Interim financial report

First quarter 2018

Contents

CONFERENCE CALL

In connection with the presentation of the interim financial report a conference call for investors and analysts will be held on Thursday 26 April 2018 at 10:00am CET:

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USA: +1 855 269 2604

The conference call can be followed live at:
https://orsted.eventcdn.net/20180426

Presentation slides will be available prior to the conference call at:
https://orsted.com/annual-reports

The interim financial report can be downloaded at:
https://orsted.com/presentations

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Language

At the general meeting on 8 March 2018 it was resolved that, as of the financial year 2018, Ørsted will present its financial statements and interim financial statements in English only.

CEO's review — first quarter

Strong start to the year

- Operating profit (EBITDA) increased by 68% and totalled DKK 5.5 billion
- Operating profits from offshore wind farms in operation increased by 51%
- Operating profit in Bioenergy & Thermal Power doubled due to improved spreads and higher heat generation
- We have increased our EBITDA guidance by DKK 0.5 billion to DKK 12.5-13.5 billion
- Green share of generation increased from 56% to 68%
- We submitted bids for offshore wind grid allocation in Taiwan and the auctions in Connecticut, USA, and Germany
- Following successful installation of all turbines at Walney Extension we now expect to commission the wind farm during Q3.

Financial results

Our strong financial performance continued in the first quarter of 2018. Operating profit (EBITDA) increased by 68% and amounted to DKK 5.5 billion.

The good results were driven mainly by higher generation from our offshore wind farms in operation. The newly commissioned Race Bank offshore wind farm as well as the start-up of power generation at Walney Extension contributed to a 43% increase in generation and a 51% increase in EBITDA from Wind Power sites. In addition, income from partnerships in Wind Power was higher than in Q1 2017. Income from partnerships in Q1 2018 related to the construction of Walney Extension and Borkum Riffgrund 2.

Improved spreads and higher heat generation in Bioenergy & Thermal Power as well as the bioconversion of Skærbæk Power Station, which was inaugurated in Q4 2017, also contributed to the positive development. EBITDA in Distribution & Customer Solutions managed to match a strong Q1 2017 due to a positive outcome of an arbitration related to a gas purchase contract.

Return on capital employed for the last 12 months increased from 17% in Q1 2017 to 27% in Q1 2018. The increase was mainly due to the farm-downs of 50% of the Walney Extension and Borkum Riffgrund 2 offshore wind farms in the last part of 2017 as well as the higher profits from wind farms in operation.

Following the inauguration of the bio-converted Skærbæk Power Station in October 2017 and the continued ramp-up of our offshore wind capacity, the green share of our heat and power generation increased substantially from 56% in Q1 2017 to 68% in Q1 2018.

We have increased our EBITDA guidance for 2018 by DKK 0.5 billion compared to the 2018 guidance in the annual report for 2017. EBITDA, excluding new partnership agreements, is now expected to amount to DKK 12.5-13.5 billion. The increase is due to an operationally strong start to the year and the above mentioned arbitration outcome. Gross investments are still expected to total DKK 16-18 billion.

Offshore wind

The offshore wind business had a strong start to the year with high yields from our operating assets and continued good progress on our construction projects. With all wind turbines at Walney Extension successfully installed, we expect the wind farm to be fully commissioned during Q3.

> "The offshore wind business has had a strong start to the year with high yields from our operating assets and continued good progress on our construction projects.

The selection of the preferred bidder or bidders in the Massachusetts auction will expectedly be announced in late May. In April, we submitted a bid in the auction in Connecticut, competing for 200MW of offshore wind capacity. We are expecting to receive the results from the auction in Q2 2018. We also submitted bids in the German auction, where we expect to receive the results within weeks.

In February, we obtained approval from the Taiwanese Environmental Protection Administration for the EIAs for our four Greater Changhua projects with a total capacity of 2.4GW. With these approvals, we have secured exclusivity over the development of the sites. In late March, we submitted bids for capacity in the first Taiwanese grid allocation. The result of the 3.5GW grid allocation is expected within weeks.

In February, we selected Siemens Gamesa Renewable Energy (SGRE) as exclusive supplier of the wind turbines for Hornsea 2. We expect to deploy SGRE's 8MW wind turbines with a 167-metre rotor. For the first time, the majority of the wind turbine blades will be delivered from Siemens' facility in Hull, UK.

As we have previously communicated, we have seen leading edge erosion to varying degrees on the blades of the 3.6MW Siemens wind turbines. We are in the process to plan the individual repair and upgrade campaigns together with SGRE and specific agreements have been made for the Danish Anholt off-

CEO's review — first quarter

shore wind farm and for London Array in the UK – following earlier agreed guiding principles on a portfolio basis. Further agreements, following similar principles, are expected in the months to come. SGRE has commenced work at Anholt and during the campaign, SGRE will dismantle the blades, apply a protective shell and install an aerodynamic improvement kit to increase the yield. Because of the increased production and partly as result of warranty claims, the repairs will expectedly have little to no financial impact.

Utility business

In March, the first turf was cut for the conversion of Herning Power Station. The project will enable the already green heat and power generation to run more efficiently and reduce the consumption of wood pellets by 20%, while at the same time ensuring the same quality and amount of supply. A new 15-year heat contract has been signed with the municipalities as part of the agreement. In addition, the bioconversion of Asnæs Power Station is progressing according to plan, with expected commissioning by the end of 2019.

At the end of March, we had 301,000 smart meters up and running at Radius' power distribution customers. Thus, we are well on track to install approximately 1 million smart meters by the end of 2020.

Completion and ramp-up of our first Renescience plant in the UK continues to progress. Testing and fine-tuning of the machinery is still ongoing, and the plant is expected to be fully operational in Q2.

New growth initiatives

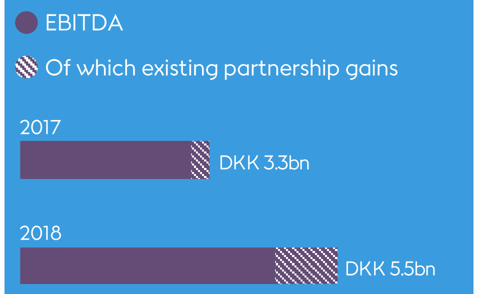
In April, we took another step to develop our storage business when we entered into an agreement to buy the project rights for a 20MW storage project near Liverpool in the UK. We will build and operate the battery and expect to be in operation by the end of 2018. The storage solution will be used to provide services to the UK's National Grid to help manage grid stability during changes between peak and low power demand.

The 2MW battery solution at the Burbo Bank offshore wind farm is also progressing according to plan. We expect it to be operational during Q2 2018. It will be the first time an offshore wind farm is integrated with a battery system to deliver frequency response to the grid.

At a glance — first quarter

Ørsted

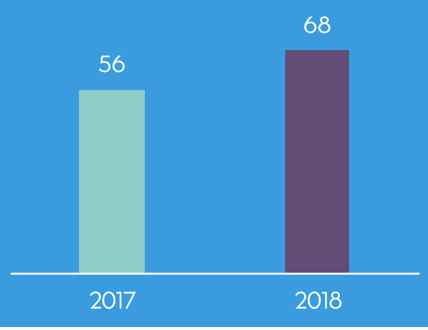
EBITDA



Key figures Q1 2018[1]

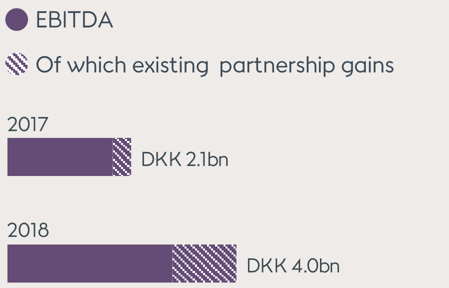
Revenue	DKK 19.8bn
Gross investments	DKK 2.1bn
Capital employed	DKK 75.2bn
ROCE[2]	27%
TRIR[2]	6.7
Number of employees	5,662

Green share of heat and power generation, %



Wind Power

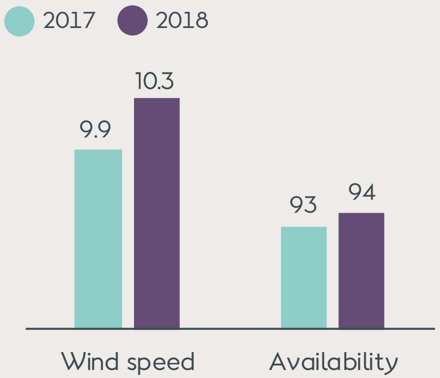
EBITDA



Key figures Q1 2018

Revenue	DKK 7.0bn
Gross investments	DKK 1.7bn
Capital employed	DKK 62.5bn
ROCE[2]	30%
TRIR[2]	5.8
Number of employees	2,260

Wind speed and availability, m/s, %



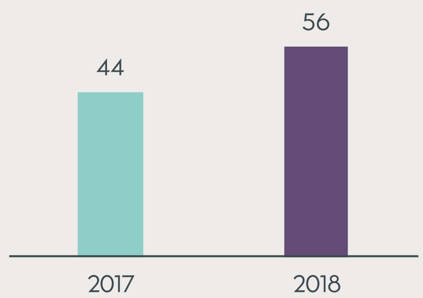
Bioenergy & Thermal Power

EBITDA

Key figures Q1 2018

Revenue	DKK 2.9bn
Gross investments	DKK 0.2bn
Capital employed	DKK 2.5bn
Free cash flow	DKK 0.4bn
TRIR[2]	8.9
Number of employees	734

Biomass share in heat and power generation, %



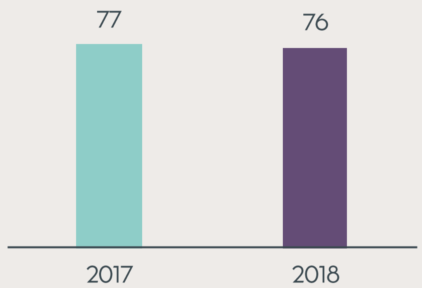
Distribution & Customer solutions

EBITDA

Key figures Q1 2018

Revenue	DKK 12.7bn
Gross investments	DKK 0.2bn
Capital employed	DKK 12.0bn
ROCE[2]	13%
TRIR[2]	10.2
Number of employees	1,248

Customer satisfaction (B2C), scale (1-100)



[1]Key figures (excluding capital employed) are for the continuing operations and include other activities/elimination, [2]Last 12 months

Outlook 2018

EBITDA

We have raised our EBITDA (business performance) guidance excluding new partnership agreements by DKK 0.5 billion to DKK 12.5-13.5 billion. The increase is due to an operationally strong start to the year as well as a positive outcome of an arbitration related to a gas purchase contract.

Gross investments

The outlook for gross investments is unchanged relative to the annual report for 2017.

Gross investments for 2018 are expected to amount to DKK 16-18 billion. The outlook reflects a high level of activity in Wind Power (Walney Extension, Hornsea 1, Borkum Riffgrund 2, Borssele 1 and 2 and Hornsea 2), biomass conversions of Asnæs Power Station and installation of smart meters.

Outlook for 2018, DKKbn	Guidance 26 Apr. 2018	Guidance 2 Feb. 2018	2017 realised
EBITDA (without new partnerships)*	12.5-13.5	12-13	12.7
Wind Power (without new partnerships)*	Higher	Higher	10.8
Bioenergy & Thermal Power	Higher	Higher	0.2
Distribution & Customer Solutions	Lower	Significantly lower	2.1
Gross investments	16-18	16-18	17.7

* EBITDA excluding new partnership agreements signed later than 1 January 2018 (2017)

Our EBITDA guidance for the Group is the prevailing guidance, whereas the directional earnings development per business unit serves as a means to support this. Higher/lower indicates the direction of the business unit's earnings relative to the results for 2017.

Forward-looking statements

The interim financial report contains forward-looking statements, which include projections of financial performance and targets as well as our financial policies. 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. Reference is made to the 'Risk and risk management' chapter and to note 7 in the annual report for 2017.

Results first quarter

Revenue

Power generation from offshore wind increased by 43% to 3.0TWh in Q1 2018, due to the ramp-up of generation from the offshore wind farms Burbo Bank Extension, Race Bank and Walney Extension as well as higher wind speed. Thermal power generation increased by 3% to 3.3TWh, while heat generation increased by 14% to 4.8TWh in Q1 2018. Offshore wind power accounted for 48% of our total power generation, while the renewable energy share of our total heat and power generation accounted for 68% in Q1 2018 compared with 56% in the same period in 2017.

Revenue amounted to DKK 19.8 billion. The increase of 20% relative to Q1 2017 was primarily due to higher revenue from wind farms in operation, higher revenue from construction of offshore wind farms for partners as well as higher gas prices.

EBITDA

Operating profit (EBITDA) totalled DKK 5.5 billion compared with DKK 3.3 billion in Q1 2017, an increase of 68%. The increase was driven by the ramp-up of generation from the offshore wind farms Burbo Bank Extension, Walney Extension and Race Bank as well as higher partnership gains related to the construction of Walney Extension and Borkum Riffgrund 2. Earnings from thermal heat and power generation also contributed positively compared to Q1 2017.

EBITDA in Distribution & Customer Solutions remained flat year-on-year despite a strong quarter last year. This was due to a positive arbitration outcome regarding a gas purchase contract.

EBIT

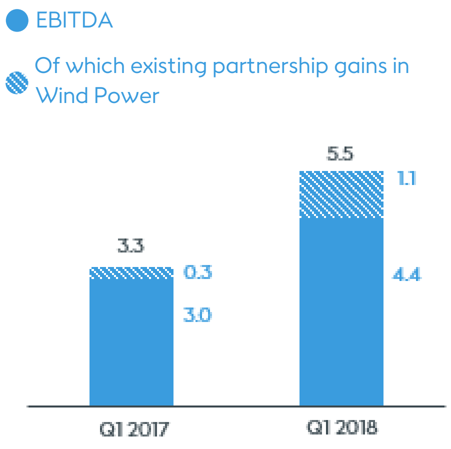
EBIT doubled to DKK 4.1 billion in Q1 2018, primarily as a result of the higher EBITDA.

Depreciation increased by DKK 0.1 billion to DKK 1.4 billion in Q1 2018. The increase was driven by a higher number of offshore wind farms in operation.

Financial results, DKKm	Q1 2018	Q1 2017	%
Revenue	19,808	16,497	20%
EBITDA	5,519	3,288	68%
Depreciation	(1,382)	(1,296)	7%
EBIT	4,137	1,992	108%
Gain (loss) on divestment of enterprises	(10)	(11)	0%
Profit (loss) from associates and joint ventures	(2)	(43)	(95%)
Financial items, net	(294)	(334)	(12%)
Profit before tax	3,830	1,604	139%
Tax	(798)	(390)	105%
Tax rate	21%	24%	(3%p)
Profit (loss) for the period, continuing operations	3,032	1,214	150%
Profit (loss) for the period, discont. operations*	8	1,426	(99%)
Profit (loss) for the period	3,040	2,640	15%

* Read more about discontinued operations in note 8.

EBITDA, DKK billion



Financial income and expenses

Net financial income and expenses amounted to DKK -0.3 billion and were in line with the same period last year.

Tax and tax rate

Tax on profit for the period amounted to DKK 0.8 billion, which was DKK 0.4 billion higher than in Q1 2017. The estimated average tax rate was 21% against 24% in the prior-year period.

Profit for the period from continuing operations

Profit for the period from continuing operations totalled DKK 3.0 billion, DKK 1.8 billion higher than in Q1 2017. The increase was primarily due to the higher EBIT.

Business performance vs. IFRS

We use business performance as an alternative to the results prepared in accordance with IFRS. Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The difference between the two principles will be eliminated as the contracts expire. Apart from this, there is no difference between business performance and the IFRS results.

EBITDA calculated in accordance with IFRS amounted to DKK 5.3 billion in Q1 2018 against DKK 3.8 billion in the same period in 2017. Calculated in accordance with the business performance principle, EBITDA was DKK 5.5 billion and DKK 3.3 billion, respectively. The difference between the two principles was thus DKK -0.2 billion in Q1 2018 against DKK 0.6 billion in Q1 2017.

Business performance vs. IFRS	Q1 2018	Q1 2017
EBITDA - BP	5,519	3,288
Adjustments	(234)	555
EBITDA - IFRS	5,285	3,843

In the presentation of the results according to IFRS, we have elected not to apply the provisions on hedge accounting of commodities and related currency exposures. The market value adjustments of these are continuously recognised in the income statement, which means that the IFRS results for the individual years are not comparable. IFRS results do not reflect the commercial risk hedging, according to which the business units and the Group are managed and evaluated. In the management's review, comments are made on business performance only.

Results first quarter continued

Cash flow from operating activities

Cash flows from operating activities totalled DKK -0.4 billion in Q1 2018 compared with DKK 0.9 billion in Q1 2017. The decrease of DKK 1.3 billion was mainly due to higher paid taxes and funds tied up in other working capital, partly offset by higher EBITDA and lower funds tied up in work in progress.

In Q1 2018, we decided to pay our taxes for 2018 on account in March instead of November. Paid taxed thus amounted to DKK 3.1 billion, including residual taxes of DKK 0.6 billion related to 2017.

Funds tied up in work in progress were DKK 1.1 billion lower than in Q1 2017. This was due to the fact that received milestone payments from partners related to the construction of Walney Extension and Race Bank more than outweighed the construction progress on the two wind farms and offshore transmission assets in the UK. In Q1 2017, we tied up funds related to the construction of Burbo Bank Extension and offshore transmission assets at Walney Extension and Hornsea 1, whereas the milestone payments from partners came later in the year.

More funds were tied up in other working capital due to repayment of a VAT loan to the Danish tax authorities in Q1 2018, in accounts receivables due to higher sales and prices in Q1 2018, and in ROC inventories due to increased power generation in the UK.

Investments and divestments

Gross investments amounted to DKK 2.1 billion against DKK 2.5 billion in Q1 2017. The main investments in Q1 2018 were:

- Offshore wind farms (DKK 1.7 billion), including Walney Extension and Hornsea 1 in the UK and Borkum Riffgrund 2 in Germany
- Power stations (DKK 0.2 billion), mainly biomass conversion of Asnæs Power Station.

Cash flow from divestments in Q1 2018 related to the receipt of deferred proceeds from the farm down of 50% of Walney Extension in 2017. There were no new divestments in Q1 2018.

Interest-bearing net debt

Interest-bearing net debt totalled DKK 4.3 billion at the end of March 2018 against DKK -1.5 billion at the end of 2017. The DKK 5.8 billion increase was mainly due to payment of dividends of DKK 3.8 billion in March. In addition, free cash flow was negative.

Equity

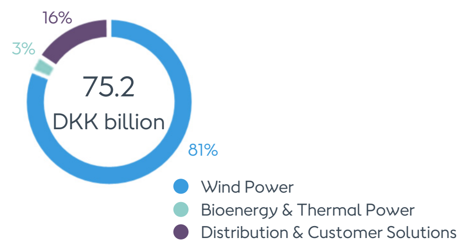
Equity was DKK 70.7 billion at the end of March 2018 against DKK 71.8 billion at the end of 2017. The decrease was primarily due to the dividend payment made in March and was partly offset by the profit for the period.

Capital employed

Capital employed was DKK 75.2 billion at 31 March 2018 against DKK 70.3 billion at the end of 2017 and DKK 64.6 billion at the end of March 2017. Wind Power's share of capital employed was 81% at the end of Q1 2018.

Cash flow and net debt, DKKm	Q1 2018	Q1 2017	%
Cash flows from operating activities	(398)	888	n.a.
EBITDA	5,519	3,288	68%
Derivatives	(310)	(121)	156%
Changes in provisions	225	(102)	n.a.
Reversal of gain (loss) on sale of assets	31	(38)	n.a.
Other items	(53)	100	n.a.
Interest expense, net	(141)	(250)	(44%)
Paid tax	(3,084)	12	n.a.
Changes in work in progress	112	(967)	n.a.
Changes in other working capital	(2,697)	(1,034)	161%
Gross investments	(2,071)	(2,502)	(17%)
Divestments	835	65	n.a.
Free cash flow	(1,634)	(1,549)	5%
Net debt, beginning of period	(1,517)	3,461	n.a.
Free cash flow from continuing operations	1,634	1,549	5%
Free cash flow from discontinued operations	125	(2,071)	n.a.
Dividends and hybrid coupon paid	3,927	2,656	48%
Cash flow from assets held for sale	10	66	(85%)
Exchange rate adjustments, etc.	152	862	(82%)
Net debt, end of period	4,331	6,523	(34%)

Capital employed, %



Results first quarter continued

Return on capital employed (ROCE)

Return on capital employed (ROCE, last 12 months) was 27% at the end of Q1 2018, up 10%-points compared to the same period last year. The increase was mainly attributable to the higher EBIT over the 12-month period, which was significantly impacted by the farm-downs of Walney Extension and Borkum Riffgrund 2 at the end of 2017.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 46% at the end of March 2018 against 34% in the same period last year. The increase was due to a higher FFO over the 12-month period.

Green share of heat and power generation

The green share of heat and power generation amounted to 68% in Q1 2018, up 12%-points relative to the same period last year. The increase was due to a larger share of biomass-based generation as a result of the conversion of Skærbæk Power Station as well as increased generation from offshore wind farms.

Carbon emissions

Carbon emissions from our heat and power generation were 147g CO_2e/kWh in Q1 2018 against 170g CO_2e/kWh in Q1 2017. The carbon emissions per kWh decreased for the same reasons as mentioned above.

Safety

In Q1 2018, we have had 26 total recorded incidents (TRIs), divided evenly between our own and contracted employees. This was an increase of two incidents compared to the same period last year. Over the last 12 months, the total recordable incident rate (TRIR) increased from 6.4 in Q1 2017 to 6.7 in Q1 2018.

Key ratios, DKKm, %	Q1 2018	Q1 2017	%
ROCE[1]	26.7%	17.4%	9.3%p
Adjusted net debt	21,623	22,737	(5%)
FFO/adjusted net debt[1]	45.6%	34.2%	11.4%p

[1] See page 29 in the annual report for 2017 for definitions.

Wind Power

Operational highlights Q1 2018

- We obtained approval from the Taiwanese Environmental Protection Administration for the EIAs on our four Greater Changhua offshore wind projects
- We submitted bids for grid allocation in Taiwan and the auctions in Connecticut, USA, and Germany
- Earnings from operating wind farms were up 51%
- Following successful installation of all turbines at Walney Extension we now expect to commission the wind farm during Q3
- We selected Siemens Gamesa Renewable Energy (SGRE) as exclusive supplier at Hornsea 2.

Financial results Q1 2018

Power generation increased by 43% relative to Q1 2017, primarily due to the ramp-up of generation from Burbo Bank Extension, Race Bank and Walney Extension. We commissioned Burbo Bank Extension in May 2017 and Race Bank in January 2018. Walney Extension started supplying power in October 2017, and is expected to be fully commissioned during Q3.

Wind speeds and availability also contributed positively to the generation. Wind speeds were 4% higher than in Q1 2017 and amounted to an average of 10.3m/s, which was equal to a normal wind year on a portfolio basis – however, with stronger than normal wind speeds in the UK and weaker wind speeds in Denmark and Germany. Availability was 94%, 1%-point higher than the same period last year.

Revenue from wind farms in operation increased by 43%.

Revenue from construction agreements increased by DKK 1.2 billion, reflecting a high level of activity in Q1 2018 with both Walney Extension and Borkum Riffgrund 2 under construction for partners*.

EBITDA from sites, O&Ms and PPAs amounted to DKK 3.2 billion, up DKK 1.1 billion on Q1 2017. Ramp-up of Walney Extension, Race Bank and Burbo Bank Extension as well as a higher wind speeds, especially in the UK, contributed positively to the higher earnings.

EBITDA from partnership agreements was DKK 0.8 billion higher than the same period last year, amounting to DKK 1.1 billion in Q1 2018. A high level of activity related to the construction of Walney Extension and Borkum Riffgrund 2 for partners contributed positively in Q1 2018, whereas Q1 2017 was positively affected by construction progress on Burbo Bank Extension for partners.

Depreciation increased by 12% due to the commissioning of new offshore wind farms in the UK.

Cash flow from operating activities amounted to DKK 0.7 billion in Q1 2018, up DKK 0.2 billion on Q1 2017. The net increase was due to the higher EBITDA, a VAT refund and less funds tied up in work in progress due to partner milestone payments. This was partly offset by the previously mentioned early on account tax payment for 2018 and payment of residual taxes regarding 2017.

Gross investments amounted to DKK 1.7 billion in Q1 2018. The largest investments relat-

Financial results		Q1 2018	Q1 2017	%
Business drivers				
Decided (FID'ed) capacity, offshore wind	GW	8.9	7.4	20%
Installed capacity, offshore wind	GW	4.4	3.6	22%
Generation capacity, offshore wind	GW	2.7	2.1	29%
Wind speed	m/s	10.3	9.9	4%
Load factor	%	55	50	5%p
Availability	%	94	93	1%p
Power generation	TWh	3.0	2.1	43%
Denmark		0.6	0.7	(14%)
United Kingdom		2.0	1.0	100%
Germany		0.4	0.4	0%
Power price, LEBA UK	GBP/MWh	60.7	55.9	9%
British pound	DKK/GBP	8.4	8.6	(2%)
Financial performance				
Revenue	DKKm	7,018	4,678	50%
Sites, O&Ms and PPAs		4,005	2,800	43%
Construction agreements*		2,922	1,772	65%
Other incl. A2SEA		91	106	(14%)
EBITDA	DKKm	3,956	2,139	85%
Sites, O&Ms and PPAs		3,233	2,145	51%
Construction agreements and divestment gains		1,082	311	248%
Other incl. A2SEA and project development		(359)	(317)	13%
Depreciation	DKKm	(1,019)	(906)	12%
EBIT	DKKm	2,937	1,233	138%
Cash flow from operating activities	DKKm	675	450	50%
Gross investments	DKKm	(1,704)	(1,993)	(15%)
Divestments	DKKm	816	(38)	n.a.
Free cash flow	DKKm	(213)	(1,581)	(87%)
Capital employed	DKKm	62,500	56,185	11%
ROCE[1]	%	29.8	14.9	14.9%p

*) From 2018, the timing of recognition of revenue from construction of transmission assets has changed due to the implementation of IFRS 15, cf. note 1 to the consolidated financial statements. The implementation has no impact on EBITDA.

[1] EBIT (last 12 months)/average capital employed

O&Ms: Operation and maintenance agreements
PPAs: Power purchase agreements

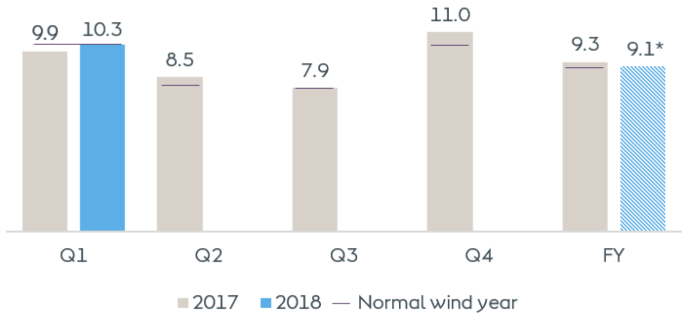
Wind Power continued

ed to the construction of Walney Extension, Hornsea 1 and Borkum Riffgrund 2.

Cash flow from divestments related to the receipt of deferred proceeds from the farm-down of 50% of Walney Extension in 2017. There were no divestments in Q1 2018.

ROCE (last 12 months) increased by 15%-points to 30% and was particularly impacted by gains from the farm-downs of 50% of Walney extension and Borkum Riffgrund 2 in Q4 2017.

Wind speed for our offshore wind farms, m/s



*Indicates m/s for full year 2018 (if Q2, Q3 and Q4 follows the normal wind year)

The wind speed indicates how many metres per second the wind has blown in the areas where we have offshore wind farms. The weighting is based on our generation capacity.

Bioenergy & Thermal Power

Operational highlights Q1 2018

- We cut the first turf for the conversion of the Herning Power Station
- Earnings more than doubled due to higher spreads and the bioconversion of Skærbæk Power Station.

Financial results Q1 2018

Revenue increased by DKK 0.6 billion to DKK 2.9 billion in Q1 2018.

Revenue from heat sales increased by 33%. This was due to colder weather and thus higher heat generation than in Q1 2017 as well as the new heat contracts for Skærbæk Power Station, where heat is generated from biomass. Revenue from power and ancillary services increased by 25% to DKK 1.5 billion, driven by higher power generation and higher power prices.

EBITDA more than doubled and amounted to DKK 0.4 billion in Q1 2018. The DKK 0.2 billion increase was due to higher spreads in Q1 2018 as well as the bioconversion of Skærbæk Power Station, which was inaugurated in Q4 2017.

EBITDA from ancillary services was slightly higher than in Q1 2017.

Cash flow from operating activities amounted to DKK 0.6 billion and was in line with the same period last year. The higher EBITDA in Q1 2018 was offset by higher trade receivables as a result of the higher generation and lower prepayments from heat customers in connection with biomass conversions.

Gross investments amounted to DKK 0.2 billion in Q1 2018. The largest investments related to the biomass conversion of Asnæs Power Station.

Financial results		Q1 2018	Q1 2017	%
Business drivers				
Degree days	Number	1,417	1,244	14%
Heat generation	TWh	4.8	4.2	14%
Power generation	TWh	3.3	3.2	3%
Power price, DK	EUR/MWh	36.9	31.0	10%
Green dark spread, DK	EUR/MWh	2.3	(1.6)	n.a.
Financial results				
Revenue	DKKm	2,885	2,247	28%
Heat		1,372	1,034	33%
Power, including ancillary services		1,513	1,213	25%
EBITDA	DKKm	439	207	112%
Heat		330	243	36%
Ancillary services		103	78	38%
Power		6	(114)	n.a.
Depreciation	DKKm	(162)	(161)	1%
EBIT	DKKm	277	46	502%
Cash flow from operating activities	DKKm	607	579	5%
Gross investments	DKKm	(205)	(374)	(45%)
Divestments	DKKm	(1)	25	n.a.
Free cash flow	DKKm	401	230	74%
Capital employed	DKKm	2,471	2,092	18%
ROCE[1]	%	(13.4)	(27.7)	14.3%p

[1] EBIT (last 12 months)/average capital employed

Distribution & Customer Solutions

Operational highlights Q1 2018

- We obtained a good outcome in an arbitration case relating to a gas purchase contract
- The roll-out of smart meters for our Danish power customers is progressing according to plan, and at the end of March, our power distribution company, Radius, and the metering solutions manufacturer Kamstrup had replaced 301,000 meters.

Financial results Q1 2018

Revenue was up 9% at DKK 12.7 billion in Q1 2018, driven primarily by an average increase in gas and UK power prices of 14% and 9%, respectively, relative to Q1 2017.

EBITDA amounted to DKK 1.2 billion in Q1 2018 and was thus in line with the same period last year.

EBITDA from Markets was up DKK 0.2 billion and amounted to DKK 0.8 billion, primarily due to a one-off compensation awarded following the completion of an arbitration relating to a gas purchase contract in Q1 2018 and from our route-to-market for physical power and gas. The increase was partly offset by lower earnings from trading our financial energy exposures, where we had extraordinarily high earnings in Q1 2017.

EBITDA from LNG decreased by DKK 0.1 billion to DKK 0.0 billion as a result of lower margins.

Cash flows from operating activities amounted to DKK -0.1 billion in Q1 2018. The decrease of DKK 1.7 billion was primarily due to more funds tied up in receivables due to higher sales and prices in Q1 2018 as well as a receivable in connection with the above mentioned one-off compensation of a gas purchase contract. In addition, cash flows were negatively affected by increased funds tied up in working capital related to ROC inventories, due to the increased power generation in the UK.

Gross investments totalled DKK 0.2 billion in Q1 2018, relating mainly to maintenance of the power distribution grid and the installation of new smart meters.

ROCE (last 12 months) decreased by 32%-points to 13%. The period ending in Q1 2017 was positively impacted by one-off compensations as a result of renegotiations of gas purchase contracts.

Financial results		Q1 2018	Q1 2017	%
Business drivers				
Regulatory asset base (power)	DKKm	10,623	10,648	(0%)
Gas sales	TWh	42.5	41.5	2%
Sales		13.2	14.0	(6%)
Markets (excl. volumes to Sales)		29.3	27.5	7%
Power sales	TWh	11.5	10.1	14%
Sales		4.1	2.7	52%
Markets (excl. volumes to Sales)		7.5	7.4	1%
Power distribution	TWh	2.4	2.3	4%
Power price, LEBA UK	GBP/MWh	60.7	55.9	9%
Gas price, TTF	EUR/MWh	21.0	18.5	14%
Oil price, Brent	USD/boe	66.8	53.8	24%
US dollar	DKK/USD	6.1	7.0	(13%)
British pound	DKK/GBP	8.4	8.6	(2%)
Financial results				
Revenue	DKKm	12,659	11,625	9%
EBITDA	DKKm	1,214	1,185	2%
Distribution		432	468	(8%)
Sales		5	22	(77%)
Markets		794	631	26%
LNG		(17)	64	n.a.
Depreciation	DKKm	(191)	(221)	(14%)
EBIT	DKKm	1,023	964	6%
Cash flow from operating activities	DKKm	(90)	1,576	n.a.
Gross investments	DKKm	(155)	(135)	15%
Divestments	DKKm	13	48	(73%)
Free cash flow	DKKm	(232)	1,489	n.a.
Capital employed	DKKm	11,970	7,105	68%
ROCE[1]	%	12.7	44.2	(31.5%p)

[1] EBIT (last 12 months)/average capital employed

Performance highlights

Income statement (business performance), DKKm	Q1 2018	Q1 2017	2017
Revenue	19,808	16,497	59,504
EBITDA	5,519	3,288	22,519
Wind Power	3,956	2,139	20,595
Bioenergy & Thermal Power	439	207	152
Distribution & Customer Solutions	1,214	1,185	2,082
Other activities	(90)	(243)	(310)
Depreciation and amortisation	(1,382)	(1,296)	(5,739)
Impairment losses	-	-	(545)
Operating profit (loss) (EBIT)	4,137	1,992	16,235
Gain (loss) on divestment of enterprises	(10)	(11)	(139)
Net financial income and expenses	(294)	(334)	(1,042)
Share of profit (loss) from associates and joint ventures	(2)	(43)	(10)
Profit (loss) before tax	3,830	1,604	15,044
Tax	(798)	(390)	(1,765)
Profit (loss) for the period from continuing operations	3,032	1,214	13,279
Profit (loss) for the period from discontinued operations	8	1,426	6,920
Profit (loss) for the period	3,040	2,640	20,199
Balance sheet			
Assets	147,739	132,030	146,521
Equity	70,823	58,112	71,837
Shareholders in Ørsted A/S	53,861	39,828	54,791
Non-controlling interests	3,723	5,036	3,807
Hybrid capital	13,239	13,248	13,239
Interest-bearing net debt	4,331	6,523	(1,517)
Capital employed	75,154	64,635	70,320
Additions to property, plant, and equipment	3,782	2,615	20,022
Cash flow			
Cash flow from operating activities	(398)	888	1,023
Gross investments	(2,071)	(2,502)	(17,744)
Divestments	835	65	16,982
Free cash flow	(1,634)	(1,549)	261
Financial ratios			
Return on capital employed (ROCE)[1,5], %	26.7	17.4	25.2
FFO/adjusted net debt[2,5], %	45.6	34.2	50.3
Number of outstanding shares, end of period, '000	420,155	420,155	420,155
Share price, end of period, DKK	392.0	268.9	338.7
Market capitalisation, end of period, DKK billion	164.7	113.0	142.3
Earnings per share (EPS) (BP), DKK	7.2	6.4	46.4
Income statement (IFRS)			
Revenue	19,698	17,426	59,709
EBITDA	5,285	3,843	22,574
Profit (loss) for the period from continuing operations	2,849	1,649	13,321

Business drivers	Q1 2018	Q1 2017	2017
Wind Power			
Decided (FID'ed) capacity[3], offshore wind, GW	8.9	7.4	8.9
Installed capacity, offshore wind, GW	4.4	3.6	3.9
Generation capacity, offshore wind, GW	2.7	2.1	2.5
Wind speed[3], m/s	10.3	9.9	9.3
Load factor[3], %	55	50	44
Availability[3], %	94	93	93
Power generation, TWh	3.0	2.1	8.5
Bioenergy & Thermal Power			
Degree days[3], number	1,417	1,244	2,705
Heat generation, TWh	4.8	4.2	9.0
Power generation, TWh	3.3	3.2	8.2
Distribution & Customer Solutions			
Regulatory value of power distribution assets[4]	10,623	10,648	10,623
Power distribution, TWh	2.4	2.3	8.4
Power sales, TWh	11.5	10.1	37.7
Gas sales, TWh	42.5	41.5	136.1
People and environment			
Employees (FTE), end of period number	5,662	5,787	5,638
Total recordable injury rate (TRIR)[5]	6.7	6.4	6.4
Fatalities, number	0	0	0
Green share of heat and power generation	68	56	64
Carbon emissions, g CO_2e/kWh	147	170	151

Business performance vs. IFRS
Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

[1] EBIT (last 12 months)/average capital employed.
[2] Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations, and decommissioning obligations less deferred tax.
[3] See definition on page 172 and note 9 in the annual report for 2017.
[4] The figures indicate values from the latest regulatory financial statements (updated in June).
[5] Last 12 months.

Quarterly overview

Income statement (business performance), DKKm	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Revenue	19,808	15,598	11,869	15,540	16,497	15,678	13,114	15,001
EBITDA	5,519	13,032	1,757	4,442	3,288	6,310	3,099	2,615
Wind Power	3,956	12,591	1,674	4,191	2,139	5,054	1,643	2,271
Bioenergy & Thermal Power	439	240	(142)	(153)	207	115	(128)	(41)
Distribution & Customer Solutions	1,214	179	202	516	1,185	1,243	1,507	452
Other activities	(90)	22	23	(112)	(243)	(102)	77	(67)
Depreciation and amortisation	(1,382)	(1,517)	(1,385)	(1,541)	(1,296)	(1,602)	(1,239)	(1,215)
Impairment losses	0	(545)	0	0	0	0	0	0
Operating profit (loss) (EBIT)	4,137	10,970	372	2,901	1,992	4,708	1,860	1,400
Gain (loss) on divestment of enterprises	(10)	(14)	(108)	(6)	(11)	(80)	1,314	19
Net financial income and expenses	(294)	(649)	22	(81)	(334)	(352)	(114)	(589)
Share of profit (loss) from associates and joint ventures	(2)	42	(7)	(2)	(43)	(3)	(4)	(0)
Profit (loss) before tax	3,830	10,349	279	2,812	1,604	4,273	3,056	830
Tax	(798)	(999)	(70)	(306)	(390)	(285)	(536)	(157)
Profit (loss) for the period from continuing operations	3,032	9,350	209	2,506	1,214	3,988	2,520	673
Profit (loss) for the period from discontinued operations	8	79	2,931	2,484	1,426	(473)	811	479
Profit (loss) for the period	3,040	9,429	3,140	4,990	2,640	3,515	3,331	1,152
Balance sheet								
Assets	147,739	146,521	126,190	133,550	132,030	136,489	141,197	140,700
Equity	70,823	71,837	64,203	62,160	58,112	57,500	57,517	54,695
Shareholders in Ørsted A/S	53,861	54,791	47,050	43,990	39,828	39,106	39,029	35,947
Non-controlling interests	3,723	3,807	3,905	4,922	5,036	5,146	5,240	5,500
Hybrid capital	13,239	13,239	13,248	13,248	13,248	13,248	13,248	13,248
Interest-bearing net debt	4,331	(1,517)	10,260	10,332	6,523	3,461	5,942	3,821
Capital employed	75,154	70,320	74,462	72,491	64,635	60,961	63,459	58,515
Additions to property, plant, equipment	3,782	7,137	4,795	5,475	2,615	4,378	5,168	3,037
Cash flow								
Cash flow from operating activities	(398)	3,078	(1,095)	(1,848)	888	1,752	(56)	1,215
Gross investments	(2,071)	(5,805)	(5,150)	(4,287)	(2,502)	(4,732)	(4,658)	(2,340)
Divestments	835	14,875	1,882	160	65	5,013	2,140	(46)
Free cash flow	(1,634)	12,148	(4,363)	(5,975)	(1,549)	2,033	(2,574)	(1,171)
Financial ratios								
Return on capital employed (ROCE)[1], %	26.7	25.2	15.0	18.4	17.4	24.4	14.6	12.6
FFO/adjusted net debt[2,5], %	45.6	50.3	41.8	47.3	45.8	80.5	54.9	56.7
Number of outstanding shares, end of period, '000	420,155	420,155	420,381	420,381	420,381	420,381	420,381	420,381
Share price, end of period, DKK	392.0	338.7	360.4	293.9	268.9	267.6	275.0	240.3
Market capitalisation, end of period, DKK billion	164.7	142.3	151.5	123.5	113.0	112.5	115.6	101.0
Earnings per share (EPS) (BP), DKK	7.2	21.7	7.1	11.2	6.4	8.2	7.7	1.9
Income statement (IFRS)								
Revenue	19,698	14,711	11,647	15,925	17,426	13,396	13,199	13,134
EBITDA	5,285	12,311	1,643	4,776	3,843	4,572	3,223	1,487
Profit (loss) for the period from continuing	2,849	8,787	120	2,765	1,649	2,632	2,615	(207)

Business drivers	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Wind Power								
Decided (FID'ed) capacity[3], offshore wind, GW	8.9	8.9	8.9	7.5	7.4	7.4	7.4	6.7
Installed capacity, offshore wind, GW	4.4	3.9	3.8	3.8	3.6	3.6	3.0	3.0
Generation capacity, offshore wind, GW	2.7	2.5	2.3	2.2	2.1	2.0	1.8	1.7
Wind speed, m/s	10.3	11.0	7.9	8.5	9.9	9.4	8.1	7.8
Load factor[3], %	55	54	34	38	50	49	35	34
Availability[3], %	94	92	92	93	93	94	92	94
Power generation, TWh	3.0	2.9	1.7	1.8	2.1	1.8	1.3	1.2
Bioenergy & Thermal Power								
Degree days[3], number	1,417	895	115	451	1,244	962	54	399
Heat generation, TWh	4.8	2.8	0.7	1.3	4.2	3.1	0.4	1.4
Power generation, TWh	3.3	2.3	1.2	1.5	3.2	3.0	1.3	1.1
Distribution & Customer Solutions								
Regulatory value of power distribution assets[4]	10,623	10,623	10,623	10,623	10,648	10,648	10,648	10,648
Power distribution, TWh	2.4	2.2	1.9	2.0	2.3	2.3	1.9	1.9
Power sales, TWh	11.5	10.6	8.2	8.8	10.1	9.2	8.3	8.5
Gas sales, TWh	42.5	36.9	29.4	28.3	41.5	36.1	37.1	35.6
People and environment								
Employees (FTE) end of period, number	5,662	5,638	5,641	5,802	5,787	5,775	5,890	5,881
Total recordable injury rate (TRIR)[5]	6.7	6.4	6.7	6.5	6.4	6.8	7.4	8.5
Fatalities, number	0	0	0	0	0	0	0	0
Green share of heat and power generation	68	76	60	64	56	56	47	54
Carbon emissions, g CO_2e/kWh	147	106	203	150	170	183	329	210

Business performance vs. IFRS
Business performance represents the underlying financial performance of the Group in the reporting period as results are adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. Apart from this, there is no difference between business performance and IFRS results. Read more in note 2.

[1] EBIT (last 12 months)/average capital employed.
[2] Net debt including 50% of hybrid capital, cash and securities not available for use (with the exception of repo transactions), present value of lease obligations, and decommissioning obligations less deferred tax.
[3] See definition on page 172 and note 9 in the annual report for 2017.
[4] The figures indicate values from the latest regulatory financial statements (updated in June)
[5] Last 12 months.

Contents

Income statement

1 January - 31 March

Note	Income statement, DKKm	Q1 2018 Business performance	Q1 2018 Adjustments	Q1 2018 IFRS	Q1 2017 Business performance	Q1 2017 Adjustments	Q1 2017 IFRS
4	Revenue	19,808	(110)	19,698	16,497	929	17,426
	Cost of sales	(12,590)	(124)	(12,714)	(11,587)	(374)	(11,961)
	Other external expenses	(1,095)	-	(1,095)	(993)	-	(993)
	Employee costs	(762)	-	(762)	(767)	-	(767)
	Share of profit (loss) in associates and joint ventures	1	-	1	10	-	10
5	Other operating income	200	-	200	154	-	154
5	Other operating expenses	(43)	-	(43)	(26)	-	(26)
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	**5,519**	**(234)**	**5,285**	**3,288**	**555**	**3,843**
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	(1,382)	-	(1,382)	(1,296)	-	(1,296)
	Operating profit (loss) (EBIT)	**4,137**	**(234)**	**3,903**	**1,992**	**555**	**2,547**
	Gain on divestment of enterprises	(10)	-	(10)	(11)	-	(11)
	Share of profit (loss) in associates and joint ventures	(2)	-	(2)	(43)	-	(43)
9	Financial income	1,353	-	1,353	729	-	729
9	Financial expenses	(1,648)	-	(1,648)	(1,063)	-	(1,063)
	Profit (loss) before tax	**3,830**	**(234)**	**3,596**	**1,604**	**555**	**2,159**
	Tax on profit (loss) for the period	(798)	51	(747)	(390)	(120)	(510)
	Profit (loss) for the period from continuing operations	**3,032**	**(183)**	**2,849**	**1,214**	**435**	**1,649**
8	**Profit (loss) for the period from discontinued operations**	**8**	**-**	**8**	**1,426**	**79**	**1,505**
	Profit (loss) for the period	**3,040**	**(183)**	**2,857**	**2,640**	**514**	**3,154**
	Profit (loss) for the period is attributable to:						
	Shareholders in Ørsted A/S	3,049	(183)	2,866	2,676	514	3,190
	Interests and costs after tax, hybrid capital owners of Ørsted A/S	(35)		(35)	(35)		(35)
	Non-controlling interests	26		26	(1)		(1)
	Profit (loss) per share, DKK:						
	From continuing operations	7.2		6.8	3.0		4.0
	From discontinued operations	-		-	3.4		3.6
	Total profit (loss) per share	**7.2**		**6.8**	**6.4**		**7.6**

Profit (loss) per share
The dilutive effect is less than 0.1%, and consequently ordinary and diluted profit (loss) per share are identical.

Profit (loss) for the period for our continuing operations
Our former Oil & Gas business is presented as discontinuing operations.

Effective tax rate
The estimated average annual tax rate for operating activities is 21% compared to 26% for the full year 2017.

Accounting policies

Business performance
The business performance principle is our alternative performance measure. According to IFRS, market value adjustments of energy contracts and related currency risk (including hedging) are recognised on an ongoing basis in the profit (loss) for the period, whereas under the business performance principle, they are deferred and recognised in the period in which the hedged exposure materialises. The difference between IFRS and business performance is specified in the 'Adjustments' column. Read more about the business performance principle in note 2 as well as note 1.1 in the annual report 2017.

Effective tax rate
The estimated average annual tax rate is separated based on regions and into two different categories: a) ordinary business income and b) gain (loss) on divestments.

Statement of comprehensive income

1 January - 31 March

Statement of comprehensive income, DKKm	Q1 2018 Business performance	Q1 2018 Adjustments	Q1 2018 IFRS	Q1 2017 Business performance	Q1 2017 Adjustments	Q1 2017 IFRS
Profit (loss) for the period:	**3,040**	**(183)**	**2,857**	**2,640**	**514**	**3,154**
Other comprehensive income:						
Cash flow hedging:						
Value adjustments for the period	(787)	278	(509)	681	(834)	(153)
Value adjustments transferred to income statement	119	(44)	75	(141)	177	36
Exchange rate adjustments:						
Exchange rate adjustments relating to net investment in foreign enterprises	518	-	518	303	-	303
Value adjustment of net investment hedges	(83)	-	(83)	(122)	-	(122)
Tax:						
Tax on cash flow hedging instruments	157	(51)	106	(118)	143	25
Tax on exchange rate adjustments	(86)	-	(86)	(17)	-	(17)
Other comprehensive income	**(162)**	**183**	**21**	**586**	**(514)**	**72**
Total comprehensive income	**2,878**	**-**	**2,878**	**3,226**	**-**	**3,226**
Comprehensive income for the period is attributable to:						
Shareholders in Ørsted A/S			2,836			3,241
Interest payments and costs after tax, hybrid capital owners of Ørsted A/S			(35)			(35)
Non-controlling interests			77			20
Total comprehensive income			**2,878**			**3,226**

Statement of comprehensive income
All items in 'Other comprehensive income' may be recycled to the income statement.

Balance sheet

Note	Assets, DKKm	31 March 2018	31 December 2017	31 March 2017
	Intangible assets	**605**	**689**	**851**
	Land and buildings	1,494	1,501	1,533
	Production assets	62,286	60,603	56,603
	Fixtures and fittings, tools and equipment	401	413	429
	Property, plant and equipment under construction	14,880	13,328	14,784
	Property, plant and equipment	**79,061**	**75,845**	**73,349**
	Investments in associates and joint ventures	340	339	282
	Receivables from associates and joint ventures	56	48	-
	Other securities and equity investments	126	130	153
	Deferred tax	2,205	2,865	529
	Other receivables	1,953	1,955	531
	Other non-current assets	**4,680**	**5,337**	**1,495**
	Non-current assets	**84,346**	**81,871**	**75,695**
1	Inventories	15,477	3,853	3,120
12	Derivatives	3,799	4,870	5,842
	Contract assets	1,013	10,817	7,578
	Trade receivables	9,429	9,170	6,358
	Other receivables	2,323	3,519	1,276
	Income tax	1,232	296	372
12	Securities	23,711	25,280	15,099
	Cash	3,754	4,203	1,911
	Current assets	**60,738**	**62,008**	**41,556**
7	**Assets classified as held for sale**	**2,655**	**2,642**	**14,779**
	Assets	**147,739**	**146,521**	**132,030**

Contract assets and contract liabilities
The adoption of IFRS 15 has changed our presentation as we have introduced contract assets and contract liabilities. As we have implemented IFRS 15 after the modified retrospective method, we have not restated comparative figures. Our former 'Construction contracts' assets and liabilities are now classified as 'Contract assets' and 'Contract liabilities', respectively. Read more about the impact in note 1 'Basis of reporting'.

Note	Equity and liabilities, DKKm	31 March 2018	31 December 2017	31 March 2017
	Share capital	4,204	4,204	4,204
	Reserves	(1,554)	(1,524)	20,269
	Retained earnings	51,211	52,111	15,355
	Equity attributable to shareholders in Ørsted A/S	**53,861**	**54,791**	**39,828**
	Hybrid capital	13,239	13,239	13,248
	Non-controlling interests	3,723	3,807	5,036
	Equity	**70,823**	**71,837**	**58,112**
	Deferred tax	1,216	2,128	2,632
	Provisions	11,283	10,840	8,429
	Bond and bank debt	25,836	25,715	22,225
	Contract liabilities	5,338	-	-
	Other payables	362	5,714	6,714
	Non-current liabilities	**44,035**	**44,397**	**40,000**
	Provisions	574	680	673
	Bond and bank debt	7,207	3,921	2,000
12	Derivatives	3,720	4,374	3,001
	Contract liabilities	1,029	1,317	499
	Trade payables	14,338	11,499	9,231
	Other payables	5,067	6,368	4,872
	Income tax	309	1,498	522
	Current liabilities	**32,244**	**29,657**	**20,798**
	Liabilities	**76,279**	**74,054**	**60,798**
7	**Liabilities relating to assets classified as held for sale**	**637**	**630**	**13,120**
	Equity and liabilities	**147,739**	**146,521**	**132,030**

Assets classified as held for sale
Until the divestment on 29 September 2017, the Oil & Gas business was presented as assets classified as held for sale. Remaining assets classified as held for sale relate to our oil pipe system.

Statement of changes in equity

1 January - 31 March

DKKm	2018								2017							
	Share capital	Reserves*	Retained earnings	Proposed dividends	Share-holders in Ørsted A/S	Hybrid capital	Non-con-trolling interests	Total Group	Share capital	Reserves*	Retained earnings	Proposed dividends	Share-holders in Ørsted A/S	Hybrid capital	Non-con-trolling interests	Total Group
Equity at 1 January	4,204	(1,524)	48,328	3,783	54,791	13,239	3,807	71,837	4,204	20,218	12,162	2,522	39,106	13,248	5,146	57,500
Comprehensive income for the period:																
Profit (loss) for the period	-	-	2,866	-	2,866	(35)	26	2,857	-	-	3,190	-	3,190	(35)	(1)	3,154
Other comprehensive income:																
Cash flow hedging	-	(434)	-	-	(434)	-	-	(434)	-	(117)	-	-	(117)	-	-	(117)
Exchange rate adjustments	-	384	-	-	384	-	51	435	-	160	-	-	160	-	21	181
Tax on other comprehensive income	-	20	-	-	20	-	-	20	-	8	-	-	8	-	-	8
Total comprehensive income	**-**	**(30)**	**2,866**	**-**	**2,836**	**(35)**	**77**	**2,878**	**-**	**51**	**3,190**	**-**	**3,241**	**(35)**	**20**	**3,226**
Transactions with owners:																
Tax on coupon payments, hybrid capital	-	-	-	-	-	35	-	35	-	-	-	-	-	35	-	35
Dividends paid	-	-	2	(3,783)	(3,781)	-	(144)	(3,925)	-	-	1	(2,522)	(2,521)	-	(130)	(2,651)
Share-based payment	-	-	2	-	2	-	-	2	-	-	2	-	2	-	-	2
Other changes	-	-	13	-	13	-	(17)	(4)	-	-	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**17**	**(3,783)**	**(3,766)**	**35**	**(161)**	**(3,892)**	**-**	**-**	**3**	**(2,522)**	**(2,519)**	**35**	**(130)**	**(2,614)**
Equity at 31 March	**4,204**	**(1,554)**	**51,211**	**-**	**53,861**	**13,239**	**3,723**	**70,823**	**4,204**	**20,269**	**15,355**	**-**	**39,828**	**13,248**	**5,036**	**58,112**

* See note 10 'Reserves' for more information about reserves.

Statement of cash flows

Note	Statement of cash flows, DKKm	Q1 2018	Q1 2017
	Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA), IFRS	5,285	3,843
2	Change in derivatives, business performance adjustments	234	(555)
	Change in derivatives, other adjustments	(310)	(121)
	Change in provisions	225	(102)
	Reversal of gain (loss) on divestment of assets	31	(38)
	Other items	(53)	100
	Changes in work in progress	112	(967)
	Changes in other working capital	(2,697)	(1,034)
	Interest received and similar items	1,203	813
	Interest paid and similar items	(1,344)	(1,063)
	Income tax paid	(3,084)	12
	Cash flows from operating activities	**(398)**	**888**

Changes in work in progress
'Changes in work in progress' consist of elements in contract assets, contract liabilities and construction management agreements related to construction of offshore wind farms and construction of offshore transmission assets as well as the related trade payables.

Note	Statement of cash flows, DKKm	Q1 2018	Q1 2017
	Purchase of intangible assets and property, plant and equipment	(2,075)	(2,504)
	Sale of intangible assets and property, plant and equipment	850	9
	Divestment of enterprises	(9)	67
	Divestment of other equity investments	5	5
	Purchase of securities	(5,599)	(512)
	Sale/maturation of securities	7,168	1,913
	Change in other non-current assets	-	(3)
	Transactions with associates and joint ventures	(8)	(1)
	Dividends received and capital reduction	1	-
	Cash flows from investing activities	**333**	**(1,026)**
	Proceeds from raising of loans	3,322	-
	Instalments on loans	-	(84)
	Dividends paid to shareholders in Ørsted A/S	(3,783)	(2,522)
	Transactions with non-controlling interests	(160)	(160)
	Change in other non-current liabilities	429	-
	Cash flows from financing activities	**(192)**	**(2,766)**
	Cash flows from continuing operations	(257)	(2,904)
	Cash flows from discontinued operations	(125)	1,810
	Total net change in cash and cash equivalents for the period	**(382)**	**(1,094)**
	Cash and cash equivalents at the beginning of the period	3,891	2,628
	Total net change in cash and cash equivalents for the period	(382)	(1,094)
	Cash flows for the period from assets classified as held for sale	(10)	(64)
	Other change in cash and cash equivalents	3	113
	Exchange rate adjustments of cash and cash equivalents	22	(1)
	Cash and cash equivalents at 31 March	**3,524**	**1,582**

Statement of cash flows
Our supplementary statement of gross and net investments appears from note 6 'Gross and net investments', and free cash flows (FCF) from note 3 'Segment information'.

1. Basis of reporting

This section provides an overview of our principal accounting policies and new and amended IFRS standards and interpretations.

Accounting policies

Ørsted is a listed public company domiciled in Denmark.

This interim financial report includes Ørsted and its subsidiaries (the Group).

The interim financial report has been presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and further requirements in the Danish Financial Statements Act (*Årsregnskabsloven*).

The interim financial report does not contain all the information required in the annual report and should therefore be read together with the annual report for 2017.

No interim report has been prepared for the parent company.

Except for the below (implementation of new accounting standard and changed accounting policy), the accounting policies remain unchanged from the annual report for 2017, to which reference is made.

Definitions of performance highlights can be found on page 78 of the annual report for 2017.

Implementation of new or changed accounting standards and interpretations

Effective from 1 January 2018, we have implemented the following new or changed accounting standards (IAS and IFRS) and interpretations:

- IFRS 15 'Revenue from Contracts with Customers' including amendments and clarifications. See separate section below.
- Amendment to IFRS 2 'Share-based Payments': the amendment addresses the accounting for cash-settled awards that include a 'net settlement' feature in respect of withholding tax.
- IFRIC 22 on foreign currency transactions and advance consideration.
- Annual improvements to IFRSs 2014-2016: improvements to IFRS 1 'First-time Adoption of IFRS' and IAS 28 'Investments in Associates and Joint Ventures' which entered into force on 1 January 2018.

Besides the impact from IFRS 15, the adoption of the new and changed standards has not affected our interim financial report and is not expected to impact the consolidated financial statements for 2018.

Below is shown the impact on recognition and measurement from IFRS 15 'Revenue from Contracts with Customers'. The new reporting standard has an insignificant impact on profit (loss) and diluted profit (loss) per share. The equity and the consolidated statement of cash flows are not affected.

Implementation of IFRS 15

On 1 January 2018, we implemented IFRS 15, 'Revenue from Contracts with Customers', which replaces IAS 11, IAS 18 and associated interpretations.

We have implemented IFRS 15 with retrospective effect. However, we use the relief from restating comparative figures (modified retrospective method).

The most important changes resulting from IFRS 15 compared to IAS 11 and IAS 18 can be summarised as follows:

- the model for recognition of revenue is changed from having been based on the transfer of the risks and rewards of ownership of a product or service to being based on the transfer of control of the goods or

1. Basis of reporting

services transferred to the customer

- more detailed guidelines for how elements in a contract of sale are identified, and how the individual components will be recognised and measured
- more detailed guidance for recognition of revenue over time.

The impact of IFRS 15 on Ørsted

In the UK, we offer construction agreements for transmission assets. When construction of the transmission assets is completed, they are sold to an offshore transmission owner (OFTO) through a regulated sales process. The UK energy regulator 'Office of Gas and Electricity Markets' (Ofgem) manages the sales process, determines the final transfer value and appoints the buyer.

Under the new standard, a customer relationship does not exist between Ørsted and a final buyer when the construction of the transmission assets commences. Therefore, we have deferred revenue recognition on transmission assets from commencement of construction to the date of entering into a contract with a customer.

Thus, the recognition of revenue begins when we sell a share of the transmission asset under construction to a partner, which takes place upon such partner joining the project. We recognise the remaining part of the transmission asset when we find that control has passed to the OFTO.

Impact on accounting

In previous reporting periods, transmission assets were recognised in step with the construction based on the completion degree of the asset (over time). Under IFRS 15, revenue from transmission assets are recognised at a later point in time.

The change in policy does not affect the Group's cash flows or results, but only the timing of when income and costs are recognised in the consolidated financial statements.

Historically, we have not had, and we do not expect, a significant contribution margin relating to the sale of transmission assets to partners and OFTOs. The Group's EBITDA, balance sheet total and equity will therefore remain unchanged in all material respects as a consequence of the changed accounting policies.

The implementation had the following effects on the balance sheet in relation to the construction contracts, receivables and other payables in accordance with the terminology in IFRS 15. This resulted in:

- construction contracts related to transmission assets now being recognised as inventory
- construction contracts other than transmission assets now being presented as contract assets and liabilities
- receivables related to ongoing services or in other ways where the receivable is not unconditional now being presented as contract assets
- other payables related to prepayments and deferred revenue as such now being presented as contract liabilities.

In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018). See table to the right.

Extract Impact of adoption, DKKm	1 January 2018 Previous accounting policy	Effect of change in accounting policy	New accounting policy	31 March 2018 Previous accounting policy	Effect of change in accounting policy	New accounting policy
Assets						
Current assets						
Inventories	3,853	10,468 [1]	14,321	3,952	11,525	15,477
Construction contracts	10,817	(10,817) [1,2]	-	12,538	(12,538)	-
Contract assets	-	1,693 [2]	1,693	-	1,013	1,013
Trade receivables	9,170	(1,344) [2]	7,826	9,429	-	9,429
Assets	**146,521**	**-**	**146,521**	**149,824**	**-**	**149,824**
Equity and liabilities						
Share capital	4,204	-	4,204	4,204	-	4,204
Reserves	(1,524)	-	(1,524)	(1,684)	-	(1,684)
Retained earnings	52,111	-	52,111	51,211	-	51,211
Equity attributable to shareholders in Ørsted A/S	**54,791**	**-**	**54,791**	**53,731**	**-**	**53,731**
Liabilities						
Non-current liabilities						
Contract liabilities	-	5,327 [2]	5,327	-	5,338	5,338
Other payables	5,714	(5,327) [2]	387	5,700	(5,338)	362
Current liabilities						
Construction contracts	1,317	(1,317) [2]	-	888	(888)	-
Contract liabilities	-	1,455 [2]	1,455	-	1,029	1,029
Other payables	6,368	(138) [2]	6,230	5,208	(141)	5,067
Equity and liabilities	**146,521**	**-**	**146,521**	**147,739**	**-**	**147,739**
Income statement Q1, IFRS						
Revenue				21,099	(1,401)	19,698
Cost of sales				(14,115)	1,401	(12,714)
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)				**5,285**	**-**	**5,285**
Profit (loss) for the period				**2,857**	**-**	**2,857**

1) Effect of change to timing of revenue recognition from transmission assets in profit (loss)
2) Effect of changed presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15

We have applied the modified retrospective method, thus comparatives for the 2017 financial year are not restated. The effects of change in accounting policy are identical for business performance profit (loss).

1. Basis of reporting

Change in accounting policy

On 1 January 2018, we changed our accounting policy with respect to subsidies received under the Renewable Obligation schemes in the UK, known as green certificates or ROCs, and feed-in tariffs in Germany under the EEG2014 (*the German Renewable Energy Sources Act)*.

We now apply IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance', under which subsidies are recognised when there is a reasonable assurance that the grant will be received.

Prior to this change in policy, we applied IAS 18 'Revenue' to ROCs and feed-in tariffs in Germany, while we applied IAS 20 to feed-in tariffs in Denmark and CfDs (*Contracts-for-Difference*) in the UK.

We believe the new policy is preferable as it aligns our accounting of subsidies received for our eco-friendly power generation and will aid comparability between years.

This voluntary change in accounting policy did not result in any impact on the current year or any years included within these consolidated financial statements. The recognition, measurement, timing and presentation of ROCs and feed-in tariffs are unchanged.

Profit (loss), the equity and the consolidated statement of cash flows are therefore not affected by the change in accounting policy.

2. Business performance

Specification of the difference between EBITDA according to business performance and according to IFRS, DKKm	Q1 2018	Q1 2017
EBITDA — business performance	5,519	3,288
Business performance adjustments in respect of revenue for the period	(110)	929
Business performance adjustments in respect of cost of sales for the period	(124)	(374)
EBITDA — IFRS	**5,285**	**3,843**
Total business performance adjustments for the period comprise:		
Value adjustments for the period of hedging contracts that relate to future periods	(278)	478
Reversal of gains (losses) relating to hedges deferred from prior periods where the hedged production or trading is recognised in business performance EBITDA for this period	44	77
Total adjustments	**(234)**	**555**

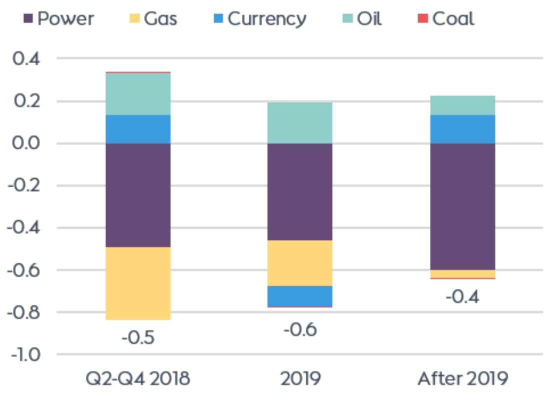
Financial impact of hedging

Our hedging of market risks is based on a number of different accounting principles, depending on the type of exposure being hedged.

In the business performance result, the value of hedging contracts concerning energy and related currencies is deferred for recognition in the period in which the hedged exposure materialises.

Exposure from the proceeds from the partial sale of new offshore wind farms, among other things, is hedged as cash flow hedging in accordance with the IFRS principles and is transferred to both IFRS and business performance EBITDA in the period in which the hedged exposure materialises.

Expected value for recognition in business performance EBITDA, DKKbn



The figure shows the time of the transfer of the market value of hedging contracts in business performance EBITDA for both business performance and IFRS hedges.

3. Segment information

Q1 2018 **Income statement,** DKKm	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Reportable segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	4,861	2,948	12,140	19,949	(141)	19,808	(110)	19,698
Intra-group revenue	2,157	(63)	519	2,613	(2,613)[1]	-	-	-
Revenue	**7,018**	**2,885**	**12,659**	**22,562**	**(2,754)**	**19,808**	**(110)**	**19,698**
Cost of sales	(2,116)	(2,108)	(10,986)	(15,210)	2,620	(12,590)	(124)	(12,714)
Employee costs and other external expenses	(1,077)	(354)	(467)	(1,898)	41	(1,857)	-	(1,857)
Additional other operating income and expenses	161	16	8	185	3	188	-	188
Gain (loss) on disposal of non-current assets	(31)	-	-	(31)	-	(31)	-	(31)
Share of profit (loss) in associates and joint ventures	1	-	-	1	-	1	-	1
EBITDA	**3,956**	**439**	**1,214**	**5,609**	**(90)**	**5,519**	**(234)**	**5,285**
Depreciation and amortisation	(1,019)	(162)	(191)	(1,372)	(10)	(1,382)	-	(1,382)
Impairment losses	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**2,937**	**277**	**1,023**	**4,237**	**(100)**	**4,137**	**(234)**	**3,903**
Key ratios								
Property, plant and equipment and intangible assets	60,076	7,532	11,728	79,336	330	79,666	-	79,666
Equity investments and non-current receivables	116	41	335	492	687	1,179	-	1,179
Net working capital, work in progress	7,472	-	-	7,472	-	7,472	-	7,472
Net working capital, capital expenditures	(4,581)	(198)	-	(4,779)	-	(4,779)	-	(4,779)
Net working capital, other items	1,915	(3,187)	1,239	(33)	157	124	-	124
Derivatives, net	152	(101)	144	195	(116)	79	-	79
Assets classified as held for sale, net	-	-	2,018	2,018	-	2,018	-	2,018
Decommissioning obligations	(3,800)	(724)	(474)	(4,998)	-	(4,998)	-	(4,998)
Other provisions	(2,036)	(741)	(3,189)	(5,966)	(894)	(6,860)	-	(6,860)
Tax, net	3,179	(151)	167	3,195	(1,282)	1,913	-	1,913
Other receivables and other payables, net	7	-	2	9	(669)	(660)	-	(660)
Capital employed at 31 March	**62,500**	**2,471**	**11,970**	**76,941**	**(1,787)**	**75,154**	**-**	**75,154**
Of which capital employed for discontinued operations						(86)	-	(86)
Of which capital employed for continuing operations						75,240	-	75,240
Return on capital employed (ROCE) %	**29.8**	**(13.4)**	**12.7**	**-**	**-**	**26.7**	**-**	**-**
Cash flow from operating activities	675	607	(90)	1,192	(1,590)	(398)	-	(398)
Gross investments	(1,704)	(205)	(155)	(2,064)	(7)	(2,071)	-	(2,071)
Divestments	816	(1)	13	828	7	835	-	835
Free cash flow (FCF)	**(213)**	**401**	**(232)**	**(44)**	**(1,590)**	**(1,634)**	**-**	**(1,634)**

Profit (loss) and cash flows are shown only for continuing operations.

The column 'Other activities/eliminations' covers primarily the elimination of inter-segment transactions. Also included are income and costs, assets and liabilities, investment activity, taxes, etc., handled at group level.

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 3,154 million.

3. Segment information

Q1 2017 **Income statement,** DKKm	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Reportable segments	Other activities/ eliminations	Business performance	Adjustments	IFRS
External revenue	3,358	2,178	11,196	16,732	(235)	16,497	929	17,426
Intra-group revenue	1,320	69	429	1,818	(1,818)[1]	-	-	-
Revenue	**4,678**	**2,247**	**11,625**	**18,550**	**(2,053)**	**16,497**	**929**	**17,426**
Cost of sales	(1,651)	(1,701)	(10,031)	(13,383)	1,796	(11,587)	(374)	(11,961)
Employee costs and other external expenses	(1,010)	(340)	(424)	(1,774)	14	(1,760)	-	(1,760)
Additional other operating income and expenses	74	-	16	90	-	90	-	90
Gain (loss) on disposal of non-current assets	38	1	(1)	38	-	38	-	38
Share of profit (loss) in associates and joint ventures	10	-	-	10	-	10	-	10
EBITDA	**2,139**	**207**	**1,185**	**3,531**	**(243)**	**3,288**	**555**	**3,843**
Depreciation and amortisation	(906)	(161)	(221)	(1,288)	(8)	(1,296)	-	(1,296)
Impairment losses	-	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)	**1,233**	**46**	**964**	**2,243**	**(251)**	**1,992**	**555**	**2,547**
Key ratios								
Property, plant and equipment and intangible assets	55,293	7,023	11,566	73,882	318	74,200	-	74,200
Equity investments and non-current receivables	131	8	320	459	-	459	-	459
Net working capital, work in progress	4,924	-	-	4,924	-	4,924	-	4,924
Net working capital, capital expenditures	(2,587)	(155)	-	(2,742)	-	(2,742)	-	(2,742)
Net working capital, other items	622	(3,429)	(3,432)	(6,239)	1,498	(4,741)	-	(4,741)
Derivatives, net	1,749	(134)	(167)	1,448	1,394	2,842	-	2,842
Assets classified as held for sale, net	-	-	1,990	1,990	(478)	1,512	-	1,512
Decommissioning obligations	(2,894)	(692)	(197)	(3,783)	-	(3,783)	-	(3,783)
Other provisions	(1,850)	(868)	(2,557)	(5,275)	(43)	(5,318)	-	(5,318)
Tax, net	721	337	(500)	558	(2,811)	(2,253)	-	(2,253)
Other receivables and other payables, net	76	2	82	160	(625)	(465)	-	(465)
Capital employed at 31 March	**56,185**	**2,092**	**7,105**	**65,382**	**(747)**	**64,635**	**-**	**64,635**
Of which capital employed for discontinued operations						2,204	-	2,204
Of which capital employed for continuing operations						62,431	-	62,431
Return on capital employed (ROCE) %	**14.9**	**(27.7)**	**44.2**	**-**	**-**	**17.4**	**-**	**-**
Cash flow from operating activities	450	579	1,576	2,605	(1,717)	888	-	888
Gross investments	(1,993)	(374)	(135)	(2,502)	-	(2,502)	-	(2,502)
Divestments	(38)	25	48	35	30	65	-	65
Free cash flow (FCF)	**(1,581)**	**230**	**1,489**	**138**	**(1,687)**	**(1,549)**	**-**	**(1,549)**

Up until the divestment, the discontinued operations in the divested Oil & Gas business were included in assets classified as held for sale and in discontinued operations.

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK 2,318 million.

We have implemented IFRS 15 after the modified retrospective method. See note 1 'Basis of reporting' and note 4 'Revenue'.

4. Revenue

Revenue 2018, DKKm	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Other activities/ eliminations	Q1 total
Sale of gas	-	11	6,864	(393)	6,482
Generation and sale of power	1,534	1,220	4,637	(2,211)	5,180
Revenue from construction of offshore wind farms	2,922	-	-	-	2,922
Generation and sale of heat and steam	-	1,372	-	-	1,372
Distribution and transmission	-	-	756	(3)	753
Other revenue	386	137	108	8	639
Total revenue from customers, IFRS	**4,842**	**2,740**	**12,365**	**(2,599)**	**17,348**
Government grants	2,208	255	-		2,463
Economic hedging	(482)	(46)	(49)	20	(557)
Other revenue	-	103	361	(20)	444
Total revenue, IFRS	**6,568**	**3,052**	**12,677**	**(2,599)**	**19,698**
Adjustments	450	(167)	(18)	(155)	110
Total revenue, business performance	**7,018**	**2,885**	**12,659**	**(2,754)**	**19,808**

Timing of revenue recognition from customers, IFRS					
At a point in time	-	1,327	6,521	(197)	7,652
Over time	4,842	1,413	5,844	(2,403)	9,697
Total revenue from customers, IFRS	**4,842**	**2,740**	**12,365**	**(2,599)**	**17,348**

The timing of transfer of goods or services to customers is categorised as follows:

'At a point in time' mainly comprises:

- sale of gas or power in the market, e.g. North Pool, TTF, NBP
- transmission assets for offshore wind farms.

'Over time' mainly comprises:

- construction agreements of offshore wind farms and transmission assets
- long-term contracts with customers to deliver gas, power or heat.

Revenue

Revenue increased by 20% in Q1 2018 compared to Q1 2017. The increase was mainly due to higher activity from construction of offshore wind farms, higher gas and power prices as well as higher generation from offshore wind farms in operation.

In Q1 2018, revenue according to IFRS increased by 13% relative to the same period in 2017.

Revenue 2017, DKKm	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Other activities/ eliminations	Q1 total
Sale of gas	-	-	6,690	(614)	6,076
Generation and sale of power	2,412	1,073	4,959	(1,425)	7,019
Revenue from construction of offshore wind farms	1,772	-	-	-	1,772
Generation and sale of heat and steam	-	1,034	-	-	1,034
Distribution and transmission	-	-	662	(8)	654
Other revenue	702	236	(177)	110	871
Total revenue, IFRS	**4,886**	**2,343**	**12,134**	**(1,937)**	**17,426**
Adjustments	(208)	(96)	(509)	(116)	(929)
Total revenue, business performance	**4,678**	**2,247**	**11,625**	**(2,053)**	**16,497**

We have implemented IFRS 15 after the modified retrospective method. Thus, we have not restated comparative figures. The adoption of IFRS 15 has not had any significant impact on recognition and measurement of revenue in our interim financial report.

In 2017, we presented revenue from green certificates mainly ROCs as generation and sale of power. From 1 January 2018 this is now being presented as government grants.

5. Other operating income and expenses

Other operating income, DKKm	Q1 2018	Q1 2017
Gain on divestment of assets	-	51
Compensations	177	71
Miscellaneous operating income	23	32
Total other operating income	**200**	**154**

Other operating expenses, DKKm	Q1 2018	Q1 2017
Loss on divestment of assets	31	13
Miscellaneous operating expenses	12	13
Total other operating expenses	**43**	**26**

Other operating income

Compensations were mainly received from transmission system operators (TSOs).

The gain on divestment of assets in Q1 2017 primarily consisted of an adjustment of ownership interest in the UK offshore wind farm London Array.

6. Gross and net investments

Gross and net investments, DKKm	Q1 2018	Q1 2017
Cash flow from investing activities	333	(1,026)
Dividends received and capital reduction, reversed	(1)	-
Purchase and sale of securities, reversed	(1,569)	(1,401)
Loans to associates and joint ventures, reversed	8	1
Sale of non-current assets, reversed	(842)	(76)
Total gross investments	**(2,071)**	**(2,502)**
Transactions with non-controlling interests in connection with divestments	(7)	(13)
Sale of non-current assets	842	76
Total cash flows from divestments	**835**	**63**
Total net investments	**(1,236)**	**(2,439)**

The table shows gross and net investments based on cash flows from investing activities.

7. Assets classified as held for sale

Assets classified as held for sale, DKKm	31 March 2018	31 December 2017	31 March 2017
Intangible assets	19	20	6
Property, plant and equipment	2,119	2,119	12,759
Inventories	16	16	-
Trade receivables	83	73	149
Other receivables	371	368	1,085
Income tax	47	46	364
Cash	-	-	416
Total assets classified as held for sale	**2,655**	**2,642**	**14,779**
Deferred tax	99	99	1,134
Provisions	361	359	8,329
Trade payables	113	80	598
Other payables	62	92	1,067
Income tax	2	-	1,992
Total liabilities relating to assets classified as held for sale	**637**	**630**	**13,120**
Net assets classified as held for sale	**2,018**	**2,012**	**1,659**

The table shows assets and liabilities which have been put up for sale, and which are therefore not expected to contribute to our future earnings.

Assets classified as held for sale

At 31 March 2018, assets classified as held for sale comprised our oil pipe system in Denmark which is to be sold to the Danish transmission system operator, Energinet.
At 31 March 2017, assets classified as held for sale comprised our Oil & Gas business and oil pipe system.

On 29 September 2017, we divested our Oil & Gas business to INEOS. Until the divestment, we presented our Oil & Gas business as assets classified as held for sale and as discontinued operations.

8. Discontinued operations

Discontinued operations

Discontinued operations comprise our Oil & Gas business, which we sold to INEOS on 29 September 2017.

Financial results

Profit (loss) for the period amounted to DKK 8 million.

Cash flows amounted to DKK -125 million and mainly concerned the payment of fees for exiting Oil & Gas insurance activities. This fee was provided for at the time of the divestment in Q3 2017.

Capital employed

Our capital employed in discontinued operations mainly consisted of provisions relating to the sale (tax indemnifications and payments related to the Fredericia stabilisation plant) as well as a conditional payment (receivable selling price) which does not carry interest.

In addition, we have interest-bearing receivables of USD 150 million (not part of capital employed), which will be received in the 2018-2020 period.

Performance highlights, DKKm	Q1 2018	Q1 2017
EBIT	-	2,449
Profit (loss) from discontinued operations	8	1,426
Cash flows from discontinued operations	(125)	1,810

Capital employed, discontinued operations, DKKm	31 March 2018	31 December 2017
Equity investments and non-current receivables	687	691
Net working capital, other items	(7)	-
Derivatives, net	69	-
Other provisions	(852)	(935)
Tax, net	(6)	(3)
Other receivables and other payables, net	23	11
Total	**(86)**	**(236)**

9. Financial income and expenses

Net financial income and expenses, DKKm	Q1 2018	Q1 2017
Interest expenses, net	(241)	(110)
Interest element of provisions, etc.	(96)	(104)
Value adjustments of derivatives, net	(28)	(48)
Exchange rate adjutments, net	151	(19)
Value adjustments of securities, net	(78)	(29)
Other financial income and expenses, net	(3)	(24)
Net financial income and expenses	**(295)**	**(334)**

The table shows net financial income and expenses, corresponding to our internal reporting. Exchange rate adjustments and hedging contracts entered into to hedge currency risks are presented net under the item 'Exchange rate adjustments, net'.

Financial income and expenses

Financial income and expenses, net amounted to DKK -295 million in Q1 2018 against DKK -334 million in Q1 2017.

10. Reserves

Reserves 2018, DKKm	Foreign currency translation reserve	Hedging reserve	Share premium reserve	Total reserves
Reserves at 1 January 2018	(1,825)	301	-	(1,524)
Exchange rate adjustments	467	-	-	467
Value adjustments of hedging	-	(592)	-	(592)
Value adjustments transferred to:				
Revenue	-	45	-	45
Financial income and expenses	-	30	-	30
Tax:				
Tax on hedging and currency adjustments	(86)	106	-	20
Comprehensive income for the period	**381**	**(411)**	**-**	**(30)**
Total reserves at 31 March	**(1,444)**	**(110)**	**-**	**(1,554)**

Reserves 2017, DKKm	Foreign currency translation reserve	Hedging reserve	Share premium reserve	Total reserves
Reserves at 1 January 2017	(1,558)	497	21,279	20,218
Exchange rate adjustments	169	(9)	-	160
Value adjustments of hedging	-	(166)	-	(166)
Value adjustments transferred to:				
Financial income and expenses	-	49	-	49
Tax:				
Tax on hedging and currency adjustments	(19)	27	-	8
Comprehensive income for the period	**150**	**(99)**	**-**	**51**
Total reserves at 31 March	**(1,408)**	**398**	**21,279**	**20,269**

11. Market risks

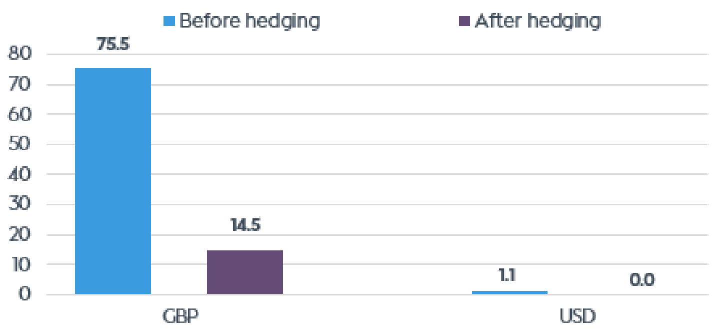
Market risks

The management of market risks is to ensure stable and robust financial ratios that support our growth strategy.

We hedge prices for up to five years to reduce cash flow fluctuations. Prices are not hedged in the medium to long term, and our long-term market risks are therefore determined by our strategic decisions on investments in new assets, the conclusion of long-term contracts as well as any divestment of assets.

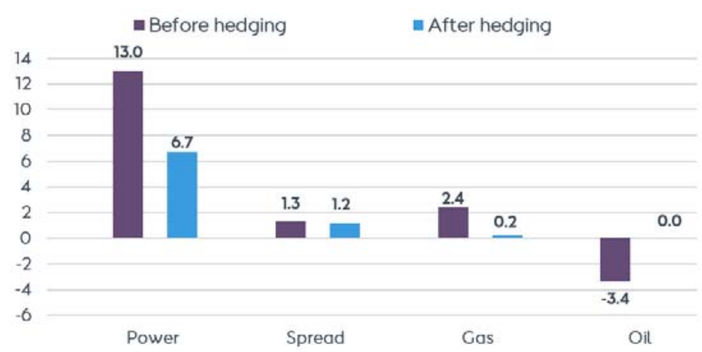
Our energy and currency exposures are shown below.

Currency exposure 1 April 2018 - 31 March 2023, DKKbn



Our currency exposure totalled DKK 76.6 billion before hedging and DKK 14.5 billion after hedging at the end of March 2018.

Energy exposure 1 April 2018 - 31 March 2023, DKKbn



Our energy exposures totalled DKK 20.1 billion before hedging and DKK 8.1 billion after hedging at the end of March 2018.

12. Fair value measurement

	Assets			Equity and liabilities
Fair value hierarchy, DKKm	Securities	Derivatives	Other receivables	Derivatives
Q1 2018				
Level 1	-	-	-	3
Level 2	23,711	3,026	-	3,571
Level 3	-	773	105	146
Total 2018	**23,711**	**3,799**	**105**	**3,720**
Q1 2017				
Level 1	12,311	1,344	-	407
Level 2	2,788	4,156	-	2,307
Level 3	-	342	-	287
Total 2017	**15,099**	**5,842**	**-**	**3,001**

Securities are now considered as level 2 due to a change in valuation input provider.

Valuation principles and key assumptions

In order to minimise the use of subjective estimates or modifications of parameters and calculation models, it is our policy to determine fair values based on external information that most accurately reflects the fair values.

Accounting policies

Level 1 comprises quoted securities and derivatives that are traded in active markets.

Level 2 comprises derivatives, where valuation models with observable inputs are used to measure fair value.

Level 3 comprises primarily long-term contract on the purchase/sale of, in particular, power and gas.

The fair values are based on assumptions concerning the long-term prices of, in particular, power, gas, coal, USD, EUR, volatilities as well as risk premiums in respect of liquidity and market risks. Since there are no active markets for the long-term prices of power, oil and gas, the fair value has been determined through an estimate of the future prices. The most important parameter resulting in commodity contracts being classified as level 3 is the power price. Normally, the price can be observed for a maximum of five years in the power market, after which an active market no longer exists. Beyond the five-year horizon, the energy price is thus projected on the basis of the observable forward price for year one to five. As the forward price of power develops stably during the five-year period, the projection over a small number of years is not deemed to be associated with any material risk.

In connection with the divestment of our Oil & Gas business, we will receive USD 100 million if the Rosebank field is developed. This payment is recognised at fair value under other receivables.

All assets and liabilities measured at fair value are measured on a recurring basis.

13. Interest-bearing debt and FFO

Interest-bearing debt and interest-bearing assets, DKKm	31 March 2018	31 December 2017	31 March 2017
Interest-bearing debt comprises:			
Bank debt	5,353	2,069	4,038
Bond debt	27,690	27,567	20,187
Total bond and bank debt	**33,043**	**29,636**	**24,225**
Liabilities classified as held for sale	-	-	543
Other interest-bearing debt	429	-	13
Total interest-bearing debt	**33,472**	**29,636**	**24,781**
Interest-bearing assets comprises:			
Securities	23,711	25,280	15,099
Cash	3,754	4,203	1,911
Receivables from associates and joint ventures	56	48	-
Other receivables	661	647	558
Receivables in connection with divestments	959	975	-
Assets classified as held for sale	-	-	690
Total interest-bearing assets	**29,141**	**31,153**	**18,258**
Total interest-bearing net debt	**4,331**	**(1,517)**	**6,523**

Interest-bearing net debt totalled DKK 4,331 million as of 31 March 2018, which is an increase of DKK 5,848 million relative to 31 December 2017. The increase was driven by a decrease in interest-bearing assets totalling DKK 2,012 million, of which DKK 2,018 million were related to securities and cash. In addition, interest-bearing debt increased by DKK 3,407 million, of which DKK 3,281 million related to short-term repo loans.

Market value of bond and bank debt

The market value of bond and bank debt amounted to DKK 32,648 million and DKK 5,414 million, respectively, at 31 March 2018.

Funds from operations (FFO), DKKm	31 March 2018	31 December 2017	31 March 2017
EBITDA — business performance	**24,750**	**22,519**	**15,311**
Interest expenses, net	(761)	(629)	(418)
Reversal of interest expenses transferred to assets	(703)	(754)	(640)
Interest element of decommissioning obligations	(188)	(194)	(174)
50% of coupon payments on hybrid capital	(320)	(320)	(320)
Calculated interest paid on operating lease obligations	(67)	(234)	(307)
Adjusted interest expenses, net	**(2,039)**	**(2,131)**	**(1,859)**
Reversal of gain (loss) on divestment of assets	(10,766)	(10,835)	(2,634)
Reversal of recognised operating lease payment in profit (loss) for the year	873	885	815
Total current tax	(2,967)	(2,447)	(3,858)
Funds from operations (FFO)[1]	**9,851**	**7,991**	**7,775**

[1] Last 12 months

The table shows which items are included in funds from operations. FFO is calculated for the continuing operations.

Adjusted interest-bearing net debt, DKKm	31 March 2018	31 December 2017	31 March 2017
Total interest-bearing net debt	**4,331**	**(1,517)**	**6,523**
50% of hybrid capital	6,619	6,619	6,624
Cash and securities not available for distribution, excluding repo loans	628	749	1,066
Present value of operating lease payments	5,886	6,095	5,391
Decommissioning obligations	4,998	4,751	3,783
Deferred tax on decommissioning obligations	(839)	(797)	(650)
Total adjusted interest-bearing net debt	**21,623**	**15,900**	**22,737**

The table shows which items are included in the adjusted interest-bearing debt as well as FFO relative to adjusted interest-bearing debt.

Funds from operations (FFO)/ adjusted interest-bearing net debt	31 March 2018	31 December 2017	31 March 2017
Funds from operations (FFO)/ adjusted interest-bearing net debt	**45.6%**	**50.3%**	**34.2%**

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the interim report of Ørsted A/S for the period 1 January - 31 March 2018.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional requirements in the Danish Financial Statements Act (*Årsregnskabsloven*). Apart from the implementation of IFRS 15 and the changed accounting policy for subsidies, the accounting policies remain unchanged from the annual report for 2017.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2018 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2018. Furthermore, in our opinion, the management's review gives a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2017.

Skærbæk, 26 April 2018

Executive Board:

Henrik Poulsen
President and CEO

Marianne Wiinholt
CFO

Board of Directors:

Thomas Thune Andersen
Chairman

Lene Skole
Deputy Chairman

Lynda Armstrong

Pia Gjellerup

Jørgen Kildahl

Peter Korsholm

Benny D. Loft

Dieter Wemmer

Hanne Sten Andersen*

Poul Dreyer*

Benny Gøbel*

*Employee representative