

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– September 30	2009	2008	+/- %
Electricity sales	592.4 billion kWh	511.1 billion kWh	+16
Gas sales	824.2 billion kWh	923.0 billion kWh	-11
Sales	€59,259 million	€60,463 million	-2
Adjusted EBITDA	€10,357 million	€10,201 million	+2
Adjusted EBIT	€7,658 million	€7,703 million	-1
Net income	€6,304 million	€3,372 million	+87
Net income attributable to shareholders of E.ON AG	€6,103 million	€3,061 million	+99
Adjusted net income	€4,494 million	€4,457 million	+1
Economic investments	€6,494 million	€18,812 million	-65
Cash provided by operating activities of continuing operations	€7,071 million	€6,250 million	+13
Economic net debt (September 30 and December 31)	-€46,180 million	-€44,946 million	-1,234 ¹
Employees (September 30 and December 31)	90,418	93,538	-3
Earnings per share attributable to shareholders of E.ON AG ²	€3.21	€1.64	+96
Weighted-average shares outstanding (in millions) ²	1,905	1,870	+2

¹Change in absolute terms.
²Subsequent 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 – September 30, 2009

- Adjusted EBIT down 1 percent year on year
- Contract concluded to sell Thüga to consortium of municipal utilities; acquisition of stake in Yuzhno Russkoye gas field in Russia completed
- 2009 adjusted EBIT forecast unchanged at high prior-year level; decline in adjusted net income now expected to be just 3 to 5 percent instead of the 5 to 10 percent previously forecast

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4 *Dear Shareholders,*

We posted solid nine-month results in a year that has been characterized by the economic crisis. Although it looks like the worst part of the crisis is over, we continue to face significant adverse factors, particularly in our gas business and in Southern Europe and Russia. Despite these adverse factors, our adjusted EBIT of €7.7 billion and adjusted net income of €4.5 billion for the first nine months of 2009 were at the high prior-year level. From today's perspective, we continue to expect full-year adjusted EBIT to match the high prior-year level. We now expect the decline in full-year adjusted net income to be just 3 to 5 percent instead of 5 to 10 percent.

PerformtoWin, our efficiency-enhancement program, is progressing well. This will make a decisive contribution to our business development going forward. Its objective is to achieve lasting improvements totaling €1.5 billion by 2011. We're well on the way towards achieving this objective in a socially responsible manner. This program's initial focus was on our power and gas business in Germany, the United Kingdom, and Scandinavia. We've now extended it to our Climate & Renewables, Energy Trading, Russia, Italy, and Spain market units. The initiatives include drawing on the expertise of Energy Trading and Pan-European Gas to enhance fuel-procurement efficiency for our power stations, improving maintenance procedures for our wind farms, and reorganizing our retail operations in Italy.

We've also been successful in streamlining our portfolio. Streamlining has three objectives: to reduce the E.ON Group's complexity, to fulfill our commitment to the European Commission, and to generate at least €10 billion of liquidity to strengthen our balance sheet and to invest in further profitable growth. By selling generation capacity to EdF and EnBW, Austria-based Verbund, GdF Suez/Electrabel, and Stadtwerke Hannover, we've almost fulfilled our commitment to the Commission to divest about 5,000 MW of capacity and have generated a total of about €2 billion in proceeds. These transactions have involved swapping generation assets and/or procurement rights in Germany for capacity in other countries. As a result, we've also succeeded in strengthening our position in power generation outside Germany and created opportunities for further growth. In addition, we signed a contract to sell Thüga to the Integra/KOM9 consortium; we intend to sell some Thüga shareholdings separately. The sales price for the Thüga assets being sold to the consortium is €2.9 billion. Consequently, we've already achieved nearly half of €10 billion we set out to generate.

We're systematically investing this money in organic growth: in our upstream gas business, but primarily in power generation, which already accounts for more than half of our adjusted EBIT. Investments in generation are investments in the future, since all indicators suggest that Europe will have to add significantly more generation capacity beginning in 2015. The key factor is to get the timing right in order to keep investment costs as low as possible. Our investments in conventional generation are aimed at building highly efficient coal-fired and gas-fired power plants like the state-of-the-art gas-fired plant that recently entered service in Malmö, Sweden, and that cogenerates electricity and a significant supply of district heating. Renewables comprise about one quarter of our generation investments. The expansion of our renewables fleet is on schedule. At our Climate & Renewables market unit, two large onshore wind farms in Texas became fully operational, while Robin Rigg (off the Scottish coast) and Alpha Ventus (in the German North Sea) began generating electricity. An important milestone in our upstream gas business is the installation of Babbage platform in the British North Sea, the first to be operated by E.ON Ruhrgas E&P. Babbage, which will begin production in April 2010, has estimated reserves of more than 5 billion cubic meters of natural gas. And just a few days ago, we closed the deal to acquire a stake in Yuzhno Russkoye in Russia, one of the world's largest gas fields. The deal brings us closer to our objective of sourcing at least 10 billion cubic meters of natural gas annually from our own production assets.

Together with the streamlining of our portfolio and our successful efficiency enhancements, these investments will help create a solid platform from which E.ON can start off strong when the current economic crises ends. E.ON is working hard now to build up the strength to meet future challenges and thus to increase the value of our company for shareholders and for employees.

Sincerely yours,



Dr. Wulf H. Bernotat

E.ON Stock¹

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In a volatile stock market, E.ON stock (factoring in the reinvestment of the dividend) finished the third quarter of 2009 8 percent above its year-end closing price for 2008, thereby outperforming its peer index, the STOXX Utilities, which rose by 4 percent during the same period. However, E.ON stock underperformed the German stock market (the DAX was up 18 percent) and the European stock market (the EURO STOXX 50 was up 21 percent).

The stock-exchange trading volume of E.ON stock declined substantially, falling by about 55 percent year on year to €42.1 billion. The decline is attributable in part to the decrease in E.ON's stock price and in part to a 23-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 three quarters of 2009. With a weighting of 10.1 percent as of September 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.

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

E.ON Stock

	Sep. 30, 2009	Dec. 30, 2008
Shares outstanding (millions)	1,905	1,905
Closing price (€)	28.98	28.44
Market capitalization (€ in billions) ¹	55.2	54.2

¹Based on shares outstanding.

Performance and Trading Volume

January 1 - September 30	2009	2008
High (€) ¹	30.47	50.93
Low (€) ¹	18.19	32.78
Trading volume ²		
Millions of shares	1,731.5	2,245.4
€ in billions	42.1	93.3

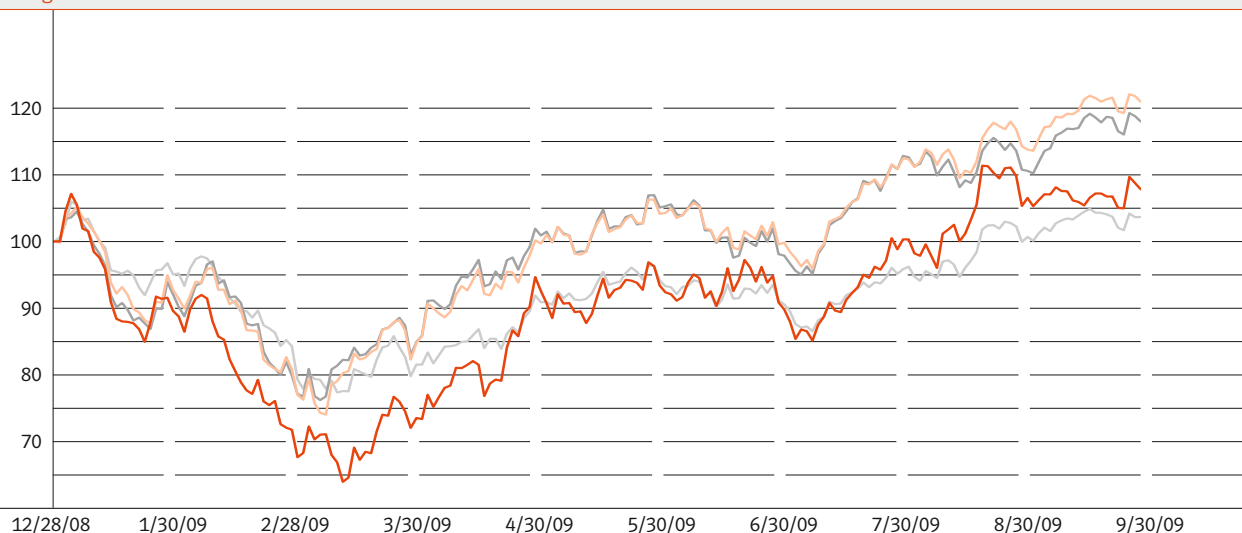
¹Xetra.

²Source: Bloomberg (all German stock exchanges).

E.ON Stock Performance

Percentages

— E.ON¹ — EURO STOXX² — STOXX Utilities² — DAX²



¹Includes reinvested dividends.

²Based 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 managing 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 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 for the first nine months of 2009 declined by 6.4 percent year on year to 331.7 million metric tons of hard coal equivalent. The sluggish economy and a reduction in power production led to lower consumption of fossil fuels and nuclear energy. Weather factors reduced wind and hydro's share of power production. Consumption of natural gas fell by about 7 percent, primarily due to lower demand from industrial customers and power stations.

Electricity consumption in England, Scotland, and Wales was 231 billion kWh in the first three quarters of 2009 compared with 250 billion kWh in the first three quarters of 2008. Gas consumption (excluding power stations) was 404 billion kWh compared with 441 billion kWh. The main reasons for the reduction in consumption were the impact of the recession 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 and third quarters.

The Nordic region consumed 75 billion kWh of electricity in the third quarter of 2009, about 8 billion kWh less than in the prior-year quarter. Consumption continued to decline due to lower industrial production caused by the economic slowdown. Net electricity imports to the Nordic region from surrounding countries were 1.5 billion kWh (prior year: 0.7 billion kWh). Net imports from Germany were 0.05 billion kWh (prior year: net exports of 1.4 billion kWh).

Electricity and gas consumption in the Midwestern United States decreased by approximately 7 percent in the first nine months of 2009 compared with the same period in 2008, due primarily to declines in industrial volumes caused by economic conditions and milder weather.

Due to the ongoing impact of the economic crisis, Russia's electricity consumption declined by about 7 percent year on year. Based on the latest official data, a decline of similar magnitude is anticipated for the year as a whole.

Italy's electricity consumption declined by 7.5 percent (7.2 percent if adjusted for differences in temperature and the number of working days), from 256.9 billion kWh in the first nine months of 2008 to 237.7 billion kWh in the same period this year.

Peninsular electricity demand in Spain was 188 billion kWh, 4.8 percent lower than in the prior-year period (5.3 percent lower if adjusted for differences in temperature and the number of working days).

Energy Prices

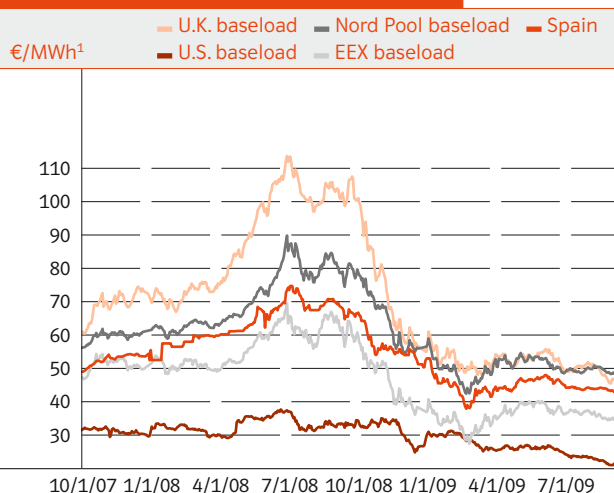
Four main factors drove power and natural gas markets in Europe and Russia through the end of September 2009:

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

Prices in most European power and commodity markets did not move in parallel. After reaching lows in early March, prices for power, oil, coal, and carbon allowances recovered through mid-year. The price of oil remained high (about \$70 a barrel) through the end of September, but other prices (particularly power and natural gas prices) gave back some of their gains. Gas prices at Europe's virtual trading points ceased to track the prices of gas-import contracts, which are indexed to oil prices. Power prices were adversely affected by a sharp reduction in power consumption across Europe resulting from dramatic production cuts in energy-intensive industries.

Prices for German baseload electricity for 2010 delivery began 2009 at around €57 per MWh and finished September at around €47.

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



¹For next-year delivery.

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Nordic power prices were also influenced by fuel price movements and the macroeconomic situation. Although the hydrological balance and power demand recovered somewhat in the third quarter, spot power prices did not rise due to weaker carbon prices. Power prices for 2010 delivery fell to around €28 per MWh at the beginning of March, rose to around €40 at the end of June, and then declined (driven mainly by carbon prices), finishing September at around €33.

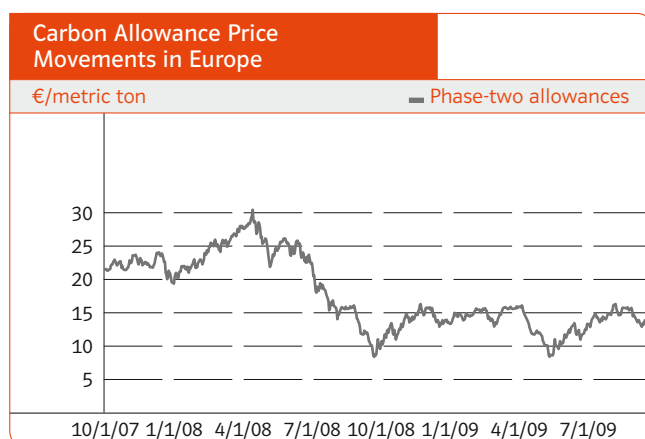
U.K. power prices primarily tracked coal, natural gas, and carbon prices. Furthermore, weak demand resulting from the recession contributed to prices closing the third quarter lower than at the start of the year.

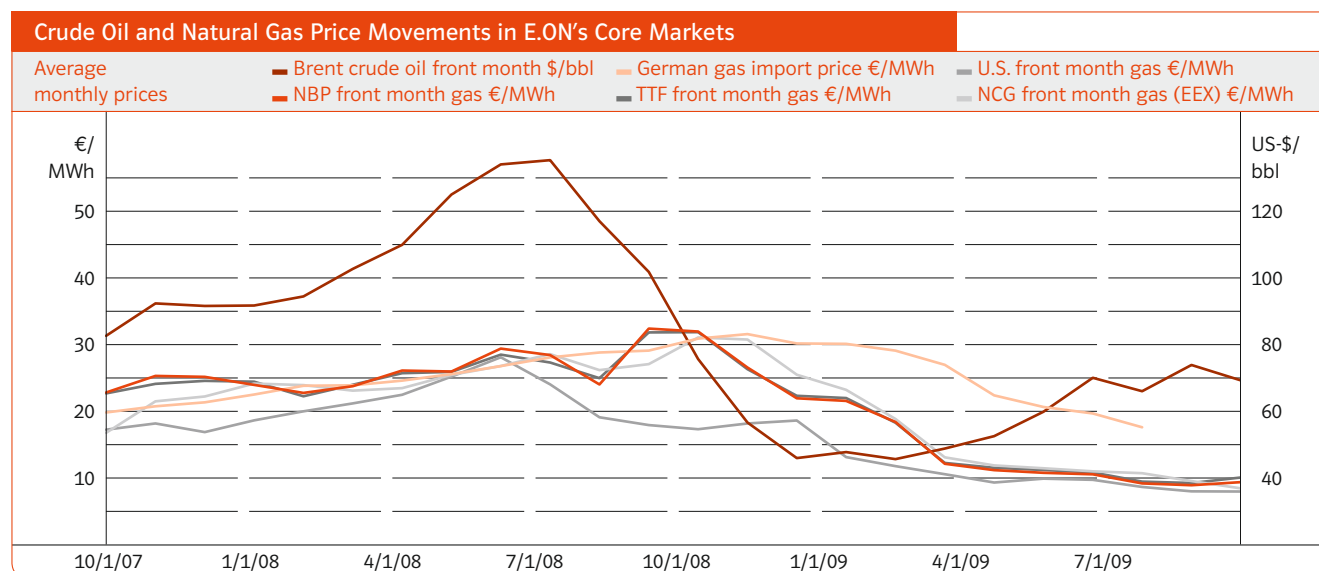
Wholesale power markets in Italy and Spain are not yet as liquid as those in Northwestern and Central Europe. Power prices in Spain moved in a pattern similar to Northwestern European prices, primarily tracking oil and coal prices and reflecting weaker demand. Prices for 2010 delivery fell from around €53 per MWh at the start of the year to near €40 at the end of September. In Italy, only the spot market for next-day delivery is sufficiently liquid to have information value. Italian power prices declined, driven largely by the movement of natural gas and oil prices and by the overall economy. The effect of recession-driven decline in consumption was partially offset by power plant outages and transmission bottlenecks between the zones of Italy's market system. The monthly average price for baseload electricity for next-day delivery was around €83 per MWh in January, fell to €52 in June, and recovered through September, finishing the third quarter at around €67.

Power prices in the United States 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 and the recession. Carbon prices fell through mid-February to a historic low of less than €9 per metric ton and then recovered, finishing September at about €14.

The global economic crisis and commodity prices were among that factors that influenced the movement of Russian power prices. The Russian government has stated its intention of gradually liberalizing the electricity and capacity markets in the two price zones (Europe/Ural and Siberia), a process to be completed by 2011. Russian power prices remained low in the third quarter due to the drop in consumption resulting from the economic crisis. Following the catastrophic accident at Sayano-Shushen hydroelectric station, power in the Siberian price zone jumped briefly to 537 rubles (around €12.50) per MWh. By the end of September, however, power prices in Siberia had fallen back to the level of the first half of the year due to network-management measures and the recession-driven decline in power consumption. The third-quarter weighted-average price of electricity on the liberalized spot market was 700 rubles (around €16.30) per MWh in the Europe/Ural price zone and 396 rubles (around €9.20) in the Siberia price zone.





Power and Gas Procurement

The E.ON Group's owned generation for the first nine months of 2009 was just 4 percent below the prior-year level due to the inclusion of new operations in the New Markets segment. By contrast, total power procured increased by 30 percent to 389 billion kWh.

Reflecting the overall situation in the industry, the decline in Central Europe's owned generation is attributable to lower demand resulting from the economic crisis. It is also attributable to the disposal of generation capacity in line with the commitment made to the European Commission (see Note 5 to the Condensed Consolidated Interim Financial Statements). 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 24.7 billion kWh of electricity at its own power plants in the first three quarters of 2009, about 18 percent

less than in the prior-year period (30 billion kWh). The reduction is mainly attributable to lower wholesale power prices and lower demand which made some generation assets less economic to operate.

Nordic's owned generation decreased by 8.5 billion kWh relative to the prior-year period. Nuclear power production was significantly below the prior-year level, mainly due to planned maintenance and modernization projects aimed at extending lifetime and increasing capacity at Oskarshamn 3 and Ringhals 1. The decline in hydropower production is primarily a result of the agreement between E.ON and Statkraft under which E.ON Sverige sold one third of its hydropower capacity to Statkraft.

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

Power Procured																
Jan. 1 – Sep. 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	93.1	99.4	24.7	30.0	13.9	22.4	23.5	26.4	-	-	63.3	50.0	-	-	218.5	228.2
Purchases	190.7	185.3	35.1	38.8	20.8	20.6	2.5	2.3	413.2	327.2	31.7	14.6	-305.1	-290.7	388.9	298.1
jointly owned power plants	4.1	3.4	1.2	1.0	6.3	7.3	-	-	-	-	-	-	-	-	11.6	11.7
Energy Trading/ outside sources	186.6	181.9	33.9	37.8	14.5	13.3	2.5	2.3	413.2	327.2	31.7	14.6	-305.1	-290.7	377.3	286.4
Total	283.8	284.7	59.8	68.8	34.7	43.0	26.0	28.7	413.2	327.2	95.0	64.6	-305.1	-290.7	607.4	526.3
Station use, line loss, etc.	-8.9	-10.1	-0.1	-0.1	-1.3	-1.4	-1.6	-1.5	-	-	-3.1	-2.1	-	-	-15.0	-15.2
Power sales	274.9	274.6	59.7	68.7	33.4	41.6	24.4	27.2	413.2	327.2	91.9	62.5	-305.1	-290.7	592.4	511.1

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Owned Generation by Energy Source												
Jan. 1 – Sep. 30, 2009 Billion kWh	Central Europe		U.K.		Nordic		U.S. Midwest		New Markets		E.ON Group	
	2009	%	2009	%	2009	%	2009	%	2009	%	2009	%
Nuclear	46.5	50	-	-	6.9	50	-	-	-	-	53.4	24
Lignite	5.4	6	-	-	-	-	-	-	6.3	10	11.7	5
Hard coal	27.2	29	10.0	40	-	-	23.1	98	7.0	11	67.3	31
Natural gas, oil	4.9	5	14.7	60	0.8	6	0.2	1	43.6	69	64.2	29
Hydro	5.7	6	-	-	5.6	40	0.2	1	2.7	4	14.2	7
Wind	-	-	-	-	-	-	-	-	3.4	6	3.4	2
Other	3.4	4	-	-	0.6	4	-	-	0.3	-	4.3	2
Total	93.1	100	24.7	100	13.9	100	23.5	100	63.3	100	218.5	100

The New Markets segment had owned generation of 63.3 billion kWh (prior year: 50 billion kWh). The breakdown is:

- Climate & Renewables 3.6 billion kWh (2.1 billion kWh)
- Russia 38.3 billion kWh (41 billion kWh)
- Italy 12.8 billion kWh (5.2 billion kWh)
- Spain 8.6 billion kWh (1.7 billion kWh).

In the first nine months of 2009, wind assets accounted for 94 percent of Climate & Renewables' owned generation, with biomass and micro-hydro assets accounting for the rest. Its owned generation was 71 percent higher than in the prior-year period. Its attributable generation capacity increased from 1,979 MW at year-end 2008 to 2,652 MW at the end of September 2009.

The Russia market unit met 38.3 billion kWh, or 90 percent, of its total needs of 42.4 billion kWh with electricity from its own power plants.

The Italy market unit generated 12.8 billion kWh of electricity at its own power plants. It procured 10.1 billion kWh of power on the ancillary market and, to optimize margins, on the Italian Power Exchange. It purchased 13.2 billion kWh from E.ON Energy Trading S.p.A., mainly for sales activities. The prior-year figure for owned generation includes the third quarter only, since E.ON Produzione S.p.A. became an E.ON company on July 1, 2008.

The Spain market unit generated 72 percent of its total needs of 12 billion kWh with electricity from its own power plants, significantly more than in the prior-year period. The main positive factors were a consolidation effect (5.4 billion kWh) and higher production at Los Barrios power station and the Escatrón CCGT (1.5 billion kWh). Spain took advantage of spot purchases of natural gas to increase its CCGT production in the third quarter of 2009. Moreover, Los Barrios was idle in the prior-year quarter due to the installation of emission-abatement equipment.

E.ON Ruhrgas procured about 437 billion kWh of natural gas from producers in and outside Germany in the first nine months of 2009, about 14 percent less than in the prior-year period. Its key supplier countries were Norway, Russia, Germany, and the Netherlands. Gas production of 1,020 million cubic meters was up by about 4 percent, mainly due to the start of production at Rita gas field in March 2009. Liquid production of 4.2 million barrels was at the prior-year level.

Upstream Production			
January 1 - September 30	2009	2008	+/- %
Liquids/oil (million barrels)	4.2	4.2	-
Gas (million standard cubic meters)	1,020	982	+4
Total (million barrels of oil equivalent)	10.6	10.4	+2

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 - September 30	2009	2008
Power (billion kWh)	911.48	664.61
Gas (billion kWh)	1,069.59	506.87
Carbon allowances (million metric tons)	383.39	92.23
Oil (million metric tons)	46.34	23.82
Coal (million metric tons)	148.33	81.39

Power and Gas Sales

On a consolidated basis, the E.ON Group increased its power sales by 16 percent from 511.1 billion kWh in the first nine months of 2008 to 592.4 billion kWh in the first nine months of 2009. The reasons were a significantly higher trading volume and the inclusion of operations in our New Markets segment.

Adjusted for the effect of including new operations in France (which add about 7 billion kWh), Central Europe's power sales declined 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, energy-efficiency measures, and the impact of the recession. Higher volumes sold in the first quarter of 2009 due to colder weather were offset by lower volumes

sold in the second and third quarters due to warmer weather. Electricity sales to industrial and commercial ("I&C") customers decreased significantly as a result of changes in customer portfolio and the continuing economic slowdown.

Power Sales																
Jan. 1 – Sep. 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	33.7	33.9	21.4	23.5	4.0	4.6	10.7	11.0	-	-	5.7	0.6	-	-	75.5	73.6
I&C	55.5	60.4	12.5	14.3	9.5	7.4	11.7	12.8	-	-	10.9	4.5	-	-	100.1	99.4
Sales partners	75.4	72.8	-	-	3.5	6.0	1.4	1.6	-	-	1.6	-	-	-	78.4	74.4
Wholesale market/ Energy Trading	110.3	107.5	25.8	30.9	16.4	23.6	0.6	1.8	413.2	327.2	73.7	57.4	-305.1	-290.7	338.4	263.7
Total	274.9	274.6	59.7	68.7	33.4	41.6	24.4	27.2	413.2	327.2	91.9	62.5	-305.1	-290.7	592.4	511.1

Nordic sold 8.2 billion kWh less electricity than in the prior year mainly due to lower production volumes resulting primarily from outages at nuclear power stations and the sale of hydro capacity to Statkraft.

U.S. Midwest's utility power sales volumes for the first nine months of 2009 were lower than in the prior-year period due to lower I&C sales attributable to the economic downturn and milder weather. Lower wholesale prices drove the decline in wholesale volumes.

The New Markets segment sold 91.9 billion kWh (prior year: 62.5 billion kWh) of electricity. The breakdown is:

- Climate & Renewables 4.5 billion kWh (3.1 billion kWh)
- Russia 41 billion kWh (42.4 billion kWh)
- Italy 35.4 billion kWh (14.6 billion kWh)
- Spain 11 billion kWh (2.4 billion kWh).

Climate & Renewables' power sales rose by 45 percent year on year to 4.5 billion kWh, mainly due to the increase in owned generation.

The Russia market unit sold 41 billion kWh of electricity on the wholesale market in the first nine months of 2009. Despite the overall decline in Russian consumption, our Russian business 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 35.4 billion kWh of electricity: 3.8 billion kWh to residential, 8.1 billion kWh to industrial and commercial customers, 1.6 billion kWh to sales partners, 6.8 billion kWh to the wholesale market, and 15.1 billion kWh to E.ON Energy Trading S.p.A.

The Spain market unit increased its power sales from 2.4 billion kWh in 2008 to 11 billion kWh in 2009. E.ON España became a consolidated E.ON company in late June 2008. The inclusion of all nine months in 2009 was therefore responsible for most (6.6 billion kWh) of the increase in power sales. Higher production was another positive factor and led to 2 billion kWh of additional sales, mainly to the wholesale market.

On a consolidated basis, the E.ON Group's natural gas sales declined by about 100 billion kWh relative to the prior-year figure.

Gas Sales			
January 1 – September 30 Billion kWh			
	2009	2008	+/- %
First half	299.0	379.7	-21
July	43.9	40.7	+8
August	43.1	37.9	+14
September	41.8	44.3	-6
E.ON Ruhrgas AG sales	427.8	502.6	-15
Intragroup sales	-141.6	-158.6	-11
E.ON Ruhrgas AG external sales	286.2	344.0	-17
Thüga, ERI	95.7	137.9	-31
Pan-European Gas	381.9	481.9	-21
Other market units	442.3	441.1	-
E.ON Group	824.2	923.0	-11

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 to the inclusion of operations in France.

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E.ON Ruhrgas sold 428 billion kWh of natural gas in the first nine months of 2009, 75 billion kWh, or about 15 percent, less than the prior-year figure of 503 billion kWh. About one half of the volume decline resulted from the transfer of supply contracts within the Group and from the curtailment of short-term trading due to unfavorable conditions. Another negative factor was recession-driven production cuts at industrial facilities in and outside Germany which E.ON Ruhrgas supplies directly or indirectly through regional gas companies and municipal utilities. Significantly keener competition was also responsible for part of the decline in sales volume. However,

third-quarter sales volume rose by about 6 billion kWh, or 5 percent, relative to the year-earlier quarter. About 64 percent of total gas sales went to regional gas companies and municipal utilities, 12 percent to directly supplied industrial customers, and 24 percent to customers outside Germany. Pan-European Gas's sales volume to other E.ON companies was also lower year on year due to the recession. The transfer of operations in Romania to the Central Europe market unit was the main reason why majority-owned shareholdings at E.ON Ruhrgas International and Thüga recorded lower gas sales volume than in the prior-year period.

Gas Sales (Excluding Pan-European Gas)

Jan. 1 - Sep. 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	39.2	28.9	35.5	36.6	-	-	4.0	4.4	-	-	6.7	6.8	-	-	85.4	76.7
I&C	41.6	40.1	14.0	15.5	3.2	3.4	2.3	2.5	-	-	6.1	4.6	-	-	67.2	66.1
Sales partners	15.5	16.4	-	-	-	-	2.2	2.5	-	-	3.6	0.6	-	-	21.3	19.5
Wholesale market/ Energy Trading	4.2	3.1	-	27.3	-	-	-	0.3	515.4	331.2	3.6	10.6	-254.8	-93.7	268.4	278.8
Total	100.5	88.5	49.5	79.4	3.2	3.4	8.5	9.7	515.4	331.2	20.0	22.6	-254.8	-93.7	442.3	441.1

U.K.'s gas sales to residential and SME customers decreased largely due to energy-efficiency savings, customer behavior, and the impact of the recession. Higher volumes sold in the first quarter of 2009 due to the influence of the colder weather were offset by lower volumes in the second and third quarters as a result of 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 3.2 billion kWh were 6 percent below the prior-year figure. The main factors were the economic downturn and keener competition. Heat sales of 5.2 billion kWh were up 4 percent, from the prior-year figure of 5 billion kWh 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 20 billion kWh of natural gas (prior year: 22.6 billion kWh): 6.7 billion kWh to residential customers, 6.1 billion kWh to industrial customers, 3.6 billion kWh to sales partners, 2.4 billion kWh to the wholesale market, and 1.2 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

Our sales declined by about €1.2 billion compared with the prior-year figure. The key drivers were:

- lower sales volume and lower sales prices for oil and gas at Pan-European Gas
- currency-translation effects at U.K. and Nordic
- lower nuclear and hydro production at Nordic.

Sales

January 1 - September 30 € in millions			
	2009	2008	+/- %
Central Europe	30,178	29,706	+2
Pan-European Gas	15,306	18,674	-18
U.K.	7,395	7,977	-7
Nordic	2,430	2,914	-17
U.S. Midwest	1,432	1,333	+7
Energy Trading	29,504	22,218	+33
New Markets	5,709	3,853	+48
Corporate Center	-32,695	-26,212	-
Total	59,259	60,463	-2

Central Europe

Central Europe grew sales by €0.5 billion relative to the prior-year period.

Sales			
January 1 – September 30			
€ in millions	2009	2008	+/- %
Central Europe West	28,940	28,329	+2
Regulated	8,866	8,998	-1
Non-regulated	20,074	19,331	+4
Central Europe East	3,848	3,579	+8
Other/Consolidation	-2,610	-2,202	-
Central Europe	30,178	29,706	+2

Central Europe West Regulated's sales of €8.9 billion were down €0.1 billion. Higher network charges were offset by lower effects resulting from the billing of green electricity delivered onto Central Europe's networks in Germany.

Central Europe West Non-regulated increased sales by €0.7 billion. The inclusion of operations in France added €1.2 billion in the first nine months of 2009. These operations were consolidated on July 1, 2008; their sales were recorded under Other/Consolidation in 2008. Sales were adversely affected by lower sales volumes resulting in part from the recession and the disposal of generation capacity. This was only partially offset by positive price effects in Central Europe's sales markets.

Central Europe East's sales rose by about €0.3 billion to €3.8 billion, primarily due the inclusion of gas operations in Romania formerly managed by Pan-European Gas.

Sales reported under Other/Consolidation declined by €0.4 billion, mainly due to a change in the segmentation of our operations in France, whose third-quarter results were recorded in this reporting segment in 2008.

Pan-European Gas

Pan-European Gas's sales declined by 18 percent to €15.3 billion (prior year: €18.7 billion).

Sales			
January 1 – September 30			
€ in millions	2009	2008	+/- %
Regulated	3,520	4,660	-24
Non-regulated	12,992	15,302	-15
Other/Consolidation	-1,206	-1,288	-
Pan-European Gas	15,306	18,674	-18

Sales at the regulated business fell by €1,140 million, or 24 percent, relative to the prior-year figure. 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 €12,992 million, 15 percent, or €2,310 million, below the prior-year figure (€15,302 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 lower sales prices for oil and gas.

U.K.

In reporting currency, U.K.'s sales were impacted significantly by sterling's depreciation against the euro and decreased by €582 million. In local currency, however, sales increased by 5 percent.

Sales			
January 1 – September 30			
€ in millions	2009	2008	+/- %
Regulated	529	589	-10
Non-regulated	6,975	7,600	-8
Other/Consolidation	-109	-212	-
U.K.	7,395	7,977	-7

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Sales in the regulated business declined by €60 million to €529 million due to currency movements (-€71 million).

Sales in the non-regulated business fell by €625 million to €6,975 million, also due to currency movements (-€929 million). Sales in local currency increased 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 €484 million, or 17 percent, compared with the prior-year period. In local currency, sales were down SEK 1,396 million, or 5 percent.

Sales			
January 1 - September 30			
€ in millions	2009	2008	+/- %
Regulated	524	552	-5
Non-regulated	1,893	2,500	-24
Other/Consolidation	13	-138	-
Nordic	2,430	2,914	-17

Sales in the regulated business declined by €28 million to €524 million mainly due to currency-translation effects. In local currency, sales were up SEK 417 million, or 8 percent.

Sales in the non-regulated business declined by €607 million to €1,893 million due to lower sales volumes in the nuclear and hydro businesses (resulting primarily from planned outages at nuclear power plants and the sale of hydro capacity to Statkraft) and currency-translation effects.

U.S. Midwest

U.S. Midwest's sales for the first nine months of 2009 were higher compared with last year due to the stronger dollar in 2009. In local currency, sales were lower due to lower I&C sales attributable to the economic downturn and milder weather.

Sales			
January 1 - September 30			
€ in millions	2009	2008	+/- %
Regulated	1,395	1,297	+8
Non-regulated/Other	37	36	+3
U.S. Midwest	1,432	1,333	+7

Energy Trading

Energy Trading recorded sales of €30 billion in the first three quarters of 2009. Sales from proprietary trading are shown net, along with the associated cost of materials, in the Consolidated Statements of Income. The increase resulted mainly from the expansion of optimization activities due to the centralization of these activities at Energy Trading.

Sales			
January 1 - September 30			
€ in millions	2009	2008	+/- %
Proprietary trading	110	137	-20
Optimization	29,394	22,081	+33
Energy Trading	29,504	22,218	+33

New Markets

Sales in this segment totaled €5,709 million in the first nine months of 2009 (prior year: €3,853 million).

Sales			
January 1 - September 30			
€ in millions	2009	2008	+/- %
Climate & Renewables	315	270	+17
Russia	689	767	-10
Italy	3,782	2,485	+52
Spain	923	331	+179
New Markets	5,709	3,853	+48

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 10 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.

The Spain market unit increased its sales by €592 million from €331 million to €923 million. E.ON España became a consolidated E.ON company in late June 2008. The inclusion of all nine months in 2009 was therefore responsible for most (€570 million) of the increase. Higher power production was also a positive factor.

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 10 percent, or €32 million, to €302 million (prior year: €334 million).

Other operating income increased by 164 percent to €19,831 million (prior year: €7,518 million). Higher income from exchange-rate differences of €8,977 million (prior year: €4,049 million) and gains on derivative financial instruments of €7,088 million (prior year: €2,020 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 internationalization 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. Due primarily to the divestment of power plants in line with our commitment to the European Commission, gains on the disposal of securities, shareholdings, and fixed assets amounted to €3,136 million (prior year: €674 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 declined by €1,103 million to €44,404 million (prior year: €45,507 million), mainly due to lower gas procurement costs.

Personnel costs increased by €225 million to €3,926 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 charges rose by 12 percent to €2,816 million (prior year: €2,522 million). The main reasons were planned depreciation charges on operations in our new markets (which in the prior year were included only in the second half) and impairment charges on other assets in our gas business.

Other operating expenses rose by 64 percent, or €7,328 million, to €18,763 million (prior year: €11,435 million). This is mainly attributable to higher expenses relating to currency differences of €9,161 million (prior year: €3,832 million) and to higher expenses relating to derivative financial instruments of €5,348 million (prior year: €3,582 million).

Income from companies accounted for under the equity method was €821 million compared with €701 million in the year-earlier period. The 17-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 Condensed Consolidated Interim Financial Statements).

Our adjusted EBIT in the first nine months of 2009 was €45 million below the prior-year figure. The factors included:

- a significant earnings increase at the New Markets segment and at Energy Trading along with higher earnings at Central Europe's network business
- lower gas sales volume, competitive pressure on sales prices, and lower upstream earnings at Pan-European Gas
- currency-translation effects at U.K. and Nordic
- lower nuclear and hydro production at Nordic.

Adjusted EBIT			
January 1 - September 30 € in millions	2009	2008	+/- %
Central Europe	3,720	3,669	+1
Pan-European Gas	1,379	2,048	-33
U.K.	375	745	-50
Nordic	403	654	-38
U.S. Midwest	318	273	+16
Energy Trading	803	407	+97
New Markets	732	58	-
Corporate Center	-72	-151	-
Total	7,658	7,703	-1

Central Europe

Central Europe's adjusted EBIT increased by €51 million relative to the prior-year figure.

Central Europe				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Central Europe West	4,346	4,167	3,512	3,352
Regulated	1,146	1,038	674	546
Non-regulated	3,200	3,129	2,838	2,806
Central Europe East	477	488	281	308
Other/Consolidation	29	116	-73	9
Total	4,852	4,771	3,720	3,669

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Central Europe West Regulated benefited from efficiency enhancements and especially from higher network charges. Its adjusted EBIT rose by €128 million to €674 million.

Central Europe West Non-regulated's adjusted EBIT increased by €32 million to €2,838 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 largely offset by the adverse impact of the economic crisis, outages at nuclear power stations, a narrowing of retail electricity margins, and the disposal of generation capacity.

Central Europe East's adjusted EBIT of €281 million was down by €27 million. The positive effect of the inclusion of E.ON Gas România was more than 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 down €80 million, due in part to the economic crisis and to the assignment of operations in France to Central Europe West Non-regulated effective January 1, 2009.

Pan-European Gas

Pan-European Gas's adjusted EBIT declined by 33 percent, or €669 million, to €1.4 billion.

Pan-European Gas				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	674	745	552	610
Non-regulated	755	1,403	560	1,191
Other/Consolidation	296	247	267	247
Total	1,725	2,395	1,379	2,048

Adjusted EBIT at the regulated business declined by €58 million, or 10 percent. E.ON Ruhrgas International's earnings were down significantly. E.ON Földgáz Trade's earnings were adversely affected by a weak Hungarian forint and by lower sales volume and the resulting failure to meet its minimum offtake obligation under take-or-pay arrangements. The transfer of the E.ON Gaz România Group to the Central Europe market unit effective the beginning of this year also adversely affected earnings. Higher earnings from companies accounted for under the equity method constituted a positive factor. Earnings at the transport business were up slightly. The adverse

effect of the reduction in transport charges was more than offset by higher earnings from companies accounted for under the equity method.

Adjusted EBIT at the non-regulated business fell by 53 percent, or €631 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 by competitive pressure on sales prices. In addition, the dividend on our Gazprom stake was lower than in the prior year. Earnings from storage usage constituted a positive factor. Significantly more gas was withdrawn from storage this year than in the prior year. Adjusted EBIT at the upstream business was also lower, mainly due to 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 €20 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 €370 million, or 50 percent.

U.K.				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	389	438	298	338
Non-regulated	345	718	114	458
Other/Consolidation	-31	-47	-37	-51
Total	703	1,109	375	745

Adjusted EBIT in the regulated business was stable in local currency. Adjusted EBIT in the non-regulated business decreased by €344 million, predominantly due to the transfer of activities (primarily gas contracts) to Energy Trading and to lower commodity prices reflected in intragroup transactions.

Nordic

Nordic's adjusted EBIT in reporting currency fell by €251 million, or 38 percent, to €403 million, mainly due to lower power production and negative currency-translation effects. In local currency, adjusted EBIT was down by 30 percent.

Nordic				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	256	250	171	161
Non-regulated	367	655	250	498
Other/Consolidation	4	7	-18	-5
Total	627	912	403	654

Adjusted EBIT at the regulated business rose by €10 million to €171 million. Higher average tariffs and a non-recurring effect relating to deferred income in the distribution business were the main positive factors. The primary purpose of the tariff increase is to cover substantial investments in security of supply. These effects were partially offset by negative currency-translation effects.

Adjusted EBIT at the non-regulated business declined by €248 million to €250 million due to lower sales volumes in the nuclear and hydro businesses resulting from the reduction in power production. Negative currency-translation effects constituted another significant factor.

U.S. Midwest

U.S. Midwest's adjusted EBIT increased by €45 million, or 16 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 prices. In local currency, adjusted EBIT was \$18 million, or 4 percent, higher.

U.S. Midwest				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Regulated	450	385	324	277
Non-regulated/Other	-4	-2	-6	-4
Total	446	383	318	273

Energy Trading

Energy Trading recorded an adjusted EBIT of €803 million. The optimization segment, whose main purpose is to limit risks and optimize the deployment of the E.ON Group's generation and production assets, contributed €740 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 contributed an adjusted EBIT of €63 million, which is below the very good prior-year figure.

Energy Trading				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Proprietary trading	65	98	63	98
Optimization	744	310	740	309
Total	809	408	803	407

New Markets

Climate & Renewables' adjusted EBIT for the first nine months of 2009 was significantly above the prior-year figure mainly due to the significant increase in installed capacity and to the timing of recycle benefit payments in the United Kingdom, which in the current year were recorded in the third quarter and in the prior year in the fourth quarter.

Russia's adjusted EBIT rose by €68 million year on year to €44 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 €414 million year on year. This sharp increase resulted mainly from the inclusion of the E.ON Produzione generation assets and from the successful renegotiation of power contracts.

Spain posted an adjusted EBIT of €82 million, of which €46 million came from its generation business and €36 million from its distribution and retail business. This represents a year-on-year increase of €111 million, whose main positive factors were a consolidation effect (€58 million) and the absence of an adverse accounting effect recorded in 2008. Spain also saw wider margins in its generation business, which also benefitted from gas deliveries from E.ON Ruhrgas.

New Markets				
January 1 - September 30 € in millions	Adjusted EBITDA		Adjusted EBIT	
	2009	2008	2009	2008
Climate & Renewables	207	79	104	23
Russia	132	74	44	-24
Italy	705	157	502	88
Spain	158	1	82	-29
Total	1,202	311	732	58

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Net Income

Net income attributable to shareholders of E.ON AG of €6.1 billion and corresponding earnings per share of €3.21 were up by 99 percent and 96 percent, respectively.

Net Income			
January 1 – September 30 € in millions			
	2009	2008	+/- %
Adjusted EBIT	7,658	7,703	-1
Adjusted interest expense (net)	-1,508	-1,355	-
Net book gains/losses	2,115	234	-
Restructuring and cost-management expenses	-262	-234	-
Other non-operating earnings	592	-1,963	-
Income/Loss from continuing operations before income taxes	8,595	4,385	+96
Income taxes	-2,143	-895	-
Income/Loss from continuing operations	6,452	3,490	+85
Income/Loss from discontinued operations, net	-148	-118	-
Net income	6,304	3,372	+87
Shareholders of E.ON AG	6,103	3,061	+99
Minority interests	201	311	-35

Compared with the prior-year figure, adjusted interest expense (net) declined by €153 million, due mainly to the increase in our economic net debt.

Adjusted Interest Expense (Net)		
January 1 – September 30 € in millions		
	2009	2008
Interest expense shown in Consolidated Statements of Income	-1,573	-1,383
Interest income (-)/expense (+) not affecting net income	+65	+28
Total	-1,508	-1,355

Net book gains in the first nine months of 2009 were €1.9 billion above the prior-year level. This is mainly attributable to the sale of power plants in line with our commitment to the European Commission.

Restructuring and cost-management expenses rose by €28 million. 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 September 30, 2009, the marking to market of derivatives resulted in a positive effect of €1.2 billion compared with -€1.5 billion at September 30, 2008. The realization of effects formerly recorded in equity (and thus with no affect on net income) also had a positive effect; these items relate to reorganization 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. Other non-operating earnings were also adversely affected by write-downs on securities, financial investments, and other assets, as well as costs relating to a storm in Kentucky at the start of 2009.

Our continuing operations recorded a tax expense of €2.1 billion in the first nine months of 2009. Our effective tax rate was 25 percent compared with 20 percent in the prior-year period.

Income/loss from discontinued operations, net, consists primarily of Western Kentucky Energy, which was held for sale. Pursuant to IFRS, its results are reported separately in the Consolidated Statements of Income (see Note 5 to the Consolidated Consolidated Interim 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 - September 30			
€ in millions	2009	2008	+/- %
Net income attributable to shareholders of E.ON AG	6,103	3,061	+99
Net book gains/losses	-2,115	-234	-
Restructuring and cost-management expenses	262	234	-
Other non-operating earnings	-592	1,963	-
Taxes and minority interests on non-operating earnings	720	-733	-
Special tax effects	-32	48	-
Income (+)/loss (-) from discontinued operations, net	148	118	-
Total	4,494	4,457	+1

Financial Condition

Cash-Effective and Economic Investments

We invested a total of €6.5 billion in the first nine months of 2009, about €8.8 billion less than in the prior-year period. We invested €5.9 billion in property, plant, and equipment and intangible assets (prior year: €6.1 billion). Share investments totaled €545 million versus €9.2 billion in the prior-year period.

Cash-Effective Investments			
January 1 - September 30			
€ in millions	2009	2008	+/- %
Central Europe	2,205	2,082	+6
Pan-European Gas	1,195	805	+48
U.K.	638	847	-25
Nordic	865	728	+19
U.S. Midwest	404	487	-17
Energy Trading	14	3	-
New Markets	1,358	2,491	-45
Corporate Center	-188	7,897	-
Total	6,491	15,340	-58

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

Economic Investments		
January 1 - September 30		
€ in millions	2009	2008
Cash-effective investments	6,491	15,340
Debt acquired	-	3,464
Asset swaps	3	8
Total	6,494	18,812

Central Europe invested €123 million more in the first nine months of 2009 than in the prior-year period. Investments in property, plant, and equipment and in intangible assets rose by €187 million to €2,101 million. Central Europe's investments included €1,249 million for power generation assets and €696 million for network assets. The increase results primarily from investments in the Malzenice and Plattling power plant projects, which were consolidated in the current year and from investments at generation assets of the SNET Group, which in the prior-year period were included in the third quarter only. Central Europe recorded lower expenditures for the network connections of offshore wind farms. Share investments of €104 million were €64 million below the prior-year figure (€168 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 €1,195 million. Of this figure, €817 million (prior year: €664 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 €378 million (prior year: €141 million). They consisted mainly of payments to MEON, an affiliated company, and of capital increases at Nord Stream, an associated company.

U.K. invested €638 million in the first three quarters of 2009, all of which went towards property, plant, and equipment and intangible assets. In local currency, investment expenditure decreased by 15 percent from the prior-year period. This expenditure is mainly related to investments in the generating fleet (including the construction of Grain gas-fired CHP plant) and in the distribution network.

Nordic invested €137 million more than in the prior-year period. It invested €573 million (prior year: €713 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 €292 million (prior year: €15 million). The current-year figure contains a compensation payment to Statkraft in conjunction with the transfer of minority interests in E.ON Sverige.

U.S. Midwest's investments were lower than in the prior year due to the completion of 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.

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The New Markets segment invested about €1.4 billion in the first nine months of 2009. Climate & Renewables invested €752 million, less than in the prior-year period (€908 million). The majority of investments went towards large wind-power projects in the United States. Russia invested €273 million, mainly in its new-build program. The significantly higher investments of €575 million recorded in the prior-year period are primarily attributable to the increase in E.ON's stake in power producer OGC-4 (€235 million). Italy's investments of €137 million (€877 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 an intragroup equity transfer to establish the Italy market unit. Spain's investments of €196 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 nine months of 2009 was 13 percent higher than in the prior-year period.

Cash Provided by Operating Activities of Continuing Operations			
January 1 – September 30			
€ in millions	2009	2008	+/-
Central Europe	4,084	3,810	+274
Pan-European Gas	507	941	-434
U.K.	1,195	1,130	+65
Nordic	315	853	-538
U.S. Midwest	289	250	+39
Energy Trading	1,284	-675	+1,959
New Markets	855	83	+772
Corporate Center	-1,458	-142	-1,316
Cash provided by operating activities of continuing operations	7,071	6,250	+821
Maintenance investments	977	1,201	-224
Growth and replacement investments, acquisitions, other	5,514	14,139	-8,625
Cash-effective effects from disposals	1,636	358	+1,278

Central Europe's cash provided by operating activities rose by €274 million. The main positive factors were the addition of the gas business in Romania and the new electricity business in France, cost savings, higher network charges, and improvements in working capital. These were partially offset by lower interest income.

Pan-European Gas's cash provided by operating activities was down significantly. 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. Unlike in the prior year, withdrawals from storage (particularly in the first quarter) were not fully replaced by the cash-effective injection of new gas. Another positive factor was storage usage at E.ON Földgáz Trade in Hungary. The €553 million fine imposed on E.ON Ruhrgas by the European Commission for alleged market sharing will not affect cash provided by operating activities until the fourth quarter.

U.K.'s cash provided by operating activities was up €65 million year on year mainly due to inflows from working capital movements offset by significant lower adjusted EBIT and by currency effects of -€159 million. The working-capital inflows arose from operational improvements and a positive impact from declining wholesale 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 is attributable to lower sales volumes in the nuclear business due to maintenance and modernization projects as well as the sale of hydro assets to Statkraft in 2008. In addition, tax payments related to restructuring measures had a negative effect. Currency-translation effects constituted another significant negative factor.

Cash provided by operating activities at U.S. Midwest was higher, mainly due to increased adjusted EBIT and lower working capital as a result of lower gas prices, partially offset by damage from a winter storm in the first quarter.

Energy Trading recorded €1,284 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. In the first three quarters of 2009, cash flow was positively influenced by earnings development and 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, a solid operating performance and a VAT refund on investments made in 2008 at Spain, and a new option for subsidizing wind farms in the United States. Companies building wind farms can, as in the past, claim production tax credits or take advantage of a new option: cash grants for a portion of the total investment. Climate & Renewables chose to take cash grants, resulting in significant cash inflow in the third quarter of 2009.

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 -€4,748 million in the first nine months of 2009 (prior year: -€13,472 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 -€3,437 million (prior year: €6,199 million) and was primarily affected by E.ON AG's dividend payout. A net increase in financial liabilities was mainly responsible for the significantly positive prior-year figure.

Our economic net debt increased by €1,234 million to €46,180 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 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. In the period under review, the execution of cross-currency swaps had a positive impact on our net financial position and at the same time reduced the fair value (net) of currency derivatives used for financing transactions.

Economic Net Debt		
€ in millions	Sep. 30, 2009	Dec. 31, 2008
Liquid funds	5,536	6,348
Non-current securities	4,815	5,017
Total liquid funds and non-current securities	10,351	11,365
Financial liabilities to banks and third parties	-37,005	-39,095
Financial liabilities to Group companies	-2,069	-1,963
Total financial liabilities	-39,074	-41,058
Net financial position	-28,723	-29,693
Fair value (net) of currency derivatives used for financing transactions ¹	196	1,988
Provisions for pensions	-4,233	-3,559
Asset retirement obligations	-14,665	-14,839
Less prepayments to Swedish nuclear fund	1,245	1,157
Economic net debt	-46,180	-44,946

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

In the third quarter of 2009, E.ON issued the equivalent of about €0.3 billion in new bonds denominated in euros, Japanese yen, and Hong Kong dollars. E.ON thus issued a total of about €8.1 billion in bonds in 2009 to date.

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 thus 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 September 30, 2009, rose slightly (by 2 percent) compared with the figure at year-end 2008.

Current assets decreased by 14 percent. The main factors were lower current receivables from derivative financial instruments compared with year-end 2008 and the disposal of assets held for sale.

Our equity ratio of 28 percent is three percentage points above the figure recorded at year-end 2008.

Non-current liabilities increased by 12 percent from year-end 2008. E.ON successfully placed long-term bonds with a book value of about €8.1 billion in the first nine months of 2009. This was partially offset by the repayment, according to schedule, of non-current financial liabilities.

Current liabilities declined by 31 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 38 percent (December 31, 2008: 35 percent).
- Non-current assets are covered by long-term capital at 105 percent (December 31, 2008: 96 percent).

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

Consolidated Assets, Liabilities, and Equity				
€ in millions	Sep. 30, 2009	%	Dec. 31, 2008	%
Non-current assets	111,363	73	108,717	69
Current assets	41,450	27	48,107	31
Total assets	152,813	100	156,824	100
Equity	42,725	28	38,444	25
Non-current liabilities	74,176	49	66,425	42
Current liabilities	35,912	23	51,955	33
Total equity and liabilities	152,813	100	156,824	100

Employees

As of September 30, 2009, the E.ON Group had 90,418 employees worldwide, about 3 percent fewer than at year-end 2008.

E.ON also had 2,665 apprentices and 338 board members and managing directors.

As of the same date, 53,330 employees, or 59 percent of all staff, were working outside Germany. This percentage declined by 2 percent from year-end 2008.

Employees ¹			
	Sep. 30, 2009	Dec. 31, 2008	+/- %
Central Europe	49,211	44,142	+11
Pan-European Gas	3,890	9,827	-60
U.K.	16,302	17,480	-7
Nordic	5,634	5,826	-3
U.S. Midwest	3,126	3,110	+1
Energy Trading	1,052	885	+19
New Markets	8,056	9,214	-13
Corporate Center ²	3,147	3,054	+3
Total	90,418	93,538	-3

¹Figures do not include apprentices, managing directors, or board members.

²Includes E.ON IS.

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 7 percent due to the restructuring in the retail and energy services businesses. The size of Nordic's workforce declined due to the departure of seasonal personnel and to redundancies in sales and customer services. Energy Trading's workforce increased by 19 percent, mainly due to the addition of trading operations in Italy and further business expansion.

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 Group-wide guidelines and a Group-wide 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 Group-wide 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 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

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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. This year, 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.

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 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 E.ON (as joint debtor) €553 million for an alleged market-sharing agreement with GdF Suez. In September 2009, E.ON filed an appeal with the European Court of First Instance to have the ruling overturned. Filing an appeal does not suspend the fine, which was paid, by the deadline, in October 2009. We cannot rule out the possibility of subsequent lawsuits.

E.ON is building a hard-coal-fired power plant in Datteln, Germany. The plant is designed to have a net electric capacity of about 1,055 MW. The Münster Superior Administrative Court ("SAC") issued a decision on September 3, 2009, that declares void the City of Datteln's Development Plan (No. 105 E.ON Kraftwerk) and the fourth alteration to the Münster Regional Government's Regional Plan. The SAC criticized errors in judgment and, in particular, that the Development Plan did not sufficiently take into consideration binding rules contained in North Rhine-Westphalia's State Development Plan and State Development Program. The SAC did not allow an appeal. The City of Datteln and E.ON filed a motion with the Federal Administrative Court to nullify the SAC's ruling. This motion suspends the SAC's ruling. The Münster Regional Government dismissed motions filed by interested parties to suspend the enforceability of certain rulings. This makes it possible for substantial construction work to continue. In view of these matters, however, we cannot rule out the possibility that the power plant will enter service at a later date than originally planned.

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 is also 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 would have to set cost-based network charges and would continue to apply the charges the BNetzA approved in its ruling of September 30, 2009; these charges have an effective date of October 1, 2009. In 2010, EGT's revenue cap would be announced and it would be migrated to incentive-based regulation.

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. In late 2008, Transpower and the TSOs of Vattenfall and EnBW had the technology and procedures in place to avoid any uncoordinated balancing between these TSOs. It is uncertain whether Amprion (RWE's TSO) will participate. There would seem to be no legal basis for bne and LichtBlick's claims.

In early 2009, the German Federal Cartel Office ("FCO"), as part of a sector inquiry, sent a number of E.ON companies a demand for information regarding the capacity situation in Germany's gas transport pipeline system. The companies in question have submitted responses to the FCO. We expect the results of the sector inquiry to be announced at the end of the year. Anticompetitive-practices proceedings may be initiated against individual companies if the sector inquiry yields sufficient initial suspicion. The European Commission is also conducting an antitrust investigation of E.ON companies for alleged gas-capacity hoarding.

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, as well as the BNetzA's regulations, will be presented. The amendments could affect our existing gas operations.

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.

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 about one quarter 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

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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, to the degree possible, have begun implementing them. 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 2009 adjusted net income to be just 3 to 5 percent relative to the prior year instead of 5 to 10 percent. The main reasons for this improvement in our outlook are a lower increase in adjusted interest expense (net) resulting from slightly lower interest rates. 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 policy, which calls for a 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 ongoing outages at nuclear power stations and 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 in the midstream business. Upstream earnings are also lower due to current gas and oil price movements.

We expect U.K.'s 2009 adjusted EBIT to be considerably lower than in 2008, due primarily to the transfer of activities to Energy Trading and negative currency-translation effects. The key challenges facing the underlying U.K. business during 2009 are negative currency-translation effects, an increasingly competitive marketplace, and the impact of the recession. However, we anticipate significant positive effects from cost-cutting measures at U.K.'s retail business.

We expect Nordic's 2009 adjusted EBIT to be significantly 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 as well as longer overhaul outages 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 lower than the prior-year level due to the decline in retail sales volume resulting from current economic conditions, partially offset by a stronger dollar.

We 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 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. Our Russia market unit is putting in a positive performance despite the negative effects of the financial crisis on Russia's real economy. In the case of Italy and Spain, it is important to remember that the Endesa operations in Italy and the Spain market unit were not consolidated until the second half of 2008. In addition, the non-recurring effects relating to the accounting treatment of carbon allowances that adversely impacted adjusted EBIT in 2008 will not be repeated in 2009.

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.

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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 September 30, 2009, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the Condensed Consolidated Interim Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the Condensed Consolidated Interim Financial Statements and on the Interim Group Management Report based on our review.

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

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

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

Düsseldorf, November 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	July 1-Sep. 30		Jan. 1-Sep. 30	
		2009	2008	2009	2008
Sales including electricity and energy taxes		17,113	19,673	60,656	62,049
Electricity and energy taxes		-373	-428	-1,397	-1,586
Sales	(14)	16,740	19,245	59,259	60,463
Changes in inventories (finished goods and work in progress)		15	31	56	57
Own work capitalized		116	114	302	334
Other operating income		5,290	1,382	19,831	7,518
Cost of materials		-12,075	-14,651	-44,404	-45,507
Personnel costs		-1,282	-1,259	-3,926	-3,701
Depreciation, amortization and impairment charges		-1,013	-921	-2,816	-2,522
Other operating expenses		-5,032	-3,132	-18,763	-11,435
Income/Loss (-) from companies accounted for under the equity method		226	249	821	701
Income/Loss (-) from continuing operations before financial results and income taxes		2,985	1,058	10,360	5,908
Financial results	(7)	-590	-799	-1,765	-1,523
Income from equity investments		-66	-248	-192	-140
Income from other securities, interest and similar income		129	234	528	775
Interest and similar expenses		-653	-785	-2,101	-2,158
Income taxes		-591	8	-2,143	-895
Income/Loss (-) from continuing operations		1,804	267	6,452	3,490
Income/Loss (-) from discontinued operations, net	(5)	7	2	-148	-118
Net income		1,811	269	6,304	3,372
Attributable to shareholders of E.ON AG		1,796	100	6,103	3,061
Attributable to minority interests		15	169	201	311
in €					
Earnings per share					
(attributable to shareholders of E.ON AG)—basic and diluted	(8)				
from continuing operations		0.94	0.05	3.28	1.70
from discontinued operations		0.01	0.00	-0.07	-0.06
from net income		0.95	0.05	3.21	1.64

E.ON AG and Subsidiaries Consolidated Statements of Recognized Income and Expenses					
€ in millions		July 1-Sep. 30		Jan. 1-Sep. 30	
		2009	2008	2009	2008
Net income		1,811	269	6,304	3,372
Cash flow hedges		19	208	171	-5
Unrealized changes		102	221	142	136
Reclassification adjustments recognized in income		-83	-13	29	-141
Available-for-sale securities		858	-4,987	2,360	-6,207
Unrealized changes		881	-4,956	2,389	-5,810
Reclassification adjustments recognized in income		-23	-31	-29	-397
Currency translation adjustments		-117	60	-667	13
Unrealized changes		-537	60	-322	13
Reclassification adjustments recognized in income		420	-	-345	-
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations		-740	510	-1,198	1,131
Income taxes		77	1,009	454	911
Total income and expenses recognized directly in equity		97	-3,200	1,120	-4,157
Total recognized income and expenses (total comprehensive income)		1,908	-2,931	7,424	-785
Attributable to shareholders of E.ON AG		1,927	-3,068	7,282	-1,085
Attributable to minority interests		-19	137	142	300

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E.ON AG and Subsidiaries Consolidated Balance Sheets			
€ in millions	Notes	Sep. 30, 2009	Dec. 31, 2008
Assets			
Goodwill		16,750	17,311
Intangible assets		5,598	6,696
Property, plant and equipment		59,456	56,480
Companies accounted for under the equity method	(9)	7,214	8,931
Other financial assets	(9)	9,749	8,823
<i>Equity investments</i>		4,934	3,806
<i>Non-current securities</i>		4,815	5,017
Financial receivables and other financial assets		2,609	2,451
Operating receivables and other operating assets		4,838	3,789
Income tax assets		1,910	1,988
Deferred tax assets		3,239	2,248
Non-current assets		111,363	108,717
Inventories		4,658	4,774
Financial receivables and other financial assets		1,787	2,101
Trade receivables and other operating assets		21,529	28,848
Income tax assets		2,075	1,515
Liquid funds		5,536	6,348
<i>Securities and fixed-term deposits</i>		2,260	2,125
<i>Restricted cash and cash equivalents</i>		750	552
<i>Cash and cash equivalents</i>		2,526	3,671
Assets held for sale	(5)	5,865	4,521
Current assets		41,450	48,107
Total assets		152,813	156,824
Equity and Liabilities			
Capital stock		2,001	2,001
Additional paid-in capital		13,741	13,741
Retained earnings		24,596	22,181
Accumulated other comprehensive income		2,111	110
Treasury shares	(10)	-3,549	-3,549
Equity attributable to shareholders of E.ON AG		38,900	34,484
Minority interests (before reclassification)		4,395	4,538
Reclassification related to put options		-570	-578
Minority interests		3,825	3,960
Equity		42,725	38,444
Financial liabilities		31,889	25,036
Operating liabilities		8,663	9,753
Income taxes		3,323	2,602
Provisions for pensions and similar obligations	(12)	4,233	3,559
Miscellaneous provisions		18,667	19,198
Deferred tax liabilities		7,401	6,277
Non-current liabilities		74,176	66,425
Financial liabilities		7,185	16,022
Trade payables and other operating liabilities		22,526	28,370
Income taxes		1,774	2,153
Miscellaneous provisions		3,773	4,260
Liabilities associated with assets held for sale	(5)	654	1,150
Current liabilities		35,912	51,955
Total equity and liabilities		152,813	156,824

E.ON AG and Subsidiaries Consolidated Statements of Cash Flows		
January 1–September 30		
€ in millions	2009	2008
Net income	6,304	3,372
Income from discontinued operations, net	148	118
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	2,816	2,522
Changes in provisions	-817	403
Changes in deferred taxes	871	-729
Other non-cash income and expenses	-28	250
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (=3 months)	-2,976	-318
Changes in operating assets and liabilities and in income taxes	753	632
Cash provided by operating activities of continuing operations (operating cash flow)	7,071	6,250
Proceeds from disposal of	1,636	358
<i>Intangible assets and property, plant and equipment</i>	155	153
<i>Equity investments</i>	1,481	205
Purchase of investments in	-6,491	-15,340
<i>Intangible assets and property, plant and equipment</i>	-5,946	-6,147
<i>Equity investments</i>	-545	-9,193
Changes in securities and fixed-term deposits	328	1,703
Changes in restricted cash and cash equivalents	-221	-193
Cash used for investing activities of continuing operations	-4,748	-13,472
Payments received/made from changes in capital	-4	43
Payments for treasury shares, net	-	-2,618
Premiums received for put options on treasury shares	-	25
Cash dividends paid to shareholders of E.ON AG	-2,857	-2,560
Cash dividends paid to minority shareholders	-292	-372
Changes of financial liabilities	-284	11,681
Cash provided by financing activities of continuing operations	-3,437	6,199
Net increase/decrease in cash and cash equivalents from continuing operations	-1,114	-1,023
Cash provided by operating activities of discontinued operations	26	12
Cash used for investing activities of discontinued operations	-26	-12
Cash provided by financing activities of discontinued operations	-	-
Net increase in cash and cash equivalents from discontinued operations	0	0
Effect of foreign exchange rates on cash and cash equivalents	37	-14
Cash and cash equivalents at the beginning of the year	3,671	2,887
Cash and cash equivalents at the end of the quarter¹	2,594	1,850

¹Cash and cash equivalents include €68 million of the disposal group Thüga Group.

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Statement of Changes in Equity						
€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income		
				Currency translation adjustments	Available-for-sale securities	Cash flow hedges
Balance as of January 1, 2008	1,734	11,825	26,828	-318	11,081	-107
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase	267	-267				
Capital decrease						
Dividends			-2,560			
Other changes						
Share additions			-59			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			3,784	97	-4,926	-40
<i>Net income</i>			3,061			
<i>Changes in actuarial gains/losses of defined benefit pension plans and similar obligations</i>			723			
<i>Other comprehensive income</i>				97	-4,926	-40
Balance as of September 30, 2008	2,001	11,558	27,993	-221	6,155	-147
Balance as of January 1, 2009	2,001	13,741	22,181	-2,547	2,676	-19
Changes in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends			-2,857			
Other changes						
Share additions			-9			
Net additions/disposals from the reclassification related to put options						
Total comprehensive income			5,281	-301	2,210	92
<i>Net income</i>			6,103			
<i>Changes in actuarial gains/losses of defined benefit pension plans and similar obligations</i>			-822			
<i>Other comprehensive income</i>				-301	2,210	92
Balance as of September 30, 2009	2,001	13,741	24,596	-2,848	4,886	73

Treasury shares	Put options on treasury shares	Equity attributable to shareholders of E.ON AG	Minority interests (before reclassification)	Reclassification related to put options	Minority interests	Total
-616	-1,053	49,374	6,281	-525	5,756	55,130
			145		145	145
-2,609		-2,609				-2,609
			111		111	111
			-18		-18	-18
		-2,560	-407		-407	-2,967
			-17		-17	-17
		-59				-59
	366	366		-54	-54	312
		-1,085	300		300	-785
		3,061	311		311	3,372
		723	50		50	773
		-4,869	-61		-61	-4,930
-3,225	-687	43,427	6,395	-579	5,816	49,243
-3,549	0	34,484	4,538	-578	3,960	38,444
			-26		-26	-26
						0
						0
			-7		-7	-7
		-2,857	-264		-264	-3,121
			12		12	12
		-9				-9
				8	8	8
		7,282	142		142	7,424
		6,103	201		201	6,304
		-822	-31		-31	-853
		2,001	-28		-28	1,973
-3,549	0	38,900	4,395	-570	3,825	42,725

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 CO₂ 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 nine months ended September 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	12	29
Disposals/Mergers	8	29	37
Consolidated companies as of September 30, 2009	160	478	638

As of September 30, 2009, 174 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. had a 25-year lease on and operated 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. The agreement involved offsetting payments amounting to approximately €0.5 billion. Subsequent effects from the settlement of existing contractual relationships that will be recognized in income and cash flows are expected to continue to occur through the end of 2010. These effects will continue to 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–September 30		
€ in millions	2009	2008
Sales	94	153
Other income/expenses, net	-336	-330
Loss from continuing operations before income taxes and minority interests	-242	-177
Income tax benefit	94	68
Loss from discontinued operations	-148	-109

Major Balance Sheet Line Items— WKE (Summary)		
€ in millions	Sep. 30, 2009	Dec. 31, 2008
Intangible assets and property, plant and equipment	-	156
Other assets	-	422
Total assets	0	578
Total liabilities	-	711

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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 was presented in the New Markets segment. Accordingly, the relevant assets and liabilities were sold in the third quarter of 2009.

Commitment to the 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, 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 €0.1 billion (December 31, 2008: €0.4 billion). The respective disposals of 0.5 GW of generating capacity to EnBW and of 0.3 GW generating capacity to Österreichische Elektrizitätswirtschafts-AG, Vienna, Austria, and to Verbund-Kraftwerke Beteiligungsholding GmbH & Co KG, Mödling, Austria, were already completed in the second and third quarter of 2009, resulting in a total disposal gain of approximately €2 billion. In July and September of this year, binding contracts were signed with Electrabel as well as with EnBW and Electricité de France SA ("EdF"), Paris, France, on the disposal of approximately 2.8 GW of additional generating capacity, including electricity procurement rights. Binding agreements were additionally signed with Stadtwerke Hannover AG, Hannover, at the end of October on the acquisition of E.ON's interest in the Mehrum power plant. The outstanding disposals are expected to be completed by 2010 at the latest. Reclassification of the ultrahigh-voltage network was not required as of September 30, 2009. However, the requirements for classification as a disposal group were fulfilled in November 2009.

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 €2.1 billion (December 31, 2008: €1.4 billion). The transaction was completed in October 2009.

Thüga

In the first nine months of 2009, E.ON conducted negotiations on a sale of the Thüga Group, which is held in the Pan-European Gas market unit, to a consortium of municipal acquirers. The Thüga Group is therefore being reported as a disposal group as of September 30, 2009. The disposal group consists primarily of financial assets (approximately €2 billion), intangible assets and property, plant and equipment (approximately €0.9 billion) and of provisions and liabilities (approximately €0.8 billion). Binding contracts on a purchase price of approximately €2.9 billion were signed with the acquirer consortium in October 2009. The transaction is to be completed before the end of 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.

An agreement had already been reached in June 2008 with the minority shareholder of E.ON Produzione S.p.A., Sassari, Italy, A2A, which originally held a 20 percent interest, 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 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

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
Total assets	10,014	2,899	12,913
Non-current liabilities	2,663	894	3,557
Current liabilities	4,587	447	5,034
Total liabilities	7,250	1,341	8,591
Net assets	2,764	1,558	4,322
Attributable to shareholders of E.ON AG	2,377	-2,377	-
Attributable to minority interests	387	-86	301
Acquisition cost paid in cash		8,510	
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	
Goodwill		3,557	3,557

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 was reported as a disposal group from its specification as such in the third quarter of 2008 until the completion of the arrangement. 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 was approximately €1.4 billion. The continuing earnings share of the minority shareholder was 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 were 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 in the second quarter of 2009 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.

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(6) Research and Development Costs

The E.ON Group's research and development costs amounted to €35 million in the first nine months of 2009 (first nine months of 2008: €32 million).

(7) Financial Results

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

Financial Results				
€ in millions	July 1-Sep. 30		Jan. 1-Sep. 30	
	2009	2008	2009	2008
Income from companies in which equity investments are held	32	32	122	194
Impairment of share investments	-98	-280	-314	-334
Income from equity investments	-66	-248	-192	-140
Income from other securities, interest and similar income	129	234	528	775
Interest and similar expenses	-653	-785	-2,101	-2,158
Interest and similar expenses (net)	-524	-551	-1,573	-1,383
Financial results	-590	-799	-1,765	-1,523

Price movements on financial markets made it necessary to record changes in value on share investments in the amount of €314 million in the first nine months of 2009 (first nine months of 2008: €334 million).

(8) Earnings per Share

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

Earnings per Share				
€ in millions	July 1-Sep. 30		Jan. 1-Sep. 30	
	2009	2008	2009	2008
Income/Loss (-) from continuing operations	1,804	267	6,452	3,490
less: Minority interests	-15	-169	-201	-311
Income/Loss (-) from continuing operations (attributable to shareholders of E.ON AG)	1,789	98	6,251	3,179
Income/Loss (-) from discontinued operations, net (attributable to shareholders of E.ON AG)	7	2	-148	-118
Net income attributable to shareholders of E.ON AG	1,796	100	6,103	3,061
in €				
Earnings per share (attributable to shareholders of E.ON AG)				
from continuing operations	0.94	0.05	3.28	1.70
from discontinued operations	0.01	0.00	-0.07	-0.06
from net income	0.95	0.05	3.21	1.64
Weighted-average number of shares outstanding (in millions)	1,905	1,849	1,905	1,870

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	Sep. 30, 2009	Dec. 31, 2008
Companies accounted for under the equity method	7,214	8,931
Equity investments	4,934	3,806
<i>Equity investment in OAO Gazprom</i>	3,289	2,121
Non-current securities	4,815	5,017
Total	16,963	17,754

(10) Treasury Shares

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

As of September 30, 2009, E.ON AG and one subsidiary held 96,468,792 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

Provisions for pensions and similar obligations increased by comparison with year-end 2008, due primarily to net actuarial losses resulting mostly from lowered discount rate assumptions.

Discount Rate		
Percentages	Sep. 30, 2009	Dec. 31, 2008
Germany	5.25	5.75
U.K.	5.80	6.40
U.S.	6.00	6.05

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

Net Amount Recognized		
€ in millions	Sep. 30, 2009	Dec. 31, 2008
Defined benefit obligation	15,694	14,096
Fair value of plan assets	-11,456	-11,034
Funded status	4,238	3,062
Unrecognized past service cost	-10	-10
Net amount recognized	4,228	3,052
<i>Thereof presented as operating receivables</i>	-5	-507
<i>Thereof presented as provisions for pensions and similar obligations</i>	4,233	3,559

Taking into account periodic additions and pension payments 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.

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	July 1-Sep. 30		Jan. 1-Sep. 30	
	2009	2008	2009	2008
Employer service cost	51	54	151	160
Interest cost	213	214	637	644
Expected return on plan assets	-152	-175	-452	-532
Past service cost	3	3	10	10
Total	115	96	346	282

(13) Other Significant Issues

In the first nine months of 2009, E.ON issued bonds with a total nominal value of €8,091 million (first nine months of 2008: €10,858 million) and redeemed bonds with a total nominal value of €4,250 million (first nine months of 2008: €0 million).

Financial Information by Business Segment						
January 1-September 30 € in millions	Central Europe		Pan-European Gas		U.K.	
	2009	2008	2009	2008	2009	2008
External sales	24,451	23,331	11,423	14,550	6,104	6,555
Intersegment sales	5,727	6,375	3,883	4,124	1,291	1,422
Sales	30,178	29,706	15,306	18,674	7,395	7,977
Adjusted EBITDA	4,852	4,771	1,725	2,395	703	1,109
Depreciation and amortization	-1,126	-1,080	-314	-373	-328	-364
Impairments (-)/Reversals (+) ¹	-6	-22	-32	26	-	-
Adjusted EBIT	3,720	3,669	1,379	2,048	375	745
<i>Earnings from companies accounted for under the equity method¹</i>	212	222	599	463	7	4
Cash provided by operating activities	4,084	3,810	507	941	1,195	1,130
Investments	2,205	2,082	1,195	805	638	847
<i>Intangible assets and property, plant and equipment</i>	<i>2,101</i>	<i>1,914</i>	<i>817</i>	<i>664</i>	<i>638</i>	<i>804</i>
<i>Equity investments²</i>	<i>104</i>	<i>168</i>	<i>378</i>	<i>141</i>	<i>-</i>	<i>43</i>
Total assets (September 30 and December 31)	62,064	64,829	30,211	30,382	18,083	17,632
<i>Intangible assets (September 30 and December 31)</i>	<i>2,032</i>	<i>2,121</i>	<i>654</i>	<i>814</i>	<i>197</i>	<i>257</i>
<i>Property, plant and equipment (September 30 and December 31)</i>	<i>21,327</i>	<i>20,418</i>	<i>6,757</i>	<i>6,773</i>	<i>6,423</i>	<i>5,878</i>
<i>Companies accounted for under the equity method (September 30 and December 31)</i>	<i>2,118</i>	<i>2,193</i>	<i>4,225</i>	<i>5,871</i>	<i>-</i>	<i>-</i>

¹Impairments 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.

²In 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 CO₂ 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 nine 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 first nine months 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
1,807	1,929	1,432	1,333	9,803	9,502	4,316	3,656	-77	-393	59,259	60,463
623	985	-	-	19,701	12,716	1,393	197	-32,618	-25,819	-	-
2,430	2,914	1,432	1,333	29,504	22,218	5,709	3,853	-32,695	-26,212	59,259	60,463
627	912	446	383	809	408	1,202	311	-7	-88	10,357	10,201
-224	-258	-128	-110	-4	-1	-466	-256	-64	-64	-2,654	-2,506
-	-	-	-	-2	-	-4	3	-1	1	-45	8
403	654	318	273	803	407	732	58	-72	-151	7,658	7,703
-1	6	1	18	-	-	7	8	-4	-8	821	713
315	853	289	250	1,284	-675	855	83	-1,458	-142	7,071	6,250
865	728	404	487	14	3	1,358	2,491	-188	7,897	6,491	15,340
573	713	404	487	3	3	1,284	1,459	126	103	5,946	6,147
292	15	-	-	11	-	74	1,032	-314	7,794	545	9,193
11,762	12,779	6,856	7,624	16,404	27,849	25,715	27,322	-18,282	-31,593	152,813	156,824
220	212	63	10	123	762	2,250	2,489	59	31	5,598	6,696
6,865	6,129	4,863	4,890	6	6	12,719	11,999	496	387	59,456	56,480
298	292	24	33	-	-	328	315	221	227	7,214	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.

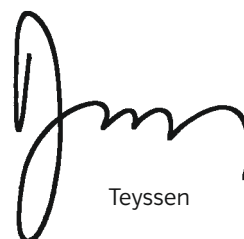
The following table provides a reconciliation of adjusted EBIT to net income:

Net Income		
January 1-September 30		
€ in millions	2009	2008
Adjusted EBIT	7,658	7,703
Adjusted interest income (net)	-1,508	-1,355
Net book gains/losses	2,115	234
Restructuring/Cost management expenses	-262	-234
Other non-operating earnings	592	-1,963
Income/Loss (-) from continuing operations before taxes	8,595	4,385
Income taxes	-2,143	-895
Income/Loss (-) from continuing operations	6,452	3,490
Income/Loss (-) from discontinued operations, net	-148	-118
Net income	6,304	3,372
Attributable to shareholders of E.ON AG	6,103	3,061
Attributable to minority interests	201	311

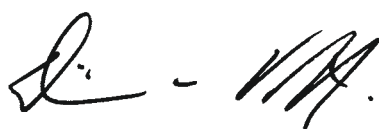
Page 18 in the Interim Group Management Report contains an explanation of the reconciliation of adjusted EBIT to net income.



Bernotat



Teyssen



Dänzer-Vanotti



Feldmann



Schenck

Financial Calendar

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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