

FINANCIALS 2012 FIRST 9 MONTHS RESULTS

1 November 2012



Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “continues ” or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this presentation including but not limited to general economic developments, changes in temperature and precipitation, changes in market prices (e.g. oil, gas, power, coal, CO₂, currency), changes in the competitive environment, developments in the financial markets and changes in legislation or case law.

We urge you to read our annual report available on our website at www.dongenergy.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

Agenda



- **Highlights**
- Financials
- Outlook
- Appendix

First nine months 2012

Highlights¹

- EBITDA of DKK 6.7bn (down 43% y/y)
- FFO of DKK 7.1bn (down 20% y/y)
- Net debt of DKK 33.2bn (up 41% vs. year-end 2011)
- Adj. net debt/EBITDA at 4.0x (1.9x at FY11)
- Solid liquidity reserve of DKK 25.8bn

Outlook

- EBITDA in 2012 expected at DKK 8.5-9bn (previous guidance 10% lower than EBITDA in 2011)
- Lowered expectations for 2012 driven by non-cash provisions taken against loss-making gas storage and LNG terminal capacity contracts

Actions initiated

- Extensive cost reductions
- Restructuring of loss-making midstream gas operations
- Divestments

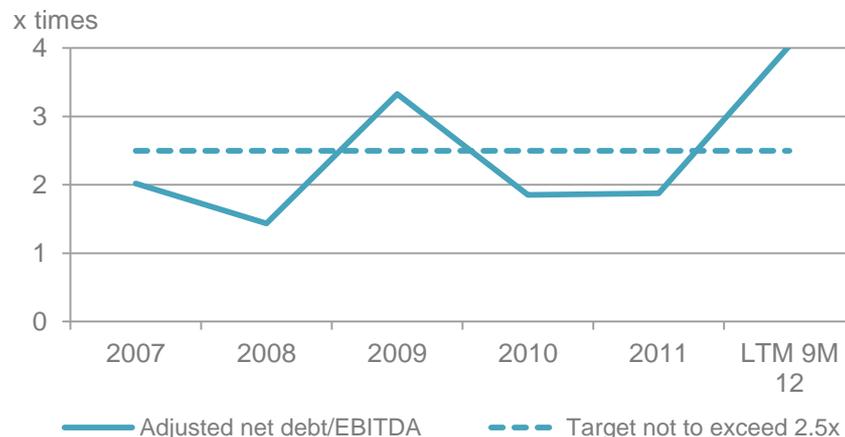
Commitment to capital structure targets

- Actions underline DONG Energy's strong commitment to capital structure targets
- Necessary actions will be taken to maintain targets

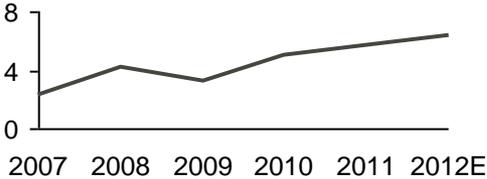
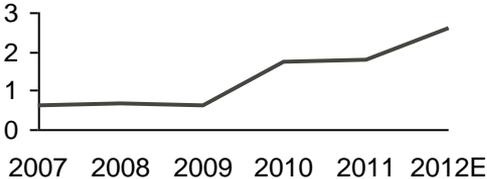
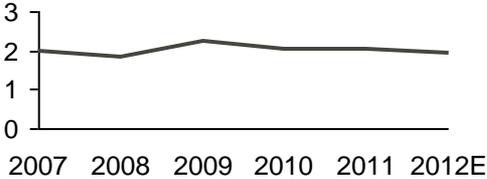
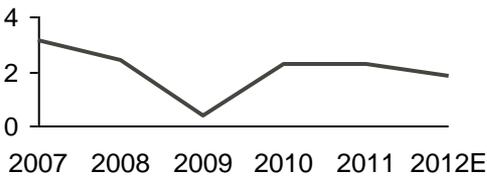
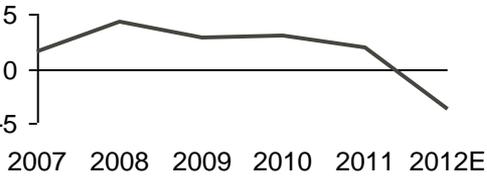
Key figures



Capital structure



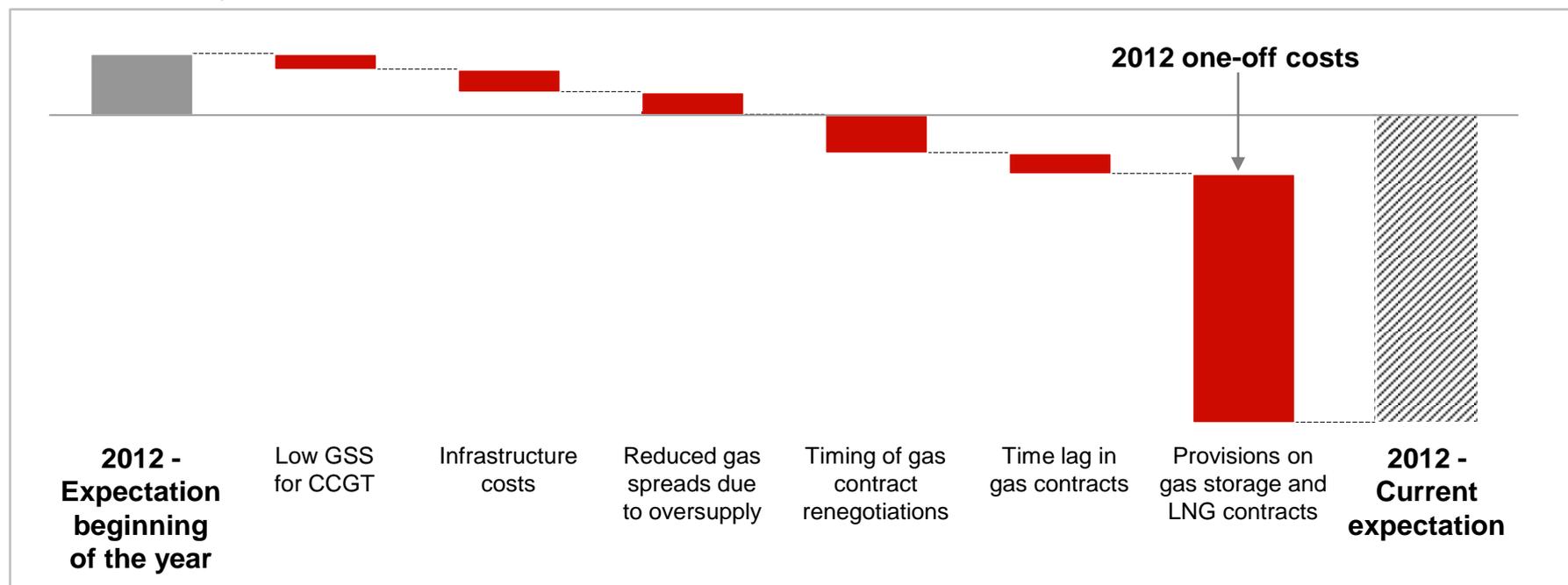
4 out 5 Business Units developing as expected

Business Unit		EBITDA (DKKbn)	Comments
 E&P	✓		<ul style="list-style-type: none"> Continued increase in production and earnings Solid reserves (17 times to production) E&P serving as cheap internal gas sourcing
 WP	✓		<ul style="list-style-type: none"> Ramp-up in production and earnings Majority of earnings from regulated prices First power from Lincs, Anholt and London Array since August 2012
 S&D	✓		<ul style="list-style-type: none"> Regulated prices and stable earnings
 TP	✓		<ul style="list-style-type: none"> Earnings volatility from Nord Pool exposure – unfavourable weather in 2012 Earnings from heat and biomass-firing increase in importance – more stable earnings
 EM	✗		<ul style="list-style-type: none"> Challenging situation for midstream gas operations Provisions on contracts and write down of assets Low contribution margin for gas-fired power stations

Revised 2012 expectations to Energy Markets

- Challenging conditions for Energy Markets in 2012
 - Low contribution margin (GSS) for gas-fired power stations (CCGT)
 - Higher German infrastructure costs
 - Oversupplied gas markets reduce margins and summer/winter spread
 - Oil/gas delink continues to drive losses due to delayed renegotiations of long-term gas contracts
 - Time lag in gas contracts (despite high hedging ratio)
 - Non-cash provisions from lower prices for gas storages and LNG terminal capacity

EBITDA Energy Markets



Impacts that will strengthen earnings & capital structure in 2013

1

NEW ASSETS ON STREAM

- Full year impact of the Walney wind farm
- Full year impact of E&P fields Oselvar and Marulk
- Positive impact from start up of wind farms Lincs, Anholt and London Array
- Positive impact from start up of E&P field South Arne phase 3

2

COST REDUCTION PROGRAMME

- DKK 1bn cost reduction programme implemented in Q4 12
- Workforce reduction of 500-600 FTE's
- Streamlining of external spend
- Procurement initiatives launched

3

RESTRUCTURING OF MIDSTREAM GAS OPERATIONS

- Gradual renegotiation of long-term gas contracts
- Write down and provisions against loss-making contracts and assets in Q3 2012
- Profit improvement initiatives

4

DIVESTMENTS

- Focused programme to divest non-core assets
- Selective farm down in E&P and Wind Power assets
- Divestments of DKK 10bn expected in 2013-2014

Significant new assets on stream in 2012 and 2013

Wind Power

Walney 2 – UK wind

- 184MW offshore wind
- DONG Energy's share: 50.1%
- Full operation since Apr. 2012



London Array – UK wind

- 630MW offshore wind
- DONG Energy's share: 50%
- First power in Oct. 2012



Anholt – DK wind

- 400MW offshore wind
- DONG Energy's share: 50%
- First power in Sep. 2012



Lincs – UK wind

- 270MW offshore wind
- DONG Energy's share: 25%
- First power in Aug. 2012



E&P

Marulk – NO gas

- DONG Energy's share: 30%
- Prod. started Apr. 2012



Oselvar – NO oil & gas

- DONG Energy's share: 55%
- Prod. started Apr. 2012



South Arne phase 3 – DK gas

- DONG Energy's share: 34.4%
- Prod. expected in H2 13

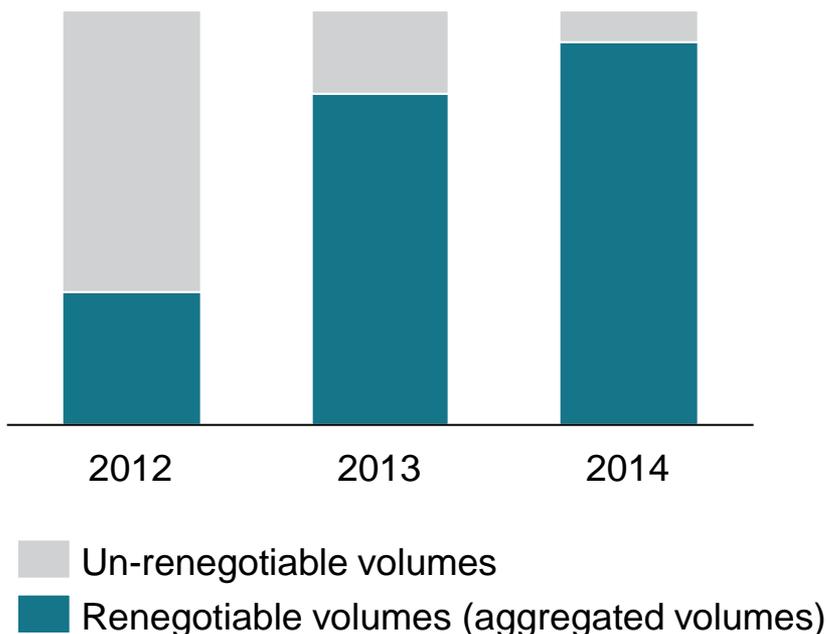


2012

2013

Renegotiation of gas contracts

Long-term contracted gas sourcing up for renegotiation



- Renegotiation of gas contracts ongoing – both for sourcing and sales contracts
- In general, DONG Energy expects to obtain similar terms as other large gas purchasers
- For certain contracts there might be delays in reaching agreements – arbitration initiated
- Results of renegotiations can lead to positive one-off effects (as in 2011 with DKK 1bn compensation)

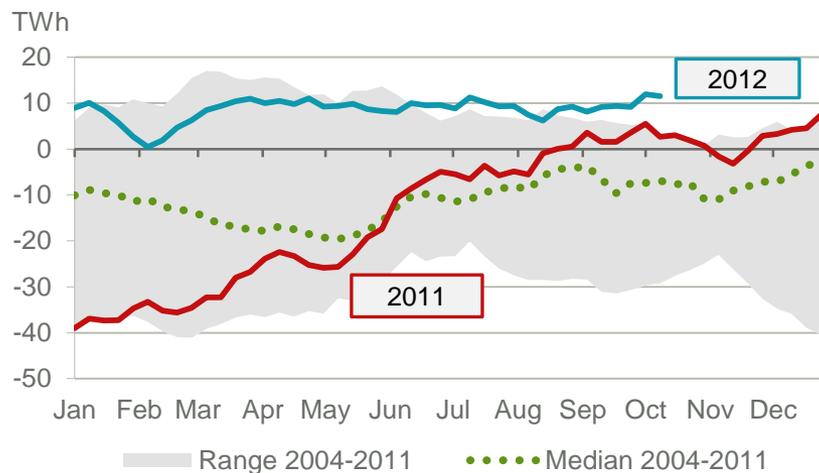
Agenda



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- **Financials**
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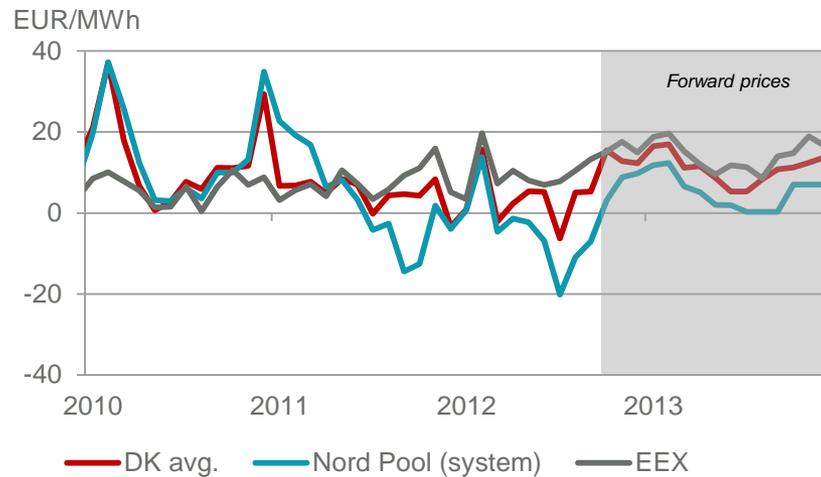
Market prices

Hydro balance



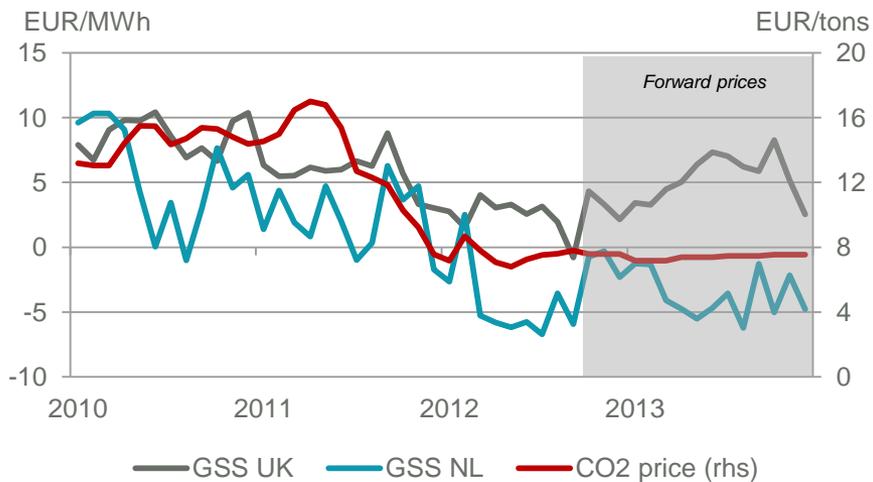
Source: Syspower

Green Dark Spread (monthly average)



Source: Argus, Nord Pool, EEX, ECX

Green Spark Spread & CO₂ price (monthly average)



Source: LEBA, APX, Argus, ECX

Gas/Oil Spread: Gas hub price – Oil indexed gas price



Source: BAFA



Selected Financial Figures

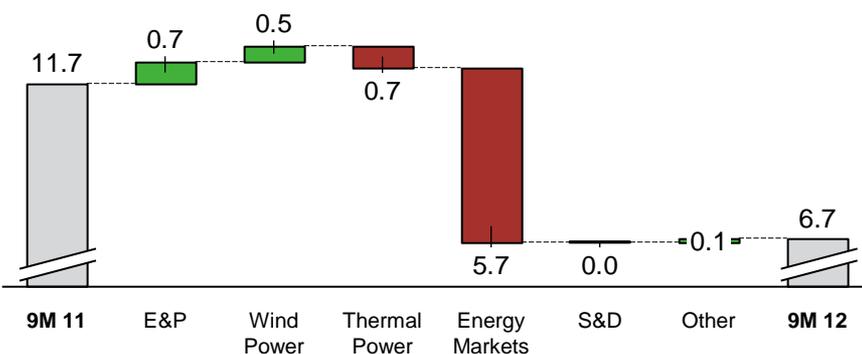
Business Performance

DKK million	9M 12	9M 11	2011
Revenue	51,310	40,985	56,842
EBITDA	6,696	11,685	13,770
Financial items, net	-1,270	-95	-282
Profit after tax	-2,401	3,531	2,882
Assets	165,573	142,418	154,073
Equity incl. hybrid	52,620	52,152	57,740
Net debt	33,200	27,348	23,615
FFO	7,073	8,893	11,706
CFO	4,997	8,223	12,624
Net investments	11,612	12,281	13,060
Adjusted net debt ¹ /EBITDA ²	4.0x	1.9x	1.9x
FFO ² /Net debt	30%	48%	50%

Note (1): Net debt plus 50% of outstanding hybrid capital due 3005 and 0% of hybrid capital due 3010

Note (2): Last 12 months

EBITDA development (DKKbn)



- EBITDA decreased to DKK 6.7bn (down 43% y/y)
 - Non-cash provisions on gas storage and LNG contracts (DKK 2.9bn)
 - One off gain on gas contracts renegotiations in 9M 11 (DKK 1bn) not repeated in 9M 12
 - Lower thermal production and lower green dark & spark spreads due to milder weather and high hydro levels
 - Increased costs related to Siri repair
 - Increased oil/gas spread impacting gas portfolio through timelag in contracts (despite a high hedging ratio)
 - Higher oil & gas prices and higher production
 - Increased production from new wind farms
- CFO impacted by larger cash outflow from working capital than 9M 11
- Net result impacted by impairment charges totalling DKK 2.7bn (primarily on gas-fired power stations) and provisions regarding gas storages and LNG contracts of DKK 2.9bn
- Net debt at DKK 33bn (up 41% vs. Q4 11)

Explanation of special items – provisions

- In Q3 12, provisions of DKK 2.9bn have been incurred within Energy Markets
- Provisions relate to reduced value of long-term gas storage and LNG terminal capacity contracts
- Provisions impact EBITDA, but has no cash flow effect

Provision Gas Storage contracts (DKK 2.3bn)

- The reduced value of the gas storage contracts follows oversupply of gas and storage capacity which results in:
 - Significantly lower seasonal spreads (summer/winter spread)
 - Lower gas price volatility
- Lower market prices for gas storages and significantly below DONG Energy's contractual purchase price obligations

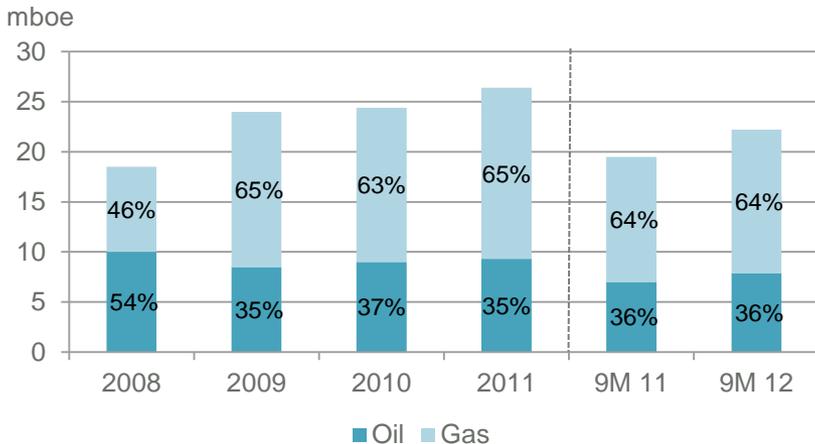
Provision LNG capacity contracts (DKK 0.6bn)

- The provision relates to unused contracted capacity at the LNG Terminal in Holland
- DONG Energy expects that oversupply of LNG terminal capacity will persist in the short and medium terms

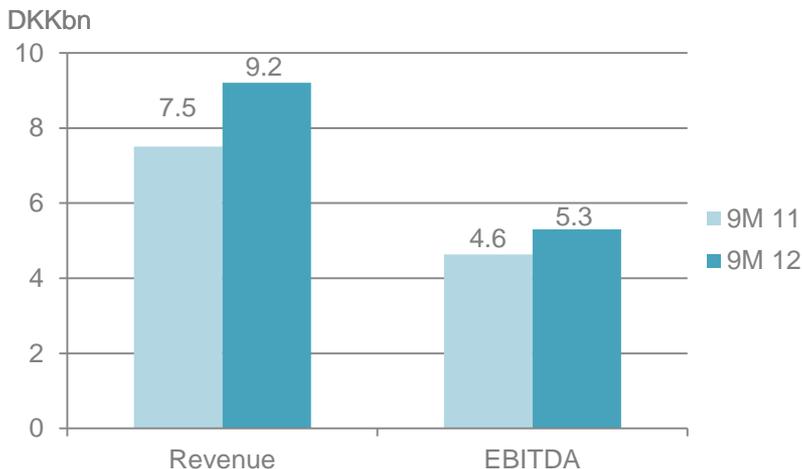
Exploration & Production

Higher prices and production

Operational figures



Financial development



Operational highlights

- Marulk started production in April 2012
- Oselvar started production in April 2012
- Siri repair expected to be extended into 2014 – cost estimate remains unchanged and production from Siri is foreseen to be unaffected during the repair (except for downtime during very rough weather)

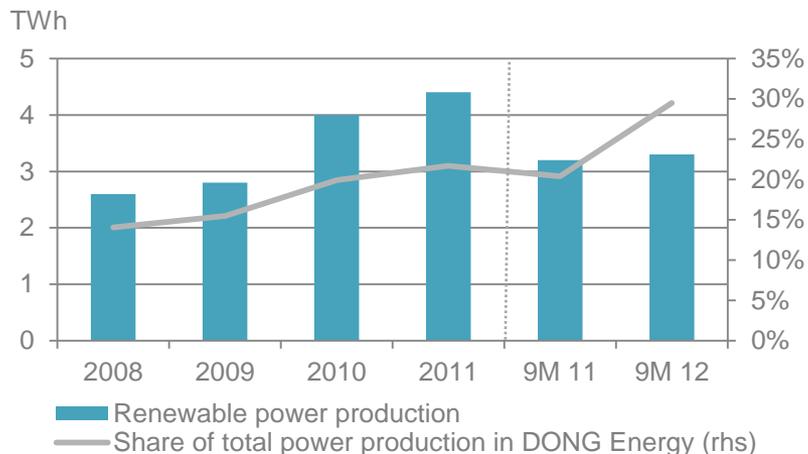
Financial highlights

- EBITDA up 14% to DKK 5.3bn
 - ✓ Higher production (up 14% y/y)
 - ✓ Higher oil & gas prices
 - ✗ Costs related to Siri repair of DKK 0.9bn vs. DKK 0.2bn in 9M 11
- Higher exploration costs

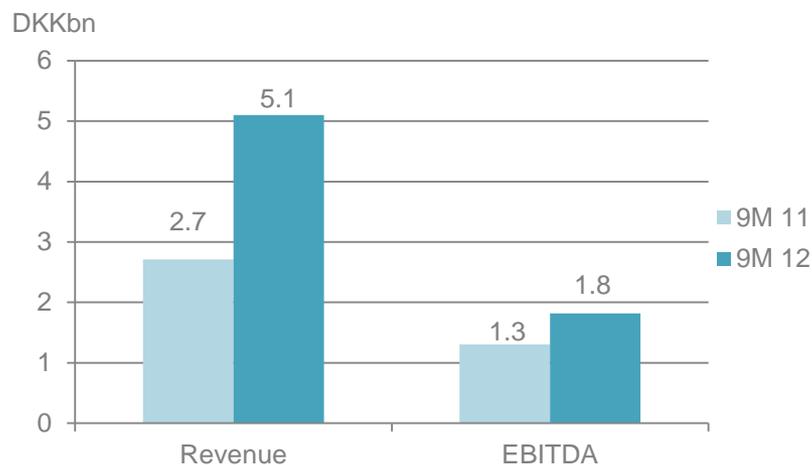
Wind Power

Contribution from new assets

Operational figures



Financial development



Operational highlights

- Around 30% of power production from renewables
- Walney 2 went into full operation in April 2012
- First power in H2 12 obtained from:
 - Lincs (full commercial operation expected H1 13)
 - Anholt (full commercial operation expected H1 13)
 - London Array (full commercial operation expected H1 13)

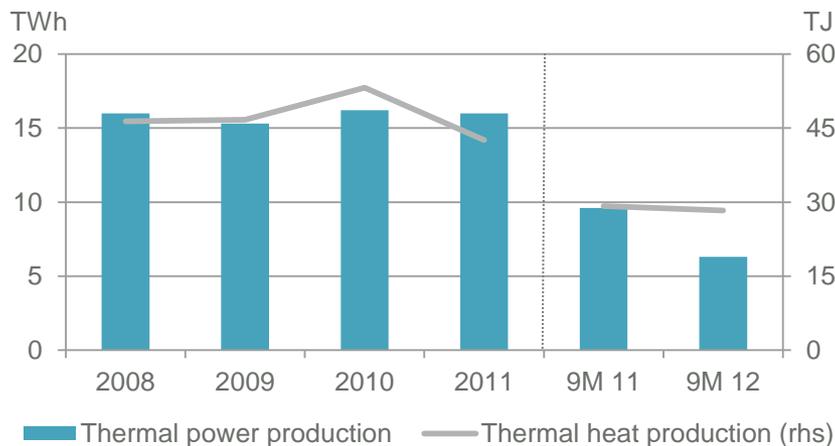
Financial highlights

- EBITDA up 40% to DKK 1.8bn
 - ✓ Higher production (up 3% y/y)
 - ✓ Revenue recognised from construction agreement with partners on Anholt and Borkum Riffgrund 1 wind farms
 - ✗ Higher costs due to higher operating activity and building up of the business area
- Two-thirds of Wind Power's total revenue stemming from fixed price revenue (and equivalent)

Thermal Power

Lower production and lower GDS

Operational figures



Financial development



Operational highlights

- Lower thermal production from milder weather and higher hydro levels
- Efficiency improvements and capacity adjustments progressing on plan

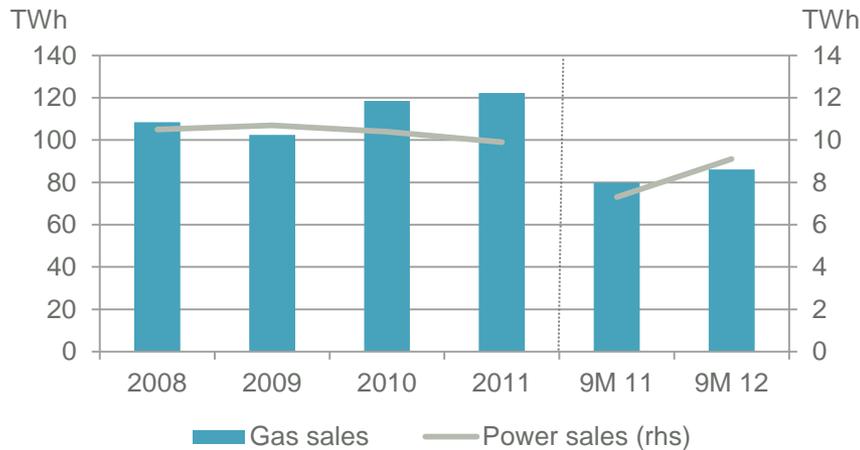
Financial highlights

- EBITDA down 34% to DKK 1.3bn
 - ✗ Milder weather and higher hydro levels
 - Lower power production (-34% y/y)
 - Lower heat production (-3% y/y)
 - Falling Green Dark Spread
- Impairment charges totalling DKK 2.2bn in 9M 12 – primarily on gas-fired power stations

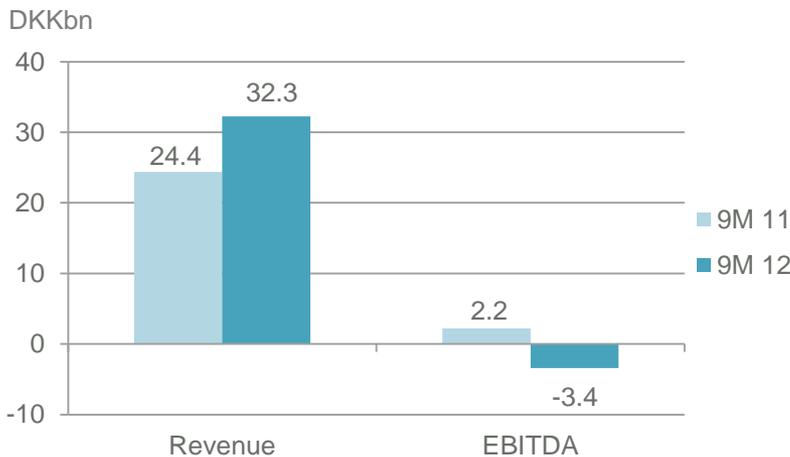
Energy Markets

Lower earnings from gas sales

Operational figures



Financial development



Status on gas business

- Renegotiations ongoing with gas suppliers – DONG Energy expects to obtain similar terms as other large gas purchasers. In some cases arbitration has been initiated
- As expected, negative impact from reduced volumes from legacy gas purchase contracts
- Provisions taken on loss-making long-term gas storage and LNG capacity contracts

Financial highlights

- EBITDA at DKK -3.4bn vs. DKK 2.2bn in 9M 11
 - ✗ One off gain on gas contracts renegotiations in 9M 11 (DKK 1bn) not repeated in 9M 12
 - ✗ Provisions on long-term gas storage and LNG contracts (DKK 2.9bn)
 - ✗ Low Green Spark Spreads materialising in negative EBITDA contribution from gas-fired power stations (Severn and Enecogen)
 - ✗ Increased oil/gas spread impacting gas portfolio through timelag in contracts (despite a high hedging ratio)

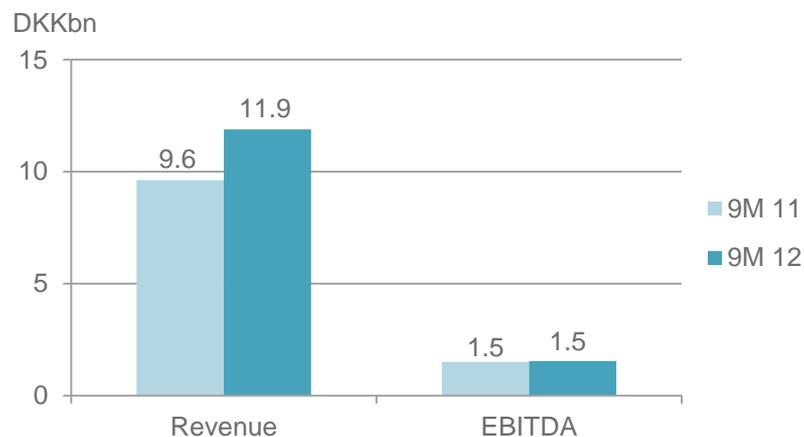
Sales & Distribution

Stable earnings

Operational figures

		9M 12	9M 11
Gas sales	TWh	23.4	14.3
Distribution of gas	TWh	6.4	7.2
Power sales	TWh	5.5	5.6
Distribution of power	TWh	6.4	6.5
Transport of oil	Mbbl	49	55

Financial development



Operational highlights

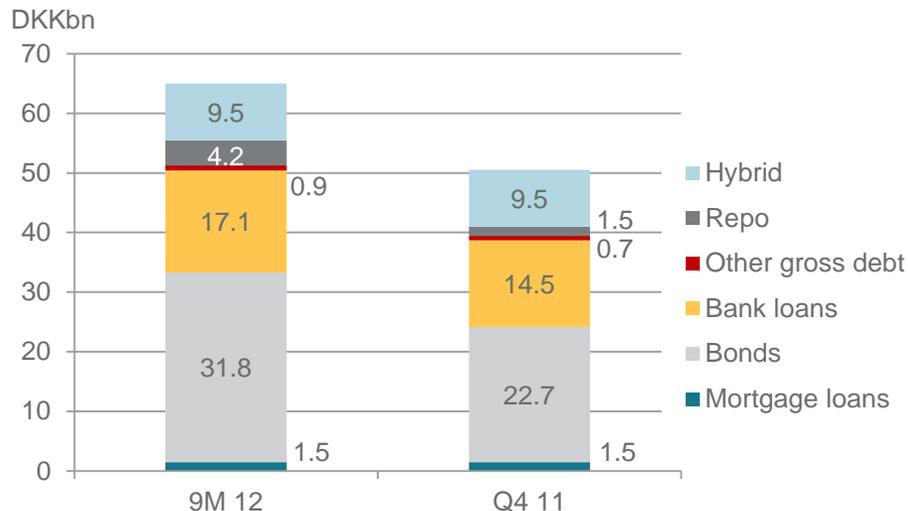
- Rising gas sales (up 64% y/y) primarily due to the acquisition of Shell Gas Direct in the UK, which was completed in May 2012

Financial highlights

- EBITDA stable at DKK 1.5bn
 - ✓ Higher tariffs for power distribution
 - ✓ Lower cost level
 - ✗ Lower gas distribution volumes
 - ✗ Lower margins on gas sales

Debt overview

Gross interest-bearing debt and hybrid capital



Net debt: 33.2bn

23.6bn

Long term debt maturity schedule at September 30, 2012



New bond issue in Sep. 2012

- Size EUR 750m
- Maturity 2022
- Coupon: 2.625%

Key ratios loan portfolio (incl. hybrid capital)

	9M 12	Q4 11
Share of fixed rate ¹	95%	92%
Duration (years) ²	9.6	7.7
Average time to maturity (years) ³	11.0	9.4
Average interest rate ³	3.8%	4.1%

Note (1): Weighted average of loans until matured

Note (2): Weighted average of loans and liquid assets

Note (3): Calculated excluding hybrid capital

Liquidity reserves (DKKbn)	9M 12	Q4 11
Liquid assets (unrestricted)	13.1	9.7
Committed borrowing facilities	12.7	13.4
Total	25.8	23.1

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Outlook and Targets

EBITDA	<p>2012: EBITDA expected at DKK 8.5-9.0bn</p> <ul style="list-style-type: none">✗ Provisions (<u>non</u>-cash) on long-term gas storage and LNG capacity contracts✗ Delayed start-up of London Array✗ Delayed renegotiations of gas purchase and gas sales contracts <p>2013: EBITDA expected to be significantly above 2012</p> <ul style="list-style-type: none">✓ Full year effect from Walney wind farm as well as E&P fields Oselvar and Marulk✓ Positive impact from start up of wind farms Anholt, London Array, Lincs as well as E&P field South Arne phase 3✓ Cost reductions of DKK 1bn✓ Discontinuation of one-off provision effects from loss-making contracts in 2012
Adj. Net debt/ EBITDA	Significantly above target of 2.5x in 2012
Capital structure targets	<ul style="list-style-type: none">• Minimum BBB+ (S&P) and Baa1 (Moody's) – unchanged• Adjusted net debt up to 2.5 times EBITDA – unchanged
Net Investments	Around DKK 45bn for 2011-2013 (unchanged)

Q&A



For further information please visit our website

dongenergy.com/EN/Investor/

Outlook Market Prices

(average)		Current estimate, 2012 (rest of year)	Estimate, annual report 2011, 9 March 2012	Actual, 9M 2012
Oil, Brent	USD/bbl	104	105	112
Gas, TTF	EUR/MWh	25	23	24
Gas, NBP	EUR/MWh	25	23	24
Electricity, Nord Pool system	EUR/MWh	30	37	29
Electricity, Nord Pool, DK ¹	EUR/MWh	42	46	37
Electricity, EEX	EUR/MWh	47	52	43
Electricity, UK	EUR/MWh	56	53	54
Coal, API 2	USD/tonne	95	112	94
CO ₂ , EUA	EUR/tonne	6.9	7.1	7,5
Green dark spread, DK ¹	EUR/MWh	7.7	8.2	3.5
Green spark spread, UK	EUR/MWh	2.4	4.6	2.4
Green spark spread, NL	EUR/MWh	(3.2)	2.5	(4.4)
USD exchange rate	DKK/USD	6.1	5.7	5.8

Source: Platts, Argus, Nord Pool, LEBA, ECX.

¹ Based on average prices in DK1 and DK2.

Business Performance – 9M 12

- In 9M 12, the difference between Business Performance and IFRS amounted to DKK -1.3bn

Business Performance EBITDA	DKK 6.7bn
Adjustments	DKK -1.3bn
<i>MtM of financial and physical hedging contracts relating to other periods</i>	<i>DKK -0.4bn</i>
<i>Deferred losses/gains relating to financial and physical hedging contracts where the hedged production or trading is recognised in the reporting period</i>	<i>DKK -0.9bn</i>
IFRS EBITDA	DKK 5.4bn

Dividend, Funding and Rating

Long term capital structure target

- Maintain a minimum rating of BBB+ / Baa1
- Adjusted net interest-bearing debt ⁽¹⁾ up to 2.5 times EBITDA

Dividend policy

- The payout policy stipulates a distribution of DKK 7.75 per share in 2011. The annual dividend is to increase by DKK 0.25 per share (DKK 73m) in the subsequent years.
 - The payout ratio⁽²⁾ may however not exceed 60% and not to be below 40% of net profit after tax
- 
- The dividend for 2011, paid in 2012, was DKK 1.5bn (DKK 2.2bn)

Note (1): Net interest-bearing debt plus 50% of outstanding hybrid capital due 3005 and 0% of hybrid capital due 3010

Note (2): The payout ratio is calculated less coupon after tax to holders of hybrid capital and minority interests' share of profit for the year

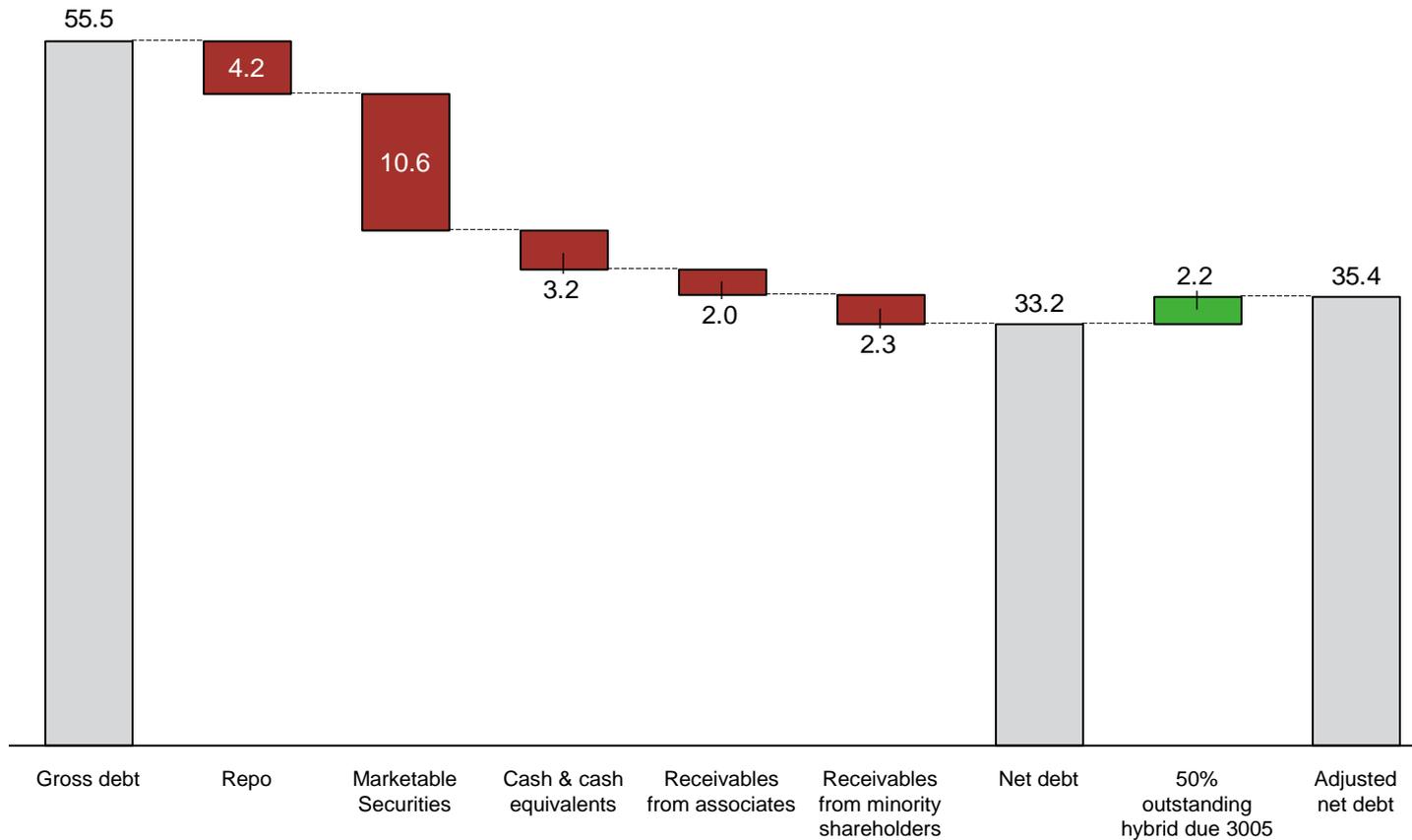
Funding strategy and Debt Programmes

- External funding primarily to be carried out through parent company – to avoid structural subordination
- EMTN programme with a total amount of EUR 5bn

Credit ratings

	Standard & Poor's	Moody's
Corporate	BBB+	Baa1
Senior bonds	BBB+	Baa1
Hybrid capital	BBB- and BB	Baa3
<i>Outlook</i>	<i>Negative</i>	<i>Stable</i>
<i>Last Update</i>	<i>October 2012</i>	<i>June 2012</i>

Net debt calculation 9M 12



Investments

Investments in 9M 12

Cash flow from investing activities	-17.0bn
Purchase of securities (add back)	4.9bn
Transactions with non-controlling interest	-0.0bn
Loans to jointly controlled entities (add back)	0.5bn
Other	-0.0bn
Net Investments¹	-11.6bn
Sale of assets and companies	-3.2bn
Transactions with non-controlling interest	0.0bn
Other	0.0bn
Gross investments	-14.8bn

Note (1): Net investments are defined as the effect on DONG Energy's net debt from investments and acquisitions and disposals of enterprises

Main gross investments in 9M 12

Wind activities:	DKK 10.5bn
▪ London Array:	DKK 4.4bn
▪ Walney	DKK 1.8bn
▪ Anholt	DKK 1.2bn
▪ Lincs:	DKK 0.7bn
▪ West of Duddon Sands	DKK 0.5bn
▪ Gode Wind	DKK 0.4bn
Gas and oil fields:	DKK 3.6bn
▪ Laggan-Tormore	DKK 0.9bn
▪ Oselvar:	DKK 0.7bn
▪ South Arne phase 3	DKK 0.5bn
▪ Ormen Lange:	DKK 0.4bn
▪ Marulk:	DKK 0.3bn
Other:	DKK 0.7bn

Larger decided construction projects

Larger projects with production start in 2012-2015							
Project	Type of project	Country	MW ⁽¹⁾	Commercial operation date ⁽²⁾	Own share of project	Announced capex ⁽³⁾	Spent capex ⁽⁴⁾
Sea Installer 1	Installation vessel	n.a.	n.a.	2012	51%	USD 70m	USD 51m
London Array ⁽⁵⁾	Offshore wind farm	UK	315MW	2013	50%	DKK 8.2bn	DKK 6.7bn
Anholt	Offshore wind farm	DK	200MW	2013	50%	DKK 5bn	DKK 2.8bn
Lincs ⁽⁵⁾	Offshore wind farm	UK	67.5MW	2013	25%	DKK 1.5bn	DKK 1.3bn
Syd Arne phase 3	Oil/gas field	DK	n.a.	2013	36.8%	DKK 2.7bn ⁽⁶⁾	DKK 1.0bn
Laggan-Tormore	Oil/gas field	UK	n.a.	2014	20%	DKK 4.3bn	DKK 2.3bn
West of Duddon Sands ⁽⁵⁾	Offshore wind farm	UK	194.5MW	2014	50%	DKK 5.7bn	DKK 0.7bn
Sea Installer 2	Installation vessel	n.a.	n.a.	2014	51%	DKK 0.9bn	DKK 0.2bn
Borkum Riffgrund 1	Offshore wind farm	DE	139MW	2015	50%	EUR 0.6bn	DKK 0.4bn
Hejre	Oil/gas field & Terminal	DK	n.a.	2015	60%	DKK 9.2bn	DKK 0.4bn

Note (1): DONG Energy's share of MW.

Note (2): Commercial Operation Date (COD). First power may occur up to one year prior to COD.

Note (3): DONG Energy's share of capex (at prevailing exchange rates on announcement date)

Note (4): DONG Energy's share of capex as at 30 September 2012 (at exchange rates as of 30 September 2012)

Note (5): Expected proceeds from sale of transmission assets subtracted from capex

Note (6): Additional capex following acquisition of Noreco's share in South Arne field is added (DKK 0.2bn)