

2009

January February March

April May June

July August September

October November December

## 2 E.ON Group Financial Highlights

E.ON Group Financial Highlights			
January 1 - June 30	2009	2008	+/- %
Electricity sales	371.1 billion kWh	358.8 billion kWh	+3
Gas sales	586.6 billion kWh	734.9 billion kWh	-20
Sales	€42,519 million	€41,218 million	+3
Adjusted EBITDA	€7,499 million	€7,363 million	+2
Adjusted EBIT	€5,699 million	€5,760 million	-1
Net income	€4,493 million	€3,103 million	+45
Net income attributable to shareholders of E.ON AG	€4,307 million	€2,961 million	+45
Adjusted net income	€3,455 million	€3,331 million	+4
Economic investments	€4,376 million	€15,834 million	-72
Cash provided by operating activities of continuing operations	€4,537 million	€4,377 million	+4
Economic net debt (June 30 and December 31)	-€47,004 million	-€44,946 million	-2,058 <sup>1</sup>
Employees (June 30 and December 31)	92,490	93,538	-1
Earnings per share attributable to shareholders of E.ON AG <sup>2</sup>	€2.26	€1.59	+42
Weighted-average shares outstanding (in millions) <sup>2</sup>	1,905	1,880	+1

<sup>1</sup>Change in absolute terms.  
<sup>2</sup>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).

January 1 – June 30, 2009

- Adjusted EBIT down 1 percent year on year
- Swap of generation capacity with GdF Suez will make E.ON number three in Belgian electricity market
- 2009 adjusted EBIT forecast unchanged at high prior-year level; decline in adjusted net income now expected to be 5 to 10 percent

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Dear Shareholders,

The global economic crisis continues to affect your company less than others. We recorded adjusted EBIT of €5.7 billion in the first half of 2009, just 1 percent below the very high prior-year figure. We continue to expect full-year adjusted EBIT to match the high prior-year level. We increased adjusted net income by 4 percent to €3.5 billion. We now expect the decline in full-year adjusted net income to be 5 to 10 percent. The main reasons for this slight adjustment in our outlook are a lower increase in interest expense and a somewhat lower tax expense. Our results demonstrate that the course we've set for E.ON's future is correct and necessary: we're tapping growth opportunities in new markets, systematically reviewing our portfolio, and enhancing our efficiency through PerformtoWin.

Our companies in Spain, Italy, and France are not only making a positive contribution to our results. Our improved position in these markets also creates a solid foundation for further growth. In France, we opened our first solar farm in June and just a short time later took the next step to expand our solar business by acquiring a photovoltaic project developer. Our objective is to develop solar energy into a strong second pillar of our renewables business along with wind energy. A visionary project called Desertec shows the potential of solar energy when it's operated on an industrial scale. Together with other companies, we're planning to build large solar power plants in North Africa as a sustainable source of electricity for Europe. We're also making good progress with the expansion of our offshore wind capacity. We're currently installing turbines at alpha ventus, Germany's first deep-water wind farm. Sited north of the island of Borkum in the German North Sea, alpha ventus will enter service near the end of the year. Together with our partners Dong and Masdar, we're moving forward with London Array, the world's largest offshore wind project. We also see good prospects in the Russian electricity market, which we entered by acquiring OGK-4. Market liberalization in Russia is proceeding according to schedule.

We're also using the disposal of roughly 5,000 megawatts ("MW") of generation capacity mandated by the European Commission as an opportunity to tap new markets and further develop our generation portfolio. In June, we sold hydroelectric plants with an aggregate capacity of 312 MW to Verbund, an Austrian energy company. In return, we received power procurement rights from Austrian pumped-storage hydroelectric plants and cash compensation. Pumped storage is important as a source of backup capacity for the rising share of wind power delivered onto the network. We sold our stakes in two coal-fired power stations with a total capacity of 525 MW to EnBW Energie Baden-Württemberg AG. And two weeks ago, we signed an agreement to swap generation capacity and power-procurement rights with GdF Suez that will make us number three in the Belgian electricity market.

At the same time, we intend to increase efficiency and productivity and to achieve lasting reductions in our costs along our company's entire value chain. We completed the validation phase of our efficiency-enhancement program—PerformtoWin—and have reached an agreement with our employee representatives on key points and a basic framework. We can now implement the measures rapidly and in a socially responsible manner. We anticipate lasting improvement potential of €1.5 billion which will be fully realized by 2011, although it may partially impact 2009.

Our three-pronged approach—efficiency enhancement, active portfolio management, and a clear investment strategy—will enable E.ON to maintain its course even in difficult times and to emerge from the current economic crisis an even stronger company.

Sincerely yours,



Dr. Wulf H. Bernotat

## E.ON Stock<sup>1</sup>

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In a volatile stock market, E.ON stock finished the first half of 2009 below its year-end closing price for 2008 (-11 percent or -6 percent if the reinvestment of dividends is factored in). E.ON's peer index, the STOXX Utilities, was also down significantly relative to year-end 2008 (-8 percent). However, E.ON stock underperformed the German stock market (the DAX was unchanged from year-end 2008) and the European stock market (the EURO STOXX 50 was up 1 percent).

The stock-exchange trading volume of E.ON stock declined substantially, falling by about 55 percent year on year to €29.3 billion. The decline is attributable in part to the decrease in E.ON's stock price and in part to an 18-percent year-on-year reduction in the number of shares traded. Nevertheless, E.ON was the DAX's third most-traded stock by volume in the first half of 2009. With a weighting of 9.84 percent as of June 30, 2009, 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.

Visit [eon.com](http://eon.com) for the latest information about E.ON stock.

### E.ON Stock

	June 30, 2009	Dec. 30, 2008
Shares outstanding (millions)	1,905	1,905
Closing price (€)	25.22	28.44
Market capitalization (€ in billions) <sup>1</sup>	48.0	54.2

<sup>1</sup>Based on shares outstanding.

### Performance and Trading Volume

January 1 - June 30	2009	2008
High (€) <sup>1</sup>	30.47	50.93
Low (€) <sup>1</sup>	18.19	39.09
Trading volume <sup>2</sup>		
Millions of shares	1,257.3	1,524.7
€ in billions	29.3	65.7

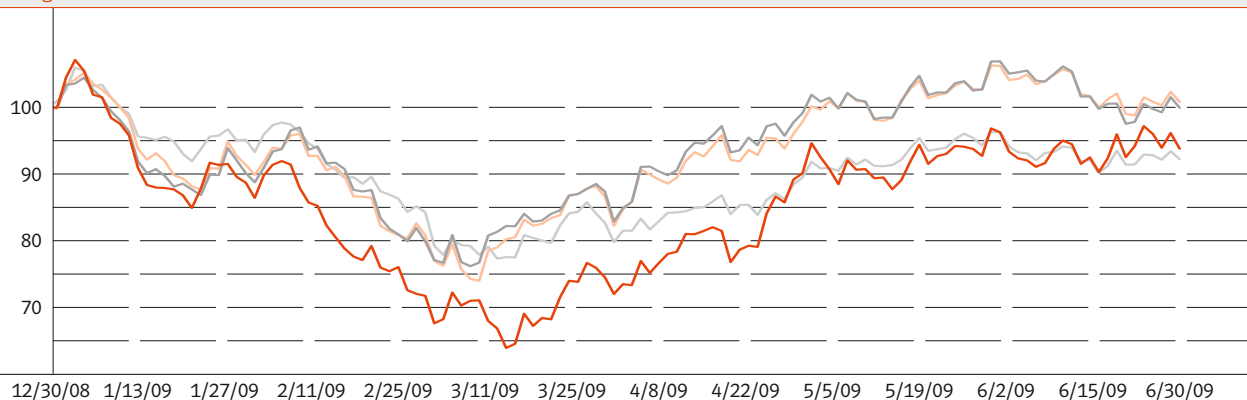
<sup>1</sup>Xetra.

<sup>2</sup>Source: Bloomberg (all German stock exchanges).

### E.ON Stock Performance

Percentages

— E.ON<sup>1</sup> — EURO STOXX<sup>2</sup> — STOXX Utilities<sup>2</sup> — DAX<sup>2</sup>



<sup>1</sup>Includes reinvested dividends.

<sup>2</sup>Based on the respective performance index.

## 6 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 (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 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, Coventry, is the lead company of our U.K. market unit. E.ON UK generates and distributes electricity and retails power and gas to millions of customers across the United Kingdom.

#### Nordic

E.ON Nordic, Malmö, 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., Louisville, 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 Düsseldorf-based E.ON Energy Trading SE, operates across Europe's liquid energy markets and is responsible for managing the E.ON Group's commodity positions in these markets. It brings together the market price risk management activities for power, gas, coal, oil and carbon allowances for the E.ON Group. Energy Trading 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

- Düsseldorf-based 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) and climate-protection projects.
- Moscow-based 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, Milan, 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, Madrid, is the lead company of the Spain market unit. It runs our integrated energy business in Spain.

## Energy Industry

According to estimates by AGEB, a utility-industry working group that compiles and analyzes energy statistics, energy consumption in Germany declined significantly in the first half of 2009, falling by 6 percent year on year. The decline in consumption affected all energy sources except petroleum and mainly reflected the economic downturn. Consumption of natural gas fell by about 11 percent, primarily due to lower demand from industrial customers and power stations.

Electricity consumption in England, Wales, and Scotland was 160 billion kWh in the first half of 2009 compared with 174 billion kWh in the first half of 2008. Gas consumption (excluding power stations) was 334 billion kWh compared with 360 billion kWh. The main reasons for the reduction in consumption are the impact of the recession, high energy prices, and energy-efficiency measures. Increased consumption due to colder weather in the first quarter of 2009 was offset by the impact of warmer weather in the second.

The Nordic region consumed 81 billion kWh of electricity in the second quarter of 2009, about 9 billion kWh less than in the prior-year period. Consumption continued to decline due to lower industrial production caused by the economic slowdown. Net electricity imports to the Nordic region from surrounding countries totaled 3.3 billion kWh compared with net exports of 1.3 billion kWh in the prior-year period. Net imports from Germany were 0.2 billion kWh (prior year: net exports of 2.8 billion kWh).

Electricity and gas consumption in the Midwestern United States decreased by approximately 6 percent in the first six 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. Based on official data, a decline of similar magnitude is anticipated for the year as a whole.

Italy's electricity consumption declined by 8.1 percent (7.6 percent if adjusted for differences in temperature and the number of working days), from 169.5 billion kWh in the first half of 2008 to 155.7 billion kWh in the first half of the current year.

Peninsular electricity demand in Spain was 124 billion kWh in the first half of 2009, 6.4 percent lower than in the prior-year period (6.9 percent lower if adjusted for differences in temperature and the number of working days).

## Energy Price Developments

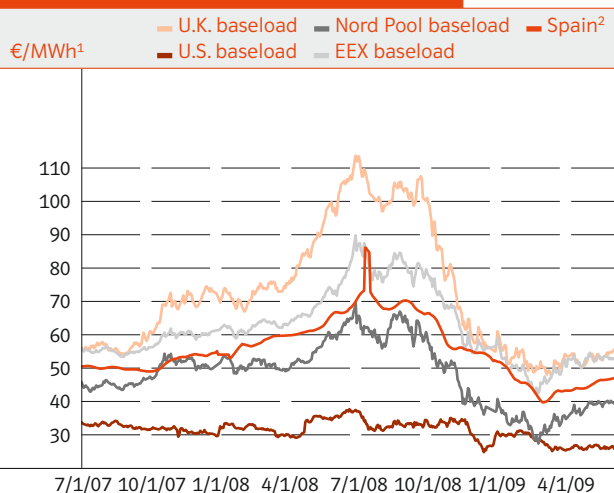
Power and natural gas markets in Europe and Russia were driven by four main factors in the first half of 2009:

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

Prices for power and natural gas in European markets mostly did not move in parallel. After the prices of both commodities reached lows in early March, power prices staged the bigger recovery. Oil and coal prices rose until June, providing support for power prices. A sharp reduction in power consumption all over Europe countered rising fuel prices. Power prices therefore moved sideways with a slight upward tendency for most of the second quarter. The decline in consumption was due to massive shutdowns, both permanent and temporary, in electricity-intensive industries.

Prices for German baseload electricity for 2010 delivery declined in the first quarter, tracking the movement of fuel and carbon prices and accounting for lower expected demand. German electricity prices began 2009 at about €57 per MWh and closed at the end of March at around €48. Prices recovered in the second quarter, finishing the quarter at about €51 per MWh after prolonged sideways movement.

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



<sup>1</sup>For next-year delivery.  
<sup>2</sup>14-day moving average.

## 8 Interim Group Management Report

Nordic power prices were also influenced by fuel price movements and the macroeconomic situation. Consumption in the Nordic region was about 10 percent lower in the second quarter of 2009 than in the prior-year quarter due to lower industrial production resulting from the economic slowdown. The hydrological balance reached a very low level, providing at least some support for spot electricity prices. Forward power prices fell further, to around €28 per MWh, at the beginning of March and then rose to around €39 at the end of June.

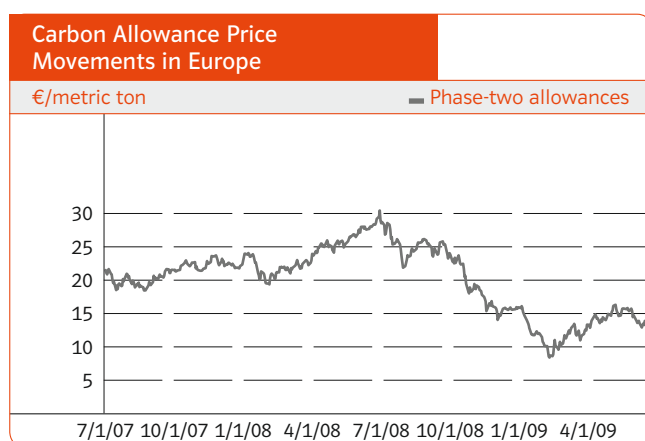
U.K. power prices primarily tracked coal, natural gas, and carbon prices but were also influenced by the economic crisis. They ended the first quarter lower than at the start of the year but recovered slightly in the second quarter.

Wholesale electricity markets in Italy and Spain are not yet as liquid as those in Northwestern and Central Europe. Consequently, prices shown for Spanish baseload electricity for next-year delivery do not have the same information value as prices in other markets. Electricity prices in Spain moved in a pattern similar to Northwestern European prices, primarily tracking oil and coal. Electricity prices in the spot market began the year at around €53 per MWh, declined to around €38 at the end of the first quarter, and then rose to around €47 by the end of June. In Italy, only the spot market for next-day delivery is sufficiently liquid to have information value. Italian electricity prices, which are driven largely by the movement of gas and oil prices, also declined. As seen elsewhere in Europe, the economic downturn reduced consumption significantly. The monthly average price for baseload electricity for next-day delivery was around €83 per MWh in January, falling sharply to €52 in June.

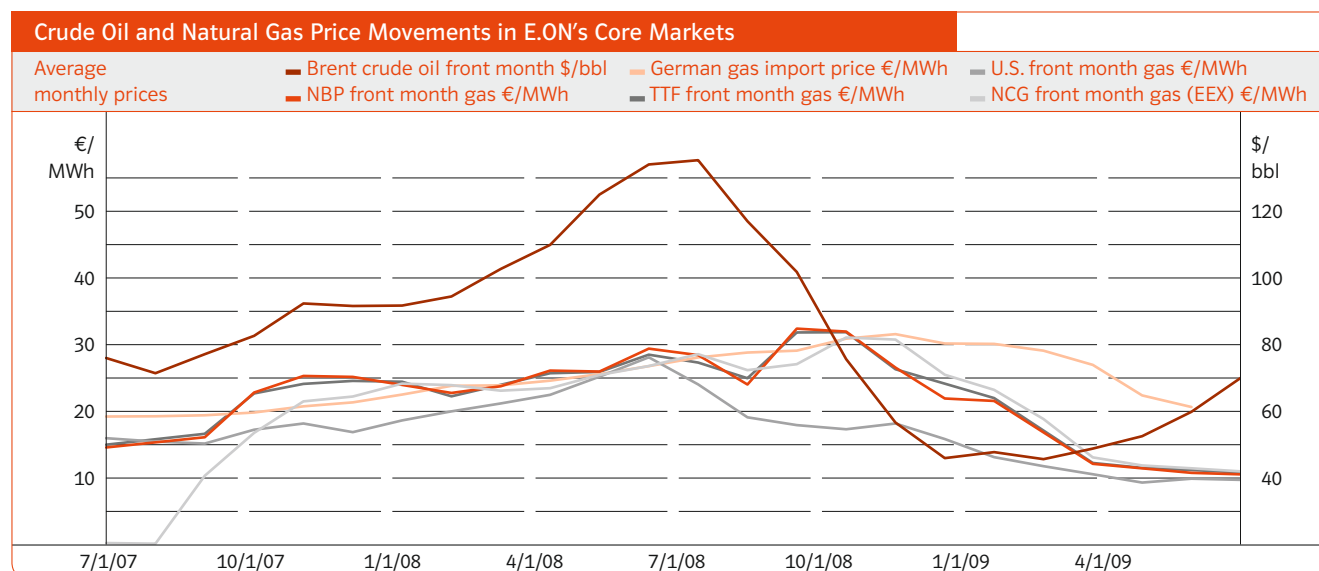
Power prices in the United States also tracked natural gas prices, which declined to the lowest levels seen anywhere in the world in the first quarter and then remained flat through the end of June.

Prices for carbon allowances under the EU-wide Emissions Trading Scheme were driven largely by commodity prices, the recession, and heavy selling of industrial long positions. Carbon prices fell through mid-February to a historic low of less than €9 per ton, although they recovered and finished June back above €13.

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 has stated its intention of gradually liberalizing both the electricity and capacity markets, a process to be completed by 2011. In the first six months 2009, Russian electricity prices fell significantly due to the dramatic drop in consumption attributable to the economic crisis. Low water levels in Siberia and the resulting decline in the output of hydroelectric plants led to a high utilization of thermal generation assets in Siberia. In the second quarter of 2009, the weighted-average price of electricity on the liberalized spot market was 639 rubles (around €14.74) per MWh in the Europe/Ural price zone and 418 rubles (around €9.64) per MWh in the Siberia price zone.







### Power and Gas Procurement

The E.ON Group's owned generation for the first half of 2009 was at the prior-year level due to the inclusion of new operations in the New Markets segment. By contrast, total power procured increased by 7 percent to 234 billion kWh.

In line with the overall situation in the industry, the decline in Central Europe's owned generation is attributable to lower demand resulting from the economic crisis. The increase in power procured resulted primarily from the addition of our French operations, which became consolidated at E.ON Energie effective July 1, 2008.

U.K. generated 17.7 billion kWh of electricity at its own power plants in the first half of 2009, about 16 percent less than in the prior year (21 billion kWh). The reduction is mainly attributable to lower wholesale power prices which made some generation assets less economic to operate.

Nordic's owned generation decreased by 5.8 billion kWh relative to the prior year. The decline in hydropower production is mainly a result of the agreement between E.ON and Statkraft. Under this agreement, E.ON Sverige sold one third of its hydro capacity to Statkraft. The decline is also due to lower hydro 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. A number of smaller extended outages (mainly at Ringhals nuclear power station) also had an adverse effect.

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

Power Procured																
Jan. 1 - June 30 Billion kWh	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Owned generation	62.5	66.6	17.7	21.0	10.5	16.3	15.4	17.1	-	-	41.9	28.4	-	-	148.0	149.4
Purchases	130.6	124.8	24.3	26.9	15.4	15.0	1.6	1.4	254.5	238.4	20.2	8.3	-212.8	-195.5	233.8	219.3
jointly owned power plants	2.7	2.2	0.7	0.4	4.7	5.2	-	-	-	-	-	-	-	-	8.1	7.8
Energy Trading/ outside sources	127.9	122.6	23.6	26.5	10.7	9.8	1.6	1.4	254.5	238.4	20.2	8.3	-212.8	-195.5	225.7	211.5
<b>Total</b>	<b>193.1</b>	<b>191.4</b>	<b>42.0</b>	<b>47.9</b>	<b>25.9</b>	<b>31.3</b>	<b>17.0</b>	<b>18.5</b>	<b>254.5</b>	<b>238.4</b>	<b>62.1</b>	<b>36.7</b>	<b>-212.8</b>	<b>-195.5</b>	<b>381.8</b>	<b>368.7</b>
Station use, line loss, etc.	-6.4	-6.8	-0.1	-0.1	-1.0	-1.1	-1.1	-0.9	-	-	-2.1	-1.0	-	-	-10.7	-9.9
<b>Power sales</b>	<b>186.7</b>	<b>184.6</b>	<b>41.9</b>	<b>47.8</b>	<b>24.9</b>	<b>30.2</b>	<b>15.9</b>	<b>17.6</b>	<b>254.5</b>	<b>238.4</b>	<b>60.0</b>	<b>35.7</b>	<b>-212.8</b>	<b>-195.5</b>	<b>371.1</b>	<b>358.8</b>

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Owned Generation by Energy Source						
January 1 – June 30, 2009 Percentages	Central Europe	U.K.	Nordic	U.S. Midwest	New Markets	E.ON Group
Nuclear	49	-	55	-	-	25
Lignite	6	-	-	-	11	6
Hard coal	30	46	-	98	12	31
Natural gas, oil	5	54	5	1	66	28
Hydro	6	-	36	1	5	7
Wind	-	-	-	-	6	1
Other	4	-	4	-	-	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The New Markets segment had owned generation of 41.9 billion kWh (prior year: 28.4 billion kWh). The breakdown is:

- Climate & Renewables 2.5 billion kWh (1.5 billion kWh)
- Russia 26 billion kWh (26.9 billion kWh)
- Italy 8 billion kWh (0 billion kWh)
- Spain 5.4 billion kWh (0 billion kWh).

In the first half of 2009, wind assets accounted for 96 percent of Climate & Renewables' owned generation, with biomass and micro-hydro assets accounting for the rest. Its owned generation in the first half of 2009 was 67 percent higher than in the prior-year period. Its attributable generation capacity increased from 1,979 MW at year-end 2008 to 2,385 MW at the end of June 2009.

In the first half of 2009, the Russia market unit met 26 billion kWh, or 92 percent, of its total needs of 28.2 billion kWh with electricity from its own power plants.

The Italy market unit generated 8 billion kWh of electricity at its own power plants. It procured 5.7 billion kWh of power on the ancillary market and, to optimize margins, on the Italian Power Exchange. It purchased 9.8 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 74 percent of its total needs of 7.3 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 improve the position of its combined-cycle gas turbines ("CCGTs") in the market.

E.ON Ruhrgas procured about 287.8 billion kWh of natural gas from producers in and outside Germany in the first half of 2009, about 25 percent less than in the prior-year period. Its key supplier countries were Norway, Russia, Germany, and the Netherlands.

Pan-European Gas's gas production of 726 million cubic meters in the first half of 2009 was only slightly below the prior-year figure. Liquid production of 2.9 million barrels was at the prior-year level. E.ON Ruhrgas Norge conducted successful exploration drilling in the Norwegian Sea in the second quarter and was awarded two licenses—one as operator—in Norway's 20th licensing round.

Upstream Production			
January 1 – June 30	2009	2008	+/- %
Liquids/oil (million barrels)	2.9	2.9	-
Gas (million standard cubic meters)	726	746	-3
<b>Total (million barrels of oil equivalent)</b>	<b>7.5</b>	<b>7.6</b>	<b>-1</b>

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 – June 30	2009	2008
Power (billion kWh)	579.65	391.09
Gas (billion kWh)	690.58	398.85
Carbon allowances (million metric tons)	252.51	58.28
Oil (million metric tons)	15.93	23.73
Coal (million metric tons)	109.99	57.36

### Power and Gas Sales

On a consolidated basis, the E.ON Group increased its power sales from 359 billion kWh in the first half of 2008 to about 371 billion kWh in the first half of 2009.

Adjusted for the effect of including new operations in France (which add about 7 billion kWh), Central Europe's power sales declined significantly due to lower demand resulting from the economic crisis.

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. Colder weather in the first quarter of 2009

was offset by warmer weather in the second. 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.

Power Sales																
Jan. 1 – June 30 Billion kWh	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Residential and SME	24.2	23.8	15.3	16.8	3.1	3.4	6.4	6.1	-	-	2.4	-	-	-	51.4	50.1
I&C	35.9	33.4	8.3	9.7	6.8	5.3	8.0	9.4	-	-	6.5	2.6	-	-	65.5	60.4
Sales partners	51.6	55.7	-	-	2.9	4.0	1.0	1.0	-	-	1.0	-	-	-	56.5	60.7
Wholesale market/ Energy Trading	75.0	71.7	18.3	21.3	12.1	17.5	0.5	1.1	254.5	238.4	50.1	33.1	-212.8	-195.5	197.7	187.6
Total	186.7	184.6	41.9	47.8	24.9	30.2	15.9	17.6	254.5	238.4	60.0	35.7	-212.8	-195.5	371.1	358.8

Nordic sold 5.3 billion kWh less electricity than in the prior year mainly due to lower sales to Energy Trading resulting primarily from the sale of hydro assets to Statkraft, lower hydro reservoir inflow in 2009 compared with 2008, and the reduced availability of nuclear power stations.

U.S. Midwest's utility power sales volumes in the first half of 2009 were lower than in the prior-year period due to reduced retail sales volumes to industrial and commercial customers attributable to the economic downturn.

The New Markets segment sold about 60 billion kWh (prior year: 35.7 billion kWh) of electricity in the first half of 2009. The breakdown is:

- Climate & Renewables 3.1 billion kWh (2.3 billion kWh)
- Russia 27.3 billion kWh (28.1 billion kWh)
- Italy 23 billion kWh (5.3 billion kWh)
- Spain 6.6 billion kWh (0 billion kWh).

Climate & Renewables' power sales rose by 35 percent, mainly due to the increase in owned generation.

The Russia market unit sold 27.3 billion kWh of electricity on the wholesale market in the first half of 2009. Despite the overall decline in the Russian energy market, Russia almost equaled its prior-year volume, benefiting in particular from the high capacity factor of Surgut power station in Siberia.

The Italy market unit sold 23 billion kWh of electricity: 1.3 billion kWh to residential, 4.7 billion kWh to I&C customers, 1 billion kWh to sales partners, 5 billion kWh to the wholesale market, and 11 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 declined by about 148 billion kWh relative to the prior-year figure.

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.

Gas Sales			
January 1 - June 30 Billion kWh	2009	2008	+/- %
<b>January 1 - March 31</b>	<b>191.7</b>	<b>227.4</b>	<b>-16</b>
April	34.3	64.6	-47
May	35.2	43.5	-19
June	37.8	44.2	-14
<b>E.ON Ruhrgas AG total sales</b>	<b>299.0</b>	<b>379.7</b>	<b>-21</b>
Intragroup sales	99.8	105.8	-6
<b>E.ON Ruhrgas AG external sales</b>	<b>199.2</b>	<b>273.9</b>	<b>-27</b>
Thüga, ERI	77.1	105.7	-27
<b>Pan-European Gas</b>	<b>276.3</b>	<b>379.6</b>	<b>-27</b>
Other market units	310.3	355.3	-13
<b>E.ON Group</b>	<b>586.6</b>	<b>734.9</b>	<b>-20</b>

E.ON Ruhrgas sold 299 billion kWh of natural gas in the first half of 2009, 81 billion kWh, or about 21 percent, less than the prior-year figure of 380 billion kWh. About one third of the

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volume decline resulted from the transfer for supply contracts within the Group and from the curtailment of short-term trading due to unfavorable conditions. Another negative factor was lower production at industrial facilities in and outside Germany which E.ON Ruhrgas supplies directly or indirectly through regional gas companies and municipal utilities. About 66 percent of total gas sales went to regional gas companies and municipal utilities, 11 percent to directly supplied industrial customers, and 23 percent to customers outside Germany.

Internal sales volume was also lower year on year due to the economic crisis.

The majority-owned shareholdings at E.ON Ruhrgas International and Thüga sold 77.1 billion kWh of natural gas. The decline from the prior-year figure of 105.7 billion kWh is mainly due to the transfer of operations in Romania to the Central Europe market unit.

### Gas Sales (Excluding Pan-European Gas)

Jan. 1 - June 30 Billion kWh	Central Europe		U.K.		Nordic		U.S. Midwest		Energy Trading		New Markets		Consolidation		E.ON Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Residential and SME	34.9	25.4	30.9	31.7	-	-	3.6	4.0	-	-	6.0	6.4	-	-	75.4	67.5
I&C	32.6	26.5	10.7	11.9	2.3	2.4	2.1	2.2	-	-	5.1	3.8	-	-	52.8	46.8
Sales partners	11.9	13.7	-	-	-	-	1.6	2.0	-	-	2.6	-	-	-	16.1	15.7
Wholesale market/ Energy Trading	3.3	-	-	19.2	-	-	-	0.3	370.3	259.4	2.9	9.8	-210.5	-63.4	166.0	225.3
<b>Total</b>	<b>82.7</b>	<b>65.6</b>	<b>41.6</b>	<b>62.8</b>	<b>2.3</b>	<b>2.4</b>	<b>7.3</b>	<b>8.5</b>	<b>370.3</b>	<b>259.4</b>	<b>16.6</b>	<b>20.0</b>	<b>-210.5</b>	<b>-63.4</b>	<b>310.3</b>	<b>355.3</b>

U.K.'s gas sales to residential and SME customers decreased largely due to energy-efficiency savings and customer behavior in response to high prices. Higher volumes sold in the first quarter of 2009 due to colder weather were offset by lower volumes in the second quarter due to warmer weather. Gas sales to I&C customers declined due to the continuing economic slowdown. Following the transfer of gas contracts to Energy Trading during 2008, gas sales to Energy Trading in 2009 are zero.

Nordic's gas sales of 2.3 billion kWh were 4 percent below the prior-year figure. The main factors were the economic downturn and keener competition. Heat sales of 4.5 billion kWh were up 5 percent, mainly due to colder weather.

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

In the New Markets segment, Italy sold a total of 16.6 billion kWh of natural gas (prior year: 20 billion kWh): 6 billion kWh to residential customers, 5.1 billion kWh to I&C customers, 2.6 billion kWh to sales partners, 2.4 billion kWh to the wholesale market, and 0.5 billion kWh to E.ON Energy Trading S.p.A. The main reasons for the volume increases in the various 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 €1.3 billion in the first half of 2009 compared with the prior-year figure. The key drivers were:

- the inclusion of operations in France and positive price effects in Central Europe's sales markets
- the inclusion of new operations in the New Markets segment.

#### Sales

January 1 - June 30 € in millions			
	2009	2008	+/- %
Central Europe	21,130	20,080	+5
Pan-European Gas	12,095	13,679	-12
U.K.	5,470	5,778	-5
Nordic	1,759	2,088	-16
U.S. Midwest	999	873	+14
Energy Trading	21,907	14,655	+49
New Markets	3,848	1,858	+107
Corporate Center	-24,689	-17,793	-
<b>Total</b>	<b>42,519</b>	<b>41,218</b>	<b>+3</b>

### Central Europe

Central Europe grew sales by €1.1 billion relative to the prior-year period.

Sales			
January 1 – June 30			
€ in millions	2009	2008	+/- %
Central Europe West	20,212	18,171	+11
<i>Regulated</i>	6,087	6,200	-2
<i>Non-regulated</i>	14,125	11,971	+18
Central Europe East	2,778	2,462	+13
Other/Consolidation	-1,860	-553	-
<b>Central Europe</b>	<b>21,130</b>	<b>20,080</b>	<b>+5</b>

Central Europe West Regulated's sales of €6.1 billion were €0.1 billion below the prior-year figure. Higher network charges were mainly offset by a reduction in sales resulting from less green electricity being delivered onto Central Europe's networks in Germany pursuant to the Renewable Energy Law.

Central Europe West Non-regulated increased sales by €2.2 billion, of which €0.9 billion is attributable to the inclusion of operations in France which were consolidated on July 1, 2008, 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 Central Europe's sales markets.

Central Europe East's sales rose by about €0.3 billion to €2.8 billion, primarily due to the inclusion of gas operations in Romania formerly managed by E.ON Ruhrgas.

Sales reported under Other/Consolidation declined by €1.3 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's sales declined by 12 percent to €12,095 million (prior year: €13,679 million).

Sales			
January 1 – June 30			
€ in millions	2009	2008	+/- %
Regulated	2,812	3,424	-18
Non-regulated	10,098	11,130	-9
Other/Consolidation	-815	-875	-
<b>Pan-European Gas</b>	<b>12,095</b>	<b>13,679</b>	<b>-12</b>

Sales at the regulated business fell by €612 million, or 18 percent, from €3,424 million in the prior-year period to €2,812 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 E.ON Földgáz Trade declined due to lower sales volume and negative currency-translation effects, which were only partially offset by positive price effects. Sales at the gas transport business were also lower following a reduction in transport charges.

The non-regulated business recorded sales of €10,098 million, 9 percent below the prior-year figure (€11,130 million). Sales were down year on year in the gas trading business due to lower sales volume. Upstream sales also declined, mainly as a result of oil price movements.

### U.K.

Sales in local currency increased by 9 percent. However, U.K.'s sales in reporting currency were impacted significantly by the depreciation of sterling against the euro. Sales decreased by €308 million in the first half of 2009 compared with the prior year.

Sales			
January 1 – June 30			
€ in millions	2009	2008	+/- %
Regulated	355	402	-12
Non-regulated	5,191	5,548	-6
Other/Consolidation	-76	-172	-
<b>U.K.</b>	<b>5,470</b>	<b>5,778</b>	<b>-5</b>

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Sales in the regulated business declined by €47 million to €355 million due to currency movements (-€54 million).

Sales in the non-regulated business fell by €357 million to €5,191 million due to currency movements (-€795 million). Sales in local currency increased relative to 2008 as a result of retail price developments.

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

### Nordic

Nordic's sales decreased by €329 million, or 16 percent, compared with the prior-year period. In local currency, sales were only down slightly.

Sales			
January 1 - June 30 € in millions			
	2009	2008	+/- %
Regulated	365	389	-6
Non-regulated	1,378	1,792	-23
Other/Consolidation	16	-93	-
<b>Nordic</b>	<b>1,759</b>	<b>2,088</b>	<b>-16</b>

Sales in the regulated business declined by €24 million to €365 million mainly due to currency-translation effects.

Sales in the non-regulated business declined by €414 million to €1,378 million due to lower sales volumes in the hydro and nuclear businesses (resulting primarily from the sale of hydro capacity to Statkraft) and currency-translation effects.

### U.S. Midwest

U.S. Midwest's sales for the first half of 2009 were higher compared with last year, primarily due to the stronger dollar in 2009. In local currency, sales were in line with the prior year.

Sales			
January 1 - June 30 € in millions			
	2009	2008	+/- %
Regulated	977	852	+15
Non-regulated/Other	22	21	+5
<b>U.S. Midwest</b>	<b>999</b>	<b>873</b>	<b>+14</b>

### Energy Trading

Energy Trading recorded sales of €22 billion in the first half 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 - June 30 € in millions			
	2009	2008	+/- %
Proprietary trading	106	78	+36
Optimization	21,801	14,577	+50
<b>Energy Trading</b>	<b>21,907</b>	<b>14,655</b>	<b>+49</b>

### New Markets

Sales in this segment totaled €3,848 million in the first half of 2009 (prior year: €1,858 million).

Sales			
January 1 - June 30 € in millions			
	2009	2008	+/- %
Climate & Renewables	215	184	+17
Russia	450	484	-7
Italy	2,613	1,190	+120
Spain	570	-	-
<b>New Markets</b>	<b>3,848</b>	<b>1,858</b>	<b>+107</b>

Climate & Renewables' sales increased by 17 percent. The main factor is the significant increase in installed capacity, predominantly in the United States, relative to the prior-year period.

Increases in electricity and capacity tariffs along with the further liberalization of the electricity market had a positive effect on sales at the Russia market unit. However, the significant weakening of the ruble in the wake of the financial crisis caused Russia's sales to decline by 7 percent in reporting currency.

The sharp increase in Italy's sales resulted from the inclusion of E.ON Produzione, which became a consolidated E.ON company in the second half of 2008.

Spain recorded sales of €570 million. E.ON España became a consolidated E.ON company in late June 2008; Spain's sales are included in E.ON's consolidated sales since 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 15 percent, or €34 million, to €186 million (prior year: €220 million).

Other operating income increased by 137 percent to €14,541 million (prior year: €6,136 million). Higher income from exchange-rate differences of €5,987 million (prior year: €3,139 million) and gains on derivative financial instruments of €6,311 million (prior year: €1,890 million) were the main positive factors. Offsetting effects are recorded under other operating expenses. The increase in other operating income and expenses is attributable to the increase in external and intragroup financing activity in foreign currencies and to the further internalization of Energy Trading's business operations. In the case of commodity derivatives, the unwinding of hedging transactions along with overall price movements resulted in a positive development relative to the prior-year period. This applies mainly to oil and gas positions and derivative power sales contracts. Gains on the disposal of securities, shareholdings, and fixed assets amounted to €1,699 million (prior year: €581 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 increased by €1,473 million to €32,329 million (prior year: €30,856 million), mainly due to higher costs for commodities contracted in prior years and to operations that were not included in the prior-year period.

Personnel costs increased by €202 million to €2,644 million. 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 rose by 13 percent to €1,803 million (prior year: €1,601 million) primarily due to the inclusion of operations in our new markets.

Other operating expenses rose by 65 percent, or €5,428 million, to €13,731 million (prior year: €8,303 million). This is mainly attributable to higher realized losses on currency differences of €6,135 million (prior year: €2,842 million) and to higher losses on derivative financial instruments of €4,572 million (prior year: €2,830 million).

Income from companies accounted for under the equity method was €595 million compared with €452 million in the year-earlier period. The 32-percent increase 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 half of 2009 was €61 million below the prior-year figure. The main factors were:

- on the positive side, an improvement in Central Europe's network business
- on the negative side, lower sales volume, competitive pressure on sales prices, and lower upstream earnings at Pan-European Gas,
- currency-translation effects at U.K., and
- lower owned generation and currency-translation effects at Nordic.

Adjusted EBIT			
January 1 - June 30			
€ in millions	2009	2008	+/- %
Central Europe	2,795	2,713	+3
Pan-European Gas	1,073	1,679	-36
U.K.	238	563	-58
Nordic	341	517	-34
U.S. Midwest	214	150	+43
Energy Trading	520	99	+425
New Markets	538	67	+703
Corporate Center	-20	-28	-
<b>Total</b>	<b>5,699</b>	<b>5,760</b>	<b>-1</b>

### Central Europe

Central Europe's adjusted EBIT increased by €82 million relative to the prior-year figure.

Central Europe				
January 1 - June 30				
€ in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Central Europe West	3,212	3,055	2,674	2,519
Regulated	874	792	557	460
Non-regulated	2,338	2,263	2,117	2,059
Central Europe East	337	324	210	208
Other/Consolidation	10	23	-89	-14
<b>Total</b>	<b>3,559</b>	<b>3,402</b>	<b>2,795</b>	<b>2,713</b>



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Central Europe West Regulated benefited from efficiency enhancements and especially from higher network charges. Its adjusted EBIT surpassed the prior-year figure (€460 million) by €97 million.

Central Europe West Non-regulated's adjusted EBIT increased by €58 million to €2,117 million. The inclusion of operations in France had a positive effect on earnings. An in part weather-driven increase in earnings in the gas retail business and positive price effects in the power generation business were nearly offset by the adverse impact of the economic crisis, outages at nuclear power stations, and a narrowing of retail electricity margins.

Central Europe East's adjusted EBIT of €210 million was at the prior-year level. The positive effect of the inclusion of E.ON Gas România was 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 below the prior-year figure, due in part to higher contributions to a mutual pension assurance association.

### Pan-European Gas

Pan-European Gas's adjusted EBIT declined by €606 million, or 36 percent, to €1,073 million.

Pan-European Gas				
January 1 - June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	529	648	455	559
Non-regulated	576	1,114	440	960
Other/Consolidation	198	179	178	160
<b>Total</b>	<b>1,303</b>	<b>1,941</b>	<b>1,073</b>	<b>1,679</b>

Adjusted EBIT at the regulated business declined by €104 million, or 19 percent, from €559 million to €455 million. E.ON Ruhrgas International recorded significantly lower earnings compared with the prior-year period. E.ON Földgáz Trade's earnings were adversely affected by a weak Hungarian forint and by lower sales volume and the intensification of the resulting problem of its take-or-pay obligations. The transfer of the E.ON Gaz România Group to Central Europe market unit effective the beginning of this year also adversely affected

earnings. Earnings at the transport business were on par with the prior year. The adverse effect of the reduction in transport charges was offset by higher earnings from companies accounted for under the equity method.

Adjusted EBIT at the non-regulated business fell by 54 percent, from €960 million to €440 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. In addition, the dividend on our Gazprom stake was €98 million lower than in the prior year. Earnings from storage usage constituted a positive factor. Significantly more gas was withdrawn from storage in the first half of this year than in the prior-year period. Adjusted EBIT at the upstream business was lower, mainly due to oil-price movements. This factor was only partially offset by lower depreciation and lower exploration expenditures.

Adjusted EBIT recorded under Other/Consolidation increased slightly, rising by €18 million to €178 million, due mainly to an increase in earnings from companies accounted for under the equity method at Thüga.

### U.K.

U.K.'s adjusted EBIT declined by €325 million, or 58 percent.

U.K.				
January 1 - June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	264	298	203	230
Non-regulated	216	548	53	370
Other/Consolidation	-14	-39	-18	-37
<b>Total</b>	<b>466</b>	<b>807</b>	<b>238</b>	<b>563</b>

Adjusted EBIT in the regulated business was stable in local currency. Adjusted EBIT in the non-regulated business decreased by €317 million, predominantly due to the transfer of further activities (primarily gas contracts) to Energy Trading and to lower commodity prices reflected in intragroup transactions. Retail adjusted EBIT improved relative to the prior-year period, despite the adverse impact of the recession, reflecting underlying operational improvements.



## Nordic

Nordic's adjusted EBIT in reporting currency fell by €176 million, or 34 percent, year on year to €341 million, mainly due to lower power production and negative currency-translation effects. In local currency, adjusted EBIT was down by 24 percent.

Nordic				
January 1 – June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	176	176	121	118
Non-regulated	303	500	226	394
Other/Consolidation	8	14	-6	5
<b>Total</b>	<b>487</b>	<b>690</b>	<b>341</b>	<b>517</b>

Adjusted EBIT at the regulated business amounted to €121 million, slightly above the prior-year figure (€118 million). Higher average tariffs and a positive non-recurring effect from a revised analysis of deferred income in the power distribution business had a positive effect on adjusted EBIT, which more than offset the negative currency-translation effects.

Adjusted EBIT at the non-regulated business declined by €168 million to €226 million due to lower sales volumes in the hydro and nuclear businesses. This was primarily due to the sale of hydro assets to Statkraft, lower hydro reservoir inflow in 2009 compared with 2008, and reduced availability of nuclear power stations. Negative currency-translation effects constituted another factor.

## U.S. Midwest

U.S. Midwest's adjusted EBIT increased by €64 million, or 43 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, partially offset by lower sales volumes and lower wholesale pricing. In local currency, adjusted EBIT was \$55 million, or 24 percent, higher than in the prior year.

U.S. Midwest				
January 1 – June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	306	224	221	155
Non-regulated/Other	-5	-3	-7	-5
<b>Total</b>	<b>301</b>	<b>221</b>	<b>214</b>	<b>150</b>

## Energy Trading

Energy Trading recorded an adjusted EBIT of €520 million. The optimization segment, whose main purpose is to limit risks and optimize asset deployment, contributed €445 million, continuing its strong development from the end of 2008 (particularly in portfolio optimization for gas and also for power in the United Kingdom) 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 €75 million.

Energy Trading				
January 1 – June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Proprietary trading	75	57	75	57
Optimization	450	43	445	42
<b>Total</b>	<b>525</b>	<b>100</b>	<b>520</b>	<b>99</b>

## New Markets

Climate & Renewables' adjusted EBIT for the first half of 2009 was significantly above the prior-year figure mainly due to the significant increase in installed capacity.

Russia's adjusted EBIT rose by €71 million year on year to €34 million mainly due to ongoing market liberalization and cost-optimization measures. In addition, the prior-year figure was adversely affected by Surgut power station's limited availability.

Italy's adjusted EBIT rose by €319 million year on year. The increase resulted mainly from the inclusion of the E.ON Produzione generation assets in 2009 and from the successful renegotiation of power contracts.

Spain posted an adjusted EBIT of €58 million, of which €35 million came from its generation business and €23 million from its distribution and retail business. E.ON España became a consolidated E.ON company in late June 2008.

New Markets				
January 1 – June 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Climate & Renewables	122	62	52	29
Russia	87	32	34	-37
Italy	524	95	394	75
Spain	104	-	58	-
<b>Total</b>	<b>837</b>	<b>189</b>	<b>538</b>	<b>67</b>

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### Net Income

Net income attributable to shareholders of E.ON AG of €4.3 billion and corresponding earnings per share of €2.26 were up by 45 percent and 42 percent, respectively.

Net Income			
January 1 – June 30 € in millions			
	2009	2008	+/- %
<b>Adjusted EBIT</b>	<b>5,699</b>	<b>5,760</b>	<b>-1</b>
Adjusted interest expense (net)	-1,001	-811	-
Net book gains/losses	750	266	-
Restructuring and cost-management expenses	-172	-167	-
Other non-operating earnings	924	-922	-
<b>Income/Loss from continuing operations before income taxes</b>	<b>6,200</b>	<b>4,126</b>	<b>+50</b>
Income taxes	-1,552	-903	-
<b>Income/Loss from continuing operations</b>	<b>4,648</b>	<b>3,223</b>	<b>+44</b>
Income/Loss from discontinued operations, net	-155	-120	-
<b>Net income</b>	<b>4,493</b>	<b>3,103</b>	<b>+45</b>
Shareholders of E.ON AG	4,307	2,961	+45
Minority interests	186	142	+31

Compared with the prior-year figure, adjusted interest expense (net) declined by €190 million, due mainly to the increase in our economic net debt.

Adjusted Interest Expense (Net)		
January 1 – June 30 € in millions		
	2009	2008
Interest expense shown in Consolidated Statements of Income	-1,049	-832
Interest income (-)/expense (+) not affecting net income	+48	+21
<b>Total</b>	<b>-1,001</b>	<b>-811</b>

Net book gains in the first half of 2009 were €484 million above the prior-year level. This is mainly attributable to the sale of power plants in line with the European Commission's commitment decision.

In the first half of 2009, restructuring and cost-management expenses rose by €5 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 June 30, 2009, the marking to market of derivatives resulted in a positive effect of €1,190 million compared with -€809 million at June 30, 2008. The realization of effects formerly recorded in equity (and thus with no effect on net income) also had a positive effect; these items relate to reorganizational measures in connection with corporate law. The main negative factor was the €553 million fine for alleged market sharing between E.ON Ruhrgas and GdF Suez. Our intention to file an appeal does not suspend the fine, which must be paid. Other non-operating earnings were also adversely affected by write-downs on securities and financial investments and costs relating to a storm in Kentucky at the start of 2009.

Our continuing operations recorded a tax expense of €1.6 billion in the first half of 2009. Our effective tax rate was 25 percent compared with 22 percent in the prior-year period.

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, income 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 - June 30			
€ in millions	2009	2008	+/- %
Net income attributable to shareholders of E.ON AG	4,307	2,961	+45
Net book gains/losses	-750	-266	-
Restructuring and cost-management expenses	172	167	-
Other non-operating earnings	-924	922	-
Taxes and minority interests on non-operating earnings	515	-554	-
Special tax effects	-20	-19	-
Income (+)/loss (-) from discontinued operations, net	155	120	-
<b>Total</b>	<b>3,455</b>	<b>3,331</b>	<b>+4</b>

## Financial Condition

### Cash-Effective and Economic Investments

We invested a total of €4.4 billion in the first half of 2009, about €8 billion less than in the prior-year period. We invested €3.9 billion in property, plant, and equipment and intangible assets (prior year: €3.3 billion). Share investments totaled €464 million versus €9 billion in the prior-year period.

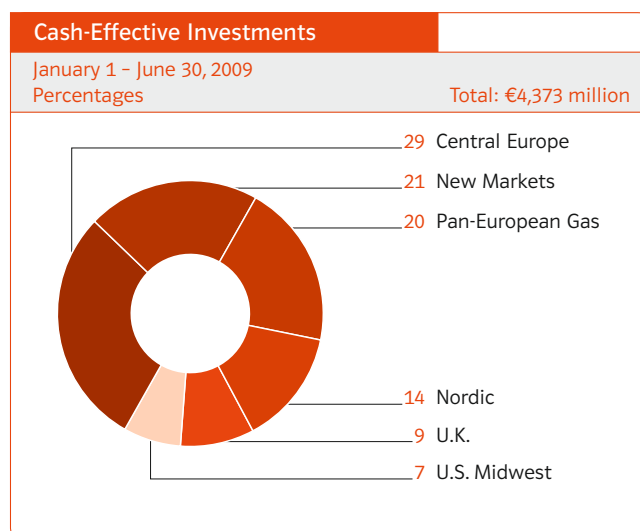
Cash-Effective Investments			
January 1 - June 30			
€ in millions	2009	2008	+/- %
Central Europe	1,339	1,033	+30
Pan-European Gas	903	547	+65
U.K.	413	474	-13
Nordic	660	459	+44
U.S. Midwest	295	312	-5
Energy Trading	13	2	-
New Markets	958	1,357	-29
Corporate Center	-208	8,178	-
<b>Total</b>	<b>4,373</b>	<b>12,362</b>	<b>-65</b>

Our economic investments are equal to our cash-effective investments plus the value of debt acquired and asset swaps.

Economic Investments		
January 1 - June 30		
€ in millions	2009	2008
Cash-effective investments	4,373	12,362
Debt acquired	-	3,464
Asset swaps	3	8
<b>Total</b>	<b>4,376</b>	<b>15,834</b>

Central Europe invested €306 million more in the first half of 2009 than in the prior-year period. Investments in property, plant, and equipment and in intangible assets rose by €349 million to €1,280 million. Central Europe invested €755 million in power generation assets and €436 million in network assets. The increase results primarily from investments at generation assets of the SNET Group, which in the prior-year period was not yet an E.ON company, and from investments in the Plattling and Malzenice power plant projects, which were consolidated in the current year. Central Europe also recorded higher expenditures for the network connections of offshore wind farms. Share investments of €59 million were €43 million below the prior-year figure (€102 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 €903 million. Of this figure, €564 million (prior year: €410 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 €339 million (prior year: €137 million). They consisted of payments to MEON, an affiliated company, and of capital increases at Nord Stream, an associated company.



U.K. invested €413 million in the first half of 2009 (prior year: €440 million), all of which went towards property, plant, and equipment. In local currency, investment expenditure was

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consistent with the prior-year period. This expenditure is mainly related to the construction of Grain gas-fired CHP plant and investments in the distribution network.

Nordic invested €201 million more in the first six months of 2009 than in the prior year. Nordic invested €370 million (prior year: €446 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 €290 million (prior year: €13 million). The high current-year figure contains a compensation payment to Statkraft in conjunction with E.ON's acquisition of minority shares in E.ON Sverige.

U.S. Midwest's investments were lower than in the prior year due to the partial completion of the flue gas desulfurization projects (Ghent 4 in June 2008 and Ghent 2 in March 2009) and lower spending on the new generation unit at Trimble County.

The New Markets segment invested about €958 million in the first half of 2009. Climate & Renewables invested €562 million, in line with the prior-year period (€576 million). The majority of investments went towards large wind-power projects in the United States. Russia invested €170 million, mainly in four new-build projects. The significantly higher investments of €367 million recorded in the prior-year period are primarily attributable to the increase in E.ON's stake in power producer OGK-4 (€200 million). Italy's investments of €91 million (€414 million) related mainly to the refit of Terni hydroelectric station and the installation of desulfurization equipment at Monfalcone power station. The high 2008 figure reflects the transfer of shareholdings to establish the Italy market unit. Spain's investments of €135 million primarily reflected the two new CCGTs (in Escatrón and Algeciras) and the installation of emission-abatement equipment at Puente Nuevo and Puertollano power stations.

The high prior-year investments recorded under Corporate Center consisted primarily of the acquisition of a portfolio of assets from Enel/Acciona and Endesa with operations mainly in Italy, Spain, and France.

### 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 half of 2009 was 4 percent higher than in the prior-year period.

Cash Provided by Operating Activities of Continuing Operations			
January 1 - June 30 € in millions	2009	2008	+/-
Central Europe	3,093	2,495	+598
Pan-European Gas	720	1,369	-649
U.K.	439	596	-157
Nordic	245	622	-377
U.S. Midwest	176	194	-18
Energy Trading	495	-781	+1,276
New Markets	402	-37	+365
Corporate Center	-1,033	-81	-952
<b>Cash provided by operating activities of continuing operations</b>	<b>4,537</b>	<b>4,377</b>	<b>+160</b>
Maintenance investments	611	650	-39
Growth and replacement investments, acquisitions, other	3,762	11,712	-7,950
Cash-effective effects from disposals	1,055	243	+812

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 on par with the prior-year figure. The main positive factors were the inclusion of the gas business in Romania and the electricity business in France, cost savings, and higher network charges. These were offset by lower interest income.

Pan-European Gas's cash provided by operating activities was significantly below the prior-year level. The main cause was E.ON Ruhrgas AG's gas business, whose cash provided by operating activities was adversely affected by higher payments for hedging transactions, the overall downturn of the gas business, and non-recurring tax payments. These factors were only partially offset by positive effects from storage usage resulting from a significantly higher net withdrawal of natural gas in the first half of 2009 compared with the prior-year period. Another positive factor was E.ON Földgáz Trade's gas business in Hungary, particularly storage usage.

U.K.'s cash provided by operating activities was down €157 million year on year mainly due to lower adjusted EBIT in the first half of 2009 versus 2008 and currency effects of -€67 million offset by inflows from working capital movements. These

have arisen from operational improvements and a positive impact from declining prices, resulting from the time lag between payments for commodity purchases and collecting cash from customers.

The sharp decline in Nordic's cash provided by operating activities mainly reflects tax payments relating to restructuring measures. 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 the first quarter.

Energy Trading recorded €495 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-half 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 amounted to -€3,074 million in the first half of 2009 (prior year: -€10,993 million). The prior-year figure mainly reflects the acquisition of a portfolio of assets from Enel/Acciona and Endesa with operations mainly in Italy, Spain, and France. The current-year figure was positively impacted by the sale of power plants.

Cash provided by financing activities amounted to -€1,223 million in the first half of 2009 (prior year: €6,110 million). This high negative figure primarily reflects E.ON AG's dividend payout. This was partly offset by a net increase in financial liabilities, although the increase was smaller than in the prior-year period.

Our economic net debt increased by €2,058 million to €47,004 million. The main reasons for the change were our significant investments in property, plant, and equipment and E.ON AG's dividend payout, which exceeded our strong cash provided by operating activities. The execution of cross-currency swaps

had a positive impact on our net financial position and also reduced the fair value (net) of currency derivatives used for financing transactions.

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	June 30, 2009	Dec. 31, 2008
Liquid funds	6,573	6,348
Non-current securities	4,927	5,017
<b>Total liquid funds and non-current securities</b>	<b>11,500</b>	<b>11,365</b>
Financial liabilities to banks and third parties	-39,831	-39,095
Financial liabilities to Group companies	-2,053	-1,963
<b>Total financial liabilities</b>	<b>-41,884</b>	<b>-41,058</b>
<b>Net financial position</b>	<b>-30,384</b>	<b>-29,693</b>
Fair value (net) of currency derivatives used for financing transactions <sup>1</sup>	307	1,988
Provisions for pensions	-3,536	-3,559
Asset retirement obligations	-14,559	-14,839
Less prepayments to Swedish nuclear fund	1,168	1,157
<b>Economic net debt</b>	<b>-47,004</b>	<b>-44,946</b>

<sup>1</sup>Does not include transactions relating to our operating business or asset management.

In the second quarter of 2009, E.ON issued the equivalent of €1.7 billion in new bonds denominated in euros, U.S. dollars, sterling, and other currencies. E.ON issued a total of €7.8 billion in bonds in the first half of 2009. E.ON repaid in full the €4.25 billion bond that matured in late May. In February, E.ON conducted an early public tender offer through which it had already repurchased €1.54 billion of this bond.

Standard & Poor's ("S&P") long-term rating for E.ON is A; Moody's long-term rating for E.ON is A2. The short-term ratings are A-1 (S&P) and P-1 (Moody's). The ratings of both agencies correspond to E.ON's target rating. S&P and Moody's confirmed their long-term and short-term ratings for E.ON, all with a stable outlook, in May and July 2009, respectively.

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### Asset Situation

Non-current assets as of June 30, 2009, rose slightly (by 3 percent) compared with the figure at year-end 2008.

Current assets decreased by 9 percent. The main factors were lower current receivables from derivative financial instruments and lower operating receivables compared with year-end 2008.

Our equity ratio of 26 percent is one percentage point above the figure recorded at year-end 2008.

Non-current liabilities increased by 9 percent from year-end 2008. E.ON successfully placed long-term bonds with a book value of about €7.8 billion in the first half of 2009. This was partially offset by a reduction in non-current operating liabilities.

Current liabilities declined by 19 percent from year-end 2008, chiefly due to the repayment, according to schedule, of short-term debts and a reduction of operating liabilities and provisions.

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 102 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	June 30, 2009	%	Dec. 31, 2008	%
Non-current assets	111,624	72	108,717	69
Current assets	43,547	28	48,107	31
<b>Total assets</b>	<b>155,171</b>	<b>100</b>	<b>156,824</b>	<b>100</b>
Equity	40,860	26	38,444	25
Non-current liabilities	72,456	47	66,425	42
Current liabilities	41,855	27	51,955	33
<b>Total equity and liabilities</b>	<b>155,171</b>	<b>100</b>	<b>156,824</b>	<b>100</b>



## Employees

As of June 30, 2009, the E.ON Group had 92,490 employees worldwide, about 1 percent fewer than at year-end 2008. E.ON also had 2,045 apprentices and 340 board members and managing directors.

As of the same date, 55,375 employees, or 60 percent of all staff, were working outside Germany. This percentage is essentially unchanged from year-end 2008.

Employees <sup>1</sup>			
	June 30, 2009	Dec. 31, 2008	+/- %
Central Europe	49,947	44,142	+13
Pan-European Gas	3,884	9,827	-60
U.K.	16,580	17,480	-5
Nordic	6,081	5,826	+4
U.S. Midwest	3,131	3,110	+1
Energy Trading	989	885	+12
New Markets	8,754	9,214	-5
Corporate Center <sup>2</sup>	3,124	3,054	+2
<b>Total</b>	<b>92,490</b>	<b>93,538</b>	<b>-1</b>
Discontinued operations <sup>3</sup>	474	474	-

<sup>1</sup>Figures do not include apprentices, managing directors, and board members.  
<sup>2</sup>Includes E.ON IS.  
<sup>3</sup>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 5 percent, in part due to the restructuring in the retail businesses. The hiring of seasonal staff for the summer months increased Nordic's workforce. Energy Trading's workforce increased by 12 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, many of whom have cut their production and may cut it further. 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.

Increasing competition in the natural gas market and increasing trading volumes at virtual 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 the current market situation.

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 use of derivative financial instruments and its operating activities 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.

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. As mentioned above, production declines in cyclical industries due to the financial and economic crisis

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could, despite the largely non-cyclical nature of the energy industry, 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 this 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. On balance, the financial crisis has so far had no adverse effects on the E.ON Group's refinancing costs. Credit spreads narrowed significantly in the second quarter of 2009 but remained at a high level compared with spreads in recent years. This effect is partially 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. In addition to the relevant company guidelines and manuals, these measures include, to the degree possible, 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.

On July 8, 2009, the European Commission fined E.ON Ruhrgas (and thus its parent company, E.ON) €553 million for an alleged market-sharing agreement with GdF Suez. E.ON will study the ruling carefully and intends to file an appeal with the European Court of First Instance. Filing an appeal does not suspend the fine, which must be paid within three months.

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.

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

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 must, after receiving the necessary ruling on the eligible cost case from the BNetzA, set cost-based network charges and be migrated



to incentive-based regulation effective January 1, 2010. EGT is currently in intensive discussions with the BNetzA about the costs it has submitted. We expect the BNetzA to issue a ruling on EGT's network charges in August or September of this year.

OFGEM, the U.K. utility regulator, is currently conducting a consultation on allegedly unfair pricing practices in the electricity and gas retail segments in the United Kingdom. The consultation affects all market participants, including E.ON UK. In late June, OFGEM issued specific proposals for changing the license conditions that allow companies to supply customers, including guidelines for implementing the proposals. OFGEM intends to implement the new licenses in August of this year. If OFGEM achieves its overall 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. An evaluation of the specific risks for E.ON UK is forthcoming.

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 transpower (formerly 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. On April 3, 2009, E.ON Ruhrgas, E.ON Avacon Vertrieb, and Ferngas Nordbayern also received demands for information as part of the same sector inquiry. The FCO is demanding, among other things, extensive information about how capacity is booked, used, and allocated and about how these companies deal with booked (but unused) capacity. E.ON Group companies have submitted responses to the FCO. We expect the results of the sector inquiry to be announced in the next several months. Anticompetitive-practices proceedings may be initiated against individual companies if the sector inquiry yields sufficient initial suspicion. The European Commission is also conducting an investigation of gas capacity usage.

The European Commission, the European Parliament, and the member states have approved 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 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. Risks result not only from the increased scope of intervention options, but also from the legislation that the member states enact to transpose the third legislative package into national law, which could go beyond the package's guidelines.

In addition, the European Commission, the European Parliament, and the Council have passed the green legislative package whose purpose is to enable the EU to achieve its climate targets. By 2020, renewables are supposed to meet 20 percent of the EU's energy consumption, while greenhouse-gas emissions are to be reduced by 20 percent from 1990 levels. Emission allowances for the EU-wide Emissions Trading Scheme ("ETS") have so far been allocated at no cost. No-cost allocation will gradually be replaced by the auctioning of allowances. Starting in 2013, power producers will have to acquire all of their allowances through auctions. The number of allowances will be reduced each year. Industries not subject to the ETS will also have to reduce their emissions in accordance with national targets; a portion of the fuel they use must come from renewable sources. The EU will provide financial support for the development of carbon-capture-and-storage technology. Overall, the green package will have a profound impact on the future generation mix, network infrastructure, and market rules.

The German Federal Ministry of Economics and Technology and the BNetzA are planning to make changes in how capacity is managed on gas transmission pipelines in Germany. It is anticipated that after the current consultations new draft amendments to the Gas Network Access Ordinance will be presented. The amendments could affect our existing gas operations.

On the basis of the anti-crisis law Italy enacted in early 2009, a number of steps are being undertaken to reform the electricity market by 2012. These include changes to the forward,

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day-ahead, intraday, and ancillary-services markets. The law also gives regulators additional authority to intervene by requiring market participants to conduct virtual power plants (the auctioning of generation capacity) or gas-release programs (the auctioning of gas procured under long-term contracts).

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.

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 largely 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 hydro-electric 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. As part of the PerformtoWin project, we have examined a variety of measures aimed at reducing our costs and improving our efficiency and productivity and will, to the degree possible, begin implementing them in 2009. 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 now expect the decline in full-year 2009 adjusted net income to be around 5 to 10 percent relative to the prior year. The main reasons for this slight adjustment in our outlook are a lower increase in adjusted interest expense (net) and a somewhat lower tax expense. The year-on-year increase in interest expenditures results primarily 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 significantly below the prior-year number. A substantial negative factor is a volume- and price-driven narrowing of margins resulting from the current competitive and economic situation in the gas trading business. We also expect a price- and volume-driven decline in earnings at the upstream business.

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, an increasingly competitive marketplace, and the impact of the recession. However, we anticipate significant positive effects from cost-cutting measures in U.K.'s retail business.

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. In addition, power upgrades and modernization measures are reducing 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 at the prior-year level, with an anticipated decline in retail sales resulting from current economic conditions partially offset by a stronger dollar.

We now expect Energy Trading's 2009 adjusted EBIT to be above the 2008 number. We now anticipate that the asset optimization segment will increase its adjusted EBIT, primarily due to the transfer of further operations from other market units to Energy Trading. This will more than offset the decline in energy prices seen since the fourth quarter of 2008. We do not expect the proprietary trading segment to repeat its exceptional 2008 performance.

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, positive effects from market liberalization and optimization measures will be partially offset by the negative effects of the financial crisis on Russia's real economy. Already-initiated cost-cutting measures will have a positive effect. 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 non-recurring effects relating to the accounting treatment of carbon allowances that adversely impacted adjusted EBIT in 2008 will not be repeated in 2009. For Italy, however, it remains to be seen how planned political measures will affect business development going forward.

### 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. This includes, for example, the opportunity to procure natural gas at favorable terms by participating in ENI's state-mandated gas-release program in Italy.

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.

Opportunities will also be created in the years ahead by the establishment of the Agency for the Cooperation of Energy Regulators ("ACER"), whose independence from purely national considerations will enable it to do more to promote European market integration. This will lead to the harmonization of market structures, making it easier to enter, and achieve growth in, other markets.

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 June 30, 2009, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the Condensed Consolidated Interim Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the Condensed Consolidated Interim Financial Statements and on the Interim Group Management Report based on our review.

We conducted our review of the Condensed Consolidated Interim Financial Statements and the Interim Group Management Report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the Condensed Consolidated Interim Financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the

EU and that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the Condensed Consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, August 10, 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					
€ in millions	Notes	April 1–June 30		January 1–June 30	
		2009	2008	2009	2008
Sales including electricity and energy taxes		16,974	18,865	43,543	42,376
Electricity and energy taxes		-390	-486	-1,024	-1,158
<b>Sales</b>	(14)	<b>16,584</b>	<b>18,379</b>	<b>42,519</b>	<b>41,218</b>
Changes in inventories (finished goods and work in progress)		26	10	41	26
Own work capitalized		110	132	186	220
Other operating income		7,790	2,977	14,541	6,136
Cost of materials		-12,272	-13,694	-32,329	-30,856
Personnel costs		-1,374	-1,287	-2,644	-2,442
Depreciation, amortization and impairment charges		-928	-798	-1,803	-1,601
Other operating expenses		-7,162	-4,715	-13,731	-8,303
Income/Loss (-) from companies accounted for under the equity method		325	219	595	452
<b>Income/Loss (-) from continuing operations before financial results and income taxes</b>		<b>3,099</b>	<b>1,223</b>	<b>7,375</b>	<b>4,850</b>
Financial results	(7)	-405	-302	-1,175	-724
Income from equity investments		19	106	-126	108
Income from other securities, interest and similar income		232	322	399	541
Interest and similar expenses		-656	-730	-1,448	-1,373
Income taxes		-669	-110	-1,552	-903
<b>Income/Loss (-) from continuing operations</b>		<b>2,025</b>	<b>811</b>	<b>4,648</b>	<b>3,223</b>
Income/Loss (-) from discontinued operations, net	(5)	-129	-55	-155	-120
<b>Net income</b>		<b>1,896</b>	<b>756</b>	<b>4,493</b>	<b>3,103</b>
Attributable to shareholders of E.ON AG		1,850	882	4,307	2,961
Attributable to minority interests		46	-126	186	142
<b>in €</b>					
<b>Earnings per share</b>					
<b>(attributable to shareholders of E.ON AG)—basic and diluted</b>	(8)				
from continuing operations		1.04	0.52	2.34	1.65
from discontinued operations		-0.07	-0.03	-0.08	-0.06
<b>from net income</b>		<b>0.97</b>	<b>0.49</b>	<b>2.26</b>	<b>1.59</b>

E.ON AG and Subsidiaries Consolidated Statements of Recognized Income and Expenses		
January 1–June 30		
€ in millions	2009	2008
<b>Net income</b>	<b>4,493</b>	<b>3,103</b>
Cash flow hedges	152	-213
Unrealized changes	40	-85
Reclassification adjustments recognized in income	112	-128
Available-for-sale securities	1,502	-1,220
Unrealized changes	1,508	-854
Reclassification adjustments recognized in income	-6	-366
Currency translation adjustments	-550	-47
Unrealized changes	215	-47
Reclassification adjustments recognized in income	-765	-
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations	-458	621
Income taxes	377	-98
<b>Total income and expenses recognized directly in equity</b>	<b>1,023</b>	<b>-957</b>
<b>Total recognized income and expenses (total comprehensive income)</b>	<b>5,516</b>	<b>2,146</b>
Attributable to shareholders of E.ON AG	5,355	1,983
Attributable to minority interests	161	163

## 30 Condensed Consolidated Interim Financial Statements

E.ON AG and Subsidiaries Consolidated Balance Sheets			
€ in millions	Notes	June 30, 2009	Dec. 31, 2008
<b>Assets</b>			
Goodwill		17,554	17,311
Intangible assets		5,789	6,696
Property, plant and equipment		58,911	56,480
Companies accounted for under the equity method	(9)	8,871	8,931
Other financial assets	(9)	9,725	8,823
<i>Equity investments</i>		4,798	3,806
<i>Non-current securities</i>		4,927	5,017
Financial receivables and other financial assets		2,501	2,451
Operating receivables and other operating assets		4,929	3,789
Income tax assets		1,920	1,988
Deferred tax assets		1,424	2,248
<b>Non-current assets</b>		<b>111,624</b>	<b>108,717</b>
Inventories		3,721	4,774
Financial receivables and other financial assets		1,812	2,101
Trade receivables and other operating assets		24,541	28,848
Income tax assets		2,212	1,515
Liquid funds		6,573	6,348
<i>Securities and fixed-term deposits</i>		2,231	2,125
<i>Restricted cash and cash equivalents</i>		417	552
<i>Cash and cash equivalents</i>		3,925	3,671
Assets held for sale	(5)	4,688	4,521
<b>Current assets</b>		<b>43,547</b>	<b>48,107</b>
<b>Total assets</b>		<b>155,171</b>	<b>156,824</b>
<b>Equity and Liabilities</b>			
Capital stock		2,001	2,001
Additional paid-in capital		13,741	13,741
Retained earnings		23,291	22,181
Accumulated other comprehensive income		1,516	110
Treasury shares	(10)	-3,549	-3,549
<b>Equity attributable to shareholders of E.ON AG</b>		<b>37,000</b>	<b>34,484</b>
Minority interests (before reclassification)		4,437	4,538
Reclassification related to put options		-577	-578
<b>Minority interests</b>		<b>3,860</b>	<b>3,960</b>
<b>Equity</b>		<b>40,860</b>	<b>38,444</b>
Financial liabilities		32,239	25,036
Operating liabilities		9,148	9,753
Income taxes		3,171	2,602
Provisions for pensions and similar obligations	(12)	3,536	3,559
Miscellaneous provisions		18,480	19,198
Deferred tax liabilities		5,882	6,277
<b>Non-current liabilities</b>		<b>72,456</b>	<b>66,425</b>
Financial liabilities		9,645	16,022
Trade payables and other operating liabilities		25,097	28,370
Income taxes		1,880	2,153
Miscellaneous provisions		3,820	4,260
Liabilities associated with assets held for sale	(5)	1,413	1,150
<b>Current liabilities</b>		<b>41,855</b>	<b>51,955</b>
<b>Total equity and liabilities</b>		<b>155,171</b>	<b>156,824</b>

E.ON AG and Subsidiaries Consolidated Statements of Cash Flows		
January 1-June 30 € in millions	2009	2008
Net income	4,493	3,103
Income from discontinued operations, net	155	120
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	1,803	1,601
Changes in provisions	-1,011	195
Changes in deferred taxes	689	-80
Other non-cash income and expenses	382	73
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (> 3 months)	-1,586	-334
Changes in operating assets and liabilities and in income taxes	-388	-301
<b>Cash provided by operating activities of continuing operations (operating cash flow)</b>	<b>4,537</b>	<b>4,377</b>
Proceeds from disposal of	1,055	243
<i>Intangible assets and property, plant and equipment</i>	128	79
<i>Equity investments</i>	927	164
Purchase of investments in	-4,373	-12,362
<i>Intangible assets and property, plant and equipment</i>	-3,909	-3,343
<i>Equity investments</i>	-464	-9,019
Changes in securities and fixed-term deposits	132	1,223
Changes in restricted cash and cash equivalents	112	-97
<b>Cash used for investing activities of continuing operations</b>	<b>-3,074</b>	<b>-10,993</b>
Payments received/made from changes in capital	-1	24
Payments for treasury shares, net	-	-1,369
Premiums received for put options on treasury shares	-	22
Cash dividends paid to shareholders of E.ON AG	-2,857	-2,560
Cash dividends paid to minority shareholders	-260	-365
Changes of financial liabilities	1,895	10,358
<b>Cash provided by financing activities of continuing operations</b>	<b>-1,223</b>	<b>6,110</b>
<b>Net increase/decrease in cash and cash equivalents from continuing operations</b>	<b>240</b>	<b>-506</b>
Cash provided by operating activities of discontinued operations	13	5
Cash used for investing activities of discontinued operations	-13	-5
Cash provided by financing activities of discontinued operations	-	-
<b>Net increase in cash and cash equivalents from discontinued operations</b>	<b>0</b>	<b>0</b>
Effect of foreign exchange rates on cash and cash equivalents	14	-5
Cash and cash equivalents at the beginning of the year	3,671	2,887
<b>Cash and cash equivalents at the end of the quarter</b>	<b>3,925</b>	<b>2,376</b>

## 32 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
<b>Balance as of January 1, 2008</b>	<b>1,734</b>	<b>11,825</b>	<b>26,828</b>	<b>-318</b>	<b>11,081</b>	<b>-107</b>
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends			-2,560			
Share additions			-80			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			3,338	-71	-1,098	-186
<i>Net income</i>			2,961			
<i>Changes in actuarial gains/losses of defined benefit pension plans and similar obligations</i>			377			
<i>Other comprehensive income</i>				-71	-1,098	-186
<b>Balance as of June 30, 2008</b>	<b>1,734</b>	<b>11,825</b>	<b>27,526</b>	<b>-389</b>	<b>9,983</b>	<b>-293</b>
<b>Balance as of January 1, 2009</b>	<b>2,001</b>	<b>13,741</b>	<b>22,181</b>	<b>-2,547</b>	<b>2,676</b>	<b>-19</b>
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends			-2,857			
Share additions			18			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			3,949	-115	1,439	82
<i>Net income</i>			4,307			
<i>Changes in actuarial gains/losses of defined benefit pension plans and similar obligations</i>			-358			
<i>Other comprehensive income</i>				-115	1,439	82
<b>Balance as of June 30, 2009</b>	<b>2,001</b>	<b>13,741</b>	<b>23,291</b>	<b>-2,662</b>	<b>4,115</b>	<b>63</b>



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
<b>-616</b>	<b>-1,053</b>	<b>49,374</b>	<b>6,281</b>	<b>-525</b>	<b>5,756</b>	<b>55,130</b>
			245		245	245
-1,369		-1,369				-1,369
			63		63	63
			-5		-5	-5
		-2,560	-401		-401	-2,961
		-80				-80
	-367	-367		-57	-57	-424
		1,983	163		163	2,146
		2,961	142		142	3,103
		377	40		40	417
		-1,355	-19		-19	-1,374
<b>-1,985</b>	<b>-1,420</b>	<b>46,981</b>	<b>6,346</b>	<b>-582</b>	<b>5,764</b>	<b>52,745</b>
<b>-3,549</b>	<b>0</b>	<b>34,484</b>	<b>4,538</b>	<b>-578</b>	<b>3,960</b>	<b>38,444</b>
			4		4	4
						0
			11		11	11
			-38		-38	-38
		-2,857	-239		-239	-3,096
		18				18
				1	1	1
		5,355	161		161	5,516
		4,307	186		186	4,493
		-358	11		11	-347
		1,406	-36		-36	1,370
<b>-3,549</b>	<b>0</b>	<b>37,000</b>	<b>4,437</b>	<b>-577</b>	<b>3,860</b>	<b>40,860</b>

## 34 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 unit holds predominantly minority shareholdings in the 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, U.S., 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 SE ("E.ON Energy Trading"), Düsseldorf, Germany, has conducted the trading activities of the Central Europe, Pan-European Gas, Nordic, and U.K. market units since January 1, 2008. Energy Trading thus combines E.ON's European trading activities for electricity, gas, coal, oil, and CO<sub>2</sub> 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.

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 the Group level. Note 14 provides additional information about E.ON's segments.

### (2) Summary of Significant Accounting Policies

The Interim Report for the six months ended June 30, 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 of 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 in 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 relates to the presentation of equity. The revised standard applies for fiscal years beginning on or after January 1, 2009. It has been transposed by the EU into European law and its application is thus mandatory for fiscal years beginning on or after January 1, 2009. E.ON has opted to 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 for the year 2009.

## Collection standard to amend multiple International Financial Reporting Standards

In addition to the amendment of IAS 1 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 transposed 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 discloses separately current and non-current derivative financial instruments. This change in reporting requirements results in €2,494 million of the prior-year figure for other operating assets and €3,690 million of the prior-year figure for operating liabilities being reclassified from current to non-current. In turn, these reclassifications affect the presentation and the netting of deferred taxes, resulting in a decrease of €223 million in deferred tax assets and liabilities.

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	17	14	31
Disposals/Mergers	3	17	20
<b>Consolidated companies as of June 30, 2009</b>	<b>165</b>	<b>492</b>	<b>657</b>

As of June 30, 2009, 176 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-generating 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 agreement closed in July 2009. Subsequent effects attributable to the termination will also be reported under income/loss (-) from discontinued operations, net.

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–June 30		
€ in millions	2009	2008
Sales	88	95
Other income/expenses, net	-338	-290
<b>Loss from continuing operations before income taxes and minority interests</b>	<b>-250</b>	<b>-195</b>
Income tax benefit	95	75
<b>Loss from discontinued operations</b>	<b>-155</b>	<b>-120</b>

Major Balance Sheet Line Items—WKE (Summary)		
€ in millions		
	June 30, 2009	Dec. 31, 2008
Intangible assets and property, plant and equipment	11	156
Other assets	382	422
<b>Total assets</b>	<b>393</b>	<b>578</b>
Total liabilities	619	711

## 36 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, A2A S.p.A. ("A2A"), Milan, Italy, to acquire the minority interest primarily in return for company-owned generating capacity of the Italy market unit valued at approximately €1.4 billion. The disposal group is presented in the New Markets segment.

#### Commitment European Commission

In December 2008, E.ON's commitment to the European Commission to sell a variety of power-generating 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 ("Electrabel"), Brussels, Belgium, and EnBW Energie Baden-Württemberg AG ("EnBW"), 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 €0.3 billion (December 31, 2008: €0.4 billion). In the second quarter of 2009, E.ON completed the disposal of 0.5 GW of generating capacity to EnBW, resulting in a disposal gain of approximately €0.7 billion. In June and July 2009, binding contracts were signed with Österreichische-Elektrizitätswirtschafts-AG, Vienna, Austria, and Verbund-Kraftwerke Beteiligungsholding GmbH & Co KG, Mödling, Austria, as well as with Electrabel on the disposal of approximately 1.9 GW of additional generating capacity. These remaining disposals are planned for 2009. The ultrahigh-voltage network has not yet been reclassified.

#### 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 €1.9 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., 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 generating assets are held in Poland and in Turkey. The interest in Endesa Italia acquired via E.ON 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 originally 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

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	2,124	2,601
Property, plant and equipment	6,754	453	7,207
Other assets	2,783	322	3,105
<b>Total assets</b>	<b>10,014</b>	<b>2,899</b>	<b>12,913</b>
Non-current liabilities	2,663	894	3,557
Current liabilities	4,587	447	5,034
<b>Total liabilities</b>	<b>7,250</b>	<b>1,341</b>	<b>8,591</b>
<b>Net assets</b>	<b>2,764</b>	<b>1,558</b>	<b>4,322</b>
Attributable to shareholders of E.ON AG	2,377	-2,377	-
Attributable to minority interests	387	-86	301
<b>Acquisition cost paid in cash</b>		<b>8,510</b>	
Non-monetary consideration for minority interest		1,375	
Goodwill before impairment and reclassification		5,864	
Reclassification of goodwill to disposal groups (A2A)		-644	
Impairment		-1,663	
<b>Goodwill</b>		<b>3,557</b>	<b>3,557</b>

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. Following a contractual agreement signed in April 2009, the legal transfer of the minority interest and of the generating capacity will be effective as of July 1, 2009. This capacity has been reported as a disposal group since its specification as such in the third quarter of 2008. Considering the net financial position attributable to the generating capacity to be transferred and the finalized purchase price allocation, the net carrying amount of this disposal group is approximately €1.4 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.

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

The purchase price allocation was finalized in the second quarter of 2009. Compared to the preliminary figures presented at year-end 2008, only minor changes were recorded, mainly in the areas of unfavorable contracts and deferred taxes.

The reconciliation to the E.ON Group's accounting policies is finalized. Reconciliation adjustments to the accounting policies applied at the E.ON Group are presented together with the adjustments from the purchase price allocation.

The allocation of final goodwill was conducted in the second quarter of 2009. It was based on the retroactive allocation of preliminary goodwill to the respective cash generating units (including the adjustment of prior-year figures) conducted in

the first quarter of 2009. In addition, a final determination was made on the preliminary impairment charge that was recorded as of December 31, 2008, and retroactively allocated to the respective cash generating units. Factoring in the final adjustments to purchase price allocation, the impairment charge increased by €69 million, from €1,744 million to €1,813 million. Of this total, E.ON recorded impairment charges of €1,663 million on goodwill at the Italy market unit and impairment charges of €150 million on other non-current assets at the Italy and Climate & Renewables market units. The figures at December 31, 2008, were adjusted accordingly.

## 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.

## 38 Notes to the Condensed Consolidated Interim Financial Statements

### (6) Research and Development Costs

The E.ON Group's research and development costs amounted to €20 million in the first six months of 2009 (first six months of 2008: €19 million).

### (7) Financial Results

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

Financial Results				
€ in millions	April 1–June 30		January 1–June 30	
	2009	2008	2009	2008
Income from companies in which equity investments are held	79	142	90	162
Impairment of share investments	-60	-36	-216	-54
<b>Income from equity investments</b>	<b>19</b>	<b>106</b>	<b>-126</b>	<b>108</b>
Income from other securities, interest and similar income	232	322	399	541
Interest and similar expenses	-656	-730	-1,448	-1,373
<b>Interest and similar expenses (net)</b>	<b>-424</b>	<b>-408</b>	<b>-1,049</b>	<b>-832</b>
<b>Financial results</b>	<b>-405</b>	<b>-302</b>	<b>-1,175</b>	<b>-724</b>

Price movements on financial markets made it necessary to record impairment charges on share investments in the amount of €216 million in the first six months of 2009 (first six months of 2008: €54 million).

### (8) Earnings per Share

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

Earnings per Share				
€ in millions	April 1–June 30		January 1–June 30	
	2009	2008	2009	2008
Income/Loss (-) from continuing operations	2,025	811	4,648	3,223
less: Minority interests	-46	126	-186	-142
<b>Income/Loss (-) from continuing operations (attributable to shareholders of E.ON AG)</b>	<b>1,979</b>	<b>937</b>	<b>4,462</b>	<b>3,081</b>
Income/Loss (-) from discontinued operations, net (attributable to shareholders of E.ON AG)	-129	-55	-155	-120
<b>Net income attributable to shareholders of E.ON AG</b>	<b>1,850</b>	<b>882</b>	<b>4,307</b>	<b>2,961</b>
in €				
<b>Earnings per share (attributable to shareholders of E.ON AG)</b>				
from continuing operations	1.04	0.52	2.34	1.65
from discontinued operations	-0.07	-0.03	-0.08	-0.06
<b>from net income</b>	<b>0.97</b>	<b>0.49</b>	<b>2.26</b>	<b>1.59</b>
Weighted-average number of shares outstanding (in millions)	1,905	1,871	1,905	1,880

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 already reflects the share split conducted 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	June 30, 2009	Dec. 31, 2008
Companies accounted for under the equity method	8,871	8,931
Equity investments	4,798	3,806
<i>Equity investment in OAO Gazprom</i>	2,968	2,121
Non-current securities	4,927	5,017
<b>Total</b>	<b>18,596</b>	<b>17,754</b>

### (10) Treasury Shares

At the Annual Shareholders Meeting on April 30, 2008, shareholders resolved to reappportion 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 share split tripled the amount of ordinary shares in issue. The following statements refer to the reappportioned capital stock.

As of June 30, 2009, E.ON AG and one subsidiary held 96,469,484 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

Based on the actuarial assumptions applied on 30 June, 2009, provisions for pensions and similar obligations remained nearly unchanged compared to year-end 2008.

Discount Rate		
Percentages	June 30, 2009	Dec. 31, 2008
Germany	6.00	5.75
U.K.	6.40	6.40
U.S.	6.55	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	June 30, 2009	Dec. 31, 2008
Defined benefit obligation	14,858	14,096
Fair value of plan assets	-11,323	-11,034
<b>Funded status</b>	<b>3,535</b>	<b>3,062</b>
Unrecognized past service cost	-10	-10
<b>Net amount recognized</b>	<b>3,525</b>	<b>3,052</b>
<i>Thereof presented as operating receivables</i>	-11	-507
<i>Thereof presented as provisions for pensions and similar obligations</i>	3,536	3,559

Taking into account periodic additions and pension payments as well as virtually offsetting exchange-rate effects in the present value of all defined benefit obligations and in plan assets, the funded status increased relative to year-end 2008, primarily due to net actuarial losses. The actuarial losses mainly affect the change in excess of plan assets over pension obligations.



## 40 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				
€ in millions	April 1–June 30		January 1–June 30	
	2009	2008	2009	2008
Employer service cost	52	56	100	106
Interest cost	213	212	424	430
Expected return on plan assets	-151	-176	-300	-357
Past service cost	4	5	7	7
<b>Total</b>	<b>118</b>	<b>97</b>	<b>231</b>	<b>186</b>

### (13) Other Significant Issues

On August 7, 2008, the European Commission, in its antitrust proceedings against E.ON Ruhrgas and Gaz de France concerning suspected market-sharing, transmitted its statement of objections. For a related fine, a liability of €553 million was recognized as of the balance-sheet date.

In the first six months of 2009, E.ON issued bonds with a total nominal value of €7,767 million (first six months of 2008: €8,062 million) and redeemed bonds with a total nominal value of €4,250 million (first six months of 2008: €0 million).

Financial Information by Business Segment						
January 1–June 30 € in millions	Central Europe		Pan-European Gas		U.K.	
	2009	2008	2009	2008	2009	2008
External sales	17,354	15,864	9,024	10,873	4,018	4,733
Intersegment sales	3,776	4,216	3,071	2,806	1,452	1,045
<b>Sales</b>	<b>21,130</b>	<b>20,080</b>	<b>12,095</b>	<b>13,679</b>	<b>5,470</b>	<b>5,778</b>
Adjusted EBITDA	3,559	3,402	1,303	1,941	466	807
Depreciation and amortization	-759	-682	-208	-259	-228	-244
Impairments (-)/Reversals (+) <sup>1</sup>	-5	-7	-22	-3	-	-
<b>Adjusted EBIT</b>	<b>2,795</b>	<b>2,713</b>	<b>1,073</b>	<b>1,679</b>	<b>238</b>	<b>563</b>
<i>Earnings from companies accounted for under the equity method<sup>1</sup></i>	141	148	442	286	7	-6
Cash provided by operating activities	3,093	2,495	720	1,369	439	596
Investments	1,339	1,033	903	547	413	474
<i>Intangible assets and property, plant and equipment</i>	1,280	931	564	410	413	440
<i>Equity investments<sup>2</sup></i>	59	102	339	137	-	34
Total assets (June 30 and December 31)	60,559	64,829	28,861	30,382	20,271	17,632
<i>Intangible assets (June 30 and December 31)</i>	2,018	2,121	768	814	234	257
<i>Property, plant and equipment (June 30 and December 31)</i>	20,851	20,418	6,966	6,773	6,716	5,878
<i>Companies accounted for under the equity method (June 30 and December 31)</i>	2,077	2,193	5,930	5,871	-	-

<sup>1</sup>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.

<sup>2</sup>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<sub>2</sub> 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, Russia, and Italy 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 six months of 2009 as well as 2008, this applies to WKE, which is held for sale. The corresponding earnings and cash flow figures for the period ended June 30, 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
1,291	1,367	999	873	6,832	5,983	2,926	1,715	75	-190	42,519	41,218
468	721	-	-	15,075	8,672	922	143	-24,764	-17,603	-	-
<b>1,759</b>	<b>2,088</b>	<b>999</b>	<b>873</b>	<b>21,907</b>	<b>14,655</b>	<b>3,848</b>	<b>1,858</b>	<b>-24,689</b>	<b>-17,793</b>	<b>42,519</b>	<b>41,218</b>
487	690	301	221	525	100	837	189	21	13	7,499	7,363
-146	-173	-87	-71	-3	-1	-299	-125	-42	-41	-1,772	-1,596
-	-	-	-	-2	-	-	3	1	-	-28	-7
<b>341</b>	<b>517</b>	<b>214</b>	<b>150</b>	<b>520</b>	<b>99</b>	<b>538</b>	<b>67</b>	<b>-20</b>	<b>-28</b>	<b>5,699</b>	<b>5,760</b>
-	6	1	10	-	-	3	6	1	2	595	452
245	622	176	194	495	-781	402	-37	-1,033	-81	4,537	4,377
660	459	295	312	13	2	958	1,357	-208	8,178	4,373	12,362
370	446	295	312	2	2	917	736	68	66	3,909	3,343
290	13	-	-	11	-	41	621	-276	8,112	464	9,019
10,808	12,779	7,412	7,624	21,700	27,849	27,685	27,322	-22,125	-31,593	155,171	156,824
190	212	64	10	190	762	2,284	2,489	41	31	5,789	6,696
6,413	6,129	4,962	4,890	6	6	12,549	11,999	448	387	58,911	56,480
285	292	24	33	-	-	323	315	232	227	8,871	8,931

## 42 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 these 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:

<b>Net Income</b>		
<b>January 1-June 30</b>		
<b>€ in millions</b>	<b>2009</b>	<b>2008</b>
Adjusted EBIT	5,699	5,760
Adjusted interest income (net)	-1,001	-811
Net book gains/losses	750	266
Restructuring/Cost management expenses	-172	-167
Other non-operating earnings	924	-922
<b>Income/Loss (-) from continuing operations before taxes</b>	<b>6,200</b>	<b>4,126</b>
Income taxes	-1,552	-903
<b>Income/Loss (-) from continuing operations</b>	<b>4,648</b>	<b>3,223</b>
Income/Loss (-) from discontinued operations, net	-155	-120
<b>Net income</b>	<b>4,493</b>	<b>3,103</b>
Attributable to shareholders of E.ON AG	4,307	2,961
Attributable to minority interests	186	142

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

## Responsibility Statement

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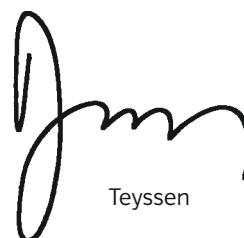
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Düsseldorf, August 10, 2009

The Board of Management



Bernotat



Teyssen



Dänzer-Vanotti



Feldmann



Schenck



## Financial Calendar

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

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

This Interim Report may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group management and other information currently available to E.ON. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development, or performance of the company and the estimates given here. E.ON AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

