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INTERIM FINANCIAL REPORT
FIRST NINE MONTHS

DONG
energy



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FIRST NINE MONTHS



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CONFERENCE CALL

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Tuesday 8 November 2016 at 11:00am CET:

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The conference call can be followed live:
www.dongenergy.com/conferencecall

Presentation slides will be available prior to the conference call:
www.dongenergy.com/presentations

The interim financial report can be downloaded at:
www.dongenergy.com/interimreports

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LANGUAGE

The report has been prepared in Danish and in English. In the event of any discrepancies between the Danish and the English reports, the Danish version shall prevail.

CEO'S REVIEW OF THE FIRST NINE MONTHS

Henrik Poulsen
CEO and President



Operating profit (EBITDA) up by 16%
Adjusted ROCE increased to 15%
Potential divestment of O&G to be explored
Construction projects well on track

Financial performance

Performance for the first nine months of 2016 has been very satisfactory. Operating profit (EBITDA) increased by 16% to DKK 17.2 billion, while underlying operating profit increased by 24%. The strong growth was driven by a 53% increase in Wind Power and significant contributions from the renegotiation of gas purchase contracts totalling DKK 3.8 billion. ROCE for the last 12 months increased from 8% to 15%. The Group's net profit increased by DKK 6.5 billion to DKK 9.7 billion for the first nine months of 2016.

We maintain our financial guidance, with EBITDA expected to amount to DKK 20-23 billion and gross investments expected to total DKK 18-21 billion for the year.

Potential divestment of O&G

We have decided to initiate a process with the aim of ultimately exiting from our oil and gas business. This should be seen in the context of DONG Energy's strategic transformation towards becoming a global leader in renewables and a wish to ensure the best possible long-term development opportunities for our oil and gas business. There can be no assurance as to the outcome or the timing of the completion of the process.

Wind Power

Wind Power has achieved significant milestones since the presentation of the interim financial report for the first half year of 2016. The Hornsea 2 project was approved by the UK government, enabling the project to participate in future auc-

tions. Hornsea 2 has a capacity of up to 1.8GW.

We currently have seven large offshore wind farms under construction. The construction projects are well on track. In Q3, two technical milestones were achieved. Using two custom-built tracked vehicles, we managed to lay the export cable from the Race Bank wind farm without causing damage to a sensitive coastal marsh area. In September, at the Burbo Bank Extension wind farm, we installed the world's first 8MW offshore wind turbine. This makes us pioneers in the commissioning of the last four generations of offshore wind turbines. The only significant challenge facing the portfolio of construction projects is Gode Wind in Germany, where a cable fault has delayed the final commissioning of the wind farm. The cable is not part of DONG Energy's responsibility, and we are to a large extent compensated by the transmission system owner.

Bioenergy & Thermal Power

We inaugurated the Studstrup CHP plant in October following the conversion from coal to biomass. The conversion of Studstrup, along with the ongoing conversions of the Avedøre 1 and Skærbæk CHP plants, will help us achieve our target of doubling our operating profit from district heating sales from 2015 to 2017 and will also make a significant contribution to our green transformation.

The Copenhagen Maritime and Commercial High Court handed down judgment in the case concerning the former Elsam. The Court ruled against DONG Energy. We have appealed the decision.

Distribution & Customer Solutions

DCS successfully completed another renegotiation of gas purchase contracts in September. We have now renegotiated the most important contracts of the portfolio, achieving lump sum compensation from renegotiations totalling DKK 3.8

billion for the first nine months of 2016.

The sale of our gas distribution grid was completed by the end of Q3 with a gain of DKK 1.3 billion.

Oil & Gas

O&G continues the substantial restructuring of the business and delivered a strong operational performance in the first nine months. Cost performance continues to improve, driven by continued renegotiation of supplier contracts, reduced exploration spending and improved operational efficiency, with total cash spend decreasing by 36% compared with the same period last year.

We now expect O&G to be cash flow positive in 2016, a year earlier than previously communicated.

People

We retain our strong focus on the safety and well-being of our employees. Until the end of the first half-year, we saw a positive development in the lost-time injury frequency (LTIF), which declined to 1.7, the lowest ever in the Group's history. LTIF has now increased to 1.9, and we have launched initiatives to return to a positive trend.

Once again, our annual survey of employee satisfaction and well-being showed an improving score. The survey showed an increase in the employee satisfaction index from 74 last year to 75 this year. We have seen improvements in all areas, with the greatest improvement in the areas of company reputation and management. This compares to an average score of 67 for an external benchmark.

DONG Energy's IPO in June has been well received by the stock market. At the end of the quarter, the price of our share was 17% higher than at the time of the IPO.

QUARTERLY HIGHLIGHTS & OUTLOOK

Financial performance Q3 2016

EBITDA up 7%

EBITDA increased by 7% to DKK 4.8 billion in Q3 2016. The increase was driven by higher activity relating to construction contracts for offshore wind farms for partners and increased generation from new offshore wind farms in Wind Power, a lump sum payment received in connection with the completed renegotiation of a gas purchase contract in Distribution & Customer Solutions and the start-up of production at Laggan-Tormore in Oil & Gas. The increase was partially offset by lower oil and gas prices, loss of additional volumes from the Ormen Lange field, as well as compensations received in Q3 2015 relating to previous periods. EBITDA adjusted for items of non-recurring nature increased by 5%.

Profit for the period up DKK 2.9 billion

The profit for the period amounted to DKK 3.3 billion, or DKK 2.9 billion higher than in Q3 2015. The increase was driven by higher EBITDA, lower depreciation and a DKK 1.3 billion gain from the divestment of the gas distribution grid to Energinet.dk.

CFO up DKK 1.1 billion

Cash flows from operating activities totalled DKK 1.4 billion in Q3 2016 compared with DKK 0.3 billion in Q3 2015. The improvement was primarily driven by higher EBITDA, lower net interest payments resulting from lower net debt and lower tax payments due to lower earnings from the Norwegian oil and gas activities.

Gross investments of DKK 5.6 billion

Gross investments amounted to DKK 5.6 billion in Q3 2016, 70% of which in Wind Power.

The investments primarily concerned the development and construction of Burbo Bank Extension, Walney Extension and Race Bank in the UK as well as Borkum Riffgrund 2 in Germany.

Performance highlights

DKK million	Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
EBITDA	4,756	4,431	7%	17,166	14,836	16%
Adjusted EBIT	2,628	1,141	130%	11,035	6,200	78%
Profit for the period	3,331	458	627%	9,699	3,235	200%
Cash flow from operating activities	1,398	250	459%	12,137	6,796	79%
Gross investments	(5,614)	(5,747)	(2%)	(12,986)	(14,575)	(11%)
Divestments	2,298	121	n.a.	4,267	608	602%
Free cash flow	(1,918)	(5,376)	(64%)	3,418	(7,171)	n.a.
Interest-bearing net debt	5,942	13,424	(56%)	5,942	13,424	(56%)
FFO/adjusted net debt	58.0%	35.0%	23%-p	58.0%	35.0%	23%-p
Adjusted ROCE	15.3%	7.8%	7.5%-p	15.3%	7.8%	7.5%-p

Outlook for 2016

The outlook for EBITDA and gross investments announced in the interim report for H1 2016 is reaffirmed. We have previously communicated that the EBITDA outlook is subject to completion of two farm downs in Wind Power. We completed the farm down of Burbo Bank Extension in Q1, and we are currently in the process of farming down our UK Race Bank and Walney Extension projects. We expect to either complete one of these in Q4 2016 and one in 2017 or both of them during 2017. Based on the achieved EBITDA up until September, including lump sums of DKK 3.8 billion from gas contract renegotiations, we expect to be within the EBITDA range of DKK 20-23 billion even in a scenario where no additional farm down is completed in 2016.

Outlook (DKK billion)	2016 Guidance	2015 Realised
EBITDA (business performance)	20-23	18.5
- Wind Power	Significantly higher (10-12)	6.2
- Bioenergy & Thermal Power	Lower	0.3
- Distribution & Customer Solutions	Significantly higher	2.2
- Oil & Gas	Significantly lower	9.8
Gross investments	18-21	18.7

EBITDA guidance for the Group is the prevailing guidance, whereas the directional earnings development per business unit serves as a means to support this. Higher/lower indicates the directional guidance for the business unit relative to the results in 2015.

PERFORMANCE HIGHLIGHTS

INCOME STATEMENT (BUSINESS PERFORMANCE) , DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015	2015
Revenue	49,735	55,149	14,481	17,294	70,843
EBITDA	17,166	14,836	4,756	4,431	18,484
- Wind Power	6,813	4,458	1,643	1,384	6,151
- Bioenergy & Thermal Power	(15)	402	(129)	(194)	283
- Distribution & Customer Solutions	5,866	1,811	1,508	46	2,173
- Oil & Gas	4,366	8,053	1,658	2,879	9,754
- Other activities	136	112	76	316	123
Depreciation and amortisation	(5,215)	(6,451)	(1,712)	(2,400)	(8,701)
Impairment losses	750	0	0	0	(17,033)
Operating profit (loss) (EBIT)	12,701	8,385	3,044	2,031	(7,250)
Current hydrocarbon tax	(916)	(2,185)	(417)	(891)	(2,591)
Adjusted EBIT ¹	11,035	6,200	2,628	1,141	7,192
Gain (loss) on divestment of enterprises	1,329	87	1,315	(12)	16
Net financial income and expenses	(1,135)	(1,653)	(281)	(323)	(2,125)
Profit (loss) from associates and joint ventures	(5)	(7)	(4)	(3)	(8)
Profit (loss) before tax	12,890	6,812	4,074	1,694	(9,367)
Tax	(3,191)	(3,577)	(743)	(1,236)	(2,717)
Profit (loss) for the year	9,699	3,235	3,331	458	(12,084)
BALANCE SHEET					
Total assets	141,197	157,663	141,197	157,663	147,457
Total equity	57,517	64,972	57,517	64,973	51,736
- Shareholders of DONG Energy A/S	39,029	45,154	39,029	45,155	32,090
- Non-controlling interests	5,240	6,570	5,240	6,570	6,398
- Hybrid capital	13,248	13,248	13,248	13,248	13,248
Interest-bearing net debt	5,942	13,424	5,942	13,424	9,193
Capital employed	63,459	78,398	63,459	78,398	60,930
Additions to property plant and equipment	10,335	15,810	13,372	4,471	19,843
CASH FLOW					
Cash flow from operating activities	12,137	6,796	1,398	250	13,571
Gross investments	(12,986)	(14,575)	(5,614)	(5,747)	(18,693)
Divestments	4,267	608	2,298	121	2,573
Free cash flow	3,418	(7,171)	(1,918)	(5,376)	(2,549)
FINANCIAL RATIOS					
Return on capital employed (ROCE) ² , %	(6.0)	(2.6)	(6.0)	(2.6)	(15.6)
Adjusted ROCE ³ , %	15.3	7.8	15.3	7.8	10.1
FFO/adjusted net debt ^{4,7} , %	58.0	35.0	58.0	35.0	40.4
Number of outstanding shares, end of period, '000	420,381	417,726	420,381	417,726	417,726
Share price, end of period, DKK	275.0	-	275.0	-	-
Market capitalisation, end of period, DKK billion	115.6	-	115.6	-	-
Earnings per share (EPS) (BP), DKK	22.4	5.9	7.7	0.7	(30.7)
INCOME STATEMENT (IFRS)					
Revenue	45,851	55,893	14,270	20,917	74,387
EBITDA	14,377	15,562	4,584	7,705	21,922
Profit (loss) for the period	7,522	3,789	3,196	2,963	(9,453)

BUSINESS DRIVERS	9M 2016	9M 2015	Q3 2016	Q3 2015	2015
Wind Power					
Decided (FID'ed) capacity ⁵ , offshore wind, GW	7.4	4.4	7.4	4.4	5.1
Installed capacity, offshore wind, GW	3.0	2.7	3.0	2.7	3.0
Production capacity, offshore wind, GW	1.8	1.5	1.8	1.5	1.7
Wind energy content (WEC) ⁵ , %	88	96	78	79	103
Load factor ⁵ , %	38	44	35	36	45
Availability ⁵ , %	92	94	92	93	93
Power generation, TWh	4.2	4.2	1.3	1.3	5.8
Bioenergy & Thermal Power					
Degree days ⁵ , number	1,753	1,840	54	109	2,621
Heat generation, TWh	6.1	6.5	0.4	0.6	9.3
Power generation, TWh	5.4	4.6	1.3	0.4	7.1
Distribution & Customer Solutions					
Regulatory value of power distribution assets ⁶	10,648	10,778	10,648	10,778	10,778
Regulatory value of gas distribution assets ⁶	-	3,231	-	3,231	3,231
Power distribution, TWh	6.2	6.1	1.9	1.9	8.4
Gas distribution, TWh	5.8	5.9	1.1	1.1	8.1
Power sales, TWh	27.6	25.6	8.3	9.3	35.5
Gas sales, TWh	114.3	122.9	37.1	42.2	159.1
Oil & Gas					
Oil and gas production, million boe	27.6	29.3	8.9	11.9	40.9
- Oil (incl. condensate)	7.2	7.7	2.4	2.5	10.1
- Gas	20.4	21.6	6.6	9.4	30.8
Lifting costs ⁵ , USD/boe	6.4	7.0	6.3	5.4	7.3
Lifting costs ⁵ , DKK/boe	42.7	46.7	42.1	36.1	49.3
Oil price, Brent, USD/boe	42	55	46	50	52
Gas price, NBP, EUR/MWh	13	21	12	20	20
SOCIAL & ENVIRONMENTAL					
Employees (FTE), end of period, number	6,432	6,683	6,432	6,683	6,674
Lost time injury frequency (LTIF), per one million hours worked ⁷	1.9	1.9	1.9	1.9	1.8
Fatalities, number	0	0	0	0	0
CO ₂ emissions, g/kWh	358	331	365	264	334

Business performance vs. IFRS

Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 3.

1) EBIT less current hydrocarbon tax and impairment losses added back. 2) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed. 3) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed). 4) Net debt incl. 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations, and decommissioning obligations less deferred tax. 5) See definition on page 154 and in note 9 in the 2015 annual report. 6) The figures indicate values from the latest regulatory financial statements. 7) Last 12 months.

QUARTERLY SUMMARY

INCOME STATEMENT	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	BUSINESS DRIVERS	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenue	14,481	16,420	18,833	15,693	17,294	18,589	19,267	17,127	Wind Power								
EBITDA	4,756	4,320	8,089	3,647	4,431	4,405	6,001	3,364	Decided (FID'ed) capacity ⁵ , offshore wind, GW	7.4	6.7	6.3	5.1	4.4	4.4	3.8	3.8
- Wind Power	1,643	2,270	2,900	1,693	1,384	1,176	1,897	815	Installed capacity, offshore wind, GW	3.0	3.0	3.0	3.0	2.7	2.7	2.5	2.5
- Bioenergy & Thermal Power	(129)	(41)	154	(119)	(194)	322	274	157	Production capacity, offshore wind, GW	1.8	1.7	1.7	1.7	1.5	1.5	1.4	1.4
- Distribution & Customer Solutions	1,508	452	3,906	362	46	1,476	289	228	Wind energy content (WEC) ⁵ , %	78	75	111	123	79	89	121	121
- Oil & Gas	1,658	1,705	1,004	1,700	2,879	1,658	3,517	2,265	Load factor ⁵ , %	35	34	46	50	36	42	55	53
- Other activities	76	(66)	125	11	316	(227)	24	(101)	Availability ⁵ , %	92	94	89	90	93	94	94	93
Depreciation and amortisation	(1,712)	(1,738)	(1,765)	(2,250)	(2,400)	(1,961)	(2,091)	(2,435)	Power generation, TWh	1.3	1.2	1.7	1.6	1.3	1.4	1.6	1.6
Impairment losses	0	0	750	(17,033)	0	0	0	(8,108)	Bioenergy & Thermal Power								
Operating profit (loss) (EBIT)	3,044	2,582	7,074	(15,636)	2,031	2,444	3,910	(7,179)	Degree days ⁵ , number	54	399	1,300	781	109	520	1,211	828
Current hydrocarbon tax	(417)	(244)	(255)	(406)	(891)	(571)	(723)	(962)	Heat generation, TWh	0.4	1.4	4.3	2.9	0.6	1.6	4.4	2.9
Adjusted EBIT ¹	2,628	2,338	6,069	991	1,141	1,874	3,186	(33)	Power generation, TWh	1.3	1.1	3.0	2.5	0.4	1.2	3.0	2.3
Gain (loss) on disposal of enterprises	1,315	18	(3)	(71)	(12)	82	18	1,075	Distribution & Customer Solutions								
Net financial income and expenses	(281)	(866)	12	(472)	(323)	(481)	(849)	(71)	Regulatory value of power distribution assets ⁶	10,648	10,648	10,778	10,778	10,778	10,778	10,373	10,373
Profit (loss) from associates and joint ventures	(4)	1	(1)	0	(3)	(2)	(3)	(433)	Regulatory value of gas distribution assets ⁶	-	3,016	3,231	3,231	3,231	3,231	3,438	3,438
Profit (loss) before tax	4,074	1,735	7,082	(16,179)	1,694	2,043	3,075	(6,608)	Power distribution, TWh	1.9	1.9	2.4	2.3	1.9	1.9	2.3	2.2
Tax	(743)	(583)	(1,866)	860	(1,236)	(1,010)	(1,331)	468	Gas distribution, TWh	1.1	1.5	3.2	2.4	1.1	1.5	3.1	2.8
Profit (loss) for the period	3,331	1,152	5,216	(15,319)	458	1,033	1,744	(6,140)	Power sales, TWh	8.3	8.5	10.7	9.9	9.3	7.8	8.5	10.1
									Gas sales, TWh	37.1	35.6	41.6	36.2	42.2	36.8	43.9	36.9
BALANCE SHEET									Oil & Gas								
Total assets	141,197	140,700	155,915	147,457	157,663	155,073	160,346	149,914	Oil and gas production, million boe	8.9	8.7	10.0	11.5	11.9	7.6	9.9	10.9
Total equity	57,517	54,694	56,682	51,736	64,973	63,152	62,937	61,533	- Oil (incl. condensate)	2.4	2.5	2.4	2.4	2.5	2.6	2.6	3.1
- Shareholders of DONG Energy A/S	39,029	35,946	37,614	32,090	45,155	43,056	42,768	41,736	- Gas	6.6	6.2	7.6	9.1	9.4	5.0	7.3	7.8
- Non-controlling interests	5,240	5,500	5,820	6,398	6,570	6,848	6,933	6,561	Lifting costs ⁵ , USD/boe	6.3	6.6	6.3	8.2	5.4	9.3	7.1	7.5
- Hybrid capital	13,248	13,248	13,248	13,248	13,248	13,248	13,236	13,236	Lifting costs ⁵ , DKK/boe	42.1	43.6	42.5	55.8	36.1	63.0	47.1	44.6
Interest-bearing net debt	5,942	3,821	940	9,193	13,424	7,785	6,934	3,978	Oil price, Brent, USD/boe	46	46	34	44	50	62	54	76
Capital employed	63,459	58,515	57,622	60,930	78,398	70,937	69,871	65,511	Gas price, NBP, EUR/MWh	12	14	13	17	20	21	22	23
Additions to property plant & equipment	10,355	3,037	5,167	4,033	4,471	4,897	6,442	3,591	SOCIAL & ENVIRONMENTAL								
CASH FLOW									Employees (FTE), end of period, number	6,432	6,562	6,738	6,674	6,683	6,624	6,563	6,500
Cash flow from operating activities	1,398	957	9,782	6,774	250	4,251	2,296	5,358	Lost time injury frequency (LTIF), per one million hours worked ⁷	1.9	1.7	1.9	1.8	1.9	1.9	2.2	2.4
Gross investments	(5,614)	(3,195)	(4,176)	(4,119)	(5,747)	(4,159)	(4,668)	(4,178)	Fatalities, number	0	0	0	0	0	0	0	0
Divestments	2,298	18	1,950	1,966	121	429	57	2,546	CO ₂ emissions, g/kWh	365	299	381	340	264	317	362	346
Free cash flow	(1,918)	(2,220)	7,556	4,621	(5,376)	521	(2,315)	3,726									
FINANCIAL RATIOS									Business performance vs. IFRS								
Return on capital employed (ROCE) ² , %	(6.0)	(8.9)	(9.7)	(15.6)	(2.6)	(4.4)	(6.4)	(6.6)	Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 3.								
Adjusted ROCE ³ , %	15.3	14.6	14.1	10.1	7.8	6.8	4.9	4.8									
FFO/adjusted net debt ^{4,7} , %	58.0	54.7	58.8	40.4	35.0	38.3	32.3	36.1									
Number of outstanding shares, end of period, '000	420,381	420,381	417,726	417,726	417,726	417,726	417,726	417,726									
Share price, end of period, DKK	275.0	240.3	-	-	-	-	-	-									
Market cap., end of period, DKK billion	115.6	101.0	-	-	-	-	-	-									
Earnings per share (EPS) (BP), DKK	7.7	1.9	12.8	(36.7)	0.7	1.2	4.1	(14.5)									
INCOME STATEMENT (IFRS)																	
Revenue	14,270	12,249	19,332	18,494	20,917	18,026	16,951	20,823									
EBITDA	4,584	888	8,905	6,360	7,705	3,871	3,987	6,602									
Profit (loss) for the period	3,195	(1,524)	5,852	(13,242)	2,963	624	203	(3,700)									

RESULTS

Income statement

DKK million	Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Revenue	14,481	17,294	(16%)	49,735	55,149	(10%)
EBITDA	4,756	4,431	7%	17,166	14,836	16%
EBITDA less current hydrocarbon tax	4,484	3,540	27%	16,395	12,652	30%
Depreciation	(1,712)	(2,400)	(29%)	(5,215)	(6,451)	(19%)
Impairment losses	0	0	n.a.	750	0	n.a.
EBIT	3,044	2,031	50%	12,701	8,385	51%
Adjusted EBIT	2,628	1,141	130%	11,035	6,200	78%
Net financial income and expenses	(281)	(323)	(13%)	(1,135)	(1,653)	(31%)
Tax	(743)	(1,236)	(40%)	(3,191)	(3,577)	(11%)
Tax rate	18%	73%	(55%-p)	25%	53%	(28%-p)
Profit for the period	3,331	458	627%	9,699	3,235	200%

Revenue

Revenue amounted to DKK 49.7 billion in 9M 2016. The 10% decline on the previous year was due primarily to significantly lower oil and gas prices and lower gas sales. This decrease was partially offset by higher activity from construction contracts in Wind Power, which saw revenue from construction contracts double.

Generation from offshore wind power amounted to 4.2TWh, in line with 9M 2015, as generation from new offshore wind farms was offset by lower wind energy content than in the same period in 2015 (88% compared with 96%) and lower availability. Offshore wind-generated power accounted for 43% of the Group's power generation. Thermal power generation increased by 18% driven by improved spreads, while heat generation decreased due to warmer weather than in 9M 2015.

Oil and gas production amounted to 27.6 million boe in 9M 2016, down from 29.3 million boe in 9M 2015. The decrease was due primarily to lower production from the Ormen Lange field in Norway following the loss of additional volumes from the 2013 redetermination. The decrease was partially

offset by production from the UK Laggan-Tormore field, with the first gas being produced in February 2016.

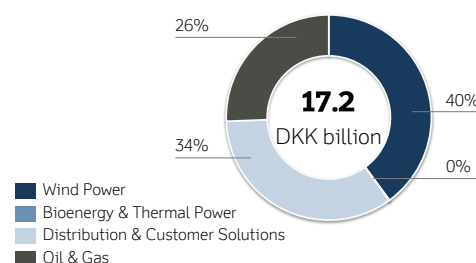
EBITDA

Operating profits (EBITDA) increased by DKK 2.3 billion, or 16%, amounting to DKK 17.2 billion in 9M 2016. Wind Power accounting for DKK 2.4 billion of the increase. Completed renegotiations of oil-indexed gas purchase contracts contributed with DKK 3.8 billion in 2016, most of which was realised in H1. One contract was renegotiated in 2015. In both years, EBITDA was affected by items of a non-recurring nature. In addition to the impact of renegotiations, EBITDA in 9M 2016 was negatively affected by provisions of DKK 0.8 billion relating to the Hejre field resulting from the termination of the platform contract and a lower value of catch-up volumes from the Ormen Lange field. The same period in 2015 was positively impacted by legal and insurance compensations and divestment gains totalling DKK 1.6 billion.

EBITDA adjusted for the above items of a non-recurring nature increased by 24% compared with 9M 2015. The underlying positive development in

operating profit was driven primarily by higher activity relating to construction contracts for offshore wind farms in Germany and the UK, a gain from the divestment of 50% of Burbo Bank Extension in February, higher power generation from new offshore wind farms, the start-up of production from the Laggan-Tormore field in the UK and improved margins in the wholesale gas business, among others due to the completion of contract renegotiations. The positive development in operations was partially offset by lower oil and gas prices, less favourable wind conditions and lower availability than in 9M 2015.

EBITDA 9M 2016, %



EBIT

EBIT increased by DKK 4.3 billion to DKK 12.7 billion in 9M 2016 as a result of higher EBITDA and lower depreciation. The changes in the distribution of provisions relating to the Hejre field in Q1 2016 did not affect EBIT.

Depreciation was down DKK 1.2 billion to DKK 5.2 billion in 9M 2016. The lower depreciation was due to mature assets in Bioenergy & Thermal Power that were fully depreciated at the end of 2015, the derived effect of impairment losses in Oil & Gas in December 2015 and the fact that the infrastructure assets in Distribution & Customer Solutions that were classified as assets held for

Business performance vs. IFRS

DONG Energy uses business performance as an alternative to the results prepared in accordance with IFRS. Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The difference between the two principles will be eliminated as the contracts expire. Apart from this, there is no difference between business performance and the IFRS results.

EBITDA calculated in accordance with IFRS amounted to DKK 14.4 billion in 9M 2016 against DKK 15.6 billion in 9M 2015. Calculated in accordance with the business performance principle, EBITDA was DKK 17.2 billion and DKK 14.8 billion, respectively. The difference between the two principles was thus DKK -2.8 billion in 9M 2016 compared with DKK 0.7 billion in 9M 2015.

DKK million	9M 2016	9M 2015
EBITDA - BP	17,166	14,836
Adjustments	(2,789)	726
EBITDA - IFRS	14,377	15,562

In the presentation of the results according to IFRS, DONG Energy does not apply the provisions on hedge accounting of commodities and related currency exposures. The market value adjustments of these are continuously recognised in the income statement, which means that the IFRS results for the individual years are not comparable. IFRS results does not reflect the commercial risk hedging, according to which the business units and the Group are managed and evaluated. In the management's review, comments are made on business performance only.

RESULTS CONTINUED

sale in 2015 were not depreciated. The decrease was partially offset by higher depreciation in Wind Power as a result of more offshore wind farms being commissioned.

Impairment losses (including provisions for onerous capex contracts) amounted to an income of DKK 0.8 billion as a result of reversal of part of the provision of capex contracts in respect of Hejre from 2015.

Gain (loss) from divestment of enterprises

The gain on divestment of enterprises totalled DKK 1.3 billion and related primarily to the divestment of the gas distribution grid on 30 September 2016 to Energinet.dk. There was no significant impact on earnings from divestments in 9M 2015.

Net financial income and expenses

Net financial income and expenses amounted to DKK -1.1 billion against DKK -1.7 billion in 9M 2015. The reduction in expenses was due primarily to positive exchange rate adjustments on loans and deposits in 2016 compared with negative adjustments in 2015 and lower net interest payments as a result of lower average interest-bearing net debt and a higher share of capitalised interests. This reduction was partially offset by capital losses and expenses totalling DKK 0.9 billion in 2016 in connection with the repurchase of bonds and early repayment of bank debt and interest rate swaps totalling DKK 7.5 billion.

Tax and tax rate

Tax on profit for the period amounted to DKK 3.2 billion, or DKK 0.4 billion lower than in 9M 2015. The effective tax rate was 25% against 53% in 9M 2015. The lower tax rate reflects that earnings from the Norwegian oil and gas activities accounted for a substantially lower share of total profit before tax in 9M 2016. The tax rate was impacted also by non-taxable divestment gains

and reversal of the provision of capex contract recognised in 2015 related to Hejre.

Profit for the period

Profit for the period amounted to DKK 9.7 billion, or DKK 6.5 billion higher than in 9M 2015. The increase was primarily due to higher EBIT and a gain from the divestment of the gas distribution grid in September 2016.

Cash flows and net debt

Cash flow from operating activities

Cash flows from operating activities totalled DKK 12.1 billion in 9M 2016 compared with DKK 6.8 billion in the same period last year. The DKK 5.3 billion increase was due to higher EBITDA, fewer funds tied up in working capital and lower tax payments due to lower Norwegian earnings. The increase was partially offset by higher net interest payments due, among other factors, to the settlement in 2016 of interest rate swaps relating to long-term loans of DKK 0.5 billion, while litigation interest from a dispute over CO₂ emission allowances was received in 2015.

The change in working capital relating to work in progress affected cash flows from operating activities less negatively due to milestone payments received from offshore wind farm partners and the divestment of the Westernmost Rough offshore transmission system in February 2016.

Investments and divestments

Net investments amounted to DKK 8.7 billion compared with DKK 14.0 billion in 9M 2015. Gross investments were DKK 1.6 billion lower than in 9M 2015, totalling DKK 13.0 billion. Wind Power's share accounted for 65%. The most important investments in 9M 2016 were as follows:

- Offshore wind farms (DKK 8.4 billion), including the German offshore wind farms Gode

Tax and tax rate

DKK million	Q3 2016			9M 2016		
	Profit before tax	Tax hereof	Tax percentage	Profit before tax	Tax hereof	Tax percentage
Oil and gas activities in Norway (hydrocarbon income)	342	(333)	97%	1,075	(995)	93%
Oil and gas exploration activities in the UK and Faroe Islands	134	0	0%	45	70	(156%)
Gain (loss) on divestments and other non-taxable income and non-deductible costs	1,311	73	(6%)	1,888	46	(2%)
Impairment losses	0	0	n.a.	750	(325)	43%
Effect from change of tax percent	0	40	n.a.	0	40	n.a.
Rest of DONG Energy	2,286	(523)	23%	9,132	(2,027)	22%
Effective tax for the period	4,073	(743)	18%	12,890	(3,191)	25%

Cash flows and net debt

DKK million	Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Cash flow from operating activities	1,398	250	459%	12,137	6,796	79%
- EBITDA	4,756	4,431	7%	17,166	14,836	16%
- Financial instruments	(5)	(91)	(95%)	(29)	(196)	(85%)
- Changes in provisions	(123)	14	n.a.	402	(203)	n.a.
- Gain/loss on disposal of assets	29	23	26%	(332)	(352)	(6%)
- Other items	184	(5)	n.a.	216	(67)	n.a.
- Interest expense, net	30	(298)	n.a.	(1,199)	(594)	102%
- Paid tax	(216)	(670)	(68%)	(2,130)	(3,427)	(38%)
- Change in work in progress	(2,311)	(2,049)	13%	(2,385)	(3,687)	(35%)
- Change in other working capital	(948)	(1,104)	(14%)	429	485	(12%)
Gross investments	(5,614)	(5,747)	(2%)	(12,986)	(14,575)	(11%)
Divestments	2,298	121	n.a.	4,267	608	602%
Free cash flow	(1,918)	(5,376)	(64%)	3,418	(7,171)	n.a.
Net debt, beginning of period	3,821	7,785	(51%)	9,193	3,978	131%
Free cash flow	1,918	5,376	(64%)	(3,418)	7,171	n.a.
Dividends and hybrid coupon paid	249	275	(9%)	776	1,141	(32%)
Exchange rate adjustments, etc.	(46)	(11)	318%	(609)	1,135	n.a.
Net debt at 30 September	5,942	13,424	(56%)	5,942	13,424	(56%)

RESULTS CONTINUED

Wind 1 and 2 and Borkum Riffgrund 2 as well as the UK offshore wind farms Burbo Bank Extension, Walney Extension, Race Bank and Hornsea 1

- CHP plants (DKK 1.4 billion), including biomass conversion of the Avedøre, Skærbæk and Studstrup CHP plants and construction of a REnescience waste refinery plant in the UK
- Oil and gas fields (DKK 2.8 billion), including Hejre, Syd Arne and the Siri area in Denmark as well as the West of Shetland area

Divestment of activities and enterprises amounted to DKK 4.3 billion in 9M 2016 and related primarily to the divestment of the gas distribution grid, 50% of Burbo Bank Extension as well as receipt of deferred proceeds from the divestment of 50% of Gode Wind 1 in 2015. Divestments in 9M 2015 primarily related to the divestment of the Måbjerg CHP plant and 60% of the Glenlivet field in the West of Shetland area.

Interest-bearing net debt

Interest-bearing net debt totalled DKK 5.9 billion at the end of September 2016 compared with DKK 9.2 billion at the end of 2015 and DKK 13.4 billion at the end of September 2015. The reason for the decrease in net debt in 9M 2016 was that cash flows from operating activities and divestments exceeded investments. In addition, exchange rate adjustments of loans in pound sterling contributed to the decrease.

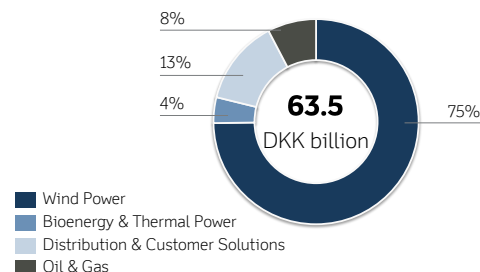
Equity

Equity was DKK 57.5 billion at the end of September 2016 compared with DKK 51.7 billion at the end of 2015, and DKK 65.0 billion at the end of September 2015. The decline relative to September 2015 was due mainly to impairment losses at the end of 2015.

Capital employed

Capital employed was DKK 63.5 billion at the end of September 2016 compared with DKK 60.9 billion at the end of 2015, and DKK 78.4 billion at the end of September 2015. The increase in capital employed since the new year was driven by a continued high level of investment. Wind Power's share of capital employed was 75% at the end of September 2016.

Capital employed, %



Key ratios

%	9M 2016	9M 2015	%
ROCE ¹	(6.0)	(2.6)	(3.4%-p)
Adjusted ROCE ²	15.3	7.8	7.5%-p
Adjusted net debt	26,461	34,540	(23.4%)
FFO/adjusted net debt ³	58.0	35.0	23%-p

1) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed

2) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed)

3) FFO (last 12 months) / net debt incl. 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations, and decom-

Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) amounted to -6% in 9M 2016 against -3% in the same period last year. In both periods, the return was impacted by impairment losses. The adjusted return on capital employed (last 12 months) totalled 15% at the end of September 2016 compared with 8% at the end of September 2015. The increase was attributable to higher adjusted EBIT.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO, last 12 months) credit metric in relation to adjusted net debt was 58% at the end of September 2016 compared with 40% in the 2015 calendar year. The improvement was due to the increase in FFO as well as lower adjusted net debt.

Non-financial results

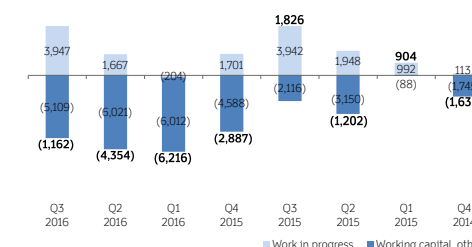
CO₂ emissions

CO₂ emissions from our heat and power generation were 358g CO₂/kWh compared with 331g CO₂/kWh in 9M 2015. The increase was attributable to a higher share of fossil fuels in the thermal power generation due to more favourable spreads.

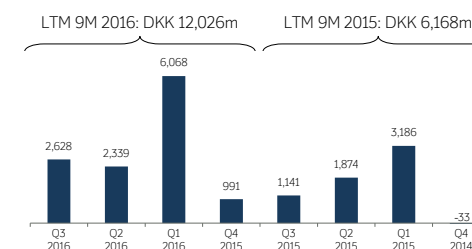
Safety

The lost-time injury frequency (LTIF) over the last 12 months was 1.9 (LTIF, rolling 12 months), which was in line with last year. There has been a reduction in the number of lost-time injuries among our internal employees, but an increase in the number of lost-time injuries among our suppliers.

Working capital excl. capex trade payables, ultimo, DKK million

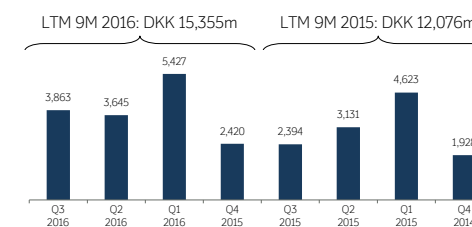


Adjusted EBIT¹, DKK million



1) EBIT less current hydrocarbon tax and impairment losses for the period

Funds from operation¹, DKK million



1) EBITDA less interest expenses (net), interest element of decommissioning obligations, current tax and calculated interest paid on operating lease obligations

WIND POWER

Operational highlights Q3 2016

- Permission by the UK government to build Hornsea 2. Subsidies not yet obtained

Financial performance Q3 2016

Revenue increased by DKK 1.0 billion to DKK 5.8 billion in Q3 2016. The increase was driven by higher activity relating to construction contracts for offshore wind farms for partners in the UK and Germany and transmission assets in the UK. Revenue from the construction of offshore wind farms for partners increased due to the ongoing construction of Burbo Bank Extension. The increase was partially offset by the Gode Wind 1 and 2 construction contracts, which saw high activity in Q3 2015.

EBITDA increased by 19% to DKK 1.6 billion in Q3 2016. The increase was primarily driven by the previously mentioned higher activity relating to construction contracts for offshore wind farms for partners.

The increase in earnings from construction contracts was partially offset by a decrease in EBITDA from wind farms, O&M and PPA despite ramp up from new windfarms. This was primarily due to Q3 2015 being positively affected by compensations from suppliers relating to previous periods.

EBITDA from Other incl. A2SEA and project development declined as a result of higher costs related to the development of our portfolio of projects for construction after 2020.

Financial performance 9M 2016

Revenue increased by DKK 5.7 billion to DKK 18.0 billion in 9M 2016.

The increase was driven by higher revenue from construction contracts for the German offshore wind farm Gode Wind 1 and the UK Burbo Bank Extension for partners as well as transmission assets in the UK. Thus, revenue from construction contracts doubled, totalling DKK 12.2 billion in

9M 2016.

In addition, revenue from wind farms, O&M and PPA increased due to higher generation from Westermost Rough in the UK and Borkum Riffgrund 1 in Germany, which were under construction in 2015 and were inaugurated in July and October, respectively. The increase in generation from new wind farms was partially offset by generally lower power generation from the individual wind farms due to lower wind energy content (88% compared with 96% in 9M 2015) and lower availability of the wind farms (92% down from 94% in 9M 2015). In 9M 2016, the wind energy content was lower than in a normal year, while it was higher than in a normal year in 9M 2015 (see the next page). In both periods, generation was adversely affected by faults in transmission cables (at Walney 2 in 2016 and Anholt in 2015).

Revenue from A2SEA was negatively impacted by fewer orders for old installation vessels and a higher share of internal installation projects.

EBITDA increased by DKK 2.4 billion to DKK 6.8 billion in 9M 2016, driven by higher activity relating to construction contracts for offshore wind farms for partners, particularly Gode Wind 1 and 2 and Burbo Bank Extension as well as gains on the divestment of 50% of Burbo Bank Extension to PKA and KIRKBI in February 2016.

EBITDA from wind farms, O&M and PPA decreased marginally to DKK 4.0 billion. Earnings from the new wind farms Westermost Rough and Borkum Riffgrund 1 and compensation from the German transmission owner TenneT for delays in the establishment of infrastructure for Gode Wind 2 were largely offset by lower generation as a result of the lower wind energy content and lower availability due, among other factors, to the cable fault at Walney 2 in Q1 as well as compensations from suppliers in 9M 2015.

EBITDA from Other incl. A2SEA and project development declined as a result of a higher proportion

		Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Performance highlights							
Business drivers							
Decided (FID'ed) capacity, offshore wind	GW	7.4	4.4	68%	7.4	4.4	68%
Installed capacity, offshore wind	GW	3.0	2.7	12%	3.0	2.7	12%
Production capacity, offshore wind	GW	1.8	1.7	10%	1.8	1.7	10%
Wind energy content (WEC)	%	78	79	(1%-p)	88	96	(8%-p)
Load factor	%	35	36	(1%-p)	38	44	(6%-p)
Availability	%	92	93	(1%-p)	92	94	(2%-p)
Power generation	TWh	1.3	1.3	4%	4.2	4.2	(1%)
- Denmark		0.4	0.5	(17%)	1.5	1.7	(13%)
- United Kingdom		0.7	0.6	12%	2.2	2.3	(4%)
- Germany		0.2	0.1	56%	0.4	0.2	190%
Power price, LEBA UK	GBP/MWh	42.2	41.2	2%	37.6	41.3	(9%)
British pound	DKK/GBP	8.8	10.4	(16%)	9.3	10.3	(9%)
Financial performance							
Revenue	DKK million	5,756	4,718	22%	18,013	12,334	46%
- Sites incl. O&Ms and PPAs		1,723	1,793	(4%)	5,584	5,455	2%
- Construction contracts		3,923	2,833	38%	12,164	6,422	89%
- Other incl. A2SEA		110	91	21%	265	457	(42%)
EBITDA	DKK million	1,643	1,384	19%	6,813	4,458	53%
- Sites incl. O&Ms and PPAs		1,094	1,366	(20%)	3,970	4,099	(3%)
- Construction contracts and divestment		872	262	233%	3,703	840	341%
- Other incl. A2SEA and project development		(324)	(243)	33%	(860)	(481)	79%
Depreciation (excl. impairment losses)	DKK million	(864)	(852)	1%	(2,532)	(2,312)	10%
EBIT	DKK million	778	533	46%	4,281	2,146	99%
Adjusted EBIT	DKK million	778	533	46%	4,281	2,146	99%
Cash flow from operating activities	DKK million	(178)	(954)	(81%)	6,294	(52)	n.a.
Gross investments	DKK million	(3,936)	(3,209)	23%	(8,425)	(8,107)	4%
Divestments	DKK million	(8)	(28)	(71%)	1,883	(61)	n.a.
Free cash flow	DKK million	(4,122)	(4,191)	(2%)	(248)	(8,220)	(97%)
Capital employed	DKK million	48,531	49,806	(3%)	48,531	49,806	(3%)
ROCE ¹	%	9.4	5.1	4.3%-p	9.4	5.1	4.3%-p
Adjusted ROCE ²	%	10.4	5.1	5.3%-p	10.4	5.1	5.3%-p

1) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed

2) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed)

WIND POWER CONTINUED

of internal projects, fewer orders for old installation vessels than in 9M 2015 and higher costs, among other things related to the ongoing restructuring of activities in A2SEA, and costs related to the development of our portfolio of projects for construction after 2020.

Depreciation increased by DKK 0.2 billion due to the commissioning of new offshore wind farms in the UK and Germany.

Cash flows from operating activities totalled DKK 6.3 billion in 9M 2016 compared with DKK -0.1 billion in the same period last year. The increase was due to higher EBITDA and a lower level of funds tied up in working capital as a result of milestone payments relating to the construction of offshore wind farms for partners as well as the sale of the Westernmost Rough offshore transmission assets in February 2016.

Gross investments amounted to DKK 8.4 billion in 9M 2016. The largest investments related to the construction of the German offshore wind farms Gode Wind 1 and 2 and Borkum Riffgrund 2 as

well as the UK offshore wind farms Burbo Bank Extension, Walney Extension, Hornsea 1 and Race Bank.

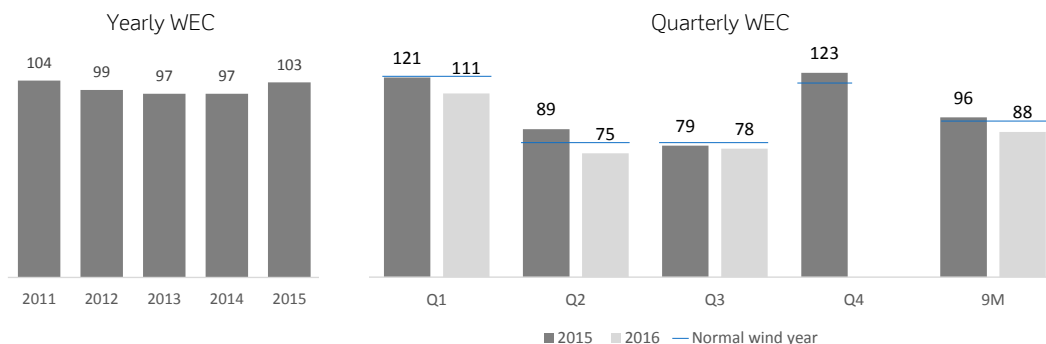
Divestments amounted to DKK 1.9 billion and related to the divestment of 50% of Burbo Bank Extension as well as receipt of the deferred proceeds from the divestment of 50% of Gode Wind 1 in 2015.

Adjusted ROCE (last 12 months) increased by 5%-points to 10%.

Farm-down status

We are currently in the process of farming down our UK Race Bank and Walney Extension projects. We expect to either complete one of these in Q4 2016 and one in 2017 or both of them during 2017.

Wind energy content (WEC) for DONG Energy's offshore windfarms



BIOENERGY & THERMAL POWER

Operational highlights Q3 2016

- Inauguration of the biomass-converted Studstrup CHP plant in October
- DONG Energy appeals the judgment of the Copenhagen Maritime and Commercial High Court in the Elsam case

Financial performance Q3 2016

Revenue decreased by DKK 0.1 billion to DKK 0.6 billion in Q3 2016. Revenue from the heating business declined by 9% and was negatively affected by warmer weather, leading to a 27% reduction in heat generation. Revenue from power (including ancillary services) decreased by 13% to DKK 0.4 billion in Q3 2016. The decrease was primarily driven by higher revenue from ancillary services in Q3 2015 due to invoicing relating to previous years, which was partially offset by higher revenue from sales of power in 2016 as a result of higher power generation and higher power prices.

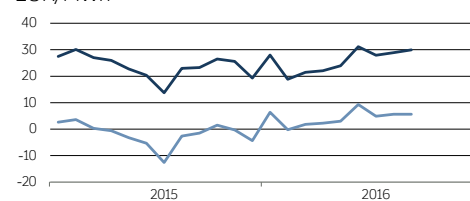
EBITDA increased by DKK 0.1 billion to DKK -0.1 billion in Q3 2016, driven primarily by higher power generation and improved spreads.

Financial performance 9M 2016

Revenue amounted to DKK 3.2 billion in 9M 2016, representing a decrease of DKK 0.5 billion. The decrease was due primarily to invoicing relating

Power price and green dark spread (GDS),

EUR/MWh



Power price (Nord Pool, DK) GDS (Nord Pool, DK)

Source: Nord Pool, Argus-McCloskey and ICE

to previous years, which had a positive impact on revenue from ancillary services in 9M 2015. However, underlying revenue from sales of power increased, driven by higher power generation and higher power prices.

EBITDA declined by DKK 0.4 billion, driven mainly by the recognition of compensation from a settled dispute over CO₂ emissions allowances and insurance compensation in 2015 (both of which are included in EBITDA from "Power") totalling DKK 0.5 billion. Underlying EBITDA from the power business improved due to better spreads. In addition, EBITDA from ancillary services decreased as a result of invoicing in 2015 relating to previous years.

Depreciation amounted to DKK 0.5 billion, or a decrease of DKK 0.5 billion on the same period last year. The decrease was due to the fact that a number of mature assets were fully depreciated by the end of 2015.

Cash flows from operating activities totalled DKK 0.5 billion in 9M 2016 compared with DKK 1.2 billion in the same period last year. The decline was due to lower EBITDA and interest received from the dispute over CO₂ emission allowances, which contributed positively in 2015.

Gross investments increased by DKK 0.6 billion to DKK 1.4 billion in 9M 2016. The largest investments related to the biomass conversion projects at the Skærbæk, Studstrup and Avedøre CHP plants as well as the construction of the REnescience waste refinery plant in the UK.

Performance highlights

		Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Business drivers							
Degree days	number	54	109	(50%)	1,753	1,840	(5%)
Heat generation	TWh	0.4	0.6	(27%)	6.1	6.5	(6%)
Power generation	TWh	1.3	0.5	182%	5.4	4.6	18%
Power price, DK	EUR/MWh	28.9	20.0	45%	25.8	23.7	9%
Green dark spread, DK	EUR/MWh	5.4	(5.6)	n.a.	4.3	(2.2)	n.a.
Green spark spread, DK	EUR/MWh	5.6	(0.9)	n.a.	(2.3)	(20.8)	(89%)
Financial performance							
Revenue	DKK million	601	683	(12%)	3,193	3,732	(14%)
- Heat		183	201	(9%)	1,406	1,467	(4%)
- Power (incl. ancillary services)		418	482	(13%)	1,787	2,265	(21%)
EBITDA	DKK million	(129)	(194)	(34%)	(15)	402	n.a.
- Heat		35	37	(5%)	235	248	(5%)
- Ancillary services		73	118	(38%)	211	320	(34%)
- Power		(236)	(348)	(32%)	(461)	(166)	178%
Depreciation (excl. impairment losses)	DKK million	(180)	(340)	(47%)	(539)	(1,033)	(48%)
EBIT	DKK million	(309)	(534)	(42%)	(554)	(631)	(12%)
Adjusted EBIT	DKK million	(309)	(534)	(42%)	(554)	(631)	(12%)
Cash flow from operating activities	DKK million	11	11	0%	471	1,167	(60%)
Gross investments	DKK million	(621)	(395)	57%	(1,413)	(790)	79%
Divestments	DKK million	6	(1)	n.a.	8	325	(98%)
Free cash flow	DKK million	(604)	(385)	57%	(934)	702	n.a.
Capital employed	DKK million	2,635	3,901	(32%)	2,635	3,901	(32%)
ROCE ¹	%	(51.6)	(18.7)	(32.9%-p)	(51.6)	(18.7)	(32.9%-p)
Adjusted ROCE ²	%	(28.5)	(18.7)	(9.8%-p)	(28.5)	(18.7)	(9.8%-p)

1) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed

2) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed)

DISTRIBUTION & CUSTOMER SOLUTIONS

Operational highlights Q3 2016

- Successful completion of the renegotiation of a long-term gas purchase contract
- Divestment of the gas distribution grid to Energinet.dk completed

Financial performance Q3 2016

Revenue decreased by DKK 3.4 billion to DKK 7.7 billion in Q3 2016. The decrease was driven primarily by lower gas and wholesale power volumes and lower gas prices than in Q3 2015.

EBITDA was DKK 1.5 billion in Q3 2016 compared with DKK 0 billion in Q3 2015. The increase was driven by a lump sum payment from a completed renegotiation of a long-term oil-indexed gas purchase contract and improved gas margins. Moreover, Q3 2015 was negatively affected by the settlement of financial hedging instruments that became ineffective as the underlying exposure to a greater extent was gas-indexed rather than oil-indexed.

Cash flows from operating activities decreased by DKK 1.5 billion. Higher EBITDA was more than offset by a higher level of funds tied up in working capital over Q3 2016 compared with a decrease in the same period of 2015. The higher level of funds tied up in working capital in Q3 2016 was due, among other factors, to a receivable lump sum payment from a completed renegotiation of a gas purchase contract, which was not received until early October 2016.

Financial performance 9M 2016

Revenue decreased by DKK 10.2 billion to DKK 27.1 billion in 9M 2016. The decrease was primarily due to lower revenue from sales of gas as a result of 7% lower gas sales and an average drop in gas prices of 38% relative to 9M 2015.

EBITDA amounted to DKK 5.9 billion, up from DKK 1.8 billion in 9M 2015, driven by developments in Markets. EBITDA from Markets increased by DKK 4.0 billion to DKK 4.6 billion, primarily as

a result of lump sum payments and ongoing margin improvement primarily from the completed renegotiations of long-term oil-indexed gas purchase contracts. Total EBITDA from one-off payments from renegotiations of gas purchase contracts amounted to DKK 3.8 billion in 2016. Renegotiations were completed with three counterparties in 9M 2016 and one counterparty in 2015.

EBITDA from the distribution business and the sales business was in line with 9M 2015, totalling DKK 1.4 billion and DKK 0.1 billion, respectively.

EBITDA from LNG improved by DKK 0.1 billion, driven by lower net expenses related to the Gate terminal in the Netherlands and better margins.

Depreciation amounted to DKK 0.5 billion, or a decrease of DKK 0.3 billion compared with 9M 2015. The decrease was mainly due to the fact that the infrastructure assets classified as assets held for sale in September 2015 were not depreciated.

Cash flows from operating activities totalled DKK 2.8 billion, up DKK 0.8 billion. The increase was primarily driven by higher EBITDA, which was partially offset by more funds being tied up in working capital related to clearing counterparties in connection with exchange trading following the increase in oil prices since the turn of the year. Higher trade receivables and a receivable lump sum payment from a completed renegotiation of a gas purchase contract also contributed to the increase.

Gross investments totalled DKK 0.4 billion in 9M 2016 and were mainly related to maintenance of the power distribution network.

Divestments amounted to DKK 2.2 billion and related to the divestment of the gas distribution grid to Energinet.dk.

Adjusted ROCE (last 12 months) improved from 8% to 60%.

Performance highlights

Business drivers

		Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Regulatory asset base (power)	DKK million	10,648	10,778	(1%)	10,648	10,778	(1%)
Regulatory asset base (gas)	DKK million	-	3,231	n.a.	-	3,231	n.a.
Degree days	number	54	109	(50%)	1,753	1,840	(5%)
Gas sales	TWh	37.1	42.2	(12%)	114.3	122.9	(7%)
- Sales		6.8	7.9	(14%)	27.6	30.3	(9%)
- Markets (excl. volumes to Sales)		30.3	34.4	(12%)	86.7	92.6	(6%)
Power sales	TWh	8.3	9.3	(11%)	27.6	25.6	8%
- Sales		2.5	1.8	35%	7.1	6.1	17%
- Markets (excl. volumes to Sales)		5.9	7.5	(22%)	20.4	19.5	5%
Gas distribution	TWh	1.1	1.1	0%	5.8	5.9	(1%)
Power distribution	TWh	1.9	1.9	0%	6.2	6.1	1%
Gas price, TTF	EUR/MWh	12.7	19.9	(36%)	12.9	20.7	(38%)
Oil price, Brent	USD/boe	45.8	50.3	(9%)	41.8	55.4	(25%)
US dollar	DKK/USD	6.7	6.7	0%	6.7	6.7	0%
British pound	DKK/GBP	8.8	10.4	(16%)	9.3	10.3	(9%)

Financial performance

Revenue	DKK million	7,703	11,063	(30%)	27,130	37,301	(27%)
EBITDA	DKK million	1,508	46	n.a.	5,866	1,811	224%
- Distribution		310	345	(10%)	1,380	1,400	(1%)
- Sales		5	21	(76%)	56	124	(55%)
- Markets		1,246	(205)	n.a.	4,635	630	636%
- LNG		(54)	(115)	(53%)	(205)	(343)	(40%)
Depreciation (excl. impairment losses)	DKK million	(186)	(285)	(35%)	(537)	(859)	(37%)
EBIT	DKK million	1,322	(239)	n.a.	5,328	952	460%
Adjusted EBIT	DKK million	1,322	(239)	n.a.	5,328	952	460%
Cash flow from operating activities	DKK million	(429)	648	n.a.	3,221	1,999	61%
Gross investments	DKK million	(95)	(342)	(72%)	(375)	(910)	(59%)
Divestments	DKK million	2,137	19	n.a.	2,202	90	n.a.
Free cash flow	DKK million	1,613	325	396%	5,048	1,179	328%
Capital employed	DKK million	8,759	9,637	(9%)	8,759	9,636	(9%)
ROCE ¹	%	59.1	8.4	50.7%-p	59.1	8.4	50.7%-p
Adjusted ROCE ²	%	59.6	8.4	51.2%-p	59.6	8.4	51.2%-p

1) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed

2) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed)

OIL & GAS

Operational highlights Q3 2016

- Installation campaigns were successfully completed on the Edradour-Glenlivet development
- First gas from Tormore, part of the Laggan-Tormore field, was achieved in August

Financial performance Q3 2016

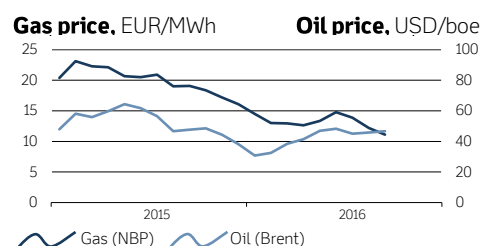
Revenue amounted to DKK 2.3 billion, down 35% on Q3 2015. The decrease was primarily due to lower oil and gas prices, which were partly offset by hedging. Oil and gas production decreased by 25%, totalling 8.9 million boe. Production was negatively affected by the loss of additional volumes from the Ormen Lange field, which had a positive impact in Q3 2015, partially offset by production from the Laggan-Tormore field in the UK, with the first gas being produced in February 2016.

EBITDA amounted to DKK 1.7 billion. The DKK 1.2 billion decline on Q3 2015 was driven primarily by lower oil and gas prices and lower production.

Cash flows from operating activities increased by DKK 0.5 billion to DKK 1.5 billion. Lower EBITDA was more than offset by a lower level of funds tied up in working capital and lower tax payments in Norway due to lower earnings.

Financial performance 9M 2016

Revenue amounted to DKK 7.4 billion, down 22% on 9M 2015. The decrease was primarily due to



Source: ICIS Heren and Platts

substantially lower average oil and gas prices, which were partially offset by hedging. Oil and gas production decreased by 6%, totalling 27.6 million boe.

Higher production from the Laggan-Tormore field in the UK was more than offset by lower production levels in Norway as a result of the loss of additional volumes from the Ormen Lange field from mid-February 2016 according to the redetermination in 2013. The share of the production of the Ormen Lange field was 16% in 9M 2016 – 2%-points higher than the ownership interest of 14% – compared with 23% in the same period last year. The lower production share was partially offset by a shutdown of production from the Ormen Lange field for a period of 42 days in 2015 due to the connection of new infrastructure to the gas treatment plant at Nyhamna.

EBITDA amounted to DKK 4.4 billion, down DKK 3.7 billion on 9M 2015. The decrease was partly attributable to lower oil and gas prices, which were partially offset by hedging, and partly to a provision of DKK 0.8 billion (no impact at EBIT level) as a result of the termination of the EPC contract with the supplier consortium on the construction of the Hejre platform, and partly non-recurring items of DKK 1.2 billion, which contributed positively in 2015. EBITDA from the additional volumes from the Ormen Lange field amounted to DKK 0.3 billion compared with DKK 1.8 billion in 9M 2015.

The DKK 1.9 billion decline in EBITDA from Denmark was mainly driven by the previously mentioned provision for onerous contracts relating to the Hejre platform in 2016 as well as insurance compensation, which contributed positively in 2015. The decrease of DKK 3.2 billion in Norway was due primarily to lower production and lower

Performance highlights

		Q3 2016	Q3 2015	%	9M 2016	9M 2015	%
Business drivers							
Oil and gas production	million boe	8.9	11.9	(25%)	27.6	29.3	(6%)
- Denmark		1.2	1.4	(14%)	4.2	4.1	2%
- Norway		5.9	10.5	(44%)	19.9	25.2	(21%)
- United Kingdom		1.8	0.0	n.a.	3.5	0.0	n.a.
Gas share of production	%	73.6	79.3	(6%-p)	73.8	73.8	0%-p
Lifting costs per boe (USD)	USD/boe	6.3	5.4	17%	6.4	7.0	(8%)
Lifting costs per boe (DKK)	DKK/boe	42.1	36.1	17%	42.7	46.7	(9%)
Oil price, Brent	USD/boe	45.8	50.3	(9%)	41.8	55.4	(25%)
Gas price NBP	EUR/MWh	12.4	19.7	(37%)	13.2	20.9	(37%)
Financial performance							
Revenue	DKK million	2,349	3,627	(35%)	7,429	9,471	(22%)
- Oil (incl. condensate)		669	717	(7%)	1,945	2,624	(26%)
- Gas		993	2,310	(57%)	3,197	5,535	(42%)
- Hedges		660	513	29%	2,181	1,010	116%
- Other		27	87	(69%)	106	303	(65%)
EBITDA	DKK million	1,658	2,879	(42%)	4,366	8,053	(46%)
- Denmark		82	284	(71%)	(407)	1,478	n.a.
- Norway		719	2,214	(68%)	2,383	5,553	(57%)
- United Kingdom		277	(40)	n.a.	429	266	61%
- Exploration and appraisal		(80)	(92)	(13%)	(220)	(254)	(13%)
- Hedges		660	513	29%	2,181	1,010	116%
Depreciation (excl. impairment losses)	DKK million	(473)	(911)	(48%)	(1,585)	(2,222)	(29%)
EBIT	DKK million	1,185	1,968	(40%)	3,532	5,831	(39%)
Current hydrocarbon tax	DKK million	(272)	(891)	(69%)	(771)	(2,185)	(65%)
Impairment losses (add-back)	DKK million	0	0	n.a.	(750)	0	n.a.
Adjusted EBIT	DKK million	912	1,078	(15%)	2,011	3,646	(45%)
Cash flow from operating activities	DKK million	1,454	962	51%	2,617	3,737	(30%)
Gross investments	DKK million	(956)	(1,710)	(44%)	(2,757)	(4,600)	(40%)
Divestments	DKK million	160	135	19%	226	250	(10%)
Free cash flow	DKK million	658	(613)	n.a.	86	(613)	n.a.
Capital employed	DKK million	4,976	20,494	(76%)	4,976	20,494	(76%)
ROCE ¹	%	(98.9)	(21.2)	(77.7%-p)	(98.9)	(21.2)	(77.7%-p)
Adjusted ROCE ²	%	12.6	16.0	(3.4%-p)	12.6	16.0	(3.4%-p)

1) EBIT (last 12 months) less current hydrocarbon tax (last 12 months) / average capital employed

2) Adjusted EBIT (last 12 months) / average capital employed (with impairment losses after tax added back to ultimo capital employed)

OIL & GAS CONTINUED

prices. In the UK, earnings dropped by DKK 0.2 billion as a result of a gain from the sale of 60% of the Glenlivet field, which contributed positively in 2015, partially offset by the start-up of production from Laggan-Tormore in 2016.

Depreciation was DKK 0.6 billion lower in 9M 2016, primarily due to the derived effect of impairment losses in Q4 2015, partially offset by higher depreciation as a result of the start-up of production at Laggan-Tormore in February 2016.

Impairment losses (including provisions for onerous capex contracts) amounted to an income of DKK 0.8 billion relating to a partial reversal of the onerous contracts in respect of the Hejre platform, for which provisions were made in December 2015.

Cash flows from operating activities decreased by DKK 1.1 billion, amounting to DKK 2.6 billion in 9M 2016. The decrease was primarily due to lower EBITDA, partially offset by lower tax payments in Norway and a lower level of funds tied up in working capital.

Gross investments amounted to DKK 2.8 billion in 9M 2016, down DKK 1.8 billion on the same period in 2015. Investments primarily related to the UK Laggan-Tormore and Glenlivet-Edradour fields as well as the Danish Hejre and Syd Arne fields and the Siri area fields.

Adjusted ROCE (last 12 months) was 13%.



CONSOLIDATED INTERIM FINANCIAL STATEMENTS



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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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INCOME STATEMENT

1 JANUARY - 30 SEPTEMBER

DKK million	Note	9M 2016			9M 2015		
		Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
Revenue	4	49,735	(3,884)	45,851	55,149	744	55,893
Cost of sales	5	(26,134)	1,095	(25,039)	(35,857)	(18)	(35,875)
Other external expenses		(4,333)		(4,333)	(3,802)		(3,802)
Employee costs		(2,596)		(2,596)	(2,688)		(2,688)
Share of profit (loss) from associates and joint ventures		2		2	92		92
Other operating income	6	1,724		1,724	2,229		2,229
Other operating expenses	7	(1,232)		(1,232)	(287)		(287)
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)		17,166	(2,789)	14,377	14,836	726	15,562
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment		(4,465) ¹		(4,465) ¹	(6,451)		(6,451)
Operating profit (loss) (EBIT)		12,701	(2,789)	9,912	8,385	726	9,111
Gain on divestment of enterprises	9	1,329		1,329	87		87
Share of profit (loss) in associates and joint ventures		(5)		(5)	(7)		(7)
Financial income	12	3,141		3,141	6,539		6,539
Financial expenses	12	(4,276)		(4,276)	(8,192)		(8,192)
Profit (loss) before tax		12,890	(2,789)	10,101	6,812	726	7,538
Tax on profit (loss) for the period	13	(3,191)	612	(2,579)	(3,577)	(172)	(3,749)
Profit (loss) for the period		9,699	(2,177)	7,522	3,235	554	3,789
Profit (loss) for the period is attributable to:							
Shareholders of DONG Energy A/S		9,385	(2,177)	7,208	2,485	554	3,039
Coupon payments and costs after tax, hybrid capital holders of DONG Energy A/S		401		401	683		683
Non-controlling interests		(87)		(87)	67		67
Profit (loss) for the period		9,699	(2,177)	7,522	3,235	554	3,789
Earnings per share							
Basic earnings per share, DKK		22.42		17.22	5.95		7.28
Diluted earnings per share, DKK		22.41		17.22	5.92		7.23

¹ Includes DKK 750 million regarding reversal of provision for onerous contracts for the construction of property, plant and equipment

STATEMENT OF COMPREHENSIVE INCOME

1 JANUARY - 30 SEPTEMBER

DKK million	9M 2016			9M 2015		
	Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
Profit (loss) for the period	9,699	(2,177)	7,522	3,235	554	3,789
Other comprehensive income ¹ :						
Hedging instruments:						
Value adjustments for the period	2,270	(509)	1,761	2,538	(2,557)	(19)
Value adjustments transferred to revenue	(3,696)	3,423	(273)	(2,013)	2,026	13
Value adjustments transferred to cost of sales	125	(125)		195	(195)	
Value adjustments transferred to financial income and expenses, net	201		201	132		132
Value adjustments transferred to gain on divestment of assets	(161)		(161)			
Tax on value adjustments of hedging instruments	279	(612)	(333)	(200)	172	(28)
Exchange rate adjustments:						
Exchange rate adjustments relating to net investments in foreign enterprises	(5,764)		(5,764)	1,909		1,909
Value adjustments of hedging thereof	3,304		3,304	(1,354)		(1,354)
Tax on exchange rate adjustments	99		99	(20)		(20)
Other comprehensive income	(3,343)	2,177	(1,166)	1,187	(554)	633
Total comprehensive income	6,356	-	6,356	4,422	-	4,422
Comprehensive income for the period is attributable to:						
Shareholders of DONG Energy A/S			6,839			3,333
Interest payments and costs after tax, hybrid capital holders of DONG Energy A/S			401			683
Non-controlling interests			(884)			406
Total comprehensive income			6,356			4,422

¹ All items under other comprehensive income may be reclassified to the income statement

Business performance

The business performance principle was introduced by the DONG Energy Group in 2011. In connection with the introduction of the business performance principle, the IFRS hedge accounting of energy and related currency risks was discontinued,

and the market value adjustments of these hedging transactions are therefore recognised in the income statement under IFRS. Under the business performance principle, value adjustments of energy contracts and related currency risks (including hedging transactions) are deferred and recognised in the period in which

the hedged exposure materialises. The difference between IFRS and business performance is specified in the adjustment column. Other principles are identical with the IFRS rules. For further information about the business performance principle, see note 3.

INCOME STATEMENT

1 JULY - 30 SEPTEMBER

DKK million	Note	Q3 2016			Q3 2015		
		Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
Revenue	4	14,481	(211)	14,270	17,294	3,623	20,917
Cost of sales	5	(7,626)	39	(7,587)	(10,928)	(349)	(11,277)
Other external expenses		(1,467)		(1,467)	(1,274)		(1,274)
Employee costs		(862)		(862)	(921)		(921)
Share of profit (loss) from associates and joint ventures		(13)		(13)	59		59
Other operating income	6	381		381	368		368
Other operating expenses	7	(138)		(138)	(167)		(167)
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)		4,756	(172)	4,584	4,431	3,274	7,705
Depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment		(1,712)		(1,712)	(2,400)		(2,400)
Operating profit (loss) (EBIT)		3,044	(172)	2,872	2,031	3,274	5,305
Gain (loss) on divestment of enterprises	9	1,315		1,315	(12)		(12)
Share of profit (loss) from associates and joint ventures		(4)		(4)	(3)		(3)
Financial income	12	858		858	999		999
Financial expenses	12	(1,139)		(1,139)	(1,321)		(1,321)
Profit (loss) before tax		4,074	(172)	3,902	1,694	3,274	4,968
Tax on profit (loss) for the period	13	(743)	37	(706)	(1,236)	(769)	(2,005)
Profit (loss) for the period		3,331	(135)	3,196	458	2,505	2,963
Profit (loss) for the period is attributable to:							
Shareholders of DONG Energy A/S		3,219	(135)	3,084	288	2,505	2,793
Coupon payments and costs after tax, hybrid capital holders of DONG Energy A/S		146		146	147		147
Non-controlling interests		(34)		(34)	23		23
Profit (loss) for the period		3,331	(135)	3,196	458	2,505	2,963
Earnings per share							
Basic earnings per share, DKK		7.66		7.34	0.69		6.69
Diluted earnings per share, DKK		7.66		7.34	0.69		6.65

STATEMENT OF COMPREHENSIVE INCOME

1 JULY - 30 SEPTEMBER

DKK million	Q3 2016			Q3 2015		
	Business performance	Adjustments	IFRS	Business performance	Adjustments	IFRS
Profit (loss) for the period	3,331	(135)	3,196	458	(2,505)	2,963
Other comprehensive income ¹ :						
Hedging instruments:						
Value adjustments for the period	1,584	(1,165)	419	3,870	(3,865)	5
Value adjustments transferred to revenue	(1,505)	1,371	(134)	(622)	638	16
Value adjustments transferred to cost of sales	35	(35)		48	(48)	
Value adjustments transferred to financial income and expenses, net	24		24	47		47
Tax on value adjustments of hedging instruments	(39)	(36)	(75)	(784)	770	(14)
Exchange rate adjustments:						
Exchange rate adjustments relating to net investments in foreign enterprises	(1,123)		(1,123)	(2,000)		(2,000)
Value adjustments of hedging thereof	629		629	864		864
Tax on exchange rate adjustments	5		5	114		114
Other comprehensive income	(390)	135	(255)	1,537	(2,505)	(968)
Total comprehensive income	2,941	-	2,941	1,995	-	1,995
Comprehensive income for the period is attributable to:						
Shareholders of DONG Energy A/S			2,991			2,032
Interest payments and costs after tax, hybrid capital holders of DONG Energy A/S			146			147
Non-controlling interests			(196)			(184)
Total comprehensive income			2,941			1,995

¹ All items under other comprehensive income may be reclassified to the income statement

BALANCE SHEET

ASSETS

DKK million	Note	30 Sep 2016	31 Dec 2015	30 Sep 2015
Intangible assets		1,047	1,134	1,247
Land and buildings		1,550	1,490	1,480
Production assets		62,726	61,107	66,638
Exploration assets		200	14	493
Fixtures and fittings, tool and equipment		420	474	349
Property, plant and equipment under construction		17,000	17,144	24,621
Property, plant and equipment		81,896	80,229	93,581
Investments in associates and joint ventures		1,018	1,421	1,400
Receivables from associates and joint ventures		637	832	845
Other securities and equity investments		172	191	197
Deferred tax		298	274	184
Other receivables		586	751	703
Other non-current assets		2,711	3,469	3,329
Non-current assets		85,654	84,832	98,157
Inventories		3,273	3,567	3,770
Derivative financial instruments	16	11,679	15,642	12,333
Construction contracts		6,536	3,864	4,705
Trade receivables		6,491	7,739	6,598
Other receivables		2,195	2,657	3,011
Receivables from associates and joint ventures		69	56	52
Income tax		319	329	344
Securities	16	19,233	21,221	21,138
Cash		2,588	4,965	3,464
Current assets		52,383	60,040	55,415
Assets classified as held for sale	10	3,160	2,585	4,091
Assets		141,197	147,457	157,663

BALANCE SHEET

EQUITY AND LIABILITIES

DKK million	Note	30 Sep 2016	31 Dec 2015	30 Sep 2015
Share capital		4,204	4,177	4,177
Reserves		20,486	20,855	20,722
Retained earnings		14,339	7,058	20,256
Equity attributable to shareholders of DONG Energy A/S		39,029	32,090	45,155
Hybrid capital		13,248	13,248	13,248
Non-controlling interests		5,240	6,398	6,570
Equity		57,517	51,736	64,973
Deferred tax		2,855	1,646	3,802
Provisions		16,222	17,754	15,939
Bank loans and issued bonds		22,049	31,775	36,253
Other payables		6,664	5,913	5,271
Non-current liabilities		47,790	57,088	61,265
Provisions		1,288	1,434	534
Bank loans and issued bonds		6,250	4,626	2,739
Derivative financial instruments	16	4,720	9,531	8,913
Construction contracts		-	671	-
Trade payables		10,134	10,673	9,303
Other payables		7,959	7,908	6,189
Income tax		3,220	2,657	2,323
Current liabilities		33,571	37,500	30,001
Liabilities		81,361	94,588	91,266
Liabilities relating to assets classified as held for sale	10	2,319	1,133	1,424
Equity and liabilities		141,197	147,457	157,663

STATEMENT OF CHANGES IN EQUITY

1 JANUARY - 30 SEPTEMBER

DKK million	Share capital	Hedging reserve	Translation reserve	Share premium	Retained earnings	Equity attrib. to shareholders of DONG Energy A/S	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2016	4,177	(337)	(87)	21,279	7,058	32,090	13,248	6,398	51,736
Comprehensive income for the period									
Profit (loss) for the period					7,208	7,208	401	(87)	7,522
Other comprehensive income:									
Hedging instruments		1,569	(40)			1,529			1,529
Exchange rate adjustments			(1,657)			(1,657)		(804)	(2,461)
Tax on other comprehensive income		(333)	92			(241)		7	(234)
Total comprehensive income	-	1,236	(1,605)	-	7,208	6,839	401	(884)	6,356
Transactions with owners:									
Coupon payments, hybrid capital							(507)		(507)
Tax on coupon, hybrid capital							106		106
Dividends paid								(274)	(274)
Share-based payment					41	41			41
Tax on share-based payment					94	94			94
Issuance of bonus shares	27				(27)				
Disposals, non-controlling interests					18	18			18
Purchase of treasury shares					(53)	(53)			(53)
Changes in equity in the period	27	1,236	(1,605)	-	7,281	6,939	-	(1,158)	5,781
Equity at 30 September 2016	4,204	899	(1,692)	21,279	14,339	39,029	13,248	5,240	57,517

2015

Equity at 1 January 2015	4,177	(486)	(365)	21,279	17,131	41,736	13,236	6,561	61,533
Comprehensive income for the period									
Profit (loss) for the period					3,039	3,039	683	67	3,789
Other comprehensive income:									
Hedging instruments		126				126			126
Exchange rate adjustments			216			216		339	555
Tax on other comprehensive income		(28)	(20)			(48)			(48)
Total comprehensive income	-	98	196	-	3,039	3,333	683	406	4,422
Transactions with owners:									
Coupon payments, hybrid capital							(754)		(754)
Bond discount and costs, hybrid capital							(64)		(64)
Tax on coupon and costs, hybrid capital							135		135
Addition, hybrid capital							4,424		4,424
Disposal, hybrid capital							(4,412)		(4,412)
Dividends paid								(396)	(396)
Share-based payment					86	86			86
Changes in equity in the period	-	98	196	-	3,125	3,419	12	10	3,441
Equity at 30 September 2015	4,177	(388)	(169)	21,279	20,256	45,155	13,248	6,570	64,973

STATEMENT OF CASH FLOWS

DKK million	Note	9M 2016	9M 2015	Q3 2016	Q3 2015
EBITDA		14,377	15,562	4,584	7,705
Change in derivative financial instruments and loans, business performance	3	2,789	(726)	172	(3,274)
Change in derivative fin. inst., other adjustments		(30)	(196)	(4)	(91)
Change in provisions		402	(203)	(123)	14
Reversal of gain on divestment of assets		(332)	(352)	29	23
Other items		216	(66)	185	(6)
Change in net working capital	11	(1,956)	(3,202)	(3,259)	(3,153)
Interest received and similar items		3,085	4,703	756	872
Interest paid and similar items		(4,284)	(5,297)	(726)	(1,170)
Income tax paid		(2,130)	(3,427)	(216)	(670)
Cash flows from operating activities		12,137	6,796	1,398	250
Purchase of intang. assets and prop., plant and equip.		(12,974)	(14,614)	(5,601)	(5,749)
Sale of intang. assets and prop., plant and equip.		2,347	317	275	146
Acquisition of enterprises		(16)			
Divestment of enterprises		2,008	330	2,022	(4)
Sale of other equity investments		18	41	6	8
Purchase of securities		(7,343)	(6,176)	(50)	(1,095)
Sale/maturation of securities		9,385	9,543	2,227	3,162
Change in other non-current assets		(12)	(3)	(18)	(6)
Finan. trans. with associates and joint ventures		179	22	48	22
Dividends received and capital reduction		12	10		(1)
Cash flows from investing activities		(6,396)	(10,530)	(1,091)	(3,517)
Proceeds from raising of loans			2,814		2,814
Instalments on loans		(7,278)	(358)	237	
Coupon payments on hybrid capital		(507)	(754)	(181)	(182)
Repurchase of hybrid capital			(4,476)		
Proceeds from issuance of hybrid capital			4,424		
Purchase of treasury shares		(53)	(1)		(1)
Transactions with non-controlling interests		(392)	(426)	(112)	(74)
Change in other non-current liabilities		356	61	341	61
Cash flows from financing activities		(7,874)	1,284	285	2,618
Net change in cash and cash equivalents		(2,133)	(2,450)	592	(649)
Cash and cash equiv. at the begining of the period		3,677	4,770	761	3,100
Net change in cash and cash equivalents		(2,133)	(2,450)	592	(649)
Cash flows from assets classified as held for sale		(391)	12	(140)	11
Exchange rate adjustments of cash and cash equiv.		34	132	(26)	2
Cash and cash equivalents at 30 September¹⁾		1,187	2,464	1,187	2,464

Other items

Other items primarily comprise reversal of share of profit (loss) of and dividends in associates and joint ventures, reversal of exploration drilling expenses charged to the income statement, and changes in provisions for bad debts.

Purchase of intangible assets and property, plant and equipment

Investments in intangible assets and property, plant and equipment for the period amount to DKK 12,973 million (9M 2015: DKK 14,614 million). Investments relate primarily to the development of offshore wind activities and oil- and gas fields.

Proceeds from raising of loans

Proceeds from raising repo loans with short maturities are presented net.

1) Cash and cash equivalents:

DKK million	9M 2016	9M 2015
Cash and cash equivalents, see statement of cash flows	1,187	2,464
Bank overdrafts that are a part of the ongoing cash management	102	3
Cash, available	1,289	2,467
Cash, not available	1,299	997
Cash at 30 September	2,588	3,464

01 BASIS OF REPORTING

DONG Energy A/S (the company) is a public limited company with its registered office in Denmark. This interim financial report comprises the company and its consolidated subsidiaries (the Group).

The interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for the interim financial reports of listed and state-owned public limited companies.

The interim financial report does not comprise all disclosures required in the annual report, and therefore the interim financial report should be read together with the annual report 2015.

No interim financial report has been prepared for the parent company. Accounting policies remain unchanged from the annual

report 2015, to which reference is made.

Definitions of performance highlights can be found on page 59 of the annual report for 2015, with the exception of the following performance highlights:

Earnings per share:

$$\frac{\text{The shareholders' share of the profit (loss) for the period}}{\text{Average number of shares}}$$

Diluted earnings per share:

$$\frac{\text{The shareholders' share of the profit (loss) for the period}}{\text{Average number of shares, incl. diluted effect of free shares}}$$

Implementation of new standards and interpretations

Effective from 1 January 2016, DONG Energy A/S has implemented the following new or revised standards and interpretations:

- Amendments to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Amortisation and Depreciation'
- Amendments to IFRS 11 'Acquisition of an Interest in a Joint Operation'
- Amendments to IAS 1 'Disclosure Initiative'
- Amendments to IAS 27 'Equity Method in Separate Financial Statements'
- Annual Improvements to IFRSs 2012-2014

None of these amendments have affected recognition and measurement in 2016 or are expected to affect the DONG Energy A/S Group.

02 SEGMENT INFORMATION



DKK million	
Revenue	18,013
EBITDA	6,813
Gross investments	8,425
Number of employees	2,317

Primary activity:

Development, construction, ownership and operation of offshore wind farms in Denmark, the UK, Germany, the Netherlands, the USA and Taiwan

DKK million	
Revenue	3,193
EBITDA	(15)
Gross investments	1,413
Number of employees	797

Primary activity:

Power and heat generation from CHP plants in Denmark and a gas-fired power plant in the Netherlands, as well as development and construction of a REnescence plant in the UK

DKK million	
Revenue	27,130
EBITDA	5,866
Gross investments	375
Number of employees	1,438

Primary activity:

Distribution and sale of power and sale of gas in the whole sale and retail markets in Denmark, Sweden, Germany and the UK as well as optimisation and hedging of the Group's overall energy portfolio

DKK million	
Revenue	7,429
EBITDA	4,366
Gross investments	2,757
Number of employees	542

Primary activity:

Oil and gas production in Denmark, Norway, the UK, The Faroe Islands and Greenland as well as ownership interests in the subsea gas pipelines and a gas treatment plant in the UK

02 SEGMENT INFORMATION CONTINUED

NOTES

9M 2016		Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Reporting segments	Other activities/ eliminations	Business performance	Adjust- ments	IFRS
DKK million	Wind Power								
INCOME STATEMENT									
External revenue	15,512	3,030	26,698	4,212	49,452	283	49,735	(3,884)	45,851
Intragroup revenue	2,501	163	432	3,217	6,313	(6,313) ¹			
Revenue	18,013	3,193	27,130	7,429	55,765	(6,030)	49,735	(3,884)	45,851
Cost of sales	(9,391)	(2,220)	(19,822)	(804)	(32,237)	6,103	(26,134)	1,095	(25,039)
Employee costs and other external expenses	(2,863)	(1,101)	(1,464)	(1,616)	(7,043)	114	(6,929)		(6,929)
Other operating income and expenses	786	56	100	(730)	212	(52)	160		160
Gain (loss) on divestment of non-current assets	268	55	(78)	87	332		332		332
Share of profit (loss) in associates and joint ventures	1	1			2		2		2
EBITDA	6,813	(15)	5,866	4,366	17,030	136	17,166	(2,789)	14,377
Depreciation and amortisation	(2,532)	(539)	(537)	(1,585)	(5,193)	(22)	(5,215)		(5,215)
Impairment losses				750 ²	750		750		750
Operating profit (loss) (EBIT)	4,281	(554)	5,328	3,532	12,587	114	12,701	(2,789)	9,912
Current hydrocarbon tax				(771)	(771)	(145)	(916)		(916)
EBIT less current hydrocarbon tax	4,281	(554)	5,328	2,761	11,816	(31)	11,785	(2,789)	8,996
Reversal of impairment losses for the period				(750)	(750)		(750)		(750)
Adjusted operating profit (loss)	4,281	(554)	5,328	2,011	11,066	(31)	11,035	(2,789)	8,246
KEY FIGURES									
Property, plant and equip. and intangible assets	51,837	6,577	11,844	12,378	82,636	307	82,943		82,943
Investments in associates and joint ventures as well as other equity investments	825	10	376		1,211	1	1,212		1,212
Net working capital, operations	3,413	(2,775)	(2,138)	496	(1,004)	(158)	(1,162)		(1,162)
Net working capital, installations	(3,449)	(232)		(407)	(4,088)		(4,088)		(4,088)
Derivative financial instruments, net	3,153	(139)	603	3,271	6,888	72	6,960		6,960
Assets classified as held for sale, net			1,877	(36)	1,841	(1,000)	841		841
Decommissioning obligations	(2,746)	(697)	(189)	(6,870)	(10,502)		(10,502)		(10,502)
Other provisions	(1,916)	(761)	(2,727)	(2,565)	(7,969)	961	(7,008)		(7,008)
Tax, net	(2,579)	622	(1,042)	(1,291)	(4,290)	(1,168)	(5,458)		(5,458)
Other receivables and other payables, net	(7)	30	155		178	(457)	(279)		(279)
Capital employed at 30 September	48,531	2,635	8,759	4,976	64,901	(1,442)	63,459	-	63,459
Return on capital employed (ROCE) ³	%	9.4	(51.6)	59.1	(98.9)	-	(6.0)	-	-
Adjusted ROCE ³	%	10.4	(28.5)	59.6	12.6	-	15.3	-	-
Cash flows from operating activities	6,294	471	3,221	2,617	12,603	(466)	12,137		12,137
Gross investments	(8,425)	(1,413)	(375)	(2,757)	(12,970)	(16)	(12,986)		(12,986)
Divestments	1,883	8	2,202	226	4,319	(52)	4,267		4,267
Free cash flow (FCF)	(248)	(934)	5,048	86	3,952	(534)	3,418	-	3,418

¹ Of which elimination of intragroup revenue accounts for an outflow of DKK 7,927million, ² Includes reversal of provision for onerous contracts for the construction of property, plant and equipment, ³ Last 12 months' figures

02 SEGMENT INFORMATION CONTINUED

NOTES

9M 2015		Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Reporting segments	Other activities/ eliminations	Business performance	Adjust- ments	IFRS
DKK million	Wind Power								
INCOME STATEMENT									
External revenue	10,754	3,408	36,726	4,025	54,913	236	55,149	744	55,893
Intragroup revenue	1,580	324	575	5,446	7,925	(7,925) ¹			
Revenue	12,334	3,732	37,301	9,471	62,838	(7,689)	55,149	744	55,893
Cost of sales	(6,059)	(2,655)	(34,117)	(649)	(43,480)	7,623	(35,857)	(18)	(35,875)
Employee costs and other external expenses	(2,113)	(1,176)	(1,411)	(1,965)	(6,665)	175	(6,490)		(6,490)
Other operating income and expenses	227	497	74	789	1,587	3	1,590		1,590
Gain (loss) on divestment of non-current assets	(22)	3	(36)	407	352		352		352
Share of profit (loss) in associates and joint ventures	91	1			92		92		92
EBITDA	4,458	402	1,811	8,053	14,724	112	14,836	726	15,562
Depreciation and amortisation	(2,312)	(1,033)	(859)	(2,222)	(6,426)	(25)	(6,451)		(6,451)
Operating profit (loss) (EBIT)	2,146	(631)	952	5,831	8,298	87	8,385	726	9,111
Current hydrocarbon tax				(2,185)	(2,185)		(2,185)		(2,185)
EBIT less current hydrocarbon tax	2,146	(631)	952	3,646	6,113	87	6,200	726	6,926
Reversal of impairment losses for the period					-		-		-
Adjusted operating profit (loss)	2,146	(631)	952	3,646	6,113	87	6,200	726	6,926
KEY FIGURES									
Property, plant and equip. and intangible assets	51,446	6,265	12,238	24,559	94,508	320	94,828		94,828
Investments in associates and joint ventures as well as other equity investments	1,203	13	410		1,626	1	1,627		1,627
Net working capital, operations	4,806	(1,663)	(3,472)	1,934	1,605	221	1,826		1,826
Net working capital, installations	(2,582)	(108)		(1,167)	(3,857)		(3,857)		(3,857)
Derivative financial instruments, net	(299)	126	1,261	4,117	5,205	(1,785)	3,420		3,420
Assets classified as held for sale, net			2,355	334	2,689	(1)	2,688		2,688
Decommissioning obligations	(2,354)	(781)	(181)	(7,674)	(10,990)		(10,990)		(10,990)
Other provisions	(1,602)	(854)	(2,977)	(6)	(5,439)	(44)	(5,483)		(5,483)
Tax, net	(1,296)	904	(4)	(1,602)	(1,998)	(3,599)	(5,597)		(5,597)
Other receivables and other payables, net	483		7	(1)	489	(553)	(64)		(64)
Capital employed at 30 September	49,806	3,901	9,637	20,494	83,838	(5,440)	78,398	-	78,398
Return on capital employed (ROCE) ²	%	5.1	(18.7)	8.4	(21.2)	-	(2.6)	-	-
Adjusted ROCE ²	%	5.1	(18.7)	8.4	16.0	-	7.8	-	-
Cash flows from operating activities	(52)	1,167	1,999	3,737	6,851	(55)	6,796		6,796
Gross investments	(8,107)	(790)	(910)	(4,600)	(14,407)	(168)	(14,575)		(14,575)
Divestments	(61)	325	90	250	604	4	608		608
Free cash flow (FCF)	(8,220)	702	1,179	(613)	(6,952)	(219)	(7,171)	-	(7,171)

¹ Of which elimination of intragroup revenue accounts for an outflow of DKK 9,518 million, ² Last 12 months' figures

02 SEGMENT INFORMATION CONTINUED

NOTES

Q3 2016		Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Reporting segments	Other activities/ eliminations	Business performance	Adjust- ments	IFRS
DKK million	Wind Power								
INCOME STATEMENT									
External revenue	4,939	565	7,520	1,367	14,391	90	14,481	(211)	14,270
Intragroup revenue	817	36	184	982	2,019	(2,019)			
Revenue	5,756	601	7,703	2,349	16,410	(1,929)	14,481	(211)	14,270
Cost of sales	(3,258)	(393)	(5,690)	(248)	(9,589)	1,962	(7,627)	39	(7,588)
Employee costs and other external expenses	(1,044)	(343)	(502)	(483)	(2,372)	43	(2,329)		(2,329)
Other operating income and expenses	240	5	75	(47)	273	(2)	271		271
Gain (loss) on divestment of non-current assets	(38)	1	(79)	87	(29)		(29)		(29)
Share of profit (loss) in associates and joint ventures	(13)				(13)		(13)		(13)
EBITDA	1,643	(129)	1,508	1,658	4,680	76	4,756	(172)	4,584
Depreciation and amortisation	(864)	(180)	(186)	(473)	(1,704)	(8)	(1,712)		(1,712)
Operating profit (loss) (EBIT)	778	(309)	1,322	1,185	2,976	68	3,044	(172)	2,872
Current hydrocarbon tax				(272)	(272)	(145)	(417)		(417)
EBIT less current hydrocarbon tax	778	(309)	1,322	912	2,704	(76)	2,628	(172)	2,456
Reversal of impairment losses for the period									
Adjusted operating profit (loss)	778	(309)	1,322	912	2,704	(76)	2,628	(172)	2,456

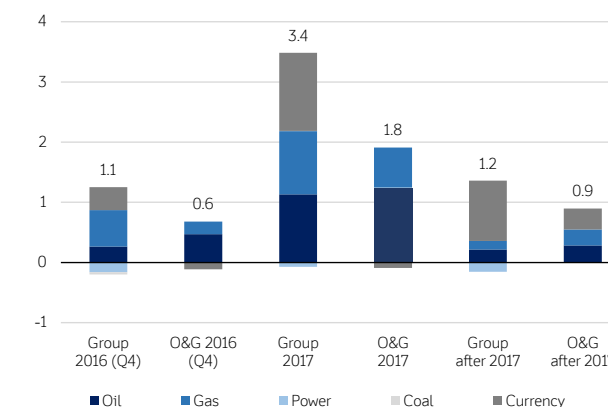
Q3 2015		Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Reporting segments	Other activities/ eliminations	Business performance	Adjust- ments	IFRS
DKK million	Wind Power								
INCOME STATEMENT									
External revenue	4,268	558	10,896	1,291	17,013	281	17,294	3,623	20,917
Intragroup revenue	450	125	167	2,336	3,078	(3,078)			
Revenue	4,718	683	11,063	3,627	20,091	(2,797)	17,294	3,623	20,917
Cost of sales	(2,743)	(453)	(10,501)	(231)	(13,928)	2,999	(10,929)	(349)	(11,278)
Employee costs and other external expenses	(747)	(433)	(518)	(611)	(2,309)	113	(2,196)		(2,196)
Other operating income and expenses	109	6	12	95	222	(1)	221		221
Gain (loss) on divestment of non-current assets	(9)	1	(11)	(2)	(21)		(21)		(21)
Share of profit (loss) in associates and joint ventures	57	2			59		59		59
EBITDA	1,384	(194)	46	2,879	4,115	315	4,430	3,274	7,704
Depreciation and amortisation	(852)	(340)	(285)	(911)	(2,388)	(11)	(2,399)		(2,399)
Operating profit (loss) (EBIT)	533	(534)	(239)	1,968	1,728	302	2,030	3,274	5,304
Current hydrocarbon tax				(891)	(891)		(891)		(891)
EBIT less current hydrocarbon tax	533	(534)	(239)	1,078	838	302	1,140	3,274	4,414
Reversal of impairment losses for the period									
Adjusted operating profit (loss)	533	(534)	(239)	1,078	838	302	1,140	3,274	4,414

03 BUSINESS PERFORMANCE PRINCIPLE

Specification of the difference between EBITDA according to business performance and according to IFRS

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
EBITDA - business performance	17,166	14,836	4,756	4,431
Business performance adj. in respect of revenue for the period	(3,884)	744	(211)	3,623
Business performance adj. in respect of cost of sales for the period	1,095	(18)	39	(349)
EBITDA - IFRS	14,377	15,562	4,584	7,705
Total business performance adjustments for the period comprise:				
Market value adjustments for the period of financial and physical hedging contracts that relate to future periods	(28)	2,557	627	3,864
Reversal of deferred gain (loss) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in business performance EBITDA for this period	(2,761)	(1,831)	(799)	(590)
Total adjustments	(2,789)	726	(172)	3,274

Expected impact on business performance EBITDA from energy and currency hedging, DKK billion



Accounting impact of hedging

DONG Energy's hedging of market risks is based on a number of different accounting principles depending on the type of risk being hedged.

Under the Business Performance principle, value adjustments of contracts hedging energy and related currency risks are post-

poned and recognised in the period in which the hedged exposure materialises. In addition, DONG Energy has entered into cash flow hedging in accordance with IFRS principles, which is transferred to both IFRS and Business Performance EBITDA for the period in which the hedged exposure materialises.

DKK million	Market value adjustment for the period				Reversal of gain (loss) from previous period			
	9 months		3. quarter		9 months		3. quarter	
	2016	2015	2016	2015	2016	2015	2016	2015
Oil hedge	(239)	1,295	213	1,141	(356)	241	(73)	24
Gas (commercial and hedge)	(568)	1,249	135	1,441	(2,262)	(1,524)	(520)	(429)
Power (commercial and hedge)	(1,585)	888	(270)	472	(368)	(511)	(63)	(139)
Coal hedge	70	(154)	12	(66)	121	195	32	48
Currency hedge	2,294	(721)	537	876	104	(232)	(175)	(94)
Total	(28)	2,557	627	3,864	(2,761)	(1,831)	(799)	(590)

04 REVENUE

NOTES

DKK million	9M 2016					Total	Q3 2016					Total
	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Other activities/ eliminations		Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Other activities/ eliminations	
Distribution and transmission			2,238		(15)	2,223			149		(8)	141
Sales of heat and steam		1,406				1,406		182				182
Sales of oil				1,945	10	1,955				669	7	676
Sales of gas			13,048	3,197	(3,914)	12,331			3,970	993	(1,165)	3,798
Sales of power	4,678	1,586	11,664		(2,216)	15,712	1,480	407	3,330		(818)	4,399
Revenue from construction contracts	12,164					12,164	3,923					3,923
Other revenue	1,171	201	180	2,287	105	3,944	353	12	254	687	56	1,362
Total, business performance	18,013	3,193	27,130	7,429	(6,030)	49,735	5,756	601	7,703	2,349	(1,928)	14,481
Adjustments	937	(373)	(2,193)	(2,357)	102	(3,884)	141	(112)	(105)	(296)	161	(211)
Total, IFRS	18,950	2,820	24,937	5,072	(5,928)	45,851	5,897	489	7,598	2,053	(1,767)	14,270

DKK million	9M 2015					Total	Q3 2015					Total
	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Other activities/ eliminations		Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Oil & Gas	Other activities/ eliminations	
Distribution and transmission			4,295	160	(299)	4,156			1,302	49	(104)	1,247
Sales of heat and steam		1,467				1,467		200				200
Sales of oil				2,624	21	2,645				717	8	725
Sales of gas			20,160	5,535	(6,079)	19,616			6,198	2,310	(2,481)	6,027
Sales of power	4,964	1,895	13,106		(1,326)	18,639	1,577	384	3,933		(444)	5,450
Revenue from construction contracts	6,422					6,422	2,833					2,833
Other revenue	948	370	(260)	1,152	(6)	2,204	308	99	(370)	551	224	812
Total, business performance	12,334	3,732	37,301	9,471	(7,689)	55,149	4,718	683	11,063	3,627	(2,797)	17,294
Adjustments	(87)	(6)	439	733	(335)	744	869	109	661	2,042	(58)	3,623
Total, IFRS	12,247	3,726	37,740	10,204	(8,024)	55,893	5,587	792	11,724	5,669	(2,855)	20,917

05 COST OF SALES

NOTES

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Gas	3,756	12,911	1,383	3,439
Power	8,497	10,812	2,397	3,228
Biomass	689	868	13	55
Coal	618	567	168	101
Oil	36	44	8	18
Distribution and transmission costs	3,358	4,230	741	1,359
Costs associated with construction contracts	8,786	5,587	3,038	2,604
Other cost of sales	394	838	(122)	124
Cost of sales, business performance	26,134	35,857	7,626	10,928
Adjustments	(1,095)	18	(39)	349
Cost of sales, IFRS	25,039	35,875	7,587	11,277

06 OTHER OPERATING INCOME

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Gain on divestment of assets	730	417	92	(1)
Insurance compensation	137	876		84
Compensation	398	98	24	1
Miscellaneous operating income	459	838	265	284
Other operating income	1,724	2,229	381	368

The gain on divestment of assets in 9M 2016 consists primarily of the sale of 50% of DONG Energy's ownership interest in the UK offshore wind farm Burbo Bank Extension. The gain on divestment of assets in 9M 2015 consists primarily of an earn-out payment related to the sale of 60% of DONG Energy's ownership interests in the Glenlivet gas field in the UK in 2014.

Insurance compensation received relates to the settlement of insurance claims in Wind Power in 2016 and the settlement of insurance claims in Oil & Gas and Bioenergy & Thermal Power in 2015. Compensation consists primarily of amounts received from transmission system operators and other suppliers.

Miscellaneous operating income in 9M 2015 includes the effect of settled dispute relating to CO₂-emissions allowances in 2005 and the first half of 2006 amounting to DKK 384 million.

07 OTHER OPERATING EXPENSES

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Loss on divestment of assets	398	64	121	21
Miscellaneous operating expenses	834	223	17	146
Other operating expenses	1,232	287	138	167

Miscellaneous operating expenses primarily consist of expenses relating to termination of supplier contracts concerning the construction of the Hejre platform.

08 GROSS AND NET INVESTMENTS

NOTES

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Cash flows from investing activities	(6,396)	(10,530)	(1,091)	(3,517)
Dividends received and capital reduction, reversal	(12)	(10)		1
Purchase and sale of securities, reversed	(2,042)	(3,366)	(2,177)	(2,067)
Loans to associates and joint ventures, reversed	(181)	(22)	(48)	(22)
Sale of non-current assets, reversed	(4,355)	(647)	(2,298)	(142)
Gross investments	(12,986)	(14,575)	(5,614)	(5,747)
Transactions with non-controlling interests in connection with divestments	(88)	(39)	1	(21)
Sale of non-current assets	4,355	647	2,298	142
Total cash flows from divestments	4,267	608	2,299	121
Net investments	(8,719)	(13,967)	(3,315)	(5,626)

09 SALE OF ENTERPRISES

DKK million	9M 2016	9M 2015
Non-current assets	1,432	218
Current assets	494	31
Non-current liabilities	(938)	(36)
Current liabilities	(386)	(28)
Gain on divestment of enterprises in the income statement	1,329	87
Selling price on divestment of enterprises	1,931	272
Of which selling price receivable	(153)	
Of which recognised as provision	(12)	58
Settled internal balances	242	
Cash selling price on divestment of enterprises	2,008	330

Gains on the divestment of enterprises in 9M 2016 consist primarily of a gain on the divestment of Gas Distribution A/S (Distribution & Customer Solutions).

Gains on the divestment of enterprises in 9M 2015 consisted primarily of a gain on the divestment of Måbjergværket A/S (Bioenergy & Thermal Power).

10 ASSETS CLASSIFIED AS HELD FOR SALE

NOTES

DKK million	30 Sep 2016	30 Sep 2015
Property, plant and equipment	1,465	3,846
Other non-current assets	1,624	65
Non-current assets	3,089	3,911
Current assets	71	180
Assets classified as held for sale	3,160	4,091
Non-current liabilities	2,039	1,025
Current liabilities	280	399
Liabilities relating to assets classified as held for sale	2,319	1,424
Assets classified as held for sale, net	841	2,667

On 14 July 2016 DONG Energy entered into an agreement with Faroe Petroleum Norge AS on the sale of ownership interests in the five Norwegian oil and gas production fields Trym, Oselvar, Tambar, Tambar East and Ula. Transfer of ownership to Faroe Petroleum Norge AS is pending approval from the Norwegian authorities which is expected to take place before the end of 2016.

Other assets classified as held for sale comprise DONG Energy's oil pipelines to be divested to Energinet.dk.

11 CHANGE IN NET WORKING CAPITAL

NOTES

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Change in inventories	200	(786)	(285)	(1,250)
Change in construction contracts	(3,482)	(4,421)	(2,574)	(992)
Change in trade receivables	1,413	1,687	(799)	(97)
Change in other receivables	81	632	197	580
Change in trade payables	(669)	(1,108)	(66)	(1,637)
Change in other payables	499	794	268	243
Change in net working capital	(1,956)	(3,202)	(3,259)	(3,153)
Of which change relating to construction contracts and related trade payables	(2,385)	(3,687)	(2,311)	(2,049)
Of which change relating to other working capital	429	485	(948)	(1,104)

12 NET FINANCIAL INCOME AND EXPENSES

DKK million	9M 2016	9M 2015	Q3 2016	Q3 2015
Interest expenses, net	(375)	(456)	(4)	(254)
Interest element of provisions etc.	(622)	(500)	(220)	(167)
Value adjustments of derivative financial instruments, net	(81)	(73)	(11)	(5)
Exchange rate adjustments, net	735			452
Value adjustments of securities, net	2	(403)	(47)	(138)
Costs relating to early repayments	(892)		7	
Other financial income and expenses, net	98	(221)	(6)	(210)
Net financial income and expenses	(1,135)	(1,653)	(281)	(322)

Net financial income and expenses amount to DKK -1,135 million for 9M 2016 against DKK -1,653 million in the same period in 2015. The development can mainly be attributed to positive exchange rate adjustments of loans and deposits resulting from a 15.0% fall in GBP in 9M 2016. Conversely, costs in 2016 are affected by costs relating to the repurchase of bonds and early repayment of bank loans and interest rate swaps.

13 TAX ON PROFIT (LOSS) FOR THE PERIOD

NOTES

DKK million	9M 2016		9M 2015		Q3 2016		Q3 2015	
	Business performance	IFRS	Business performance	IFRS	Business performance	IFRS	Business performance	IFRS
Tax on profit (loss) for the period	(3,191)	(2,579)	(3,577)	(3,749)	(743)	(706)	(1,236)	(2,005)
Tax on other comprehensive income	378	(234)	(220)	(48)	(34)	(71)	(670)	99
Tax on hybrid capital	106	106	135	135	36	36	36	36
Total tax for the period	(2,707)	(2,707)	(3,662)	(3,662)	(741)	(741)	(1,870)	(1,870)
Tax on profit (loss) for the period can be broken down as follows:								
Current tax calculated applying normal tax rates	(2,035)	(2,035)	(1,207)	(1,207)	(127)	(127)	(703)	(703)
Current tax, hydrocarbon tax calculated applying higher tax rate	(916)	(916)	(2,185)	(2,185)	(417)	(417)	(891)	(891)
Deferred tax calculated applying normal tax rates	(495)	117	(520)	(692)	(471)	(434)	193	(576)
Deferred tax, hydrocarbon tax calculated applying higher tax rate	100	100	267	267	46	46	116	116
Tax on assets classified as held for sale	(86)	(86)			(9)	(9)		
Adjustments of tax concerning previous periods	241	241	68	68	235	235	49	49
Tax on profit (loss) for the period	(3,191)	(2,579)	(3,577)	(3,749)	(743)	(706)	(1,236)	(2,005)

Tax and tax rate

The effective tax rate for the period after Business Performance is 25% for 9M 2016 against 53% in 9M 2015. The effective tax rate in 2016 was particularly affected by a tax-exempt gain on

the divestment of DONG Gas Distribution A/S and 50% of the offshore wind farm Burbo Bank Extension and the decision to close down the Hejre project in its current form.

Earnings in Denmark increased significantly compared to the same period in 2015, while earnings in Norway fell, reducing the impact from the Norwegian hydrocarbon tax on the effective tax rate from 28 percentage points to 5 percentage points.

Business performance

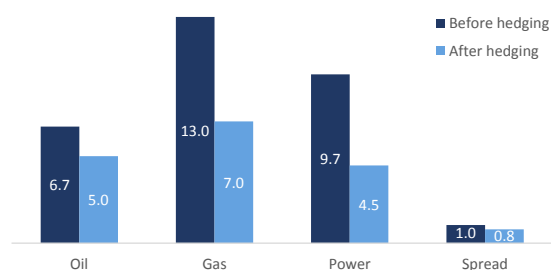
DKK million	2016			2015		
	Profit (loss) before tax	Tax on profit (loss) for the period	Tax rate	Profit (loss) before tax	Tax on profit (loss) for the period	Tax rate
Oil and gas activities in Norway (hydrocarbon income)	1,075	(995)	93%	3,574	(2,971)	83%
Oil and gas exploration activities in the UK and the Faroe Islands	45	70	(156)%	25		n.a.
Gain (loss) from divestments and other non-taxable income and non-deductible costs	1,888	46	(2)%	105	60	57%
Impairment losses	750	(325)	43%			
Effect of change in tax rate		40	n.a.			
Rest of DONG Energy	9,132	(2,027)	22%	3,108	(666)	22%
Effective tax for the period	12,890	(3,191)	25%	6,812	(3,577)	53%

14 MARKET RISKS

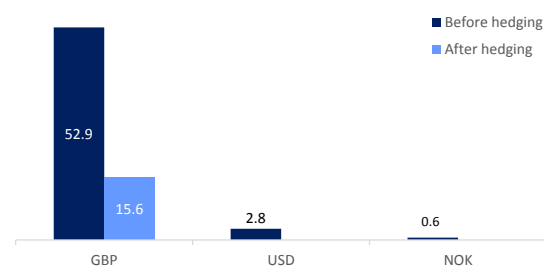
Energy and currency exposures

At 30 September 2016, the Group's energy and currency exposures from production, sales, investments and divestments had been reduced from DKK 86.7 billion to DKK 32.9 billion via hedging.

ENERGY EXPOSURE,
DKK billion, 2016-2021 (30/9)



CURRENCY EXPOSURE,
DKK billion, 2016-2021 (30/9)



Energy price risks

The Group's energy price risks are hedged in accordance with the minimum hedging levels decided for each of the four business units. In the near future (the next two years), a high degree of hedging is wanted to secure results and cash flows after tax, while the degree of hedging is lower in subsequent years. The approach is chosen partly because there is less certainty about long-term production volumes, and partly because the financial and physical markets for long-dated price hedging instruments are less liquid.

Currency risks

DONG Energy's international activities entail a financial risk in relation to exchange rate fluctuations. The most significant risk relates to GBP due to the Group's substantial investments in offshore wind farms in the UK.

The purpose of DONG Energy's currency risk management is to reduce the Group's currency risks over a five-year horizon. The main risk management principle is that the currency exposures are hedged once it is deemed relatively certain that the underlying cash flows in foreign currencies will materialise.

Thus, hedging of the currency risk associated with the energy prices takes place concurrently with the hedging of the energy price risk. Similarly, the currency risk associated with divest-

ments and investments is hedged when there is high certainty of the price and transaction structure. On the other hand, due to varying and thereby uncertain correlations between exchange rates and energy prices, currency risks associated with unhedged energy price risks are not hedged and is not included in the currency risk exposure calculation. This is the case, for example, with the USD risk associated with an unhedged oil price risk.

The hedging of cash flows relating to green certificates and fixed tariff elements from offshore wind farms in the UK derogates from the main principle as the hedging of these cash flows (less operating expenses) is based on a declining level of hedging over the risk management horizon. The target is to hedge 100% of the risk in year 1, declining by 20 percentage point each year, with 20% hedging in year 5. Fluctuations in GBP therefore constitute a strategic risk for DONG Energy.

DONG Energy's GBP exposures after hedging amount to DKK 15.6 billion (sales position) for the 2016 - 2021 period, consisting of DKK 8.8 billion regarding green certificates and DKK 6.8 billion regarding other exposures. The GBP exposures for 2016 and 2017 are almost fully hedged at 9.5 DKK/GBP and a significant part of the exposure for 2018 is hedged at 9.3 DKK/GBP. USD and NOK exposures after hedging amount to DKK 0.0 billion for the 2016 - 2021 period.

15 LOAN ARRANGEMENTS

In the course of Q2 2016, DONG Energy repaid four bank loans with a total nominal value of DKK 2.3 billion. DONG Energy also repurchased bonds with a total nominal value of EUR 524 million (DKK 3.9 billion). The bonds were purchased from four se-

ries and subsequently cancelled. Early repayment of loans and repurchase of bonds affected the income statement by financial expenses of DKK 0.9 billion.

16 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

NOTES

The table below shows the distribution of assets and liabilities recognised at fair value based on their calculated fair values. Market values are included in 'quoted prices (level 1)' if the fair value can be derived directly from an active market, for exam-

ple for listed securities. Market values are included in 'observable inputs (level 2)' if the market value has been calculated using inputs which can be derived from active markets etc. Market values are included in 'non-observable inputs (level

3)' if the market value has been calculated using inputs which cannot be derived from active markets etc., often because trading in the active market is within a short time horizon. The valuation of this group is therefore subject to some uncertainty.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

DKK million	30 Sep 2016				30 Sep 2015			
	Quoted prices (level 1)	Observable inputs (level 2)	Non-observable inputs (level 3)	Total	Quoted prices (level 1)	Observable inputs (level 2)	Non-observable inputs (level 3)	Total
Securities	15,594	3,639		19,233	20,675	463		21,138
Total securities	15,594	3,639	-	19,233	20,675	463	-	21,138
Commodities	3,126	3,975	176	7,277	3,659	6,646	631	10,936
Currency		4,246		4,246		1,289		1,289
Interest		156		156		108		108
Total derivative financial instruments	3,126	8,377	176	11,679	3,659	8,043	631	12,333
Total assets	18,720	12,016	176	30,912	24,334	8,506	631	33,471
Commodities	1,348	2,134	369	3,851	2,218	1,554	665	4,437
Currency		829		829		3,923		3,923
Interest		40		40		553		553
Total derivative financial instruments	1,348	3,003	369	4,720	2,218	6,030	665	8,913
Total equity and liabilities	1,348	3,003	369	4,720	2,218	6,030	665	8,913

Valuation principles and material assumptions

In order to keep modifications of parameters, calculation models or the use of subjective estimates to a minimum, it is the Group's policy to determine fair values on the basis of external information that most accurately reflects the values of assets or liabilities. Market values are determined by the Risk Management function, which reports to the CFO. The development

in market values is monitored on a continuous basis and reported to the Executive Board.

The most significant parameter resulting in contracts being classified as level 3 (material non-observable inputs) is the power price. Normally, the price can be observed for a maximum of five years in the power market, after which an active market no longer exists. Beyond the five-year horizon, the

energy price is thus projected on the basis of material non-observable inputs, with the projection being based on the observable forward price for years 1 to 5. As the forward price of power develops stably during the five-year period for which an observable price is available, the projection over a small number of years is not deemed to be associated with any material risk.

17 INTEREST-BEARING NET DEBT AND FFO

NOTES

DKK million	30 Sep 2016	31 Dec 2015	30 Sep 2015
Bank loans	4,906	7,186	9,813
Issued bonds	23,393	29,215	29,179
Bank loans and issued bonds	28,299	36,401	38,992
Other interest-bearing debt	922	778	795
Total interest-bearing debt	29,221	37,179	39,787
Securities	19,233	21,221	21,138
Cash	2,584	4,965	3,463
Receivables from associates and joint ventures	704	883	893
Other receivables	758	917	869
Total interest-bearing assets	23,279	27,986	26,363
Total interest-bearing net debt	5,942	9,193	13,424
50% of hybrid capital	6,624	6,624	6,624
Cash and securities, not available for distribution	1,792	3,818	3,284
Present value of operating lease payments	4,440	4,248	4,536
Decommissioning obligations	10,502	11,144	10,990
Deferred tax on decommissioning obligations	(2,839)	(3,957)	(4,318)
Adjusted interest-bearing net debt	26,461	31,070	34,540
Funds from operation (FFO) ¹	15,355	12,567	12,075
Funds from operation (FFO) ¹ / adjusted interest-bearing net debt	58.0%	40.4%	35.0%
EBITDA - business performance	20,813	18,484	18,201
Interest expenses, net	(678)	(767)	(657)
Reversal of interest expenses transferred to assets	(757)	(389)	(419)
Interest element of decommissioning obligations	(536)	(494)	(475)
50% of coupon payments on hybrid capital	(287)	(411)	(377)
Calculated interest paid on operating lease obligations	(276)	(219)	(201)
Adjusted interest expenses, net	(2,534)	(2,280)	(2,129)
Reversal of recognised operating lease payment in profit (loss) for the period	878	753	558
Total current tax	(3,802)	(4,390)	(4,555)
Funds from operation (FFO) ¹	15,355	12,567	12,075

¹ Last 12 months' figures

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Board of Directors and the Executive Board have today considered and approved the interim financial report of the DONG Energy Group for the period 1 January - 30 September 2016. The interim financial report has not been audited or reviewed by the company's independent auditors.

The interim financial report for the period 1 January - 30 September 2016 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and the accounting policies set out in the annual report 2015 of the DONG Energy Group.

Furthermore, the interim financial report and the management's review have been prepared in accordance with Danish disclosure requirements for the interim financial reports of listed and state-owned public limited companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2016 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2016.

Furthermore, in our opinion, the management's review includes

a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Besides what has been disclosed in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the annual report for 2015.

Skærbæk, 8 November 2016

Executive Board:

Henrik Poulsen
President and CEO

Marianne Wiinholt
CFO

Board of Directors:

Thomas Thune Andersen
Chairman

Lene Skole
Deputy chairman

Lynda Armstrong

Pia Gjellerup

Martin Hintze

Benny D. Loft

Claus Wiinblad

Poul Arne Nielsen

Poul Dreyer*

Benny Gøbel*

Jens Nybo Sørensen*

Hanne Steen Andersen*

*Employee representative

FORWARD-LOOKING STATEMENTS

Forward-looking statements

The interim financial report contains forward-looking statements, which include projections of short and medium-term financial performance and targets as well as our financial policies. 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 report due to a variety of factors, including, but not limited to, changes in temperature, wind and precipitation levels; the development in oil, gas, power, coal, CO₂, currency and interest rate markets; changes in legislation, regulation or standards; renegotiation of contracts; outcome of litigations and disputes; changes in the competitive environment in DONG Energy's markets; and security of supply. Reference is made to the Risk and risk management chapter and to note 7 in the annual report for 2015.