



2009 Full Year Results

Wulf Bernotat, CEO

March 10th, 2010

E.ON's 2009 full year results

Key figures

- Adjusted EBITDA: € 13.5 bn, +1% YoY
- Adjusted EBIT: € 9.6 bn, -2% YoY
- Adjusted Net Income: € 5.3 bn, -5% YoY
- Cash provided by operating activities: € 9.1 bn, +34% YoY
- 2009 proposed dividend: € 1.50 per share

Key topics

- Update on economic crisis
- Developments at Pan-European Gas
- PerformtoWin achievements and further progress
- Investment plan 2009-12
- Status portfolio streamlining
- Development E.ON since 2003

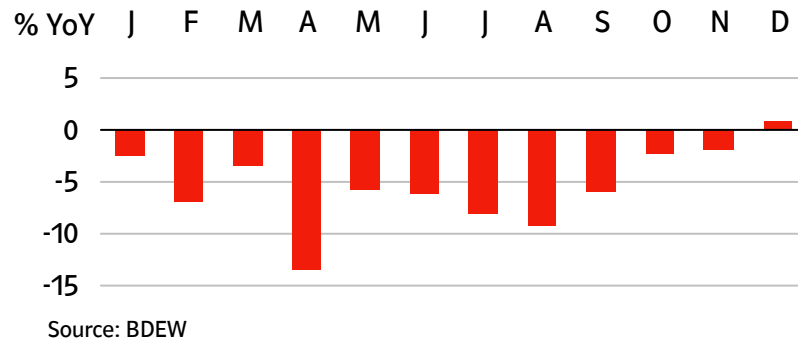
2010 outlook¹

- Adjusted EBIT to increase by 0% to 3% YoY
- Adjusted Net Income in line with 2009

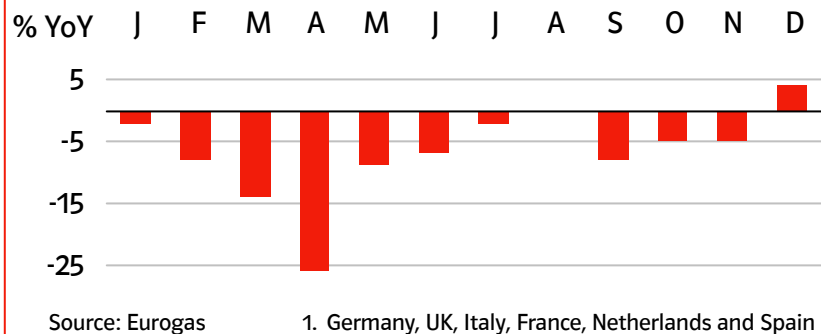
1. Already adjusted for implemented portfolio measures of around € 1 bn Adjusted EBIT. Future portfolio measures not taken into account.

Update on economic crisis

German 2009 monthly power consumption y-o-y



Big six¹ 2009 monthly gas consumption y-o-y



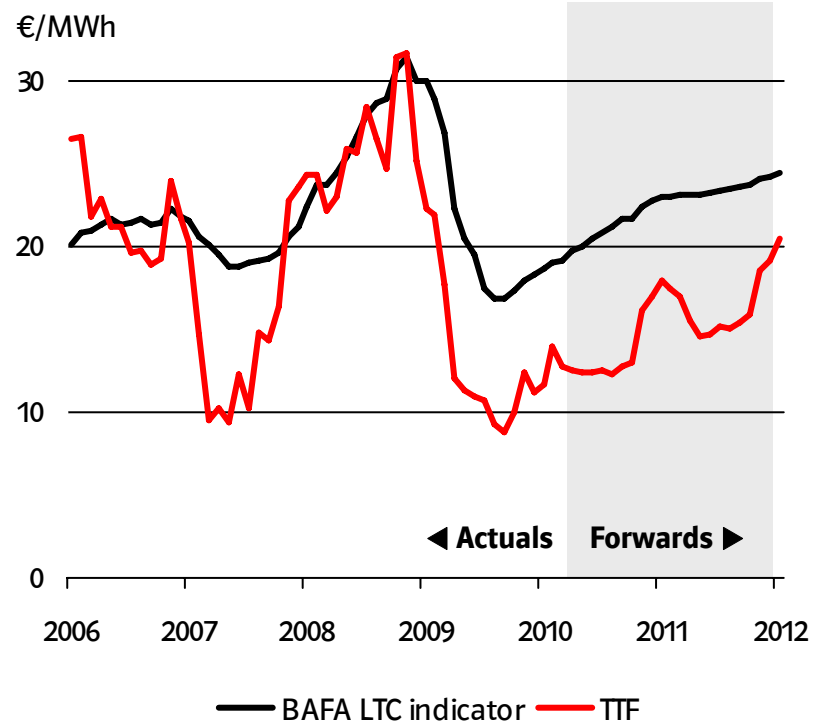
Impact economic crisis

- Economic crisis led to significant contraction of power and gas demand for E.ON:
 - -5.0% for electricity, thereof -9.5% for I&C
 - -3.8% for gas, thereof -9.6% for I&C
- ~€ 500 m direct impact of economic crisis on 2009 Adjusted EBIT
 - Re-selling of contracted volumes
 - Lost margin from lost volumes
 - Bad debts and other
- Additionally, substantial impacts on prices
- Monthly power and gas demand statistics head towards end of contraction in last months of 2009
- E.ON Ruhrgas AG gas sales in January and February up 16% y-o-y (preliminary estimate)

Slight economic recovery becomes visible

Pan-European Gas in 2009

Spot prices vs. LTC prices



The Perfect Storm

- Contraction of demand due to economic crisis
- Boom of unconventional gas in North America
- Expansion of LNG export and import capacity
- ⇒ Decoupling of spot gas prices from oil prices, and thus also from prices of long-term contracts
- ⇒ Strong volume and margin pressure on Supply & Sales

LTCs remain backbone of supply

- Risk-sharing principle: producer bears price risk, buyer volume risk
- Periodic renegotiations to revise contract terms in light of market developments

Gas business impacted by multiple factors

Renegotiations of long-term contracts

Status renegotiations

- Renegotiations with main producers nearly finalized

Objective & outcome

Objective

- Reduce oil exposure via pricing and volume measures

Price mechanisms

- Share of spot priced gas almost doubled in overall supply portfolio
- Various technical adjustments to reduce pricing of oil-indexed gas

Volumes

- Increased flexibility of volumes

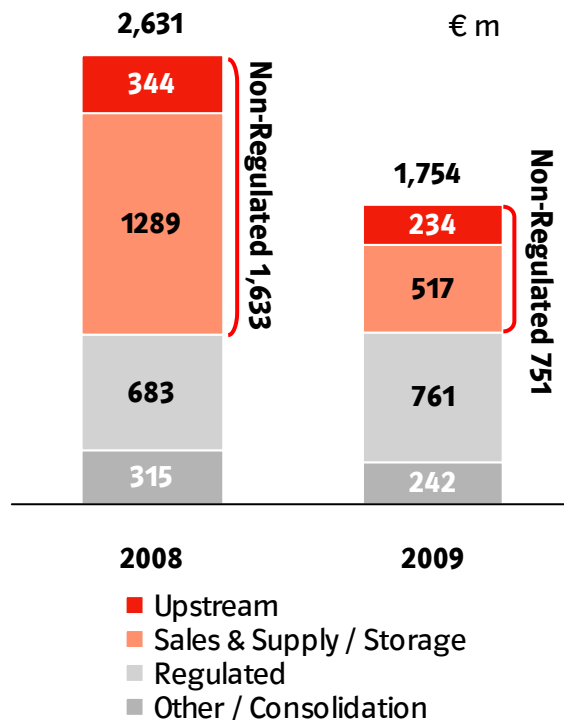
Timing

- Majority of renegotiated agreements to take effect on 1 January 2010

The concept of long-term contracts proved its robustness even in difficult times

Pan-European Gas prospects

Adjusted EBIT Pan-European Gas



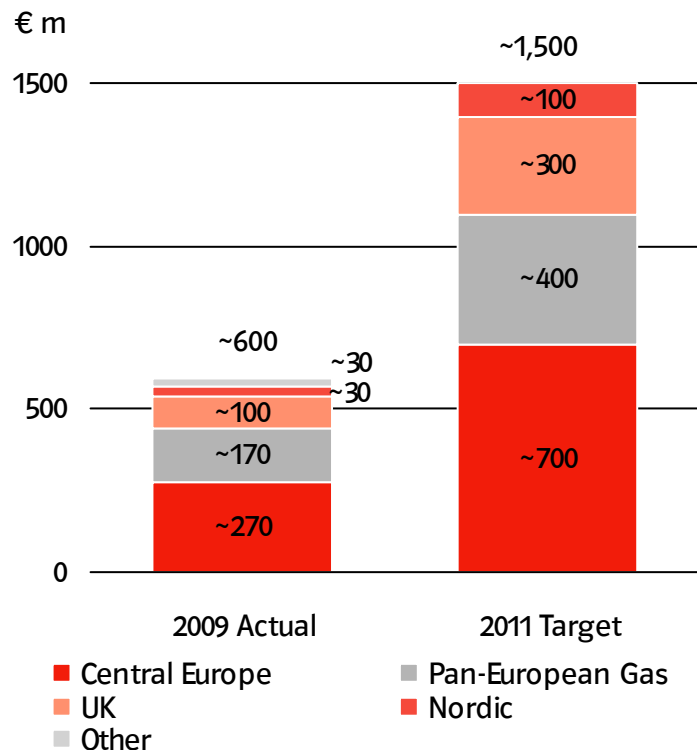
Outlook

- Despite cold winter, European gas markets are still oversupplied
- Spot gas prices in Europe now below Henry hub levels
- Sizeable percentage of our sales contracts come up for renewal each year
- Renegotiation of LTCs will reduce gas procurement costs
- But price pressure on sales contracts will remain
- Upstream and storage will see strong growth in coming years
- Upstream and storage will contribute more than half of Pan-European Gas' Adjusted EBIT by 2012

Situation in Supply & Sales will remain tense in 2010/2011, upstream/storage to drive earnings

PerformtoWin achievements and further progress

Break-down by Market Unit



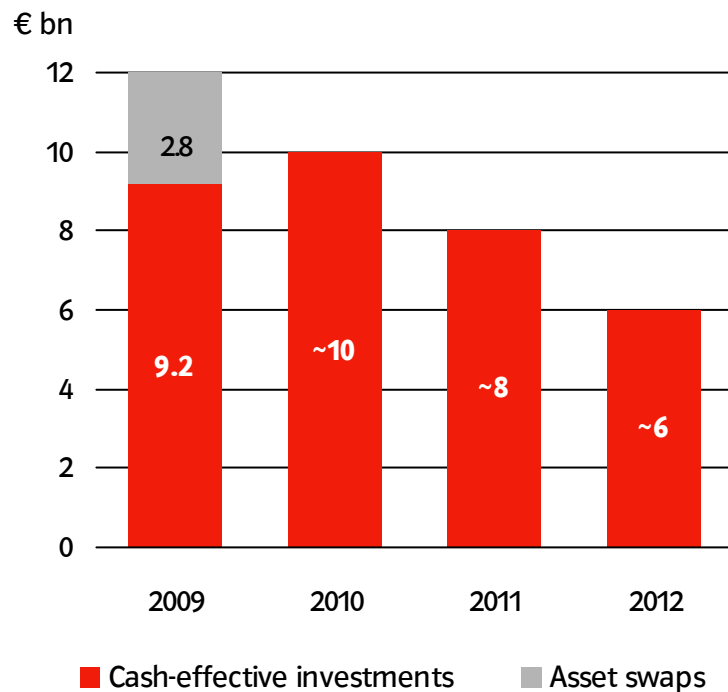
Status

- PerformtoWin to improve Adjusted EBIT by € 1.5 bn in 2011
 - Already € 600 m delivered in 2009
 - ~€ 1000 m expected in 2010
- Key projects in 2009:
 - Optimization infrastructure at Central Europe
 - Performance improvement sales CEE
 - Reduction of service and overhead costs at Central Europe
 - Asset optimization storage and transport at Pan-European Gas
 - Clean Utility project in UK retail
 - Reduction of procurement spend

€ 1.5 bn targeted for 2011, already € 0.6 bn delivered in 2009

Investment plan 2009-2012

Investments 2009 and investment plan 2010-12



2009 investments

- € 9.2 bn of cash-effective investments: lower than planned as some amounts were moved from 2009 to 2010
- € 2.8 bn assets swap: mainly Yuzhno Russkoye

2010-12 investment plan

- Continuation of 2009-2011 investment plan
- € 24 bn between 2010 and 2012
- Commissioning conventional power plants in 2010
 - 3,800 MW of CCGTs in Europe
 - 400 MW Shaturuskaya CCGT in Russia
 - 750 MW Trimble County 2 coal-fired power plant in the US MidWest

Cash outflow increasingly aligned with operating cash flow generation

Status portfolio streamlining

Objectives

- Fulfillment of commitments to EU Commission
- Strategic streamlining of portfolio
- Cash proceeds from disposals of > € 10 bn by 2010

Commitments to EU Commission

- Disposal of ~5 GW of generation capacity in Germany, in exchange for > € 2 bn of cash proceeds and 3.7 GW in Belgium, France and Austria
- Sale of transpower to TenneT for purchase price of ~€ 1.1 bn
- Confident to dispose remaining 265 MW in an adequate timeframe

Strategic streamlining of the portfolio

Main transactions done in 2009

- Yuzhno Russkoye – Gazprom € 2.3 bn asset swap
- Sale of Thüga assets to a consortium of municipal utilities for ~€ 2.9 bn

Transactions planned for 2010

- Sale of 4 stakes taken out of Thüga
- Disposal of Italian gas distribution networks

Cash proceeds of > € 10 bn by 2010

- ~€ 6 bn of cash proceeds so far

Well on track to achieve objectives

Looking back at 2003-2010

2003-2006

Impacts of liberalization:

- Low but rising energy prices
- Overcapacities in many power markets

E.ON's strategic priorities:

- Business integration: Market Unit structure, convergence power and gas
- Cultural integration: OneE.ON
- Focus on core electricity and gas businesses

2006-2008

European integration:

- Further liberalization and integration
- Creation of European ETS
- EU renewable targets
- Tightening power and gas markets

E.ON's strategic priorities:

- European integration: creation of e.g. EET
- Expansion in new markets
 - Organic growth
 - Renewables
 - Italy, France and Spain
 - Russia

2008-2010

Economic crisis

- Financial markets crisis
- Contraction of demand
- Fall of commodity prices

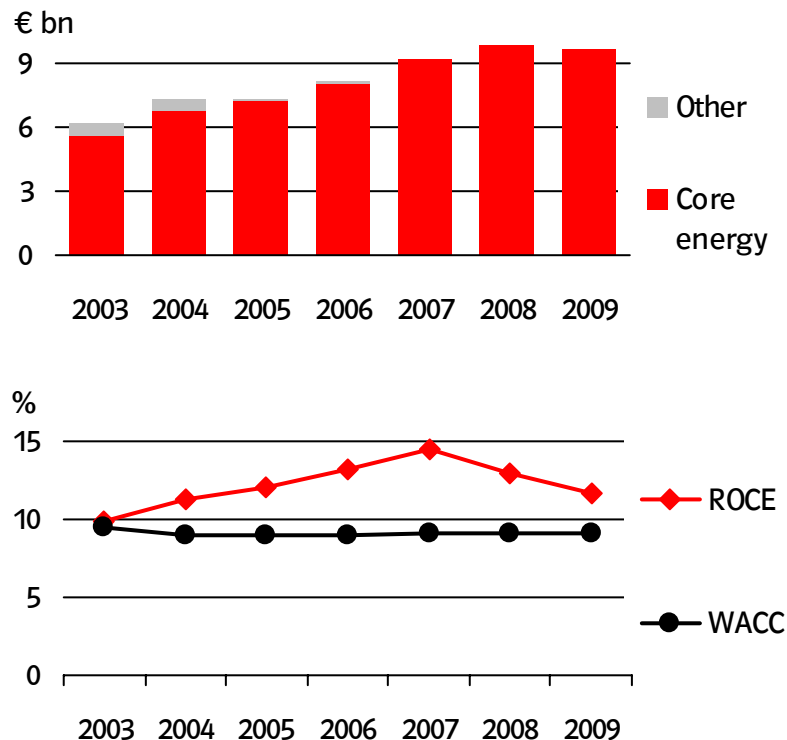
E.ON's strategic priorities

- Improvement of operational performance
- Portfolio streamlining
- Organic growth

Continuous adaptation to changing environment

Adjusted EBIT and return on capital employed

Adjusted EBIT and ROCE 2003-2009

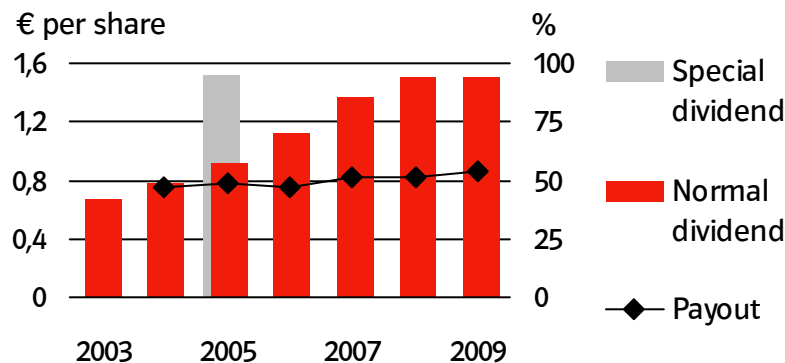
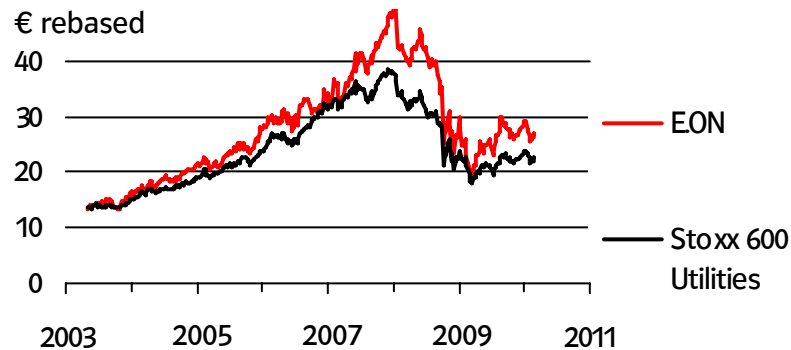


- Adjusted EBIT +55% between 2003 and 2009 (8% CAGR)
- Adjusted EBIT of core energy businesses +72% between 2003 and 2009 (9% CAGR)
- Capital employed increased from € 62 bn in 2003 to € 84 bn in 2009
- ROCE improved from 9.9% in 2003 to 11.7% in 2009
- ROCE currently held back by recent organic investments, many of which are not yet generating much Adjusted EBIT

Robust improvement of earnings and profitability

Shareholders' returns

Share price and dividends 2003-2009



- Share price + 93% since May 1st, 2003 (9.9% CAGR)
- Dividend +124% between 2003 and 2009 (14% CAGR)
- Dividend payout ratio increased from 47% to 54% between 2004 and 2009
- € 2.8 bn special dividend in 2005
- € 6.5 bn share buy-back in 2007-2008
- Capital structure optimized: target Economic Net Debt to EBITDA of 3.0x
- Cost of capital optimized

Focus on long-term value creation

Executive summary

Economic crisis

- First signs of demand recovery
- ~€ 500 m of direct impact on adjusted EBIT in 2009
- Strong indirect effects on prices and spreads

Pan-European Gas

- Successful renegotiation of long-term contracts
- Situation at Supply & Sales remains tense
- Upstream and storage to contribute >50% of Adj EBIT by 2012

Strategy

- PerformtoWin: already € 0.6 bn delivered in 2009
- € 24 bn of investments planned for 2010-2012
- Portfolio streamlining well on track

e-on

Back-up

Portfolio streamlining – Current status

	Transaction	Expected closing	Cash proceeds
Closed	Statkraft asset swap	Dec 2008	✗
	Disposal of 0.5 GW to EnBW	May 2009	✓
	Disposal and swap of hydro-electric generation capacity with Verbund	Aug 2009	✓
	Yuzhno Russkoye - Gazprom swap	Oct 2009	✗
	Swap of 1.7 GW generation capacity with Electrabel	Nov 2009	✗
	Disposal of Thüga to consortium of municipal utilities	Dec 2009	✓
	Swap of 1.2 GW generation capacity with EdF	Dec 2009	✗
	Disposal of 345 MW in Mehrum plant to SW Hannover	Jan 2010	✓
	Disposal of transpower to TenneT	Feb 2010	✓
In preparation	Disposal of remaining 265 MW related to EU commitment	2010	✓
	Disposal of 4 stakes taken out of Thüga	2010	✓
	Disposal of Italian gas distribution	2010	✓
Under consideration	Further disposals	-	✓

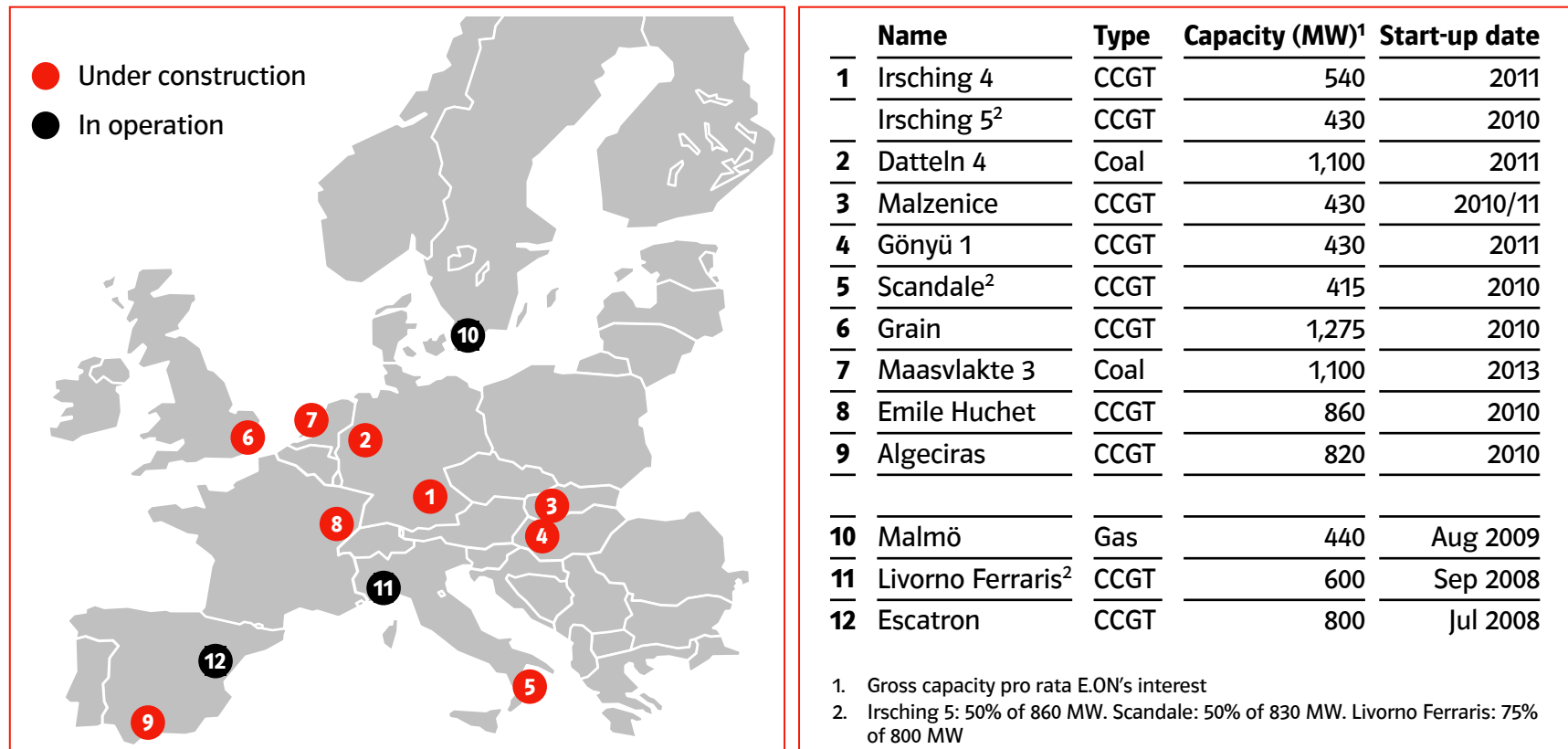
- Objective of generating > € 10 bn of cash proceeds by end 2010

- Already close to € 6 bn of cash proceeds:

- € 2.9 bn for Thüga
- € 0.9 bn for transpower
- € 2 bn for 5 GW of German generation capacity

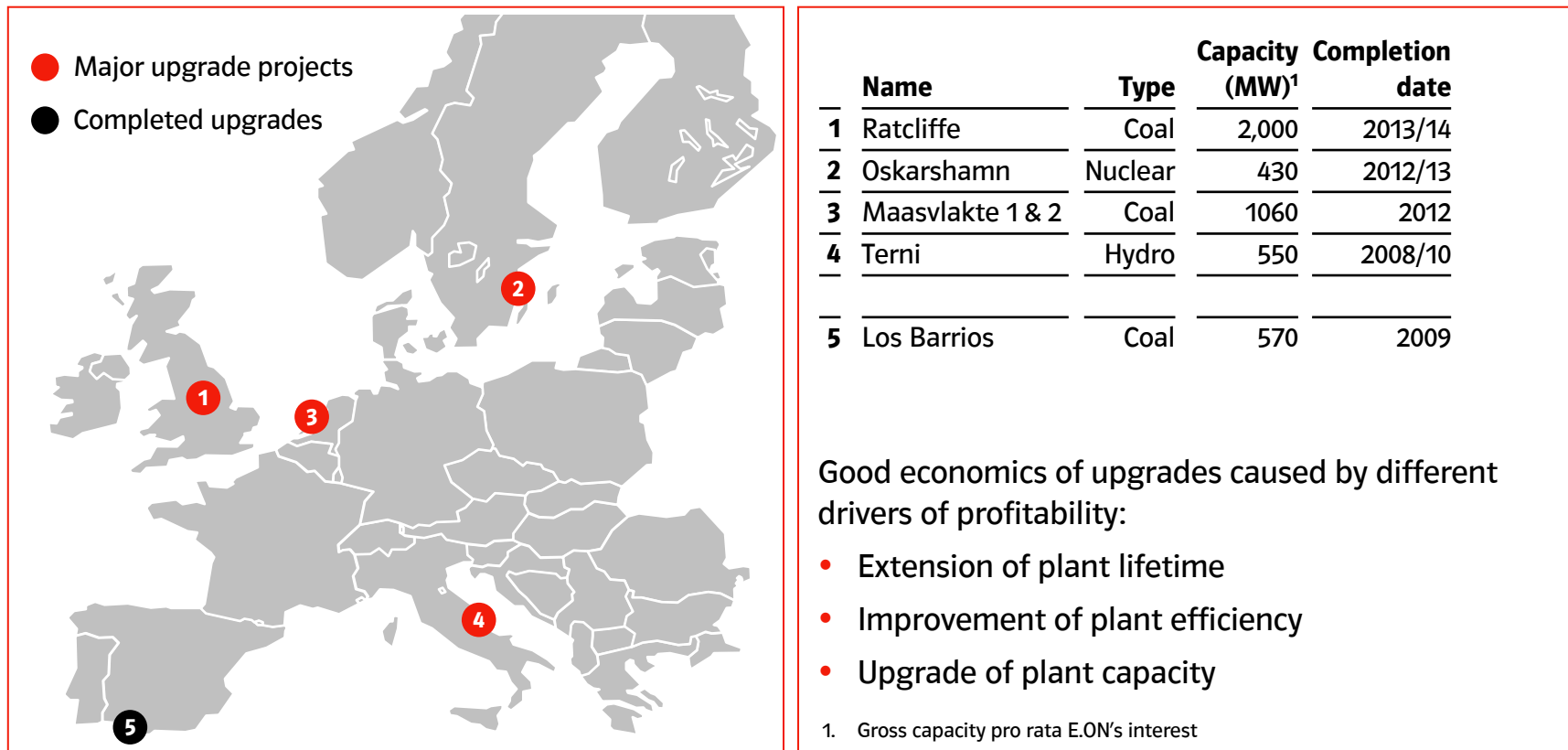
~€ 6 bn of targeted > € 10 bn cash proceeds achieved

European generation portfolio – new builds



New build pipeline to deliver IRR >1% above WACC

European generation portfolio – major upgrades



All overhaul measures deliver exceptionally high IRR

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