Annual Report 2006

ENERGINET.DK

Energinet.dk
Annual Report 2006

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What is Energinet.dk

Mission
As the owner of the main infrastructure we maintain the security of supply and ensure an efficient market for electricity and gas.

Vision
Through cooperation and innovation we aim to be known nationally and internationally as a professional, business-oriented and trustworthy TSO.

As TSO (**T**ransmission **S**ystem **O**perator), Energinet.dk is responsible for the main electricity and gas transmission systems in Denmark.

The principal responsibilities of Energinet.dk are:
• maintaining the overall security of supply of electricity and gas in both the short and the long term
• developing the overall Danish electricity and gas transmission infrastructure
• creating objective and transparent conditions for competition within the energy markets and monitoring that competition works
• carrying out coherent and holistic planning involving future transmission capacity requirements and long-term security of supply
• supporting environmentally-friendly electricity production and the development and demonstration of technologies for environmentally-friendly energy production
• calculating the environmental impact of the energy system as a whole.

Energinet.dk owns the gas transmission grid and the 400 kV electricity transmission grid and co-owns the interconnections between Denmark and the Nordic countries and Germany. Furthermore, the Company has the 132 and 150 kV electricity grids at its disposal and has access to natural gas storage facilities.

Two wholly owned subsidiaries – Eltransmission.dk A/S and Gastransmission.dk A/S – operate and maintain the electricity and gas transmission grids.

Energinet.dk is an independent public undertaking owned by the Danish state as represented by the Danish Ministry of Transport and Energy. Energinet.dk has its own Supervisory Board.

An advisory Stakeholder Forum appointed by the Minister for Transport and Energy submits opinions to the Management of Energinet.dk concerning the Company's overall strategies and plans with a view to supporting the Company's operations.

Energinet.dk's finances must balance. The primary source of revenue is in the form of tariffs.

Group financial highlights and key ratios

Financial highlights and key ratios
Energinet.dk Group

Amounts in DKK million	2006	2005
Results		
Gross revenue	5,753	7,983
Revenue	3,391	4,386
Results before depreciation, amortisation and impairment	434	1,350
Operating profit	(137)	724
Results of net financials	(136)	(131)
Net profit/loss for the year	(170)	555
Consolidation of equity	89	86
Balance sheet		
Property, plant and equipment	11,437	12,103
Current assets	2,649	1,851
Balance sheet total	14,086	13,954
Interest-bearing debt (net)	6,076	6,188
Equity	3,627	3,786
Cash flows		
Operating activities	82	1,828
Investing activities	(296)	(157)
of which investments in property, plant and equipment	(424)	(166)
Financing activities	6	(1,511)
Changes in cash and cash equivalents for the year	(208)	160
Cash and cash equivalents at year end	62	270
Number of employees at year end	467	426
Key ratios in per cent		
Solvency ratio*	25.7	27.1
Price-index regulation announced by the Danish Energy Regulatory Authority	3.4	3.8

*Solvency ratio = equity x 100 / balance sheet total

Supervisory Board

Chairman
Niels Fog
MSc (Economics and Business Administration) and merchant

Other members
Birgitte Kiær Ahring
MSc (Biology), PhD. Professor in biotechnology at BioCentrum-DTU

Birgitte Nielsen
Banking education, Diploma in Economics. Director of the consultancy firm Nielsen & Axelsson

Erik Dahl
Engineer, Diploma in Economics

Hans Schiøtt
MA and MSc in theoretical physics

Niels Arne Gadegaard
MA (Laws)

Peter Møllgaard
MSc (Economics). Professor of law and economics, Copenhagen Business School

Poul Erik Morthorst
MSc (Economics). Senior Scientist at Risø National Laboratory

Employee-elected members
Jes Smed
MSc (Electrical Engineering). Planning Engineer

Lone Thomhav
Administrative Assistant

Søren Juel Hansen
MSc (Business Administration and Business Law). Senior Contract Manager

Bottom row from left: Peter Møllgaard, Birgitte Kiær Ahring, Hans Schiøtt, Poul Erik Morshorst. Middle row from left: Niels Fog (Chairman), Birgitte Nielsen, Lone Thomhav, Niels Arne Gadegaard. Back row from left: Søren Juel Hansen, Erik Dahl and Jes Smed.

Facts about Energinet.dk

Corporate information

Address
Energinet.dk
Fjordvejen 1-11
DK-7000 Fredericia
Tel.: +45 70 10 22 44
info@energinet.dk
www.energinet.dk
CVR no. 28 98 06 71

Ownership
Energinet.dk is an independent public undertaking owned by the Danish state as represented by the Danish Ministry of Transport and Energy.

Municipality of domicile
Fredericia

Financial calendar 2007
Adoption of Annual Report 2006: April 2007
Publication of Interim Report: August 2007

External auditors
The National Audit Office of Denmark

Internal auditors
PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Group enterprises

Eltransmission.dk A/S
The company is wholly owned by Energinet.dk. The object of the company is to maintain Energinet.dk's electricity transmission grid.

Gastransmission.dk A/S
The company is wholly owned by Energinet.dk. The object of the company is to maintain Energinet.dk's gas transmission grid.

Fibertransmission.dk A/S
The company is wholly owned by Energinet.dk. The object of the company is to lease telecom connections.

Nord Pool Spot AS
Energinet.dk owns 20 per cent of the shares in the company. The object of the company is to organise, run and further develop a marketplace for spot trading in electricity in the Nordic region.

Dansk Gasteknisk Center A/S
Energinet.dk owns 17.4 per cent of the shares in the company. The object of the company is to promote safety, energy efficiency and environmentally-friendly conduct in connection with the use and transmission of natural gas.

Management of Energinet.dk

Energinet.dk is an independent public undertaking and is thus wholly owned by the Danish state. The object, management and activities of the Company are regulated by law. The Danish Minister for Transport and Energy ensures that Energinet.dk complies with the provisions of the Danish Act on Energinet.dk.

The Act on Energinet.dk, the Articles of Association, the rules of procedure of the Supervisory Board and the management instruction reflect Energinet.dk's obligation as a state-owned undertaking to exercise good corporate governance in all respects. As regards its financial statements, Energinet.dk is therefore subject to the same rules concerning the preparation of its annual report and interim report as apply to state-owned public limited companies.

Decisions by the minister
The Danish Minister for Transport and Energy is the sole owner of Energinet.dk on behalf of the Danish state and exercises the same rights as are enjoyed by shareholders under the Danish Companies Act and the Danish Financial Statements Act.

The Articles of Association have been laid down by the Minister for Transport and Energy following recommendation from the Supervisory Board.

The annual report must be approved by the Minister for Transport and Energy before the end of April.

Supervisory Board
Energinet.dk is run by a Supervisory Board consisting of 11 members. The Minister for Transport and Energy appoints eight of these members, including the Chairman.

The members appointed by the minister must jointly have general business and managerial competencies as well as insight into the fields of electricity, gas and heating supply as well as consumer and social conditions. The Supervisory Board members must be independent of commercial interests in companies engaging in production and trade within electricity and gas.

In accordance with the provisions of the Danish Companies Act governing the election of employee-elected supervisory board members, the employees elect three members for the Supervisory Board.

Chairmanship
The Minister for Transport and Energy appoints a Chairman who constitutes the Chairman. The work of the Chairman is regulated by the rules of procedure of the Supervisory Board.

Work of the Supervisory Board
The Supervisory Board is in charge of the

overall management of Energinet.dk, including the determination of the main objectives and strategies for Energinet.dk, as well as monitoring the day-to-day management undertaken by the Executive Board. The Supervisory Board employs and dismisses the Executive Board, and also determines the terms of employment of the Executive Board. The Minister for Transport and Energy must be informed thereof in advance.

The Supervisory Board is obliged by law to consider a number of special issues:

- A strategy plan, which is prepared every other year, setting out the overall direction of the Company's planning

- An annual system plan, which is the Company's coherent and holistic planning for the electricity and gas systems

- An annual transmission plan outlining specific expansion projects for the electricity transmission grid

- An annual environmental report on the development in the most significant environmental aspects of electricity and CHP production

- An annual plan for the allocation of PSO funds for the development and demonstration of environmentally-friendly electricity production technologies.

Supervisory Board meetings

Six or seven Supervisory Board meetings are held each year. In conjunction with one of these meetings, a seminar is held for members of the Board.

Stakeholder Forum

The Minister for Transport and Energy appoints an advisory Stakeholder Forum, which submits opinions to Energinet.dk's management about the Company's overall strategies and plans with a view to supporting Company operations.

The Stakeholder Forum represents a wide selection of stakeholders with interest in Energinet.dk's activities and meets at least twice a year.

Committee structure

With a view to extending the collaboration between Energinet.dk on the one hand and the local electricity grid companies, regional electricity transmission companies and the players in the electricity and gas markets on the other hand, a grid committee, a transmission committee and a market committee have been established.

A player forum ensures collaboration between Energinet.dk and the gas market players.

Executive Board

The Executive Board is responsible for the day-to-day management of Energinet.dk.

The Supervisory Board issues a management instruction for the Executive Board, including guidelines concerning the division of work between the Supervisory and Executive Boards. The guidelines have been presented to the Minister for Transport and Energy.

The Executive Board cannot without the prior consent of the Supervisory Board engage in any other tasks that do not safeguard the interests of the Company.

Informing the Minister for Transport and Energy

The Chairman of the Supervisory Board is obliged to keep the Minister for Transport and Energy informed of matters of material significance.

One way of providing such information is by means of quarterly meetings at which the minister is briefed of matters which may be of material financial significance or political interest.

Auditing

Energinet.dk's annual report is audited by the National Audit Office of Denmark in pursuance of the Danish Financial Statements Act and the Act on the Auditing of Governmental Accounts, etc.

An agreement concerning internal auditing has been made between the National Audit Office of Denmark, the Minister for Transport and Energy and Energinet.dk, see Section 9 of the Danish Auditor General Act. The internal auditor, who must be state authorised, is appointed by the Minister for Transport and Energy following recommendation from the Supervisory Board. The internal auditor must be the auditor of Energinet.dk's subsidiaries.

Statements and reports

Statement by the Supervisory and Executive Boards on the Annual Report

The Supervisory and Executive Boards have on this day considered and adopted Energinet.dk's Annual Report 2006, including Statement by the Supervisory and Executive Boards on the Annual Report, Management's review, income statement, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the Parent.

The Annual Report has been presented in accordance with the Danish Financial Statements Act, applicable Danish Accounting Standards and the Danish Act on Energinet.dk.

We find that the accounting policies applied are appropriate, that the Group's internal controls, which are relevant in preparing and presenting an annual report, are adequate, and that the Annual Report therefore gives a fair presentation of the Group's and the Parent's assets, liabilities and financial position at 31 December 2006, the results of the Group's and the Parent's activities and the Group's cash flows for the 2006 financial year.

The Annual Report with associated proposal for the distribution of net profit is recommended for approval by the Danish Minister for Transport and Energy.

Fredericia, 21 March 2007

Executive Board

Peder Østermark Andreasen
President and CEO

Supervisory Board

Niels Fog
Chairman

Birgitte Kiær Ahring

Birgitte Nielsen

Erik Dahl

Hans Schiøtt

Niels Arne Gadegaard

Peter Møllgaard

Poul Erik Morthorst

Jes Smed

Lone Thomhav

Søren Juel Hansen

External auditor's report

To the Danish Minister for Transport and Energy

Auditor's report
We have audited the Annual Report of the independent public undertaking Energinet.dk for the financial year 1 January – 31 December 2006, including Statement by the Supervisory and Executive Boards on the Annual Report, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The Annual Report is presented in accordance with the provisions of the Danish Financial Statements Act, Danish Accounting Standards and the Act on Energinet.dk.

Management's responsibility for the Annual Report
Management is responsible for preparing and presenting an annual report that gives a fair presentation in pursuance of the Danish Financial Statements Act, Danish Accounting Standards and the Act on Energinet.dk. This responsibility includes the drawing up, implementation and upkeep of internal controls relevant in preparing and presenting an annual report which gives a true presentation without material misstatement, whether or not such misstatement resulted from fraud or errors, and the choice and application of appropriate accounting policies and the use of accounting estimates deemed reasonable in the circumstances. Furthermore, Management is responsible for ensuring that the transactions covered by the Annual Report comply with Danish law and other regulations as well as with agreements concluded and generally accepted accounting principles.

Auditor's responsibility and the audit performed
It is our responsibility to express an opinion about the Annual Report on the basis of our audit. We conducted our audit in accordance with Danish Auditing Standards and good public auditing practice, see the Danish Act on the Auditing of Governmental Accounts, etc., and the Act on Energinet.dk. Those standards require that we live up to ethical requirements and plan and perform the audit to obtain reasonable assurance that the Annual Report is free from material misstatement.

An audit includes actions performed with a view to obtaining audit evidence for the amounts and information stated in the Annual Report. The actions chosen depend on auditor's assessment, including an assessment of the risk of material misstatement in the Annual Report, whether or not such misstatement results from fraud or errors. When assessing the risk, auditor considers internal controls relevant to the Company's preparation and presentation of an annual report which gives a fair presentation with a view to developing audit actions that are suitable in the circumstances, but not with the purpose of expressing an opinion on the efficiency of the Company's internal controls. An audit also includes expressing an opinion as to whether the accounting policies applied by Management are appropriate and whether the accounting estimates exercised by Management are fair, as well as assessing the overall presentation of the Annual Report. An audit also includes assessing whether business procedures and internal controls have been established ensuring to the widest possible extent that the transactions covered by the Annual Report comply with the provisions for the state's basic capital provided in the Act on Energinet.dk, other regulations as well as agreements concluded and generally accepted accounting principles.

We believe that the audit evidence obtained constitutes a sufficient and reasonable basis for our opinion.

Our audit did not result in any qualification.

Opinion
In our opinion the Annual Report gives a fair presentation of the Group's and Parent's assets, liabilities and financial position at 31 December 2006 and of the results of the Group's and Parent's activities and the Group's cash flows for the financial year 1 January – 31 December 2006 in pursuance of the Danish Financial Statements Act, Danish Accounting Standards and the Act on Energinet.dk. It is also our opinion that business procedures and internal controls have been established ensuring to the widest possible extent that the transactions covered by the Annual Report comply with the provisions for the state's basic capital provided in the Act on Energinet.dk, other regulations as well as agreements concluded and generally accepted accounting principles.

Statement on performance audit carried out
In connection with the financial audit of Energinet.dk's Annual Report 2006 we have assessed whether due financial allowance has been made for specific areas in the administration of the Company.

Management's responsibility
Energinet.dk's management is responsible for setting up guidelines and procedures that to the widest possible extent ensure that due financial allowance is made in connection with the administration of the Company.

Auditor's responsibility and the performance audit carried out
In accordance with good public auditing practice, see the Danish Act on the Auditing of Governmental Accounts, etc., we have examined specific administrative areas with a view to assessing whether Energinet.dk has established business procedures ensuring proper financial administration to the widest possible extent. We performed our work to obtain limited assurance that the specific areas have been administered in a financially acceptable manner.

Opinion
The performance audit carried out did not reveal any circumstances leading us to form the opinion that the administration in 2006 of the areas examined by us was not conducted in a financially acceptable manner.

Fredericia, 21 March 2007

The National Audit Office of Denmark

Henrik Otbo
Auditor General

Edvin Andrée Andersen
Director

Internal auditor's report

To the Danish Minister for Transport and Energy

Auditor's report
We have audited the Annual Report of the independent public undertaking Energinet.dk for the financial year 1 January – 31 December 2006, including Statement by the Supervisory and Executive Boards on the Annual Report, Management's review, applied accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The Annual Report is presented in accordance with the provisions of the Danish Financial Statements Act, Danish Accounting Standards and the Act on Energinet.dk.

Management's responsibility for the Annual Report
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We believe that the audit evidence obtained constitutes a sufficient and reasonable basis for our opinion.

Our audit did not result in any qualification.

Opinion
In our opinion the Annual Report gives a fair presentation of the Group's and the Parent's assets, liabilities and financial position at 31 December 2006 and of the results of the Group's and Parent's activities and the Group's cash flows for the financial year 1 January – 31 December 2006 in pursuance of the Danish Financial Statements Act, Danish Accounting Standards and the Act on Energinet.dk. We also believe that business procedures and internal controls have been established ensuring to the widest possible extent that the transactions covered by the Annual Report comply with the provisions for the state's basic capital provided in the Act on Energinet.dk, other regulations as well as agreements concluded and generally accepted accounting principles.

Statement on performance audit carried out
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Opinion
The performance audit carried out did not reveal any circumstances leading us to form the opinion that the administration in 2006 of the areas examined by us was not conducted in a financially acceptable manner.

Fredericia, 21 March 2007

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Carsten Gerner
State Authorised Public Accountant

Jesper Møller Christensen
State Authorised Public Accountant

Karin Henriksen,
Webmaster,
Corporate Communications

Management's review

Preface by Management

Energinet.dk's activities are of vital importance to society, and the raison d'être of the Company is, among other things, based on society's expectations that the supply of electricity and gas is always stable, and that the prices of electricity and gas are determined by effective competition.

One of our most important goals is to ensure that Denmark has access to gas from foreign countries when the Danish natural gas reserves become insufficient to cover Danish consumption within the foreseeable future. Energinet.dk therefore closely monitors the expansion projects contemplated in neighbouring areas, and in the past year we concluded an agreement to participate in a Nordic natural gas project, the purpose of which is to explore the possibilities of establishing a new gas pipeline from Norway to Sweden and Denmark.

As regards electricity, we are in dialogue with the large generators to ensure that there will be sufficient power station capacity available to meet the demand for electricity in the years to come.

Continued development of the electricity and gas markets is another goal, and we work on increasing the number of independent players and ensuring transparent prices and an efficient and genuine price formation. Our means of doing so include the gradual establishment of a gas exchange, introduction of electricity trade close to the delivery hour in the Nordic countries and Northern Germany, and the establishment of an efficient ancillary services market.

A well-functioning and well-developed infrastructure is a precondition for ensuring reliable electricity and gas supply, properly functioning markets and the integration of increasing volumes of renewable energy into the power system. Where electricity is concerned, Energinet.dk has therefore initiated several expansion projects, eg the Great Belt power link and the establishment of facilities for connecting two future offshore wind farms to the transmission grid. As regards gas, Energinet.dk has acquired the Lille Torup gas storage facility from DONG Energy and has thus contributed to making a political wish to keep the Danish gas storage facilities in public hands come true.

A coherent and holistic development of market conditions as well as the operation and expansion of the grids require a close dialogue with market players, regional electricity transmission companies and grid companies. We are therefore pleased to see that the work in the committees where we have organised the collaboration is extremely constructive. With the internationalisation of energy markets, collaboration in the transnational organisations within electricity and gas in the Nordic countries and the EU becomes inevitable.

Energinet.dk plays an important role within R&D in the field of energy, striving to improve the security of supply, reduce environmental impacts and increase energy efficiency through a range of research programmes. Furthermore, the Company functions as a knowledge centre in a number of areas closely connected to our tasks. We have, for example, initiated promising work aimed at enabling the integration of large volumes of local electricity production using a new cell structure.

Energinet.dk's strategic objectives are described in the first statutory strategy plan, which was sent to the Danish Minister for Transport and Energy in December 2006. With this plan we are well prepared to solve all the tasks which are a natural consequence of a future political energy agreement. In January 2007, the Danish government announced its intention to focus more on renewable energy, long-term expansion of the electricity and gas infrastructure, considerable strengthening of energy research as well as free, effective competition on the electricity and gas markets. Challenges, which Energinet.dk is ready to meet.

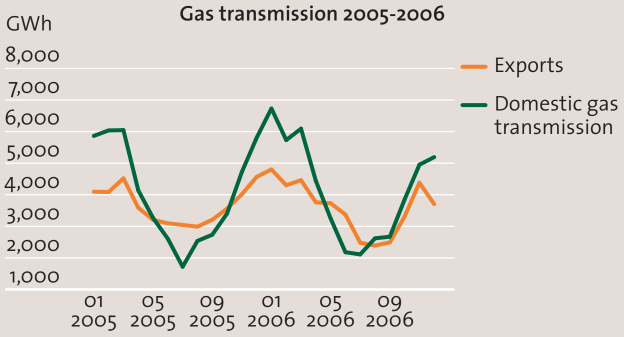
Operation of the electricity and gas transmission grids

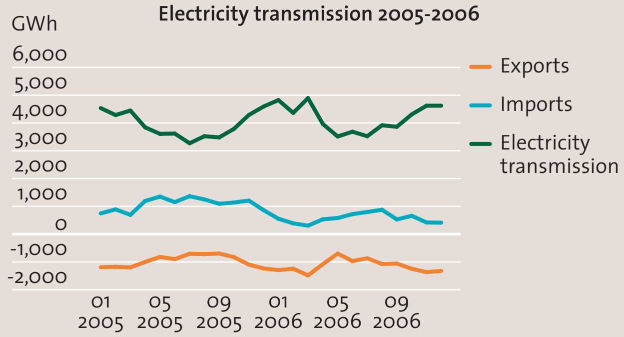
System disturbances

As has been the case in recent years, there were no major disturbances in the operation of the gas transmission grid. The electricity transmission grid suffered a number of minor disturbances, of which only a few affected electricity consumers in the form of brief power cuts.

On 19 and 20 January 2006, Denmark was lashed by a severe ice storm, and many overhead lines in the transmission and distribution grids began oscillating because of the glaze. In several places, the oscillations resulted in short-circuiting and momentary power cuts affecting about 140,000 consumers.

A major system disturbance occurred in Europe on 4 November 2006, affecting the power system in Western Denmark as well. The frequency increased markedly in connection with a split-up of the European transmission system caused by the tripping of a transmission connection in Germany. In Western Denmark, the system disturbance was dealt with without con-





sumers being affected, but about 15 million electricity consumers in other European countries were affected by power cuts lasting less than an hour. A subsequent analysis of the sequence of events demonstrated the need of improving procedures, rules and communication in the Union for the Coordination of Transmission of Electricity (UCTE).

Technical problems

In January 2006, a Norwegian transformer for the Skagerrak 3 interconnection broke down – the newest of the three cables between Jutland and Norway. The 500 MW connection was out of operation until the Norwegian TSO, Stattnet, completed the installation of a temporary transformer on 30 November 2006.

During the storm on New Year's Eve 2006, the Kontek Link between Eastern Denmark and Germany broke down when a ship's anchor damaged the submarine cable. The interconnection was operational again in mid-March 2007.

Security of supply – gas

In order to ensure gas supplies in emergency situations Energinet.dk has access to gas storage facilities and can import gas from Germany.

In 2006, the costs of maintaining the security of supply amounted to DKK 248 million.

In collaboration with distribution companies and players Energinet.dk has developed a new, market-oriented emergency supply concept. The new concept, which only allows the largest customers to choose interruptible emergency supply, will be introduced on 1 October 2007.

After 2010, Denmark may be forced to import natural gas. In the spring of 2006, Energinet.dk consequently initiated a study in order to gain an overview of the various infrastructure possibilities, and in January 2007, the Company signed an agreement with Norwegian and Swedish partners to participate in a Nordic natural gas project. The purpose is to explore the possibilities of laying a new gas pipeline on the sea bed from Norway to Sweden and Denmark.

Security of supply – electricity

In order to maintain the security of electricity supply, Energinet.dk concludes agreements on the supply of ancillary services in the form of reserves and regulating power.

An intraday market for manual regulating reserves was introduced in Eastern Denmark on 1 Juli 2006 and in Western Denmark on 1 February 2007. Some agreements concerning ancillary services are still concluded on a monthly basis.

In 2006, Western Denmark became a full member of the Nordic regulating power market, thus following in the footsteps of Eastern Denmark, which joined the market in 2002.

The cost of electricity reserve capacity was DKK 856 million as opposed to DKK 733 million in 2005. In addition, the cost of regulating power was DKK 228 million over DKK 535 million in 2005.

When a storm hit Denmark on New Year's Eve 2006, Energinet.dk had to order local CHP units and some of the land-based wind turbines in Western Denmark to stop production to prevent oversupply, thus putting this emergency plan into operation for the first time. The reason was large electricity generation from the wind turbines combined with low electricity consumption and a large share of wind power from Germany.

To improve the security of supply on the island of Bornholm, Energinet.dk issued a tender for additional reserves of 15 MW.

Transmission of electricity and gas	2006	2005
Gas GWh		
Transmission in gas transmission grid	92,996	92,759
Imports (from Germany)	9,192	5,417
Exports (to Sweden and Germany)	43,177	43,899
Consumption	49,819	48,860
Electricity GWh		
Transmission in electricity transmission grid	49,613	47,292
Imports (from the Nordic countries and Germany)	6,704	12,943
Exports (to the Nordic countries and Germany)	13,638	11,573
Consumption (including grid losses)	35,975	35,719

These reserves, which ØSTKRAFT Produktion will install in the form of an extra power plant, are expected to be available as of 1 July 2007.

Collaboration with neighbouring areas
One of the objectives of the Nordic body for cooperation, Nordel, is to improve the frequency quality and to set op a new common Nordic system for the exchange of information on the daily operation of the power system.

Emergency management
Energinet.dk is responsible for coordinating the emergency management plans of the electricity and gas sectors and for monitoring and advising the sectors on the drafting of such plans.

In 2006, vulnerability analyses and emergency plans for the classified installations of the electricity and gas sectors were prepared. In addition, emergency plans for the sectors and an overall emergency plan for Energinet.dk were prepared after the merger.

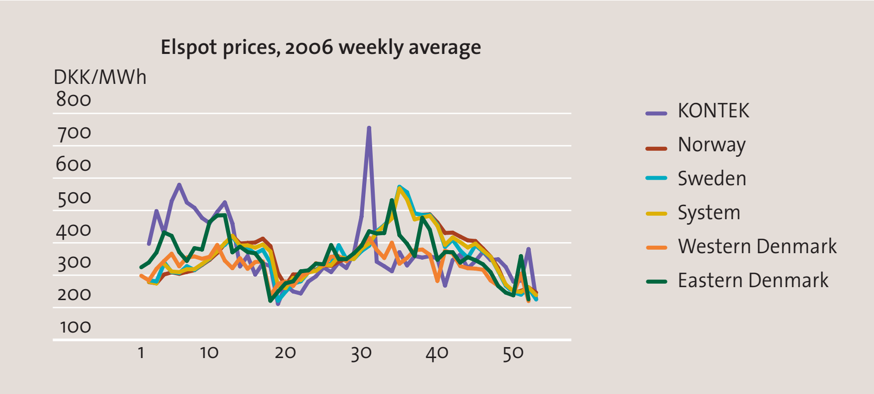
Safety
Energinet.dk transmits very large volumes of energy at high voltage levels (electricity) and at high pressure (gas). Accidents may seriously damage technical installations and injure people.

Systematic safety training courses are conducted to prevent employees and contractors working on the Company's installations from being injured during work. The technical installations are also subjected to regular safety inspections. Furthermore, in 2006, Energinet.dk implemented an internal safety campaign, which involved the making of a safety film directed at contractors performing work on the Company's installations.

In 2006, Energinet.dk experienced three cases of reportable injuries. None of the injured persons suffered any permanent injury. All in all, the persons involved were absent for about 50 working days as a result of the accidents.

Electricity and gas markets

Energinet.dk is responsible for developing the electricity and gas markets so as to create an optimum framework for competition. The Company monitors the efficiency of the market and reports any signs of players abusing their dominant market position to the competition authorities.



The functioning of the electricity market
In 2006, the Danish Competition Appeals Tribunal came to the conclusion that Elsam (now DONG Energy) had abused its dominant position to increase electricity prices in Western Denmark. The case was started on the request of Eltra (now Energinet.dk), who asked the competition authorities to examine the price formation in Western Denmark in the winter of 2002/2003 and the summer of 2003.

In the past year, Energinet.dk did its utmost to make Svenska Kraftnät establish a market-oriented solution for handling congestion in the Swedish transmission grid instead of transferring it to the borders of neighbouring areas, including the Øresund interconnection. The practice of transferring congestion between Northern and Southern Sweden to the Øresund interconnection alone has cost electricity consumers in Eastern Denmark at least DKK 725 million over the last five years. This is the conclusion of a report commissioned by Energinet.dk from the consultancy firm Copenhagen Economics in 2006.

Enhanced integration with Germany
In 2006, Energinet.dk entered into an agreement with the German electricity exchange and the two transmission system operators in Northern Germany to introduce market coupling between the German and the Nordic electricity exchanges. The market coupling, which is expected to become a reality in the fourth quarter of 2007, will ensure optimum, market-oriented utilisation of the electrical interconnections between Denmark and Germany. At the same time, the KONTEK price area on the border between Eastern Denmark and Germany will be discontinued.

In the past year, another important step was taken towards integrating the electricity markets in the Nordic countries and Germany when, on 25 September, Nord Pool Spot's aftermarket, Elbas, opened for electricity trade during the day of operation on the Kontek Link.

In Eastern Denmark, trade on Elbas during the day of operation has been possible since 2004, while Elbas will be introduced in Western Denmark in April 2007.

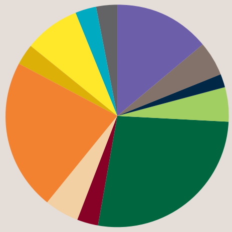
New market regulations
Around 1 April 2007, Energinet.dk will present a new set of electricity market regulations, which in the vast majority of the areas lays down uniform conditions for the players in Eastern and Western Denmark. The regulations were submitted for public consultation with the players.

Electricity price in 2006
In general, all Nord Pool's prices were higher in 2006 than in 2005. The average system price was DKK 362/MWh in 2006 as opposed to DKK 219/MWh in 2005. The higher prices are a result of the lack of precipitation in the Nordic countries in the summer of 2006 and early autumn. This created a water deficit in the Nordic reservoirs, which – together with fears of a severe winter – drove prices up. Between weeks 31 and 36, prices exceeded DKK 500/

Tommy Jensen,
Workshop Manager,
Electricity Transmission

MWh. The large quantities of precipitation at the end of the year combined with relatively mild temperatures with a resulting low electricity consumption in the Nordic countries as a whole improved the water situation, causing prices to drop below DKK 300/MWh.

In the West Danish price area, the average price was DKK 330/MWh compared to DKK 277/MWh in 2005. In Eastern Denmark, the average price was DKK 362/MWh in 2006 as opposed to DKK 252/MWh in 2005.



Gas trade

At the end of 2006, Energinet.dk had registered 19 shippers, six more than in 2005. The new shippers were mainly acquired in connection with DONG Energy's first gas release auction.

The Danish gas market is based on bilateral trade between the market players. Operating the so-called Gas Transfer Facility (GTF) where shippers electronically trade gas with each other, enables Energinet.dk to help facilitate the trade. In 2006, just under 9 per cent of the Danish gas consumption was traded on the GFT.

Since October 2006, Energinet.dk has been offering the gas market players on the border with Germany interruptible transmission capacity at a reduced price. The new concept was introduced because DONG Energy's Gas Release Programme increased demand for export capacity in the gas pipeline to Germany.

Nord Pool and Energinet.dk have continued analysing the possibilities of establishing a gas exchange in Denmark with a public and credible price reference.

Research, development and PSO

Energinet.dk has a statutory obligation to promote environmentally-friendly energy technologies. Among the means used are subsidies for environmentally-friendly electricity production, payment for grid connection of environmentally-friendly electricity production facilities and support to research and development within environmentally-friendly electricity production and efficient energy use.

Support to environmentally-friendly electricity production

Energinet.dk is obliged to buy electricity produced at small local CHP units and by wind turbines. The Company buys the electricity generated at the statutory purchase price and sells it on Nord Pool Spot. The difference is collected via the PSO tariff (Public Service Obligation) on the consumers' electricity bills. The same applies to the subsidies, etc., which Energinet.dk pays to wind turbines and local CHP units operating on market terms.

In 2006, Energinet.dk's overall contribution to local CHP units and wind turbines amounted to DKK 1,659 million.

Research and development

Energinet.dk has a politically determined annual budget of DKK 130 million for supporting research, development and demonstration of environmentally-friendly electricity production technologies. This programme is called ForskEL, and the pool is financed by electricity consumers as a Public Service Obligation (PSO).

Each year, the Danish Minister for Transport and Energy determines the focus areas to benefit from PSO financed research and development following recommendation by Energinet.dk. Support is allocated to projects on the basis of an assessment performed by an external, international expert panel within the ForskEL network and by Energinet.dk. In addition, applications are coordinated with the energy research programmes funded by the Danish Energy Authority and Dansk Energi – Net.

The three main tracks of the 2007 ForskEL programme are:

- Combustion technologies and integrated energy systems
- Fuel cells and energy-carrying technologies
- Integrated and distributed RE technologies (renewable energy).

Energinet.dk received 106 applications under the 2007 ForskEL programme totalling approx. DKK 600 million, which was a new record. Following assessment, projects amounting to DKK 265 million were prioritised for support. As there is DKK 130 million in the pool, only 28 projects were approved. For the first time ever, it has been possible to make a special allocation to a large consortium. In this connection, approx. DKK 29 million was allocated to the REnescience project. This project aims at developing methods so as to enable co-production in Danish power stations of electricity and heat and now also biofuels for the transport sector.

Of the DKK 130 million, DKK 34 million goes to demonstration projects, while the remainder is used for development projects.

Own research programmes

Energinet.dk is obliged to initiate its own research and development projects with a view to maintaining the high security of supply and developing the electricity and natural gas grids to the benefit of the environment, society and customers. These acti-vities are financed through Energinet.dk's normal electricity and gas tariffs. At present, two major development projects are being conducted under the auspices of Energinet.dk, the cell project and EcoGrid.dk. One of the purposes of the cell project is to develop a robust, decentralised and intelligent power system capable of handling markedly larger volumes of renewable energy and local power production. In the EcoGrid.dk project, Energinet.dk collaborates with Danish universities and industrial partners on drafting proposals for how to optimally integrate increasing volumes of renewable energy into the Danish energy systems.

PSO investigation conducted by The National Audit Office of Denmark

The National Audit Office of Denmark has looked into the handling and settlement of public obligations, including Energinet.dk's administrative handling. On the basis of The National Audit Office of Denmark's report hereon, the Public Accounts Committee finds it positive that the payments made by energy consumers to public service obligations are collected, checked and distributed in accordance with the administration basis and in such a manner that payments made by energy consumers are used for the schemes decided by the Danish Parliament.

Investments

In 2006, Energinet.dk invested DKK 424 million in electricity and gas transmission facilities. In addition, Energinet.dk acquired one of Denmark's two gas storage facilities from DONG Energy for takeover in 2007.

The 33 projects are divided into the following categories	DKKm
DC connections	1,542
Grid connection of offshore wind turbines	1,126
New transmission lines	461
Reconstruction projects	49
Other projects, including the natural gas grid	192

The long-term strategies for the expansion of the transmission grids are described in an annual system plan, which summarises the overall holistic planning approach. In the annual transmission plan, Energinet.dk accounts for ongoing and planned expansion, upgrading and reconstruction of the transmission grids. Both plans are statutory.

The overall investment requirement for the 33 ongoing and planned construction projects is DKK 3.4 billion until 2012. To this should be added DKK 2 billion for the purchase of the Lille Torup gas storage facility.

The five largest ongoing or planned projects are found within the electricity area, while the investment requirement in the natural gas area is more modest. The largest projects are:

The Great Belt power link

Energinet.dk has asked the Danish Minister for Transport and Energy for permission to construct a Great Belt power link to connect the power systems in Eastern and Western Denmark. The project has been approved in advance by the Danish Government's Finance Committee in connection with the drafting of "Energy Strategy 2025".

The new link with have a positive effect on the national economy: The costs of producing electricity will fall as the cable makes it possible to produce the electricity where it is cheapest, fewer reserves will be required to operate the electricity system, and it will become easier to eliminate imbalances in the electricity system between the two parts of the country. Finally, the cable will increase competition on the electricity market as the current will be able to move more freely than today. The link is expected to be operational about three years after all authority approvals have been obtained.

Connection of new offshore wind turbines

According to the political energy agreement from March 2004, two new 200 MW offshore wind farms must be constructed, one at Horns Rev off Esbjerg and the other at Rødsand near Lolland. Energinet.dk is responsible for establishing the landing facilities, which consist of transformer platforms and submarine cables. At Horns Rev, Energinet.dk will also establish an electrical link to the existing 400 kV power system. At Rødsand, SEAS-NVE is responsible for establishing the onshore 132 kV installation. The two main landing facilities are expected to be operational in 2009.

Reinforcement of the Southern Jutland electricity grid

To ensure a robust power system capable of handling an expected increase in the exchange of power with Germany, new offshore wind farms and the Great Belt power link, Energinet.dk is planning to convert the existing single-circuit 400 kV overhead line between Kassø and Vejen in Southern Jutland into a double circuit. The old towers will be removed, and a new double-circuit overhead line will be erected within the reserved right-of-way. The public authority treatment is under way, and the

The construction projects are distributed as follows (budget figures in DKK million)

	Total	Of which in 2007	Planned commissioning
The Great Belt power link	1,291	240	2010
Connection of the offshore wind farm Horns Rev 2	776	171	2009
New high-voltage interconnection Kassø-Vejen in Southern Jutland	452	11	2009
Connection of the offshore wind farm Rødsand 2	350	51	2009
Reconstruction of the Konti-Skan 1 interconnection between Northern Jutland and Sweden	251	30	2006
Other projects	250	100	2007-2010

reconstructed line is expected to be operational in 2009.

Reconstruction of Konti-Skan 1
In order to increase the transmission capacity between Northern Jutland and Sweden, Energinet.dk and Svenska Kraftnät have reconstructed the HVDC interconnection Konti-Skan 1, adding new converter substations on the Danish and Swedish sides. The capacity of the interconnection has increased from 270 MV to 380 MW. The reconstructed connection was put into commercial operation in the autumn of 2006.

Lille Torup gas storage facility
In connection with the DONG merger in 2006, the EU Commission ordered DONG Energy to sell one of its two natural gas storage facilities in Denmark. Because of a political desire to keep the gas storage facilities in public hands, Energinet.dk bought Denmark's largest natural gas storage facility at Lille Torup between Viborg and Aars in Jutland. The sales price was set at DKK 2 billion, with Energinet.dk taking over the gas storage facility on 1 May 2007. This takeover means that Energinet.dk will become active in a highly competitive business segment, and the gas storage facility will therefore be managed by an independent company under Energinet.dk.

Financing and risk management

AA+ rating
Energinet.dk has maintained an AA+ rating, the second-best rating available from the acknowledged rating agency Standard & Poor's. As a result of the acquisition of the Lille Torup gas storage facility and the long-term debt involved, the agency has placed Energinet.dk on the observation list. Standard & Poor's awaits the formation of the company and the integration of the gas storage facility as these may affect Energinet.dk's financial rating.

Financing
In 2006, Energinet.dk prepared a financing policy indicating the operational framework for the finance function, including guidelines for the distribution of fixed and floating interest and short- and long-term loans. The financing policy must contribute to ensuring that financial risks are identified and managed optimally with due consideration to the Company's overall risk policy.

Following refinancing, the interest-bearing debt amounted to DKK 6.2 billion at the end of 2006, with 55 per cent of the debt consisting of floating-interest loans. Due to the high proportion of floating-interest loans, Energinet.dk is relatively sensitive to interest-rate changes. An increase of 1 percentage point in the general interest-rate level will increase interest expenses to approx. DKK 25 million.

At the end of 2006, the floating-interest debt consisted of existing floating-interest loans totalling DKK 2.3 billion, Commercial Papers (CP) totalling DKK 1 billion, and bank credits totalling DKK 0.09 billion (net).

Energinet.dk has been affected by the generally increasing interest rates, and in 2006, the effective borrowing rate on the interest-bearing debt was 3.7 per cent as opposed to 3.2 per cent in 2005.

The duration of the interest-bearing debt is 3.57 years. Changes in the composition of the interest-bearing debt have increased the duration in the course of 2006.

The Company has foreign-currency loans in JPY, USD, SEK and BRL, which have all been swapped into DKK.

Large parts of the loan portfolio will fall due in 2011, 2012 and 2024. In 2011 and 2012, floating-interest loans will be repaid. The exposure to interest-rate changes will depend on the extent to which new loans are raised at fixed or floating interest rates.

Energinet.dk has set up short-term credits totalling DKK 1.1 billion and DKK 4.1 billion as the maximum limit of the CP programme. Of these, DKK 149 million was drawn on short-term bank credits and DKK 1.0 billion was drawn under the CP programme.

Special risk areas
In 2006, Energinet.dk prepared a risk management analysis, defining and prioritising material risks. On the basis of the risk analysis a risk policy was drafted, defining Energinet.dk's attitude to risk and risk management. In 2007, additional focus will be on preparing actions plans with a view to reducing/eliminating identified risks.

The purpose of Energinet.dk's risk policy is to reduce the probability of unexpected damage/loss occurring, to assign responsibility for the Company's risk management and to lay down the framework for overall risk management reporting. The risk policy forms the basis of an insurance policy and the previously mentioned financing policy.

In 2006, the Company's installations suffered major damage in a few instances. In May, the Konti-Skan interconnection between Jutland and Sweden was damaged during the testing of new equipment. On 31 December 2006, the Kontek cable between Zealand and Germany was damaged by a ship's anchor. The overall costs of repairing the damage will run into the two-digit million range. Steps will be taken to make the tortfeasors pay the costs, which must otherwise be paid by Energinet.dk.

Financial risks
Energinet.dk has entered into an agreement with the Danish Ministry for Transport and Energy, regulating the Company's access to taking out loans and related financial transactions. This is a standard agreement that applies to all the independent undertakings in the Danish state. According to this agreement, Energinet.dk's borrowing must be based on the criteria in the list of acceptable loan types, which is determined by Danmarks Nationalbank (The Central Bank of Denmark).

Furthermore, the agreement stipulates that Energinet.dk must ensure that overall risk management be conducted in relation to the loan portfolio. Transactions must be commercially sound and not be associated with any material risks.

Under this agreement it is also possible for Energinet.dk to obtain loans in DKK directly from Danmarks Nationalbank.

The agreement with the Danish Minister for Transport and Energy has been incorporated into Energinet.dk's financing policy.

Louise Brunshøj Lund, Graduate,
Finance & Administration

Counterparty risks – Debtors
Energinet.dk's customers may give rise to losses. No security/guarantees are required in connection with sale to electricity grid companies with authorisation. When trading with authorised balance responsible parties, a bank gurantee corresponding to one month's payables with Energinet.dk must be provided. The minimum guarantee sum is DKK 2 million.

When trading with gas shippers, a credit assessment of the individual customers will be made, and a credit limit will be fixed depending on the outcome of such credit assessment and the size of the equity.

Counterparty risks – Creditors
Energinet.dk does not usually pay for deliverables until they have been supplied. In connection with construction projects, a certain amount is normally held back until the deliverable has been finally approved.

In case of prepayment being required, for example in connection with the purchase of products manufactured to order, Energinet.dk will perform a credit assessment of the individual suppliers.

Financial counterparties
Energinet.dk only enters into agreements concerning financial instruments with counterparties having a minimum credit rating of AA- from two acknowledged rating agencies.

In addition, the Company has started using Credit Support Annex (CSA) when concluding financial agreements. In CSA, security is exchanged continuously depending on the counterparty's credit rating.

Environment

Each year, Energinet.dk publishes a statutory environmental report providing a statement on emissions to the environment from the electricity and CHP production in Denmark. The statement includes 15 different substances. Furthermore, a 10-year forecast is prepared on the development in emissions in different scenarios. Moreover, Energinet.dk prepares an environmental impact statement, which is a declaration of emissions per kWh of electricity consumed in Denmark. The environmental report also contains a statement of emissions in connection with the transmission of electricity and natural gas in Energinet.dk's transmission grids.

The 2006 environmental report will be published on 1 May 2007, while the environmental impact statement was published on 1 March 2007.

Landscape impacts
An important framework for Energinet.dk's development of the electricity transmission grid is the report "Principles for the establishment and upgrading of high-voltage installations" from 1995, which aims at reducing the overhead lines in Denmark as much as possible. These principles have most recently been highlighted in the Danish government's energy strategy from 2005, which states that new 400 kV connections will also be built as overhead lines in open country in the years to come when this can be done without conflicting with sites of special national natural interest. Cabling will be used at the lower voltage levels.

In 2006, 69 km of overhead lines were upgraded and removed from the 150/132 kV high-voltage grid, while 23 km of 150/132 kV cables were laid. No changes were made to the 400 kV grid in 2006.

Knowledge resources and organisation

Attracting and retaining human resources
At the end of 2006, Energinet.dk had 467 employees (450 full-time positions), 324 men and 143 women. 116 of the employees have been hired since October 2005. Approx. 40 positions are reappointments, and since the merger employee turnover has been about 15 per cent. The overall employee number is expected to increase in the coming years, among other things because of the acquisition of the Lille Torup gas storage facility, additional employees in the system operation centres for electricity so as to handle the transition to a central control room centre in 2008, more graduates and more employees as a part of a future generational change.

In the long term, a more natural annual employee turnover of 5-10 per cent is expected. However, because of the liberalisation of the energy sector involving the formation of new enterprises, mergers, changed task handling and the need for a generational change, Energinet.dk expects a higher natural employee turnover than was the case in the various enterprises before the merger.

In general, employees with more experience and better competencies are employed, and there is therefore a tendency towards a changed staff composition so that there will be more employees with academic degrees and fewer people employed in service-related jobs.

In 2006, Energinet.dk introduced a graduate programme with a view to strengthening the recruitment of qualified employees and preparing an expected generational change. So far, 11 new employees have embarked upon a two-year training course, which involves rotation between different departments, a structured education in, for example, project management and a mentor scheme. The graduate programme will be expanded with an additional 8-12 graduates in 2007.

Also, Energinet.dk is working on a plan for employer branding so that the Company can continue to attract qualified labour. The plan includes targeted efforts towards attracting students and newly-trained electrical engineers, economists and other specialists.

Employee satisfaction and development
In the spring of 2006 and at the end of the year, Energinet.dk implemented two employee satisfaction surveys. Over the year, employee satisfaction has risen markedly from index 62 to index 67, which can partly be ascribed to the progression of the merger process and partly to targeted management efforts. In the surveys, the immediate manager was assessed as being better than the general level for Danish enterprises, which is in line with Energinet.dk's wishes. Energinet.dk also wants to make it possible for the individual employees to develop personally and professionally, and to that end considerable budget resources have been allocated to supplementary training and individual bonus schemes.

*Kaj Møgelberg,
Technician,
Gas Transmission*

Based on the employee satisfaction survey performed at the end of 2006, a number of focus areas at corporate level and in the individual sections will be highlighted in 2007.

Over the year, Energinet.dk has offered many internal courses. All new employees are offered several introductory courses, and an extensive programme within project management education, cooperation and communication has been implemented.

In 2007, the plan is to implement talent development programmers for vice presidents and specialists. Furthermore, plans have been drafted for the introduction of a development programme for managers, heads of sections and other employees, the purpose being to ensure a targeted development process for individual managers and employees with a view to supporting the development of the individual sections and the Company as a whole.

In connection with the move to the new domicile in Erritsø in 2007, a relocation package was prepared in 2006 for the employees whose jobs will be moved from Ballerup to Erritsø. The package also includes an offer of dialogues. Those employees who do not want to move will be offered individual retirement interviews and outplacement help. Moreover, change management is used actively in connection with the merger (electricity) and the relocation of the three control rooms in 2007 and 2008.

As a part of Energinet.dk's senior policy all older employees are offered senior interviews with their immediate manager, participation in a seminar and a senior course by way of preparing for the third age.

New domicile in Erritsø
The construction of a new unifying domicile in Erritsø is progressing as planned. The first sod was turned in June 2006 on the 16ha large site between Kolding Landevej and motorway E20. The new domicile, which will emphasise Energinet.dk's visions of being a development-oriented, cooperative and innovative enterprise, is expected to be ready in December 2007. The 11,500 m2 large building will house the majority of Energinet.dk's approx. 475 employees. In addition, there will be workshop facilities covering 3,500 m2.

Energinet.dk's management
Energinet.dk's management is made up of the following:

- Peder Østermark Andreasen, President and CEO
- Flemming Wibroe, Executive Secretary
- Hans Mogensen, Vice President of Corporate Communications
- Steen Dalsgaard Sørensen, Vice President of Human Resources
- Lene Sonne, Vice President of Market
- Carsten Jensen, Vice President of Electricity Transmission
- Peter Hodal, Vice President of Gas Transmission and System Operation
- Per Sørensen, Vice President and Technical Manager, System Operation
- Peter Jørgensen, Vice President of Planning
- Niels Saaby Johansen, Vice President of IT and QM
- Poul Steen, Vice President of Finance

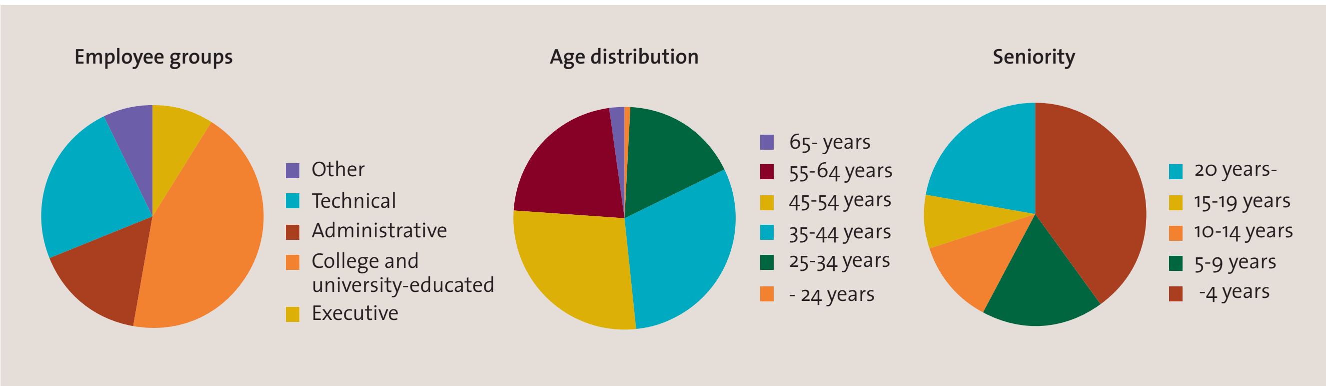
IT and quality management

As part of the merger process, Energinet.dk concluded the extensive work of consolidating and harmonising the Company's various IT systems in 2006.

On 1 January 2007, three finance systems were replaced by a common SAP based ERP solution, which is the IT platform for many of the Company's processes and provides a reliable management tool within the areas of finances, operation and maintenance, HR and payroll administration. Three document handling systems have also been replaced by a common electronic case and document handling system.

In the spring of 2006, the IT systems for electricity settlement in Eastern and Western Denmark were harmonised while the systems for electricity and gas settlement will be harmonised in 2007. In 2008, the systems for operating and monitoring the electricity and gas systems will also be merged.

In 2006, Energinet.dk worked on harmonising its quality management systems, and the two certificates for electricity (East) and electricity (West) have been merged into a common ISO 9001 certificate. The ISO 9001 certificate for the gas side has been maintained. In 2007, the electricity and gas certificates will be merged into one. In the coming years, efforts will be under way to expand the system so that it covers all Company processes with a view to ensuring a uniform approach to quality management throughout the organisation.



Financial review

Credit facilities (DKK million)	Drawn credit facilities at 31.12.2006	Undrawn credit facilities	Frame
Short credits	149	951	1,100
Commercial Papers (CP)	984	3,116	4,100
Cash and cash equivalents		62	
Overall cash resources		**4,129**	

Net profit/loss for the year
Energinet.dk's finances are based on a break-even principle as the executive order on the financial regulation of Energinet.dk only allows the Company to recognise necessary costs of efficient operation plus the necessary return on equity. This means that all the necessary expenses incidental to the activities concerned are covered by the tariffs paid by the customers. The Danish Energy Regulatory Authority approves the principles underlying the tariffs following notification.

Necessary expenses are expenses incurred by the Company on the basis of considerations concerning its operating economy in order to maintain efficient operations. Critical control parameters are used actively to continuously ensure good administration.

The consequence of using the break-even principle is that over time the financial results for the year will be nil when disregarding the return on equity.

The Danish Energy Regulatory Authority announces the rate of return on the Company's equity every quarter. The rate of return may be adjusted to reflect the rate of return required to ensure efficient operations in light of the capital requirement, for instance as a result of investments. For 2006, a consolidation of equity amounting to DKK 84 million was recognised after tax for electricity-related activities and DKK 5 million after tax for gas-related activities. This corresponds to the rate of return announced by the Danish Energy Regulatory Authority for 2006 and the correction of deferred tax adjustments.

As far as the announcement of the rate of return for 2005 is concerned, the Danish Energy Regulatory Authority has requested an additional review of the principles governing the consolidation of equity. This applies to the treatment of tax elements in equity and the necessity of making extraordinary consolidation as far as the gas-related activities are concerned.

The consolidation of results recognised in equity fell from DKK 253 million in 2005 to minus DKK 433 million in 2006. This fall is primarily due to the realisation of significant deficits in 2006.

In 2006, Energinet.dk realised a deficit of DKK 486 million from grid and system activities. In addition, excess revenue for gas-related activities of DKK 53 million was realised.

The net profit/loss for the year after tax is a loss of DKK 170 million inclusive of the excess revenue/deficit.

Staff costs
Staff costs amounted to DKK 252 million in 2006 compared to DKK 269 million in 2005. The primary cause of the decrease is that in 2005 costs were incurred in connection with severance payments and individual retention agreements with key employees.

Depreciation, amortisation and impairment
Group depreciation of property, plant and equipment totalled DKK 571 million, which is a fall of DKK 55 million over 2005. The primary cause of the decrease is that in 2005 extraordinary depreciation was provided due to the phasing out of installations as a result of the merger.

The fall in depreciation is also due to the fairly low investment level in 2006. Total investments in intangible assets and property, plant and equipment constituted DKK 424 million. Many of the projects are still in the construction phase and have not yet had an effect on depreciation/amortisation.

In the coming years, substantial investments are expected to be made in connection with, for example, the coming Great Belt power link, the new domicile and new common IT systems.

Financial expenses
In 2006, net financial expenses constituted DKK 215 million, of which DKK 61 million was recognised under the item 'Costs of environmentally-friendly power generation, etc.', while DKK 13 million was capitalised as financing interest under 'Property, plant and equipment'.

In 2005, net financial expenses constituted DKK 197 million, of which DKK 61 million was recognised under the item 'Costs of environmentally-friendly power generation, etc.', while DKK 6 million was capitalised as financing interest under 'Property, plant and equipment'.

Financial expenses rose by DKK 18 million over 2005 despite a fall in the interest-bearing debt of DKK 113 million.

The increasing expenses are due to generally increasing interest rates. In 2006, floating-interest loans were converted into fixed-interest loans, which increased the durability of the loan portfolio and thus the effective interest rate. In 2005, 72 per cent of the interest-bearing debt was made up of floating-interest loans compared to 55 per cent in 2006. The effective borrowing rate rose from 3.2 per cent in 2005 to 3.7 per cent in 2006.

Cash flow statement
Cash flows from operating activities constituted DKK 82 million. The cash flow was lower than in 2005 (DKK 1,828 million). This was primarily caused by the year's deficits for grid and system activities and PSO.

Group cash resources at 31 December 2006 are shown int the table above. The development in Group cash flows in illustrated in the graph on p. 25.

Undrawn credit facilities consist of credit facilities made available by the Group's banks and the established loan frame within the CP programme.

Tax on net profit loss for the year
Tax on the profit loss for the year is positive and totals DKK 103 million, which is equivalent to a tax rate of 38 per cent.

The tax payable for 2006 constitutes DKK 71 million and solely concerns Energinet.dk's gas-related activities.

In pursuance of Section 35 O of the Danish Corporation Tax Act, Energinet.dk's electricity-related activities, which are undertaken by the Parent, must not be taxed jointly with the other activities of the Energinet.dk Group, including wholly-owned subsidiaries. With the present tax legislation, Energinet.dk does not expect to pay tax on revenue from the Parent's electricity-related activities for many years.

Balance sheet
The consolidated balance sheet total at 31 December 2006 amounted to DKK 14,086 million compared to DKK 13,954 million at the end of 2005.

The increase of DKK 132 million is primarily attributable to large receivables, especially the large deficits in the PSO tariff, which constitute DKK 963 million (net). In 2005, there was a net excess revenue of DKK 51 million, and congestion rents receivable amounting to DKK 110 million were accrued.

Equity
At 31 December 2006, Group equity totalled DKK 3,627 million compared to DKK 3,786 million at the end of 2005. Group equity had increased by DKK 187 million as at 1 January 2005 following a reduction in the Group's deferred tax liabilities, which are attributable to the opening balance sheet at 1 January 2005. Comparative figures for 2005 have been restated as a consequence of the adjustment of the opening balance sheet.

As a result of the provision for congestion rents, among other things, the solvency ratio is down from 27.1 per cent in 2005 to 25.7 per cent in 2006.

Debt
The interest-bearing debt fell in 2006, and at year end it constituted DKK 6.2 billion compared to DKK 6.4 billion at the end of 2005.

55 per cent of the interest-bearing debt at 31 December 2006 was based on fixed-interest rates compared to 72 per cent at the end of 2005.

Outlook 2007
It is expected that 2007 will see a net profit of about DKK 450 million. This is primarily due to the fact that in 2007 deficits from previous years are settled.

Special circumstances in the 2006 financial statements
The Danish Energy Regulatory Authority has not yet approved Energinet.dk's method of fixing the 2007 tariffs, including the consolidation of equity for 2005 and 2006.

The Danish Energy Regulatory Authority's consideration of the tariffs will not affect the loss for 2006, but it may change the distribution of excess revenue/deficit and the consolidation of equity at 31 December 2006.

Events after the balance sheet date
The agreement concerning transit duties entered into between the countries in Central Europe has expired after the balance sheet date, and a new agreement has not yet been concluded. In Energinet.dk's opinion, the signing of a new agreement will not have a significant adverse effect on the Company.

Apart from this, no significant events have occurred after the balance sheet date.

Tariffs
Energinet.dk is obliged by law to keep its electricity and gas-related activities financially separate.

Income and expenses incidental to the gas-related activities are placed in a transmission pool and an emergency supply pool, each of which must break even.

The transmission tariff covers payments for the use of the gas transmission grid and expenses related hereto, including the operation and maintenance of the grid, expenses of buying storage capacity for handling system operation and administrative expenses.

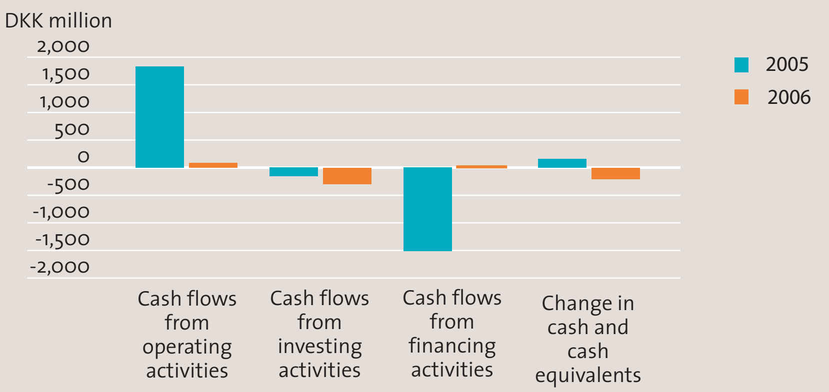
The transmission tariff is split up into a capacity and a volume tariff, the capacity tariff accounting for approx. 75 per cent of the total transmission payments.

The capacity payment is an incentive for the even use of the grid, and the tariff structure was chosen with a view to ensuring efficient grid use.

The emergency supply tariff covers the payments for storage and emergency supply facilities necessary in order for Energinet.dk to maintain its emergency supply system. The emergency supply tariff is paid by all users of the grid. A lower tariff is paid for secondary emergency supplies than for primary emergency supplies.

In 2006, the gas segment's results before depreciation, amortisation, impairment, net financials and tax amounted to DKK 530 million, an increase of 3 per cent over 2005. Income in the gas segment rose by DKK 8

Development in Group cash flows



Rikke Bille Gaardestrup,
MSc (Eng.), System Operation

million to DKK 931 million, which is an increase of 1 per cent over 2005. At the same time, expenses fell by DKK 3 million to DKK 409 million.

In 2006, the gas segment's results after tax totalled DKK 90 million, of which DKK 5 million is transferred to equity as consolidation, while DKK 53 million is considered to be a deficit that must be paid back to the customers. The remaining DKK 32 million is included in the item 'Other reserves' under equity as a result of changes in deferred tax liabilities.

Where electricity-related activities are concerned, revenue and expenses are divided into three tariff pools: Grid, system and PSO (Public Service Obligations), all of which have to break even.

The grid tariff covers the use of the 132/150 kV grid, expenses in connection with the 400 kV grid and the international connections. It also covers net losses in these grids and connections as well as administrative expenses relating to the delivery of grid services. The expenses are financed by income from the grid tariff and the international connections. The grid tariff is paid by the users of the grid and is divided into payment for consumption and payment for production from units not subject to a purchase obligation.

The system tariff covers expenses incurred to ensure the security of supply, system operation and availability, including the efficiency of the market. In pursuance of the Danish Electricity Supply Act, Energinet.dk must maintain the technical quality and balance of the Danish power grid. Energinet.dk fulfils this responsibility by reserving capacity at the primary power stations (payment for reserve capacity) and ordering real-time production changes against payment.

The system tariff covers Energinet.dk's payments for reserve capacity and the purchase and sale of regulating power and balancing power as well as administrative expenses. The expenses are financed by income from the system tariff and the handling of the balancing and regulating power markets. The system tariff is paid by electricity consumers.

In 2006, there was a loss of DKK 260 million on grid and system activities compared to a surplus of DKK 385 million. The results consist of a return on equity for consolidation of DKK 84 million and a deficit of DKK 486 million, which is transferred to equity. In addition, DKK 137 million was recognised in 'Other reserves' under equity, primarily as a result of changes in deferred tax liabilities.

The net loss for the year gives rise to an accumulated deficit at the end of 2006 of DKK 253 million as opposed to the beginning of 2006 when there was an excess revenue of DKK 129 million.

When determining the 2006 grid and system tariffs, the TSO expected a deficit of DKK 255 million as accumulated excess revenue must be paid back to the consumers through the tariffs. As a result of a change in the corporation tax allowing the adjustment of deferred tax, the 2005 results were extraordinarily high.

In 2006, the TSO incurred expenses in connection with the purchase of reserve capacity and ancillary services of DKK 856 million. This is an increase of DKK 123 million over 2005, the primary cause being higher market prices.

Expenses in connection with non-Danish grids increased by DKK 114 million from 2005 to 2006, which is chiefly due to two factors. Expenses relating to capacity payments for the Skagerrak and Kontek interconnections rose as a result of the market prices. In addition, the TSO incurred extraordinary expenses when the submarine cable between Sweden and Bornholm broke down.

The PSO tariff covers Energinet.dk's costs of fulfilling the public obligations imposed upon it by the Danish Electricity Supply Act. The costs comprise support to environmentally-friendly electricity production, grid connection of environmentally-friendly electricity production, research and development within environmentally-friendly electricity production technologies and efficient energy use as well as a decrease in the value of receivables from customers.

Pursuant to applicable legislation, administrative expenses related to the PSO tariff are covered by the system tariff. The PSO tariff is paid for by the total electricity consumption in the area. However, a number of autoproducers and large-scale electricity consumers are exempt from paying some of the tariff.

A large part of the contributions to environmentally-friendly electricity production is settled as the difference between a contribution ceiling and the electricity market price. When, therefore, the market price is not as expected, the contribution is affected, thus giving rise to excess revenue/deficit and vice versa.

In 2006, there was a deficit of DKK 963 million in the PSO pools. The deficit occurred despite the quarterly tariff adjustment. The deficit is primarily caused by much lower electricity market prices being realised in the last part of the year than expected in connection with the fourth quarter tariff adjustment.

Thomas Broe,
Safety Coordinator,
IT & QM

Financial statements

Accounting policies

The 2006 Annual Report for the independent public undertaking Energinet.dk has been presented in accordance with the provisions of the Danish Financial Statements Act, current Danish accounting standards and the Danish Act on Energinet.dk.

Energinet.dk is required by Danish legislation to prepare its Annual Report in pursuance of the provisions of the Danish Financial Statements Act which apply to state-owned public limited companies. As such, the Annual Report has been prepared in accordance with the requirements for class D enterprises.

Compared to the 2005 Annual Report, some balance sheet items in the 2006 Annual Report have been reclassified. In addition, the opening balance sheet has been adjusted and comparative figures have been restated. Furthermore, the same accounting policies have been applied in the 2006 Annual Report as in the 2005 Annual Report.

General comments on recognition and measurement

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

Liabilities are recognised in the balance sheet when they are probable and their value can be measured reliably. Upon initial recognition assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at amortised cost, with a constant effective interest rate being recognised until maturity. Amortised cost is stated as original cost less any repayments plus/minus accumulated amortisation of the difference between cost and nominal amount.

Upon recognition and measurement, account is taken of any gains, losses and risks which occur before the Annual Report is presented and which confirm or invalidate circumstances existing at the balance sheet date.

Income is recognised in the income statement as earned, and value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised. Furthermore, expenses incurred to achieve the earnings for the year, including depreciation, amortisation, impairment, provisions and reversals due to changed accounting estimates.

Consolidated financial statements

The consolidated financial statements comprise the Parent, Energinet.dk, and subsidiaries in which Energinet.dk holds more than 50 per cent of the voting rights. Enterprises that are not subsidiaries but in which Energinet.dk holds 20 per cent or more of the voting rights and exercises significant influence on these enterprises' operational and financial management are considered associates.

The consolidated financial statements are prepared on the basis of financial statements for Energinet.dk and the subsidiaries by adding together items of a uniform nature and eliminating intercompany income and expenses, intercompany balances, dividend and profit and loss from transactions.

The acquisition of new enterprises is based on the purchase method according to which the newly acquired enterprises' identified assets and liabilities are measured at fair value at the date of acquisition. Provisions are made for expenses concerning restructuring in the acquired enterprise which has been decided and announced in connection with the acquisition. The tax effect of revaluations made is taken into account.

Positive balances (goodwill) between the acquisition cost and the fair value of acquired, identified assets and liabilities, including provisions for restructuring, are recognised under 'Intangible assets' and amortised systematically in the income statement following an individual assessment of the economic life, which cannot exceed 20 years, however. Negative balances (negative goodwill), which reflect an expected unfavourable development in the enterprises concerned, are recognised in the balance sheet under 'Provisions' and are recognised in the income statement as such losses or expenses are realised or transferred to 'Other provisions' as the liabilities become current and can be determined reliably.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the acquisition.

Energinet.dk's equity investments in subsidiaries are eliminated against the subsidiaries' equity value at the date of acquisition (past equity method). The subsidiaries' financial statements, which are used for the consolidation, are prepared in accordance with the accounting policies applied by the Group.

Equity investments in associates are measured under the equity method as the proportionately owned share of the associates' equity. Intercompany profits

Helle Coretto,
Secretary,
Gas Transmission

and losses are eliminated proportionately. The proportionately owned share of the associates' pre-tax results is recognised in the income statement.

Newly acquired or recently formed enterprises are included in the consolidated financial statements from the date of acquisition, and enterprises divested are included until the date of disposal.

Comparative figures for newly acquired, divested and wound-up enterprises or activities are not adjusted.

Profit or loss from the divestment and winding-up of subsidiaries and associates is determined as the difference between the selling price or the divestment price and the equity value of net assets at the date of disposal, including non-amortised goodwill and anticipated sale and divestment costs.

Foreign currency translation
Foreign currency transactions are translated on initial recognition at the rate of exchange at the transaction date. Exchange differences arising between the rate of exchange at the date of transaction and the rate of exchange at the date of payment are recognised in the income statement under 'Financial income' and 'Financial expenses'.

Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the rate of exchange at the balance sheet date. The difference between the rate of exchange at the balance sheet date and the rate of exchange at the time when the receivable or payable came into existence or was recognised in the latest annual report is recognised in the income statement under 'Financial income' and 'Financial expenses'.

Upon recognition of foreign subsidiaries and associates, such subsidiaries and associates are considered separate entities whose income statements are translated at an average rate of exchange, and the balance sheet items are translated at the rate of exchange at the balance sheet date. Foreign exchange differences resulting from the translation of foreign subsidiaries' equity at the beginning of the year at the rates of exchange at the balance sheet date and the translation of income statements from average rates of exchange to the rates of exchange at the balance sheet date are recognised directly in equity.

Derivative financial instruments
Derivative financial instruments are recognised initially in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' and 'Other payables', respectively.

Changes in the fair value of derivative financial instruments classified as and complying with the criteria for fair value hedging of a recognised asset or liability are recognised in the income statement together with any changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and complying with the criteria for the hedging of future assets or liabilities, are recognised directly in equity. Income and expenses in connection with such hedging transactions are transferred from equity upon realisation of the hedged asset or liability and are recognised under the same item where the hedged asset or liability is recognised.

Changes in the fair value of derivative financial instruments not complying with the criteria for being treated as hedging instruments are recognised in the income statement on a current basis.

Income statement

Revenue
Gross revenue includes the transmission of electricity and natural gas as well as related services. Revenue is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the year and the income can be calculated reliably and is expected to be received.

Gross revenue includes payments from the Company's customers which the Company has a statutory obligation to collect and which must be passed on to the producers of environmentally-friendly electricity. Gross revenue thus indicates the total scope of the activities handled by the Company.

Revenue is recognised in the income statement as gross revenue less taxes and payments to producers of environmentally-friendly electricity, etc.

Work performed for own account and capitalised
Work performed for own account and capitalised includes staff costs and indirect expenses incurred in connection with own production.

Other operating income
Other operating income includes items of a secondary nature in relation to transmission and system activities within the fields of electricity and gas.

Other external expenses
Other external expenses include expenses of a primary nature in relation to transmission and system activities within the fields of electricity and gas.

Staff costs
Staff costs include salaries and wages, remuneration, pension costs and other staff costs pertaining to the Company's employees, including the Supervisory and Executive Boards.

Depreciation, amortisation and impairment
This item includes the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Results of subsidiaries and associates
The proportionate share of the individual subsidiaries' pre-tax profit or loss after elimination of intercompany profit or loss and less amortisation of goodwill is recognised in the income statement of the Parent. The share of the subsidiaries' tax and extraordinary items is recognised under tax on income or loss from ordinary activities or extraordinary income or loss after tax, respectively.

The proportionate share of the individual associates' pre-tax profit or loss after elimination of intercompany profit or loss and

Paddy Krishnaswamy, MSc (Eng.), PhD, Gas Transmission less amortisation of goodwill is recognised in the income statement of the Parent and the Group. The share of the associates' tax and extraordinary items is recognised under tax on income or loss from ordinary activities or extraordinary income or loss after tax.

Financial income and expenses
Financial income and expenses include interest income and expenses, foreign exchange gains and losses in respect of securities, debt and transactions in foreign currency and amortisation of financial assets and liabilities. Financial income and expenses are recognised with the amounts pertaining to the financial year.

Tax on profit or loss for the year
The activities of the Energinet.dk Group covered by Section 35 O of the Danish Corporation Tax Act must not be jointly taxed with the other activities of the Group. The other activities of Energinet.dk are jointly taxed with the wholly-owned Danish subsidiaries. Current Danish corporation tax is allocated to the jointly taxed enterprises in proportion to their taxable income (full allocation).

The tax for the year, which comprises the current tax for the year and any changes in deferred tax, is recognised in the income statement with the share attributable to the net profit or loss for the year, and directly in equity with the share attributable to items recognised directly in equity. The share of the tax recognised in the income statement related to the extraordinary income or loss for the year is attributable to the tax for the year, while the remaining part is attributable to the income or loss from ordinary activities for the year.

The jointly taxed companies subscribe to the tax prepayment scheme. Additions, deductions and reimbursements in respect of the tax payment are recognised under net financials.

Balance sheet

Intangible assets
Intangible assets comprise rights, development projects and software.

Rights include the right to make charges for ancillary services and transit agreements, etc.

Capitalised intangible assets are measured at the lower of cost less accumulated amortisation and recoverable amount.

Intangible fixed assets are amortised using the straight-line method over the expected useful lives of the assets based on the following assessment of the expected useful lives of the assets:

Rights	10-20 years
Software	3 years

Acquisitions made in the financial year are amortised proportionately as at the date of entry into service.

Intangible assets are written down to the lower of recoverable amount and carrying amount. An annual impairment test is carried out of each individual asset or groups of assets, respectively.

Profit or loss from the sale of intangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the time of sale.

Profit or loss is recognised in the income statement under 'Other operating income' or 'Other external expenses'.

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

Production facilities, machinery and other plant, and operating tools and equipment are measured at cost less accumulated depreciation and impairment.

Property, plant and equipment in progress are measured at cost. Extensive value-adding changes and improvements of property, plant and equipment are recognised as assets.

Cost comprises the cost of acquisition and any expenses directly related to the acquisition up to the time when the asset is ready for entry into service. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour. Furthermore, any financing costs attributable to the cost are recognised.

Property, plant and equipment are depreciated using the straight-line method over the expected useful lives of the assets based on the following assessment of the expected useful lives of the assets:

Buildings	20-100 years
Production plant	10-50 years
Machinery, other plant, tools and operating equipment	3-10 years
Land	No depreciation

New acquisitions with an acquisition cost below DKK 100,000 are charged to the income statement in the acquisition year.

Acquisitions in the financial year are depreciated proportionately as at the date of entry into service. Expenses in connection with extensive maintenance checks are included in the acquisition cost of production plant as a separate non-current asset which is depreciated over its useful life, ie the period until the next maintenance check. Upon the original acquisition of property, plant and equipment, account is also taken of the shorter useful life of a particular part of the asset, and accountingwise the part concerned is therefore treated as a separate asset with a shorter useful life and thus depreciation period at the date of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. An annual impairment test is carried out of individual assets or groups of assets.

Prepayments in respect of property, plant and equipment not delivered are capitalised.

Interest and borrowing costs in relation to loans obtained to finance prepayments on property, plant and equipment not delivered are recognised as a part of the acquisition cost of such property, plant and equipment.

Profit or loss from the sale or scrapping of property, plant and equipment is determined as the difference between the selling price less dismounting, selling and restoration costs and the carrying amount at the time of sale or scrapping. Any profit or loss is recognised in the income statement under 'Other operating income' or 'Other external expenses'.

Investments
Equity investments in subsidiaries and associates are measured under the equity method.

Other equity investments and other investments are measured at fair value provided the asset is expected to be disposed of before maturity. Assets held to maturity are measured at amortised cost. All fair value adjustments (except repayments) are recognised in the income statement.

Equity investments in subsidiaries and associates are measured in the balance sheet as the proportionate share of the enterprise's equity value determined on the basis of the accounting policies applied by the Parent plus or minus unrealised intercompany profit or loss.

Net revaluation of equity investments in subsidiaries and associates is transferred under equity to reserve for net revaluation according to the equity method in so far as the carrying amount exceeds the cost.

Inventories
Inventories comprise natural gas in the natural gas transmission system and gas storage facilities as well as components and other technical spare parts in stock.

Inventories are measured at the lower of cost and net realisable amount.

The net realisable value of inventories is determined as the selling price less costs of completion and costs pertaining to the completion of the sale and is determined with due consideration being given to marketability, obsolescence and the development in the expected selling price.

Receivables
Receivables are measured at amortised cost. Write-downs are performed for expected losses.

Securities
Securities recognised under 'Current assets' are measured at fair value at the balance sheet date. All fair value adjustments (except prepayments) are recognised in the income statement.

Equity

Dividend
In pursuance of Section 13 of the Danish Act on Energinet.dk, Energinet.dk must not distribute any profit or equity through dividend distribution or in any other way to the Danish state.

Excess revenue/deficit
Positive and negative differences between realised income and the sum of the necessary expenses and interest concerning grid and system activities for electricity and gas are recognised in a separate item 'Excess revenue/deficit' under equity.

Other provisions
Other provisions are recognised when the Energinet.dk Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and such obligation can be determined reliably.

Corporation tax and deferred tax
According to the rules on joint taxation, Energinet.dk – in its capacity as an administrative company – is liable for the payment of the corporation tax of its subsidiaries to the Danish tax authorities concurrently with the subsidiaries' payment of joint taxation contribution.

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on the taxable income of previous years and for taxes paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet of the Parent under balances with subsidiaries and associates.

Deferred tax is measured under the balance-sheet liability method based on all the temporary differences between the carrying amount and the tax base of assets and liabilities on the basis of the tax rates adopted or anticipated at the balance sheet date.

However, deferred tax on temporary differences relating to the amortisation of goodwill disallowed for tax purposes, office buildings and other items in connection with which temporary differences with the exception of acquisitions have arisen at the time of acquisition without affecting the result or the taxable income is not recognised.

Changes in deferred tax as a result of a reduction in the corporation tax rate are recognised in the income statement. In those instances when the tax base can be determined in accordance with alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carryforward, are recognised at the value at which they are expected to be used either through elimination in tax on future earnings or through offsetting against deferred tax liabilities within the same jurisdiction.

Liabilities other than provision
Payables to mortgage credit institutions and credit institutions are recognised initially at the proceeds received, net of transaction costs incurred. Subsequently, financial liabilities are recognised at amortised cost equivalent to the capitalised value when using the effective rate of interest so that the difference between the proceeds and the nominal value is recognised in the income statement over the entire loan period under 'Financial expenses'.

Other liabilities other than provision, including trade payables, payables to Group enterprises and associates, and other payables, are measured at amortised cost.

Deferred income
Deferred income consists of congestion rents. These rents comply with the requirements in Council Regulation (EU) No 1228/2003 09 on cross-border exchanges in electricity. The rents must be used for grid investments aimed at maintaining or increasing the capacity of the interconnections. The liability is recognised in the

income statement over the life of the grid investment.

Contingent liabilities and other financial liabilities
Contingent liabilities and other financial liabilities comprise circumstances or situations existing at the balance sheet date, the accounting effect of which cannot be finally determined until the outcome of one or more uncertain future events is known.

Cash flow statement

The cash flow statement is based on the indirect method, using the operating income or loss as point of departure. The cash flow statement shows the cash flows for the year as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities
Cash flows from operating activities are determined as the operating profit or loss adjusted for non-cash operating items, financial income and expenses, paid corporation tax and changes in the working capital.

Cash flows from investing activities
Cash flows from investing activities comprise the purchase and sale of non-current assets and dividend received.

Cash flows from financing activities
Cash flows from financing activities comprise the repayment and incurrence of short- and long-term payables and other payables. Other payables is specified in Note 21. Congestion rents and energy settlement, which are part of 'Other payables', are included in cash flows from operating activities under 'Changes in trade payables, etc.'.

Cash and cash equivalents
Cash and cash equivalents comprise cash.

Segment information

Segment information is provided for tariff pools for electricity and gas. Segment information is in line with the Group's accounting policies, risks and internal financial management.

Dorthe Vinther,
Head of Planning and
Scenarios, Planning

Income statement for 1 January – 31 December

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
7,983	**5,753**	1	**Gross revenue**	**5,753**	**7,983**
(3,597)	(2,362)	2	Costs of environmentally-friendly electricity production, etc.	(2,362)	(3,597)
4,386	**3,391**		**Revenue**	**3,391**	**4,386**
35	37		Work performed for own account and capitalised	37	35
0	0		Other operating income	4	4
4,421	**3,428**		**Total income**	**3,432**	**4,425**
(2,851)	(2,797)	3, 4	Other external expenses	(2,746)	(2,806)
(232)	(208)	5	Staff costs	(252)	(269)
(3,083)	**(3,005)**		**Total expenses**	**(2,998)**	**(3,075)**
1,338	**423**		**Results before depreciation, amortisation and impairment**	**434**	**1,350**
(620)	(566)	6	Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets	(571)	(626)
718	**(143)**		**Operating profit/loss**	**(137)**	**724**
6	6		Pre-tax profit or loss in subsidiaries	0	0
(1)	5		Pre-tax profit or loss in associates	5	(1)
0	0		Results of other equity investments	0	0
14	112	7	Financial income	112	14
(144)	(253)	8	Financial expenses	(253)	(144)
(125)	**(130)**		**Total net financials**	**(136)**	**(131)**
593	**(273)**		**Pre-tax profit/loss**	**(273)**	**593**
(38)	103	9	Tax on net profit/loss for the year	103	(38)
555	**(170)**		**Net profit/loss for the year**	**(170)**	**555**
			The following distribution of the net profit/loss for the year is proposed:		
0	0		Reserve for net revaluation according to the equity method	0	0
86	89		Transferred as return on equity	89	86
216	174		Other reserves	174	216
253	(433)		Transferred as excess revenue/deficit under equity	(433)	253
555	**(170)**		**Total**	**(170)**	**555**

Balance sheet – Assets

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
			Intangible assets		
0	92		Intangible assets in progress	92	0
1,716	1,330		Rights	1,341	1,729
1,716	**1,422**	10	**Total intangible assets**	**1,433**	**1,729**
			Property, plant and equipment		
226	110		Land and buildings	110	226
9,782	9,549		Technical plant and machinery	9,549	9,782
35	51		Other plant, tools and operating equipment	60	45
269	236		Assets in the course of construction and prepayments for property, plant and equipment	237	269
10,312	**9,946**	11	**Total property, plant and equipment**	**9,956**	**10,322**
			Investments		
33	38		Equity investments in subsidiaries	0	0
51	47		Equity investments in associates	47	51
1	1		Other equity investments	1	1
85	**86**	12	**Total investments**	**48**	**52**
12,113	**11,454**		**Total non-current assets**	**11,437**	**12,103**
142	**155**		**Inventories**	**155**	**142**
			Receivables		
344	152		Trade receivables	155	344
2	2		Receivables from subsidiaries	0	0
6	105		Receivables from associates	105	6
776	1,854	13	Other receivables	1,854	776
313	318	14	Prepayments	318	313
1,441	**2,431**		**Total receivables**	**2,432**	**1,439**
265	**58**		**Cash**	**62**	**270**
1,848	**2,644**		**Total current assets**	**2,649**	**1,851**
13,961	**14,098**		**Total assets**	**14,086**	**13,954**

Balance sheet – Equity and liabilities

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
			Equity		
3,325	3,325		Contributed capital	3,325	3,325
0	0		Reserve for net revaluation under the equity method	0	0
86	175		Consolidation of equity	175	86
227	299		Other reserves	299	227
148	(172)		Excess revenue/deficit	(172)	148
3,786	**3,627**		**Total equity**	**3,627**	**3,786**
			Provisions		
1,688	1,517	15	Deferred tax liabilities	1,521	1,692
31	20	16	Other provisions	20	31
1,719	**1,537**		**Total provisions**	**1,541**	**1,723**
			Long-term liabilities other than provisions		
494	495	17	Mortgage debt	495	494
2,332	4,080	17	Credit institutions	4,080	2,332
392	330	18	Prepayments received	330	392
0	592	19	Deferred income	592	0
3,218	**5,497**		**Total long-term liabilities other than provisions**	**5,497**	**3,218**
			Short-term liabilities other than provisions		
1,595	477	17-19	Current maturities of long-term liabilities other than provision	477	1,595
1,877	1,133		Credit institutions	1,133	1,877
308	114		Trade payables	114	308
14	17		Payables to subsidiaries	0	0
19	1	20	Corporation tax	2	21
1,425	1,695	21	Other payables	1,695	1,426
5,238	**3,437**		**Total short-term liabilities other than provisions**	**3,421**	**5,227**
8,456	**8,934**		**Total liabilities other than provisions**	**8,918**	**8,445**
13,961	**14,098**		**Total liabilities and equity**	**14,086**	**13,954**
		22	Provision of security and charges		
		23	Group derivative financial instruments		
		24	Contingent liabilities and other financial liabilities		
		25	Related parties		

Statement of changes in equity for 1 January – 31 December

Amounts in DKK million

Parent	Contributed capital	Reserve for net revaluation under the equity method	Consolidation of equity	Other reserves	Excess revenue/ deficit	Total
Equity at 1 January 2005	**3,157**	**0**	**0**	**0**	**(124)**	**3,033**
Adjustment of opening balance sheet	168	-	-	-	19	187
Net profit/loss for the year	-	-	86	216	253	555
Value adjustment of hedging instruments at the beginning of the year	-	-	-	26	-	26
Value adjustment of hedging instruments at the end of the year	-	-	-	(15)	-	(15)
Equity at 31 December 2005	**3,325**	**0**	**86**	**227**	**148**	**3,786**
Adjustment of the distribution of net profit in previous years	-	-	-	(113)	113	0
Net profit/loss for the year	-	-	89	174	(433)	(170)
Value adjustment of hedging instruments at the beginning of the year	-	-	-	15	-	15
Value adjustment of hedging instruments at the end of the year	-	-	-	(4)	-	(4)
Equity at 31 December 2006	**3,325**	**0**	**175**	**299**	**(172)**	**3,627**

Group	Contributed capital	Reserve for net revaluation under the equity method	Consolidation of equity	Other reserves	Excess revenue/ deficit	Total
Equity at 1 January 2005	**3,157**	**0**	**0**	**0**	**(124)**	**3,033**
Adjustment of opening balance sheet	168	-	-	-	19	187
Net profit/loss for the year	-	-	86	216	253	555
Value adjustment of hedging instruments at the beginning of the year	-	-	-	26	-	26
Value adjustment of hedging instruments at the end of the year	-	-	-	(15)	-	(15)
Equity at 31 December 2005	**3,325**	**0**	**86**	**227**	**148**	**3,786**
Adjustment of the distribution of net profit in previous years	-	-	-	(113)	113	0
Net profit/loss for the year	-	-	89	174	(433)	(170)
Value adjustment of hedging instruments at the beginning of the year	-	-	-	15	-	15
Value adjustment of hedging instruments at the end of the year	-	-	-	(4)	-	(4)
Equity at 31 December 2006	**3,325**	**0**	**175**	**299**	**(172)**	**3,627**

Cash flow statement

Amounts in DKK million	Group 2006	2005
Operating profit/loss for the year	**(137)**	**724**
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets	952	990
Change in inventories	(13)	2
Change in receivables	(132)	222
Change in accumulated deficit (PSO tariff)	(861)	(42)
Change in trade payables, etc.	504	148
Cash flows from operating activities before net financials	**313**	**2,044**
Financial income	112	14
Financial expenses	(253)	(144)
Cash flows from ordinary activities	**172**	**1,914**
Paid corporation tax	(90)	(86)
Cash flow from operating activities	**82**	**1,828**
Acquisition of intangible assets as well as property, plant and equipment	(424)	(166)
Sale of property, plant and equipment	117	2
Value adjustment of investments	11	7
Cash flow from investing activities	**(296)**	**(157)**
Change in other payables	302	(175)
Change in accumulated excess revenue (PSO tariff)	(102)	102
Repayment/addition of long-term payables	1,687	(1,391)
Repayment/addition of short-term payables	(1,881)	(47)
Cash flow from financing activities	**6**	**(1,511)**
Change in cash and cash equivalents	(208)	160
Cash and cash equivalents at 1 January	270	110
Cash and cash equivalents at 31 December	**62**	**270**

Provision for congestion rents recognised under the item 'Deferred income' and energy settlement payable, which is included in the item 'Other payables', are included in cash flow from operating activities under the item 'Change in trade payables, etc.'

Kaj Lerager,
Service Technician,
Finance &
Administration

Notes

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		1	**Gross revenue**		
3,597	2,362		PSO tariff (electricity) incl. excess revenue/deficit	2,362	3,597
1,653	1,166		System tariff (electricity)	1,166	1,653
1,810	1,294		Grid tariff (electricity)	1,294	1,810
923	931		Gas tariff	931	923
7,983	**(5,753)**		**Total**	**5,753**	**7,983**
		2	**Costs of environmentally-friendly electricity production, etc.**		
(1,952)	(1,258)		Subsidies for wind turbines and other RE facilities	(1,258)	(1,952)
(913)	(401)		Subsidies for local CHP units	(401)	(913)
(51)	(41)		Grid connection	(41)	(51)
(25)	(24)		Grid losses in offshore grid	(24)	(25)
(128)	(129)		Research and development of environmentally-friendly electricity production	(129)	(128)
(25)	(24)		Research and development of efficient energy use	(24)	(25)
(364)	(364)		Depreciation of minimum production capacity	(364)	(364)
(78)	(60)		Other PSO costs	(60)	(78)
(61)	(61)		Financial expenses	(61)	(61)
(3,597)	**(2,362)**		**Total**	**(2,362)**	**(3,597)**
		3	**Other external expenses**		
(1,411)	(1,181)		System activities	(1,181)	(1,411)
(1,075)	(1,251)		Grid activities	(1,222)	(1,049)
(365)	(365)		Gas-related activities	(343)	(346)
(2,851)	**(2,797)**		**Total**	**(2,746)**	**(2,806)**
			An additional specification of other external expenses is found in the segment financial statements at the back of the Annual Report.		
		4	**Auditing fees are included in the item 'Other external expenses' with the following amount:**		
			Auditing of consolidated financial statements and Annual Report		
(1)	(1)		PricewaterhouseCoopers	(1)	(1)
			Other services		
(3)	(7)		PricewaterhouseCoopers	(7)	(3)
(4)	**(8)**		**Total**	**(8)**	**(4)**

The National Audit Office of Denmark does not charge a fee for its auditing activities.

Notes

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		5	**Staff costs**		
(195)	(195)		Wages and salaries	(237)	(230)
(13)	(7)		Pensions	(9)	(15)
(2)	(2)		Other social security costs	(2)	(2)
(1)	(1)		Remuneration for Supervisory Board	(1)	(1)
(2)	(3)		Remuneration for current Executive Board	(3)	(2)
(19)	0		Remuneration for former Executive Board	0	(19)
(232)	**(208)**		**Total**	**(252)**	**(269)**

The Supervisory Board receives a fixed remuneration, with each member receiving DKK 93,000 in 2006. In 2006, the chairman received a remuneration of DKK 300,000.

The Executive Board receives a fixed salary and performance-related pay, the size of which depends on individual targets being achieved. The remuneration for 2006 was as follows (DKK million):

	Fixed salary	Performance-related pay
President and CEO	2.5	0.2

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
370	370		Average number of employees	450	449
348	390		Number of employees at year end	467	426
		6	**Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets**		
(391)	(386)		Rights	(388)	(392)
364	364		of which recognised under 'Costs of environmentally-friendly electricity production', etc.	364	364
(3)	(2)		Land and buildings	(2)	(3)
(554)	(543)		Technical plant and machinery	(543)	(554)
0	17		of which recognised under 'Costs of environmentally-friend electricity production', etc.	17	0
(36)	(16)		Other plant, tools and operating equipment	(19)	(41)
(620)	**(566)**		**Total**	**(571)**	**(626)**
		7	**Financial income**		
0	0		Interest on balances with subsidiaries	0	0
7	89		Interest on bank deposits, etc.	89	7
2	5		Foreign exchange gains	5	2
0	18		Exchange gains	18	0
5	0		Other financial income	0	5
14	**112**		**Total**	**112**	**14**

Notes

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		8	**Financial expenses**		
0	0		Interst on balances with subsidiaries	0	0
(140)	(245)		Interest on loans, bank debt, etc.	(245)	(140)
(4)	(8)		Foreign exchange losses, etc.	(8)	(4)
(144)	**(253)**		**Total**	**(253)**	**(144)**

Group financial expenses amounted to DKK 327 million. Of this, DKK 13 million was capitalised as financing interest under 'Property, plant and equipment', while DKK 61 million was recognised under 'Costs of environmentally-friendly electricity production, etc.'

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		9	**Tax on profit/loss for the year**		
(165)	107		Calculated tax on profit/loss for the year	106	(166)
(1)	(1)		Tax in subsidiaries	0	0
(2)	(3)		Tax in associates	(3)	(2)
130	0		Adjustment due to tax-rate reduction	0	130
(38)	**103**		**Total**	**103**	**(38)**
			Tax-rate reconciliation		
28%	28%		Corporation tax rate	28%	28%
0%	0%		Adjustment in subsidiaries	0%	0%
0%	10%		Tax effect on non-taxable income and non-deductible expenses	10%	0%
(22%)	0%		Adjustment due to tax-rate reduction	0%	(22%)
6%	**38%**		**Effective tax rate for the year**	**38%**	**6%**
86	**90**		**Tax paid during the year**	**90**	**86**

Note	Amounts in DKK million

10 **Intangible assets**

Parent	Rights	Software in progress	Total intangible assets
Acquisition cost at 1 January 2006	**3,873**	**0**	**3,873**
Additions during the year	0	92	92
Acquisition cost at 31 December 2006	**3,873**	**92**	**3,965**
Amortisation and impairment at 1 January 2006	**(2,157)**	**0**	**(2,157)**
Amortisation and impairment for the year	(386)	0	(386)
Amortisation and impairment at 31 December 2006	**(2,543)**	**0**	**(2,543)**
Carrying amount at 31 December 2006	**1,330**	**92**	**1,422**
Carrying amount at 31 December 2005	1,716	0	1,716

In pursuance of Section 27 e of the Danish Electricity Supply Act, the right to charge electricity consumers with the costs of the minimum production capacity is recognised over a period of ten years.

Group	Rights	Software in progress	Total intangible assets
Acquisition cost at 1 January 2006	**3,893**	**0**	**3,893**
Additions during the year	0	92	92
Acquisition cost at 31 December 2006	**3,893**	**92**	**3,985**
Amortisation and impairment at 1 January 2006	**(2,164)**	**0**	**(2,164)**
Amortisation and impairment for the year	(388)	0	(388)
Amortisation and impair at 31 December 2006	**(2,552)**	**0**	**(2,552)**
Carrying amount at 31 December 2006	**1,341**	**92**	**1,433**
Carrying amount at 31 December 2005	1,729	0	1,729

In pursuance of Section 27 e of the Danish Electricity Supply Act, the right to charge electricity consumers with the costs of the minimum production capacity is recognised over a period of ten years.

Notes

Note	Amounts in DKK million

11 **Property, plant and equipment**

Parent

	Land and buildings	Technical plant and machinery	Other plant, tools and operating equipment	Assets in the course of construction and prepayments on property, plant and equipment	Total property, plant and equip-ment
Acquisition cost at 1 January 2006	**269**	**15,323**	**155**	**269**	**16,016**
Transfer	0	323	34	(357)	0
Additions during the year	0	0	1	326	327
Disposals during the year	(123)	(67)	(4)	(2)	(196)
Acquisition cost at 31 December 2006	**146**	**15,579**	**186**	**236**	**16,147**
Depreciation and impairment at 1 January 2006	**(43)**	**(5,541)**	**(120)**	**0**	**(5,704)**
Annual depreciation	(2)	(543)	(16)	0	(561)
Impairment losses for the year	0	0	0	0	0
Reversed depreciation of disposals during the year	9	54	1	0	64
Depreciation and impairment at 31 December 2006	**(36)**	**(6,030)**	**(135)**	**0**	**(6,201)**
Carrying amount at 31 December 2006	**110**	**9,549**	**51**	**236**	**9,946**
Carrying amount at 31 December 2005	226	9,782	35	269	10,312

Public land assessments are only available for some of the land and buildings owned by Energinet.dk as some of them are exempt from assessment. At 1 January 2006, the public land assessment value was DKK 270 million.

Group

	Land and buildings	Technical plant and machinery	Other plant, tools and operating equipment	Assets in the course of construction and prepayments on property, plant and equipment	Total property, plant and equip-ment
Acquisition cost at 1 January 2006	**269**	**15,323**	**204**	**269**	**16,065**
Transfer	0	323	34	(357)	0
Additions during the year	0	0	5	327	332
Disposals during the year	(123)	(67)	(8)	(2)	(200)
Acquisition cost at 31 December 2006	**146**	**15,579**	**235**	**237**	**16,197**
Depreciation and impairment at 1 January 2006	**(43)**	**(5,541)**	**(159)**	**0**	**(5,743)**
Annual depreciation	(2)	(543)	(19)	0	(564)
Impairment losses for the year	0	0	0	0	0
Reserved depreciation of disposals during the year	9	54	3	0	66
Depreciation and impairment at 31 December 2006	**(36)**	**(6,030)**	**175**	**0**	**(6,241)**
Carrying amount at 31 December 2006	**110**	**9,549**	**60**	**237**	**9,956**
Carrying amount at 31 December 2005	226	9,782	45	269	10,322

Public land assessments are only available for some of the land and buildings owned by the Energinet.dk Group as some of them are exempt from assessment. At 1 January 2006, the public land assessment value was DKK 270 million.

Note	Amounts in DKK million				
12	**Investments**				

Parent

	Equity investments in subsidiaries	Equity investments in associates	Other equity investments	Total invest-ments
Acquisition cost at 1 January 2006	**29**	**58**	**1**	**88**
Additions during the year	0	0	0	0
Disposals during the year	0	0	0	0
Acquisition cost at 31 December 2006	**29**	**58**	**1**	**88**
Value adjustments at 1 January 2006	**4**	**(7)**	**0**	**(3)**
Net profit/loss for the year	5	8	0	13
Dividend received	0	(5)	0	(5)
Foreign currency translation adjustments relating to equity investments in foreign entities	0	0	0	0
Amortisation of goodwill	0	(7)	0	(7)
Value adjustments at 31 December 2006	**9**	**(11)**	**0**	**(2)**
Carrying amount at 31 December 2006	**38**	**47**	**1**	**86**
Carrying amount at 31 December 2005	33	51	1	85

Group

	Equity investments in associates	Other equity investments	Total invest-ments
Acquisition cost at 1 January 2006	**58**	**1**	**59**
Additions during the year	0	0	0
Disposals during the year	0	0	0
Acquisition cost at 31 December 2006	**58**	**1**	**59**
Value adjustments at 1 January 2006	**(7)**	**0**	**(7)**
Net profit/loss for the year	8	0	8
Dividend received	(5)	0	(5)
Foreign currency translation adjustments relating to equity investments in foreign entities	0	0	0
Amortisation of goodwill	(7)	0	(7)
Value adjustments at 31 December 2006	**(11)**	**0**	**(11)**
Carrying amount at 31 December 2006	**47**	**1**	**48**
Carrying amount at 31 December 2005	51	1	52

(continued)

Note	Amounts in DKK million

12

Equity investments in subsidiaries

				Share of equity value	
Name	Domicile	Owner-ship	Share capital	Parent 2006	Group 2006
Eltransmission.dk A/S	Fredericia	100%	10.0	13	-
Gastransmission.dk A/S	Fredericia	100%	10.0	13	-
Fibertransmission.dk A/S	Fredericia	100%	0.5	12	-
Total				**38**	**-**

Equity investments in associates

				Share of equity value	
Name	Domicile	Owner-ship	Share capital	Parent 2006	Group 2006
Nord Pool Spot AS	Oslo, Norway	20%	NOK 141 million	26	26
Goodwill at 31 December 2006				21	21
Total				**47**	**47**

There are no intercompany profits or losses from trading with associates.

Nord Pool Spot AS has been recognised and measured as a separate entity.

Other equity investments

				Share of equity value	
Name	Domicile	Owner-ship	Share capital	Parent 2006	Group 2006
Dansk Gasteknisk Center A/S	Hørsholm	17.4%	7	1	1
Total				**1**	**1**

Notes

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		13	**Other receivables**		
175	0		Receivables in respect of payments for regulating power	0	175
0	405		Market value of financial instruments	405	0
42	903		Accumulated deficit (PSO tariff)	903	42
450	268		Energy settlement	268	450
0	110		Congestion rents	110	0
109	168		Other receivables	168	109
776	**1,854**		**Total**	**1,854**	**776**
		14	**Prepayments**		
272	285		Agreement on grid connection of offshore wind farm at Rødsand	285	272
41	33		Right to the use of the German part of the Kontek cable	33	41
313	**318**		**Total**	**318**	**313**
		15	**Deferred tax liabilities**		
1,929	**1,688**		**Deferred tax liabilities at 1 January**	**1,692**	**1,934**
(187)	0		Adjustment of opening balance sheet	0	(187)
(1)	7		Adjustment in respect of previous years	7	(1)
73	(177)		Change in deferred tax concerning net profit/loss for the year	(177)	72
4	(1)		Change in hedging instruments	(1)	4
(130)	0		Change resulting from reduction of corporation tax rate	0	(130)
1,688	**1,517**		**Deferred tax liabilities at 31 December**	**1,521**	**1,692**
			Deferred tax concerns		
453	374		Intangible assets	375	454
1,205	1,737		Property, plant and equipment	1,739	1,208
14	(228)		Current assets	(227)	14
16	(368)		Liabilities other than provision	(368)	16
0	2		Other	2	0
1,688	**1,517**		**Deferred tax liabilities at 31 December**	**1,521**	**1,692**
		16	**Other provisions**		
14	13		Maintenance of optical fibres	13	14
17	7		Claims in respect of plant commissioned	7	17
31	**20**		**Total**	**20**	**31**
			The due dates for 'Other provisions' are expected to be as follows:		
18	8		Within 1 year	8	18
5	5		1-5 years	5	5
8	7		After 5 years	7	8
31	**20**		**Total**	**20**	**31**

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		17	**Long-term liabilities other than provisions**		
2,826	**4,575**		**Long-term loans**	**4,575**	**2,826**

Primary financial instruments

Lender/type	Principal	Currency	Interest rate	Expiry	Accounting value	Accounting value incl. swaps
BRL Lån	108	BRL	Floating	2007	283	285
Nationalbanken	1,000	DKK	7.00	2024	1,395	1,004
Nationalbanken	370	DKK	5.00	2013	400	400
Nationalbanken	490	DKK	4.00	2017	502	502
NIB	83	DKK	Floating	2008	83	82
Sumito Life	2,000	JPY	1.02	2008	95	135
Meiji	2,000	JPY	1.17	2009	95	135
NIB	83	DKK	Floating	2011	83	83
DePfa	500	DKK	Floating	2011	500	500
EIB loan	150	USD	Floating	2012	849	1,270
NGS	1,000	JPY	4.47	2007	48	70
NSJ	25	DKK	5.00	2007	25	25
NSJ	24	DKK	6.00	2008	6	6
NSJ	59	DKK	6.50	2007	11	11
RD	503	DKK	4.22	2036	495	495
NGS	13	USD	Floating	2008	72	108
Total, Parent					**4,942**	**5,111**
Total, Group					**4,942**	**5,111**

The debt to Gældsafviklingsselskabet Naturgasselskabet i Sydjyske Regioner I/S (NGSR) and Gældsafviklingsselskabet Naturgas Sjælland I/S (NGSJ) has been taken over by Energinet.dk (formerly Gastra A/S) in connection with the demerger of DONG A/S' gas transmission installations to Gastra A/S on 1 January 2003.

The market value of the debt portfolio is DKK 5,111 million. Of this amount, DKK 394 million falls due in 2007. The amount is stated as a short-term liability other than provisions under 'Current maturities of long-term liabilities other than provisions' with DKK 367 million. The remaining amount concerns the value of swaps stated under 'Receivables' and 'Other payables', respectively. All currency loans have been converted into DKK via currency swaps. The overall outstanding debt on loans is DKK 4,942 million.

(continued)

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		17	**Following conversion into DKK, the aggregate principal falls due as follows:**		
1,482	394		Within 1 year	394	1,482
586	1,047		1-5 years	1,047	586
2,657	3,670		After 5 years	3,670	2,657
4,725	**5,111**		**Total**	**5,111**	**4,725**

Maturities of loans and associated swaps:

	Receivables	Other payables	Loans	Total
Within 1 year	5	32	367	394
1-5 years	7	120	934	1,047
After 5 years	391	420	3,641	3,670
Total	**403**	**572**	**4,942**	**5,111**

DKK 477 million has been recognised under 'Current maturities of long-term liabilities other than provisions'. This amount consists of DKK 367 million (loans) and DKK 110 million (prepayments received).

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		18	**Prepayments received will fall due in the following periods:**		
110	110		Within 1 year	110	110
392	330		1-5 years	330	392
0	0		After 5 years	0	0
502	**440**		**Total**	**440**	**502**

Prepayments in respect of the international connections have been recognised in accordance with the accounting policies applied previously. Prepayments in respect of the Kontek Link are thus recognised over a period of ten years with DKK 110 million annually. If prepayments were recognised over the Kontek Link's depreciation period, the amount recognised each year would be DKK 15 million.

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		19	**Deferred income**		
0	592		Congestion rents	592	0
0	**592**		**Total**	**592**	**0**
0	0		Within 1 year	0	0
0	22		1-5 years	22	0
0	570		After 5 years	570	0
0	**592**		**Total**	**592**	**0**

Parent 2005	Parent 2006	Note	Amounts in DKK million	Group 2006	Group 2005
		20	**Corporation tax**		
9	19		Corporation tax payable at 1 January	21	9
96	70		Current tax for the year	71	98
(86)	(90)		Paid corporation tax for the year	(90)	(86)
0	2		Correction in respect of previous years	0	0
19	**1**		**Total**	**2**	**21**
		21	**Other payables**		
436	566		Market value of financial instruments	566	436
246	286		PSO R&D funding granted	286	246
102	0		Accumulated excess revenue (PSO tariff)	0	102
64	57		Pay-related items	57	64
25	37		Interest payable	37	25
515	584		Energy settlement	584	515
37	165		Other payables	165	38
1,425	**1,695**		**Total**	**1,695**	**1,426**

22 **Provision of security and charges**

Land, buildings and plant incident to gas-related activities have been provided as security for mortgage debt amounting to DKK 503 million, the carrying amount of which constituted DKK 3,930 million at the end of the year.

23 **Group derivative financial instruments**

The Energinet.dk Group has entered into a number of financial contracts with a view to hedging interest and foreign currency risks. As such, currency swap agreements have been concluded in order to hedge foreign currency risks relating to the Company's loan portfolio in foreign currencies. Reference is made to the section on risk management under 'Financial review'. In addition, interest, rate swap agreements have been concluded with a view to managing the interest risk on the loan portfolio.

(continued).

Receiving company	Amounts in DKK million	SEK	BRL	USD	JPY	Payer DKK	Market value	Expiry
Energinet.dk			108			284	282	2007
				13		366	332	2008
				150		1,268	847	2012
					2,000	136	95	2008
					2,000	136	95	2009
					1,000	125	103	2007
Commercial papers		1,200				984	975	2007
Raw material contracts (foreign currency hedging)				7		39	38	2007
Total, Parent		**1,200**	**108**	**170**	**5,000**	**3,338**	**2,767**	
Total, Group		**1,200**	**108**	**170**	**5,000**	**3,338**	**2,767**	

The net market value of currency swap agreements is minus DKK 571 million, with minus DKK 582 million being stated under 'Other payables' and minus DKK 11 million being stated under 'Other receivables'. Results-wise, market value adjustments of currency swap agreements are equal to similar value adjustments of the loans hedged. In addition, raw material contracts for lead and copper with a negative net market value of DKK 1.2 million have been concluded.

Interest swap agreements, nominal principals

	Paying fixed interest rate	Market value	Year of expiry
Energinet.dk	1,000	1,391	2024
	0	1	2008
Total, Parent	**1,000**	**1,392**	
Total, Group	**1,000**	**1,392**	

The market value of interest swap agreements is DKK 392 million, which originates from contracts with a positive market value, and is recognised under 'Other receivables'.

Note

24 **Contingent liabilities and other financial liabilities**

In accordance with pylon declarations, environmental approvals, etc., Energinet.dk is under an obligation to dismantle and remove pylons, overhead lines, etc., which are no longer used. Energinet.dk has not included the costs of dismantling and removing these pylons, overhead lines, etc., because of the considerable uncertainty relating to the extent of the financial liabilities and the timing of the realisation hereof.

Energinet.dk has several tax cases pending a decision by the Danish National Tax Tribunal, the most important of which concerns the tax values of transit agreements and ancillary services agreements. In Energinet.dk's opinion, the Tax Tribunal will find in favour of Energinet.dk, and this is reflected in the Annual Report. In the event that Energinet.dk loses the pending tax cases, deferred tax will increase by approx. DKK 250-300 million. The outcome of the tax cases will have no immediate effect on tariffs.

Energinet.dk has taken over agreements with Statnett under which Energinet.dk is to pay NOK 11 million annually over the next 17 years for the use of the Skagerrak cables. Statnett has committed itself to maintaining the international connections to Norway in the same period. In addition, Energinet.dk must pay half of the actual cable operating expenses. The agreements can be terminated by either party giving five years' notice.

Energinet.dk is jointly and severally liable with Dong Distribution A/S for interest swap agreements concluded before the formation of Dong Transmission A/S (later Gastra, now Energinet.dk) towards Danske Bank by up to DKK 18 million. The swap expires on 8 January 2008 and presently has a market value of DKK 3.4 million.

Energinet.dk pays rent on the lease Lautruphøj 7, Ballerup. This liability constituted DKK 17 million at 31 December 2006.

Within 1 year	DKK 5 million
1-5 years	DKK 8 million
After 5 years	DKK 4 million

25 **Related parties**	**Basis**
The Danish Ministry of Transport and Energy Frederiksholms Kanal 27, DK-1220 Copenhagen K	100% ownership
Supervisory and Executive Boards	Corporate governance

As regards the Energinet.dk Group's transactions with members of the Supervisory and Executive Boards, reference is made to Note 5 in the Annual Report.

The Energinet.dk Group did not engage in other material transactions with related parties in 2006.

Majbritt Astrup,
Market Coordinator, Market

Segment financial statements

In pursuance of the Danish Act on Energinet.dk and the Danish executive order on the financial regulation of Energinet.dk issued by the Danish Ministry of Transport and Energy, Energinet.dk must prepare financial statements for electricity and natural gas-related activities. In addition, financial statements must be prepared for separate tariff areas in pursuance of the Danish Electricity Supply Act. For the electricity-based activities segment financial statements must be prepared for the PSO pool, the system pool and the grid pool. Segment financial statements are not prepared for gas-related activities.

Segment financial statements are prepared in accordance with an adapted "full cost" allocation method with "activity-based costing" methods being used as the allocation principle for revenue and expenses.

Principles and methods for revenue and cost allocation must be based on the individual product's drain on overall capacity. The preparation of segment financial statements must take place on the basis of revenue and expense registrations as well as on ratio allocations based on statistical data.

Energinet.dk's consolidated financial statements broken down by tariff area are shown overleaf. It can be seen that on electricity-related activities Energinet.dk had a total deficit in the PSO pool of DKK 963 million and a total loss in the system and grid pools of DKK 260 million. The profit from gas-related activities totals DKK 90 million.

Of the 2006 loss, which was a minus of DKK 170 million, DKK 89 million will be used for consolidating equity in pursuance of Section 13 of the Danish Act on Energinet.dk.

In pursuance of Section 12(2) of the Danish Act on Energinet.dk, Energinet.dk must have segment financial statements audited in the same manner as if the activities concerned were performed by separate enterprises.

Segments 2006

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2006	Total 2005
Income statement									
Tariff revenue	802	597	485	422	462	522	855	4,145	6,637
Revenue from international connections					93	203	0	296	694
Balance market			224	32			16	272	585
Excess revenue/deficit concerning PSO	639	324					0	963	(51)
Other revenue			2	1	7	7	60	77	118
Gross revenue	**1,441**	**921**	**711**	**455**	**562**	**732**	**931**	**5,753**	**7,983**
Subsidies for wind turbines and other RE units	(737)	(521)						(1,258)	(1,952)
Subsidies for local CHP units	(329)	(72)						(401)	(913)
Grid connection of wind turbines and local CHP units	(8)	0						(8)	(19)
Grid connection of offshore wind turbines	(17)	(15)						(32)	(32)
Grid losses in power collection system	(21)	(3)						(24)	(25)
R&D into environmentally-friendly electricity production	(76)	(53)						(129)	(128)
R&D into efficient energy use	(14)	(10)						(24)	(25)
Environmental studies concerning offshore wind turbines	4	(5)						(1)	(19)
Danish Safety Technology Authority	(30)	(21)						(51)	(49)
Amortisation of intangible assets (minimum production capacity)	(192)	(172)						(364)	(364)
Other PSO costs	(7)	(2)						(9)	(10)
Net financials	(14)	(47)						(61)	(61)
Total costs of environmentally-friendly electricity production, etc.	**(1,441)**	**(921)**	**0**	**0**	**0**	**0**	**0**	**(2,362)**	**(3,597)**
Revenue	**0**	**0**	**711**	**455**	**562**	**732**	**931**	**3,391**	**4,386**
Work performed for own account and capitalised			5	3	14	7	8	37	35
Other operating income					4			4	4
Total revenue	**0**	**0**	**716**	**458**	**580**	**739**	**939**	**3,432**	**4,425**
Grid losses					(184)	(111)		(295)	(263)
Special regulation and counter trade					(4)			(4)	(15)
Regulating power			(196)	(32)				(228)	(535)
Payment for the 132/150 kV grid					(206)	(368)		(574)	(558)
Payment for reserves/storage capacity			(474)	(382)			(248)	(1,104)	(978)
Costs of using foreign grids					(56)	(122)		(178)	(64)
Inspections by the Danish Energy Regulatory Authority and the Danish Energy Authority			(20)	(14)			(6)	(40)	(39)
Other external operating expenses			(38)	(25)	(105)	(66)	(89)	(323)	(354)
Total other external expenses	**0**	**0**	**(728)**	**(453)**	**(555)**	**(667)**	**(343)**	**(2,746)**	**(2,806)**
Staff costs			(50)	(36)	(65)	(35)	(66)	(252)	(269))
Total costs	**0**	**0**	**(778)**	**(489)**	**(620)**	**(702)**	**(409)**	**(2,998)**	**(3,075)**
Results before depreciation, amortisation and impairment	**0**	**0**	**(62)**	**(31)**	**(40)**	**37**	**530**	**434**	**1,350**

(continued)

Segments 2006

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2005	Total 2006
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets			(15)	(3)	(152)	(92)	(309)	(571)	(626)
Operating profit or loss	**0**	**0**	**(77)**	**(34)**	**(192)**	**(55)**	**221**	**(137)**	**724**
Pre-tax profit/loss in subsidiaries and associates					2	3		5	(1)
Net financials			(1)	(6)	(30)	(13)	(91)	(141)	(130)
Pre-tax profit or loss	**0**	**0**	**(78)**	**(40)**	**(220)**	**(65)**	**130**	**(273)**	**593**
Tax on net profit/loss for the year			21	9	78	35	(40)	103	(38)
Net profit/loss for the year	**0**	**0**	**(57)**	**(31)**	**(142)**	**(30)**	**90**	**(170)**	**555**
Excess revenue/deficit									
Accumulated excess revenue/deficit, beginning of year	102	(42)	(7)	(18)	94	60	0	189	(115)
Adjustment of opening balance	0	0	0	0	1	18	35	54	0
Adjustment of consolidation	0	0	38	(4)	61	(10)	(7)	78	0
Changes for the year	(639)	(324)	(77)	(38)	(277)	(94)	53	(1,396)	304
Accumulated excess revenue/deficit, end of year	**(537)**	**(366)**	**(46)**	**(60)**	**(121)**	**(26)**	**81**	**(1,075)**	**189**

Excess revenue/deficit in respect of PSO tariffs is recognised in the balance sheet under 'Other payables'/'Other receivables'.

Segments 2006

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2005	Total 2006
Balance sheet									
Assets									
Property, plant and equipment									
Intangible assets	576	688	14	8	120	14	13	1,433	1,729
Property, plant and equipment	270		99	35	3,095	2,472	3,985	9,956	10,322
Investments			23	23			2	48	52
Total non-current assets	**846**	**688**	**136**	**66**	**3,215**	**2,486**	**4,000**	**11,437**	**12,103**
Current assets									
Inventories					3	10	142	155	142
Receivables	814	848	111	77	243	163	176	2,432	1,439
Cash	4	3	9	6	17	8	15	62	270
Total current assets	**818**	**851**	**120**	**83**	**263**	**181**	**333**	**2,649**	**1,851**
Total assets	**1,664**	**1,539**	**256**	**149**	**3,478**	**2,667**	**4,333**	**14,086**	**13,954**
Equity and liabilities									
Equity	**0**	**0**	**(64)**	**(47)**	**2,068**	**1,260**	**410**	**3,627**	**3,786**
Provisions	**0**	**0**	**58**	**(22)**	**23**	**440**	**1,042**	**1,541**	**1,723**
Liabilities other than provisions									
Interest-bearing debt	1,094	1,132	115	117	746	228	2,644	6,076	6,188
Other liabilities other than provisions	570	407	147	101	641	739	237	2,842	2,257
Total liabilities other than provisions	**1,664**	**1,539**	**262**	**218**	**1,387**	**967**	**2,881**	**8,918**	**8,445**
Total equity and liabilities	**1,664**	**1,539**	**256**	**149**	**3,478**	**2,667**	**4,333**	**14,086**	**13,954**

Segments 2005

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2005	Total 2006
Income statement									
Tariff revenue	2,240	1,408	601	470	516	553	849	6,637	4,145
Revenue from international connections					472	222		694	296
Balance market			283	294			8	585	272
Excess revenue/deficit concerning PSO	(52)	1						(51)	963
Other revenue				5	27	20	66	118	77
Gross revenue	**2,188**	**1,409**	**884**	**769**	**1,015**	**795**	**923**	**7,983**	**5,753**
Subsidies for wind turbines and other RE units	(1,144)	(808)						(1,952)	(1,258)
Subsidies for local CHP units	(635)	(278)						(913)	(401)
Grid connection of wind turbines and local CPH units	(19)	0						(19)	(8)
Grid connection of offshore wind turbines	(17)	(15)						(32)	(32)
Grid losses in power collection system	(21)	(4)						(25)	(24)
R&D into environmentally-friendly electricity production	(76)	(52)						(128)	(129)
R&D into efficient energy use	(15)	(10)						(25)	(24)
Environmental studies concerning offshore wind turbines	(10)	(9)						(19)	(1)
Danish Safety Technology Authority	(29)	(20)						(49)	(51)
Amortisation of intangible assets (minimum production capacity)	(192)	(172)						(364)	(364)
Other PSO costs	(7)	(3)						(10)	(9)
Net financials	(23)	(38)						(61)	(61)
Total costs of environmentally-friendly electricity production, etc.	**(2,188)**	**(1,409)**	**0**	**0**	**0**	**0**	**0**	**(3,597)**	**(2,362)**
Revenue	**0**	**0**	**884**	**769**	**1,015**	**795**	**923**	**4,386**	**3,391**
Work performed for own account and capitalised			8	1	21	1	4	35	37
Other operating income					4			4	4
Total revenue	**0**	**0**	**892**	**770**	**1,040**	**796**	**927**	**4,425**	**3,432**
Grid losses					(182)	(81)		(263)	(295)
Special regulation and counter trade					(4)	(11)		(15)	(4)
Regulating power			(270)	(265)				(535)	(228)
Payment for the 132/150 kV grid					(201)	(357)		(558)	(574)
Payment for reserves/storage capacity			(326)	(407)			(245)	(978)	(1,104)
Costs of using foreign grids					(14)	(50)		(64)	(178)
Inspections by the Danish Energy Regulatory Authority and the Danish Energy Authority			(20)	(12)			(7)	(39)	(40)
Other external operating expenses			(66)	(45)	(83)	(66)	(94)	(354)	(323)
Total other external expenses	**0**	**0**	**(682)**	**(729)**	**(484)**	**(565)**	**(346)**	**(2,806)**	**(2,746)**
Staff costs			(59)	(38)	(82)	(24)	(66)	(269)	(252)
Total costs	**0**	**0**	**(741)**	**(767)**	**(566)**	**(589)**	**(412)**	**(3,075)**	**(2,998)**
Results before depreciation, amortisation and impairment	**0**	**0**	**151**	**3**	**474**	**207**	**515**	**1,350**	**434**

(continued)

Segments 2005

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2005	Total 2006
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets			(17)	(12)	(187)	(91)	(319)	(626)	(571)
Operating profit/loss	**0**	**0**	**134**	**(9)**	**287**	**116**	**196**	**724**	**(137)**
Pre-tax profit or loss in subsidiaries and associates				(1)				(1)	5
Net financials			(1)	(9)	(23)	(24)	(73)	(130)	(141)
Pre-tax profit/loss	**0**	**0**	**133**	**(19)**	**264**	**92**	**123**	**593**	**(273)**
Tax on net profit or loss for the year			(38)	4	(61)	10	47	(38)	103
Net profit/loss for the year	**0**	**0**	**95**	**(15)**	**203**	**102**	**170**	**555**	**(170)**
Excess revenue/deficit									
Accumulated excess revenue/deficit, beginning of year	50	(41)	(102)	(3)	(44)	25	0	(115)	189
Adjustment of consolidation/opening balance	0	0	0	0	0	0	0	0	132
Changes for the year	52	(1)	95	(15)	138	35	0	304	(1,396)
Accumulated excess revenue/deficit, end of year	**102**	**(42)**	**(7)**	**(18)**	**94**	**60**	**0**	**189**	**(1,075)**

Excess revenue/deficit in respect of PSO tariffs is recognised in the balance sheet under 'Other payables'/'Other receivables'.

Segments 2005

Amounts in DKK million	PSO West	PSO East	System West	System East	Grid West	Grid East	Gas	Total 2005	Total 2006
Balance sheet									
Assets									
Property, plant and equipment									
Intangible assets	768	860	0	0	101	0	0	1,729	1,433
Property, plant and equipment	0	0	68	87	3,361	2,557	4,249	10,322	9,956
Investments	0	0	25	25	0	0	2	52	48
Total non-current assets	**768**	**860**	**93**	**112**	**3,462**	**2,557**	**4,251**	**12,103**	**11,437**
Current assets									
Inventories	0	0	0	0	0	0	142	142	155
Receivables	157	503	128	262	115	134	140	1,439	2,432
Cash	0	0	4	13	145	107	1	270	62
Total current assets	**157**	**503**	**132**	**275**	**260**	**241**	**283**	**1,851**	**2,649**
Total assets	**925**	**1,363**	**225**	**387**	**3,722**	**2,798**	**4,534**	**13,954**	**14,086**
Equity and liabilities									
Equity	**0**	**0**	**(7)**	**(18)**	**2,213**	**1,281**	**317**	**3,786**	**3,627**
Provisions	**0**	**0**	**80**	**(11)**	**111**	**472**	**1,071**	**1,723**	**1,541**
Liabilities other than provisions									
Interest-bearing debt	301	1,205	0	335	946	386	3,015	6,188	6,076
Other liabilities other than provisions	624	158	152	81	452	659	131	2,257	2,842
Total liabilities other than provisions	**925**	**1,363**	**152**	**416**	**1,398**	**1,045**	**3,146**	**8,445**	**8,918**
Total equity and liabilities	**925**	**1.363**	**225**	**387**	**3.722**	**2.798**	**4.534**	**13.954**	**14.086**

Poul Steen,
Vice President,
Finance &
Adminisration

Managerial posts held by Supervisory Board members

Niels Fog
Managing Director and member of the supervisory boards of Fog Fødevarer A/S, Fog Anlæg A/S and Fog Holding A/S, which are all consolidated companies.
Chairman of the supervisory boards of Johannes Fog A/S and Johannes Fog Holding A/S.
Member of the supervisory boards of Lokalbanken A/S, ID-Sparinvest A/S and BRF Fonden.

Birgitte Kiær Ahring
Chairman of the supervisory board and manager of BioContractors A/S.
Member of the supervisory board and manager of BioGasol Aps and BioGasol IPR Aps.
Member of the supervisory board of Hede Nielsen Fonden.

Birgitte Nielsen
Chairman of the supervisory board of Royal Greenland A/S,
Member of the supervisory boards of Arkil A/S, Faber A/S, Storebrand ASA, IDEAS A/S, Buy Aid A/S, Novenco A/S and JMI Invest II A/S.

Poul Erik Morthorst
Member of the supervisory board of the high-tech network VE-net.

Erik Dahl, Hans Schiøtt, Niels Arne Gadegaard, Peter Møllgaard
None.

Jes Smed, Lone Thomhav, Søren Juel Hansen
None.

Stakeholder Forum

Chairman
Birgit W. Nørgaard, Managing Director, Grontmij/Carl Bro A/S

Members (appointed by the Danish Minister for Transport and Energy on the recommendation of organisations)
Allan Kjersgaard, Senior Consultant, Renosam

Anita Rønne, LLM, Associate Professor in Energy Law, Faculty of Law, University of Copenhagen

Asbjørn Bjerre, Manager, Danish Wind Turbine Owners' Association

Ebbe Seligmann, Manager, Sydvestenergi

Erik Nørregaard Hansen, Manager, Foreningen af Danske Kraftvarmeværker

Frede Hvelplund, Professor, Department of Development and Planning, University of Aalborg

Henrik Lilja, energy-political employee, Danish Federation of Small and Medium-Sized Enterprises

Jacob Østergaard, Professor, Head of the Centre of Electric Technology, Technical University of Denmark

Janne Wichard Petersen, energy employee, Danish Society for Nature Conservation

Jens Astrup Madsen, Energy Director, Landbrugsraadet

Jens Helmer Rasmussen, Deputy Director, DONG Energy

Jørgen G. Jørgensen, Manager, Danish District Heating Association

Knud Sloth, Director, Aalborg Municipality, Utilities

Leif Winum, Manager, DONG Energy

Majbritt Solskov Lind, Consultant, The Confederation of Danish Industries

Martin Windelin, economist, Economic Council of the Labour Movement

Michael Mikkelsen, Manager, Scanenergi

Niels Erik Andersen, Managing Director, HNG I/S

Peter Hjuler Jensen, Programme Manager, Department of Wind Energy, Risø National Laboratory

Simon Lodberg, Deputy Chairman of FSE, Finance Director of Dansk Supermarked

Svend Erik Jensen, negotiating secretary, 3F (industry group)

Uffe Rasmussen, member of the board of the Organisation for Sustainable Energy

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