ANNUAL REPORT 2009

DONG energy

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FINANCIAL CALENDAR

11 March 2010	Annual Report 2009
19 April 2010	Annual General Meeting
20 May 2010	Interim financial report Q1 2010
19 August 2010	Interim financial report H1 2010
11 November 2010	Interim financial report 9M 2010

FURTHER INFORMATION

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OTHER PUBLICATIONS

Responsible Energy 2009 can be ordered online or downloaded at dongenergy.com

Cover photo
3.6 MW wind turbines near Avedøre Power Station, Copenhagen

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

FAST TRANSITION TO GREEN FUTURE

DONG Energy's activities and financial performance in 2009 were affected by the financial crisis. Extraordinarily low demand for energy led to low prices for our core products: power and natural gas.

However, taking a longer-term view, 2009 was also a year of vital strategic decision-making that will ensure that DONG Energy will lead the transition to a greener future. We aim to reduce CO_2 emissions significantly while at the same time maintaining a high level of security of supply. Wind power, biomass and natural gas are key elements of this strategy.

In 2009, we inaugurated the Horns Rev 2 offshore wind farm, the world's largest. It joins a whole host of new wind farms in Denmark, the UK, Sweden and Poland. They add considerably to our capacity while at the same time contributing to our results already from this year. In 2009, DONG Energy secured the possibility of accelerating and rationalising the construction of wind farms through an extensive supply agreement with Siemens Wind Power and the acquisition of the specialist shipping company A2SEA.

Natural gas is the second key element in our transition to a greener future. Natural gas-fired power stations only emit around half the CO_2 of coal-fired plants. This year and next year, we will be inaugurating three new natural gas-fired power stations in Norway, the UK and the Netherlands respectively.

In parallel with this, we have made a decision to suspend operations at four coal-fired power station units, which means that our capacity at coal-fired power stations will have been reduced by a quarter in just under two years. In addition, we have shelved all new coal power development projects and have begun to explore interesting opportunities for converting power station units from coal to biomass.

In 2009, we inaugurated one of the world's first demonstration plants for production of second-generation bioethanol based on straw and similar residual products.

Production from the Alve natural gas field commenced in 2009, and development of the Ormen Lange field continued as planned. At the same time, discoveries were made in the West of Shetland area, and the number of new licences was expanded.

Coupled with a significant reduction in costs, the many activities are intended to ensure that we can achieve our ambitious target of reducing our carbon intensity as well as our equally ambitious growth target.

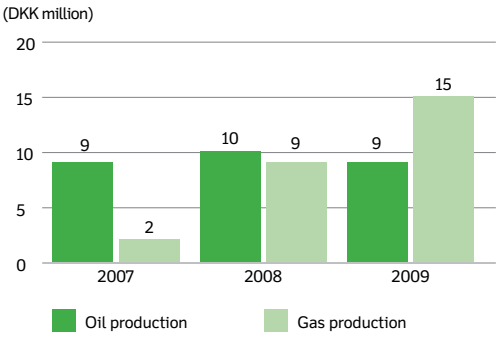
11 March 2010

Anders Eldrup, CEO

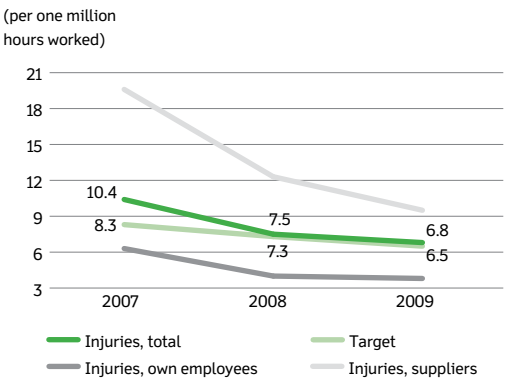
Fritz H. Schur, Chairman of the Supervisory Board

DONG Energy is one of the leading energy groups in Northern Europe. We are headquartered in Denmark. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. We have approximately 6,000 employees and generated just under DKK 50 billion (EUR 6.6 billion) in revenue in 2009.

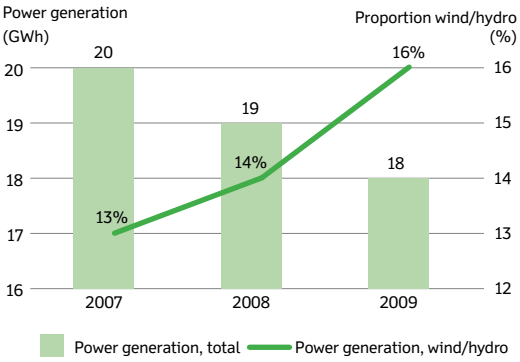
OIL AND GAS PRODUCTION



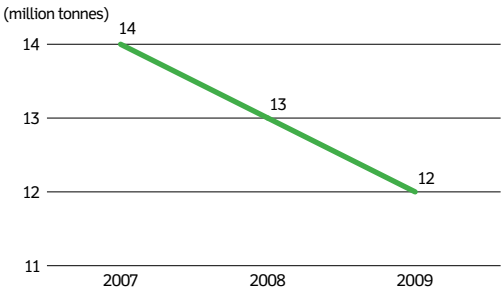
LOST TIME INJURY FREQUENCY (LTIF)



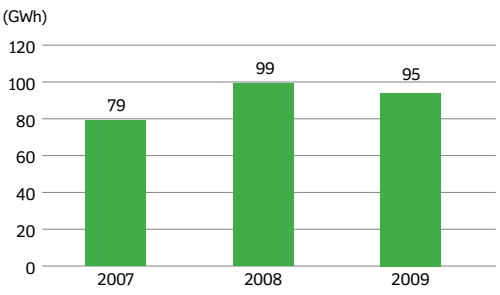
POWER GENERATION



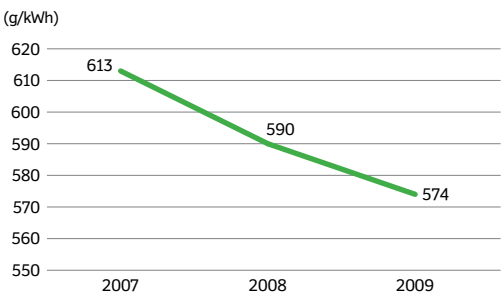
CO_2 EMISSIONS, SUBJECT TO ALLOWANCES



GAS SALES



CO_2 EMISSIONS PER ENERGY UNIT GENERATED

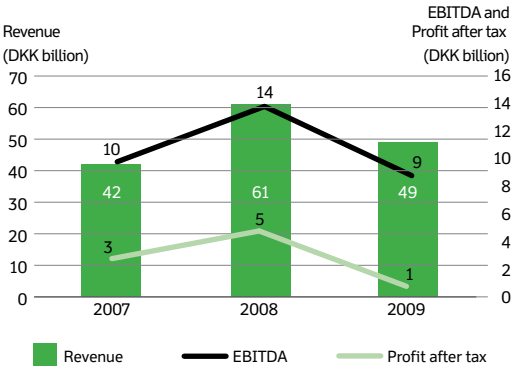


Note: The figure reflects the 85/15 plan, which stakes out the way to secure energy without CO_2. The method used to determine the figure is explained on page 163.

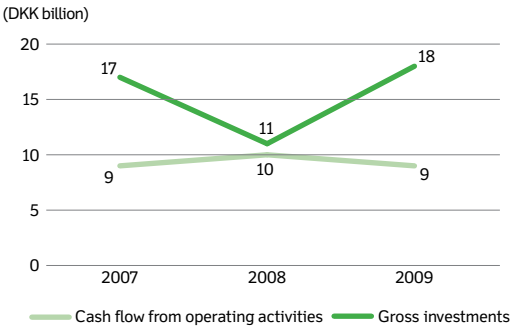
DONG ENERGY AT A GLANCE

Given the tough market conditions, EBITDA is considered to be satisfactory. Furthermore, DONG Energy succeeded in maintaining strong cash flows from operating activities.

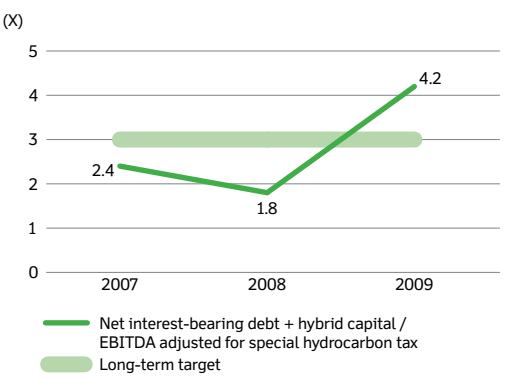
REVENUE AND RESULTS



GROSS INVESTMENTS AND CASH FLOW FROM OPERATING ACTIVITIES



CAPITAL STRUCTURE



REVENUE
DKK billion

49.3

Revenue was down 19% as a result of lower prices, partly offset by higher natural gas production.

EBITDA
DKK billion

8.8

EBITDA was down DKK 4.8 billion, reflecting lower natural gas and oil prices as well as timing differences relating to natural gas and coal.

CASH FLOWS FROM OPERATING ACTIVITIES
DKK billion

9.5

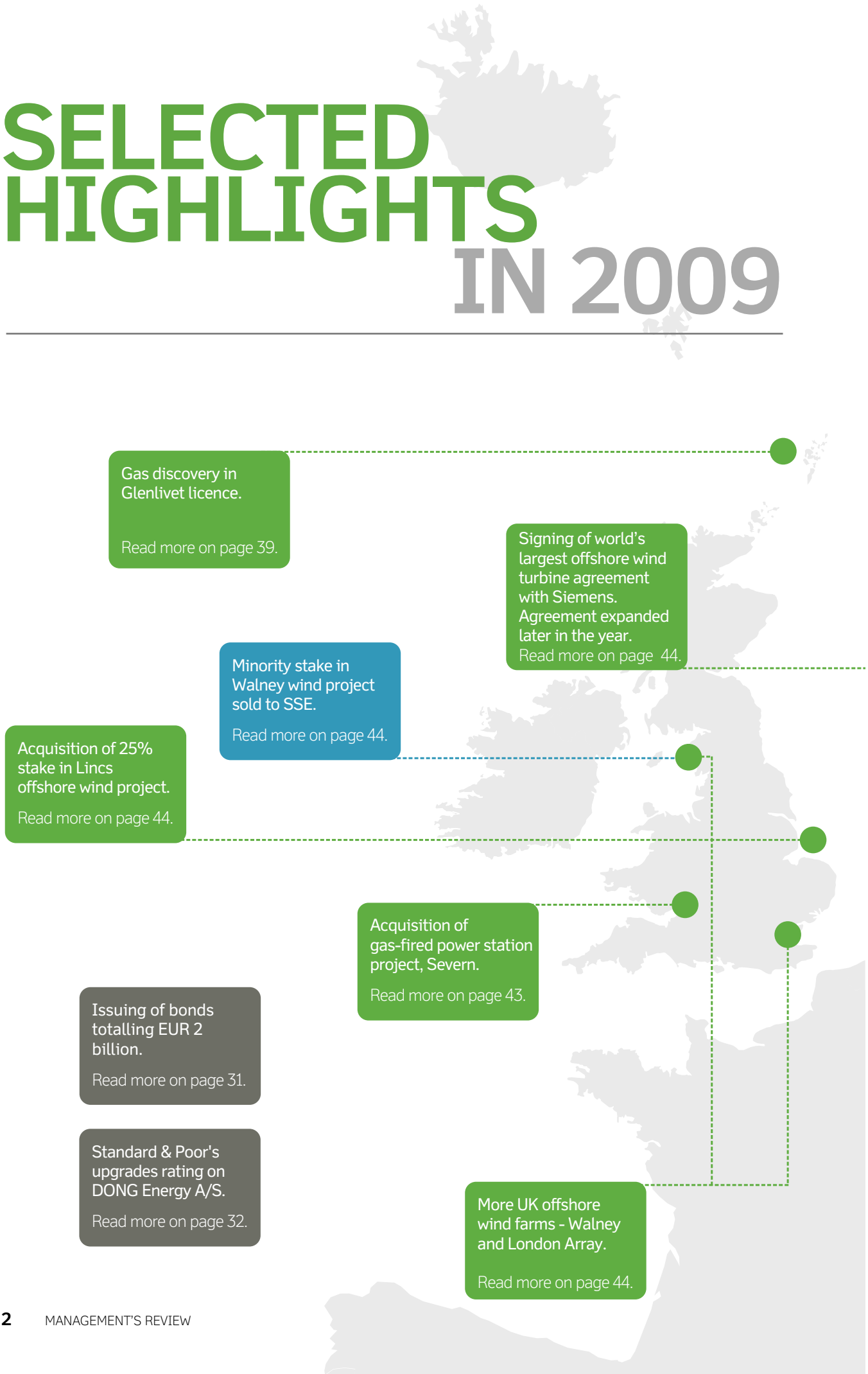
The decrease in operating cash inflow was smaller than the decrease in EBITDA, primarily reflecting less funds tied up in working capital.

GROSS INVESTMENTS
DKK billion

17.9

Investments consisted predominantly of offshore wind farms, development of natural gas and oil fields and natural gas-fired power stations.

SELECTED HIGHLIGHTS IN 2009



Gas discovery in Glenlivet licence.

Read more on page 39.

Signing of world's largest offshore wind turbine agreement with Siemens. Agreement expanded later in the year.

Read more on page 44.

Minority stake in Walney wind project sold to SSE.

Read more on page 44.

Acquisition of 25% stake in Lincs offshore wind project.

Read more on page 44.

Acquisition of gas-fired power station project, Severn.

Read more on page 43.

Issuing of bonds totalling EUR 2 billion.

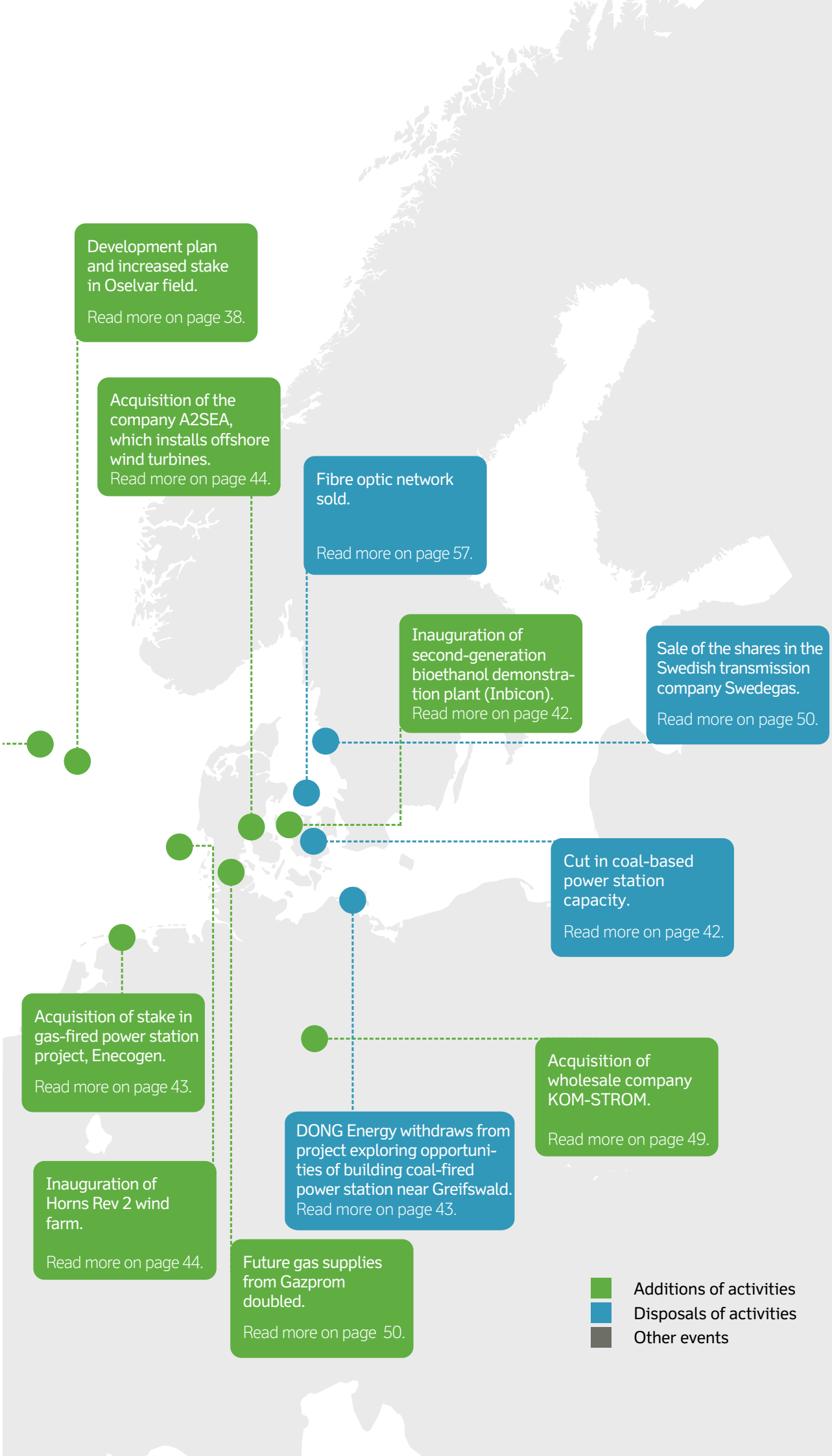
Read more on page 31.

Standard & Poor's upgrades rating on DONG Energy A/S.

Read more on page 32.

More UK offshore wind farms - Walney and London Array.

Read more on page 44.


Development plan and increased stake in Oselvar field.
Read more on page 38.
Acquisition of the company A2SEA, which installs offshore wind turbines.
Read more on page 44.
Fibre optic network sold.
Read more on page 57.
Inauguration of second-generation bioethanol demonstration plant (Inbicon).
Read more on page 42.
Sale of the shares in the Swedish transmission company Swedegas.
Read more on page 50.
Cut in coal-based power station capacity.
Read more on page 42.
Acquisition of stake in gas-fired power station project, Enecogen.
Read more on page 43.
Acquisition of wholesale company KOM-STROM.
Read more on page 49.
DONG Energy withdraws from project exploring opportunities of building coal-fired power station near Greifswald.
Read more on page 43.
Inauguration of Horns Rev 2 wind farm.
Read more on page 44.
Future gas supplies from Gazprom doubled.
Read more on page 50.
Additions of activities
Disposals of activities
Other events

FINANCIAL KEY PERFORMANCE INDICATORS

		2009	2008	2007	2006	2005	2009	2008
				DKK million			EUR million	
INCOME STATEMENT								
Revenue:		**49,262**	**60,777**	**41,625**	**36,564**	**18,493**	**6,615**	**8,152**
Exploration & Production		6,579	7,114	4,409	5,111	3,879	884	954
Generation		12,441	15,298	12,358	7,682	114	1,671	2,052
Energy Markets		28,201	38,087	20,262	18,286	} 14,550	3,787	5,109
Sales & Distribution		13,386	15,595	14,552	12,254		1,798	2,092
Other activities/eliminations		(11,345)	(15,317)	(9,956)	(6,769)	(50)	(1,525)	(2,055)
EBITDA:		**8,840**	**13,622**	**9,606**	**8,950**	**6,314**	**1,187**	**1,827**
Exploration & Production		3,427	4,053	2,290	3,370	2,569	460	543
Generation		915	3,155	3,769	2,663	47	123	423
Energy Markets		2,046	5,082	1,582	1,803	} 3,609	275	682
Sales & Distribution		2,239	1,827	1,961	1,303		301	245
Other activities/eliminations		213	(495)	4	(189)	89	28	(66)
EBITDA adjusted for special hydrocarbon tax		**8,371**	**12,876**	**9,584**	**8,727**	**5,886**	**1,124**	**1,727**
EBIT		3,757	8,004	4,783	5,691	4,099	504	1,073
Financial items, net		(1,362)	(1,134)	(740)	(592)	(152)	(183)	(152)
Profit after tax		**1,138**	**4,815**	**3,259**	**5,039**	**2,687**	**153**	**646**
BALANCE SHEET								
Assets		120,552	106,085	89,710	99,255	46,854	16,200	14,238
Additions to property, plant and equipment		16,530	9,853	11,151	5,281	8,041	2,224	1,321
Interest-bearing assets		7,510	2,794	2,517	9,981	7,356	1,009	375
Interest-bearing debt		34,440	18,047	17,309	27,760	7,148	4,628	2,422
Net interest-bearing debt		26,930	15,253	14,792	17,779	(208)	3,619	2,047
Equity		44,808	46,190	42,211	42,390	26,278	6,021	6,200
Capital employed		71,737	61,443	57,003	60,169	26,070	9,640	8,247
CASH FLOW								
Funds From Operation (FFO)		7,402	11,165	10,046	6,694	5,419	994	1,543
Cash flows from operating activities		9,468	10,379	8,842	8,169	5,866	1,271	1,392
Cash flows from investing activities		(21,199)	(8,629)	(11,803)	(7,809)	(9,542)	(2,848)	(1,157)
Gross investments		17,937	11,225	17,465	9,728	10,691	2,409	1,505
Free cash flow to equity (with acquisitions/disposals)		(11,731)	1,750	(2,961)	360	(3,676)	(1,576)	235
Free cash flow to equity (without acquisitions/disposals)		(10,623)	430	641	14,302	3,325	(1,427)	58
KEY RATIOS								
EBITDA margin	%	18	22	23	24	34	18	22
EBIT margin (operating margin)	%	8	13	11	16	22	8	13
Financial gearing	x	0.60	0.33	0.35	0.42	(0.01)	0.60	0.33
Net interest-bearing debt + hybrid capital / EBITDA adjusted for special hydrocarbon tax	x	4.2	1.8	2.4	3.0	1.3	4.2	1.8
Adjusted net debt / Cash flows from operating activities	x	3.3	1.9	2.1	2.7	0.7	3.3	1.9
Number of shares, end of year	1,000	293,710	293,710	293,710	293,710	214,360	293,710	293,710
Average number of shares	1.000	293,710	293,710	293,710	270,167	214,360	293,710	293,710
Earnings per share	DKK	2.73	15.07	9.93	17.45	12.50	0.37	2.02
Proposed dividend per share	DKK	1.64	6.56	5.00	6.70	0.16	0.22	0.88
Cash flows from operating activities per share	DKK	32.24	35.34	29.81	29.78	27.37	4.33	4.74
Free cash flow to equity (without acquisitions/disposals) per share	DKK	(36.17)	1.46	2.18	52.94	15.51	(4.86)	0.20

For definitions of financial highlights, reference is made to the description of accounting policies in note 40 to the consolidaed financial statements.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

		2009	2008	2007	2006
VOLUMES					
Production:					
Oil and gas production	million boe	24.0	18.5	11.3	13.8
- oil	million boe	8.5	10.0	9.1	12.1
- gas	million boe	15.5	8.5	2.2	1.7
Power generation	GWh	18,074	18,536	20,534	26,278
- thermal	GWh	15,264	15,958	17,310	23,116
- renewable	GWh	2,810	2,578	3,224	3,162
Heat generation	TJ	46,686	46,380	47,257	50,508
- thermal	TJ	46,618	46,321	47,205	50,468
- renewable	TJ	68	59	52	40
Sales and distribution:					
Gas sales (ex consumption own power stations)	GWh	93,961	99,413	78,820	99,712
Power sales	GWh	10,723	10,853	10,893	10,775
Gas distribution	GWh	9,966	10,346	10,212	11,087
Power distribution	GWh	9,156	9,371	9,289	5,116
Oil transportation, Denmark	million bbl	85	91	100	107
ENVIRONMENT					
Greenhouse gas emissions:					
Carbon dioxide (CO_2), subject to allowances	million tonnes of CO_2	11.9	12.6	13.8	18.2
Other direct greenhouse gas emissions	million tonnes of CO_2 equivalent	0.2	0.3	0.2	0.1
Initiatives for reduction of greenhouse gas emissions:					
Percentage of CO_2-neutral fuels at power stations	%	15.2	14.1	14.5	10.0
CO_2 emissions per energy unit generated (power and heat)[1)]	g/kWh	574	590	613	638
Campaign "1 tonne less CO_2 per employee":					
Total reduction	tonnes of CO_2	2,895	-	-	-
Reduction per employee	tonnes of CO_2 per employee	0,49	-	-	-
Other emissions to air:					
Nitrogen oxides (NO_x)	tonnes	9,304	11,650	17,006	25,352
Sulphur dioxides (SO_2)	tonnes	2,425	3,507	4,199	6,629
Natural gas flaring (offshore and at gas storage facility)	million Nm^3	7.3	8.6	9.7	8.4
Other emissions:					
Oil discharged to sea from production platforms	tonnes	18	24	23	26
Reinjection of produced water at production platforms	%	49	51	56	59
Waste:					
Reuse of waste in administration	%	31	10	45	20
Reuse of waste in production	%	57	52	45	48
Environmental accidents and excavation damage:					
Significant environmental accidents	no.	5	1	2	-
Excavation damage to gas pipes	no.	79	107	118	128
Methane leaks due to excavation damage	Nm^3	33,844	25,490	63,647	25,797
WORKING CONDITIONS					
Employees:					
Man-years (FTE)	no.	5,865	5,644	5,042	4,412
Executives	no.	53	56	49	45
Average age	years	43	43	43	43
Employee turnover	%	11	12	14	-
Occupational health and safety:					
Occupational injuries	no.	129	112	112	99
Lost time injury frequency [2)]	per 1 million hours worked	6.8	7.5	10.4	10.4
Total injury frequency	per 1 million hours worked	26	25	29	32
Fatal accidents	no.	1	1	0	0

Reference is made to the description of accounting policies on pages 162-166.

1): The determination has been made on a proportionate basis for all activities and consequently includes associates and non-consolidated enterprises.

2): DONG Energy defines absence as an occupational injury resulting in at least one day's absence from work in addition to the day of the injury. The rate for 2008 has been restated in relation to the rate published in 2008 (from 7.4 to 7.5).

MOVING ENERGY FORWARD

The international energy markets

Since the opening of local energy markets at the start of the 1990s, major structural changes have taken place in both power and natural gas across national borders.

The result is a major consolidation to the effect that the power and natural gas markets in Europe are now dominated by six large international players: EDF, E.ON, Enel, GDF Suez, Iberdrola and RWE. There are also a number of medium-sized, more regionally based companies such as Centrica, Fortum, Statkraft, Vattenfall and DONG Energy. The consolidation continued in 2009 and included Vattenfall's acquisition of Nuon and RWE's acquisition of Essent.

Besides this consolidation, the heightened focus on the climate has had a major impact on the development in this sector. Europe's energy sector has entered a phase where generating capacity is being converted on a large scale to enable it to comply with the stricter climate requirements. This calls for major investments, and this will have a major impact on the future composition of energy production, including especially by increasing the proportion of energy generated from renewable sources of energy. DONG Energy has made good headway in this transition and has taken significant steps towards greener power generation, partly by investing in wind and biomass, and partly by reducing its coal-based power generation.

The full opening of the EU power and natural gas markets was completed in July 2007. The aim was the creation of efficient price formation and incentives to invest in new capacity. However, the creation of a single energy market in the EU is still a long way off. There are thus still many regional markets in Europe in both power and natural gas. However, significant investments are being made in expansion of transmission capacity between the various countries, which is contributing to a more cohesive European market. One example is the NorNed cable between Norway and the Netherlands, which was opened in 2008.

DONG Energy's thermal power generation is concentrated in Denmark, which is part of the regional Nord Pool market area. Denmark is also connected to the German market via transmission cables. The Nordic area is characterised by the fact that a large proportion of power generation comes from hydropower plants, while power generation in Germany and Denmark is predominantly thermally based. This creates different price patterns in the Nordic countries, Denmark and Germany.

DONG Energy has a large and rapidly growing portfolio of wind power activities. Investments in wind turbines depend, to a great extent, on political initiatives aimed at promoting renewable energy through subsidies. Schemes vary from country to country. The vast majority of DONG Energy's wind turbines are located in the UK, Denmark and Poland. Subsidy schemes in the UK and Poland are based on the award of a specific number of green certificates per MWh that can be traded in the market, while, in Denmark, a fixed minimum payment per MWh generated is received that is fixed in connection with the authorities' approval of a wind farm project.

The natural gas market is also regional, with most of the natural gas being transported in pipeline systems. Upstream, the natural gas market is dominated by Russian and Norwegian producers, including Gazprom and Statoil. Liquefied natural gas (LNG) from overseas plays a larger part than previously and is contributing to the growing globalisation of the natural gas market. Downstream, the market is largely dominated by a few large energy companies.

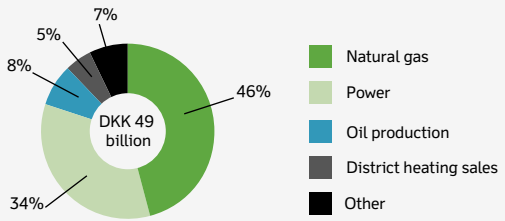
The oil market differs from the power and natural gas markets by being global.

DONG Energy's activities

Energy is the life blood of modern society, and a secure supply of energy is essential to keep the wheels of society turning. DONG Energy's business is based on activities across the energy value chain - procurement, production, trading and distribution. More than one million customers in Northern Europe receive their daily energy supplies directly from DONG Energy on a daily basis, and the Group also helps to ensure a secure and reliable energy supply in its capacity of energy producer to other utility companies.

Natural gas and power account for a substantial part of DONG Energy's business. Jointly, these two forms of energy accounted for 80% of revenue in 2009. In addition, DONG Energy produces oil and, as part of its power generation, heat. Overall, these four forms of energy accounted for 93% of consolidated revenue. To this should be added other activities ancillary to the core business.

REVENUE IN 2009



Primary activities

DONG Energy is Denmark's largest energy company. In 2009, the Group produced the equivalent of 52% of overall domestic power supply in Denmark. Just under 30% of Danish power consumers and around 30% of Danish natural gas consumers are customers of DONG Energy.

Since the establishment of DONG Energy in 2006, the Group has been working in a targeted manner on expanding its international market position. Revenue outside Denmark thus accounted for 40%, 52% and 46% of revenue respectively in the past three years.

International growth is concentrated in the areas in which value creation based on DONG Energy's spearhead capabilities can be ensured or where the Group has advantages in terms of existing market positions. In that connection, it has been useful to be able to draw on experience from Denmark for the activities in other countries. This applies to the design, establishment and operation of wind farms and to energy sales to wholesale and end customers. Experience from the liberalisation of the energy market in Denmark has proved particularly useful in connection with the expansion of market positions in Germany.

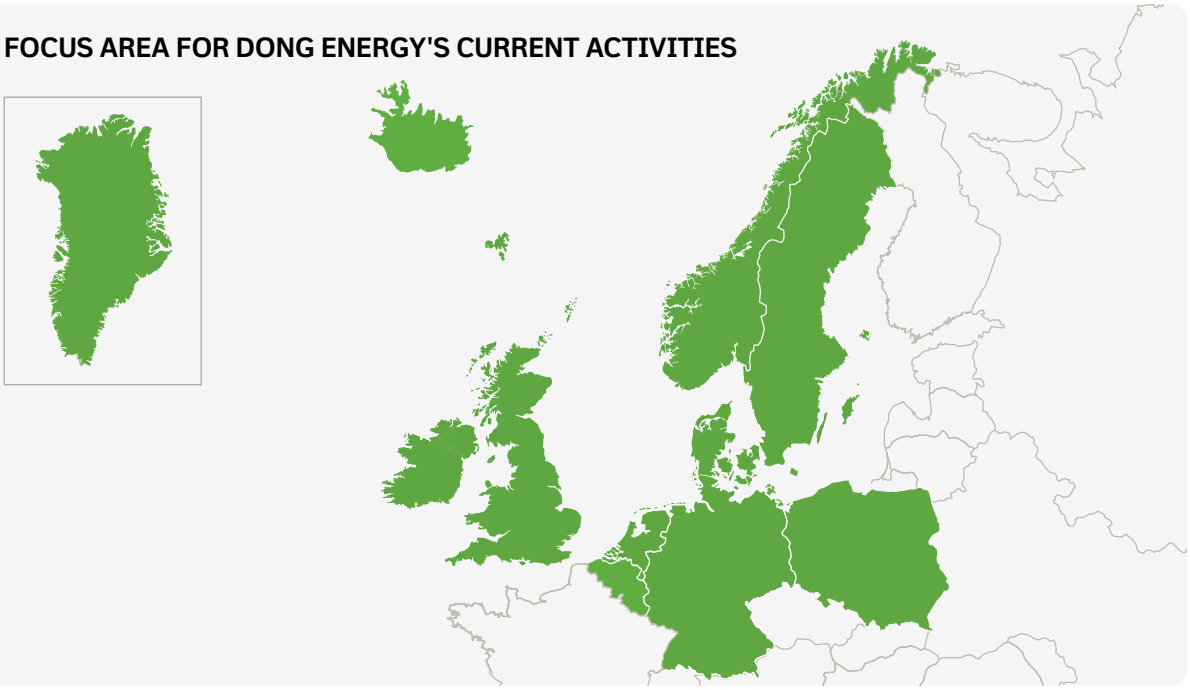
International growth and the establishment of new market positions help to develop DONG Energy's capabilities on an ongoing basis. At the same time, these initiatives help to strengthen the Group's long-term robustness by spreading the Group's business risks across several energy markets. DONG Energy aims to strengthen its international position in the coming years.

Natural gas

Natural gas is an important source in relation to providing a secure energy supply and is the purest of the fossil fuels, with CO_2 emissions far lower than those of coal. An essential part of DONG Energy's value creation is based on the procurement and equity production of natural gas and ensuring secure and flexible supplies of natural gas to customers in the markets in Northern Europe. Most of DONG Energy's sales are made to other utility companies, which sell on the natural gas to their end customers. To this should be added direct sales to private consumers and companies as well as sales on the European gas hubs. Lastly, DONG Energy uses natural gas as fuel at several of the Group's power stations.

DONG Energy's procurement of natural gas is based partly on equity production, and partly on long-term purchase contracts

FOCUS AREA FOR DONG ENERGY'S CURRENT ACTIVITIES



with major natural gas producers. DONG Energy also buys natural gas on European energy hubs. To this should be added production of oil, which is sold on international energy markets.

DONG Energy owns or co-owns a number of infrastructure assets, predominantly for storage and distribution of natural gas and transportation of oil. Earnings from these activities are based, in particular, on transportation of natural gas to DONG Energy customer supply points and making use of the flexibility that having our own natural gas storage facilities gives us.

Power
DONG Energy's second core activity is the production, sale and distribution of power. Upstream value creation is based on efficiency, while downstream value creation relies on the ability to offer customers service-orientated energy solutions at competitive prices.

Most of DONG Energy's power generation today takes place at thermal power stations in Denmark, where the Group has a number of efficient power stations that can use a variety of fuels - coal, oil, natural gas, biomass and waste. Surplus heat from generation is sold to district heating companies in Denmark, which distribute the heat to end customers. In addition, DONG Energy is in the process of building natural gas-fired power stations outside Denmark.

Wind farms account for a rapidly growing proportion of DONG Energy's generating capacity. At present, DONG Energy primarily has wind farms in Denmark, the UK and Poland as well as a number of new wind farms under construction primarily in the UK. To this should be added power generation from hydropower plants in Sweden and Norway.

Downstream, DONG Energy has extensive activities within power sales to wholesale and end customers in Denmark, Germany, the Netherlands and Sweden. DONG Energy procures power in the Nordic energy markets independently of the Group's equity production. This means that DONG Energy sells power in the Nordic energy markets in its capacity as producer, while the Group purchases the volume of power demanded by end customers in its capacity as distributor of power to end customers.

Finally, DONG Energy has activities within power distribution and thus operates the overall power distribution network in Copenhagen, the district of Frederiksberg and North Zealand.

Integrated business model

DONG Energy's business model is based on a presence across the entire power and natural gas value chain. This integrated business model enables the Group to achieve synergies and consequently a number of competitive advantages, creating a strong basis for ensuring healthy, long-term value creation for its owners.

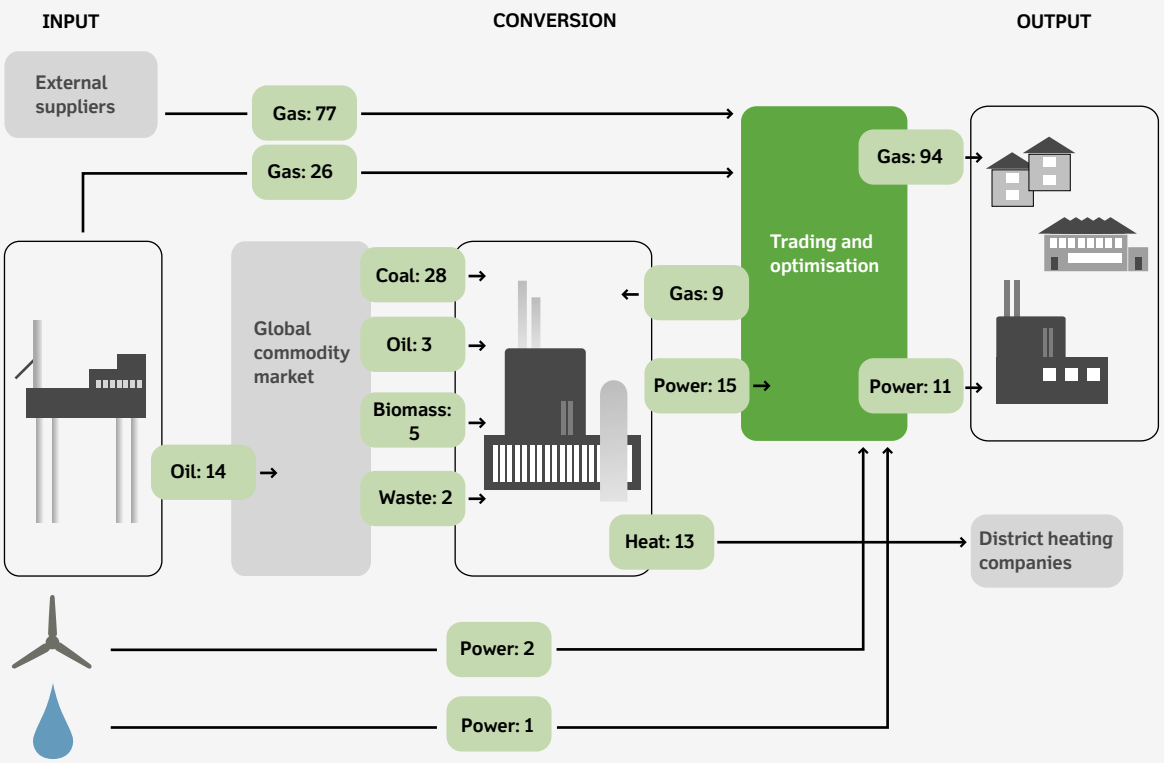
Portfolio optimisation
Diversified and flexible access to energy and the opportunity to sell this energy via the sales channels that offer the most attractive terms are of major importance to DONG Energy's value creation. This applies especially to markets in which DONG Energy has considerable volumes of natural gas combined with a number of flexible options for selling the natural gas, for example as fuel in power generation, on a wholesale basis or selling it on European energy hubs. DONG Energy optimises its natural gas portfolio still further by means of the Group's storage capacity and by utilising flexibility clauses in purchase and sales contracts. In addition, DONG Energy optimises value creation from the energy volumes at its disposal through either physical or financial trading.

Balanced portfolio enhances robustness
DONG Energy's portfolio of ancillary activities has various return and risk profiles that supplement each other. For the energy sector, which is currently undergoing major change – in market, technological and regulatory terms – such a balanced portfolio of business activities helps, overall, to enhance the Group's robustness in the face of the development in its surroundings.

Market synergy
Demand for integrated energy solutions based on the customer's energy needs is growing, especially among wholesale and business customers. With strong capabilities in both power and natural gas and the credibility that comes with having extensive equity production in both areas, DONG Energy is well equipped to offer its customers integrated energy solutions.

The collaboration with customers can be developed into a strong partnership. A good example is the conclusion of 36 climate partnerships with Danish companies, organisations and municipalities. The climate partnerships are tailored to the individual partners and draw extensively on the options that DONG Energy's overall business offers the individual customer.

ENERGY FLOWS IN DONG ENERGY'S VALUE CHAIN (TWh)

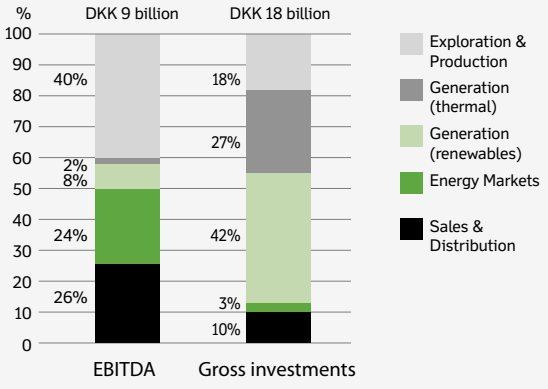


Note: All figures are stated in Terawatt-hours (TWh). Natural gas and oil have been converted from million boe to TWh using an aggregated conversion factor that does not take account of differing calorific values for the products from the various production fields.

Realisation of growth potential

DONG Energy is currently making considerable investments in the development of the energy supply in its various markets, and the Group has an attractive portfolio of investment opportunities. DONG Energy can implement the individual opportunities on a continuous basis or opt out of them based on an overall assessment of the market development and taking into account the need for balanced development of the Group. In 2009, earnings and cash flows from some business areas, for example the trading, sales and distribution activities, were channelled towards investments in, particularly, renewable energy and natural gas and oil production, which offer many attractive investment opportunities.

EBITDA AND GROSS INVESTMENTS IN 2009



MARKET AND STRATEGY

Vision: Secure energy without co_2

Global energy resources are under increasing pressure while at the same time there is growing global recognition of the need to reduce CO_2 emissions. Against this background, DONG Energy - along with all other energy companies - is faced with a considerable task, i.e. ensuring secure energy supplies with lower CO_2 emissions.

DONG Energy has a vision to supply secure energy without CO_2. The vision reflects the fact that society wants both a high security of supply and an energy production that does not contribute to climate change. As a responsible energy company, DONG Energy focuses actively on helping to reconcile these two objectives.

The challenge is that the energy system that we know today is unable to deliver a high security of supply without CO_2 emissions. This is because the secure energy that we know today primarily comes from power stations and because renewable energy sources are unable to provide secure supplies, as supplies are dependent on the forces of nature.

For many years to come, it will therefore not be a question of choosing between power stations and renewable energy, but of combining forms of energy in a way that ensures that CO_2 emissions are reduced significantly while at the same time maintaining security of supply. DONG Energy is consequently working on converting its power generation from black to green and on securing the supply of natural gas.

Strategy

DONG Energy's strategy aims at ensuring value creation through a transition to the energy supply of the future, which focuses on reducing CO_2 emissions and ensuring security of supply. DONG Energy's overall strategic development therefore focuses on three areas: more green power generation, growth in the natural gas portfolio, and optimisation of sales and distribution.

More green power generation

In the coming years, DONG Energy will be making major investments in expansion of its renewable energy capacity. These investments will be made in order to convert the Group's power and heat production from being predominantly coal-based to being based, in particular, on green and low-carbon energy sources such as wind, biomass and natural gas.

DONG Energy has therefore set itself the target of halving its CO_2 emissions per energy unit generated from power and heat generation by 2020 and then, by 2040, reducing its emissions still further to 15% of current CO_2 emissions per energy unit generated. The Group has made a number of decisions that will contribute considerably to the achievement of this target by 2020. These include the closure of all coal-based power station projects outside Denmark, the suspension of operations of four coal-fired power station units in Denmark and massive investments in onshore and offshore wind turbines. Further green investments in the years ahead are expected to contribute to the realisation of this target and strengthening DONG Energy's position as one of the leading suppliers of climate-friendly energy solutions.

The realisation of the targets up to 2020 will be ensured, to a great extent, through extensive investments in renewable energy. Furthermore, increased use will be made of biomass and natural gas in power and heat generation. After 2020, new renewable energy technologies are also expected to contribute to the realisation of the long-term targets for the reduction of CO_2 emissions.

The continued development of wind power generating capacity is a key element of the strategy to reduce CO_2 emissions. DONG Energy is currently among the most experienced in the world when it comes to the design, construction and operation of offshore wind farms, and this position must be maintained through extensive growth in generating capacity in the coming years. The Group is working intently on exploiting its strong market position to strengthen value creation from offshore wind farms still further. This will be achieved by utilising economies of scale in procurement of wind turbines and components and optimising and rationalising the construction process.

Another key element in the realisation of the targets up to 2020 is the establishment of natural gas-fired power stations. DONG Energy is in the process of establishing three natural gas-fired power stations - one in Norway, one in the UK and one in the Netherlands - that will help to double the Group's natural gas-fired power station capacity. The plant in Norway will deliver a variety of services to Statoil's refinery nearby under a long-term contract. Besides producing significantly lower CO_2 emissions than coal-fired power stations, natural gas-fired power stations provide significantly greater flexibility as a supplement to the uneven generation from renewable energy sources. DONG Energy is consequently focusing on developing its portfolio of natural gas-fired power stations in the coming years.

The use of biomass also contributes significantly to the transition of combined heat and power generation from black to green. In 2009, 11% of DONG Energy's combined heat and power generation was biomass-based, and the Group has extensive experience in the use of biomass, both for co-firing and in dedicated boilers. The aim is to increase the use of biomass substantially in the coming years, partly by converting existing coal-fired power stations to biomass-firing.

The changeover of production from black to green has been accelerated by the fact that DONG Energy has suspended operations at a number of coal-fired power station units in the past two years. The Group thus suspends operation of 25% of its total coal-based power station capacity in under two years.

Growth of natural gas portfolio

The supply of natural gas from the Danish sector of the North Sea, where DONG Energy has traditionally sourced most of its natural gas supply, is expected to fall in the years ahead due to dwindling reserves. To secure a continued adequate supply of natural gas, DONG Energy is working intently on strengthening the Group's supply of natural gas from a variety of different international sources.

DONG Energy wishes to be independent of individual suppliers and sources of supply. To that end the Group has been strengthening its long-term natural gas supply in recent years, enhancing its security of supply and cementing its position in the European natural gas markets. The Group's strategy is predominantly based on four sources:

- Expansion of natural gas production from own fields in Denmark, Norway and the UK
- Long-term purchase contracts with international suppliers
- Co-ownership of a terminal in Rotterdam for reception of liquefied natural gas (LNG) from overseas
- Purchases on European energy hubs

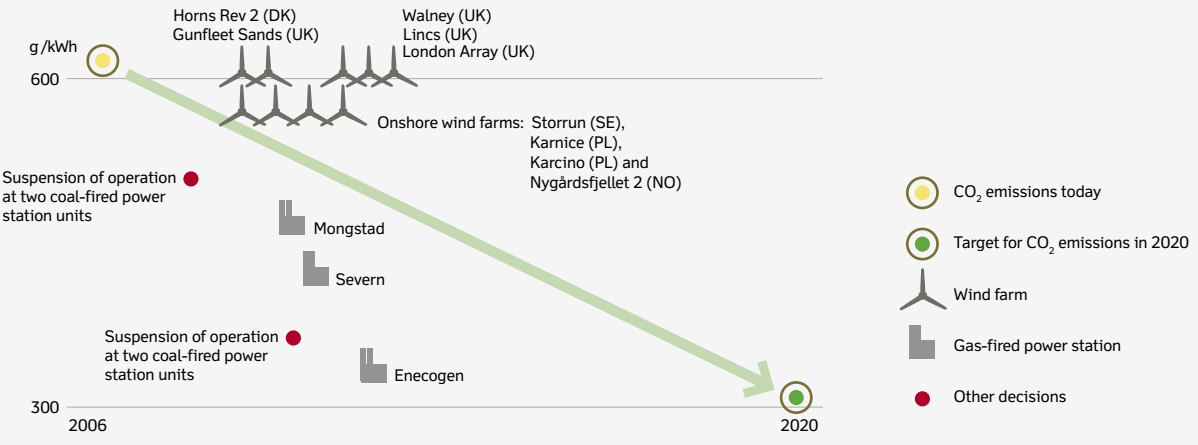
In natural gas and oil exploration and production DONG Energy participates in a number of activities that will strengthen the Group's position and value creation in the various markets in the future. The development of the exploration and production activities is based on maturing, development and production from own fields in Denmark, Norway and the UK. This involves balanced growth of the natural gas and oil production. The Ormen Lange field in Norway accounts for an essential part of DONG Energy's equity production of natural gas, but the Group expects to strengthen its position in the coming years by participating in more development projects in Norway. The Group is the largest licence holder in the West of Shetland area in the UK and has participated in all major discoveries in the past six years. DONG Energy expects that development of the Laggan and Tormore fields will commence in 2010, increasing the Group's equity production of natural gas for the UK market. In 2010, the focus in Denmark will be on preparations for the development of the Hejre field and evaluating the Svane discovery. In Greenland, DONG Energy is participating in exploration that may prove to be of major strategic significance in the longer term.

Optimisation of sales and distribution

The growing global demand for energy, the increased pressure on global resources and the requirement concerning cleaner energy production are placing severe demands on the transition of DONG Energy's energy supply in future. The expectations of the customers that use this energy on a daily basis are also growing, and this places demands on the parts of the Group that supply and sell energy to the customers.

DONG Energy is Denmark's largest distributor and supplier of power and natural gas. A large proportion of the earnings in this part of the Group are subject to statutory regulation, which means that earnings are relatively stable. However, the stable earnings are counterbalanced by strong incentives in the legislation that are to ensure efficiency and security of supply, among other things. By virtue of this and DONG Energy's leading position in the market, the Group has a natural obligation to its customers to strive for high efficiency and cost focus. The Group also focuses on ensuring a high security of supply (for example through the cable-laying project in North Zealand), attractive product offerings (for example part-

TARGETS FOR REDUCTION OF SPECIFIC CO_2 EMISSIONS



nership agreements with companies concerning energy savings) and good customer service in a cost-effective manner. To this end, DONG Energy is working systematically on optimising internal processes and on efficiency improvement. Major efficiency improvements have been made in recent years and the Group has ambitious targets for the coming years.

A balanced and robust strategy

DONG Energy's strategy, which focuses on expansion of renewable energy and efforts to secure the supply of natural gas, is fundamental to DONG Energy's overall risk profile.

Because of the Group's asset portfolio and natural gas and power purchase and sales activities, DONG Energy is exposed to a variety of energy prices and exchange rates. The key price risks comprise crude oil and various oil products, natural gas, power, coal and CO_2 allowances (EUA) as well as currency.

Realisation of the vision requires considerable investments and consequently capital. To secure adequate financial flexibility DONG Energy has a flexible investment programme and the Group also endeavours to achieve a balance between increased capital requirements and reduced exposure to fluctuations in market prices. The latter is secured through extensive price hedging with a view to reducing the annual fluctuations in the Group's operating cash flows.

Investments in offshore wind farms, biomass plants and natural gas-fired power stations have a long service life. In this manner, DONG Energy assumes long-term price risks. Price hedging contracts in the markets can typically be used within a time horizon of up to five years, while management of the long-term price development is based, to a greater extent, on a spread over assets and markets and focus on flexibility in the utilisation of those assets, for example in the form of fuel flexibility at power stations.

The price risk associated with power stations based on fossil fuels is related to the difference between the power generated and the fuel (e.g. coal) and CO_2 allowances (green dark spread). Risk management in relation to power stations is aimed at hedging the value of the contribution margin by locking in the prices of power, fuel and CO_2 allowances at the same time.

The price risk associated with renewable energy assets varies from market to market. In some markets, the renewable energy generated is sold at fixed prices and consequently without any price risk, while, in other markets, it is sold directly in the market at current prices.

The Group's investments in wind turbines are concentrated in a few countries. The background for this includes favourable generating conditions in the chosen areas and sufficiently attractive subsidies. The concentration of wind turbines provides economies of scale, but restricts exposure to a few markets, both in terms of market and regulatory risks.

The access to natural gas from a variety of sources, including equity natural gas production, and investments in flexibility in the form of storage facilities contribute to reducing dependence on a single supplier or a handful of suppliers.

In the same way the opportunities for optimisation and flexibility inherent in DONG Energy's business model contribute to securing the Group's competitiveness in the natural gas markets. The establishment of a well-diversified portfolio of wholesale contracts and flexibility in the natural gas markets in Northern Europe constitute the most important element of the long-term risk management in this area.

Healthy financing and liquidity

The purpose of DONG Energy's financial management is to secure the necessary capital on attractive terms for the Group's investments and adequate cash resources. To secure attractive borrowing terms DONG Energy has sought access to a variety of loan markets, including the bank and Eurobond markets. Diversification across a variety of loan markets has proved essential in connection with, for example, recent years' financial crisis.

The Group maintains a credit rating in order to underpin DONG Energy's position in the markets. The Group wishes to have a solid creditworthiness and its target is to maintain at least a BBB+ / Baa1 rating from Standard & Poor's and Moody's respectively. Standard & Poor's upgraded DONG Energy's rating to A- from BBB+ (stable outlook) in 2009.

DONG Energy's capital structure target is for adjusted long-term interest-bearing net debt to correspond to around three times cash flows from operating activities.

DONG Energy also maintains solid cash resources, partly in the form of committed borrowing facilities.

Installation of foundations and wind turbines at Horns Rev 2 offshore wind farm, which is located 30 km off Blåvands Huk.

RESPONSIBILITY CREATES VALUE

At DONG Energy responsibility is all about ensuring credible and transparent business operations as a basis for the Group's continued good reputation. Responsible business practices help to create value for owners and society alike, both now and in the future.

DONG Energy joined the UN Global Compact already in 2006. With this strategic framework as its platform DONG Energy has been taking an active approach to its corporate responsibility since 2006 and is applying the Global Compact's ten principles in the areas of human rights, labour standards, environment and anti-corruption. For the fourth year running, DONG Energy is reporting on its corporate responsibility performance in accordance with the Global Reporting Initiative (GRI), an internationally recognised sustainability reporting framework.

DONG Energy has chosen to integrate the statutory report on corporate responsibility performance that was introduced in 2009 into its annual report. However, DONG Energy also still publishes "Responsible Energy", which focuses on corporate responsibility issues. Corporate responsibility highlights for the Group appear from non-financial key performance indicators on page 5. The Group's performance in areas not covered by the initiatives described below appears from the review of financial performance in 2009 on pages 16-25.

DONG Energy's efforts in the field of corporate responsibility have a wide reach and involve a whole host of both internal and external players, as the Group's activities span the entire energy value chain. The three topics below have been identified as key areas for DONG Energy.

Climate and environment

As an energy company DONG Energy has a significant impact on the environment and is consequently working long term and systematically to reduce this impact. In 2007, DONG Energy adopted its first environmental strategy, which placed the environment on an equal footing with the other overall objectives for the Group's activities: sustainable business operations, security of supply and growth. In 2009, the environmental strategy was replaced by an "ambition process" involving all the Group's business areas. The purpose of this process is two-fold: setting common, long-term environmental performance objectives and ensuring that DONG Energy responds to new relevant action areas.

DONG Energy considers it part of its responsibility to help to address the global climate challenges by reducing its CO_2 emissions. DONG Energy has consequently embarked on a transition of its energy production that is to reduce its carbon footprint significantly. The Group expects the climate changes to result in growing demand for flexible and efficient energy systems that at the same time also reduce CO_2 emissions.

DONG Energy's efforts to achieve its objective of reducing CO_2 emissions are concentrated within three key areas: the transformation of DONG Energy's energy production in a direction that secures a reduction in carbon intensity (85/15 plan), the Group's own energy consumption and DONG Energy's contribution to reducing its customers' energy consumption. With respect to the latter DONG Energy has in recent years realised annual energy savings of 144 GWh for its residential and business customers under an energy savings agreement with the Danish Ministry of Climate and Energy. In 2009 alone, DONG Energy's energy advice led to savings of 91 GWh for its business customers, equivalent to a reduction of 28,000 tonnes of CO_2. Energy savings for residential customers amounted to 54 GWh in 2009. The ways in which energy savings were achieved included energy advice, sales of cleantech solutions to residential customers, and climate partnerships with companies, public institutions and municipalities.

Ethics and market

With gross investments totalling DKK 18 billion in 2009, more than one million customers, many thousands of suppliers and ambitious plans for the future, DONG Energy is a major player in the markets in which the Group has a presence. DONG Energy consequently has high expectations of its own and its business partners' conduct.

DONG Energy has had an ethical code of conduct for its suppliers since 2007 that defines the social, environmental and ethical requirements made of the Group's suppliers. The code of conduct is based on DONG Energy's values and internationally recognised principles for responsible business practices, including the UN Global Compact.

To ensure that the code of conduct is adhered to, DONG Energy has made a number of inspection visits and audits at selected suppliers in recent years, partly to assess their health, safety and environmental performance. The visits have generally had a positive effect both commercially and in relation to the collaboration with the suppliers.

People

DONG Energy has just under 6,000 employees. It is vital to value creation, customer satisfaction and employee wellbeing that the Group is skilled at recruiting and retaining employees. At the same time, DONG Energy continuously endeavours to be in dialogue with the communities that are affected by the Group's business activities, including by holding public meetings, through dialogue with NGOs and customer satisfaction surveys.

A good working environment and a high level of safety in the workplace for both employees and suppliers are prerequisites for responsible and efficient business operations. DONG Energy factors safety into everything it does, whether customer activities, construction of wind farms, drilling for natural gas and oil or operation and maintenance of the Group's installations.

In 2009, the injury frequency rate (number of lost time injuries per one million hours worked) was 3.8 for own employees and 9.5 for suppliers. The Group's overall injury frequency rate was consequently 6.8, close to the 6.5 target for the year.

Further information:

Further information on DONG Energy's performance in 2009 and forward-looking deliberations and challenges relating to responsibility can be found in the Group's publication "Responsible Energy 2009", which can be viewed online, downloaded or ordered at www.dongenergy.com. The website includes further information on DONG Energy's environmental performance and the audited reporting to the Global Reporting Initiative. Reference is also made to the GRI overview on the inside of the back cover of this report.

SELECTED RESPONSIBILITY TARGETS

FOCUS AREAS	TARGETS	TIME	STATUS 2009	GRI REFERENCE
Energy savings	DONG Energy aims to help customers save an average of 144 GWh of power per year in 2006–2009.	In 2009	Achieved.	EN6
Safety	Lost-time injuries to be reduced to 6.5 per one million hours worked.	In 2009	Not achieved. The result was 6.8.	LA7
Research and development	DONG Energy to invest DKK 250 million in research and development of sustainable energy.	In 2009	Not achieved. DKK 197 million was invested.	EU8
Energy consumption	DONG Energy's energy consumption associated with administration, transportation and other infrastructure to be reduced to save 1 tonne of CO_2 per employee.	In 2012	Progressing to plan.	EN5 and EN18
Waste	65% of waste from production and 50% from administration to be recycled.	In 2012	Progressing to plan.	EN22
Power stations	CO_2 emissions from power and heat production to be reduced by 50% from 638 g/kWh (2006 level) to 320 g/kWh.	In 2020	Progressing to plan.	EN16
Renewable energy	Renewable energy capacity (wind, hydro and solar energy) to be tripled from 972 (2006 level) to about 3,000 MW.	In 2020	Progressing to plan.	EU1
Business ethics	Relevant employees to be trained in the policy for preventing fraud and corruption.	Ongoing	Progressing to plan.	HR3 and SO3
Suppliers	Code of conduct for suppliers to be implemented in all tenders and contracts.	Ongoing	Progressing to plan.	HR3
Welfare	An employee opinion survey to be conducted among all employees once every second year as a minimum.	Ongoing	Achieved for 2008 – repeated in 2010.	

CONSOLIDATED RESULTS

Financial performance

The financial performance in 2009 was affected by the financial crisis, which led to lower demand for power and natural gas and consequently low prices for these core products that were one third lower and halved respectively compared with the previous year. Production from the Ormen Lange natural gas field continued to rise in 2009 and was the reason why natural gas production exceeded oil production for the first time.

EBITDA was on a par with expectations at the start of the year. However, there were major variations between the business areas, proving the strength of DONG Energy's integrated business model. Given the tough market conditions, EBITDA is considered to be satisfactory. Furthermore, DONG Energy succeeded in maintaining strong cash flows from operating activities.

The business area Energy Markets outperformed expectations, as the increase in the oil price through 2009 led to a lower negative time lag effect in natural gas contracts than expected. At the same time, some natural gas contracts enabled DONG Energy to reduce its purchases under the oil-indexed DUC contracts and instead meet its requirements via gas hubs, where prices were lower.

The performance of the business area Generation had the opposite effect, as the decline in demand for power was sharper than expected, and falling coal and power prices exerted pressure on earnings due to the application of the FIFO principle to coal inventories.

DONG Energy invested DKK 17.9 billion in new activities, expansion of existing areas of activity, and efficiency improvement and upgrading of existing plants. At the same time, DONG Energy disposed of activities outside the Group's strategic focus to the tune of DKK 0.4 billion.

Market conditions

Total power generation in the Nord Pool area was 7% down on 2008. A lower level of activity in industry, in particular, led to lower demand. The power market in Germany (EEX) suffered largely the same decline, also in this case due to lower demand from industry.

Green dark spread and contribution margin from power generation

Green dark spread represents the contribution margin per MWh of power generated at a coal-fired power station of a given efficiency. It is calculated as the difference between the market price of power and the cost of the coal (including associated freight costs) and CO_2 emissions allowances used to generate the power. Power generated is affected by the green dark spread.

The contribution margin from power generation is affected, among other things, by whether power is generated at times during the 24-hour cycle when prices are relatively high (peak) or at times when prices are relatively low (off-peak). The contribution margin is also affected by the fact that the cost of coal for accounting purposes differs from the market price resulting from application of the first-in, first-out (FIFO) principle to inventories. In addition, DONG Energy is allocated a specific volume of CO_2 emissions allowances.

Time lag

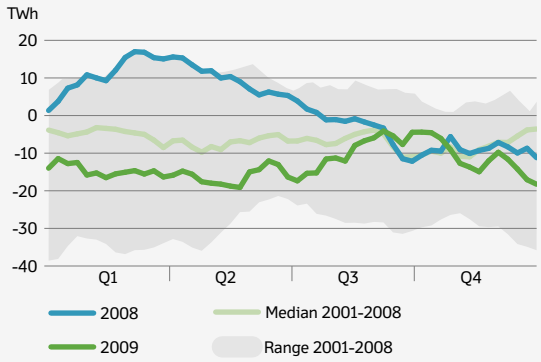
Oil price changes and changes in the USD exchange rate impact on gas selling prices relatively quickly, whereas purchase prices are adjusted with a time lag effect of up to a year and a half. For example, a change in the price of oil and/or the USD exchange rate in January may affect DONG Energy's selling prices already in February, but may not be felt on purchase prices before the summer of the following year. The impact on the individual periods consequently varies, and this may lead to considerable fluctuations in operating profit from one period to the next in the case of oil price changes. However, the fluctuations will balance each other out over a number of years.

FIFO principle - coal inventories

DONG Energy buys physical coal up to one year ahead of delivery. To ensure security of supply, the inventory of coal typically corresponds to 4 to 6 months' consumption. As the value of coal inventories is recognised in the balance sheet using the FIFO principle, coal purchased in a period with high market prices, followed by a period with declining coal prices, will be recognised as a cost of sales item at prices exceeding the current market price level.

The hydrological balance – i.e. water and snow reservoir levels in Norway and Sweden compared with the norm – was relatively stable at a low level in the first half of 2009. The stable level led to tighter focus on the macroeconomic development in the market, which was the primary reason for the development in power prices. With major fluctuations in the hydrological balance later in the year, the latter again dictated power prices in the Nordic area.

HYDROLOGICAL BALANCE (weekly average)



2009 was characterised by low demand for natural gas in Northern Europe due to the lower level of activity in industry. In addition, increased liquefied natural gas (LNG) imports from Asia and the Middle East led to an oversupply in the European market.

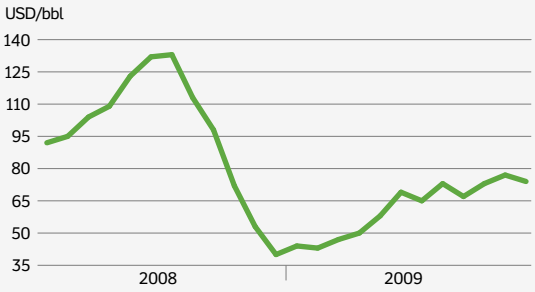
Demand for oil was also adversely affected by weaker economic activity and consequent historically high oil inventories. Unlike the natural gas and power markets, the oil market is global, which means that supply and demand were affected by global macroeconomic factors. The oil market thus benefited, periodically, from the rising stock market, the falling USD exchange rate and OPEC's cut in oil production. Furthermore, during some periods, greater importance was placed on positive macroeconomic indicators than on negative ones. Overall, this resulted in several months of an upward trend in oil prices, albeit with major daily fluctuations.

Market prices

Commodity prices were at significantly lower levels in 2009 than in 2008 as a result of market conditions. The market price of oil showed an upward trend through most of the year, but was 37% down on the previous year, averaging USD 62/bbl in 2009 versus USD 97/bbl in 2008.

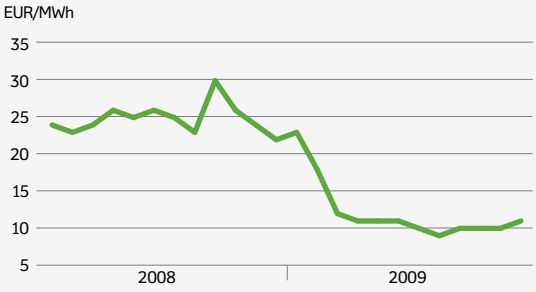
In spring 2009, a decoupling of natural gas and oil prices occurred, when the price of natural gas continued to fall, while the price of oil showed an upward trend. This trend has continued into 2010. Such a prolonged, opposing price trend has not previously been seen on this scale.

OIL (monthly average)



The abundant supply of natural gas led to a very low price level in 2009, with the price on the Dutch TTF hub averaging EUR 12/MWh, half the 2008 price.

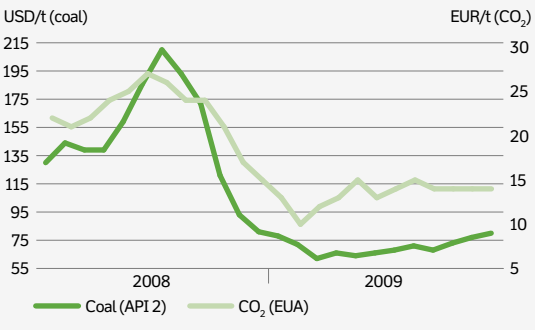
GAS (monthly average)



Averaging USD 71/tonne, the coal price was also halved compared with 2008 due to lower global demand, full inventories in Europe and the abundant supply of inexpensive natural gas.

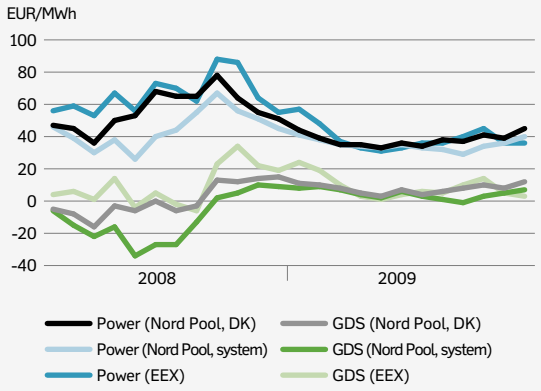
The CO_2 price (EUA) averaged EUR 13/tonne in 2009, down 40% on 2008, reflecting a reduced level of activity in Europe, especially in the emissions-trading sectors.

COAL AND CO_2 (monthly average)



FINANCIAL PERFORMANCE AND OUTLOOK

POWER AND GREEN DARK SPREAD (GDS) (monthly average)



Nordic and German power prices were generally much closer to each other in 2009 than the previous year. The Nord Pool system price averaged EUR 35/MWh in 2009, 22% lower than in 2008. The German EEX power price averaged EUR 39/MWh, 41% lower than the previous year, but slightly higher than the Nord Pool price. In between these two market prices was the average power price in the two Danish price areas, which was EUR 38/MWh in 2009.

Overall, the prices of power, coal and CO_2 resulted in positive green dark spreads in 2009, which, like the power prices, followed each other much more closely than the previous year. The average green dark spread for the two Danish price areas was EUR 8/MWh in 2009 compared with EUR 0/MWh in 2008.

Despite higher green dark spreads in 2009, DONG Energy's earnings from thermal generation were significantly lower than in 2008, primarily as a consequence of application of the FIFO principle to coal inventories, lower value of allocated CO_2 emissions allowances and lower peak surcharges due to surplus capacity.

Revenue

The Group's revenue was down 19%, amounting to DKK 49.3 billion compared with DKK 60.8 billion in 2008. The decline reflected two opposing effects: natural gas and oil prices as well as Danish power prices were significantly lower than in 2008, while natural gas production was significantly higher.

Natural gas production was 81% ahead of 2008, at 15.5 million boe. The increase came predominantly from the Ormen Lange natural gas field and was due to new production wells being brought on stream.

Power generation was down 2% on 2008, amounting to 18.1 TWh. The lower demand for power led to lower thermal generation, despite higher green dark spreads. Renewables generation, on the other hand, showed an increase, primarily reflecting the taking into use of the new wind farms Horns Rev 2, Gunfleet Sands, Karnice and Storrun.

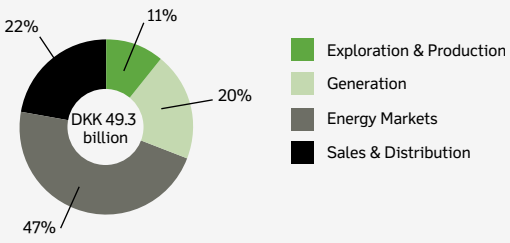
Natural gas sales (excluding own consumption at power stations) were down 5% at 94.0 TWh compared with 99.4 TWh in 2008, despite higher equity production of natural gas. The decline reflected lower demand for natural gas as a result of the financial crisis and the resulting decline in industrial output, on the one hand, and, on the other, the fact that DONG Energy was a net buyer on the Dutch gas hub in 2009 as opposed to a net seller in 2008, which led to a reduction in revenue. The latter reflected the declining prices on gas hubs in 2009.

DONG Energy's active price hedging policy had a positive effect of DKK 1.6 billion in 2009 compared with a negative effect of DKK 0.2 billion in 2008. Hedging of oil and power prices had a positive effect on revenue in 2009, while hedging of coal prices had an adverse impact on the contribution margin. Forward natural gas sales also had a positive effect.

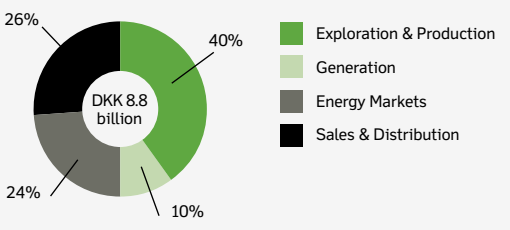
EBITDA

EBITDA amounted to DKK 8.8 billion compared with DKK 13.6 billion in 2008. A substantial part of the decrease was due to lower natural gas and oil prices and effects from timing differences in connection with the huge fluctuations in market prices. The rising prices of oil and coal through the first part of 2008 resulted in large negative effects in 2009 from time lag in natural gas contracts and application of the FIFO principle to coal inventories.

REVENUE 2009



EBITDA 2009



The DKK 4.8 billion decrease can be broken down by business area as follows:

- In Exploration & Production, EBITDA was down DKK 0.6 billion at DKK 3.4 billion as a result of lower natural gas and oil prices, partly offset by significantly higher natural gas production and a positive effect of oil price hedging
- In Generation, EBITDA declined by DKK 2.2 billion to DKK 0.9 billion, primarily reflecting a lower contribution margin from thermal power production as a result of application of the FIFO principle to coal inventories, lower value of granted CO_2 emissions allowances, and lower peak surcharges, partly offset by a positive effect of power price hedging
- In Energy Markets, EBITDA was down DKK 3.0 billion at DKK 2.0 billion, reflecting lower gas margins, including from a negative time lag effect in 2009 compared with a positive effect in 2008.
- In Sales & Distribution, EBITDA was DKK 0.4 billion ahead at DKK 2.2 billion, primarily as a result of higher power and natural gas distribution tariffs and lower capacity costs.

Depreciation, amortisation and EBIT

Depreciation, amortisation and impairment losses were down DKK 0.5 billion at DKK 5.1 billion in 2009. Impairment losses in 2009 amounted to DKK 0.8 billion, including an impairment loss of DKK 0.7 billion on the fibre optic network. Impairment losses in 2009 were DKK 0.9 billion lower than the previous year, while depreciation was DKK 0.4 billion higher due to the bringing on line of new assets.

EBIT was DKK 3.8 billion versus DKK 8.0 billion in 2008.

Gain (loss) on disposal of enterprises

Disposals in 2009 generated a total loss of DKK 62 million. The sale of Frederiksberg Forsyning and Frederiksberg Forsynings Ejendomsselskab to the Municipality of Frederiksberg was completed in March, yielding a gain of DKK 31 million. The fibre optic network and EnergiGruppen Jylland Biogas were sold in November and December, at a loss of DKK 85 million and DKK 8 million respectively.

Associates

Profit after tax from associates amounted to DKK 74 million against a loss of DKK 48 million in 2008. The hydropower activities in Norway were the largest contributor to earnings in 2009.

FINANCIAL ITEMS

DKK million	2009	2008
Interest expense, net	(882)	(697)
Interest element of decommissioning obligations	(176)	(174)
Other	(304)	(263)
Financial items, net	**(1,362)**	**(1,134)**

Financial items

Financial items amounted to a net charge of DKK 1.4 billion compared with a net charge of DKK 1.1 billion in 2008.

Net interest expense increased by DKK 0.2 billion to DKK 0.9 billion as a result of an increase in average net interest-bearing debt from just under DKK 15 billion in 2008 to just under DKK 20 billion in 2009 and significantly higher gross debt as a consequence of the issuing of bonds in May and December.

The implementation of IAS 23 means that borrowing costs relating to certain investments decided upon in 2009 are capitalised during the construction period. Interest expense in the income statement benefited by DKK 0.3 billion from this change.

The interest element of the Group's decommissioning obligations amounted to DKK 0.2 billion, on a par with 2008. Other financial items amounted to a DKK 0.3 billion charge on a par with 2008. The charge in 2009 arose primarily from impairment losses, etc., on the Group's participation in project development companies, foreign exchange adjustments of receivables and trade payables as well as market value adjustment of an interest rate swap taken over in connection with the acquisition of the Severn power station project.

Income tax

Income tax expense for the year amounted to a charge of DKK 1.3 billion compared with DKK 2.9 billion in 2008. The tax rate was 53% versus 43% in 2008, adjusted for the tax-free gain on disposal of enterprises and the fact that associates are recognised after tax. The reason for the increase in the tax rate was that earnings in Norway, where hydrocarbon income is taxed at 78%, accounted for a larger proportion of total earnings in 2009 than in 2008.

Profit for the year and dividends

Profit for the year decreased by DKK 3.7 billion to DKK 1.1 billion in 2009.

The Supervisory Board will recommend at the Annual General Meeting that a dividend of DKK 1.64 per share be paid for 2009 (2008: DKK 6.56). This provides dividends of DKK 0.5 billion, equivalent to 60% of profit for the year, less coupon after tax to holders of hybrid capital and minority interests' share of profit for the year.

Cash flows

Net cash inflow from operating activities was DKK 9.5 billion against DKK 10.4 billion in 2008. The DKK 0.9 billion decrease was significantly lower than the DKK 4.8 billion decrease in EBITDA. This primarily reflected a DKK 1.9 billion release of

working capital in 2009 compared with a DKK 1.0 billion increase in funds tied up in working capital in 2008 due to a reduction in natural gas and coal inventories and an increase in other payables. In addition, income tax expense was DKK 1.0 billion lower than in 2008.

Investing activities absorbed DKK 21.2 billion compared with DKK 8.6 billion in 2008, of which DKK 17.9 billion in 2009 and DKK 11.2 billion in 2008 represented new activities, expansion of existing areas of activity and efficiency improvement and upgrading of existing plants. The main investments in 2009 were:

- Expansion of wind power activities (DKK 6.8 billion) – including the offshore wind farms Gunfleet Sands (DKK 2.0 billion), Horns Rev 2 (DKK 1.7 billion), London Array (DKK 0.7 billion) and Walney 1 (DKK 0.6 billion) – and the acquisition of the specialist shipping company A2SEA (DKK 0.7 billion)
- Thermal activities (DKK 4.7 billion), including acquisition and construction of the natural gas-fired power station projects Severn in the UK (DKK 2.3 billion) and Enecogen in the Netherlands (DKK 0.8 billion)
- Development of natural gas and oil fields as well as infrastructure (DKK 3.1 billion), including Ormen Lange in Norway (DKK 0.6 billion) and Nini Øst in Denmark (DKK 0.7 billion)
- Underground installation of power cables in North Zealand and other capital expenditure on the power distribution network (DKK 0.7 billion)
- Expansion and centralisation of the Group's office facilities in Vangede (DKK 0.7 billion)
- Purchases of securities (DKK 3.7 billion) (no effect on the Group's net interest-bearing net debt).

Acquisitions and disposals of enterprises and activities absorbed DKK 1.1 billion net in 2009 compared with a net cash inflow of DKK 1.3 billion in 2008. Acquisitions, totalling DKK 1.5 billion, comprised two natural gas-fired power station projects, a wind turbine project, A2SEA, the wholesale company KOM-STROM and further stakes in the Trym and Oselvar natural gas fields. Disposals, totalling DKK 0.4 billion, related primarily to the fibre optic network.

Financing activities generated a net cash inflow of DKK 12.2 billion compared with a net outflow of DKK 1.3 billion in 2008. Loans totalling DKK 18.9 billion were raised in 2009, with the Eurobond issues in May and December accounting for DKK 14.9 billion and loans from the European Investment Bank (EIB) accounting for DKK 1.9 billion. The Group made loan repayments of DKK 4.9 billion, including project financing and other debt of DKK 2.6 billion assumed in connection with company acquisitions and DKK 1.5 billion to Realkredit Danmark.

The sale of the 25.1% minority stake in the Walney offshore wind farm only contributed limited liquidity in 2009, as the buyer will not be paying its share of the project construction costs until phases one and two respectively of the farm have been completed.

The change in other payables amounted to an outflow of DKK 0.7 billion. In addition, dividends to shareholders amounted to an outflow of DKK 1.9 billion and coupon on hybrid capital an outflow of DKK 0.5 billion.

Balance sheet

The balance sheet total increased by DKK 14.5 billion to DKK 120.6 billion at the end of 2009, primarily reflecting an increase in property, plant and equipment due to investments. In addition, the portfolio of cash and cash equivalents and securities increased as a result of the issuing of bonds. Receivables and payables relating to financial hedging instruments still constitute major gross balance sheet items, but have been reduced since the turn of the year.

Net interest-bearing net debt increased by DKK 11.7 billion from the end of 2008 to DKK 26.9 billion at the end of 2009. Gross debt increased by just over DKK 16 billion, predominantly as a result of the issuing of bonds as well as the assumption of debt in connection with the acquisitions of Severn and A2SEA.

Equity decreased by DKK 1.4 billion to DKK 44.8 billion at the end of 2009. The decrease reflected payment of DKK 1.9 billion in dividend to shareholders, coupon to hybrid capital holders and a reduction in hedging instruments recognised in equity. These factors were only partly offset by profit for the year and a reduction in the negative translation reserve relating to investments in subsidiaries.

Capital structure and net investments

The financial key performance indicator net interest-bearing debt (including hybrid capital) to EBITDA (adjusted for special hydrocarbon taxes) stood at 4.2 at the end of 2009 compared with 1.8 at the same time the previous year. The increase reflected substantially lower EBITDA due to the unfavourable market conditions in 2009 and an increase in net interest-bearing debt as a result of the Group's investment programme.

DONG Energy's net investments amounted to DKK 19 billion in 2009, which was less than the announced level of DKK 20 billion. Net investments are defined as the impact on DONG Energy's net interest-bearing debt of investments in assets as well as company acquisitions and disposals, etc. (for definition see page 27).

Events after the balance sheet date

Siri back in production

Production on the Siri field was resumed on 24 January, which meant that production from the adjacent fields, Nini, Cecilie and Stine, could also be resumed. A permanent repair of the damage is expected to be finalised in the second half of 2010.

Appraisal well on Svane field

DONG Energy and its licence partners Bayerngas (30% interest) and the Danish North Sea Fund (20% interest) have

decided to drill an appraisal well on the Svane field. The well will be technically challenging due to the reservoir depth. The costs are consequently subject to uncertainty and are expected to amount to DKK 0.6-0.9 billion, depending on the drilling results, with DONG Energy's share making up 50%. The detailed planning of the appraisal well will take place in 2010.

Sale of shares in Swedegas AB closed

DONG Energy's sale of its 20.4% stake in Swedegas AB to EQT was closed on 4 February following approval of the transaction by the Swedish competition authorities. The proceeds from the sale will be recognised in profit after tax for the 2010 financial year.

Lincs offshore wind farm project in the UK

DONG Energy and Siemens Project Ventures (SPV) have acquired a 50% stake in the Lincs offshore wind farm project from Centrica via a joint venture contract. The transaction was closed on 5 February against payment of 50% of the incurred development costs of around GBP 50 million. DONG Energy's 25% share of the capital investment is expected to amount to DKK 1.6 billion.

First oil from Nini Øst field

The Nini Øst field produced its first oil on 24 February. DONG Energy is the operator of the Nini licence and has a 40% stake.

Non-financial performance

2009 is the first year in which DONG Energy has integrated non-financial key performance indicators into its annual report. This is a consequence of the new requirements in the Danish Financial Statements Act to the effect that large companies must report on corporate responsibility in their annual reports. The Group's key performance indicators for corporate responsibility are set out on page 5 and commented on on the following pages. Reference is also made to the previous chapter on corporate responsibility for further information and references.

Environment

In the period 2008-2012, DONG Energy was granted CO_2 emissions allowances in respect of the plants operated by the Group that are subject to the Danish Emissions Trading Act, i.e. 19 power stations, the Siri platform, and the Nybro natural gas treatment plant. All these plants are located in Denmark. The emissions allowances total 9.96 million tonnes of CO_2 per year. Emissions allowances for heat generation account for 2.2 million tonnes. DONG Energy does not own these emissions allowances, but manages them on behalf of heat customers.

The lower level of activity in thermal power and heat generation reduced the Group's greenhouse gas emissions in 2009. The most significant emissions were CO_2. CO_2 emissions subject to emissions trading schemes amounted to 11.9 million tonnes compared with 12.6 million tonnes in 2008.

In keeping with the strategy concerning cleaner energy production, the proportions of both CO_2-neutral fuels at power stations and power generation from wind turbines were increased. CO_2 emissions per energy unit generated (power and heat) amounted to 574 g/kWh in 2009. This was less than the three previous years in which DONG Energy has calculated this indicator, and indicates that the Group is on track to achieve its strategic objective of halving its carbon intensity by 2020 compared with the base year of 2006.

DONG Energy was the main sponsor of the Danish Ministry of Climate and Energy's CO_2 campaign "One tonne less" and offers advice to companies and residential customers on how to make energy savings to reduce CO_2 emissions. It was therefore natural to apply the same approach internally in the Group, partly to identify opportunities for energy savings in the day-to-day consumption of power and heat. Specific energy-saving measures were initiated in 2009, for example on lighting and ventilation installations. The initiatives included optimisation of IT systems in office buildings. The reductions led to a total saving of 47.9 TJ, corresponding to 2,895 tonnes of CO_2. The target is the emission of 7,000 tonnes less CO_2 by 2012, corresponding to one tonne less per employee.

The Group's environmental action includes reuse of waste both in production and administration. In 2009, DONG Energy thus reused 57% and 31% respectively of the waste it generated. The targets for reuse are 65% in production and 50% in administration by 2012.

Safety performance

Safety at the workplace is a key focus area for DONG Energy. The Group is working purposefully on improving safety in all business areas and corporate functions. Preventive action in 2009 primarily focused on the prevention of occupational injuries among DONG Energy's suppliers when working in the Group's premises.

There were 129 lost time injuries in 2009, including 93 among suppliers. Converted to LTIF (lost time occupational injuries per one million hours worked) the total number of injuries at DONG Energy and among the Group's suppliers was 6.8. The injury frequency rate thus showed an improvement over 2008, when it was 7.5, but did not live up to the Group's target for 2009 of 6.5. The injury frequency target for 2010 is 6.2.

The injury frequency for the Group's own employees was only 3.8 in 2009, a small improvement on 2008, when it was 4.0.

In November, there was a fatality on a leased drilling rig near the Siri field in the Danish sector of the North Sea, where DONG Energy is the operator. The deceased was working for a subsupplier. A number of initiatives have been put in place in DONG Energy, Mærsk Drilling and at the supplier to prevent similar incidents in future.

REVIEW OF BUSINESS AREAS' PERFORMANCE

The financial and environmental performance of each of the Group's four business areas is commented on in the following.

Exploration & Production

Volumes

Natural gas production was up 81% in 2009, while oil production was down 15%. Overall, production was up 29%, amounting to 24.0 million boe in 2009.

The increased natural gas production came primarily from the Ormen Lange field and reflected new production wells coming on stream at the end of 2008 and in autumn 2009. The decline in oil production was affected by the shut down of the Siri field from 31 August due to cracks in a subsea tank structure. Natural gas production, expressed in boe, amounted to 65% of total production compared with 46% in 2008.

The Danish fields accounted for 19% of production and the Norwegian fields for 81%, with the latter consequently accounting for a larger proportion of production than in 2008, when the proportion was 69%.

Financial performance and investments / capital expenditure

Revenue was down DKK 0.5 billion at DKK 6.6 billion, reflecting significantly lower natural gas and oil prices, which were partly offset by increased production and a positive effect from oil price hedging.

EBITDA decreased by DKK 0.6 billion to DKK 3.4 billion in 2009, reflecting lower revenue and higher operating expenses as a result of expansion of activities (additional producing wells). Expensed exploration expenditure was lower than in 2008, on the other hand, as hydrocarbon discoveries led to the capitalisation of a large proportion of the expenditure incurred in 2009.

EBIT decreased by DKK 0.4 billion, as depreciation and impairment losses were DKK 0.2 billion lower. Impairment losses were lower than in 2008, while depreciation was higher due to increased production. The 10% increase in depreciation should be viewed in the context of the 29% increase in production. The reason for the difference was partly the fact that the increased production came from some of the less depreciation-intensive fields, and partly that impairment losses in 2008 reduced the basis of depreciation in 2009.

The net cash inflow from operating activities was DKK 0.7 billion compared with DKK 4.0 billion in 2008. Besides lower EBITDA, the reduction reflected higher income tax expense, prepaid lease payments in respect of a drilling rig and increased working capital in 2009 compared with a reduction in 2008.

EXPLORATION & PRODUCTION

Financial highlights		2009	2008
VOLUMES			
Oil and gas production	million boe	24.0	18.5
- oil	million boe	8.5	10.0
- gas	million boe	15.5	8.5
FINANCIAL RESULTS			
Revenue	DKK million	6,579	7,114
EBITDA	DKK million	3,427	4,053
EBITDA adjusted for special hydrocarbon tax	DKK million	2,959	3,307
EBIT	DKK million	2,040	2,471
Cash flow from operating activities	DKK million	667	4,011
Gross investments	DKK million	3,050	3,434
ENVIRONMENT			
CO_2 emission, subject to allowance	million tonnes	0.04	0.05
Natural gas flaring	million Nm^3	6	7
Oil discharged to sea	tonnes	18	24
Reinjection of produced water at platforms	%	49	51

Investments and capital expenditure amounted to DKK 3.1 billion versus DKK 3.4 billion in 2008 and related primarily to the development of producing natural gas and oil fields. Investments and capital expenditure in 2009 related mainly to the development of the Danish Nini Øst field (DKK 0.7 billion), the continued development of the Norwegian Ormen Lange natural gas field (DKK 0.6 billion) and the acquisition of further equity stakes in the Oselvar and Trym licences (DKK 0.2 billion in total).

Environment

Discharges to sea of oil from production platforms totalled 18 tonnes in 2009, down 25% from 24 tonnes in 2008.

On the Siri platform, which is operated by DONG Energy, DONG Energy had an internal target in 2009 that discharges from the platform must not exceed an average of 17 mg of oil per litre of produced water, which was significantly less than the permitted concentration of 30 mg of oil per litre. The target was met, with an average concentration of 12 mg of oil per litre of produced water being discharged in 2009, 39% less than in 2008.

Reinjection of oil-containing water dropped to 49% overall in 2009. However, the Siri platform improved its reinjection performance from 76% in 2008 to 78% in 2009. Exploration & Production suffered one significant environmental incident in 2009, when the discharge of water with a high oil content resulted in a 3.3 m^3 oil spill. The spill occurred as a result of operational fault in the oil separators. A number of measures have been implemented subsequently in order to avoid similar incidents in future.

GENERATION

Financial highlights		2009	2008
VOLUMES			
Power generation	GWh	18,074	18,536
- thermal	GWh	15,264	15,958
- renewable	GWh	2,810	2,578
Heat generation	TJ	46,686	46,380
- thermal	TJ	46,618	46,321
- renewable	TJ	68	59
FINANCIAL RESULTS			
Revenue	DKK million	12,441	15,298
- thermal power	DKK million	7,278	9,436
- thermal heat	DKK million	2,184	2,442
- renewable energy	DKK million	1,676	1,453
- other	DKK million	1,303	1,967
EBITDA	DKK million	915	3,155
- including renewable energy	DKK million	722	771
EBIT	DKK million	(520)	1,640
Cash flow from operating activities	DKK million	1,001	3,466
Gross investments	DKK million	11,565	4,778
ENVIRONMENT			
CO_2 emission, subject to allowance	million tonnes	11.8	12.6
Percentage of CO_2-neutral fuels at power stations	%	15.2	14.0

Generation

Volumes

Power generation decreased by 2% to 18.1 TWh against 18.5 TWh in 2008. The lower demand for power resulted in lower thermal generation, despite higher green dark spreads.

Renewables generation, on the other hand, increased by 9%, accounting for 16% of the Group's power generation in 2009. The increase was primarily due to the start-up of operations at the new wind farms Horns Rev 2, Gunfleet Sands, Karnice and Storrun and increased generation from hydropower plants.

Heat generation was 1% ahead at 46.7 PJ in 2009. During large parts of the year, heat generation benefited from the fact that Amager Power Station, which is owned by Vattenfall, did not produce the normal heat volume. Own outages at the end of the year impacted adversely on generation, on the other hand.

Financial performance and investments / capital expenditure

Revenue was down DKK 2.9 billion at DKK 12.4 billion in 2009 as a result of lower Danish power prices and lower peak surcharges, which were partly offset by a positive effect from power price hedging and sale of virtual power under fixed-price contracts.

EBITDA was down DKK 2.2 billion at DKK 0.9 billion in 2009. The decline primarily reflected a lower contribution margin from thermal power generation, as power prices were lower while average fuel costs per GWh generated were in line with 2008. The average fuel cost for natural gas followed the decline in natural gas prices, while the average coal price realised for accounting purposes (excluding price hedging) increased to USD 116/tonne versus USD 100/tonne in 2008 due to the application of the FIFO principle to coal inventories. Furthermore, the value of granted CO_2 emissions allowances was DKK 0.4 billion lower due to lower CO_2 prices.

EBITDA from renewable energy decreased by DKK 0.1 billion due to lower power prices and amounted to DKK 0.7 billion in 2009.

Price hedging contributed DKK 0.6 billion in 2009 compared with DKK 0.5 billion in 2008.

FINANCIAL PERFORMANCE AND OUTLOOK

EBIT amounted to a loss of DKK 0.5 billion against a profit of DKK 1.6 billion in 2008, primarily reflecting the lower EBITDA.

The net cash inflow from operating activities was down at DKK 1.0 billion from DKK 3.5 billion in 2008, mainly as a result of the lower EBITDA. Less funds tied up in coal inventories had a positive effect, on the other hand.

Investments and capital expenditure amounted to DKK 11.6 billion compared with DKK 4.8 billion in 2008 and related primarily to the natural gas-fired power station projects Severn in the UK (DKK 2.3 billion) and Enecogen in the Netherlands (DKK 0.8 billion for the 50% ownership interest), the offshore wind farms Gunfleet Sands (DKK 2.0 billion), Horns Rev 2 (DKK 1.7 billion), London Array (DKK 0.7 billion) and Walney 1 (DKK 0.6 billion) as well as the specialist shipping company A2SEA (DKK 0.7 billion). Maintenance and capital expenditure on plant life extension at the Danish power stations amounted to DKK 1.0 billion.

Environment

CO_2 emissions subject to emissions trading amounted to 11.8 million tonnes compared with 12.6 million tonnes in 2008. The reduction was due to lower power station generation, a reduction in the use of fossil fuels and an increase in the proportion of CO_2-neutral fuels used. CO_2-neutral fuels accounted for 15% compared with 14% in 2008. The change was due to increased use of biomass as a result of the Group's strategic decision to convert to cleaner energy production.

Generation experienced three significant environmental incidents in 2009: a release of coal dust to the atmosphere on unloading of coal, an additional emission of NO_x due to incorrect setting of burners, and an oil leak at the oil terminals from a buried pipeline. Preventive action has been initiated concerning all the incidents.

Energy Markets

Volumes

Natural gas sales were down 6% in 2009 at 102.4 TWh compared with 108.4 TWh the previous year. The decline reflected lower demand from industrial and wholesale customers as well as DONG Energy being a net purchaser on the Dutch TTF gas hub due to low prices as opposed to a net seller in 2008.

Power sales were on a par with 2008 and amounted to 10.7 TWh.

Due to low gas hub prices, DONG Energy chose in 2009 to exploit the options in some natural gas purchase contracts to reduce its purchases under the oil-indexed DUC contracts. DONG Energy instead met part of its natural gas requirements via purchases on TTF at lower prices.

ENERGY MARKETS

Financial highlights		2009	2008
VOLUMES			
Natural gas sales	GWh	102,436	108,394
Power sales	GWh	10,723	10,482
FINANCIAL RESULTS			
Revenue	DKK million	28,201	38,087
EBITDA	DKK million	2,046	5,082
EBIT	DKK million	1,504	4,684
Cash flow from operating activities	DKK million	4,078	(699)
Gross investments	DKK million	418	229

Financial performance and investments / capital expenditure

Revenue was down DKK 9.9 billion at DKK 28.2 billion compared with DKK 38.1 billion in 2008 as a result of fewer sold volumes and significantly lower natural gas selling prices, but was partly offset by a positive effect from forward natural gas sales in 2008 for delivery in 2009 at prices significantly above the current market price level.

EBITDA decreased by DKK 3.0 billion to DKK 2.0 billion in 2009. Besides the lower revenue, the lower EBITDA was primarily due to a negative time lag effect. The rising oil prices in the first part of 2008 resulted in a significant negative time lag effect in 2009 as opposed to a positive effect in 2008.

EBIT was down DKK 3.2 billion at DKK 1.5 billion in 2009 due to the lower EBITDA and a DKK 0.1 billion increase in depreciation due to a changed depreciation profile for the North Sea natural gas pipelines.

The net cash inflow from operating activities was DKK 4.8 billion higher in 2009 than in 2008, despite the lower EBITDA, and amounted to DKK 4.1 billion. The improvement primarily reflected a reduction in funds tied up in working capital, including gas inventories and intragroup receivables, and a positive contribution from other adjustments in 2009 compared with a negative contribution in 2008. Other adjustments related primarily to market value adjustment of price hedging instruments without any cash flow effect.

Investments and capital expenditure amounted to DKK 0.4 billion in 2009 compared with DKK 0.2 billion in 2008. They related predominantly to infrastructure activities in Germany (DKK 0.3 billion), the acquisition of the German wholesale company KOM-STROM (DKK 0.1 billion) and IT systems (DKK 0.1 billion).

Sales & Distribution

Volumes

This business area's natural gas sales were 6% ahead, amounting to 21.8 TWh in 2009, while power sales dropped 6% to 8.5 TWh.

Natural gas and power distribution was 4% and 2% respectively lower than in 2008, while transportation in the oil pipeline was down 7% at 85 million barrels.

Financial performance and investments / capital expenditure

Revenue amounted to DKK 13.4 billion compared with DKK 15.6 billion in 2008. The decline was due to significantly lower natural gas and power prices and the sale of the 132 kV power transmission grid in June 2008. Generating positive contributions, on the other hand, were both natural gas distribution due to higher tariffs as a result of regulatory shortfall revenue in previous years and higher power distribution tariffs.

EBITDA was DKK 0.4 billion ahead at DKK 2.2 billion in 2009. The increase reflected higher power and natural gas distribution tariffs, lower network loss and lower capacity costs, which were partially offset both by lost earnings due to the sale of the 132 kV grid referred to above and by a lower value of the transported oil due to lower oil prices.

EBIT increased by DKK 0.8 billion to DKK 0.6 billion, reflecting the higher EBITDA and the fact that the DKK 0.7 billion impairment loss on the fibre optic network in 2009 was lower than the previous year's impairment losses, which primarily related to power distribution assets. Other depreciation remained unchanged.

Net cash inflow from operating activities decreased by DKK 0.2 billion to DKK 1.9 billion in 2009, despite an increase in EBITDA. The decline primarily reflected a negative contribution from increased intragroup working capital requirements in 2009 versus a positive contribution in 2008.

Investments and capital expenditure amounted to DKK 1.7 billion compared with DKK 2.1 billion in 2008, and related primarily to maintenance of the power distribution network (DKK 0.4 billion), underground installation of power cables in North Zealand (DKK 0.3 billion), and establishment of fibre optic network in North Zealand (DKK 0.3 billion).

Environment

In connection with the storage and treatment of natural gas some of the natural gas is flared. Flaring amounted to 1.2 million Nm^3 in 2009, 21% less than in 2008, when flaring amounted to 1.5 million Nm^3.

SALES & DISTRIBUTION

Financial highlights		2009	2008
VOLUMES			
Natural gas sales	GWh	21,756	20,550
Natural gas distribution	GWh	9,966	10,346
Power sales	GWh	8,529	9,066
Power distribution	GWh	9,156	9,371
Oil transportation, Denmark	million bbl	85	91
FINANCIAL RESULTS			
Revenue	DKK million	13,386	15,595
EBITDA	DKK million	2,239	1,827
EBIT	DKK million	594	(240)
Cash flow from operating activities	DKK million	1,935	2,103
Gross investments	DKK million	1,663	2,065
ENVIRONMENT			
CO_2 emission, subject to allowance	million tonnes	0.02	0.02
Natural gas flaring	million Nm^3	1.2	1.5
Excavation damage to gas pipes	no.	79	107
Methane leaks due to excavation damage	Nm^3	33,844	25,490

Excavation damage to natural gas pipes occurred 79 times in 2009 compared with 107 times in 2008, but methane leaks were 33% higher than in 2008, amounting to 33,844 Nm^3. The reason for the increased volume was four particularly large leaks jointly amounting to 20,339 Nm^3.

Sales & Distribution experienced one significant environmental incident in 2009, when a fire broke out in a power distribution station from which SF6 gas escaped. A number of measures have subsequently been put in place to avoid a recurrence of similar incidents.

FINANCIAL OUTLOOK FOR 2010

External assumptions
The development in a variety of market prices, including oil, natural gas, power, coal, CO_2 and the USD exchange rate, has a major impact on DONG Energy's financial performance. The outlook for 2010 is based on the average market prices in the table.

In principle, the financial performance will benefit from the higher market prices in 2010 compared with 2009.

Price hedging
A major proportion of market price exposure in 2010 has been hedged, which means that any deviations from assumed prices will not filter through in full to financial performance.

At the end of 2009, Exploration & Production's expected crude oil exposure in 2010 had been fully hedged at an average price of USD 80/bbl, while the Group's expected natural gas exposure in 2010 was largely neutral.

At the end of 2009, 60% and 30% of expected thermal power generation in 2010 and 2011 respectively had been hedged at prices corresponding to green dark spreads of around EUR 10/MWh and EUR 13/MWh respectively.

Oil price hedging has also been effected for the period 2012-2014, largely using options. These options can make financial performance highly volatile in the event of oil price changes, as their time value is continuously adjusted to market value in the income statement despite the fact that their intrinsic value is accounted for in accordance with the criteria for hedge accounting.

A large proportion of the Group's power price hedging is also adjusted to market value in the income statement on a continuous basis, as this hedging does not meet the effectiveness criteria for hedge accounting. This can also lead to large fluctuations in financial performance.

The latter two factors result in considerable uncertainty with respect to financial performance in 2010. In 2009, EBITDA benefited from market value adjustments of hedging instruments that do not meet the criteria for hedge accounting. The outlook for 2010 does not include a similar positive effect.

Timing differences
The development in market prices led to major negative effects in 2009, but is expected to be turned around to neutral or positive effects in 2010.

The expected higher oil price in 2010 compared with 2009 and the resulting effects on contracts with oil-indexed natural gas prices are thus expected to have a positive time lag effect. On the other hand, the positive optimisation effects in 2009 are not expected to be repeated in 2010. Overall, EBITDA in Energy Markets is expected to be somewhat better than in 2009.

With the assumed market prices, application of the FIFO principle to coal inventories is not expected to have any effect on EBITDA in 2010, whereas contracts entered into at high prices in 2008 depressed EBITDA by DKK 0.7 billion in 2009.

MARKET PRICES

(average prices)		Estimate 2010	2009
Oil, Brent	USD/bbl	81	62
Gas, TTF	EUR/MWh	14	12
Power, Nord Pool system	EUR/MWh	41	35
Power, Nord Pool DK [1]	EUR/MWh	46	38
Power, EEX	EUR/MWh	44	39
Coal, API 2	USD/t	87	70
CO_2 emissions allowances	EUR/t	13	13
Green dark spread DK [1]	EUR/MWh	12	8
US Dollar	DKK/USD	5.3	5.4

1) Based on the average prices in DK1 and DK2.

Other assumptions

The following significant new or expanded activities are expected to contribute around DKK 1.0 billion to EBITDA in 2010 compared with 2009:

- Full-year effect of the Horns Rev 2, Gunfleet Sands, Karnice and Storrun wind farms and the taking into use of Karcino in the second quarter of 2010. Also full-year effect of the A2SEA acquisition
- Start-up of production on the Nini Øst field in February and almost a full production year from the Siri area, where production was suspended in the last four months of 2009. Also expected start-up of production on the Trym field at the end of 2010
- Production from the Ormen Lange field is expected to be marginally higher than in 2009
- Start-up of operation of the natural gas-fired power station Severn, although earnings in 2010 are expected to be modest.

Regulatory factors are expected to have an adverse effect on Sales & Distribution in 2010, and EBITDA is consequently expected to be somewhat lower than in 2009.

The efficiency improvement and cost reduction programmes initiated, which are expected to gradually improve EBITDA by altogether DKK 1.5 billion in 2011 compared with 2008, are expected to contribute a further DKK 0.5 billion compared with 2009, with a large proportion being realised in Generation.

Net interest-bearing net debt was higher at the end of 2009 than at the start of the year. Net interest expense is consequently expected to be higher in 2010 than in 2009.

The sale of the shareholding in Swedegas AB in January 2010 is expected to yield an accounting gain of approx. DKK 150 million after tax.

EBITDA outlook for 2010

Based on the market prices and other assumptions outlined in the foregoing, EBITDA for 2010 is expected to be significantly ahead of 2009.

Outlook for net investments in 2010 and 2011

The previously announced level of net investments of DKK 10 billion in 2010 and between DKK 10 billion and DKK 15 billion in 2011 is reaffirmed. In this context, net investments are defined as the impact on DONG Energy's net interest-bearing debt and consist of:

- Net cash flows from investing activities (including disposals)
- Less net purchases/sales of bonds and securities
- Plus any debt assumed in connection with company acquisitions
- Less minority interests' share of investments in fully consolidated investment projects (including 25.1% minority stake in Walney wind farm project)
- Less the selling price of any disposals of minority holdings accounted for as part of cash flows from financing activities
- Less dividends received.

Outlook concerning capital structure

The long-term capital structure target has been changed from 2010 onwards to adjusted net debt of around three times cash flows from operating activities. The reason for the change is to make cash flows rather than earnings a driving force.

Adjusted net debt is defined as net debt for accounting purposes plus 50% of hybrid capital.

DONG Energy is expected to achieve this target in 2010.

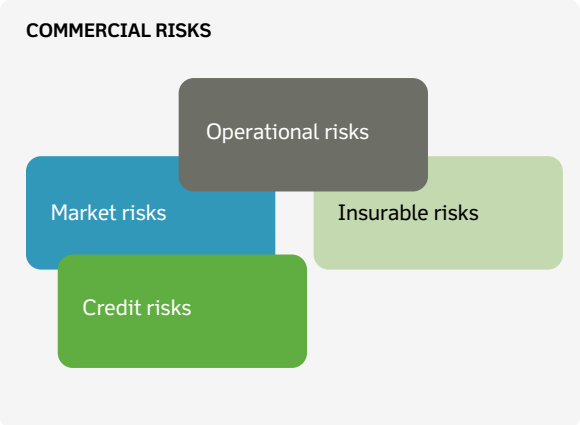
Forward-looking statement

The annual report contains forward-looking statements, which include projections of financial performance in 2010 and 2011. 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 and precipitation; the development in the oil, gas, power, coal, CO_2, currency and interest rate markets; changes in legislation, regulation or standards; changes in the competitive situation in DONG Energy's markets; and security of supply. Reference is made to the chapter risk management, and notes 32 and 33 to the consolidated financial statements.

RISK MANAGEMENT

DONG Energy's risk management focuses on identifying, assessing and measuring the risks associated with its business activities. Against that background, DONG Energy considers risk mitigation measures on an ongoing basis, partly through price hedging contracts, insurance contracts, its organisational structure and operational alignments. This provides increased certainty in relation to DONG Energy's financial manoeuvrability to make the necessary business transactions related to its strategy.

DONG Energy's risk management comprises a number of financial and non-financial risks. Some of these risks are outside - or partly outside - DONG Energy's control. The economic slowdown, which has led to falling demand for power and natural gas as well as lower prices, impacted on risk management in 2009. At the same time, DONG Energy tightened its focus on factors related to financing and credit risks.



Risk governance

Risk management in DONG Energy is organised through a number of decision-making bodies and carried out in accordance with fixed internal policies and procedures. All controllable risks are thus managed under authorities approved by the Supervisory Board that have been delegated by the Executive Board via a risk policy for the Group and risk policies for the individual business areas and subsidiaries.

DONG Energy has established a number of internal processes and procedures that ensure ongoing assessment, monitoring and follow-up of the current risk profile both in the short and the long term. The key business risks are identified at least annually. These risks are discussed by the Supervisory Board's Audit and Risk Committee and the full Supervisory Board. The Supervisory Board receives systematic follow-up on identified risks as well as reports on the exercise of delegated authorities and compliance with established guidelines on a quarterly basis.

In addition, the Executive Board's risk committee regularly discusses issues related to risk and monitors compliance with the Group's internal risk policies. Factors to which particular risk applies are presented to the Executive Board's finance committee. Furthermore, a risk control function has been established that monitors, independently of the business, whether established procedures, etc., are being complied with and quality assures and validates the risk models on which some risk assessments are based.

DONG Energy has chosen a business model whereby the business areas' external energy price hedging is undertaken by the energy trading function in the business area Energy Markets. This ensures that external trading is undertaken on a Group basis, minimising suboptimisation. At the same time, DONG Energy optimises and manages its positions in the energy market on a daily basis. Trading in Energy Markets is undertaken via a number of delegated authorities to trade that are monitored by daily reporting of earnings and associated risk (Value-at-Risk and stress testing). The trading function is organised into front, middle and back offices, ensuring a clear distribution of responsibilities and efficient performance and control of trading activities. DONG Energy uses a number of IT systems in its risk management.

Market and credit risks

DONG Energy's financial position is affected by movements in natural gas, oil, power, coal and CO_2 prices, exchange rates, interest rates and – to a lesser extent – other commodity prices. The exposure to natural gas and oil prices is linked to the production of natural gas and oil and the portfolio of natural gas contracts. The exposure to power, coal and CO_2 prices is primarily linked to thermal power generation. The Group's

growing portfolio of wind power activities also increases its exposure to power prices and risks related to the public subsidy regimes and legislative framework that affect their profitability.

The time horizon of the Group's management of market risks depends mainly on the liquidity of the financial products used to hedge price risks. The scope of price hedging decreases with the time horizon. This is due to several factors, including market liquidity and the increased uncertainty over time associated with the Group's estimates of future natural gas, oil and power production and its assumptions concerning the portfolio of natural gas contracts. This basis risk is measured and assessed on an ongoing basis. Price hedging is also undertaken with a view to achieving an appropriate balance between future potential earnings opportunities and protection against unfavourable market development.

Currency exposure depends on the Group's energy positions and is managed on an ongoing basis to achieve a high degree of hedging of currency risk. Interest rate risks depend on the Group's capital structure and debt and are managed with a view to achieving a high degree of certainty concerning future interest payments. DONG Energy's debt is predominantly fixed-rate.

Credit risk arises as a result of the Group's physical and financial trading in energy with customers and suppliers, investment of cash funds and the conclusion of financial interest rate and foreign exchange transactions. All these activities involve a risk of loss in the event of the counterparty's failure to perform.

Natural gas and oil price risks

Natural gas and oil production and DONG Energy's portfolio of natural gas contracts involve a natural exposure to movements in oil and natural gas prices. To this should be added the fuel consumption related to thermal power generation.

The natural gas contracts are typically indexed to gas and fuel oil, and natural gas prices consequently echo the movements in the prices for these products.

DONG Energy applies a five-year time horizon in the management of its natural gas and oil price risks. Future cash flows from natural gas and oil price exposure are estimated on the basis of both current forward prices and a set downside price scenario. The difference in cash flows in the two scenarios is a measure of risk and is managed within fixed delegated authorities using price hedging contracts. The need for price hedging is reviewed on a regular basis, as the exposure changes in connection with changes in forward prices and production estimates within the time horizon.

Wherever possible, price hedging is undertaken using instruments matching the actual exposure. Where this is not feasible, instruments are used that provide the highest possible degree of co-variation with the actual exposure, for example in the form of rolling price hedging, or price hedging using an oil product other than that to which the exposure relates, for example crude oil instead of gas oil or fuel oil. DONG Energy thus seeks to minimise the basis risk, i.e. the risk that the change in value of the exposure being hedged does not completely match the change in value of the hedging instrument. Price hedging is undertaken using both physical and financial contracts, with the emphasis on swaps and put options as far as oil is concerned.

At the end of 2009, Exploration & Production's expected crude oil exposure in 2010 had been fully hedged at an average price of USD 80/bbl, while the Group's expected natural gas exposure in 2010 was largely neutral.

Price risks related to power generation

The contribution margin related to thermal power generation is determined by revenue from power sales less fuel and CO_2 costs. The contribution margin is called green dark spread in connection with coal-based power generation and green spark spread in connection with natural gas-based power generation. On completion of the natural gas-fired power station Sev-

ern in the UK at the end of 2010, DONG Energy will be exposed to the UK green spark spread.

The price exposure related to generation at Danish power stations, which is still primarily based on coal, is managed with a time horizon of 2½ years. The green dark spread is hedged based on expected production by the simultaneous forward sale of power and forward purchase of coal and CO_2 respectively, so that the portion hedged is bigger the more favourable the green dark spread. In addition, the portion of expected production that is hedged is bigger the shorter the time to delivery. Risk management of the Severn power station will be based on similar principles, but aligned to local UK market conditions.

Price hedging of thermal power generation in Denmark is, as far as possible, undertaken using Danish power price instruments, but also to a great extent the more liquid contracts for the Nord Pool system power price and Swedish area prices and German power price contracts (primarily EEX), the changes in value of which are typically closely correlated to Danish power prices. The price exposure relating to the resulting basis risk cannot be hedged. At the end of 2009, 60% of the price exposure related to the expected thermal generation in 2010 and 30% in 2011 had been hedged.

The price risk related to the Danish offshore wind farms has been hedged via contracts on publicly guaranteed minimum prices for a number of years ahead.

In the coming years, DONG Energy will be bringing more UK offshore wind farms on line, considerably increasing its exposure to UK power prices. UK power prices are typically hedged in the form of individually negotiated bilateral fixed-price contracts, as there is no liquid financial power market in the UK. DONG Energy is also exploring the possibilities for hedging price risk using hedging instruments with a close correlation to UK power prices. The growing wind power portfolio also increases the Group's exposure to public subsidy regimes and associated legislation, including especially the UK Renewables Obligation Certificates (ROCs). The price risk related to ROCs can to some extent be hedged using bilateral contracts.

CO_2

The contribution margin from coal-fired and natural gas-fired power stations depends on the green dark spread/green spark spread. Accordingly, earnings from thermal power stations will not be determined by the current price level for CO_2, as the level does not normally affect the spread. However, in the typically limited periods in which nuclear power and/or hydropower dictate power prices in Denmark, a high CO_2 price may impact earnings adversely. DONG Energy has been granted CO_2 allowances up to 2012 roughly corresponding to its expected consumption during the period in question. The value of the CO_2 allowances granted depends on the CO_2 price.

Earnings from wind power depend on power prices. Because of the close correlation between power prices and CO_2 prices, earnings are indirectly exposed to CO_2 prices. In the UK, which is the largest market, earnings also depend on ROCs. DONG Energy counters these dependencies by using price hedging contracts within the risk management horizon, as explained in the foregoing.

Active position taking and market making

Besides optimising the Group's energy market positions and managing the associated risks, the energy trading function also engages in active position taking and market making.

Active position taking is carried out with a view to ensuring a continuous presence in the markets and gaining detailed market insight. Active position taking consequently is not based on DONG Energy's energy production positions or its portfolio of natural gas contracts, but solely on subjective assessments of current price levels.

To support efficiency and liquidity DONG Energy has taken on a market maker role in the Danish power market. This means that DONG Energy quotes bid and offer prices in the market on a daily basis.

DONG Energy engages in active position taking and market making within narrow risk tolerance levels, compliance with which is monitored by daily reporting of earnings and risk. Overall one-day 95% VaR (value-at-risk) for active position taking was DKK 4.5 million at the end of 2009, which was representative of the level through the year.

Currency risks

DONG Energy's business activities expose it to risks related to movements in exchange rates, primarily USD, GBP, PLN, SEK, NOK and EUR. Because there are typically significant offsetting currency positions internally in the Group, consolidated currency exposure is calculated on an ongoing basis, and efforts are made to minimise total net exposure by using forward contracts and swaps.

Risk exposure is calculated on the basis of the cash flow volatility – expressed in DKK – that currency movements typically give rise to over a five-year time horizon. At the end of 2009, the currency risk on 84% of the consolidated net position in 2010 had been hedged (excluding EUR).

Interest rate risks

The Group's interest rate risks are determined by its loan portfolio, financial price hedging and investment of cash funds. Interest rate risk is managed in relation to the Group's net

interest-bearing debt, equivalent to a specific proportion of net debt being fixed-rate. This translates into a requirement for a DKK duration on the net debt (the change in market value of the net debt in DKK in the event of a one percentage point change in the interest rate for all currencies) that constitutes the practical risk management objective.

This strategy reflects the wish for a limited effect of interest rate changes. The loan portfolio including hybrid capital was thus predominantly fixed-rate (94%) at the end of 2009. Interest rate risk totalled DKK 2,118 million at the end of 2009. This corresponds to the amount by which the market value of net interest-bearing debt including hybrid capital would fall in the event of a one percentage point increase across the interest rate curve for all currencies and corresponds to a duration of 4.6 years for the gross loan portfolio including hybrid capital.

Credit risks

Credit risks in DONG Energy exist both in relation to physical trading and delivery of energy products, financial transactions and customers and suppliers, with all contracts entailing a risk of loss in the event of the counterparty failing to perform. All significant counterparties are consequently rated, and credit risk limits are set that are monitored and reported to the Executive Board and the Supervisory Board on a regular basis. All counterparties in energy trading and financing activities are followed up on daily, and standardised contract provisions are used that are normal for trading in energy and financial markets.

DONG Energy's increased presence in several international markets has led to management of credit risk across national borders based on the Group's adopted risk policy, so that credit risk is consolidated across all business areas.

The financial crisis has heightened DONG Energy's focus on credit risk management and has led to a number of initiatives aimed at reducing the Group's credit risk, including restrictions on or discontinuation of further trading with selected counterparties and stricter requirements concerning the provision of collateral. Credit risk is assessed on a regular basis in relation to business activities. DONG Energy did not suffer any material credit losses in 2009 and no losses relating to its trading activities. However, DONG Energy recorded increasing losses in the end customer segment.

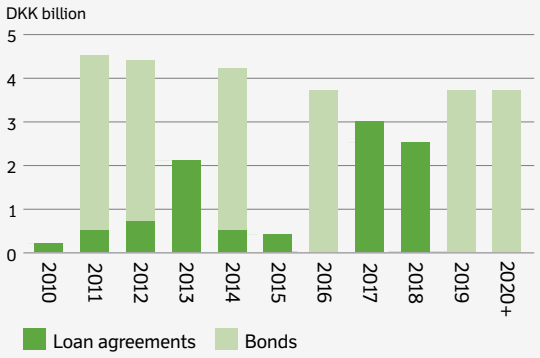
In 2009, DONG Energy strengthened its internal procedures in relation to having adequate financial resources in the event of a large counterparty experiencing financial difficulties. DONG Energy also continued its expanded monitoring of trading counterparties, and activities with financial counterparties were concentrated on fewer counterparties.

Liquidity and financing risks

DONG Energy's liquidity and financing risks are managed centrally in accordance with principles and delegated authorities laid down by the Supervisory Board. One of the main financial management tasks in DONG Energy is to secure sufficient and flexible financial resources in relation to the day-to-day operations and the Group's investment programme. To this end, internal management objectives have been established for the required level of financial resources, taking into account primarily factors such as investment programme, cash flows from operations and debt maturity profile.

It is DONG Energy's financing policy to concentrate loans in the parent company in order to optimise the loan portfolio on a consolidated basis. Non-current assets are primarily financed by cash flows from operations, supplemented by the raising of debt.

DEBT PROFILE 31/12 2009

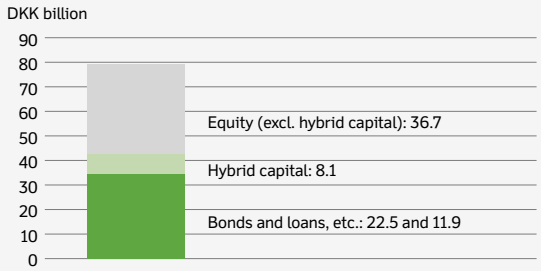


Note: Excluding hybrid capital and loans where DONG Energy holds the counterbalancing securities.

In May and December 2009, DONG Energy issued bonds in the euro market totalling EUR 2 billion (DKK 15 billion). Both issues were oversubscribed, and the credit margins were satisfactory. Other large-scale borrowing in 2009 comprised the raising of loans from the European Investment Bank (EIB) totalling EUR 250 million (DKK 1.9 billion). DONG Energy thus had access to the necessary financing throughout 2009.

DONG Energy manages its debt profile and cash resources via a number of policies aimed at minimising refinancing risks. This is achieved partly through a spread of sources of finance and maturities, and partly by ensuring that cash resources are sound, either in the form of committed borrowing facilities or cash. At the end of 2009, cash resources amounted to DKK 18.7 billion, including undrawn committed borrowing facilities of DKK 13.2 billion and cash and securities of DKK 5.5 billion.

CAPITALISATION



In order to secure financing on attractive terms at all times, DONG Energy has set targets for its creditworthiness and capital structure. The target for creditworthiness is the maintenance of ratings with the rating agencies Standard & Poor's and Moody's of at least BBB+ and Baa1 respectively. DONG Energy considers that poorer ratings would limit the Group's possibilities for effective implementation of the investment programme that is part of its strategy. Standard & Poor's upgraded DONG Energy's rating to A- from BBB+ (stable outlook) in 2009. The Baa1 (stable outlook) rating from Moody's remained unchanged in 2009.

DONG Energy has elected to review its capital structure target with a view to focusing on credit investors. The long-term target in 2009 was for net interest-bearing debt (including hybrid capital) to be around three times EBITDA (adjusted for special hydrocarbon taxes). This financial key performance indicator stood at 4.2 at the end of 2009 compared with 1.8 at the same time the previous year. The increase reflected substantially lower EBITDA due to the unfavourable market conditions in 2009 and an increase in net interest-bearing debt as a result of the Group's investment programme. This financial key performance indicator will be changed with effect from 2010 onwards with a view to focusing more directly on the cash flows that are generated by operations and can be used to service debt. This will also bring the indicator more in line with the indicators on which the rating agencies focus. In future, this financial key performance indicator will consequently be replaced by a long-term target to the effect that adjusted net interest-bearing debt must correspond to around three times cash flows from operating activities. Adjusted net interest-bearing debt will be determined as net interest-bearing debt plus 50% of issued hybrid capital in accordance with the rating agencies' treatment of hybrid capital. This indicator would have been 3.3 in 2009.

Insurable risks

DONG Energy has considerable physical assets in the form of production facilities, distribution networks, storage facilities and buildings, as well as assets and buildings in the course of construction. DONG Energy has taken out a number of insurance policies to protect the value of these installations.

The all risks facilities insurance largely relates to the membership of the reinsurance company OIL Insurance Ltd. DONG Energy is insured for up to USD 250 million with an excess of up to USD 10 million per insurance event. With a view to achieving adequate cover for certain assets, supplementary insurance policies have been taken out with other insurance companies, including Lloyd's of London.

A subsidiary, DONG Insurance A/S, has been set up with a view to insuring the Group and achieving a cost-effective insurance portfolio. The company is subject to supervision by the Danish Financial Supervisory Authority.

Other commercial risks

In addition to the risks described in the foregoing, DONG Energy's business activities expose it to various other risks that may have an adverse impact on the Group's financial position, and may consequently prevent or hamper the achievement of its strategic targets. Selected significant risks identified are described in the following.

Production of power, natural gas and oil
DONG Energy's construction and operation of production facilities relating to power, natural gas and oil rely on a number of complex technologies that expose the Group to the risk of failure or delays due to technical problems or other unforeseen events. The shutdown of production on the Siri platform in 2009 is an example of one such risk, which has resulted in remediation costs and loss of profits.

Expected production volumes are also subject to uncertainty. The volume of natural gas and oil production in individual years and the fields' total lifespan can only be estimated with a degree of uncertainty, and power generation from wind turbines varies with wind force. Due to the possibility of imported hydro-generated power from Norway and Sweden, the volume of precipitation in these areas is a determining factor for the green dark spread and consequently generation from Danish thermal power stations.

Decoupling of natural gas and oil prices
Natural gas and oil prices are normally relatively closely correlated, as long-term natural gas contracts are typically indexed to oil prices. However, in the short term, considerable differences between oil and natural gas prices can often be observed as a result of local supply and demand factors in the European natural gas market compared with the global oil market.

The surplus of natural gas in Europe triggered by the economic downturn has led to low natural gas prices in Europe compared with oil prices for a longer period than normal. The oversupply of natural gas reflects the lower cyclical demand and recent years' mild winters. To this should be added the expansion of the European natural gas distribution network, which has improved liquidity on the European gas hubs. Increased imports of liquefied natural gas (LNG) from overseas also added to the supply of natural gas in Europe in 2009.

There is a risk that the decoupling of natural gas and oil prices will be protracted, which may have adverse consequences in the event of natural gas purchase and sales contracts not having the same base exposure. However, oil-indexed natural gas contracts normally feature renegotiation clauses that are aimed at maintaining the competitiveness of the contracts relative to the actual market price of natural gas. In the short term, the decoupling of natural gas and oil prices may have a significant impact on DONG Energy's earnings, while, in the longer term, it may present improved opportunities for alignment to the changed market conditions.

Technical exposure relating to offshore wind turbines
The expansion and operation of offshore wind farms forms an essential element of DONG Energy's strategy. To improve the efficiency of procurement, design, installation and subsequent operation of offshore wind farms, the Group has entered into an agreement with Siemens on the supply of a specific type of wind turbine for a number of wind power projects. The wind turbines for several of the Group's established wind farms were also supplied by Siemens. This will increase DONG Energy's exposure to batch faults in turbines, which, in turn, may result in higher investment and maintenance costs and loss of profits.

The Group is also exposed to defects and failure of transmission cables and transformer stations, exposing it to the risk of loss of profits, as farms typically have to be shut down while remedial work is carried out. DONG Energy endeavours to counter such risks through manufacturers' warranties, by choosing well-proven turbine types, and in some cases compensation schemes with national system operators. Insurance against loss of profits is assessed on a case-by-case basis for the individual farms.

Regulatory risks
DONG Energy is engaged in a number of activities that are subject to statutory regulation, or where political decisions may have a major impact on earnings. This applies, for example, to subsidy regimes for offshore wind turbines and income cap regulation in respect of distribution activities. The amendments to the Danish Electricity Supply Act in 2009 are one example of the latter.

The authorities in several countries award green certificates per MWh generated as part of the payment for power generated by wind turbines. Green certificates typically make up more than half of earnings from wind power. DONG Energy is primarily exposed to the UK ROC regime.

The number of renewables certificates granted is decided politically. The number of certificates required to emit polluting gases, and consequently demand for certificates, is also decided politically.

Common to green certificates is the fact that there is not a liquid market in which they can be traded, which makes long-term price hedging of such certificates costly and cumbersome.

Investments and capital expenditure
DONG Energy's growth is to a great extent based on capital expenditure on new production facilities and to a lesser extent on acquisitions. The design and construction of large construction projects involve a number of risks, including delays due to the weather, unforeseen technical challenges and regulatory requirements that can increase the construction cost here and now. At the same time, an inappropriate choice of technical solution or similar can impact future earnings adversely.

SØREN GATH HANSEN,
Executive Vice President, Exploration & Production

"Our business is experiencing continuous growth. Exploration & Production will contribute to increased natural gas and oil production in the years ahead through a robust and diversified product portfolio, to the benefit of security of supply and the Group's bottom line."

Natural gas and oil production
24 million boe

Natural gas and oil reserves (2P)
364 million boe

EBITDA
DKK 3.4 billion

DONG Energy is the operator of the Siri field and the adjoining fields. Oil production from, for example, the Nini Øst field, which was recently brought on stream, is transmitted for treatment on the Siri platform.

EXPLORATION & PRODUCTION

INCREASED PRODUCTION AND NEW DISCOVERIES

Exploration & Production explores for and produces natural gas and oil in Denmark and Norway, on the Faroe Islands, in Greenland and in the West of Shetland area in the UK. DONG Energy also has a stake in the overall natural gas pipeline network (Gassled) connecting the Norwegian fields with the European continent and the UK.

Exploration & Production creates value through a number of activities in the upstream part of the energy value chain - from own exploration to natural gas and oil production. Exploration & Production's natural gas production travels further down the value chain to the business area Energy Markets, where it creates additional value by forming part of the overall natural gas portfolio. The objective is for equity natural gas production to meet 30% of DONG Energy's needs, thereby strengthening security of supply.

At the end of 2009, DONG Energy had 14 production licences and 56 exploration and appraisal licences. Two of these are being developed and are expected to go on stream within the coming years. DONG Energy is the operator of nine licences in Denmark, six in Norway, seven in the UK and one in Greenland.

2009 was characterised by several key events underpinning DONG Energy's growth strategy. Exploration for new reserves thus led to four new discoveries: one in Norway and three in the West of Shetland area in the UK. Furthermore, DONG Energy's first UK well in an operatorship role, on licence P1195, led to the Glenlivet natural gas discovery.

Also in an operatorship role, DONG Energy initiated the development of the Oselvar natural gas field in Norway. DONG Energy increased its stake in this field from 40% to 55%. In addition, DONG Energy increased its stake in the Trym natural gas field from 40% to 50%.

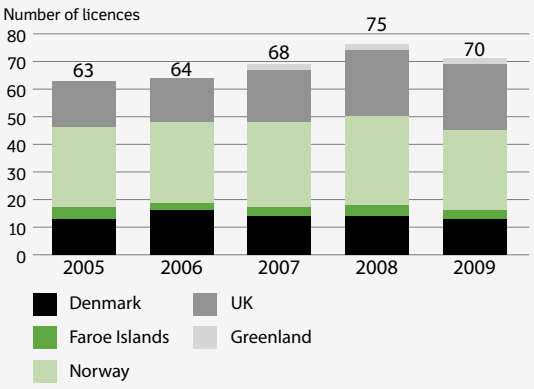
Lastly, DONG Energy developed the Nini Øst oil field in the Siri area in Denmark in 2009 and production has just commenced. The field's production is piped to the Siri platform for treatment and then lifted together with other production from the area for onwards transportation by sea. DONG Energy is the operator of all four production platforms and installations in the area.

Reserves

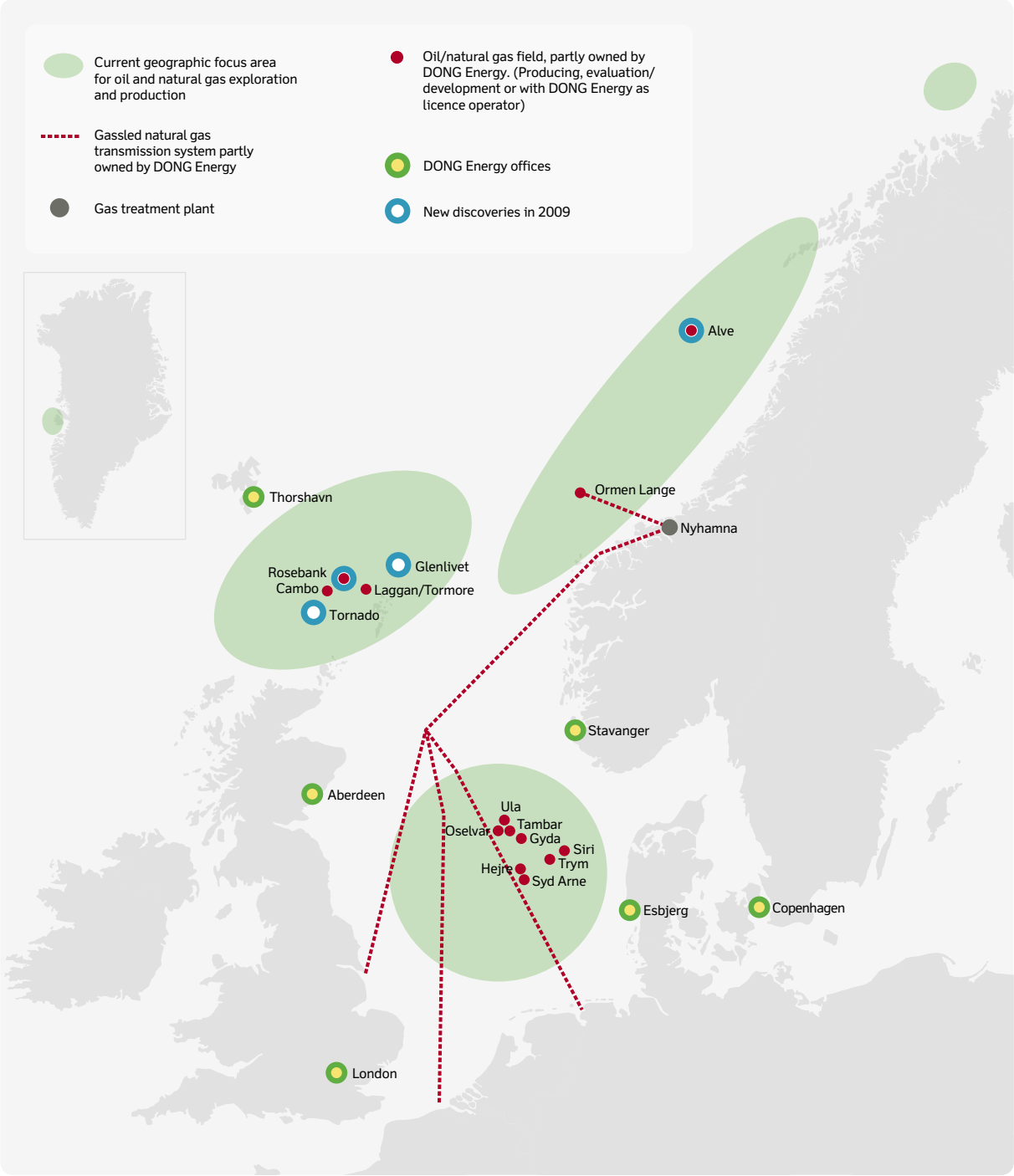
DONG Energy's 2P oil and gas reserves amounted to 364 million boe (barrels of oil equivalent) at end 2009 compared with 392 million boe at end 2008. The lifespan (R/P) of oil and gas reserves (calculated as 2P reserves at end-2009 to production in 2009) was 15 years. As production increases over the coming years the long-term target is to maintain a lifespan of oil and gas reserves of at least eight years.

Reserves matured into 2P during 2009 came predominantly from the Laggan and Tormore fields as well as acquisition of

EXPLORATION AND PRODUCTION LICENCES



additional interests in the Trym and Oselvar fields. Glitne and Enoch reserves were removed from the reserves base as a result of divestment. All production wells on the Ormen Lange field have performed as expected, whereas two appraisal wells in the Northern licence block of the field (licence PL 209) in 2008 and 2009 showed less natural gas volumes in this area than expected. An interpretation of these results has negatively impacted 2P reserves for the business area and DONG Energy follows the operator's downward adjustment of reserves by 25% (approx. 70 million boe), which is included in the 2009 reserves. The near-future development programme and production from Ormen Lange will not be affected. Ormen Lange is a unitised field, based on a unit operating agreement for the three licences making up the Ormen Lange field. DONG Energy is not a party to licence PL 209 and consequently may not be affected in the long term by the downgrading of the total Ormen Lange field reserves.



EXPLORATION & PRODUCTION

Production
Natural gas and oil production totalled 24.0 million boe in 2009 compared with 18.5 million boe in 2008. Natural gas accounted for 15.5 million boe compared with 8.5 million boe in 2008, which meant that natural gas production exceeded oil production for the first time. This is in line with DONG Energy's strategy to strengthen its security of supply by increasing its natural gas supply.

Production came primarily from Ormen Lange (61%), the new field Alve (5%), the mature fields Ula, Gyda and Tambar in Norway (14%) and Syd Arne, Siri/Stine, Nini and Cecilie in Denmark (19%). 81% of total natural gas and oil production came from Norway compared with 69% in 2008. The increase in production was primarily attributable to Ormen Lange. Production from Danish fields, on the other hand, was 22% down on the previous year.

Denmark
As operator of the Siri oil field, DONG Energy decided to stop production in August 2009 when a routine inspection revealed cracks in a subsea tank structure connected to the oil storage tank underneath the platform. There was no evidence of any oil spills. A temporary solution was established at the end of 2009, and production from the fields in the area was resumed at the end of January 2010. Plans for a permanent solution are under development.

Production on the Syd Arne oil field has been stable compared with 2008. In 2009, together with the operator of Syd Arne, DONG Energy focused on preparations for the drilling of new production wells in 2010 and on exploring options for continued development and optimisation of production.

DONG Energy is the operator of the development of the Hejre field. The field contains both oil and wet natural gas, which requires the establishment of special technical installations for exporting the natural gas. The establishment of a solution whereby the wet natural gas is transported to Denmark has proved a challenge in terms of the time it takes. To achieve an optimum solution with regard to the time and technical installations required, DONG Energy is exploring several options in parallel, including export via Norwegian and Dutch infrastructure. A final development plan for the field will depend on these studies, which are expected to be completed in 2010.

In North Jutland, DONG Energy has acquired on-shore seismic data in order to explore possible oil deposits in the substrata below Thy. These investigations will form part of the assessment of whether there is a basis for acquiring further data and possibly drilling an exploration well in the area.

Norway
In Norway, DONG Energy has commenced the development of the Trym and Oselvar natural gas fields as operator. Such projects are a key element of DONG Energy's growth strategy for Norway.

In 2009, DONG Energy concluded a partial exchange agreement with Faroe Petroleum under which DONG Energy increased its stake in the Trym field from 40% to 50%. At the same time the Group relinquished its stakes in the producing Norwegian oil fields Glitne and Enoch.

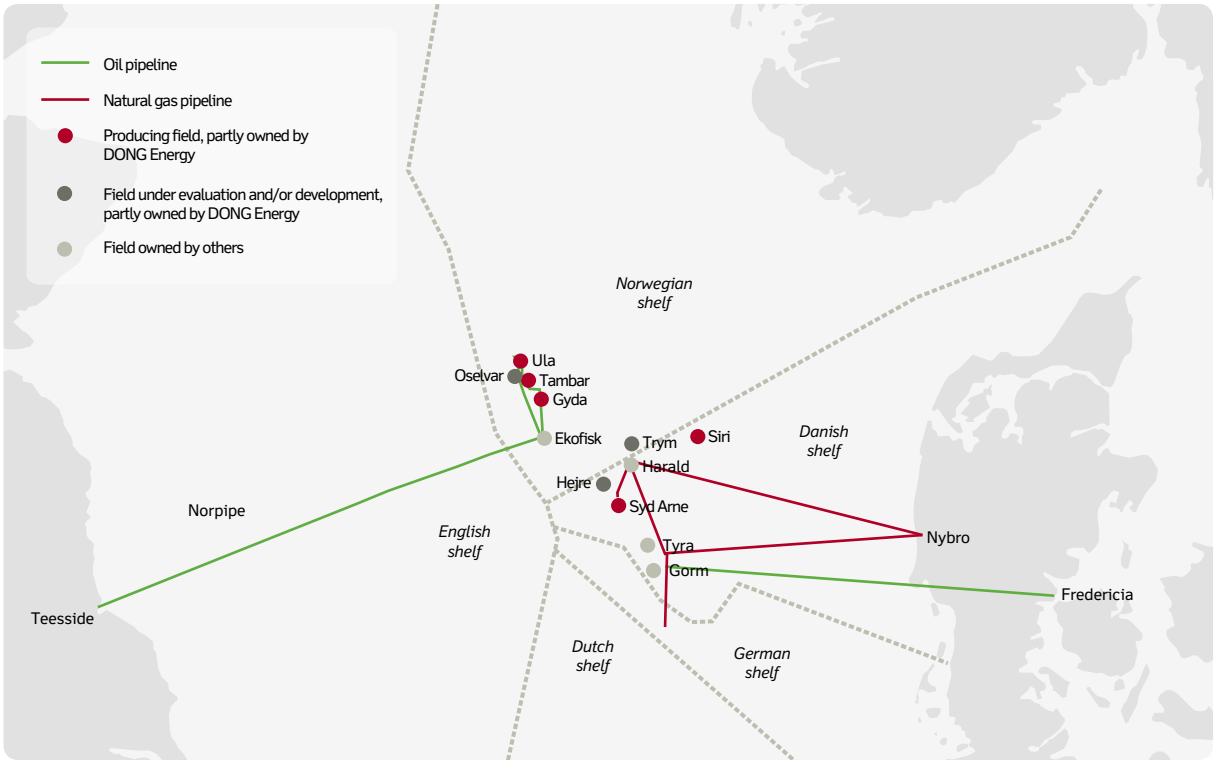
Development of the Trym field is pending final official approval. Production is expected to commence at the end of 2010. Trym is located on the boundary between the Danish and Norwegian sectors of the continental shelf, and according to the development plan the natural gas will be transported from the subsea production facility on Trym via the Danish platforms Harald and Tyra to Nybro in Denmark or Den Helder in the Netherlands (see map on page 39). DONG Energy owns the pipelines from Harald to Tyra and from Tyra to Nybro and is co-owner of the pipeline from Tyra to Den Helder. Oil and condensate from Trym will be transported from Harald via the Gorm field to Fredericia via DONG Energy's oil pipeline.

The authorities approved the development of the Oselvar field in June 2009, and the field is expected to go on stream at the end of 2011. Oselvar is being developed through three horizontal production wells connected to the platform at the Ula field via a pipeline. DONG Energy expects to sell part of the natural gas production to the Ula licence for injection with a view to increasing oil extraction, while the remaining natural gas is expected to be transmitted to the German market via the Ekofisk system. The field's oil production will be transported to the UK via the Ekofisk/Norpipe system.

Production from the Ormen Lange field was increased still further in 2009, and there were ten producing wells on the field at the end of the year compared with six the year before. An appraisal well was drilled on the northern part of the field in 2009, and the assessment of the results from this well will form part of the continued development of the field. The field came on stream in 2007, and phase one of its development has been completed to plan. The production build-up has exceeded expectations.

The Alve field, which was brought on stream at the start of 2009, is estimated to have further potential. Further exploration on the licence in 2009 led to a new discovery.

In 2009, DONG Energy was awarded its first two licences, including an operatorship, in the Barents Sea off the northern coast of Norway. The licence PL518 is located in the area west of the Goliat natural gas and oil field. In summer 2009, DONG



Energy acquired 3D seismic data that will be evaluated in relation to the exploration potential.

UK

In the UK, DONG Energy's exploration and production activities are concentrated in the West of Shetland area. The area is key to DONG Energy's growth strategy, and the Group participates in 24 licences. DONG Energy has participated in all important finds in the area since its establishment in the UK in 2000. In 2009, DONG Energy participated in three finds in the Rosebank, Tornado and Glenlivet licences.

The discovery of natural gas on the Glenlivet licence was made from DONG Energy's first well as operator in the UK. A total of three successful wells were drilled on the licence with the aim of delineating the extent of the discovery. Drilling proceeded to plan despite harsh weather conditions.

In 2009, proposals for development plans for the Laggan and Tormore licences near Glenlivet were submitted to the authorities. The development of Laggan and Tormore will include the establishment of new infrastructure in the area, which opens up the possibility for existing and future finds in the area being produced via this infrastructure.

Successful appraisal wells were drilled on the Rosebank licence. Added to the latest discovery in 2009, this has resulted in an increase in estimated reserves. The latest discovery in 2009 was made on the northern part of the licence, and, coupled with the appraisal wells, this boosts reserves in the area. In 2009, DONG Energy acquired a stake in the Tornado licences P1190 and P1262, which are located south of the Cambo and Rosebank licences. An exploration well drilled in October led to a discovery on the licences. The commercial potential of the discovery is still being evaluated.

Faroe Islands

On the Faroe Islands, DONG Energy participates in three licences. In 2009, efforts focused on appraising the exploration potential of existing licences, which resulted in one licence being relinquished. In addition, a decision was made to drill an exploration well in licence F008, which is located immediately west of the Rosebank discovery.

Greenland

In Greenland, DONG Energy participates as operator of exploration in West Greenland. Seismic surveys were carried out in 2008 and the data are still being appraised. Great water depths and the fact that activities are restricted during part of the year as a result of the climatic conditions mean that the time horizon for any finds and subsequent development of commercial production in this area will be protracted.

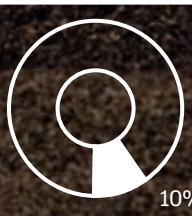
NIELS BERGH-HANSEN,
Executive Vice President, Generation

"One of the consequences of the transition of power and heat generation to low-carbon fuels is increased use of biomass. Following a conversion of Herning Power Station in 2009 biomass now accounts for 97% of fuel consumption. Coupled with considerable growth in wind energy capacity, we are well on the way towards a greener future."

Power generation
18,074 GWh

Heat generation
46,686 TJ

EBITDA
DKK 0.9 billion



Biomass flaring is CO_2-neutral and represented 11% of DONG Energy's combined heat and power generation. Herning Power Station is close to achieving CO_2-neutral power and heat generation, and won recognition by the Municipality of Herning in 2009 for its active approach to climate and energy.

GENERATION

MUCH MORE GREEN POWER

The business area Generation produces and sells power and heat. Generation takes place at 25 thermal power stations in Denmark and from wind turbines in Denmark, the UK, Poland, Norway, Sweden and France. DONG Energy also has stakes in hydropower plants in Sweden and Norway as well as Danish production based on geothermal heat.

The terms for power and heat generation are undergoing radical change in current years. The global financial crisis has led to a historic reduction in power consumption from 2008 to 2009 due to a significant decline in industrial production across Europe. Falling demand, coupled with falling fuel prices, led to a considerable decline in power prices in DONG Energy's principal markets in 2009. At the same time, there is a growing wish among legislators, private consumers and business customers for increased use to be made of green power from renewable energy sources or CO_2-neutral fuels such as biomass.

15% of the Group's power and heat generation is currently based on renewable energy or CO_2-neutral fuels, while 85% is based on fossil fuels. Under the heading 85/15, DONG Energy has set itself the target of reducing its CO_2 emission per energy unit generated to 15% of the current level by 2040. DONG Energy expects to have halved its emissions in as little as ten years.

The strategy is based on, among other things, DONG Energy's skills in the design, construction and operation of offshore wind farms and the use of biomass at power stations.

Switching to more eco-friendly fuels

DONG Energy is Denmark's leading power generator. In 2009, the Group's Danish thermal power generation amounted to 15,264 GWh, equivalent to 55% of the total in Denmark. Heat generation amounted to 46,686 TJ in 2009, equivalent to 38% of Denmark's total heat generation. Power generation in Denmark is sold on the Nordic energy exchange Nord Pool, while heat generation is sold to district heating companies in Denmark.

The deteriorated market conditions in 2009 had a significant adverse impact on earnings from the Danish thermal activities. In October 2009, DONG Energy consequently decided to implement a number of initiatives aimed at bolstering earnings. One initiative is the suspension of operations of two coal-fired power station units in the second quarter of 2010. The two units, at Studstrup Power Station near Århus and Asnæs Power Station near Kalundborg, have a total capacity of 980 MW.

The decision was made in continuation of the taking out of service of two other coal-fired power station units in April 2008. Overall, this means that DONG Energy's coal-based power station capacity in Denmark will be reduced by around 25%. This will boost earnings in a difficult market, while at the same time being in keeping with the strategy concerning greener generation.

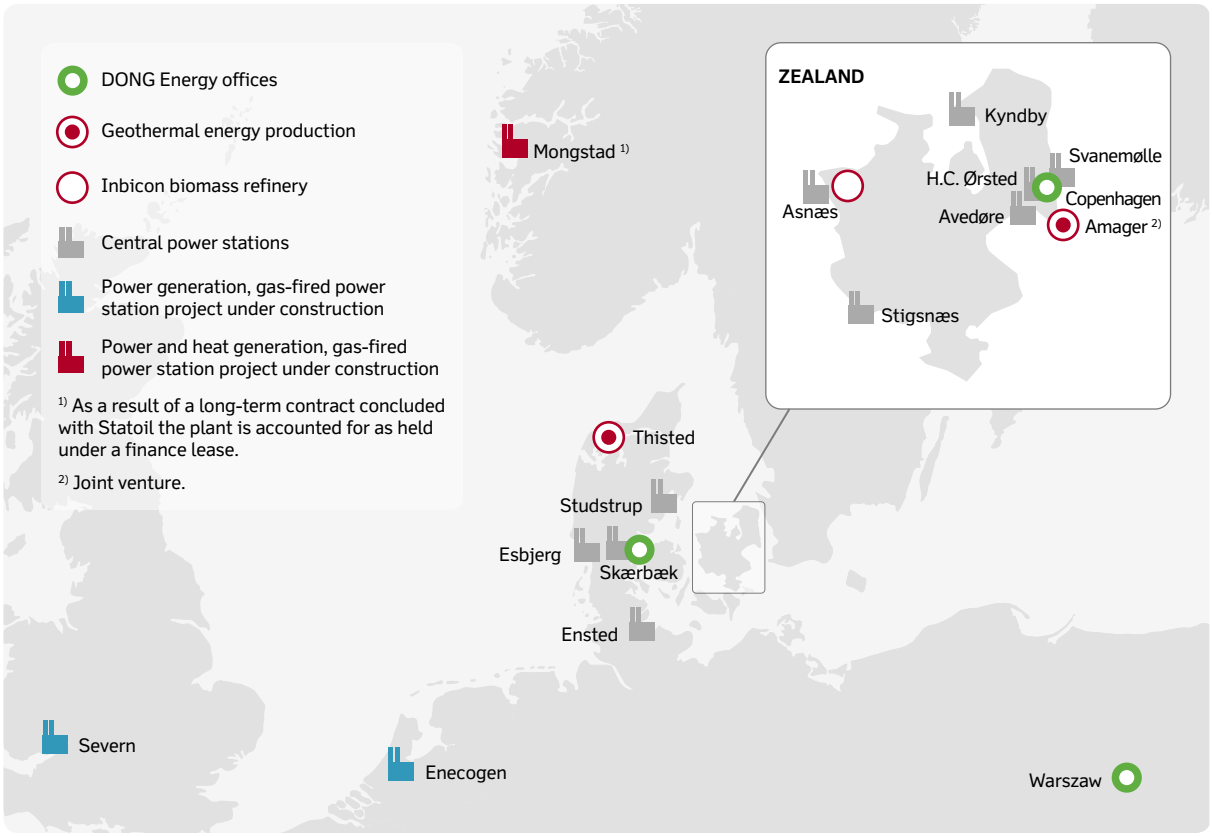
At the same time, efforts to switch Danish generating capacity from fossil fuels to CO_2-neutral biomass are in full swing. DONG Energy has many years' experience in using different types of biomass as fuel, for example straw, wood pellets and wood chips. Some power stations use biomass as the sole source of fuel, while others use biomass in combination with fossil fuels. Following the completion of a conversion of Herning Power Station in October 2009, biomass accounts for 97% of the fuel used at this power station.

DONG Energy must use its experience with biomass to change several large Danish power station units over to CO_2-neutral fuels. DONG Energy is working closely with the Municipality of Århus to convert a power station unit at Studstrup Power Station from coal to biomass. DONG Energy also has plans to convert to further biomass-firing in Copenhagen.

DONG Energy is also working on reducing the transport sector's CO_2 emissions by converting straw to CO_2-neutral bioethanol. Bioethanol can be blended with petrol, thereby helping to reduce dependence on oil. In November 2009, the Group inaugurated one of the world's first demonstration plants for production of second-generation bioethanol, Inbicon near Kalundborg. This bioethanol is based on residual products, where first-generation bioethanol was based on food crops.

New thermal generation abroad

As part of the Group's strategy to grow its international thermal activities, DONG Energy decided in 2009 to invest in natural gas-fired power station projects in the UK and the Netherlands.



In March 2009, DONG Energy thus acquired the natural gas-fired Severn power station, located in Wales in the UK. The power station is under construction and will have a capacity of 850 MW. It will commence operations at the end of 2010 and is expected to be one of the most efficient natural gas-fired power stations in the UK. The acquisition was made in collaboration between the business areas Generation and Energy Markets. Generation is responsible for the construction of the power station and will also be responsible for its operation. Energy Markets is responsible for optimising the procurement of natural gas and selling the power station's generated capacity in the UK market. In this way, DONG Energy is capitalising on the advantages of being an integrated energy company with strong skills in several links of the value chain. Furthermore, DONG Energy can advantageously combine operation of the Severn plant both with the Group's natural gas supplies to the UK and its considerable wind power activities in the area.

The same business model will be used in the Netherlands, where, in April 2009, the Group acquired 50% of Enecogen, which is building a 870 MW natural gas-fired power station near Rotterdam. The plant is scheduled for operation at the end of 2011. Enecogen is owned together with the Dutch energy company Eneco.

In addition, the Group is in the process of commissioning the natural gas-fired power station Mongstad near Bergen in Norway. The plant has a capacity of 260 MW and has an obligation to supply energy to Statoil's nearby refinery under a long-term contract.

The use of fossil fuels will be necessary for many years to come until adequate CO_2-neutral generating capacity that can deliver a reliable energy supply has been established. In keeping with DONG Energy's vision concerning a greener generation profile, the Group decided in 2009 to cease building new coal-fired power stations. This also applied to the project exploring the opportunities of building a coal-fired power station near Greifswald in Germany. DONG Energy also withdrew from a number of other projects that were at an earlier stage. Instead, the possibilities for establishing one or more biomass-fired power stations abroad are being explored.

Global leadership position in offshore wind power

DONG Energy has pioneered the establishment of offshore wind farms. In this way, DONG Energy has acquired extensive knowledge both on the construction and operation of offshore wind farms that is unique in the world. The Group focuses on developing this leadership position to optimise the value creation from its wind turbine activities.

GENERATION

Expressed in present value, the cost of constructing an offshore wind farm accounts for a substantial proportion of the farm's costs during its lifecycle. It is therefore vital for value creation to bring down construction costs and execute construction projects as quickly as possible.

Constructing offshore wind farms is a major logistical and engineering challenge, as construction at sea is exposed to factors outside the client's control such as the weather and seabed conditions. Knowledge about the logistics of working offshore is therefore of major importance, and considerable advantages can be gained by sharing resources flexibly between several construction projects.

Against that background, DONG Energy was the first energy company to industrialise the construction of offshore wind farms. As part of this, DONG Energy entered into an extensive agreement with Siemens in March 2009 for the acquisition of up to 500 offshore wind turbines with a capacity of 3.6 MW each, giving a total capacity of 1,800 MW. The agreement enables the parties to streamline the construction of a number of wind farms, reducing total construction costs and allowing the projects to be executed in a shorter timeframe. In December 2009, Siemens and DONG Energy signed an agreement to further utilise and expand the collaboration and the scope of the supply agreement.

With the acquisition of the company A2SEA in June 2009, DONG Energy took the next important step in the optimisation of the offshore wind farm construction process. A2SEA is a market leader in the installation of wind turbines and foundations offshore. The company owns four installation vessels and has 200 employees. Drawing on A2SEA's knowledge, DONG Energy will be able to further optimise the construction of offshore wind farms, thereby securing greater value creation.

New wind farms

2009 was also the year in which DONG Energy brought on stream five new wind farms. In September 2009, the Group thus inaugurated the Horns Rev 2 offshore wind farm, which is located 30 km off Blåvands Huk on the west coast of Denmark. With a capacity of 209 MW this is the world's largest offshore wind farm to date. The farm was completed at the end of December 2009.

The Gunfleet Sands wind farm located off the east coast of the UK was taken into use at the end of 2009. The farm has a total capacity of 173 MW, and the last turbines were installed in January 2010, ahead of schedule, reflecting optimised planning and close collaboration with A2SEA and the other suppliers.

The onshore wind farms Storrun in Sweden and Karnice 1 in Poland, with a capacity of 30 MW each, were also brought on stream. Lastly, two wind turbines with a total capacity of 7.2 MW were installed in the waters off Avedøre Power Station near Copenhagen.

In 2009, DONG Energy acquired the Polish onshore wind turbine project Karcino. The farm's capacity of 51 MW had been installed by the end of 2009, and the farm is expected to become operational in the second quarter of 2010.

At the end of 2009, DONG Energy had a total installed wind turbine capacity of 1,104 MW, equivalent to an 82% increase in capacity in 2009. Offshore wind turbines accounted for 749 MW.

Power generation from wind turbines amounted to 1,929 GWh in 2009, and power generation from hydropower plants in Sweden amounted to 881 GWh. The power generated by these installations is sold partly on power exchanges, and partly via a number of contracts with distribution companies.

Strong wind farm pipeline secures the future

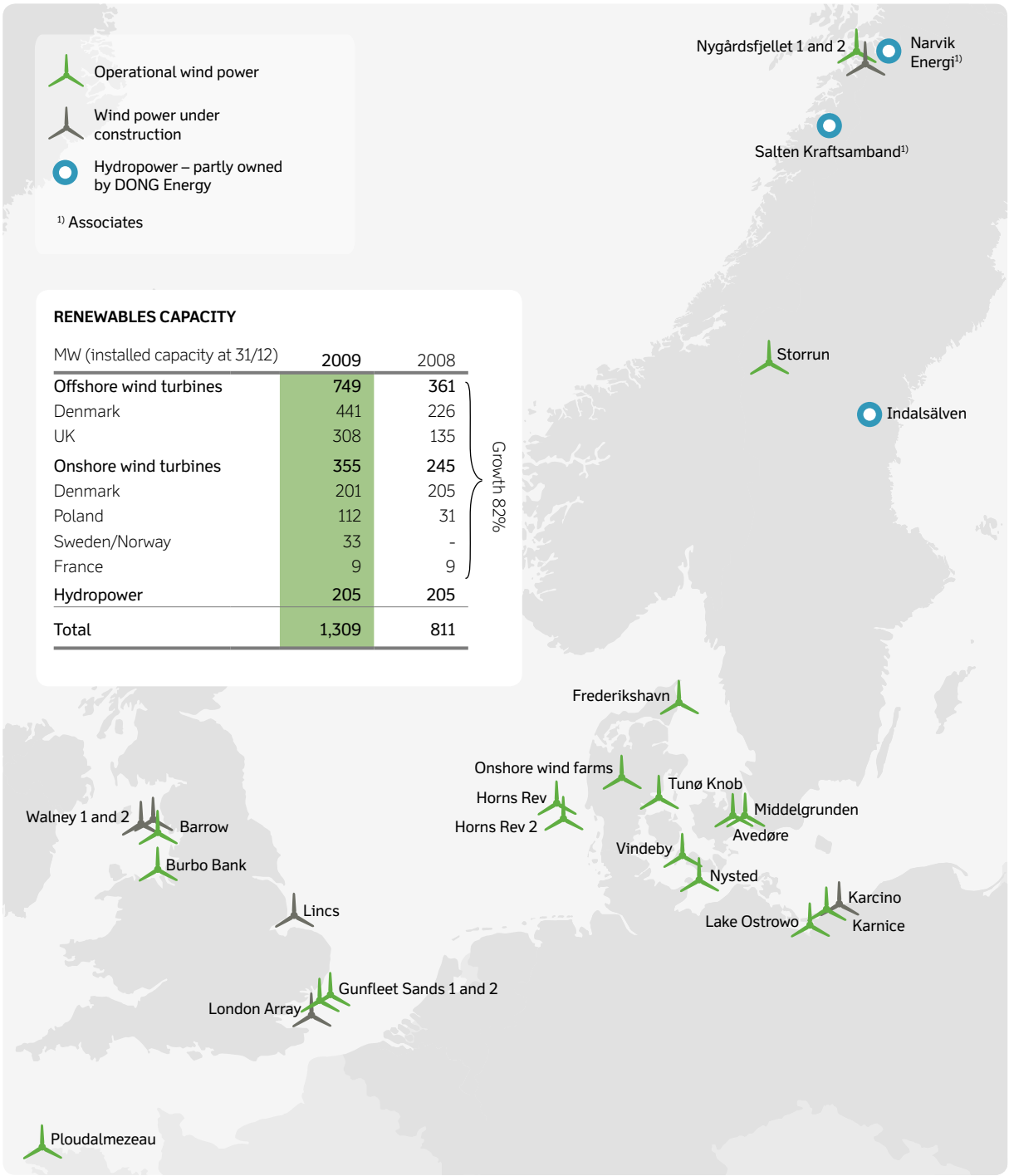
DONG Energy is in the process of constructing the Walney offshore wind farm with a capacity of 367 MW. Walney is located in the Irish Sea and is expected to begin operation in 2011. In December 2009, DONG Energy sold 25.1% of the project to the energy company Scottish and Southern Energy. The sale was part of a diversification of the Group's risks.

In May 2009, a decision was made to go ahead with phase one of the London Array offshore wind farm off the east coast of the UK. The farm has a capacity of 630 MW and is expected to begin operation in 2012. DONG Energy owns 50% of the farm. The other owners are the energy company E.ON (30%) and the investment company Masdar (20%). Both Walney and London Array will benefit from DONG Energy's concept on series construction of offshore wind farms.

The Group is also expanding its activities in Norway. A decision has been made to build the wind farm Nygårdsfjellet 2 near Narvik. The farm will have a capacity of 25.3 MW, of which DONG Energy owns 67%. The farm is located on shore next to Nygårdsfjellet 1, in which DONG Energy also has a 67% stake.

In December 2009, DONG Energy concluded a contract for the acquisition of 25% of the Lincs offshore wind farm project in the UK, which has a capacity of 270 MW. The acquisition was completed in January. At the same time, Siemens Project Ventures acquired 25% of the project, while the energy company Centrica has retained the last 50% of the project. A decision has been made to build the wind farm, and the project is expected to kick off in late summer 2010. The farm is expected to be ready for operation in 2012.

In addition, DONG Energy is developing a number of projects with a view to establishing new wind farms onshore as well as offshore. For example, the Group has secured full ownership of



RENEWABLES CAPACITY

MW (installed capacity at 31/12)	2009	2008
Offshore wind turbines	**749**	**361**
Denmark	441	226
UK	308	135
Onshore wind turbines	**355**	**245**
Denmark	201	205
Poland	112	31
Sweden/Norway	33	-
France	9	9
Hydropower	**205**	**205**
Total	**1,309**	**811**

Growth 82%

Borkum Riffgrund 1 and 2 through its acquisition of PNE Wind's 50% stake in December 2009. These are two promising wind turbine projects in the German sector of the North Sea.

DONG Energy has also acquired 50% of the capital in three Dutch companies that hold the rights to offshore wind farm projects that are being developed in collaboration with Scottish and Southern Energy.

Overall, DONG Energy is constructing wind farms with a total capacity of just under 700 MW and is involved in development projects with a total capacity of up to 2,000 MW. This means that the Group is well on the way towards its target of a total wind turbine capacity of at least 3,000 MW by 2020.

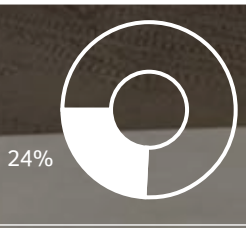
KURT BLIGAARD PEDERSEN,
Executive Vice President, Energy Markets

"With our investment in LNG capacity, we will have access to a further source of supply, which, combined with our equity natural gas production and long-term purchase contracts, provides us with a robust portfolio and substantial security of supply."

Natural gas sales
102,436 GWh

Power sales
10,723 GWh

EBITDA
DKK 2.0 billion



DONG Energy owns 5% of the company that owns the Gate LNG terminal in Rotterdam. The terminal is under construction and is scheduled for operation in 2011, when the LNG will be converted to pipeline gas.

ENERGY MARKETS

INCREASED SECURITY OF SUPPLY

The business area Energy Markets optimises DONG Energy's energy portfolio, forming the link between the Group's procurement and sale of energy. Energy Markets trades in natural gas and power with manufacturers and wholesale customers as well as on European energy hubs and exchanges.

Energy Markets is the centre for the Group's trading in energy markets, and buys and sells natural gas and power and related products and services in Northern Europe. Energy Markets also owns and operates parts of DONG Energy's natural gas infrastructure and is responsible for the Group's portfolio of natural gas purchase contracts.

Energy Markets also looks after the Group's risk management in relation to energy prices, including by engaging in financial transactions. In order to continuously participate in the market and gain insight into price formation, Energy Markets also engages in active position taking.

Energy Markets procures the natural gas and power sold by the business area Sales & Distribution, but predominantly sells natural gas and power to external wholesale customers in and outside Denmark. Energy Markets mainly procures natural gas under long-term purchase contracts, but the business area Exploration & Production's natural gas production is contributing an increasing proportion, particularly via the ownership interest in the Ormen Lange natural gas field. Most of the natural gas from this field is landed near the Easington terminal in the UK or the Emden terminal in Germany, following which Energy Markets sells it to wholesale customers or on hubs.

As already mentioned, the business area Generation is constructing natural gas-fired power stations in the UK and the Netherlands that are expected to be ready to commence operation in 2010 and 2011 respectively, following which Energy Markets will be responsible for optimising the power stations. In future, these power stations will be supplied with natural gas from Energy Markets' portfolio, and Energy Markets already supplies natural gas to the Group's Danish natural gas-fired power stations.

Market conditions

The financial crisis led to a decline in the level of activity in European industry in i 2009, which, in turn, led to a decline in demand for natural gas.

At the same time, there was an oversupply of natural gas in Europe in 2009 due to increased transportation of liquefied natural gas (LNG) to Europe from Asia and the Middle East. The reason for this was that demand in Asia fell significantly as a consequence of the global economic downturn.

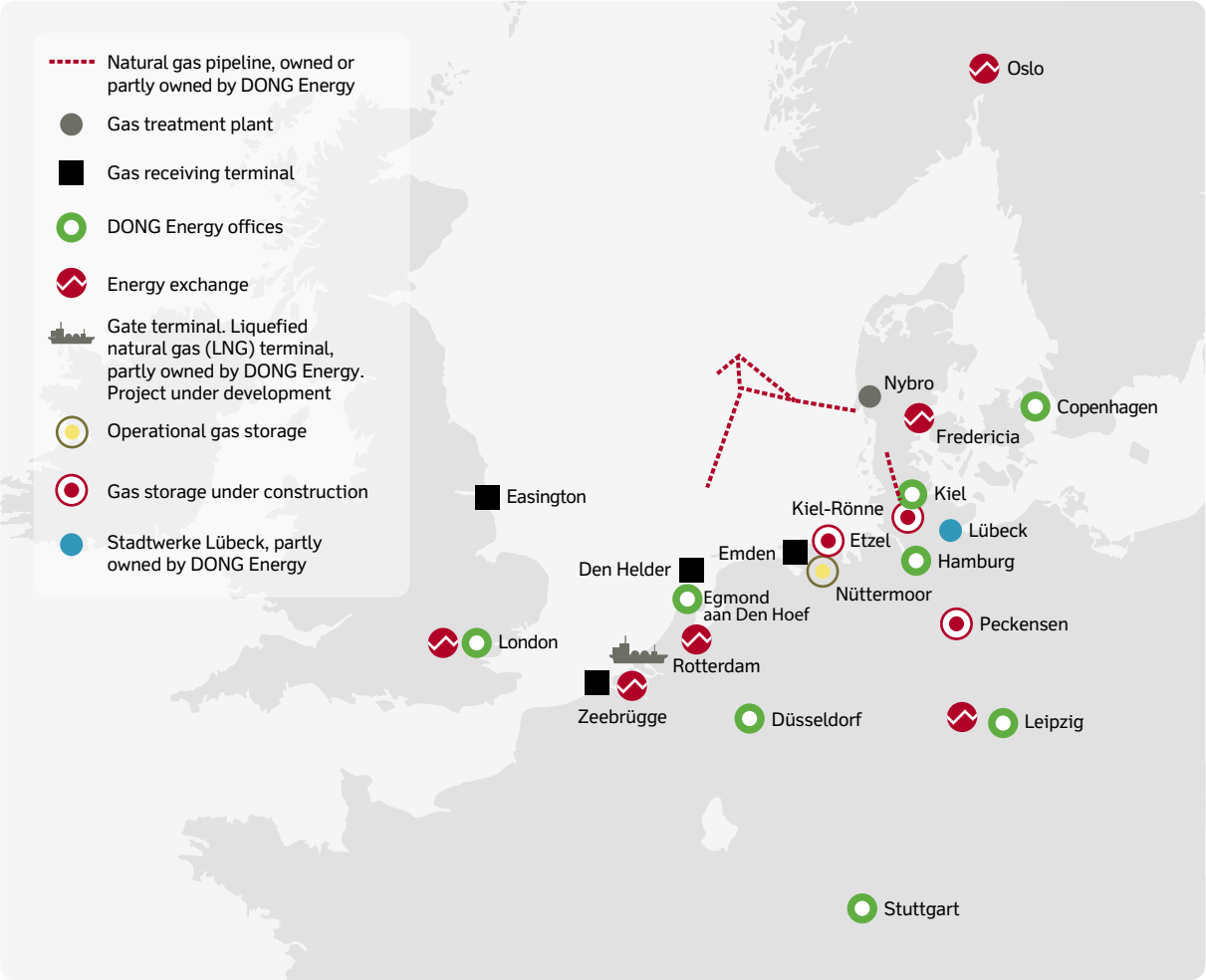
The combination of falling demand for natural gas and increased availability of LNG in 2009 led to lower gas prices on European hubs. At the same time, the differential between gas and oil prices has increased, also in the last few years, something not previously seen on this scale. The low gas prices meant that purchases under long-term oil price-indexed natural gas purchase contracts were less advantageous. DONG Energy consequently reduced its purchases under these contracts, buying instead on gas hubs at lower prices.

On the sales side, Energy Markets experienced customers similarly reducing their natural gas purchases, which the flexibility clauses in their contracts allow them to do.

Natural gas sales

Energy Markets' physical natural gas sales in 2009 totalled 102,436 GWh, which was sold internally in the Group, to wholesale customers and on hubs.

The largest international market was Germany, where sales amounted to 33,356 GWh. The natural gas was primarily sold under long-term contracts with wholesale customers. The remaining sales in Germany are primarily taken care of by the sales subsidiary DONG Energy Sales GmbH, in which DONG



Naturgas has a 75% direct ownership interest. This company markets supply and partnership concepts to regional distribution companies (Stadtwerke) and large industrial customers. This company increased its sales significantly in 2009, and the number of customers continued to grow. This strengthened DONG Energy's position in the northern and eastern parts of Germany, in particular.

A total of 21,000 GWh was sold internally in Denmark, partly for resale to end customers in Sales & Distribution, and partly for thermal power station fuel. 6,114 GWh was sold to external wholesale customers.

The supply contract with HNG Midt-Nord Handel, the business area's largest Danish wholesale customer, was extended in May to 30 September 2011. The contract still comprises annual natural gas supplies of 6,000 GWh.

In the UK, natural gas sales amounted to 25,092 GWh. Sales were made under long-term contracts with wholesale customers and via the NBP hub.

In Sweden, natural gas sales amounted to 9,562 GWh, with external wholesale customers accounting for 6,635 GWh and internal sales for 2,927 GWh.

In the Netherlands, natural gas sales totalled 4,831 GWh, including wholesale sales of 5,104 GWh and internal sales of 6,297 GWh. Net purchases on the TTF hub totalled 6,569 GWh.

Power trading

Energy Markets' physical sales of power in 2009 totalled 10,723 GWh, 8,529 GWh of which was resold internally to the business area Sales & Distribution. 1,082 GWh was sold on a wholesale basis to regional distribution and trading companies in Germany. Power for resale is purchased exclusively on European power exchanges, primarily Nord Pool.

In September, DONG Energy acquired 83.57% of the shares in the German wholesale trading company KOM-STROM AG in Leipzig, significantly increasing its portfolio of wholesale customers in the power market. KOM-STROM has more than ten

years of market experience. The company's core activity consists in the sale of, in particular, power-related products with a strong market position in consultancy within portfolio management as well as operational and financial services, primarily to regional distribution companies and energy-intensive industry in Germany. The acquisition of KOM-STROM strengthens DONG Energy's business within wholesale trade in Germany, which it has been building up over the past four years. The acquisition has expanded the product portfolio, strengthening DONG Energy's competitiveness in relation to regional distribution companies and large industrial customers.

Procurement of natural gas

In 2009, DONG Energy procured 75% of its natural gas supplies from long-term purchase contracts with external suppliers, while 25% was produced by the business area Exploration & Production. Of the external suppliers, the DUC partners were responsible for the bulk of the supplies (89%), which came from the Danish sector of the North Sea. The DUC partners are A.P. Møller-Mærsk A/S, Shell Olie- og Gasudvinding Danmark B.V. and Chevron Denmark Inc.

Via its ownership interest in the Norwegian Ormen Lange natural gas field DONG Energy sold large volumes of natural gas to the UK market in 2009, while sales of volumes to the Northwest European market were limited due to market conditions.

Today, natural gas from Ormen Lange makes up a substantial part of the Group's overall natural gas portfolio. It is DONG Energy's objective for equity natural gas to meet 30% of the Group's natural gas needs. DONG Energy also trades actively on European hubs, primarily NBP and TTF, to supplement and optimise the Group's equity production of natural gas and to optimise its long-term natural gas purchase contracts.

It is part of DONG Energy's strategy for its natural gas supply portfolio to be based on four sources of supply: equity production, natural gas purchases from Northwest Europe and Russia under long-term contracts, purchases of LNG, and trading on European hubs, where DONG Energy can be both a net purchaser and a net seller. The Group achieves a high degree of security of supply in relation to the Danish and Swedish markets through this diversified portfolio of suppliers and contracts.

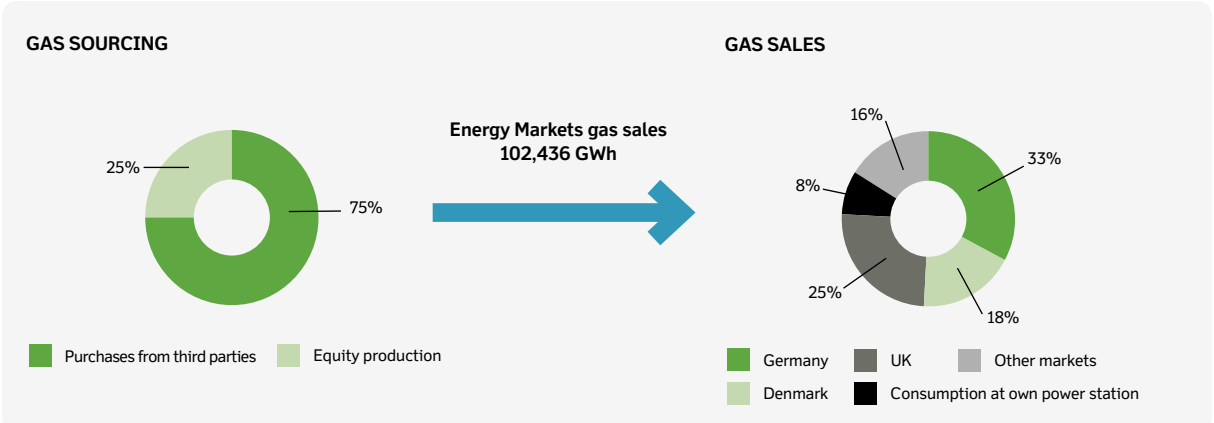
As part of this strategy DONG Energy signed a contract with Gazprom in October 2009 for annual supplies of 1 billion m^3 (12 TWh) of natural gas via the Nord Stream pipeline in the Baltic Sea starting from 2012, for a period of 18 years. The natural gas is to be delivered at the Danish-German border and is linked to the completion of the second part of the pipeline. The Group already has a contract with Gazprom for annual supplies of 1 billion m^3 (12 TWh) of natural gas from 2011, for a period of 20 years, and it is the exercise of an option in this contract that forms the background for the new contract.

Natural gas infrastructure

Energy Markets takes care of the Group's commercial and ownership interests relating to a number of infrastructure assets. Value creation is predominantly secured by ensuring that natural gas is available in DONG Energy's markets, primarily via own natural gas storage facilities and flexibility of supplies.

DONG Energy owns or part-owns a number of natural gas pipelines in the North Sea. These enable DONG Energy to transport natural gas from the DUC fields and other fields on the Danish shelf to Denmark and the Netherlands. To this should be added co-ownership of the Deudan pipeline system connecting the Danish and German transmission networks. Up to and including the end of 2009, the Group also owned 20.4% of the Swedish transmission company Swedegas AB, but DONG Energy and the other co-owners agreed in December to sell the shares to EQT Infrastructure Fund. The competition authorities approved the transaction in January 2010.

DONG Energy has built up a portfolio of own natural gas storage facilities and long-term leases relating to natural gas storage facilities in Denmark and Germany. DONG Energy



increases its security of supply and the flexibility of supplies to the Group's customers by establishing its own storage capacity. This also improves DONG Energy's possibilities for optimising its trading portfolio on the European hubs. DONG Energy has entered into storage agreements featuring a total volume of 6,200 GWh (510 million m^3) in Germany.

DONG Energy owns 5% of the company that owns the Dutch Gate LNG terminal in Rotterdam. In 2007, DONG Energy concluded a contract for annual import capacity of 2 billion m^3 (24.3 TWh) from 2011 to 2014, followed by 3 billion m^3 (36.5 TWh) from 2015. Special carriers transport the liquefied gas from the point of production, typically outside Europe, to the terminal, which is close to the European markets. At the terminal the liquefied gas is converted to pipeline gas. The Gate terminal is expected to become operational in 2011, and DONG Energy's contract will then run for 20 years.

Optimisation of the natural gas portfolio

Energy Markets optimises the Group's natural gas portfolio through optimum use of infrastructure and flexibility clauses in purchase and sales contracts.

Value creation is achieved through utilisation of the often considerable price differentials over time and place, i.e. through optimum exploitation of the flexibility in storage facilities, production and purchase contracts, to ensure partly that the natural gas is traded at the most attractive point in time, and partly the flexibility in the transportation systems between Denmark, Norway, Germany, the Netherlands and the UK to ensure that the natural gas is always traded in the most attractive market in terms of price.

To this should be added substantial value creation by using the flexibility in the contract clauses relating to price indexation and similar.

Climate projects

Energy Markets is also working on identifying climate projects internationally. These projects generate CO_2 credits that can be used to meet part of the Group's obligations under the Kyoto Protocol to reduce its CO_2 emissions.

TRADE BETWEEN AREAS

When landing the natural gas from the North Sea, Energy Markets optimises the flexibility in the transportation systems by landing it in either the German or the Dutch market, depending on which market offers the most attractive price.

Approval of climate projects both by the UN, the host country and Denmark is conditional upon proof of CO_2 reductions that would otherwise not have been achieved. It is also a requirement on the part of the UN that reductions must be quantifiable and sustainable.

The costs associated with implementing CO_2 reductions in developing countries are often considerably lower than in Denmark and lower than buying CO_2 allowances (EUAs) in the market. At the same time, Energy Markets becomes directly involved in the projects at an early stage to ensure that the CO_2 credits are generated under sustainable conditions and to take advantage of the difference in price in relation to CO_2 credits traded on energy exchanges. The price difference arises as a result of project and supply risks, for example.

In 2009, 12 new contracts for purchases of CO_2 credits were concluded. Overall, contracts have been concluded for the purchase of CO_2 credits from 61 climate projects in countries such as Russia, China, Thailand, Mexico, Poland and Vietnam. The projects are expected to reduce CO_2 emissions by 7.7 million tonnes, including 5.3 million tonnes in the period 2009-2012. By comparison, the Group's CO_2 emissions in 2009 that were subject to emissions trading schemes amounted to 11.9 million tonnes.

LARS CLAUSEN,
Executive Vice President, Sales & Distribution

”2009 was a satisfactory year viewed in relation to our mission of delivering climate-friendly and easily accessible energy solutions to the benefit of our customers, society and owners. We increased both customer satisfaction and supply quality in all areas. The number of climate partnerships increased markedly and here wind energy is an essential part of the sustainable solution.”

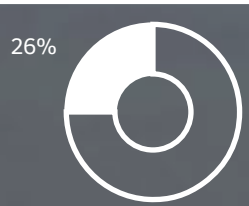
Natural gas sales
21,756 GWh

Natural gas distribution
9,966 GWh

Power sales
8,529 GWh

Power distribution
9,156 GWh

EBITDA
DKK 2.2 billion



The 3.6 MW wind turbines at Avedøre Power Station on the outskirts of Copenhagen. One of the wind turbines supplies power to the Tivoli Gardens in Copenhagen, which have concluded a climate partnership agreement with DONG Energy. Tivoli’s energy consumption will be based on wind energy in future.

SALES & DISTRIBUTION

MORE GREEN INITIATIVES

Sales and distribution of power and natural gas are the last link in the energy value chain, which ranges from production through to consumption. The business area Sales & Distribution is responsible for an efficient and secure supply.

The business area Sales & Distribution supplies more than one million residential, public-sector and business customers in Denmark with power and/or natural gas and also owns and operates 26,000 km of power and natural gas distribution networks, a natural gas storage facility and an oil pipeline.

It is DONG Energy's mission to develop and supply products within power and natural gas and energy solutions to the benefit of customers, society and its owners. New business initiatives must secure future growth and value creation for DONG Energy and contribute to an increase in the proportion of CO_2-neutral energy. This must be done via the work on climate partnerships, among other things.

Sales & Distribution purchases all natural gas and power and related products, such as CO_2 allowances and green certificates, from the business area Energy Markets.

Power and natural gas sales

Sales & Distribution has activities in the energy markets in Denmark, Sweden and the Netherlands. Natural gas sales to end customers in Denmark totalled 12,532 GWh in 2009, with sales to customers in the open market amounting to 84%. The remainder was sold via DONG Energy's PSO companies, whose prices are publicly regulated.

Sales of power to end customers in Denmark totalled 7,760 GWh in 2009, with 49% going to PSO customers. The remaining 51% was sold on open market terms to business customers and residential customers. Residential customers showed a growing interest in fixed-price contracts in 2009. Following successful spring and autumn campaigns, the number of customers with fixed-price contracts has doubled in one year to more than 18,000.

MARKET SHARES - RETAIL SALES

	Natural gas	Power
Denmark	37%	22%
Sweden	20-25%	-
The Netherlands	1%	1%

DONG Energy retained its leading position as the customers' energy partner in the Danish business market, despite intensified competition. The level of activity in 2009 was characterised by a general downturn, especially in the industry that acts as a supplier to the building and construction sector.

DONG Energy holds a leading position in the Danish market for both power and natural gas, with market shares in 2009 of 22% and 37% respectively.

Swedish business customers bought 2,927 GWh of natural gas in 2009, equivalent to a 20-25% market share. The ambition for 2010 is to win new market shares, partly through new power products.

In the Netherlands, natural gas sales amounted to 6,297 GWh in 2009, going to 113,000 supply points. Power sales amounted to 746 GWh, distributed on 41,000 supply points. A new business model was developed in 2009 that focuses on natural gas sales to business customers. DONG Energy had a 1% share of the Dutch power and natural gas market in 2009.

Steady increase in customer satisfaction

Customer satisfaction surveys at the end of 2009 showed a significant improvement in several of DONG Energy's customer segments in the past year. The improvement was partly due to the heightened focus on customer service and the roll-out of several new products that were well received by customers. Customer satisfaction among residential customers in the metropolitan area was up just over 10%, showing the largest improvement. Customer satisfaction among large public-sector customers and small and medium-sized enterprises was 8% and 6% ahead respectively. The relatively high satisfaction levels among other residential and business customers were retained.

The number of claims dropped by 15% in 2009 and is at a satisfactory level.

Climate and energy efficiency

Climate partnerships gaining ground

In 2009, the significantly increased focus on climate and energy efficiency enhanced opportunities for entering into climate partnerships with companies, municipalities and organisations.

These partnerships feature customised solutions integrating climate, energy procurement and efficiency improvement of energy consumption as well as servicing of energy installations.

Customised solutions enable the partners to tackle the climate challenges facing their businesses. Financially, climate partnerships are made up in such a way that the initiatives can be financed from the energy savings realised. DONG Energy entered into 23 climate partnerships in 2009, taking the total to 36. Toms, Mærsk, Rockwool, Siemens and Codan were among the more prominent companies that entered into climate partnerships with DONG Energy in 2009, and Århus and Frederikshavn featured among the more prominent municipalities.

In the partnership with the Municipality of Frederikshavn DONG Energy uses expertise from across the entire organisation. In addition to the concept put together by Sales & Distribution for the customer, Generation takes care of advice on waste handling, geothermal energy and installation of heat pump systems. The experience gained from this first cross-organisational partnership has been valuable and will be used as a model for future partnerships.

Cleantech – a new alliance

In May, DONG Energy, Rockwool, Danfoss and PRO TEC established an alliance that is to make it easier for homeowners to save energy. DONG Energy takes care of customer contact, and the solutions offered comprise insulation, window replacement and installation of heat pumps. Homeowners can receive advice, help in the choice of product and installation, and financing at a competitive interest rate.

Helps customers save energy

In recent years, DONG Energy has realised annual energy savings of 144 GWh for its residential and business customers, achieving the target it was under obligation to meet under the previously concluded energy savings agreement. DONG Energy identified further savings in 2009, partly through its involvement in climate partnerships.

In November 2009, the Danish energy companies and the Danish Ministry of Climate and Energy entered into a new agreement on energy savings. The agreement runs until 2020. DONG Energy had its requirement concerning energy savings increased from 144 GWh to 308 GWh a year, i.e. savings corresponding to more than the power consumption of all households in the district of Frederiksberg.

The intelligent power grid

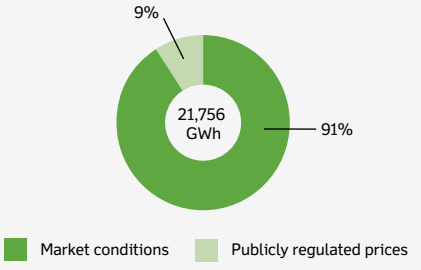
In 2009, DONG Energy continued its efforts to develop the intelligent power grid, which can be used to monitor power supply and for remote control and metering of consumption and production facilities (see illustration on page 56).

In recent years, DONG Energy has been carrying out a number of measurements of the overall power distribution network in Denmark and has developed calculation systems that make it possible to calculate the load on all sections of the network. At the same time, automatic redistribution has been established at selected transformer stations, which is triggered in the event of a power failure. These two initiatives have jointly helped to improve security of supply.

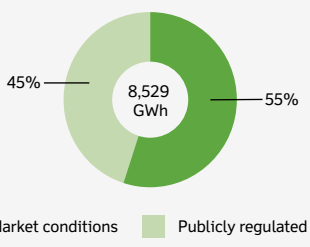
In 2009, work began on the systems that are to make it possible to switch parts of power consumption to periods where there is a surplus of wind turbine power. One of the elements is an IT system that makes it possible to transmit control signals to consumption and production installations. A pilot version was developed in 2009. The work is continuing on a larger scale in 2010. In the future, the aim is for intelligent units at customers to respond to current power prices, so that when prices are low, heat pumps will start up or electric cars be charged, for example.

In 2008, DONG Energy joined Global Intelligent Utility Network Coalition (GIUNC), where a number of energy companies worldwide are collaborating on the development of intelligent power grids. In August 2009, DONG Energy also entered into a strategic collaboration with Boeing Company, the aim of which is to utilise knowledge across industries to establish the right solutions.

NATURAL GAS SALES
in Denmark, the Netherlands and Sweden



POWER SALES
in Denmark, the Netherlands and Sweden



Distribution and storage activities

DONG Energy owns and operates the power distribution network that supplies customers in the metropolitan area and northeastern Zealand with power. DONG Energy also owns and operates the natural gas distribution networks in West and South Zealand and southern Jutland. In addition, DONG Energy owns and operates a natural gas storage facility near Stenlille in Zealand, and the oil pipeline from the Gorm E platform in the North Sea to the crude oil terminal in Fredericia.

DONG Energy's earnings from its distribution and storage activities are regulated by the authorities and consequently relatively stable if the legislation remains unchanged. The Danish Electricity Supply Act was amended in May 2009, resulting in a tightening of the regulation of power distribution companies. One consequence of this is lower prices.

Power distribution

DONG Energy's power distribution networks comprise 19,000 km of cables and overhead lines and 10,000 transformer stations. In 2009, 960,000 supply points were provided with power via DONG Energy's distribution networks, including 900,000 supply points in Denmark, equivalent to 28% of the total in Denmark. The volume of power distributed in DONG Energy's distribution networks in 2009 was 9,156 GWh.

DONG Energy tariffs for distribution through its networks are subject to the Danish Energy Regulatory Authority's (DERA) rules and reflect the costs of efficient operation of the networks plus a return on the invested capital. DERA lays down requirements concerning permanent efficiency improvements on an annual basis. As a consequence of a tightened method of measurement, the overall requirements concerning efficiency improvement of DONG Energy's three power distribution companies were more than doubled in 2009 compared with the requirements stipulated by the Danish Energy Regulatory Authority in 2008. The new requirements enter into effect from 2010.

In December, DONG Energy decided to merge its three power distribution companies to form a single company, DONG Energy Eldistribution A/S, providing a more unambiguous power supply framework and a single tariff across the whole of DONG Energy's supply area from 1 January 2010.

Cable laying

Approx. 435 km of overhead lines were replaced with underground cables in 2009. DONG Energy cut back the rate of installation of underground cables in 2009. This was due to the general economic downturn and lower energy prices. Cable laying was carried out in the areas that are the most vulnerable during stormy weather.

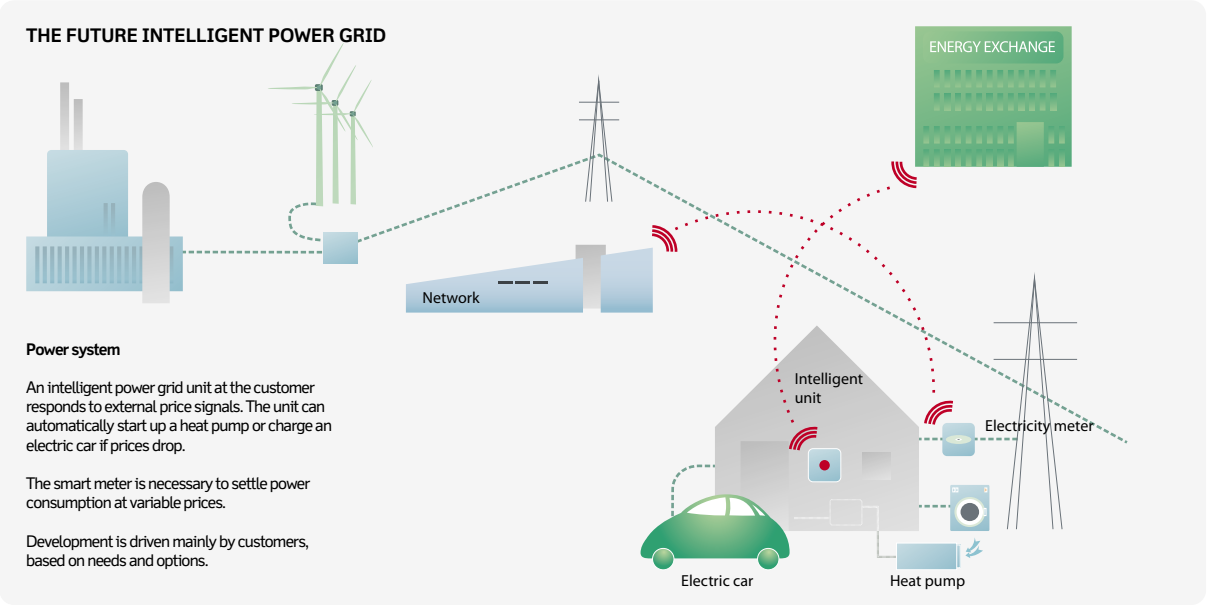
All cable boxes replaced

A total of 2,800 underground cable boxes have been replaced with cable cabinets in a comprehensive project that begun in 2006. The aim has been to eliminate the safety risk associated with cable boxes in central Copenhagen. The last cable box was replaced in September 2009.

Natural gas distribution

At the end of 2009, the number of connected natural gas customers was 122,000, corresponding to around one third of all Danish natural gas customers. DONG Energy distributed 9,966 GWh of natural gas in 2009.

Earnings are publicly regulated and must reflect the costs of efficient operation of the network plus a return on the invested capi-



tal. Operating expenses are subject to annual efficiency requirements, and the Danish Energy Regulatory Authority has imposed an annual efficiency requirement of 0.6% on DONG Energy's gas distribution network for the period 2010-2013. The low rate shows that DONG Energy's activities rank among the most efficient in the sector.

Natural gas storage facility near Stenlille

At the end of 2009, DONG Energy's natural gas storage facility had a volume capacity of 6,598 GWh of natural gas and injection and withdrawal capacities of 2.4 GWh and 4.8 GWh per hour respectively. The value of storage services increased in 2009 by increasing injection and withdrawal capacities by 64% and 20% respectively.

The storage facility near Stenlille is the largest of two natural gas storage facilities in Denmark, and primarily serves the Danish and Swedish markets. At the end of 2009, the storage facility accounted for 55% of total storage capacity in the two markets.

Storage capacity is sold to market players on non-discriminatory terms. 2009 was the first time storage capacity from the storage facility was sold at auction. As transmission network operator, Energinet.dk buys storage services to enable it to satisfy the requirements concerning system balancing and emergency supply. In 2009, Energinet.dk booked 22% of the total capacity of the Stenlille storage facility.

Oil pipeline

The oil pipeline is used by the oil producers in the Danish sector of the North Sea and has a total length of 330 km. A total of 84.9 million barrels of oil was transported in 2009. Earnings are publicly regulated under separate legislation.

Other activities

Outdoor lighting

Municipalities, housing societies and houseowners' associations as well as companies use the Group's outdoor lighting solutions. The solutions are sold on subscription terms, and DONG Energy owned 248,000 street lights at the end of 2009. DONG Energy is also responsible for the operation and maintenance of a further 24,000 street lights, primarily for municipalities. In Høje-Taastrup, the first residential street was lit using energy efficient LED lights in the autumn. The energy saving compared with conventional light sources is approx. 50%. The work on disseminating LED lighting will be intensified in 2010, partly in collaboration with the Group's climate partner, Philips.

Electric car

DONG Energy is collaborating with Better Place on the spread of electric cars in Denmark. Better Place has set up an organisation in Denmark. In 2009, the electric car project evolved from being a development activity to being a new product being phased in. DONG Energy's role in the collaboration is primarily to develop systems that can ensure intelligent charging of batteries in response to customer needs.

Fibre optic network sold to TDC

The future of DONG Energy's fibre optic network was resolved in 2009 with the acquisition by TDC of all assets with the exception of the fibres used to monitor the power distribution network.

Electrical installations business sold to NCC

DONG Energy signed an agreement with NCC Construction Danmark A/S in December on the latter's acquisition of DONG Energy's electrical installations business. At the same time, closer collaboration was agreed in connection with, for example, energy saving measures and installation works.

EMPLOYEE DEVELOPMENT

2009 was characterised by the continued development of DONG Energy's business. This meant both expansion of activities and the disposal of a number of activities. At the same time, the organisation was aligned in response to the economic downturn.

DONG Energy welcomed many new employees in 2009, but also had to let a number of employees go due to cost cuts and restructuring of the Group's activities.

DONG Energy had 5,865 employees (full-time equivalents, FTE) at the end of 2009, an increase of 221 on 2008, primarily reflecting the expansion of the Group's activities.

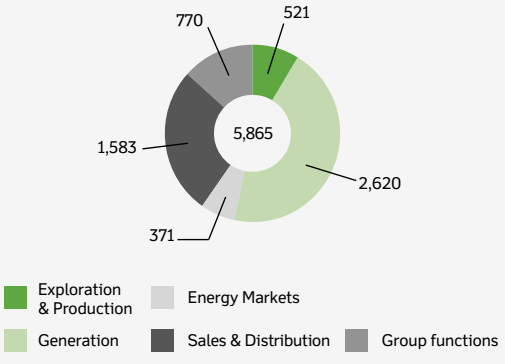
The business area Generation had to shed approx. 260 jobs in 2009, of which 163 were redundancies. The falling demand for power led to a decision to suspend operations at two power station units in order to align production to the new market conditions. The employees in question were all offered advice on how to find new employment.

Employee turnover fell to 11% in 2009, from 12% in 2008. The drop was natural in the current labour market.

Diversity

For DONG Energy, having a diverse workforce of employees and managers is of great value. The coming-together of a mix of people creates results, whether the diversity is in the form of education, gender, nationality or other factors. Women made up 29% of DONG Energy's workforce in 2009, and men 71%. At executive level, women made up 9% and men 91%, on a par with 2008.

EMPLOYEES, YEAR-END 2009 (man-years, FTE)



DONG Energy would like to promote female representation at management level. The aim is for female representation among the top 200 managers to reflect the number of women on the courses of study from which managers are recruited. Against this background, network groups have been formed among female employees and efforts are being made to identify potential female managers in the organisation.

The number of employees working abroad has increased in step with DONG Energy's growth outside Denmark. At the end of 2009, DONG Energy had 84 employees in Norway, 94 in the UK, 108 in the Netherlands, 32 in Poland, 58 in Germany, and 7 in Sweden.

The average age of employees was 43 in 2009, in line with previous years.

Employees approaching retirement age have broad experience and knowledge that is valuable to the company. In 2009, DONG Energy established a senior policy for employees over 60 that offers good alternatives to pre-retirement or early retirement. The scheme enables employees to work shorter hours without any reduction in the Group's pension contribution. The scheme initially comprises employees employed on Danish terms. The next phase will be the implementation of the scheme in foreign entities' policies and terms.

Internal communications

DONG Energy attaches importance to open communications with its employees. Both strategy and vision as well as the latest company news, whether of a positive or negative nature, are consequently communicated via the Group's intranet. DONG Energy considers good communications between management and employees as a means of improving the working environment, and makes extensive use of video clips on the intranet to render communications accessible and clear.

To bring the Executive Board and employees closer to each other, a forum has been established on the intranet where employees put questions to the Executive Board about the overall strategy, objectives, business practice and the areas in which the Group works, and the forum has proved very popular. A total of 143 questions have thus been posted since the forum was set up in January 2008.

Health, wellbeing and image

DONG Energy places emphasis on health and wellbeing in the workplace. Employees are consequently offered health insurance, and fitness facilities are made available at most of DONG Energy's locations. In addition, DONG Energy sponsors participation of its employees in a number of sports events.

Many factors influence employees' satisfaction in their day-to-day work and whether they thrive. Employee opinion surveys are consequently prepared in order to gain insight into employee satisfaction. The findings from the employee opinion surveys are analysed and used actively to identify new action areas that can assist in ensuring employee satisfaction and good leadership. Against the background of the employee opinion survey in 2008 the Executive Board continued its efforts to make its overall strategy visible to employees in 2009 and translating the strategy into specific targets in the individual departments in interaction between managers and employees. The results will be measured in the next survey, which will be conducted in 2010.

In 2009, DONG Energy featured among the top 10 workplaces for engineers in Denmark, a step up from its No. 21 ranking in 2008. This happened when the Danish engineering weekly "Ingeniøren" published its annual survey of 111 large Danish companies' image as a workplace for engineers.

Development

All DONG Energy employees are offered the opportunity to take part in an annual performance appraisal where their development is evaluated and targets are set. The purpose of performance appraisals is to create a clear connection between the Group's strategy and each employee's targets, performance, career and development.

It is vital for DONG Energy to be able to attract and retain competent and talented employees, and to be able to meet the training and education wishes of employees at all levels of the organisation. DONG Energy Academy offers an extensive training, education and development programme, but external courses are also used to develop employee skills.

In 2009, the first group completed DONG Energy's Graduate Programme. Participants are newly qualified graduates from institutions of higher education. Participants complete a two-year programme in which they either work with a particular business area or complete a multidisciplinary programme in which they rotate between several business areas or Group functions. All 18 graduates that completed the programme now have permanent jobs. In 2009, the Group kicked off its third Graduate Programme and received almost 1,000 applications from universities. The 17 successful candidates started on the programme in September.

Talented managers inspire employee motivation and commitment, thereby helping to create good results. DONG Energy consequently offers both new and more experienced managers a number of training programmes aimed at developing their leadership potential and broadening their understanding of the strategy and the overall business as well as their ability to tackle strategic challenges.

Tomorrow's employees

DONG Energy has entered into partnerships with Aarhus School of Business, Copenhagen Business School and The Technical University of Denmark (DTU). The aim is partly to make DONG Energy visible to and establish contact with students in order to attract recruits with the right skills, and partly to strengthen collaboration between the energy industry and the education and research environment.

DONG Energy also collaborates with Imperial College London and Durham University in the UK on enhancing education and research internationally.

Planning meeting at Avedøre Power Station.

Meeting in Gentofte.

CORPORATE GOVERNANCE

DONG attaches importance to ensuring that the overall principles and structures that govern the interaction between the management bodies, the owners and the company's other stakeholders are compatible with the principles of good corporate governance at all times.

The Corporate Governance Committee has prepared recommendations for corporate governance that must be observed by listed companies. As a State-owned public limited company, DONG Energy operates on terms very similar to those applying to listed companies. The Group has consequently elected to basically comply with the recommendations.

As a result of DONG Energy's ownership structure with the Danish State as principal shareholder (72.98% ownership interest at the end of 2009, but increased to 74.04% in February 2010) and a limited number of minority shareholders, the aim of some parts of the corporate governance recommendations is deemed not to be relevant. These are a number of recommendations aimed at the relationship with a broad group of owners in listed companies, i.e. the recommendations concerning the exercise of ownership and communications with owners, and the recommendations concerning preparation of the Annual General Meeting, including notice of meeting and proxy. In addition, the recommendations on disclosures concerning shares, options and warrants held members of the Supervisory Board are not relevant, as the possibility for the Supervisory Board and the Executive Board to buy shares does not exist and DONG Energy has not issued any options or warrants.

DONG Energy has also decided not to set an age limit for members of the Supervisory Board, and not to set limits for the number of Supervisory Board memberships that may be held by members of the Supervisory Board that are also members of the Executive Board of another company. However, the age and other Executive Board and Supervisory Board memberships of potential candidates form part of the overall assessment of the composition of the Supervisory Board.

The Supervisory Board reviews the corporate governance recommendations annually based on best practice.

As principal shareholder, the State exercises its ownership in accordance with the principles in the publication 'The State as shareholder'.

Shareholder meetings

In spring 2009, the initiative was taken for regular shareholder meetings to be held at which management can brief shareholders on the Group's activities – within the framework laid down by law.

Annual General Meeting

General meetings are convened by not less than two weeks' notice in accordance with the Articles of Association. At the Annual General Meeting the annual report is adopted; the appointment of auditors; the election of a chairman, deputy chairman and other members of the Supervisory Board; the determination of the Supervisory Board's remuneration; the discharge of the Supervisory Board and Executive Board from their obligations; and any proposed resolutions from the Supervisory Board on authority to purchase treasury shares.

The Articles of Association were last amended in April 2009 and can be viewed on DONG Energy's website. As a consequence of the new Companies Act, a revision of the Articles of Association is planned in connection with the Annual General Meeting in April 2010.

Composition of Supervisory Board

The Supervisory Board consists of 11 members. Seven members are elected by the shareholders in general meeting and four by the employees.

DONG Energy attaches importance to the members of the Supervisory Board possessing extensive knowledge and experience from managerial posts with large Danish and foreign companies with a broad range of areas of activity, including activities in areas directly related to DONG Energy's business areas. In the assessment of the composition of the Supervi-

sory Board, the candidates' skills and background are considered, but also the wish to achieve diversity and an appropriate balance in the composition of the Supervisory Board.

Details of the members of the Supervisory Board are set out on pages 63-65.

A Nomination Committee is appointed after the Annual General Meeting each year and before 30 September of the following year. The main responsibilities of this committee are to keep under review the composition of the Supervisory Board and to recommend suitable candidates to the board for election by the shareholders at the Annual General Meeting. The committee must also ensure that all candidates to the Supervisory Board are positively received in the financial markets and that the composition of the Supervisory Board complies with the recommendations for corporate governance, including, to the extent possible, by taking into consideration the wish for diversity. The rules of procedure for the Nomination Committee can be downloaded from DONG Energy's website.

The Nomination Committee consists of six members. Each of the four largest registered shareholders is entitled to elect one member to the committee. The other two members are the chairman of the Supervisory Board, who also chairs the committee, and the deputy chairman.

Two of the board members elected by the shareholders in general meeting are appointed by SEAS-NVE and the former shareholders in Elsam under a provisional shareholders' agreement between DONG Energy's shareholders. None of the members of the Supervisory Board elected by the shareholders in general meeting has had any other association with DONG Energy than as member of the Supervisory Board in companies that are now part of the Group, and as residential customers on standard terms, neither in previous years nor in the current year. All members of the Supervisory Board elected by the shareholders in general meeting retire at the Annual General Meeting each year, but may stand for re-election.

Under Danish legislation the Group's employees are entitled to elect a number of members to the Supervisory Board corresponding to half the number of members elected by the shareholders in general meeting. Employee representatives are elected for four-year terms and have the same rights, duties and responsibilities as members elected by the shareholders in general meeting. The employee representatives were elected in 2007.

The Supervisory Board's duties and responsibilities
DONG Energy's overall objectives and strategy are determined by the Supervisory Board, which is also responsible for appointing a competent Executive Board. The Supervisory Board is also responsible for ensuring clear guidelines for accountability, distribution of responsibilities, planning, follow-up and risk management. The duties of the Supervisory Board and its chairman are set out in the Supervisory Board's rules of procedure, which are reviewed and updated annually by the full Supervisory Board. The rules of procedure were most recently revised in December 2009.

The Supervisory Board met nine times in 2009.

The Supervisory Board undertook a structured self-assessment in 2009 based on assessment forms distributed to each member of the Supervisory Board and subsequent discussion of the responses by the full Supervisory Board.

The Supervisory Board has appointed an Audit and Risk Committee and a Remuneration Committee.

Audit and Risk Committee
After the Annual General Meeting the Supervisory Board appoints the members of the Audit and Risk Committee, which reports to the Supervisory Board. The committee's main responsibilities are to support the Supervisory Board in its review of the financial reporting, the annual report and internal accounting and ERP systems. The committee also keeps under review the external auditors' skills and independence and is responsible for the conclusion of engagement agreements with external auditors. The committee monitors the Group's compliance with legislation and other requirements from public authorities concerning the company's annual report, financial reporting and internal control systems, including control systems relating to the publication of relevant information. It is also part of the committee's remit to monitor issues relating to the risk policy laid down by the Supervisory Board, both from a financial and an accounting point of view.

Furthermore, the committee discusses accounting procedures with the external auditors, evaluates their work, establishes whistleblowing procedures and undertakes other relevant tasks.

All members of the committee are independent of DONG Energy and have accounting skills in accordance with the new rules for audit committees. The committee met four times in 2009.

Remuneration Committee
After the Annual General Meeting the Supervisory Board appoints the members of the Remuneration Committee, which reports to the Supervisory Board. The committee's main responsibilities include the preparation and presentation of recommendations to the Supervisory Board on the Executive Board's salaries, bonus and other components of their service contracts as well as guidelines governing salaries to senior

executives, other salary and employment conditions, which are submitted to the Supervisory Board, and the Supervisory Board's remuneration, which is submitted to the shareholders for approval at the Annual General Meeting. The committee met three times in 2009.

Details of the remuneration of the members of the Supervisory Board and the Executive Board can be found in a note to the consolidated financial statements. DONG Energy's remuneration policy can be viewed on DONG Energy's website.

Executive Board
The Executive Board is responsible for the day-to-day management of the company and consisted of six persons at the end of 2009. Details of the members of the Executive Board are set out on pages 66-67. The CEO and CFO are registered with the Danish Commerce and Companies Agency as members of the Executive Board of DONG Energy A/S. The Supervisory Board lays down the detailed rules for the Executive Board, including the distribution of responsibilities between the Supervisory Board and the Executive Board and the Executive Board's powers to enter into agreements on behalf of the company.

Financial reporting

The Supervisory Board and the Executive Board have the overall responsibility for the Group's risk management and internal control in connection with the financial reporting, including compliance with relevant legislation and other regulation in relation to the financial reporting.

The Audit and Risk Committee supports the Supervisory Board in accounting-related decisions and monitoring of the financial reporting process. The committee reports to the full Supervisory Board.

Internal control
The Supervisory Board and the Executive Board determine and approve overall requirements relating to procedures and internal controls in key areas in connection with financial reporting by subsidiaries and the Group. For jointly controlled assets and entities such requirements are determined and approved in collaboration with the partners in the assets and entities in question.

The internal control system comprises clearly defined organisational roles and responsibilities, reporting requirements and approval powers.

Each month, the Group's companies report financial data to the Group, which consolidates the data for use for its financial reporting and its reporting to the Supervisory Board and the Executive Board. The companies supplement the financial data reported with comments on financial and operating performance and information about material estimates and judgements made in the financial data reported. The companies' reporting is controlled as part of the financial reporting. The control is carried out in the Group's companies and the group function Group Accounting & Tax and is performed by controllers with in-depth knowledge of each company's activities and by accounting and tax specialists.

The Audit and Risk Committee and the Executive Board monitor compliance with procedures, internal controls, relevant legislation and other regulations and provisions in connection with the financial reporting on an ongoing basis and report on this to the full Supervisory Board.

Risk assessment
At least once a year, the Supervisory Board and the Executive Board carry out an overall assessment of risks in connection with the financial reporting.

As part of the annual risk assessment the Supervisory Board and the Executive Board assess the risk of fraud and the arrangements that need to be made to mitigate and/or eliminate such risks. This includes an assessment by the Supervisory Board of any incentives and motives for the Executive Board to manipulate the accounts or engage in other types of fraud.

The Audit and Risk Committee and the Executive Board monitor risks in connection with the financial reporting on an ongoing basis and report on these to the Supervisory Board.

Auditors
At the Annual General Meeting two external auditors recommended by the Supervisory Board are appointed. From the 2010 financial year, only one external auditor will be appointed. Prior to the recommendation for appointment at the general meeting, the Supervisory Board, in consultation with the Executive Board, carries out a critical assessment of the auditors' skills, independence, etc.

The auditors appointed by the shareholders in general meeting audit the financial statements. As part of their audit, the auditors report on any weaknesses in procedures, internal controls, etc. The auditors report in writing to the Supervisory Board when they have carried out work and also immediately upon identifying any issues of which the Supervisory Board should be informed.

The auditors attend meetings with the Audit and Risk Committee, where, among other things, the reports presented by the auditors are discussed in depth. The auditors also participate in Supervisory Board meetings in connection with the presentation of reports to the Supervisory Board.

SUPERVISORY BOARD

FRITZ H. SCHUR
(CHAIRMAN)

b. 1951. Joined the Supervisory Board as Chairman in 2005, re-elected 2009. Term of office expires in 2010. Chairman of Remuneration Committee and Nomination Committee
Education: BSc (Business Administration), Copenhagen Business School (1973)
Remuneration, Board:
DKK 500,000
Remuneration, Committees:
DKK 50,000

Career and posts:

1973	Formation of FSC A/S (Fritz Schur Consumer Products A/S)
1978-	CEO, Chairman, Deputy Chairman or member of companies in the Fritz Schur Group
1988-1996	Reconstruction and winding up of companies in distress, primarily for banks

Other management positions:
CEO, Chairman, Deputy Chairman or member of companies in the Fritz Schur Group
Chairman:
Posten Norden AB
SAS AB (Sweden)
F. Uhrenholt Holding A/S
Relationscore ApS
C.P. Dyvig & Co. A/S
Deputy Chairman:
Brd. Klee A/S
Member:
Center for formidling af naturvidenskab og moderne teknologi
Fonden Eventyrteatret
Kronprins Frederiks og Kronprinsesse Marys Fond
Den Kongelige Danske Ballets Fond

LARS NØRBY JOHANSEN
(DEPUTY CHAIRMAN)

b. 1949. Joined the Supervisory Board in 1997, re-elected 2009. Deputy Chairman since 2001. Term of office expires in 2010. Chairman of Audit and Risk Committee. Member of Remuneration Committee and Nomination Committee.
Education: MPhil, Århus University (1974)
Remuneration, Board:
DKK 300,000
Remuneration, Committees:
DKK 125,000

Career and posts:

1974-1983	Odense University, Lecturer in Political Science and from 1978 Associate Professor
1977-1979	European University Center, Florence (Italy), Associate Professor
1982	Harvard University, Visiting Fellow
1983-1985	Danish School of Public Administration, Management Consultant
1986	Danish Insurance Association, Vice President
1986-1988	Baltica, Claims Manager, Vice President
1988-1995	Falcks Redningskorps A/S and Falck Holding A/S, CEO
1995-2000	Falck A/S, CEO
2000-2004	Group 4 Falck A/S, CEO
2004-2005	Group 4 Securicor, CEO

Other management positions:
Chairman:
Falck Holding A/S and a wholly-owned subsidiary
Georg Jensen A/S
William Demant Holding A/S
CAT Invest I A/S
Nature Consult ApS
OMI People A/S
Deputy Chairman:
Rockwool Fonden
Member:
Index Award A/S
Codan A/S and a wholly-owned subsidiary
CAT Forsknings- og Teknologipark A/S and two wholly-owned subsidiaries
Institut for selskabsledelse ApS
CEO:
GJKJUS 607 ApS

HANNE STEN ANDERSEN *

b. 1960. Joined the Supervisory Board in 2007. Term of office expires in 2011.
Education: Graduate Diploma in Business Administration, Copenhagen Business School, 1990
Remuneration, Board: DKK 175,000

Career and posts:

1985-1992	Industrirådet (replaced by Confederation of Danish Industry (DI)), Information Consultant
1992-1998	DI, HR Consultant
1998-2000	Leo Pharma A/S, HR Partner for Production
2000-2003	Danisco A/S, Group HR, HR Consultant
2003-	DONG Energy A/S, Training Manager in Sales & Distribution

JAKOB BROGAARD

b. 1947. Joined the Supervisory Board in 2007, re-elected 2009. Term of office expires in 2010. Member of Audit and Risk Committee.
Education: Academy Foundation Degree (Management Accounting and Business Finance), 1976
Remuneration, Board: DKK 175,000
Remuneration, Comittees:
DKK 50,000

Career and posts:

1964-2007	Danske Bank A/S (member of Executive Committee 1996-2007)

Other management positions:
Deputy Chairman:
LR Realkredit A/S
Finansiel Stabilitet A/S
Roskilde Bank A/S
Member:
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 and three wholly-owned subsidiaries
Wrist Group A/S
Newco AEP A/S

SUPERVISORY BOARD

POUL DREYER*

b. 1964. Joined the Supervisory Board in 2007.
Term of office expires in 2011
Education: Industrial Operator, 1993
Remuneration, Board:
DKK 175,000

Career and posts:

1985-1987	Royal Danish Life Guards, Sergeant
1987-	Industrial Operator, NESA A/S (now DONG Energy A/S)

JØRGEN PETER JENSEN*

b. 1968. Joined the Supervisory Board in 2007.
Term of office expires in 2011
Education: MSc (Chemical Engineering), Technical University of Denmark (DTU), 1993
PhD, DTU, 1996
Remuneration, Board:
DKK 175,000

Career and posts:

1996-1997	DTU, Post. doc.
1997-2001	Skærbæk Power Station, Chemical Engineer
2001-2005	Energi E2, R&D Project Engineer
2005-2008	DONG Energy Power A/S, Chemical Engineer
2009	DONG E&P, Facility Engineer
2009-	DONG Energy Power A/S, Manager

JENS KAMPMANN

b. 1937. Joined the Supervisory Board in 2005, re-elected 2009.
Term of office expires in 2010.
Member of Audit and Risk Committee.
Education: MSc (Economics), Copenhagen University, 1962
Remuneration, Board:
DKK 175,000
Remuneration, Committees:
DKK 50,000

Career and posts:

1962-1964	Danish Ministry of Education
1964-1971	Danish Ministry of Finance (Ministry of Economic Affairs)
1966-1978	Member of Danish Parliament and, in 1971, 1972-1973 and 1977-1978, also Minister
1974-1977	Danish Ministry of Finance (Ministry of Economic Affairs)
1978-1990	Danish Environmental Protection Agency, Director
1990-2006	Invest Miljø A/S, CEO

Other management positions:
Chairman:
Frydenholm Holding A/S and a wholly-owned subsidiary
Dalum Holding A/S
Desmi A/S
Special Waste Systems A/S
Deputy Chairman:
BP-U Holding A/S
Member:
White Arkitekter A/S
JKC ApS
LD Invest Holding A/S and a wholly-owned subsidiary
Retrocom Holding A/S
Genan A/S
Genan Business & Development A/S
Kampus.NU ApS
CEO:
JKC ApS
Toftøje Invest ApS

POUL ARNE NIELSEN

b. 1944. Joined the Supervisory Board in 2006, re-elected 2009.
Term of office expires in 2010
Education: Agricultural college, 1968, and MSc (Sports, Social Science and Business Economics), 1991.
Remuneration, Board:
DKK 175,000

Career and posts:

1982-1998	Høje-Taastrup Upper Secondary School, Lecturer
1994-2007	Vallø Municipality, Mayor
2007-	Stevns Municipality, Mayor

Other management positions:
Chairman:
SEAS-NVE A.m.b.a. and a wholly-owned subsidiary
SEAS-NVE Strømmen A/S
Sjællandske Medier A/S
Member:
Sampension KP Livsforsikring A/S and a wholly-owned subsidiary

KRESTEN PHILIPSEN

b. 1945. Joined the Supervisory Board in 2006, re-elected 2009.
Term of office expires in 2010
Education: Agricultural college, Gråsten, 1965-1966
Remuneration, Board:
DKK 175,000

Career and posts:

1978-2001	Southern Jutland County Council, member
1982-2000	Southern Jutland County, Mayor

Other management positions:
Chairman:
Sydbank A/S
Privathospitalet Kollund A/S
Sydenergi A.m.b.a. and a wholly-owned subsidiary
Lundtoftbjerg Opformering A.m.b.a.
Member:
DTL A/S Dansk-Tysk Landbrugs-investering
Netsam A/S
A/S Plantningsselskabet Sønder-jylland
Fonden til fremme af elitesport og kultur i Sønderjylland
Det Danske Hedeselskab and a wholly-owned subsidiary

LARS REBIEN SØRENSEN

b. 1954. Joined the Supervisory Board in 2007, re-elected 2009.
Term of office expires in 2010.
Career: MSc (Forestry) (Royal Veterinary and Agricultural University, Copenhagen), 1981
Graduate Diploma in International Trade, Copenhagen Business School, 1983
Remuneration, Board:
DKK 175,000

Career and posts:

1982-	Novo Nordisk A/S, CEO from 2000

Other management positions:
CEO:
Novo Nordisk A/S
Member:
ZymoGenetics Inc. (USA)
Bertelsmann AG (Germany)

JENS NYBO STILLING SØRENSEN*

b. 1968. Joined the Supervisory Board in 2007.
Term of office expires in 2011.
Education: Unskilled
Remuneration, Board:
DKK 175,000

Career and posts:

1990-2000	SK Power Company A/S
2000-2006	Energi E2 A/S
2006-	DONG Energy A/S

*Employee representative.

EXECUTIVE BOARD

ANDERS ELDRUP

Registered with the Danish Commerce and Companies Agency as CEO
b. 1948. CEO since 2001.
Remuneration: DKK 6,182,068
Education
MSc (Political Science), Århus University, 1972
Career and posts
1972-1973 Office of the Auditor General of Denmark
1973-1991 Budget Department: Personal Secretary to Minister of Finance from 1980-1984, Head of Department from 1984-88, Deputy Permanent Secretary 1988-1990, Department of the Budget, Director 1990-91
1991-2001 Danish Ministry of Finance, Permanent Secretary
2001- DONG Energy A/S, CEO
Chairman
Copenhagen Cleantech Cluster
Deputy Chairman
Better Place Denmark A/S
Fonden Lindoe Offshore Renewables Center
Center for Formidling af Naturvidenskab og Moderne Teknologi (fund)
Rockwool Fonden

CARSTEN KROGSGAARD THOMSEN

Registered with the Danish Commerce and Companies Agency as CFO
b. 1957. Member of DONG Energy's Executive Board and CFO since 2002.
Remuneration: DKK 5,386,218
Education
MSc (Economics), Copenhagen University, 1983
Career and posts
1983-1985 Danish Ministry of the Interior
1985-1986 Danish Ministry of Finance
1986-1988 Andelsbanken
1988-1991 McKinsey, Consultant
1991-1994 Rigshospitalet, Director of Finance
1995-2002 Danish State Railways, CFO
2002- DONG Energy A/S, CFO
Other management positions
Deputy Chairman
NNIT A/S
Member
GN Store Nord A/S and two wholly-owned subsidiaries
BaneDanmark

NIELS BERGH-HANSEN

b. 1948. Member of DONG Energy's Executive Board since 2006 and responsible for Generation.
Education
MSc (Civil Engineering), Technical University of Denmark, 1973
Career and posts
1973-1976 A. Jespersen & Søn, Engineer and Project Manager
1976-1980 Bruun & Sørensen, Engineer and Project Manager
1981 Nielsen & Rauschenberger, Engineer and Project Manager
1982-1988 Århus Kommunale Værker, Senior Engineer and Project Manager
1988-1990 Tarco, CEO
1990-1992 Søren T. Lyngsø, CEO
1992-2000 Sønderjyllands Højspændingsværk, CEO
2000-2006 Elsam A/S, from 2005 CEO
2006- DONG Energy A/S, Executive Vice President Generation
Other management positions
Chairman
Foreningen af Danske Privathavne
Dansk Energi
Deputy Chairman
Port of Aabenraa
Member
Project Zero-Fonden

SØREN GATH HANSEN

b. 1954. Member of DONG Energy's Executive Board since 2002 and responsible for Exploration & Production.
Education
MSc (Political Science), Copenhagen University, 1983
Career and posts
1983 Department of Danish Ministry of the Environment, Head of Section
1983-1984 Danish Ministry of Finance, Administration Department, Head of Section
1984- DONG Energy A/S, fra 2002 Executive Vice President Exploration & Production.
Other management positions
None

LARS CLAUSEN

b. 1959. Member of DONG Energy's Executive Board since 2007 and responsible for Sales & Distribution.
Education
MSc (Civil Engineering), Technical University of Denmark, 1986, and Graduate Diploma in Economics and Marketing, Copenhagen Business School, 1988
Career and posts
1986-1995 Shell
1995-1996 PA Consulting
1996-1998 A/S Dansk Shell, Commercial Director
1999-2003 A/S Dansk Shell, CEO
2004-2007 Shell Gas in the UK and Scandinavia, General Manager
2007- DONG Energy A/S, Executive Vice President Sales & Distribution
Other management positions
Member
Dansk Energi

KURT BLIGAARD PEDERSEN

b. 1959. Member of DONG Energy's Executive Board since 2002 and responsible for Energy Markets.
Education
MSc (Political Science), Århus University, 1988
Career and posts
1988-1992 Social Democratic Parliamentary Group, Consultant
1992-1996 Danish Ministry of Finance, Head of Department and later Deputy Permanent Secretary
1996-2000 City of Copenhagen, CFO and, from 1997, CEO of the Financial Department
2000-2001 Falck Danmark A/S, CEO
2002- DONG Energy A/S, Executive Vice President Energy Markets
Other management positions
Deputy Chairman
BRF Holding A/S and a wholly-owned subsidiary
Member
BRF Fonden
Copenhagen Zoo

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Revenue	3, 4	49,262	60,777
Production costs	5, 6, 15, 16	(43,345)	(50,334)
Gross profit		**5,917**	**10,443**
Sales and marketing	5, 6, 15, 16	(428)	(428)
Management and administration	5, 6, 7, 15, 16	(1,930)	(2,060)
Other operating income	8	241	82
Other operating expenses	8	(43)	(33)
Operating profit (EBIT)		**3,757**	**8,004**
Gain (loss) on disposal of enterprises	29	(62)	917
Share of profit (loss) of associates	17	74	(48)
Financial income	10	2,662	2,746
Financial expenses	11	(4,024)	(3,880)
Profit before tax		**2,407**	**7,739**
Income tax expense	12	(1,269)	(2,924)
Profit for the year		**1,138**	**4,815**
Attributable to:			
Equity holders of DONG Energy A/S		802	4,427
Hybrid capital holders of DONG Energy A/S (adjusted for tax effect)		340	340
Minority interests	22	(4)	48
Profit for the year		**1,138**	**4,815**
Earnings per share (EPS) and diluted earnings per share (DEPS) of DKK 10, in DKK	14	2.73	15.07
Proposed dividend per share (DPS) of DKK 10, in DKK		1.64	6.56
Dividend paid per share (DPS) of DKK 10, in DKK		6.56	5.00
Payout ratio in %		42.27	40.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Profit for the year		1,138	4,815
Value adjustments of hedging instruments:			
Value adjustments for the year		(1,911)	4,237
Value adjustments transferred to revenue		(999)	(1)
Value adjustments transferred to production costs		76	0
Value adjustments transferred to financial income and financial expenses		8	(67)
Value adjustments transferred to non-current assets		0	(17)
Value adjustments transferred to inventories		244	(151)
Foreign exchange adjustments:			
Foreign exchange adjustments relating to foreign enterprises		995	(1,965)
Foreign exchange adjustments relating to equity-like loans, etc.		327	(31)
Other adjustments:			
Tax on other comprehensive income	13	677	(887)
Other adjustments		0	15
Other comprehensive income		(583)	1,133
Total comprehensive income		555	5,948
Total comprehensive income for the year is attributable to:			
Equity holders of DONG Energy A/S		100	5,447
Hybrid capital holders of DONG Energy A/S		451	451
Minority interests		4	50
Total comprehensive income		555	5,948

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS

DKK million	Note	2009	2008
Goodwill		663	447
Rights		2,100	1,867
Completed development projects		245	218
In-process development projects		144	189
Intangible assets	15	**3,152**	**2,721**
Land and buildings		3,013	2,949
Production assets		50,827	40,646
Exploration assets		2,997	2,784
Fixtures and fittings, tools and equipment		267	216
Property, plant and equipment in the course of construction		13,026	7,400
Property, plant and equipment	16	**70,130**	**53,995**
Investments in associates	17	3,605	3,306
Other securities and equity investments	17	1,374	85
Deferred tax	23	281	13
Receivables	19	3,596	1,980
Other non-current assets		**8,856**	**5,384**
Non-current assets		**82,138**	**62,100**
Inventories	18	3,064	3,918
Receivables	19	27,783	36,073
Income tax	26	422	11
Securities	31	2,570	753
Cash	31	4,499	3,043
Current assets		**38,338**	**43,798**
Assets classified as held for sale	21	**76**	**187**
Assets		**120,552**	**106,085**

EQUITY AND LIABILITIES

DKK million	Note	2009	2008
Share capital		2,937	2,937
Reserves		9,256	9,950
Retained earnings		23,944	23,242
Proposed dividends		481	1,926
Equity attributable to the equity holders of DONG Energy A/S		**36,618**	**38,055**
Hybrid capital		8,088	8,088
Minority interests		102	47
Equity	22	**44,808**	**46,190**
Deferred tax	23	6,666	5,461
Pension obligations	5	21	38
Provisions	24	7,260	5,466
Bond loans	25	22,549	7,734
Bank loans	25	10,859	9,277
Other payables	25	1,970	1,624
Non-current liabilities		**49,325**	**29,600**
Provisions	24	212	229
Bond loans	25	0	160
Bank loans	25	1,798	1,952
Other payables	25	24,370	27,447
Income tax	26	39	420
Current liabilities		**26,419**	**30,208**
Liabilities		**75,744**	**59,808**
Liabilities associated with assets classified as held for sale	21	**0**	**87**
Equity and liabilities		**120,552**	**106,085**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

DKK million	Share capital	Reserves	Retained earnings	Proposed dividends	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Minority interests	Total
Equity at 1 January 2009	2,937	9,950	23,242	1,926	**38,055**	8,088	47	**46,190**
Comprehensive income for the year, see page 69	-	(694)	794	-	**100**	451	4	**555**
Coupon payments, hybrid capital	-	-	-	-	**-**	(451)	-	**(451)**
Proposed dividends	-	-	(481)	481	**0**	-	-	**0**
Dividends paid	-	-	-	(1,926)	**(1,926)**	-	(31)	**(1,957)**
Addition on acquisition of enterprises	-	-	-	-	**-**	-	29	**29**
Addition of minority interests	-	-	(43)	-	**(43)**	-	50	**7**
Disposal of minority interests	-	-	432	-	**432**	-	3	**435**
Total changes in equity in 2009	**-**	**(694)**	**702**	**(1,445)**	**(1,437)**	**0**	**55**	**(1,382)**
Equity at 31 December 2009	**2,937**	**9,256**	**23,944**	**481**	**36,618**	**8,088**	**102**	**44,808**

DKK million	Share capital	Reserves	Retained earnings	Proposed dividends	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Minority interests	Total
Equity at 1 January 2008	2,937	8,955	20,716	1,469	**34,077**	8,088	46	**42,211**
Comprehensive income for the year, see page 69	-	995	4,452	-	**5,447**	451	50	**5,948**
Coupon payments, hybrid capital	-	-	-	-	**-**	(451)	-	**(451)**
Proposed dividends	-	-	(1,926)	1,926	**0**	-	-	**0**
Dividends paid	-	-	-	(1,469)	**(1,469)**	-	0	**(1,469)**
Addition of minority interests	-	-	0	-	**0**	-	1	**1**
Disposal of minority interests	-	-	0	-	**0**	-	(50)	**(50)**
Total changes in equity in 2008	**0**	**995**	**2,526**	**457**	**3,978**	**0**	**1**	**3,979**
Equity at 31 December 2008	**2,937**	**9,950**	**23,242**	**1,926**	**38,055**	**8,088**	**47**	**46,190**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Cash flows from operations (operating activities)	27	11,084	13,001
Interest income and similar items		2,523	2,800
Interest expense and similar items		(3,361)	(3,663)
Income tax paid		(778)	(1,759)
Cash flows from operating activities		**9,468**	**10,379**
Purchase of intangible assets		(170)	(156)
Sale of intangible assets		8	1
Purchase of exploration assets		(699)	(1,253)
Purchase of other property, plant and equipment		(14,990)	(8,276)
Sale of property, plant and equipment		191	91
Acquisition of enterprises	28	(1,304)	(136)
Disposal of enterprises	29	376	2,374
Acquisition of associates		0	(3)
Acquisition of other equity investments	17	(168)	(60)
Acquisition of securities	17, 28	(3,742)	0
Change in other non-current assets		(605)	(1,341)
Financial transactions with associates		(195)	79
Dividends received and distribution of capital		99	51
Cash flows from investing activities		**(21,199)**	**(8,629)**
Proceeds from raising of loans		18,881	3,214
Instalments on loans		(4,946)	(1,836)
Coupon payments on hybrid capital		(451)	(451)
Dividends paid		(1,926)	(1,469)
Dividends paid to minority interests		(31)	(2)
Acquisition of minority interests		(32)	(1)
Disposal of minority interests	30	86	13
Other capital transactions with minority interests		38	0
Change in other non-current payables		610	(794)
Cash flows from financing activities		**12,229**	**(1,326)**
Net increase (decrease) in cash and cash equivalents		**498**	**424**
Cash and cash equivalents at 1 January		2,369	1,780
Net increase (decrease) in cash and cash equivalents		498	424
Cash classified as held for sale, etc.		63	(27)
Foreign exchange adjustments of cash and cash equivalents		(15)	192
Cash and cash equivalents at 31 December	31	**2,915**	**2,369**

INDEX OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

01 / BASIS OF REPORTING

DONG Energy A/S is a public limited company with its registered office in Denmark. The annual report for the period 1 January – 31 December 2009 comprises the consolidated financial statements of DONG Energy A/S and its subsidiaries (the Group) as well as separate financial statements for the parent company, DONG Energy A/S.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also complies with International Financial Reporting Standards issued by the IASB.

The annual report has been prepared in accordance with Danish disclosure requirements for annual reports of listed and State-owned public limited companies, see the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

The annual report is presented in Danish kroner (DKK), rounded to the nearest million, unless otherwise stated.

The annual report has been prepared on the historical cost basis except that derivative financial instruments, financial instruments held for trading, financial instruments classified as available-for-sale and CO_2 emissions allowances held for trading are measured at fair value.

Non-current assets and disposal groups classified as held for sale are stated at the lower of carrying amount before the reclassification and fair value less costs to sell.

The accounting policies described in note 40 have been applied consistently to the financial year and the comparative figures.

Implementation of new standards and interpretations
In 2009, DONG Energy implemented the following standards (IASs and IFRSs) and interpretations (IFRICs), which are relevant to DONG Energy and have effect for reporting periods beginning on or after 1 January 2009:

- Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation
- Amendment to IAS 23 Borrowing Costs
- Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendment to IFRS 7: Improving Disclosures about Financial Instruments
- Parts of Improvements to IFRSs May 2008 with an effective date of 1 January 2009

In 2009, IFRICs 16 and 18 were adopted with different effective dates in the EU than the corresponding IFRICs as issued by the IASB. DONG Energy has consequently implemented these interpretations early, so that their implementation follows the IASB effective dates.

The implementation of IAS 1 has only changed the presentation of primary statements and some note disclosures. IAS 23 relating to the recognition of borrowing costs as part of the cost of qualifying assets and which applies to the construction and development of qualifying assets for which the commencement date is on or after 1 January 2009 has resulted in the capitalisation of borrowing costs of DKK 282 million in respect of production assets in 2009. Comparative figures have not been restated.

Apart from IAS 23, the new standards and interpretations have not had any effect on recognition and measurement in 2009, but have resulted in additional note disclosures.

The new standards and interpretations affect earnings per share and diluted earnings per share by DKK 0.96 per share for 2009.

New International Financial Reporting Standards and IFRIC Interpretations
The IASB has issued the following new or amended standards and interpretations that have been adopted by the EU but have not yet become effective and are consequently not mandatory for DONG Energy in connection with the preparation of the annual report for 2009:

- Revised IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

01 / BASIS OF REPORTING (CONTINUED)

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items
- Amendments to IAS 32 Financial Instruments: Presentation: Classification of Rights Issues
- Improvements to IFRSs May 2008 Amendments to IFRS 5
- Amendments to IFRIC 9 and IAS 39 Embedded Derivatives
- IFRIC 17 Distributions of Non-Cash Assets to Owners
- Revised IAS 24 Related Party Disclosures
- Amendments to IFRS 1 Limited Exemptions for First-Time Adopters
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

DONG Energy has carefully considered the implications of these new or changed standards and interpretations, none of which is expected to have a material effect on DONG Energy's financial reporting except as otherwise described in the following.

The revised IFRS 3 Business Combinations and the concurrent revision of IAS 27 Consolidated and Separate Financial Statements come into effect for financial years beginning on or after 1 July 2009. DONG Energy does not expect to make use of the option to recognise goodwill relating to any minority interests' shares in enterprises acquired, and expects the effect on the financial reporting of a number of the technical adjustments to the purchase method in IFRS 3 to be insignificant.

The IASB has also issued the following new or amended standards and interpretations of relevance to DONG Energy that have yet to be adopted by the EU:

- Amendments to IFRS 1 Additional Exemptions for First-Time Adopters
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions
- Improvements to IFRSs April 2009

DONG Energy expects to implement the new standards and interpretations from their mandatory effective dates. The standards and interpretations that are adopted with different effective dates in the EU than the corresponding effective dates from the IASB will be implemented early, so that their implementation follows the IASB effective dates. None of the new standards and interpretations is expected to have a material effect on DONG Energy's financial reporting.

02 / SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Accounting estimates

In the process of preparing the consolidated financial statements, management makes a number of estimates and judgements that affect the reported amounts of assets and liabilities at the balance sheet date, the reported amounts of income and expenses in the reporting period and disclosures on contingent assets and contingent liabilities at the balance sheet date.

Estimates and assumptions made are based on historical experience and other factors that are believed by management to be reasonable under the circumstances, but that, by their nature, are uncertain and unpredictable. The effect of such judgements and assumptions can potentially lead to results that differ significantly from those that would result from the use of other judgements and assumptions.

The Group's special risks are referred to in the chapter on risk management on pages 28-32 of management's review comprising the sections Risk governance, Market and credit risks and Liquidity and financing risks as well as in the notes.

Estimates and judgements relating to impairment testing of intangible assets and property, plant and equipment have had a significant effect on the consolidated financial statements for 2009.

The international financial crisis led to exceptional fluctuations in, for example, commodity prices, exchange rates and interest rates again in 2009. In connection with the preparation of the consolidated financial statements for 2009, increased focus has consequently been placed on the estimates made in respect of, for example, discount rates and expecta-

tions concerning the future development in commodity prices and exchange rates to ensure that the consolidated financial statements are not affected by short-term fluctuations that are not expected to apply in the long term.

The areas in which estimates and judgements can have the most significant effect on the financial statements are described in the following.

Determination of natural gas and oil reserves

DONG Energy conducts an annual internal evaluation and review of the Group's reserves as part of the annual business cycle. An independent valuer has reviewed DONG Energy's reserves classification system and guidelines and has verified that the internal guidelines are in agreement with the SPE-PRMS directives.

The assessment of natural gas and oil reserves is based on estimates and assumptions of both proved and probable reserves (Proved and Probable/2P). Proved reserves are the estimated quantities of hydrocarbons that geological and engineering data demonstrate with reasonable certainty to be recoverable within future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs estimates as of the date the estimate is made. Probable reserves are those additional reserves that are less likely to be recovered than proved reserves.

The evaluation of natural gas and oil reserves affects the assessment of the recoverable amount and depreciation profile of DONG Energy's Exploration & Production assets, and future changes in reserves may have a significant effect on the unit-of-production depreciation applied in connection with depreciation and impairment losses related to a number of the Group's production assets.

Impairment testing

DONG Energy has significant investments in intangible assets and property, plant and equipment, including primarily production assets, the values of which are sensitive to various factors, including changes in commodity prices, exchange rates, interest rates and regulatory provisions.

Goodwill and in-process development projects are tested for impairment annually.

Other intangible assets and property, plant and equipment are tested for impairment if events or changed conditions indicate that the asset's carrying amount may not be recoverable, i.e. if the carrying amount exceeds the sum of discounted cash flows that can be expected to arise on use of the asset (value in use) and the carrying amount at the same time exceeds the fair value less disposal costs. Such events may include long-term changes in future market conditions, market prices of natural gas, oil, power, fuel and CO_2, changes in the weighted average cost of capital, reductions in estimated reserves, or changes in regulatory provisions. If such a judgement indicates a possible impairment, and neither quoted market prices in active markets nor prices of similar assets are available, discounted cash flows are used to measure the recoverable amount to determine whether the value of the assets is impaired. The assumptions and criteria applied to determine the assets' recoverable amounts constitute management's best estimates and assumptions based on the available information such as market prices, levels of fixed costs, revenue growth rates and reserve estimates, which, however, by their nature, are subject to uncertainty. Impairment losses on intangible assets and property, plant and equipment amounted to DKK 37 million and DKK 741 million respectively in 2009 (2008: DKK 84 million and DKK 1,628 million). Reference is made to notes 15 and 16.

Depreciation profiles for production assets

Production assets are measured at cost less accumulated depreciation. As stated in note 40, the depreciation profile for a number of production assets has been determined using the unit-of-production method based on the ratio of current production to estimated proved reserves or based on the expected earnings profile. The future expected applications may subsequently prove not to be realisable, which may require useful lives to be reviewed and may result in a need for the recognition of impairment losses or the charging of a loss on disposal of the assets.

Investments in associates, other securities and other non-current investments

Investments in associates, other equity investments, other securities and other non-current investments are tested for impairment if there are any indications of impairment. Such indications include assessment of regulatory, financial and technological factors and general market conditions. The assets are written down if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the value in use and the fair value less disposal costs. A DKK 52 million impairment loss on other equity investments was recognised in 2009 (2008: DKK 4 million). Reference is made to note 17.

02 / SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Write-downs and valuation of receivables

Write-downs are made for bad and doubtful debts on the basis of due date and historical experience. The estimates are subject to uncertainties, as they are based on an estimation of the right to collect the receivable and an assessment of the counterparty's ability to pay. The risk of bad debts has increased as a consequence of the international financial crisis, and this has been taken into consideration in connection with the valuation of the Group's receivables. Trade receivables were written down by DKK 183 million at 31 December 2009 (2008: DKK 291 million).

Provisions for decommissioning costs

DONG Energy has significant decommissioning obligations. The estimates of the Group's decommissioning obligations are updated on a regular basis, and the provisions amounted to DKK 5,667 million at 31 December 2009 (31 December 2008: DKK 4,469 million), see note 24.

These provisions comprise expected costs for decommissioning of production facilities and technical installations and restoration of drilling sites and other installations in accordance with current legislation. In Exploration & Production, such obligations include facilities for production of natural gas and oil; in Generation, they include decommissioning obligations relating to the Group's thermal generating plants and wind farms; in Energy Markets, they include natural gas pipelines and associated infrastructure; and in Sales & Distribution, they include the Group's natural gas distribution network, natural gas storage facility and oil pipeline. No decommissioning obligations are recognised in respect of the power grid in Sales & Distribution, as it is considered improbable that such decommissioning obligations will result in an outflow from the Group of resources embodying economic benefits.

Provisions for decommissioning costs are measured at the present value of the future restoration and decommissioning obligations estimated at the balance sheet date. The assumptions and estimates applied in the calculation of the present value of decommissioning obligations are affected by any changes in expected decommissioning and restoration costs, the future date on which the corresponding costs will be incurred, and official requirements. Expected decommissioning and restoration costs are based either on examinations carried out by external experts, or internal estimates prepared by the Group. Estimated costs include a risk premium, based on empirical data. The discount rate applied reflects the general risk-free interest rate level in the given market.

Business combinations

The identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at fair values at the date of acquisition. For a significant part of the assets acquired and liabilities assumed, an effective market does not exist on the basis of which the fair value can be determined. This applies to intangible assets, in particular. Management makes estimates of the fair value of assets, liabilities and contingent liabilities acquired, primarily using models that are based on calculations of present values of future cash flows and probabilities and expected cash flows related to identified contingent liabilities.

The excess of the cost of the acquiree over the fair value of the assets, liabilities and contingent liabilities acquired is recognised as goodwill and allocated to the cash-generating units, which subsequently form the basis for impairment testing. In that connection, management makes estimates of acquired and existing cash-generating units and the associated goodwill allocation. The value of goodwill in connection with the year's business combinations is described in note 28.

The determination of fair values of identifiable assets, liabilities and contingent liabilities relating to acquisitions in 2009 was completed in 2009. It was estimated that the value of acquired net assets still existed at 31 December 2009.

Unlisted financial contracts

The DONG Energy Group has concluded financial contracts based, among other things, on natural gas, oil, power and coal, that are unlisted and are measured at fair value, including a single long-term contract that runs until 2020. Reference is made to note 33 for further details. Fair values are determined based on fixed valuation models by reference to market data and the outlook concerning long-term prices and exchange rates, etc., each of which is subject to uncertainty.

Onerous contracts

In the course of the Group's operations, a number of

commercial contracts have been entered into with fixed terms of contract that may result in the contracts being onerous depending on market developments, etc., and the liabilities incurred by the DONG Energy Group as a result of these contracts may also be subject to uncertainty. The judgements concerning these complex contracts and their future effects are subject to significant uncertainties. Reference is made to note 24.

Provisions for litigation costs

The Group is a party to various litigation proceedings, including relating to obligations assumed by the Group in relation to acquisitions of enterprises made in 2006, and claims have been advanced against the Group, see note 37.

Provision for estimated losses is made in the income statement, if both of the following criteria are met:

1) the information that was available prior to the publication of the financial statements indicates that it is more likely than not that an obligation had arisen at the balance sheet date, and
2) the amount of the loss can be estimated reliably.

The application of these accounting principles for determining potential losses in connection with a dispute is naturally difficult, considering the complexity of the factors involved and the legislation. The decision as to whether a provision should be made in such disputes requires conclusions to be drawn concerning various factual and legal matters outside the Group's control. If the judgements do not, at a given time, reflect the subsequent development or the final outcome of the dispute, this may have a significant impact on the Group's future income statements and balance sheets and may have an adverse impact on the Group's operating profit, cash flows and financial position. The factors taken into consideration when deciding whether to make a provision include the nature of the action, claim or statement. Other factors taken into consideration include the development of the case (including the development after the balance sheet date, but before publication of the financial statements), recommendations or opinions from legal or other advisers, experience from similar cases, and management's decision on how the Group will react to the action, the claim or the statement. The fact that legal advisers are not able to express an opinion as to the outcome of a case does not necessarily mean that the above criteria concerning provision for losses have been met.

At 31 December 2009, DONG Energy had made provisions totalling DKK 298 million (2008: DKK 298 million) relating to the ongoing competition disputes concerning alleged abuse of a dominant position in the wholesale market for physical power in Western Denmark, see note 37. This amount was determined on the basis of the Danish Competition Council's rulings.

In connection with the litigation proceedings referred to in the foregoing, a group of power consumers have lodged a complaint in which the primary claim is for DKK 4,404 million plus interest. As both the justification for the claim and the evaluation of the size of a potential loss are subject to significant uncertainty, a separate provision has not been made in this respect.

In addition, the Danish Competition Council is in the process of examining whether, in the period 1 July 2003 to 31 December 2005, Energi E2 A/S abused a dominant position in the wholesale market for physical power in Eastern Denmark, see note 37. No provision has made for any loss in respect of this case.

Judgements made in connection with accounting policies

As part of the Group's accounting policies, management makes judgements, apart from those involving estimations, that may have a significant effect on the consolidated financial statements. These judgements primarily comprise the selection of recognition methods for exploration assets, recognition and classification of derivative financial instruments and commodity contracts, and classification of, for example, hybrid capital, acquirees and jointly controlled assets and entities.

Accounting treatment of exploration and production

DONG Energy recognises exploration costs using the successful efforts method. Costs for acquisition of shares in exploration and appraisal licences are, as a rule, capitalised on a licence by licence basis. Exploration costs incurred in connection with the determination of exploration targets, but that are not directly attributable to individual exploration wells, are expensed as incurred. Costs for exploration and appraisal wells are initially capitalised on a licence by licence basis under exploration assets and are not depreciated. At 31 December 2009, the Group had capitalised DKK 2,997 million under exploration assets (2008: DKK 2,784 million), see note 16.

The result of evaluation activities is reviewed on a licence by licence basis. On completion of an appraisal well, the evaluation costs are expensed together with the associated exploration costs, unless the results indicate with reasonable

02 / SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

probability the existence of reserves that can be utilised commercially.

Following the evaluation of a successful exploration well, and once a decision has been made on a development and operating plan for a licence, and the plan has been approved by the relevant authorities, the exploration costs are transferred to property, plant and equipment in the course of construction. When the field is ready for start-up of commercial production, the total costs in the balance sheet, including the initial exploration and evaluation costs, are transferred to a single cost centre for the field under production assets. Subsequent costs are capitalised if this increases the economic benefits from the production assets or replaces a part of the existing production asset. Depreciation commences when the field comes on stream.

Accounting treatment of derivative financial instruments and commodity contracts

DONG Energy hedges commodity, currency and interest rate risks. These hedging transactions predominantly relate to future income from the sale of natural gas, oil and power, and coal purchase costs. Changes in the fair value of the derivative financial instruments that, according to the provisions in IAS 39, qualify for recognition as cash flow hedges, are recognised directly in other comprehensive income until the hedged transaction, e.g. the sale, is recognised in the income statement.

The purpose of managing financial and commodity risks is to limit the risk of significant fluctuations in earnings and cash flows from the underlying operations. Through internal policies and guidelines, DONG Energy seeks to ensure that derivative financial instruments used to manage risks are only used to hedge booked, agreed or planned underlying transactions rather than for own trading. Own trading is limited to commodity derivatives and is undertaken in specific markets within a defined framework to limit any significant impact from the trading activities on earnings. Open positions from operating activities and activities in connection with hedging of own trading are reported and monitored on an ongoing basis.

Furthermore, contracts to which the Group is a party are reviewed to identify any features that correspond to derivative financial instruments in order to determine whether separate recognition and measurement of an embedded financial instrument are required under IFRS. The Group's natural gas sourcing and sales contracts include price formulas that are indexed to various commodity prices. Based on a review of these and other contracts, including the economic relationships between relevant commodity prices and contractual indices, it has been judged that there are no embedded financial instruments in the contracts requiring separate recognition and measurement under IFRS.

Under IFRS, contracts that involve physical delivery of commodities are, in certain circumstances, accounted for as derivative financial instruments. Based on an evaluation of the purpose of the Group's commodity contracts and the connection between that purpose and the Group's other activities, the Group's contracts that involve physical delivery of commodities are generally deemed to satisfy the criteria for exemption from classification as derivative financial instruments for normal sale and purchase contracts. Contracts that involve physical delivery of commodities and are classified and accounted for as derivative financial instruments primarily comprise contracts entered into in the course of the Group's trading activities or as part of certain hedging activities. Reference is made to note 33.

Accounting treatment of hybrid capital

DONG Energy has issued hybrid capital of EUR 1,100 million, see note 22. Hybrid capital comprises issued bonds that qualify for recognition as compound financial instruments due to the special characteristics of the loan. The principal amount, which constitutes a liability, is recognised at present value (nil). The balance of the net proceeds is recognised in equity.

Accordingly, any coupon payments are accounted for as dividends that are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to the part of the hybrid capital that is recognised in equity. Coupon payments consequently do not have any effect on the income statement. The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. However, as the carrying amount of this component amounted to nil on initial recognition, and,

as a result of the 1,000-year term of the hybrid capital, amortisation charges will only impact on the income statement towards the end of the 1,000-year term of the hybrid capital. Coupon payments are recognised in the cash flow statement in the same way as dividend payments under financing activities.

In the period 2010 to 2014, any coupon payments on the hybrid capital will amount to about DKK 451 million per year using the current EUR/DKK exchange rate. The amount will subsequently vary in step with changes in the interest rate level. DONG Energy will be able to omit or defer interest payments. Any deferred coupon payments concerning the hybrid capital will be payable if a decision is made to make dividend or other distributions to the company's shareholders, and the company's equity will be reduced by a corresponding amount less tax each time coupon is paid.

Jointly controlled assets and entities

DONG Energy recognises the Group's jointly controlled assets and entities using proportionate consolidation. These primarily comprise natural gas and oil exploration licences, wind farms and power stations. If the option to recognise jointly controlled entities using proportionate consolidation is abolished, this will affect the Group's income statement, as it is expected that the income statement items for jointly controlled entities will have to be presented as an aggregated amount in future, in the same way as the share of profit of associates. It is also expected to affect the balance sheet, including primarily intangible assets and property, plant and equipment, as it is expected that assets and liabilities relating to jointly controlled entities will have to be presented as a net amount in future, in the same way as investments in associates.

Business combinations

In connection with business combinations, the Group makes judgements of the contracts concluded in order to determine whether the acquiree should be classified as a subsidiary, a jointly controlled asset, a jointly controlled entity or an associate. Such judgements are made individually for each acquiree on the basis of purchase contracts concluded, shareholders' agreements and similar agreements, which determine the extent to which control of the acquiree has been transferred.

For acquisitions accounted for as business combinations, the purchase method is used, and identifiable assets, liabilities and contingent liabilities are valued at fair value in connection with the acquisition.

The fair value of individual assets is determined based on publicly available market prices to the extent that an efficient market exists for the asset in question. Key assets acquired in 2009 comprised property, plant and equipment in the course of construction and installation vessels. The fair value of property, plant and equipment in the course of construction has been determined on the basis of knowledge of construction prices for similar installations, the percentage of completion in relation to budgets, etc., and any other indications and relevant information relating to each project. Installation vessels have been valued on the basis of independent valuations carried out by a third party.

Transactions with minority interests are accounted for as transactions with the group of owners. If the acquisition of further ownership interests in a subsidiary results in a difference between the purchase price and the carrying amount of the acquired minority interest, the difference is taken directly to equity.

Gains and losses on sale of minority interests are also recognised in equity to the extent that the sale does not result in a loss of control. The determination of whether a sale results in a loss of control relies on judgements on a case-by-case basis based on contracts concluded.

03 / SEGMENT INFORMATION

Segmentation

Management has defined the Group's operating segments based on the reporting regularly presented to the Group's Executive Board, and which forms the basis for management's strategic decisions. The Executive Board adopts a product-driven approach to the management of activities, managing each segment differently from a commercial point of view.

Segment income, segment expense, segment assets and segment liabilities are those items that, in the internal management reporting, are directly attributable to the individual segment or can be indirectly allocated to the individual segment on a reliable basis. Other activities/eliminations primarily comprise income and expense, assets and liabilities, investing activities, income taxes, etc., relating to the Group's administrative functions, certain initial stages of research and development that do not relate to the Group's primary activities, and eliminations.

Segment information has been prepared in accordance with the Group's accounting policies. EBITDA was determined inclusive of DKK 186 million amortisation of purchased CO_2 emissions allowances (2008: DKK 487 million), as purchased CO_2 emissions allowances are accounted for as cost of sales items. Non-current segment assets comprise those of the Group's non-current assets that are directly allocated to the individual segment.

Reportable segments comprise the following products and services:

- **Exploration & Production** explores for and produces natural gas and oil in Denmark and Norway, on the Faroe Islands, in Greenland and in the West of Shetland area in the UK. DONG Energy also has a stake in the overall natural gas pipeline network (Gassled) connecting the Norwegian fields with the European continent and the UK.
- **Generation** produces and sells power and heat. Generation takes place at 25 thermal power stations in Denmark and from wind turbines in Denmark, the UK, Poland, Norway, Sweden and France. DONG Energy also has stakes in hydropower plants in Sweden and Norway as well as Danish production based on geothermal heat.
- **Energy Markets** optimises DONG Energy's energy portfolio, forming the link between the Group's procurement and sale of energy. Energy Markets trades in natural gas and power with manufacturers and wholesale customers as well as on European energy hubs and exchanges.
- **Sales & Distribution** is the last link in the energy (power and natural gas) value chain, which ranges from production through to consumption. The business area Sales & Distribution is responsible for an efficient and secure supply and has activities in Denmark and the Netherlands.

Geographical location

DONG Energy primarily sells products and services in the market in Northern Europe. A large part of the Group's sales takes place via power exchanges and gas hubs in Europe the physical location of which does not reflect the Group's market risks.

The transfer of risk normally takes place on delivery at the exchange or hub, and DONG Energy consequently does not know the counterparty in every single case.

No single customer accounts for more than 10% of the Group's total revenue.

Further details of the Group's reportable segments are given in management's review. Reference is also made to note 4 for a breakdown of the Group's sales by products and services.

Activities – 2009

DKK million	Exploration & Production	Generation	Energy Markets	Sales & Distribution	Reportable segment total
External revenue	4,446	10,922	20,300	13,072	**48,740**
Intragroup revenue	2,133	1,519	7,901	314	**11,867**
Revenue	**6,579**	**12,441**	**28,201**	**13,386**	60,607
EBITDA	**3,427**	**915**	**2,046**	**2,239**	**8,627**
Depreciation and amortisation, excluding purchased CO_2 emissions allowances	(1,343)	(1,383)	(542)	(968)	**(4,236)**
Impairment losses	(44)	(52)	0	(677)	**(773)**
Operating profit (EBIT)	**2,040**	**(520)**	**1,504**	**594**	**3,618**
Non-current segment assets	19,693	34,977	4,492	15,177	**74,339**
Gross investments	3,050	11,565	418	1,663	**16,696**
Net working capital, external transactions	(672)	2,413	1,790	2,856	**6,387**
Net working capital, intragroup transactions	268	(330)	1,609	(1,312)	**235**
Net working capital	**(404)**	**2,083**	**3,399**	**1,544**	**6,622**

Natural gas and oil exploration expenditure of DKK 292 million has been recognised in Exploration & Production. Natural gas and oil exploration assets and liabilities amounted to DKK 3,176 million and DKK 166 million respectively at 31 December 2009.

Operating and investing cash flows arising from natural gas and oil exploration absorbed DKK 312 million and DKK 699 million respectively.

DKK million	Denmark	Rest of world	Consolidated total
Revenue	26,690	22,572	**49,262**

DKK million	Denmark	Norway	UK	Rest of world	Consolidated total
Intangible assets and property, plant and equipment	43,798	14,412	11,951	3,121	**73,282**

03 / SEGMENT INFORMATION (CONTINUED)

Activities – 2008

DKK million	Exploration & Production	Generation	Energy Markets	Sales & Distribution	Reportable segment total
External revenue	4,758	14,365	26,712	14,874	**60,709**
Intragroup revenue	2,356	933	11,375	721	**15,385**
Revenue	**7,114**	**15,298**	**38,087**	**15,595**	**76,094**
EBITDA	**4,053**	**3,155**	**5,082**	**1,827**	**14,117**
Depreciation and amortisation, excluding purchased CO_2 emissions allowances	(1,226)	(1,291)	(353)	(976)	**(3,846)**
Impairment losses	(356)	(224)	(45)	(1,091)	**(1,716)**
Operating profit (EBIT)	**2,471**	**1,640**	**4,684**	**(240)**	**8,555**
Non-current segment assets	15,638	21,222	5,151	15,344	**57,355**
Gross investments	3,434	4,778	229	2,065	**10,506**
Net working capital, external transactions	(615)	3,149	1,368	3,357	**7,259**
Net working capital, intragroup transactions	(22)	(866)	2,700	(2,370)	**(558)**
Net working capital	**(637)**	**2,283**	**4,068**	**987**	**6,701**

Natural gas and oil exploration expenditure of DKK 946 million has been recognised in Exploration & Production. Natural gas and oil exploration assets and liabilities amounted to DKK 2,941 million and DKK 149 million respectively on 31 December 2008.

Operating and investing cash flows arising from natural gas and oil exploration absorbed DKK 946 million and DKK 846 million respectively.

DKK million	Denmark	Rest of world	Consolidated total
Revenue	29,446	31,331	**60,777**

DKK million	Denmark	Norway	UK	Rest of world	Consolidated total
Intangible assets and property, plant and equipment	40,055	11,848	3,568	1,245	**56,716**

Reconciliations

Revenue

DKK million	2009	2008
Segment revenue for reportable segments	60,607	76,094
Revenue, other activities	1,960	1,379
Elimination of intersegment revenue	(13,305)	(16,696)
Total revenue, see consolidated income statement, page 68	**49,262**	**60,777**

Performance measures

DKK million	2009	2008
Segment EBITDA for reportable segments	**8,627**	**14,117**
Depreciation, amortisation and impairment losses, excluding purchased CO_2 emissions allowances	(5,009)	(5,562)
Segment EBIT for reportable segments	**3,618**	**8,555**
EBIT other activities/eliminations	139	(551)
EBIT, see consolidated income statement, page 68	**3,757**	**8,004**
Gain (loss) on disposal of enterprises	(62)	917
Investments in associates	74	(48)
Financial income and financial expenses, net	(1,362)	(1,134)
Profit before tax, see consolidated income statement, page 68	**2,407**	**7,739**

Assets

DKK million	2009	2008
Non-current segment assets for reportable segments	74,339	57,355
Non-current assets, other activities/eliminations	2,539	1,341
Investments in associates	3,605	3,306
Other securities and equity investments	1,374	85
Deferred tax	281	13
Non-current assets, see consolidated balance sheet, page 70	**82,138**	**62,100**
Net working capital, reportable segments	6,622	6,701
Net working capital, other activities/eliminations	(391)	47
Trade payables included in net working capital, see note 25	4,997	8,155
Unallocated current assets:		
Receivables (excl. trade receivables), see note 19	19,619	25,088
Income tax receivable	422	11
Securities and cash and cash equivalents	7,069	3,796
Total current assets, see consolidated balance sheet, page 70	**38,338**	**43,798**
Assets classified as held for sale	**76**	**187**
Total assets, see consolidated balance sheet, page 70	**120,552**	**106,085**

04 / REVENUE

DKK million	2009	2008
Sales and transportation of natural gas	20,377	28,068
Sales and transportation of oil	3,132	5,165
Sales of power	12,397	16,598
Sales of district heat	2,289	2,518
Distribution and storage of natural gas	1,285	830
Distribution of power	4,024	3,220
Construction contracts	823	1,535
Trading activities, net	908	1,086
Effect of economic hedges, net	925	(392)
Effect of hedge accounting, net	999	1
Other revenue	2,103	2,148
Revenue	**49,262**	**60,777**

05 / STAFF COSTS

DKK million	2009	2008
Wages, salaries and remuneration	(3,370)	(2,944)
Pension obligations	(282)	(248)
Other social security costs	(40)	(28)
Other staff costs	(43)	(33)
Staff costs	**(3,735)**	**(3,253)**
Staff costs are recognised as follows:		
Production costs	(2,042)	(1,541)
Sales and marketing	(209)	(210)
Management and administration	(771)	(788)
Transfer to assets	(713)	(714)
Staff costs	**(3,735)**	**(3,253)**

The Group's pension plans are primarily defined contribution plans that do not commit DONG Energy beyond the amounts contributed. The defined benefit plans relate to obligations to pay a defined benefit to a few power station employees that are no longer with the company and to public servants taken over from municipally owned regional gas companies.

The average number of employees in DONG Energy in 2009 was 5,820 (2008: 5,347 employees).

05 / STAFF COSTS (CONTINUED)

Remuneration to the Supervisory Board, Executive Board and other senior executives

DKK '000	2009			
	Salaries	Bonus[1]	Pension	Total
Parent company Supervisory Board:				
Chairman	(500)	0	0	**(500)**
Deputy chairman	(300)	0	0	**(300)**
Other members[2]	(1,575)	0	0	**(1,575)**
Audit and Risk Committee:				
Chairman	(100)	0	0	**(100)**
Other members[3]	(100)	0	0	**(100)**
Remuneration Committee:				
Chairman	(50)	0	0	**(50)**
Other member	(25)	0	0	**(25)**
Executive Board and other senior executives in the Group:				
CEO	(4,817)	(1,363)	(2)	**(6,182)**
CFO	(4,384)	(1,000)	(2)	**(5,386)**
Other senior executives in the Group	(12,277)	(2,614)	(2,163)	**(17,054)**
	(24,128)	**(4,977)**	**(2,167)**	**(31,272)**

[1] Of this amount, DKK 4.3 million had not been paid at 31 December 2009
[2] Annual remuneration amounted to DKK 175 thousand per member in 2009
[2] Annual remuneration amounted to DKK 50 thousand per member in 2009

At 31 December 2009, the Executive Board and other senior executives consisted of six persons in total (2008: six persons).

DONG Energy has prepared a remuneration policy for the remuneration of the Supervisory Board and for the Executive Board registered with the Danish Commerce and Companies Agency, and overall guidelines for incentive pay for these officers were adopted at DONG Energy's Annual General Meeting in January 2008. Both the remuneration policy and the overall guidelines for incentive pay can be viewed on DONG Energy's website. Remuneration for the Supervisory Board and for the Executive Board registered with the Danish Commerce and Companies Agency complied with the remuneration policy and the overall guidelines for incentive pay in 2009 and continues to do so in 2010.

The service contract of the CEO includes a termination package under which he will be entitled to salary equivalent to 33½ months' salary if his service contract is terminated by the company (2008: 33½ months). The CFO and the Group's other senior executives will be entitled to 24 months' salary if their contracts of service are terminated by the company (2008: 24 months).

Further details of the Executive Board are provided in the Corporate governance and Supervisory Board and Executive Board chapters on pages 60-67 of the annual report.

05 / STAFF COSTS (CONTINUED)

DKK '000	2008			
	Salaries	Bonus[1]	Pension	Total
Parent company Supervisory Board:				
Chairman	(481)	0	0	**(481)**
Deputy chairman	(288)	0	0	**(288)**
Other members[2]	(1,600)	0	0	**(1,600)**
Audit and Risk Committee:				
Chairman	(100)	0	0	**(100)**
Other members[3]	(125)	0	0	**(125)**
Remuneration Committee:				
Chairman	(50)	0	0	**(50)**
Other member	(25)	0	0	**(25)**
Executive Board and other senior executives in the Group:				
CEO	(4,631)	(1,146)	(2)	**(5,779)**
CFO	(4,515)	(1,563)	(2)	**(6,080)**
Other senior executives in the Group	(11,823)	(2,046)	(2,075)	**(15,944)**
	(23,638)	**(4,755)**	**(2,079)**	**(30,472)**

[1] Of this amount, DKK 4.8 million had not been paid at 31 December 2008
[2] Annual remuneration amounted to DKK 169 thousand per member in 2008
[3] Annual remuneration amounted to DKK 50 thousand per member in 2008

06 / RESEARCH AND DEVELOPMENT COSTS

DKK million	2009	2008
Research and development costs incurred during the year	(1,074)	(1,083)
Amortisation of and impairment losses on development costs recognised under intangible assets and property, plant and equipment	(131)	(128)
Development costs recognised under intangible assets	161	118
Research and development costs recognised in the income statement	**(1,044)**	**(1,093)**
Research and development costs by function:		
Production costs	(1,026)	(1,085)
Sales and marketing	(3)	0
Management and administration	(15)	(8)
Research and development costs recognised in the income statement	**(1,044)**	**(1,093)**

Research and development costs incurred include development of wind farms in the UK, Sweden, Poland, Denmark, Germany and the Netherlands; development of thermal generation; bioethanol technology; and development of infrastructure and systems enabling power to be used for transportation.

07 / FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK million	2009	2008
Audit fees	(18)	(18)
Other assurance engagements	(2)	(2)
Tax and VAT advice	(19)	(14)
Non-audit fees	(58)	(46)
Total fees to KPMG	**(97)**	**(80)**
Audit fees	(4)	(5)
Other assurance engagements	(2)	(1)
Tax and VAT advice	(6)	(2)
Non-audit fees	(2)	(4)
Total fees to Deloitte	**(14)**	**(12)**

08 / OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

DKK million	2009	2008
Gain on sale of intangible assets and property, plant and equipment	40	19
Other operating income, other	201	63
Other operating income	**241**	**82**
Loss on sale of intangible assets and property, plant and equipment	(40)	(23)
Other operating expenses, other	(3)	(10)
Other operating expenses	**(43)**	**(33)**
Other operating income and other operating expenses, net	**198**	**49**

Other operating income includes insurance compensation of DKK 160 million received in respect of production assets.

09 / GOVERNMENT GRANTS

DKK million	2009	2008
Government grants recognised in the income statement under revenue	869	548
Government grants recognised in the income statement under other operating income	1	11
Government grants recognised in the balance sheet	(53)	24
Government grants recognised during the year	**817**	**583**

In 2009, several of the UK wind farms became subject to a different subsidy scheme. In that connection, subsidies totalling DKK 122 million awarded under the previous subsidy scheme were repaid. The repayment has been recognised under government grants recognised in the balance sheet.

Grants recognised as revenue comprise green certificates and price supplements granted for power generation based on wind power, biomass and waste, and natural gas at small-scale power stations.

DONG Energy has received grants for feasibility studies in connection with the establishment of installations and the construction of installations. Government grants received have been recognised under liabilities and transferred to other operating income in the income statement as the assets to which the grants relate are depreciated.

10 / FINANCIAL INCOME

DKK million	2009	2008
Interest income from cash, etc.	280	865
Interest income from securities at fair value	175	17
Gains on securities at fair value	30	36
Foreign exchange gains	2,050	1,763
Value adjustments of derivative financial instruments	80	47
Dividends received	0	1
Other financial income	47	17
Financial income	**2,662**	**2,746**

11 / FINANCIAL EXPENSES

DKK million	2009	2008
Interest expense relating to payables	(1,619)	(1,579)
Transfer to assets	282	0
Interest element of decommissioning costs	(176)	(174)
Losses on securities at fair value	(31)	0
Foreign exchange losses	(2,169)	(2,037)
Value adjustments of derivative financial instruments	(100)	(81)
Losses on financial liabilities	(150)	0
Impairment losses on other equity investments classified as available for sale	(52)	(4)
Other financial expenses	(9)	(5)
Financial expenses	**(4,024)**	**(3,880)**

Foreign exchange adjustments are recognised in revenue and cost of sales for the year with DKK 93 million (2008: DKK 369 million) and in profit for the year with a charge of DKK 26 million (2008: gain of DKK 95 million).

The weighted average effective interest rate relating to capitalised borrowing costs on general borrowing for the construction and development of assets amounted to 4.35% in 2009.

The Group had specific loans with a capitalisation factor of 6.5% - 14.5% in acquirees in 2009. The loans were partially repaid in 2009 and the balance of loans is expected to be repaid in the course of 2010.

12 / INCOME TAX EXPENSE

DKK million	2009	2008
Tax on profit for the year	(1,269)	(2,924)
Tax on other comprehensive income	677	(887)
Tax for the year	**(592)**	**(3,811)**
Income tax expense can be broken down as follows:		
Current tax (income tax and hydrocarbon tax) calculated using normal tax rates	(802)	(1,596)
Special current tax, hydrocarbon tax calculated using higher tax rate	(75)	(278)
Current tax on assets classified as held for sale	0	(20)
Deferred tax calculated using normal tax rates	(117)	(496)
Special deferred tax, hydrocarbon tax calculated using higher tax rate	(394)	(468)
Deferred tax on assets classified as held for sale	0	(2)
Adjustments to current tax in respect of prior years	235	(13)
Adjustments to deferred tax in respect of prior years	(116)	(51)
Income tax expense	**(1,269)**	**(2,924)**

2009	DKK million	%
Income tax expense can be explained as follows:		
Calculated 25% tax on profit before tax	(602)	25
Adjustments of calculated income tax in foreign subsidiaries in relation to 25%	(21)	1
Special tax, hydrocarbon tax	(469)	19
Tax effect of:		
Non-taxable income	80	(3)
Utilisation of previously unrecognised tax assets for reduction of current tax	0	0
Utilisation of previously unrecognised tax assets for reduction of deferred tax	98	(4)
Non-deductible expenses	(236)	10
Unrecognised tax assets	(158)	7
Share of profit of associates	18	(1)
Adjustments to tax in respect of prior years	21	(1)
Effective tax for the year	**(1,269)**	**53**

2008	DKK million	%
Income tax expense can be explained as follows:		
Calculated 25% tax on profit before tax	(1,935)	25
Adjustments of calculated income tax in foreign subsidiaries in relation to 25%	(34)	0
Special tax, hydrocarbon tax	(746)	10
Tax effect of:		
Non-taxable income	283	(3)
Utilisation of previously unrecognised tax assets for reduction of current tax	12	0
Utilisation of previously unrecognised tax assets for reduction of deferred tax	0	0
Non-deductible expenses	(239)	3
Unrecognised tax assets	(177)	2
Share of profit of associates	(12)	0
Adjustments to tax in respect of prior years	(76)	1
Effective tax for the year	**(2,924)**	**38**

13 / TAX ON OTHER COMPREHENSIVE INCOME

	2009			2008		
DKK million	Before tax	Tax	After tax	Before tax	Tax	After tax
Foreign exchange adjustments relating to foreign enterprises	995	0	995	(1,965)	0	(1,965)
Foreign exchange adjustments relating to equity-like loans, etc.	327	(89)	238	(31)	8	(23)
Value adjustments of hedging instruments	(2,582)	655	(1,927)	4,001	(1,006)	2,995
Tax on hybrid capital	0	111	111	0	111	111
Other adjustments	0	0	0	15	0	15
	(1,260)	**677**	**(583)**	**2,020**	**(887)**	**1,133**

14 / EARNINGS PER SHARE

DKK million	2009	2008
Profit for the year	1,138	4,815
Coupon on hybrid capital after tax	(340)	(340)
Attributable to minority interests	4	(48)
Attributable to DONG Energy Group	**802**	**4,427**
Average number of shares of DKK 10 each	293,709,900	293,709,900
Earnings per share (EPS) and diluted earnings per share (DEPS) of DKK 10 each	2.73	15.07

15 / INTANGIBLE ASSETS

DKK million	Goodwill	Rights	Completed development projects	In-process development projects	Total
Cost at 1 January 2009	447	3,643	726	189	5,005
Foreign exchange adjustments	(1)	5	2	2	8
Addition on acquisition of enterprises	217	313	0	0	530
Additions	0	380	14	133	527
Disposal on sale of enterprises	0	(10)	(18)	0	(28)
Disposals	0	(482)	0	(3)	(485)
Transfers	0	33	103	(92)	44
Reclassifications	0	(122)	0	(85)	(207)
Cost at 31 December 2009	**663**	**3,760**	**827**	**144**	**5,394**
Amortisation and impairment losses at 1 January 2009	0	(1,776)	(508)	0	(2,284)
Foreign exchange adjustments	0	0	(3)	0	(3)
Disposal on sale of enterprises	0	5	5	0	10
Amortisation on disposals	0	476	0	0	476
Amortisation	0	(328)	(76)	0	(404)
Impairment losses	0	(37)	0	0	(37)
Amortisation and impairment losses at 31 December 2009	**0**	**(1,660)**	**(582)**	**0**	**(2,242)**
Carrying amount at 31 December 2009	**663**	**2,100**	**245**	**144**	**3,152**
Cost at 1 January 2008	322	4,876	572	191	5,961
Foreign exchange adjustments	0	(2)	(2)	(5)	(9)
Addition on acquisition of enterprises	125	0	0	0	125
Additions	0	521	16	170	707
Disposals	0	(1,751)	0	(1)	(1,752)
Transfers to assets classified as held for sale	0	(1)	0	0	(1)
Transfers	0	0	140	(140)	0
Reclassifications	0	0	0	(26)	(26)
Cost at 31 December 2008	**447**	**3,643**	**726**	**189**	**5,005**
Amortisation and impairment losses at 1 January 2008	0	(2,839)	(386)	0	(3,225)
Foreign exchange adjustments	0	0	6	0	6
Amortisation on disposals	0	1,750	0	0	1,750
Amortisation	0	(649)	(83)	0	(732)
Impairment losses	0	(39)	(45)	0	(84)
Transfers to assets classified as held for sale	0	1	0	0	1
Amortisation and impairment losses at 31 December 2008	**0**	**(1,776)**	**(508)**	**0**	**(2,284)**
Carrying amount at 31 December 2008	**447**	**1,867**	**218**	**189**	**2,721**

15 / INTANGIBLE ASSETS (CONTINUED)

DKK million	2009	2008
Amortisation and impairment losses for the year can be broken down as follows:		
Production costs	412	785
Sales and marketing	5	16
Management and administration	24	15
	441	**816**

Impairment testing

Basis of reporting

Goodwill and in-process development projects are tested for impairment annually. The carrying amounts of rights and completed development projects are assessed annually to determine whether there is any indication of impairment. If any such indication exists, an impairment test is carried out.

In an impairment test, the asset's recoverable amount is compared with its carrying amount. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an intangible asset is the higher of its fair value less expected disposal costs and the present value of the expected future net cash flows (value in use).

Goodwill

The carrying amounts of goodwill allocated to the CGUs central power stations in Western Denmark, DKK 125 million, the three subsidiaries DONG Energy Sales B.V., DONG Energy Sales GmbH and A2SEA, DKK 275 million, DKK 46 million and DKK 157 million respectively, and the business area Energy Markets, DKK 60 million, have been tested for impairment by DONG Energy. Common to all the CGUs is the fact that they each constitute the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis.

The result of the impairment tests was that the recoverable amount was higher than the carrying amount of goodwill. It has consequently not been deemed necessary to write down goodwill in 2009.

The recoverable amount of each CGU has been determined as a value in use. The determination of net cash flows for subsidiaries is based on business plans and budgets approved by management. A terminal value based on the general growth outlook for each market has been determined for the period after the budget period (terminal period). The determination of net cash flows for the CGU central power stations in Western Denmark is based on a forecasting model. Net cash flows have been discounted using a discount rate (before tax) that reflects the risk-free interest rate with the addition of a risk premium in respect of specific risks related to the activities.

Central power stations

The central power stations in Western Denmark produce power and district heat and are recognised in the Group under the Generation segment.

The main criteria used for determining the recoverable amount are the discount rate and the green dark spread. The green dark spread represents the contribution margin per MWh of power generated at a coal-fired power station and is calculated as the difference between the market price of power and the cost of the coal and CO_2 emissions allowances used to generate the power. The calculation of expected net cash flows is based on the Group's own forecasting model, which forecasts net cash flows for the period 2010-2046. The model has been prepared so that it takes into account the history of each power station and the Group's experience in power station operation, including service lives, maintenance, etc. Against this background, the model is estimated to be more accurate than a calculation of the value in use using terminal values. Net cash flows have been discounted using a discount rate before tax of 9.25%.

DONG Energy is of the opinion that no reasonably probable changes in the main criteria used as a basis for calculating the recoverable amount will cause the carrying amount of the central power stations in Western Denmark to exceed the recoverable amount.

A2SEA

DONG Energy acquired goodwill in 2009 on acquisition of the subsidiary A2SEA, which specialises in the construction of offshore wind farms. The company is part of the segment Generation.

The carrying amount of goodwill stood at DKK 157 million at 31 December 2009.

The main criteria used for determining the recoverable amount are the utilisation rate, daily rates for A2SEA's vessels, synergies in the installation process for offshore wind turbines and the discount rate. The assumptions on which budgeted utilisation rates are based include the existence of contracts for part of revenue and the setting-up of projects in the immediate future. Budgeted daily rates are based on evaluation of the current level of daily rates and the prices of vessel newbuilds. The determination of net cash flows is based on the company's business plan and budgets for the period 2010-2015. Net cash flows have been discounted using a discount rate before tax of 11.50%.

DONG Energy is of the opinion that no reasonably probable changes in the main criteria used as a basis for calculating the recoverable amount will cause the carrying amount of A2SEA to exceed its recoverable amount.

Energy Markets

DONG Energy acquired goodwill in 2009 on acquisition of the subsidiary KOM-STROM. The goodwill has been allocated to the CGU Energy Markets.

The carrying amount of goodwill stood at DKK 60 million at 31 December 2009.

The main criteria used for determining the recoverable amount are gross margins, portfolio composition and the discount rate used. Budgeted gross margins are based on recently realised margins. Net cash flows have been determined on the basis of budgets and forecasts for the period 2010-2020, which have been prepared and approved by management. The model has been prepared so that it takes account of contract composition in the period and the Group's portfolio management experience. The growth rate of expected net cash flows during the terminal period from 2020 onwards is 2% and is estimated to be on a par with the market development. Net cash flows have been discounted using a discount rate before tax of 8.75%. DONG Energy is of the opinion that no reasonably probable changes in the main criteria used as a basis for calculating the recoverable amount will cause the carrying amount of Energy Markets to exceed its recoverable amount.

DONG Energy Sales B.V.

DONG Energy Sales B.V. sells natural gas and power to end users in the Netherlands and is recognised in the Group under the Sales & Distribution segment.

The main criteria used for determining the recoverable amount are the discount rate used and gross margins.

Budgeted gross margins are based on recently realised margins. Net cash flows are calculated on the basis of the company's business plan and budgets for the period 2010-2018. A growth rate of 2.00% during the terminal period has been assumed. DONG Energy estimates that the estimated growth rate during the terminal period will not exceed the long-term average growth rate in the market. Net cash flows have been discounted using a discount rate before tax of 10.00%.

DONG Energy is of the opinion that no reasonably probable changes in the main criteria used as a basis for calculating the recoverable amount will cause the carrying amount of DONG Energy Sales B.V. to exceed its recoverable amount.

DONG Energy Sales GmbH

DONG Energy Sales GmbH sells natural gas and power to customers in Germany and is recognised in the Group under the Energy Markets segment.

The main criteria used for determining the recoverable amount are the discount rate used and gross margins. Budgeted gross margins are based on recently realised margins, adjusted for economies of scale within administration, sales and marketing, which are expected to be realised as the company grows. Net cash flows are calculated on the basis of the company's business plan and budgets for the period 2010-2014. A growth rate of 2.00% during the terminal period has been assumed. DONG Energy estimates that the estimated growth rate during the terminal period will not exceed the long-term average growth rate in the market.

15 / INTANGIBLE ASSETS (CONTINUED)

Net cash flows have been discounted using a discount rate before tax of 10.00%.

DONG Energy is of the opinion that no reasonably probable changes in the main criteria used as a basis for calculating the recoverable amount will cause the carrying amount of DONG Energy Sales GmbH to exceed its recoverable amount.

Rights

Rights consist primarily of natural gas purchase rights, purchased CO_2 emissions allowances, customer-related rights and a connection right relating to natural gas transportation. At 31 December 2009, the carrying amount of natural gas purchase rights was calculated at DKK 948 million (2008: DKK 1,033 million), CO_2 emissions allowances amounted to DKK 410 million (2008: DKK 42 million) and customer-related rights amounted to DKK 73 million (2008: DKK 58 million). At 31 December 2009, the carrying amount of the connection right was DKK 348 million (2008: DKK 372 million).

There have been no indications of impairment of customer-related rights in 2009. Consequently, customer-related rights have not been tested for impairment.

As a result of indications of impairment of customer-related rights in 2008, customer-related rights were tested for impairment.

This led to a DKK 39 million impairment loss. The right forms part of the Sales & Distribution segment.

A DKK 37 million impairment loss in respect of discontinued projects was recognised in 2009 (2008: DKK 0).

Completed development projects

Completed development projects relate primarily to IT software and the development of technical solutions, including for the power grid. The carrying amount of completed development projects was DKK 245 million at 31 December 2009 (2008: DKK 218 million).

There have been no indications of impairment of completed development projects in 2009. Consequently, completed development projects have not been tested for impairment.

A DKK 45 million impairment loss on IT software was recognised in 2008 as a result of changed use in the Group. The impairment loss related to the Energy Markets segment.

It has not been deemed necessary to write down any other completed development projects in the current year and the previous year.

In-process development projects

In-process development projects relate primarily to the implementation of new IT systems. The carrying amount of in-process development projects stood at DKK 144 million at 31 December 2009 (2008: DKK 189 million).

The Group tested the carrying amounts of recognised in-process development projects for impairment in 2009. The test included reviewing the project development stage in the form of expenses incurred and milestones achieved, etc., compared with the approved business plans. Against this background, it is estimated that the recoverable amounts exceed the carrying amounts.

16 / PROPERTY, PLANT AND EQUIPMENT

DKK million	Land and buildings	Production assets	Exploration assets	Fixtures and fittings, tools and equiment	Property, plant and equipment in course of construction	Total
Cost at 1 January 2009	3,292	60,054	2,784	373	7,620	**74,123**
Foreign exchange adjustments	4	2,535	75	3	181	**2,798**
Addition on acquisition of enterprises	0	1,160	0	4	1,801	**2,965**
Additions	37	2,144	699	110	13,540	**16,530**
Disposal on sale of enterprises	0	(1,484)	0	(11)	(78)	**(1,573)**
Disposals	(28)	(460)	(14)	(40)	(5)	**(547)**
Transfers	177	10,308	(547)	34	(10,016)	**(44)**
Cost at 31 December 2009	**3,482**	**74,257**	**2,997**	**473**	**13,043**	**94,252**
Depreciation and impairment losses at 1 January 2009	(343)	(19,408)	0	(157)	(220)	**(20,128)**
Foreign exchange adjustments	(1)	(566)	0	1	(2)	**(568)**
Disposals	0	319	0	21	0	**340**
Disposal on sale of enterprises	0	1,037	0	10	0	**1,047**
Depreciation	(125)	(3,866)	0	(81)	0	**(4,072)**
Impairment losses	0	(726)	0	0	(15)	**(741)**
Transfers	0	(220)	0	0	220	**0**
Depreciation and impairment losses at 31 December 2009	**(469)**	**(23,430)**	**0**	**(206)**	**(17)**	**(24,122)**
Carrying amount at 31 December 2009	**3,013**	**50,827**	**2,997**	**267**	**13,026**	**70,130**
Including assets held under finance leases	0	0	0	42	82	**124**

NOTES TO THE BALANCE SHEET

DKK million	Land and buildings	Production assets	Exploration assets	Fixtures and fittings, tools and equipment	Property, plant and equipment in course of construction	Total
Cost at 1 January 2008	3,057	58,592	2,103	455	5,185	**69,392**
Foreign exchange adjustments	(5)	(3,529)	(221)	(2)	(672)	**(4,429)**
Additions	87	1,602	1,253	77	6,834	**9,853**
Disposals	(9)	(71)	(562)	(41)	(12)	**(695)**
Transfers to assets classified as held for sale	(157)	0	0	(8)	0	**(165)**
Transfers from assets classified as held for sale	0	139	0	2	0	**141**
Transfers	319	3,307	211	(110)	(3,727)	**0**
Reclassifications	0	14	0	0	12	**26**
Cost at 31 December 2008	**3,292**	**60,054**	**2,784**	**373**	**7,620**	**74,123**
Depreciation and impairment losses at 1 January 2008	(223)	(15,105)	0	(134)	0	**(15,462)**
Foreign exchange adjustments	0	609	0	0	0	**609**
Disposals	0	0	0	39	0	**39**
Depreciation	(128)	(3,452)	0	(65)	0	**(3,645)**
Impairment losses	0	(1,408)	0	0	(220)	**(1,628)**
Transfers to assets classified as held for sale	8	0	0	4	0	**12**
Transfers from assets classified as held for sale	0	(52)	0	(1)	0	**(53)**
Depreciation and impairment losses at 31 December 2008	**(343)**	**(19,408)**	**0**	**(157)**	**(220)**	**(20,128)**
Carrying amount at 31 December 2008	**2,949**	**40,646**	**2,784**	**216**	**7,400**	**53,995**
Including assets held under finance leases	0	0	0	52	0	**52**

DKK million	2009	2008
Depreciation and impairment losses can be broken down as follows:		
Production costs	4,687	5,214
Sales and marketing	16	12
Management and administration	110	47
	4,813	**5,273**

Basis of reporting

Exploration assets are tested for impairment annually or when there are indications that their value may be impaired. Impairment testing is also carried out at the time commercial finds of natural gas and/or oil have been identified, and when the exploration assets are reclassified to production assets.

The carrying amounts of other items of property, plant and equipment are assessed annually to determine whether there is any indication of impairment. If any such indication exists, an impairment test is carried out.

In an impairment test, the asset's recoverable amount is compared with its carrying amount. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of property, plant and equipment is the higher of the assets' fair value less expected disposal costs and the present value of the expected future net cash flows (value in use).

Production assets

Natural gas and oil-producing fields

Natural gas and oil-producing fields were tested for impairment in 2009. Based on the impairment testing of natural gas and oil-producing fields, it is estimated that the recoverable

16 / PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

amount exceeds the carrying amount. No impairment losses were recognised on the Group's natural gas and oil-producing fields in 2009. It is estimated that there is no basis for reversing the impairment loss recognised in 2008.

In 2008, there were indications of impairment of natural gas and oil-producing fields as a result of falling oil prices, and a DKK 356 million impairment loss was recognised on some mature fields on the Norwegian continental shelf.

A DKK 44 million impairment loss was recognised in 2009 in respect of plants no longer in operation.

Power distribution networks

DONG Energy's power distribution network activities were previously taken care of under three licences in the companies DONG Energy Nord Elnet A/S, DONG Energy City Elnet A/S and DONG Energy Frederiksberg Elnet A/S. Each company constituted a separate CGU. The companies merged in 2009, and the licences were combined into a single licence in the continuing company, following which the networks constitute a single CGU in Sales & Distribution.

In 2009, the power distribution networks were tested for impairment as a single CGU. Based on the impairment testing of the power distribution networks, it is estimated that the recoverable amount matches the carrying amount. No impairment loss was consequently recognised on the Group's power distribution networks in 2009. The main criteria in connection with the determination of the recoverable amount are the regulatorily permitted return, discount rats, expected volume of transported Kwh, operation and maintenance as well as the associated investment level.

The recoverable amount has been determined using a discount rate before tax of 7.25%. It is estimated that there is no basis for reversing the previously recognised impairment loss.

It was estimated in 2008 that the recoverable amount of the power distribution network in DONG Energy City Elnet A/S was lower than its carrying amount, and an impairment loss of DKK 900 million was recognised on property, plant and equipment.

Fibre optic network

DONG Energy's fibre optic network, which constituted a separate CGU and product group in Sales & Distribution, was put up for sale in 2009. In connection with the sales process, the fibre optic network was written down by DKK 677 million in 2009 to the expected selling price less expected costs to sell. The fibre optic network was subsequently sold at a further loss of DKK 85 million in 2009.

Other production assets

Several other CGUs have been tested for impairment, including primarily power stations and wind farms. It is estimated that the recoverable amount of other production assets corresponds to the carrying amount, and no impairment losses were consequently recognised in respect of other production assets in 2009.

Exploration assets

Significant parameters in connection with the determination of the recoverable amount of exploration assets are expectations concerning reserves, production profile, natural gas and oil prices, exchange rates, discount rates, and production costs.

Based on the impairment testing of exploration assets, it is estimated that the recoverable amount corresponds to the carrying amount. No impairment losses were consequently recognised on the Group's exploration assets in 2009.

Property, plant and equipment in the course of construction

Significant items of property, plant and equipment in the course of construction, including primarily power stations and wind farms, have been tested for impairment. It is estimated that the recoverable amount of property, plant and equipment in the course of construction generally exceeds the carrying amount. A DKK 15 million impairment loss has been recognised in respect of discontinued projects. The impairment loss was recognised in Generation. It is estimated that there is no basis for reversing a DKK 220 million impairment loss recognised in 2008 relating to the Horns Rev 2 wind farm.

Other property, plant and equipment

Based on the impairment testing of other items of property, plant and equipment, it is estimated that the recoverable amount exceeds the carrying amount. No impairment losses were consequently recognised in 2009 in respect of the Group's items of other property, plant and equipment.

17 / ASSOCIATES AND OTHER SECURITIES

DKK million	Investments in associates 2009	Investments in associates 2008	Other equity investments 2009	Other equity investments 2008	Other securities 2009	Other securities 2008
Cost at 1 January	4,165	4,113	101	41	0	0
Foreign exchange adjustments	0	(1)	0	0	0	0
Additions	0	0	168	60	1,173	0
Disposal on sale of associates	0	(2)	0	0	0	0
Capital contributions	93	6	0	0	0	0
Capital reductions	(9)	(22)	0	0	0	0
Transferred on change of capital structure	0	71	0	0	0	0
Transfers to assets classified as held for sale	(106)	0	0	0	0	0
Cost at 31 December	**4,143**	**4,165**	**269**	**101**	**1,173**	**0**
Value adjustments at 1 January	(859)	(201)	(16)	(12)	0	0
Foreign exchange adjustments	307	(551)	0	0	0	0
Share of profit (loss) for the year	74	(48)	0	0	0	0
Dividends received	(90)	(28)	0	0	0	0
Impairment losses	0	0	(52)	(4)	0	0
Transferred on change of capital structure	0	(31)	0	0	0	0
Transfers to assets classified as held for sale	30	0	0	0	0	0
Value adjustments at 31 December	**(538)**	**(859)**	**(68)**	**(16)**	**0**	**0**
Carrying amount at 31 December	**3,605**	**3,306**	**201**	**85**	**1,173**	**0**

Other equity investments comprise investments in unlisted securities classified as assets available for sale. The investments are measured at the lower of cost and recoverable amount, as the fair value of the assets cannot be determined reliably.

The impairment losses in respect of other equity investments relate to investments, etc., in connection with the Group's participation in development project companies.

Other securities are measured at fair value via the income statement and comprise bonds acquired in continuation of the acquisition of the Severn group, see note 28.

Associates

DKK million	2009	2008
Revenue	4,860	4,851
Profit	306	(213)
Attributable to DONG Energy	**74**	**(48)**
Assets	16,913	13,897
Liabilities	3,052	1,390
Equity	13,861	12,507
Equity attributable to DONG Energy	**3,605**	**3,306**

The accounting figures disclosed in the note have been determined on the basis of the recognised values in the Group. For an overview of the Group's ownership interests in associates, reference is made to note 42.

Investments in associates include rights with indefinite useful lives. These rights have been tested for impairment. There was deemed to be no need to write down rights with indefinite useful lives in 2009 and 2008.

The value of the investment in Stadtwerke Lübeck GmbH was tested for impairment in 2009 and 2008. There was deemed to be no need to write down this investment in 2009. An impairment loss of DKK 205 million before tax was recognised in the company's profit in 2008.

18 / INVENTORIES

DKK million	2009	2008
Raw materials and consumables	134	158
Fuel	1,889	2,253
Natural gas and crude oil	825	1,506
CO_2 emissions allowances	210	0
Other inventories	6	1
Inventories at 31 December	**3,064**	**3,918**
Write-downs of inventories to net realisable value	9	9

Cost of sales totalled DKK 30,014 million in 2009 (2008: DKK 36,096 million).

The carrying amount of inventories recognised at fair value was DKK 210 million (2008: DKK 0).

Raw materials and consumables as well as fuel inventories are written down to net realisable value if this is lower than cost.

The bulk of the inventories are expected to be used within one year.

19 / RECEIVABLES

DKK million	2009	2008
Receivables from associates	527	428
Receivables from sale of activities	100	0
Receivables from sale of minority interests	349	0
Construction contracts	1,763	1,197
Other receivables	857	355
Non-current receivables at 31 December	**3,596**	**1,980**
Trade receivables	8,164	10,985
Receivables from associates	27	183
Receivables from sale of activities	111	111
Fair value of derivative financial instruments, see note 33	15,282	21,712
Deposits	153	111
Construction contracts	67	52
Other receivables	3,979	2,919
Current receivables at 31 December	**27,783**	**36,073**
Current and non-current receivables at 31 December	**31,379**	**38,053**

Other receivables include VAT, duties, prepayments, etc.

Apart from the fair value of derivative financial instruments, current receivables fall due less than one year after the close of the financial year. The remaining maturity of derivative financial instruments appears from note 33.

Further details of credit risks related to receivables are given in the chapter on risk management in management's review on pages 28-31 comprising the section Market and credit risks and in note 32.

An overview of unimpaired receivables that are not past due, broken down by credit quality, is also given in note 32.

Receivables that are past due but not impaired

DKK million	2009	2008
Days past due:		
Up to 30 days	428	301
30 - 90 days	216	209
More than 90 days	380	419
General write-downs	(143)	(185)
Trade receivables that are past due but not impaired	**881**	**744**

Write-downs on trade receivables are assessed on the basis of due date and historical experience, and general write-downs are recorded on a summary account.

The Group's trade receivables at 31 December 2009 include receivables totalling DKK 50 million (2008: DKK 106 million) that have been written down to DKK 10 million following individual assessment (2008: DKK 0). The individual write-down on receivables in 2009 was DKK 40 million (2008: DKK 106 million).

Movements in individual and general write-downs

DKK million	2009	2008
Write-downs at 1 January	291	180
Write-downs for the year	71	117
Receivables written off	(154)	0
Reversal of previous write-downs	(25)	(6)
Write-downs at 31 December	**183**	**291**

20 / CONSTRUCTION CONTRACTS

DKK million	2009	2008
Selling price of construction contracts	1,827	1,249
Progress billings	0	0
Net value of construction contracts at 31 December	**1,827**	**1,249**
which is recognised as follows:		
Construction contracts (assets)	1,830	1,249
Construction contracts (liabilities)	3	0
Net value of construction contracts at 31 December	**1,827**	**1,249**

The selling price of construction contracts at 31 December 2009 and in 2008 related predominantly to the construction of a gas-fired power station for Statoil in Mongstad in Norway.

The power station is expected to be completed and begin operation in the first half of 2010. Construction contracts are recognised in receivables, see note 19, and liabilities, see note 25.

21 / ASSETS CLASSIFIED AS HELD FOR SALE

In 2009, a contract on sale of DONG Energy's investment in Swedegas AB was concluded, and the sale was closed in the first quarter of 2010. The company forms part of the Energy Markets segment and constitutes the Group's assets classified as held for sale at 31 December 2009. DONG Energy expects an accounting gain after tax of approx. DKK 150 million.

Assets classified as held for sale at 31 December 2008 relate to Frederiksberg Forsyning A/S and Frederiksberg Forsynings Ejendomsselskab A/S (Sales & Distribution), which were sold in 2009. Reference is made to note 29.

DKK million	2009	2008
Property, plant and equipment	0	154
Other non-current assets	76	0
Non-current assets	**76**	**154**
Current assets	0	33
Assets classified as held for sale at 31 December	**76**	**187**
Non-current liabilities	0	11
Current liabilities	0	76
Liabilities relating assets classified as held for sale at 31 December	**0**	**87**

22 / EQUITY

Share capital

DKK million	2009	2008
Share capital at 1 January	2,937	2,937
Share capital at 31 December	**2,937**	**2,937**

The company's share capital amounts to DKK 2,937,099,000, divided into shares of DKK 10 each. The share denomination was changed from DKK 1,000 per share to DKK 10 per share in 2008.

All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up. The shares may only be assigned or otherwise transferred with the written consent of the Danish Finance Minister.

Resolutions concerning amendments to the Articles of Association or DONG Energy A/S's dissolution require at least two thirds of the votes cast and of the voting share capital represented at the general meeting in order to be carried.

Dividends

The Supervisory Board recommends that dividend of DKK 481 million be paid for the 2009 financial year, equivalent to 60% of profit for the year determined as profit after tax attributable to the company's shareholders (i.e. excluding coupon to holders of hybrid capital and minority interests), corresponding to DKK 1.64 per share (2008: DKK 6.56 per share). It is the Supervisory Board's intention to distribute DKK 7.50 per share in 2010, and, in the years after the 2010 financial year, and until a decision, if any, on an IPO is made, to generally increase the distribution by DKK 0.25 per share, although in such a way that the payout ratio does not fall below 40% and does not exceed 60% of profit for the year determined as profit after tax attributable to the company's shareholders (i.e. excluding coupon to holders of hybrid capital and minority interests).

Dividend distributions to shareholders have no tax implications for DONG Energy A/S.

Dividend paid (DPS) per DKK 10 share amounted to DKK 6.56 (2008: DKK 5.00).

For further information about the Group's capital management procedures and processes, reference is made to the section on Liquidity and financing risks on pages 31-32 of management's review.

Hybrid capital

Hybrid capital of DKK 8,088 million comprises the EUR bonds (hybrid capital) issued in the European capital market in June 2005. The loan principal is EUR 1.1 billion, and the loan is subject to a number of special terms. The purpose of the issue was to strengthen DONG Energy A/S's capital base and to fund DONG Energy's CAPEX and acquisitions.

The bonds rank as subordinated debt and have a maturity of 1,000 years. The coupon for the first ten years is fixed at 5.5% p.a., following which it becomes floating with Eurocibor +3.2%. The tax effect of coupon payments is recognised directly in other comprehensive income. Coupon is settled annually in the middle of the year. DONG Energy A/S can omit or defer coupon payments to the bond holders. However, deferred coupon payments will fall due for payment in the event of DONG Energy A/S subsequently making any distributions to its shareholders. The proceeds from the issuing of hybrid capital amounted to DKK 8,111 million (EUR 1.1 billion). So far, DONG Energy A/S has not used the option to defer coupon payments..

Minority interests

Minority interests' share of recognised profit and equity in the Group at 31 December 2009 concerns:

DKK million	Profit for the year	Equity
Borkum Riffgrund I Holding A/S	(4)	0
DONG Energy Kraftwerke Greifswald GmbH & Co. KG	0	0
DONG Energy Sales GmbH	2	4
EnergiGruppen Jylland F&B A/S	(3)	15
KOM-STROM AG	0	30
MIG Business Development A/S	0	1
Storrun Vindkraft AB	1	52
Walney (UK) Windfarms Ltd.	0	0
	(4)	102

22 / EQUITY (CONTINUED)

Specification of reserves

	2009				2008			
DKK million	Hedging reserve	Translation reserve	Share premium	Total	Hedging reserve	Translation reserve	Share premium	Total
Reserves at 1 January	2,594	(1,892)	9,248	**9,950**	(389)	96	9,248	**8,955**
Comprehensive income for the year	(1,936)	1,242	0	**(694)**	2,983	(1,988)	0	**995**
Reserves at 31 December	**658**	**(650)**	**9,248**	**9,256**	**2,594**	**(1,892)**	**9,248**	**9,950**

23 / DEFERRED TAX

DKK million	2009	2008
Deferred tax at 1 January	5,448	5,007
Foreign exchange adjustments	331	(450)
Additions on acquisition of enterprises	(21)	0
Deferred tax for the year recognised in profit for the year	511	964
Deferred tax for the year recognised in other comprehensive income	0	(117)
Prior year adjustments	116	51
Transfers to assets classified as held for sale	0	(7)
Deferred tax at 31 December	**6,385**	**5,448**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	281	13
Deferred tax (liabilities)	6,666	5,461
Deferred tax at 31 December, net	**6,385**	**5,448**

DKK million	2009	2008
Deferred tax relates to:		
Intangible assets	470	374
Property, plant and equipment	8,380	6,671
Other non-current assets	27	23
Current assets	(125)	57
Non-current liabilities	(2,646)	(2,349)
Current liabilities	(1)	(82)
Retaxation	1,049	834
Tax loss carryforwards	(769)	(80)
Deferred tax at 31 December	**6,385**	**5,448**
Deferred tax assets that are not recognised in the balance sheet relate to:		
Temporary differences	320	411
Tax loss carryforwards	12,476	8,750
Unrecognised deferred tax assets at 31 December	**12,796**	**9,161**

The tax base of tax loss carryforwards includes DKK 113 million (2008: DKK 0) relating to unutilised deductible net financing costs.

Unrecognised deferred tax assets relate primarily to unutilised losses in hydrocarbon income. It is considered unlikely that the losses will be utilised in the foreseeable future.

23 / DEFERRED TAX (CONTINUED)

Changes in temporary differences during the year

2009

DKK million	Balance sheet at 1 January	Foreign exchange adjustments	Additions subsidiaries	Recognised in profit for the year	Recognised in other comprehensive income	Prior year adjustments	Transfers to assets classified as held for sale	Balance sheet at 31 December
Intangible assets	374	0	0	140	0	(44)	0	**470**
Property, plant and equipment	6,671	412	(22)	1,218	0	101	0	**8,380**
Other non-current assets	23	0	8	24	0	(28)	0	**27**
Current assets	57	4	(1)	(246)	(33)	94	0	**(125)**
Non-current liabilities	(2,349)	(77)	0	(335)	60	55	0	**(2,646)**
Current liabilities	(82)	(2)	0	55	(36)	64	0	**(1)**
Retaxation	834	0	0	251	0	(36)	0	**1,049**
Tax loss carryforwards	(80)	(6)	(6)	(596)	9	(90)	0	**(769)**
	5,448	**331**	**(21)**	**511**	**0**	**116**	**0**	6,385

2008

DKK million	Balance sheet at 1 January	Foreign exchange adjustments	Additions subsidiaries	Recognised in profit for the year	Recognised in other comprehensive income	Prior year adjustments	Transfers to assets classified as held for sale	Balance sheet at 31 December
Intangible assets	255	0	0	113	0	6	0	**374**
Property, plant and equipment	6,623	(793)	0	945	0	(97)	(7)	**6,671**
Other non-current assets	53	0	0	(160)	0	130	0	**23**
Current assets	113	(2)	0	21	(81)	6	0	**57**
Non-current liabilities	(1,835)	327	0	(595)	(77)	(169)	0	**(2,349)**
Current liabilities	(337)	6	0	97	41	111	0	**(82)**
Retaxation	911	0	0	168	0	(245)	0	**834**
Tax loss carryforwards	(776)	12	0	375	0	309	0	**(80)**
	5,007	**(450)**	**0**	**964**	**(117)**	**51**	**(7)**	5,448

24 / PROVISIONS

DKK million	2009 Decommissioning obligations	2009 Other	2009 Total	2008 Decommissioning obligations	2008 Other	2008 Total
Provisions at 1 January	4,469	1,226	**5,695**	4,227	1,557	**5,784**
Foreign exchange adjustments	215	0	**215**	(268)	(2)	**(270)**
Provisions used during the year	(9)	(238)	**(247)**	(2)	(82)	**(84)**
Provisions reversed during the year	(14)	0	**(14)**	(114)	(493)	**(607)**
Provisions made during the year	830	817	**1,647**	438	246	**684**
Transferred to/from assets classified as held for sale	0	0	**0**	14	0	**14**
Interest element of decommissioning obligations	176	0	**176**	174	0	**174**
Provisions at 31 December	**5,667**	**1,805**	**7,472**	**4,469**	**1,226**	**5,695**

Decommissioning obligations relate to expected future costs for decommissioning of production facilities, including primarily decommissioning of power stations and wind farms, and restoration of natural gas and oil drilling sites. The equivalent value of the provision is recognised under production assets (property, plant and equipment) and depreciated together with the production assets. The increase in decommissioning obligations in 2009 was primarily due to new wind farms and natural gas and oil drilling sites.

Changes in estimates in 2009 increased provisions for decommissioning obligations by DKK 642 million.

Other provisions include guarantee obligations; expected repayments to power consumers, etc., relating to litigation; contractual disputes; and provisions for onerous contracts.

Provisions are determined as expected future payments with addition of a risk premium and discounted to present value. The discount rate applied reflects the general risk-free interest rate level in the given country. The range is 3.25%-4.25%.

Expected maturities

DKK million	2009	2008
0 - 1 year	212	229
1 - 5 years	2,095	1,432
5 - 10 years	2,147	1,162
10 - 20 years	1,743	1,612
20 - 30 years	608	627
30 - 40 years	667	633
Provisions at 31 December	**7,472**	**5,695**

25 / LOANS AND BORROWINGS

	2009			2008		
DKK million	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Non-derivative financial instruments:						
Bond loans	0	22,549	**22,549**	160	7,734	**7,894**
Mortgage loans	0	0	**0**	0	1,258	**1,258**
Bank overdrafts	1,487	0	**1,487**	1,211	0	**1,211**
Other bank loans	311	10,859	**11,170**	741	8,019	**8,760**
Trade payables	4,997	0	**4,997**	8,155	0	**8,155**
Payables to associates	58	5	**63**	24	70	**94**
Other liabilities	6,932	1,965	**8,897**	4,613	1,554	**6,167**
Income tax payable	39	0	**39**	420	0	**420**
Construction contracts	3	0	**3**	0	0	**0**
Liabilities associated with assets classified as held for sale	0	0	**0**	87	0	**87**
Derivative financial instruments:						
Fair value of derivative financial instruments, see note 33	12,380	0	**12,380**	14,655	0	**14,655**
Liabilities at 31 December	**26,207**	**35,378**	**61,585**	**30,066**	**18,635**	**48,701**

At 31 December 2009, DONG Energy had loans totalling DKK 8,559 million from the European Investment Bank and the Nordic Investment Bank to finance certain assets, including marine pipelines, Avedøre Power Station and the offshore wind farms Barrow Offshore Wind, Horns Rev I, Horns Rev 2 and Nysted Offshore Wind Farm. The loans offered by these multilateral financial institutions include loans with co-financing of infrastructure and energy projects on favourable terms and with maturities that often exceed those normally available in the commercial banking market. In connection with debt to both the European Investment Bank and the Nordic Investment Bank, the Group may be met with demands concerning collateral in the event of the State's ownership interest in DONG Energy falling below 51% or Moody's or S&P downgrading DONG Energy A/S's rating to less than Baa1 or BBB+ respectively. Commercial agreement has been reached with both banks on a reduction of the level below which they will be entitled to request collateral to less than Baa2 and BBB for Moody's and S&P respectively.

The Group's financing agreements are not subject to any other unusual terms or conditions. Pledging of collateral in connection with loans appears from note 36.

Finance leases

	2009			2008		
DKK million	Minimum lease payments	Interest element	Present value	Minimum lease payments	Interest element	Present value
0 - 1 year	54	(3)	51	33	(6)	27
1 - 5 years	189	(24)	165	168	(22)	146
> 5 years	49	(35)	14	0	0	0
	292	**(62)**	**230**	**201**	**(28)**	**173**
Carrying amount at 31 December			**220**			**184**

Obligations relating to assets held under finance leases are recognised in bank loans. The present value of minimum lease payments has been calculated using the original interest rate in the respective leases.

There is no contingent rent under the leases. Further details of other leases entered into by the Group are given in note 35.

26 / INCOME TAX PAYABLE AND RECEIVABLE

DKK million	2009	2008
Income tax receivable at 1 January, net	(409)	714
Foreign exchange adjustments	(17)	4
Addition on acquisition of enterprises	(1)	0
Disposal on sale of enterprises	(1)	0
Adjustments to current tax in respect of prior years	235	(13)
Payments in respect of prior years	131	(661)
Current tax for the year	(877)	(1,874)
Current tax for the year from other comprehensive income	677	(1,004)
Current tax from non-consolidated enterprises	0	2
Payments for the year	645	2,418
Transferred to liabilities associated with assets classified as held for sale	0	5
Income tax receivable at 31 December, net	**383**	**(409)**
Income tax at 31 December is recognised as follows:		
Income tax receivable (assets)	422	11
Income tax payable (liabilities)	(39)	(420)
Income tax receivable at 31 December, net	**383**	**(409)**

27 / CASH FLOWS FROM OPERATIONS (OPERATING ACTIVITIES)

DKK million	2009	2008
Operating profit (EBIT)	3,757	8,004
Depreciation, amortisation and impairment losses	5,254	6,093
Amortisation of purchased CO_2 emissions allowances	(171)	(475)
Operating profit before depreciation and amortisation (EBITDA)	**8,840**	**13,622**
Other adjustments	305	340
Cash flows from operations (operating activities) before change in working capital	**9,145**	**13,962**
Change in inventories	1,054	(1,133)
Change in trade receivables	3,514	(2,359)
Change in other receivables	(528)	(583)
Change in trade payables	(3,602)	2,838
Change in other payables	1,501	276
Change in working capital	**1,939**	**(961)**
Cash flows from operations (operating activities)	**11,084**	**13,001**

28 / ACQUISITION OF ENTERPRISES

Acquisitions of enterprises in 2009

DKK million	Acquired shares	Acquisition date	Core activity	Cost	Cash purchase price, net
Severn group[1]	100.00%	6 March 2009	Construction of power station	328	295
DONG Energy Karcino (formerly WKN Polska)	100.00%	28 May 2009	Construction of wind farm	48	168
A2SEA	100.00%	30 June 2009	Installation of offshore wind turbines	728	713
KOM-STROM	83.57%	30 September 2009	Trading in energy-related products	211	92
				1,315	**1,268**
Payments relating to prior year acquisitions					36
Cash flows for the year for acquisition of enterprises					**1,304**

[1] The acquisitions in the Severn group have been aggregated, as the contracts were completed via interdependent negotiations, etc.

Consolidated revenue and profit for the year for 2009 were determined on a pro forma basis as if the companies had been acquired on 1 January 2009, and constituted DKK 49,538 million and DKK 1,146 million respectively.

28 / ACQUISITION OF ENTERPRISES

Severn group: DKK million	Carrying amount prior to acquisition	Fair value at acquisition date
Intangible assets	1	314
Property, plant and equipment	1,749	1,633
Other non-current assets	10	114
Receivables	64	58
Cash	467	467
Non-current liabilities	(1,643)	(1,929)
Current liabilities	(52)	(329)
Net assets	**596**	**328**
Intragroup debt acquired		434
Cash acquired		(467)
Cash purchase price, net		**295**
Determination of cost:		
Cash consideration		271
Cost of purchase		57
Total cost		**328**

The acquisition of the Severn group included a gas-fired power station project in Wales, which is expected to become operational at the end of 2010, and the engineering company Carron Engineering & Construction, which provides consultancy services, particularly in construction, operation and maintenance of power stations.

The determination of the fair values of the acquired assets and liabilities was carried out in accordance with IFRS and was completed at 31 December 2009.

The acquisition of the Severn group is in keeping with the Group's strategy to develop the portfolio within power generation and complements the Group's existing UK wind power and gas activities.

The Severn group contributed a loss of DKK 5 million to consolidated profit after tax for 2009.

In continuation of the acquisition of the Severn group, DONG Energy acquired bonds at a value of DKK 1.2 billion.

DONG Energy Karcino (formerly WKN Polska): DKK million	Carrying amount prior to acquisition	Fair value at acquisition date
Property, plant and equipment	199	167
Other non-current assets	0	6
Receivables	1	1
Current liabilities	(126)	(126)
Net assets	**74**	**48**
Intragroup debt acquired		120
Cash purchase price, net		**168**
Determination of cost:		
Cash consideration		37
Cost of purchase		11
Total cost		**48**

The acquisition of DONG Energy Karcino comprises a wind turbine project located in the northwestern part of Poland, where DONG Energy already operates two wind farms.

The determination of the fair values of the acquired assets and liabilities was carried out in accordance with IFRS and was completed at 31 December 2009.

The acquisition of DONG Energy Karcino helps to strengthen DONG Energy's position in the renewables market in Poland, which offers good opportunities for wind energy generation with attractive selling prices. At the same time, the acquisition is part of the achievement of the Group's strategy to expand power generation from renewable energy sources.

DONG Energy Karcino contributed a loss of DKK 4 million to consolidated profit after tax for 2009.

28 / ACQUISITION OF ENTERPRISES (CONTINUED)

A2SEA: DKK million	Carrying amount prior to acquisition	Fair value at acquisition date
Intangible assets	0	157
Property, plant and equipment	789	1,160
Other non-current assets	13	13
Receivables	68	68
Cash	15	15
Non-current liabilities	0	(94)
Current liabilities	(593)	(591)
Net assets	**292**	**728**
Cash acquired		(15)
Cash flow effect, net		**713**
Determination of cost:		
Cash consideration		713
Cost of purchase		15
Total cost		**728**

The acquisition of A2SEA comprises the acquisition of installation vessels for the construction of offshore wind farms.

The acquisition of A2SEA provides DONG Energy with the opportunity to secure and improve the efficiency of the installation process for offshore wind turbines, which is intended to help to ensure the achievement of the Group's strategy to increase the proportion of generation from renewable energy sources in future.

The determination of the fair values of the acquired assets and liabilities was carried out in accordance with IFRS and was completed at 31 December 2009. In connection with the acquisition of A2SEA, the value of goodwill was determined at DKK 157 million. The determined goodwill represented the value of synergies that are expected to materialise in the acquirees as well as employee skills in the installation of offshore wind farms. The synergies relate, among other things, to expected cost savings, including fast completion, commissioning and repair of offshore wind farms.

A2SEA contributed a profit of DKK 7 million to consolidated profit after tax for 2009.

KOM-STROM: DKK million	Carrying amount prior to acquisition	Fair value at acquisition date
Intangible assets	0	60
Property, plant and equipment	4	4
Other non-current assets	57	57
Receivables	1,574	1,574
Cash	119	119
Non-current liabilities	(65)	(65)
Current liabilities	(1,509)	(1,509)
Net assets	**180**	**240**
Minority interests		(29)
Attributable to DONG Energy		**211**
Cash acquired		(119)
Cash flow effect, net		**92**
Determination of cost:		
Cash consideration		203
Cost of purchase		8
Total cost		**211**

The acquisition of KOM-STROM comprises the acquisition of wholesale trading companies with expertise in sales of energy-related products.

The determination of the fair values of the acquired assets and liabilities was carried out in accordance with IFRS and was completed at 31 December 2009. In connection with the acquisition of KOM-STROM, the value of goodwill was determined at DKK 60 million. The determined goodwill represented the value of synergies that are expected to materialise in the acquirees, primarily in the form of anticipated portfolio optimisation gains in the Energy Markets segment.

The acquisition of KOM-STROM is part of a strategy to strengthen the wholesale trading business in Germany, where KOM-STROM has a strong market position in portfolio management and sale of services to, primarily, Stadtwerke and the energy-intensive industry in Germany.

KOM-STROM contributed a profit of DKK 2 million to consolidated profit after tax for 2009.

Acquisitions of enterprises in 2008

A further purchase price of DKK 136 million in respect of previously acquired enterprises was triggered in 2008. The purchase price was paid in 2008.

29 / DISPOSAL OF ENTERPRISES

DKK million	2009	2008
Intangible assets	20	14
Property, plant and equipment	528	2,091
Other non-current assets	36	6
Inventories	8	0
Other current assets	31	284
Non-current liabilities	(62)	(442)
Current liabilities	(23)	(138)
Non-cash transactions	0	(300)
Gain (loss) on disposal of enterprises	(62)	917
Selling price	**476**	**2,432**
Attributable to minority interests	0	(48)
Selling price receivable	(100)	(10)
Cash selling price	**376**	**2,374**

Disposals of enterprises in 2009

Disposals of enterprises in 2009 comprised Frederiksberg Forsyning A/S, Frederiksberg Forsynings Ejendomsselskab A/S, EnergiGruppen Jylland Biogas A/S, Fiber Newco A/S, Ayrshire Power Limited and Ayrshire Power LP. The accounting gain from the sale of the Frederiksberg companies was calculated at DKK 31 million, while the sale of EnergiGruppen Jylland Biogas A/S and Fiber Newco A/S generated accounting losses of DKK 8 million and DKK 85 million respectively. The sale of the Ayrshire companies generated an accounting gain of DKK 0.

Disposals of enterprises in 2008

Disposals of enterprises in 2008 comprised Regionale Net.dk A/S (132 kV transmission grid in North Zealand), EnergiGruppen Jylland A/S, EnergiGruppen Jylland Varme A/S, EnergiGruppen Jylland Vand A/S, EGJ Udvikling A/S and the Greek companies Energi E2 Aiolika Parka Karystias EPE and Energi E2 Aioliki S. A. (Greek wind power activities).

The proceeds from these disposals were calculated at DKK 477 million for the 132 kV transmission grid, DKK 99 million for the companies in EnergiGruppen Jylland and DKK 41 million for the Greek wind power activities. In addition, a DKK 300 million purchase price adjustment has been triggered relating to the sale of Energi E2 Renewables Ibericas S. L. (the Spanish wind power activities) in 2007.

30 / DISPOSAL OF MINORITY INTERESTS

DKK million	2009	2008
Selling price	435	13
Selling price receivable	(349)	0
Cash selling price	**86**	**13**

Disposals of minority interests comprised 25.1% of DONG Energy Kraftwerke Greifswald GmbH & Co. KG and 25.1% of Walney (UK) Windfarms Ltd (formerly DONG Walney (UK) Ltd.). The selling price for Walney (UK) Windfarms Ltd. was contingent on certain future conditions. The selling price was determined based on management's best estimate of the probability of these conditions.

31 / CASH AND CASH EQUIVALENTS

DKK million	2009	2008
Securities with limited price risk that are part of the ongoing cash management	0	753
Available cash	4,402	2,827
Bank overdrafts that are part of the ongoing cash management, see note 25	(1,487)	(1,211)
Cash and cash equivalents at 31 December, see cash flow statement	**2,915**	**2,369**
Cash at 31 December can be broken down into the following balance sheet items:		
Available cash	4,402	2,827
Cash not available for use	97	216
Cash at 31 December	**4,499**	**3,043**
Securities can be broken down into the following balance sheet items:		
Securities with limited price risk that are part of the ongoing cash management	0	753
Other securities	2,570	0
Securities at 31 December	**2,570**	**753**

Cash not available for use primarily comprises cash and cash equivalents pledged as collateral for trading in financial instruments and cash and cash equivalents received from users of the North Sea oil pipeline for use for pipeline maintenance.

32 / FINANCIAL RISKS

DKK million	Clearing centres	AAA/Aaa	AA/Aa	A/A	BBB/Baa	Other	Total
2009	5,205	3,195	4,691	10,178	767	8,515	**32,551**
2008	7,644	104	6,994	10,237	2,580	8,833	**36,392**

Financial risks

Counterparty risks

The figure above provides an overview of the credit quality of the market value of derivative financial instruments, cash and cash equivalents and trade receivables at 31 December 2009 in the DONG Energy Group based on the individual counterparty's rating with Standard & Poor's and Moody's. The amounts stated do not include any collateral, and the figure consequently does not reflect the actual credit risk. The counterparty risk has generally decreased compared with 2008 against the background of a decrease in market values.

Again in 2009, the bulk of the rated counterpary risks were concentrated in the category "AA/Aa" and "A/A"-rated counterparties, which represents DONG Energy's trading with large international energy companies and banks.

The most significant changes compared with 2008 were in the groups "AAA/Aaa" and "BBB/Baa". The "AAA/Aaa" category increased in 2009 as a consequence of increased investment in Danish AAA-rated mortgage bonds. Besides upgrading of a large commercial counterparty, the decrease in the "BBB/Baa" category reflected changes in market values. Such trading is generally regulated under standard agreements, such as EFET and ISDA agreements, which feature credit and netting provisions.

Cash makes up a small proportion and is primarily placed with the leading Danish banks. The "Other" group predominantly consists of trade receivables from customers, such as end users and PSO customers.

Moreover, a substantial proportion of DONG Energy's trading is via exchanges and hubs, where participants regularly provide collateral in respect of their obligations, and where all settlement is via clearing centres without any credit risk and rating.

Further details of the Group's risk management are given in the sections Risk governance, Market and credit risks and Liquidity and financing risks in the risk management chapter on pages pages 28-32 of management's review.

Sensitivity analysis concerning financial instruments

The table below illustrates the Group's sensitivity to fluctuations in commodity prices, exchange rates and interest rates measured as effect on profit and equity, respectively, in the event of a price increase or decrease on the Group's financial instruments at the balance sheet date. A pre-tax approach has been adopted.

The table includes the risks perceived by management to be the most significant for the Group. The Group also calculates and manages the currency risk vis-à-vis EUR; however, as price fluctuations between DKK and EUR are small, the risk is considered to be insignificant.

The analysis shows the sensitivity in the event of a relative price change of 10%, as this corresponds to the average annual volatility of the underlying risks. Some of the risks have fluctuated, historically, by slightly more than 10%, while others have fluctuated by slightly less, and a 10% fluctuation has consequently been deemed to be a good average for price changes.

		Estimated effect on profit at 31 December		Estimated effect on equity at 31 December	
Risk	Price change	**2009**	2008	**2009**	2008
Oil	+ 10%	(96)	72	(578)	(835)
	- 10%	(4)	(40)	722	847
Gas	+ 10%	(34)	10	0	(15)
	- 10%	34	(10)	0	15
Power	+ 10%	618	440	(249)	(79)
	- 10%	(618)	(440)	249	79
Coal	+ 10%	(161)	(163)	101	125
	- 10%	161	163	(101)	(126)
USD	+ 10%	44	(79)	(179)	(207)
	- 10%	(44)	79	179	207
GBP	+ 10%	(39)	120	(33)	91
	- 10%	39	(120)	33	(91)
NOK	+ 10%	(121)	(149)	23	-
	- 10%	121	149	(23)	-
SEK	+ 10%	38	40	(112)	(81)
	- 10%	(41)	(64)	123	139
Interest	100 basis points	4	8	306	212

Estimated effect on profit

The shown effect on profit is the effect from financial instruments that are open at the balance sheet date, and that have an effect on profit in the current financial year. Besides derivative financial instruments on commodities, currency and interest, financial instruments in this context also include receivables and debt in foreign currencies.

It should be noted that the shown sensitivities only comprise the Group's financial instruments and consequently are not representative of the Group's total risk profile in relation to commodity prices and exchange rates. Furthermore, the sensitivities only reflect the effect of changes at the balance sheet date, and not through an entire accounting period.

Estimated effect on equity

The shown effect on equity is the effect from financial instruments that are open at the balance sheet date and affect equity at the balance sheet date excluding instruments that affect the income statement. Here, financial instruments include derivative financial instruments on commodities, currency and interest, which are accounted for as hedges of cash flows. However, net investments and associated hedging of net investments in foreign subsidiaries are not included, as the effect of the sum of the investment and the hedging is considered to be neutral to price changes.

For further details of the Group's net investments and hedging of same, reference is made to note 33.

The shown effect from an interest rate change of 100 basis points is the amount by which the Group's equity would be affected in the event of the entire interest rate curve increasing by 100 basis points.

33 / FINANCIAL INSTRUMENTS

Maturity analysis of financial liabilities, including interest payments

2009

DKK million	Carrying amount	Payment obligation	2010	2011	2012	2013	2014	After 2014
Bond loans	22,549	29,596	1,062	5,059	4,598	753	4,471	13,653
Bank overdrafts	1,487	1,487	1,487	0	0	0	0	0
Other bank loans	11,170	11,291	545	768	860	2,074	560	6,484
Trade payables	4,997	4,997	4,997	0	0	0	0	0
Payables to associates	63	63	63	0	0	0	0	0
Fair value of derivative financial instruments	12,380	-						
Other liabilities	8,897	8,897	8,897	0	0	0	0	0
	61,543	**56,331**	**17,051**	**5,827**	**5,458**	**2,827**	**5,031**	**20,137**

The maturity analysis is based on undiscounted cash flows relating to financial liabilities. For a breakdown of payment obligations and maturities by negative derivative financial instruments, reference is made to pages 128-129. Derivative financial instruments have been used to hedge interest rate and currency risks on the Group's loan portfolio.

Under other bank loans, loans where DONG Energy owns the counterbalance of bonds constituted DKK 1,173 million. These loans have been recognised in the carrying amount, but have not been included in maturity or in payment obligations.

Apart from the fair value of derivative financial instruments, current liabilities fall due for payment less than one year after the end of the financial year. Other liabilities predominantly comprised VAT and duties as well as deferred income.

2008

DKK million	Carrying amount	Payment obligation	2009	2010	2011	2012	2013	After 2013
Bond loans	7,894	8,928	466	301	4,312	3,849	0	0
Mortgage loans	1,258	1,578	64	64	64	64	1,322	0
Bank overdrafts	1,211	1,211	1,211	0	0	0	0	0
Other bank loans	8,760	10,957	1,078	524	857	963	2,276	5,259
Trade payables	8,155	8,155	8,155	0	0	0	0	0
Payables to associates	94	94	94	0	0	0	0	0
Fair value of derivative financial instruments	14,655	-						
Other liabilities	6,167	6,167	6,167	0	0	0	0	0
	48,194	**37,090**	**17,235**	**889**	**5,233**	**4,876**	**3,598**	**5,259**

Categories of financial instruments

	2009		2008	
DKK million	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments held for trading	10,727	10,727	12,834	12,834
Securities	3,743	3,743	753	753
Financial assets measured at fair value via the income statement	**14,470**	**14,470**	**13,587**	**13,587**
Derivative financial instruments entered into to hedge future cash flows	4,296	4,296	8,004	8,004
Derivative financial instruments entered into to hedge net investments in foreign enterprises	90	90	771	771
Derivative financial instruments entered into to hedge fair values	169	169	103	103
Financial assets used as hedging instruments	**4,555**	**4,555**	**8,878**	**8,878**
Trade receivables	8,164	8,164	10,985	10,985
Receivables from sale of activities	560	560	111	111
Other receivables	3,294	3,294	3,154	3,154
Cash	4,499	4,499	3,043	3,043
Loans and receivables	**16,517**	**16,517**	**17,293**	**17,293**
Other equity investments	201	201	85	85
Financial assets available for sale	**201**	**201**	**85**	**85**
Derivative financial instruments held for trading	9,092	9,092	10,694	10,694
Financial liabilities measured at fair value via the income statement	**9,092**	**9,092**	**10,694**	**10,694**
Derivative financial instruments entered into to hedge net investments	121	121	13	13
Derivative financial instruments entered into to hedge fair values	194	194	168	168
Derivative financial instruments entered into to hedge future cash flows	2,973	2,973	3,780	3,780
Financial liabilities used as hedging instruments	**3,288**	**3,288**	**3,961**	**3,961**
Bond loans	22,549	23,539	7,894	7,689
Bank loans	12,657	13,193	11,229	11,524
Other liabilities	9,392	9,392	10,724	10,724
Financial liabilities measured at amortised cost	**44,598**	**46,124**	**29,847**	**29,937**

The fair value has been determined as the present value of expected future instalments and interest payments using the Group's current interest rate on loans as discount rate. The nominal value of bond loans, bank overdrafts and other bank loans was DKK 35,092 million (2008: DKK 19,082 million).

33 / FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of derivative financial instruments

2009

DKK million		2010	2011	2012	2013 - 2014	After 2014	Total
Commodities:							
Oil swaps	Positive	477	58	1	4	0	**540**
	Negative	(447)	(186)	(90)	(102)	0	**(825)**
Oil options	Positive	529	332	383	354	0	**1,598**
	Negative	(18)	(3)	0	0	0	**(21)**
Gas swaps	Positive	2,676	396	58	7	0	**3,137**
	Negative	(2,467)	(408)	(58)	(7)	0	**(2,940)**
Power swaps	Positive	5,997	1,018	320	339	990	**8,664**
	Negative	(5,726)	(834)	(230)	(86)	(12)	**(6,888)**
Power options	Positive	0	0	0	0	0	**0**
	Negative	(1)	0	0	0	0	**(1)**
Coal forwards	Positive	318	32	13	0	0	**363**
	Negative	(511)	(133)	(5)	0	0	**(649)**
CO_2 emissions allowances	Positive	35	36	16	0	0	**87**
	Negative	(32)	(14)	(14)	(1)	0	**(61)**
Currency:							
Forward exchange contracts	Positive	415	0	0	0	0	**415**
	Negative	(284)	(13)	0	0	0	**(297)**
Currency swaps	Positive	52	12	60	6	32	**162**
	Negative	(12)	(36)	(4)	(162)	0	**(214)**
Currency options	Positive	3	0	0	0	0	**3**
	Negative	0	0	0	0	0	**0**
Interest:							
Interest rate swaps	Positive	1	4	201	17	90	**313**
	Negative	(1)	(6)	(227)	(34)	(216)	**(484)**
Positive at 31 December		**10,503**	**1,888**	**1,052**	**727**	**1,112**	**15,282**
Negative at 31 December		**(9,499)**	**(1,633)**	**(628)**	**(392)**	**(228)**	**(12,380)**

The Group uses derivative financial instruments as part of its risk management, trading and when position taking. The maturity analysis for interest rate swaps reflects the expected maturity for each contract.

Fair value of derivative financial instruments

2008

DKK million		2009	2010	2011	2012-2013	After 2013	Total
Commodities:							
Oil swaps	Positive	525	136	26	2	0	**689**
	Negative	(255)	(26)	(8)	(3)	0	**(292)**
Oil options	Positive	1,157	897	464	917	0	**3,435**
	Negative	(6)	(24)	0	0	0	**(30)**
Gas swaps	Positive	3,006	688	83	0	0	**3,777**
	Negative	(2,515)	(493)	(71)	0	0	**(3,079)**
Power swaps	Positive	6,709	1,570	493	428	1,074	**10,274**
	Negative	(6,132)	(1,322)	(299)	(111)	0	**(7,864)**
Power options	Positive	0	0	0	0	0	**0**
	Negative	0	0	0	0	0	**0**
Coal forwards	Positive	1,718	177	2	0	0	**1,897**
	Negative	(1,852)	(320)	(124)	0	0	**(2,296)**
CO_2 emissions allowances	Positive	2	1	0	0	0	**3**
	Negative	(4)	(3)	(2)	(2)	0	**(11)**
Currency:							
Forward exchange contracts	Positive	1,068	152	0	0	0	**1,220**
	Negative	(396)	(108)	(28)	0	0	**(532)**
Currency swaps	Positive	40	37	0	71	28	**176**
	Negative	(10)	(8)	(3)	0	(147)	**(168)**
Currency options	Positive	31	0	0	0	0	**31**
	Negative	(4)	0	0	0	0	**(4)**
Interest:							
Interest rate swaps	Positive	12	2	2	152	42	**210**
	Negative	(12)	(3)	0	(191)	(173)	**(379)**
Positive at 31 December		**14,268**	**3,660**	**1,070**	**1,570**	**1,144**	**21,712**
Negative at 31 December		**(11,186)**	**(2,307)**	**(535)**	**(307)**	**(320)**	**(14,655)**

The maturity analysis for interest rate swaps reflects the expected maturity for each contract.

33 / FINANCIAL INSTRUMENTS (CONTINUED)

Hedging of future cash flows

2009

DKK million	Notional amount, net	Fair value	Recognised in equity	Expected date of transfer to income statement 2010	2011	2012	After 2012
Commodities:							
Oil swaps	4,718	(280)	(152)	77	(32)	(94)	(103)
Oil options	10,292	1,577	1,123	472	255	261	135
Power swaps	4,051	269	(90)	(52)	(56)	12	6
Coal forwards	1,541	(271)	(196)	(108)	(97)	9	0
Currency:							
Forward exchange contracts	4,878	96	283	(43)	120	175	31
Currency swaps	765	52	57	57	0	0	0
Currency options	253	3	0	0	0	0	0
Interest:							
Interest rate swaps	5,094	(123)	(136)	(2)	1	1	(136)
Derivative financial instruments, total	**31,592**	**1,323**	**889**	**401**	**191**	**364**	**(67)**

Ineffectiveness arising from commodity hedging was recognised under the item effect of economic hedging with a gain of DKK 339 million (2008: loss of DKK 206 million), see note 4, and in production costs with a gain of DKK 9 million (2008: DKK 0). Ineffectiveness of interest rate and currency hedging amounted to a loss of DKK 26 million in 2009 (2008: gain of DKK 47 million).

2008

DKK million	Notional amount,net	Fair value	Recognised in equity	Expected date of transfer to income statement 2009	2010	2011	After 2011
Commodities:							
Oil swaps	4,292	378	406	288	93	21	4
Oil options	15,326	3,404	3,048	896	775	542	835
Gas swaps	208	(11)	(13)	(13)	0	0	0
Power swaps	5,149	970	228	155	19	30	24
Coal forwards	2,029	(443)	(389)	(120)	(147)	(122)	0
Currency:							
Forward exchange contracts	6,023	(75)	101	16	143	(89)	31
Currency swaps	501	78	89	41	45	3	0
Currency options	1,277	27	0	0	0	0	0
Loans foreign currency	101	42	42	42	0	0	0
Interest:							
Interest rate swaps	4,052	(104)	(46)	27	12	12	(97)
Derivative financial instruments, total	**38,958**	**4,266**	**3,466**	**1,332**	**940**	**397**	**797**

Hedging of fair values

DKK million	2009 Monetary items Assets	Liabilities	Hedged using hedging instruments	Net position	2008 Monetary items Assets	Liabilities	Hedged using hedging instruments	Net position
Currency:								
EUR	17,681	(40,314)	13,022	**(9,611)**	18,897	(22,971)	6,706	**2,632**
USD	2,545	(3,554)	1,443	**434**	5,510	(4,691)	1,528	**2,347**
GBP	3,569	(3,290)	0	**279**	2,688	(1,501)	0	**1,187**
SEK	632	(46)	0	**586**	692	(50)	0	**642**
NOK	929	(2,134)	0	**(1,205)**	398	(2,036)	0	**(1,638)**
Other	159	(39)	0	**120**	117	(27)	0	**90**
	25,515	**(49,377)**	**14,465**	**(9,397)**	**28,302**	**(31,276)**	**8,234**	**5,260**

In addition to the above, the Group's CO_2 portfolio has been hedged. In 2009, value adjustment of this hedging amounted to DKK 26 million (2008: DKK 0), which was offset by fair value adjustment of the hedged CO_2 emissions allowances.

33 / FINANCIAL INSTRUMENTS (CONTINUED)

Hedging of net investments in foreign subsidiaries

	2009				2008			
DKK million	Investment including equity-like loans	Hedged amount in currency	Net position	Foreign exchange adjustments recog-nised in equity	Investment including equity-like loans	Hedged amount in currency	Net position	Foreign exchange adjustments recog-nised in equity
Currency:								
GBP	14,623	(8,739)	5,884	(170)	3,224	(1,845)	1,379	(289)
NOK	11,097	(3,036)	8,061	(54)	9,237	(3,064)	6,173	(1,193)
SEK	2,434	(1,594)	840	(366)	2,085	(34)	2,051	(412)
EUR	1,601	0	1,601	1	936	0	936	(1)
PLN	1,264	(1,034)	230	13	478	(261)	217	(4)
	31,019	**(14,403)**	**16,616**	**(576)**	**15,960**	**(5,204)**	**10,756**	**(1,899)**

Trading portfolio and economic hedging

	2009		2008	
DKK million	Notional amount, net	Fair value	Notional amount, net	Fair value
Oil swaps	17	(5)	164	19
Oil options	0	0	192	1
Gas swaps	1,422	197	2,358	709
Power swaps	9,002	1,507	8,671	1,440
Power options	23	(1)	0	0
CO_2 emissions allowances	549	0	26	(8)
Coal forwards	44	(15)	40	44
Interest rate swaps	9,114	(48)	7,566	(65)
	20,171	**1,635**	**19,017**	**2,140**

Fair value hierarchy

2009	Fair value of financial instruments using:			
DKK million	Quoted prices (level 1)	Observable inputs (level 2)	Non-observable inputs (level 3)	Total
Derivative financial instruments	0	13,682	1,600	**15,282**
Securities	2,566	1,177	0	**3,743**
Assets	**2,566**	**14,859**	**1,600**	**19,025**
Derivative financial instruments	0	(12,254)	(126)	**(12,380)**
Liabilities	**0**	**(12,254)**	**(126)**	**(12,380)**

Level 1 comprises quoted securities that are traded in active markets.

Level 2 comprises derivative financial instruments where valuation models with observable inputs are used to measure the fair value, and where discounting to present value is carried out using a discount rate set by the Group. Level 2 also comprises quoted securities that have not been traded in the market sufficiently for a reliable fair value to be obtained.

Level 3 primarily comprises a long-term financial power purchase contract expiring in 2020. The fair value is based on assumptions concerning long-term prices of power, coal, USD and EUR as well as risk premiums in respect of liquidity and market risks and is determined by discounting of expected future cash flows.

Level 3 also comprises other derivative financial instruments, where the value of one or more key non-observable inputs has been estimated and where the sum of these estimated non-observable inputs may affect the fair value.

Reconciliation of financial instruments based on non-observable inputs

DKK million	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)
Opening at 1 January 2009	2,020	(143)
Gains and losses recognised in income statement under revenue	(423)	143
Purchases	(15)	(126)
Other transfers to and from level 3	18	0
Closing at 31 December 2009	**1,600**	**(126)**

A loss of DKK 371 million has been recognised in the income statement under revenue in respect of losses on assets and liabilities that are valued on the basis of non-observable inputs and are still recognised in the balance sheet at 31 December 2009.

The fair value of financial instruments based on non-observable inputs is significantly affected by the non-observable inputs used.

As a result of the long-term and illiquid nature of the contracts, the fair value may change significantly in the event of a change in the Group's reasonable expectations relating to the non-observable inputs used.

34 / JOINTLY CONTROLLED ENTITIES

DONG Energy has ownership interests in jointly controlled entities that primarily comprise ownership and operation of wind farms and power stations. The Group's interests in jointly controlled entities are shown in note 42.

DONG Energy has assumed investment obligations through its participation in jointly controlled entities and has made capital commitments to jointly controlled entities as shown in note 36 on contractual obligations and security arrangements.

Contingent liabilities relating to jointly controlled entities are shown in note 37.

The Group's recognised share of the profits, costs, assets and liabilities of jointly controlled entities is as follows:

DKK million	2009	2008
Income	553	583
Expenses	(299)	(354)
Non-current assets	3,859	2,396
Current assets	2,595	243
Assets at 31 December	**6,454**	**2,639**
Non-current liabilities	478	411
Current liabilities	1,150	167
Liabilities at 31 December	**1,628**	**578**

35 / OPERATING LEASES

DKK million	2009	2008
0 - 1 year	159	562
1 - 5 years	554	1,241
> 5 years	662	689
Minimum lease payments	**1,375**	**2,492**
Minimum lease payments on subleasing of assets held under operating leases	(212)	(44)
Net minimum lease payments	**1,163**	**2,448**

DONG Energy has entered into operating leases comprising leasing of a drilling rig in the period 2008-2011, leasing of a natural gas storage facility in Germany in the period 2008-2023, leases of office premises in the period 2007-2012, and vehicle leasing, etc.

The Group has entered into an operating lease for a further natural gas storage facility in Germany for the period 2010-2018. The minimum lease payments amount to DKK 524 million and are not recognised in the above statement of minimum lease payments relating to commenced lease arrangements.

A sum of DKK 850 million was recognised in 2009 (2008: DKK 87 million) in respect of operating lease payments.

36 / CONTRACTUAL OBLIGATIONS AND SECURITY ARRANGEMENTS

Contractual obligations

The Group has entered into binding contracts with suppliers for the purchase of property, plant and equipment. The obligations total DKK 22.6 billion (2008: DKK 11.4 billion) and relate primarily to contracts concerning investment in wind farms and power stations.

The DONG E&P Group participates in a number of natural gas and oil exploration and production licences. Through its participation in these licences, DONG Energy has assumed investment obligations totalling DKK 3.6 billion (2008: DKK 559 million). DONG Energy has also assumed investment obligations totalling DKK 72 million in respect of the Group's exploration and production licences (2008: DKK 45 million).

DONG Energy participates in jointly controlled entities and, by virtue of its participation in these, has assumed investment obligations amounting to DKK 2.1 billion (2008: DKK 195 million). DONG Energy has also assumed investment obligations totalling DKK 2.1 billion in respect of jointly controlled entities (2008: DKK 232 million).

In 2009, the Group entered into contracts on investment in activities with contingent purchase consideration, where payment is partly depending on several uncertain events outside DONG Energy's control.

The Group is also a party to a number of long-term purchase and sales contracts that have been concluded in the course of the Group's normal operations. Apart from the liabilities already recognised, the Group does not expect to incur any financial losses as a result of the performance of these contracts.

Security arrangements

The Group did not pledge any assets as collateral for loans in 2009, except as provided in note 31. In 2008, mortgage loans totalling DKK 1,252 million were secured on four central power stations with a carrying amount of DKK 3,704 million. The loan was repaid in 2009.

37 / CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets

Significant unrecognised contingent assets comprise deferred tax assets at DKK 12.8 billion (2008: DKK 9.2 billion). Reference is made to note 23.

DONG Energy has advanced claims against a few trading partners. Management is of the opinion that the claims are justified. However, the claims have not been recognised, as the existence of this asset is subject to several uncertain future events that are outside DONG Energy's control.

In 2009, the Group concluded agreements on the sale of companies that feature contingent consideration, the consideration depending in part on several uncertain future events that are outside DONG Energy's control.

Contingent liabilities

Liability to pay compensation

According to the legislation, DONG Energy's natural gas companies DONG Oil Pipe A/S, DONG E&P A/S and DONG E&P Grønland A/S are liable to pay compensation for damage caused by their natural gas and oil activities, even where there is no proof of negligence (strict liability). The usual insurance has been taken out to cover any such claims.

Guarantees

DONG Energy A/S has furnished the Danish Ministry of Economic and Business Affairs with a guarantee for fulfilment of all obligations and liability to the Danish State or third parties incurred by DONG E&P A/S as co-holder of the licences in which the company participates, irrespective of whether the obligations and liability rest on DONG E&P A/S alone or jointly and severally with others. However, the guarantee is

limited to a sum corresponding to twice DONG E&P's share of each obligation or liability.

As a condition for approval of its participation in natural gas and oil exploration and production on the Norwegian, UK, Greenland and Faroese continental shelves, DONG Energy A/S has provided a guarantee under which it assumes primary liability as normally required by the local authorities. The guarantee covers obligations and liability incurred or assumed by the DONG E&P Group in connection with its exploration and production activities. The guarantee has no maximum limit, and the DONG E&P Group is jointly and severally liable with the other partners for obligations and liability.

Through subsidiaries and jointly controlled assets and entities, DONG Energy participates in natural gas and oil exploration and production, construction and operation of wind farms, geothermal plants and natural gas installations. The Group has provided guarantees, and guarantees under which the Group assumes primary liability, in respect of the construction and operation of installations, and leases, decommissioning obligations, purchase and sales contracts, etc.

Joint and several liability

DONG Energy participates in a number of jointly controlled assets and entities, including renewable energy projects and natural gas and oil exploration and production licences. The Group's companies are jointly and severally liable with the other venturers for obligations and liability under agreements concluded.

DONG Energy Power A/S is liable as a partner for financial losses at certain CHP plants.

Litigation

DONG Energy is a party to actions relating to the competition authorities' claim that Elsam A/S, Elsam Kraft A/S and Energi E2 A/S charged excessive prices in the Danish wholesale power market in some periods. Following a merger in 2008, Elsam Kraft A/S and Energi E2 A/S are part of DONG Energy Power A/S.

The Competition Appeals Tribunal has concluded that Elsam A/S and Elsam Kraft A/S abused their dominant positions in the wholesale power market in Western Denmark to some extent in the periods 1 July 2003 to 31 December 2004 and 1 January 2005 to 30 June 2006 by charging excessive prices. DONG Energy disputes the rulings and has appealed them to the Copenhagen Maritime and Commercial Court.

A group of power consumers has filed a claim with the Copenhagen Maritime and Commercial Court for compensation of up to DKK 4.4 billion with addition of interest in connection with the above actions relating to excessive prices in Western Denmark.

DONG Energy has recognised a provision of DKK 298 million, which has been determined on the basis of the Danish Competition Council's calculation of the consumers' losses.

The Competition Council is in the process of examining whether, in the period 1 July 2003 to 31 December 2005, Energi E2 A/S abused a dominant position in the wholesale power market in Eastern Denmark by charging excessive prices. In management's opinion, there is no basis, at the present time, for making any provisions for losses.

In connection with collaboration agreements entered into by the Group concerning jointly controlled assets and entities, etc., various minor litigation cases are pending that are not expected, either individually or collectively, to have any effect on the Group's financial position. The Group is also a party to a number of litigation proceedings and legal disputes that do not have any effect on the Group's financial position, either individually or collectively.

38 / RELATED PARTY TRANSACTIONS

Related parties that have control over the Group comprise the Danish State, represented by the Danish Ministry of Finance, which owns 73% of the parent company.

Related parties that exercise significant influence comprise the Group's Supervisory and Executive Boards, senior executives and close members of their families. Related parties also comprise companies in which the persons referred to above have significant influence. Remuneration to the Supervisory and Executive Boards and other senior executives is disclosed in note 5.

Related parties also include the Group's associates, i.e. companies in which DONG Energy has significant influence, and jointly controlled entities, i.e. companies that are jointly controlled by DONG Energy and other venturers.

Reference is made to note 42 for an overview of the Group's associates and jointly controlled entities.

The Group was involved in the following transactions with related parties in the year under review. These transactions exclude income taxes, taxes deducted at source, etc., VAT and other normal transactions with the Danish State, including ministries, etc., and companies controlled by the Danish State.

Transactions with related parties are made on arm's length terms.

	Danish State		Associates		Jointly controlled entities	
DKK million	**2009**	2008	**2009**	2008	**2009**	2008
Dividends paid	(1,406)	(1,072)	0	0	-	-
Dividends received	-	-	45	28	36	127
Capital transactions, net	-	-	(8)	(16)	-	-
Trade receivables	-	-	315	591	66	151
Trade payables	-	-	(188)	(165)	(66)	(48)
Pipeline and exemption duty	(1,320)	(2,137)	-	-	-	-
Government grants	604	300	-	-	-	-
Interest, net	-	-	32	28	2	16
Receivables	-	-	554	611	18	95
Payables	-	-	63	94	0	135

Licences from the Danish State

Exploration & Production

DONG E&P A/S has participated as a partner in all exploration licences granted in Denmark in the period 1984 to 2004. DONG E&P A/S has participated with a paying share of normally 20% at the date of award. From 2005, DONG E&P A/S has been awarded licences in the 6th licensing round and via the "Open Door" procedure. Hydrocarbon exploration and production licences normally run for six years during the exploration phase and then for 30 years during the production phase.

DONG E&P A/S has provided services to the licences in which it participates.

Generation

DONG Energy has been granted power generation licences (thermal) and licences to operate wind farms. The durations of the licences vary.

DONG Energy, represented by DONG VE A/S and DONG Energy Power A/S, has an interest in three geothermal energy exploration and recovery licences. One of the licences, in which DONG VE is the sole licensee, comprises one third of Denmark's territory with the exception of the metropolitan region. Two thirds of the area was relinquished in 1998 and 2003 respectively, and the remaining one third must be relinquished in 2013. The second licence, in which DONG VE A/S has a 28% interest and DONG Energy Power A/S an 18% interest, comprises the metropolitan area. The licence was granted on 19 February 2001, initially for 15 years. The third licence, in which DONG VE A/S has a 50% interest, was granted on 11 October 2007 and runs provisionally until 2016. During the year under review, DONG Energy provided services as operator of the Metropolitan Geothermal Alliance (HGS).

Sales & Distribution

DONG Energy has been granted natural gas storage and distribution licences by the Danish State under sections 10 and 59 of the Danish Natural Gas Supply Act. The licences have been granted for the period up to 2023.

Under sections 24, 25 and 59 of the Natural Gas Supply Act, DONG Energy has also been granted a licence to engage in natural gas supply activities on the conditions laid down in the Natural Gas Supply Act. The licence expires in 2013.

DONG Energy has also been granted a power distribution licence that runs until 2023, a power transmission licence that expires in 2025 and power PSO licences that are renewed on an ongoing basis subject to application.

Reference is made to note 41 for an overview of licences and significant licences.

Other transactions

Subject to the constraints following from the capacity of the pipeline, DONG Oil Pipe A/S is under obligation to transport through its pipeline all crude oil and condensate recovered on the Danish continental shelf in the North Sea. The authorities may grant DONG Oil Pipe A/S exemption from this obligation if, in the Minister's opinion, transportation through the pipeline is uneconomical or inexpedient. Under the Danish Pipeline Act, DONG Oil Pipe A/S is under obligation to pay duty to the State amounting to 95% of the profit made. Duty paid to the Danish State in 2009 amounted to DKK 1,256 million (2008: DKK 2,011 million). Several of DONG E&P A/S's Danish fields are not connected to DONG Oil Pipe's pipeline, and DONG E&P consequently pays exemption duty to the Danish State. Exemption duty paid in 2009 amounted to DKK 64 million (2008: DKK 126 million).

DONG Energy engages in significant transactions with Energinet.dk on a daily basis in the latter's capacity of transmission system operator (TSO) in Denmark. As the Danish TSO, Energinet.dk operates the 400 kV power transmission grid in Denmark and the Danish natural gas transmission network, which the Group uses to transport power and natural gas. The Group also sells power system services and natural gas storage capacity to Energinet.dk to meet the need for system integrity and emergency supplies to the Danish power and natural gas supply system.

If the Danish State wishes to relinquish its majority shareholding in DONG Energy A/S, the Danish State is under obligation to buy back parts of DONG Energy's natural gas infrastructure prior to relinquishing its shareholding. DONG Energy's natural gas infrastructure consists of the natural gas distribution network in West and South Zealand and southern Jutland, the natural gas terminal in Nybro, the natural gas storage facility near Stenlille and some upstream gas pipelines in the North Sea.

Apart from normal management remuneration, there have been no other transactions with the Supervisory or Executive Boards, senior executives, the Danish State or any other related parties during the year under review.

NOTES WITHOUT REFERENCE

39 / EVENTS AFTER THE REPORTING PERIOD

Siri back in production

Production on the Siri field was resumed on 24 January, which meant that production from the adjacent fields, Nini, Cecilie and Stine, could also be resumed. A permanent repair of the damage is expected to be finalised in the second half of 2010.

Appraisal well on Svane field

DONG Energy and its licence partners Bayerngas (30% interest) and the Danish North Sea Fund (20% interest) have decided to drill an appraisal well on the Svane field. Drilling will be technically challenging due to the reservoir depth. The costs are consequently subject to uncertainty and are expected to amount to DKK 0.6-0.9 billion, depending on the drilling results, with DONG Energy's share making up 50%. The detailed planning of the appraisal well will take place in 2010.

Sale of shares in Swedegas AB closed

DONG Energy's sale of its 20.4% stake in Swedegas AB to EQT was closed on 4 February following approval of the transaction by the Swedish competition authorities. The proceeds from the sale will be recognised in profit after tax for the 2010 financial year.

Lincs offshore wind farm project in the UK

DONG Energy and Siemens Project Ventures (SPV) have acquired a 50% stake in the Lincs offshore wind farm project from Centrica via a joint venture contract. The transaction was closed on 5 February against payment of 50% of the incurred development costs of around GBP 50 million. It is expected that DONG Energy's 25% share of the capital investment will amount to DKK 1.6 billion.

First oil from Nini Øst field

The Nini Øst field produced its first oil on 24 February. DONG Energy is the operator of the Nini licence and has a 40% stake.

40 / DESCRIPTION OF ACCOUNTING POLICIES

Basis of preparation

Consolidated financial statements

The consolidated financial statements include the financial statements of the parent company DONG Energy A/S and subsidiaries in which DONG Energy A/S has the power to govern the financial and operating policies so as to obtain a return or other benefits from the subsidiary's activities. Control exists when DONG Energy A/S holds, directly or indirectly, more than 50% of the voting rights or otherwise has the power to control the subsidiary in question.

Regulated companies that operate according to a principle of self-financing and where DONG Energy A/S does not have direct or indirect access to receive a return or other benefits are not included in the consolidation, but are instead measured at fair value as investments under other equity investments.

Enterprises over which the Group exercises significant influence, but not control, are accounted for as associates. Significant influence is typically achieved by holding or having the ability to exercise, directly or indirectly, more than 20% but less than 50% of the voting rights, although this is based on a specific assessment of the possibility of exercising influence. Any such enterprises that satisfy the criteria for common control are instead accounted for as investments in jointly controlled entities, see the description under "Investments in jointly controlled assets and entities".

Potential voting rights exercisable at the balance sheet date are taken into account in assessing whether DONG Energy has control, joint control or significant influence.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, in accordance with the

Group's accounting policies. Intragroup income and expenses, shareholdings, balances and dividends as well as realised and unrealised gains and losses arising from intragroup transactions are eliminated on consolidation. Unrealised gains resulting from transactions with associates and entities under common control are eliminated to the extent of the Group's investment in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in subsidiaries are offset against the proportionate share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition or formation.

The items in the subsidiaries' financial statements are recognised in full in the consolidated financial statements. The minority interests' share of profit for the year and of equity of subsidiaries that are not wholly-owned is recognised as part of the Group's profit and equity respectively, but disclosed separately.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of during the year are recognised in the consolidated income statement up to the date of disposal. Comparative figures are not restated to reflect acquisitions or disposals; however, discontinued operations are presented separately, see below.

On acquisition of enterprises whereby the parent company obtains control of the acquiree, the purchase method is applied. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right, and the fair value can be measured reliably. Deferred tax on revaluations is taken into account.

Minority interests are measured on initial recognition at the proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities.

The acquisition date is the date on which DONG Energy A/S obtains control of the acquiree.

The excess of the cost of the acquiree over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested for impairment, at least annually. The first impairment test is carried out before the end of the year of acquisition. On acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency that is different from the presentation currency (DKK) of the DONG Energy Group are accounted for as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate at the transaction date. Any excess of the fair value over the cost of acquisition (negative goodwill) is recognised in the income statement at the date of acquisition.

The cost of an enterprise consists of the fair value of the consideration paid plus costs that can be directly attributed to the acquisition. If parts of the consideration are contingent on future events, these parts are recognised in the cost to the extent that the events are probable and the consideration can be measured reliably.

If there is any uncertainty, at the acquisition date, concerning the measurement of identifiable assets acquired and liabilities and contingent liabilities assumed, initial recognition is based on provisional fair values. If the fair value of identifiable assets, liabilities and contingent liabilities subsequently proves to differ from the fair value assumed at the acquisition date, goodwill may be adjusted for up to twelve months following their acquisition. The effect of any such adjustments is recognised in opening equity, and the comparative figures are restated accordingly. Subsequently, goodwill is only adjusted as a consequence of changes in estimated contingent purchase consideration, except in the case of material errors; however, subsequent realisation of the acquiree's deferred tax assets that were not recognised at the acquisition date leads to recognition of the tax benefit in the income statement and simultaneous adjustment of the carrying amount of goodwill to the amount that would have been recognised if the deferred tax asset had been recognised as an identifiable asset at the acquisition date.

Gains or losses on disposal of enterprises and investments in associates are determined as the difference between the selling price and the carrying amount of net assets, including goodwill at the date of disposal and costs necessary to make the sale.

40 / DESCRIPTION OF ACCOUNTING POLICIES (CONTINUED)

Gains or losses on disposal of enterprises and investments in associates are recognised in the income statement in the item gain (loss) on disposal of enterprises.

Where a business combination involves successive acquisitions, each significant acquisition is treated separately with a view to determining the cost and fair value of the acquired identifiable assets, liabilities and contingent liabilities, including any goodwill. The fair value of the identifiable assets, liabilities and contingent liabilities may be different at the date of each acquisition. Where a transaction results in DONG Energy A/S obtaining control of the acquiree, previously acquired shares of identifiable assets, liabilities and contingent liabilities relating to the already acquired investments are remeasured at fair value at the acquisition date. The remeasurement is accounted for as a revaluation, which is recognised via equity.

The effect of acquisitions and disposals of minority interests after control is obtained is recognised directly in equity. Net assets acquired are not revalued on acquisition.

Investments in jointly controlled assets and entities

Investments in jointly controlled assets and entities comprise natural gas and oil exploration and production licences, wind farms and a power station under construction, etc.

Recognition of an investment as a jointly controlled asset or entity is conditional upon the existence of a contractual arrangement between the parties stipulating joint control. The contractual arrangement must also stipulate whether the parties are jointly and severally liable or liable for their proportionate shares only.

Investments in jointly controlled assets and entities are recognised using proportionate consolidation as a share of assets and liabilities in jointly controlled assets and entities. Shares of assets and liabilities are classified by their nature in the consolidated balance sheet. Shares of income and expenses generated from the sale and production from jointly controlled assets and entities are recognised on a proportionate basis in the consolidated income statement, classified by function. Own liabilities and expenses incurred in respect of jointly controlled assets and entities are also recognised.

In connection with proportionate consolidation, intragroup income and expenses, balances and realised and unrealised gains and losses arising from intragroup transactions between consolidated enterprises and proportionately consolidated assets and entities are eliminated to the extent of the Group's investment.

Acquisitions of shares of natural gas and oil exploration and production licences are accounted for as acquisitions of jointly controlled assets. Deferred tax on temporary differences at the acquisition date between the carrying amount and the tax base is not provided for, cf. the description under income tax and deferred tax.

Foreign currency translation

For each of the reporting enterprises in the Group, a functional currency is determined. The functional currency is the currency of the primary economic environment in which the individual reporting enterprise operates. Transactions in other currencies than the functional currency are accounted for as transactions in foreign currencies.

On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rates at the transaction date. Exchange differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items in foreign currencies are translated into the functional currency at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income or financial expenses.

Gains and losses on hedging transactions relating to purchases and sales of goods are recognised at the same time as and in the same item as the hedged item.

On recognition in the consolidated financial statements of subsidiaries and proportionately consolidated enterprises with a different functional currency than DKK, the income statement items are translated at the exchange rates at the

transaction date, and the balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Exchange differences arising on translation of the opening equity of these enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the rates at the transaction date to the exchange rates at the balance sheet date are recognised directly in equity under a separate translation reserve.

Foreign exchange adjustments of balances that are accounted for as part of the total net investment in enterprises with a different functional currency than DKK are recognised in the consolidated financial statements directly in equity under a separate translation reserve. Likewise, foreign exchange gains and losses on the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises and that provides an effective hedge against corresponding foreign exchange gains/losses on the net investment in the enterprise are taken directly to a separate translation reserve under equity.

On recognition in the consolidated financial statements of associates with a different functional currency than DKK, the share of profit for the year is translated using an average exchange rate, and the share of equity including goodwill is translated at the exchange rates at the balance sheet date. Exchange differences arising on translation of the share of foreign associates' opening equity at the exchange rates at the balance sheet date and on translation of the share of profit for the year from average rates to the exchange rates at the balance sheet date are recognised directly in equity under a separate translation reserve.

On complete or partial disposal of a foreign entity, or on repayment of balances that are considered part of the net investment, the share of the cumulative exchange adjustments that is recognised directly in equity relating to that foreign equity is recognised in the income statement when the gain or loss on disposal is recognised.

Derivative financial instruments

Derivative financial instruments and loans are used to hedge currency and interest rate risks and risks related to the price of natural gas, oil, power, coal and CO_2 emissions allowances.

Derivative financial instruments are recognised from the trade date under receivables (positive fair values) and other payables (negative fair values) respectively and are measured in the balance sheet at fair value. Costs directly related to the acquisition or issue of the individual financial instrument (transaction costs) are added to the fair value on initial recognition, unless the financial asset or the financial liability is measured at fair value through the income statement. Positive and negative fair values are only offset if the enterprise is entitled to and intends to settle several financial instruments net (in cash). The fair value of derivative financial instruments is determined on the basis of current market data and assumptions, and recognised valuation methods.

Fair value hedging. Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as hedges of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability to the extent of hedged risk. Hedging of future cash flows of contracts concluded (firm commitment) is accounted for as hedging of the fair value of a recognised asset or liability, except in the case of foreign currency hedging.

Cash flow hedging. Changes in the portion of the fair value of derivative financial instruments and foreign exchange adjustments of loans that is designated as and qualifies for recognition as a hedge of future cash flows and that provides an effective hedge against changes in the value of the hedged item are recognised directly in equity under a separate hedging reserve until the hedged cash flow is realised.

In the case of options used as hedges, only the intrinsic value of the option is accounted for as a hedge. The interest element is recognised over the life of the option. On realisation of the hedged cash flow, the resulting gain or loss is transferred from equity and recognised in the same item as the hedged item; however, on hedging of the proceeds from future loans, the resulting gain or loss is transferred from equity over the term of the loan.

If the hedged cash flows are no longer expected to be realised, the accumulated value adjustment is transferred immediately to the income statement.

Hedging of net investments. Changes in the fair value of derivative financial instruments that are used to hedge net investments in foreign subsidiaries or associates and that provide effective hedges against changes in foreign exchange

40 / DESCRIPTION OF ACCOUNTING POLICIES (CONTINUED)

rates in these enterprises are recognised in the consolidated financial statements directly in equity under a separate translation reserve.

Other derivative financial instruments. Value adjustments of derivative financial instruments that have been entered into to hedge the Group's primary activities but do not satisfy the criteria for hedge accounting are recognised as revenue. Likewise, value adjustments of financial contracts offered to customers with a view to price hedging are recognised as revenue. This classification is judged to best reflect the results of the Group's operations.

For derivative financial instruments that have not been entered into to hedge revenue or production costs, changes in fair value are recognised in the income statement as financial items when they occur.

Some contracts include terms that correspond to derivative financial instruments. Such embedded financial instruments are recognised separately and measured on a continuing basis at fair value if they differ significantly from the contract in question, unless the host contract is recognised and measured at fair value on a continuing basis.

Under IFRS, contracts that involve physical delivery of commodities are, in certain circumstances, accounted for as derivative financial instruments. Based on an evaluation of the purpose of the Group's commodity contracts and the connection between that purpose and the Group's other activities, the Group's contracts that involve physical delivery of commodities generally satisfy the criteria for exemption from classification as derivative financial instruments for normal sale and purchase contracts. Contracts that involve physical delivery of commodities and are classified and accounted for as derivative financial instruments primarily comprise contracts entered into in the course of the Group's trading activities or as part of certain hedging activities.

Income statement

Revenue

Revenue comprises sales and transportation of natural gas and oil, distribution and storage of natural gas, sales and distribution of power and heat, and grants for the sale of eco-friendly power (price supplement), etc. Revenue is recognised in the income statement when delivery and transfer of risk to buyer have taken place and if the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and duties collected on behalf of third parties. All forms of discounts granted are recognised in revenue.

Construction contracts for the construction of assets involving a high degree of customisation, and the rendering of services (consultancy services, etc.), are recognised as revenue as the work to which they relate is performed or the service rendered to the effect that revenue corresponds to the selling price of the work performed during the year (percentage of completion method). When the outcome of a construction contract cannot be estimated reliably, revenue is only recognised to the extent of the costs incurred that it is probable will be recovered.

Overlift/underlift of natural gas and oil is recognised in revenue at realisable value. Overlift/underlift relates to situations in which the Group participates in producing fields (licences) with several participants and where the Group has lifted and sold more or less natural gas and oil from the producing fields than its entitlement at the time of lifting.

Physical and financial contracts relating to trading in natural gas, oil, power, CO_2 emissions allowances, etc., that are concluded in the course of the Group's trading activities with a view to generating gains from short-term price fluctuations are fair value adjusted under revenue.

Value adjustments of financial instruments that have been entered into to hedge the Group's primary operating activities but do not satisfy the criteria for hedge accounting are recognised as revenue. Likewise, value adjustments of financial contracts offered to customers with a view to price hedging are recognised as revenue.

Production costs

Production costs comprise costs incurred to achieve revenue for the year. Production costs include cost of sales, depreciation and amortisation, wages and salaries, relating to

- equity production of natural gas, oil, power and heat, etc., operation and maintenance of production assets, etc., during the year under review.
- natural gas and oil exploration, including costs for exploration licences, own costs for geological data, seismic surveys, licence administration, expensing of exploration wells, etc.
- research and development, including costs for research into new and improved production methods and further development of existing technologies. Research and development also includes costs for project maturing of potential investments in production assets, such as wind farms.

Production costs are recognised in the income statement as incurred. Research and development costs are recognised only if the criteria in IAS 38 for capitalisation of development costs are met. Development costs relating to project maturing of potential investments in production assets are recognised in the income statement until the date of the investment decision. Costs incurred are accounted for as acquisitions of property, plant and equipment from the date on which an investment decision is made.

Sales and marketing

Sales and marketing, comprising general marketing of DONG Energy and DONG Energy's products, is recognised in the income statement as incurred. This item includes direct expenses as well as allocated indirect expenses for sales and marketing.

Management and administration

Management and administration, comprising primarily staff costs for management and administrative staff, is recognised in the income statement as incurred. This item includes direct expenses as well as allocated indirect expenses for management and administration. It also includes write-downs of trade receivables.

Other operating income and operating expenses

Other operating income and operating expenses comprise items secondary in nature to the Group's activities, including gains and losses on ongoing disposal and replacement of intangible assets and property, plant and equipment, and government grants received for research and development projects and other investments, etc.

Grants for development projects and other investments are recognised as the assets to which they relate are depreciated. Other income and expenses are recognised as earned/incurred. Gains and losses on disposal of intangible assets and property, plant and equipment are determined as the selling price less costs to sell and the carrying amount at the date of disposal.

Government grants

Government grants comprise grants for eco-friendly power generation, grants for and funding of research and development projects and grants for other investments, etc. Government grants are recognised when there is reasonable assurance that they will be received.

Grants for power generation are recognised under revenue as the related power revenue is recognised.

Grants for research and development costs, which are recognised directly in the income statement, are recognised under other operating income as the costs to which the grants relate are incurred.

Grants for development projects and other investments are recognised in the balance sheet under liabilities and transferred to other operating income in the income statement as the assets to which the grants relate are depreciated. Allocated CO_2 emissions allowances are recognised under rights as intangible assets. Reference is made to the description of the accounting policies under the relevant sections.

Income from investments in associates

The proportionate share of associates' profit after tax and minority interests and after elimination of the proportionate share of intragroup profits/losses is recognised in the consolidated income statement.

Financial income and financial expenses

Financial income and financial expenses comprise interest income and expense, capital gains and losses and impairment losses relating to securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, including lease commitments under finance leases, as well as surcharges and refunds under the on-account tax scheme, etc., Financian income and financial expenses also include realised and unrealised gains and losses relating to derivative financial instruments that have not been entered into to hedge revenue or production costs. Interest is recognised under the accrual basis of accounting. Dividends from other equity investments are recognised as they are received.

40 / DESCRIPTION OF ACCOUNTING POLICIES (CONTINUED)

Borrowing costs relating to general borrowing or loans directly attributable to the acquisition, construction or development of qualifying assets form part of the cost of those assets.

Income tax expense

The Group is subject to the Danish rules on compulsory joint taxation and has also elected international joint taxation with the Group's foreign subsidiaries. The Group's subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

The current Danish income tax is allocated among the jointly taxed Danish subsidiaries in proportion to their taxable income. In this connection, Danish subsidiaries with tax losses receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full absorption), while companies that utilise tax losses in other Danish companies pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses.

Income tax expense, which consists of current tax, joint taxation contribution for the year and changes in deferred tax, is recognised in the income statement to the extent that it relates to profit for the year, and directly in other comprehensive income to the extent that it relates to entries directly to other comprehensive income.

The Group is registered for the Danish on-account tax scheme. Tax refunds/tax surcharges are allocated between the jointly taxed Danish companies in accordance with the allocation of the Danish income tax and recognised as financial income and financial expenses respectively.

Subsidiaries that are engaged in natural gas and oil recovery (hydrocarbons) are subject to the hydrocarbon tax legislation in the countries in which they operate. Hydrocarbon taxes are calculated on the basis of taxable hydrocarbon income and comprise taxes calculated applying the respective country's ordinary income tax rate as well as taxes calculated applying increased tax rates. Hydrocarbon taxes are recognised under income tax expense.

Balance sheet

Intangible assets

Goodwill. Goodwill is recognised initially in the balance sheet at cost as described under business combinations. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised. The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. The determination of cash-generating units follows the Group's organisational and internal reporting structure.

Rights. Allocated and purchased CO_2 emissions allowances, including CO_2 credits, that are accounted for as rights are measured initially at cost. To the extent that a grant is received in connection with an allocation, the cost constitutes the actual consideration paid for the allowances, i.e. nil if they are allocated free of charge. CO_2 emisions allowances are amortised in step with actual CO_2 emissions. To the extent that actual emissions exceed allocated and purchased CO_2 emissions allowances, the fair value of the additional CO_2 emissions allowances that DONG Energy is under obligation to settle is recognised as a liability. The amortisation basis for CO_2 emissions allowances is determined taking into account their residual value, which depends on whether they are held for use or for sale. The residual value of CO_2 emissions allowances held for use is nil.

Other rights comprise natural gas purchase rights, acquired customer rights and IT software licences, etc., and are measured at cost less accumulated amortisation and impairment losses.

Natural gas purchase rights are amortised using the unit-of-production method, taking into account the expected earnings profile, so that the amortisation pattern reflects the expected earnings patterns. Other rights are amortised on a straight-line basis over their expected economic lives, which are determined on the basis of management's experience of the specific business areas, and the assets to which the rights relate. Capitalised rights are estimated to have a life of 5 - 20 years.

The value of associates includes rights with indefinite useful lives.

Development projects. Development projects comprise development of IT systems, etc. Development projects that are clearly defined and identifiable, and for which technical feasibility, adequate resources and a potential future market or an application in the enterprise can be demonstrated, and which the enterprise intends to manufacture, market or use, are recognised as intangible assets if the cost can be determined reliably and if there is reasonable certainty that the future earnings or the net selling price will cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Recognised development costs are measured at cost less accumulated amortisation and impairment losses. Cost comprises salaries, amortisation and other costs attributable to the Group's development activities as well as borrowing costs relating to specific and general borrowing directly attributable to the development of development projects.

On completion of the development work, development projects are amortised on a straight-line basis over the estimated economic life from the date the asset is available for use. The amortisation period is usually five years. The basis of amortisation is reduced by any impairment losses.

Prepayments for intangible assets are classified together with in-process development projects.

Property, plant and equipment

Property, plant and equipment comprises land and buildings, production assets, exploration assets, other assets, tools and equipment, etc., Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and any costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers and labour. Specific and general borrowing costs attributable to a construction period are recognised in the cost of the asset constructed. Cost is increased by the present value of the estimated obligations for dismantling and removing the asset and restoring the site to the extent that they are recognised as a provision. Where individual components of an asset have different useful lives, they are accounted for as separate items, which are depreciated separately.

In the case of assets held under finance leases, cost is determined at inception of the lease as the lower of the fair value of the assets and the present value of future minimum lease payments. The present value is determined using the interest rate implicit in the lease as the discount rate or an approximated value.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the Group from the expenses incurred. Replaced parts are derecognised from the balance sheet, and their carrying amount is taken to the income statement. All other repair and maintenance expenses are recognised in the income statement as incurred.

Exploration assets comprise exploration expenses that relate to successful wells on which production has not yet begun. Costs are recognised using the successful efforts method. Under the successful efforts method, exploration expenses for drilling specific exploration wells are recognised in the balance sheet. Acquired licences where finds have been made, including acquired reserves, are also recognised under exploration assets. Recognition in the balance sheet is maintained pending determination of commercial viability. Recognised exploration expenses relating to commercial finds are transferred to production assets when a field has been fully developed and production begins. The asset is tested for indications of impairment in connection with the transfer to production assets, see the description in the section on impairment of assets.

All exploration expenses determined as unsuccessful are recognised in the income statement as production costs. General exploration expenses and expenses relating to unsuccessful exploration wells are also expensed under production costs as incurred. Borrowing costs relating to exploration assets are recognised in the income statement as incurred.

Site development and construction costs relating to property, plant and equipment that it has been decided to invest in are recognised in the balance sheet under property, plant and equipment in the course of construction until the date of entry into service Following entry into service, these assets are transferred to the relevant items under property, plant and equipment.

In the case of natural gas and oil production assets, cost is depreciated using the unit-of-production method based on

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the ratio of current production to estimated proven reserves by individual field.

In the case of natural gas activities and wind turbines, cost is depreciated using the unit-of-production method, taking into account the expected earnings profile, so that the depreciation pattern reflects the expected earnings patterns.

In the case of other property, plant and equipment, cost is basically depreciated on a straight-line basis over the estimated future useful lives.

Depreciation profiles for property, plant and equipment	
Buildings used for own purposes[1]	20 - 50 years
Production assets, natural gas and oil[2]	20 - 40 years
Production assets (thermal), power	20 - 35 years
Production assets, district heat	25 - 35 years
Wind turbines [2, 3]	15 - 24 years
Geothermal plants	20 years
Distribution network, natural gas[3]	20 - 40 years
Distribution network, power	10 - 40 years
Distribution network, heat	10 - 50 years
Natural gas storage facilities[3]	20 - 40 years
Natural gas transportation system (marine pipelines)[3]	20 - 40 years
Oil transportation system (marine pipeline)	15 years
Exploration assets[4]	-
IT hardware	3 - 5 years
Fixtures and fittings, tools and equipment	3 - 10 years
Assets in the course of construction[4]	-

[1] Land is not depreciated.
[2] Depreciation is charged using the unit-of-production method.
[3] The depreciation profile takes account of the fact that the earnings profile changes substantially over the life of the asset as a result of the statutory revenue caps.
[4] Depreciation does not commence until the date of entry into service, at which time the asset is transferred to the relevant item under property plant and equipment.

The basis of depreciation is determined on the basis of the asset's residual value less any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Depreciation ceases if the residual value exceeds the carrying amount of the individual components.

If the depreciation period or the residual value changes, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Depreciation and impairment losses are recognised in the income statement as production costs, sales and marketing, and management and administration respectively, to the extent that depreciation is not recognised in the cost of self-constructed assets.

Prepayments for property, plant and equipment are classified together with property, plant and equipment in the course of construction.

Investments in associates

Investments in associates are measured in the consolidated financial statements using the equity method whereby the investments are measured in the balance sheet at the proportionate share of the associates' net assets determined in accordance with the Group's accounting policies, plus or minus the carrying amount of goodwill.

Associates with a negative equity value are measured at nil. If the Group has a legal or constructive obligation to cover the associate's deficit, the obligation is recognised as a liability.

Receivables from associates are measured at amortised cost. Write-downs are made for bad debts.

On acquisition of investments in associates, the purchase method is applied, cf. the description under business combinations.

Other equity investments

Other equity investments are recognised as financial assets available for sale. Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, financial assets at fair value through the income statement or held-to-maturity financial assets.

Other equity investments are recognised initially in the balance sheet at cost, equivalent to fair value plus transaction costs. Subsequent to initial recognition, equity investments are measured at cost less any impairment losses, as DONG

Energy's other equity investments consist of unlisted securities and it is deemed impracticable to reliably determine their fair value.

Other non-current financial assets

Other non-current financial assets comprise receivables that are recognised initially in the balance sheet at cost, equivalent to fair value, and are subsequently measured at amortised cost.

Impairment of assets

Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, initially before the end of the year of acquisition. In-process development projects are also tested annually for impairment.

The carrying amount of goodwill is tested for impairment, along with the carrying amounts of the other non-current assets of the cash-generating unit to which the goodwill has been allocated, and written down to the recoverable amount in the income statement if the carrying amount exceeds the recoverable amount. The recoverable amount is generally determined as the fair value less expected disposal costs of the enterprise or activity (cash-generating unit) to which the goodwill relates.

Exploration assets are reviewed for impairment annually and if there is any indication of impairment. Impairment testing is also carried out at the time commercial finds have been identified, and the exploration assets are reclassified to natural gas and oil production assets. In carrying out the test, emphasis is placed on the special indicators that are relevant to the exploration industry, including the duration of the period for which DONG Energy holds the rights for exploration wells, the timing and costs in connection with the exploration wells in the individual fields, the results of existing exploration wells and the expectations concerning future exploration wells, including the level of future exploration wells, and the probability that the exploration wells will result in commercial finds. The recoverable amount of exploration assets is reviewed if any indication of impairment exists. The recoverable amount is the higher of the assets' fair value less expected disposal costs and the present value of the expected future net cash flows (value in use).

Deferred tax assets are reviewed annually and recognised to the extent that it is probable that they will be utilised.

The carrying amounts of other non-current assets are tested annually to determine if any indication of impairment exists. If any such indication exists, the asset's recoverable amount is determined. The recoverable amount is the higher of an asset's fair value less expected disposal costs and its value in use. The value in use is determined as the present value of the expected future cash flows from the asset or cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement as production costs, sales and marketing or management and administration; however, impairment losses relating to goodwill are recognised as a separate line item in the income statement.

Impairment losses relating to goodwill are not reversed. Impairment losses relating to other assets are reversed to the extent that the assumptions or estimates that led to the impairment have changed. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the value of the asset after depreciation had no impairment losses been charged.

Inventories

Inventories consist of natural gas and oil in storage facilities, as well as raw materials, consumables and fuel inventories.

In the case of natural gas, cost is determined as a weighted average of the previous month's buying prices, including transportation costs. In the case of oil, cost is determined as the average production cost.

Allocated and purchased CO_2 emissions allowances that form part of the Group's trading activities with a view to generating gains from short-term price fluctuations are measured at fair value with value adjustments recognised in the income statement.

Other inventories are measured at cost using the first-in, first-out (FIFO) principle or net realisable value. Inventories are written down to net realisable value whenever the cost exceeds the net realisable value.

The net realisable value of inventories is determined as the expected selling price less any costs of completion and costs incurred to execute the sale, and is determined taking into

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account marketability, obsolescence and development of expected selling price.

Receivables

Receivables are measured at amortised cost. A write-down for bad and doubtful debts is made if there is any objective evidence of impairment of a receivable or a portfolio of receivables. If there is any objective evidence of impairment of an individual receivable, the receivable is written down individually.

Receivables for which objective evidence of impairment is not available on an individual basis are assessed for impairment on a portfolio basis. Portfolios are primarily based on the debtor's registered office and credit rating in conformity with the Group's credit risk management policy. The objective evidence applied to portfolios is determined on the basis of historical loss experience.

If there is any objective evidence of impairment of a portfolio, an impairment test is carried out where expected future cash flows are estimated on the basis of historical loss experience adjusted for current market conditions and individual factors related to the individual portfolio.

The impairment loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows, including the realisable value of any collateral received. The discount rate used is the effective interest rate for the individual receivable or portfolio.

Interest income on impaired receivables is calculated on the written-down value at the effective interest rate for the individual receivable or portfolio.

Construction contracts

Construction contracts comprise the construction of assets involving a high degree of customisation in terms of design, and where a binding contract has been entered into prior to start-up of the work that will trigger a penalty or compensation in the event of subsequent cancellation. Construction contracts also include services such as establishment of grids and networks, etc. Construction contracts are measured at the selling price of the work performed less progress billings.

The selling price of construction contracts is measured on the basis of the stage of completion at the balance sheet date and total expected income on each contract. The stage of completion is determined on the basis of an assessment of the work performed, normally determined as the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When it is probable that total contract costs on a construction contract will exceed total contract revenue, the expected loss on the construction contract is recognised as an expense and a provision immediately.

When the outcome of a construction contract cannot be estimated reliably, the selling price is only recognised to the extent of the costs incurred that it is probable will be recoverable.

Where the selling price of work performed on construction contracts exceeds progress billings and expected losses, the contracts are recognised under receivables. Where progress billings and expected losses exceed the selling price of construction contracts, the contracts are recognised under liabilities.

Prepayments from customers are recognised under liabilities. Costs related to sales work and the winning of contracts are recognised in the income statement as incurred.

Short-term and long-term securities

Securities, comprising bonds that are monitored, measured and reported at fair value on a continuing basis in conformity with the Group's investment policy, are recognised at the trade date under current assets and measured at fair value, equivalent to market price for listed securities and estimated fair value determined on the basis of current market data and recognised valuation methods for unlisted securities.

Changes in the fair value of securities are recognised in the income statement as financial income and financial expenses.

Equity

Hedging reserve. The hedging reserve comprises the accumulated net change in the fair value of hedging transactions

that qualify for designation as hedges of future cash flows, and where the hedged transaction has yet to be realised, less the related tax.

Translation reserve. The translation reserve comprises exchange differences arising on translation of the financial statements of foreign entities with a functional currency that is different from the presentation currency (DKK) of the DONG Energy Group, foreign exchange adjustments relating to assets and liabilities that form a part of the Group's net investment in such entities, and foreign exchange adjustments relating to hedging transactions that hedge the Group's net investment in such entities, less the related tax. The foreign exchange adjustments are recognised in the income statement on realisation or partial realisation of the net investment.

Share premium. Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares in connection with capital increases as well as gains on sale of treasury shares. The share premium is available for distribution.

Dividends. Proposed dividends are recognised as a liability at the date of their adoption at the Annual General Meeting (declaration date). Up to the declaration date, proposed dividends are disclosed as a separate item under equity. Extraordinary dividends are recognised as a liability at the declaration date.

Hybrid capital. Hybrid capital comprises issued bonds that qualify for treatment in accordance with the rules on compound financial instruments due to the special characteristics of the loan. The principal amount, which constitutes a liability, is recognised at present value (nil), and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. Accordingly, any coupon payments are accounted for as dividends, which are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to the part of the hybrid capital, the equity instrument, that is recognised in equity. Coupon payments consequently do not have any effect on the income statement.

The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. As the carrying amount of this component amounted to nil on initial recognition, and, as a result of the 1,000-year term of the hybrid capital, amortisation charges will only impact on the income statement towards the end of the 1,000-year term of the hybrid capital. Coupon payments are recognised in the cash flow statement in the same way as dividend payments under financing activities.

Premium on acquisition of minority interests. Premium on acquisition of minority interests is accounted for as a transaction with the Group's owners and consequently recognised directly in equity.

Income tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for taxes paid on account.

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amounts and the tax base of assets and liabilities. However, temporary differences are not provided for in respect of goodwill not deductible for tax purposes, office properties and other items - apart from business combinations - where temporary differences have arisen at the acquisition date without having any effect on either profit/loss or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured on the basis of management's planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised as other non-current assets at the value at which they are expected to be utilised either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and deferred tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax assets and current tax liabilities or intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Adjustment of deferred tax is made relating to eliminations of unrealised intragroup profits and losses.

Deferred tax is measured in accordance with the tax rules and tax rates in the respective countries that will apply under the legislation enacted at the balance sheet date when the deferred tax is expected to crystallise in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

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Deferred tax on temporary differences between the carrying amounts and the tax base of acquisitions of jointly controlled assets, including licence interests, is not provided for.

Pensions

The Group has entered into pension agreements and similar agreements with most of the Group's employees.

Contributions to insured (defined contribution) pension plans are recognised in the income statement in the period to which they relate, and any contributions payable are recognised in the balance sheet as other payables.

Non-insured pensions (defined benefit plans) relate to pensions to a few power station employees that are no longer with the company and public servants taken over from municipally owned regional gas companies. The obligation has been determined using an actuarial calculation. In the case of defined benefit plans, the present value of future benefits to be paid under the plan is determined actuarially on an annual basis. The present value is determined on the basis of assumptions about future trends in salary levels, interest rates, inflation, mortality, etc. The present value is determined only for the benefits to which the employees have earned the right through service already rendered to the Group. The actuarially determined present value is recognised in the balance sheet under pension obligations. The year's pension costs, including actuarial gains and losses, are recognised in the income statement.

The financial consequences of the defined benefit pension plans entered into by the Group are insignificant.

Provisions

Provisions are recognised when, as a result of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

In measuring provisions, the costs required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. A pre-tax discount rate is used that reflects the general interest rate level in the market. The change in present values for the financial year is recognised under financial expenses.

Provisions for decommissioning of production facilities and restoration of drilling sites are measured at the present value of the future liability in respect of decommissioning and restoration as estimated at the balance sheet date. The amount provided is determined on the basis of existing requirements and estimated expenses, which are discounted to present value. If specific risks are deemed to attach to a provision, the estimated costs are recognised. A discount rate is used that reflects the general interest rate level in the market. These liabilities are recognised as they arise and are adjusted on a regular basis to reflect changes in requirements, price level, etc. The value of the provision is recognised under property, plant and equipment and depreciated together with the relevant assets. The increase in time of the present value is recognised in the income statement under financial expenses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

If it is considered unlikely that an outflow of resources embodying economic benefits will be required to settle an obligation, or if the obligation cannot be measured reliably, the obligation is accounted for as a contingent liability that is not recognisesed in the balance sheet. Information about material contingent liabilities is disclosed in the notes.

Financial liabilities

Financial liabilities comprise mortgage loans, bank loans, trade and other payables to public authorities, etc.

Bond loans, mortgage loans and bank loans are recognised at inception at the proceeds received net of transaction costs incurred.

In subsequent periods, the financial liabilities are measured at amortised cost using the "effective interest rate method". Accordingly, the difference between the proceeds received and the nominal amount is recognised in the income statement under financial expenses over the term of the loan.

For hybrid capital, reference is made to the specific details given under equity.

Other bank loans include the capitalised residual lease commitment under finance leases, measured at amortised cost.

Trade payables, payable income tax and other payables are measured at net realisable value.

Other payables include negative fair values of derivative financial instruments and certain realised and unrealised gains and losses on loans in DONG Oil Pipe A/S, etc.

Financial liabilities the value of which has been effectively hedged are adjusted to fair value to the extent of the hedged risk. The value adjustment is recognised in the income statement as financial income or financial expenses.

Leasing

Lease commitments are accounted for as commitments under finance leases and commitments under operating leases respectively.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Other leases are classified as operating leases.

The accounting treatment of assets held under finance leases and the associated liability is described in the sections on property, plant and equipment and financial liabilities.

Lease payments under operating leases are recognised in the income statement over the term of the lease on a straight-line basis.

Assets classified as held for sale

Assets classified as held for sale and the associated liabilities are presented as separate line items in the balance sheet, and the principal items are specified in the notes. Comparative figures in the balance sheet are not restated.

Assets classified as held for sale comprise non-current assets and disposal groups classified as held for sale. Disposal groups are groups of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities relating to assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction within twelve months under a formal plan rather than through continuing use.

Assets or disposal groups classified as held for sale are measured at the lower of carrying amount at the date of classification as held for sale and fair value less costs to sell. No depreciation or amortisation is charged on assets from the date they are classified as held for sale.

Impairment losses arising on initial classification as held for sale and gains and losses on subsequent measurement at the lower of carrying amount and fair value less costs to sell are recognised in the income statement under the items to which they relate. Gains and losses are disclosed in the notes.

Cash flow statement

The cash flow statement shows cash flows for the year from operating, investing and financing activities, the year's changes in cash and cash equivalents, and cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is disclosed separately under cash flows from investing activities. Cash flows relating to acquired enterprises are recognised in the cash flow statement from the date of acquisition, and cash flows relating to enterprises disposed of are recognised up to the date of disposal.

Cash flows from operating activities are determined using the indirect method as operating profit adjusted for non-cash operating items, changes in working capital, interest received and interest paid, and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and disposal of enterprises and activities; purchase and sale of intangible assets, property, plant and equipment and other non-current assets; and purchase and sale of securities that are not recognised as cash and cash equivalents.

Finance leases are accounted for as non-cash transactions.

Cash flows from financing activities comprise changes in the size or composition of share capital and costs associated with such changes as well as the raising of loans, repayment of interest-bearing debt, purchases and sales of treasury shares, payment of dividends to owners and any coupon payments on the hybrid capital.

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Cash flows relating to assets held under finance leases are recognised as payment of interest and repayment of debt.

Cash and cash equivalents comprise cash as well as securities that form part of the ongoing cash management, are readily convertible to cash and are subject to an insignificant risk of changes in value.

Cash flows in currencies other than the functional currency are translated at the average exchange rates for the month in question, unless these deviate significantly from the rates at the transaction date.

Segment information

Operating segments are reported in accordance with the Group's internal management reporting, which is presented to the Group's chief operating decision maker. The operating decision maker is defined as the Executive Board.

Segment information has been prepared in accordance with the Group's accounting policies.

Segment income, segment expense, segment assets and segment liabilities are those items that, in the internal management reporting, are directly attributable to the individual segment or can be indirectly allocated to the individual segment on a reliable basis. Unallocated items are included in other activities and comprise primarily assets, liabilities, revenue and expense relating to the Group's administrative functions, investing activities, income taxes, etc.

The Group operates with two performance measures, with EBITDA as the primary measure of performance, and EBIT as the secondary measure of performance. EBITDA is defined as earnings before interest, tax, depreciation and amortisation, but inclusive of amortisation of purchased CO_2 emissions allowances, as purchased CO_2 emissions allowances are accounted for as a cost of sales item. EBIT is defined as earnings before interest and tax.

Non-current segment assets comprise those non-current assets that are directly employed by a segment in its operating activities, including intangible assets and property, plant and equipment; long-term construction contracts; and non-current receivables. Deferred tax, investments in associates and other equity investments are not allocated to individual segments, as they are not directly employed by the individual segment in its operating activities.

Segment investments comprise investments in exploration assets; other intangible assets; property, plant and equipment; and long-term construction contracts.

Net working capital is defined as inventories and trade receivables less trade payables.

Segment information in respect of geographical markets is determined by breaking revenue down, as far as possible, by customer location based on supply point. When delivery is made directly from production platforms in the North Sea, the final supply point is not known to DONG Energy. In such cases, customer location is defined on the basis of invoicing address. Non-current assets are broken down geographically based on the physical location of the assets and comprise intangible assets and property, plant and equipment.

Intersegment transactions are priced on arm's length terms.

Financial key performance indicators

Unless otherwise stated, performance indicators have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

EBITDA margin [1]	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Revenue}}$
EBIT margin	$\frac{\text{Earnings before interest and tax}}{\text{Revenue}}$
Earnings per share (EPS) of DKK 10 [1]	$\frac{\text{Profit}^{2}}{\text{Average number of shares}}$
Proposed dividend per share (DPS) of DKK 10	$\frac{\text{Total proposed dividend}}{\text{Number of shares}_{\text{year end}}}$
Payout ratio [1]	$\frac{\text{Total proposed dividend}}{\text{Profit}}$
Dividend paid per share of DKK 10	$\frac{\text{Total paid dividend}}{\text{Number of shares}^{3}}$
Average number of shares	$\frac{(\text{Shares}_{\text{beg of yr}} \times D^{4}) + (\text{Shares}_{\text{yr end}} \times (365\text{-}D^{4}))}{365}$
Cash flows from operating activities per share	$\frac{\text{Cash flows from operating activities}}{\text{Average number of shares}}$
Interest-bearing debt to EBITDA	$\frac{\text{Net interest-bearing debt + hybrid capital}}{\text{EBITDA adjusted for special hydrocarbon tax}}$
Adjusted net debt to operating cash flows [1]	$\frac{\text{Net interest-bearing debt + 50\% hybrid capital}}{\text{Cash flows from operating activities}}$
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}}$
Free cash flow to equity (without acquisitions/disposals) per share	$\frac{\text{Free cash flow to equity (without acquisitions/disposals)}}{\text{Average number of shares}}$
EBITDA	Earnings before interest, tax, depreciation, amortisation. From 2007 onwards, EBITDA has been determined inclusive of amortisation of purchased CO_2 emissions allowances, as such allowances are accounted for as cost of sales items
EBITDA adjusted for special hydrocarbon tax	EBITDA adjusted for special hydrocarbon taxes that follow from the Group's natural gas and oil exploration and production activities
Interest-bearing assets	Interest-bearing assets less utilised bank overdrafts
Interest-bearing liabilities	Interest-bearing debt excluding utilised bank overdrafts and hybrid capital
Invested capital	Equity + net interest-bearing debt
Funds From Operation (FFO)	Cash flows from investing activities before change in working capital plus dividends received from associates and equity investments less 50% of coupon on hybrid capital
Gross investments [1]	Cash flows from investing activities, excluding dividends received from associates and equity investments, disposal of assets and enterprises, financial transactions with associates, and short-term investments that are not part of cash
Net investments [1]	Cash flows from investing activities, excluding dividends received from associates and equity investments, financial transactions with associates and short-term investments that are not part of cash. To/from this should be added/deducted acquired/transferred debt in connection with acquisitions and disposals of enterprises, and deducted minority interests' share of investments in consolidated investment projects and the selling price of minority holdings.
Free cash flow to equity (with acquisitions/disposals)	Cash flows from operating activities and investing activities
Free cash flow to equity (without acquisitions/disposals)	Cash flows from operating activities and investing activities, excluding cash flows from acquisitions/disposals of enterprises and asset groups
Net working capital, external transactions [1]	Inventories + external trade receivables less external trade payables
Net working capital, intragroup transactions [1]	Intragroup trade receivables less intragroup trade payables

[1] The definition deviates from the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.
[2] Earnings per share (EPS) is determined in accordance with IAS 33.
[3] Number of shares outstanding at declaration date.
[4] D = number of days prior to a capital increase, including the day on which the proceeds are received.

41 / LICENCE OVERVIEW

Significant licences and hydrocarbon exploration and production licences in Denmark and abroad

Segment	Activity	Licence	Location	Ownership interest (%)	Expiry
Exploration & Production	Production	Licence 7/89 Syd Arne	Denmark	34	2027
Exploration & Production	Production	Licence 1/90 Lulita	Denmark	44	2028
Exploration & Production	Production	Licence 4/95 Nini	Denmark	40	2032
Exploration & Production	Production	Licence 6/95 Siri	Denmark	50	2027
Exploration & Production	Production	Licence 16/98 Cecilie	Denmark	22	2032
Exploration & Production	Production	Licence PL250 Ormen Lange	Norway	9	2041
Exploration & Production	Production	Licence PL019A Ula	Norway	20	2029
Exploration & Production	Production	Licence PL019B Gyda	Norway	34	2018
Exploration & Production	Production	Licence PL065 Tambar	Norway	45	2022
Exploration & Production	Production	Licence PL300 Tambar East	Norway	45	2023
Exploration & Production	Production	Licence P159B Alve	Norway	15	2029
Exploration & Production	Production	Licence PL208 Ormen Lange	Norway	45	2040
Exploration & Production	Production	Licence PL274 Oselvar	Norway	55	2039
Exploration & Production	Production	Licence PL147 Trym	Norway	50	2027
Exploration & Production	Exploration	Licence 7/86 Amalie	Denmark	30	2026
Exploration & Production	Exploration	Licence 9/95 Maja	Denmark	20	2011
Exploration & Production	Exploration	Licence 4/98 Svane	Denmark	45	2011
Exploration & Production	Exploration	Licence 5/98 Hejre	Denmark	60	2010
Exploration & Production	Exploration	Licence 1/06 Hejre Extension	Denmark	48	2012
Exploration & Production	Exploration	Licence 2/06 Syd Tor Pod	Denmark	27	2012
Exploration & Production	Exploration	Licence 03/07 Visby	Denmark	80	2013
Exploration & Production	Exploration	Licence 03/09 Solsort	Denmark	50	2028
Exploration & Production	Exploration	Licence PL019C Kark Lead	Norway	35	2018
Exploration & Production	Exploration	Licence PL019D	Norway	35	2011
Exploration & Production	Exploration	Licence PL113 Mjølner	Norway	20	2021
Exploration & Production	Exploration	Licence PL122 Marulk	Norway	30	2025
Exploration & Production	Exploration	Licence PL122B Marulk	Norway	30	2025
Exploration & Production	Exploration	Licence PL122C Marulk	Norway	30	2025
Exploration & Production	Exploration	Licence PL122D Marulk	Norway	30	2025
Exploration & Production	Exploration	Licence PL273 Trane	Norway	10	2039
Exploration & Production	Exploration	Licence PL274BS Mandarin	Norway	20	2011
Exploration & Production	Exploration	Licence PL274CS	Norway	55	2039
Exploration & Production	Exploration	Licence PL289 Marsvin	Norway	40	2039
Exploration & Production	Exploration	Licence PL299 TR3	Norway	40	2011
Exploration & Production	Exploration	Licence PL301B Nemo SE	Norway	40	2011
Exploration & Production	Exploration	Licence PL301CS Agn	Norway	28	2013
Exploration & Production	Exploration	Licence PL360 Lupin	Norway	20	2012

Segment	Activity	Licence	Location	Ownership interest (%)	Expiry
Exploration & Production	Exploration	Licence PL429 Spinell	Norway	30	2012
Exploration & Production	Exploration	Licence PL480 Eiktyrne	Norway	20	2012
Exploration & Production	Exploration	Licence PL514	Norway	30	2015
Exploration & Production	Exploration	Licence PL518	Norway	40	2016
Exploration & Production	Exploration	Licence PL529	Norway	20	2016
Exploration & Production	Exploration	Licence P911 Laggan	UK	20	2031
Exploration & Production	Exploration	Licence P912 Torridon	UK	6	2031
Exploration & Production	Exploration	Licence P967 Tobermory	UK	33	2045
Exploration & Production	Exploration	Licence P1026 Rosebank N	UK	10	2018
Exploration & Production	Exploration	Licence P1028 Cambo	UK	20	2018
Exploration & Production	Exploration	Licence P1159 Tormore	UK	20	2010
Exploration & Production	Exploration	Licence P1163 MacAllan	UK	19	2010
Exploration & Production	Exploration	Licence P1189 Blackrock	UK	20	2010
Exploration & Production	Exploration	Licence P1190 Tornado	UK	20	2010
Exploration & Production	Exploration	Licence P1191 Rosebank S	UK	10	2010
Exploration & Production	Exploration	Licence P1194 Lochside	UK	10	2010
Exploration & Production	Exploration	Licence P1195 Glenlivet	UK	80	2010
Exploration & Production	Exploration	Licence P1262 Tornado	UK	20	2010
Exploration & Production	Exploration	Licence P1272 Rosebank N	UK	10	2010
Exploration & Production	Exploration	Licence P1373 Cretaceous A Lead	UK	40	2011
Exploration & Production	Exploration	Licence P1374 Creetaceous F	UK	40	2011
Exploration & Production	Exploration	Licence P1407 Glenshee	UK	10	2011
Exploration & Production	Exploration	Licence P1453 Black Sail	UK	19	2011
Exploration & Production	Exploration	Licence P1454 Glenesk	UK	40	2011
Exploration & Production	Exploration	Licence P1572 Highland Park	UK	22	2013
Exploration & Production	Exploration	Licence P1598 Tamdhu	UK	40	2013
Exploration & Production	Exploration	Licence P1599 Cretaceous A Lead	UK	40	2013
Exploration & Production	Exploration	Licence P1636 Longmorn	UK	30	2016
Exploration & Production	Exploration	LicenceP1678 Dalmore	UK	20	2013
Exploration & Production	Exploration	Licence F008 Stelkur	Faroe Islands	20	2014
Exploration & Production	Exploration	Licence F009 Sildrakin	Faroe Islands	20	2011
Exploration & Production	Exploration	Licence F016 Kúlubøkan	Faroe Islands	30	2014
Exploration & Production	Exploration	Licence G2007/26 Puilasoq	Greenland	33	2017
Generation	Production	Licence to operate wind farm (Nysted)	Denmark	-	2028
Generation	Production	Licence to operate wind farm (Middelgrunden)	Denmark	-	2025
Generation	Production	Licence to operate wind farm (Horns Rev 2)	Denmark	-	2034
Generation	Exploration/ Production	Geothermal energy exploration and production licence	Denmark	-	2013

41 / LICENCE OVERVIEW (CONTINUED)

Segment	Activity	Licence	Location	Ownership interest (%)	Expiry
Generation	Exploration/ Production	Geothermal energy exploration and production licence	Denmark	-	2016
Generation	Exploration/ Production	Geothermal energy exploration and production licence	Denmark	-	2016
Generation	Production	Power generation licence	Denmark	-	2022
Sales & Distribution	Sales	Natural gas supply licence	Denmark	-	2013[1]
Sales & Distribution	Production	Underground natural gas storage licence	Denmark	-	2023
Sales & Distribution	Production	Underground natural gas storage licence	Denmark	-	2012
Sales & Distribution	Production	Natural gas distribution licence	Denmark	-	2023
Sales & Distribution	Production	Power distribution licence	Denmark	-	2023
Sales & Distribution	Production	Power transmission licence	Denmark	-	2025
Sales & Distribution	Sales	PSO licence, power	Denmark	-	2012[2]

[1] The licence is renewed on an ongoing basis for five-year terms.

[2] In 2010, the Danish Energy Agency approved the combination of the licences for Frederiksberg, North Zealand and Copenhagen to a single licence. However, approval was subject to the companies comprised merging.

For a number of the Group's licences, the licence expiry dates shown opposite each licence indicate the entire term of the exploration and evaluation licence that can be retained if DONG Energy and the Group's partner in each licence meet certain licence criteria. These criteria may include an obligation to drill a specific number of wells or to assume other obligations relating to planning or development of the area to which the licence relates.

If DONG Energy and the Group's licence partners opt not to meet such criteria, the licence term may expire earlier than the date shown in the table above.

For wind farms with a capacity of less than 25 MW in Denmark and less than 100 MW in the UK, a production licence is not required.

42 / COMPANY OVERVIEW

Segment/company	Type [1]	Registered office	Ownership interest
Parent company			
DONG Energy A/S		Fredericia, Denmark	-
Exploration & Production			
DONG E&P nr. 1 2008 A/S [2]	S	Fredericia, Denmark	100%
DONG CentralGraben E&P Ltd.	S	Fredericia, Denmark	100%
DONG E&P (UK) Ltd.	S	London, England	100%
DONG E&P A/S	S	Fredericia, Denmark	100%
DONG E&P Føroyar P/F	S	Torshavn, Faroe Islands	100%
DONG E&P Grønland A/S	S	Sermersooq, Greenland	100%
DONG E&P Norge AS	S	Stavanger, Norway	100%
Generation			
A2Sea A/S	S	Fredericia, Denmark	100%
A2Sea Deutschland GmbH	S	Hamburg, Germany	100%
A2Sea Ltd.	S	London, England	100%
Barrow Offshore Wind Ltd.	J	Berkshire, England	50%
Borkum Riffgrund I Holding A/S	S	Copenhagen, Denmark	100%
Breeveertin II Wind Farm BV	J	Rotterdam, Holland	50%
Carron Engineering & Construction Limited	S	Stokesley, England	100%
Den Helder Wind Farm BV	J	Rotterdam, Holland	50%
DONG Energy - Anholt Offshore A/S [2]	S	Fredericia, Denmark	100%
DONG Energy Ayshire Holdco Ltd.	S	London, England	100%
DONG Energy Burbo (UK) Limited	S	London, England	100%
DONG Energy Horns Rev I A/S	S	Fredericia, Denmark	100%
DONG Energy Horns Rev 2 A/S	S	Fredericia, Denmark	100%
DONG Energy Karcino Sp.z.o.o.	S	Koszalin, Poland	100%
DONG Energy Kraftwerke Emden GmbH	S	Hamburg, Germany	100%
DONG Energy Kraftwerke Greifswald Beteiligungs-GmbH	S	Rubenow, Germany	100%
DONG Energy Kraftwerke Greifswald GmbH & Co. KG	S	Rubenow, Germany	75%
DONG Energy Kraftwerke Greifswald Verwaltungs GmbH	S	Rubenow, Germany	75%
DONG Energy Kraftwerke Holding GmbH	S	Hamburg, Germany	100%
DONG Energy London Array Ltd.	S	London, England	100%
DONG Energy London Array II Ltd.	S	London. England	100%
DONG Energy NearshoreLAB, Frederikshavn A/S	S	Frederikshavn, Denmark	100%
DONG Energy Nysted I A/S	S	Fredericia, Denmark	100%
DONG Energy Polska S.A.	S	Warsaw, Poland	100%
DONG Energy Power A/S	S	Fredericia, Denmark	100%
DONG Energy Power Holding A/S	S	Fredericia, Denmark	100%

42 / COMPANY OVERVIEW (CONTINUED)

Segment/company	Type [1]	Registered office	Ownership interest
DONG Energy Power Holding UK Ltd.	S	London, England	100%
DONG Energy Power UK I Ltd.	S	London, England	100%
DONG Energy Power Rotterdam B.V.	S	Rotterdam, Holland	100%
DONG Energy Shell Flats (UK) Limited	S	London, England	100%
DONG Energy West of Dudden Sands (UK) Limited	S	London, England	100%
DONG Generation Norge AS	S	Lindås, Norway	100%
DONG VE A/S	S	Fredericia, Denmark	100%
DONG Vind A/S	S	Fredericia, Denmark	100%
DONG Wind I (UK) Ltd.	S	London, England	100%
DONG Wind (UK) Ltd.	S	London, England	100%
DONG Wind (UK) II Ltd.	S	London, England	100%
Dublin Waste to Energy (Holdings) Limited	A	Dublin, Ireland	49%
Dublin Waste to Energy Ltd.	A	Dublin, Ireland	49%
E2 Landvind A/S	S	Fredericia, Denmark	100%
E2 Landvind A/S af 15. september 2003	S	Fredericia, Denmark	100%
E2 Landvind A/S af 20. oktober 2003	S	Fredericia, Denmark	100%
Elsam France S.A.S.	S	Paris, France	100%
Elsamprojekt Polska Sp. z.o.o.	S	Warsaw, Poland	100%
Emineral A/S	J	Aalborg, Denmark	50%
Enecogen V.O.F	J	Rotterdam, Holland	50%
Energi E2 Renewables A/S	S	Fredericia, Denmark	100%
Frederikshavn Affaldskraftvarmeværk A/S	S	Fredericia, Denmark	100%
Greenpower (Broadmeadows) Limited	J	Aberdeen, Scotland	50%
Gunfleet Grid Company Limited	S	London, England	100%
Gunfleet Sands Ltd.	S	London, England	100%
Gunfleet Sands II Ltd.	S	London, England	100%
Haderslev Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Heysham Offshore Wind Ltd.	S	London, England	100%
Horns Rev I Offshore Wind Farm I/S	J	Fredericia, Denmark	40%
Horsens Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
I/S Ensted Transithavn	J	Aabenraa, Denmark	50%
Kappa Sp. z.o.o.	S	Szczecin, Poland	100%
Kraftgården AB	A	Ragunda, Sweden	26%
Lincs Renewable Energy Holdings Limited	J	London, England	50%
London Array Ltd.	J	Coventry, England	50%
Midtfjellet Vindkraft AS	J	Fitjar, Norway	50%
MIG Business Development A/S	S	Frederikshavn, Denmark	50%
Morecambe Wind Ltd.	J	London, England	33%

Segment/company	Type [1]	Registered office	Ownership interest
Måbjergværket A/S	S	Fredericia, Denmark	100%
Nesa Vind A/S	S	Gentofte, Denmark	100%
Nordkraft AS	A	Narvik, Norway	33%
Nordkraft Vind AS [4]	J	Narvik, Norway	67%
Nysted Havmølle Park I [4]	J	Fredericia, Denmark	80%
Odense Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Omikron Sp. z.o.o.	S	Szczecin, Poland	100%
Ploudalmezeau - Breiz Avel 01 S.A.S.	S	Paris, France	100%
PNE2 RIFF I GmbH	S	Cuxhaven, Germany	100%
PNE2 RIFF II GmbH	S	Cuxhaven, Germany	100%
Polska Energia Wiatrowa Sp. z.o.o.	S	Szczecin, Poland	100%
P/S BI New Energy Solutions	A	Copenhagen, Denmark	22%
Salten Kraftsamband AS [3]	A	Fauske, Norway	29%
Scarweather Sands Ltd.	J	Coventry, England	50%
Severn Gas Transportation Limited	S	Newport, Wales	100%
Severn Power Funding Limited	S	Newport, Wales	100%
Severn Power Holdings Limited	S	Newport, Wales	100%
Severn Power Limited	S	Newport, Wales	100%
Storrun Vindkraft AB	S	Uddevalla, Sweden	80%
Storrun Vindkraft Elnät AB	S	Stockholm, Sweden	80%
Vejen Kraftvarmeværk A/S	S	Fredericia, Denmark	100%
Walney (UK) Offshore Windfarms Ltd.	S	London, England	75%
West Rijn Wind Farm BV	J	Rotterdam, Holland	50%
West of Dudden Sands	J	London, England	33%
Westermost Rough Ltd.	S	London, England	100%
Zephyr AS	A	Sarpsborg, Norway	33%
Energy Markets			
Deudan GmbH	A	Handewitt, Germany	49%
Deudan GmbH & Co. KG	A	Handewitt, Germany	49%
DONG Energy Infrastruktur Holding GmbH	S	Hamburg, Germany	100%
DONG Energy Leitung E GmbH	S	Hamburg, Germany	100%
DONG Energy Markets B.V.	S	Amsterdam, Holland	100%
DONG Energy Markets GmbH	S	Dorsten, Germany	100%
DONG Energy Pipelines A/S	S	Fredericia, Denmark	100%
DONG Energy Pipelines GmbH	S	Kiel, Germany	100%
DONG Energy Sales GmbH	S	Lübeck, Germany	81%
DONG Energy Speicher E GmbH	S	Hamburg, Germany	100%

42 / COMPANY OVERVIEW (CONTINUED)

Segment/company	Type [1]	Registered office	Ownership interest
DONG Energy Speicher R GmbH	S	Kiel, Germany	100%
DONG Naturgas A/S	S	Fredericia, Denmark	100%
Etzel Kavernenbetriebsverwaltungsgesellschaft mbH	A	Hamburg, Germany	33%
Etzel Kavernenbetriebsgesellschaft mbH & Co. KG	A	Hamburg, Germany	33%
Gaspool Balancing Service GmbH	A	Berlin, Germany	25%
Kielspeicher 103 GmbH & Co. KG	J	Kiel, Germany	49%
Kielspeicher 103 Verwaltungs-GmbH	J	Kiel, Germany	49%
Stadtwerke Lübeck GmbH	A	Lübeck, Germany	25%
Stadtwerke Lübeck Netz GmbH	A	Lübeck, Germany	25%
Swedegas AB	A	Gothenburg, Sweden	20%
Swedegas Intercon AB	A	Gothenburg, Sweden	20%
KOM-STROM AG	S	Leipzig, Germany	84%
KOM-FIN GmbH	S	Leipzig, Germany	84%
Sales & Distribution			
Dansk Gasteknisk Center A/S	A	Rudersdal, Denmark	37%
DE 2008 A/S	S	Fredericia, Denmark	100%
DE EM nr. 1 2008 A/S	S	Fredericia, Denmark	100%
DE S&D nr. 1 2008 A/S [2]	S	Fredericia, Denmark	100%
DE S&D nr. 2 2008 A/S [2]	S	Fredericia, Denmark	100%
DELPRO A/S	A	Kolding, Denmark	33%
DONG Energy Aktiebolag	S	Gothenburg, Sweden	100%
DONG Energy City Drift ApS	S	Fredericia, Denmark	100%
DONG Energy City Elnet A/S	S	Frederica, Denmark	100%
DONG Energy City Forsyning A/S	S	Fredericia, Denmark	100%
DONG Energy El & Gas A/S	S	Fredericia, Denmark	100%
DONG Energy Frederiksberg Elforsyning A/S	S	Fredericia, Denmark	100%
DONG Energy Frederiksberg Elnet A/S	S	Fredericia, Denmark	100%
DONG Energy Gasforsyning A/S	S	Fredericia, Denmark	100%
DONG Energy Kabler A/S	S	Fredericia, Denmark	100%
DONG Energy Nord Elnet A/S	S	Fredericia, Denmark	100%
DONG Energy Nord Forsyning A/S	S	Fredericia, Denmark	100%
DONG Energy Sales B.V.	S	Oesterhout, Holland	100%
DONG Energy Sales & Distribution A/S	S	Fredericia, Denmark	100%
DONG Energy Service 1 A/S	S	Fredericia, Denmark	100%
DONG Energy Service 2 A/S	S	Fredericia, Denmark	100%
DONG Gas Distribution A/S	S	Fredericia, Denmark	100%
DONG Oil Pipe A/S	S	Fredericia, Denmark	100%

Segment/company	Type[1]	Registered office	Ownership interest
DONG Storage A/S	S	Fredericia, Denmark	100%
DONG Sverige Distribution AB	S	Gothenburg, Sweden	100%
FordonsGas Sverige AB	A	Gothenburg, Sweden	50%
Frederiksberg Energiservice A/S	S	Fredericia, Denmark	100%
PowerSense A/S	A	Lyngby-Taarbæk, Denmark	44%
Other			
DONG EGJ A/S	S	Fredericia, Denmark	100%
DONG El A/S	S	Fredericia, Denmark	100%
DONG Energy Oil & Gas A/S	S	Fredericia, Denmark	100%
DONG Insurance A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland F&B A/S	S	Herning, Denmark	66%
EM El Holding A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland El A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland El Holding A/S	S	Fredericia, Denmark	100%
EnergiGruppen Jylland Forbrænding A/S	NC	Herning, Denmark	66%
Hovedstadsområdets Geotermiske Samarbejde	NC	Copenhagen, Denmark	46%
Inbicon A/S	S	Fredericia, Denmark	100%
Stigsnæs Vandindvinding I/S	NC	Slagelse, Denmark	59%
DE nr. 1 2003 A/S [2]	S	Fredericia, Denmark	100%

[1] S = subsidiary, A = associate, J = jointly controlled entity, NC = non-consolidated enterprise

[2] The company applies the provison in section 6 of the Danish Financial Statements Act to omit presenting a separate annual report.

[3] DONG Energy holds 5% of the share capital in Salten Kraftsamband AS through Narvik Energi AS. This ownership interest is not recognised in the Group's share of profit and equity.

[4] DONG Energy is not deemed to have control over the company.

The company overview above shows the DONG Energy Group's ultimate ownership interest in each enterprise, regardless of whether it is held directly or indirectly.

REPORTING CRITERIA

Overview

2009 is the first year that DONG Energy combines financial and non-financial data in a single report.

The overview showing non-financial key performance indicators on page 5 and the review of financial performance in 2009 on pages 16-25 comprise data from the four business areas in DONG Energy: Exploration & Production (natural gas and oil exploration and production); Generation (power and heat generation); Energy Markets (optimisation of the Group's energy portfolio and wholesale sales of natural gas and power); Sales & Distribution (sales and distribution of power, natural gas and related products to residential customers, companies and public institutions).

The non-financial data comprising production, environmental, health and safety and employee data for DONG Energy and its activities have been collected with the delimitations appearing from this description of accounting policies for 2009.

Reporting and materiality criteria

Management's reasons for choosing the environmental data that are included in the overview of non-financial key performance indicators in the financial annual report for 2009 are based on the business areas' evaluations in 2007 of their environmental impacts, the subsequently set corporate targets and underlying key performance indicators identified for one or more of the business areas. The choice of occupational injuries and injury frequency rate as the key occupational health and safety parameter is based on a management decision. The same applies to the employee data that have been chosen for inclusion in the overview.

Standards and GRI reporting

DONG Energy has been reporting in accordance with the Global Reporting Initiative's (GRI's) Reporting Guidelines G3 annually since 2006. Since 2008, DONG Energy has also been reporting in accordance with the GRI's Electric Utilities Sector Supplement (EUSS).

An overview of the GRI indicators that DONG Energy has chosen to report on for the 2009 financial year is set out on page 204 of this annual report. The reporting is based on application level B+.

DONG Energy has carried out an assessment of materiality of the GRI indicators based on the methodology proposed by GRI. The methodology remains unchanged from 2008 and can be viewed at www.dongenergy.com.

Organisation and data quality

The business areas' reporting has been systematised and streamlined via a common reporting system that forms the basis for the consolidated reporting. In DONG Energy the business areas are responsible for the quality of non-financial data, although based on corporate reporting instructions the purpose of which is to support a Group-wide approach to data quality and ensure that data in the consolidated reporting can be reproduced in accordance with the stated methods for recognition and measurement and for determination of data. The implementation of consolidated reporting instructions is ongoing, as they have not been implemented in all areas by local units, and procedures and systems relating to some control measures are still being developed. Taking into account the uncertainties that exist as a result of the ongoing work, data have been recognised in the consolidated reporting based on the data reported by the business areas and accounting technical corporate controlling.

Audit

DONG Energy has had the non-financial reporting for the 2007, 2008 and 2009 financial years audited externally. Reference is made to the assurance statement on page 201.

Accounting policies for non-financial data

Except as otherwise described in the following sections, non-financial data are determined using the same delimitations and basis as apply to financial data.

In practice, this means that the reporting comprises all operational activities in DONG Energy and the Group's subsidiaries as well as jointly controlled entities. The latter are determined on the basis of ownership interest. Associates are not included in the reporting.

The reporting covers the period 01.01.2009 to 31.12.2009.

ACCOUNTING POLICIES FOR NON-FINANCIAL DATA

About environmental data

Environmental data comprise data relating to consumption, emissions and discharges, waste and other environmental data.

The reporting of environmental data does not include construction projects and development projects and similar activities that are not part of the ordinary activities.

The business areas Exploration & Production and Energy Markets

In the case of activities where DONG Energy is not the operator, only environmental impacts from the production activities are included, and not any impact from administrative support functions. The reporting does not include construction projects, exploration and drilling projects, development projects, JI/CDM projects and non-operated gas storage facilities, including LNG terminals and similar activities that are not part of the Group's ordinary operating activities. Waste data are not received from fields not operated by DONG Energy.

The reporting from this area previously also included discharges of chemicals from drilling activities. DONG Energy has chosen not to report on this in 2009 as the original corporate target no longer applies.

About occupational health and safety

Occupational injuries and injury frequency rate both for own employees and for suppliers working in locations in which DONG Energy is responsible for safety are included from companies that are owned or co-owned by DONG Energy and where DONG Energy is directly responsible for safety.

About employees

The reporting comprises paid employees in Danish and foreign consolidated companies, except for associates and a few companies in which the power to control the employment relationship does not lie with DONG Energy.

About production

The reporting on production comprises all operational activities in DONG Energy and the Group's subsidiaries as well as jointly controlled entities. The latter are determined on the basis of ownership interest. Associates are not included in the reporting.

About the 85/15-plan

For the specific purpose of calculating specific emissions in relation to the 85/15-plan, power, heat and steam supplies and CO2 emissions from all producing installations are recognised, based on DONG Energy's ownership interest (i.e. including associates based on DONG Energy's proportionate overall (direct and indirect) ownership interest). However, a de minimis rule has been introduced for associates, which means that plants with a capacity of less than 10 MW are omitted.

Additions and disposals during the year

If an activity has not been owned for the entire reporting period, it is, in principle, recognised from the date on which operation began, the acquisition date or up to the date of transfer.

In 2009, DONG Energy sold its stake in the biogas activities of EnergiGruppen Jylland A/S as well as Frederiksberg Forsyning and Frederiksberg Forsyningsejendomsselskab.

In 2009, DONG Energy acquired the following companies: A2SEA A/S and subsidiaries, KOM-STROM AG, Lincs Renewable Energy Holdings Ltd., Carron Engineering & Construction Ltd., Enecogen V.O.F., Breeveertien II Wind Farm BV, Den Helder Wind Farm BV, West Rijn Wind Farm BV and Severn Power Holdings Ltd. and its subsidiaries and associates. In addition to additions and disposals of companies, the Horns Rev 2 offshore wind farm in Denmark and the Karnice wind farm in Poland were brought on line in 2009.

Production and environmental data for the acquired companies will be recognised from 2010 onwards only, while employee and occupational health and safety data for the individual companies have been recognised.

Besides changes in the portfolio of companies, there were also changes in offshore licences. Interests in two production licences in the Norwegian sector of the North Sea - Enoch and Glitne – were sold in favour of interests in a development licence - Trym. Data for Enoch and Glitne are consequently only recognised up to and including October 2009, when they were transferred. As Trym is a development licence and DONG Energy does not currently report on project activities, this new licence is not included in the reporting. Furthermore, the Alve production platform in the Norwegian sector of the North Sea was brought on stream in March 2009 and is consequently recognised in the reporting from March onwards. The Alve platform is a satellite platform for the Norne production platform that exclusively transmits gas, etc., onwards to Norne and consequently does not produce separate operating data. Consequently, only production from the field is reported.

Changes to performance summary compared with 2008

Two measures of performance have resulted in new data types in 2009. The first indicator dates from 2007,"One tonne less CO_2 per employee", with implementation of the first reductions in 2009. The second indicator is the 85/15-plan, which entered into effect in 2009, with 2006 as reference year.

ACCOUNTING POLICIES FOR NON-FINANCIAL DATA

Compared with 2008, chemicals are not included, as the original corporate target no longer applies.

The statement of man hours has been harmonised, so that the same basic number is used across the Group.

Production

Power and heat generation

Power generation has largely been determined as net generation sold based on settlements from the official Danish production database Panda. Data on production from foreign and non-operated renewable energy facilities are provided by the operators.

Heat generation has been determined as net production sold. Heat generation from renewable sources is determined on the basis of monthly heat withdrawals from geothermal water. Geothermal energy from Margretheholmen is not recognised, as DONG Energy does not have a share in the production but instead owns the underground in which the facility lies.

For the hydropower plant Indalselven, the ownership interest has been converted to an annual withdrawal right from the plant, and the reporting is consequently based on annual withdrawals and not on total production based on ownership interest.

Natural gas and oil production

Natural gas and oil production is determined on the basis of meter readings on delivery to shore.

Sales and distribution

Gas and power sales

Power sales determined as physical power sales to identifiable counterparties are reported on a gross basis in the financial statements. All power volumes and revenue come from the trading systems.

Gas sales have been determined as physical sales from the gas portfolio, as calculated in the trading systems. All wholesale sales - including sales to intragroup counterparties - are reported as total volume sold less any possibilities for selling the gas back to Energy Markets under the supply contract in question. Gas sold on hubs in the course of our physical sales and purchase activities - and gas sold as part of physical swap contracts – is reported on a net basis.

Gas and power distribution

Power distribution has been determined on the basis of data from El-Panda, where total area consumption is measured and determined.

Gas distribution has been determined on the basis of data acquired from Gas-Panda that have been transferred to and calculated in SAP based on total volumes and calorific values received from Energinet.dk

Oil transportation

Oil transportation has been determined on the basis of flow meter readings on delivery to shore.

Emissions

Carbon dioxide, CO_2: CO_2 emissions subject to emissions trading schemes

CO_2 emissions are calculated for facilities that are subject to emissions trading schemes and for which DONG Energy is responsible in its capacity as operator or its capacity as accountable for operations, and in accordance with the methods laid down in the Danish Act on CO_2 allowances.

Greenhouse gas emissions: CO_2 emissions not subject to emissions trading schemes, CH4, NMVOC, N2O, CO and SF6

CO_2 emissions not subject to emissions trading schemes and NMVOC and methane (CH4) from other processes, etc., are determined using plant-specific emission factors from power stations. For other natural gas and oil-consuming plants that are not subject to the Danish Act on CO_2 allowances, sector-specific emission factors from OGP (1995) for the calculation of CO_2, NMVOC and methane emissions are used, based on the consumption of natural gas and oil products.

Energinet.dk's 2008 environmental impact statement and standard factor from the Danish Energy Agency for emissions from heat are used for indirect CO_2 emissions resulting from power and heat consumption in facilities/buildings in Denmark. For international activities country-specific emission factors for power and heat total from the International Energy Agency 2007 are used.

Environmental strategy 2012 – one tonne less

It is DONG Energy's CO_2 target to reduce its overall CO_2 emissions as an energy consumer by the equivalent of one tonne of CO_2 per employee by 2012. The reduction will determined on the basis of the reduction potential (usually in terms of power consumption) of specific projects, converted to CO_2.

The conversion for power and heat in office buildings and non-power and heat-generating plants is made applying conversion factors for Energinet.dk's environmental impact assessment for electricity and the Danish Energy Agency's Energy Statistics for 2007. For reductions in natural gas and oil consumption the same conversion factor is used as is used for calculating emissions based on natural gas and oil consumption in general.

For power and heat-generating plants, reductions in natural gas and oil consumption are calculating on the basis of the plant-specific factors that are also used to calculate emissions based on consumption. For reductions based on power and heat reductions, plant-specific factors are also used.

Nitrogen oxides (NO_x) and sulphur dioxides (SO_2)
Power station emissions are mainly determined based on continuous measurement. A few power stations use plant-specific emission factors to determine emissions. Exploration & Production uses sector-specific emission factors from OGP (International Association of Oil and Gas Producers, report 1995). Nitrogen oxide and sulphur oxide emissions from other processes, etc., on distribution of power and natural gas, etc., are determined using plant-specific emission factors or standard factors from the Danish Energy Agency, the National Environmental Research Institute, and others. Data are based on the consumption of natural gas and oil products.

Natural gas flaring (offshore and at gas storage facility)
Data for offshore installations are based on ultrasonic measurements. Volumes for the gas storage facility are calculated based on pressure and the dimension of the emptied process plant.

Oil discharged to sea from production platforms
Determined on the basis of extracted and reinjected volume including measurements of content (oil and water). Oil discharged with produced water is calculated on the basis of three daily random samples that are analysed for oil content, one sample every 24 hours based on ballast water.

Reinjection of produced water on production platforms
Determined based on pump capacity, pressure and time.

Percentage of CO_2-neutral fuels at power stations
Consumption at power stations is measured on input into production or determined on the basis of fired volume. The percentage of CO_2-neutral fuels is calculated at corporate level as biomass and waste used for power and heat generation. Emissions from waste are calculated based on Energinet.dk's model, where 80 per cent of the waste is considered CO_2-neutral, while the remaining fraction is considered to be CO_2-emitting.

85/15-plan, specific emissions, g CO_2/kWh
The purpose of the calculation method is to determine physical CO_2 emissions relative to total physical production of power, heat and steam supplied to the network. Production comprises the whole of DONG Energy, with the exception of the business area Exploration & Production.

Specific CO_2 emissions per kWh are calculated by converting heat and steam to power equivalents. The equivalent power supplies represent the volume of additional power that could have been supplied if the plants had not been producing heat and/or steam.

Waste is not recognised as being 100% CO_2-neutral. A conversion factor from incinerated waste to CO_2 emissions is applied. Biomass, biogas, landfill gas and livestock manure are recognised as CO_2-neutral.

Emission and production data are collected applying the normal quality criteria, with the exception of data from associates, where a lower quality level is accepted. Data from the associate Stadtwerke Lübeck GbmH have not been recognised, as no data were available. Furthermore, a triviality limit is applied, which means that companies with plants with an installed power, heat or steam capacity of less than 10 MW are omitted.

Waste

Reuse of waste in administration (including project-related waste)
Waste is determined on the basis of invoices received from waste recipients. Waste from buildings that accommodate one per cent or less of the total number of employees is not reported. Waste from the building of Nesa Allé in Gentofte is not recognised, as the contractor disposes of waste as part of the design-build contract.

Reuse of waste in commercial activities (including project-related waste)
Waste is determined on the basis of invoices received from waste recipients or using plant-specific measuring methods. For offshore installations and power stations, the reporting includes drilling projects and projects at existing installations, as waste data from projects form part of the plants' overall waste data.

Other data

Significant environmental incidents
The effect and materiality of environmental incidents are evaluated on the basis of a corporate procedure for impact analysis in connection with environmental incidents. An environmental incident is an adverse event that has a negative environmental impact. Only incidents with an actual environmental impact are reported. Incidents are only determined for DONG Energy-operated facilities and operating activities. Incidents have not been determined for facilities not operated by DONG Energy or for projects.

Excavation damage to gas pipes
Any excavation damage is reported in the internal incident reporting system Synergi.

ACCOUNTING POLICIES FOR NON-FINANCIAL DATA

Gas leaks due to excavation damage
Any gas leaks are determined on the basis of pressure and dimension of the affected process plant, and the time it has been open.

Employees
Employee data are included in the reporting based on records from the Group's registration systems.

Number of employees
The number of employees is determined as the number of employees at the end of the financial year converted to full-time equivalents (FTE).

The number of employees by gender and country is based on FTE at the end of the financial year.

Employees are defined as paid employees hired on a contract basis in Danish and foreign consolidated companies, except for associates and a few companies in which the power to control the employment relationship does not lie with DONG Energy.

Employee turnover
Employee turnover is measured as the number of employees that leave the Group during the financial year compared with the average number of employees during the financial year. The average number of employees is determined as a weighted average of recorded employees during the year.

Average age
Average age has been determined as the average age of employees at the end of the financial year.

Occupational health and safety
Occupational health and safety
Data are recognised for own employees and for suppliers working in or providing services in areas in which DONG Energy is directly responsible for safety in its capacity of operator or because of the operating assignment. Data from Danish and some foreign sites are recognised. Only supplier data from administration relating to activities such as cleaning and canteen operation and ongoing construction of Danish administration buildings are recognised. The criteria for recognition of suppliers vary for the individual business areas and over time, as it is DONG Energy's policy to recognise all suppliers. However, this was not possible in 2009.

Occupational injuries
An occupational injury is defined as an injury that results in absence of one or more working days in addition to the day of the incident.

Injury frequency rate
The injury frequency rate is calculated as the lost time injury frequency per one million hours worked. Working hours are determined on the basis of an indicator of 1,667 working hours annually per FTE and annual employee records converted to FTE. For DONG Energy's suppliers the actual number of hours worked is recognised on the basis of data provided by the supplier, access control systems at locations or estimates. The injury frequency rate is subject to some uncertainty: any upward or downward trends as a result of the data basis for hours worked and varying criteria for recognition of suppliers. The injury frequency rate is determined on a monthly basis. The determination of annual data is based on the monthly statements.

PARENT COMPANY FINANCIAL STATEMENTS 2009

DONG ENERGY A/S

Reg. No. 36213728

The financial statements of the parent company,
DONG Energy A/S,
form an integral part of the overall annual report.
Parts of the parent company financial statements
appear from the
preceding part of the annual report only.
These parts are: management's review and the parts of the accounting policies and notes that are identical to the corresponding parts of the consolidated financial statements.

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Revenue	3	98	50
Production costs	4, 11	(98)	(55)
Gross profit (loss)		**0**	**(5)**
Management and administration	4, 5	(132)	(134)
Other operating income	6	0	1
Operating profit (loss) (EBIT)		**(132)**	**(138)**
Gain on disposal of enterprises	20	32	0
Financial income	7	14,882	14,942
Financial expenses	8	(9,619)	(10,786)
Profit before tax		**5,163**	**4,018**
Income tax expense	9	(82)	(429)
Profit for the year		**5,081**	**3,589**
Attributable to:			
Equity holders of DONG Energy A/S		4,741	3,249
Hybrid capital holders of DONG Energy A/S (adjusted for tax effect)		340	340
Profit for the year		**5,081**	**3,589**
Proposed dividend per share of DKK 10, in DKK		1,64	6,56

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Profit for the year		5,081	3,589
Value adjustments of hedging instruments:			
Value adjustments for the year		(88)	(132)
Value adjustments transferred to financial income and financial expenses		(7)	(32)
Other adjustments:			
Tax on other comprehensive income	10	134	152
Other comprehensive income		39	(12)
Total comprehensive income		5,120	3,577
Attributable to:			
Equity holders of DONG Energy A/S		4,669	3,126
Hybrid capital holders of DONG Energy A/S		451	451
Total comprehensive income		5,120	3,577

PARENT COMPANY BALANCE SHEET AT 31 DECEMBER

ASSETS

DKK million	Note	2009	2008
Investment property		46	50
Fixtures and fittings, tools and equipment		9	0
Property, plant and equipment in the course of construction		1	5
Property, plant and equipment	11	**56**	**55**
Investments in subsidiaries	12	25,976	25,995
Investments in associates	12	0	106
Other securities	12	1,173	0
Receivables	13	27,266	19,626
Other non-current assets		**54,415**	**45,727**
Non-current assets		**54,471**	**45,782**
Receivables	13	27,910	22,039
Income tax	18	256	51
Securities		2,524	553
Cash	21	3,877	3,671
Current assets		**34,567**	**26,314**
Assets classified as held for sale	14	**106**	**35**
Assets		**89,144**	**72,131**

EQUITY AND LIABILITIES

DKK million	Note	2009	2008
Share capital	15	2,937	2,937
Reserves	15	9,149	9,221
Retained earnings		21,489	17,229
Proposed dividends		481	1,926
Equity attributable to equity holders of DONG Energy A/S		**34,056**	**31,313**
Hybrid capital		8,088	8,088
Equity		**42,144**	**39,401**
Deferred tax	16	1,058	846
Bond loans	17	22,549	7,734
Bank loans	17	9,170	7,445
Non-current liabilities		**32,777**	**16,025**
Bond loans	17	0	160
Bank loans	17	1,582	455
Other payables	17	12,641	16,090
Current liabilities		**14,223**	**16,705**
Liabilities		**47,000**	**32,730**
Equity and liabilities		**89,144**	**72,131**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

DKK million	Share capital	Reserves	Retained earnings	Proposed dividends	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Total
Equity at 1 January 2009	2,937	9,221	17,229	1,926	**31,313**	8,088	**39,401**
Comprehensive income for the year, see page 169	-	(72)	4,741	-	**4,669**	451	**5,120**
Coupon payments, hybrid capital	-	-	-	-	**-**	(451)	**(451)**
Proposed dividends	-	-	(481)	481	**0**	-	**0**
Dividends paid	-	-	-	(1,926)	**(1,926)**	-	**(1,926)**
Total changes in equity in 2009	**0**	**(72)**	**4,260**	**(1,445)**	**2,743**	**0**	**2,743**
Equity at 31 December 2009	**2,937**	**9,149**	**21,489**	**481**	**34,056**	**8,088**	**42,144**

DKK million	Share capital	Reserves	Retained earnings	Proposed dividends	Equity attributable to equity holders of DONG Energy A/S	Hybrid capital	Total
Equity at 1 January 2008	2,937	9,344	15,906	1,469	**29,656**	8,088	**37,744**
Comprehensive income for the year, see page 169	-	(123)	3,249	-	**3,126**	451	**3,577**
Coupon payments, hybrid capital	-	-	-	-	**-**	(451)	**(451)**
Proposed dividends	-	-	(1,926)	1,926	**0**	-	**0**
Dividends paid	-	-	-	(1,469)	**(1,469)**	-	**(1,469)**
Total changes in equity in 2008	**0**	**(123)**	**1,323**	**457**	**1,657**	**0**	**1,657**
Equity 31 December 2008	**2,937**	**9,221**	**17,229**	**1,926**	**31,313**	**8,088**	**39,401**

PARENT COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2009	2008
Cash flows from operations (operating activities)	19	447	(1,049)
Interest income and similar items		7,252	5,234
Interest expense and similar items		(5,603)	(4,554)
Income tax paid		59	44
Cash flows from operating activities		**2,155**	**(325)**
Purchase of property, plant and equipment		(5)	(5)
Sale of property, plant and equipment		0	13
Capital contributions in subsidiaries		0	(330)
Disposal of subsidiaries	20	67	0
Financial transactions with subsidiaries		(18,405)	(1,392)
Acquisition of securities		(3,697)	0
Dividends received		4,788	2,232
Other investments		(4)	0
Cash flows from investing activities		**(17,256)**	**518**
Proceeds from raising of loans		16,676	5,816
Instalments on loans		(1,023)	(1,625)
Dividends paid		(1,926)	(1,469)
Coupon payments on hybrid capital		(451)	(451)
Cash flows from financing activities		**13,276**	**2,271**
Net increase (decrease) in cash and cash equivalents		**(1,825)**	**2,464**
Cash and cash equivalents at 1 January		4,224	1,760
Net increase (decrease) in cash and cash equivalents		(1,825)	2,464
Cash and cash equivalents at 31 December	21	**2,399**	**4,224**

INDEX OF NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

01 / BASIS OF REPORTING, DESCRIPTION OF ACCOUNTING POLICIES AND NEW STANDARDS AND INTERPRETATIONS

Basis of reporting

The parent company financial statements are prepared pursuant to the requirements in the Danish Financial Statements Act concerning preparation of separate parent company financial statements for companies applying IFRS.

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and also complies with International Financial Reporting Standards issued by the IASB.

The annual report has been prepared in accordance with Danish disclosure requirements for listed and State-owned public limited companies, see NASDAQ OMX Copenhagen A/S's disclosure requirements for annual reports of listed companies and the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Implementation of new standards and interpretations

The parent company has implemented the amended IAS 27 Consolidated and Separate Financial Statements with effect from 1 January 2009. As a result of the amendment, dividends from subsidiaries in the parent company financial statements must always be recognised in the income statement and not be offset in cost, even where distribution comes from profits for the period prior to the acquisition date.

Reference is also made to the description in note 1 to the consolidated financial statements.

Description of accounting policies

The parent company accounting policies deviate from the accounting policies described for the consolidated financial statements (reference is made to note 40 to the consolidated financial statements) in the following areas:

Foreign currency translation

Foreign exchange adjustments of balances that are accounted for as part of the total net investment in enterprises with a different functional currency than DKK are recognised in the parent company income statement under financial income and financial expenses. Likewise, foreign exchange gains and losses on the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises are taken directly to the income statement under financial income and financial expenses.

Revenue

Rental income comprises income from commercial leases and is recognised over the term of the lease. Income from services is recognised when delivery has taken place.

Dividends from investments in subsidiaries and associates

Dividends from investments in subsidiaries and associates are recognised in the income statement in the financial year in which they are declared.

Property, plant and equipment

Investment property comprises properties held to earn rentals and that are used for own purposes to an insignificant extent only.

Investment property is measured at cost less accumulated depreciation and impairment losses. Investment property is depreciated over 20 years.

Fixtures and fittings, tools and equipment are depreciated over 3-5 years.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost in the parent company financial statements. Impairment testing is carried out as described in the accounting policies in the consolidated financial statements if there is any indication of impairment. Cost is written down to recoverable amount whenever the cost exceeds the recoverable amount.

02 / SIGNIFICANT ACCOUTING ESTIMATES AND JUDGEMENTS

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on those assets and liabilities at the balance sheet date. Estimates that are material to the parent company's financial reporting are made in connection with, among other things, impairment testing of investments in subsidiaries and associates.

The estimates applied are based on assumptions that are believed by management to be reasonable, but that, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause actual results to differ from these estimates. Financial risks for the DONG Energy Group are disclosed in note 32 to the consolidated financial statements.

Assumptions for forward-looking statements and other estimation uncertainties at the balance sheet date that involve a considerable risk of changes that may lead to a material adjustment in the carrying amount of assets or liabilities within the coming financial year are disclosed in the notes.

Management is of the view that no judgements are made in connection with the application of the parent company's accounting policies, other than accounting estimates, that may have a material effect on the amounts recognised in the financial statements.

03 / REVENUE

DKK million	2009	2008
Rental income and sale of services	98	50
Revenue	**98**	**50**

04 / STAFF COSTS

DKK million	2009	2008
Wages, salaries and remuneration	(16)	(14)
Staff costs	**(16)**	**(14)**
Staff costs are recognised as follows:		
Production costs	(13)	(12)
Management and administration	(3)	(2)
Staff costs	**(16)**	**(14)**

The average number of employees in DONG Energy A/S in 2009 was 4 employees (2008: 5 employees).

Remuneration to the Supervisory Board, Executive Board and other senior executives

DKK '000	2009			
	Salaries	Bonus[1]	Pension	Total
Parent company Supervisory Board:				
Chairman	(500)	0	0	**(500)**
Deputy chairman	(300)	0	0	**(300)**
Other members[2]	(1,575)	0	0	**(1,575)**
Audit and Risk Committee:				
Chairman	(100)	0	0	**(100)**
Other members[3]	(100)	0	0	**(100)**
Remuneration Committee:				
Chairman	(50)	0	0	**(50)**
Other member	(25)	0	0	**(25)**
Parent company Executive Board:				
CEO	(4,817)	(1,363)	(2)	**(6,182)**
CFO	(4,384)	(1,000)	(2)	**(5,386)**
	(11,851)	**(2,363)**	**(4)**	**(14,218)**

[1] Of this amount, DKK 2.4 million had not been paid at 31 December 2009.
[2] Annual remuneration amounted to DKK 175 thousand per member in 2009.
[3] Annual remuneration amounted to DKK 50 thousand per member in 2009.

A bonus plan has been established for the Executive Board. The service contract of the CEO includes a termination package under which he will be entitled to salary equivalent to 33½ months' salary if his service contract is terminated by the company (2008: 33 1/2 months). The CFO will be entitled to 24 months' salary if his service contract is terminated by the company (2008: 24 months).

04 / STAFF COSTS (CONTINUED)

DKK '000	2008			
	Salaries	Bonus[1]	Pension	Total
Parent company Supervisory Board:				
Chairman	(481)	0	0	**(481)**
Deputy chairman	(288)	0	0	**(288)**
Other members[2]	(1,600)	0	0	**(1,600)**
Audit and Risk Committee:				
Chairman	(100)	0	0	**(100)**
Other members[3]	(125)	0	0	**(125)**
Remuneration Committee:				
Chairman	(50)	0	0	**(50)**
Other member	(25)	0	0	**(25)**
Parent company Executive Board:				
CEO	(4,631)	(1,146)	(2)	**(5,779)**
CFO	(4,515)	(1,563)	(2)	**(6,080)**
	(11,815)	**(2,709)**	**(4)**	**(14,528)**

[1] Of this amount, DKK 2.7 million had not been paid at 31 December 2008.
[2] Annual remuneration amounted to DKK 169 thousand per member in 2008.
[3] Annual remuneration amounted to DKK 50 thousand per member in 2008.

05 / FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK million	2009	2008
Audit fees	(2)	(2)
Other assurance engagements	0	0
Tax and VAT advice	(1)	(7)
Non-audit fees	(1)	(2)
Total fees to KPMG	**(4)**	**(11)**
Audit fees	(1)	(1)
Other assurance engagements	0	(1)
Total fees to Deloitte	**(1)**	**(2)**

06 / OTHER OPERATING INCOME

DKK million	2009	2008
Gains on sale of intangible assets and property, plant and equipment	0	1
Other operating income	**0**	**1**

07 / FINANCIAL INCOME

DKK million	2009	2008
Interest income from cash, etc.	60	432
Interest income from subsidiaries	1,743	1,899
Interest income from securities at fair value	173	12
Gains on securities at fair value	30	35
Foreign exchange gains	2,172	2,465
Value adjustments of derivative financial instruments	5,888	7,939
Dividends received	4,788	2,154
Other financial income	28	6
Financial income	**14,882**	**14,942**

08 / FINANCIAL EXPENSES

DKK million	2009	2008
Interest expense relating to payables	(1,094)	(969)
Interest expense to subsidiaries	(143)	(322)
Impairment of investments in subsidiaries	(19)	0
Losses on securities at fair value	(31)	0
Foreign exchange losses	(1,185)	(2,731)
Value adjustments of derivative financial instruments	(7,147)	(6,764)
Financial expenses	**(9,619)**	**(10,786)**

Foreign exchange adjustments are recognised in profit for the year with DKK 987 million (2008: loss of DKK 266 million).

09 / INCOME TAX EXPENSE

DKK million	2009	2008
Tax on profit for the year	(82)	(429)
Tax on other comprehensive income	134	152
Tax for the year	**52**	**(277)**
Income tax expense can be broken down as follows:		
Current tax	140	(301)
Deferred tax	(238)	(151)
Adjustments to current tax in respect of prior years	(10)	221
Adjustments to deferred tax in respect of prior years	26	(198)
Income tax expense	**(82)**	**(429)**

2009	DKK million	%.
Income tax expense can be explained as follows:		
Calculated 25% tax on profit before tax	(1,291)	(25)
Tax effect of:		
Non-taxable income	1,207	23
Non-deductible expenses	(14)	0
Adjustments to tax in respect of prior years	16	0
Effective tax for the year	**(82)**	**(2)**

2008	DKK million	%.
Income tax expense can be explained as follows:		
Calculated 25% tax on profit before tax	(1,005)	(25)
Tax effect of:		
Non-taxable income	571	14
Non-deductible expenses	(18)	0
Adjustments to tax in respect of prior years	23	0
Effective tax for the year	**(429)**	**(11)**

10 / TAX ON OTHER COMPREHENSIVE INCOME

	2009			2008		
DKK million	Before tax	Tax	After tax	Before tax	Tax	After tax
Value adjustments of hedging instruments	(95)	23	(72)	(164)	41	(123)
Tax on coupon, hybrid capital	0	111	111	0	111	111
	(95)	**134**	**39**	**(164)**	**152**	**(12)**

11 / PROPERTY, PLANT AND EQUIPMENT

DKK million	Investment property	Fixtures and fittings, tools and equipment	Property, plant and eqpt. in the course of construction	Total
Cost at 1 January 2009	88	0	5	93
Additions	0	0	6	6
Transfers	0	10	(10)	0
Disposals	0	0	0	0
Cost at 31 December 2009	**88**	**10**	**1**	**99**
Depreciation and impairment losses at 1 January 2009	(38)	0	0	(38)
Disposals	0	0	0	0
Depreciation	(4)	(1)	0	(5)
Depreciation and impairment losses at 31 December 2009	**(42)**	**(1)**	**0**	**(43)**
Carrying amount at 31 December 2009	**46**	**9**	**1**	**56**

Depreciation is recognised in the item production costs in the income statement.

DKK million	Investment property	Fixtures and fittings, tools and equipment	Property, plant and eqpt. in the course of construction	Total
Cost at 1 January 2008	88	14	0	102
Additions	0	0	5	5
Disposals	0	(14)	0	(14)
Cost at 31 December 2008	**88**	**0**	**5**	**93**
Depreciation and impairment losses at 1 January 2008	(33)	(1)	0	(34)
Disposals	0	1	0	1
Depreciation	(5)	0	0	(5)
Depreciation and impairment losses at 31 December 2008	**(38)**	**0**	**0**	**(38)**
Carrying amount at 31 December 2008	**50**	**0**	**5**	**55**

The fair value of investment property was DKK 100 million (2008: DKK 50 million). The determination of fair value is based on a calculation of the value in use. The value in use has been determined as the present value of the expected future net cash flows from the properties. The net cash flows have been determined on the basis of budgets for the period 2010-2047. A discount rate of 6.2% before tax has been used. A growth rate of 2.00% during the terminal period has been assumed. External valuers have not been used in connection with the determination of fair value.

Total rental income for the year from investment property, DKK 5 million (2008: DKK 5 million), is recognised in the income statement under revenue. Total costs for operation and maintenance of investment property, DKK 0 (2008: DKK 0), are recognised in the income statement under production costs. The investment properties were let to subsidiaries throughout the year.

No mortgages or other restrictions on the use of investment property were registered at 31 December 2009.

12 / INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND OTHER SECURITIES

DKK million	Investments in subsidiaries		Investments in associates		Other securities	
	2009	2008	**2009**	2008	**2009**	2008
Cost at 1 January	25,995	25,778	175	175	0	0
Additions	0	330	0	0	1,173	0
Dividends	0	(78)	0	0	0	0
Disposals	0	0	0	0	0	0
Transfers to assets classified as held for sale	0	(35)	(175)	0	0	0
Cost at 31 December	**25,995**	**25,995**	**0**	**175**	**1,173**	**0**
Value adjustments at 1 January	0	0	(69)	(69)	0	0
Impairment losses	(19)	0	0	0	0	0
Transfers to assets classified as held for sale	0	0	69	0	0	0
Value adjustments at 31 December	**(19)**	**0**	**0**	**(69)**	**0**	**0**
Carrying amount at 31 December	**25,976**	**25,995**	**0**	**106**	**1,173**	**0**

The investment in DONG Energy Ayrshire Holdco Ltd. was written down to the recoverable amount. The impairment loss amounted to DKK 19 million. The recoverable amount has been determined as the value in use based on expected cash flows. The company is not engaged in any activities.

No other investments in subsidiaries and associates were tested for impairment in 2009, as there were no indications of impairment in the financial year.

DONG Energy A/S acquired shares in the following companies:

2009:
None

2008:
DONG Energy Ayrshire Holdco Ltd.

Reference is made to the company overview in note 27.

NOTES TO THE BALANCE SHEET

12 / INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND OTHER SECURITIES (CONTINUED)

Associates

2009

DKK million	Registered office	Ownership interest	Revenue	Profit for the year	Assets	Liabilities
Swedegas AB	Stockholm, Sweden	20%	167	32	652	281

Swedegas AB was disposed of after the end of the financial year, see note 14.

2008

DKK million	Registered office	Ownership interest	Revenue	Profit for the year	Assets	Liabilities
Swedegas AB	Stockholm, Sweden	20%	154	47	653	303

13 / RECEIVABLES

DKK million	2009	2008
Loans to subsidiaries	27,266	19,626
Non-current receivables at 31 December	**27,266**	**19,626**
Receivables from subsidiaries	22,906	12,161
Fair value of derivative financial instruments	4,873	9,808
Deposits	13	10
Other receivables	118	60
Current receivables at 31 December	**27,910**	**22,039**
Current and non-current receivables at 31 December	**55,176**	**41,665**

Except for the fair value of derivative financial instruments and deposits, receivables fall due for payment less than one year after the end of the financial year. The carrying amount of receivables is estimated to correspond to the fair value. Receivables from subsidiaries relate to current credit facilities that are made available to subsidiaries.

14 / ASSETS CLASSIFIED AS HELD FOR SALE

In 2009, a contract on sale of the investment in Swedegas AB was concluded, and the sale was closed in the first quarter of 2010. The investment constitutes the parent company's assets classified as held for sale at 31 December 2009. DONG Energy A/S expects an accounting gain after tax of approx. DKK 120 million.

Assets classified as held for sale at 31 December 2008 relate to Frederiksberg Forsyning A/S and Frederiksberg Forsynings Ejendomsselskab A/S (Sales & Distribution), which were sold in 2009. Reference is made to note 20.

DKK million	2009	2008
Non-current assets	106	35
Assets classified as held for sale at 31 December	**106**	**35**

15 / EQUITY

DKK million	2009	2008
Share capital at 1 January	2,937	2,937
Share capital at 31 December	**2,937**	**2,937**

The company's share capital is DKK 2,937,099,000, divided into shares of nominally DKK 10. The share denomination was changed in 2008 from DKK 1,000 per share to DKK 10 per share.

All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up. The shares may only be assigned or otherwise transferred with the written consent of the Danish Finance Minister.

Resolutions concerning amendments to the Articles of Association or DONG Energy A/S's dissolution require at least two thirds of the votes cast and of the voting share capital represented at the general meeting in order to be carried.

Dividends

The Supervisory Board recommends that a dividend of DKK 481 million be paid for the 2009 financial year.

Dividend paid to shareholders for the 2008 financial year amounted to DKK 1,926 million. Dividend per share (DPS) of DKK 10 was DKK 6.56 (2008: DKK 5.00).

Dividend distributions to shareholders have no tax implications for DONG Energy A/S.

15 / EQUITY (CONTINUED)

Hybrid capital

Hybrid capital of DKK 8,088 million comprises the EUR bonds (hybrid capital) issued in the European capital market in June 2005. The loan principal is EUR 1.1 billion, and the loan is subject to a number of special terms. The purpose of the issue was to strengthen DONG Energy A/S's capital base and to fund DONG Energy's CAPEX and acquisitions.

The bonds rank as subordinated debt and have a maturity of 1,000 years. The coupon for the first ten years is fixed at 5.5% p.a., following which it becomes floating with Euribor +3.2%. The tax effect of coupon payments is recognised directly in DONG Energy A/S's other comprehensive income. Coupon is settled annually in the middle of the year. DONG Energy A/S can omit or defer coupon payments to bond holders. However, deferred coupon payments will fall due for payment in the event of DONG Energy A/S subsequently making any distributions to its shareholders. The proceeds from the issuing of hybrid capital amounted to DKK 8,111 million (EUR 1.1 billion). So far, DONG Energy A/S has not used the option to defer coupon payments.

Reserves

DKK million	2009			2008		
	Hedging reserve	Share premium	Total	Hedging reserve	Share premium	Total
Reserves at 1 January	(27)	9,248	**9,221**	96	9,248	**9,344**
Comprehensive income for the year	(72)	0	**(72)**	**(123)**	**0**	**(123)**
Reserves at 31 December	**(99)**	**9,248**	**9,149**	**(27)**	**9,248**	**9,221**

16 / DEFERRED TAX

DKK million	2009	2008
Deferred tax at 1 January	846	497
Deferred tax for the year recognised in profit for the year	238	151
Prior year adjustments	(26)	198
Deferred tax at 31 December	**1,058**	**846**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (liabilities)	1,058	846
Deferred tax at 31 December, net	**1,058**	**846**
Deferred tax relates to:		
Property, plant and equipment	16	15
Current assets	(6)	(3)
Non-current liabilities	14	12
Current liabilities	0	(12)
Retaxation	1,053	834
Tax loss carryforwards	(19)	0
Deferred tax at 31 December	**1,058**	**846**

16 / DEFERRED TAX (CONTINUED)

Changes in temporary differences during the year

2009

DKK million	Balance sheet at 1 January	Recognised in profit for the year	Balance sheet at 31 December
Property, plant and equipment	15	1	16
Current assets	(3)	(3)	(6)
Non-current liabilities	12	2	14
Current liabilities	(12)	12	0
Retaxation	834	219	1,053
Tax loss carryforwards	0	(19)	(19)
	846	**212**	**1,058**

2008

DKK million	Balance sheet at 1 January	Recognised in profit for the year	Balance sheet at 31 December
Property, plant and equipment	36	(21)	15
Current assets	5	(8)	(3)
Non-current assets	0	12	12
Current liabilities	0	(12)	(12)
Retaxation	911	(77)	834
Tax loss carryforwards	(455)	455	0
	497	**349**	**846**

17 / LOANS AND BORROWINGS

DKK million	2009			2008		
	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Non-derivative financial instruments:						
Bond loans	0	22,549	**22,549**	160	7,734	**7,894**
Bank overdrafts	1,478	0	**1,478**	0	0	**0**
Other bank loans	104	9,170	**9,274**	455	7,445	**7,900**
Trade payables	9	0	**9**	11	0	**11**
Payables to subsidiaries	7,745	0	**7,745**	7,753	0	**7,753**
Other liabilities	621	0	**621**	421	0	**421**
Fair value of derivative financial instruments	4,266	0	**4,266**	7,905	0	**7,905**
Loans and borrowings at 31 December	**14,223**	**31,719**	**45,942**	**16,705**	**15,179**	**31,884**

The company's financing agreements are not subject to any unusual terms or conditions, apart from those disclosed in note 25 to the consolidated financial statements.

18 / INCOME TAX RECEIVABLE

DKK million	2009	2008
Income tax receivable at 1 January	51	23
Adjustments to current tax in respect of prior years	(10)	221
Payments in respect of prior years	(77)	(244)
Current tax for the year	140	(301)
Current tax for the year from other comprehensive income	134	152
Payments for the year	18	200
Income tax receivable at 31 December	**256**	**51**

19 / CASH FLOWS FROM OPERATIONS (OPERATING ACTIVITIES)

DKK million	2009	2008
Operating profit (loss) (EBIT)	(132)	(138)
Depreciation and amortisation	5	5
Operating profit before depreciation and amortisation (EBITDA)	**(127)**	**(133)**
Other adjustments	65	(940)
Cash flows from operations (operating activities) before change in working capital	**(62)**	**(1,073)**
Change in trade receivables	132	(142)
Change in other receivables	(79)	159
Change in trade payables	257	(60)
Change in other payables	199	67
Change in working capital	**509**	**24**
Cash flows from operations (operating activities)	**447**	**(1,049)**

20 / DISPOSAL OF SUBSIDIARIES

DKK million	2009	2008
Carrying amount of enterprises disposed of	35	0
Gain on disposal of enterprises	32	0
Cash selling price	**67**	**0**

21 / CASH AND CASH EQUIVALENTS

DKK million	2009	2008
Securities with limited price risk that are part of the ongoing cash management	0	553
Available cash	3,877	3,671
Bank overdrafts that are part of the ongoing cash management	(1,478)	0
Cash and cash equivalents at 31 December, see cash flow statement	**2,399**	**4,224**
Cash at 31 December can be broken down into the following balance sheet items:		
Available cash	3,877	3,671
Cash at 31 December	**3,877**	**3,671**
Securities can be broken down into the following balance sheet items:		
Securities with limited price risk that are part of the ongoing cash manangement	0	553
Other securities	2,524	0
Securities at 31 December	**2,524**	**553**

22 / FINANCIAL RISKS

The parent company acts as the Group's internal banker in relation to financing, currency, interest rate and cash management as well as the conclusion of some commodity-related contracts, see the sections Market and credit risks and Liquidity and financing risks on pages 28-32 of management's review.

As part of its financial management, DONG Energy A/S hedges currency risks and interest rate risks. Full or partial hedging of recognised assets and liabilities (hedging of fair value) and of future transactions (hedging of cash flows) is carried out in accordance with the framework laid down in the financial risk policy implemented by DONG Energy. Derivative financial instruments such as forwards, swaps and options are used as hedges. In some cases, the company has also entered into contracts to hedge risks in subsidiaries.

Currency risks
Recognised assets and liabilities:

	Cash and cash equivalents and receivables		Payables		Forward exchange contracts and currency swaps		Net position	
DKK million	2009	2008	2009	2008	2009	2008	2009	2008
EUR	3,462	759	(29,075)	(12,660)	13,774	6,848	(11,839)	(5,053)
USD	4,189	6,298	(3,172)	(6,311)	1,547	1,638	2,564	1,625
GBP	10,094	2,389	(346)	(392)	371	(1,197)	10,119	800
SEK	0	8	(250)	(29)	(1,595)	33	(1,845)	12
NOK	7,602	4,233	34	(139)	(3,037)	(2,912)	4,599	1,182
Other	1,136	416	4	-	(1,034)	(260)	106	156
	26,483	**14,103**	**(32,805)**	**(19,531)**	**10,026**	**4,150**	**3,704**	**(1,278)**

22 / FINANCIAL RISKS (CONTINUED)

At 31 December 2009, unrealised value adjustments of derivative financial instruments for currency hedging of recognised assets and liabilities totalled a loss of DKK 294 million (31 December 2008: gain of DKK 161 million), which is recognised in the parent company income statement.

Sensitivity analysis

The company's principal currency risks relate to USD, GBP, SEK and NOK. The company also calculates and manages the currency risk vis-à-vis EUR; however, as price fluctuations between DKK and EUR are small, the risk is considered to be insignificant.

All other conditions being equal, a 10% increase in the USD exchange rate in relation to the exchange rate at the balance sheet date would have had a (positive) effect of DKK 256 million on profit and equity (2008: DKK 162 million). All other conditions being equal, a decrease in the exchange rate would have had a corresponding adverse impact.

All other conditions being equal, a 10% increase in the GBP exchange rate in relation to the exchange rate at the balance sheet date would have had a (positive) effect of DKK 1,012 million on profit and equity (2008: DKK 80 million). All other conditions being equal, a decrease in the exchange rate would have had a corresponding adverse impact.

All other conditions being equal, a 10% increase in the SEK exchange rate in relation to the exchange rate at the balance sheet date would have had a (negative) effect of DKK 185 million on profit and equity (2008: DKK 1 million). All other conditions being equal, a decrease in the exchange rate would have had a corresponding adverse impact.

All other conditions being equal, a 10% increase in the NOK exchange rate in relation to the exchange rate at the balance sheet date would have had a (positive) effect of DKK 460 million on profit and equity (2008: DKK 118 million). All other conditions being equal, a decrease in the exchange rate would have had a corresponding adverse impact.

Interest rate risks

Interest rate risks are the risk that externally introduced changes in agreed interest rates lead to increased interest expense or reduced interest income for the company. For an analysis of the company's interest rate sensitivity, reference is made to note 32 to the consolidated financial statements.

Ineffectiveness

Ineffectiveness of interest rate hedging amounted to DKK 7 million in 2009 (2008: DKK 12 million).

Interest rate hedges

As part of its financial management, the company swaps the interest basis on loans from a floating rate to a fixed rate or vice versa using interest rate swaps. For interest rate swaps converting floating-rate loans to fixed-rate loans (hedging of cash flows), value adjustments recognised directly in equity at 31 December 2009 totalled a net loss of DKK 133 million (31 December 2008: net loss of DKK 44 million). Reference is made to note 33 to the consolidated financial statements.

Counterparty risks

Counterparty risks are the risk that a financial loss will be realised in the event of a counterparty to an agreement being unable to fulfil its obligations under the agreement.

The company's counterparty risks comprise primarily receivables from financial counterparties. Credit rating of business partners is carried out on a regular basis to generally minimise this risk.

The amounts with which the items in question are recognised in the balance sheet correspond to the company's maximum counterparty risk. Losses on receivables from individual business partners have historically been low. In the company's opinion, there are no special concentrations of counterparty risks. The company's counterparty risk in connection with derivative financial instruments is limited as they have primarily been entered into with major international banks or other counterparties with a high credit rating. Reference is made to note 32 to the consolidated financial statements.

23 / FINANCIAL INSTRUMENTS

Maturity analysis for financial liabilities including interest payments

2009

DKK million	Carrying amount	Payment obligation	2010	2011	2012	2013	2014	After 2014
Non-derivative financial instruments:								
Bond loans	22,549	29,596	1,062	5,059	4,598	753	4,471	13,653
Bank overdrafts	1,478	1,478	1,478	0	0	0	0	0
Other bank loans	9,274	10,421	282	611	720	1,964	475	6,369
Trade payables	9	9	9	0	0	0	0	0
Payables to subsidiaries	7,745	7,745	7,745	0	0	0	0	0
Other payables	621	621	621	0	0	0	0	0
Derivative financial instruments	4,266	-						
Payables at 31 December	**45,942**	**49,870**	**11,197**	**5,670**	**5,318**	**2,717**	**4,946**	**20,022**

2008

DKK million	Carrying amount	Payment obligation	2009	2010	2011	2012	2013	After 2013
Non-derivative financial instruments:								
Bond loans	7,894	8,928	466	301	4,312	3,849	0	0
Bank overdrafts	0	0	0	0	0	0	0	0
Other bank loans	7,900	9,987	765	397	727	843	2,176	5,079
Trade payables	11	11	11	0	0	0	0	0
Payables to subsidiaries	7,753	7,753	7,753	0	0	0	0	0
Other payables	421	421	421	0	0	0	0	0
Derivative financial instruments	7,905	-						
	31,884	**27,100**	**9,416**	**698**	**5,039**	**4,692**	**2,176**	**5,079**

The maturity analysis is based on undiscounted cash flows relating to financial liabilities.

23 / FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments

	2009		2008	
DKK million	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments held for trading	4,724	4,724	9,459	9,459
Securities	3,697	3,697	553	553
Financial assets that are measured at fair value in the income statement	**8,421**	**8,421**	**10,012**	**10,012**
Derivative financial instruments entered into to hedge future cash flows	39	39	251	251
Derivative financial instruments entered into to hedge fair values	110	110	98	98
Financial assets used as hedging instruments	**149**	**149**	**349**	**349**
Other receivables	50,303	50,303	31,857	31,857
Cash	3,877	3,877	3,671	3,671
Loans and receivables	**54,180**	**54,180**	**35,528**	**35,528**
Derivative financial instruments held for trading	3,921	3,921	7,425	7,425
Financial liabilities measured at fair value via the income statement	**3,921**	**3,921**	**7,425**	**7,425**
Derivative financial instruments entered into to hedge future cash flows	162	162	312	312
Derivative financial instruments entered into to hedge fair values	183	183	168	168
Financial liabilities used as hedging instruments	**345**	**345**	**480**	**480**
Bond loans	22,549	23,539	7,894	7,689
Bank loans	10,752	11,088	7,900	8,188
Other liabilities	8,366	8,366	8,174	8,174
Financial liabilities measured at amortised cost	**41,667**	**42,993**	**23,968**	**24,051**

Fair value hierarchy

2009 DKK million	Fair value of financial instruments using: Quoted prices (Level 1)	Observable inputs (Level 2)	Non-observable inputs (Level 3)	Total
Derivative financial instruments, see note 13	0	4,873	0	**4,873**
Securities	2,520	1,177	0	**3,697**
Assets	**2,520**	**6,050**	**0**	**8,570**
Derivative financial instruments, see note 17	0	(4,170)	(96)	**(4,266)**
Liabilities	**0**	**(4,170)**	**(96)**	**(4,266)**

Level 1 comprises quoted securities that are traded in active markets.

Level 2 comprises derivative financial instruments , where valuation models with observable inputs are used to measure the fair value, and where discounting to present value is carried out using a discount rate set by the Group. Level 2 also comprises quoted securities that have not been traded in the market sufficiently for a reliable fair value to be obtained.

Level 3 comprises other derivative financial instruments, where the value of one or more key non-observable inputs has been estimated and where the sum of these estimated non-observable inputs may affect the fair value.

Reconciliation of financial instruments based on non-observable inputs

DKK million	Derivative financial instruments (assets)	Derivative financial instruments (liabilities)
Opening at 1 January 2009	33	0
Income and expenses (realised and unrealised) - recognised in income statement under revenue	(33)	(26)
Purchases	0	(88)
Other transfers to and from Level 3	0	18
Closing at 31 December.2009	**0**	**(96)**

A loss of DKK 98 million was recognised in the income statement under revenue in respect of losses on assets and liabilities that are non-observable inputs and are still recognised in the balance sheet at 31 December 2009.

24 / OPERATING LEASES

Non-cancellable operating lease payments

DKK million	2009	2008
0 - 1 year	61	50
1 - 5 years	42	80
Minimum lease payments	103	130

DONG Energy A/S has entered into operating leases for leasing of office premises in the period 2007-2012 and vehicle leasing on behalf of the Group's companies.

The latter lease runs for a period of up to five years. There are no significant restrictions in the leases. In 2009, an amount of DKK 66 million (2008: DKK 40 million) was recognised in the income statement in respect of operating lease payments.

25 / CONTINGENT ASSETS, CONTINGENT LIABILITIES AND SECURITY ARRANGEMENTS

Contingent liabilities

As a shareholder in the mutual insurance company Oil Insurance Limited (OIL), DONG Energy is under obligation to pay a theoretical withdrawal premium (TWP) in the event of the company deciding to withdraw from the mutual insurance cover.

DONG Energy A/S is also under obligation to pay an avoided premium surcharge (APS) in the event of the company deciding to alter or reduce its existing insurance arrangements. Provision is made in the financial statements for the retrospective adjustment (TWP). The prospective premium (APS) is not expected to exceed USD 1.5 million (2008: USD 2.5 million).

Guarantees

DONG Energy A/S has provided guarantees in connection with participation by subsidiaries and participation by joint ventures in which subsidiaries are partners in natural gas and oil production and exploration, construction and operation of wind farms, and geothermal plants and natural gas installations. DONG Energy A/S has also provided guarantees in respect of leases, decommissioning obligations, purchase and sales contracts, etc.

DONG Energy A/S acts as guarantor with primary liability for bank balances in subsidiaries for DKK 3,976 million (2008: DKK 3.880 million).

Litigation

DONG Energy A/S is a party to a number of litigation proceedings and legal disputes that do not have any effect on the company's financial position, either individually or collectively.

26 / RELATED PARTY TRANSACTIONS

Trading with subsidiaries and associates

DKK million	2009	2008
Rental income and services to subsidiaries	98	76
Purchases of goods and services from subsidiaries	(148)	(84)
Interest, subsidiaries (net income)	1,600	1,577

Capital transactions and balances with subsidiaries and associates at 31 December

DKK million	2009	2008
Receivables from subsidiaries	50,172	31,787
Payables to subsidiaries	(7,745)	(7,753)
Dividends received from subsidiaries	4,782	2,224
Dividends received from associates	6	8

Reference is made to note 38 to the consolidated financial statements.

27 / COMPANY OVERVIEW

Name	Registered office	Ownership interest
Subsidiaries		
DE nr. 1 2003 A/S	Fredericia, Denmark	100%
DONG E&P A/S	Fredericia, Denmark	100%
DONG El A/S	Fredericia, Denmark	100%
DONG Energy Ayrshire Holdco Ltd.	London, England	100%
DONG Energy Infrastruktur Holding GmbH	Hamburg, Germany	100%
DONG Energy Oil & Gas A/S	Fredericia, Denmark	100%
DONG Energy Pipelines GmbH	Kiel, Germany	100%
DONG Energy Power Holding A/S[1]	Fredericia, Denmark	57%
DONG Energy Sales & Distribution A/S	Fredericia, Denmark	100%
DONG Energy Frederiksberg Elnet A/S	Fredericia, Denmark	100%
DONG Gas Distribution A/S	Fredericia, Denmark	100%
DONG Insurance A/S	Fredericia, Denmark	100%
DONG Naturgas A/S	Fredericia, Denmark	100%
DONG Oil Pipe A/S	Fredericia, Denmark	100%
DONG Storage A/S	Fredericia, Denmark	100%
DONG Sverige Distribution AB	Gothenburg, Sweden	100%
DONG VE A/S	Fredericia, Denmark	100%
Associates		
Swedegas AB[2]	Gothenburg, Sweden	20%

[1] The remaining part of the company is owned by EnergiGruppen Jylland El A/S, which is wholly-owned by the DONG Energy Group.
[2] The company will be disposed of with effect from 2010.

STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS

The Executive and Supervisory Boards have today considered and approved the annual report of DONG Energy A/S for the financial year 2009.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed and State-owned public limited companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Group's and the parent company's financial position as a whole and a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

DONG Energy's non-financial reporting has been prepared in accordance with the international guidelines for sustainability reporting from Global Reporting Initiative (GRI-G3 2006 Guidelines), application level B+. In our opinion, the non-financial statements represent a reasonable and balanced representation of the company's corporate responsibility and sustainability performance.

We recommend that the annual report be approved at the Annual General Meeting.

Skærbæk, 11 March 2010

Executive Board

Anders Eldrup
CEO

Carsten Krogsgaard Thomsen
CFO

Supervisory Board

Fritz H. Schur
Chairman

Lars Nørby Johansen
Deputy Chairman

Hanne Steen Andersen*

Jakob Brogaard

Poul Dreyer*

Jørgen Peter Jensen*

Jens Kampmann

Poul Arne Nielsen

Kresten Philipsen

Jens Nybo Stilling Sørensen*

Lars Rebien Sørensen

* Employee representative

INDEPENDENT AUDITORS' REPORT

To the shareholders of DONG Energy A/S

We have audited the consolidated financial statements and the parent company financial statements of DONG Energy A/S for 2009, pages 68-161 and 167-198. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the parent company respectively. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed and State-owned public limited companies.

In addition to our audit, we have read the Management's review, pages 1-67, which has been prepared in accordance with Danish disclosure requirements for listed and State-owned public limited companies, and issued a statement in this regard.

Management's responsibility

Management is responsible for the preparation and fair presentation of consolidated financial statements and parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed and State-owned public limited companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for listed and State-owned public limited companies.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit.

We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed and State-owned public limited companies.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review in the annual report, pages 1-67. We have not performed any additional procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 11 March 2010

KPMG
Statsautoriseret Revisionspartnerselskab

Torben Bender
State Authorised
Public Accountant

Lars Rhod Søndergaard
State Authorised
Public Accountant

Deloitte
Statsautoriseret Revisionsaktieselskab

Kim Mücke
State Authorised
Public Accountant

Mogens Henriksen
State Authorised
Public Accountant

ASSURANCE STATEMENT

Assurance Statement for DONG Energy's stakeholders from independent auditor

We have assessed DONG Energy's 2009 Corporate Responsibility Reporting for the purpose of expressing an opinion on CSR data.

Criteria for preparation of the Corporate Responsibility Reporting

The criteria for preparation of the CSR data contained in the Corporate Responsibility Reporting are evident from the CSR accounting policies described on pages 162-166. These contain information on which of the Group's business areas and activities are included in the reporting types of data and Management's reasons for choosing the data included. The data are computed in accordance with the CSR accounting policies described on pages 162-166.

Delegation of responsibility

Company Management is responsible for preparing the Corporate Responsibility Reporting, including for establishing registration and internal control systems with a view to ensuring reliable reporting, specifying acceptable reporting criteria as well as choosing data to be collected. Our responsibility is, on the basis of our work, to express an opinion on the CSR data contained in the Corporate Responsibility Reporting.

Scope of our work

We have planned and completed our work in accordance with the International Auditing Standard ISAE 3000 (assurance engagements other than audits or reviews of historical financial information) for the purpose of obtaining limited assurance that the CSR data presented on page 5 have been computed in accordance with the stated criteria for preparation of the Corporate Responsibility Reporting. The obtained assurance is limited as we have not performed a comprehensive review. Our work has thus - based on an assessment of materiality and risk - comprised inquiries regarding applied registration and reporting systems and procedures, auditing analyses of data used in connection with preparation of the Reporting, judgemental samples of data and underlying documentation, including visits at selected local units, as well as control of compliance with the described CSR accounting policies.

Conclusion regarding the CSR data contained in the Corporate Responsibility Reporting

Based on our review, nothing has come to our attention causing us to believe that the CSR data presented in the 2009 Corporate Responsibility Reporting on page 5 have not been included in accordance with the stated criteria for preparation of the Corporate Responsibility Reporting.

Special statement on GRI reporting and the principles of the UN Global Compact

We have assessed the extent to which DONG Energy has applied the Global Reporting Initiative Sustainability Reporting Guidelines (GRI-G3), application level B+, including GRI's Draft Electric Utility Sector Supplement, for the accounting year 2009. Our work has primarily comprised a review of the documentation presented, including chosen inquiries and judgemental sample tests of data. The review has been performed in order to determine whether the documentation complies with the requirements in the GRI-G3 reporting framework. We have furthermore been presented with DONG Energy's own assessment of how reporting information and underlying policies, systems and activities are aligned with and support the principles of the UN Global Compact. Based on our review, nothing has come to our attention contradicting DONG Energy's self assessment of the extent to which its reporting is in accordance with the GRI-G3 reporting framework, including GRI's Draft Electric Utility Sector Supplement. We are thus able to state that nothing has come to our attention causing us to believe that DONG Energy has not reported in accordance with GRI-G3, application level B+. Furthermore, we are of the opinion that the policies, systems and activities taken as a whole support Management's commitment to the UN Global Compact, while systems and activities are in the implementation phase regarding ethical guidelines in the supply chain and anti-corruption.

Copenhagen, 11 March 2010

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Fin T. Nielsen
State Authorised
Public Accountant

Birgitte Mogensen
State Authorised
Public Accountant

COMPANY ANNOUNCEMENTS IN 2009

23.12.2009 DONG Energy and Siemens enter into a new supply agreement regarding offshore wind turbines

23.12.2009 DONG Energy sells minority stake in Walney Offshore Wind Farm

23.12.2009 DONG Energy and Siemens Project Ventures to join UK offshore wind farm project

17.12.2009 DONG Energy to sell its shares in Swedegas AB to EQT

17.12.2009 DONG Energy acquires full ownership of offshore wind turbine projects Borkum Riffgrund 1 and 2

11.12.2009 DONG Energy withdraws from Greifswald project in Germany

09.12.2009 DONG Energy A/S has issued a dual-tranche EUR 1.0 billion Eurobond

09.12.2009 DONG Energy A/S Senior Eurobond Announcement

07.12.2009 DONG Energy publishes supplementary prospectus on debt issuance

18.11.2009 Standard & Poor's upgrades rating on DONG Energy A/S

17.11.2009 Interim financial report - first nine months 2009

17.11.2009 DONG Energy sells fibre optic network to TDC

13.11.2009 DONG Energy will release its third quarter results for 2009 on November 17, 2009.

11.11.2009 DONG Energy reducing staff

09.11.2009 The Danish Financial Supervisory Authority brings action against DONG Energy

03.11.2009 Appraisal Drilling Successfully Completed on Glenlivet Discovery

27.10.2009 DONG Energy Cuts Power Production Capacity

07.10.2009 Temporary production solution at Siri

06.10.2009 DONG Energy to strengthen capital structure

01.10.2009 DONG Energy doubles its future gas supplies from Gazprom

30.09.2009 DONG Energy closes acquisition of KOM-STROM

14.09.2009 DONG Energy: Gas find West of Shetland

03.09.2009 Investigations of cracks on the Siri installation

11.08.2009 Interim financial report - first half-year 2009

11.08.2009 DONG Energy to acquire German wholesale company

07.08.2009 DONG Energy Builds Wind Farm in Northern Norway

25.06.2009 DONG Energy buys A2SEA

19.05.2009 DONG Energy extends agreement with HNG

19.05.2009 Correction: Interim financial report - Q1 2009

19.05.2009 Interim financial report - Q1 2009

12.05.2009 DONG Energy, E.ON and Masdar give green light to build world's largest offshore wind farm

05.05.2009 DONG Energy in search of new ways to promote fibre optic networks

28.04.2009 DONG Energy A/S issues a dual-tranche EUR 1.0 billion Eurobond

23.04.2009 DONG Energy buys stake in gas-fired power station project in the Netherlands

22.04.2009 DONG Energy to build further offshore wind farms in the UK

18.03.2009 DONG Energy consolidates its position in Poland

17.03.2009 Presentation for credit investors

09.03.2009 DONG Energy submits development plan and increases equity in Oselvar

06.03.2009 DONG Energy acquires gas-fired power station in Wales

06.03.2009 DONG Energy and Siemens enter into the world's largest offshore wind turbine agreement

06.03.2009 Announcement of financial results for 2008

05.03.2009 DONG Energy press conference 6 March 2009

20.02.2009 New operating segments

06.02.2009 Updated financial calendar

05.01.2009 DONG Energy and the municipality of Frederiksberg sign agreement on utility company Frederiksberg Forsyning

GLOSSARY

The following explanations are not intended as technical definitions, and are provided purely for assistance in understanding certain terms as used in this Annual Report.

2P-reserves: Sum of Proved Reserves plus Probable Reserves (Society of Petroleum Engineers and World Petroleum Congress (SPE/WPC) reserve classification standards)

Biomass: Also known as biomass fuel. A term for all combustible organic materials including straw, woodchips and wood pellets. CO_2 emissions produced by the combustion of biomass are not covered under the ETS. Biomass can be used in both central power plants and local CHP plants

Central Power Plant: A large power plant, typically with a net installed power capacity of over 100 MW

CO_2 Certificates: Certificates for the emission of carbon dioxide under ETS

CHP plant: A CHP (Combined Heat and Power generation) plant that generates both heat and power in the same process. The heat generated may be used for industrial purposes and/or district heating

DK1 and DK2: Area prices for power in West Denmark (DK1) and East Denmark (DK2) respectively

DUC: Danish Underground Consortium

EEX: The European Energy Exchange

Exploration and appraisal wells: Wells drilled to discover and evaluate oil or natural gas in an unproved area to find new reserves in an area in which hydrocarbon discoveries have previously been made or to delineate a know accumulation

ETS: The EU Emissions Trading Scheme, which aims to reduce emissions of carbon dioxide and combat climate change by means of a scheme that allocates CO_2 Certificate allowances and enables power generators and other emitters to trade these CO_2 Certificates

EUA-quotas: EU Allowance. Quotas available within the EU borders

FIFO: First-in, First out. Reference is made to page 16

Fossil Fuels: Organic fuels including coal, coal products, natural gas, crude oil and other petroleum products

Geothermal generation: Heat generation using naturally occurring geological heat sources

Green dark spread: Reference is made to page 16

LNG: Liquefied Natural Gas. Gas that has been liquefied by cooling to minus 161 degrees Celsius. LNG takes up 600 times less space than conventional gas. LNG can be transported in customised tankers, enabling it to be transported from remote destinations. In the receiving terminal the LNG is vaporised and pressurised before being routed into the transmission system for onwards distribution and sale

Local CHP plant: A CHP plant, typically with a net installed power capacity of less than 100 MW

LTIF: Lost Time Injury Frequency. DONG Energy defines absence as an occupational injury resulting in at least one day's absence from work in addition to the day of the injury

Mmboe: Million barrels of oil equivalent

Nord Pool: The Norwegian-based Nordic power exchange, which facilitates the trading of power in Norway, Sweden, Finland and Denmark

NO_x: Nitrogen oxides

Operator: The company appointed to conduct operations under an exploration, production and/or development license or concession governing an oil or natural gas license or concession area

Peak and off-peak: Reflects prices for power generated at times during the 24 hour cycle with high demand and low demand respectively

PJ: Petajoule, a unit of energy. 1 PJ is equivalent to 1,000 TJ or 1,000,000 GJ or 1,000,000,000 MJ

SO_2: Sulfur dioxide

Supply-obligation: A company with a supply-obligation is bound by law to deliver power or natural gas in a certain geographic area at prices approved by the Danish Energy Regulatory Authority

Thermal generation: Power and heat generated through the combustion of fossil fuels , biomass or waste

Timelag: Reference is made to page 16

TTF: The Title Transfer Facility natural gas trading market in the Netherlands

TWh: Terawatt hour. The amount of energy generated or used in 1 hour with the effect of 1 TW 1 TW is equivalent to 1,000 GW or 1,000,000 MW or 1,000,000,000 kW

Value at Risk (VaR): A financial indicator used for measuring the loss that may occur from a risk position, assuming a certain volatility and that the position is held for a certain period of time

GRI INDICATOR

PROFILE

		Reference	Coverage
1. Strategy and Analysis			
1.1	Preface from the CEO	Responsible Energy 2009, page 1	●
1.2	Description of key impacts, risks, and opportunities	page 28-33 and Responsible Energy 2009, page 1 and page 4-6	●
2. Organisational profile			
2.1	Name of the organisation	cover	●
2.2	Primary brands, products, and/or services	page 6-7	●
2.3	Operational structure of the organisation	page 157-161	●
2.4	Location of organisation's headquarters	cover	●
2.5	Countries where the organisation operates	page 6, 7, 37, 43, 45, 49 and 57	●
2.6	Nature of ownership and legal form	page 60	●
2.7	Markets served	page 6-7	●
2.8	Scale of the reporting organisation	online	●
2.9	Changes during the reporting period regarding size, structure or ownership	page 113-117, 162-166	●
2.10	Awards received in the reporting period	online	●
3. Parameters			
EU1	Capacity	online	●
EU2	Net energy output	online	●
EU3	Number of residental, industrial/commercial customer accounts	online	●
EU4	Length of transmission and distribution lines by voltage	online	●
EU5	Allocation of CO_2 emissions permits	online	●
3.1	Reporting period	page 162-166	●
3.2	Date of the most recent report	See DONG Energy's online CSR reports	●
3.3	Reporting cycle	page 162-166	●
3.4	Contact point for questions regarding the report and its content	cover	●
3.5	Process for defining report content	online	●
3.6	Boundary of the report	page 162-166	●
3.7	Specific limitations on the scope or boundary of the report	see page 3.5 (link)	●
3.8	Basis for reporting on joint ventures, subsidiaries etc.	page 162-166	●
3.9	Data measurement techniques and the bases of calculations	page 162-166	●
3.10	Explanation of any re-statements of information in earlier reports	page 162-166	●
3.11	Significant changes from previous reporting periods	page 162-166	●
3.12	GRI content index	cover	●
3.13	Assurance	page 162-166	●
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organisation	page 60	●
4.2	Indicate whether the chair of the highest governance body is also an executive officer	page 1 and page 63	●
4.3	Members of the highest governance body that are independent and nonexecutive members	page 60-61	●
4.4	Mechanisms to provide recommendations or direction to the highest governance body	page 60-61	●
4.5	Linkage between compensation performance	page 61 and 86-87	●
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	page 61	●
4.7	Process for determining the qualifications of the members of the highest governance body	page 60 - 61	●
4.8	Internally developed statements of mission or values, principles etc.	Responsible Energy 2009, page 2 and page 18	●
4.9	The supervision by the hitghest governance body with the management of results, for example within finance/economy	page 61	●
4.10	Processes for evaluating the highest governance body's own performance	page 61	●

4.11	Use of the precautionary approach or principle in the organization	page 28-29 and Responsible Energy 2009, page 4-7	●
4.12	Externally developed initiatives to which the organisation endorses	online	●
4.13	Memberships in associations and advocacy organisations	online	●
4.14	List of stakeholder groups engaged by the organisation	online	●
4.15	Basis for identification and selection of stakeholders with whom to engage	online	●
4.16	Approaches to stakeholder engagement	online	●
4.17	Key topics and concerns that have been raised through stakeholder engagement	online	●
5. Manangement Approach			
DMA	Management approach, economy	Responsible Energy 2009, page 2	●
DMA	Management approach, environment	Responsible Energy 2009, page 2	●
DMA	Management approach, labour practices	Responsible Energy 2009, page 2	●
DMA	Management approach, human rights	Responsible Energy 2009, page 2	●
DMA	Management approach, society	Responsible Energy 2009, page 2	●
DMA	Management approach, products	Responsible Energy 2009, page 2	●

PERFORMANCE INDICATORES

Economic			
EU6	Planning to ensure short and long-term electricity availability and reliability	online	●
EU7	Demand-side management programs for electricity	online	●
EU8	Development activities aimed on providing electricity and promoting sustainability	online	●
EC1	Direct economic value generated and distributed.	page 4	●
EC2	Risks and opportunities for the organisation's activities due to climate change	online	●
EC4	Significant financial assistance received from government	page 90	●
EU10	Planned capacity (MW) against projected demand.	online	●
EU11	Average generation efficiency.	online	●
EU12	Transmission and distribution efficiency	online	●
Environment			
EN1	Materials used by weight or volume	online	●
EN2	Percentage of materials used that are recycled	online	●
EN3	Direct energy consumption by primary energy source	online	●
EN4	Indirect energy consumption by primary source	online	●
EN5	Energy saved due to conservation and efficiency improvements	online	●
EN6	Energy-efficient or renewable energy-based products and services	online	●
EN8	Total water withdrawal by source	online	●
EN11	Locations managed in, or adjacent to, protected areas	online	●
EN12	Significant impacts on biodiversity in protected areas	online	◗
EN16	Total direct and indirect greenhouse gas emissions	online	●
EN18	Reduction of greenhouse gas emissions	online	●
EN20	NOx, SOx, and other significant air emissions	online	●
EN21	Total water discharge by quality and destination	online	●
EN22	Total weight of waste by type and disposal method	online	●
EN23	Total number and volume of significant spills	online	●
EN24	Weight of waste deemed hazardous and percentage of waste shipped internationally	online	●
EN28	Fines and sanctions for noncompliance with environmental laws and regulations	online	●
EN29	Significant environmental impacts of transporting	online	●
Labour			
EU14	Programs to ensure the availability of a skilled workforce	online	◗
EU15	Employees eligible to retire in the next 5 and 10 years	online	●
EU16	Policies regarding health and safety	online	●
LA1	Workforce by employment type, employment contract, and region	online	●
EU17	Total subcontracted workforce	online	●
EU18	Contractors that have undergone health and safety training	online	●

LA2	Employee turnover by age group, gender, and region	online	●
LA4	Employees covered by collective agreements	online	●
LA5	Minimum notice period(s) regarding significant operational changes	online	●
LA7	Rates of occupational disease, absenteeism and fatalities	online	●
LA8	Programmes in place to assist regarding serious diseases	online	●
LA10	Average hours of training per year per employee	online	◗
LA12	Employees receiving performance and career development reviews	online	◗
LA13	Composition of governance bodies and employees	online	●
LA14	Ratio of basic salary of men to women	online	○
Human Rights			
HR1	Investment agreements that include human rights clauses	online	●
HR2	Contractors that have undergone screening on human rights	online	◗
HR3	Training on policies and procedures concerning aspects of human rights	online	◗
HR4	Total number of incidents of discrimination and actions taken	online	●
HR6	Risk for incidents of child labour, and initiatives to the eliminate these	online	●
Society			
EU21	Disaster/emergency management plan and training programs, and recovery/restoration plans	online	●
S01	Impacts of operations on communities	online	○
S02	Business units analysed for risks related to corruption	online	◗
S03	Training in anti-corruption policies and procedures	online	●
S04	Actions taken in response to incidents of corruption	online	◗
S05	Public policy positions and participation in public policy development	online	●
S06	Value of financial and in-kind contributions to political parties or the like	online	●
S07	Legal actions for anti-competitive behaviour or the like	online	●
S08	Fines and sanctions for noncompliance with laws and regulations	online	●
Products			
PR1	Life cycle assessment of health and safety impacts of products and services	online	●
PR2	Non-compliance with regulations concerning health and safety impacts from products and services	online	●
EU25	Number of injuries and fatalities involving company assets	online	●
PR3	Information about products and services required by procedures	online	●
PR4	Non-compliance with regulations concerning product and service information and labelling	online	●
PR5	Practices related to customer satisfaction	online	◗
PR6	Compliance with laws etc. related to marketing communications	online	●
PR7	Non-compliance with regulations concerning marketing communications	online	●
PR8	Protection of customers privacy and losses of customer data	online	●
PR9	Fines concerning the provision and use of products and services	online	●
EU27	Residential disconnections for non-payment	online	●
EU28	Power outage frequency	online	●
EU29	Average power outage duration	online	●
EU30	Average plant availability factor	online	●

Fully reported	●
Patrially reported	◗
Not reported	○

READ MORE

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Annual Report 2009

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COMPANY INFORMATION AT 31 DECEMBER 2009

Shareholders holding at least 5% of the shares:

The Danish Ministry of Finance 72.98%*
SEAS-NVE Holding A/S 10.88%
Syd Energi Net A/S 6.95%

* At 12.02.2010, the Danish Ministry of Finance held 74.04% of the shares

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