



Press Release
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Uniper SE
E.ON-Platz 1
40479 Düsseldorf
www.uniper.energy

For further information please
contact:

Christine Bossak
T +49 2 11-45 79-20 32
christine.bossak@
uniper.energy

Uniper achieves earnings targets for 2017 – funds from operations improved, balance sheet further strengthened

- **Adjusted EBIT of €1.1 billion in line with outlook range; decline relative to prior year attributable to non-recurrence of substantial one-off items**
- **Adjusted funds from operations of €753 million significantly above prior year**
- **Economic net debt reduced by more than 40 percent**
- **Dividend proposal for 2017 increases to around €271 million (€0.74 per share)**
- **Outlook for 2018: Adjusted EBIT expected to be between €0.8 and €1.1 billion**
- **Aiming for dividend payout of €310 million for 2018**

Uniper concluded the 2017 financial year with a solid operating performance and balance sheet and fully achieved its targets: Adjusted EBIT of €1.1 billion was well within the announced forecast range of €1.0 to €1.2 billion. Adjusted funds from operations (Adjusted FFO) of €753 million were up significantly, rising by €274 million year on year. Under Uniper's dividend policy, this results in an increase of the €250 million dividend target communicated in August 2017. Uniper now intends to pay out €271 million to shareholders for the 2017 financial year, which corresponds to €0.74 per share (2016 financial year: €0.55 per share).

Uniper CEO Klaus Schäfer says: "Despite continued challenging market conditions and a difficult regulatory environment, Uniper posted solid numbers. This demonstrates yet again that our business model is working and that our emphasis on continually improving our cash flow is paying off. Our refined strategy and excellent portfolio of assets and capabilities put Uniper in a very good position to benefit from future developments in the energy markets. We'll continue to seize these opportunities and create sustainable value – for our shareholders, customers and employees."

Uniper's Adjusted EBIT benefited primarily from the robust performance of its power generation business in Europe and Russia. The positive factors included the non-recurrence of the impairment charge recorded in 2016 on parts of the damaged generating unit Berezovskaya 3 in Russia, along with the related insurance payment, most of which was received in 2017. Earnings also benefited from favorable developments in Russian ruble exchange rates. A reduction in amortization charges following the impairment charges recorded in the prior year was another positive factor. As Uniper anticipated and communicated early on, however, these factors could not fully offset the non-recurrence of substantial positive one-off items recorded in 2016. In particular, the earnings impact of the agreement to adjust the terms of long-term gas procurement contracts as well as the unusually high earnings posted by Uniper's gas optimization activities did not recur in 2017. Consequently, Adjusted EBIT was about €250 million below the prior-year figure of €1.4 billion.

Following a net loss of €3.2 billion in the prior year, Uniper's net income improved significantly in the 2017 financial year. While the company still recorded a net loss of €538 million, this was entirely attributable to non-cash-effective one-off items, primarily in conjunction with the disposal of its stake in gas field Yuzhno-Russkoye in Siberia. At the closing of the transaction, currency-translation losses of €890 million, which had



already been recorded in group equity, had to be recorded in the income statement, which had a corresponding adverse, but value-neutral impact on net income.

Uniper's operating cash flow of €1.4 billion at the conclusion of the 2017 financial year was again at a good, normalized level. The significant decline of roughly €800 million relative to the prior year was expected after Uniper's operating cash flow in 2016 had benefited disproportionately from significant one-items. Alongside the company's solid operating performance, the positive factors in 2017 included the receipt of the insurance payment for Berezovskaya 3. The consistently good development of Uniper's operating cash flow in 2017 was also the main reason for the significant increase in adjusted funds from operations.

In 2017 Uniper's capex again focused on projects relevant to its business. Cash-effective investments totaled €843 million and were thus in line with expectations.

Very early in 2017, Uniper paved the way toward achieving its debt-reduction target by selling its stake in Yuzhno-Russkoye gas field. Uniper's economic net debt of €2.4 billion at year-end 2017 was more than 40 percent lower than at year-end 2016 (€4.2 billion).

Uniper CFO Christopher Delbrück says: "2017 marks another year in which we made good progress in strengthening Uniper's key financial figures, balance sheet and competitiveness. In addition, the systematic reduction of our debt enabled us, in a very short time, to lay the foundation for a comfortable investment-grade rating. We'll do everything we can to ensure that the improvement in our key financial figures remains sustainable, including in the case of possible changes in our shareholder structure."

As communicated in early December 2017, Uniper expects its 2018 Adjusted EBIT to be between €0.8 and €1.1 billion. In line with its revised strategy, Uniper had also announced a target for medium-term dividend growth. Based on a dividend payout of €200 million for the 2016 financial year, the company plans to increase the dividend by an average of 25 percent per year through the 2020 financial year. Uniper intends to pay out about €310 million to its shareholders for the 2018 financial year.

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



Uniper's sales and earnings performance in 2017

€ in millions	2017	2016	+/-
Uniper sales	72,238	67,285	7.4%
European Generation	7,107	6,835	4.0%
Global Commodities	71,034	66,465	6.9%
International Power	1,170	1,063	10.1%
Administration/Consolidation	-7,073	-7,078	0.1%
Uniper Adjusted EBIT¹	1,114	1,362	-18.2%
European Generation ¹	337	126	>100%
Global Commodities ¹	341	1,327	-74.3%
International Power ¹	616	106	>100%
Administration/Consolidation ¹	-180	-197	8.6%
Net profit/Net loss	-538	-3,234	>100%
Attributable to Uniper SE shareholders	-656	-3,217	>100%
Attributable to non-controlling interests	118	-17	>100%

¹Adjusted to exclude non-operating effects.

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