

Company announcement

DONG Energy A/S
Kraftværksvej 53
Skærbæk
7000 Fredericia

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

Interim financial report for Q1 2015 – A good start to the year

The Board of Directors of DONG Energy A/S today approved the interim financial report for Q1 2015.

28 April 2015

- EBITDA was DKK 6.0 billion in Q1 2015 compared with DKK 6.3 billion in Q1 2014. The decline was in line with the outlook announced in the annual report for 2014 and was primarily due to the positive impact in Q1 2014 of the partial divestment of the London Array offshore wind farm. EBITDA was positively impacted by the underlying developments in Wind Power, cost savings in the E&P business, a contingent consideration from the partial sale of licence interests in the Glenlivet field in 2014 as well as two insurance compensations recognised. On the other hand, the lower oil and gas prices detracted from EBITDA
- Net profit was DKK 1.7 billion, up DKK 0.2 billion relative to Q1 2014 in spite of the fall in oil and gas prices
- Cash flows from operating activities fell to DKK 2.3 billion from DKK 4.5 billion in Q1 2014, primarily due to higher tax payments and more funds tied up in working capital
- Gross investments totalled DKK 4.7 billion, mainly relating to offshore wind activities (Borkum Riffgrund 1, Gode Wind, Westermøst Rough and Hornsea 1) as well as oil and gas fields (Hejre, Syd Arne and Laggan-Tormore)
- Interest-bearing net debt increased by DKK 3.0 billion from the end of 2014 to DKK 6.9 billion at the end of March 2015
- The funds from operations (FFO)/adjusted net debt (rolling 12 months) credit metric was 32% compared with 36% for the 2014 calendar year. The lower credit metric was primarily ascribable to higher net debt at the end of March 2015
- ROCE adjusted for impairment losses (rolling 12 months) was 4.1% compared with 7.8% at the end of Q1 2014. The fall was primarily due to higher current tax, while during the previous period, ROCE was positively impacted by extraordinary hydrocarbon tax deductions. Reported ROCE totalled -7.9% and 2.0%, respectively, for the two periods, due to impairment losses in 2013 and 2014
- DONG Energy has decided to call its 3005 hybrid bond of EUR 600 million outstanding on the 29 June 2015 and intends to refinance it with a new issuance of hybrid capital during Q2 2015.

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 67 billion (EUR 9.0 billion) in revenue in 2014. For further information, see www.dongenergy.com

DKK million	Q1 2015	Q1 2014	Δ
EBITDA	6,001	6,334	(333)
Profit for the period	1,745	1,594	151
Cash flows from operating activities	2,296	4,519	(2,223)
Gross investments	(4,668)	(3,794)	(874)
Net investments	(4,611)	2,367	(6,978)
Interest-bearing net debt	6,934	6,362	572
FFO/adjusted net debt	32.3%	44.4%	(12.1% -p)
Return on capital employed (ROCE)	(7.9%)	2.0%	(9.9% -p)
Adjusted ROCE	4.1%	7.8%	(3.7% -p)

2015 outlook

The outlook announced in the 2014 annual report is reaffirmed:

- Business performance EBITDA for 2015 is expected to amount to DKK 15.5-17.5 billion
- Net investments of DKK 35-40 billion are expected for the 2015-2016 period
- In 2015, the funds from operations (FFO)/adjusted net debt ratio is expected to be aligned with the long-term target of around 30%.

Henrik Poulsen, CEO and President:

“Despite a large divestment gain realised in Q1 2014 and the significant fall in oil and gas prices in 2014, we are posting almost unchanged EBITDA for Q1 2015. Earnings were driven mainly by a consistently high level of efficient production from our oil and gas fields and offshore wind farms. Moreover, two insurance compensations were recognised in Q1. The strong start to 2015 supports the previously announced ambition of achieving EBITDA for the full year of DKK 15.5-17.5 billion.

We remain highly committed to putting action behind our vision of leading the transformation of the energy system. In the course of 2015, we expect to complete two large offshore wind farms, Westermøst Røgh in the UK and Borkum Riffgrund 1 in Germany, and also to start up production from the Laggan-Tormore gas field in the UK. Wind Power also strengthened its portfolio of project options for the post-2020 period by acquiring the rights to a project in the USA and taking over the full ownership of the Hornsea project in the UK. At the same time, we are in the process of converting our Danish CHP plants in Skærbæk and Studstrup to biomass. In Q1 the Board of Directors also approved an investment in the conversion of the rest of the Avedøre power station, so that from the end of 2016, it will be able to supply electricity and heating to the Greater Copenhagen Area based on 100% sustainable biomass. Finally, after a comprehensive tender process in Q1, we awarded a DKK 1.8 billion contract to the Danish company Kamstrup for the delivery of about one

million 'smart' power meters for our customers to be installed in the 2017-2020 period.

These are all activities which are contributing to creating a more sustainable and intelligent energy system, while at the same time maintaining a high level of security of supply and minimising dependence on imported fossil fuels.

Last but not least, Q1 saw a continued positive development in our lost-time injury frequency. The LTIF (number of accidents with absence per million working hours) fell to 2.2 for the last 12 months.

DONG Energy's energetic and highly skilled employees once again deserve a huge thank-you for their efforts in the past quarter."

Conference call

In connection with the presentation of the interim financial report, a conference call for investors and analysts will be held on Tuesday 28 April 2015 at 11:00:

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

Media Relations

Martin Barlebo

+45 9955 9100

Investor Relations

Allan Bødskov Andersen

+45 9955 9769