

DONG Energy Wind Power Holding A/S

Annual Report for 2015

Kraftværksvej 53, 7000 Fredericia

CVR no. 18 93 66 74

The annual report was presented and adopted at the annual general meeting of the company on 31/05 2016

Ulrik Jarlov

Chairman

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Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of DONG Energy Wind Power Holding A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 of the Company and of the results of the Company's operations for the year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting

Skærbæk, 25 May 2016

Executive Board

Samuel G. F. Leupold
CEO

Board of Directors

Marianne Wiinholt
Chairman

Hanne Legardt Blume Levy
Deputy Chairman

Jakob Askou Bøss

Independent Auditor's Report

To the Shareholder of DONG Energy Wind Power Holding A/S

Report on the Financial Statements

We have audited the Financial Statements of DONG Energy Wind Power Holding A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements gives a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, it is our opinion that the information provided in the Management's Review is consistent with the Financial Statements.

Hellerup, 25 May 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no.33 77 12 31

Fin T. Nielsen
State Authorised Public Accountant

Kim Danstrup
State Authorised Public Accountant

Company information

The company

DONG Energy Wind Power Holding A/S
Kraftværksvej 53
Skærbæk
7000 Fredericia

Telephone: 99 55 11 11
Fax: 99 55 00 02
Website: www.dongenergy.com

CVR no.: 18 93 66 74
Financial Period: 1 January - 31 December
Reg. office: Fredericia

Board of Directors

Marianne Wiinholt, Chairman
Hanne Legardt Blume Levy, Deputy Chairman
Jakob Askou Bøss

Executive Board

Samuel G. F. Leupold, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated Financial Statements

The company is included in the Consolidated Financial Statement of the ultimate parent company, DONG Energy A/S, Fredericia, CVR no. 36 21 37 28

The Annual Report of DONG Energy A/S, Fredericia, CVR no. 36 21 37 28 can be downloaded at the following address:

www.dongenergy.com

Management's review

Core activity

The company's objects are to engage in activities in the energy sector and ancillary activities.

Development in the year

The company's income statement for the year ended 31 December 2015 shows a loss of t.kr. 116,830, and the company's balance sheet at 31 December 2015 shows equity of t.kr. 15,697,153.

Special risks - operating risks and financial risks

Operating risks

There are no special risks apart from normal risks associated with the company's core activity.

Strategy and objectives

Targets and expectations for the year ahead

For 2016, the net result is expected to be positive, as the net result for 2015 is affected by recognition of provision.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any uncertainty.

Unusual events

The company's assets, equity and liabilities and financial position at 31 December 2015 and the results of the company operations for the financial year 2015 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Accounting policies

The Annual Report of DONG Energy Wind Power Holding A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015 is presented in t.kr.

In accordance with the Danish Financial Statements Act §112, the Company has chosen to omit the consolidated financial statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income statement

Revenue

Revenue, comprises sale of electricity, is recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year-end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Accounting policies

Operating expenses

Operating expenses comprise the expenses incurred by the Company to generate the revenue for the year.

Other external expenses

Other external expenses comprise expenses for sales and distribution as well as office expenses, etc.

Staff costs

Staff costs comprise wages and salaries as well as payroll-dependent expenses, other than production wages, including pensions, social security costs and other staff-related costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense, capital gains and capital losses and impairment losses relating to securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc. Net financials also include realised and unrealised gains and losses relating to hedging of currency risks that have not been entered into to hedge revenue or fixed assets.

Income from investments in subsidiaries and associates

Dividends from investments are recognized in the financial years in which the dividend are declared.

Tax on profit for the year

Tax on net profit for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to net profit for the year and directly in equity to the extent that it relates to entries directly to equity. The Company is subject to the Danish rules on compulsory joint taxation of the DONG Energy Group's Danish companies, and the ultimate Parent Company, DONG Energy A/S, has also elected international joint taxation with the Group's foreign subsidiaries. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the Consolidated Financial Statements and up to the date on which they are no longer included in the consolidation.

The ultimate Parent Company, DONG Energy A/S, is the management company for the joint taxation and consequently settles all income tax payments to the tax authorities.

Accounting policies

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income. In this connection Danish subsidiaries with tax losses receive joint taxation contributions from the Parent Company equivalent to the tax base of the tax losses utilised (full allocation), while companies that utilise tax losses in other Danish companies pay joint taxation contributions to the Parent Company equivalent to the tax base of the utilised losses.

Balance sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates measured at cost. Cost is written down to net realisable value whenever the cost exceeds the net realisable value.

The costs of an enterprise consists of the fair value of the agreed consideration plus costs that can be directly attributed to the acquisition. If parts of the agreed consideration are contingent on future events, these parts are recognised in the cost to the extent that the events are probable and the consideration can be measured reliably.

Cost is reduced to the extent that dividends received exceed the accumulated earnings after the date of acquisition.

Receivables

Receivables are recognised at amortised cost, which normally corresponds to nominal value. Provisions for estimated bad debts are made.

Dividends

Proposed dividends are presented as a separate item in equity. Dividends are recognised as a liability at the date of their adoption at the annual general meeting.

Provisions

Provisions are recognised when as a result of an event occurred before or on the balance sheet date - the company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

In measuring provisions, the expenses required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. A pre-tax discount rate is used that reflects the general interest rate level in the market. The change in present values for the financial year is recognised as financial expenses.

Accounting policies

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. If it is considered unlikely that an outflow from the Company of resources embodying economic benefits will be required to settle an obligation, or if the obligation cannot be measured reliably, the obligation is accounted for as a contingent liability that is not recognised in the balance sheet. Material contingent liabilities are disclosed in the notes.

Deferred tax assets and liabilities

Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination against tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Where the tax base can be determined applying alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

Debts

Financial liabilities comprise bank debt, trade payable and other payables to public authorities ect. are recognised at inception at the proceeds received net of transaction expenses incurred. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. The difference between the proceeds received and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Accounting policies

Foreign currency translation

DKK is used as measuring currency. All other currencies are recognised as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Gross profit		-576	-412
Staff costs	1	<u>0</u>	<u>0</u>
Earnings before interest, taxes, depreciation and amortisation		-576	-412
Other operating costs		<u>-23.154</u>	<u>0</u>
Loss before financial income and expenses		-23.730	-412
Income and expenses from investments in subsidiaries	2	0	2.102
Income and expenses from investments in associates	3	-916	-32.371
Financial income	4	66.898	110.957
Financial costs	5	<u>-202.615</u>	<u>-5.451</u>
Loss before tax		-160.363	74.825
Tax on profit for the year	6	<u>43.533</u>	<u>-11.821</u>
Net profit/loss for the year		<u>-116.830</u>	<u>63.004</u>
 Proposed distribution of profit			
Transfer to retained earnings		<u>-116.830</u>	<u>63.004</u>
		<u>-116.830</u>	<u>63.004</u>

Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Assets			
Investments in subsidiaries	7	11.316.323	11.316.322
Investments in associates	8	19.427	19.427
Receivables from associates		0	201.056
Other receivables		26.950	26.950
Fixed asset investments		<u>11.362.700</u>	<u>11.563.755</u>
Total non-current assets		<u>11.362.700</u>	<u>11.563.755</u>
Trade receivables		190	1.625
Receivables from group companies	9	4.119.646	4.053.251
Other receivables		5	43
Corporation tax		450.120	380.434
Receivables		<u>4.569.961</u>	<u>4.435.353</u>
Cash at bank and in hand	9	<u>0</u>	<u>950</u>
Total current assets		<u>4.569.961</u>	<u>4.436.303</u>
Total assets		<u>15.932.661</u>	<u>16.000.058</u>

Balance Sheet at 31 December

	Note	2015 t.kr.	2014 t.kr.
Liabilities and equity			
Share capital		1.800.000	1.800.000
Retained earnings		13.897.153	14.013.983
Total equity	10	15.697.153	15.813.983
Other provisions	11	51.313	37.253
Total provisions		51.313	37.253
Trade payables		1	52
Payables to group companies		163.633	126.834
Other payables		20.561	21.936
Current debt		184.195	148.822
Total liabilities other than provisions		184.195	148.822
Total liabilities and equity		15.932.661	16.000.058
Contingent assets, liabilities and other financial obligations	12		
Charges and security arrangements	13		
Related parties and ownership	14		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained</u>	<u>Total</u>
	<u>t.kr.</u>	<u>earnings</u>	<u>t.kr.</u>
Equity at 1 January	1.800.000	14.013.983	15.813.983
Net profit for the year	0	-116.830	-116.830
Equity at 31 December	<u>1.800.000</u>	<u>13.897.153</u>	<u>15.697.153</u>

Notes to the Annual Report

1 Staff costs

The Company has had no employees in the accounting period, and no remuneration has been paid to the Board of Directors and the Executive Board.

2 Income and expenses from investments in subsidiaries

	2015 t.kr.	2014 t.kr.
Gain and loss on disposal of enterprises	0	365
Dividends	0	1.737
	<u>0</u>	<u>2.102</u>

3 Income and expenses from investments in associates

Gain and loss on disposal of associates	0	9.290
Revaluations for the year of associates	-916	-41.661
	<u>-916</u>	<u>-32.371</u>

4 Financial income

Interest received from group companies	64.888	86.214
Other financial income	2.010	24.743
	<u>66.898</u>	<u>110.957</u>

5 Financial costs

Interest paid to group companies	478	5.375
Other financial costs	202.137	76
	<u>202.615</u>	<u>5.451</u>

Notes to the Annual Report

	2015 t.kr.	2014 t.kr.
6 Tax on profit for the year		
Current tax for the year	-30.060	23.214
Adjustment of tax concerning previous years	-13.473	-11.393
	-43.533	11.821
7 Investments in subsidiaries		
Cost at 1 January	11.316.323	11.866.934
Additions for the year	0	35
Disposals for the year	0	-202.925
Transfers for the year	0	-347.722
Cost at 31 December	11.316.323	11.316.322
Revaluations at 1 January	0	-449.401
Disposals for the year	0	120.996
Transfers	0	328.405
Revaluations at 31 December	0	0
Carrying amount at 31 December	11.316.323	11.316.322

Investments in group enterprises are specified as follows:

Name	Place of registered office	Votes and ownership	Equity t.kr.	Net profit/loss for the year t.kr.
DONG Energy Wind Power A/S	Denmark	100%	15.233.453	3.859.307
DONG Energy Wind Power Denmark A/S	Denmark	100%	4.344.666	21.481
DONG Energy Nearshore Wind ApS	Denmark	100%	85.173	-36.205
DONG Energy Wind Power S.A.S	France	100%	3.552	-89

Notes to the Annual Report

	2015 t.kr.	2014 t.kr.
8 Investments in associates		
Cost at 1 January	408.259	24.876
Additions for the year	916	35.661
Transfers for the year	0	347.722
Cost at 31 December	409.175	408.259
Revaluations at 1 January	-388.832	-18.766
Revaluations for the year, net	-916	-41.661
Transfers	0	-328.405
Revaluations at 31 December	-389.748	-388.832
Carrying amount at 31 December	19.427	19.427

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership	Equity t.kr.	Net profit/loss for the year t.kr.
Lithium Balance A/S	Danmark	20%	5.727.676	821.674
Celtic Array Limited	England	50%	121.441	122.733
Eolien Maritimes de France SAS	France	40%	32.325	44.140

Notes to the Annual Report

9 Receivables from group companies

Included in receivables from group companies is a cash pool of DKK 3.938.231 thousand with the ultimate Parent Company, DONG Energy A/S. (2014: DKK 3.889.294 thousand as cash and bank in hand).

10 Equity

The share capital consists of 1,800,000 shares of a nominal value of t.kr. 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

11 Other provisions

	2015 t.kr.	2014 t.kr.
Balance at 1 January	37.253	40.509
Additions during the year	23.000	0
Used during the year	-8.941	-3.256
	<u>51.312</u>	<u>37.253</u>

The provisions are expected to mature as follows:

Within 1 year	49.313	0
Between 1 and 5 years	1.999	37.253
	<u>51.312</u>	<u>37.253</u>

Other provisions comprise liabilities regarding enviromental provision.

Notes to the Annual Report

12 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company is jointly and severally liable within the other jointly taxed companies for income tax and tax deducted at source.

13 Charges and security arrangements

None.

14 Related parties and ownership

	<u>Basis</u>
Controlling interest	
DONG Energy A/S, Kraftsværksvej 53, 7000 Fredericia.	Owns 100% of the share capital
Other related parties	
DONG Energy A/S	Ultimativt moderselskab
The Danish state, represented by the Ministry of Finance	
Goldman Sachs Group	
Other companies in the DONG Energy Group	
Board of Directors, Executive Board and management	
Ownership	
The following shareholders are recorded in the company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:	
DONG Energy A/S	