FINANCIAL REPORT
FULL YEAR 2013

Moving Energy Forward

5 February 2014

DONG energy

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.

These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this annual report due to a variety of factors, including, but not limited to, changes in temperature and precipitation levels; the development in oil, gas, electricity, coal, CO2, currency and interest rate markets; changes in legislation, regulation or standards; renegotiation of contracts; changes in the competitive environment in DONG Energy’s markets; and security of supply.

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.

2013 Highlights and Financial Action Plan

Strategy 2020

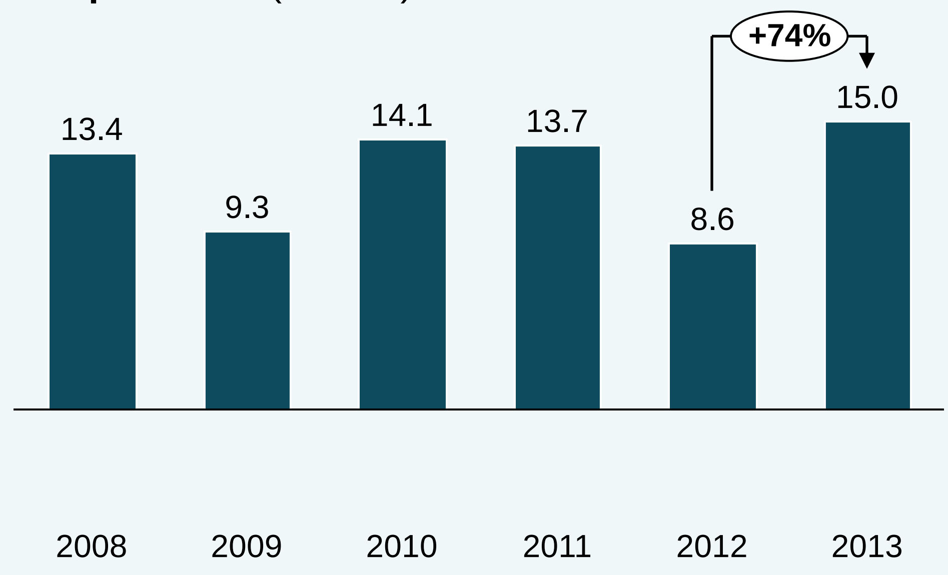
Financials

Strong earnings improvement

Highlights 2013

- EBITDA of DKK 15bn (up 74% y/y)
- Net investments of DKK 5.9bn (down 56% y/y)
- Net debt of DKK 25.8bn (down 19% vs. 2012)
- ROCE of 0.5% (6.8% excl. writedowns)
- Negative net profit – no dividend proposed

Group EBITDA (DKKbn)



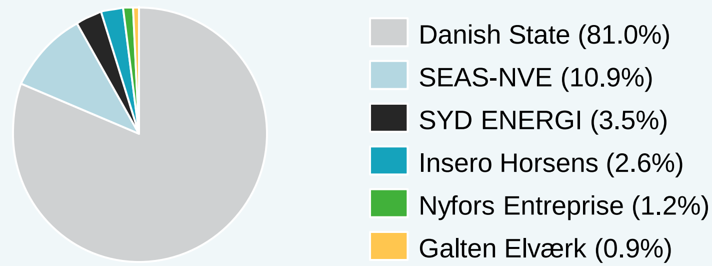
2013-14 Financial Action Plan

		Update
1	**Divest DKK 10bn of non-core assets** ✓	▪ Divestments of DKK 14.4bn (EV) in 2013
2	**Selective farm-down of core assets** ✓	▪ Divestment of London Array – sales price DKK 5.8bn
3	**Reduce costs by DKK 1.2bn** ✓	▪ Cost savings of DKK 1.4bn in 2013
4	**Restructure Energy Markets** ✓	▪ Significant cost reductions and renegotiation of gas contracts ▪ Turnaround achieved already in 2013 (EBITDA of DKK 0.3bn)
5	**Inject equity of at least DKK 6-8bn** ✓	▪ Binding agreement with investors to inject DKK 13bn ▪ Approved by Danish Parliament – closing expected in Feb. 2014

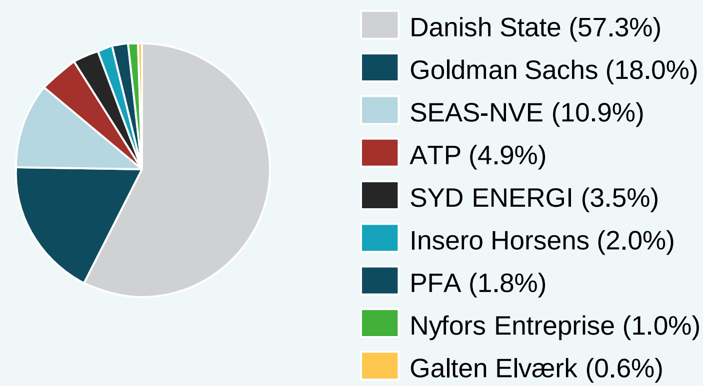
Equity injection

- Binding agreement to inject DKK 13bn
- DKK 11bn from new investors and DKK 2bn from existing minority shareholders
- Agreement approved by the Danish Parliament
- Completion of the transaction to take place at an extraordinary General Meeting on 20 February 2014
- The Danish State and the other shareholders have agreed to seek an IPO when conditions are right
- In a potential future IPO, the Danish State will remain majority shareholder in line with the Political Agreement in Denmark

CURRENT OWNERSHIP



OWNERSHIP POST EQUITY INJECTION



Restoring financial robustness

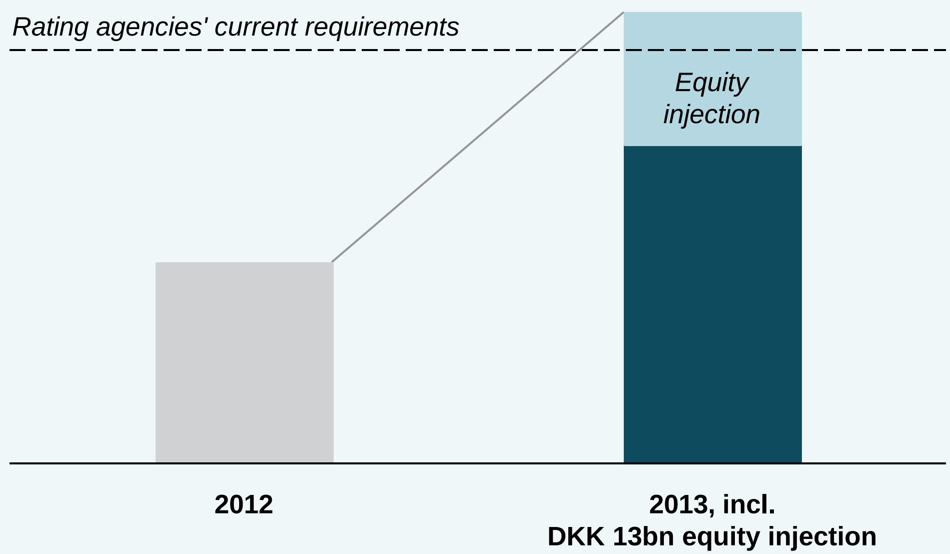
- In 2012, credit metrics were significantly below rating agencies' requirements

- Restoring financial robustness in 2013:
  - Strong operating performance
  - New assets on stream
  - Execution of Financial Action Plan

- Equity injection of DKK 13bn is a central element in adhering to the rating agencies' requirements

Credit metrics – rating agencies

Illustrative



DONG energy

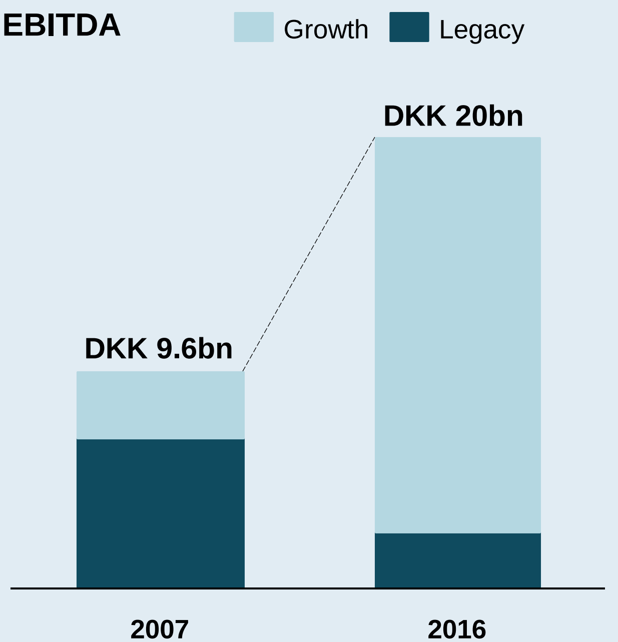
2013 Highlights and Financial Action Plan

Strategy 2020

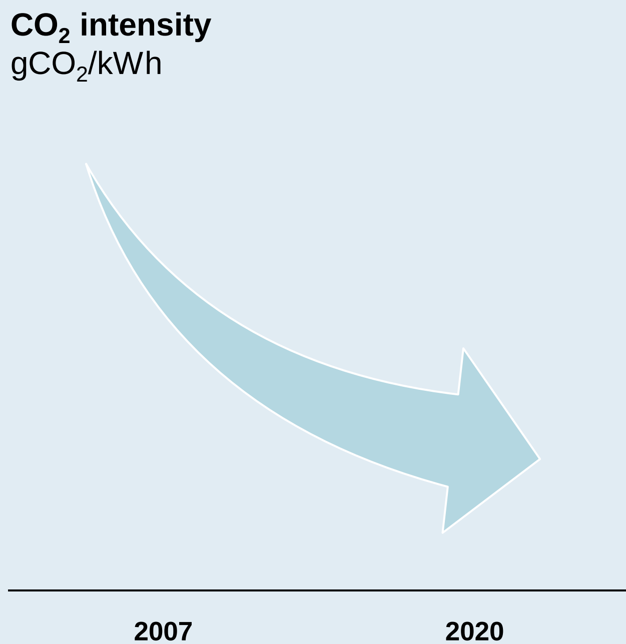
Financials

Strategy 2020 – Group

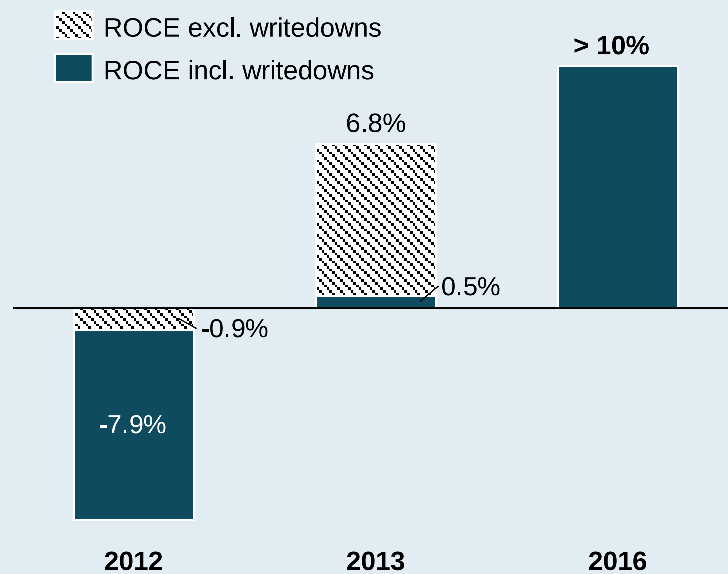
TRANSFORM BUSINESS



TRANSFORM ENERGY SYSTEM



CREATE FINANCIAL VALUE



Strategy 2020 – Future investment focus

Projected share of investments 2013-2020

INVESTMENT IN NEW ASSETS

- Offshore wind
- Oil & gas

90%

INVESTMENT IN EXISTING ASSETS

- Danish power stations
- Distribution grid

10%

NO FURTHER COMMITMENT

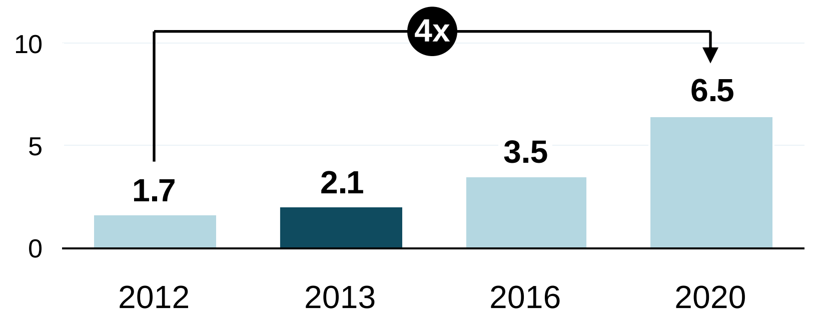
- LNG
- Gas storage
- Onshore wind*
- Hydro*
- Gas fired power stations
- Waste fired power stations
- Electric vehicles*

0%

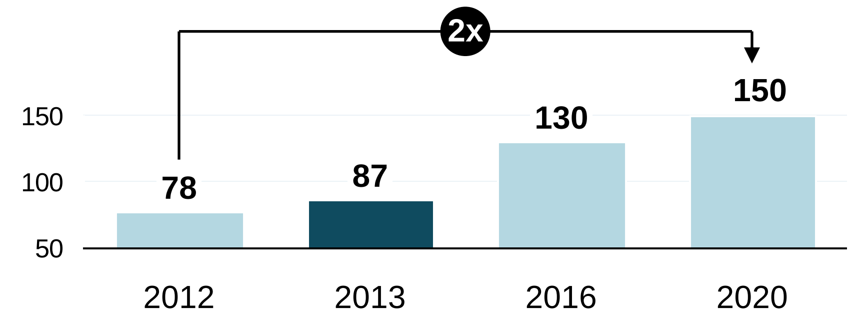
** Activities exited in 2013*

Strategic 2020 – Business Units

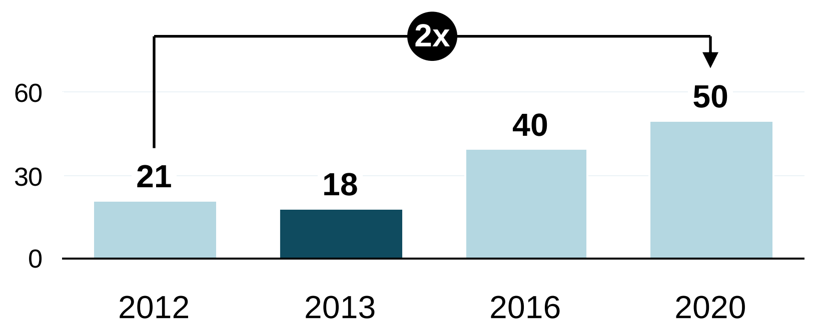
Offshore wind capacity[1]
GW



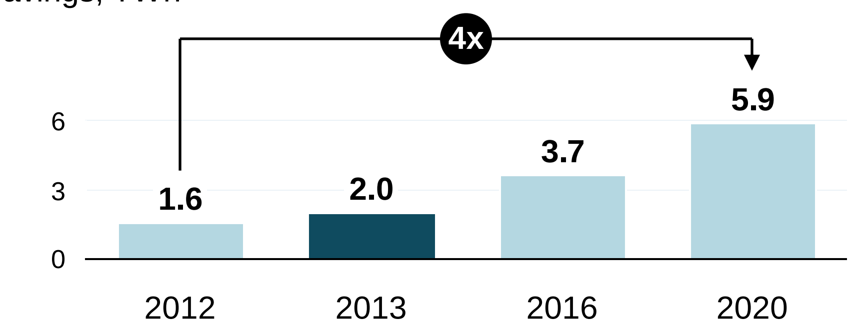
Oil and gas production
'000 BOE/day



Power station biomass share[2]
%



Energy solutions[3]
Savings, TWh



1. Offshore wind gross commissioned capacity
2. Of domestic thermal power and heat generation
3. Cumulated energy savings vs. 2006 baseline

Significant new assets coming on stream

2014

West of Duddon Sands
- 389MW
- DONG share: 50%
- 3.6MW turbines

Laggan-Tormore
- UK gas field
- 2P reserves: 43.5m BOE*
- DONG share: 20%

2015

Borkum Riffgrund 1
- 277MW
- DONG share: 50%
- 3.6MW turbines

Westermost Rough
- 210MW
- DONG share: 100%
- 6MW turbines

2016

Gode Wind 1+2
- 582MW
- DONG share: 100%
- 6MW turbines

Hejre
- DK oil field
- 2P reserves:100m BOE*
- DONG share: 60%

** DONG Energy's share*

Current key priorities for DONG Energy

2013

- [x] Divest 10bn of non-core assets
- [x] Cost reductions
- [x] Restructuring of midstream gas
- [x] Equity injection – binding agreement
- [x] New assets on stream
- [x] Ormen Lange redetermination
- [x] Group simplification and optimisation

2014

- [x] Divestment of London Array
- [ ] E&P: Laggan-Tormore on time/budget
- [ ] WP: West of Duddon Sands on time/budget
- [ ] Renegotiation of LT gas contracts
- [ ] Siri repair

2015/2016

- [ ] E&P: Hejre on time/budget
- [ ] WP: Westermost R. on time/budget
- [ ] WP: Borkum R. 1 on time/budget
- [ ] WP: Gode Wind 1+2 on time/budget
- [ ] Biomass conversions
- [ ] IPO roadmap

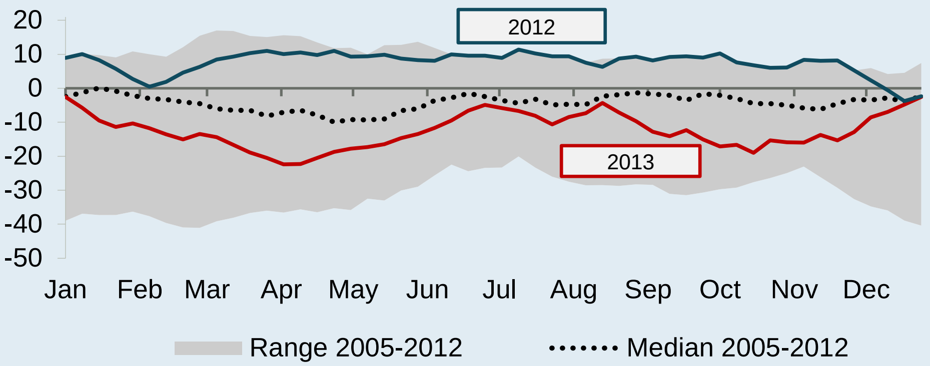
2013 Highlights and Financial Action Plan

Strategy 2020

Financials

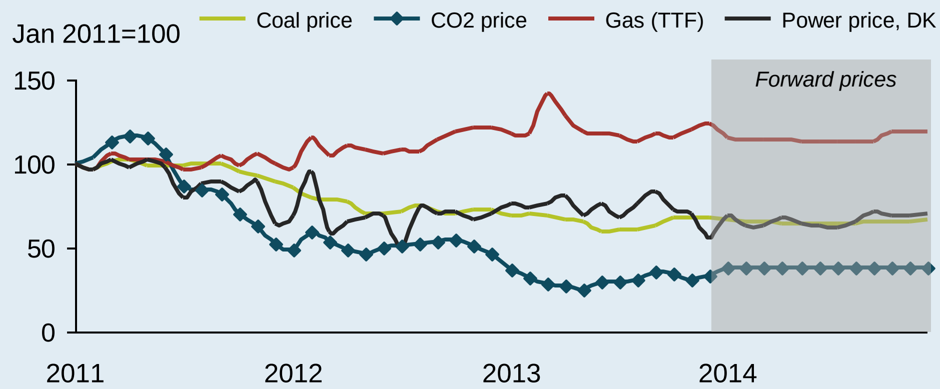
Market conditions and prices

HYDRO BALANCE (TWh)



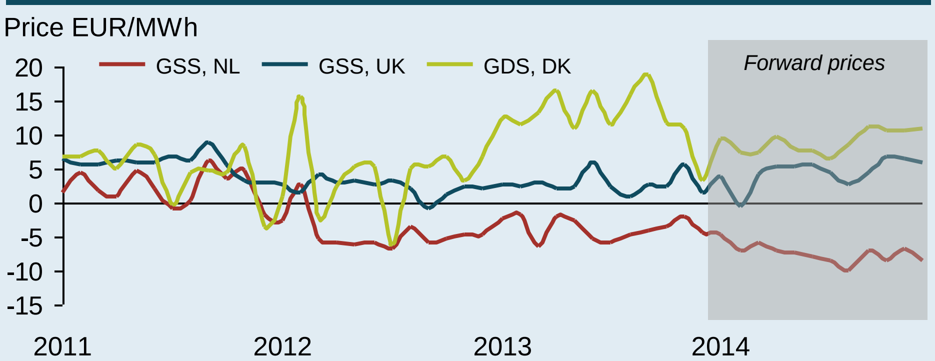
Source: Syspower

POWER, GAS, COAL & CO_2 – INDEXED PRICES



Source: Argus, Nord Pool, EEX, ECX, Platts

COAL-FIRED VS. GAS-FIRED GENERATION



Source: LEBA, APX, Argus, Nord Pool, EEX, ECX

OIL/GAS SPREAD – GAS HUB LESS CONTRACTED GAS

Source: BAFA, Argus

Financial highlights 2013

EBITDA – DKK 15.0bn (up 74% y/y)

- ✓ New wind farms brought on stream and gain from construction agreements in Wind Power
- ✓ Cost reductions
- ✓ Higher gas production (Ormen Lange redetermination)
- ✓ One-off provisions in 2012 (DKK 2.9bn)
- ✓ Improved total gas margins
- × Lower oil production due to disruptions

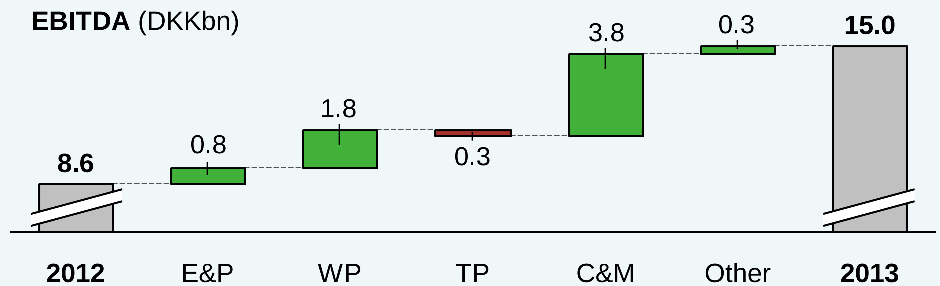
Net financials items – DKK 3.8bn (DKK 1.4bn in 2012)

- × One-off costs for early debt redemptions
- × Higher average net debt position in 2013
- × Value adjustment of financial instruments
- × Higher interest element on provisions

Net profit of DKK -1.0bn in 2013

- Writedowns of DKK 5.0bn (DKK 2.4bn after tax)

Selected financials (DKKm)	**2013**	**2012**
Revenue	73,105	67,179
EBITDA	15,004	8,639
Net financial items	-3,801	-1,356
Net profit	-993	-4,021
Assets	145,672	157,489
Equity	51,543	50,016
Net debt	25,803	31,968
Operating cash flow	9,729	7,891
Gross investments	-21,234	-17,660
Net investments	-5,902	-13,350
FFO/Adjusted net debt	23.1%	14.5%[1]
ROCE	0.5%	-7.9%
ROCE excl. writedowns	6.8%	-0.9%



Note (1): Excluding one-off non-cash provisions of DKK 2.9bn

Exploration & Production

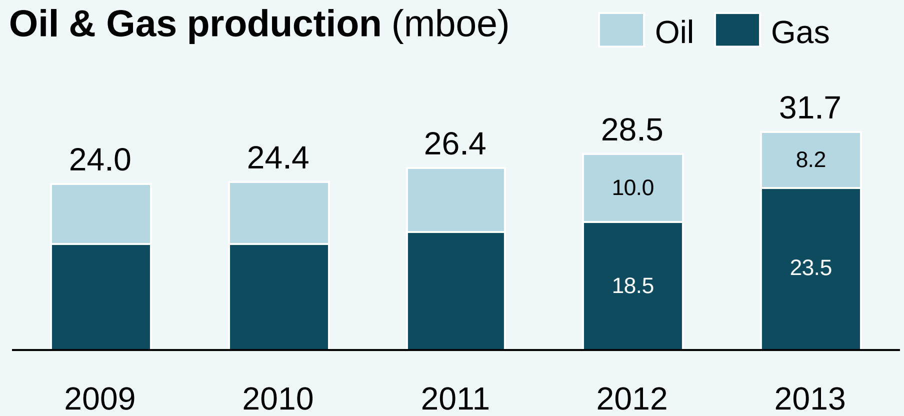
Operational highlights 2013

- Production up 11% y/y – strong contribution to gas production from Ormen Lange redetermination
- Fields with temporary production disruptions brought back into production in September/October
- Production above 100' BOE/day in H2 13

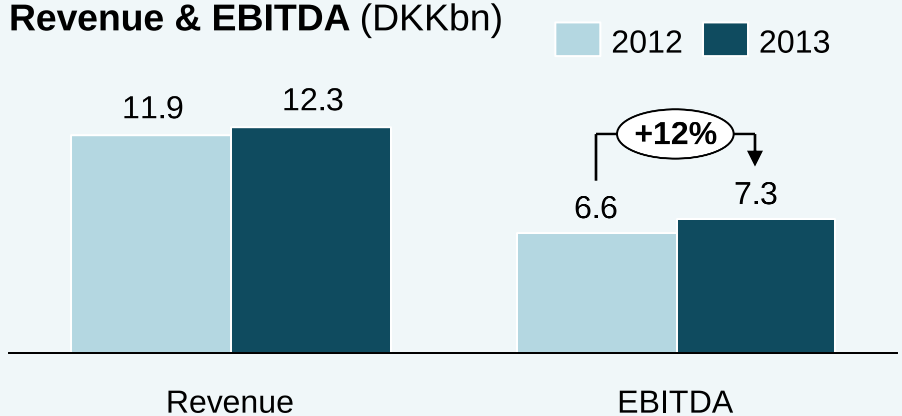
Financials highlights 2013 – EBITDA up 12% y/y

✓ Higher gas production
✓ Lower costs related to Siri repair than 2012
× Lower oil production due to disruptions
× Higher expensed exploration

Oil & Gas production (mboe)



Revenue & EBITDA (DKKbn)



Wind Power

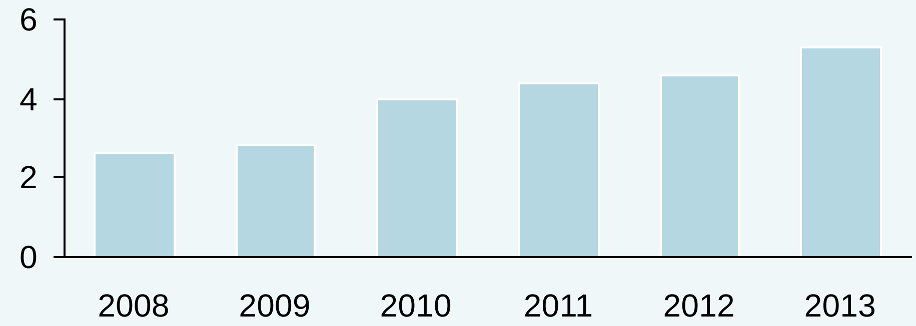
Operational highlights 2013

- Increased production (up 16% y/y) from London Array and Anholt coming on stream
- Production impacted by significant divestments (Swedish hydro plant, Danish & Polish onshore wind)

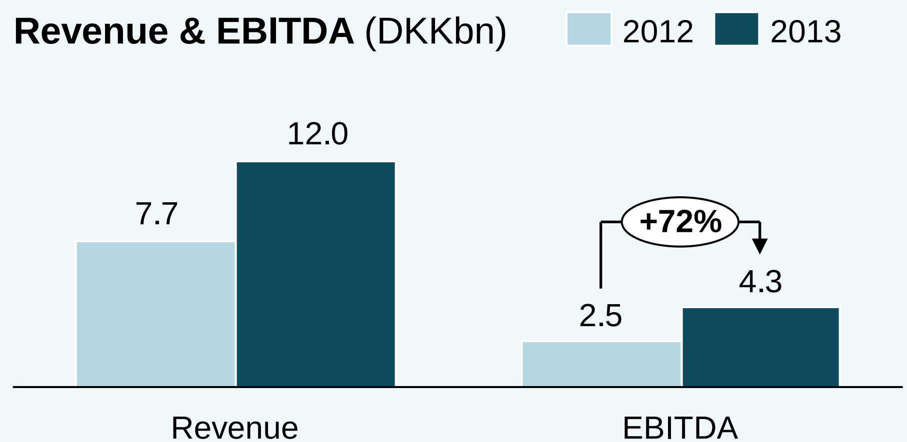
Financials highlights 2013 – EBITDA up 72%

- ✓ Increased power production
- ✓ Earnings from contracts for the construction of the Anholt and Borkum offshore wind farms for co-investors
- ✗ Higher expensed development costs

Renewable production (TWh)



Revenue & EBITDA (DKKbn)



Thermal Power

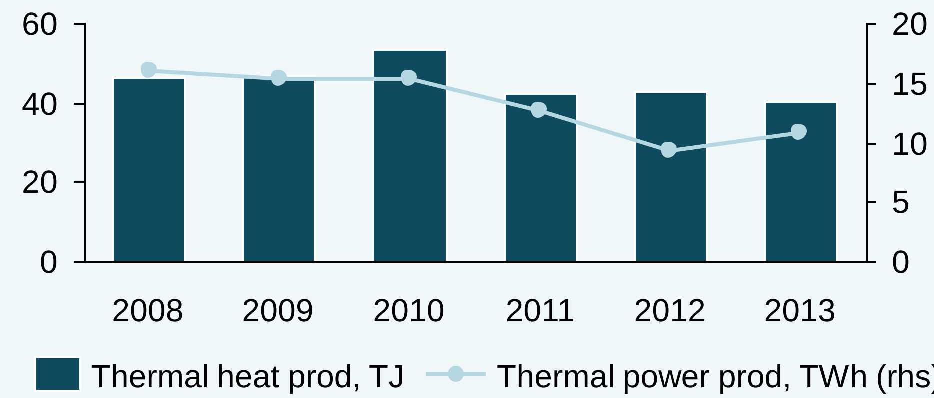
Operational highlights 2013

- Increased power production (up 20% y/y) due to higher Green Dark Spread (GDS):
  - Higher power prices driven by cold weather and lower hydro balance in Norway and Sweden

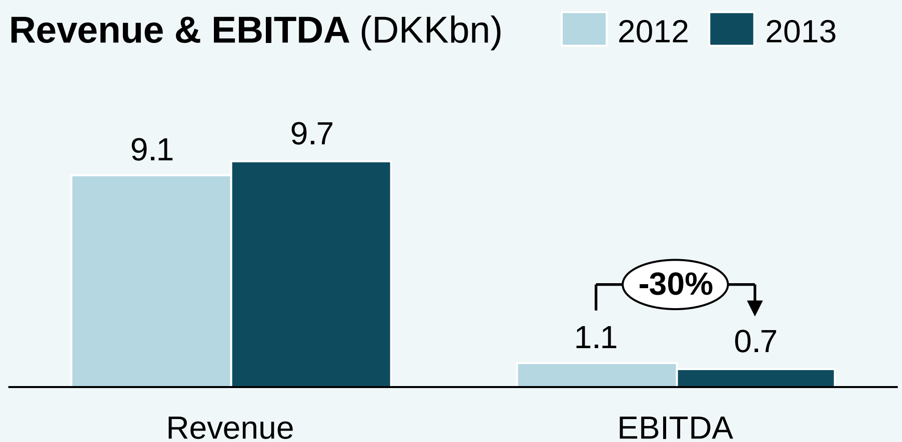
Financial highlights 2013 – EBITDA down 30% y/y

- ✓ Increased production and contribution margin from higher GDS
- ✓ Lower fixed costs
- × Discontinuation of free CO_2 quotas
- × Negative impact from hedging (positive in 2012)

Thermal heat and power production (TJ, TWh)



Revenue & EBITDA (DKKbn)



Customers & Markets

Operational highlights 2013

- Increased gas sales y/y due to acquisition of the UK sales company Shell Gas Direct in May 2012
- Higher power sales y/y from increased wind power production in the UK

Operational figures		2013	2012
Gas sales	TWh	139.3	133.7
Power sales	TWh	16.8	12.6
Distribution of gas	TWh	8.8	9.1
Distribution of power	TWh	8.6	8.7

Financials highlights 2013 – EBITDA up DKK 3.8bn

✓ One-off provisions in 2012 (DKK 2.9bn) on loss-making gas storage and LNG capacity contracts

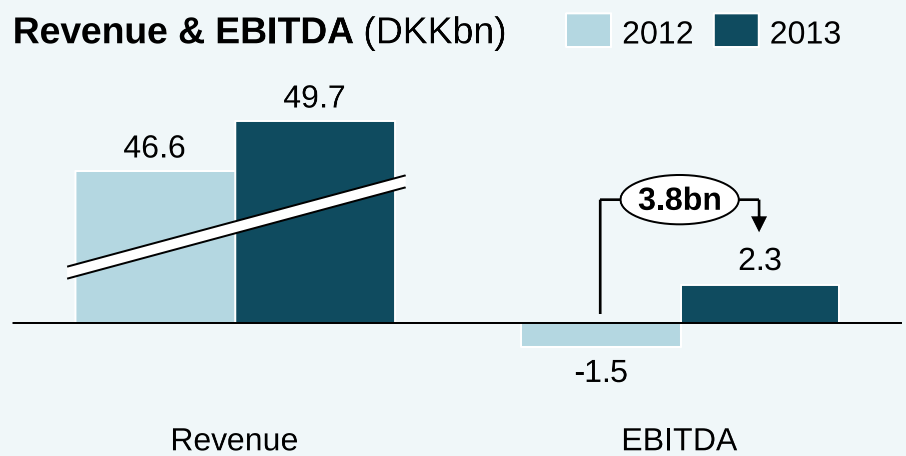
✓ Improved total gas margins

✓ Lower infrastructure cost for transmission and storage of gas

✓ Reduction of fixed costs

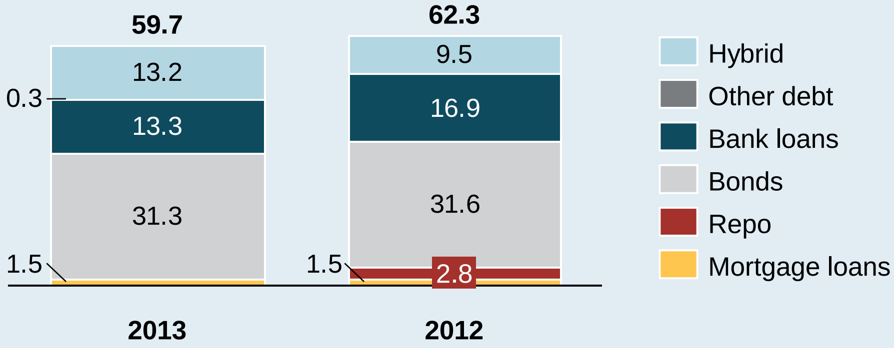
→ Former Energy Markets' unit posting an EBITDA of DKK 0.3bn (DKK -0.7bn in 2012 excl. one-offs)

Revenue & EBITDA (DKKbn)



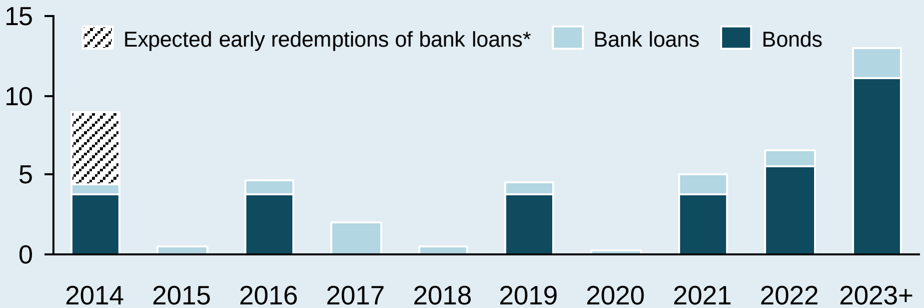
Debt overview

Gross debt incl. hybrid capital (DKKbn)



Net debt: 25.8bn 32.0bn

Long term debt maturity schedule end 2013 (DKKbn)



** A few bank loans with maturity in 2018 and 2020 are expected to be redeemed in 2014*

Key ratios loan portfolio[1]	EoY 2013	EoY 2012
Duration	5.9	6.8
Average time to maturity (years)	10.2	10.5
Average interest rate	3.7%	3.9%

Note (1): The key ratios refer to the end of year position and exclude hybrid capital

Liquidity reserves (DKKbn)	2013	2012
Liquid assets (unrestricted)	17.3	14.2
Committed borrowing facilities	17.4	11.6
Total	**34.7**	**25.7**

New capital structure target

Change of capital structure target

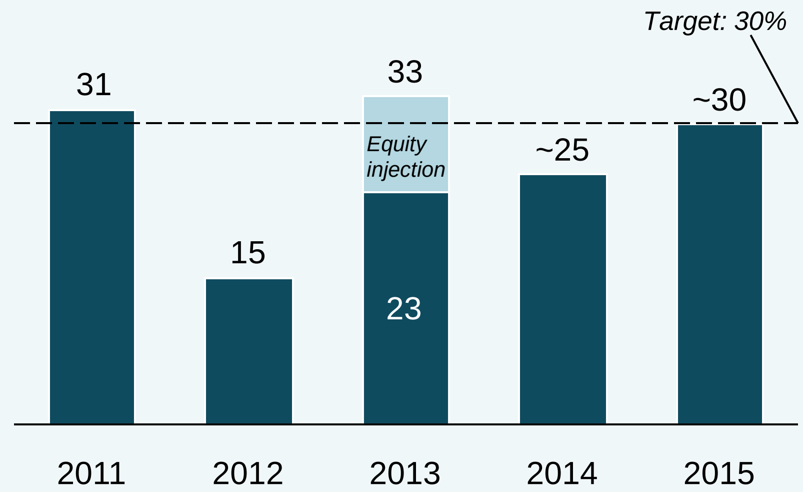
New: FFO/Adjusted Net debt of around 30%

Old: Adjusted Net debt/EBITDA of max 2.5x (only debt adjustment for hybrids)

Rationale for change

- Rating agencies have lately adopted a more negative view on power and gas companies – including DONG Energy – and have accordingly tightened credit ratio requirements
- The new capital structure target reflects this more negative view and as such is expected to meet the rating agencies' current requirements for BBB+/Baa1
- The new target constitutes a more conservative policy in comparison to the former target
- Ratio adjustments inspired by S&P's new methodology

FFO/ Adjusted net debt (%)



Details on the adjustments are found in Appendix on page 31

Outlook

EBITDA

Around DKK 15-17bn in 2014

Net investments

Around DKK 30bn in 2014-2015

FFO/Adjusted net debt

- Around 25% in 2014
- Around 30% from 2015 and onwards

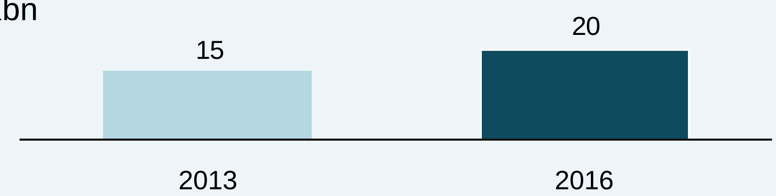
Q&A

APPENDIX

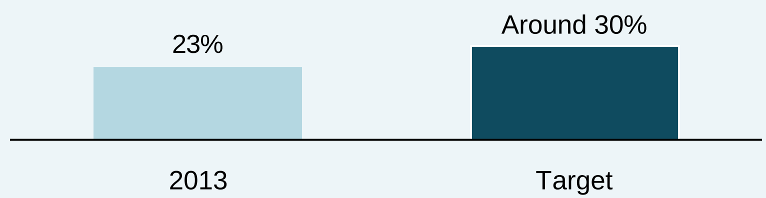
Financial targets

ROCE	2013	Target 2016	Target 2020
Group	0.5% (6.8% excl. writedown)	>10%	>12%
E&P	-3.1% (15%)	20%	20%
WP	4.6% (5.4%)	6-8%	12-14%
C&M	4.8% (4.8%)	8%	10%
TP	Target: Yearly operating CF of DKK 600-800m for Danish power stations		

EBITDA
DKKbn



Adjusted FFO/Net debt
%



Rating
Minimum rating of BBB+/Baa1

Outlook Market Prices 2014

(average)		Expectation 2014	Realised 2013
Oil, Brent	USD/bbl	105	109
Gas, TTF	EUR/MWh	27	27
Gas, NBP	EUR/MWh	27	27
Electricity, Nord Pool system	EUR/MWh	32	38
Electricity, Nord Pool, DK[1]	EUR/MWh	36	39
Electricity, EEX	EUR/MWh	37	38
Electricity, UK	EUR/MWh	61	59
Coal, API 2	USD/tonne	81	82
CO_2, EUA	EUR/tonne	4.7	4.5
Green dark spread, DK[1]	EUR/MWh	10.1	12.8
Green spark spread, UK	EUR/MWh	5.4	2.8
Green spark spread, NL	EUR/MWh	(5.9)	(3.8)
USD exchange rate	DKK/USD	5.5	5.6
GBP exchange rate	DKK/GBP	9.0	8.8

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

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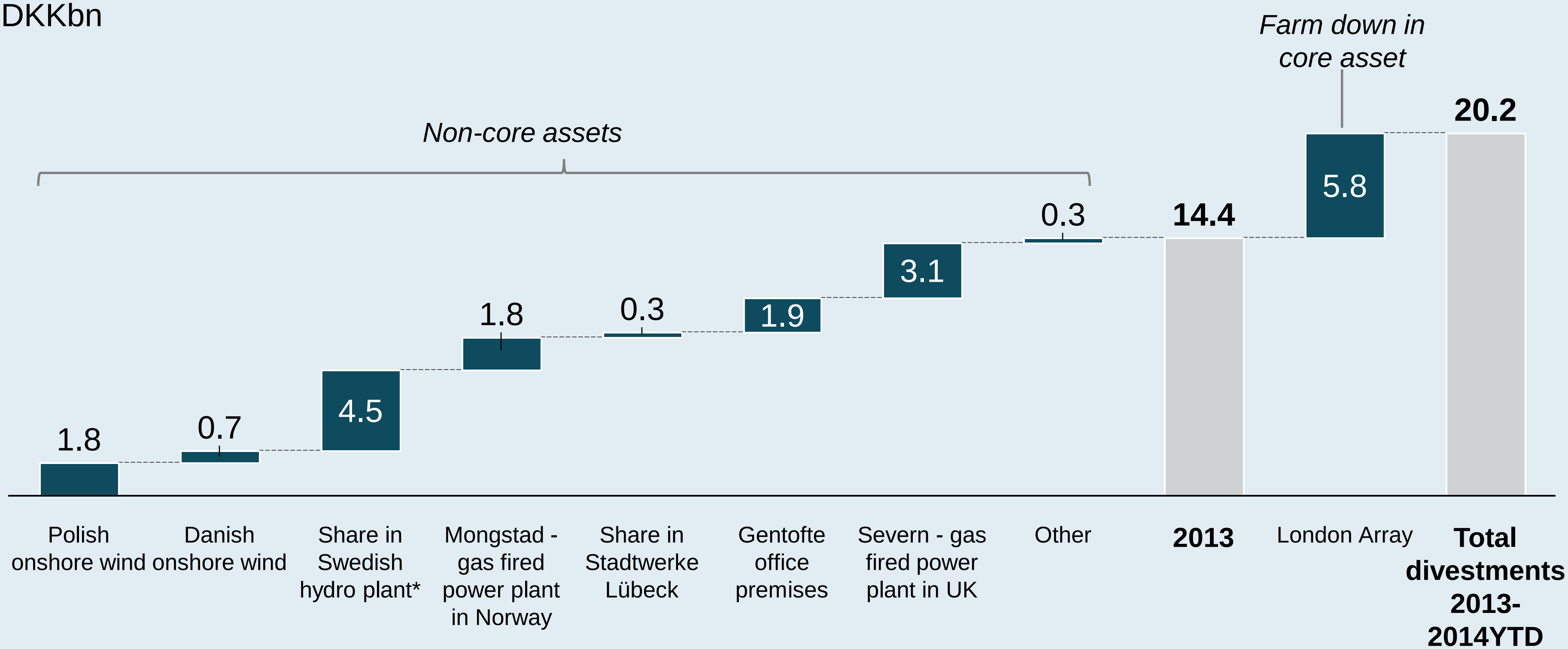
Significant divestments

Divestments – Enterprise Value
DKKbn



* *Impact on Group reported net debt is DKK 3.3bn*

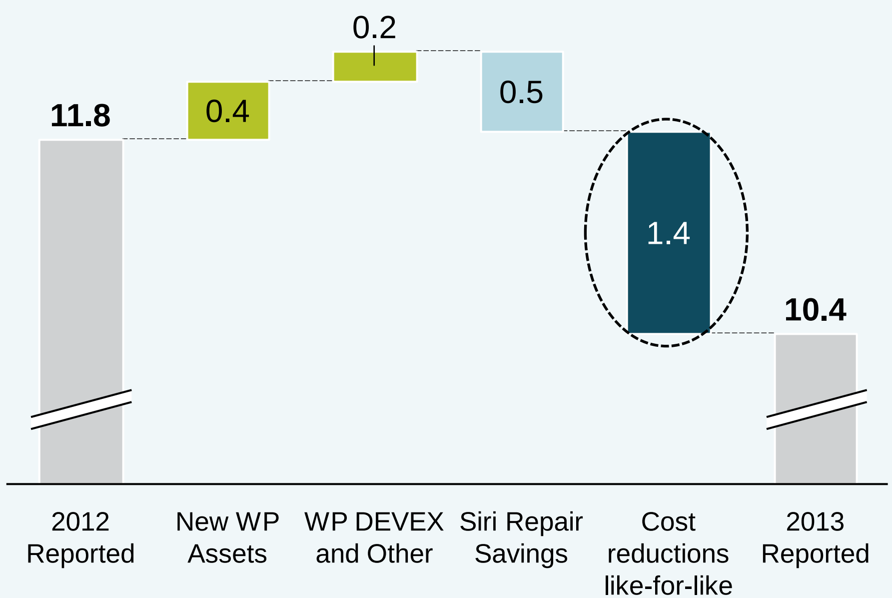
Cost reductions ahead of expectations

Assumptions for like-for-like comparison

- Target of DKK 1.2bn cost savings measured on a like-for-like basis
- Adjustments for OPEX growth driven by new offshore wind farms, more conservative capitalising and timing effect of costs for Siri repair
- Relative to the target, we saw like-for-like cost reductions in 2013 of DKK 1.4bn

→ Outperforming target by DKK 0.2bn

Group OPEX
DKKbn



Details on impairment charges

Impairment charges 2013	DKKbn	Reason for impairment charge
E&P total	**3.7**	
- *Norwegian fields Oselvar and Ula*	*1.8*	Lower reserves' expectations and poor performance on two Oselvar wells
- *Danish oil fields Siri area*	*0.9*	Discovery of a crack in July 2013 and subsequent production stoppage
- *Norwegian gas field Gyda*	*0.5*	Changed estimate for decommissioning obligations
- *Ownership share in the offshore gas pipeline Gassled*	*0.4*	Reductions in tariffs starting from 2016
TP total – Dutch gas fired power station Enecogen	**1.0**	Challenging market conditions for gas-fired power plants in Cont. Europe
WP total – capitalised project development cost	**0.3**	Uncertainty concerning completion of certain projects
Group total impairment charges	**5.0**	
Group total impairment charges after tax	2.4	

New capital structure target – details on adjustments

Calculation FFO/Adjusted net debt 2013

EBITDA (Business Performance)	**15.0**
Operating lease cost, add back	0.4
Interest (rating)	-2.8
Net interest expenses	-1.7
Capitalised interest	-0.3
Interest element of decommission obligations	-0.4
50% of hybrid coupons	-0.3
Opearting leases, interest element	-0.2
Tax (rating)	-2.5
Current tax, income tax	-1.1
Current tax, hydrocarbon tax and other	-1.4
Adjusted Funds From Operations (FFO)	**10.0**
Accounting net debt	**25.8**
50% of hybrid capital	6.6
Restricted liquid assets (excl. REPO's)	1.7
Operating leases, NPV (4.5% discount rate)	3.9
Decommissioning obligations	8.8
Tax add-back, decommissioning obligations	-3.5
Adjusted net debt	**43.4**
Adjusted FFO/Net debt	**23.1%**

Note: Please refer to the Annual Report 2013 on page 57 and 79 for comparison numbers for 2012

DONG energy

Investments

Investments in 2013

Cash flow from investing activities	**6.5bn**
Purchase and sale of securities	-1.2bn
Loans to jointly controlled entities	0.8bn
Other	-0.1bn
Net investments[1]	**5.9bn**
Sale of assets and companies	15.2bn
Other	0.2bn
Gross investments	**21.2bn**

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

Gross investments on Business Units in 2013

- E&P DKK 9.6bn
- Wind Power DKK 9.5bn
- Thermal Power DKK 0.7bn
- Customers & Markets DKK 1.4bn
- **Total: DKK 21.2bn**