Quarterly Statement

January – March I/2019

- Forecast for 2019 adjusted EBIT and adjusted net income affirmed
- As expected, first-quarter adjusted EBIT and adjusted net income below prior-year figures
- Economic net debt increased as a result of initial application of IFRS 16, lower interest rates and seasonally weak cash flow

E.ON Group Financial Highlights

First quarter € in millions	2019	2018	+/- %
Sales[1]	9,162	8,752	+5
Adjusted EBITDA[1, 2]	1,671	1,715	-3
Adjusted EBIT[1, 2]	1,175	1,284	-8
Net income/loss	493	1,033	-52
Net income/loss attributable to shareholders of E.ON SE	393	880	-55
Adjusted net income[1, 2]	650	727	-11
Investments[1]	568	696	-18
Cash provided by operating activities[1]	-413	112	–
Cash provided by operating activities before interest and taxes[1]	27	359	-92
Economic net debt (March 31 and December 31)[1]	18,853	16,580	+14
Earnings per share[3, 4] (€)	0.18	0.41	-56
Adjusted net income per share[1, 3, 4] (€)	0.30	0.34	-12
Shares outstanding (weighted average; in millions)	2,167	2,167	–

[1]Includes the discontinued operations in the Renewables segment.
[2]Adjusted for non-operating effects.
[3]Based on shares outstanding (weighted average).
[4]Attributable to shareholders of E.ON SE.

Contents

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Regulations of the Frankfurt Stock Exchange (dated January 28, 2019) and is not a Quarterly Report within the meaning of International Accounting Standard 34.

Business Report

Business Performance

E.ON's operating business performed as anticipated in the first quarter of 2019. Our first-quarter sales of €9.2 billion were up by about €0.4 billion year on year, adjusted EBIT in our core business of €1,011 million was 14 percent below the prior-year figure of €1,175 million. First-quarter adjusted EBIT for the E.ON Group declined by 8 percent to €1,175 million. Adjusted net income of €650 million was 11 percent below the prior-year figure of €727 million.

Asset Swap with RWE

On March 12, 2018, E.ON SE and RWE AG reached an agreement under which E.ON will acquire RWE's 76.8-percent stake in innogy SE as part of an extensive asset swap. We described in detail the particulars of the planned transaction and the voluntary public takeover offer for innogy SE stock in our 2018 Annual Report (see the chapter entitled "Corporate Profile" in the Combined Group Management Report and Note 4 to the Consolidated Financial Statements). The transaction, which was filed with the European Commission in January 2019, will take place in several steps and is subject to the usual antitrust approvals.

Renewables

Pursuant to IFRS 5, the operations in the Renewables segment that will be transferred to RWE are reported as discontinued operations effective June 30, 2018. For the purpose of internal management control, their results will continue to be fully included in the relevant key performance indicators. In addition, the scheduled depreciation charges required by IFRS 5 and the carrying amount of these discontinued operations will be recorded in equity and disclosed accordingly.

This Quarterly Statement's presentation of the key performance indicators relevant for management control and of sales therefore includes the results of discontinued operations in the Renewables segment. Pages 6, 7, and 17 contain reconciliations of these indicators to the disclosures in the E.ON SE and Subsidiaries Consolidated Statements of Income, Consolidated Balance Sheets, and Consolidated Statements of Cash Flows.

Special Events in the Reporting Period

IFRS 16 *Leases*

We apply IFRS 16 *Leases* for the first time effective the start of 2019. It supersedes IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*. The main impact of the application of IFRS 16 is an increase in fixed assets (due to the capitalization of right-of-use assets) and of financial liabilities (due to the disclosure of the corresponding lease liabilities). Initial application resulted in lease liabilities of €0.8 billion and right-of-use assets of roughly €0.8 billion, based on existing accruals and deferrals. In each case, €0.3 billion of the amount was recorded at discontinued operations.

Planned Enlargement of E.ON Supervisory Board

Immediately after the successful takeover of innogy SE, E.ON plans to enlarge its Supervisory Board by six to a total of twenty members until the 2023 Annual Shareholders Meeting. Shortly after the closure of the innogy transaction, E.ON will petition the commercial court to appoint three additional shareholder representatives whose confirmation would take place at the 2020 Annual Shareholders Meeting. The three additional employee representatives are to be representatives of the current innogy. The E.ON Annual Shareholders Meeting will decide on this joint proposal by the Management Board and Supervisory Board on May 14, 2019. From 2023 onward, the Supervisory Board will be set at twelve members.

Earnings Situation

Sales

We recorded sales of €9.2 billion in the first three months of 2019, about €0.4 billion above the prior-year figure of €8.8 billion.

Energy Networks' sales of €2.5 billion were 3 percent above the prior-year figure of €2.4 billion. Sales in Germany were roughly unchanged at €1.7 billion. Sales in Sweden declined slightly to €0.3 billion, primarily because of currency-translation effects. By contrast, sales in East-Central Europe/Turkey were slightly above the prior-year level, primarily because of higher prices in the Czech Republic and Hungary. This was partially offset by lower network fees and currency-translation effects in Romania.

Customer Solutions' sales rose by about €0.3 billion to €7 billion. Sales in Germany increased by €0.1 billion year on year, primarily because of higher gas sales volume to industrial and commercial customers. Regulatory price caps along with a reduction in power and gas sales volume led to a €0.2 billion decline in sales in the United Kingdom. Sales at this segment's Other unit rose by €0.3 billion, principally because of higher prices and sales volume in Italy and the Czech Republic.

Renewables' sales rose year on year, owing primarily to an increase in output due to the commissioning of an offshore wind farm in the United Kingdom and an onshore wind farm in the United States. Sales were adversely affected by poor wind conditions onshore in the United States and offshore in the United Kingdom and by lower energy prices in the United Kingdom and the expiration of subsidy mechanisms in Italy.

Sales at Non-Core Business rose significantly year on year, mainly because of higher sales prices and sales volume at PreussenElektra.

Sales[1]

	First quarter		
€ in millions	2019	2018	+/- %
Energy Networks[2]	2,453	2,376	+3
Customer Solutions	7,003	6,745	+4
Renewables	478	401	+19
Non-Core Business	336	278	+21
Corporate Functions/Other	135	162	-17
Consolidation	-1,243	-1,210	-3
E.ON Group	**9,162**	**8,752**	**+5**

[1]Includes the discontinued operations in the Renewables segment. Sales from continuing operations amounted to €9 billion in the first three months of 2019 (prior year: €8.6 billion).
[2]Income and expenses resulting from the Renewable Energy Law's feed-in scheme in Germany have been netted out; we adjusted the prior-year figure accordingly (amount netted out in the first quarter of 2018: €0.6 billion).

Adjusted EBIT

For the purpose of internal management control and as the most important indicator of our businesses' long-term earnings power, we use earnings before interest and taxes that have been adjusted to exclude non-operating effects ("adjusted EBIT"). This figure includes the operating earnings of the discontinued operations in the Renewables segment.

As anticipated, first-quarter adjusted EBIT in our core business was €164 million below the prior-year figure. Energy Networks' adjusted EBIT was at the prior-year level, as was that of its operations in Germany. Adjusted EBIT in Sweden was adversely affected primarily by currency-translation effects. Adjusted EBIT at the East-Central Europe/Turkey unit was also at the prior-year level. An increase in adjusted EBIT in the Czech Republic due to a wider gross margin was entirely offset, mainly by lower gas network fees in Romania.

Adjusted EBIT at Customer Solutions declined by €173 million year on year. Adjusted EBIT in Germany was significantly below the high prior-year level. The principal factor was a narrower gross margin in the power and gas sales business. This decline likely will largely balance itself out as the year moves forward.

Adjusted EBIT in the United Kingdom was also significantly lower than in the prior-year period. The reason is the regulatory price cap that took effect in 2019.

Renewables' adjusted EBIT rose by €40 million, primarily because of an increase in output due to the commissioning of offshore wind farms in Germany and the United Kingdom and an onshore wind farm in the United States. By contrast, earnings were adversely affected by lower energy prices in the United Kingdom and the expiration of subsidy mechanisms in Italy and by unfavorable wind conditions onshore in the United States and offshore in the United Kingdom.

The E.ON Group's adjusted EBIT was €109 million below the prior-year figure. In addition to the aforementioned items in our core business, earnings at the Non-Core Business segment were significantly higher. This is primarily attributable to the generation business in Turkey, whose hydroelectric stations considerably increased their output relative to the prior-year period. In addition, PreussenElektra's earnings rose slightly. Higher sales prices and sales volume were partially offset by scheduled depreciation charges.

Adjusted EBIT

	First quarter		
€ in millions	2019	2018	+/- %
Energy Networks	623	642	-3
Customer Solutions	219	392	-44
Renewables	211	171	+23
Corporate Functions/Other	-46	-28	–
Consolidation	4	-2	–
Adjusted EBIT from core business	**1,011**	**1,175**	**-14**
Non-Core Business	164	109	+50
E.ON Group adjusted EBIT	**1,175**	**1,284**	**-8**

Net Income/Loss

We recorded first-quarter net income attributable to shareholders of E.ON SE of €0.4 billion and corresponding earnings per share of €0.18. In the prior-year period we recorded net income of €0.9 billion and earnings per share of €0.41.

Pursuant to IFRS 5, income/loss from discontinued operations, net, is reported separately in the Consolidated Statements of Income and, for the first three months of 2019 and in the prior-year period, includes the earnings from the discontinued operations at Renewables.

We had a tax expense on continuing operations of €150 million compared with €222 million in the prior-year period. Our tax rate on net income from continuing operations increased from 19 percent to 32 percent. The non-recurrence of higher tax-free and tax-exempt earnings recorded in the prior-year period is the main reason for our higher tax rate in the current-year period. Current-year expenditures that do not reduce tax exposure were another reason for the increase in our tax rate.

Financial results declined by €0.1 billion year on year, mainly because of valuation effects relating to non-current provisions.

First-quarter net book gains declined significantly. The prior-year figure included a book gain on the disposal of Hamburg Netz and, overall, a book loss on the initial public offering of Enerjisa Enerji. In addition, book gains on the sale of securities were significantly below the prior-year figure.

Restructuring expenses were higher than in the prior-year period and in 2019 consisted primarily of expenditures in conjunction with the planned acquisition of innogy.

At March 31, 2019, the marking to market of derivatives resulted in a negative effect of €203 million (prior year: +€213 million). Negative items in the first quarter of 2019 resulted primarily from hedging against price fluctuations, in particular at Customer Solutions. By contrast, hedging transactions for certain currency risks had a positive impact. The figure for the first quarter of 2018 was mainly attributable to derivative financial instruments in conjunction with contractual rights and obligations relating to the sale of our Uniper stake.

We recorded no impairment charges or reversals at continuing operations in the first three months of 2019 or the prior-year period.

Net Income/Loss

€ in millions	First quarter 2019	First quarter 2018
Net income/loss	493	1,033
Attributable to shareholders of E.ON SE	*393*	*880*
Attributable to non-controlling interests	*100*	*153*
Income/Loss from discontinued operations, net	-172	-75
Income/Loss from continuing operations	**321**	**958**
Income taxes	150	222
Financial results	259	186
Income/Loss from continuing operations before financial results and income taxes	**730**	**1,366**
Income/Loss from equity investments	2	4
EBIT	**732**	**1,370**
Non-operating adjustments	**239**	**-251**
Net book gains (-)/losses (+)	*-12*	*-104*
Restructuring expenses	*38*	*26*
Marking to market of derivative financial instruments	*203*	*-213*
Impairments (+)/Reversals (-)	*–*	*–*
Other non-operating earnings	*10*	*40*
Reclassified businesses at Renewables (adjusted EBIT)	204	165
Adjusted EBIT	**1,175**	**1,284**
Impairments (+)/Reversals (-)	4	–
Scheduled depreciation and amortization	399	356
Reclassified businesses at Renewables (scheduled depreciation and amortization, impairment charges and reversals)	93	75
Adjusted EBITDA	**1,671**	**1,715**

Adjusted Net Income

Like EBIT, net income also consists of non-operating effects, such as the marking to market of derivatives. Adjusted net income is an earnings figure after interest income, income taxes, and non-controlling interests that has been adjusted to exclude non-operating effects. In addition to the marking to market of derivatives, the adjustments include book gains and book losses on disposals, restructuring expenses, other material non-operating income and expenses (after taxes and non-controlling interests), and interest expense/income not affecting net income, which consists of the interest expense/income resulting from non-operating effects. Adjusted net income includes the earnings (adjusted to exclude non-operating effects) of the discontinued operations at Renewables as if they had not been reclassified and valued pursuant to IFRS 5.

As a rule, the E.ON Management Board uses this figure in conjunction with its consistent dividend policy and aims for a continual increase in dividend per share. In view of the planned acquisition of innogy as part of an extensive asset swap with RWE, we will propose to the Annual Shareholders Meeting that E.ON pay a dividend of €0.43 per share for the 2018 financial year. Furthermore, in line with the Company's current dividend policy, the E.ON Management Board and Supervisory Board will propose paying shareholders a dividend of €0.46 per share for the 2019 financial year.

Adjusted Net Income

	First quarter	
€ in millions	2019	2018
Income/Loss from continuing operations before financial results and income taxes	**730**	**1,366**
Income/Loss from equity investments	2	4
EBIT	**732**	**1,370**
Non-operating adjustments	239	-251
Reclassified businesses at Renewables (adjusted EBIT)	204	165
Adjusted EBIT	**1,175**	**1,284**
Net interest income/loss	-261	-190
Non-operating interest expense (+)/income (-)	128	39
Reclassified businesses at Renewables (operating interest expense (+)/income (-))	-45	-26
Operating earnings before taxes	**997**	**1,107**
Taxes on operating earnings	-209	-242
Operating earnings attributable to non-controlling interests	-86	-94
Reclassified businesses at Renewables (taxes and minority interests on operating earnings)	-52	-44
Adjusted net income	**650**	**727**

Financial Situation

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

Financial Position

For the purpose of internal management control, economic net debt includes the discontinued operations at Renewables as well as the waste-disposal and dismantling obligations associated with our stakes in Emsland and Gundremmingen nuclear power stations, which are classified as a disposal group at PreussenElektra.

Compared with the figure recorded at December 31, 2018 (€16.6 billion), our economic net debt increased by about €2.3 billion to €18.9 billion. This was primarily due to €0.8 billion in items resulting from the initial application of IFRS 16 (see the section entitled "Special Events in the Reporting Period" on page 3), investment expenditures, and the decline in our operating cash flow. Despite the positive development of plan assets (+€0.6 billion), significantly lower actuarial interest rates led to an increase of €0.8 billion in defined benefit obligations, which also had an adverse impact on our economic net debt. The initial application of IFRS 16 does not have a material impact on E.ON's debt-bearing capacity, because operating lease relationships were already included in its calculation prior to the introduction of IFRS 16.

Economic Net Debt

€ in millions	Mar. 31, 2019	Dec. 31, 2018
Liquid funds	3,815	5,423
Non-current securities	2,792	2,295
Financial liabilities	-11,749	-10,721
FX hedging adjustment	107	-28
Net financial position	**-5,035**	**-3,031**
Provisions for pensions[1]	-3,493	-3,261
Asset-retirement obligations[2]	-10,325	-10,288
Economic net debt	**-18,853**	**-16,580**
Reclassified businesses at Renewables and PreussenElektra	2,400	1,961
Economic net debt (continuing operations)	**-16,453**	**-14,619**

[1] To calculate provisions for pensions we used actuarial interest rates of 1.7 percent for Germany (year-end 2018: 2.0 percent) and 2.5 percent for the United Kingdom (year-end 2018: 2.9 percent).
[2] This figure is not the same as the asset-retirement obligations shown in our Consolidated Balance Sheet from continuing and discontinued operations (€11,989 million at March 31, 2019; €11,889 million at December 31, 2018). This is because we calculate our economic net debt in part based on the actual amount of our obligations.

E.ON's creditworthiness has been assessed by Standard & Poor's (S&P) and Moody's with long-term ratings of BBB and Baa2, respectively. The outlook for both ratings is stable. Both S&P and Moody's anticipate that E.ON will acquire innogy and, over the near and medium term, will be able to maintain a debt ratio commensurate with these ratings. S&P's and Moody's short-term ratings are unchanged at A-2 and P-2, respectively.

Investments

On balance, the E.ON Group's first-quarter investments were below the prior-year level. An increase in investments in our core business was more than offset by lower investments at Non-Core Business. We invested about €0.6 billion in property, plant, and equipment and intangible assets (prior year: €0.5 billion). Share investments totaled €14 million versus €165 million in the prior-year period.

Investments

First quarter € in millions	2019	2018	+/- %
Energy Networks	297	271	+10
Customer Solutions	162	74	+119
Renewables	83	180	-54
Corporate Functions/Other	25	9	+178
Consolidation	-1	1	–
Investments in core business	**566**	**535**	**+6**
Non-Core Business	2	161	-99
E.ON Group investments	**568**	**696**	**-18**

Energy Networks' investments were €26 million above the prior-year level. Investments in Germany rose primarily because of new connections and upgrades. Investments in Sweden were at the prior-year level. Investments in East-Central Europe/Turkey were lower than in the prior-year period, in particular because of the reassignment of investment projects in the Czech Republic between Customer Solutions and Energy Networks in the prior year.

Customer Solutions invested €88 million more than in the prior-year period. The increase in the current-year period resulted in particular from investments in the maintenance, upgrade, and expansion of existing assets and the construction of an innovative recycling plant in Sweden. The aforementioned reassignment of investment projects in the Czech Republic was another reason for the increase in investments relative to the prior-year period.

Investments at Renewables were €97 million lower. The decline resulted from a reduction in expenditures for new-build projects, whereas the prior-year figure includes expenditures for four such projects (Rampion, Radford's Run, Stella, and Bruenning's Breeze), which entered service at the end of 2017 or in 2018.

Investments at Non-Core Business were €159 million lower year on year. The decline primarily reflects the fact that the prior-year figure includes a capital increase at Enerjisa Üretim in Turkey, which we account for using the equity method.

Cash Flow

Cash provided by operating activities of continuing and discontinued operations before interest and taxes of €27 million was €332 million below the prior-year level. The adverse factors included higher cash-effective earnings in the prior-year period and working capital fluctuations in the first quarter of the current year. Cash provided by operating activities of continuing and discontinued operation was also lower because of higher interest and tax payments.

Cash Flow[1]

First quarter € in millions	2019	2018
Cash provided by (used for) operating activities (operating cash flow)	-413	112
Operating cash flow before interest and taxes	27	359
Cash provided by (used for) investing activities	-1,071	-172
Cash provided by (used for) financing activities	-135	46

[1]From continuing and discontinued operations.

Cash provided by investing activities of continuing and discontinued operations totaled approximately -€1.1 billion versus -€0.2 billion in the prior-year period. The purchase and sale of securities and a change in financial receivables resulted in net cash outflow of €0.6 billion in the current year compared with net cash inflow of €0.3 billion in the first quarter of the prior year. Cash-effective disposals were €0.2 billion lower than in the prior-year period.

Cash provided by financing activities of continuing and discontinued operations of -€135 million was significantly below the prior-year figure of +€46 million. The decline resulted from higher net cash outflow related to financial liabilities than in the prior-year period.

Forecast Report

Anticipated Earnings Situation

Forecast Earnings Performance

In line with our corporate strategy as well as the macroeconomic and industry-specific environment, we are addressing the challenges in our operating business. We want to make Energy Networks even more high-performing, in particular through innovative digital solutions at all of our network companies. We want to expand Customer Solutions' market share and make it more profitable.

Against this backdrop, we still expect the E.ON Group's 2019 adjusted EBIT to be between €2.9 and €3.1 billion and its 2019 adjusted net income to be between €1.4 and €1.6 billion.

Our forecast by segment:

We expect Energy Networks' 2019 adjusted EBIT to be slightly above the prior-year figure. The network business in Germany will deliver a positive performance and benefit from additional investments in its regulated asset base. In addition, higher tariffs in Sweden will increase earnings. The new regulatory period for gas networks in Romania will have an adverse impact.

We anticipate that Customer Solutions' adjusted EBIT will be significantly below the prior-year level. The intervention of the U.K. Competition and Markets Authority will be the primary negative factor.

We expect Renewables' adjusted EBIT to be above the prior-year level. The completion of Arkona offshore wind farm in December 2018 and especially the expansion of onshore wind capacity in North America will have a positive impact on earnings.

We anticipate that adjusted EBIT at Corporate Functions/Other will improve and thus exceed the prior-year figure, primarily because of additional cost savings.

We expect Non-Core Business's adjusted EBIT to be at the prior-year level. We anticipate positive operating developments at the generation business in Turkey accompanied by a deterioration of the exchange rate. We expect PreussenElektra's earnings to reflect rising market prices counteracted by higher depreciation charges in conjunction with our dismantling obligations. The non-recurrence of one-off items recorded in 2018 will be a positive factor.

Forecast Performance of Other Key Figures

The Forecast Report contained in our 2018 Annual Report presents our forecast for other key figures for the 2019 financial year. For the E.ON Group there are likewise no changes to these disclosures.

Possible Future Effects of the Transaction with RWE

At this time, we are issuing no statements about the possible future implications of the acquisition of innogy as part of an extensive asset swap with RWE in our forecast report, in particular because it is subject to the usual antitrust approvals.

Risk and Chances Report

The Combined Group Management Report contained in our 2018 Annual Report describes in detail our management system for assessing risks and chances and the measures we take to limit risks.

Risks and Chances

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 and chances are described in detail in the 2018 Combined Group Management Report. The E.ON Group's risk and chance position described there remained essentially unchanged at the end of the first three months of 2019.

Assessment of the Risk Situation

At the end of the first three months of 2019, the risk situation of the E.ON Group's core operating business had not changed significantly compared with year-end 2018. From today's perspective, we do not perceive any risks that could threaten the existence of E.ON SE, the E.ON Group, or individual segments.

Selected Financial Information

E.ON SE and Subsidiaries Consolidated Statements of Income

€ in millions	First quarter 2019	First quarter 2018[1]
Sales including electricity and energy taxes	9,197	8,822
Electricity and energy taxes	-234	-221
Sales[2]	**8,963**	**8,601**
Changes in inventories (finished goods and work in progress)	-2	2
Own work capitalized	67	76
Other operating income	768	1,060
Cost of materials[2]	-6,822	-6,377
Personnel costs	-664	-623
Depreciation, amortization and impairment charges	-400	-358
Other operating expenses	-1,300	-1,087
Income/Loss from companies accounted for under the equity method	120	72
Income/Loss from continuing operations before financial results and income taxes	**730**	**1,366**
Financial results	-259	-186
Income/Loss from equity investments	*2*	*4*
Income from other securities, interest and similar income	*101*	*72*
Interest and similar expenses	*-362*	*-262*
Income taxes	-150	-222
Income/Loss from continuing operations	**321**	**958**
Income/Loss from discontinued operations, net	172	75
Net income/loss	**493**	**1,033**
Attributable to shareholders of E.ON SE	*393*	*880*
Attributable to non-controlling interests	*100*	*153*
in €		
Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted[3]		
from continuing operations	0.11	0.38
from discontinued operations	0.07	0.03
from net income/loss	**0.18**	**0.41**
Weighted-average number of shares outstanding (in millions)	2,167	2,167

[1]The comparative prior-year figures have been adjusted to account for the reporting of discontinued operations.
[2]Income and expenses resulting from the Renewable Energy Law's feed-in scheme in Germany have been netted out; we adjusted the prior-year figures accordingly (amount netted out in the first quarter of 2018: €0.6 billion).
[3]Based on weighted-average number of shares outstanding.

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

€ in millions	First quarter 2019	2018
Net income/loss	**493**	**1,033**
Remeasurements of defined benefit plans	-272	2
Remeasurements of defined benefit plans of companies accounted for under the equity method	1	-1
Income taxes	32	-6
Items that will not be reclassified subsequently to the income statement	**-239**	**-5**
Cash flow hedges	-172	-9
Unrealized changes—hedging reserve	*-177*	*-94*
Unrealized changes—reserve for hedging costs	*1*	*56*
Reclassification adjustments recognized in income	*4*	*29*
Fair —value measurement of financial instruments	10	-16
Unrealized changes	*21*	*-12*
Reclassification adjustments recognized in income	*-11*	*-4*
Currency—translation adjustments	-138	-136
Unrealized changes—hedging reserve/other	*-136*	*-134*
Unrealized changes—reserve for hedging costs	*-2*	*-2*
Reclassification adjustments recognized in income	–	–
Companies accounted for under the equity method	-66	-14
Unrealized changes	*-66*	*-126*
Reclassification adjustments recognized in income	–	*112*
Income taxes	13	-23
Items that might be reclassified subsequently to the income statement	**-353**	**-198**
Total income and expenses recognized directly in equity	**-592**	**-203**
Total recognized income and expenses (total comprehensive income)	**-99**	**830**
Attributable to shareholders of E.ON SE	*-204*	*675*
Continuing operations	*-399*	*584*
Discontinued operations	*195*	*91*
Attributable to non-controlling interests	*105*	*155*

E.ON SE and Subsidiaries Consolidated Balance Sheets—Assets

€ in millions	March 31, 2019	Dec.31, 2018
Goodwill	2,090	2,054
Intangible assets	2,272	2,162
Right-of-use assets[1]	849	–
Property, plant and equipment	17,666	18,057
Companies accounted for under the equity method	2,578	2,603
Other financial assets	3,474	2,904
Equity investments	*682*	*664*
Non-current securities	*2,792*	*2,240*
Financial receivables and other financial assets	437	427
Operating receivables and other operating assets	1,709	1,474
Deferred tax assets	1,275	1,195
Income tax assets	1	7
Non-current assets	**32,351**	**30,883**
Inventories	593	684
Financial receivables and other financial assets	260	284
Trade receivables and other operating assets	6,769	5,445
Income tax assets	265	229
Liquid funds	3,741	5,357
Securities and fixed-term deposits	*600*	*774*
Restricted cash and cash equivalents	*836*	*659*
Cash and cash equivalents	*2,305*	*3,924*
Assets held for sale	11,983	11,442
Current assets	**23,611**	**23,441**
Total assets	**55,962**	**54,324**

[1]New account due to IFRS 16 implementation, no prior-year figures (see the commentary on page 3).

E.ON SE and Subsidiaries Consolidated Balance Sheets—Equity and Liabilities

€ in millions	March 31, 2019	Dec. 31, 2018
Capital stock	2,201	2,201
Additional paid-in capital	9,862	9,862
Retained earnings	-2,286	-2,461
Accumulated other comprehensive income[1]	-3,096	-2,718
Treasury shares	-1,126	-1,126
Equity attributable to shareholders of E.ON SE	**5,555**	**5,758**
Non-controlling interests (before reclassification)	3,293	3,190
Reclassification related to put options	-430	-430
Non-controlling interests	**2,863**	**2,760**
Equity	**8,418**	**8,518**
Financial liabilities	8,904	8,323
Operating liabilities	4,738	4,506
Income tax liabilities	353	304
Provisions for pensions and similar obligations	3,475	3,247
Miscellaneous provisions	12,625	12,459
Deferred tax liabilities	1,760	1,706
Non-current liabilities	**31,855**	**30,545**
Financial liabilities	1,673	1,563
Trade payables and other operating liabilities	7,631	7,637
Income tax liabilities	227	262
Miscellaneous provisions	2,133	2,117
Liabilities associated with assets held for sale	4,025	3,682
Current liabilities	**15,689**	**15,261**
Total equity and liabilities	**55,962**	**54,324**

[1]Thereof relating to discontinued operations €39 million as of March 31, 2019, and €2 million as of December 31, 2018, respectively.

E.ON SE and Subsidiaries Consolidated Statements of Cash Flows

First quarter € in millions	2019	2018[1]
Net income/loss	**493**	**1,033**
Income/Loss from discontinued operations, net	-172	-75
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	400	358
Changes in provisions	157	15
Changes in deferred taxes	17	207
Other non-cash income and expenses	-49	81
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (>3 months)	-19	-136
Changes in operating assets and liabilities and in income taxes	-1,413	-1,575
Cash provided by (used for) operating activities of continuing operations	**-586**	**-92**
Cash provided by (used for) operating activities of discontinued operations	173	204
Cash provided by (used for) operating activities (operating cash flow)	**-413**	**112**
Proceeds from disposal of	16	197
Intangible assets and property, plant and equipment	*9*	*44*
Equity investments	*7*	*153*
Purchases of investments in	-485	-516
Intangible assets and property, plant and equipment	*-475*	*-358*
Equity investments	*-10*	*-158*
Changes in securities, financial receivables and fixed-term deposits	-392	-751
Changes in restricted cash and cash equivalents	-177	1,081
Cash provided by (used for) investing activities of continuing operations	**-1,038**	**11**
Cash provided by (used for) investing activities of discontinued operations	-33	-183
Cash provided by (used for) investing activities	**-1,071**	**-172**
Payments received/made from changes in capital[2]	3	–
Cash dividends paid to shareholders of E.ON SE	–	–
Cash dividends paid to non-controlling interests	–	–
Changes in financial liabilities	-32	-23
Cash provided by (used for) financing activities of continuing operations	**-29**	**-23**
Cash provided by (used for) financing activities of discontinued operations	-106	69
Cash provided by (used for) financing activities	**-135**	**46**
Net increase/decrease in cash and cash equivalents	**-1,619**	**-14**
Effect of foreign exchange rates on cash and cash equivalents	8	-1
Cash and cash equivalents at the beginning of the year[3]	3,924	2,672
Cash and cash equivalents of discontinued operations at the beginning of the period	**66**	**90**
Cash and cash equivalents at the end of the period	**2,379**	**2,747**
Less: Cash and cash equivalents of discontinued operations at the end of the period	**-74**	**-103**
Cash and cash equivalents of continuing operations at the end of the period	**2,305**	**2,644**

[1]The comparative prior-year figures have been adjusted to account for the reporting of discontinued operations.
[2]No material netting has taken place in either of the years presented here.
[3]Cash and cash equivalents of continuing operations at the beginning of the prior year also include the holdings of €54 million in Hamburg Netz GmbH, which was deconsolidated in the first quarter of 2018.

Financial Information by Business Segment

First quarter € in millions	Energy Networks: Germany 2019	Germany 2018[1]	Sweden 2019	Sweden 2018	ECE/Turkey 2019	ECE/Turkey 2018	Customer Solutions: Germany Sales 2019	Germany Sales 2018	United Kingdom 2019	United Kingdom 2018	Other 2019	Other 2018
External sales	1,306	1,226	276	286	172	149	2,112	1,991	2,222	2,376	2,501	2,243
Intersegment sales	418	425	1	7	280	283	45	22	16	15	107	98
Sales	**1,724**	**1,651**	**277**	**293**	**452**	**432**	**2,157**	**2,013**	**2,238**	**2,391**	**2,608**	**2,341**
Depreciation and amortization[2]	**-153**	**-137**	**-41**	**-39**	**-58**	**-59**	**-10**	**-7**	**-29**	**-21**	**-45**	**-43**
Adjusted EBIT	**344**	**353**	**143**	**151**	**136**	**138**	**57**	**128**	**59**	**148**	**103**	**116**
Equity-method earnings[3]	*17*	*16*	–	–	*31*	*30*	–	–	–	–	*3*	*1*
Operating cash flow before interest and taxes	**-200**	**23**	**164**	**267**	**189**	**164**	**-214**	**-169**	**-16**	**-103**	**-36**	**-76**
Investments	**167**	**108**	**56**	**55**	**74**	**108**	**8**	**4**	**36**	**40**	**118**	**30**

First quarter € in millions	Renewables[4] 2019	Renewables[4] 2018	Non-Core Business: PreussenElektra 2019	PreussenElektra 2018	Generation Turkey 2019	Generation Turkey 2018	Corporate Functions/Other 2019	Corporate Functions/Other 2018	Consolidation 2019	Consolidation 2018	E.ON Group[4] 2019	E.ON Group[4] 2018[1]
External sales	230	176	336	278	–	–	8	29	-1	-2	9,162	8,752
Intersegment sales	248	225	–	–	–	–	127	133	-1,242	-1,208	0	0
Sales	**478**	**401**	**336**	**278**	**–**	**–**	**135**	**162**	**-1,243**	**-1,210**	**9,162**	**8,752**
Depreciation and amortization[2]	**-95**	**-76**	**-49**	**-35**	**–**	**–**	**-13**	**-14**	**-3**	**–**	**-496**	**-431**
Adjusted EBIT	**211**	**171**	**135**	**124**	**29**	**-15**	**-46**	**-28**	**4**	**-2**	**1,175**	**1,284**
Equity-method earnings[3]	*36*	*8*	*23*	*25*	*29*	*-15*	*17*	*14*	–	*1*	*156*	*80*
Operating cash flow before interest and taxes	**197**	**228**	**143**	**112**	**–**	**–**	**-198**	**-90**	**-2**	**3**	**27**	**359**
Investments	**83**	**180**	**2**	**7**	**–**	**154**	**25**	**9**	**-1**	**1**	**568**	**696**

[1]Income and expenses resulting from the Renewable Energy Law's feed-in scheme in Germany have been netted out; we adjusted the prior-year figures accordingly (amount netted out in the first quarter of 2018: €0.6 billion).
[2]Adjusted for non-operating effects.
[3]Under IFRS, impairment charges on companies accounted for using the equity method and impairment charges on other financial assets (and any reversals of such charges) are included in income/loss from companies accounted for using the equity method and financial results, respectively. These income effects are not part of adjusted EBIT.
[4]Operating business including the divisions in the Renewables segment reclassified as discontinued operations in accordance with IFRS 5.

The following table shows the reconciliation of the revenues reported in segment reporting to the revenues in the income statement:

Reconciliation of Sales

First quarter € in millions	E.ON Group		Reclassified businesses at Renewables		E.ON Group (continuing operations)	
	2019	2018	2019	2018	2019	2018
Sales	**9,162**	**8,752**	**-199**	**-151**	**8,963**	**8,601**

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

Reconciliation of Operating Cash Flow

First quarter € in millions	2019	2018
Operating cash flow before interest and taxes	**27**	**359**
Interest payments	-156	-120
Tax payments	-284	-127
Operating cash flow	**-413**	**112**
Reclassified businesses at Renewables	-173	-204
Operating cash flow from continuing operations	**-586**	**-92**

The following table shows the reconciliation of the investments shown in segment reporting to the investments of continuing operations. The latter correspond to payments for investments reported in the Consolidated Statements of Cash Flows.

Reconciliation of Investments

First quarter € in millions	2019	2018
Investments	**568**	**696**
Reclassified businesses at Renewables	-83	-180
Investments from continuing operations	**485**	**516**

May 14, 2019	**2019 Annual Shareholders Meeting**
August 7, 2019	**Half-Year Financial Report: January – June 2019**
November 13, 2019	**Quarterly Statement: January – September 2019**
March 25, 2020	**Release of the 2019 Annual Report**
May 12, 2020	**Quarterly Statement: January – March 2020**
May 13, 2020	**2020 Annual Shareholders Meeting**
August 12, 2020	**Half-Year Financial Report: January – June 2020**
November 11, 2020	**Quarterly Statement: January – September 2020**

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Only the German version of this Quarterly Statement is legally binding.

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