



## Press Release

May 11, 2016

### E.ON's transformation making progress

- EBITDA and underlying net income surpass prior-year figures owing to one-off effects
- Economic net debt reduced by €1.1 billion because of seasonal factors
- Adjusted forecast for full-year 2016 EBITDA and underlying net income affirmed

E.ON's first-quarter results were in line with expectations. EBITDA increased from €2.8 billion to €3.1 billion. Underlying net income also rose by €300 million to €1.3 billion. The earnings improvement is attributable to a nonrecurring positive effect resulting from the agreement with Gazprom to adjust the terms of long-term gas supply contracts. Without this effect, E.ON's earnings would have been slightly below the figure from the first quarter of the prior year.

“Our first-quarter results indicate that parts of our traditional operating business remain under pressure. That's why it's all the more important that since the start of the year E.ON's transformation has moved forward according to plan. We presented E.ON and Uniper's strategy and financial plan to the capital market at the end of April in London. The course we've set was met with considerable approval. At our Annual Shareholders Meeting on June 8, we intend to convince our owners that the planned spinoff will give E.ON and Uniper better prospects for the future than they would have under our old setup. I'm very confident that we'll succeed, paving the way for Uniper's public listing in the second half of 2016,” said Michal Sen, E.ON SE's Chief Financial Officer, on the company's results for the first three months of the new financial year.

Financial discipline called for

Sen emphasized that 2016 would mark a new beginning and be a transitional year: “The dislocations in our market environment and the need to provide Uniper with a solid capital structure will leave their marks on the new E.ON's balance sheet. 2016 is a year of transition and marks a new start. In the medium term we will focus on our core business activities, i.e. energy networks, customer solutions and renewable energies. These stable sources of income, a sound financial structure, stringent resource allocation, steadfast customer orientation and superior performance across all businesses will lay the foundation for us to position ourselves in the new energy world.”

Gazprom effect dominates first-quarter results

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In the first quarter of 2016 E.ON recorded EBITDA, which it adjusts for extraordinary effects, of €3.1 billion, about €200 million more than the prior-year figure. Earnings were higher primarily in the Global Commodities segment because Uniper and Gazprom agreed to new terms for long-term gas supply contracts, enabling E.ON to release provisions. This alone yielded roughly €400 million in earnings. E.ON also achieved operating improvements in its gas-trading business. Together, these effects enabled the Global Commodities segment to increase its earnings by €600 million. E.ON's newly commissioned assets—Amrumbank West and Humber Gateway offshore wind farms and unit 3 at Maasvlakte power station—also had a positive impact on earnings.

These positive factors were partially offset by lower market prices, the decommissioning of generating capacity, the divestment of the E&P business in the Norwegian North Sea and generating capacity in Spain and Italy, and a power-plant outage and the resulting earnings decline in Russia.

Thanks primarily to the increase in EBITDA, E.ON's underlying net income improved by €300 million year on year, from €1 billion to €1.3 billion. Seasonally strong cash flow helped the company reduce its economic net debt by €1.1 billion to €26.6 billion.

#### Updated forecast affirmed

After the first quarter E.ON stands by its updated forecast for full-year 2016. E.ON had adjusted this forecast in March after the agreement with Gazprom. E.ON expects its full-year 2016 EBITDA to be between €6.4 and €6.9 billion and its underlying net income to be between €1.5 and €1.9 billion.

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