

DONG Energy - Anholt Offshore A/S

Annual Report for 2015

Kraftværksvej 53, 7000 Fredericia

CVR no. 31 17 67 43

(8th financial year)

The annual report was presented and adopted at the annual general meeting of the company on 15/04 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 approved the Annual Report of DONG Energy Anholt Offshore 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 presentation of the company's assets, equity and liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the management's review provides a true and fair presentation of the matters addressed.

We recommend that the Annual Report be adopted at the annual general meeting

Skærbæk, 18 March 2016

Executive Board

Leif Winther

Board of Directors

Robert Helms
Chairman

Michael Christensen
Deputy Chairman

Benjamin Sykes

Independent Auditor's Report

To the Shareholder of DONG Energy Anholt Offshore A/S

Report on the Financial Statements

We have audited the Financial Statements of DONG Energy Anholt Offshore 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.

Copenhagen, 18 March 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

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7000 Fredericia

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Website: www.dongenergy.com

CVR no.: 31 17 67 43
Financial Period: 1 January - 31 December
Reg. office: Fredericia

Board of Directors

Robert Helms, Chairman
Michael Christensen, Deputy Chairman
Benjamin Sykes

Executive Board

Leif Winther

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. The Company holds an ideal share on 50% of Anholt Havvindmøllepark I/S. The partnership is a joint venture with PensionDanmark (30%) and PKA (20%).

Development in the year

The company's income statement for the year ended 31 December 2015 shows a profit of t.kr. 148,190, and the company's balance sheet at 31 December 2015 shows equity of t.kr. 802,792.

Financial performance for 2015 is in line with the budget.

Special risks - operating risks and financial risks

There are no special risks except for the ordinary risks related to the Company's main activity.

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.

Outlook for the coming year

A profit of the same level as in 2015 is expected for 2016, which is in line with the budget for 2016.

Accounting policies

The Annual Report of DONG Energy Anholt Offshore 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

Revenue is 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 generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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, and subsequently 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 term. Amortised cost is calculated as original cost less any repayments of principal and plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are spread over the terms of the assets and liabilities.

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

The measurement currency used is DKK. All other currencies are regarded as foreign currencies.

Foreign currency translation

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.

Accounting policies

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 dates at the date when the receivable or payable arose are recognised in financial income and expenses in the income statement.

Income statement

Other external expenses

Other external expenses comprise expenses for distribution, sales, advertising, administration, premises, bad debts, operating leases, etc.

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 relating to payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

Income from investments in joint ventures

The item 'Income from investments in joint ventures' in the income statement include the proportionate share of the profit before tax for the year after full elimination of intragroup gain/losses less goodwill amortisation and are measured using the equity method.

Tax on profit/loss 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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any expenses directly attributable to the acquisition until the date the asset is ready for use.

The basis of depreciation is determined as cost reduced by any residual value, and depreciation is charged on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	Useful life 20-50 years
Assets under construction	Not depreciated

Investments in joint ventures

The items "Investments in joint ventures" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in joint ventures.

Joint ventures with a negative net asset value are recognised at t.kr. 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions. If the carrying amount of negative equity value exceeds receivables, the remaining amount is recognized under provisions, in the extent that the parent company has a legal or actual obligation to cover the subsidiaries equilibrium.

Accounting policies

Impairment of non-current assets

The carrying amounts of property, plant and equipment and investments in subsidiaries are reviewed annually to determine whether there is any indication of impairment.

If there are indications of impairment, an impairment test is carried out for each asset or group of assets. Impairment is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount of the asset is calculated as the higher of the net selling price and the value in use. The value in use is calculated as the recoverable amount of expected net cash flows from use of the asset or asset group and expected cash flows from the sale of the asset or asset group at the end of its useful life.

Assets, for which revaluations have previously been made are impaired in equity, however, not exceeding the value of the revaluation reserve.

Receivables

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

Current tax and deferred tax

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.

Accounting policies

Payables

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

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.

Income Statement 1 January - 31 December

	Note	2015 t.kr.	2014 t.kr.
Other external expenses		-8.735	-15.053
Gross profit		-8.735	-15.053
Staff costs	1	0	0
Earnings before interest, taxes, depreciation and amortisation		-8.735	-15.053
Depreciation, amortisation and impairment of property, plant and equipment		-139	-138
Loss before financial income and expenses		-8.874	-15.191
Income from investments in joint ventures	2	225.546	185.929
Financial income	3	0	148
Financial costs	4	-83.654	-104.067
Profit before tax		133.018	66.819
Tax on profit/loss for the year	5	15.172	6.208
Net profit for the year		148.190	73.027
Transfer to retained earnings		148.190	73.027
		148.190	73.027

Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Assets			
Land and buildings		3.927	4.066
Assets under construction		0	636
Property, plant and equipment	6	<u>3.927</u>	<u>4.702</u>
Investments in joint ventures	7	5.500.789	6.196.522
Fixed asset investments		<u>5.500.789</u>	<u>6.196.522</u>
Total non-current assets		<u>5.504.716</u>	<u>6.201.224</u>
Trade receivables		0	49
Receivables from group enterprises	8	219.657	68.133
Other receivables		73.066	13.331
Income tax		7.361	72.806
Receivables		<u>300.084</u>	<u>154.319</u>
Total current assets		<u>300.084</u>	<u>154.319</u>
Total assets		<u><u>5.804.800</u></u>	<u><u>6.355.543</u></u>

Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Liabilities and equity			
Share capital		100.000	100.000
Retained earnings		702.792	554.602
Total equity	9	<u>802.792</u>	<u>654.602</u>
Provision for deferred tax		134.141	154.837
Total provisions		<u>134.141</u>	<u>154.837</u>
Payables to group enterprises, loan		4.305.000	5.440.546
Deferred income		83.949	13.000
Non-current debt	10	<u>4.388.949</u>	<u>5.453.546</u>
Trade payables		275	1.948
Payables to group enterprises		3.643	90.604
Payables to group enterprises, loan		475.000	0
Other payables		0	6
Current debt		<u>478.918</u>	<u>92.558</u>
Total liabilities other than provisions		<u>4.867.867</u>	<u>5.546.104</u>
Total liabilities and equity		<u>5.804.800</u>	<u>6.355.543</u>
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Statement of changes in equity

	<u>Share capital</u> t.kr.	<u>Retained earnings</u> t.kr.	<u>Total</u> t.kr.
Equity at 1 January	100.000	554.602	654.602
Net profit for the year	<u>0</u>	<u>148.190</u>	<u>148.190</u>
Equity at 31 December	<u>100.000</u>	<u>702.792</u>	<u>802.792</u>

Notes to the Annual Report

1 Staff costs

The company had no employees in the accounting period, and no remuneration was paid to the Board of Directors and the Executive Board.

	2015 t.kr.	2014 t.kr.
2 Income from investments in joint ventures		
Share of profits of joint ventures	225.546	185.929
	225.546	185.929
3 Financial income		
Interest received from group enterprises	0	77
Exchange gains	0	71
	0	148
4 Financial costs		
Interest paid to group enterprises	83.614	104.067
Exchange loss	40	0
	83.654	104.067
5 Tax on profit/loss for the year		
Current tax for the year	-7.361	-72.806
Deferred tax for the year	11.793	58.587
Adjustment of tax concerning previous years	12.885	38.738
Adjustment of deferred tax concerning previous years	-32.489	-30.727
	-15.172	-6.208

Notes to the Annual Report

6 Property, plant and equipment

	Land and buildings	Assets under construction
	t.kr.	t.kr.
Cost at 1 January	4.447	636
Disposals for the year	0	-636
Cost at 31 December	<u>4.447</u>	<u>0</u>
Amortisation and impairment losses at 1 January	381	0
Depreciation for the year	139	0
Amortisation and impairment losses at 31 December	<u>520</u>	<u>0</u>
Carrying amount at 31 December	<u><u>3.927</u></u>	<u><u>0</u></u>

Notes to the Annual Report

	2015	2014
	t.kr.	t.kr.
7 Investments in joint ventures		
Cost at 1 January	6.272.115	6.301.311
Additions for the year	0	-29.196
Cost at 31 December	6.272.115	6.272.115
Value adjustments at 1 January	-75.593	30.966
Net profit/loss for the year	225.546	185.928
Dividend to the Parent Company	-921.279	-292.487
Value adjustments at 31 December	-771.326	-75.593
Carrying amount at 31 December	5.500.789	6.196.522

Investments in joint ventures are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
			t.kr.	t.kr.
Anholt Havvindmøllepark I/S	Fredericia	50%	11.011.431	446.544

8 Receivables from group enterprises

Included in the Receivables from DONG Energy A/S enterprises is a cash pool of DKK 184.656 thousand with the ultimate Parent Company, DONG Energy A/S. (2014: 68.124 t.dkk).

Notes to the Annual Report

9 Equity

The share capital consists of 1 share of a nominal value of t.kr. 100.000. No shares carry any special rights.

The share capital has developed like this:

	2015 t.kr.	2014 t.kr.	2013 t.kr.	2012 t.kr.	2011 t.kr.
Share capital at 1 January	100.000	100.000	100.000	100.000	5.000
Additions for the year	0	0	0	0	95.000
Disposals for the year	0	0	0	0	0
Share capital at 31 December	100.000	100.000	100.000	100.000	100.000

10 Long term debt

	2015 t.kr.	2014 t.kr.
Payables to group enterprises, loan		
Between 1 and 5 years	4.305.000	5.440.546
Long term part	4.305.000	5.440.546
Other short-term debt to subsidiaries	478.643	90.604
Short-term part	478.643	90.604
	4.783.643	5.531.150
Deferred income		
After 5 years	83.949	13.000
Long-term part	83.949	13.000
	83.949	13.000

Notes to the Annual Report

11 Contractual obligations and contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. Reference is made to the Annual Report DONG Energy A/S, the company responsible for the administration of the joint taxation arrangement.

The Danish companies of the Group are jointly and severally liable within the jointly VAT registration.

The company participate at a rate of 50 % in Anholt Havvindmøllepark I/S. The company is jointly and severally liable together with other participants for liabilities relating to agreements entered into.

The company has entered into binding agreements with subsuppliers regarding purchase of fixed assets. The total commitments amount to 25.755 t.kr. (2014: 58.101 t.kr.) and are primarily related to agreements on investments in construction of wind turbines. These commitments have by agreement been taken over by DONG Wind Power A/S.

12 Related parties and ownership

	Basis
Controlling interest	
DONG Energy Wind Power Denmark A/S, Kraftsværksvej 53, 7000 Fredericia.	Owns 100% of the share capital
Other related parties	
The Danish state by Ministry of Finance Goldman Sachs Group DONG Energy A/S, Kraftsværksvej 53, 7000 Fredericia. Board of directors, Executive Board and management Other companies in the DONG Energy Group	Ultimate parent company

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 Wind Power Denmark A/S