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E.ON sells its extra high-voltage transmission network

- **First cross-border transmission network now made possible**
- **Regional distribution grids remain core element of E.ON's infrastructure business**
- **Commitment to EU Commission almost fulfilled**


E.ON is selling its extra high-voltage transmission network in Germany to TenneT, Arnheim, a state-owned Dutch network operator. The transaction was agreed upon by the two companies after the respective supervisory boards gave their approval for the deal to go ahead. As of 31 December 2009, TenneT will take over all shares in the E.ON subsidiary Transpower Stromübertragungs GmbH (transpower), which owns and operates E.ON's extra high-voltage transmission network. The German regional distribution grids, which form by far the largest part of E.ON's network business, are not affected by this sale and will remain an essential part of the infrastructure business managed by E.ON Energie in Munich. The agreed company value is EUR 885 million. The purchase price as of 31 December 2009 has been provisionally set at EUR 1.1 billion. The amount also includes cash held by the company. On that date, the final purchase price for transpower will be determined on the basis of the net financial position known then. The transaction is still subject to approval by the anti-trust authorities. It is expected to be finalised in early 2010.

E.ON CEO Wulf Bernotat: "As a pure network operator and strategic investor with long-term interests, TenneT can offer the transpower employees good prospects. At the same time, we are convinced that TenneT will ensure the necessary high investments needed in network expansion including the ambitious task of connecting offshore wind farms. Furthermore, the merger of the TenneT and transpower networks gives rise to Europe's first cross-border power transmission network. This is another important step towards integration of the European electricity market. By selling our extra high-voltage transmission network and disposing of 4,800 MW of power generation capacity so far, we have almost completely fulfilled our commitment to the EU Commission as given in 2008. If the sale of Thüga is also taken into account, E.ON has significantly reduced its position in Germany at all stages of the value chain, namely generation, distribution and sales. At the same time this gives fresh impetus to competition on the German energy market."

Transpower Stromübertragungs GmbH emerged from E.ON Netz GmbH in 2009 when the latter was divided into two separate entities to meet the commitment made to the EU Commission. The extra high-voltage transmission network (220/380 kV) with a total length of about 11,000 km was transferred to transpower, which has approx. 650 employees at sites in Bayreuth, Bamberg and Lehrte.

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 Sale of transpower to TenneT