Uniper SE Annual Shareholders Meeting

Essen, June 6, 2018

Statement by:

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Good morning, Uniper shareholders, ladies and gentlemen, on behalf of my Management Board colleagues – Christopher Delbrück, Keith Martin, and Eckhardt Rümmler – I'd like to welcome you to the Grugahalle in Essen for this year's Annual Shareholders Meeting. These are exciting times for the energy industry and Uniper. I'm pleased to see you here. Your presence shows that you're interested in how we're faring in the current environment.

I'd of course also like to welcome all shareholder representatives, journalists, and all other guests and friends of Uniper, particularly our retirees.

Over the past two years, together we've built up your Uniper to what it is today. I'm certain you'll permit me to begin with a topic that illustrates this performance particularly well: our **share price.**

At Uniper's first Annual Shareholders Meeting a year ago, I was able to report an impressive 75-percent increase in our share price since its listing in September 2016. This upward trend has continued. As of yesterday evening's closing price, we are talking about a share price of €26.87, a more than 50-percent increase relative to the price at the time of last year's Annual Shareholders Meeting. Our market capitalization is currently about €9.8 billion. Even though this reflects an element of takeover speculation, it's based just as much on our

solid business performance and on investors' faith in our business model and in the company's future value.

This not only makes us on the Management Board proud of what we've accomplished. It also gives me the opportunity, on behalf of my Management Board colleagues, to say thank you to our employees as well as our managers. All of them have worked tirelessly for the company and actively supported the Management Board in a time of immense challenges and fundamental changes in our business and corporate environment. We look forward to continuing to work with this motivated and committed team. It has played a decisive role in our success. Our people's deep expertise and desire to perform are the best prerequisites for leading your company successfully into the future. So, many thanks to all our employees.

Such a desire to perform presupposes that all employees feel comfortable and, most importantly, safe in their work environment. **Health, occupational safety and security** are top priorities in everything we do.

We're working continually to further improve our standards in these areas beyond their already high level. This effort is supported by groupwide programs and guidelines that take into account the safety

requirements of the various countries in which we operate, although we regularly go well beyond these. Health, occupational safety and security are also the focus of a three-year rolling improvement plan that sets ambitious targets for further improvements in all areas.

It's important that we monitor our progress toward these targets on a regular basis. Our main safety metric is combined total recordable incident frequency (TRIF), which measures the number of incidents per million hours of work experienced by employees and contractors at all of our business units, including Russia. I'm particularly pleased and proud that our 2017 TRIF of 1.53 per million hours of work was our best ever. It means that we again improved our safety performance relative to the prior year, when our TRIF was 1.68. This performance is a reflection of the special care we take of our employees' and contractor employees' health and well-being. But every accident is always one too many. That's why we'll continue to place a significant emphasis on this issue in the current year as well.

Uniper shareholders, your company's primary mission is to provide a reliable, demand-oriented supply of electricity, gas, and other energy sources. Our ambition is for Uniper's technologically advanced and highly efficient **generation portfolio** in Europe and Russia to continue

to make an important contribution to system stability and supply security in these electricity markets.

For us to live up to this ambition, our power plants must be highly reliable. Reserve power plants, which ensure the stability of the electricity grid, face special demands. These power plants are frequently ramped up and ramped down at short intervals and must do so with ever greater frequency. The rest of the time they must remain in standby mode.

I can assure you that Uniper's generation portfolio, which provides 45 percent of Germany's reserve capacity, fully meets these requirements, even though there are still real problems with the market design for the remuneration of these power plants. But I'll say more about that in a moment.

Our strong **gas** portfolio consisting of long-term procurement contracts, stakes in pipelines, gas storage facilities, and LNG trading is another way we ensure supply security. This past winter, which wasn't particularly cold but simply arrived very late, amply demonstrated the importance of our portfolio once again. By the end of winter, German storage facilities were only about 15 percent full, which is very close to the operational limit of most facilities.

Alongside the important contribution our asset portfolio makes to supply security, we're committed to continually reducing its environmental impact. From 2005, the first year of the EU Emissions Trading Scheme (EU ETS), to year-end 2017, we reduced the carbon emissions of our generation assets in Europe by about 60 percent in absolute terms. They therefore declined more than is foreseen under the EU's current climate targets. For the years 2018 – 2020 we've set a carbon intensity target of 500 grams of carbon-dioxide per kilowatt-hour on average. For the decade ahead we see the potential for further reductions, in part because of our stable hydro and nuclear power businesses, the impact on our portfolio of the possible phase-out of coal in many European countries, and a generally greater use of climate-friendly natural gas. You'll find more details and information about our efforts to protect the environment in our 2017 Sustainability Report, which we published today.

Since our last Annual Shareholders Meeting, there have been developments at many of our assets and projects. I'll now provide you with a brief overview.

For example, a lot has happened at our activities in Russia. I'll start with the sale of our stake in **Yuzhno Russkoye gas field.** After the prolonged process of obtaining all the necessary regulatory

approvals, the transaction still closed last December as planned. The sale enabled us to meet our debt-reduction target very swiftly and in full. It was a very important success for Uniper's future.

Staying in Russia, I'll turn to **Berezovskaya 3**, our generating unit under construction there. The work to repair the damage caused by a fire two years ago is on schedule and on budget. This past January I again visited the construction site to get a personal impression of the work being done there. I can assure you that I was extremely impressed by the extraordinary commitment of the employees of Unipro, our subsidiary in Russia, and the contractor employees. They're highly motivated and demonstrating impressive teamwork as they carry out the repairs. And they're undeterred by frigid Siberian winter temperatures, which during my visit hovered around minus 37 degrees Celsius. The new generating unit is scheduled to enter service in the third quarter of 2019.

Nord Stream 2, the second of the tandem pipelines for transporting Russian natural gas across the Baltic Sea to Germany, is another project related to Russia. Uniper is one of the project's five financing partners, all of which are renowned Western energy companies. As you no doubt know, the project is the subject of extensive, at times very polemical, and regrettably also emotional debate among

policymakers, academics, and the media. These discussions are not only about whether the project is a sensible piece of gas infrastructure but also about possible political consequences. Opinions range from unreserved support to complete rejection.

Two points are particularly important to me in this regard: First, from a gas point of view: I'm firmly convinced that gas will play a key role in the energy transition in Germany and Europe. Europe therefore needs to ensure that it will continue to have a stable and reliable gas supply at economically justifiable prices. Europe's domestic gas production is declining. Our Dutch neighbors –the second-largest gas producer in the EU just behind the United Kingdom – recently decided to dramatically reduce their gas production. Europe will thus need to import significantly more gas. This is one of the reasons why Europe needs to keep all of its gas-import options open, pipeline gas as well as LNG. Based on the many decades of experience that Uniper and its predecessor entities have in buying natural gas from Russia, I can only emphasize that Europe would do well to build another pipeline for transporting gas from Russia. It will enhance supply security and promote competition on Europe's gas market, both of which are clearly in consumers' interest.

Second, with regard to the political component: the new pipeline undoubtedly runs counter to the interests of many players, not only in Ukraine, which has its own profitable transit pipelines, but also in the countries along the Baltic Sea, in some Eastern European countries, in Brussels, and especially in Washington, DC. However, I strongly advocate against allowing these interests alone to be the deciding factor for an important infrastructure project for Europe. Where legitimate interests are concerned, there's no doubt that fair solutions will need to be found. However, where the opposition is based solely on maintaining or expanding market power or on antipathy toward Russia, policymakers should not allow themselves to be deterred. They should be guided by the project's gas-industry and economic logic and push for its implementation. In any case, we're firmly determined to continue to do so.

I'll shift now from our projects in Eastern Europe to our business operations in Western Europe. My first subject is **Maasvlakte,** our power station in the harbor district of Rotterdam, the Netherlands. This location of this power station is unique in Europe: it has access to the sea and the industrial heartland. This enables it to offer a broad portfolio of products that makes it superbly suited to meeting the demands of a modern energy hub now and in the future. It

already serves as a reserve power plant to balance out intermittent renewables output and supplies heat to nearby industrial enterprises. It will thus help secure the region's supply of electricity and heat over the medium term as well. It can use alternative fuels as well. For example, Maasvlakte already co-fires biomass. It's conceivable that in the future it could co-fire industrial by-products as well. Through partnerships with nearby industrial facilities, such as refineries, it's also conceivable that it could produce hydrogen and market some of its carbon dioxide as a chemical raw material. In partnership with industry, Maasvlakte power station can make an important contribution toward securing income and employment in the region well into the future. It's therefore all the more incomprehensible that under the Netherlands' new energy strategy Maasvlakte is scheduled to be decommissioned just 14 years after entering service. It's obvious that we'll have to stand up for our interests and thus for yours.

Datteln 4, our new power plant here in the Ruhr region, is affected by damage to its boiler which occurred during pre-commissioning trials and is attributable to the use of T-24 steel. A comprehensive analysis of the extent of the damage indicates that a full replacement of the boiler walls is unavoidable. This will further delay the plant's

planned entry into service, which is now expected to take place in summer 2020.

Datteln 4 is one of the most technologically advance hard-coal-fired power plants of its type. It will replace numerous older, less efficient power plants in the region. Nevertheless, it will be the last Uniper hard-coal-fired power plant that we commission. Because we're convinced that in terms of new-builds the future of thermal power plants belongs to gas.

This conviction is reflected in our plan for **Scholven power station** in Gelsenkirchen, which provides a range of energy sources to nearby chemical producers. Between now and year-end 2022, we intend to gradually convert Scholven from predominantly coal-fired generation to technologically advanced gas-fired cogeneration. This is a truly forward-looking project. It will not only significantly reduce air emissions such as CO_2 but also noise emissions, both from the power station itself and from arriving and departing trucks. In addition, the plan calls for areas of the site that are no longer needed to be restored to their natural state or used for new business activities. Uniper will offer a broad palette of products that will be produced at the power station and used by nearby industrial enterprises. The products include electricity, heat, steam, and possibly completed

desalinated water and compressed air. Long transport pathways and dispersion losses will be a thing of the past. This will make the Scholven industrial complex highly efficient and climate-friendly. It will also ensure that the northern Ruhr region continues to be supplied with district heat. In short, it will lead to the creation of an energy hub that in this form is unprecedented in North Rhine-Westphalia.

The example of Scholven demonstrates how a traditional industrial complex can be transformed through private investors. Existing infrastructure will be adapted so that it gives people and the region new opportunities for the future. Through this project Uniper is actively supporting the efforts of policymakers in the region.

At the end of last year, we refined **Uniper's corporate strategy** and clearly defined our growth areas. The Scholven project is just one example of how we want to adapt Uniper by focusing on the development of innovative solutions and individually tailored products for our major customers. Our main focus is on designing new, scalable business models that help us further develop our existing business.

What differentiates us from our competitors? Like very few other companies, we bring extensive technical as well as commercial

expertise to the customer relationship and combine both to benefit the customer. We offer new, bundled products that are individually tailored to customers' needs. We relieve customers from having to worry about complex energy issues.

A good example of this is our activities in international power generation, which is a strategically important growth area for Uniper in view of the global rise in energy demand. The New Policies Scenario of the International Energy Agency's *World Energy Outlook 2017* predicts that global energy consumption will increase by 30 percent and natural gas consumption by as much as 45 percent between 2016 and 2040. We offer potential customers worldwide not only fuel for their generation assets, such as liquefied natural gas (LNG), which is becoming an increasingly important energy source. We supplement fuel-supply services with individually tailored energy solutions for power stations, industrial facilities, electricity grids, and gas infrastructure across the entire lifecycle of these assets. To ensure that markets perceive us as a reliable LNG supplier, we want to significantly expand our LNG portfolio, in part by increasing the amount of LNG we procure from North America and Africa. Alongside our home market of Europe, our target markets are South America,

the Middle East, and Asia, particularly Southeast Asia; in short, the regions that import LNG as a fuel for power generation.

For example, awhile back we signed a declaration of intent in the **United Arab Emirates** to supply power plants with LNG and to construct a floating storage and regasification unit, which by means of a new pipeline extends the LNG supply chain to end-consumers. This project leverages our engineering skills and our many years of experience in global LNG trading.

Growth options for our International Power segment include a modernization initiative for older power plants currently being adopted in Russia. Participation in the initiative will be determined by tenders. Capacity payments will provide reliable long-term compensation for the extension of power plants' operating lives. We're currently reviewing the rules of the initiative and possible options for us to participate in it. We expect to make decisions about specific projects by end of 2018.

These are just a few examples that demonstrate that we're energetically implementing our new, individually tailored strategy in a variety of areas and projects.

I'll turn now to an event that was not yet foreseeable when I welcomed you to Uniper's first Annual Shareholders Meeting a year

ago. I'm talking about the efforts by **Fortum** of Finland to acquire all of Uniper or at least a large stake. Fortum first visited us in July 2017. Apparently, our good performance had not only impressed many investors but also Fortum's management. Fortum presented us with their plan to fully acquire and integrate Uniper for a price of €19 per share. Neither the Uniper Management Board nor the Supervisory Board found this plan convincing. Aside from the fact that the price per share was clearly too low, Fortum's business operations really don't fit well enough with Uniper's chosen strategy to create a persuasive story for us. Our rejection of their proposal wasn't at all a rejection of Fortum itself, which is a very respected company in our industry. Rather, it was guided by a sober question: do we want to continue on our successful course as an independent company or be integrated into another company with a different business orientation? Our answer to Fortum was clear and unambiguous. We said no.

Two months later, in September, Fortum made its second attempt, this time in the form of a public takeover offer for 100 percent of Uniper shares, including E.ON's nearly 47-percent stake. The Uniper Management Board and Supervisory Board were united in rejecting this offer as well. The outcome demonstrates that nearly all

shareholders agreed with our assessment: less than 0.5 percent points of the shares not held by E.ON were tendered to Fortum. By retaining your shares, you, our shareholders, made clear that you believe in Uniper's value potential. For this, we'd like to express our sincere thanks.

The day before yesterday, the Russian Federal Antimonopoly Service approved Fortum's filing under the Federal Law on Foreign Investment to acquire up to 50 percent of the stock and voting rights in Uniper. After the remaining necessary merger-control approvals in Russia and the EU are obtained, Fortum will likely be able to complete the acquisition of 47.12 percent of Uniper stock in the weeks ahead. The task will then be to reach an agreement with our new major shareholder – Fortum – that reflects the interests of the company, its employees, and the other shareholders. We'll work to lay the groundwork for a constructive working relationship between Fortum and Uniper. Because we're convinced that this will promote value creation over the long term from the standpoint of both companies.

But I'd like to state clearly that this wouldn't in any way alter our intention to remain an independent company. For the simple reason that it's the best foreseeable course for your company.

Our results for the prior year demonstrate that our current course is taking us in the right direction. I'll briefly comment on our key financial figures for 2017.

Our Adjusted EBIT of €1.1 billion was fully in line with our outlook. This solid performance was mainly the result of stable earnings streams from our generation business in Europe and Russia. We achieved this through operating improvements, although one-off items also played a role. Positive factors included the receipt of a large portion of the insurance payment for the damage to Berezovskaya 3 power plant, favorable developments in Russian ruble exchange rates, and significantly lower depreciation charges than in 2016. We also benefited from specific tax reductions on hydro and nuclear power generation in Sweden as well as compensation in conjunction with capacity markets in France, the United Kingdom, and Russia. Cost savings played an important role as well; I'll say more about that in a moment.

By contrast, some special items that significantly increased our earnings in 2016 did not recur in 2017, in particular the agreement with Gazprom on gas-procurement prices as well as the unusually high earnings posted by our gas optimization activities. Operating earnings were also adversely affected by the development of power

prices on Europe's wholesale markets in recent years, in which we'd hedged our future power production.

Turning to net income, Uniper had to record a net loss of €538 million for 2017 compared with a net loss of €3.2 billion in 2016, which had resulted primarily from significant impairment charges on our generation and storage businesses in Europe. The fact that we had to post a loss at all for 2017 is attributable to an accounting effect in conjunction with the sale of our stake in Yuzhno-Russkoye gas field. Here's what happened: the sale of this stake required us to record in our income statement currency-translation losses of €890 million that had long been recorded in equity. However, this amount was added back to our equity, so that on balance there was no reduction in our book value or change in our equity. None of this had any impact on our operating results.

The generally good development of our operating cash flow led to a significant increase in adjusted funds from operations (Adjusted FFO). This key figure measures the free cash flow from our operating business. We use it, among other things, to assess the potential dividend payout to our shareholders. Adjusted FFO totaled €753 million in 2017, an increase of more than one third relative to the prior year. This was somewhat higher than we anticipated and gives

us, in line with our cash-flow-based dividend policy, the opportunity to enable you, our shareholders, to benefit from this very positive performance. We propose to you that the dividend payout, which was originally to be €250 million, be increased slightly to roughly €271 million. If this proposal is accepted, the dividend per share would be 74 cents instead of the previous proposal of 69 cents. As you can see, your investment in Uniper pays off.

Our economic net debt improved as well. We reduced it significantly and early. At year-end 2017, our net debt stood at just €2.4 billion, a decline of roughly €1.8 billon, or more than 40 percent, from year-end 2016. As already mentioned, the sale of our stake in Yuzhno Russkoye gas field was the primary factor. But I'd like to emphasize that, thanks to our solid cash-flow performance, even without this asset sale our economic net debt would've been slightly lower than in the prior year.

We were very pleased that Standard & Poor's rating agency upgraded Uniper's rating from BBB- with a positive outlook to BBB with a stable outlook. It based the upgrade on our strengthened financial situation and also cited improved earnings stability and profitability. We've therefore achieved our target of a comfortable investment-grade rating.

The positive performance I've just described gives us flexibility to implement our strategy but in no way exempts us from our strict investment discipline, which is unavoidable in a continued challenging market environment. Our investments of €843 million for 2017 were precisely within the target range of €800 to €900 million that we had communicated.

Now for our **assumptions** for **2018**. We expect our 2018 Adjusted EBIT to be between €0.8 and €1.1 billion and our Adjusted FFO to be between €0.5 and €0.8 billion. Although our adjusted EBIT will be somewhat lower than in 2017 due in particular to disposals, our earnings will be less affected by one-off items going forward. Instead, our earnings will reflect, to a much greater degree, sustainable operating effects. These include the reduction of the property tax on hydropower plants and the elimination of the tax on nuclear power plants in Sweden, income from the U.K. capacity market, and income from optimization activities in power, coal, and LNG trading.

Regarding our improved cost situation, which is an indispensable prerequisite for us to compete successfully in the hotly contested energy marketplace, I can report today that our Voyager program is nearly completed. From 2018 onward, our annual controllable costs will be €400 million lower. We achieved this principally through lower

costs of materials at our operations and on the administrative side as well as lower personnel costs.

I'm pleased that we've succeeded in carrying out the necessary personnel adjustments in a socially responsible way by means comprehensive social-support mechanisms. I'd like to take this opportunity to say a special thank you to our employee representatives for their constructive attitude throughout a process that hasn't always been easy.

This will lead to an enduring improvement in the quality of your company's earnings. We plan to propose a dividend of about €310 million for the 2018 financial year. And we're also standing by our intention to increase the dividend by an average of 25 percent per year between the 2016 and 2020 financial years, despite the developments at Datteln 4 power plant new-build project, which necessitated an impairment charge of about €270 million.

I'd like to emphasize that this solid performance has been delivered in an environment that makes our success anything but a given. We've been surrounded by change and challenges, both in **policymaking** and on energy markets. 2017 was no exception.

Last year was a big election year in Europe. The countries in which elections were held included the United Kingdom, France, the

Netherlands, Austria, and Germany. Fortunately, the European idea was generally maintained and pro-European parties prevailed, at least predominantly.

This also applies to a common energy and climate policy in Europe, of which the **EU Emissions Trading Scheme (ETS)** is an essential element. I'm firmly convinced that the ETS is the most sensible mechanism of European climate policy. Many years of excessively low prices prevented the ETS from serving its function. But the reforms adopted in November seem to be working. The price for a metric ton of carbon, which just a year ago was €5.0, now stands at around €16. Starting in 2019, the supply of carbon allowances will be significantly reduced, which can be expected to lead to further price increases.

Uniper welcomes these developments because we've always advocated the ETS as the guiding mechanism of EU climate policy. We oppose policy actions by individual countries, such as minimum carbon prices. They run counter to the objective of strengthening the single European energy market and will have no positive impact on the earth's climate.

Although Uniper is active worldwide, Germany remains an important market for us. That's why, following last fall's Bundestag elections,

we followed the **formation of the new federal government** with great interest. It's no secret that the business performance of a company active in the energy industry is strongly influenced by energy-policy decisions. And even in year twenty after the liberalization of Germany's electricity and gas markets, many aspects of its future energy market design are still unresolved. Conflicting energy-policy objectives and increasingly prevalent market interventions have significantly dampened the positive effects of liberalization. In some respects, one can hardly call it a market anymore. There's actually more than enough for the new federal government to do.

The contentiously negotiated **coalition agreement**, however, contains few specifics regarding Germany's energy policy. This is regrettable, because important energy-policy decisions are pending in many areas. For one thing, such decisions are needed to help make the energy transition – which the Chancellor declared a top priority – a success. Although the coalition agreement identifies some important energy-policy issues it hardly begins to propose solutions.

But we see the possibilities as well. The previous negotiations to form a coalition of CDU/CSU, FDP, and the Greens included a heated policy debate about phasing out coal-fired power generation. Now this

debate can take place in the hopefully more objective atmosphere of a government-appointed commission, although at the moment the commission appears to be having some teething trouble. Climate protection will certainly and quite correctly be a major issue in the commission's deliberations, as will the competitiveness of German industry. But another important issue must not be lost sight of under any circumstances: if Germany can no longer ensure that it has a secure energy supply, the massive and ambitious project known as the energy transition will very quickly lose public support. And an honest debate must consider the fact that the electricity produced by highly efficient and flexible power plants will be needed for many years to balance out the fluctuating output from renewables.

The sections of the coalition agreement on support for an infrastructure for imported LNG and support for energy storage give cause to hope that they will be translated into more concrete proposals. The coalition agreement also opens the door to opportunities in cogeneration. If properly designed, such policies could create new business opportunities for Uniper in this area.

Regrettably, the coalition agreement doesn't consider the contribution that gas – conventional natural gas or green gas produced from renewables – can make toward the success of the

energy transition. Unfortunately, the energy transition is still conceived narrowly as the decarbonization of power generation. The opportunities of sector coupling by means of climate-friendly gas are still underestimated. Despite various interventions and apparently a continued adherence to the market, neither are the existing problems with the secure supply of power and gas mentioned nor are mechanisms for ensuring this security in the future outlined.

What direction should Germany's energy policy take in the years ahead? What Germany needs – and this isn't exactly a new insight – is a healthy balance between climate friendliness, supply security, and affordability. And Germany won't achieve this by converting all of its energy use to electricity, as has been frequently discussed in the recent past.

Fortunately, the realization now seems to be taking hold that Germany's energy market design needs to be technology-neutral. This means that for each particular application priority should be given to the most efficient available technology. For some applications this may indeed be electricity-based solutions. Nevertheless, we must carefully consider which energy solution offers the best balance between climate friendliness, supply security, and affordability.

And that brings me back to **gas.** At least during the transition to a fully renewable era, this proven energy source best achieves this balance in many applications: from power generation and industry to transport and residential applications. Germany has numerous highly flexible gas-fired power plants, many of which are part of our generation fleet. They can come online swiftly at any time if renewables output is insufficient to meet demand.

As for gas transport pipelines and gas storage facilities, Germany's gas infrastructure is already fully adequate, even for periods of peak demand. There's no need to add a lot more infrastructure. Moreover, natural gas will remain readily available for many decades to come and—thanks to an increasingly liquid global gas market—at competitive prices. All this goes hand in hand with what is perhaps gas's biggest advantage: it has the lowest carbon emissions of any fossil fuel.

Green gas, which is produced from renewable sources, takes climate friendliness to a new level. A good example is the methanization plant in Falkenhagen, Germany, that we recently commissioned with our project partners ThyssenKrupp, DVGW, and the Karlsruhe Institute of Technology. This plant formerly produced green hydrogen, also known as WindGas, and injected it into the gas

pipeline system. Now it can do the same with green methane. This can make an important contribution to the success of the energy transition. That's because, unlike green hydrogen, green methane can be used in more applications and in different sectors, such as heat, industry, and mobility. Moreover, it can be transported and stored in the natural-gas infrastructure without limitation. Stored green methane is always available to ensure supply security, especially when not enough solar and wind energy is being produced.

However, this sensible **partnership between renewables and gas** has one flaw: neither gas-fired power plants nor gas storage facilities – both of which are indispensable for Germany's supply security – can be operated economically under the existing market design. The previous federal government opted for a 100-percent market-based approach to both types of assets. As a result, the supply security that these assets ensure outside the market through their operational readiness isn't sufficiently compensated. This threatens to render the closure of more power plants and storage facilities economically unavoidable. Yet these assets are very valuable to the German economy now and, above all, will be very valuable to it in the future.

As we work to help secure Germany's supply of power and gas, we're counting on the support of the new federal government. Germany

urgently needs a competition-based support mechanism for power plants, like the mechanisms that already exist in France and the United Kingdom. And it finally needs to adopt a regulatory framework for gas storage facilities that enables these assets to be operated economically. Above all, this includes the elimination of double levies – on both injection and withdrawal – at gas storage facilities and the elimination of gas quality conversion charge and market area conversion charge. The federal government should act very quickly in this area. The energy industry has already sent proposals for specific regulations to Berlin. They finally need to be implemented. Uniper would be glad to offer our technical expertise to the German federal government in order to create a balanced power and gas market design that meets the challenges of the energy transition and provides reliability for the years ahead.

We invite you to visit the exhibits located between the entrance tent and the foyer of the Grugahalle. There you'll find information about your company's portfolio of offerings and about many topics relating to the energy industry of tomorrow. The exhibits are staffed by many of our highly knowledgeable employees and trainees, and they would be happy to talk to you.

Finally, I'd like to announce that this fall the employees at our various offices in Düsseldorf will be brought together at one united location in Düsseldorf's Media Harbor. It will consist of an office building we're already using and another leased office building in the immediate proximity that's currently under construction.

Fittingly, our next Annual Shareholders Meeting in May 2019 won't be held here in Essen but rather in Düsseldorf, the city from which we manage all our businesses.

To conclude my remarks, I'd like to emphasize once again that your Uniper is making very good progress. As we promised last year, we achieved all of our financial targets. Your company is significantly better positioned both operationally and strategically. Uniper's financial situation has improved substantially, and its rating is at our target level: BBB, a comfortable investment grade. Since our stock-market listing less than two years ago, Uniper's market capitalization—and thus the total value of your stock—has increased by more than €6 billion or by more than 160 percent.

All of this was only possible because during this time we had your trust and support. On behalf of the Management Board, our managers, and our employees I'd like to say thank you. We ask for

your continued support in the future so that we can continue to pursue our successful course.

Thank you.

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