Investor presentation Q4 & FY 2017

1 February 2018

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These statements are not guarantees of future performance and involve certain risks. Many direct and indirect factors may affect future results and developments may therefore differ materially from what is forecast due to a variety of factors. These factors include, but are not limited to, changes in temperature, wind conditions and precipitation levels, the development in inflation, currency, power, gas, coal, carbon, oil and interest rate markets, changes in legislation, regulation or standards, changes in the competitive environment in our markets, security of supply and cable break-downs or other disruptions of operation.

We urge you to read our annual report available on our website at www.orsted.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

Significant strategic and operational progress in 2017

Strategic transformation

- Upstream Oil & Gas divested
- Green share of generation increased to 64% and on track to reach +95% in 2023
- New name and visual identity

Utility

- Coal-free in 2023: Commissioning of Skærbæk bioconversion and FID on Asnæs
- Renescience Northwich plant constructed but commissioning delayed
- Smart meter roll-out well on track

Wind Power

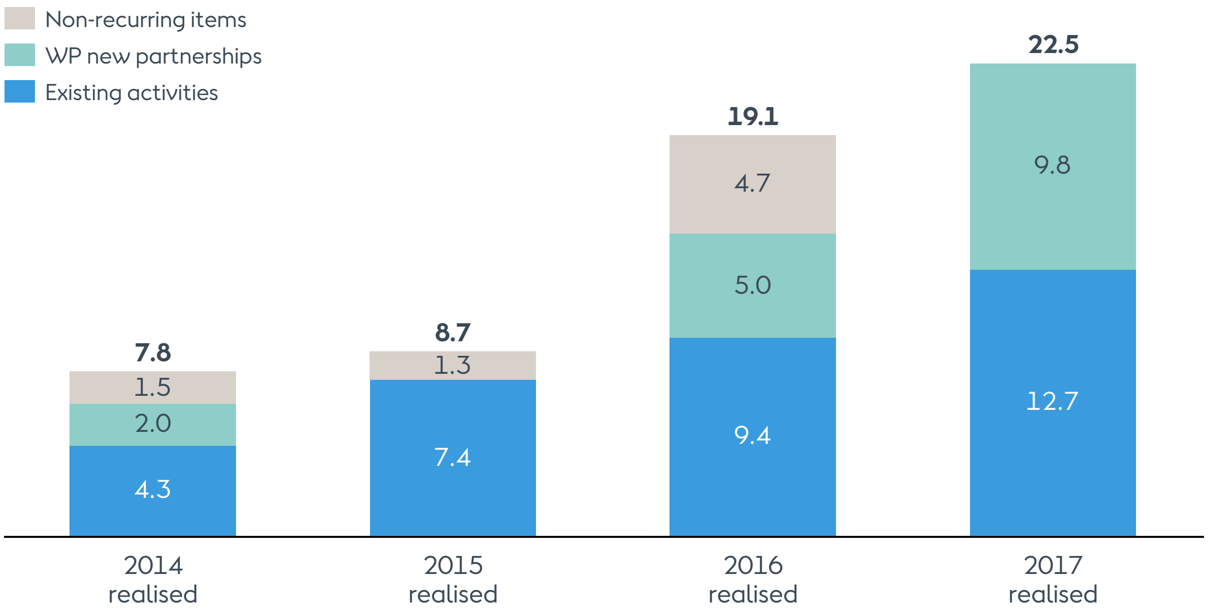
- Contracts awarded in the UK and Germany (2GW)
- Farm-down of Walney Ext. and Borkum Riffgrund 2
- US and Taiwan developing as planned
- Strong progress across construction program

Financials

- All-time high EBITDA of DKK 22.5bn
- ROCE of 25%
- Positive free cash flow despite DKK 17.7bn CAPEX
- Dividends increased by 50% to DKK 3.8bn

Strong growth in EBITDA

EBITDA
DKKbn



Outperformance vs. original guidance of DKK 15-17bn

Timing effects DKK ~4.5bn:

- Borkum Riffgrund 2 originally forecasted to close in 2018
- Redistribution of Walney Ext. gain from 2018 to 2017
- Increase in value of gas at storages; will reverse as higher COGS

Better than expected performance DKK ~2.0bn:

- Faster ramp-up in Wind Power
- Lower CAPEX spend leading to higher farm-down gains
- Stronger trading results in Markets

Construction program well in progress

Project	Race Bank	Walney Extension	Borkum Riffgrund 2	Hornsea 1	Borssele 1&2	Hornsea 2	Asnæs CHP plant	Renescience Northwich	Smart meter roll-out
Country									
Asset type									
Capacity	573MW	659MW	450MW	1,218MW	752MW	1,386MW	129MW Heat, 25MW Power	120,000 tonnes waste	1m installations
Expected completion	Jan. 2018	H2 2018	H1 2019	2020	2020/2021	2022	2019	H1 2018	2020
Status	On track	On track	On track	On track	On track	On track	On track	Delayed	On track
Comments	Wind farm fully commis-sioned end of January	Walney 3: All 40 turbines installed. Walney 4: Turbine installation ongoing	Foundation construction back on track. Foundation installation to commence in spring 2018	Transmission assets under construction. Foundation installation commenced	Turbines contracted	Contracting in progress	Conversion from coal to sustainable wood chips	Construction completed. Commis-sioning work ongoing	183,000 new meters in use end of 2017

Wind Power market development

Germany	• Auction of 1.6GW in April 2018 • Climate targets and strategy being discussed by potential government coalition partners
US	• Submitted first bid in Massachusetts in December 2017 • Final agreement for construction of Virginia pilot being negotiated with Dominion Energy • Offshore wind gaining momentum along US East Coast • Connecticut, auction for up to 200MW in April 2018 • New York, solicitation for 800MW in 2018/2019
Taiwan	• EIA expert council recommends approvals for Greater Changhua 1-4 • Allocation of 5.5GW grid capacity • Government announced additional 2.5GW build-out on top of original 3.0GW target
Netherlands	• Holland Coast South 3 & 4 tender of 700MW in Q3 2018 • Holland Coast 5 tender of 700MW in 2019 • New government targets 10GW offshore wind constructed 2020-2030

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Strategic direction and priorities

Offshore wind
CAPEX (2018-2023) 85-90%

- Maintain market leadership in offshore wind
- Continue to pioneer new markets and develop a global business
- Keep innovating and reducing the cost of offshore wind
- Leverage market leading partnership model
- Realise current build-out plan of 8.9GW towards 2022 and expand to 11-12GW by 2025
- Implement operational excellence and digitisation initiatives across EPC and O&M

Utility
CAPEX (2018-2023) 5-10%

- Complete biomass conversions of Danish CHP plants and phase out coal by 2023
- Roll out smart meters to build intelligent power distribution grid
- Enhance customer experience through digitisation and product innovation
- Provide competitive route-to-market for own and customers' generation portfolios
- Optimise activities within natural gas as a transition fuel
- Drive cost efficiency across utility business

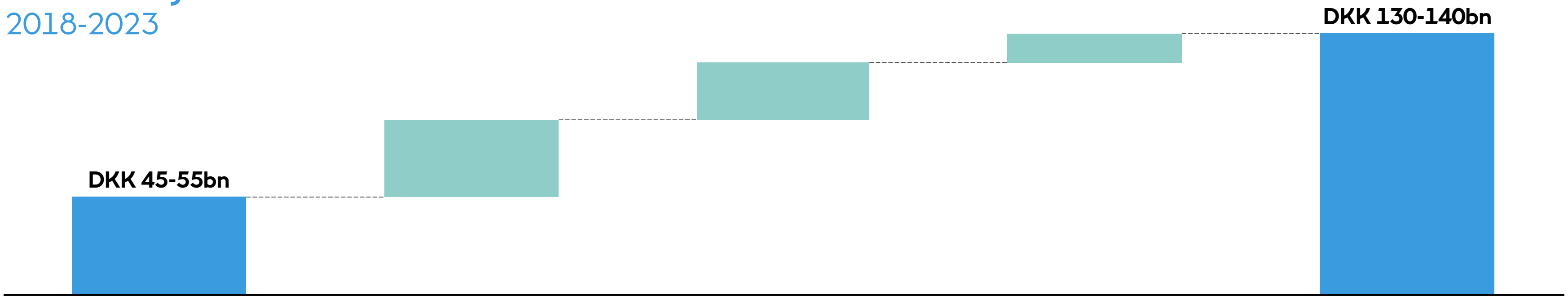
Growth opportunities
CAPEX (2018-2023) 0-10%

- Renescience: Innovative enzymatic waste treatment
- Mature the Energy-as-a-Service concept for industrial and commercial customers
- Explore potential within other green energy technologies:
  - Energy storage
  - Solar PV
  - Onshore wind

Let's create a world that runs entirely on green energy

Capital deployment spectrum towards 2023

Illustrative gross investments
2018-2023



Only currently committed capital spend, 'locked in' growth, high pay-out scenario:
- No additional WP FIDs beyond current build-out plan (8.9GW)
- All projects farmed down
- No additional green growth opportunities pursued

FID of additional 3-4GW offshore wind

No farm downs post Hornsea 1

Additional green growth opportunities

High capital spend, only currently committed dividends, extraordinary profit growth:
- Additional 3-4GW wind FID'ed
- No farm-down post Hornsea 1
- Investments in additional value creating green growth

Significant additional dividend pay-out

Spectrum of dividends and long-term growth

Significant additional long-term growth and value creation

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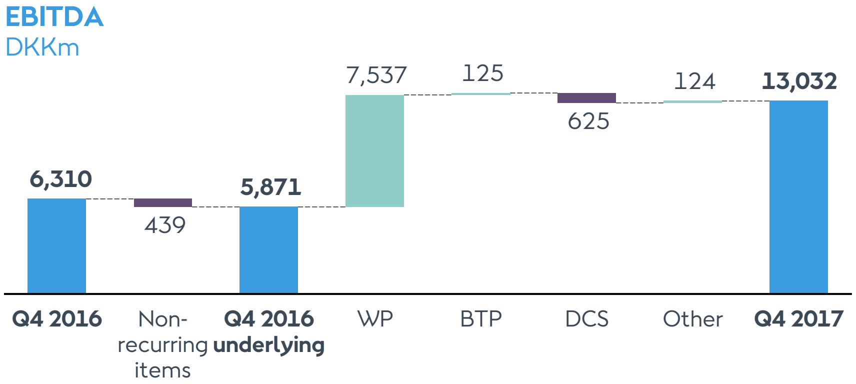
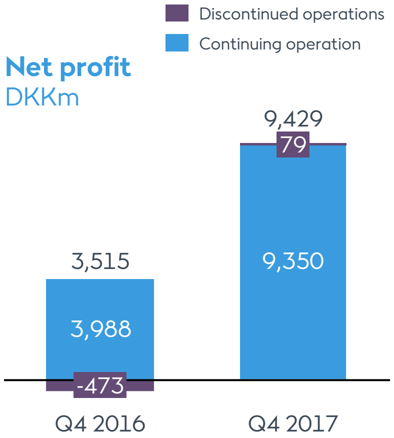
EBITDA more than doubled in Q4 2017



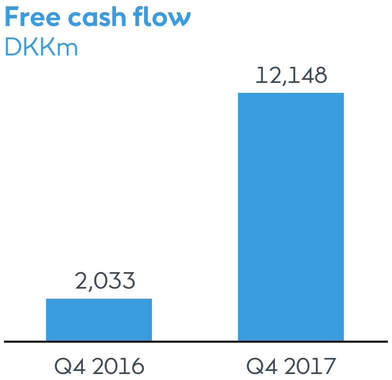
Underlying EBITDA increased DKK 7.2bn

- Non-recurring lump sum compensation in DCS in 2016
- Earnings from operating wind farms up 70%
- Farm-down of Walney Ext. and Borkum Riffgrund 2 in Q4 2017 and Race Bank in Q4 2016
- Increased earnings from heat and power generation and ancillary services
- Further provision regarding capacity in LNG-terminal (DKK 0.4bn)



Net profit up DKK 5.9bn

- Higher EBITDA
- Net profit from discontinued operations increased DKK 0.5bn



FCF increased DKK 10.1bn

- Divestment of 50% of Walney Ext. and Borkum Riffgrund 2
- CFO increased due to higher EBITDA (after reversal of gain on disposal of assets) and prepayments from partners
- Higher gross investments

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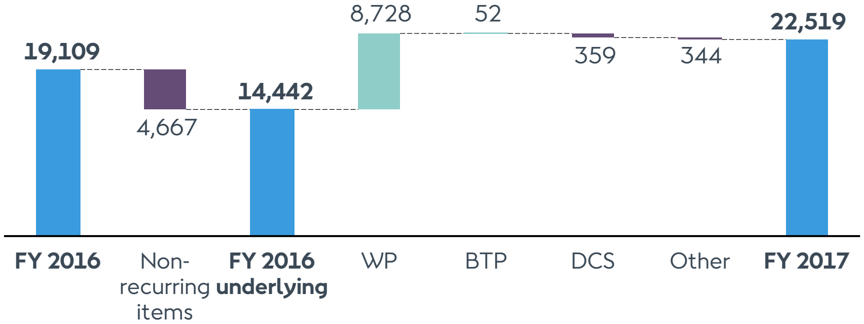
All-time high EBITDA and net profit

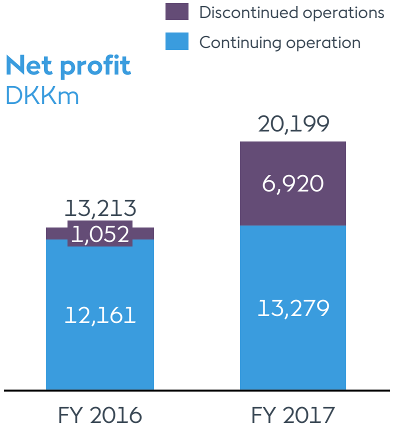
EBITDA
DKKm



Underlying EBITDA increased DKK 8.1bn

- Non-recurring lump sum compensations and earnings from divested Gas Distribution in DCS in 2016
- Earnings from operating wind farms up 45% to DKK 8.5bn
- Earnings from partnerships up due to farm-down of Walney Ext. & Borkum Riffgrund 2 in 2017 (Burbo Bank Ext. and Race Bank in 2016)
- BTP up DKK 0.1bn due to biomass conversions
- DCS down DKK 0.4bn due to further provision regarding capacity in LNG-terminal

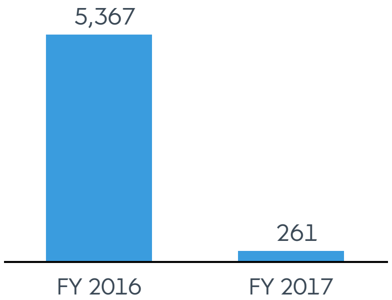
Net profit
DKKm



Net profit up DKK 7.0bn

- Higher EBITDA partly offset by higher depreciation and DKK 1.3bn gain from the divestment of the gas distribution network in 2016
- Net profit from discontinued operations increased DKK 5.9bn (of which DKK 2.4bn gain on divestment)

Free cash flow
DKKm

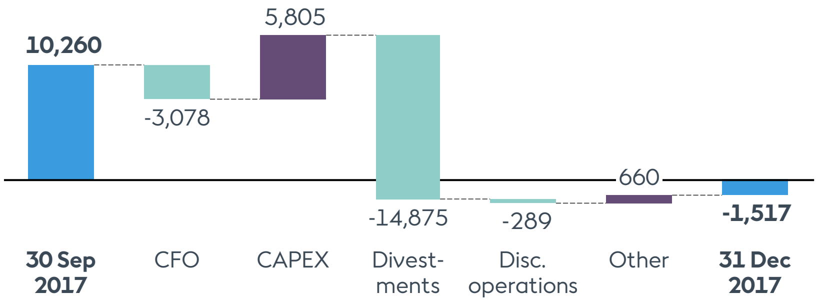


Positive free cash flow in 2017

- Expectation of negative FCF at year-start
- Positively impacted by timing of Borkum Riffgrund 2 farm-down and redistribution of Walney Ext. farm-down gain
- Gross investment at low end of guidance range
- Strong underlying performance

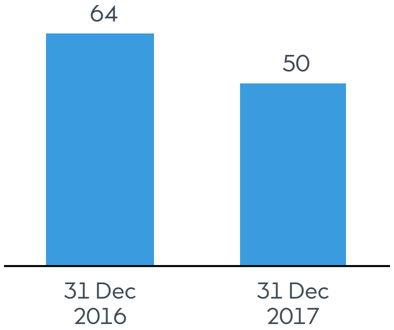
Net cash of DKK 1.5bn and increased ROCE

Net interest-bearing debt development
DKKm



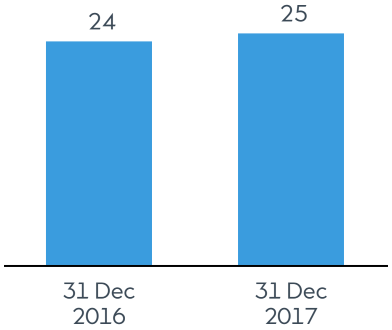
Negative net interest-bearing debt
- Divestment of 50% of Walney Ext. and Borkum Riffgrund 2
- CFO increased due to higher EBITDA (after reversal of gain on disposal of assets) and prepayments from partners
- CFO includes DKK 2.7bn tax payments. We expect to exit the International Joint Taxation in 2017. The DKK 1.7bn re-taxation balance was paid in November

FFO / Adj. net debt
%



FFO / Adj. net debt of 50%
- Credit metric above our target of around 30%
- Updated metric to reflect rating agencies' approach (SPA gains reversed in FFO)

ROCE
%



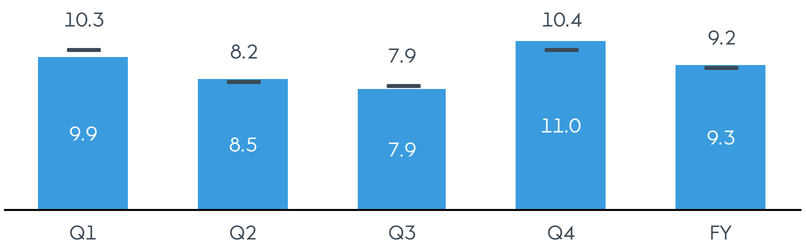
ROCE of 25%
- Wind Power ROCE of 28% boosted by strong generation and farm-down gains
- DCS ROCE of 13% driven by steady returns on power distribution grid and strong performance in Markets

Wind measurements

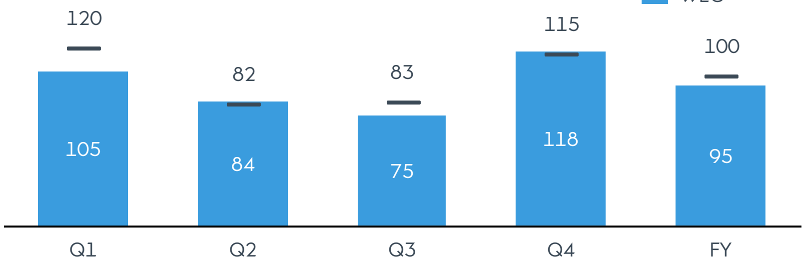
Change from wind energy content to wind speed

- Wind speed is more intuitively understandable and transparent (meters per second vs. an index)
- Wind speed is based directly on external data sources and can be compared with a historically normal wind year
- Wind speed measurements are weighted on the basis of the individual wind farms' generation capacity and consolidated into a total for Ørsted (the same way as generation)
- WEC was calculated based on our power generation, but was negatively biased as it also included generation down-time like curtailment[1]
- A shift to wind speed will improve the robustness of our wind measurements

New metric – Wind speed (m/s)
2017



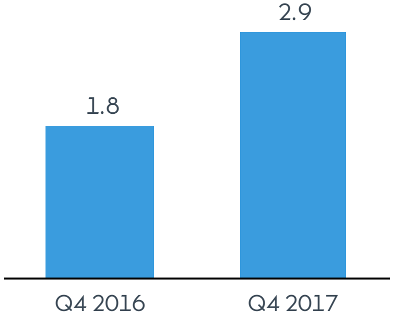
Old metric – WEC
2017



1. Curtailment is lower power generation in periods where we are prevented by the national system operator from exporting power to the national power transmission system

Wind Power – Strong results in Q4 2017

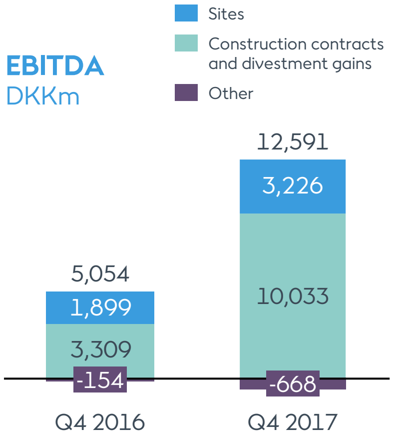
Power generation
TWh



Power generation up 61%

- Increased generation from Gode Wind 1&2 and Burbo Bank Ext., and start-up of generation from Race Bank and Walney Ext.
- Higher wind speed (11.0m/s vs. 9.4m/s in Q4 2016. Norm of 10.4m/s)

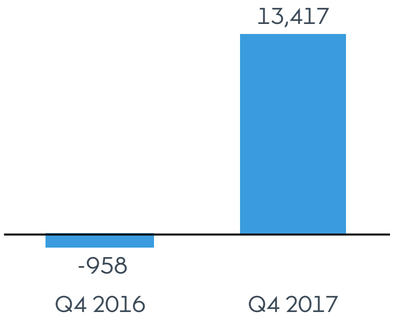
EBITDA
DKKm



EBITDA up DKK 7.5bn

- Earnings from operating wind farms up 70%
- SPA gains from Walney Ext. and Borkum Riffgrund 2 in 2017 (Race Bank in 2016)
- Higher project development costs due to expansion into new markets

Free cash flow
DKKm



FCF increased DKK 14.4bn

- Divestment of Borkum Riffgrund 2 and Walney Ext. in Q4 2017 (Race Bank in 2016)
- Higher tax payments in Q4 2016
- Receipt of milestone payments in 2017

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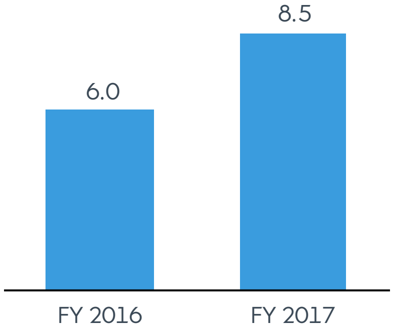
Wind Power – Strong operational and partnership results

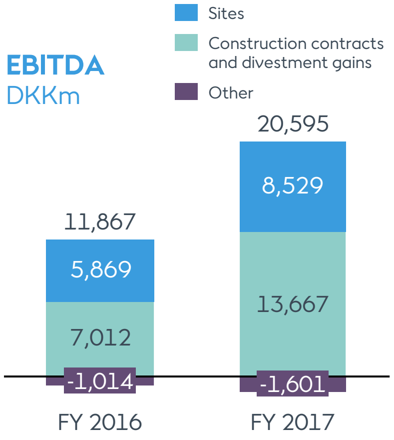
Power generation
TWh



Power generation up 42%

- Increased generation from Gode Wind 1&2 and Burbo Bank Ext., and start-up of generation from Race Bank and Walney Ext.
- Higher wind speed (9.3m/s vs. 8.9m/s in 2016. Norm of 9.2m/s)
- Higher availability in 2017 (93% vs. 92% in 2016)

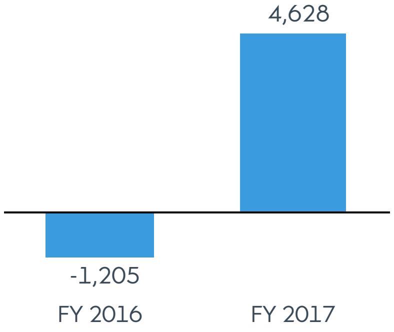
EBITDA
DKKm



EBITDA of DKK 20.6bn

- Earnings from operating wind farms up 45%
- Partnership earnings nearly doubled
- Higher project development costs due to expansion into new markets

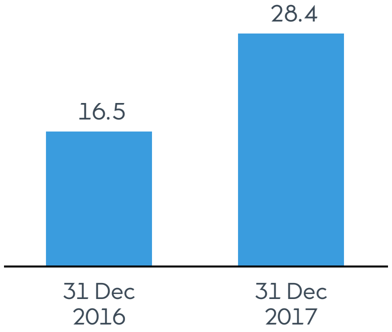
Free cash flow
DKKm



FCF increased DKK 5.8bn

- High proceeds from farm-downs partly offset by higher gross investments

ROCE
%

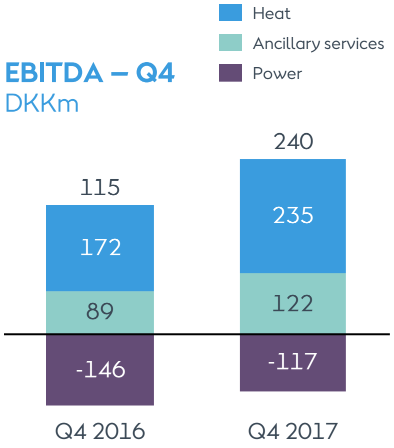


ROCE up 12%-point

- Higher earnings from sites and significant impact from gain on the divestments

Bioenergy & Thermal Power – IPO guidance reached

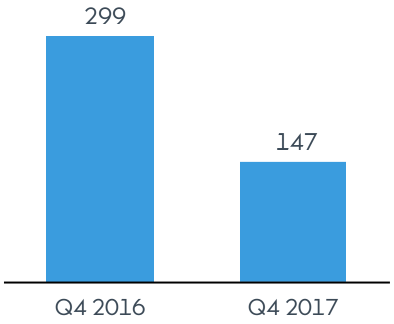
EBITDA – Q4
DKKm



EBITDA doubled

- Higher earnings from heat and power generation as well as ancillary services

Free cash flow – Q4
DKKm

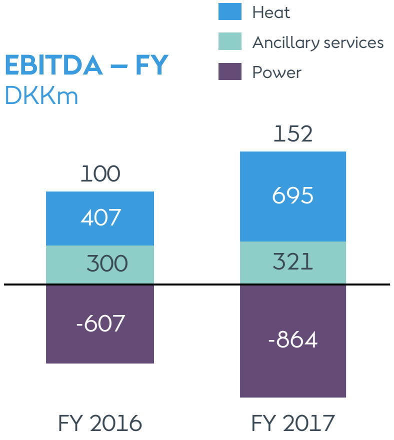


FCF of DKK 0.1bn

- Higher level of funds tied up in working capital
- Partly offset by higher EBITDA

The case against the Danish Competition Authorities concerning the former Elsam's alleged excessive pricing in 2005 and 2006 is scheduled for oral hearing in the High Court of Western Denmark in April 2018. We have booked a provision of DKK 298m with the addition of interest concerning the claims for compensation raised in connection with the alleged excessive pricing.

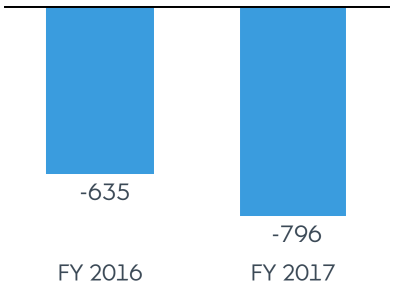
EBITDA – FY
DKKm



EBITDA of DKK 0.2bn

- IPO guidance on doubling of heat EBITDA in 2017 vs. 2015 reached, driven by bio-conversions
- Negative effect from adverse market conditions for power generation

Free cash flow – FY
DKKm

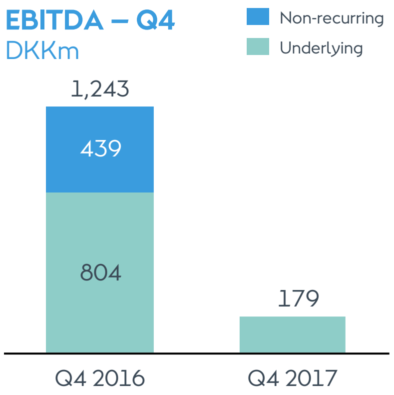


FCF of DKK -0.8bn

- Still expect positive free cash flow for full year 2018

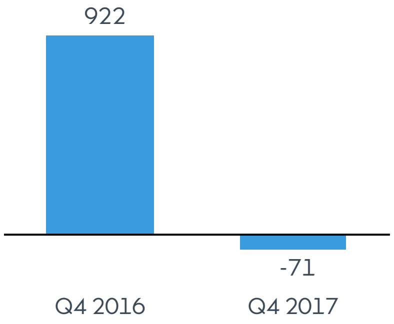
Distribution & Customer Solutions – Q4 & FY 2017

EBITDA – Q4
DKKm



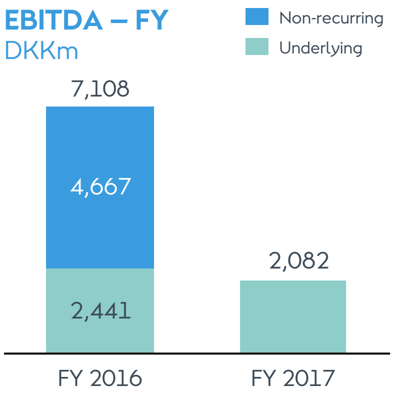
EBITDA decreased DKK 1.1bn
- Lump sum compensation from gas contract renegotiation in 2016
- Increased provision regarding onerous contract for capacity in LNG-terminal in Q4 2017 (DKK 0.4bn)

Free cash flow – Q4
DKKm



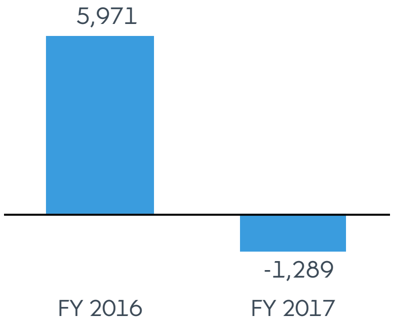
FCF decreased DKK 1.0bn
- Lower EBITDA
- Receivables from renegotiations in Q3 2016 received in Q4 2016

EBITDA – FY
DKKm



EBITDA of DKK 2.1bn
- Lump sum compensations from gas contract renegotiations and earnings from divested Gas Distribution in 2016
- Increased provision regarding onerous contract for capacity in LNG-terminal in Q4 2017 (DKK 0.4bn)

Free cash flow – FY
DKKm



FCF decreased DKK -7.3bn
- Lower EBITDA
- Proceeds from divestment of gas distribution in 2016
- Higher gross investments

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Outlook – New EBITDA guidance method

New EBITDA guidance method

- Future guidance only include existing WP partnership agreements
- Previously, outlook included partnership agreements expected to be concluded during the year
- Outlook was thus particularly sensitive to timing of farm-downs and distribution of income between years
- 2018 EBITDA excluding new partnership agreements is expected to be DKK 12-13 billion
- If Hornsea 1 is farmed down in 2018, EBITDA including new partnerships will expectedly be higher than 2017

Gross investments in 2018

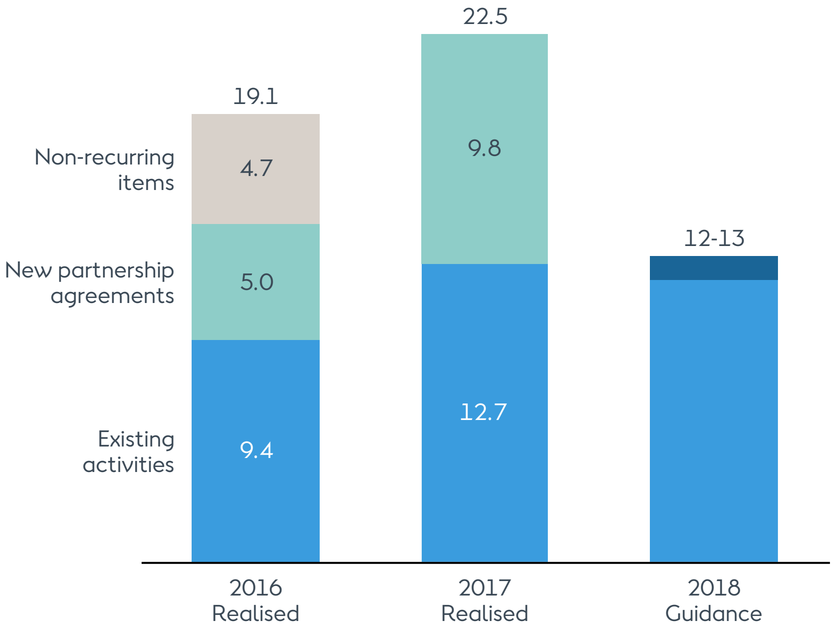
- Gross investments expected to amount to DKK 16-18 billion

Work-in-progress

- Significant funds temporarily tied up in construction of transmission assets in the UK (part of operating cash flow)
- Funds tied up in work-in-progress of DKK 7.5bn end of 2017
- Expect to divest Burbo Bank Ext. transmission asset in H1 2018
- Expect funds tied up in work-in-progress to increase in 2018 due to the construction of transmission assets at Hornsea 1 and 2

Guidance on EBITDA excl. new WP partnerships

DKKbn



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Outlook – Business unit EBITDA FY 2018 vs. FY 2017

Wind Power (excl. new partnership agreements) – Higher

- Earnings from offshore wind farms in operation are expected to increase (DKK 8.5bn in 2017)
- Earnings from existing partnership agreements are expected to decline (DKK 3.9bn in 2017)
- Slightly higher expensed project development costs (DKK -1.6bn in 2017)

Hornsea 1

- We still expect a 50% farm-down of Hornsea 1, either in H2 2018 or in 2019

HIGHER

Bioenergy & Thermal Power – Higher

- Total EBITDA from our heat and power generation activities expected to increase (DKK -0.2bn in 2017)
- Earnings from ancillary services expected to be in line (DKK 0.3bn in 2017)

HIGHER

Distribution & Customer Solutions – Significantly lower

- Earnings from Distribution are expected to be in line (DKK 1.2bn in 2017)
- Expect significantly lower earnings from Markets in 2018 (DKK 1.4bn in 2017). Increasing gas prices in 2017 led to an increase in the accounting value of our gas at storages. All other things equal, this will lead to an offsetting negative effect in 2018 when we sell the gas
- Earnings in LNG (DKK -0.6bn in 2017) are expected to improve in 2018, as 2017 were negatively impacted by provisions

SIGNIFICANTLY LOWER

WP guidance on growth in sites EBITDA towards 2023

Average yearly increase in WP sites EBITDA (CAGR)

- We introduce a new directional target for the operating profit from our offshore wind farms in operation
- We expect an average annual increase in EBITDA (incl. O&M and PPAs) of 13%-14% from 2017 to 2023 (CAGR)
- The portfolio includes currently decided offshore wind farms through Hornsea 2. Hornsea 1 is assumed to be farmed down but the target doesn't take into account farm-downs after Hornsea 1

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Lower CAPEX guidance on Wind Power build-out

Reductions in construction costs achieved

- At time of IPO average CAPEX/MW for the FID'ed build-out portfolio of six offshore wind farms (Gode Wind 1+2, Burbo Bank Ext., Race Bank, Walney Ext., Borkum Riffgrund 2 and Hornsea 1) was estimated at DKK 22-24m/MW*
- The portfolio has now been substantially progressed with some projects being finalised and the rest either in late stage construction or fully contracted
- Most recent estimate of the average CAPEX/MW for the portfolio of the six offshore wind farms is down close to DKK 20m/MW*
- Post 2020 European projects will be materially lower due to significant cost-of-electricity improvements in recent years

Key offshore wind CAPEX/MW reduction drivers

- Larger turbines
- Larger sites
- Innovation throughout the value chain
- Faster installation cycles
- Increased supply chain competition

* Weighted average 2015 prices

Financial targets and financial policies

Return on capital employed (ROCE) 2018-2023

- Target average ROCE of 12-14% for the Group in the 2018-2023 period (previously 2017-2023)
- Wind Power main contributor with a targeted average ROCE of 13-15%
- Target maintained, even though we are now excluding 2017, with Group ROCE of 25% and WP ROCE of 28%

Financial policies

- Dividend DKK 9 per share (DKK 3.8 billion in total) to be paid for FY 2017, an increase of 50% vs. FY 2016
- Objective is to increase dividends by a high single-digit rate compared to the dividends for the previous year up until 2020
- Objective of maintaining a BBB+/Baa1 rating profile

Adjusted capital structure ratio

- Credit metric adjusted to exclude the SPA effect of gains on farm-downs of offshore wind assets
- Metric aligned to the credit rating agencies' method
- Target is still a ratio of around 30%

Financial targets	Target	Year
Return on capital employed (ROCE)		
Group	12-14%	Avg. 2018-2023
Wind Power	13-15%	Avg. 2018-2023
Distribution & Customer Solutions	9-11%	Avg. 2018-2023
Free cash flow		
Bioenergy & Thermal Power	Positive	2018
Average yearly growth in EBITDA (CAGR)		
Wind farms in operation*	13%-14%	2017->2023

Financial policies	
Rating (Moody's/S&P/Fitch)	Min. Baa1/BBB+/BBB+
FFO/Adjusted net debt	Around 30%

* Hornsea 1 assumed to be farmed down (50%) but no farm-downs beyond Hornsea 1 assumed

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2018 key priorities

- Commissioning of Race Bank and Walney Ext.
- Construction progress on Hornsea 1, Borkum Riffgrund 2, Borssele 1&2 and Hornsea 2
- Hornsea 1 farm-down process
- German auction
- US market expansion
- Taiwan: Greater Changhua 1-4
- Path to coal free: Asnæs bioconversion and Esbjerg agreement
- Commissioning of Renescience plant in Northwich
- 650.000+ smart meters in use
- New green growth initiatives

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Q&A

Conference call

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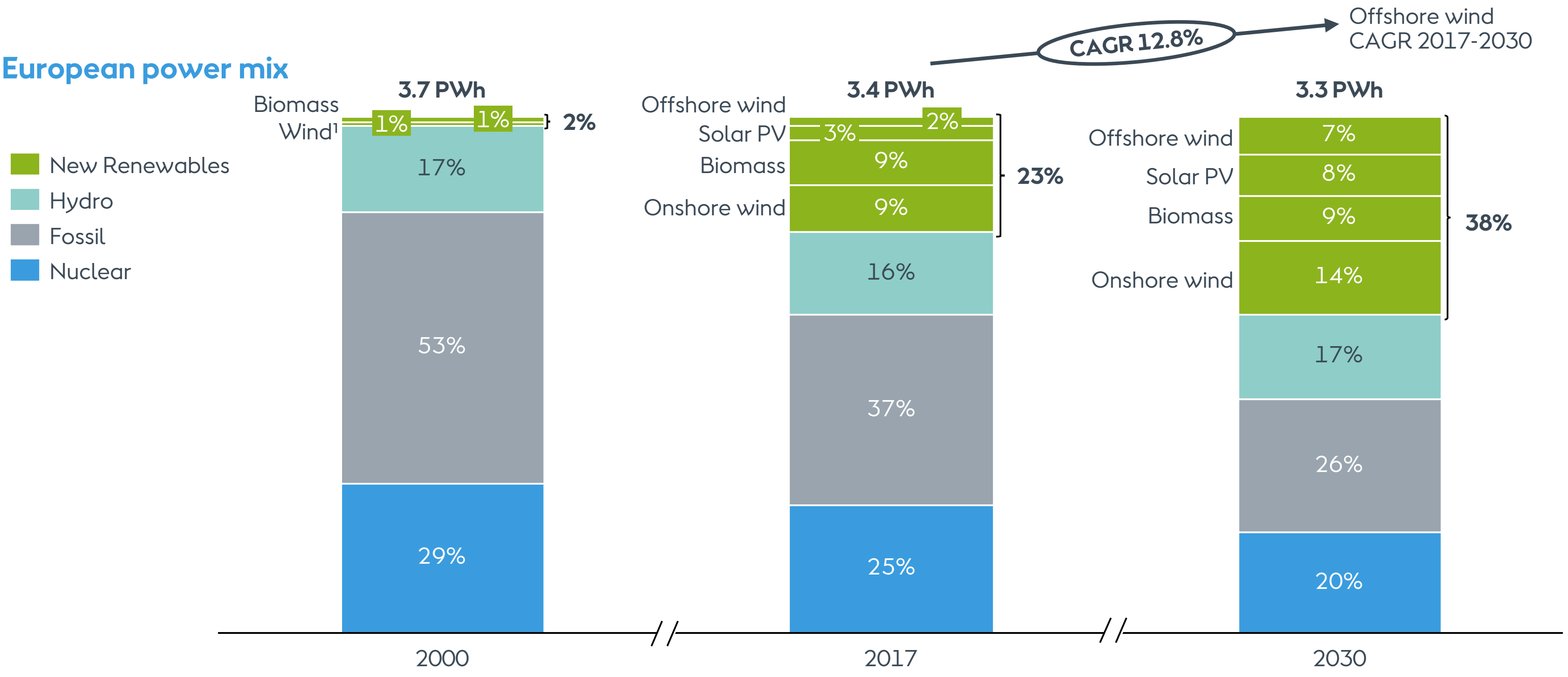
For questions, please press 01

Appendix

Structural transformation of European power generation

European power mix

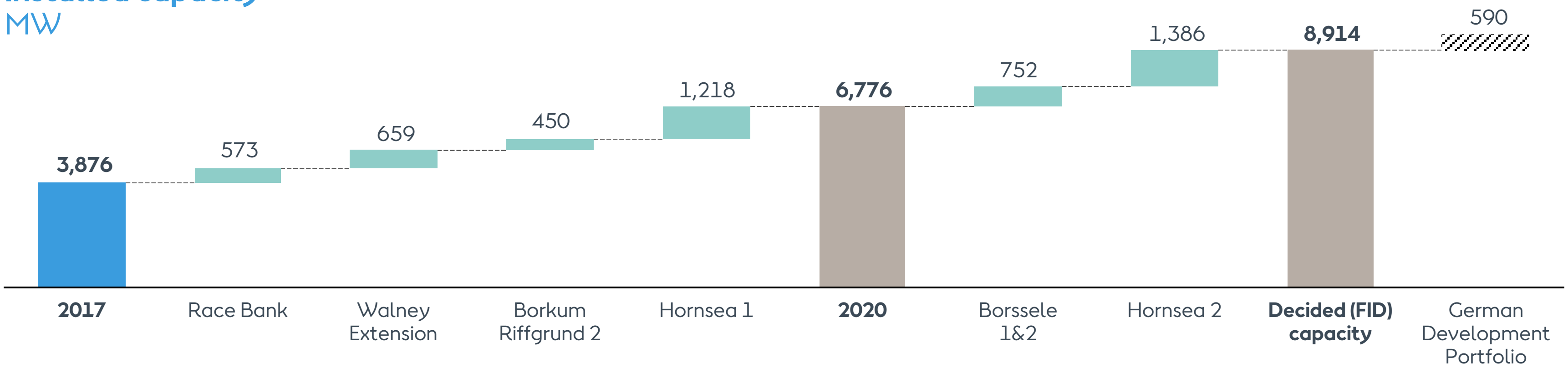


[1] Offshore and onshore wind combined.

 Source: International Energy Agency (IEA), World Energy Outlook 2017; Bloomberg New Energy Finance (BNEF), New Energy Outlook 2017.

Wind Power build-out plan

Installed capacity
MW



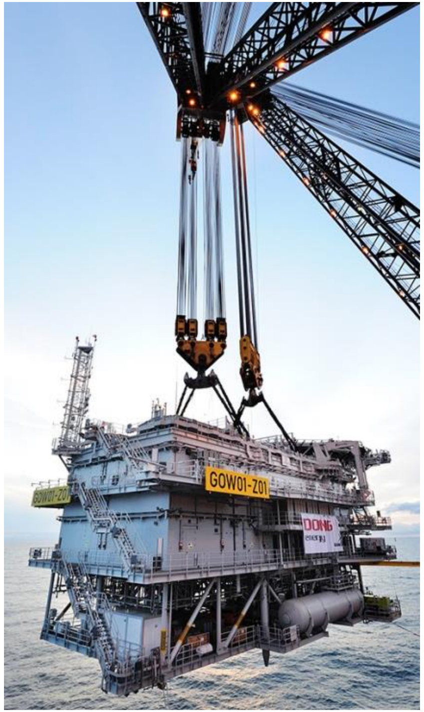
Country	UK	UK	Germany	UK		Netherlands	UK		Germany
Expected completion	Jan 2018	H2 2018	H1 2019	2020		2020/21	2022		2024 (FID expected in 2021)
Turbine	91 Siemens Gamesa 6.3MW	40 MHI Vestas 8MW 47 Siemens-Gamesa 7MW	56 MHI Vestas 8MW	174 Siemens Gamesa 7MW		94 Siemens Gamesa 8MW	Turbine selection pending		

SPA/CA split and timing of CA gains on farm-downs

Wind farm	MW capacity	Commissioning	SPA/CA split	2015	2016	2017	2018e	2019e
Gode Wind 1	330	Q4 2016	SPA	All				
			CA: 75-100%	0-10%	65-75%	20-30%		
Gode Wind 2	252	Q4 2016	SPA					
			CA: 75-100%	55-65%	30-40%	0-10%		
Burbo Bank Ext.	258	Q1 2017	SPA		DKK 0.6bn			
			CA: 75-100%		80-90%	10-20%		
Race Bank	573	Q1 2018	SPA		DKK 2.5bn	DKK 1.4bn		
			CMA: 25-50%			90-100%	0-10%	
Walney Ext.	659	H2 2018	SPA			All		
			CA: 0-25%			0-10%	80-90%	0-10%
Borkum Riffgrund 2	450	H1 2019	SPA			All		
			CA: 25-50%			0-10%	80-90%	0-10%
Hornsea 1	1,218	2020						

Group – Financial highlights Q4 & FY

FINANCIAL HIGHLIGHTS		Q4 17	Q4 16	Δ	FY 17	FY 16	Δ
EBITDA	DKKm	13,032	6,310	107%	22,519	19,109	18%
• Wind Power		12,591	5,054	149%	20,595	11,867	74%
• Bioenergy & Thermal Power		240	115	109%	152	100	52%
• Distribution & Customer Solutions		179	1,243	(86%)	2,082	7,108	(71%)
Net profit – continuing operations		9,350	3,988	134%	13,279	12,161	9%
Net profit – discontinued operations		79	(473)	n.a.	6,920	1,052	558%
Total net profit		9,429	3,515	168%	20,199	13,213	53%
Operating cash flow		3,078	1,752	76%	1,023	11,272	(91%)
Gross investments		(5,805)	(4,732)	23%	(17,744)	(14,960)	19%
Divestments		14,875	5,013	197%	16,982	9,055	88%
Free cash flow – continuing operations		12,148	2,033	498%	261	5,367	(95%)
Net interest-bearing debt		(1,517)	3,461	n.a.	(1,517)	3,461	n.a.
FFO/Adjusted net debt	%	50	64	14%p	50	64	14%p
ROCE[1]	%	25.2	24.4	0.8%p	25.2	24.4	0.8%p



1. ROCE: Last 12 months

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WP – Financial highlights Q4 & FY

FINANCIAL HIGHLIGHTS		Q4 17	Q4 16	Δ	FY 17	FY 16	Δ
EBITDA	DKKm	12,591	5,054	149%	20,595	11,867	74%
• Sites incl. O&Ms and PPAs		3,226	1,899	70%	8,529	5,869	45%
• Construction contracts and farm-down gains		10,033	3,309	203%	13,667	7,012	95%
• Other incl. A2SEA and project development		(668)	(154)	334%	(1,601)	(1,014)	58%
ROCE[1]	%	28.4	16.5	11.9%p	28.4	16.5	11.9%p
KEY BUSINESS DRIVERS							
Power generation	TWh	2.9	1.8	61%	8.5	6.0	42%
Wind speed	m/s	11.0	9.4	17%	9.3	8.9	4%
Availability	%	92	94	(2%p)	93	92	1%p
Load factor	%	54	49	5%p	44	41	3%p
Installed capacity	GW	3.9	3.6	8%	3.9	3.6	8%
Production capacity	GW	2.5	2.0	25%	2.5	2.0	25%

1. ROCE: Last 12 months

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BTP – Financial highlights Q4 & FY

FINANCIAL HIGHLIGHTS		Q4 17	Q4 16	Δ	FY 17	FY 16	Δ
EBITDA	DKKm	240	115	109%	152	100	52%
• Heat		235	172	37%	695	407	71%
• Ancillary services		122	89	37%	321	300	7%
• Power		(117)	(146)	(20%)	(864)	(607)	42%
Free cash flow		147	299	(51%)	(796)	(635)	25%
KEY BUSINESS DRIVERS							
Heat generation	TWh	2.8	3.1	(10%)	9.0	9.2	(2%)
Power generation	TWh	2.3	3.0	(23%)	8.2	8.4	(2%)
Degree days	#	895	962	(7%)	2,705	2,715	(0%)
Power price, DK	EUR/MWh	30.6	34.6	(11%)	31.0	28.0	11%
Green dark spread, DK	EUR/MWh	(5.1)	0.7	n.a.	(1.6)	3.4	n.a.

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DCS – Financial highlights Q4 & FY

FINANCIAL HIGHLIGHTS		Q4 17	Q4 16	Δ	FY 17	FY 16	Δ
EBITDA	DKKm	179	1,243	(86%)	2,082	7,108	(71%)
• Distribution		172	233	(23%)	1,199	1,602	(25%)
• Sales		21	(71)	n.a.	32	(15)	n.a.
• Markets		575	1,131	(49%)	1,422	5,766	(75%)
• LNG		(589)	(40)	n.a.	(571)	(245)	133%
ROCE[1]	%	13.1	75.8	(62.7%p)	13.1	75.8	(62.7%p)
KEY BUSINESS DRIVERS							
RAB Power	DKKm	10,623	10,648	(0%)	10,623	10,648	(0%)
Gas sales	TWh	36.9	36.1	2%	136.1	150.4	(10%)
Power sales	TWh	10.6	9.2	15%	37.7	36.7	3%
Distribution of power	TWh	2.2	2.3	(4%)	8.4	8.5	(1%)

1. ROCE: Last 12 months

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Differences in Business Performance EBITDA and IFRS EBITDA

DKKm	FY 2017	FY 2016
EBITDA – BUSINESS PERFORMANCE (BP)	**22,519**	**19,109**
BP adjustment in respect of revenue for the year	205	(3,808)
BP adjustment in respect of COGS for the year	(150)	1,638
EBITDA – IFRS	**22,574**	**16,939**
Total BP adjustments for the year comprise:		
MtM of financial and physical hedging contracts relating to other periods	(138)	(1,397)
Reversal of deferred gain (loss) relating to hedging contracts from previous periods, where the hedged production or trade is recognised in BP EBITDA for this period	193	(773)
TOTAL ADJUSTMENTS	**55**	**(2,170)**

SPECIFICATION OF BP ADJUSTMENTS, DKKm	MTM OF HEDGING CONTRACTS RELATING TO OTHER PERIODS		REVERSAL OF DEFERRED GAIN (LOSS)	
	FY 2017	FY 2016	FY 2017	FY 2016
Oil hedge	404	267	46	1,654
Coal hedge	38	75	(32)	151
Currency hedge	150	1,156	(12)	(615)
Gas hedge (commercial and hedge)	106	(735(	(106)	(1,539)
Power hedge (commercial and hedge)	(836)	(2,160)	297	(424)
TOTAL	**(138)**	**(1,397)**	**193**	**(773)**

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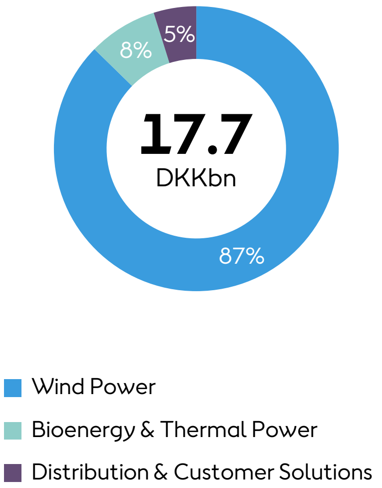
Investments

GROSS AND NET INVESTMENTS (DKKm)	FY 2017	FY 2016
Cash flow from investing activities	(10,054)	(1,060)
Dividends received and capital reduction, reversed	(13)	(22)
Purchase and sale of securities, reversed	9,197	(4,564)
Loans to associates and JVs, reversed	47	(210)
Sale of assets and companies reversed	(16,921)	(9,104)
GROSS INVESTMENTS	**(17,744)**	**(14,960)**
Transactions with non-controlling interests in connection with divestments	61	(49)
Sale of non-current assets	16,921	9,104
TOTAL CASH FLOWS FROM DIVESTMENTS	**16,982**	**9,055**
NET INVESTMENTS[1]	**(762)**	**(5,905)**

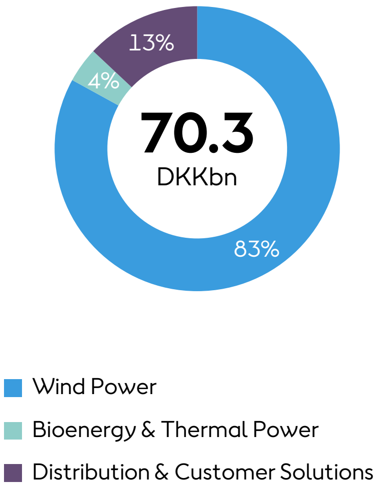
Gross investments per business unit

FY 2017



Capital employed per business unit

31 Dec 2017



1. Net investments are defined as the effect on Ørsted's net debt from investments and acquisitions and disposals of enterprises

FFO/Adjusted net debt calculation

FUNDS FROM OPERATIONS / ADJUSTED NET DEBT (DKKm)	FY 2017	FY 2016
EBITDA – Business Performance	**22,519**	**19,109**
Interest expenses, net	(629)	(402)
Reversal of interest expenses transferred to assets	(754)	(574)
Interest element of decommission obligations	(194)	(172)
50% of coupon payments on hybrid capital	(320)	(320)
Operating lease obligations, interest element	(234)	(194)
Adjusted net interest expenses	**(2,131)**	**(1,662)**
Reversal of gain (loss) on divestment of assets	(10,835)	(2,940)
Reversal of recognised lease payment	885	746
Current tax	(2,447)	(3,665)
FUNDS FROM OPERATION (FFO)	7,991	11,588
Total interest-bearing net debt	**(1,517)**	**3,461**
50% of hybrid capital	6,619	6,624
Cash and securities, not available for distribution	749	953
Present value of operating lease payments	6,095	3,986
Decommission obligations	4,751	3,649
Deferred tax on decommissioning obligations	(797)	(627)
ADJUSTED INTEREST-BEARING NET DEBT	15,900	18,046
FFO / ADJUSTED INTEREST-BEARING NET DEBT	50%	64%

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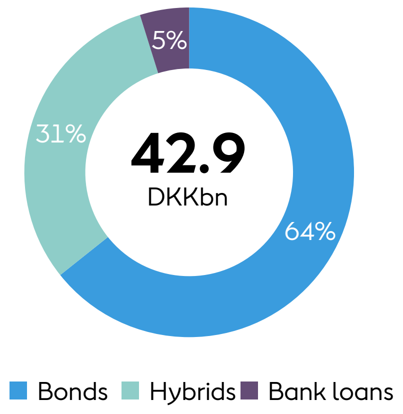
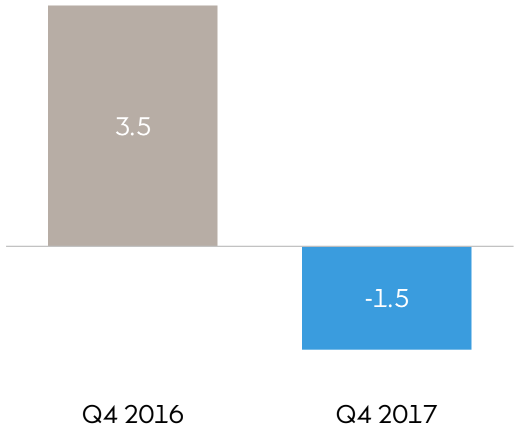
Debt overview

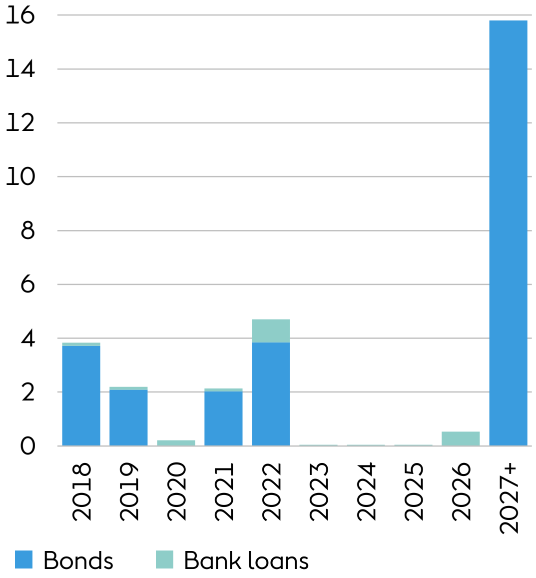
Gross debt and hybrids
Q4 2017



Net debt
DKKbn



Long term gross debt maturity schedule Q4 2017, DKKbn



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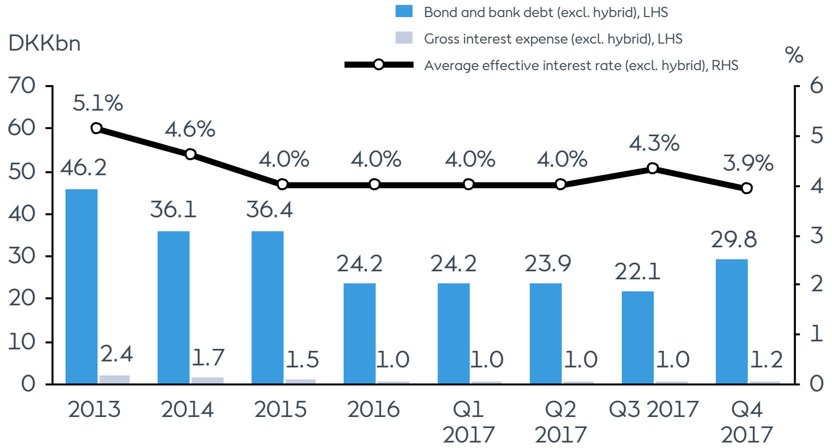
Interest rate risk and funding costs

Effective funding costs – gross debt
(excl. hybrid)



- Funding costs reflect existing bonds issued during period from 2009 to 2017
- Marginal funding cost is much lower
- Liability management activities during recent years focused on short end of maturity profile
- Average effective interest rate higher in Q3 2017 due to repayment of floating rate bank loan, and lower in Q4 2017 after new debt issues

Key risk figures Q4 2017
(excl. hybrid)

	Cost of debt (%)	*Modified duration (%)*	*Avg. time to maturity (years)*
Bond loans	4.1	8.0	10.1
Bank loans	0.1	0.5	7.0
Total	**3.9**	**7.6**	**9.8**

Hybrid capital in short

Hybrid capital can broadly be defined as funding instruments that combine features of debt and equity in a cost efficient manner

- Hybrid capital encompasses the credit supportive features of equity and improves rating ratios
- Perpetual or long-dated final maturity (1,000 years for Ørsted)
- Absolute discretion to defer coupon payments and such deferrals do not constitute default nor trigger cross-default
- Deeply subordinated and only senior to common equity
- Without being dilutive to equity holders (no ownership and voting rights, no right to dividend)

Due to hybrid's equity like features, rating agencies assign equity content to the hybrids when calculating central rating ratios (e.g. FFO/NIBD)

The hybrid capital has increased Ørsted's investment capacity and supports the growth strategy and rating target

Ørsted has made use of hybrid capital to maintain our ratings at target level in connection with the merger with Danish power distribution and production companies back in 2006 and in recent years to support our growth in the offshore wind sector

Currently, Ørsted has fully utilised it's capacity to issue hybrids (S&P has the strictest limit of 15% of total capitalisation)

HYBRIDS ISSUED BY ØRSTED A/S[1]	PRINCIPAL AMOUNT	TYPE	FIRST PAR CALL	COUPON	ACCOUNTING TREATMENT[2]	TAX TREATMENT	RATING TREATMENT
4.875% hybrid due 3013[3]	EUR 500m	Hybrid capital (subordinated)	July 2018	Fixed during the first 5 years, first 25bp step-up in July 2023	100% debt	Debt – tax deductible coupon payments	100% debt
6.25% hybrid due 3013	EUR 700m	Hybrid capital (subordinated)	June 2023	Fixed for the first 10 years, first 25bp step-up in June 2023	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt
3.0% hybrid due 3015	EUR 600m	Hybrid capital (subordinated)	Nov. 2020	Fixed during the first 5.5 years, first 25bp step-up in Nov. 2025	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt
2.25% Green hybrid due 3017	EUR 500m	Hybrid capital (subordinated)	Nov. 2024	Fixed during the first 7 years, first 25bp step-up in Nov. 2029	100% equity	Debt – tax deductible coupon payments	50% equity, 50% debt

1. All listed on Luxembourg Stock Exchange and rated Baa3 (Moody's), BB+ (S&P) and BBB- (Fitch). 'The Green hybrid is furthermore listed on the Luxembourg Green Exchange (LGX)

2. Due to the 1,000-year structure

3. In November 2017 we issued the 2.25% Green hybrid in order to refinance the 4.875% hybrid on the first par call in July 2018. The 4.875% hybrid is therefore treated as debt (both accounting and rating treatment).

Benefits of hybrid capital

Hybrid capital is an attractive form of financing for corporates:

- Provides strength to the balance sheet at relatively attractive terms (tax deductible)
- Supportive to credit ratings
- WACC efficient instrument to enhance financial flexibility
- Non-dilutive source of quasi equity capital

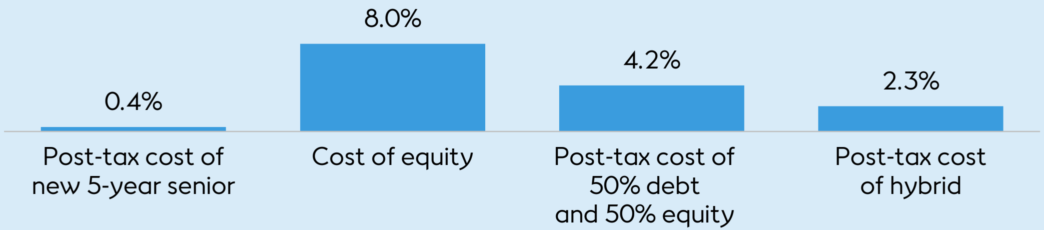
The issuance of hybrid capital is significantly cheaper than issuing proportional amounts of debt and equity

Illustrative example – current example

ASSUMPTIONS

Pricing for a hybrid with first call in year 5:	3.0% (pre-tax)
Post-tax cost of hybrid = 3.5% * (1-22%)	2.34%
Pricing for a 5-year senior bond of 0.5% (pre-tax)	
Post-tax cost of senior = 0.5%* (1-22%)	0.41%
Cost of Equity:	8%

RELATIVE COST ANALYSIS



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November 2017 - EUR hybrid and Senior transactions

	Hybrid	Senior	Liability Management
Tenor/Target Notes	1000NC7	12 years	6.500% due 2019 4.875% due 2021 2.625% due 2022
Size/Amount Tendered	EUR 500m	EUR 750m	EUR 198.7m
Coupon	2.250%	1.500%	-
Investor Demand	EUR 2.4bn	EUR 1.6bn	-
Key Highlights	• First Green Hybrid from a Nordic corporate • Third ever EUR Green Corporate Hybrid • Lowest ever coupon/yield/ spread for Nordic Corporate Hybrid irrespective on tenor	• Ørsted's lowest ever coupon • First senior bond issuance since 2012 • Lowest ever coupon/yield/spread for Nordic BBB rated corporate in the 12 years tenor	• Successfully achieved to replace "Brown Bonds" with new "Green Senior Bonds" • Weighted average success rate of ca. 17% • Lowered refinancing risk by managing upcoming maturities early
Green Aspects	• The Hybrid and Senior transactions were our first bonds issued in a Green format • The net proceeds of the issuance will be used for eligible green projects and activities that promote climate-friendly and other environmental purposes in line with our Green Bonds Framework • Second opinion with a Dark Green shading was attained from CICERO • First Green Bond Investor Letter describing the first allocation to green eligible projects is available at orsted.com		

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Ørsted has issued Green Bonds

The Green Bond Principles 2017

In November 2017 Ørsted issued a Green senior bond with maturity 2029 and a Green hybrid bond with maturity 3017.
Ørsted's Green Bonds Framework follows the four pillars of the ICMA Green Bond Principles 2017

Use of Proceeds

- Acquisition, development and construction of new Eligible Projects
- Renovation, upgrade of existing Eligible Projects

Ørsted Eligible Projects

Offshore wind farms & other renewable energy production types	Bioenergy	Energy storage, smart grid & other energy solutions

- Nuclear or fossil energy generation projects are excluded

Project Evaluation and Selection Process

- Projects will be evaluated, selected and prioritized by the Sustainability Department in consensus with the Treasury Department
- Prioritized projects will, on a quarterly basis, be presented to Ørsted's Sustainability Committee for final approval
- Only projects fulfilling the eligibility criteria will be financed using green bond proceeds

Management of Proceeds

- Proceeds has been transferred to a separate "Green Account"
- On a quarterly basis, funds from the "Green Account" will be allocated to eligible projects (upon approval of Sustainability Committee, and based on previous quarter expenditures)
- The unallocated balance will be placed in liquidity reserves and managed in accordance with Ørsted's Investment Policies

Reporting

- The first annual Green Bond Investor Letter is available at our homepage together with Ørsted's Green Bonds Frame work and Second Opinion
- The internal tracking method and allocation of funds has been verified by PwC

°C | °CICERO Dark Green

Ørsted's Green Bond Framework has been reviewed by CICERO and received a ***Dark Green shading***

Ørsted

Financing strategy

We have a centralised financing strategy as customary for vertically and horizontally integrated European energy utilities.

The strategy supports:

- A capital structure supportive of our BBB+ rating ambition
- Concentration of and scale in financing activities
- Cost efficient financing based on a strong parent rating
- Optimal terms and conditions and uniform documentation
- Transparent debt structure and simplicity
- Avoidance of structural subordination

All cash flow generated by our subsidiaries supports the creditworthiness and rating of and thus the debt taken up by the Group parent.

The financing strategy optimizes the effect of a fully integrated group cash pool where cash at practically all of the Group's more than 150 subsidiaries are made available for the Group's financing and liquidity purposes.

Financing of activities at subsidiary level is provided by the Group parent in a standardised and cost efficient set-up involving very few resources at Business Unit and Corporate Treasury.

Widespread use of project financing is not considered cost-efficient and dilutes the creditworthiness of the Group parent.

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Currency hedging principles

- The purpose of our currency risk management is to reduce the Group's currency risks over a 5-year horizon
- The main principle is to hedge FX exposure once it is deemed relatively certain that the underlying cash flows in foreign currency will materialise
- Thus, FX risk is hedged concurrently with the hedging of energy price risk
- FX risk related to divestments and investments are hedged once the amount is relatively certain
- Hedging of ROC and CfD income deviates from main principle and follows a staircase model (see next page). GBP therefore constitutes a strategic risk
- Management of currency risks is centralised at Ørsted to obtain netting advantages

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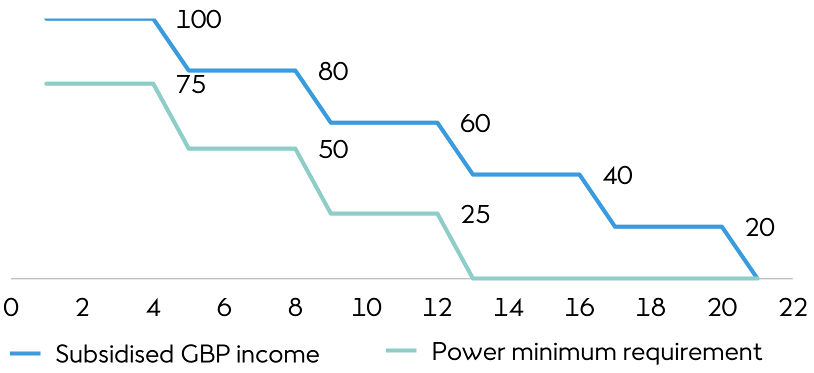
Hedging of FX and power risk in Wind Power

Construction and farm-downs – Hedging of FX

Decision gates

Pre-FID 100% share	• Early hedging of large DEVEX items on a 100% basis
Final Investment Decision 100% share	• Build up of hedges of transmission asset • Hedging CAPEX of generation asset • Hedging revenue at staircase
Farm-down mandate 50% share	• Acceleration of hedges for partners share of transmission asset • Hedging of highly certain part of generation asset divestment proceeds • Hedging revenue at staircase
Signing farm-down 50% share	• Hedges fully established for sale of project shares and construction gains
Commercial Operations	• Ongoing hedging of operational net cash flow reflecting permanent share of production (50% share)

Commercial Operations – Hedging of FX and power



Rolling operational hedging process on monthly/quarterly basis:

- ROC/CfD hedges are target hedge ratio
- The power hedge ratio is a minimum requirement, and power related FX exposures are included in FX exposures and hedged when the underlying power price is hedged (no power hedge during CfD period)

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New income cap on power distribution RAB as expected

Revenue expectations are maintained at same level after the new income cap order is enacted

Main elements in new regulation

- 5-year income cap with following elements

Cost Cap	Operational expenses and depreciations Starting point is average of costs in 2012-14
Return Cap	New investments based on market based WACC Existing RAB continues with LBR+1 return
Adjustments	Change in activity level, change in tasks, price indexation
Net loss	Starting point is average of costs in 2014-16
Quality of supply	Possible penalty for efficiency requirements and low quality of supply

- Recalibration of income cap between regulation periods

Still some uncertainties regarding the future income caps

06/2018
DERA: determination of income cap 2018

12/2018
DERA: benchmark model

DERA income cap setting	Radius' income cap is set annually by DERA on the basis of the new income cap order.
Individual efficiency requirements	Individual efficiency requirements are set annually reducing the income cap. The efficiency requirements are accumulated within the regulation periods. Individual efficiency requirement for 2019 are set in December 2018.
Quality of supply	The income cap will be reduced annually with a 1-year effect if a certain level of quality of supply is not met. A new model for setting levels of the quality of supply is to be introduced during the first regulation period.

1. WACC currently estimated at approx. 3.5%

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