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Quarterly Statement Q1 2018

Financial Results

Performance Indicators at a Glance

Financial Indicators for the Uniper Group

1st quarter	Unit	2018	2017	Changes (percentages)
Sales[1]	€ in millions	21,025	22,253	-5.5
Adjusted EBIT[2]	€ in millions	350	514	-31.9
Net income/loss	€ in millions	130	751	-82.7
Earnings per share[3, 4]	€	0.31	2.00	-84.5
Cash provided by operating activities	€ in millions	620	902	-31.3
Adjusted FFO[5]	€ in millions	562	442	27.1
Investments	€ in millions	118	140	-15.7
Growth	*€ in millions*	*84*	*98*	*-14.3*
Maintenance and replacement	*€ in millions*	*34*	*42*	*-19.0*
Economic net debt	€ in millions	-2,606	-2,445[6]	6.6

[1]See also "Business Report" and "Newly Adopted IFRS". [2]Adjusted for non-operating effects. [3]Basis: outstanding shares as of reporting date. [4]For the respective fiscal year. [5]Primarily adjusted for operating cash flows not permanently available for distribution. [6]Comparative figure as of Dec. 31, 2017.

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules ("Börsenordnung") of the Frankfurt Stock Exchange ("Frankfurter Wertpapierbörse") as of January 31, 2018, and does not represent an interim financial report as defined in International Accounting Standard ("IAS") 34.

The main effects arising from the first-time adoption of International Financial Reporting Standard ("IFRS") 9, "Financial Instruments," IFRS 15, "Revenue from Contracts with Customers," and IFRS 16, "Leases," are presented in the Business Report and in the section "Newly Adopted International Financial Reporting Standards."

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

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Significant Developments of the First Quarter of 2018

- → Adjusted EBIT down year over year as expected
- → Adjusted FFO up from prior-year period
- → Economic net debt higher as expected due to first-time adoption of IFRS 16
- → Commissioning of Datteln 4 expected presumably in summer 2020
- → 2018 forecast and dividend guidance for 2018–2020 reaffirmed
- → With “BBB with stable outlook,” Uniper has achieved its target rating

Business Model of the Group

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

Business Report

Industry Environment

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

Energy Policy and Regulatory Environment

Following its adoption by the European Parliament and the Council of the European Union ("EU"), the revised directive on the EU emission trading system ("EU ETS") for the period after 2020 was published in the Official Journal of the EU on March 19, 2018. The reform provides that the sectors covered by the emission trading system shall reduce their emissions by 43% by 2030 from 2005 levels. For this purpose, the total number of emission allowances will decrease by 2.2% per annum from 2021, as opposed to 1.74% currently. In addition, the market stability reserve, which will become operational next year, has been strengthened. Moreover, the expansion of the scope of application of the Gas Directive has been further discussed in the EU. The discussions and joint positioning on the Gas Directive will take place in the second quarter of 2018 in "trilogue" negotiations between the European Council, the European Commission and the European Parliament. The attitude to the Nord Stream 2 natural gas pipeline project remains particularly contentious. The Commission's 2016 "Clean Energy for All Europeans" package is also in the "trilogue" negotiation phase. The discussion of the future electricity market design, which is particularly important to Uniper, is expected to be completed this year. The European Commission has furthermore approved the capacity reserve ("Kapazitätsreserve") for Germany of two gigawatts through 2025, which seeks to offset excess supply in the German electricity wholesale market. The corresponding ordinance in Germany is expected to enter into force before the parliamentary summer break in 2018. Uniper will then examine the business opportunities arising from that regulation.

In Germany, the federal government intends to propose, before the end of 2018, an end date for the generation of electricity from coal. It has stipulated in its coalition agreement that this end date and accompanying structural measures in the coal regions will be discussed by a commission yet to be formed. The recommendations of that commission shall produce key data for a climate protection law, which shall also set binding climate protection targets through 2030. Given the potential resulting impact on the Company, Uniper will participate constructively in the discussion.

In the Netherlands, the first quarter of 2018 marked the start of discussions on a new national climate agreement with two firm pillars: an end to the generation of electricity from coal by 2030, and the introduction of a national carbon price floor from 2020 forward. The government further announced that extraction of natural gas from the Groningen field will be reduced beginning in 2022. The intention is to phase out all production at this natural gas field by 2030. In this process, Uniper will endeavor to ensure that it is compensated for any potential consequences of replacing low-calorific natural gas with alternatives of higher calorific value.

In France, the government empaneled a group of experts to achieve the government's goal of phasing out coal-fired electricity generation by 2022. The final confidential report on the social and structural impact on each region, as well as the recommendations arising from it, should be available by June 2018. Discussions will then take place with involved parties in the regions. Here, too, as in the Netherlands, Uniper will assert claims to secure the value of its assets.

In January 2018, the British government published its conclusions from the consultation on ending coal-fired electricity generation, and set October 1, 2025, as the phase-out date. Even after withdrawal from the EU, the British government will still seek close coordination of energy policy with the EU. The review of the UK's capacity market rules, due to take place this year, intends to examine potential market distortions and the inclusion of non-subsidized electricity from renewables. However, no significant changes to the currently existing rules are expected.

Business Performance

The following events had a significant impact on business in the first quarter of 2018:

In the first quarter of 2018, the higher water levels recorded at the beginning of the year in Sweden and Germany relative to the previous year were used to increase electricity generation in both countries.

The decisions concerning the reduction of surplus carbon allowances by transferring them to the market stability reserve within the EU ETS led to a sharp carbon price increase in recent months. This development in the carbon market contributed to a good trading result in the first quarter of 2018.

The low temperatures in the second half of the first quarter of 2018 led to increased short-term demand for gas products and triggered extreme price fluctuations at individual gas trading points, which challenged gas utilities to deliver on the agreed supply contracts without resorting to significant gas-market purchases. Thanks to its diversified, flexible gas-storage and gas-optimization portfolio, Uniper successfully mastered this challenge. This meant that Uniper once again made a significant contribution to the security of supply in continental Europe.

The earnings performance of the Russian majority shareholding Unipro was affected mainly by the negative movement of the ruble's exchange rate relative to the previous year. Furthermore, the general overhaul of Unit 7 at the Surgutskaya power plant had a negative impact on generation volumes. This was partly offset by higher capacity payments than in the previous year.

The project to repair the boiler in the Berezovskaya 3 power plant unit remains on schedule and within expected cost parameters, allowing for its return to service in the third quarter of 2019. The remaining investment amount still to be spent now stands at roughly 19 billion rubles.

In the Datteln 4 hard-coal power plant currently under construction, initial supportable findings from the analysis of the extent and causes of the damage to the boiler unit indicate that the boiler walls will have to be replaced to remedy the damage. This will delay the plant's planned commissioning, which will now presumably take place in the summer of 2020.

Earnings

Sales Performance

Sales

1st quarter € in millions	2018	2017	Changes (percentages)
European Generation	2,901	2,226	30.3
Global Commodities	21,552	21,996	-2.0
International Power Generation	295	335	-11.9
Administration/Consolidation	-3,723	-2,304	-61.6
Total	**21,025**	**22,253**	**-5.5**

At €21,025 million, sales revenues in the first quarter of 2018 were roughly 6% below the prior-year figure (first quarter of 2017: €22,253 million).

The initial application of IFRS 15 resulted in two effects of particular significance. The first of these is a change in the presentation of income from financial hedging transactions and, to a limited extent, from proprietary trading, which is discussed in detail under "Significant Earnings Trends." Secondly, contract assets of roughly €28 million and deferred tax liabilities of €6 million were deferred in the first quarter of 2018. These items result from contracts in which the use of the service by the customer, and payments by the customer of the base or service price, vary seasonally.

European Generation

Sales in the European Generation segment rose by €675 million, from €2,226 million in the prior-year period to €2,901 million in the first quarter of 2018.

The increase in sales resulted from the changed interface in the transfer-pricing mechanism between the power plant operating companies and Uniper Global Commodities SE ("UGC"), which took effect on January 1, 2018. In the new interface, UGC locks in a future selling price for the electricity expected to be generated by the power plant operating companies by entering into hedges at current market prices in the context a portfolio management contract, so that the resulting revenues are ultimately reported directly in the European Generation segment, while the power plant operating companies show the financial effect of price hedging of their generation positions. The change in the mechanism is also reflected in a corresponding increase in the cost of materials. Sales were further supported by higher generation volumes at the hydroelectric power plants. The preceding effects were partly offset by the decommissioning of the Maasvlakte 1 and 2 power plant units in the Netherlands, and of the Oskarshamn 1 nuclear power plant in Sweden, all of which had still been in operation in the prior-year period.

Global Commodities

At €21,552 million, sales in the Global Commodities segment in the first quarter of 2018 were almost on a par with the €21,996 million reported for the prior-year period.

The gas business saw an increase in sales owing to increased prices and higher sales volumes at gas trading points. The effects were partly offset by a decline in reported sales due to the initial application of the new IFRS 15, which provides that certain transactions are now recognized as other operating income.

International Power Generation

Sales in the International Power Generation segment fell by €40 million, from €335 million in the prior-year period to €295 million in the first quarter of 2018.

The decline in sales was due to negative currency translation effects, in particular. A further negative impact came from lower generation volumes, which were due mainly to the elevated periods of downtime at the Surgutskaya power plant and the general overhaul of the plant's Unit 7.

Administration/Consolidation

Revenues attributable to the Administration/Consolidation reconciliation item changed by -€1,419 million, from -€2,304 million in the first quarter of 2017 to -€3,723 million in the first quarter of 2018. This resulted primarily from the consolidation of intersegment effects due to the changed interface between the European Generation segment's power plant operating companies and UGC, which will have no noteworthy impact on the earnings, financial condition and net assets of UGC and the Uniper Group.

Sales by product break down as follows:

Sales

1st quarter € in millions	2018	2017	Changes (percentages)
Electricity	7,281	8,705	-16.4
Gas	13,125	12,345	6.3
Other	619	1,203	-48.5
Total	**21,025**	**22,253**	**-5.5**

Significant Earnings Trends

Income before financial results and taxes fell to €125 million (first quarter of 2017: €946 million). The first-quarter net income of the Group decreased to €130 million (first quarter of 2017: €751 million).

The principal factors driving this earnings trend are presented below:

The cost of materials decreased by €1,175 million in the first quarter of 2018 to €20,126 million (first quarter of 2017: €21,301 million), thus following the sales trend.

Personnel costs were reduced by a net amount of €32 million in the first three months of 2018 to €239 million (first quarter of 2017: €271 million). The reduction resulted primarily from the measures taken under the restructuring programs initiated in previous years. In addition, expenses for retirement benefits fell compared with the prior-year period.

Depreciation, amortization and impairment charges amounted to €434 million in the first three months of 2018 (first quarter of 2017: €212 million). The €222 million increase is primarily attributable to impairments recognized in the first quarter of 2018 for the Datteln 4 hard-coal power plant currently under construction. The initial application of IFRS 16 in 2018, and the associated initial recognition of right-of-use assets within property, plant and equipment, additionally led to a marginal increase in depreciation and amortization. This was partly offset by a reduction in future depreciation charges due to the disposal of assets in the context of the sale of the interest in the Russian gas field Yuzhno-Russkoye in 2017. In addition, a goodwill impairment charge had been recognized in the prior-year period in connection with the disposal of the Russian Yuzhno-Russkoye gas field stake.

Other operating income fell by €1,849 million in the first three months of 2018 to €4,584 million (first quarter of 2017: €6,433 million). The decline reflected especially the effect of reduced gains on derivative financial instruments, which decreased compared with the prior-year period by €2,966 million to €3,141 million. This was caused primarily by the marking to market of commodity derivatives. Income totaling €1,171 million from financial hedging transactions and, to a limited extent, from proprietary trading, which has for the first time been shown within other operating income owing to the initial application of IFRS 15, and no longer as sales, partly offset this effect.

Other operating expenses decreased by €1,283 million in the first quarter of 2018 to €4,722 million (first quarter of 2017: €6,005 million). This decline resulted primarily from a reduction in losses on derivative financial instruments, which decreased by €2,423 million to €3,106 million (first quarter of 2017: €5,529 million). The difference was caused by the marking to market of commodity derivatives. This was partly offset by the effects of expenses from financial hedging transactions and, to a limited extent, from proprietary trading totaling €1,231 million, which in the previous year had been shown within cost of materials. This change in reporting has also arisen in connection with the initial application of IFRS 15.

Reconciliation of Income/Loss before Financial Results and Taxes

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

Unadjusted EBIT is adjusted for certain non-operating effects in order to increase its meaningfulness as an indicator of the operating performance of Uniper's business. Operating income also includes income from investment subsidies for which liabilities are recognized.

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

Reconciliation of Income/Loss before Financial Results and Taxes

1st quarter € in millions	2018	2017
Income/Loss before financial results and taxes	**125**	**946**
Net income/loss from equity investments	–	-1
EBIT	**125**	**945**
Non-operating adjustments	225	-431
Net book gains (-)/losses (+)[1]	*–*	*–*
Marking to market of derivative financial instruments	*4*	*-524*
Restructuring / Cost-management expenses (+)/income (-)[2, 3]	*-58*	*2*
Non-operating impairment charges (+)/reversals (-)[4]	*270*	*35*
Miscellaneous other non-operating earnings	*9*	*56*
Adjusted EBIT	**350**	**514**

[1]Until December 31, 2017, including reclassification out of other comprehensive income of assets held for sale.
[2]Expenses/Income for restructuring / cost management in the Global Commodities segment included depreciation and amortization of €3 million in the 1st quarter 2018 (1st quarter 2017: €4 million).
[3]Expenses/Income for restructuring / cost management do not include expenses incurred for the current restructuring program and its related subprojects.
[4]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from depreciation, amortization and impairment charges reported in the statement of income since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring / cost-management expenses and in miscellaneous other non-operating earnings.

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

Net Book Gains/Losses

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

Fair Value Measurement of Derivative Financial Instruments

The fair value measurement as of the reporting date of derivatives used to hedge the operating business against price fluctuations generated an expense of €4 million as of March 31, 2018 (first quarter of 2017: €524 million income).

Restructuring / Cost Management

In the first quarter of 2018, restructuring and cost-management expenses/income changed by €60 million year over year. The income of €58 million in the first quarter of 2018 (first quarter of 2017: €2 million expense) resulted primarily from the partial reversal of miscellaneous provisions that had been recognized as non-operating income in the course of the spin-off from E.ON.

Non-operating Impairments/Reversals

Non-operating impairment charges amounting to €270 million were recognized in the reporting period for the Datteln 4 hard-coal power plant currently under construction. In the prior-year period, non-operating impairment charges had amounted to €35 million and had related to the European Generation and Global Commodities segments.

Miscellaneous Other Non-operating Earnings

Miscellaneous other non-operating earnings amounted to -€9 million in the first quarter of 2018 (first quarter of 2017: -€56 million). The improvement resulted primarily from lower depreciation of overall reduced gas inventories relative to the prior-year period and from the adjustment of provisions for transportation costs.

Adjusted EBIT

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

Segments

The following table shows adjusted EBIT for the first quarter of 2018 and the first quarter of 2017 broken down by segment:

Adjusted EBIT

1st quarter € in millions	2018	2017	Changes (percentages)
European Generation	186	226	-17.7
Global Commodities	134	230	-41.7
International Power Generation	89	92	-3.3
Administration/Consolidation	-59	-34	-73.5
Total	**350**	**514**	**-31.9**

European Generation

Adjusted EBIT in the European Generation segment fell by €40 million, from €226 million in the prior-year period to €186 million in the first quarter of 2018.

This negative development is primarily attributable to lower prices obtained in fossil-fuel generation and to lower prices for nuclear and hydro generation volumes that had been hedged in the past. The decommissioning in the previous year of the Maasvlakte 1 and 2 power plant units in the Netherlands and of the Oskarshamn 1 nuclear power plant unit in Sweden had an additional negative impact on the European Generation segment's earnings. On the other hand, there were positive effects on adjusted EBIT from the elimination of special taxation of nuclear power plants and the reduction of special taxation of hydroelectric power plants in Sweden, from the introduction of the capacity markets in the United Kingdom and in France in 2017, and from higher generation volumes due to higher water volumes in Sweden.

Global Commodities

Adjusted EBIT in the Global Commodities segment fell by €96 million, from €230 million in the prior-year period to €134 million in the first quarter of 2018.

Reflected in the segment's adjusted EBIT is lower income from optimization in the gas business because, although sales in the gas business were higher, an increase in cost of materials led to a lower net contribution to earnings. In addition, the non-recurrence of the earnings contribution made by the finalization of the sale of the stake in the Russian gas field Yuzhno-Russkoye at the end of 2017 had a negative impact on adjusted EBIT.

International Power Generation

Adjusted EBIT in the International Power Generation segment fell by €3 million, from €92 million in the prior-year period to €89 million in the first quarter of 2018.

Adjusted EBIT was adversely affected by negative currency translation effects and lower generation volumes. The higher tariff payments for new capacity at the Surgutskaya power plant, which were adjusted from April 2017, had a positive effect.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item fell by €25 million, from -€34 million in the first quarter of 2017 to -€59 million in the first quarter of 2018.

Adjusted Funds from Operations

Beginning in 2017, adjusted funds from operations ("adjusted FFO") is a key performance indicator used by the Uniper Group for, among other things, determining indirectly the residual cash flow available for distribution to shareholders and the variable compensation of the Management Board. The definition of adjusted FFO has been described in detail in the Uniper SE Annual Report.

Adjusted FFO for the first quarter of 2018 amounted to €562 million, a year-over-year increase of €120 million (first quarter of 2017: €442 million). The increase primarily reflected lower usage of miscellaneous provisions and positive tax effects.

Financial Condition

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

Debt

Compared with December 31, 2017, Uniper's economic net debt rose by €161 million to -€2,606 million as of March 31, 2018 (December 31, 2017: -€2,445 million). The operating cash flow exceeded investment spending, resulting in a significant improvement in liquid funds.

Economic Net Debt

€ in millions	Mar. 31, 2018	Dec. 31, 2017
Liquid funds	1,566	1,027
Non-current securities	92	104
Financial liabilities and liabilities from leases	-2,522	-1,923
Net financial position	**-864**	**-792**
Provisions for pensions and similar obligations	-776	-676
Provisions for asset retirement obligations[1]	-966	-977
Economic net debt	**-2,606**	**-2,445**

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

In the first quarter of 2018, financial liabilities and liabilities from leases increased by €599 million. The increase is due to higher liabilities from margining and to the first-time recognition of lease liabilities in accordance with IFRS 16. In addition, provisions for pensions and similar obligations increased by €100 million to -€776 million (December 31, 2017: -€676 million).

Investments

Investments

1st quarter € in millions	2018	2017
Investments		
European Generation	*65*	*89*
Global Commodities	*5*	*10*
International Power Generation	*41*	*23*
Administration/Consolidation	*7*	*18*
Total	**118**	**140**
Growth	*84*	*98*
Maintenance and replacement	*34*	*42*

In the first quarter of 2018, €65 million was invested in the European Generation segment, €24 million less than the €89 million reported for the prior-year period. The change was primarily due to lower investment spending on the Datteln 4 hard-coal power plant unit.

Investments in the Global Commodities segment amounted to €5 million in the first quarter of 2018, slightly below the figure for the prior-year period.

In the first quarter of 2018, €41 million was invested in the International Power Generation segment, €18 million more than in the prior-year period (€23 million). Investments in the first three months of 2018 related primarily to the repair of Unit 3 of the Berezovskaya power plant.

Investment spending in the Administration/Consolidation reconciliation item totaled €7 million in the first quarter of 2018, down €11 million compared with the first quarter of 2017. This development was attributable to the non-recurrence of spending on the acquisition of licenses by Uniper IT and on the ownership transfer from E.ON of Uniper HR Services Hannover GmbH in 2017.

Cash Flow

Cash Flow

1st quarter € in millions	2018	2017
Cash provided by (used for) operating activities (operating cash flow)	**620**	**902**
Cash provided by (used for) investing activities	**-724**	**501**
Cash provided by (used for) financing activities	**282**	**-941**

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

Cash provided by operating activities (operating cash flow) declined by €282 million in the first quarter of 2018 to €620 million (first quarter of 2017: €902 million). The principal reasons for the reduction in operating cash flow were the reduction in cash EBIT and, secondly, a reduction in working capital due to a difference in the timing of payments between year-end 2017 and the first quarter of 2018.

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

1st quarter € in millions	2018	2017	Difference
Operating cash flow	**620**	**902**	**-282**
Interest payments	5	2	3
Tax payments	19	15	4
Operating cash flow before interest and taxes	**644**	**919**	**-275**

Cash Flow from Investing Activities

Cash provided by investing activities fell from €501 million in the prior-year quarter by €1,225 million to -€724 million in the first quarter of 2018. This change was caused primarily by higher margin deposits for hedges of trading activities and by higher cash payments for purchases of securities. By contrast, reduced cash payments of €118 million for investments (first quarter of 2017: €140 million), as well as the €95 million increase in proceeds from disposals (first quarter of 2017: €8 million), both had positive effects. These effects did not, however, fully offset the stated increases in cash payments.

Cash Flow from Financing Activities

In the first quarter of 2018, cash provided by financing activities amounted to €282 million (first quarter of 2017: -€941 million). The €800 million loan from the syndicated bank financing agreement had been repaid in the first quarter of 2017. The additional increase relative to the previous year resulted primarily from the increase in margin liabilities.

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Mar. 31, 2018	Dec. 31, 2017
Non-current assets	22,393	22,877
Current assets	19,809	20,284
Total assets	**42,202**	**43,161**
Equity	12,679	12,789
Non-current liabilities	11,701	11,713
Current liabilities	17,822	18,659
Total equity and liabilities	**42,202**	**43,161**

Non-current assets as of March 31, 2018, decreased relative to December 31, 2017, from €22,877 million to €22,393 million. This was caused primarily by the valuation-related decrease of €181 million in receivables from derivative financial instruments and by €270 million in impairment charges recognized for the Datteln 4 hard-coal power plant currently under construction.

Current assets fell from €20,284 million as of December 31, 2017, to €19,809 million. The principal causes of the decline were the valuation-related reduction in receivables from derivative financial instruments from €8,241 million by €1,345 million to €6,896 million, and the seasonal decrease in inventories from €1,659 million by €571 million to €1,088 million. This was partly offset by the increase of €539 million in liquid funds and by the increase of €477 million in trade receivables.

Equity fell from €12,789 million to €12,679 million as of March 31, 2018. The effect of foreign exchange rates on assets and liabilities in the amount of €107 million, as well as the remeasurement of defined benefit plans and the effects from the initial application of IFRS 9 and IFRS 16 amounting to €55 million in total, all had negative impacts on equity. On the other hand, the net income of the Group led to an increase in equity of €130 million. Of this amount, €16 million is attributable to non-controlling interests. The equity ratio as of March 31, 2018, at 30%, thus remains unchanged from its level as of December 31, 2017.

Non-current liabilities were virtually unchanged from the €11,713 million at the end of the previous year and amounted to €11,701 million as of March 31, 2018. Significant effects resulted from the increase of €270 million in non-current lease liabilities additionally recognized in connection with the initial application of IFRS 16 and from the valuation-related decrease in liabilities from derivative financial instruments from €3,040 million by €202 million to €2,838 million.

Current liabilities fell from €18,659 million as of December 31, 2017, to €17,822 million. This development is primarily attributable to the valuation-related decrease in liabilities from derivative financial instruments from €8,033 million by €1,353 million to €6,680 million. This was partly offset by increases of €252 million in trade payables and of €54 million in liabilities from leases.

Risk and Chances Report

The risk and chances profile of the Uniper Group, including all individual risks and chances of significance to the Group, have been described in detail in the Annual Report of Uniper SE, which is published and has been available online at www.uniper.energy since March 8, 2018.

The risk and chances profile of the Uniper Group has not changed materially as of the end of the first quarter of 2018. The following developments are noteworthy, however: As described in the "Business Performance" section, the risk of a delay in the commissioning of Datteln 4 has arisen owing to the necessary replacement of the boiler walls at the plant. Furthermore, the risk of Uniper becoming a target of U.S. sanctions is assessed as moderate, the extended sanctions list published on April 6, 2018, notwithstanding. This is due, among other things, to the adoption of various preventive measures.

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

Forecast Report

The forecast for the 2018 fiscal year remains affected by the environment and developments described in the 2017 Annual Report. Overall, the projections for 2018 published in the 2017 Annual Report are reaffirmed.

Other

On April 27, 2018, Standard & Poor's Global Ratings ("S&P") raised Uniper's rating from BBB- with a positive outlook to BBB with a stable outlook. S&P decided to upgrade the rating on the back of Uniper's sustained strong financial position, as well as S&P's expectation of improved earnings stability and profitability at the Company.

The rating upgrade and the stable outlook reflect S&P's view of a reduced risk of a negative impact from a possible change in Uniper's shareholder structure on the Company's credit quality, in particular its independence, strategy and financial policy. S&P has elevated Uniper's business risk profile, which has been positively affected by recent electricity price trends in Germany and the Nordic countries, achieved cost savings, renegotiations of gas contracts and the successful sale of the Russian gas field Yuzhno-Russkoye in late 2017.

Newly Adopted International Financial Reporting Standards

Since the beginning of the 2018 fiscal year, Uniper has been applying the financial reporting standards IFRS 9, "Financial Instruments," IFRS 15, "Revenue from Contracts with Customers" and, as an early adopter, IFRS 16, "Leases." In line with the transition methods chosen, the figures for the comparative period of the previous year are not restated. Detailed information about the changes in assets, liabilities and equity can be found in the 2017 Annual Report. Any potential application effects on the first quarter of 2018 relative to the comparative quarter of the previous year are described directly in those parts of the Business Report of this Quarterly Statement to which they relate.

Additional provisions applied for the first time have no material impact on the Uniper Group.

Further information and corresponding explanations can be found in the 2017 Annual Report.

Uniper SE and Subsidiaries Consolidated Statements of Income

1st quarter € in millions	2018	2017
Sales including electricity and energy taxes	21,156	22,383
Electricity and energy taxes	-131	-130
Sales	**21,025**	**22,253**
Changes in inventories (finished goods and work in progress)	6	23
Own work capitalized	14	14
Other operating income	4,584	6,433
Cost of materials	-20,126	-21,301
Personnel costs	-239	-271
Depreciation, amortization and impairment charges	-434	-212
Other operating expenses	-4,722	-6,005
Income from companies accounted for under the equity method	17	12
Income/loss before financial results and taxes	**125**	**946**
Financial results	15	40
Net income/loss from equity investments	*–*	*-1*
Income from other securities, interest and similar income	*35*	*64*
Interest and similar expenses	*-13*	*-23*
Other financial results	*-7*	*n/a*
Income taxes	-10	-235
Net income/loss	**130**	**751**
Attributable to shareholders of Uniper SE	*114*	*733*
Attributable to non-controlling interests	*16*	*18*
in €		
Earnings per share (attributable to shareholders of Uniper SE) - basic and diluted		
from continuing operations	0.31	2.00
from net income	**0.31**	**2.00**

Uniper SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses

1st quarter € in millions	2018	2017
Net income/loss	**130**	**751**
Remeasurements of investments	-7	n/a
Remeasurements of defined benefit plans	-93	81
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	–
Income taxes	27	-27
Items that will not be reclassified subsequently to the income statement	**-73**	**54**
Cash flow hedges	-1	-8
Unrealized changes	*–*	*-2*
Reclassification adjustments recognized in income	*-1*	*-6*
Available-for-sale securities	n/a	21
Unrealized changes	*n/a*	*21*
Reclassification adjustments recognized in income	*n/a*	*–*
Currency translation adjustments	-107	263
Unrealized changes	*-107*	*263*
Reclassification adjustments recognized in income	*–*	*–*
Companies accounted for under the equity method	-4	17
Unrealized changes	*-4*	*17*
Reclassification adjustments recognized in income	*–*	*–*
Income taxes	–	3
Items that might be reclassified subsequently to the income statement	**-112**	**296**
Total income and expenses recognized directly in equity	**-185**	**350**
Total recognized income and expenses (total comprehensive income)	**-55**	**1.101**
Attributable to shareholders of Uniper SE	*-56*	*1.051*
Attributable to non-controlling interests	*1*	*50*

Uniper SE and Subsidiaries Consolidated Balance Sheets

€ in millions	Mar. 31, 2018	Dec. 31, 2017
Assets		
Goodwill	1,878	1,890
Intangible assets	807	819
Property, plant and equipment and right-of-use assets	11,265	11,496
Companies accounted for under the equity method	459	448
Other financial assets	778	814
Equity investments	*686*	*710*
Non-current securities	*92*	*104*
Financial receivables and other financial assets	3,271	3,308
Operating receivables, other operating assets and contract assets	3,016	3,206
Income tax assets	4	6
Deferred tax assets	915	890
Non-current assets	**22,393**	**22,877**
Inventories	1,088	1,659
Financial receivables and other financial assets	1,469	1,195
Trade receivables, other operating assets and contract assets	15,338	16,163
Income tax assets	164	170
Liquid funds	1,566	1,027
Securities and fixed-term deposits	*348*	*64*
Restricted cash and cash equivalents	*193*	*112*
Cash and cash equivalents	*1,025*	*851*
Assets held for sale	184	70
Current assets	**19,809**	**20,284**
Total assets	**42,202**	**43,161**
Equity and Liabilities		
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	3,874	3,399
Accumulated other comprehensive income	-3,285	-2,699
Equity attributable to shareholders of Uniper SE	**12,036**	**12,147**
Attributable to non-controlling interests	643	642
Equity	**12,679**	**12,789**
Financial liabilities and liabilities from leases	1,193	961
Operating liabilities and contract liabilities	3,405	3,618
Provisions for pensions and similar obligations	776	676
Miscellaneous provisions	5,933	6,068
Deferred tax liabilities	394	390
Non-current liabilities	**11,701**	**11,713**
Financial liabilities and liabilities from leases	1,329	962
Trade payables, other operating liabilities and contract liabilities	15,049	16,277
Income taxes	10	55
Miscellaneous provisions	1,320	1,362
Liabilities associated with assets held for sale	114	3
Current liabilities	**17,822**	**18,659**
Total equity and liabilities	**42,202**	**43,161**

Uniper SE and Subsidiaries Consolidated Statements of Cash Flows

1st quarter € in millions	2018	2017
Net income/loss	**130**	**751**
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	434	212
Changes in provisions	-65	-46
Changes in deferred taxes	30	126
Other non-cash income and expenses	75	-27
Gain/loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	-31	-8
Changes in operating assets and liabilities and in income taxes	47	-106
Cash provided by operating activities	**620**	**902**
Proceeds from disposal of	95	8
Intangible assets and property, plant and equipment	*95*	*5*
Equity investments	*–*	*3*
Purchases of investments in	-118	-140
Intangible assets and property, plant and equipment	*-114*	*-130*
Equity investments	*-4*	*-10*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	351	740
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-970	-116
Changes in restricted cash and cash equivalents	-82	9
Cash used for investing activities	**-724**	**501**
Payments received/made from changes in capital[1]	5	–
Proceeds from financial liabilities and outstanding lease liabilities	311	46
Repayments of financial liabilities and reduction of outstanding lease liabilities	-34	-987
Cash provided by financing activities	**282**	**-941**
Net increase in cash and cash equivalents	**178**	**462**
Effect of foreign exchange rates on cash and cash equivalents	-4	7
Cash and cash equivalents at the beginning of the year[2]	852	169
Cash and cash equivalents from disposal groups	-1	-87
Cash and cash equivalents at the end of the quarter	**1,025**	**551**
Supplementary Information on Cash Flows from Operating Activities		
Income taxes paid (less refunds)	-19	-15
Interest paid	-19	-14
Interest received	14	12
Dividends received	2	8

[1]No material netting has taken place in either of the years presented here.
[2]Cash and cash equivalents at the beginning of 2017 also include an amount of €21 million that had been attributable to the divested stake in the Russian gas field Yuzhno-Russkoye.

Financial Calendar

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

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

November 13, 2018
Quarterly Statement: January–September 2018

March 12, 2019
2018 Annual Report

May 7, 2019
Quarterly Statement: January–March 2019

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

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

November 12, 2019
Quarterly Statement: January–September 2019

Further Information

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