

**Company announcement
No. 22/2018**

**Interim report for first half-year 2018:
Strong results and continued strategic progress**

Today, the Board of Directors of Ørsted approved the interim report for first half-year (H1) 2018. We achieved an operating profit (EBITDA) of DKK 8.6 billion, up 11% compared to H1 2017. This was partly due to a 32% increase in operating profits from wind farms in operation.

Our green share of generation increased from 59% in H1 2017 to 71% in H1 2018.

We now see full-year EBITDA excluding new partnerships skewing towards the upper end of the guidance range of DKK 12.5-13.5 billion.

In addition, we now consider it likely that we will divest 50% of Hornsea 1 during the second half of 2018. Should the divestment materialise in H2 2018, EBITDA, including new partnerships, is expected to be significantly higher than the DKK 22.5 billion achieved in 2017.

The outlook for gross investments is unchanged relative to the annual report for 2017. Gross investments related to construction of offshore wind farms are expected to be lower, than originally anticipated. This is mainly due to shifts in spending across years but it is also partly driven by the Race Bank and Walney Extension construction projects being finalised at a lower capex spend than expected. However, reduced 2018 spend on offshore wind construction projects is offset by the expected payment related to the acquisition of Lincoln Clean Energy.

Financial performance in Q2 2018:

- Our solid underlying financial performance continued in Q2 2018 with operating profits (EBITDA) amounting to DKK 3.1 billion. The 31% decrease compared to Q2 2017 was expected and was primarily due to a deferred gain of DKK 1.4 billion in Q2 2017 regarding the 2016 Race Bank farm-down, as well as lower earnings in our Markets business.
- Profits from offshore wind farms in operation increased by 8% to DKK 1.8 billion, primarily due to ramp-up at Walney Extension and Race Bank, partly offset by lower wind than in Q2 2017.
- Earnings from partnerships in Wind Power was lower than in Q2 2017, due to the above-mentioned deferred gain regarding Race

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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 (Orsted). In 2017, the group's revenue was DKK 59.5 billion (EUR 8.0 billion). For more information on Ørsted, visit <https://orssted.com/> or follow us on Facebook, LinkedIn, Instagram and Twitter.

Bank. Income from partnerships in Q2 2018 mainly related to the construction of Walney Extension and Borkum Riffgrund 2.

- Return on capital employed (ROCE) increased to 23% at the end of June 2018 compared to 18% in the same period in 2017.

CEO Henrik Poulsen says:

"We're very satisfied with the first half of 2018. The solid results from our offshore wind business continued into the second quarter with increased earnings from our operating assets and continued strong progress on our construction projects. We commissioned the world's largest offshore wind farm in operation, Walney Extension, in May, well ahead of schedule, and at Borkum Riffgrund 2, we installed the first wind turbines.

We secured 2.4GW of offshore wind projects in competitive processes in Germany and Taiwan. In April and June, we were awarded a total of 1,820MW offshore wind capacity in Taiwan and have now secured a market leading platform for continued growth in Asia. In the auction in Germany in April, we were awarded an additional 552MW of offshore wind capacity. In combination with the awards from the auction last year, we've secured a total capacity of 900MW in the Borkum Riffgrund cluster without subsidy. In addition, we have secured a total capacity of 242MW for Gode Wind 3 & 4 with a weighted average subsidy of EUR 81 per MWh. Assuming we take final investment decision on the awards in Taiwan and Germany, our total decided and installed capacity will reach 11.9GW by 2025.

As announced in June, we've decided to initiate a process to divest our Danish power distribution and residential customer businesses to focus entirely on further expanding our position as a leading global renewable energy company.

Today we announced that Ørsted has entered into an agreement to acquire Lincoln Clean Energy ('LCE') at a price of USD 580 million. LCE is a US based developer, owner and operator of onshore wind farms. LCE has an attractive portfolio of 513MW recently commissioned, 300MW under construction, and more than 1.5GW of pipeline to be completed by 2022. The global market for onshore wind power is expected to grow significantly in the coming years, and the US is a leading onshore wind market. The acquisition of LCE will provide a strong growth platform in the US, which is one of Ørsted's strategic growth markets. It is an investment case with healthy economics based on prudent assumptions about key value drivers and market developments."

Financial key figures for Q2 and H1 2018:

DKK million	Q2 2018	Q2 2017	%	H1 2018	H1 2017	%
EBITDA	3,079	4,442	(31%)	8,598	7,730	11%
Profit (loss) for the period from cont. operations	876	2,506	(65%)	3,908	3,720	5%
Profit (loss) for the period from discount. operations	(19)	2,484	n.a.	(11)	3,910	n.a.
Profit (loss) for the period	857	4,990	(83%)	3,897	7,630	(49%)
Cash flows from operating activities	3,293	(1,848)	n.a.	2,895	(960)	n.a.
Gross investments	(3,109)	(4,287)	(27%)	(5,180)	(6,789)	(24%)
Divestments	(14)	160	n.a.	821	225	265%
Free cash flow	170	(5,975)	n.a.	(1,464)	(7,524)	(81%)
Net interest-bearing debt	4,603	10,332	(55%)	4,603	10,332	(55%)
FFO/adjusted net debt (last 12 months)	44%	32%	12%p	44%	32%	12%p
ROCE (last 12 months)	23%	18%	5%p	23%	18%	5%p

Further information

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Conference call

In connection with the presentation of the interim report, a conference call for investors and analysts will be held on Thursday, 9 August 2018 at 10:00 CEST.

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The conference call can be followed live at:

<https://orsted.eventcdn.net/20180809>

Presentation slides will be available prior to the conference call at:

<https://orsted.com/en/Investors/Reporting/Financial-reports#0>

The interim report is available for download at:

<https://orsted.com/en/Investors/Reporting/Financial-reports#0>