

Fortum has published offer document for Uniper shares, acceptance period has commenced

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Fortum has today published the offer document for the voluntary public takeover offer (Offer) for the outstanding shares of Uniper following approval of the offer document by the German Federal Financial Supervisory Authority (BaFin). The acceptance period has commenced today, 7 November 2017, and ends on 16 January 2018.

Pursuant to the Offer, Uniper shareholders who tender their shares will receive the previously announced total value of EUR 22.00 per share in cash, which includes the value of an expected dividend from Uniper of EUR 0.69 per share for the fiscal year 2017. The total value represents a premium of 36% over the share price prior to intense market speculation regarding a potential transaction at the end of May 2017 and a premium of 120% over the initial trading price post spin-off of EUR 10.

“We believe that our offer represents a very attractive valuation for Uniper’s shares and provides an excellent opportunity for all Uniper shareholders to lock in the significant share price gains over the past year,” said Pekka Lundmark, President and CEO of Fortum. “I can clearly state that while we welcome all shares offered to us, we are focused on acquiring E.ON’s 46.65% shareholding. We have no plans whatsoever, nor do we see any reasons, to raise the offer price.”

Based on the agreement made and announced on 26 September 2017, E.ON has the right to tender its 46.65% stake into Fortum’s Offer in early 2018. If E.ON does not tender its Uniper shares by 11 January 2018, Fortum will have the right to sell to E.ON any Uniper shares it has acquired from the market by the same date as well as any shares it acquires through the Offer. In addition, Fortum would be entitled to a compensation fee from E.ON. The compensation fee includes a base fee corresponding to 20% of the total offer value (EUR 22.00 per Uniper share) attributable to the 170,720,340 Uniper shares held by E.ON (i.e. approximately EUR 750 million). The compensation fee also contains a variable payment depending on how much the Uniper share price exceeds EUR 22.00 during the last five trading days before 11 January 2018. The variable payment is capped at an amount equal to the amount of the base fee. Thus, in total, the compensation fee could reach a maximum of 40% of the total offer value attributable to the Uniper shares held by E.ON (i.e. approximately EUR 1.5 billion).

In the agreement, E.ON has also undertaken to exercise its voting rights and the right to submit counter motions in such a way that a dividend of EUR 0.69 per Uniper share will be resolved for the financial year ending 31 December 2017 subject to available balance sheet profits. In the event that Uniper’s Annual General Meeting 2018 does not resolve a dividend or resolves a dividend which is lower than an amount of EUR 0.69 per Uniper share, Fortum will pay the difference to the shareholders who have accepted the Offer. In the event that the settlement of the Offer occurs prior

to Uniper's Annual General Meeting 2018, the Offer price will be increased by EUR 0.69 per Uniper share to amount to EUR 22 per Uniper share.

Fortum intends to become a long-term investor and an active, supporting, reliable and constructive strategic partner to Uniper, its management and employees. As a major shareholder in Uniper, Fortum intends, to the extent permissible under applicable law and provided that Uniper's management will be open thereto, to engage with Uniper's management to evaluate and implement cooperation opportunities for the benefits of Uniper and Fortum.

“As a major shareholder we intend to live up to our responsibility to act as a constructive partner to Uniper. In turn, we are looking forward to Uniper management assuming their responsibility to make this relationship work in the best interest of the company, its shareholders and employees. As stated previously, we are willing to make significant commitments and look forward to formalising these with Uniper management in order to establish a strong basis for constructive cooperation between our two companies,” said Lundmark.

The Offer will be financed with existing cash resources and committed credit facilities, with Barclays Bank PLC originally underwriting 100% of the EUR 12 billion credit facilities to cover the Offer, associated costs and ongoing liquidity requirements. In October, the credit facilities were syndicated to selected relationship banks of Fortum. Transaction costs incurred by Fortum will depend on the acceptance rate of the Offer. At an acceptance rate of 100%, the maximum transaction costs could be EUR 100 million, including funding costs of approximately EUR 60 million.

The Offer will be subject to competition and regulatory approvals, but has no minimum acceptance condition. Fortum expects to finalise the transaction in mid-2018.

The offer document and a non-binding English translation along with instructions on how to obtain a printed copy are available at www.powerful-combination.com.

Fortum

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Teleconference for media:

A telephone conference for media will be arranged today 7 November 2017 at 7:30 CET. The participants will have a possibility to present questions in a Q&A session.

To participate, please dial:

Finland: +358 (0)9 42 45 08 06

Germany: +49 (0) 302 21 53 18 02

International: +44 (0) 844 571 8892

Confirmation code: **6487665**

An on-demand version and transcript of the teleconference will be available at www.powerful-combination.com and Fortum's investor website after the event.

Distribution:

Nasdaq Helsinki
Key media
www.fortum.com

Important notice

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of Uniper. The definite terms and conditions of the Offer, as well as further provisions concerning the Offer, have been published in the offer document. Investors and holders of shares in Uniper are strongly advised to read the offer document and all other relevant documents regarding the Offer, since they will contain important information.

Fortum reserves the right, to the extent permissible under applicable law, to acquire, directly or indirectly, additional Uniper Shares outside of the Offer on or off the stock exchange. To the extent such acquisitions occur, information about them will be published according to the applicable statutory provisions.

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 CO₂ free. In 2016, our sales were EUR 3.6 billion. Fortum's share is listed on Nasdaq Helsinki.

www.fortum.com