

Annual Report 2010

Nord Pool Gas A/S

Contents

Nord Pool Gas in brief	2
Directors' report	3
Auditor's report	4
Management's statement	5
Accounting principles	6
Profit and loss account	9
Balance sheet	10
Equity	12
Notes	13

Nord Pool Gas in brief

Address: Nord Pool Gas A/S
Industrivej 9, D 2.
2605 Brøndby
Denmark

Registration no. (CVR): 31 17 07 88

Accounting year: 1 January - 31 December

Registered office: Brøndby

Auditor: PricewaterhouseCoopers
Certified public accounting firm

Directors' report

The board and the management have today approved the annual report 2010 for Nord Pool Gas A/S, including Directors' report, Management's statement, Accounting principles, Profit and loss account, Balance sheet, Equity and Notes.

The report has been prepared in accordance with the Danish accounting legislation.

We are confident that the chosen accounting principles are appropriate, that the company's internal controlling measures - relevant for the preparation of an annual report - are adequate and consequently that the annual report presents a true and fair view of the company's assets, liabilities, and the financial position as on 31 December 2010 as well as of the company's activities for the accounting period 1 January 2010 - 31 December 2010.

We recommend the annual report including the proposed allocation of profit for approval by the general meeting on 13 April 2011.

Glostrup, den 13. april 2011

Management



Jacob Pedersen
CEO

Board of directors



Torben Gaston Brabo
Chairman



Johannes Bruun



Hans Randen

Auditor's report

To the shareholders of Nord Pool Gas A/S

We have audited the annual report of Nord Pool Gas A/S for the accounting period 1 January 2010 – 31 December 2010 including the Directors' report, the Management's statement, Accounting principles, Profit and loss account, Balance sheet, Equity, and Notes. The annual report has been prepared in accordance with Danish accounting legislation.

Management's responsibility for the annual report

It is the management's responsibility to prepare and present an annual report, which presents a true and fair view in accordance with the Danish accounting legislation. This responsibility implies definition, implementation, and maintenance of internal controlling measures, which are relevant to prepare and present an annual report presenting a true and fair view without essential misinfor- mation, no matter whether such misinformation is due to fraud or errors, as well as application of appropriate accounting principles and estimates, which are considered adequate.

Auditors' responsibility and the performed auditing

It is our responsibility to draw up a conclusion on the annual report based on our auditing. We have done the auditing in accordance with Danish auditing standards. These standards imply that we comply with ethical requirements and that we plan and do the auditing in a way that secures to the extent possible that the annual report does not contain essential misinformation.

The auditing comprises actions to verify the amounts and information stated in the annual report. The auditor chooses which actions to perform considering the risk of essential misinformation in the annual report, no matter whether attributable to fraud or error. When considering this risk the auditor evaluates which internal controlling measures are relevant for the preparation and presen- tation of a true and fair annual report with the objective of defining appropriate auditing actions, however not with the objective of concluding on the efficiency of the company's internal controlling. The auditing also decides whether the accounting principles applied by the management are ap- propriate, whether the management's financial estimates are reasonable, and evaluates the overall presentation of the annual report.

We believe that the documentation is adequate and suitable to form the basis of our conclusion.

The auditing has not given rise to reservations.

Conclusion

We believe that the annual report presents a true and fair view of the company's assets, liabilities, and financial position as on 31 December 2010 as of the result of the activities for the accounting period 1 January 2010 – 31 December 2010 in accordance with Danish accounting legislation.

Glostrup, 13 April 2011

PricewaterhouseCoopers

Certified public accountancy firm



Thomas P. Blohm

Certified public accountant

Management's statement

Main activity

The main activity of the company is to organize and develop a marketplace for gas.

Financial result

For 2010 the company realised a loss after taxes of DKK 1,575,486 in comparison with a loss after taxes of 2009 of DKK 1,274,609.

The result is considered satisfactory and in accordance with expectations.

Events after the closing og the accounting year

No events have occurred after the closing of the accounting year that affect the financial position of the company.

Applied accounting principles

The annual report has been prepared in accordance with the provisions of the Danish accounting legislation for Class B companies.

The annual report has been prepared in DKK.

General accounting principles

Assets are recorded in the balance sheet, if it is assumed that future financial advantages will be accrued to the company and if it is possible to make a reliable assessment of the asset.

Liabilities are recorded in the balance sheet if they are probable and can be reliably assessed. At first assets and liabilities are assessed at cost price. Subsequently assets and liabilities are assessed as described for each individual item below.

Some financial assets and liabilities are assessed at amortized cost price applying a fixed effective interest rate over the period. Amortized cost price is the original cost price less possible instalments as well as increase/deduction of the accumulated amortization of the difference between the cost price and the nominal amount.

Profits, losses and risks, which are realised or known before the annual report is prepared, and which confirm or deny conditions that were known on the date of balance sheet, are taken into account.

Profits are recorded in the profit and loss account at the time they are realised, thereby taking valuation adjustments of financial assets and liabilities into account, assessed at the current value or at amortized cost price. Expenses that have been incurred to realise the profit for the year, e.g. depreciation, writing down and deferred liabilities as well as reversing entries due to changed estimates are likewise taken into account.

Foreign currency

Transactions in foreign currencies are at first exchanged and recorded at the exchange rate of the transaction day. Differences between the exchange rate of the date of transaction and the date of payment are recorded in the profit and loss account under financial income and expenses.

Receivables, liabilities, and other monetary items in foreign currency, which have not been settled on the date of balance sheet are exchanged at the exchange rate of the date of balance sheet. The difference between the exchange rate of the date of balance sheet and the exchange rate of the date when the receivables or liabilities are realised or recorded in the latest annual report are recorded in the profit and loss account under financial income and expenses.

Derivatives

At first derivatives are recorded in the balance sheet at cost price. Subsequently they are recorded at current value. Positive and negative current values from derivatives are recorded in "Other receivables" and "other liabilities".

Changes in the current value of derivatives, that are categorized as and meet the requirements for securing the current value of a recorded asset or liability, are recorded in the profit and loss account together with the changes in the current value of the secured asset or the secured liability.

Profit and loss account

Gross profit

The gross profit is the sum of the following:

Net turnover comprises sale of gas and related services. The turnover is recorded in the profit and loss account provided that delivery has taken place and the risk been passed to the purchaser before the end of the year and provided that the profit can be reliably assessed and it is assumed that the profit will be realised. Profits on services are recorded on delivery of the service.

Applied accounting principles

Net turnover is exclusive of taxes and VAT that are dependent on the sales amount and that are collected on behalf of a third party. Discounts are furthermore deducted.

Costs for purchase of gas and related services.

Other external expenses

Other external expenses are costs of primary character in relation to the activities of the company.

Depreciation and writing down

Depreciation and writing down include depreciation and writing down on tangible fixed assets for the year.

Financial income and expenses

Financial income and expenses comprise interest revenues and expenses, profit/loss on securities, debts and transactions in foreign currency as well as amortization of financial assets and liabilities. Financial income and expenses are recorded at the value related to the accounting year.

Taxes on the profit for the year

Taxes, which comprise actual taxes for the year and changes in deferred taxes, are recorded in the profit and loss account with the amount attributable to the result of the year, and directly in the equity with the share that is attributable to direct equity items. The share of the recorded tax which is attributable to the extraordinary result of the year is attributed hereto, while the remaining share is attributed to the ordinary result of the year.

Balance sheet

Tangible fixed assets

Tangible fixed assets are valued at cost price with provision for accumulated depreciation and writing down.

Cost price is the purchase price including costs directly related to the acquisition until the time when the asset is ready for use. For internally manufactured assets the cost price comprises direct and indirect costs for materials, components, sub-suppliers and wages. Furthermore financial costs, which can be related to the cost price, are included. Finally costs for re-establishment are recorded as a share of the cost price.

Tangible fixed assets are linearly depreciated over the expected useful lives of the asset, based on the following estimation of the useful lives:

Machinery, other systems, operational materials and furniture 3 – 10 years

New acquisitions with an acquisition cost below DKK 25,000 are recorded in the acquisition year.

Acquisitions during the accounting year are depreciated proportionally in accordance with the time of use. Costs for large maintenance inspections are included in the acquisition cost as a separate tangible fixed asset and is depreciated over the useful lives, i.e. the period until the next inspection. On the acquisition of the tangible fixed asset the shorter useful lives of a part of the asset is taken into account, meaning that this part already at the time of acquisition is recorded as a separate asset with shorter useful lives and thereby depreciation period.

Tangible fixed assets are depreciated to the recovery value provided it is lower than the accounting value. Yearly writing down tests on each individual tangible fixed asset respectively group of assets are performed.

Prepayment of non-delivered tangible fixed assets is capitalized.

Applied accounting principles

Interests and loan expenses related to loans obtained for financing pre-payment of non-delivered tangible fixed assets are recorded as a share of the acquisition cost for the tangible fixed assets.

Profit or loss accrued on sale or scrapping of a tangible fixed asset is calculated as the difference between the sales price - demounting, sales, or re-establishment costs deducted - and the accounting value at the time of sale or scrapping.

The profit or loss is recorded in the profit and loss account under other operational income or other external expenses.

Receivables

Receivables are calculated at amortized cost price. Provisions for assumed losses are made.

Taxes and deferred taxes

Current taxes payable and tax benefits are recorded in the balance sheet as calculated tax on the taxable income of the year, adjusted for tax on taxable income of previous years as well as on account tax.

Deferred tax is calculated according to the balance-oriented method of debt of all temporary differences between accounting and tax value of assets and liabilities based on the actual or assumed tax rates on the date of balance sheet. Changes in deferred tax as a result of a decrease of the company tax rate are recorded in the profit and loss account. In the event that the tax value can be assessed according to alternative tax rules deferred tax is calculated on the basis of the planned use of the asset or the termination of the obligation.

Deferred tax benefits, including the tax value of deferrable tax deficits are recorded at the value at which they are assumed utilized either through settlement of tax on future income or through set-off against deferred taxes payable.

Liabilities

Other liabilities such as debts to suppliers and other debts are calculated at amortized cost price.

Deferred liabilities and other financial liabilities

Deferred liabilities and other financial liabilities comprise obligations or situations on the date of balance sheet of which the accounting effect cannot be definitely made up until the outcome of one or more future events is known.

Profit and loss account 1 January 2010 – 31 December 2010

Amounts in DKK	Note	2010	2009
Gross profit		3.172.903	1.526.409
Payroll expenses	1	-3.394.812	-1.638.320
Other external expenses		-1.648.618	-1.735.464
Total		-5.043.430	-3.373.784
Profit before depreciation and writing down		-1.870.527	-1.847.375
Depreciation and writing down on tangible fixed assets	2	-27.739	-23.300
Operating profit		-1.898.266	-1.870.675
Financial income		213.755	188.886
Financial expenses	3	-410.378	-2.517
Total financial items		-196.623	186.369
Profit before taxes		-2.094.889	-1.684.306
Taxes	4	519.403	409.697
Profit for the year		-1.575.486	-1.274.609
Proposed allocation of profit			
Carried forward to next year		-1.575.486	-1.274.609
Total		-1.575.486	-1.274.609

Balance sheet

Amounts in DKK	Note	2010	2009
Assets			
Tangible fixed assets			
Machinery, other systems, operational material and furniture		80.211	69.900
Total tangible fixed assets		80.211	69.900
Financial fixed assets			
Deposits		38.162	38.162
Total financial assets		38.162	38.162
Total assets		118.373	108.062
Receivables			
Sales		13.424.258	5.429.584
Associated company		39.477	65.285
Other receivables		25.203.077	11.230.052
Deferred tax benefit		1.784.854	1.265.451
Total receivables		40.451.666	17.990.372
Liquid assets		13.635.100	1.159.565
Total current assets		54.086.766	19.149.937
Total assets		54.205.139	19.257.999

Balance sheet

Amounts in DKK	Note	2010	2009
Liabilities			
Equity			
Share capital		2.000.000	2.000.000
Profit carried forward		2.543.487	4.118.973
Total Equity		4.543.487	6.118.973
Short term liabilities			
Credit institutions		4.030.694	25.747
Suppliers of goods and services		15.159.341	0
Other liabilities		28.251.413	12.780.869
		2.220.204	332.410
Short term liabilities		49.661.652	13.139.026
Total current liabilities		49.661.652	13.139.026
Total liabilities		54.205.139	19.257.999
Contractual liabilities	5		
Deferred liabilities	6		

Equity

Amounts in DKK	Share capital	Profit carried forward	Total
Equity 31. december 2008	2.000.000	5.393.582	7.393.582
Profit for the year		-1.274.609	-1.274.609
Equity 31. december 2009	2.000.000	4.118.973	6.118.973
Profit for the year		-1.575.486	-1.575.486
Equity 31. december 2010	2.000.000	2.543.487	4.543.487

The share capital consists of 20,000 shares of DKK 100..

The share capital has not been changed since the establishment on 1 December 2007.

Ownership: On 31 December 2010 the ownership was

Energinet.dk	50%
Nord Pool Spot AS	50%

Notes

Note	Amounts in DKK	2010	2009
1 Payroll expenses			
Wages and salaries		2.744.771	1.412.977
Pensions and other social costs		650.041	225.343
Total		3.394.812	1.638.320
Average number of staff		3	3
Number of stagg at year end		4	3
2 Depreciation and writing down on tangible fixed assets			
Operational items and furniture		27.739	23.300
Total		27.739	23.300
3 Financial expenses			
Interest regarding loan from associated companies		210.116	0
Total		210.116	0
4 Taxes			
Calculated tax on the profit for the year		0	0
Change in deferred tax for the year		-519.403	-409.697
Total		-519.403	-409.697
5 Contractual obligations			
Rental and leasing contracts			
Within 1 year		870.647	630.944
1-5 years		390.243	40.500
after 5 years		0	0
Total		1.260.890	671.444
6 Deferred liabilities etc.			
After the closing of 2010 Nord Pool Gas A/S has entered into a new contract for renting of office facilities. The company has signed liabilities for DKK 1.263.816.			
Within 1 year		337.248	
1-5 years		926.569	
after 5 years		0	