



Invitation by  
**DONG ENERGY A/S**

(incorporated as a public limited company in Denmark with CVR number 36213728) (the “*Issuer*”)

to holders of its outstanding

€700,000,000 Callable Subordinated Capital Securities due 3010 (the “*Existing Securities*”)

to offer to exchange any and all of their Existing Securities for

Euro-Denominated Callable Subordinated Capital Securities due 3013, (ISIN XS0943370543) (the “*New Securities*”)

to be issued by the Issuer as Tranche 1 of the New Securities (such invitation, the “*Exchange Offer*”)

	ISIN/Common code	First Call Date	Current coupon rate	Exchange Price
Existing Securities	XS0560190901/056019090	1 June 2021	7.750 per cent.	104.00 per cent.
	ISIN/Common code	First Par Call Date	Minimum New Issue Size	
New Securities	XS0943370543/094337054	26 June 2023	€500,000,000	

THE EXCHANGE OFFER WILL COMMENCE ON THE DATE OF THIS EXCHANGE OFFER PROSPECTUS AND WILL EXPIRE AT 4.00 P.M. (LONDON TIME) ON 18 JUNE 2013, UNLESS EXTENDED, RE-OPENED, AMENDED OR TERMINATED AS PROVIDED IN THIS EXCHANGE OFFER PROSPECTUS. THE DEADLINE SET BY ANY INTERMEDIARY OR CLEARING SYSTEM MAY BE EARLIER THAN THIS DEADLINE. THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER ARE SET OUT AT PAGES 83 – 98 OF THIS EXCHANGE OFFER PROSPECTUS.

Any individual or company whose Existing Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee (i) must contact such entity sufficiently in advance of 4.00 p.m. (London time) on 18 June 2013 (subject to the right of the Issuer to extend, re-open, amend and/or terminate the Exchange Offer) (the “*Expiration Deadline*”) if they wish to participate in the Exchange Offer and (ii) procure that the Existing Securities are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

The €[●] Callable Subordinated Capital Securities due 3013 (the “*New Securities*”) will be issued on 26 June 2013 (the “*Issue Date*”) by DONG Energy A/S (the “*Issuer*” or “*DONG*”) as Tranche 1 of its Callable Subordinated Capital Securities due 3013. The New Securities will bear interest from (and including) 26 June 2013 (the “*Interest Commencement Date*”) to (but excluding) 26 June 2023 (the “*First Par Call Date*” or the “*First Step-up Date*”) at rate of [●] per cent. per annum (the “*First Fixed Rate*”). Thereafter, unless previously redeemed, the New Securities will bear interest from (and including) the First Par Call Date to (but excluding) the next subsequent Reset Date (as defined herein) and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date until the Reset Date falling on 26 June 2043 (the “*Second Step-up Date*”) at the 5-year swap rate for the relevant Reset Period (as defined herein) in which the coupon period falls plus a margin of [●] basis points per annum (including a step-up of 25 basis points). From (and including) the Second Step-up Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date until 26 June 3013 (the “*Maturity Date*”) the New Securities bear interest at the 5-year swap rate for the relevant Reset Period in which the coupon period falls plus a margin of [●] basis points per annum (including a further step-up of 75 basis points). During each such period, interest is scheduled to be paid annually in arrear on 26 June in each year (each a “*Coupon Payment Date*”), commencing on 26 June 2014, as described under “*Terms and Conditions of the New Securities – Coupons*”.

Payments of interest on the New Securities may be deferred at the option of the Issuer (see “*Terms and Conditions of the New Securities – Optional Coupon Deferral*”). Payments on the New Securities will be made without deduction for or on account of taxes of the Kingdom of Denmark to the extent described under “*Terms and Conditions of the New Securities – Taxation*”.

Unless previously redeemed or purchased by the Issuer as provided below, the New Securities will be redeemed on the Coupon Payment Date falling on or nearest to the Maturity Date at their principal amount (together with accrued interest in respect of the coupon period ending on (but excluding) the Maturity Date). Any Outstanding Payments (as defined in the Conditions) will be cancelled on the Maturity Date.

The New Securities are redeemable at the option of the Issuer in whole but not in part (A) on the First Par Call Date or any Coupon Payment Date falling after the First Par Call Date at their principal amount (together with accrued interest and any Outstanding Payments) or (B) on each Coupon Payment Date falling on 26 June 2018, 26 June 2019, 26 June 2020, 26 June 2021 and 26 June 2022, at the higher of (i) their principal amount, together with interest accrued to (but excluding) the relevant Coupon Payment Date and any Outstanding Payments, and (ii) the Make-whole Amount (as defined in the Conditions) and any Outstanding Payments. In addition, the New Securities are redeemable at the option of the Issuer in whole but not in part at the amount specified in the Conditions upon the occurrence of (i) a Tax Event, (ii) an Accounting Event, (iii) a Ratings Event or (iv) in the event that the Issuer has purchased and cancelled 90 per cent. or more of the initial principal amount of the New Securities, all as more fully described in “*Terms and Conditions of the New Securities – Redemption and Purchase*”.

The New Securities and the Coupons will constitute direct, unsecured and subordinated obligations of the Issuer - see “*Terms and Conditions of the New Securities – Status*”.

This exchange offer prospectus in respect of the New Securities, which contains the terms and conditions of the exchange of Existing Securities and the New Securities, (the “**Exchange Offer Prospectus**”) constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the “**Prospectus Directive**”). This Exchange Offer Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). This Exchange Offer Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for notes (the “**Luxembourg Law**”), for the purposes of the Prospectus Directive. By approving this Exchange Offer Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7(7) of the Luxembourg Law. The Issuer will prepare and make available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) an appropriate supplement to this Exchange Offer Prospectus if at any time the Issuer will be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Prospectus Law. The Issuer has also requested the CSSF to provide the competent authorities in Austria, Denmark, Finland, Germany, the Netherlands, Norway and Sweden (together with Luxembourg, the “**Offer Jurisdictions**”) with a certificate of approval attesting that the Exchange Offer Prospectus has been drawn up in accordance with the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for the New Securities to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Exchange Offer Prospectus to the New Securities being “listed” (and all related references) shall mean that the New Securities have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The New Issue Price, the aggregate principal amount of New Securities to be issued, the interest rate, the margin in respect of the coupon period from the First Step-up Date to the Second Step-up Date, the margin in respect of the coupon period from the Second Step-up Date to the Maturity Date, the issue proceeds and the yield to the First Par Call Date will be included in the Pricing Notice (as defined in the section “Exchange Offer”) which will be filed for publication with the Danish regulated information service (the “**OMX News Service**”) and (in addition thereto) filed with the CSSF and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on the Business Day following the Expiration Deadline.

The principal amount of each Security shall be €1,000.

The New Securities will initially be represented by a temporary global security (the “**Temporary Global Security**”), without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Interests in the Temporary Global Security will be exchangeable for interests in a permanent global security (the “**Permanent Global Security**”) and, together with the Temporary Global Security, the “**Global Securities**”), without interest coupons, on or after 5 August 2013, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Security will be exchangeable for definitive Securities (“**Definitive Securities**”) only in certain limited circumstances - see “Summary of Provisions relating to the New Securities while represented by the Global Securities”.

The New Securities are expected to be rated BB+ by Standard & Poor's Ratings Services, a subsidiary of the McGraw-Hill Companies, Inc. (“**S&P**”), Baa3 by Moody's Investors Service, Ltd. (“**Moody's**”) and BBB- by Fitch Ratings Ltd. (“**Fitch**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

S&P defines BB+ as follows: An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. Moody's defines Baa3 as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Prime-3 means that the Issuer has an acceptable ability to repay short-term obligations. Fitch defines BBB- as follows: A 'BBB' rating indicates that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories.

**Credit ratings included or referred to in this Exchange Offer Prospectus have been issued by S&P, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “CRA Regulation”). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.**

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Exchange Offer Prospectus.**

The Exchange Offer is not being made within, and this Exchange Offer Prospectus is not for distribution in or into, the United States of America or to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”)) (“**U.S. persons**”). This Exchange Offer Prospectus is not an offer of securities for sale in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.

*Lead Dealer Manager*

**Deutsche Bank**

*Dealer Managers*

**BNP PARIBAS**

**Morgan Stanley**

**The Royal Bank of Scotland**

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained or incorporated by reference in this Exchange Offer Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case the information contained or incorporated by reference in this Exchange Offer Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

## NOTICE

This Exchange Offer Prospectus contains important information which should be read carefully before any decision is made with respect to the Exchange Offer. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. Questions about this document should be directed to the Dealer Managers and Deutsche Bank AG, London Branch in its capacity as exchange agent (the “**Exchange Agent**”).

Each Securityholder is solely responsible for making its own independent appraisal of all matters as such Securityholder deems appropriate (including those relating to the Exchange Offer, the Issuer and the New Securities) and each Securityholder must make its own decision as to whether to offer any or all of its Existing Securities for exchange pursuant to the Exchange Offer. None of the Dealer Managers or the Exchange Agent (or their respective directors, employees or affiliates) makes any representation or recommendation whatsoever regarding this Exchange Offer Prospectus or the Exchange Offer, and none of the Issuer, the Dealer Managers or the Exchange Agent (or their respective directors, employees or affiliates) makes any recommendation as to whether holders of Existing Securities should offer any Existing Securities for exchange pursuant to the Exchange Offer. The Exchange Agent is the agent of the Issuer and the Exchange Agent does not owe any duty to any holder of Existing Securities.

Neither the delivery of this Exchange Offer Prospectus nor any exchange of Existing Securities pursuant to the Exchange Offer shall, under any circumstances, create any implication that the information contained in this Exchange Offer Prospectus is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or in the affairs of the Issuer since the date of this Exchange Offer Prospectus.

This Exchange Offer Prospectus is to be read in conjunction with any supplement hereto, the Minimum New Issue Spread Announcement and the Pricing Notice, once available, and with all the documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

The Issuer has confirmed to Deutsche Bank AG, London Branch (the “**Lead Dealer Manager**”) and BNP Paribas, Morgan Stanley & Co. International plc and The Royal Bank of Scotland plc (together with the Lead Dealer Manager, the “**Dealer Managers**”) that (i) this Exchange Offer Prospectus contains all information with respect to the Issuer and its subsidiaries taken as a whole (the “**Group**”), the Exchange Offer and to the New Securities which is material in the context of the issue, offering and listing of the New Securities, including all information required by applicable laws and the information which, according to the particular nature of the Issuer and of the New Securities is necessary to enable Securityholders to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the New Securities; (ii) the statements contained in this Exchange Offer Prospectus relating to the Issuer, the Group and the New Securities are in every material respect true and accurate and not misleading; (iii) any opinions and intentions expressed by the Issuer herein are honestly held and based on reasonable assumptions;

(iv) there are no other facts in relation to the Issuer, the Group or the New Securities the omission of which would, in the context of the issue and offering of the New Securities, make any statement in the Prospectus misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

The New Securities will be offered in exchange for Existing Securities to the public in any of the Offer Jurisdictions as set out below under “Offer and Distribution Restrictions”.

Any offer of New Securities for exchange in the Offer Jurisdictions, in any Member State of the European Economic Area or in any other jurisdiction, must be made in compliance with all applicable securities laws. Neither the Issuer nor any Dealer Manager has authorised, nor does it authorise, the making of any offer of New Securities by any other person or in any manner other than as described herein.

This Exchange Offer Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealer Managers to subscribe for or purchase, any of the New Securities. The distribution of this Exchange Offer Prospectus and the offering of the New Securities pursuant to the Exchange Offer in certain jurisdictions may be restricted by law. See “Offer and Distribution Restrictions” below. Persons into whose possession this Exchange Offer Prospectus comes are required by the Issuer, the Dealer Managers and the Exchange Agent to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers, sales and deliveries of New Securities and distribution of this Exchange Offer Prospectus, see “Offer and Distribution Restrictions”. In particular, the New Securities have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, New Securities may not be offered, sold or delivered within the United States or to U.S. persons.

No person is authorised to give any information or to make any representation not contained in this Exchange Offer Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee. Neither the delivery of this Exchange Offer Prospectus nor any delivery of New Securities made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Exchange Offer Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Exchange Offer Prospectus has been most recently supplemented or that the information contained in it or any other information supplied in connection with the New Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee have separately verified the information contained in this Exchange Offer Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made as to the accuracy, completeness or verification of the information contained or incorporated by reference in this Exchange Offer Prospectus or any other information supplied in connection with the Exchange Offer, the New Securities or the Exchange Offer Prospectus. To the fullest extent permitted by law, none of the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee accept responsibility whatsoever for the contents of this Exchange Offer Prospectus or for any other statement, made or purported to be made by a Dealer Manager or on its behalf in connection with the Issuer, the Exchange Offer or the issue and offering of the New Securities. Each Dealer Manager, the Exchange Agent, the Existing Securities Trustee and the New Securities Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as

referred to above) which it might otherwise have in respect of this Exchange Offer Prospectus or any such statement.

This Exchange Offer Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee that any recipient of this Exchange Offer Prospectus should offer to exchange any of their Existing Securities for New Securities. Each investor contemplating the exchange of their Existing Securities for New Securities should make its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of the Issuer. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of the exchange of their Existing Securities for New Securities.

All references in this Exchange Offer Prospectus to (i) “**bps**” are to basis points; (ii) “**Business Day**” are to a day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London and Copenhagen; (iii) “**CET**” are to Central European Time; (iv) “**Danish Kroner**” and “**DKK**” are to the lawful currency for the time being of Denmark; (v) “**euro**” and “**€**” are to the currency introduced as the start of the third stage of European economic and monetary union, as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro; and (vi) “**U.S. dollars**” and “**USD**” are to the lawful currency for the time being of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Securityholders who do not participate in the Exchange Offers, or whose Existing Securities are not accepted for exchange by the Issuer, will continue to hold their Existing Securities subject to the terms and conditions of the Existing Securities.

For the avoidance of doubt, the invitation by the Issuer to Securityholders contained in this Exchange Offer Prospectus is an invitation to treat by the Issuer and any references to any offer or invitation being made by the Issuer under or in respect of the Exchange Offer shall be construed accordingly.

Unless the context otherwise requires, all references in this Exchange Offer Prospectus to “**Securityholders**” or “**holders of Existing Securities**” include:

- (a) each person who is shown in the records of Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**” and, together with Euroclear, the “**Clearing Systems**” and each a “**Clearing System**”) as a holder of the Existing Securities (also referred to as “**Direct Participants**” and each a “**Direct Participant**”); and
- (b) each beneficial owner of the Existing Securities holding such Existing Securities, directly or indirectly, in an account in the name of a Direct Participant acting on such beneficial owner's behalf (each a “**Beneficial Owner**”),

except that for the purposes of the exchange of any Existing Securities for New Securities and any payment to a Securityholder of the Accrued Interest Payment and Cash Rounding Amount (each as defined herein) pursuant to the Exchange Offer, to the extent the beneficial owner of the relevant Existing Securities is not a Direct Participant, the relevant New Securities will only be delivered and such payment will only be made by the relevant Clearing System to the relevant Direct Participant and the delivery of such New Securities and making of such payment by or on behalf of the Issuer to such Clearing System and by such Clearing System to such Direct Participant will satisfy the respective obligations of the Issuer and such Clearing System in respect of the exchange of such Existing Securities and delivery of such Accrued Interest Payment and Cash Rounding Amount.

## TABLE OF CONTENTS

	<b>Page</b>
SUMMARY .....	7
RISK FACTORS .....	27
DONG ENERGY A/S.....	45
EXCHANGE OFFER.....	66
OFFER AND DISTRIBUTION RESTRICTIONS .....	74
DOCUMENTS INCORPORATED BY REFERENCE .....	79
EXPECTED TIMETABLE OF EVENTS .....	81
TERMS AND CONDITIONS OF THE NEW SECURITIES .....	83
RESTRICTIONS REGARDING REDEMPTION AND REPURCHASE OF THE NEW SECURITIES... 99	99
OVERVIEW OF PROVISIONS RELATING TO THE NEW SECURITIES WHILE IN GLOBAL FORM .....	100
TAXATION IN RESPECT OF THE NEW SECURITIES .....	102
TAX CONSEQUENCES.....	111
PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER.....	112
AMENDMENT AND TERMINATION.....	118
DEALER MANAGERS AND EXCHANGE AGENT.....	120
GENERAL INFORMATION .....	121

## SUMMARY

*Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.*

### Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to the Exchange Offer Prospectus.</p> <p>Any decision by holders of the Existing Securities (“<b>Securityholders</b>”) to participate in the offer to exchange any and all of their Existing Securities for the New Securities (the “<b>Exchange Offer</b>”) should be based on consideration of the Exchange Offer Prospectus as a whole by the relevant Securityholder.</p> <p>Where a claim relating to the information contained in the Exchange Offer Prospectus is brought before a court, the plaintiff Securityholder might, under the national legislation in its Member State, have to bear the costs of translating the Exchange Offer Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Exchange Offer Prospectus or it does not provide, when read together with the other parts of the Exchange Offer Prospectus, key information in order to aid Securityholders when considering whether to invest in such New Securities by participating in the Exchange Offer.</p> <p>“<b>Existing Securities</b>” means the Issuer’s €700,000,000 Callable Subordinated Capital Securities due 3010.</p> <p>“<b>New Securities</b>” means the Issuer’s Euro-Denominated Callable Subordinated Capital Securities due 3013, ISIN XS0943370543</p>

## Section B – Issuer

Element	Description of Element	Disclosure requirement
B.1	Legal and commercial name of the Issuer	DONG Energy A/S
B.2	Domicile /legal form /legislation /country of incorporation of the Issuer	DONG Energy A/S is a limited liability company ( <i>aktieselskab</i> ), incorporated under the laws of Denmark and has its registered address at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark.
B.4b	Trends affecting the Issuer and the industries in which it operates	<p>In recent years, the European utility sector has been working under difficult market conditions. The financial and bank debt crises that erupted in 2008 and the following Eurozone sovereign debt crises continue to depress economic activity in most European countries resulting in weak demand for natural gas and power.</p> <p>In relation to natural gas and oil exploration and production activities, the cost per produced barrel is generally on an increasing trend due to the higher production costs of the marginal production from existing mature fields, higher costs from application of new production technologies and the more marginal new finds in mature geographical areas driving oil and gas exploration and production activities to more challenging and costly frontier areas and deeper waters.</p> <p>The market for offshore wind is expected to continue its growth backed by political support for a transformation of the energy system towards more sustainable energy production. However, the growth is expected to be more cautious due to political pressure for lower energy costs. Going forward, sites will be located further from shore and in deeper waters. This requires significant investments in new technology solutions.</p> <p>The trend in the domestic Danish thermal power business is directed towards a continuing conversion of coal based thermal power and heat production to a dual coal and biomass fuel basis. Furthermore, the role of the domestic thermal power capacity is shifting from providing base and peak load towards providing a flexible and efficient thermal power generation base to accommodate the increasing penetration of renewable energy with volatile supply patterns.</p> <p>Reduced demand in the European power markets in combination with low coal and CO<sub>2</sub> certificate prices have caused the environmentally more favourable gas fuelled power generation to rank among the high marginal cost generation technologies. Furthermore, the European utility sector is struggling with negative price differentials between long term gas procurement contracts linked to oil price and wholesale sales price, which in recent years to an increasing extent have been linked to the hub-gas prices. Renegotiations of the terms on long term</p>



Element	Description of Element	Disclosure requirement
		gas procurement contracts are expected to mitigate this structural problem in the short to medium term.  The trend in the domestic Danish energy supply and distribution business is directed towards a continuing pressure from the regulator to increase cost efficiency in regulated distribution activities.
B.5	Group/ Issuer's position within the Group	DONG Energy A/S is the parent company of the DONG Energy Group.
B.9	Profit forecast or estimate	Not applicable. No forecasts or estimates are made public.
B.10	Qualifications in the audit report	Not applicable. There are no qualifications in the audited financial reports for the DONG Energy group.
B.12	Selected historical key financial information	<b>Selected historical financial information on the Issuer</b>

### Consolidated Income Statement

	2011	2012 <sup>1</sup>	First 3 months, 2012	First 3 months, 2013
	(DKK million)		(DKK million)	
Revenue .....	56,842	67,179	19,896	21,449
EBITDA .....	13,770	8,639	3,564	4,627
Operating profit (EBIT).....	6,100	(3,324)	1,597	2,351
Profit before tax.....	6,079	(2,704)	3,831	1,719
Profit for the year .....	2,882	(4,021)	2,257	474

Note: Unless otherwise stated all figures in the Consolidated Income Statement relate to business performance.

<sup>1</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.

## Consolidated Balance Sheet at 31 December

### Assets

	2011	2012 <sup>2</sup>	First 3 months, 2012	First 3 months, 2013
	(DKK million)	(DKK million)	(DKK million)	(DKK million)
Intangible assets .....	2,729	2,425	3,110	2,381
Property, plant and equipment .....	94,510	93,920	95,002	94,767
Other non-current assets .....	7,139	9,058	8,858	9,072
Non-current assets .....	104,378	105,403	106,970	106,220
Current assets .....	49,011	48,455	55,663	46,307
Assets classified as held for sale .....	684	3,631	9	3,552
Assets .....	154,073	157,489	162,642	156,079

### Equity and Liabilities

	2011	2012 <sup>3</sup>	First 3 months, 2012	First 3 months, 2013
	(DKK million)	(DKK million)	(DKK million)	(DKK million)
Equity attributable to the equity holders of DONG Energy A/S .....	40,250	33,421	41,212	33,311
Equity .....	57,740	50,016	58,394	49,608
Non-current liabilities .....	58,331	70,298	64,950	70,118
Current liabilities .....	37,617	36,994	39,228	36,177
Liabilities .....	95,948	107,292	104,178	106,295
Liabilities associated with assets classified as held for sale .....	385	181	70	176
Equity and liabilities .....	154,073	157,489	162,642	156,079

	No material adverse change/significant changes in financial or trading position	There has been no material adverse change in the prospects of the Issuer since 31 December 2012.  There have been no significant changes in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 March 2013.
B.13	Recent events, which are to a	Not applicable. There have been no material recent events following

<sup>2</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.

<sup>3</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.

	material extent relevant to the evaluation of the Issuer's solvency	the publication of the interim report for the first quarter of 2013.
B.14	Description of the Group/ Issuer's position within the Group/ Dependency of the Issuer upon other entities within the group	<p>The Issuer is the ultimate parent company and holding company of the DONG Energy group.</p> <p>The business activities are placed in a large number of subsidiaries including project companies, with a high degree of integration in the management and business activities between the subsidiaries.</p> <p>The Issuer divides its operations into five operating and reporting segments, referred to as “E&amp;P” (Exploration &amp; Production), “Wind Power”, “Thermal Power”, “Energy Markets” and “Sales &amp; Distribution”. These operating segments are engaged principally in the following activities:</p> <p><i>E&amp;P:</i> E&amp;P explores for and produces oil and gas. The activities are focused in the waters around Denmark, Norway, the United Kingdom (West of Shetland area), the Faroe Islands and Greenland.</p> <p><i>Wind Power:</i> Wind Power develops, constructs, operates and produces power from wind farms in Denmark, the United Kingdom, Poland, Germany, Norway, Sweden and France.</p> <p><i>Thermal Power:</i> Thermal Power produces power and heat from thermal power stations, primarily in Denmark, but also in the UK, the Netherlands and Norway.</p> <p><i>Energy Markets:</i> Energy Markets optimises the Issuer's energy portfolio, forming the link between the Issuer's procurement and sale of energy. Energy Markets trades in natural gas and power with manufacturers and wholesale customers as well as on European energy hubs and exchanges.</p> <p><i>Sales &amp; Distribution:</i> Sales &amp; Distribution sells gas, power and related products to private customers, companies and public institutions in primarily Denmark, Sweden, UK and the Netherlands. Sales &amp; Distribution also operates the Issuer's gas distribution network, power grids, gas storage facility and oil pipeline, each of which are located in Denmark and the revenues from which are regulated.</p> <p>The Issuer has decided to combine the business units Energy Markets and Sales &amp; Distribution in an integrated business unit under the name Customers &amp; Markets. The restructuring was implemented with effect from 1 May 2013 and will report according to the new structure in the half year report 2013.</p>
B.15	Issuer's principal activities	<p>The DONG Energy group is an integrated energy company with leading market positions in Denmark as well as positions in other key North West European markets.</p> <p>The Issuer's principal activities include, generation of power and heat, including thermal generation and renewable generation; development</p>

		and construction of power generation and renewable energy assets, including offshore wind farms; exploration for, and development and production of, gas and oil; distribution of power and gas; gas and power wholesale activities; sale of gas and power to end-customers; and ownership and operation of certain infrastructure assets.
B.16	Controlling interest over the Issuer	The Kingdom of Denmark holds a 79.96 per cent. owner interest in the Issuer. The remaining 20.04 per cent. owner interest in the Issuer is held by Danish municipal and consumer owned power distribution companies.
B.17	Credit ratings	<p>The Issuer has received the following ratings<sup>4</sup>:</p> <p>The Issuer and DONG Naturgas A/S are each rated by Moody's and the Issuer is also rated by Standard &amp; Poor's ("S&amp;P") and Fitch. Moody's ratings as at the date of this Exchange Offer Prospectus were Baa1 for the corporate ratings of both entities and senior debt, and Baa3 for the hybrid capital due 3005 and hybrid capital due 3010 (all ratings with stable outlook)<sup>5</sup>. The Issuer had a corporate rating of BBB+ from S&amp;P (also the same rating for its senior debt), BBB- for the hybrid capital due 3005 and BB for the hybrid capital due 3010 (all ratings with negative outlook) as at the date of this Exchange Offer Prospectus<sup>6</sup>. Fitch's ratings as at the date of this Exchange Offer Prospectus were BBB+ for the Issuer and its senior debt, and BBB- for the hybrid capital due 3005 and the hybrid capital due 3010 (all ratings with negative outlook)<sup>7</sup>.</p> <p>The New Securities are expected to be rated BB+ by S&amp;P, Baa3 by Moody's and BBB- by Fitch.</p>

<sup>4</sup> Credit ratings included or referred to in this Exchange Offer Prospectus have been issued by S&P, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

<sup>5</sup> Moody's defines Baa1 for the Issuer as follows: Issuers or issues rated Baa represent average creditworthiness relative to other domestic issuers. Issuers rated N-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers. Moody's defines Baa1 for obligations as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Issuers rated Prime-1 have a superior ability to repay short-term debt obligations. Moody's defines Baa3 for obligations as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Issuers rated Prime-3 have an acceptable ability to repay short-term obligations.

<sup>6</sup> S&P defines BBB+ for the Issuer as follows: An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. S&P defines BBB for obligations as follows: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. S&P defines BB for obligations as follows: An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

<sup>7</sup> Fitch defines BBB+ for the Issuer as follows: 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories. Fitch defines BBB for obligations as follows: A 'BBB' rating indicates that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories.

## Section C – Securities

Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered / security identification numbers	The New Securities bear interest at a fixed rate until the First Step-up Date with a reset of the interest rate on every fifth anniversary of the First Par Call Date, each a “ <b>Reset Date</b> ”.  Security codes:  ISIN: XS0943370543 Common Code: 094337054 WKN: A1HL4H
C.2	Currency	Euro
C.5	Restrictions on free transferability	Not applicable. There are no restrictions on free transferability of the New Securities in the European Economic Area.
C.8	Rights attached to securities/ ranking of the securities/ limitations to the rights attached to the securities	The New Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves.  The rights and claims of the Trustee, the Securityholders and the Couponholders against the Issuer in respect of the New Securities and the Coupons shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, <i>pari passu</i> with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares.  “ <b>Issuer Shares</b> ” means Ordinary Shares and any other shares of any class of the Issuer (if any) ranking <i>pari passu</i> among themselves and <i>pari passu</i> with Ordinary Shares.  “ <b>Ordinary Shares</b> ” means ordinary shares in the capital of the Issuer, having on the issue date of the New Securities a minimum principal value of DKK10 each.  “ <b>Parity Securities</b> ” means, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) which rank or by their terms are expressed to rank <i>pari passu</i> with the New Securities, in each case described by their respective initial issuance amount; and  “ <b>Senior Creditors</b> ” means, in respect of the Issuer, all creditors of the Issuer other than (i) creditors whose claims are in respect of the New Securities and the Coupons; (ii) Parity Securities; or (iii) Issuer Shares.
C.9	Interest/ Due dates and redemption/ Indication of yield/ Name of	<b>See C.8.</b>  <b>Interest:</b>  The New Securities will bear interest from (and including) 26 June 2013 (the “ <b>Interest Commencement Date</b> ”) to (but excluding) 26 June

Element	Description of Element	Disclosure requirement
	Securityholders' representative	<p>2023 (the “<b>First Par Call Date</b>” or the “<b>First Step-up Date</b>”) at rate of [●] per cent. per annum (the “<b>First Fixed Rate</b>”). Thereafter, unless previously redeemed, the New Securities will bear interest from (and including) the First Par Call Date to (but excluding) the next subsequent reset date and thereafter from (and including) each reset date to (but excluding) the next subsequent reset date until the reset date falling on 26 June 2043 (the “<b>Second Step-up Date</b>”), at the 5-year swap rate for the relevant reset period in which the coupon period falls plus a margin of [●] basis points per annum (including a step-up of 25 basis points). From (and including) the Second Step-up Date to (but excluding) the next subsequent reset date and thereafter from (and including) each reset date to (but excluding) the next subsequent reset date until 26 June 3013 (the “<b>Maturity Date</b>”), the New Securities bear interest at the 5-year swap rate for the relevant reset period in which the coupon period falls plus a margin of [●] basis points per annum (including a further step-up of 75 basis points). During each such period, interest is scheduled to be paid annually in arrear on 26 June in each year (each a “<b>Coupon Payment Date</b>”), commencing on 26 June 2014.</p> <p><b>Optional Coupon Deferral:</b></p> <p>Interest which accrues during a coupon period ending on but excluding a Coupon Payment Date will be due and payable on that Coupon Payment Date, unless the Issuer elects to defer the relevant coupon payment in whole or in part (each a “<b>Deferred Payment</b>”). Any such Deferred Payment will bear interest at the then current rate of interest on the New Securities. The nominal amount of any Deferred Payment together with any interest accrued thereon shall constitute “<b>Outstanding Payments</b>”.</p> <p><b>Settlement of Outstanding Payments:</b></p> <p><b>Optional Settlement of Outstanding Payments</b></p> <p>The Issuer will be entitled to pay Outstanding Payments (in whole or in part) at any time.</p> <p><b>Mandatory Settlement of Outstanding Payments</b></p> <p>The Issuer must pay all Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.</p> <p>“<b>Mandatory Settlement Date</b>” means the earliest of:</p> <ul style="list-style-type: none"> <li>(A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred;</li> <li>(B) the date, other than the Maturity Date, on which the New Securities fall due for redemption upon the occurrence of a Tax Event, an Accounting Event, a Ratings Event, redemption at the option of the Issuer or in the event that the Issuer has purchased and cancelled 90 per cent. or</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>more of the initial principal amount of the New Securities; and</p> <p>(C) the date on which an order is made for the bankruptcy (<i>konkurs</i>), winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).</p> <p><b>“Compulsory Payment Event”</b> means any of the following events:</p> <p>(A) the shareholders of the Issuer have resolved at the annual general meeting on the proposal by, or with the consent of, the Board of Directors to pay or distribute a dividend or make a payment on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares;</p> <p>(B) the Issuer or any of its subsidiaries pays any dividend, other distribution or other payment in respect of any Parity Security (other than a dividend, distribution or payment which is made in the form of any Issuer Shares); or</p> <p>(C) the Issuer or any of its subsidiaries redeems repurchases or otherwise acquires any Issuer Share or any Parity Security;</p> <p>provided that, in the cases of (B) and (C) above, no Compulsory Payment Event shall be deemed to occur if:</p> <p>(i) the Issuer or the relevant subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition; or</p> <p>(ii) the Issuer or the relevant subsidiary repurchases or otherwise acquires (in each case directly or indirectly) the Issuer Shares pursuant to its obligations under any existing buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants; or</p> <p>(iii) the Issuer or the relevant subsidiary repurchases or otherwise acquires any Parity Security where such repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase</p>

Element	Description of Element	Disclosure requirement
		<p>price per security which is below its par value; or</p> <p>(iv) as a result of the exchange or conversion of one class of Issuer Shares for another class.</p> <p><b><u>Redemption:</u></b></p> <p>If not redeemed or purchased and cancelled earlier, the New Securities will be redeemed on the Coupon Payment Date falling on or nearest to the Maturity Date at their principal amount together with accrued interest in respect of the coupon period ending on (but excluding) the Maturity Date. On the Maturity Date, any Outstanding Payments will automatically be cancelled.</p> <p>In addition, the New Securities are redeemable in whole but not in part at the option of the Issuer (i) on the First Par Call Date or any Coupon Payment Date thereafter at their principal amount (together with accrued interest and any Outstanding Payments); or (ii) on each Coupon Payment Date falling on 26 June 2018, 26 June 2019, 26 June 2020, 26 June 2021 and 26 June 2022, at the higher of (A) their principal amount, together with accrued interest and any Outstanding Payments and (B) the Make-whole Amount and any Outstanding Payments.</p> <p>The “<b>Make-whole Amount</b>” of one Security shall be calculated by Deutsche Bank AG, London Branch as agent bank (the “<b>Agent Bank</b>”) and will be an amount equal to the sum of the Present Values on the date of redemption of (i) its principal amount and (ii) the remaining payments of interest on the Security which are scheduled to be paid after the Optional Redemption Date to (and including) the First Par Call Date.</p> <p>The “<b>Present Values</b>” shall be calculated by the Agent Bank by discounting the principal amount of the New Securities and the remaining scheduled payments of interest to the Optional Redemption Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Adjusted Comparable Yield plus 0.75 per cent.</p> <p>The “<b>Adjusted Comparable Yield</b>” will be the yield at the Redemption Calculation Date on (a) the 1.5% German Bundesanleihe, issued on 15 May 2013, maturing on 15 May 2023, (ISIN DE0001102317) or, (b) if, in the determination of the Agent Bank, after consultation with the Issuer, the before mentioned bond is no longer commonly used to price new issues of corporate debt securities, such euro benchmark security selected by the Agent Bank, after consultation with the Issuer, as having a maturity comparable to the remaining term of the New Securities to the First Par Call Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Par Call Date.</p>



Element	Description of Element	Disclosure requirement
		<p><b>“Redemption Calculation Date”</b> means the third Business Day prior to the Optional Redemption Date.</p> <p><b>Redemption for Tax Event, Accounting Event or Ratings Event</b></p> <p>The New Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, if:</p> <p>(i) the Issuer satisfies the Trustee immediately prior to the giving of such notice by providing an opinion of a recognised tax counsel or tax adviser satisfactory to the Trustee stating that the Issuer:</p> <p>(A) either has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 26 June 2013, (the <b>“Issue Date”</b>), in which case the Issuer will be entitled to redeem each Security at its principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments); or</p> <p>(B) the Issuer's treatment of items of expense with respect to the New Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a <i>de minimis</i> amount of additional taxes, duties or governmental charges, in which case the Issuer will be entitled to redeem the New Securities (I) prior to the First Par Call Date at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (II) on or after the First Par Call Date at their principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments)</p> <p>(each, a <b>“Tax Event”</b>) and</p> <p>(ii) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the New Securities then due. Prior to the publication of any such notice of redemption, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation</p>

Element	Description of Element	Disclosure requirement
		<p>referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.</p> <p>The New Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, (i) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption and any Outstanding Payments), if a recognised accountancy firm satisfactory to the Trustee, acting upon instructions of the Issuer, has delivered an opinion to the Trustee, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the New Securities may not or may no longer be recorded as “equity” in the consolidated financial statements of the Issuer pursuant to International Financial Reporting Standards (“<b>IFRS</b>”) or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer (an “<b>Accounting Event</b>”).</p> <p>The New Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, (i) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date, at their principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments), if (a)(I) any rating agency from whom the Issuer is assigned a Solicited Rating publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the New Securities would no longer be eligible for the same or a higher category of “equity credit” or such similar nomenclature as may be used by that rating agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer’s senior obligations, attributed to the New Securities at the Issue Date or at any later date on which the New Securities were attributed a higher category of “equity credit” compared to the category of “equity credit” attributed to them on the Issue Date (a “<b>Loss in Equity Credit</b>”), or (II) the Issuer has received, and has provided the Trustee with a copy of, a written confirmation from any rating agency from which the Issuer is assigned a Solicited Rating that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (a “<b>Ratings Event</b>”) and (b) the Issuer has given notice of such Ratings Event to Securityholders prior to giving the notice of redemption referred to above.</p>

Element	Description of Element	Disclosure requirement
		<p>“<b>Early Redemption Amount</b>” means 101.00 per cent. of the principal amount per Security.</p> <p>“<b>Solicited Rating</b>” means a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the New Securities are assigned a rating and an equity credit.</p> <p><b>Redemption for minimum outstanding principal amount</b></p> <p>In the event that the Issuer and/or any subsidiary has purchased 90 per cent. or more of the initial aggregate principal amount of the New Securities, the Issuer may redeem the remaining New Securities (in whole but not in part): (i) prior to the First Par Call Date at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date at their principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments).</p> <p><b><u>Indication of Yield:</u></b></p> <p>The yield to the First Par Call Date (together with the aggregate principal amount to be issued, the number of New Securities to be issued, the issue price, the fixed rate, the margin in respect of the coupon period from the First Step-up Date to the Second Step-up Date, the margin in respect of the coupon period from the Second Step-up Date to the Maturity Date and the net proceeds before the deduction of total expenses) will be determined on the pricing date which is expected to be on or about 19 June 2013. The Pricing Details (as defined below) will be included in a notification which will be filed for publication with the OMX News Service and (in addition thereto) filed with the CSSF and published on the website of the Luxembourg Stock Exchange (<i>www.bourse.lu</i>) after the date of pricing and prior to the Issue Date (the “<b>Pricing Notice</b>”).</p> <p><b><u>Securityholders' representative:</u></b></p> <p>The trustee for the holders of the Securities is Citicorp Trustee Company Limited.</p> <p>The Securityholders may by extraordinary resolution provide for the appointment or dismissal of a joint representative.</p>
C.10	Derivative component in interest payment	<p>See C.9.</p> <p>Not applicable. The New Securities have no derivative component when paying interest, which could influence the value of the New Securities by having an impact on the value of the underlying instrument or several underlying instruments.</p>
C.11	Admission to trading of	<p>Application has been made to the Luxembourg Stock Exchange for the New Securities to be admitted to trading on the Luxembourg Stock</p>

Element	Description of Element	Disclosure requirement
	securities	Exchange's regulated market.

#### Section D – Risks

Element	Description of Element	Disclosure requirement
D.2	Key risks specific to the Issuer	<p><b>Summary of the Risk Factors</b></p> <p>The Issuer is exposed to various risks which may materially adversely affect the Issuer's results of operations, cash flows or financial condition.</p> <p><b>The Issuer is exposed to risks related to its business operations, including:</b></p> <ul style="list-style-type: none"> <li>• competition</li> <li>• the risks of technical breakdowns and operational disruptions</li> <li>• risks relating to construction projects</li> <li>• completion risk and availability of certain new infrastructure assets</li> <li>• risks relating to the exploration and production of oil and natural gas</li> <li>• uncertainties related to the size of oil and natural gas reserves</li> <li>• risks in its wind power business</li> <li>• sourcing and contract risks related to natural gas</li> <li>• risks related to capital expenditures and divestments</li> <li>• risks related to mergers, acquisitions and disposals</li> <li>• risks related to its alliances and partnerships</li> <li>• risks related to assets in which it is a minority shareholder</li> <li>• the risks of insufficient supply of fuel, materials and equipment</li> <li>• risks related to weather conditions and shifts in climate</li> <li>• price risk from changes in energy supplies and interconnection capacity</li> <li>• risks related to the availability of certain transmission, hub platforms and distribution infrastructure owned by external parties</li> <li>• risks related to causing significant harm to the natural and human environment in its operation of facilities and infrastructure</li> <li>• risks related to its personnel</li> <li>• risks related to patent and proprietary technologies</li> <li>• risks related to decisions made by the Issuer's majority shareholder: the Kingdom of Denmark</li> </ul>

Element	Description of Element	Disclosure requirement
		<p><b>The Issuer is exposed to risks related to developments in macroeconomic factors, financial markets and capital structure, including:</b></p> <ul style="list-style-type: none"> <li>• adverse developments in the European or global economy</li> <li>• currency exchange, interest rate and inflation risks</li> <li>• market risks related to energy commodity prices, prices of CO<sub>2</sub> emission and green certificates, and fixed tariffs for renewable energy production</li> <li>• fluctuations in energy commodity prices and correlations with currency exchange rates</li> <li>• financing, liquidity and rating risks</li> </ul> <p><b>The Issuer is exposed to risks related to risk management and legal proceedings, including:</b></p> <ul style="list-style-type: none"> <li>• the risk of ineffective management of market, credit and operational risks</li> <li>• risks related to energy commodity trading</li> <li>• the risks related to not being insured against all potential losses</li> <li>• counterparty credit risks</li> <li>• risks related to litigation and arbitration proceedings</li> </ul> <p><b>The Issuer is exposed to risks related to laws and regulation, including:</b></p> <ul style="list-style-type: none"> <li>• national, EU and other international law and regulatory risks</li> <li>• changes in tax and accounting laws and standards</li> <li>• changing methodology by rating agencies</li> </ul>
D.3	Key risks specific to the New Securities	<p>An investment in the New Securities involves certain risks associated with the characteristics, specification and type of the New Securities which could lead to substantial or total losses the Securityholders would have to bear in the case of selling their New Securities or with regard to receiving interest payments and repayment of principal. Those risks include and comprise, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> <li>• the New Securities are complex financial instruments and may not be a suitable investment for all investors</li> <li>• the claims of Securityholders are subordinated to the claims of Senior Creditors</li> <li>• no assurance can be given that the price of the New Securities may not fall as a result of changes in the current credit spread and/or interest rates in the capital markets (market interest rate), as the market interest rate fluctuates</li> <li>• the Issuer may, elect to defer any coupon payment, payment of such deferred interest payments (“<b>Deferred Payments</b>”) may be subject to certain conditions. Any such deferral of</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>interest shall not constitute a default for any purpose. In this event the Issuer will not be under any obligation to make the coupon payment on such Coupon Payment Date</p> <ul style="list-style-type: none"> <li>• any deferral of interest payments will likely have an adverse effect on the market price of the New Securities. As a result of the interest deferral provision of the New Securities, the market price of the New Securities may be more volatile than the market prices of other debt securities and may be more sensitive generally to adverse changes in the Issuer's financial condition</li> <li>• in case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access to the fixed income markets, to take certain actions, including, without limitation (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and (ii) not to, and procure that no subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer</li> <li>• the New Securities are long-dated securities and the Issuer is under no obligation to redeem or repurchase the New Securities prior to the coupon payment date on or nearest to the Maturity Date. Securityholders have no right to call for the redemption of the New Securities and the New Securities will only become due and payable in certain circumstances relating to payment default and a liquidation of the Issuer</li> <li>• the New Securities may be redeemed at the option of the Issuer, in case of a minimum outstanding principal amount or following a Tax Event, an Accounting Event or a Ratings Event and such redemption rights may affect the market value of the New Securities</li> <li>• there are restrictions regarding redemption and repurchase of the New Securities</li> <li>• there is no restriction of the amount of senior liabilities or liabilities ranking <i>pari passu</i> with the New Securities which the Issuer may incur or guarantee</li> <li>• Securityholders will lose their rights to Outstanding Payments on the Maturity Date</li> <li>• Securityholders have no voting rights with respect to general meetings of the Issuer</li> <li>• the only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any Securityholders for recovery of amounts which have become due in respect of the New Securities will be the institution of proceedings for the</li> </ul>

Element	Description of Element	Disclosure requirement
		<p>winding-up of the Issuer and/or proving in such winding-up and/or claiming in the liquidation of the Issuer</p> <ul style="list-style-type: none"> <li>• the Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally</li> <li>• the Conditions also provide that the Trustee may, without the consent of the Securityholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the New Securities or (ii) the substitution of another company as principal debtor under the Trust Deed and the New Securities in place of the Issuer</li> <li>• the investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether the New Securities are a lawful investment for it, and the regulatory implications for it of making such an investment</li> <li>• payments under the New Securities may be affected by measures implemented in order to comply with European Council Directive 2003/48/EC on the taxation of savings income</li> <li>• except for the status clause (Condition 2) which is governed by, and construed in accordance with, the laws of the Kingdom of Denmark) the Conditions of the New Securities are based on English law in effect as at the date of issue of the New Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws of the Kingdom of Denmark or the administrative practice in either jurisdiction after the date of issue of the New Securities</li> <li>• the New Securities denominated in euro could represent a currency risk for a Securityholder if the euro represents a foreign currency to such Securityholder; in addition governments and monetary authorities could impose exchange controls in the future</li> <li>• application has been made for the New Securities to be listed. However, there can be no assurance that a active public market for the New Securities will develop, and no person is under any obligation to maintain such a market</li> <li>• as the Global Securities will be held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer</li> </ul>

Element	Description of Element	Disclosure requirement
		<ul style="list-style-type: none"> <li>ratings of the New Securities may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the New Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant organisation. The relationship between ratings assigned to the Issuer's senior securities and the ratings assigned to the New Securities (sometimes called "notching") is based on the current practice of the rating agencies.</li> </ul>

### Section E – Offer

Element	Description of Element	Disclosure requirement
E.2b	Reasons for the offer and use of proceeds	<p>The Issuer currently deems the Existing Securities to be cost-inefficient as a result of S&amp;P's change in rating criteria which has resulted in the ratings treatment of the Existing Securities likely only qualifying for 'minimal' (0 per cent.) equity content compared to the 'high' equity content (100 per cent.) attributable to the Existing Securities immediately prior to S&amp;P's change in criteria. The Issuer has therefore announced an offer to holders of the Existing Securities to exchange their holdings in the Existing Securities into new hybrid securities with a structure, which is compliant with S&amp;P's rating criteria and will qualify for 50 per cent. equity content. As the offer is an exchange offer, there are no cash proceeds generated by the offer for the Issuer.</p>
E.3	Terms and conditions of the offer	<p>The Issuer invites holders of the Existing Securities (subject to the applicable offer and distribution restrictions) to offer to exchange any and all of their Existing Securities for New Securities.</p> <p>The New Issue Price, the aggregate principal amount of New Securities to be issued pursuant to the Exchange Offer, the New Issue Interest Rate, several margins and the yield to the First Par Call Date (together, the "<b>Pricing Details</b>") will be included in the Pricing Notice which will be filed for publication with the Danish regulated information service (the "<b>OMX News Service</b>") and (in addition thereto) filed with the CSSF and published on the website of the Luxembourg Stock Exchange (<i>www.bourse.lu</i>) on the Business Day following the Expiration Deadline (the "<b>Pricing Time</b>").</p> <p>"<b>New Issue Price</b>" means the price at which the New Securities will be issued, expressed as a percentage and rounded to the nearest 0.001 per cent. (with 0.0005 rounded upwards).</p> <p>The New Securities will be offered in exchange for Existing</p>



Element	Description of Element	Disclosure requirement
		<p>Securities and will be offered to Securityholders in Austria, Denmark, Finland, Germany, Luxembourg, the Netherlands, Norway and Sweden (the “<b>Offer Jurisdictions</b>”) during an offer period which will commence on 10 June 2013 and which will be open until 4.00 p.m. (London time) on 18 June 2013 (the “<b>Expiration Deadline</b>”), unless extended, re-opened or terminated as provided in this Exchange Offer Prospectus. Outside of the Offer Jurisdictions, the New Securities will only be offered to Securityholders who are non-U.S. persons located outside of the United States and who are also either qualified investors as defined in Article 2(1)(e) of the Prospectus Directive or otherwise resident in a jurisdiction in which delivery or deemed delivery of the Existing Securities to such person would not be unlawful.</p> <p>The Exchange Offer is conditional on satisfaction of the aggregate principal amount of the New Securities (including any further euro-denominated Callable Subordinated Capital Securities due 3013 issued by the Issuer as a further Tranche or Tranches of the same series as the New Securities) to be issued on 26 June 2013 (the “<b>Settlement Date</b>”) equalling a minimum of €500,000,000. In order to participate in, and be eligible to receive New Securities pursuant to, the Exchange Offer, Securityholders must validly offer Existing Securities for exchange by delivering, or arranging to have delivered on their behalf, a valid Exchange Instruction that is received by the Exchange Agent by the Expiration Deadline.</p> <p>Delivery of the New Securities and any Cash Rounding Amounts and Accrued Interest Payments will be made on the Settlement Date via book-entry through Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> (each a “<b>Clearing System</b>” and together, the “<b>Clearing Systems</b>”) and their depository banks against delivery of the Existing Securities. “<b>Accrued Interest Payments</b>” means an amount in cash (rounded to the nearest €0.01, with half a cent rounded upwards) equal to the Accrued Interest on the relevant Existing Securities validly offered for exchange by a Securityholder and accepted by the Issuer.</p> <p>“<b>Accrued Interest</b>” means interest accrued on the relevant Existing Securities from (and including) the immediately preceding interest payment date for such Existing Securities to (but excluding) the Settlement Date.</p> <p>“<b>Cash Rounding Amounts</b>” means the amount in cash (rounded to the nearest €0.01, with half a cent rounded upwards) to be paid by the Issuer to a Securityholder on the Settlement Date for any fractional portion of New Securities such Securityholder would otherwise be entitled to receive as a result of the application of the relevant exchange ratio that is not an integral multiple of €1,000.</p>
E.4	Material interests	Deutsche Bank AG, London Branch (the “ <b>Lead Dealer Manager</b> ”),

Element	Description of Element	Disclosure requirement
	in the offer	<p>BNP Paribas, Morgan Stanley &amp; Co. International plc and The Royal Bank of Scotland plc (together with the Lead Dealer Manager, the “<b>Dealer Managers</b>”) have entered into a dealer manager agreement with the Issuer whereby the Issuer has agreed to indemnify the Dealer Managers against certain liabilities in connection with the Exchange Offer.</p> <p>The Exchange Offer is not being underwritten.</p> <p>The commission payable to the Dealer Managers in connection with the offering of the New Securities will be up to 0.71 per cent. of the aggregate principal amount of the New Securities.</p> <p>The Dealer Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Dealer Managers or their affiliates have received or will receive customary fees and commissions.</p> <p>There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.</p>
E.7	Estimated expenses	Not applicable. The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the New Securities.

## **RISK FACTORS**

*Before making a decision whether to offer Existing Securities for exchange pursuant to the Exchange Offer, holders of Existing Securities should carefully consider all of the information in this Exchange Offer Prospectus and, in particular, the following Risk Factors.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the New Securities. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the New Securities are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the New Securities, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the New Securities for other unknown reasons, and therefore the Issuer does not represent that the statements below regarding the risks of holding the New Securities are exhaustive. Securityholders should also read the detailed information set out elsewhere in this Exchange Offer Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Prior to making a decision as to whether to participate, Securityholders should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth in this Exchange Offer Prospectus and, in particular, the following risk factors in evaluating whether to participate in the Exchange Offer. Securityholders should make such inquiries as they think appropriate regarding the terms of the Exchange Offer, the New Securities and the Issuer all without relying on the Issuer, the Dealer Managers, the Exchange Agent or any other person.*

### **Risk Factors and other Considerations in relation to the Exchange Offer**

#### **The Issuer intends to exercise the Existing Securities' Ratings Event Call**

Condition 6(e) of the terms and conditions of the Existing Securities (the “**Existing Securities Conditions**”) provides that following the occurrence of a Ratings Event the Issuer may, by giving not less than 30 nor more than 60 days' notice, redeem in whole, but not in part, the outstanding Existing Securities at 101 per cent. of their principal amount plus accrued interest and outstanding payments, if any.

The Issuer believes that it will be in a position to exercise the Ratings Event Call under Condition 6(e) of the Existing Securities after S&P formally announces that the attributable equity credit for the Existing Securities has been decreased compared to the attributable equity credit for the Existing Securities immediately prior to the change to its criteria as announced by S&P on 1 April 2013 and in line with the additional information on its global hybrid criteria published by S&P on 2 April 2013. The Issuer deems the Existing Securities to be cost-inefficient as a result of S&P's change in rating criteria, and therefore intends to exercise the Ratings Event Call post-completion of the Exchange Offer and the Retail Holdings Offer.

If a Securityholder decides not to tender its Existing Securities for exchange pursuant to the Exchange Offer or for tender pursuant to the Retail Holdings Offer, such Existing Securities held by such Securityholder will be subject to any Ratings Event Call. The proceeds the Securityholder may receive as a result of such a Ratings Event Call may be lower than the consideration that the Securityholder

would have received had it tendered its Existing Securities for exchange pursuant to the Exchange Offer.

### **Uncertainty as to the trading market for Existing Securities not exchanged if the Issuer does not exercise the Ratings Event Call**

Although the Existing Securities that are not validly offered for exchange by Securityholders or accepted by the Issuer will continue to be admitted to the Official List and to trading on the regulated market of the Luxembourg Stock Exchange, to the extent offers of Existing Securities for exchange in the Exchange Offer are accepted by the Issuer and the Exchange Offer is completed, the trading market for the relevant Existing Securities that remain outstanding following such completion may be significantly more limited. Such remaining Existing Securities may command a lower price than a comparable issue of securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Existing Securities more volatile. As a result, the market price for such Existing Securities that remain outstanding after the completion of the Exchange Offer may be adversely affected as a result of the Exchange Offer. None of the Issuer, the Dealer Managers or the Exchange Agent has any duty to make a market in any such remaining Existing Securities. However, Securityholders should note that the intention of the Issuer is to exercise the Ratings Event Call (see “The Issuer intends to exercise the Existing Securities' Ratings Event Call” above) pursuant to which any and all Existing Securities then outstanding would be redeemed at 101 per cent. of their principal amount plus accrued interest and outstanding payments, if any.

### **No obligation to accept offers to exchange**

The Issuer is not under any obligation to accept, and shall have no liability to any person for any non-acceptance of, any offer of Existing Securities for exchange pursuant to the Exchange Offer. Offers of Existing Securities for exchange may be rejected in the sole discretion of the Issuer for any reason and the Issuer is not under any obligation to Securityholders to furnish any reason or justification for refusing to accept an offer of Existing Securities for exchange. For example, offers of Existing Securities for exchange may be rejected if the Exchange Offer is terminated, if the Exchange Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

### **Responsibility for complying with the procedures of the Exchange Offer**

Holders of Existing Securities are responsible for complying with all of the procedures for offering Existing Securities for exchange. None of the Issuer, the Dealer Managers or the Exchange Agent assumes any responsibility for informing any holder of Existing Securities of irregularities with respect to such holder's participation in the Exchange Offer including any errors or other irregularities, manifest or otherwise, in any Exchange Instruction.

### **Differences between the Existing Securities and the New Securities**

There are a number of differences between the Existing Securities Conditions and the terms and conditions of the New Securities set out in “*Terms and Conditions of the New Securities*” of this Exchange Offer Prospectus (the “**New Securities Conditions**”). Securityholders who are in any doubt as to the terms of their Existing Securities and the differences compared to the terms of the New Securities are recommended to inform themselves about the terms of their Existing Securities and seek such financial and legal advice from their professional advisers prior to participating in the Exchange Offer as they deem appropriate. Securityholders should carefully review this Exchange Offer Prospectus (which includes the New Securities Conditions) in their entirety before making a decision whether to offer Existing Securities for exchange. Securityholders should also consider whether they

may be subject to high tax liabilities in respect of a holding of New Securities which are different from, or higher than, tax liabilities they would have had holding the Existing Securities.

### **Completion, termination and amendment**

Until the Issuer announces whether it has decided to accept valid offers of Existing Securities for exchange pursuant to the Exchange Offer, no assurance can be given that the Exchange Offer will be completed. This may depend upon the satisfaction or waiver of the conditions of the Exchange Offer. Existing Securities that are not successfully offered for exchange pursuant to Condition 6(e) of the Exchange Offer will remain outstanding, and subject to the Issuer's intention to exercise its right, pursuant to Condition 6(e) of the Existing Securities Conditions to redeem any such outstanding Existing Securities at 101 per cent. of their principal amount plus accrued interest to the date of such redemption and outstanding payments, if any (see “Rationale for the Exchange Offer”).

In addition, subject to applicable law and as provided in this Exchange Offer Prospectus, the Issuer may, in its sole discretion, extend, re-open, amend or terminate the Exchange Offer at any time before such announcement and may, in its sole discretion, waive any of the conditions to an Exchange Offer either before or after such announcement.

### **Exchange Instructions irrevocable**

Exchange Instructions will be irrevocable except in the limited circumstances described in “*Amendment and Termination*”. An “**Exchange Instruction**” means the electronic exchange and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Exchange Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the Expiration Deadline in order for Securityholders to be able to participate in the Exchange Offer and a “**Clearing System Notice**” means the “Deadlines and Corporate Events” or similar form of notice in respect of the Exchange Offer to be sent to Direct Participants by each of the Clearing Systems on or about the date of this Exchange Offer Prospectus informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer.

### **Compliance with offer and distribution restrictions**

Holders of Existing Securities are referred to the offer and distribution restrictions in “*Offer and Distribution Restrictions*” and the agreements, acknowledgements, representations, warranties and undertakings in “*Procedures for Participating in the Exchange Offer*”, which Securityholders will be deemed to make on submission of the Exchange Instruction. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

### **Responsibility to consult advisers**

None of the Issuer, its directors, the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee makes any recommendation to any Securityholder as to whether the Securityholder should tender its Existing Securities, or refrain from taking any action in the Exchange Offer with respect to any of such Securityholder's Existing Securities, and none of them has authorised any person to make any such recommendation.

Securityholders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Exchange Offer and an investment in the New Securities. None of the Issuer, the Dealer Managers, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee has made or will make any

assessment of the merits of the offer or of the impact of the Exchange Offer on the interests of Securityholders either as a class or as individuals. Securityholders are liable for their own taxes and have no recourse to the Issuer, the Dealer Manager, the Exchange Agent, the Existing Securities Trustee or the New Securities Trustee with respect to taxes arising in connection with the Exchange Offer.

### **Blocking of Existing Securities**

When considering whether to participate in the Exchange Offer, Securityholders should take into account that restrictions on the transfer of the Existing Securities by Securityholders will apply from the time of submission of Exchange Instructions. A Securityholder will, on submitting an Exchange Instruction, agree that its Existing Securities will be blocked in the relevant account in the relevant Clearing System from the date the relevant Exchange Instruction is submitted until the earlier of (i) in the limited circumstances in which revocation of an Exchange Instruction is permitted, the Exchange Instruction is revoked (including its automatic revocation on the termination or withdrawal of the Exchange Offer), in accordance with the terms of the Exchange Offer and (ii) the time of settlement on the Settlement Date.

### **Market value of the New Securities**

The relevant Exchange Ratio may not reflect the market value of the corresponding New Securities.

### **Payments of Processing Fees to eligible custodians or banks**

Securityholders who (i) are not EEA Qualified Investors and (ii) have instructed for the submission of a valid Exchange Instruction in respect of Existing Securities in an aggregate principal amount of no more than €250,000 should note the existence of any potential Processing Fee that may be payable to the custodian or bank through which they hold their Existing Securities (see “*Procedures for Participating in the Exchange Offer – Payment of Processing Fees by the Issuer*”) in respect of the Exchange Offer which may give rise to conflicts of interest, as such person may have an interest in the Securityholder submitting Existing Securities for exchange to receive the respective Processing Fee.

A person receiving such Processing Fee is obliged to fully disclose to its clients the existence, nature and amount of any such processing fee as required in accordance with laws and regulations applicable to such person, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) (MiFID), or as otherwise may apply in any non-EEA jurisdictions.

Securityholders should request details of any such Processing Fee from their Custodian Bank and any potential conflicts of interest before submitting any Exchange Instruction.

### **Other exchange offers, purchases or redemption of the Existing Securities**

Whether or not the Exchange Offer is completed, the Issuer may, from time to time after the Exchange Offer, to the extent permitted by applicable law, make other exchange offers or acquire Existing Securities through open-market purchases, privately negotiated transactions, tender offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the Exchange Ratio and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Exchange Offer. It is currently the Issuer's intention following the expiration of the Exchange Offer to (i) invite Eligible Retail Securityholders that have not participated in the Exchange Offer to make an offer to sell their Existing Securities to the Issuer for cash pursuant to the Retail Holdings Offer and (ii) upon completion of the Retail Holdings Offer, exercise the Ratings Event Call.

**SECURITYHOLDERS ARE ADVISED TO CHECK WITH THE BANK, SECURITIES BROKER, CLEARING SYSTEMS OR OTHER INTERMEDIARY THROUGH WHICH THEY HOLD THEIR EXISTING SECURITIES WHETHER SUCH INTERMEDIARY APPLIES DIFFERENT DEADLINES FOR ANY OF THE EVENTS SPECIFIED IN THIS EXCHANGE OFFER PROSPECTUS, AND THEN TO ALLOW FOR SUCH DEADLINES IF SUCH DEADLINES ARE PRIOR TO THE DEADLINES SET OUT IN THIS EXCHANGE OFFER PROSPECTUS.**

## **Factors that may affect the Issuer's ability to fulfil its obligations with respect to the New Securities**

### **Risks related to the Issuer's business operations**

#### *The Issuer is exposed to competition risks*

- The markets in which the Issuer operates are increasingly competitive, and as such, the Issuer is exposed to the risk of not being able to compete effectively on an on-going basis. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

#### *The Issuer is exposed to the risks of technical breakdowns and operational disruptions*

- The Issuer is exposed to risks in connection with disruptions to the Issuer's operations, which may be caused by technical breakdowns at the Issuer's power stations, wind power assets, oil and natural gas assets, distribution grids or other assets, IT-system failures, aged or defective facility components, insufficient maintenance, failed repairs, power outages, adverse weather conditions, natural disasters, labour disputes, ill-intentioned acts or other accidents or incidents. These disruptions could result in shut downs, delays or long term decommissioning in production or distribution of power, natural gas or oil. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

#### *The Issuer is exposed to risks relating to construction projects*

- The Issuer faces risks in connection with construction projects, including risks relating to capital expenditure overruns and delays arising from, among other factors, delays caused by sub-suppliers, delays in installation and transit vessels, commercial and partner-related factors, breach of contract by suppliers and sub-suppliers. Such delays can lead to obligations, including to pay liquidated damages to authorities granting the project licenses. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer has entered into partnerships under which the Issuer as operator has given certain guarantees for the construction, timing of commencement and/or operation of its projects, and the Issuer may consequently face a larger risk in connection with the construction projects than its ownership interest may imply and the Issuer may consequently not earn the expected return or incur losses on the projects. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- Due to the cracks related to the subsea structure for the Siri oil platform there is a risk of temporary or permanent shut downs of production from the area. As operator for the Siri oil field, the Issuer is working on a permanent repair of the damaged subsea structure. The repair aims to reinstate the platform structure in compliance with the Danish Offshore Safety Act. The repair is subject to risks relating to increased costs, delays and production interruptions and may

materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to completion risk and availability of certain new infrastructure assets***

- In relation to the development, construction and operation of energy producing assets, the Issuer is exposed to risks relating to the establishment and continuous availability of export transmission and its distribution grids. Furthermore, the Issuer has entered into energy sourcing and supply contracts which are conditional upon the completion of new infrastructure assets, and the Issuer will not benefit under these contracts in the event such infrastructure assets are not developed, completed or do not operate according to expectations and the Issuer may consequently not earn the expected return on related projects. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks relating to the exploration and production of oil and natural gas***

- The Issuer's exploration for, and development and production of, natural gas and oil exposes it to inherent risks and uncertainties, including but not limited to technical defects in construction, equipment and machinery, adverse weather conditions, unexpected natural phenomena, unpredictability of discoveries, production rates from reservoirs and environmental hazards. A materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to uncertainties related to the size of oil and natural gas reserves***

- The Issuer's proved plus probable (“2P”) oil and natural gas reserves set forth in this Exchange Offer Prospectus and field production expectations are only estimates and are inherently uncertain, and the actual size of deposits and production may differ materially from the Issuer's estimates and expectations and may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- Changes to the reserve estimates in relation to a unitisation of licences (the “Cluster”) in which the Issuer has an ownership interest may lead to a redetermination of the Issuer's ownership share in the Cluster, which may affect the Issuer's 2P reserves, capital expenditures and/or production in and from the Cluster and may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks in its wind power business***

- The Issuer's wind power business, including its maritime-related service business, is subject to certain risks, including the risks of technical defects in construction, equipment and machinery, serial defects, adverse weather conditions, change of subsidy schemes, business interruptions, delays and rapid technological change, against which the Issuer is not insured. A materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to sourcing and contract risks related to natural gas***

- The Issuer faces risks and uncertainties in, the replacement of expiring contracts over time, the timing and result of any renegotiation of long-term natural gas sourcing and sales contracts, and sourcing and availability of natural gas, including but not limited to the risk of incurring take-or-pay obligations. The Issuer expects to receive less natural gas through certain of its existing long-term sourcing contracts in the coming years mainly due to natural gas depletion and other reasons. The declining natural gas sourcing from long-term natural gas contracts increases the



uncertainty of the expected deliveries resulting in volume and price risk, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to capital expenditures and divestments***

- The Issuer's strategy for the future development of its business is supported by an investment portfolio, and expectations of divestments, to which it anticipates making significant net capital expenditures in the coming years. There can be no assurance that the Issuer will be able to secure the various investment opportunities or divestments on economically attractive terms or secure investment opportunities or divestments at all, or secure required permits and access to infrastructure relevant for investment opportunities or that, once secured, such opportunities will ultimately prove profitable, and this may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer makes significant long-term capital expenditures and commitments on the basis of forecasts on certain investment parameters, including prices, volumes and interest rates which may turn out to be wrong. In the event of any material deviations from such estimates the Issuer may not earn the expected return on related projects. This may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to mergers, acquisitions and disposals***

- The Issuer faces risks, including but not limited to, risks such as those relating to integration, obligations, representations and warranties in respect of mergers, acquisitions, disposals and abandonments that have been undertaken and it would also face similar risks in the future if it engages in such transactions. A materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to its alliances and partnerships***

- The Issuer may be subject to joint and several liability in connection with existing and future alliances or partnerships. Furthermore, the Issuer may be exposed to risks related to various partners having different regulatory and business frameworks that might counteract the interests of the Issuer, including but not limited to differences in tax regimes. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to assets in which it is a minority shareholder***

- The Issuer holds minority interests in a number of assets, including but not limited to the Ormen Lange field, the Gassled system and Laggan Tormore. A lack of control over such assets could result in collective strategic, tactical and operational decisions with respect to these assets that diverge from the Issuer's individual interests. Any such decisions may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to the risks of insufficient supply of fuel, materials and equipment***

- The Issuer is exposed to inflation and other risks arising from delays in or insufficient supply of fuel (for example, coal, natural gas, oil and biomass), materials and equipment that the Issuer needs for its operations, including compressors, drilling rigs, turbines, vessels and boilers. A large part of the equipment required is ordered in markets that are characterised by a high level

of activity and where competition is limited. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to weather conditions and shifts in climate***

- Seasonality and weather conditions and long-term shifts in climate, including, but not limited to, unseasonably warm weather in autumn and winter, high levels of precipitation and unexpected wind conditions, may affect both demand and market prices for the Issuer's products and the Issuer's generation levels for power and heat, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to price risk from changes in energy supplies and interconnection capacity***

- An increase in natural gas, heat, hydro balance or power supply and/or power interconnector capacity in the Nordic region and/or a lack of interconnection capacity to Western Europe could lead to a general change in market prices in one or more of the geographical areas, where the Issuer conducts its supply business. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to the availability of certain transmission, hub platforms and distribution infrastructure owned by external parties***

- The Issuer is exposed to risk related to the availability of natural gas, heat and power transmission, hub platforms and distribution infrastructure owned by external parties in order to meet its contractual supply obligations or for the transportation of the Issuer's own natural gas, heat and power production. The Issuer is also exposed to market risks, including market liquidity risk, if booked capacity with natural gas or power infrastructure operators cannot be utilised or sold at attractive prices. Furthermore, the Issuer is dependent upon the availability of infrastructure related to the storage of natural gas and processing of liquefied natural gas. An adverse materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer operates facilities and infrastructure by which it is exposed to risks related to causing significant harm to the natural and human environment***

- The Issuer operates facilities and infrastructure by which it is exposed to the risks of causing significant harm to the natural or human environment. These risks include accidents in or near, or external attacks on, such facilities and infrastructure, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to its personnel***

- Failure to recruit or retain the personnel the Issuer needs for its operations, cost inflation in relation to the recruitment or retention of such personnel, or occurrences of short- or long-term strike action among personnel may affect the Issuer's operations, productivity and other business activities including causing delays in the completion of construction projects, and consequently the Issuer may not earn the expected return on related projects. This may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to patent and proprietary technologies***

- As the Issuer develops and patents proprietary technologies within its renewable energy business, bio fuels and in other areas, it is increasingly exposed to adverse impact from competitors and other entities attempting to contest the Issuer's patents and proprietary rights prior to their expiration or using the technology "at risk" prior to a final patent decision. Any

such impact from competitors and other entities may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to decisions made by the Issuer's majority shareholder: the Kingdom of Denmark***

- The Kingdom of Denmark is the Issuer's majority shareholder and may control or otherwise influence important actions it takes, such as decisions on dividends, approval of the financial reports or amendments to the Issuer's corporate documents. Conversely, if the Kingdom of Denmark ceases to be the Issuer's majority shareholder, the Issuer may be required to sell certain of its Danish natural gas infrastructure assets and be requested to renegotiate certain loan documents. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

**Risks related to developments in macroeconomic factors, financial markets and capital structure**

***The Issuer is exposed to adverse developments in the European or global economy***

- Adverse changes in the level of economic activity, including global and regional financial crises, may lead to lower prices of and to declining demand for natural gas, heat or power, particularly as a result of reduced activity in the industry. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to currency exchange, interest rate and inflation risks***

- The Issuer conducts a significant portion of its activities with prices related to currencies other than Danish Kroner and is therefore exposed to fluctuations in currency exchange rates relative to Danish Kroner, and significant changes in the nominal interest rates and/or inflation of, amongst other currencies, U.S. dollars, Pounds Sterling, Norwegian Kroner, Euros, Polish Zloty and Swedish Kronor. Any such fluctuations and changes may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation. The Issuer's currency fluctuations risk includes any implementation by relevant governments or monetary authorities (including that of the Eurozone) of exchange controls or the break-up of relevant currencies and/or currency regimes. Any such implementation or break-up may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to market risks related to energy commodity prices, prices of CO<sub>2</sub> emission and green certificates, and fixed tariffs for renewable energy production***

- The Issuer is exposed to fluctuations in and correlation between the prices of power, certificates for the emission of carbon dioxide, coal, biomass and other fuels utilised in relation to the Issuer's power and heat generation. Any adverse correlation may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to risks from fluctuations in tariffs for renewable energy production, particular in Denmark, Germany and the United Kingdom, and the market prices of green certificates, including the Renewables Obligation Certificates in the United Kingdom market, which makes up a significant part of earnings related to the Issuer's renewable power generation. Any adverse fluctuation in such tariffs or market prices may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to risks relating to fluctuations in and between the prices of crude oil, oil products and natural gas, which relate to the Issuer's natural gas sourcing and wholesale and

retail supply business, and oil exploration and production activities. Adverse fluctuations or changes in such prices may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

- The Issuer is exposed to risks related to the ratio of natural gas spot pricing to oil indexed pricing elements as well as the complex price mechanics of the Issuer's natural gas sourcing and sales contracts which are based on complex variables including market prices for various fuels and currency exchange rates, and are subject to indexations and periodic recalculations. An adverse materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is currently in the process of renegotiating long-term natural gas purchase contracts covering several past and future delivery years, and any adverse outcome of these renegotiations may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to fluctuations in energy commodity prices and correlations with currency exchange rates***

- The Issuer's risk exposure to fluctuations in energy commodity prices and currency exchange rates is complex and the Issuer's results of operations are uncertain. In addition, movements in one energy commodity price or currency value may be significantly positively or negatively correlated at times with movements in prices of other energy commodities or currencies that are important to the Issuer, whereas at other times there will be no significant positive or negative correlations. The size of the Issuer's energy price exposure is subject to uncertainty, due to, among other factors, uncertainty related to production volumes and special contractual risks, including flexibility in natural gas purchases or renegotiation clauses. Any adverse development of these fluctuations, correlations and magnitude of the energy price exposure may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to financing, liquidity and rating risks***

- The Issuer is exposed to the risk of not succeeding with its announced plan to raise additional equity in 2013. If the Issuer does not succeed with the announced plan this may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer's ability to secure financing through the credit or capital markets may be materially adversely affected by, among other factors, global or regional financial crisis, affecting a particular geographic region, industry or economic sector or by downgrades or potential downgrades of the Issuer's credit rating. For these or other reasons, the cost of financing may be significantly increased or, if sufficient financing proves to be unavailable even at unattractive terms, the Issuer may not be able to raise liquidity required to finance its business activities. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

**Risks related to risk management and legal proceedings**

***The Issuer is exposed to the risk of ineffective management of market, credit and operational risks***

- The Issuer is exposed to the risk of not effectively managing its exposure to energy commodity, currency exchange, interest rate, counterparty risks and operational risks, including fraud mitigation and initiatives to prevent negligence. Any ineffective managing of these exposures may materially and adversely affect the Issuer's operations or financial condition and cause

harm to the Issuer's reputation. Notwithstanding anything in these risk factors, these risk factors should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities listed on the Official List.

***The Issuer is exposed to risks related to energy commodity trading***

- The Issuer is exposed to risks in relation to its trading activities, which mainly cover hedging of energy commodities price and currency exchange rate fluctuations but also include some proprietary trading, including situations where the hedging in place, which in some cases may be based on expected high correlations between different types of energy commodities, proves not to be efficient or suffers from illiquidity or inefficiencies in the relevant markets. Hedging activities may in some cases be based on assumptions about future prices, indices and volumes which may be wrong and cause inefficient commodity and currency hedges. Furthermore, if the Issuer's risk management systems and procedures do not adequately capture the risk exposure from these activities or if the IT systems, including valuation and pricing models, and contingency procedures that support these activities break down or are inadequate, the Issuer may be further exposed to trading activities risks. Potentially, this may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to the risks related to not being insured against all potential losses***

- The Issuer is not insured against all potential losses, being self-insured, including political risks and business interruption and with losses related to pollution liability and pollution clean-up obligations restricted by insurance coverage currently available on the commercial market. Such potential losses are applicable during both operations and for construction projects. As a consequence, the Issuer could be seriously harmed by accidents, operational catastrophes or external attacks, and this may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to counterparty credit risks***

- The Issuer is dependent on the creditworthiness of counterparties in relation to its suppliers, partners, as well as trading activities and bilateral sales of energy commodities and is exposed to risks relating to counterparties fulfilling all payment obligations and/or collateral requirements. Furthermore, the Issuer is exposed to risks related to failures to have adequate credit risk management systems and procedures, including risks of inaccurate assumptions related to exposure calculations and the Issuer's and counterparties legal positions. These risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to litigation and arbitration proceedings***

- The Issuer is exposed to risks related to litigation and arbitration proceedings in which the Issuer is involved with and will remain exposed to such liability in the future, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

**Risks related to laws and regulation**

***The Issuer is exposed to national, EU and other international regulatory risks***

- The Issuer has been, is, and will continue to be subject to a number of EU, international and national laws and regulations including financial regulations on regulated activities, particularly natural gas and power supply and subsidy schemes and changes to such regulations and subsidy schemes, including changes in subsidy schemes resulting from government budgetary

constraints and other economic factors, and as such any adverse changes of these laws and regulations may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

- A permanent or temporary reduction in carbon allowances under the EU Emissions Trading Scheme, as is being considered by EU policymakers, could both reduce the number of the Issuer's allowances and could lead to higher carbon allowances prices, which if not fully offset against increasing power prices, may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer has also been, is, and will continue to be subject to competition and other regulatory investigations and decisions by EU, Danish and other national competition authorities and energy regulatory authorities (for example, for alleged abuse of a dominant position or for application of tariffs which allegedly are too high), and this may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer may incur material costs in order to comply with, or as a result of, health, safety, and environmental laws and other related national and EU regulations, in particular those relating to the release of carbon dioxide and other emissions as well as future oil and natural gas exploration and production. Any such costs may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to changes or implementation of financial regulation in the markets of which the Issuer operates, including but not limited to regulations such as Regulation on Wholesale Energy Market Integrity and Transparency (REMIT), European Market Infrastructure Regulation (EMIR) and Markets in Financial Instrument Directive (MiFID). Any adverse changes in such regulation may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to changes in tax and accounting laws and standards***

- The Issuer is exposed to adverse changes in the tax regimes in each jurisdiction in which it operates and, for some long term contracts, the Issuer might bear the risk of any adverse changes to the tax regime for the counterpart related to the contract. Any such changes may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to changes in or interpretation of accounting principles and to the risk of asset impairment if the assumed interest rate applied in impairment tests increase or forecast cash flow decline. This may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to changing methodology by rating agencies***

- The Issuer is exposed to changes in the rating methodologies applied by rating agencies, including changes related to (i) the equity content of individual outstanding hybrid capital securities and the ability of structures to attract a certain level of equity credit, (ii) application of rating uplift for government support, (iii) assessment of criteria for business risk and financial leverage, and (iv) consolidation principles and adjustment practises to key credit metrics applied by the rating agencies. Any adverse changes of such methodologies and practises may materially and adversely affect Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect Issuer's capital market standing.

**Factors which are material for the purpose of assessing the market risks associated with the New Securities**

***Factors which are material for the purpose of assessing the suitability of the New Securities as an investment***

*The New Securities may not be a suitable investment for all investors*

Each potential investor in the New Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the New Securities, the merits and risks of investing in the New Securities and the information contained or incorporated by reference in this Exchange Offer Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Securities and the impact the New Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Securities, including where the potential investor's currency is not the euro;
- (d) understand thoroughly the terms of the New Securities and be familiar with the behaviour of the relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The New Securities are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in New Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the New Securities will perform under changing conditions, the resulting effects on the value of the New Securities and the impact this investment will have on the potential investor's overall investment portfolio.

***Risks related to the structure of the New Securities***

*The New Securities are subordinated obligations*

The New Securities will be subordinated obligations of the Issuer and the New Securities will rank *pari passu* with each other in a winding-up of the Issuer. Upon the occurrence of any winding-up of the Issuer, payments on the New Securities will be subordinated in right of payment to the prior payment in full of all creditors of the Issuer, except for payments in respect of any Parity Securities or Issuer Shares. The obligations of the Issuer under the New Securities are intended to be senior only to its obligations to the holders of the ordinary shares in the capital of the Issuer.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of events that are not reflected in the financial statements of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up of the Issuer, will need to be paid in full before the obligations under the New Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the New Securities will lose all or some of his investment should the Issuer become insolvent.

#### *Fixed Rate Securities*

The New Securities bear interest at a fixed rate until the First Step-up Date (with a reset of the initial fixed rate on every Reset Date as set out in the Conditions).

A holder of a fixed interest rate security is exposed to the risk that the price of such security may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (the “market interest rate”) typically changes on a daily basis. As the market interest rate changes, the price of such security tends to change in the opposite direction (barring other factors influencing the price). If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. Securityholders should be aware that during the period in which the New Securities bear interest at a fixed rate movements of the market interest rate can adversely affect the price of the New Securities and can lead to losses for the Securityholders if they sell New Securities while the market interest rate exceeds the fixed interest rate of the New Securities.

#### *Optional Deferral of Interest Payments*

The Issuer may elect to defer any coupon payment payable for any period of time. Payment of such deferred interest payments (Deferred Payments, as defined in the Conditions) may be subject to certain conditions.

Any such deferral of interest will not constitute a default for any purpose. Any deferral of interest payments will likely have an adverse effect on the market price of the New Securities. In addition, as a result of the interest deferral provision of the New Securities, the market price of the New Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Issuer's financial condition.

#### *The Issuer's financial policy*

In case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access to the fixed income markets, to take such action, which may include but is not restricted to the following:

- (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and
- (ii) not to, and procure that no subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer.

Please note that this intention does not form part of the New Securities Conditions and is therefore not binding on the Issuer.

#### *The New Securities are long-dated securities*

The New Securities will mature on the Coupon Payment Date falling on or nearest to the Maturity Date. The Issuer is under no obligation to redeem or repurchase the New Securities prior to such date, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the New Securities and the New Securities will only become due and payable in certain



circumstances relating to payment default and a liquidation of the Issuer (see Condition 9). Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

#### *Early redemption risk*

The Issuer may redeem the New Securities, subject as provided in Condition 6(b), in whole but not in part, (i) on the First Par Call Date or on any Coupon Payment Date thereafter, at their principal amount together with any accrued interest in respect of the immediately preceding Coupon Period, and (ii) on every Coupon Payment Date falling on 26 June 2018, 26 June 2019, 26 June 2020, 26 June 2021 and 26 June 2022, at the higher of (A) their principal amount together with interest accrued to (but excluding) the relevant Coupon Payment Date and any Outstanding Payments or (B) the Make-whole Amount and any Outstanding Payments. In addition, upon the occurrence of certain other specified events (as more fully described in Conditions 6(c), (d), (e) and (f)), the Issuer shall have the option to redeem the New Securities at the prices set out in the Conditions, in each case together with any accrued interest to the redemption date and any Outstanding Payments.

During any period when the Issuer may elect to redeem the New Securities, the market value of the New Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the New Securities when its cost of borrowing, generally or in respect of instruments which provide similar benefits to the Issuer, is lower than the interest payable on the New Securities. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the New Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Restrictions regarding redemption and repurchase of the New Securities*

Unless the issuer credit rating assigned by S&P to the Issuer is at least 'BBB+' (or such similar nomenclature then used by S&P) and the Issuer is comfortable that such rating would not fall below this level as a result of such redemption or repurchase the Issuer intends (without thereby assuming a legal obligation), during the period from (and including) the issue date of the New Securities to (but excluding) the Second Step-up Date, in the event of:

- (i) an early redemption of the New Securities pursuant to Conditions 6(b), (c), (d), (e) or (f) of the Terms and Conditions of the New Securities, or
- (ii) a repurchase of the New Securities pursuant to Condition 6(h) of the Terms and Conditions of the New Securities of more than (x) 10 per cent. of the aggregate principal amount of the New Securities originally issued in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the New Securities originally issued in any period of 10 consecutive years,

if the New Securities are assigned an "equity credit" (or such similar nomenclature then used by S&P) by S&P at the time of such redemption or repurchase, that it will redeem or repurchase New Securities only to the extent the aggregate principal amount of the New Securities to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any of its subsidiaries during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P, at the time of sale or issuance, an "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the equity credit assigned to the New Securities to be redeemed or repurchased at the time of their issuance (but taking into account any

changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the New Securities).

Terms used but not defined in the preceding sentence shall have the meaning set out in the New Securities Conditions.

*No limitation on issuing senior or pari passu securities*

There is no restriction on the amount of securities or other liabilities which the Issuer may issue, guarantee or incur and which rank senior to, or *pari passu* with, the New Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the New Securities.

*Securityholders will lose their rights to Outstanding Payments on the Maturity Date*

If not redeemed or purchased and cancelled earlier, the New Securities will be redeemed on the Maturity Date at their principal amount, together with accrued but unpaid interest for the immediately preceding Coupon Period ending on (but excluding) the Maturity Date. Any Outstanding Payments will automatically be cancelled on the Maturity Date. Consequently, if the New Securities are not redeemed until the Maturity Date, Securityholders will lose all rights and claims in respect of Outstanding Payments at that date.

*Securityholders have no voting rights*

The New Securities are non-voting with respect to general meetings of the Issuer. Consequently, the holders of the New Securities cannot influence, *inter alia*, any decisions by the Issuer to defer payments of Coupons or to optionally settle Outstanding Payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

*Events of Default and Limited Remedies*

The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any Securityholder for recovery of amounts which have become due in respect of the New Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up and/or claiming in the liquidation of the Issuer.

*Modification, waivers and substitution*

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who do not attend and vote at the relevant meeting and Securityholders who vote in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of the Securityholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the New Securities or (ii) the substitution of another company as principal debtor under the Trust Deed and the New Securities in place of the Issuer, in each case in the circumstances described in Conditions 12(b) and (c).

***Risks related to the market generally***

*Legal considerations may restrict certain investments*

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether the New

Securities are a lawful investment for it, and the regulatory implications for it of making such an investment.

#### *EU Savings Tax Directive*

Under measures implemented in order to comply with European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of other Member States details of payments of interest (or similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other Member State. Austria and Luxembourg will instead apply a withholding system for a transitional period (subject to a procedure whereby on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during that period they elect otherwise. The European Commission has proposed certain amendments to the Savings Directive which may (if implemented) amend or broaden the scope of the requirements described above.

If a payment to an individual were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 till 27 November 2000, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer will be required (save as provided in the Conditions) to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

#### *Change of law*

Except for Condition 2, which is governed by, and construed in accordance with, the laws of the Kingdom of Denmark) the Conditions of the New Securities are based on English law in effect as at the date of issue of the New Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws of the Kingdom of Denmark or the administrative practice in either jurisdiction after the date of issue of the New Securities.

#### *Exchange rate risk and exchange controls*

The Issuer will pay principal and interest on the New Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currencies (the “**Investor's Currency**”) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (a) the Investor's Currency equivalent yield on the New Securities, (b) the Investor's Currency equivalent value of the principal payable on the New Securities and (c) the Investor's Currency equivalent market value of the New Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Absence of prior public markets*

The New Securities constitute a new issue of securities by the Issuer. Prior to such issue, there will have been no public market for the New Securities. Although applications have been made for the New Securities to be listed, there can be no assurance that an active public market for the New Securities will develop and, if such a market were to develop, neither the Dealer Managers nor any other person is under any obligation to maintain such a market. The liquidity and the market prices for the New Securities can be expected to vary with changes in market and economic conditions, the financial

condition and prospects of the Issuer and the Group and other factors that generally influence the market prices of securities. Illiquidity may have an adverse effect on the market value of the New Securities.

*Global Securities will be held on behalf of Euroclear or Clearstream, Luxembourg*

As the Global Securities will be held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Global Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Security, investors will not be entitled to receive Definitive Securities. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Securities. While the New Securities are represented by one or more Global Securities, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While the New Securities are represented by one or more Global Securities, the Issuer will discharge its payment obligations under such Securities by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of an interest in a Global Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the New Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Securities.

Holders of interests in the Global Securities will not have a direct right to vote in respect of the New Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

*Credit ratings may not reflect all risks*

The New Securities are expected to be assigned a rating of Moody's S&P and Fitch. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the New Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant organisation. The relationship between ratings assigned to the Issuer's senior securities and the ratings assigned to the New Securities (sometimes called "notching") is based on the current practice of the rating agencies.

## DONG ENERGY A/S

### Information about the Issuer

The Issuer is a limited liability company incorporated in Denmark under Danish law and centrally registered with the Danish Business Authority (*Erhvervsstyrelsen*), in Copenhagen under CVR no. 36 21 37 28. The principal registered office of the Issuer is located at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark, and the telephone number of the Issuer is +45 99 55 11 11.

The share capital of the Issuer is DKK 2,937,099,000 and is divided into shares of DKK 10 each or multiples thereof. The issued share capital is fully paid-up. There are no other classes of shares besides the ordinary shares. There are no non-voting shares.

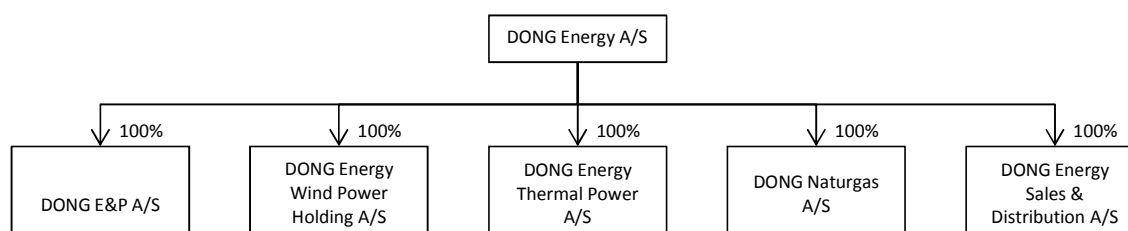
According to Article 3 of the Issuer's Articles of Association, the corporate purpose of the Issuer is to carry on business in the energy sector and activities related thereto.

### Major Shareholders

As at the date of this Exchange Offer Prospectus, the Kingdom of Denmark holds a 79.96 per cent. owner interest in the Issuer. The remaining 20.04 per cent. owner interest in the Issuer is held by Danish municipal and consumer owned power distribution companies. The Kingdom of Denmark exercises its shareholder rights through the Danish Ministry of Finance. The shares owned by the Kingdom of Denmark have the same voting rights as all other shares in the Issuer. The Danish Companies Act provides the minority shareholders with certain minority protection rights, including that no resolutions shall be passed at the general meeting of shareholders which are clearly likely to confer upon certain shareholders an undue advantage over other shareholders of the Issuer.

### Organisational Structure of the Issuer

The Issuer serves as a holding company, with all primary business activities conducted through its subsidiaries. The chart below illustrates the relationship of the Issuer with its principal subsidiaries (all of which are wholly owned by the Issuer):



### Business Overview

The Issuer was founded as Dansk Naturgas A/S by the Kingdom of Denmark on 27 March 1972, as a vehicle for the development of Danish energy activities. On 19 April 2006, the Issuer changed its name from DONG A/S to its current name, DONG Energy A/S, to reflect the Issuer's position as an integrated energy company.

Today, the Issuer is an integrated energy company with leading market positions in Denmark as well as significant positions in other key North West European markets. The Issuer carries out its business activities through five operating segments, referred to as “Exploration & Production”, “Wind Power”, “Thermal Power”, “Energy Markets” and “Sales & Distribution”. With effect from 1 May 2013, the Issuer has decided to combine the business units Energy Markets and Sales & Distribution in an integrated business unit under the name Customers & Markets. The Issuer will report in accordance with the new corporate structure in connection with its interim financial statements for the first half of 2013.

The principal activities include (i) development and construction of, and generation of power and heat through, thermal generation assets and offshore wind farms, (ii) exploration for, development of fields with and production of, oil and natural gas, (iii) distribution of power and gas, (iv) gas and power wholesale activities, with a particular focus on the sourcing and sale of gas, (v) sale of gas and power to end-customers, and (vi) ownership and operation of certain infrastructure assets, including offshore gas and oil transmission pipelines and gas storage facilities in Denmark and Germany.

Following the acquisition of a number of Danish power generation and utility companies in 2006 and the further development of its domestic power and heat generation business, the Issuer has been, and still is, Denmark's largest generator of power and heat for district heating<sup>8</sup>, a world-wide leader within offshore wind power generation and one of the largest sellers and distributors of power and natural gas in Denmark, with additional activities in Norway, Sweden, the Netherlands, the United Kingdom, Germany, Poland and France.

The Issuer has also strengthened its oil and natural gas exploration and production business over the last decade by transforming it from its historic position as the vehicle for the Kingdom of Denmark's state participation in Danish exploration licences into a broader Northern European-focused exploration and production business with an on-going expansion of its portfolio of licences, exploration, production and operating activities.

Reflecting the global emphasis on climate change, security of supply and the supportive fiscal regimes offered to support renewable energy investments, the Issuer has expanded its low carbon and renewable power and heat producing activities significantly and plans to continue this development in the future. This further development of low carbon initiatives, includes the continued conversion of power and heat generation at central power stations from coal to environmentally sustainable biomass.

At the end of 2012, the Issuer employed approximately 7,000 full-time equivalent employees throughout the Group.

<b>Summary of Key Operating Data</b>				
	<u>2011</u>	<u>2012</u>	<u>First 3 months, 2012</u>	<u>First 3 months, 2013</u>
<b>Power and heat production (year):</b>				
Power generation (TWh) .....	20.4	16.1	5.1	6.1
Heat production (PJ).....	42.6	42.5	18.4	19.9
Renewables share of power generation (per cent.).....	22	29	25	24
<b>Net oil and gas production (year):</b>				
Oil (mmbbl) <sup>(1)</sup> .....	9.3	10.0	2.3	2.6
Gas (mmboe) <sup>(1)</sup> .....	17.1	18.5	4.5	4.2
Total (mmboe) <sup>(1)</sup> .....	26.4	28.5	6.8	6.8
Volume of power distribution (TWh) .....	8.8	8.7	2.4	2.4
Volume of gas distribution (TWh).....	9.9	9.1	3.6	3.9
Volume of gas sales (TWh) <sup>(2)</sup> .....	113.7	135.6	36.9	36.5
Volume of power sales (TWh).....	9.9	12.6	3.6	4.1
Total 2P oil and gas reserves (mmboe) <sup>(3)</sup> .....	446	454	na	Na

Notes:

- (1) Gas converted into barrels of oil equivalent (boe) at 150.622 cubic metres (cm) per boe. Figures have been rounded.
- (2) The data exclude internal gas sales to Thermal Power covering consumption relating to power generation in Denmark.
- (3) The figures shown are the Issuer's estimates of its proved plus probable (2P) reserves. In estimating the reserves in the

<sup>8</sup> Source: The Danish Energy Agency.

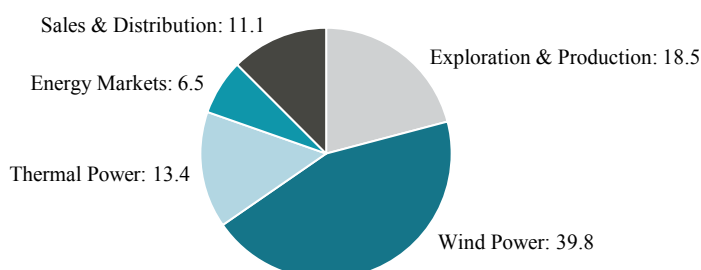
licences in which the Issuer holds interests, it has followed international standards promulgated by the Society of Petroleum Engineers (“SPE”) and the World Petroleum Congress (“WPC”) in March 1997 and later supplemented (with the American Association of Petroleum Geologists (“AAPG”)) in 2000, 2001 and 2005, as well as in 2007 when the SPE, WPC, AAPG and the Society of Petroleum Evaluation Engineers approved and promulgated revised standards (the Petroleum Resources Management System).

<b>Statement of Comprehensive Income<sup>1</sup></b>				
	<u>2011<sup>2</sup></u>	<u>2012<sup>3</sup></u>	<u>First 3 months, 2012<sup>3</sup></u>	<u>First 3 months, 2013<sup>3</sup></u>
	<i>(DKK million)</i>		<i>(DKK million)</i>	
<b>Revenue:</b> .....	<b>56,842</b>	<b>67,179</b>	<b>19,896</b>	<b>21,449</b>
Exploration & Production.....	10,469	11,871	2,767	2,865
Wind Power.....	4,312	7,737	1,587	3,246
Thermal Power.....	10,665	8,954	3,027	3,178
Energy Markets.....	33,689	41,416	13,018	12,897
Sales & Distribution.....	13,009	17,061	4,455	5,915
Other activities (including eliminations).....	(15,302)	(19,861)	(4,958)	(6,652)
<b>EBITDA:</b> .....	<b>13,770</b>	<b>8,639</b>	<b>3,564</b>	<b>4,627</b>
Exploration & Production.....	5,684	6,550	1,643	2,014
Wind Power.....	1,799	2,479	578	1,239
Thermal Power.....	2,255	2,058	676	693
Energy Markets.....	1,963	(4,570)	(148)	(99)
Sales & Distribution.....	2,027	2,124	769	754
Other activities (including eliminations).....	42	(2)	46	26
EBITDA adjusted for hydrocarbon tax.....	12,254	6,866	3,003	4,015
EBIT.....	6,100	(3,324)	1,597	2,351
Profit (loss) for the period.....	2,882	(4,021)	2,257	474

Notes:

- (1) Unless otherwise stated all figures relate to business performance.
- (2) Source: DONG Energy Annual Report 2011.
- (3) Source: DONG Energy Interim Financial Report Q1 2013.

### Capital employed (DKK bn)



Note: As at 31 March 2013

### Strategy

The Issuer is engaged in a long-term transformation of its operations. Energy Markets and Thermal Power, which historically have provided a significant part of the Group's income, have been under pressure in recent years mainly as a result of structural changes in the European energy market. The

Issuer's strategy is therefore to concentrate the focus on developing the business areas Wind Power and Exploration & Production with the aim to create a robust and expanding platform for the Group's activities. The objective is to further develop the Issuer from a predominantly Danish utility into a Northern European energy group with the expertise and financial capacity to develop the energy system in a green direction while still contributing to a high degree of security of supply and a competitive return on capital employed.

The Issuer's strategy for the years up to 2020 is to continue this transformation of the business by continuing to enhance the focus on the following four areas:

- (1) offshore wind, where the Issuer is currently the global market leader;
- (2) oil and gas exploration and production, where the Group has strong expertise in North West Europe;
- (3) efficient, flexible and biomass-based power station operation, where the Issuer is among the leaders in Europe; and
- (4) smart and energy-efficient customer solutions that provide high customer satisfaction.

Investments in the further development of offshore wind and oil and gas production will be the Issuer's key growth drivers and make up approximately 90 per cent. of the expected overall capital expenditure.

Within its areas of expertise in renewable production technologies – offshore wind and biomass – the Issuer will strive to be among the European leaders, while in the Exploration & Production business area the Issuer intends to further strengthen its regional market position. The Issuer's investments will remain concentrated in Denmark, the United Kingdom, Norway and Germany, with France as a possible new market. The Issuer's Danish and international energy supply business will also be an important part of the Issuer's future business. The Issuer's aim is to offer efficient and smart solutions that will reduce the energy consumption and increase the competitiveness of business customers and will enable residential customers to live a modern, environment-conscious life.

The on-going focusing of the Issuer's business means that the Issuer will limit further new commitments in non-core assets such as waste-based power stations, gas-fired power stations, LNG, gas storage facilities, hydro power, electric cars or onshore wind.

### **Trends in the Industry and of the Issuer**

In recent years, the European utility sector has been working under difficult market conditions. The financial and bank debt crises that erupted in 2008 and the following Eurozone sovereign debt crises continue to depress economic activity in most European countries resulting in weak demand for natural gas and power.

In relation to natural gas and oil exploration and production activities the costs per produced barrel is generally on an increasing trend due to the higher production costs of the marginal production from existing mature fields, higher costs from application of new production technologies and the more marginal new finds in mature geographical areas driving oil and gas exploration and production activities to more challenging and costly frontier areas and deeper waters. Furthermore, the increased activity in the industry due to a relatively high oil price have led to a tight supply of equipment and resulting in increased costs and scarcity of competent human resources at the oil and gas companies and key suppliers to the industry.

The market for offshore wind is expected to continue its growth backed by political support for a transformation of the energy system towards more sustainable energy production. Supportive regimes are in place today, however changes in the regulatory framework and consequent subsidy reduction in leading offshore markets could be expected as cost effectiveness in the industry increases. Going



forward, sites will be located further from shore and in deeper waters. This requires significant investments in new technology solutions for deep water foundations, power connections and new logistics solutions for park maintenance.

The trend in the domestic Danish thermal power business is directed towards a continuing conversion of coal based thermal power and heat production to a dual coal and biomass fuel basis. This development is driven by both political and industry ambitions to reduce CO<sub>2</sub> emission. Furthermore, the role of the domestic thermal power capacity is shifting from providing base and peak load towards providing a flexible and efficient thermal power generation base to accommodate the increasing penetration of renewable energy with volatile supply patterns such as wind and solar and to continue to ensure security of supply in general.

Reduced demand in the European power markets in combination with low coal and CO<sub>2</sub> certificate prices have caused the environmentally more favourable gas fuelled power generation to rank among the high marginal cost generation technologies, thereby often leaving these gas fuelled power plants uncompetitive relative to less environmental friendly coal and lignite fuel plants.

Furthermore, the European utility sector is struggling with negative price differentials between long term gas procurement contracts linked to oil price and wholesale sales price, which historically have been linked to the hub-gas prices. Renegotiations of the terms on long term gas procurement contracts are expected to mitigate this structural problem in the short to medium term.

The trend in the domestic Danish energy supply and distribution business is directed towards a continuing pressure from the regulator to increase cost efficiency in regulated distribution activities, and a political and commercially driven strive for higher energy efficiency and reduction of energy consumption in industries, businesses, the public sector and in the private households alike.

These trends have and are expected to continue to influence the Issuer's business activities. In 2012, the Issuer made significant provisions on its gas storage and liquid natural gas ("LNG") capacity contracts and impairment charges on gas-fired generation assets in relation to the adverse conditions in the gas market. As a result of unsatisfactory financial results for 2012, the Issuer has put in place an extensive financial action plan to restore a robust financial platform for the Issuer's continued growth and strategic transformation. The plan includes (i) planned divestments of 10 billion Danish Kroner of non-core assets, (ii) farm downs of selected core assets, (iii) reduce costs by 1.2 billion Danish Kroner with full effect in 2013, (iv) restructure Energy Markets, and (v) a process for seeking additional equity capital from new and existing shareholders.

## **Exploration & Production**

Exploration & Production explores for, develops fields and produces oil and natural gas in Denmark, Norway, the United Kingdom, the Faroe Islands and Greenland. Currently, the Issuer's production of oil and natural gas takes place at 13 fields in Denmark and Norway. The Issuer also has a stake in the overall natural gas pipeline network (Gassled) connecting the Norwegian fields with the European continent and the United Kingdom.

### ***Exploration & Production's main strategy***

The Issuer's main strategic priorities within Exploration & Production include:

- to optimise production at existing fields, partly via satellite development;
- to develop new production from fields, including Hejre (Denmark) and West of Shetland (United Kingdom);
- to escalate investments in exploration to secure long-term reserves; and
- to complete the repair work to the Siri platform.

The strategic targets of the business are (i) to have a production by 2020 of 150,000 boe per day (2012: 78,000 boe per day) and (ii) to sustain a reserves-to-production (R/P) ratio above 10 (2012: 15 years).

### ***Major projects and activities in operation***

*Reserves:* The Issuer's 2P (proved plus probable) oil and natural gas reserves amounted to 454 million boe (barrels of oil equivalent) as at the end of 2012 compared to 446 million boe as at the end of 2011. The lifespan (R/P) of oil and natural gas reserves was 15 years (calculated as 2P reserves at end-2012 to production in 2012), with a strategic goal to sustain a level of 10 years through 2020.

*Production:* Oil and Natural gas production totalled 28.5 million boe in 2012 compared with 26.4 million boe in 2011. Natural gas accounted for 18.5 million boe compared with 17.1 million boe in 2011. 82 per cent. of the total oil and natural gas production came from Norway with the Ormen Lange field as the primary contributor and 18 per cent. from Denmark.

Based on decided investment projects in Denmark and West of Shetland in the United Kingdom, the Issuer expects that its production of oil and natural gas in 2016 will be significantly higher than in 2012. Production from Laggan-Tormore gas fields in the West of Shetland area where first gas is expected at the end of 2014, and the Hejre field in Denmark, where first oil is expected at the end of 2015, will make a sizeable contribution to this increase. In connection with both Laggan-Tormore and Hejre, the Issuer is participating in the construction of pipelines and onshore facilities that will open the possibility of production from other discoveries in these areas in which the Issuer also has ownership interests.

In addition, the Issuer has made initiatives for maintaining production from its other fields, including new production wells in a number of existing fields, investments in compression at the Ormen Lange field and the significant repair work to the Siri platform, which is the production centre for the satellites in the area.

### ***Recent developments***

In 2012, the Issuer was awarded five new exploration licences in Norway and eight new exploration licences in United Kingdom. Also in 2012, the Issuer was awarded one exploration license close to the oil producing Nini field in Denmark. The Svane licence in Denmark expired on 1 January 2013 and was relinquished by the Issuer.

In June 2013, it was announced that DONG Energy's unit interest has increased in one of its major assets, the Norwegian gas field Ormen Lange, from around 10.3% to around 14%. DONG Energy's increase in unit interest is based on an agreed redetermination process initiated by the Ormen Lange partners and concluded in June 2013 in form of an independent external expert ruling. DONG Energy's higher unit interest is expected to take effect as of 1 July 2013. DONG Energy will as a consequence of the higher unit interest receive additional volumes and be charged a higher share of investments regarding previous. This catch up effect will mainly affect 2013-2015.

Ormen Lange is a unitised field governed by three production licenses. The purpose of the redetermination process carried out, has been to review and, where relevant, revise and re-allocate each Ormen Lange partner's equity share and capex in the Ormen Lange unit in accordance with reservoir performance and updates after the field came in production in 2007.

### **Wind Power**

Through its business unit Wind Power, the Issuer is currently the market leader within offshore wind power in Europe<sup>9</sup>. Offshore wind farms continue to be a strategic priority and the Issuer is currently engaged in developing, constructing, operating and maintaining offshore wind farms in Denmark, the

---

<sup>9</sup> Source: European Wind Energy Association ([www.ewea.org](http://www.ewea.org)).

United Kingdom, Germany and France. In addition, the Issuer is also involved in operating onshore wind farms in Denmark, Poland<sup>10</sup>, Sweden, Norway and France.

### ***Wind Power's main strategy***

The Issuer's main strategic priorities within Wind Power include:

- to improve efficiency of and standardise the construction and operation of offshore wind farms;
- to mature and build a strong pipeline of new wind projects;
- to reduce cost of energy via industrialisation of the value chain and technological development; and
- to further develop industrial and financial partnerships.

The strategic targets of the business area include (i) to have installed gross capacity of 6.5 GW by 2020 (2012: 1.7 GW) and (ii) drive the cost-of-energy<sup>11</sup> below EUR 100 per MWh in 2020 (2012: Offtake price EUR 160 per MWh).

### ***Major projects and activities in operation***

At the end of 2012, the Issuer had an installed offshore wind capacity of 1.7 GW in total, of which the Issuer owned 1.2 GW. In order to maintain its leading position in the market, the Issuer considers it important to have a robust and balanced pipeline of offshore wind projects and to construct, operate and maintain a portfolio of wind farms efficiently.

In addition, the Issuer owned 321 MW of onshore capacity and a minority share of 206 MW of hydroelectric capacity in Sweden as at the end of 2012.

During 2012, power generation from wind turbines amounted to 3,728 GWh and power generation from hydropower plants amounted to 909 GWh.

In 2012, the Issuer entered into a major new framework agreement with Siemens to buy 300 of the newly-developed 6 MW offshore wind turbines.

In parallel with the development of wind farms, the Issuer will continue to enter into partnerships with industrial and financial players to secure co-funding for its projects and diversify its risks. The Issuer has successfully applied this partnership model, divesting ownership interests to long-term industrial and financial investors.

The Issuer owns 51 per cent. of the company A2SEA A/S (“**A2SEA**”), which directly or through its subsidiaries owns and operates vessels that have been optimised to install offshore wind turbines, cable laying and related maritime services.

The Issuer expects that three new offshore wind farms will become fully operational in 2013 - Anholt in Denmark and London Array 1 and Lincs in the United Kingdom. These three farms are designed to have a total capacity of 1.3 GW (equivalent to the annual power consumption of 1.1 million households), of which the Issuer's ownership represents 583 MW. A demonstration project at Gunfleet Sands 3 using two Siemens 6 MW turbines is also expected to become operational in 2013.

Furthermore, by the end of 2012, the Issuer had decided to construct the offshore wind farms at West of Duddon Sands in the United Kingdom and Borkum Riffgrund 1 in Germany. The Issuer owns 50 per

---

<sup>10</sup> On 19 February 2013, the Issuer signed an agreement with two Polish utility companies under which the two Polish companies will acquire the Issuer's Polish onshore wind business: see "*Wind Power – Recent Developments*".

<sup>11</sup> Average cost measured as present value per megawatt hour (MWh) generated from offshore wind power covering costs for development and construction as well as subsequent operation and maintenance of the wind farm. The target for 2020 relates to a generic project in the United Kingdom with FID (Final Investment Decision) in 2020.

cent. of each of these wind farms, which have a combined gross capacity of 0.7 GW and are expected to commence production in 2014 in the case of West of Duddon Sands and 2015 in the case of Borkum Riffgrund 1.

### ***Recent developments***

From the start of 2013, A2SEA's Sea Installer vessel has commenced installation at the Issuer's offshore wind farms, and in 2014 it is expected to be joined by another vessel currently under construction, Sea Challenger taking A2SEA's fleet to six vessels.

In January 2013, the Issuer decided to construct the offshore wind farm, Westermøst Røgh in the United Kingdom. The wind farm is expected to consist of 35 turbines with a total capacity of 210 MW and will be the first large scale project with the new Siemens 6 MW turbine.

In February 2013, the Issuer signed an agreement with two Polish utility companies under which they will acquire the Issuer's Polish onshore wind business, including three wind farms with an installed capacity of 112MW. The transaction has been approved by the relevant competition authorities.

### **Thermal Power**

Thermal Power produces and sells power, heat and ancillary services. Thermal Power's production takes place at the Issuer's eleven central thermal power plants in Denmark, three waste-to-energy thermal power stations in Denmark and three gas-fired power plants outside Denmark: Enecogen (50 per cent. ownership) in the Netherlands, Severn in the United Kingdom and Mongstad in Norway. In addition, Thermal Power is commercialising three new bio-refining technologies: Inbicon, REnescience and Pyroneer.

### ***Thermal Power's main strategy***

The Issuer's main Thermal Power strategic priorities include:

- to develop a position as one of Europe's most efficient power station businesses;
- to convert Danish power stations from being coal fired to biomass;
- to provide flexible back-up capacity to the Danish energy system; and
- to commercialise new, innovative biotechnologies such as Inbicon, REnescience and Pyroneer.

A strategic target of this business area is to obtain a green domestic thermal production level of 50 per cent. by 2020 (2012: 21 per cent.).

### ***Major projects and activities in operation***

The Issuer's thermal power generation portfolio accounts for 48 per cent. of the available thermal power production capacity in Denmark. The power plants are fuelled by coal, natural gas, biomass, oil and waste.

The power generated by the Issuer in Denmark is sold on the Nordic power exchange Nord Pool. Therefore, an important driver behind the profitability of Thermal Power's operations is the supply-demand balance in the Nordic region, which depends on factors such as wind levels, development in water reservoirs for the Norwegian and Swedish hydro power capacity and temperature. In 2012, the Issuer's thermal power generation in Denmark amounted to 9.2 TWh. The Issuer delivers heat to Danish industries and produced approximately one-third of the Danish district heating in 2011<sup>12</sup>. The Issuer's heat generation amounted to 42.5 PJ in 2012.

---

<sup>12</sup> Source: Energinet.dk.

The Issuer continues to be focused on performing a flexible and efficient operation of the power plants and to support the need for balancing in the Danish energy system following the expansion of wind- and solar-generation capacity on a national level. This includes the continuous optimisation of the Issuer's power plant portfolio. At the same time, the conversion of heat and power production from coal to sustainable biomass is on-going and will continue. In 2012, 21 per cent. of the Issuer's Danish thermal power production was based on biomass.

To focus the strategy on central thermal plants, Thermal Power has in recent years divested eleven small CHP plants (Combined Heat and Power plants) in Denmark.

### ***Recent developments***

In connection with the on-going streamlining of the group, the total responsibility for the Group's two gas-fired power stations in the UK and the Netherlands have been transferred to the business unit Thermal Power by the end of April 2013. Up to now, Energy Markets has been responsible for commercial optimisation of the two gas-fired power stations, while Thermal Power has been responsible for their operation.

### **Energy Markets**

Energy Markets is responsible for the optimisation and management of the Issuer's energy portfolio – covering all the Group's principal energy activities including the effective hedging of the Issuer's energy market risks. This optimisation ensures a balance between energy production from wind turbines, power stations, oil and gas fields and purchase of energy on the one hand, and the sale of energy to customers on the other hand. At the same time, Energy Markets focuses on adding value to the energy flows through its market trading with a limit on the proprietary trading.

Besides production from the Group's assets, Energy Markets is responsible for the Issuer's long-term gas purchase and wholesale sales contracts, together with its LNG and gas storage facilities.

### ***Energy Markets' main strategy***

The Issuer's main Energy Market's strategic priorities include:

- to optimise the Issuer's energy flows and mitigate market risks;
- to renegotiate long-term gas contracts to eliminate losses;
- to maximise the value of the gas storage facilities and LNG activities; and
- to enhance earnings within wholesale gas sales.

The business area aims to restore profitability in 2014.

### ***Major projects and activities in operation***

*Natural gas sales:* Energy Markets' physical natural gas sales in 2012 totalled 124.5 TWh, of which 34.6 TWh was sold in Germany, 41.2 TWh in the United Kingdom, 23.7 TWh in the Netherlands, and 21.6 TWh in Denmark. 15.0 TWh of the Danish sale was sold internally to other of the Issuer's business units. In Sweden, natural gas sales amounted to 3.4 TWh, which were internal sales to the operating segment Sales & Distribution.

In 2012, the Issuer sourced 23 per cent. of its natural gas supplies from the DUC Partners (A.P. Møller-Mærsk A/S, Shell Olie- og Gasudvinding Danmark B.V., Chevron Denmark Inc. and Nordsøfonden), 21 per cent. was sourced from the Issuer's Exploration & Production business unit (“**equity gas**”), while 19 per cent. was sourced under other long term contracts, including purchases of LNG. The remaining 37 per cent. is related to other sourcing agreements, including sourcing from European gas hubs. It is expected that the share of equity gas will increase in the coming years.

*Natural gas infrastructure:* The Issuer owns or partly owns a number of regulated natural gas pipelines in the North Sea, through its Energy Market business unit. The pipes enables the transportation of natural gas from fields on the Danish shelf to Denmark and the Netherlands. Moreover, the Issuer has a portfolio of longer term capacity agreements for fully and partly owned and leased natural gas storage and LNG facilities in Denmark, Germany and the Netherlands.

*Power sales:* Energy Markets' sale of power totalled 12.6 TWh in 2012. 7.5 TWh was sold internally to the operating segment Sales & Distribution for resale purposes. 1.9 TWh was sold on a wholesale basis to regional distribution (Stadtwerke) and trading companies in Germany, 1.7 TWh was sold to counter parties in the United Kingdom and 1.4 TWh was sold to wholesale companies in Denmark.

Energy Markets' power sourcing in the United Kingdom and the Netherlands totalled 2.2 TWh in 2012. The sourcing comprised power generation from the two gas-fired power stations where Energy Markets has tolling agreements with Thermal Power: Severn, in the United Kingdom and Enecogen, in the Netherlands.

### ***Recent developments***

As part of the Issuer's modified strategy, announced in February 2013, there has been a plan initiated to restore profitability of Energy Markets by 2014.

In April 2013, the Issuer decided to streamline its corporate structure by combining the business units Energy Markets and Sales & Distribution and merge it into an integrated business unit, under the name Customers & Markets. The restructuring was implemented with effect from 1 May and the Issuer will report in accordance with the new corporate structure in connection with its interim financial statements for the first half of 2013.

### ***Sales & Distribution***

Sales and distribution of power and natural gas comprise the last part of the energy value chain. The business unit Sales & Distribution is responsible for an efficient and secure supply of gas and power to the end customers.

### ***Sales & Distribution's main strategy***

The Issuer's main Sales & Distribution strategic priorities include:

- to increase operational efficiency of regulated infrastructure;
- to maintain high security of supply and develop an intelligent grid;
- to increase the sale of energy solutions and climate partnerships;
- to further enhance the product and service experience for the consumers; and
- to strengthen the product platform, synergies and earnings in the United Kingdom and the Netherlands.

The strategic targets of the business area include (i) to be ranked in top quartile in regards to customer satisfaction, (ii) to have partnerships with 30 of top 50 Danish accounts and (iii) to obtain domestic energy savings of 5.9TWh by 2020 (calculated as cumulated energy savings vs. 2006 baseline).

### ***Major projects and activities in operation***

The Issuer is the largest energy distributor in Denmark and sells power and gas to households, companies and public institutions in Denmark<sup>13</sup>, Netherlands, the United Kingdom and Sweden.

---

<sup>13</sup> More than 1.1 million connections in Denmark.

In 2012, power sales to end customers totalled 6,868 GWh in Denmark, 592 GWh in the Netherlands and 49 GWh in Sweden.

In 2012, natural gas sales to end customers totalled 9,044 GWh in Denmark, 7,347 GWh in the Netherlands, 16,988 GWh in the United Kingdom and 3,386 GWh in Sweden. Sales figures for the United Kingdom cover 8 months, as the Issuer acquired the UK supply company Shell Gas Direct in May 2012.

Supplies to customers by Sales & Distribution are purchased from the business unit, Energy Markets.

The Issuer owns and operates regulated power distribution grids in the Copenhagen area and North Eastern Zealand, and distributed power to almost 1 million connections as at the end of 2012.

The Issuer also owns and operates natural gas distribution grids in West and South Zealand and Southern Jutland distributing natural gas to approximately 115,000 connections as at the end of 2012.

In addition, the Issuer owns and operates, through Sales & Distribution, a natural gas storage facility near Stenlille in Zealand, treatment plants and the regulated oil pipeline used by oil producers in the Danish part of the North Sea from the Gorm E platform to the crude oil terminal in Fredericia (Jutland). To meet demands from future production at the Hejre field, the Issuer is investing in a treatment plant for separating and storing crude oil and condensate at the oil terminal in Fredericia.

### ***Recent developments***

The announced regulatory change on supply obligation will come into effect in May 2013, whereby a majority of end power and gas customers currently served under supply obligation terms will become open market customers. In March 2013, it was further announced that Sales & Distribution has won the tender on supply obligation for power in the North Eastern Zealand and Copenhagen area, where the Issuer owns a power distribution grid. However, the Issuer did not succeed in retaining the tender on supply obligation for gas in the West and South Zealand and Southern Jutland, where the Issuer owns and operates natural gas distribution. This is expected to have a minor impact on the earnings of the Issuer.

In April 2013, the Issuer decided to streamline its corporate structure by combining the business units Energy Markets and Sales & Distribution and merge it into an integrated business unit, under the name Customers & Markets. The restructuring was implemented with effect from 1 May and the Issuer will report in accordance with the new corporate structure in connection with its interim financial statements for the first half of 2013.

### **Investments of the Group**

The Issuer's net investments for 2013 and 2014 are expected to be in the level of DKK 30 billion. This investment programme is primarily related to:

- developments of new and existing licenses in Exploration & Production as the Issuer intends to continue to explore for new finds, development of existing finds for commercial production and increase extraction from its existing oil and gas fields;
- substantial investments in the expansion of offshore wind farms in the United Kingdom, Denmark and Germany; and
- investments in the Danish legacy utility business encompassing conversion of existing coal fired plants to biomass and maintenance investments in the power and gas distribution grid.

### ***Larger projects with production starts in 2013-2014***

<b>Project</b>	<b>Type of project</b>	<b>Country</b>	<b>Issuer's share of MW and P2 reserves</b>	<b>Commercial operation date <sup>(1)</sup></b>	<b>Issuer's share of project</b>	<b>The Issuer's share of expected capital expenditures <sup>(2)</sup></b>
London Array <sup>(3)</sup>	Offshore wind farm	United Kingdom	315.0 MW	2013	50.0%	DKK 8.2bn
Anholt	Offshore wind farm	Denmark	200.0 MW	2013	50.0%	DKK 5.0bn
Lincs <sup>(3)</sup>	Offshore wind farm	United Kingdom	67.5 MW	2013	25.0%	DKK 1.5bn
Syd Arne phase 3	Oil and gas field	Denmark	16 mboe	2013	36.8%	DKK 2.7bn <sup>(4)</sup>
Laggan-Tormore	Oil and gas field	United Kingdom	44 mboe	2014	20.0%	DKK 4.3bn
West of Duddon Sands <sup>(3)</sup>	Offshore wind farm	United Kingdom	194.5 MW	2014	50.0%	DKK 5.7bn
Sea Installer 2	Installation vessel	N.A.	N.A.	2014	51.0%	DKK 0.9bn

Notes:

- (1) First power may occur up to one year prior to commercial operation date.
- (2) The Issuer's share of capital expenditures including historical capital expenditures (at prevailing exchange rates on announcement date).
- (3) Expected proceeds from sale of transmission assets subtracted from capital expenditures.
- (4) Additional capital expenditures following acquisition of Noreco's share in South Arne Field is added (DKK 0.2bn).

### ***Funding of the Group Investments***

The Issuer's capital expenditures have been financed through excess cash flow from operations, debt financing raised from national and international banks and debt capital markets issuance, including hybrid capital. It is expected that planned investments will be funded through similar sources and divestments of non-core assets and reductions of ownership in core activities.

In connection with the publication of its 2012 annual report, the Issuer announced that the company has initiated an action plan that includes divestments of non-core assets, farm down of core activities, costs cuts and injection of additional equity of at least DKK 6-8 billion.<sup>14</sup>

It is the Issuer's policy to finance Group activities out of the parent company and limit external debt in its subsidiaries. In accordance with this policy, business activities in the Issuer's operating subsidiaries are primarily financed by the Issuer, through equity and intercompany debt.

As at 31 December 2012, the Issuer's interest bearing gross debt made up DKK 52.7 billion and DKK 32.0 billion of interest bearing net debt, which compares to DKK 41.0 billion and DKK 23.6 billion, respectively, on 31 December 2011.

The Issuer and its subsidiary, DONG Naturgas A/S, are each rated by Moody's and the Issuer is also rated by S&P and Fitch. Moody's ratings as at the date of this Exchange Offer Prospectus were Baa1 for the corporate ratings of both entities and their long-term senior debt, and Baa3 for the hybrid capital due 3005 and hybrid capital due 3010 (all ratings with stable outlook)<sup>15</sup>. The Issuer had a corporate rating of BBB+ from S&P (also rating for its long-term senior debt), BBB- for the hybrid capital due 3005 and BB for the hybrid capital due 3010 (all ratings with negative outlook) as at the date of this

<sup>14</sup> Divestments and farm downs are included in the expected level of net investments of DKK 30 billion for 2013 and 2014.

<sup>15</sup> Moody's defines Baa1 for the Issuer as follows: Issuers or issues rated Baa represent average creditworthiness relative to other domestic issuers. Issuers rated N-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers. Moody's defines Baa1 for obligations as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Issuers rated Prime-1 have a superior ability to repay short-term debt obligations. Moody's defines Baa3 for obligations as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Issuers rated Prime-3 have an acceptable ability to repay short-term obligations.



Exchange Offer Prospectus<sup>16</sup>. Fitch's ratings as at the date of this Exchange Offer Prospectus were BBB+ for the Issuer and its long-term senior debt, and BBB- for the hybrid capital due 3005 and the hybrid capital due 3010 (all ratings with negative outlook).<sup>1718</sup>

## **Risk Management of the Group**

### ***Risk management***

For risk management purposes, the Issuer divides its risks into market risks, counterparty credit risk, insurable risks and other risks such as quality, health, safety and environmental risks. Market risks consist of commodity price risk, foreign exchange risk and interest rate risk.

Market and counterparty risk management is governed by overall governance systems, risk policies and mandates are approved by the Board of Directors after having been reviewed by its Audit and Risk sub-committee. Mandates are granted to the Executive Board who delegates the risk mandates to the Business Units under supervision of the Group Risk Committee headed by the Chief Financial Officer (the "CFO"). The Group Risk Committee monitors and reports on compliance with market and counterparty risk mandates and limits and serves as advisory functions to the Executive Board on risk matters.

The Issuer has a group level Risk Management function (market risks) and a Credit function (counterparty credit risk) which, for the purpose of segregation of duties, are organisationally separated from the operating and risk taking units. The Risk Management and Credit functions are responsible for monitoring the risk mandates granted to the Executive Board by the Board of Directors and for reporting of risk limit violations to the Group Risk Committee, and for reporting of significant events directly to the CFO.

The Issuer has established a separate Internal Audit function reporting to the Audit and Risk Committee. The mission of Internal Audit is to provide independent and objective assurance and consulting services designed to add value and improve DONG's processes. The department helps DONG accomplish its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### ***Market risks***

The Issuer manages its market risk by entering into financial and physical contracts on energy commodities, interest rates and foreign currencies. These financial and physical contracts include

---

<sup>16</sup> S&P defines BBB+ for the Issuer as follows: An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. S&P defines BBB for obligations as follows: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. S&P defines BB for obligations as follows: An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

<sup>17</sup> Fitch defines BBB+ for the Issuer as follows: 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories. Fitch defines BBB for obligations as follows: A 'BBB' rating indicates that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories.

<sup>18</sup> Credit ratings included or referred to in this Exchange Offer Prospectus have been issued by S&P, Moody's and Fitch, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Exchange Offer Prospectus.

forward contracts with fixed prices, buying and selling of options including, but is not limited to, caps and floors on market prices and contracts relating to other structured products. In connection with and, in part, to support these activities, the Issuer also engages in an limited amount of proprietary trading in natural gas, power, coal, oil, oil products and CO<sub>2</sub> Certificates to take advantage of market opportunities. The Issuer's proprietary trading is conducted within specific limitations and is monitored on a daily basis.

When the Issuer enters into financial or physical contracts or otherwise seeks to manage its market risks, the Issuer focuses on the impact such contracts or other risk mitigating actions would have on its projected cash flows over the next 3-5 years.

### ***Credit risks***

The Issuer manages its counterparty credit risk through its Group Credit Risk Policy which among other things defines how credit lines are set along with monitoring principles for the actual credit exposure. The Issuer manages credit lines on the basis of its assessment of the counterparty's creditworthiness. Where counterparties have been rated externally, by, among others, Moody's or S&P's, these ratings play a significant role in determining the internal rating for such counterparties. The Issuer uses standardised contractual frameworks (for example, International Swaps and Derivatives Association, Inc. and the European Federation of Energy Traders) for trading in energy and financial markets.

For the management of the Issuer's credit risk, its trading and financial counterparties are monitored on a daily basis. All significant credit risk exposures are reported on a regular basis to the Executive Board, Group Risk Committee and the Board of Directors.

### ***Insurable risks***

The Issuer's insurance programme and type of insurance coverage is based on analysis and mapping of risks related to the Issuer's activities, including factors such as diversification of risks between the business areas, the geographical spread of assets, likelihood and frequency of events and the likely impact of such events.

A substantial part of the property insurance cover relates to the Issuer's membership in the mutual insurance company, Oil Insurance Ltd. Through this membership, the Issuer is insured up to a limit of USD 300 million, with a deductible of USD 10 million for each occurrence resulting in damage to assets. In addition to the cover afforded by Oil Insurance Ltd. and with a view to achieving adequate cover for the number of large projects, the Issuer is covered through separate excess policies designed to ensure adequate insurance coverage for all operational assets. This additional coverage comprises of specific insurance policies established through Lloyd's of London and other markets.

The Issuer is not insured for business interruption. The Issuer's risk relating to business interruption is diversified between the various business areas, the geographical spread of assets as well as the introduction of partnerships. Furthermore, the frequency and likelihood for worst case scenario business interruption losses are considered low.

With a view to optimising the insurance portfolio and managing the property insurance with Oil Insurance Ltd., among others, a subsidiary, DONG Insurance A/S, has been established. DONG Insurance A/S is protected by stop loss insurance to limit the total potential deductible losses for the Issuer by frequent claims. DONG Insurance A/S is reinsured by a large number of reinsurers, with Oil Insurance Ltd. as the main reinsurer. Oil Insurance Ltd. is a mutual insurance company rated A-(stable) by S&P and A2 by Moody's. In addition to the reinsurance protection, the captive is also protected by a number of stop loss insurances to limit the potential exposure to the captive in case of frequency losses and claims. DONG Insurance A/S is subject to supervision by the Danish Financial Supervisory Authority.

## **Legal Proceedings**

The Issuer is engaged in a few litigation and arbitration proceedings which could have a significant effect on the Group's financial position or profitability either individually or collectively.

### ***Competition disputes relating to Danish wholesale power prices***

The Issuer is a party to actions relating to the competition authorities' claim that the former Elsam A/S (“**Elsam**”), now part of the DONG Energy Group, charged excessive prices in the Danish wholesale power market in some periods. The Danish Competition Appeals Tribunal has found that Elsam abused its dominant position in the wholesale power market in Western Denmark to some extent in the periods 1 July 2003 to 31 December 2004 and 1 January 2005 to 30 June 2006 by charging excessive prices. The Issuer disputes these rulings and has appealed them to the Copenhagen Maritime and Commercial Court.

The Competition Appeals Tribunal has abrogated a similar finding of excessive pricing from the Danish Competition Council concerning the period 1 July 2006 to 31 December 2006 and referred it back to the Council. This decision was based on the finding that the Competition Council had not proved that Elsam's behaviour in this period constituted an abuse of a dominant position.

A group of power consumers has filed a claim with the Copenhagen Maritime and Commercial Court for compensation which is at the moment calculated as an amount of up to DKK 4.4 billion with addition of interest, inter alia, in connection with the above actions relating to excessive prices in Western Denmark. The Issuer has furthermore entered into agreements with a number of other potential claimants to suspend the statutory limitation of their alleged claims which entails that these claimants have not yet filed a claim.

As the outcome of these actions is subject to considerable uncertainty, a DKK 298 million provision has been recognised in the Issuer's 2012 annual report, which has been determined on the basis of the Competition Council's calculation of the consumers' losses.

### ***Litigation concerning Syd Arne field***

In 2011, the Issuer won an arbitration case brought by the partners in the Syd Arne field, Hess Denmark ApS, Altinex Oil Denmark A/S and Danoil Exploration A/S (together, the “**Syd Arne Claimants**”). The Syd Arne Claimants allege that the Issuer abused its dominant position as a midstream purchaser of natural gas in Denmark to set, amongst other terms, an unfair price when entering into an agreement in 1998 with the Syd Arne Claimants to purchase all of the associated natural gas produced from the Syd Arne field throughout the life of the field.

An award from an arbitration tribunal is normally final and cannot be appealed to Danish Courts. However, Danish Courts have a limited possibility to overturn an award if a party can show that the award contravenes the *ordre public* (in Danish: “*åbenbar uforenelig med landets retsorden*”).

The Syd Arne Claimants have started proceedings in the Danish Maritime and Commercial Court arguing that the award by the arbitration tribunal should be overturned because the tribunal has issued an award conflicting with the *ordre public*. The Issuer considers that there are no grounds for overturning the award, which assessed the competition law aspects of the case in detail and which was issued by a tribunal headed by a Danish Supreme Court Judge. A verdict is expected in the first half of 2014. If the Syd Arne Claimants are successful in overturning the award, then a new arbitration tribunal will try the alleged abuse case.

## Administrative, Management, and Supervisory Bodies

### Management

#### General

The Issuer is governed by the Board of Directors which has overall responsibility for the management of the Issuer's business. The Issuer's Group Executive Management is in charge of the day-to-day management and in that capacity follows the directions and guidelines provided by the Board of Directors.

According to the Articles of Association of the Issuer, the Board of Directors must consist of six to eight members elected by the shareholders and the number of members elected by the employees according to legislation (i.e., Danish Companies Act). The Board of Directors currently consist of seven members elected by the shareholders and four members appointed by the employees (the “**group representatives**”). The Board of Directors holds a minimum of five meetings each year. Extraordinary board meetings are convened when required.

The Board of Directors has appointed the Issuer's Group Executive Management, including a Chief Executive Officer (“**CEO**”) and a CFO. The CEO and CFO comprise the Issuer's executive board (the “**Executive Board**”), and are registered managers with the Danish Business Authority. The Issuer's Group Executive Management currently consists of six members.

The business address of the members of the Board of Directors and Group Executive Management is c/o DONG Energy A/S, Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark.

#### Board of Directors

Name	Year Born	Year First Appointed	Current Term Expires	Position
Fritz H. Schur .....	1951	2005	2014	Chairman
Jakob Brogaard.....	1947	2007	2014	Deputy Chairman
Poul Arne Nielsen .....	1944	2006	2014	Director
Jørn P. Jensen .....	1964	2010	2014	Director
Mogens Vinther.....	1947	2010	2014	Director
Pia Gjellerup.....	1959	2012	2014	Director
Benny D. Loft.....	1965	2012	2014	Director
Hanne Sten Andersen .....	1960	2007	2014	Group representative
Jytte Koed Madsen.....	1953	2011	2014	Group representative
Benny Gøbel.....	1967	2011	2014	Group representative
Jens Nybo Stilling Sørensen.....	1968	2007	2014	Group representative

*Fritz H. Schur* is Chairman of the Board of Directors and was appointed to this position on 24 June 2005. He is board member and/or CEO of F. Schur & Co. A/S, FSS MID ApS, Havnefrontens Selskabslager 909 ApS. Board member and CEO of Fritz Schur A/S and CEO or chairman of two 100 per cent. owned subsidiaries. CEO of FS 1 ApS and chairman of a 100 per cent. owned subsidiary. CEO of FS 11 ApS and chairman of two 100 per cent. owned subsidiaries. CEO of FS 12 ApS and vice chairman of one directly and one indirectly 100 per cent. owned subsidiary. Furthermore, Mr. Schur serves as Chairman of the boards of directors of SAS AB, PostNord AB, F. Uhrenholt Holding A/S, Relationscore ApS and a 100 per cent. owned subsidiary and C.P. Dyvig & Co. A/S, and as Deputy Chairman of the board of directors of Brd. Klee A/S. He is also a member of the boards of directors of

WEPA Industrieholding SE and Experimentarium – Center for Formidling af Naturvidenskab og Moderne Teknologi (Fond).

*Jakob Brogaard* is Deputy Chairman of the Board of Directors and was appointed this position on 22 April 2013. He is also the Chairman of the Board of Directors of Finansiell Stabilitet A/S. He serves as Deputy Chairman of the board of directors of LR Realkredit A/S and as member of the boards of directors of OW Bunker & Trading A/S and Newco AEP A/S.

*Poul Arne Nielsen* is a member of the Board of Directors. He is also Mayor of the Municipality of Stevns. Mr. Nielsen is Chairman of the boards of directors of SEAS-NVE A.m.b.A. and a 100 per cent. owned subsidiary, SEAS NVE Strømmen A/S, Sjællandske Medier A/S and Dansk Energi. He also serves as member of the boards of directors of Sampension KP Livsforsikring A/S and a 100 per cent. owned subsidiary.

*Jørn P. Jensen* is a member of the Board of Directors. He serves as Deputy CEO and CFO of Carlsberg Breweries and Carlsberg A/S. He serves as member of management in twenty 100 per cent. owned Danish and foreign subsidiaries in the Carlsberg Group and member of management in Boliginteressentskabet Tuborg. He is also a member of Danske Bank A/S and the Corporate Governance Committee. He also serves as director of Ekeløf Invest ApS.

*Mogens Vinther* is a member of the Board of Directors. He is also the chairman of the board of directors of Fonden Det Gamle Apotek i Ribe and Foreningen Gammelt Præg – Ribe Bybevaring and a member of the boards of directors of Syd Energi Holding A/S, Syd Energi A.m.b.a., Fonden Ribe Byferie and Fonden til Ribe Bys Forskønnelse. He serves as CEO of Langberg & Vinther Advokatanpartsselskab.

*Pia Gjellerup* is a member of the Board of Directors. She is also Political Executive of Djøf, chairman of Vanførefonden and a member of the board of directors of Gefion Gymnasium and Fondet Dansk-Norsk Samarbejde.

*Benny D. Loft* is a member of the Board of Directors. He is also Executive Vice President and CFO of Novozymes A/S and member of the management of five 100 per cent. owned companies in the Novozymes Group. He also serves as deputy chairman of the board of directors of Bygningsfonden Den Blå Planet and as member of the board of directors of Xellia Pharmaceuticals ApS.

*Hanne Sten Andersen, Jytte Koed Madsen, Benny Gøbel, and Jens Nybo Stilling Sørensen* are a group representatives and members of the Board of Directors.

### **Group Executive Management**

The members of the Issuer's Group Executive Management, as at the date of this Exchange Offer Prospectus, are:

Name	Year Born	Position
Henrik Poulsen.....	1967	CEO
Carsten Krogsgaard Thomsen.....	1957	Executive Vice President, CFO
Thomas Dalsgaard.....	1966	Executive Vice President
Søren Gath Hansen.....	1954	Executive Vice President
Morten Hultberg Buchgreitz.....	1967	Executive Vice President
Samuel Leupold.....	1970	Executive Vice President

*Henrik Poulsen* has been the Issuer's CEO since 27 August 2012 and is a registered manager of the Issuer with the Danish Business Authority. Mr. Poulsen was educated at the Aarhus School of Business,

where he received his M. Sc. (Finance and Accounting) in 1994. Prior to joining the Issuer in August 2012, Mr Poulsen served four years as CEO and President of TDC A/S. Mr. Poulsen served as Vice President, Senior Vice President and Executive Vice President at LEGO. His career includes managerial positions at Kohlberg Kravis Roberts & Co., London, and McKinsey & Company as well as positions at Aarsø Nielsen & Partners and Novo Nordisk A/S. Mr. Poulsen is a member of the board of directors and chairman of the Audit Committee of Chr. Hansen Holding A/S and member of the board of directors of Falck A/S and two 100 per cent. owned subsidiaries. He is also a member of the Shareholders' Committee of Danske Bank A/S, a board member of Denmark-America Foundation and acts as advisor to EQT Partners.

*Carsten Krogsgaard Thomsen* has been the Issuer's CFO since 2002 and is a registered manager of the Issuer with the Danish Business Authority. Mr. Thomsen was educated at the University of Copenhagen where he received his master's degree in economics in 1983. Prior to joining the Issuer in 2002, Mr. Thomsen served for eight years as Executive Vice President, CFO of the Danish State Railways. Mr. Thomsen was also Director of Finance at the National Hospital of Denmark and a consultant at McKinsey & Company. His career includes managerial level positions within Andelsbanken as well as positions within the Danish Ministry of Finance and the Danish Ministry of the Interior. Mr. Thomsen is Deputy Chairman of the board of directors of NNIT A/S and a member of the board of directors of GN Store Nord A/S and two 100 per cent. owned subsidiaries (GN Netcom A/S and GN Resound A/S) as well as chairman of the audit committee of GN Store Nord A/S.

*Thomas Dalsgaard* has been a member of the Issuer's Group Executive Management since 2011 and is responsible for the Issuer's Thermal Power business unit. Mr. Dalsgaard was educated as Economist at Aarhus University (cand. oecon) in 1993. Prior to joining the Issuer, Mr. Dalsgaard served as Economist, Special Advisor and Head of Division within the Danish Ministry of Finance. His career also includes positions within OECD, Paris, France, and IMF, Washington D.C., USA.

*Søren Gath Hansen* has been a member of the Issuer's Group Executive Management since 2002 and is responsible for the Issuer's Exploration & Production business unit. Mr. Hansen was educated at the University of Copenhagen where he received his master's degree in political science in 1983. Prior to joining the Issuer in 1984, Mr. Hansen was Head of Section of the Danish Ministry of the Environment and of the Administration Department of the Danish Ministry of Finance.

*Morten Hultberg Buchgreitz* has been a member of the Issuer's Group Executive Management since March 2013 and is responsible for Customer and Markets (formerly Energy Markets and Sales and Distribution) business unit. Mr. Buchgreitz holds a Master's degree in Business Administration and Computer Science from Copenhagen Business School. Prior to joining the issuer in 2002 Mr. Buchgreitz held various positions in KPMG Consulting and before that positions at Unibank/Privatbanken in the International Division and Treasury.

*Samuel Leupold* has been a member of the Issuer's Group Executive Management since March 2013 and is responsible for Wind Power business unit. Mr. Leupold hold an engineering degree. Mr. Leupold joined the issuer from the Swiss energy company BKW FMB, where he was member of the Group Management. He joined BKW in 2006. Prior to this Mr. Leupold was responsible for global sales at the Grinding & Dispersion Business unit of Bühler AG, Uzwil, before which Mr. Leupold worked as a consultant at McKinsey & Company and in various functions at ABB Kraftwerke AG.

#### *Statement on Conflicts of Interest*

No actual or potential conflicts of interests exist with respect to the duties of any member of the Board of Directors or Group Executive Management towards the Issuer and their private interests and/or duties to other persons it being noted, however, that Poul Arne Nielsen is Chairman of the board of directors of SEAS-NVE A.m.b.A. and that Mogens Vinther is a member of the board of directors of Syd Energi Holding A/S and Syd Energy A.m.b.A. Both SEAS-NVE and Syd Energi are minority

shareholders of DONG Energy A/S and conduct power sales and distribution activities in Denmark and are thus potential competitors to DONG Energy's Danish power sales activities.

### ***Corporate Governance***

The Danish Corporate Governance Committee has prepared recommendations for corporate governance that must be observed by listed companies. As a State-owned public limited company, the Issuer operates on terms very similar to those applying to listed companies. The Issuer has consequently elected to broadly comply with these recommendations.

The Issuer has decided not to set an age limit for members of the Board of Directors, however the age forms part of the overall assessment of the composition of the Board of Directors.

The Board of Directors of the Issuer review the corporate governance recommendations annually based on best practice.

### ***Board practices***

#### ***Audit and Risk Committee***

After the Issuer's Annual General Meeting, the Board of Directors appoints members to the Audit and Risk Committee.

The Audit and Risk Committee reports directly to the Issuer's Board of Directors. The committee's main responsibilities are to support the Board of Directors in its review of the integrity of the Issuer's financial reporting, annual report, and internal accounting and enterprise resource planning systems. The committee also keeps under review the external auditors' skills and independence and is responsible for the conclusion of engagement agreements with external auditors. The committee monitors the Issuer's compliance with legislation and other requirements from public authorities concerning the Issuer's annual report, financial reporting and internal control systems, including control systems relating to the publication of relevant information. It is also part of the committee's remit to monitor issues relating to the risk policy laid down by the Board of Directors, both from a financial and accounting point of view.

Furthermore, the committee discusses accounting procedures with the external auditors, evaluates their work, establishes whistle-blower procedures and undertakes other relevant tasks.

As at the date of this Exchange Offer Prospectus, the Audit and Risk Committee members are Jakob Brogaard (Chairman), Jørn P. Jensen and Benny D. Loft.

### **Material Contracts**

The Issuer has not entered into any contracts, other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet the Issuer's obligations under the New Securities.

## Selected Financial Information

### Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

#### Consolidated Income Statement

	2011	2012 <sup>19</sup>	First 3 months, 2012	First 3 months, 2013
	<i>(DKK million)</i>		<i>(DKK million)</i>	
Revenue .....	56,842	67,179	19,896	21,449
EBITDA .....	13,770	8,639	3,564	4,627
Operating profit (EBIT).....	6,100	(3,324)	1,597	2,351
Profit before tax.....	6,079	(2,704)	3,831	1,719
Profit for the year .....	2,882	(4,021)	2,257	474

Note: Unless otherwise stated all figures in the Consolidated Income Statement relate to business performance.

#### Consolidated Balance Sheet at 31 December

##### Assets

	2011	2012 <sup>20</sup>	First 3 months, 2012	First 3 months, 2013
	<i>(DKK million)</i>		<i>(DKK million)</i>	
Intangible assets .....	2,729	2,425	3,110	2,381
Property, plant and equipment.....	94,510	93,920	95,002	94,767
Other non-current assets.....	7,139	9,058	8,858	9,072
Non-current assets .....	104,378	105,403	106,970	106,220
Current assets .....	49,011	48,455	55,663	46,307
Assets classified as held for sale.....	684	3,631	9	3,552
Assets .....	154,073	157,489	162,642	156,079

<sup>19</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.

<sup>20</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.



**Equity and Liabilities**

	<b>2011</b>	<b>2012<sup>21</sup></b>	<b>First 3 months, 2012</b>	<b>First 3 months, 2013</b>
	<i>(DKK million)</i>		<i>(DKK million)</i>	
Equity attributable to the equity holders of DONG Energy A/S .....	40,250	33,421	41,212	33,311
Equity.....	57,740	50,016	58,394	49,608
Non-current liabilities .....	58,331	70,298	64,950	70,118
Current liabilities .....	37,617	36,994	39,228	36,177
Liabilities .....	95,948	107,292	104,178	106,295
Liabilities associated with assets classified as held for sale .....	385	181	70	176
Equity and liabilities .....	154,073	157,489	162,642	156,079

---

<sup>21</sup> Reference is made to page 22 Note 01 "Notes-Basis of Reporting" and pages 34 to 39 Note 18 "Notes-Other Notes" of the Interim Financial Report Q1 2013.

## EXCHANGE OFFER

*The Exchange Offer is not being made within, and this Exchange Offer Prospectus is not for distribution in or into, the United States of America or to any U.S. person. This Exchange Offer Prospectus is not an offer of securities for sale in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.*

The Issuer invites holders of the Existing Securities (“**Securityholders**”) (subject to the offer and distribution restrictions referred to in “*Offer and Distribution Restrictions*”) to offer to exchange any and all of their Existing Securities for New Securities (such invitation, the “**Exchange Offer**”).

The Exchange Offer is made on the terms and subject to the conditions set out in this Exchange Offer Prospectus.

*Before making a decision whether to offer Existing Securities for exchange, Securityholders should carefully consider all of the information in this Exchange Offer Prospectus (including all information incorporated by reference) and, in particular, the risk factors set out in the section of this Exchange Offer Prospectus entitled “Risk Factors” above.*

**THE EXCHANGE OFFER WILL COMMENCE ON THE DATE OF THIS EXCHANGE OFFER PROSPECTUS AND EXPIRE AT 4.00 P.M. (LONDON TIME) ON 18 JUNE 2013 (THE “EXPIRATION DEADLINE”), UNLESS EXTENDED, RE-OPENED, AMENDED OR TERMINATED AS PROVIDED IN THIS EXCHANGE OFFER PROSPECTUS.**

	ISIN/Common code	First Call Date	Current coupon rate	Exchange Price
Existing Securities	XS0560190901/056019090	1 June 2021	7.750 per cent.	104.00 per cent.
	ISIN/Common code	First Par Call Date	Minimum New Issue Size	
New Securities	XS0943370543/094337054	26 June 2023	€500,000,000	

The New Issue Price, the aggregate principal amount of New Securities to be issued pursuant to the Exchange Offer, the New Issue Interest Rate, the margin in respect of the coupon period from the First Step-up Date to the Second Step-up Date, the margin in respect of the coupon period from the Second Step-up Date to the Maturity Date and the yield to the First Par Call Date (together, the “**Pricing Details**”) will be determined as described in “-Exchange Consideration” below at the Pricing Time. Upon determination, the Pricing Details will be set out in a notice (the “**Pricing Notice**”) which will be filed for publication with the OMX News Service and (in addition thereto) filed with the CSSF and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) as soon as reasonably practicable after the Pricing Time.

### **Rationale for the Exchange Offer**

On 2 April 2013, S&P published additional information on its global hybrid criteria and also commented that the Existing Securities will likely only qualify for 'minimal' (0 per cent.) equity content compared to the 'high' (100 per cent.) equity content attributable to the Existing Securities immediately prior to such change in criteria.

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

During such investigations, the Issuer reached the conclusion that such an amendment, if effected, would not provide the Issuer with similar benefits in respect of post-tax costs of funds and a stable and predictable contribution to its capital structure as was the case for the Existing Securities prior to S&P's change in hybrid criteria. This conclusion is mainly based on the fact that current Danish tax legislation does not provide for tax deductibility on coupon payments related to undated debt (perpetuals), as well as the Issuer's assessment of S&P's amended criteria for high equity content hybrid securities.

The Issuer has therefore announced the Exchange Offer to the holders to exchange their holdings in the Existing Securities into the New Securities with a structure, which is compliant with S&P's rating criteria and will qualify for 50 per cent. equity content.

The Issuer believes that it will be in a position to exercise the Ratings Event Call under Condition 6(e) of the Existing Securities after S&P formally announces that the attributable equity content for the Existing Securities has been decreased compared to the attributable equity content for the Existing Securities immediately prior to the change to its criteria as announced by S&P on 1 April 2013 and in line with the additional information on its global hybrid criteria published by S&P on 2 April 2013. The Issuer deems the Existing Securities to be cost-inefficient as a result of S&P's change in rating criteria, and therefore intends to exercise the Ratings Event Call post-completion of the Exchange Offer and the Retail Holdings Offer (as defined in "Retail Holdings Offer" below). Such Ratings Event Call will allow the Issuer to redeem the Existing Securities at a price of 101 per cent. of the principal amount, plus accrued interest and outstanding payments, if any, to the date of such redemption.

Any Existing Securities acquired by the Issuer pursuant to the Exchange Offer will be cancelled and will not be re-issued or resold.

### **Exchange consideration**

The amount of New Securities and cash each Securityholder whose Existing Securities are accepted for exchange pursuant to the Exchange Offer will receive on the Settlement Date will be calculated by reference to:

*in respect of the New Securities to be received:*

- (a) the Exchange Price;
- (b) the New Issue Price; and
- (c) the resulting Exchange Ratio.

*in respect of the cash amounts to be received:*

The Issuer will also pay Securityholders of the Existing Securities where Existing Securities are accepted for exchange pursuant to the Exchange Offer on the Settlement Date an Accrued Interest Payment and a Cash Rounding Amount.

**"Exchange Price"** means the exchange price of 104.00 per cent. for each €1,000 in nominal amount of the Existing Securities, which is the price that will be used in the calculation of the Exchange Ratio.

**"Exchange Ratio"** means the ratio that will determine the aggregate principal amount of New Securities each Securityholder whose Existing Securities are accepted for exchange pursuant to the Exchange Offer will receive on the Settlement Date, which will be calculated in the manner described in "*Exchange Offer - Exchange Ratio*" and rounded to the nearest 0.000001.

**"New Issue Price"** means the price at which the New Securities will be issued, expressed as a percentage and rounded to the nearest 0.001 per cent. (with 0.0005 rounded upwards), which will be calculated in the manner described in "*Exchange Offer - New Issue Price and New Issue Interest Rate*".

## **Cash Rounding Amount**

If, as a result of the application of the Exchange Ratio, a holder of Existing Securities would be entitled to receive an aggregate nominal amount of New Securities that is not an integral multiple of €1,000, the Issuer will pay or procure that there is paid to such holder on the Settlement Date an amount in cash (the "**Cash Rounding Amount**") equal to (a) the fractional portion of such aggregate nominal amount that is not such an integral multiple multiplied by (b) the New Issue Price (which resulting amount shall be rounded to the nearest €0.01, with half a cent rounded upwards).

## **New Issue Price, New Issue Interest Rate and Margins**

### ***Minimum and Final New Issue Spreads***

The Final New Issue Spread will be used to calculate the New Issue Price and the New Issue Interest Rate.

The Minimum New Issue Spread on the basis of which the Final New Issue Spread will be fixed will be announced by the Issuer at or around 10.00 a.m. (London time) on 13 June 2013 (subject to the right of the Issuer to extend, re-open, amend and/or terminate the Exchange Offer) (the "**Minimum New Issue Spread Fixing Time**"). The Final New Issue Spread will be announced by the Issuer as soon as reasonably practicable in the Pricing Notice after the Pricing Time.

The determination of the Final New Issue Spread will be based on feedback solicited by the Dealer Managers from the markets before the Pricing Time.

"**Final New Issue Spread**" means the credit spread to be determined on the Business Day following the Expiration Deadline and to be added to the Euro Mid-Swap Rate (as defined below) in determining the New Issue Price and New Issue Interest Rate.

"**Minimum New Issue Spread**" means the minimum new issue spread on the basis of which the Final New Issue Spread will be fixed, to be announced as soon as reasonably practicable after the Minimum New Issue Spread Fixing Time.

"**New Issue Interest Rate**" means the interest rate payable on the New Securities which will be set equal to the Final New Issue Spread added to the Euro Mid-Swap Rate, and rounded down to the nearest one eighth of one per cent. (0.125 per cent.) in accordance with market convention.

### ***New Issue Price and New Issue Interest Rate***

The determination of the New Issue Price and the New Issue Interest Rate will first involve the determination of the Euro Mid-Swap Rate by the Dealer Managers at the Pricing Time.

The Final New Issue Spread will be added to such Euro Mid-Swap Rate to determine the New Issue Yield, which is intended to reflect the yield to maturity of the New Securities on the Settlement Date, from which the New Issue Price and the New Issue Interest Rate will be calculated in accordance with market convention.

The New Issue Price shall be as close as possible to but not above 100 per cent. of the principal amount of the New Securities, adjusted to allow for rounding down of the New Securities Coupon to the nearest 0.125 per cent. in accordance with market convention.

The New Issue Price and New Issue Interest Rate will be announced by the Issuer as soon as reasonably practicable after the Pricing Time.

"**10 Year Euro Swap Rates**" means the bid and offered swap rates for euro swap transactions with a maturity of 10 years, in each case which appear on the Bloomberg Screen Page ECAE1<GO>.

“**Bloomberg Screen Page**” means the display page on Bloomberg designated as the “ICAE1” page (or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Dealer Managers, for the purpose of displaying the bid and offered swap rates for the relevant euro swap transactions).

“**Euro Mid-Swap Rate**” means the mid-market arithmetic mean, expressed as a percentage and rounded to the nearest 0.001 per cent., of the 10 Year Euro Swap Rates, as determined by the Dealer Managers at the Pricing Time.

“**New Issue Yield**” means the sum of the Final New Issue Spread and the Euro Mid-Swap Rate.

### ***Margins***

The margin in respect of the coupon period from the First Step-up Date to the Second Step-up Date and the margin in respect of the coupon period from the Second Step-up Date to the Maturity Date will be calculated by the Dealer Managers at the Pricing Time by reference to the New Issue Yield and the Final New Issue Spread.

### **Exchange Ratio**

For those holders of the Existing Securities that offer to exchange their Existing Securities for New Securities, the Exchange Ratio will be calculated by dividing (i) the Exchange Price by (ii) the New Issue Price.

### **Pricing, announcement of results and settlement**

The Issuer will announce at or around 7.30 a.m. (London time) on the Business Day following the day of the Expiration Deadline, the aggregate nominal amount of Existing Securities validly offered for exchange and the indicative aggregate nominal amount of New Securities to be issued in exchange for such Existing Securities if the Issuer accepts such Existing Securities for Exchange.

The New Issue Price, the New Issue Interest Rate and the Exchange Ratio for the Existing Securities will be calculated on the Business Day following the day of the Expiration Deadline (the “**Pricing Time**”). For this purpose, the Dealer Managers will first determine, at the Pricing Time, the Euro Mid-Swap Rate.

Subject to the satisfaction of the Minimum New Issue Size, the Issuer will announce its decision whether to accept valid offers of Existing Securities for exchange pursuant to the Exchange Offer as soon as reasonably practicable after the Pricing Time. If so accepted, such announcement will include the Pricing Notice and include the Pricing Details, details of the Euro Mid-Swap Rate, together with the New Issue Price and Exchange Ratio.

Holders of Existing Securities accepted by the Issuer for exchange will receive, on the Settlement Date, which is expected to be 26 June 2013, an aggregate nominal amount of the New Securities (rounded down to the nearest €1,000) equal to the product of (i) the aggregate nominal amount of Existing Securities validly offered and accepted for exchange, and (ii) the Exchange Ratio, together with any Cash Rounding Amount and Accrued Interest Payments.

### **Delivery of New Securities and payment**

If Existing Securities validly offered for exchange pursuant to the Exchange Offer are accepted for exchange by the Issuer, the relevant New Securities will be delivered, and the aggregate amounts of the Accrued Interest Payments and Cash Rounding Amounts will be paid, in immediately available funds, on the Settlement Date. The New Securities will be delivered and cash payments made to the Clearing System accounts in which the relevant Existing Securities are held. The delivery of such New Securities and payment of such aggregate amounts to the Clearing Systems will discharge the

obligation of the Issuer to all such Securityholders in respect of the delivery of the New Securities and payment of the Accrued Interest Payments, and Cash Rounding Amounts, as applicable.

Provided the Issuer delivers, or has delivered on its behalf, the New Securities, and makes, or has made on its behalf, full payment of the Accrued Interest Payments and Cash Rounding Amounts, as applicable, for all Existing Securities accepted for exchange pursuant to the Exchange Offer to the Clearing Systems on or before the Settlement Date, under no circumstances will any additional interest be payable to a Securityholder because of any delay in the delivery of the New Securities by, or transmission of funds from, the relevant Clearing System or any other intermediary with respect to such Existing Securities of that Securityholder.

### **Listing and trading**

The Existing Securities are admitted to the Official List and are admitted to trading on the Luxembourg Stock Exchange's regulated market. The Issuer has made an application for the New Securities to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.

### **Minimum New Issue Size**

The Exchange Offer is conditional on the aggregate principal amount of the New Securities (including any Additional New Securities) to be issued on the Settlement Date equalling a minimum of €500,000,000 (the “**Minimum New Issue Size**”). If the Minimum New Issue Size is not reached, the Issuer reserves the right (at its sole discretion) to waive the Minimum New Issue Size and proceed with the Exchange Offer and/or to issue Additional New Securities in order to reach the Minimum New Issue Size (see “*Additional New Securities*” below). The Issuer will not reduce the Minimum New Issue Size without giving Securityholders the limited revocation rights described in “*Amendment and Termination*” below.

The announcement of the satisfaction of the Minimum New Issue Size is expected to take place as soon as reasonably practicable after the Pricing Time or (in the event the Minimum New Issue Size is not satisfied at the Pricing Time) the date on which the results of the issue and offering of the Additional New Securities (the “**Additional New Securities Offer Results**”) are announced, as the case may be.

### **Additional New Securities**

Following the expiration of the Exchange Offer, the Issuer reserves the right to issue further euro-denominated Callable Subordinated Capital Securities due 3013 (the “**Additional New Securities**”) as a further Tranche or Tranches of the same series as the New Securities after the Expiration Deadline, pursuant to a separately prepared and approved prospectus and with the same terms and conditions as the New Securities (although the issue of such Additional New Securities remains at the sole discretion of the Issuer) for any reason including, but not limited to, where the aggregate principal amount of the New Securities to be issued pursuant to the Exchange Offer would be in an aggregate principal amount of less than the Minimum New Issue Size. The Additional New Securities (if any) will be subscribed for by the relevant manager or managers, and the net proceeds of such Additional New Securities may be used, among other things, to fund the payment of the Accrued Interest Payments and Cash Rounding Amounts (as applicable) for Existing Securities accepted for exchange pursuant to the Exchange Offer, to fund the purchase price for Existing Securities, if any, together with an amount equal to any accrued interest in respect of such Existing Securities, that the Issuer may purchase in the Retail Holdings Offer (as defined below) and any Existing Securities that the Issuer may call pursuant to the Ratings Event Call, if any, as well as general corporate purposes. The Additional New Securities (if any) will be issued together with the New Securities, and will form a single series of securities with the New Securities, on the Settlement Date. For the avoidance of doubt, this Exchange Offer Prospectus does

not constitute a prospectus within the meaning of Article 5.3 of the Prospectus Directive in respect of the Additional New Securities. The Issuer also reserves the right to issue new securities separately from the Exchange Offer or the above issue.

### **Retail Holdings Offer**

Separately from the Exchange Offer, the Issuer intends (as at the date of this Exchange Offer Prospectus), on the Business Day after the Exchange Offer results announcement to invite Eligible Retail Securityholders that have not participated in the Exchange Offer to make an offer to sell their Existing Securities to the Issuer for cash on an extended timetable (the “**Retail Holdings Offer**”). The Issuer currently intends that the Retail Holdings Offer will be open for participation by Eligible Retail Securityholders until 4.00 p.m. (London time) on 10 July 2013 and that settlement of the Retail Holdings Offer will take place on 12 July 2013.

An “**Eligible Retail Securityholder**” means a holder of Existing Securities who (i) submits no more than €250,000 in aggregate nominal amount of Existing Securities for purchase by the Issuer for cash; and (ii) is located outside of the United States. The detailed terms of any such invitation will be set out in a tender offer memorandum to be sent to all holders of Existing Securities, on the Business Day after the Exchange Offer results announcement. Such invitation will be made pursuant to the terms of such tender offer memorandum only.

The purchase price for Existing Securities in the Retail Holdings Offer is expected to be a cash amount equal to the Exchange Price together with an amount equal to any accrued interest in respect of such Existing Securities for the period up to but excluding the Settlement Date.

As at the date of this Exchange Offer Prospectus, the CSSF has not approved any document in relation to the Retail Holdings Offer.

### **Announcements**

All announcements in connection with the Exchange Offer will be made by (i) the issue of a notification to the OMX News Service and (in addition thereto) (ii) filed with the CSSF and will be made by the publication of such announcement on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and may also be (a) found on the relevant Reuters International Insider Screen and (b) made by the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Prospectus. Significant delays may be experienced where notices are delivered to the Clearing Systems and Securityholders are urged to contact the Exchange Agent for the relevant announcements during the course of the Exchange Offer. In addition, holders of Existing Securities may contact the Dealer Managers for information using the contact details on the last page of this Exchange Offer Prospectus.

The New Issue Price, the aggregate principal amount of New Securities to be issued, the Interest Rate, the margin in respect to the first Reset Fixed Rate, the margin in respect of the coupon period from the First Step-up Date to the Second Step-up Date, the margin in respect of the coupon period from the Second Step-up Date to the Maturity Date and the yield to the First Par Call Date will be included in the Pricing Notice which will be made on or prior to the issue date of the New Securities as set out in the following paragraph.

### **General**

The Issuer may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time (subject to applicable law and as provided in this Exchange Offer Prospectus). Details of any such extension, re-opening, amendment, waiver or termination will be

announced as provided in this Exchange Offer Prospectus as soon as reasonably practicable after the relevant decision is made. See “*Amendment and Termination*”.

In order to participate in, and be eligible to receive New Securities pursuant to, the Exchange Offer, Securityholders must validly offer Existing Securities for exchange by delivering, or arranging to have delivered on their behalf, a valid Exchange Instruction that is received by the Exchange Agent by the Expiration Deadline. See “*Procedures for Participating in the Exchange Offer*”. Exchange Instructions will be irrevocable except in the limited circumstances described in “*Amendment and Termination*”.

The Issuer expressly reserves the right, in its sole discretion, to delay acceptance of Existing Securities offered for exchange pursuant to the Exchange Offer in order to comply with applicable laws. In all cases, the Issuer will only exchange Existing Securities for New Securities pursuant to the Exchange Offer after the submission of a valid Exchange Instruction in accordance with the procedures described in “*Procedures for Participating in the Exchange Offer*”. These procedures include the blocking of the Existing Securities offered for exchange in the relevant account in the relevant Clearing System from the date the relevant Exchange Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Exchange Offer (including where such Existing Securities are not accepted by the Issuer for exchange) or on which the Exchange Instruction is revoked, in the limited circumstances in which such revocation is permitted.

The Issuer is not under any obligation to accept, and shall have no liability to any person for any non-acceptance of, any offer of Existing Securities for exchange pursuant to the Exchange Offer. Offers of Existing Securities for exchange may be rejected in the sole discretion of the Issuer for any reason and the Issuer is not under any obligation to Securityholders to furnish any reason or justification for refusing to accept an offer of Existing Securities for exchange. For example, offers of Existing Securities for exchange may be rejected if the Exchange Offer is terminated, if the Exchange Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

The Exchange Offer and the issue of New Securities is not being underwritten by any party. Subscription rights for the New Securities will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

The Issuer will at all times have the discretion to accept any Existing Securities offered for exchange the offer of which would otherwise be invalid or, in the sole opinion of the Issuer may otherwise be invalid.

Securityholders are advised that the Issuer may, in its sole discretion, accept offers of Existing Securities for exchange pursuant to the Exchange Offer on more than one date if the Exchange Offer is extended or re-opened.

The failure of any person to receive a copy of this Exchange Offer Prospectus or any announcement made or notice issued in connection with an Exchange Offer shall not invalidate any aspect of that Exchange Offer. No acknowledgement of receipt of the Exchange Instructions and/or other documents will be given by the Issuer or the Exchange Agent.

***Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary needs to receive instructions from a Securityholder before the deadlines specified in this Exchange Offer Prospectus in order for that Securityholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer. The deadlines set by each Clearing System for the submission and withdrawal of Exchange Instructions will also be earlier than the relevant deadlines specified in this Exchange Offer Prospectus.***



Questions and requests for assistance in connection with the (i) Exchange Offer, may be directed to the Dealer Managers, and (ii) delivery of Exchange Instructions, may be directed to the Exchange Agent, the contact details for all of which are on the last page of this Exchange Offer Prospectus.

## OFFER AND DISTRIBUTION RESTRICTIONS

This Exchange Offer Prospectus does not constitute an offer to participate in the Exchange Offer to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The Exchange Offer is being made on the basis of this Exchange Offer Prospectus and is subject to the terms described herein. Each Securityholder should consult its advisers as needed to make its investment decision and to determine whether it is legally permitted to participate in the Exchange Offer under applicable legal investment or similar laws or regulations.

Each Securityholder must comply with all applicable laws and regulations in force in any jurisdiction in which it participates in the Exchange Offer, or possesses or distributes this Exchange Offer Prospectus and must obtain any consent, approval or permission required by it for participation in the Exchange Offer under the laws and regulations in force in any jurisdiction to which it is subject, and none of the Issuer, the Dealer Managers, the Exchange Agent or any of their respective representatives shall have any responsibility therefor.

No action has been or will be taken in any jurisdiction except the Offer Jurisdictions that would permit a public offering in relation to the Exchange Offer, or the possession, circulation or distribution of this Exchange Offer Prospectus or any material relating to the Issuer or the New Securities where action for that purpose is required. Accordingly, the Exchange Offer may not be conducted, directly or indirectly, and neither this Exchange Offer Prospectus nor any other offering material or advertisement in connection with the Exchange Offer may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

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

This Exchange Offer Prospectus has been prepared on the basis that the Exchange Offer will either be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers or delivery of the New Securities or by the use of this Exchange Offer Prospectus, as a prospectus approved by the CSSF and passported to the Offer Jurisdictions. Accordingly, any person making or intending to make an offer to exchange within the EEA should only do so in the Offer Jurisdictions using this document, or, in any other EEA jurisdiction, in circumstances in which no obligation arises for the Issuer or any of the Dealer Managers to produce a prospectus for such offer.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression

“**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

An offer of the New Securities may be made pursuant to the Exchange Offer only to Non-U.S. Qualified Securityholders for the purposes of the Exchange Offer. “**Non-U.S. Qualified Securityholders**” means:

- (1) a non U.S. person who is located outside of the United States; and
- (2) one of:
  - (a) an EEA Qualified Securityholder; or
  - (b) a person who is determined by the Issuer in its sole discretion to be eligible to participate in the Exchange Offer; or
  - (c) a person or legal entity that is resident in:
    - Austria;
    - Denmark;
    - Finland;
    - Germany;
    - Luxembourg
    - The Netherlands;
    - Norway;
    - Sweden; or
  - (d) a person or legal entity that is otherwise resident in a jurisdiction in which delivery or deemed delivery of the New Securities to such person would not be unlawful,

provided that (i) any person falling under paragraph (c) above who does not constitute an EEA Qualified Securityholder shall only be deemed to be a Non-U.S. Qualified Securityholder subsequent to (A) in respect of all such jurisdictions other than Austria, the notification by the CSSF of this Exchange Offer Prospectus to the competent authority in the relevant jurisdiction listed in paragraph (c) pursuant to Articles 17 and 18 of the Prospectus Directive and such competent authority having duly received the notification or (B) in the case of Austria, one bank Business Day after the date on which the competent authority in Luxembourg has notified and passported this Exchange Offer Prospectus to the FMA as competent authority in Austria and (ii) such offer of the New Securities (other than to persons falling under paragraph (c) above) shall not require the Issuer or any Dealer Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each Securityholder that submits an Exchange Instruction will be deemed to represent, warrant and agree that they are a Non-U.S. Qualified Securityholder. Each person or entity acquiring New Securities for the account of a Securityholder will be deemed to represent, warrant and agree that it has full power to acknowledge, on behalf of such account, that such account constitutes a Non-U.S. Qualified Securityholder. In addition, each such Securityholder or any entity that is acting on behalf of such a Securityholder that submits an Exchange Instruction, will be deemed to acknowledge that the Issuer, the Dealer Managers, the Existing Agent and others will rely upon the truth and accuracy of the foregoing acknowledgements and representations.

## United States

The Exchange Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, for the account or benefit of, U.S. persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this Exchange Offer Prospectus and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to U.S. persons and the Existing Securities cannot be offered for exchange in the Exchange Offer by any such use, means, instrumentality or facilities or from within the United States or by U.S. persons. Any purported offer of Existing Securities for exchange resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer of Existing Securities for exchange made by a U.S. person, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

This Exchange Offer Prospectus is not an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons. The purpose of this Exchange Offer Prospectus is limited to the Exchange Offer and this Exchange Offer Prospectus may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each holder of Existing Securities participating in an Exchange Offer will represent that it is not located in the United States and is not participating in the Exchange Offer from the United States, that it is participating in the Exchange Offer in accordance with Regulation S under the Securities Act and that it is not a U.S. person or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Exchange Offer from the United States and is not a U.S. person. For the purposes of this and the above two paragraphs, “**United States**” means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

## Italy

None of the Exchange Offer, this Exchange Offer Prospectus or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations.

The Exchange Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Issuer's Regulation**”), as the case may be. The Exchange Offer is also being carried out in compliance with Article 35-bis, paragraph 7 of the Issuer's Regulation.

Holders or beneficial owners of the Existing Securities can exchange the Existing Securities through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

## **United Kingdom**

The communication of this Exchange Offer Prospectus and any other documents or materials relating to the Exchange Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

## **France**

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France (“**France**”). Neither this Exchange Offer Prospectus nor any other document or material relating to the Exchange Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier* are eligible to participate in the Exchange Offer. This Exchange Offer Prospectus has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

## **Belgium**

Neither this Exchange Offer Prospectus nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*”) and, accordingly, the Exchange Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, both as amended or replaced from time to time. Accordingly, the Exchange Offer may not be advertised and the Exchange Offer will not be extended, and neither this Exchange Offer Prospectus nor any other documents or materials relating to the Exchange Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than persons which are “qualified investors” in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets and which are “qualified investors” in the sense of Article 2(1)(e) of Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (as amended by Directive 2010/73/EU), acting on their own account. This Exchange Offer Prospectus has been issued only for the

personal use of the above qualified investors and exclusively for the purpose of the Exchange Offer. Accordingly, the information contained in this Exchange Offer Prospectus may not be used for any other purpose or disclosed to any other person in Belgium.

### **Austria**

No documents or materials relating to the Exchange Offer have been submitted to or will be submitted for approval or for the purposes of notification to the Austrian Financial Markets Authority (Finanzmarktaufsicht) (“**FMA**”), save for this Exchange Offer Prospectus which has been duly approved by the competent authorities in Luxembourg and that is to be notified to the FMA pursuant to section 8b para 1 of Austrian Capital Markets Act (“**KMG**”) for the purpose of passporting the Exchange Offer Prospectus to Austria in accordance with Article 18 of Directive 2003/71/EC. Thus, pursuant to section 2 para 1 KMG the Exchange Offer is not being made, directly or indirectly, and the public offer shall not commence in the Republic of Austria prior to one bank Business Day after the date on which the competent authority in Luxembourg has notified and passported the Exchange Offer Prospectus to the FMA as competent authority in Austria.

### **General**

The distribution of this Exchange Offer Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Prospectus comes are required by the Issuer, the Dealer Managers and the Exchange Agent to inform themselves about and to observe any such restrictions.

The Dealer Managers and the Exchange Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this Exchange Offer Prospectus or the Exchange Offer. The Exchange Agent is the agent of the Issuer and owes no duty to any Securityholder. None of the Issuer, the Dealer Managers or the Exchange Agent makes any recommendation as to whether or not Securityholders should participate in the Exchange Offer or refrain from taking any action in the Exchange Offer with respect to any of such Securityholder's Existing Securities, and none of them has authorised any person to make any such recommendation.

This Exchange Offer Prospectus does not constitute an offer to sell or buy or the solicitation of an offer to sell or buy the Existing Securities and/or New Securities, as applicable, and offers of Existing Securities for exchange pursuant to the Exchange Offer will not be accepted from Securityholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Exchange Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, that Exchange Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each holder of Existing Securities participating in the Exchange Offer will also be deemed to give certain representations as to being a Non-U.S. Qualified Securityholder and in respect of the other jurisdictions referred to above and generally as set out in “*Procedures for Participating in the Exchange Offer*”. Any offer of Existing Securities for exchange pursuant to the Exchange Offer from a Securityholder that is unable to make these representations will not be accepted. Each of the Issuer, the Dealer Managers and the Exchange Agent reserve the right, in their absolute discretion, to investigate, in relation to any offer of Existing Securities for exchange pursuant to the Exchange Offer, whether any such representation given by a Securityholder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such offer shall not be accepted.

## DOCUMENTS INCORPORATED BY REFERENCE

This Exchange Offer Prospectus should be read and construed in conjunction with (i) the Annual Reports of the Issuer for the financial years ended 31 December 2011 and 31 December 2012 (excluding the section entitled “Outlook” appearing on pages 27 to 28 of the Annual Report for the financial year ended 31 December 2012 and the section entitled “Financial Outlook for 2012” appearing on pages 40 to 41 of the Annual Report for the financial year ended 31 December 2011), including the audited consolidated financial statements of the Issuer together in each case with the audit report thereon, and (ii) the interim financial reports of the Issuer for the first quarter ended 31 March 2012 and 31 March 2013 (excluding the section entitled “Outlook” appearing on page 10 of the interim financial report for the first quarter ended 31 March 2012 and the section entitled “Outlook”, appearing on page 10, respectively, of the interim financial report for the first quarter ended 31 March 2013) including the unaudited consolidated financial statements of the Issuer for the first quarter ended 31 March 2013 and 31 March 2012, which have been previously published or are published simultaneously with this Exchange Offer Prospectus and which have been filed with the CSSF and which shall be incorporated in, and form part of, this Exchange Offer Prospectus. Those parts of the documents incorporated by reference in this Exchange Offer Prospectus which are not specifically incorporated by reference in this Exchange Offer Prospectus are either not relevant for prospective investors in the New Securities or the relevant information is included elsewhere in this Exchange Offer Prospectus.

Copies of documents incorporated by reference in this Exchange Offer Prospectus may be obtained (without charge) from, the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The table below sets out the relevant page references for the audited consolidated statements for the financial years ended 31 December 2011 and 31 December 2012, respectively, as set out in the Issuer's Annual Report. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only.

### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2012**

#### **DONG Energy A/S Annual Report 31 December 2012**

Income Statement.....	Page 44
Balance Sheet .....	Pages 45
Cash Flow Statement.....	Pages 47-48
Accounting Principles & Notes .....	Pages 49-85
Statement of Changes in Equity .....	Page 46
Auditor's Report.....	Page 106

### **Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2011**

#### **DONG Energy A/S Annual Report 31 December 2011**

Income Statement.....	Pages 64-65
Balance Sheet .....	Pages 66-67
Cash Flow Statement.....	Pages 70-71
Accounting Principles .....	Pages 72, 128-141
Statement of Changes in Equity .....	Page 68

**DONG Energy A/S Annual Report 31 December 2011**

Notes.....	Pages 72-149
Auditor's Report.....	Page 185

**Unaudited consolidated interim financial statements of the Issuer for the first quarter ended 31 March 2013**

**DONG Energy A/S Interim Financial Report – First Quarter Of 2013**

Income Statement.....	Page 17
Balance Sheet.....	Page 18
Cash Flow Statement.....	Pages 20-21
Accounting Principles.....	Pages 22
Statement of Changes in Equity.....	Page 19
Notes.....	Pages 22-39

**Unaudited consolidated interim financial statements of the Issuer for the first quarter ended 31 March 2012**

**DONG Energy A/S Interim Financial Report – First Quarter Of 2012**

Income Statement.....	Page 18-19
Balance Sheet.....	Pages 20-21
Cash Flow Statement.....	Page 24
Accounting Principles.....	Page 26
Statement of Changes in Equity.....	Page 23
Notes.....	Pages 26-38



## EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only and subject to extension, amendment and/or termination. Accordingly, the actual timetable may differ significantly from the expected timetable set out below.

Events	Times and Dates
<p><b>Commencement of the Exchange Offer</b></p> <p>Exchange Offer announced and notice of the exchange offer published on the OMX News Service, submitted to the clearing systems and published on the website of the Luxembourg Stock Exchange (<i>www.bourse.lu</i>). Exchange Offer Prospectus will be published on the website of the Luxembourg Stock Exchange (<i>www.bourse.lu</i>) and available (subject to the restrictions set out in the Offer and Distribution Restrictions) from the Exchange Agent.</p>	10 June 2013
<p><b>Minimum New Issue Spread Fixing Time</b></p> <p>Minimum New Issue Spread announced.</p>	At or around 10.00 a.m. (London time), 13 June 2013
<p><b>Expiration Deadline</b></p> <p>Final deadline for receipt of valid Exchange Instructions by the Exchange Agent in order for Securityholders to be able to participate in the Exchange Offer.</p> <p>Expiration of the Exchange Offer.</p>	4.00 p.m. (London time) on 18 June 2013
<p><b>Announcement of Indicative Results</b></p> <p>Announcement of the aggregate nominal amount of Existing Securities validly offered for exchange and the indicative aggregate nominal amount of New Securities to be issued in exchange for such Existing Securities if the Issuer accepts such Existing Securities for Exchange.</p>	At or around 7.30 a.m. (London time) on 19 June 2013
<p><b>Pricing Time</b></p> <p>Determination of the Final New Issue Spread, Euro Mid-Swap Rate and calculation of New Issue Price, New Issue Interest Rate, Pricing Details and Exchange Ratio.</p>	On the Business Day following the Expiration Deadline
<p><b>Announcement of Exchange Offer Results and Additional New Securities Offer Results</b></p> <p>Announcement, subject to the satisfaction of the Minimum New Issue Size, of whether the Issuer will accept valid offers of Existing Securities for exchange pursuant to the Exchange Offer and, if so accepted, of (a) the Final New Issue Spread and Euro Mid-Swap Rate, together with the New Issue Price, New Issue Interest Rate, Exchange Ratio and other remaining Pricing Details, and (b) the final aggregate nominal amount (subject to satisfaction of the Minimum New Issue Size) of the (i) Existing Securities validly tendered for exchange and (ii) New Securities to be issued in exchange for such Existing Securities.</p> <p>Announcement (where the Issuer has announced its intention to issue Additional New Securities) of the</p>	As soon as reasonably practicable after the Pricing Time
	19 June 2013

aggregate nominal amount of Additional New Securities to be issued and, if applicable, announcement of the satisfaction of the Minimum New Issue Size.

**Settlement Date**

26 June 2013

Expected settlement date for the Exchange Offer, delivery of New Securities (including Additional New Securities) in exchange for Existing Securities validly submitted for exchange and accepted, and payment of Accrued Interest on, and any applicable Cash Rounding Amount in respect of, Existing Securities validly submitted for exchange and accepted.

*The above times and dates are subject to the right of the Issuer to extend, re-open, amend and/or terminate the Exchange Offer (subject to applicable law and as provided in this Exchange Offer Prospectus).*

*Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary needs to receive instructions from a Securityholder before the deadlines set out above in order for that Securityholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer. **The deadlines set by each Clearing System for the submission of Exchange Instructions will also be earlier than the relevant deadlines above.** See “Procedures for Participating in the Exchange Offer”.*

Unless stated otherwise, announcements in connection with the Exchange Offer will be made by the publication of such announcements with OMX News Service and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and may also be (a) found on the relevant Reuters International Insider Screen and (b) made by the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Prospectus. Significant delays may be experienced where notices are delivered to the Clearing Systems and Securityholders are urged to contact the Exchange Agent for the relevant announcements during the course of the Exchange Offer. In addition, holders of Existing Securities may contact the Dealer Managers for information using the contact details on the last page of this Exchange Offer Prospectus.

## TERMS AND CONDITIONS OF THE NEW SECURITIES

*The following, subject to alteration and except for paragraphs in italics, are the terms and conditions substantially in the form in which they will be endorsed on each Security in definitive form (if issued).*

The issue of the Callable Subordinated Capital Securities due 3013, ISIN XS0943370543 (the “**Securities**”) on 26 June 2013 (the “**Issue Date**”) was authorised by a written resolution of the Board of Directors of DONG Energy A/S (the “**Issuer**”) passed on 22 May 2013. The Securities are constituted by a trust deed (the “**Trust Deed**”) dated 26 June 2013 between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Securities (the “**Securityholders**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities and the coupons (the “**Coupons**”) and talons for further Coupons (the “**Talons**”) relating to them. Capitalised terms used in these Conditions and not defined herein shall have the meaning given to them in the Trust Deed. Copies of the Trust Deed and of the agency agreement (the “**Agency Agreement**”) dated 26 June 2013 relating to the Securities between the Issuer, the Trustee, Deutsche Bank AG, London Branch as agent bank (the “**Agent Bank**” which expression includes any bank appointed as the Agent Bank from time to time) and the initial principal paying agent and paying agents named in it, are available for inspection by Securityholders during usual business hours at the principal office of the Trustee (presently at 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the principal paying agent from time to time (the “**Principal Paying Agent**”) and the banks appointed as paying agents from time to time (the “**Paying Agents**”, which expression shall include the “**Principal Paying Agent**”). The Securityholders and the holders of the Coupons and Talons (whether or not such Coupons and Talons are attached to the relevant Securities) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### 1 Form, Denomination and Title

#### (a) *Form and denomination*

The Securities are serially numbered and in bearer form in the principal amount of €1,000 each with Coupons and a Talon attached on issue.

#### (b) *Title*

Title to the Securities, Coupons and Talons passes by delivery. The holder of any Security, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### 2 Status

The Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

The rights and claims of the Trustee, the Securityholders and the Couponholders against the Issuer in respect of the Securities and the Coupons shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, *pari passu* with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares (as defined below).

For the purposes of these Conditions:

“**Issuer Shares**” means Ordinary Shares and any other shares of any class of the Issuer (if any) ranking *pari passu* among themselves and *pari passu* with Ordinary Shares.

“**Ordinary Shares**” means ordinary shares in the capital of the Issuer, having on the Issue Date a minimum principal value of DKK10 each.

*As at the Issue Date, the Issuer had Ordinary Shares in an aggregate principal value of DKK 2,937,099,000 in issue.*

“**Parity Securities**” means, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) which rank or by their terms are expressed to rank *pari passu* with the Securities, in each case described by their respective initial issuance amount.

*The Issuer reserves the right to issue other subordinated capital securities with terms and conditions that are different from those applicable to the Securities at any time which with effect from their issue date may be Parity Securities.*

“**Senior Creditors**” means, in respect of the Issuer, all creditors of the Issuer other than (i) creditors whose claims are in respect of the Securities and the Coupons; (ii) Parity Securities; or (iii) Issuer Shares.

### 3 Coupons

#### (a) *Coupon Payment Dates*

From (and including) 26 June 2013 (the “**Interest Commencement Date**”) to (but excluding) 26 June 2023 (the “**First Par Call Date**” or the “**First Step-up Date**”), the Securities bear interest at a rate of [●] per cent. per annum (the “**First Fixed Rate**”).

From (and including) the First Par Call Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date until the Reset Date falling on 26 June 2043 (the “**Second Step-up Date**”), the Securities bear interest at the relevant Reset Fixed Rate for the relevant Coupon Period.

From (and including) the Second Step-up Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date until the Maturity Date, the Securities bear interest at the relevant Reset Fixed Rate for the relevant Coupon Period.

During each such period, interest is scheduled to be paid annually in arrear on 26 June in each year (each a “**Coupon Payment Date**”), commencing on 26 June 2014, and will be due and payable in accordance with Conditions 4 and 5. If any Coupon Payment Date would otherwise fall on a day which is not a business day (as defined below), the relevant payment shall be made on the next day which is a business day. No further interest or other payment will be made as a consequence of the postponement.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Coupon Payment Date and each successive period beginning on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date is called a “**Coupon Period**”. The amount of interest payable on each Security for the Coupon Period (the “**Coupon Amount**”) shall be determined by applying the First Fixed Rate or the relevant Reset Fixed Rate, as applicable, to the principal amount of one Security.

Where interest is to be calculated in respect of a period which is equal to or shorter than a Coupon Period, the day-count fraction used will be the number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of days in the Coupon Period in which the relevant period falls (including the first such day but excluding the last).

**(b) Cessation of Interest Accrual**

Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 3 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Securityholder, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Securityholders of receipt of all sums due in respect of all the Securities up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

**(c) Definitions**

In this Condition 3:

“**5-year Swap Rate**” means the rate for a Reset Period determined by the Agent Bank on the Interest Determination Date for the relevant Reset Period and will be:

- (A) the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which (x) has a term of five years and commencing on the date on which the relevant Coupon Period commences, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis), as such arithmetic mean appears on the Reuters screen “ISDAFIX2” under the heading “EURIBOR BASIS” and the caption “11:00 AM Frankfurt time” (as such headings and captions may appear from time to time) as of 11.00 a.m. (Frankfurt time) (or another screen page of Reuters or another information service, which is the successor to such Reuters screen for the purpose of displaying the arithmetic mean of swap transactions as described in this paragraph) (the “**Reset Screen Page**”) on the Interest Determination Date; or
- (B) in the event that any of the information required for the purposes of alternative (i) does not appear on the Reset Screen Page on the Interest Determination Date, the Reset Reference Bank Rate on the Interest Determination Date,

in each case as determined by the Agent Bank.

“**5-year Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of five years and commencing on the date on which the relevant Coupon Period commences, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

“**business day**” means a day upon which the TARGET System is operating.

“**Interest Determination Date**” means the second business day prior to the date on which the relevant Reset Period commences.

“**Margin**” means:

- (i) in respect of the Coupon Period from (and including) the First Step-up Date to (but excluding) the Second Step-up Date: [●] basis points per annum (including a 25 basis points step-up); and
- (ii) in respect of the Coupon Period from (and including) the Second Step-up Date to (but excluding) the Maturity Date: [●] basis points per annum (including a further 75 basis points step-up).

“**Reset Date**” means each fifth anniversary of the First Par Call Date.

“**Reset Fixed Rate**” for each Coupon Period from (and including) the First Step-up Date to (but excluding) the Maturity Date means the 5-year Swap Rate for the relevant Reset Period in which the Coupon Period falls plus the relevant Margin, as determined by the Agent Bank.

“**Reset Period**” means the period from (and including) the First Par Call Date to (but excluding) the first Reset Date and thereafter each period from (and including) a Reset Date to (but excluding) the next subsequent Reset Date.

“**Reset Reference Bank Rate**” means the percentage rate determined by the Agent Bank on the basis of the 5-year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the “**Reset Reference Banks**”) to the Agent Bank at approximately 11.00 a.m. (Frankfurt time) on the relevant Interest Determination Date. If at least three quotations are provided, the 5-year Swap Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last 5-year Swap Rate available on the Reset Screen Page as determined by the Calculation Agent.

“**TARGET System**” means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

**(d) Determination or calculation by Trustee**

If the Agent Bank, at any time for any reason, does not determine the relevant Reset Fixed Rate for any Coupon Period, the Trustee (or an agent appointed by it) shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the foregoing provisions of this Condition 3, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

**(e) Reset Reference Banks and Agent Bank**

The Issuer will procure that, so long as any Security is outstanding, there shall at all times be the number of Reset Reference Banks provided above (where the relevant Reset Fixed Rate is to be calculated by reference to them) and an Agent Bank for the purposes of the Securities. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as a Reset Reference Bank or the Agent Bank, as the case may be, or if the Agent Bank fails duly to establish the relevant Reset Fixed Rate for any Reset Period, the Issuer shall (with the prior approval in writing of the Trustee) appoint another leading bank engaged in the Euro-zone interbank market (acting through its principal London office) to act as such in its place. The Agent Bank may not resign its duties without a successor having been so appointed.

*(f) Notifications etc. to be binding*

All notifications, opinions, determinations, certifications, conditions, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3, whether by the Agent Bank or the Trustee (or its agent), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and on all Securityholders and Couponholders and (in the absence of the aforesaid) no liability to the Securityholders, the Couponholders or the Issuer shall attach to the Agent Bank, the Paying Agents or the Trustee in connection with the exercise or non-exercise by them of any of their powers, duties or discretions.

#### **4 Optional Coupon Deferral**

Interest which accrues during a Coupon Period ending on (but excluding) a Coupon Payment Date will be due and payable on that Coupon Payment Date, unless the Issuer, by giving notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee in accordance with Condition 16, not less than 16 business days prior to the Coupon Payment Date (an “**Optional Deferral Notice**”), elects to defer the relevant Coupon Payment in whole or in part.

If the Issuer elects not to pay accrued interest on a Coupon Payment Date, it will not have any obligation to pay interest on such Coupon Payment Date.

Each such Coupon Payment that is not due and payable in accordance with this Condition 4 due to an election made by the Issuer shall be referred to as a “**Deferred Payment**”. Any such Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Coupon Payment Date on which such Deferred Payment would otherwise than by reason of the operation of this Condition 4 become due to (but excluding) the date on which the Deferred Payment is satisfied in accordance with Condition 5. The non-payment of any interest deferred by the giving of any Optional Deferral Notice in respect thereof shall not constitute a Default (as defined in Condition 9) or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance with Condition 9) until such time as such interest shall have become due under Condition 5 and remain unpaid.

The amount of any Deferred Payments, together with any interest accrued thereon, shall constitute “**Outstanding Payments**” from the day following the Coupon Payment Date on which such Deferred Payment would have become due but for the operation of this Condition 4.

For the purposes of Conditions 4 and 5, “**business day**” shall mean a day, other than a Saturday or Sunday, on which commercial banks are open in London and Copenhagen.

#### **5 Settlement of Outstanding Payments**

*(a) Optional Settlement of Outstanding Payments.*

The Issuer will be entitled to pay Outstanding Payments (in whole or in part) at any time by giving notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee in accordance with Condition 16, not less than 16 business days prior to the date fixed by the Issuer for such payment (the “**Optional Settlement Date**”) which notice shall specify (x) the amount of Outstanding Payments to be paid and (y) the Optional Settlement Date.

Upon such notice being given, the amount of Outstanding Payments specified in the relevant notice will become due and payable, and the Issuer shall pay such amount of Outstanding Payments on the specified Optional Settlement Date.

**(b) Mandatory Settlement of Outstanding Payments.**

The Issuer must pay all Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.

“**Mandatory Settlement Date**” means the earliest of:

- (A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred;
- (B) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Conditions 6(b), (c), (d), (e) or (f); and
- (C) the date on which an order is made for the bankruptcy (*konkurs*), winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

“**Compulsory Payment Event**” means any of the following events:

- (A) the shareholders of the Issuer have resolved at the annual general meeting on the proposal by, or with the consent of, the Board of Directors to pay or distribute a dividend or make a payment on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares;
- (B) the Issuer or any of its subsidiaries pays any dividend, other distribution or other payment in respect of any Parity Security (other than a dividend, distribution or payment which is made in the form of any Issuer Shares); or
- (C) the Issuer or any of its subsidiaries redeems, repurchases or otherwise acquires any Issuer Share or any Parity Security;

provided that, in the cases of (B) and (C) above, no Compulsory Payment Event shall be deemed to occur if

- (i) the Issuer or the relevant subsidiary is obliged under the terms and conditions of such Parity Security to make such payment, such redemption, such repurchase or such other acquisition;
- (ii) the Issuer or the relevant subsidiary repurchases or otherwise acquires (in each case directly or indirectly) the Issuer Shares pursuant to its obligations under any existing buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants; or
- (iii) the Issuer or the relevant subsidiary repurchases or otherwise acquires any Parity Security where such repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value; or
- (iv) as a result of the exchange or conversion of one class of Issuer Shares for another class.

## **6 Redemption and Purchase**

**(a) Maturity Date**

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Coupon Payment Date falling on or nearest to the Maturity Date at their principal amount together with accrued interest in respect of the Coupon Period ending on (but excluding) the Maturity Date. Any



Outstanding Payments shall automatically be cancelled on the Maturity Date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

**(b) Redemption at the option of the Issuer**

On giving not less than 30 nor more than 60 days' notice (an “**Optional Redemption Notice**”) to the Trustee and the Securityholders in accordance with Condition 16, the Issuer may redeem all but not some only of the Securities

- (i) on the First Par Call Date or any Coupon Payment Date thereafter (each a “**Par Call Date**”) as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the relevant Par Call Date and any Outstanding Payments); or
- (ii) on each Coupon Payment Date falling on 26 June 2018, 26 June 2019, 26 June 2020, 26 June 2021 and 26 June 2022 at the higher of (A) their principal amount together with interest accrued to (but excluding) the relevant Coupon Payment Date and any Outstanding Payments, and (B) the Make-whole Amount and any Outstanding Payments.

The “**Make-whole Amount**” of one Security shall be calculated by the Agent Bank and will be an amount equal to the sum of the Present Values (as defined below) on the date of redemption of (i) its principal amount and (ii) the remaining payments of interest on the Security which are scheduled to be paid after the Optional Redemption Date to (and including) the First Par Call Date.

The “**Present Values**” shall be calculated by the Agent Bank by discounting the principal amount of the Securities and the remaining scheduled payments of interest to the Optional Redemption Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Adjusted Comparable Yield (as defined below) plus 0.75 per cent.

The “**Adjusted Comparable Yield**” will be the yield at the Redemption Calculation Date on (a) the 1.5% German Bundesanleihe, issued on 15 May 2013, maturing on 15 May 2023, (ISIN DE0001102317) or, (b) if, in the determination of the Agent Bank, after consultation with the Issuer, the before mentioned bond is no longer commonly used to price new issues of corporate debt securities, such euro benchmark security selected by the Agent Bank, after consultation with the Issuer, as having a maturity comparable to the remaining term of the Securities to the First Par Call Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Par Call Date.

“**Redemption Calculation Date**” means the third Business Day prior to the Optional Redemption Date.

**(c) Redemption for taxation reasons**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16, if

- (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice by providing an opinion of a recognised tax counsel or tax adviser satisfactory to the Trustee stating that the Issuer:
  - (A) either has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political sub-division or any authority thereof or

therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, in which case the Issuer will be entitled to redeem each Security at its principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments); or

- (B) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or governmental charges, in which case the Issuer will be entitled to redeem the Securities (I) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (II) on or after the First Par Call Date at their principal amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments),

(each, a “**Tax Event**”), and

- (ii) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in Condition 6(c)(i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in Condition 6(c)(i) above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

**(d) Redemption for an Accounting Event**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16, (i) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption and any Outstanding Payments), if a recognised accountancy firm satisfactory to the Trustee, acting upon instructions of the Issuer, has delivered an opinion to the Trustee, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as “equity” in the consolidated financial statements of the Issuer pursuant to International Financial Reporting Standards (“**IFRS**”) or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer (an “**Accounting Event**”).

**(e) Redemption for a Ratings Event**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16, (i) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date, at their principal amount (together

with interest accrued to the date fixed for redemption and any Outstanding Payments), if (a)(I) any rating agency from whom the Issuer is assigned a Solicited Rating publishes a change in hybrid capital methodology or the interpretation thereof, as a result of which change the Securities would no longer be eligible for the same or a higher category of “equity credit” or such similar nomenclature as may be used by that rating agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date or at any later date on which the Securities were attributed a higher category of “equity credit” compared to the category of “equity credit” attributed to them on the Issue Date (a “**Loss in Equity Credit**”), or (II) the Issuer has received, and has provided the Trustee with a copy of, a written confirmation from any rating agency from which the Issuer is assigned a Solicited Rating that due to a change in hybrid capital methodology or the interpretation thereof, a Loss in Equity Credit occurred (a “**Ratings Event**”) and (b) the Issuer has given notice of such Ratings Event to Securityholders in accordance with Condition 16 prior to giving the notice of redemption pursuant to this Condition 6(e).

For the purpose of this Condition, “**Solicited Rating**” means a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Securities are assigned a rating and an equity credit.

**(f) *Redemption for a minimum outstanding principal amount***

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16, (i) prior to the First Par Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Par Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption and any Outstanding Payments), if the Issuer or any of its subsidiaries (as defined in the Trust Deed) has purchased (in accordance with Condition 6(h)) and cancelled (in accordance with Condition 6(i)) Securities with an aggregate principal amount of equal to or greater than 90 per cent. of the initial aggregate principal amount of the Securities.

**(g) *Notice of Redemption***

Where a notice of redemption is given under this Condition 6 all Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.

**(h) *Purchase***

The Issuer or any of its subsidiaries may at any time when there are no unsatisfied Outstanding Payments purchase securities in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons and Talons relating to them). The Securities so purchased, while held by or on behalf of the Issuer or any such subsidiary, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Securityholders or for the purposes of Condition 9(a) or Condition 12(a).

**(i) *Cancellation***

All Securities so redeemed or purchased and any unmatured Coupons or Talons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

(j) **Definitions**

For the purposes of these Conditions:

“**Early Redemption Amount**” means 101.00 per cent. of the principal amount per Security.

7 **Payments and Talons**

(a) **Method of Payment**

Subject to Condition 4, payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Securities or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Security other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Security.

(b) **Payments subject to laws**

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(c) **Unmatured Coupons and unexchanged Talons**

Each Security should be presented for redemption together with all unexpired Coupons relating to it, failing which the amount of any such missing unexpired Coupon that is due on a Coupon Payment Date (or in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 8) for the relevant payment of principal.

Upon the due date for redemption of any Security, unexpired Coupons that are due on a Coupon Payment Date relating to such Security and unexchanged Talons relating to such Security (in each case, whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no Coupons shall be delivered in respect of such Talons. Where any Security is presented for redemption without all unexpired Coupons or unexchanged Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(d) **Payments on business days**

A Security or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a euro account, in a city where banks have access to the TARGET System). No further interest or other payment will be made as a consequence of the day on which the relevant Security or Coupon may be presented for payment under this Condition 7 falling after the due date. In this Condition 7, “**business day**” means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) **Paying Agents**

The initial Paying Agents and Agent Bank and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the

appointment of any Paying Agent or the Agent Bank and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent, (ii) an Agent Bank and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000.

If either of the Agent Bank or Principal Paying Agent is unable or unwilling to act as such or if it fails to make any determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint at its own expense, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank or the Principal Paying Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Securityholders and the Couponholders.

**(f) Talons**

On or after the Coupon Payment Date of the final Coupon forming part of a Coupon sheet issued in respect of any Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupon that may have become void pursuant to Condition 10).

## **8 Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed unless such withholding or deduction is required by law. In the event that any such withholding or deduction is applied by or within the Kingdom of Denmark or any political subdivision thereof or therein having the power to tax, the Issuer shall pay such additional amounts as will result in receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon presented for payment:

**(a) Other connection**

by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the Kingdom of Denmark other than the mere holding of the Security or Coupon; or

**(b) Presentation more than 30 days after the Relevant Date**

more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Security or Coupon for payment on the last day of such period of 30 days; or

**(c) Payment to individuals**

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000; or

**(d) *Payment by another Paying Agent***

by or on behalf of a Securityholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another Paying Agent in a Member State of the European Union.

“**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Securityholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed and any Outstanding Payments (subject to the application of Condition 5).

**9 Default and Enforcement**

**(a) *Event of Default and Liquidation***

Subject to Condition 4, if the Issuer fails to pay any interest on any of the Securities when due (a “**Default**”), the Trustee at its discretion may, and if so instructed by Securityholders holding not less than one-fifth in principal amount of the outstanding Securities or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall, subject in each case to it being indemnified and/or secured and/or pre-funded to its satisfaction, by written notice addressed to the Issuer, take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings in the Kingdom of Denmark (but not elsewhere) for the bankruptcy (*konkurs*) of the Issuer. On a bankruptcy of the Issuer, each Security shall entitle the holder thereof to claim for an amount equal to the principal amount of such Security plus all accrued but unpaid interest in respect of the then current coupon period and Outstanding Payments, if any, subject to Condition 2. Notwithstanding the above, no amount in respect of the Securities or the Coupons shall, as a result of any proceeding instituted under this Condition 9(a), be or become payable sooner than the same would otherwise have been payable by the Issuer had no such proceeding been instituted.

**(b) *Breach of Obligations***

Subject to Condition 4, the Trustee may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Securities, the Coupons or the Trust Deed (other than as provided in Condition 9(a)); provided that:

- (i) the Issuer shall not by virtue of the institution of any such steps, actions or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- (ii) the Trustee shall not be obligated to institute proceedings unless it has been directed or requested to do so and indemnified and/or secured and/or pre-funded as described under Condition 9(a).

The proviso to this Condition 9(b) shall not apply to amounts due to the Trustee in its personal capacity under the Trust Deed.

**(c) *Other Remedies and Rights of Securityholders***

No remedy against the Issuer, other than the institution of the proceedings or the taking of steps or actions by the Trustee referred to in Conditions 9(a) and (b) or the proving or claiming in any liquidation, bankruptcy or dissolution of the Issuer, shall be available to the Trustee, the

Securityholders or the Couponholders whether for the recovery of amounts owing in respect of the Securities or the Coupons or in respect of any breach by the Issuer of any other obligation, condition, undertaking or provision binding on it under the Securities, the Coupons or the Trust Deed, provided that the proviso to Condition 9(b) shall apply to this Condition 9(c) and includes reference to proving or claiming in the liquidation, bankruptcy or dissolution of the Issuer. No Securityholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.

## **10 Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

## **11 Replacement of Securities, Coupons and Talons**

If any Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Securities, Coupons or Talons must be surrendered before replacements will be issued.

## **12 Meetings of Securityholders, Modification, Waiver and Substitution**

### **(a) Meetings of Securityholders**

The Trust Deed contains provisions for convening meetings of Securityholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Securityholders holding not less than 10 per cent. in principal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Securities or the dates on which interest is payable in respect of the Securities, (ii) to reduce or cancel the principal amount of, or interest on or to vary the method of calculating the rate of interest on, the Securities, (iii) to change the currency of payment of the Securities or the Coupons, (iv) to modify the provisions of Condition 2 or (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of holders of not less than 90 per cent. in principal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

**(b) *Modification and Waiver***

The Trustee may agree, without the consent of the Securityholders or Couponholders (except as set out in the Trust Deed), to (i) any modification of any of the provisions of the Trust Deed which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Securityholders as soon as practicable.

**(c) *Substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Securityholders or the Couponholders, to the substitution of certain subsidiaries, which have the corporate function of raising financing and passing it on to affiliates and which hold no significant operating assets or have any ownership in the operating companies of the Issuer or its subsidiaries in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Securities. In the case of such a substitution the Trustee may agree, without the consent of the Securityholders or Couponholders, to a change of the law governing the Securities, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Securityholders.

**(d) *Entitlement of the Trustee***

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Securityholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders or Couponholders.

**13 Enforcement**

At any time after the Securities become due and payable and subject to Condition 9, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Securities and the Coupons, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Securityholders holding at least one-fifth in principal amount of the Securities outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Securityholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**14 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

**15 Further Issues**

The Issuer may from time to time without the consent of the Securityholders or Couponholders create and issue further securities either (i) having the same terms and conditions as the Securities in all respects (or in



all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Securities) or (ii) upon such terms as the Issuer may in its sole discretion determine at the time of their issue. References in these Conditions to the “Securities” include (unless the context requires otherwise) any other issued securities as described in (i) above and forming a single series with the Securities. Any further securities forming a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of securities of other series where the Trustee so decides.

## **16 Notices**

Notice to Securityholders shall be made in compliance with § 10(3) of the Danish Executive Order on Issuers' Disclosure Obligations (*udstederbekendtgørelsen*). In particular, the Issuer shall publish notices, or distribute circulars, concerning the place, time and agenda of meetings of Securityholders, the payment of interest, the exercise of any conversion, exchange, subscription, redemption or cancellation rights, and repayment, as well as the right of those Securityholders to participate therein.

In order to comply with § 10(3) of the Danish Executive Order on Issuers' Disclosure Obligations (*udstederbekendtgørelsen*), the Issuer has entered into an agreement with OMX News Service, a Danish regulated information service, through which the Issuer disseminates information to Securityholders.

In addition to disclosure through OMX News Service, notices to Securityholders shall be published in (i) a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), and (ii) (so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Securityholders in accordance with this Condition.

## **17 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

## **18 Governing Law**

### **(a) Governing Law**

Save as provided in the following sentence, the Trust Deed, the Securities, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law. Condition 2 of the Securities and Clause 5 of the Trust Deed are governed by and shall be construed in accordance with the laws of the Kingdom of Denmark.

### **(b) Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities, the Coupons or the Talons and accordingly any legal action or

proceedings arising out of or in connection with the Securities, the Coupons or the Talons (“**Proceedings**”) may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

**(c) *Agent for Service of Process***

Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Securities, the Coupons or the Talons.

## **RESTRICTIONS REGARDING REDEMPTION AND REPURCHASE OF THE NEW SECURITIES**

*Securityholders are notified that unless the issuer credit rating assigned by S&P to the Issuer is at least 'BBB+' (or such similar nomenclature then used by S&P) and the Issuer is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, the Issuer intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Securities to but excluding the Second Step-up Date, in the event of:*

- (i) an early redemption of the Securities pursuant to Conditions 6(b), (c), (d), (e) or (f), or*
- (ii) a repurchase of the Securities pursuant to Condition 6(h) of more than (x) 10 per cent. of the aggregate principal amount of the Securities originally issued in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Securities originally issued in any period of 10 consecutive years, if the Securities are assigned an "equity credit" (or such similar nomenclature then used by S&P) by S&P at the time of such redemption or repurchase,*

*that it will redeem or repurchase Securities only to the extent the amount of equity credit, which was assigned by S&P to the aggregate principal amount of the Securities to be redeemed or repurchased at the time of their issuance does not exceed the equity credit assigned by S&P to the net proceeds received by the Issuer or any of its subsidiaries during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer or such subsidiary to third party purchasers (other than group entities of the Issuer) (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities).*

## **OVERVIEW OF PROVISIONS RELATING TO THE NEW SECURITIES WHILE IN GLOBAL FORM**

The Temporary Global Security and the Permanent Global Security contain provisions which apply to the New Securities while they are in global form, some of which modify the effect of the terms and conditions of the New Securities set out in this document. The following is a summary of certain of those provisions:

### **1 Exchange**

The Temporary Global Security is exchangeable in whole or in part for interests in the Permanent Global Security on or after a date which is expected to be 5 August 2013, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. The Permanent Global Security is exchangeable in whole but not in part (free of charge to the holder) for the New Securities in definitive form (the “**Definitive New Securities**”) described below if the Permanent Global Security is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the holder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Security for Definitive New Securities on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below) the holder of the Permanent Global Security may surrender the Permanent Global Security to, or to the order of, the Principal Paying Agent. In exchange for the Permanent Global Security, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive New Securities (having attached to them all Coupons and one Talon in respect of interest which has not already been paid on the Permanent Global Security), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive New Securities.

“**Exchange Date**” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located.

### **2 Payments**

Principal and interest in respect of the Global Security shall be paid to its holder against presentation and (if no further payment falls to be made on it) surrender of it to or to the order of the Principal Paying Agent in respect of the New Securities (or to the order of such other Paying Agent as shall have been notified to the Securityholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in the appropriate schedule to the Global Security (such endorsement being prima facie evidence that the payment in question has been made). References in the Conditions to Coupons and Couponholders shall be construed accordingly. No person shall however be entitled to receive any payment on the Global Security falling due after the Exchange Date, unless exchange of the Global Security for Definitive New Securities is improperly withheld or refused by or on behalf of the Issuer. Condition 7(e)(iv) and Condition 8(d) will apply to the Definitive New Securities only.

### **3 Notices**

So long as the New Securities are represented by a Global Security and such Global Security is held on behalf of a clearing system, notices to Securityholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that, (i) notices to Securityholders shall always (as a minimum) be given

through OMX News Service, and (ii) so long as the New Securities are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*). Any such notice shall be deemed to have been given to the Securityholders on the day after the day on which such notice is delivered to a clearing system as aforesaid.

#### **4 Prescription**

Claims against the Issuer in respect of principal and interest on the New Securities while the New Securities are represented by a Global Security will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

#### **5 Meetings**

The holder of the Global Security shall (unless the Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Securityholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of New Securities.

#### **6 Purchase and Cancellation**

Cancellation of any New Security represented by the Global Security which is required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Global Security on its presentation to or to the order of the Principal Paying Agent for notation in the relevant part of the schedule thereto. New Securities may only be purchased by the Issuer or any of its subsidiaries if (where they should be cancelled in accordance with the Conditions) they are purchased together with the right to receive interest therein.

#### **7 Trustee's Powers**

In considering the interests of Securityholders while the Global Security is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Security and may consider such interests as if such accountholders were the holder of the Global Security.

## TAXATION IN RESPECT OF THE NEW SECURITIES

*The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of New Securities. It does not purport to be a complete analysis of all tax considerations relating to the New Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Securityholder. It is therefore not intended to be, and should not be construed to be, legal or tax advice to any particular Securityholder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Exchange Offer Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.*

**Prospective Securityholders should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the New Securities, including the application and effect of any federal, state or local taxes, under the tax laws of Austria, Denmark, Finland, Germany, Luxembourg, the Netherlands, Sweden and the United Kingdom and each country of which they are residents or citizens.**

### **Denmark**

*The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under Danish law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

#### ***Withholding tax***

Under existing Danish tax laws all payments in respect of the New Securities will be made without deduction for, or on account of, withholding taxes except in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in Section 2(1)(d) and (h) of Consolidated Act No. 1082 of 14 November 2012 (as amended) (*selskabsskatteoven*). Under Danish withholding tax rules, there will be no Danish tax implications for Securityholders that have no relationship with the Issuer, the State or the Kingdom of Denmark other than the holding of the New Securities.

With few exceptions, Danish resident investors will be taxable on interest and gains, if any, while losses, if any, will be tax deductible.

### **Luxembourg**

*The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

#### ***Withholding tax and self-applied tax***

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Securityholders or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Securityholders or so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the New Securities.

#### ***Luxembourg non-resident individuals***

Under the Luxembourg laws dated 21 June 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain

circumstances, to the benefit of) an individual or certain “residual entities” resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or, in case of an individual beneficiary, for the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are entities established in a Member State or in certain EU dependent or associated territories (which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and which are not and have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The withholding tax rate is currently 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

#### *Luxembourg resident individuals*

In accordance with the law of 23 December 2005 as amended by the law of 17 July 2008 on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals acting in the course of their private wealth can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

#### **United Kingdom**

*The comments below are of a general nature based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) and are not intended to be exhaustive. They assume that the Finance Bill, as ordered to be printed on 9 May 2013, will be enacted without amendment. They assume that interest on the New Securities do not have a United Kingdom source and, in particular, that the Issuer is not United Kingdom resident or acting through a permanent establishment in the United Kingdom in relation to the New Securities. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their New Securities and Coupons and may not apply to certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer. Persons who are in doubt as to their own tax position should consult a professional tax adviser.*

#### ***Withholding tax and Information Reporting***

On the basis that interest on the New Securities is not expected to have a United Kingdom source, there should be no United Kingdom withholding tax on payments of interest.

HM Revenue & Customs has powers to obtain information relating to the New Securities in certain circumstances. This may include details of the beneficial owners of the New Securities (or the persons for whom the New Securities are held), details of the persons to whom payments derived from the New Securities are or may be paid and information and documents in connection with transactions relating to the New Securities. Information may be required to be provided by, amongst others, the holders of the New Securities, persons by (or via) whom payments derived from the New Securities are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the New Securities on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HM Revenue & Customs may be exchanged with tax authorities in other countries.

### ***Corporate Securityholders***

Securityholders within the charge to United Kingdom corporation tax (including non-resident Securityholders whose New Securities are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be subject to tax as income on all profits and gains from the New Securities broadly in accordance with their statutory accounting treatment. Such Securityholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Securityholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the New Securities will be brought into account as income.

### ***Individual or trustee Securityholders***

Securityholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the New Securities are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the New Securities.

### ***Transfer (including redemption)***

A disposal of a Security by a Securityholder resident or ordinarily resident for tax purposes in the United Kingdom may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. In calculating any gain or loss on disposal of a Security, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Security. Any accrued interest at the date of disposal will be taxed under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

The New Securities will be regarded by HM Revenue & Customs as “variable rate securities”. Accordingly, a transfer of a Security by a Securityholder resident for tax purposes in the United Kingdom, may give rise to a charge to tax on income in respect of interest on the Security which has accrued since the preceding interest payment date in such an amount as HM Revenue & Customs deem just and reasonable. A transferee of New Securities with accrued interest will not be entitled to any corresponding allowance under Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

## **Germany**

*The comments below are intended as a basic summary of certain aspects of income taxation of Securityholders in the Federal Republic of Germany (“Germany”). Persons who are in any doubt as to their tax position should consult a professional tax adviser.*



## ***German tax residents holding New Securities as private assets***

### *Taxation of income and gains from the New Securities*

If the New Securities are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the New Securities are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the New Securities. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the New Securities and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the New Securities. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent, as defined below) the individual investor will have to include the income received with respect to the New Securities in his annual income tax return. The flat tax will then be collected by way of tax assessment. The individual investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent., the individual investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the New Securities held as private assets are tax-recognised irrespective of the holding period of the New Securities. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income. Losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of €801 per year (€1,602 jointly assessed husband and wife). The saver's lump sum tax allowance is also taken into account for purposes of withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

### *Withholding tax*

If the New Securities are kept or administered in a domestic securities deposit account by a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution) or with a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether a “**Domestic Paying Agent**”) which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

Capital gains from the sale or redemption of the New Securities are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the New Securities are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the New Securities were sold or redeemed after being transferred to a securities deposit

account with another Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

### ***German resident investors holding the New Securities as business assets***

#### *Taxation of income and gains from the New Securities*

If the New Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the New Securities are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the New Securities will generally be tax-recognised and may generally be offset by income subject to certain limitations.

#### *Withholding tax*

If the New Securities are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

No withholding is generally required on capital gains from the disposal or redemption of the New Securities which is derived by German resident corporate investors and, upon application, by individual investors holding the New Securities as business assets, subject to certain requirements.

Any losses incurred from the disposal or redemption of the New Securities will not be taken into account for withholding tax purposes. The withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the New Securities. The income from the New Securities will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

### **Austria**

*The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under current Austrian tax law. Persons in doubt as to their tax position should consult a professional adviser.*

#### *Withholding Tax*

*This summary is based on currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. For the purposes of the following it is assumed that the New Securities are legally and factually offered to an indefinite number of persons.*

The term investment income comprises (i) interest payments as well as (ii) income, if any, realised upon redemption or prior redemption or (iii) income realised upon sale of the New Securities (capital gains).

Also, the withdrawal of the New Securities from a bank deposit (Depotentnahme) is considered a sale, unless the transfer is to another bank deposit and such transfer does not result in Austria losing its right to tax (subject to specific notifications).

#### *Individuals subject to unlimited income tax liability/non-business assets*

Generally, 25 per cent. Austrian withholding tax is levied, if income from the New Securities is paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*) (together a "**Domestic Paying Agent**"); no additional income tax is levied over and above the amount of tax withheld (final taxation). In case of investment income which is not paid by a Domestic Paying Agent, the income must be included in the income tax return and is subject to a flat income tax rate of 25 per cent. In both cases, upon application, the option exists to tax all income subject to the tax rate of 25 per cent. at the lower progressive income tax rate (option to regular taxation). Loss compensation to a certain extent is applicable under certain conditions.

#### *Individuals subject to unlimited income tax liability/business assets*

New Securities held as a business asset are subject to income tax on all resulting investment income. In case of investment income paid by a Domestic Paying Agent the income is subject to a withholding tax of 25 per cent. While this withholding tax has the effect of final taxation for interest income, capital gains and income from derivatives must on the other hand be included in the income tax return (nevertheless flat income tax rate of 25 per cent.). In case of investment income not paid by a Domestic Paying Agent, the income must always be included in the income tax return (flat income tax rate of 25 per cent.). In both cases upon application the option exists to tax all income subject to the tax rate of 25 per cent. at the lower progressive income tax rate. Loss compensation to a certain extent is applicable under certain conditions.

#### *Corporations*

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the New Securities at a rate of 25 per cent. In case of income paid by a Domestic Paying Agent the income is subject to a withholding tax of 25 per cent., which can be credited against the corporate income tax liability. However, under certain conditions no withholding tax has to be levied. Income from the sale of the New Securities is subject to corporate income tax of 25 per cent. Losses from the sale of the New Securities can be offset against other income.

#### *Private Foundations*

Generally, private foundations pursuant to the Austrian Private Foundations Act holding the New Securities as a non-business asset are subject to interim taxation at a rate of 25 per cent. on interest income, capital gains and income from derivatives. In case of income paid by a Domestic Paying Agent the income is subject to a withholding tax of 25 per cent., which can be credited against the tax falling due. Under certain conditions no withholding tax has to be levied.

*Non-Austrian tax residents/EU Savings Tax:* Interest and capital gains derived from the New Securities received by a non-Austrian tax resident are not subject to Austrian (corporate) income tax unless attributable to a permanent establishment in Austria. A Domestic Paying Agent may abstain from levying 25 per cent. Austrian withholding tax if the non-resident investors evidence their non-resident status vis-à-vis the Domestic Paying Agent in accordance with the provisions of the Austrian income tax guidelines.

The Austrian EU Withholding Tax Act (EU-Quellensteuergesetz, "EU-QuStG") - which transforms into national law the EU Savings Directive (2003/48/EC) - provides that interest payments paid or credited by a Domestic Paying Agent to a beneficial owner who is an individual resident in another Member State (or in certain dependent or associated territories) is subject to a withholding tax if no exception from such withholding applies. An exemption from withholding tax applies where the beneficial owner presents to the Domestic Paying Agent a certificate drawn up in his/her name by the competent authority of his/her

Member State of residence for tax purposes in accordance with the provisions the EU-QuStG. The withholding rate is 35 per cent.

The Issuer is not liable for the withholding of taxes at source. Withholding tax is levied by an Austrian custodian or paying agent.

### **The Netherlands**

*The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under the law of the Netherlands. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

Payments of interest made by the Issuer under the New Securities may be made free of withholding for withholding tax withheld by the Netherlands, provided that the Issuer is not a resident of the Netherlands for Dutch tax purposes or, where the Issuer is a resident of the Netherlands for Dutch tax purposes, provided that the New Securities do not in fact function as equity of the Issuer within the meaning of art. 10, paragraph 1, letter d, the Netherlands Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).

### **Sweden**

*The following summary of certain tax issues that may arise as a result of holding New Securities is based on current Swedish tax legislation and is intended only as general information for Securityholders who are resident in Sweden for tax purposes, unless otherwise indicated. This description does not deal comprehensively with all tax consequences that may occur for holders of New Securities, nor does it cover the specific rules where New Securities are held by a partnership or as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. Prospective applicants for New Securities should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding New Securities, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.*

#### **Taxation of Individuals Resident in Sweden**

##### **Capital Gains and Losses**

Individuals who sell their New Securities, or have their New Securities redeemed/repaid, are subject to capital gains tax. The tax rate is 30 per cent. of the gain.

The capital gain or loss is calculated as the difference between the sales proceeds, after deduction of sales costs, and the New Securities' acquisition cost for tax purposes. The acquisition cost is determined according to the "average method". This means that the costs of acquiring all New Securities of the same type and class as the sold New Securities are added together and the average acquisition cost is calculated collectively, with respect to changes to the holding.

Gains or losses on currency exchange rate fluctuations may arise in relation to New Securities where the sales proceeds received are in a foreign currency. However, no special calculations are required if the sales proceeds are exchanged into SEK within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the sales proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes.

As a general rule, 70 per cent. of a capital loss is deductible against any other taxable income from capital. However, capital losses on listed Swedish receivables are fully deductible in the income from capital category. According to Swedish case law, full deductibility also applies to capital losses on listed foreign receivables. Capital losses on the New Securities should, accordingly, be fully deductible in the income from capital category provided the New Securities are listed at the time the capital loss is incurred.

Capital losses on listed shares and listed securities that are taxed in the same manner as shares (except for listed shares in mutual funds containing only Swedish receivables), are fully deductible against taxable gains on such assets and on non-listed shares in Swedish limited liability companies and foreign legal entities. Moreover, only five sixths of capital losses on non-listed shares in Swedish limited liability companies and foreign legal entities are deductible. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. 70 per cent. of any excess amount is deductible according to the general rule or five sixths of 70 per cent. is deductible if the capital loss relates to non-listed shares. Capital losses on listed shares in mutual funds containing only Swedish receivables are fully deductible in the income from capital category.

If a deductible deficit arises in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the tax on real estate and the municipal real estate fee, is allowed. The tax reduction is 30 per cent. of any part of the deficit not exceeding SEK 100,000 and 21 per cent. of any part of the deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

### ***Interest***

Interest is subject to tax at a rate of 30 per cent. Normally, the tax liability arises when interest can be disposed of, in accordance with the “cash method”.

### ***Withholding of Tax on Interest***

The legal entity effecting an interest payment to an individual will normally be required to withhold Swedish tax, provided that the entity is subject to reporting obligations. The tax so withheld is normally equal to the final tax on the interest income, which means that there is generally no further tax payable on the interest.

### ***Taxation of Swedish Legal Entities***

Limited liability companies and other legal entities are normally taxed on all income (including income from the sale, redemption or repayment of the New Securities) as income from business operations at a flat rate of 22 per cent. Regarding the calculation of capital gains or losses, see section “Taxation of Individuals Resident in Sweden” above. However, for legal entities, interest income and currency exchange fluctuations are normally taxable, or deductible, as the case may be, on an accrual basis.

Tax deductible capital losses on receivables incurred by a corporate holder are normally fully deductible against any taxable income.

Specific rules may apply to New Securities held as a hedge for foreign currency exposure.

## **Finland**

*The following summary is based on the tax laws of Finland as in effect on the date of this Exchange Offer Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations, which may be relevant in relation to of the New Securities. The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under Finnish law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### ***Withholding tax and final income tax on interest paid***

Securityholders that are Finnish resident individuals are subject to a 30 per cent. final withholding tax that is withheld by the Finnish paying agent on payments of interest under the New Securities. In the final income taxation of such Securityholders, the interest received is taxed as capital income that is subject to a tax rate of 30 per cent. up to an annual amount of EUR 50,000 and 32 per cent. of the exceeding amount.

The Finnish government announced in April 2013 its intention to propose to the Parliament that the EUR 50,000 threshold would be reduced to EUR 40,000 as of the beginning of the year 2014.

Finnish resident corporate Securityholders are not subject to Finnish withholding tax on payments of interest under the New Securities. In the final income taxation of such Securityholders, the interest received is subject to corporate income tax at a flat rate of 24.5 per cent. The Finnish government announced in April 2013 its intention to propose to the Parliament that the corporate income tax rate would be reduced to 20 per cent. as of the beginning of the year 2014.

### ***EU Savings Tax***

As discussed under "The Savings Directive" below, under the Savings Directive, the Member States are required to adopt measures to ensure that paying agents established within their territory identify the beneficial owner of interest payments and their residence for tax purposes. Under the Savings Directive as implemented in Finland, a Finnish based paying agent making payments of interest and other similar amounts to an individual (or certain other persons) resident in a Member State other than Finland is required to provide to the Finnish tax authorities details of such payments.

### ***Tax on transfers, redemptions and repayment of the New Securities***

Any gain, that Finnish resident individual Securityholders, who sell their New Securities, or have their New Securities redeemed/repaid, receive, is treated as taxable capital income. Any loss is deductible from capital gains derived during the same year and can be carried forward for 5 years.

Any gain, that Finnish resident corporate Securityholders, who sell their New Securities, or have their New Securities redeemed/repaid, receive, is subject to corporate income tax. Any loss is deductible from capital gains derived during the same year and can be carried forward for 10 years.

### **Norway**

*The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the New Securities under Norwegian law. Persons who are in any doubt as to their tax position should consult a professional tax advisor.*

The Issuer does not resume responsibility for Norwegian withholding tax.

With few exceptions, Norwegian resident investors will be taxed on interest and gains, while losses will be tax deductible.

### **The Savings Directive**

Under the Savings Directive each Member State is required to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other Member State. Austria and Luxembourg will instead apply a withholding system for a transitional period in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

On 13 November 2008, the European Commission published a proposal for amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Prospective Securityholders who are in any doubt as to their position should consult their own tax advisers.

## **TAX CONSEQUENCES**

In view of the number of different jurisdictions where tax laws may apply to a Securityholder, this Exchange Offer Prospectus does not discuss the tax consequences for Securityholders arising from the exchange of Existing Securities pursuant to the Exchange Offer for New Securities, or save as set out in the section of this Exchange Offer Prospectus entitled “*Taxation*”, in relation to the New Securities. Securityholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the exchange of their Existing Securities and the receipt pursuant to the Exchange Offer of New Securities, the Accrued Interest Payment and the Cash Rounding Amount. Securityholders are liable for their own taxes and have no recourse to the Issuer, the Dealer Managers or the Exchange Agent with respect to taxes arising in connection with the Exchange Offer.

## PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER

*Securityholders who need assistance with respect to the procedures for participating in the Exchange Offer should contact the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Prospectus.*

### **Summary of action to be taken**

The Issuer will only accept offers of Existing Securities for exchange pursuant to the Exchange Offer which are made by way of the submission of valid Exchange Instructions in accordance with the procedures set out in this section “*Procedures for Participating in the Exchange Offer*”.

To offer Existing Securities for exchange pursuant to the Exchange Offer, a Securityholder should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System in which such Existing Securities are held and in accordance with the requirements of such Clearing System, a valid Exchange Instruction that is received by the Exchange Agent by the Expiration Deadline.

Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary needs to receive instructions from a Securityholder before the deadlines specified in this Exchange Offer Prospectus in order for that Securityholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer. ***The deadlines set by each Clearing System for the submission and withdrawal of Exchange Instructions will also be earlier than the relevant deadlines specified in this Exchange Offer Prospectus.***

### **Exchange Instructions**

The offering of Existing Securities for exchange by a Securityholder will be deemed to have occurred upon receipt by the Exchange Agent from the relevant Clearing System of a valid Exchange Instruction submitted in accordance with the requirements of such Clearing System. The receipt of such Exchange Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Existing Securities in the Securityholder's account with the relevant Clearing System so that no transfers may be effected in relation to such Existing Securities.

Securityholders must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Existing Securities at any time after the date of submission of such Exchange Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Existing Securities in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Exchange Agent (and for the Exchange Agent to provide such details to the Issuer, the Dealer Managers and their respective legal advisers).

**Only Direct Participants may submit Exchange Instructions. Each Securityholder that is not a Direct Participant must arrange for the Direct Participant through which such Securityholder holds its Existing Securities to submit a valid Exchange Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System.**

It is a term of the Exchange Offer that Exchange Instructions are irrevocable except in the limited circumstances described in “*Amendment and Termination*”. In such circumstances, Exchange Instructions may be revoked by a Securityholder, or the relevant Direct Participant on its behalf, by submitting a valid electronic withdrawal instruction to the relevant Clearing System. To be valid, such instruction must



specify the Existing Securities to which the original Exchange Instruction related, the securities account to which such Existing Securities are credited and any other information required by the relevant Clearing System.

By submitting a valid Exchange Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, a Securityholder and any Direct Participant submitting such Exchange Instruction on such Securityholder's behalf shall be deemed to agree, and acknowledge, represent, warrant and undertake, to the Issuer, the Exchange Agent and the Dealer Managers the following at the time of submission of such Exchange Instruction, the Expiration Deadline and the time of settlement on the Settlement Date (if a Securityholder or Direct Participant is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Securityholder or Direct Participant should contact the Exchange Agent immediately):

- (a) it has received the Exchange Offer Prospectus, and has reviewed and accepts the offer and distribution restrictions, terms, conditions, risk factors, New Securities Conditions and other considerations of the Exchange Offer, all as described in this Exchange Offer Prospectus (including all information incorporated by reference), and has undertaken an appropriate analysis of the implications of the Exchange Offer without reliance on the Issuer, any of the Dealer Managers or the Exchange Agent;
- (b) it is assuming all the risks inherent in participating in the Exchange Offer, and has undertaken all the appropriate analysis of the implications of the Exchange Offer, without reliance on the Issuer, the Dealer Managers or the Exchange Agent;
- (c) by blocking the relevant Existing Securities in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Exchange Agent (and for the Exchange Agent to provide such details to the Issuer, the Dealer Managers and their respective legal advisers);
- (d) upon the terms and subject to the conditions of the Exchange Offer, it offers for exchange in the Exchange Offer the nominal amount of Existing Securities blocked in its account in the relevant Clearing System and, subject to and effective upon such exchange by the Issuer, it renounces all right, title and interest in and to all such Existing Securities exchanged by or at the direction of the Issuer and waives and releases any rights or claims it may have against the Issuer with respect to any such Existing Securities and the Exchange Offer;
- (e) if the Existing Securities offered for exchange are accepted by the Issuer, it acknowledges that (i) the Accrued Interest Payment and Cash Rounding Amount, if any, will be paid in euro, (ii) such cash amounts will be deposited by or on behalf of the Issuer with the Clearing Systems on the Settlement Date and (iii) on receipt of such cash amounts, the Clearing Systems will make payments promptly to the accounts in the Clearing Systems of the relevant Direct Participants. The payment to the Clearing Systems on or before the Settlement Date of the aggregate amount of the Accrued Interest Payments and/or the Cash Rounding Amounts (as the case may be), will discharge the obligation of the Issuer to the relevant Securityholders in respect of the payment of such amounts.
- (f) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, any of its directors or any person nominated by the Issuer in the proper exercise of his or her powers and/or authority hereunder;
- (g) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Issuer to be desirable, in each case to complete the transfer of the relevant Existing Securities to the Issuer or its nominee in exchange for the relevant New Securities and/or to perfect any of the authorities expressed to be given hereunder;

- (h) it has observed the laws of all relevant jurisdictions; obtained all requisite governmental, exchange control or other required consents; complied with all requisite formalities; and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of the Exchange Offer or which will or may result in the Issuer, the Dealer Managers, the Exchange Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer;
- (i) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy, insolvency practitioners and legal representatives, and shall not be affected by, and shall survive, its death, incapacity, bankruptcy, insolvency or any other similar proceedings;
- (j) no information has been provided to it by the Issuer, the Dealer Managers or the Exchange Agent, or any of their respective directors or employees, with regard to the tax consequences for Securityholders arising from the exchange of Existing Securities pursuant to the Exchange Offer or in relation to the New Securities, the Accrued Interest Payment or the Cash Rounding Amount, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in such Exchange Offer (including the exchange of its Existing Securities and the receipt pursuant to the Exchange Offer of the relevant New Securities, the Accrued Interest Payment and the Cash Rounding Amount) or (save as set out in the New Securities Conditions) in relation to the New Securities, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Dealer Managers or the Exchange Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments;
- (k) it is not a person to whom it is unlawful to make an invitation pursuant to the Exchange Offer under applicable securities laws and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Exchange Instruction in respect of the Existing Securities it is offering for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the Exchange Offer;
- (l) the New Securities are being offered and sold in transactions not involving a public offering in the United States within the meaning of the Securities Act, and the New Securities have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (terms used in this and the following paragraph that are defined in Regulation S under the Securities Act are used as defined in Regulation S);
- (m) either (a) (i) it is the beneficial owner of the Existing Securities being offered for exchange and (ii) it is located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person or (b) (i) it is acting on behalf of the beneficial owner of the Existing Securities being offered for exchange on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person;
- (n) it is a Non-U.S. Qualified Securityholder;
- (o) it is not located or resident in Italy or, if it is located or resident in Italy, it is a “qualified investor” (*investitore qualificato*) as defined in article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended, and the Exchange Instruction is being submitted by or on behalf of the beneficial owners of the Existing Securities through an authorised person (such as an

investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;

- (p) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order) or within Article 43 of the Financial Promotion Order, or to whom this Exchange Offer Prospectus and any other documents or materials relating to the Exchange Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order;
- (q) it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*) other than an individual (as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*), acting on its own account;
- (r) it is not located or resident in Belgium or, if it is located or resident in Belgium, it is a qualified investor referred to in paragraph 3 of Article 6 of the Law on Public Acquisition Offers and in Article 10 of the Belgian Public Offer Law, acting on its own account;
- (s) it has full power and authority to offer for exchange and transfer the Existing Securities offered for exchange and, if such Existing Securities are accepted for exchange by the Issuer, such Existing Securities will be transferred to, or to the order of, the Issuer with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached to such Existing Securities, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer to be necessary or desirable to complete the transfer and cancellation of such Existing Securities or to evidence such power and authority;
- (t) it holds and will hold, until the time of settlement on the Settlement Date, the Existing Securities blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, an Exchange Instruction to such Clearing System to authorise the blocking of the Existing Securities offered for exchange with effect on and from the date of such submission so that, at any time pending (i) the transfer of such Existing Securities on the Settlement Date to the Issuer, or to its agent on its behalf, (ii) the termination of the Exchange Offer or (iii) the valid revocation of such Exchange Instruction, in the limited circumstances in which such revocation is permitted no transfers of such Existing Securities may be effected;
- (u) the terms and conditions of the Exchange Offer shall be deemed to be incorporated in, and form a part of, the Exchange Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such Securityholder in the Exchange Instruction is true and will be true in all respects at the time of the exchange on the Settlement Date;
- (v) it accepts the Issuer is under no obligation to accept offers of Existing Securities for exchange pursuant to the Exchange Offer, and accordingly such offers may be accepted or rejected by the Issuer in its sole discretion and for any reason; and
- (w) it will indemnify the Issuer, the Dealer Managers and the Exchange Agent against any and all losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of

the acknowledgements, representations, warranties and/or undertakings given pursuant to, the Exchange Offer by any such Securityholder.

The receipt of an Exchange Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Settlement Date in respect of all of the Existing Securities that the relevant Securityholder has offered for exchange, upon receipt by such Clearing System of an instruction from the Exchange Agent for such Existing Securities to be transferred to the specified account of the Issuer or its agent on its behalf and against credit of the relevant New Securities and payment by the Issuer of the Accrued Interest Payment and Cash Rounding Amount, subject to the automatic withdrawal of those instructions on the date of any termination of the Exchange Offer (including where such Existing Securities are not accepted for exchange by the Issuer) or on the valid revocation of such Exchange Instruction, in the limited circumstances in which such revocation is permitted as described in “*Amendment and Termination*”, and subject to acceptance of the Exchange Offer by the Issuer and all other conditions of such Exchange Offer including the Minimum New Issue Size.

## **General**

### **Exchange Instructions**

A separate Exchange Instruction must be completed on behalf of each beneficial owner and must relate to, an aggregate nominal amount of the Existing Securities of at least €1,000.

### **Responsibility for Delivery of Exchange Instructions**

- (a) None of the Issuer, the Dealer Managers or the Exchange Agent will be responsible for the communication of Exchange Instructions by:
  - Beneficial Owners to the Direct Participant(s) through which they hold Existing Securities; or
  - the Direct Participant to the relevant Clearing System.
- (b) If a Securityholder holds its Existing Securities through a Direct Participant, such Beneficial Owner should contact that Direct Participant to discuss the manner in which transmission of the corresponding Exchange Instruction may be made on its behalf.
- (c) In the event that the Direct Participant through which a Beneficial Owner holds its Existing Securities is unable to submit an Exchange Instruction, such Beneficial Owner member should telephone the Exchange Agent for assistance on the numbers provided in this Exchange Offer Prospectus.
- (d) Securityholders, Direct Participants and Beneficial Owners are solely responsible for arranging the timely delivery of their Exchange Instructions.
- (e) If a Beneficial Owner offers its Existing Securities for exchange through a Direct Participant, such Beneficial Owner should consult with that Direct Participant, as the case may be, as to whether it will charge any service fees in connection with participation in the Exchange Offer.

### **Irrevocability**

The submission of a valid Exchange Instruction in accordance with the procedures set out in this section “*Procedures for Participating in the Exchange Offer*” will be irrevocable (except in the limited circumstances described in “*Amendment and Termination*”).

### **Irregularities**

All questions as to the validity, form, eligibility and valid revocation (including times of receipt) of the Exchange Instruction will be determined by the Issuer in its sole discretion, which determination shall be final and binding.

The Issuer reserves the absolute right to reject any and all Exchange Instructions or revocation instructions not in proper form or for which any corresponding agreement by the Issuer to accept would, in the opinion of the Issuer and its legal advisers, be unlawful. The Issuer also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Exchange Instructions or revocation instructions. The Issuer also reserves the absolute right to waive any such defect, irregularity or delay in respect of particular offers of Existing Securities for exchange, whether or not the Issuer elects to waive similar defects, irregularities or any delay in respect of any other offers of Existing Securities for exchange.

Any defect, irregularity or delay must be cured within such time as the Issuer determines, unless waived by it. Exchange Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Issuer, the Dealer Managers or the Exchange Agent shall be under any duty to give notice to a Securityholder of any defects, irregularities or delays in an Exchange Instruction or revocation instruction, nor shall any of them incur any liability for failure to give such notice.

#### **Payment of Processing Fee by the Issuer**

The Issuer will pay a processing fee relating to valid submissions of Exchange Instructions by eligible banks or custodians as set out below.

In particular, the Issuer will pay a fee to a bank or custodian (the “**Custodian Bank**”) for its participation in the submission of valid Exchange Instructions (the “**Processing Fee**”) on behalf of Securityholders in the Offer Jurisdictions (being Austria, Denmark, Finland, Germany, Luxembourg, the Netherlands, Norway and Sweden) who (i) are not EEA Qualified Investors and (ii) have instructed for the submission of a valid Exchange Instruction in respect of Existing Securities in an aggregate principal amount of no more than €250,000. The Processing Fee amounts to 0.05 per cent. of the aggregate principal amount of the Existing Securities with respect to which the Issuer accepted the Exchange Instruction.

The Issuer will pay the Processing Fee only to such Custodian Banks which (i) notified the Lead Dealer Manager in writing of their participation in the submission of Exchange Instruction on or before the Expiration Deadline by obtaining a unique processing fee code (the “**Processing Fee Code**”) from the Lead Dealer Manager and specifying the Processing Fee Code in the “free format” text field or as directed in the Clearing System Notice of each eligible Exchange Instruction and (ii) delivering to the Lead Dealer Manager on the day after the Expiration Deadline at the latest the further information and declarations which the Lead Dealer Manager may request along with the name of each eligible beneficial owner of the Existing Securities on whose behalf an Exchange Instruction in respect of no more than €250,000 in principal amount of Existing Securities per beneficial owner is being delivered with a Processing Fee Code.

**The Issuer will determine at its reasonable discretion on the basis of the information made available to it whether the conditions for the payment of a Processing Fee are fulfilled.**

#### **Governing Law**

The Exchange Offer, each Exchange Instruction, any exchange of Existing Securities pursuant to an Exchange Offer and any non-contractual obligations arising out of or in connection with the foregoing shall be governed by and construed in accordance with English law. By submitting the Exchange Instruction, the relevant Securityholder irrevocably and unconditionally agrees for the benefit of the Issuer, the Dealer Managers and the Exchange Agent that the courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the relevant Exchange Offer, such Exchange Instruction, any exchange of Existing Securities pursuant to such Exchange Offer or any non-contractual obligations arising out of or in connection with the foregoing and that, accordingly, any suit, action or proceedings arising out of or in connection with any such dispute may be brought in such courts.

## AMENDMENT AND TERMINATION

### Amendment and Termination

Notwithstanding any other provision of the Exchange Offer, the Issuer may, subject to applicable laws, at its option and in its sole discretion, at any time before any acceptance by it of Existing Securities for exchange pursuant to the Exchange Offer:

- (a) extend the Expiration Deadline for, or re-open, the Exchange Offer (in which case all references in this Exchange Offer Prospectus to “**Expiration Deadline**” shall for the purposes of the Exchange Offer unless the context otherwise requires, be to the latest time and date to which the Expiration Deadline has been so extended or the Exchange Offer re-opened);
- (b) otherwise extend, re-open or amend the Exchange Offer in any respect (including, but not limited to, any increase, decrease, extension, re-opening or amendment, as applicable, in relation to the Expiration Deadline, Settlement Date, Exchange Price, Final New Issue Spread, New Issue Price, Minimum New Issue Size, Exchange Ratio and/or New Issue Interest Rate);
- (c) delay the acceptance of Exchange Instructions or exchange of Existing Securities validly submitted for exchange in the Exchange Offer until satisfaction or waiver of the conditions to the Exchange Offer, even if the Exchange Offer has expired; or
- (d) terminate the Exchange Offer, including with respect to Exchange Instructions submitted before the time of such termination.

The Issuer also reserves the right at any time to waive any or all of the conditions of the Exchange Offer as set out in this Exchange Offer Prospectus.

The Issuer will make an announcement in respect of any such extension, re-opening, amendment, waiver or termination as soon as is reasonably practicable after the relevant decision is made. To the extent a decision is made to waive any condition of the Exchange Offer generally as opposed to in respect of certain offers of Existing Securities for exchange only, the Issuer will make an announcement in respect of such decision as soon as is reasonably practicable after it is made.

### Revocation Rights

If (i) the Issuer decreases the Minimum New Issue Size or amends the Exchange Offer in any way that, in the opinion of the Issuer (in consultation with the Dealer Managers) is materially prejudicial to Securityholders that have already submitted Exchange Instructions before the announcement of such amendment (which announcement shall include a statement that in the opinion of the Issuer such amendment is materially prejudicial to such Securityholders) or (ii) any supplement or other form of update to this Exchange Offer Prospectus is published before the issue of the New Securities, then such Exchange Instructions may be revoked at any time from the date and time of the announcement of such decrease or amendment until 4.00 p.m. (London time) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Securityholders hold their Existing Securities).

Any extension or re-opening of the Exchange Offer or the waiving of any condition (other than the Minimum New Issue Size) (including any amendment in relation to the Expiration Deadline, the Pricing Time and/or the Settlement Date) in accordance with the terms of the Exchange Offer as described in this section “*Amendment and Termination*” shall not be considered materially prejudicial to Securityholders that have already submitted Exchange Instructions before the announcement of such amendment provided the

settlement of such extended or re-opened Exchange Offer will be completed by the Issuer by no later than 10 July 2013.

Securityholders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in “*Procedures for Participating in the Exchange Offer - Exchange Instructions*”. Beneficial Owners of Existing Securities that are held through an intermediary are advised to check with such entity when it needs to receive instructions to revoke the Exchange Instruction in order to meet the above deadline. For the avoidance of doubt, any Securityholder who does not exercise any such right of revocation in the circumstances and in the manner specified above, shall be deemed to have waived such right of revocation and its original Exchange Instruction will remain effective.

## DEALER MANAGERS AND EXCHANGE AGENT

The Issuer has retained Deutsche Bank AG, London Branch, BNP Paribas, Morgan Stanley & Co. International plc and The Royal Bank of Scotland plc to act as Dealer Managers for the Exchange Offer and Deutsche Bank AG, London Branch to act as Exchange Agent. The Issuer has entered into a Dealer Manager Agreement with the Dealer Managers which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Exchange Offer.

For the purposes of calculating the Exchange Ratio for the Existing Securities (which involves the calculation of the New Issue Price) at the Pricing Time, the Dealer Managers will determine the Euro Mid-Swap Rate, and calculate the Final New Issue Spread, New Issue Yield and New Issue Price. For the purposes of the settlement of the Exchange Offer on the Settlement Date, the Exchange Agent, in consultation with the Issuer and the Dealer Managers, will calculate the Cash Rounding Amount for each Securityholder in respect of the Existing Securities validly offered for exchange by such Securityholder and accepted by the Issuer and the Accrued Interest Payment. All such determinations and calculations will, absent manifest error, be conclusive and binding on the Issuer and the Securityholders.

The Dealer Managers and their respective affiliates may contact Securityholders regarding the Exchange Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Exchange Offer Prospectus and related materials to Securityholders.

The Dealer Managers and their respective affiliates have provided and continue to provide certain investment banking services to the Issuer for which they have received and will receive compensation that is customary for services of such nature.

None of the Dealer Managers, the Exchange Agent or any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Exchange Offer, the Issuer, the Existing Securities and the New Securities contained in this Exchange Offer Prospectus or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Dealer Managers may (i) submit Exchange Instructions for their own account and (ii) submit Exchange Instructions (subject to the offer restrictions set out in "*Offer and Distribution Restrictions*") on behalf of Securityholders.

None of the Dealer Managers, the Exchange Agent, the Issuer or any of their respective directors, employees or affiliates make any representation or recommendation whatsoever regarding the Exchange Offer, or any recommendation as to whether Securityholders should offer Existing Securities for exchange.

The Exchange Agent is the agent of the Issuer and the Exchange Agent does not owe any duty to any Securityholder.



## GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
2. The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark in connection with the issue and performance of the Securities. The issue of the Securities was authorised by a written resolution of the Board of Directors of the Issuer passed on 22 May 2013.
3. There has been no material adverse change in the prospects of the Issuer since 31 December 2012 and there have been no significant changes in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 March 2013.
4. Except as disclosed in "Legal Proceedings" on page 59 of this Exchange Offer Prospectus, neither the Issuer nor any of its subsidiaries is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Exchange Offer Prospectus which may have or has had in the recent past significant adverse effects on the financial position or profitability of the Issuer or the Group.
5. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the New Securities in respect of the New Securities being issued.
6. The Issuer currently has a series of debt securities outstanding with a denomination of less than €1,000. Therefore, for the purpose of the Issuer's continuing disclosure obligations under EC Directive 2003/6 on insider dealing and market manipulation (market abuse) ("MAD") and EC Directive 2004/109 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market ("TOD"), Denmark is currently the mandatory home member state of the Issuer and the Danish Financial Supervisory Authority (in Danish: "*Finanstilsynet*") is the officially appointed competent authority. In order to comply with its continuing disclosure obligations under MAD and TOD, the Issuer has entered into an agreement with OMX News Service, a Danish regulated information service, through which the Issuer disseminates information to Securityholders. If, at any time, the Issuer no longer has outstanding listed debt securities with a denomination of less than €1,000, the Issuer may choose and notify an alternative home member state for the purposes of TOD. Such choice will remain valid for 3 years.
7. The Issuer currently has outstanding €600,000,000 of its Subordinated Capital Securities due 3005 (ISIN: XS0223249003) which are admitted to trading on the regulated market of Luxembourg Stock Exchange (but for the avoidance of doubt are not the subject of the Exchange Offer) and its €700,000,000 Callable Subordinated Capital Securities due 3010 (ISIN: XS0560190901) which are admitted to trading on the regulated market of the Luxembourg Stock Exchange, each of which effectively rank or are expressed to rank *pari passu* with the New Securities.
8. The Issuer reserves the right to issue other subordinated capital securities with terms and conditions that are different from those applicable to the New Securities at any time.

9. Each New Security and Coupon will bear the following legend: “*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*”.
10. The New Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 094337054 and a WKN of A1HL4H. The International Securities Identification Number (ISIN) for the New Securities is XS0943370543.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

11. Where information in this Exchange Offer Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
12. For the period of 12 months starting on the date on which this Exchange Offer Prospectus is made available to the public, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Principal Paying Agent:
  - (a) the Trust Deed (which includes the form of the Global New Securities, the Definitive New Securities, the Coupons and the Talons);
  - (b) the Articles of Association of the Issuer;
  - (c) the published annual report and audited financial statements of the Issuer for the two financial years most recently ended 31 December 2012;
  - (d) the published unaudited interim financial statements of the Issuer for the first quarter ended 31 March 2012 and 31 March 2013, respectively;
  - (e) a copy of this Exchange Offer Prospectus together with any Supplement to this Exchange Offer Prospectus or further Exchange Offer Prospectus; and
  - (f) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Exchange Offer Prospectus.

This Exchange Offer Prospectus will be filed for publication with the OMX News Service and (in addition thereto) published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

13. The auditors of the Issuer for 2011 and 2012 were PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab (“**PwC**”) (authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark). PwC have audited the consolidated financial statements and the parent company financial statements of the Issuer for the financial year ended 31 December 2011 in accordance with Danish Standards on Auditing, and the consolidated financial statements and the parent company financial statements of the Issuer for the financial year ended 31 December 2012 in accordance with International Standards on Auditing and additional requirements under Danish audit regulation, and issued an unqualified auditor's report without emphasis of matter on such consolidated financial statements and parent company financial statements. PwC has no financial interest in the Issuer.
14. In case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access

to the fixed income markets, to take such action, which may include but is not restricted to the following:

- (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and
- (ii) not to, and procure that no subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer

Please note that this intention does not form part of the Conditions of the New Securities.

## REGISTERED OFFICE OF THE ISSUER

**DONG Energy A/S**  
Kraftværksvej 53  
Skærbæk  
DK – 7000 Fredericia  
Denmark

## LEAD DEALER MANAGER

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Tel: +44 20 7545 8011  
Attention: Liability Management Group  
email: liability.management@db.com

## DEALER MANAGERS

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

Attention: Liability Management Group  
Email: liability.management@bnpparibas.com

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Attention: Liability Management Group  
Email: liabilitymanagementeuropa@morganstanley.com

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

Attention: Liability Management  
Email: liabilitymanagement@rbs.com

## EXCHANGE AGENT

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Telephone: +44 20 7547 5000  
Attention: Debt and Agency Services  
Email: xchange.offer@db.com

## AUDITORS OF THE ISSUER

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup  
Denmark

## TRUSTEE

**Citicorp Trustee Company Limited**  
13th Floor Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**AGENT BANK**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to Danish law*

**Plesner**  
Amerika Plads 37  
2100 Copenhagen  
Denmark

*To the Issuer as to English law*

**Simmons & Simmons LLP**  
One Ropemaker Street  
London EC2Y 9SS  
United Kingdom

*To the Dealer Managers as to English law*

One Silk Street  
London EC2Y 8HQ  
United Kingdom

**Linklaters LLP**

Mainzer Landstrasse 16  
60325 Frankfurt am Main  
Federal Republic of Germany