FINANCIAL REPORT FULL YEAR 2014

5 February 2015

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.

DONG energy

2014 highlights

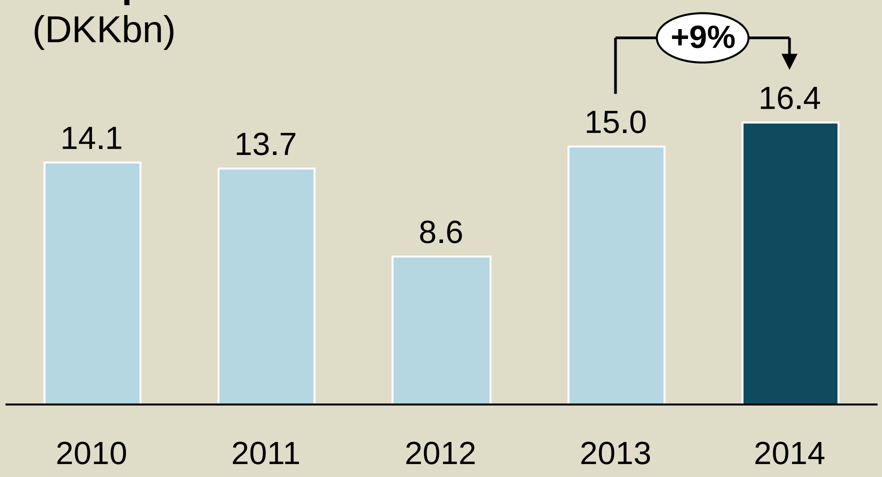
Financials

Strong operating performance

Highlights 2014

- EBITDA of DKK 16.4bn (up 9% y/y)
- Strong earnings growth within Wind Power
- Significant debt reduction
- FFO/Adjusted net debt of 36% (23% in 2013)
- Impairment charges of DKK 8.1bn in Q4 14 driven primarily by lower oil and gas prices
- Adjusted ROCE of 4.1% (excl. writedowns)
- Net loss of DKK 5.3bn (DKK -1.0bn in 2013)

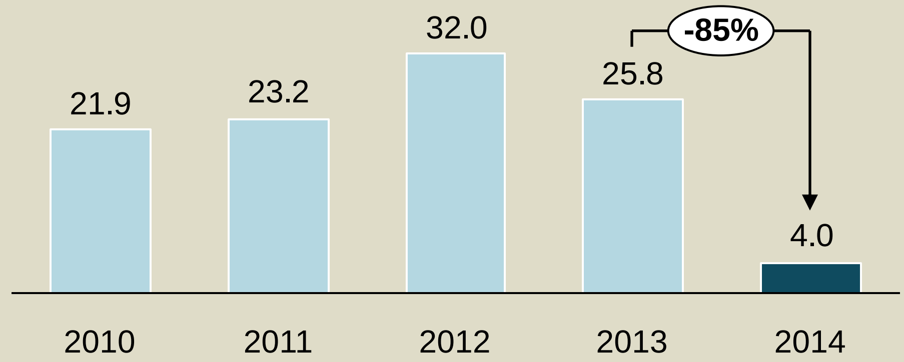
Group EBITDA
(DKKbn)



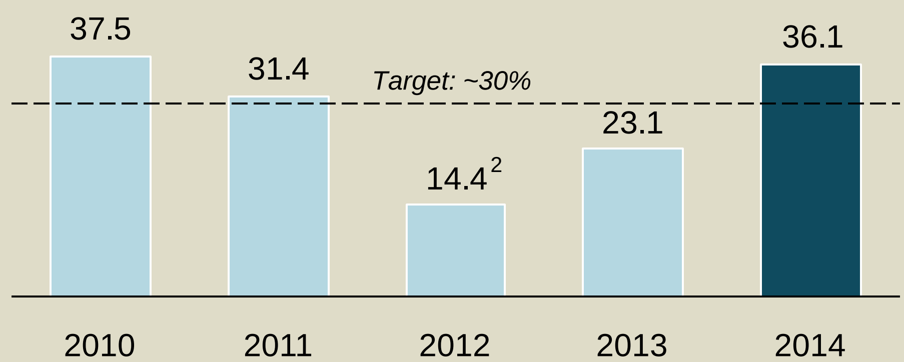
Strong financial foundation

- Significant improvement in credit metrics following successful execution of Financial Action Plan
  - Equity injection of DKK 13bn
  - Divestments of DKK 23bn[1]
  - Cost reductions in excess of DKK 1.4bn
  - Restructuring of midstream gas business
- Outlook revised from Negative to Stable by Fitch and S&P during H1 14

Net debt development (DKKbn)

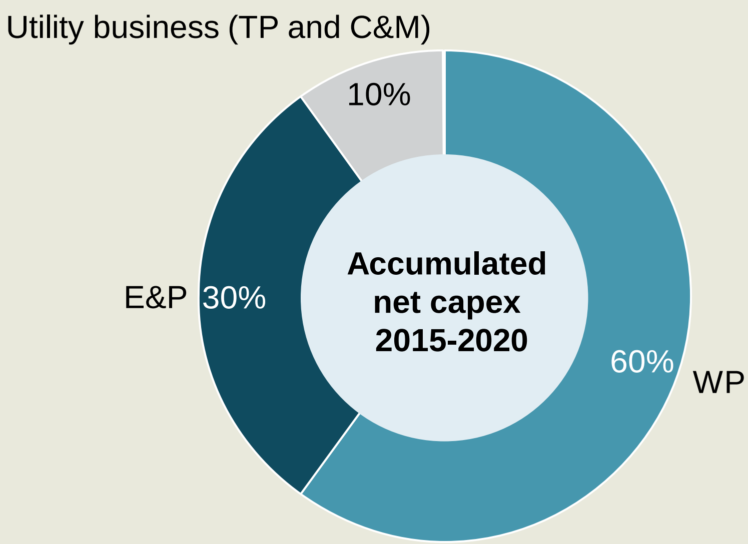


FFO/Adjusted Net Debt (%)

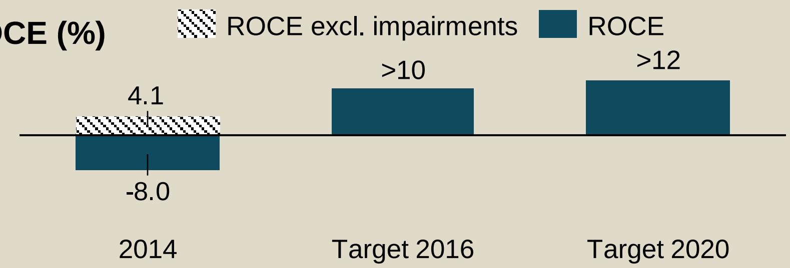


Note (1): In addition to the divestments forming part of the Financial Action Plan, a 50% sale of Westermost Rough was agreed in March 2014 for total cash consideration of DKK 2.1bn
Note (2): Excluding non-cash provisions of DKK 2.9bn

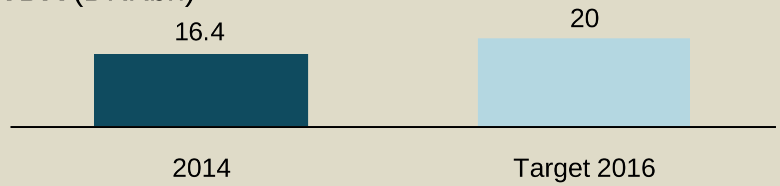
Investment split and Group financial targets towards 2020



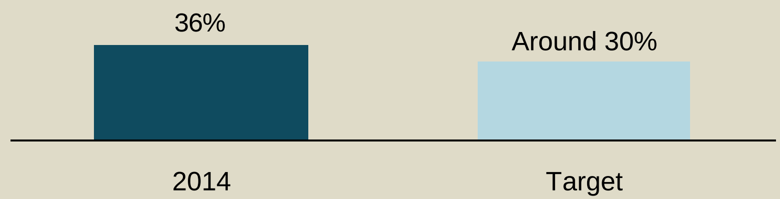
ROCE (%)



EBITDA (DKKbn)



Adjusted FFO/Net debt (%)



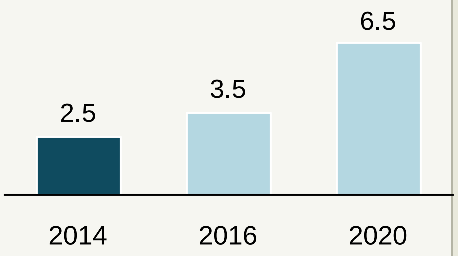
Rating

Minimum rating of BBB+/Baa1

Strategy 2020 by Business Unit

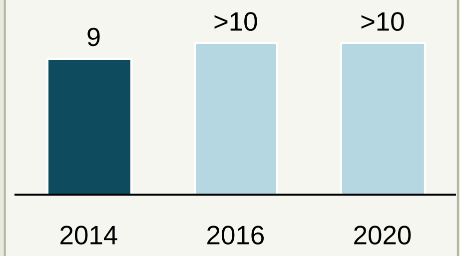
OFFSHORE WIND

DONG Energy capacity[1]
GW



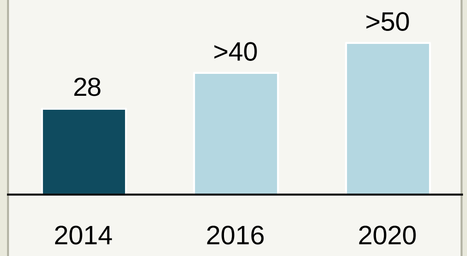
OIL AND GAS

Reserve/Production Ratio
x times



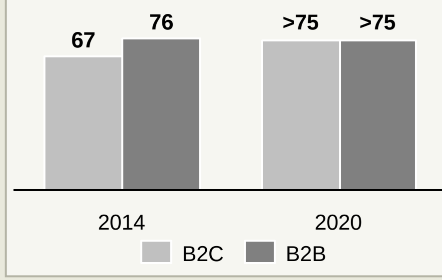
POWER STATIONS

DONG Energy biomass share[2]
%



CUSTOMERS & MARKETS

Customer satisfaction
Index 0-100



Offshore Wind

Key strengths
- Fastest growing renewable
- World leading capabilities
- Strong pipeline
- Profitable growth

Key challenges
- Cost-of-Electricity
- Regulatory visibility

Oil and Gas

Key strengths
- Strong North Sea platform
- A leading explorer in WoS[3]
- Low average lifting costs

Key challenges
- Oil and gas prices
- On-time/budget field projects
- Reserves replacement

Power Stations

Key strengths
- Efficient power station operator
- Leading biomass capabilities

Key challenges
- Overcapacity
- Weak power prices

Customers & Markets

Key strengths
- Leading domestic utility
- Regulated income

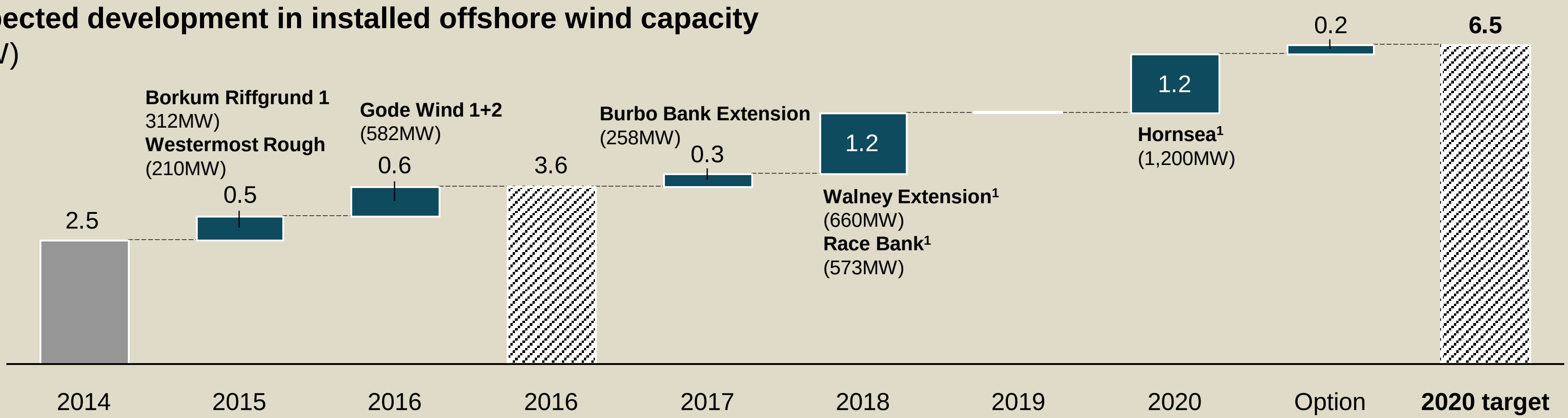
Key challenges
- Long-term gas contracts
- B2C customer satisfaction

1. Offshore wind gross commissioned capacity
2. Of domestic thermal power and heat generation
3. WoS: West of Shetlands

Pipeline towards 2020 largely secured

- Strong pipeline towards 2020 – named projects almost securing 6.5 GW
- Important breakthrough in 2014 with the award of CfD certificates for Burbo Bank Extension, Walney Extension and Hornsea
- The awards are a testimony of DONG Energy's competence and commitment to offshore wind
- Contracts for Difference (CfD) is the successor to the current ROC regime and guarantees generators to receive a fixed price for the first 15 years of production
- For Burbo Bank Extension, FID was taken in December 2014

Expected development in installed offshore wind capacity
(GW)



Note (1): Planned, but not yet decided projects

DONG energy

Current key priorities for DONG Energy

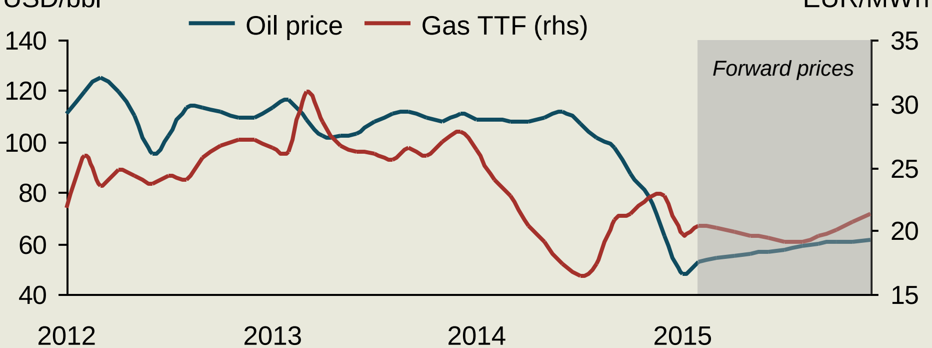
2014	2015	2016/2017
✓ Financial Action Plan	☐ E&P: Laggan-Tormore on stream	☐ E&P: Hejre on stream
✓ Siri repair completed	☐ WP: Westermost R. on stream	☐ WP: Gode Wind 1+2 on stream
✓ WP: West of Duddon Sands on stream	☐ WP: Borkum R. 1 on stream	☐ WP: Burbo Bank Extension on stream
✓ FID Burbo Bank Extension	☐ Renegotiation of LT gas contracts	☐ Renegotiation of LT gas contracts
✓ CfD awards for UK wind farms	☐ Firm up WP pipeline post 2020	☐ Biomass conversions on stream
✓ Biomass agreements	☐ IPO Roadmap	

2014 highlights

Financials

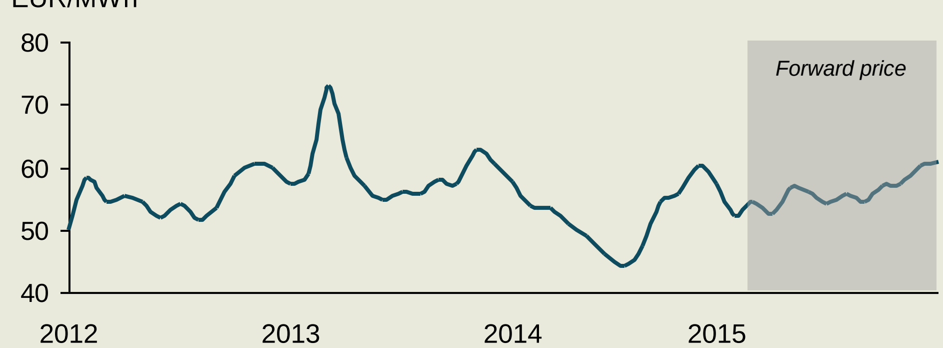
Market conditions and prices

OIL AND GAS PRICE



Source: Platts, Argus

UK POWER PRICE

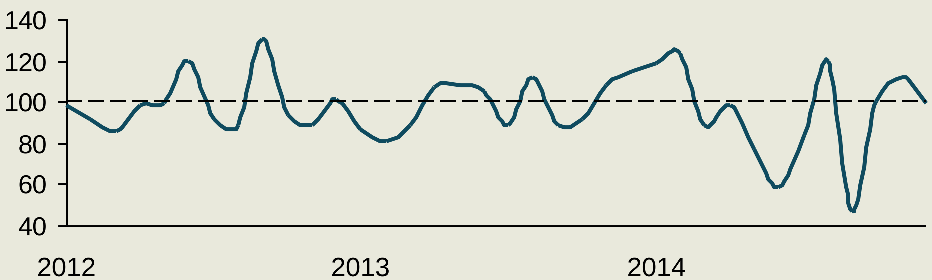


Source: LEBA

WIND ENERGY CONTENT

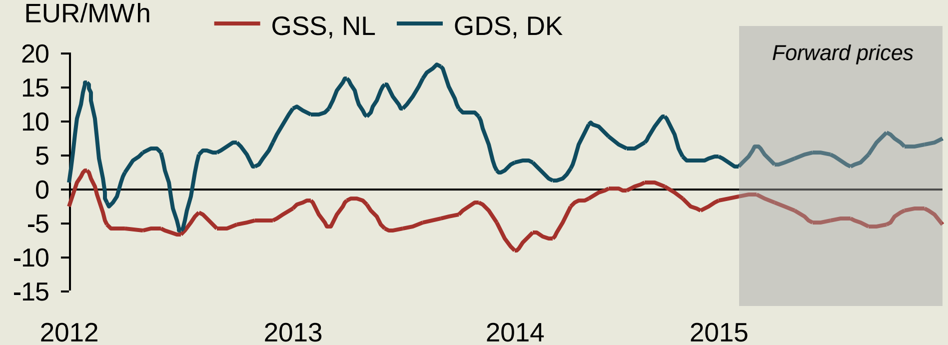
Wind index for DONG Energy's offshore wind farms

Index: Wind energy content vs. the normal wind energy of the month



Source: DONG Energy wind data

GREEN DARK SPREAD (DK) AND SPARK SPREADS (NL)



Source: APX, Argus, Nord Pool, ECX

Financial highlights 2014

EBITDA – DKK 16.4bn (up 9% y/y)

- ✓ Higher oil & gas production (primarily due to Ormen Lange redetermination)
- ✓ High uptime of E&P fields
- ✓ Gain from divestment of wind farms
- ✓ Full-year effect from Anholt and start up of WoDS[1]
- ✓ Overhead cost reduction
- × Declining gas and oil prices (hedging done after tax)
- × Lower contribution from WP contractor model
- × Prolonged renegotiations of gas sourcing contracts
- × Challenging market conditions for thermal generation

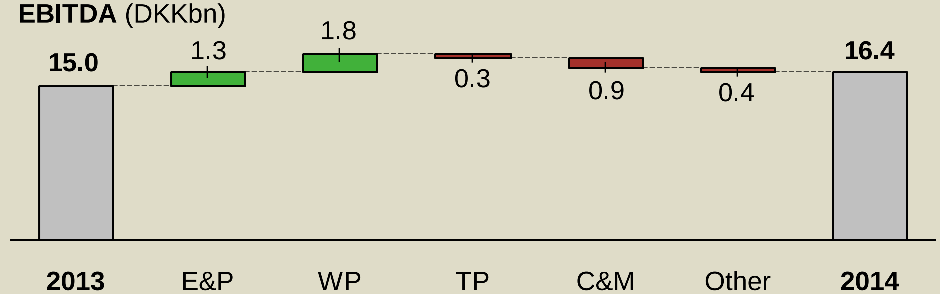
Strong operating cash flow – up 54% y/y

Impairment charges within E&P of DKK 8.1bn

- × Downward revision of gas- and oil price forecast

Selected financials (DKKm)	2013	**2014**
Revenue	73,105	67,048
EBITDA	15,004	16,389
Net finance costs	-3,801	-1,710
Net profit	-993	-5,284
Assets	145,672	149,914
Equity	51,543	61,533
Net debt	25,803	3,978
Operating cash flow	9,729	14,958
Gross investments	-21,234	-15,359
Net investments	-5,902	-4,706
FFO/Adjusted net debt	23.1%	36.1%
ROCE	0.5%	-8.0%
ROCE excl. oneoffs[2]	6.8%	4.1%

EBITDA (DKKbn)



Note (1): WoDS – West of Duddon Sands
Note (2): Excluding impairments

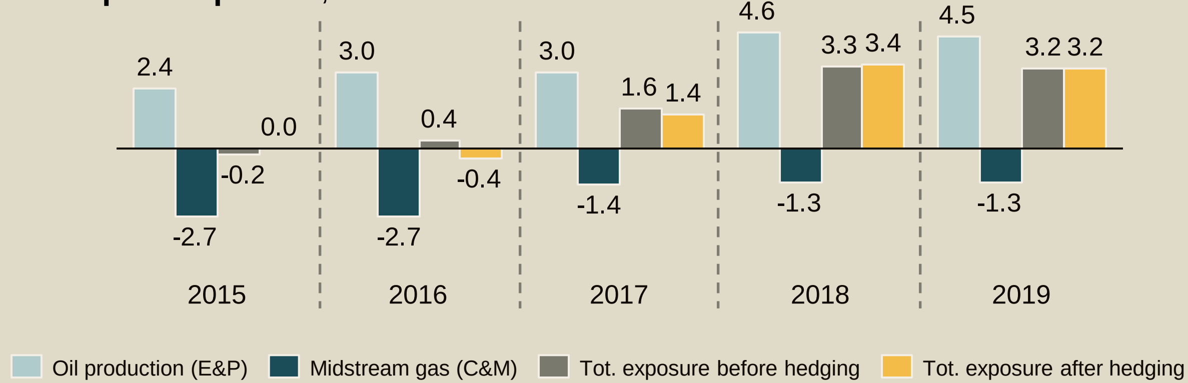
DONG energy

Oil & Gas exposure and hedging

Oil price exposure:

- Natural hedge: Long position from oil production offset by short oil position from oil-indexed gas sourcing contracts
- Extensive financial hedging on residual exposure – hedging horizon of 5 years with high hedge ratio for next coming 2 years

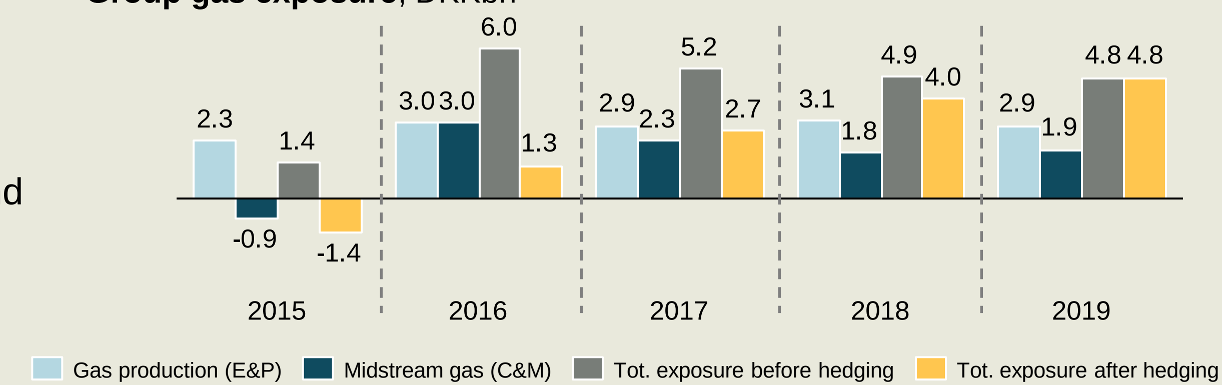
Group oil exposure, DKKbn



Gas price exposure:

- Long position from both gas production and midstream gas business
- Hedging conducted post hydrocarbon and corporate tax – ie. EBITDA can be impacted despite high hedge ratio

Group gas exposure, DKKbn



Note: For the exposure to power prices, please see page 28

Hedging to secure after tax result

- DONG Energy conducts its financial hedging to achieve the desired cash flow impact after tax
- This as tax costs reduce the actual price exposure
- For 2015 and 2016, DONG Energy's oil and gas price exposure after hedging and after tax is limited (cf. previous page)
- Price changes will, however, 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)

ILLUSTRATIVE EXAMPLE

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

Price impact on E&P exposure value	**Change DKKm**
(1) Impact before hedging	-100
(2) Tax effect (78%)	78
(3) Impact after taxes	-22
(4) Hedges (100% hedged), before tax	29
(5) Taxed gain on hedge (25% tax rate in DK)	-7
(6) Hedge impact after taxes	22
(7) Impact after hedging and tax	**0**
Impact on accounts	
EBITDA (1, 4)	-71
Taxes (2, 5)	71
Result after taxes	**0**

EBITDA is volatile as hedging is conducted to secure result after tax

DONG energy

Exploration & Production

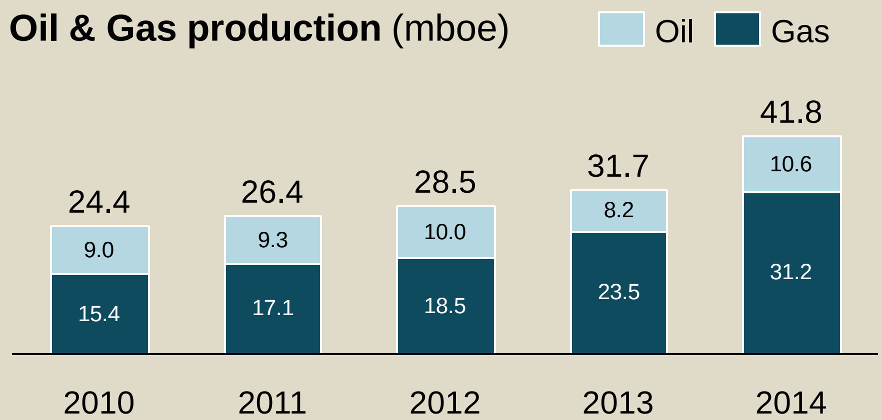
Operational highlights 2014

- Production up 32% – due to the redetermination of the Ormen Lange field and increased field uptime
- Siri platform:
  - Regular production resumed in Oct. 2014 and final approval from Danish Energy Agency in Dec. 2014
  - Final repair cost below budget

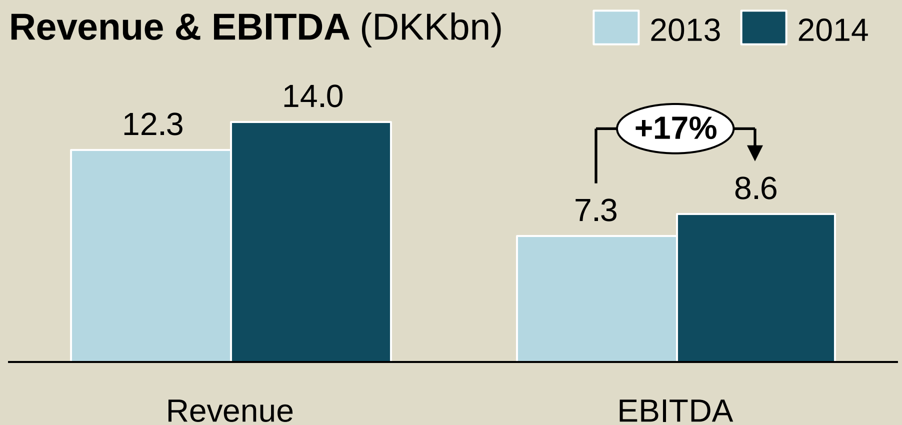
Financials highlights 2014 – EBITDA up 17% y/y

- ✓ Increased oil and gas production
- ✓ High uptime of fields
- ✓ Lower expensed exploration costs
- × Gas and oil prices fully hedged, but declining prices still impact EBITDA as hedging is conducted post hydrocarbon and corporate tax
- × Higher repair costs at Siri (timing of costs vs. 2013)

Oil & Gas production (mboe)



Revenue & EBITDA (DKKbn)

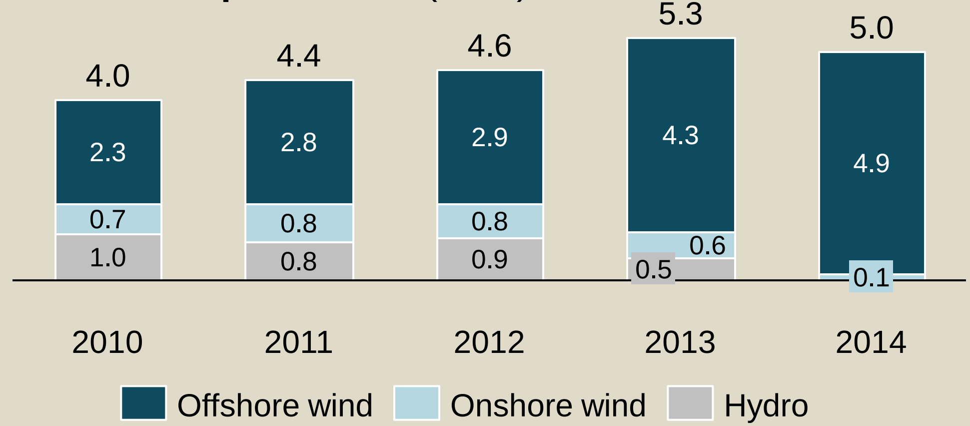


Wind Power

Operational highlights 2014

- Lost production from divestments[1]
- Positive impact from full-year effect from Anholt and start-up of West of Duddon Sands
- Continued high availability (93% in 2014)

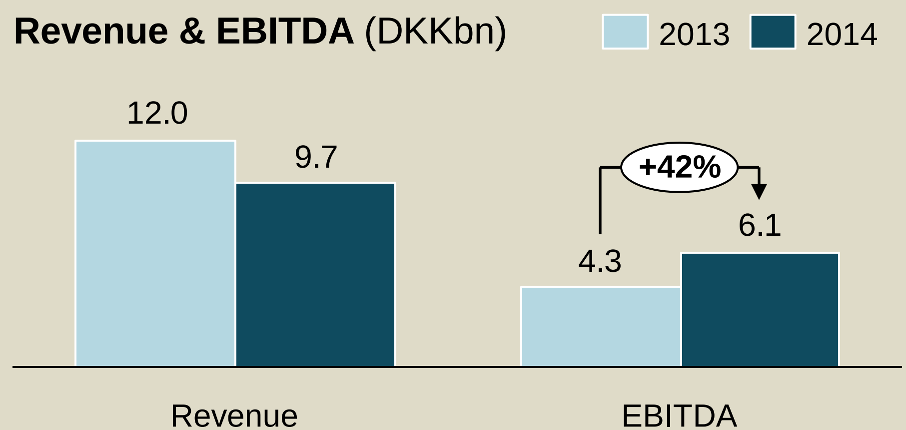
Renewable production (TWh)



Financials highlights 2014 – EBITDA up 42% y/y

- ✓ Gain from sale of stakes in London Array and Westermost Rough
- ✓ Full-year production from Anholt and start up of WoDS
- ✓ Lower expensed project development costs
- × Lower earnings contribution from construction contracts for co-investors
- × Earnings dilution from divested activities

Revenue & EBITDA (DKKbn)



Note (1): London Array, Swedish hydro plant and Danish and Polish onshore wind

Thermal Power

Operational highlights 2014

- Declining power and heat generation
  - Declining power generation (-37% y/y) due to warm weather and divestment of Severn power station (Dec. 2013)
  - Heat generation negatively impacted (-22% y/y) by warm weather

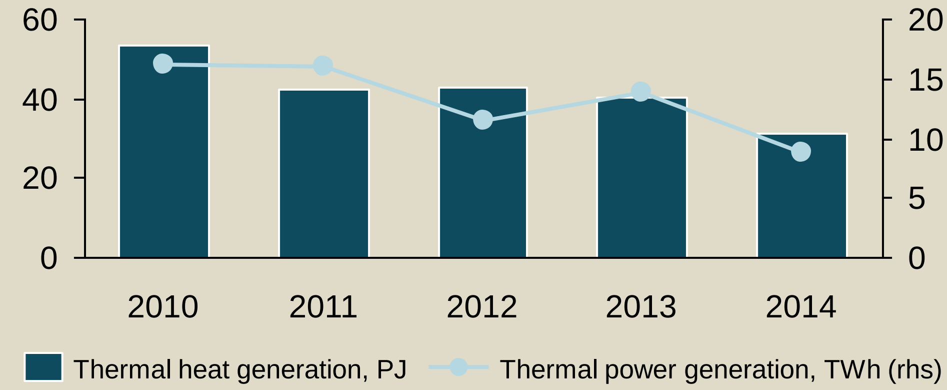
Financial highlights 2014 – EBITDA down 43% y/y

✓ Continued positive impact from commercial and operational excellence programs

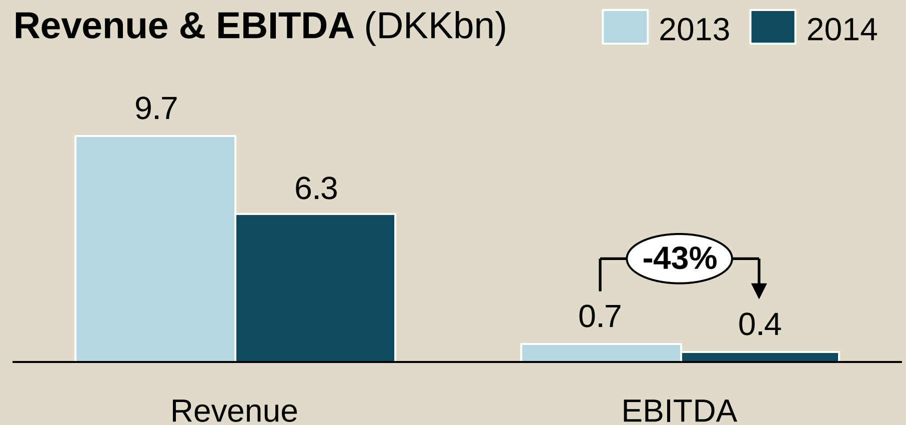
× Declining generation and lower contribution margin from decreasing Green Dark Spread

× Earnings dilution from divested activities (primarily Severn)

Thermal heat and power generation (PJ, TWh)



Revenue & EBITDA (DKKbn)



DONG energy

Customers & Markets

Operational highlights 2014

- Milder weather negatively impacting gas sales and gas distribution
- Higher power sales y/y from increased wind power generation in the UK

Operational figures

Operational figures		2013	2014
Gas sales	TWh	139.3	124.9
Power sales	TWh	16.8	30.9
Distribution of gas	TWh	8.8	8.2
Distribution of power	TWh	8.6	8.4

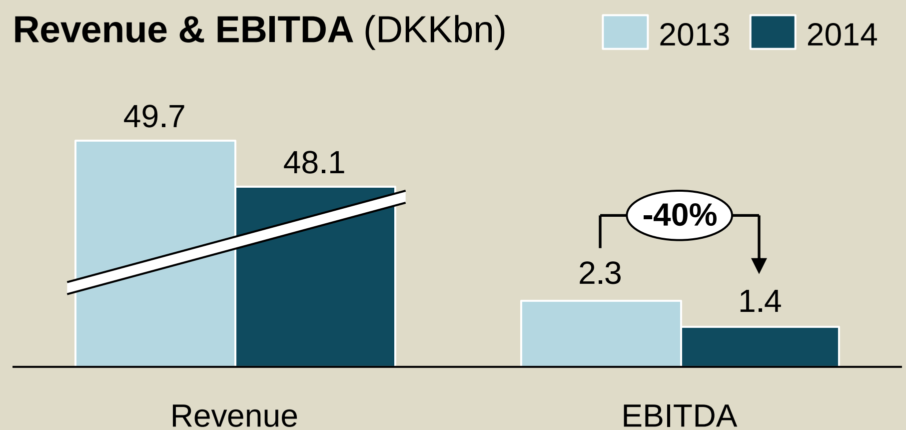
Financials highlights 2014 – EBITDA down 40%

✓ Lower fixed costs

× Lower earnings on midstream gas position

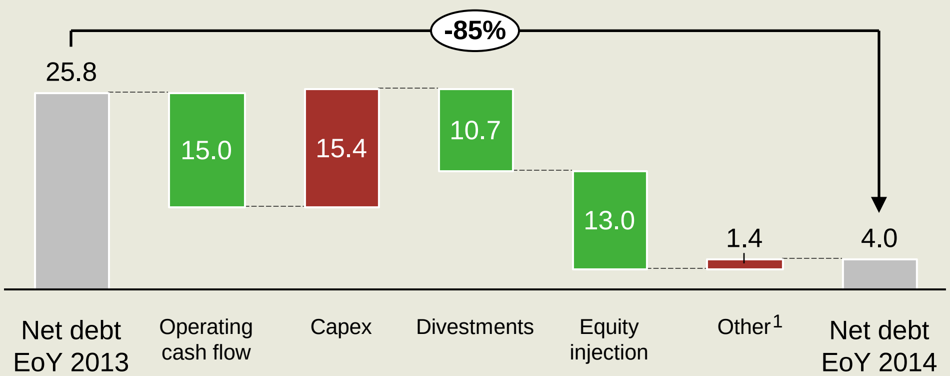
- Prolonged renegotiations of gas sourcing contracts
- Widening of oil/gas spread (average for 2014)

Revenue & EBITDA (DKKbn)

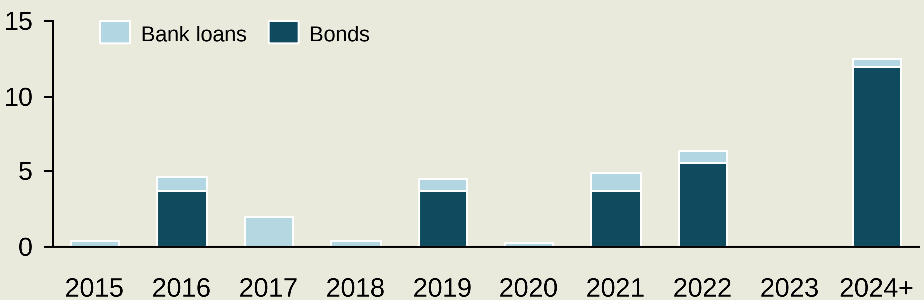


Debt overview

Net debt development 2014

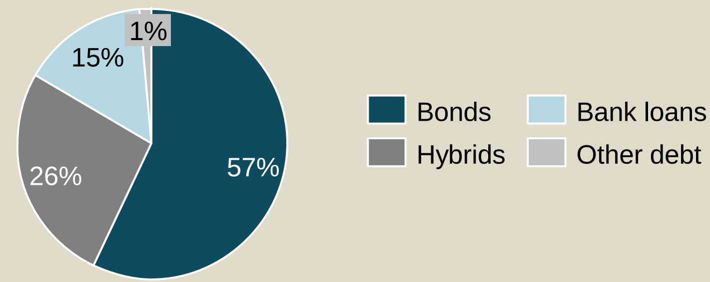


Long term debt maturity schedule EoY 2014 (DKKbn)



Note (1): Other include hybrid coupons, paid dividend to minority shareholders etc.

Gross debt and hybrids 2014



Key ratios loan portfolio[2]	2013	2014
Duration (years)	5.9	7.7
Average time to maturity (years)	10.2	10.5
Average interest rate	3.7%	4.2%

Note (2): The key ratios refer to the end of period position and exclude hybrid capital

Liquidity reserves (DKKbn)	2013	2014
Liquid assets (unrestricted)	17.3	28.5
Committed borrowing facilities	17.4	17.3
Total	**34.7**	**45.8**

Outlook

EBITDA

DKK 15.5-17.5bn in 2015

- Comments to guidance :
  - Hedging securing after tax result, not EBITDA
  - EBITDA for Q1 and Q2 in 2015 expected to be below corresponding quarters in 2014 where gains on divestments in Wind Power were recognised

Net investments

DKK 35-40bn for 2015-2016

FFO/Adjusted net debt

Around 30% in 2015

DONG energy

Q&A

APPENDIX

Comparison Q4 14 vs. Q4 13

EBITDA comparison by Business Units

E&P y/y
- Falling oil and gas prices partly counterbalanced by higher oil production (downtime in 2013)
- Higher expensed exploration in Q4 13

Wind Power y/y
- Slightly higher generation – WoDS ramp-up outweighing impact from partial London Array divestment

Thermal Power y/y
- Lower heat and power generation and lower spreads
- Reduction of fixed costs

C&M y/y
- Small negative impact from timing differences between gas deliveries and associated settled hedges

Other
- Gain on divestment of Gentofte facility in Q4 13

Group selected financial figures (DKKm)

	Q4 13	Q4 14
Revenue	19,915	17,127
EBITDA	3,789	3,364
Net finance costs	-1,345	-71
Net profit	-1,045	-6,141
Operating cash flow	3,206	5,357
Gross investments	-4,643	-4,178
Net investments	1,092	-1,632

EBITDA per business unit (DKKbn)

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Market prices

(average)		Actual, 2014	Actual, 2013	Forwards as of 30 Jan. 2015 (rest of year)
Oil, Brent	USD/bbl	99	109	53
Gas, TTF	EUR/MWh	21	27	20
Gas, NBP	EUR/MWh	21	27	20
Electricity, Nord Pool system	EUR/MWh	30	38	28
Electricity, Nord Pool, DK[1]	EUR/MWh	31	39	31
Electricity, EEX	EUR/MWh	33	38	32
Electricity, UK	EUR/MWh	50	59	56
Coal, API 2	USD/tonne	75	82	58
CO_2, EUA	EUR/tonne	6.0	4.5	7.1
Green dark spread, DK[1]	EUR/MWh	5.3	12.8	6.4
Green spark spread, NL	EUR/MWh	(2.6)	(3.8)	(4.1)
USD exchange rate	DKK/USD	5.6	5.6	6.6
GBP exchange rate	DKK/GBP	9.2	8.8	9.9

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

DONG energy

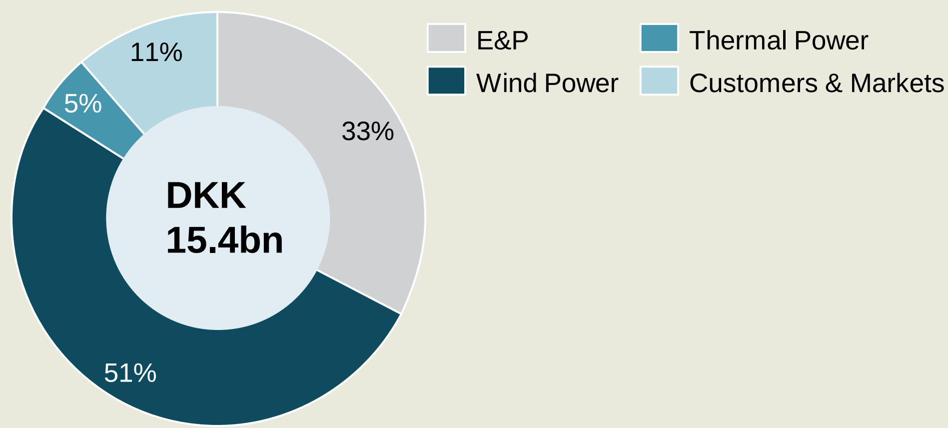
Investments

Investments in 2014

	DKKm
Cash flow from investing activities	**-14,796**
Purchase and sale of securities (reversal)	10,330
Sale of assets and companies (reversal)	-10,628
Other	- 265
Gross investments	**-15,359**
Sale of assets and companies	10,628
Other	25
Net investments[1]	**- 4,706**

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 2014



Calculation of FFO/Adjusted net debt

	2014	2013
EBITDA (Business Performance)	**16.4**	**15.0**
Reversal of recognised lease payment	0.5	0.4
Adjusted net interest expenses	-2.5	-2.8
Net interest expenses	-1.1	-1.7
Capitalised interest	-0.3	-0.3
Interest element of decommission obligations	-0.4	-0.4
50% of hybrid coupons	-0.4	-0.3
Operating leases, interest element	-0.2	-0.2
Current tax	-5.8	-2.5
Funds From Operations (FFO)	**8.6**	**10.0**
Accounting net debt	**4.0**	**25.8**
50% of hybrid capital	6.6	6.6
Restricted liquid assets (excluding REPO's)	2.5	1.7
Operating leases, PV (4.5% discount rate)	4.5	3.9
Decommissioning obligations	10.4	8.8
Deferred tax on decommissioning obligations	-4.2	-3.5
Adjusted net debt	**23.8**	**43.4**
FFO/Adjusted net debt	**36.1%**	**23.1%**

Financial targets by Business Units

	2014	Target 2016	Target 2020
Group	-8.0% (4.1% excl. writedowns)	>10%	>12%
E&P	-37.9% (3.9%)	~12% on average for 2015-2020	
WP	8.6% (8.6%)	6-8%	12-14%
C&M	-6.2% (-0.8%)	>8%	>10%
TP	Negative FCF[1]	Target 2018: Positive FCF[1]	

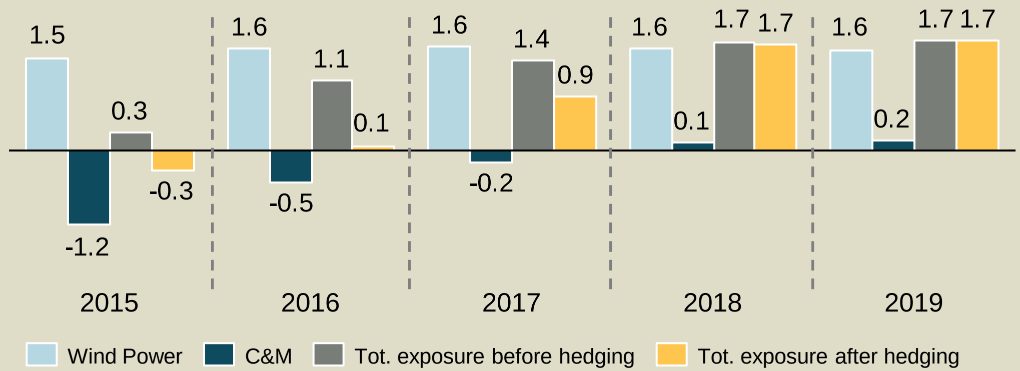
Note (1): Free Cash Flow (FCF) defined as Operating Cash Flow less Gross Investments

Power exposure and hedging

Outright power exposure

- The Group's outright power price exposure stems from offshore wind generation, which to a large extent is regulated
- Around 80% of the revenue within Wind Power originates from regulated prices
- The remaining exposure arises from UK wind farms on ROC regime where around one-third of the total revenue stream is exposed to the market price
- Market risk is hedged within a 5-year horizon

Group outright power exposure, DKKbn



Power spread exposure

- The Group's spread-based power price exposure originates from thermal power generation
- The risk management is based on locking-in the contribution margin for future electricity generation by simultaneously selling electricity and buying fuel and CO_2 emissions allowances
- This spread-based price exposure from electricity generation is hedged within a 3-year horizon (limited liquidity further out)

Group power spread exposure, DKKbn