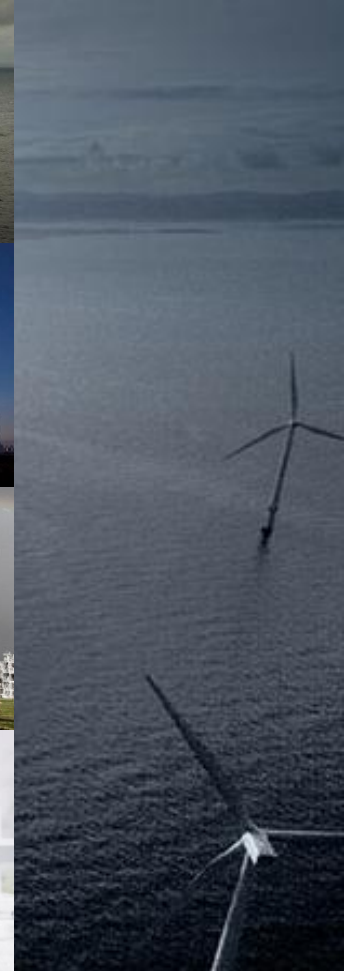


# 9M 2008

DONG Energy is a leading energy group headquartered in Denmark. Our business is based on sourcing, producing, distributing, trading and selling energy and related products in Northern Europe. For further information, see [www.dongenergy.com](http://www.dongenergy.com).



## 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, CO<sub>2</sub>, 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](http://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.

## HIGHLIGHTS

### Key figures

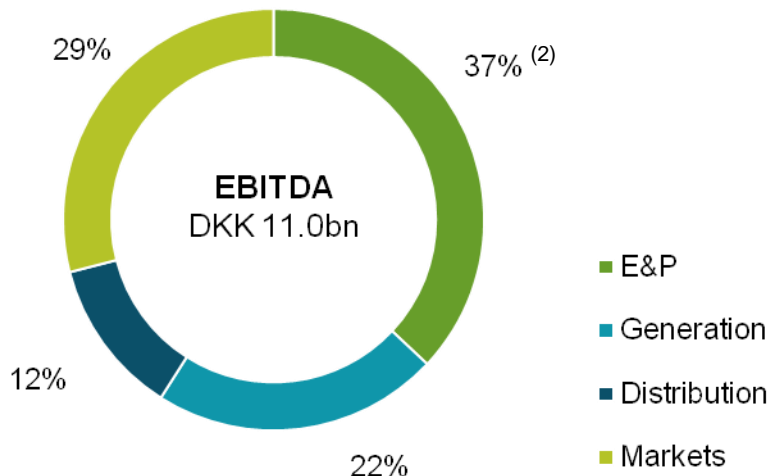
**Revenue:** DKK 41.6 billion

**EBITDA:** DKK 11.0 billion

**Profit after tax:** DKK 5.2 billion

**One-off effect :** DKK 576<sup>(1)</sup> million

### EBITDA per segment



Note (1): Divestment of 132 kV transmission grid and part of EnergiGruppen Jylland

Note (2): Approx. 30% adjusted for special hydrocarbon tax

### Key events

#### EXPLORATION & PRODUCTION

**20.10.2008** DONG Energy and its licence partners Bayerngas Norge and Faroe Petroleum prepare a development plan for the Norwegian oil and gas field Trym

**14.07.2008** DONG Energy increases its stake of the Hejre licence by 10% to a total of 60%

**02.06.2008** DONG Energy chooses to exercise its pre-emption right, and is increasing its stake in the Ula oil field from 5% to 20%

**26.05.2008** DONG Energy develops the Nini East field, which is part of the Nini license

#### GENERATION

**09.10.2008** DONG Energy decides to convert Herring CHP Plant for co-firing with wood pellets from autumn 2009

**26.06.2008** DONG Energy sells its 65.6% ownership (owned via DONG EGJ A/S) of the water and district heating activities in EnergiGruppen Jylland to EnergiMidt

**24.06.2008** DONG Energy's supervisory board decides to build and operate the Karnice I onshore wind farm in Poland

**12.06.2008** DONG Energy sells its wind power activities in Greece

**08.02.2008** DONG Energy decides to build and operate 30 MW Swedish wind farm

# EXPLORATION & PRODUCTION

DONG Energy has an expanding portfolio of 71 natural gas and oil exploration & production licenses strategically located in Denmark, Norway, UK, Greenland and the Faroe Islands.

OIL & GAS PRODUCTION

**13.3** million boe

OIL & GAS RESERVES (2P)

**352** million boe

EBITDA



**SIGNIFICANT EBITDA INCREASE**

FUELLED BY PRODUCTION RAMP UP OF ORMEN LANGE AND HIGH OIL AND GAS PRICES

**Operational figures**

	9M-08	9M-07
Oil & gas production (MMboe)	13.3	7.5
- Oil production (MMbbl)	7.5	6.6
- Gas production (MMboe)	5.8	0.9
Transport of oil (MMbbl)	68.6	75.6

**Financial development**

DKK million	9M-08	9M-07
Revenue	6,069	3,202
EBITDA	4,106	1,469
EBIT	3,188	880
Investments	2,619	4,294

- Gas production more than 6 times higher than 9M 2007 due to Ormen Lange gas field on stream from October 2007. Total gas production now accounts for 43% of total production (previously 12%)
- Oil production 14% higher compared to 9M 2007 - production from Danish fields on level with last year
- 67% of total production now comes from Norway
- Revenue and earnings impacted positively by increased oil and gas production as well as high oil and gas prices
- Investments in the first 9 months of 2008 primarily related to further acquisitions in the Norwegian licenses Trym and Ula, as well as in the Danish license Hejre. Lower investment level compared to 9M 2007, which was affected by the acquisition of ConocoPhillips' Danish E&P activities

# GENERATION

DONG Energy is Denmark's largest power generator. We produce more than 50% of Denmark's power and approximately 40% of the district heating. Furthermore, we are the leading thermal generator by volume on Nord Pool. 87% of our 6.5 GW capacity originates from thermal power plants and the remaining from wind and hydro.

POWER GENERATION

**12,441** GWh

HEAT GENERATION

**29.796** TJ

EBITDA



22%

**LOWER EBITDA**

DUE TO LOWER THERMAL PRODUCTION, HIGH FUEL COSTS AND LESS FAVOURABLE HEDGING

**Operational figures**

	<b>9M-08</b>	<b>9M-07</b>
Power production (GWh)	12,441	13,471
- Thermal (GWh)	10,527	11,525
- Renewable (GWh)	1,914	1,946
Heat production (TJ)	29,796	29,632

**Financial development**

<b>DKK million</b>	<b>9M-08</b>	<b>9M-07</b>
Revenue	9,456	8,447
- Renewable	1,022	876
EBITDA	2,454	2,788
- Renewable	504	452
EBIT	1,443	1,021
Investments	3,589	2,582

- Thermal power production down by 8%, due to a lower green dark spread compared to 9M 2007
- The Nord Pool system price averaged EUR 42.7/MWh, 86% up on the first 9 months of 2007 (Danish price areas DK West and DK East 112% and 97% higher). However, coal and gas prices were 113% and 106% higher, respectively, and the price of CO<sub>2</sub> certificates was EUR 23.9/tonne compared to EUR 0,8/tonne in 9M 2007
- Thermal power impacted by higher prices, lower production and less favourable hedging, which was DKK 0.1 billion in 9M 2008 compared to DKK 1.7 billion in 9M 2007
- 12% increase in EBITDA from renewables due to favourable prices
- Investments primarily related to the gas-fired power plant in Norway, offshore wind projects (Gunfleet Sands and Horns Rev), extension of coal terminal at Stigsnæs Power Station and general maintenance of the Danish thermal power stations

# DISTRIBUTION

DONG Energy's distribution and storage activities include power distribution to approximately 950,000 Danish power customers and natural gas distribution to approximately 119,000 Danish natural gas distribution customers.

POWER DISTRIBUTION

**6,857** GWh

GAS DISTRIBUTION

**592** million m<sup>3</sup>

EBITDA

DKK  
**1.311**  
million

12%



## INCREASED EARNINGS FROM REGULATED ACTIVITIES CAUSED BY LOWER COSTS IN THE PERIOD

### Operational figures

	9M-08	9M-07
Distribution of power (GWh)	6,857	6,765
Distribution of gas (mbl)	592	569

### Financial development

DKK million	9M-08	9M-07
Revenue	3,074	3,237
EBITDA	1,311	1,137
EBIT	728	393
Investments	977	981

- Distributed power and gas on level with 9M 2007
- Earnings impacted positively by lower cost level than in 9M 2007
- Amortisation fell by DKK 161 million
- Investments on level with 9M 2007 and primarily related to cable laying in North Zealand as well as maintenance of the power distribution network

# MARKETS

Markets buys, sells and transports electricity and gas in the North-Western European energy markets and is involved in related activities. Furthermore, Markets is responsible for the balance between DONG Energy's energy sales and procurement through trading on the international energy exchanges.

POWER SALES

**7,961** GWh

GAS SALES

**6,479** million m<sup>3</sup>

EBITDA

29%

DKK  
**3,268**  
million

## SIGNIFICANT GROWTH COMPARED TO WEAK 9M 2007

### Operational figures

	9M-08	9M-07
Power sales (GWh)	7,961	7,956
Gas sales (million m <sup>3</sup> )	6,479	4,636

### Financial development

DKK million	9M-08	9M-07
Revenue	27,996	15,522
EBITDA	3,268	1,345
EBIT	2,882	1,001
Investments	826	775

- Power sales on level with 9M 2007
- Gas sales up by 40% due to higher sales to wholesale customers as well as higher sales on gas hubs
- Significant earnings increase due to increase in gas prices and increase in gas sales
- Gas purchase allocation and time lag was DKK 50 million and DKK 1,300 million compared to DKK (80) million and DKK (410) million in 9M 2007
- Investments relate to outdoor lighting and fiber optic network and infrastructure activities in Germany

## SELECTED FINANCIAL FIGURES

<b>DKK million</b>	<b>9M-08</b>	<b>9M-07 <sup>(1)</sup></b>	<b>Change</b>
Revenue	41,612	27,401	52%
EBITDA	10,993	6,443	71%
Depreciation	2,930	3,464	(-15%)
EBIT	8,063	2,978	171%
Financial items	(580)	(496)	(17%)
Taxes	(2,949)	(312)	-
Profit after tax	5,177	2,211	134%
Assets (1)	100,064	89,710	
Net equity (1)	44,517	42,211	
Net interest bearing debt (1)	15,077	14,792	
Cash flow from operating activities	7,996	7,569	
Cash flow from investing activities	(6,134)	(9,024)	
EBITDA margin	26%	24%	
EBIT margin	19%	11%	
Earnings per share (DKK)	16	6	

- Depreciation down by 15%, primarily because depreciation in 2007 included amortisation of CO<sub>2</sub> allocation
- Net financial expenses increased due to slightly higher interest rate expenses
- Increase in taxes following increased oil and gas production in Norway, where total taxation is 78%. Effective tax 36% compared to 12% in 9M 2007. Underlying tax rate 39%, corrected for, a.o., one-off tax free gains
- Profit after tax includes one-off of DKK 576 million
- Increase in assets from year end 2007, primarily due to an increase in market value of financial instruments
- Net interest bearing debt on level with end of year 2007
- Investments in 9M 2007 affected by KE and ConocoPhillips, whereas 9M 2008 is positively affected by the divestment of 132 kV transmission network and EGJ
- EPS, corrected for one-off of DKK 576 million, was DKK 14.4

Note (1): Comparable numbers for Assets, Equity and net interest-bearing debt are from 31 December 2007

## OUTLOOK FOR 2008

Commodity prices	<ul style="list-style-type: none"> <li>▪ Average price for the remainder of 2008:             <ul style="list-style-type: none"> <li>▪ Oil: USD <b>70</b> per barrel (changed from USD <b>100</b> per barrel)</li> <li>▪ Natural gas (TTF): EUR <b>29</b> per MWh (changed from EUR <b>25</b> per MWh)</li> <li>▪ Power (Nord Pool): EUR <b>52</b> per MWh (changed from EUR <b>42</b> per MWh)</li> <li>▪ Coal (API2): USD <b>135</b> per ton (changed from USD <b>145</b> per ton)</li> <li>▪ CO<sub>2</sub> certificates: EUR <b>23</b> per ton (changed from EUR <b>24</b> per ton)</li> <li>▪ USD exchange rate: DKK <b>5.50</b> to the dollar (changed from DKK <b>4.75</b>)</li> </ul> </li> </ul>
Extraordinary items	<ul style="list-style-type: none"> <li>▪ The sale of the 132 kV transmission grid and divestment of EGJ results in accounting gain after tax of DKK 576 million recognised in 9M 2008</li> <li>▪ Divestment of Greek activities expected to be closed Q4 2008 – total effect on profit after tax DKK 50 million</li> </ul>
Project development and research	<ul style="list-style-type: none"> <li>▪ Costs to research and project development are expected to be approximately DKK 750 million for FY 2008 distributed as follows:             <ul style="list-style-type: none"> <li>▪ Research costs of DKK 350 million relating to carbon capture and storage, bioethanol, improvement of offshore wind turbine foundations, etc.</li> <li>▪ Project development costs of DKK 400 million, of which DKK 250 relate to Greifswald. The remaining relates to wind farm project and other projects in Generation</li> </ul> </li> <li>▪ In 9M 2008 DKK 477million were expensed</li> </ul>
Capex	<ul style="list-style-type: none"> <li>▪ Net capex is expected to be approximately DKK 10 billion in 2008 of which DKK 6.1 billion was invested in 9M 2008</li> <li>▪ The net capex figure includes DKK 2 billion from the sale of the 132 kV transmission grid to Energinet.dk - realised in H1 2008</li> </ul>
Interest bearing debt	<ul style="list-style-type: none"> <li>▪ With the anticipated capital expenditures, net interest bearing debt is expected to be approximately DKK 15 billion - by end of 2008.</li> <li>▪ Expected net financial expenses of approximately DKK 800 million<sup>(1)</sup> in FY 2008 compared to DKK 740 million in 2007</li> </ul>

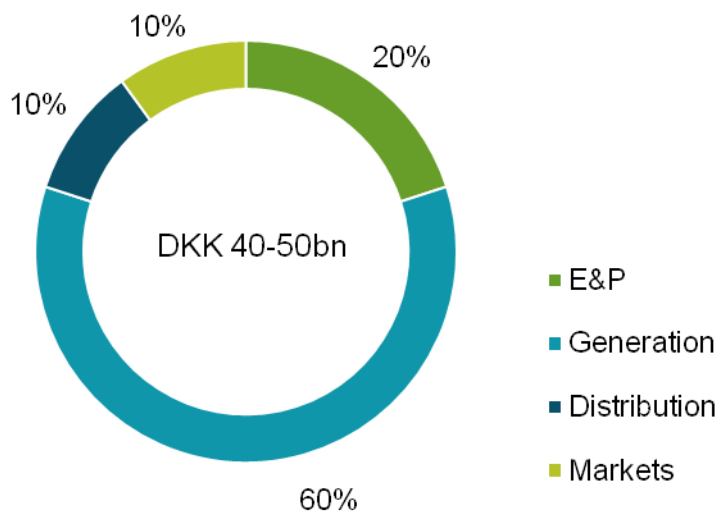


Expected EBITDA and profit after tax significantly higher than 2007

Note (1): Excluding interest on hybrid capital

## INVESTMENT PROGRAMME AND CAPITAL STRUCTURE TARGETS

## Anticipated capital expenditure 2008-2010



## Long term capital structure target

- Net interest bearing debt plus hybrid capital equal to approximately 3x EBITDA after special hydrocarbon tax
- Maintain a minimum rating of BBB+/Baa1
- To avoid structural subordination. Future funding will primarily be done through the parent company

## Selected financial ratios

	9M-08 <sup>(1)</sup>	FY-07
NIBD to EBITDA <sup>(2)</sup>	1.8 x	2.4 x
Financial gearing	0.34	0.35
FFO / NIBD <sup>(3)</sup>	0.64	0.53

Note (1): Ratios for third quarter of 2008 are based on last four quarterly figures

Note (2): Net interest-bearing debt including hybrid capital to EBITDA adjusted for special hydrocarbon tax

Note (3): Net interest-bearing debt includes 50% of the hybrid capital

Key investments <sup>(1)</sup>

- Ormen Lange extensions
- E&P discoveries
- Offshore wind farms
- 1,500 MW thermal plant in Greifswald, Germany
- Fiber optic cables, outdoor lighting and underground cable laying

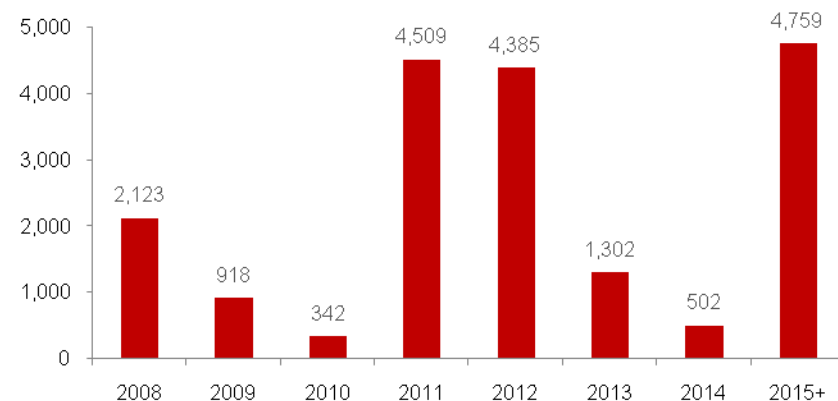
Note (1): Final investment decision has yet to be taken for some projects

## DEBT OVERVIEW AS OF SEPTEMBER 2008

DKK million	9M-08	FY-07
Bonds issued	7,909	7,923
Bank loans	9,514	8,028
Mortgage loans	1,289	1,264
Other	129	0
<b>Total interest bearing gross debt</b>	<b>18,841</b>	<b>17,215</b>
Hybrid capital	8,088	8,088
<b>Total interest bearing gross debt and hybrid capital</b>	<b>26,929</b>	<b>25,303</b>

### Debt maturity schedule per 30 September 2008

DKK million



Note: Hybrid capital excluded from the debt maturity schedule

### Financial flexibility

- Available liquidity includes:
  - EUR 1.5bn undrawn committed facility (expiring 2011)
  - DKK 3.3bn in cash and cash equivalents
- EMTN Programme of EUR 3.0bn (EUR 2.5bn unutilised)

### Credit ratings

	Standard & Poor's	Moody's
Corporate	BBB+	Baa1
Senior bonds	BBB+	Baa1
Hybrid	BBB-	Baa3
<i>Outlook</i>	<i>Stable</i>	<i>Positive</i>

# Q&A

**FOR FURTHER INFORMATION PLEASE VISIT OUR WEBSITE**  
[www.dongenergy.com/EN/Investor/](http://www.dongenergy.com/EN/Investor/)