

**Fortum intends to become a major shareholder in Uniper – to launch public takeover offer if agreement reached with E.ON regarding its 46.65% share in Uniper**

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Fortum Corporation notes Bloomberg's article earlier today regarding a potential transaction concerning E.ON SE's stake in Uniper SE.

Fortum confirms that it is in advanced discussions with E.ON concerning E.ON's 46.65% stake in the Germany-based international energy company Uniper. In relation to these advanced discussions, certain questions are currently being clarified with the authorities by E.ON. Any agreement between the parties will be subject to the required internal approvals of both parties. It is not certain that the discussions will result in an agreement.

Should Fortum reach an agreement with E.ON, Fortum would make a voluntary Public Takeover Offer ("Offer") to all shareholders of Uniper under the German Securities Acquisition and Takeover Act. E.ON could tender its stake of 46.65% in Uniper into the Offer in early 2018.

It is currently considered that under such Offer by Fortum, Uniper shareholders, including E.ON, would receive a total value of EUR 22 in cash per share. The Offer would not be subject to any minimum acceptance threshold. Any Offer would be subject to customary regulatory approvals.

The total value of EUR 22 per share to be received by Uniper shareholders pursuant to the Offer corresponds to a total equity value of approximately EUR 3.76 billion for E.ON's 46.65% shareholding in Uniper and of EUR 8.05 billion for 100% of Uniper's outstanding share capital.

If the Offer is launched as currently contemplated, Uniper shareholders would have the opportunity to realise attractive and certain value by tendering their shares. The total value implies a premium of 36% to the price prior to intense market speculation on a potential transaction at the end of May, as well as a 120% premium to the initial trading price post spin-off of EUR 10.

"The offer would be an attractive opportunity for Uniper shareholders to capture the full value of their investment," said Pekka Lundmark, Fortum's President and CEO. "Uniper shareholders could lock in the significant share price gains related to a significant degree to the prolonged takeover speculation in recent months."

The transaction currently under discussion is grounded in a strong strategic and financial rationale. The investment would deliver on Fortum's previously announced, disciplined capital redeployment strategy and investment criteria. Uniper's businesses are well aligned with Fortum's core competencies, are close to Fortum's home markets and are highly cash generative.

"Uniper's stated role as the provider of security of supply would be an excellent match with Fortum's ambition to accelerate the energy transition with increasing renewable generation and innovative solutions. Both are needed to make the change happen and each plays a crucial part as Europe transitions from a conventional to a cleaner and more secure energy future," said Pekka Lundmark.

The businesses and competencies of Fortum and Uniper are highly complementary. Uniper's production portfolio in Sweden is mainly based on CO<sub>2</sub>-free hydro and nuclear power, and is therefore an excellent fit with Fortum, one of the cleanest power producers in Europe. In Russia, Uniper's production fleet, like that of Fortum's, is largely based on highly efficient gas-fired generation. In Continental Europe, Uniper has a technologically advanced, flexible and highly cost-efficient generation portfolio predominantly based on gas, coal and hydropower. Uniper's power plants and gas assets have an essential role in providing security of supply and affordable energy as Europe transitions towards low emission energy. In addition, Uniper has extensive commodities trading activities that are complementary to the power generation business. The commodities business also includes sizeable gas storage and long term contract portfolios that play a key role in ensuring security of supply.

In 2016, Uniper's sales totaled EUR 67.3 billion and adjusted EBITDA EUR 2.1 billion. The group's consolidated power generation capacity totaled 38 gigawatts and power production 139 terawatt-hours. The company employs around 13,000 people.

Fortum confirms that it previously proposed to Uniper management a full business combination agreement, including commitments to protect the interests of Uniper's key stakeholders. As Uniper has stated its intention to remain independent, in the transaction currently under discussion, Fortum would focus on being an active, supportive and reliable shareholder of Uniper and a constructive strategic partner to Uniper, its management and employees, provided that an agreement with E.ON can be reached and the Offer would be consummated, with E.ON deciding to tender its stake.

Fortum acknowledges that the dedication of the Uniper workforce is the foundation for the current and future success of Uniper's operations. As a strategic investor and responsible major shareholder in Uniper, Fortum would be committed to protecting the interests of Uniper's employees and other stakeholders.

Fortum fully acknowledges the integrity of existing employee rights and has no intention to cause Uniper to implement forced redundancies in connection with the discussed transaction or for Uniper to change its corporate seat away from Düsseldorf, Germany.

“We intend to be a long-term investor in Uniper and we take our responsibility to all stakeholders very seriously,” said Pekka Lundmark. “We are convinced that a close cooperation of the two companies would render significant benefits for all stakeholders as there are many strategic and operational touchpoints between the portfolios of Fortum and Uniper. We hold Uniper management in high regard and, if a transaction is agreed with E.ON, are looking forward to discussing with Uniper management how our commitments can be adequately formalised.”

As of today there can be no certainty whether discussions with E.ON will result in an agreement and hence whether an Offer will be launched. Fortum will not speculate on the timetable or the outcome of the discussions with E.ON. Fortum will make further announcements only if and when appropriate.

Fortum Corporation

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**Fortum**

Fortum is a leading clean-energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. We want to engage our customers and society to join the change for a cleaner world. We employ some 9,000 professionals in the Nordic and Baltic countries, Russia, Poland and India, and 62% of our electricity generation is CO<sub>2</sub> free. In 2016, our sales were EUR 3.6 billion. Fortum's share is listed on Nasdaq Helsinki.

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**Uniper**

Uniper is an international energy company with activities in Europe, Russia and numerous other markets worldwide. The company employs around 13,000 people. Uniper operates power plants in Europe and Russia, with a total installed capacity of around 40 gigawatts, and it runs an extensive energy trading business. Uniper also maintains gas storage facilities in Germany, Austria and the UK, which help to create a flexible balance between supply and demand in the gas supply system. Furthermore, the company develops energy storage solutions to support renewable energies. In 2016, Uniper's sales totaled EUR 67.3 billion and adjusted EBITDA EUR 2.1 billion. The company employs around 13,000 people. Uniper is listed on the Frankfurt stock exchange (Börse Frankfurt).