

**Company announcement  
No. 19/2018**

**Ørsted initiates a structured divestment process for its  
Danish power distribution and residential customer  
businesses**

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Company registration no.  
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26 June 2018

In just a few years, Ørsted has become a global leader in offshore wind, and the company has an ambitious plan to maintain and expand its leading position in existing and new markets. The company invests DKK 15-20bn annually, of which more than 85% is dedicated to offshore wind. In addition to these investments, Ørsted is working to develop a portfolio of green growth initiatives.

In the light of Ørsted's strategic development towards becoming a global leader in green energy, Ørsted's Board of Directors and Executive Management have concluded a strategic review of the company's downstream business.

The conclusion of the review is that the continued technological innovation in green energy is expected to translate into continued cost reductions and a gradual decrease in subsidies on the journey towards producing and selling green energy entirely on commercial terms. Ørsted's access to sales of energy solutions to corporate and wholesale customers building on its presence in offshore wind, bioenergy, energy storage and other renewable energy technologies will therefore become still more strategically important.

Today, Ørsted already has strong market access with corporate customer businesses in Denmark, the UK, Germany and Sweden and through its presence in energy trading in European energy markets. In the years to come, the company will focus on further strengthening its market access.

The Danish power distribution and residential customer businesses are well-run and have a high level of customer satisfaction. However, they are not a sales channel supporting the company's long-term international growth in renewables. With continued significant investments in green energy in the coming years, the strategic and financial importance of the Danish power distribution and residential customer businesses will be further reduced in the coming years, compared to Ørsted's rapidly growing international business in green energy.

Ørsted's Board of Directors has therefore decided to initiate a structured process to assess the market interest in acquiring Ørsted's Danish power distribution and residential customer businesses and the City Light

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore wind farms, bioenergy plants and innovative waste-to-energy solutions and provides smart energy products to its customers. Headquartered in Denmark, Ørsted employs 5,700 people. Ørsted's shares are listed on Nasdaq Copenhagen (Ørsted). In 2017, the group's revenue was DKK 59.5 billion (EUR 8.0 billion). For more information on Ørsted, visit <https://orsted.com/> or follow us on Facebook, LinkedIn, Instagram and Twitter.

business. In addition to ensuring a good price and satisfactory terms and conditions of sales, the Board of Directors will emphasise that a future owner continues to run the business in a responsible manner.

At the same time, Ørsted is setting up a new business unit, Customer Solutions, headed by Executive Vice President Morten Buchgreitz, to merge the company's activities across the corporate customer and trading businesses. The activities considered for divestment will be organised in a separate business unit, which will also be headed by Morten Buchgreitz.

Ørsted has appointed Danske Bank as advisor in the process. The Board of Directors is expected, on the basis of support from the shareholders, to make a decision about a potential divestment of these businesses, before the end of H1 2019.

The cash flow from a potential divestment will be included in the company's overall capital planning where the priorities are to maintain the company's BBB+/Baa1 rating, maintain the current dividend policy and complete value-creating investments in renewables. Any excess capital will be returned to the shareholders.

The information provided in this announcement does not change Ørsted's previously announced outlook for the 2018 financial year.

**Facts on the Danish power distribution business, residential customer business for power and gas and the City Light business:**

- The power distribution business, under the subsidiary Radius, has approximately one million electricity customers in the Copenhagen area, North Zealand and parts of central Zealand. The power supply to the customers is ensured by a grid reaching an approximate size of 19,000km.
- The residential business sells electricity to approximately 733,000 customers and gas to approximately 91,000 customers. Approximately 40,000 gas customer's boilers are serviced.
- The City Light business operates and maintains approximately 160,000 street lights in 15 municipalities in Zealand.
- In 2017, these three businesses amounted to 5.6% (DKK 1.3bn) of Ørsted's operating profit (EBITDA) and 9.6% (DKK 6.7bn) of its capital employed.

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