2014

January February March

April May June

July August September

October November December

E.ON Group Financial Highlights

E.ON Group Financial Highlights			
January 1–June 30	2014	2013	+/- %
Electricity sales	371.2 billion kWh	364.6 billion kWh	+2
Gas sales	543.5 billion kWh	679.7 billion kWh	-20
Sales	€56,119 million	€64,636 million	-13
EBITDA[1]	€5,013 million	€5,705 million	-12
EBIT[1]	€3,243 million	€3,980 million	-19
Underlying net income[1]	€1,525 million	€1,907 million	-20
Investments	€1,718 million	€4,529 million	-62
Cash provided by operating activities of continuing operations	€5,676 million	€4,114 million	+38
Economic net debt (June 30 and December 31)	€29,717 million	€32,218 million	-8
Employees (June 30 and December 31)	60,352	62,239	-3
Shares outstanding (in millions, June 30 and December 31)	1,932	1,908	+1

[1]Adjusted for extraordinary effects (see Glossary of Selected Financial Terms below).

Glossary of Selected Financial Terms

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. As used by E.ON, EBITDA is derived from income/loss from continuing operations before interest income, income taxes, depreciation, and amortization and is adjusted to exclude certain extraordinary items, mainly other income and expenses of a non-recurring or rare nature.

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.

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 non-controlling 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 II/2014

January 1 – June 30, 2014

- EBITDA and underlying net income below prior-year figures, as anticipated; operating cash flow higher
- Renewables' EBITDA up by 7 percent
- Economic net debt reduced by €2.5 billion
- Forecast for 2014 EBITDA and underlying net income affirmed

Contents

Dear Shareholders,

Your company's half-year results are right in line with our forecast. We continue to expect full-year 2014 EBITDA of €8 to €8.6 billion and underlying net income of €1.5 to €1.9 billion. Our half-year EBITDA of €5 billion was about €0.7 billion, or 12 percent, below the prior-year figure, which is also in line with our expectations. Of this €0.7 billion, the lion's share (€0.6 billion) is attributable to the effects of asset sales and foreign-exchange rates. Our operating performance was actually significantly more positive than these effects make it appear. We also reduced our net debt by about €2.5 billion. So on balance E.ON performed rather well in a difficult environment.

Renewables' EBITDA rose again, increasing by 7 percent to €870 million. Since 2007 E.ON has invested about €10 billion in renewables and will bring more new wind farms online in 2015. Two offshore wind farms in the North Sea—Amrumbank West (288 MW) in German waters and Humber Gateway (219 MW) in U.K. waters—will enter service late next summer. Together, at full output they'd produce enough power to meet the needs of 450,000 households. In the United States we're working with our finance partner General Electric to build Grandview 1, an onshore wind farm in Texas. Grandview 1, which at 211 MW is roughly the size of Humber Gateway, is also expected to enter service next year. In addition, our build-and-sell strategy for certain wind and solar assets has definitely paid off.

Our relatively new business in distributed energy is progressing well. Our focus is on medium-sized enterprises, a segment in which demand has increased significantly and in which we've grown faster than the overall market. In Germany we now rank among the top five providers in this segment. In addition, the trend that we've seen in our retail customer numbers in Germany since the start of the year continued. On a net basis, we added customers in the second quarter as well.

Our operations in Russia have been a reliable source of earnings for six years. We're monitoring the Ukraine crisis with some concern. But we assume that we'll continue to be able to work together successfully with Russian companies. Enerjisa, our joint venture in Turkey, is making good progress integrating the power distribution and sales companies it acquired last year. In Brazil we're focusing on strengthening our joint venture ENEVA's financial foundation for the long term.

As for the situation on Europe's generation market, wholesale power prices continued to fall in the first half of this year, although the trend was somewhat less pronounced in the second quarter. The reform of the Renewable Energy Law at least demonstrates that the German federal government has recognized the problems of implementing the transformation of the country's energy system. Beyond this reform, the next step is to work systematically toward a better market design. Efficient conventional generating capacity that provides reliable backup for the intermittent output of renewables must receive a level of compensation that enables this capacity to continue to operate. Proposals for solutions are out there. One of them is a plan, supported by the entire German energy industry, for establishing a decentralized capacity market. Perhaps Germany would benefit from looking across the English Channel to the United Kingdom, where a capacity market will begin operating this year with auctions for winter 2018–19.

E.ON is a company in transformation. In addition to our current projects, we're actively considering entirely new business ideas. We're drawing on our employees' expertise and creativity as well as leveraging our partnerships with start-ups. In these efforts, we're focusing on our customers and their needs: what do our customers expect of E.ON? Not just today, but also tomorrow and well into the future. That's how we'll lay the foundation that will enable us to continue to play a key role in shaping the energy world in the future.

Best wishes,

Dr. Johannes Teyssen

E.ON Stock

At the end of the first half of 2014 E.ON stock (including reinvested dividends) was 17 percent above its year-end closing price for 2013, thereby performing on par with its peer index, the STOXX Utilities (+18 percent), and outperforming the broader European stock market as measured by the EURO STOXX 50 index (+6 percent).

E.ON's stock-exchange trading volume declined by 21 percent year on year to €16.2 billion, mainly because of a reduction in the number of shares traded.

In 2014 shareholders for the first time were given the option of receiving their dividend in cash or exchanging a portion of it for shares of E.ON stock. The acceptance rate was about 37 percent, and we issued more than 24 million treasury shares. This increased the number of shares outstanding at June 30, 2014, to 1,932 million.

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

E.ON Stock

	June 30, 2014	Dec. 31, 2013
Shares outstanding (millions)	1,932	1,908
Closing price (€)	15.08	13.42
Market capitalization (€ in billions)[1]	29.1	25.6

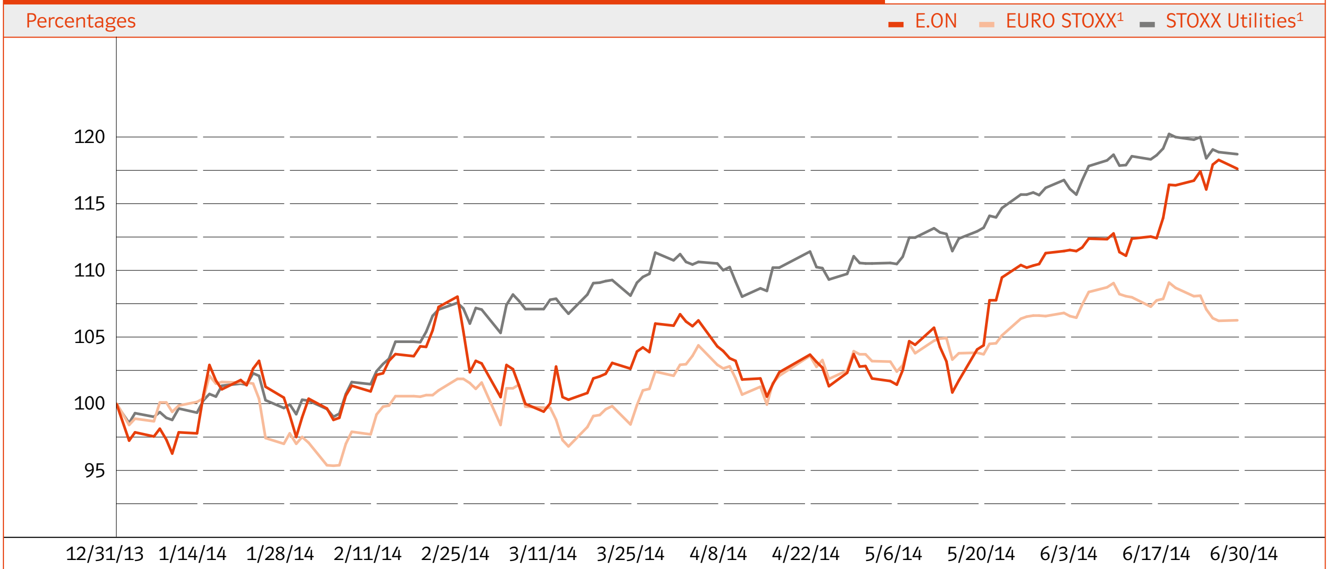
[1]Based on shares outstanding.

Performance and Trading Volume

January 1–June 30	2014	2013
High (€)[1]	15.17	14.71
Low (€)[1]	12.93	12.06
Trading volume[2]		
Millions of shares	*1,172.0*	*1,545.3*
€ in billions	*16.2*	*20.6*

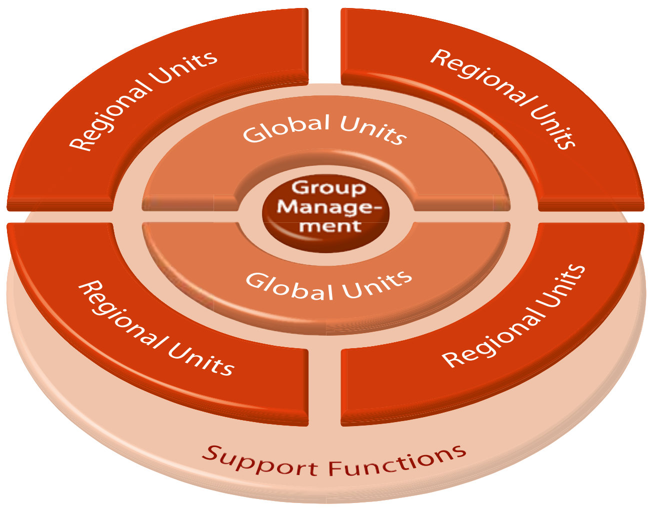
[1]Xetra.
[2]Source: Bloomberg (all German stock exchanges).

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

The main task of Group Management in Düsseldorf is to lead the entire E.ON Group by overseeing and coordinating its operating business. This includes charting E.ON's strategic course, defining its financial policy and initiatives, managing business issues that transcend individual markets, managing risk, continually optimizing E.ON's business portfolio, and conducting stakeholder management.

IT, procurement, insurance, consulting, and business processes provide valuable support for our core businesses wherever we operate around the world. These entities and/or departments are organized by function so that we pool professional expertise across our organization and leverage synergies.

Changes in Our Reporting

Effective January 1, 2014, the Generation global unit includes our biomass operations, which were formerly part of the Renewables unit. We also transferred some operations that had been part of the Germany regional unit to E.ON Connecting Energies. Furthermore, the initial application of IFRS 10 and 11 resulted in effects which are described in Note 2 to the Condensed Consolidated Interim Financial Statements. We adjusted the prior-year figures accordingly.

Global Units

Our four global units are Generation, Renewables, Global Commodities, and Exploration & Production. In addition, a unit called Technologies 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, biomass, 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 further expand our good 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 operations at several stages of the gas value chain, including pipelines, long-term supply contracts, and storage facilities.

Exploration & Production

Our Exploration & Production segment is active in the following focus regions: the U.K. North Sea, the Norwegian North Sea, and Russia.

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, and Romania. In addition, we intend to selectively expand our distributed-energy business. Created in mid-2012, the E.ON Connecting Energies business unit focuses on providing customers with comprehensive distributed-energy solutions. Effective the fourth quarter of 2013, we report this unit under Other EU Countries.

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

Energy Policy and Regulatory Environment

The energy-policy debate in Germany in the first half of 2014 centered around the reform of renewables support schemes. These changes will affect numerous E.ON operations. The new rules will likely have a generally positive effect on our offshore wind and hydro operations in Germany. Mandatory direct marketing provisions could create new business opportunities for energy services. We anticipate adverse consequences for our new biomethane business. The regulatory environment for on-site cogeneration has deteriorated as well. This may, however, be offset by the provisions of the upcoming Cogeneration Law.

Energy Industry

According to the preliminary figures from AGEB, an energy-industry working group, Germany's first-half consumption of primary energy declined by nearly 8 percent year on year to 224.3 million metric tons of coal equivalent. Markedly milder weather relative to the prior year was the main factor. It was also the reason for the nearly 20-percent decline in Germany's consumption of natural gas. Less gas was used for heat generation and for cogeneration. Germany's consumption of hard coal declined by more than 12 percent because of a reduction in overall electricity production and because hard coal was crowded out by renewables. Germany consumed nearly 4 percent less lignite owing to overhaul work at a number of power stations, which led to a reduction in lignite deliveries. Nuclear energy production declined by about 2 percent, whereas renewables production rose by just over 1 percent.

First-half electricity consumption in England, Scotland, and Wales declined by 4 percent, from 158 to 151 billion kWh. Gas consumption (excluding power stations) declined by 22 percent, from 365 to 284 billion kWh, owing to higher temperatures in 2014 relative to 2013. Ongoing energy-efficiency measures also served to reduce consumption.

At 197 billion kWh, Northern Europe consumed 5 billion kWh less electricity because of higher average temperatures. It recorded net electricity exports to surrounding countries of about 6.8 billion kWh compared with net imports of about 1.5 billion kWh in the prior-year period.

Hungary's electricity consumption rose by 3 percent to 17.3 billion kWh. Driven by higher average temperatures, a reduction in gas-fired generation, and energy-saving measures, Hungary's gas consumption declined by 19 percent to 5,864 million cubic meters.

Italy consumed 152.9 billion kWh of electricity, about 3 percent less than the prior-year figure of 157.6 billion kWh. Gas consumption declined by 14 percent, from 400.9 to 345.3 billion kWh, owing to a reduction in deliveries to gas-fired power stations and to a temperature-driven decline in residential consumption.

Peninsular electricity consumption in Spain declined by 4 percent to 122.4 billion kWh, end-customer gas consumption by 12 percent to 132 billion kWh.

France's electricity consumption fell by 8 percent to 240.8 billion kWh because of weather factors, its total generation by 5 percent to 276.1 billion kWh.

The Russian Federation generated 532.2 billion kWh of electricity, a year-on-year decline of 1.5 percent. It generated 512.2 billion kWh in its integrated power system (which does not include isolated systems), which also represents a decline of 1.5 percent. Power consumption in the Russian Federation decreased by 1 percent to 518.4 billion kWh.

Energy Prices

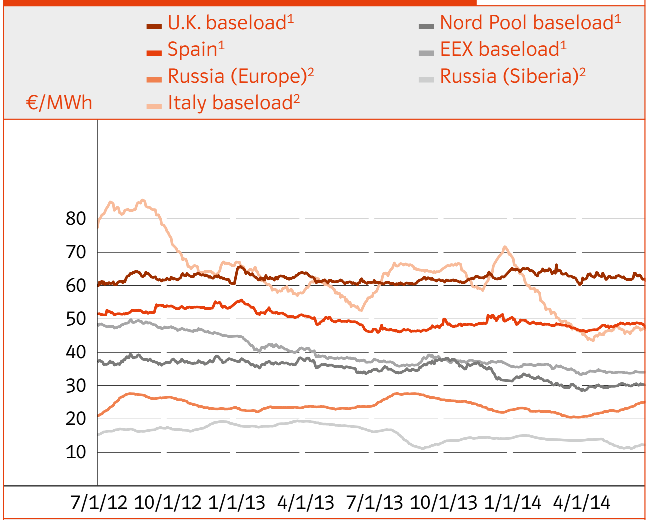
Five main factors drove Europe's electricity and natural gas markets and Russia's electricity market in the first half of 2014:

- 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.

Commodity markets were influenced mainly by Europe's mild weather and the resulting decline in prices for coal and natural gas. Concerns about the potential geopolitical risks of the spread of the Ukraine crisis did not have a lasting impact on prices. With the global economy performing as anticipated, there were also no macroeconomic developments in recent months that had a noteworthy impact on prices.

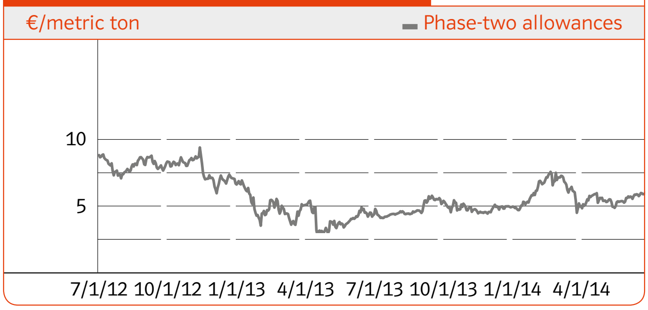
Interim Group Management Report

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



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

Carbon Allowance Price Movements in Europe



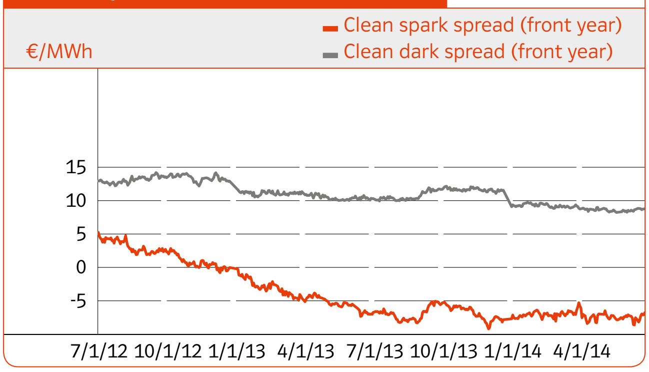
Oil prices remained fairly stable in the first half of the year until unplanned supply interruptions from several OPEC producers and the latest unrest in Iraq sent prices higher at the end of the second quarter. In particular, the widening conflict in northern Iraq led to increasing uncertainty regarding oil production. But since there was no evidence of an impact on production and exports, oil prices already displayed a slight downward trend.

In response to a decline in Columbia's coal exports brought on by further strikes and by delays in the commissioning of government-mandated direct loading facilities, European coal prices (API#2 index) for next-year delivery started the year by moving temporarily higher. But in the second quarter prices continued their downward trend from the prior year owing to a mild winter, a good supply situation in Europe, and a rise in Columbian exports.

Natural gas prices also moved considerably lower during the first half of the year because the extremely mild winter left inventories in gas storage facilities at high levels and because LNG imports were higher than anticipated. Temporary price fluctuations were driven mainly by developments in Ukraine and the resulting risk of transmission interruptions in the coming twelve months.

In the first quarter prices for EU carbon allowances ("EUAs") under the European Emissions Trading Scheme fluctuated dramatically in response to back-loading, a measure introduced in March to reduce the number of EUAs in circulation. In the second quarter there was, as anticipated, a slight but stable increase in EUA prices. With fewer EUAs available through auctions, purchasers had to meet their needs by buying more EUAs in the secondary market.

Clean Dark and Spark Spreads in Germany



Last year's downward price trend for German baseload power for next-year delivery continued into the first half of this year, primarily because of the ongoing increase in installed renewables capacity and a weak forecast for coal prices. Due to the collapse of EUA prices, the decline in power prices was particularly sharp in the first quarter, whereas prices fell more slowly in the second.

U.K. power prices reflected their dependence on gas prices. Consequently, in the second quarter power prices for next-year delivery continued to track the decline in gas prices. The low cost of gas and an increase in the U.K. carbon tax, which took effect on April 1, made coal-fired generation less economic. In some cases gas-fired power plants began to crowd coal-fired plants out of the market.

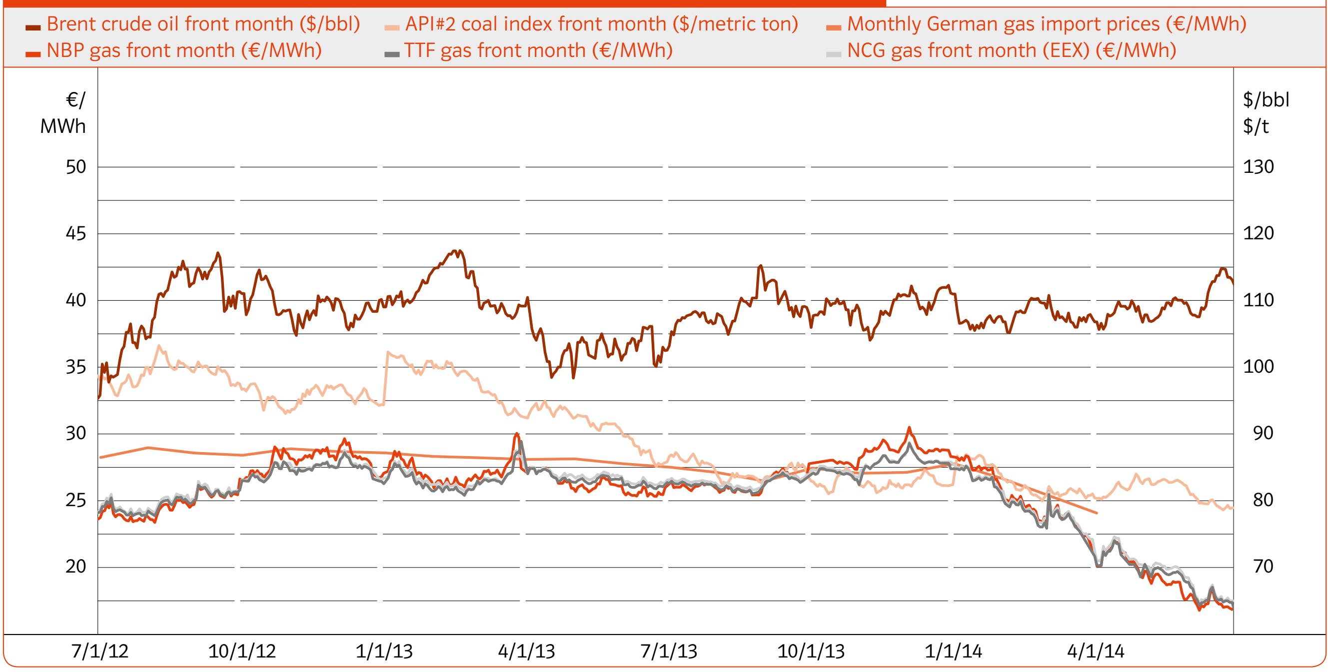
Spot prices on the Nordic power market were down significantly year on year in the second quarter as well. This was mainly because the hydrological situation continued to be good, with reservoirs in Norway and Sweden at average levels. As a result, the region remained a net exporter of power. Prices for next-year delivery tracked the rise in EUA prices.

After falling sharply in the first quarter, in the second quarter Italy's power prices for next-year delivery stabilized at a rather low level for Italian circumstances. Spot prices were also well below the prior-year level, primarily because of lower gas prices and higher renewables feed-in.

After dropping sharply in the first quarter, Spain's power prices for next-year delivery rose steadily in the second. The prospect of above-average summer temperatures and of a decline in hydropower output, which has been high, were the main factors.

Prices in the European zone of the Russian power market rose significantly in the second quarter. The seasonal decline in demand was more than offset by outages at a number of nuclear power stations and by a decline in hydropower output. Prices in the Siberian zone declined slightly owing to higher hydropower output.

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



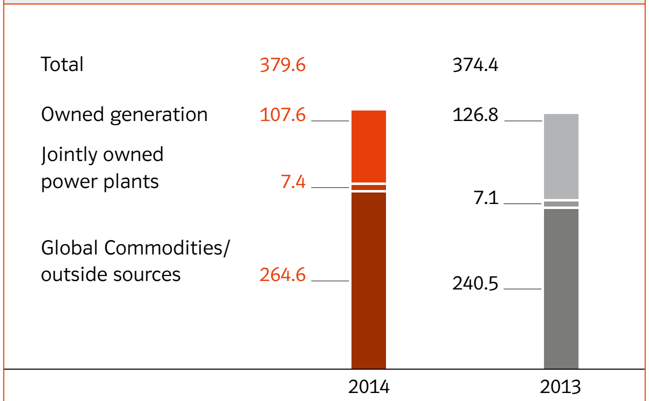
Business Performance

Power Procurement

The E.ON Group's first-half owned generation declined by 19.2 billion kWh, or 15 percent, year on year. The reduction is mainly attributable to the Generation unit. Owned generation at our other units declined by 3.1 billion kWh. Power procured increased by 24.4 billion kWh.

Power Procurement

January 1–June 30
Billion kWh

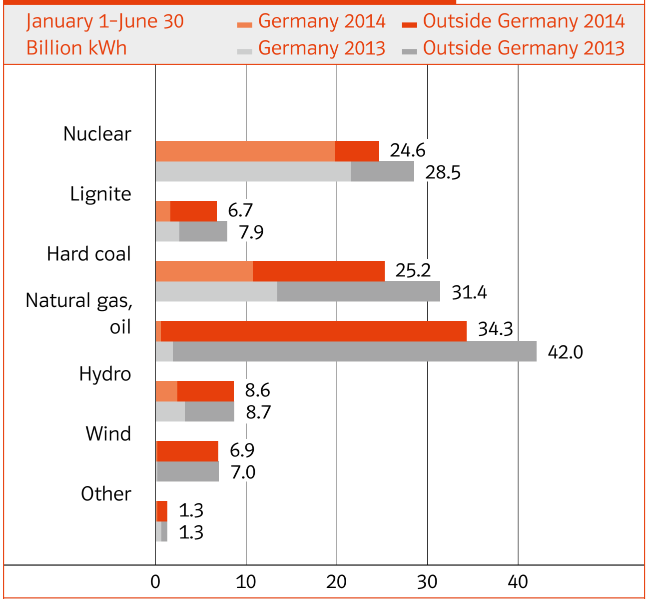


Additional information under Energy Tables on page 47 and 48.

Generation's owned generation decreased by 16.1 billion kWh, from 75.1 to 59 billion kWh. In Germany the decline resulted in particular from the reduced dispatch of coal-fired and gas-fired assets due to the current market situation, the accident-related shutdown of a coal-fired-unit at Staudinger, damage to a generator at Grohnde nuclear power plant ("NPP"), damage to switching equipment at Isar 2 NPP, and the sale of a lignite-fired asset. In France two generating units were shut down and the availability of two other units was limited. In Sweden we conducted overhaul work to extend the operating life of unit 2 at Oskarshamn NPP. Lower demand due to the relatively warmer weather was another adverse factor.

Owned Generation by Energy Source

January 1–June 30
Billion kWh



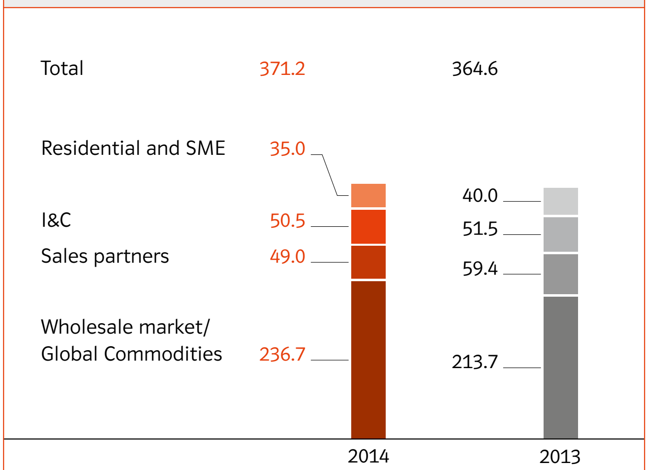
Additional information under Energy Tables on page 47 and 48.

Power Sales

The E.ON Group's first-half power sales were 6.6 billion kWh above the prior-year level due to an increase in trading activity.

Power Sales

January 1–June 30
Billion kWh



Additional information under Energy Tables on page 47 and 48.

The 5 billion kWh decline in power sales to residential and small and medium enterprise ("SME") customers chiefly reflects lower sales volume in the United Kingdom, Sweden, and Germany due to mild weather. Lower customer numbers and ongoing energy-efficiency measures were additional adverse factors in the United Kingdom. In Germany, by contrast, we continued the positive trend of the previous quarter by achieving further improvements in customer loyalty and satisfaction.

Power sales to industrial and commercial ("I&C") customers were 1 billion kWh below the prior-year figure. The Germany regional unit's I&C power sales declined by about 1.6 billion kWh to 11.2 billion kWh owing to divestments and competitive factors. By contrast, Other EU Countries' I&C power sales rose by 0.7 billion kWh to 37.6 billion kWh.

Power sales to sales partners declined by 10.4 billion kWh. The Germany regional unit's power sales to this customer group declined by 5.4 billion kWh to 32.6 billion kWh owing to the above-mentioned reasons. Generation's power sales declined by 3.7 billion kWh, from 16.9 to 13.2 billion kWh, mainly because of lower production at fossil-fueled assets in Germany and France. Comparatively mild weather was another adverse factor, particularly in Italy, the United Kingdom, and Sweden. In addition, Renewables' power sales of 3 billion kWh were 1.2 billion kWh below the prior-year figure, principally because of the reduction in installed capacity in Germany following the sale of certain hydroelectric assets in 2013 in conjunction with our market entry in Turkey.

An increase in Global Commodities' trading activities to optimize E.ON's generation portfolio was primarily responsible for the increase in power sales in the trading business.

Gas Procurement and Production

The Global Commodities unit procured about 527 billion kWh of natural gas from producers in and outside Germany in the first half of 2014. About one third of this amount was procured under long-term contracts, the remainder at trading hubs. The biggest suppliers were Russia, Germany, the Netherlands, and Norway.

Upstream Production

January 1–June 30	2014	2013	+/- %
Oil/condensates (million barrels)	5.3	2.7	+95
Gas (million standard cubic meters)	942	727	+30
Total (million barrels of oil equivalent)	**11.2**	**7.3**	**+54**

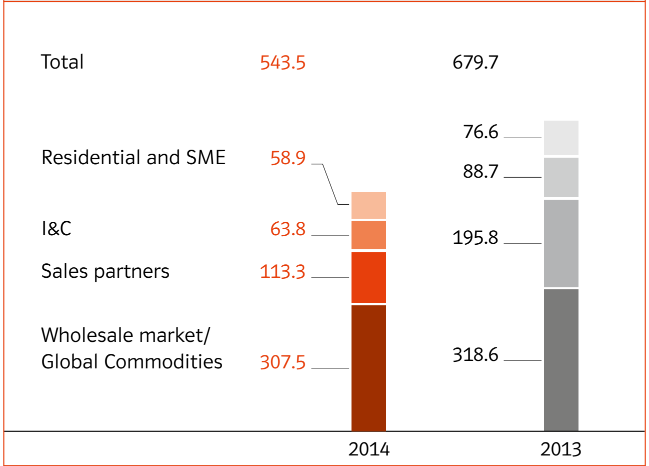
The main reason for the increase in Exploration & Production's production in the North Sea was higher production at Skarv field resulting from improved production efficiency. It also reflected higher production at Huntington, Rita, Babbage, and Elgin/Franklin. In addition to its North Sea production, in the first half Exploration & Production had 3,024 million cubic meters of output from Siberia's Yuzhno Russkoye gas field, which is accounted for using the equity method.

Gas Sales

The E.ON Group's first-half gas sales declined by 136.2 billion kWh, or 20 percent, to 543.5 billion kWh.

Gas Sales

January 1–June 30
Billion kWh



Additional information under Energy Tables on page 47 and 48.

Gas sales to residential and SME customers declined by 17.7 billion kWh. The relatively warm winter was the main factor in the United Kingdom, Germany, Romania, Italy, and the Netherlands. Competition-driven losses in the United Kingdom, Germany, and Italy constituted another negative factor. The derecognition of a majority-held equity interest in the first quarter of 2014 was the principal reason for the decline in Czechia.

Gas sales to I&C customers declined by 24.9 billion kWh. Owing to the above-described reason, the Germany regional unit's gas sales to I&C customers fell by 17.9 billion kWh to 41 billion kWh. Other EU Countries' gas sales fell at all of its units by a total of 7 billion kWh, mainly because of weather factors.

Gas sales to sales partners declined by 82.5 billion kWh. The decline at the Germany regional unit mainly reflects the transfer of its business with energy traders and banks to our Global

Commodities unit (where this business is classified as wholesale market sales) and the development of commodity prices.

Gas sales in the trading business were lower primarily because of a weather-driven decline in sales volume in the midstream business, particularly in the first quarter of 2014, and the sale of Global Commodities' gas business in Hungary in September 2013.

Earnings Situation

Business Performance

Our business performance in the first half of 2014 was in line with our expectations. Our sales of €56.1 billion were 13 percent below the prior-year level. Our EBITDA declined by about €0.7 billion to €5 billion. Cost savings delivered by our E.ON 2.0 program and higher earnings at Generation, Exploration & Production, and Renewables had a positive impact on earnings but were more than offset by lower earnings at our power and gas trading business, the absence of earnings streams from divested companies at our Germany unit, and lower earnings at our Other EU Countries and Russia units. Underlying net income declined by €0.4 billion to €1.5 billion.

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 in 2014 reflect the development of market prices and were therefore lower than the prices for deliveries in 2013.

Sales

Our first-half sales of €56.1 billion were about €8.5 billion below the prior-year level.

Sales

January 1–June 30 € in millions	2014	2013	+/- %
Generation	4,774	5,451	-12
Renewables	1,115	1,282	-13
Global Commodities	39,436	47,435	-17
Exploration & Production	1,155	939	+23
Germany	14,944	19,984	-25
Other EU Countries	11,285	12,689	-11
Non-EU Countries	816	945	-14
Group Management/ Consolidation	-17,406	-24,089	–
Total	**56,119**	**64,636**	**-13**

Lower sales at our Germany, Other EU Countries, and Global Commodities units were the main reason our sales declined. The divestment of E.ON Energy from Waste and intragroup offsets in the gas business were adverse factors at the Germany unit. Sales at Germany's distribution network business were roughly €1 billion below the prior-year level. The prior-year figure contains just over €1.1 billion in sales from the divested network operations of E.ON Mitte, E.ON Thüringer Energie, and E.ON Westfalen Weser. Adjusted for this effect, network sales were actually slightly higher. A regulation-driven decline in network fees was more than offset by higher passthrough effects in conjunction with the Renewable Energy Law.

Higher temperatures relative to the prior-year period constituted one of the main reasons for the decline in sales at Other EU Countries. Currency-translation effects had an additional adverse impact on sales recorded in Sweden, Czechia, and Hungary. Other negative factors included a reduction in connection fees and sales in the distribution network business and the divestment of operations in Finland and Poland at the Sweden regional unit, the derecognition of a majority-held equity interest in the first quarter of 2014 and a regulation-driven decline in sales in the power business in Czechia, and lower sales prices in the regulated power and gas business in Hungary. Weather- and competition-driven declines in power and gas sales volume were also the chief reason sales were lower at our regional units in Italy, the Netherlands, Romania, and Spain. By contrast, sales in France were higher thanks to the acquisition of new customers and increases in power and gas sales.

Global Commodities' sales declined on the power side owing to a lower price level relative to the prior year and on the gas side owing to a weather-driven decline in sales volume in the midstream gas business and the sale of the Hungarian gas business.

Other Line Items from the Consolidated Statements of Income

Own work capitalized of €125 million was 23 percent below the prior-year figure of €162 million. The main reason is that fewer engineering services for generation new-build projects were performed in the first half of 2014 than in the prior-year period.

Other operating income of €5,222 million was 33 percent below the prior-year figure of €7,765 million. One reason was that income on the sale of securities, property, plant, and equipment ("PP&E"), and equity investments declined from €2,197 million to €518 million; as in the prior year, this income was recorded mainly on the sale of equity investments. Another reason was that income from currency-translation effects of €1,232 million was €919 million below the prior-year figure of €2,151 million. Income from derivative financial instruments of €2,849 million was slightly above the prior-year figure of €2,675 million. The change reflects the marking to market of commodity derivatives. Miscellaneous other operating income consisted primarily of reductions to valuation allowances and provisions as well as rental and leasing fees.

Costs of materials declined by €7,308 million to €48,686 million (prior year: €55,994 million).

Personnel costs declined by 14 percent to €2,068 million (prior year: €2,392 million), mainly because of divestments made in 2013 and effects relating to our E.ON 2.0 efficiency-enhancement program.

Depreciation charges of €1,984 million were slightly above the prior-year figure of €1,975 million.

Other operating expenses declined by 13 percent to €6,225 million (prior year: €7,141 million). Lower expenditures relating to exchange-rate differences of €1,463 million (€2,222 million) were more than offset by higher expenditures relating to derivative financial instruments of €2,922 million (€2,553 million). The effects resulted mainly from the marking to market of gas, power, and coal derivatives. In addition, losses on the sale of securities, PP&E, and equity investments totaled €23 million, which was lower than the prior-year figure of €278 million, and resulted mainly from the sale of equity investments.

Income from companies accounted for under the equity method increased by €19 million, from -€4 million to €15 million.

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 14 to the Condensed Consolidated Interim Financial Statements).

Our first-half EBITDA was down by about €0.7 billion year on year. The positive factors were:

- higher production at Exploration & Production
- cost savings delivered by our E.ON 2.0 program
- higher earnings at Generation and Renewables.

These factors were more than offset by:

- lower earnings in the power and gas trading business
- the absence of earnings streams from divested companies at the Germany regional unit
- lower earnings at Other EU Countries and Russia.

EBITDA[1]

January 1–June 30 € in millions	2014	2013	+/- %
Generation	1,182	932	+27
Renewables	870	810	+7
Global Commodities	157	690	-77
Exploration & Production	668	461	+45
Germany	1,079	1,382	-22
Other EU Countries	1,095	1,372	-20
Non-EU Countries	233	314	-26
Group Management/ Consolidation	-271	-256	–
Total	**5,013**	**5,705**	**-12**

[1]Adjusted for extraordinary effects.

Generation

Generation's EBITDA increased by €250 million.

Generation

January 1–June 30 € in millions	EBITDA[1] 2014	EBITDA[1] 2013	EBIT[1] 2014	EBIT[1] 2013
Nuclear	742	656	616	548
Fossil	465	288	135	-31
Other	-25	-12	-27	-14
Total	**1,182**	**932**	**724**	**503**

[1]Adjusted for extraordinary effects.

Nuclear's EBITDA increased by about €86 million, owing mainly to lower expenditures for the nuclear-fuel tax in Germany. Because of the announced early decommissioning of Grafenrheinfeld nuclear power station in May 2015, no new fuel elements will be loaded. Consequently, no nuclear-fuel tax will be levied for Grafenrheinfeld in 2014. EDITDA was lower in Sweden because of overhaul work at unit 2 at Oskarshamn nuclear power station and the resulting production decline.

Fossil's EBITDA rose by about €177 million, primarily because of the reversal of provisions in conjunction with water-usage fees for gas-fired power plants in Italy and the delivery of planned cost-cutting measures. Renegotiated improved terms for coal and gas procurement contracts contributed to an EBITDA increase in Spain.

Renewables

Renewables' EBITDA increased by €60 million, or 7 percent.

Renewables

January 1–June 30 € in millions	EBITDA[1]		EBIT[1]	
	2014	2013	2014	2013
Hydro	417	424	355	364
Wind/Solar/Other	453	386	299	233
Total	**870**	**810**	**654**	**597**

[1]Adjusted for extraordinary effects.

EBITDA at Hydro declined by 2 percent to €417 million, mainly because of lower earnings in Italy (due to lower prices and slightly lower sales volume) and in Germany (due to the reduction in generating capacity and lower water flow). By contrast, EBITDA in Sweden rose on higher sales volume, which was partially offset by adverse price and currency-translation effects.

Wind/Solar/Other's EBITDA rose by 17 percent owing to our build-and-sell strategy.

Global Commodities

Global Commodities' EBITDA was €533 million below the prior-year figure. This segment's reporting units in the prior year were Proprietary Trading, Optimization, and Gas Transport/Shareholdings/Other. The new reporting structure better reflects Global Commodities' core business activities—in particular, its global coal, oil, freight, and LNG activities and its European power and gas business—as well as the decline in significance of proprietary trading.

Global Commodities

January 1–June 30 € in millions	EBITDA[1]		EBIT[1]	
	2014	2013	2014	2013
Coal/Oil/Freight/LNG	24	-13	24	-13
Power and Gas	75	656	30	600
Infrastructure/Other	58	47	55	44
Total	**157**	**690**	**109**	**631**

[1]Adjusted for extraordinary effects.

Coal/Oil/Freight/LNG's EBITDA was slightly above the prior-year figure due to improved earnings in the oil portfolio.

Power and Gas's EBITDA declined by €581 million. The main reasons for the decline were positive earnings effects recorded in the prior-year period on the exercise of option rights in carbon-allowance trading and a decline in optimization earnings in the gas business. The absence of earnings streams from the gas business in Hungary sold in September 2013 was also a negative factor.

Infrastructure/Other's EBITDA was slightly above the prior-year level, primarily because of higher equity earnings from our stake in Nord Stream.

Exploration & Production

EBITDA at Exploration & Production increased by 45 percent, from €461 million to €668 million, principally because of an increase in production in the North Sea, particularly at Skarv, Huntington, Babbage, and Elgin/Franklin fields. First-half EBIT was €361 million (prior year: €243 million).

Germany

EBITDA at the Germany regional unit declined by €303 million to €1,079 million. Adjusted for the prior-year first-half earnings streams of companies divested in 2013, EBITDA was only slightly below the prior-year level.

Germany

January 1–June 30 € in millions	EBITDA[1]		EBIT[1]	
	2014	2013	2014	2013
Distribution Networks	847	1,097	577	768
Non-regulated/Other	232	285	196	246
Total	**1,079**	**1,382**	**773**	**1,014**

[1]Adjusted for extraordinary effects.

Most of the €250 million decline in EBITDA at Distribution Networks is attributable to the divestment of three regional distribution companies. The start of the new regulation period this year also had an adverse impact on earnings, since efficiency enhancements achieved during the previous period were passed through to our customers in the form of lower network fees. In addition, the earnings component for grid expansion in accordance with the Renewable Energy Law was lower than in the prior-year period.

EBITDA at Non-regulated/Other was €53 million below the prior-year figure. Adverse factors included the loss of earnings streams due to the divestment of E.ON Energy from Waste, higher procurement costs, and the mild winter's impact on the heating business.

Other EU Countries

Other EU Countries' EBITDA was €277 million below the prior-year figure.

Other EU Countries				
January 1–June 30 € in millions	EBITDA[1]		EBIT[1]	
	2014	2013	2014	2013
UK (£ in millions)	242 (199)	309 (263)	198 (163)	274 (233)
Sweden (SEK in millions)	368 (3,296)	451 (3,844)	247 (2,211)	324 (2,765)
Czechia (CZK in millions)	172 (4,726)	293 (7,527)	124 (3,411)	245 (6,291)
Hungary (HUF in millions)	80 (24,588)	76 (22,643)	33 (10,139)	29 (8,444)
Remaining regional units	233	243	161	187
Total	**1,095**	**1,372**	**763**	**1,059**

[1]Adjusted for extraordinary effects.

EBITDA at the UK regional unit declined by €67 million, in particular because of a weather-driven decline in sales volume and higher procurement costs.

The Sweden regional unit's EBITDA declined by €83 million, which includes negative currency-translation effects of €18 million. Milder temperatures compared with the prior-year period, lower network connection fees, and the absence of earnings from operations divested in Finland and Poland were the other main negative factors.

EBITDA in Czechia declined by €121 million owing primarily to lower compensation payments for the preferential dispatch of renewable-source electricity in the distribution network, the book gain recorded on the sale of an equity interest in the prior-year period, the derecognition of a majority-held equity interest in the first quarter of 2014, and negative currency-translation effects.

The Hungary regional unit's EBITDA was at the prior-year level. Improved receivables management, higher construction-cost subsidies, and lower controllable costs were the main positive factors. Currency-translation effects constituted a negative factor.

EBITDA at the remaining regional units decreased by €10 million, mainly because of lower earnings in Italy and the Netherlands. The decline in Italy was due in particular to a regulation- and weather-driven reduction in gas tariffs along with mild temperatures and keener competition. Mild temperatures were also responsible for lower sales in the Netherlands. By contrast, EBITDA in France rose on positive price effects, higher power and gas sales volume, the non-recurrence of a provision relating to a long-term gas contract recorded in the first quarter of 2013, and cost savings.

Non-EU Countries

Non-EU Countries' EBITDA declined by 26 percent, or €81 million.

Non-EU Countries				
January 1–June 30 € in millions	EBITDA[1]		EBIT[1]	
	2014	2013	2014	2013
Russia (RUB in millions)	268 (12,876)	355 (14,436)	195 (9,354)	272 (11,036)
Other Non-EU Countries	-35	-41	-35	-41
Total	**233**	**314**	**160**	**231**

[1]Adjusted for extraordinary effects.

The Russia unit's EBITDA was 24 percent below the prior-year level. The principal reasons were negative currency-translation effects and a narrower gross margin resulting from higher fuel costs which were not offset by higher sales because of a reduction in power consumption in conjunction with the commissioning of new generating capacity. In local currency EBITDA declined by 11 percent.

EBITDA at Other Non-EU Countries consists of E.ON International Energy, including our activities in Brazil and Turkey, which are accounted for under the equity method. The negative figure recorded for Turkey is primarily attributable to negative finance earnings, low hydro output, and high power procurement costs. Earnings in Brazil mainly reflect negative finance earnings and earnings foregone owing to unavailable assets.

Net Income

Net income attributable to shareholders of E.ON SE of €0.8 billion and corresponding earnings per share of €0.43 were significantly below the respective prior-year figures of €3.1 billion and €1.61.

Net Income January 1–June 30, € in millions	2014	2013
EBITDA[1]	**5,013**	**5,705**
Depreciation and amortization	-1,743	-1,700
Impairments (-)/Reversals (+)[2]	-27	-25
EBIT[1]	**3,243**	**3,980**
Economic interest income (net)	-917	-912
Net book gains/losses	297	1,832
Restructuring/cost-management expenses	-184	-213
Impairments (-)/Reversals (+)[2,3]	-352	-375
Other non-operating earnings	-448	-132
Income from continuing operations before taxes	**1,639**	**4,180**
Income taxes	-626	-815
Income from continuing operations	**1,013**	**3,365**
Income from discontinued operations, net	16	–
Net income	**1,029**	**3,365**
Attributable to shareholders of E.ON SE	*821*	*3,075*
Attributable to non-controlling interests	*208*	*290*

[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.
[3]Recorded under non-operating earnings.

Despite the improvement in our net financial position, our economic interest expense remained nearly at the prior-year level owing to certain countervailing effects, in particular changes in interest rates on non-current provisions.

Economic Interest Expense January 1–June 30 € in millions	2014	2013
Interest expense shown in Consolidated Statements of Income	-945	-906
Interest income (-)/expense (+) not affecting net income	28	-6
Total	**-917**	**-912**

First-half net book gains amounted to €0.3 billion. Book gains were recorded primarily on the sale of a majority stake in a gas company in Prague and securities and network segments in Germany. The high prior-year figure consists in particular of book gains on the sale of certain hydroelectric assets in Bavaria to Austria's Verbund AG in conjunction with our market entry in Turkey as well as on the sale 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.

Restructuring and cost-management expenditures declined by €29 million and, as in the prior-year period, resulted mainly from cost-cutting programs.

In 2014 and 2013 our global and regional units were adversely affected by a generally deteriorated business environment and regulatory intervention. We therefore had to record impairment charges of approximately €352 million at Non-EU Countries and at Generation, Exploration & Production, and Renewables in the first half of 2014. In the year-earlier period we recorded impairment charges in particular at Global Commodities, Renewables, and Non-EU Countries.

Other non-operating earnings of -€448 million (prior year: -€132 million) include the marking to market of derivatives. We use derivatives to shield our operating business from price fluctuations. Marking to market at June 30, 2014, resulted in a negative effect of €186 million. At the prior-year balance-sheet date there was no noteworthy effect. In addition, non-operating earnings were adversely affected in 2014 by impairment charges on gas inventories, securities, and operations at Non-EU Countries and in 2013 by impairment charges on securities and financial receivables.

Our tax expense was €0.6 billion compared with €0.8 billion in the prior-year period. Our tax rate increased from 20 percent in 2013 to 38 percent in 2014 owing to higher tax-free book gains in the prior-year period and a one-off effect relating to a change in the valuation of deferred tax assets in the first quarter of 2014.

Income/loss from discontinued operations, net, includes 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 non-controlling 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 non-controlling interests), as well as special tax effects.

Underlying Net Income

January 1–June 30 € in millions	2014	2013
Net income attributable to shareholders of E.ON SE	821	3,075
Net book gains/losses	-297	-1,832
Restructuring/cost-management expenses	184	213
Impairments (-)/Reversals (+)	352	375
Other non-operating earnings	448	132
Taxes and non-controlling interests on non-operating earnings	33	-56
Income from discontinued operations, net	-16	-
Total	**1,525**	**1,907**

Financial Situation

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, 2013 (€32.2 billion), our economic net debt declined by €2.5 billion to €29.7 billion. The main reason for the improvement was that our high positive operating cash flow and the proceeds from divestments exceeded investment expenditures and E.ON SE's dividend payout.

Economic Net Debt

€ in millions	June 30, 2014	Dec. 31, 2013
Liquid funds	7,874	7,814
Non-current securities	4,710	4,444
Financial liabilities	-19,642	-22,724
FX hedging adjustment	-53	-46
Net financial position	**-7,111**	**-10,512**
Provisions for pensions	-4,203	-3,418
Asset-retirement obligations[1]	-18,403	-18,288
Economic net debt	**-29,717**	**-32,218**

[1]Less prepayments to Swedish nuclear fund.

At the end of the first half of 2014 E.ON's financial liabilities declined by €3.1 billion to €19.6 billion relative to year-end 2013, mainly because of the on-schedule repayment of bonds, which were not refinanced owing to E.ON's liquidity situation. For this reason, we also repurchased, ahead of schedule, certain bonds with a nominal value of €1 billion in July 2014.

In April 2014 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 €13 billion was utilized at June 30, 2014.

Standard & Poor's ("S&P") long-term rating for E.ON is A- with a stable outlook. Moody's long-term rating for E.ON is A3 with a negative outlook. The short-term ratings are A-2 (S&P) and P-2 (Moody's).

Investments

Our first-half investments were €2.8 billion below the prior-year level. We invested about €1.5 billion in property, plant, and equipment ("PP&E") and intangible assets (prior year: €1.7 billion). Share investments totaled €0.2 billion versus €2.8 billion in the prior-year period.

Investments

January 1–June 30 € in millions	2014	2013	+/- %
Generation	307	362	-15
Renewables	418	322	+30
Global Commodities	30	80	-63
Exploration & Production	38	245	-84
Germany	224	452	-50
Other EU Countries	356	353	+1
Non-EU Countries	332	2,670	-88
Group Management/Consolidation	13	45	-71
Total	**1,718**	**4,529**	**-62**
Maintenance investments	*268*	*258*	*+4*
Growth and replacement investments	*1,450*	*4,271*	*-66*

Generation invested €55 million less than in the prior-year period. Investments in PP&E and intangible assets declined by €48 million, from €355 million to €307 million. Overhaul work to extend the operating life of unit 2 at Oskarshamn nuclear power station in Sweden, environmental-protection measures at Ratcliffe power station in the United Kingdom, and the new generating unit being built at Maasvlakte power station in the Netherlands were among the major projects.

Investments at Renewables rose by €96 million. Hydro's investments declined by 11 percent to €33 million. Wind/Solar/Other's investments increased substantially, from €285 million to €385 million. The high current-year figure principally reflects investments for the construction of two large offshore wind farms in Germany and the United Kingdom.

Global Commodities invested €30 million, which was €50 million less than the prior-year figure of €80 million. Investment went in particular toward IT systems in the gas storage business. The decline mainly reflects lower investments in the gas storage business, because a number of projects were completed.

Exploration & Production invested €38 million (prior year: €245 million) in PP&E and intangible assets. The decline is primarily attributable to lower investments in Skarv, Njord, Babbage, Johnston, and Hyme fields.

The Germany regional unit's investments of €224 million were significantly below the high prior-year figure, which principally reflects the acquisition of a 49-percent stake in the joint venture that owns 100 percent of the equity in E.ON Energy from Waste. The above-mentioned disposals served to reduce current-year investments. Current-year investments in PP&E and intangible assets totaled €221 million. Of these investments, €198 million went toward the network business, €21 million toward the district-heating business, and €3 million toward other activities. Share investments totaled €3 million.

Investments at Other EU Countries were at the prior-year level. By implementing municipal and smart-meter projects, the UK regional unit invested €53 million, up from the prior-year figure of €41 million. The Sweden unit's investments of €132 million were €30 million below the prior-year figure of €162 million; investments served to maintain and expand distributed generation and to expand and upgrade the distribution network, including adding new connections. Investments totaled €52 million (prior year: €58 million) in Czechia, €34 million (€29 million) in Hungary, and €85 million (€63 million) in the remaining EU countries. The latter change mainly reflects E.ON Connecting Energies' acquisition of a majority stake in a company that will generate power for a business park in Russia (this transaction closed in April) and its initial payments for a generation project in Marl, Germany.

The Russia unit accounted for €160 million (prior year: €145 million) of the investments at Non-EU Countries. These were primarily for Russia's new-build program. We invested €172 million (€2,525 million) in our operations in Brazil and Turkey. The high prior-year figure is mainly attributable to our equity interest in Turkey. These investments were largely covered by the proceeds on the sale of certain hydroelectric assets in Bavaria to Austria's Verbund AG in exchange for the operations in Turkey.

Cash Flow

Our operating cash flow of €5.7 billion was substantially above the prior-year figure of €4.1 billion. A key factor was the provisional nuclear-fuel tax refund following the Hamburg Fiscal Court's affirmation of our legal opinion regarding these tax payments. The decline in our earnings relative to the prior-year period was offset by positive working capital effects and lower tax payments.

Cash provided by investing activities of continuing operations amounted to approximately -€1.1 billion in the first half of 2014 (prior year: -€0.1 billion). After largely completing our divestment program and recording €5.1 billion in cash inflows on asset sales in the prior-year period, we recorded €1.3 billion in cash inflows on asset sales at Global Commodities, Renewables, Czechia, and Sweden in the current-year period. This significant decline in cash inflows from divestments was accompanied by a reduction of €2.8 billion in our investments relative to the prior-year level, which mainly reflected share investments to acquire and/or expand new operations in Turkey and Brazil. Changes in securities and fixed-term deposits and changes in restricted cash resulted in no noteworthy changes relative to the prior-year period.

Cash provided by financing activities of continuing operations amounted to -€4.2 billion (prior year: -€4.4 billion). The roughly €1.3 billion decline in the dividend payout relative to the prior year (the cash dividend was lower and we issued treasury shares to cover a portion of dividend obligations) was largely offset by a roughly €1.1 billion increase in the net repayment of financial liabilities.

Asset Situation

Non-current assets at June 30, 2014, were at the same level as at year-end 2013. Investments in property, plant, and equipment ("PP&E") and higher receivables on derivative financial instruments were counterbalanced primarily by depreciation charges.

Current assets declined by 9 percent, mainly because of a reduction in operating receivables and the derecognition of a majority stake in a gas company in Prague and Rødsand 2 offshore wind farm, which had been classified as assets held for sale. This was partially offset by higher receivables on derivative financial instruments.

Our equity ratio at June 30, 2014, was slightly below the year-end figure. The increase in equity resulting from current earnings was offset by a €0.1 billion reduction in assets and liabilities resulting from currency-translation effects and by the revaluation of performance-based benefits plans and the dividend payout.

Non-current liabilities rose by 3 percent from the figure at year-end 2013, owing mainly to higher liabilities on derivative financial instruments and higher provisions for pensions and other obligations (see Note 11 to the Consolidated Interim Financial Statements).

Current liabilities declined by 11 percent relative to year-end 2013, mainly because of the on-schedule repayment of bonds in the amount of €3 billion in the first half of 2014. Other factors included a reduction in liabilities from operating receivables and lower income taxes and debt in conjunction with assets held for sale. These effects were partially offset by higher liabilities relating to derivative financial instruments and by the €1.7 billion in German nuclear-fuel taxes that were provisionally refunded to us in the second quarter. We did not record this amount as income and have disclosed it as a liability after the Hamburg Fiscal Court granted our appeal for the refunding of nuclear-fuel tax payments already made. We therefore do not anticipate an impact on our earnings situation unless and until the proceedings in the principal case are successful.

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

- Non-current assets are covered by equity at 37 percent (December 31, 2013: 38 percent).
- Non-current assets are covered by long-term capital at 105 percent (December 31, 2013: 104 percent).

Consolidated Assets, Liabilities, and Equity

€ in millions	June 30, 2014	%	Dec. 31, 2013	%
Non-current assets	95,800	74	95,580	72
Current assets	33,573	26	36,750	28
Total assets	**129,373**	**100**	**132,330**	**100**
Equity	35,371	27	36,638	28
Non-current liabilities	65,042	50	63,179	47
Current liabilities	28,960	23	32,513	25
Total equity and liabilities	**129,373**	**100**	**132,330**	**100**

Employees

At June 30, 2014, the E.ON Group had 60,352 employees worldwide, a decline of 3 percent from year-end 2013. E.ON also had 1,197 apprentices in Germany and 187 board members and managing directors worldwide. As of the same date 37,329 employees, or 62 percent of all employees, were working outside Germany, about the same percentage as at year-end 2013.

Employees[1]	June 30, 2014	Dec. 31, 2013	+/- %
Generation	8,402	8,757	-4
Renewables	1,685	1,675	+1
Global Commodities	1,272	1,449	-12
Exploration & Production	235	219	+7
Germany	12,121	12,345	-2
Other EU Countries	25,827	27,396	-6
Non-EU Countries	5,315	5,019	+6
Group Management/Other[2]	5,495	5,379	+2
Total	**60,352**	**62,239**	**-3**

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

Generation's headcount was lower due mainly to E.ON 2.0 staff reductions and power plant closures. These effects were partially counteracted by the hiring of apprentices as full-time employees.

Hiring in North America led to a slight increase in the number of employees at Renewables.

The main reason for the reduction in Global Commodities' headcount was the transfer of IT staff to support functions recorded under Group Management/Other.

Exploration & Production added employees in Norway and the United Kingdom.

The headcount at the Germany regional unit was lower mainly because of E.ON 2.0 staff reductions. This was partially offset by the hiring of apprentices as full-time employees.

The decline in the number of employees at Other EU Countries is chiefly attributable to disposals in Czechia, business transfers in Romania, E.ON 2.0 staff reductions, and normal turnover.

Non-EU Countries consists only of our employees at our Russia unit, where the workforce increased because of hiring for a new-build project.

The number of employees at Group Management/Other rose owing to the centralization of support functions and the integration of IT functions formerly at Global Commodities despite the fact that E.ON 2.0 staff reductions, particularly in facility management functions, continued.

Subsequent Events Report

On June 23, 2014, E.ON made an offer to bond investors of three bonds with a total nominal value of approximately €5.1 billion to repurchase up to €1 billion of their bonds ahead of schedule. Investors tendered bonds with a total nominal value of approximately €1.5 billion for repurchase, of which E.ON accepted €1 billion. Settlement was on July 4, 2014. Consequently, the buyback was completed in the third quarter of 2014.

Forecast Report

Future Macroeconomic Situation

In view of the economic performance in the first months of the year, the OECD made a slight downward revision to its forecast for global economic growth in 2014. Driven by more positive growth expectations for Germany, however, GDP growth in the euro zone could be higher. The forecast for the United Kingdom is particularly positive. The growth forecasts for Brazil, Turkey, and, above all, Russia were revised downward.

Earnings Performance

Our forecast for full-year 2014 earnings continues to be significantly influenced by the difficult business environment in the energy industry and is unchanged from the presentation in our 2013 Combined Group Management Report.

We continue to expect our 2014 EBITDA to be in a range from €8 to €8.6 billion. This forecast factors in the loss of earnings streams through asset sales under our divestment program. Adverse effects will result from the start of the new power network regulation period in Germany and from a deterioration of the earnings situation at Russia and Global Commodities. The expansion of production at Exploration & Production will have a positive impact on earnings. We also expect further effects from the measures taken under our E.ON 2.0 efficiency-enhancement program.

We expect our 2014 underlying net income to be between €1.5 and €1.9 billion.

Our forecast by segment:

We expect Generation's 2014 EBITDA to be significantly above the prior-year figure. Price developments on the wholesale market will continue to be a negative factor. Lower expenditures for Germany's nuclear-fuel tax and the further progress of our efficiency-enhancement and cost-cutting program will have a positive impact on earnings.

We anticipate that Renewables' 2014 EBITDA will be at the prior-year level. Anticipated book gains on the sales under our build-and-sell strategy in Europe and North America will serve to increase EBITDA. The reduction in generating capacity resulting from the disposal of hydroelectric capacity in conjunction with our market entry in Turkey in 2013 along with continued declining prices for power deliveries from storage and pumped-storage hydroelectric stations will be countervailing factors.

We expect Global Commodities' 2014 EBITDA to be significantly below the prior-year figure owing to the very difficult market environment in the power and gas business in 2014 and the disposal of its Hungarian business in 2013.

We expect Exploration & Production's 2014 EBITDA to significantly 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 2014 EBITDA to be significantly below the prior-year level, mainly because of disposals. In addition, the start of the new power network regulation period will have an adverse impact.

2014 EBITDA at Other EU Countries is expected to be significantly below the prior-year level, mainly because of the absence of compensation payments for renewables feed-in at our Czechia regional unit's distribution business.

At Non-EU Countries, we expect Russia's 2014 EBITDA to be significantly below the prior-year level owing to regulatory changes and a weakening of the ruble.

Risk Report

The Combined Group Management Report contained in our 2013 Annual Report describes in detail 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, operational risks, external risks, strategic risks, technological risks, and counterparty risks—are described in detail in the 2013 Combined Group Management Report. These risks remained essentially unchanged at the end of the first half of 2014.

The situation surrounding the following external risks has changed:

E.ON is building a hard-coal-fired power plant in Datteln, Germany ("Datteln 4"). The plant is designed to have a net electric capacity of about 1,055 MW. E.ON has invested more than €1 billion in the project so far. The Münster Superior Administrative Court issued a ruling declaring void the City of Datteln's land-use plan. This ruling was subsequently upheld by the Federal Administrative Court in Leipzig. Consequently, a new planning process is being conducted to reestablish a reliable planning basis for Datteln 4. The City of Datteln adopted a resolution affirming the land-use plan on May 14, 2014. In view of the ongoing planning processes, the consents process to be conducted, and the current policy environment, we currently anticipate additional delays relative to Datteln 4's originally planned date of commissioning. E.ON has taken provisional measures to ensure the supply of district heating and of traction power until Datteln 4 becomes operational, which we continue to assume will happen. In principle, these types of risks also attend our other power and gas new-build projects.

The reactor accident in Fukushima led the political parties in Germany's coalition government to reverse their policy regarding nuclear energy. After extending the operating lives of nuclear power plants ("NPPs") in the fall of 2010 in line with the stipulations of that government's coalition agreement, the federal government rescinded the extensions in the thirteenth amended version of Germany's Atomic Energy Act ("the Act") and established a number of stricter rules. E.ON considers the nuclear phaseout, under the current legislation, to be irreconcilable with our constitutionally protected right to property and right to operate a business. It is our view that such an intervention is unconstitutional unless compensation is granted for the rights so deprived and for the resulting stranded assets. Consequently, in mid-November 2011 E.ON filed a constitutional complaint against the thirteenth amendment of the Act to Germany's Constitutional Court in Karlsruhe. The nuclear-fuel tax remains at its original level after the rescission of operating-life extensions. We believe that this contravenes Germany's constitution and European law. E.ON is therefore instituting administrative proceedings and taking legal action against the tax as well. Our view was affirmed by the Hamburg Fiscal Court, which ruled in our favor that E.ON's €1.7 billion in fuel-tax payments should be provisionally refunded. The Federal Fiscal Court has yet to rule on this matter. The Munich Fiscal Court recently concurred with the Hamburg Fiscal Court's legal opinion and his issued summary rulings requiring the provisional refund of Gundremmingen NPP's nuclear-fuel tax payments for the years 2011 to 2013 (of which the E.ON Group's share is approximately €180 million), subject to subsequent collateralization. We anticipate the same ruling for 2014 (of which the E.ON Group's share is approximately €30 million).

The E.ON Group's operations subject it to certain risks relating to legal proceedings, ongoing planning processes, and regulatory changes. These risks relate mainly to legal actions and proceedings concerning contract and price adjustments to reflect market dislocations or (including as a consequence of the transformation of Germany's energy system) an altered business climate in the power and gas business, price increases, alleged market-sharing agreements, and anticompetitive practices. The legal proceedings concerning price increases include legal actions to demand repayment of the increase differential in conjunction with court rulings that certain price-adjustment clauses used in the special-customer segment in years past are invalid. Recent rulings by Germany's Federal Court of Justice ("FCJ") have increased these risks industry-wide. To reduce future risks E.ON uses amended price-adjustment clauses. Additional risks result from the FCJ's still-pending submissions to the European Court of Justice ("ECJ") to determine whether Germany's Basic Supply Ordinances (*Grundversorgungsverordnungen*) for Power and Gas comply with European law. According to an opinion delivered by the Advocate General, the ordinances are in violation of EU law. This opinion is not binding on the ECJ. The ECJ is expected to issue a ruling toward the end of 2014. E.ON is not a party to these submissions.

The political crisis in Ukraine could have an impact on gas supply work and our activities in Russia. At this time, however, our activities in Russia continue to operate according to plan.

Management's Evaluation of the Risk Situation

At the end of the first half of 2014 the risk situation of the E.ON Group's operating business had not changed significantly compared with year-end 2013. In the future, policy and regulatory intervention, increasing gas-market competition and its effect on sales volumes and prices, and possible delays and higher costs for power and gas new-build projects could adversely affect our earnings situation. From today's perspective, however, we do not perceive any risks that could threaten the existence of the E.ON Group or individual segments.

Opportunity Report

The 2013 Combined Group Management Report describes the processes by which the E.ON Group identifies opportunities along with our businesses' main opportunities. These opportunities had not changed significantly as of the end of the first half of 2014.

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 June 30, 2014 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, August 12, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Markus Dittmann	Michael Preiß
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Statements of Income

€ in millions	Note	April 1–June 30 2014	April 1–June 30 2013[1]	January 1–June 30 2014	January 1–June 30 2013[1]
Sales including electricity and energy taxes		24,640	29,168	56,916	65,605
Electricity and energy taxes		-341	-410	-797	-969
Sales	(14)	**24,299**	**28,758**	**56,119**	**64,636**
Changes in inventories (finished goods and work in progress)		22	31	31	13
Own work capitalized		66	83	125	162
Other operating income		1,257	2,995	5,222	7,765
Cost of materials		-21,385	-25,211	-48,686	-55,994
Personnel costs		-1,052	-1,165	-2,068	-2,392
Depreciation, amortization and impairment charges		-1,014	-887	-1,984	-1,975
Other operating expenses		-1,751	-3,155	-6,225	-7,141
Income from companies accounted for under the equity method		88	51	15	-4
Income from continuing operations before financial results and income taxes		**530**	**1,500**	**2,549**	**5,070**
Financial results	(6)	-449	-395	-910	-890
Income from equity investments		*48*	*42*	*35*	*16*
Income from other securities, interest and similar income		*187*	*126*	*322*	*268*
Interest and similar expenses		*-684*	*-563*	*-1,267*	*-1,174*
Income taxes		27	-89	-626	-815
Income from continuing operations		**108**	**1,016**	**1,013**	**3,365**
Income from discontinued operations, net		16	–	16	–
Net income		**124**	**1,016**	**1,029**	**3,365**
Attributable to shareholders of E.ON SE		*59*	*909*	*821*	*3,075*
Attributable to non-controlling interests		*65*	*107*	*208*	*290*
in €					
Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted	(7)				
from continuing operations		0.02	0.47	0.42	1.61
from discontinued operations		0.01	0.00	0.01	0.00
from net income		**0.03**	**0.47**	**0.43**	**1.61**

[1]Because of the initial application of IFRS 10 and IFRS 11, the comparative prior-year figures have been adjusted (see also Note 2).

E.ON SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses				
	April 1–June 30		January 1–June 30	
€ in millions	2014	2013	2014	2013
Net income	**124**	**1,016**	**1,029**	**3,365**
Remeasurement of defined benefit plans	-598	480	-1,298	500
Remeasurement of defined benefit plans of companies accounted for under the equity method	–	7	-1	1
Income taxes	177	-132	375	-152
Items that will not be reclassified subsequently to the income statement	**-421**	**355**	**-924**	**349**
Cash flow hedges	-175	31	-276	68
Unrealized changes	*-91*	*225*	*-222*	*196*
Reclassification adjustments recognized in income	*-84*	*-194*	*-54*	*-128*
Available-for-sale securities	44	-123	53	-122
Unrealized changes	*104*	*-77*	*213*	*-18*
Reclassification adjustments recognized in income	*-60*	*-46*	*-160*	*-104*
Currency translation adjustments	356	-792	-185	-782
Unrealized changes	*337*	*-780*	*-191*	*-750*
Reclassification adjustments recognized in income	*19*	*-12*	*6*	*-32*
Companies accounted for under the equity method	77	-174	97	-546
Unrealized changes	*77*	*-174*	*97*	*-202*
Reclassification adjustments recognized in income	–	–	–	*-344*
Income taxes	59	-6	77	-18
Items that might be reclassified subsequently to the income statement	**361**	**-1,064**	**-234**	**-1,400**
Total income and expenses recognized directly in equity	**-60**	**-709**	**-1,158**	**-1,051**
Total recognized income and expenses (total comprehensive income)	**64**	**307**	**-129**	**2,314**
Attributable to shareholders of E.ON SE	*-22*	*271*	*-273*	*2,073*
Attributable to non-controlling interests	*86*	*36*	*144*	*241*

Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Balance Sheets

€ in millions	Note	June 30, 2014	Dec. 31, 2013[1]
Assets			
Goodwill		12,775	12,666
Intangible assets		6,279	6,648
Property, plant and equipment		49,350	50,083
Companies accounted for under the equity method	(8)	5,729	5,652
Other financial assets	(8)	6,563	6,410
Equity investments		*1,853*	*1,966*
Non-current securities		*4,710*	*4,444*
Financial receivables and other financial assets		3,569	3,550
Operating receivables and other operating assets		3,767	3,074
Income tax assets		168	172
Deferred tax assets		7,600	7,325
Non-current assets		**95,800**	**95,580**
Inventories		3,962	4,147
Financial receivables and other financial assets		1,676	1,654
Trade receivables and other operating assets		19,281	21,074
Income tax assets		642	1,030
Liquid funds		7,874	7,814
Securities and fixed-term deposits		*2,036*	*2,648*
Restricted cash and cash equivalents		*897*	*639*
Cash and cash equivalents		*4,941*	*4,527*
Assets held for sale	(4)	138	1,031
Current assets		**33,573**	**36,750**
Total assets		**129,373**	**132,330**
Equity and Liabilities			
Capital stock		2,001	2,001
Additional paid-in capital		13,084	13,733
Retained earnings		22,155	23,306
Accumulated other comprehensive income		-2,063	-1,833
Treasury shares	(9)	-2,520	-3,484
Equity attributable to shareholders of E.ON SE		**32,657**	**33,723**
Non-controlling interests (before reclassification)		3,311	3,574
Reclassification related to put options		-597	-659
Non-controlling interests		**2,714**	**2,915**
Equity		**35,371**	**36,638**
Financial liabilities		17,985	18,051
Operating liabilities		7,669	6,754
Income taxes		2,277	2,317
Provisions for pensions and similar obligations	(11)	4,203	3,418
Miscellaneous provisions		24,772	24,735
Deferred tax liabilities		8,136	7,904
Non-current liabilities		**65,042**	**63,179**
Financial liabilities		1,657	4,673
Trade payables and other operating liabilities	(12)	21,434	21,457
Income taxes		1,392	1,723
Miscellaneous provisions		4,473	4,353
Liabilities associated with assets held for sale	(4)	4	307
Current liabilities		**28,960**	**32,513**
Total equity and liabilities		**129,373**	**132,330**

[1]Because of the initial application of IFRS 10, IFRS 11 and IAS 32, the comparative prior-year figures have been adjusted (see also Note 2).

E.ON SE and Subsidiaries Consolidated Statements of Cash Flows

January 1–June 30 € in millions	2014	2013
Net income	1,029	3,365
Income/Loss (-) from discontinued operations, net	-16	-
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	1,984	1,975
Changes in provisions[1]	323	345
Changes in deferred taxes	474	588
Other non-cash income and expenses	56	-31
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (>3 months)	-495	-1,919
Changes in operating assets and liabilities and in income taxes	2,321	-209
Cash provided by operating activities of continuing operations (operating cash flow)[2]	**5,676**	**4,114**
Proceeds from disposal of	1,387	5,237
Intangible assets and property, plant and equipment	*131*	*155*
Equity investments	*1,256*	*5,082*
Purchases of investments in	-1,718	-4,529
Intangible assets and property, plant and equipment	*-1,500*	*-1,742*
Equity investments	*-218*	*-2,787*
Changes in securities and fixed-term deposits[1]	-499	-822
Changes in restricted cash and cash equivalents	-258	3
Cash used for investing activities of continuing operations	**-1,088**	**-111**
Payments received/made from changes in capital[3]	-34	-14
Cash dividends paid to shareholders of E.ON SE	-840	-2,097
Cash dividends paid to non-controlling interests	-114	-123
Changes in financial liabilities	-3,193	-2,127
Cash used for financing activities of continuing operations	**-4,181**	**-4,361**
Net increase/decrease in cash and cash equivalents	**407**	**-358**
Effect of foreign exchange rates on cash and cash equivalents	-5	-14
Cash and cash equivalents at the beginning of the year[4]	4,539	2,823
Cash and cash equivalents of continuing operations at the end of the quarter[5]	**4,941**	**2,451**

[1]The comparative prior-year figures have been adjusted (see also Note 2).
[2]Additional information on operating cash flow is provided in Note 14.
[3]No material netting has taken place in either of the years presented here. The non-cash financing activity resulting from the scrip dividend is discussed in Notes 9 and 10.
[4]Cash and cash equivalents of continuing operations at the beginning of 2014 also include an amount of €12 million at the Pražská plynárenská group, which was disposed of in the first quarter of 2014. The figure for 2013 includes a combined total of €7 million at E.ON Thüringer Energie and at E.ON Energy from Waste, both of which had been presented as disposal groups.
[5]Cash and cash equivalents of continuing operations at the end of the second quarter of 2013 also include an amount of €3 million at E.ON Földgáz Trade, which had been presented as a disposal group, and an amount of €6 million at the E.ON Finland 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	Changes in accumulated other comprehensive income: Available-for-sale securities	Changes in accumulated other comprehensive income: Cash flow hedges
Balance as of January 1, 2013	**2,001**	**13,740**	**22,869**	**-614**	**810**	**-343**
IFRS 10, IFRS 11 adjustment			304			
Balance as of January 1, 2013	**2,001**	**13,740**	**23,173**	**-614**	**810**	**-343**
Change in scope of consolidation						
Treasury shares repurchased/sold						
Capital increase						
Capital decrease						
Dividends			-2,097			
Share additions			-10			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			3,397	-1,237	-104	17
Net income			*3,075*			
Other comprehensive income			*322*	*-1,237*	*-104*	*17*
Remeasurement of defined benefit plans			*322*			
Changes in accumulated other comprehensive income				*-1,237*	*-104*	*17*
Balance as of June 30, 2013[1]	**2,001**	**13,740**	**24,463**	**-1,851**	**706**	**-326**
Balance as of January 1, 2014[1]	**2,001**	**13,733**	**23,306**	**-2,742**	**1,201**	**-292**
Change in scope of consolidation						
Treasury shares repurchased/sold		-649	-10			
Capital increase						
Capital decrease						
Dividends			-1,145			
Share additions			47			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			-43	-82	11	-159
Net income			*821*			
Other comprehensive income			*-864*	*-82*	*11*	*-159*
Remeasurement of defined benefit plans			*-864*			
Changes in accumulated other comprehensive income				*-82*	*11*	*-159*
Balance as of June 30, 2014	**2,001**	**13,084**	**22,155**	**-2,824**	**1,212**	**-451**

[1]Because of the initial application of IFRS 10 and IFRS 11, 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
-3,505	**34,958**	**4,410**	**-548**	**3,862**	**38,820**
	304	35	-35	0	304
-3,505	**35,262**	**4,445**	**-583**	**3,862**	**39,124**
		-680		-680	-680
					0
		14		14	14
		-8		-8	-8
	-2,097	-212		-212	-2,309
	-10	-11		-11	-21
			12	12	12
	2,073	241		241	2,314
	3,075	*290*		*290*	*3,365*
	-1,002	*-49*		*-49*	*-1,051*
	322	*27*		*27*	*349*
	-1,324	*-76*		*-76*	*-1,400*
-3,505	**35,228**	**3,789**	**-571**	**3,218**	**38,446**
-3,484	**33,723**	**3,574**	**-659**	**2,915**	**36,638**
		-125		-125	-125
964	305				305
		29		29	29
		-8		-8	-8
	-1,145	-207		-207	-1,352
	47	-96		-96	-49
			62	62	62
	-273	144		144	-129
	821	*208*		*208*	*1,029*
	-1,094	*-64*		*-64*	*-1,158*
	-864	*-60*		*-60*	*-924*
	-230	*-4*		*-4*	*-234*
-2,520	**32,657**	**3,311**	**-597**	**2,714**	**35,371**

Notes to the Condensed Consolidated Interim Financial Statements

(1) Summary of Significant Accounting Policies

The Interim Report for the six months ended June 30, 2014, has been prepared in accordance with those International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations ("IFRIC") effective and adopted for use in the European Union ("EU").

With the exception of the changes described in Note 2, this Interim Report was prepared using the accounting, valuation and consolidation policies used in the Consolidated Financial Statements for the 2013 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, 2013, which provide the basis for this Interim Report.

(2) Newly Adopted Standards and Interpretations, Changes in Accounting Policies

IFRS 10, "Consolidated Financial Statements"

In May 2011, the IASB published the new standard IFRS 10, "Consolidated Financial Statements" ("IFRS 10"). This IFRS replaces the existing guidance on control and consolidation contained in IAS 27, "Consolidated and Separate Financial Statements," and in SIC-12, "Consolidation—Special Purpose Entities" ("SIC-12"). IFRS 10 establishes a uniform definition of the term "control," with greater emphasis on the principle of substance over form than in the past. The new standard can thus give rise to an altered scope of consolidation. The standard has been adopted by the EU into European law. Accordingly, IFRS 10 must generally be applied retrospectively for fiscal years beginning on or after January 1, 2014.

IFRS 11, "Joint Arrangements"

In May 2011, the IASB published the new standard IFRS 11, "Joint Arrangements" ("IFRS 11"). It replaces IAS 31, "Interests in Joint Ventures" ("IAS 31"), and SIC-13, "Jointly Controlled Entities—Non-Monetary Contributions by Venturers" ("SIC-13"). The standard will in future distinguish between two types of joint arrangements: joint ventures and joint operations. The provisions of IFRS 10 form the basis for determining joint control. If after assessing the particular facts a joint venture is determined to exist, it must be accounted for under the equity method. In the case of a joint operation, however, the attributable shares of assets and liabilities, and of expenses and income, must be assigned directly to the equity holder. The standard has been adopted by the EU into European law. Consequently, application of the new standard is mandatory for fiscal years beginning on or after January 1, 2014.

Because of the initial application of IFRS 10, one company is no longer consolidated. The initial application of IFRS 11 has resulted in the classification of two companies as joint operations.

IFRS 12, "Disclosure of Interests in Other Entities"

IFRS 12 regulates the disclosure requirements for both IFRS 10 and IFRS 11, and was published by the IASB together with these standards on May 12, 2011. The standard requires entities to publish information on the nature of their holdings, the associated risks and the effects on their net assets, financial position and results of operations. This information is required for subsidiaries, joint arrangements, associates and unconsolidated structured units (special-purpose entities). Important discretionary decisions and assumptions, including any changes to them, that were made in determining control according to IFRS 10 and for joint arrangements must also be disclosed. The new standard has been adopted by the EU into European law and its application is mandatory for fiscal years beginning on or after January 1, 2014.

IAS 27, "Separate Financial Statements"

In May 2011, the IASB published a new version of IAS 27. The new version now contains regulations for IFRS separate financial statements only (previously consolidated and separate financial statements). The standard has been adopted by the EU into European law. Consequently, application of the new standard is mandatory for fiscal years beginning on or after January 1, 2014. The new standard will have no impact on E.ON's Consolidated Financial Statements.

IAS 28, "Investments in Associates and Joint Ventures"

In May 2011, the IASB issued a new version of IAS 28. The new version now stipulates that in planned partial disposals of interests in associates and joint ventures, the portion to be sold must, if it meets the criteria of IFRS 5, "Non-Current Assets Held For Sale and Discontinued Operations," ("IFRS 5") be classified as a non-current asset held for sale. The remaining investment shall continue to be accounted for under the equity method. If the sale results in the creation of an associate, that associate will be accounted for under the equity method. Otherwise, the rules of IFRS 9 must be followed. The new IAS 28 incorporates the provisions of SIC-13 and removes currently existing exceptions from the scope of IAS 28. The new version of the standard has been adopted by the EU into European law. Its application is mandatory for fiscal years beginning on or after January 1, 2014. It will not result in material changes for E.ON affecting its Consolidated Financial Statements.

If IFRS 10 and IFRS 11 were not being applied, and if instead IAS 27 and IAS 28 were still being applied in the versions effective through December 31, 2013, assets and liabilities would be €146 million higher and net income would be €3 million lower as of June 30, 2014.

Amendments to IFRS 10, IFRS 11 and IFRS 12—Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

In June 2012, the IASB published "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)." The amendments clarify the transition guidance contained in IFRS 10, and they also provide additional relief for the first-time adoption of all three standards. Adjusted comparative information need now be provided only for the immediately preceding comparative period. For unconsolidated structured entities, the requirement to present comparative information for periods before IFRS 12 is first applied is removed altogether. The amendments shall be applied for fiscal years beginning on or after January 1, 2014, which coincides with the effective date of IFRS 10, IFRS 11 and IFRS 12. The amendments have been adopted by the EU into European law. They will have no material impact on E.ON's Consolidated Financial Statements.

Amendments to IFRS 10, IFRS 12 and IAS 27—Investment Entities

In October 2012, the IASB published "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)." The amendments include a definition of an investment entity and remove them from the scope of IFRS 10. Instead of consolidating their investments in subsidiaries, parent investment entities shall now be required to recognize and measure them at fair value through profit or loss in accordance with IFRS 9 or IAS 39. In this context, new disclosure requirements have also arisen in IFRS 12, "Disclosure of Interests in Other Entities," and IAS 27, "Separate Financial Statements." In November 2013, the EU adopted these amendments into European law. The amendments shall be applied for fiscal years beginning on or after January 1, 2014. They will have no material impact on E.ON's Consolidated Financial Statements.

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

In December 2011, the IASB published 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 shall be applied for fiscal years beginning on or after January 1, 2014. They have been adopted by the EU into European law. The amendments to IFRS 7 are already applicable for fiscal years beginning on or after January 1, 2013. If the amendments to IAS 32 were not being applied, total assets and liabilities on the balance sheet would be reduced by approximately €1.4 billion as of June 30, 2014.

Amendments to IAS 39—Novation of Derivatives and Continuation of Hedge Accounting

In June 2013, the IASB published narrow-scope amendments to IAS 39, "Financial Instruments: Recognition and Measurement." The amendments provide that the requirement to discontinue hedge accounting shall not apply to the novation of a hedging instrument to a central counterparty if such novation is required by laws or regulations and if specific conditions are met. A hedging relationship is not discontinued if the novation is required by a new legal or regulatory requirement or by a newly enacted law. In addition, the novation must result in the original counterparty being replaced by a central counterparty or by an entity acting as a counterparty ("clearing counterparty"). The only contractual changes permitted are those necessary to effect counterparty replacement. These include changes in the contractual collateral requirements, changes in rights to offset receivables and payables and changes in the charges levied. The amendments shall be applied for fiscal years beginning on or after January 1, 2014. They have been adopted by the EU into European law. The amendments have no impact on E.ON's Consolidated Financial Statements.

The effects of the initial application of IFRS 10, IFRS 11 and IAS 32 on the Consolidated Balance Sheet and on the Consolidated Statement of Income are shown in the following tables:

Newly Adopted Standards—Consolidated Balance Sheet as of December 31, 2013

€ in millions	Before initial application of new standards	IFRS 10 adjustment	IFRS 11 adjustment	After initial application of IFRS 10, IFRS 11	IAS 32 adjustment	After initial application of new standards
Total assets	**130,725**	**-323**	**710**	**131,112**	**1,218**	**132,330**
Companies accounted for under the equity method	*5,624*	*114*	*-86*	*5,652*	–	*5,652*
Non-current liabilities	**61,054**	**-321**	**1,397**	**62,130**	**1,049**	**63,179**
Financial liabilities	*18,237*	*-318*	*132*	*18,051*	–	*18,051*
Miscellaneous provisions	*23,470*	–	*1,265*	*24,735*	–	*24,735*
Current liabilities	**33,286**	**-110**	**-832**	**32,344**	**169**	**32,513**
Financial liabilities	*5,023*	–	*-350*	*4,673*	–	*4,673*
Trade payables and other operating liabilities	*21,866*	*-103*	*-475*	*21,288*	*169*	*21,457*
Equity	**36,385**	**108**	**145**	**36,638**	**–**	**36,638**

Newly Adopted Standards—Consolidated Balance Sheet as of January 1, 2013

€ in millions	Before initial application of new standards	IFRS 10 adjustment	IFRS 11 adjustment	After initial application of IFRS 10, IFRS 11	IAS 32 adjustment	After initial application of new standards
Total assets	**140,426**	**-344**	**746**	**140,828**	**1,457**	**142,285**
Companies accounted for under the equity method	*4,067*	*155*	*-83*	*4,139*	–	*4,139*
Non-current liabilities	**65,027**	**-332**	**1,426**	**66,121**	**975**	**67,096**
Financial liabilities	*21,937*	*-318*	*147*	*21,766*	–	*21,766*
Miscellaneous provisions	*23,656*	–	*1,279*	*24,935*	–	*24,935*
Current liabilities	**36,579**	**-174**	**-822**	**35,583**	**482**	**36,065**
Financial liabilities	*4,007*	*-6*	*-381*	*3,620*	–	*3,620*
Trade payables and other operating liabilities	*25,935*	*-164*	*-418*	*25,353*	*482*	*25,835*
Equity	**38,820**	**162**	**142**	**39,124**	**–**	**39,124**

IFRS 10, IFRS 11—Consolidated Income Statement

	January 1–June 30, 2013			
€ in millions	Before IFRS 10, IFRS 11 adjustments	IFRS 10 adjustment	IFRS 11 adjustment	After IFRS 10, IFRS 11 adjustments
Sales	**64,643**	**-9**	**2**	**64,636**
Income from continuing operations	**3,359**	**6**	**–**	**3,365**
Net income	**3,359**	**6**	**–**	**3,365**

Changes in Accounting Policies

In line with developments in accounting practice, E.ON has adjusted the presentation of cash contributions to plan assets. Such cash deposits are now presented as investing cash flow. The previous year's cash flows from operating and investing activities have been adjusted accordingly. The effects relate primarily to the United Kingdom regional unit. This accounting change leads to a consistent presentation of the funding of plan assets with regard to cash funding and other forms of funding.

(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, 2013	114	228	342
Additions	–	3	3
Disposals/Mergers	3	11	14
Consolidated companies as of June 30, 2014	**111**	**220**	**331**

As of June 30, 2014, 57 companies accounted for under the equity method (December 31, 2013: 61) and 2 companies reported as joint operations were presented pro rata. The figures presented here reflect the retrospective change to the scope of consolidation and the retrospective joint-operation accounting resulting from the initial application of IFRS 10 and IFRS 11, respectively.

(4) Acquisitions, Disposals and Discontinued Operations

Disposal Groups and Assets Held for Sale in 2014

In the course of the implementation of the divestment strategy, the following activities were reported as disposal groups or as assets held for sale in 2014:

E.ON in Lithuania

In May 2014, E.ON signed contracts for and finalized the sale of its activities in Lithuania. The shareholdings had a total carrying amount of approximately €0.1 billion and were reported in the Global Commodities global unit. The transaction resulted in a minimal gain on disposal.

Swedish Thermal Power Plants

In January 2014, E.ON signed contracts with Norway's Solør Bioenergi on the sale of various micro thermal power plants at a purchase price of €0.1 billion. The plants had a total carrying amount of approximately €0.1 billion and were reported in the Sweden regional unit. The transaction closed in the second quarter of 2014 with a minimal gain on disposal.

City of Prague Municipal Utility

In December 2013, E.ON signed contracts with the City of Prague on the disposal of a majority stake in Pražská plynárenská. The purchase price is €0.2 billion. Held in the Czechia regional unit, the major items on this entity's balance sheet as of December 31, 2013, are property, plant and equipment (€0.2 billion), inventories and other assets (€0.2 billion) and liabilities (€0.2 billion). The transaction closed in the first quarter of 2014 with a gain of approximately €0.1 billion on disposal.

Rødsand Offshore Wind Farm

In November 2013, E.ON agreed to sell an 80-percent stake in its 207-megawatt Rødsand 2 offshore wind farm to the Danish utility SEAS-NVE. The transaction values 100 percent of the wind farm at DKK 3.5 billion (€0.5 billion). At closing, the wind farm company assumed a loan of DKK 2.1 billion (€0.3 billion). SEAS-NVE will then purchase 80 percent of the equity for DKK 1.1 billion (€0.2 billion). In total, E.ON will receive DKK 3.2 billion (€0.4 billion) from this transaction. The entity was reported in the Renewables global unit as of December 31, 2013, and its balance sheet consisted primarily of property, plant and equipment (€0.4 billion), other assets (€0.3 billion) and liabilities (€0.4 billion). The transaction closed on January 10, 2014, with a gain on disposal of approximately €0.1 billion.

Notes to the Condensed Consolidated Interim Financial Statements

Disposal Groups and Assets Held for Sale in 2013

Equity Investment in NAFTA

In December 2013, E.ON signed a contract on the disposal of its minority stake in NAFTA a.s., Bratislava, Slovakia. The ownership interest was reported within the Global Commodities global unit with a carrying amount of approximately €0.1 billion. The transaction closed in the fourth quarter of 2013 with a minimal gain on disposal.

Ferngas Nordbayern

In December 2013, E.ON signed a contract for and finalized the sale of its 100-percent stake in Ferngas Nordbayern GmbH to the investment company First State, Luxembourg. As part of the transaction, E.ON repurchased certain shareholdings partly held by Ferngas Nordbayern GmbH. The major balance sheet items of this unit, which was held by the Germany regional unit, were property, plant and equipment (€0.1 billion) and receivables (€0.1 billion), as well as provisions and liabilities of €0.1 billion each. The disposal resulted in a minimal gain.

E.ON Mitte

In December 2013, E.ON signed a contract for and finalized the sale of its 73.3-percent stake in E.ON Mitte AG to a consortium of municipal co-owners. As part of the transaction, E.ON repurchased E.ON Mitte Vertrieb GmbH and certain other shareholdings held by E.ON Mitte AG. The major balance sheet items of this unit, which was held by the Germany regional unit, were property, plant and equipment (€0.6 billion) and receivables (€0.1 billion), as well as provisions and liabilities of €0.3 billion each. The disposal resulted in a minimal gain.

E.ON in Finland

In June 2013, E.ON signed a contract for the sale of its Finnish electricity activities. The purchase price was €0.1 billion. The transaction closed in the third quarter of 2013. The activities were reported as a disposal group since the second quarter of 2013. Held by the Sweden regional unit, the disposal group's major asset items were property, plant and equipment (€0.1 billion) and financial assets (€0.1 billion). The liabilities side of the balance sheet consisted primarily of liabilities (€0.1 billion).

E.ON Westfalen Weser

At the end of June 2013, E.ON signed a contract for and finalized the sale of its 62.8-percent stake in E.ON Westfalen Weser to a consortium of municipal co-owners with cash proceeds of approximately €0.2 billion. As part of the transaction, E.ON bought back the retail subsidiary E.ON Westfalen Weser Vertrieb GmbH and certain other shareholdings held by E.ON Westfalen Weser AG. The major balance sheet items of this unit, which was held by the Germany regional unit, were property, plant and equipment (€0.8 billion) and receivables (€0.3 billion), as well as provisions (€0.3 billion) and liabilities (€0.3 billion). The disposal resulted in a loss of about €0.2 billion.

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 approximately €0.5 billion in debt, is approximately €0.9 billion. Impairment charges totaling €0.2 billion were recognized on certain assets within the units, and on the attributable goodwill, in the first quarter of 2013. The transaction closed in the third quarter of 2013 with a loss on disposal of €0.1 billion, including realization of foreign currency translation effects (€0.1 billion). Held by the Global Commodities global unit, the major asset items of the two units were 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 consisted 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. This transaction closed in March 2013. The sale of the 10-percent stake in E.ON Thüringer Energie still held by E.ON after the initial transaction became final in the second quarter of 2013. In total, the disposal resulted in a €0.5 billion gain. The equity investment was held by the Germany regional unit and had been reported as a disposal group since the end of 2012. 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 Global Commodities global unit. The purchase price for the 24.5-percent indirect holding is €1.2 billion, including final purchase price adjustments. The stake 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. A total of €0.5 billion in impairment charges was recognized on the equity investment in the 2012 fiscal year. When the transaction closed in January 2013, 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 with a minimal gain on disposal.

Notes to the Condensed Consolidated Interim Financial Statements

E.ON Wasserkraft

At the beginning of December 2012, E.ON and Austria's Verbund AG, Vienna, Austria, signed contracts on acquisitions and disposals of equity investments. Under the agreement, E.ON will acquire Verbund's share of Enerjisa Enerji A.Ş. ("Enerjisa"), Istanbul, Turkey, giving it stakes in Enerjisa's power generation capacity and projects and in its power distribution business in Turkey. The agreement also involved financing commitments for investment projects amounting to approximately €0.5 billion. 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 gain of approximately €1.0 billion on disposal.

Equity Investment in Jihomoravská Plynárenská

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. The carrying amount of the property, plant and equipment to be transferred is approximately €0.1 billion. The transfer took place in the third quarter of 2013 with a minor gain on disposal.

Wind Farm Disposals

E.ON signed contracts for the sale of a 50-percent stake in each of three wind farmes 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.

(5) Research and Development Costs

The E.ON Group's research and development costs under IFRS totaled €14 million in the first six months of 2014 (first six months of 2013: €16 million).

(6) Financial Results

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

Financial Results	April 1–June 30		January 1–June 30	
€ in millions	2014	2013	2014	2013
Income from companies in which equity investments are held	63	51	69	54
Impairment charges/reversals on other financial assets	-15	-9	-34	-38
Income from equity investments	**48**	**42**	**35**	**16**
Income from securities, interest and similar income	187	126	322	268
Interest and similar expenses	-684	-563	-1,267	-1,174
Net interest income	**-497**	**-437**	**-945**	**-906**
Financial results	**-449**	**-395**	**-910**	**-890**

(7) Earnings per Share

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

Earnings per Share	April 1–June 30		January 1–June 30	
€ in millions	2014	2013	2014	2013
Income from continuing operations	108	1,016	1,013	3,365
Less: Non-controlling interests	-65	-107	-208	-290
Income from continuing operations (attributable to shareholders of E.ON SE)	**43**	**909**	**805**	**3,075**
Income from discontinued operations, net	16	–	16	–
Net income attributable to shareholders of E.ON SE	**59**	**909**	**821**	**3,075**
in €				
Earnings per share (attributable to shareholders of E.ON SE)				
from continuing operations	0.02	0.47	0.42	1.61
from discontinued operations	0.01	0.00	0.01	0.00
from net income	**0.03**	**0.47**	**0.43**	**1.61**
Weighted-average number of shares outstanding (in millions)	1,916	1,907	1,912	1,907

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

The first-time application of IFRS 10 and IFRS 11 did not lead to a change in earnings per share.

The increase in the weighted-average number of shares outstanding resulted primarily from the issue of 24,008,788 treasury shares as part of the new scrip dividend for distribution to E.ON shareholders who partially converted their cash dividend entitlements into shares of E.ON 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

	June 30, 2014			December 31, 2013		
€ in millions	E.ON Group	Associates[1]	Joint ventures	E.ON Group	Associates[1]	Joint ventures
Companies accounted for under the equity method	5,729	2,909	2,820	5,652	2,908	2,744
Equity investments	1,853	246	12	1,966	246	12
Non-current securities	4,710	–	–	4,444	–	–
Total	**12,292**	**3,155**	**2,832**	**12,062**	**3,154**	**2,756**

[1]The associates presented as equity investments are associated companies accounted for at cost on materiality grounds.

The net income of €15 million from companies accounted for under the equity method (first six months of 2013: net loss of €4 million) includes impairments totaling €154 million (first six months of 2013: €156 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 June 30, 2014, was 1,931,817,151 (December 31, 2013: 1,907,808,363).

As of June 30, 2014, E.ON SE and one of its subsidiaries held a total of 69,182,849 treasury shares (December 31, 2013: 93,191,637) having a consolidated book value of €2,520 million (equivalent to 4.66 percent or €69,182,849 of the capital stock).

As part of the new scrip dividend for the 2013 fiscal year, shareholder cash dividend entitlements totaling €305 million were settled through the issue and distribution of 24,008,788 treasury shares. The issue of treasury shares reduced by €964 million the valuation allowance for treasury shares, which is measured at historical cost. Conversely, additional paid-in capital was reduced by €649 million. This amount represents the difference between the historical cost and the subscription price of the shares. The discount of €10 million granted on the current share price is charged to retained earnings.

(10) Dividends

At the Annual Shareholders Meeting on April 30, 2014, shareholders voted to distribute a dividend of €0.60 (2013: €1.10) for each dividend-paying ordinary share, which corresponds to a total dividend amount of €1,145 million (2013: €2,097 million).

For the first time, shareholders could choose between having their cash dividend entitlement settled entirely in cash and converting part of it into E.ON shares. Accounting for a participation rate of roughly 37 percent, 24,008,788 treasury shares were issued for distribution. This reduced the cash distribution to €840 million.

(11) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations increased by €785 million over year-end 2013. The increase was caused primarily by net actuarial losses mostly attributable to the decrease in the discount rates used within the E.ON Group, as well as by additions attributable to the net periodic pension cost. These effects were offset by employer contributions to plan assets and by net pension payments in the first six months of 2014.

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	June 30, 2014	Dec. 31, 2013
Germany	3.00	3.90
United Kingdom	4.40	4.60

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	June 30, 2014	Dec. 31, 2013
Present value of all defined benefit obligations	17,085	15,179
Fair value of plan assets	-12,882	-11,761
Net amount recognized	**4,203**	**3,418**
Presented as provisions for pensions and similar obligations	*4,203*	*3,418*

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

Net Periodic Pension Cost for Defined Benefit Plans

	April 1–June 30		January 1–June 30	
€ in millions	2014	2013	2014	2013
Employer service cost	64	68	122	134
Net interest on the net defined benefit liability	30	38	56	76
Past service cost	9	4	11	35
Total	**103**	**110**	**189**	**245**

(12) Operating Liabilities

Other operating liabilities include €1.7 billion relating to the nuclear-fuel tax that was provisionally refunded to E.ON in the second quarter. This amount was recognized in equity and reported as a liability after the Hamburg Fiscal Court upheld E.ON's motion seeking a provisional refund of the taxes paid. The liability additionally includes nuclear-fuel taxes incurred but not yet collected as of the reporting date, along with corresponding associated obligations. Any effects on earnings are not expected to occur until proceedings in the principal case are concluded successfully.

(13) 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.

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 also 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 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 June 30, 2014

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	1,853	52	328
Derivatives	9,573	2,830	6,413
Securities and fixed-term deposits	6,746	5,759	987
Cash and cash equivalents	4,941	4,941	–
Restricted cash	897	897	–
Liabilities			
Derivatives	9,973	2,883	6,974

Carrying Amounts of Financial Instruments as of December 31, 2013

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets			
Equity investments	1,966	120	422
Derivatives	6,699	1,879	4,535
Securities and fixed-term deposits	7,092	6,468	624
Cash and cash equivalents	4,527	4,493	34
Restricted cash	639	639	–
Liabilities			
Derivatives	6,782	2,002	4,625

The increase in derivative positions relative to 2013 is attributable both to price changes and to new transactions in gas and emission-rights trading. Cash and cash equivalents rose especially as a result of the provisional refund of nuclear-fuel tax.

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 June 30, 2014, was €18,396 million (December 31, 2013: €20,761 million). The carrying amount of the bonds as of June 30, 2014, was €15,188 million (December 31, 2013: €18,049 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, 2013. There were no reclassifications between these fair-value-hierarchy levels in the first six months of 2014. At the end of each reporting period, E.ON assesses whether there might be grounds for reclassification between hierarchy levels. During the first six months of 2014, equity investments were reclassified into Level 3 of the fair value hierarchy in the amount of €94 million, and out of Level 3 in the amount of €19 million. 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, 2014	Purchases (including additions)	Sales (including disposals)	Settlements	Gains/ Losses in income statement	Transfers into Level 3	Transfers out of Level 3	Gains/ Losses in OCI	June 30, 2014
Equity investments	1,424	10	–	12	–	94	-19	-48	1,473
Derivative financial instruments	130	-8	–	3	89	–	–	–	214
Total	**1,554**	**2**	**0**	**15**	**89**	**94**	**-19**	**-48**	**1,687**

At the beginning of 2014, a net loss of €42 million from the initial measurement of derivatives was deferred. After realization of €3 million in deferred gains, the remainder at the end of the quarter was a deferred loss of €45 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 €103 million or an increase of €299 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 €6,121 million. Derivative transactions are generally executed on the basis of standard agreements that allow for the netting of all open transactions with individual counterparties. 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 June 30, 2014, 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.

(14) 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 IFRS 8, "Operating Segments" ("IFRS 8"). A small amount of generating capacity has been transferred out of the Renewables global unit into the Generation 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 activities 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) and Russia.

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. Additionally presented here since the fourth quarter of 2013 are the activities of E.ON Connecting Energies, which concentrates on providing decentralized,

Financial Information by Business Segment

January 1–June 30 € in millions	Generation		Renewables		Global Commodities	
	2014	2013	2014	2013	2014	2013
External sales	1,225	1,290	369	404	27,251	29,482
Intersegment sales	3,549	4,161	746	878	12,185	17,953
Sales	**4,774**	**5,451**	**1,115**	**1,282**	**39,436**	**47,435**
EBITDA[1]	**1,182**	**932**	**870**	**810**	**157**	**690**
Earnings from companies accounted for under the equity method[2]	*26*	*3*	*7*	*8*	*66*	*76*
Operating cash flow before interest and taxes[3]	**2,927**	**1,335**	**587**	**859**	**510**	**-466**
Investments	**307**	**362**	**418**	**322**	**30**	**80**

[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.
[3]The operating cash flow of the Global Commodities unit was diminished in 2013 by the legal transfer in that year of gas distribution to the distribution companies held in the Germany regional unit. The operating cash flow of the Germany regional unit increased by a corresponding amount.

Financial Information by Business Segment—Presentation of Other EU Countries

January 1–June 30 € in millions	UK		Sweden		Czechia	
	2014	2013	2014	2013	2014	2013
External sales	4,851	5,218	1,149	1,459	1,177	1,484
Intersegment sales	30	41	56	86	67	72
Sales	**4,881**	**5,259**	**1,205**	**1,545**	**1,244**	**1,556**
EBITDA[1]	**242**	**309**	**368**	**451**	**172**	**293**
Earnings from companies accounted for under the equity method[2]	–	–	*4*	*11*	*3*	*3*
Operating cash flow before interest and taxes	**249**	**-39**	**366**	**456**	**122**	**219**
Investments	**53**	**41**	**132**	**162**	**52**	**58**

[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.

complete solutions. Certain activities of the Germany regional unit were also transferred to E.ON Connecting Energies.

E.ON's power generation business in Russia is presented under Non-EU Countries as a special-focus region. The activities in Brazil and Turkey are additionally reported separately as "Other Non-EU Countries."

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.

The EBITDA changes in Group Management/Consolidation from the previous year were predominantly the result of the elimination of intragroup transactions in the amount of -€47 million. These effects were offset in particular by the positive change in income from derivatives.

EBITDA is 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. Income from investment subsidies for which liabilities are recognized is included in EBITDA.

Exploration & Production		Germany		Other EU Countries		Non-EU Countries		Group Management/ Consolidation		E.ON Group	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
913	757	14,623	19,476	10,860	12,183	816	945	62	99	56,119	64,636
242	182	321	508	425	506	–	–	-17,468	-24,188	0	0
1,155	**939**	**14,944**	**19,984**	**11,285**	**12,689**	**816**	**945**	**-17,406**	**-24,089**	**56,119**	**64,636**
668	**461**	**1,079**	**1,382**	**1,095**	**1,372**	**233**	**314**	**-271**	**-256**	**5,013**	**5,705**
22	*20*	*45*	*44*	*34*	*38*	*-33*	*-37*	*1*	–	*168*	*152*
616	**418**	**609**	**2,152**	**1,260**	**968**	**290**	**351**	**-609**	**-424**	**6,190**	**5,193**
38	**245**	**224**	**452**	**356**	**353**	**332**	**2,670**	**13**	**45**	**1,718**	**4,529**

Hungary		Other regional units		Other EU Countries	
2014	2013	2014	2013	2014	2013
817	933	2,866	3,089	10,860	12,183
1	14	271	293	425	506
818	**947**	**3,137**	**3,382**	**11,285**	**12,689**
80	**76**	**233**	**243**	**1,095**	**1,372**
–	–	*27*	*24*	*34*	*38*
58	**43**	**465**	**289**	**1,260**	**968**
34	**29**	**85**	**63**	**356**	**353**

Notes to the Condensed Consolidated Interim Financial Statements

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

January 1–June 30 € in millions	Russia		Other Non-EU Countries		Non-EU Countries	
	2014	2013	2014	2013	2014	2013
External sales	816	945	–	–	816	945
Intersegment sales	–	–	–	–	0	0
Sales	**816**	**945**	**0**	**0**	**816**	**945**
EBITDA[1]	**268**	**355**	**-35**	**-41**	**233**	**314**
Earnings from companies accounted for under the equity method[2]	–	–	*-33*	*-37*	*-33*	*-37*
Operating cash flow before interest and taxes	**292**	**368**	**-2**	**-17**	**290**	**351**
Investments	**160**	**145**	**172**	**2,525**	**332**	**2,670**

[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–June 30 € in millions	2014	2013	Difference
Operating cash flow before interest and taxes	**6,190**	**5,193**	**997**
Interest payments	-505	-500	-5
Tax payments	-9	-579	570
Operating cash flow	**5,676**	**4,114**	**1,562**

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–June 30 € in millions	2014	2013
EBITDA[1]	**5,013**	**5,705**
Depreciation and amortization	-1,743	-1,700
Impairments (-)/Reversals (+)[2]	-27	-25
EBIT[1]	**3,243**	**3,980**
Economic interest income (net)	-917	-912
Net book gains/losses	297	1,832
Restructuring/cost-management expenses	-184	-213
Impairments (-)/Reversals (+)[2, 3]	-352	-375
Other non-operating earnings	-448	-132
Income from continuing operations before taxes	**1,639**	**4,180**
Income taxes	-626	-815
Income from continuing operations	**1,013**	**3,365**
Income from discontinued operations, net	16	-
Net income	**1,029**	**3,365**
Attributable to shareholders of E.ON SE	*821*	*3,075*
Attributable to non-controlling interests	*208*	*290*

[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.
[3]Recorded under non-operating earnings.

Non-operating income and expenses for the reporting period include impairment charges and reversals totaling €0.3 billion. Approximately €0.2 billion of these impairments was attributable to the Generation and Renewables units, and approximately €0.1 billion to Other Non-EU Countries.

Page 16 of the Interim Group Management Report provides a more detailed explanation of the reconciliation of our EBITDA to net income.

(15) Events after the Balance Sheet Date

On June 23, 2014, E.ON submitted an offer to holders of three bonds having an aggregate nominal value of approximately €5.1 billion to repurchase a portion of these bonds before maturity up to a nominal value of €1 billion. A total nominal value of €1.5 billion in bonds was tendered for repurchase by bondholders, of which E.ON accepted the targeted €1.0 billion. The July 4, 2014, settlement date places the closing of the buyback in the third quarter of 2014.

Responsibility Statement

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

Düsseldorf, Germany, August 11, 2014

The Board of Management

Teyssen

Birnbaum

Kildahl

Reutersberg

Schäfer

Winkel

Energy Tables

Power Procurement

January 1–June 30 Billion kWh	Generation 2014	Generation 2013	Renewables 2014	Renewables 2013	Global Commodities 2014	Global Commodities 2013	Germany 2014	Germany 2013	Other EU Countries 2014	Other EU Countries 2013	Non-EU Countries 2014	Non-EU Countries 2013	Consolidation 2014	Consolidation 2013	E.ON Group 2014	E.ON Group 2013
Owned generation	59.0	75.1	15.5	15.9	–	–	0.3	1.0	2.1	3.2	30.7	31.6	–	–	107.6	126.8
Purchases	14.0	14.0	2.3	3.0	284.8	272.3	69.9	81.9	73.5	74.6	2.2	2.2	-174.7	-200.4	272.0	247.6
Jointly owned power plants	*6.8*	*6.3*	*0.5*	*0.7*	–	–	–	*0.1*	*0.1*	–	–	–	–	–	*7.4*	*7.1*
Global Commodities/outside sources	*7.2*	*7.7*	*1.8*	*2.3*	*284.8*	*272.3*	*69.9*	*81.8*	*73.4*	*74.6*	*2.2*	*2.2*	*-174.7*	*-200.4*	*264.6*	*240.5*
Total power procurement	**73.0**	**89.1**	**17.8**	**18.9**	**284.8**	**272.3**	**70.2**	**82.9**	**75.6**	**77.8**	**32.9**	**33.8**	**-174.7**	**-200.4**	**379.6**	**374.4**
Station use, line loss, etc.	-0.9	-1.0	-0.5	-0.5	–	–	-1.7	-2.4	-4.3	-4.8	-1.0	-1.1	–	–	-8.4	-9.8
Power sales	**72.1**	**88.1**	**17.3**	**18.4**	**284.8**	**272.3**	**68.5**	**80.5**	**71.3**	**73.0**	**31.9**	**32.7**	**-174.7**	**-200.4**	**371.2**	**364.6**

Power Sales

January 1–June 30 Billion kWh	Generation 2014	Generation 2013	Renewables 2014	Renewables 2013	Global Commodities 2014	Global Commodities 2013	Germany 2014	Germany 2013	Other EU Countries 2014	Other EU Countries 2013	Non-EU Countries 2014	Non-EU Countries 2013	Consolidation 2014	Consolidation 2013	E.ON Group 2014	E.ON Group 2013
Residential and SME	–	–	0.2	0.1	–	–	10.2	11.7	24.6	28.2	–	–	–	–	35.0	40.0
I&C	1.7	1.8	–	–	–	–	11.2	12.8	37.6	36.9	–	–	–	–	50.5	51.5
Sales partners	13.2	16.9	3.0	4.2	–	–	32.6	38.0	0.2	0.3	–	–	–	–	49.0	59.4
Customer groups	**14.9**	**18.7**	**3.2**	**4.3**	**–**	**–**	**54.0**	**62.5**	**62.4**	**65.4**	**–**	**–**	**–**	**–**	**134.5**	**150.9**
Wholesale market/Global Commodities	57.2	69.4	14.1	14.1	284.8	272.3	14.5	18.0	8.9	7.6	31.9	32.7	-174.7	-200.4	236.7	213.7
Total	**72.1**	**88.1**	**17.3**	**18.4**	**284.8**	**272.3**	**68.5**	**80.5**	**71.3**	**73.0**	**31.9**	**32.7**	**-174.7**	**-200.4**	**371.2**	**364.6**

Gas Sales

January 1–June 30 Billion kWh	Global Commodities 2014	Global Commodities 2013	Germany 2014	Germany 2013	Other EU Countries 2014	Other EU Countries 2013	Consolidation 2014	Consolidation 2013	E.ON Group 2014	E.ON Group 2013
Residential and SME	–	–	13.0	15.8	45.9	60.8	–	–	58.9	76.6
I&C	–	–	41.0	58.9	22.8	29.8	–	–	63.8	88.7
Sales partners	–	–	113.0	195.8	0.3	–	–	–	113.3	195.8
Customer groups	**–**	**–**	**167.0**	**270.5**	**69.0**	**90.6**	**–**	**–**	**236.0**	**361.1**
Wholesale market/Global Commodities	532.6	682.5	–	–	6.9	8.7	-232.0	-372.6	307.5	318.6
Total	**532.6**	**682.5**	**167.0**	**270.5**	**75.9**	**99.3**	**-232.0**	**-372.6**	**543.5**	**679.7**

Owned Generation by Energy Source

January 1–June 30 Billion kWh	Generation		Renewables		Germany		Other EU Countries		Non-EU Countries		E.ON Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Nuclear	19.8	21.5	–	–	–	–	–	–	–	–	19.8	21.5
Lignite	1.6	2.6	–	–	–	–	–	–	–	–	1.6	2.6
Hard coal	10.7	13.4	–	–	–	–	–	–	–	–	10.7	13.4
Natural gas, oil	0.5	1.5	–	–	0.1	0.4	–	–	–	–	0.6	1.9
Hydro	–	–	2.4	3.2	–	–	–	–	–	–	2.4	3.2
Wind	–	–	0.2	0.2	–	–	–	–	–	–	0.2	0.2
Other	–	–	–	–	0.2	0.6	–	–	–	–	0.2	0.6
Germany	**32.6**	**39.0**	**2.6**	**3.4**	**0.3**	**1.0**	**–**	**–**	**–**	**–**	**35.5**	**43.4**
Nuclear	4.8	7.0	–	–	–	–	–	–	–	–	4.8	7.0
Lignite	–	–	–	–	–	–	0.1	0.1	5.0	5.2	5.1	5.3
Hard coal	14.5	18.0	–	–	–	–	–	–	–	–	14.5	18.0
Natural gas, oil	6.3	11.1	–	–	–	–	1.7	2.6	25.7	26.4	33.7	40.1
Hydro	–	–	6.2	5.4	–	–	–	0.1	–	–	6.2	5.5
Wind	–	–	6.7	6.8	–	–	–	–	–	–	6.7	6.8
Other	0.8	–	–	0.3	–	–	0.3	0.4	–	–	1.1	0.7
Outside Germany	**26.4**	**36.1**	**12.9**	**12.5**	**–**	**–**	**2.1**	**3.2**	**30.7**	**31.6**	**72.1**	**83.4**
Total	**59.0**	**75.1**	**15.5**	**15.9**	**0.3**	**1.0**	**2.1**	**3.2**	**30.7**	**31.6**	**107.6**	**126.8**
Percentages												
Nuclear	33	29	–	–	–	–	–	–	–	–	18	17
Lignite	3	3	–	–	–	–	–	–	–	–	2	2
Hard coal	18	18	–	–	–	–	–	–	–	–	10	11
Natural gas, oil	1	2	–	–	33	40	–	–	–	–	1	1
Hydro	–	–	16	20	–	–	–	–	–	–	2	3
Wind	–	–	1	1	–	–	–	–	–	–	–	–
Other	–	–	–	–	67	60	–	–	–	–	–	–
Germany	**55**	**52**	**17**	**21**	**100**	**100**	**–**	**–**	**–**	**–**	**33**	**34**
Nuclear	8	9	–	–	–	–	–	–	–	–	5	6
Lignite	–	–	–	–	–	–	5	3	16	16	5	4
Hard coal	25	24	–	–	–	–	–	–	–	–	13	14
Natural gas, oil	11	15	–	–	–	–	81	81	84	84	31	32
Hydro	–	–	40	34	–	–	–	3	–	–	6	4
Wind	–	–	43	43	–	–	–	–	–	–	6	5
Other	1	–	–	2	–	–	14	13	–	–	1	1
Outside Germany	**45**	**48**	**83**	**79**	**–**	**–**	**100**	**100**	**100**	**100**	**67**	**66**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Financial Calendar

November 12, 2014	Interim Report: January – September 2014
March 11, 2015	Release of the 2014 Annual Report
May 7, 2015	2015 Annual Shareholders Meeting
May 7, 2015	Interim Report: January – March 2015
August 12, 2015	Interim Report: January – June 2015
November 11, 2015	Interim Report: January – September 2015

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

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