2011 Nine Months Results

Marcus Schenck, CFO

November 9, 2011

E.ON – Cleaner & better energy

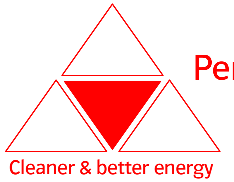
First Nine Months 2011 results summary & outlook

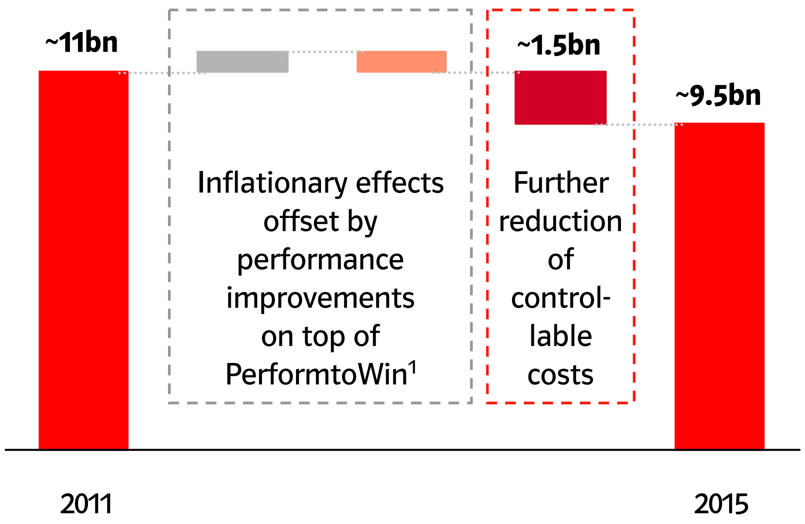
2011 9M key figures	• Adj. EBITDA: -39% to €6.6bn • Adj. net income: -64% to €1.6bn • Operating cash flow: -51% to €4.5bn • Economic net debt reduced by €3.2bn to €34.5bn[1]
2011 outlook	• Adj. EBITDA: €9.1 – 9.8bn (unchanged) • Adj. net income: €2.1 – 2.6bn (unchanged) • Dividend: €1.00 per share (unchanged)
Achievements	• First measures to reduce controllable costs by €1.5bn until 2015 at the latest • Regaining financial flexibility • Comfortable liquidity position: no near to mid-term refinancing needs

1. Compared to December 31, 2010

Performance – Efficiency & effective organization

Controllable cost target: €1.5bn reduction until 2015





Objectives & Status

Objectives

- Reduce costs – Keep competitiveness
- Simplify structures – Speed up decision making

Status

- Streamlining of steering functions within Group Management; plan to reduce staff from 630 FTEs to 400 FTEs
- Reduction of UK support staff by up to 500
- Prepare bundling of gas trading and optimization
- Simplification of management structures in Germany in preparation
- Plan to present to the Supervisory Board further details on more than 50 specific projects mid-December

First measures outlined to deliver on our ambitious target

1. As communicated during Capital Market Day Nov. 2010

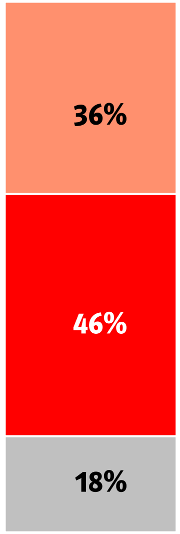
Performance – Controllable costs

Definition of controllable costs

- Controllable costs are those costs that are under control of operational management
- Only costs above EBITDA line
- Controllable costs consist of
  - Part of cost of materials
  - Most of personnel costs
  - Other operating income & expenses

Transition from income statement to controllable costs – FY 2010

€bn	Total	Controlla-ble costs	Comment
Cost of materials	73.6	~4	• Excludes fuel and CO2 emission costs • Excludes purchasing costs of power and gas
Personnel costs	5.3	~5	• Excludes restructuring expenses and other non-operating costs
Other operating income & expenses, net	-2.4	~2	• Includes several items such as marketing, IT, purchased services
Total	76.5	~11	

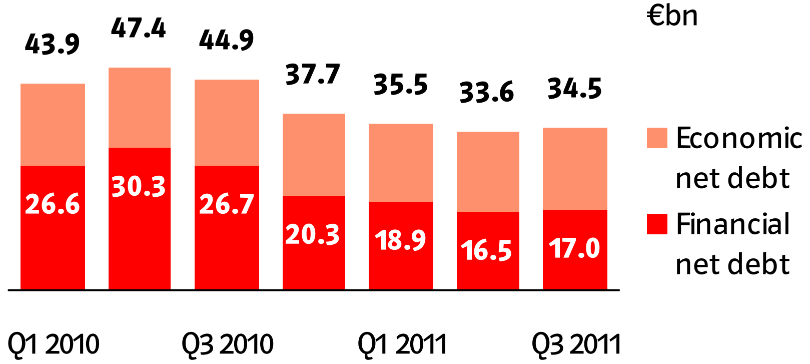


Reduction of controllable costs as key value lever

1. As communicated during Capital Market Day Nov. 2010

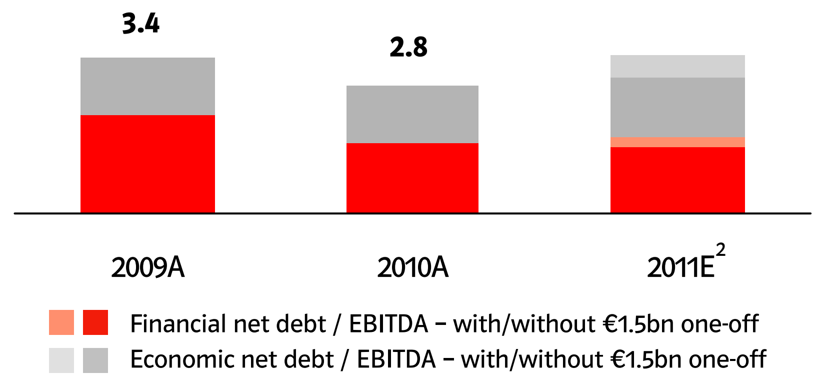
Financial stability (I)

Debt significantly reduced



- €9.1bn of assets divested since November 2010, with loss of adj. EBITDA of only €0.9bn[1]
- Economic and financial net debt reduced by ~€13bn since Q2 2010
- Ratings in line with "Solid Single A" target
  - S&P: A "flat", negative outlook
  - Moody's: A3, stable outlook

Solid net debt to EBITDA ratios



- Target economic net debt to EBITDA: <3x
- Negative €1.5bn impact on 2011 adj. EBITDA due to nuclear exit
  - Non-cash and one-off
  - ~0.5x increase of 2011 Economic Net Debt / EBITDA

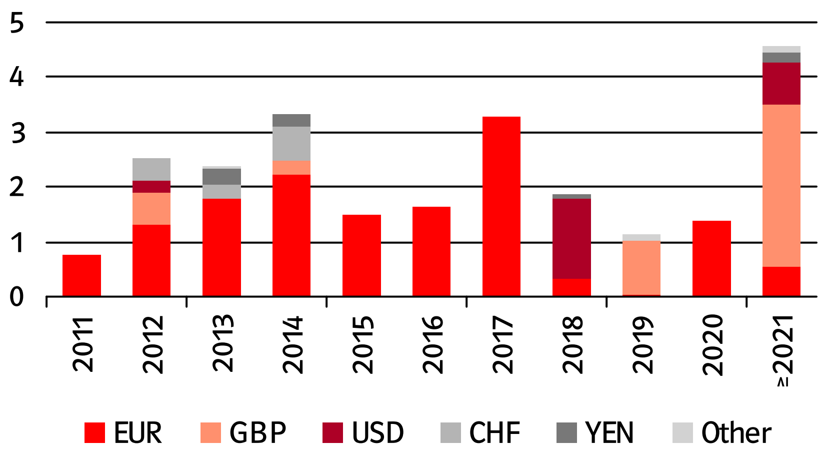
Regaining financial flexibility

1. Based on expected 2013 EBITDA dilution from achieved disposals
2. Illustrative, based on mid-point of 2011 EBITDA outlook, and without any further disposals beyond €9.1bn realized so far

Financial stability (II)

Long-term and well-balanced debt maturity profile

Maturity profile of E.ON's bonds €bn - as of 30 Sep 2011



- 2011-2013 maturities 23% of total
- Effective duration of 6.8 years
- >90% fixed rate

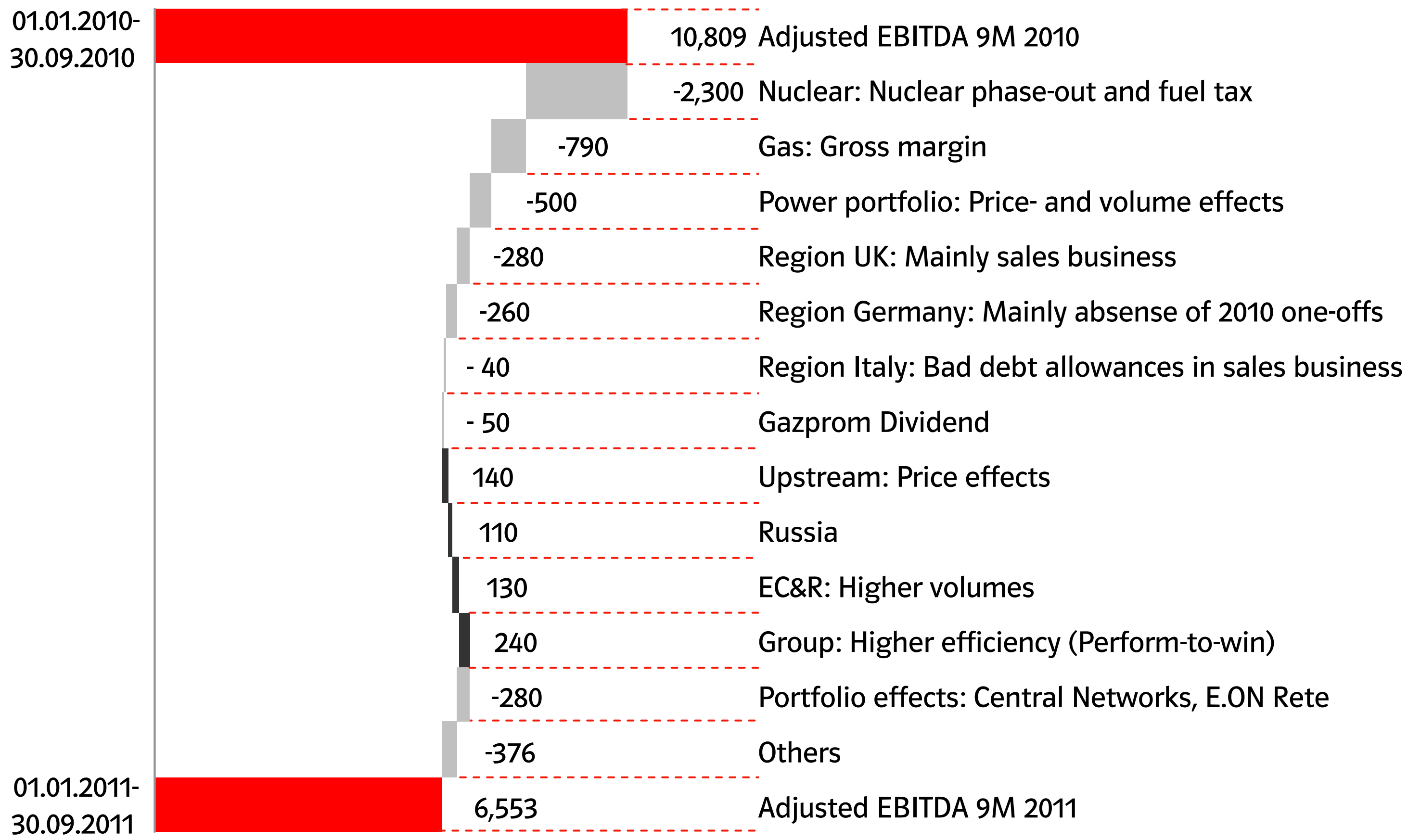
Comfortable liquidity position

- Strong liquidity position
  - €6.5bn of liquid funds, and further €5.0bn of easy to monetize non-current securities
  - Access to a €6.0bn revolving credit facility and to two commercial paper programs of €10bn and $10bn respectively (all currently undrawn)
- Upcoming bond maturities easily manageable from liquidity and free cash flow generation

No near-term refinancing needs: Liquidity could cover bond maturities for next 4 years

Key drivers of group Adjusted EBITDA 9M 2011 vs. 9M 2010

First nine months in € mio.



E.ON Group – Adj. EBITDA and adj. EBIT by segments

First nine months in € million

	Adjusted EBITDA			Adjusted EBIT		
	2011	2010	+/-%	2011	2010	+/- %
Generation	1,052	2,588	-59	304	1,914	-84
Renewables	1,086	913	+19	820	676	+21
Gas	1,291	1,984	-35	901	1,591	-43
Trading	-145	1,307	-	-155	1,301	-
Germany	1,647	1,610	+2	951	952	-
Other EU countries	1,619	2,192	-26	1,068	1,533	-30
Russia	378	272	+39	276	172	+60
Group Management / Other	-375	-57	-	-428	-115	-
Group total	**6,553**	**10,809**	**-39**	**3,737**	**8,024**	**-53**

Adjusted EBITDA by unit – Generation

First nine months in € million

	2011	2010	+/- %
Nuclear	-144	1,459	-
Steam	948	862	10
CCGT	245	247	-1
Other/Consolidation	3	20	-80
Adjusted EBITDA	**1,052**	**2,588**	**-59**

Main effects:

Nuclear (-1,603)

- Higher transfer prices from Trading (+396)
- Higher volumes Nordic as a result of last year's outages (+79)
- Nuclear phase-out effects (-1,472) mainly driven by increase of provisions
- Foregone margin from lost nuclear generation (-362)
- Nuclear fuel tax (-470)

Steam (+86)

- Benefits primarily from higher transfer prices mainly in UK

CCGT (-2)

- Lower spreads in Italy and Spain (-63); Commissioning of new plants (+45)

Adjusted EBITDA by unit – Renewables

First nine months in € million

	2011	2010	+/- %
Hydro	654	602	+9
Wind, solar and others	432	311	+39
Adjusted EBITDA	**1,086**	**913**	**+19**

Main effects:

Hydro (+52)

- Higher transfer prices in Germany and Nordic (+124)
- Price effects mainly due higher green certificate remuneration in Italy (+12)
- Lower volumes in Germany, Sweden and Italy (-59)

Wind, solar and others (+121)

- Additional capacities online (+109)
- Higher load factors especially in the US (+15)

Adjusted EBITDA by unit – Gas

First nine months in € million

	2011	2010	+/- %
Upstream	581	478	+22
Midstream	45	825	-95
Transmission / Shareholdings	455	564	-19
Other/Consolidation	210	117	+79
Adjusted EBITDA	**1,291**	**1,984**	-35

Main effects:

Upstream (+103)

- Positive price/volume effect from Yushno Russkoje (+137)

Midstream (-780)

- Mainly lower gross margin gas (-791) of which volume related (-109)
- Absence of Gazprom dividend (-50)

Adjusted EBITDA by unit – Trading

First nine months in € million

	2011	2010	+/- %
Optimization	-145	1,373	-
Proprietary Trading	0	-66	-
Adjusted EBITDA	**-145**	**1,307**	**-**

Main effects:

Optimization (-1,518)

- Mainly power portfolio: higher transfer prices paid to generation companies in combination with lower average achieved prices

Proprietary Trading (+66)

- Better than last year's unusual negative performance, but still below expectation.

Adjusted EBITDA by unit – Germany

First nine months in € million

	2011	2010	+/- %
Distribution	1,011	1,229	-18
Sales/Other	636	381	+67
Adjusted EBITDA	**1,647**	**1,610**	+2

Main effects:

Distribution (-218)

- Mainly driven by lower revenues in power and gas distribution; 2010 contained positive one-off effects that did not repeat in 2011

Sales/Other (+255)

- Higher sales earnings (+183)
- Lower personnel expenses (+16)

Adjusted EBITDA by unit – Other EU countries

First nine months in € million

	2011	2010	+/- %
Distribution	1,098	1,261	-13
Sales	214	678	-68
Other/Consolidation	307	253	+21
Adjusted EBITDA	**1,619**	**2,192**	**-26**

Main effects:

Distribution (-163)

- Czech Republic: Reflection of higher cost for renewable energy volumes in distribution revenues (+62)
- UK & Italy: Disposals of Central networks and E.ON Rete (-276)
- Spain: Higher distribution remuneration (+33)

Sales (-464)

- UK: Reduced margin resulting from higher wholesale cost and lower volumes (-323)
- Italy: Increased bad debt allowances (-46)
- Romania: Increased gas purchase cost without pass-through as well as increased bad debt allowances (-56)

Adjusted EBITDA by unit – Russia

First nine months in € million

	2011	2010	+/- %
Russia	**378**	**272**	**+39**

Main effects:

Russia (+106)

- Electricity market: Higher gross margin of existing units driven by market opening and demand growth (+61)
- Electricity market: Gross margin of new units (+37)
- Capacity market: Higher capacity sales of existing units (+15)
- Capacity market: Result of new build units (+59)
- Higher cost: Mainly higher fixed cost due to inflation and increased installed capacity (-60)

E.ON Group – From adjusted EBITDA to net income (1/2)

First nine months in € million

	2011	2010	+/- %
Adjusted EBITDA	**6,553**	**10,809**	**-39**
Depreciation/Amortization/Impairments	-2,816	-2,785	-
Adjusted EBIT	**3,737**	**8,024**	**-53**
Adjusted interest expense (net)	-1,349	-1,610	-
Net book gains	1,250	893	-
Restructuring and cost-management expenses	-393	-363	-
Mark-to-market valuation of derivatives	-692	1,874	-
Other non-operating earnings	-1,442	-2,640	-
Income/Loss from continuing operations before income taxes	**1,111**	**6,178**	**-82**

Adjusted interest expense (+261)

- Mainly driven by lower net financial position; but also supported by reversal of provision related to prepayments into the renewable energy fund (~€0.1bn)

Net book gains (+357)

- In 2011 mainly disposal of the remaining Gazprom shares and disposal of Central Networks in the UK

Mark-to-market valuation of derivatives (-2,566)

E.ON Group – From adjusted EBITDA to net income (2/2)

First nine months in € million

	2011	2010	+/- %
Income/Loss from continuing operations before income taxes	**1,111**	**6,178**	**-82**
Income taxes	20	-1,728	
Income/Loss from continuing operations	**1,131**	**4,450**	**-75**
Income/Loss from discontinued operations, net	13	-669	
Net income	**1,144**	**3,781**	**-70**
Attributable to shareholders of E.ON AG	864	3,522	-75
Minority interests	280	259	8

Income tax rate

- Tax rate down from 28% to -2% mainly due to decrease in pre-tax result and proportionally higher tax free income (mainly net book gains)

Discontinued operations

- Loss in discontinued operations in 2010 relates to US-Midwest and impairment incurred in connection with disposal

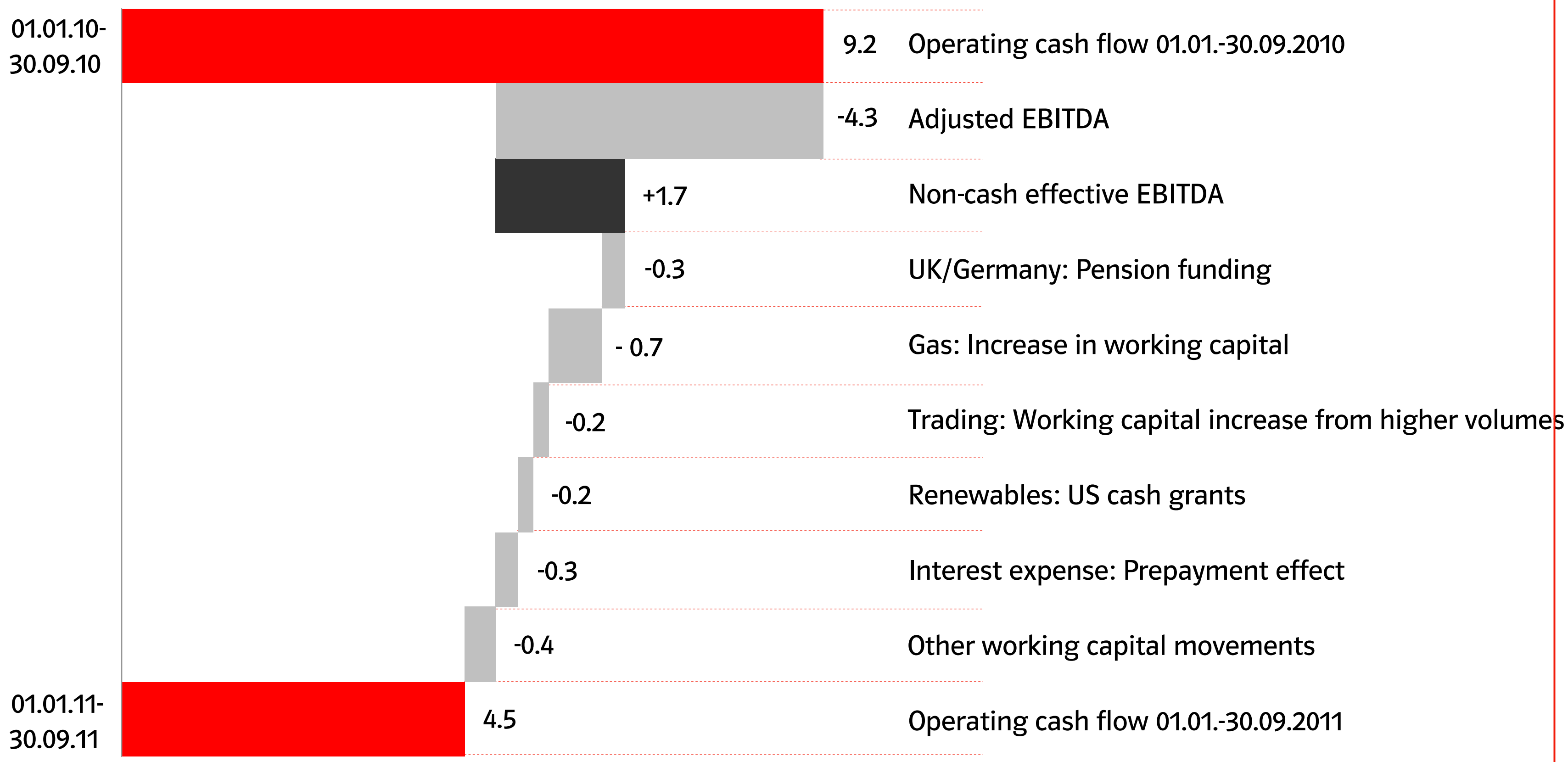
E.ON Group – Adjusted net income

First nine months in € million

	2011	2010	+/- %
Adjusted EBITDA	**6,553**	**10,809**	**-39**
Depreciation/Amortization recognized in adj. EBIT	2,816	2,785	-
Adjusted interest income (net)	-1,349	-1,610	-
Adjusted EBT (earnings before tax)	**2,388**	**6,414**	**-63**
Income taxes on Adjusted EBT	-503	-1,786	
% of Adjusted EBT	*21,1*	*27,8*	
Minority interest from Adjusted EBT	-300	-269	-
Adjusted net income	**1,585**	**4,359**	**-64**

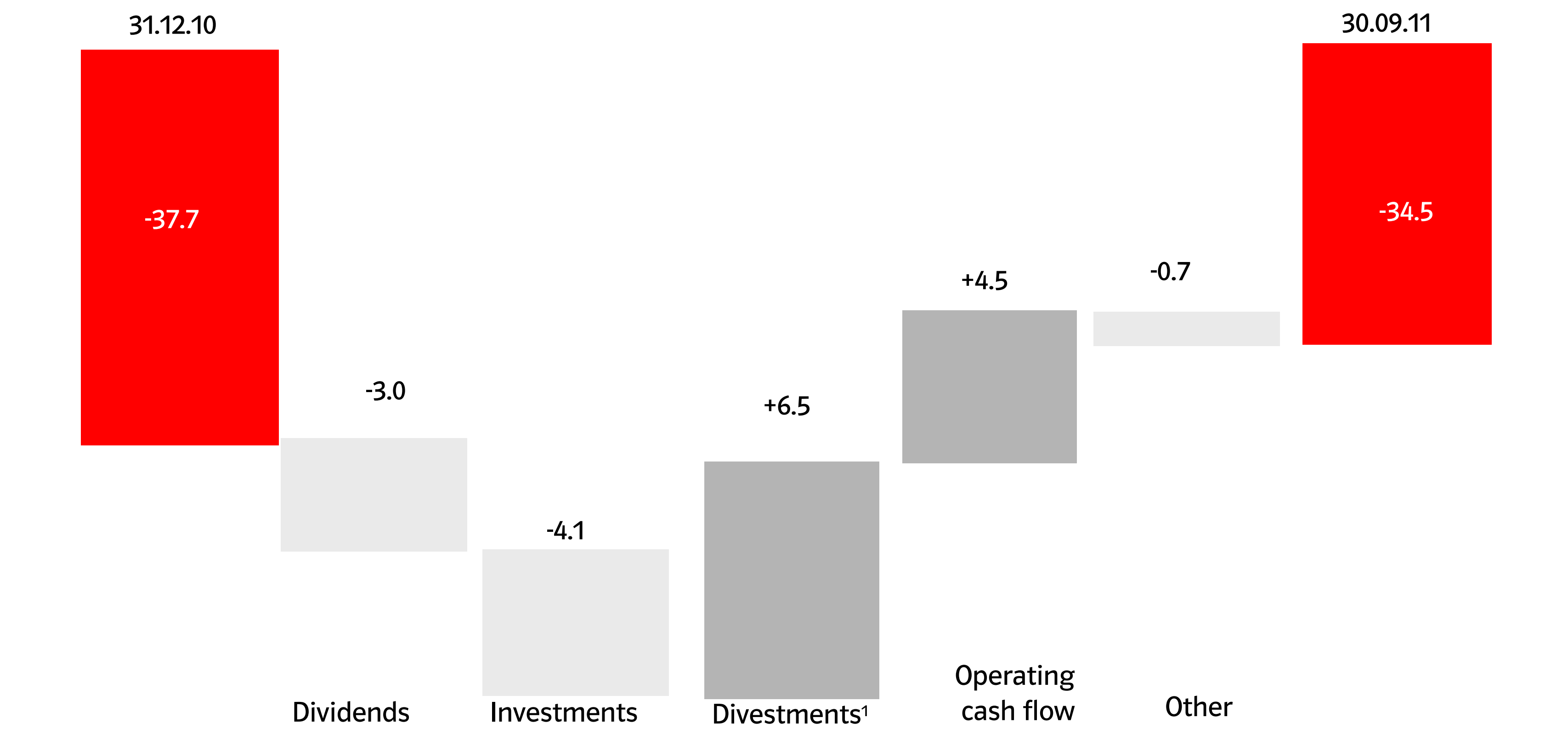
Operating cash flow – Reconciliation

First nine months in € bn



E.ON Group – Development of economic net debt

September 30, 2011, in € billion



1. Including deconsolidation of Central Networks

2011 Outlook

Adjusted EBITDA	Range: € 9.1-9.8 bn
Adjusted net income	Range: € 2.1-2.6 bn

Outlook unchanged

Adjusted EBITDA outlook FY 2011 by reporting segment

€ bn

	FY 2011 OLD	FY 2011 NEW	Main drivers for change
Generation	2.0 – 2.3	1.9 – 2.2	Mainly unplanned power plant outages
Renewables	1.4 – 1.6	1.4 – 1.6	
Gas	0.8 – 1.3	1.1 – 1.6	Optimization Gas Midstream
Trading	-0.4 – -0.2	-0.7 – -0.5	Less extrinsic value in flexible assets
Germany	2.1 – 2.3	2.2 – 2.4	Mainly increased profitability in sales
Other EU countries	2.2 – 2.4	2.2 – 2.4	
Russia	0.5 – 0.7	0.5 – 0.7	
Group Management/Other	-	-	
Total	9.1 – 9.8	9.1 – 9.8	

Back-up Charts

E.ON Group – Financial highlights

First nine months in € million

	2011	2010	+/- %
Sales	77,506	63,938	+21
Adjusted EBITDA	6,553	10,809	-39
Adjusted EBIT	3,737	8,024	-53
Adjusted net income	1,585	4,359	-64
Operating cash flow	4,489	9,161	-51
Investments	4,106	5,573	-26
Economic net debt[1]	-34,468	-37,701[2]	+3,233

1. Change in absolute terms
2. As of December 31, 2010

Adjusted EBITDA by unit – Other EU countries

First nine months in € million

	2011	2010	+/- %
United Kingdom	295	838	-65
Sweden	506	467	8
Czech Republic	316	263	20
Hungary	201	233	-14
Other	301	391	-23
Adjusted EBITDA	**1,619**	**2,192**	**-26**

E.ON Group – Adjusted net income

First nine months in € million

	2011	2010	+/- %
Net income attrib. to shareholders of E.ON AG	**864**	**3,522**	**-75**
Net book losses/gains	-1,250	-893	-
Restructuring and cost-management expenses	393	363	-
Mark-to-market valuation of derivatives	692	-1,874	
Other non-operating earnings	1,442	2,640	
Taxes and minority interests on non-operating earnings	-433	4	-
Special tax effects	-110	-72	-
Income/Loss from discont. operations, net	-13	669	-
Adjusted net income	**1,585**	**4,359**	**-64**

E.ON Group – Investments by unit

First nine months in € million

	2011	2010	+/- %
Generation	1,048	1,904	-45
Renewables	712	878	-19
Gas	787	763	+3
Trading	12	7	+71
Germany	531	588	-10
Other EU countries	739	988	-25
Russia	248	366	-32
Management Group / Others	29	79	-63
Investments	**4,106**	**5,573**	**-26**
Of which			
Maintenance investments	712	670	+6
Growth	3,394	4,903	-31

E.ON Group – Economic net debt

in € million

	Sep 30, 2011	Dec 31, 2010
Liquid funds	6,476	8,273
Non-current securities	5,029	3,903
Total liquid funds and non-current securities	**11,505**	**12,176**
Financial liabilities to banks and third parties	-27,765	-31,799
Financial liabilities resulting from interests in associated companies and other shareholdings	-781	-692
Total financial liabilities	**-28,546**	**-32,491**
Net financial position	**-17,041**	**-20,315**
Fair value of currency derivatives used for financing transactions[1]	549	334
Provisions for pensions	-2,815	-3,250
Asset retirement obligations	-16,675	-15,968
Less prepayments to Swedish nuclear fund	1,514	1,498
Economic net debt	**-34,468**	**-37,701**

1. Net figure; does not include transactions relating to our operating business or asset management

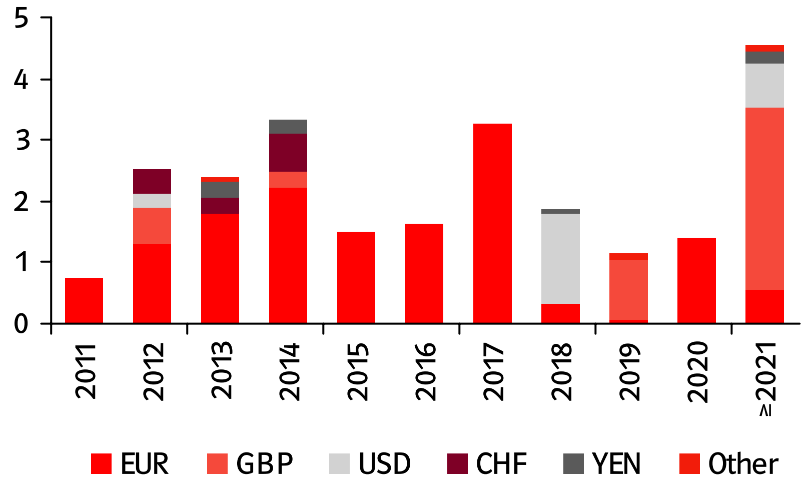
Financial liabilities of the E.ON Group

in € billion

	30 Sep 2011	31 Dec 2010
Bonds[1]	23.8	27.5
in EUR	14.1	16.6
in GBP	4.8	5.5
in USD	2.4	2.5
in CHF	1.3	1.6
in SEK	0.3	0.4
in JPY	0.7	0.7
other currencies	0.2	0.2
Promissory notes	0.8	1.4
Commercial Paper	-	-
Other liabilities[2]	3.9	3.6
Total	**28.5**	**32.5**

Maturity profile

(as of 30 Sep 2011)[3]



1) Thereof bonds issued by segments: September 30, 2011: €0.3bn; Dec 31, 2010: €0.9bn
2) Thereof other financial liabilities of segments: September 30, 2011: €3.1bn; Dec 31, 2010: €2.9bn
3) Bonds and promissory notes issued by E.ON AG or E.ON International Finance B.V. (fully guaranteed by E.ON AG)

E.ON Group – Detail on adjusted interest expense (net)

First nine months in € million

	2011	2010	Delta '11 / '10
Interest from financial assets/liabilities	-788	-1,072	+284
Interest cost from provisions for pensions and similar provisions[1]	-108	-124	+16
Accretion of provisions for retirement obligation and other provisions	-605	-584	-21
Capitalised interests[2]	+224	+246	-22
Other[3]	-72	-76	+4
Adjusted interest expense (net)	**-1,349**	**-1,610**	**+261**

1. Net of expected return on plan-assets
2. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds. (IR-rate: 4,5%)
3. Includes mainly effects from market valuation of interest derivatives and interest cost from tax provisions.

E.ON Group – Non-operating income

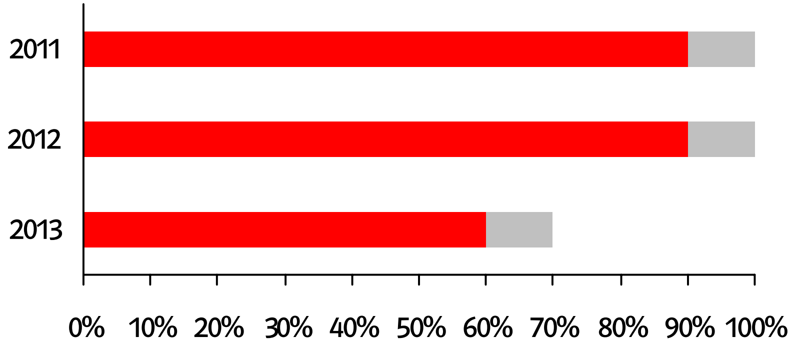
First nine months in € million

Net book gains	**1,250**
Gazprom	602
Disposal Central Networks	440
Others	208
Restructuring expenses / cost management	**-393**
Other non-operating income	**-2,134**
Mark-to-market valuation of derivatives	-692
Early redemption fee	-147
Others	-1,295
Non-operating income	**-1,277**

Hedging of E.ON's outright generation

As of Sep 30, 2011

German, Benelux and French market

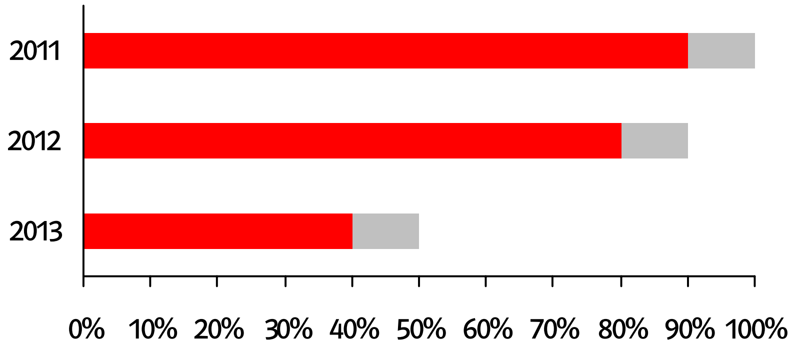


~ 59 €/MWh [1]

~ 54 €/MWh [1]

~ 56 €/MWh [1]

Nordic market



~ 43 €/MWh [1]

~ 43 €/MWh [1]

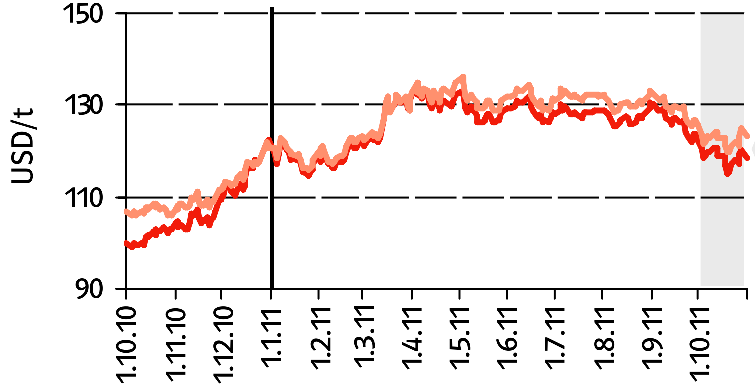
~ 45 €/MWh [1]

= percentage band of generation hedged

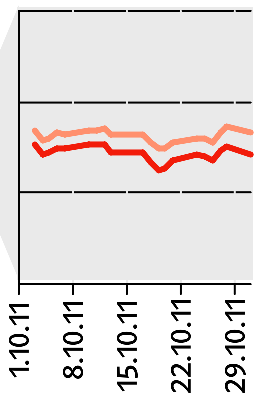
1. Average realized price only relevant for the pure outright power position (Nuclear/Hydro) sold in the respective year

Europe – Coal and CO_2 Prices

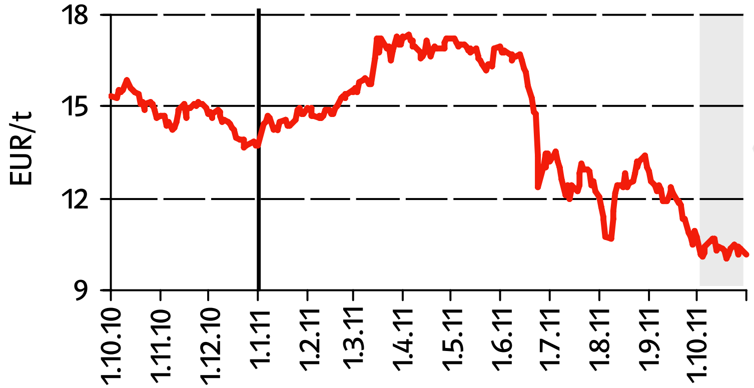
ARA (Coal) – Over the last year



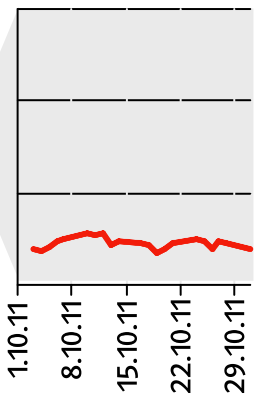
October 2011



EUA (CO_2) – Over the last year



October 2011



Key Messages

- **Coal market**
  At first, coal prices showed an upwards tendency as the European Central Bank unveiled its rescue-package. However, the ongoing discussion about Greece's financial situation and the Eurozone crisis added some downside pressure midmonth. During the second half, higher oil prices, better equity markets and a softer USD lifted coal prices again.

- **Freight rates**
  Growing Asian demand pushed freight rates up. But further growth was restrai-ned by ongoing oversupply of vessels.

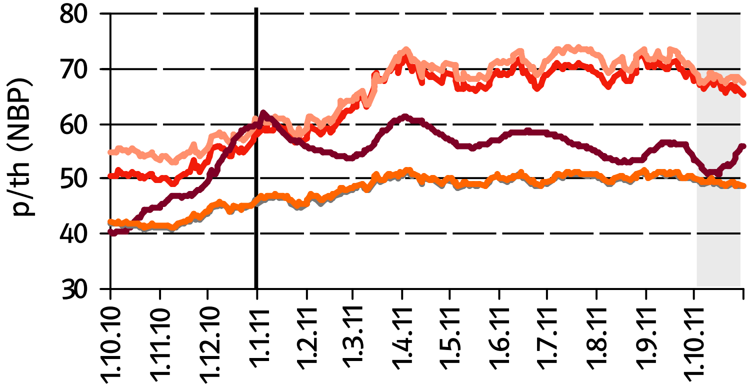
- **CO_2 allowances market**
  The European debt crisis remained the main limiting factor for carbon prices which remained stable on a low level.

Legend

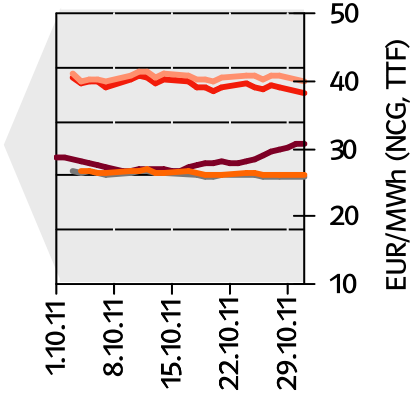
- coal forwards for year+1 (2011/12)
- coal forwards for year+2 (2012/13)
- CO2 futures for year 2010/11 (NAP-2 phase)

Europe – Gas and Oil Prices

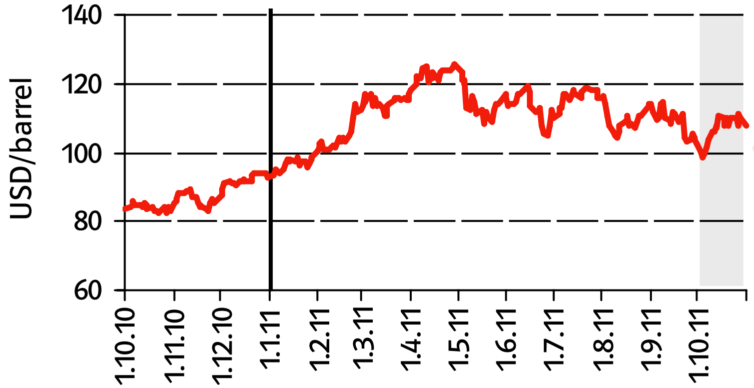
Gas – Over the last year



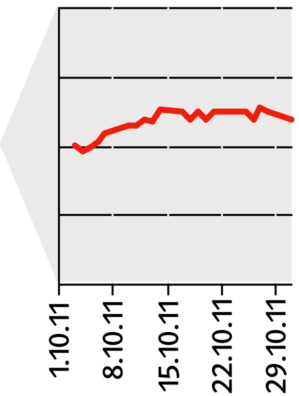
October 2011



Brent Oil – Over the last year



October 2011



Key Messages

- **Gas market**
  Beginning of month, gas prices for future delivery fell due to a weak prompt market, but then increased on colder weather conditions and stronger oil. Midmonth, Prices fell slightly on conversing weather forecasts and a less stronger oil market.

- **Oil market**
  A major drawdown of US oil inventories and sudden problems with Libya's biggest oil field pushed prices up. Supply disruptions in Kuwait and Nigeria and hopes that Europe might solve the debt crisis added even more upwards pressure. That price progress was stopped by Spain's downgrade.

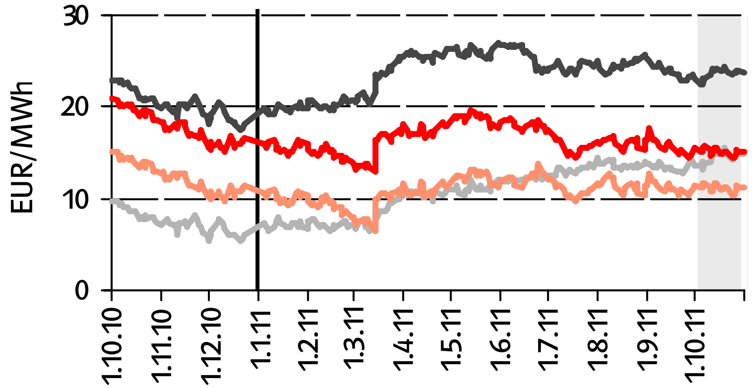
Legend

- NBP gas forward year+1 (2011/12)
- NBP gas forward year+2 (2012/13)
- NBP gas spot (30 days moving average)
- TTF gas forward year+1 (2011/12)
- NCG year+1 (2011/12)
- Brent oil forward month+1

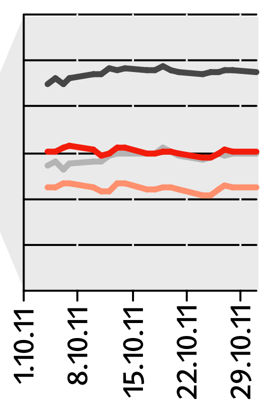
(NBP gas in p/th, TTF gas in EUR/MWh)

Germany and United Kingdom – Dark and Spark Spreads

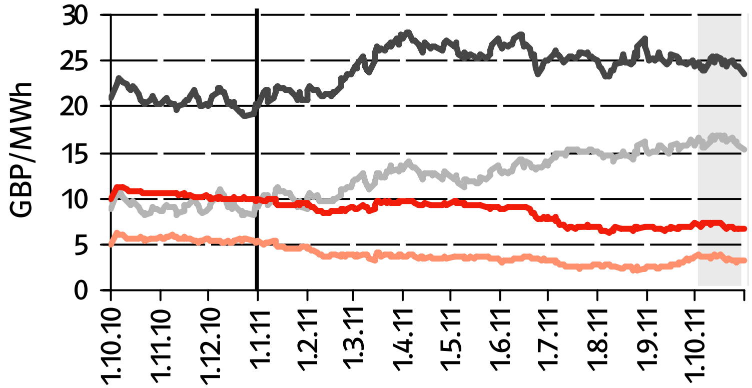
DE Dark & Spark Spreads – Over the last year



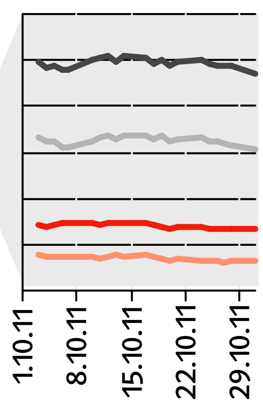
October 2011



UK Dark & Spark Spreads – Over the last year



October 2011



Key Messages

- **Germany**
  During the first half of the month, dark spreads increased as power prices gained value and a stronger EUR/USD rate reduced coal generation costs. Spark spreads remained unchanged, as power forwards moved alongside the gas price tracks.

- **United Kingdom**
  At first, UK dark spreads improved as the losses in power prices were prevailed by lower coal prices. Then, the dark spreads fell on rising coal costs. Clean spark spreads decreased slightly as power prices fell stronger than gas prices.

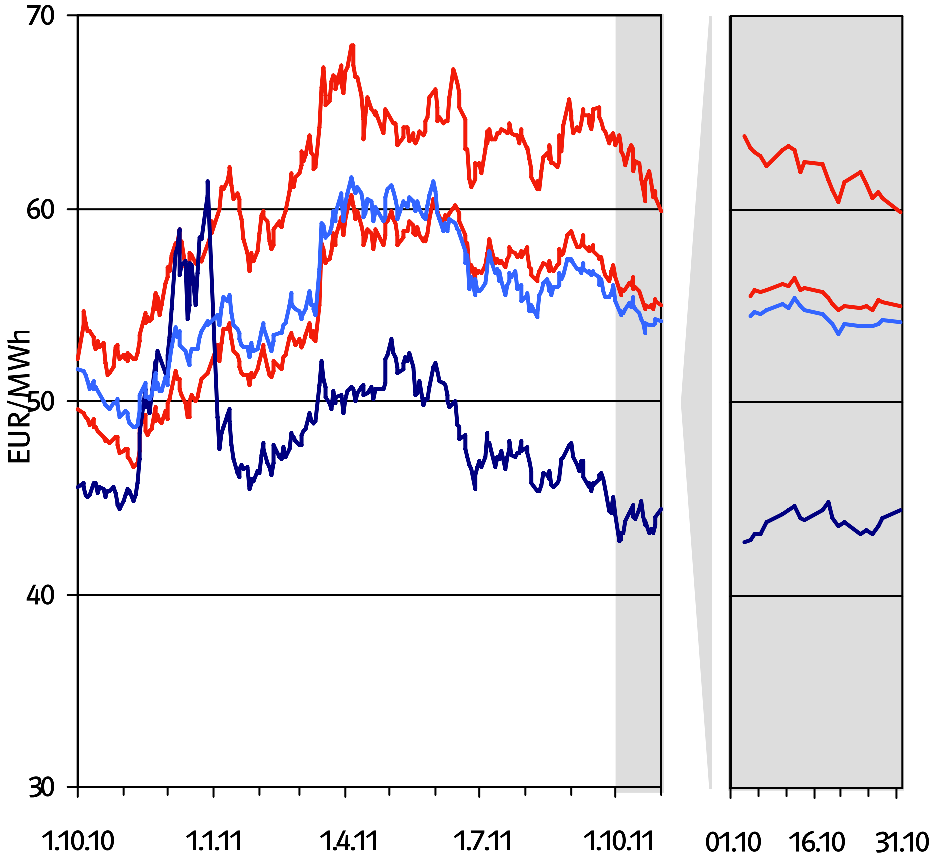
Legend

- dirty dark spread year+1 (2011/2012)
- clean dark spread year+1 (2011/2012)
- dirty spark spread year+1 (2011/2012)
- clean spark spread year+1 (2011/2012)

Development of electricity prices in selected markets

EEX DE, UK, Nord Pool and EEX FR Forward prices Year+1

Over the last year **October 2011**



Key driver

- UK forward prices appear to be driven mainly by coal, natural gas and CO_2 prices.
- Nordic forward prices appear to be driven mainly by the hydrological situation and CO_2 prices.
- Mainland European forward prices appear to be driven by coal, natural gas and CO_2 prices.

Legend

- UK Cal Year+1 (2011/12) Base Load (EUR/MWh)
- EEX France Year+1 (2011/12) Base Load (EUR/MWh)
- EEX Germany Year+1 (2011/12) Base Load (EUR/MWh)
- Nord Pool Year+1 (2011/12) Base Load (EUR/MWh)

E.ON Investor Relations Contact

Sascha Bibert
Head of IR
T +49 2 11-45 79-5 42
sascha.bibert@eon.com

Peter Blankenhorn
Manager
T +49 2 11-45 79-4 81
peter.blankenhorn@eon.com

François Poullet
Manager
T +49 2 11-45 79-3 32
francois.poullet@eon.com

Marc Koebernick
Manager
T +49 2 11-45 79-2 39
marc.koebernick@eon.com

Stephan Schönefuß
Manager
+49 211 4579-4808
stephan.schoenefuss@eon.com

Aleksandr Aksenov
Manager
T +49 2 11-45 79-5 54
aleksandr.aksenov@eon.com

Carmen Schneider
Manager
T +49 2 11-45 79-3 45
carmen.schneider@eon.com

Sabine Burkhardt
Executive Assistant
T +49 2 11-45 79-5 49
sabine.palm@eon.com

What can we do to help you?

This presentation 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 AG 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.