



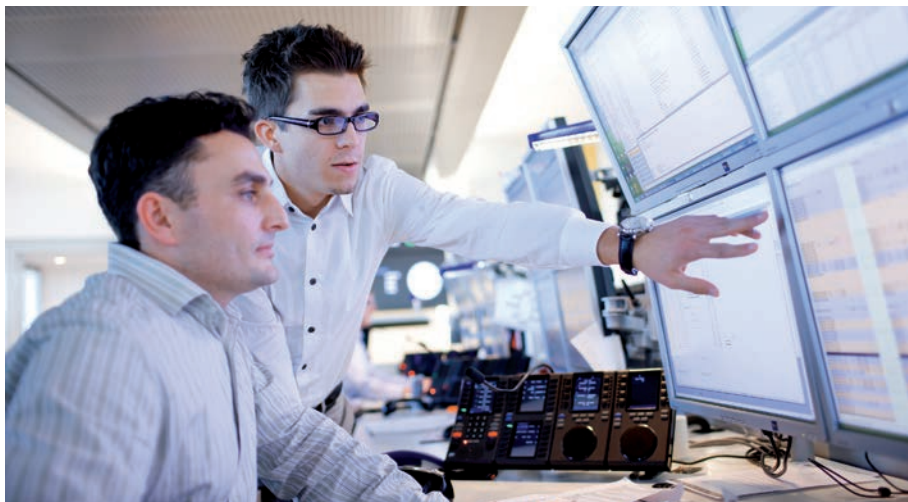
E.ON has combined its trading and gas supply businesses to create E.ON Global Commodities, one of the world's leading participants in the international wholesale energy markets

EXPERTS AT THE HEART OF GLOBAL ENERGY MARKETS



★ E.ON Global Commodities SE is the energy trading business of E.ON, one of the world's largest investor-owned power and gas companies. As the expert commercial interface between E.ON and the international wholesale energy markets, we buy and sell electricity, emissions certificates, natural gas, oil, coal and freight.

Active along the entire energy value chain, we are focused on helping E.ON maximise the value of its diverse and flexible power and gas portfolio by operating as the company's centre of expertise for asset optimisation, commodity price risk management and wholesale market access. We also own and operate a gas pipeline infrastructure business, which supports our supply and trading activities, and one of Europe's leading gas storage businesses.



We have more than 1,500 dedicated energy professionals based in our Düsseldorf headquarters, as well as a North American trading floor in Chicago and representative offices in Singapore, Moscow and Dubai. In addition, we have regional dispatch centres in Coventry, Malmö, Rotterdam, Rome and Terni, as well as our gas storage unit headquarters in Essen.

As one of the market's leading participants, we traded about 1,400 terawatt hours (TWh) of electricity, 720 million metric tons of emissions certificates, 2,500TWh of natural gas, 225 million metric tons of coal and almost two billion barrels of oil in 2012.

E.ON – Cleaner and better

The E.ON Group operates a highly diversified business, consisting of almost 70 gigawatts of

renewable, conventional and decentralised power generation, natural gas, energy trading, retail and distribution. It supplies around 26 million customers with energy. In 2012, E.ON's 72,000 employees generated approximately €132 billion in sales at facilities across Europe, Russia and North America

E.ON's cleaner and better strategy ensures that the company continues to evolve into a global provider of specialised energy solutions, which will benefit both customers and investors. For instance, E.ON is one of the world's leading developers of renewable energy, with around five gigawatts of installed capacity across Europe and North America. The company also recently announced two significant joint ventures with partners in Brazil and Turkey as part of its strategy to grow outside of Europe.



Building on trading and gas supply expertise

The energy sector is facing fundamental changes – and energy utilities are facing huge challenges in Europe. These include increased regulation, growing competition and political intervention in the market to expand the use of renewables and increase market integrity and transparency. To be successful in this environment, and to protect the value of our portfolio, our trading experts need to combine a superb understanding of the capabilities of our assets with a deep understanding of the relationships between commodities and regions.

In May 2013, E.ON combined E.ON Energy Trading and E.ON Ruhrgas to create E.ON Global Commodities. By bringing together its commercial trading skills with decades of gas supply expertise, E.ON has established a dedicated market hub with a single, integrated view across all energy commodities and regions. The new business is now better able to optimise E.ON's asset base and build a stronger platform to facilitate further growth in Asia and the Americas, supported by the know-how of our people and our superior insight into European and global energy markets.



Managing risk, optimising assets

Sitting at the heart of one of Europe's broadest and most diverse energy portfolios, we play a central role between E.ON's generation and retail units and the market. We are responsible for everything from gas flow and storage, to the dispatch of our power stations, to ensuring the supply of energy to millions of customers across Europe.

We have a detailed picture of the multinational marketplaces in which we operate. This includes interconnection capacities, gas flows, price differences between regions, correlation between commodities and regulatory regimes, coupled with an understanding of the impact of fundamental factors such as weather on energy production and consumption.

Our traders are then able to leverage this information, applying know-how and experience to create effective strategies to maximise the value of our assets, hedge price risks and help to ensure secure energy supplies for end-users.

Understanding global developments

As markets across Europe have converged



and integrated, they have also been heavily influenced by global drivers. Over the last few years, natural gas has gone from being a pipeline-based European market to a global business. This development has been driven largely by the emergence of abundant shale gas supplies in North America, which has virtually eliminated US demand for liquefied natural gas (LNG). As a result, the available supply of LNG to Europe and Asia has increased. LNG now serves as a price bridge between markets in Europe, North America and Asia, helping natural gas to become a truly global commodity in the way that hard coal or petroleum are.

The trend toward globalisation has also been driven by the growing appetite for commodities in Asia. The prices of the fuels needed to operate our European power stations are now set in Asia, for example, not Europe. The emergence of these highly competitive global markets makes it possible, and necessary, to hedge across continents. In line with these global developments, we have recently opened a representative office in Singapore and have announced the launch of our Chicago-based



trading business – E.ON Global Commodities North America.

The North American market is vast in both volume and geography, and today represents a clear opportunity for E.ON. The size and liquidity of the market enables portfolio diversification beyond the European Union, as well as providing valuable market information with regard to power and gas price drivers. By expanding the scope of our North American activity now, including the trading of physical power and gas and virtual asset positions, E.ON Global Commodities can take advantage of the wide range of opportunities that are opening up in the region and better optimise E.ON's expanding portfolio beyond Europe. ■

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