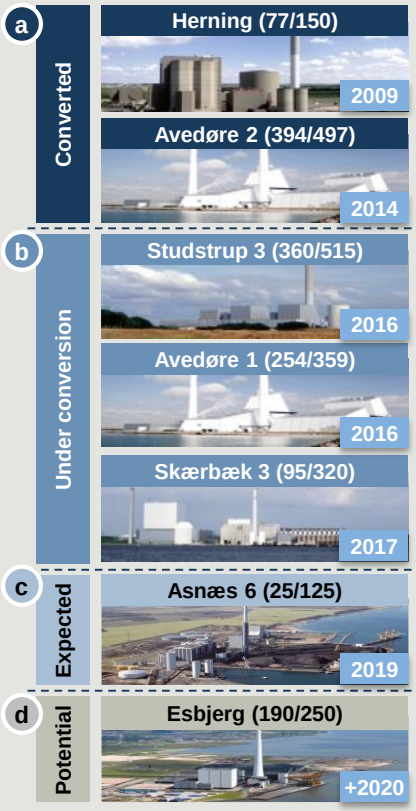
Transformation of business model is well underway

From	To
Fossil-fired	Biomass-fired
Power (heat as by-product)	Heat (power as by-product)
High commodity exposure	High share of regulated earnings

A platform for growth – incubator for new bioenergy technologies

On track to meet ambitious biomass strategic target

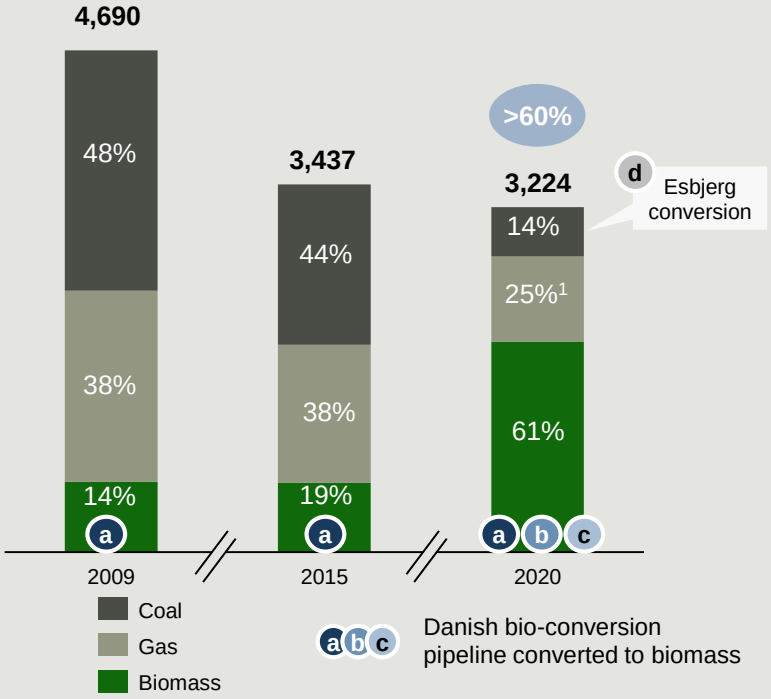
Conversion CHP (MWe/MWth)[1]



Commissioning year

DONG Energy heat capacity per fuel type (MW, %)

Strategic target: at least 60% of Danish heat capacity converted by 2020



1. H.C. Ørsted and Svanemøllen heat contracts expire 2025-2030

Growth opportunities based on core capabilities in the bioenergy value chain

A range of growth opportunities are explored

Opportunity	Description	Country	Idea/ Analysis	Maturation	Construction	Operation
Conversions	Bio-conversions of fossil-fuel CHPs in Denmark and potentially abroad	DK, DE				
REnescience	Enzymatic separation of organic and recyclable waste fractions	DK, UK, NL, MY				
Biogas	Gas produced from low value biomass	DK				
Inbicon	Enzyme-based production of 2nd generation bio-ethanol	DK				
Dedicated biomass	Biomass fired combined heat and power plants	UK, SE				

REnescience
value from waste

REnescience – enzyme-based separation of unsorted waste from households

Flexible and efficient:

1. No source separation – enzymes do the sorting
2. High recycling rates
3. High green gas yield

➤ A potential game changer for the waste sector

REnescience Northwich: First commercial-scale plant following successful demonstration in Denmark

- 5 MW of baseload electricity generation (supported through Renewable Obligation Certificates)
- 120,000 tonnes of mixed waste processed per year
- Significant gate fee from receiving waste
- CoD 2017
- Total CAPEX of ~DKK 600 MM

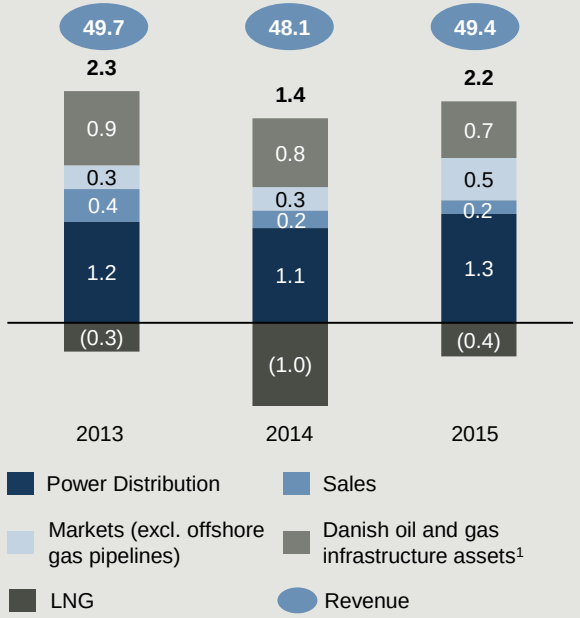
DONG energy

APPENDIX – DISTRIBUTION AND CUSTOMER SOLUTIONS

DONG energy

Distribution & Customer Solutions EBITDA anchored in stable Power Distribution business

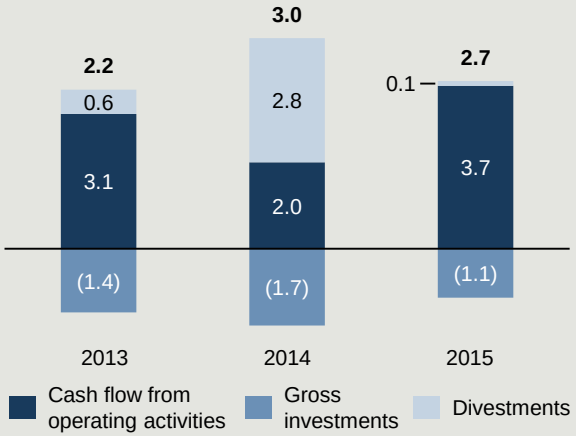
EBITDA
DKK Bn



Key commentary

- Stable earnings from both Power Distribution and Sales business
- Markets business negatively impacted by loss on long-term gas contracts in 2014 and positively impacted in 2015 by renegotiation of long-term gas purchase contracts

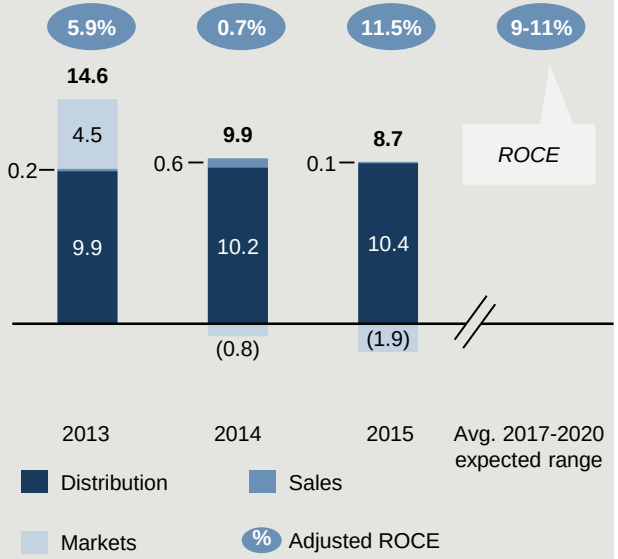
Free cash flow
DKK Bn



Key commentary

- Solid cash flow generation underpinned by the stable distribution business
- Relatively limited investment need aside the DKK 1.7 Bn investment in remote power meters in 2016-2019

Capital employed and ROCE
DKK Bn, %



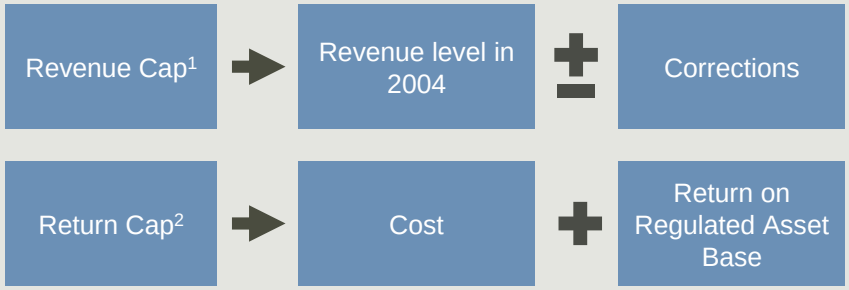
Key commentary

- Capital employed and ROCE anchored in the stable Power Distribution business
- ROCE for 2016 to be significantly positively impacted by settlement of long-term gas purchase contracts

1. Including Stenlille gas facility divested in 2014

Regulatory framework provides for stable earnings

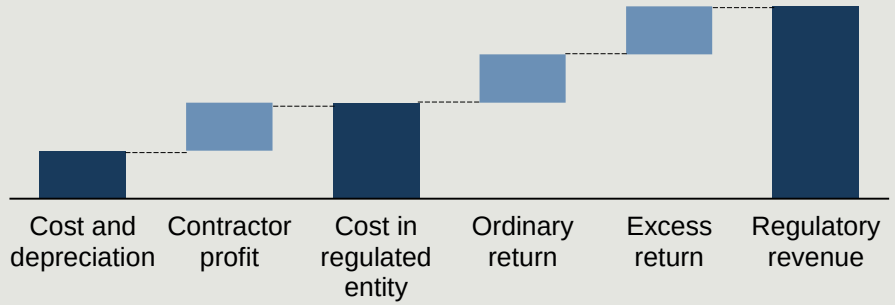
Current regulation based on Revenue and Return Cap



- Cost-plus regulation capped by historical tariffs
- Exceed Revenue Cap – compensation to customers
- Exceed Return Cap – Revenue Cap will be reduced after 3 years

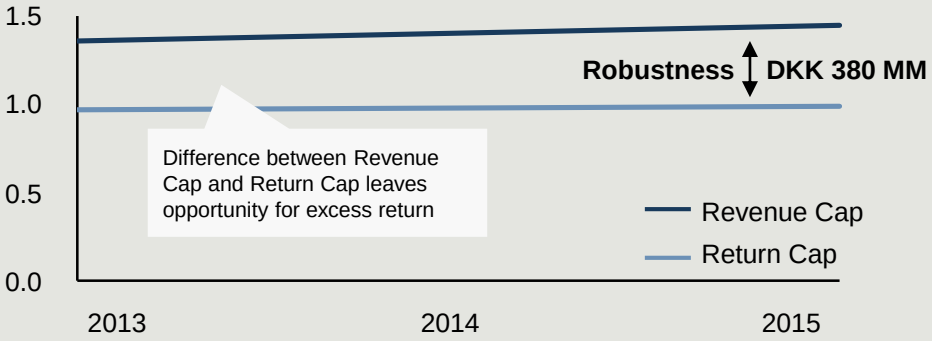
Value creating business model

Illustrative



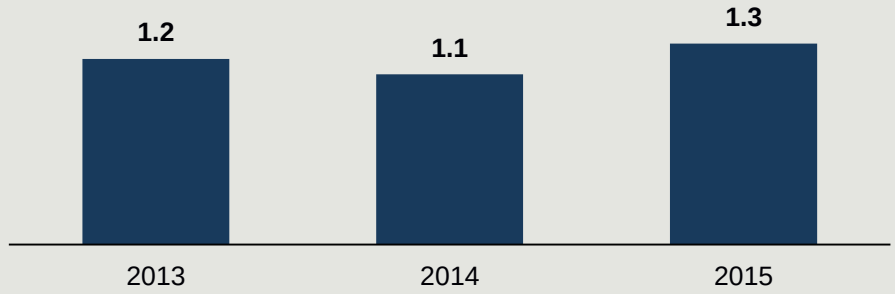
Regulatory framework allows for tariff optimisation

Implied EBITDA
DKK Bn



Stable earnings

Power Distribution EBITDA
DKK Bn

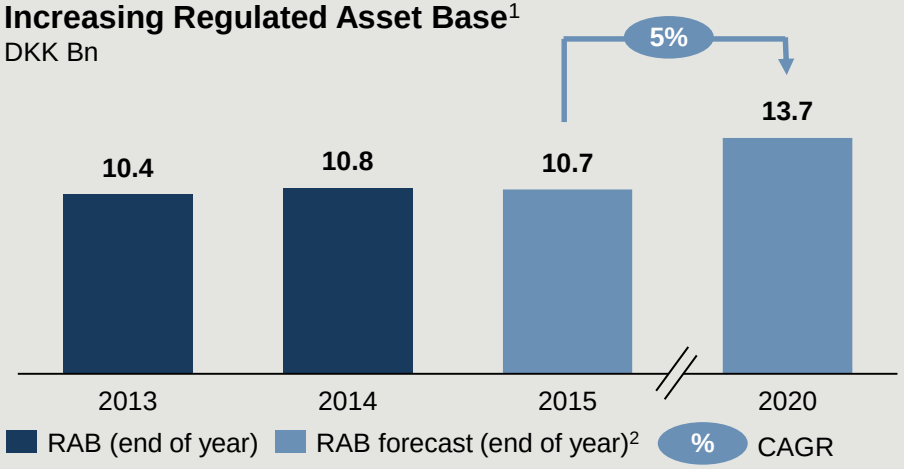


1. Revenue Cap is equivalent to the Danish regulatory term 'Indtægtsramme'
2. Return Cap is equivalent to the Danish regulatory term 'Forrentningsloft'

Continued asset base growth and focus on efficiency

Increasing Regulated Asset Base[1]

DKK Bn

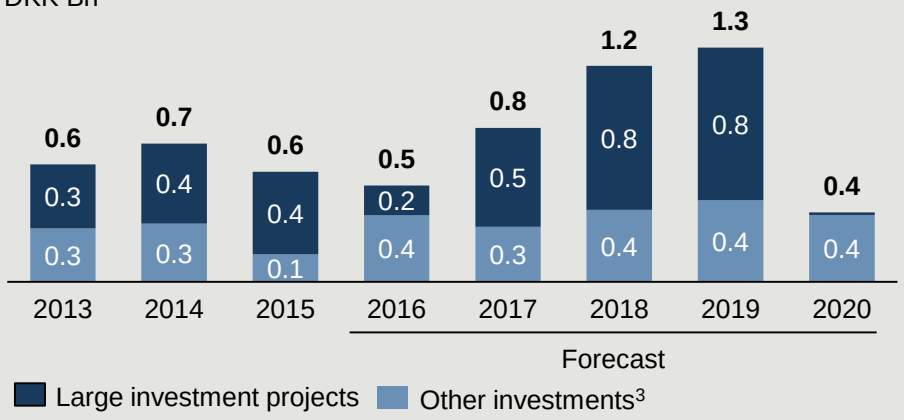


Large investment projects increase RAB

Remote Power Meters	▪ Roll out of ~1 MM remote power meters (RPM) to all customers during 2017-2019 ▪ Total CAPEX of DKK ~2.1 Bn, of which DKK ~1.7 Bn to be invested in 2016-2019
Cable Laying	▪ Cabling of overhead lines during 2003-2026 ▪ CAPEX of DKK ~250 MM expected during 2016-2026
Infrastructure relocation	▪ Relocation of cables and substations to make room for new railway ▪ Total CAPEX of DKK 400 MM during 2017-2019

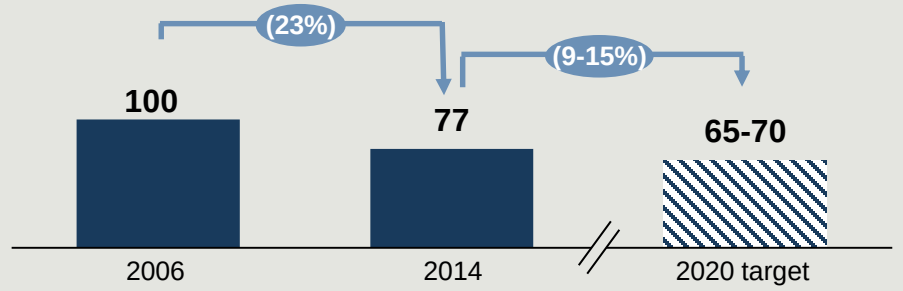
Larger investments drive RAB growth

DKK Bn



Continued focus on efficiency

Index OPEX and maintenance CAPEX



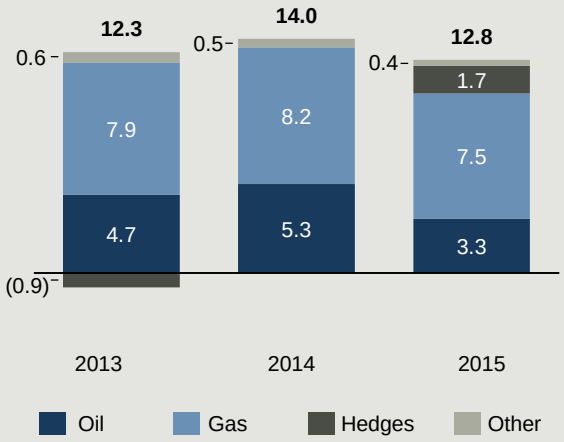
1. Under new regulation RAB will be inflation adjusted in each period
2. Investments in Regulated Asset Base are acknowledged as an investment when put into use, not when the cash is spent. Assets under construction of DKK 0.5 Bn not yet included in RAB end of 2015
3. Other investments includes reinvestments, new connections and other investments

DONG energy

APPENDIX – OIL & GAS

Oil & Gas financial performance

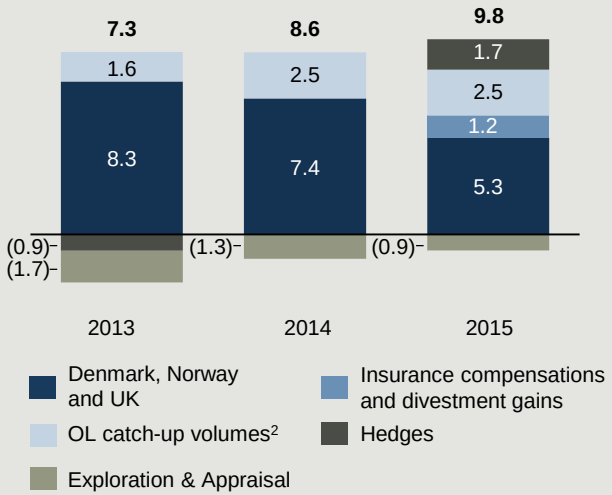
Revenue
DKK Bn



Key commentary

- Stable historical revenue mainly driven by gas production
- Impact from oil and gas price decline in 2015 partly offset by hedges

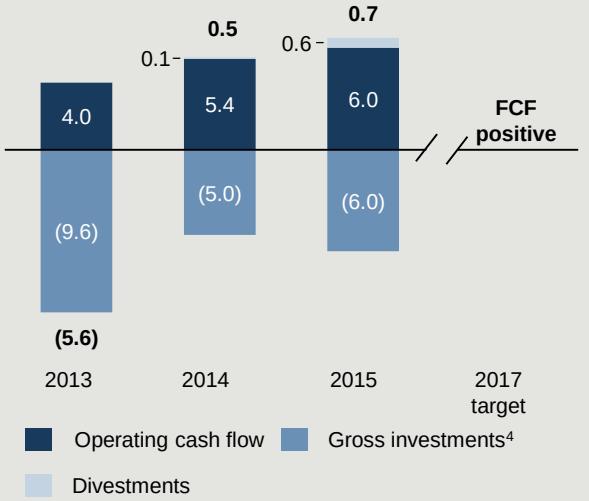
EBITDA pre-HCT[1]
DKK Bn



Key commentary

- EBITDA enhanced by Ormen Lange redetermination volumes (ended Q1 2016)
- Exploration and Appraisal gradually reduced; now kept to a minimum going forward

Free cash flow[3]
DKK Bn



Key commentary

- Positive FCF in 2014 and 2015 driven by OL redetermination
- Targeting positive free cash flow from base business starting 2017

1. Hydrocarbon tax constitute DKK 1.1 Bn, DKK 3.5 Bn and DKK 2.6 Bn for the years 2013, 2014 and 2015 respectively
2. EBITDA effect of the Ormen Lange catch-up volumes
3. Defined as operating cash flow less gross investments, plus divestments
4. 2013 gross investment figure impacted by the redetermination effect

O&G business managed for cash – targeting positive free cash flow from 2017

5 key pillars of O&G way forward

Exploration and appraisal investments kept to a minimum

Honour existing licensing commitments and support continued optimisation of core assets

Significant cost reductions

Contract renegotiations, activity adjustments and headcount reductions

No new development projects

Value of current development projects will be maintained for potential monetisation subject to market conditions and commerciality[1]

Optimisation of asset portfolio

Focus on core low-risk, low-cost, long-term assets

No new operator roles

Aspiration towards a position as a knowledgeable and active partner of a low-risk portfolio of non-operated assets

Implications

- Focus on building a leading O&G business in terms of return on capital employed and cash generation
- Targeted positive free cash flow from 2017 onwards, including DONG Energy's hedging position
- Positive cash flow from O&G to support future investments in renewable technologies

The outlined direction is a matter of strategic choice and, as such, independent from potential future increases in oil and gas prices

1. DONG Energy may however still invest in field extensions or build-out near existing producing assets and already initiated developments, including at or in the Hejre area

Hejre

Project status

- The platform EPC contract has been terminated. As a result, the platform will not be completed and the Hejre project in its current form has been stopped
- DONG Energy will be controlling the termination process and will assume potential financial up- and downsides arising out of the EPC contract and the termination process
- In Q1 2016 DONG Energy carried a provision of DKK 2.5 Bn. to cover risks associated with the discontinuation of the Hejre project, which included an elimination of the stabilisation plant
- The provision was recognised as onerous capital expenditure contracts of DKK 1.1 Bn., other provisions of DKK 0.8 Bn. and decommissioning provisions of DKK 0.7 Bn
- Other provisions of DKK 0.8 Bn. was recognised in EBITDA in Q1 2016, however the total provision relating to the Hejre project was not affected as a corresponding reversal of the previous provision recognised at year end 2015 for onerous capital expenditure contracts was made

Two possible scenarios for the license going forward

DONG Energy and Bayerngas will jointly assess if the license should be abandoned or a redevelopment could lead to a commercially viable project

1 Abandonment

- DONG Energy's assessment is that the Q1 2016 provision will provide sufficient coverage in an abandonment scenario

2 Monetisation through redevelopment

- If an economically attractive solution can be found, DONG Energy will seek to monetise the project in the best possible way
- In any redevelopment option, DONG Energy will seek to reduce equity exposure and review a new operatorship model