

FINANCIAL STATEMENTS FOR 2006 OF THE PARENT COMPANY 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 printed part of the annual report only, as those parts are identical to the corresponding parts of the consolidated financial statements. These parts are: Statement by the Executive and Supervisory Boards, Independent auditors' report, Management's review and the parts of the accounting policies that are identical for the Group and the parent company.

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

DKK million	Note	2006	2005
Revenue	2	447	369
Production costs	3, 4	(480)	(373)
Gross profit (loss)		(33)	(4)
Management and administration	3, 5	(55)	(58)
Other operating income	6	0	2
Operating profit (loss) (EBIT)		(88)	(60)
Gain on disposal of enterprises	23	1,402	0
Financial income	7	9,547	7,241
Financial expenses	8	(5,997)	(4,580)
Profit before tax		4,864	2,601
Income tax expense	9	140	(320)
Profit for the year		5,004	2,281
Distribution of profit			
The Supervisory Board proposes that the profit for the year, DKK 5,004 million, be distributed as follows:			
Dividend		1,967	35
Retained earnings		3,037	2,246
		5,004	2,281
Dividend per share of DKK 1,000, in whole DKK		670	16

ASSETS

DKK million	Note	2006	2005
Completed development projects		27	68
In-process development projects		32	21
Intangible assets	10	59	89
Land and buildings		135	145
Investment property		59	67
Fixtures and fittings, tools and equipment		1	1
Assets in the course of construction		15	0
Property, plant and equipment	11	210	213
Investments in subsidiaries	12	34,009	3,929
Investments in associates	12	106	141
Other equity investments	12	0	1,372
Loans to subsidiaries	12	9,314	11,314
Other non-current receivables		345	0
Other non-current assets		43,774	16,756
Non-current assets		44,043	17,058
Trade receivables		10	6
Receivables from subsidiaries	13	12,357	4,976
Income tax receivable	19	230	79
Other receivables	14	6,112	2,526
Prepayments	15	27	5
Securities	24	51	1,577
Cash and cash equivalents	24	623	5,313
Current assets		19,410	14,482
Assets		63,453	31,540

EQUITY AND LIABILITIES

DKK million	Note	2006	2005
Share capital		2,937	2,144
Hedging reserve		93	4
Reserve for shares available for sale		0	468
Retained earnings		20,333	8,374
Proposed dividends		1,967	35
Hybrid capital		8,154	8,155
Equity	16	33,484	19,180
Deferred tax	17	297	226
Bond loans	18	7,689	3,735
Bank loans	18	4,746	2,009
Other non-current liabilities	18	6,807	0
Non-current liabilities		19,539	5,970
Bond loans	18	1,795	0
Bank loans	18	1,490	454
Trade payables		108	172
Payables to subsidiaries		1,659	3,196
Other payables	20	5,378	2,568
Current liabilities		10,430	6,390
Liabilities		29,969	12,360
Equity and liabilities		63,453	31,540

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

DKK million	Share capital	Hedging reserve	Translation reserve	Reserve for shares available for sale	Retained earnings	Proposed dividends	Hybrid capital	Total
Equity at 1 January 2005	2,144	12	(12)	0	6,477	0	0	8,621
Change in accounting policy	0	0	12	337	(349)	0	0	0
Restated equity at 1 January 2005	2,144	12	0	337	6,128	0	0	8,621
Value adjustments of hedging instruments	0	(10)	0	0	0	0	0	(10)
Tax on equity items	0	2	0	131	6	0	67	206
Other adjustments	0	0	0	0	(6)	0	0	(6)
Net gains recognised directly in equity	0	(8)	0	131	0	0	67	190
Profit for the year	0	0	0	0	2,281	0	0	2,281
Total income and expense for the year	0	(8)	0	131	2,281	0	67	2,471
Proposed dividends	0	0	0	0	(35)	35	0	0
Issuing of hybrid capital	0	0	0	0	0	0	8,088	8,088
Total changes in equity in 2005	0	(8)	0	131	2,246	35	8,155	10,559
Equity at 31 December 2005	2,144	4	0	468	8,374	35	8,155	19,180
Dividend per share of DKK 1,000, in whole DKK						16		

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006**

DKK million	Share capital	Hedging reserve	Reserve for shares available for sale	Retained earnings	Proposed dividends	Hybrid capital	Total
Equity at 1 January 2006	2,144	4	468	8,374	35	8,155	19,180
Reserve for shares available for sale transferred to the income statement	0	0	(468)	0	0	0	(468)
Value adjustments of hedging instruments	0	173	0	0	0	0	173
Value adj. of hedging instruments transferred to the income statement	0	(49)	0	0	0	0	(49)
Tax on equity items	0	(35)	0	125	0	(1)	89
Proposed dividends, hybrid capital	0	0	0	(451)	451	0	0
Dividends paid, hybrid capital	0	0	0	0	(451)	0	(451)
Net gains recognised directly in equity	0	89	(468)	(326)	0	(1)	(706)
Profit for the year	0	0	0	5,004	0	0	5,004
Total income and expense for the year	0	89	(468)	4,678	0	(1)	4,298
Proposed dividends	0	0	0	(1,967)	1,967	0	0
Dividends paid	0	0	0	0	(35)	0	(35)
Capital increase	793	0	0	9,248	0	0	10,041
Total changes in equity in 2006	793	89	(468)	11,959	1,932	(1)	14,304
Equity at 31 December 2006	2,937	93	0	20,333	1,967	8,154	33,484
Dividend per share of DKK 1,000, in whole DKK					670		

PARENT COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

DKK million	Note	2006	2005
Cash flows from operations (operating activities)	21	425	(238)
Interest income and similar items		1,496	4,781
Interest expense and similar items		(1,367)	(3,353)
Joint taxation contribution received		1,712	444
Income tax paid		(2,054)	68
Cash flows from operating activities		212	1,702
Purchase of intangible assets		(35)	(31)
Purchase of other property, plant and equipment		(16)	(1)
Sale of property, plant and equipment		0	89
Acquisition of subsidiaries	22	(12,903)	(1)
Acquisition of associates	22	(842)	0
Capital contributions, subsidiaries		0	(30)
Disposal of enterprises	23	35	0
Sale of other equity investments and securities		1,722	0
Financial transactions with subsidiaries		(5,367)	(8,857)
Other investments		(223)	0
Dividends received, etc.		3,176	1,225
Cash flows from investing activities		(14,453)	(7,606)
Proceeds on issuing of hybrid capital		0	8,088
Proceeds on raising of other loans		9,551	4,655
Instalments on loans		(1,488)	(218)
Dividends paid and interest on hybrid capital		(486)	0
Change in other non-current liabilities		132	0
Cash flows from financing activities		7,709	12,525
Net increase (decrease) in cash and cash equivalents		(6,532)	6,621
Cash and cash equivalents at 1 January		6,890	269
Cash and cash equivalents at 31 December	24	358	6,890

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01

Accounting policies

In general

The parent company financial statements are prepared as a consequence of the requirements in the Danish Financial Statements Act concerning preparation of parent company financial statements.

The parent company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed and state-owned public limited companies, see the Copenhagen Stock Exchange disclosure requirements for annual reports of listed companies and the statutory order on adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the parent company financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the IASB.

The parent company's accounting policies deviate from the accounting policies described for the consolidated financial statements (see note 1 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 financial statements under financial items. 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 items.

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.

Dividends from investments in subsidiaries and associates

Dividends from investments in subsidiaries and associates are credited to the income statement in the financial year in which they are declared; however, dividends received in excess of the accumulated profits arising after the date of acquisition are not credited to the income statement but recognised as a reduction of the cost of the investment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Cost is written down to recoverable amount whenever the cost exceeds the recoverable amount. Cost is reduced to the extent that dividends received exceed the accumulated profits after the date of acquisition.

Revenue

Rental income comprises income from commercial leases and is recognised over the term of the lease. Services are recognised when they have been rendered.

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Revenue

DKK million	2006	2005
Rental income and sale of services	447	369
Revenue	447	369

03

Staff costs

DKK million	2006	2005
Wages and salaries	(163)	(154)
Defined contribution pension plans	(14)	(14)
Other social security costs	(1)	(1)
Other staff costs	(11)	(4)
Staff costs	(189)	(173)
Staff costs are recognised as follows:		
Production costs	(159)	(137)
Management and administration	(22)	(36)
Transfer to intangible assets	(8)	0
Staff costs	(189)	(173)
Number of full-time employees:		
Average for the financial year	260	250
At year end	285	256

Remuneration to the Committee of Representatives, the Supervisory Board, the Executive Board and other senior executives amounts to:

DKK million	2006			
	Wages and salaries	Bonus ¹	Pension	Total
Committee of Representatives	0	0	0	0
Parent company Supervisory Board	(1.9)	0	0	(1.9)
Parent company Executive Board	(4.1)	(0.5)	0	(4.6)
Other senior executives in the parent company	(2.9)	(0.4)	0	(3.3)

¹ Of this amount, DKK 0.9 million had not been paid at 31 December

DKK million	2005			
	Wages and salaries	Bonus ²	Pension	Total
Committee of Representatives	(0.3)	0.0	0.0	(0.3)
Parent company Supervisory Board	(1.3)	(0.8)	0.0	(2.1)
Parent company Executive Board	(2.4)	(1.9)	(0.5)	(4.8)
Other senior executives in the parent company	(1.8)	(1.5)	(0.4)	(3.7)

² Of this amount, DKK 3.4 million had not been paid at 31 December

The Executive Board and other senior executives constitute seven persons in total (2005: four persons).

A bonus plan has been established for the Executive Board and other senior executives. The contracts of service of the members of the Executive Board include a termination package under

which they will be entitled to salary corresponding to 24 months (2005: 36 months) if their contracts of service are terminated by the company. Other senior executives in the Group will be entitled to 24 months' salary if their contracts of service are terminated by the company.

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Depreciation, amortisation and impairment losses

DKK million	2006	2005
Depreciation, amortisation and impairment losses in respect of intangible assets and property, plant and equipment by function:		
Amortisation, intangible assets, recognised in production costs	(64)	(122)
Depreciation, property, plant and equipment, recognised in production costs	(19)	(13)
Depreciation and amortisation recognised in the income statement	(83)	(135)
Impairment losses recognised in the income statement	0	0
Depreciation, amortisation and impairment losses recognised in the income statement	(83)	(135)

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Fees to auditors appointed at the Annual General Meeting

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DKK million	2006	2005
Audit fees	(2)	(1)
Non-audit fees	(13)	(24)
Total fees to KPMG C. Jespersen	(15)	(25)
Audit fees	(1)	0
Non-audit fees	(6)	0
Total fees to Deloitte	(7)	0
Total audit fees	(3)	(1)
Total non-audit fees	(19)	(24)
Fees to auditors appointed at the Annual General Meeting	(22)	(25)

06 | Other operating income

DKK million	2006	2005
Gains on sale of intangible assets and property, plant and equipment	0	2
Other operating income	0	2

07 | Financial income

DKK million	2006	2005
Interest income	130	121
Interest income from subsidiaries	750	406
Foreign exchange gains	567	1,160
Realised capital gains on securities	0	972
Value adjustments of derivative financial instruments	4,430	3,357
Dividends received	2,850	1,225
Realised gain on sale of shares available for sale	818	0
Financial income, other	2	0
Financial income	9,547	7,241

08 | Financial expenses

DKK million	2006	2005
Interest expense	(606)	(312)
Interest expense, subsidiaries	(124)	(49)
Foreign exchange losses	(790)	(889)
Value adjustments of derivative financial instruments	(4,475)	(3,322)
Realised capital losses on securities	(2)	(8)
Financial expenses	(5,997)	(4,580)
Foreign exchange adjustments recognised in profit for the year totalled (net loss):	(223)	271

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Income tax expense

DKK million	2006	2005
Tax for the year can be broken down as follows:		
Tax on profit for the year	140	(320)
Tax on changes in equity	90	202
Tax for the year	230	(118)
Income tax expense can be broken down as follows:		
Current tax	0	(219)
Joint taxation contribution	195	(180)
Deferred tax	(56)	42
Adjustments of current tax for prior years	16	(40)
Effect of reduction of Danish corporate income tax rate from 30% to 28%	0	33
Other adjustments of deferred tax for prior years	(15)	44
Income tax expense	140	(320)
Income tax expense can be explained as follows:		
Calculated 28% tax on profit before tax	(1,362)	(728)
Tax effect of:		
Non-taxable income	1,523	380
Non-deductible costs	(22)	(9)
Adjustments of prior year taxes	1	37
Income tax expense	140	(320)
Effective tax rate	(3)	12

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Intangible assets

DKK million	Completed development projects	In-process development projects	Total
Cost at 1 January 2005	325	42	367
Additions	5	27	32
Disposals	(41)	(42)	(83)
Transfers	6	(6)	0
Cost at 31 December 2005	295	21	316
Amortisation and impairment losses at 1 January 2005	(112)	0	(112)
Amortisation	(122)	0	(122)
Disposals	7	0	7
Amortisation and impairment losses at 31 December 2005	(227)	0	(227)
Carrying amount at 31 December 2005	68	21	89
Cost at 1 January 2006	294	21	315
Additions	0	35	35
Disposals	0	0	0
Transfers	24	(24)	0
Cost at 31 December 2006	318	32	350
Amortisation and impairment losses at 1 January 2006	(227)	0	(227)
Amortisation	(64)	0	(64)
Disposals	0	0	0
Amortisation and impairment losses at 31 December 2006	(291)	0	(291)
Carrying amount at 31 December 2006	27	32	59
Amortised over	5 yrs	-	-

The carrying amount of in-process development projects has been tested for impairment. The result of the impairment tests is that the recoverable amount is higher than the carrying amount. It has therefore been deemed unnecessary to write down in-process development projects.

Completed development projects have not been tested for impairment, as there have been no indications of impairment of completed development projects.

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Property, plant and equipment

DKK million	Land and buildings	Investment property	Fixtures and fittings, tools and equipment	Assets in the course of construction	Total
Cost at 1 January 2005	269	88	29	0	386
Additions	0	0	1	0	1
Disposals	0	0	(21)	0	(21)
Transfers	0	0	0	0	0
Cost at 31 December 2005	269	88	9	0	366
Depreciation and impairment losses at 1 January 2005	(115)	(17)	(17)	0	(149)
Depreciation, disposals	0	0	9	0	9
Depreciation	(9)	(4)	0	0	(13)
Depreciation and impairment losses at 31 December 2005	(124)	(21)	(8)	0	(153)
Carrying amount at 31 December 2005	145	67	1	0	213
Depreciated over	20 yrs	20 yrs	3 - 5 yrs	-	-

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Property, plant and equipment (continued)

DKK million	Land and buildings	Investment property	Fixtures and fittings, tools and equipment	Assets in the course of construction	Total
Cost at 1 January 2006	269	88	9	0	366
Additions	0	0		16	16
Disposals	0	0	0	0	0
Transfers	0	0	1	(1)	0
Cost at 31 December 2006	269	88	10	15	382
Depreciation and impairment losses at 1 January 2006	(124)	(21)	(8)	0	(153)
Depreciation, disposals	0	0	0	0	0
Depreciation	(10)	(8)	(1)	0	(19)
Depreciation and impairment losses at 31 December 2006	(134)	(29)	(9)	0	(172)
Carrying amount at 31 December 2006	135	59	1	15	210
Depreciated over	20 yrs	20 yrs	3-5 yrs	-	-

The fair value of investment property is DKK 73 million (2005: DKK 81 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 for the properties. The net cash flows have been determined on the basis of budgets for period 2007-2026. A discount rate of 9% before tax has been used. External valuers have not been used in the determination of fair value.

Total rental income for the year from investment property, DKK 12 million (2005: DKK 13 million), is recognised in the income statement under revenue. Total costs for operation and maintenance of investment property, DKK 5 million (2005: DKK 6 million), 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 2006.

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Other non-current assets

DKK million	Investments in subsidiaries		Investments in associates		Other equity investments		Loans to subsidiaries	
	2006	2005	2006	2005	2006	2005	2006	2005
Cost at 1 January	3,929	3,899	375	375	904	904	11,314	6,354
Additions	19,578	30	10,883	0	0	0	3,081	7,456
Transfers	10,883	0	(10,883)	0	0	0	0	0
Dividends	(276)	0	0	0	0	0	0	0
Disposals	(105)	0	(200)	0	(904)	0	(5,081)	(2,496)
Cost at 31 December	34,009	3,929	175	375	0	904	9,314	11,314
Value adjustments at 1 January	0	0	(234)	(234)	468	468	0	(13)
Disposals	0	0	165		(468)		0	13
Value adjustments at 31 December	0	0	(69)	(234)	0	468	0	0
Carrying amount at 31 December	34,009	3,929	106	141	0	1,372	9,314	11,314

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During the year under review, DONG Energy acquired shares in the following companies:

DONG Energy Leitung E GmbH, DONG Energy Power A/S (Elsam A/S), DONG Energy Speicher E GmbH, Energi E2 A/S, Frede-

riksberg Elforsyning A/S, Frederiksberg Elnet A/S, Frederiksberg Forsynings Ejendomsselskab A/S, KE Drift A/S, VICH 7443 A/S and VICH 7444 A/S

Reference is made to the company overview in note 31.

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Other non-current assets (continued)

Associates:

Investments in associates are measured at cost in the parent company balance sheet.

2006

Name	Registered office	Ownership interest	Revenue	Profit for the year	Assets	Liabilities	DONG Energy's share	
							Profit for the year	Equity
Nova Naturgas AB	Stockholm, Sweden	20%	181	(10)	843	487	(2)	73
Parent company, total							(2)	73

2005

Name	Registered office	Ownership interest	Revenue	Profit for the year	Assets	Liabilities	DONG Energy's share		
							Profit for the year	Equity	
Nova Naturgas AB	Stockholm, Sweden	20%	166	41	889	466	8	85	
Nunaoil A/S	Nuuk, Greenland	50%	1	(12)	31	4	(6)	14	
Goodwill impairment losses							-	(2)	-
Parent company, total							0	99	

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Receivables from subsidiaries

The item comprises current credit facilities that are made available to subsidiaries, joint taxation contributions, etc. The carrying amount of receivables is estimated to correspond to the fair value.

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Other receivables

DKK million	2006	2005
Fair value of derivative financial instruments	4,618	2,367
Receivables from sale of activities	1,458	0
Deposits	1	0
Other receivables	35	159
Other receivables at 31 December	6,112	2,526

Apart from the fair value of derivative financial instruments and deposits, receivables fall due for payment less than one year after the close of the financial year. The carrying amount of receivables is estimated to correspond to the fair value.

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Prepayments

DKK million	2006	2005
Prepaid costs	27	5
Prepayments at 31 December	27	5

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Equity

DKK million	2006	2005
Share capital:		
At start of year	2,144	2,144
Capital increase by way of non-cash contribution	793	0
	2,937	2,144

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The company's share capital amounts to DKK 2,937 million divided into shares of DKK 1,000. The share capital is fully paid up.

There have been no capital increases or capital reductions in the years 2002 - 2004.

An amount of DKK 35 million was paid in dividend to shareholders in 2006.

Hybrid capital

Hybrid capital of DKK 8,154 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'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 a step-up added. DONG Energy A/S can omit or postpone interest payments to the bond holders. However, deferred interest payments will fall due for payment in the event of DONG Energy A/S making any distributions to its shareholders. The proceeds from the issuing of hybrid capital amounted to DKK 8.1 billion (EUR 1.1 billion).

Because of the special characteristics of the bond loan, it is accounted for as equity pursuant to IAS 32, as DONG Energy A/S is not under obligation to pay interest to the bond holders.

Interest paid to the bond holders in 2006 amounted to DKK 451 million (EUR 61 million).

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Deferred tax

DKK million	2006	2005
Deferred tax at 1 January	226	498
Deferred tax for the year recognised in profit for the year	56	(42)
Deferred tax for the year recognised in equity	0	0
Prior year adjustments	15	(44)
Prior year adjustments recognised in equity	0	(131)
Effect of reduction of Danish corporate income tax rate from 30% to 28%	0	(33)
Reclassifications	0	(22)
Deferred tax at 31 December	297	226
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	0	0
Deferred tax (liabilities)	297	226
Deferred tax at 31 December, net	297	226
Deferred tax relates to:		
Intangible assets	16	24
Property, plant and equipment	12	16
Other non-current assets	20	102
Current assets	1	0
Current liabilities	(1)	(4)
Retaxation	249	88
Deferred tax at 31 December	297	226
Deferred tax liabilities that are not recognised in the balance sheet relate to:		
Temporary differences relating to investments in subsidiaries and associates	17	44

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Deferred tax (continued)

Changes in temporary differences during the year

2006

DKK million	Balance sheet at 1 January	Recognised in profit for the year	Recognised in equity	Balance sheet at 31 December
Intangible assets	24	(8)	0	16
Property, plant and equipment	16	(4)	0	12
Other non-current assets	102	(82)	0	20
Current assets	0	1	0	1
Current liabilities	(4)	3	0	(1)
Retaxation	88	161	0	249
	226	71	0	297

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2005

DKK million	Balance sheet at 1 January	Recognised in profit for the year ¹	Recognised in equity ¹	Other adjust- ments	Balance sheet at 31 December
Intangible assets	76	(52)	0	0	24
Property, plant and equipment	18	(2)	0	0	16
Other non-current assets	241	(8)	(131)	0	102
Current assets	0	0	0	0	0
Non-current liabilities	75	(53)	0	(22)	0
Current liabilities	0	(4)	0	0	(4)
Retaxation	88	0	0	0	88
	498	(119)	(131)	(22)	226

¹ Including effect of reduction of Danish corporate income tax rate from 30% to 28%.

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Current and non-current loans

Current and non-current loans can be broken down as follows:

DKK million	2006	2005
Bond loans	7,689	3,735
Mortgage loans	163	163
Bank loans	4,583	1,846
Other non-current liabilities	6,807	0
Non-current loans at 31 December	19,242	5,744
Bond loans	1,795	0
Bank loans	1,490	454
Current loans at 31 December	3,285	454
Current and non-current loans at 31 December	22,527	6,198
Fair value	22,615	6,372
Nominal value	22,452	6,198

Maturities

Expected maturities for current and non-current loans:

DKK million	2006	2005
0 - 1 years	3,285	454
1 - 5 years	13,047	694
> 5 years	6,195	5,050
Current and non-current loans at 31 December	22,527	6,198

The fair value has been determined as the present value of expected future instalments and interest payments.

The company's financing agreements are not subject to any unusual requirements or terms.

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Income tax receivable and payable

DKK million	2006	2005
Income tax receivable at 1 January	79	816
Adjustments of current tax for prior years	16	(40)
Adjustments of current tax for prior years, jointly taxed enterprises	12	46
Payments in respect of prior years	(37)	(822)
Current tax for the year	0	(219)
Tax for the year on equity	90	71
Current tax for the year from jointly taxed companies, incl. tax for the year on equity	(2,016)	(500)
Current tax from non-consolidated companies	(5)	7
Payments for the year	2,091	754
Reclassification	0	(34)
Income tax receivable at 31 December	230	79

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Other payables

DKK million	2006	2005
Fair value of derivative financial instruments	4,762	2,485
VAT and taxes	11	21
Purchase prices payable	82	0
Other liabilities	523	62
Other payables	5,378	2,568

Apart from the fair value of derivative financial instruments, other payables fall due for payment less than one year after the close of the financial year.

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Cash flows from operations (operating activities)

DKK million	2006	2005
Operating profit (loss)	(88)	(60)
Depreciation, amortisation and impairment losses	83	136
Operating profit (loss) before depreciation and amortisation (EBITDA)	(5)	76
Other restatements	(129)	(3)
Cash flows from operations (operating activities) before changes in working capital	(134)	73
Change in trade receivables	(514)	153
Change in other receivables	173	(331)
Change in trade payables	367	38
Change in other payables, etc.	533	(171)
Change in working capital	559	(311)
Cash flows from operations (operating activities)	425	(238)

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Acquisition of enterprises

DKK million	2006	2005
Acquisition of subsidiaries	19,578	1
Issue of instrument of debt	(6,675)	0
Cash purchase price, subsidiaries	12,903	1
Acquisition of associates	10,883	0
Portion paid for in the form of shares	(10,041)	0
Cash purchase price, associates	842	0

23 | Disposal of enterprises

DKK million	2006	2005
Carrying amount of enterprises disposed of	90	0
Gain on disposal of enterprise	1,402	0
Selling price	1,492	0
Of which receivables	1,457	0
Cash selling price	35	0

24 | Cash and cash equivalents

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DKK million	2006	2005
Cash and cash equivalents at 31 December comprise:		
Securities that are part of the ongoing cash management	51	1,577
Available cash	623	5,313
Bank overdrafts	(316)	0
Cash and cash equivalents at 31 December	358	6,890
Securities at 31 December can be broken down into the following balance sheet items:		
Securities that are part of the ongoing cash management	51	1,577
Securities at 31 December	51	1,577
Cash at 31 December can be broken down into the following balance sheet items:		
Available cash	623	5,313
Cash at 31 December	623	5,313
Bank loans at 31 December can be broken down as follows:		
Bank overdrafts	(316)	0
Other bank loans	(1,174)	454
Bank loans at 31 December	(1,490)	454

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Currency risks, interest rate risks and raw material price risks, etc.

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 hedging instruments.

The parent company also functions as the Group's internal banker in relation to currency, interest rate and cash management and conclusion of certain raw material-related contracts. In a few cases the company has entered into contracts to hedge risks in subsidiaries.

Reference is made to the relevant sections in the management's review and to note 37 in the consolidated financial statements.

Currency risks

Recognised assets and liabilities

DKK million	Receivables		Payables		Hedged using forward exchange contracts and currency swaps		Net position	
	2006	2005	2006	2005	2006	2005	2006	2005
EUR	2,296	33	(13,951)	(3,733)	3,707	2,387	(7,948)	(1,313)
USD	458	67	(2,645)	(833)	1,812	834	(375)	68
GBP	1,463	3	(1,478)	(1)	(689)	(511)	(704)	(509)
SEK	106	171	(188)	0	0	0	(82)	171
NOK	2,733	5,920	(68)	(1)	(2,139)	209	526	6,128
Other	1	1	(7)	0	0	0	(6)	1
	7,057	6,195	(18,337)	(4,568)	2,691	2,919	(8,589)	4,546

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Currency risks, interest rate risks and raw material price risks, etc. (continued)

At 31 December 2006 unrealised value adjustments on derivative financial instruments for currency hedging of recognised assets and liabilities totalled DKK (157) million (31 December 2005: DKK (92) million), which has been recognised in the parent company income statement.

Contractual repricing and maturity dates for the parent company's financial assets and liabilities, depending on which date occurs first:

Interest rate risks

Interest rate risks are the risk that externally introduced changes in agreed interest rates result in increased interest expense or reduced interest income for the company.

	Repricing or maturity date			Total	Average effective interest rate (%)
	0 - 1 year	1 - 5 years	> 5 years		
Trade receivables	10	0	0	10	-
Receivables, subsidiaries, interest-bearing	21,122	0	0	21,122	4,4
Receivables, subsidiaries, non interest-bearing	549	0	0	549	-
Other receivables	6,112	0	0	6,112	-
Securities	0	20	31	51	5,3
Other non-current financial assets	345	0	0	345	5,4
Bond loans and bank loans	(14,127)	(4,423)	(3,977)	(22,527)	4,0
Payables to subsidiaries, interest-bearing	(1,275)	0	0	(1,275)	3,7
Payables to subsidiaries, non interest-bearing	(384)	0	0	(384)	-
Other current liabilities	(5,486)	0	0	(5,486)	-
Swaps	266	(266)	0	0	3,7
	7,132	(4,669)	(3,946)	(1,483)	

Interest rate hedges

As part of its financial management, DONG Energy A/S 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 2006 totalled DKK 47 million (31 December 2005: DKK (79) million).

To hedge interest rate risks relating to future loans, interest rate swaps with a notional amount of DKK 1.417 million and a term of 7 - 8 years have been entered into. Value adjustments recognised directly in equity at 31 December 2006 totalled DKK 102 million (31 December 2005: DKK 78 million)

26 | Credit risks

Credit risks are the risk that a book loss will be realised in the event of a party to a contract being unable to perform its contractual obligations.

The parent company's credit risk comprises primarily receivables from financial counterparties. Credit rating of customers and other business partners is carried out on a regular basis to generally minimise the risk.

The amounts with which the items in question are recognised in the balance sheet correspond to the company's maximum

credit risk. Losses on receivables from individual customers or business partners have historically been low. In the company's opinion, there are no special concentrations of credit risks.

The company's credit 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.

27 | Operating leases

Non-cancellable lease payments under operating leases amount to:

DKK million	2006	2005
0 - 1 year	12	11
1 - 5 years	15	15
> 5 years	0	0
	27	26

Operating leases comprise vehicle leasing. The parent company enters into the leases on behalf of the Group's companies. The leases have a term of five years. The responsibility for repair and

maintenance of the vehicles lies with the lessor. There are no significant restrictions in the leases with respect to use of the vehicles.

DKK million	2006	2005
Operating leases recognised in the parent company's income statement amount to	3	2

Costs for vehicle leasing are allocated among the Group's companies.

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Contingent assets, liabilities and security

Contingent liabilities

In connection with the unbundling of the former DONG Naturgas on 1 January 2003, the receiving companies, DONG Gas Distribution, DONG Storage, DONG Naturgas and DONG Energy Gasforsyning, are liable for any obligations in the discontinuing company at the time of publication of the unbundling plan, although only up to an amount equivalent to the added or remaining net value at the time of publication. As a consequence of the subsequent merger between DONG Ejendomme and DONG Energy, DONG Energy has taken over DONG Ejendomme's liability.

Through its participation in the collaboration with Oil Insurance Limited (OIL), DONG Energy is subject to provisions that imply payment of an avoided premium surcharge (APS) in the event of termination or reduction of the insurance. Provision is made in the financial statements for the retrospective adjustment. The prospective premium is not expected to exceed USD 0.4 million.

Guarantees

DONG Energy has provided a parent company guarantee in respect of DONG E&P Norge's obligations and liability in connection with DONG Norge's qualification as shipper in Gassled.

DONG Energy has provided a parent company guarantee in respect of DONG E&P Norge's obligations in connection with the establishment of a natural gas pipeline.

DONG Energy acts as guarantor with primary liability for bank balances in subsidiaries for up to DKK 480 million.

Security

Mortgage loans totalling DKK 163 million (2005: DKK 163 million) are secured on property, etc., with a carrying amount of DKK 135 million (2005: DKK 145 million).

Litigation

A number of former shareholders in Elsam A/S have commenced proceedings against DONG Energy, claiming that shares in Elsam should be the subject of a preemption right round; alternatively, payment of damages calculated at approx. DKK 800 million. Reference is made to the management's review. No provision has been made in the annual report for any damages.

DONG Energy is also a party to various actions and legal disputes that do not, either individually or collectively, affect the company's financial position.

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Related party transactions

Reference is made to note 42 in the consolidated financial statements.

Subsidiaries

The parent company's trading with subsidiaries comprises:

DKK million	2006	2005
Rental income and services	442	367
Purchases of goods and services	(4)	(2)
Interest (net income)	624	357

The parent company's capital transactions and balances with subsidiaries at 31 December comprise:

DKK million	2006	2005
Receivables from subsidiaries	21,671	16,290
Payables to subsidiaries	(1,659)	(3,196)
Dividends from subsidiaries	3,108	1,217

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New International Financial Reporting Standards and IFRIC Interpretations

Reference is made to note 43 in the consolidated financial statements.

Name	Registered office	Ownership interest
Subsidiaries		
DONG E&P A/S	Fredericia, Denmark	100%
DONG EI A/S	Fredericia, Denmark	100%
DONG Energy Leitung E GmbH	Kiel, Germany	100%
DONG Energy Pipelines GmbH	Fredericia, Denmark	100%
DONG Energy Power A/S	Fredericia, Denmark	57%
DONG Energy Speicher E GmbH	Kiel, Germany	100%
DONG Gas Distribution A/S	Fredericia, Denmark	100%
DONG Insurance A/S	Fredericia, Denmark	100%
DONG Litauen A/S	Fredericia, Denmark	100%
DONG Naturgas A/S	Fredericia, Denmark	100%
DONG Oil Pipe A/S	Fredericia, Denmark	100%
DONG Olieforsyning 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%
Energi E2 A/S	Frederiksberg, Denmark	30%
Frederiksberg Elforsyning A/S	Frederiksberg, Denmark	100%
Frederiksberg Elnet A/S	Frederiksberg, Denmark	100%
Frederiksberg Forsynings Ejendomsselskab A/S	Frederiksberg, Denmark	100%
KE Drift A/S	Copenhagen, Denmark	100%
VICH 7443 A/S	Fredericia, Denmark	100%
VICH 7444 A/S	Fredericia, Denmark	100%
Associates		
Nova Naturgas AB	Gothenburg, Sweden	20%