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DONG Energy A/S
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Company registration no. 36 21
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Very satisfactory H1 2016, with 19% growth in operating profit

- Operating profit (EBITDA) for H1 2016 increased by 19% to DKK 12.4 billion. Underlying profit, adjusted for one-off items, increased by 34%, driven by a 68% rise in Wind Power. The strong growth in Wind Power was partially offset by the impact of lower gas, oil and power prices
- Adjusted ROCE (last 12 months) was 15% compared with 7% at the end of H1 2015
- Net profit for the period was DKK 6.4 billion, up DKK 3.6 billion on H1 2015
- In H1 2016, free cash flows amounted to DKK 5.3 billion compared with DKK -1.8 billion in H1 2015. The improvement was driven by higher EBITDA, a lower level of funds tied up in working capital and lower net investments
- Net debt decreased from DKK 9.2 billion at the end of 2015 to DKK 3.8 billion at the end of June 2016.

4 August 2016

Financial performance

DKK million	H1 2016	H1 2015	%
EBITDA	12,409	10,406	19%
Adjusted EBIT	8,407	5,060	66%
Profit for the period	6,368	2,777	129%
Cash flows from operating activities	10,739	6,546	64%
Gross investments	(7,372)	(8,827)	(16%)
Divestments	1,968	486	305%
Free cash flow	5,335	(1,795)	n.a.
Interest-bearing net debt	3,821	7,785	(51%)
FFO/adjusted net debt	54.7%	38.3%	16.4% -p
Adjusted ROCE	14.6%	6.8%	7.8% -p

Commenting on the interim financial report, Henrik Poulsen, CEO and President, said:

"We achieved very satisfactory results for H1 2016. The Group's operating profit increased by 19% compared to the same period last year, driven by strong growth in Wind Power.

In June, we decided to invest in the German offshore wind farm Borkum Riffgrund 2, and in July we were awarded the right to build the Dutch offshore wind farms Borssele 1 and 2.

Based in Denmark, DONG Energy (NASDAQ OMX: DENERG) is one of Northern Europe's leading energy groups. Approximately 6,700 dedicated employees work with developing, constructing and operating offshore wind farms, producing power and heat from our power stations, supplying energy to private and business customers and producing oil and gas. Consolidated revenue amounted to DKK 71 billion (EUR 9.5 billion) in 2015. For further information, see www.dongenergy.com

The German and Dutch offshore wind projects are based on our strong and differentiated business model and will contribute to the continued profitable growth of the Group. Our winning bid for the Dutch wind farms is the result of our systematic efforts to reduce the costs of offshore wind power – and tangible evidence of the long-term potential of offshore wind power. With Borssele 1 and 2, we will for the first time be below EUR 100 per MWh in LCoE.”

Significant events after the interim financial report for Q1 2016

DONG Energy has achieved significant milestones since the presentation of the interim financial report for Q1 2016:

- On 10 May, DONG Energy signed an agreement with Energinet.dk on the sale of the gas distribution grid for DKK 2.3 billion, to be transferred on 30 September 2016
- On 9 June, DONG Energy was listed on Nasdaq Copenhagen
- On 24 June, DONG Energy made the investment decision to build Borkum Riffgrund 2 (450 MW), with expected full production in H1 2019. With this decision, DONG Energy will reach a total installed capacity from offshore wind of 6.7 GW by 2020
- On 5 July, DONG Energy was awarded the concession to build the Dutch Borssele 1 and 2 offshore wind farms, totalling 700 MW, at a price of EUR 72.7 per MWh (excluding costs for transmission infrastructure) for the first 15 years. These wind farms will be built within the next four years, with a flexibility margin of 1 year
- On 14 July DONG Energy agreed to divest its Norwegian oil and gas fields Trym, Ula, Tambar (including Tambar East) and Oselvar to Faroe Petroleum. The transfer is subject to approval by Norwegian authorities and is expected to be completed before the end of 2016.

Outlook for 2016

The outlook for EBITDA and gross investments for 2016, most recently announced in the offering circular published on 26 May 2016, is reaffirmed:

- EBITDA (Business Performance) is expected to amount to DKK 20-23 billion in 2016
- Gross investments for 2016 are expected to amount to DKK 18-21 billion.

Conference call

In connection with the presentation of the interim financial report, a conference call for investors and analysts will be held on Thursday, 4 August 2016 at 10:00am CET:

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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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