Interim Report I/2009

2009

January February March

April May June

July August September

October November December

E.ON Group Financial Highlights

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January 1 – March 31	2009	2008	+/- %
Electricity sales	206.8 billion kWh	197.1 billion kWh	+5
Gas sales	359.6 billion kWh	355.0 billion kWh	+1
Sales	€25,935 million	€22,839 million	+14
Adjusted EBITDA	€3,973 million	€4,084 million	-3
Adjusted EBIT	€3,100 million	€3,279 million	-5
Net income	€2,597 million	€2,347 million	+11
Net income attributable to shareholders of E.ON AG	€2,457 million	€2,079 million	+18
Adjusted net income	€1,801 million	€1,840 million	-2
Economic investments	€1,896 million	€2,084 million	-9
Cash provided by operating activities of continuing operations	€2,886 million	€2,362 million	+22
Economic net debt (March 31 and December 31)	-€45,007 million	-€44,946 million	-61[1]
Employees (March 31 and December 31)	92,890	93,538	-1
Earnings per share attributable to shareholders of E.ON AG[2]	€1.29	€1.10	+17
Weighted average shares outstanding (in millions)[2]	1,905	1,889	+1

[1]Change in absolute terms.
[2]Subsequent to, or adjusted for, the stock split.

Glossary of Selected Financial Terms

Adjusted EBIT Adjusted earnings before interest and taxes. Adjusted EBIT, E.ON's key figure for purposes of internal management control and as an indicator of a business's long-term earnings power, is derived from income/loss from continuing operations before interest income and income taxes and is adjusted to exclude certain extraordinary items, mainly other income and expenses of a non-recurring or rare nature.

Adjusted EBITDA Adjusted earnings before interest, taxes, depreciation, and amortization.

Adjusted net income An earnings figure after interest income, incomes taxes, and minority interests that has been adjusted to exclude certain extraordinary effects. The adjustments include effects from the marking to market of derivatives, book gains and book losses on disposals, restructuring expenses, and other non-operating income and expenses of a non-recurring or rare nature (after taxes and minority interests). Adjusted net income also excludes income/loss from discontinued operations, net.

Economic investments Cash-effective capital investments plus debt acquired and asset swaps.

Economic net debt Key figure that supplements net financial position with pension obligations and asset retirement obligations (less prepayments to the Swedish nuclear fund).

Interim Report I/2009

January 1 – March 31, 2009

- Adjusted EBIT down 5 percent
- Discussions with Gazprom on acquisition of roughly 25-percent stake in Yuzhno Russkoye gas field in Russia in final stage
- 2009 forecast unchanged: adjusted EBIT expected to match high prior-year level, adjusted net income to decline by 10 percent

Contents

Dear Shareholders,

Although the current global economic crisis leaves no company unaffected, so far it has affected your company less than others. Our adjusted EBIT of €3.1 billion and adjusted net income of €1.8 billion in the first quarter of 2009 were 5 percent and 2 percent, respectively, below the very high prior-year figures. Nevertheless, we expect full-year adjusted EBIT to match the high prior-year level. We expect full-year adjusted net income to be about 10 percent lower, mainly due to higher interest expenditures to finance our growth program.

Even though we're less susceptible to the economic crisis than companies in other industries, the economic downturn is also being felt in the energy business. Prices for oil, natural gas, and coal—and also for wholesale electricity—have declined significantly since mid-2008. This will, with a time lag, be reflected in consumer prices for electricity and gas. As a result of the economic crisis, energy consumption is declining, particularly among industrial customers. In Germany, for example, electricity consumption declined by 5 percent in the first quarter of 2009 according to an initial estimate by the BDEW, a trade association for energy and water utilities. Another factor is the weakening of the British pound, the Russian ruble, the Swedish krona, and the Hungarian forint. In this difficult environment, we're managing the company cautiously, though without becoming shortsighted. We've therefore extended the timeline of the remaining projects in our investment program.

At the same time, we want to enhance our competitiveness. That's the purpose of our efficiency program called Perform to Win. In all areas of the company and along the entire energy value chain, we intend to improve our efficiency and productivity, to cut costs in specific areas, to optimize its organizational structures and business processes, and to eliminate redundant tasks and unnecessary bureaucracy. We began Perform to Win before the outbreak of the financial and economic crisis. There's no doubt that now it's even more important for us to implement this program rapidly and resolutely. The measures identified so far have a permanent improvement potential of up to €1.5 billion, which we intend to realize by 2011.

With the objective of becoming even more competitive and further enhancing our earnings power, we're also fine-tuning our portfolio. We're reviewing the growth and earnings potential of all our businesses. By divesting operations, we'll be unlocking value and simplifying the structure of our company. In recent years, we've grown mainly through acquisitions. We rapidly and efficiently entered the markets of Spain, Italy, France, and Russia. In the future, we'll expand mainly through organic growth. Our investments in power plants, networks, and pipelines enable us to seize the opportunities created by the necessary modernization of Europe's energy structures. In the years ahead, we intend to create value by building new assets and by expanding our existing ones. In addition, we want to produce more natural gas ourselves in order to access even more supply sources. Our discussions with Gazprom regarding our acquisition of a roughly 25-percent stake in Yuzhno Russkoye, a Russian natural gas field, are in the final stages. The detailed contracts for the transaction have, for the most part, been worked out. We expect them to be signed in June.

As you can see, we've given E.ON a broad, international footprint. We're making substantial investments in the earnings opportunities of the future. We're streamlining our business portfolio und making ourselves even more competitive. You, our shareholders, can count on us to draw new momentum from the economic crisis because we're experienced and agile enough to view times like these as opportunities to gather strength to meet future challenges.

Sincerely yours,

Dr. Wulf H. Bernotat

E.ON Stock[1]

In a declining stock market, E.ON stock finished the first quarter of 2009 below its year-end closing price for 2008 (-26 percent). E.ON stock significantly underperformed the market; however, the German stock market (DAX: -15 percent), the European stock market (EURO STOXX 50: -15 percent), and E.ON's peer index (STOXX Utilities: -19 percent) were also all down significantly relative to year-end 2008.

The stock-exchange trading volume of E.ON stock declined substantially, falling by about 63 percent year on year to €15.2 billion. The decline is attributable in part to the drop in E.ON's stock price and in part to a 28-percent decrease in the number of shares traded. Nevertheless, E.ON was still the DAX's third most-traded stock. With a weighting of 10.23 percent, E.ON stock was again the highest-weighted stock in the DAX.

In the United States, E.ON stock is traded over the counter in the form of American Depositary Receipts ("ADRs"). Following the stock split on August 4, 2008, the conversion ratio between E.ON ADRs and E.ON stock is one to one. Before the stock split, the ratio was three to one.

Through December 2008, we repurchased a total of €6.4 billion in E.ON stock under the €7 billion share buyback program which had started in 2007. Due to the financial crisis, we have decided to suspend the share buyback program in order to maintain the highest degree of flexibility.

E.ON Stock

	Mar. 31, 2009	Dec. 31, 2008
Shares outstanding (millions)	1,905	1,905
Closing price (€)	20.91	28.44
Market capitalization (€ in billions)[1]	39.8	54.2

[1]Based on shares outstanding.

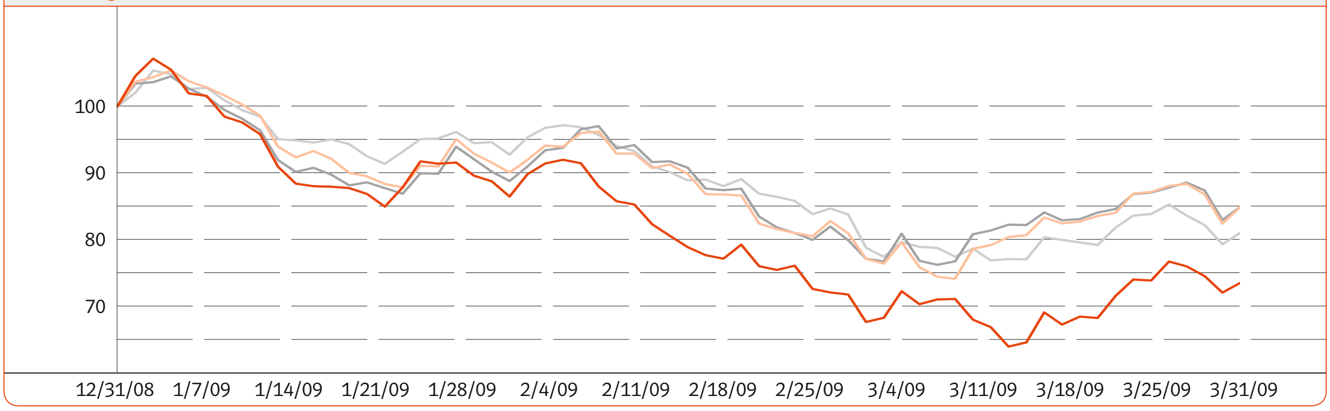
Performance and Trading Volume

January 1 – March 31	2009	2008
High (€)[1]	30.47	50.93
Low (€)[1]	18.19	39.09
Trading volume[2]		
Millions of shares	*679.9*	*938.7*
€ in billions	*15.2*	*40.7*

[1]Xetra.
[2]Source: Bloomberg (all German stock exchanges).

Visit eon.com for the latest information about E.ON stock.

E.ON Stock Performance



[1]All figures are subsequent to, or adjusted for, the stock split.

Interim Group Management Report

Business and Operating Environment

Corporate Structure and Operations

E.ON is one of the world's largest investor-owned energy companies. Our business extends along the entire value chain in power and gas and is segmented geographically or functionally into market units. The lead company of each market unit is responsible for integrating and coordinating operations across its target market. Business units manage day-to-day operations.

The number of our market units doubled in 2008. In 2008, we added new geographically segmented market units that reflect our target markets (Russia, Italy, and Spain) and new functionally segmented market units that operate across Europe (Energy Trading) and globally (Climate & Renewables).

Energy Trading is the only one of our new market units that will be disclosed as a separate reporting segment. For reasons of materiality, we combine our other new market units in a single reporting segment called New Markets.

Corporate Center

The Corporate Center segment consists of E.ON AG, Düsseldorf, and the ownership interests managed directly by E.ON AG. We also allocate consolidation effects at the Group level to this segment.

Central Europe

Munich-based E.ON Energie, the lead company of the Central Europe market unit, is one of Europe's largest energy companies and has operations in many countries in Central Europe, including Germany, Belgium, the Netherlands, France, Hungary, Slovakia, and the Czech Republic.

Pan-European Gas

Essen-based E.ON Ruhrgas is the lead company of the Pan-European Gas market unit and is responsible for managing our natural gas business in Europe, which is vertically integrated along the value chain. E.ON Ruhrgas is one of Europe's leading gas companies and one of the world's largest investor-owned natural gas importers. Its customers are regional and municipal energy companies and industrial enterprises.

Effective this year, Pan-European Gas has adjusted its segment reporting. The reporting units Up-/ Midstream and Downstream Shareholdings have been replaced by Non-regulated and Regulated. Non-regulated consists of the gas trading business, the exploration and production ("E&P") business, and the gas storage business. Regulated consists of ownership interests in energy companies in European countries other than Germany (E.ON Ruhrgas International) and the regulated transport business. Minority ownership interests in municipal gas and electric utilities in Germany (Thüga) are reported, along with consolidation effects, under Other/Consolidation.

U.K.

E.ON UK is the lead company of our U.K. market unit. E.ON UK, one of the United Kingdom's leading energy utilities, provides power and gas services to residential, industrial, commercial, and municipal customers across Britain.

Nordic

E.ON Nordic is the lead company of the Nordic market unit and manages our energy operations in Northern Europe. Its operating companies generate, distribute, market, and supply electricity, gas, and heat.

U.S. Midwest

E.ON U.S. is an energy service provider with operations focused primarily on the regulated electric and gas utility sector in Kentucky.

Energy Trading

The Energy Trading market unit, whose lead company is E.ON Energy Trading AG, brings together our market price risk management activities for power, gas, coal, oil, and carbon allowances. It operates across Europe's liquid energy markets and is responsible for managing the E.ON Group's commodity positions in these markets. Risk management for the Group is a vital part of its daily operations. Energy Trading now also includes the financial results of Italy-based E.ON Energy Trading S.p.A. whose operations it has managed centrally since January 1, 2009. Legal integration will be completed at a later stage.

New Markets

- E.ON Climate & Renewables, the lead company of the Climate & Renewables market unit, is responsible for managing and expanding E.ON's global renewables operations (with the exception of large-scale hydroelectricity).
- E.ON Russia Power, the lead company of the Russia market unit, manages our electricity business in Russia where we have a generation fleet with assets in Central Russia, Ural, and Western Siberia.
- E.ON Italia manages our power and gas business in Italy. Day-to-day operations consist of power generation, power and gas sales, and gas distribution.
- E.ON España is the lead company of the Spain market unit. It runs our integrated energy business in Spain.

Energy Industry

The economic crisis is now affecting Germany's energy industry. According to initial estimates by the BDEW, a trade association for energy and water utilities, consumption of electricity and natural gas in Germany declined by about 5 percent year on year in the first quarter of 2009.

Electricity consumption in England, Scotland, and Wales was 88 billion kWh in the first quarter of 2009 compared with 94 billion kWh in the first quarter of 2008. First-quarter gas consumption was 337 billion kWh in 2009 compared with 346 billion kWh in 2008. Increases due to colder weather in the first quarter of 2009 were more than offset by the impact of the recession (particularly, lower industrial demand) and a decline in demand due to higher energy prices and energy-efficiency measures. There was also less demand for gas from gas-fired power stations due to the return of several nuclear power stations from lengthy outages.

The Nordic region consumed 112 billion kWh of electricity in the first quarter of 2009, about 2 billion kWh less than in the prior-year period. Consumption declined on lower industrial production caused by the economic slowdown. This effect was partially counteracted by colder weather compared with the prior year. Net imports to the Nordic region from surrounding countries totaled 0.5 billion kWh compared with net exports of 1.2 billion kWh in the prior-year period. Net exports to Germany decreased to 2.4 billion kWh (prior year: 3.3 billion kWh).

Electricity and gas consumption in the Midwestern United States decreased by approximately 5 percent and 2 percent, respectively, in the first three months of 2009 compared with the same period in 2008, due primarily to declines in industrial volumes caused by economic conditions.

Due to the ongoing impact of the economic crisis, Russia's electricity consumption declined by about 7 percent year on year. Russia's energy ministry has forecast that consumption will decline by 4.5 percent for the year as a whole.

Italy's electricity consumption declined by 7.9 percent (7 percent if adjusted for differences in temperature and the number of working days), from 86.8 billion kWh in the first quarter of 2008 to 79.9 billion in the current-year quarter.

Peninsular electricity demand in Spain was 65 billion kWh in the first quarter of 2009, 7.6 percent lower than in the prior-year period (9 percent lower considering labor and climate effects).

Energy Price Developments

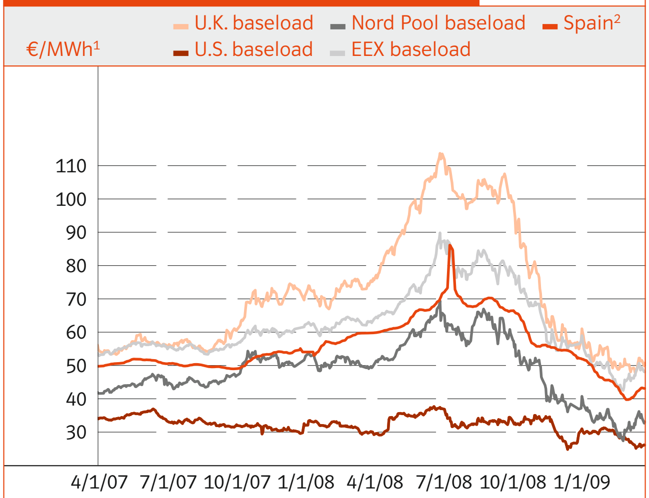
Power and natural gas markets in Europe and Russia were driven by four main factors in the first quarter of 2009:

- international commodity prices (especially oil, coal, and carbon prices)
- macroeconomic developments
- weather conditions
- the availability of hydroelectricity in Scandinavia and Russia.

Prices on most European power and natural gas markets were at low levels and did not move in parallel. Power prices showed the greatest downward movement, falling further until early March. Oil and coal prices stabilized somewhat in March, providing support for power prices.

Prices for German baseload electricity for 2010 delivery declined, tracking the movement of fuel and carbon prices. German electricity prices started 2009 at about €57 per megawatt-hour ("MWh") and finished the first quarter at about €48 per MWh.

Wholesale Electricity Price Movements in E.ON's Core Markets



[1]For next-year delivery.
[2]14-day moving average.

Interim Group Management Report

Nordic power prices were also influenced by fuel-price movements and the macroeconomic situation. The hydrological balance reached a very low level, providing at least some support for spot electricity prices. Power prices fell further to about €28 per MWh at the beginning of March and then rose to about €33 per MWh at the end of March.

U.K. power prices primarily tracked coal, natural gas, and carbon prices. Influenced by the economic crisis, they finished the quarter below the level at the start of the year.

Wholesale electricity markets in Italy and Spain are not yet as liquid as those in Northwestern Europe. Consequently, the prices shown for Spanish baseload electricity for next-year delivery do not have the same informational value as the prices for other markets. Electricity prices in Spain, which moved in a pattern similar to Northwestern European prices, primarily tracked oil and coal prices. Electricity began the year at about €53 per MWh and declined to about €43 at the end of the first quarter. In Italy, only the spot market for next-day delivery is sufficiently liquid to have informational value. Italian electricity prices, which were driven mostly by the movement of gas and oil prices, also declined due to the economic downturn and the resulting drop in consumption. The monthly average price for baseload electricity for next-day delivery was about €83 per MWh in January and fell to €69 per MWh in March.

Power prices in the United States also tracked natural gas prices, which continued to decline to the lowest levels in the world.

Carbon Allowance Price Movements in Europe

Carbon allowances in the EU-wide Emissions Trading Scheme were driven mostly by commodity prices and the recession. Carbon prices fell through mid-February to a historic low of about €9 per metric ton, although they recovered and finished March at about €13 per metric ton.

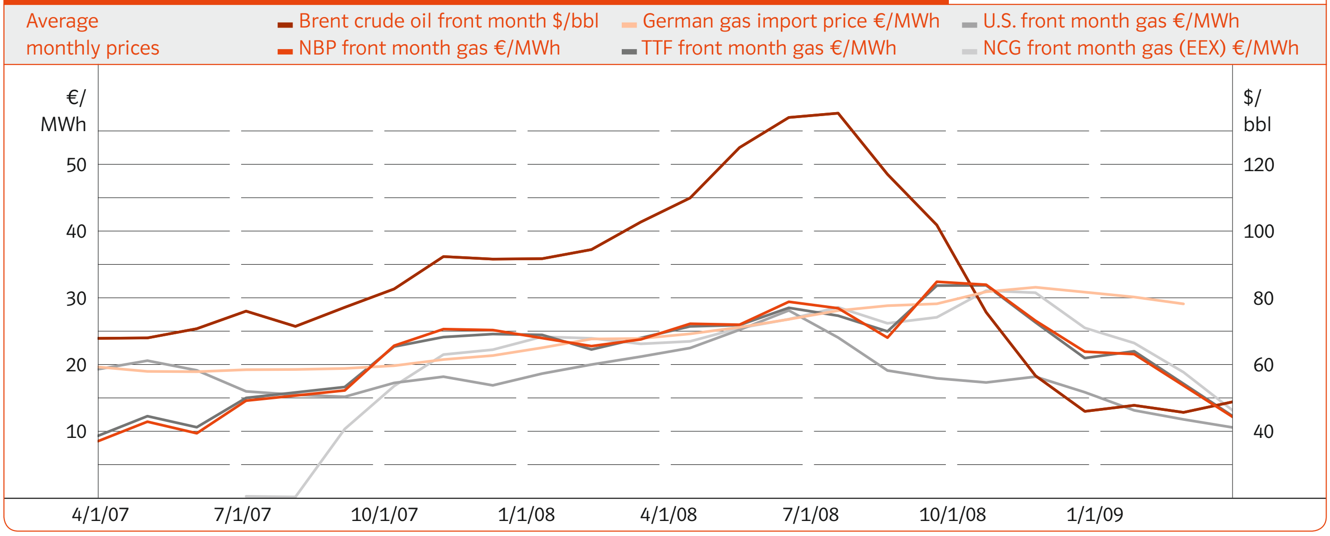
Electricity prices in Russia, which are subject to the special conditions of the Russian market, are also influenced by the global economic crisis and commodity prices. The Russian electricity market is divided into two price zones (Europe/Ural and Siberia) and, within each price zone, into an electricity market and a capacity market.

The Russian government is moving forward with the gradual liberalization of the electricity market, a process that is to be completed by 2011. Effective January 1, 2009, 30 percent of the electricity market is open to competition for the first half of the year. A spot market for next-day delivery was established in each price zone for the liberalized portion of electricity production.

A competition-based capacity-selection system has been in place since July 1, 2008. Going forward, the capacity market will be liberalized in parallel with the electricity market. Starting January 1, 2009, power producers and retail suppliers only have been able to trade the liberalized portion of capacity on a power exchange.

Over the last six months, Russian energy prices were significantly reduced by the dramatic drop in consumption due to the economic crisis. Low water levels in Siberia in the first quarter and the resulting decline in the minimum output of hydroelectric plants led to a high utilization of thermal generation assets in Siberia. In the first quarter of 2009, the weighted-average price of electricity was 559 rubles (about €12.6) per MWh in the Europe/Ural price zone and 449 rubles (about €10.1) per MWh in the Siberia price zone.

Crude Oil and Natural Gas Price Movements in E.ON's Core Markets



Power and Gas Procurement

The E.ON Group procured 207 billion kWh of electricity in the first quarter of 2009, 5 percent more than in the prior-year period.

The increase in owned generation is due to the addition of our operations in France, which became consolidated at E.ON Energie effective July 1, 2008.

The U.K. market unit generated 10.6 billion kWh of electricity at its own power plants in the first quarter of 2009, about 9 percent less than in the prior year (11.7 billion kWh). The reduction is mainly attributable to lower power prices, which made some generation assets less economic to operate.

E.ON Nordic's owned generation decreased by 2.8 billion kWh relative to the prior-year period. The decline in hydropower production resulted mainly from the sale of assets to Statkraft at the end of 2008 under the agreement between E.ON and Statkraft and from lower reservoir inflow in 2009 compared with 2008. Nuclear power production was below the prior-year level mainly due to planned maintenance and modernization of Oskarshamn 3 nuclear power station.

U.S. Midwest's owned generation was lower due to lower demand from industrial customers.

The New Markets segment had owned generation of 23.3 billion kWh (prior year: 15 billion kWh). The breakdown is:

- Climate & Renewables 1.3 billion kWh (0.8 billion kWh)
- Russia 14.9 billion kWh (14.2 billion kWh)
- Italy 4.2 billion kWh (0 billion kWh)
- Spain 2.9 billion kWh (0 billion kWh).

Power Procured

Jan. 1 – Mar. 31	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
Billion kWh	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Owned generation	36.3	35.5	10.6	11.7	6.3	9.1	7.9	8.9	–	–	23.3	15.0	–	–	84.4	80.2
Purchases	67.5	71.1	13.8	14.8	8.7	8.5	0.9	0.8	140.1	132.7	9.0	5.4	-111.4	-110.6	128.6	122.7
jointly owned power plants	*1.3*	*1.1*	*0.3*	*0.2*	*2.8*	*3.0*	–	–	–	–	–	–	–	–	*4.4*	*4.3*
Energy Trading/ outside sources	*66.2*	*70.0*	*13.5*	*14.6*	*5.9*	*5.5*	*0.9*	*0.8*	*140.1*	*132.7*	*9.0*	*5.4*	*-111.4*	*-110.6*	*124.2*	*118.4*
Total	**103.8**	**106.6**	**24.4**	**26.5**	**15.0**	**17.6**	**8.8**	**9.7**	**140.1**	**132.7**	**32.3**	**20.4**	**-111.4**	**-110.6**	**213.0**	**202.9**
Station use, line loss, etc.	-4.0	-4.1	-0.1	-0.1	-0.6	-0.6	-0.5	-0.5	–	–	-1.0	-0.5	–	–	-6.2	-5.8
Power sales	**99.8**	**102.5**	**24.3**	**26.4**	**14.4**	**17.0**	**8.3**	**9.2**	**140.1**	**132.7**	**31.3**	**19.9**	**-111.4**	**-110.6**	**206.8**	**197.1**

Interim Group Management Report

Owned Generation by Energy Source

January 1 – March 31, 2009 Percentages	Central Europe	U.K.	Nordic	U.S. Midwest	New Markets	E.ON Group
Nuclear	45	–	56	–	–	24
Lignite	4	–	–	–	13	6
Hard coal	38	56	–	99	11	35
Natural gas, oil	6	44	4	1	65	26
Hydro	4	–	35	–	6	6
Wind	–	–	–	–	5	1
Other	3	–	5	–	–	2
Total	**100**	**100**	**100**	**100**	**100**	**100**

In the first quarter of 2009, wind assets accounted for 95 percent of Climate & Renewables' owned generation, with biomass and micro-hydro assets accounting for the rest. Its owned generation in the first quarter of 2009 was 63 percent higher than in the prior-year quarter. Its attributable generation capacity increased from 1,979 MW at year-end 2008 to 2,265 MW at the end of the first quarter of 2009.

In the first quarter of 2009, the Russia market unit met 14.9 billion kWh, or 94 percent, of its total needs of 15.9 billion kWh with electricity from its own power plants.

The Italy market unit generated 4.2 billion kWh of electricity at its own power plants. It procured 2.8 billion kWh power on the ancillary market and, to optimize margins, on the Italian Power Exchange. It purchased 4 billion kWh from E.ON Energy Trading S.p.A., mainly for sales activities. No prior-year figures are available for generation, since E.ON Produzione became an E.ON company in the second half of 2008.

The Spain market unit generated 76 percent of its total needs of 3.9 billion kWh with electricity from its own power plants. The Large Combustion Plant Directive ("LCPD"), a set of new rules governing the generation of fossil-fired power stations, came into effect in 2008. Planned outages to update plants to comply with the LCPD have caused a shift in generation away from coal towards natural gas. In addition, E.ON is using the opportunity to purchase gas on the spot market and received its first delivery of LNG in March, which helps it improve the position of its combined-cycle gas turbines ("CCGTs") in the marketplace.

E.ON Ruhrgas procured about 163.9 billion kWh of natural gas from producers in and outside Germany in the first quarter of 2009, about 26 percent less than in the prior-year quarter. Its key supplier countries were Norway, the Netherlands, and Russia.

Pan-European Gas's gas production of 382 million cubic meters in the first quarter of 2009 was about 10 percent above the prior-year figure. Liquid production rose by about 15 percent to 1.5 million barrels. E.ON Ruhrgas UK North Sea Limited began production at Rita gas field on March 19, 2009.

Upstream Production

January 1 – March 31	2009	2008	+/- %
Liquids/oil (million barrels)	1.5	1.3	+15
Gas (million standard cubic meters)	382	348	+10
Total (million barrels of oil equivalent)	**4.0**	**3.5**	**+14**

To execute its procurement and sales mission for the E.ON Group, Energy Trading traded the following financial and physical quantities:

Trading Volume

January 1 – March 31	2009	2008
Power (billion kWh)	318	186
Gas (billion kWh)	347	219
Carbon allowances (million metric tons)	100	29
Oil (million metric tons)	18	28
Coal (million metric tons)	36	26

Power and Gas Sales

On a consolidated basis, the E.ON Group increased its power sales from 197 billion kWh in the first quarter of 2008 to about 207 billion kWh in the first quarter of 2009.

Adjusted for consolidation effects, Central Europe's power sales declined, reflecting the initial impact of the economic crisis. The positive effect of the inclusion of operations in France was about 5 billion kWh.

Despite colder weather than in the prior-year period, U.K. sold less electricity to residential and small and medium-sized ("SME") customers mainly because of changes in customer behavior in response to higher prices and energy-efficiency measures. Electricity sales to industrial and commercial ("I&C") customers decreased significantly as a result of both changes in the customer portfolio and the continuing economic slowdown.

Nordic sold 2.6 billion kWh less electricity than in the prior-year period mainly due to lower sales to Energy Trading resulting primarily from the sale of hydro assets to Statkraft.

U.S. Midwest's utility power sales volumes were lower in 2009 compared with 2008 due to reduced retail sales volumes attributable to the economic downturn.

Power Sales

Jan. 1 – Mar. 31	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
Billion kWh	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Residential and SME	13.8	13.5	9.3	9.6	1.7	1.9	3.0	3.2	–	–	0.7	–	–	–	28.5	28.2
I&C	18.9	17.4	4.2	5.0	3.7	3.2	3.8	4.3	–	–	2.5	1.4	–	–	33.1	31.7
Sales partners	34.5	38.2	–	–	1.7	2.1	0.7	0.7	–	–	1.8	0.1	–	–	38.7	41.1
Wholesale market/ Energy Trading	32.6	33.4	10.8	11.8	7.3	9.8	0.8	1.0	140.1	132.7	26.3	18.4	-111.4	-110.6	106.5	96.5
Total	**99.8**	**102.5**	**24.3**	**26.4**	**14.4**	**17.0**	**8.3**	**9.2**	**140.1**	**132.7**	**31.3**	**19.9**	**-111.4**	**-110.6**	**206.8**	**197.1**

The New Markets segment sold 31.3 billion kWh (prior year: 19.9 billion kWh) of electricity in the first quarter of 2009. The breakdown is:

- Climate & Renewables 1.6 billion kWh (1.4 billion kWh)
- Russia 15.4 billion kWh (15 billion kWh)
- Italy 10.8 billion kWh (3.5 billion kWh)
- Spain 3.5 billion kWh (0 billion kWh).

Climate & Renewables' power sales rose by 14 percent, mainly due to the increase in owned generation.

The Russia market unit sold 15.4 billion kWh of electricity on the wholesale market in the first quarter of 2009. It benefited in particular from low hydro production in the winter which was made up for with electricity from Berezov power station. In addition, Surgut power station in Siberia had a high capacity factor due to its good position in the merit order.

The Italy market unit sold 10.8 billion kWh of electricity: 0.1 billion kWh to residential customers, 1.6 billion kWh to industrial and commercial customers, 1.8 billion kWh to sales partners, 2.4 billion kWh to the wholesale market, and 4.9 billion kWh to E.ON Energy Trading S.p.A.

The Spain market unit sold power mainly on the wholesale market and to large industrial customers. It also supplies residential and SME customers.

On a consolidated basis, the E.ON Group's natural gas sales increased by about 5 billion kWh relative to the prior-year figure.

Gas Sales

January 1 – March 31 Billion kWh	2009	2008	+/- %
January	70.8	81.3	-13
February	59.7	71.1	-16
March	61.2	75.0	-18
E.ON Ruhrgas AG total sales	**191.7**	**227.4**	**-16**
Intragroup sales	60.9	57.4	+6
E.ON Ruhrgas AG external sales	**130.8**	**170.0**	**-23**
Thüga, ERI	54.6	69.9	-22
Pan-European Gas	**185.4**	**239.9**	**-23**
Other market units	174.2	115.1	+51
E.ON Group	**359.6**	**355.0**	**+1**

The increase in Central Europe's gas sales volume is mainly attributable to the inclusion, effective January 1, 2009, of companies in Romania that were formerly consolidated at Pan-European Gas and the inclusion of operations in France, which together added 16 billion kWh.

E.ON Ruhrgas sold 192 billion kWh of natural gas in the first quarter of 2009, 35 billion kWh, or about 16 percent, less than the prior-year figure of 227 billion kWh. The biggest volume declines were to customers outside Germany and to German resellers. About 44 percent of total gas sales went to regional gas companies, 25 percent to municipal utilities, just under 10 percent to industrial customers, and 21 percent to customers outside Germany.

Interim Group Management Report

The decline in external sales volume was mainly a result of competitive pressure and the economic slowdown. Internal sales volume, by contrast, was up slightly due to an increase in deliveries to E.ON regional utilities in Germany. Gas was also supplied to Livorno Ferraris, an E.ON power station in Italy.

The majority-owned shareholdings at E.ON Ruhrgas International and Thüga sold 54.6 billion kWh of natural gas. The decline from the prior-year figure of 69.9 billion kWh is mainly due to the transfer of operations in Romania to the Central Europe market unit.

U.K.'s gas sales to residential and SME customers increased slightly due to weather, customer-behavior, and customer-mix effects. The upward influence of colder weather and increased customer numbers was largely offset by energy-efficiency savings and customer behavior in response to higher prices. Sales of gas to I&C customers declined due to the continuing economic slowdown, although this was partially offset by the upward influence of colder weather. Following the transfer of contracts to Energy Trading during 2008, gas sales to Energy Trading in 2009 are now zero.

Gas Sales (Excluding Pan-European Gas)

Jan. 1 – Mar. 31	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
Billion kWh	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Residential and SME	28.5	19.1	22.7	22.1	–	–	3.9	4.6	–	–	6.9	4.8	–	–	62.0	50.6
I&C	22.9	15.9	6.8	7.3	1.5	1.4	1.4	1.5	–	–	4.0	2.1	–	–	36.6	28.2
Sales partners	10.3	9.6	–	–	–	–	0.2	0.2	–	–	1.3	–	–	–	11.8	9.8
Wholesale market/ Energy Trading	0.8	–	–	10.5	–	–	–	0.3	196.8	57.0	–	7.7	-133.8	-49.0	63.8	26.5
Total	**62.5**	**44.6**	**29.5**	**39.9**	**1.5**	**1.4**	**5.5**	**6.6**	**196.8**	**57.0**	**12.2**	**14.6**	**-133.8**	**-49.0**	**174.2**	**115.1**

Nordic's gas sales of 1.4 billion kWh and heat sales of 3.1 billion kWh were 3 percent and 7 percent above the respective prior-year figures mainly due to colder weather.

U.S. Midwest's gas sales decreased as a result of milder weather experienced in 2009 and worsening economic conditions.

In the New Markets segment, Italy sold a total of 12.2 billion kWh of natural gas (prior year: 14.6 billion kWh): 6.9 billion kWh to residential customers, 4 billion kWh to industrial customers, and 1.3 billion kWh to sales partner. The main reasons for the volume increases in these segments were the transfer to the Italy market unit of certain activities of E.ON Energy Trading S.p.A. and an increased customer base. E.ON Energy Trading S.p.A. has been managed centrally by Energy Trading since January 1, 2009.

Earnings Situation

Sales

We increased our sales by about €3.1 billion in the first quarter of 2009 compared with the prior-year figure. The key drivers were:

- the inclusion of the operations in France and positive price effects in Central Europe's retail markets
- energy price movements in Pan-European Gas's gas-trading business
- the inclusion of new operations in the New Markets segment.

Sales

January 1 – March 31 € in millions	2009	2008	+/- %
Central Europe	12,279	10,618	+16
Pan-European Gas	8,560	8,036	+7
U.K.	3,214	3,350	-4
Nordic	1,015	1,202	-16
U.S. Midwest	586	504	+16
Energy Trading	15,556	7,737	+101
New Markets	2,166	1,019	+113
Corporate Center	-17,441	-9,627	–
Total	**25,935**	**22,839**	**+14**

Central Europe

Central Europe grew sales by €1.7 billion relative to the prior-year period.

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Central Europe West	11,646	9,524	+22
Regulated	*3,174*	*3,238*	*-2*
Non-regulated	*8,472*	*6,286*	*+35*
Central Europe East	1,696	1,352	+25
Other/Consolidation	-1,063	-258	–
Central Europe	**12,279**	**10,618**	**+16**

Central Europe West Regulated's sales of €3.2 billion were on par with the prior-year figure. A decline in electricity network charges due to regulation was nearly offset by higher gas network sales resulting from higher sales volume.

Central Europe West Non-regulated increased sales by €2.2 billion, of which €0.5 billion is attributable to the inclusion of operations in France which were consolidated on July 1, 2009, and therefore were not included in the prior-year figure. The remaining increase resulted predominantly from changes in intrasegment offsets and from positive price effects in our sales markets.

Central Europe East's sales rose by about €0.3 billion to €1.7 billion, primarily due the inclusion of gas operations in Romania formerly managed by E.ON Ruhrgas.

Sales reported under Other/Consolidation declined by €0.8 billion, mainly due to intrasegment offsets (the opposite effect is shown in the sales of Central Europe West Non-regulated).

Pan-European Gas

Pan-European Gas increased sales by 7 percent to €8,560 million (prior year: €8,036 million).

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Regulated	1,909	2,098	-9
Non-regulated	7,113	6,381	+11
Other/Consolidation	-462	-443	–
Pan-European Gas	**8,560**	**8,036**	**+7**

Sales at the regulated business fell by €189 million, or 9 percent, from €2,098 million in the prior-year period to €1,909 million this year. The main factor is that the sales of the E.ON Gaz România Group are reported at the Central Europe market unit effective the beginning of this year. Sales at the gas transport business were also lower following a reduction in transport charges. Sales at E.ON Földgáz Trade were higher, with a slight decline in sales volume more than offset by positive price effects.

The non-regulated business recorded sales of €7,113 million, 11 percent above the prior-year figure (€6,381 million). The increase is solely attributable to sales growth in the gas trading business. Despite lower sales volume and competitive pressure on sales prices, sales were higher due to energy price movements. By contrast, upstream sales declined, mainly as a result of oil price movements in England and Norway.

U.K.

Sales in local currency increased by 15 percent. However, U.K.'s sales in reporting currency were impacted significantly by the depreciation of sterling against the euro. Sales decreased by €136 million in the first quarter of 2009 compared with the prior year.

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Regulated	184	210	-12
Non-regulated	3,070	3,208	-4
Other/Consolidation	-40	-68	–
U.K.	**3,214**	**3,350**	**-4**

Interim Group Management Report

Sales at the regulated business declined by €26 million to €184 million due to currency movements (-€37 million).

Sales in the non-regulated business fell by €138 million to €3,070 million primarily due to currency movements (-€616 million). Sales in local currency increased compared with 2008 following two price rises in the retail business during 2008. Gas sales revenue increased as colder weather resulted in higher volume consumption. This was offset by reduced power sales volumes.

Sales attributed to Other/Consolidation consist almost entirely of the elimination of intrasegment sales.

Nordic

Nordic's sales decreased by €187 million, or 16 percent, compared with the prior-year period. In local currency, sales were largely in line with last year.

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Regulated	198	217	-9
Non-regulated	799	1,027	-22
Other/Consolidation	18	-42	–
Nordic	**1,015**	**1,202**	**-16**

Sales in the regulated business declined by €19 million mainly due to currency-translation effects.

Sales in the non-regulated business declined by €228 million as a result of lower sales volumes in the hydro and nuclear businesses (primarily resulting from the sale of hydro assets to Statkraft) and currency-translation effects.

U.S. Midwest

U.S. Midwest's sales in the first three months of 2009 were higher compared with last year, primarily due to the stronger dollar in 2009. In local currency, sales were $8 million, or 1 percent, higher than in the prior year.

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Regulated	576	495	+16
Non-regulated/Other	10	9	+11
U.S. Midwest	**586**	**504**	**+16**

Energy Trading

Energy Trading recorded sales of €16 billion in the first quarter of 2009. Sales from proprietary trading are shown net, along with the associated cost of materials, in the Consolidated Statements of Income. The increase results mainly from the expansion of optimization activities due to the centralization of these activities at Energy Trading.

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Proprietary trading	74	17	+335
Optimization	15,482	7,720	+101
Energy Trading	**15,556**	**7,737**	**+101**

New Markets

Sales in this segment totaled €2,166 million in the first quarter of 2009 (prior year: €1,019 million).

Sales January 1 – March 31 € in millions	2009	2008	+/- %
Climate & Renewables	111	117	-5
Russia	244	256	-5
Italy	1,478	646	+129
Spain	333	–	–
New Markets	**2,166**	**1,019**	**+113**

Climate & Renewables' sales declined by 5 percent. The main factors were poor wind conditions in Northern Europe and negative currency-translation effects.

Higher sales volume and the further liberalization of the electricity market had a positive effect on sales at the Russia market unit, offsetting lower spot electricity prices, which declined by up to 30 percent in the fourth quarter of 2008 and the first quarter of 2009. However, the significant weakening of the ruble in the wake of the financial crisis caused Russia's sales to decline by 5 percent in reporting currency.

The sharp increase in Italy's sales results from the inclusion of E.ON Produzione, which did not become a consolidated E.ON company until the second half of 2008.

The Spain market unit (which consists of activities acquired from Enel, Acciona, and Endesa) did not commence operations until the second half of 2008.

Corporate Center

The figure recorded under Corporate Center reflects, in particular, the intragroup offsetting of sales between our European market units and Energy Trading.

Development of Other Significant Line Items of the Consolidated Statements of Income

Own work capitalized declined by 14 percent, or €12 million, to €76 million (prior year: €88 million).

Other operating income increased by 114 percent to €6,751 million (prior year: €3,159 million). Higher income from exchange-rate differences of €3,802 million (prior year: €1,799 million) and gains on derivative financial instruments of €2,609 million (prior year: €636 million) were the main positive factors. Gains on the disposal of securities and shareholdings amounted to €66 million (prior year: €66 million). Miscellaneous other operating income consisted primarily of reductions of valuation allowances, rental and leasing income, the sale of scrap metal and materials, and compensation payments received for damages.

Costs of materials rose by €2,895 million to €20,057 million (prior year: €17,162 million), mainly due to higher commodity costs and increased business volume.

Personnel costs increased by €115 million to €1,270 million in the first quarter of 2009. The increase results mainly from the inclusion of operations in our new markets that were not part of the E.ON Group in the prior year.

Depreciation, amortization, and impairment charges rose by 9 percent to €875 million (prior year: €803 million) primarily due to the inclusion of operations in our new markets.

Other operating expenses rose by 83 percent, or €2,981 million, to €6,569 million (prior year: €3,588 million). This is mainly attributable to higher realized losses on currency differences of €3,760 million (prior year: €1,463 million) and to higher losses on derivative financial instruments of €1,501 million (prior year: €831 million).

Income from companies accounted for under the equity method was €270 million compared with €233 million in the year-earlier period. The 16-percent decline resulted principally from higher equity earnings at Pan-European Gas.

Adjusted EBIT

Adjusted EBIT, E.ON's key figure for purposes of internal management control and as an indicator of a business's long-term earnings power, is derived from income/loss from continuing operations before interest and taxes and adjusted to exclude certain extraordinary items. The adjustments include book gains and losses on disposals and other non-operating income and expenses of a non-recurring or rare nature (see commentary in Note 14 to the Interim Consolidated Financial Statements).

Our adjusted EBIT in the first quarter of 2009 was €179 million below the prior-year figure. The main factors were:

- the adverse impact of the economic crisis, outages at nuclear power stations, higher expenses for nuclear-waste management, and a narrowing of retail electricity margins at Central Europe
- lower sales volume, competitive pressure on sales prices, and lower earnings in the transport business at Pan-European Gas
- currency-translation effects at U.K. and Nordic.

Adjusted EBIT

January 1 – March 31 € in millions	2009	2008	+/- %
Central Europe	1,651	1,601	+3
Pan-European Gas	824	1,019	-19
U.K.	75	269	-72
Nordic	223	353	-37
U.S. Midwest	133	98	+36
Energy Trading	107	-80	–
New Markets	159	75	+112
Corporate Center	-72	-56	–
Total	**3,100**	**3,279**	**-5**

Central Europe

Central Europe's adjusted EBIT increased by €50 million relative to the prior-year figure.

Central Europe

January 1 – March 31 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Central Europe West	1,774	1,727	1,494	1,456
Regulated	*563*	*539*	*406*	*373*
Non-regulated	*1,211*	*1,188*	*1,088*	*1,083*
Central Europe East	204	189	141	133
Other/Consolidation	43	29	16	12
Central Europe	**2,021**	**1,945**	**1,651**	**1,601**

Central Europe West Regulated benefited from further efficiency enhancements. Its adjusted EBIT surpassed the prior-year figure (€373 million) by €33 million.

Central Europe West Non-regulated's adjusted EBIT increased by €5 million to €1,088 million. The inclusion of operations in France had a positive effect on earnings. Positive price effects in the power generation business and a primarily weather-driven increase in earnings in the gas business were nearly offset by the adverse impact of the economic crisis, outages at nuclear power stations, higher expenditures for nuclear-waste management, and a narrowing of retail electricity margins.

Central Europe East's adjusted EBIT rose by €8 million to €141 million. The positive effect of the inclusion of E.ON Gas România was nearly entirely offset by lower earnings in Hungary, the adverse impact of the economic downturn, and negative currency-translation effects.

Adjusted EBIT recorded under Other/Consolidation was on par with the prior-year figure.

Pan-European Gas

Pan-European Gas's adjusted EBIT declined by €195 million, or 19 percent, to €824 million.

Pan-European Gas January 1 – March 31 € in millions	Adjusted EBITDA 2009	Adjusted EBITDA 2008	Adjusted EBIT 2009	Adjusted EBIT 2008
Regulated	295	362	257	318
Non-regulated	542	691	488	610
Other/Consolidation	89	102	79	91
Pan-European Gas	**926**	**1,155**	**824**	**1,019**

Adjusted EBIT at the regulated business declined by €61 million, or 19 percent, from €318 million to €257 million. The main factor was lower earnings at the transport business following a reduction in transport charges. E.ON Ruhrgas International recorded slightly higher earnings due to significantly higher equity earnings from associated companies. Earnings were adversely affected by E.ON Földgáz Trade, which was unable to fully pass through to the sales market an increase in procurement costs brought on by higher oil prices and the weakening of the Hungarian forint. The transfer of the E.ON Gaz România Group to Central Europe market unit effective the beginning of this year also adversely affected earnings.

Adjusted EBIT at the non-regulated business fell by 20 percent, from €610 million to €488 million. The decline is primarily attributable to E.ON Ruhrgas AG's gas-trading business, whose earnings were adversely affected by lower sales volume and competitive pressure on sales prices. Earnings from storage usage constituted a positive factor. Compared with the price at which it was purchased, gas withdrawn from storage in the current year was more favorably valued than in the prior-year period. In addition, significantly more gas was withdrawn from storage in the first quarter of this year than in the prior-year quarter. Adjusted EBIT at the upstream business was slightly lower, mainly due to oil-price movements. This factor was partially offset by lower depreciation and lower exploration expenditures.

Adjusted EBIT recorded under Other/Consolidation declined slightly, falling €12 million to €79 million. Thüga's earnings were essentially unchanged from the prior-year period.

U.K.

U.K.'s adjusted EBIT declined by €194 million, or 72 percent.

U.K. January 1 – March 31 € in millions	Adjusted EBITDA 2009	Adjusted EBITDA 2008	Adjusted EBIT 2009	Adjusted EBIT 2008
Regulated	138	165	108	130
Non-regulated	53	239	-28	150
Other/Consolidation	-3	-10	-5	-11
U.K.	**188**	**394**	**75**	**269**

Adjusted EBIT at the regulated business was stable in local currency and consistent with the prior-year period. Adjusted EBIT at the non-regulated business decreased by €178 million, predominantly due to the transfer of further activities (primarily gas contracts) to Energy Trading and to lower commodity prices reflected in inter-group transactions. Improved retail margins were offset by an increase in government-mandated energy-efficiency spending and recessionary impacts.

Nordic
Nordic's adjusted EBIT in reporting currency was negatively affected by material currency-translation effects, falling by €130 million, or 37 percent, year on year to €223 million. In local currency, adjusted EBIT was down 17 percent.

Nordic				
January 1 – March 31 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	93	98	67	70
Non-regulated	199	333	161	281
Other/Consolidation	2	8	-5	2
Nordic	**294**	**439**	**223**	**353**

Adjusted EBIT at the non-regulated business declined by €120 million to €161 million due to lower sales volumes in the hydro and nuclear businesses (resulting primarily from the sale of hydro assets to Statkraft) as well as currency-translation effects.

Adjusted EBIT at the regulated business amounted to €67 million, slightly below the prior-year figure (€70 million). Higher average tariffs and lower current costs for line loss were more than offset by currency-translation effects.

U.S. Midwest
U.S. Midwest's adjusted EBIT increased by €35 million, or 36 percent. The increase is attributable to higher retail electric and gas margins due to the timing of fuel, gas, and other cost recoveries from customers and to the stronger dollar. In local currency, adjusted EBIT was $26 million, or 18 percent, higher than in the prior year.

U.S. Midwest				
January 1 – March 31 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	179	136	136	100
Non-regulated/Other	-2	-2	-3	-2
U.S. Midwest	**177**	**134**	**133**	**98**

Energy Trading
Energy Trading recorded an adjusted EBIT of €107 million. The optimization segment, which contributed €54 million, continued its strong development from the end of 2008 (particularly in gas optimization) and benefited from the inclusion of E.ON Energy Trading S.p.A. for the first time. The proprietary trading segment performed significantly better than in the prior-year period, posting an adjusted EBIT of €53 million.

Energy Trading				
January 1 – March 31 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Proprietary trading	54	9	53	9
Optimization	55	-89	54	-89
Energy Trading	**109**	**-80**	**107**	**-80**

New Markets
Climate & Renewables' adjusted EBIT for the first quarter of 2009 was slightly below the prior-year figure due to poor wind conditions in Northern Europe and negative currency-translation effects.

Russia's adjusted EBIT rose by €38 million year on year to €29 million due mainly to ongoing market liberalization along with higher sales volume. Earnings in the prior-year figure were adversely affected by the limited availability of Surgut power station.

Italy's adjusted EBIT rose by 24 percent year on year. The positive effect of the inclusion of E.ON Produzione generation assets was only partially offset by the deconsolidation of E.ON Energy Trading S.p.A.

The Spain market unit (which consists of activities acquired from Enel, Acciona, and Endesa) did not commence operations until the second half of 2008. In the first quarter of 2009, €26 million of Italy's adjusted EBIT came from its generation business and €10 million from its distribution and retail business.

New Markets				
January 1 – March 31 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Climate & Renewables	58	39	22	26
Russia	55	25	29	-9
Italy	136	68	72	58
Spain	60	–	36	–
New Markets	**309**	**132**	**159**	**75**

Net Income

Net income attributable to shareholders of E.ON AG of €2.5 billion and corresponding earnings per share of €1.29 were up by 18 percent and 17 percent, respectively.

Net Income January 1 – March 31 € in millions	2009	2008	+/- %
Adjusted EBIT	**3,100**	**3,279**	**-5**
Adjusted interest expense (net)	-606	-379	–
Net book gains/losses	-10	294	–
Restructuring and cost-management expenses	-86	-22	–
Other non-operating earnings	1,108	33	–
Income/loss from continuing operations before income taxes	**3,506**	**3,205**	**+9**
Income taxes	-883	-793	–
Income/loss from continuing operations	**2,623**	**2,412**	**+9**
Income/loss from discontinued operations, net	-26	-65	–
Net income	**2,597**	**2,347**	**+11**
Shareholders of E.ON AG	*2,457*	*2,079*	*+18*
Minority interests	*140*	*268*	*-48*

Compared with the prior-year figure, adjusted interest expense (net) declined by €227 million, due mainly to the development of our economic net debt.

Adjusted Interest Expense (Net) January 1 – March 31 € in millions	2009	2008
Interest expense shown in Consolidated Statements of Income	-625	-424
Interest income (-)/expense (+) not affecting net income	+19	+45
Total	**-606**	**-379**

Net book gains/losses in the first quarter of 2009 were €304 million below the prior-year level. This is mainly attributable to the sale of securities at Central Europe in the first quarter of 2008.

In the first three months of 2009, restructuring and cost-management expenses rose by €64 million relative to the prior-year period. A significant portion of these expenses resulted from restructuring measures at our regional utilities in Germany and from the continued implementation of the changes to the E.ON Group's organizational structure decided on in 2008.

Other non-operating earnings primarily reflect the marking to market of derivatives used to protect our operating business from price fluctuations. At March 31, 2009, the marking to market of derivatives resulted in a positive effect of €1,500 million compared with €132 million at March 31, 2008. Write-downs on securities and financial investments (€149 million) and costs relating to a storm in Kentucky at the start of 2009 (€80 million) adversely affected other non-operating earnings.

Our continuing operations recorded a tax expense of €883 million in the first quarter of 2009. Our effective tax rate of 25 percent is unchanged relative to the prior-year figure.

Income/loss from discontinued operations, net, consists primarily of Western Kentucky Energy, which is held for sale. Pursuant to IFRS, its results are reported separately in the Consolidated Statements of Income (see Note 5 to the Interim Consolidated Financial Statements).

Adjusted Net Income

Net income reflects not only our operating performance but also special effects such as the marking to market of derivatives. Adjusted net income is an earnings figure after interest income, incomes taxes, and minority interests that has been adjusted to exclude certain special effects. In addition to the marking to market of derivatives, the adjustments include book gains and book losses on disposals, restructuring expenses, other non-operating income and expenses (after taxes and minority interests) of a special or rare nature. Adjusted net income also excludes income/loss from discontinued operations and from the cumulative effect of changes in IFRS principles (after taxes and minority interests), as well as special tax effects.

Adjusted Net Income January 1 – March 31 € in millions	2009	2008	+/- %
Net income attributable to shareholders of E.ON AG	2,457	2,079	+18
Net book gains/losses	10	-294	–
Restructuring and cost-management expenses	86	22	–
Other non-operating earnings	-1,108	-33	–
Taxes and minority interests on non-operating earnings	339	13	–
Special tax effects	-9	-12	–
Income (+)/loss (-) from discontinued operations, net	26	65	–
Total	**1,801**	**1,840**	**-2**

Financial Condition

Cash-Effective and Economic Investments

We invested a total of €1.9 billion in the first quarter of 2009, €0.1 billion less than in the prior-year period. We invested €1.8 billion in property, plant, and equipment and intangible assets (prior year: €1.6 billion). Share investments totaled €67 million versus €445 million in the prior-year period.

Cash-Effective Investments January 1 – March 31 € in millions	2009	2008	+/- %
Central Europe	553	541	+2
Pan-European Gas	309	228	+36
U.K.	174	173	+1
Nordic	175	214	-18
U.S. Midwest	139	170	-18
Energy Trading	1	–	–
New Markets	505	995	-49
Corporate Center	40	-317	–
Total	**1,896**	**2,004**	**-5**

To calculate our economic investments, we factor in debt acquired and asset swaps. We recorded neither in the first quarter of 2009.

Economic Investments January 1 – March 31 € in millions	2009	2008
Cash-effective investments	1,896	2,004
Debt acquired	–	68
Asset swaps	–	12
Total	**1,896**	**2,084**

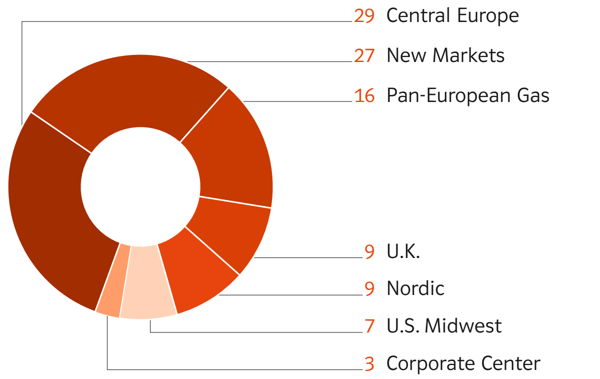
Central Europe invested €12 million more in the first quarter of 2009 than in the prior-year period. Investments in property, plant, and equipment and in intangible assets rose by €77 million to €507 million. The increase results from investments at generation assets of the SNET Group, which in the prior-year period was not yet an E.ON company. Central Europe invested €348 million in power generation assets and €125 million in network assets. Share investments of €46 million were €65 million below the prior-year figure (€111 million), mainly due to the acquisition of the remaining shares in SOTEC, a waste incineration company, in the prior-year period.

Pan-European Gas invested €309 million. Of this figure, €301 million (prior year: €169 million) went towards property, plant, and equipment and intangible assets. It consisted mainly of development costs in the exploration business and investments in gas infrastructure. Share investments totaled €8 million. The prior-year figure (€59 million) related almost exclusively to capital increases at Nord Stream, an associated company.

Cash-Effective Investments

January 1 – March 31, 2009

Percentages — Total: €1,896 million



U.K. invested €174 million in the first quarter of 2009, all of which went towards property, plant, and equipment. In local currency, investment expenditure increased by 21 percent, which mainly reflects the construction of Grain gas-fired CHP power station.

Nordic invested €39 million less in the first quarter of 2009 than in the prior-year period. Nordic invested €173 million (prior year: €213 million) in intangible assets and property, plant, and equipment to maintain and expand existing production plants and to upgrade and modernize the distribution network. Share investments totaled €2 million (prior year: €1 million).

U.S. Midwest's investments were lower compared with 2008 primarily due to lower spending on its new baseload coal unit at the Trimble County plant.

The New Markets segment invested about €505 million in the first quarter of 2009 (prior year: €995 million). Climate & Renewables invested €353 million in the first quarter of 2009, slightly more than in the prior-year quarter (€301 million). The majority went towards wind-power projects in the United States. The Russia market unit invested €61 million, mainly in four new-build projects. The significantly higher investments recorded in the prior-year period are attributable to the increase in E.ON's stake in power producer OGK-4 (€200 million). Italy's investments of €27 million (€405 million) related mainly to the refit of Terni hydroelectric station and the installation of desulfurization equipment at Monfalcone power station. Spain's investments of €64 million primarily reflected the construction of two new CCGTs (in Escatrón and Algeciras) and the installation of emission-abatement equipment at Puente Nuevo and Puertollano power stations.

Cash Flow and Financial Condition

E.ON presents its financial condition using, among other financial measures, cash provided by operating activities of continuing operations and economic net debt.

The E.ON Group's cash provided by operating activities in the first quarter of 2009 was 22 percent higher than in the prior-year period.

Cash Provided by Operating Activities of Continuing Operations

January 1 – March 31 € in millions	2009	2008	+/-
Central Europe	1,045	1,902	-857
Pan-European Gas	1,224	1,232	-8
U.K.	19	149	-130
Nordic	33	337	-304
U.S. Midwest	133	155	-22
Energy Trading	620	-1,472	+2,092
New Markets	216	-59	+275
Corporate Center	-404	118	-522
Cash provided by operating activities of continuing operations	**2,886**	**2,362**	**+524**
Maintenance investments	269	290	-21
Growth and replacement investments, acquisitions, other	1,627	1,714	-87
Cash-effective effects from disposals	31	102	-71

Central Europe's high prior-year cash provided by operating activities mainly reflects unbilled trade payables to the Energy Trading market unit for power deliveries. Adjusted for this non-recurring effect, Central Europe's cash provided by operating activities was higher year on year due to the inclusion of the gas business in Romania and the electricity business in France. It was negatively affected by the shutdowns at Krümmel and Brunsbüttel nuclear power stations.

Pan-European Gas's cash provided by operating activities was at the prior-year level. There were positive effects at E.ON Ruhrgas AG's gas business. First, there was a higher net withdrawal of gas than in the prior-year period. Second, price effects positively impacted cash flow more than in the prior-year period. Lower payments due to the decline in sales volume constituted a negative factor. E.ON Ruhrgas International recorded a slight decline in cash provided by operating activities due to the transfer of its Romanian operations and to the development of E.ON Földgáz Trade's gas business.

U.K.'s cash provided by operating activities was €130 million lower in the first quarter of 2009 compared with the first quarter of 2008 mainly due to lower adjusted EBIT in the first quarter of 2009 versus 2008.

The sharp decline in Nordic's cash provided by operating activities mainly reflects tax payments relating to the transfer of Nordic's trading operations to the Energy Trading market unit. Currency translation was another significant negative factor.

Cash provided by operating activities at U.S. Midwest was lower mainly due to damage from an ice storm in January 2009.

Energy Trading recorded €620 million in cash provided by operating activities. Because of Energy Trading's central position in the E.ON Group's energy procurement and sales operations, its cash flow is considerably affected by intragroup settlement processes. First quarter 2009 cash flow was positively influenced by intragroup contributions. The negative cash flow recorded in 2008 resulted from working capital effects in the wake of integration measures.

Cash provided by operating activities at the New Markets segment was significantly higher than the prior-year figure due predominantly to the inclusion of Endesa operations beginning in the second half of 2008.

The Corporate Center segment's cash provided by operating activities was considerably below the prior-year level. Higher interest payments relating to the financing of our investment program and lower intragroup tax contributions were the main factors.

Cash provided by investing activities of -€1,998 million in the first quarter of 2009 (prior year: -€276 million) was negative. Investments in property, plant, and equipment and in shareholdings were at the prior-year level, while cash inflow from the sale of securities and shareholdings was higher in the prior-year period.

Cash provided by financing activities of €1,892 million in the first quarter of 2009 (prior year: €7 million) primarily reflects the issuance of new bonds. The repayment of financial liabilities was a negative factor.

Net financial position equals the difference between our total financial liabilities and the sum of our total liquid funds and non-current securities. Our net financial position of -€29,419 million improved by €274 million from the figure reported as of December 31, 2008 (-€29,693 million). The main reason for the change in our net financial position was our positive cash provided by operating activities. Higher investments in property, plant, and equipment constituted the main negative factor. Our economic net debt increased marginally. The improvement in our net financial position was offset in particular by the reduction in the fair value (net) of currency derivatives used for financing transactions.

In the first quarter of 2009, E.ON issued €6.1 billion in new bonds denominated in euros, sterling, and Swiss francs for the purpose of prefinancing. The funds obtained through these issuances were used, among other things, to reduce short-term commercial paper liabilities. E.ON also used the funds to conduct prudent liquidity management and made a public tender offer to repurchase a €4.25 billion bond that matures this May. Through the offer, E.ON repurchased bonds with a total face value of €1.54 billion, or 36 percent of the total volume.

The calculation of economic net debt includes, since the fourth quarter of 2008, the fair value (net) of currency derivatives used for financing transactions (but excluding transactions relating to our operating business or asset management) so that this figure also reflects the foreign-currency effects of financing transactions which, for accounting reasons, would not be included in the components of net financial position.

Economic Net Debt

€ in millions	Mar. 31, 2009	Dec. 31, 2008
Liquid funds	8,847	6,348
Non-current securities	4,897	5,017
Total liquid funds and non-current securities	**13,744**	**11,365**
Financial liabilities to banks and third parties	-41,096	-39,095
Financial liabilities to Group companies	-2,067	-1,963
Total financial liabilities	**-43,163**	**-41,058**
Net financial position	**-29,419**	**-29,693**
Fair value (net) of currency derivatives used for financing transactions[1]	1,489	1,988
Provisions for pensions	-3,342	-3,559
Asset retirement obligations	-14,897	-14,839
Less prepayments to Swedish nuclear fund	1,162	1,157
Economic net debt	**-45,007**	**-44,946**

[1]Does not include transactions relating to our operating business or asset management.

Asset Situation

Non-current assets as of March 31, 2009, rose by 1 percent compared with the figure at year-end 2008.

Current assets increased by 11 percent. The main factor was higher liquid funds compared with year-end 2008 and higher receivables.

Our equity ratio of 25 percent is one percentage point above the figure recorded at year-end 2008.

Non-current liabilities increased by 8 percent from year-end 2008. E.ON successfully placed long-term bonds with a book value of about €6.1 billion in the first quarter of 2009.

Current liabilities declined by 2 percent from year-end 2008, chiefly due to the repayment, according to schedule, of short-term debts which was not offset by an increase in operating liabilities.

The following key figures underscore that the E.ON Group has a solid asset and capital structure:

- Non-current assets are covered by equity at 37 percent (December 31, 2008: 35 percent).
- Non-current assets are covered by long-term capital at 103 percent (December 31, 2008: 97 percent).

Additional information is contained in Notes 3 and 5 to the Consolidated Interim Financial Statements.

Consolidated Assets, Liabilities, and Equity

€ in millions	Mar. 31, 2009	%	Dec. 31, 2008	%
Non-current assets	109,521	67	108,719	69
Current assets	53,920	33	48,382	31
Total assets	**163,441**	**100**	**157,101**	**100**
Equity	40,664	25	38,483	24
Non-current liabilities	71,826	44	66,645	43
Current liabilities	50,951	31	51,973	33
Total equity and liabilities	**163,441**	**100**	**157,101**	**100**

Employees

As of March 31, 2009, the E.ON Group had 92,890 employees worldwide, about 1 percent fewer than at year-end 2008. E.ON also had 2,184 apprentices and 341 board members and managing directors.

As of the same date, 55,899 employees, or 60 percent of all staff, were working outside Germany. This percentage is essentially unchanged from year-end 2008.

Employees[1]

	Mar. 31, 2009	Dec. 31, 2008	+/- %
Central Europe	50,191	44,142	+14
Pan-European Gas	3,853	9,827	-61
U.K.	16,791	17,480	-4
Nordic	5,702	5,826	-2
U.S. Midwest	3,126	3,110	+1
Energy Trading	966	885	+9
New Markets	9,144	9,214	-1
Corporate Center[2]	3,117	3,054	+2
Total	**92,890**	**93,538**	**-1**
Discontinued operations[3]	475	474	-

[1]Figures do not include apprentices, managing directors, and board members.
[2]Includes E.ON IS.
[3]Contains WKE.

The changes in the workforce figures for the Central Europe and Pan-European Gas market units are predominantly attributable to the bundling of operations in Romania at Central Europe. U.K.'s headcount declined by about 4 percent, mainly due to the restructuring in the retail businesses. Energy Trading's workforce increased by 9 percent, mainly due to the addition of trading operations in Italy.

Risk Situation

In the normal course of business, we are subject to a number of risks that are inseparably linked to the operation of our businesses.

Our market units operate in an international market environment that is characterized by general risks relating to the business cycle. In connection with the current economic crisis, E.ON faces risks from declining demand, primarily from industrial and commercial customers who, increasingly, are cutting their production. This could result in us being unable to sell energy we have already procured. In addition, the entry of new suppliers into the marketplace along with more aggressive tactics by existing market participants has created a keener competitive environment for our electricity business in and outside Germany which could reduce our margins. E.ON Ruhrgas also faces risks associated with increased competitive pressure in the gas sector. We use a comprehensive sales management system and intensive customer management to minimize these risks.

The E.ON Group's business operations are exposed to commodity price risks. In order to limit our exposure to these risks, we pursue systematic risk management. The key elements of our risk management are, in addition to binding groupwide guidelines and a groupwide reporting system, the use of quantitative key figures, the limitation of risks, and the strict separation of functions between departments. To limit commodity price risks, we utilize derivative financial instruments that are commonly used in the marketplace. These instruments are transacted with financial institutions, brokers, power exchanges, and third parties whose creditworthiness we monitor on an ongoing basis. Proprietary commodity trading is conducted in accordance with detailed guidelines and within narrowly defined limits.

We also use systematic risk management to manage our interest-rate and currency risks. E.ON's operating activities and use of derivative financial instruments expose E.ON to credit default risks. We use a groupwide credit risk management system to systematically monitor the creditworthiness of our business partners and regularly calculate our credit default risk.

Interim Group Management Report

Furthermore, there are potential risks due to possible changes in the value of short-term and long-term securities. These risks are managed by appropriate asset management. We carry out both short-term and long-term financial planning to monitor and manage liquidity risks.

Even E.ON is not entirely unaffected by the current financial environment. Although the energy industry is largely non-cyclical, production declines in cyclical industries due to the financial and economic crisis could, over time, have a negative impact on our business. In addition, declining valuations and increased volatility could require us to write down the value of some of our financial assets. Furthermore, some of our business partners could default on their payments to us. We are addressing the increase in counterparty risk by stepping up our risk-management efforts, particularly with regard to financial institutions. Public credit markets are also significantly more volatile than in recent years. Compared with other companies, E.ON has good access to capital markets. But we, too, are witnessing a widening of credit spreads despite our stable A rating. On balance, the financial crisis has so far had no adverse effects on the E.ON Group's refinancing costs, with wider credit spreads being offset by sharply lower nominal interest rates.

Our business strategy involves acquisitions and investments in our core business as well as disposals. This strategy depends in part on our ability to successfully identify, acquire, and integrate companies that enhance our energy business on acceptable terms. We have comprehensive preventive measures in place to manage the potential risks associated with acquisitions and investments. These include, in addition to the relevant company guidelines and manuals, comprehensive due diligence, legally binding contracts, a multi-stage approvals process, and shareholding and project controlling. Comprehensive post-acquisition integration projects also contribute to successful integration. In the case of the planned disposals, E.ON faces the risk, which is currently not assessable, of disposals not taking place or being delayed and the risk that E.ON receives lower-than-anticipated disposal proceeds. Because the projects are at an early stage, it is not possible at this time to determine the likelihood of these risks. If the planned disposals do not take place or are significantly delayed, this would have a negative impact on the planned development of our debt factor.

Technologically complex production facilities are involved in the production and distribution of energy. Our electricity operations in and outside Germany could experience unanticipated operating or other problems, including severe weather, that lead to outages or power plant shutdowns. Operational failures or extended production stoppages of facilities or components of facilities could negatively impact our earnings.

The following are among the comprehensive measures we take to address these risks:
- systematic employee training, advanced training, and qualification programs
- further refinement of our production procedures and technologies
- regular facility and network maintenance and inspection
- company guidelines as well as work and process instructions
- quality management, control, and assurance
- project, environmental, and deterioration management
- crisis-prevention measures and emergency planning.

Should an accident occur despite the measures we take, we have a reasonable level of insurance coverage.

In addition, there are currently certain risks relating to legal proceedings resulting from the E.ON Group's operations. These in particular include legal actions and proceedings concerning price adjustments and alleged price-fixing agreements and anticompetitive practices. There are also lawsuits pending against E.ON AG and U.S. subsidiaries in connection with the disposal of VEBA Electronics in 2000. In addition, court actions, governmental investigations, and proceedings, and other claims could be instituted or asserted in the future against companies of the E.ON Group. We attempt to minimize the risks of current and future legal proceedings by managing these proceedings appropriately and by designing appropriate contracts prior to agreements being concluded.

Increasing competition in the natural gas market and increasing trading volumes at notional trading points and gas exchanges could result in risks for natural gas purchased under long-term take-or-pay contracts. On the other hand, these contracts between producers and importers are subject to periodic adjustments to current market forces.

The political, legal, and regulatory environment in which the E.ON Group does business is a source of external risks. Changes to this environment can lead to considerable uncertainty with regard to planning.

Market-Based Network Charges

E.ON Gastransport ("EGT") sets market-based network charges. On September 22, 2008, the German Federal Network Agency (known by its German acronym, "BNetzA") issued a ruling forbidding this practice. EGT responded by filing a motion to contest this ruling. If the motion is not successful, EGT will be migrated to incentive-based regulation effective January 1, 2010.

After conducting searches at the premises of energy companies across Europe in 2006, the European Commission is investigating E.ON Ruhrgas regarding possible infringements in the gas transport sector. On July 18, 2007, the Commission initiated formal antitrust proceedings against E.ON Ruhrgas and Gaz de France for alleged infringements of Article 81 of the European Community Treaty. The Commission has pointed out that the initiation of proceedings does not imply that there is conclusive proof of an infringement. The Commission ended its investigations in the electricity sector by issuing a commitment decision on November 26, 2008, under which E.ON will divest its transmission system and a certain amount of generating capacity.

OFGEM, the U.K. utility regulator, is currently conducting an investigation of allegedly unfair pricing practices in the electricity and gas retail segments in the United Kingdom. The investigation affects all market participants, including E.ON UK. If OFGEM achieves its objective, prices will have to be more cost-based instead of market-based. This would pose risks to the further development of competition in the U.K. retail segment.

Other Issues

At the request of the Federal Association of New Energy Suppliers (known by its German abbreviation, "bne") and LichtBlick, the BNetzA has initiated regulatory proceedings against Germany's four electric transmission system operators ("TSOs"), including E.ON Netz. Lichtblick and the bne are demanding that the agency require the four TSOs to jointly net out their balancing zones and to disgorge any additional earnings that have been received by the suppliers of balancing energy. There appears to be no legal basis for this demand.

On February 2, 2009, the German Federal Cartel Office ("FCO"), as part of a sector inquiry, sent EGT and E.ON Avacon a demand for information regarding the capacity situation in Germany's gas transport pipeline system. The two companies are currently preparing their response. The FCO is demanding information about how capacity is booked, used, and awarded and about the open-season process. Anticompetitive practices proceedings are possible if the sector inquiry yields sufficient initial suspicion.

The European Commission, the European Parliament, and the member states have reached an agreement on a compromise on the third legislative package. In addition to the complete legal unbundling of electricity and gas TSOs, the legislative package allows the establishment of an independent transmission operator ("ITO") or an independent system operator ("ISO"). The European Parliament has already passed the legislative package; the formal approval of the European Council is expected by the parliamentary summer break. The third legislative package will affect the entire value chain and will grant national and European regulatory agencies far-reaching new authority to intervene in markets.

The German Federal Ministery of Economics and Technology is planning to make changes in how capacity is managed on gas transmission pipelines in Germany. The changes could affect our gas operations.

We try to manage these risks by engaging in an intensive and constructive dialog with government agencies and policymakers.

We could be subject to environmental liabilities associated with our nuclear and conventional power operations that could materially and adversely affect our business. In addition, new or amended environmental laws and regulations may result in significant increases in our costs.

Interim Group Management Report

E.ON Ruhrgas currently obtains approximately 26 percent of its total natural gas supply from Russia pursuant to long-term supply contracts with Gazprom. In addition, E.ON Ruhrgas currently obtains natural gas from five other supply countries, giving it one of the most diversified gas procurement portfolios in Europe. Certain past events in some Eastern European countries have heightened concerns in parts of Western Europe about the reliability of Russian gas supplies, even though Russia has always been a very reliable supplier. Economic or political instability or other disruptive events in any transit country through which Russian gas must pass before it reaches its final destination in Western Europe can have a material adverse effect on the supply of such gas, and all such events are completely outside E.ON Ruhrgas's control.

The demand for electric power and natural gas is seasonal, with our operations generally experiencing higher demand during the cold-weather months of October through March and lower demand during the warm-weather months of April through September. As a result of these seasonal patterns, our sales and results of operations are higher in the first and fourth quarters and lower in the second and third quarters. Sales and results of operations for all of our energy operations can be negatively affected by periods of unseasonably warm weather during the autumn and winter months. Our Nordic market unit also could be negatively affected by a lack of precipitation, which could lead to a decline in hydroelectric generation. We expect seasonal and weather-related fluctuations in sales and results of operations to continue.

The operational and strategic management of the E.ON Group relies heavily on complex information technology. Our IT systems are maintained and optimized by qualified E.ON Group experts, outside experts, and a wide range of technological security measures. In addition, the E.ON Group has in place a range of technological and organizational measures to counter the risk of unauthorized access to data, the misuse of data, and data loss.

During the period under review, the risk situation of the E.ON Group's operating business did not change significantly from year-end 2008. Sustained low price levels in commodity markets and a lasting and significant reduction in demand, particularly from industrial customers, continue to be the main factors that could have a substantial impact on the E.ON Group's earnings situation over the medium term. From today's perspective, however, we do not perceive any risks in the future that would threaten the existence of the E.ON Group or individual market units.

Forecast

Earnings

The forecast for the E.ON Group's 2009 earnings development is subject to significantly more uncertainty than forecasts of previous years. This is mainly because it is difficult to predict the direction the global financial and economic crisis will take and because it is not possible at this time to definitively quantify the earnings impact of the disposal of roughly 5,000 MW of generating capacity under our agreement with the European Commission. At the same time, as part of the Perform to Win program, we are examining a variety of measures aimed at further reducing our costs and improving our efficiency and productivity. In view of these factors, we currently expect the E.ON Group's 2009 adjusted EBIT to match the high prior-year figure, although we do not expect all of our market units to contribute equally to this target.

We expect 2009 adjusted net income to decline by around 10 percent relative to the prior year. This is mainly due to higher interest expenses resulting from the planned increase in our debt, which we have taken on in part to tap growth markets. We intend to stand by our dividend payout ratio of 50 to 60 percent of adjusted net income.

Our forecast by market unit:

We expect Central Europe's 2009 adjusted EBIT to surpass the prior-year figure. The adverse effects of the economic crisis will be more than offset, in particular by a comprehensive program to reduce overhead costs.

We expect Pan-European Gas's 2009 adjusted EBIT to be below the prior-year number, resulting in particular from the narrowing of margins in the midstream business due to price and competition factors. We also expect lower earnings in the upstream business due to the current development of gas and oil prices.

We expect U.K.'s 2009 adjusted EBIT to be lower than in 2008, due primarily to the transfer of further activities to Energy Trading and anticipated negative currency-translation effects. The key challenges facing the underlying U.K. business during 2009 are anticipated negative exchange-rate effects, a competitive and price-sensitive marketplace, and the impact of the recessionary economic conditions.

We expect Nordic's 2009 adjusted EBIT to be below the 2008 figure. This is primarily a result of the sale of one third of Nordic's hydroelectric capacity to Statkraft at the end of 2008. In addition, power upgrades and modernization measures will reduce the availability of Nordic's nuclear fleet in 2009. We also expect currency-translation effects to adversely impact Nordic's adjusted EBIT.

We expect U.S. Midwest's 2009 adjusted EBIT to be consistent with the prior year, with an anticipated decline in retail sales resulting from current economic conditions largely offset by a stronger dollar.

We expect Energy Trading's 2009 adjusted EBIT to be lower than the 2008 number, mainly due to the declining energy prices seen since the fourth quarter of 2008. Additionally, we do not expect Energy Trading to repeat its exceptional 2008 proprietary trading result.

Adjusted EBIT of the New Markets segment will surpass the prior-year figure. Climate & Renewables will benefit from a significant increase in its generating capacity. At the Russia market unit, the positive expectations of market liberalization will be more than offset by the now-tangible negative effects of the financial crisis on Russia's real economy. In the case of Italy and Spain, it is important to remember that the Endesa operations in Italy and the Spain market unit were not consolidated until the second half of 2008. In addition, the nonrecurring effects relating to the accounting treatment of carbon allowances that adversely impacted adjusted EBIT in 2008 will not be repeated in 2009. For both Italy and Spain, however, it remains to be seen how planned political measures will affect future business development in these markets.

Opportunities

Positive developments in foreign-currency rates and market prices for commodities such as electricity, natural gas, coal, oil, and carbon dioxide can create opportunities for our operations.

Periods of exceptionally cold weather—very low average temperatures or extreme daily lows—in the fall and winter months can create opportunities for us to meet higher demand for electricity and natural gas.

In the period under review, our opportunities did not change significantly relative to those described in our 2008 Financial Report.

28 Review Report

To E.ON AG, Düsseldorf

We have reviewed the Condensed Consolidated Interim Financial Statements - comprising the balance sheet, income statement, statement of recognised income and expenses, condensed cash flow statement, statement of changes in equity and selected explanatory notes - and the Interim Group Management Report of E.ON AG, Düsseldorf, for the period from January 1 to March 31, 2009, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 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, May 12, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Norbert Vogelpoth
Wirtschaftsprüfer
(German Public Auditor)

Dr. Norbert Schwieters
Wirtschaftsprüfer
(German Public Auditor)

Condensed Consolidated Interim Financial Statements

E.ON AG and Subsidiaries Consolidated Statements of Income

January 1–March 31 € in millions	Notes	2009	2008
Sales including electricity and energy taxes		26,569	23,511
Electricity and energy taxes		-634	-672
Sales	(14)	**25,935**	**22,839**
Changes in inventories (finished goods and work in progress)		15	16
Own work capitalized		76	88
Other operating income		6,751	3,159
Cost of materials		-20,057	-17,162
Personnel costs		-1,270	-1,155
Depreciation, amortization and impairment charges		-875	-803
Other operating expenses		-6,569	-3,588
Income/Loss (-) from companies accounted for under the equity method		270	233
Income/Loss (–) from continuing operations before financial results and income taxes		**4,276**	**3,627**
Financial results	(7)	-770	-422
Income from equity investments		*-145*	*2*
Income from other securities, interest and similar income		*167*	*219*
Interest and similar expenses		*-792*	*-643*
Income taxes		-883	-793
Income/Loss (–) from continuing operations		**2,623**	**2,412**
Income/Loss (-) from discontinued operations, net	(5)	-26	-65
Net income		**2,597**	**2,347**
Attributable to shareholders of E.ON AG		*2,457*	*2,079*
Attributable to minority interests		*140*	*268*
in €			
Earnings per share (attributable to shareholders of E.ON AG)—basic and diluted	(8)		
from continuing operations		1.30	1.13
from discontinued operations		-0.01	-0.03
from net income		**1.29**	**1.10**

E.ON AG and Subsidiaries Consolidated Statements of Recognized Income and Expenses

January 1–March 31 € in millions	2009	2008
Net income	**2,597**	**2,347**
Cash flow hedges	186	112
Unrealized changes	*75*	*283*
Reclassification adjustments recognized in income	*111*	*-171*
Available-for-sale securities	243	-2,687
Unrealized changes	*255*	*-2,325*
Reclassification adjustments recognized in income	*-12*	*-362*
Currency translation adjustments	-595	-485
Unrealized changes	*-596*	*-485*
Reclassification adjustments recognized in income	*1*	*–*
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations	-277	1,058
Income taxes	43	-181
Total income and expenses recognized directly in equity	**-400**	**-2,183**
Total recognized income and expenses (total comprehensive income)	**2,197**	**164**
Attributable to shareholders of E.ON AG	*2,115*	*-127*
Attributable to minority interests	*82*	*291*

Condensed Consolidated Interim Financial Statements

E.ON AG and Subsidiaries Consolidated Balance Sheets

€ in millions	Notes	Mar. 31, 2009	Dec. 31, 2008
Assets			
Goodwill		17,286	17,166
Intangible assets		6,547	6,749
Property, plant and equipment		57,264	56,526
Companies accounted for under the equity method	(9)	9,077	8,981
Other financial assets	(9)	9,012	8,823
Equity investments		*4,115*	*3,806*
Non-current securities		*4,897*	*5,017*
Financial receivables and other financial assets		2,439	2,451
Operating receivables and other operating assets		3,618	3,578
Income tax assets		2,001	1,988
Deferred tax assets		2,277	2,457
Non-current assets		**109,521**	**108,719**
Inventories		3,253	4,774
Financial receivables and other financial assets		2,365	2,101
Trade receivables and other operating assets		33,408	29,115
Income tax assets		1,597	1,515
Liquid funds		8,847	6,348
Securities and fixed-term deposits		*2,089*	*2,125*
Restricted cash and cash equivalents		*314*	*552*
Cash and cash equivalents		*6,444*	*3,671*
Assets held for sale	(5)	4,450	4,529
Current assets		**53,920**	**48,382**
Total assets		**163,441**	**157,101**
Equity and Liabilities			
Capital stock		2,001	2,001
Additional paid-in capital		13,741	13,741
Retained earnings		24,453	22,220
Accumulated other comprehensive income		-1	110
Treasury shares	(10)	-3,549	-3,549
Equity attributable to shareholders of E.ON AG		**36,645**	**34,523**
Minority interests (before reclassification)		4,586	4,538
Reclassification related to put options		-567	-578
Minority interests		**4,019**	**3,960**
Equity		**40,664**	**38,483**
Financial liabilities		31,304	25,036
Operating liabilities		8,336	9,735
Income taxes		2,776	2,602
Provisions for pensions and similar obligations	(12)	3,342	3,559
Miscellaneous provisions		19,275	19,198
Deferred tax liabilities		6,793	6,515
Non-current liabilities		**71,826**	**66,645**
Financial liabilities		11,859	16,022
Trade payables and other operating liabilities		31,454	28,388
Income taxes		2,025	2,153
Miscellaneous provisions		4,465	4,260
Liabilities associated with assets held for sale	(5)	1,148	1,150
Current liabilities		**50,951**	**51,973**
Total equity and liabilities		**163,441**	**157,101**

E.ON AG and Subsidiaries Consolidated Statements of Cash Flows

January 1–March 31 € in millions	2009	2008
Net income	2,597	2,347
Income from discontinued operations, net	26	65
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	875	803
Changes in provisions	319	218
Changes in deferred taxes	362	13
Other non-cash income and expenses	120	-251
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	-33	-317
Changes in operating assets and liabilities and in income taxes	-1,380	-516
Cash provided by operating activities of continuing operations (operating cash flow)	**2,886**	**2,362**
Proceeds from disposal of	31	102
Intangible assets and property, plant and equipment	*25*	*40*
Equity investments	*6*	*62*
Purchase of investments in	-1,896	-2,004
Intangible assets and property, plant and equipment	*-1,828*	*-1,559*
Equity investments	*-68*	*-445*
Changes in securities and fixed-term deposits	-365	1,564
Changes in restricted cash and cash equivalents	232	62
Cash used for investing activities of continuing operations	**-1,998**	**-276**
Payments received/made from changes in capital	-2	25
Payments for treasury shares, net	–	-671
Premiums received for put options on treasury shares	–	22
Cash dividends paid to shareholders of E.ON AG	–	–
Cash dividends paid to minority shareholders	-58	-55
Changes of financial liabilities	1,952	686
Cash provided by financing activities of continuing operations	**1,892**	**7**
Net increase in cash and cash equivalents from continuing operations	**2,780**	**2,093**
Cash provided by operating activities of discontinued operations	5	4
Cash used for investing activities of discontinued operations	-5	-4
Cash provided by financing activities of discontinued operations	–	–
Net increase in cash and cash equivalents from discontinued operations	**0**	**0**
Effect of foreign exchange rates on cash and cash equivalents	-7	-15
Cash and cash equivalents at the beginning of the year	3,671	2,887
Cash and cash equivalents at the end of the quarter	**6,444**	**4,965**

Condensed Consolidated Interim Financial Statements

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income: Currency translation adjustments	Available-for-sale securities	Cash flow hedges
Balance as of January 1, 2008	**1,734**	**11,825**	**26,828**	**-318**	**11,081**	**-107**
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends paid						
Other changes						
Share additions			-79			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			2,799	-548	-2,397	19
Net income			*2,079*			
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations			*720*			
Other comprehensive income				*-548*	*-2,397*	*19*
Balance as of March 31, 2008	**1,734**	**11,825**	**29,548**	**-866**	**8,684**	**-88**
Balance as of January 1, 2009	**2,001**	**13,741**	**22,220**	**-2,547**	**2,676**	**-19**
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends paid						
Other changes						
Share additions			7			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			2,226	-381	255	15
Net income			*2,457*			
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations			*-231*			
Other comprehensive income				*-381*	*255*	*15*
Balance as of March 31, 2009	**2,001**	**13,741**	**24,453**	**-2,928**	**2,931**	**-4**

Treasury shares	Put options on treasury shares	Equity attributable to shareholders of E.ON AG	Minority interests (before reclassification)	Reclassification related to put options	Minority interests	Total
-616	**-1,053**	**49,374**	**6,281**	**-525**	**5,756**	**55,130**
			-132		-132	-132
-671		-671				-671
			60		60	60
			-2		-2	-2
			-66		-66	-66
			-10		-10	-10
		-79				-79
	-367	-367		-58	-58	-425
		-127	291		291	164
		2,079	*268*		*268*	*2,347*
		720	*31*		*31*	*751*
		-2,926	*-8*		*-8*	*-2,934*
-1,287	**-1,420**	**48,130**	**6,422**	**-583**	**5,839**	**53,969**
-3,549	**0**	**34,523**	**4,538**	**-578**	**3,960**	**38,483**
			4		4	4
						0
						0
			-10		-10	-10
			-29		-29	-29
			1		1	1
		7				7
				11	11	11
		2,115	82		82	2,197
		2,457	*140*		*140*	*2,597*
		-231	*10*		*10*	*-221*
		-111	*-68*		*-68*	*-179*
-3,549	**0**	**36,645**	**4,586**	**-567**	**4,019**	**40,664**

Notes to the Condensed Consolidated Interim Financial Statements

(1) Basis of Presentation

Based in Germany, the E.ON Group ("E.ON" or the "Group") is an international group of companies with integrated electricity and gas operations. The E.ON Group's reportable segments are presented in line with the Group's internal organizational and reporting structure, as defined by International Financial Reporting Standard ("IFRS") 8, "Operating Segments" ("IFRS 8"):

- The Central Europe market unit, led by E.ON Energie AG ("E.ON Energie"), Munich, Germany, operates E.ON's electricity business and the downstream gas business in Central Europe.
- Pan-European Gas is responsible for the upstream and midstream gas business. Moreover, this market downstream gas business. This market unit is led by E.ON Ruhrgas AG ("E.ON Ruhrgas"), Essen, Germany.
- The U.K. market unit encompasses the energy business in the United Kingdom. This market unit is led by E.ON UK plc ("E.ON UK"), Coventry, U.K.
- The Nordic market unit, which is led by E.ON Nordic AB ("E.ON Nordic"), Malmö, Sweden, focuses on the energy business in Northern Europe. It operates through the integrated energy company E.ON Sverige AB ("E.ON Sverige"), Malmö, Sweden.
- The U.S. Midwest market unit, led by E.ON U.S. LLC ("E.ON U.S."), Louisville, Kentucky, USA, is primarily active in the regulated energy market in the U.S. state of Kentucky.
- The Energy Trading market unit, which is led by E.ON Energy Trading AG ("E.ON Energy Trading"), Düsseldorf, Germany, has been conducted the trading activities of the Central Europe, Pan-European Gas, Nordic, and U.K. market units on January 1, 2008. Energy Trading thus combines E.ON's European trading activities for electricity, gas, coal, oil, and CO_2 allowances.
- All of the remaining operating segments have been combined and are reported as "New Markets" in accordance with IFRS 8. New Markets contain the activities of the new Climate & Renewables, Italy, and Russia market units, which began operations on January 1, 2008, and, since July 1, 2008, the Spain market unit as well.

Furthermore, Corporate Center/Consolidation contains E.ON AG itself ("E.ON" or the "Company"), the interests held directly by E.ON AG, as well as the consolidation effects that take place at Group level. Note 14 provides additional information about the segments.

(2) Summary of Significant Accounting Policies

The Interim Report for the three months ended March 31, 2009, has been prepared in accordance with all IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective and adopted for use in the European Union ("EU").

With the exception of the new interpretation described in Note 3, this Interim Report was prepared using the accounting, valuation and consolidation policies used in the Consolidated Financial Statements for the 2008 financial year. In addition, income tax expense for the interim period is recognized based on the effective tax rate expected for the full financial year in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"). Taxes relating to certain special items are reflected in the quarter in which they occur.

This Interim Report prepared in accordance with IAS 34 is condensed compared with the scope applied to the Consolidated Financial Statements for the full year. For further information, including information about E.ON's risk management system, please refer to E.ON's Consolidated Financial Statements for the year ended December 31, 2008, which provide the basis for this Interim Report.

An adjustment of prior-year figures from operating activities to financing activities in the Statement of Cash Flows was necessary due to structural changes within the Group.

(3) Newly Adopted Standards and Interpretations

IAS 1, "Presentation of Financial Statements"

In September 2007, the IASB issued a revised version of IAS 1. The main change from the previous version relate to the presentation of equity. The revised standard applies for fiscal years beginning on or after January 1, 2009. It has been transferred by the EU into European law and its application is thus mandatory for fiscal years beginning on or after January 1, 2009. E.ON votes for the option to report tax effects relating to each component of other comprehensive income in the Notes and will disclose the figures for the first time in the Notes to the Consolidated Financial Statements of the year 2009.

Collection standard to amend multiple International Financial Reporting Standards

In addition to the amendment of IAS 1 that has been described above, the IASB also revises existing standards as part of its "Annual Improvements Process." The amendments made through this process are considered by the IASB to be non-urgent but necessary, and are therefore summarized in one collection standard. This standard was published by the IASB in May 2008. Many of these amendments are effective for fiscal years beginning on or after January 1, 2009. The collection standard has been transferred by the EU into European law. There are no timing differences between the application rules of the IASB standard and those of the EU. According to the requirements in the collection standard E.ON will disclose derivative financial instruments separately in current and non-current from now on. This change in reporting requirements leads thus to a reclassification of prior-year figures within the items "other operating assets" in the amount of €2,283 million and "operating liabilities" in the amount of €3,672 million from current to non-current.

All further standards and interpretations that are mandatorily applicable for fiscal years beginning on or after January 1, 2009 have no material effect on E.ON's Consolidated Financial Statements.

(4) Scope of Consolidation

The number of consolidated companies changed as follows during the reporting period:

Scope of Consolidation	Domestic	Foreign	Total
Consolidated companies as of December 31, 2008	151	495	646
Additions	13	3	16
Disposals/Mergers	2	14	16
Consolidated companies as of March 31, 2009	**162**	**484**	**646**

As of March 31, 2009 183 companies were accounted for under the equity method (December 31, 2008: 186).

(5) Acquisitions, Disposals and Discontinued Operations

Discontinued Operations in 2009

WKE

Through Western Kentucky Energy Corp. ("WKE"), Henderson, Kentucky, U.S., E.ON U.S. has a 25-year lease on and operates the generating facilities of Big Rivers Electric Corporation ("BREC"), a power-generation cooperative in western Kentucky, and a coal-fired generating facility owned by the City of Henderson, Kentucky, U.S.

In March 2007, E.ON U.S. entered into a termination agreement with BREC to terminate the lease and the operational agreements for nine coal-fired power plants and one oil-fired electricity-generating facility in western Kentucky, which were held through its wholly owned company WKE and its subsidiaries.

The closing of the agreement is subject to a large number of conditions, including review and approval by various regulatory agencies and acquisition of consents from other interested parties. Subject to these contingencies, the parties are working on completing the termination transaction in 2009. WKE therefore continues to be classified as a discontinued operation.

The tables below provide selected financial information and major balance sheet line items from the discontinued WKE operations in the U.S. Midwest segment for the periods indicated:

Selected Financial Information—WKE (Summary) January 1 – March 31 € in millions	2009	2008
Sales	47	52
Other income/expenses, net	-89	-158
Loss from continuing operations before income taxes and minority interests	**-42**	**-106**
Income tax benefit	16	41
Loss from discontinued operations	**-26**	**-65**

Major Balance Sheet Line Items—WKE (Summary) € in millions	Mar. 31, 2009	Dec. 31, 2008
Intangible assets and property, plant and equipment	12	156
Other assets	499	422
Total assets	**511**	**578**
Total liabilities	640	711

Notes to the Condensed Consolidated Interim Financial Statements

Disposal Groups and Assets Held for Sale in 2009

Endesa Europa/Viesgo

As part of the acquisition of the Endesa Europa/Viesgo activities, an agreement was reached with the minority shareholder of Endesa Italia S.p.A. (Endesa Italia), Rome, Italy, the A2A S.p.A. ("A2A"), Milan, Italy, to acquire the minority interest primarily in return for company-owned generating capacity in Italy valued at approximately €1.5 billion. The preliminary net carrying amount of this disposal group is €1.5 billion and has been attributed to the New Markets segment as at December, 31, 2008.

Commitment European Commission

In December 2008, E.ON's commitment to the European Commission to sell a variety of power-generation activities, as well as the ultrahigh-voltage network in Germany, came into effect. Based on this commitment and on declarations of intent already signed with two parties interested in acquiring generating capacity, namely Electrabel SA/NV, Brussels, Belgium, and EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, the total capacity to be sold, along with associated assets and liabilities, has been presented as a disposal group. The net carrying amounts of the disposal group relate exclusively to the Central Europe market unit and amounted to €0.4 billion (December 31, 2008: €0.4 billion). The disposal is planned for 2009. The ultrahigh-voltage network has not been reclassified so far as the disposal process was not yet initiated.

Interest in OAO Gazprom

In October 2008, E.ON and Gazprom reached an understanding on E.ON acquiring an interest in the Yuzhno Russkoye gas field in Siberia. As consideration for this ownership stake, Gazprom is to receive the Gazprom shares indirectly held by E.ON, representing approximately one-half of the approximately 6 percent of the equity of Gazprom held by E.ON. The shares are therefore reported as assets held for sale since October 2008. The carrying amount recognized at E.ON for these shares on a fair-value basis is €1.5 billion (December 31, 2008: €1.4 billion). The relevant contracts are to be signed in 2009.

Acquisitions in 2008

Endesa Europa/Viesgo

In the context of the settlement of the bidding contest between Enel/Acciona and E.ON for the Spanish Endesa group in April 2007, E.ON secured for itself a substantial number of strategic holdings, mostly in Italy, Spain and France, in return for withdrawing its cash takeover offer seeking to acquire a majority interest in Endesa. The total transaction value consisted of the approximately €8.5 billion paid in cash for the equity, and of approximately €2.9 billion in assumed debt. Following the completion of the takeover of Endesa by Enel/Acciona at the end of October 2007, E.ON acquired from Enel all of the shares of the following companies on June 26, 2008:

- Electra de Viesgo Distribución S.L., Santander, Spain
- Enel Viesgo Generación S.L., Santander, Spain
- Enel Viesgo Servicios S.L., Santander, Spain

and, at the same time, all of the shares of Endesa Europa S.L. ("Endesa Europa"), Madrid, Spain, from Endesa.

The aforementioned companies were renamed in the second half of 2008 and are now called E.ON Distribución S.L. ("E.ON Distribución"), E.ON Generación S.L. ("E.ON Generación"), E.ON Servicios S.L. ("E.ON Servicios") and E.ON Europa S.L. ("E.ON Europa"). The companies are now all based in Madrid, Spain.

The operations of the former Viesgo companies encompass a total of 1.5 GW in conventional generating capacity at a number of different sites in Spain. A newly constructed project with a capacity of approximately 1 GW was brought into operation in the third quarter of 2008. E.ON Distribución supplies electric power to about 660,000 customers in the Spanish provinces of Cantabria and Asturias. In the context of the transaction between E.ON and Enel/Acciona, Endesa also sold to E.ON Generación two additional power plants in Spain with an approximate combined capacity of 1 GW.

E.ON Europa operates generating capacity of about 7 GW and 2.5 GW, respectively, through subsidiaries in Italy and France. Additional power generation assets are held in Poland and in Turkey. The interest in Endesa Italia acquired via Endesa Europa is 80 percent. This company has since been renamed E.ON Produzione S.p.A. ("E.ON Produzione"), Rome, Italy. The interest in Société Nationale d'Electricité et de Thermique S.A. ("SNET France"), Paris, France, is 65 percent.

An agreement had already been reached in June 2008 with the 20 percent minority shareholder of E.ON Produzione, A2A, to acquire that minority interest primarily in return for company-owned generating capacity in Italy valued at approximately €1.5 billion. Since the purchase price was independent of any change in the value of the generating capacity to be specified, the full 100 percent of E.ON Produzione already had to be included in the Consolidated Financial Statements effective June 30, 2008. The approximately 1.5 GW in generating capacity to be transferred was specified in July 2008. The legal transfer of the minority interest and of the generating capacity is to take place in 2009. This capacity has been reported as a disposal group since its specification as such in the third quarter of 2008. It was recognized at the acquired carrying amounts plus adjustments from the preliminary purchase price allocation, with a net carrying amount of €1.5 billion. The continuing earnings share of the minority shareholder has been presented as a purchase price adjustment since the third quarter of 2008, and will continue to be presented as such until disposal.

Major Balance Sheet Line Items—Endesa Europa/Viesgo Activities € in millions	Carrying amounts before initial recognition	Purchase price allocation	Carrying amounts at initial recognition
Intangible assets	477	2,127	2,604
Property, plant and equipment	6,754	454	7,208
Other assets	2,783	305	3,088
Total assets	**10,014**	**2,886**	**12,900**
Non-current liabilities	2,663	864	3,527
Current liabilities	4,587	447	5,034
Total liabilities	**7,250**	**1,311**	**8,561**
Net assets	**2,764**	**1,575**	**4,339**
Attributable to shareholders of E.ON AG	*2,377*	*-2,377*	*–*
Attributable to minority interests	*387*	*-80*	*307*
Acquisition cost paid in cash		**8,510**	
Non-monetary consideration for minority interest		1,503	
Goodwill (preliminary) before impairment and reclassification		5,981	
Impairment (preliminary)		-1,744	
Reclassification of goodwill to disposal groups (A2A)		-646	
Goodwill (preliminary)		**3,591**	**3,591**

Initial recognition of the operations took place in the second quarter of 2008.

The purchase price allocation was largely completed in the first quarter of 2009. Additional conclusive evaluations and appraisals are still required with respect to the evaluation of certain contract constructions and of any potentially resulting assets and liabilities or effects on previously performed valuations.

Reconciliation to the accounting policies applied at the E.ON Group has been completed with just a few exceptions. Reconciliation adjustments to the E.ON Group's accounting policies already undertaken have been presented together with the adjustments from the purchase price allocation.

Furthermore, an allocation of the preliminary goodwill to the relevant cash-generating units was performed retrospectively in the first quarter of 2009. The comparative figures have been adjusted accordingly. The preliminary conducted impairment as of December 31, 2008, was similarly allocated to the cash-generating units retrospectively.

Consequently the purchase price allocation could not be finalized entirely.

In the first quarter of 2009, the process of arriving at an understanding on an adjustment of the net financial position acquired from Endesa reached a stage where an additional lowering of the cash purchase price by €56 million is now to be seen as probable and must therefore be recognized, resulting in a cash purchase price of €8,510 million. The total purchase price reduction was thus €97 million, of which €41 million had already been recognized in the fourth quarter of 2008 based on a separate understanding. Since adjustments made retrospectively to the acquisition date, and any resulting effects on net income, must generally be reported in the relevant prior periods, the reduction of the purchase price also produces a reduced impairment of €56 million on the total transaction, and hence a correspondingly higher net income in the fourth quarter of 2008. Due to these adjustments, the net preliminary goodwill after impairment thus remains unchanged. The adjustments are recognized in the December 31, 2008 figures.

Disposals in 2008

Statkraft/E.ON Sverige

Based on the letter of intent signed in October 2007 concerning the virtually full acquisition from Statkraft AS ("Statkraft"), Oslo, Norway, of its 44.6 percent minority interest in E.ON Sverige primarily in exchange for a variety of power plant units and shares of E.ON AG, the conditions for reporting as a disposal group the assets and related liabilities to be sold, in particular the personnel-related liabilities, were fulfilled in the second quarter of 2008. Write-downs to lower fair values were not necessary. The disposal took place at the end of December 2008; an after-tax gain of €1.0 billion was realized from the disposal of the power plant units. The delivery of the treasury shares was recognized in equity, with no effect on income.

Notes to the Condensed Consolidated Interim Financial Statements

(6) Research and Development Costs

The E.ON Group's research and development costs amounted to €6 million in the first three months of 2009 (first three months of 2008: €5 million).

(7) Financial Results

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

Financial Results January 1 – March 31 € in millions	2009	2008
Income from companies in which equity investments are held	11	20
Impairment of share investments	-156	-18
Income from equity investments	**-145**	**2**
Income from other securities, interest and similar income	167	219
Interest and similar expenses	-792	-643
Interest and similar expenses (net)	**-625**	**-424**
Financial results	**-770**	**-422**

The ongoing crisis of the financial markets leads to impairment charges on share investments in the amount of €156 million in the first quarter of 2009 (first three months of 2008: €18 million).

(8) Earnings per Share

The computation of earnings per share ("EPS") for the periods indicated is shown below:

Earnings per Share January 1 – March 31 € in millions	2009	2008
Income/Loss (–) from continuing operations	2,623	2,412
less: Minority interests	-140	-268
Income/Loss (–) from continuing operations (attributable to shareholders of E.ON AG)	**2,483**	**2,144**
Income/Loss (–) from discontinued operations, net	-26	-65
less: Minority interests	–	–
Income/Loss (–) from discontinued operations, net (attributable to shareholders of E.ON AG)	**-26**	**-65**
Net income attributable to shareholders of E.ON AG	**2,457**	**2,079**
in €		
Earnings per share (attributable to shareholders of E.ON AG)		
from continuing operations	1.30	1.13
from discontinued operations	-0.01	-0.03
from net income	**1.29**	**1.10**
Weighted-average number of shares outstanding (in millions)	1,905	1,889

The computation of diluted EPS is identical to basic EPS, as E.ON AG has not issued any potentially dilutive common stock.

The computation of EPS is already based on the share split in 2008. The prior-year figures have been adjusted accordingly. Note 10 provides additional information.

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

The following table shows the structure of financial assets:

Companies Accounted for under the Equity Method and Other Financial Assets

€ in millions	Mar. 31, 2009	Dec. 31, 2008
Companies accounted for under the equity method	9,077	8,981
Equity investments	4,115	3,806
Equity investment in OAO Gazprom	*2,311*	*2,121*
Non-current securities	4,897	5,017
Total	**18,089**	**17,804**

(10) Treasury Shares

At the Annual Shareholders Meeting on April 30, 2008, shareholders resolved to reapportion E.ON AG's capital stock by first increasing the capital stock by €266.8 million of the Company's own funds. The capital stock was then subdivided in such a way that three new ordinary shares would replace each old one. This tripled the amount of ordinary shares in issue (share split). The following statements refer to the reapportioned capital stock.

As of March 31, 2009, E.ON AG and one subsidiary held 96,469,634 treasury shares (December 31, 2008: 96,469,634). The shares result mainly from the share buyback program started on June 27, 2007. E.ON thus held 4.82 percent of its capital stock as treasury shares as of the balance sheet date.

(11) Dividends Paid

At the Annual Shareholders Meeting on May 6, 2009, the shareholders voted to distribute a dividend of €1.50 for each dividend-paying ordinary share (after the share split), a €0.13 increase from the dividend paid in 2008. The total dividend payout was €2,857 million.

(12) Provisions for Pensions and Similar Obligations

Pension provisions decreased compared to year-end 2008 primarily due to net actuarial gains resulting mainly from higher discount rates in the domestic companies and the market unit U.S. Midwest.

Discount Rate

Percentages	Mar. 31, 2009	Dec. 31, 2008
Germany	6.00	5.75
U.K.	6.30	6.40
U.S.	7.35	6.05

The funded status, which is equal to the difference between the defined benefit obligation and the fair value of plan assets, is reconciled with the amounts recognized in the Consolidated Balance Sheets as shown in the following table:

Net Amount Recognized

€ in millions	Mar. 31, 2009	Dec. 31, 2008
Defined benefit obligation	14,109	14,096
Fair value of plan assets	-10,768	-11,034
Funded status	**3,341**	**3,062**
Unrecognized past service cost	-10	-10
Net amount recognized	**3,331**	**3,052**
Thereof presented as operating receivables	*-11*	*-507*
Thereof presented as provisions for pensions and similar obligations	*3,342*	*3,559*

Taking into account the periodic additions and pension payments in the present value of all defined benefit obligations and in the plan assets, the funded status has increased by comparison with year-end 2008 primarily due to net actuarial losses. The actuarial gains resulting from higher discount rates in the domestic companies and the market unit U.S. Midwest were more than offset by actuarial losses in the plan assets and a decrease in the discount rate of the market unit U.K. The actuarial losses mainly affect the change in excess of plan assets over pension obligations.

Notes to the Condensed Consolidated Interim Financial Statements

The net periodic pension cost for defined benefit plans is as follows:

Net Periodic Pension Cost for Defined Benefit Plans

January 1 – March 31 € in millions	2009	2008
Employer service cost	48	50
Interest cost	211	218
Expected return on plan assets	-149	-181
Past service cost	3	2
Total	**113**	**89**

(13) Other Significant Issues

On August 7, 2008, the European Commission, in its anti-trust proceedings against E.ON Ruhrgas and Gaz de France concerning suspected market-sharing, transmitted its statement of objections. E.ON Ruhrgas issued a response at the end of August 2008. It is not possible at this time to estimate any possible fine by the Commission. In the event of the Commission ordering a fine, legal action can be taken.

E.ON issued bonds with a nominal total value of €6,086 million (first quarter of 2008: €813 million) in the first quarter of 2009. In the same period own bonds with a nominal total value of €1,543 million (first quarter of 2008: €0 million) were bought back at an early stage.

Financial Information by Business Segment

January 1 – March 31 € in millions	Central Europe		Pan-European Gas		U.K.	
	2009	2008	2009	2008	2009	2008
External sales	10,080	8,475	6,463	6,506	2,566	2,690
Intersegment sales	2,199	2,143	2,097	1,530	648	660
Sales	**12,279**	**10,618**	**8,560**	**8,036**	**3,214**	**3,350**
Adjusted EBITDA	2,021	1,945	926	1,155	188	394
Depreciation and amortization	-369	-340	-100	-133	-113	-125
Impairments (–)/Reversals (+)[1]	-1	-4	-2	-3	–	–
Adjusted EBIT	**1,651**	**1,601**	**824**	**1,019**	**75**	**269**
Earnings from companies accounted for under the equity method[1]	*67*	*72*	*194*	*146*	*7*	*4*
Cash provided by operating activities	1,045	1,902	1,224	1,232	19	149
Investments	553	541	309	228	174	173
Intangible assets and property, plant and equipment	*507*	*430*	*301*	*169*	*174*	*138*
Equity investments[2]	*46*	*111*	*8*	*59*	*–*	*35*
Total assets (March 31 and December 31)	61,615	64,557	28,046	30,382	22,410	17,632
Intangible assets (March 31 and December 31)	*2,163*	*2,121*	*765*	*814*	*494*	*257*
Property, plant and equipment (March 31 and December 31)	*20,349*	*20,418*	*6,729*	*6,773*	*6,012*	*5,878*
Companies accounted for under the equity method (March 31 and December 31)	*2,167*	*2,193*	*5,980*	*5,871*	*–*	*–*

[1]Impairments recognized in adjusted EBIT differ from the relevant amounts reported in accordance with IFRS due to impairments on companies accounted for under the equity method and impairments on other financial assets, and also due to impairments recognized in non-operating earnings. Under IFRS, impairments on companies accounted for under the equity method and impairments on other financial assets are included in income/loss (-) from companies accounted for under the equity method and financial results, respectively.
[2]In addition to those accounted for under the equity method, acquisitions of equity investments also include acquisitions of fully consolidated companies and investments in equity holdings that need not be consolidated. Acquisitions of equity investments are reported in the segment to which the acquiring entity is assigned.

(14) Segment Information

The segment information of the E.ON Group is presented in line with the Company's internal organizational and reporting structure.

- The Central Europe market unit focuses on E.ON's electricity business and downstream gas business in Central Europe.
- Pan-European Gas is responsible for the upstream and midstream gas business. Additionally, this market unit holds a number of minority shareholdings in the downstream gas business.
- The U.K. market unit encompasses the energy business in the United Kingdom.
- The Nordic market unit is concentrated on the energy business in Northern Europe.
- The U.S. Midwest market unit is primarily active in the regulated energy market in the U.S. state of Kentucky.
- Energy Trading combines E.ON's European trading activities for electricity, gas, coal, oil, and CO_2 allowances.
- All of the remaining operating segments have been combined and are reported as "New Markets" in accordance with IFRS 8. New Markets contain the activities of the new Climate & Renewables, Italy, and Russia market units and the Spain market unit as well.

Furthermore, Corporate Center/Consolidation contains E.ON AG itself, the interests held directly by E.ON AG, as well as the consolidation effects that take place at Group level.

Under IFRS, segments or material business units that have been sold or are held for sale must be reported as discontinued operations. In the first three months of 2009 as well as in 2008, this applies to WKE, which is held for sale. The corresponding earnings and cash flow figures for the period ended March 31, 2009, and for the prior-year period do not include the results of the discontinued operations (see explanation on page 35).

Nordic		U.S. Midwest		Energy Trading		New Markets		Corporate Center/ Consolidation		E.ON Group	
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
734	768	586	504	3,794	3,176	1,683	927	29	-207	25,935	22,839
281	434	–	–	11,762	4,561	483	92	-17,470	-9,420	–	–
1,015	**1,202**	**586**	**504**	**15,556**	**7,737**	**2,166**	**1,019**	**-17,441**	**-9,627**	**25,935**	**22,839**
294	439	177	134	109	-80	309	132	-51	-35	3,973	4,084
-71	-86	-44	-36	-2	–	-150	-60	-22	-21	-871	-801
–	–	–	–	–	–	–	3	1	–	-2	-4
223	**353**	**133**	**98**	**107**	**-80**	**159**	**75**	**-72**	**-56**	**3,100**	**3,279**
1	*2*	*1*	*5*	–	–	*2*	*4*	*-2*	–	*270*	*233*
33	337	133	155	620	-1,472	216	-59	-404	118	2,886	2,362
175	214	139	170	1	–	505	995	40	-317	1,896	2,004
173	*213*	*139*	*170*	*1*	–	*501*	*393*	*32*	*46*	*1,828*	*1,559*
2	*1*	–	–	–	–	*4*	*602*	*8*	*-363*	*68*	*445*
10,896	12,779	7,882	7,624	23,313	27,928	27,213	27,322	-17,934	-31,123	163,441	157,101
230	*212*	*10*	*10*	*230*	*762*	*2,620*	*2,536*	*35*	*37*	*6,547*	*6,749*
6,198	*6,129*	*5,215*	*4,890*	*6*	*6*	*12,352*	*12,043*	*403*	*389*	*57,264*	*56,526*
293	*292*	*30*	*33*	–	–	*322*	*315*	*285*	*277*	*9,077*	*8,981*

Notes to the Condensed Consolidated Interim Financial Statements

Adjusted EBIT is used as the key figure at E.ON for purposes of internal management control and as an indicator of a business's long-term earnings power. Adjusted EBIT is derived from income/loss before interest and taxes and adjusted to exclude certain special items. The adjustments include adjusted net interest income, net book gains/losses, cost-management and restructuring expenses, and other non-operating income and expenses.

Adjusted net interest income is calculated by taking the net interest income shown in the income statement and adjusting it using economic criteria and excluding certain special items, i.e., the portions of interest expense that are non-operating. Net book gains/losses are equal to the sum of book gains and losses from disposals, which are included in other operating income and other operating expenses. Cost-management and restructuring expenses are non-recurring in nature. Other non-operating earnings encompass other non-operating income and expenses that are unique or rare in nature. Depending on the case, such income and expenses may affect different line items in the income statement. For example, effects from the marking to market of derivatives are included in other operating income and expenses, while impairment charges on property, plant and equipment are included in depreciation, amortization and impairments. Due to the adjustments, the key figures by segment may differ from the corresponding IFRS figures.

The following table provides a reconciliation of adjusted EBIT to net income:

Net Income January 1 – March 31 € in millions	2009	2008
Adjusted EBIT	3,100	3,279
Adjusted interest income (net)	-606	-379
Net book gains/losses	-10	294
Restructuring/Cost management expenses	-86	-22
Other non-operating earnings	1,108	33
Income/Loss (–) from continuing operations before taxes	**3,506**	**3,205**
Income taxes	-883	-793
Income/Loss (–) from continuing operations	**2,623**	**2,412**
Income/Loss (–) from discontinued operations, net	-26	-65
Net income	**2,597**	**2,347**
Attributable to shareholders of E.ON AG	*2,457*	*2,079*
Attributable to minority interests	*140*	*268*

Page 18 in the Interim Group Management Report contains an explanation of the reconciliation of adjusted EBIT to net income.

Bernotat

Teyssen

Dänzer-Vanotti

Feldmann

Schenck

Financial Calendar

August 12, 2009	Interim Report: January – June 2009
November 11, 2009	Interim Report: January – September 2009
March 10, 2010	Release of 2009 Annual Report
May 6, 2010	2010 Annual Shareholders Meeting
May 7, 2010	Dividend Payout
May 11, 2010	Interim Report: January – March 2010
August 11, 2010	Interim Report: January – June 2010
November 10, 2010	Interim Report: January – September 2010

Further information

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