

## Company announcement

**DONG Energy A/S**  
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Denmark

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CVR no. 36213728

### Interim financial report for Q1 2014

## A good start to the year

1 May 2014

The Board of Directors of DONG Energy A/S today approved the interim financial report for Q1 2014.

- EBITDA was DKK 6.3 billion in Q1 2014 compared with DKK 4.6 billion in Q1 2013. The increase relative to the same period last year was due to higher earnings from wind activities, higher production in Exploration & Production, lower costs as well as a gain from the divestment of 50% of DONG Energy's ownership interest in the UK offshore wind farm London Array. The positive trends were partly offset by decreasing earnings in Thermal Power, due to warm and windy weather, and in Customers & Markets, due to lower gas sales and falling gas prices
- Net profit was DKK 1.6 billion, up DKK 1.1 billion on Q1 2013, primarily reflecting the higher EBITDA
- Cash flows from operating activities increased to DKK 4.5 billion from DKK 2.2 billion in Q1 2013, mainly driven by the improved operating profit
- Gross investments totalled DKK 3.8 billion, mainly related to offshore wind activities and oil and gas fields
- Divestments amounted to DKK 6.2 billion in Q1 2014, primarily relating to the ownership interest in London Array
- Interest-bearing net debt decreased by DKK 19.4 billion from the end of 2013 to DKK 6.4 billion at the end of March 2014. The equity increase and divestments contributed DKK 18.9 billion
- The capital structure ratio funds from operation (FFO) relative to adjusted net debt (rolling 12 months) was 44% at the end of Q1 2014 compared with 23% for the 2013 calendar year. The improvement was due to higher EBITDA and the low net debt at the end of March 2014. Net debt will, however, rise again, along with the continued investments in offshore wind farms and oil and gas fields, resulting in a normalisation of the key ratio
- ROCE (rolling 12 months) was 2.0% compared with -6.7% at the end of Q1 2013. Adjusted for impairment losses and for provisions for onerous contracts, ROCE would have been 7.8% and 0.7%, respectively, in the two periods.

DONG Energy is one of the leading energy groups in Northern Europe. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. DONG Energy has nearly 6,500 employees and is headquartered in Denmark. The Group generated DKK 73 billion (EUR 9.8 billion) in revenue in 2013. For further information, see [www.dongenergy.com](http://www.dongenergy.com).

DKK million	Q1 2014	Q1 2013	Δ
Revenue	20,192	23,232	(3,040)
EBITDA	6,334	4,627	1,707
Profit for the period	1,594	474	1,120
Cash flows from operating activities	4,519	2,233	2,286
Gross investments	(3,794)	(5,138)	1,344
Net investments	2,367	(5,150)	7,517
Interest-bearing net debt	6,362	34,537	(28,175)

## 2014 outlook

The outlook in the 2013 annual report is reaffirmed:

- Business performance EBITDA for 2014 is expected to amount to DKK 15-17 billion
- Net investments of around DKK 30 billion are expected for the period 2014-2015
- Funds from operation (FFO) relative to adjusted net debt are expected to be around 25% in 2014.

## CEO Henrik Poulsen:

*"The implementation of our strategy is proceeding according to plan. In Q1, we completed our financial action plan, which has raised a total of DKK 33 billion through divestments and injection of additional equity. This contributed to a significant reduction of our debt and has created the foundation for our ability to continue our growth investments and the development of DONG Energy's strong market positions in North West Europe. Earnings were further strengthened by a DKK 1.7 billion increase in EBITDA relative to Q1 2013. The improvement was driven by a higher output in E&P and Wind Power, lower costs and a gain on the partial divestment of the London Array offshore wind farm. It is particularly gratifying to see the major progress in Wind Power, where we are currently developing our global leading position within the development, construction and operation of offshore wind farms. The positive trends were partly offset by a decrease in earnings in Thermal Power and Customers & Markets, not least driven by warm weather in Q1."*

**Teleconference**

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Thursday 1 May 2014 at 11.00am CET:

Denmark: +45 3544 5583

International: +44 203 194 0544

The conference call can be followed live:

<http://www.dongenergy.com/conferencecall>

Presentation slides will be available prior to the conference call:

<http://www.dongenergy.com/presentations>

The interim financial report can be downloaded at:

<http://www.dongenergy.com/interimreports>

**Further information**

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