

Company announcement

DONG Energy A/S
Kraftværksvej 53
Skærbæk
7000 Fredericia
Denmark

Interim financial report – 9M 2014

www.dongenergy.com
Company registration number
36 21 37 28

Continued positive development – outlook for the year strengthened

31 October 2014

The Board of Directors of DONG Energy A/S today approved the interim financial report for 9M 2014.

- EBITDA was DKK 13.0 billion for 9M 2014 compared with DKK 11.2 billion for 9M 2013. The increase relative to the same period last year was due to higher earnings from wind activities, including a gain from the divestment of 50% of DONG Energy's ownership interest in the UK offshore wind farms London Array and Westermost Rough as well as higher production in E&P. On the other hand, falling gas prices decreased the earnings. The gas activities in Customers & Markets were negatively impacted by oil-indexed gas sourcing contracts which have not yet been renegotiated. Moreover, Thermal Power earnings declined due to warm weather
- Net profit was DKK 0.9 billion, up DKK 0.8 billion on 9M 2013. The improvement was primarily due to higher EBITDA and impairment losses in 2013
- Cash flows from operating activities increased to DKK 9.6 billion from DKK 6.5 billion for 9M 2013, mainly driven by the improved operating profit and fewer funds tied up in working capital
- Gross investments totalled DKK 11.2 billion, mainly related to offshore wind activities and oil and gas fields
- Divestments amounted to DKK 8.1 billion for 9M 2014, mainly related to ownership interests in London Array and Westermost Rough
- Interest-bearing net debt decreased by DKK 18.0 billion from the end of 2013 to DKK 7.8 billion at the end of September 2014. The equity increase and divestments contributed DKK 21.1 billion
- The credit metric funds from operation (FFO) relative to adjusted net debt (rolling 12 months) was 32% compared with 23% for the 2013 calendar year. The improvement was due to higher EBITDA and lower net debt at the end of September 2014
- ROCE (rolling 12 months) was 4.3% compared with -2.3% for 9M 2013. Adjusted for impairment losses, ROCE would have been 5.1% and 3.5%, 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 around 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.

DKK million	9M 2014	9M 2013	Δ
EBITDA	13,025	11,215	1,810
Profit for the period	857	52	805
Cash flows from operating activities	9,600	6,523	3,077
Gross investments	(11,181)	(16,590)	5,409
Net investments	(3,074)	(6,994)	3,920
Interest-bearing net debt	7,808	29,856	(22,048)
FFO / adjusted net debt ¹	31.6%	18.7%	12.9%-p
Return on capital employed (ROCE) ¹	4.3%	(2.3%)	6.6%-p

¹ Last 12 months' figures

Strengthened outlook for 2014

Outlook for EBITDA, net investments and capital structure:

- Business performance EBITDA for 2014 is expected to exceed DKK 16 billion compared with the previous outlook of DKK 15-17 billion
- Net investments of around DKK 30 billion are expected for the period 2014-2015 (unchanged)
- Funds from operation (FFO) relative to adjusted net debt is expected to exceed 28% by the end of 2014. The previous outlook was around 25% for 2014.

CEO Henrik Poulsen:

"We continue to see good progress in the execution of DONG Energy's strategic priorities, and the company's financial improvements also remain firmly on track.

In Q3, we reached a number of strategic milestones. These included the divestment of 50% of the Gode Wind 2 offshore wind farm to a Danish consortium of pension funds, the successful completion of the multi-year repair of the Siri platform, and the completion of the 389 MW wind farm West of Duddon Sands in the Irish Sea. West of Duddon Sands was officially inaugurated on 30 October. In October, we also signed an agreement to sell the Stenlille gas storage facility to Energinet.dk.

In September, the E&P division launched an effort to simplify the organisation and make it more efficient in order to continue to deliver value to the Group.

In light of the continued positive trend in DONG Energy's performance, we have adjusted the outlook for 2014 and now expect EBITDA to exceed DKK 16 billion compared with the previous outlook of DKK 15-17 billion announced in February. At the same time, we adjust the outlook for our primary credit metric, FFO/net debt, from previously around 25% to now in excess of 28%, which supports our current ratings.

In summary, we are pleased with the progress being made throughout the company. DONG Energy's employees deserve significant credit for the skills and determination they bring to bear every day."

Conference call

In connection with the presentation of the interim financial report, a conference call for investors and analysts will be held on Friday 31 October 2014 at 11:00:

Denmark: +45 35 44 55 83

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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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