

FINANCIALS 2011 First quarter results

19 May 2011



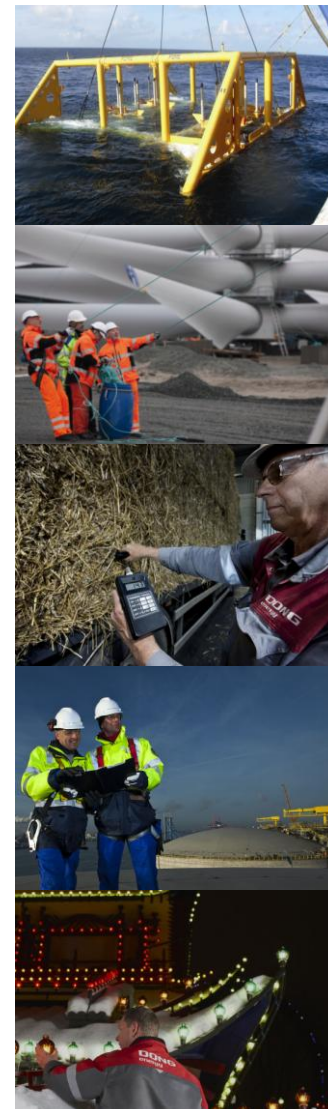
Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “continues” or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this presentation including but not limited to general economic developments, changes in temperature and precipitation, changes in market prices (e.g. oil, gas, power, coal, CO₂, currency), changes in the competitive environment, developments in the financial markets and changes in legislation or case law.

We urge you to read our annual report available on our website at www.dongenergy.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.



Agenda

- **DONG Energy highlights**
- **Financials**
- **Outlook**
- **Appendix**



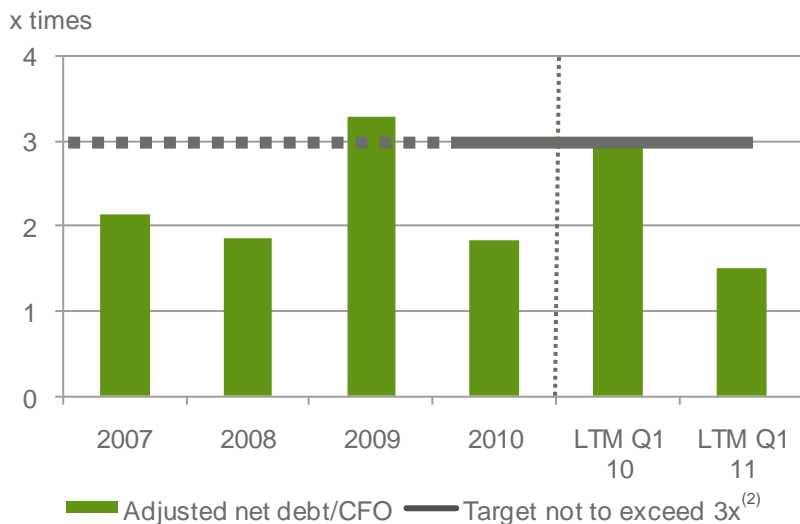
Highlights first quarter 2011

Highlights

- EBITDA stable at DKK 4.8bn (up 1% y/y)
- Net debt reduced to DKK 19.9bn (down 10% q/q)
- Adjusted net debt to CFO at 1.5x (1.8x at year end 2010)
- EBITDA for 2011 expected to be in line with 2010
- Introduction of Business Performance result to maintain and increase transparency ⁽¹⁾

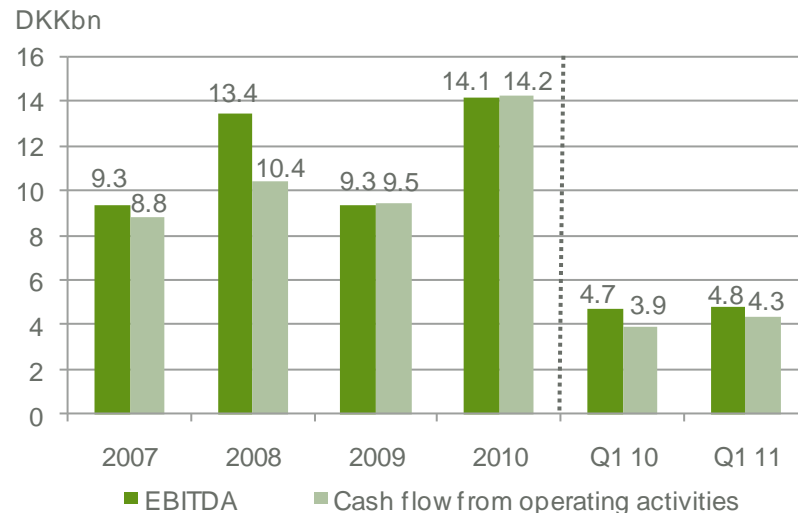
(1): Unless otherwise stated all financial figures refer to Business Performance result

Capital structure

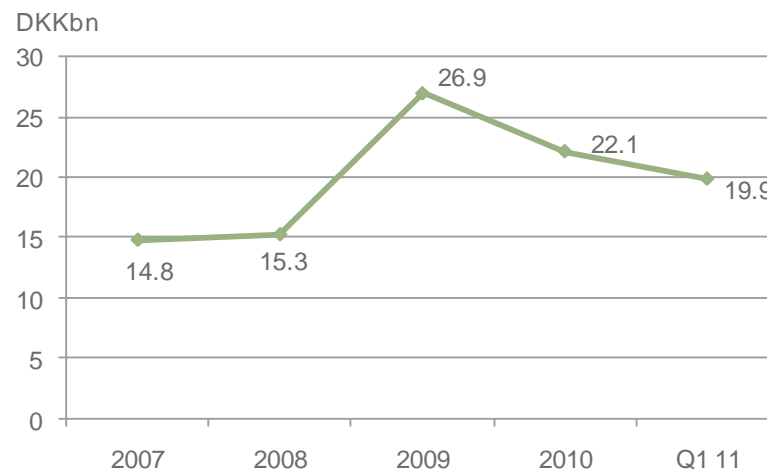


(2): In 2009, the target was around 3x

Key figures



Net debt



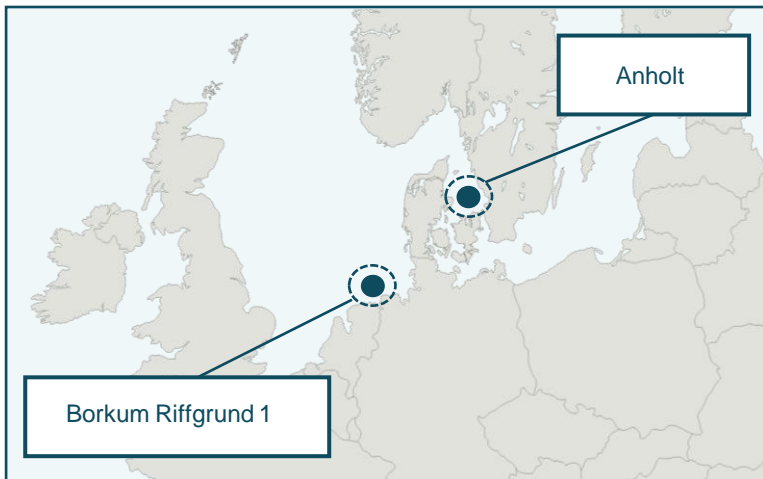
Key events in Q1 2011

Decision to build Borkum Riffgrund 1

- German offshore wind farm located in the German part of the North Sea.

Characteristics	
Capacity	320MW
Total investment	EUR 1¼ bn
Construction start	2013
First power	2014
Price regime	Fixed price per kWh for approx first 13 years

- Borkum Riffgrund strengthens DONG Energy's leading position within offshore wind and enhances portfolio diversification



Divestment of 50% in Anholt offshore wind farm

- Agreement to sell 50% of Anholt offshore wind farm to PensionDanmark and PKA
- Price of approx. DKK 6bn paid in 4 instalments
- PensionDanmark and PKA will take over responsibility for operation and earnings in proportion to their interests on 1 April 2014
- DONG Energy has signed a 15-year contract with PensionDanmark and PKA on operation and planned maintenance of the farm
- The transaction is:
 - Subject to approval by the competition authorities and the Danish Energy Agency
 - Expected to close in Q2 2011

Business Performance – background

- DONG Energy actively hedges market price risks up to 5 years ahead with the objective of
 - Stabilising earnings and cash flow
 - Locking in value of production and/or transactions
 - Reducing risk towards adverse market price movements
- Ambition to match hedging activities with underlying risk exposure in P/L reporting
 - Applying hedge accounting (IAS39) to achieve a symmetrical P/L treatment of hedges and the underlying hedged exposures – specific requirements have to be fulfilled
 - Using "own use exemption" for certain physical deliveries – ensuring that the P/L effect matches the delivery period
- Increasingly difficult to match the hedge and the hedged item due to strict requirements
 - The timing of the accounting impact does not necessarily correspond to the economic impact of the hedges – i.e. asymmetry between the real economic impact and the accounting impact
 - Reduced transparency in the accounts
 - IAS 39 criteria impose restrictions on the optimal hedging decisions



Introduce Business Performance result to maintain and increase transparency

NB: Please refer to audiocast on 16 May 2011 for a detailed presentation of Business Performance

DONG
energy

Business Performance – three column Income Statement

Purpose: Increase transparency and better reflect the underlying actual performance

**Cease to apply
hedge accounting**

MtM movements from hedges and some physical deliveries will be accounted for directly in P/L

This increases volatility in the IFRS result

**Criteria for the own
use exemption in
IFRS no longer met**

Only affects the timing of the accounting impact and has no real economic or cash flow impact

A three column Income Statement is introduced splitting the IFRS result into two buckets:

Business Performance

The result related to the actual reporting period – i.e. the value creation for the period

Adjustments

MtM movements not attributable to the period's result

Implemented as of 1 January 2011

Business Performance – the methodology

- The Business Performance result shows the result related to the current reporting period excluding effects from MtM movements not attributable to the period's result

$$\text{Realised value}_{\text{in period}} + \text{Market value}_{\text{end of period}} - \text{Market value}_{\text{start of period}} = \text{IFRS}$$



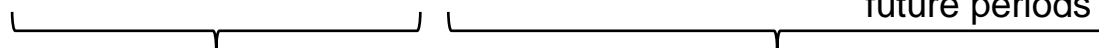
Value concerning the period's result



Closing market value concerning future periods



Opening market value concerning the period's result and future periods



	Business Performance		Adjustments		IFRS
Revenue	Realised result for the period	+	Mark to Market (MtM) adjustments not attributable to the period's result	=	Result incl. MtM adjustments not attributable to the period's result
Production costs					
Gross Profit					
...					
Profit for the year					

Business Performance – characteristics

- Business Performance is the underlying result related to the current reporting period
- No adjustments for extraordinary items incl. one offs – adjustments are only made for MtM movements related to other periods. Hence, one offs are included in Business Performance
- Business Performance only changes the timing of the accounting effect to reflect the actual decisions and management of DONG Energy
 - The aggregate Adjustments will over time accumulate to zero
 - Business Performance plus Adjustments will for each period equal the IFRS result
- Business Performance closely corresponds to and reflects the financial management and governance of DONG Energy
 - The internal management of DONG Energy is based on Business Performance as it better reflects decisions and performance of DONG Energy
- The new presentation of the Income Statement has no impact on the Cash Flow Statement or the capital structure ratio – the change is purely a changed accounting presentation
- The new presentation of the Income Statement is in full compliance with IFRS presentation rules
- As the new presentation follows IFRS presentation rules it is audited by external auditors in line with the rest of the financial report

Business Performance – Q1 2011

- In Q1 2011, the difference between Business Performance and IFRS amounted to DKK 4.3bn
- The difference was primarily related to two effects:

Criteria for the own use exemption in IFRS no longer met



Initial recognition of certain physical fixed-price electricity and gas contracts

Cease to apply hedge accounting



MtM of financial and physical hedging contracts relating to other periods

Business Performance EBITDA	DKK 4.8bn
Adjustments	DKK -4.3bn
<i>Initial recognition of certain fixed-price physical electricity and gas contracts</i>	<i>DKK -1.8bn</i>
<i>MtM of financial and physical hedging contracts relating to other periods</i>	<i>DKK -2.6bn</i>
<i>Deferred losses/gains relating to financial and physical hedging contracts where the hedged production or trading is recognised in the reporting period</i>	<i>DKK 0.2bn</i>
IFRS EBITDA	DKK 0.5bn

Business Performance – Adjustments Q1 2011

Initial recognition of certain physical gas and electricity contracts

- The contracts are primarily hedges of the gas portfolio and Danish thermal power production – locking in the price of future production/sales
- Prior to 2011 these contracts have been accrual accounted
- Due to increased opportunities to more actively manage price risk (better market liquidity), these contracts will going forward be classified as financial contracts => market value of the contracts will from 1 January be recognised in the IFRS result
- The contracts are yet to be realised and hence will not impact Business Performance in Q1 2011 – only affects the IFRS result through Adjustments
- The market value of the contracts was DKK -1.8bn at 1 January 2011 – primarily related to:

Contract	Market value of contracts	Comments
Net fixed-price sales on Dutch TTF gas hub	DKK -0.9bn	Gas sold forward at prices below forward prices at the beginning of 2011
Fixed-price power sales in DK at auction (VPP auctions)	DKK -0.9bn	Power sold forward at prices below forward prices at the beginning of 2011

- The negative market value reflect rising prices for gas and power => i.e. the underlying business benefits from these rising prices

Business Performance – Adjustments Q1 2011

MtM of financial and physical hedging contracts relating to other periods

- The negative MtM movements reflect
 - Rising prices for gas and power => the underlying business benefits from these rising prices
 - A high degree of hedging => locking in future prices for production/sales
- MtM movements only reflect hedging, not the underlying production/sales
- If hedge accounting had continued to be applied, a large portion of the negative MtM movements would not have affected the Income Statement

Product	MtM movement Q1 2011
Oil	DKK +0.4bn
Gas	DKK -1.3bn
Power	DKK -1.1bn
USD	DKK -0.7bn
Other	DKK +0.1bn

DKK -2.6bn

- The MtM movements of DKK -2.6bn of hedging contracts are related to other periods and will not impact Business Performance

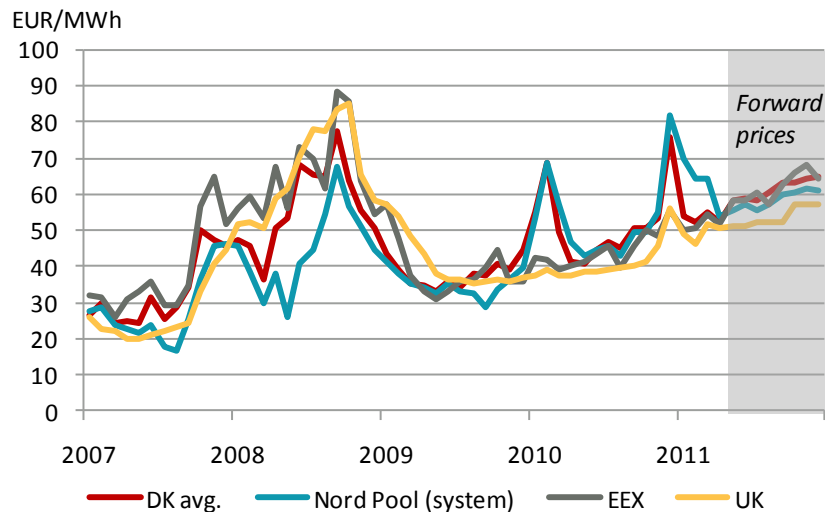
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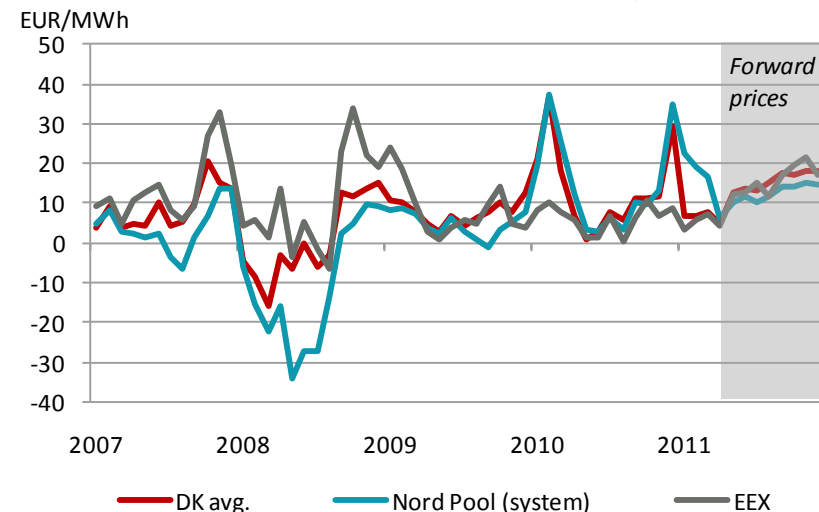
Market prices

Power prices (monthly average)



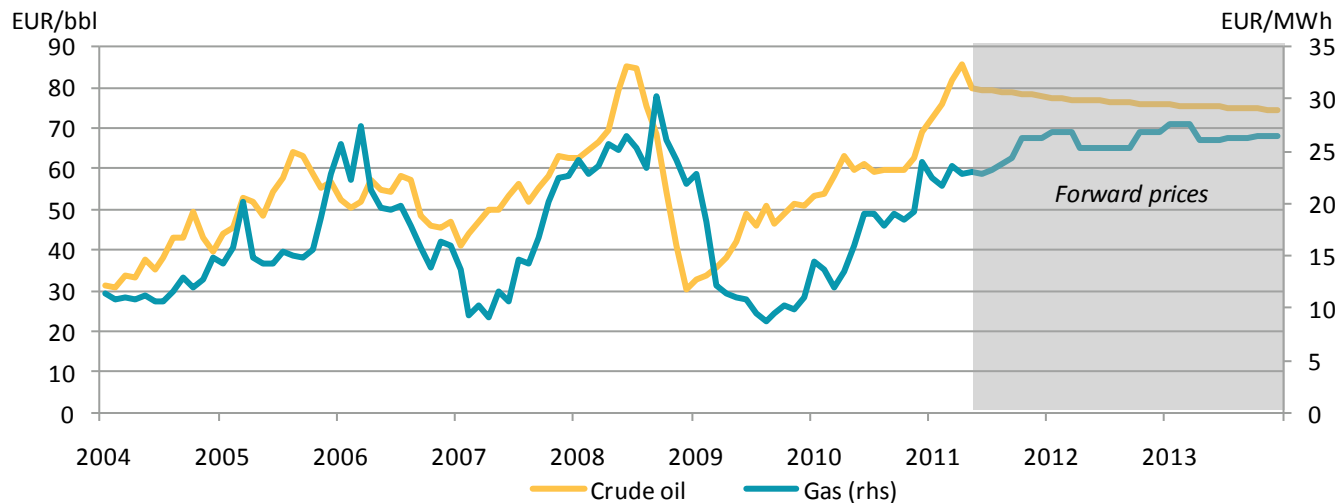
Source: Argus, Heron

Green Dark Spread (monthly average)



Source: Platts

Oil and gas prices (monthly average)



Source: Platts and Argus

Selected Financial Figures

DKK million	Q1 11	Q1 10	FY 2010
Revenue	15,957	16,534	54,616
EBITDA	4,760	4,714	14,136
Profit after tax	1,449	2,291	4,498
Assets	143,275	123,116	137,339
Equity incl. hybrid	50,267	47,050	51,308
Net debt	19,860	25,410	22,139
FFO	3,350	3,862	12,330
CFO	4,336	3,941	14,214

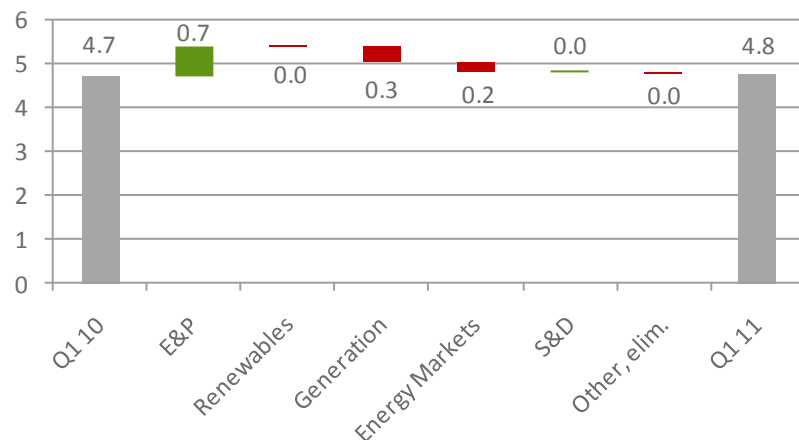
Adjusted net debt ¹ /CFO ²	1.5	3.0	1.8
FFO ² /Net debt	60%	34%	55.7%

Note (1): Net interest-bearing debt plus 50% of outstanding hybrid capital due 3005 and 0% of hybrid capital due 3010

Note (2): Last 12 months

EBITDA development

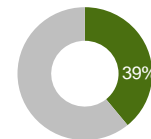
DKKbn



- **EBITDA** stable at DKK 4.8bn (up 1% y/y):
 - Higher energy prices
 - Higher power production
 - Lower contribution margin from gas trading
 - Higher capacity costs due to increased activities
- **Net debt** reduced to DKK 19.9bn (down 10% vs. Q4 10)
 - Increased cash flow from operations from positive contribution from working capital of DKK 0.9bn
 - Issuance of hybrid capital
- **Credit metrics** strengthened
 - Adjusted net debt to CFO at 1.5x (1.8x at year end 2010)

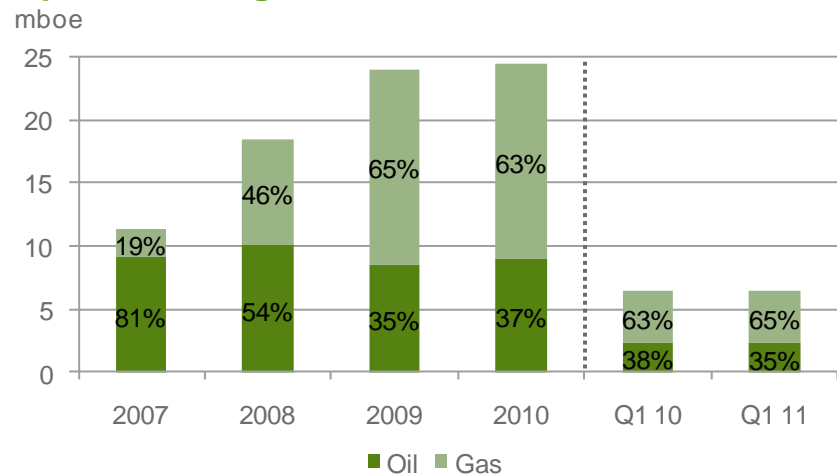
Exploration & Production

Higher oil and gas prices

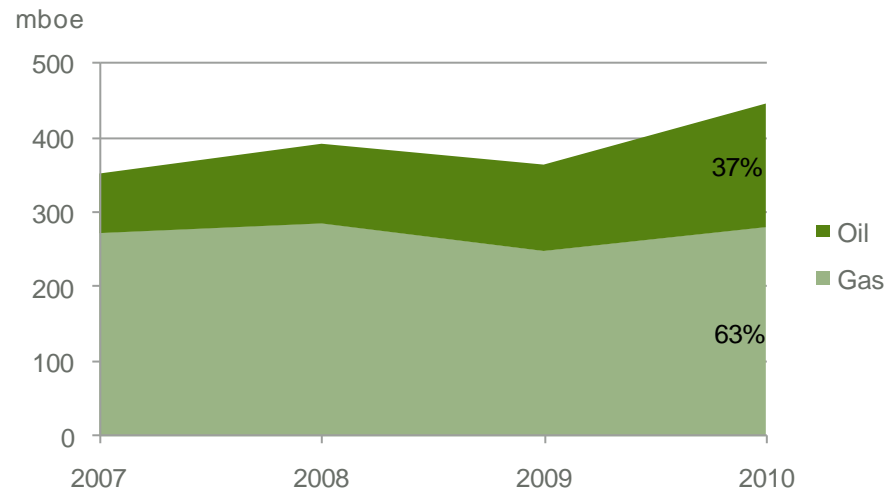


Share of group EBITDA

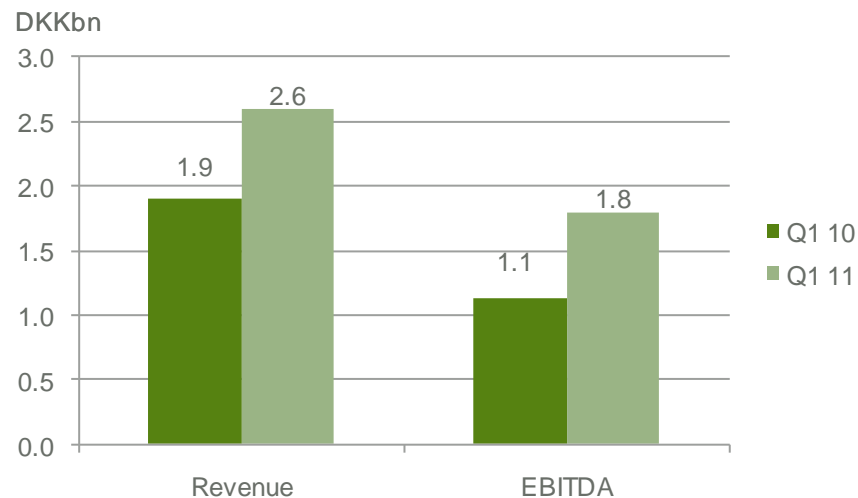
Operational figures



Reserves (2P)



Financial development

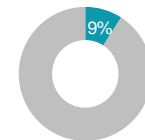


Highlights

- EBITDA increased 59% to DKK 1.8bn from rising oil and gas prices
- Oil and gas production stable at 6.5m boe (up 2%)
- 22% of production came from Danish fields and 78% from Norwegian fields
- Gross investments of DKK 1.1bn (DKK 0.7bn) relating primarily to development of the gas fields in Norway and West of Shetland

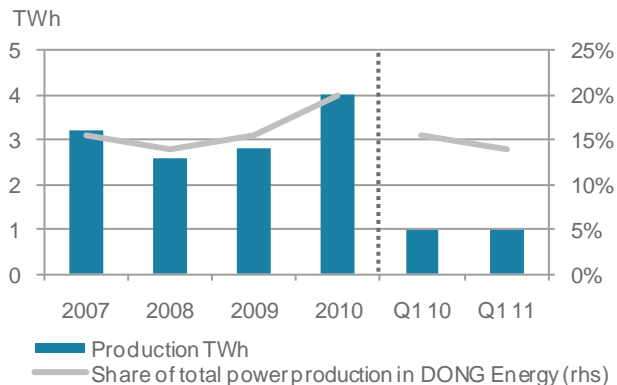
Renewables

Contribution from new assets



Share of group EBITDA

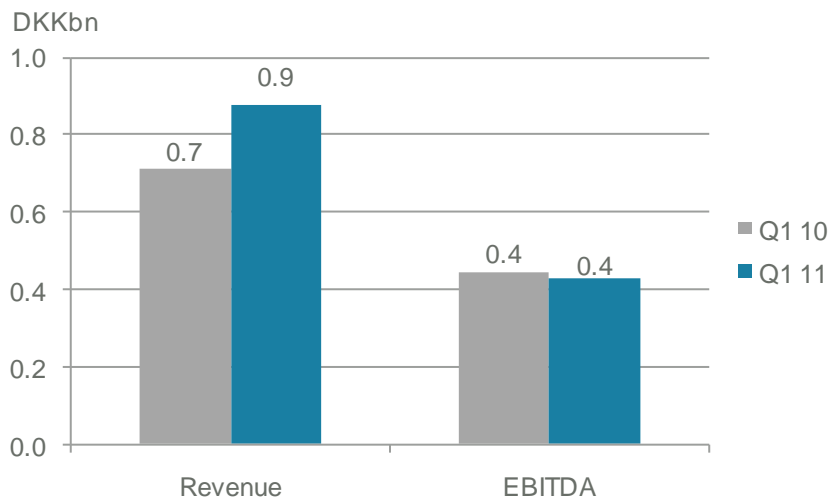
Operational figures



Market share offshore wind 2010

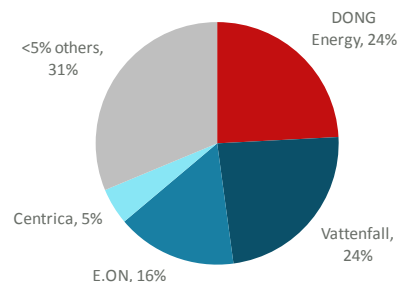
Denmark	45%
United Kingdom	23%

Financial development

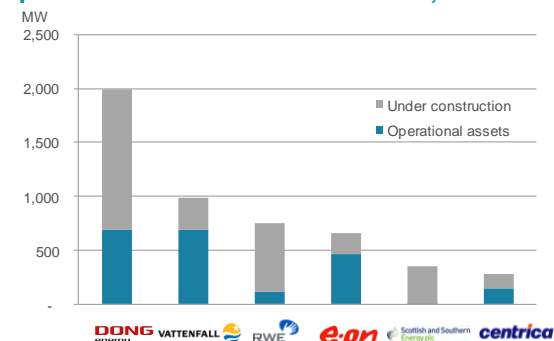


Offshore wind – Market share in Europe

In operation, end 2010



In operation and under construction, end 2010



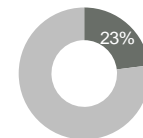
Source: Emerging Energy Research and company webpages.

Highlights

- EBITDA of DKK 0.4bn in line with Q1 10
 - Higher revenue
 - Increased development costs
- Walney offshore wind farm to start production later in 2011
- Decision for new build – Borkum Riffgrund 1 (320MW)
- Divestment of 50% in Anholt offshore wind farm

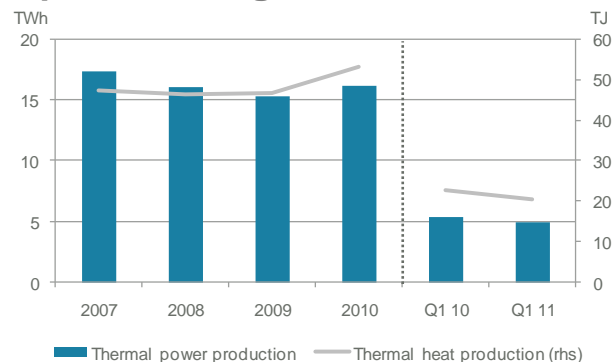
Generation

Solid earnings, but below Q1 10



Share of group EBITDA

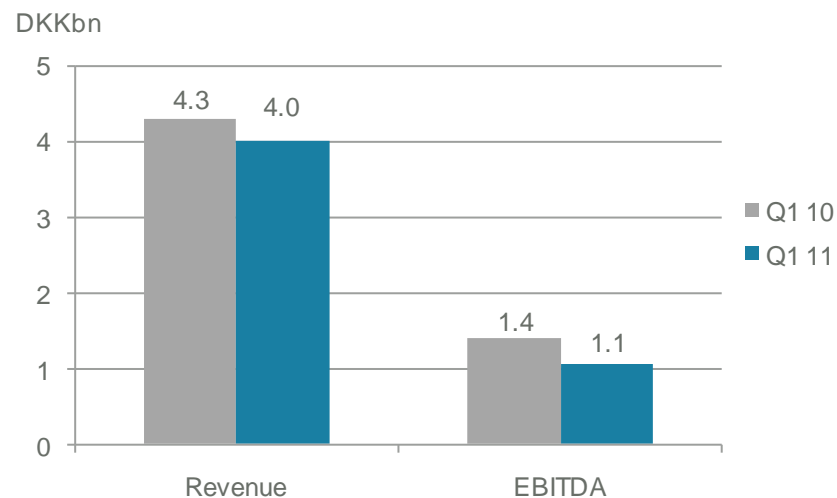
Operational figures



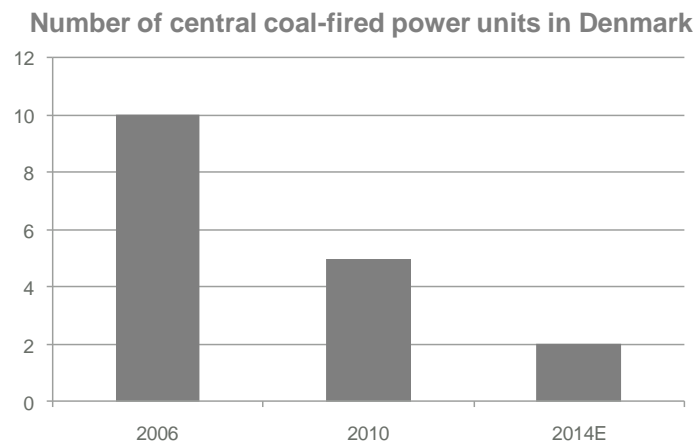
Market share Denmark 2010

Thermal power production	53%
Heat production	36%

Financial development



Reducing coal-fired capacity

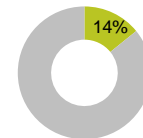


Highlights

- Solid EBITDA at DKK 1.1bn (DKK 1.4bn) on the back of cold and dry weather
- Though below level in Q1 10
 - Q1 10 was characterised by unusual cold weather and capacity shortages in the Nordics
 - Extraordinary high power and heat production as well as extraordinary high prices in Q1 10
- Positive impact from new gas-fired power stations (Severn and Mongstad)

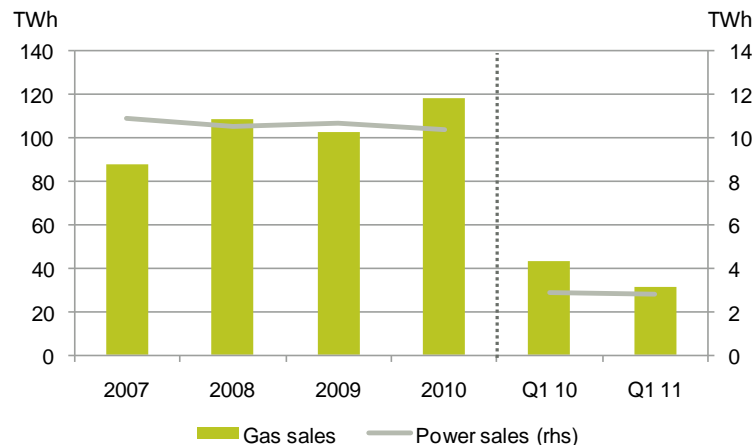
Energy Markets

Lower gas sales



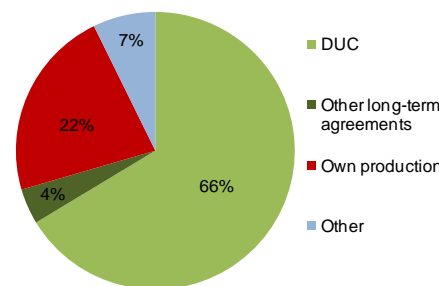
Share of group EBITDA

Operational figures

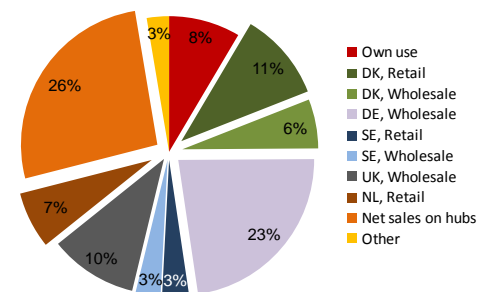


Diversified gas sourcing and sales

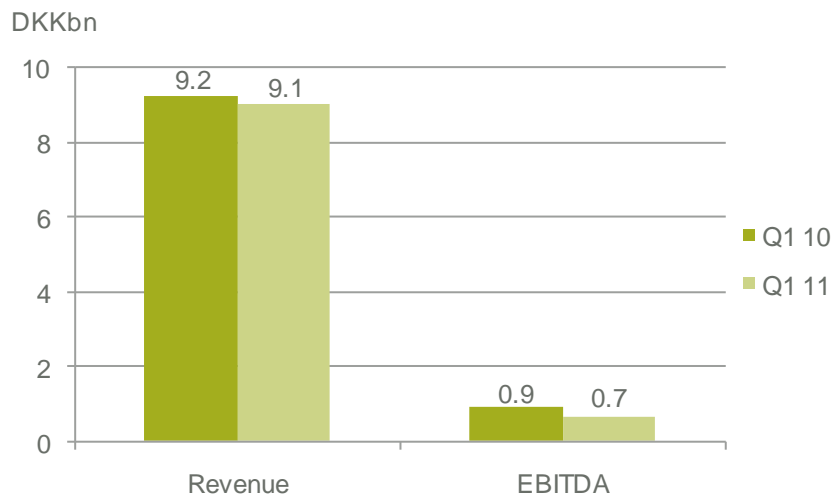
Gas sourcing 2010



Gas sales 2010



Financial development

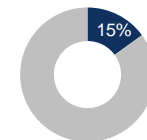


Highlights

- EBITDA at DKK 0.7bn (DKK 0.9bn)
 - Solid level of earnings on the back of cold weather
 - Positive impact from reduced oil/gas spread
 - Lower gas sales vs. Q1 10, which was characterised by extraordinary cold weather
 - Negative impact from fixed-price gas sales at lower market prices than in Q1 11
- DUC volumes in decline

Sales & Distribution

Stable earnings



Share of group EBITDA

Operational figures

		Q1 11	Q1 10
Gas sales	TWh	8.2	9.6
Distribution of gas	TWh	4.2	4.3
Power sales	TWh	2.1	2.3
Distribution of power	TWh	2.5	2.6
Transport of oil	Mbbl	18	20

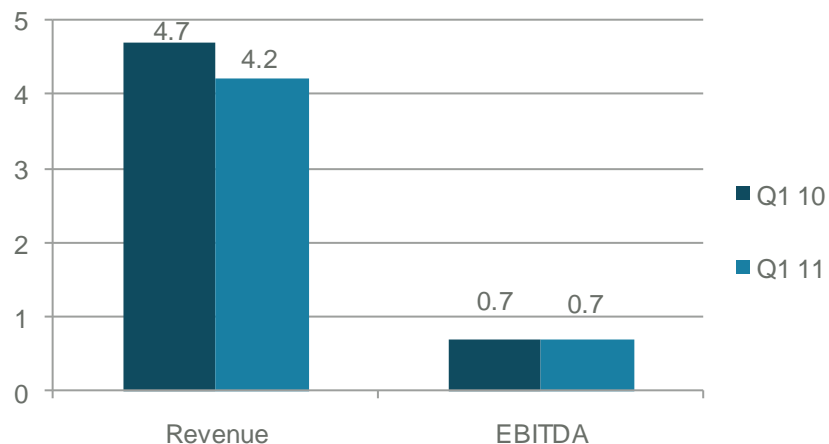
Market shares 2010

Sales	Power	Gas
Denmark	21%	32%
Sweden		22%
Holland	1%	1%

Distribution	Power	Gas
Denmark	27%	28%

Financial development

DKKbn

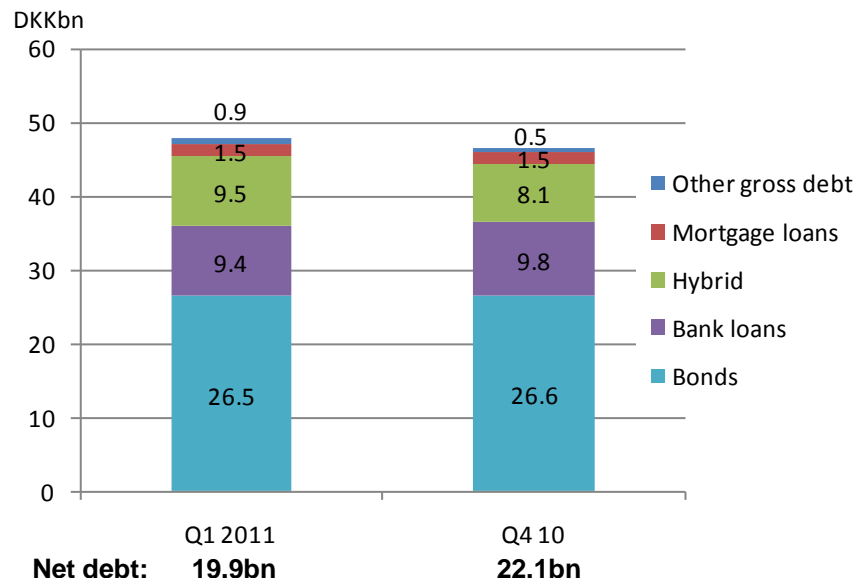


Highlights

- EBITDA of DKK 0.7bn in line with Q1 10
- Reduced gas sales from increased competition in on the Danish market
- Positive impact from lower cost level

Debt overview

Gross interest-bearing debt (incl. hybrid capital)



Key ratios gross loan portfolio (incl. hybrid capital)

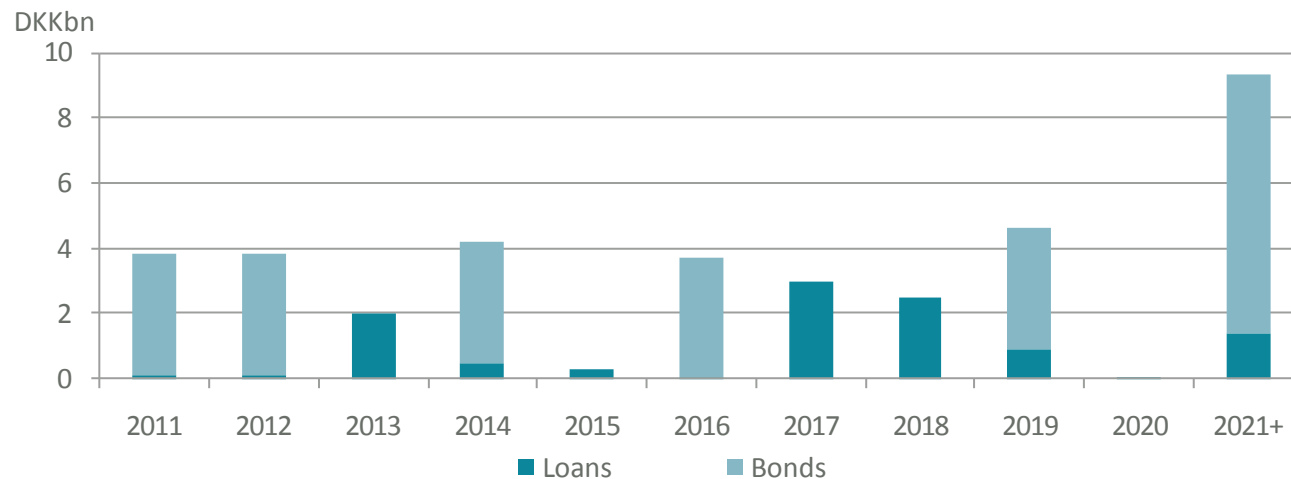
	Q1 11	Q4 10
Share of fixed rate ¹	59%	49%
Duration (years)	6.3	5.5
Average time to maturity (years) ²	8.9	9.1
Average interest rate ²	3.5%	4.7%

Note (1): Loans with shorter maturity than 1 year are classified as floating rate

Note (2): Calculated excluding hybrid capital

DKKbn	Q1 11	Q4 10
Liquid assets	14.2	11.7
Committed borrowing facilities	12.6	12.6
Liquid reserves in total	26.8	24.3

Long term debt maturity schedule at March 31, 2011 (excluding hybrid capital)



Hybrid issue in Q1 2011

- Size EUR 700m
- Maturity 3010
- Coupon: 7.75%
- First call date: June 2021
- Step-up 100bp
- Rated: Baa3/BB+

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Unchanged Outlook and Targets

Commodity prices	Current	Assumption	Actual Q1
	assumption 2011 (rest of year)	2011, Annual Report 2010	2011
Oil, Brent (USD/bbl)	95	95	105
Gas, TTF (EUR/MWh)	24	24	23
Gas, NBP (EUR/MWh)	23	23	23
Power, Nord Pool system (EUR/MWh)	55	55	66
Power, Nord Pool DK (avg.) (EUR/MWh)	53	53	54
Power, EEX (EUR/MWh)	50	50	52
Coal, API 2 (USD/t)	122	122	123
CO ₂ emissions allowances (EUR/t)	14	14	15
Green Dark Spread, DK (avg.) (EUR/MWh)	7	7	7
US Dollar, (DKK/USD)	5.6	5.6	5.5

EBITDA	<ul style="list-style-type: none"> ▪ Outlook: EBITDA in 2011 is expected to be in line with 2010 ▪ Target: Double EBITDA from 2009 to 2015 (i.e. double to DKK 17.7bn)
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Net investments	<ul style="list-style-type: none"> ▪ Outlook: DKK 40bn for 2011-2013
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Capital structure	<ul style="list-style-type: none"> ▪ Target: Adjusted net debt not to exceed three times cash flow from operations
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Q&A

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Dividend, Funding and Rating

Long term capital structure target

- Maintain a minimum rating of BBB+ / Baa1
- Adjusted net interest-bearing debt ⁽¹⁾ not to exceed three times cash flows from operating activities

Dividend policy

- The payout ratio⁽²⁾ is not to exceed 60% and not to be below 40% of net profit after tax
- Distributed DKK 7.5 per share in 2011. The annual dividend is to increase by DKK 0.25 per share (DKK 73m) in the subsequent years.



- The dividend for 2010, paid in 2011, was DKK 7.5 per share (DKK 2.2bn)

Note (1): Net interest-bearing debt plus 50% of outstanding hybrid capital due 3005 and 0% of hybrid capital due 3010

Note (2): The payout ratio is calculated less coupon after tax to holders of hybrid capital and minority interests' share of profit for the year

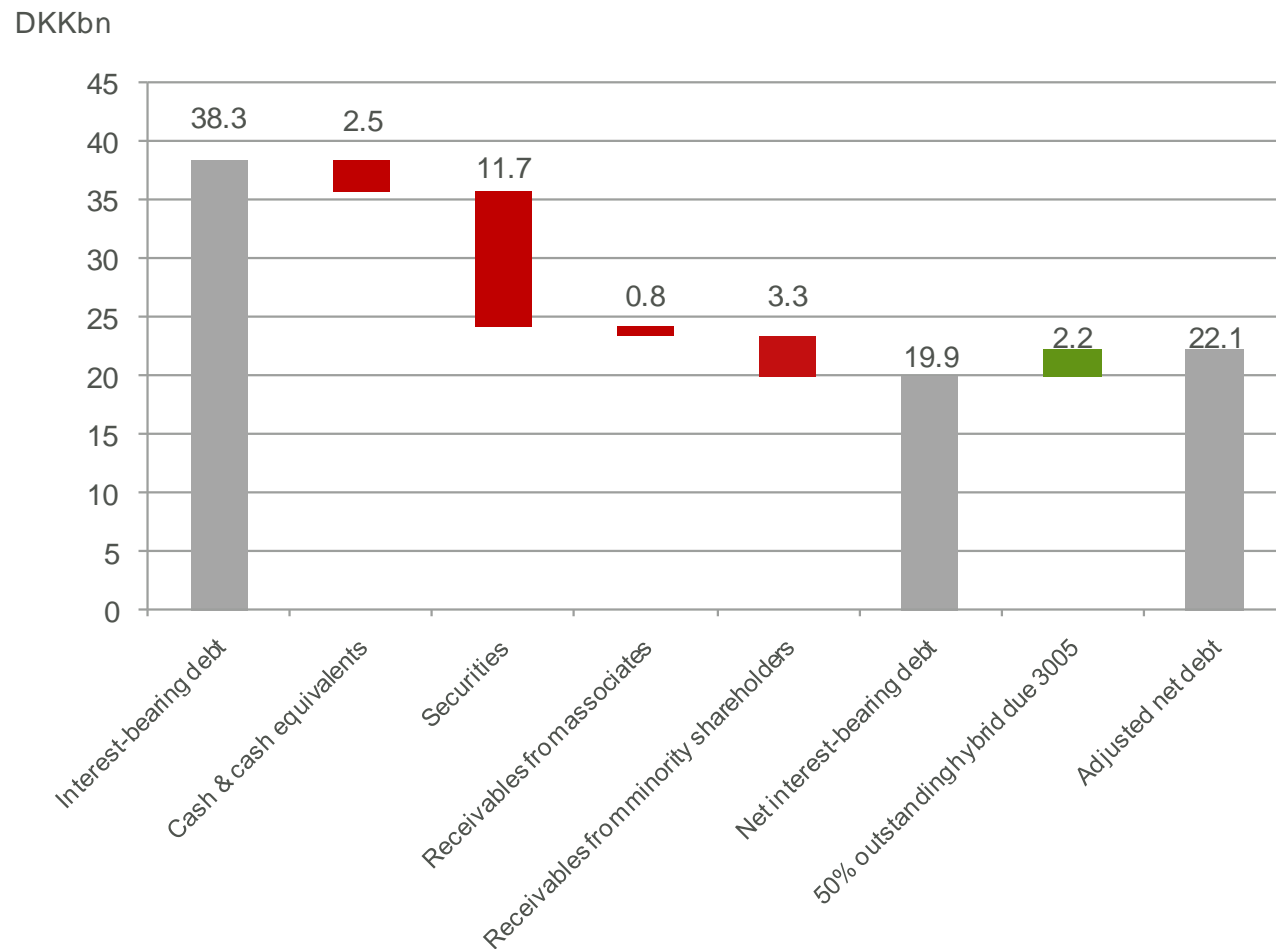
Funding strategy and Debt Programmes

- External funding primarily to be carried out through parent company – to avoid structural subordination
- EMTN programme with a total amount of EUR 5bn

Credit ratings

	Standard & Poor's	Moody's
Corporate	A-	Baa1
Senior bonds	A-	Baa1
Hybrid capital	BBB and BB+	Baa3
Outlook	Stable	Stable
Last Update	Feb 2011	Nov 2010

Net debt calculation end Q1 2011



Investments

Investments in Q1 2011

Cash flow from investment activities	-7.1bn
Purchase of securities (add back)	4.0bn
Transactions with non-controlling interest	-0.7bn
Loans to jointly controlled entities (add back)	0.3bn
Net investments¹	-3.4bn
Transactions with non-controlling interest	0.7bn
Gross investment	-2.7bn

Note (1): Net investments are defined as the effect on DONG Energy's net debt from investments and acquisitions and disposals of enterprises

Main gross investments in Q1 2011

Wind activities:	DKK 1.3bn
▪ Walney:	DKK 0.5bn
▪ London Array:	DKK 0.5bn
▪ Lincs:	DKK 0.1bn
Gas and oil fields:	DKK 1.1bn
▪ Trym:	DKK 0.2bn
▪ Laggan-Tormore	DKK 0.2bn
▪ Oselvar:	DKK 0.1bn
▪ Ormen Lange:	DKK 0.1bn
Other:	DKK 0.3bn

Larger decided construction projects

Larger projects with commercial production start in 2011-2014

Project	Type of project	Country	MW ⁽¹⁾	Commercial start	Own share of project	Announced capex ⁽²⁾	Spent capex ⁽²⁾
Trym	Oil/gas field	NO	n.a.	2011 ✓	50%	DKK 1.2bn	DKK 1.2bn
Walney 1+2	Offshore wind farm	UK	184MW	2011	50.1%	DKK 4.2bn ⁽³⁾	DKK 2.3bn
Enecogen	Gas fired power station	NL	435MW	2011	50%	DKK 2.5bn	DKK 2.1bn
Oselvar	Oil/Gas field	NO	n.a.	2012	55%	DKK 2.3bn	DKK 1.0bn
Lincs	Offshore wind farm	UK	67.5MW	2012	25%	DKK 1.5bn ⁽³⁾	DKK 0.5bn
London Array	Offshore wind farm	UK	315MW	2012	50%	DKK 8.2bn	DKK 2.1bn
Marulk	Oil/gas field	NO	n.a.	2012	30%	DKK 1.1bn	DKK 0.3bn
Sea Installer	Installation vessel	n.a.	n.a.	2012	50%	USD 70m	USD 30m
Syd Arne phase 3	Oil/gas field	DK	n.a.	2013	34%	DKK 2.5bn	DKK 0.1bn
Anholt	Offshore wind farm	DK	400MW ⁽⁴⁾	2013	100% ⁽⁴⁾	DKK 10bn ⁽⁴⁾	DKK 0.3bn
Laggan-Tormore	Oil/gas field	UK	n.a.	2014	20%	DKK 4.3bn	DKK 0.9bn
Borkum Riffgrund 1	Offshore wind farm	DE	320MW	2014	100%	EUR 1¼ bn	DKK 0.0bn

Note (1): DONG Energy's share of MW.

Note (2): DONG Energy's share of capex as of 31 March 2011

Note (3): Expected proceeds from sale of transmission assets subtracted from capex

Note (4): Divestment of 50% of Anholt on 28 March 2011. The transaction is expected to be completed in Q2 11. Numbers in the table refer to 100% ownership.