MEET THE MANAGEMENT

DONG Energy

2 February 2017

DISCLAIMER. Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, ”anticipates”, “continues” or similar expressions.

These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ materially from what is forecast in this financial report due to a variety of factors, including, but not limited to, changes in temperature and precipitation levels; the development in oil, gas, electricity, coal, CO_2, currency and interest rate markets; changes in legislation, regulation or standards; renegotiation of contracts; changes in the competitive environment in DONG Energy’s markets; and security of supply.

We urge you to read our annual report available on our website at www.dongenergy.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

Agenda

Time	Agenda		Speaker		
11:00-11:05	Welcome				
11:05-12:00	Strategic progress		Henrik Poulsen, CEO	page	5
12:00-12:15	Break				
12:15-13:00	Financial performance		Marianne Wiinholt, CFO	page	25
13.00-13:40	Lunch				
13:40-16:30	Breakout sessions - 35 minutes each, with a 10-minute break in between				
	Bioenergy & Thermal Power: Biomass conversions and REnescience	Breakout room	Thomas Dalsgaard, EVP	page	57
	Wind Power: EPC & Operations	Breakout room	Anders Lindberg, Head of EPC Jens Jakobsson, Head of Operations	page page	83 93
	Wind Power: Post 2020 pipeline	Breakout room	Martin Neubert, Chief Strategy Officer	page	105
	Financial modelling of DONG Energy	Conference room	Marianne Wiinholt, CFO	page	123
16:30-17:00	Final Q&A and wrap-up		Henrik Poulsen, CEO	page	141

DONG energy

STRATEGIC PROGRESS

Henrik Poulsen, CEO

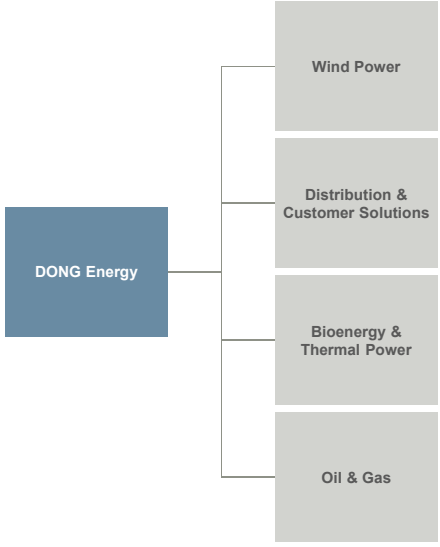
Meet the Management, 2 February 2017

DONG energy

Henrik Poulsen

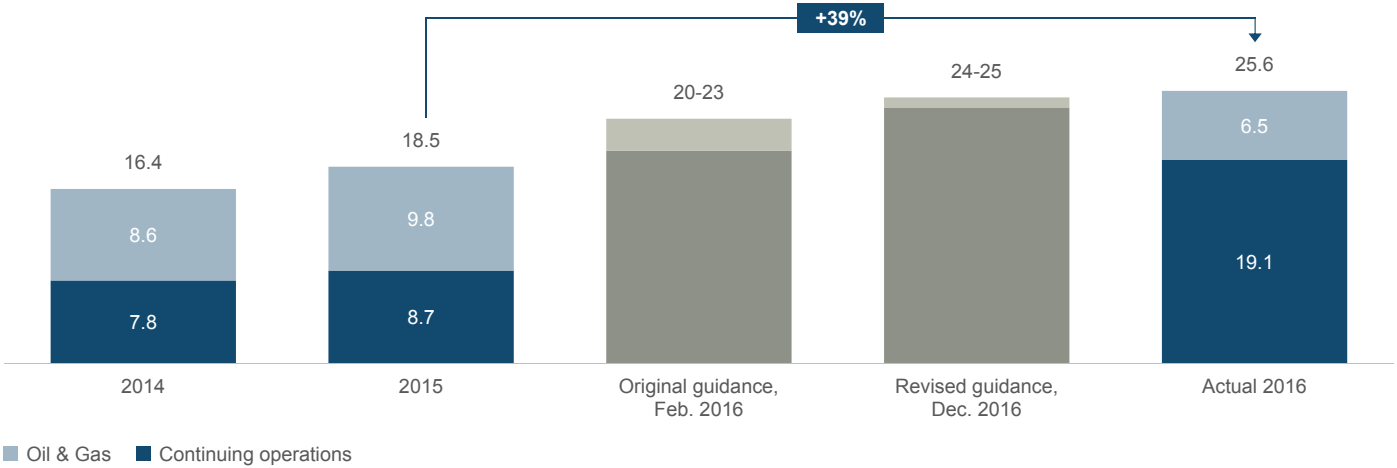
President and
Chief Executive Officer

- Joined DONG Energy in 2012
- Prior to DONG Energy, Henrik was President and CEO of TDC (also at the time of IPO) and, before that, Operating Executive at KKR and EVP, Markets & Products, at LEGO
- Education: M.Sc., Aarhus School of Business



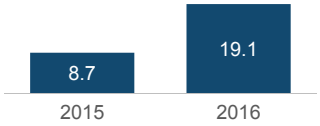
Strong profit performance in 2016

EBITDA, DKKbn

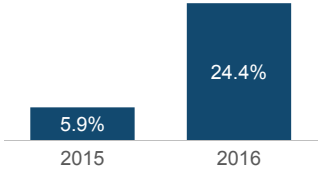


2016 was a very good year

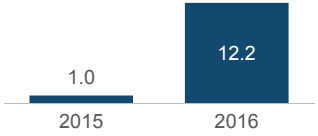
EBITDA
DKKbn[1]



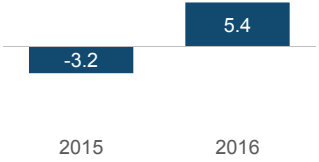
Adjusted ROCE
%[1]



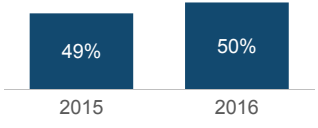
Net profit
DKKbn[1]



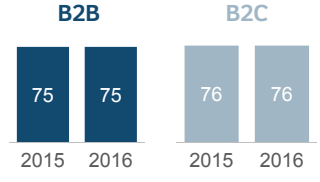
Free cash flow
DKKbn[1]



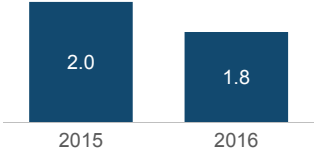
Renewable share of generation
%[2]



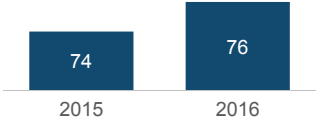
Customer satisfaction
Scale (1-100)



Safety performance
LTIF[1,3]



Employee satisfaction
Scale (1-100)[1]



1. Continuing operations 2. Renewables as share of total generated power and heat 3. # of lost-time injuries within a given accounting period relative to the total # of million hours worked in the same accounting period

Strong progress on strategic agenda in 2016

2016 Wind Power milestones

- Hornsea 1 FID
- Borkum Riffgrund 2 FID
- Borssele 1&2 tender win/FID
- 2020 target - on track towards 6.7 GW
- Burbo Bank Ext. 50% farm down
- Race Bank 50% farm down
- 8 MW turbine deployment
- Gode Wind 1&2 commissioning
- 1 GW US project rights
- Hornsea 2 development consent
- Taiwan office inauguration
- Eversource JV

DONG energy

Strong progress on strategic agenda in 2016

2016 Utility milestones

- REnescience Northwich plant FID
- Supplier-centric model implemented
- Gas distribution assets divested
- DKK 4.3bn from renegotiated gas contracts
- Studstrup CHP biomass converted
- Avedøre 1 CHP biomass converted

Strong progress on strategic agenda in 2016

2016 Oil & Gas milestones

- Successfully restructured Oil & Gas business
- Reduced total cash spend by 38% vs. 2015
- First gas from Laggan-Tormore
- Terminated Hejre in its original form
- Divested Trym, Ula, Tambar and Oselvar fields
- Decided to initiate Oil & Gas exit process

DONG energy

Oil & Gas exit process on track

Exit process going as planned

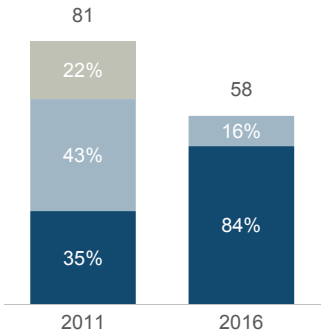
Potential scenarios
- Instant liquidity
- Path to liquidity

Shareholder value and access
to liquidity are the key evaluation criteria

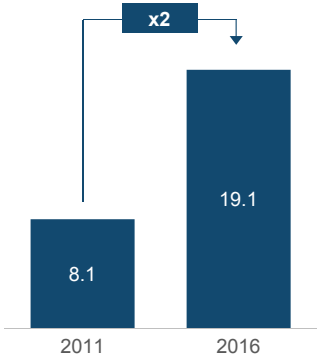
Expect to complete transaction in 2017

DONG Energy is continuously optimising the portfolio

Business mix transformed
Share of capital employed (DKKbn)[1]

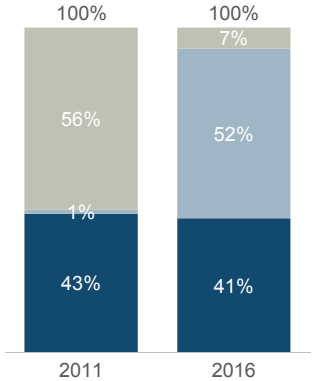


Operating profit doubled
EBITDA (DKKbn)[1]



ROCE increasing
Adjusted ROCE (%)[1]

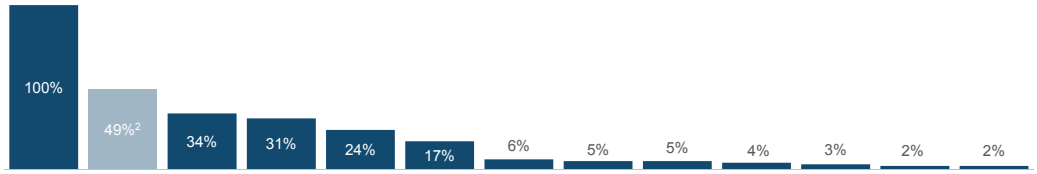
Earnings quality increasing
Share of regulated EBITDA (%)[1,2]



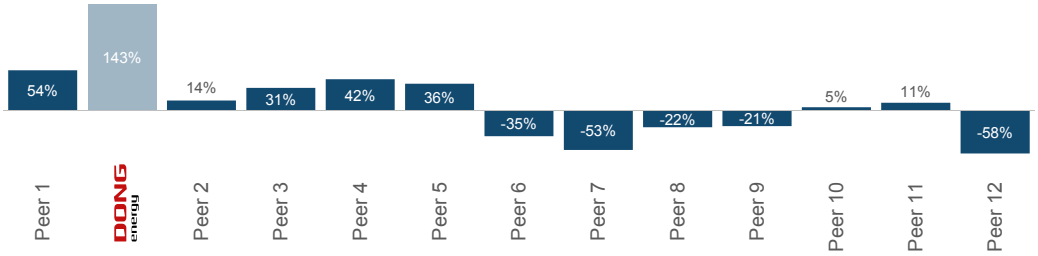
1. Continuing operations
2. Excluding one-offs and Gas Distribution EBITDA

Early shift towards renewables drives strong shareholder returns

2015 generation from new renewables in % of total power generation[1]



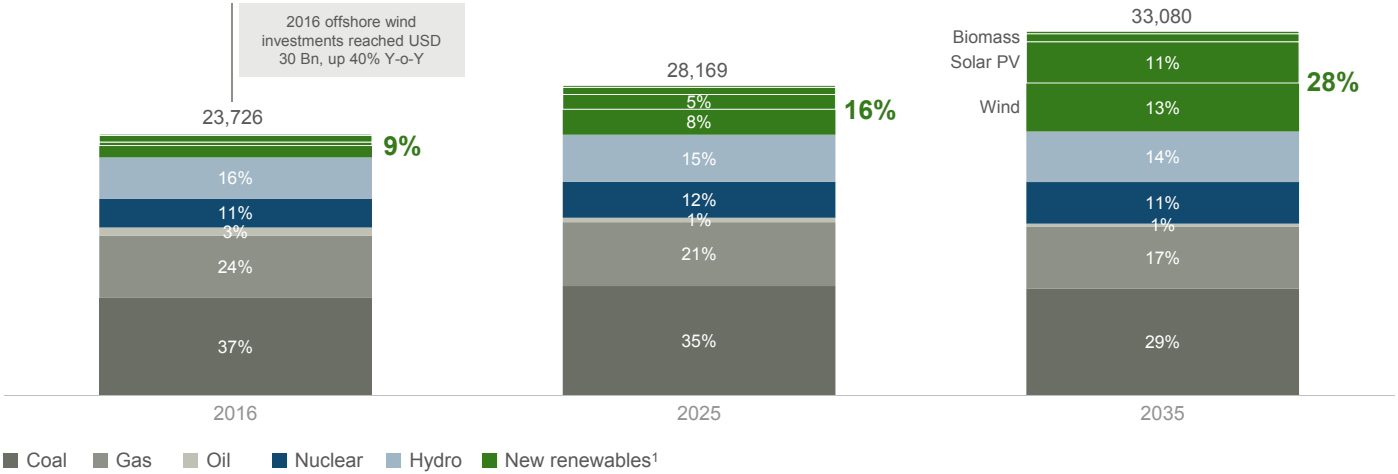
Total shareholder return, (29 Nov 2013 to 31 Jan 2017)



Source: FactSet, Company reports and other publicly available information. Peer group is composed of the largest listed European energy companies
1. New renewables include onshore wind, offshore wind, solar PV, and bioenergy 2. Renewables as share of total generated power and heat

Significant momentum behind move to green energy

Global power generation (TWh)



Source: BNEF, BNEF NEO (2016). 1. Includes wind, solar PV, biomass and other renewables

DONG energy

DONG Energy's strategic direction remains clear

Group

- Lead the market in the transition to sustainable energy
- Compete from market leading positions and grow through innovation
- Leverage existing strongholds and build long-term growth options

Wind Power

Fuel global market leadership and profitable growth – ambition of 11-12 GW capacity by end of 2025

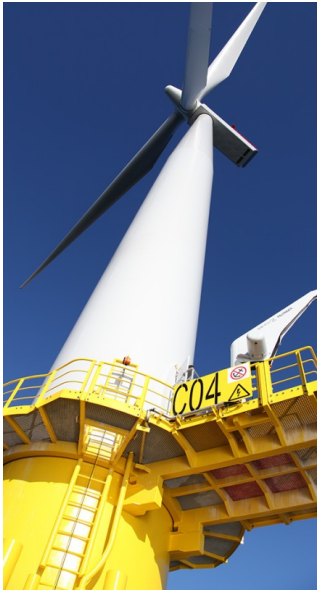
Utility

Transform Utility to a smart, green and growing business

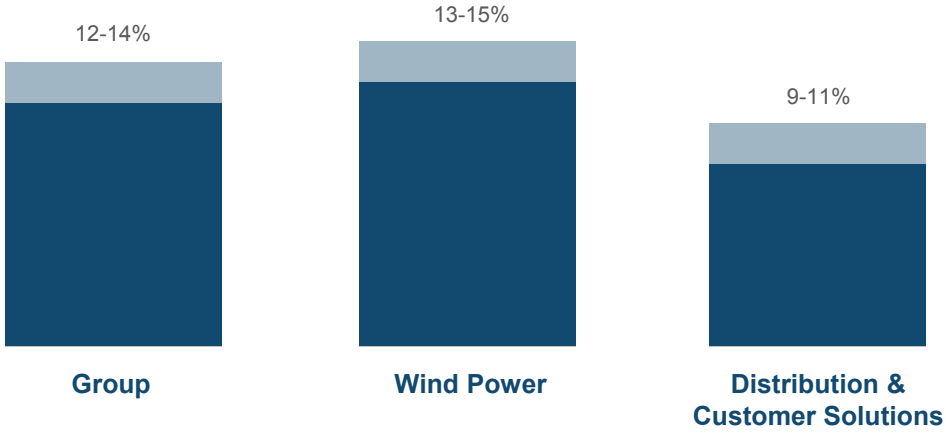
Oil & Gas

Drive value and strength of Oil & Gas and prepare for new ownership

Return targets extended towards 2023



Average ROCE target 2017-2023



DONG energy

Significant pipeline of post 2020 opportunities

Ambition

- **11-12 GW capacity by end of 2025**
- **Profitable and disciplined growth**

DONG Energy pipeline options towards 2025

Strategic markets

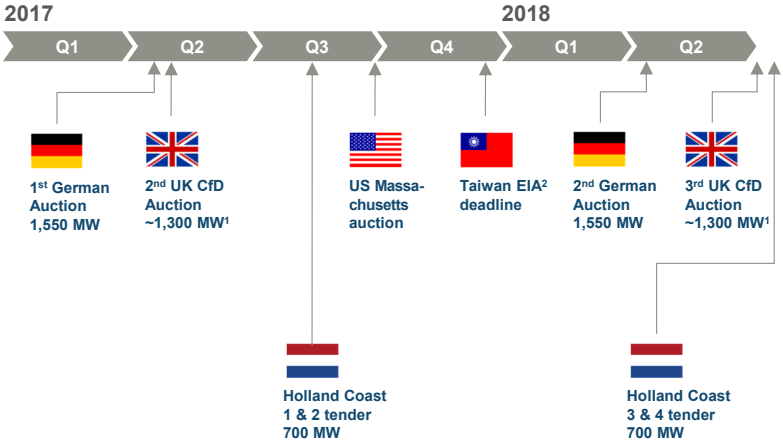
>9 GW pipeline options

Opportunistic markets

0.7 GW secured

2.1 GW[3] pipeline options

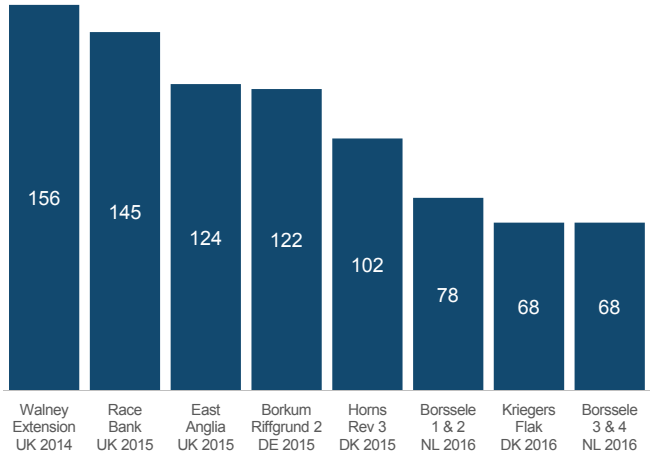
Upcoming auctions and tenders



Source: BNEF; Netherlands Enterprise Agency 1. In 2016 the UK government announced CfD auctions of up to GBP 730m for up to 4 GW of offshore wind to be executed over three auctions by 2020. Exact capacity to be allocated in each round is uncertain. The UK government has committed to up to three auctions in this parliamentary period. However a firm date has only been communicated for the 2017 auction. 2. Environmental Impact Assessment. 3 The Dutch government has proposed in its Energy Agenda to continue offshore wind tendering with 1 GW annually in 2020-2025, hence additional opportunities may arise

DONG Energy well positioned in competitive offshore wind market

Offshore wind cost (EUR/MWh)[1]



DONG Energy competes from a strong position

- Most capacity installed with 3.6 GW completed
- Largest operator with >1,000 turbines in operation
- Largest pipeline of projects under construction
- Solid track-record in delivering large and complex projects
- Digitalised core processes
- ~2,000 FTEs[2] with expertise and experience along the entire value chain
- Strong proven cost reduction trajectory across realized projects

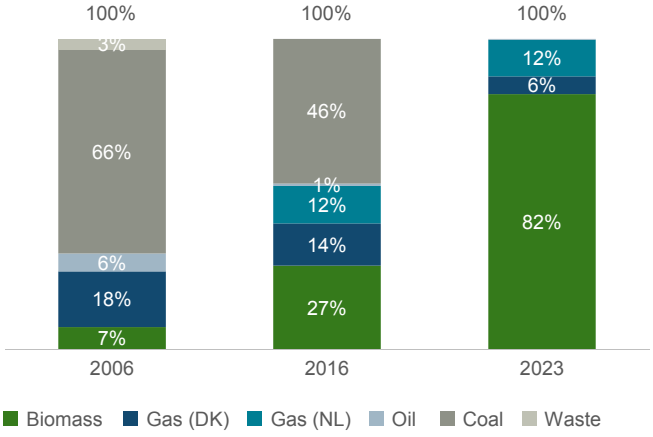
Sources: DECC; Danish Energy Agency; Energinet.dk; NEV 1. Levelised revenue (price) of electricity over the lifetime of the project used as proxy for the levelised costs to society. It consists of a subsidy income on top of market prices for the first years and a pure market income for the remaining years of the 25 years lifetime. Discount rate of 3.5% used to reflect society's discount rate. Market income based on country specific public wholesale market price projections at the time of contracting. For comparability across projects a generic scope adjustment (incl. transmission and extra project development costs) has been applied. 2. Excluding CT Offshore and A2SEA as of January 2017

DONG energy

Bioenergy & Thermal Power on track towards zero coal

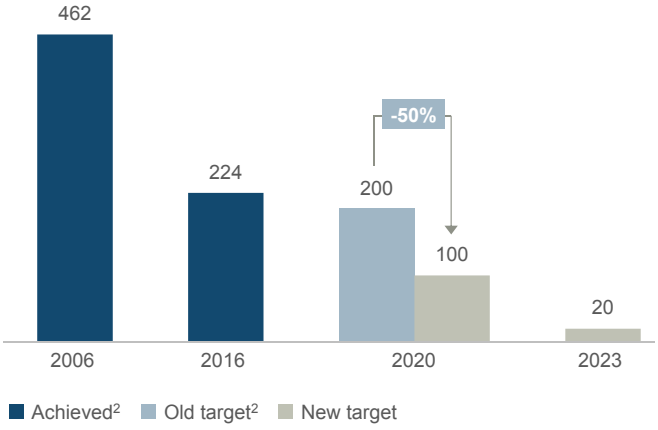
Biomass conversions well under way to support zero coal from 2023

DONG Energy fuel composition (%)[1]



Continued decarbonisation of portfolio with new ambitious target

Carbon emissions from heat and power generation (CO_2e g/kWh)



1. Ability to use coal retained in case of force majeure. 2. New calculation method for calculating CO_2 emissions introduced in 2016. Achieved emissions have been rebased using new method

Targeted key milestones in 2017

Wind Power

- Commissioning of Burbo Bank Extension
- German auction
- UK auction
- Massachusetts auction
- Walney Extension farm down
- Taiwan EIAs[1]
- First power on Race Bank
- First power on Walney Extension

Utility

- Commissioning of Skærbæk conversion
- Commissioning of first REnescience plant
- Smart meter roll-out

Oil & Gas

- Oil & Gas transaction

1. Environmental Impact Assessment

DONG energy

Our mission

“To develop and enable energy systems that are green, independent and economically viable”

FINANCIAL PERFORMANCE

Marianne Wiinholt, CFO

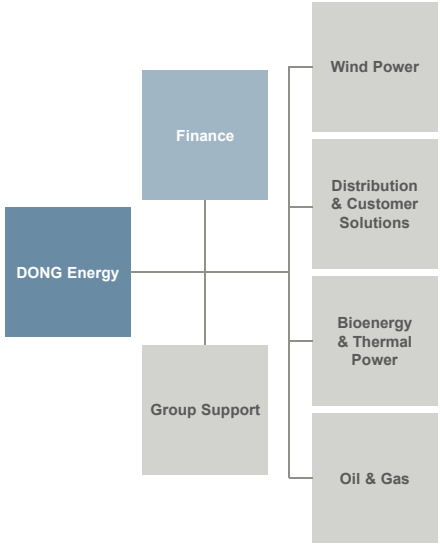
Meet the Management, 2 February 2017

DONG energy

Marianne Wiinholt

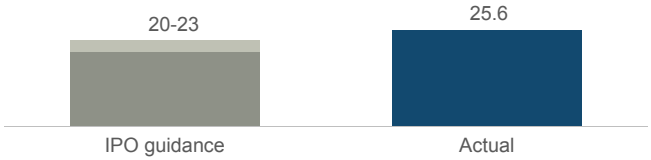
Chief Financial Officer

- Joined DONG Energy in 2004
- Prior to assuming position as CFO, Marianne was CFO of Distribution & Customer Solutions and, before that, Head of Corporate Finance at DONG Energy
- Previously at Arthur Andersen, Borealis
- Education: M.Sc., Copenhagen Business School

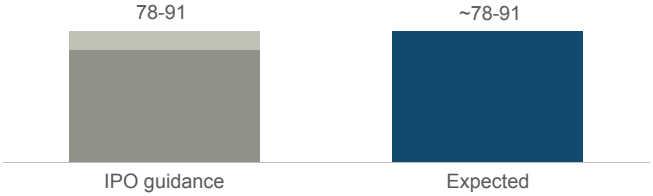


We are delivering on our IPO guidance

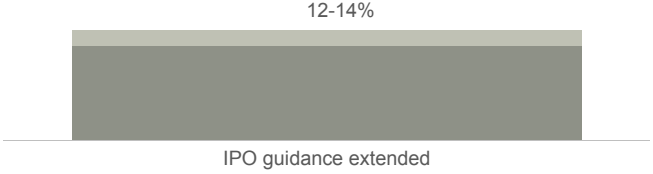
2016 EBITDA – Including O&G
DKKbn



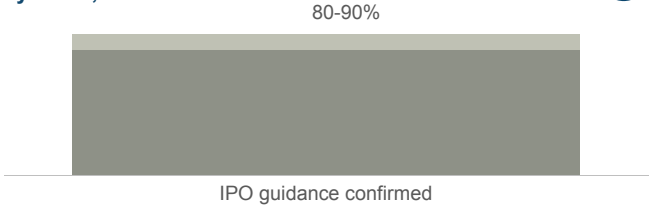
2016-2020 capex
DKKbn



Average expected ROCE 2017-2023, %



Share of regulated EBITDA by 2020[1], %



1. EBITDA contribution from 'regulated, quasi-regulated and contracted activities'

DONG energy

Strong Q4 with EBITDA up 224%

Financial highlights Q4

EBITDA – continuing operations

- Race Bank farm down gain of DKK 2.5bn
- Higher activity relating to construction contracts for partners re. Burbo Bank Ext.
- Renegotiation of additional long-term gas purchase contract

Net profit – discontinued operations

- Net loss from discontinued operations of DKK 0.5bn
- Net profit in Q4 2015 negatively affected by impairment losses of DKK 14.8bn after tax
- Underlying result DKK 0.3bn lower than Q4 2015

Total net profit

- Total net profit of DKK 3.5bn
- Net profit in Q4 2015 negatively affected by impairment losses of DKK 17.0bn (DKK 15.8bn after tax)
- Underlying increase primarily due to the higher EBITDA

Free cash flow – continuing operations

- Higher paid tax
- Funds tied up in clearing accounts
- Q4 2015 was positively affected by cash inflow from milestone payments re. the construction of offshore wind farms for co-investors
- Partly offset by higher EBITDA

PERFORMANCE HIGHLIGHTS		Q4 16	Q4 15	Δ
EBITDA	DKKm	6,310	1,947	224%
• Wind Power		5,054	1,693	199%
• Bioenergy & Thermal Power		115	-118	n.a.
• Distribution & Customer Solutions		1,243	362	243%
Net profit – continuing operations		3,988	-315	n.a.
Net profit – discontinued operations		-473	-15,004	-97%
Total net profit		3,515	-15,319	n.a.
Operating cash flow		1,752	4,463	-61%
Gross investments		-4,732	-2,734	73%
Divestments		5,013	1,624	209%
Free cash flow – continuing operations		2,033	3,353	-39%
Net interest-bearing debt		3,460	9,193	-62%
FFO/Adjusted net debt	%	80.5	28.7	52%p
Adj. ROCE (last 12 months and excl. write-downs)	%	24.4	5.9	18%p

2016 – Strong profit performance

Financial highlights FY

EBITDA – continuing operations

- Farm down gains from Burbo Bank Ext. and Race Bank (DKK 3.0bn)
- Higher activity relating to construction contracts for partners
- Lump sum payments from renegotiation of long-term gas purchase contracts of DKK 4.3bn in 2016

Underlying EBITDA[1] – continuing operations

- Very strong development in the underlying business driven by a 93% growth in Wind Power

Net profit – discontinued operations

- Net profit in 2015 negatively affected by impairment losses of DKK 14.8bn after tax
- Underlying result DKK 0.7bn below 2015 mainly due to lower production

Total net profit

- Higher EBITDA
- Gain from divestment of Danish gas distribution grid of DKK 1.2bn
- Net profit in 2015 negatively affected by impairment losses of DKK 17.0bn (DKK 15.8bn after tax)

1. Underlying EBITDA adjustments: Lump sum payments from renegotiations, divestment of Danish gas distribution grid, and compensations in BTP from a settled dispute and insurance compensation in 2015

PERFORMANCE HIGHLIGHTS		FY 16	FY 15	Δ
EBITDA	DKKm	19,109	8,730	119%
• Wind Power		11,867	6,151	93%
• Bioenergy & Thermal Power		100	283	-65%
• Distribution & Customer Solutions		7,108	2,173	227%
Net profit – continuing operations		12,161	967	1,158%
Net profit – discontinued operations		1,052	-13,051	n.a.
Total net profit		13,213	-12,084	n.a.
Operating cash flow		11,272	7,521	50%
Gross investments		-14,960	-12,709	18%
Divestments		9,055	1,982	357%
Free cash flow – continuing operations		5,367	-3,206	n.a.
Net interest-bearing debt		3,461	9,193	-62%
FFO/Adjusted net debt	%	80.5	28.7	52%p
Adj. ROCE (last 12 months and excl. write-downs)	%	24.4	5.9	18%p

DONG energy

2016 – Improvement in all financial metrics

Financial highlights FY

Free cash flow – Continuing operations

- Higher EBITDA
- Higher divestment proceeds, primarily Burbo Bank Ext., Race Bank and the Danish gas distribution grid
- Partly offset by more funds tied up in clearing accounts and in the construction of offshore transmission assets

Net interest-bearing debt

- On top of the positive free cash flow, positive effect from exchange rate adjustments of GBP loans

FFO/Adjusted net debt

- Credit metric significantly above our target of around 30%

Adjusted ROCE[1]

- Increase of 18%-points, primarily due to the higher EBIT
- ROCE of 17% in 2016 when excluding the contribution from lump sum payments

1. ROCE: Last 12 months and excl. write-downs, continuing operations

PERFORMANCE HIGHLIGHTS		FY 16	FY 15	Δ
EBITDA	DKKm	19,109	8,730	119%
• Wind Power		11,867	6,151	93%
• Bioenergy & Thermal Power		100	283	-65%
• Distribution & Customer Solutions		7,108	2,173	227%
Net profit – continuing operations		12,161	967	1,158%
Net profit – discontinued operations		1,052	-13,051	n.a.
Total net profit		13,213	-12,084	n.a.
Operating cash flow		11,272	7,521	50%
Gross investments		-14,960	-12,709	18%
Divestments		9,055	1,982	357%
Free cash flow – continuing operations		5,367	-3,206	n.a.
Net interest-bearing debt		3,460	9,193	-62%
FFO/Adjusted net debt	%	80.5	28.7	52%p
Adj. ROCE (last 12 months and excl. write-downs)	%	24.4	5.9	18%p

WP Q4 2016 – EBITDA tripled

Financial highlights Q4

EBITDA

- Race Bank farm down gain of DKK 2.5bn
- Higher activity related to construction contracts for partners, mainly Burbo Bank Ext.

Power generation

- Production ramp up from new wind farms partly offset by low WEC (108% in Q4 2016 versus 123% in Q4 2015)

FINANCIAL HIGHLIGHTS		Q4 16	Q4 15	Δ
EBITDA	DKKm	5,054	1,693	199%
• Sites incl. O&Ms and PPAs		1,899	1,866	2%
• Construction contracts and farm down gains		3,309	-89	n.a.
• Other incl. A2SEA and project development		-154	-84	83%
Adjusted ROCE (LTM)	%	16.5	6.9	10%p
KEY BUSINESS DRIVERS				
Power generation	TWh	1.8	1.5	20%
Wind energy content	%	108	123	-15%p
Load factor	%	49	50	-1%p
Availability	%	94	90	4%p
Installed capacity	GW	3.6	3.0	19%
Production capacity	GW	2.0	1.7	17%

DONG energy

WP 2016 – EBITDA at DKK 11.9bn, the high end of the guided range

Financial highlights FY

Power generation

- New production capacity from Westermost Rough, Borkum Riffgrund 1 and to some extent Gode Wind 1&2
- Low WEC (93% in 2016 vs. 103% in 2015)

EBITDA

- Sites: Earnings from new production capacity more than offset by low WEC
- Construction contracts: Farm down gains of DKK 3.0bn and construction gains relating to Gode Wind 1&2 and Burbo Bank Ext.
- Other: Higher project development cost for post-2020 pipeline and lower A2SEA result

Free cash flow

- Continued high investment level to a large extent funded by cash flow from operating wind farms and farm downs

Adjusted ROCE[1]

- Increase in EBITDA more than outweighs increase in capital employed

FINANCIAL HIGHLIGHTS		FY 16	FY 15	Δ
EBITDA	DKKm	11,867	6,151	93%
• Sites incl. O&Ms and PPAs		5,869	5,965	-2%
• Construction contracts and farm down gains		7,012	751	834%
• Other incl. A2SEA and project development		-1,014	-565	79%
Adjusted ROCE (LTM)	%	16.5	6.9	10%p
KEY BUSINESS DRIVERS				
Power generation	TWh	6.0	5.8	5%
Wind energy content	%	93	103	-10%p
Load factor	%	41	45	-4%p
Availability	%	92	93	-1%p
Installed capacity	GW	3.6	3.0	19%
Production capacity	GW	2.0	1.7	17%

1. ROCE: Last 12 months and excl. write-downs

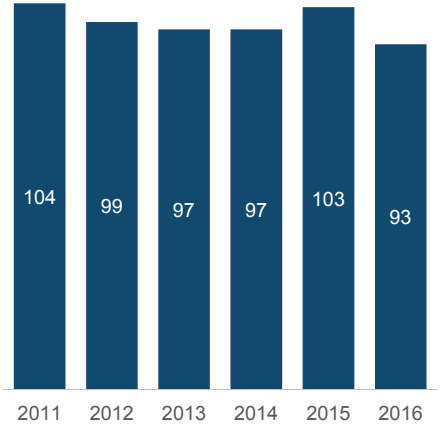
Low wind energy content – also in Q4

Key commentary

- Full year 2016 WEC was below the range observed during the last 5 years (2011-2015) of 97-104
- FY 2016 WEC at 93%, 10%-points lower than FY 2015
- At Q3 we guided full year WEC at around 96, based on the expectation of normal Q4 2016. Very low wind in November and December
- Q4 2016 WEC at 108%, 15%-point lower than Q4 2015
- Full year wind energy content (WEC) from 2011 to 2015 fluctuated with +/- 4%-points on an average wind year for DONG Energy's portfolio

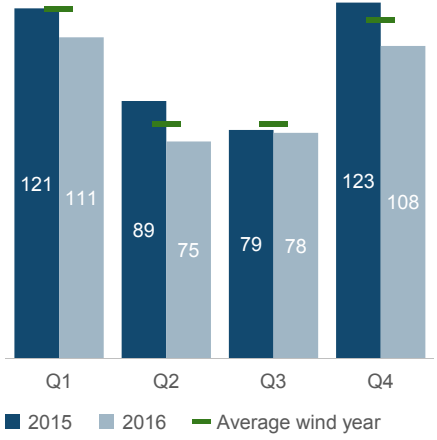
Yearly WEC

%



Quarterly WEC

%



BTP – Results in line with expectations

Financial highlights Q4

EBITDA

- Power generation up 20% due to better spreads and lower generation from hydro and wind
- Heat generation up 7% due to colder weather

Free cash flow

- Positive contribution in 2015 from an intra-group settlement of tax for 2014
- Partly offset by the higher EBITDA

Financial highlights FY

EBITDA

- One-off gains in 2015 of DKK 0.5bn
- Underlying EBITDA from 'Power business' increased due to the improved spreads

Free cash flow

- Lower EBITDA
- Interest received in 2015 from dispute concerning CO_2 emissions allowances
- Higher positive contribution in 2015 from intra-group settlement of tax

FINANCIAL HIGHLIGHTS		Q4 16	Q4 15	Δ	FY 16	FY 15	Δ
EBITDA	DKKm	115	-118	n.a.	100	283	-65%
• Heat		172	100	72%	407	346	18%
• Ancillary services		89	63	41%	300	383	-22%
• Power		-146	-281	-48%	-607	-446	36%
Free cash flow		299	852	-54%	-635	1,554	n.a.
KEY BUSINESS DRIVERS							
Heat generation	TWh	3.1	2.9	7%	9.2	9.3	-2%
Power generation	TWh	3.0	2.5	20%	8.4	7.1	18%
Degree days	#	962	781	23%	2,715	2,621	4%
Power price, DK	EUR/MWh	34.6	23.8	45%	28.0	23.7	18%
Green dark spread, DK	EUR/MWh	0.7	-1.0	n.a.	3.4	-1.9	n.a.

DCS – Strong contribution from renegotiations

Financial highlights Q4

EBITDA

- Lump sum from renegotiation of additional long-term gas purchase contract of DKK 0.4bn
- Improved margins in the wholesale gas business

Free cash flow

- EBITDA increase offset by more funds tied up in working capital, mainly clearing accounts as a result of higher oil and gas prices

Financial highlights FY

EBITDA

- Lump sums from renegotiation of long-term gas purchase contracts of DKK 4.3bn
- Higher earnings from the trading and portfolio optimisation business
- Positive gas storage valuation effect due to higher gas prices
- Distribution earnings on par with 2016
- Sales negatively impacted by implementation of supplier centric model

Adjusted ROCE[1]

- Higher EBITDA
- ROCE of 24% in 2016 when excluding the contribution from lump sum payments

FINANCIAL HIGHLIGHTS		Q4 16	Q4 15	Δ	FY 16	FY 15	Δ
EBITDA	DKKm	1,243	362	243%	7,108	2,173	227%
• Distribution*		223	261	-16%	1,602	1,661	-4%
• Sales		-71	36	n.a.	-15	160	n.a.
• Markets		1,131	110	928%	5,766	740	679%
• LNG		-40	-45	-11%	-245	-388	-37%
Adjusted ROCE (LTM)	%	75.8	11.5	64%p	75.8	11.5	64%p
KEY BUSINESS DRIVERS							
RAB Power	DKKm	10,648	10,778	-1%	10,648	10,778	-1%
Gas sales	TWh	36.1	36.2	0%	150.4	159.1	-5%
Power sales	TWh	9.2	9.9	-7%	36.7	35.5	4%
Distribution of power	TWh	2.3	2.3	0%	8.5	8.4	1%

* Gas distribution EBITDA: FY/9M 2016 DKK 385m ; Q4 2015 DKK 9m ; FY 2015 DKK 361m

1. ROCE: Last 12 months and excl. write-downs

DONG energy

O&G – Discontinued operations – Strong operational performance

Financial highlights Q4

EBITDA

- Strong operational performance across the portfolio
- Lower exploration costs
- Positive effect in 2015 from additional Ormen Lange catch-up volumes

Free cash flow

- Lower operating cash flow, as the higher EBITDA is more than offset by increased funds tied up in working capital

Financial highlights FY

EBITDA

- Lower gas production, primarily loss of additional Ormen Lange catch-up volumes (DKK 2.5bn in 2015) and natural decline in production
- Gas prices declined 37%, only partly offset by hedging (after tax basis)
- One-offs in 2015 contributing with DKK 1.2bn
- Significantly lower costs including exploration

Free cash flow

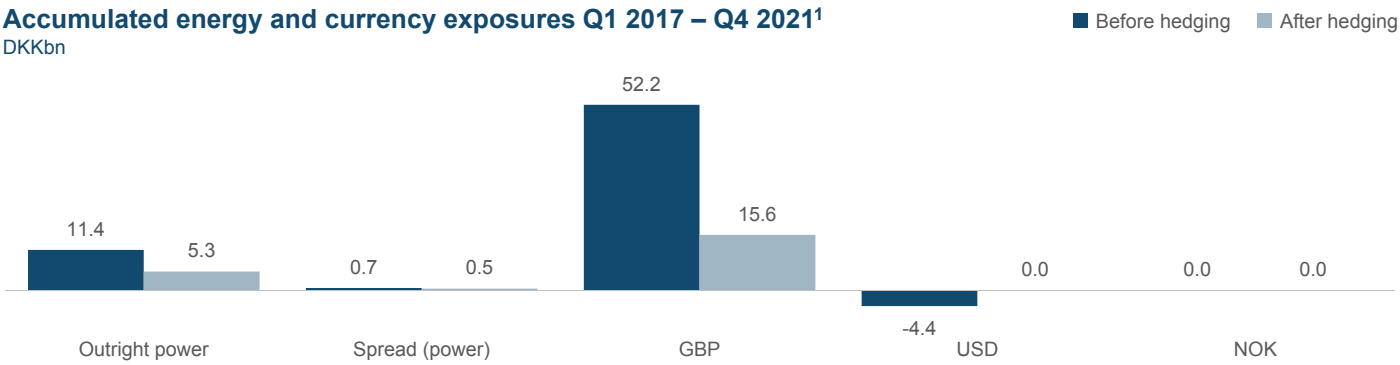
- Total cash spend down by 38%
- Overperformance vs. IPO guidance mainly due to cost/capex reductions

FINANCIAL HIGHLIGHTS		Q4 16	Q4 15	Δ	FY 16	FY 15	Δ
EBITDA	DKKm	2,140	1,700	26%	6,507	9,754	-33%
• Denmark		262	-108	n.a.	-145	1,345	n.a.
• Norway		1,023	1,804	-43%	3,407	7,358	-54%
• United Kingdom		344	-29	n.a.	773	262	195%
• Exploration and appraisal		-302	-614	-51%	-522	-868	-40%
• Hedges		813	647	26%	2,994	1,657	81%
Free cash flow		1,020	1,269	-20%	1,106	656	69%
KEY BUSINESS DRIVERS							
Oil production	BOEm	2.5	2.4	4%	9.7	10.1	-4%
Gas production	BOEm	6.5	9.2	-29%	26.9	30.8	-13%
Oil price, Brent	USD/boe	49	44	11%	44	52	-15%
Gas price, NBP	EUR/MWh	18	17	6%	14	20	-29%
Lifting costs	USD/boe	6.6	8.2	-20%	6.4	7.3	-12%

Hedging of energy prices and FX (continuing operations)

Accumulated energy and currency exposures Q1 2017 – Q4 2021[1]

DKKbn



- The power exposure is almost fully hedged in 2017-2018, and significantly hedged in 2019
- The vast majority of the power hedges relate to Wind Power
- Limited power spread exposure from BTP

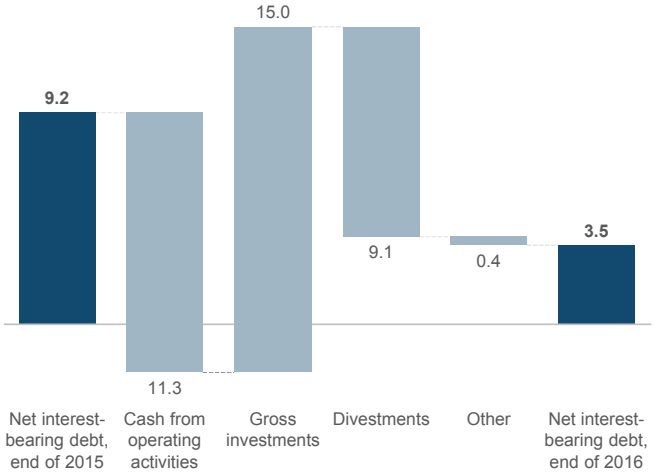
- GBP exposure is almost fully hedged for 2017-2018, and significantly hedged for 2019
- Expected proceeds from Walney Ext. farm down is fully hedged
- GBP hedged at 9.4 DKK/GBP for 2017, 9.2 DKK/GBP for 2018 and 8.9 DKK/GBP for 2019
- Removal of O&G has changed the long USD exposure to a short USD exposure, and the NOK exposure is reduced to zero

1. Exposure is calculated as the expected production multiplied by the forward prices per 31 December 2016. Exposures consist of cash flows from production with known sales- and purchase prices, investments, divestments, and the value of hedged energy contracts, all multiplied by the forward prices per 31 December 2016

Low year-end net debt of DKK 3.5bn

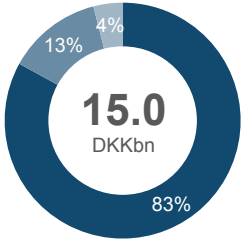
Net interest-bearing debt development in 2016

DKKbn



Gross investments per Business Unit in 2016

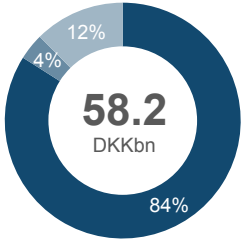
(continuing operations)



- Wind Power
- Bioenergy & Thermal Power
- Distribution & Customer Solutions

Capital employed per Business Unit in 2016

(continuing operations)

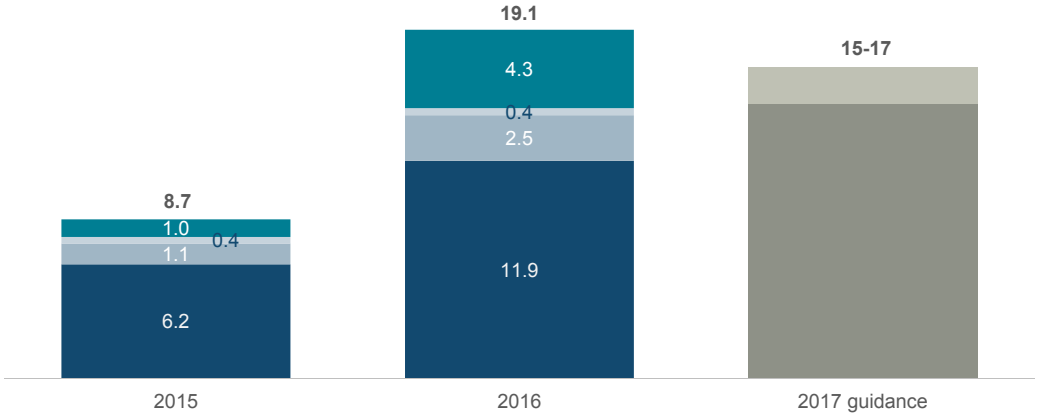


- Wind Power
- Bioenergy & Thermal Power
- Distribution & Customer Solutions

Step down in reported operating profit in 2017 due to one-offs

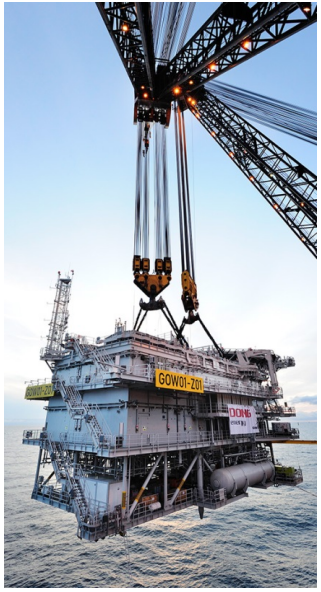
EBITDA – Continuing operations

DKKbn



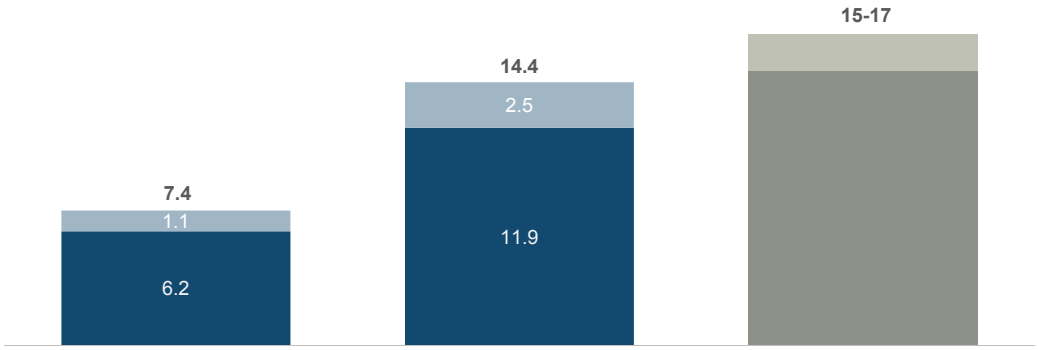
DONG energy

Strong underlying profit growth continues



Underlying EBITDA[1] – Continuing operations

DKKbn



	2015	2016	2017 guidance
Y/Y growth	+18%	+95%	+4-18%

Utility Wind Power

1. Underlying EBITDA adjustments: Lump sum payments from renegotiations, divestment of Danish gas distribution grid, and compensations in BTP from a settled dispute and insurance compensation in 2015

Financial outlook 2017

EBITDA in 2017 of DKK 15-17bn – Long-term ROCE extended – Free Cash Flow target reiterated

EBITDA (BUSINESS PERFORMANCE) OUTLOOK 2017

Group	DKK 15-17bn

BUSINESS UNIT EBITDA DIRECTION FY 2017 VS. FY 2016

Wind Power	Higher
Bioenergy & Thermal Power	Higher
Distribution & Customer Solutions	Significantly lower (Significantly lower underlying)

GROSS INVESTMENT OUTLOOK 2017

Group	DKK 18-20bn

RETURN ON CAPITAL EMPLOYED (ROCE)

Group	12-14%	Avg. 2017-2023
Wind Power	13-15%	Avg. 2017-2023
Distribution & Customer Solutions	9-11%	Avg. 2017-2023

FREE CASH FLOW

Bioenergy & Thermal Power	Positive	2018

FINANCIAL POLICIES

Rating (Moody's/S&P/Fitch)	Min. Baa1/BBB+/BBB+
FFO/Adjusted net debt	Around 30%

DIVIDEND POLICY

- We expect to pay a dividend of DKK 2.5 billion for FY 2016 in 2017
- For subsequent years towards 2020, our target is to increase the dividend annually by a high single digit rate compared to the dividend for the previous year
- Dividend policy is subject to our commitment to maintain a Baa1/BBB+ rating profile

DONG energy

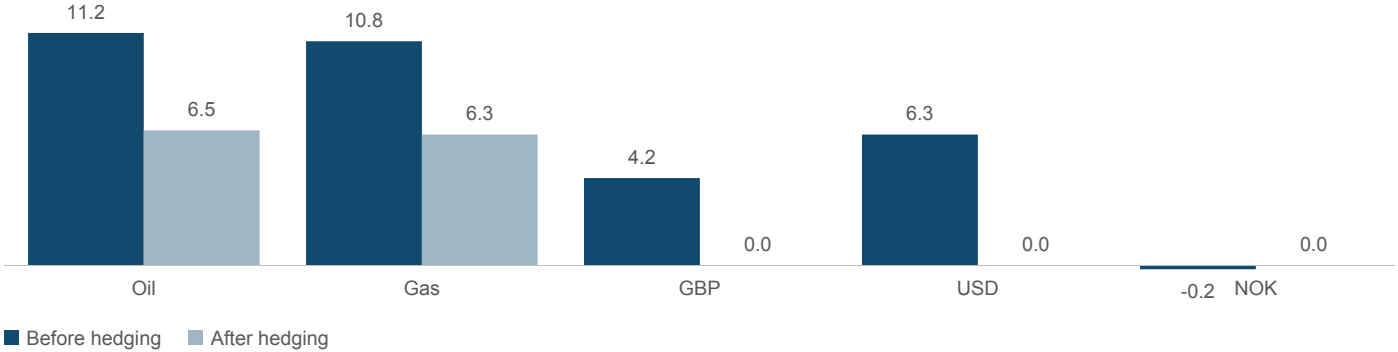
Capital structure

- Within the next couple of years we will likely have excess investment capacity compared to the target rating of BBB+/Baa1 (assuming the current build out-plan and farm down strategy in Wind Power and the current dividend policy)
- We will utilise the investment capacity to pursue value creating investment opportunities
- Reducing our farm down activities may be an alternative or supplement to new investment opportunities in order to balance the capital structure while maintaining current rating
- If value creating investment opportunities do not absorb the excess investment capacity we will remain disciplined and return cash to shareholders

Appendix

Hedging of energy prices and FX (discontinued operations)

Accumulated energy and currency exposures Q1 17 – Q4 2021[1]
(DKKbn)



- Significant long exposure on both gas and oil are now labelled discontinued
- Hedging of the price risk continuous until time of divestment to secure the coming sales profit
- All FX exposure related to hedging of energy in O&G has been fully hedged

1. Exposure is calculated as the expected production multiplied by the forward prices per 31 December 2016.
Exposures consist of cash flows from production with known sales- and purchase prices, investments, divestments, and the value of hedged energy contracts, all multiplied by the forward prices per 31 December 2016

DONG energy

Differences in Business Performance EBITDA and IFRS EBITDA

DKKm	FY 2016	FY 2015
EBITDA – BUSINESS PERFORMANCE (BP)	19,109	8,730
BP adjustment in respect of revenue for the year	-3,808	1,264
BP adjustment in respect of COGS for the year	1,638	-106
EBITDA – IFRS	16,939	9,888
TOTAL BP ADJUSTMENTS FOR THE YEAR COMPRISE:		
MtM of financial and physical hedging contracts relating to other periods	-1,397	1,632
Reversal of deferred gain (loss) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in BP EBITDA for this period	-773	-474
TOTAL ADJUSTMENTS	**-2,170**	**1,158**

SPECIFICATION OF BP ADJUSTMENTS, DKKm	MTM OF HEDGING CONTRACTS RELATING TO OTHER PERIODS		REVERSAL OF DEFERRED GAIN (LOSS)	
	FY 2016	FY 2015	FY 2016	FY 2015
Oil hedge	267	-930	1,654	1,896
Gas hedge (commercial and hedge)	-735	806	-1,539	-1,367
Power hedge(commercial and hedge)	-2,160	1,790	-424	-701
Coal hedge	75	-189	151	254
Currency hedge	1,156	155	-615	-556
TOTAL	**-1,397**	**1,632**	**-773**	**-474**

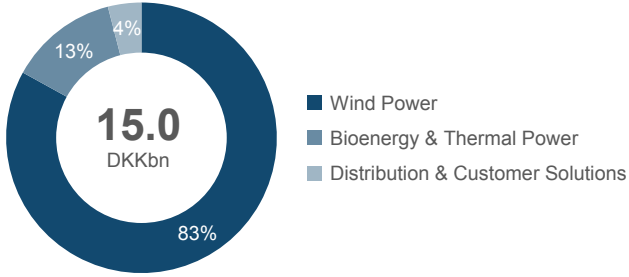
Investments

Investments in FY 2016
(DKKm)

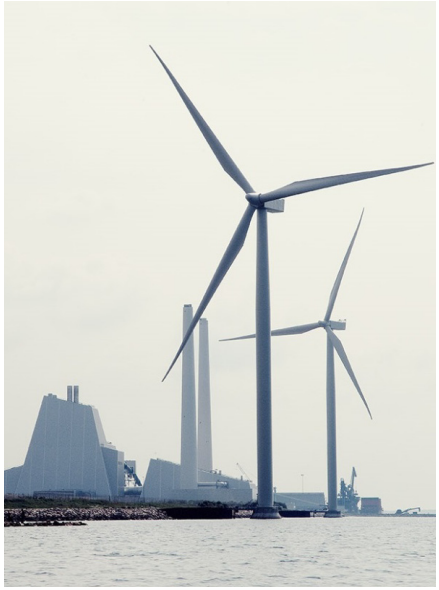
CASH FLOW FROM INVESTING ACTIVITIES	**-1,060**
Dividends received and capital reduction, reversal	-22
Purchase and sale of securities, reversed	-4,564
Sale of assets and companies reversed	-9,104
Loans to associates and JVs, reversed	-210
GROSS INVESTMENTS	**-14,961**
Sale of non-current assets	9,104
Other	-50
NET INVESTMENTS[1]	**-5,907**

1. Net investments are defined as the effect on DONG Energy's net debt from investments and acquisitions and disposals of enterprises

Gross investments per Business Unit in FY 2016



Financing strategy



We have a centralised financing strategy as customary for vertically and horizontally integrated European energy utilities

The centralised financing strategy was adopted in 2003 to benefit from our heritage as state owned energy monopoly offering:

- A capital structure supportive of it's BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent debt structure and simplicity
- Avoidance of structural subordination

All cash flow generated by our subsidiaries supports the creditworthiness and rating of and thus the debt taken up by the Group parent

The financing strategy optimizes the effect of a fully integrated group cash pool where cash at practically all of the Group's more than 150 subsidiaries are made available for the group's financing and liquidity purposes

Financing of activities at subsidiary level is provided by the Group parent in a standardised and cost efficient set-up involving very few resources at Business Unit and Group level

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the Group parent

Currency hedging principles

- The purpose of our currency risk management is to reduce the Group's currency risks over a 5-year horizon
- The main principle is to hedge FX exposure once it is deemed relatively certain that the underlying cash flows in foreign currency will materialise
- Thus, FX risk is hedged concurrently with the hedging of energy price risk
- FX risk related to divestments and investments are hedged once the amount is relatively certain
- Hedging of ROC and CfD income deviates from main principle and follows a staircase model (see next page). GBP therefore constitutes a strategic risk
- Management of currency risks is centralised at DONG Energy to obtain netting advantages

DONG energy

Hedging of FX and power risk in Wind Power

Construction and Farm downs – Hedging of FX

Decision gates

Pre-FID

- Early hedging of potential large DEVEX items on a 100% basis

Final Investment Decision

- Hedging of transmission asset divestment and CAPEX in GBP (100% share)
- Hedging of expected operational net cash flow subject to staircase (100% share)

Farm down mandate

- Net increase in hedging from expected proceeds from divestment, construction gains and reduced share of operational cash flow (50% share)

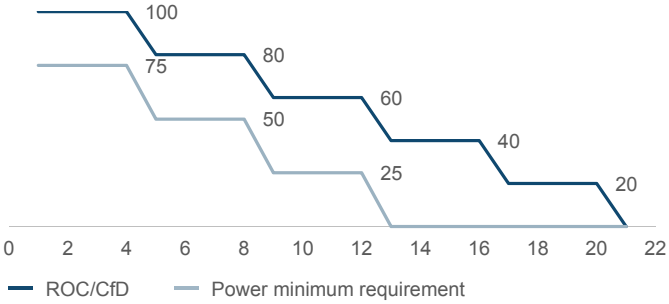
Signing farm down

- Hedges fully established for sale of project shares and construction gains

Commercial Operations

- Ongoing hedging of operational net cash flow reflecting permanent share of production (50% share)

Commercial Operations – Hedging of FX and power



Rolling operational hedging process on monthly/quarterly basis:

- ROC/CfD hedges are target hedge ratio
- The power hedge ratio is a minimum requirement, and power related FX exposures are included in FX exposures and hedged when the underlying power price is hedged

FFO/Adjusted net debt calculation

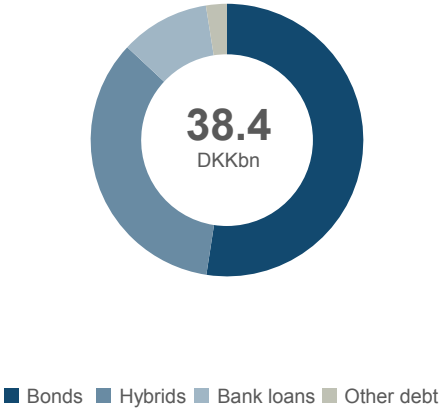
FFO/ADJUSTED NET DEBT	FY 2016	FY 2015
EBITDA	19,109	8,730
Adjusted net interest expenses	-1,662	-1,441
- Interest expenses, net	-402	-294
- Reversal of interest expenses transferred to assets	-574	-378
- Interest element of decommission obligations	-172	-167
- 50% of coupon payments on hybrid capital	-320	-411
- Operating lease obligations, interest element	-194	-191
Reversal of recognised lease payment	746	722
Current tax	-3,665	-697
FUNDS FROM OPERATION (FFO)	**14,528**	**7,314**
Accounting net debt	3,461	9,193
50% of hybrid capital	6,624	6,624
Cash and securities, not available for distribution	953	2,866
Present value of operating lease payments	3,986	4,051
Decommission obligations	3,649	3,436
Deferred tax on decommissioning obligations	-626	-665
ADJUSTED INTEREST-BEARING NET DEBT	**18,047**	**25,505**
FFO/ADJUSTED NET DEBT	**80.5%**	**28.7%**

Note:
Following the initiated sales process of the O&G business and the fact that O&G is presented as asset held for sale and discontinued operations, FFO/Adjusted net debt figures are now calculated excluding O&G in the numerator. The denominator is based on the Group's total NIBD

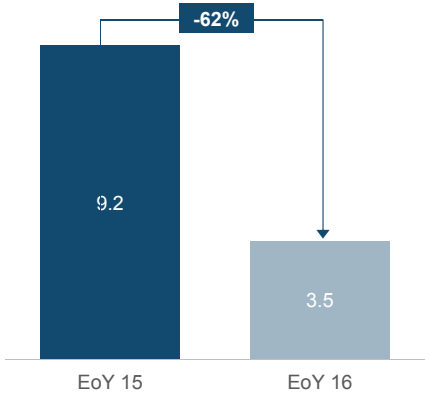
DONG energy

Debt overview

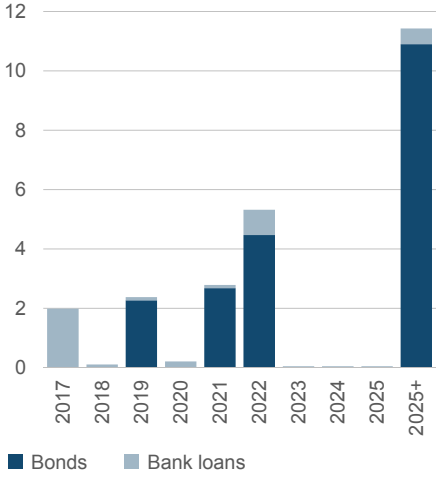
Gross debt and hybrids, Year-end 2016



Net debt
DKKbn



Long term debt maturity schedule Year-end 2016, DKKbn



Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost efficient manner

- Hybrid capital encompasses the credit supportive features of equity and improves rating ratios:
- Perpetual or long-dated final maturity (1,000 years for DONG Energy)
- Absolute discretion to defer interest payments and such deferrals do not constitute default nor trigger cross-default

- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (eg. FFO/NIBD)

The hybrid capital has increased DONG Energy's investment capacity and supports the growth strategy and rating target

DONG Energy has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the off-shore wind sector

Currently, DONG Energy has fully utilised it's capacity to issue hybrids (S&P has the strictest limit of 15% of total capitalisation)

HYBRIDS ISSUED BY DONG ENERGY A/S*	PRINCIPAL AMOUNT	TYPE	FIRST PAR CALL	COUPON	ACCOUNTING TREATMENT**	TAX TREATMENT	RATING TREATMENT
4.875% hybrid due 3013	EUR 500m	Hybrid capital (subordinated)	July 2018	Fixed during the first 5 years, first 25bp step-up in July 2023	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt
6.25% hybrid due 3013	EUR 700m	Hybrid capital (subordinated)	June 2023	Fixed for the first 10 years, first 25bp step-up in June 2023	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt
3.0% hybrid due 3015	EUR 600m	Hybrid capital (subordinated)	Nov. 2020	Fixed during the first 5.5 years, first 25bp step-up in Nov. 2025	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt

*) All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch)
**) Due to the 1,000-year structure

DONG energy

Benefits of hybrid capital

Hybrid capital is an attractive form of financing for corporates:

- Provides strength to the balance sheet at relatively attractive terms (tax deductible)
- Supportive to credit ratings
- WACC efficient instrument to enhance financial flexibility
- Non-dilutive source of quasi equity capital

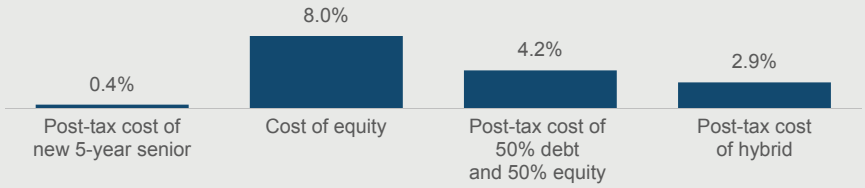
The issuance of hybrid capital is significantly cheaper than issuing proportional amounts of debt and equity

Illustrative example – current example

ASSUMPTIONS

Pricing for a Hybrid with first call in year 5:	3.5% (pre-tax)
Post-tax cost of hybrid = 3.5% * (1-22%)	2.87%
Pricing for a 5-year senior bond of 0.5% (pre-tax)	
Post-tax cost of senior = 0.5%* (1-22%)	0.41%
Cost of Equity:	8%

RELATIVE COST ANALYSIS



BIOENERGY & THERMAL POWER

Thomas Dalsgaard, Executive Vice President

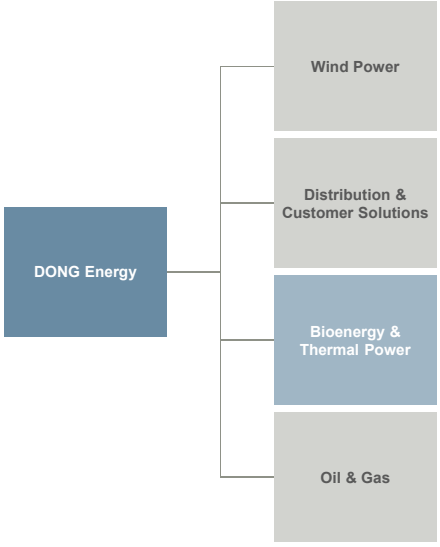
Meet the Management, 2 February 2017

DONG energy

Thomas Dalsgaard

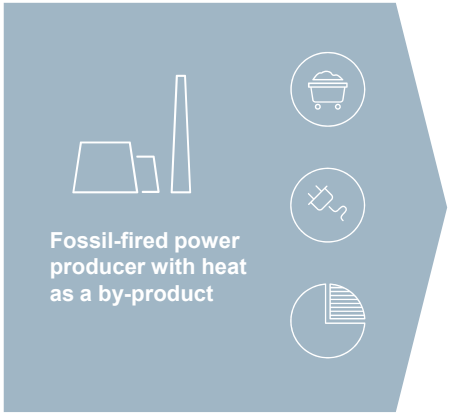
EVP
Bioenergy & Thermal Power

2011 –	Executive Vice President, Bioenergy & Thermal Power
2010 – 11	DONG Energy, Senior Vice President
2008 – 10	DONG Energy, Vice President
2004 – 08	IMF, Washington D.C., USA, Senior economist
2003 – 04	DONG Energy, Head of Management and Board Secretariat
2001 – 03	Danish Ministry of Finance, Head of Division
1998 – 01	OECD, Paris, France, Senior economist
1993 – 98	Danish Ministry of Finance, Economist



Ongoing transformation of business model

From



To

1. Bio-converted DK CHPs

- Biomass-based heat producer with power as flexible back-up
- Setting new standards for effective, smart and safe plants operations

2. REnescience organic growth in waste-to-energy

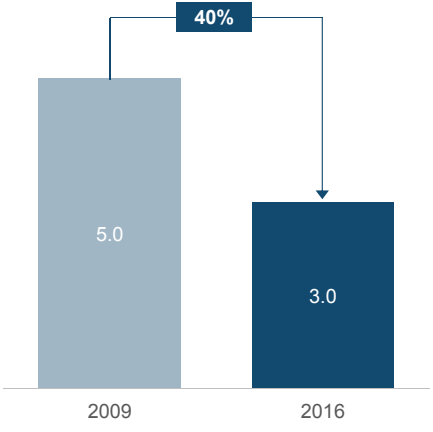
- Proof of concept expected at Northwich plant during 2017
- Cost-out / recycling-up programmes to bolster competitiveness

⛁ Regulated earnings ○ Commodity exposure

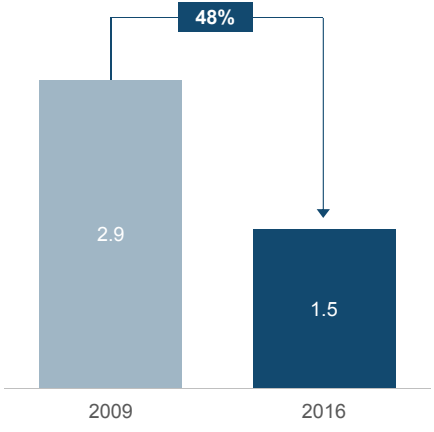
DONG energy

Transformation of DK business well underway

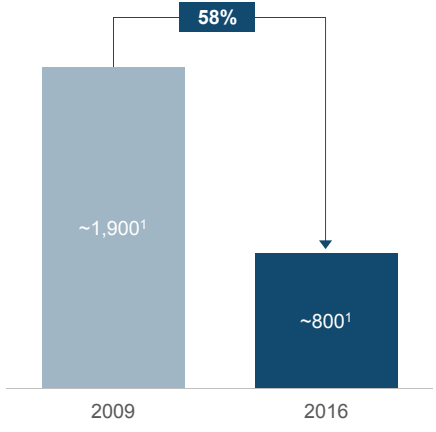
Major reductions in power generation capacity since 2009…
Danish portfolio of central plants (GWe)



… as well as in OPEX spend…
OPEX (DKK bn)



…and FTE numbers
# of FTEs



1. Adjusted for divested activities

Bio-conversions progressing as planned

Conversion CHP (MWe/MWth)[1]

Herning (77/150)

CoD **2009**

Primary fuel types: Gas ▶ Wood chips / wood pellets

Avedøre 2 (394/541)

CoD **2014**

Primary fuel types: Natural gas ▶ Wood pellets

Studstrup 3 (362/513)

CoD **2016**

Primary fuel types: Coal ▶ Wood pellets

Avedøre 1 (254/359)

CoD **2016**

Primary fuel types: Coal ▶ Wood pellets

Skærbæk 3 (95/320)

CoD **2017**

Primary fuel types: Natural gas ▶ Wood chips

Asnæs 6 (25/125)

CoD **2019E**

Primary fuel types: Coal ▶ Wood chips

Esbjerg (55/150)

CoD **+2020E**

Primary fuel types: Coal ▶ Wood chips

Total:

1,262 MWe
2,158 MWth

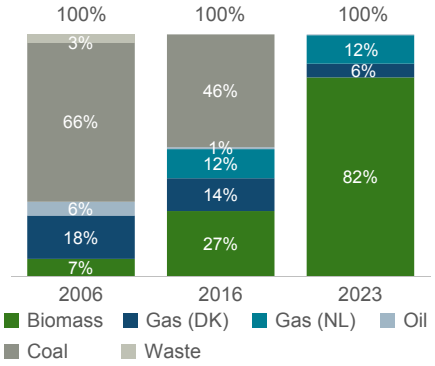
1. Biomass capacity after conversions. MWe refers to converted power capacity. MWth refers to converted heat capacity.

DONG energy

Bioenergy & Thermal Power will exit coal by 2023

Biomass conversions facilitate zero coal from 2023

DONG Energy fuel composition (%)



Coal may be used in force majeure circumstances

First major utility to fully exit coal

- Putting further action behind DONG Energy's vision for leading the energy transformation
- Heat customers support early coal phase-out

Smart Plant Programme: Running the power plant of the future – smart, green and safe

Smart Plant Programme will cover five priority areas

01 Fuel & logistics

Reduce cost of fuel ownership across the full supply chain from 'cargo to silo'

02 Plant performance

Improve productivity from office to plant by automating and digitalising processes

03 Organization & employees

Make the most of our talent and build **a flexible organisation** where skills & expertise brings biggest impact

04 New technology

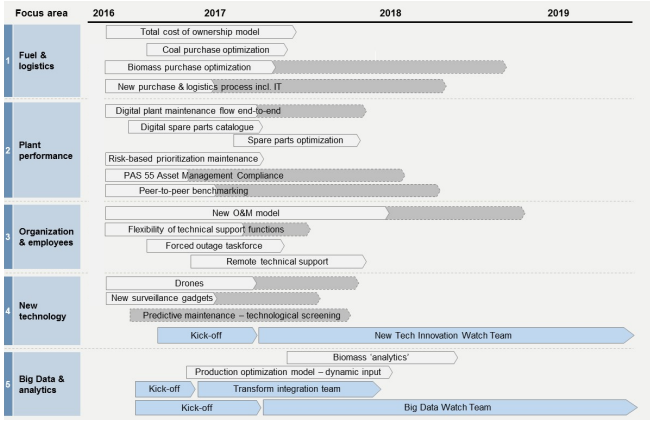
Be on top of technological advancement and bring in **intelligent new tech solutions** to daily routines

05 Big Data & analytics

Better use of data to support timely business decisions across the organization from trading to production floor

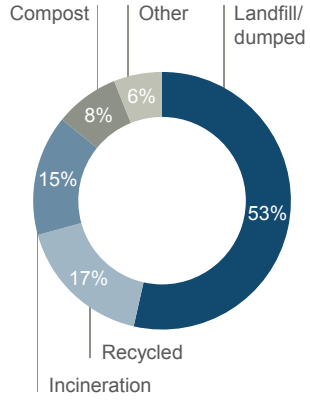
The 3-year programme kicked off January 2017

Smart Plant 2020 roadmap:

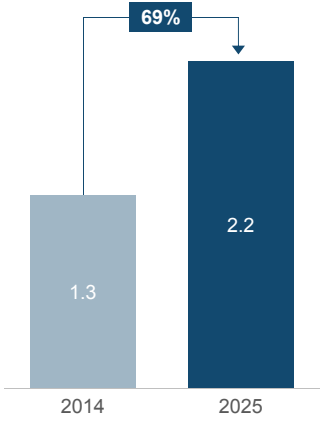


REnescience: A growth opportunity in the global waste market

Global MSW[1] disposal[2], %



Global MSW[1] generation[2], billion tons



Waste management - a growing global mega-trend

01 **Global population growth** (7bn ⇨ 9bn people over next two decades)

02 **Rapidly growing middle-class** in emerging markets

03 **Migration to cities** from rural areas

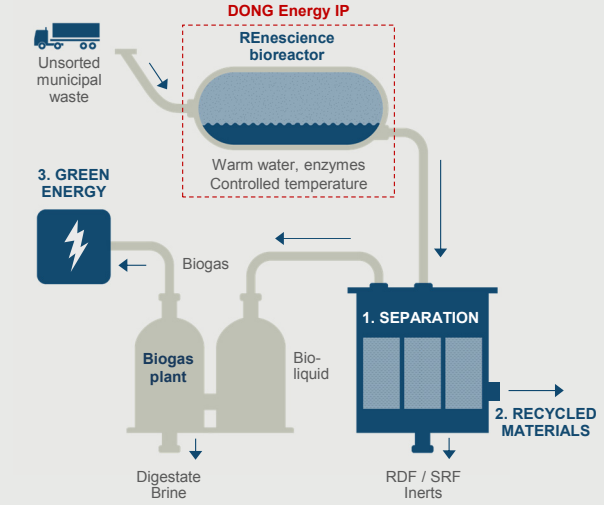
04 **Scarcity of resources** and increased awareness on **environmental and health** benefits from responsible waste handling

05 Regulatory push for **enhanced recycling and landfill avoidance** in many regions, countries and cities

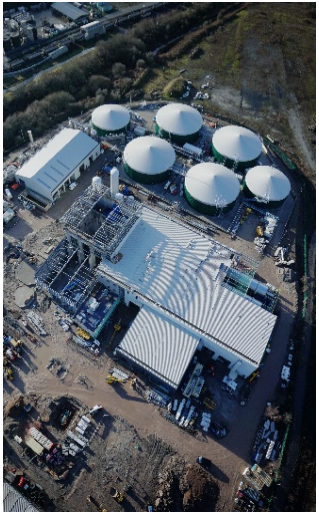
1. Municipal Solid Waste
2. World Bank: A Global Review of Solid Waste Management

Converting household waste to green gas, green power, and recyclables

REnescience process



REnescience Northwich



Value proposition

- High green gas yield, low CO_2 footprint
- Cheaper and more convenient than source separation
- Higher recycling rate than incineration

DONG energy

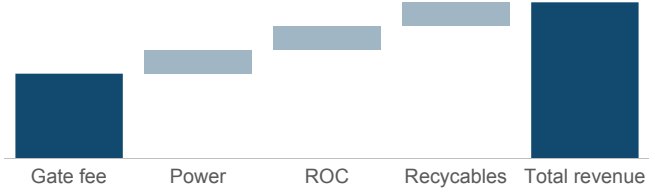
REnescience Northwich – first commercial plant after successful demonstration in Denmark

Facts about the facility

- 5 MW of baseload electricity generation (supported through Renewable Obligation Certificates)
- 120,000 tons of mixed waste processed per year
- CoD May 2017 (currently under construction)
- Total CAPEX ~DKK 600 MM

Business case driven by multiple revenue streams

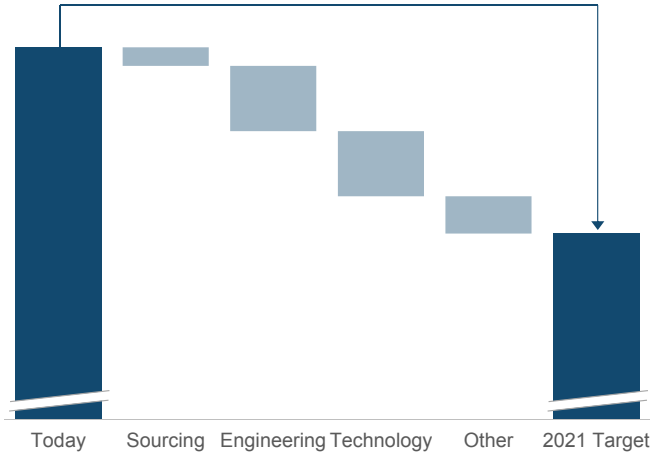
Revenue build-up of typical REnescience plant, UK example
Illustrative



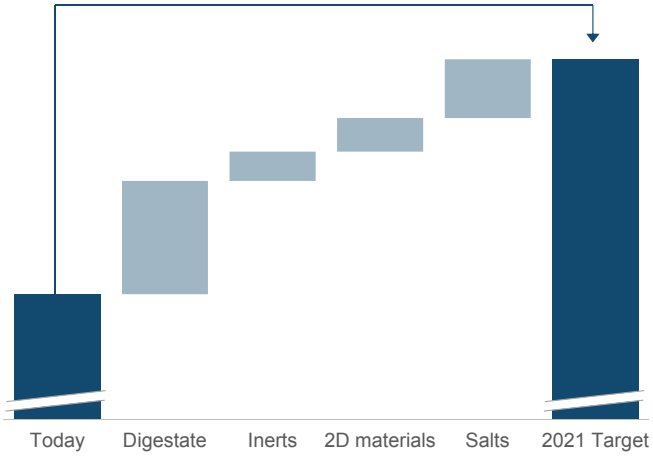
Size and composition of revenue drivers differ from project to project

Reinforcing REnescience competitiveness through cost-out and recycling-up programmes

Cost-out programme – reducing net treatment costs



Recycling-up programme – increasing recycling rate



DONG energy

REnescience project pipeline is being developed

Malaysia

- Expected FID Q4-17 / Q1-18
- Signed partnership memorandum with local waste operator Cenviro

UK

- FID Feb-16, COD Q2-17
- Project pipeline under development

Netherlands

- Project with Cure in maturation
- Project pipeline under development

Denmark

- Pursuing entry into the Danish market 2017/2018

On track to deliver on targets set out in IPO

AREA		2015	2016	TARGETS FROM IPO PROSPECTUS (BASED ON 2015)	CURRENT EXPECTATION
EBITDA	Heat (DKKm)	346	407	• Expected to more than double from 2015 to 2017	●
	Power (DKKm)	-446 (-934 excl. one-offs)	-607	• Subject to market conditions, underlying improvement over medium term from new heat contracts and enhanced flexibility	●
	Ancillary services (DKKm)	383	300	• Relatively stable income going forward	●
Cash flow	Cash flow (DKKbn)	1.6	-0.6	• Expecting positive free cash flow from 2018	●
Volumes	Heat volumes (TWh)	9.3	9.2	• Stable long-term heat offtake	●
Capacity	Biomass share (%)	19	41	• 60% of heat capacity in 2020 is green	●

DONG energy

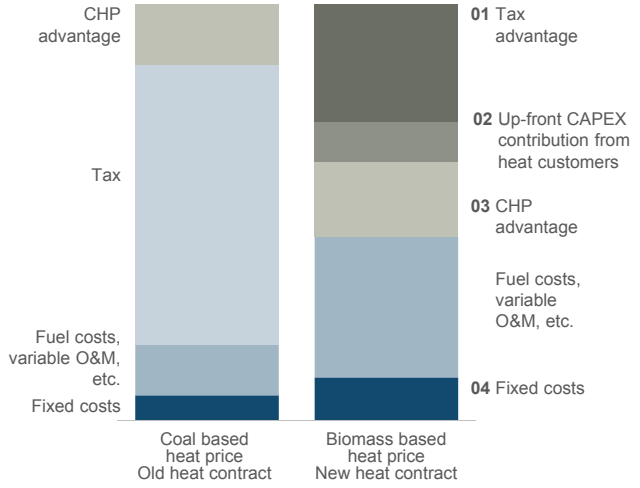

DONG
energy

Appendix

New heat contracts and bio-conversions are key value drivers

Heat price is regulated by Danish Heat Supply Act

DKK/MWh, Illustrative example



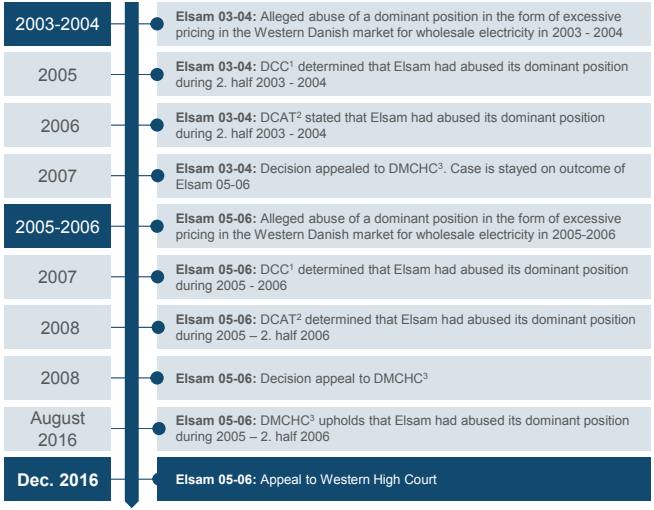
Value drivers from new heat contracts

01.Sharing of tax advantage	Replacing fossil fuels with biomass implies tax savings that can be shared between heat producers and heat customers	Heat EBITDA impact
02.Up-front CAPEX contribution from heat customers	Value creation for BTP driven by the wedge between DONG Energy WACC and the regulated interest rate DONG Energy would otherwise receive from heat customers for fully financing the project. Heat customers benefit from the wedge between the regulated interest rate and their financing costs	
03.Sharing of CHP advantage	Shared efficiency gain from combined heat and power production	
04.Cost sharing	Improved cost coverage for heat production plus coverage of loss from forced production	
Bio-to-power subsidy	A premium feed-in subsidy of 150 DKK/MWh for power produced on biomass	

Elsam case

Elsam timeline

– cases brought by competition authorities



1. Danish Competition Council
2. Danish Competition Appeals Tribunal
3. Danish Maritime and Commercial High Court

Pending claims for damages and economic exposure

- **Claims for Damages**. Based on Elsam 03-04 and 05-06, 1,106 plaintiffs have in November 2007 filed a claim for damages with DMCHC[3]. The preparation of the case has been restarted after the judgement in Elsam 05-06 from DMCHC[3] and is ongoing
- The primary claim for damages amounts to **DKK 4.4 billion with addition of interest** calculated as per the date of the individual payments of the alleged excessive prices and until the payments have been settled
- Based on what we know so far concerning the plaintiffs' loss calculation, it significantly underestimates Elsam's actual costs of producing power
- We have claimed dismissal of the entire claims for damages
- As a reaction to the claims for damages**, we have currently provisioned DKK 298 million** which with addition of interest calculated from the date of the plaintiffs' commencement of legal proceedings against us amounts to DKK 504m as of 1 April 2016. Our provision is based on DCC's[1] estimation of consumer losses in **Elsam 03-04** and **Elsam 05-06**

DONG energy

Key features of bio-conversions

Typical plant modifications

Logistics

- Crane for unloading

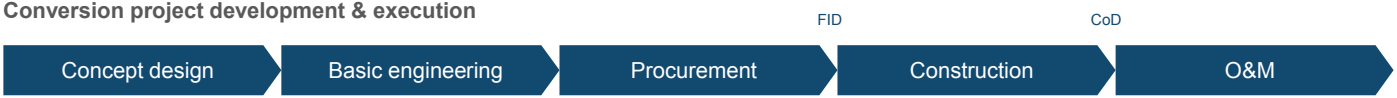
Storage

- Silo for keeping pellets dry
- Chips stored in the open
- Conveyor belt to transport chips/pellets from vessel to storage/plant

Plant

- Mill/burner upgrade
- New boiler required for gas/coal-to-chips

Conversion project development & execution

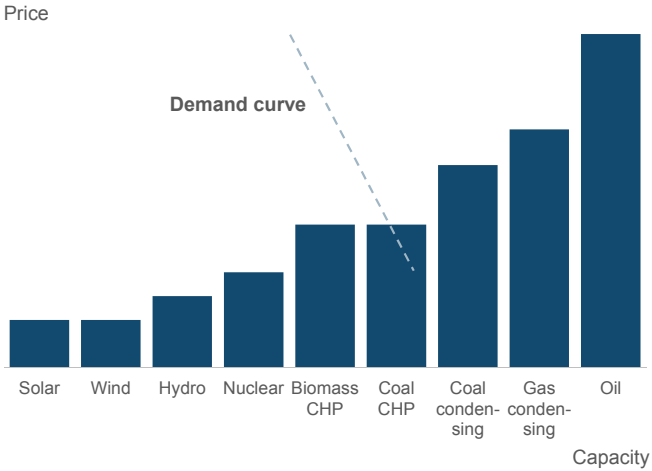


- BTP manages project development, execution and O&M of bio-conversion projects
- Core competencies in project management, concept design, process chemistry, control & optimisation as well as safety management maintained in-house
- Detailed engineering outsourced

Power is sold day-ahead, intraday and as ancillary services

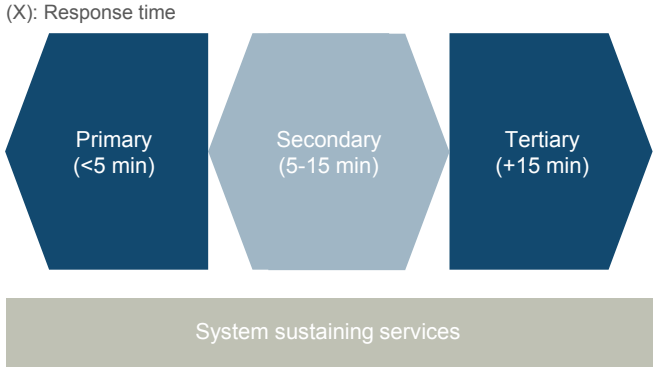
BTP CHP production is competitive with condensing production

Nordic power plant merit order and demand curve, Illustrative



Ancillary services ensure stability of electricity grid

Illustration of ancillary services



Bioenergy & Thermal Power well-positioned in ancillary services and power markets

Continuous work to improve plant flexibility

Example of initiatives to improve plant flexibility (not exhaustive)

Bypass and heat accumulators	Turbine bypass and heat accumulators to decouple heat and power production
Minimum load	30% ⇨ 13% of full load (Avedøre 2)
Load gradients	4%/min ⇨ 8%/min (Skærbæk 3)
Minimum load with ancillary services	60 MWe ⇨ 20 MWe (Asnæs 2)

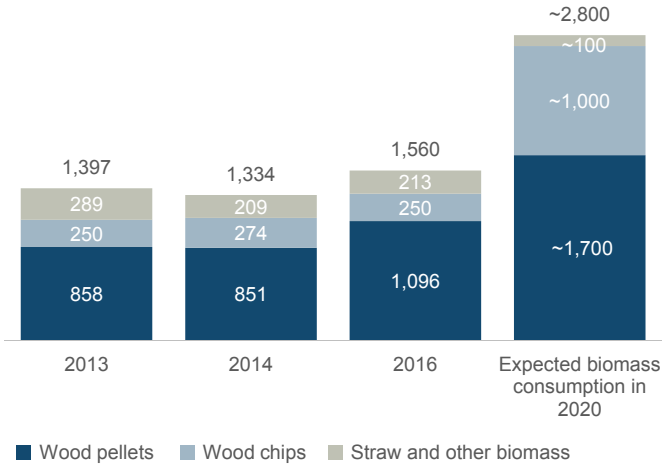
Solid competitive position in DK and NW Europe

- CHP production enables cost-efficient and swift delivery of ancillary services during winter and shoulder periods
- Closure of thermal capacity in the Nordics and the Continent likely to enhance BTP's market position

Diversified biomass sourcing portfolio across geographies and fuels

DONG Energy consumed 1.6 Mt of biomass in 2016 expected to almost double by 2020

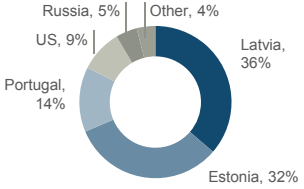
Biomass consumption, '000 t[1]



1. Energy content per tons biomass: wood chips=10.5 GJ/ton, straw=14.5 GJ/ton, wood pellets=17.5 GJ/ton
2. CIF ARA converted from USD to EUR at respective daily exchange rate

Diversified sources of biomass

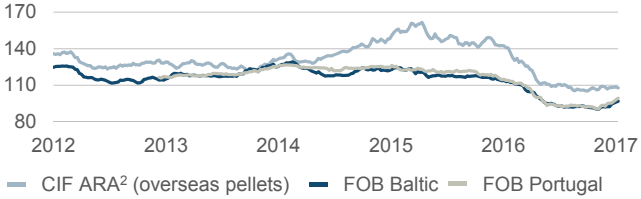
Wood pellet origin, 2016



- Mix of contracts with different lengths (10-year, 2-3 year, annual and spot)
- Chips are sourced from Denmark and neighbouring countries, incl. the Baltics

European wood pellet prices have declined in 2016

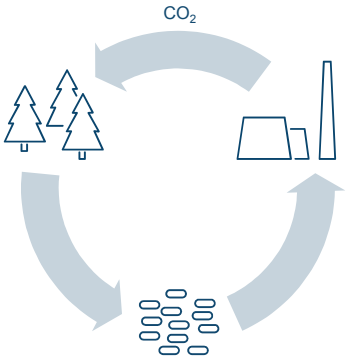
Historical wood pellet prices, 1-year forward prices, EUR/ton



Source: Argus

DONG Energy adheres to strict sustainability criteria

Combustion of biomass from sustainable forestry is CO_2-neutral



0 gCO_2 | kWh

Forest growth = CO_2 release from furnace

Ensuring sustainable sourcing of biomass

Standard of Sustainable Biomass Program (SBP)

- Protection of key ecosystems or habitats
- Forest productivity and health is maintained
- Rights of indigenous peoples and local communities
- Protection of health and safety and basic labor rights
- Regional carbon stocks are maintained or increased over the medium- to long-term
- Genetically modified trees are not used
- End-to-end accounting for greenhouse gas emissions

SBP

DONG energy

e·on

ENGIE

RWE

drax

HOFOR

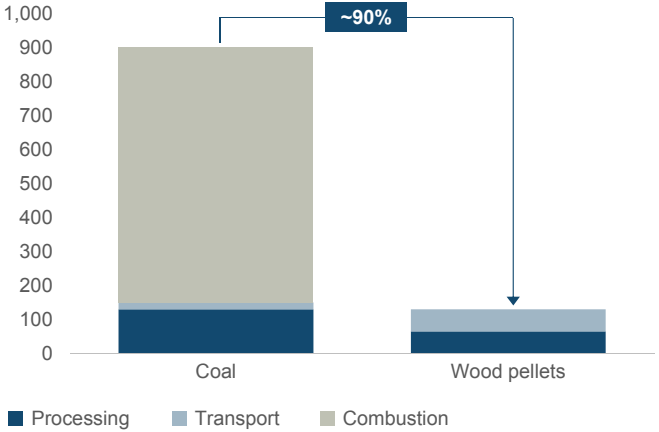
VATTENFALL

Independent 3rd party auditors certify suppliers through annual audits, recertification every 5 years and carbon accounting from forest to furnace

Substantial CO_2-reduction compared with coal

Across the life-cycle, emissions reduction of ~90% vs. coal[1]

Life-cycle emissions by technology, gCO_2/kWh



1. Source: Life-cycle assessment of wood pellets for energy applications, Aalborg University, the Danish Centre for Environmental Assessment

Under EU regulation, biomass is considered CO_2-neutral

- EU regulation assumes that carbon released when biomass is burned will be re-absorbed through tree growth
- Biomass currently accounts for two-thirds of renewable energy produced in the EU
- EU Commission's current Clean Energy Package contains proposed regulation on biomass sustainability that is broadly aligned with the Danish Industry Agreement and SBP

DONG energy

Policies are supportive of further resource utilisation

- The EU Waste Framework Directive set a target of 50% recycling of household waste by 2020
- Proposed EU ‘Circular Economy’ package includes a target of 65% recycling of household waste by 2030

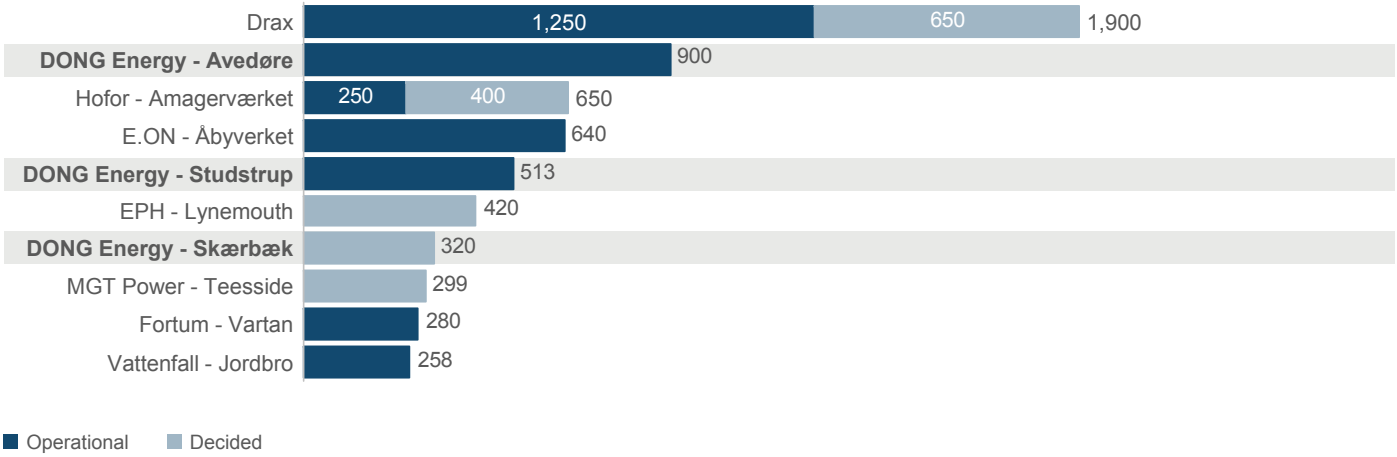
- Growing number of country-level targets to move away from landfill and increase recycling rates within and outside the EU

- Waste planning and target-setting takes place at a highly decentralised level

10 largest biomass-fired facilities globally

Biomass plants – capacity[1]

MW output



1. For CHP or heat producing plants, the heat capacity is shown, whereas for power producing plants, the electrical output is shown.
NOTE: Does not include plants where biomass is not the primary fuel (for example co-firing applications); does not include industrial applications

WIND POWER EPC

Anders Lindberg, Head of EPC

Meet the Management, 2 February 2017

DONG energy

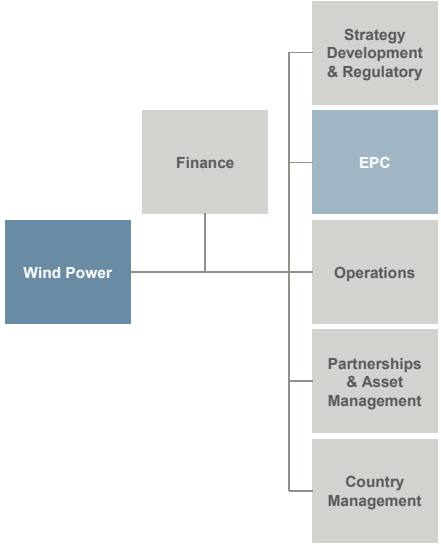
Anders Lindberg

Senior Vice President, Head of EPC

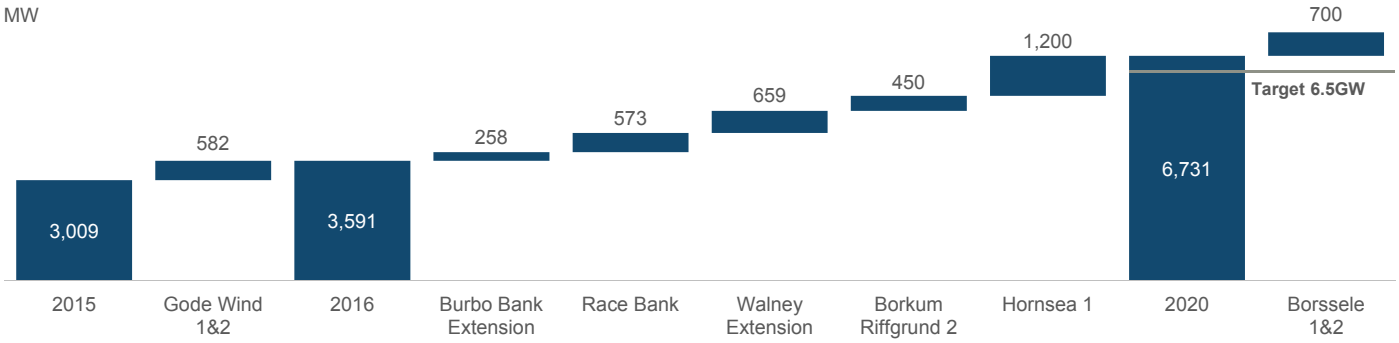
Born: 1965

Education: EMBA in Business Administration (SSE) & MSc. in Electrical Engineering (KTH)

2015 -	**Senior Vice President,** Head of EPC, DONG Energy Wind Power
2014 -	**Board member,** IEC Holden
2011 - 14	**President Rolling Stock Central & Northern Europe and Asia,** Bombardier Transportation
2007 - 11	**President Rail Control Solutions,** Bombardier Transportation
2004 - 07	**President Propulsion & Controls,** Bombardier Transportation



Robust & highly visible offshore wind build-out plan towards 2020



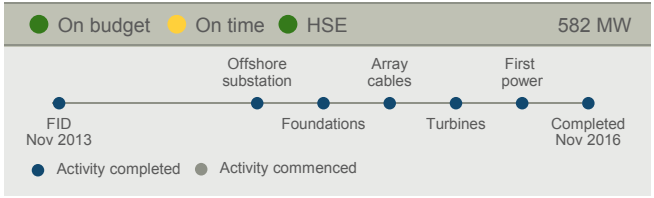
Country	Germany		UK	UK	UK	Germany	UK		Netherlands
Expected completion	2016		2017	2018	2018	2019	2020		2020/21
On time/budget	● / ●		● / ●	● / ●	● / ●	● / ●	● / ●		● / ●
Turbine	Siemens 6.0 MW		MVOW 8.0 MW	Siemens 6.3 MW	Siemens 7.0 MW MVOW 8.25 MW	MVOW 8.3 MW	Siemens 7.0 MW		Not decided

Note: The export capacity of Hornsea 1 is 1,200 MW determined by the boundary of the facility (offshore substations), while the aggregated installed generator capacity is 1,218 MW

DONG energy

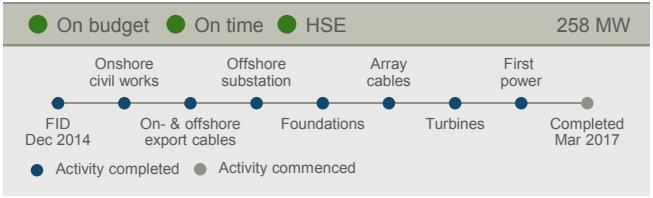
Gode Wind 1&2: Grid repair completed and park fully operational

- Gode Wind 1&2 completed slightly behind time schedule and within budget, despite grid delay and outages
- Outstanding safety performance with only 1 LTI (LTIF: 0.4) during construction
- Completed November 2016 after challenging turbine commissioning as a result of unstable grid
  - Delayed grid connection from TenneT and numerous grid outages
  - Grid repair campaign November 2016 to January 2017 by grid owner TenneT
- Grid returned 8 January and re-energisation of turbines progressed according to plan
- Wind park back in operation by end January and park fully handed over to Operations



Burbo Bank Extension: Construction activities finalised

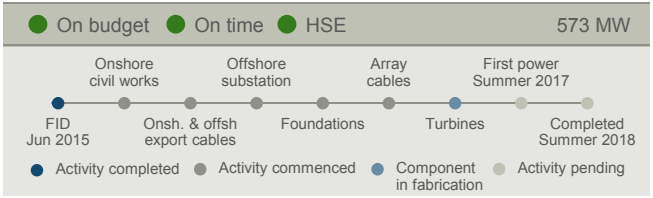
- Burbo Bank Extension on track to complete on time and within budget
- Outstanding safety performance with only 1 LTI (LTIF: 0.5) during the two year construction period
- Construction activities completed and commissioning advanced
  - First power achieved 20 November 2016
  - Last turbine installed 14 December 2016
  - 22 turbines are operational and produce power ultimo January
- Transfer to Operations has commenced
- First offshore and large scale deployment of 8 MW MHI Vestas (MVOW)
- CfD to commence 1 April 2017



Race Bank: Fully on track

The plough concept of the Sunfish: A section of the salt marsh is lifted, the cable injected underneath and the salt marsh lowered again

- Race Bank is fully on track both on time and budget
- Good safety performance with 1 LTI (LTIF: 0.7)
- First offshore substation installed and energised; second to be installed in March
- Both export cables have been successfully installed in sensitive salt marsh area
  - First export cable fully installed, energised from onshore to offshore substation and buried
  - Second export cable remaining installation ongoing and will be ready for termination in second offshore substation
- All monopile foundations installed and transition piece installation progressing
- Turbine installation to begin during Q2 2017



Remaining construction program fully on track

Walney Extension

659 MW

Country	UK
On time / On budget	● / ●
Expected completion	2018

Budget
- All major contracts signed

Schedule
- On track with overall program timeline

Safety
- LTI: 0

Activities 2017
- Offshore works to fully ramp up
  - Export cable H1
  - Foundation and array cables H1
  - Turbine installation to begin H2
- First power expected during H2

Borkum Riffgrund 2

450 MW

Country	Germany
On time / On budget	● / ●
Expected completion	2019

Budget
- All major contracts signed

Schedule
- On track with overall program timeline
- Final approval of amended building consent received January

Safety
- LTI: 0

Activities 2017
- Manufacturing of components to be ready to start offshore installation in 2018
- Installation of jacket for our offshore substation in Q3
- TenneT to install DolWin3 converter station

Hornsea 1

1,200 MW

Country	UK
On time / On budget	● / ●
Expected completion	2020

Budget
- All major contracts signed

Schedule
- On track with overall program timeline

Safety
- LTI: 0

Activities 2017
- Commence installation of onshore substation electrical Q2
- Commence installation of onshore export cable Q2
- Manufacturing of components

Borssele 1&2

700 MW

Country	Netherlands
On time / On budget	● / ●
Expected completion	2020/21

Budget
- Turbine tender currently ongoing

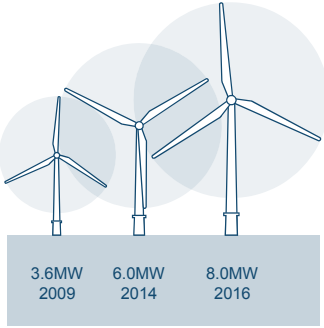
Schedule
- On track with overall program timeline

Safety
- LTI: 0

Activities 2017
- Closing of major contracts

LCoE being reduced through scale, innovation, industrialisation and digitalisation in both EPC and Operations

Scale

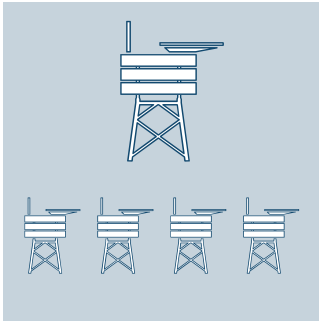


Increased size of windfarms and turbines

Innovation

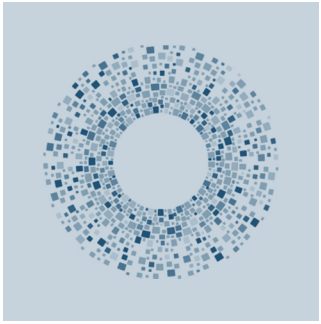
Driving innovative solutions

Industrialisation



Standardisation and procurement for multiple projects

Digitalisation



Fully capturing new technological opportunities

Wind Power fully on track with 2020 build-out plan

All projects fully on time…

… and within budget

Continue the cost reduction journey

DONG energy

WIND POWER OPERATIONS

Jens Jakobsson, Head of Operations

Meet the Management, 2 February 2017

DONG energy

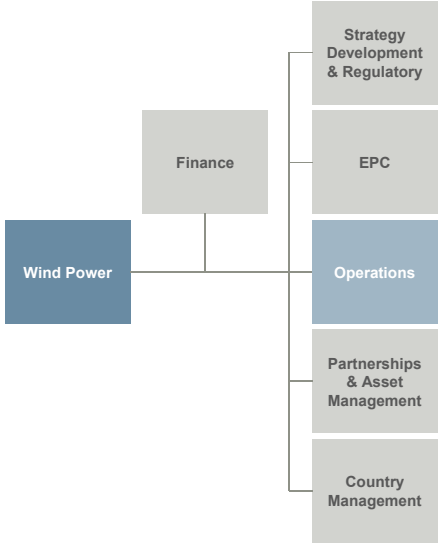
Jens Jakobsson

Senior Vice President, Head of Operations

Born: 1966

Education: BSc.EE (DTU), Finance for Executives (INSEAD) & Executive Management Programmes (INSEAD & IMD)

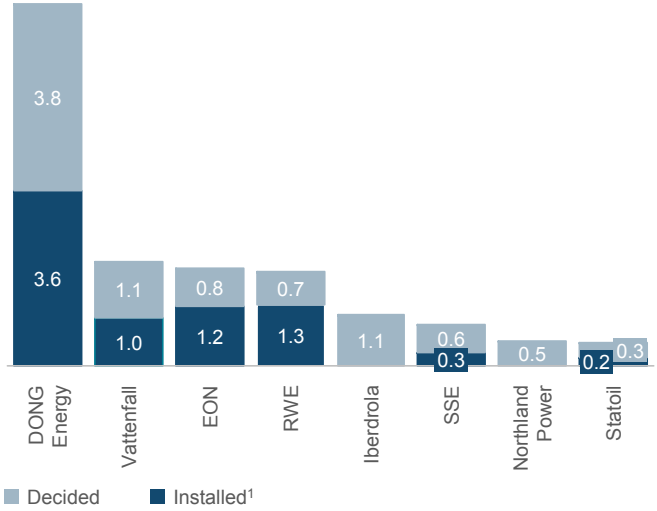
2015 -	**Senior Vice President,** Wind Power Operations
2014 - 15	**Senior Vice President,** Wind Power Engineering
2010 - 14	**Vice President,** Power and Gas Distribution
2006 - 10	**Vice President,** Power Distribution
1994 - 06	**NESA A/S,** Various Management Positions



Largest operator of offshore windfarms in the industry

Installed and decided capacity

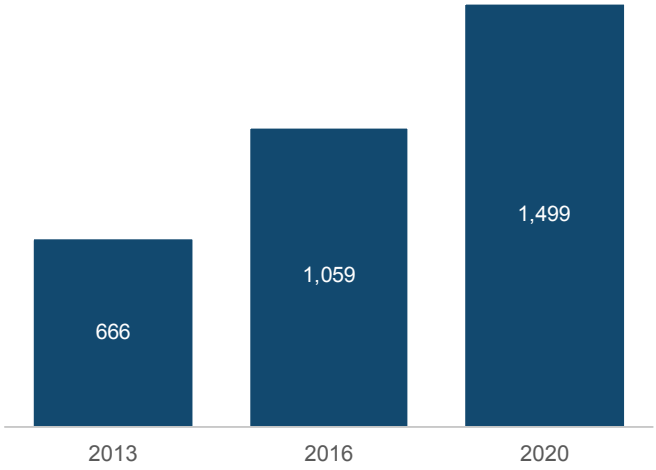
(GW)



Source: DONG Energy, Bloomberg New Energy Finance (BNEF)

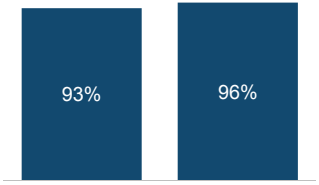
1. If a project is executed on behalf of a lead developer managing the construction, then 100% of capacity is allocated to the lead developer. If construction is executed by an integrated joint venture, capacity is allocated in proportion to the JV share

Number of turbines in operation

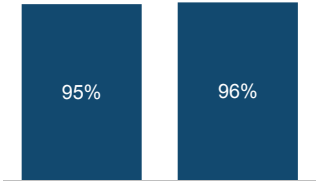


Availability performance of clusters in H2 2016 as expected – specific challenges in German cluster

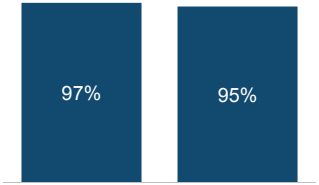
UK West



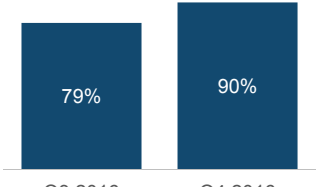
UK East



Denmark

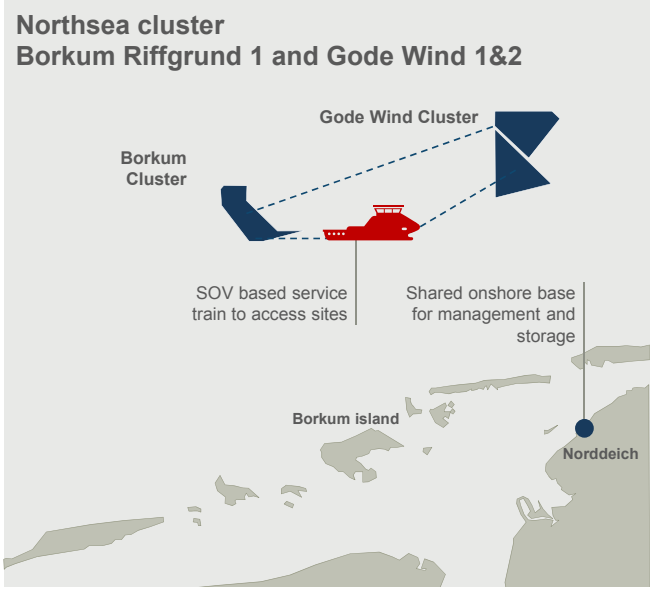


Germany



Note: Nearshore & demo wind farms excluded. Commercial time based availability shown.

Scale effects – clusters allow for shared onshore infrastructure and application of Service Operation Vessel



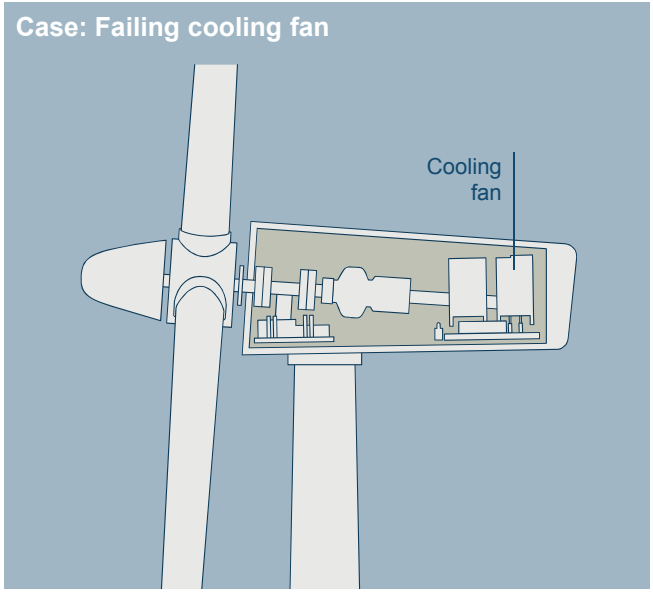
Higher accessibility

Minimizing non-productive time

Lean setup through shared infrastructure

DONG energy

More data – source for significant operational improvement in the near future



Before - No online monitoring:

- Turbine stops in case of high temperature
- Leads to availability loss

Now - Standard Analytics:

- Continuous temperature monitoring and predictive models
- Identifies issue before turbine stops, lowering lead time and limits availability loss

Near future - Advanced Analytics:

- Further development of existing predictive models
- Temperature ride-thru controls, more measurements and data
- Turbine operational until repair

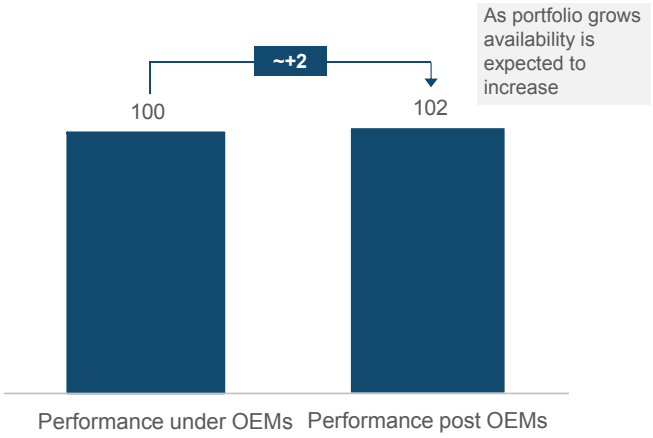
Consistently improving park performance after take-over from OEMs

Long term perspective on optimisation of operating wind farm

Strong incentive to increase availability as both owner and operator

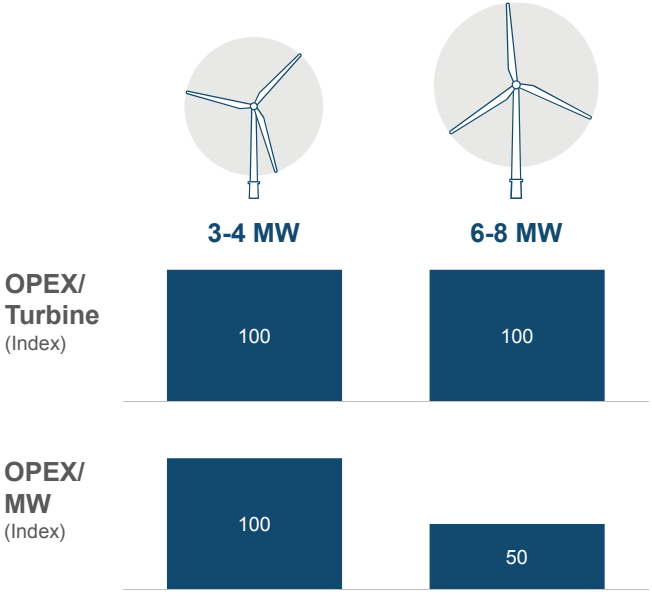
Large portfolio enable synergies and drive down costs

Average availability performance for operating assets
(Index)



DONG energy

In addition, larger turbines provide powerful scale effects



Wind Power is the largest offshore wind power operator in the world with a significant focus on cost reductions

Operating the industry's largest portfolio

Site performance meets expectations, with additional opportunities to improve

Scale is a main driver for cost reductions

Advanced analytics being developed to reduce maintenance costs and improve performance

DONG energy

WIND POWER POST 2020 PIPELINE

Martin Neubert, Chief Strategy Officer

Meet the Management, 2 February 2017

DONG energy

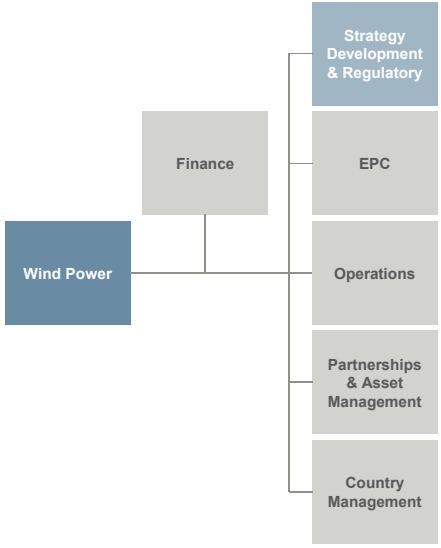
Martin Neubert

Chief Strategy Officer, Head of Strategy, Development & Regulatory

Born: 1973

Education: MSc. in Economics and Finance (FAU) & CFA

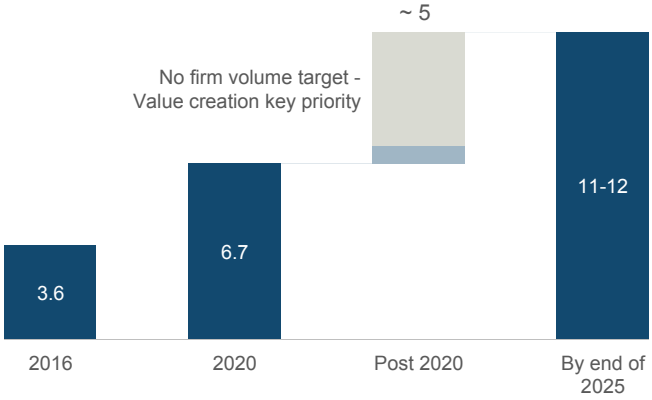
2016 -	**Chief Strategy Officer** Head of Strategy, Development & Regulatory
2012 - 15	**Vice President** Head of Partnerships
2008 - 12	**Various Senior positions** Head of Group M&A, Head of Equity Partnerships and Senior Project Manager in Group M&A in DONG Energy
-> 2008	Previously at Arthur Andersen, EY and Bain Capital



Wind Power´s ambition is to drive profitable growth by adding ~5 GW of additional capacity post 2020

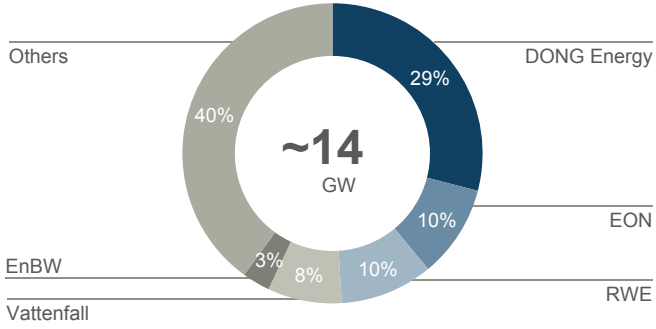
Wind Power capacity

(GW)



Global offshore wind market share end of 2016

(Percentage of installed capacity, GW)

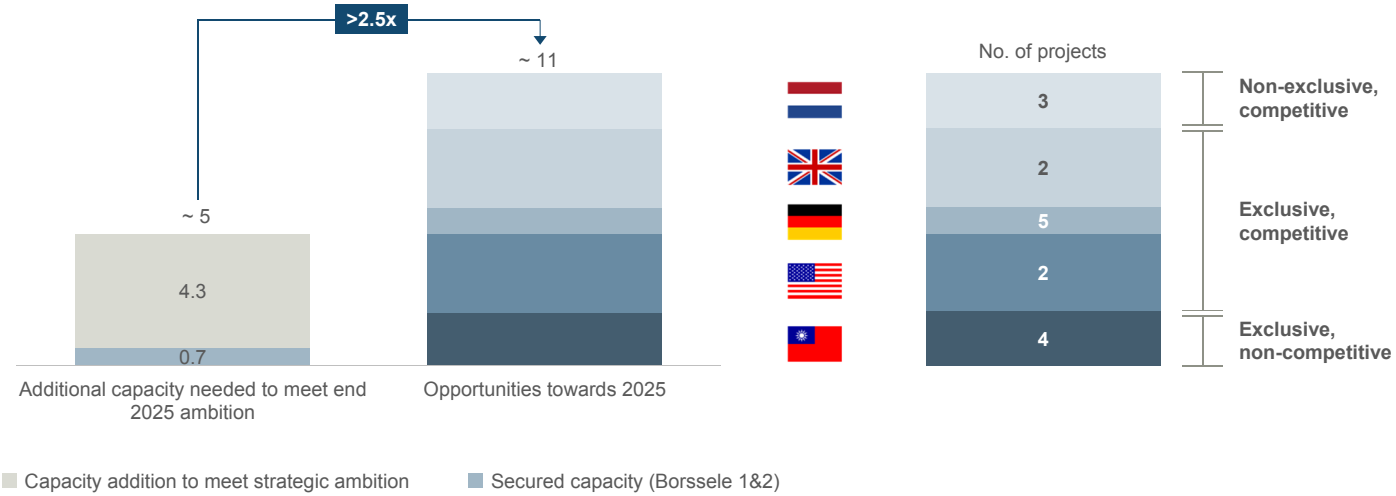


Source: DONG Energy, Bloomberg New Energy Finance (BNEF)

1. If a project is executed on behalf of a lead developer managing the construction, then 100% of capacity is allocated to the lead developer. If construction is executed by an integrated joint venture, capacity is allocated in proportion to the JV share

Remaining capacity of 4.3 GW will be fuelled from an opportunity pipeline of ~11 GW

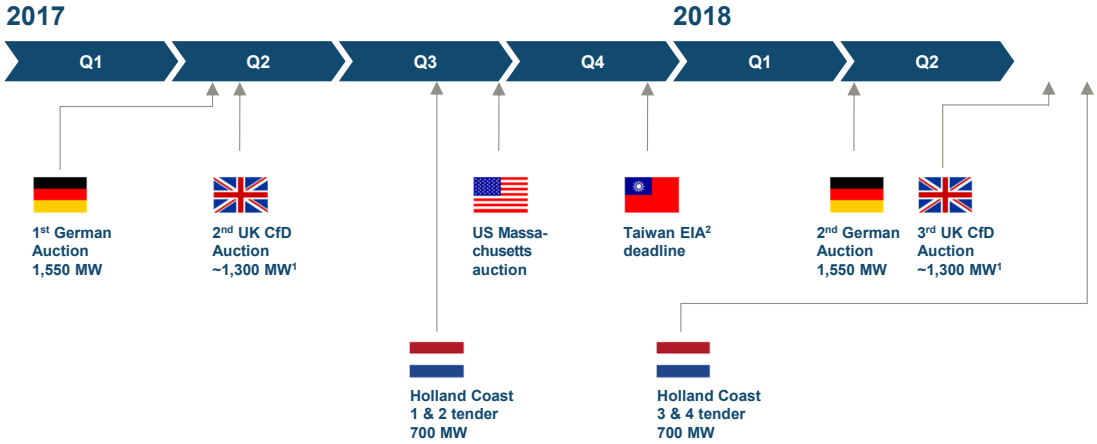
Wind Power capacity
(GW)



Next 18 months will see allocation of more than 8 GW of capacity for the post 2020 period

DONG Energy pipeline options towards 2025

Upcoming auctions and tenders
>8 GW of opportunities



Strategic markets
>9 GW pipeline options

Opportunistic markets
0.7 GW secured
2.1 GW3 pipeline options

Source: BNEF; Netherlands Enterprise Agency 1. In 2016 the UK government announced CfD auctions of up to GBP 730m for up to 4 GW of offshore wind to be executed over three auctions by 2020. Exact capacity to be allocated in each round is uncertain. The UK government has committed to up to three auctions in this parliamentary period. However a firm date has only been communicated for the 2017 auction. 2. Environmental Impact Assessment. 3 The Dutch government has proposed in its Energy Agenda to continue offshore wind tendering with 1 GW annually in 2020-2025, hence additional opportunities may arise.

DONG energy

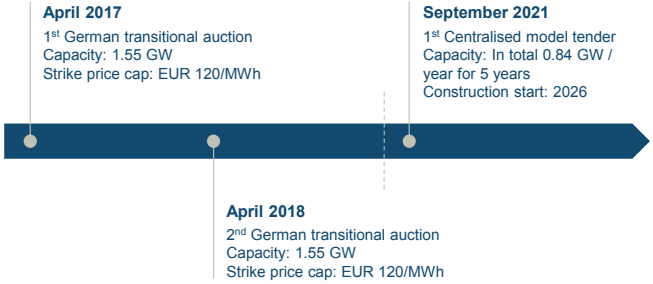
Two transitional auctions of total 3.1 GW in 2017/2018 before Germany introduces centralised model

German transitional auctions overview

Timeline	• 1st auction: April 2017 • 2nd auction: April 2018
Build-out	• 2021-2025
Support scheme	• Market premium • 20 years • Strike price cap: 120 EUR/MWh
Capacity	• 3.1 GW

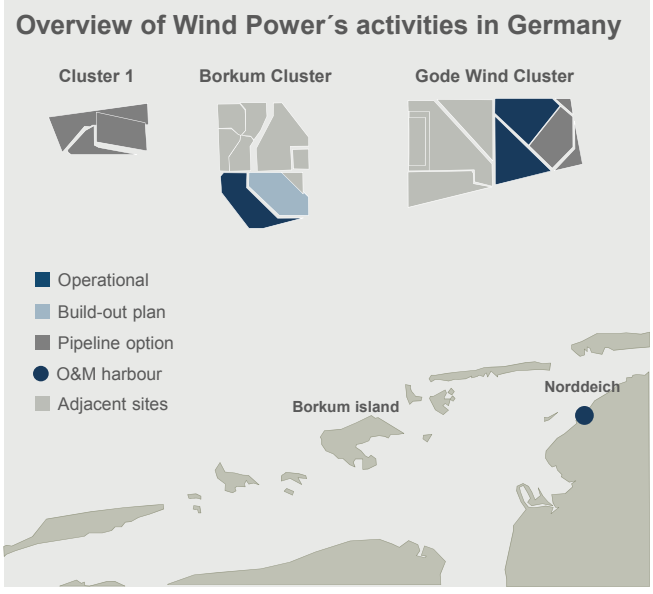
Source: German Ministry for Economic Affairs and Energy

Detailed timeline



- 1.55 GW per auction with a maximum of 0.9 GW / cluster
- In second auction, a minimum of 0.5 GW (max. 0.75 GW) for Baltic Sea projects
- Approx. 8 GW of projects eligible for bidding
- Last call option when transitioning into tender regime for non-winning projects

Pipeline options in Germany positioned close to existing projects offering synergies across sites



- First row projects – closest to shore vs. competing sites
- Clusters are part of German grid build-out plan towards 2025
- O&M synergies across three clusters
- Known waters and wind conditions
- Active acquisition strategy to ensure scale and full ownership

DONG energy

Approximately 4 GW to be awarded in UK through up to three additional CfD auctions

UK CfD Auctions overview

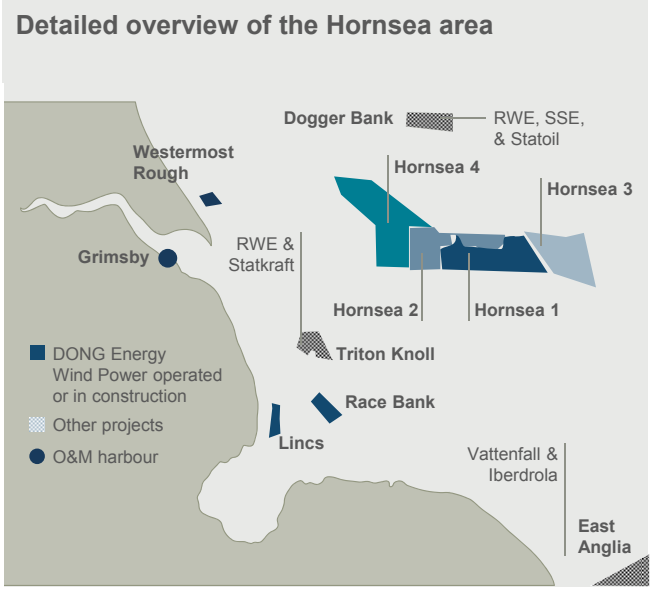
Timeline	• 2nd auction: Q2 2017 • 3rd auction: 2018-2020 • 4th auction: 2018-2020
Build-out	• 2021-2026
Support scheme	• Contract for difference • 15 years
Capacity	• £ 730m budget (~4 GW)

Detailed timeline

- Offshore wind competing with other less advanced technologies for the £730m budget
- Actual capacity awarded dependent on winning strike price
- Administrative strike price is the maximum level of support

Source: DECC
Note: In 2016 the UK government announced CfD auctions of up to £730m for up to 4 GW of offshore wind to be executed in up to three auctions in this Parliamentary period. Only the date for the 2017 auction is firm and exact capacity to be allocated in each round is uncertain. Strike prices in £ real 2012 values.

High quality pipeline for the UK CfD auction rounds



Hornsea 1

- 1.2 GW
- Under construction

Hornsea 2

- Up to 1.8 GW
- Development consent awarded in August 2016

Hornsea 3

- Up to 2.4 GW
- Consent ongoing

Hornsea 4

- Approx. 1 GW
- Post 2025 potential

- >3 GW of pipeline options towards 2025
- Area well known given Hornsea 1 under construction

DONG energy

Massachusetts auctions of at least 0.4 GW to be held every 24 months until target of 1.6 GW is met

Massachusetts auction overview

Timeline	• 1st auction: by 2017 • Thereafter auctions every 24 months (if prices continue to fall)
Build-out	• 2018 - 2027
Support scheme	• Auction based on price of power and/or RECs • 15- 20 years • No explicit price cap
Capacity	• >0.4 GW / auction • 1.6 GW in total

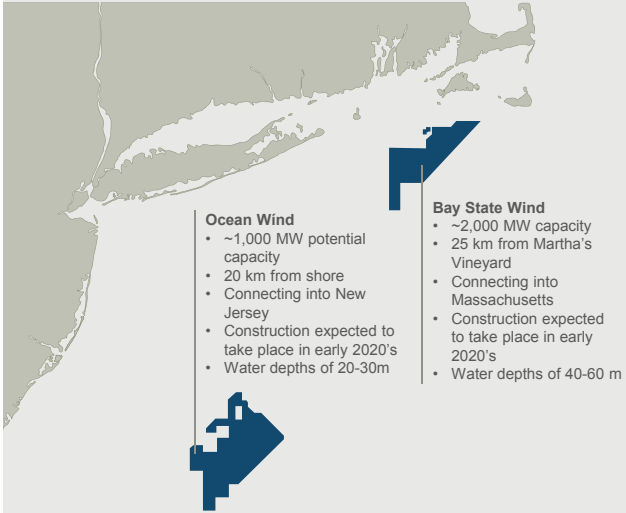
Source: MA Energy Bill (2016)

Detailed timeline

- Three eligible projects for bidding in the 2017 auction

Secured project rights to build large scale projects with total of ~3 GW capacity and entered 50/50 partnership in US

Overview of Wind Power´s activities in US



Presence with office in Boston

Continuous and active involvement in advising on the regulatory and political process

Entered partnership with Eversource Energy for Bay State Wind

DONG energy

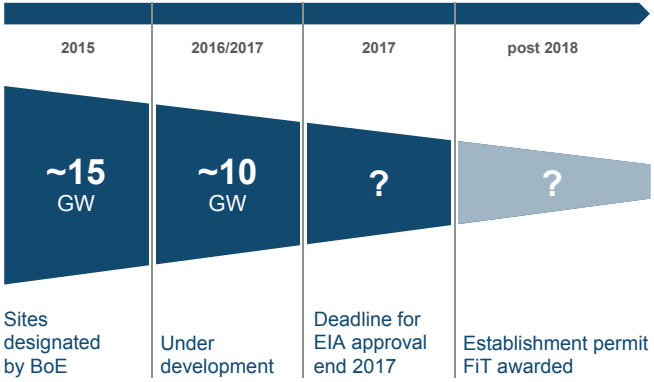
In Taiwan, approval of environmental permits needed by end 2017 to secure site exclusivity

Overview Taiwan offshore wind

Timeline	• Environmental Impact Assessments (EIA) approved by end 2017
Build-out	• No governmental requirement for build-out in certain years
Support scheme	• Feed-in-Tariff • 20 years (EUR 167/MWh) or EUR 204/MWh (year 1-10) and EUR 101/MWh (year 11-20)
Capacity	• Not specified (2030 target of 4 GW and 2025 target of 3 GW not a cap)

Note: Feed in Tariff in TWD: 5.9838 TWD/kWh (20 years) or TWD 7.3103 (year 1-10) and TWD 3.5948 / kWh (year 11-20). Conversion to EUR based on exchange rate TWD/EUR: 35.75
Source: Taiwan Bureau of Energy, Ministry of Economic Affairs

Detailed timeline



- Both local and international developers active in the Taiwanese market

Acquired 35% of Taiwan's first offshore wind project and pursuing further post 2020 project rights of minimum 2 GW

Overview of Wind Power´s activities in Taiwan

Formosa 1

- 128 MW capacity (in two phases)
- ~3 km from shore
- 8 MW (Phase 1) installed in 2016 and commission of 120 MW (Phase 2) expected by 2019, subject to final investment decision
- Water depths of 15-35 m

Area for offshore wind

- +10 m/s wind
- 15 GW area divided into zones
- Low water depth
- Favourable seabed
- Minimal impact by typhoons and earthquakes

Inauguration of office in Taipei

Environmental Impact Assessment for project zones of minimum 2 GW submitted to the Taiwanese government

Acquired a 35% interest in the Formosa 1 project, developed by Swancor Renewable

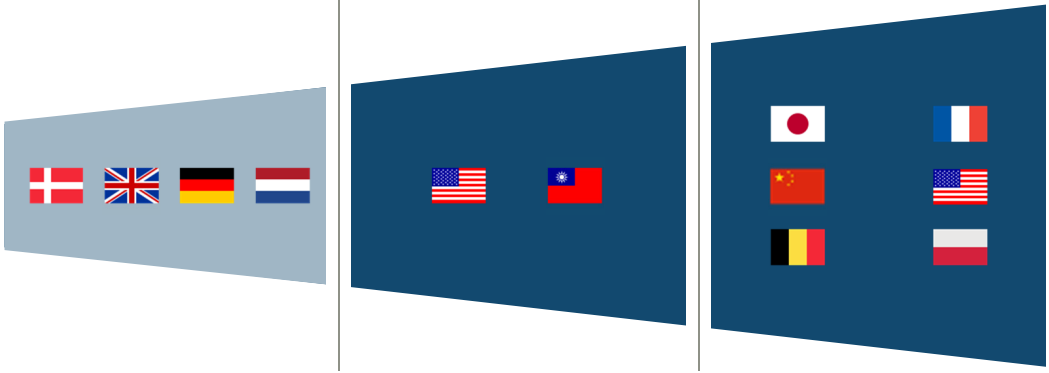
DONG energy

Further markets with strong offshore wind potential expected to open up post 2020

Wind Power
Established markets

Wind Power
New markets

Wind Power
Emerging markets



Expected market size by end 2025

Wind Power

Established and new markets

~40 GW

Global offshore wind

~80 GW

Market maturity

Note: In US, states are defining their own energy policies, hence US consists of several different markets
Source: BNEF

Wind Power is the market leader in offshore wind with an ambitious growth strategy post 2020

Ambition of 11-12 GW installed capacity by end 2025

~11 GW opportunity pipeline to secure the further growth

Next 18 months will see allocation of full 2025 capacity

Well positioned in European markets

First mover advantage in US/Taiwan

Potential additional opportunities arising in emerging markets

DONG energy

FINANCIAL MODELLING

Marianne Wiinholt, CFO

Meet the Management, 2 February 2017

DONG energy

DONG Energy guidance 2017

Guidance 2017 (Continuing operations)

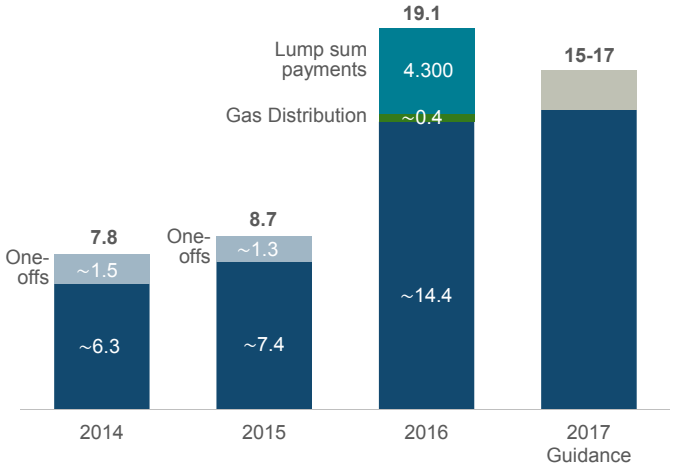
EBITDA	CAPEX
15-17 DKKbn	18-20 DKKbn

EBITDA direction FY 2017 vs. FY 2016

WP	BTP	DCS	O&G
Higher	Higher	Significantly lower, also significantly lower underlying	Lower

Underlying growth in EBITDA (Continuing operations)

DKKbn



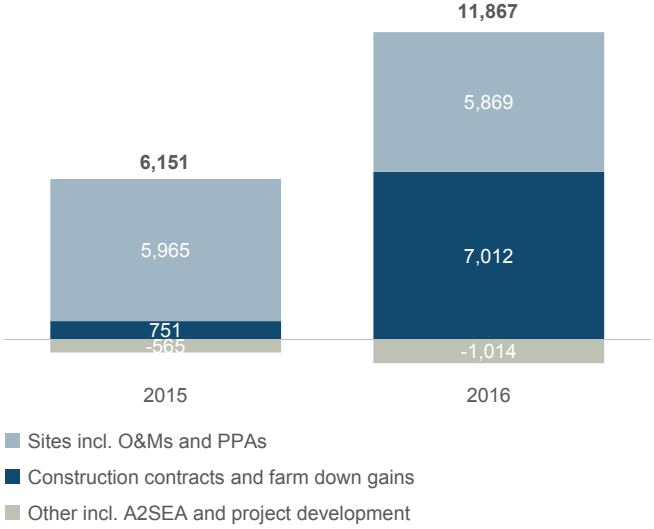
Wind Power – Higher EBITDA in 2017

Directional guidance 2017 vs. 2016
Higher EBITDA

Going forward

- Sites incl. O&Ms and PPAs
  - Increased earnings driven by commissioning of Burbo Bank Extension and increased contribution from Gode Wind 1&2 as a result of grid and cable issues in 2016
  - WEC 93% in 2016
- Construction contracts and divestment gains
  - Farm down of Walney Extension expected
  - Additional SPA and construction gains from Race Bank
- EBITDA in 2017 expected to be roughly evenly split between 'Sites incl. O&M and PPAs' and 'Construction contracts and farm down gains'
- 'Other incl. A2SEA and project development'
  - Expected around the same level as 2016 (~DKK -1.0bn)

EBITDA development
DKKm

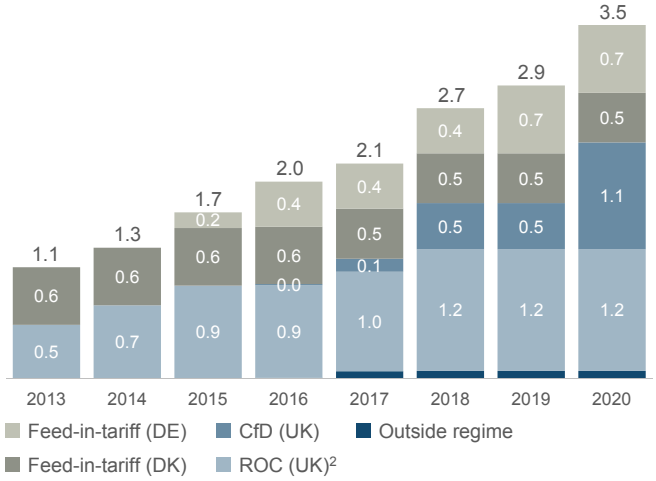


Wind Power – Development in EBITDA from Sites

Key commentary

- Production capacity expected to increase by 29% in 2018, 7% in 2019, and 67% from 2017-2020
- Less than 5% of power generation will be out of subsidy period in 2017-2020
- OPEX for farms in operation at the time of the IPO was DKK 15-17m per MW (real 2015 prices) over the expected life
  - Significantly larger turbines and sites reduce OPEX/MW
  - OPEX is more a function of the number of positions than the actual size of the turbines

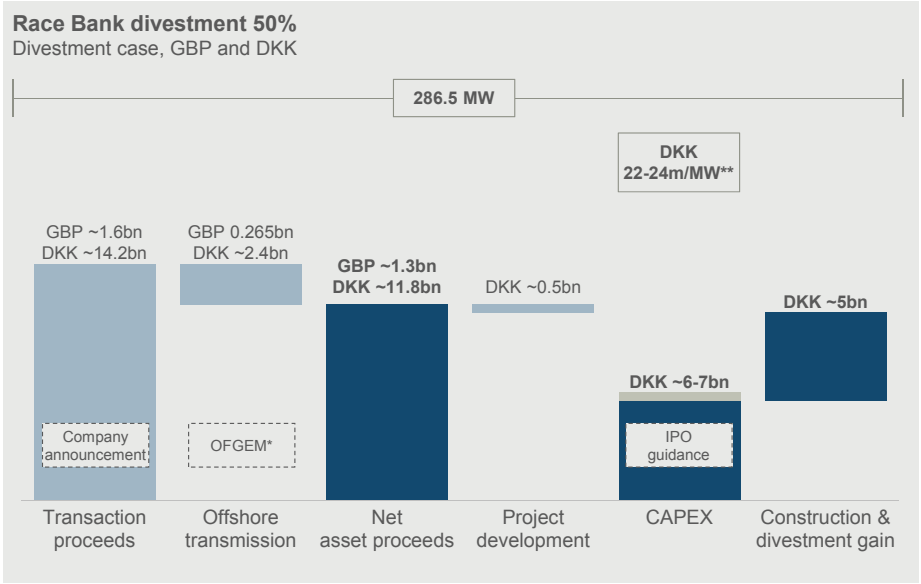
Regime overview for production capacity[1], end of period, GW, Production capacity



1) 50% farm down of execution pipeline assumed. Lincs not forming part of the production capacity definition due to one-line consolidation
2) The ROC (UK) includes ~1/3 from sale of electricity at market prices and ~2/3 from the ROC-subsidy

Race Bank transaction

Estimation of construction and divestment gain based on company announcement and previous IPO guidance



Partnership modelling considerations

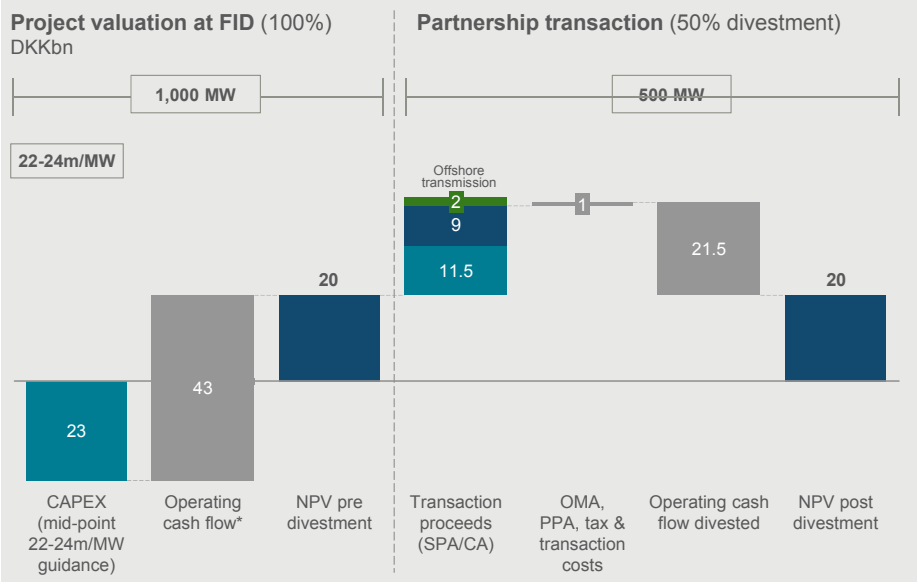
- Divestment and construction gains can roughly be estimated based on company announcement upon completion of transaction
- Announced transaction proceeds do not include profit from Operations & Maintenance Agreement (OMA) or Power Purchase Agreement (PPA)
- Construction gain recognised according to degree of completion, and divestment gain (SPA) normally recognised at time of transaction
- Besides CAPEX, the proceeds also cover historical project development costs

* Source: https://www.ofgem.gov.uk: Developer's initial transfer value: GBP 530.4m. 50% included reflecting Partner's share
** Real 2015 prices

DONG energy

Generic farm down UK wind farm

Illustrative example - Valuation of investment and divestment case



* Offshore transmission investment and divestment included in operating cash flow

Valuation of investment and divestment case

- DONG Energy brings in partners at around its cost capital
- NPV post divestments equals NPV pre divestment, crystalizing the value creation up front
- Gain from divestment example of DKK 10bn:
  - Gain on transaction DKK 9bn
  - DKK 1bn from OMA and PPA, less tax and transactions costs

Wind Power – Upcoming farm downs

Expected timing of farm downs

Walney Extension
(capacity 659 MW)
Farm down expected in 2017

Borkum Riffgrund 2
(capacity 450 MW)
Farm down expected in 2018

Hornsea 1
(capacity 1,200 MW)
Undecided

Borssele 1&2
(capacity 700 MW)
Undecided

DONG energy

Bioenergy & Thermal Power

Directional guidance 2017 vs. 2016

Higher EBITDA. We assume combined heat and power EBITDA to improve compared to FY 2016

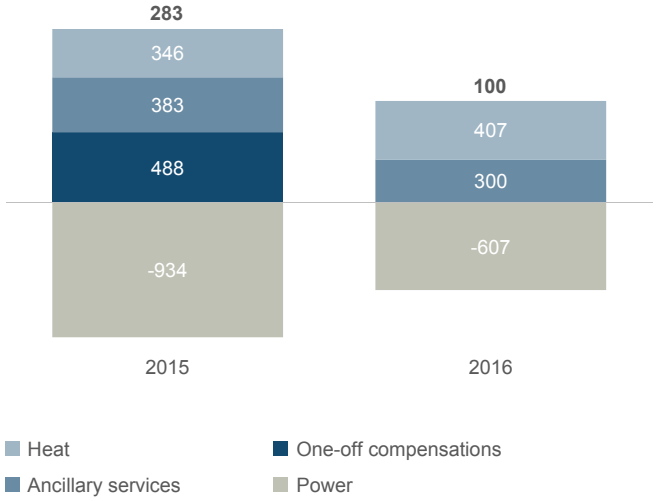
Going forward

- EBITDA from our district heating activities expected to more than double compared to DKK 346m in 2015, driven by completion of the conversions of Studstrup and Avedøre in late 2016 and Skærbæk in H1 2017
- Earnings from ancillary services expected to be in the DKK 0.3-0.4bn range seen in 2015 and 2016
- Power markets expected to remain challenging in 2017, and continue to lead to negative 'Power' EBITDA

- Note: With an increasing heat generation based on biomass, a larger part of the power generation will also be based on biomass due to combined generation. This will in isolation adversely impact EBITDA from power generation as biomass is a more expensive fuel

EBITDA development

DKKm



Distribution & Customer Solutions

Directional guidance 2017 vs. 2016

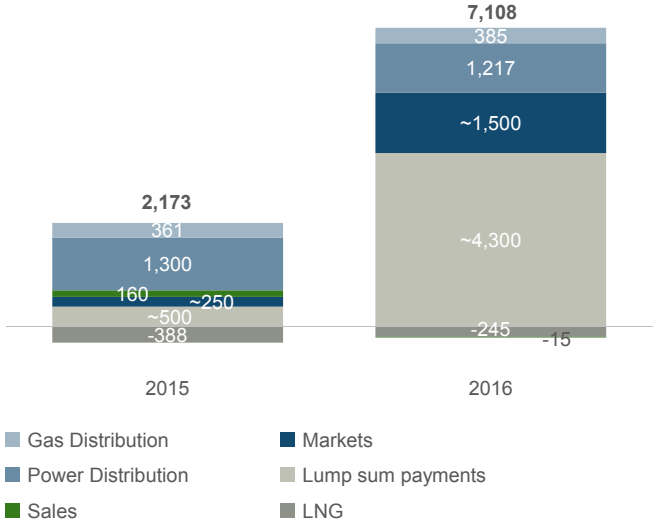
Significantly lower EBITDA. Also significantly lower underlying (underlying EBITDA of DKK 2.4bn in 2016)

Going forward

- Power Distribution and Sales expected to remain stable
- Regulated power asset base of DKK 10.7bn expected to increase by 5% annually towards 2020
- Markets:
  - Gas portfolio management activities positively impacted by increasing gas price in H2 2016 leading to positive adjustment of gas storage and gains locked in in earlier periods, not expected to be repeated in 2017
  - Market trading have constrained risk management mandates, but high market volatility has led to strong performance in 2016, not likely to be repeated in coming years, especially due to lower volumes from expected O&G divestment
  - Underlying EBITDA increase from run-rate margin improvement following the completion of renegotiation of the long-term gas purchase contracts
- LNG slightly better in near-term and stable in the medium-term
- 16 out of 18 price reviews related to 2011-2015 period have been closed at the end of 2016. No significant lump sums expected from the remaining open price reviews
- Oil Pipe and Offshore Pipeline assets to be divested are included in Distribution and Markets, respectively

EBITDA development

DKKm



Oil & Gas – Discontinued operations

Directional guidance 2017 vs. 2016

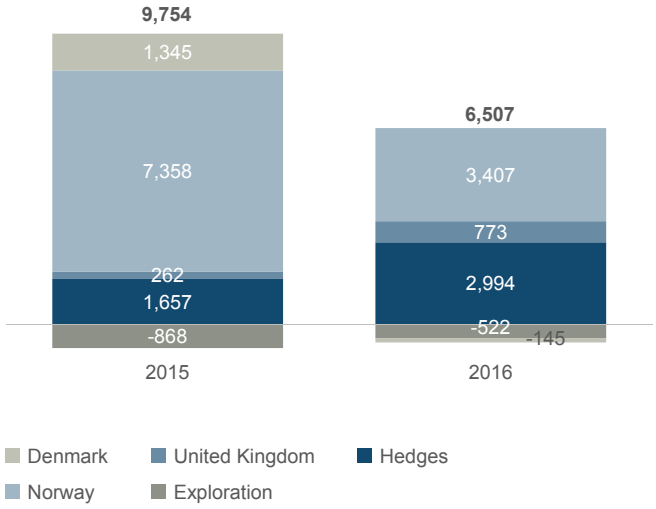
Lower EBITDA

Going forward

- Lower production due to natural decline, divestment of five Norwegian assets and last catch-up volume received from Ormen Lange in Q1 2016
- Restructuring and refocus of business reduces costs
- Minor exploration and appraisal costs going forward
- Net profit of DKK 1.1bn in 2016; shown in a separate line in the income statement as 'Net profit from discontinued operations'
- O&G Free cash flow of DKK 1.1bn in 2016. 2017 expected to be roughly in line with 2016
- Cash flow break-even at $33/boe
- Market value of hedges of DKK 1.4bn (year-end 2016) not to be included in a transaction
- Unrecognised tax assets can – under certain circumstances – be used against hydrocarbon tax in UK and DK
- 2P reserves at 197mboe

EBITDA development

DKKm



Net finance costs

Key commentary

Net finance costs in 2017 to be impacted by:

- Reduced gross debt end-of-2016 at DKK 25.1bn
- Average funding rate end-of 2016 of 4.0%, compared to an average rate of 4.4% for 2016
- 89% of our debt is fixed rate
- Costs relating to early repayments not expected to be repeated
- The financial income and expenses related to 'Value adjustments of derivative financial instruments', 'Exchange rate adjustments' and 'Financial income and expenses' is expected to fluctuate around "0"

FINANCIAL INCOME AND EXPENSES, DKKm	2016	Main drivers
Interest expenses, net	-402	
- Interest income from cash etc.	49	Cash
- Interest income from securities at fair value	420	Securities
- Interest expenses relating to loans and borrowings	-1,444	Gross debt
- Interest expenses transferred to assets	574	Capitalised based on 'Assets on Construction'
Interest element of provisions etc.	-392	Structural interest rate of 4.5% applied on provisions for decommissioning, onerous contracts and prepayments from heat customers
Costs relating to early repayments	-892	Not expected to be repeated
Value adjustments of derivative financial instruments, net	-124	Fluctuates around "0", but sensitive to market price developments
Exchange rate adjustments, net	1,035	Fluctuates around "0", but sensitive to exchange rate developments
Value adjustments of securities, net	-96	- Discount on bond portfolio +/- Running MV reg. of bond portfolio
Other financial income and expenses, net	104	Fluctuates around "0"
Net financial income and expenses	**-767**	

DONG energy

Tax overview

Key commentary

Our effective tax rate is expected to be close to a weighted average of the ordinary statutory tax rates for Denmark (22%), the UK (18%) and Germany (30%), excluding tax-exempt gains on divestments / farm downs

Taxation on farm downs

- EBITDA from construction agreements is recognised throughout the construction phase (1-3 years), but taxes related to these are normally not paid until the year of completion
- Gains on the divestment of shares (SPA) are, as a general rule, tax exempt
- However, as farm down to, or below, 50% will lead to an exit from International joint taxation for that wind farm, a payment of part of the Danish re-taxation balance will be triggered

International joint taxation (IJT)

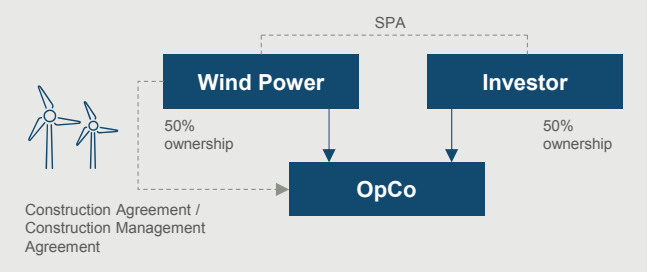
- We currently expect to exit the IJT in 2018
- Tax liability of DKK c. 1.7bn year-end 2016

TAX AND TAX RATE, DKKm	Profit before tax	Tax here of	Tax %
Gain (loss) on divestments	4,243	-88	2%
Rest of DONG Energy	10,109	-2,103	21%
Effective tax for the period	**14,352**	**-2,191**	**15%**

Appendix

Tax on farm down gains

Principal tax effect from farm down



- Wind Power divests 50% of ownership in OpCo holding project rights
- Wind Power builds and sells operating wind farm to OpCo
- For tax purposes gains from Construction agreements are taxed at Commercial Operation Date (COD) and gains from construction management agreements are taxed on a continuous basis
- SPA gains typically tax exempt
- Access to tax depreciations from CAPEX in country of operation

DONG energy

Danish International Joint Taxation

Danish International Joint Taxation

- Since 2005, the Group has chosen to use Danish rules on international joint taxation, which are tax rules that were originally introduced to promote Danish companies' investments abroad
- International joint taxation allows for a temporary relief in the Danish taxable income for negative taxable income, which primarily stems from depreciation and amortization relating to non-Danish capital expenditures and expenses incurred abroad. These can be deducted in the Danish statement of taxable income, just as profit earned abroad is taxed in Denmark
- Double taxation is generally avoided via domestic credit relief rules or tax treaty relief

- The rules on Danish international joint taxation only result in a postponement of the tax payable in Denmark and will thus result in increased Danish tax payments in the future, corresponding to the tax savings the Group has realized from foreign investments in previous years
- The deferred tax liability resulting from Danish international joint taxation is recognized in the consolidated financial statements
- IJT does not affect foreign local taxation

IJT exit

- DONG Energy continuously calculates effects from IJT and monitors consequence from premature exit
- Under the current assumptions the group is expected to leave IJT in 2018

O&G Unrecognised Tax Assets

The below table indicates the off balance sheet tax assets in O&G.

UNRECOGNISED TAX ASSETS, DISCONTINUED OPERATIONS (DKKbn)	2016
Denmark, hydrocarbon income (Chapter 3A of DHTA), tax base	17.9
Denmark, hydrocarbon income (Chapter 2 of DHTA), tax base	3.4
The UK, hydrocarbon income, special income tax and hydrocarbon tax, tax base	4.1
Greenland and the Faroe Islands, hydrocarbon income, tax base	0.2
Total at 31 December	**25.7**

- Unrecognised tax assets can be carried forward indefinitely
- A buyer may or may not be able to capitalise the unrecognised tax losses subject to, among other things, the buyer's tax position

DONG energy

MEET THE MANAGEMENT

Wrap-up

Today's key messages

01

Company performing well operationally and financially

- 2016 delivered above original guidance
- Y-o-Y reported EBITDA growth of 119%
- Underlying EBITDA growth of 95%
- ROCE of 24.4%
- ROCE excl. gains from gas contract renegotiations of 16.9%

02

Strategic direction is unchanged

- Fuel global market leadership and profitable growth in Wind Power
- Transform Utility to a smart, green and growing business
- Drive value and strength of Oil & Gas and prepare for new ownership

03

Strong progress on strategic agenda

- Wind Power project execution on track
- Wind Power well positioned for post 2020 offshore market
- Biomass conversions on track - no coal from 2023
- Oil & Gas exit process on track

04

Return targets extended towards 2023

- Group ROCE 12-14%
- WP ROCE 13-15%
- DCS ROCE 9-11%

05

Underlying profit growth continues in 2017

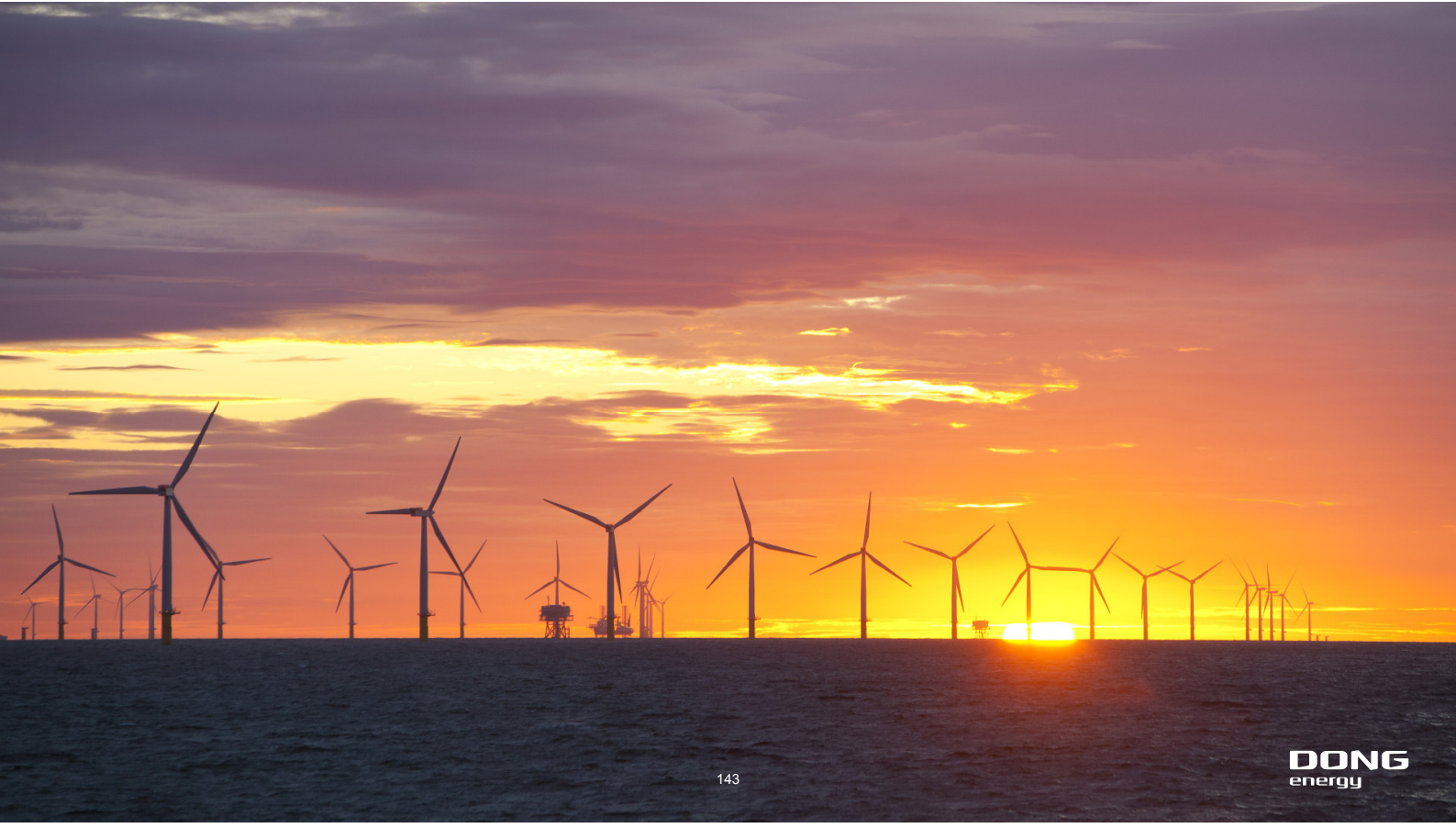
2017 guidance

- EBITDA: DKK 15-17bn
- Capex: DKK 18-20bn

EBITDA direction vs. 2016

- Wind Power: Higher
- BTP: Higher
- DCS: Significantly lower

Underlying EBITDA growth: 4-18%



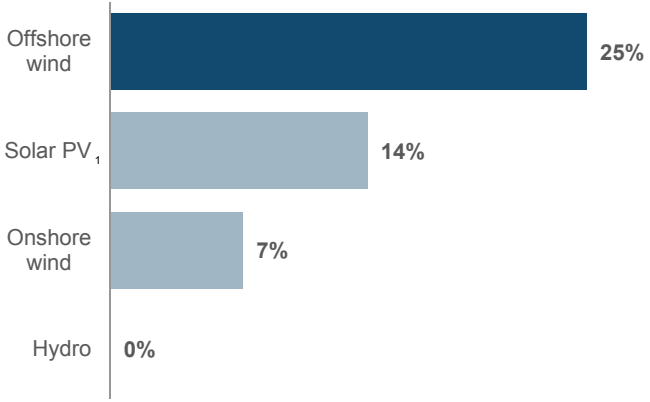
DONG energy

Appendix

Offshore wind is a large scale renewable technology with growth rates exceeding other renewables

Fastest growing renewable technology in OECD

Installed capacity CAGR, 2014-2020
%



Offshore wind offers multiple advantages

Utility size power generation
659 MW Walney Extension will power more than 460,000 UK homes

Offers +45% load factors[2]
Significantly higher than onshore wind and solar PV

Rapidly declining cost
Industry maturity, volume and technological development reduce LCoE[3]

Limited visual impact on landscape
Wind farms are built far from shore

Source: Bloomberg New Energy Finance (BNEF)
1. Sum of utility-scale PV and small-scale PV
2. Load factor is a performance indicator measuring to what degree a wind farm has produced according to the farms capacity (actual production / (capacity x hours in period))
3. According to BNEF, long-term offtake price required to achieve a required equity hurdle rate for the project

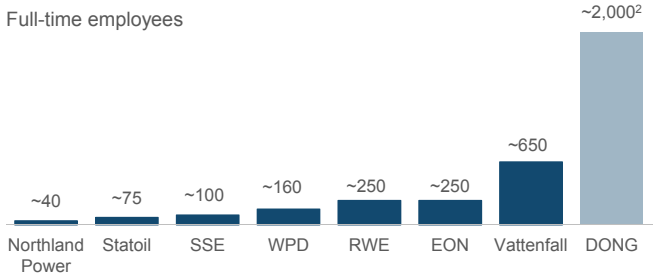
DONG energy

DONG Energy Wind Power has built a strong integrated end-to-end business model

DONG Energy Wind Power core competencies

2000 : Full-time employees[2]

- Ability to **design and optimise** projects with a **'total life-cycle cost of wind farm'** mindset
- Experience and expertise along the entire value chain allow for **better understanding and management of risks**
- End-to-end model reduces LCoE through **fast** feedback and learning across the entire organisation



1. Front-end engineering design
2. Excluding CT Offshore and A2SEA as of January 2017

Proven construction track-record and leading operating capabilities

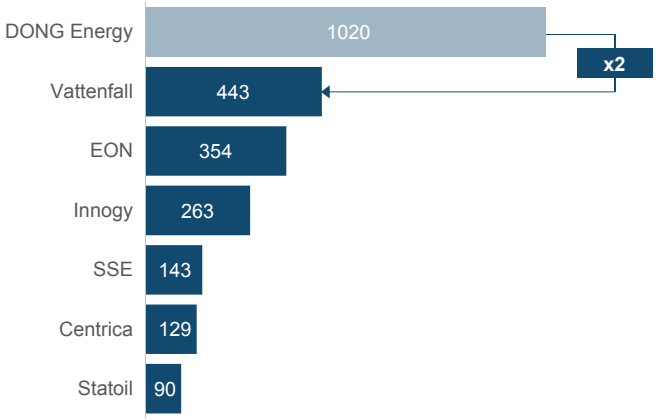
Strong construction track-record due to full EPC[1] control

COUNTRY	ASSET	FID	GROSS CAPACITY(MW)	FID BUDGET
UK	Westermost Rough	2013	210	15-20%, below
Germany	Borkum Riffgrund 1	2011	312	5-10%, below
UK	West of Duddon Sands	2011	389	5-10%, below
Denmark	Anholt	2010	400	10-15%, below
UK	London Array	2009	630	10-15%, above
UK	Walney 1&2	2009	367	5-10%, above
Denmark	Horns Rev 2	2007	209	5-10%, above

1. Engineering, procurement and construction

Leader in operating offshore wind farms

of operated turbines January 2017



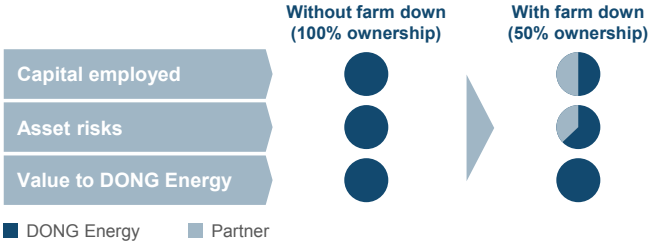
Source: Bloomberg New Energy Finance January 2016

DONG energy

Partnership model allows for significant portfolio value with less capital and reduced risk

Significant up-front value realisation from partnership model

Illustrative

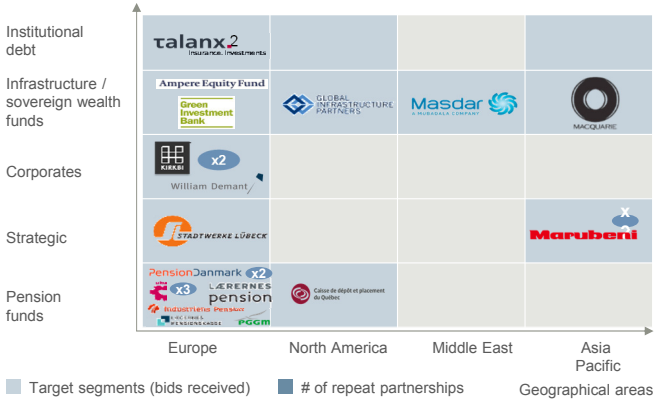


DONG Energy brings in partners at a price around DONG Energy's cost of capital, thereby allowing for up-front value realisation to invest in new value creating projects

Multiple portfolio benefits from partnership model

- Recycle capital
- Portfolio value creation
- Risk diversification
- Scale and standardisation from large portfolio

Wind farm partners by type, geography and # of partnerships[1]



- More partnerships than any other competitor in the industry
- DONG Energy has been able to consistently divest 50% of assets during construction phase

1. Excludes utilities and other strategic partners such as Siemens, Vattenfall, SSE, Scottish Power, Centrica, and E.ON
2. Cornerstone bond investor in Global Infrastructure Partners' acquisition of 50% of Gode Wind 1

Connecting the dots:
Shaping a double-digit IRR case in 18 months

Race Bank – a show case of value creation from the integrated business model
Example

- **Strong buying power**
- **Innovative technology**
- **Superior standardised design**
- **Synergies from O&M cluster**
- **1st mover on 6.3 MW turbine[1]**
- **Fast re-consenting**

December 2013
Project under development acquired

June 2015
FID with double-digit IRR for DONG Energy

1. Siemens 6.0 MW platform with performance enhancing features delivering 6.3 MW effect

DONG energy

Overview of key financial accounting and tax recognition effects for Wind Power partnerships

	Deal elements	Accounting	Development → Construction → Operation	Examples: Westermost Rough (shared risk)	Examples: Burbo Bank Extension (EPC wrap)
			12-24 months: FID – Farm down		
SPA	Gain on shares	Other operating income[1]	SPA gain; No paid tax locally	●	●
CA	Construction agreement[2]	Revenue/COGS/ OPEX	During construction; At COD		●
CMA	Construction management agreement[2]	Revenue/COGS/ OPEX	During construction	●	
OMA	O&M agreement	Revenue/OPEX	During operations on accrual basis; During construction	●	●
PPA	Power purchase agreement	Revenue/COGS	During operations on accrual basis; During construction	●	●
	Consolidation principle		100% → Pro-rata	●	●

● Recognition in income statement ● Paid tax

1. Gain on shares is not part of cash flows from operating activities, but part of cash flows from investing activities
2. Internal construction agreement gains and construction management agreement gains eliminated for accounting purposes are still subject to taxation in the entity acting as constructor or construction manager

Wind Power fact sheet

Denmark GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ow nership share, %	Ow ned capacity, MW	Financial consolidation	Commercial operational date	Subsidy regime	Subsidy expiry	Fixed feed-in tariff, DKK/MWh
Anholt	Pension Danmark, PKA	400	400	50%	200	Pro rata	2013	Fixed feed-in tariff	20 TWh (5 TWh produced)[2]	1.051
Horns Rev 2	-	209	209	100%	209	Full	2010	Fixed feed-in tariff	10 TWh (5.8 Tw h produced)[2]	518
Nysted	Pension Danmark, Stadtw erke Lübeck	166	166	42,75%	71	Pro rata	2003	Fixed feed-in tariff	2016 [8]	453
Horns Rev 1	Vattenfall	160	160	40%	64	Pro rata	2003	Market price + 100DKK/MWh[3]	Expiry after 20 years	-
Middelgrunden[4]		20	40	100%	20	Full	2001	Market price + 100DKK/MWh[3]	Expiry after 20 years	-
Avedøre Holme[4]		7	11	100%	7	Full	2009 and 2011	Fixed feed-in tariff	20,200 full-load hours[5]	Market price + 250
Vindeby	-	5	5	100%	5	Full	1991	Market price	NA	-
Sub total		**967**	**990**		**576**					

United Kingdom GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ow nership share, %	Ow ned capacity, MW	Consolidation	Commercial operational date	Subsidy regime	Subsidy expiry	CfD, GBP/MWh (Real 2012)
London Array 1	E.ON, Masdar & CDPQ	630	315	25%	158	Pro rata	2013	ROC	2033	-
West of Duddon Sands	Scottish Pow er Renew ables (Iberdrola)	389	389	50%	194	Pro rata	2014	ROC	2034	-
Walney 1&2	PGGM & Ampere, SSE	367	367	50,1%	184	Full	2011 and 2012	ROC	2032	-
Lincs	Centrica, Siemens PV	270	-	25%	68	One-line	2013	ROC	2033	-
Westermost Rough	Marubeni & Green Investment Bank	210	210	50%	105	Pro rata	2015	ROC	2035	-
Gunfleet Sands 1&2	Marubeni & Development Bank of Japan	173	173	50,1%	87	Full	2010	ROC	2030	-
Barrow	-	90	45	100%	90	Full	2006	ROC	2025	-
Burbo Bank	-	90	90	100%	90	Full	2007	ROC	2027	-
Gunfleet Sands Demo	-	12	12	100%	12	Full	2013	ROC	2033	-
Sub total, excl parks under construction		**2.231**	**1.601**		**987**					
Hornsea	-	1.200	1.200	100%	1.200	Full	2020 [7]	CFD	2036	140
Walney Extension	-	659	659	100%	659	Full	2018 [7]	CFD	2033	150
Race Bank	Macquarie European Infrastructure Fund 5 & Macquarie Capital	573	573	50%	287	Full	2018 [7]	ROC	2037	-
Burbo Bank Extension	Kirkbi, PKA	258	258	50%	129	Pro rata	2017 [7]	CFD	2032	150
Sub total, incl. parks under construction		**4.921**	**4.291**		**3.262**					

Germany GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ow nership share, %	Ow ned capacity, MW	Consolidation	Commercial operational date	Subsidy regime	Subsidy expiry period 1	Subsidy expiry period 2
Borkum Riffgrund 1	Kirkbi, William Demant	312	312	50,0%	156	Pro rata	2015	Fixed feed-in tariff	2023	2025 [9]
Gode Wind 1	Global Infrastructure Partners	330	330	50,0%	165	Pro rata	2016 [7]	Fixed feed-in tariff	2024	2026 [9]
Gode Wind 2	PKA, Industriens Pension, Lærerenes- & Lægernes Pensionskasse	252	252	50,0%	126	Pro rata	2016 [7]	Fixed feed-in tariff	2023	2026 [9]
Sub total, excl. parks under construction		**894**	**894**		**447**					
Borkum Riffgrund 2	-	450	450	100,0%	450	Full	2019	Fixed feed-in tariff	2027	2029 [9]
Sub total, incl. parks under construction		**1.344**	**1.344**		**897**					

Holland GWh	Partners	Park capacity, MW	Installed capacity, MW	DE ow nership share, %	Ow ned capacity, MW	Consolidation	Commercial operational date	Subsidy regime	Subsidy expiry	Fixed feed-in tariff, EUR/MWh
Borssele 1 & 2	-	700	700	100,0%	700	Full	2020/21[10]	Fixed feed-in tariff	2035/2036[10]	72,7
Sub total, incl. parks under construction		**700**	**700**		**700**					
Divested offshore w ind farms, but constructed by DONG Energy[6]		106	106							

Totals	Park capacity, MW	Installed capacity, MW	Ow ned capacity, MW
Total capacity for operational parks	4.092	3.485	2.010
Total capacity operational parks incl. installed but divested farms	4.198	3.591	2.010
Total installed capacity incl. parks under construction + divested farms	8.038	7.431	5.435

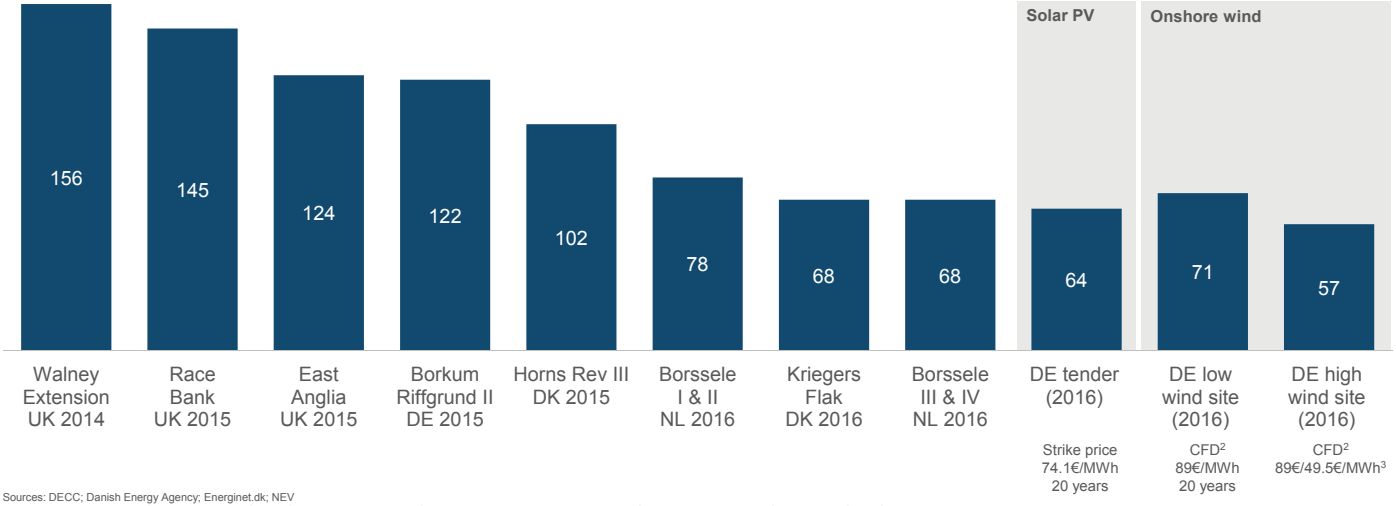
1. Assets in operation and assets where Final Investment Decision has been taken
2. By December 31, 2015
3. The supplement depends on the development of market price and is increased pro rata – a market price below 260 DKK/MWh equals 100 DKK/MWh and over 360 DKK/MWh 0 DKK/MWh
4. DONG Energy has installed Middelgrunden (40 MW) and Avedøre Holme (10,8 MW), however DONG Energy has subsequently divested 50% of the turbines in Middelgrunden and one of the three turbines on Avedøre Holme. No partnerships on either of the parks
5. The first and second turbines reached approximately 14,600 and 20,200 full-load hours, respectively, by December 31, 2015
6. Kentish Flats (90MW), Frederikshavn (11MW) and Tunø Knob (5MW)
7. Expected year of commissioning
8. After expiry of fixed feed-in-tariff period in 2016, Nysted will receive market price + supplement dependent on the development of market price which is increased pro rate – a market price below 260 DKK/MWh equals 100 DKK/MWh and over 360 DKK/MWh 0 DKK/MWH
9. Floor price of 39 EUR/MWh for up to 20 years
10. DONG Energy will, in accordance with the Dutch tender regulation, build Borssele 1 and 2 within four years from award (5 July 2016) with a flexibility of 1 year.

DONG energy

Offshore wind shows rapidly declining costs across all markets and are almost on par with competing renewable technologies

Offshore wind costs[1]

Estimated at the year of contracting, EUR/MWh, 2016 prices



Sources: DECC; Danish Energy Agency; Energinet.dk; NEV

1. Levelised revenue (price) of electricity over the lifetime of the project used as proxy for the levelised costs to society. It consists of a subsidy income on top of market prices for the first years and a pure market income for the remaining years of the 25 years lifetime. Discount rate of 3.5% used to reflect society's discount rate. Market income based on country specific public wholesale market price projections at the time of contracting. For comparability across projects a generic scope adjustment (incl. transmission and extra project development costs) has been applied
2. German sites are awarded premiums according to the wind resource (low wind yield, higher subsidy). Reference site defined as wind speed of 6,45m/s, for which BNEF's 2016 mid-range load factor for Germany (24%) is used. For high yield site load factor calculation: multiplied with 130% and 80% for low yield sites
3. The high level is given for 5 years, hereafter 15 years with the lower level

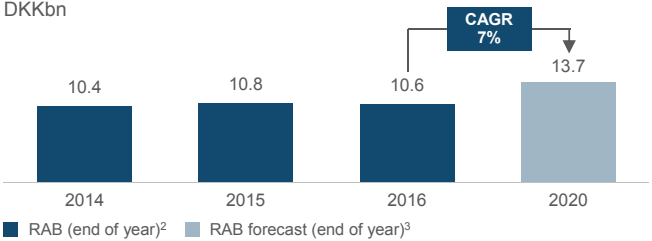
Regulatory framework provides for stable earnings

Current regulation based on Revenue and Return Cap

- Cost-plus regulation capped by historical tariffs
- Exceed Revenue Cap – compensation to customers
- Exceed Return Cap – Revenue Cap will be reduced after 3 years

Roll out of ~1 million remote power meters drive RAB growth

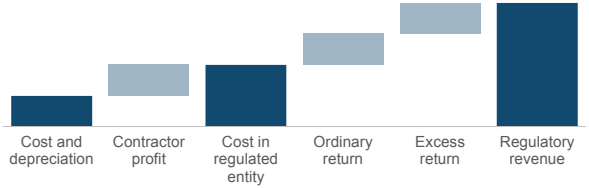
DKKbn



1. Revenue Cap is equivalent to the Danish regulatory term 'Indtægtsramme'
2. The figures indicate values from the latest regulatory financial statements
3. Return Cap is equivalent to the Danish regulatory term 'Forrentningsloft'

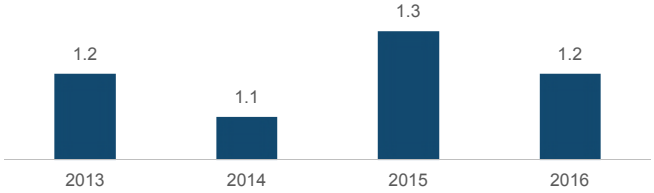
Value creating business model

Illustrative



Stable earnings

Power Distribution EBITDA, DKKbn



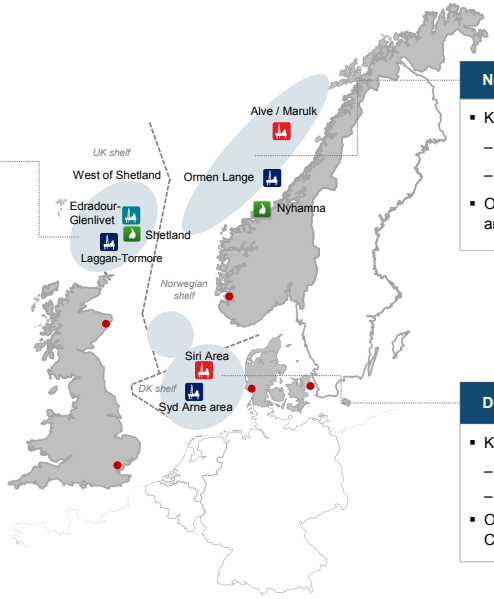
Focused position centred around three high-quality assets

42

2P Reserves, mboe[1]

UK: Material West of Shetland position

- Key producing asset: Laggan-Tormore
  - First production February 2016 (gas-weighted)
  - Edradour-Glenlivet progressing well to go on stream in Q4 2017



Norway: Low-cost position

- Key producing asset: Ormen Lange
  - Long-life, gas-weighted producing asset
  - Attractive lifting costs
- Other producing assets include Alve/Marulk, and Gyda

122

2P Reserves, mboe[1]

Denmark: Strong regional position

- Key producing asset: Syd Arne
  - Large liquid-weighted field
  - Proven record of increasing recovery
- Other producing assets include Siri, Nini, Cecilie and Lulita

34

2P Reserves, mboe[1]

- Key producing assets
- Producing assets
- Projects under development
- DONG O&G office
- Gas treatment plant

1. DONG Energy Reserve Statement for the year ending 31 December 2016. Rounded numbers.
2. Pre FID development licences and exploration licences not presented on the map

High-quality, low-risk and low-cost asset portfolio

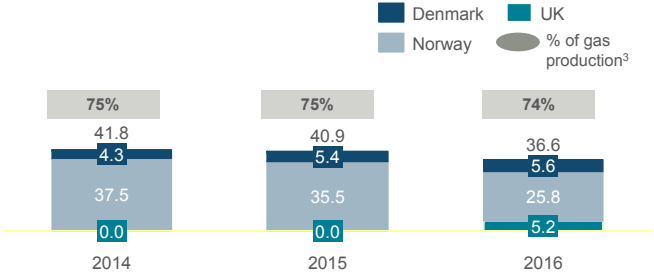
Focused North Western European footprint with more than 30 years of experience

Medium-term free cash flow break-even price at a level around USD 33/boe excluding DONG Energy's hedging position[1]

2017 production almost fully hedged at USD 80/boe for oil and EUR 20/MWh for gas

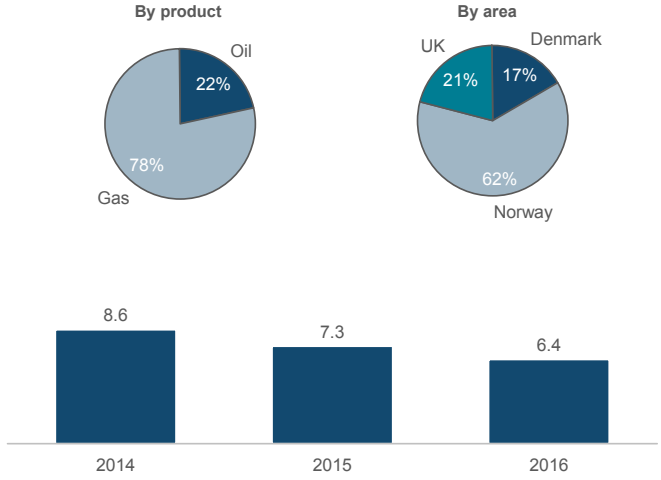
Material gas-weighted production

Annual production, mboe



Attractive lifting costs across portfolio

Lifting cost[4], USD/boe



1. CF breakeven of ~35 USD/boe communicated throughout IPO presentations, covering 2017-2020
2. DONG Energy Reserve Statement for the year ending 31 December 2016
3. Gas production as a proportion of total production (gas plus liquids). Liquids defined as oil, NGL and condensate
4. Lifting costs calculated as the sum of OPEX and processing cost divided by working interest production

A leading North Sea O&G company measured in returns and cash generation - already well on the way

Ongoing transformation has created in a lean, cash generating business

Continuous Business Improvement

- **Divest, defer or farm-down non-core assets**
- **Targeted investments**[1]
- **Reshaped organisation**

Improving Cash Flows

- **Significant cost reductions**
  - Contract negotiation
  - Activity adjustments
  - Increased efficiency
  - Targeted overhead reductions
- **Exploration and Development projects**
  - Investments kept to a minimum

O&G's delivering on transformation while staying focused on safety

Safety

- Delivering transformation and staying safe
- Never compromise on safety standards and strive for zero accidents

Lifting cost

- Attractive lifting cost across portfolio
  6.4 USD/boe in 2016

Cash flow

- Positive FCF already in 2016
- Competitive cash flow breakeven of ~33 USD/boe[2]

1. Investments will be focused towards field extensions or build-out near existing producing assets and already initiated developments, including at or in the Hejre area
2. CF breakeven of ~35 USD/boe communicated throughout IPO presentations, covering 2017-2020

Hejre

Project status

- The platform EPC contract has been terminated. As a result, the platform will not be completed and the Hejre project in its current form has been stopped
- DONG Energy will be controlling the termination process and will assume potential financial up- and downsides arising out of the EPC contract and the termination process
- In Q1 2016 DONG Energy carried a provision of DKK 2.5bn. to cover risks associated with the discontinuation of the Hejre project, which included an elimination of the stabilisation plant
- The provision was recognised as onerous capital expenditure contracts of DKK 1.1bn., other provisions of DKK 0.8bn. and decommissioning provisions of DKK 0.7bn
- Other provisions of DKK 0.8bn. was recognised in EBITDA in Q1 2016, however the total provision relating to the Hejre project was not affected as a corresponding reversal of the previous provision recognised at year end 2015 for onerous capital expenditure contracts was made

Two possible scenarios for the license going forward

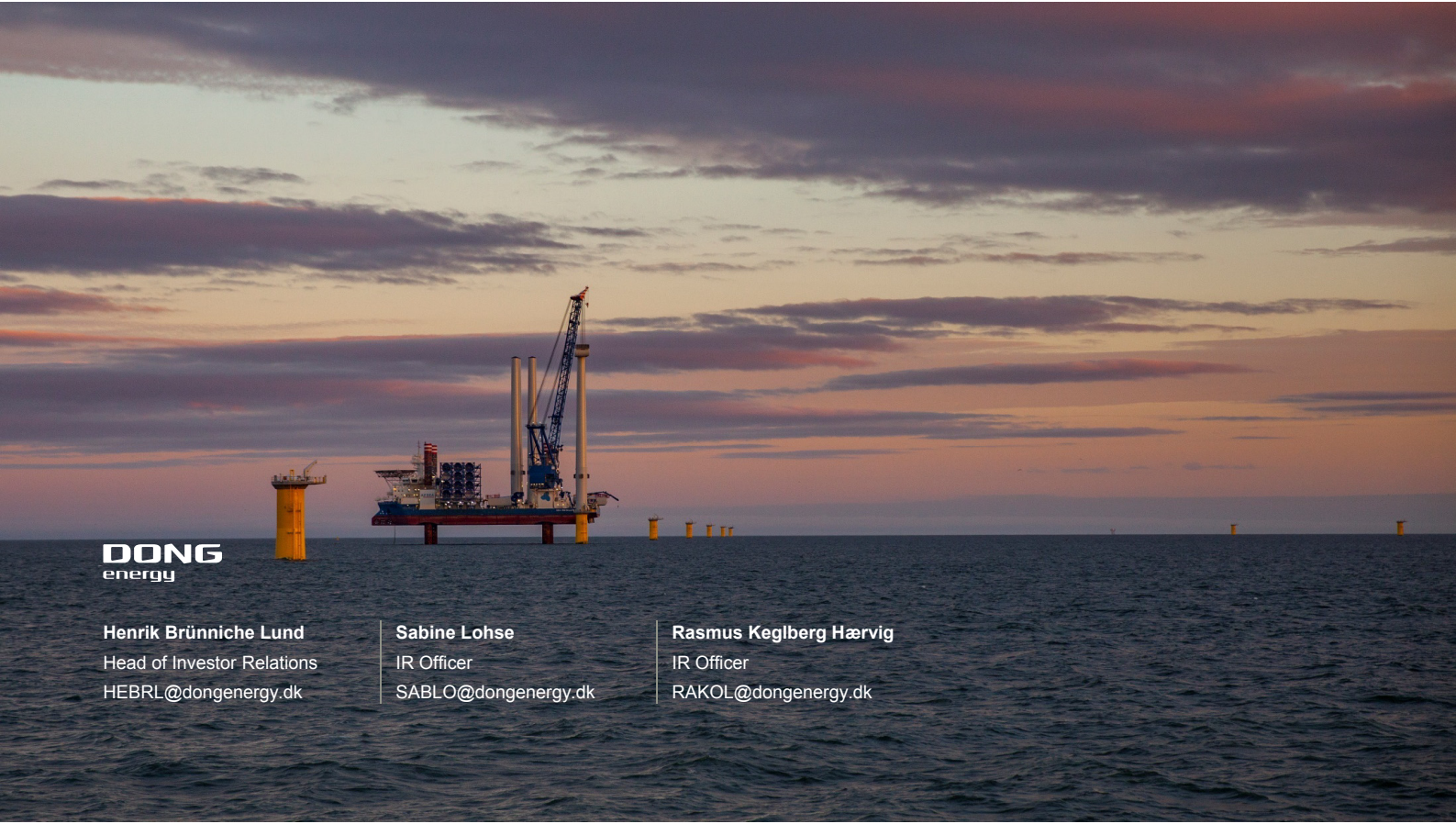
DONG Energy and Bayerngas will jointly assess if the license should be abandoned or a redevelopment could lead to a commercially viable project

1 Abandonment

- DONG Energy's assessment is that the Q1 2016 provision will provide sufficient coverage in an abandonment scenario

2 Monetisation through redevelopment

- If an economically attractive solution can be found, DONG Energy will seek to monetise the project in the best possible way
- In any redevelopment option, DONG Energy will seek to reduce equity exposure and review a new operatorship model



DONG energy

Henrik Brünniche Lund
Head of Investor Relations
HEBRL@dongenergy.dk

Sabine Lohse
IR Officer
SABLO@dongenergy.dk

Rasmus Keglberg Hærvig
IR Officer
RAKOL@dongenergy.dk