Half-Year Interim Report 2019

Financial Results

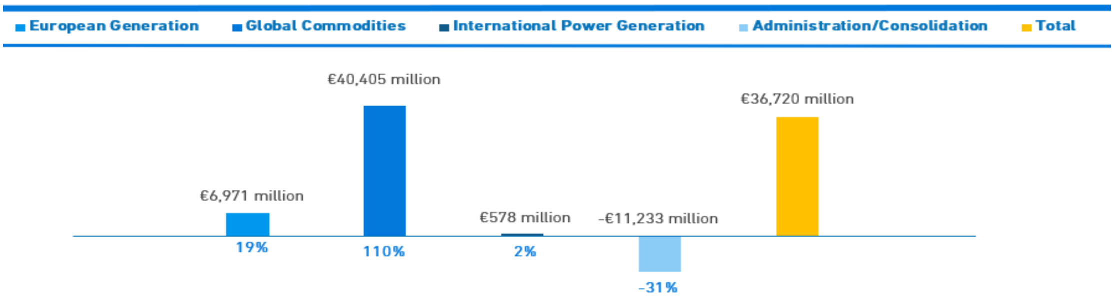
Performance Indicators at a Glance

Financial and Non-Financial Indicators for the Uniper Group

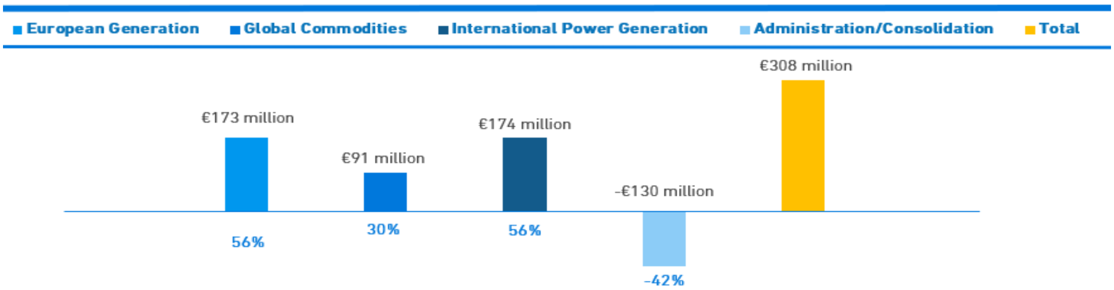
January 1–June 30	Unit	2019	2018	2017	2016
Power procurement and owned generation	Billion kWh	318.7	359.4	376.7	347.2
Electricity sales	Billion kWh	316.5	358.3	375.6	345.9
Gas sales	Billion kWh	1,105.2	1,027.8	994.8	841.6
Sales	€ in millions	36,720	35,968	37,305	33,327
Adjusted EBIT[1]	€ in millions	308	601	930	1,135
For informational purposes: Adjusted EBITDA[1]	€ in millions	657	940	1,253	1,540
Net income/loss	€ in millions	968	-522	1,057	-3,885
Earnings per share[2 3]	€	2.53	-1.49	2.64	-10.58
Cash provided by operating activities	€ in millions	-322	465	1,407	1,952
Adjusted FFO[4]	€ in millions	124	589	678	(580)[5]
Investments	€ in millions	240	244	294	292
Growth	*€ in millions*	*145*	*154*	*192*	*144*
Maintenance and replacement	*€ in millions*	*94*	*90*	*102*	*148*
Economic net debt[6 7]	€ in millions	3,183	2,509	2,445	4,167
Employees as of the reporting date[6]		11,962	11,780	12,180	12,635

[1]Adjusted for non-operating effects. [2]Basis: outstanding shares as of reporting date. [3]For the respective fiscal year. [4]Primarily adjusted for operating cash flows not permanently available for distribution. [5]Figure provided for informational purposes, not a key performance indicator in 2016. [6]Comparative figures as of December 31 of each year. [7]Beginning in 2019, margining receivables are reported as part of economic net debt for the first time. Economic net debt as of December 31, 2018, has been adjusted for consistency. Additional information on this topic can be found in the Financial Condition section of the Interim Report.

External Sales Revenues



Adjusted EBIT



Contents

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

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

This Interim Report, and especially the Forecast Report section, contains certain forward-looking statements that are based on current assumptions and forecasts made by Uniper SE management and on other information currently available to Uniper SE management. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial condition, development or performance of the Company to differ materially from that anticipated in the estimates given here. Risks and chances of this nature include, but are not limited to, the risks specifically described in the Risk and Chances Report.

Interim Management Report

- Adjusted EBIT down year over year, as expected
- Net income significantly above prior-year period
- Higher economic net debt as result of high gas inventories and higher pension provisions
- 2019 forecast and intended dividend proposal for fiscal 2019 reaffirmed

Business Model of the Group

Uniper is an investor-owned international energy company with operations in more than 40 countries and some 12,000 employees. Its business is the secure provision of energy and related services. The Uniper Group is composed of three operating business segments: European Generation, Global Commodities and International Power Generation. Combined separately under Administration/Consolidation are administrative functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level. The ultimate parent 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. 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 first quarter of 2019, amendments to the European Gas Directive based on a compromise proposal by the German and French delegations were accepted in "trilogue" negotiations between the European Council, the European Commission and the European Parliament. The effect of the amendments is that offshore gas pipelines originating in third countries are subject to the directive for the section that runs through the territorial waters of the member states. The competent authority to act in connection with EU regulatory requirements is the regulatory authority of the member state whose transmission system is connected with the pipeline. For the Nord Stream 2 pipeline, which is subject to these requirements, that regulatory authority is the German Federal Network Agency. The Gas Directive entered into force on May 23, 2019. Member states must transpose the amended directive into national law by February 24, 2020.

The topic of "sustainable finance", which among other things includes taking into account environmental, social and governance considerations when financing investments – including more extensive disclosure obligations for companies – is gaining in importance. The proposal for a regulation on disclosures relating to sustainable investments submitted by the European Commission in May 2018 was discussed in the European Parliament and was adopted subsequently in plenary. Since the European Council has not yet taken a position, it is expected that the "trilogue" process will not commence until the third quarter of 2019 at the earliest.

In Germany, the debate on the future of coal-fired power generation continued to dominate the energy and climate policy agenda early in 2019. On January 26, 2019, the Commission on Growth, Structural Change and Employment ("Coal Commission") submitted recommendations concerning, among other things, an end date for coal-fired power generation and accompanying structural measures in lignite regions. The German government intends to reach agreement on the decommissioning of coal-fired power plants and on potential compensation in consultations with the owners of the power plants. The potential effects on Uniper cannot be stated at this time, since laws giving effect to the recommendations have yet to be enacted. Regarding the Datteln 4 power plant, Uniper remains committed to having it operate commercially starting in mid-2020. Accordingly, Uniper rejects the Coal Commission's recommendation not to commission Datteln 4 – one of Europe's most efficient and modern coal-fired power plants.

In June 2019, the "Ordinance to Improve the Framework Conditions for the Development of LNG Infrastructure in Germany" was adopted. This change to the Gas Network Access Ordinance supports the policy objective of developing infrastructure for liquefied natural gas in Germany. This change requires transmission system operators to erect the necessary pipelines between LNG facilities and the transmission system, and to connect the LNG facilities to the transmission system. The German Federal Ministry for Economic Affairs additionally launched the "Gas 2030" dialogue process as a forum for in-depth discussion of the medium- and long-term prospects for the use of gas, including synthetic natural gas and hydrogen, as an energy source. Uniper is participating in the discussions along with other companies, associations, scientists and representatives of various ministries and other interest groups.

In the Netherlands, the parliament voted early in July 2019 on the draft legislation providing for the phasing-out of coal-fired power generation by the end of 2029. The draft legislation will be deliberated by the Dutch senate in the third or fourth quarter of 2019. On June 28, 2019, the government presented a package of measures for reducing greenhouse gas emissions by 49% by 2030, which emerged from negotiations with different societal interest groups (the Climate Accord). The measures include a minimum CO_2 price for power generation, 70% renewable energy in 2030, a carbon tax for industry and support for the use of carbon capture and storage ("CCS") in industry.

At the end of January 2019, the Russian government approved the 2022–2031 modernization program ("KOMMod") for the power-plant sector. The list of KOMMod plants for 2022–2024 comprises a total capacity of 10.4 gigawatts and includes the projects to modernize Units 1 and 6 of the Surgutskaya power plant. The government of the Russian Federation approved the list of modernization projects, which includes Uniper power plants, on August 2, 2019.

The new minority government in Sweden took office in January 2019. The opposition is calling for refinements to the Agreement on Swedish Energy Policy, which aims to achieve "100% Renewable Energy" by 2045, and thus to completely dispense with fossil fuels. The debate on the future role of nuclear power is gathering pace, and national opinion polls indicate growing support for existing and new nuclear power installations in Sweden. The ruling Social Democrats have signaled their openness to making refinements to the Energy Policy Agreement.

The government of the United Kingdom continues to support the capacity market and anticipates that a European Commission decision on the resumption of state aid approval can be made in the autumn of 2019. At the same time, the European Commission has appealed the ruling of the European General Court that had originally led to the suspension of the UK capacity market. The British government is deliberating on CO_2 pricing after Brexit and favors a British emissions trading system that is linked to the EU ETS. In the event of a disorderly ("no-deal") Brexit, the EU ETS would be replaced temporarily by a carbon tax. If the UK-EU Withdrawal Agreement is ratified, the United Kingdom will remain in the EU ETS until the end of 2020 and then aims to have a British ETS linked to the EU system in place by January 2021.

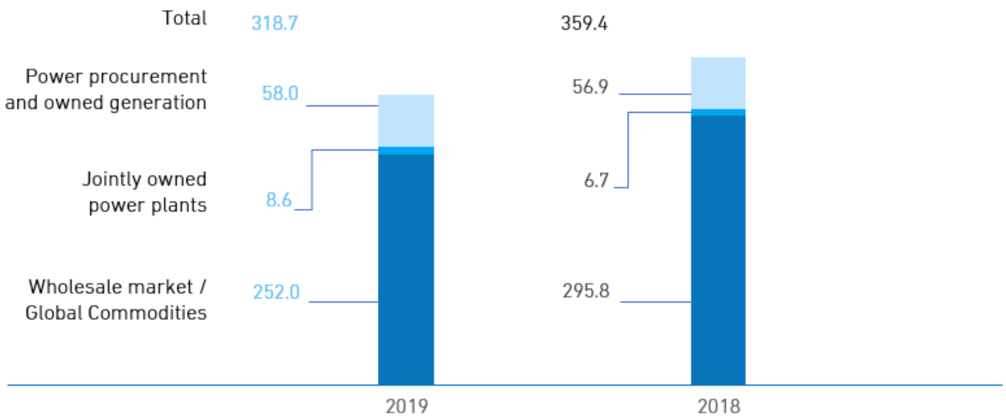
Business Performance

Power Procurement and Owned Generation

In the first half of 2019, the amount of electricity generated by the Uniper Group's own power plants stood at 58.0 billion kWh, a slight increase of 1.1 billion kWh, or 2.0%, over the prior-year period. Purchased electricity fell significantly, by 43.8 billion kWh, or 14.8%, to 252.0 billion kWh.

Power Procurement and Owned Generation[1,2]

Billion kWh in the first half-year



[1]Any rounding differences between individual volumes and totals are accepted.
[2]The consolidation approach used in financial control means that only fully consolidated power plants (shareholding of more than 50%) are included in the generation volume, regardless of who operates these power plants.

The European Generation segment's owned generation totaled 32.7 billion kWh in the first half of 2019, a change of -1.5 billion kWh, or -4.6%, down slightly from the prior-year level of 34.2 billion kWh. Generally lower market-related uptimes at the Uniper coal-fired power plants, and specifically the technical production stoppage of Uniper's Maasvlakte 3 coal-fired power plant in the Netherlands, were only partially offset by higher market-related uptimes at the gas-fired power plants. Higher flows of water year over year in the second quarter in Sweden had a slightly positive impact on hydroelectric generation, while generation from run-of-river hydroelectric plants in Germany was slightly below the prior-year level. As a result, total hydroelectric generation for the first half of 2019 was slightly diminished year over year.

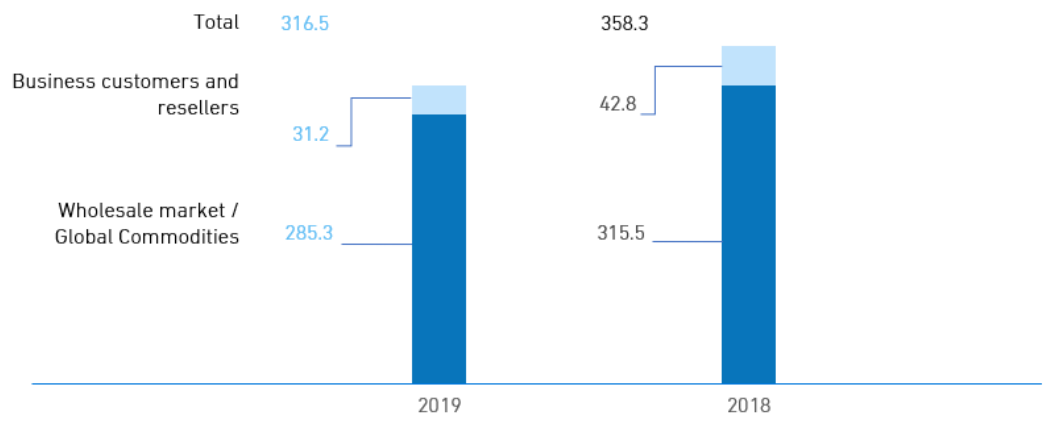
In the International Power Generation segment (Russia), owned generation rose significantly year over year by 2.7 billion kWh, or 12.1%, from 22.7 billion kWh in the prior-year period to 25.4 billion kWh in the first half of 2019. The increase was mainly attributable to higher uptimes at the Surgutskaya and Berezovskaya (Units 1 and 2) power plants, which resulted from higher energy consumption due to increasing oil production in the Tyumen region of Russia. The uptimes of the Berezovskaya power plant increased as the supply of inexpensive energy to the Siberian region by competitors declined.

Electricity Sales

In the first half of 2019, the Uniper Group's electricity sales stood at 316.5 billion kWh, a significant decrease of -11.7% from the level of 358.3 billion kWh recorded in the prior-year period.

Electricity Sales[1] [2]

Billion kWh in the first half-year



[1]Difference from electricity procurement results from operating consumption and network losses.
[2]Any rounding differences between individual volumes and totals are accepted.

The changes in electricity sales volumes were caused primarily by reduced optimization activities 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 2019 came to 17.2 billion kWh, which was significantly below the level of the prior-year period (20.5 billion kWh). The reduction is primarily attributable to expiring contracts with customers.

Gas Procurement

In the first half of 2019, the Global Commodities segment procured roughly 1,123.1 billion kWh of natural gas from domestic and foreign producers. This represents a slightly higher level of natural gas procurement relative to the prior-year period (1,084.4 billion kWh).

Long-Term Gas Supply Contracts

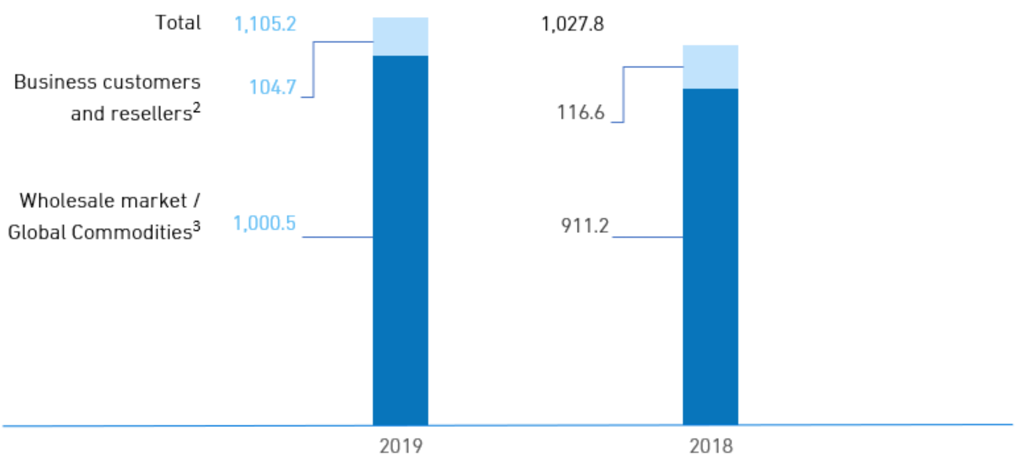
The procurement of gas takes place to a significant extent on the basis of various long-term contracts with gas producers. The gas required by the Uniper Group is procured mainly from suppliers in Germany, the Netherlands, Norway and Russia. In the first half of 2019, there were long-term contracts for a total contracted volume of 195 billion kWh (first half of 2018: 181 billion kWh).

Gas Sales

The Uniper Group's gas sales stood at 1,105.2 billion kWh in the first half of 2019, which is noticeably above the level of the prior-year period (1,027.8 billion kWh).

Gas Sales[1][2][3]

Billion kWh in the first half-year



1 Any rounding differences between individual volumes and totals are accepted.
2 Business customers and resellers of the UES sales unit and of the business in France.
3 Total sales of the trading unit in the Global Commodities segment via various sales channels (exchanges, customers, etc.).

The changes in gas sales volumes relate primarily to the Global Commodities segment. The increase resulted to a significant extent from a rise in wholesale-market activity.

Aside from gas trading in the energy markets and sales to customers via the Global Commodities segment's trading unit, a portion of the Uniper Group's gas sales is transacted through the internal sales unit UES by means of contracts with major customers such as municipal utilities, regional gas suppliers, industrial customers and power plants in Germany and abroad. Gas sales by UES in the first half of 2019 came to 106.3 billion kWh, which was noticeably below the level of the prior-year period (111.9 billion kWh) and reflected an intensely competitive environment and the impact of warm temperatures in February and March.

Gas Storage Capacity

Uniper Energy Storage GmbH is 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 in the European storage market and the development of new storage technologies. Uniper Energy Storage GmbH manages natural gas storage facilities in Germany, Austria and, through a subsidiary, in the UK. In the first half of 2019, gas storage capacity stood at 7.7 billion m^3, which is slightly below the prior-year period (8.0 billion m^3) and resulted mainly from expiring storage contracts.

Business Developments and Key Events in the First Half of 2019

In early February 2019, the Executive Committee of the Supervisory Board reached an understanding with Klaus Schäfer and Christopher Delbrück, on a termination by mutual agreement of their respective employment agreements and appointments as members of the Management Board of Uniper SE. The appointment of Klaus Schäfer as Chief Executive Officer of Uniper SE and the appointment of Christopher Delbrück as Chief Financial Officer ended, respectively, on May 31, 2019.

On May 2, 2019, the Supervisory Board of Uniper unanimously resolved to appoint Andreas Schierenbeck as the new Chief Executive Officer of Uniper, and Sascha Bibert as the Company's new Chief Financial Officer. Andreas Schierenbeck and Sascha Bibert began their appointments on June 1, 2019.

Furthermore, on May 28, 2019, the Executive Committee of the Supervisory Board reached an understanding with the Chief Commercial Officer, Keith Martin, and the Chief Operating Officer, Eckhardt Rümmler, on a termination by mutual agreement of their respective employment agreements and appointments as members of the Management Board effective November 30, 2019.

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

The hydrological situation in Sweden returned to normal at the beginning of the year compared with the particularly water-rich first quarter of 2018. Higher flows of water year over year in the second quarter in Sweden had a positive impact on hydroelectric generation. Generation from run-of-river hydroelectric plants in Germany was slightly below the prior-year level.

The mild temperatures in the first half of 2019 led to reduced demand for natural gas in Germany and the rest of Europe, which in turn led especially to price declines at individual gas trading points. As a result, gas utilities were faced with the challenge of applying economic considerations when taking delivery of the volumes committed to under long-term contracts. Thanks to its flexible gas portfolio, Uniper successfully mastered this challenge, even as the 2018/2019 winter withdrawal rates ultimately ended up far below those of the previous year and storage levels were higher than in the previous year.

The first quarter of 2019 was characterized by mild weather, especially in February and March, which depressed market prices for electricity and CO_2. Low gas prices in the second quarter of 2019 coupled with high carbon prices resulted in persistently low uptimes at Uniper's coal-fired power plants. At the same time, Uniper's gas-fired power plants benefited from increased uptimes.

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

The repair project to replace the damaged components of the boiler of Unit 3 of the Berezovskaya power plant in Russia has been delayed by a change of the project plan. This has led to a shift of the planned commercial operation date into the first quarter of 2020. The remaining investment amount still to be spent now stands at roughly 10 billion rubles.

At the end of March 2019, Uniper concluded an agreement with First State Investments to divest its stake in OLT Offshore LNG Toscana S.p.A. First State Investments acquired Uniper's 48.2% shareholding in OLT and the outstanding loan receivable in its entirety. The sales price for both Uniper's stake and the loan amounted to some €400 million in total and was adjusted on closing for payments already made to Uniper for 2018 and 2019, which meant that Uniper received funds totaling approximately €330 million when the transaction closed.

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

In May 2019, Uniper announced that it would discontinue its planning for a new co-generation plant at the Marl site in the northern Ruhr area. Internal analyses showed that the project was unlikely to be economically viable under the current energy-industry conditions. In addition, Uniper recently made the decision to invest in a natural-gas-fired combined heat and power plant at the Gelsenkirchen-Scholven site and reviewed further commitments following that decision.

The so-called Open Season process to gauge market participants' interest in the LNG terminal project in Wilhelmshaven took place between May 20 and July 19, 2019. LNG Terminal Wilhelmshaven GmbH, a Uniper Group company, will continue the initiative to realize the first LNG import terminal in Germany. In order to take part in the Open Season process, interested parties were asked to submit a written expression of interest and to demonstrate that the party is already active in the market for liquefied natural gas or intends to pursue such activity in the future.

Changes in Ratings

Uniper SE has investment-grade ratings of BBB (stable) from Standard & Poor's Global Ratings ("S&P") and BBB+ (stable) from Scope Ratings. Both ratings were unchanged in the first half of 2019.

S&P had raised Uniper's rating to BBB with a stable outlook on April 27, 2018. S&P maintained that rating in the first half of 2019. The continued stable outlook reflects S&P's view that the change in Uniper's shareholder structure continues not to have a negative impact on the Company's credit quality, in particular its independence, strategy and financial policy, and that S&P currently sees no grounds for changing that opinion.

Uniper has been assigned a long-term issuer credit rating of BBB+ by Scope Ratings. That rating was reaffirmed in May 2019. The outlook remains stable.

Earnings

Sales Performance

Sales

January 1–June 30 € in millions	2019	2018	+/- %
European Generation	6,971	5,725	21.8
Global Commodities	40,405	37,693	7.2
International Power Generation	578	527	9.6
Administration/Consolidation	-11,233	-7,977	-40.8
Total	**36,720**	**35,968**	**2.1**

At €36,720 million, sales revenues in the first half of 2019 were roughly 2% above the prior-year figure (first half of 2018: €35,968 million).

European Generation

Sales in the European Generation segment rose by €1,246 million, from €5,725 million in the prior-year period to €6,971 million in the first half of 2019.

The increase in sales is primarily attributable to higher internal transactions with the trading unit in the Global Commodities segment. This was mainly due to an increase in electricity prices as a result of higher prices for emission allowances.

Global Commodities

Sales in the Global Commodities segment rose by €2,712 million, from €37,693 million in the previous year period to €40,405 million in the first half of 2019.

The gas business posted a rise in sales due to higher trading volumes, which offset the effect of comparatively reduced gas prices relative to the previous year. The increase in sales in the electricity business is attributable to higher internal transactions between the power plant operating companies of the European Generation segment and the Global Commodities segment's trading unit. Sales in the electricity business generated through external transactions remained virtually unchanged.

International Power Generation

Sales in the International Power Generation segment rose by €51 million, from €527 million in the prior-year period to €578 million in the first half of 2019.

The increase in sales is attributable especially to higher electricity prices in the day-ahead market and to increased generation volumes. It resulted mainly from higher energy consumption due to increased oil production in Russia's Tyumen region, as well as from a reduced supply of inexpensive energy to the Siberian region. This was partially offset by negative currency translation effects compared with the first half of the previous year.

Administration/Consolidation

Revenues attributable to the Administration/Consolidation reconciliation item changed by -€3,256 million, from -€7,977 million in the first half of 2018 to -€11,233 million in the first half of 2019.

This is primarily a consolidation effect arising from intersegment transactions between the power plant operating companies of the European Generation segment and the Uniper Group's trading unit held in the Global Commodities segment.

Sales by product break down as follows:

Sales

January 1–June 30 € in millions	2019	2018	+/- %
Electricity	13,222	13,388	-1.2
Gas	22,002	21,230	3.6
Other	1,496	1,350	10.8
Total	**36,720**	**35,968**	**2.1**

Significant Earnings Trends

The net income of the Group was €968 million (first half of 2018 net loss of €522 million). Income before financial results and taxes increased to €1,182 million (first half of 2018: -€744 million).

The principal factors driving this earnings trend are presented below:

The cost of materials increased by €1,304 million in the first half of 2019 to €35,494 million (first half of 2018: €34,190 million), thus following the sales trend described previously.

Personnel costs decreased by €51 million in the first half of 2019 to €491 million (first half of 2018: €542 million). While also reflecting the impact of lower expenses for occupational retirement benefits, the reduction in personnel costs resulted primarily from the revaluation and settlement of allocations made in the second quarter of 2018 under the long-term incentive ("LTI") packages for the years 2015, 2016 and 2017 in connection with the change-of-control event that occurred following the closing of the acquisition by Fortum Deutschland SE of the block of shares previously held indirectly by E.ON SE, and the associated expenses.

Depreciation, amortization and impairment charges amounted to €357 million in the first half of 2019 (first half of 2018: €616 million). The €259 million reduction is primarily attributable to the non-recurrence of an impairment charge recognized in the first quarter of 2018 on the Datteln 4 hard-coal power plant currently under construction.

Other operating income increased to €11,625 million in the first half of 2019 (first half of 2018: €9,861 million). The change is primarily due to an increase of €1,622 million in gains on financial hedging transactions to €3,790 million (first half of 2018: €2,168 million). In addition, provisions for onerous contracts relating to storage leases in the Global Commodities segment totaling €197 million were reversed; in the prior-year period, reversals of provisions had amounted to €8 million.

Other operating expenses decreased to €10,920 million in the first half of 2019 (first half of 2018: €11,304 million). The decrease resulted primarily from the marking to market of commodity derivatives, for which the loss declined by €1,797 million to €6,288 million (first half of 2018: €8,085 million). It was partially offset by an increase in losses on financial hedging transactions, which rose by €1,508 million to €3,777 million (first half of 2018: €2,269 million).

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.

In order to increase its meaningfulness as an indicator of the operating performance of Uniper's business, EBIT is adjusted for certain non-operating effects to produce a reliable adjusted EBIT measure, which is used for internal management control purposes.

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 and income from 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	2019	2018
Income/loss before financial results and taxes	**1,182**	**-744**
Net income/loss from equity investments	5	1
EBIT	**1,186**	**-743**
Non-operating adjustments	-878	1,344
Net book gains (-)/losses (+)	*0*	*31*
Fair value measurement of derivative financial instruments	*-772*	*1,057*
Restructuring / Cost-management (+)/income (-)[1 2]	*4*	*-55*
Non-operating impairment charges (+)/reversals (-)[3]	*2*	*270*
Miscellaneous other non-operating earnings	*-112*	*41*
Adjusted EBIT	**308**	**601**
For informational purposes: Economic depreciation and amortization/reversals	*349*	*339*
For informational purposes: Adjusted EBITDA	*657*	*940*

[1]Expenses for, and income from, restructuring and cost management in the Global Commodities segment included depreciation and amortization of €6 million in the first half of 2019 (first half of 2018: €6 million).
[2]Not included in restructuring and cost-management expenses/income are expenses incurred for the current restructuring program and its related subprojects.
[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

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

A book gain of just under €5 million was realized in the reporting period on the disposal of the shareholding in OLT Offshore LNG Toscana S.p.A., which was partially offset by a loss of €4 million resulting from expenses associated with the disposal of the remaining ownership interest in ENEVA S.A. In the prior-year period, a book loss of €31 million had resulted from the sale of the investment in the joint venture Pecém II Participações S.A. That loss had resulted primarily from the reclassification to the income statement of currency translation differences recognized in other comprehensive income in preceding periods.

The fair value measurement of derivatives used to hedge the operating business against price fluctuations resulted in gains of €772 million in the first half of 2019 due to higher market values (first half of 2018: net loss of €1,057 million).

In the first half of 2019, restructuring and cost-management expenses/income changed by -€59 million relative to the prior-year period. The expense in the first half of 2019 amounted to €4 million (first half of 2018: €55 million income). The previous year's income had resulted primarily from the partial reversal of miscellaneous provisions that had been recognized in the course of the spin-off from E.ON and adjusted on a non-operating basis.

An expense from non-operating impairments was recognized in the reporting period in the amount of €2 million. These non-operating valuation adjustments relate to generation assets held in the International Power Generation segment that are operated against the backdrop of regulatory requirements. In the prior-year period, non-operating impairments had amounted to €270 million and had related to the Datteln 4 hard-coal power plant currently under construction, in the European Generation segment.

Income of €112 million was classified as miscellaneous other non-operating earnings in the first half of 2019 (first half of 2018: €41 million expense). The change resulted primarily from adjustments of provisions recognized for non-operating effects in the Global Commodities segment. Here the reversal of provisions for contracted gas storage capacities and the addition to provisions for onerous contracts in the LNG business had an offsetting effect. In the prior-year period, an additional non-operating expense had been recognized as part of the revaluation and settlement of allocations that vested prematurely under the long-term incentive ("LTI") packages for the years 2015, 2016 and 2017. Due to the occurrence of the change-of-control event, these allocations became due upon completion of the takeover offer of Fortum Deutschland SE.

Adjusted EBIT

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

Segments

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

Adjusted EBIT

January 1–June 30 € in millions	2019	2018	+/- %
European Generation	173	372	-53.4
Global Commodities	91	186	-51.1
International Power Generation	174	142	22.3
Administration/Consolidation	-130	-99	-31.7
Total	**308**	**601**	**-48.8**

European Generation

Adjusted EBIT in the European Generation segment decreased by €199 million, from €372 million in the prior-year period to €173 million in the first half of 2019.

This negative trend was mainly due to the non-recurrence of positive one-off effects from the previous year as well as price-related higher carbon allowance costs, which were not offset by corresponding income in the operating result during the year. Specifically, higher expenses recognized in the context of measuring provisions for carbon allowances as part of operating activities are partially offset by hedges that will not be realized until the end of 2019, and for which any interim gains on fair value measurement are reported as non-operating income until they are realized. In addition, temporary production stoppages at Unit 2 of the Ringhals nuclear power plant in Sweden, in which Uniper holds a minority stake, and unavailability at the

Maasvlakte 3 coal-fired power plant in the Netherlands had a negative impact on earnings. The European Generation segment's adjusted EBIT was also negatively impacted by the suspension of the UK capacity market at the end of 2018 and lower earnings in France compared with the same period in the previous year. By contrast, the management of the long-term price risk from emission allowances with Global Commodities had a positive effect.

Global Commodities

Adjusted EBIT in the Global Commodities segment decreased by €95 million, from €186 million in the prior-year period to €91 million in the first half of 2019.

The decline in earnings is primarily attributable to the non-recurrence of positive earnings contributions in 2018 from the hedging of future contractually agreed physical LNG deliveries and to additional negative earnings impacts from these hedges in the first half of 2019. Successful optimization activities in the gas trading markets had an offsetting effect. A further negative effect came from the management of the long-term price risk from emission allowances with European Generation.

International Power Generation

Adjusted EBIT in the International Power Generation segment increased by €32 million, from €142 million in the prior-year period to €174 million in the first half of 2019.

Adjusted EBIT was positively affected by higher electricity prices in the day-ahead market and by increased generation volumes in Russia. The increase in generation volumes resulted primarily from higher demand arising from increased oil production in Russia's Tyumen region and from a reduced supply of inexpensive energy to the Siberian region. This was partially offset by a slightly negative impact on adjusted EBIT from currency translation effects.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item changed by -€31 million, from -€99 million in the first half of 2018 to -€130 million in the first half of 2019. This change resulted particularly from the reconciliation of the adjusted EBIT of the operating segments to the Group's adjusted EBIT relating to the measurement of the provision for a shortfall in carbon allowances (reclassification to intersegment figures at Group level).

Adjusted Funds from Operations

Adjusted funds from operations ("adjusted FFO") is a key performance indicator used by the Uniper Group for the full year only as a measure for, among other things, determining indirectly the residual cash flow available for distribution to shareholders and the variable compensation of the Management Board. This information is used solely for the management of the Group as a whole.

Adjusted FFO for the first half of 2019 amounted to €124 million, a year-over-year decrease of €465 million (first half of 2018: €589 million).

The basis of unadjusted funds from operations is cash provided by operating activities (i.e., operating cash flow). In a first step, this cash flow is adjusted for changes in operating and tax assets and liabilities during the reporting period, which eliminates timing differences caused by unforeseeable inflows and outflows of cash. Reported as changes in operating assets and liabilities are, among other things, changes from the fair value measurement of derivatives entered into for hedging purposes. These changes are also eliminated because they do not affect cash flows. Finally, for the same reason, gains on foreign-currency translation of operating receivables and payables, as well as an adjustment for cash flows arising from subsequent purchase price adjustments from acquisitions and disposals, are also eliminated, because the latter originate from investing activities.

To determine adjusted FFO, current employer service cost and past service cost affecting future cash flows are subtracted from FFO. Furthermore, net payments to, and reimbursements from, the Swedish Nuclear Waste Fund (net presentation) are subtracted from FFO even though they are reported as cash flow from investing activities because they result directly from operations. Dividends declared and distributed to minority shareholders of subsidiaries are also not available to shareholders of the Company, and are eliminated accordingly.

Reconciliation of Cash Flow from Operating Activities to Adjusted FFO

January 1–June 30 € in millions	2019	2018
Cash flow from operating activities	**-322**	**465**
Reconciliation items		
Elimination of changes in operating and tax assets and liabilities	*471*	*88*
Dividends declared and distributed to minority shareholders	*-15*	*-16*
Miscellaneous adjustments	*-10*	*51*
Adjusted funds from operations	**124**	**589**

In addition to an adjustment of changes in operating and tax assets, liabilities and income taxes in the amount of €1,367 million (first half of 2018: -€1,023 million; see also the Uniper Group's Consolidated Statement of Cash Flows), the elimination of changes in operating and tax assets and liabilities also reflects the correction of changes in derivatives entered into for hedging purposes in the amount of €892 million (first half of 2018: -€1,108 million), with the result that realized, cash-effective hedging derivatives are included in adjusted FFO.

Reported dividends declared for or distributed to minority shareholders amounted to €15 million in the first half of 2019 (first half of 2018: €16 million).

The miscellaneous adjustments consist of current employer service cost and past service cost relating to Uniper's pension programs, which reduce adjusted FFO because they affect future cash flows. A net reimbursement from the Swedish Nuclear Waste Fund ("KAF"), which slightly increased adjusted FFO, has the opposite effect. In the prior-year period, the adjustments had additionally included the correction for the non-operating expense recognized as part of the revaluation and settlement of allocations that vested prematurely under the long-term incentive ("LTI") packages for the years 2015, 2016 and 2017. These allocations had vested because of the change-of-control event that followed the completion of the takeover offer by Fortum Deutschland SE.

Financial Condition

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

Financial Liabilities

The following table breaks down financial liabilities by the main sources of financing as of June 30, 2019, and December 31, 2018, respectively:

Financial Liabilities and Liabilities from Leases

€ in millions	Jun. 30, 2019	Dec. 31, 2018
Commercial paper	140	493
Liabilities to banks	98	108
Other financial liabilities (including liabilities to affiliated companies)	2,334	2,338
Lease liabilities	*815*	*813*
Margining liabilities	*1,002*	*976*
Liabilities to co-shareholders from shareholder loans	*407*	*425*
Other financing	*109*	*124*
Total	**2,572**	**2,939**

In the first half of 2019, financial liabilities and liabilities from leases decreased by €367 million. The decline is primarily attributable to the redemption of commercial paper outstanding. Margining liabilities from futures transactions, increased slightly by €26 million; other financing decreased by €15 million.

Economic Net Debt

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

Economic Net Debt

€ in millions	Jun. 30, 2019	Dec. 31, 2018[1]
Liquid funds	717	1,400
Non-current securities	93	83
Margining receivables[1]	442	698
Financial liabilities and liabilities from leases	2,572	2,939
Lease liabilities	*815*	*813*
Margining liabilities	*1,002*	*976*
Other financial liabilities	*754*	*1,150*
Net financial position	**1,319**	**757**
Provisions for pensions and similar obligations	1,022	804
Provisions for asset retirement obligations[2]	842	948
Other asset retirement obligations	*717*	*743*
Asset retirement obligations for Swedish nuclear power plants[3]	*2,381*	*2,476*
Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet[3]	*2,256*	*2,271*
Economic net debt	**3,183**	**2,509**
For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[3]	374	348
For informational purposes: Fundamental economic net debt	**2,808**	**2,162**

[1]Since 2019, margining receivables are reported as part of economic net debt for the first time. Economic net debt as of December 31, 2018, was adjusted for consistency.

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

[3]Due to IFRS valuation rules (IFRIC 5), €374 million (December 31, 2018: €348 million) of Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund may not be capitalized on the balance sheet. Accordingly, there exists an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet, and the economic net obligation for the decommissioning of the Swedish nuclear power plants is thus reported too high in the table by the amount of this receivable.

Compared with December 31, 2018, and based on Uniper's adjusted definition, economic net debt increased as of June 30, 2019, by €674 million to €3,183 million (comparable adjusted economic net debt as of December 31, 2018: €2,509 million). Along with an operating cash outflow (-€322 million) and investment spending (-€240 million), Uniper SE's dividend distribution of -€329 million reduced liquid funds in the first half of 2019. Proceeds from disposals of equity investments, on the other hand, increased the net financial position by €417 million. Within the net financial position, liquid funds were reduced by €353 million in the first half of 2019 to repay commercial paper outstanding as of December 31, 2018. Margining receivables were reduced by returned margin deposits for futures transactions, which increased liquid funds by €256 million, as well as by the rise in margining liabilities, which added €26 million to liquid funds.

In addition, provisions for pensions and similar obligations increased by €218 million to €1,022 million (December 31, 2018: €804 million), particularly as a result of the further decline in interest rates as of June 30, 2019, compared with those at year-end 2018. Provisions for asset retirement obligations fell to €842 million as of June 30, 2019 (December 31, 2018: €948 million), resulting especially from a primarily currency-related decline of €95 million in asset retirement obligations for Swedish nuclear power plants and from an interest-related decline of €26 million in other asset retirement obligations.

Investments

Investments

January 1–June 30 € in millions	2019	2018
Investments		
European Generation	*133*	*136*
Global Commodities	*14*	*11*
International Power Generation	*84*	*83*
Administration/Consolidation	*9*	*14*
Total	**240**	**244**
Growth	*145*	*154*
Maintenance and replacement	*94*	*90*

Investments in the Uniper Group as a whole were at prior-year level.

In the first half of 2019, €133 million was invested in the European Generation segment, €3 million less than the €136 million reported for the prior-year period. The change was primarily due to reduced investment spending on the Datteln 4 growth project. This was partially offset by higher maintenance and replacement spending in France and in the Netherlands.

In the Global Commodities segment, investments amounted to €14 million in the first half of 2019 and were €3 million higher than in the prior-year period, which is primarily attributable to higher IT spending.

In the first half of 2019, €84 million was invested in the International Power Generation segment, €1 million more than the €83 million spent in the prior-year period. Investments in the first half of 2019 related primarily to the repair of Unit 3 of the Berezovskaya power plant.

Investment spending in the Administration/Consolidation segment totaled €9 million in the first half of 2019, down €5 million compared with the first half of 2018. This change is primarily attributable to lower spending on software licenses.

Cash Flow

Cash Flow

January 1–June 30 € in millions	2019	2018
Cash provided by (used for) operating activities (operating cash flow)	**-322**	**465**
Cash provided by (used for) investing activities	**598**	**-908**
Cash provided by (used for) financing activities	**-753**	**25**

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

Cash provided by operating activities (operating cash flow) declined by €787 million in the first half of 2019 to -€322 million (first half of 2018: €465 million). One of the reasons for the reduction of the operating cash flow was the significant decline in operating income (see sections "Key Events and Business Development in the First Half of 2019" and "Adjusted EBIT"). In addition, the market-related lower withdrawals in the first quarter of 2019 and, at the same time, the current price level led to an earlier build-up of gas storage levels compared with the prior-year period, which had an additional negative impact on operating cash flow.

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

Operating Cash Flow before Interest and Taxes

January 1–June 30 € in millions	2019	2018	+/-
Operating cash flow	**-322**	**465**	**-787**
Interest payments	12	6	5
Income tax payments (+) / refunds (-)	58	-23	81
Operating cash flow before interest and taxes	**-252**	**448**	**-701**

Cash Flow from Investing Activities

Cash provided by investing activities rose by €1,506 million, from -€908 million in the first half of 2018 to €598 million in the first half of 2019. This was mainly due to the change in margin deposits for futures transactions (receivables from margining), which resulted in a cash inflow of €256 million (prior-year period: cash outflow of €404 million). In addition, cash flow from investing activities increased by €502 million over the comparative period due to proceeds of €204 million from the sale of securities (prior-year period: cash outflow of €298 million for the purchase of securities). The €423 million increase in proceeds from disposals (first half of 2018: €126 million) also had a positive effect. Cash outflows for investments in intangible assets and property, plant and equipment remained unchanged from the comparative period at €239 million.

Cash Flow from Financing Activities

In the first half of 2019, cash provided by financing activities amounted to -€753 million (first half of 2018: €25 million). Financial liabilities of €493 million from commercial paper outstanding as of the beginning of the year were reduced by redemptions of -€353 million to €140 million as of June 30, 2019. The increase of €26 million in margin liabilities from futures and forward transactions led to a corresponding cash inflow (prior-year period: inflow of €141 million). The distribution of Uniper SE's dividend in the amount of -€329 million reduced liquid funds (prior-year period: -€271 million).

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Jun. 30, 2019	Dec. 31, 2018
Non-current assets	23,929	24,156
Current assets	20,138	26,449
Total assets	**44,067**	**50,605**
Equity	12,148	11,445
Non-current liabilities	12,685	12,657
Current liabilities	19,234	26,503
Total equity and liabilities	**44,067**	**50,605**

Non-current assets as of June 30, 2019, decreased relative to December 31, 2018, from €24,156 million to €23,929 million. This was caused primarily by the valuation-related decrease of €275 million in receivables from derivative financial instruments.

Current assets fell from €26,449 million as of December 31, 2018, to €20,138 million. The principal causes of the decline were the valuation-related reduction in receivables from derivative financial instruments from €12,214 million by €2,325 million to €9,889 million and the seasonal decline in trade receivables from €8,353 million by €3,135 million to €5,218 million. This was partially offset by an increase in inventories primarily from gas storage injections, which rose by €638 million to €2,242 million.

Equity increased from €11,445 million to €12,148 million as of June 30, 2019. The net income of the Group increased equity by €968 million. Of this amount, €43 million is attributable to non-controlling interests. The effect of foreign exchange rates on assets and liabilities was also positive, and amounted to €267 million. The remeasurement of defined benefit plans in the amount of €192 million, which was due to lower discount rates applicable on the balance sheet date, had an offsetting effect. The equity ratio as of June 30, 2019, was 28% (December 31, 2018: 23%).

Non-current liabilities increased from €12,657 million at the end of the previous year to €12,685 million as of June 30, 2019. Significant effects resulted from the increase in provisions for pensions and similar obligations by €218 million to €1,022 million (December 31, 2018: €804 million), particularly as a result of further reduced interest rates as of June 30, 2019, compared with those at year-end 2018; an offsetting effect came from the valuation-related decrease of €198 million in liabilities from derivative financial instruments from €4,327 million to €4,129 million.

Current liabilities decreased from €26,503 million as of December 31, 2018, to €19,234 million as of June 30, 2019. This development is primarily attributable to the valuation-related decrease in liabilities from derivative financial instruments, which approximated the corresponding downward trend of receivables from derivative financial instruments and fell by €3,260 million, from €12,546 million to €9,287 million. Trade accounts payable and accruals went down by €2,524 million to €5,732 million (December 31, 2018: €8,256 million). Financial liabilities fell by €348 million, from €1,752 million to €1,404 million, primarily owing to the redemption of commercial paper.

Human Resources

Employees[1]

	Jun. 30, 2019	Dec. 31, 2018	+/- %
European Generation	5,294	5,357	-1.2
Global Commodities	1,235	1,243	-0.6
International Power Generation	4,486	4,257	5.4
Administration/Consolidation	947	923	2.6
Total	**11,962**	**11,780**	**1.5**

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

On June 30, 2019, the Uniper Group had 11,962 employees, 172 apprentices and 155 work-study students and interns worldwide. The workforce thus increased by 1.5% compared with December 31, 2018.

The workforce reduction in the European Generation segment is primarily attributable to employee turnover in advance of the sale of Uniper's activities in France and to the ongoing decommissioning of power plant units in Sweden.

The employee headcount in the Global Commodities segment as of June 30, 2019, remained stable compared with December 31, 2018.

In the International Power Generation segment, the employee headcount was higher due to the transfer of activities from an unconsolidated subsidiary to a consolidated one.

The employee headcount in Administration/Consolidation rose in the course of the reintegration into the Uniper Group of outsourced administrative functions from the Shared Service Center in Cluj, Romania, operated by an external entity.

At 61.2% as of June 30, 2019, the proportion of employees working outside Germany, numbering 7,321, remained constant compared with the end of fiscal 2018.

Risk and Chances Report

The Risk management system of the Uniper Group, as well as the measures taken to manage risks and chances per category across the Uniper Group, are described in detail in the Combined Management Report for the year 2018.

Risk and Chances Profile of the Uniper Group

The commercial activity of the Uniper Group is naturally linked with uncertainties which lead to risks and chances. Resulting financial-, credit-, market- and operational- risks and chances including their sub-categories are explained in detail in the 2018 Combined Management Report. The categories of risks/chances, as well as the methodology to determine the assessment classes, have not changed compared to the 2018 Consolidated Financial Statements.

Categories of Risks and Chances[1] in the Uniper Group

Category	Subcategory
Financial Risks/Chances	
Credit Risks/Chances	
Market Risks/Chances	Commodity Price Risks/Chances
	Foreign Currency and Interest Rates Risks/Chances
	Market Environment Risks/Chances
Operational Risks/Chances	Asset Operation Risks/Chances
	Asset Project Risks and Chances
	People and Process Risks/ Chances
	Information Technology (IT) Risks and Chances
	Legal Risks/Chances
	Political and Regulatory Risks/Chances

[1]Categorization of material risks and chances with potential effects on Adjusted EBIT and/or consolidated net income.

To assess its risk and chances profile, the Uniper Group uses a two-stage process. In a first step, all quantified individual risks and chances with a potential impact on planned Adjusted EBIT and/or Net Income are allocated to the categories and subcategories described above. For this all risks/chances which, in the worst-/best-case scenario (99%/1% confidence interval), after consideration of risk management measures could cause net losses/gains of more than €20 million in one year are considered..

In a second step, all risks/chances allocated to one category/subcategory are aggregated via a Monte Carlo simulation. From the resulting aggregated distribution function per year, the 1% (Best Case) and 99% (Worst Case) confidence intervals are gathered and an average over the three-year mid-term plan time horizon is calculated. Based on this average value, each category/subcategory is assigned an assessment class for the best and worst case in accordance with the following table.

Assessment Classes

Assessment class	Potential average impact on earnings per year (best case/worst case)
Insignificant	≤ €5 million
Low	> €5 million and ≤€20 million
Moderate	> €20 million and ≤€100 million
Significant	> €100 million and ≤€300 million
Major	> €300 million

The Risk and Chances profile of the Uniper Group as described in the 2018 Combined Management Report remains mostly valid including the described major individual risks. Below the key changes to the risk and chances profile as of June 30, 2019 compared to December 31, 2018 are highlighted. This covers changes in the assessment class of the above risk and chances categories, changes to major quantified individual risks/chances, as well as changes to major qualitative-risks/chances impacting earnings and/or liquidity. An individual risk (chance) is considered major if it has a potential negative (positive) impact on earnings or the cash flow of at least €300 million in one year.

All of the following statements still consider the risks and chances from the French Generation and Sales business of the Uniper Group on a going concern basis. They will be excluded upon de-consolidation of the French business in the Q3 quarterly statement pursuant to the closing of the sale transaction on July 9, 2019.

Compared to the year-end Credit Risk is no longer a major individual risk. Due to this assessment class for the worst case of the Credit Risk category improved from major as per December 31, 2018 to significant as per June 30, 2019. In addition to this the potential liquidity impact from Margin calls is no longer a major individual risk/chance for the Uniper group as per June 30, 2019. Both effects result from commodity price developments for the Uniper Group since December 31, 2018.

The assessment class for the worst case of the Foreign Currency and Interest Rate Risk category improved from significant to moderate. This is due to the current low interest rate environment with little downside risk left.

In the first half of 2019, compared to the situation described in the Annual Report 2018, the risk from pricing disputes under long-term gas supply contracts has been mitigated by entering into a corresponding agreement with a producer.

Information on the Risk Situation of Strategically Important Asset Projects

The ongoing project to replace the boiler walls of Uniper's Power plant in Datteln with T12 steel is progressing well from a timing and budget perspective. Commercial operation continues to be expected in summer 2020.

The repair project which replaces the damaged components of the boiler at the unit 3 of the Berezovskaya power plant in Russia is delayed due to a change in the project plan. This leads to a shift of the planned commercial operation date into the first quarter of 2020. The outstanding amount which remains to be invested is now about 10 billion rubles.

Assessment of the Overall Risk Situation

Uniper's risk bearing capacity, measured via the market value of its equity, has increased in the first half of 2019. At the same time, Uniper Group's overall risk exposure (considering correlations between categories of risks/chances) has not materially changed compared to year end 2018. Based on this, the overall risk situation of the Uniper Group as well as of Uniper SE is not considered to be a threat to the company's continued existence.

Also with regards to the financial targets the overall risk situation is still considered appropriate.

Forecast Report

Macroeconomic Situation

Global growth slowed abruptly in the past calendar year, and the weakness of the second half of 2018 continued through the beginning of the current year amid persistent trade tensions. Trade and investment have weakened, especially in Europe and in China. Political uncertainty remains high worldwide. In response to the economic slowdown and low inflation rates, the central banks of the United States and the euro area have recently sent out signals of a return to a looser monetary policy, causing market interest rates to drop sharply. At the same time, low unemployment and a slight increase in wages in the world's major economies continue to buttress household incomes and consumer spending. Against this backdrop, the OECD expects global growth to decline from 3.5% in 2018 to 3.2% this year, according to its most recent outlook.

The greatest risk to the global economy lies in a further intensification of the trade conflict between the U.S. and China in the form of permanently increased tariffs and other barriers to trade. New tariffs affecting trade between the U.S. and the European Union may also arise. The persistent uncertainty surrounding the United Kingdom's withdrawal from the EU and the danger of a rapid decline in China's economic growth are also having a negative impact.

Anticipated Earnings

The forecast for the 2019 fiscal year continues to be significantly influenced by the difficult conditions in the energy industry and political environment and the associated volatile development of prices in all the European electricity markets. The continuing discussions about the phasing out of coal in continental Europe, the ongoing process of the UK's withdrawal from the EU and the suspension of the local capacity market mechanism are contributing to political uncertainty. In addition, the non-recurrence of positive effects in 2018 and the earnings contribution from the realization of LNG hedging transactions have a negative impact on forecast adjusted EBIT. Temporary production stoppages in the generation business also had a negative impact. These effects are partially offset by higher prices in all the European electricity markets, higher volumes at hydroelectric power plants in Germany and Sweden, positive performance in Russia and portfolio optimization in the gas business. For 2019, Uniper expects adjusted EBIT to be significantly lower than in the previous year, ranging between €550 million and €850 million.

For each of the operating segments, this means:

The European Generation segment's adjusted EBIT for 2019 is expected to be significantly below the prior-year figure. The non-recurrence of positive prior-year effects, for example due to the reversal of provisions, will be the main factor in the decline in adjusted EBIT in 2019. In addition, temporary production stoppages at Unit 2 of the Ringhals nuclear power plant in Sweden, in which Uniper holds a minority stake, and at the Dutch coal-fired power plant Maasvlakte 3 had a negative impact on earnings. These effects will be partly offset by higher prices in all the European electricity markets and higher volumes at hydroelectric power plants in Germany and Sweden.

The Global Commodities segment's adjusted EBIT for 2019 is expected to be significantly above the prior-year figure. In the gas business, higher earnings contributions are expected from successful portfolio optimization on the gas marketplaces. Adjusted EBIT also reflects the positive development of day-to-day business. By contrast, the absence of positive contributions from the realization of hedging transactions in the LNG area in 2018 has a negative impact on forecast adjusted EBIT.

For the International Power Generation segment, Uniper expects adjusted EBIT for 2019 to be significantly above the prior-year figure, mainly due to the current and expected development of electricity prices and higher production volumes. The current development of the ruble exchange rate is having a generally positive effect.

For adjusted FFO, Uniper continues to expect a noticeable increase over the previous year within the communicated range of €650 million to €950 million. Adjusted FFO tends to follow the expected development of adjusted EBIT, for the most part, although the non-recurrence of positive prior-year effects from 2018 is largely irrelevant to cash flows and adjusted FFO.

The disclaimer statement in the table of contents 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 group equity and selected explanatory notes – and the interim group management report of Uniper SE, Düsseldorf for the period from January 1 to June 30, 2019 which are part of the half-year financial report pursuant to § (Article) 115 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, 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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

Condensed Consolidated Interim Financial Statements

Uniper Consolidated Statement of Income

€ in millions	Note	April 1–June 30 2019	April 1–June 30 2018	January 1–June 30 2019	January 1–June 30 2018
Sales including electricity and energy taxes	(14)	14,993	15,048	36,936	36,204
Electricity and energy taxes		-103	-105	-216	-236
Sales		**14,891**	**14,943**	**36,720**	**35,968**
Changes in inventories (finished goods and work in progress)		4	11	22	17
Own work capitalized		15	15	35	29
Other operating income		3,730	5,277	11,625	9,861
Cost of materials		-14,436	-14,064	-35,494	-34,190
Personnel costs		-252	-303	-491	-542
Depreciation, amortization and impairment charges	(6)	-183	-182	-357	-616
Other operating expenses		-3,565	-6,582	-10,920	-11,304
Income from companies accounted for under the equity method		14	16	40	33
Income/Loss before financial results and taxes		**217**	**-869**	**1,182**	**-744**
Financial results	(4)	-18	-24	0	-9
Net income/loss from equity investments		*5*	*1*	*5*	*1*
Interest and similar income		*31*	*30*	*62*	*55*
Interest and similar expenses		*-89*	*-67*	*-155*	*-80*
Other financial results		*36*	*12*	*87*	*15*
Income taxes		-22	241	-213	231
Net income/loss		**177**	**-652**	**968**	**-522**
Attributable to shareholders of Uniper SE		*157*	*-660*	*925*	*-546*
Attributable to non-controlling interests		*20*	*8*	*43*	*24*
€					
Earnings per share (attributable to shareholders of Uniper SE) – basic and diluted	**(5)**				
From continuing operations		0.43	-1.80	2.53	-1.49
From net income/loss		**0.43**	**-1.80**	**2.53**	**-1.49**

Uniper Consolidated Statement of Recognized Income and Expenses

€ in millions	April 1–June 30 2019	April 1–June 30 2018	January 1–June 30 2019	January 1–June 30 2018
Net income/loss	**177**	**-652**	**968**	**-522**
Remeasurements of investments	-2	-10	10	-17
Remeasurements of defined benefit plans	-119	-15	-263	-108
Income taxes	35	7	70	34
Items that will not be reclassified subsequently to the income statement	**-85**	**-18**	**-183**	**-91**
Cash flow hedges	-1	1	-5	–
Unrealized changes	*-1*	*–*	*-4*	*–*
Reclassification adjustments recognized in income	*–*	*1*	*-1*	*–*
Currency translation adjustments	-7	-111	265	-218
Unrealized changes	*-7*	*-111*	*264*	*-218*
Reclassification adjustments recognized in income	*–*	*–*	*1*	*–*
Companies accounted for under the equity method	-1	33	-1	29
Unrealized changes	*-1*	*2*	*-1*	*-2*
Reclassification adjustments recognized in income	*–*	*31*	*–*	*31*
Income taxes	4	–	4	–
Items that might be reclassified subsequently to the income statement	**-6**	**-77**	**263**	**-189**
Total income and expenses recognized directly in equity	**-91**	**-95**	**80**	**-280**
Total recognized income and expenses (total comprehensive income)	**85**	**-747**	**1,048**	**-802**
Attributable to shareholders of Uniper SE	*58*	*-739*	*958*	*-795*
Attributable to non-controlling interests	*26*	*-8*	*89*	*-7*

Uniper Consolidated Balance Sheet

€ in millions	Note	Jun. 30, 2019	Dec. 31, 2018
Assets			
Goodwill		1,873	1,816
Intangible assets		748	768
Property, plant and equipment and right-of-use assets		10,711	10,612
Companies accounted for under the equity method	(7)	426	440
Other financial assets	(7)	782	866
Equity investments		*689*	*783*
Non-current securities		*93*	*83*
Financial receivables and other financial assets		3,725	3,618
Operating receivables, other operating assets and contract assets	(10)	4,585	4,914
Income tax assets		6	6
Deferred tax assets		1,074	1,116
Non-current assets		**23,929**	**24,156**
Inventories		2,242	1,604
Financial receivables and other financial assets		722	1,391
Trade receivables, other operating assets and contract assets	(10)	15,671	21,468
Income tax assets		88	40
Liquid funds		717	1,400
Assets held for sale	(3)	697	546
Current assets		**20,138**	**26,449**
Total assets		**44,067**	**50,605**
Equity and Liabilities			
Capital stock	(8)	622	622
Additional paid-in capital	(8)	10,825	10,825
Retained earnings	(8)	3,445	3,032
Accumulated other comprehensive income		-3,315	-3,531
Equity attributable to shareholders of Uniper SE		**11,577**	**10,948**
Attributable to non-controlling interests		571	497
Equity		**12,148**	**11,445**
Financial liabilities and liabilities from leases		1,168	1,187
Operating liabilities and contract liabilities	(10)	4,781	4,856
Provisions for pensions and similar obligations	(9)	1,022	804
Miscellaneous provisions		5,245	5,455
Deferred tax liabilities		469	355
Non-current liabilities		**12,685**	**12,657**
Financial liabilities and liabilities from leases		1,404	1,752
Trade payables, other operating liabilities and contract liabilities	(10)	15,835	22,469
Income taxes		45	47
Miscellaneous provisions		1,186	1,478
Liabilities associated with assets held for sale		765	757
Current liabilities		**19,234**	**26,503**
Total equity and liabilities		**44,067**	**50,605**

Uniper Consolidated Statement of Cash Flows

January 1–June 30 € in millions	2019	2018
Net income/loss	**968**	**-522**
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	357	616
Changes in provisions	-374	-433
Changes in deferred taxes	200	-232
Other non-cash income and expenses	-93	63
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	-12	-50
Changes in operating assets and liabilities and in income taxes	-1,367	1,023
Cash provided by (used for) operating activities	**-322**	**465**
Proceeds from disposal of	423	125
Intangible assets and property, plant and equipment	*6*	*123*
Equity investments	*417*	*2*
Purchases of investments in	-240	-244
Intangible assets and property, plant and equipment	*-239*	*-239*
Equity investments	*–*	*-5*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	821	362
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-424	-1,166
Changes in restricted cash and cash equivalents	18	15
Cash provided by investing activities	**598**	**-908**
Payments received/made from changes in capital[1]	3	5
Cash dividends paid to shareholders of Uniper SE	-329	-271
Proceeds from financial liabilities	559	375
Repayments of financial liabilities and reduction of outstanding lease liabilities	-986	-84
Cash used for financing activities	**-753**	**25**
Net increase in cash and cash equivalents	**-477**	**-418**
Effect of foreign exchange rates on cash and cash equivalents	6	-5
Cash and cash equivalents at the beginning of the reporting period	1,138	852
Cash and cash equivalents from disposal groups	-4	–
Cash and cash equivalents from first-time consolidated companies	8	–
Cash and cash equivalents at the end of the reporting period	**670**	**429**
Supplementary Information on Cash Flows from Operating Activities		
Tax payments	-58	23
Interest paid	-38	-36
Interest received	27	30
Dividends received	19	19

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

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income that might be reclassified subsequently to the income statement: Currency translation adjustments	Available-for-sale securities	Cash flow hedges	Shares attributable to shareholders of Uniper SE	Non-controlling interests	Total
Balance as of January 1, 2018	**622**	**10,825**	**3,399**	**-3,191**	**488**	**4**	**12,147**	**642**	**12,789**
Adjustments arising from IFRS applied for the first time (after taxes)			433		-488		-55		-55
Balance as of January 1, 2018	**622**	**10,825**	**3,832**	**-3,191**	**N/A**	**4**	**12,092**	**642**	**12,734**
Dividends			-271				-271	-16	-287
Total comprehensive income			-636	-160	N/A	1	-795	-7	-802
Net income/loss			-546				-546	24	-522
Other comprehensive income			-90	-160	N/A	1	-249	-31	-280
Remeasurements of defined benefit plans			-73				-73	-1	-74
Remeasurements of investments			-17				-17	–	-17
Changes in accumulated other comprehensive income				-160		1	-159	-30	-189
Balance as of June 30, 2018	**622**	**10,825**	**2,925**	**-3,351**	**N/A**	**5**	**11,026**	**619**	**11,645**
Balance as of January 1, 2019	**622**	**10,825**	**3,032**	**-3,536**	**N/A**	**5**	**10,948**	**497**	**11,445**
Dividends			-329				-329	-15	-345
Total comprehensive income			743	219	N/A	-3	958	89	1,048
Net income/loss			925				925	43	968
Other comprehensive income			-182	219	N/A	-3	34	46	80
Remeasurements of defined benefit plans			-192				-192	-1	-192
Remeasurements of investments			10				10		10
Changes in accumulated other comprehensive income				219		-3	216	47	262
Balance as of June 30, 2019	**622**	**10,825**	**3,445**	**-3,317**	**N/A**	**2**	**11,577**	**571**	**12,148**

Notes to the Condensed Consolidated Interim Financial Statements

(1) Summary of Significant Accounting Policies

The Interim Financial Statements for the six months ended June 30, 2019, have been prepared in accordance with those International Financial Reporting Standards ("IFRS") and related interpretations of the IFRS Interpretations Committee ("IFRS IC") effective and adopted for use in the European Union ("EU").

These Interim Financial Statements prepared in accordance with IAS 34 are condensed relative to the reporting scope applied to the Consolidated Financial Statements for the full year. Apart from the new financial reporting standards and interpretations presented below that have been adopted by the EU into European law, the accounting policies and consolidation principles used were the same as those applied in the preparation of the Consolidated Financial Statements for the 2018 fiscal year. Further information, including information about the risk management system, is provided in Uniper's Consolidated Financial Statements for the year ended December 31, 2018, which serve as the basis for these Interim Financial Statements.

The Interim Financial Statements and the Consolidated Financial Statements of the Uniper Group are generally prepared based on amortized cost, with the exception of those other equity investments measured at fair value "through other comprehensive income" (changes in fair value recognized in equity), and of financial assets and liabilities (including derivative financial instruments) measured at fair value "through profit or loss" (changes in fair value recognized in income).

Provisions Applied for the First Time in 2019

New Financial Reporting Standards and Interpretations

Standard/Interpretation		IASB / IFRS IC effective date	Endorsed by EU	Impact on Uniper
Omnibus standard	Annual Improvements to IFRS Standards	Jan. 1, 2019	Yes	None
Amendments to IFRS 9	Prepayment Features with Negative Compensation	Jan. 1, 2019	Yes	None
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	Jan. 1, 2019	Yes	See explanations below
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	Jan. 1, 2019	Yes	None
IFRIC 23	Uncertainty over Income Tax Treatments	Jan. 1, 2019	Yes	None
IFRS IC	IFRS IC: IFRS 9 – Physical Settlement of Contracts to Buy or Sell a Non-financial Item	See explanations below (currently analyzed)		

Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 are being applied for the first time effective January 1, 2019. The amendments provide, when an amendment, curtailment or settlement (each a "plan event") occurs in a defined benefit plan during an annual reporting period, that the current service cost and the net interest be remeasured for the remainder of the reporting period after the plan event. The actuarial assumptions applicable as of the date of the plan event shall be used as the basis for such remeasurement. A plan amendment, curtailment or settlement can lead to a change in an existing asset surplus and thereby change any existing effect of a limit on the measurement of the defined benefit asset ("asset ceiling"). The past service cost resulting from a plan amendment or curtailment, as well as the gain or loss on a plan settlement, is reported in the income statement. Asset ceiling effects have no influence on the effects to be recognized in income. The effects of the plan event on the asset ceiling are recognized in other comprehensive income.

The impact on the Consolidated Financial Statements is dependent on the occurrence of events leading to a plan amendment, curtailment or settlement, and can therefore be material in individual cases. The initial application in the first half of 2019 had no impact on the Consolidated Financial Statements, since there have been no plan events. Uniper has reviewed the Group's internal reconciliation processes and controls, in particular, and adjusted them where necessary.

IFRS IC: IFRS 9 – Physical Settlement of Contracts to Buy or Sell a Non-financial Item

In its March 2019 meeting, the IFRS IC determined, in the context of an agenda decision, that if IFRS 9 accounting must be applied to contracts for forward purchases or sales of non-financial items (failed own-use contracts) because they can be settled net in cash – including in this context contracts settled by physical delivery such contracts must be recognized in the amount of the market price applicable upon physical settlement. The IFRS IC thus concludes that these contracts shall be presented as physical spot contracts with a financial hedge. The existing practice throughout the energy industry had been to present such contracts at their contract prices when they are realized (presentation of revenues and cost of materials) and consistently with cash flows, in line with contractual rights and obligations. Concrete statements on revenue and income recognition amounts for sales contracts are not made within the decision-making process. For purchase contracts, by contrast, the presentation of the cost of materials or, in the case of goods eligible for capitalization, the recognition of the acquired assets, shall take place at the market price on delivery – that being the relevant acquisition cost.

Uniper is currently evaluating the impact of this decision on the presentation of its sales and earnings according to IFRS. At the same time, the effects on financial performance metrics are being analyzed as regards the presentation of an appropriate, sustainable view of operating performance and the use of these metrics for management control purposes. It is intended to implement the accounting guidance clarified by IFRS IC in the 2019 fiscal year.

(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, 2019	**27**	**36**	**63**
Additions	–	1	1
Disposals/Mergers	–	–	–
Consolidated companies as of June 30, 2019	**27**	**37**	**64**

As of June 30, 2019, a total of 3 domestic and 9 foreign associated companies were accounted for under the equity method (December 31, 2018: 3 domestic companies and 11 foreign companies).

(3) Disposals and Assets Held for Sale

Disposals and Assets Held for Sale in the First Half of 2019

Uniper Activities in Italy

At the end of March 2019, Uniper concluded an agreement with First State Investments to divest its stake in OLT Offshore LNG Toscana S.p.A. First State Investments acquired Uniper's 48.2% shareholding in OLT and the outstanding loan receivable in its entirety. The sales price for both Uniper's stake and the loan amounted to some €400 million in total and, as part of the closing of the transaction, which is now complete, was adjusted for payments already made to Uniper for 2018 and 2019. Uniper received funds totaling approximately €330 million when the transaction closed.

Uniper Activities in Brazil

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

Uniper Activities in France

In December 2018, Uniper received a unilateral binding offer from Energetický a průmyslový holding, a. s. ("EPH"), Prague, Czech Republic, through its wholly-owned subsidiary EP Power Europe, a. s., and entered into negotiations with EPH on the sale of Uniper's generation and sales activities in France. The goal was the disposal of all activities in France reported within the European Generation segment. Up to the closing of the transaction, Uniper's portfolio in France included two gas-fired power plants with around 400 megawatts (MW) of generating capacity each in Saint-Avold (Lorraine), two hard-coal power plants, each with a capacity of around 600 MW, located in Saint-Avold and in Gardanne (Provence) and Provence 4, a 150 MW biomass power plant located in Gardanne, as well as wind and solar power plants with a combined capacity of around 100 MW. Uniper additionally supplied electricity and gas products to industrial and commercial customers in France and also offered energy-related services.

Since December 31, 2018, the activities in France have been reported as a disposal group and were measured at their carrying amount before reclassification as a disposal group. The major asset and liability items of these activities held as a disposal group as of December 31, 2018, were non-current assets (€232 million) and current assets (€278 million), as well as provisions (€425 million) and liabilities (€295 million).

As of the June 30, 2019, reporting date, there were non-current assets of €268 million and current assets of €395 million, as well as provisions of €424 million and liabilities of €341 million.

The transaction closed in early July 2019 (see also Note 16).

Disposals and Assets Held for Sale in the First Half of 2018

There were no significant disposals in the first half of 2018, nor were there any significant assets held for sale.

(4) Financial Results

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

Financial Results

€ in millions	April 1–June 30 2019	April 1–June 30 2018	January 1–June 30 2019	January 1–June 30 2018
Income from companies in which equity investments are held	5	1	5	1
Net income from equity investments	**5**	**1**	**5**	**1**
Interest and similar income	31	30	62	55
Interest and similar expenses	-89	-67	-155	-80
Net interest income	**-58**	**-37**	**-92**	**-25**
Impairment charges/reversals	2	-1	–	-1
Net income from securities	-1	1	19	-6
Result from the Swedish Nuclear Waste Fund	35	12	68	22
Other financial results	**36**	**12**	**87**	**15**
Financial results	**-18**	**-24**	**0**	**-9**

In the first half of 2019, financial results rose to approximately €0 million (first half of 2018: -€9 million) because net interest income of -€92 million (first half of 2018: -€25 million) almost fully offset the combined total of other financial results of €87 million (first half of 2018: €15 million) and income from equity investments of €5 million (first half of 2018: €1 million).

Primarily because of interest income from financing in connection with the construction of the Nord Stream 2 pipeline in the Baltic Sea, which amounted to €33 million (first half of 2018: €22 million), interest and similar income increased to €62 million (first half of 2018: €55 million).

Interest and similar expenses rose to €155 million (first half of 2018: €80 million). This effect resulted primarily from expenses incurred in connection with the measurement of non-current provisions, which rose to €133 million, compared with €61 million in the first half of 2018, because of lower interest rates.

Other financial results rose to €87 million as of June 30, 2019 (first half of 2018: €15 million). This item consists mostly of the increased valuation result from the Swedish Nuclear Waste Fund in the amount of €68 million (first half of 2018: €22 million) and of the valuation result from other securities in the amount of €19 million (first half of 2018: -€6 million).

(5) Earnings per Share

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

Earnings per Share

€ in millions	April 1–June 30 2019	April 1–June 30 2018	January 1–June 30 2019	January 1–June 30 2018
Income/Loss from continuing operations	177	-652	968	-522
Less: Non-controlling interests	-20	-8	-43	-24
Income/Loss from continuing operations (attributable to shareholders of Uniper SE)	**157**	**-660**	**925**	**-546**
Net income/loss attributable to shareholders of Uniper SE	**157**	**-660**	**925**	**-546**
€				
Earnings per share (attributable to shareholders of Uniper SE)				
from continuing operations	0.43	-1.80	2.53	-1.49
from net income/loss	**0.43**	**-1.80**	**2.53**	**-1.49**
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 potentially dilutive ordinary shares.

(6) Impairments

Impairment charges on property, plant and equipment totaled €5 million in the first half of 2019 (first half of 2018: €288 million). Impairment charges in the comparative period of the previous year related primarily to the Datteln 4 hard-coal power plant currently under construction.

(7) 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

€ in millions	June 30, 2019 Uniper Group	June 30, 2019 Associates[1]	June 30, 2019 Joint ventures[1]	December 31, 2018 Uniper Group	December 31, 2018 Associates[1]	December 31, 2018 Joint ventures[1]
Companies accounted for under the equity method	426	416	10	440	429	11
Equity investments	689	17	6	783	17	13
Non-current securities	93	–	–	83	–	–
Total	**1,208**	**433**	**16**	**1,307**	**446**	**24**

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

(8) Equity and Dividend

At the Annual Shareholders Meeting of Uniper SE on May 22, 2019, shareholders resolved to use the net income available for distribution of €329,400,000 to distribute a dividend of €0.90 per share (365,960,000 shares) of the dividend-paying capital stock of €622.1 million. The dividend distribution in the amount of €329 million took place on May 27, 2019.

(9) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations increased by €218 million from December 31, 2018, to €1,022 million as of June 30, 2019. The increase was caused especially by net actuarial losses, which resulted primarily from the decline in underlying discount rates, and by additions attributable to the net periodic pension cost. These effects were partially offset by employer contributions to plan assets.

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	Jun. 30, 2019	Dec. 31, 2018
Germany	1.60	2.30
United Kingdom	2.40	3.00

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	Jun. 30, 2019	Dec. 31, 2018
Present value of all defined benefit obligations	3,458	2,972
Fair value of plan assets	2,436	2,168
Net defined benefit liability	**1,022**	**804**
Presented as provisions for pensions and similar obligations	*1,022*	*804*

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

	April 1–June 30		January 1–June 30	
€ in millions	2019	2018	2019	2018
Employer service cost	14	20	27	38
Past service cost	–	–	–	2
Gains (-) and losses (+) on settlements	–	–	–	–
Net interest on the net defined benefit liability	5	5	9	9
Total	**19**	**25**	**36**	**49**

(10) 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 Uniper Group assesses and monitors the fair value of derivatives 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 financial instruments are calculated using standard market valuation methods, with reference to market data available on the measurement date.

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.

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.

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 covering both its 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 €48 million as of June 30, 2019 (December 31, 2018: €54 million) and the debt value adjustment for derivative liabilities was €19 million (December 31, 2018: €31 million).

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, 2019

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets measured at fair value			
Equity investments	588	–	31
Derivatives	14,305	6,060	7,740
Other operating assets	116	10	106
Securities and fixed deposits	136	93	43
Liabilities measured at fair value			
Derivatives	13,415	5,282	8,091

Carrying Amounts of Financial Instruments as of December 31, 2018

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets measured at fair value			
Equity investments	675	78	21
Derivatives	16,905	5,332	11,045
Other operating assets	129	-	129
Securities and fixed deposits	323	124	199
Liabilities measured at fair value			
Derivatives	16,873	5,085	11,731

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.

Included within financial assets are securities held in institutional investment funds with a total fair value of €43 million (December 31, 2018: €41 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, 2018. There were no material reclassifications between these two fair value hierarchy levels in the first half of 2019. No financial instruments were reclassified into Level 3 of the fair value hierarchy during this period, nor were any 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	Dec. 31, 2018	Purchases (including additions)	Sales (including disposals)	Settle-ments	Gains/ Losses in income statement	Transfers into Level 3	Transfers out of Level 3	Gains/ Losses in OCI	June 30, 2019
Equity investments	576	–	–	–	–	–	–	-19	557
Derivative financial instruments	471	66	–	–	-74	–	–	–	463
Total	**1,047**	**66**	**0**	**0**	**-74**	**0**	**0**	**-19**	**1,020**

At the beginning of the year, a net gain of €279 million from the initial measurement of derivatives was deferred. After realization of €4 million in deferred losses and €4 million in deferred gains, the remainder at the end of the reporting period was a deferred gain of €279 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 €110 million or an increase of €110 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 Uniper Group also requires bank guarantees and deposits of cash and securities as collateral to reduce credit risk.

As of June 30, 2019, risk-management collateral was accepted in the amount of €3,833 million (December 31, 2018: €3,810 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, 2019, 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.

Loss allowances for expected credit losses are recognized on financial assets carried at amortized cost, lease receivables and contract assets, as well as on loan commitments and financial guarantees. In the first half of 2019, this led to other operating income of €2 million because reversals exceeded allowances. Additional loss allowances of €1 million (first half of 2018: €8 million expense) were recognized in other financial results.

Debt

Financial Liabilities

The following table breaks down financial liabilities by the main sources of financing as of June 30, 2019, and December 31, 2018, respectively:

Financial Liabilities and Liabilities from Leases

€ in millions	Jun. 30, 2019	Dec. 31, 2018
Commercial paper	140	493
Liabilities to banks	98	108
Other financial liabilities (including liabilities to affiliated companies)	2,334	2,338
Lease liabilities	*815*	*813*
Margining liabilities	*1,002*	*976*
Liabilities to co-shareholders from shareholder loans	*407*	*425*
Other financing	*109*	*124*
Total	**2,572**	**2,939**

In the first half of 2019, financial liabilities and liabilities from leases decreased by €367 million. The decline is primarily attributable to the redemption of commercial paper outstanding. Margin liabilities from futures and forward transactions, increased slightly by €26 million; other financing decreased by €15 million.

Economic Net Debt

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

Economic Net Debt

€ in millions	Jun. 30, 2019	Dec. 31, 2018[1]
Liquid funds	717	1,400
Non-current securities	93	83
Margining receivables[1]	442	698
Financial liabilities and liabilities from leases	2,572	2,939
Lease liabilities	*815*	*813*
Margining liabilities	*1,002*	*976*
Other financial liabilities	*754*	*1,150*
Net financial position	**1,319**	**757**
Provisions for pensions and similar obligations	1,022	804
Provisions for asset retirement obligations[2]	842	948
Other asset retirement obligations	*717*	*743*
Asset retirement obligations for Swedish nuclear power plants[3]	*2,381*	*2,476*
Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet[3]	*2,256*	*2,271*
Economic net debt	**3,183**	**2,509**
For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[3]	374	348
For informational purposes: Fundamental economic net debt	**2,808**	**2,162**

[1]Since 2019, margining receivables are reported as part of economic net debt for the first time. Economic net debt as of December 31, 2018, was adjusted for consistency.
[2]Reduced by receivables from the Swedish Nuclear Waste Fund.
[3]Due to IFRS valuation rules (IFRIC 5), €374 million (December 31, 2018: €348 million) of Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund may not be capitalized on the balance sheet. Accordingly, there exists an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet, and the economic net obligation for the decommissioning of the Swedish nuclear power plants is thus reported too high in the table by the amount of this receivable.

Compared with December 31, 2018, and based on Uniper's adjusted definition, economic net debt increased as of June 30, 2019, by €674 million to €3,183 million (comparable adjusted economic net debt as of December 31, 2018: €2,509 million). Along with an operating cash outflow (-€322 million) and investment spending (-€240 million), Uniper SE's dividend distribution of -€329 million reduced liquid funds in the first half of 2019. Proceeds from disposals of equity investments, on the other hand, increased the net financial position by €417 million. Within the net financial position, liquid funds were reduced by €353 million in the first half of 2019 to repay commercial paper outstanding as of December 31, 2018. Margining receivables were reduced by returned margin deposits for futures and forward transactions, which increased liquid funds by €256 million, as well as by the rise in margining liabilities, which added €26 million to liquid funds.

In addition, provisions for pensions and similar obligations increased by €218 million to €1,022 million (December 31, 2018: €804 million), particularly as a result of further reduced interest rates as of June 30, 2019, compared with those at year-end 2018. Provisions for asset retirement obligations fell to €842 million as of June 30, 2019 (December 31, 2018: €948 million), resulting especially from a primarily currency-related decline of €95 million in asset retirement obligations for Swedish nuclear power plants and from an interest-related decline of €26 million in other asset retirement obligations.

(11) Contingent Liabilities, Contingent Assets and Other Financial Obligations

Contingent Liabilities, Contingent Assets

With respect to the activities of the Swedish nuclear power plants, the companies of the Swedish generation units have issued guarantees to governmental authorities in accordance with Swedish law. 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. These costs could arise if actual costs exceed accumulated funds. In addition, the companies of the Swedish generation unit are responsible for all costs related to the disposal of low-level radioactive waste.

Until March 12, 2019, the guarantees referred to above had been issued by E.ON Sverige AB, which is not part of the Uniper Group. The Uniper Group had in turn released E.ON from any obligations arising from these guarantees by means of an indemnification agreement. Following the approval of the Swedish National Debt Office ("Riksgälden"), the competent authority for such matters, on March 13, 2019, the guarantees were transferred from E.ON Sverige AB to Sydkraft Nuclear Power AB.

Owners of nuclear facilities in Sweden are additionally liable under the Law Concerning Nuclear Liability for damages resulting from accidents occurring in those nuclear facilities and for accidents involving any radioactive substances connected to the operation of those facilities. On July 1, 2010, the Swedish Parliament passed a law that requires the operator of a nuclear power plant in operation to have liability insurance or other financial cover in an amount equivalent to €1.2 billion per incident. The conditions enabling this new law to take effect were not yet in place as of June 30, 2019. Nevertheless, the Swedish government decided to increase the insured amount from January 1, 2019, by amending the existing legislation. Accordingly, the liability per incident as of June 30, 2019, is henceforth limited to SEK 12,889 million, (December 31, 2018: SEK 3,743 million). The necessary insurance for the affected nuclear power plants has been purchased by Uniper.

Other Financial Obligations

Other financial obligations result mainly from contracts entered into with third parties or from legal requirements. They are based on contracts or statutory provisions in which performance and consideration are currently evenly balanced. Where they are not, a provision is recognized, and the amount of that provision is subtracted from the obligation where it is disclosed.

Material changes relative to the December 31, 2018, 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 €120 billion on June 30, 2019 (due within one year: €4.8 billion) and to approximately €115 billion on December 31, 2018 (due within one year: €4.4 billion). The increase in contractual obligations for purchases of fossil fuels is primarily attributable to higher gas procurement in years when gas prices are higher.

Gas is usually procured by means 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.

(12) Transactions with Related Parties

Related Entities

Uniper exchanges goods and services with numerous entities as part of its continuing operations. In the reporting period, these included related entities of the Fortum Group and the Uniper Group.

Uniper is an associated company of Fortum Oyj and includes it and its subsidiaries and joint ventures as related parties in its financial reporting. The same is true for the Republic of Finland – in its capacity as the majority shareholder of Fortum Oyj – and the entities controlled by it.

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. As in the comparative period of the previous year, the share of the transactions referred to in the following section made up by transactions with other related parties is not material.

Because of E.ON SE's significant influence over Uniper in the first half of 2018 until the completion of the takeover offer, income and expenses involving E.ON SE and its subsidiaries and joint ventures were still presented in the comparative period of 2018 as transactions involving entities with significant influence over Uniper. Receivables from and liabilities to Fortum Oyj and its subsidiaries and joint ventures are presented as related-party transactions in the first half of 2019 and in the 2018 fiscal year.

There have been no material business transactions with the Republic of Finland, or with material entities controlled by it, in the first half of 2019:

Related-Party Transactions – Income Statement

January 1–June 30 € in millions	2019	2018
Income	**541**	**2,406**
Entities with significant influence over Uniper from June 26, 2018 (Fortum Group)	*63*	*–*
Entities with significant influence over Uniper through June 25, 2018 (E.ON Group)	*–*	*2,222*
Associated companies	*463*	*163*
Joint ventures	*10*	*15*
Other related parties	*5*	*6*
Expenses	**217**	**1,375**
Entities with significant influence over Uniper from June 26, 2018 (Fortum Group)	*7*	*–*
Entities with significant influence over Uniper through June 25, 2018 (E.ON Group)	*–*	*1,068*
Associated companies	*200*	*240*
Joint ventures	*1*	*30*
Other related parties	*10*	*37*

Related-Party Transactions – Balance Sheet

€ in millions	Jun. 30, 2019	Dec. 31, 2018
Receivables	**563**	**943**
Entities with significant influence over Uniper (Fortum)	*1*	*4*
Associated companies	*509*	*509*
Joint ventures	*20*	*363*
Other related parties	*33*	*67*
Liabilities	**789**	**574**
Entities with significant influence over Uniper (Fortum)	*240*	*252*
Associated companies	*401*	*138*
Joint ventures	*40*	*49*
Other related parties	*108*	*135*

Transactions for Goods and Services, Financing Activities and Other Financial Obligations

Income from transactions and from goods and services received, as well as other expenses from transactions within the Uniper Group and with the Fortum Group, were as follows in the first half of 2019:

Business relationships with related entities reflected the Group-wide procurement and sales activities of Uniper Global Commodities SE, primarily in the electricity and gas business. These relationships result in extensive mutual obligations and trading relationships.

Income generated from transactions with related entities of the Uniper Group included especially revenues from deliveries of electricity and gas in the amount of €231 million (first half of 2018: €149 million). The corresponding expenses from transactions with related entities of the Uniper Group consisted especially of material costs associated with electricity and gas procurement in the amount of €157 million (first half of 2018: €224 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 Uniper Group's companies.

Receivables from and liabilities to related entities of the Uniper Group result primarily from electricity and gas transactions; these transactions generated receivables of €28 million (December 31, 2018: €66 million) and liabilities of €61 million (December 31, 2018: €47 million).

As of June 30, 2019, receivables from and liabilities to Fortum Oyj and Fortum Group companies exist in the amount of €1 million (December 31, 2018: €4 million) and €240 million (December 31, 2018: €252 million), respectively. The liabilities are the result of a Fortum Group company's share in the financing of the nuclear power plant in Sweden that is jointly operated under Uniper's management.

Income from transactions with E.ON SE and E.ON Group companies in the first half of 2018 had included especially revenues from deliveries of electricity and gas in the amount of €1,865 million. Expenses from transactions with E.ON SE and E.ON Group companies in this period principally related to material costs associated with electricity and gas procurement in the amount of €789 million.

Other financial obligations to related entities amounted to €1,750 million as of June 30, 2019 (December 31, 2018: €1,759 million). They are also included in the total of other financial obligations (see also Note 11).

Hedging Transactions and Derivative Financial Instruments

Gains from the marking to market of commodity forward transactions with Uniper Group companies amounted to €17 million in the first half of 2019 (first half of 2018: €3 million); corresponding losses amounted to €9 million (first half of 2018: €29 million). Derivative receivables relating to the marking to market of commodity forward transactions were recognized in the amount of €11 million (December 31, 2018: €17 million); corresponding derivative liabilities relating to the marking to market of commodity forward transactions were recognized in the amount of €36 million (December 31, 2018: €48 million).

There were no transactions with Fortum companies involving the marking to market of commodity forward transactions.

Related Persons

As of June 30, 2019, there were no material changes to the disclosures in the 2018 Annual Report concerning related persons, with the exception of the matters described below.

In early February 2019, the Executive Committee of the Supervisory Board reached an understanding with Klaus Schäfer and Christopher Delbrück, on a termination by mutual agreement of their respective employment agreements and appointments as members of the Management Board of Uniper SE. The appointment of Klaus Schäfer as Chief Executive Officer of Uniper SE and the appointment of Christopher Delbrück as Chief Financial Officer ended, respectively, on May 31, 2019.

Furthermore, on May 28, 2019, the Executive Committee of the Supervisory Board reached an understanding with the Chief Commercial Officer, Keith Martin, and the Chief Operating Officer, Eckhardt Rümmler, on a termination by mutual agreement of their respective employment agreements and appointments as members of the Management Board effective November 30, 2019.

In the course of the Voyager restructuring program, Management Board members had offered to reduce the amount of their own compensation for fiscal years beginning in 2018. The Supervisory Board had approved this proposal and, from January 2018 forward, the Board members' compensation amounts for the respective current term of office were lowered by about 7% on average relative to the 2017 fiscal year. With the termination by mutual agreement of the service agreements, the respective compensation amounts prior to the agreed lowering have been reinstated for Mr. Schäfer and Mr. Delbrück from February 5, 2019, and for Mr. Martin and Mr. Rümmler from May 28, 2019.

In accordance with the change-of-control severance provisions stipulated in the service agreements, Mr. Schäfer and Mr. Delbrück are entitled to severance payments of approximately €4.1 million and €2.3 million, respectively. The severance payments will be disbursed at the respective agreed end of each service agreement. 25% of the special incentive bonus granted to the members of the Management Board in recognition of the successful spin-off of Uniper SE from E.ON SE in September 2016 vests following the close of each full year from the effective date of the spin-off of Uniper SE from E.ON SE. 50% of the special incentive bonus vested in the period through September 2018. Consequently, Mr. Schäfer and Mr. Delbrück are required to repay approximately €0.8 million and €0.5 million, respectively. The repayment amounts were offset against the aforementioned severance payments.

In accordance with the change-of-control severance provisions stipulated in the service agreements, Mr. Martin and Mr. Rümmler are also entitled to severance payments of approximately €2.3 million each. The severance payments will be disbursed at the respective agreed end of each service agreement. 75% of the special incentive bonus will be vested for both Mr. Martin and Mr. Rümmler by September 2019. The two are therefore required to repay 25% of the special incentive bonus (approximately €0.2 million), respectively. The repayment amounts will be offset against the severance payments.

No allocations were granted to Mr. Schäfer and to Mr. Delbrück under the Uniper Performance Cash Plan for the 2019 fiscal year. Mr. Martin and Mr. Rümmler did receive allocations for fiscal 2019, but they waived those allocations in the course of the termination of their service agreements. Having already been allocated in fiscal 2018, the third tranche of the Performance Cash Plan (planned performance period: 2018–2021) will be paid out as normal in 2022, in accordance with the terms of the plan. The value of this tranche will be determined in large part by the performance of Uniper' share price and the dividend distributions through the end of 2021. The amounts paid out to Management Board members may thus deviate – under certain circumstances considerably – from the allocations disclosed in the 2018 Annual Report.

Provisions recognized in the amount of approximately €0.8 million for company-funded pension entitlements of Keith Martin were reversed because the company-funded portion of these retirement benefit entitlements never vested. The portion funded through deferred compensation remains intact.

On June 6, 2018, the Supervisory Board had resolved to lift the suspension of the share purchase obligation, subject to the fulfillment of the conditions for the transfer to Fortum of the block of Uniper shares held by E.ON. The share purchase obligation is thus temporarily reinstated subject to the condition that the second accumulation year shall end together with the third on September 11, 2019. Given the current circumstances, and also in view of potential conflicts with insider-trading rules, the share purchase obligation of the Management Board members was once again suspended – by Supervisory Board resolution in May 2019.

On May 2, 2019, the Supervisory Board of Uniper unanimously resolved to appoint Andreas Schierenbeck as the new Chief Executive Officer of Uniper, and Sascha Bibert as the Company's new Chief Financial Officer. Andreas Schierenbeck and Sascha Bibert began their appointments on June 1, 2019. Their compensation equals that of the outgoing position holders prior to the aforementioned lowering. Additional disclosures will be made in the 2019 Annual Report.

(13) Reconciliation of Income/Loss before Financial Results and Taxes and of Operating Cash Flow to Adjusted FFO

The following information for the first half of 2019 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.

Adjusted EBIT

Adjusted EBIT, a measure of 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. This information is used at the same time for the management of operating segments (Note 14).

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. In order to increase its meaningfulness as an indicator of the operating performance of Uniper's business, EBIT is adjusted for certain non-operating effects to produce a reliable adjusted EBIT measure, which is used for internal management control purposes.

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 and income from 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 (and income from) 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	2019	2018
Income/loss before financial results and taxes	**1,182**	**-744**
Net income/loss from equity investments	5	1
EBIT	**1,186**	**-743**
Non-operating adjustments	-878	1,344
Net book gains (-)/losses (+)	*0*	*31*
Fair value measurement of derivative financial instruments	*-772*	*1,057*
Restructuring / Cost-management (+)/income (-)[1 2]	*4*	*-55*
Non-operating impairment charges (+)/reversals (-)[3]	*2*	*270*
Miscellaneous other non-operating earnings	*-112*	*41*
Adjusted EBIT	**308**	**601**
For informational purposes: Economic depreciation and amortization/reversals	*349*	*339*
For informational purposes: Adjusted EBITDA	*657*	*940*

[1]Expenses for, and income from, restructuring and cost management in the Global Commodities segment included depreciation and amortization of €6 million in the first half of 2019 (first half of 2018: €6 million).
[2]Not included in restructuring and cost-management expenses/income are expenses incurred for the current restructuring program and its related subprojects.
[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

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

A book gain of just under €5 million was realized in the reporting period on the disposal of the shareholding in OLT Offshore LNG Toscana S.p.A.; it was partially offset by a loss of €4 million resulting from expenses associated with the disposal of the remaining ownership interest in ENEVA S.A. In the prior-year period, a book loss of €31 million had resulted from the sale of the investment in the joint venture Pecém II Participações S.A.. That loss had resulted primarily from the reclassification to the income statement of currency translation differences recognized in other comprehensive income in preceding periods.

The fair value measurement of derivatives used to hedge the operating business against price fluctuations generated net income of €772 million in the first half of 2019 due to higher market values (first half of 2018: net expense of €1,057 million).

In the first half of 2019, restructuring and cost-management expenses/income changed by -€59 million relative to the prior-year period. The expense in the first half of 2019 amounted to €4 million (first half of 2018: €55 million income). The previous year's income had resulted primarily from the partial reversal of miscellaneous provisions that had been recognized in the course of the spin-off from E.ON and adjusted on a non-operating basis.

An expense from non-operating impairments was recognized in the reporting period in the amount of €2 million. These non-operating valuation adjustments relate to generation assets held in the International Power Generation segment that are operated against the backdrop of regulatory requirements. In the prior-year period, non-operating impairments had amounted to €270 million and had related to the Datteln 4 hard-coal power plant currently under construction, in the European Generation segment.

Income of €112 million was classified as miscellaneous other non-operating earnings in the first half of 2019 (first half of 2018: €41 million expense). The change resulted primarily from adjustments of provisions recognized for non-operating effects in the Global Commodities segment. Here the reversal of provisions for contracted gas storage capacities and the addition to provisions for onerous contracts in the LNG business had an offsetting effect. In the prior-year period, an additional non-operating expense had been recognized as part of the revaluation and settlement of allocations that vested prematurely under the long-term incentive ("LTI") packages for the years 2015, 2016 and 2017. These allocations had vested because of the change-of-control event that followed the completion of the takeover offer by Fortum Deutschland SE.

Adjusted FFO

Adjusted funds from operations ("adjusted FFO") is a key performance indicator used by the Uniper Group for the full year only as a measure for, among other things, determining indirectly the residual cash flow available for distribution to shareholders and the variable compensation of the Management Board. This information is used solely for the management of the Group as a whole.

Adjusted FFO for the first half of 2019 amounted to €124 million, a year-over-year decrease of €465 million (first half of 2018: €589 million).

The basis of unadjusted funds from operations is cash provided by operating activities (i.e., operating cash flow). In a first step, this cash flow is adjusted for changes in operating and tax assets and liabilities during the reporting period, which eliminates timing differences caused by unforeseeable inflows and outflows of cash. Reported as changes in operating assets and liabilities are, among other things, changes from the fair value measurement of derivatives entered into for hedging purposes. These changes are also eliminated because they do not affect cash flows. Finally, for the same reason, gains on foreign-currency translation of operating receivables and payables, as well as an adjustment for cash flows arising from subsequent purchase price adjustments from acquisitions and disposals, are also eliminated, because the latter originate from investing activities.

To determine adjusted FFO, current employer service cost and past service cost affecting future cash flows are subtracted from FFO. Furthermore, net payments to, and reimbursements from, the Swedish Nuclear Waste Fund (net presentation) are subtracted from FFO even though they are reported as cash flow from investing activities because they result directly from operations. Dividends declared and distributed to minority shareholders of subsidiaries are also not available to shareholders of the Company, and are eliminated accordingly.

Reconciliation of Cash Flow from Operating Activities to Adjusted FFO

January 1–June 30 € in millions	2019	2018
Cash flow from operating activities	**-322**	**465**
Reconciliation items		
Elimination of changes in operating and tax assets and liabilities	*471*	*88*
Dividends declared and distributed to minority shareholders	*-15*	*-16*
Miscellaneous adjustments	*-10*	*51*
Adjusted funds from operations	**124**	**589**

In addition to an adjustment of changes in operating and tax assets, liabilities and income taxes in the amount of €1,367 million (first half of 2018: -€1,023 million; see also the Uniper Group's Consolidated Statements of Cash Flows), the elimination of changes in operating and tax assets and liabilities also reflects the correction of changes in derivatives entered into for hedging purposes in the amount of €892 million (first half of 2018: -€1,108 million), with the result that realized, cash-effective hedging derivatives are included in adjusted FFO.

Reported dividends declared for or distributed to minority shareholders amounted to €15 million in the first half of 2019 (first half of 2018: €16 million).

The miscellaneous adjustments consist of current employer service cost and past service cost relating to Uniper's pension programs, which reduce adjusted FFO because they affect future cash flows. A net reimbursement from the Swedish Nuclear Waste Fund ("KAF"), which slightly increased adjusted FFO, has the opposite effect. In the prior-year period, the adjustments had additionally included the correction for the non-operating expense recognized as part of the revaluation and settlement of allocations that vested prematurely under the long-term incentive ("LTI") packages for the years 2015, 2016 and 2017. These allocations had vested because of the change-of-control event that followed the completion of the takeover offer by Fortum Deutschland SE.

(14) IFRS 8 Operating Segments

The Uniper Group is composed of three operating business segments: European Generation, Global Commodities and International Power Generation. Combined separately under Administration/Consolidation are the non-operating functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level.

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 photovoltaic 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 also includes the marketing of energy services, which encompass engineering and asset management, as well as operational and maintenance services.

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 gas storage operations.

International Power Generation

The International Power Generation segment brings together the operating power generation business of the Uniper Group in Russia. 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. Up until early April 2019, the Uniper Group's business in Brazil comprised a 6.1% financial investment in the energy utility ENEVA S.A. held by the Uniper Group. After its sale, Uniper no longer has any business operations in Brazil.

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.

Financial Information by Segment

January 1–June 30 € in millions	European Generation		Global Commodities		International Power Generation		Administration/ Consolidation		Uniper Group	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
External sales	1,530	1,711	34,611	33,726	578	527	2	4	36,720	35,968
Intersegment sales	5,441	4,014	5,794	3,967	–	–	-11,235	-7,981	–	–
Sales	**6,971**	**5,725**	**40,405**	**37,693**	**578**	**527**	**-11,233**	**-7,977**	**36,720**	**35,968**
Adjusted EBIT (segment result)	**173**	**372**	**91**	**186**	**174**	**142**	**-130**	**-99**	**308**	**601**
Equity-method earnings[1]	–	–	40	33	–	–	–	–	40	33
Operating cash flow before interest and taxes	**73**	**526**	**-552**	**-267**	**224**	**192**	**3**	**-3**	**-252**	**448**
Investments	**133**	**136**	**14**	**11**	**84**	**83**	**9**	**14**	**240**	**244**

[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	2019	2018	+/-
Operating cash flow	**-322**	**465**	**-787**
Interest payments	12	6	5
Income tax payments (+) / refunds (-)	58	-23	81
Operating cash flow before interest and taxes	**-252**	**448**	**-701**

The following segment information by product reflects the classification of revenues in line with IFRS 15, and allocates to the segments the revenues generated from each product:

Sales by Segment and Product

January 1–June 30 € in millions	European Generation		Global Commodities		International Power Generation		Administration/ Consolidation		Uniper Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Electricity	5,309	4,386	16,309	14,778	564	509	-8,960	-6,285	13,222	13,388
Gas	1,215	962	22,356	21,568	–	–	-1,569	-1,300	22,002	21,230
Other	447	377	1,740	1,347	14	18	-704	-392	1,496	1,350
Total	**6,971**	**5,725**	**40,405**	**37,693**	**578**	**527**	**-11,233**	**-7,977**	**36,720**	**35,968**

Revenues are generated predominantly from sales of electricity and gas to industrial and commercial customers via wholesale markets, and include related physical hedges. Physical sales to industrial and commercial customers form the basis of these revenue sources. Also shown in this line item are revenues earned from the transportation of gas and from deliveries of steam, heat and water, as well as from the rendering of services.

Revenues from trading operations transacted on wholesale markets are recognized when control is transferred to the purchaser. These transactions contain a performance obligation and are recognized in the amounts invoiced.

For physically settled transactions, contract prices, which reflect the economic character of these transactions and the contractually agreed consideration amounts, are generally used to determine revenues unless IFRS 15 provides for a different method, e.g., to account for constraint of variable consideration.

(15) Summary of Significant Changes from the Previous Year

The increase in the Group's 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 increase in other operating income in the first half of 2019 is attributable especially to an increase of €1,622 million in income from financial hedging transactions to €3,790 million (first half of 2018: €2,168 million). In addition, provisions for onerous contracts relating to storage leases in the Global Commodities segment totaling €197 million were reversed. In the prior-year period, reversals of provisions had amounted to €8 million.

Other operating expenses decreased in the first half of 2019. The decrease resulted primarily from the marking to market of commodity derivatives, for which the expense fell by €1,797 million to €6,288 million (first half of 2018: €8,085 million). It was partially offset by an increase in expenses from financial hedging transactions, which rose by €1,508 million to €3,777 million (first half of 2018: €2,269 million).

There were no material changes in property, plant and equipment. Additional information on impairment charges is provided in Note 6.

The balance of deferred tax assets and liabilities is €605 million (December 31, 2018: €761 million) and decreased by €156 million. The reduction is due to the change in liabilities from derivative financial instruments.

The decline in current financial receivables is attributable to the derecognition of a loan in connection with the disposal of OLT Offshore LNG Toscana S.p.A. and to lower pledges of collateral from trading.

The principal causes of the decline in current assets were the valuation-related reduction in receivables from derivative financial instruments from €12,214 million by €2,325 million to €9,889 million and the seasonal decline in trade receivables from €8,353 million by €3,135 million to €5,218 million.

Inventories amounted to €2,242 million as of the June 30, 2019, reporting date. The increase of €638 million is primarily due to gas storage injections.

Liquid funds declined by €682 million to €717 million (December 31, 2018: €1,399 million), because cash and cash equivalents fell by €468 million in the reporting period, and securities and fixed-term deposits by €197 million.

The net income of the Group increased equity by €968 million. Of this amount, €43 million is attributable to non-controlling interests. The effect of foreign exchange rates on assets and liabilities was also positive, and amounted to €267 million. These changes in equity were partly offset by the remeasurement of defined benefit plans in the amount of €192 million, which was due to lower discount rates applicable on the balance sheet date. The equity ratio as of June 30, 2019, was 28% (December 31, 2018: 23%).

Non-current liabilities were lower primarily because of the valuation-related decrease of €198 million in liabilities from derivative financial instruments, which declined from €4,327 million to €4,129 million.

Current liabilities were reduced primarily as a consequence of the valuation-related decrease in liabilities from derivative financial instruments, which followed the downward trend of receivables from derivative financial instruments and declined by €3,260 million, from €12,546 million to €9,287 million. Trade payables and accruals went down by €2,524 million to €5,732 million (December 31, 2018: €8,256 million). Financial liabilities fell by €348 million to €1,404 million (December 31, 2018: €1,752 million) and primarily reflect the redemption of commercial paper.

(16) Other Significant Issues after the Balance Sheet Date

Uniper and Energetický a průmyslový holding, a. s. ("EPH") successfully completed the negotiations announced in late December 2018 on the sale of Uniper's activities in France (see also Note 3). Corresponding agreements were signed on July 4, 2019. The transaction closed on July 9, 2019.

Beginning next year, Uniper and its consortium partners VNG Gasspeicher GmbH (VGS), ONTRAS Gastransport GmbH, DBI Freiberg and Terrawatt Planungsgesellschaft mbH plan to build an electrolysis plant for the production of green hydrogen with a capacity of up to 35 megawatts at the "Energiepark Bad Lauchstädt" site. The project involves converting renewable energy from a wind farm into green hydrogen by electrolysis. The green hydrogen will be placed in underground interim storage in a salt cavern outfitted especially for this purpose and can be fed into the chemical industry's hydrogen grid via a rededicated gas pipeline and used for urban mobility solutions. The planned underground salt cavern will be outfitted for the storage of up to 50 million cubic meters of hydrogen. It would be the first hydrogen cavern in continental Europe and the first such facility in the world for storing green hydrogen, i.e., hydrogen produced from renewable energy. The German Minister for Economic Affairs, Peter Altmaier (CDU), announced in July 2019 that the project is considered deserving of financial support as a "living lab for the energy transition" and that it had reached the final round of the application process. The ministry is expected to make a final decision regarding project funding by the end of this year.

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 5, 2019

The Management Board

Andreas Schierenbeck

Sascha Bibert

Keith Martin

Eckhardt Rümmler

Financial Calendar

November 12, 2019
Quarterly Statement: January–September 2019

March 10, 2020
2019 Annual Report

May 7, 2020
Quarterly Statement: January–March 2020

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

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

November 10, 2020
Quarterly Statement: January–September 2020

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