Interim Report II/2016

2016

January February March

April May June

July August September

October November December

Only the German version of this Interim Report is legally binding.

Interim Group Management Report

Introduction

The condensed consolidated Interim Financial Statements is based on the securities prospectus which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for admission of the Shares to trading on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with simultaneous admission to the subsegment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

The application for admission of the Shares to trading on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) of the Frankfurt Stock Exchange has been made on August 19, 2016 and has been granted on September 9, 2016. The trading on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) will commence on September 12, 2016.

The unreviewed Interim Report consist of the condensed consolidated interim financial statements of Uniper SE for the period from January 1 to June 30, 2016 which was prepared as of August 17, 2016 and of the unreviewed interim group management report for the purpose of the interim reporting according to Article 37w, 37y German Securities Trading Act (WpHG) which was prepared September 12, 2016.

Corporate Profil

Uniper is an investorowned energy company which is led from Düsseldorf. The Uniper Group is segmented in three operating segments: European Generation, Global Commodities and International Power Generation. Group-wide non-operating functions carried out for centrally for all segments of the Uniper Group are brought Under Administration/Consolidation. The consolidation adjustments required to be carried out at Group level are also concentrated here.

Operating Segments

European Generation

The European Generation segment comprises the Uniper Group's various generation facilities available in Europe for the purpose of generating power and heat. In addition to fossil-fuel power stations (coal, gas, oil and combined gas and steam power plants) and hydroelectric power plants, these generation facilities also include nuclear power stations in Sweden, a biomass plant in France and a small number of solar and wind power facilities. The majority of the energy generated is sold by the European Generation segment to the Global Commodities segment, which is responsible for the marketing and sale of the energy to major customers via the trading markets and its own sales organization. In addition to the power plant business, the European Generation segment is also engaged in the marketing of energy services, ranging from fuel procurement and engineering, operational and maintenance services through to trading services ("third-party services"), and also the provision of technical services by Uniper Engineering GmbH.

Global Commodities

The Global Commodities segment bundles the energy trading activities and forms the commercial interface between the Uniper Group and the global wholesale markets for energy as well as the major customers. Within this segment, the fuels required for power generation (mainly coal and gas) are procured, CO2 certificates are traded, the electricity produced is marketed and the portfolio is optimized by managing the use of the power plants. In addition, this segment includes infrastructure investments and the gas storage operations as well as all the activities of the Uniper Group relating to its investment in the Siberian gas field Yuzhno Russkoye.

International Power Generation

The International Power Generation segment is divided into the activities of International Power Generation—Russia and International Power Generation—Brazil. The Russia activities comprise the equity investment of 83.7 percent in the energy generation company Unipro PJSC held by the Uniper Group, and also equity investments in the Czech Republic, principally a 52.0 percent interest in Teplarna Tabor, a.s. The Brazil activities comprise the 12.3 percent financial investment in the energy supplier ENEVA S.A. held by the Uniper Group, as well as a 50 percent equity interest in Pecém II Participacoes S.A., which operates a coal power station in the Brazilian federal state of Ceará. In addition to its actual activities, the segment is also available to all segments of the Uniper Group with its knowledge of the respective markets and the specific political and regulatory conditions applicable in these countries. The activities are, for example, responsible for the development of power generation projects in their respective countries, from preliminary analyses to investment proposals. In addition, they are the sole point of contact for all stakeholders, including policymakers, government agencies, trade associations, and the media.

In addition, the Groupwide non-operating functions carried out centrally for all segments of the Uniper Group are brought together under Administration/Consolidation. The consolidation adjustments required to be carried out at Group level are also made here.

Business Report

Industry Environment

The Uniper Group's business activities are subject to various statutory requirements, in particular those of European and national law. The respective regulatory environment has seen extensive change in the past in all of the countries where the Uniper Group is active and will presumably also change significantly with regard to any adjustments in actual or political requirements in the respective countries in the future. In particular, the energy policy and regulatory requirements in the markets in which the Uniper Group operates had a considerable influence on its revenue and earnings in the past, and it is expected that they will have an impact on the revenues and earnings of the Uniper Group in the future.

Energy Policy and Regulatory Environment

Alongside supplementary REMIT requirements, a number of more stringent financial market regulations were discussed in 2015. Of particular importance for the energy industry are the implementation measures of the Market in Financial Instruments Directive ("MiFID II"). A not considerable degree of uncertainty remains regarding several of the directive´s definitions and technical standards. In view of the many regulatory details still to be resolved, in March 2016 the European Parliament and Commission agreed to postpone until 2018 the date the directive takes effect. Greater clarity is expected sometime in 2016.

Further explanations with regards to Energy Policy and Regulatory Environment for the Uniper Group are described in detail in the securities prospectus of Uniper SE which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) on September 2, 2016 and which is published on the homepage www.uniper.energy since September 2, 2016.

Business Performance

Operational Developments

On January 1, 2016 the German power and gas wholesale business was transferred from E.ON Energie Deutschland GmbH, to Uniper Energy Sales GmbH (formerly E.ON Energy Sales GmbH).

With economic effect from January 1, 2016, 100 % of shares in PEGI, including its equity interest in Nord Stream AG, were sold to E.ON Beteiligungen GmbH. The sale price amounted to approximately € 1.0 billion and was already received in the six-month period ending on June 30, 2016.

On February 1, 2016 a fire broke out in the boiler house of the GRES TG 3 unit at the Beryozovskaya power plant in Russia, damaging significant components of the 800 MW boiler that now have to be replaced. The unit has been taken out of service until mid-2018 at the earliest, during which time it will not be generating electricity and will lose a significant part of its capacity margin. Talks with the relevant insurance companies are still ongoing as of the date of the Interim Report. However, the Uniper Group assumes that insurance benefits will cover a substantial portion of the damage.

On March 4, 2016, the regional government in Münster approved the Uniper Group's application for early commencement of construction work at the Datteln 4 power plant. The Uniper Group immediately recommenced construction work on the power plant, the majority of which had already been completed, with the aim of bringing the power plant into service in the first half of 2018 to supply electricity and ensure a long-term, reliable source of supply for the district heating network.

In March 2016, in negotiations pertaining to long-term gas delivery contracts, Uniper Global Commodities SE and the Russian Gazprom Group agreed to modify the terms of the agreements to reflect current market conditions.

Furthermore in the six-month period ending June 30, 2016 the business development of the Uniper Group was distinguished by lower sales volumes in comparison with the six-month period ending June 30, 2015. In the six-month period ending June 30, 2016 the power sales volumes declined in comparison with the six-month period ending June 30, 2015. The main reasons were a lower proprietary power production of the Uniper Group and the expiration of purchase contracts.

The volume of gas sold by the Uniper Group decreased in the six-month period ending June 30, 2016, primarily as a result of lower physical sales volumes in the wholesale business and lower volumes purchased by customers with regards to existing contracts in comparison with the six-month period ending June 30, 2015.

Spin-off

On January 19, 2016, the general meeting of Uniper AG, in preparation for the spin-off, resolved to increase the share capital of € 283,445,000 by € 6,779,578 to € 290,224,578 and to divide it into 170,720,340 no-par value registered shares, each such no-par value share representing a notional interest in the share capital of € 1.70. On March 23, 2016, the general meeting of Uniper AG resolved in favor of converting Uniper AG into an SE, and this conversion took effect on April 14, 2016 when it was recorded in the relevant commercial register. On March 30, 2016, E.ON SE and E.ON Beteiligungen GmbH paid in a total of € 265 million to the free capital reserves of Uniper AG and Uniper Beteiligungs GmbH for the purpose of adjusting the Uniper Group's capital structure.

The Spin-off and Transfer Agreement entered into force after being approved by the annual general meeting of E.ON SE on June 8, 2016 and by the general meeting of the Company on May 24, 2016.

Earnings Situation

Sales

Sales decreased by € 11,584 million or 25.8 % from € 44,911 million in the six-month period ending June 30, 2015 to € 33,327 million in the six-month period ending June 30, 2016.

This was primarily due to the decline in sales in the Global Commodities segment. The decrease was due to lower sales volumes for gas and power and a significant year-on-year decrease in the price level.

The following table presents sales broken down by product for the six-month periods ended June 30, 2016 and June 30, 2015:

Sales

in € million	Six-month period ending June 30, 2016	2015	Changes (percentages)
Electricity	13,220	16,728	-21.0
Gas	18,988	26,656	-28.8
Other	1,118	1,528	-26.8
Total	**33,327**	**44,911**	**-25.8**

Other Line Items from the Condensed Consolidated Statements of Income

Inventories (finished goods and work in progress) changed by € -43 million from € 35 million in the six-month period ending June 30, 2015 to € -8 million in the six-month period ending June 30, 2016. This was mainly due to higher partial settlements for services in the European Generation segment in the six-month period ending June 30, 2016.

Own work capitalized increased by € 6 million or 200.0 % from € 3 million in the six-month period ending June 30, 2015 to € 9 million in the six-month period ending June 30, 2016. In both periods, this was mainly attributable to recharged IT, material and personnel costs.

Other operating income increased by € 635 million or 15.3 % from € 4,156 million in the six-month period ending June 30, 2015 to € 4,791 million in the six-month period ending June 30, 2016. This increase was first and foremost due to higher gains on derivative financial instruments, which rose by € 580 million or 20.0 % from € 2,895 million in the six-month period ending June 30, 2015 to € 3,474 million in the six-month period ending June 30, 2016, mainly as a result of changes in the marking to market of commodity derivatives. In addition, the sale of PEGI, including the interest in Nord Stream AG held by it, with economic effect as of January 1, 2016, made a € 528 million contribution to the increase in other operating income. By contrast, income from exchange rate differences decreased by € 514 million or 50.9 % from € 1,010 million in the six-month period ending June 30, 2015 to € 495 million in the six-month period ending June 30, 2016.

Cost of materials decreased by € 12,119 million or 28.1 % from € 43,117 million in the six-month period ending June 30, 2015 to € 30,998 million in the six-month period ending June 30, 2016. This was primarily attributable to a decline in the cost of gas and electricity purchases in the Global Commodities segment, which corresponds to the decrease in sales in the Global Commodities segment.

Personnel costs fell by € 39 million or 6.5 % from € 603 million in the six-month period ending June 30, 2015 to € 564 million in the six-month period ending June 30, 2016. The decline was mainly attributable to lower expenses for wages and salaries and lower social security contributions, mainly as a result of the measures taken under the earlier restructuring programs and the decommissioning of power plants, together with the associated lower number of employees. An additional contribution was made by lower net expenses for occupational pension schemes. This was partly offset by a year-on-year increase in restructuring costs in the six-month period ending June 30, 2016.

Depreciation, amortization and impairment charges rose by € 2,630 million or 407.8 % from € 645 million in the six-month period ending June 30, 2015 to € 3,275 million in the six-month period ending June 30, 2016. The increase was mainly attributable to impairment write-downs in the European Generation and Global Commodities segments.

Other operating expenses increased by € 2,170 million or 46.8 % from € 4,640 million in the six-month period ending on June 30, 2015, to € 6,810 million in the six-month period ending on June 30, 2016. This was primarily due to the increase in losses on derivative financial instruments which increased by € 1,516 million or 50.3 % from € 3,013 million in the six-month period ending June 30, 2015 to € 4,528 million in the six-month period ending June 30, 2016, mainly due to changes in the marking to market of commodity derivatives. In addition, the fire at the GRES TG 3 power plant unit at the Beryozovskaya power plant in Russia resulted in a € 162 million loss on disposal of property, plant and equipment at Unipro PJSC, which operates the plant. Other operating expenses also increased due to the recognition of provisions for onerous contracts in the Global Commodities segment (€ 935 million) and the recognition of provisions for real estate transfer tax (€ 186 million). By contrast, the loss from exchange rate differences narrowed by € 554 million or 56.3 % from € 984 million in the six-month period ending June 30, 2015 to € 430 million in the six-month period ending June 30, 2016.

Income from companies accounted for under the equity method decreased by € 8 million or 12.3 % from € 65 million in the six-month period ending June 30, 2015 to € 57 million in the six-month period ending June 30, 2016. This was primarily attributable to the € 7 million decrease in income from AS Latvijas Gāze and the € 8 million decrease in income from Gas-Union GmbH. In the six-month period ending June 30, 2016, the figure was adversely affected in the amount of € 7 million by the absence of income from PEGI, which was sold together with its interest in Nord Stream AG, with economic effect as of January 1, 2016. By contrast, result from Pecém II Participacoes S.A. in Brazil rose by € 9 million year on year.

The loss before financial results and income taxes amounted to € 3,471 million in the six-month period ending June 30, 2016, down € 3,636 million on the income before financial results and income taxes in the amount of € 165 million in the six-month period ending June 30, 2015.

Adjusted EBIT and Adjusted EBITDA

The Uniper Group uses Adjusted EBIT, earnings before interests and taxes adjusted for non-operating effects, for purposes of internal management control and as the most important indicator of a business' operating earnings power.

The unadjusted earnings before interest and taxes („EBIT") represents the Uniper Group's income/loss before financial results and income taxes in accordance with IFRS, taking into account the net income/expense from equity investments. Unadjusted EBIT is adjusted for certain non-operating effects in order to increase its meaningfulness as an indicator of the operating profitability of the Uniper business. Adjusted EBIT also include income from investment subsidies for which liabilities are recognized.

The non-operating earnings effects for which EBIT is adjusted include in particular income and expenses from the marking to market of derivative financial instruments used in hedges and, where material, book gains/losses, expenses for restructuring/cost management, impairments/reversals of impairments on non-current assets, companies accounted for under the equity method and other long-term financial assets and goodwill in the context of impairment tests and other contributions to non-operating earnings.

Net book gains are equal to the sum of book gains and losses from disposals, which are included in other operating income and expenses. Effects from the fair value measurement of derivatives are also included in other operating expenses and income. Restructuring/cost management expenses represent additional expenses which are not directly attributable to the operating business. Other non-operating earnings encompass other non-operating income and expenses that are unique or rare in nature. Depending on the particular case, such income and expenses may affect different line items in the statement of income.

In addition, adjusted earnings before interest, taxes, depreciation and amortization („Adjusted EBITDA") is reported for information purposes.

Reconciliation of income/loss before financial results and income taxes

January 1–June 30 in € million	2016	2015
Income/loss before financial results and income taxes	**-3,471**	**165**
Income/loss from equity investments	11	4
EBIT	**-3,460**	**169**
Non-operating adjustments	4,595	376
Net book gains/losses	*-522*	*–*
Marking to market of derivative financial instruments	*1,034*	*118*
Restructuring/cost management expenses[1]	*223*	*42*
Non-operating impairment charges (+)/reversals (-)[2]	*2,863*	*144*
Miscellaneous other non-operating earnings	*997*	*72*
Adjusted EBIT	**1,135**	**545**
Economic depreciation and amortization/reversals[2, 3]	405	455
Adjusted EBITDA	1,540	1,000

[1]Restructuring/cost management expenses for the Global Commodities segment in the first six months of 2016 include depreciation and amortization of EUR 8 million (first six months of 2015: EUR 9 million).
[2]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 depreciation, amortization and impairment charges reported in the statement of income 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.
[3]Economic depreciation and amortization/reversals include only operating depreciation and amortization.

Due to the adjustments made, the key figures shown here may differ from the corresponding figures determined in accordance with IFRS.

Business Segments

The following table presents sales, Adjusted EBIT and Adjusted EBITDA for the segments of the Uniper Group for the six-month periods ended June 30, 2016, and June 30, 2015.

Sales, Adjusted EBIT and Adjusted EBITDA

in € million	Six-month period ending June 30, 2016	2015	Changes (percentages)
Sales	**33,327**	**44,911**	**-25.8**
European Generation	*3,250*	*3.902*	*-16.7*
Global Commodities	*32,827*	*44,619*	*-26.4*
International Power Generation	*510*	*556*	*-8.3*
Administration/Consolidation	*-3,260*	*-4,166*	*21.7*
Adjusted EBIT[1]	**1,135**	**545**	**108.3**
European Generation[1]	*120*	*195*	*-38.5*
Global Commodities[1]	*1,095*	*334*	*227.8*
International Power Generation[1]	*-39*	*106*	*-*
Administration/Consolidation[1]	*-41*	*-90*	*54.4*
Adjusted EBITDA[1]	**1,540**	**1,000**	**54.0**
European Generation[1]	*406*	*515*	*-21.2*
Global Commodities[1]	*1,165*	*420*	*177.4*
International Power Generation[1]	*5*	*150*	*-96.7*
Administration/Consolidation[1]	*-36*	*-85*	*57.6*

[1]Adjusted for non-operating effects

European Generation

Sales in the European Generation segment decreased by € 652 million or 16.7 % from € 3,902 million in the six-month period ending June 30, 2015 to € 3,250 million in the six-month period ending June 30, 2016. External sales in the European Generation segment decreased by € 67 million or 4.4 % from € 1,531 million in the six-month period ending June 30, 2015 to € 1,464 million in the six-month period ending June 30, 2016. Adjusted EBIT in the European Generation segment decreased by € 75 million or 38.5 % from € 195 million in the six-month period ending June 30, 2015 to € 120 million in the six-month period ending June 30, 2016. Adjusted EBITDA in the European Generation segment decreased by € 109 million or 21.2 % from € 515 million in the six-month period ending June 30, 2015 to € 406 million in the six-month period ending June 30, 2016.

The decrease in external sales was primarily attributable to lower prices and volumes. In particular, these negative price and volume effects could only partly be offset by operating measures and had a negative effect on Adjusted EBIT.

In addition to the market-related reduction in margins, lower water volumes at the hydropower plants in Sweden also had a negative effect on Adjusted EBIT in the six-month period ending June 30, 2016.

On the whole, these negative effects could only be partially offset by operational countermeasures, such as increasing the availability of the Oskarshamn nuclear power plant in Sweden. An additional positive effect had the commissioning of the Maasvlakte 3 power plant in the Netherlands.

Global Commodities

Sales in the Global Commodities segment decreased by € 11,792 million or 26.4 % from € 44,619 million in the six-month period ending June 30, 2015 to € 32,827 million in the six-month period ending June 30, 2016. External sales in the Global Commodities segment decreased by € 11,459 million or 26.8 % from € 42,811 million in the six-month period ending June 30, 2015 to € 31,352 million in the six-month period ending June 30, 2016. Adjusted EBIT in the Global Commodities segment increased by € 761 million or 227.8 % from € 334 million in the six-month period ending June 30, 2015 to € 1,095 million in the six-month period ending June 30, 2016. Adjusted EBITDA in the Global Commodities segment increased by € 745 million or 177.4 % from € 420 million in the six-month period ending June 30, 2015 to € 1,165 million in the six-month period ending June 30, 2016.

In the gas business, the decrease in sales was primarily due to the drop in gas prices compared to the six-month period ending June 30, 2015 and due to physical trading volumes in the wholesale business. Sales in the power business were impacted by the lower price level and the decreased production at generation units as against June 30, 2015.

In the gas business, Adjusted EBIT was impacted mainly by the agreement with Gazprom to modify the pricing terms for long-term gas supply contracts to reflect current market conditions and the associated non-recurring effect from the reversal of provisions for future delivery periods, which was recognized in the income statement. The increase in the power business was mainly due to the change in the process of handing over capacities between the Global Commodities and European Generation segments. The contribution to earnings from the Yuzhno-Russkoye gas field activity was negatively affected in the six-month period ending June 30, 2016 by a lower price level and by a reduction in the allocated gas volumes planned for this financial year. Gas allocations to the Uniper Group were reduced in fiscal year 2016 (referred to as a make-up year) to make up for nonscheduled overproduction and excess supplies in fiscal years 2009 to 2015.

International Power Generation

Sales in the International Power Generation segment decreased by € 46 million or 8.3 % from € 556 million in the six-month period ending June 30, 2015 to € 510 million in the six-month period ending June 30, 2016. This was due exclusively to external sales. Adjusted EBIT in the International Power Generation segment decreased by € 145 million from € 106 million in the six-month period ending June 30, 2015 to € -39 million in the six-month period ending June 30, 2016. Adjusted EBITDA in the International Power Generation segment decreased by € 145 million or 96.7 % from € 150 million in the six-month period ending June 30, 2015 to € 5 million in the six-month period ending June 30, 2016.

The decrease in sales was primarily due to negative currency translation effects, which more than offset the positive effects of the increased power and capacity available at the Surgutskaya power plant and the increased prices for capacity at new power plants. Adjusted EBIT was adversely affected by the accident-related decommissioning of the 800 MW unit at the Beryozovskaya power plant in February 2016 and the associated partial derecognition of the boiler from property, plant and equipment. The increase in prices on the day-ahead market and higher tariff payments for new capacities had a positive effect. In addition, the losses in Brazil narrowed year on year.

Administration/Consolidation

Sales attributable to the Administration/Consolidation reconciliation item rose by € 906 million or 21.7 % from € -4,166 million in the six-month period ending June 30, 2015 to € -3,260 million in the six-month period ending June 30, 2016. This was due almost exclusively to intersegment sales. Adjusted EBIT attributable to the Administration/Consolidation reconciliation item rose by € 49 million from € -90 million in the six-month period ending June 30, 2015 to € -41 million in the six-month period ending June 30, 2016. Adjusted EBITDA attributable to the Administration/Consolidation reconciliation item rose by € 49 million from € -85 million in the six-month period ending June 30, 2015 to € -36 million in the six-month period ending June 30, 2016. This was due to lower costs compared to the comparison period.

Financial Situation

Uniper presents its financial condition, among other financial measures, economic net debt operating and cashflow before interest and taxes („OCFbIT"). The OCFbIT is presented in Note 15 of the Interim Report.

Financial Position

Wirtschaftliche Netto-Verschuldung

in € million	As of June, 2016	As of December 31, 2015
Liquid Funds	536	360
Financial receivables from affiliated companies	174	7,368
Non-current securities	149	189
Financial Liabilities (including financial liabilities to affiliated companies)	-2,390	-12,847
Net Financial Position	**-1,531**	**-4,930**
Provisions for pensions and similar obligations	-1,175	-796
Provisions for asset retirement obligations[1]	-925	-964
Economic Net Debt	**-3,631**	**-6,690**

[1]Reduced by Receivables from the Swedish Nuclear Waste Fund

The decline of financial receivables from affiliated companies amounting to € 7,194 million mainly results from the partial suspension of cash management with the E.ON Group and the introduction of a cash pooling system within the Uniper Group. This change is the main reason for the change of the liabilities from cash pooling amounting to € 9,818 million.

On May 10, 2016, Standard & Poor's assigned the Company a long-term investment grade rating of BBB- with a stable outlook. Standard & Poor's Credit Market Services Europe Limited considers companies with a BBB- rating as having adequate capacity to meet their financial commitments. Standard & Poor's Credit Market Services Europe Limited has its registered office in the EU and is registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

Investments

Investments

	Six-month period ending June, 30	
in € million	2016	2015
Investitionen		
European Generation	*177*	*275*
Global Commodities	*66*	*58*
International Power Generation	*44*	*85*
Administration/Consolidation	*5*	*-*
Total	**292**	**418**

In the six-month period ending June 30, 2016, investments in the European Generation segment amounted to € 177 million, € 98 million or 35.6 % lower than the figure of € 275 million recorded in the six-month period ending June 30, 2015. This mainly resulted from the decisions to decommission units 1 and 2 at the Oskarshamn nuclear power plant in Sweden.

In the six-month period ending June 30, 2016, investments in the Global Commodities segment amounted to € 66 million, € 8 million or 13.8 % higher than the figure of € 58 million recorded in the six-month period ending June 30, 2015. The change in the Global Commodities segment was mainly due to increased capital contributions for project activities, whereby a substantial amount of the capital employed had already been returned in the six-month period ending June 30, 2016 (recognized under disposals of investments).

In the six-month period ending June 30, 2016, investments in the International Power Generation segment amounted to € 44 million, € 41 million or 48.2 % lower than the figure of € 85 million recorded in the six-month period ending June 30, 2015. This was mainly attributable to the completion of the Beryozovskaya 3 lignite power plant unit.

Cashflow

Cashflow		
	Six-month period ending June, 30	
in € million	2016	2015
Cash provided by (used for) operating activities (operating cash flow)	**1,952**	**2,301**
Cash provided by (used for) investing activities	**945**	**-487**
Cash provided by (used for) financing activities	**-2,706**	**-1,737**

Cash provided by (used for) operating activities (operating cash flow)

Cash provided by (used for) operating activities decreased by € 349 million or 15.2 % from € 2,301 million in the six-month period ending June 30, 2015 to € 1,952 million in the six-month period ending June 30, 2016. This was mainly due to cash outflows in the Global Commodities segment that resulted from the agreement reached with Gazprom. This effect more than compensated for the one-off payment by the Finnish energy utility Fortum Oyj for the pro rata assumption of costs for the Oskarshamn power plant, Sweden, in the European Generation segment.

Cash provided by (used for) investing activities

Cash provided by (used for) investing activities increased by € 1,432 million from € -487 million in the six-month period ending June 30, 2015 to € 945 million in the six-month period ending June 30, 2016. Investments decreased by € 126 million from € 418 million to € 292 million. Proceeds from the disposal of investments rose by € 981 million from € 194 million to € 1,175 million. This mainly resulted from the sale of the shares in PEGI, including its interest in Nord Stream AG, to E.ON Beteiligungen GmbH in March 2016.

Cash provided by (used for) financing activities

Cash provided by (used for) financing activities decreased by € 969 million or 55.8 % from € -1,737 million in the six-month period ending June 30, 2015 to € -2,706 million in the six-month period ending June 30, 2016. This was mainly due to the repayment of financial liabilities.

Asset Situation

Balance Sheet Structure in € million	June 30, 2016	December 31, 2015
Non-current Assets	25,576	29,461
Current Assets	17,409	34,062
Total Assets	**42,985**	**63,523**
Equity (net assets)	11,067	15,001
Non-current liabilities	15,100	14,304
Current liabilities	16,818	34,218
Total equity and liabilities	**42,985**	**63,523**

In the six-month period ending June 30, 2016 the non-current assets amounting with € 25,576 million below the figures as of June 30, 2015. The reason was exceptional impairment charges amounting in total to € 2.9 billion which were recognized in respect of non-current assets.

The current assets significantly declined compared as of December 31, 2015 from € 34,062 million by € 16,653 million to € 17,409 million. The major reason of the decline was due to the reduction in receivables from the E.ON Group by € 7,134 million. Furthermore the trade receivables and other operating assets declined by the total amount of € 8,944 million.

The equity ratio as of June 30, 2016 with 26% is slightly above with 24% as of December 31, 2015. The Equity declined by the net loss, the re-measurements of defined benefit plans due to declining discount rates as well as paid dividends.

The current liabilities significantly declined from € 34,218 million by € 17,400 million to € 16,818 million compared as of December 31, 2015. This development is mainly caused by the reduction of financial liabilities from cash pooling and cash management due to E.ON SE by € 9,818 million. In addition the current trade payable and other operational liabilities decreased by € 6,961 million.

The development of the non-current and current provisions countervailed each other compared as of December 31, 2015.

Risk Report

The for the Uniper Group relevant risks, the risk management system and litigation are described in detail in the securities prospectus of Uniper SE which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) on September 2, 2016 and which is published on the homepage www.uniper.energy since September 2, 2016. No material changes to this description occurred since September 2, 2016.

Forecast

According to the Company's planned distribution policy, the Company intends to distribute a dividend in the amount of approximately € 200 million which is described in the securities prospectus of Uniper SE. This securities prospectus has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) on September 2, 2016 and is published on the homepage www.uniper.energy since September 2, 2016. The general meeting will resolve on this dividend in fiscal year 2017.

Düsseldorf, September 12, 2016

The Board of Management

Condensed Consolidated Interim Financial Statements

Statement of Income of the Uniper Group

		April 1–June 30		January 1–June 30	
in EUR millions	Note	2016	2015	2016	2015
Sales including electricity and energy taxes		13,886	20,627	33,581	45,026
Electricity and energy taxes		-123	-63	-254	-115
Sales	(15),(16)	**13,763**	**20,564**	**33,327**	**44,911**
Changes in inventories (finished goods and work in progress)		5	27	-8	35
Own work capitalized		5	-6	9	3
Other operating income		476	1,369	4,791	4,156
Cost of materials	(5),(15)	-12,911	-19,892	-30,998	-43,117
Personnel costs		-298	-323	-564	-603
Depreciation, amortization and impairment charges	(8)	-3,063	-348	-3,275	-645
Other operating expenses		-2,296	-1,483	-6,810	-4,640
Income/loss from companies accounted for under the equity method		21	37	57	65
Income/loss before financial results and income taxes		**-4,298**	**-55**	**-3,471**	**165**
Financial results	(6)	-227	47	-364	-44
Income/loss from equity investments		*2*	*4*	*11*	*4*
Income from other securities, interest and similar income		*30*	*8*	*69*	*96*
Interest and similar expenses		*-259*	*35*	*-444*	*-144*
Income taxes		-6	-6	-50	-24
Net income/loss		**-4,531**	**-14**	**-3,885**	**97**
Attributable to shareholders of Uniper SE		*-4,523*	*-4*	*-3,871*	*98*
Attributable to non-controlling interests		*-8*	*-10*	*-14*	*-1*
in EUR					
Earnings per share (attributable to shareholders of Uniper SE) - basic and diluted	**(7)**				
from continuing operations		-26.61	-0.02	-22.77	0.59
from discontinued operations		0.00	0.00	0.00	0.00
from net income/loss		**-26.61**	**-0.02**	**-22.77**	**0.59**

Statement of Recognized Income and Expenses of the Uniper Group	April 1–June 30		January 1–June 30	
in EUR millions	2016	2015	2016	2015
Net income/loss	**-4,531**	**-14**	**-3,885**	**97**
Remeasurements of defined benefit plans	-239	282	-651	100
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	3	–	-9
Income taxes	-20	-56	-7	-17
Items that will not be reclassified subsequently to the income statement	**-259**	**229**	**-658**	**74**
Cash flow hedges	-4	-4	-15	-10
Unrealized changes	*-1*	*-2*	*-5*	*-6*
Reclassification adjustments recognized in income	*-3*	*-2*	*-10*	*-4*
Available-for-sale securities	-4	-5	-5	5
Unrealized changes	*-4*	*-5*	*-5*	*5*
Reclassification adjustments recognized in income	–	–	–	–
Currency translation adjustments	173	47	247	910
Unrealized changes	*173*	*47*	*247*	*910*
Reclassification adjustments recognized in income	–	–	–	–
Companies accounted for under the equity method	21	5	129	28
Unrealized changes	*21*	*5*	*36*	*28*
Reclassification adjustments recognized in income	–	–	*93*	–
Income taxes	12	1	14	3
Items that might be reclassified subsequently to the income statement	**198**	**44**	**370**	**936**
Total income and expenses recognized directly in equity	**-61**	**273**	**-288**	**1,010**
Total recognized income and expenses (total comprehensive income)	**-4,592**	**259**	**-4,173**	**1,107**
Attributable to shareholders of Uniper SE	*-4,563*	*271*	*-4,025*	*1,030*
Attributable to non-controlling interests	*-29*	*-12*	*-148*	*77*

Condensed Consolidated Interim Financial Statements

Balance Sheet of the Uniper Group

in EUR millions	Note	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
Assets				
Goodwill		2,628	2,555	4,911
Intangible assets		1,966	2,159	2,436
Property, plant and equipment	(8)	11,274	14,297	15,717
Companies accounted for under the equity method	(3),(9)	840	1,136	1,401
Other financial assets	(9)	530	558	927
Equity investments		*381*	*369*	*743*
Non-current securities		*149*	*189*	*184*
Financial receivables and other financial assets		2,983	3,029	4,104
Operating receivables and other operating assets		4,315	4,687	3,158
Income tax assets		9	9	14
Deferred tax assets		1,031	1,031	1,355
Non-current assets		**25,576**	**29,461**	**34,023**
Inventories		1,451	1,734	2,297
Financial receivables and other financial assets		950	8,359	11,475
Trade receivables and other operating assets	(16)	14,141	23,085	23,205
Income tax assets		299	296	206
Liquid Funds		536	360	412
Securities and fixed-term deposits		*7*	*60*	*72*
Restricted cash and cash equivalents		*1*	*1*	–
Cash and cash equivalents		*528*	*299*	*340*
Assets held for sale	(3)	32	228	2
Current assets		**17,409**	**34,062**	**37,597**
Total assets		**42,985**	**63,523**	**71,620**
Equity and Liabilities				
Subscribed capital	(10)	290	–	–
Capital reserves	(10)	4,188	–	–
Revenue reserves		185	18,684	25,967
Accumulated other comprehensive income		-1,818	-4,223	-3,550
Equity attributable to shareholders of Uniper SE		**2,845**	**14,461**	**22,417**
Non-controlling interests[1]	(1)	8,222	540	302
Equity		**11,067**	**15,001**	**22,719**
Financial liabilities		1,080	2,296	5,175
Operating liabilities		4,578	3,781	2,460
Income taxes		–	–	–
Provisions for pensions and similar obligations	(11)	1,175	796	1,773
Miscellaneous provisions	(16)	6,562	5,809	5,057
Deferred tax liabilities		1,705	1,622	1,966
Non-current liabilities		**15,100**	**14,304**	**16,431**
Financial liabilities		1,310	10,551	8,161
Trade payables and other operating liabilities	(16)	13,681	20,642	21,563
Income taxes		300	338	323
Miscellaneous provisions		1,527	2,569	2,423
Liabilities associated with assets held for sale	(3)	–	118	–
Current liabilities		**16,818**	**34,218**	**32,470**
Total equity and liabilities		**42,985**	**63,523**	**71,620**

[1]See also the Statement of Changes in Equity

Statement of Cash Flows of the Uniper Group

January 1–June 30 in EUR millions	2016	2015
Net income/loss	**-3,885**	**97**
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	3,275	645
Changes in provisions	-1	101
Changes in deferred taxes	42	-84
Other non-cash income and expenses	-27	-252
Gain/loss on disposals	-383	-7
Intangible assets and property, plant and equipment	*138*	*-6*
Equity investments	*-521*	*-1*
Securities (>3 months)	*–*	*–*
Changes in operating assets and liabilities and in income taxes	2,931	1,801
Inventories and carbon allowances	*471*	*933*
Trade receivables	*3,523*	*3,743*
Other operating receivables and income tax assets	*4,527*	*3,170*
Trade payables	*-333*	*-1,218*
Other operating liabilities and income taxes	*-5,257*	*-4,827*
Cash provided by (used for) operating activities (operating cash flow)[1]	**1,952**	**2,301**
Proceeds from disposals	1,175	194
Intangible assets and property, plant and equipment	*5*	*7*
Equity investments	*1,170*	*187*
Payments for investments in	-292	-418
Intangible assets and property, plant and equipment	*-241*	*-368*
Equity investments	*-51*	*-50*
Proceeds from disposals of securities (>3 months) and of financial receivables and fixed-term deposits	845	253
Purchases of securities (>3 months) and of financial receivables and fixed-term deposits	-783	-516
Changes in restricted cash and cash equivalents	–	–
Cash provided by (used for) investing activities	**945**	**-487**
Payments received/made from changes in capital[2]	127	-3
Transactions with the E.ON Group[3]	-2,233	-2,317
Dividends paid to non-controlling interests	–	–
Changes in financial liabilities[4]	-600	583
Cash provided by (used for) financing activities	**-2,706**	**-1,737**
Net increase/decrease in cash and cash equivalents	**191**	**77**
Effect of foreign exchange rates on cash and cash equivalents	38	51
Cash and cash equivalents at the beginning of the year	299	340
Cash and cash equivalents at the end of the quarter	**528**	**468**
Supplementary Information on Cash Flows from Operating Activities		
Income taxes paid (less refunds)	-12	-101
Interest paid	-215	-92
Interest received	45	53
Dividends received	12	16

[1]Additional information on operating cash flow is provided in Note 15.
[2]No material netting has taken place in either of the years presented here.
[3]The transactions with the E.ON Group mostly relate to control and profit and loss transfer agreements and financing with the E.ON Group.
[4]Proceeds from financial liabilities in the first six months of fiscal year 2016 amounted to EUR 468 million (first six months of 2015: EUR 808 million), while repayments of financial liabilities for the first six months of fiscal year 2016 amounted to EUR -1,068 million (first six months of 2015: EUR -225 million).

Condensed Consolidated Interim Financial Statements

Statement of Changes in Equity

				Accumulated other comprehensive income		
in EUR millions	Subscribed capital	Capital reserves	Revenue reserves	Currency translation adjustments	Available-for-sale securities	Cash flow hedges
Balance as of January 1, 2015	**0**	**0**	**25,967**	**-3,977**	**508**	**-81**
Capital increase						
Capital decrease						
Dividends			0			
Transfers from reserves/ contributions			-343			
Total comprehensive income			171	859	4	-4
Net income/loss			*98*			
Other comprehensive income			*73*	*859*	*4*	*-4*
Remeasurements of defined benefit plans			*73*			
Changes in accumulated other comprehensive income				*859*	*4*	*-4*
Balance as of June 30, 2015	**0**	**0**	**25,795**	**-3,118**	**512**	**-85**
Balance as of January 1, 2016	**0**	**0**	**18,684**	**-4,251**	**87**	**-59**
Allocation of revenue reserves in accordance with legal structure	283	4,068	-4,351			
Presentation of non-controlling interests in accordance with legal structure			-9,968	2,268	-46	31
Capital increase	7	120				
Capital decrease						
Dividends			0			
Transfers from reserves/ contributions			-3			
Total comprehensive income			-4,177	119	-2	35
Net income/loss			*-3,871*			
Other comprehensive income			*-306*	*119*	*-2*	*35*
Remeasurements of defined benefit plans			*-306*			
Changes in accumulated other comprehensive income				*119*	*-2*	*35*
Balance as of June 30, 2016	**290**	**4,188**	**185**	**-1,864**	**39**	**7**

[1]Once the spin-off becomes effective, those non-controlling interests will be reclassified into equity attributable to the shareholders of Uniper SE. For further information, see Note 1.

Equity attributable to shareholders of Uniper SE	Presentation of the non-controlling interests attributable to Uniper Beteiligungs GmbH[1]	Non-controlling interests	Total non-controlling interests	Total
22,417	**0**	**302**	**302**	**22,719**
0			0	0
0		-3	-3	-3
0		-44	-44	-44
-343			0	-343
1,030		77	77	1,107
98		*-1*	*-1*	*97*
932		*78*	*78*	*1,010*
73		*1*	*1*	*74*
859		*77*	*77*	*936*
23,104	**0**	**332**	**332**	**23,436**
14,461	**0**	**540**	**540**	**15,001**
0			0	0
-7,715	7,715		7,715	0
127	145		145	272
0			0	0
0		-26	-26	-26
-3	-4		-4	-7
-4,025	-175	27	-148	-4,173
-3,871		*-14*	*-14*	*-3,885*
-154	*-175*	*41*	*-134*	*-288*
-306	*-348*	*-4*	*-352*	*-658*
152	*173*	*45*	*218*	*370*
2,845	**7,681**	**541**	**8,222**	**11,067**

Notes to the Condensed Consolidated Interim Financial Statements

(1) General Principles

First-time Consolidated Interim Financial Statements of Uniper SE

At the end of November 2014, E.ON SE, Düsseldorf announced its plan to bring together the E.ON Generation segment (except for the German nuclear power business and associated activities), the E.ON Russia focus region, the E.ON Global Commodities segment, the E.ON Russian business activities in the E.ON Exploration & Production segment, the E.ON hydroelectric power business area and the E.ON Brazilian business activities in the E.ON Other Non-EU Countries segment, that have been managed since January 1, 2016 under the Uniper name, and prepare a placement on the stock exchange by means of a spin-off through absorption into another company (*Abspaltung zur Aufnahme*) with the issue of Uniper shares to the shareholders of E.ON SE. The spin-off requires the approval of the Annual General Meetings of Uniper SE and E.ON SE which was granted by the Annual General Meeting of Uniper SE on May 24, 2016 and by the Annual General Meeting of E.ON SE on June 8, 2016.

The issuer and parent company of the Uniper Group is Uniper SE, Düsseldorf (until April 14, 2016, Uniper AG).

In course of the reorganization under corporate law completed at the beginning of fiscal year 2016 (i.e. with the transfer of the parts of the German power and gas wholesale business attributable to Uniper), the entire Uniper operating business was brought together in the direct subsidiary Uniper Holding GmbH, Düsseldorf (formerly E.ON Kraftwerke 6. Beteiligungs-GmbH, Hanover) or its direct and indirect subsidiaries. The shareholders in Uniper Holding GmbH are Uniper SE (46.65 percent) and Uniper Beteiligungs GmbH (53.35 percent), Düsseldorf. As part of the reorganizations under corporate law, a majority voting right for Uniper SE was enshrined in the Articles of Association of Uniper Holding GmbH with the result that Uniper SE directly holds the majority of the voting rights at least until the spin-off becomes effective. Until the spin-off becomes effective, the shares held by Uniper Beteiligungs GmbH representing an interest of 53.35 percent in Uniper Holding GmbH are reported in the consolidated interim financial statements in the corresponding amount as non-controlling interests in accordance with IFRS 10. Once the spin-off becomes effective, those non-controlling interests will be reclassified into equity attributable to the shareholders of Uniper SE. The current earnings of Uniper Holding GmbH are allocated in their entirety to Uniper SE on the basis of the control and profit and loss transfer agreement between Uniper SE and Uniper Holding GmbH.

Until the spin-off, Uniper SE is an indirect 100 percent subsidiary of E.ON SE and is included in the consolidated financial statements of E.ON SE together with its subsidiaries. As a result, pursuant to section 291 (1) HGB, there has been no requirement to date for Uniper to prepare consolidated financial statements. As of June 30, 2016, the sole shareholder in Uniper SE is E.ON Beteiligungen GmbH, Düsseldorf.

First-time Adoption of International Financial Reporting Standards

The Uniper Group consists of Uniper SE and its indirect and direct subsidiaries, joint ventures and associated companies. Consolidated interim financial statements in accordance with the provisions of IFRS 1 "First-time Adoption of International Financial Reporting Standards" (IFRS 1) were prepared for the first time for the reporting period ending June 30, 2016. Those consolidated interim financial statements were prepared on the basis of uniform IFRS accounting policies with an opening balance sheet as of January 1, 2015. Since the Uniper Group was not previously obliged to prepare consolidated financial statements, the reconciliations for equity and total comprehensive income provided for in principle by IFRS 1 are not required. None of the optional exemptions permitted by IFRS 1 was applied in the consolidated interim financial statements as of June 30, 2016.

For the purposes of the first-time preparation of consolidated interim financial statements, the Board of Management of Uniper SE made use of the possibility of presenting the legal transfers of the business activities of E.ON to Uniper as a transaction under common control using the book value method. In addition, the Company took up the option of presenting the prior-year comparative information required by IFRS as if the legal structure of the Uniper Group after reflecting the legal transfers of the business activities had already existed in the past. The figures presented in the corresponding Combined (Interim) Financial Statements were therefore used for the purposes of the prior-year comparative information.

The Combined Financial Statements of Uniper SE for the fiscal years ended December 31, 2013, 2014 and 2015 prepared in accordance with International Financial Reporting Standards (referred to in the following as "Combined Financial Statements") are published on the homepage of Uniper SE.

Disclosures Relating to the Consolidated Interim Financial Statements

The consolidated interim financial statements as of June 30, 2016 were prepared in accordance with the requirements of IAS 34 and the other International Financial Reporting Standards (IFRS) as well as the related interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the European Union (EU).

With the exception of the changes explained in Note 2, the same accounting and measurement policies and consolidation principles were applied in these interim financial statements as in the preparation of the Combined Financial Statements for fiscal year 2015.

The consolidated interim financial statements were prepared in euros. Unless otherwise indicated, all amounts are presented in millions of euros (EUR millions).

(2) Newly Adopted Standards and Interpretations

Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"

In November 2013, the IASB published an amendment to IAS 19. This pronouncement amends IAS 19 in respect of the accounting treatment of defined benefit plans involving contributions from employees (or third parties). If the contributions made by employees (or third parties) are independent of the number of years of service, their nominal amount can still be deducted from the service cost. But if employee contributions vary according to the number of years of service, the benefits must be computed and attributed by applying the projected unit credit method. The amendments are applicable for fiscal years beginning on or after July 1, 2014. Earlier application is permitted. The amendments have been adopted by the EU into European law. Consequently, they shall be applied for fiscal years beginning on or after February 1, 2015. The amendments have no material impact on Uniper's Consolidated Financial Statements.

Omnibus Standard to Amend Multiple International Financial Reporting Standards (2010–2012 Cycle)

In the context of its Annual Improvements Process, the IASB revises existing standards. In December 2013, the IASB published a corresponding omnibus standard. It contains changes to IFRS and their associated Bases for Conclusions. The revisions affect the standards IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 37, IAS 38 and IAS 39. The EU has adopted these amendments into European law. Consequently, they shall be applied for fiscal years beginning on or after February 1, 2015. They have no material impact on Uniper's Consolidated Financial Statements.

Amendments to IFRS 11—Accounting for Acquisitions of Interests in Joint Operations

In May 2014, the IASB published amendments to IFRS 11. The standard thus amended requires the acquirer of an interest in a joint operation in which the activity constitutes a business as defined in IFRS 3 to apply all of the principles relating to business combinations accounting in IFRS 3 and other standards, as long as those principles are not in conflict with the guidance in IFRS 11. Accordingly, the relevant information specified in those standards is to be disclosed. This required amendments to IFRS 1, "First-time Adoption of International Financial Reporting Standards", in order to expand the exemption relating to business combinations. Accordingly, the amendment now also includes past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business. The amendments are applicable for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. They have no material impact on Uniper's Consolidated Financial Statements.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

In May 2014, the IASB published amendments to IAS 16 and IAS 38. The amendments contain further guidance on which methods can be used to depreciate property, plant and equipment, and to amortize intangible assets. In particular, they clarify that the use of a revenue-based method arising from an activity that includes the use of an asset does not provide an appropriate representation of its consumption. Within the context of IAS 38, however, this presumption can be rebutted in certain limited circumstances. The amendments are applicable for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. The amendments have no impact on Uniper's Consolidated Financial Statements.

Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"

In June 2014, the IASB published amendments to IAS 16 and IAS 41. They provide that bearer plants shall be accounted for in the same way as property, plant and equipment, in accordance with IAS 16. IAS 41 shall continue to apply for the produce they bear. As a result of the amendments, bearer plants will in future no longer be measured at fair value less estimated costs to sell, but rather in accordance with IAS 16, using either a cost model or a revaluation model. The amendments are applicable for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. The amendments have no impact on Uniper's Consolidated Financial Statements.

Amendments to IAS 27 "Equity Method in Separate Financial Statements"

In August 2014, the IASB published amendments to IAS 27, "Separate Financial Statements". The amendments permit the use of the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in the separate financial statements of an investor. The amendments are applicable retrospectively in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", and for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. The amendments have no impact on Uniper's Consolidated Financial Statements.

Omnibus Standard to Amend Multiple International Financial Reporting Standards (2012-2014 Cycle)

In the context of its Annual Improvements Process, the IASB revises existing standards. In September 2014, the IASB published a corresponding omnibus standard. It contains changes to IFRS and their associated Bases for Conclusions. The revisions affect the standards IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are applicable for the first time for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. They have no material impact on Uniper's Consolidated Financial Statements.

Amendments to IAS 1 "Presentation of Financial Statements"

In December 2014, the IASB published amendments to IAS 1. They are primarily intended to clarify disclosures of material information, and of the aggregation and disaggregation of line items on the balance sheet and in the statement of comprehensive income. The amendments further provide that an entity's share of the other comprehensive income of companies accounted for using the equity method shall be presented in its statement of comprehensive income. The amendments are applicable for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The EU has adopted these amendments into European law. There is no difference under European law in the date of first-time application. They have no impact on Uniper's Consolidated Financial Statements.

(3) Disposals and Discontinued Operations

PEG Infrastruktur AG/Nord Stream AG

With economic effect from January 1, 2016, 100 percent of shares in PEG Infrastruktur AG (PEGI), Zug, Switzerland, including its equity interest in Nord Stream AG, Zug, Switzerland, were sold to E.ON Beteiligungen GmbH, Düsseldorf, Germany. The transaction was closed in March 2016. The sale resulted in the deconsolidation of the equity investment in PEGI previously fully consolidated in the Global Commodities segment and of the investment in Nord Stream AG accounted for under the equity method in the first quarter of 2016. The sale price amounted to approximately EUR 1.0 billion and was received in the first quarter of 2016. The transaction generated a gain on disposal of EUR 0.5 billion.

AS Latvijas Gāze

On December 22, 2015, Uniper entered into an agreement to sell 28.974 percent of the shares in its associate AS Latvijas Gāze, Riga, Latvia, to the Luxembourg company Marguerite Gas I S.à r.l. The carrying amount of the investment, which is reported in the Global Commodities segment, amounted to around EUR 0.1 billion as of December 31, 2015. The transaction, which was closed in January 2016 at a sale price of around EUR 0.1 billion, resulted in a minimal gain on disposal.

(4) Research and Development Costs

The Uniper Group’s research and development costs in accordance with IFRS amounted in total to EUR 1.4 million in the first half of 2016 (first half of 2015: EUR 6.0 million).

(5) Cost of Materials

In March 2016, in negotiations pertaining to long-term gas delivery contracts, Uniper Global Commodities SE and the Russian Gazprom Group agreed to modify the terms of the agreements to reflect current market conditions. In this connection, the reversal of provisions for supply periods in the past resulted in a positive effect on earnings in the first half of 2016 amounting to EUR 383 million.

Notes to the Condensed Consolidated Interim Financial Statements

(6) Financial Results

The following table provides details of financial results for the periods indicated:

Financial results	April 1–June 30		January 1–June 30	
in EUR millions	2016	2015	2016	2015
Income/loss from companies in which equity investments are held	2	4	12	4
Impairment charges/reversals on other financial assets	–	–	-1	–
Income/loss from equity investments	**2**	**4**	**11**	**4**
Income from other securities, interest and similar income	30	8	69	96
Interest and similar expenses	-259	35	-444	-144
Net interest income/loss	**-229**	**43**	**-375**	**-48**
Financial results	**-227**	**47**	**-364**	**-44**

(7) Earnings per Share

The computation of earnings per share for the periods indicated is shown below:

Earnings per Share	April 1–June 30		January 1–June 30	
in EUR millions	2016	2015	2016	2015
Income/loss from continuing operations	-4,531	-14	-3,885	97
Less: Non-controlling interests	8	10	14	1
Income/loss from continuing operations (attributable to shareholders of Uniper SE)	**-4,523**	**-4**	**-3,871**	**98**
Income/loss from discontinued operations	–	–	–	–
Less: Non-controlling interests	–	–	–	–
Income/loss from discontinued operations (attributable to shareholders of Uniper SE)	**0**	**0**	**0**	**0**
Net income/loss attributable to shareholders of Uniper SE	**-4,523**	**-4**	**-3,871**	**98**
in EUR				
Earnings per share (attributable to shareholders of Uniper SE)				
from continuing operations	-26.61	-0.02	-22.77	0.59
from discontinued operations	0.00	0.00	0.00	0.00
from net income/loss	**-26.61**	**-0.02**	**-22.77**	**0.59**
Weighted-average number of shares outstanding (in millions)	170	167	170	167

The computation of diluted earnings per share is identical to that of basic earnings per share because Uniper SE has issued no potentially dilutive ordinary shares.

Earnings per share for the first half of 2015 is derived from the relationship between net income and the number of shares outstanding. Since in the first half of 2015 Uniper SE still had the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*, "GmbH"), the calculation of the number of shares outstanding was based on the nominal amount of EUR 1.70 (after the reorganization of the shares). With the contribution by means of the spin-off of Uniper Beteiligungs GmbH, which currently has no entitlement to profits, the number of shares will increase by 195,239,660 to 365,960,000.

(8) Impairment Charges in the First Half of 2016

Uniper determined the need for an impairment charge on non-current assets amounting to EUR 2.9 billion in accordance with IAS 36. Of this figure, approximately EUR 1.8 billion was attributable to the European Generation segment and EUR 1.1 billion to the Global Commodities segment. The most substantial individual items in terms of amount related to two conventional power plants outside Germany, at EUR 0.8 billion and EUR 0.7 billion respectively, as well as storage infrastructure outside Germany, at EUR 0.5 billion. In particular, the reasons for the impairment charges were amended estimates of the regulatory conditions and the change in the market environment, which led to a deterioration in forecast earnings for the affected assets.

The impairment tests involved the calculation of the recoverable amounts as the higher of the fair value less costs to sell and the value in use of the respective cash-generating units. The calculation was based on discounted cash flow methods and the medium-term corporate planning authorized by the Board of Management. The principal assumptions underlying the determination by management of the recoverable amount are the respective forecasts for commodity market prices, future electricity and gas prices in the wholesale and retail markets, Uniper's investment activity, changes in the regulatory framework, as well as for the cost of capital. These assumptions are based on publicly available market data and on internal estimates. Uniper continues to make the general assumption that the European power generation market will not return to an equilibrium free from regulatory elements. Appropriate compensation elements were taken into account. The post-tax discount rates used are determined using market data for each cash-generating unit and amounted to between 5.4 and 6.1 percent as of the valuation date.

For the same reasons outlined above, provisions amounting to EUR 0.9 billion were also recognized in the Global Commodities segment for onerous contracts within the meaning of IAS 37.

Notes to the Condensed Consolidated Interim Financial Statements

(9) Companies Accounted for under the Equity Method and Other Financial Assets

The following table shows the structure of financial assets:

Companies Accounted for under the Equity Method and Other Financial Assets

	June 30, 2016			Dec. 31, 2015			Jan. 1, 2015		
in EUR millions	Uniper Group	Associated companies[1]	Joint ventures[1]	Uniper Group	Associated companies[1]	Joint ventures[1]	Uniper Group	Associated companies[1]	Joint ventures[1]
Companies accounted for under the equity method	840	702	138	1,136	1,011	125	1,401	1,222	179
Equity investments	381	38	9	369	32	9	743	37	9
Non-current securities	149	–	–	189	–	–	184	–	–
Total	**1,370**	**740**	**147**	**1,694**	**1,043**	**134**	**2,328**	**1,259**	**188**

[1]Associated companies and joint ventures presented as equity investments are associated companies and joint ventures accounted for at cost on materiality grounds.

(10) Equity

Upon the completion of the reorganization under corporate law at the start of fiscal year 2016, the Uniper Group within the meaning of IFRS came into existence with Uniper SE as the parent company. Since January 1, 2016, Uniper SE has therefore been the sole parent company of the Uniper Group. For that reason, the net assets reported in the Combined Financial Statements of Uniper SE for fiscal year 2015 were carried over into the capital structure of Uniper SE.

On January 19, 2016, the Annual General Meeting of Uniper AG (the legal predecessor of Uniper SE), in preparation for the spin-off, resolved to increase the share capital of EUR 283,445,000 by EUR 6,779,578 to EUR 290,224,578 and to divide it into 170,720,340 no-par value registered shares, each such no-par value share representing a notional interest in the share capital of EUR 1.70.

The conversion of Uniper AG into a European Company (SE), which was resolved by the Annual General Meeting of Uniper AG on March 23, 2016 and entered into effect on April 14, 2016 when it was entered in the relevant commercial register, did not operate to change the share capital of EUR 290,224,578 or the division thereof into 170,720,340 no-par value registered shares, with each such no-par value share representing a notional interest in the share capital of EUR 1.70. There are no restrictions on the transferability of the Company's shares.

The no-par value shares are fully paid in. Each no-par value share represents a notional interest in the share capital of EUR 1.70 and carries full dividend rights as from January 1, 2016.

On March 30, 2016, E.ON Beteiligungen GmbH paid an amount of EUR 120 million into the free capital reserves of Uniper SE.

Also on March 30, 2016, Uniper Beteiligungs GmbH paid an amount of EUR 145 million into the free capital reserves of Uniper Holding GmbH.

The individual components of equity and their development are derived from the statement of changes in equity of the Uniper Group.

(11) Provisions for Pensions and Similar Obligations and Number of Employees

The provisions for pensions and similar obligations increased by EUR 379 million compared with year-end 2015 to EUR 1,175 million as of June 30, 2016. This was mainly due to net actuarial losses which mostly resulted from the decrease in the discount rates determined for the Uniper Group and additions attributable to the net periodic pension cost. These effects were partly offset by employer contributions to plan assets and net pension payments in the first six months of 2016.

In comparison with January 1, 2015, the provisions for pensions and similar obligations at the December 31, 2015 reporting date fell by EUR 977 million to EUR 796 million. The decline was mainly due to employer contributions to plan assets, net actuarial gains, which mostly resulted from the increase in the discount rates determined for the Uniper Group, and net pension payments in fiscal year 2015. This was partly offset by additions attributable to the net periodic pension cost.

The following discount rates were applied for the computation of provisions for pensions and similar obligations in Germany and in the United Kingdom:

Discount rate

in %	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
Germany	1.60	3.00	2.20
United Kingdom	3.00	4.10	3.90

The net defined benefit liability, which is equal to the difference between the present value of the defined benefit obligations and the fair value of plan assets, is determined as shown in the following table:

Net Defined Benefit Liability

in EUR millions	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
Present value of all defined benefit obligations	3,195	2,366	2,572
Fair value of plan assets	2,020	1,572	812
Net defined benefit liability	**1,175**	**794**	**1,760**
Presented as operating receivables and other operating assets	*–*	*-2*	*-13*
Presented as provisions for pensions and similar obligations	*1,175*	*796*	*1,773*

The net periodic pension cost for defined benefit plans included in the provisions for pensions and similar obligations and in operating receivables and other operating assets breaks down as shown in the following table:

Net Periodic Pension Cost for Defined Benefit Plans

	April 1–June 30		January 1–June 30	
in EUR millions	2016	2015	2016	2015
Employer service cost	21	29	39	52
Past service cost	1	1	-1	2
Net interest on the net defined benefit liability	5	10	10	20
Total	**27**	**40**	**48**	**74**

The breakdown by segment is shown in the table below:

Employees[1]	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
European Generation	6,386	6,928	7,636
Global Commodities	1,322	1,412	1,621
International Power Generation	5,027	5,305	5,386
Administration/Consolidation	411	492	515
Total	**13,146**	**14,137**	**15,158**
Domestic	*4,658*	*5,046*	*5,778*
Foreign	*8,488*	*9,091*	*9,380*

[1]Excluding board members, managing directors, and apprentices

(12) Additional Disclosures on Financial Instruments

Measurement of Financial Instruments

The value of financial instruments that are generally measured at market value is determined on the basis of fair value measurement. The fair value of derivative financial instruments is sensitive to movements in the underlying market variables. The Company assesses and monitors the fair value of derivative instruments at regular intervals. The fair value determined for each derivative financial instrument is the price at which one party can sell to a third party the rights and/or obligations embodied in that derivative. The fair values of derivative instruments are calculated using customary market valuation methods with reference to market data available on the measurement date. The counterparty credit risk is recognized in the form of a credit value adjustment.

Derivative financial instruments are covered by market netting agreements. Master netting agreements based on those developed by the International Swaps and Derivatives Association (ISDA), and supplemented by appropriate schedules, are in place with banks. Commodity transactions are generally governed by master agreements developed by the European Federation of Energy Traders (EFET). The aforementioned netting agreements are taken into account when determining the fair values of the financial instruments. Portfolio-based credit risks are also used in the calculations.

The fair values of individual assets are determined using published exchange or market prices at the time of acquisition in the case of marketable securities. If exchange or market prices are unavailable for consideration, fair values are determined using the most reliable information available that is based on market prices for comparable assets or on suitable valuation techniques. In such cases,Uniper determines fair value using the discounted cash flow method by discounting estimated future cash flows by a weighted-average cost of capital. Estimated cash flows are consistent with the internal mid-term planning data for the next three years, followed by two additional years of cash flow projections, which are extrapolated until the end of an asset’s useful life using a growth rate based on industry and internal projections. The discount rate reflects the specific risks inherent in the activities.

Additional Disclosures on Financial Instruments

The following table shows the carrying amounts of the financial assets and financial liabilities that are measured at fair value, classified by measurement source:

Carrying Amounts of Financial Instruments as of June 30, 2016

in EUR millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	381	70	151
Derivatives	12,223	5,246	6,644
Securities and fixed-term deposits	156	156	–
Cash and cash equivalents	528	528	–
Restricted cash	1	1	–
Liabilities			
Derivatives	11,818	4,921	6,910

Carrying Amounts of Financial Instruments as of December 31, 2015

in EUR millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	369	67	142
Derivatives	16,166	6,464	9,337
Securities and fixed-term deposits	249	249	–
Cash and cash equivalents	299	266	33
Restricted cash	1	1	–
Liabilities			
Derivatives	14,348	5,928	8,414

Carrying Amounts of Financial Instruments as of January 1, 2015

in EUR millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	743	32	71
Derivatives	13,708	6,154	7,093
Securities and fixed-term deposits	256	147	109
Cash and cash equivalents	340	292	48
Restricted cash	–	–	–
Liabilities			
Derivatives	12,041	6,155	5,866

The carrying amounts of cash and cash equivalents and of trade receivables are considered reasonable estimates of their fair values because of their short maturity. In the case of commercial paper and borrowings under short-term credit facilities, if applicable, and of trade payables, the carrying amount is used as the fair value due to the short maturities of these items. The fair value of the remaining financial instruments largely corresponds to the carrying amount. Bank loans/liabilities to banks as of June 30, 2016 amounted to EUR 132 million (December 31, 2015: EUR 134 million; January 1, 2015: EUR 148 million).

At the end of each reporting period, Uniper assesses whether there might be grounds for reclassification between hierarchy levels. The proportion of fair values measured at Level 1 to those measured at Level 2 has not changed materially compared with December 31, 2015. There were no material reclassifications between these two fair value hierarchy levels in the first half of 2016. In the first half of 2016, equity investments were reclassified into Level 3 in the amount of EUR 8 million, and derivatives were reclassified out of Level 3 into Level 2 in the amount of EUR 4 million. The fair values determined using valuation techniques for financial instruments carried at fair value are reconciled as shown in the following table:

Fair Value Hierarchy Level 3 Reconciliation (Values Determined Using Valuation Techniques)

in EUR millions	Jan. 1, 2016	Purchases (including additions)	Sales (including disposals)	Settle-ments	Gains/ losses in income statement	Transfers into Level 3	Transfers out of Level 3	Gains/ losses in OCI	June 30, 2016
Equity investments	160	–	–	–	1	8	–	-9	160
Derivative financial instruments	359	–	–	–	-9	–	-4	–	346
Total	**519**	**0**	**0**	**0**	**-8**	**8**	**-4**	**-9**	**506**

At the beginning of 2016, a net loss of EUR 30 million from the initial measurement of derivatives was deferred. After realization of EUR 5 million in deferred gains, the remainder at the end of the half-year was a deferred loss of EUR 25 million, which will be recognized in income during subsequent periods as the contracts are settled.

Certain long-term energy contracts are measured using valuation models based on internal fundamental data if market prices are not available. A hypothetical 10 percent increase or decrease in these internal valuation parameters as of the balance sheet date would lead to a theoretical decrease in market values of EUR 114 million or an increase of EUR 113 million, respectively.

Credit Risk

To the extent possible, pledges of collateral are negotiated with counterparties for the purpose of reducing credit risk. Guarantees issued by the respective parent companies or evidence of profit and loss transfer agreements in combination with letters of awareness are accepted as collateral. To a lesser extent, the Company also requires bank guarantees and deposits of cash and securities as collateral to reduce credit risk. Risk-management collateral was accepted in the amount of EUR 4,655 million. Derivative transactions are generally executed on the basis of standard agreements that allow for the netting of all open transactions with individual counterparties. To further reduce credit risk, bilateral margining agreements are entered into with selected counterparties. Limits are imposed on the credit and liquidity risk resulting from bilateral margining agreements and stock exchange clearing. As of June 30, 2016, exchange-traded forward and option contracts, as well as exchange-traded emissions-related derivatives, bear no credit risk. For the remaining financial instruments, the maximum risk of default is equal to their carrying amounts.

(13) Other Financial Obligations

In addition to provisions and liabilities carried on the balance sheet and to contingent liabilities, there also are other mostly long-term financial obligations arising mainly from contracts entered into with third parties, or on the basis of legal requirements.

As of June 30, 2016, purchase commitments for investments in intangible assets and in property, plant and equipment amounted to EUR 0.6 billion (December 31, 2015: EUR 0.6 billion; January 1, 2015: EUR 1.1 billion). Of the total commitments, an amount of EUR 0.3 billion (December 31, 2015: EUR 0.3 billion; January 1, 2015: EUR 0.8 billion) was due within one year. This item mainly includes financial obligations for as yet outstanding investments in connection with new power plant construction projects and the expansion and modernization of existing generation assets, as well as with gas infrastructure projects, particularly in the European Generation segment. The obligations for new power plant construction projects included in the purchase commitments amounted to EUR 0.3 billion (December 31, 2015: EUR 0.3 billion; January 1, 2015: EUR 0.7 billion) as of June 30, 2016.

Additional financial obligations arose from rental and tenancy agreements and from operating leases. The corresponding minimum lease payments are due as broken down in the table below:

Uniper as Lessee – Operating Leases

	Minimum lease payments		
in EUR millions	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
Due in 1 year	86	100	1,187
Due in 1-5 years	212	192	1,404
Due in more than 5 years	196	217	254
Total	**494**	**509**	**2,845**

Additional long-term contractual obligations in place at the Uniper Group as of June 30, 2016, related primarily to the purchase of fossil fuels such as natural gas, lignite and hard coal. The financial obligations under these purchase contracts amounted to approximately EUR 214.7 billion as of June 30, 2016 (due within one year: EUR 6.7 billion), to approximately EUR 218.2 billion as of December 31, 2015 (due within one year: EUR 7.2 billion) and to approximately EUR 231.5 billion as of January 1, 2015 (due within one year: EUR 9.8 billion).

Gas is usually procured on the basis of long-term purchase contracts with large international producers of natural gas. Such contracts are generally of a "take-or-pay" nature. The prices paid for natural gas are tied to the prices of competing energy sources or market reference prices, as dictated by market conditions. The conditions of these long-term contracts are reviewed at certain specific intervals (usually every three years) as part of contract negotiations and may thus change accordingly. In the absence of agreement on a pricing review, a neutral board of arbitration makes a final binding decision. Financial obligations arising from these contracts are calculated based on the same principles that govern internal budgeting. Furthermore, the take-or-pay conditions in the individual contracts are also considered in the calculations.

The contractual obligations for purchases of fossil fuels recorded a decline in the first six months of fiscal year 2016 compared with the December 31, 2015 reporting date. The principal reason for this was a price-related reduction in the minimum purchase obligations for gas procurement.

Contractual obligations for the purchase of electricity amounted to approximately EUR 0.9 billion as of June 30, 2016 (due within one year: EUR 0.4 billion), to approximately EUR 2.0 billion as of December 31, 2015 (due within one year: EUR 1.0 billion) and to approximately EUR 2.1 billion as of January 1, 2015 (due within one year: EUR 1.0 billion), and relate in part to purchases from jointly operated power plants in the Generation units. The purchase price of electricity from jointly operated power plants is normally based on the supplier's production cost plus a profit margin that is generally calculated on the basis of an agreed return on capital.

Further purchase obligations amounted to approximately EUR 4.2 billion as of June 30, 2016 (due within one year: EUR 0.2 billion), to approximately EUR 5.4 billion as of December 31, 2015 (due within one year: EUR 0.3 billion) and to approximately EUR 3.1 billion as of January 1, 2015 (due within one year: EUR 0.4 billion). In addition to purchase obligations mainly for heat and alternative fuels, the European Generation segment has long-term contractual obligations for services relating to the interim and permanent storage of fuel elements in connection with the Uniper Group's Swedish nuclear power plants.

There were additional financial obligations of approximately EUR 0.9 billion as of June 30, 2016 (due within one year: EUR 0.4 billion), approximately EUR 1.1 billion as of December 31, 2015 (due within one year: EUR 0.5 billion) and approximately EUR 1.1 billion as of January 1, 2015 (due within one year: EUR 0.5 billion). Among other items, they include financial obligations for future purchases of services.

(14) Related-Party Transactions

The Uniper Group still currently forms part of the E.ON Group and has business relationships with E.ON SE and E.ON Group companies.

The E.ON Group companies comprise direct and indirect subsidiaries of E.ON SE.

Transactions with associated companies of the Uniper Group and its subsidiaries accounted for under the equity method, as well as with joint ventures of the Uniper Group, are presented separately.

Transactions with associated companies of the E.ON Group and their subsidiaries accounted for under the equity method, joint ventures of the E.ON Group, equity investments recognized at fair value and subsidiaries of the E.ON Group and of the Uniper Group that are not fully consolidated are presented as transactions with other related parties. Their overall share of the transactions referred to in the following chapter is not material.

The following were the principal related-party transactions in the first six months of fiscal year 2016:

Transactions for Goods and Services and Financing Activities

Goods delivered and services performed, income from transactions and goods and services received as well as expenses from transactions with the E.ON Group were as follows in the first six months of fiscal year 2016:

Related-Party Transactions – Statement of Income

January 1–June 30 in EUR millions	2016	2015
Income	**6,181**	**8,497**
E.ON SE	*450*	*981*
E.ON Group companies	*5,363*	*6,957*
Associated companies	*181*	*357*
Joint ventures	*12*	*13*
Other related parties	*175*	*189*
Expenses	**3,961**	**5,528**
E.ON SE	*364*	*961*
E.ON Group companies	*3,253*	*4,250*
Associated companies	*187*	*270*
Joint ventures	*23*	*19*
Other related parties	*134*	*28*

Related-Party Transactions – Balance Sheet

in EUR millions	June 30, 2016	Dec. 31, 2015	Jan. 1, 2015
Receivables	**2,606**	**12,441**	**18,270**
E.ON SE	*347*	*8,631*	*11,058*
E.ON Group companies	*1,270*	*2,753*	*5,862*
Associated companies	*490*	*551*	*875*
Joint ventures	*449*	*456*	*439*
Other related parties	*50*	*50*	*36*
Liabilities	**3,077**	**13,361**	**15,323**
E.ON SE	*1,013*	*10,069*	*7,124*
E.ON Group companies	*1,782*	*2,974*	*7,997*
Associated companies	*144*	*260*	*80*
Joint ventures	*41*	*51*	*39*
Other related parties	*97*	*7*	*83*

Business relationships with related parties primarily consist of the Group-wide procurement and sales activities of Uniper Global Commodities SE mainly in connection with power and gas on the commodity markets for the E.ON Group, and the central financing function of E.ON SE for the Uniper Group. These relationships are responsible for the extensive mutual obligations and trade relations.

Income generated from transactions with E.ON SE and E.ON Group companies included in particular revenues from deliveries of electricity and gas amounting to EUR 4,415 million in the first six months of fiscal year 2016 (first six months of 2015: EUR 6,375 million). The corresponding expenses from transactions with E.ON SE and E.ON Group companies principally related to materials expenses for the procurement of electricity and gas amounting to EUR 1,635 million (first six months of 2015: EUR 3,568 million).

Accordingly, receivables and liabilities due from/to related parties mainly consist of receivables and liabilities relating to deliveries and services from electricity and gas transactions.

Other Services

E.ON companies have provided services to the Uniper Group for central functions, such as IT services, personnel-related services and accounting. The services were provided partly by E.ON Group companies and also by E.ON SE.

Financing

During the reporting period, the Uniper Group was in principle integrated into the Group-wide cash pooling and cash management systems of E.ON SE. Interest paid on cash pooling balances is based on normal market terms and conditions. Liabilities to E.ON related to cash pooling as of June 30, 2016 amounted to EUR 888 million (December 31, 2015: EUR 9,935 million; January 1, 2015: EUR 7,903 million). Where netting was permitted in accordance with IAS 32, financial receivables and liabilities due from/to the E.ON Group have been reported net. As of December 31, 2015 and January 1, 2015, the preconditions for this were not met. Financial receivables from cash pooling and cash management as of June 30, 2016 amounted to EUR 174 million (December 31, 2015: EUR 7,368 million; January 1, 2015: EUR 10,674 million). Financial liabilities from cash pooling and cash management as of June 30, 2016 amounted to EUR 894 million (December 31, 2015: EUR 10,712 million; January 1, 2015: EUR 11,348 million). Of the total liabilities, an amount of EUR 892 million as of June 30, 2016 (December 31, 2015: EUR 9,936 million; January 1, 2015: EUR 7,903 million) was due within one year. The interest expenses and interest income generated in connection with the financing activities with E.ON SE and E.ON Group companies in the first six months of fiscal year 2016 amounted to EUR 180 million (first six months of 2015: EUR 87 million) and EUR 4 million (first six months of 2015: EUR 17 million), respectively.

Hedging Transactions

During the reporting period, hedging transactions for the purpose of protecting against exchange rate movements were carried out within the Uniper Group, mainly through E.ON SE. Where these forward transactions are classified as derivative financial instruments under IFRS, they are accounted for as derivative receivables or liabilities at fair value on an ongoing basis. Income from these hedging transactions in the first six months of fiscal year 2016 amounted to EUR 438 million (first six months of 2015: EUR 904 million), while the expenses from these hedging transactions for the first six months of fiscal year 2016 amounted to EUR 351 million (first six months of 2015: EUR 902 million).

Leasing

The Uniper Group has entered into lease agreements with the E.ON Group. At the end of fiscal year 2015, these consisted in particular of operating lease agreements with German E.ON Group companies within the nuclear power sector (see also Note 13). Liabilities from finance leases with the E.ON Group as of June 30, 2016 amounted to EUR 26 million (December 31, 2015: EUR 26 million; January 1, 2015: EUR 29 million). Of these, an amount of EUR 5 million as of June 30, 2016 (December 31, 2015: EUR 5 million; January 1, 2015: EUR 26 million) was due within one year.

Collateral/Global Letters of Awareness/Guarantees

The E.ON Group has provided collateral in favor of the Uniper Group. The guarantees issued by the E.ON Group had a value of EUR 7,620 million as of June 30, 2016 (December 31, 2015: EUR 6,942 million; January 1, 2015: EUR 3,005 million). The increase as of June 30, 2016 was mainly caused by revised company legal structures resulting from the planned spin-off, for which E.ON SE is contractually required to give guarantees to third parties in favor of Uniper companies.

The guarantees from E.ON for the Uniper Group referred to above include guarantees in connection with the Swedish nuclear power activities. The guarantees were issued to cover possible additional costs related to the disposal of high-level radioactive waste and to the decommissioning of nuclear power plants. The transfer of these guarantees and obligations from E.ON to Uniper requires the approval of the Swedish nuclear energy regulatory authority which had not been granted as of June 30, 2016. Until approval is received from the regulatory authority, the Uniper Group has released E.ON from any obligations arising from these guarantees by means of an indemnification agreement.

Company Pension Plans

In the past, the majority of the Uniper Group's employees were members of the E.ON Group pension plans. The benefits vary in accordance with the legal, tax and financial circumstances in the particular country, and are generally based on the employees' length of service and remuneration. In the course of the legal reorganization, plan assets have been or are being transferred from the E.ON Group to the Uniper Group. This mainly relates to German and English companies (see Note 11).

Insurances

In the first six months of fiscal year 2016, the Uniper Group was insured under the E.ON Group insurance arrangements. The costs incurred for this were borne by the Uniper Group. In the context of Uniper becoming an independent entity, the insurance cover provided by the E.ON Group will be largely replaced by separate insurance cover for the Uniper Group by the date of the spin-off.

Other

As part of the reorganizations under corporate law, a majority voting right for Uniper SE was enshrined in the Articles of Association of Uniper Holding GmbH with the result that Uniper SE directly holds the majority of the voting rights at least until the spin-off becomes effective. The current earnings of Uniper Holding GmbH are allocated in their entirety to Uniper SE on the basis of the control and profit and loss transfer agreement between Uniper SE and Uniper Holding GmbH.

On April 18, 2016, E.ON SE and Uniper SE entered into a notarized spin-off and transfer agreement under which E.ON SE transfers all its shares in Uniper Beteiligungs GmbH (which in turn holds 53.35percent of the shares in Uniper Holding GmbH) to Uniper SE by way of spin-off and absorption (the "Spin-off Agreement"). Approval was granted by the Annual General Meeting of Uniper SE on May 24, 2016 and by the Annual General Meeting of E.ON SE on June 8, 2016. It is planned to enter the spin-off in the commercial register during the third quarter of 2016.

Subject to a different allocation of obligations and liabilities under the Master Agreement (see below), E.ON SE is obligated to indemnify Uniper SE, upon first demand, from any liabilities or obligations if and to the extent that claims are asserted against Uniper SE under section 133 of the German Act Regulating the Transformation of Companies (*Umwandlungsgesetz*, "UmwG") or other stipulations by creditors for liabilities, obligations or arrangements to assume liability on the part of E.ON SE which have not been transferred to Uniper SE under the terms of the Spin-off Agreement. Pursuant to section 133 (1) and (3) UmwG, Uniper SE has joint and several liability together with E.ON SE for liabilities remaining with E.ON SE that were created prior to the spin-off becoming effective, if they are due before the expiry of five years after the announcement of the entry of the spin-off in the commercial register of E.ON SE and, as a result, claims are asserted against Uniper SE in a manner described in section 197 (1) nos. 3 to 5 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB"), or if enforcement proceedings by the courts or the regulatory authorities are initiated or applied for. In the case of liabilities to entities governed by public law, the adoption of an administrative act is sufficient. For benefit obligations under the German Company Pensions Act (*Betriebsrentengesetz*, "BetrAVG"), the period referred to is extended from five years to ten years. The identical corresponding liability of E.ON SE pursuant to section 133 (1) and (3) UmwG for liabilities transferred to Uniper SE and the related indemnification obligation of Uniper SE under the terms of the Spin-off Agreement are not relevant in practice, since no liabilities are being transferred to Uniper SE in the course of the spin-off.

E.ON SE and Uniper SE entered into a Master Agreement on April 18, 2016. The purpose of the Master Agreement is to complete the internal restructuring process necessary to create the E.ON and Uniper divisions under E.ON SE. It contains supplementary provisions relating to issues in connection with the creation of the divisions that had not yet been fully regulated.

Related Parties

Under IAS 24, compensation paid to key management personnel (members of the Board of Management and of the Supervisory Board) must be disclosed.

The expense for the first six months of fiscal year 2016 for members of the Uniper Board of Management amounted to EUR 6.6 million (first six months of 2015: EUR 1.3 million) for short-term benefits, EUR 0.0 million (first six months of 2015: EUR 0.3 million) for termination benefits and EUR 0.5 million (first six months of 2015: EUR 0.0 million) for post-employment benefits. The expense for the multi-year share-based compensation of the members of the Board of Management determined in accordance with IFRS 2 for the first six months of fiscal year 2016 amounted to EUR 0.6 million (first six months of 2015: EUR 0.1 million).

As of June 30, 2016 provisions for the multi-year share-based compensation of the members of the Board of Management amounted to EUR 0.6 million (December 31, 2015: EUR 0.0 million; January 1, 2015: EUR 0.0 million). The provisions for pensions and similar obligations for members of the Board of Management amounted to EUR 11.0 million as of June 30, 2016 (December 31, 2015: EUR 0.0 million; January 1, 2015: EUR 0.0 million). Provisions for short-term benefits for the members of the Uniper Board of Management as of June 30, 2016 amounted to EUR 1.0 million (December 31, 2015: EUR 0 million; January 1, 2015: EUR 0.0 million).

The expense for the short-term compensation of the members of the Supervisory Board of Uniper SE in the first six months of fiscal year 2016 amounted to EUR 0.0 million (first six months of 2015: EUR 0.4 million).

The total compensation for key management personnel for the first six months of fiscal year 2016 amounted to EUR 7.7 million (first six months of 2015: EUR 2.6 million).

(15) Segment Information

The following information for the first six months of fiscal year 2016 is provided on the basis of the Uniper Group's internal reporting system.

Operating Segments

The following operating segments are reported separately in accordance with IFRS 8.

European Generation

The European Generation segment comprises the Uniper Group's various generation facilities available in Europe for the purpose of generating power and heat. In addition to fossil-fuel power stations (coal, gas, oil and combined gas and steam power plants) and hydroelectric power plants, these generation facilities also include nuclear power stations in Sweden, a biomass plant in France and a small number of solar and wind power facilities. The majority of the energy generated is sold by the European Generation segment to the Global Commodities segment, which is responsible for the marketing and sale of the energy to major customers via the trading markets and its own sales organization. In addition to the power plant business, the European Generation segment is also engaged in the marketing of energy services, ranging from fuel procurement and engineering, operational and maintenance services through to trading services ("third-party services"), and also the provision of technical services by Uniper Engineering GmbH.

Global Commodities

The Global Commodities segment bundles the energy trading activities and forms the commercial interface between the Uniper Group and the global wholesale markets for energy as well as the major customers. Within this segment, the fuels required for power generation (mainly coal and gas) are procured, CO_2 certificates are traded, the electricity produced is marketed and the portfolio is optimized by managing the use of the power plants. In addition, this segment includes infrastructure investments and the gas storage operations as well as all the activities of the Uniper Group relating to its investment in the Siberian gas field Yuzhno Russkoye.

International Power Generation

The International Power Generation segment is divided into the activities of International Power Generation—Russia and International Power Generation—Brazil. The Russia activities comprise the equity investment of 83.7 percent (as of June 30, 2016) in the energy generation company Unipro PJSC held by the Uniper Group, and also equity investments in the Czech Republic, principally a 52.0 percent interest (as of June 30, 2016) in Teplarna Tabor, a.s. The Brazil activities comprise the 12.3 percent financial investment (as of June 30, 2016) in the energy supplier ENEVA S.A. held by the Uniper Group, as well as a 50 percent equity interest (as of June 30, 2016) in Pecém II Participacoes S.A., which operates a coal power station in the Brazilian federal state of Ceará. In addition to its actual activities, the segment is also available to all segments of the Uniper Group with its knowledge of the respective markets and the specific political and regulatory conditions applicable in these countries. The activities are, for example, responsible for the development of power generation projects in their respective countries, from preliminary analyses to investment proposals. In addition, they are the sole point of contact for all stakeholders, including policymakers, government agencies, trade associations, and the media.

In addition, the Group-wide non-operating functions carried out centrally for all segments of the Uniper Group are brought together under Administration/Consolidation. The consolidation adjustments required to be carried out at Group level are also made here.

Notes to the Condensed Consolidated Interim Financial Statements

Adjusted EBIT, earnings before interest and taxes adjusted for non-operating effects, is the key measure at Uniper for purposes of internal management control and as the most important indicator of a business's operating earnings power.

The unadjusted earnings before interest and taxes (EBIT) represents the Group's income/loss before financial results and income taxes in accordance with IFRS, taking into account the net income/expense from equity investments. Unadjusted EBIT is adjusted for certain non-operating effects in order to increase its informative value as an indicator of the operating profitability of the Uniper business. Operating earnings also include income from investment subsidies for which liabilities are recognized.

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

Net book gains are equal to the sum of book gains and losses from disposals, which are included in other operating income and expenses. Effects from the fair value measurement of derivatives are also included in other operating expenses and income. Restructuring/cost management expenses represent additional expenses which are not directly attributable to the operating business. Other non-operating earnings encompass other non-operating income and expenses that are unique or rare in nature. Depending on the particular case, such income and expenses may affect different line items in the income statement.

The table below presents the reconciliation of the income/loss before financial results and income taxes in accordance with IFRS and the adjusted earnings before interest and taxes:

Reconciliation of income/loss before financial results and income taxes

January 1-June 30 in EUR millions	2016	2015
Income/loss before financial results and income taxes	**-3,471**	**165**
Income/loss from equity investments	11	4
EBIT	**-3,460**	**169**
Non-operating adjustments	4,595	376
Net book gains/losses	*-522*	*–*
Marking to market of derivative financial instruments	*1,034*	*118*
Restructuring/cost management expenses[1]	*223*	*42*
Non-operating impairment charges (+)/reversals (-)[2]	*2,863*	*144*
Miscellaneous other non-operating earnings	*997*	*72*
Adjusted EBIT	**1,135**	**545**
Economic depreciation and amortization/reversals[2, 3]	405	455
Adjusted EBITDA	1,540	1,000

[1]Restructuring/cost management expenses for the Global Commodities segment in the first six months of 2016 include depreciation and amortization of EUR 8 million (first six months of 2015: EUR 9 million).
[2]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 depreciation, amortization and impairment charges reported in the statement of income 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.
[3]Economic depreciation and amortization/reversals include only operating depreciation and amortization.

Due to the adjustments made, the key figures shown here may differ from the corresponding figures determined in accordance with IFRS.

Net book gains/losses

The net book gains/losses during the reporting period amounting to EUR 522 million mostly resulted from the sale of PEG Infrastruktur AG and Nord Stream AG as well as of AS Latvijas Gāze. There were no book gains in 2015.

Marking to market of derivative financial instruments

The marking to market at the reporting date of derivatives used to hedge the operating business against price fluctuations generated an expense of EUR 1,034 million as of June 30, 2016 (first six months of 2015: EUR -118 million).

Restructuring/cost management

Restructuring/cost management expenses rose by EUR 181 million year-on-year in the first six months of fiscal year 2016. In the first six months of fiscal year 2016 they amounted to EUR 223 million (first six months of 2015: EUR 42 million). The additional expenses related mainly to the strategic realignment.

Non-operating impairment charges

Non-operating impairment charges amounting to EUR 2,863 million were recorded during the reporting period (first six months of 2015: EUR 144 million). For further information, see Note 8.

Miscellaneous other non-operating earnings

Miscellaneous other non-operating earnings amounted to EUR -997 million in the first six months of fiscal year 2016 (first six months of 2015: EUR -72 million). The deterioration was principally due to the recognition of a provision for onerous contracts in accordance with IAS 37. For further information, see Note 8.

Notes to the Condensed Consolidated Interim Financial Statements

Financial Information by Business Segment

January 1–June 30 in EUR millions	European Generation 2016	European Generation 2015	Global Commodities 2016	Global Commodities 2015
External sales	1,464	1,531	31,352	42,811
Intersegment sales	1,786	2,371	1,475	1,808
Sales	**3,250**	**3,902**	**32,827**	**44,619**
Adjusted EBITDA	406	515	1,165	420
Economic depreciation and amortization/ reversals[1, 2]	-286	-320	-70	-86
Adjusted EBIT (Segment earnings)	**120**	**195**	**1,095**	**334**
of which equity-method earnings[3]	*–*	*-2*	*59*	*78*
Operating cash flow before interest and taxes	**897**	**603**	**1,111**	**1,771**
Investments	**177**	**275**	**66**	**58**

[1]The total economic depreciation and amortization/reversals differs from depreciation, amortization and impairment charges reported in the statement of income since this item also includes 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.
[2]Economic depreciation and amortization/reversals include only operating depreciation and amortization.
[3]The income/loss from companies accounted for under the equity method presented here is generally adjusted for non-operating effects and therefore differs from the income/loss from companies accounted for under the equity method as presented in the income statement in accordance with IFRS.

The investments presented in the financial information by business segment tables are the purchases of investments reported in the statement of cash flows. In the first six months of fiscal year 2016 they related to growth investments amounting to EUR 144 million (first six months of 2015: EUR 155 million) and investments in non-current assets in connection with procurements of replacement components and maintenance amounting to EUR 148 million (first six months of 2015: EUR 263 million).

Transactions within the Uniper Group are generally executed at market prices.

The following table shows the reconciliation of operating cash flow to operating cash flow before interest and taxes:

Operating Cash Flow

January 1–June 30 in EUR millions	2016	2015	Difference
Operating cash flow	**1,952**	**2,301**	**-349**
Interest payments	170	39	131
Tax payments	12	101	-89
Operating cash flow before interest and taxes	**2,134**	**2,441**	**-307**

International Power Generation		Administration/Consolidation		Uniper Group	
2016	2015	2016	2015	2016	2015
510	556	1	13	33,327	44,911
–	–	-3,261	-4,179	0	0
510	**556**	**-3,260**	**-4,166**	**33,327**	**44,911**
5	150	-36	-85	1,540	1,000
-44	-44	-5	-5	-405	-455
-39	**106**	**-41**	**-90**	**1,135**	**545**
-2	*-11*	–	–	*57*	*65*
149	**172**	**-23**	**-105**	**2,134**	**2,441**
44	**85**	**5**	**–**	**292**	**418**

(16) Summary of Significant Changes Over the Previous Year

The change in sales corresponds to the change in the cost of materials and mostly reflects volume- and price-related effects in the trading operations. Further information on the change in the cost of materials is provided in Note 5.

The changes in other operating income and corresponding changes in other operating expenses are principally due to the fair value measurement of derivatives on the reporting date. Other operating income also includes the gain on the disposal of PEGI amounting to EUR 0.5 billion. Other operating expenses include real estate transfer tax in connection with the spin-off itself and its implementation amounting to approximately EUR 190 million.

The principal changes in property, plant and equipment and depreciation, amortization and write-downs are presented in Note 8.

The main reason for the decline in non-current operating liabilities was the fair value measurement of commodity derivatives.

The reduction in the current financial receivables/liabilities was the result of repayments of liabilities to E.ON SE as part of netting. Further information is provided in Note 14.

The fall in current trade receivables and other operating assets reflected a decline in trade receivables corresponding to the change in sales and was mainly due to volume and price factors. In addition, the fair value measurement of commodity derivatives was responsible for a decline in current other operating assets.

The increase in other non-current provisions resulted primarily from the recognition of a provision for onerous contracts within the meaning of IAS 37 in the second quarter of fiscal year 2016.

The fall in current trade payables and other operating liabilities reflected a decline in trade payables corresponding to the change in the cost of materials and was mainly due to volume and price factors. In addition, the fair value measurement of commodity derivatives was responsible for a decline in current other operating liabilities.

(17) Other Significant Issues

On June 1, 2016, Uniper SE entered into a loan agreement with a consortium of three banks to provide credit facilities in the total amount of EUR 5.0 billion. The amount of the credit facilities made available under the loan agreement was voluntarily reduced to EUR 4.5 billion in July 2016 due to a lower medium-term financing requirement. Twelve additional banks joined the loan agreement on July 27, 2016 as part of subsequent syndication.

Düsseldorf, August 17, 2016

The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with applicable reporting principles for interim financial reporting, the Condensed Consolidated Interim Financial Statements as of August 17, 2016 which are already published in the securities prospectus give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the Interim Group Management Report as of September 12, 2016 includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Düsseldorf, August 17, 2016/Düsseldorf, September 12, 2016

The Board of Management

Klaus Schäfer

Christopher Delbrück

Keith Martin

Eckhardt Rümmler