

## Company announcement

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10 June 2013

## Update on DONG Energy A/S' 3010 hybrid securities

On 2 April 2013, S&P published additional information on its updated global hybrid criteria and stated that DONG Energy A/S' ("**DONG Energy**") EUR 700,000,000 7.75% Callable Subordinated Capital Securities due 3010 (ISIN XS0560190901) (the "**Securities**") will likely only qualify for 'minimal' equity content (0 per cent) compared to the 'high' equity content (100 per cent) attributable to the Securities immediately prior to such change in criteria.

On 4 April 2013, DONG Energy announced that it would investigate the possibility of amending the terms and conditions of the Securities, such that the Securities would continue to qualify for 'high equity content' under S&P's amended criteria.

DONG Energy has now reached the conclusion that an amendment would not provide DONG Energy with similar benefits in respect of post-tax costs of funds and a stable and predictable contribution to its capital structure as was the case for the Securities prior to S&P's change in hybrid criteria.

DONG Energy therefore hereby announces that it will today be launching an exchange offer (the "**Exchange Offer**") pursuant to which the holders of the Securities are invited to offer to exchange their holdings of the Securities for new hybrid securities with a structure in line with the prevailing market standard. The new hybrid securities will have a first call date in June 2023 ("**NC10 New Securities**") and are expected to receive 50% equity content from S&P,

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 7,000 employees and is headquartered in Denmark. The Group generated DKK 67 billion (EUR 9.0 billion) in revenue in 2012. For further information, see [www.dongenergy.com](http://www.dongenergy.com).

Moody's and Fitch. The aggregate nominal amount of the NC10 New Securities is expected to be at least EUR 500,000,000 (benchmark size) and in that respect DONG Energy reserves the right to issue additional securities of the same series as the NC10 New Securities ("**Additional Securities**") to reach such benchmark size or for any other reason.

An announcement of the minimum new issue spread for the NC10 New Securities will be made on 13 June 2013. The exchange price offered in the Exchange Offer will be 104% of par. This means that an investor will be offered a nominal amount of EUR 1,040 in the NC10 New Securities divided by the new issue price of the NC10 New Securities (which will be as close as possible to but not above par) for each EUR 1,000 nominal amount of the Securities handed into the Exchange (as further described in the exchange offer prospectus (the "**Exchange Offer Prospectus**")). Current holders of the Securities are advised to read the Exchange Offer Prospectus, for full details of the Exchange Offer.

The Exchange Offer opens today on publication of the Exchange Offer Prospectus and will close on 18 June 2013 and is subject to the terms and conditions set out in the Exchange Offer Prospectus. Further details on the Exchange Offer can be found in the launch announcement of the Exchange Offer and the Exchange Offer Prospectus, which will be made available (subject to the applicable offer and distribution restrictions) via the following link: <http://www.dongenergy.com/en/3010hybridcapital>.

The Exchange Offer Prospectus and the prospectus for the Additional Securities will be available to qualified investors (as defined in the Prospectus Directive) once it has been approved by the Commission de Surveillance du Secteur Financier (the financial regulator in Luxembourg), which is expected to happen later today, and to retail investors in certain specific jurisdictions only once it lawfully may be distributed to retail investors in the relevant offer jurisdictions.

Following the expiration of the Exchange Offer, DONG Energy may decide to raise additional hybrid capital in a separate series.

After the expiration of the Exchange Offer, DONG Energy intends on 20 June 2013 to launch a subsequent cash tender offer which will end on 10 July 2013 (the "**Tender Offer**"). This Tender Offer will be open to all Eligible Retail Securityholders in which DONG Energy will pay a cash purchase price of EUR 1,040 for each EUR 1,000 in nominal amount of the Securities. An "**Eligible Retail Securityholder**" means a holder of the Securities who (i) submits no more than €250,000 in aggregate nominal amount of the Securities for purchase by DONG Energy for cash; and (ii) is located outside of the United States.

Further details on the Tender Offer will be set out in a tender offer memorandum and a tender offer launch announcement, should DONG Energy decide to launch the Tender Offer, which will be made available (subject to the

applicable offer and distribution restrictions) via the following link: <http://www.dongenergy.com/en/3010hybridcapital>.

When considering whether or not to participate in the Exchange Offer, the holders of the Securities are advised to take into consideration that DONG Energy believes that it will be in a position to exercise the Ratings Event Call at 101% of the principal amount of the Securities, plus accrued interest, under Condition 6(e) of the Securities at any time after S&P formally announces that the attributable equity content for the Securities has been decreased compared to the attributable equity content for the Securities immediately prior to the change to its criteria as announced by S&P on 1 April 2013 and in line with the additional information on its global hybrid criteria published by S&P on 2 April 2013. DONG Energy intends to exercise the Ratings Event Call at 101% of par post-completion of the Exchange Offer and the Tender Offer.

“We are dissatisfied with the recent decisions by S&P, and do not believe the costs inflicted on DONG Energy and our investors by these decisions are justified in the situation at hand. With the exchange and tender offer and the decision to partly compensate our investors, we have strived to find a balance between DONG Energy’s formal rights under the terms and conditions of the instrument, and the interest of our investors. Maintaining good investor relations is of utmost importance to DONG Energy”, says Carsten Krogsgaard Thomsen, CFO of DONG Energy.

The information provided in this announcement does not change DONG Energy’s previous financial guidance for the 2013 financial year or the announced expected investment level for 2013-2014.

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#### **OFFER AND DISTRIBUTION RESTRICTIONS**

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This company announcement and the related materials do not constitute an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United

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This company announcement and the related materials, including the information contained herein, may further not be sent or given to a person in Australia, Canada, Italy or Japan or in any other jurisdiction in which offers or sales of the securities described herein would be prohibited by applicable laws.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State"), other than Austria, Denmark, Finland, Germany, the Netherlands, Norway, and Sweden (the "Offer Jurisdictions"), DONG Energy has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") that it has not made and will not make an offer of the NC10 New Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the NC10 New Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and applicable law, except that with effect from and including the Relevant Implementation Date, an offer of the NC10 New Securities may be made in such Relevant Member State to any legal entity which is a qualified investor as defined in the Prospectus Directive (each, a "EEA Qualified Securityholder").

This announcement and the Exchange Offer Prospectus have been prepared on the basis that the Exchange Offer will either be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers or delivery of the NC10 New Securities or by the use of the Exchange Offer Prospectus, as a prospectus approved by the CSSF and passported to the Offer Jurisdictions. Accordingly, any person making or intending to make an offer to exchange within the EEA should only do so in the Offer Jurisdictions using the Exchange Offer Prospectus, or, in any other EEA jurisdiction, in circumstances in which no obligation arises for DONG Energy or any of the Dealer Managers to produce a prospectus for such offer. Any person resident in an Offer Jurisdiction who does not constitute an EEA Qualified Securityholder shall not be eligible to participate in the Exchange Offer or make use of the Exchange Offer Prospectus prior to the provision by the CSSF of the Exchange Offer Prospectus to the competent authority in the relevant jurisdiction.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.