Half-Year Interim Report 2017

Financial Results

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

Contents

Interim Management Report

- Stable business development in the first half of 2017, adjusted EBIT down markedly from prior-year figure in the absence of certain non-recurring effects
- Net income significantly above prior-year period
- Economic net debt lower due to seasonal factors

Business Model of the Group

Uniper is an investor-owned international energy company with operations in more than 40 countries and some 13,000 employees. Its business is the secure provision of energy and related services. The Uniper Group is composed of three operating business segments: European Generation, Global Commodities and International Power Generation. Combined separately under Administration/Consolidation are administrative functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level. The ultimate lead company of the Group is Uniper SE; the corporate headquarters are in Düsseldorf, Germany.

Business Report

Industry Environment

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

Energy Policy and Regulatory Environment

In the European Union ("EU"), the debate on reforms to the European emissions trading system ("ETS") has reached a crucial phase. The implementing measures of the Markets in Financial Instruments Directive ("MiFID II") were finalized in mid-February 2017, which means that the provisions of MiFID II will take effect at the beginning of 2018.

The Network Modernization Act in Germany to standardize transmission network charges nationwide and gradually abolish so-called "avoided grid charges" became law in July 2017.

Following the elections in the Netherlands on March 15, 2017, the formation of a new government has still not been completed due to the large number of parties represented in parliament, so that further statements on the future of generating electricity from coal will not be expected until later in the year. The European Commission's state-aid investigation has made it uncertain whether a "strategic power plant reserve" will be created in Belgium for winter 2017/18.

The new French government presented a climate strategy for the national implementation of the 2015 Paris agreement on climate protection on July 6, 2017, which, among other things, calls for the decommissioning of all coal-fired power stations by 2022.

In its ongoing "Brexit" negotiations, the government in the United Kingdom is currently analyzing all options concerning the future relationship with the EU in energy matters, including the question of whether to remain in the single market and in the ETS. In addition, the British government completed a public consultation on the future of generating electricity from coal in February 2017. The results have not yet been evaluated.

In Sweden, the 2016 framework agreement on the country's long-term energy policy is currently being implemented through legislation, with the abolition of the nuclear tax, among other things, already enacted. At the same time, in February 2017, a tender was issued by the network operator for the strategic reserve for 2017–2021, in which Uniper's Karlshamn power plant participated successfully. In addition, the political negotiations on the nuclear waste management fund were concluded in April 2017.

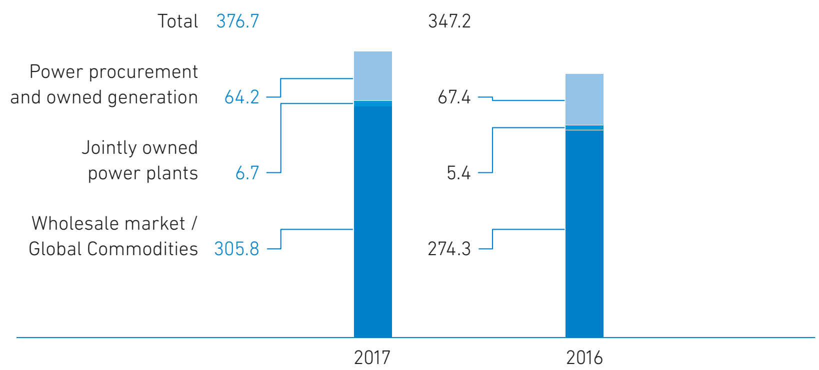
Business Performance

Power Procurement and Owned Generation

In the first half of 2017 the amount of electricity generated by our own power plants stood at 64.2 billion kWh, a change of -3.2 billion kWh, or -4.7%, from the prior-year amount. Purchased electricity, on the other hand, increased by 31.5 billion kWh, or 11.5%, to 305.8 billion kWh.

Power Procurement and Owned Generation

Billion kWh



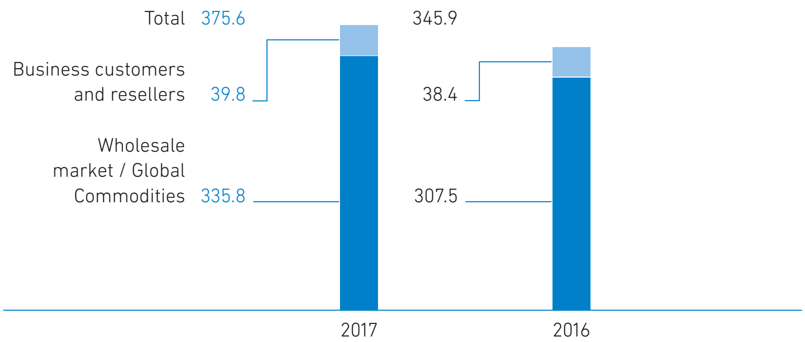
The European Generation segment's owned generation amounted to 39.7 billion kWh in the first half of 2017, an increase of 0.3 billion kWh, or 0.8%, over the prior-year level of 39.4 billion kWh. The main reason for this was the higher availability at the Oskarshamn nuclear power plant. In addition, improved market conditions in France had a positive impact on Uniper Group-owned production. On the other hand, reduced flows of water for hydroelectric power generation in Germany and Sweden as well as the deterioration of market conditions for gas and coal power plants in the United Kingdom had a negative effect on production in the European Generation segment.

In the International Power Generation segment (Russia), our production fell year over year by -3.5 billion kWh, or -12.5%, from 28.0 billion kWh to 24.5 billion kWh in the first half of 2017. This was mainly due to capacity having been placed in cold reserve by the network operator.

Electricity Sales
In the first half of 2017, the Uniper Group's electricity sales stood at 375.6 billion kWh, an increase of 8.6% over the level of 345.9 billion kWh recorded in the prior-year period.

Electricity Sales[1]

Billion kWh



[1]Difference from power procurement is caused by internal use and network losses

The shifts in electricity sales volumes are mainly driven by electricity trading and portfolio optimization in the Global Commodities segment.

Alongside electricity trading in the energy markets, a portion of the Uniper Group's electricity sales to major customers such as municipal utilities and industrial customers in Germany and in Europe is transacted through an internal sales unit, Uniper Energy Sales GmbH ("UES"). In addition to sales, UES also handles marketing for the Uniper Group. It also offers its customers services in consulting, service and the electricity industry. Electricity sales by UES in the first half of 2017 came to 24.3 billion kWh, a slightly lower level compared with the prior-year period (25.0 billion kWh).

Gas Procurement
In the first half of 2017, the Global Commodities segment procured roughly 998.7 billion kWh of natural gas from domestic and foreign producers. This represents a higher level of natural gas procurement relative to the prior-year period (851.1 billion kWh).

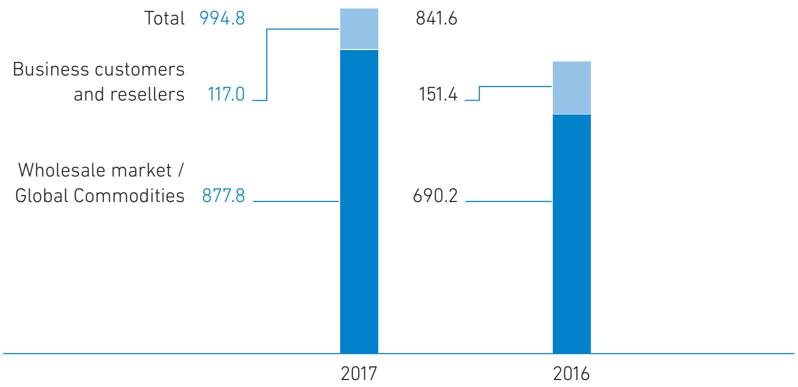
Long-Term Gas Supply Contracts
The procurement of gas takes place to a significant extent on the basis of various long-term contracts with gas producers. The gas required by the Uniper Group is supplied mainly by providers in Russia, the Netherlands, Norway and Germany. In the first half of 2017, around 184 billion kWh of gas were purchased via long-term contracts (first half of 2016: 204 billion kWh).

Gas Sales

The Uniper Group's gas sales stood at 994.8 billion kWh in the first half of 2017, which is significantly above the level of the prior-year period (841.6 billion kWh).

Gas Sales

Billion kWh



The shifts in gas sales relate to the Global Commodities segment. The increase is driven mainly by significantly higher activities at gas trading points. At the same time, sales to business customers and resellers declined in an intensely competitive environment.

Alongside gas trading in the energy markets, a portion of the Uniper Group's gas sales is transacted through the internal sales unit UES by means of long-term contracts with major customers such as municipal utilities, regional gas suppliers, industrial customers and power plants in Germany and abroad. The volume of gas sold by UES in the first half of 2017 came to 116.8 billion kWh, which is significantly below the level of the prior-year period (146.6 billion kWh). The decrease is mainly due to lower contracted volumes.

Gas Storage Capacity

Uniper Energy Storage GmbH and its subsidiaries are responsible for the operation of gas storage for the Uniper Group. Its activities include technical and commercial development, the construction and operation of underground storage facilities for natural gas, the marketing of capacities, services and products on the European storage market and the development of new storage technologies. Uniper Energy Storage GmbH sells natural gas storage facilities in Germany, Austria and through a subsidiary in the UK. In the first half of 2017, gas storage capacity stood at 8.3 billion m^3, which is slightly below the prior-year period (8.5 billion m^3), due primarily to the sale of gas storage facilities.

Operational Developments

The following events had a significant impact on business in the first half of 2017:

Levels and flows of water in Sweden and Germany were characterized by water volumes below the high levels of the first half of 2016. In Sweden, this was more than offset by the reintroduction in December 2016 of the Ringhals 2 nuclear power plant and the postponement from June to August 2017 of the overhaul of the Oskarshamn 3 nuclear power plant. In addition, in the first half of 2017, the electricity market in northwestern Europe underwent a difficult phase brought about primarily by capacity constraints due to the unavailability of nuclear facilities in France. The cold weather in early 2017 enabled Uniper to make a contribution to the security of supply in continental Europe with its gas-storage and gas-optimization portfolio in the first half of the year and generate additional short-term optimization income in the process.

At the beginning of the year, the transfer of Uniper-related services and assets of E.ON's integrated service provider, E.ON Business Services ("EBS"), into the Uniper Group was initiated. Related employees in IT Services, HR Services and Financial Services were successfully integrated into different Uniper units. Before the transfer, the corresponding services and tasks had been purchased from EBS on the basis of service level agreements.

On March 5, 2017, Uniper Exploration & Production GmbH entered into an agreement with the Austrian oil and gas company OMV Exploration & Production GmbH on the sale of its interest in the Russian gas field Yuzhno-Russkoye. The purchase price for Uniper's interest is USD 1,850 million (approximately €1,749 million based on an agreed exchange rate of €1 = USD 1.0575), plus transferred liquid funds as of the December 31, 2016, balance sheet date. The closing of the transaction is still subject to co-shareholder consent. The antitrust and foreign-trade approvals of the respective competent Russian authorities that are required for the closing of the transaction have recently been issued.

In mid-February 2017, Uniper decided to seek judicial review of a partial aspect of the permit issued for the Datteln 4 power plant pursuant to immission-control laws in January 2017, and has filed a lawsuit to that end. The suit has no impact on the effectiveness of the permit and the upcoming schedule for the completion and commissioning of the power plant.

Given the lack of viable market prospects, Uniper and its co-owners of the Irsching 5 gas-fired power plant, and Uniper as the sole owner of the Irsching 4 gas-fired power plant, have once again announced the preliminary closure of the two units to the German Federal Network Agency and the network operator TenneT on March 29, 2017. TenneT has since designated both of the power plant units as system-relevant, which means that they will remain in reserve operation until April 30, 2019.

In April and June 2017, Uniper and four other European energy companies signed a financing agreement with Nord Stream 2 AG, the company responsible for the planning, construction and future operation of the Nord Stream 2 gas pipeline. As part of the agreement, Uniper has pledged financing of up to €950 million (corresponding to 10% of the currently expected total cost of the project of approximately €9.5 billion). Uniper has provided a long-term funding facility of €285 million for about 30% of its financing commitment, part of which was drawn down by Nord Stream 2 AG as of June 30, 2017. The remaining financing commitments are intended as security for the planned additional funding of the project through banks in the context of project financing of Nord Stream 2 AG.

In the first half of 2017, the Russian majority shareholding Unipro received the expected insurance payment of €326 million (RUB 20.4 billion) for damage caused by a boiler fire in the Berezovskaya 3 power plant unit.

The movement of the Russian ruble's exchange rate had an additional positive effect on business in the first half of 2017.

Changes in Ratings

On April 18, 2017, Standard & Poor's raised the outlook for Uniper's BBB- rating from "stable" to "positive." In the most recent Standard & Poor's report, the rating agency came to this decision against the backdrop of various positive market developments for Uniper in 2016 and of the announced disposal of the interest in Yuzhno-Russkoye. The positive outlook reflects the potential of a rating change from currently BBB- to BBB upon successful completion of the Yuzhno-Russkoye sale, which the rating agency expects to bring about a significant improvement in Uniper's economic net debt and, accordingly, in the relevant rating parameters.

In addition, Scope Ratings AG rated Uniper for the first time, giving the company a rating of BBB+ with a stable outlook. The agency highlights in particular the further reduction in net debt following the successful conclusion of the sale of the stake in the Russian gas field Yuzhno-Russkoye.

Earnings

Sales Performance

Sales

January 1–June 30 € in millions	2017	2016	Changes (percentages)
European Generation	3,718	3,250	14.4
Global Commodities	36,916	32,827	12.5
International Power Generation	606	510	18.8
Administration/Consolidation	-3,935	-3,260	-20.7
Total	**37,305**	**33,327**	**11.9**

At €37,305 million, sales revenues in the first half of 2017 were roughly 12% above the prior-year level (first half of 2016: €33,327 million).

The increase in sales by €3,978 million is primarily attributable to increased trading activities in the electricity business and to higher sales in the gas business of the Global Commodities segment. The increase in the cost of materials was almost entirely in line with this development.

European Generation

Sales in the European Generation segment rose by €468 million, from €3,250 million in the prior-year period to €3,718 million in the first half of 2017.

The increase in sales is primarily attributable to higher sales in France, reflecting better market conditions there. Higher electricity prices in the Netherlands contributed additionally to this positive development.

Global Commodities

Sales in the Global Commodities segment rose by €4,089 million, from €32,827 million in the prior-year period to €36,916 million in the first half of 2017.

The increase in sales is primarily attributable to increased trading activities in the electricity business. Sales additionally increased in the gas business due to higher prices and increased sales at gas trading points.

International Power Generation

Sales in the International Power Generation segment rose by €96 million, from €510 million in the prior-year period to €606 million in the first half of 2017.

The higher sales were attributable, in particular, to positive currency translation effects, which more than compensated for the absence of capacity payments for Unit 3 of the Berezovskaya power plant, which had been shut down in February 2016.

Administration/Consolidation

The reconciliation item consists primarily of consolidation entries and fell by €675 million, from -€3,260 million in the first half of 2016 to -€3,935 million in the first half of 2017.

Sales by product break down as follows:

Sales

January 1–June 30 € in millions	2017	2016	Changes (percentages)
Electricity	14,953	13,220	13.1
Gas	20,185	18,989	6.3
Other	2,167	1,118	93.8
Total	**37,305**	**33,327**	**11.9**

Significant Earnings Trends

The net income of the Group improved to €1,057 million (first half of 2016: -€3,885 million). Income before financial results and taxes increased to €1,308 million (first half of 2016: -€3,471 million).

The principal factors driving this earnings trend are presented below:

The cost of materials rose by €4,830 million in the first half of 2017 to €35,828 million (first half of 2016: €30,998 million). The increase in the cost of materials is primarily attributable to higher prices and volumes in electricity and gas procurement. Accordingly, the trend in the cost of materials was almost identical to the trend in sales. Another factor in the increase in the cost of materials was the non-recurrence of income generated in the previous year from the reversal of a provision (€383 million) that had resulted from an adjustment of price terms for long-term gas delivery contracts to reflect current market conditions.

Personnel costs fell to €495 million in the first half of 2017 (first half of 2016: €564 million). This reduction is primarily attributable to lower restructuring costs. An increase in personnel costs as a consequence of the integration of service functions of EBS, which previously were reportable under other operating expenses as services received, was prevented through cost savings achieved from previous restructuring programs.

Impairment charges recognized in the first half of 2017 amounted to €46 million (first half of 2016: €2,873 million). The decrease is mainly attributable to the non-recurrence of impairments recognized in the European Generation and Global Commodities segments in the first half of 2016. Depreciation and amortization fell to €323 million in the first half of 2017 (first half of 2016: €402 million). This is primarily a consequence of depreciation amounts having been reduced by impairments recognized in the previous year.

Other operating income increased to €7,742 million in the first half of 2017 (first half of 2016: €4,791 million). This increase resulted especially from higher gains on derivative financial instruments, which rose to €6,694 million (first half of 2016: €3,474 million), caused primarily by the marking to market of commodity derivatives. Other operating income was increased further by the award of insurance payments as a consequence of the damage sustained in the previous year by the Berezovskaya 3 power plant unit in Russia. This was offset by the non-recurrence of €528 million in gains recognized in the first half of 2016 on the disposal of the shares in PEG Infrastruktur AG, including its equity interest in Nord Stream AG. In addition, income from exchange rate differences fell to €461 million (first half of 2016: €495 million).

Other operating expenses increased to €7,206 million in the first half of 2017 (first half of 2016: €6,810 million). This increase is primarily attributable to higher losses on derivative financial instruments, which rose to €6,232 million (first half of 2016: €4,528 million), mainly due to the marking to market of commodity derivatives. Offsetting effects included the non-recurrence of expenses reported in the first half of 2016 for the recognition of a provision of €935 million for onerous contracts in the Global Commodities segment and a provision of approximately €190 million for German real estate transfer tax that had arisen in connection with the spin-off. Another non-recurring effect was the loss of €163 million recognized in the first half of 2016 on the disposal of property, plant and equipment, which had arisen as a consequence of a fire in Unit 3 of the Berezovskaya power plant in Russia.

Reconciliation of Income/Loss before Financial Results and Taxes

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

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

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

Reconciliation of Income/Loss before Financial Results and Taxes

January 1–June 30 € in millions	2017	2016
Income/Loss before financial results and taxes	**1,308**	**-3,471**
Net income/loss from equity investments	3	11
EBIT	**1,311**	**-3,460**
Non-operating adjustments	-381	4,595
Net book gains/losses	*–*	*-522*
Marking to market of derivative financial instruments	*-446*	*1,034*
Restructuring / Cost-management expenses[1, 2]	*13*	*223*
Non-operating impairment charges (+)/reversals (-)[3]	*34*	*2,863*
Miscellaneous other non-operating earnings	*18*	*997*
Adjusted EBIT	**930**	**1,135**

[1]Expenses for restructuring / cost-management in the Global Commodities segment included depreciation and amortization of €7 million in the first half of 2017 (first half of 2016: €8 million).
[2]Expenses for restructuring / cost-management do not include expenses incurred for the current restructuring program and its related subprojects.
[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from 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.

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

Net Book Gains/Losses

No non-operating book gains or losses on sales were realized in the reporting period. The net book gains/losses of €522 million in the first half of 2016 had resulted primarily from the disposal of PEGI, including its equity interest in Nord Stream AG, and from the disposal of Uniper's stake in AS Latvijas Gāze.

Fair Value Measurement of Derivative Financial Instruments

The fair value measurement as of the reporting date of derivatives used to hedge the operating business against price fluctuations generated income of €446 million as of June 30, 2017 (first half of 2016: -€1,034 million).

Restructuring/Cost Management

In the first half of 2017, restructuring and cost-management expenses decreased by €210 million year over year. They amounted to €13 million in the first half of 2017 (first half of 2016: €223 million). The reduction resulted primarily from a one-time expense of approximately €190 million for real-estate transfer taxes that arose in the context of the spin-off in 2016.

Non-operating Impairments

Non-operating impairments amounting to €34 million were recorded in the reporting period (first half of 2016: €2,863 million). As in the prior-year period, they related to the European Generation and Global Commodities segments.

The decrease relative to the prior-year period was primarily attributable to impairment charges recognized in the first half of 2016. Reasons for impairments in the first half of 2016 had included, in particular, amended estimates of the regulatory conditions and the change in the market environment, which had led to a deterioration in forecast earnings for the affected assets in the first half of 2016.

Miscellaneous Other Non-operating Earnings

Miscellaneous other non-operating earnings amounted to -€18 million in the first half of 2017 (first half of 2016: -€997 million). The improvement resulted primarily from the non-recurrence of a provision recognized in 2016 for onerous contracts and from lower depreciation of overall reduced gas inventories relative to the prior-year period.

Adjusted EBIT

Since January 1, 2017, adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure in the Uniper Group for purposes of internal management control and as the most important indicator of the profitability of its operations.

Segments

The following table shows adjusted EBIT for the first half of 2017 and the first half of 2016 broken down by segment:

Adjusted EBIT

January 1–June 30 € in millions	2017	2016	Changes (percentages)
European Generation	284	120	136.7
Global Commodities	262	1,095	-76.1
International Power Generation	477	-39	1,323.1
Administration/Consolidation	-93	-41	-126.8
Total	**930**	**1,135**	**-18.1**

European Generation

Adjusted EBIT in the European Generation segment rose by €164 million, from €120 million in the prior-year period to €284 million in the first half of 2017.

This positive development is primarily attributable to the impairments recognized on fossil-fuel power plants in 2016, which has had the effect of reducing the depreciation expense in the first half of 2017. Additional earnings were provided in 2017 by cost-cutting and the return to service of the Swedish nuclear power plant Ringhals 2 at the end of 2016, as well as by non-recurring effects such as the elimination of charges for the restructuring provision in the second quarter of 2016. On the other hand, lower generation volumes from the hydroelectric power plants in Germany and Sweden, as well as lower prices for nuclear and hydroelectric power in Sweden, both diminished earnings.

Global Commodities

Adjusted EBIT in the Global Commodities segment fell by €833 million, from €1,095 million in the prior-year period to €262 million in the first half of 2017.

Adjusted EBIT was substantially affected by the non-recurrence of the positive prior-year effect on income from the reversal of provisions for past delivery periods following the successful conclusion of price negotiations in the context of long-term gas procurement contracts. The agreement reached related to the adjustment of price terms to reflect current market conditions. Additionally reflected was the non-recurrence of exceptionally positive results from optimization activities in the prior-year period, especially in the gas business.

International Power Generation

Adjusted EBIT in the International Power Generation segment rose by €516 million, from -€39 million in the prior-year period to €477 million in the first half of 2017.

The receipt of another insurance payment and the elimination of the partial divestiture of property, plant and equipment for a damaged boiler, caused by the temporary shutdown of the 800 MW unit of the Berezovskaya power plant in February 2016 as the result of an accident, made a positive impact on adjusted EBIT. In addition, higher tariff payments for new capacity and the movement of the Russian ruble had a positive effect.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item fell by €52 million, from -€41 million in the first half of 2016 to -€93 million in the first half of 2017.

Adjusted Funds from Operations

Beginning in 2017, adjusted funds from operations ("adjusted FFO") is a key performance indicator used by the Uniper Group for determining, among other things, the residual cash flow available for distribution to shareholders and the variable compensation of the Management Board. This measure is described in detail in the Combined Management Report for the 2016 fiscal year.

Adjusted FFO for the first half of 2017 amounted to €678 million, a year-over-year increase of €719 million (first half of 2016: -€41 million). The main reason for the increase was the non-recurrence of the use in the prior-year period of provisions for past delivery periods as a consequence of the successful conclusion of price negotiations in the context of long-term gas procurement contracts.

Financial Condition

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

Debt

Compared with December 31, 2016, Uniper's economic net debt fell by €905 million to -€3,262 million as of June 30, 2017, owing to seasonal factors (December 31, 2016: -€4,167 million). The high positive operating cash flow exceeded investment spending, resulting in a significant overall improvement in the net financial position.

Economic Net Debt

€ in millions	June 30, 2017	Dec. 31, 2016
Liquid funds	795	341
Non-current securities	99	160
Financial liabilities	-2,531	-2,870
Net financial position	**-1,637**	**-2,369**
Provisions for pensions and similar obligations	-631	-785
Provisions for asset retirement obligations[1]	-994	-1,013
Economic net debt	**-3,262**	**-4,167**

[1]Reduced by receivables from the Swedish Nuclear Waste Fund.

Financial liabilities were reduced by €339 million in the first half of 2017 because Uniper SE repaid a loan in the amount of €800 million as of December 31, 2016, which was part of the syndicated bank financing agreement (original amount: €2,000 million), in full. This was offset by the issuance of commercial paper in the amount of € 643 million, primarily to fund working capital.

Investments

Investments

January 1–June 30 € in millions	2017	2016
Investments		
European Generation	*188*	*177*
Global Commodities	*13*	*66*
International Power Generation	*66*	*44*
Administration/Consolidation	*27*	*5*
Total	**294**	**292**
Growth	*192*	*144*
Maintenance & Replacement	*102*	*148*

Investment spending for the Uniper Group as a whole was at the prior-year level.

In the first half of 2017, the development in the European Generation segment is due mainly to higher growth investments for the Datteln 4 site. This was offset by lower maintenance investments, mainly in coal and gas power plants.

The reduction in the Global Commodities segment resulted from lower spending on growth investments relative to the prior-year period.

The increase in the International Power Generation segment in the first half of 2017 is due mainly to the investment in the reconstruction of Unit 3 of the Berezovskaya power plant.

The increase in the Administration/Consolidation reconciliation item relative to the first half of 2016 was attributable mainly to the transfer of business service activities from E.ON.

Cash Flow

Cash Flow

January 1–June 30 € in millions	2017	2016
Cash provided by (used for) operating activities (operating cash flow)	**1,407**	**1,952**
Cash provided by (used for) investing activities	**-264**	**945**
Cash provided by (used for) financing activities	**-551**	**-2,706**

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

Cash provided by operating activities (operating cash flow) fell by €545 million in the first half of 2017 to €1,407 million (first half of 2016: €1,952 million). The principal driver of this reduction in operating cash flow was a comparatively low outflow for gas procurement under long-term supply contracts in the first half of 2016 brought about, in particular, by changes in the timing of payments. In addition, there was a one-time payment in the first half of 2016 by the Finnish energy utility Fortum in relation to its pro-rata assumption of costs for the partial decommissioning of the Oskarshamn nuclear power plant in Sweden.

There were positive effects from the insurance payment for the damage caused by a boiler fire in the Berezovskaya 3 power plant unit and, compared with the prior-year period, from the elimination of the use of provisions due to the conclusion of the price negotiations for long-term gas procurement contracts in 2016.

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

Operating Cash Flow before Interest and Taxes

January 1–June 30 € in millions	2017	2016	Difference
Operating cash flow	**1,407**	**1,952**	**-545**
Interest payments	6	170	-164
Tax payments	106	12	94
Operating cash flow before interest and taxes	**1,519**	**2,134**	**-615**

Cash Flow from Investing Activities

Cash provided by (used for) investing activities fell from €945 million in the first half of 2016 by €1,209 million to -€264 million in the first half of 2017. The decrease in proceeds from disposals to €12 million (first half of 2016: €1,175 million) had a negative effect. The inflows in the first half of 2016 resulted primarily from the sale of the shares in PEGI, including its equity interest in Nord Stream AG, to E.ON Beteiligungen GmbH in March 2016.

Cash Flow from Financing Activities

In the first half of 2017, cash used for financing activities amounted to -€551 million (first half of 2016: -€2,706 million). The increase compared with the previous year is primarily attributable to the non-recurrence of special effects in 2016, especially the non-recurrence of repayments of financial liabilities due to the E.ON Group in the first quarter of 2016. This was offset by the repayment in 2017 of the €800 million loan from the syndicated bank financing agreement.

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	June 30, 2017	Dec. 31, 2016
Non-current assets	23,179	27,199
Current assets	16,890	21,672
Total assets	**40,069**	**48,871**
Equity	13,471	12,803
Non-current liabilities	11,828	15,272
Current liabilities	14,770	20,796
Total equity and liabilities	**40,069**	**48,871**

Non-current assets as of June 30, 2017, declined relative to December 31, 2016, from €27,199 million to €23,179 million. This was primarily caused by the reclassification to “current assets held for sale” of assets of the company AO Gazprom YRGM Development and of the stake in the company OAO Severneftegaz-prom, in the amount of approximately €1,924 million. In addition, there were valuation-related decreases of €931 million in non-current receivables from derivative financial instruments. The balance of deferred tax assets and liabilities increased by €119 million.

Current assets fell from €21,672 million as of December 31, 2016, to €16,890 million. The principal causes of the decline were the valuation-related reduction in current receivables from derivative financial instruments from €10,139 million by €4,769 million to €5,370 million, and the seasonal decrease in trade receivables from €7,353 million by €1,795 million to €5,558 million. These were partly offset by the aforementioned reclassification of the Yuzhno-Russkoye gas field in the amount of approximately €1,924 million.

Equity increased from €12,803 million to €13,471 million as of June 30, 2017. The net income of the Group made a positive contribution of €1,057 million to equity. The dividend distribution in the second quarter in the amount of €201 million offset some of this increase, as did the effect of foreign exchange rates on assets and liabilities, in the amount of €267 million. The equity ratio as of June 30, 2017, at 34%, was higher than the 26% reported as of December 31, 2016.

Non-current liabilities were down from €15,272 million at the end of the previous year to €11,828 million as of June 30, 2017. The decrease was caused especially by the valuation-related reduction in liabilities from derivative financial instruments from €3,315 million by €1,131 million to €2,184 million, and by loan repayments in the amount of €800 million.

Current liabilities fell significantly from €20,796 million at the end of the previous year to €14,770 million. This development is primarily attributable to the valuation-related reduction in liabilities from derivative financial instruments from €10,532 million by €5,123 million to €5,409 million, and to the seasonal decrease in trade payables from €6,904 million by €1,415 million to €5,489 million. Uniper presents as liabilities associated with assets held for sale an amount of €247 million relating to the Yuzhno-Russkoye gas field.

Human Resources

On June 30, 2017, the Uniper Group had 12,577 employees, 201 apprentices, 87 work-study students and interns, and 33 board members and managing directors worldwide. The workforce thus declined by 0.5% compared with December 31, 2016.

Employees[1]

	June 30, 2017	Dec. 31, 2016	Changes (percentages)
European Generation	5,742	6,095	-5.8
Global Commodities	1,300	1,242	4.7
International Power Generation	4,878	4,853	0.5
Administration/Consolidation	657	445	47.6
Total	**12,577**	**12,635**	**-0.5**

[1]Figures do not include board members, managing directors, apprentices, work-study students and interns. As of the respective reporting date.

In the European Generation segment, the workforce reduction is primarily attributable to disposals in the Benelux region and the implementation of measures taken under the current cost-reduction program.

The integration of invoicing functions of E.ON into the Uniper Group increased the headcount in the Global Commodities segment.

The number of employees in the International Power Generation segment, which encompasses the workforce in Russia and the Czech Republic, remained stable.

In Administration/Consolidation, the headcount was increased primarily by the integration of Uniper IT, which involved a transfer of employees from E.ON to Uniper on January 1, 2017.

At 63%, the proportion of employees working abroad (7,921) was down slightly.

Risk Report

The risk management system and the measures taken to limit risk are described in detail in the Combined Management Report for the 2016 fiscal year.

Risk Situation

In the course of conducting its commercial activities, the Uniper Group is exposed to a number of risks that are inseparably linked to its business activities. The resulting financial risks, market risks, operating risks, legal risks, and political and regulatory risks, as well as their respective subcategories, were discussed in detail in the 2016 Management Report. Both the risk categories and the methodology for determining assessment classes are unchanged from the 2016 Annual Report.

Risk Categories

Risk Category	Risk Subcategory
	Liquidity Risks
	Credit Risks
Financial Risks	Other Financial Risks
	Commodity Price Risks
	Exchange Rate / Interest Rate Risks
Market Risks	Market Environment Risks
	Risks Associated with the Operation of Technical Facilities
	Risks Associated with the Construction of Technical Facilities
	Employee and Process Risks
Operating Risks	Information Technology (IT) Risks
Legal Risks	
Political and Regulatory Risks	

Assessment Classes

Cumulative Expected Net Impact	Assessment Class
< €5 million	Insignificant
€5 million–€20 million	Low
€20.1 million–€100 million	Moderate
€100.1 million–€300 million	High
> €300 million	Significant

Discussed below are the risk (sub)categories in which the assessment class has changed as of June 30, 2017, compared with December 31, 2016. Details on changes in relevant individual risks within a risk (sub)category are also provided. Relevant individual risks are individual risks with a cumulative expected value for the loss amount in excess of €100 million after taking into account risk-reduction measures.

As of the reporting date of June 30, 2017, the assessment class for credit risk has decreased relative to December 31, 2016, from high to moderate. This is mainly due to increased collateralization measures.

The risk has also decreased in the subcategories commodity price risks (from high to moderate) and exchange rate / interest rate risks (from moderate to low). For the commodity price risks subcategory, this is due to normal seasonal fluctuations in the commodity portfolio of the Global Commodities segment. For the exchange rate / interest rate risks subcategory, this is due to a reduction in net financial debt.

Risks relating to the market environment increased relative to December 31, 2016 (assessment class high as of June 30, 2017; low as of December 31, 2016). This is driven by lower payments than expected from the British capacity market for the 2017/2018 delivery period. Because the auction has already taken place, the risk has occurred and therefore qualifies as a relevant individual risk.

In addition, the risks relating to the construction of technical facilities have increased (assessment class significant as of June 30, 2017, compared with high as of December 31, 2016). Within this risk category, new individual risks have arisen and the expected cumulative loss amount of some existing risks has increased. For example, after a detailed analysis, the cost risk for repairing the fire damage in Unit 3 of the Berezovskaya power plant has increased, which has qualified this risk as a relevant individual risk.

Although it is not a relevant individual risk, Uniper wants to disclose a change in the legal risk involved in the Provence 4 plant construction project. The risk of not being allowed to operate the biomass plant Provence 4 has increased relative to December 31, 2016, after a court in Marseille withdrew the environmental permit. Uniper currently continues the commissioning phase of the plant under a temporary permit while applying for a new one and in parallel preparing an appeal as well as an application for suspension of operation against the decision of the court of Marseille.

As of June 30, 2017, margining risk is shown as a relevant individual risk within the category of liquidity risks. This is due to increased liquidity requirements in the first half of the year and does not result from entering into increased liquidity risks. Uniper continues to be in possession of financial instruments that are used to offset liquidity risks arising from margin requirements. Taking this development into account, liquidity risks are still assessed as significant for the Uniper Group.

The assessment class of the other risk categories has not changed relative to December 31, 2016. The other relevant individual risks described in the 2016 Annual Report remain unchanged. Specifically, these risks include the downgrade risk of the long-term investment-grade rating from its current level of BBB-, the risk of a delay in the re-commissioning of Unit 3 of the Berezovskaya power plant, the risk that the newly constructed hard-coal power plant in Datteln will not be put into operation, and the risk of loss of specialist expertise and employees in key positions.

Assessment of the Risk Situation

Taking into account all quantified risks, the level of the overall risks to which the Uniper Group is exposed at the end of the first half of 2017 has increased slightly relative to year-end 2016. This is due to the changes in the risk situation described above.

In addition to the quantified risks, the Uniper Group has been exposed to a further risk since mid-June 2017 that can only be assessed qualitatively at this time, but could be a relevant individual risk given its magnitude. In mid-June 2017, the U.S. Senate passed a bill that has now, after approval by the U.S. House of Representatives and a second vote of the Senate, been signed by the President of the United States with minor modifications and thus made law. Uniper will take effective risk-mitigation measures in order to avoid the imposition of U.S. sanctions.

There are no identifiable risks from today's perspective that might jeopardize the continued existence of Uniper SE, the Uniper Group or individual segments.

Opportunity Report

Both risks and opportunities are reported, provided the underlying issues can be adequately specified and appear significant. Material opportunities are characterized by facts and circumstances that may have a significant positive impact on financial or earnings performance by the segments over and above previous planning assumptions.

The process for reporting the opportunities in the Uniper Group and the material opportunities arising from operating activities are described in the 2016 Combined Management Report. The opportunity situation described therein has not changed materially as of the end of the first half of 2017.

Forecast Report

Macroeconomic Situation

After several years of modest growth—in 2016, the growth rate of the global economy was at its lowest level since the financial crisis—there are now increasing signs that the world economy is picking up speed. Supported by an increase in domestic demand in Europe and Asia, global trade and industrial production have recently risen significantly. Nevertheless, political uncertainty remains high, wage growth is noticeably sluggish, and the stability of the financial markets remains at risk. Against this backdrop, the OECD expects the growth rate of the global economy to increase slightly to 3.5% this year and to 3.6% in 2018. Inflationary pressures are likely to remain subdued in light of low wage growth in the developed economies.

The future political, fiscal and trade policy orientation of the new U.S. government remains uncertain. The continuing uncertainty about the progress of the negotiations on the United Kingdom's departure from the EU is also having a negative impact. On the other hand, the weak performance of populist parties in the elections in France and the Netherlands has significantly reduced concerns that the EU could break apart.

Anticipated Earnings

The forecast for the 2017 fiscal year continues to reflect the difficult conditions in the energy industry and will additionally be impacted by the absence of the one-time earnings effect from the agreement with Gazprom on long-term supply contracts. The sale of the interest in the Russian gas field Yuzhno-Russkoye is expected to be completed by year-end and is also taken into account in the earnings forecast. Accordingly, in spite of the good overall result in the first half, Uniper expects adjusted EBIT in 2017 to be significantly reduced compared with 2016.

Adjusted FFO as applied beginning in 2017, which is the measure used as the basis for the dividend distribution, is expected to be significantly higher than in the previous year.

For each of the operating segments, this means:

For the European Generation segment, adjusted EBIT for 2017 is expected to be significantly higher than in 2016, due in large part to the non-recurrence of the negative impact on earnings from the restructuring provisions recognized in 2016 and to the non-recurrence of the negative impact on earnings from the addition to nuclear-power provisions in Sweden, as well as to lower depreciation expense in 2017 due to impairment losses recognized in 2016. Cost reductions will make an additional positive contribution to adjusted EBIT.

For the Global Commodities segment, Uniper expects adjusted EBIT for 2017 to be significantly below the figure for 2016. This is driven mainly by the non-recurrence of the positive one-time earnings effect from the renegotiation with Gazprom and by normalization of optimization result in the gas business.

For the International Power Generation segment, Uniper anticipates a significantly higher contribution to adjusted EBIT in 2017 than in the previous year due to both the non-recurrence of the negative earnings impacts and the receipt of insurance payments for the fire damage sustained by the Berezovskaya 3 power plant unit. Higher capacity payments and positive currency translation effects will also contribute positively to this development.

The disclaimer statement on the inside cover page of this Half-Year Interim Report applies in particular to the forward-looking statements made here.

Review Report

To Uniper SE, Düsseldorf

We have reviewed the condensed consolidated interim financial statements – comprising the income statement, statement of recognized income and expenses, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Uniper SE for the period from January 1 to June 30, 2017, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, August 7, 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Markus Dittmann Wirtschaftsprüfer (German Public Auditor)	Michael Servos Wirtschaftsprüfer (German Public Auditor)

Uniper SE and Subsidiaries Consolidated Statements of Income

€ in millions	Note	April 1–June 30 2017	April 1–June 30 2016	January 1–June 30 2017	January 1–June 30 2016
Sales including electricity and energy taxes		15,178	13,886	37,561	33,581
Electricity and energy taxes		-126	-123	-256	-254
Sales	**(15)**	**15,052**	**13,763**	**37,305**	**33,327**
Changes in inventories (finished goods and work in progress)		17	5	40	-8
Own work capitalized		31	5	45	9
Other operating income		1,309	476	7,742	4,791
Cost of materials		-14,527	-12,911	-35,828	-30,998
Personnel costs		-224	-298	-495	-564
Depreciation, amortization and impairment charges	(7)	-157	-3,063	-369	-3,275
Other operating expenses		-1,201	-2,296	-7,206	-6,810
Income from companies accounted for under the equity method		62	21	74	57
Income/loss before financial results and taxes		**362**	**-4,298**	**1,308**	**-3,471**
Financial results	(5)	-21	-227	19	-364
Net income/loss from equity investments		*4*	*2*	*3*	*11*
Income from other securities, interest and similar income		*24*	*30*	*88*	*69*
Interest and similar expenses		*-49*	*-259*	*-72*	*-444*
Income taxes		-35	-6	-270	-50
Net income/loss		**306**	**-4,531**	**1,057**	**-3,885**
Attributable to shareholders of Uniper SE		*234*	*-4,523*	*967*	*-3,871*
Attributable to non-controlling interests		*72*	*-8*	*90*	*-14*
in €					
Earnings per share (attributable to shareholders of Uniper SE)—basic and diluted	**(6)**				
from continuing operations		0.64	-12.36	2.64	-10.58
from net loss/income		**0.64**	**-12.36**	**2.64**	**-10.58**

Uniper SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses

	April 1–June 30		January 1–June 30	
€ in millions	**2017**	**2016**	**2017**	**2016**
Net income/loss	**306**	**-4,531**	**1,057**	**-3,885**
Remeasurements of defined benefit plans	67	-239	148	-651
Remeasurements of defined benefit plans of companies accounted for under the equity method	-1	–	-1	–
Income taxes	-22	-20	-49	-7
Items that will not be reclassified subsequently to the income statement	**44**	**-259**	**98**	**-658**
Cash flow hedges	1	-4	-7	-15
Unrealized changes	*1*	*-1*	*-1*	*-5*
Reclassification adjustments recognized in income	–	*-3*	*-6*	*-10*
Available-for-sale securities	-15	-4	6	-5
Unrealized changes	*-14*	*-4*	*7*	*-5*
Reclassification adjustments recognized in income	*-1*	–	*-1*	–
Currency translation adjustments	-506	173	-243	247
Unrealized changes	*-517*	*173*	*-254*	*247*
Reclassification adjustments recognized in income	*11*	–	*11*	–
Companies accounted for under the equity method	-39	21	-22	129
Unrealized changes	*-39*	*21*	*-22*	*36*
Reclassification adjustments recognized in income	–	–	–	*93*
Income taxes	-5	12	-2	14
Items that might be reclassified subsequently to the income statement	**-564**	**198**	**-268**	**370**
Total income and expenses recognized directly in equity	**-520**	**-61**	**-170**	**-288**
Total recognized income and expenses (total comprehensive income)	**-214**	**-4,592**	**887**	**-4,173**
Attributable to shareholders of Uniper SE	*-227*	*-4,563*	*824*	*-4,025*
Attributable to non-controlling interests	*13*	*-29*	*63*	*-148*

Uniper SE and Subsidiaries Consolidated Balance Sheets

€ in millions	Note	June 30, 2017	Dec. 31, 2016
Assets			
Goodwill		2,205	2,701
Intangible assets		823	2,121
Property, plant and equipment		11,439	11,700
Companies accounted for under the equity method	(8)	586	827
Other financial assets	(8)	673	728
Equity investments		*574*	*568*
Non-current securities		*99*	*160*
Financial receivables and other financial assets		3,265	3,054
Operating receivables and other operating assets		2,965	3,857
Income tax assets		6	6
Deferred tax assets		1,217	2,205
Non-current assets		**23,179**	**27,199**
Inventories		1,396	1,746
Financial receivables and other financial assets		973	1,268
Trade receivables and other operating assets		11,642	18,250
Income tax assets		97	64
Liquid funds		795	341
Securities and fixed-term deposits		*69*	*162*
Restricted cash and cash equivalents		*48*	*10*
Cash and cash equivalents		*678*	*169*
Assets held for sale	(3)	1,987	3
Current assets		**16,890**	**21,672**
Total assets		**40,069**	**48,871**
Equity and Liabilities			
Capital stock	(9)	622	622
Additional paid-in capital	(9)	10,825	10,825
Retained earnings	(9)	5,019	4,156
Accumulated other comprehensive income[1]		-3,622	-3,382
Equity attributable to shareholders of Uniper SE		**12,844**	**12,221**
Attributable to non-controlling interests		627	582
Equity		**13,471**	**12,803**
Financial liabilities		1,485	2,376
Operating liabilities		2,907	3,993
Income taxes		–	–
Provisions for pensions and similar obligations	(10)	631	785
Miscellaneous provisions		6,311	6,517
Deferred tax liabilities		494	1,601
Non-current liabilities		**11,828**	**15,272**
Financial liabilities		1,046	494
Trade payables and other operating liabilities		11,658	18,348
Income taxes		311	188
Miscellaneous provisions		1,508	1,766
Liabilities associated with assets held for sale		247	–
Current liabilities		**14,770**	**20,796**
Total equity and liabilities		**40,069**	**48,871**

[1]The accumulated other comprehensive income also includes currency translation differences of -€710 million attributable to the Russian gas field Yuzhno-Russkoye, which is held for sale.

Uniper SE and Subsidiaries Consolidated Statements of Cash Flows

January 1–June 30 € in millions	2017	2016
Net income/loss	**1,057**	**-3,885**
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	369	3,275
Changes in provisions	-323	-1
Changes in deferred taxes	73	42
Other non-cash income and expenses	-18	-27
Gain/loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	4	-383
Changes in operating assets and liabilities and in income taxes	245	2,931
Cash provided by operating activities	**1,407**	**1,952**
Proceeds from disposal of	12	1,175
Intangible assets and property, plant and equipment	11	5
Equity investments	*1*	*1,170*
Purchases of investments in	-294	-292
Intangible assets and property, plant and equipment	*-281*	*-241*
Equity investments	*-13*	*-51*
Cash payments in connection with disposals	-66	–
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	650	845
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-524	-783
Changes in restricted cash and cash equivalents	-42	–
Cash provided by investing activities	**-264**	**945**
Payments received/made from changes in capital[1]	11	127
Transactions with the E.ON Group[2]	–	-2,233
Cash dividends paid to shareholders of Uniper SE	-201	–
Changes in financial liabilities[3]	-361	-600
Cash used for financing activities	**-551**	**-2,706**
Net increase in cash and cash equivalents	**592**	**191**
Effect of foreign exchange rates on cash and cash equivalents	-21	38
Cash and cash equivalents at the beginning of the year[4]	169	299
Cash and cash equivalents from disposal groups	-62	–
Cash and cash equivalents at the end of the quarter	**678**	**528**
Supplementary Information on Cash Flows from Operating Activities		
Income taxes paid (less refunds)	-106	-12
Interest paid	-30	-215
Interest received	24	45
Dividends received	62	12

[1]No material netting has taken place in either of the years presented here.
[2]The transactions with the E.ON Group in the first half of 2016 nmostly relate to payments arising from dividends and from profit-and-loss-pooling agreements and to financing with the E.ON Group.
[3]Proceeds from financial liabilities in the first half of 2017 amounted to €612 million (2016: €468 million), while repayments of financial liabilities for the first half of 2017 amounted to -€973 million (2016: -€1,068 million).
[4]Cash and cash equivalents at the beginning of the year also include an amount of €21 million from the Yuzhno-Russkoye disposal group.

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income		
				Currency translation adjustments	Available-for-sale securities	Cash flow hedges
Balance as of January 1, 2016	**0**	**0**	**18,684**	**-4,251**	**87**	**-59**
Allocation of retained earnings 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						
Equity addition/reduction			-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**
Balance as of January 1, 2017	**622**	**10,825**	**4,156**	**-3,718**	**324**	**12**
Capital increase						
Capital decrease						
Dividends			-201			
Equity addition/reduction						
Total comprehensive income			1,064	-239	5	-6
Net income/loss			*967*			
Other comprehensive income			*97*	*-239*	*5*	*-6*
Remeasurements of defined benefit plans			*97*			
Changes in accumulated other comprehensive income				*-239*	*5*	*-6*
Balance as of June 30, 2017	**622**	**10,825**	**5,019**	**-3,957**	**329**	**6**

Shares attributable to shareholders of Uniper SE	Non-controlling interests	Presentation of the non-controlling interests attributable to Uniper Beteiligungs GmbH	Total non-controlling interests	Total
14,461	**540**	**0**	**540**	**15,001**
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	27	-175	-148	-4,173
-3,871	*-14*		*-14*	*-3,885*
-154	*41*	*-175*	*-134*	*-288*
-306	*-4*	*-348*	*-352*	*-658*
152	*45*	*173*	*218*	*370*
2,845	**541**	**7,681**	**8,222**	**11,067**
12,221	**582**	**0**	**582**	**12,803**
0			0	0
0			0	0
-201	-18		-18	-219
0			0	0
824	63		63	887
967	*90*		*90*	*1,057*
-143	*-27*		*-27*	*-170*
97	*1*		*1*	*98*
-240	*-28*		*-28*	*-268*
12,844	**627**	**0**	**627**	**13,471**

(1) Summary of Significant Accounting Policies

The Interim Report for the six months ended June 30, 2017, has been prepared in accordance with those International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations ("IFRS IC") effective and adopted for use in the European Union ("EU").

This Interim Report was prepared using the accounting, valuation and consolidation policies used in the Consolidated Financial Statements for the 2016 fiscal year.

This Interim Report prepared in accordance with IAS 34 is condensed compared with the scope applied to the Consolidated Financial Statements for the full year. For further information, including information about the risk management system, please refer to Uniper's Consolidated Financial Statements for the year ended December 31, 2016, which provide the basis for this Interim Report.

(2) Scope of Consolidation and Equity Investments

The number of consolidated companies breaks down as shown in the following table:

Scope of Consolidation

	Domestic	Foreign	Total
Consolidated companies as of January 1, 2017	**26**	**39**	**65**
Additions	*1*	*2*	*3*
Disposals/Mergers	*–*	*2*	*2*
Consolidated companies as of June 30, 2017	**27**	**39**	**66**

As of June 30, 2017, a total of 3 domestic and 13 foreign associated companies were accounted for under the equity method (December 31, 2016: 3 domestic companies and 12 foreign companies).

(3) Disposals and Assets Held For Sale

Assets Held For Sale in the First Half of 2017

Yuzhno-Russkoye

In March 2017, Uniper Exploration & Production GmbH, Düsseldorf, Germany, entered into an agreement with the Austrian oil and gas company OMV Exploration & Production GmbH ("OMV"), Vienna, Austria, on the sale of its interest in the Russian gas field Yuzhno-Russkoye. Uniper owns a share of approximately 25% in Yuzhno-Russkoye through equity investments in OAO Severneftegazprom and AO Gazprom YRGM Development. OMV is acquiring 100% of Uniper's shares in both companies.

The transaction value is USD 1,850 million (approximately €1,749 million based on an agreed exchange rate of €1 = USD 1.0575), including cash and cash equivalents being transferred, based on the company's balance sheet as of the December 31, 2016, effective date.

Held as a disposal group in the Global Commodities segment, the major asset and liability items of these activities as of June 30, 2017, were goodwill (€0.5 billion), other non-current assets (€1.3 billion) and current assets (€0.1 billion), as well as liabilities (€0.2 billion).

The transaction is expected to close by the end of 2017.

Disposals in the First Half of 2016

PEG Infrastruktur AG / Nord Stream AG

As of the January 1, 2016, economic effective date, 100% of the 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 closed in March 2016. The sale resulted in the deconsolidation of the equity investment in PEGI, which had been fully consolidated within the Global Commodities segment, and of the interest in Nord Stream AG accounted for under the equity method, in the first quarter of 2016. The sale price amounted to approximately €1.0 billion and was received in the first quarter of 2016. The transaction generated a gain on disposal of €0.5 billion.

AS Latvijas Gāze

On December 22, 2015, Uniper entered into an agreement to sell 28.974% 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 €0.1 billion as of December 31, 2015. The transaction, which closed in January 2016 at a sale price of around €0.1 billion, resulted in a marginal gain on disposal.

(4) Research and Development Costs

The Uniper Group's research and development costs in accordance with IFRS totaled €0.3 million in the first half of 2017 (first half of 2016: €1.4 million).

(5) Financial Results

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

Financial Results

€ in millions	April 1–June 30 2017	April 1–June 30 2016	January 1–June 30 2017	January 1–June 30 2016
Income from companies in which equity investments are held	4	2	4	12
Impairment charges/reversals on other financial assets	–	–	-1	-1
Income from equity investments	**4**	**2**	**3**	**11**
Income from securities, interest and similar income	24	30	88	69
Interest and similar expenses	-49	-259	-72	-444
Net interest income	**-25**	**-229**	**16**	**-375**
Financial results	**-21**	**-227**	**19**	**-364**

In the first half of 2017, financial results increased by €383 million to €19 million (first half of 2016: -€364 million). The main positive factor contributing to this development was the fall in net interest expense. Compared with the first half of 2016, an improved valuation result arising from the Swedish Nuclear Waste Fund was registered in the amount of €25 million (first half of 2016: -€57 million). In addition, the effect from the repricing of asset retirement obligations was more positive by €125 million compared with the prior-year period. Moreover, the early redemption of a loan in the first half of 2016 had led to a one-time expense of €157 million.

(6) Earnings per Share

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

Earnings per Share

€ in millions	April 1–June 30 2017	April 1–June 30 2016	January 1–June 30 2017	January 1–June 30 2016
Income/Loss from continuing operations	306	-4,531	1,057	-3,885
Less: Non-controlling interests	-72	8	-90	14
Income/Loss from continuing operations (attributable to shareholders of Uniper SE)	**234**	**-4,523**	**967**	**-3,871**
Income from discontinued operations, net	–	–	–	–
Less: Non-controlling interests	–	–	–	–
Income/Loss from discontinued operations, net (attributable to shareholders of Uniper SE)	**0**	**0**	**0**	**0**
Net income/loss attributable to shareholders of Uniper SE	**234**	**-4,523**	**967**	**-3,871**
in €				
Earnings per share (attributable to shareholders of Uniper SE)				
from continuing operations	0.64	-12.36	2.64	-10.58
from net income/loss	**0.64**	**-12.36**	**2.64**	**-10.58**
Weighted-average number of shares outstanding (in millions)	366	366	366	366

The computation of diluted earnings per share is identical to that of basic earnings per share because Uniper SE has issued no dilutive potential ordinary shares. Earnings per share for the first half of 2017 is derived from the relationship between net income and the number of shares outstanding. With the contribution of Uniper Beteiligungs GmbH by way of spin-off effective September 12, 2016, the number of shares was increased by 195,239,660 compared with the first half of 2016, to 365,960,000.

(7) Impairments

No material impairments in accordance with IAS 36 were determined in the first half of 2017 that would have led to a corresponding disclosure in the Notes.

In the first half of 2016, Uniper had determined impairments on non-current assets in accordance with IAS 36 totaling €2.9 billion, of which approximately €1.8 billion had been attributable to the European Generation segment and €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 €0.8 billion and €0.7 billion, respectively, and to storage infrastructure outside Germany, at €0.5 billion. Reasons for impairments had included, in particular, amended estimates of the regulatory conditions and the change in the market environment, which had led to a deterioration in forecast earnings for the affected assets.

For the same reasons, in accordance with IAS 37, provisions amounting to €0.9 billion had also been recognized in the first half of 2016 for onerous contracts in the Global Commodities segment.

(8) 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, 2017			December 31, 2016		
€ in millions	**Uniper Group**	**Associates[1]**	**Joint ventures[1]**	**Uniper Group**	**Associates[1]**	**Joint ventures[1]**
Companies accounted for under the equity method	586	470	116	827	707	120
Equity investments	574	22	25	568	22	26
Non-current securities	99	–	–	160	–	–
Total	**1,259**	**492**	**141**	**1,555**	**729**	**146**

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

(9) Equity and Dividend

The reorganizations under corporate law and the associated changes in equity are described in detail in the Consolidated Financial Statements for the 2016 fiscal year.

At the Annual Shareholders Meeting of Uniper SE on June 8, 2017, shareholders resolved to use the net income available for distribution of €201,278,000.00 to distribute a dividend of €0.55 per share (365,960,000 shares) of the dividend-paying capital stock of €622.1 million.

(10) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations decreased by €154 million from December 31, 2016, to €631 million as of June 30, 2017. The decrease was caused primarily by net actuarial gains, which mostly resulted from the rise in the discount rate determined for the German Uniper companies, and by employer contributions to plan assets. These effects were partly offset by additions attributable to the net periodic pension cost in the first half of 2017.

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

Discount Rates

Percentages	June 30, 2017	December 31, 2016
Germany	2.80	2.40
United Kingdom	2.70	3.10

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 millions	June 30, 2017	December 31, 2016
Present value of all defined benefit obligations	2,752	2,817
Fair value of plan assets	2,121	2,032
Net defined benefit liability	**631**	**785**
Presented as operating receivables and other operating assets	*–*	*–*
Presented as provisions for pensions and similar obligations	*631*	*785*

The net periodic pension cost for defined benefit plans included in the provisions for pensions and similar obligations 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 millions	2017	2016	2017	2016
Employer service cost	22	21	42	39
Past service cost	3	1	4	-1
Gains (-) and losses (+) on settlements	1	–	7	–
Net interest on the net defined benefit liability	5	5	10	10
Total	**31**	**27**	**63**	**48**

(11) 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 common 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 industry-standard 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. Trading operations conducted within the energy industry 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 financial instruments. Portfolio-based credit risks are also taken into account in the calculations.

As part of fair value measurement in accordance with IFRS 13, the counterparty risk is also taken into account for derivative financial instruments. The Uniper Group determines this risk based on a portfolio valuation in a bilateral approach for both own credit risk ("debt value adjustment") and the credit risk of the corresponding counterparty ("credit value adjustment"). The credit value adjustment for derivative assets was -€20 million as of June 30, 2017 (December 31, 2016: -€27 million) and the debt value adjustment for derivative liabilities was €9 million (December 31, 2016: €21 million).

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, 2017

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	574	108	97
Derivatives	8,077	3,377	4,214
Securities and fixed-term deposits	168	168	–
Cash and cash equivalents	678	678	–
Restricted cash	48	48	–
Liabilities			
Derivatives	7,593	3,303	4,127

Carrying Amounts of Financial Instruments as of December 31, 2016

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	568	98	107
Derivatives	13,777	4,844	8,384
Securities and fixed-term deposits	322	172	150
Cash and cash equivalents	169	138	31
Restricted cash	10	10	–
Liabilities			
Derivatives	13,847	5,185	8,452

The carrying amounts of trade receivables are considered reasonable estimates of their fair values because of their short maturity. The carrying amounts of commercial paper and borrowings under short-term credit facilities, as well as the carrying amount of trade payables, are used as the fair values for these items owing to their short maturities. The fair value of the bond as of June 30, 2017, is €501 million, which corresponds to its value as of December 31, 2016. Liabilities to banks amounted to €110 million as of June 30, 2017 (December 31, 2016: €918 million). The reduction of this liability item is primarily due to the repayment in full of the €800 million loan drawn under the syndicated credit facility.

Included within financial assets are funds with a total fair value of €47 million. Their effect in the income statement amounted to €10 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, 2016. There were no material reclassifications between these two fair value hierarchy levels in the first half of 2017. No equity investments were reclassified into Level 3 during this period, and no derivatives were reclassified out of Level 3 into Level 2. 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 millions	**Jan. 1, 2017**	**Purchases (including additions)**	**Sales (including disposals)**	**Settlements**	**Gains/ Losses in income statement**	**Transfers into Level 3**	**Transfers out of Level 3**	**Gains/ Losses in OCI**	**June 30, 2017**
Equity investments	363	1	–	–	9	–	–	-4	369
Derivative financial instruments	339	11	–	–	-27	–	–	–	323
Total	**702**	**12**	**0**	**0**	**-18**	**0**	**0**	**-4**	**692**

At the beginning of the year, a net gain of €219 million from the initial measurement of derivatives was deferred. After realization of €24 million in deferred losses and €18 million in deferred gains, the remainder at the end of the reporting period was a deferred gain of €213 million, which will be realized when the contracts are settled at the end of their terms.

Certain long-term energy contracts are measured using valuation models based on internal fundamental data if market prices are not available. A hypothetical 10% increase or decrease in these internal valuation parameters as of the balance sheet date would lead to a theoretical decrease in market values of €61 million or an increase of €54 million, respectively.

Credit Risk

Whenever possible, pledges of collateral are agreed 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 €3,388 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 exchange clearing. As of June 30, 2017, 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.

(12) 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.

Material changes relative to the December 31, 2016, balance sheet date occurred especially in long-term contractual obligations related to the purchase of fossil fuels such as natural gas, lignite and hard coal. The financial obligations under these purchase contracts amounted to approximately €155.5 billion on June 30, 2017 (due within one year: €5.9 billion) and to approximately €171.9 billion on December 31, 2016 (due within one year: €7.1 billion). The decrease in contractual obligations for purchases of fossil fuels is primarily attributable to a price-related reduction in the minimum purchase requirements for gas procurement and to an increase in contracts measured at fair value. The latter have already been included in the financial statements at their market values.

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 usually makes a final and 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.

(13) Contingencies

Compared with the situation on December 31, 2016, there were no material changes in contingencies in the first half of 2017.

(14) Transactions with Related Parties

Uniper exchanges goods and services with a large number of companies as part of its continuing operations. Some of these companies are related parties of both the E.ON Group and the Uniper Group.

A deconsolidation agreement between E.ON SE, E.ON Beteiligungen GmbH and Uniper SE was entered into with an effective date of December 31, 2016. The signing of the deconsolidation agreement led to E.ON SE losing control of the Uniper Group.

For that reason, for the purposes of the disclosure of transactions with related parties, the relationships with E.ON SE and its subsidiaries and joint ventures have been presented as transactions involving entities with significant influence over Uniper. Transactions with associated companies of the Uniper Group and their subsidiaries, as well as with joint ventures of the Uniper Group, are presented separately. Transactions with subsidiaries of the Uniper Group that are not fully consolidated are presented as transactions with other related parties.

The share of the transactions referred to in the following section made up by transactions with other related parties is not material.

The following were the principal transactions with related parties in the first half of 2017:

Related-Party Transactions—Income Statement

January 1–June 30 € in millions	2017	2016
Income	**4,620**	**6,181**
Entities with significant influence over Uniper	*4,418*	*5,813*
Associated companies	*182*	*181*
Joint ventures	*8*	*12*
Other related parties	*12*	*175*
Expenses	**1,944**	**3,961**
Entities with significant influence over Uniper	*1,713*	*3,617*
Associated companies	*172*	*187*
Joint ventures	*21*	*23*
Other related parties	*38*	*134*

Related-Party Transactions—Balance Sheet

€ in millions	June 30, 2017	Dec. 31, 2016
Receivables	**1,907**	**2,245**
Entities with significant influence over Uniper	*921*	*1,253*
Associated companies	*502*	*482*
Joint ventures	*444*	*446*
Other related parties	*40*	*64*
Liabilities	**1,216**	**2,012**
Entities with significant influence over Uniper	*931*	*1,835*
Associated companies	*126*	*3*
Joint ventures	*38*	*42*
Other related parties	*121*	*132*

Transactions for Goods and Services

Goods delivered and services performed, as well as other income from business transactions and goods and services received and other expenses from business transactions with the E.ON Group, consist of the following:

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

Income generated from transactions with E.ON SE and E.ON Group companies included, in particular, revenues from deliveries of electricity and gas in the amount of €3,477 million (first half of 2016: €4,415 million). Expenses from transactions with E.ON SE and E.ON Group companies principally related to material costs associated with electricity and gas procurement in the amount of €1,396 million (first half of 2016: €1,635 million). Both revenues and cost of materials result from spot and forward transactions concluded at market terms that were conducted by Uniper Global Commodities SE as part of the provision of market access for the E.ON Group's companies.

Accordingly, receivables from and liabilities to related parties consist primarily of trade receivables relating to electricity and gas transactions amounting to €498 million (December 31, 2016: €822 million) and trade payables relating to electricity and gas transactions amounting to €257 million (December 31, 2016: €337 million).

Hedging Transactions and Derivative Financial Instruments

With the organizational restructuring of the Uniper Finance department subsequent to the completion of the spin-off from the E.ON Group, hedging transactions to protect against exchange rate movements are conducted by Uniper SE. The derivative receivables and liabilities from currency hedging transactions with E.ON SE that had still existed in 2016 already had a carrying amount of zero as of year-end 2016. No new hedging transactions have been entered into with related parties in the 2017 fiscal year. Accordingly, there was no corresponding income or expense from currency hedging transactions with E.ON SE in the first half of 2017. In the first half of 2016, income from these hedging transactions had amounted to €438 million, while expenses from these hedging transactions had amounted to €351 million.

Gains from the marking to market of commodity futures transactions with E.ON companies amounted to €847 million in the first half of 2017 (first half of 2016: €304 million); corresponding losses amounted to €273 million (first half of 2016: €1,238 million). Derivative receivables relating to the marking to market of commodity futures transactions were recognized in the amount of €356 million as of June 30, 2017 (December 31, 2016: €382 million); corresponding derivative liabilities relating to the marking to market of commodity futures transactions were recognized in the amount of €601 million (December 31, 2016: €1,250 million).

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 €2,803 million as of June 30, 2017 (December 31, 2016: €3,855 million). The reduction as of December 31, 2016, was mainly caused by the expiration of guarantees and by changes in corporate structures triggered by the spin-off, in which Uniper SE itself assumed some of the guarantees that E.ON SE had given 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 regulatory authorities, which had not been granted as of June 30, 2017. Until such regulatory approval is received, the Uniper Group has released E.ON from any obligations arising from these guarantees by means of an indemnification agreement.

Other

In the first half of 2016, a gain of €528 million was recognized on the sale of PEGI, including its equity interest in Nord Stream AG, to E.ON.

Related Parties

There have been no significant changes in related-party relationships compared with December 31, 2016.

On June 8, 2017, the Annual Shareholders Meeting of Uniper SE approved the compensation system for the Supervisory Board by amending the Articles of Association. Supervisory Board compensation is thus paid retroactively from April 14, 2016, to the members of the Supervisory Board. The structure and amount of Supervisory Board compensation are as described in the Compensation Report within the 2016 Annual Report and in the wording of the Articles of Association published in the invitation to the Annual Shareholders Meeting.

(15) Segment Information and Reconciliation of Income/Loss before Financial Results and Taxes

The following information for the first half of 2017 is provided on the basis of the Uniper Group's internal reporting system in order to enable an assessment to be made of the nature and financial consequences of the business activities conducted by the Uniper Group and of the economic environment in which the Group operates.

Operating Segments

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

European Generation

The European Generation segment comprises the various power and heat generation facilities that the Uniper Group operates in Europe. In addition to fossil-fuel power plants (coal, gas, oil and combined gas and steam power plants) and hydroelectric power plants, these generation facilities also include nuclear power plants 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 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. A further portion of the energy generated is marketed by means of long-term electricity and heat supply contracts. In addition to the power plant business, this segment is also engaged in the marketing of energy services ranging from fuel procurement and engineering to operational and maintenance services to trading services (under the "Energy Services" brand).

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, emission allowances are traded, the electricity produced is marketed, and the portfolio is optimized by managing the use of the power plants. The gas business is engaged in the supply of gas to industrial and municipal-utility customers and in the importation of gas from various sources. In addition, this segment includes infrastructure investments and the gas storage operations, as well as all the activities of the Uniper Group relating to the equity investment in the Siberian gas field Yuzhno-Russkoye.

International Power Generation

The International Power Generation segment brings together the operating power generation business of the Uniper Group in Russia and Brazil. PAO Unipro, an indirect subsidiary of Uniper SE listed in Russia, is responsible for conducting all business in connection with power generation and associated activities in Russia. These include the procurement of the fuels needed for the power plants, the operation and management of the plants and the trading and sale of the energy produced. The Uniper Group's business in Brazil primarily comprises an 8.28% financial investment in the energy utility ENEVA S.A held by the Uniper Group and a 50% shareholding in Pecém II Participações S.A., which operates a coal-fired power plant.

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 consolidations required to be carried out at Group level are also made here.

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 performance. Because it was still included in the E.ON Group for part of the 2016 fiscal year, a measure of earnings before interest, taxes, depreciation and amortization adjusted for non-operating effects ("adjusted EBITDA") was additionally taken into account in the internal reporting organization.

Unadjusted earnings before interest and taxes ("EBIT") represents the Uniper Group's income/loss before financial results and taxes in accordance with IFRS, taking into account the net income/loss from equity investments. Unadjusted EBIT is adjusted for certain non-operating effects in order to increase its meaningfulness as an indicator of the operating performance of Uniper's business.

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

Net book gains are equal to the sum of book gains and losses from disposals, which are included in other operating income and other operating expenses. Effects from the fair value measurement of derivatives are also included in other operating expenses and income. Expenses for restructuring/cost management programs initiated prior to the spin-off represent additional expenses that 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 Group's earnings under IFRS to adjusted earnings before interest and taxes:

Reconciliation of Income/Loss before Financial Results and Taxes

January 1–June 30 € in millions	2017	2016
Income/Loss before financial results and taxes	**1,308**	**-3,471**
Net income/loss from equity investments	3	11
EBIT	**1,311**	**-3,460**
Non-operating adjustments	-381	4,595
Net book gains/losses	*–*	*-522*
Marking to market of derivative financial instruments	*-446*	*1,034*
Restructuring / Cost-management expenses[1, 2]	*13*	*223*
Non-operating impairment charges (+)/reversals (-)[3]	*34*	*2,863*
Miscellaneous other non-operating earnings	*18*	*997*
Adjusted EBIT	**930**	**1,135**

[1]Expenses for restructuring / cost-management in the Global Commodities segment included depreciation and amortization of €7 million in the first half of 2017 (first half of 2016: €8 million).
[2]Expenses for restructuring / cost-management do not include expenses incurred for the current restructuring program and its related subprojects.
[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from 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.

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

Net Book Gains/Losses

No non-operating book gains or losses on sales were realized in the reporting period. The net book gains/losses of €522 million in the first half of 2016 had resulted primarily from the disposal of PEGI, including its equity interest in Nord Stream AG, and from the disposal of Uniper's stake in AS Latvijas Gāze.

Fair Value Measurement of Derivative Financial Instruments

The fair value measurement as of the reporting date of derivatives used to hedge the operating business against price fluctuations generated income of €446 million as of June 30, 2017 (first half of 2016: -€1,034 million).

Restructuring / Cost Management

In the first half of 2017, restructuring and cost-management expenses decreased by €210 million year over year. They amounted to €13 million in the first half of 2017 (first half of 2016: €223 million). The reduction resulted primarily from a one-time expense of approximately €190 million for real-estate transfer taxes that arose in the context of the spin-off in 2016.

Non-operating Impairments/Reversals

Non-operating impairments amounting to €34 million were recorded in the reporting period (first half of 2016: € 2,863 million). As in the prior-year period, they related to the European Generation and Global Commodities segments.

The year-over-year decrease is primarily attributable to impairment charges recognized in the first half of 2016. Reasons for impairments in the first half of 2016 had included, in particular, amended estimates of the regulatory conditions and the change in the market environment, which had led to a deterioration in forecast earnings for the affected assets in the first half of 2016.

Miscellaneous Other Non-operating Earnings

Miscellaneous other non-operating earnings amounted to -€18 million in the first half of 2017 (first half of 2016: -€997 million. The improvement resulted primarily from the non-recurrence of a provision recognized in 2016 for onerous contracts and from lower depreciation of overall reduced gas inventories relative to the prior-year period.

Financial Information by Business Segment

January 1–June 30 € in millions	European Generation		Global Commodities	
	2017	2016	2017	2016
External sales	1,520	1,464	35,173	31,352
Intersegment sales	2,198	1,786	1,743	1,475
Sales	**3,718**	**3,250**	**36,916**	**32,827**
Adjusted EBIT (segment result)	**284**	**120**	**262**	**1,095**
Equity-method earnings[1]	–	–	76	59
Operating cash flow before interest and taxes	**265**	**897**	**847**	**1,111**
Investments	**188**	**177**	**13**	**66**

[1]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 Consolidated Statements of Cash Flows.

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

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

Operating Cash Flow before Interest and Taxes

January 1–June 30 € in millions	2017	2016	Difference
Operating cash flow	**1,407**	**1,952**	**-545**
Interest payments	6	170	-164
Tax payments	106	12	94
Operating cash flow before interest and taxes	**1,519**	**2,134**	**-615**

	International Power		Administration/Consolidation		Uniper Group	
	2017	2016	2017	2016	2017	2016
	606	510	6	1	37,305	33,327
	–	–	-3,941	-3,261	0	0
	606	**510**	**-3,935**	**-3,260**	**37,305**	**33,327**
	477	**-39**	**-93**	**-41**	**930**	**1,135**
	-3	-2	1	–	74	57
	522	**149**	**-115**	**-23**	**1,519**	**2,134**
	66	**44**	**27**	**5**	**294**	**292**

(16) Summary of Significant Changes from the Previous Year

The increase in sales is primarily attributable to increased trading activities in the electricity business and to higher sales in the gas business of the Global Commodities segment. The increase in the cost of materials was almost entirely in line with this development.

The fair value measurement of commodity derivatives on the reporting date led to increases in other operating income and other operating expenses in the income statement. Non-current operating receivables and current other operating assets, as well as current and non-current liabilities, were all reduced on the balance sheet in this connection.

Seasonal effects additionally led to reductions in inventories and trade receivables, as well as in current operating liabilities.

Other operating income in the prior-year period had included the gain on the disposal of PEGI amounting to €528 million. Other operating income in the first half of 2017 included the insurance payment of €326 million received for the boiler damage caused by the fire in the Berezovskaya 3 power plant unit.

In the prior-year period, other operating expenses had included expenses relating to the damage sustained by the power plant in Russia. Other operating expenses in the prior-year period had additionally included expenses of €935 million for the recognition of a provision for onerous contracts in the Global Commodities segment.

The balance of deferred tax assets and liabilities increased by €119 million.

The decrease in current financial receivables is attributable to lower pledges of collateral.

Current financial liabilities were higher due especially to the issuance of commercial paper to fund working capital.

(17) Other Significant Issues after the Balance Sheet Date

In early August 2017, the Management Board of Uniper SE again dealt with the current status of the restoration of the Berezovskaya 3 power plant unit in Russia. Setting aside the progress made in the project, the plant is not expected to be back on stream until the third quarter of 2019. This will require around 28 billion rubles of investments still to be spent.

However, for Uniper SE, this will not have a negative impact at this time on the amounts in the financial statements, nor on the outlook for 2017.

Declaration of the Management Board

To the best of our knowledge, we declare that, in accordance with applicable principles for interim financial reporting, the Condensed Consolidated Interim Financial Statements 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 provides a fair review of the development and performance of the business and the position of the Uniper Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Düsseldorf, August 7, 2017

The Management Board

Klaus Schäfer

Christopher Delbrück

Keith Martin

Eckhardt Rümmler

Financial Calendar

November 7, 2017
Quarterly Statement: January–September 2017

March 8, 2018
Release of the 2017 Annual Report

May 8, 2018
Quarterly Statement: January–March 2018

June 6, 2018
2018 Annual Shareholders Meeting (Grugahalle, Essen)

August 7, 2018
Half-Year Interim Report: January–June 2018

November 13, 2018
Quarterly Statement: January–September 2018

Further Information

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