

INTERIM FINANCIAL REPORT

9M 2014

31 October 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.

9M 2014 highlights

Financials



Continued progress

Highlights 9M 14

- EBITDA of DKK 13.0bn (up 16% y/y)
- Continued low net debt level
- FFO¹/Adjusted net debt of 32% (23% EoY 2013)
- ROCE¹ of 4.3% (5.1% excl. writedowns) – up by 6 percentage points vs. 9M 13

Outlook revised upwards

- EBITDA for 2014 expected to exceed DKK 16bn (previous expectation DKK 15-17bn)
- FFO/Adjusted net debt for 2014 expected to exceed 28% (previous expectation around 25%)

Group EBITDA (DKKbn)



Note (1): Last 12 months

Recent key events

- Inauguration of West of Duddon Sands (WoDS)
 - Inaugurated 30 October 2014 (first power in January 2014)
 - Provides clean energy to 300,000 UK households
- Divestment of Stenlille gas storage facility
 - The sale forms part of the divestment of non-core assets
 - Sales price of DKK 2.25bn (incl. earn-out from divestment Lille Torup Gas Storage Facility in 2007)
 - The transaction is subject to approval by competition authorities and the Danish Ministry of Climate, Energy and Building
- Glenlivet & Edradour – West of Shetland gas field
 - Alignment of ownership interest in the joint development with operator Total (DONG owns 20%, Total 80%)
 - Production expected in 2018 – tie in to Laggan-Tormore
- E&P cost reductions – announced in October 2014
 - Cost reductions forming part of the reframed E&P strategy
 - Cost reductions comprise headcount reductions (expected around 90-100 FTEs) including the closure of the office in Tromsø, Norway

Fact sheet West of Duddon Sands



- Ownership: DONG Energy 50% (operator) and Scottish Power 50%
- Total capacity: 389MW
- Turbines: 108 turbines of each 3.6MW
- Regulatory regime: 2.0 ROC
- In total, DONG Energy now has 7 UK wind farms in full operation

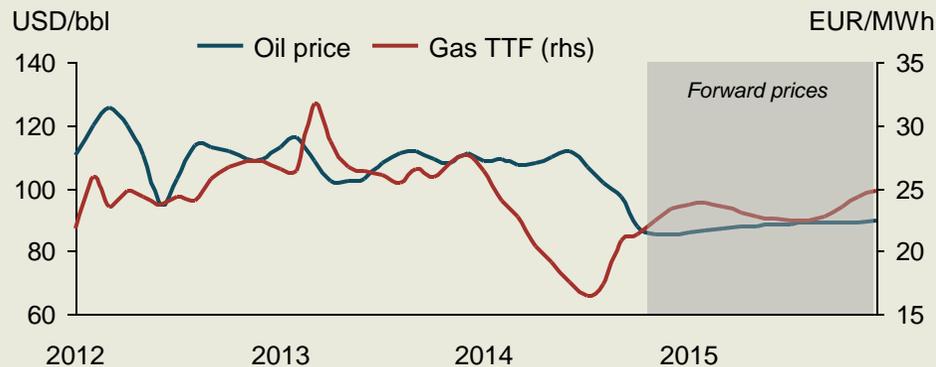
9M 2014 highlights

Financials



Market conditions and prices

OIL AND GAS PRICE



Source: Platts, Argus

UK POWER PRICE



Source: LEBA

WIND ENERGY CONTENT

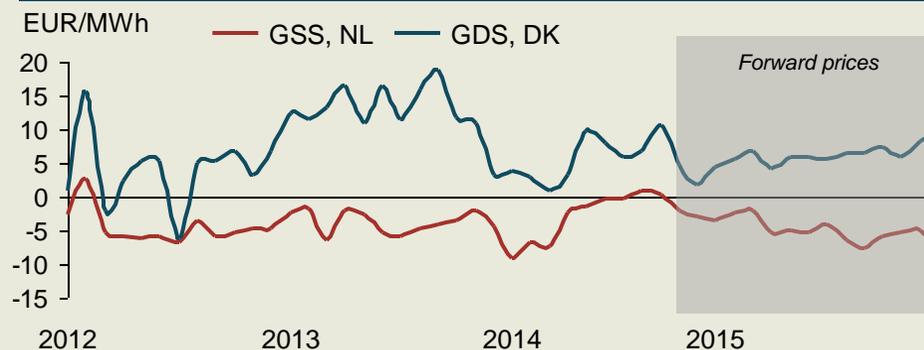
Wind index for DONG Energy's offshore wind farms

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 9M 14

EBITDA – DKK 13.0bn (up 16% y/y)

- ✓ Higher oil & gas production (primarily due to Ormen Lange redetermination)
- ✓ Gain from divestment of wind farms
- ✓ Full-year effect from Anholt and start up of WoDS³
- ✓ Overhead cost reduction
- ✗ Declining gas price (hedging conducted after tax)
- ✗ Lower contribution from WP contractor model
- ✗ Prolonged renegotiations of gas sourcing contracts
- ✗ Challenging market conditions for thermal production

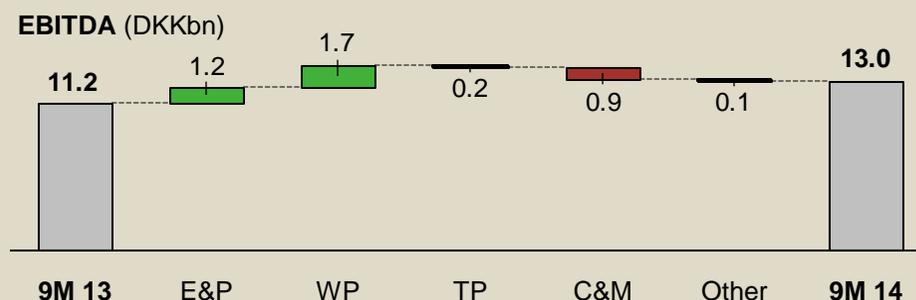
Net debt – DKK 7.8bn (DKK 25.8bn EoY 2013)

- ✓ Strong operating cash flow
- ✓ Equity injection and significant divestments

FFO/Adjusted net debt of 32% (23% EoY 2013)

- ✓ Strong operating cash flow
- ✓ Low net debt level

Selected financials (DKKm)	9M 14	9M 13	2013
Revenue	49,921	53,190	73,105
EBITDA	13,025	11,215	15,004
Net financial items	-1,640	-2,456	-3,800
Net profit	857	52	-993
Assets	156,000	148,971	145,672
Equity	65,696	52,332	51,543
Net debt	7,808	29,856	25,803
Operating cash flow	9,600	6,523	9,729
Gross investments	-11,181	-16,590	-21,234
Net investments	-3,074	-6,994	-5,902
FFO ¹ /Adjusted net debt	31.6%	18.7%	23.1%
ROCE ¹	4.3%	-2.3%	0.5%
ROCE excl. oneoffs ^{1,2}	5.1%	3.5%	6.8%



Note (1): Last 12 months.

Note (2): Excluding one-off non-cash provisions and impairments

Note (3): WoDS – West of Duddon Sands

Exploration & Production

Operational highlights 9M 14

- Production up 45% – primarily due to the redetermination of the Ormen Lange field
- Siri platform:
 - Repair work completed in July 2014 with expected final cost below budget
 - Regular production resumed in October 2014

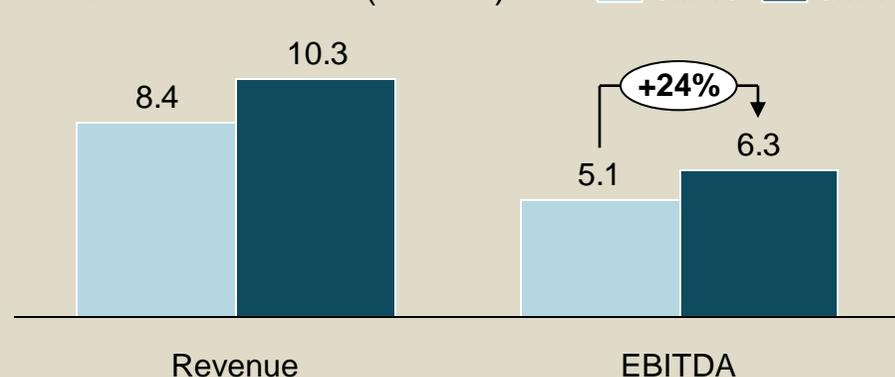
Financials highlights 9M 14 – EBITDA up 24% y/y

- ✓ Increased oil and gas production
- ✗ Larger spend on Siri repair in 9M 14 vs. 9M 13 (phasing of costs)
- ✗ Gas price fully hedged, but declining gas price still impacts EBITDA as hedging is conducted post hydrocarbon and corporate tax

Oil & Gas production (mboe)



Revenue & EBITDA (DKKbn)



Wind Power

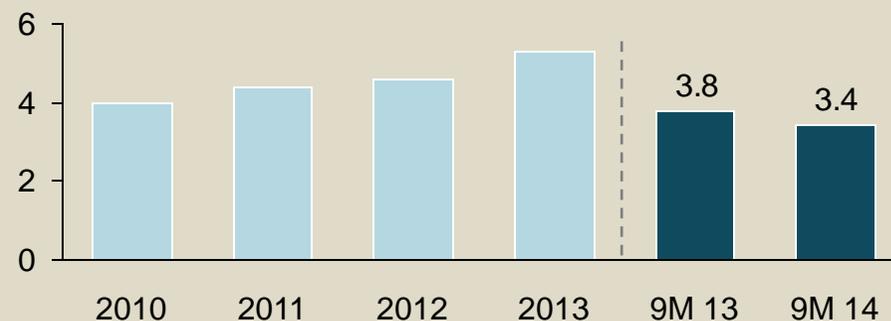
Operational highlights 9M 14

- Lost production from divestments¹ partly offset by full-year impact from Anholt and production from WoDS
- Continued high availability (93% in 9M 14)
- Low wind energy content in Q3 14

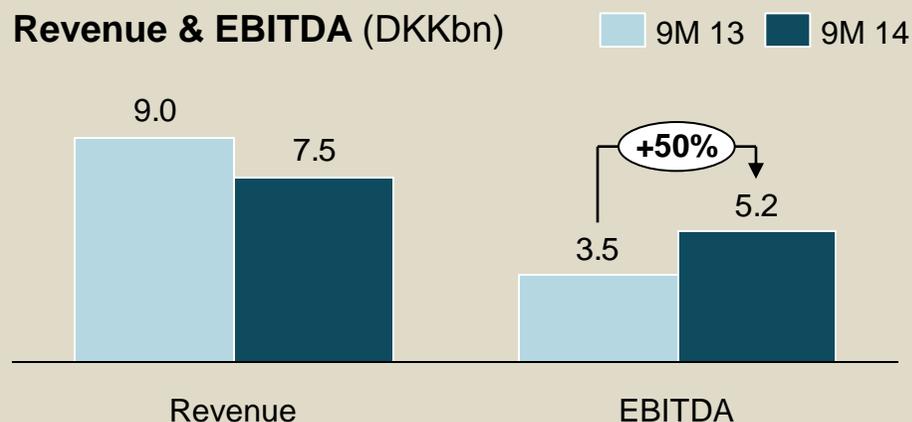
Financials highlights 9M 14 – EBITDA up 50% y/y

- ✓ 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

Renewable production (TWh)



Revenue & EBITDA (DKKbn)



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

Thermal Power

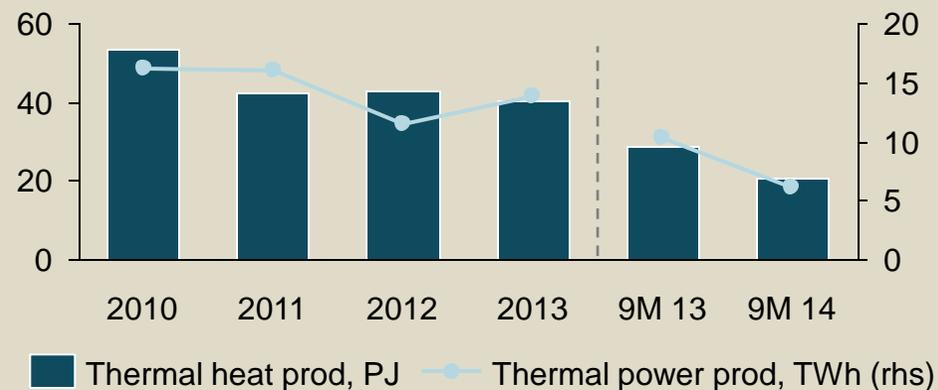
Operational highlights 9M 14

- Declining power and heat production
 - Declining power production (-42% y/y) due to warm weather and divestment of Severn power station (Dec. 2013)
 - Heat production negatively impacted (-27% y/y) by warm weather

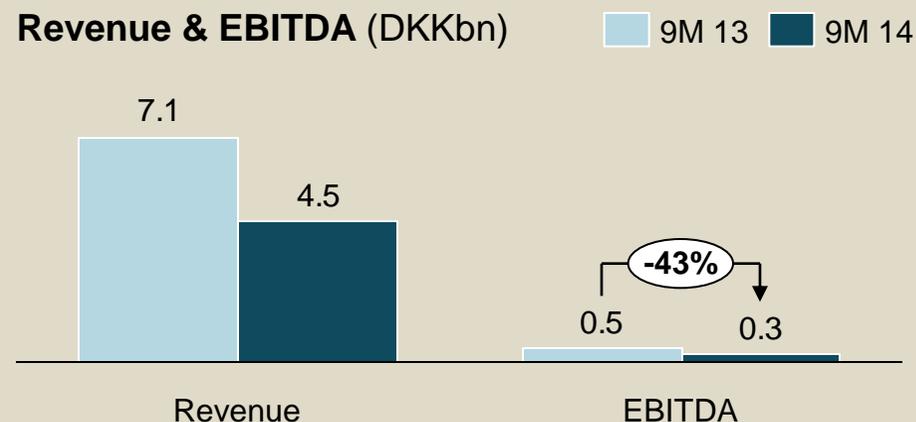
Financial highlights 9M 14 – EBITDA down 43% y/y

- ✓ Continued positive impact from commercial and operational excellence programs
- ✗ Declining production and lower contribution margin from decreasing Green Dark Spread
- ✗ Earnings dilution from divested activities (primarily Severn)

Thermal heat and power production (PJ, TWh)



Revenue & EBITDA (DKKbn)



Customers & Markets

Operational highlights 9M 14

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

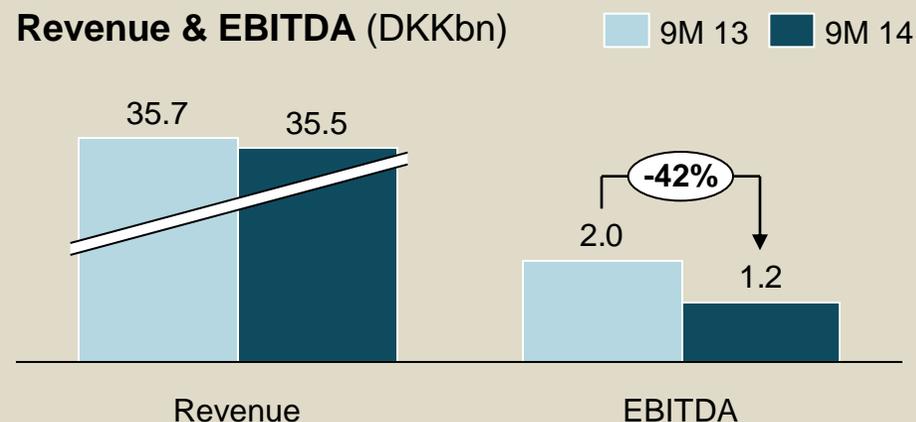
Financials highlights 9M 14 – EBITDA down 42%

- ✓ Lower fixed costs
- ✗ Lower earnings on midstream gas position
 - Prolonged renegotiations of gas sourcing contracts
 - Widening of oil/gas spread
 - 9M 13 positively impacted by lump sum payment on renegotiation of gas sourcing contracts

Operational figures

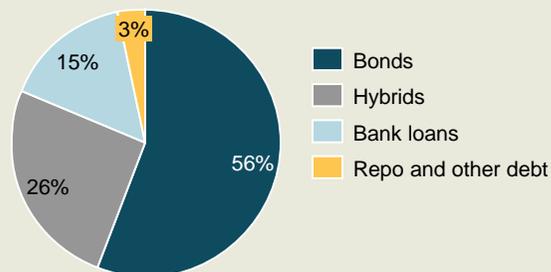
		9M 13	9M 14
Gas sales	TWh	95.8	87.8
Power sales	TWh	12.3	21.9
Distribution of gas	TWh	6.7	5.4
Distribution of power	TWh	6.3	6.2

Revenue & EBITDA (DKKbn)

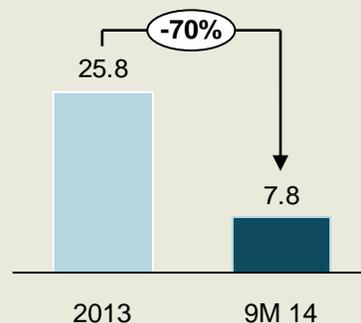


Debt overview

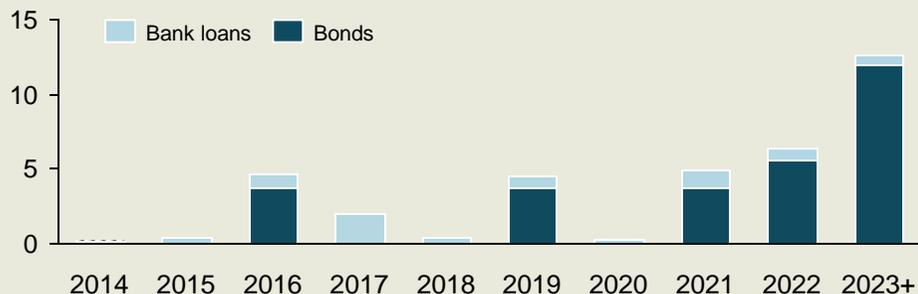
Gross debt and hybrids



Net debt (DKKbn)



Long term debt maturity schedule 9M 14 (DKKbn)



Key ratios loan portfolio¹

	9M 14	2013
Duration (years)	7.6	5.9
Average time to maturity (years)	10.7	10.2
Average interest rate	4.2%	3.7%

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

Liquidity reserves (DKKbn)

	9M 14	2013
Liquid assets (unrestricted) ¹	24.3	17.3
Committed borrowing facilities	17.4	17.4
Total	41.7	34.7

Note (1): Marketable securities in REPO transactions also excluded (DKK 1.4bn at 9M 14)

Outlook (new)

EBITDA

To exceed DKK 16bn in 2014
(previous expectation DKK 15-17bn)

Net investments

Around DKK 30bn in 2014-2015

FFO/Adjusted net debt

- To exceed 28% in 2014
(previous expectation around 25%)
- Around 30% from 2015 and onwards



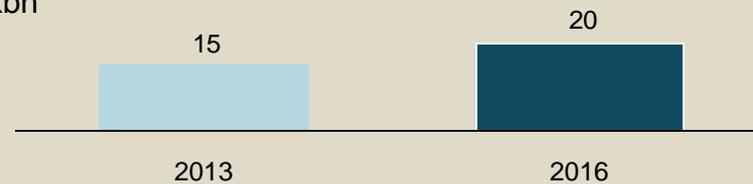
Q & A

APPENDIX

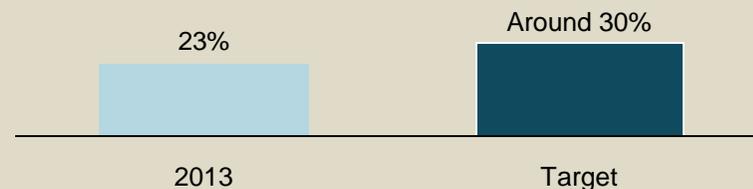
Financial targets

ROCE	9M 14 LTM	Target 2016	Target 2020
Group	4.3% (5.1% excl. writedowns)	>10%	>12%
 E&P	4.0% (6.2%)	~12% on average for 2015-2020	
 WP	8.7% (8.7%)	6-8%	12-14%
 C&M	-2.9% (-1.2%)	>8%	>10%
 TP	Operating CF within target	Target: Yearly operating CF of DKK 600-800m for Danish power stations	

EBITDA DKKbn



Adjusted FFO/Net debt %



Rating

Minimum rating of BBB+/Baa1

Market prices

(average)		Actual, 9M 14	Actual, 9M 13	Forwards as 27 Oct. 2014 (rest of year)
Oil, Brent	USD/bbl	107	108	85
Gas, TTF	EUR/MWh	20	27	23
Gas, NBP	EUR/MWh	21	27	23
Electricity, Nord Pool system	EUR/MWh	29	39	29
Electricity, Nord Pool, DK ¹	EUR/MWh	31	41	30
Electricity, EEX	EUR/MWh	32	38	34
Electricity, UK	EUR/MWh	50	59	60
Coal, API 2	USD/tonne	76	81	74
CO ₂ , EUA	EUR/tonne	5.8	4.4	6.4
Green dark spread, DK ¹	EUR/MWh	5.7	14.1	2.7
Green spark spread, NL	EUR/MWh	(2.9)	(3.9)	(3.5)
USD exchange rate	DKK/USD	5.5	5.7	5.9
GBP exchange rate	DKK/GBP	9.2	8.8	9.5

Source: Platts, Argus, Nord Pool, LEBA, APX and ECX.

¹ Based on average prices in DK1 and DK2.

Investments

Investments in 9M 14

	DKKm
Cash flow from investing activities	-12,981
Purchase and sale of securities (reversal)	9,841
Sale of assets and companies (reversal)	- 8,103
Other	62
Gross investments	-11,181
Sale of assets and companies	8,103
Other	4
Net investments¹	- 3,074

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 9M 14

▪ E&P	DKK 3.6bn
▪ Wind Power	DKK 6.2bn
▪ Thermal Power	DKK 0.5bn
▪ Customers & Markets	DKK 1.1bn
▪ Other	DKK -0.1bn
▪ Total:	DKK 11.2bn

Calculation of FFO/Adjusted net debt

	9M 14 LTM	9M 13 LTM	2013
EBITDA (Business Performance)	16.8	13.2	15.0
Reversal of recognised lease payment	0.5	0.5	0.4
Adjusted net interest expenses	-2.6	-2.6	-2.8
<i>Net interest expenses</i>	-1.4	-1.3	-1.7
<i>Capitalised interest</i>	-0.3	-0.4	-0.3
<i>Interest element of decommission obligations</i>	-0.4	-0.4	-0.4
<i>50% of hybrid coupons</i>	-0.4	-0.3	-0.3
<i>Operating leases, interest element</i>	-0.2	-0.1	-0.2
Current tax	-5.8	-2.2	-2.5
Funds From Operations (FFO)	8.9	8.9	10.0
Accounting net debt	7.8	29.9	25.8
50% of hybrid capital	6.6	6.6	6.6
Restricted liquid assets (excluding REPO's)	2.8	2.0	1.7
Operating leases, PV (4.5% discount rate)	4.7	3.9	3.9
Decommissioning obligations	10.0	8.5	8.8
Deferred tax on decommissioning obligations	-3.9	-3.2	-3.5
Adjusted net debt	28.1	47.7	43.4
FFO/Adjusted net debt	31.6%	18.7%	23.1%