Interim Report I/2013

2013

January February March

April May June

July August September

October November December

E.ON Group Financial Highlights

E.ON Group Financial Highlights			
January 1–March 31	2013	2012	+/- %
Electricity sales	191.0 billion kWh	208.3 billion kWh	-8
Gas sales	409.0 billion kWh	389.1 billion kWh	+5
Sales	€35,881 million	€35,731 million	–
EBITDA[1]	€3,577 million	€3,768 million	-5
EBIT[1]	€2,735 million	€2,829 million	-3
Net income	€2,333 million	€1,870 million	+25
Net income attributable to shareholders of E.ON SE	€2,150 million	€1,713 million	+26
Underlying net income	€1,394 million	€1,662 million	-16
Investments	€915 million	€1,164 million	-21
Cash provided by operating activities of continuing operations	€1,624 million	€448 million	+263
Economic net debt (March 31 and December 31)	-€31,585 million	-€35,934 million	+4,349[2]
Employees (March 31 and December 31)	68,735	72,083	-5
Earnings per share attributable to shareholders of E.ON SE	€1.13	€0.90	+26
Weighted-average shares outstanding (in millions)	1,907	1,905	–

[1]Adjusted for extraordinary effects (see Glossary of Selected Financial Terms below).
[2]Change in absolute terms.

Glossary of Selected Financial Terms

EBIT Adjusted earnings before interest and taxes. As used by E.ON, EBIT 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.

EBITDA Adjusted earnings before interest, taxes, depreciation, and amortization. It is E.ON's key figure for purposes of internal management control and as an indicator of a business's long-term earnings power. It is equal to our definition of EBIT prior to depreciation and amortization.

Economic net debt Key figure that supplements net financial position with the fair value (net) of currency derivatives used for financing transactions (but excluding transactions relating to our operating business and asset management), with pension obligations, and with asset-retirement obligations (less prepayments to the Swedish nuclear fund).

Investments Cash-effective investments as shown in the Consolidated Statements of Cash Flows.

Underlying net income An earnings figure after interest income, income taxes, and minority interests that has been adjusted to exclude certain extraordinary effects. Along with effects from the marking to market of derivatives, the adjustments include 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 non-controlling interests). Underlying net income also excludes special tax effects and income/loss from discontinued operations, net.

Interim Report I/2013

January 1 – March 31, 2013

- As anticipated, EBITDA and underlying net income below prior-year figures
- E.ON's transformation moves forward
- Progress expanding energy business outside Europe
- Full-year EBITDA still expected to be between €9.2 and €9.8 billion, underlying net income between €2.2 and €2.6 billion

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Dear Shareholders,

E.ON's earnings performance in the first quarter of 2013 was as planned. As anticipated, first-quarter EBITDA declined by 5 percent year on year to €3.6 billion. Underlying net income of €1.4 billion was also in line with our expectations.

In the first quarter we further propelled E.ON's transformation. This includes our Renewables global unit, which is already a very strong, well-established E.ON business for the future. We have over 4.8 gigawatts of installed capacity, which ranks us among the top players in onshore wind in the United States and offshore wind in Europe. We're currently in the process of commissioning London Array, the world's largest offshore wind farm, which we built with international partners. And we've begun installing foundations for our next offshore wind farm, Amrumbank West.

Another focus of our growth strategy is our business outside Europe. The expansion of our position in Turkey's power market through Enerjisa, our joint venture with Sabanci Holding, has reached new milestones. First, our acquisition of stake in Enerjisa is completed. Second, we and our partner successfully participated in auctions, which are part of the Turkish government's program to privatize the country's power networks, for two regional distribution companies. We acquired the power distributors for the Toroslar and Ayedas regions. This will increase the number of customers we have in Turkey to roughly 9 million, which is a market share of about 25 percent. In Brazil, E.ON and EBX have agreed to expand their strategic partnership in order to better propel MPX to becoming Brazil's largest privately owned energy company. E.ON will significantly enlarge its stake in MPX, making us a partner at eye level, who plays an active role in helping to shape MPX's day-to-day operations. This will make MPX even stronger and more effective. Our first jointly developed generation asset is scheduled to enter service this autumn. By year-end 2013 we'll have assets with an attributable capacity of 2 GW in operation in Brazil.

Our E&P business is performing as planned. Hyme oil and gas field in the Norwegian Sea began production in February of this year and has now been joined by Huntington oil and gas field in the U.K. North Sea. This is an important step in the development of our upstream gas business. We have a 25-percent stake in Huntington and are also the operator. E.ON E&P estimates that Huntington has gross reserves of 24 million barrels.

By year-end 2012 we'd already generated about €13.5 billion from the sale of assets. We added another €3.5 billion to this in the first quarter, including proceeds from the sale of SPP, E.ON Energy from Waste, and E.ON Thüringer Energie. This means that we've already surpassed our original target of €15 billion by a wide margin and are now aiming for €20 billion. Disposals that include E.ON Westfalen-Weser and E.ON Mitte could contribute to this. These proceeds are reducing our debt but will also enhance our investment strength so that we can further expand our growth businesses.

The economic situation of our legacy business in Europe, particularly in conventional power generation, remains difficult. The failure of EU plans to revitalize the Emissions Trading Scheme did not improve the prospects for our technologically advanced gas-fired power plants, which are currently being crowded out of the market by renewables and carbon-intensive lignite. That's why we're urgently calling for a new market design for the power market, one that has fair rules for maintaining generating capacity and long-term incentives to encourage the construction of new assets. Until this new market design is in place, we'll be even more rigorous about reducing costs and, where it appears necessary, we'll shut down assets.

E.ON is in the middle of a fundamental reorganization. The new E.ON will be leaner, more agile, more decentralized, and even more international. These changes will lay the foundation for E.ON to deliver solid earnings and, in an industry that has become more difficult, to rank among the most successful companies.

Best wishes,

Dr. Johannes Teyssen

E.ON Stock

At the end of the first quarter of 2013, E.ON stock was 3 percent below its year-end closing price for 2012, thereby slightly underperforming the EURO STOXX 50 index (+/- 0 percent), and its peer index, the STOXX Utilities (-1 percent).

The number of E.ON shares traded in the first quarter of 2013 rose by 20 percent year on year to 774 million shares. E.ON's stock-exchange trading volume declined by 7 percent to €10.3 billion owing to the stock's lower average price.

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

E.ON Stock

	Mar. 31, 2013	Dec. 31, 2012
Shares outstanding (millions)	1,907	1,907
Closing price (€)	13.62	14.09
Market capitalization (€ in billions)[1]	26.0	26.9

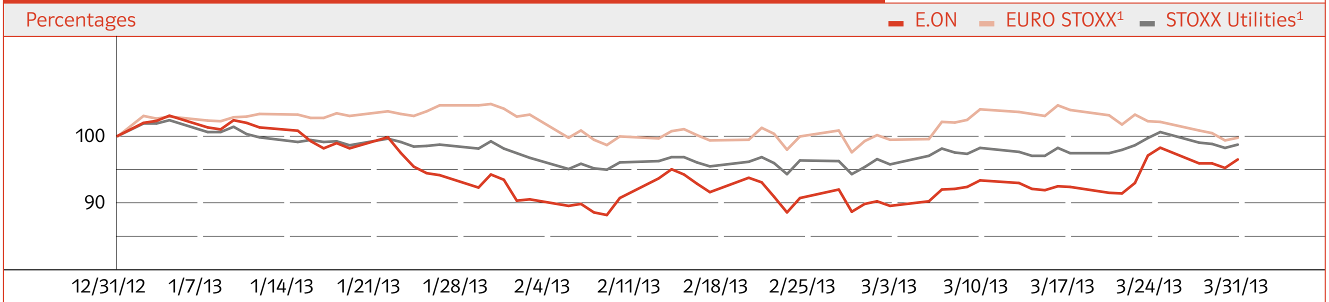
[1]Based on shares outstanding.

Performance and Trading Volume

January 1–March 31	2013	2012
High (€)[1]	14.51	18.64
Low (€)[1]	12.51	15.88
Trading volume[2]		
Millions of shares	*773.6*	*646.7*
€ in billions	*10.3*	*11.1*

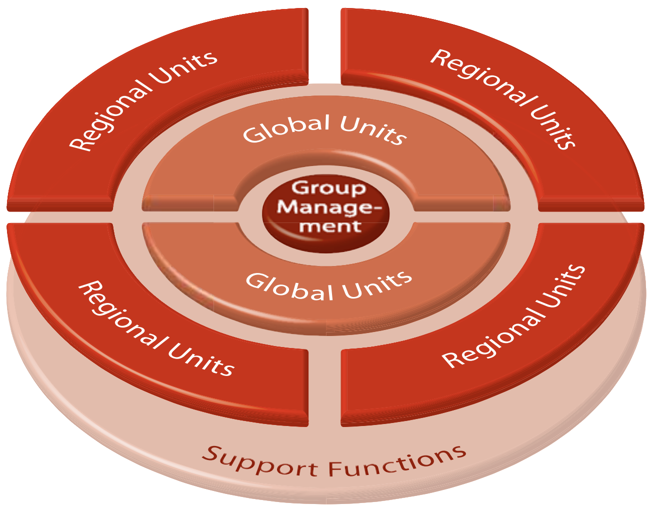
[1]Xetra.
[2]Source: Bloomberg (all German stock exchanges).

E.ON Stock Performance



[1]Based on the performance index.

Interim Group Management Report



Corporate Profile

Business Model

E.ON is a major investor-owned energy company. Led by Group Management in Düsseldorf, our operations are segmented into global units and regional units.

Group Management

Group Management in Düsseldorf oversees the E.ON Group as a whole and coordinates its operations. Its tasks include charting E.ON's strategic course, defining its financial policy and initiatives, managing business issues that transcend individual markets, managing risk, continually optimizing the Group's business portfolio, and conducting stakeholder management.

IT, procurement, insurance, consulting, and business processes provide valuable support for our core businesses wherever we operate. These functions are centrally organized so that we pool professional expertise across our organization and leverage synergies.

Changes in Our Reporting

Effective January 1, 2013, we changed the name of our Optimization & Trading segment to Global Commodities, reflecting our progress in restructuring this segment. We merged E.ON Energy Trading and E.ON Ruhrgas in the first half of 2013. The new company's name is E.ON Global Commodities. The new unit will continue to focus on optimizing our asset base, which is expanding around the world. It will also enable us to leverage important synergies, thereby contributing to the success of the E.ON 2.0 program.

Effective January 1, 2013, we also transferred some companies that had been part of the Germany regional unit to the Renewables global unit or assigned them to Group Management. We adjusted the prior-year figures accordingly.

New Accounting Standards

E.ON applies the changes to IAS 19, "Employee Benefits," effective January 1, 2013. Note 2 to the Interim Consolidated Financial Statements describes the effects of the changes on our Consolidated Balance Sheets and our Consolidated Statements of Income.

Global Units

Our four global units are Generation, Renewables, Global Commodities, and Exploration & Production. In addition, a unit called New-Build & Technology brings together our project-management and engineering expertise to support the construction of new assets and the operation of existing assets across the Group. This unit also oversees our entire research and development effort.

Generation

This global unit consists of our conventional (fossil and nuclear) generation assets in Europe. It manages and optimizes these assets across national boundaries.

Renewables

We also take a global approach to managing our carbon-sourcing and renewables businesses. Our objective is to extend our leading position in this growing market.

Global Commodities

As the link between E.ON and the world's wholesale energy markets, our Global Commodities segment buys and sells electricity, natural gas, liquefied natural gas, oil, coal, freight, biomass, and carbon allowances. In addition, it manages and develops assets at several stages of the gas value chain, including pipelines, long-term supply contracts, and storage facilities.

Exploration & Production

Our Exploration & Production segment is a growth business with good prospects for the future. It is active in four focus regions: the U.K. North Sea, the Norwegian North Sea, Russia, and North Africa.

Regional Units

Eleven regional units manage our distribution and sales operations (including distributed generation) in Europe: Germany, the United Kingdom, Sweden, Italy, Spain, France, the Netherlands, Hungary, Czechia, Slovakia, Romania, and, through the end of June 2012, Bulgaria. Effective January 1, 2013, we report our power generation business in Russia, which we manage as a focus region, and our activities in other non-EU countries (these consist of our business in Brazil and, effective the second quarter of 2013, our business in Turkey) under Non-EU Countries.

Business Report

Industry Environment

According to the preliminary report from the German Association of Energy and Water Industries ("BDEW"), Germany's consumption of electricity declined by 2.1 percent in January and 3.6 percent in February. The reason was the country's continued weak economy. Effective gas consumption was also lower in January and February, falling by just under 9 percent year on year. Here too the main factor was the weak economy along with the leap year day in the prior year. Owing to the extended period of cold weather through the end of March, however, the BDEW expects Germany's first-quarter gas consumption to increase by 5 percent year on year.

Electricity consumption in England, Scotland, and Wales was about 87 billion kWh in the first quarter of 2013 (prior year: 85 billion kWh). Gas consumption (excluding power stations) increased from 207 billion kWh to 240 billion kWh. Lower temperatures that continued into March of the current-year quarter more than offset ongoing energy-efficiency measures and customers' response to economic developments and higher prices.

Generally lower average temperatures caused Northern Europe's electricity consumption to increase by 6 billion kWh to 117 billion kWh. Net electricity imports from surrounding countries totaled about 0.2 billion kWh compared with net exports of about 3 billion kWh in the prior-year period.

At 8.5 billion kWh, Hungary's electricity consumption was slightly below the prior-year level. Driven by weather factors and energy-saving measures, its gas consumption declined slightly to 4,251 million cubic meters.

Italy consumed 80.2 billion kWh of electricity, about 4 percent less than the prior-year figure of 83.7 billion kWh. Gas consumption declined by 5 percent, from 289.9 billion kWh to 275.4 billion kWh, owing to a reduction in deliveries to gas-fired power stations brought on by unfavorable market conditions.

Peninsular electricity consumption in Spain was 64.5 billion kWh, 4 percent below the prior-year figure (consumption fell by 3.6 percent if adjusted for differences in temperature and the number of working days). Retail gas consumption declined by 1 percent to 85 billion kWh.

France's electricity consumption rose by 2.7 percent to 152.9 billion kWh because of weather factors (it declined by -0.5 percent if adjusted for differences in temperature and the number of working days). Total generation increased by 1.6 percent to 162.1 billion kWh.

The Russian Federation generated 293 billion kWh of electricity, 1.9 percent less than in the prior-year period. It generated 286 billion kWh in its integrated power system (which does not include isolated systems), which also represents a decrease of roughly 2 percent. Power consumption in the Russian Federation declined by 1.6 percent to 288 billion kWh.

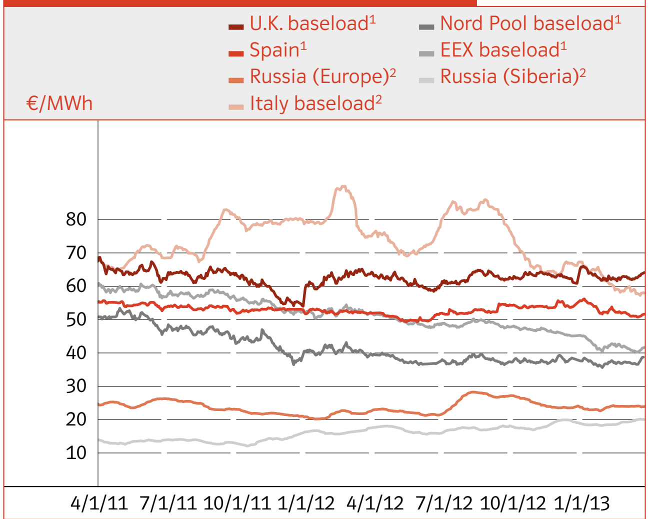
Energy Prices

Five main factors drove Europe's electricity and natural gas markets and Russia's electricity market in the first quarter of 2013:

- international commodity prices (especially oil, gas, coal, and carbon-allowance prices)
- macroeconomic and political developments
- weather
- the availability of hydroelectricity in Scandinavia
- the expansion of renewables capacity.

Two factors had the biggest influence on energy markets: the late-winter cold snap in Europe in March and the continued weak global economy, in particular the ongoing debt crisis in the European Union, with Cyprus now becoming a particularly grave case.

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



[1]Next-year delivery.
[2]Spot delivery (30-day average).

These factors put significant downward pressure on the price of Brent crude oil for next-month delivery. Although in February the price at times rose 8 percent above the level at the start of the year owing to positive economic signals from the United States and China and ongoing geopolitical risks like the civil war in Syria and Iran's nuclear program, it then declined markedly as the quarter went on.

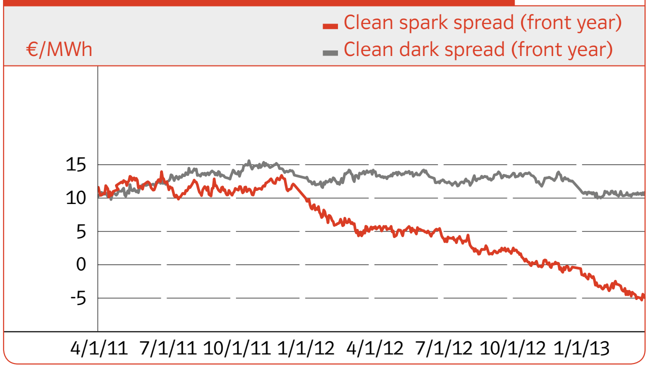
European coal prices (API#2 index) for next-year delivery likewise continued the downward slide that began in 2012, falling another 9 percent by the end of March, even though Chinese imports rose by nearly 30 percent during the same period. A renewed strike in Columbian mines only briefly interrupted the downward trend. Freight rates on the bulk cargo market remained at a very low level owing to the ongoing oversupply of ships. Freight accounts for about one tenth of the total price of coal.

The negative movement on oil and coal markets also impacted Europe's gas market. Although prices for next-year delivery remained stable during the first quarter, this was entirely the result of significant upward pressure on spot prices in Northwestern Europe. A relatively cold February and a very cold March led to increasing scarcity of gas. The United Kingdom in particular also had to deal with nearly empty gas storage facilities and, because of the continued absence of LNG deliveries, had to import record amounts of gas from the Continent.

Carbon-Allowance Price Movements in Europe

After falling to a record low in 2012, prices for EU carbon allowances ("EUAs") under the European Emissions Trading Scheme declined still further, reaching new record lows in the first quarter. The reasons for the decline were the ongoing oversupply of EUAs and the European Union's decision not to set more ambitious emissions targets. In addition, it has become apparent that implementing back-loading, a measure designed to reduce the number of EUAs in circulation, will be significantly more difficult than anticipated. Consequently, the necessary price impetus was lacking.

Clean Dark and Spark Spreads in Germany



Developments in coal and carbon prices had a significant influence on the price of baseload power for next-year delivery in Germany. These developments—along with the good supply situation resulting from the ongoing addition of new solar and wind capacity—caused power prices to decline by nearly 10 percent from the level at the start of the year. Hourly prices, particularly in early February and the second half of March, were at times negative due to a combination of low demand, somewhat milder temperatures, and high renewables feed-in. The divergence between the cost of coal generation and gas generation widened in the first quarter of 2013. The clean spark spread (the difference between the price at which natural gas and carbon allowances are procured and the price at which power is sold) became even more negative in response to extreme pressure from increased renewables feed-in, the significantly lower cost of coal generation compared with gas generation, and low carbon prices.

The development of U.K. power prices showed a much different picture. Owing to below-average temperatures in March and the resulting supply bottlenecks, spot power prices were considerably higher than in the prior-year period. The impact on prices for next-year delivery was quite moderate, although these too, owing to the prospect of a new carbon tax, rose slightly at the end of the quarter.

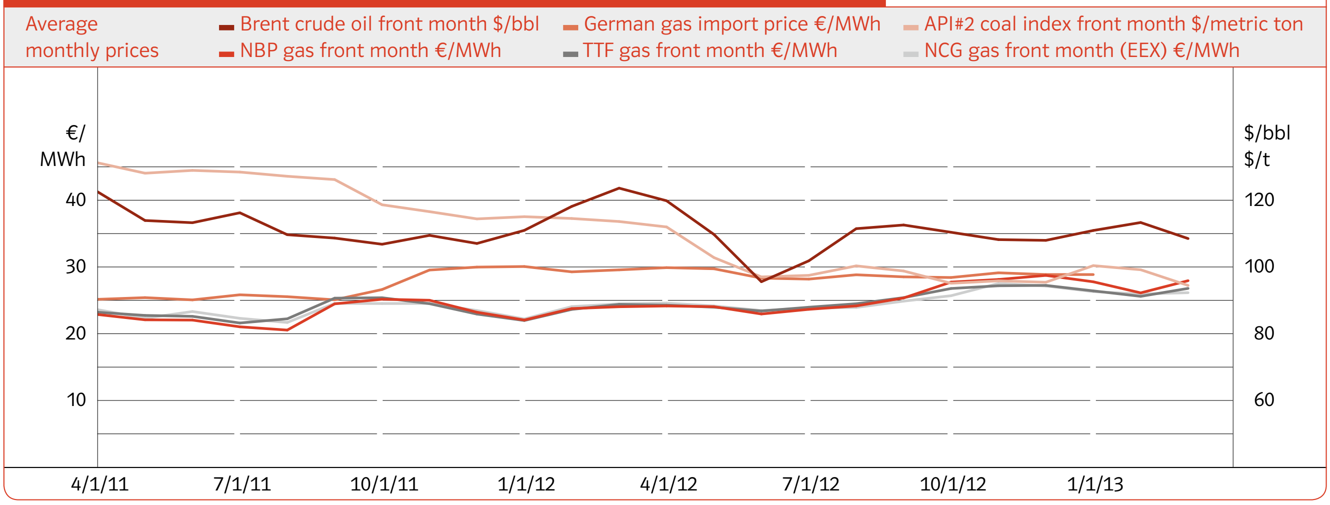
On the Nordic power market the first quarter of 2013 was also characterized by significantly higher spot prices. This was caused by changes in reservoir levels in Norway and Sweden, which started the year close to the long-term average but finished March up to 20 billion kWh lower owing to low temperatures and sparse precipitation. The high availability of nuclear power stations prevented more dramatic price spikes. With hydro output expected to remain below average for awhile, prices for next-year delivery also rose slightly.

Italy's power prices for next-year delivery were significantly below the prior-year level owing to milder temperatures in January and February. Despite a much colder March, power outages, and higher gas prices, the good supply situation prevented power prices from rising more than slightly. The gap between baseload and peakload shrank in the first quarter, mainly because of higher renewables feed-in.

In Spain declining carbon prices and the ongoing decline in spot power prices put significant downward pressure on prices for next-year delivery. In late March, extremely high feed-in of wind and hydro power along with the continued decline in demand caused spot prices at times to fall to zero.

Prices in the European zone of Russia's power market decreased only slightly relative to those of the prior-year period. The seasonal increase in demand was more than offset by higher nuclear output and above-average levels of hydro output. A substantially colder winter sent prices in the Siberian zone significantly higher. The winter saw no significant power plant or system outages, and hydro output was within the average range.

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



Business Performance

Power Procurement

The E.ON Group's first-quarter owned generation declined by 4.9 billion kWh, or 6 percent, year on year. Power procured declined by 13.1 billion kWh.

Power Procurement

Jan. 1–Mar. 31 Billion kWh	Generation 2013	Generation 2012	Renewables 2013	Renewables 2012	Global Commodities 2013	Global Commodities 2012	Germany 2013	Germany 2012	Other EU Countries 2013	Other EU Countries 2012	Non-EU Countries 2013	Non-EU Countries 2012	Consolidation 2013	Consolidation 2012	E.ON Group 2013	E.ON Group 2012
Owned generation	42.5	47.3	8.6	7.5	–	–	0.8	0.9	2.0	2.4	17.1	17.8	–	–	71.0	75.9
Purchases	7.8	7.2	1.6	1.7	140.7	165.6	44.7	46.1	39.9	42.8	1.2	1.2	-110.3	-125.9	125.6	138.7
Jointly owned power plants	*3.6*	*3.0*	*0.5*	*0.5*	–	–	–	–	–	–	–	–	–	–	*4.1*	*3.5*
Global Commodities/ outside sources	*4.2*	*4.2*	*1.1*	*1.2*	*140.7*	*165.6*	*44.7*	*46.1*	*39.9*	*42.8*	*1.2*	*1.2*	*-110.3*	*-125.9*	*121.5*	*135.2*
Total power procurement	**50.3**	**54.5**	**10.2**	**9.2**	**140.7**	**165.6**	**45.5**	**47.0**	**41.9**	**45.2**	**18.3**	**19.0**	**-110.3**	**-125.9**	**196.6**	**214.6**
Station use, line loss, etc.	-0.4	-0.6	-0.3	-0.2	–	–	-1.4	-1.5	-2.9	-3.4	-0.6	-0.6	–	–	-5.6	-6.3
Power sales	**49.9**	**53.9**	**9.9**	**9.0**	**140.7**	**165.6**	**44.1**	**45.5**	**39.0**	**41.8**	**17.7**	**18.4**	**-110.3**	**-125.9**	**191.0**	**208.3**

Generation's owned generation was 4.8 billion kWh below the prior-year level. The decline resulted in particular from the reduced dispatch of coal-fired and gas-fired assets in Germany, Spain, and the Netherlands owing to the market situation in the first quarter of 2013 and from lower output from coal-fired assets in the United Kingdom owing to the closure of Kingsnorth power station, the closure of Grain oil-fired power station, and the conversion of Ironbridge power station to biomass at the end of 2012. Higher availability of unit 3 at Oskarshamn nuclear power station in Sweden was the main positive factor.

Renewables' owned generation surpassed the prior-year figure by 1.1 billion kWh. Owned generation at the Hydro reporting unit rose by 0.5 billion kWh because output was higher in Germany, Italy, and Spain thanks to a generally good water supply. Lower reservoir inflow relative to the prior year led to a decline in owned generation in Sweden. Owned generation at the Wind/Solar/Other reporting unit rose by 0.6 billion kWh. Wind farms accounted for 98 percent of its owned generation, with biomass and micro-hydro facilities accounting for the rest.

The Germany regional unit's owned generation was nearly at the prior-year level. Effective January 1, 2013, this unit's hydroelectric operations are reported at our Renewables segment. We adjusted the prior-year figures accordingly.

Other EU Countries' owned generation declined by 0.4 billion kWh to 2 billion kWh.

Our Russia business accounted for all of the power procurement at Non-EU Countries. Its owned generation declined by 4 percent year on year because of repairs at Surgutskaya 2 GRES (a transliterated Russian acronym that stands for 'state district power station') and lower capacity utilization of generating units at Yaivinskaya GRES.

Owned Generation by Energy Source												
January 1–March 31	Generation		Renewables		Germany		Other EU Countries		Non-EU Countries		E.ON Group	
Billion kWh	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Nuclear	12.2	12.3	–	–	–	–	–	–	–	–	12.2	12.3
Lignite	1.2	1.4	–	–	–	–	–	–	–	–	1.2	1.4
Hard coal	7.4	7.6	–	–	–	–	–	–	–	–	7.4	7.6
Natural gas, oil	1.1	2.3	–	–	0.3	0.4	–	–	–	–	1.4	2.7
Hydro	–	–	1.7	1.4	–	–	–	–	–	–	1.7	1.4
Wind	–	–	0.1	0.1	–	–	–	–	–	–	0.1	0.1
Other	–	–	–	–	0.5	0.5	–	–	–	–	0.5	0.5
Germany	**21.9**	**23.6**	**1.8**	**1.5**	**0.8**	**0.9**	**–**	**–**	**–**	**–**	**24.5**	**26.0**
Nuclear	4.0	3.3	–	–	–	–	–	–	–	–	4.0	3.3
Lignite	–	–	–	–	–	–	–	0.1	3.3	3.3	3.3	3.4
Hard coal	10.3	12.8	–	–	–	–	–	–	–	–	10.3	12.8
Natural gas, oil	6.3	7.6	–	–	–	–	1.7	1.9	13.8	14.5	21.8	24.0
Hydro	–	–	3.0	2.8	–	–	–	–	–	–	3.0	2.8
Wind	–	–	3.7	3.0	–	–	–	–	–	–	3.7	3.0
Other	–	–	0.1	0.1	–	–	0.3	0.4	–	–	0.4	0.5
Outside Germany	**20.6**	**23.7**	**6.8**	**5.9**	**–**	**–**	**2.0**	**2.4**	**17.1**	**17.8**	**46.5**	**49.8**
Total	**42.5**	**47.3**	**8.6**	**7.4**	**0.8**	**0.9**	**2.0**	**2.4**	**17.1**	**17.8**	**71.0**	**75.8**
Percentages												
Nuclear	29	26	–	–	–	–	–	–	–	–	17	16
Lignite	3	3	–	–	–	–	–	–	–	–	2	2
Hard coal	17	16	–	–	–	–	–	–	–	–	10	10
Natural gas, oil	3	5	–	–	37	44	–	–	–	–	2	3
Hydro	–	–	20	19	–	–	–	–	–	–	2	2
Wind	–	–	1	1	–	–	–	–	–	–	–	–
Other	–	–	–	–	63	56	–	–	–	–	1	1
Germany	**52**	**50**	**21**	**20**	**100**	**100**	**–**	**–**	**–**	**–**	**34**	**34**
Nuclear	9	7	–	–	–	–	–	–	–	–	6	4
Lignite	–	–	–	–	–	–	–	4	19	19	5	4
Hard coal	24	27	–	–	–	–	–	–	–	–	15	17
Natural gas, oil	15	16	–	–	–	–	85	79	81	81	31	32
Hydro	–	–	35	38	–	–	–	–	–	–	4	4
Wind	–	–	43	41	–	–	–	–	–	–	4	4
Other	–	–	1	1	–	–	15	17	–	–	1	1
Outside Germany	**48**	**50**	**79**	**80**	**–**	**–**	**100**	**100**	**100**	**100**	**66**	**66**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Power Sales

The E.ON Group's consolidated first-quarter power sales were 17.3 billion kWh below the prior-year level.

Power Sales

Jan. 1–Mar. 31 Billion kWh	Generation		Renewables		Global Commodities		Germany		Other EU Countries		Non-EU Countries		Consolidation		E.ON Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Residential and SME	–	–	–	–	–	–	7.0	7.5	16.2	17.5	–	–	–	–	23.2	25.0
I&C	0.8	1.0	–	–	–	–	6.7	8.8	18.4	19.1	–	–	–	–	25.9	28.9
Sales partners	9.6	9.6	2.6	1.9	–	–	21.0	21.5	0.1	0.1	–	–	–	–	33.3	33.1
Customer groups	**10.4**	**10.6**	**2.6**	**1.9**	**–**	**–**	**34.7**	**37.8**	**34.7**	**36.7**	**–**	**–**	**–**	**–**	**82.4**	**87.0**
Wholesale market/ Global Commodities	39.5	43.3	7.3	7.1	140.7	165.6	9.4	7.7	4.3	5.1	17.7	18.4	-110.3	-125.9	108.6	121.3
Total	**49.9**	**53.9**	**9.9**	**9.0**	**140.7**	**165.6**	**44.1**	**45.5**	**39.0**	**41.8**	**17.7**	**18.4**	**-110.3**	**-125.9**	**191.0**	**208.3**

Generation's power sales declined by 4 billion kWh, mainly because of the closure of Kingsnorth power station and Grain oil-fired power station, the conversion of Ironbridge power station to biomass, and the reduced dispatch of coal-fired and gas-fired assets in Germany, Spain, and the Netherlands. An increase in deliveries from our power plants in Spain was the main positive factor.

Renewables sold 0.9 billion kWh more power than in the prior-year period. Power sales at Hydro were higher in Italy, Spain, and Germany owing to increases in owned generation and in sales to Global Commodities and, in the case of Spain, an increase in sales on the wholesale market. Lower reservoir inflow relative to the prior year led to a decline in Hydro's power sales in Sweden. Wind/Solar/Other, which sells its output exclusively in markets with renewables incentive mechanisms (which are generally becoming less numerous and less remunerative), grew its power sales by 0.6 billion kWh, or 17 percent, chiefly because of an increase in installed generating capacity.

Global Commodities' power sales declined owing to a reduction in trading activities to optimize the value of E.ON's generation portfolio.

Power sales at the Germany regional unit declined by about 3 percent year on year owing to customer losses.

Other EU Countries sold 2.8 billion kWh less power. An aggregate decline of 1.4 billion kWh in Romania, Italy, France, the Netherlands, and Czechia more than offset an aggregate gain of 0.3 billion kWh in the United Kingdom and Spain. The disposal of the Bulgaria regional unit in late June 2012 was responsible for 1.7 billion kWh of the decline in sales volume.

Our Russia business accounted for all of the power sales at Non-EU Countries. Owing to a decline in owned generation, it sold 0.7 billion kWh, or 4 percent, less power than in the prior-year period.

Gas Procurement and Production

The Global Commodities unit procured about 405.6 billion kWh of natural gas from producers in and outside Germany in the first quarter of 2013. About half of this amount was procured under long-term contracts, the remainder at trading hubs. The biggest suppliers were the Netherlands, Russia, Germany, and Norway.

Upstream Production			
January 1–March 31	2013	2012	+/- %
Oil/condensates (million barrels)	1.0	0.8	+25
Gas (million standard cubic meters)	309.0	266.6	+16
Total (million barrels of oil equivalent)	**2.9**	**2.5**	**+16**

Exploration & Production's gas production in the North Sea rose to 309 million cubic meters. Oil and condensates production of 1 million barrels was also higher, increasing by 25 percent from the prior-year figure. The main factors were the start of production at Skarv and Hyme fields, which more than offset natural production declines at older fields and lower production due to technical issues at Elgin/Franklin field. Together, these factors caused total upstream production of gas, liquids, and condensates to rise by 16 percent to 2.9 million barrels of oil equivalent. In addition to its North Sea production, Exploration & Production had 1,683 million cubic meters of output from Siberia's Yuzhno Russkoye gas field, which is accounted for using the equity method. This figure was somewhat lower than the prior-year figure.

Gas Sales

The E.ON Group increased its consolidated first-quarter gas sales by 19.9 billion kWh, or 5 percent, to 409 billion kWh.

Global Commodities' gas sales rose by 8 percent from the prior-year figure. Gas sales to industrial and commercial ("I&C") customers were lower because of a reduction in the sale of control energy. This was offset by a weather-driven increase in gas sales to sales partners. Gas sales to the Germany regional unit increased to about 142 billion kWh. Gas sales outside Germany declined by about 6 billion kWh owing to a reduction in deliveries to Austria and Spain.

The Germany regional unit recorded an increase in gas sales volume, mainly because of the acquisition of new sales-partner customers and higher sales to existing customers.

On balance, Other EU Countries sold 1.1 billion kWh less gas than in the prior-year period. Gas sales declined by a total of 6 billion kWh in several countries (in particular Romania, France, Hungary, and Czechia) and increased by a total of 4.9 billion kWh in the United Kingdom, Spain, and the Netherlands.

Gas Sales										
January 1–March 31	Global Commodities		Germany		Other EU Countries		Consolidation		E.ON Group	
Billion kWh	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Residential and SME	–	–	11.0	10.3	45.2	44.0	–	–	56.2	54.3
I&C	2.7	5.4	33.3	36.0	17.4	17.7	-1.4	-2.0	52.0	57.1
Sales partners	28.0	25.1	121.6	113.4	0.4	–	-27.1	-26.4	122.9	112.1
Customer groups	**30.7**	**30.5**	**165.9**	**159.7**	**63.0**	**61.7**	**-28.5**	**-28.4**	**231.1**	**223.5**
Germany	142.3	134.1	–	–	–	–	-142.3	-134.1	–	–
Other countries	26.3	32.7	–	–	–	–	-9.8	-12.4	16.5	20.3
Wholesale market/ Global Commodities	218.3	190.2	–	–	6.2	8.6	-63.1	-53.5	161.4	145.3
Total	**417.6**	**387.5**	**165.9**	**159.7**	**69.2**	**70.3**	**-243.7**	**-228.4**	**409.0**	**389.1**

Earnings Situation

Business Performance

Our business performance in the first quarter of 2013 was in line with our expectations. Our sales of €35.9 billion were at the prior-year level. Our EBITDA declined by about €0.2 billion to €3.6 billion. Cost savings delivered by our E.ON 2.0 program and higher earnings at Renewables had a positive impact on earnings but were more than offset by the absence of earnings streams from divested companies and the effect of the current market situation in fossil-fueled power generation. Relative to net income attributable to shareholders of E.ON SE, our underlying net income declined by €0.3 billion to €1.4 billion, primarily because our book gains were higher than in the prior-year period.

Transfer Price System

Deliveries from our generation units to Global Commodities are settled according to a market-based transfer price system. Generally, our internal transfer prices are derived from the forward prices that are current in the marketplace up to three years prior to delivery. The resulting transfer prices for power deliveries from our outright portfolio in 2013 were higher than the prices for deliveries in 2012.

Sales

Our first-quarter sales of €35.9 billion were at the prior-year level.

Sales

January 1–March 31 € in millions	2013	2012	+/- %
Generation	3,085	3,759	-18
Renewables	665	639	+4
Global Commodities	25,930	27,470	-6
Exploration & Production	459	447	+3
Germany	11,125	11,142	–
Other EU Countries	7,371	7,389	–
Non-EU Countries	516	486	+6
Group Management/ Consolidation	-13,270	-15,601	–
Total	**35,881**	**35,731**	**–**

Generation

Generation's first-quarter sales declined by €0.7 billion, or 18 percent, year on year.

Sales

January 1–March 31 € in millions	2013	2012	+/- %
Nuclear	1,247	1,193	+5
Fossil	1,837	2,548	-28
Other	1	18	-94
Generation	**3,085**	**3,759**	**-18**

Nuclear's sales rose by €54 million, or 5 percent. Higher sales volume in Sweden was the main factor. This was partially mitigated by lower average prices.

Fossil's sales were €711 million, or 28 percent, lower. The decline resulted primarily from the closure of Kingsnorth power station and Grain oil-fired power station and the conversion of Ironbridge power station to biomass in the United Kingdom. Other negative factors included the reduced dispatch of coal-fired and gas-fired assets in Germany, Spain, and the Netherlands owing to the adverse market situation, lower internal transfer prices relative to the prior-year period on deliveries to Global Commodities, and the absence of compensation for emission allowances, which had been allocated at no cost until the end of 2012.

Renewables

Sales at Renewables rose by €26 million.

Sales

January 1–March 31 € in millions	2013	2012	+/- %
Hydro	382	364	+5
Wind/Solar/Other	283	275	+3
Renewables	**665**	**639**	**+4**

Sales at Hydro increased by 5 percent to €382 million, mainly because of higher sales volume in Italy and a weather-driven increase in output in Spain. Sales in Germany declined as a result of lower prices for peakload power, which influenced the compensation for deliveries from storage and pumped-storage hydroelectric stations.

The reason for the €8 million rise in Wind/Solar/Other's sales was an increase in installed generating capacity.

Global Commodities

Global Commodities' sales declined by €1.5 billion.

Sales January 1–March 31 € in millions	2013	2012	+/- %
Proprietary Trading	19	13	+46
Optimization	25,906	27,373	-5
Gas Transport/Shareholdings/ Other	5	84	-94
Global Commodities	**25,930**	**27,470**	**-6**

The Optimization reporting unit consists of our wholesale gas business, gas storage business, and asset optimization. Sales declined on the power side owing to lower prices and a reduction in trading activity to optimize E.ON-owned power stations. Sales on the gas side rose, mainly because of a weather-driven increase in the wholesale business in continental Europe and the United Kingdom and also because of increased optimization activities via market access.

Sales at the Gas Transport/Shareholdings/Other reporting unit were significantly below the prior-year level owing to the sale of Open Grid Europe in late July 2012.

Exploration & Production

Sales at Exploration & Production rose by 3 percent to €459 million (prior year: €447 million) owing to an increase in production at our North Sea fields. Positive price developments for gas from Yuzhno Russkoye gas field in Siberia were partially mitigated by currency-translation effects and slightly lower production volume.

Germany

Sales at the Germany regional unit were at the prior-year level. To simplify internal planning and management, we reassigned some companies from the Non-regulated/Other to the Distribution Networks reporting unit.

Sales January 1–March 31 € in millions	2013	2012	+/- %
Distribution Networks	3,605	3,208	+12
Non-regulated/Other	7,520	7,934	-5
Germany	**11,125**	**11,142**	**–**

The Distribution Networks reporting unit grew sales by €397 million. This significant increase is principally attributable to higher sales in conjunction with Germany's Renewable Energy Law and to the transfer of companies from Non-regulated/Other.

Sales at the Non-regulated/Other reporting unit declined by €414 million, chiefly because of transfer of companies to Distribution Networks.

Other EU Countries

Other EU Countries' sales of €7.4 billion were at the prior-year level.

Sales January 1–March 31 € in millions	2013	2012	+/- %
UK (£ in millions)	3,088 (2,629)	2,806 (2,342)	+10 (+12)
Sweden (SEK in millions)	971 (8,250)	916 (8,110)	+6 (+2)
Czechia (CZK in millions)	864 (22,091)	945 (23,710)	-9 (-7)
Hungary (HUF in millions)	537 (159,347)	568 (168,721)	-5 (-6)
Remaining regional units	1,911	2,154	-11
Other EU Countries	**7,371**	**7,389**	**–**

Sales at the UK regional unit rose by €0.3 billion, primarily because of higher retail sales resulting from increased demand due to low temperatures in the first quarter of 2013.

The Sweden regional unit's sales increased by €55 million, which includes positive currency-translation effects of €39 million. A weather-driven increase in sales volume to residential and SME customers was the principal positive factor.

Sales in Czechia fell by €81 million owing primarily to lower compensation payments for the preferential dispatch of renewable-source electricity in the distribution network. Currency-translation effects constituted another negative factor.

Sales at the Hungary regional unit declined by €31 million owing to lower sales prices in the regulated power and gas business and lower gas sales volume.

Sales at the remaining regional units fell by €243 million, in particular because of lower power and gas sales volume in Romania and France and the disposal of operations in Bulgaria. Sales rose in Italy and Spain on positive price effects in the gas business along with higher power and gas sales volume in Spain.

Non-EU Countries

Non-EU Countries' sales include only those of our Russia unit. The other operations are accounted for under the equity method.

Sales

January 1–March 31 € in millions	2013	2012	+/- %
Russia (RUB in millions)	516 (20,740)	486 (19,238)	+6 (+8)
Non-EU Countries	**516**	**486**	**+6**

The Russia unit's first-quarter sales rose by €30 million. The main reasons for the increase were higher prices on day-ahead market as well as price adjustments in the capacity markets for existing and new generating capacity; the adjustments for existing capacity were inflation-driven.

Significant Line Items from the Consolidated Statements of Income

Own work capitalized of €79 million was 155 percent above the prior-year figure (€31 million). The main reason is that more engineering services for generation new-build projects were performed in the first quarter of 2013.

Other operating income rose by 49 percent to €4,759 million (prior year: €3,186 million). Gains on the sale of securities, property, plant, and equipment ("PP&E"), and shareholdings constituted the main factor, amounting to €1,110 million (€162 million). In the current-year period these gains resulted primarily from the sale of shareholdings and SPP. With the closure of this transaction, currency-translation effects of €0.3 billion were recorded in income. In the prior-year period the gains resulted primarily from the sale of securities and PP&E. Furthermore, income from exchange-rate differences of €1,394 million (€1,104 million) and income from derivative financial instruments of €1,886 million (€1,588 million) was higher. In particular, there were effects on derivative financial instruments in our currency positions. Miscellaneous other operating income consisted primarily of reductions to valuation allowances and provisions as well as compensation payments received for damages.

Costs of materials rose slightly (by €332 million) to €30,769 million (prior year: €30,437 million).

Personnel costs rose by 2 percent to €1,227 million (prior year: €1,202 million), mainly because of restructuring as part of E.ON 2.0. The sale of our gas transmission business, Open Grid Europe ("OGE"), had a countervailing effect.

Depreciation charges of €1,089 million were above the prior-year figure of €942 million, in particular because of impairment changes on goodwill and PP&E of E.ON Földgáz Storage and E.ON Földgáz Trade in conjunction with their reclassification as assets held for sale.

Other operating expenses rose by 4 percent to €4,001 million (prior year: €3,864 million). This is mainly attributable to higher expenditures relating to currency differences of €1,312 million (€1,024 million). These were offset slightly by lower expenditures relating to derivative financial instruments of €1,604 million (€1,659 million).

Income from companies accounted for under the equity method declined by €319 million to -€69 million (prior year: €250 million), in part because of the absence of positive earnings from OGE, which was sold in 2012. Impairment charges on equity interests at our Renewables segment and at Non-EU Countries constituted another factor.

EBITDA

Our key figure for purposes of internal management control and as an indicator of our units' long-term earnings power is earnings before interest, taxes, depreciation, and amortization ("EBITDA"), which we adjust to exclude certain extraordinary items. EBITDA is unaffected by investment and depreciation cycles and also provides an indication of our cash-effective earnings (see the commentary in Note 13 to the Condensed Consolidated Interim Financial Statements).

Our first-quarter EBITDA was down by about €0.2 billion year on year. The positive factors were:
- cost savings delivered by our E.ON 2.0 program
- higher earnings at Renewables.

These factors were more than offset by:
- the absence of earnings streams from divested companies
- the effect of the current market conditions in fossil generation.

EBITDA[1] January 1–March 31 € in millions	2013	2012	+/- %
Generation	866	1,131	-23
Renewables	468	391	+20
Global Commodities	223	197	+13
Exploration & Production	177	228	-22
Germany	838	729	+15
Other EU Countries	904	911	-1
Non-EU Countries	193	200	-4
Group Management/ Consolidation	-92	-19	–
Total	**3,577**	**3,768**	**-5**

[1]Adjusted for extraordinary effects.

Generation

Generation's EBITDA decreased by €265 million, or 23 percent.

Generation January 1–March 31 € in millions	EBITDA[1] 2013	EBITDA[1] 2012	EBIT[1] 2013	EBIT[1] 2012
Nuclear	681	582	626	534
Fossil	194	599	44	432
Other	-9	-50	-9	-50
Total	**866**	**1,131**	**661**	**916**

[1]Adjusted for extraordinary effects.

The primary positive factors at Nuclear were the release of provisions in Germany and higher sale volume in Sweden, which together increased EBITDA by €99 million.

Fossil's EBITDA fell by €405 million. The main reasons were the absence of compensation for emission allowances (which had been allocated at no cost until the end of 2012) and lower internal transfer prices relative to the prior-year period. Earnings were also adversely affected by the closure of Kingsnorth power station, the conversion of Ironbridge power station to biomass, and closure of Grain oil-fired power station in the United Kingdom.

Renewables

Renewables' EBITDA increased by €77 million, or 20 percent.

Renewables January 1–March 31 € in millions	EBITDA[1] 2013	EBITDA[1] 2012	EBIT[1] 2013	EBIT[1] 2012
Hydro	251	217	222	189
Wind/Solar/Other	217	174	146	106
Total	**468**	**391**	**368**	**295**

[1]Adjusted for extraordinary effects.

EBITDA at Hydro increased by 16 percent to €251 million, mainly because of higher sales volume in Italy and a weather-driven increase in output in Spain. EBITDA was adversely affected in Germany by lower prices for peakload power from pumped-storage hydroelectric stations and in Sweden by the higher costs of a real estate tax.

Wind/Solar/Other's EBITDA rose by 25 percent owing to an increase in installed generating capacity. The percentage of the earnings increase significantly surpassed that of the increase in sales because some incentive mechanisms (such as the production tax credit for renewable energy in the United States) only impact earnings.

Global Commodities

Global Commodities' EBITDA surpassed the prior-year figure by €26 million.

Global Commodities January 1–March 31 € in millions	EBITDA[1] 2013	EBITDA[1] 2012	EBIT[1] 2013	EBIT[1] 2012
Proprietary Trading	7	-4	7	-4
Optimization	178	-79	142	-115
Gas Transport/ Shareholdings/Other	38	280	36	244
Total	**223**	**197**	**185**	**125**

[1]Adjusted for extraordinary effects.

Proprietary Trading's EBITDA was slightly above the prior-year figure, which was affected by lower earnings in the gas and oil portfolios.

EBITDA at Optimization rose by €257 million, mainly because of advantageous carbon-trading activities supported by the absence of hedging costs relative to the prior-year period; however, these effects will be almost entirely offset by the end of 2013. An increase in storage usage and the positive development of the midstream gas business also had a positive effect on earnings.

EBITDA at Gas Transport/Shareholdings/Other was lower due to the sale of Open Grid Europe in late July 2012.

Exploration & Production

EBITDA at Exploration & Production declined by 22 percent to €177 million (prior year: €228 million). Higher operating costs resulting from the start of production at Skarv and Hyme fields in the North Sea constituted the main adverse factor. This was partially offset by an increase in production at our North Sea fields. First-quarter EBIT was €83 million (€134 million).

Germany

EBITDA at the Germany regional unit increased by €109 million.

Germany January 1–March 31 € in millions	EBITDA[1] 2013	EBITDA[1] 2012	EBIT[1] 2013	EBIT[1] 2012
Distribution Networks	686	595	522	439
Non-regulated/Other	152	134	132	68
Total	**838**	**729**	**654**	**507**

[1]Adjusted for extraordinary effects.

EBITDA at Distribution Networks rose by €91 million. The transfer of companies from Non-regulated/Other and improvements delivered by cost-cutting measures were the principal positive factors.

EBITDA at Non-regulated/Other surpassed the prior-year figure by €18 million, mainly because of the transfer of companies to Distribution Networks and operating effects in the retail business.

Other EU Countries

Other EU Countries' EBITDA was €0.9 billion above the prior-year figure.

Other EU Countries January 1–March 31 € in millions	EBITDA[1] 2013	EBITDA[1] 2012	EBIT[1] 2013	EBIT[1] 2012
UK (£ in millions)	245 (208)	221 (184)	229 (194)	193 (162)
Sweden (SEK in millions)	296 (2,516)	232 (2,050)	233 (1,980)	171 (1,515)
Czechia (CZK in millions)	161 (4,114)	203 (5,102)	134 (3,421)	175 (4,400)
Hungary (HUF in millions)	26 (7,608)	53 (15,660)	2 (563)	28 (8,354)
Remaining regional units	176	202	146	177
Total	**904**	**911**	**744**	**744**

[1]Adjusted for extraordinary effects.

EBITDA at the UK regional unit was €24 million, or 10 percent, above the prior-year level due to operational improvements.

The Sweden regional unit's EBITDA increased by €64 million, which includes positive currency-translation effects of €12 million. Lower temperatures compared with the prior-year quarter and a new price model in the heat business were also positive factors.

EBITDA in Czechia fell by €42 million owing primarily to lower compensation payments for the preferential dispatch of renewable-source electricity in the distribution network and the sale of our minority stake in JMP.

The main contributions to the Hungary regional unit's EBITDA came from its distribution network business (€5 million) and its retail business (€15 million). The main reason for the year-on-year decline was a new tax on power companies that took effect in 2013 and must be paid in full in the first quarter for the entire year. The expiration of a revenue-based crisis tax introduced in 2010 had a positive impact on EBITDA.

EBITDA at the remaining regional units declined by €26 million, or 13 percent. This was mainly because of lower earnings in the Netherlands (due to the sale of a shareholding in the prior year) and in Spain (due to narrower gross margins in the distribution business). The disposal of the Bulgaria regional unit in late June 2012 also had an adverse impact on earnings. The Romania regional unit's EBITDA was significantly higher because of wider gross margins in the retail business reflecting reimbursement for gas procurement costs from earlier periods, lower network losses in the gas business, and higher tariffs for power distribution.

Non-EU Countries

Non-EU Countries' EBITDA declined by €7 million, or 4 percent.

Non-EU Countries

January 1 – March 31 € in millions	EBITDA[1]		EBIT[1]	
	2013	2012	2013	2012
Russia (RUB in millions)	200 (8,039)	200 (7,903)	158 (6,336)	145 (5,746)
Other non-EU countries	-7	–	-7	–
Total	**193**	**200**	**151**	**145**

[1]Adjusted for extraordinary effects.

The Russia unit's EBITDA was at the prior-year level. Higher prices on the day-ahead market and increases in capacity prices were offset mainly by an inflation-driven increase in fuel costs and a provision for potentially unrecoverable receivables.

EBITDA at Other Non-EU Countries consists of our activities in Brazil which are accounted for under the equity method.

Net Income

Net income attributable to shareholders of E.ON SE of €2,150 million and corresponding earnings per share of €1.13 were considerably above the respective prior-year figures of €1,713 million and €0.90.

Net Income

January 1–March 31 € in millions	2013	2012
EBITDA[1]	**3,577**	**3,768**
Depreciation and amortization	-837	-902
Impairments (-)/Reversals (+)[2]	-5	-37
EBIT[1]	**2,735**	**2,829**
Economic interest income (net)	-461	-498
Net book gains/losses	1,021	92
Restructuring/cost-management expenses	-123	-39
Other non-operating earnings	-112	-84
Income/Loss (-) from continuing operations before taxes	**3,060**	**2,300**
Income taxes	-727	-457
Income/Loss (-) from continuing operations	**2,333**	**1,843**
Income from discontinued operations, net	–	27
Net income	**2,333**	**1,870**
Attributable to shareholders of E.ON SE	*2,150*	*1,713*
Attributable to non-controlling interests	*183*	*157*

[1]Adjusted for extraordinary effects.
[2]Impairments differ from the 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.

The improvement in our economic interest expense is mainly attributable to our improved net financial position.

Economic Interest Expense

January 1–March 31 € in millions	2013	2012
Interest expense shown in Consolidated Statements of Income	-460	-507
Interest income (-)/expense (+) not affecting net income	-1	9
Total	**-461**	**-498**

First-quarter net book gains were about €929 million above the prior-year level. Book gains were recorded primarily on the sale of E.ON Thüringer Energie, a stake in Slovakian energy company SPP, a minority stake in JMP in Czechia, and securities and network segments in Germany. The prior-year figure consists of book gains on the sale of securities and network segments in Germany.

Restructuring and cost-management expenditures rose by €84 million and resulted mainly from internal cost-cutting programs. The prior-year figure reflects restructuring measures at regional utilities in Germany and internal cost-cutting programs.

Other non-operating earnings of -€112 million (prior year: -€84 million) include the marking to market of derivatives. We use derivatives to shield our operating business from price fluctuations. Marking to market at March 31, 2013, resulted in a positive effect of €349 million compared with -€19 million at the prior-year balance-sheet date. Our global and regional units were adversely affected by a generally deteriorated business environment and by regulatory intervention. We therefore had to record impairment charges totaling €0.4 billion, in particular at Renewables, Non-EU Countries, and Global Commodities. One quarter of these charges were on goodwill, three quarters on property, plant, and equipment ("PP&E") and intangible assets.

In addition, we recorded impairment charges on PP&E at Other EU Countries in both the current and prior-year periods.

The increase in our tax expense compared with 2012 is mainly attributable to our higher earnings in 2013. Our tax rate increased from 20 percent in 2012 to 24 percent in 2013.

Income/Loss from discontinued operations, net, consists of the earnings from contractual obligations of operations that have already been sold. Pursuant to IFRS, these earnings are reported separately in the Consolidated Statements of Income.

Underlying Net Income

Net income reflects not only our operating performance but also special effects, such as the marking to market of derivatives. Underlying 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 non-controlling interests) of a special or rare nature. Underlying net income also excludes income/loss from discontinued operations (after taxes and interests without a controlling influence), as well as special tax effects.

Underlying Net Income

January 1–March 31 € in millions	2013	2012
Net income attributable to shareholders of E.ON SE	2,150	1,713
Net book gains/losses	-1,021	-92
Restructuring/cost-management expenses	123	39
Other non-operating earnings	112	84
Taxes and non-controlling interests on non-operating earnings	30	-28
Special tax effects	–	-27
Income/Loss from discontinued operations, net	–	-27
Total	**1,394**	**1,662**

Financial Condition

E.ON presents its financial condition using, among other financial measures, economic net debt and operating cash flow.

Financial Position

Compared with the figure recorded at December 31, 2012 (-€35.9 billion), our economic net debt declined by €4.3 billion to -€31.6 billion. The main reason for the decline was that proceeds from divestments and our positive operating cash flow substantially exceeded our investment expenditures.

The calculation of economic net debt includes the fair value (net) of currency derivatives used for financing transactions (but excluding transactions relating to our operating business and asset management) in order to also reflect the foreign-currency effects of financial transactions which, for accounting reasons, would not be included in the components of net financial position. Effective January 1, 2013, we calculate fair value pursuant to IFRS 13.

Economic Net Debt

€ in millions	March 31, 2013	Dec. 31, 2012
Liquid funds	10,659	6,546
Non-current securities	4,314	4,746
Total liquid funds and non-current securities	**14,973**	**11,292**
Financial liabilities to banks and third parties	-24,488	-25,014
Financial liabilities resulting from interests in associated companies and other shareholdings	-894	-930
Total financial liabilities	**-25,382**	**-25,944**
Net financial position	**-10,409**	**-14,652**
Fair value (net) of currency derivatives used for financing transactions[1]	143	145
Provisions for pensions	-4,966	-4,945
Asset-retirement obligations	-18,249	-18,225
Less prepayments to Swedish nuclear fund	1,896	1,743
Economic net debt	**-31,585**	**-35,934**

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

E.ON did not issue or repurchase bonds in the first quarter of 2013; regular bond maturities amounted to €0.7 billion. On balance, E.ON's gross financial liabilities to financial institutions and third parties declined by €0.5 billion to €24.5 billion relative to year-end 2012, mainly because of a reduction in the amount of bonds outstanding.

In April 2013, E.ON's Debt Issuance Program ("DIP") was extended, as planned, for another year. The DIP enables us to issue debt to investors in public and private placements. It has a total volume of €35 billion, of which about €18 billion was utilized at the time of the extension.

Standard & Poor's ("S&P") long-term rating for E.ON is A-. Moody's long-term rating for E.ON is A3. Both of these ratings have a stable outlook. The short-term ratings are A-2 (S&P) and P-2 (Moody's). In July 2012, S&P downgraded its A rating to A- with a stable outlook and its short-term rating from A-1 to A-2.

Investments

Our first-quarter investments were €249 million below the prior-year level. We invested about €703 million in property, plant, and equipment ("PP&E") and intangible assets (prior year: €1,080 million). Share investments totaled €212 million versus €84 million in the prior-year period.

Investments

January 1–March 31 € in millions	2013	2012	+/- %
Generation	120	277	-57
Renewables	115	357	-68
Global Commodities	47	78	-40
Exploration & Production	108	130	-17
Germany	310	123	+152
Other EU Countries	153	154	-1
Non-EU Countries	51	70	-27
Group Management/ Consolidation	11	-25	–
Total	**915**	**1,164**	**-21**
Maintenance investments	*103*	*137*	*-25*
Growth and replacement investments	*812*	*1,027*	*-21*

Generation invested €157 million less than in the prior-year period. Investments in PP&E and intangible assets declined by €89 million, from €202 million to €113 million. The main reasons for the decline were the disposal of a nuclear-power joint venture and the completion of Grain gas-fired power plant in the United Kingdom along with generally lower investment expenditures in Sweden and Germany. We invested more in the project to build a new coal-fired generating unit at Maasvlakte power station in the Netherlands. Share investments totaled €7 million (prior year: €75 million).

Investments at Renewables declined by €242 million. Hydro's investments doubled from €9 million to €18 million. Wind/Solar/Other's investments fell by 72 percent, from €348 million to €98 million. The high prior-year figure principally reflects the completion of three large wind farms in the United States.

Global Commodities invested €47 million (prior year: €78 million), almost all of which went toward PP&E and intangible assets, mainly for gas storage.

Exploration & Production invested €108 million (prior year: €130 million) in PP&E and intangible assets. Investments in Skarv field amounted to €41 million (€67 million).

The Germany regional unit invested €187 million more than in the prior-year period. Investments in PP&E and intangible assets totaled €106 million. Of these investments, €92 million went toward the network business and €9 million toward the district-heating business. Share investments totaled €204 million (prior year: €2 million). Share investments were considerably higher because this segment took over the 49-percent stake in the joint venture that owns 100 percent of the equity in E.ON Energy from Waste.

Investments at Other EU Countries were at the prior-year level. The UK regional unit invested about €16 million (prior year: €25 million). The Sweden unit's investments of €67 million were €22 million above the prior-year figure of €45 million, investments served to expand distributed generation and to expand and upgrade the distribution network, including adding new connections. Investments totaled €29 million (€16 million) in Czechia, €12 million (€34 million) in Hungary, and €29 million in the remaining EU countries (€34 million), a decline that primarily reflects the disposal of the Bulgaria regional unit in late June 2012.

The Russia unit accounted for all of the investments—€51 million (prior year: €70 million)—at Non-EU Countries. These were primarily for Russia's new-build program.

Cash Flow

At €1,624 million, our operating cash flow was significantly above the prior-year figure of €448 million. The main positive factor was that in the prior-year period we paid a withholding tax on an intragroup dividend distribution. The tax was fully creditable and was refunded in full in the third quarter of 2012. The primary countervailing factor was a volume- and price-driven increase in retail receivables in the United Kingdom.

Cash provided by investing activities of continuing operations amounted to approximately €1.4 billion in the first quarter of 2013 (prior year: -€0.9 billion). Investment expenditures were €0.2 billion below the prior-year figure. At €3.4 billion, cash recorded on disposals surpassed the prior-year figure by a wide margin. The increase is almost entirely attributable to the significant cash recorded on the sale of activities in Germany, Slovakia, Czechia, and the United States. There were no significant disposals in the prior-year period. Changes in securities and fixed-term deposits resulted in cash inflows of €0.3 billion in the prior-year period and cash outflows of €0.9 billion in the current-year period.

Cash provided by financing activities of continuing operations amounted to -€0.5 billion (prior year: -€1.2 billion). The change mainly reflects a higher net repayment of financial liabilities in the prior-year period.

Asset Situation

Non-current assets at March 31, 2013, were on par with the figure at year-end 2012. Investments in property, plant, and equipment ("PP&E") in the first quarter offset the reclassification of the assets of E.ON Földgáz Trade and E.ON Földgáz Storage in Hungary as assets held for sale.

Current assets increased slightly (by 2 percent) from year-end 2012. The main factors were an increase in operating receivables, receivables from derivative financial instruments, and liquid funds as well as the reclassification of the assets of E.ON Földgáz Trade and E.ON Földgáz Storage as assets held for sale. These factors were partially counteracted by a decline in inventory resulting from withdrawals from gas storage facilities. In addition, the sale of E.ON Thüringer Energie, SPP, E.ON Energy from Waste, and stakes in wind farms in North America reduced assets held for sale.

Our equity ratio at March 31, 2013, rose to 29 percent from 28 percent at year-end 2012. The effect of currency translations on assets and liabilities was about the same as at year-end 2012.

Non-current liabilities declined by 2 percent from the figure at year-end 2012, mainly because of a reduction in financial liabilities.

Current liabilities at the end of the first quarter were at the level of year-end 2012. Higher current financial liabilities were partially offset by the reclassification of debt in conjunction with assets held for sale.

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 42 percent (December 31, 2012: 40 percent).
- Non-current assets are covered by long-term capital at 108 percent (December 31, 2012: 108 percent).

Consolidated Assets, Liabilities, and Equity

€ in millions	Mar. 31, 2013	%	Dec. 31, 2012	%
Non-current assets	96,112	68	96,563	69
Current assets	44,787	32	43,863	31
Total assets	**140,899**	**100**	**140,426**	**100**
Equity	40,166	29	38,820	28
Non-current liabilities	63,908	45	65,027	46
Current liabilities	36,825	26	36,579	26
Total equity and liabilities	**140,899**	**100**	**140,426**	**100**

Employees

As of March 31, 2013, the E.ON Group had 68,735 employees worldwide, about 5 percent fewer than at year-end 2012. E.ON also had 1,628 apprentices and 238 board members and managing directors. As of the same date, 40,168 employees, or 58 percent of all staff, were working outside Germany, 2 percentage points more than at year-end 2012.

Employees[1]

	March 31, 2013	Dec. 31, 2012	+/- %
Generation	9,786	10,055	-3
Renewables	1,788	1,846	-3
Global Commodities	2,101	2,190	-4
Exploration & Production	187	183	+2
Germany	15,150	17,983	-16
Other EU Countries	28,540	28,628	–
Non-EU Countries	5,044	5,038	–
Group Management/Other[2]	6,139	6,160	–
Total	**68,735**	**72,083**	**-5**

[1]Does not include board members, managing directors, or apprentices.
[2]Includes E.ON IT Group.

Generation's headcount was lower due mainly to the expiration of temporary contracts, early retirement arrangements, and staff reductions as part of E.ON 2.0.

The decline at Renewables resulted from normal turnover for which not all positions had yet been filled. This was partly offset by hiring at the wind business in North America.

Global Commodities' headcount was lower because of turnover and E.ON 2.0 staff reductions.

Hiring to fill already budgeted positions, mainly in Norway, was responsible for the slight increase at Exploration & Production. The closure of E&P GmbH in Germany had a negative impact on staff numbers.

The headcount at the Germany regional unit was lower mainly because of the sale of stakes in E.ON Thüringer Energie and E.ON Energy from Waste.

The slight decline in the number of employees at Other EU Countries is chiefly attributable to the disposal of a heating business in Czechia and efficiency enhancements and E.ON 2.0 staff reductions, particularly in the United Kingdom. These effects were largely offset by an increase in headcount at our gas business in Romania.

Our Russia business accounted for all of the employees at Non-EU Countries. The slight increase in headcount at Russia was due mainly to hiring for new-build projects and maintenance work.

Group Management/Other's headcount declined slightly owing to turnover and staff reductions as part of E.ON 2.0.

Subsequent Events Report

We concluded the acquisition of a stake in Enerjisa, our joint venture with Sabanci Holding in Turkey, in late April 2013. The transaction is described in Note 14 to the Interim Condensed Consolidated Financial Statements.

Forecast

Future Macroeconomic Situation

Although in its March 2013 economic forecast the OECD reiterated the general expectations for global economic development it had made at year-end 2012, it announced that Europe's economic recovery would be weaker. At about the same time the European Commission also revised downward its expectations for economic growth in the EU and the euro zone. In March the German Council of Economic Experts halved its forecast rate for Germany's economic growth in 2013.

Anticipated Earnings Situation

Our forecast for full-year 2013 earnings continues to be significantly influenced by the difficult business environment in the energy industry.

We continue to expect our 2013 EBITDA to be between €9.2 and €9.8 billion. This forecast factors in the loss of earnings streams through planned asset sales under our divestment program. In addition, we expect our midstream gas business to return to a normal earnings level. The end of the no-cost allocation of carbon allowances and a deteriorated earnings situation at Generation resulting mainly from policy intervention are other negative factors. The expansion of production at Exploration & Production and the commissioning of new generating capacity at Renewables will have a positive impact on earnings. We also expect substantial effects from the measures taken under our E.ON 2.0 efficiency-enhancement program.

We continue to expect our 2013 underlying net income to be between €2.2 and €2.6 billion. Alongside the above-mentioned EBITDA effects, this will result from a higher interest expense and, we expect, a higher tax rate. In 2012 both our interest expense and tax rate were at a low level owing to non-recurring effects.

Our forecast by segment:

We expect Generation's 2013 EBITDA to be below the prior-year figure. The end of the no-cost allocation of carbon allowances is the main negative factor.

We anticipate that Renewables' earnings will be higher in 2013, in particular because of increases in installed wind and solar capacity.

We expect Global Commodities' EBITDA to be below the prior-year figure, owing mainly to the absence of positive one-off effects in the midstream gas business recorded in 2012.

We expect Exploration & Production's 2013 EBITDA to surpass the prior-year figure. Increased production at gas fields in the North Sea will be the main earnings driver.

We expect the Germany regional unit's 2013 EBITDA to be below the prior-year level, mainly because of planned disposals.

2013 EBITDA at Other EU Countries is expected to be at the prior-year level.

Our new activities in Brazil and Turkey are not yet factored into our forecast for Non-EU Countries. We expect Russia's 2013 EBITDA to be at the prior-year level owing to narrower power margins.

Risk Situation

The Combined Group Management Report contained in our 2012 Annual Report describes our risk management system and the measures we take to limit risks.

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. The resulting risks—market risks, commodity price risks, financial risks, strategic risks, operational risks, external risks, reputation risks, and IT risks—are described in detail in the 2012 Combined Group Management Report. These risks remained essentially unchanged at the end of the first quarter of 2013.

However, the situation surrounding the following two external risks has changed:

The E.ON Group's operations subject it to certain risks relating to legal proceedings, ongoing planning processes, and regulatory changes. For example, risks may result from submissions by Germany's Federal Court of Justice to the European Court of Justice ("ECJ") to request preliminary rulings on whether standard price-adjustment clauses in special-customer contracts (clauses that are also used by E.ON) and whether Germany's Basic Supply Ordinances (*Grundversorgungsverordnungen*) for Power and Gas comply with European law. The ECJ's ruling of March 21, 2013, in a case not involving the E.ON Group tends to increase these risks, although the ECJ deferred to the Federal Court of Justice to judge the case and make a ruling in accordance with German law. The Federal Court of Justice is expected to issue its ruling toward the end of 2013.

As established in its coalition agreement, in 2010 the German federal government lifted the Gorleben moratorium and, beginning in October 2010, continued the study of the Gorleben site, albeit with a number of subsequently stipulated restrictions. In late 2012 the Federal Ministry of the Environment announced that the study of Gorleben would be temporarily suspended. In 2012 the ministry formed a working group, which includes the federal states, to draft legislation that would govern how the search for a final storage site will proceed. On April 9, 2013, Federal Minister of the Environment Peter Altmaier, the premiers of the federal states, and the chairpeople of the various Bundestag fractions reached an agreement that the planned legislation would be passed before the Bundestag elections in September 2013, although the issue of retrieving waste from reprocessing facilities has not been resolved. The purpose of the initial draft legislation is to "stipulate the individual procedural steps for searching for and selecting a site for the safe storage of heat-generating, radioactive waste." The draft legislation mentions Gorleben as a possible site. After being updated, the initial draft legislation contains a passage for amending Section 21b of Germany's Atomic Energy Act such that the costs for "conducting a site-selection process pursuant to the Site Selection Act" are considered a necessary expense subject to passthrough and thus are to be borne by entities with a disposal obligation. According to a correct (albeit not undisputed) interpretation of the law, such a passthrough of costs is unconstitutional as long as Gorleben has not been deemed unsuitable.

Management's Evaluation of the Risk Situation

At the end of the first quarter of 2013, the risk situation of the E.ON Group's operating business had not changed significantly compared with year-end 2012. In the future, policy and regulatory intervention, increasing gas-market competition and its effect on sales volumes and prices along with delays in power and gas new-build projects could adversely affect our earnings situation. 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 segments.

Opportunity Report

The 2012 Combined Group Management Report describes the processes by which the E.ON Group identifies opportunities along with our businesses' main opportunities. At the end of the first quarter of 2013, these opportunities had not changed significantly

Review Report

To E.ON SE, Düsseldorf

We have reviewed the condensed consolidated interim financial statements—comprising the balance sheet, income statement, statement of recognized income and expenses, condensed cash flows statement, statement of changes in equity and selected explanatory notes—and the interim group management report of E.ON SE, Düsseldorf for the period from January 1 to March 31, 2013, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, May 7, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Norbert Schwieters	Michael Preiß
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Statements of Income

January 1–March 31, € in millions	Note	2013	2012[1]
Sales including electricity and energy taxes		36,440	36,344
Electricity and energy taxes		-559	-613
Sales	(13)	**35,881**	**35,731**
Changes in inventories (finished goods and work in progress)		-18	42
Own work capitalized		79	31
Other operating income		4,759	3,186
Cost of materials		-30,769	-30,437
Personnel costs		-1,227	-1,202
Depreciation, amortization and impairment charges		-1,089	-942
Other operating expenses		-4,001	-3,864
Income from companies accounted for under the equity method		-69	250
Income/Loss (-) from continuing operations before financial results and income taxes		**3,546**	**2,795**
Financial results	(6)	-486	-495
Income/Loss (-) from equity investments		*-26*	*12*
Income from other securities, interest and similar income		*143*	*179*
Interest and similar expenses		*-603*	*-686*
Income taxes		-727	-457
Income/Loss (-) from continuing operations		**2,333**	**1,843**
Income from discontinued operations, net		–	27
Net income		**2,333**	**1,870**
Attributable to shareholders of E.ON SE		*2,150*	*1,713*
Attributable to non-controlling interests		*183*	*157*
in €			
Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted	(7)		
from continuing operations		1.13	0.89
from discontinued operations		0.00	0.01
from net income		**1.13**	**0.90**

[1]Because of the initial application of IAS 19R, the comparative prior-year figures have been adjusted (see also Note 2).

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

January 1–March 31, € in millions	2013	2012
Net income	**2,333**	**1,870**
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations	14	-757
Income taxes	-20	220
Items never reclassified subsequently to profit or loss	**-6**	**-537**
Cash flow hedges	37	-107
Unrealized changes	*-29*	*-24*
Reclassification adjustments recognized in income	*66*	*-83*
Available-for-sale securities	1	-76
Unrealized changes	*59*	*-52*
Reclassification adjustments recognized in income	*-58*	*-24*
Currency translation adjustments	10	647
Unrealized changes	*30*	*654*
Reclassification adjustments recognized in income	*-20*	*-7*
Companies accounted for under the equity method	-372	3
Unrealized changes	*-28*	*3*
Reclassification adjustments recognized in income	*-344*	*–*
Income taxes	-12	-21
Items that may be reclassified subsequently to profit or loss	**-336**	**446**
Total income and expenses recognized directly in equity	**-342**	**-91**
Total recognized income and expenses (total comprehensive income)	**1,991**	**1,779**
Attributable to shareholders of E.ON SE	*1,786*	*1,549*
Attributable to non-controlling interests	*205*	*230*

Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Balance Sheets

€ in millions	Note	Mar. 31, 2013	Dec. 31, 2012[1]
Assets			
Goodwill		13,242	13,440
Intangible assets		6,748	6,869
Property, plant and equipment		53,719	54,173
Companies accounted for under the equity method	(8)	4,171	4,067
Other financial assets	(8)	6,081	6,358
Equity investments		*1,767*	*1,612*
Non-current securities		*4,314*	*4,746*
Financial receivables and other financial assets		3,883	3,692
Operating receivables and other operating assets		2,670	2,400
Income tax assets		115	123
Deferred tax assets		5,483	5,441
Non-current assets		**96,112**	**96,563**
Inventories		2,830	4,734
Financial receivables and other financial assets		2,065	2,058
Trade receivables and other operating assets		26,735	24,354
Income tax assets		891	910
Liquid funds		10,659	6,546
Securities and fixed-term deposits		*4,590*	*3,281*
Restricted cash and cash equivalents		*735*	*449*
Cash and cash equivalents		*5,334*	*2,816*
Assets held for sale	(4)	1,607	5,261
Current assets		**44,787**	**43,863**
Total assets		**140,899**	**140,426**
Equity and Liabilities			
Capital stock		2,001	2,001
Additional paid-in capital		13,740	13,740
Retained earnings		25,001	22,869
Accumulated other comprehensive income		-494	-147
Treasury shares	(9)	-3,505	-3,505
Equity attributable to shareholders of E.ON SE		**36,743**	**34,958**
Non-controlling interests (before reclassification)		3,958	4,410
Reclassification related to put options		-535	-548
Non-controlling interests		**3,423**	**3,862**
Equity		**40,166**	**38,820**
Financial liabilities		19,923	21,937
Operating liabilities		5,990	5,655
Income taxes		2,053	2,053
Provisions for pensions and similar obligations	(11)	4,966	4,945
Miscellaneous provisions		23,591	23,656
Deferred tax liabilities		7,385	6,781
Non-current liabilities		**63,908**	**65,027**
Financial liabilities		5,459	4,007
Trade payables and other operating liabilities		25,635	25,935
Income taxes		1,223	1,391
Miscellaneous provisions		4,189	4,049
Liabilities associated with assets held for sale	(4)	319	1,197
Current liabilities		**36,825**	**36,579**
Total equity and liabilities		**140,899**	**140,426**

[1]Because of the initial application of IAS 19R, the comparative prior-year figures have been adjusted (see also Note 2).

E.ON SE and Subsidiaries Consolidated Statements of Cash Flows

January 1–March 31, € in millions	2013	2012
Net income	2,333	1,870
Income/Loss (-) from discontinued operations, net	–	-27
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	1,089	942
Changes in provisions	495	297
Changes in deferred taxes	476	-120
Other non-cash income and expenses	-157	-475
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (>3 months)	-1,095	-142
Changes in operating assets and liabilities and in income taxes	-1,517	-1,897
Cash provided by operating activities of continuing operations (operating cash flow)[1]	**1,624**	**448**
Proceeds from disposal of	3,489	183
Intangible assets and property, plant and equipment	*90*	*138*
Equity investments	*3,399*	*45*
Purchases of investments in	-915	-1,164
Intangible assets and property, plant and equipment	*-703*	*-1,080*
Equity investments	*-212*	*-84*
Changes in securities and fixed-term deposits	-923	261
Changes in restricted cash and cash equivalents	-291	-162
Cash provided by (used for) investing activities of continuing operations	**1,360**	**-882**
Payments received/made from changes in capital[2]	-3	-116
Cash dividends paid to non-controlling interests	-19	-33
Changes in financial liabilities	-447	-1,028
Cash used for financing activities of continuing operations	**-469**	**-1,177**
Net increase/decrease in cash and cash equivalents	**2,515**	**-1,611**
Effect of foreign exchange rates on cash and cash equivalents	–	32
Cash and cash equivalents at the beginning of the year[3]	2,823	3,855
Cash and cash equivalents of continuing operations at the end of the quarter[4]	**5,338**	**2,276**

[1]Additional information on operating cash flow is provided in Note 13.
[2]No material netting has taken place in either of the years presented here.
[3]Cash and cash equivalents of continuing operations at the beginning of 2013 also include a combined total of €7 million at the E.ON Thüringer Energie group and at the E.ON Energy from Waste group, both of which had been disposed of by the end of the quarter. At the beginning of 2012, this line includes an amount of €3 million at E.ON Bulgaria, which had been reported as a disposal group.
[4]Cash and cash equivalents of continuing operations at the end of the first quarter of 2013 include an amount of €4 million at E.ON Földgáz Trade, which is reported as a disposal group. At the end of the first quarter of 2012, this line included an amount of €2 million at E.ON Bulgaria, which had been reported as a disposal group.

Condensed Consolidated Interim Financial Statements

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Changes in accumulated other comprehensive income: Currency translation adjustments	Available-for-sale securities	Cash flow hedges
Balance as of January 1, 2012[1]	**2,001**	**13,747**	**23,818**	**-1,117**	**895**	**-55**
Change in scope of consolidation						
Capital increase						
Capital decrease						
Dividends paid						
Share additions			14			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			1,203	532	-104	-82
Net income			*1,713*			
Other comprehensive income			*-510*	*532*	*-104*	*-82*
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations			*-510*			
Changes in accumulated other comprehensive income				*532*	*-104*	*-82*
Balance as of March 31, 2012	**2,001**	**13,747**	**25,035**	**-585**	**791**	**-137**
Balance as of January 1, 2013[1]	**2,001**	**13,740**	**22,869**	**-614**	**810**	**-343**
Change in scope of consolidation						
Capital increase						
Capital decrease						
Dividends paid						
Share additions			-1			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			2,133	-335	1	-13
Net income			*2,150*			
Other comprehensive income			*-17*	*-335*	*1*	*-13*
Changes in actuarial gains/losses of defined benefit pension plans and similar obligations			*-17*			
Changes in accumulated other comprehensive income				*-335*	*1*	*-13*
Balance as of March 31, 2013	**2,001**	**13,740**	**25,001**	**-949**	**811**	**-356**

[1]Because of the initial application of IAS 19R, the comparative prior-year figures have been adjusted (see also Note 2).

Treasury shares	Equity attributable to shareholders of E.ON SE	Non-controlling interests (before reclassification)	Reclassification related to put options	Non-controlling interests	Total
-3,530	**35,759**	**4,486**	**-608**	**3,878**	**39,637**
		-23		-23	-23
		12		12	12
		-1		-1	-1
		-42		-42	-42
	14	-138		-138	-124
			5	5	5
	1,549	230		230	1,779
	1,713	*157*		*157*	*1,870*
	-164	*73*		*73*	*-91*
	-510	*-26*		*-26*	*-536*
	346	*99*		*99*	*445*
-3,530	**37,322**	**4,524**	**-603**	**3,921**	**41,243**
-3,505	**34,958**	**4,410**	**-548**	**3,862**	**38,820**
		-619		-619	-619
		5		5	5
		-7		-7	-7
		-33		-33	-33
	-1	-3		-3	-4
			13	13	13
	1,786	205		205	1,991
	2,150	*183*		*183*	*2,333*
	-364	*22*		*22*	*-342*
	-17	*11*		*11*	*-6*
	-347	*11*		*11*	*-336*
-3,505	**36,743**	**3,958**	**-535**	**3,423**	**40,166**

Notes to the Condensed Consolidated Interim Financial Statements

(1) Summary of Significant Accounting Policies

The Interim Report for the three months ended March 31, 2013, 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 regulations described in Note 2, this Interim Report was prepared using the accounting, valuation and consolidation policies used in the Consolidated Financial Statements for the 2012 fiscal year.

This Interim Report prepared in accordance with IAS 34 is condensed compared with the scope applied to the Consolidated Financial Statements for the full year. For further information, including information about E.ON's risk management system, please refer to E.ON's Consolidated Financial Statements for the year ended December 31, 2012, which provide the basis for this Interim Report.

(2) Newly Adopted Standards and Interpretations

IFRS 13, "Fair Value Measurement"

In May 2011, the IASB issued the new standard IFRS 13, "Fair Value Measurement" ("IFRS 13"). The objective of the standard is to define the term "fair value" and to establish guidance and disclosure requirements for fair value measurement that should be applied across standards. In the standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. For non-financial assets, the fair value is determined based on the highest and best use of the asset as determined by a market participant. IFRS 13 has been transferred by the EU into European law. The standard took effect on January 1, 2013, and is applied prospectively. The initial application of IFRS 13 resulted in a reduction in the amounts recognized for assets and liabilities measured at fair value. The net effect amounted to €21 million.

Omnibus Standard to Amend Multiple International Financial Reporting Standards

In the context of its Annual Improvements Process, the IASB revises existing standards. In May 2012, the IASB published a corresponding omnibus standard, the fourth issued under this process. It contains changes to IFRS and their associated Bases for Conclusions. The revisions affect the standards IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. Application of the amendments is mandatory for fiscal years beginning on or after January 1, 2013. Earlier application is permitted. The omnibus standard has been transferred by the EU into European law. It will result in no material changes for E.ON affecting its Consolidated Financial Statements.

Amendments to IAS 1, "Presentation of Financial Statements"

In June 2011, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The changes stipulate that the individual components of other comprehensive income ("OCI") shall in future be separated in the statement of comprehensive income according to whether they will be recycled into the income statement at a later date or not. The amendments are to be applied for fiscal years beginning on or after July 1, 2012. They have been transferred by the EU into European law.

Amendments to IAS 12, "Income Taxes"—Deferred Tax: Recovery of Underlying Assets

In December 2010, the IASB issued amendments to IAS 12, "Income Taxes" ("IAS 12"). When measuring temporary tax differences in connection with real estate held as investment property, there is now a presumption that such temporary differences are normally reversed through sale, rather than through continued use. The amendments are to be applied for fiscal years beginning on or after January 1, 2013. They have been transferred by the EU into European law. The amendments have no impact on E.ON's Consolidated Financial Statements.

Amendments to IAS 19, "Employee Benefits"

Effective January 1, 2013, E.ON is applying the amendments to IAS 19, "Employee Benefits," published by the IASB in June 2011 ("IAS 19R"), for the first time. The amendments have been transferred by the EU into European law. The following are the effects of the amended standard on the Consolidated Financial Statements: The expected return on plan assets and the interest cost of the defined benefit obligations are replaced by one uniform net interest result that is based on the discount rate. The net interest result is calculated on the basis of the net pension liabilities or assets resulting from the existing defined benefit pension plans. Any past service cost is generally recognized in full, in the period in which the underlying plan amendment occurs. Actuarial gains and losses have always been fully and immediately recognized in OCI in the past. The elimination of the option to apply the so-called "corridor method," or to expense actuarial gains and losses immediately, therefore has no impact on E.ON. Furthermore, additional disclosures will be required on matters including the features of the existing pension plans, the identifiable risks to which the entity is exposed and the effects of the defined benefit plans on the entity's future cash flows. The amended standard also contains a revision of the rules governing termination benefits.

The effects of the transition to IAS 19R on the balance sheet and on the income statement are illustrated in the tables below:

IAS 19R—Consolidated Balance Sheet

€ in millions	December 31, 2012			January 1, 2012		
	before IAS 19R adjustment	IAS 19R adjustment	after IAS 19R adjustment	before IAS 19R adjustment	IAS 19R adjustment	after IAS 19R adjustment
Total assets	**140,426**	**–**	**140,426**	**152,872**	**-10**	**152,862**
Liabilities	**101,607**	**-1**	**101,606**	**113,259**	**-34**	**113,225**
Provisions for pensions and similar obligations	*4,890*	*55*	*4,945*	*3,245*	*55*	*3,300*
Miscellaneous provisions for personnel obligations	*2,305*	*-53*	*2,252*	*2,258*	*-87*	*2,171*
Total equity	**38,819**	**1**	**38,820**	**39,613**	**24**	**39,637**

IAS 19R—Consolidated Statement of Income

€ in millions	January 1–March 31, 2012		
	before IAS 19R adjustment	IAS 19R adjustment	after IAS 19R adjustment
Income/Loss (-) from continuing operations before financial results and income taxes	**2,802**	**-7**	**2,795**
Financial Results	-493	-2	-495
Income taxes	-460	3	-457
Income/Loss (-) from continuing operations	**1,849**	**-6**	**1,843**
Net income	**1,876**	**-6**	**1,870**

Notes to the Condensed Consolidated Interim Financial Statements

Amendments to IAS 32, "Financial Instruments: Presentation," and to IFRS 7, "Financial Instruments: Disclosures"

In December 2011, the IASB issued amendments to IAS 32 and IFRS 7. Entities shall in future be required to disclose gross and net amounts from offsetting, as well as amounts for existing rights of set-off that do not meet the accounting criteria for offsetting. In addition, inconsistencies in applying the existing rules for offsetting financial assets and financial liabilities have been eliminated. The amendments mentioned have different first-time application dates. The amendments to IAS 32 are to be applied for fiscal years beginning on or after January 1, 2014. The amendments to IFRS 7 are to be applied for fiscal years beginning on or after January 1, 2013. They have been transferred by the EU into European law. E.ON anticipates that the initial application of the amendments to IAS 32 will produce an effect from the switch to gross presentation adding €1.5 billion to total assets and liabilities on the balance sheet.

(3) 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, 2012	154	297	451
Additions	2	2	4
Disposals/Mergers	21	7	28
Consolidated companies as of March 31, 2013	**135**	**292**	**427**

As of March 31, 2013, 87 companies were accounted for under the equity method (December 31, 2012: 97).

(4) Acquisitions, Disposals and Discontinued Operations

Disposal Groups and Assets Held for Sale in 2013

In the course of the implementation of the divestment strategy, the following activities were classified as disposal groups or assets held for sale in the first quarter of 2013:

E.ON Földgáz Trade / E.ON Földgáz Storage

In March 2013, E.ON signed a contract with the Hungarian energy company MVM Hungarian Electricity Ltd. for the sale of its 100-percent stakes in E.ON Földgáz Trade and E.ON Földgáz Storage. The purchase price for both companies, including the assumption of €0.5 billion in debt, is €0.9 billion. An impairment charge of €0.2 billion was recognized on the units, and on the attributable goodwill, in the first quarter of 2013. The transaction is expected to close in the third quarter of 2013. Held by the Global Commodities global unit, the major asset items of the two units are intangible assets and property, plant and equipment (€0.7 billion), as well as current assets (€0.5 billion). The liabilities side of the balance sheet consists primarily of liabilities (€0.2 billion) and provisions (€0.1 billion).

E.ON Thüringer Energie

At the end of December 2012, E.ON signed a contract for the sale of a 43-percent interest in E.ON Thüringer Energie to a municipal consortium, Kommunaler Energiezweckverband Thüringen ("KET"). The transaction involved a volume of approximately €0.9 billion, which includes the assumption by KET of shareholder loans totaling approximately €0.4 billion. The transaction closed in March 2013 with a €0.5 billion gain on disposal. E.ON's remaining 10-percent stake in E.ON Thüringer Energie is also to be sold shortly. The stake, which has been reported as a disposal group since the end of 2012, is held by the Germany regional unit. The major carrying amounts related to property, plant and equipment (€1.1 billion) and financial assets (€0.2 billion), while provisions and liabilities amounted to €0.2 billion and €0.4 billion, respectively.

Slovenský Plynárenský Priemysel (SPP)

In January 2013, E.ON signed a contract with the Czech energy company Energetický a Průmyslový Holding, Prague, Czech Republic, for the sale of its interest in the Slovakian energy company Slovenský Plynárenský Priemysel a.s. ("SPP"), which is held indirectly in E.ON's Optimization & Trading global unit. The purchase price for the 24.5-percent indirect holding is €1.2 billion, including final purchase price adjustments. The ownership interest with a carrying amount of €1.2 billion had to be reported as an asset held for sale as of December 31, 2012, because commercial agreement on the sale had been substantially reached by the end of 2012. The attributable goodwill of approximately €0.2 billion was written down to zero in 2012. The transaction closed in January 2013 and, as a consequence, amounts in other comprehensive income from foreign exchange translation differences were realized as a gain of €0.3 billion.

E.ON Energy from Waste

In December 2012, E.ON signed agreements to form a joint venture with EQT Infrastructure II, an infrastructure fund belonging to EQT, a Sweden-based private equity group. The joint venture, in which EQT Infrastructure II owns 51 percent and E.ON 49 percent, acquired 100 percent of the equity of E.ON Energy from Waste, Helmstedt, Germany. The Energy from Waste group was held by the Germany regional unit, and had been reported as a disposal group since the end of 2012. With a carrying amount of approximately €0.9 billion, the major asset item was property, plant and equipment. Additional significant balance sheet items included current assets (€0.3 billion), provisions (€0.2 billion), liabilities (€0.2 billion) and deferred taxes (€0.1 billion). The transaction closed in March 2013.

E.ON Wasserkraft

At the beginning of December 2012, E.ON and Austria's Verbund AG, Vienna, Austria, signed contracts for a substantial asset swap. Under the agreement, E.ON will acquire Verbund's share of Enerjisa Enerji A.Ş., Istanbul, Turkey, giving it stakes in Enerjisa's power generation capacity and projects and in its power distribution business in Turkey. In return, E.ON will transfer to Verbund its stakes in certain hydroelectric power plants in Bavaria. Verbund will become the sole owner of this hydro capacity, located predominantly on the Inn River in Bavaria, in which it is already a joint owner. Verbund will acquire primarily E.ON's stakes in Österreichisch-Bayerische Wasserkraft AG, Donaukraftwerk Jochenstein AG and Grenzkraftwerke GmbH, as well as the Nussdorf, Ering-Frauenstein and Egglfing-Obernberg run-of-river hydroelectric plants on the Inn, along with subscription rights in the Zemm-Ziller Hydroelectric Group. Altogether, these stakes and power plants represent 351 MW of attributable generating capacity. Relevant balance sheet line items of the disposal group, which is held in the Renewables global unit, are property, plant and equipment and financial assets (€0.1 billion), as well as other assets (€0.2 billion). The disposal group has been reported as such since the end of 2012. The transaction closed at the end of April 2013 with a preliminary gain of approximately €1.1 billion on disposal.

Equity Investment Held by E.ON Czech (JMP)

E.ON has sold its minority stake in Jihomoravská plynárenská, a.s. ("JMP"), Brno, Czech Republic. The purchase price is approximately €0.2 billion. The ownership interest was reported within the Czechia regional unit as an asset held for sale as of December 31, 2012, with a carrying amount of approximately €0.2 billion. The transaction closed in January 2013 with a minor book gain on the disposal.

London Array Wind Farm

The operators of the U.K. wind farm London Array are required by regulatory order to cede components of the wind farm's grid link to the U.K. regulator. 30 percent of this wind farm is attributable to E.ON, and the stake is held by the Group's Renewables global unit. The carrying amount of the property, plant and equipment to be transferred is €0.1 billion at year-end 2012. E.ON will receive a comparable sum as compensation for this regulatory action. The disposal is expected to take place in the second quarter of 2013.

Wind Farm Disposals

Implementing the "Less Capital, More Value" strategy, E.ON signed contracts for the sale of a 50-percent stake in each of three wind farms in North America in October 2012 for a total of $0.5 billion in proceeds. The wind farms were held by the Renewables global unit. The transaction closed in March 2013 with a small gain on disposal. The wind farms were reported as disposal groups since the fourth quarter of 2012. Material balance sheet line items related to property, plant and equipment (€0.4 billion); there were no significant items on the liabilities side.

Disposal Groups and Assets Held for Sale in 2012

In the course of the implementation of the divestment strategy, the following activities were classified as disposal groups or assets held for sale during 2012:

Horizon
In October 2012, E.ON signed a contract for the sale of its interest in Horizon Nuclear Power Limited, Gloucester, U.K., to the Japanese industrial group Hitachi. The purchase price for the 50-percent stake amounted to approximately €0.4 billion. The shareholding was held as a joint venture in the U.K. regional unit, with a carrying amount of €0.3 billion as of September 30, 2012. The transaction closed in November 2012.

Open Grid Europe
In July 2012, E.ON sold its shares in the gas transmission company Open Grid Europe GmbH, Essen, Germany, to a consortium of infrastructure investors. The purchase price was approximately €3.2 billion and included the assumption of pension obligations and certain assets. As negotiations had already reached an advanced stage by May 2012, the activities had been presented as a disposal group as of that date. Held in the Optimization & Trading global unit, Open Grid Europe had net assets of approximately €3.2 billion as of the disposal date. The major balance sheet line items were €3.1 billion in intangible assets and property, plant and equipment, €0.5 billion in financial assets and €0.7 billion in current assets, as well as €0.6 billion in deferred tax liabilities and €0.5 billion in other liabilities. The sale resulted in a minimal pre-tax gain on disposal.

E.ON Bulgaria
In December 2011, E.ON signed an agreement with the Czech company ENERGO-PRO on the disposal of its wholly-owned subsidiary E.ON Bulgaria. The purchase price was approximately €0.1 billion. The major asset items on the balance sheet were property, plant and equipment (€0.2 billion) and current assets (€0.1 billion). Provisions and liabilities amounted to €0.1 billion in total. The agreement on the purchase price necessitated the recognition in December 2011 of impairment charges on goodwill and non-current assets totaling about €0.1 billion. The transaction closed at the end of June 2012.

HSE
Following the disposal of the Thüga group, a concrete stage in negotiations on the disposal of the 40-percent shareholding in HEAG Südhessische Energie AG, Darmstadt, Germany, accounted for in the Gas global unit, was reached in the third quarter of 2010. Accordingly, the ownership interest was reclassified as an asset held for sale at the end of August 2010. The book value and the purchase price of the ownership interest both amounted to approximately €0.3 billion. The contract for the sale was signed in February 2012. The transaction closed at the end of June 2012.

Interconnector
As part of a series of portfolio optimizations, the 15.09-percent shareholding in Interconnector (UK) Ltd., London, United Kingdom, was also sold. In line with the stage of negotiations on that date, the ownership interest was presented as an asset held for sale as of June 30, 2012. This equity investment, which was accounted for in the Optimization & Trading global unit, was sold effective September 2012, with a negligible gain realized on the disposal.

Property at Brienner Straße, Munich
Following the closure of the E.ON Energie AG location in Munich implemented in the course of the E.ON 2.0 efficiency-enhancement and cost-cutting program, the property at Brienner Straße was sold in the fourth quarter of 2012 with a negligible gain on disposal. Accordingly, as of September 30, 2012, the property (€0.1 billion) was reported as an asset held for sale.

(5) Research and Development Costs

The E.ON Group's research and development costs under IFRS totaled €6 million in the first quarter of 2013 (first quarter of 2012: €8 million).

(6) Financial Results

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

Financial Results January 1–March 31, € in millions	2013	2012
Income from companies in which equity investments are held	3	14
Impairment charges/reversals on other financial assets	-29	-2
Income/Loss (-) from equity investments	**-26**	**12**
Income from securities, interest and similar income	143	179
Interest and similar expenses	-603	-686
Net interest income	**-460**	**-507**
Financial results	**-486**	**-495**

(7) Earnings per Share

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

Earnings per Share January 1–March 31, € in millions	2013	2012
Income/Loss (-) from continuing operations	2,333	1,843
Less: Non-controlling interests	-183	-157
Income/Loss (-) from continuing operations (attributable to shareholders of E.ON SE)	**2,150**	**1,686**
Income from discontinued operations, net	–	27
Net income attributable to shareholders of E.ON SE	**2,150**	**1,713**
in €		
Earnings per share (attributable to shareholders of E.ON SE)		
from continuing operations	1.13	0.89
from discontinued operations	0.00	0.01
from net income	**1.13**	**0.90**
Weighted-average number of shares outstanding (in millions)	1,907	1,905

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

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

The following table shows the structure of financial assets:

Companies Accounted for under the Equity Method and Other Financial Assets € in millions	Mar. 31, 2013	Dec. 31, 2012
Companies accounted for under the equity method	4,171	4,067
Equity investments	1,767	1,612
Non-current securities	4,314	4,746
Total	**10,252**	**10,425**

The net loss of €69 million from companies accounted for under the equity method (first quarter of 2012: net income of €250 million) includes impairments totaling €159 million.

(9) Treasury Shares

Pursuant to a resolution from the Annual Shareholders Meeting of May 3, 2012, the Company is authorized to purchase own shares until May 2, 2017. The shares purchased, combined with other treasury shares in the possession of the Company, or attributable to the Company pursuant to Sections 71a *et seq.* AktG, may at no time exceed 10 percent of its capital stock. The Board of Management was authorized at the aforementioned Annual Shareholders Meeting to cancel treasury shares without requiring a separate shareholder resolution for the cancellation or its implementation. The total number of outstanding shares as of March 31, 2013, was 1,906,750,395 (December 31, 2012: 1,906,750,395).

As of March 31, 2013, E.ON SE and one of its subsidiaries held a total of 94,249,605 treasury shares (December 31, 2012: 94,249,605) having a consolidated book value of €3,505 million (equivalent to 4.71 percent or €94,249,605 of the capital stock).

(10) Dividends Paid

At the Annual Shareholders Meeting on May 3, 2013, shareholders voted to distribute a dividend of €1.10 (2012: €1.00) for each dividend-paying ordinary share. The total dividend payout was €2,097 million (2012: €1,905 million).

(11) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations increased by €21 million over year-end 2012. The increase was caused primarily by additions attributable to the net periodic pension cost. The additions were mostly offset by employer contributions to plan assets, as well as by net pension payments and net actuarial gains in the present value of all defined benefit obligations and in the fair value of plan assets.

The following discount rates were applied for the computation of provisions for pensions and similar obligations in Germany and in the United Kingdom:

Discount Rates Percentages	Mar. 31, 2013	Dec. 31, 2012
Germany	3.40	3.40
U.K.	4.60	4.40

The net amount recognized for the benefit obligations, which is equal to the difference between the present value of the defined benefit obligations and the fair value of plan assets, is determined as shown in the following table:

Net Amount Recognized € in millions	Mar. 31, 2013	Dec. 31, 2012
Present value of all defined benefit obligations	16,855	16,824
Fair value of plan assets	-11,890	-11,881
Net amount recognized	**4,965**	**4,943**
Presented as operating receivables	*-1*	*-2*
Presented as provisions for pensions and similar obligations	*4,966*	*4,945*

The net periodic pension cost for defined benefit plans included in the provisions for pensions and similar obligations and in operating receivables breaks down as shown in the following table:

Net Periodic Pension Cost for Defined Benefit Plans		
January 1–March 31, € in millions	2013	2012
Employer service cost	66	59
Net interest on the net defined benefit liability	38	35
Past service cost	31	–
Total	**135**	**94**

(12) Additional Disclosures on Financial Instruments

Measurement of Financial Instruments

The value of financial instruments is determined on the basis of fair value measurement. The fair value of derivative instruments is sensitive to movements in underlying market rates and other relevant variables. The Company assesses and monitors the fair value of derivative instruments on a periodic basis. The fair value to be determined for each derivative financial instrument is the price at which one party can sell to a third party the rights and/or obligations embodied in that derivative. Fair values of derivatives are determined using customary market valuation methods, taking into account the market data available on the measurement date and including a credit risk premium. The counterparty credit risk is recognized in the form of a credit value adjustment. Through the first-time adoption of IFRS 13, this resulted in income from derivatives amounting to €21 million in the first quarter of 2013.

Derivative financial instruments are covered by market netting agreements. Master netting agreements based on those developed by the International Swaps and Derivatives Association (ISDA), and supplemented by appropriate schedules, are in place with banks. Commodity transactions are generally governed by master agreements developed by the European Federation of Energy Traders (EFET). The aforementioned netting agreements are taken into account when determining the fair values of the financial instruments. Portfolio-based credit risks are used in the calculations.

The fair values of individual assets are determined using published exchange or market prices at the time of acquisition in the case of marketable securities. If exchange or market prices are unavailable for consideration, fair values are determined using the most reliable information available that is based on market prices for comparable assets or on suitable valuation techniques. In such cases, E.ON determines fair value using the discounted cash flow method by discounting estimated future cash flows by a weighted-average cost of capital. Estimated cash flows are consistent with the internal mid-term planning data for the next three years, followed by two additional years of cash flow projections, which are extrapolated until the end of an asset's useful life using a growth rate based on industry and internal projections. The discount rate reflects the specific risks inherent in the acquired activities.

Presentation of Financial Instruments

The following table shows the carrying amounts of the financial assets and financial liabilities that are measured at fair value, classified by measurement source:

Carrying Amounts of financial instruments as of March 31, 2013

€ in millions	Carrying amounts	Carrying amounts within the scope of IFRS 7	thereof level 3
Assets			
Equity investments	1,767	1,767	1,307
Derivatives with no hedging relationships	6,880	6,880	239
Derivatives with hedging relationships	527	527	–
Securities and fixed-term deposits	8,904	8,904	–
Cash and cash equivalents	5,334	5,334	–
Restricted cash	735	735	–
Liabilities			
Derivatives with no hedging relationships	7,045	7,045	10
Derivatives with hedging relationships	902	902	–

Carrying Amounts of financial instruments as of December 31, 2012

€ in millions	Carrying amounts	Carrying amounts within the scope of IFRS 7	thereof level 3
Assets			
Equity investments	1,612	1,612	1,251
Derivatives with no hedging relationships	5,975	5,975	204
Derivatives with hedging relationships	458	458	–
Securities and fixed-term deposits	8,027	8,027	–
Cash and cash equivalents	2,816	2,816	–
Restricted cash	449	449	–
Liabilities			
Derivatives with no hedging relationships	6,477	6,477	107
Derivatives with hedging relationships	829	829	–

The carrying amounts of cash and cash equivalents and of trade receivables are considered reasonable estimates of fair value because of their short maturity. Similarly, the carrying amounts of commercial paper, borrowings under revolving short-term credit facilities and trade payables are used as the fair value due to the short maturities of these items. The fair value of the bonds as of March 31, 2013, was €24,177 million (December 31, 2012: €25,274 million). The carrying amount of the bonds as of March 31, 2013, was €19,806 million (December 31, 2012: €20,634 million). The fair value of the remaining financial instruments largely corresponds to the carrying amount. The proportion of fair values measured at Level 1 to those measured at Level 2 has not changed materially compared with December 31, 2012. There were no reclassifications between these fair-value-hierarchy levels in the first quarter of 2013. At the end of each reporting period, E.ON assesses whether there might be grounds for reclassification between hierarchy levels. No equity investments were reclassified out of Level 3 of the fair value hierarchy during the quarter under review. The fair values determined using valuation techniques for financial instruments carried at fair value are reconciled as shown in the following table:

Fair Value Hierarchy Level 3 Reconciliation (Values Determined Using Valuation Techniques)

€ in millions	Jan. 1, 2013	Purchases (including additions)	Sales (including disposals)	Settle-ments	Gains/ Losses in income state-ment	Transfers into Level 3	Transfers out of Level 3	Gains/ Losses in OCI	Mar. 31, 2013
Equity investments	1,251	123	-70	–	–	–	–	3	1,307
Derivative financial instruments	97	–	–	127	5	–	–	–	229
Total	**1,348**	**123**	**-70**	**127**	**5**	**0**	**0**	**3**	**1,536**

At the beginning of 2013, a net loss of €38 million from the initial measurement of derivatives was deferred. After realization of €7 million in deferred gains, the remainder at the end of the quarter was a deferred loss of €31 million, which will be recognized in income during subsequent periods as the contracts are settled.

Certain long-term energy contracts are measured using valuation models based on internal fundamental data if market prices are not available. A hypothetical 10-percent increase or decrease in these internal valuation parameters as of the balance sheet date would lead to a theoretical decrease in market values of €93 million or an increase of €50 million, respectively.

Credit Risk

To the extent possible, pledges of collateral are negotiated with counterparties for the purpose of reducing credit risk. Accepted as collateral are guarantees issued by the respective parent companies or evidence of profit-and-loss-pooling agreements in combination with letters of awareness. To a lesser extent, the Company also requires bank guarantees and deposits of cash and securities as collateral to reduce credit risk. Risk-management collateral was accepted in the amount of €6,352 million. Derivative transactions are generally executed on the basis of standard agreements that allow for the netting of all open transactions with individual counterparties. For currency and interest rate derivatives in the banking sector, this netting option is reflected in the accounting treatment. To further reduce credit risk, bilateral margining agreements are entered into with selected counterparties. Limits are imposed on the credit and liquidity risk resulting from bilateral margining agreements and exchange clearing. As of March 31, 2013, exchange-traded forward and option contracts, as well as exchange-traded emissions-related derivatives, bear no credit risk. For the remaining financial instruments, the maximum risk of default is equal to their carrying amounts.

(13) Segment Information

Led by its Group Management in Düsseldorf, Germany, the E.ON Group ("E.ON" or the "Group") is segmented into global and regional units, which are reported here in accordance with International Financial Reporting Standard ("IFRS") 8, "Operating Segments" ("IFRS 8"). At the beginning of 2013, the existing Optimization & Trading segment was renamed Global Commodities. A small number of individual companies were also transferred out of the Germany regional unit into the Renewables global unit. The corresponding comparative prior-year figures have been adjusted.

Notes to the Condensed Consolidated Interim Financial Statements

Global Units

The global units are reported separately in accordance with IFRS 8.

Generation

This global unit consists of the Group's conventional (fossil and nuclear) generation assets in Europe. It manages and optimizes these assets across national boundaries.

Renewables

E.ON also takes a global approach to managing its carbon-sourcing and renewables businesses. The objective at this unit is to extend the Group's leading position in the growing renewables market.

Global Commodities

As the link between E.ON and the world's wholesale energy markets, the Global Commodities global unit buys and sells electricity, natural gas, liquefied natural gas (LNG), oil, coal, freight, biomass, and carbon allowances. It additionally manages and develops assets at different levels in the gas market's value chain.

Exploration & Production

E.ON's exploration and production business is a segment active in the focus regions North Sea (U.K., Norway), Russia and North Africa.

Financial Information by Business Segment

January 1–March 31, € in millions	Generation		Renewables		Global Commodities	
	2013	2012	2013	2012	2013	2012
External sales	599	811	222	210	16,180	15,970
Intersegment sales	2,486	2,948	443	429	9,750	11,500
Sales	**3,085**	**3,759**	**665**	**639**	**25,930**	**27,470**
EBITDA[1]	**866**	**1,131**	**468**	**391**	**223**	**197**
Earnings from companies accounted for under the equity method[2]	*7*	*9*	*4*	*6*	*37*	*171*
Operating cash flow before interest and taxes	**821**	**1,250**	**328**	**224**	**1,526**	**1,296**
Investments	**120**	**277**	**115**	**357**	**47**	**78**

[1]Adjusted for extraordinary effects.
[2]Under IFRS, impairments on companies accounted for under the equity method and impairments on other financial assets (and any reversals of such charges) are included in income/loss (-) from companies accounted for under the equity method and financial results, respectively. These income effects are not part of EBITDA.

Financial Information by Business Segment—Presentation of Other EU Countries

January 1–March 31, € in millions	U.K.		Sweden		Czechia	
	2013	2012	2013	2012	2013	2012
External sales	3,065	2,776	898	839	825	891
Intersegment sales	23	30	73	77	39	54
Sales	**3,088**	**2,806**	**971**	**916**	**864**	**945**
EBITDA[1]	**245**	**221**	**296**	**232**	**161**	**203**
Earnings from companies accounted for under the equity method[2]	–	–	*5*	*3*	*1*	*7*
Operating cash flow before interest and taxes	**-144**	**-107**	**176**	**194**	**94**	**100**
Investments	**16**	**25**	**67**	**45**	**29**	**16**

[1]Adjusted for extraordinary effects.
[2]Under IFRS, impairments on companies accounted for under the equity method and impairments on other financial assets (and any reversals of such charges) are included in income/loss (-) from companies accounted for under the equity method and financial results, respectively. These income effects are not part of EBITDA.

Regional Units

E.ON's distribution and sales operations in Europe are managed by eleven regional units in total. For segment reporting purposes, the Germany, United Kingdom, Sweden, Czechia and Hungary regional units are reported separately. Those units not reported separately are grouped together and reported in summarized form as "Other regional units." They include the Italy, Spain, France, Netherlands, Slovakia and Romania regional units, and through the end of June 2012, the Bulgaria unit (see Note 4 for further discussion of the Bulgaria unit).

E.ON's power generation business in Russia is presented outside Europe, as a special-focus region. In addition, since the beginning of 2013, the businesses in Brazil are reported separately in the "Non-EU Countries" operating segment. The comparative prior-year figures have been adjusted accordingly.

Group Management/Consolidation contains E.ON SE itself ("E.ON" or the "Company"), the interests held directly by E.ON SE, as well as the consolidation effects that take place at Group level.

Since January 1, 2011, EBITDA has been the key measure at E.ON for purposes of internal management control and as an indicator of a business's long-term earnings power. EBITDA is derived from income/loss before interest, taxes, depreciation and amortization (including impairments and reversals) and adjusted to exclude certain extraordinary effects. The adjustments include net book gains, cost-management and restructuring expenses, as well as other non-operating income and expenses.

Exploration & Production		Germany		Other EU Countries		Non-EU Countries		Group Management/ Consolidation		E.ON Group	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
386	371	10,859	10,779	7,079	7,057	516	486	40	47	35,881	35,731
73	76	266	363	292	332	0	0	-13,310	-15,648	0	0
459	**447**	**11,125**	**11,142**	**7,371**	**7,389**	**516**	**486**	**-13,270**	**-15,601**	**35,881**	**35,731**
177	**228**	**838**	**729**	**904**	**911**	**193**	**200**	**-92**	**-19**	**3,577**	**3,768**
11	*22*	*22*	*17*	*15*	*26*	*-6*	*0*	*–*	*-1*	*90*	*250*
171	**282**	**-724**	**-535**	**146**	**170**	**206**	**193**	**-312**	**-325**	**2,162**	**2,555**
108	**130**	**310**	**123**	**153**	**154**	**51**	**70**	**11**	**-25**	**915**	**1,164**

Hungary		Other regional units		Other EU Countries	
2013	2012	2013	2012	2013	2012
530	549	1,761	2,002	7,079	7,057
7	19	150	152	292	332
537	**568**	**1,911**	**2,154**	**7,371**	**7,389**
26	**53**	**176**	**202**	**904**	**911**
–	*–*	*9*	*16*	*15*	*26*
-24	**15**	**44**	**-32**	**146**	**170**
12	**34**	**29**	**34**	**153**	**154**

Financial Information by Business Segment—Presentation of Non-EU Countries

January 1–March 31, € in millions	Russia		Other Non-EU Countries		Non-EU Countries	
	2013	2012	2013	2012	2013	2012
External sales	516	486	–	–	516	486
Intersegment sales	–	–	–	–	0	0
Sales	**516**	**486**	**0**	**0**	**516**	**486**
EBITDA[1]	**200**	**200**	**-7**	**–**	**193**	**200**
Earnings from companies accounted for under the equity method[2]	–	–	*-6*	–	*-6*	*0*
Operating cash flow before interest and taxes	**206**	**193**	**–**	**–**	**206**	**193**
Investments	**51**	**70**	**–**	**–**	**51**	**70**

[1]Adjusted for extraordinary effects.
[2]Under IFRS, impairments on companies accounted for under the equity method and impairments on other financial assets (and any reversals of such charges) are included in income/loss (-) from companies accounted for under the equity method and financial results, respectively. These income effects are not part of EBITDA.

The following table shows the reconciliation of operating cash flow before interest and taxes to operating cash flow:

Operating Cash Flow

January 1–March 31, € in millions	2013	2012	Difference
Operating cash flow before interest and taxes	**2,162**	**2,555**	**-393**
Interest payments	-205	-213	8
Tax payments	-333	-1,894	1,561
Operating cash flow	**1,624**	**448**	**1,176**

The investments presented here are the purchases of investments reported in the Consolidated Statements of Cash Flows.

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

The following table shows the reconciliation of our EBITDA to net income as reported in the IFRS Consolidated Financial Statements:

Net Income January 1–March 31, € in millions	2013	2012
EBITDA[1]	**3,577**	**3,768**
Depreciation and amortization	-837	-902
Impairments (-)/Reversals (+)[2]	-5	-37
EBIT[1]	**2,735**	**2,829**
Economic interest income (net)	-461	-498
Net book gains/losses	1,021	92
Restructuring/cost-management expenses	-123	-39
Other non-operating earnings	-112	-84
Income/Loss (-) from continuing operations before taxes	**3,060**	**2,300**
Income taxes	-727	-457
Income/Loss (-) from continuing operations	**2,333**	**1,843**
Income from discontinued operations, net	–	27
Net income	**2,333**	**1,870**
Attributable to shareholders of E.ON SE	*2,150*	*1,713*
Attributable to non-controlling interests	*183*	*157*

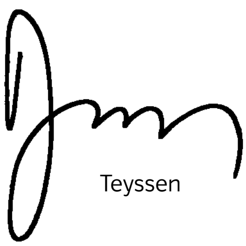
[1]Adjusted for extraordinary effects.
[2]Impairments differ from the amounts reported in accordance with IFRS due to impairments on companies accounted for under the equity method and impairments on other financial assets, and also due to impairments recognized in non-operating earnings.

Other non-operating income and expenses for the reporting period include impairment charges totaling €0.4 billion. Approximately €0.1 billion of these impairments was attributable primarily to the Renewables unit.

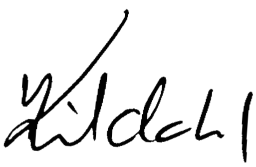
Page 19 of the Interim Group Management Report provides a more detailed explanation of the reconciliation of our EBITDA to net income.

(14) Events after the Balance Sheet Date

E.ON and Verbund signed contracts for a substantial asset swap at the beginning of December 2012. Under the agreement, E.ON is acquiring Verbund's share of Enerjisa, giving it stakes in Enerjisa's power generation capacity and projects and in its power distribution business in Turkey. In return, E.ON is transferring to Verbund its stakes in certain hydroelectric power plants in Bavaria. The transaction closed at the end of April 2013 with a preliminary gain of approximately €1.1 billion on disposal. In addition, Enerjisa, which is reported as a joint venture, recently made successful bids for two regional utilities. These acquisitions are expected to be completed in the third quarter. They will result in liabilities from the financing of E.ON's share of the purchase price ranging between €0.5 billion and €0.6 billion.

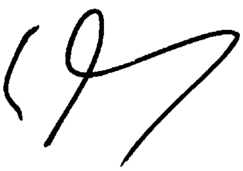


Teyssen



Kildahl

Reutersberg



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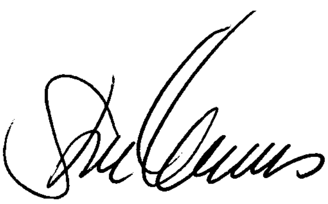

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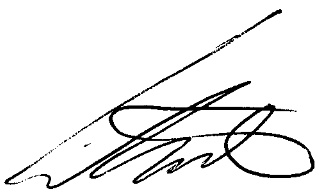

Winkel

Financial Calendar

August 13, 2013	Interim Report: January – June 2013
November 13, 2013	Interim Report: January – September 2013
March 12, 2014	Release of the 2013 Annual Report
April 30, 2014	2014 Annual Shareholders Meeting
May 2, 2014	Dividend Payout
May 13, 2014	Interim Report: January – March 2014
August 13, 2014	Interim Report: January – June 2014
November 12, 2014	Interim Report: January – September 2014

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