

FINANCIAL REPORT FULL YEAR 2015

INVESTOR PRESENTATION



4 February 2016

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.

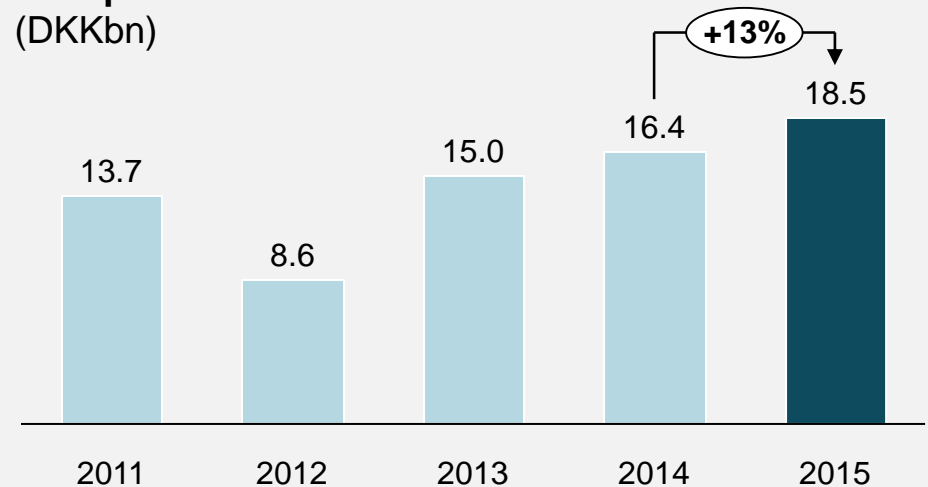
Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

Strong operating result, but significant impairment charges

Highlights 2015

- Strong operating results despite low oil & gas prices
- EBITDA of DKK 18.5bn (up 13% y/y)
- Strong underlying earnings growth in Wind Power
- Solid credit metrics (FFO/Adjusted net debt of 40%)
- Adjusted ROCE rising to 10% (5% in 2014)
- Impairment charges of DKK 17.0bn in Q4 15 due to lower oil and gas prices, reduced reserve estimates and project specific factors
- Net loss of DKK 12.1bn (DKK -5.3bn in 2014)

Group EBITDA (DKKbn)



Conclusion of Oil & Gas strategic review

Adapting the O&G business to a new market reality

- Based on an extensive evaluation of different scenarios, the Oil & Gas business unit (formerly named E&P) will be kept as part of the portfolio and the planned IPO of the Group
- Oil & Gas (O&G) holds a high quality portfolio of oil & gas assets in Denmark, Norway and the UK with attractive lifting costs
- An action plan has been launched to adjust the O&G business to its revised role with focus on cash generation, a conservative approach to new investments and an overall de-risking of the business
- Going forward, the cash flows from O&G shall support the expansion and investments in green energy to further reinforce DONG Energy's position as a global leader in renewables

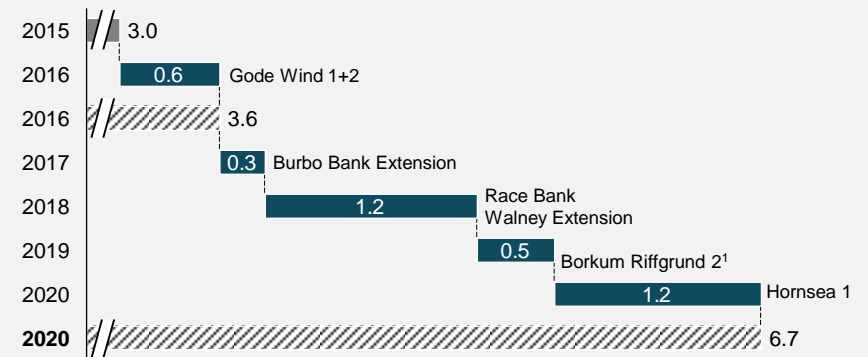


Global leader in attractive offshore wind market

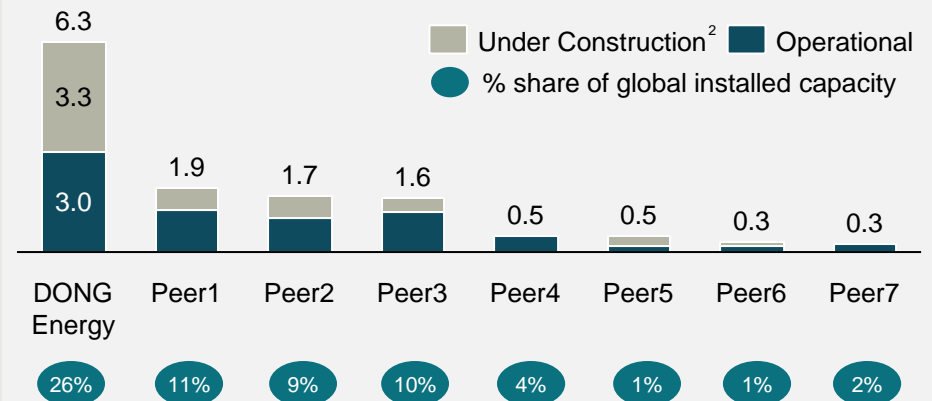
DONG Energy's offshore wind business

- Global leader in attractive offshore wind market
- Growth path towards 2020 highly predictable through sanctioned and consented projects
- Unique integrated end-to-end business model with distinct competitive advantages across the value chain
- Strong trajectory to reduce Cost-of-Electricity through knowhow, scale advantages and standardisation
- Proven partnership model allowing for upfront value realization and efficient capital allocation
- Post 2020 pipeline continuously firming up with 5 GW of secured projects rights (UK: 3 GW, US: 1 GW, DE: 1 GW)

Buildout plan towards 2020 (installed & secured capacity, GW)



Global installed offshore wind capacity, EoY 2015



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

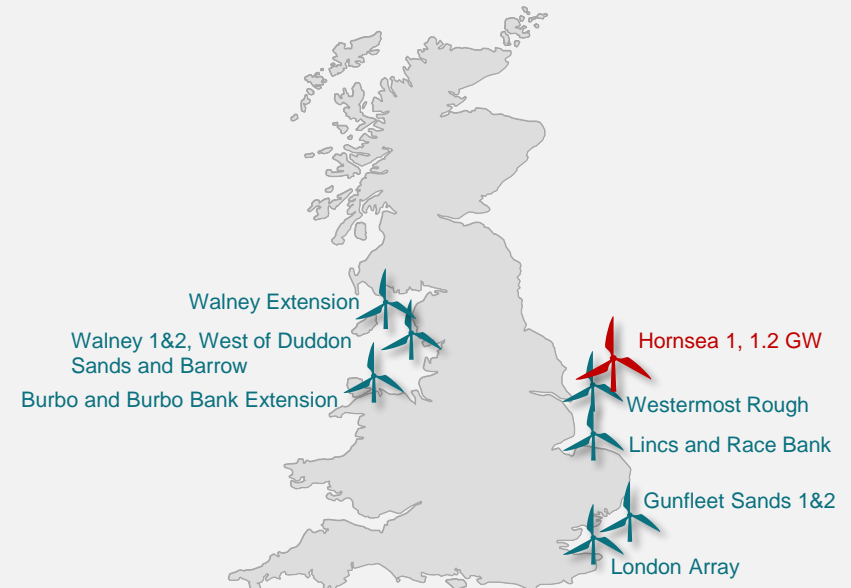
Note (2): DONG Energy's calculations EoY 2015. Under construction for DONG Energy includes Hornsea 1

Decision to build Hornsea 1 offshore wind farm

- Hornsea 1 to become the world's largest operating wind farm (1.2 GW) once operational in 2020
- Hornsea 1 is a key milestone in reaching the 6.5GW target of installed capacity by 2020
- The wind farm will be situated off the east coast of UK near the operating wind farms Westernmost Rough, Lincs and Race Bank (under construction)
- Hornsea 1 will supply over one million UK homes with green power
- Hornsea 1 will be equipped with Siemens 7MW-154 turbines with one-third of the foundations using suction bucket jackets
- The regulatory regime is Contract-for-Difference (CfD) with a fixed tariff for the first 15 years of production
- Sourcing supplies in the UK (local content) is a key priority for the Hornsea 1 project

DONG Energy's UK offshore wind presence

- UK installed capacity currently amounts to 1.7GW
- UK installed capacity expected to reach 4.4GW by 2020



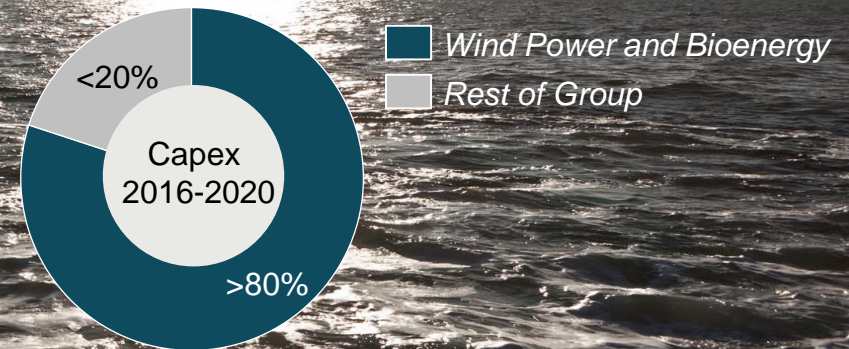
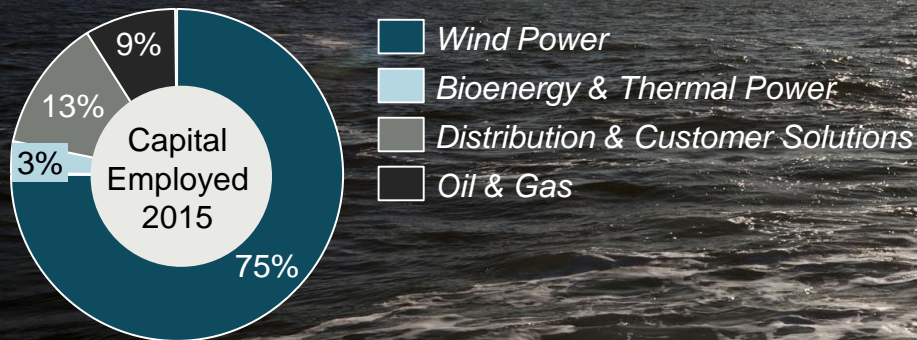
The graph shows parks in operation and under construction

Revised portfolio strategy with accentuated focus on renewables

Comments to the revised portfolio strategy

The 2015 Business Unit EBITDA mix is not a strong indicator of the mix for 2016 and onwards as we expect earnings from Wind Power to increase significantly while the O&G earnings expectedly will decline due to the market price development, Ormen Lange catch-up volumes being fully settled and insurance compensations received in 2015

The capital employed distribution between business units and the focus on investments in renewable energy indicate the expected shift in the future earnings mix. A shift which also significantly will change DONG Energy's profits away from commodity market exposure towards regulated and contract-based income



Current key priorities

Key priorities 2015

	Status
▪ Westermost Rough on stream	<input checked="" type="checkbox"/>
▪ Borkum Riffgrund 1 on stream	<input checked="" type="checkbox"/>
▪ FID Race Bank	<input checked="" type="checkbox"/>
▪ FID Walney Extension	<input checked="" type="checkbox"/>
▪ Renegotiation of LT gas contract	<input checked="" type="checkbox"/>
▪ Firm up WP pipeline post 2020	<input checked="" type="checkbox"/>
▪ Laggan-Tormore on stream ¹	(<input checked="" style="border: 1px solid black; border-radius: 50%; padding: 2px;" type="checkbox"/>)
▪ Hejre project fully on track	<input checked="" type="checkbox"/>
▪ IPO Roadmap	<input checked="" type="checkbox"/>

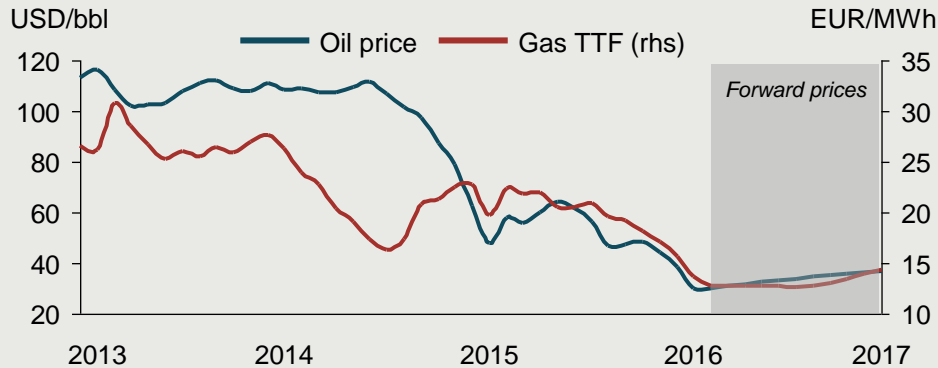
Key priorities 2016/2017

	Status
▪ FID Hornsea	<input checked="" type="checkbox"/>
▪ FID Borkum Riffgrund 2	<input type="checkbox"/>
▪ Gode Wind 1+2 on stream	<input type="checkbox"/>
▪ Burbo Bank Extension on stream	<input type="checkbox"/>
▪ Biomass conversions on stream	<input type="checkbox"/>
▪ Commercialisation of REnescience	<input type="checkbox"/>
▪ Renegotiation of LT gas contracts	<input type="checkbox"/>
▪ Restructuring of Oil & Gas	<input type="checkbox"/>
▪ Gas & Oil infrastructure divestments	<input type="checkbox"/>
▪ IPO	<input type="checkbox"/>

Note (1): Laggan-Tormore is expected to start production in Q1 16

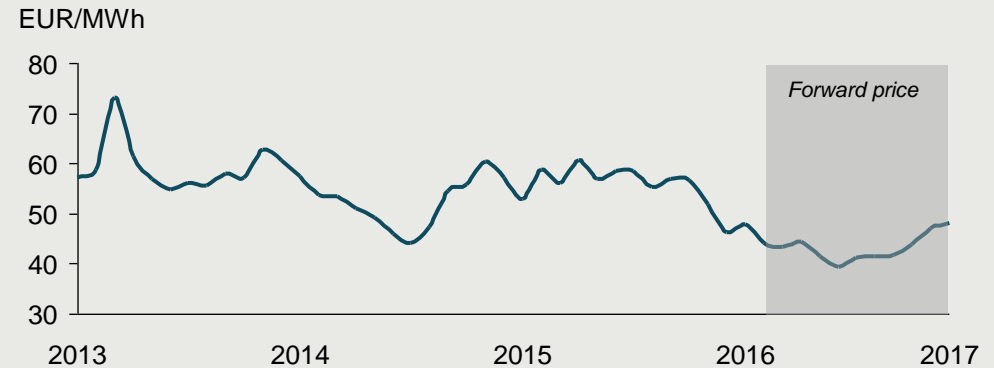
Market conditions and prices

OIL AND GAS PRICE



Source: Platts, Argus (forwards from 8 Jan. 2016)

UK POWER PRICE

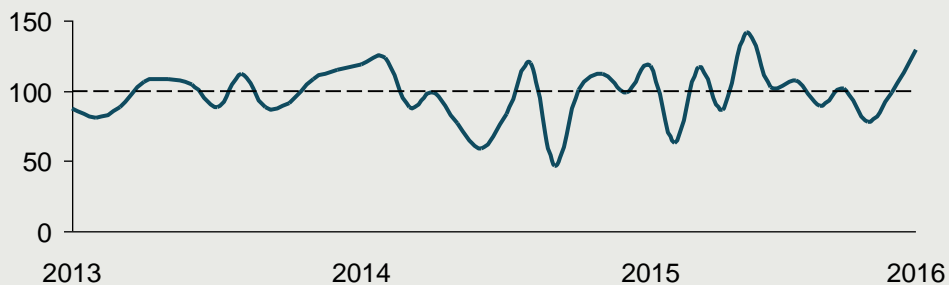


Source: LEBA (forwards from 8 Jan. 2016)

WIND ENERGY CONTENT

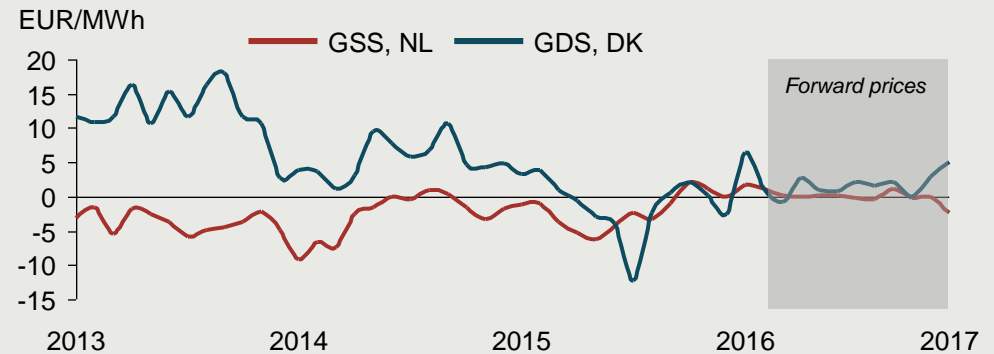
Wind index for DONG Energy's offshore wind farms

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 (forwards from 8 January 2016)

Financial highlights 2015

EBITDA – DKK 18.5bn (up 13% y/y)

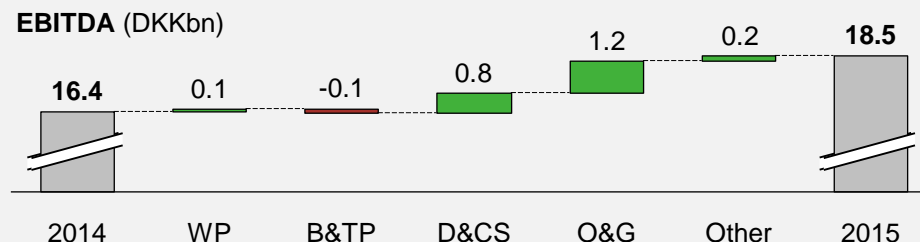
- ✓ Solid operating performance in WP and O&G
- ✓ Strong underlying growth in WP
- ✓ Contribution from new wind assets and construction contracts
- ✓ Cost reductions within O&G
- ✓ Compensation from renegotiation of gas sourcing contract
- ✓ Settlement of insurance claims and legal dispute
- ✓ Gain from divestments within O&G
- ✗ Declining oil and gas prices – only partly offset by hedging as it is conducted after tax
- ✗ Comparison y/y impacted by gain on partial sale of London Array and Westermost Rough in H1 14
- ✗ Challenging market conditions for thermal power generation

Impairment charges incl. provisions of DKK 17.0bn

Operating cash flow – DKK 13.5bn (down 10% y/y)

- ✗ Decline explained by an extraordinarily low NWC level EoY 2014 and higher tax payments in Norway in 2015

Selected financials (DKKm)	2015	2014
Revenue	70,843	67,048
EBITDA	18,484	16,389
Net finance costs	-2,124	-1,710
Net profit	-12,084	-5,284
Assets	147,457	149,914
Equity	51,736	61,533
Net debt	9,193	3,978
Operating cash flow	13,571	14,958
Gross investments	-18,693	-15,359
Net investments	-16,120	-4,706
FFO/Adjusted net debt	40.4%	36.1%
ROCE	-15.6%	-6.6%
Adj. ROCE (excl. writedowns)	10.1%	4.8%

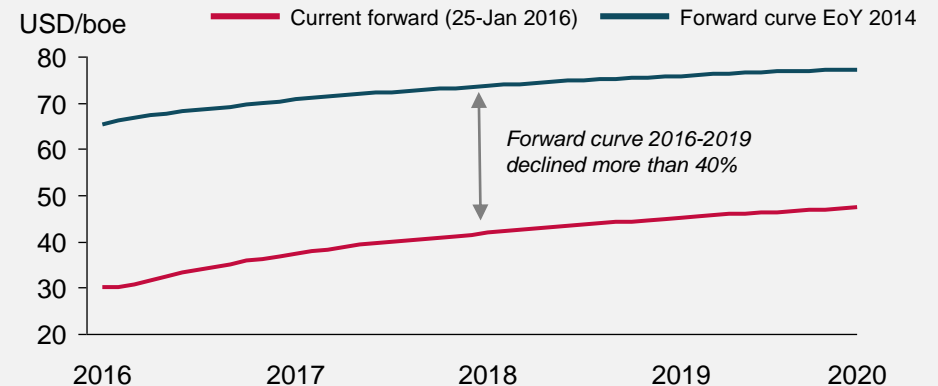


Significant impairment charges within O&G

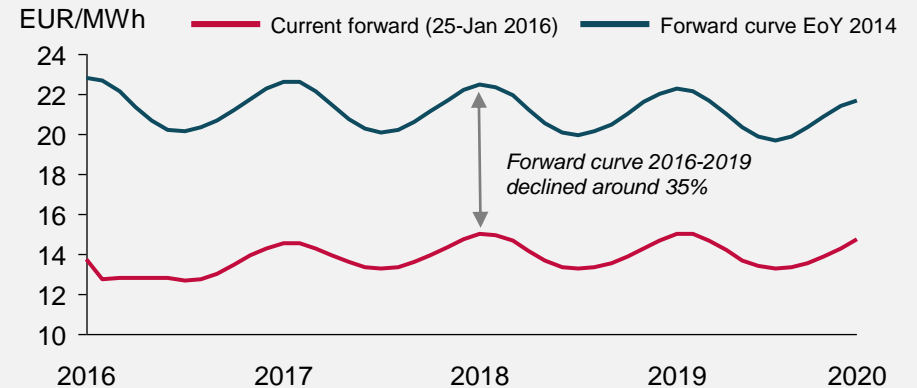
Explanation of impairment charges totalling DKK 17.0bn

- Impairment charges within O&G amounted to DKK 15.8bn (DKK 14.9bn after tax) and can be ascribed to the continued fall in oil and gas prices, reduced reserve estimates as well as project specific factors, particularly related to the Hejre project, which continue to be challenged
- Outside O&G, impairment charges amounted to DKK 1.2bn:
 - Enecogen: DKK 0.7bn due to challenging market conditions for gas-fired power stations
 - Wind Power: DKK 0.5bn on older installation vessels and goodwill

Oil price curve today vs. one-year ago



Gas price curve today vs. one-year ago



Wind Power

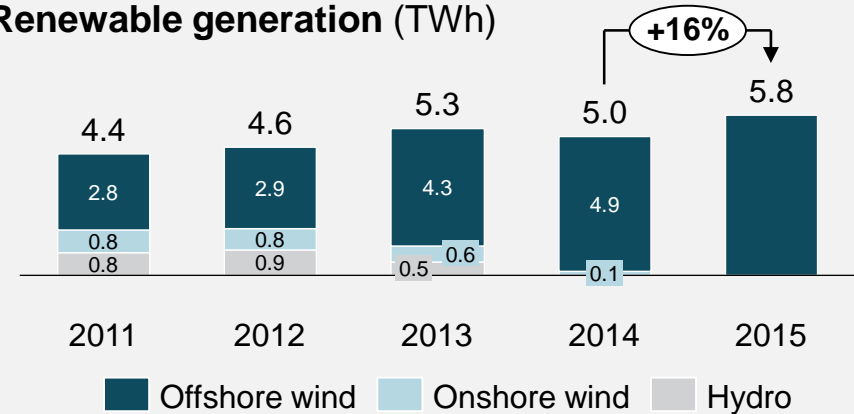
Operational highlights 2015

- Production up 16% y/y
 - ✓ Contribution from new wind farms West of Duddon Sands, Westermost Rough and Borkum Riffgrund 1
 - ✗ Outages on Anholt, Horns Rev 2 and Walney 2 (Danish farms fully compensated by TSO)

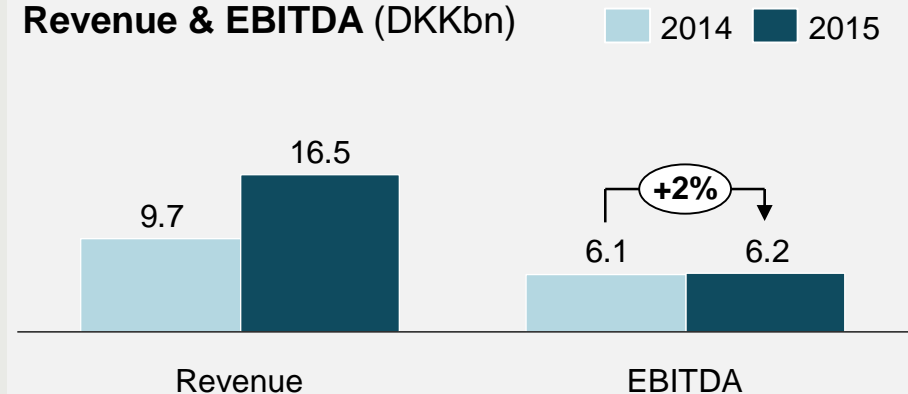
Financials highlights 2015 – EBITDA up 2% y/y

- ✓ Strong underlying growth spurred by contribution from new wind farms
- ✓ Larger contribution from construction agreements (significant impact on revenue)
- ✗ Gain on partial sale of London Array and Westermost Rough in 2014 (DKK 1.9bn in total)
- ✗ Higher development costs for pipeline post 2020

Renewable generation (TWh)



Revenue & EBITDA (DKKbn)



Bioenergy & Thermal Power (previously named Thermal Power)

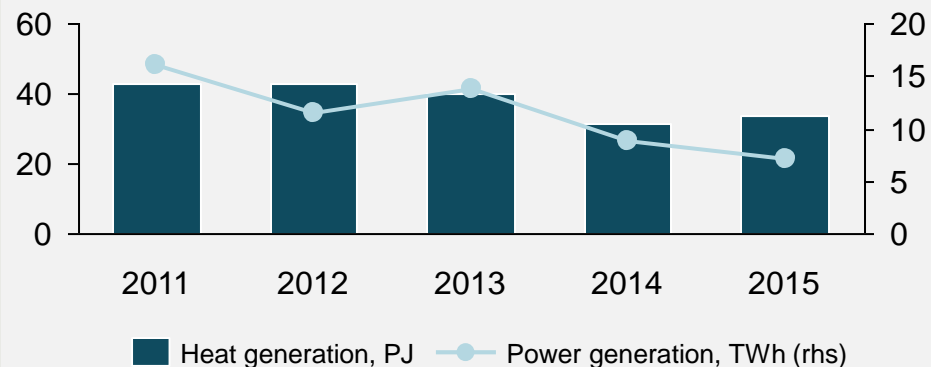
Operational highlights 2015

- ✓ Heat generation up 7% y/y primarily due to slightly colder weather than in 2014
- ✗ Power generation down 19% y/y reflecting a challenging market with negative contribution margin

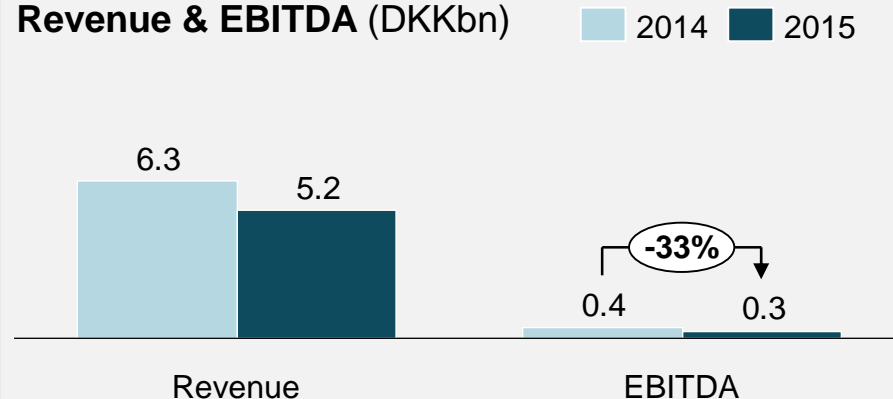
Financials highlights 2015 – EBITDA down 33% y/y

- ✗ Challenging market conditions with negative Green Dark and Spark Spreads in 2015
- ✓ Settlement of legal dispute concerning CO₂ allowances (case stemming from 2005 and 2006)
- ✓ Settlement of insurance claim

Thermal heat and power generation (PJ, TWh)



Revenue & EBITDA (DKKbn)



Distribution & Customer Solutions (previously named Customers & Markets)

Operational highlights 2015

- ✓ Overall, stable volumes for sales and distribution
- ✓ Satisfactory outcome from settlement of a gas contract renegotiation

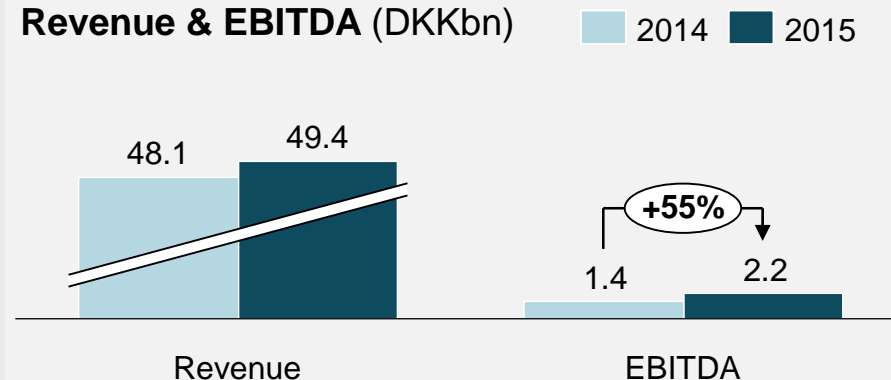
Financials highlights 2015 – EBITDA up 55% y/y

- ✓ Lump-sum payment from renegotiation of a gas sourcing contract and underlying margin improvement from completed renegotiations
- ✓ Higher earnings from trading and portfolio optimisation business
- ✓ Less negative result from LNG business (provision of DKK 0.7bn taken in 2014)
- ✗ Comparison y/y impacted by divestment of Stenlille gas storage in 2014 (DKK 0.2bn of lost EBITDA)

Operational figures

		2014	2015
Gas sales	TWh	151.3	159.1
Power sales	TWh	34.5	35.5
Distribution of gas	TWh	8.2	8.1
Distribution of power	TWh	8.4	8.4

Revenue & EBITDA (DKKbn)



Oil & Gas (previously named Exploration & Production)

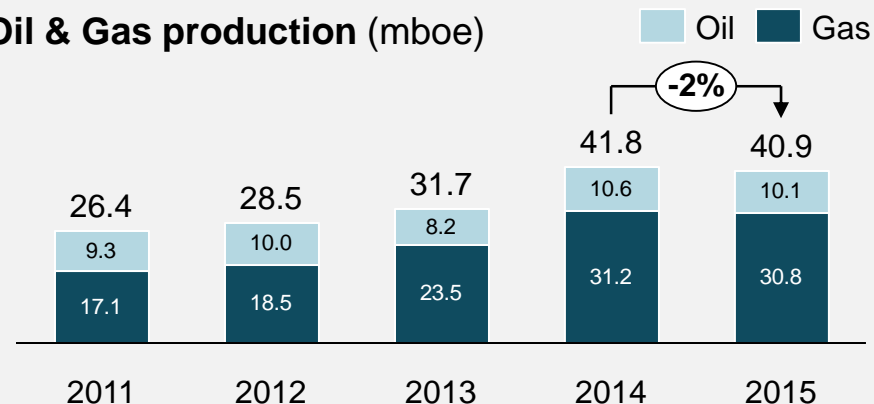
Operational highlights 2015

- Production down 2% y/y
 - ✗ Scheduled shutdown of Ormen Lange for 42 days in Q2 15 partly compensated by additional catch-up volumes in 2015 from the redetermination
 - ✓ Full-year production from Siri area after completion of repair in 2014
- Hejre: The previously announced expectation of first oil in 2017 is no longer the likely scenario

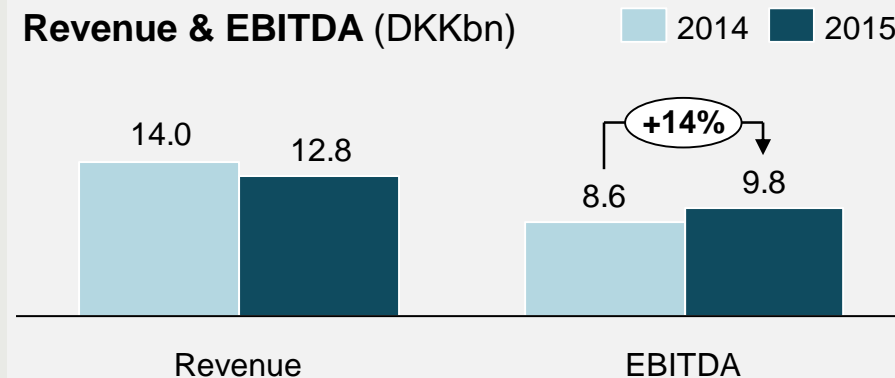
Financials highlights 2015 – EBITDA up 14% y/y

- ✓ Cost reductions including less expensed exploration and lower Siri repair costs
- ✓ Insurance claim settlements and Glenlivet sales gain
- ✗ Declining oil and gas prices – only partly offset by hedging as it is conducted after tax
- ✗ Shutdown in Ormen Lange field partially offset by the positive impact from redetermination¹

Oil & Gas production (mboe)



Revenue & EBITDA (DKKbn)



Note (1): The impact from the redetermination in 2015 amounts to DKK 2.5bn (not the y/y impact against 2014)

Hedging of oil and gas in O&G

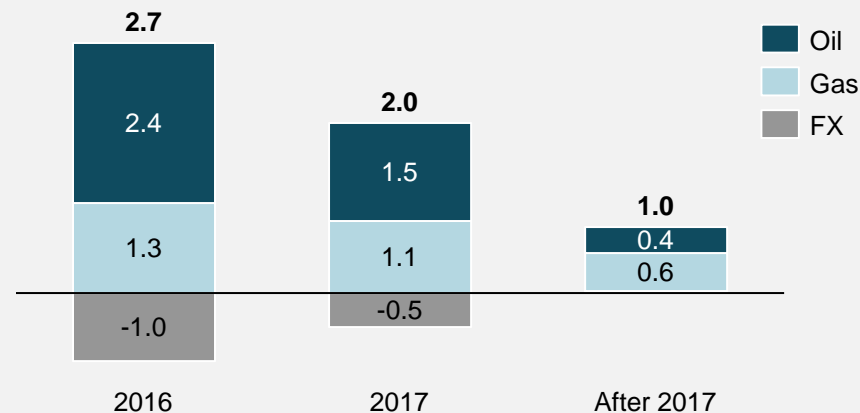
Hedging of oil and gas

- DONG Energy has a conservative hedge policy with a hedge horizon of up to 5 years for oil and gas production
- At EoY 2015, the oil and gas production for 2016-2017 was virtually fully hedged and for 2018 nearly half of the production was hedged
- Hedges have been conducted at prices significantly above current spot:
 - Oil hedged at around USD 80/boe for 2016 and 2017
 - Gas hedged at around EUR 20/MWh for 2016 and 2017
- Hedging done to secure after tax cash flow/result (i.e. EBITDA will be impacted despite full hedging)

Value of hedge instruments in O&G – transfer to EBITDA

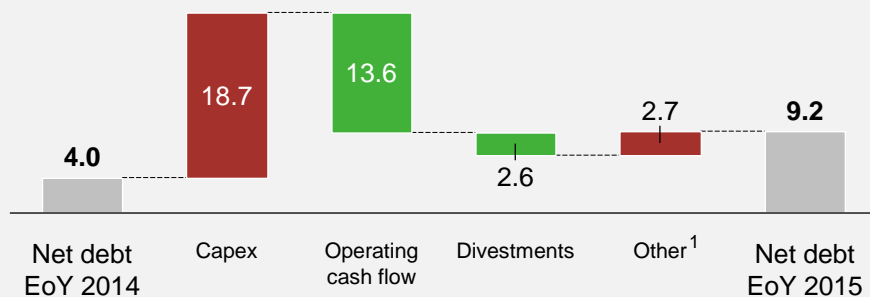
- In accordance with the principles for Business Performance, value adjustments of contracts hedging energy and related FX exposure are deferred to the period where the underlying exposure occurs
- The graph below shows the expected timing for transfer of value to EBITDA from hedging instruments for energy and FX

Expected transfer of O&G hedge value to Business Performance EBITDA (DKKbn)



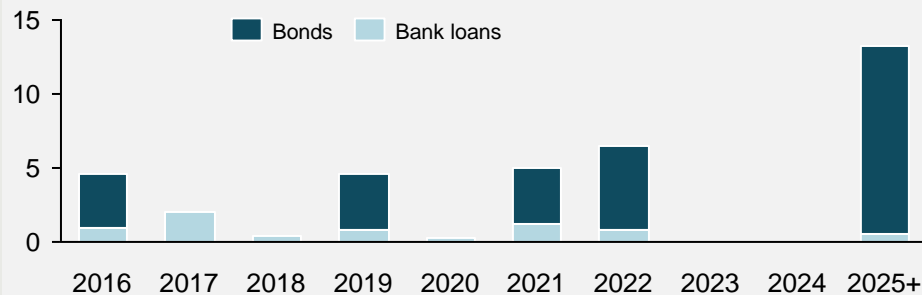
Debt overview

Net debt development 2015

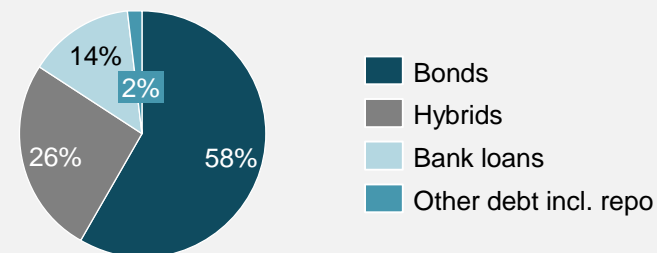


Note (1): Other include FX adjustments, hybrid coupons, dividend to minority shareholders etc.

Long term debt maturity schedule 2015 (DKKbn)



Gross debt and hybrids 2015



Key ratios loan portfolio²

	Q4 14	Q4 15
Duration (years)	7.7	6.3
Average time to maturity (years)	10.5	9.7
Average interest rate	4.2%	4.3%

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

Liquidity reserves (DKKbn)

	Q4 14	Q4 15
Liquid assets (unrestricted)	28.5	22.4
Committed borrowing facilities	17.3	13.1 ³
Total	45.8	35.4

Note (3): New RCFs established in Q4 15

Outlook 2016 and financial policies

Group EBITDA outlook

DKK 20-23bn in 2016

The outlook is particularly sensitive to divestment gains in WP, renegotiations of gas sourcing contracts and development in oil and gas prices

Group gross investment outlook

DKK 20-23bn in 2016

The outlook reflects expected high levels of activity related to wind farms (Gode Wind 1+2, Burbo Bank Extension, Walney Extension and Race Bank) and to a lesser extent oil and gas fields and biomass conversions

Financial policies (capital structure)

- Minimum rating of Baa1/BBB+
- FFO/Adjusted net debt around 30%

EBITDA direction 2016 vs. 2015 per Business Unit

Wind Power – significantly higher:

- Ramp up of power generation from new wind farms
- Higher activity on construction agreements and divestment gains

Bioenergy & Thermal Power – lower:

- Challenging market situation
- Settlement of legal dispute and insurance compensation in 2015 not expected to recur in 2016

Distribution & Customer Solutions – significantly higher:

- Higher expected lump sum compensatory payments on gas sourcing contracts as well as improvements in the purchase price going forward
- Gas and oil infrastructure assets destined for sale before EoY 2016 (lost EBITDA)

Oil & Gas – significantly lower

- Substantial decline in Ormen Lange catch-up volumes (effective ownership going from 24% in 2015 to expected 16% in 2016). Though partly compensated by gas from Laggan-Tormore
- Net effect of lower oil and gas forward prices (and related FX) despite high hedge ratio (hedging done after tax)
- Insurance compensation and divestment gains received in 2015 not expected to be repeated in 2016

Q&A

*(to ask a question on the conference
call, press 01 on the telephone key pad)*

APPENDIX

Financial mid-term targets and policies

Mid-term targets

	Targets	Year
Return on capital employed (ROCE)		
- Group	12%	2020
- Wind Power	12%-14%	2020
- Distribution & Customer Solutions	>10%	2020
Free cash flow (FCF)		
- Oil & Gas	Positive	2017
- Bioenergy & Thermal Power	Positive	2018

- The previously announced ROCE target of 10% for 2016 is expected to be met
- For the Group ROCE target of 12% in 2020, Wind Power will be the main contributor

Financial policies

- FFO/Adjusted net debt around 30%
- Minimum rating of BBB+/Baa1
- Pay-out-ratio: 40-60% of profit for the year attributable to the shareholders of DONG Energy A/S¹

Note (1): The current pay-out ratio is to pay a nominal amount per share of DKK 9.0 in 2016, increasing by DKK 0.25 per year. The pay-out ratio, however, may not exceed 60% or be below 40% of profit for the year, based on business performance, attributable to the shareholders of DONG Energy A/S. The dividend policy is subject to change in connection with the expected, upcoming IPO

Comparison Q4 15 vs. Q4 14

EBITDA Q4 15 y/y by Business Units

Wind Power – up DKK 0.9 y/y

- ✓ Contribution from new farms
- ✓ Higher activity on construction agreements (primarily Gode Wind 1+2)
- ✓ Compensation from TSO for lost earnings on Horns Rev 2 due to cable fault

Bioenergy & Thermal Power – down DKK 0.3bn y/y

- ✗ Challenging market conditions

Distribution & Customer Solutions – up DKK 0.1bn y/y

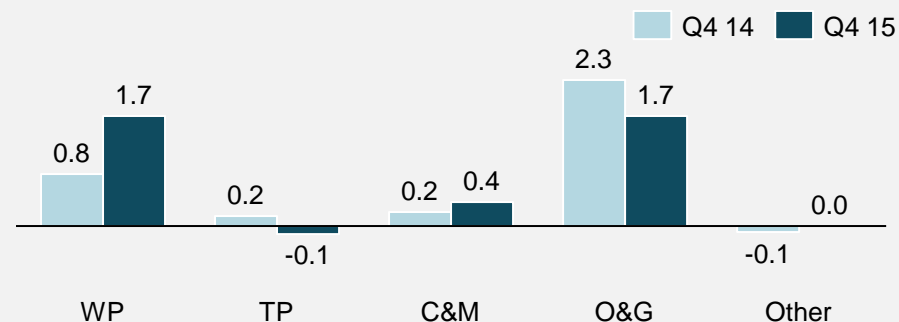
- ✓ Higher earnings on trading and portfolio optimisation activities
- ✗ Lower tariffs on gas distribution activities

Oil & Gas – down DKK 0.6bn y/y

- ✗ Lower oil prices – only partly offset by hedging as it is conducted after tax
- ✓ Higher gas production from Ormen Lange (temporary effect from the redetermination)

Group financials (DKKm)	Q4 15	Q4 14
Revenue	15,693	17,127
EBITDA	3,648	3,365
Net profit	-15,319	-6,140
Assets	147,457	149,914
Equity	51,736	61,533
Net debt	9,193	3,978
Operating cash flow	6,774	5,358
Change in working capital	4,520	3,335
Gross investments	-4,119	-4,178
Net investments	-2,153	-1,632

EBITDA per business unit (DKKbn)



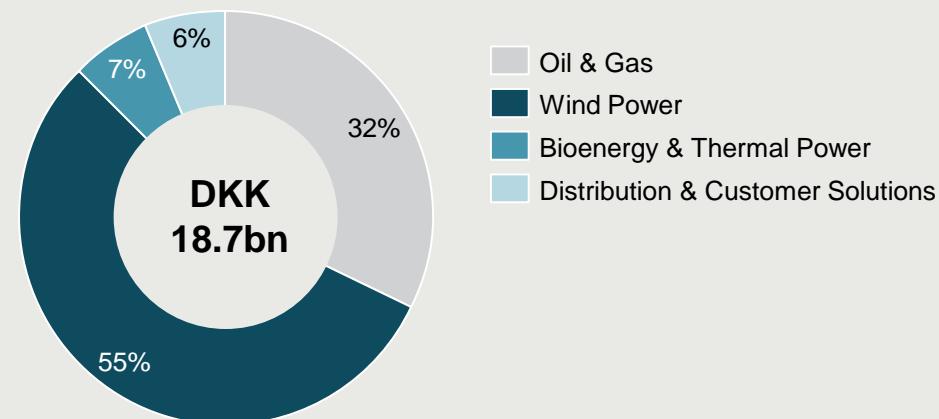
Investments

Investments in 2015 (DKKm)

Cash flow from investing activities	-12,799
Purchase and sale of securities (reversal)	- 3,237
Sale of assets and companies (reversal)	- 2,605
Other	- 52
Gross investments	-18,693
Sale of assets and companies	2,605
Other	- 32
Net investments¹	-16,120

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 2015



FFO/Adjusted net debt calculation

FFO/Adjusted net debt	2015	2014
EBITDA	18,484	16,389
Adjusted net interest expenses	-2,280	-2,494
<i>Net interest expenses</i>	-767	-1,145
<i>Capitalised interest</i>	-389	-339
<i>Interest element of decommission obligations</i>	-494	-416
<i>50% of hybrid coupons</i>	-411	-377
<i>Operating leases, interest element</i>	-219	-217
Reversal of recognised lease payment	753	544
Current tax	-4,390	-5,835
Funds from operation (FFO)	12,567	8,604
Accounting net debt	9,193	3,978
50% of hybrid capital	6,624	6,618
Restricted liquid assets (excl. REPOs)	3,818	2,519
Operating leases, PV (4.5% discount rate)	4,248	4,495
Decommissioning obligations	11,144	10,367
Deferred tax on decommissioning obligations	-3,957	-4,165
Adjusted net debt	31,070	23,812
FFO/Adjusted net debt	40.4%	36.1%