

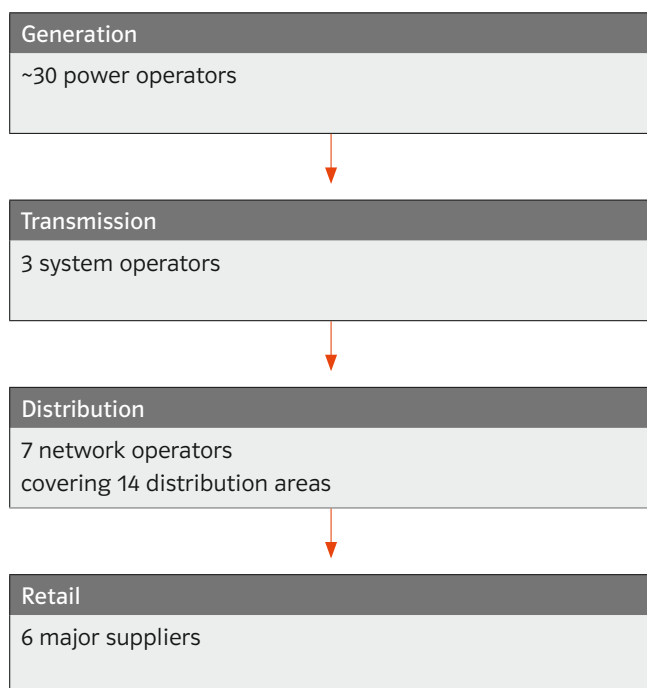
U.K. Market Unit

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Introduction

E.ON UK is one of the leading integrated power and gas companies in the United Kingdom. It was formed as one of the four successor companies to the former Central Electricity Generating Board as part of the privatization of the power industry in the United Kingdom in 1989. E.ON UK and its associated companies are actively involved in power generation, distribution, and retail. As of December 31, 2008, E.ON UK owned or through joint ventures had an attributable interest in 10,330 MW of generation capacity, including 359 MW of CHPs. E.ON UK served approximately 8.1 million electricity and gas customer accounts at December 31, 2008 and its Central Networks business served 5 million customer connections. The U.K. market unit recorded sales of €11.1 billion in 2008 and adjusted EBIT of €922 million.

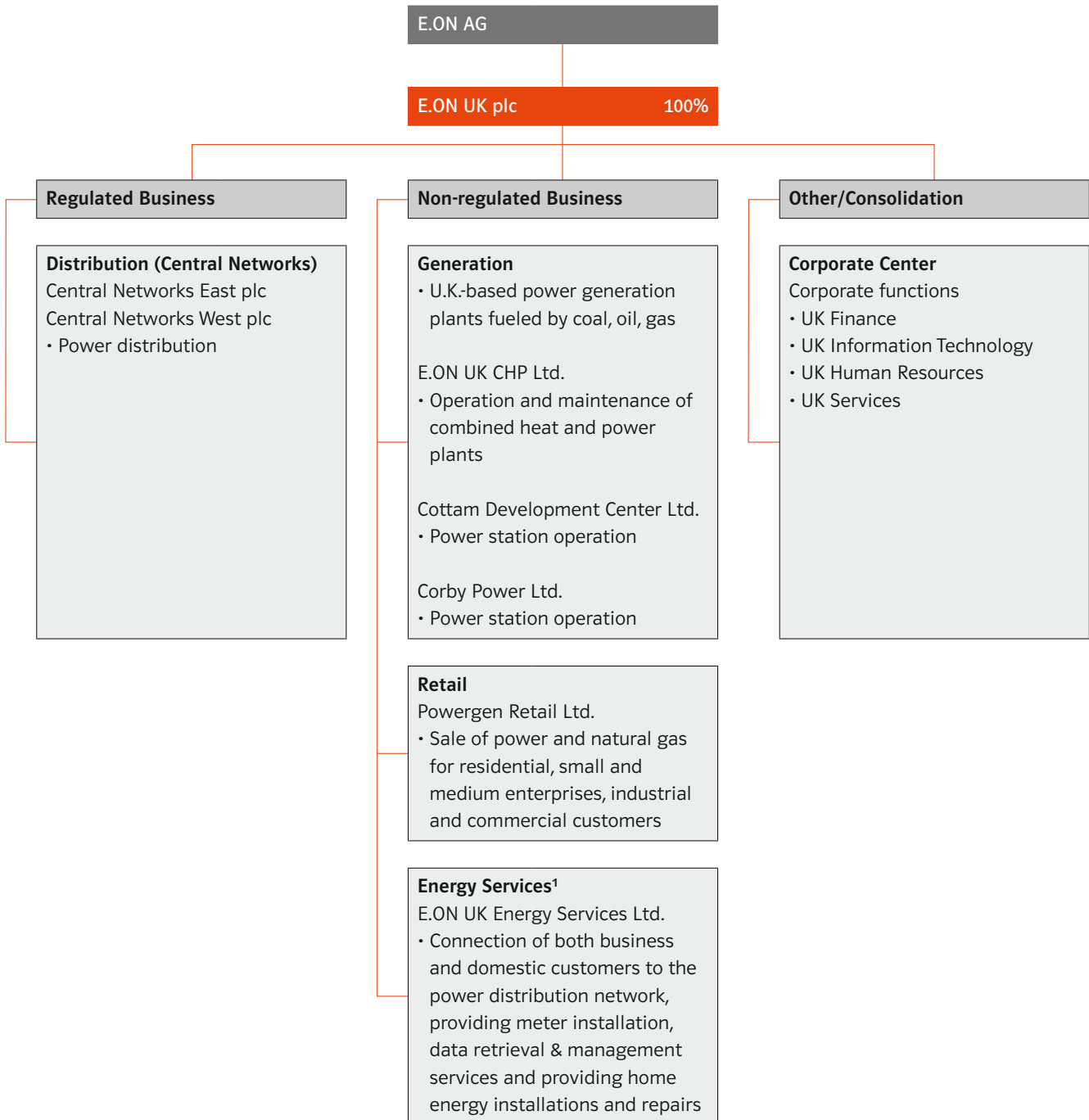
Market Overview U.K.



U.K. Power and Gas Supply	
Billion kWh	Supply ¹
Power	392.6
Gas	1,059.0

¹As of December 31, 2007. 2008 figures not available as of the date of this document.
Source: E.ON.

Business Activities



¹In January 2009, the regulated New Connections activities moved to Central Networks, with the goal of improving the competitiveness of the remaining business. Metering installation, which remains within Energy Services, continues to be an important part of our business as we work with government to achieve a nationwide rollout of smart meters over the next decade. The Home Energy Services and Sustainable Energy Solutions activities will become self-contained end-to-end businesses (instead of being split between Energy Services and Retail at present).

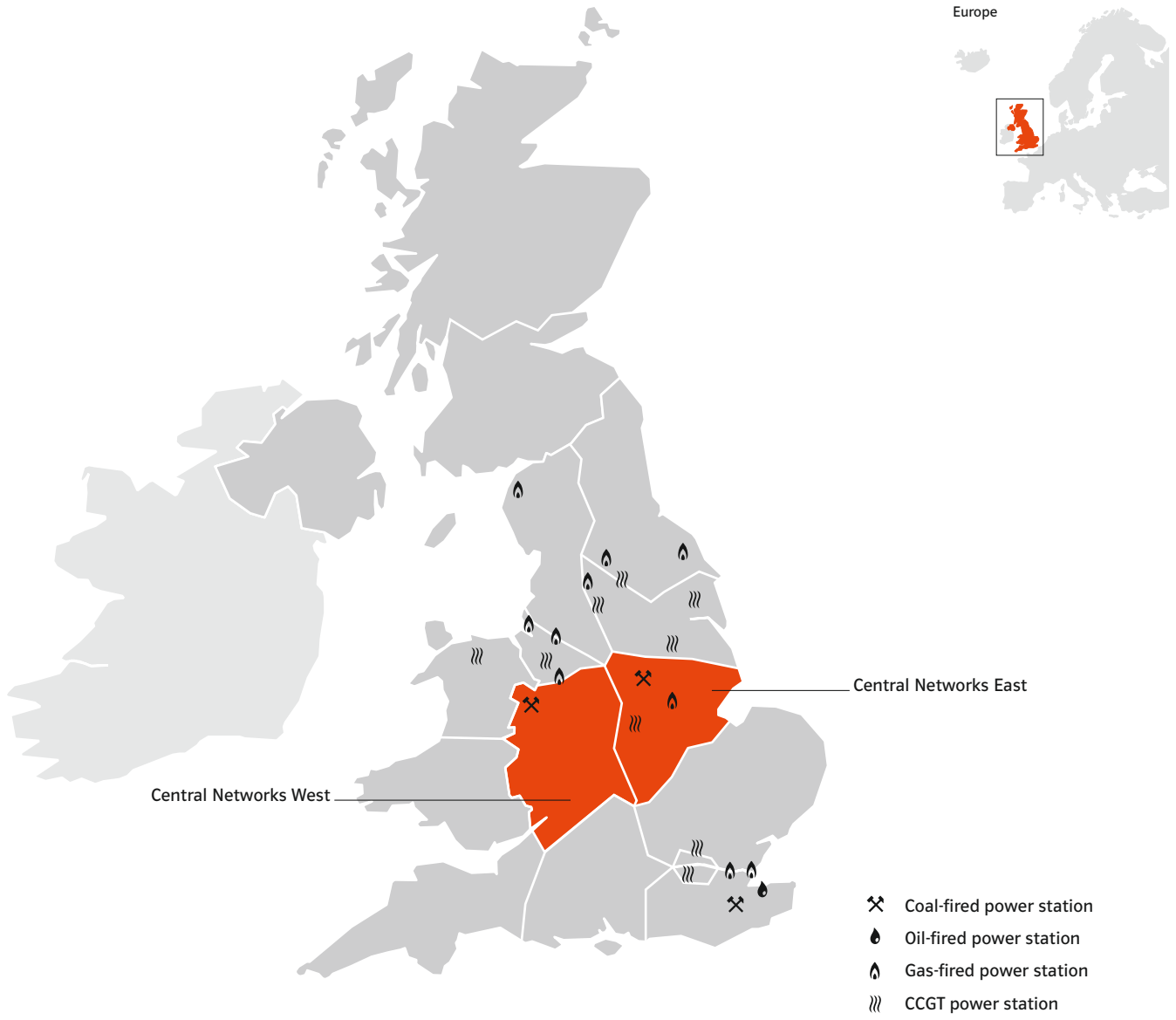
2008 Sales

Sales by Business Units	
€ in millions	
Regulated business	785
Non-regulated business	10,567
Other/consolidation	-301
Total	11,051

Significant market positions

- One of the U.K.'s leading national energy brands with about 8.1 million customer accounts (5.2 million electricity and 2.9 million gas).
- Flexible generation position, well balanced against mass-market retail operations.
- E.ON UK's share of distribution network is 132,912 km, overall market is 780,482 km, giving a market share of 17.0 percent.
- One of the leading U.K. CHP operators.

Activities in U.K.



Activities in U.K.

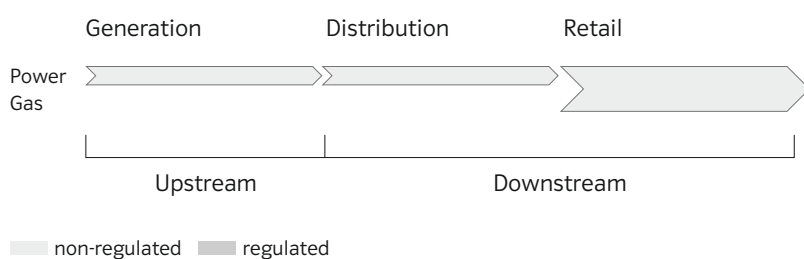
Power			
	E.ON UK shareholdings	Overall U.K. market	Market share %
Power supplied <i>of which own generation¹</i>	92.8 billion kWh <i>40.4 billion kWh</i>	392.6 billion kWh <i>392.6 billion kWh</i>	24.0 <i>10.0</i>
Customer accounts	5.2 million	29.2 million	17.8
Distribution network	132,912 km	780,428 km	17.0
Generation capacity	10.3 GW	83 GW ²	12.0

¹Excludes CHP and renewables generation.
²Official U.K. Government Figures for U.K. Plant Capacity have yet to be released for 2008 (figures based on prior year).

Natural Gas			
	E.ON UK shareholdings	Overall U.K. market	Market share %
Sales	77.8 billion kWh ¹	1,059 billion kWh	7.3
Customer accounts	2.9 million	22.0 million	13.2

¹Sales to industrial and commercial customers, sales to retail mass market customers (see Business Overview page 43), excluding sales to market/E.ON Energy Trading of 34.6 billion kWh.

Business Activities along the Value Chain



2008 Power Procurement and Sales Volume

Power Generation by Energy Source					
MW	2008 ¹	2007	2006	2005	2004
Gas	3,865	3,865	3,849	3,849	2,567
Coal	4,910	4,910	4,910	4,910	4,910
Other	1,555	1,806	1,788	1,788	1,788
E.ON UK	10,330	10,581	10,547	10,547	9,265
Gas	33,963	33,963	33,954	32,848	32,164
Coal	23,008	23,008	22,882	22,627	22,639
Nuclear	10,979	10,979	10,969	11,852	11,852
Other	15,001	15,001	14,668	14,036	13,467
U.K. market overall	82,951	82,951	82,473	81,363	80,122

¹Official U.K. Government Figures for U.K. Plant Capacity have yet to be released for 2008 (figures based on prior year).

Generation Output					
GWh	2008 ¹	2007	2006	2005	2004
Gas	19,799	19,723	14,479	16,405	16,560
Coal	19,972	22,856	22,143	21,840	21,760
Other	619	756	857	934	521
E.ON UK	40,390	43,335	37,480	39,179	38,841
Gas	164,473	164,473	141,225	152,642	157,064
Coal	136,545	136,545	150,392	134,841	131,788
Nuclear	63,028	63,028	75,451	81,618	79,999
Other	28,551	28,551	27,904	26,282	22,368
U.K. market overall	392,597	392,597	394,971	395,383	391,219

¹Official U.K. Government Figures for U.K. Plant Capacity have yet to be released for 2008 (figures based on prior year).

Sales by Customer Segment ¹			
Billion kWh	2008	2007	+/- %
Power residential and SME	32.5	34.2	-10.0
Power I&C	18.6	18.4	+1.1
Power market sales	41.7	25.2	+4.4
Total power sales	92.8	77.8	+5.0
Gas residential and SME	56.1	55.5	-13.0
Gas I&C	21.7	23.4	-18.0
Gas market sales	34.6	78.2	+25.0
Total gas sales	112.4	157.1	+1.0

¹Excludes energy trading activities.

Generation Assets

Hard-Coal-fired Power Stations		E.ON UK's share		
As of December 31, 2008	Total capacity net MW	%	Attributable capacity MW	Start-up date
Ironbridge U1 ¹	485	100.0	485	1970
Ironbridge U2 ¹	485	100.0	485	1970
Kingsnorth U1 ¹	485	100.0	485	1970
Kingsnorth U2 ¹	485	100.0	485	1971
Kingsnorth U3 ¹	485	100.0	485	1972
Kingsnorth U4 ¹	485	100.0	485	1973
Ratcliffe U1 ^{1,2}	500	100.0	500	1968
Ratcliffe U2 ^{1,2}	500	100.0	500	1969
Ratcliffe U3 ^{1,2}	500	100.0	500	1970
Ratcliffe U4 ^{1,2}	500	100.0	500	1970
Total	4,910		4,910	

¹Biomass material co-fired during 2007.
²In May 2006, after a successful 18-month trial, Ratcliffe-on-Soar power station was granted the necessary authorization to allow the co-firing of petroleum coke with coal at all four units.

Natural-Gas-fired Power Stations		E.ON UK's share		
As of December 31, 2008	Total capacity net MW	%	Attributable capacity MW	Start-up date
Cottam Development Centre (CDC) Module	400	100.0	400	1999
Connaught Quay U1	345	100.0	345	1996
Connaught Quay U2	345	100.0	345	1996
Connaught Quay U3	345	100.0	345	1996
Connaught Quay U4	345	100.0	345	1996
Corby Module	401	50.0	200	1993
Enfield ¹	408	100.0	408	2002
Killingholme Mod 1	450	100.0	450	1992
Killingholme Mod 2	450	100.0	450	1993
Merchant CHP	218	100.0	218	various
Total	3,707		3,506	

¹Enfield capacity increased to 408 MW (2006: 392 MW) after a compressor upgrade.

Other Power Stations				
As of December 31, 2008	Total capacity net MW	E.ON UK's share		Start-up date
		%	Attributable capacity MW	
Grain Aux GT1	28	100.0	28	1979
Grain Aux GT4	27	100.0	27	1980
Kingsnorth Aux GT1	17	100.0	17	1967
Kingsnorth Aux GT4	17	100.0	17	1968
Ratcliffe Aux GT2	17	100.0	17	1967
Ratcliffe Aux GT4	17	100.0	17	1968
Taylors Lane GT2	68	100.0	68	1981
Taylors Lane GT3	64	100.0	64	1979
Total	255		255	

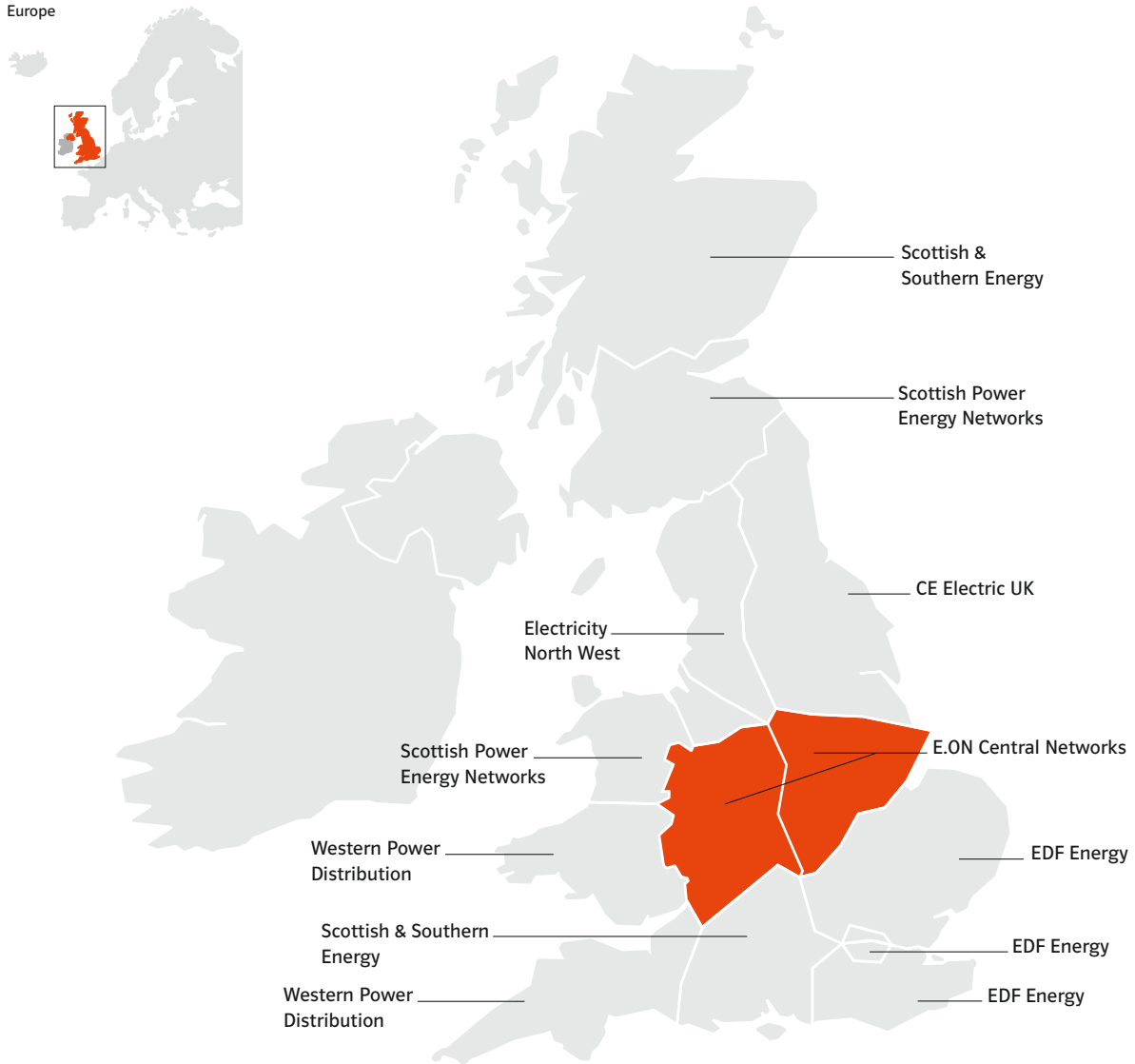
Oil-fired Power Stations				
As of December 31, 2008	Total capacity net MW	E.ON UK's share		Start-up date
		%	Attributable capacity MW	
Grain U1	650	100.0	650	1982
Grain U4	650	100.0	650	1984
Total	1,300		1,300	

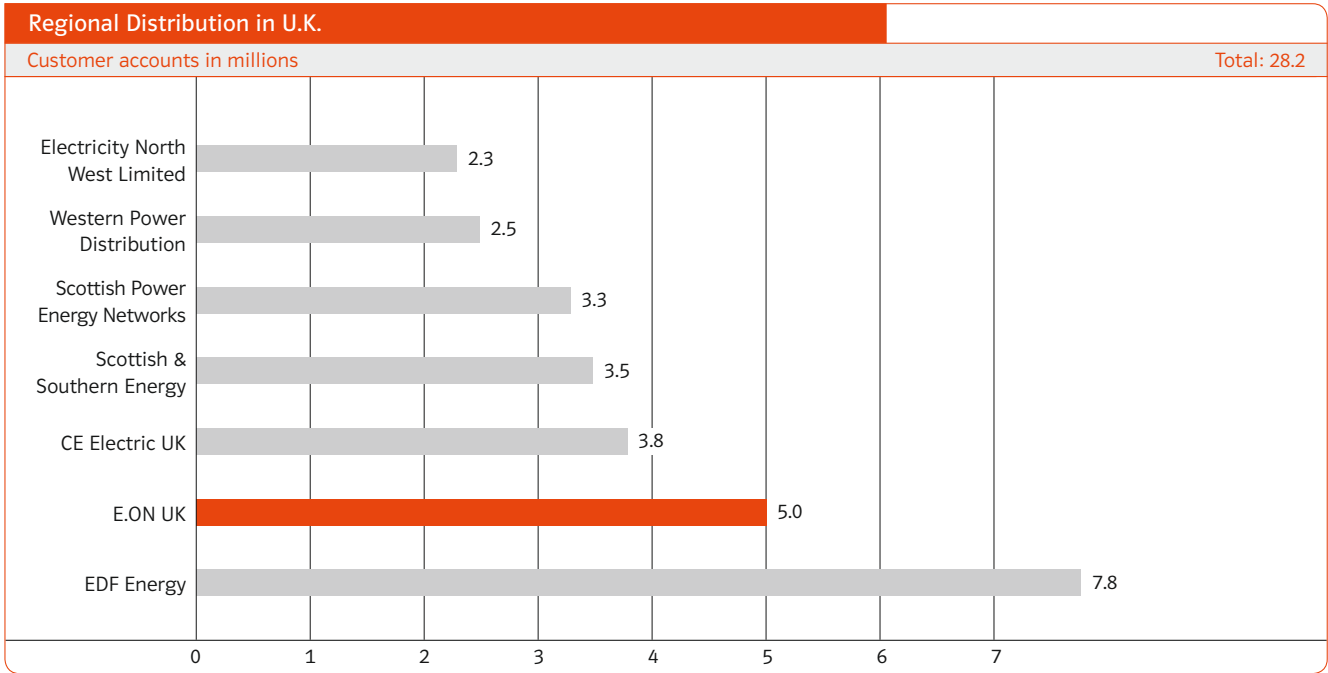
Other Power Stations				
As of December 31, 2008	Total capacity net MW	E.ON UK's share		Start-up date
		%	Attributable capacity MW	
CHP schemes	359	100.0	359	various
Total	359		359	

E.ON UK—investments in generation

- Progress has been made on consents to build two new highly efficient coal units at Kingsnorth power station in Kent. Approval has been ratified by the local authority but is still required from the U.K. Government. In April 2009 the U.K. Government confirmed its intention to support carbon capture and storage demonstration projects at up to four coal-fired stations to ensure fuel diversification.
- In 2007 E.ON UK started construction of one of the U.K.'s largest gas-fired CHP stations which will generate 1,275 MW of power and export up to 340 MW of heat at its Isle of Grain site in Kent. This station is due to commission in 2010.

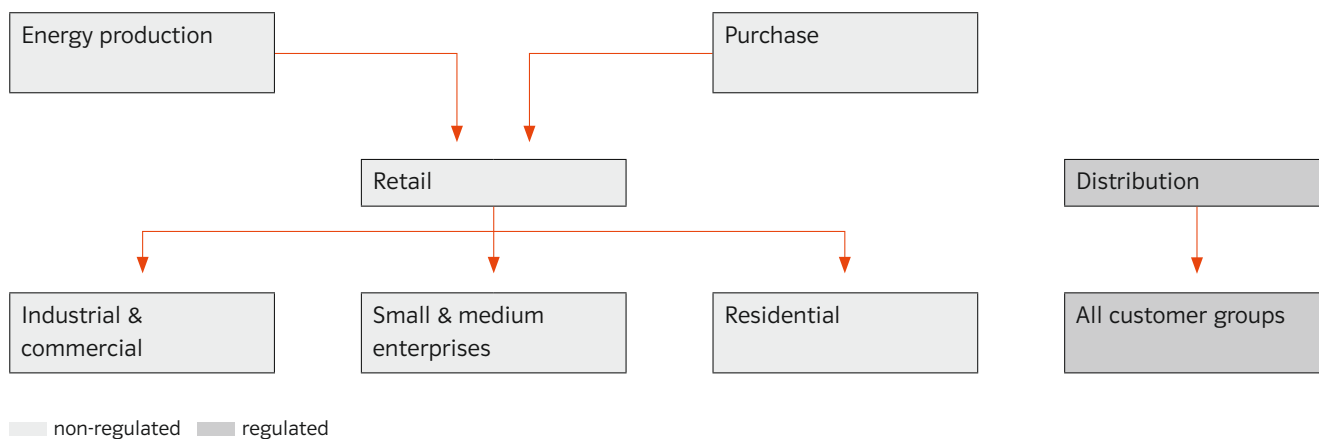
Regional Distribution





In January 2004, E.ON UK acquired Midlands Electricity for £1.2 billion. The distribution network of Midlands Electricity is adjoining E.ON UK's existing East Midlands Electricity network. The combined system is known as Central Networks, with 5.0 million customer connections.

Supply Structure



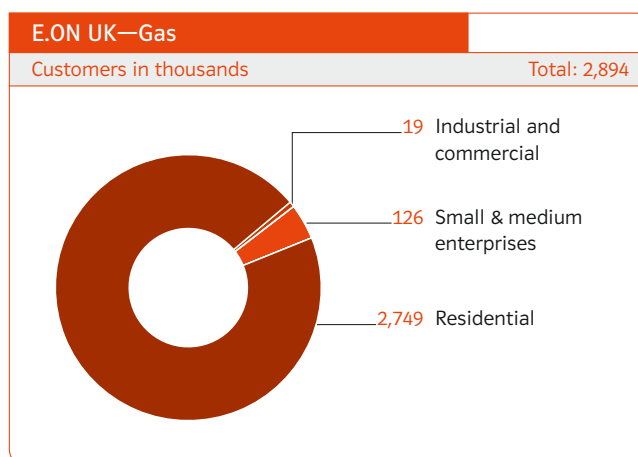
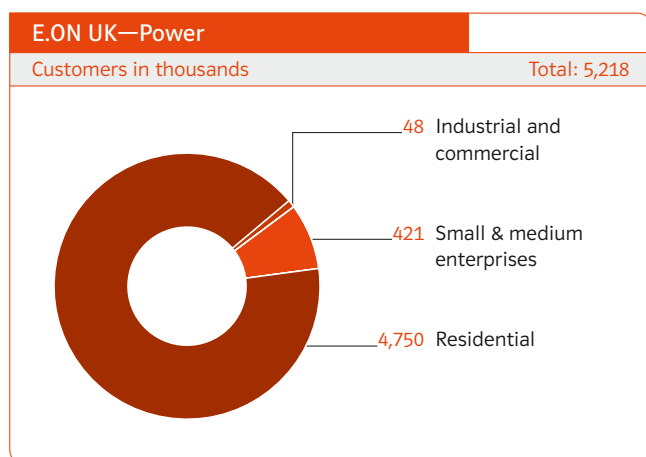
Non-regulated Business

- Activities throughout U.K.
- Free choice of electricity supplier.
- Competition and minimal regulation.

Regulated Business

- Operating in East Midlands and in Midlands (since January 16, 2004).
- Only electricity distribution.
- Strict separation from retail business.

Power and Gas Customers¹



Marketing, customer services, and products create loyalty to the E.ON UK and Powergen brands.

¹As of December 31, 2008.

Energy Services¹

Energy Services Key Figures		2008
Connections		
Number of domestic connections		60,000
Home installations		
Number of heating jobs		101,110
Number of insulation jobs		159,486
Number of local authority/housing association contracts		9
Metering		
Smart meters fitted		14,093

- **New Connections**—Connecting domestic and business customers to the distribution network predominantly for electricity, but increasingly offering multi-utility connection service.
- **Metering Services**—Provides meter installation, data retrieval, data management and meter maintenance services to external customers and our retail business.
- **Home Energy Services**—Provides home energy installations and repairs, including loft and cavity wall insulations, boiler service and repair work to domestic customers, local authorities and housing associations.

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Key Figures

U.K. Key Figures			
	2008	2007	+/- %
Sales	€11,051 million	€12,584 million	-12.2
Adjusted EBITDA	€1,396 million	€1,657 million	-16.3
Adjusted EBIT	€922 million	€1,136 million	-18.8
ROCE	9.1%	9.2%	-0.1 ¹
Cost of capital	9.8%	9.5%	+0.3 ¹
Value added	-€71 million	-€37 million	-91.9
Cash provided by operating activities	€893 million	€1,615 million	-44.7
Investments	€1,162 million	€1,364 million	-14.8
Employees (at year-end)	17,480	16,786	+4.0

¹Changes in percentage points.