Quarterly Statement Q1 2019

Financial Results

Financial Indicators for the Uniper Group

First quarter	Unit	2019	2018	2017	2016
Sales	€ in millions	21,830	21,025	22,253	19,695
Adjusted EBIT[1]	€ in millions	185	350	514	871
For information purposes: Adjusted EBITDA[1]	€ in millions	356	511	689	1,079
Net Income/loss	€ in millions	791	130	751	646
Earnings per share[2 3]	€	2.10	0.31	2.00	1.80
Cash provided by operating activities	€ in millions	105	620	902	2,312
Adjusted FFO[4]	€ in millions	243	562	442	(580)[5]
Investments	€ in millions	108	118	140	121
Growth	*€ in millions*	*76*	*84*	*98*	*55*
Maintenance and replacement	*€ in millions*	*32*	*34*	*42*	*66*
Economic net debt[6 7]	€ in millions	2,566	2,509	2,445	4,167

[1]Adjusted for non-operating effects.
[2]Basis: outstanding shares as of reporting date.
[3]For the respective fiscal year.
[4]Primarily adjusted for operating cash flows not permanently available for distribution.
[5]Figure provided for information purposes, not a key financial indicator in 2016.
[6]Comparative figure as of Dec. 31.
[7]Margining receivables are reported following Mar. 31, 2019 as part of economic net debt. Economic net debt as of Dec. 31, 2018 has been adjusted for consistency. Additional information on this topic can be found in the Financial Condition section of the Quarterly Statement.

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules (“Börsenordnung”) of the Frankfurt Stock Exchange (“Frankfurter Wertpapierbörse”) as of December 3, 2018, and does not represent an interim financial report as defined in International Accounting Standard (“IAS”) 34.

A glossary of significant terms used in the Quarterly Statement can be found on pages 246–249 of the 2018 Annual Report.

Only the German version of this Quarterly Statement is legally binding.

Uniper applies commercial rounding. Any rounding differences existing between individual amounts and totals are accepted.

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Business Model of the Group

Uniper is an investor-owned international energy company with operations in more than 40 countries and some 12,000 employees. Its business is the secure provision of energy and related services. The Uniper Group is composed of three operating business segments: European Generation, Global Commodities and International Power Generation. Combined separately under Administration/Consolidation are administrative functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level. The ultimate lead company of the Group is Uniper SE; the corporate headquarters are in Düsseldorf, Germany.

Business Report

Industry Environment

The Uniper Group's business activities are subject to extensive statutory requirements. The corresponding regulatory environment has seen extensive change in the past in all of the countries where the Uniper Group operates, and it is expected to change significantly in the future as well. In particular, the energy policy and regulatory requirements in the markets in which the Uniper Group is active have had a considerable influence on its revenue and earnings in the past, and it is expected that they will continue to have an impact on revenues and earnings in the future.

Energy Policy and Regulatory Environment

As part of the process of amending the European Gas Directive, a compromise proposal was implemented by the German and French delegations in the first quarter and accepted within the so-called "trilogue" negotiations between the European Council, the European Commission and the European Parliament. The compromise provides that the final decision on the regulation of third-country pipeline projects can be made in the nation states. It is expected that the legislation will enter into force by mid-2019. As part of the compromise, the deadline for transposition into national law has been shortened and is expected to be in the first quarter of 2020. The implications for the Nord Stream 2 project remain open at this time.

The proposal for a regulation on disclosures relating to sustainable investments submitted by the Commission in May 2018 has been debated by the European Parliament. The topic of "sustainable finance," namely, taking into account environmental, social and governance considerations when financing investments – including more extensive disclosure obligations for companies – is thus gaining in importance. Since the European Council has not yet taken a position, the start of the trilogue process is not expected to occur until the second half of 2019, at the earliest.

In Germany, the debate on the future of coal-fired power generation continued to dominate the energy and climate policy agenda at the beginning of 2019. The Commission on Growth, Structural Change and Employment ("Coal Commission") presented recommendations on January 26, 2019, concerning, among other things, an end date for coal-fired power generation and accompanying structural measures in lignite mining regions. In talks with the owners of the power plants, the German federal government wants to reach an agreement on a closure of coal-fired power plants and on potential compensation. The potential effects on Uniper cannot be stated at this time, since the recommendations must still be specified in legislation. As regards the Datteln 4 power plant, Uniper remains committed to having it operate commercially starting in mid-2020. Accordingly, Uniper opposes the Coal Commission's recommendation to prevent Datteln 4 – one of the most efficient and environmentally friendly coal-fired power plants – from ever entering service.

On March 14, 2019, the German Federal Ministry for Economic Affairs also submitted the draft text for an Ordinance to improve the Framework Conditions for the Development of LNG Infrastructure in Germany. These changes to the Gas Network Access Ordinance support the policy objective of developing LNG infrastructure in Germany and are being accelerated. If they are adopted, transmission system operators will be required to erect the necessary pipelines between LNG facilities and the transmission system, and to connect the LNG facilities to the transmission system.

The program setting France's new multi-year energy policy was presented by the government in late 2018. To establish a legal basis for the adoption of this program, a new energy law is required. The legislation will be submitted to the French National Assembly in June 2019. Current discussions involve having several goals of the new energy policy enacted in the law, including the legal basis for phasing out coal-fired power generation. The draft legislation also provides, among other things, for the introduction of specific CO_2 emissions for fossil-fuel-fired power plants by January 1, 2022.

In the Netherlands, the draft law of May 2018 on the phase-out of coal-fired power generation was transmitted to the Dutch parliament in March 2019 and will be debated there in the coming months. The draft legislation provides for the phasing-out of coal-fired power generation by the end of 2029. During the government's negotiations with social groups on a new energy agreement, a path toward a minimum carbon price was proposed. As its contribution to the objectives of the Agreement on Energy for Sustainable Growth, the Dutch electricity industry expects to achieve its emission-reduction targets of 20 million metric tons of CO_2 by 2030. The electricity industry in the Netherlands is therefore calling for further measures to end coal-fired power generation by 2030.

At the end of January 2019, the Russian government approved the 2022–2031 modernization program for the power-plant sector. In April 2019, the first of the auctions for modernization projects, with returns to service in the years 2022 through 2024, took place. Publication of the final results of this auction is expected by the summer of 2019.

In January 2019, the new minority government in Sweden started its work. The opposition is calling for continued development of the Agreement on Swedish Energy Policy, which aims to achieve "100% Renewable Energy" by 2045, and thus to completely dispense with fossil fuels.

Following the suspension of the UK capacity market by a ruling from the European Court of Justice in November 2018, the European Commission has launched a new investigation. The UK government expects state-aid approval by the European Commission later in 2019. Furthermore, the government is now consulting on a regulation for the auctions that were cancelled by the ruling. The Welsh government has presented considerations on how the carbon budget in Wales might be achieved. Furnished with new expanded powers, the government can now set emissions standards for power plants in Wales with capacities under 350 MW. It has set up a working group to examine future measures for industry and the energy sector.

Because the UK parliament has still not ratified the withdrawal agreement with the EU, the two parties have agreed to yet another delay of Brexit until October 31, 2019.

Business Performance

The following events had a significant impact on business in the first quarter of 2019:

The hydrological situation in Sweden returned to normal at the beginning of the year compared with the particularly water-rich first quarter of 2018. Flows of water and water levels in the rivers supplying the German hydropower plants were slightly below the volumes of water in the first three months of the previous year.

The first quarter of 2019 was characterized by mild weather, especially in February and March, which depressed market prices for electricity and CO_2.

The mild temperatures in the first quarter of 2019 led to reduced demand for natural gas in Germany and the rest of Europe, coupled with price declines at individual gas trading points. As a result, gas utilities were faced with the challenge of economically optimizing the volumes committed to under long-term contracts. Thanks to its diversified, flexible gas-storage and gas-optimization portfolio, Uniper successfully mastered this challenge, even as the 2018/2019 winter withdrawal rates ultimately ended up far below those of the previous year.

The earnings performance of the Russian majority shareholding Unipro was positively affected primarily by higher electricity prices in the day-ahead market and by increased generation volumes due to higher uptimes at the Surgutskaya and Berezovskaya (Units 1 and 2) power plants. The movement of the Russian ruble in the reporting period, by contrast, proved negative compared with the prior-year period.

The project to repair the boiler in Unit 3 of the Berezovskaya power plant remains within the communicated schedule and cost parameters, allowing for its return to service in the fourth quarter of 2019. The remaining investment amount still to be spent now stands at roughly 13 billion rubles.

At the end of March, Uniper concluded an agreement with First State Investments to divest its stake in OLT Offshore LNG Toscana. First State Investments will acquire Uniper's entire 48.2% shareholding in OLT, as well as the outstanding loan receivable. The sales price for both Uniper's stake and the loan amounts to some €400 million in total and will be adjusted for distributions already paid out to Uniper for 2018 and 2019 when the transaction closes. With closing envisaged for the end of the second quarter of 2019, proceeds from the transaction are currently expected to amount to some €330 million.

Having been extended in May 2018 to include a methanation stage, the power-to-gas facility at Falkenhagen in the German state of Brandenburg has now been feeding synthetic gas ("SNG") – methane – into the natural gas grid since late March of 2019. Uniper and its research partners have thus successfully demonstrated the technical feasibility of the power-to-gas process: from water electrolysis through methanation to feeding "green" gas into the natural gas grid. The Falkenhagen power-to-gas plant had previously fed pure hydrogen into the natural gas grid. The plant now produces as much as 1,400 cubic meters of synthetic gas per day, which corresponds to approximately 14,500 kWh of energy. The methanation is designed for continuous operation and consistently achieves very high feed-in gas quality.

Earnings

Sales Performance

Sales

First quarter € in millions	2019	2018	+/- %
European Generation	2,805	2,901	-3.3
Global Commodities	23,999	21,552	11.4
International Power Generation	307	295	4.1
Administration/Consolidation	-5,281	-3,723	41.8
Total	**21,830**	**21,025**	**3.8**

At €21,830 million, sales revenues in the first quarter of 2019 were roughly 4% above the prior-year figure (first quarter of 2018: €21,025 million).

European Generation

Sales in the European Generation segment fell by €96 million, from €2,901 million in the prior-year period to €2,805 million in the first quarter of 2019.

The decline in sales resulted primarily from the sale of the Dutch distribution business during 2018.

Global Commodities

Sales in the Global Commodities segment rose to €23,999 million in the first quarter of 2019, an increase of €2,447 million from €21,552 million in the prior-year period.

The gas business posted a rise in sales due to slightly higher gas prices relative to the previous year and to higher volumes traded at virtual trading points, but these effects were offset by a weather-related reduction in revenues from gas withdrawals. The increase in sales in the electricity business is attributable to higher internal transactions between the power plant operating companies of the European Generation segment and the Global Commodities segment's trading unit.

International Power Generation

Sales in the International Power Generation segment rose by €12 million, from €295 million in the prior-year period to €307 million in the first quarter of 2019.

The increase in sales was attributable especially to higher electricity prices and increased generation volumes. These resulted mainly from higher energy consumption due to increased oil production in the Tyumen region of Russia, as well as from lower power plant availability at other suppliers coupled with higher generation volumes at the Berezovskaya (Units 1 and 2) power plant. This was partly offset by negative currency-translation effects relative to the comparative quarter.

Administration/Consolidation

Revenues attributable to the Administration/Consolidation reconciliation item changed by -€1,558 million, from -€3,723 million in the first quarter of 2018 to -€5,281 million in the first quarter of 2019. This is primarily a consolidation effect arising from intersegment transactions between the power plant operating companies of the European Generation segment and the Uniper Group's trading unit held in the Global Commodities segment.

Sales by product break down as follows:

Sales

First quarter € in millions	2019	2018	+/- %
Electricity	7,370	7,281	1.2
Gas	13,836	13,125	5.4
Other	623	619	0.7
Total	**21,830**	**21,025**	**3.8**

Significant Earnings Trends

Income before financial results and taxes increased to €965 million (first quarter 2018: €125 million). The first-quarter net income of the Group increased to €791 million (first quarter 2018: €130 million).

The principal factors driving this earnings trend are presented below:

The cost of materials rose by €932 million in the first quarter of 2019 to €21,058 million (first quarter of 2018: €20,126 million), thus following the sales trend described previously.

At €239 million, personnel costs were unchanged from the prior-year level in the first three months of 2019 (first quarter of 2018: €239 million).

Depreciation, amortization and impairment charges amounted to €174 million in the first three months of 2019 (first quarter of 2018: €434 million). The €260 million reduction is primarily attributable to the fact that no impairment charges had to be recognized in the first quarter of 2019, in contrast to the comparative quarter of 2018.

Other operating income rose by €3,311 million in the first three months of 2019 to €7,895 million (first quarter of 2018: €4,584 million). The increase was attributable, in particular, to the marking to market of commodity derivatives (especially electricity forwards), which increased by €2,450 million year over year to €5,577 million (first quarter of 2018: €3,127 million). There was also an increase of €782 million in income from financial hedging transactions to €1,905 million (first quarter of 2018: €1,123 million).

In line with the change in other operating income, other operating expenses increased in the first quarter of 2019 as well, by €2,632 million, to €7,355 million (first quarter of 2018: €4,722 million). The increase was similar to that in other operating income in that it resulted primarily from the marking to market of commodity derivatives (especially electricity forwards), for which the expense rose by €1,825 million to €4,863 million (first quarter of 2018: €3,039 million). At the same time, there also were higher expenses from financial hedging transactions, which rose by €801 million to €2,016 million (first quarter of 2018: €1,215 million).

Reconciliation of Income/Interest before Financial Results and Taxes

Unadjusted earnings before interest and taxes ("EBIT") represents the Uniper Group's income/loss before financial results and taxes in accordance with IFRS, taking into account the net income/loss from equity investments.

Unadjusted EBIT is adjusted for certain non-operating effects in order to increase its meaningfulness as an indicator of the operating performance of Uniper's business.

The non-operating effects on earnings for which EBIT is adjusted include, in particular, income and expenses from the fair value measurement of derivative financial instruments used in hedges and, where material, book gains/losses, expenses/income for restructuring / cost-management programs initiated prior to the spin-off and impairment charges/reversals on non-current assets, on companies accounted for under the equity method and other long-term financial assets and on goodwill in the context of impairment tests, as well as other contributions to non-operating earnings.

Reconciliation of Income/Loss before Financial Results and Taxes

First quarter € in millions	2019	2018
Income/loss before financial results and taxes	965	125
Net income/loss from equity investments	0	–
EBIT	964	125
Non-operating adjustments	-780	225
Net gains (-)/-losses (+)	–	–
Fair value measurement of derivative financial instruments	*-758*	*4*
Restructuring / cost-management expenses (+)/income (-)[1 2]	*5*	*-58*
Non-operating impairment charges (+)/reversals (-)[3]	–	*270*
Miscellaneous other non-operating earnings	*-26*	*9*
Adjusted EBIT	185	350
For informational purposes: Economic depreciation and amortization/reversals	*171*	*161*
For informational purposes: Adjusted EBITDA	*356*	*511*

[1]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €3 million in the first quarter of 2019 (first quarter of 2018: €3 million).

[2]Not included in restructuring and cost-management expenses/income are expenses incurred for the current restructuring program and its related subprojects.

[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS.

Net Book Gains/Losses

No book gains or losses on sales were realized in the reporting period and in the prior-year period.

Fair Value Measurement of Derivative Financial Instruments

The fair value measurement of derivatives used to hedge the operating business against price fluctuations generated income of €758 million in the first quarter of 2019 (first quarter of 2018: €4 million expense).

Restructuring / Cost Management

In the first quarter of 2019, restructuring and cost-management expenses/income changed by €63 million year over year. The expense in the first quarter of 2019 amounted to €5 million (first quarter of 2018: €58 million income). The previous year's income had resulted primarily from the partial reversal of miscellaneous provisions that had been recognized in the course of the spin-off from E.ON and adjusted on a non-operating basis.

Non-operating Impairments/Reversals

No non-operating impairment charges/reversals were recognized in the reporting period. In the prior-year period, non-operating impairments had amounted to €270 million and had related to the Datteln 4 hard-coal power plant currently under construction, in the European Generation segment.

Miscellaneous Other Non-operating Earnings

Income of €26 million was classified as miscellaneous other non-operating earnings in the first quarter of 2019 (first quarter of 2018: €9 million expense). The change resulted primarily from adjustments of several provisions recognized for non-operating effects in the Global Commodities segment.

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure in the Uniper Group for purposes of internal management control and as the most important indicator of the profitability of its operations.

Segments

The following table shows adjusted EBIT for the first quarter of 2019 and the first quarter of 2018 broken down by segment:

Adjusted EBIT

First quarter € in millions	**2019**	**2018**	**+/- %**
European Generation	82	186	-56.0
Global Commodities	56	134	-58.4
International Power Generation	97	89	9.6
Administration/Consolidation	-50	-59	-15.9
Total	**185**	**350**	**-47.3**

European Generation

Adjusted EBIT in the European Generation segment fell by €104 million, from €186 million in the prior-year period to €82 million in the first quarter of 2019.

This negative trend is primarily attributable to price-related higher carbon certificate costs. Higher expenses recognized in the context of measuring provisions for carbon certificates as part of operating activities are partly offset by hedges that will not be realized until the end of 2019, and for which any interim gains on fair value measurement are reported as non-operating income until they are realized. An additional impact came from temporary production stoppages at Unit 2 of the Ringhals power plant in Sweden, in which Uniper holds a minority stake. Moreover, the suspension of the UK capacity market since the end of 2018 has adversely affected the European Generation segment's EBIT relative to the comparative quarter.

Global Commodities

Adjusted EBIT in the Global Commodities segment fell by €78 million, from €134 million in the prior-year period to €56 million in the first quarter of 2019.

The earnings decline is primarily attributable to the gas and LNG business, which was especially affected by changes year over year in the timing of injections and withdrawals of gas volumes into and out of gas storage. The early expiration of hedges for physical LNG deliveries in the Spanish market additionally weighed on earnings in the first quarter of 2019, but this effect will be offset later in the year by the income generated from the hedged items. The decline in earnings is further attributable to the non-recurrence of positive earnings contributions in 2018 from the hedging of future contractually agreed physical LNG deliveries and to additional negative earnings impacts from these hedges in the first quarter of 2019.

International Power Generation

Adjusted EBIT in the International Power Generation segment rose by €8 million, from €89 million in the prior-year period to €97 million in the first quarter of 2019.

Adjusted EBIT was positively affected by higher electricity prices in the day-ahead market and by increased generation volumes in Russia. These were brought about primarily by higher demand arising from increased oil production in Russia's Tyumen region, as well as by a reduced supply of inexpensive energy from the Urals and lower power plant availability at other suppliers. This was partly offset by negative currency-translation effects.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item changed by €9 million, from -€59 million in the first quarter of 2018 to -€50 million in the first quarter of 2019.

Adjusted Funds from Operations

Adjusted funds from operations ("adjusted FFO") is a key performance indicator used by the Uniper Group for the full year only as a measure for, among other things, determining indirectly the residual cash flow available for distribution to shareholders and the variable compensation of the Management Board. The definition of adjusted FFO has been described in detail in the 2018 Annual Report of Uniper SE.

Adjusted FFO for the first quarter of 2019 amounted to €243 million, a year-over-year decrease of €319 million (first quarter of 2018: €562 million). Adjusted FFO thus followed the trend of adjusted EBIT, and its decline was caused primarily by lower FFO-relevant cash EBIT. Non-FFO-relevant components of EBIT consist primarily of depreciation, amortization and impairments, additions to and reversals of provisions, and book gains and losses. Marginally higher usage of provisions recognized for emission rights in prior periods had an additional impact on adjusted FFO.

Financial Condition

The Uniper Group presents its financial condition using financial measures including economic net debt and operating cash flow before interest and taxes, among others.

Debt

Uniper's reported indicator for economic net debt has in the past been asymmetrically affected by changes in collateral for futures and forward transactions ("margining"). Market price changes lead to margin deposits or receipts, of which only margining liabilities stemming from margin receipts have been part of Uniper's economic net debt (specifically, within its net financial position). The indicator did not include margin deposits resulting from collateral paid, which lead to a build-up of margining receivables and a corresponding cash outflow. Margining receivables had already been stated for informational purposes as of December 31, 2018. From fiscal year 2019 onwards, margining receivables are included in the definition of Uniper's net financial position and are also reported for the previous reporting date for consistency. Including both paid and received collateral renders margining effects from market price changes neutral regarding Uniper's net financial position. Margining deposits and receipts continue to be actively managed as working capital and not as debt components of the Group's capital structure.

Compared with December 31, 2018, and based on Uniper's adjusted definition, economic net debt rose as of March 31, 2019, by €57 million to €2,566 million (comparable adjusted economic net debt as December 31, 2018: €2,509 million). Operating cash flow in the first quarter of 2019 covered investment spending. Within the net financial position, liquid funds were reduced by repaying commercial paper outstanding as of December 31, 2018, to the amount of €493 million. The newly included margining receivables were reduced by returned margin deposits for futures and forward transactions, which increased liquid funds by €388 million, while the reduction in margining liabilities stems from lower received margin collateral, reducing liquid funds by €126 million. In addition, provisions for pensions and similar obligations increased by €142 million to €946 million (December 31, 2018: €804 million), particularly as a result of the lower interest rates as of March 31, 2019, compared with those at year-end 2018.

Economic Net Debt

€ in millions	Mar. 31, 2019	Dec. 31, 2018[1]
Liquid funds	1,168	1,400
Non-current securities	92	83
Margining receivables[1]	310	698
Financial liabilities and liabilities from leases	2,315	2,939
Lease liabilities	*826*	*813*
Margining liabilities	*850*	*976*
Other financial liabilities	*639*	*1,150*
Net financial position	**745**	**757**
Provisions for pensions and similar obligations	946	804
Provisions for asset retirement obligations[2]	875	948
Other asset retirement obligations	*710*	*743*
Asset retirement obligations for Swedish nuclear power plants[3]	*2,433*	*2,476*
Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet[3]	*2,267*	*2,271*
Economic net debt	**2,566**	**2,509**
For information purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[3]	357	348
For information purposes: Fundamental economic net debt	**2,209**	**2,160**

[1]Margining receivables are reported as part of economic net debt for the first time as of Mar. 31, 2019. Economic net debt as of Dec. 31, 2018 has been adjusted for consistency.
[2]Reduced by receivables from the Swedisch Nuclear Waste Fund.
[3]Due to IFRS valuation rules (IFRIC 5), €357 million (Dec. 31, 2018: €348 million) of Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund may not be recognized on the balance sheet. Accordingly, there exists an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet, and the economic net obligation for the decommissioning of the Swedish nuclear power plants is thus reported too high by the amount of this receivable.

In the first quarter of 2019, financial liabilities and liabilities from leases were reduced by -€624 million. The reduction was mainly caused by the repayment of commercial paper outstanding at the beginning of the period and a decrease in cash collateral received for futures and forward transactions reducing margining liabilities.

The following table breaks down financial liabilities by the main sources of financing as of March 31, 2019, and December 31, 2018, respectively:

Financial Liabilities and Liabilities from Leases

First quarter € in millions	Mar. 31, 2019	Dec. 31, 2018
Bonds	–	–
Commercial paper	–	493
Liabilities to banks	107	108
Other financial liabilities (including liabilities to affiliated companies)	2,208	2,338
Thereof: lease liabilities	*826*	*813*
Thereof: margining liabilities	*850*	*976*
Thereof: liabilities to co-shareholder loans	*415*	*425*
Thereof: other financing	*117*	*124*
Total	2,315	2,939

Investments

Investments

First quarter € in millions	2019	2018
Investments		
European Generation	*58*	*65*
Global Commodities	*6*	*5*
International Power Generation	*42*	*41*
Administration/Consolidation	*3*	*7*
Total	**108**	**118**
Growth	*76*	*84*
Maintenance and replacement	*32*	*34*

In the first quarter of 2019, €58 million was invested in the European Generation segment, €7 million less than the €65 million reported for the prior-year period. The change was primarily due to lower maintenance and replacement spending in the United Kingdom.

Investments in the Global Commodities segment amounted to €6 million in the first quarter of 2019, virtually unchanged from the prior-year figure.

In the first quarter of 2019, €42 million was invested in the International Power Generation segment, € 1 million more than in the prior-year period (€41 million). Investments in the first three months of 2019 related primarily to the repair of Unit 3 of the Berezovskaya power plant.

Investment spending in the Administration/Consolidation reconciliation item totaled €3 million in the first quarter of 2019, down €4 million compared with the first quarter of 2018. This change is primarily attributable to lower spending on software licenses.

Cash Flow

Cash Flow

First quarter € in millions	2019	2018
Cash provided by (used for) operating activities (operating cash flow)	105	620
Cash provided by (used for) investing activities	332	-724
Cash provided by (used for) financing activities	-666	282

Cash Flow from Operating Activities, Operating Cash Flow before Interest and Taxes

Cash provided by operating activities (operating cash flow) fell by €515 million in the first quarter of 2019, to €105 million (first quarter 2018: €620 million). One of the main reasons for the reduction in operating cash flow was the reduction in operating income, which meant that cash provided by operating activities followed the trend of adjusted EBIT. Another factor contributing to the decrease was the accumulation of working capital. That increase resulted, in particular, from changes year over year in the timing of injections and withdrawals of gas volumes into and out of gas storage. Marginally higher usage of provisions recognized in prior periods, primarily for emission rights, had an additional negative impact on operating cash flow.

The following table presents the reconciliation of cash flow from operating activities (operating cash flow) to operating cash flow before interest and taxes:

Operating Cash Flow before Interest and Taxes

First quarter € in millions	2019	2018	Difference
Operating cash flow	**105**	**620**	**-515**
Interest payments	6	5	1
Income tax payments (+) / refunds (-)	14	19	-6
Operating cash flow before interest and taxes	**125**	**644**	**-519**

Cash Flow from Investing Activities

Cash provided by investing activities rose from -€724 million in the prior-year quarter by €1,056 million to €332 million in the first quarter of 2019. This was caused primarily by positive effects from lower margin deposits for hedges of trading activities and lower cash payments for purchases of securities. The decrease in proceeds from disposals to €9 million (first quarter of 2018: €95 million) had a negative offsetting effect.

Cash Flow from Financing Activities

In the first quarter of 2019, cash provided by financing activities amounted to -€666 million (first quarter of 2018: €282 million). A total of -€493 million issued under the Commercial Paper Program as of the beginning of the quarter has been repaid. The repayment of margin deposits received for commodity forward contracts in the amount of -€126 million reduced liabilities from margining and led to an outflow of cash, as did a new financing tranche for the Nord Stream 2 pipeline, which reduced liquid funds by -€44 million.

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Mar. 31, 2019	Dec. 31, 2018
Non-current assets	23,121	24,156
Current assets	22,909	26,449
Total assets	**46,030**	**50,605**
Equity	12,408	11,445
Non-current liabilities	11,713	12,657
Current liabilities	21,909	26,503
Total equity and liabilities	**46,030**	**50,605**

Non-current assets as of March 31, 2019 decreased relative to December 31, 2018, from €24,156 million to €23,121 million. This was caused primarily by the valuation-related decrease of €1,232 million in receivables from derivative financial instruments.

Current assets fell from €26,449 million as of December 31, 2018, to €22,909 million. The principal causes of the decline were the valuation-related reduction in receivables from derivative financial instruments from €12,214 million by €2,511 million to €9,703 million, and the decrease in trade receivables from €8,353 million by €906 million to €7,447 million. Margin deposits (receivables from margining) were also lower, at €431 million. The increase of €370 million in inventories had a slight offsetting effect.

Equity increased from €11,445 million to €12,408 million as of March 31, 2019. The net income of the Group increased equity by €791 million. Of this amount, €24 million is attributable to non-controlling interests. The effect of foreign exchange rates on assets and liabilities was also positive, and amounted to €273 million. These changes in equity were partly offset by the remeasurement of defined benefit plans in the amount of -€144 million, which was due to lower discount rates applicable on the balance sheet date. The equity ratio as of March 31, 2019, was 27% (December 31, 2018: 23%).

Non-current liabilities declined from €12,657 million at the end of the previous year to €11,713 million as of March 31, 2019. Significant effects resulted from the valuation-related decrease of €1,205 million in liabilities from derivative financial instruments, which fell from €4,327 million to €3,122 million.

Current liabilities fell from €26,503 million as of December 31, 2018, to €21,909 million. This development is primarily attributable to the valuation-related decrease in liabilities from derivative financial instruments, which followed the downward trend of receivables from derivative financial instruments and fell by €3,179 million, from €12,546 million to €9,367 million. Furthermore, contract liabilities declined by €570 million, while financial liabilities were reduced by €631 million, from €1,752 million to €1,121 million.

Risk and Chances Report

The risk and chances profile of the Uniper Group, including all individual risks and chances of significance to the Group, have been described in detail in the Annual Report of Uniper SE, which has been published online at www.uniper.energy since March 12, 2019.

The risk and chances profile of the Uniper Group has not changed materially as of the end of the first quarter of 2019. The following developments are noteworthy, however: During the first quarter, Cornwall GmbH & Co. KG, a company advised by Elliott Advisors (UK) Limited, demanded the convening of a special meeting of shareholders or, alternatively, an addition to the agenda for the yet-to-be-convened Annual Shareholders Meeting of Uniper SE. The agenda item to be added aims at the adoption of a resolution instructing the Management Board to prepare the conclusion of a lawful control agreement between Uniper SE as the controlled company and Fortum Oyj or one of its subsidiaries as the controlling entity. In addition, the risk from pricing disputes under long-term gas supply contracts has been mitigated by entering into a corresponding agreement with a producer.

In light of these developments, the overall risk situation of the Uniper Group continues to be assessed as not posing a threat to the Group's existence and, against the backdrop of financial targets, is still considered appropriate.

Forecast Report

The forecast for the 2019 fiscal year remains affected by the environment and developments described in the 2018 Annual Report. Overall, the forecasts for 2019 published in the 2018 Annual Report are reaffirmed.

Other

In early April 2019, Uniper sold its remaining 6% stake in Brazil-based Eneva S.A. in the context of a secondary offering of equity positions by several Eneva shareholders. Net proceeds amounted to approximately €76 million. After this sale, Uniper no longer has any business operations in Brazil.

After the balance sheet date, in a letter dated April 18, 2019 (after the Annual Shareholders Meeting of Uniper SE was convened for May 22, 2019), KVIP International V L.P. demanded that an additional item be added to the agenda of the Annual Shareholders Meeting. KVIP International V L.P. is proposing that a resolution be adopted instructing the Management Board to prepare a spin-off of the International Power Generation segment or, alternatively, a spin-off of activities in Sweden held in the European Generation segment. In response to this demand, Uniper SE added an item to the agenda of the Annual Shareholders Meeting of Uniper SE to be held on May 22, 2019.

Unipro won the first litigation on CSA termination initiated by RUSAL companies in the first instance.

Uniper SE and Subsidiaries Consolidated Statements of Income

First quarter € in millions	2019	2018
Sales including electricity and energy taxes	21,943	21,156
Electricity and energy taxes	-113	-131
Sales	**21,830**	**21,025**
Changes in inventories (finished goods and work in progress)	18	6
Own work capitalized	20	14
Other operating income	7,895	4,584
Cost of materials	-21,058	-20,126
Personnel costs	-239	-239
Depreciation, amortization and impairment charges	-174	-434
Other operating expenses	-7,355	-4,722
Income from companies accounted for under the equity method	26	17
Income/loss before financial results and taxes	**965**	**125**
Financial results	17	15
Net income/loss from equity investments	*0*	–
Income from other securities, interest and similar income	*31*	*35*
Interest and similar expenses	*-65*	*-13*
Other financial results	*51*	*-7*
Income taxes	-191	-10
Net income/loss	**791**	**130**
Attributable to shareholders of Uniper SE	*768*	*114*
Attributable to non-controlling interests	*24*	*16*
in €		
Earnings per share (attributable to shareholders of Uniper SE) - basic and diluted		
from continuing operations	2.10	0.31
from net income	**2.10**	**0.31**

Uniper SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses

First quarter € in millions	2019	2018
Net income/loss	**791**	**130**
Remeasurements of investments	11	-7
Remeasurements of defined benefit plans	-144	-93
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	–
Income taxes	35	27
Items that will not be reclassified subsequently to the income statement	**-97**	**-73**
Cashflow hedges	-3	-1
Unrealized changes	*-2*	–
Reclassification adjustments recognized in income	*-1*	-1
Currency translation adjustments	271	-107
Unrealized changes	*271*	*-107*
Reclassification adjustments recognized in income	–	–
Companies accounted for under the equity method	*0*	-4
Unrealized changes	–	-4
Reclassification adjustments recognized in income	–	–
Income taxes	–	–
Items that might be reclassified subsequently to the income statement	**268**	**-112**
Total income and expenses recognized directly in equity	**171**	**-185**
Total recognized income and expenses (total comprehensive income)	**962**	**-55**
Attributable to shareholders of Uniper SE	*900*	*-56*
Attributable to non-controlling interests	*63*	*1*

Uniper SE and Subsidiaries Consolidated Balance Sheet

€ in millions	Mar. 31, 2019	Dec. 31, 2018
Assets		
Goodwill	1,863	1,816
Intangible assets	759	768
Property, plant and equipment and right-of-use assets	10,777	10,612
Companies accounted for under the equity method	430	440
Other financial assets	878	866
Equity investments	*786*	*783*
Non-current securities	*92*	*83*
Financial receivables and other financial assets	3,645	3,618
Operating receivables, other operating assets and contract assets	3,678	4,914
Income tax assets	6	6
Deferred tax assets	1,085	1,116
Non-current assets	**23,121**	**24,156**
Inventories	1,974	1,604
Financial receivables and other financial assets	603	1,391
Trade receivables, other operating assets and contract assets	18,135	21,468
Income tax assets	42	40
Liquid funds	1,168	1,400
Assets held for sale	987	546
Current assets	**22,909**	**26,449**
Total assets	**46,030**	**50,605**
Equity and liabilities		
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,703	3,032
Accumulated other comprehensive income	-3,301	-3,531
Equity attributable to shareholders of Uniper SE	**11,848**	**10,948**
Attributable to non-controlling interests	560	497
Equity	**12,408**	**11,445**
Financial liabilities and liabilities from leases	1,194	1,187
Operating liabilities and contract liabilities	3,706	4,856
Provisions for pensions and similar obligations	946	804
Miscellaneous provisions	5,378	5,455
Deferred tax liabilities	489	355
Non-current liabilities	**11,713**	**12,657**
Financial liabilities and liabilities from leases	1,121	1,752
Trade payables, other operating liabilities and contract liabilities	18,651	22,469
Income taxes	43	47
Miscellaneous provisions	1,297	1,478
Liabilities associated with assets held for sale	798	757
Current liabilities	**21,909**	**26,503**
Total equity and liabilities	**46,030**	**50,605**

Uniper SE and Subsidiaries Consolidated Statements of Cash Flows

First quarter € in millions	2019	2018
Net income/loss	**791**	**130**
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	174	434
Changes in provisions	-167	-65
Changes in deferred taxes	181	30
Other non-cash income and expenses	-92	75
Gain/loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	-4	-31
Changes in operating assets and liabilities and in income taxes	-778	47
Cash provided by operating activities	**105**	**620**
Proceeds from disposal of	9	95
Intangible assets and property, plant and equipment	*5*	*95*
Equity investments	*4*	–
Purchases of investments in	-108	-118
Intangible assets and property, plant and equipment	*-108*	*-114*
Equity investments	–	*-4*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	636	351
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-205	-970
Changes in restricted cash and cash equivalents	–	-82
Cash provided by investing activities	**332**	**-724**
Payments received/made from changes in capital[1]	–	5
Proceeds from financial liabilities and outstanding lease liabilities	8	311
Repayments of financial liabilities and reduction of outstanding lease liabilities	-675	-34
Cash used for financing activities	**-666**	**282**
Net increase in cash and cash equivalents	**-230**	**178**
Effect of foreign exchange rates on cash and cash equivalents	10	-4
Cash and cash equivalents at the beginning of the reporting period	1,138	852
Cash and cash equivalents arising from first-time consolidation	8	–
Cash and cash equivalents from disposal groups	-3	-1
Cash and cash equivalents of continuing operations at the end of the reporting period	**925**	**1,025**
Supplementary Information on Cash Flows from Operating Activities		
Tax payments	-14	-19
Interest paid	-20	-19
Interest received	14	14
Dividends received	5	2

[1]No material netting has taken place either of the periods presented here.

Financial Calendar

May 22, 2019
2019 Annual Shareholder Meeting (Düsseldorf, Congress Center)

August 8, 2019
Half-Year Interim Report: January-June 2019

November 12, 2019
Quarterly Statement: January-September 2019

March 10, 2020
2019 Annual Report

May 7, 2020
Quarterly Statement: January-March 2020

May 20, 2020
2020 Annual Shareholders Meeting (Düsseldorf, Congress Center)

August 11, 2020
Half-Year Interim Report: January-June 2020

November 10, 2020
Quarterly Statement: January-September 2020

Further Information

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