Press Release
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Uniper reaffirms outlook for full-year 2018 despite weaker operating performance in the third quarter

- **Adjusted EBIT of €386 million (9M 2017: €952 million); decline due primarily to already-communicated portfolio changes and non-recurrence of one-off items from 2017**
- **Net loss of €521 million resulted primarily from negative items from the non-cash-effective marking to market of commodity derivatives**
- **Adjusted Funds From Operations (Adjusted FFO) of €0.7 billion at prior-year level (9M 2017: €0.7 billion)**
- **Outlook (Adjusted EBIT and Adjusted FFO) and planned dividend proposal for 2018 reaffirmed**

Uniper achieved an Adjusted EBIT of €386 million in the first nine months of 2018. The significant decline of €566 million relative to the prior-year period was largely anticipated by the company and resulted mainly from the already-communicated changes in its portfolio and the non-recurrence of one-off items. These include the absence of earnings streams from the divested stake in Yuzhno-Russkoye gas field and from generating units decommissioned in the prior year as well as the one-off insurance payment for Beryozovskaya 3, which Uniper received in 2017. These three items alone led to a roughly €500 million reduction relative to the prior-year period. In addition, Uniper's operating earnings continued to be adversely affected by lower achieved prices for generating capacity marketed in prior years and by negative currency-translation effects on the Russian ruble.

CFO Christopher Delbrück says: "All in all, at the nine-month mark Uniper is on course to achieve its targets for the 2018 financial year. Despite a somewhat weaker-than-anticipated operating performance, we continue to expect our Adjusted EBIT to be between €0.8 and €1.1 billion, although we now anticipate that we'll be in the lower half of this range. Today we expressly reaffirm our dividend outlook for the current financial year."

Adjusted EBIT at Uniper's **European Generation** segment declined slightly, by €20 million, to €260 million (9M 2017: €280 million). Alongside lower achieved prices for hydro and nuclear capacity hedged in the past, operating earnings were adversely affected by a price-driven increase in provisions for carbon allowances. The closure of generating units in June 2017 (Maasvlakte 1 and 2 and Oskarshamn 1) along with the non-recurrence of one-off items from 2017 also contributed to the earnings decline. By contrast, changes in the operating taxes for nuclear and hydro power plants in Sweden constituted a positive factor. Operating earnings also benefited from income from capacity-market payments in the United Kingdom and France. A reversal of provisions due to a change in the dismantling plans for remediation obligations for hydro plants and infrastructure assets likewise enhanced Adjusted EBIT.

Nine-month Adjusted EBIT at the **Global Commodities** segment decreased by €152 million year on year to €126 million (9M 2017: €278 million). The decline resulted primarily from the absence of earnings streams from the stake in Yuzhno-Russkoye gas field in Russia which was sold at the end of 2017. In addition, the increased CO2 price had a negative effect. A weaker operating performance by the gas business and risk provisions created for the pending arbitration proceedings for long-term gas supply contracts were additional adverse factors. By contrast, the unwinding of hedging transactions in the LNG business had a positive impact on Adjusted EBIT in the reporting period.

The **International Power** segment's Adjusted EBIT declined from €537 million in the prior-year period by €333 million to €204 million in the first nine months of 2018. The decrease is largely attributable to the non-recurrence of the insurance payment for Beryozovskaya 3, which Uniper received in May 2017. In addition, operating earnings were adversely affected by negative currency-translation effects on the Russian ruble and lower generation volumes. Higher capacity payments for Surgutskaya power station constituted a positive factor relative to 2017.

Uniper recorded a nine-month **net loss** of €521 million in 2018 (9M 2017: net income of €782 million). This was mainly attributable to an adverse effect in the amount of €731 million resulting from the marking to market of commodity derivatives at the balance-sheet date. This was caused by higher power prices, which will not have a positive effect on income until subsequent years. In addition, impairment charges on Datteln 4 (in Q1) and Provence 4 generating unit France (in Q3) had an aggregate adverse impact of €361 million in total.

Uniper's **operating cash flow** totaled €89 million in the first nine months of 2018 (9M 2017: €950 million). The sharp decline is mainly attributable to lower cash-effective EBIT. The active management of working capital is another factor. The company's objective is to reduce the substantial seasonal fluctuations in cash flow, particularly between the fourth and first quarters. Uniper's operating cash flow benefited significantly from this approach at the end of 2017, whereas the effect was less pronounced in the nine-month period of 2018. This will be balanced out in the fourth quarter of 2018, and operating cash flow will return to normal.

Adjusted **Funds From Operations** (Adjusted FFO) amounted to €722 million in the first nine months of 2018 and were thus at the prior-year level (9M 2017: €727 million).[1] A reduction in the utilization of provisions and positive tax effects were among the positive factors.

Uniper's nine-month **cash-effective investments** totaled €387 million, less than in the prior-year period (9M 2017: €512 million). The decline resulted primarily from a reduction in investments in the growth projects Datteln 4 and Beryozovskaya 3 and lower maintenance investments in coal-fired power plants.

Uniper's **economic net debt** stood at €3.8 billion at September 30, 2018. The increase relative to the year-end 2017 balance-sheet date (€2.4 billion) is mainly attributable to the sharp rise in commodity prices and the resulting increase in the collateral Uniper provides to back its trading transactions. The adoption of IFRS 16, which for the first time requires liabilities from leases to be placed on the balance sheet, also had an adverse impact. The dividend payout to Uniper shareholders and the fact that cash-

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[1]Adjusted funds from operations (adjusted FFO) is a key figure used by Uniper since 2017 in part to assess the potential dividend payout to its shareholders and to calculate the Management Board's variable compensation.

effective investments were not covered by seasonally weak operating cash flow were additional negative factors.

Uniper continues to expect its Adjusted EBIT for full-year 2018 to be between €0.8 and €1.1 billion. It continues to anticipate that its Adjusted FFO will be between €0.5 and €0.8 billion. Uniper's planned dividend proposal is unchanged at roughly €310 million for 2018. In addition, Uniper continues to expect an average dividend growth of 25 percent between the 2016 and 2020 financial years.

Uniper is a leading international energy company with operations in more than 40 countries and around 12,000 employees. Uniper's business is to provide a reliable supply of energy and related services. Its main operations include power generation in Europe and Russia and global energy trading. Its headquarters are in Düsseldorf, Germany.

Uniper's sales and earnings performance in the first nine months of 2018

€ in millions	**9M 2018**	**9M 2017**	**+/- %**
Uniper sales	53,059	52,938	+0.2%
European Generation	8,882	5,131	+73.1%
Global Commodities	56,443	52,273	+8.0%
International Power	753	869	-13.3%
Administration/Consolidation	-13,019	-5,335	>-100%
Uniper adjusted EBIT[1]	386	952	-59.5%
European Generation[1]	260	280	-7.1%
Global Commodities[1]	126	278	-55.0%
International Power[1]	204	537	-62.0%
Administration/Consolidation[1]	-204	-143	-42.0%
Net income/loss	-521	782	>-100%
Attributable to Uniper SE shareholders	-550	683	>-100%
Attributable to non-controlling interests	29	99	-70.7%

[1]Adjusted to exclude non-operating effects.

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