

2015

January February March

April May June

July August September

October November December

## 2 E.ON Group Financial Highlights

E.ON Group Financial Highlights <sup>1</sup>			
January 1-March 31	2015	2014	+/- %
Electricity sales <sup>2</sup>	193.5 billion kWh	193.1 billion kWh	-
Gas sales <sup>2</sup>	429.7 billion kWh	363.8 billion kWh	+18
Sales	€30,550 million	€31,037 million	-2
EBITDA <sup>3</sup>	€2,830 million	€3,098 million	-9
EBIT <sup>3</sup>	€2,037 million	€2,243 million	-9
Underlying net income <sup>3</sup>	€1,007 million	€1,182 million	-15
Investments	€666 million	€683 million	-2
Cash provided by operating activities of continuing operations	€2,532 million	€2,577 million	-2
Economic net debt (March 31 and December 31)	€31,736 million	€33,394 million	-5
Employees (March 31 and December 31)	57,196	58,503	-2
Shares outstanding (in millions, March 31 and December 31)	1,933	1,933	-

<sup>1</sup>Adjusted for discontinued operations.  
<sup>2</sup>Additional information under Energy Tables on pages 44 and 45.  
<sup>3</sup>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.

January 1–March 31, 2015

- EBITDA and underlying net income below prior-year figures, as anticipated
- Economic net debt reduced by €1.7 billion
- Forecast for full-year 2015 EBITDA and underlying net income affirmed

## Contents

4	CEO Letter
5	E.ON Stock
6	Interim Group Management Report
6	Corporate Profile
7	Business Report
7	Industry Environment
10	Business Performance
12	Earnings Situation
17	Financial Situation
19	Asset Situation
20	Employees
20	Forecast Report
22	Risk Report
22	Opportunity Report
23	Independent Auditor's Report
24	Condensed Consolidated Interim Financial Statements
24	Consolidated Statements of Income
25	Consolidated Statements of Recognized Income and Expenses
26	Consolidated Balance Sheets
27	Consolidated Statements of Cash Flows
28	Statement of Changes in Equity
30	Notes
44	Energy Tables
47	Financial Calendar

Dear Shareholders,

Our new strategy—"Empowering customers. Shaping markets."—calls for a radical change to our organizational setup leading to the spinoff of a new company next year. During the first part of this year, we took important steps to get us there: we gave the new company a name, the two Management Boards were appointed, and we decided where the two companies will be headquartered. We remain right on schedule.

The new company, which will encompass our conventional energy businesses from gas storage to conventional power generation, will be called Uniper. The name, which stands for "unique performance," was among the approximately 2,000 suggestions submitted by our employees. Uniper will be led by Klaus Schäfer, E.ON's current CFO, and will have its headquarters in Düsseldorf, where the Global Commodities unit is already located. The Supervisory Board asked me to remain E.ON's CEO in its future guise as well. I was very pleased to accept this offer. I'm looking forward to leading our company toward a successful future in the new energy world. Starting next year our headquarters will be in Essen, where we have an excellent office tower capable of housing all of the future E.ON's corporate functions.

Although important decisions have been made, we still have a lot of work to do in the months ahead. We continue to move forward rapidly with the transformation so that from the start of next year both companies can operate independently. E.ON will be transformed into two energy companies, each of which appeals to different customers and investors. This transformation represents our systematic response to a dramatically altered energy world. It positions us early so that we can continue to operate our businesses successfully for our shareholders, customers, and employees. My colleagues and I are often asked whether dividing our company is really necessary. My answer is an unequivocal yes. Seizing the initiative now will give us the opportunity to play a leading role in both energy worlds. We believe that it would be a mistake to remain idle. We've set a clear course. This course may at times be difficult, but we're fully convinced that it's the right one.

E.ON already has a proven and successful renewables business. Going forward, we can build on this experience to achieve focused growth. E.ON also has about 32 million customers and a range of innovative, environmentally friendly, custom-tailored, and distributed solutions. This gives us a solid foundation from which to expand our existing business lines and develop new ones. Uniper will continue our conventional energy businesses, which enjoy an excellent reputation in Europe and around the world. It will source energy and commodities on global markets and help ensure that its customers continue to have a reliable and efficient supply of power and gas. The stakeholders and customer groups in the new energy world are so different from those in the old world that it's imperative to focus on one or the other.

While paving the way for the future we aren't losing sight of day-to-day operations. Until the spinoff, we'll continue to work together to develop our businesses successfully in what remains a difficult business environment. Owing to the colder winter, we sold more gas than in the first quarter of last year. Our Germany segment posted higher earnings; those at Other EU Countries were roughly on par with the prior year. Our Global Commodities segment also recorded higher earnings. However, wholesale power prices continued to decline, putting downward pressure on the earnings, including at our hydro fleet. In addition, the dramatic drop in global crude oil and condensate prices had an adverse impact on our Exploration & Production segment. Our EBITDA declined by 9 percent relative to the year-earlier quarter, our underlying net income by 15 percent. Nevertheless, we continue to expect our 2015 EBITDA to be between €7 and €7.6 billion and our 2015 underlying net income to be between €1.4 and €1.8 billion.

Our new strategy and setup have received numerous plaudits. And we're earning the trust of more and more customers: on a net basis, we added more than 60,000 new customers last year in Germany alone. We're counting on your trust as well as we move forward with a transformation that won't always be easy but is necessary. This transformation will sharpen our focus on both the new and conventional energy worlds. And it will give E.ON and Uniper the best prospects for success, creating a solid foundation for the future of your investment.

Best wishes,



Dr. Johannes Teysen

## E.ON Stock

At the end of the first quarter of 2015 E.ON stock was 2 percent below its year-end closing price for 2014, thereby underperforming its peer index, the STOXX Utilities (+3 percent), and the broader European stock market as measured by the EURO STOXX 50 index (+18 percent).

E.ON's stock-exchange trading volume rose by 9 percent year on year to €9.3 billion because of an increase in the number of shares traded.

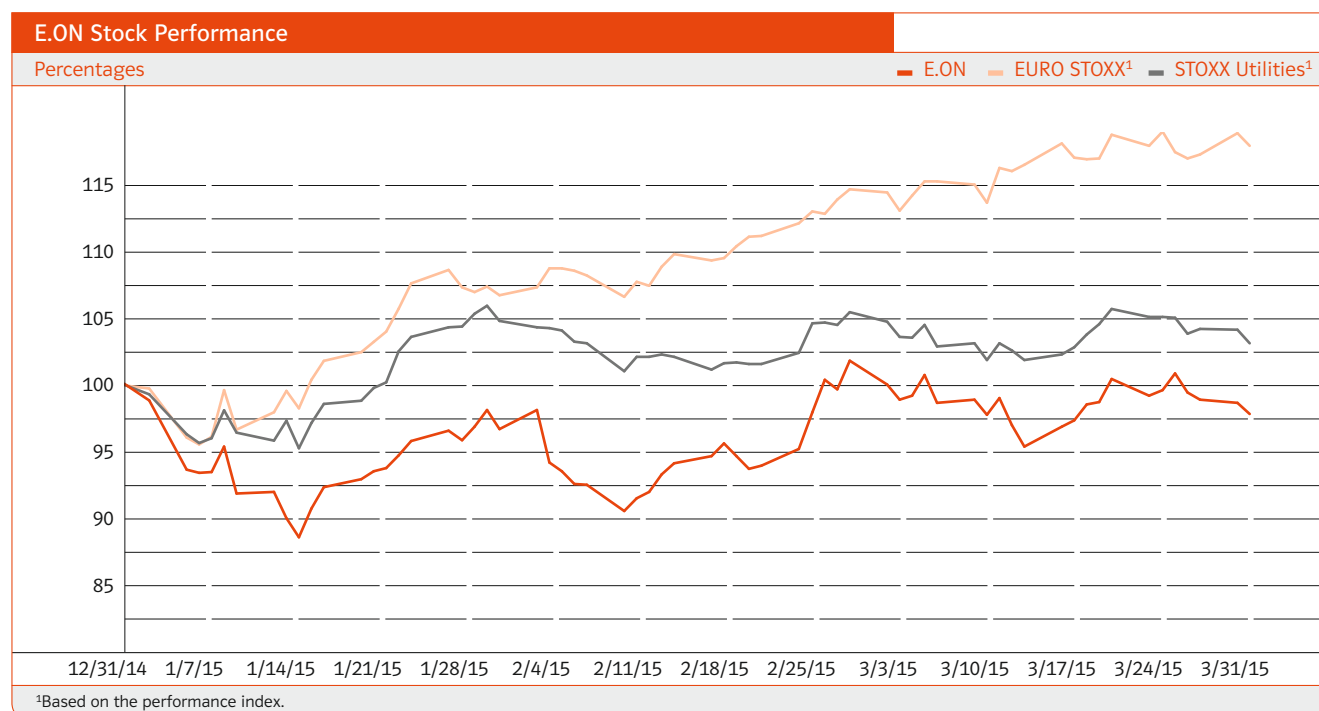
Visit [eon.com](http://eon.com) for the latest information about E.ON stock.

E.ON Stock		
	Mar. 31, 2015	Dec. 31, 2014
Shares outstanding (millions)	1,933	1,933
Closing price (€)	13.89	14.20
Market capitalization (€ in billions) <sup>1</sup>	26.8	27.4

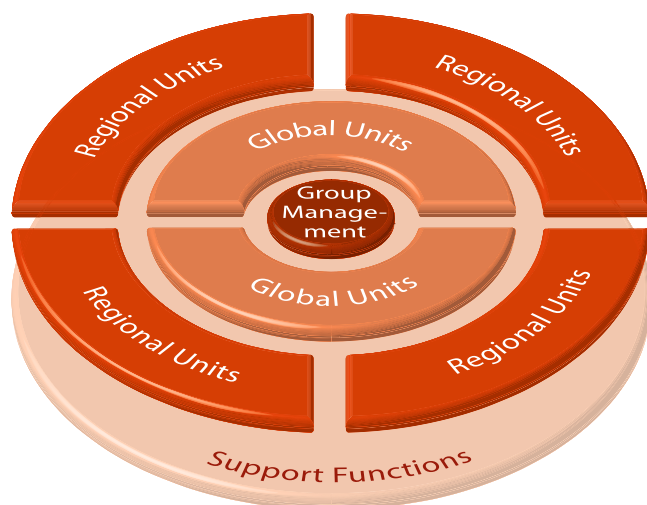
<sup>1</sup>Based on shares outstanding.

Performance and Trading Volume		
January 1–March 31	2015	2014
High (€) <sup>1</sup>	14.45	14.48
Low (€) <sup>1</sup>	12.59	12.93
Trading volume <sup>2</sup>		
Millions of shares	682.4	620.9
€ in billions	9.3	8.5

<sup>1</sup>Xetra.  
<sup>2</sup>Source: Bloomberg (all German stock exchanges).



## 6 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 businesses. 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, human resources, 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

In view of the sale of our operations in Italy and Spain, we applied IFRS 5 and reclassified our regional units in these countries as discontinued operations from the fourth quarter of 2014 until their deconsolidation. We therefore adjusted our 2015 and 2014 numbers, including energy-related numbers, to

exclude these two units and no longer provide commentary on their business performance. By contrast, our generation operations in Italy and Spain are still included in our 2014 and 2015 numbers. The transaction for our activities in Spain closed at the end of March 2015. In addition, we transferred the Germany regional unit's sales business to large customers to the Global Commodities unit and adjusted the prior-year figures accordingly.

#### Global Units

Our four global units are Generation, Renewables, Global Commodities, and Exploration & Production. Another global unit called Technology brings together our project-management and engineering expertise to support the construction of new assets and the operation of existing assets across our company. 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 renewables operations (hydro, wind, and solar) around the world.

#### Global Commodities

As the link between E.ON and the world's wholesale energy markets, our Global Commodities unit buys and sells electricity, natural gas, liquefied natural gas, oil, coal, freight, 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 unit is active in the following focus regions: the U.K. North Sea, the Norwegian North Sea, and Russia.

## Regional Units

Nine regional units manage our distribution and sales operations (including distributed generation) in Europe: Germany, the United Kingdom, Sweden, France, the Netherlands, Hungary, Czechia, Slovakia, and Romania. We intend to selectively expand our distributed-energy business. The E.ON Connecting Energies business unit focuses on providing customers with comprehensive distributed-energy solutions. We report this unit under Other EU Countries.

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 joint ventures in Turkey and Brazil) under Non-EU Countries.

## Business Report

### Industry Environment

#### Energy Policy and Regulatory Environment

According to preliminary estimates by the BDEW, the German Association of Energy and Water Industries, Germany's first-quarter consumption of electricity increased by 2 percent year on year to 145 billion kWh. This slight increase is mostly attributable to the weather. Gas consumption rose by 7 percent to 289 billion kWh, primarily because of significantly lower temperatures in February and March relative to the prior year. Energy-intensive industries were not responsible for any of the increase in power or gas consumption.

First-quarter electricity consumption in England, Scotland, and Wales rose slightly to roughly 80 billion kWh. Gas consumption (excluding power stations) increased by 10 percent, from 193 to 213 billion kWh, owing to a variety of factors, such as the weather and the economic recovery.

Northern Europe consumed 109 billion kWh of electricity, down from 110 billion kWh. It recorded net electricity exports to surrounding countries of about 2.3 billion kWh compared with 4 billion kWh in the prior-year period. Power imports from Russia more than doubled owing to the weak ruble. Net power exports to Germany, Poland, and the Netherlands were at the prior-year level.

According to initial estimates, Hungary's electricity consumption rose by 1 percent to 8.9 billion kWh because of higher consumption by industrial customers. Its gas consumption increased by 2 percent to 3,422 million cubic meters owing to lower average temperatures and higher consumption by industrial customers.

France's electricity consumption rose by 7 percent to 146.3 billion kWh, primarily because of colder temperatures in February. Adjusted for temperature effects, the downward consumption trend continued for residential, business, and industrial customers, despite the economic recovery of French heavy industry.

The Russian Federation generated 287.7 billion kWh of electricity; its integrated power system (which does not include isolated systems) generated 281.2 billion kWh of electricity. Both figures represent incremental year-on-year increases. The Russian Federation consumed 283.8 billion kWh of electricity, on par with the prior-year figure.

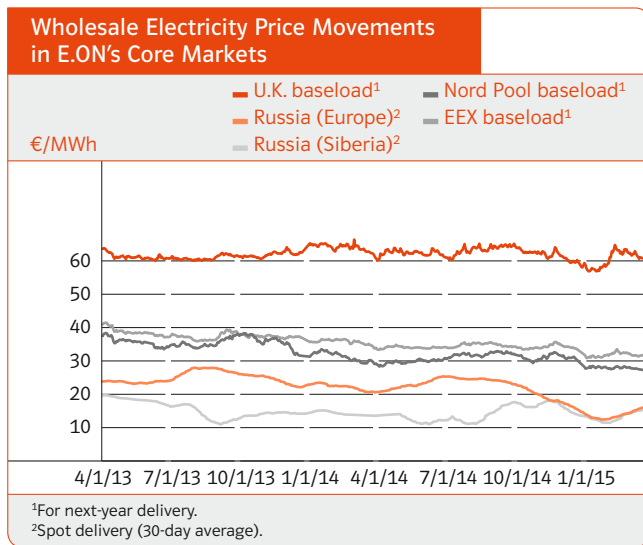
#### Energy Prices

Five main factors drove Europe's electricity and natural gas markets and Russia's electricity market in the first quarter of 2015:

- 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.

First-quarter economic growth was in line with expectations, and commodity markets and fuel prices responded accordingly. The euro declined even further against the U.S. dollar initially but stabilized by the end of the quarter. The Russian ruble, by contrast, strengthened significantly in response to hopes of a normalization of the situation in Ukraine, which would obviate the need for additional sanctions against Russia.

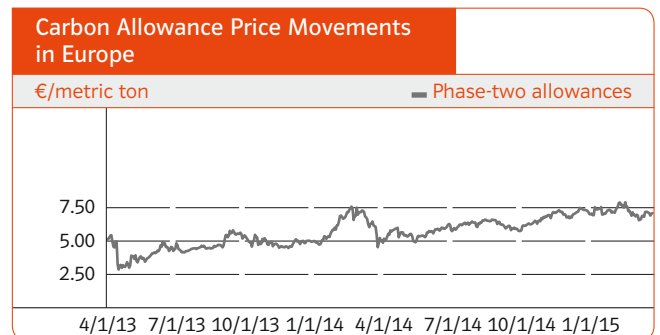
## 8 Interim Group Management Report



The price of oil started the quarter by continuing its downward trend of last year, falling further throughout January owing to continued high production in the United States and Saudi Arabia. It took reports of a decline in the number of oil wells drilled in the United States for prices to begin to stabilize at the end of the month and, in February, actually to recover slightly. Prices were quite volatile during the rest of the quarter and responded primarily to events that had more to do with market sentiment than with market fundamentals. These included developments in Yemen, the Iran nuclear talks, and inventory figures.

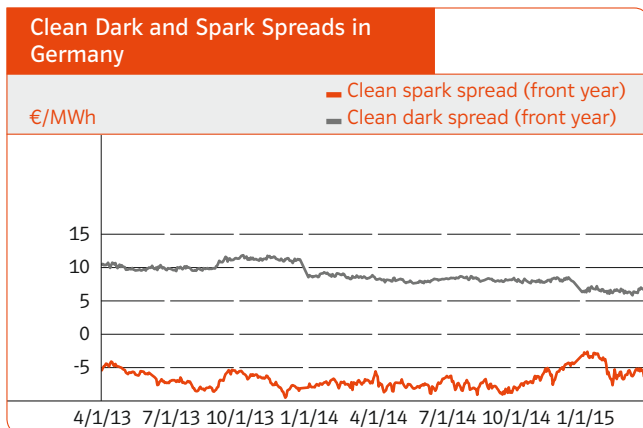
The international coal market was driven by low oil prices in January, weaker currencies in key coal-exporting countries, and the movement of market-specific fundamentals. Coal prices therefore displayed a similar pattern to oil prices, declining sharply in January and recovering in subsequent months in response to looming supply interruptions in Columbia, South Africa, and Australia and the annual price negotiations between Australian producers and Japanese buyers.

Lower gas imports from Russia throughout the winter led to large withdrawals from gas storage facilities across Europe. Despite above-average temperatures, storage inventories at the end of the winter were at a level usually seen only after a much colder heating season. The decision by the Dutch government to reduce, for the first half of 2015, the maximum withdrawal capacity of Groningen, the largest gas reservoir in the European Union, was a source of additional upward pressure and led to a significant increase in gas prices at almost all European hubs. The supply situation in Europe improved in early March, resulting in a slight decline in prices.



First-quarter prices for EU carbon allowances ("EUAs") under the European Emissions Trading Scheme were mainly affected by discussions about a market-stability reserve ("MSR"), a proposal for a long-term solution to the oversupply of EUAs. Policymakers disagree about which year the MSR should begin in, and at the end of the quarter the outcome of their discussions was still uncertain. A final decision is not expected until the end of July at the earliest. Representatives of the European Parliament favor starting the MSR in 2018, the member states not until 2021 at the earliest. Starting the MSR later would increase the risk of the market being oversupplied toward the end of the decade.



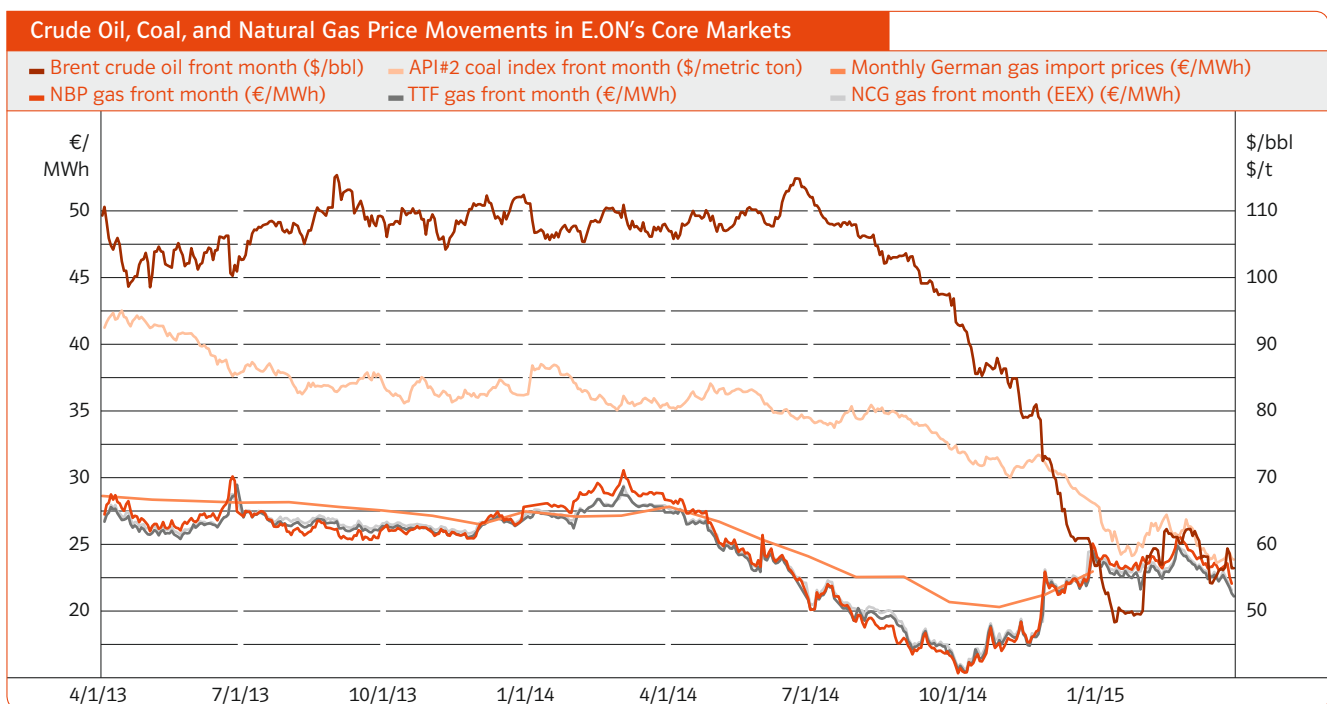


The ongoing increase in renewables output, weak demand for power, and declining coal prices caused a further decline in German power prices.

U.K. power prices continued to reflect their significant dependence on gas prices, which they tracked fairly exactly in the first quarter. Power imports from continental Europe remained at a record level owing to the U.K. carbon tax.

Last year the average spot price on the Nordic power market was at a seven-year low. With fuel prices still low and the hydrological situation still good, spot power prices remained low in the first quarter of 2015. Reservoir levels were slightly above the historical average. As a result, the region remained a net exporter of power to adjacent markets. Prices for next-year delivery displayed a slight downward trend as well.

After declining sharply at the end of last year, prices on the Russian power market recovered slightly in the first quarter of 2015. Although consumption in the European zone was somewhat lower (due to the mild winter) and nuclear output was actually higher, these factors were more than offset by lower utilization of cogeneration plants. Prices in the Siberian zone displayed a similar pattern. Although here demand was stable, prices nevertheless moved higher because of low hydropower output due to a lack of precipitation and low reservoir levels and because of higher exports to the European zone made possible by improvements in the interconnection between the two zones.

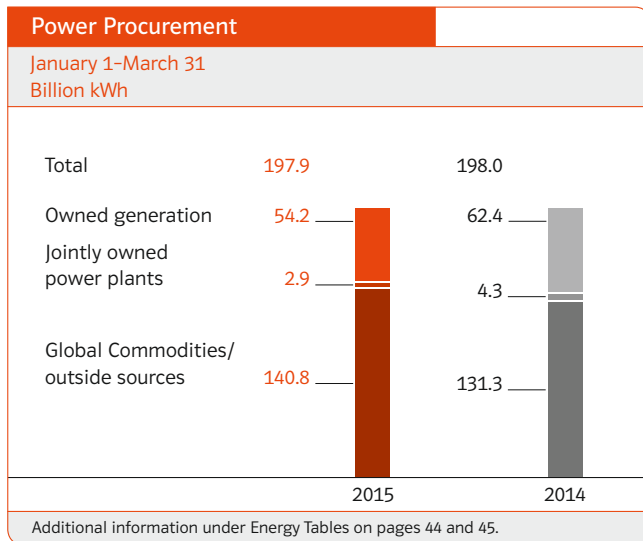


# 10 Interim Group Management Report

## Business Performance

### Power Procurement

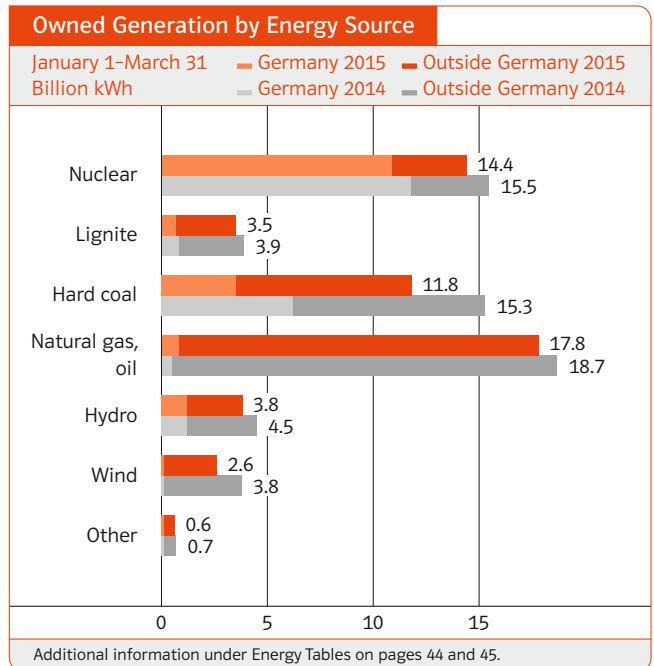
The E.ON Group's first-quarter owned generation declined by 8.2 billion kWh, or 13 percent, year on year. The reduction occurred mainly at Generation, Renewables, and Russia. Owned generation at Other EU Countries declined by 0.3 billion kWh to 1.1 billion kWh. Power procured increased by 8.1 billion kWh.



Generation's owned generation decreased by 2.9 billion kWh, from 35.7 to 32.8 billion kWh. The decline resulted in particular from the reduced dispatch of coal- and gas-fired assets due to the current market situation and from lower availability of nuclear power stations in Sweden. Lower demand was another adverse factor.

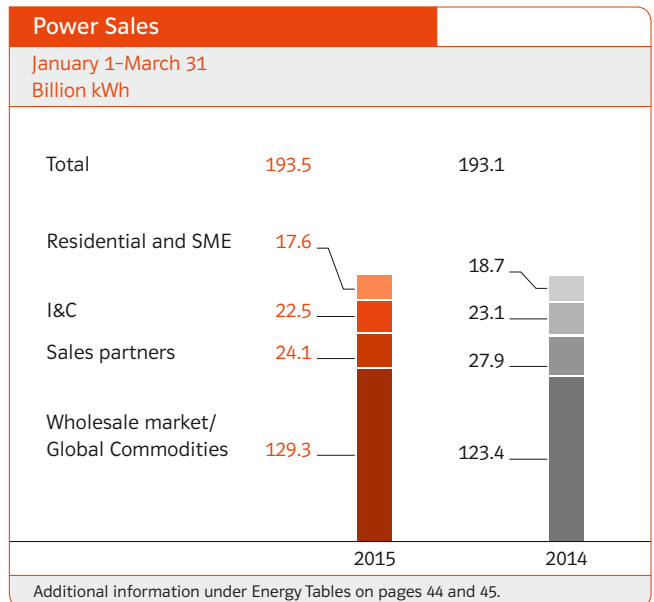
Renewables' owned generation declined by 1.9 billion kWh, from 8.3 to 6.4 billion kWh, primarily because of our build-and-sell strategy in the wind and solar business and lower hydro output due to the good hydrological situation in Germany in the first quarter of 2014.

Russia's owned generation decreased by 18 percent, from 16.8 to 13.7 billion kWh, mainly because of unplanned outages of generating units at Surgut 2 power station.



### Power Sales

The E.ON Group's first-quarter power sales were at the prior-year level.



The 0.9 billion kWh decline in power sales to residential and small and medium enterprise ("SME") customers reflects, in particular, lower sales volume at Germany and Other EU Countries. The positive trend in customer numbers in Germany continued but was partially offset by lower average consumption due to customers' enhanced energy-efficiency measures.

Declining customer numbers and ongoing energy-efficiency measures were adverse factors in the United Kingdom.

Power sales to industrial and commercial (“I&C”) customers were 0.6 billion kWh lower due to declines at Other EU Countries caused by lower customer numbers and lower individual off-take in the United Kingdom and Sweden.

Power sales to sales partners decreased by 3.8 billion kWh, in particular because of declines at Generation, Renewables, Global Commodities, and Germany. The reasons were lower production at fossil-fueled assets, lower demand (especially in the United Kingdom and Sweden), declining sales volume in conjunction with the Renewable Energy Law and continued keen competition in Germany, and lower output resulting from our build-and-sell strategy in the wind and solar business.

The sales volume from Global Commodities’ trading activities, which primarily serve to optimize E.ON’s generation portfolio, was 5.9 billion kWh above the prior-year level.

### Gas Procurement and Production

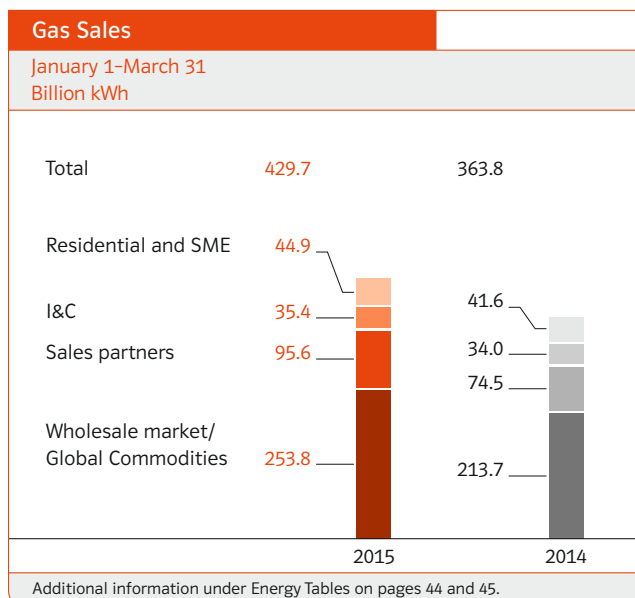
Global Commodities procured about 407 billion kWh of natural gas from producers in and outside Germany in the first quarter of 2015.

Upstream Production			
January 1–March 31	2015	2014	+/- %
Oil/condensates (million barrels)	3.0	2.7	+11
Gas (million standard cubic meters)	497.0	448.8	+11
<b>Total (million barrels of oil equivalent)</b>	<b>6.1</b>	<b>5.5</b>	<b>+11</b>

The main reason for the increase in Exploration & Production’s production in the North Sea was that Njord/Hyme field came back on stream. It also reflected higher production at Elgin/Franklin field. In addition to our North Sea production, we had 1,562.4 million cubic meters of production from Yuzhno Russkoye gas field in Siberia, which is accounted for using the equity method. This is roughly at the prior-year level.

### Gas Sales

The E.ON Group’s first-quarter gas sales increased by 65.9 billion kWh, or 18 percent.



Gas sales to residential and SME customers increased by 3.3 billion kWh. Comparatively colder weather was the main factor in Germany, Romania, the United Kingdom, and Hungary. In addition, we added customers in France. The deconsolidation of a majority-held share investment in the first quarter of 2014 was the principal reason for the decline in Czechia.

Gas sales to I&C customers rose by 1.4 billion kWh. A primarily weather-driven increase of 2 billion kWh at Global Commodities and Other EU Countries was partially mitigated by a decline of 0.6 billion kWh at Germany due to competition-driven customer losses.

Gas sales to sales partners increased by 21.1 billion kWh, owing mainly to weather-driven sales growth at E.ON Energy Sales, which was transferred from Germany to Global Commodities.

Gas sales in the trading business rose by 40.1 billion kWh, primarily because of the weather.

## 12 Interim Group Management Report

### Earnings Situation

#### Business Performance

Our first-quarter sales, EBITDA, and underlying net income were in line with our expectations. Our sales of €30.6 billion were 2 percent below the prior-year level. Our EBITDA declined by about €0.3 billion to €2.8 billion. A weather-driven increase in sales volume and efficiency enhancements at Germany had a positive impact on earnings. But this increase was more than offset by lower earnings in our power business and lower commodity prices at Exploration & Production. Underlying net income declined by €0.2 billion to €1 billion.

#### Discontinued Operations

The table below shows the sales, EBITDA, investments, and employee numbers of the Italy and Spain regional units. In view of the sale of these units, we reclassified them as discontinued operations. Their results are therefore included in net income as income from discontinued operations (see the table on page 16):

Discontinued Operations				
January 1-March 31 € in millions	Italy		Spain	
	2015	2014	2015	2014
Sales	460	511	355	297
EBITDA	15	30	34	34
Investments	2	1	5	10
Employees	307	308	-	572

#### 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 2015 reflect the development of market prices and were therefore lower than the prices for deliveries in 2014.

#### Sales

Our first-quarter sales of €30.6 billion were about €0.5 billion below the prior-year level. Sales were lower principally at Generation, Exploration & Production, and Non-EU Countries.

Sales			
January 1-March 31 € in millions	2015	2014	+/- %
Generation	2,658	2,802	-5
Renewables	661	618	+7
Global Commodities	23,413	23,267	+1
Exploration & Production	468	602	-22
Germany	5,115	5,213	-2
Other EU Countries	5,887	5,833	+1
Non-EU Countries	268	429	-38
Group Management/ Consolidation	-7,920	-7,727	-
<b>Total</b>	<b>30,550</b>	<b>31,037</b>	<b>-2</b>

Generation's sales declined by €144 million, primarily because of a volume-driven decline in sales in Germany, Sweden, and Italy and deteriorated market conditions in the United Kingdom.

The decline in sales at Exploration & Production is mainly attributable to lower commodity prices on production in the North Sea. Lower prices on production at Yuzhno Russkoye gas field in Siberia constituted another negative factor. These effects were partially offset by higher production in the North Sea and positive currency-translation effects.

Russia accounted for the €161 million decline in sales at Non-EU Countries. Adverse currency translation effects of €127 million were the main factor. Sales declined by 8 percent in local currency, from RUB 20.6 billion to RUB 19 billion, in particular because of lower output at Surgut 2 power station due to outages caused by accidents.

#### Other Line Items from the Consolidated Statements of Income

Own work capitalized of €50 million was 12 percent below the prior-year figure of €57 million, in particular because of a further decrease in engineering services for generation projects.

Other operating income rose by 3 percent, from €3,949 million to €4,064 million, mainly because of higher income from currency-translation effects of €1,748 million (prior year: €721 million). This was partially mitigated by income from derivative financial instruments, which decreased by €861 million to €1,740 million (€2,601 million); this mainly reflects the fact that income from the marking to market of commodity derivatives declined by €998 million to €1,427 million (€2,425 million). Corresponding amounts resulting from currency-translation effects and from derivative financial instruments are recorded

under other operating expenses. In addition, income on the sale of securities, property, plant, and equipment ("PP&E"), intangible assets, and share investments declined by €182 million to €98 million (€280 million), mainly because of the non-recurrence of income on divestments recorded in the prior-year period. This was partially offset by income on the sale of current securities, which rose by €102 million to €191 million (€89 million).

Costs of materials declined by 1 percent, from €26,617 million to €26,326 million.

Personnel costs declined by about 1 percent to €986 million (prior year: €998 million). Lower expenditures and positive results from restructuring programs were partially offset by higher expenditures on company retirement programs.

Depreciation charges declined by €9 million, from €953 million to €944 million, mainly because of the absence of scheduled depreciation charges on operations in Spain and Italy that were sold or are held for sale. In addition, impairment charges recorded in the prior year led to a reduction in scheduled depreciation charges in the current year.

Other operating expenses increased by 2 percent to €4,486 million (prior year: €4,418 million), mainly because of higher expenditures relating to exchange-rate differences, which rose by €1,286 million to €2,071 million (€785 million). This was partially offset by lower expenditures relating to derivative financial instruments, which declined by €1,165 million to €1,510 million (€2,675 million), owing in particular to lower expenditures from the marking to market of commodity derivatives.

Income from companies accounted for under the equity method rose by €183 million, from -€74 million to €109 million, mainly because of an impairment charge recorded on a share investment in Brazil in the prior-year period. Another factor was that for the first time our Enerjisa share investment made a positive contribution to equity income.

## EBITDA

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

Our first-quarter EBITDA was down by about €0.3 billion year on year. The positive factors were a weather-driven increase in sales volume and efficiency enhancements at Germany. This increase was more than offset by:

- lower earnings in our power business
- lower commodity prices at Exploration & Production.

EBITDA <sup>1</sup>			
January 1–March 31 € in millions	2015	2014	+/- %
Generation	749	916	-18
Renewables	385	569	-32
Global Commodities	167	-1	-
Exploration & Production	277	339	-18
Germany	637	590	+8
Other EU Countries	686	693	-1
Non-EU Countries	87	105	-17
Group Management/ Consolidation	-158	-113	-
<b>Total</b>	<b>2,830</b>	<b>3,098</b>	<b>-9</b>

<sup>1</sup>Adjusted for extraordinary effects.

## Generation

Generation's EBITDA declined by €167 million.

Generation				
January 1–March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
Nuclear	507	665	388	602
Fossil	221	264	90	106
Other/Consolidation	21	-13	70	-14
<b>Total</b>	<b>749</b>	<b>916</b>	<b>548</b>	<b>694</b>

<sup>1</sup>Adjusted for extraordinary effects.

Nuclear's EBITDA fell by €158 billion owing to the deferment of overhaul work at Grafenrheinfeld nuclear power station from the second quarter of 2014 to the first quarter of 2015, lower internal transfer prices in Germany, and overhaul work on nuclear power stations in Sweden.

## 14 Interim Group Management Report

Fossil's EBITDA declined by €43 million, primarily because of structural effects, such as the sale of Buschhaus power station and the decommissioning of generating units at Scholven and Knepper power stations in Germany.

### Renewables

Renewables' EBITDA decreased by €184 million, or 32 percent.

Renewables				
January 1-March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
Hydro	201	240	188	210
Wind/Solar/Other	184	329	112	255
<b>Total</b>	<b>385</b>	<b>569</b>	<b>300</b>	<b>465</b>

<sup>1</sup>Adjusted for extraordinary effects.

EBITDA at Hydro declined by €39 million, or 16 percent, primarily because of lower wholesale prices.

Wind/Solar/Other's EBITDA fell by €145 million, or 44 percent, owing to divestments and higher earnings in the prior year resulting from our build-and-sell strategy.

### Global Commodities

Global Commodities' EBITDA was €168 million above the prior-year figure.

Global Commodities				
January 1-March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
Coal/Oil/Freight/LNG	20	9	20	9
Power and Gas	108	-24	86	-48
Infrastructure/Other	39	14	37	13
<b>Total</b>	<b>167</b>	<b>-1</b>	<b>143</b>	<b>-26</b>

<sup>1</sup>Adjusted for extraordinary effects.

Coal/Oil/Freight/LNG's EBITDA, which benefited from our short position in coal amid declining prices, was €11 million above the prior-year figure.

Power and Gas's EBITDA rose by €132 million, mainly because of positive earnings effects resulting from the optimization of long-term gas contracts and the storage business.

Infrastructure/Other's EBITDA was €25 million above the prior-year level, primarily because of earnings effects in the year-earlier quarter in conjunction with our regasification assets and a gas delivery in the United Kingdom.

### Exploration & Production

EBITDA at Exploration & Production declined by 18 percent, from €339 million to €277 million, principally because of lower prices for oil and condensates from our North Sea fields along with lower gas prices. First-quarter EBIT was €129 million (prior year: €192 million).

### Germany

EBITDA at Germany rose by €47 million.

Germany				
January 1-March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
Distribution Networks	495	475	352	340
Non-regulated/Other	142	115	128	97
<b>Total</b>	<b>637</b>	<b>590</b>	<b>480</b>	<b>437</b>

<sup>1</sup>Adjusted for extraordinary effects.

The €20 million increase in EBITDA at Distribution Networks mainly reflects a weather-driven increase in sales volume. Adjusted for this effect, earnings were at the prior-year level.

EBITDA at Non-regulated/Other was about €27 million above the prior-year figure, in particular because of more seasonally typical weather and further efficiency enhancements in the sales business. Earnings also benefited from positive non-recurring effects relating to a reduction in risk provisions in the heating business.

## Other EU Countries

Other EU Countries' EBITDA was €7 million, or 1 percent, below the prior-year figure.

Other EU Countries				
January 1-March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
UK (£ in millions)	252 (187)	224 (186)	231 (172)	199 (165)
Sweden (SEK in millions)	216 (2,026)	253 (2,246)	156 (1,461)	192 (1,705)
Czechia (CZK in millions)	98 (2,709)	104 (2,842)	77 (2,118)	78 (2,129)
Hungary (HUF in millions)	1 (422)	14 (4,311)	-23 (-6,972)	-9 (-2,853)
Remaining regional units	119	98	100	80
<b>Total</b>	<b>686</b>	<b>693</b>	<b>541</b>	<b>540</b>

<sup>1</sup>Adjusted for extraordinary effects.

EBITDA at the UK regional unit increased by €28 million owing to positive currency-translation effects.

The Sweden regional unit's EBITDA declined by €37 million, which included adverse currency-translation effects of €13 million. Lower network connection fees, costs in conjunction with a storm in January, technical problems with turbines at two power stations, and the absence of earnings streams from the heating activities sold in 2014 were also negative factors.

EBITDA in Czechia declined by €6 million owing to the deconsolidation of a majority-held share investment in the first quarter of 2014.

The Hungary regional unit's EBITDA was €13 million below the prior-year level, mainly because of narrower gas sales margins resulting from currency-translation effects against the U.S. dollar.

EBITDA at the remaining regional units rose by €21 million, mainly because of higher earnings at Connecting Energies, in Romania, and in the Netherlands. The increase in Connecting Energies' earnings reflects, in particular, the consolidation of a company that generates power and heat for a business park in Russia and the expansion in the business of providing energy-efficiency solutions to industrial and commercial customers in Germany. Its earnings also benefited from positive operating effects in its industrial cogeneration business.

Earnings in Romania benefited from positive effects from tariff increases in the gas distribution business instituted in 2014 and efficiency enhancements; these effects were partially mitigated by lower compensation payments for earlier gas procurement costs. Earnings in the Netherlands rose on higher gas sales volume and efficiency enhancements, partially offset by lower power sales volume.

## Non-EU Countries

Non-EU Countries' EBITDA declined by €18 million, or 17 percent.

Non-EU Countries				
January 1-March 31 € in millions	EBITDA <sup>1</sup>		EBIT <sup>1</sup>	
	2015	2014	2015	2014
Russia (RUB in millions)	83 (5,896)	131 (6,237)	68 (4,807)	95 (4,547)
Other Non-EU Countries	4	-26	3	-26
<b>Total</b>	<b>87</b>	<b>105</b>	<b>71</b>	<b>69</b>

<sup>1</sup>Adjusted for extraordinary effects.

Russia's EBITDA was 37 percent below the prior-year level. The principal reasons were adverse currency-translation effects and lower sales volume. In local currency, EBITDA declined by 5 percent.

EBITDA at Other Non-EU Countries consists of our activities in Brazil and Turkey, which are accounted for under the equity method. The €30 million increase in EBITDA is primarily attributable to higher hydro output, higher retail sales volume, and lower finance costs in Turkey.



## 16 Interim Group Management Report

### Net Income

Net income attributable to shareholders of E.ON SE of €1.1 billion and corresponding earnings per share of €0.55 were significantly above the respective prior-year figures of €0.8 billion and €0.40.

Net Income		
January 1-March 31		
€ in millions	2015	2014
<b>EBITDA<sup>1</sup></b>	<b>2,830</b>	<b>3,098</b>
Depreciation and amortization	-794	-844
Impairments (-)/Reversals (+) <sup>2</sup>	1	-11
<b>EBIT<sup>1</sup></b>	<b>2,037</b>	<b>2,243</b>
Economic interest income (net)	-523	-450
Net book gains/losses	245	193
Restructuring/cost-management expenses	-50	-70
Impairments (-)/Reversals (+) <sup>2,3</sup>	-115	-228
Other non-operating earnings	-75	-157
<b>Income/Loss (-) from continuing operations before taxes</b>	<b>1,519</b>	<b>1,531</b>
Income taxes	-351	-646
<b>Income/Loss (-) from continuing operations</b>	<b>1,168</b>	<b>885</b>
Income from discontinued operations, net	4	20
<b>Net loss/income</b>	<b>1,172</b>	<b>905</b>
Attributable to shareholders of E.ON SE	1,059	762
Attributable to non-controlling interests	113	143

<sup>1</sup>Adjusted for extraordinary effects.  
<sup>2</sup>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.  
<sup>3</sup>Recorded under non-operating earnings.

Our economic interest expense deteriorated despite the improvement of our net financial position, mainly because of the impact of changes in interest rates on other non-current provisions.

Economic Interest Expense		
January 1-March 31		
€ in millions	2015	2014
Interest expense shown in the Consolidated Statements of Income	-526	-448
Interest income (-)/expense (+) not affecting net income	3	-2
<b>Total</b>	<b>-523</b>	<b>-450</b>

First-quarter net book gains were €52 million above the prior-year figure and were recorded primarily on the sale of securities, network segments in Germany, and activities in Finland. The prior-year figure consists of book gains on the sale of a majority stake in Czechia and securities and network segments in Germany.

Restructuring and cost-management expenditures declined by €20 million and, as in the prior-year period, resulted mainly from cost-cutting programs.

Our global and regional units continued to be adversely affected by a generally deteriorated business environment and regulatory intervention. In first quarter of 2015 we therefore had to record impairment charges of approximately €141 million, in particular at Generation and Renewables. These charges were partially offset by reversals of impairment charges of €26 million at Generation. In the prior-year period we recorded impairment charges of €0.2 billion at Non-EU Countries, Generation, and Renewables.

Other non-operating earnings include the marking to market of derivatives. We use derivatives to shield our operating business from price fluctuations. Marking to market at March 31, 2015, resulted in a negative effect of €74 million (prior year: -€107 million). Income in conjunction with provisions at our generation business and from special security funds had a positive impact on non-operating earnings in 2015, whereas impairment charges on gas inventories and securities had a negative impact. In 2014 we recorded impairment charges on securities and financial receivables.

Our tax expense was €351 million compared with €646 million in the prior-year period. Our tax rate declined from 42 percent in 2014 to 23 percent in 2015, mainly because of a one-off effect relating to a change in the value of deferred tax assets in the prior-year period.

Pursuant to IFRS, income/loss from discontinued operations is reported separately in the Consolidated Statements of Income. It includes the earnings of the Italy and Spain regional units and the earnings from contractual obligations of operations that have already been sold.



## 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-March 31 € in millions	2015	2014
Net income attributable to shareholders of E.ON SE	1,059	762
Net book gains/losses	-245	-193
Restructuring/cost-management expenses	50	70
Impairments/reversals of impairments	115	228
Other non-operating earnings	75	157
Taxes and non-controlling interests on non-operating earnings	-25	176
Special tax effects	-20	-
Income/Loss (-) from discontinued operations (attributable to shareholders of E.ON SE)	-2	-18
<b>Underlying net income</b>	<b>1,007</b>	<b>1,182</b>

## 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, 2014 (€33.4 billion), our economic net debt declined by €1.7 billion to €31.7 billion. Our high positive operating cash flow and the proceeds from divestments exceeded our investment expenditures, resulting in a significant improvement in our net financial position. The principal mitigating factor was an increase in provisions for pensions, which rose by €1.1 billion to €6.7 billion, mainly because of declining interest rates.

In April 2015 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 €12 billion was utilized at March 31, 2015.

Economic Net Debt		
€ in millions	March 31, 2015	Dec. 31, 2014
Liquid funds	8,531	6,067
Non-current securities	4,982	4,781
Financial liabilities	-19,366	-19,667
FX hedging adjustment	-47	34
<b>Net financial position</b>	<b>-5,900</b>	<b>-8,785</b>
Provisions for pensions	-6,653	-5,574
Asset-retirement obligations <sup>1</sup>	-19,183	-19,035
<b>Economic net debt</b>	<b>-31,736</b>	<b>-33,394</b>

<sup>1</sup>Less prepayments to Swedish nuclear fund.

Standard & Poor's ("S&P") long-term rating for E.ON is A-. After E.ON announced that it intends to spin off a majority stake in a new company consisting of its conventional upstream and midstream businesses, in December 2014 S&P placed E.ON's long-term rating on CreditWatch with negative implications. In March 2015 Moody's downgraded E.ON's long-term rating from A3 to Baa1 with a stable outlook. The short-term ratings are A-2 (S&P) and P-2 (Moody's).

## Investments

Our first-quarter investments were €17 million below the prior-year level. We invested about €645 million in property, plant, and equipment ("PP&E") and intangible assets (prior year: €654 million). Share investments totaled €21 million versus €29 million in the prior-year period.

Investments			
January 1-March 31 € in millions	2015	2014	+/- %
Generation	141	152	-7
Renewables	202	198	+2
Global Commodities	11	18	-39
Exploration & Production	24	14	+71
Germany	100	83	+20
Other EU Countries	133	122	+9
Non-EU Countries	46	83	-45
Group Management/ Consolidation	9	13	-31
<b>Total</b>	<b>666</b>	<b>683</b>	<b>-2</b>
<i>Maintenance investments</i>	<i>202</i>	<i>241</i>	<i>-16</i>
<i>Growth and replacement investments</i>	<i>464</i>	<i>442</i>	<i>+5</i>

## 18 Interim Group Management Report

Generation invested 7 percent less than in the prior-year period. Investments declined by €11 million, from €152 million to €141 million. The conversion of unit 4 to biomass at Provence power station in France, overhaul work on unit 2 at Oskarshamn nuclear power station in Sweden, the new generating unit at Maasvlakte power station in the Netherlands, and environmental-protection measures at Ratcliffe power station in the United Kingdom were among the major projects.

Investments at Renewables were at the prior-year level. Hydro's investments to maintain existing assets rose slightly, from €15 million to €17 million. Wind/Solar/Other's investments also increased slightly, from €183 million to €185 million. These investments went primarily toward offshore wind projects in Europe.

Global Commodities invested €11 million, which was €7 million less than the prior-year figure of €18 million. The decline mainly reflects lower investments in the gas storage business.

Exploration & Production invested €24 million (prior year: €14 million) in PP&E and intangible assets. The increase is principally attributable to higher investments in Elgin/Franklin, Zulu, and Corfe fields.

Germany's investments of €100 million were significantly above the prior-year figure. The increase resulted chiefly from follow-on effects from the prior year. Current-year investments in PP&E and intangible assets totaled €99 million, most of which, €88 million, went toward the network business. Most of the remaining investments went toward the heating business, which is a growth business.

Investments at Other EU Countries were €11 million above the prior-year level. The UK regional unit invested €31 million (prior year: €26 million). The increase primarily reflects currency-translation effects. The Sweden unit's investments of

€46 million were €7 million below the prior-year figure of €53 million; Sweden's investments served to maintain and expand existing assets and to expand and upgrade the distribution network, including adding new connections. Investments in Czechia declined from €23 million to €19 million, owing mainly to the deconsolidation of a majority-held share investment in the first quarter of 2014. The Hungary regional unit invested €16 million (€15 million) in its power and gas infrastructure. Investments in the remaining EU countries totaled €21 million (€5 million). This increase mainly reflects higher investments in power and gas networks in Romania and E.ON Connecting Energies' payments for an on-site project for a customer in Marl, Germany.

Non-EU Countries' investments of €46 million (prior year: €83 million) are entirely attributable to Russia (prior year: €68 million); about €41 million went toward Russia's new-build program.

### Cash Flow

Our operating cash flow of €2.5 billion was at the prior-year level. Cash-effective earnings were about the same, and small changes in interest payments and working capital largely offset each other.

Cash provided by investing activities of continuing operations amounted to €1 billion compared with -€0.9 billion in the prior-year period. The increase of roughly €1.9 billion resulted mainly from higher cash inflows from disposals, including operations in Spain and solar operations in Italy. This effect was made more pronounced by a decline of €0.8 billion in net cash outflows for the acquisition of securities and for fixed-term deposits. These effects were partially mitigated by a €0.4 billion increase in restricted cash.

Cash provided by financing activities of continuing operations amounted to -€1.6 billion (prior year: -€2.5 billion). The improvement is attributable to a €0.9 billion reduction in the net repayment of financial liabilities.

## Asset Situation

Non-current assets at March 31, 2015, were slightly higher than the figure at year-end 2014, mainly because of currency-translation effects. Investments in property, plant, and equipment ("PP&E") were more than offset by depreciation charges.

Current assets were slightly below the year-end figure. The sale of operations in Spain was the main factor. This was partially offset by a significant increase in liquid funds resulting from the buyer's payment of the purchase price for these operations. A decline in inventories was surpassed to a slight degree by an increase in operating receivables.

Our equity ratio at March 31, 2015, was slightly above the year-end figure. The increase in equity resulting from current earnings and changes in the value of assets and liabilities resulting from currency-translation effects in the amount of approximately €1 billion was not entirely offset by the revaluation of performance-based benefits plans.

Non-current liabilities rose by 2 percent from the figure at year-end 2014, owing mainly to higher liabilities relating to derivative financial instruments and higher provisions for pensions and other obligations due to changes in discount rates. These factors were partially offset by the on-schedule reduction of financial liabilities and lower deferred tax liabilities.

Current liabilities declined by 2 percent relative to year-end 2014, mainly because of the sale of operations in Spain. This was partially offset by higher liabilities in the form of operating receivables.

The following key figures indicate the E.ON Group's asset and capital structure:

- Non-current assets are covered by equity at 33 percent (December 31, 2014: 32 percent).
- Non-current assets are covered by long-term capital at 109 percent (December 31, 2014: 108 percent).

Consolidated Assets, Liabilities, and Equity				
€ in millions	Mar. 31, 2015	%	Dec. 31, 2014	%
Non-current assets	84,924	67	83,065	66
Current assets	42,043	33	42,625	34
<b>Total assets</b>	<b>126,967</b>	<b>100</b>	<b>125,690</b>	<b>100</b>
Equity	27,826	22	26,713	21
Non-current liabilities	64,345	51	63,335	51
Current liabilities	34,796	27	35,642	28
<b>Total equity and liabilities</b>	<b>126,967</b>	<b>100</b>	<b>125,690</b>	<b>100</b>

## 20 Interim Group Management Report

### Employees

At March 31, 2015, the E.ON Group had 57,196 employees worldwide, a decline of 2 percent from year-end 2014. E.ON also had 1,126 apprentices in Germany and 175 board members and managing directors worldwide. As of the same date 35,622 employees, or 62 percent of all employees, were working outside Germany, the same percentage as at year-end 2014.

Employees <sup>1</sup>			
	March 31, 2015	Dec. 31, 2014	+/- %
Generation	6,834	7,491	-9
Renewables	1,574	1,723	-9
Global Commodities	1,267	1,371	-8
Exploration & Production	250	236	+6
Germany	11,462	11,627	-1
Other EU Countries	24,655	24,740	-
Non-EU Countries	5,315	5,300	-
Group Management/Other <sup>2</sup>	5,839	6,015	-3
<b>Total</b>	<b>57,196</b>	<b>58,503</b>	<b>-2</b>

<sup>1</sup>Does not include board members, managing directors, or apprentices.  
<sup>2</sup>Includes E.ON Business Services.

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

The sale of operations in Spain and Italy led to a decline in the number of employees at Renewables.

The main reasons for the reduction in Global Commodities' headcount were E.ON 2.0 staff reductions and other savings measures.

Exploration & Production added technical staff in Norway and the United Kingdom.

The headcount at Germany was lower mainly because of E.ON 2.0 staff reductions (particularly through voluntary programs, preretirement options, and the expiration of temporary employment contracts). This was partially counteracted by the hiring of apprentices as full-time employees.

The decline in the number of employees at Other EU Countries is attributable to E.ON 2.0 staff reductions and normal turnover (this was partially offset by growth in the residential business in the United Kingdom and business expansion at E.ON Connecting Energies).

Non-EU Countries consists only of Russia's employees.

The number of employees at Group Management/Other declined owing to E.ON 2.0 staff reductions (particularly in facility management functions), voluntary turnover, and the expiration of temporary employment contracts.

### Forecast Report

#### New Strategy

As part of its transformation, E.ON made key organizational and personnel decisions. In the five months since announcing its new strategy, E.ON thoroughly discussed the main aspects of the organizational architecture for the future E.ON and the new company and then reached decisions. It also defined new management structures for them that reflect their respective strategic challenges. Under these structures, both companies will have four Management Board functions: a CEO, a CFO, and two operating functions.

E.ON aims to be customers' partner of choice for innovative energy solutions. To achieve this aim, it will focus on three core businesses: renewables, energy networks, and customer solutions. A new company whose core businesses are conventional power generation, energy trading, and exploration and production will begin operations at the start of 2016 under the name "Uniper." E.ON and its main businesses will have their headquarters in Essen, Uniper will have its headquarters in Düsseldorf.

Johannes Teysen will remain E.ON's CEO after the spinoff. E.ON's operating businesses will be led by Leonhard Birnbaum and Bernhard Reutersberg. New on the Management Board will be future CFO Michael Sen, who has worked at Siemens for almost 30 years. Klaus Schäfer will be Uniper's CEO. He became E.ON's CFO in 2013 and will remain a member of the E.ON Management Board and lead key elements of the future Uniper's business while the company is being established. Christopher Delbrück, who has been CEO of E.ON Global Commodities since 2013, will be Uniper's CFO. Eckhardt Rümmler, the current CEO of our generation business, will be Chief Operating Officer and oversee Uniper's technical assets, in particular its conventional power plants and gas storage facilities. A Chief Commercial Officer, who will be responsible for all marketing activities and for global energy trading, will be added in the months ahead.

### Macroeconomic Situation

International organizations, such as, most recently, the International Monetary Fund ("IMF"), as well as national organizations continue to forecast moderately positive growth for the global economy, albeit with significant variances between regions. According to the IMF, growth prospects are better in developed countries and worse in less developed countries. The economic picture in some parts of Europe has improved substantially in recent weeks, with the result that higher growth for 2015 is now predicted for Germany and many other EU countries.

### Earnings Performance

Our forecast for full-year 2015 earnings continues to be influenced to a significant degree by the difficult business environment in the energy industry.

We expect our 2015 EBITDA to be between €7 and €7.6 billion.

We expect our 2015 underlying net income to be between €1.4 and €1.8 billion.

Our forecast by segment:

We expect Generation's 2015 EBITDA to be significantly below the prior-year figure. Price developments on the wholesale market will continue to be a negative factor. The early decommissioning of Grafenrheinfeld nuclear power station and the disposal of generating capacity in Italy and Spain will also have a negative impact on earnings.

We anticipate that Renewables' 2015 EBITDA will be slightly below the prior-year level. Wind/Solar/Other will benefit from an increase in installed generating capacity, whereas Hydro will be adversely affected by declining prices and divestments.

We expect Global Commodities' 2015 EBITDA to be significantly above the prior-year figure due to anticipated improvements in the power and gas business.

We expect Exploration & Production's 2015 EBITDA to be significantly below the prior-year figure due to lower commodity prices and adverse currency-translation effects along with normal production declines at our gas fields in the North Sea.

We expect Germany's 2015 EBITDA to be significantly above the prior-year level. We anticipate improvements based on more seasonally typical weather patterns, further efficiency enhancements across the business, and a continuation of the positive trend in customer acquisition and loyalty.

Other EU Countries' 2015 EBITDA is expected to be at the prior-year level. Further positive effects from efficiency enhancements will be offset by narrower margins in the sales business in Hungary and by the absence of earnings streams from operations divested in 2014 in Czechia and Sweden.

We expect Non-EU Countries' 2015 EBITDA to be significantly below the prior-year level due to adverse currency-translation effects at Russia.

## 22 Interim Group Management Report

### Risk Report

The Combined Group Management Report contained in our 2014 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 2014 Combined Group Management Report. These risks remained essentially unchanged at the end of the first quarter of 2015.

However, the situation surrounding the following external risks has changed, or risks have arisen since the end of last year:

On March 20, 2015, the German Economic Affairs Ministry published a report that examines the surety of the provisions for nuclear asset-retirement obligations if the operators of nuclear power stations become insolvent. The report also explores possible reform options. The ministry has stated that the report is part of its preparations for discussions with nuclear operators. It intends to use the report as the basis for reviewing the operators' annual financial statements with regard to nuclear provisions and to design measures to ensure that the operators remain liable for these obligations. As of yet, there have been no discussions, nor have any specific measures been proposed.

In carrying out the German Federal Government's Climate Action Program of December 3, 2014, on March 27, 2015, the German Economic Affairs Ministry presented a plan for levying a climate-protection contribution from the power industry (minus 22 million metric tons of carbon dioxide). The purpose of the contribution is for the power sector to do its part to help close a presumed gap so that Germany can achieve its climate-protection target for 2020. The plan, which is still under discussion, calls for an additional levy on older power plants with high carbon emissions. This levy would be in addition to the plants' obligations under the EU Emissions Trading Scheme. Due to a lack of information about the parameters of the climate-protection contribution, the plan's impact on E.ON cannot be precisely quantified. The plan is expected to be enacted in 2015.

On the basis of the German Federal Network Agency's evaluation report, on March 16, 2015, the German Economic Affairs Ministry published a position paper containing key elements for the revision of incentive-based regulation. The key elements would not change investment conditions in any significant way. Adjustments to the regulator's efficiency benchmarking are conceivable. The discussions of these issues are not yet concluded. The German federal cabinet is expected to make a decision on the amended Incentive Regulation Ordinance before the summer recess.

The Competition and Markets Authority ("CMA") is conducting an investigation of the energy market in Great Britain. The investigation is based on a number of theories, including that British electricity and gas markets may suffer from insufficient competition between the six leading energy suppliers and from overregulation. The CMA must submit its final report by the end of 2015. To resolve any issues it identifies, the CMA may propose remedies ranging from market adjustments to changes in companies' structure. The outcome of the investigation is open. It could create risks as well as opportunities for E.ON and the other market participants.

### Management's Evaluation of the Risk Situation

At the end of the first quarter of 2015 the risk situation of the E.ON Group's operating business had not changed significantly compared with year-end 2014. 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 2014 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 quarter of 2015.

## Review Report

To E.ON SE, Düsseldorf

We have reviewed the condensed consolidated interim financial statements—comprising the balance sheet, income statement, statement of recognized income and expenses, condensed cash flows statement, statement of changes in equity and selected explanatory notes—and the interim group management report of E.ON SE, Düsseldorf for the period from January 1 to March 31, 2015, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, May 4, 2015

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Markus Dittmann  
Wirtschaftsprüfer  
(German Public Auditor)

Aissata Touré  
Wirtschaftsprüferin  
(German Public Auditor)

## 24 Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Statements of Income			
January 1–March 31 € in millions	Note	2015	2014 <sup>1</sup>
Sales including electricity and energy taxes		30,975	31,493
Electricity and energy taxes		-425	-456
<b>Sales</b>	(13)	<b>30,550</b>	<b>31,037</b>
Changes in inventories (finished goods and work in progress)		25	9
Own work capitalized		50	57
Other operating income		4,064	3,949
Cost of materials		-26,326	-26,617
Personnel costs		-986	-998
Depreciation, amortization and impairment charges		-944	-953
Other operating expenses		-4,486	-4,418
Income from companies accounted for under the equity method		109	-74
<b>Income/Loss from continuing operations before financial results and income taxes</b>		<b>2,056</b>	<b>1,992</b>
Financial results	(6)	-537	-461
<i>Income/Loss from equity investments</i>		-11	-13
<i>Income from other securities, interest and similar income</i>		174	135
<i>Interest and similar expenses</i>		-700	-583
Income taxes		-351	-646
<b>Income/Loss from continuing operations</b>		<b>1,168</b>	<b>885</b>
Income from discontinued operations, net	(4)	4	20
<b>Net income</b>		<b>1,172</b>	<b>905</b>
<i>Attributable to shareholders of E.ON SE</i>		1,059	762
<i>Attributable to non-controlling interests</i>		113	143
in €			
<b>Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted</b>	(7)		
from continuing operations		0.55	0.39
from discontinued operations		0.00	0.01
<b>from net income</b>		<b>0.55</b>	<b>0.40</b>

<sup>1</sup>The comparative prior-year figures have been adjusted to account for the reporting of discontinued operations (see also Note 4).



E.ON SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses		
January 1–March 31 € in millions	2015	2014
<b>Net income</b>	<b>1,172</b>	<b>905</b>
Remeasurements of defined benefit plans	-1,065	-700
Remeasurements of defined benefit plans of companies accounted for under the equity method	-13	-1
Income taxes	289	198
<b>Items that will not be reclassified subsequently to the income statement</b>	<b>-789</b>	<b>-503</b>
Cash flow hedges	-515	-101
<i>Unrealized changes</i>	-131	-131
<i>Reclassification adjustments recognized in income</i>	-384	30
Available-for-sale securities	93	9
<i>Unrealized changes</i>	213	109
<i>Reclassification adjustments recognized in income</i>	-120	-100
Currency translation adjustments	872	-541
<i>Unrealized changes</i>	872	-528
<i>Reclassification adjustments recognized in income</i>	-	-13
Companies accounted for under the equity method	69	20
<i>Unrealized changes</i>	69	20
<i>Reclassification adjustments recognized in income</i>	-	-
Income taxes	268	18
<b>Items that might be reclassified subsequently to the income statement</b>	<b>787</b>	<b>-595</b>
<b>Total income and expenses recognized directly in equity</b>	<b>-2</b>	<b>-1,098</b>
<b>Total recognized income and expenses (total comprehensive income)</b>	<b>1,170</b>	<b>-193</b>
<i>Attributable to shareholders of E.ON SE</i>	996	-251
<i>Attributable to non-controlling interests</i>	174	58

## 26 Condensed Consolidated Interim Financial Statements

E.ON SE and Subsidiaries Consolidated Balance Sheets			
€ in millions	Note	Mar. 31, 2015	Dec. 31, 2014
<b>Assets</b>			
Goodwill		12,302	11,812
Intangible assets		5,148	4,882
Property, plant and equipment		42,517	41,273
Companies accounted for under the equity method	(8)	4,986	5,009
Other financial assets	(8)	6,481	6,354
<i>Equity investments</i>		1,499	1,573
<i>Non-current securities</i>		4,982	4,781
Financial receivables and other financial assets		3,712	3,533
Operating receivables and other operating assets		4,081	3,947
Income tax assets		76	83
Deferred tax assets		5,621	6,172
<b>Non-current assets</b>		<b>84,924</b>	<b>83,065</b>
Inventories		2,374	3,356
Financial receivables and other financial assets		1,551	1,376
Trade receivables and other operating assets		25,360	24,311
Income tax assets		1,640	1,745
Liquid funds		8,531	6,067
<i>Securities and fixed-term deposits</i>		1,730	1,812
<i>Restricted cash and cash equivalents</i>		1,579	1,064
<i>Cash and cash equivalents</i>		5,222	3,191
Assets held for sale	(4)	2,587	5,770
<b>Current assets</b>		<b>42,043</b>	<b>42,625</b>
<b>Total assets</b>		<b>126,967</b>	<b>125,690</b>
<b>Equity and Liabilities</b>			
Capital stock		2,001	2,001
Additional paid-in capital		13,077	13,077
Retained earnings		17,147	16,842
Accumulated other comprehensive income		-4,146	-4,833
Treasury shares	(9)	-2,502	-2,502
<b>Equity attributable to shareholders of E.ON SE</b>		<b>25,577</b>	<b>24,585</b>
Non-controlling interests (before reclassification)		2,839	2,723
Reclassification related to put options		-590	-595
<b>Non-controlling interests</b>		<b>2,249</b>	<b>2,128</b>
<b>Equity</b>		<b>27,826</b>	<b>26,713</b>
Financial liabilities		15,264	15,784
Operating liabilities		8,280	7,804
Income taxes		2,673	2,651
Provisions for pensions and similar obligations	(11)	6,653	5,574
Miscellaneous provisions		26,333	25,802
Deferred tax liabilities		5,142	5,720
<b>Non-current liabilities</b>		<b>64,345</b>	<b>63,335</b>
Financial liabilities		4,102	3,883
Trade payables and other operating liabilities		25,258	24,615
Income taxes		625	797
Miscellaneous provisions		3,864	4,120
Liabilities associated with assets held for sale	(4)	947	2,227
<b>Current liabilities</b>		<b>34,796</b>	<b>35,642</b>
<b>Total equity and liabilities</b>		<b>126,967</b>	<b>125,690</b>

E.ON SE and Subsidiaries Consolidated Statements of Cash Flows		
January 1–March 31 € in millions	2015	2014 <sup>1</sup>
Net income	1,172	905
Income/Loss from discontinued operations, net	-4	-20
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	944	953
Changes in provisions	130	163
Changes in deferred taxes	260	528
Other non-cash income and expenses	-4	76
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (=3 months)	-270	-357
Changes in operating assets and liabilities and in income taxes	304	329
<b>Cash provided by operating activities of continuing operations (operating cash flow)<sup>2</sup></b>	<b>2,532</b>	<b>2,577</b>
Cash provided by operating activities of discontinued operations	4	66
<b>Cash provided by operating activities</b>	<b>2,536</b>	<b>2,643</b>
Proceeds from disposal of	2,174	722
<i>Intangible assets and property, plant and equipment</i>	83	49
<i>Equity investments</i>	2,091	673
Purchases of investments in	-666	-683
<i>Intangible assets and property, plant and equipment</i>	-645	-654
<i>Equity investments</i>	-21	-29
Changes in securities and fixed-term deposits	-39	-808
Changes in restricted cash and cash equivalents	-509	-102
<b>Cash provided by (used for) investing activities of continuing operations</b>	<b>960</b>	<b>-871</b>
Cash provided by (used for) investing activities of discontinued operations	20	-10
<b>Cash provided by (used for) investing activities</b>	<b>980</b>	<b>-881</b>
Payments received/made from changes in capital <sup>3</sup>	-3	-35
Changes in financial liabilities	-1,612	-2,456
<b>Cash used for financing activities of continuing operations</b>	<b>-1,615</b>	<b>-2,491</b>
Cash provided by (used for) financing activities of discontinued operations	11	-27
<b>Cash used for financing activities</b>	<b>-1,604</b>	<b>-2,518</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>1,912</b>	<b>-756</b>
Effect of foreign exchange rates on cash and cash equivalents	115	-20
Cash and cash equivalents at the beginning of the year <sup>4</sup>	3,216	4,539
<b>Cash and cash equivalents at the end of the quarter</b>	<b>5,243</b>	<b>3,763</b>
<b>Less: Cash and cash equivalents of discontinued operations at the end of the quarter</b>	<b>17</b>	<b>25</b>
<b>Cash and cash equivalents of continuing operations at the end of the quarter<sup>5</sup></b>	<b>5,226</b>	<b>3,738</b>

<sup>1</sup>The comparative prior-year figures have been adjusted to account for the reporting of discontinued operations (see also Note 4).

<sup>2</sup>Additional information on operating cash flow is provided in Note 13.

<sup>3</sup>No material netting has taken place in either of the years presented here.

<sup>4</sup>Cash and cash equivalents at the beginning of 2015 also include a combined total of €6 million from the generation activities in Spain and Italy, which are presented as disposal groups, as well as a combined total of €19 million at the Italy and Spain regions, which are presented as discontinued operations. The figure for 2014 includes an amount of €12 million at the Pražská plynárenská group, which had been presented as a disposal group.

<sup>5</sup>Cash and cash equivalents of continuing operations at the end of the first quarter of 2015 also include an amount of €4 million from the generation activities in Italy, which are presented as disposal groups. The figure for 2014 includes an amount of €25 million at the Italy and Spain regions, which had been presented as discontinued operations.

## 28 Condensed Consolidated Interim Financial Statements

Statement of Changes in Equity						
€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Changes in accumulated other comprehensive income		
				Currency translation adjustments	Available-for-sale securities	Cash flow hedges
<b>Balance as of January 1, 2014</b>	<b>2,001</b>	<b>13,733</b>	<b>23,306</b>	<b>-2,742</b>	<b>1,201</b>	<b>-292</b>
Change in scope of consolidation						
Capital increase						
Capital decrease						
Dividends paid						
Share additions			44			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			289	-491	-7	-42
<i>Net income</i>			762			
<i>Other comprehensive income</i>			-473	-491	-7	-42
<i>Remeasurements of defined benefit plans</i>			-473			
<i>Changes in accumulated other comprehensive income</i>				-491	-7	-42
<b>Balance as of March 31, 2014</b>	<b>2,001</b>	<b>13,733</b>	<b>23,639</b>	<b>-3,233</b>	<b>1,194</b>	<b>-334</b>
<b>Balance as of January 1, 2015</b>	<b>2,001</b>	<b>13,077</b>	<b>16,842</b>	<b>-4,917</b>	<b>887</b>	<b>-803</b>
Change in scope of consolidation						
Capital increase						
Capital decrease						
Dividends paid						
Share additions			-4			
Net additions/disposals from reclassification related to put options						
Total comprehensive income			309	988	65	-366
<i>Net income</i>			1,059			
<i>Other comprehensive income</i>			-750	988	65	-366
<i>Remeasurements of defined benefit plans</i>			-750			
<i>Changes in accumulated other comprehensive income</i>				988	65	-366
<b>Balance as of March 31, 2015</b>	<b>2,001</b>	<b>13,077</b>	<b>17,147</b>	<b>-3,929</b>	<b>952</b>	<b>-1,169</b>

Treasury shares	Equity attributable to shareholders of E.ON SE	Non-controlling interests (before reclassification)	Reclassification related to put options	Non-controlling interests	Total
<b>-3,484</b>	<b>33,723</b>	<b>3,574</b>	<b>-659</b>	<b>2,915</b>	<b>36,638</b>
		-123		-123	-123
		22		22	22
		-3		-3	-3
		-3		-3	-3
	44	-97		-97	-53
			58	58	58
	-251	58		58	-193
	762	143		143	905
	-1,013	-85		-85	-1,098
	-473	-30		-30	-503
	-540	-55		-55	-595
<b>-3,484</b>	<b>33,516</b>	<b>3,428</b>	<b>-601</b>	<b>2,827</b>	<b>36,343</b>
<b>-2,502</b>	<b>24,585</b>	<b>2,723</b>	<b>-595</b>	<b>2,128</b>	<b>26,713</b>
		-55		-55	-55
					0
		-3		-3	-3
		-5		-5	-5
	-4	5		5	1
			5	5	5
	996	174		174	1,170
	1,059	113		113	1,172
	-63	61		61	-2
	-750	-39		-39	-789
	687	100		100	787
<b>-2,502</b>	<b>25,577</b>	<b>2,839</b>	<b>-590</b>	<b>2,249</b>	<b>27,826</b>

## 30 Notes to the Condensed Consolidated Interim Financial Statements

### (1) Summary of Significant Accounting Policies

The Interim Report for the three months ended March 31, 2015, has been prepared in accordance with those International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee interpretations ("IFRS IC") 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 2014 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, 2014, which provide the basis for this Interim Report.

### (2) Newly Adopted Standards and Interpretations

#### Omnibus Standard to Amend Multiple International Financial Reporting Standards (2011–2013 Cycle)

In the context of its Annual Improvements Process, the IASB revises existing standards. In December 2013, the IASB published a corresponding omnibus standard. It contains changes to IFRS and their associated Bases for Conclusions. The revisions affect the standards IFRS 1, IFRS 3, IFRS 13 and IAS 40. The EU has adopted these amendments into European law. Consequently, they shall be applied for fiscal years beginning on or after January 1, 2015. They will result in no material changes for E.ON affecting its Consolidated Financial Statements.

### IFRIC 21, "Levies"

In May 2013, the IASB published IFRIC 21, "Levies" ("IFRIC 21"), which addresses the timing of the recognition of obligations to pay levies imposed by governments. Taxes that are within the scope of other standards, such as income taxes, are explicitly excluded from this interpretation. The new guidance is aimed at eliminating diversity in accounting practice with respect to the timing of the recognition of obligations to pay levies imposed by governments. Accordingly, liabilities or, if applicable, provisions shall not be recognized until the obligating event has occurred. The interpretation shall be applied for fiscal years beginning on or after January 1, 2014. It has been adopted by the EU into European law. Consequently, its application is mandatory for fiscal years beginning on or after June 17, 2014. IFRIC 21 has no material impact on E.ON's Consolidated Financial Statements.

### (3) Scope of Consolidation

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

Scope of Consolidation			
	Domestic	Foreign	Total
<b>Consolidated companies as of December 31, 2014<sup>1</sup></b>	<b>107</b>	<b>210</b>	<b>317</b>
Additions	-	6	6
Disposals/Mergers	2	20	22
<b>Consolidated companies as of March 31, 2015<sup>2</sup></b>	<b>105</b>	<b>196</b>	<b>301</b>
<sup>1</sup> This also includes the Spanish and Italian entities reported as discontinued operations.			
<sup>2</sup> This also includes the Italian entities reported as discontinued operations.			

As of March 31, 2015, 48 companies accounted for under the equity method (December 31, 2014: 54) and 2 companies reported as joint operations (December 31, 2014: 2) were presented pro rata.

#### (4) Acquisitions, Disposals and Discontinued Operations

##### Discontinued Operations and Assets Held for Sale in 2015

###### E.ON in Spain

In late November 2014, E.ON entered into contracts with a subsidiary of Macquarie European Infrastructure Fund IV LP (the "Macquarie Fund"), London, United Kingdom, on the sale of its Spanish and Portuguese activities.

The activities sold include all of E.ON's Spanish and Portuguese businesses, including 650,000 electricity and gas customers and electricity distribution networks extending over a total distance of 32,000 kilometers. In addition, the activities include a total generation capacity of 4 GW from coal, gas, and renewable sources in Spain and Portugal. While the Spain regional unit is reported as a discontinued operation, the Spanish generation businesses held in the Generation and Renewables segments have been classified as disposal groups as of November 30, 2014.

The agreed transaction volume for the equity and for the assumption of liabilities and working capital positions was €2.4 billion. The respective classification as discontinued operations and disposal groups required that the Spanish and Portuguese businesses be measured at the agreed purchase price. This remeasurement produced a goodwill impairment of approximately €0.3 billion in 2014.

The following table shows selected financial information from the Spain regional unit now being reported as discontinued operations:

Selected Financial Information— E.ON Spain (Summary) <sup>1</sup>		
January 1–March 31 € in millions	2015	2014
Sales	324	282
Other income/expenses, net	-284	-282
<b>Income/Loss from continuing operations before income taxes</b>	<b>40</b>	<b>0</b>
Income taxes	-	-
<b>Income/Loss from discontinued operations, net</b>	<b>40</b>	<b>0</b>

<sup>1</sup>This does not include the deconsolidation gain/loss.

The transaction closed on March 25, 2015, with a minimal loss on disposal. The disposed asset and liability items of the regional unit now being reported as discontinued operations were property, plant and equipment (€1.0 billion) and current assets (€0.5 billion), as well as provisions (€0.2 billion) and liabilities (€0.7 billion). The major asset items of the generation activities held as a disposal group were property, plant and equipment (€1.1 billion), intangible assets and goodwill (€0.4 billion), financial assets (€0.1 billion) and current assets (€0.4 billion). The liability items consisted primarily of provisions (€0.2 billion) and liabilities (€0.4 billion).

## 32 Notes to the Condensed Consolidated Interim Financial Statements

### E.ON in Italy

As of December 31, 2014, against the backdrop of specifying its divestment intentions, E.ON reported the Italy regional unit under discontinued operations, and the Italian businesses held in its Generation and Renewables segments—except for the wind-power activities—as disposal groups.

The non-controlling interest in Gestione Energetica Impianti S.p.A. ("GEI"), Crema, Italy, was already sold in December 2014. Also agreed in December 2014 was the disposal of the Italian coal and gas generation assets to the Czech energy company Energetický a Průmyslový Holding ("EPH"), Prague, Czech Republic.

As the disposal process took greater shape, it also became necessary to reexamine the measurement of the Italian businesses on the basis of the expected proceeds on disposal. This remeasurement resulted in an impairment of approximately €1.3 billion as of December 31, 2014, of which roughly €0.1 billion was charged to goodwill and roughly €1.2 billion to other non-current assets.

The following tables show selected financial information and major balance sheet items from the Italy regional unit now being reported as discontinued operations:

Selected Financial Information— E.ON Italy (Summary)		
January 1-March 31 € in millions	2015	2014
Sales	443	501
Other income/expenses, net	-429	-474
<b>Income/Loss from continuing operations before income taxes</b>	<b>14</b>	<b>27</b>
Income taxes	-8	-7
<b>Income/Loss from discontinued operations, net</b>	<b>6</b>	<b>20</b>

### Major Balance Sheet Line Items— E.ON Italy (Summary)

€ in millions	Mar. 31, 2015	Dec. 31, 2014
Intangible assets and property, plant and equipment	5	3
Other assets	714	550
<b>Total assets</b>	<b>719</b>	<b>553</b>
Total liabilities	317	209

As of March 31, 2015, the major asset and liability items of the activities held as a disposal group at the Generation and Renewables global units were property, plant and equipment (€0.8 billion), intangible assets (€0.5 billion) and current assets (€0.2 billion), as well as provisions (€0.3 billion) and liabilities (€0.2 billion). The disposal of the Italian coal and gas generation assets is expected to be finalized in the second quarter of 2015.

A contract with F2i SGR S.p.A., Milan, Italy, for the sale of the solar activities held in the Renewables segment was signed and finalized in February 2015. Its major balance sheet items related to property, plant and equipment (€0.1 billion). There were no significant items on the liabilities side. The transaction closed with a minimal gain on disposal.

### Esperanto Infrastructure

In late March 2015, E.ON signed an agreement with the Swedish private equity group EQT on the sale of the remaining 49-percent stake in Esperanto Infrastructure. The carrying amount of this Energy from Waste activity held in the Germany regional unit was €0.2 billion. The agreed transaction closed in late April 2015. It produced a minimal gain on disposal.



## Disposal Groups and Assets Held for Sale in 2014

### Magic Valley 1 and Wildcat 1 Wind Farms

As part of its "build and sell" strategy, E.ON agreed to sell an 80-percent interest in a portfolio of two wind farms in the United States, Magic Valley 1 and Wildcat 1, to Enbridge Inc., Toronto, Canada, in November 2014. The net purchase price after deduction of liabilities was approximately €0.3 billion. The carrying amount of the property, plant and equipment was approximately €0.5 billion as of December 31, 2014.

The transaction, which closed at the end of December 2014, produced a €0.1 billion gain on disposal. E.ON continues to hold a 20-percent interest and remains the operator of the wind farms.

### Erdgasversorgungsgesellschaft Thüringen-Sachsen mbH

In late October 2014, E.ON signed a contract with First State European Diversified Infrastructure Fund ("EDIF"), an investment fund managed by First State Investments, Luxembourg, for the sale of its 50-percent stake in Erdgasversorgungsgesellschaft Thüringen-Sachsen mbH ("EVG"), Erfurt, Germany.

The equity investment was held in the Germany regional unit with a carrying amount of approximately €0.1 billion. The transaction, which also closed in the fourth quarter of 2014, resulted in a gain on disposal of approximately €0.1 billion.

### E.ON in Lithuania

In May 2014, E.ON signed contracts for and finalized the sale of the 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 the first quarter of 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, were property, plant and equipment (€0.2 billion), inventories and other assets (€0.2 billion) and liabilities (€0.2 billion). The transaction closed in March 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 MW 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 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.

## (5) Research and Development Costs

The E.ON Group's research and development costs under IFRS totaled €8 million in the first quarter of 2015 (first quarter of 2014: €7 million).

## 34 Notes to the Condensed Consolidated Interim Financial Statements

**(6) Financial Results**

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

<b>Financial Results</b>		
January 1-March 31 € in millions	2015	2014
Income from companies in which equity investments are held	6	6
Impairment charges/reversals on other financial assets	-17	-19
<b>Income/Loss from equity investments</b>	<b>-11</b>	<b>-13</b>
Income from securities, interest and similar income	174	135
Interest and similar expenses	-700	-583
<b>Net interest income</b>	<b>-526</b>	<b>-448</b>
<b>Financial results</b>	<b>-537</b>	<b>-461</b>

**(7) Earnings per Share**

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

<b>Earnings per Share</b>		
January 1-March 31 € in millions	2015	2014
Income/Loss from continuing operations	1,168	885
Less: Non-controlling interests	-111	-141
<b>Income/Loss from continuing operations (attributable to shareholders of E.ON SE)</b>	<b>1,057</b>	<b>744</b>
Income/Loss from discontinued operations, net	4	20
Less: Non-controlling interests	-2	-2
<b>Income/Loss from discontinued operations, net (attributable to shareholders of E.ON SE)</b>	<b>2</b>	<b>18</b>
<b>Net income attributable to shareholders of E.ON SE</b>	<b>1,059</b>	<b>762</b>
<b>in €</b>		
<b>Earnings per share (attributable to shareholders of E.ON SE)</b>		
from continuing operations	0.55	0.39
from discontinued operations	0.00	0.01
<b>from net income</b>	<b>0.55</b>	<b>0.40</b>
Weighted-average number of shares outstanding (in millions)	1,933	1,908

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 increase in the weighted-average number of shares outstanding resulted primarily from the issue of 24,008,788 treasury shares, as part of the scrip dividend for the 2014 fiscal year, 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						
€ in millions	March 31, 2015			December 31, 2014		
	E.ON Group	Associates <sup>1</sup>	Joint ventures <sup>1</sup>	E.ON Group	Associates <sup>1</sup>	Joint ventures <sup>1</sup>
Companies accounted for under the equity method	4,986	2,336	2,650	5,009	2,423	2,586
Equity investments	1,499	238	9	1,573	245	9
Non-current securities	4,982	-	-	4,781	-	-
<b>Total</b>	<b>11,467</b>	<b>2,574</b>	<b>2,659</b>	<b>11,363</b>	<b>2,668</b>	<b>2,595</b>

<sup>1</sup>The associates and joint ventures presented as equity investments are associated companies and joint ventures accounted for at cost on materiality grounds.

The net income of €109 million from companies accounted for under the equity method (first quarter of 2014: net loss of €73 million) includes no impairments (first quarter of 2014: €152 million).

## (9) Treasury Shares

Pursuant to a resolution from the Annual Shareholders Meeting of May 3, 2012, the Company is authorized to purchase own shares until May 2, 2017. The shares purchased, combined with other treasury shares in the possession of the Company, or attributable to the Company pursuant to Sections 71a *et seq.* AktG, may at no time exceed 10 percent of its capital stock. The Board of Management was authorized at the aforementioned Annual Shareholders Meeting to cancel treasury shares without requiring a separate shareholder resolution for the cancellation or its implementation. The total number of outstanding shares as of March 31, 2015, was 1,932,736,845 (December 31, 2014: 1,932,736,845).

As of March 31, 2015, E.ON SE and one of its subsidiaries held a total of 68,263,155 treasury shares (December 31, 2014: 68,263,155) having a consolidated book value of €2,502 million (equivalent to 3.41 percent or €68,263,155 of the capital stock).

## (10) Dividends

A proposal to distribute a cash dividend for 2014 of €0.50 (distribution for 2013: €0.60) per dividend-paying ordinary share will be submitted to the Annual Shareholders Meeting. This would correspond to a total dividend amount of €966 million (distribution for 2013: €1,145 million).

Shareholders are also being given the option to exchange part of their cash dividend entitlement for shares of E.ON SE.

## (11) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations increased by €1,079 million over year-end 2014. The increase was caused primarily by net actuarial losses mostly resulting from the decrease in the discount rates determined for the E.ON Group, by additions attributable to the net periodic pension cost and by currency translation effects. These effects were partly offset by employer contributions to plan assets and by net pension payments in the first quarter of 2015.

## 36 Notes to the Condensed Consolidated Interim Financial Statements

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

Discount Rates		
Percentages	Mar. 31, 2015	Dec. 31, 2014
Germany	1.50	2.00
United Kingdom	3.40	3.70

The net defined benefit liability, 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 Defined Benefit Liability		
€ in millions	March 31, 2015	December 31, 2014
Present value of all defined benefit obligations	20,986	18,949
Fair value of plan assets	14,333	13,375
<b>Net defined benefit liability</b> <i>Presented as provisions for pensions and similar obligations</i>	<b>6,653</b> 6,653	<b>5,574</b> 5,574

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		
January 1–March 31 € in millions	2015	2014
Employer service cost	82	57
Net interest on the net defined benefit liability	30	25
Past service cost	3	2
<b>Total</b>	<b>115</b>	<b>84</b>

## (12) Additional Disclosures on Financial Instruments

### Measurement of Financial Instruments

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

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.

## 38 Notes to the Condensed Consolidated Interim Financial Statements

### Presentation of Financial Instruments

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

Carrying Amounts of Financial Instruments as of March 31, 2015			
€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
<b>Assets</b>			
Equity investments	1,499	53	296
Derivatives	13,426	6,235	6,750
Securities and fixed-term deposits	6,712	6,107	605
Cash and cash equivalents	5,222	5,222	-
Restricted cash	1,579	1,579	-
<b>Liabilities</b>			
Derivatives	14,101	6,346	7,718

Carrying Amounts of Financial Instruments as of December 31, 2014			
€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
<b>Assets</b>			
Equity investments	1,573	120	320
Derivatives	13,716	6,157	7,115
Securities and fixed-term deposits	6,593	5,761	832
Cash and cash equivalents	3,191	3,143	48
Restricted cash	1,064	1,064	-
<b>Liabilities</b>			
Derivatives	13,776	6,187	7,541

The increase in cash and cash equivalents resulted especially from the proceeds from divestitures.

The carrying amounts of cash and cash equivalents and of trade receivables are considered reasonable estimates of fair value because of their short maturity. Similarly, the carrying amounts of commercial paper, borrowings under revolving short-term credit facilities and trade payables are used as the fair value due to the short maturities of these items. The fair

value of the bonds as of March 31, 2015, was €19,177 million (December 31, 2014: €17,997 million). The carrying amount of the bonds as of March 31, 2015, was €14,951 million (December 31, 2014: €14,280 million). The fair value of the remaining financial instruments largely corresponds to the carrying amount. At the end of each reporting period, E.ON assesses whether there might be grounds for reclassification

between hierarchy levels. The proportion of fair values measured at Level 1 to those measured at Level 2 has not changed materially compared with December 31, 2014. There were no reclassifications between these two fair-value-hierarchy levels in the first quarter of 2015. However, equity investments were

reclassified out of Level 3 of the fair value hierarchy in the amount of €13 million during this period. 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, 2015	Purchases (including additions)	Sales (including disposals)	Settle-ments	Gains/ Losses in income state-ment	Transfers		Gains/ Losses in OCI	Mar. 31, 2015
						into Level 3	out of Level 3		
Equity investments	1,133	39	-15	-	-1	-	-13	7	1,150
Derivative financial instruments	396	-	-	-	8	-	-	-	404
<b>Total</b>	<b>1,529</b>	<b>39</b>	<b>-15</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>-13</b>	<b>7</b>	<b>1,554</b>

At the beginning of 2015, a net loss of €48 million from the initial measurement of derivatives was deferred. After realization of €1 million in deferred gains, the remainder at the end of the quarter was a deferred loss of €47 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 €67 million or an increase of €60 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 €6,471 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 March 31, 2015, exchange-traded forward and option contracts, as well as exchange-traded emissions-related derivatives, bear no credit risk. For the remaining financial instruments, the maximum risk of default is equal to their carrying amounts.

### (13) Segment Information

Led by its Group Management in Düsseldorf, Germany, the E.ON Group ("E.ON" or the "Group") is segmented into global and regional units, which are reported here in accordance with IFRS 8, "Operating Segments" ("IFRS 8"). The trading business with major customers has been reclassified out of the Germany regional unit into the Global Commodities global unit. The corresponding comparative prior-year figures have been adjusted.

## 40 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's worldwide activities in renewables include hydro, wind and solar energies and are managed globally.

**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 facilities and contracts 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 nine regional units in total. For segment reporting purposes, the Germany, UK, Sweden, Czechia and Hungary regional units are reported separately. Those units not

**Financial Information by Business Segment**

January 1–March 31 € in millions	Generation		Renewables		Global Commodities	
	2015	2014	2015	2014	2015	2014
External sales	523	628	196	162	18,512	18,504
Intersegment sales	2,135	2,174	465	456	4,901	4,763
<b>Sales</b>	<b>2,658</b>	<b>2,802</b>	<b>661</b>	<b>618</b>	<b>23,413</b>	<b>23,267</b>
<b>EBITDA<sup>1</sup></b>	<b>749</b>	<b>916</b>	<b>385</b>	<b>569</b>	<b>167</b>	<b>-1</b>
<i>Equity-method earnings<sup>2</sup></i>	18	11	10	1	30	41
<b>Operating cash flow before interest and taxes</b>	<b>677</b>	<b>699</b>	<b>269</b>	<b>298</b>	<b>1,296</b>	<b>1,231</b>
<b>Investments</b>	<b>141</b>	<b>152</b>	<b>202</b>	<b>198</b>	<b>11</b>	<b>18</b>

<sup>1</sup>Adjusted for extraordinary effects.

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

**Financial Information by Business Segment—Presentation of Other EU Countries**

January 1–March 31 € in millions	UK		Sweden		Czechia	
	2015	2014	2015	2014	2015	2014
External sales	3,046	2,869	624	702	564	692
Intersegment sales	10	3	42	50	34	36
<b>Sales</b>	<b>3,056</b>	<b>2,872</b>	<b>666</b>	<b>752</b>	<b>598</b>	<b>728</b>
<b>EBITDA<sup>1</sup></b>	<b>252</b>	<b>224</b>	<b>216</b>	<b>253</b>	<b>98</b>	<b>104</b>
<i>Equity-method earnings<sup>2</sup></i>	-	-	2	3	1	1
<b>Operating cash flow before interest and taxes</b>	<b>-95</b>	<b>91</b>	<b>192</b>	<b>219</b>	<b>46</b>	<b>55</b>
<b>Investments</b>	<b>31</b>	<b>26</b>	<b>46</b>	<b>53</b>	<b>19</b>	<b>23</b>

<sup>1</sup>Adjusted for extraordinary effects.

<sup>2</sup>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.



reported separately are grouped together and reported in summarized form as "Other regional units." They include the France, Netherlands, Slovakia and Romania regional units and, through December 2014, the Italy and Spain regional units (see Note 4 for further discussion of the Italy and Spain units). Additionally reported here are the activities of E.ON Connecting Energies, which concentrates on providing decentralized, complete solutions.

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 primarily the result of the negative performance of derivatives, which amounted to -€45 million.

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	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
330	471	5,027	5,209	5,646	5,602	268	429	48	32	30,550	31,037
138	131	88	4	241	231	-	-	-7,968	-7,759	0	0
<b>468</b>	<b>602</b>	<b>5,115</b>	<b>5,213</b>	<b>5,887</b>	<b>5,833</b>	<b>268</b>	<b>429</b>	<b>-7,920</b>	<b>-7,727</b>	<b>30,550</b>	<b>31,037</b>
<b>277</b>	<b>339</b>	<b>637</b>	<b>590</b>	<b>686</b>	<b>693</b>	<b>87</b>	<b>105</b>	<b>-158</b>	<b>-113</b>	<b>2,830</b>	<b>3,098</b>
3	7	18	25	12	16	19	-25	-1	1	109	77
<b>215</b>	<b>316</b>	<b>192</b>	<b>-113</b>	<b>154</b>	<b>463</b>	<b>73</b>	<b>168</b>	<b>-120</b>	<b>-150</b>	<b>2,756</b>	<b>2,912</b>
<b>24</b>	<b>14</b>	<b>100</b>	<b>83</b>	<b>133</b>	<b>122</b>	<b>46</b>	<b>83</b>	<b>9</b>	<b>13</b>	<b>666</b>	<b>683</b>

Hungary		Other regional units		Other EU Countries	
2015	2014	2015	2014	2015	2014
440	443	972	896	5,646	5,602
1	-	154	142	241	231
<b>441</b>	<b>443</b>	<b>1,126</b>	<b>1,038</b>	<b>5,887</b>	<b>5,833</b>
<b>1</b>	<b>14</b>	<b>119</b>	<b>98</b>	<b>686</b>	<b>693</b>
-	-	9	12	12	16
<b>-56</b>	<b>2</b>	<b>67</b>	<b>96</b>	<b>154</b>	<b>463</b>
<b>16</b>	<b>15</b>	<b>21</b>	<b>5</b>	<b>133</b>	<b>122</b>

## 42 Notes to the Condensed Consolidated Interim Financial Statements

Financial Information by Business Segment—Presentation of Non-EU Countries						
January 1–March 31 € in millions	Russia		Other Non-EU Countries		Non-EU Countries	
	2015	2014	2015	2014	2015	2014
External sales	268	429	–	–	268	429
Intersegment sales	–	–	–	–	0	0
<b>Sales</b>	<b>268</b>	<b>429</b>	<b>0</b>	<b>0</b>	<b>268</b>	<b>429</b>
<b>EBITDA<sup>1</sup></b>	<b>83</b>	<b>131</b>	<b>4</b>	<b>-26</b>	<b>87</b>	<b>105</b>
<i>Equity-method earnings<sup>2</sup></i>	–	–	19	-25	19	-25
<b>Operating cash flow before interest and taxes</b>	<b>95</b>	<b>169</b>	<b>-22</b>	<b>-1</b>	<b>73</b>	<b>168</b>
<b>Investments</b>	<b>46</b>	<b>68</b>	<b>–</b>	<b>15</b>	<b>46</b>	<b>83</b>

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

Financial Information by Business Segment—Presentation of Discontinued Operations				
January 1–March 31 € in millions	Italy		Spain	
	2015	2014	2015	2014
External sales	443	501	324	282
Intersegment sales	17	10	31	15
<b>Sales</b>	<b>460</b>	<b>511</b>	<b>355</b>	<b>297</b>
<b>EBITDA<sup>1</sup></b>	<b>15</b>	<b>30</b>	<b>34</b>	<b>34</b>
<i>Equity-method earnings<sup>2</sup></i>	–	1	–	–
<b>Operating cash flow before interest and taxes</b>	<b>-65</b>	<b>-97</b>	<b>19</b>	<b>99</b>
<b>Investments</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>10</b>

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

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

Operating Cash Flow			
January 1–March 31 € in millions	2015 <sup>1</sup>	2014 <sup>1</sup>	Difference
<b>Operating cash flow before interest and taxes</b>	<b>2,756</b>	<b>2,912</b>	<b>-156</b>
Interest payments	-81	-187	106
Tax payments	-143	-148	5
<b>Operating cash flow</b>	<b>2,532</b>	<b>2,577</b>	<b>-45</b>

<sup>1</sup>Operating cash flow from continuing operations.

The investments presented in the financial information by business segment tables are the purchases of investments reported in the Consolidated Statements of Cash Flows.

### Reconciliation of EBITDA

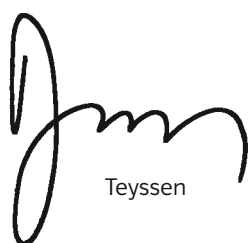
Economic net interest income is calculated by taking the net interest income shown in the income statement and adjusting it using economic criteria and excluding extraordinary effects, namely, the portions of interest expense that are non-operating. Net book gains are equal to the sum of book gains and 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:

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

Net Income		
January 1-March 31		
€ in millions	2015	2014
<b>EBITDA<sup>1</sup></b>	<b>2,830</b>	<b>3,098</b>
Depreciation and amortization	-794	-844
Impairments (-)/Reversals (+) <sup>2</sup>	1	-11
<b>EBIT<sup>1</sup></b>	<b>2,037</b>	<b>2,243</b>
Economic interest income (net)	-523	-450
Net book gains/losses	245	193
Restructuring/cost-management expenses	-50	-70
Impairments (-)/Reversals (+) <sup>2,3</sup>	-115	-228
Other non-operating earnings	-75	-157
<b>Income/Loss from continuing operations before taxes</b>	<b>1,519</b>	<b>1,531</b>
Income taxes	-351	-646
<b>Income/Loss from continuing operations</b>	<b>1,168</b>	<b>885</b>
Income/Loss from discontinued operations, net	4	20
<b>Net income</b>	<b>1,172</b>	<b>905</b>
<i>Attributable to shareholders of E.ON SE</i>	<i>1,059</i>	<i>762</i>
<i>Attributable to non-controlling interests</i>	<i>113</i>	<i>143</i>

<sup>1</sup>Adjusted for extraordinary effects.  
<sup>2</sup>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.  
<sup>3</sup>Recorded under non-operating earnings.



Teyssen



Birnbaum



Kildahl



Reutersberg



Schäfer



Winkel

## 44 Energy Tables

Power Procurement<sup>1</sup>

Jan. 1-Mar. 31 Billion kWh	Generation		Renewables		Global Commodities <sup>2</sup>		Germany <sup>2</sup>		Other EU Countries		Non-EU Countries		Consolidation		E.ON Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Owned generation	32.8	35.7	6.4	8.3	-	-	0.2	0.2	1.1	1.4	13.7	16.8	-	-	54.2
Purchases	6.2	7.8	1.1	1.4	163.2	163.5	22.8	23.9	33.0	35.7	1.2	1.1	-83.8	-97.8	143.7	135.6
<i>Jointly owned   power plants</i>	2.8	3.9	-	0.3	-	-	-	-	0.1	0.1	-	-	-	-	2.9	4.3
<i>Global   Commodities/   outside sources</i>	3.4	3.9	1.1	1.1	163.2	163.5	22.8	23.9	32.9	35.6	1.2	1.1	-83.8	-97.8	140.8	131.3
<b>Total power procurement</b>	<b>39.0</b>	<b>43.5</b>	<b>7.5</b>	<b>9.7</b>	<b>163.2</b>	<b>163.5</b>	<b>23.0</b>	<b>24.1</b>	<b>34.1</b>	<b>37.1</b>	<b>14.9</b>	<b>17.9</b>	<b>-83.8</b>	<b>-97.8</b>	<b>197.9</b>	<b>198.0</b>
Station use, line loss, etc.	-0.3	-0.3	-	-0.3	-	-	-1.1	-1.1	-2.5	-2.6	-0.5	-0.6	-	-	-4.4	-4.9
<b>Power sales</b>	<b>38.7</b>	<b>43.2</b>	<b>7.5</b>	<b>9.4</b>	<b>163.2</b>	<b>163.5</b>	<b>21.9</b>	<b>23.0</b>	<b>31.6</b>	<b>34.5</b>	<b>14.4</b>	<b>17.3</b>	<b>-83.8</b>	<b>-97.8</b>	<b>193.5</b>	<b>193.1</b>

<sup>1</sup>Adjusted for discontinued operations.<sup>2</sup>Adjusted for E.ON Energy Sales.Power Sales<sup>1</sup>

Jan. 1-Mar. 31 Billion kWh	Generation		Renewables		Global Commodities <sup>2</sup>		Germany <sup>2</sup>		Other EU Countries		Non-EU Countries		Consolidation		E.ON Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Residential and SME	-	-	-	0.1	-	-	5.5	6.0	12.1	12.6	-	-	-	-	17.6
I&C	0.9	0.9	-	-	1.9	1.6	3.6	3.5	16.1	17.1	-	-	-	-	22.5	23.1
Sales partners	6.6	8.4	1.2	1.6	4.2	5.3	12.0	12.6	0.1	-	-	-	-	-	24.1	27.9
<b>Customer groups</b>	<b>7.5</b>	<b>9.3</b>	<b>1.2</b>	<b>1.7</b>	<b>6.1</b>	<b>6.9</b>	<b>21.1</b>	<b>22.1</b>	<b>28.3</b>	<b>29.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.2</b>	<b>69.7</b>
Wholesale market/ Global Commodities	31.2	33.9	6.2	7.7	157.1	156.6	0.8	0.9	3.3	4.8	14.4	17.3	-83.7	-97.8	129.3	123.4
<b>Total</b>	<b>38.7</b>	<b>43.2</b>	<b>7.4</b>	<b>9.4</b>	<b>163.2</b>	<b>163.5</b>	<b>21.9</b>	<b>23.0</b>	<b>31.6</b>	<b>34.5</b>	<b>14.4</b>	<b>17.3</b>	<b>-83.7</b>	<b>-97.8</b>	<b>193.5</b>	<b>193.1</b>

<sup>1</sup>Adjusted for discontinued operations.<sup>2</sup>Adjusted for E.ON Energy Sales.Gas Sales<sup>1</sup>

Jan. 1-Mar. 31 Billion kWh	Global Commodities <sup>2</sup>		Germany <sup>2</sup>		Other EU Countries		Consolidation		E.ON Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Residential and SME	-	-	11.3	9.6	33.6	32.0	-	-	44.9
I&C	17.3	15.6	5.5	6.1	12.6	12.3	-	-	35.4	34.0
Sales partners	90.0	70.3	5.4	4.0	0.2	0.2	-	-	95.6	74.5
<b>Customer groups</b>	<b>107.3</b>	<b>85.9</b>	<b>22.2</b>	<b>19.7</b>	<b>46.4</b>	<b>44.5</b>	<b>-</b>	<b>-</b>	<b>175.9</b>	<b>150.1</b>
Wholesale market/Global Commodities	333.0	358.6	0.0	0.0	6.5	5.3	-85.7	-150.2	253.8	213.7
<b>Total</b>	<b>440.3</b>	<b>444.5</b>	<b>22.2</b>	<b>19.7</b>	<b>52.9</b>	<b>49.8</b>	<b>-85.7</b>	<b>-150.2</b>	<b>429.7</b>	<b>363.8</b>

<sup>1</sup>Adjusted for discontinued operations.<sup>2</sup>Adjusted for E.ON Energy Sales.





## Financial Calendar

August 12, 2015	Interim Report: January - June 2015
November 11, 2015	Interim Report: January - September 2015
March 9, 2016	Release of the 2015 Annual Report
May 11, 2016	Interim Report: January - March 2016
June 8, 2016	2016 Annual Shareholders Meeting
August 10, 2016	Interim Report: January - June 2016
November 9, 2016	Interim Report: January - September 2016

Further information E.ON SE  
 E.ON-Platz 1  
 40479 Düsseldorf  
 Germany

T +49 211-4579-0  
 F +49 211-4579-501  
 info@eon.com  
 www.eon.com

Media Relations  
 T +49 211-4579-544 or -3570  
 presse@eon.com

Investor Relations  
 T +49 211-4579-345  
 investorrelations@eon.com

Creditor Relations  
 T +49 211-4579-262  
 creditorrelations@eon.com

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

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

