Uniper’s Management Board and Supervisory Board recommend their shareholders not to accept Fortum’s offer

- Offer price does not reflect Uniper’s value
- Fortum provides Uniper no considerable added value
- Binding commitments from Fortum still outstanding

Today, Uniper’s Management Board and Supervisory Board issued a joint Substantiated Statement pursuant to Section 27 of the German Securities Acquisition and Takeover Act (WpÜG) concerning the voluntary public takeover offer from Fortum. Both Boards are of the opinion that Fortum’s offer is not in Uniper’s best interest, nor in the interest of its shareholders, employees, and further stakeholders. The Management Board and Supervisory Board therefore recommend Uniper shareholders not to accept Fortum’s offer. The Group Works Council fully supports the joint statement from the Management Board and Supervisory Board and has thus decided not to submit an own statement.

“Fortum’s offer is unacceptable as it does not reflect Uniper’s true value. In addition, there is no recognizable contribution to a better development perspective for Uniper. The offer document also does not clearly state what Fortum’s true intentions are,” said Klaus Schäfer, Uniper’s CEO. “Now begins the time for discussions. We will find out if Fortum is prepared to follow up its public statements with binding commitments. We will hold Fortum to its word to ensure Uniper’s independence as far as possible.”

“The Supervisory Board is not able to discern any relevant strategic benefit for Uniper from the offer. Furthermore, Fortum’s offer price is not financially attractive for our shareholders,” said Dr. Bernhard Reutersberg, Uniper’s Chairman of the Supervisory Board. “Fortum’s offer puts the successful future development of Uniper at risk. The company has performed exceptionally well since becoming independent, is financially sound and makes a significant contribution to the security of supply with gas and power in Europe.”

The recommendation of Uniper’s Management Board and Supervisory Board is based in particular on the following considerations:

**Offer price does not reflect Uniper’s value**

The offer price of 21.31 euros per share (plus 0.69 euros per Uniper share for dividends for fiscal 2017 if applicable) does not reflect Uniper’s potential. The future prospects as an independent company justify a significantly higher amount, which is among other things reflected in Uniper’s current share price. The Fairness Opinions of two prominent investment banks also confirm that the consideration offered is not fair.

Fortum does not pay a control premium with the offer price, although the company is expected to acquire at least the 46.65 percent stake in Uniper held by E.ON. With this, the company effectively holds a majority of the voting rights at the Annual General Meeting. Fortum also can – in accordance with German takeover legislation – purchase additional Uniper shares following the offer without having to make a second takeover.
offer. Considering the average control premium for cash offers for takeovers of companies in Europe since 2002, which is about 35 percent based on a share price four weeks prior to the announcement of the transaction, the offer price would be more than 27 euros per Uniper share.

Taking this into account, Uniper’s Management Board and Supervisory Board consider this price inadequate.

Fortum provides Uniper no considerable added value

Fortum is an experienced power company, which focuses on hydro and nuclear power as well as thermal power plants in Russia. Uniper contributes to the security of supply in the European electricity and gas markets, utilizes the increasing integration of the global energy markets and participates in the growth of the energy markets worldwide.

Whereas Uniper ensures Europe’s security of supply with reliable and affordable energy from conventional energy sources, Fortum focuses on CO₂-free generation and has no significant expertise in thermal generation outside of Russia.

The commodities business is a fundamental link within Uniper. Acting as the company’s central hub, it optimizes the fuel supply and dispatching of power plants as well as the management of our extensive gas portfolio. Fortum, on the other hand, has no appreciable expertise in the global commodities business and can therefore hardly support the profitable growth of Uniper’s activities in this realm.

Also in terms of geographical reach, the Management Board and Supervisory Board do not see any benefit. Compared with Uniper’s global set-up, Fortum is predominantly a company with a regional focus and no far-reaching global expertise. Besides Finland, Fortum does not operate in any country where Uniper doesn’t already do business.

Therefore, compared with a continuation of the strategy of maintaining Uniper as a separate and independent company, the Management Board and Supervisory Board do not see any significant strategic benefit for Uniper from Fortum’s offer.

Binding commitments from Fortum still outstanding

Fortum’s intentions set out in the offer document with regard to Uniper’s future development and the future of employees are only applicable in the event that a qualified majority of at least 75 percent of the share capital or the voting rights is not obtained at the Annual General Meeting of Uniper. As an investor, Fortum wouldn’t be able to intervene in business decisions anyway, so these statements are not legally relevant.

However, it is quite possible that Fortum could obtain 75 percent or more of the voting rights at the Annual General Meeting. Given that only approximately three-fourths of the shareholders were present at Uniper’s last Annual General Meeting, a 55 percent stake in Uniper would have already been sufficient for a controlling majority. For this event, the offer, however, does not contain any commitments regarding Uniper’s strategic future development, the future planned governance structure, business operations, locations, employees, employment conditions and employee representation.
Added to this is the fact that in the offer document, Fortum has not expressly ruled out extensive structural changes such as the conclusion of a domination and profit transfer agreement, a squeeze-out of Uniper minority shareholders or a delisting of the Uniper shares.

The complete Substantiated Statement of Uniper’s Management Board and Supervisory Board as well as further information on the voluntary public takeover offer can be found on the company’s website https://uniper.energy/unique.

It is expressly pointed out that only the Substantiated Statement is authoritative. The information contained in this press release does not constitute an explanation or supplement to the content of the statement.

About Uniper
Uniper is a leading international energy company with operations in more than 40 countries and around 13,000 employees. Uniper’s business is to provide a reliable supply of energy and related services. Its main operations include power generation in Europe and Russia and global energy trading. Its headquarters are in Düsseldorf, Germany.

This press release may contain forward-looking statements based on current assumptions and forecasts made by Uniper SE management and other information currently available to Uniper. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Uniper SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.