

FINANCIALS 2009

First 9 months



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

- **DONG Energy highlights**
- **Operating segments**
- **Financials**
- **Outlook**
- **Questions**



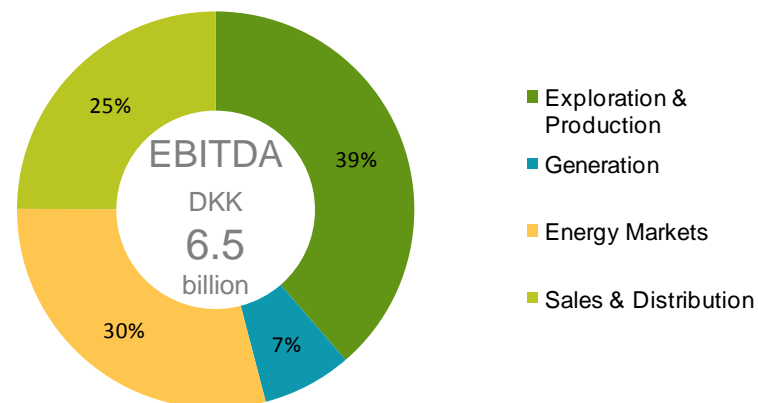
Highlights – first 9 months of 2009

KEY FINANCIALS

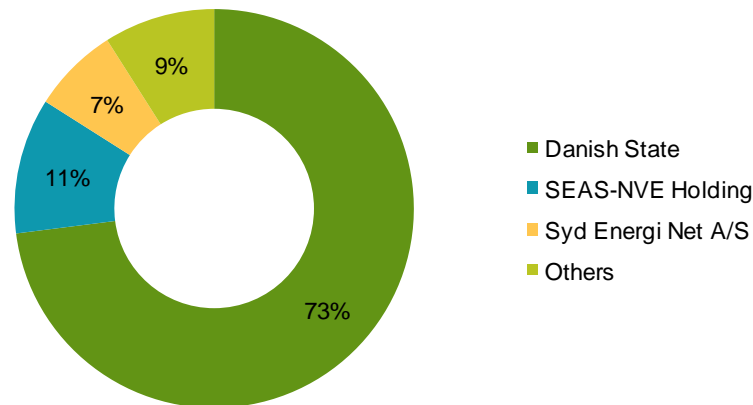
- Low energy prices and timing differences affect the results negatively
- Revenue down 14% to DKK 35.8bn
- EBITDA down 36% to DKK 6.5bn¹
- Cash flow from operations increased 28% to DKK 10.2bn
- DKK 0.5bn impairment loss on disposal of the fibre optic network
- Unchanged expectations for EBITDA for FY09, but lower profit after tax due to impairment loss on disposal of the fibre optic network

EBITDA PER BUSINESS SEGMENT

After special hydrocarbon tax



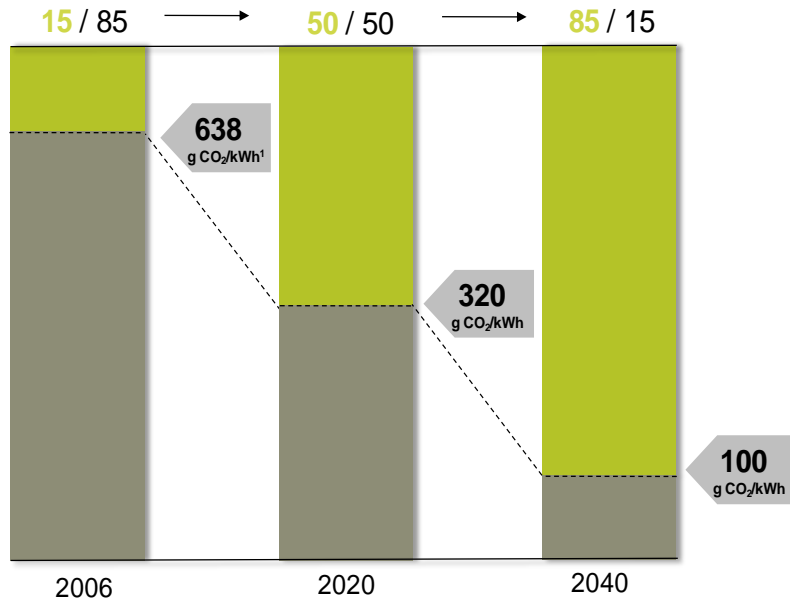
OWNERSHIP STRUCTURE



¹) After special hydrocarbon tax

Transforming DONG Energy to a low carbon future

DONG Energy's 15/85 to 85/15 strategy



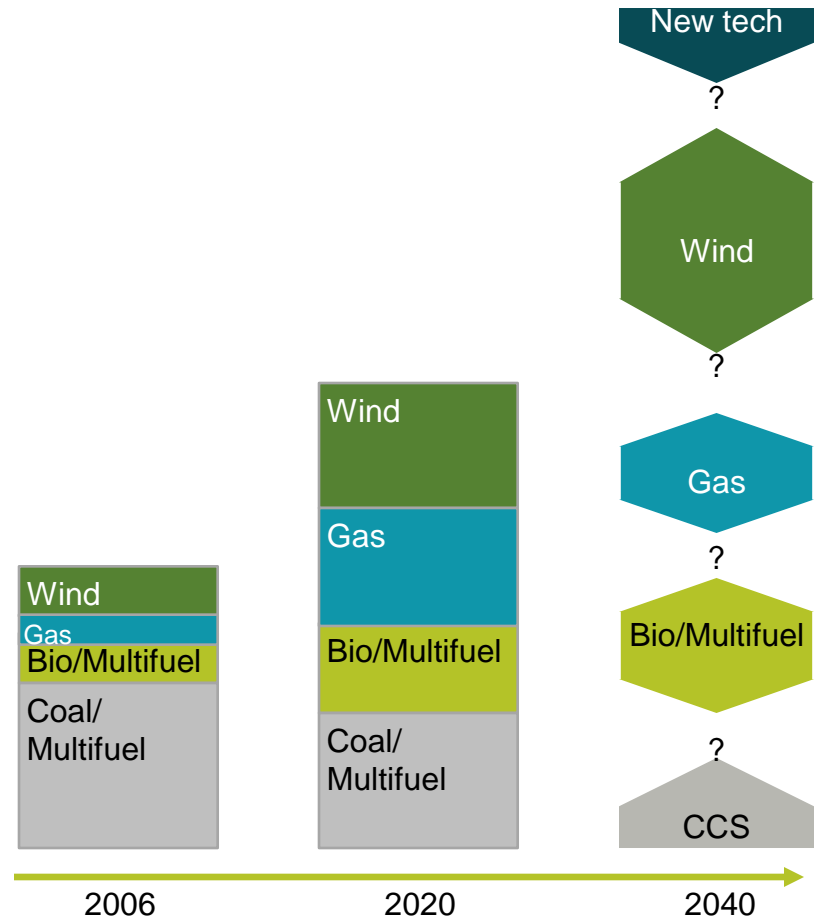
VISION

To provide reliable energy without CO₂

STRATEGY

- Eliminate 50% of CO₂-emission per kWh before 2020
- Eliminate 85% of CO₂-emission per kWh before 2040

DONG Energy's production portfolio



Target in 2020 to be realised with existing investment pipeline and level

1) 2006 total heat and power production 28,5 TWh electricity equivalents/ CO₂-emissions 18,2 mt = 638 g CO₂/kWh

Larger construction projects in DONG Energy

Larger projects with completed commissioning in 2009

Project	Type of project	MW	Capex/remaining capex*	Start
Horns Rev 2	91 offshore wind turbines in DK	209MW	DKK 3.8bn /DKK 0.5bn	Dec 2009
Karnice and Karcino	30 onshore wind turbines in POL	81MW	DKK 0.9bn /DKK 0.5bn	Nov 2009/ Jan 2010

Larger projects with commissioning beyond 2009

Project	Type of project	MW	Capex/remaining capex*	Start
Nini East	Oil field in Denmark	n.a.	DKK 0.8bn /DKK 0.4bn	With Siri
Gunfleet Sands 1+ 2	48 offshore wind turbines in UK	173MW	DKK 4.3bn /DKK 1.1bn	2010
Mongstad	Gas fired power plant in NO	280MW	DKK 1.8bn /DKK 0.2bn	2010
Severn	Gas fired power plant in UK	824MW	DKK 4.7bn /DKK 3.0bn	2010
Trym	Oil & Gas field in Norway	n.a.	DKK 1.2bn /DKK 1.1bn	2010
Enecogen	Gas fired power plant in NL	435MW	DKK 2.5bn /DKK 2.0bn	2011
Oselvar	Oil & Gas field in Norway	n.a.	DKK 2.3bn /DKK 2.2bn	2011
Walney 1+2	102 offshore wind turbines in UK	370MW	DKK 9.9bn /DKK 9.6bn	2011
London Array, 1 st phase	175 offshore wind turbines in UK	630MW	DKK 8.7bn /DKK 8.4bn	2012

* DONG Energy's share of capex as of 30 September 2009

Strengthening the capital structure – reducing investments

To prepare for a situation with a continued depressed international economy, DONG Energy has decided to downscale the investment program for the coming years

The investment programme is reduced to DONG Energy' share of net investments (excluding minority shareholders' share) of:

- Around DKK 10bn in 2010 (old DKK 15-20bn)
- Around DKK 10-15bn in 2011 (old DKK 15-20bn)
- Net investments for 2009 still expected to be around DKK 20bn

A further cost reduction programme has been initiated

Net debt by end of 2009 expected in the area of DKK 28-30bn



DONG Energy expects in 2010 to be in line with the capital structure target of NIBD (including full hybrid capital) to around 3x EBITDA (after special hydrocarbon taxes)

Operational efficiency programmes

Key programmes completed in 2009

Merger synergies



Realised an annual improvement of DKK 0.8bn by 2009

Ongoing key programmes

EBITDA enhancement programme

- Initiated in 2008 to improve EBITDA in the coming years
- Being implemented until 2011 reaching an yearly aggregated DKK 0.8bn



Combined EBITDA effect in 2009 of DKK 0.5bn

Cost reduction programme

- Preparing for a situation with a continued depressed international economy affecting energy demand, further cost measures have been initiated.
- Initiatives include reducing power generation capacity



Net working capital project

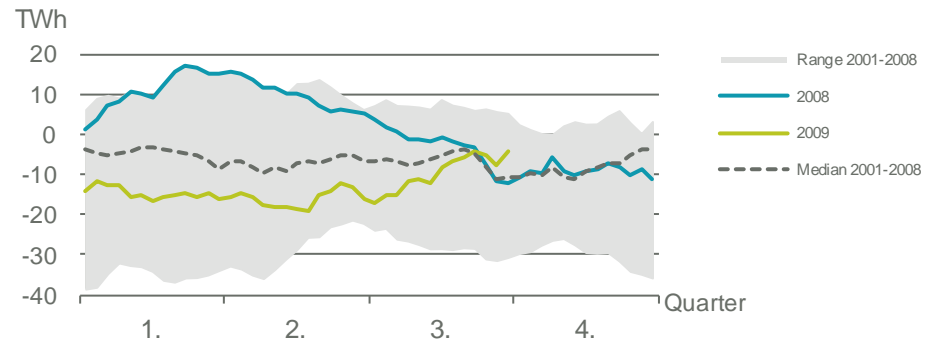
- Focusing on reducing working capital through specific initiatives

Market price development

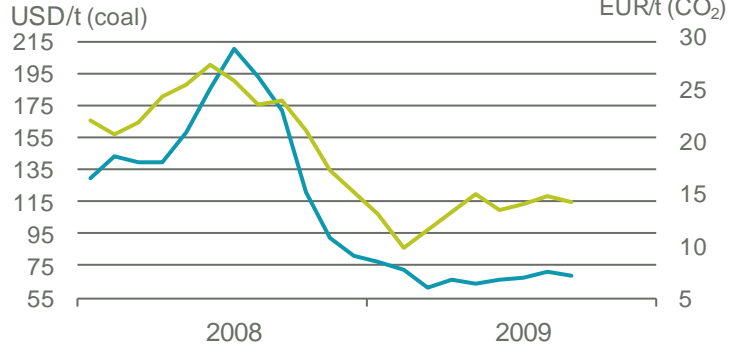
Oil and gas (monthly average)



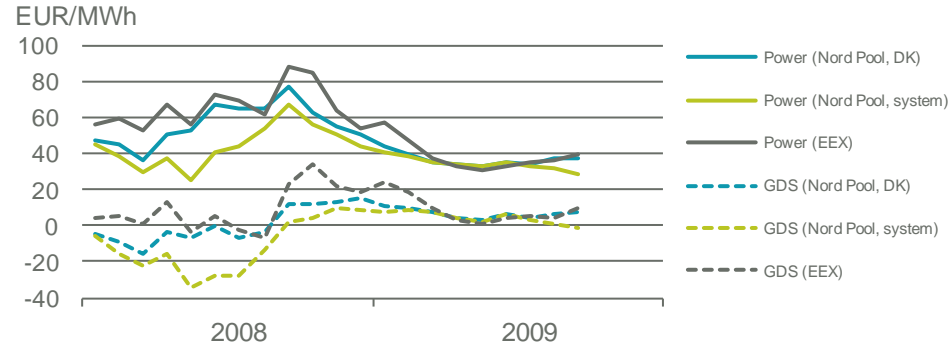
Hydrological balance (weekly average)



Coal and CO₂ Certificates (monthly average)



Power and green dark spread (GDS) (monthly average)



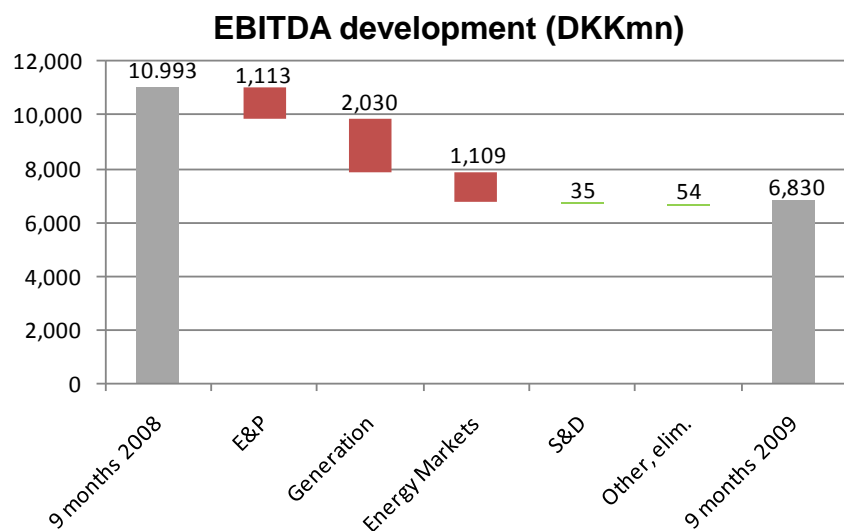
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Selected Financial Figures

DKK million	2009 9M	2008 9M	2008 FY
Revenue	35,791	41,612	60,777
EBITDA	6,830	10,993	13,622
Profit after tax	1,081	5,177	4,815
Assets	121,830	100,064	106,085
Equity incl. hybrid capital	45,141	44,517	46,190
Net interest bearing debt	21,608	15,077	15,253
Funds From Operation (FFO)	5,857	9,133	11,165
Cash flow operating activities	10,244	7,996	10,379
Cash flow investing activities	(13,951)	(6,134)	(8,629)
EBITDA margin	19%	26%	22%



- Revenue and EBITDA reduced by low energy prices and
 - Declining power demand has reduced EBITDA in Generation through lower peak prices and green dark spread and the application of FIFO principle to coal inventories
 - Negative gas portfolio time lag partly mitigated by portfolio optimisation and forward gas sales
 - Effect from lower energy prices partly offset through hedging with a positive effect of DKK 1.2bn
- FFO reduced in line with EBITDA
- Strong improvement in cash flow from operations to DKK 10.2bn (DKK 8.0bn) driven by working capital improvements
- Net investments of DKK 14.0bn (DKK 6.1bn)
- Growth in net debt from increased investments

Exploration & Production

Gas production increased significantly

Operational figures

		2009 9M	2008 9M	2008 FY
Oil & gas production	mboe	17.7	13.3	18.5
- Oil production	mboe	6.7	7.5	10.0
- Gas production	mboe	11.0	5.8	8.5

Financial development

DKK million	2009 9M	2008 9M	2008 FY
Revenue	4,988	5,682	7,114
EBITDA	2,882	3,995	4,053
EBITDA adj. special tax	2,654	3,174	3,307
EBIT	1,878	3,103	2,471
Investments	2,158	2,619	3,432

- Oil and gas production increased by 33%
- Gas production nearly doubled – primarily due to gas field Ormen Lange, which will reach plateau level in 2010
- Gas production 62% of total production (43% 9M 08)
- Oil production down 11% due to temporary production stop at the Siri field. Production at Siri is expected to start before the end of 2009
- Nini East project finalised and expected to start production when Siri is back in production
- Revenue down 12% on the back of significantly lower oil and gas prices, partly offset by higher production and oil hedging
- Higher operating cost due to more activity including more wells in production
- Investments primarily related to the development of Ormen Lange, the Danish oil field Nini Øst as well as increased ownership in the Oselvar license

Generation

Continued low power prices and lower demand

Operational figures

		2009 9M	2008 9M	2008 FY
Power production	GWh	12,731	12,441	18,536
- Thermal	GWh	10,926	10,527	15,958
- Renewables	GWh	1,805	1,914	2,578
Heat production	TJ	31,207	29,840	46,380

Financial development

DKK million	2009 9M	2008 9M	2008 FY
Revenue	8,486	9,472	15,298
- Thermal power	5,065	6,302	9,436
- Thermal heating	1,449	1,553	2,442
- Renewables	1,012	1,022	1,453
- Others	960	595	1,967
EBITDA	481	2,511	3,155
- Of which renewables	500	504	771
EBIT	-532	1,502	1,640
Investments	8,772	3,532	4,623

- Continued low power production though up 2% towards a low 2008
- Higher thermal production due to higher green dark spread, but capped by lower power demand coming from the global economic setback
- Renewable production down by 6% as hydropower production has been reduced due to low power prices
- Horns Rev 2 came on stream in September 2009
- 2 thermal power units to be closed down following the drop in demand
- EBITDA down to DKK 0.5bn from DKK 2.5bn
 - Lower peak surcharges and low green dark spreads following the drop in power demand
 - Negative impact from time lag from FIFO accounted coal inventories
 - Positive impact from hedging
- Total investments of DKK 8.8bn primarily relating to acquisition of Severn as well as construction of the offshore wind parks Gunfleet Sands and Horns Rev 2

Energy Markets

Significant negative time lag effects

Operational figures

		2009 6M	2008 6M	2008 FY
Gas sales	GWh	72,121	78,766	108,394
Power sales	GWh	7,770	7,588	10,482

- Gas sales fell 8% from lower demand from industry and wholesale customers and lower sales on gas hubs
- Power sales up 2%
- In September DONG Energy strengthened its position on the German wholesale market through acquisition of 87,6% of German wholesale company KOM-STROM
- Increased gas sourcing from Gazprom with 1 bcm to 2 bcm - deliveries to start up in 2012

Financial development

DKK million	2009 9M	2008 9M	2008 FY
Revenue	21,240	25,192	38,087
EBITDA	1,921	3,030	5,082
EBIT	1,539	2,771	4,684
Investments	201	188	159

- EBITDA significantly down compared to a record high 2008:
 - Negative timelag compared to positive timelag in 2008
 - Partly offset by gas purchase optimisation from the delinkage between oil and gas prices moving offtake from oil-indexed contracts to gas hubs
 - Price hedging of gas through forward sale

Sales & Distribution

Stable earnings

Operational figures

		2009 9M	2008 9M	2008 FY
Gas sales	GWh	14,881	14,776	20,550
Distribution of gas	GWh	6,858	7,197	10,346
Power sales	GWh	6,256	6,617	9,066
Distribution of power	GWh	6,707	6,857	9,371
Transport of oil	mbbl	64	69	91

Financial development

DKK million	2009 9M	2008 9M	2008 FY
Revenue	9,642	11,066	15,595
EBITDA	1,643	1,608	1,827
EBIT	311	878	(240)
Investments	1,208	1,517	2,086

- Gas sales on level with corresponding period in 2008
- Power sales down 5%
- Fibre optic network sold on November 17, 2009.

- Revenue declined 13% due to lower gas and power prices and the sale of the 132 kV power grid in June 2008
- EBITDA up 2% compared to same period in 2008 reflecting higher gas distribution tariffs
- Decline in EBIT reflects the DKK 677mn impairment loss on the fibre optic network
- Investments relate to underground installation of power cables, other investments in the power grid and fibre optic distribution network

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Capital structure, Funding and Rating

Long term capital structure target

- Maintain a minimum rating of BBB+ / Baa1
- Net interest bearing debt plus hybrid capital equal to approximately 3x EBITDA after special hydrocarbon tax

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 3bn

Selected financial ratios

	2009 9M ⁽¹⁾	2008FY	2007FY
NIBD to EBITDA ⁽²⁾	3.2x	1.8 x	2.4 x
Financial gearing ⁽³⁾	0.48	0.33	0.35
FFO / NIBD ⁽⁴⁾	0.31	0.58	0.53

Credit ratings

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

Note (1): Ratios for first 9 months of 2009 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 divided by equity

Note (4): FFO adjusted 50% hybrid dividends and Net interest-bearing debt includes 50% of the hybrid capital

Debt and liquidity overview

Debt breakdown

DKK million	2009 9M	2008 FY
Bonds issued	15,130	7,894
Bank loans	13,427	8,760
Mortgage loans	1,513	1,258
Other	226	135
Total interest bearing gross debt	30,296	18,047
Hybrid capital	8,088	8,088
Total interest bearing gross debt incl. hybrid	38,384	26,135
Net interest-bearing debt excl. hybrid	21,608	15,253

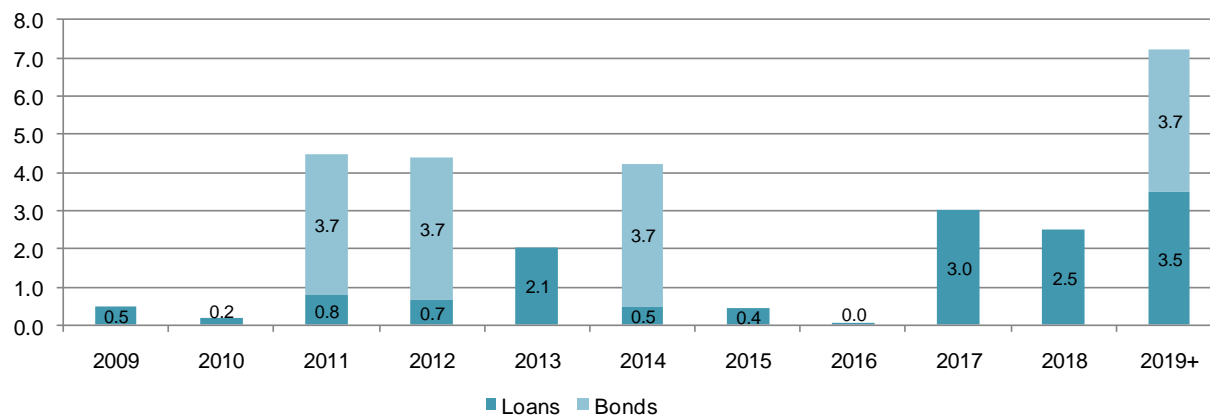
Liquidity and funding activity

DKK billion	2009 9M	2008 FY
Cash equivalents and securities	9.0	3.8
EUR 1.5bn RCF, due 2011 (EUR 100mn drawn)	10.5	11.2
Other undrawn committed facilities	2.0	
Total	21.5	15.0

Funding activity first 9 months	Currency	Million
EIB loan	EUR	250
Severn financing (acquired with Severn project)	GBP	500
Eurobonds issued	EUR	1,000

Long term debt maturity schedule at September 30, 2009

DKKbn



Notes: Hybrid capital excluded
Related currency swaps included in the debt figures

Market risks and hedging

Commodity risk

Oil and gas price risk – hedging up to 5 years ahead

- ▶ All oil price exposure in 2009 hedged. In 2010 and 2011 a significant proportion of the expected oil price exposure is hedged at around USD 100/bbl
- ▶ The majority of hedges are options

Green Dark Spread – hedging up to 30 months ahead

- ▶ Around 60% of expected 2009 and 2010 thermal production with associated fuel is hedged.
- ▶ Purpose is locking in the contribution margin, which means hedging input and output parameters 1:1

Credit risk

- No significant credit losses – though increased provisions for losses on retail customers
- All counterparties for energy and financial trading are individually assessed and monitored on a daily basis
- Trading normally takes place under standardised framework e.g. ISDA and EFET agreements

Currency risk

- Most of the business activities involve direct or indirect exposure to exchange rate fluctuations
- Hedging is done on a 5 year horizon
- Strategy is to minimise currency exposure using forwards, swaps and currency options
- More than 90% of estimated currency exposures in 2009 (excluding EUR) are hedged

Interest rate risk

- Interest rate risk relates primarily to the loan portfolio, cash management and financial hedging
- Around 90% of loan portfolio including hybrid capital on fixed rate basis

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Outlook for 2009

In the 2008 annual report EBITDA and profit after tax in 2009 were expected to be significantly lower compared to 2008

- Some areas have developed positively and others negatively compared to the original expectations
 - Continued low power demand affects power generation negatively
 - Gas purchase optimization and forward gas sales had a positive effect, primarily in H1
 - Cost reductions
- The positive and negative effects offset each other, disregarding the impairment loss from the fibre optic network
- In line with originally expected, Q4 2009 is expected to be weaker than previous quarters as the majority of positive effects are related to H1



The outlook for EBITDA is unchanged

The outlook for net profit after tax is unchanged apart from the impairment loss from the fibre optic network

NIBD is expected in the area of DKK 28-30bn

Net investment is expected around DKK 20bn



Updated market prices	Units	Assumptions remaining 2009	Realised 9 months in 2009
Oil (Brent)	USD/bbl	74	57
Gas (TTF)	EUR/MWh	13	13
Power (Nord Pool) *	EUR/MWh	39	37
Power (EEX)	EUR/MWh	41	39
Coal (API 2)	USD/ton	72	68
CO ₂ quota price	EUR/ton	14	13
Green dark spread *	EUR/MWh	6	7
USD exchange rate	USD/ DKK	5.7	5.5

* Average of DK1 and DK2 prices on Nord Pool

Q&A

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PLEASE VISIT OUR WEBSITE

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