



Full year Results 2009

Marcus Schenck, CFO

March 10th, 2010

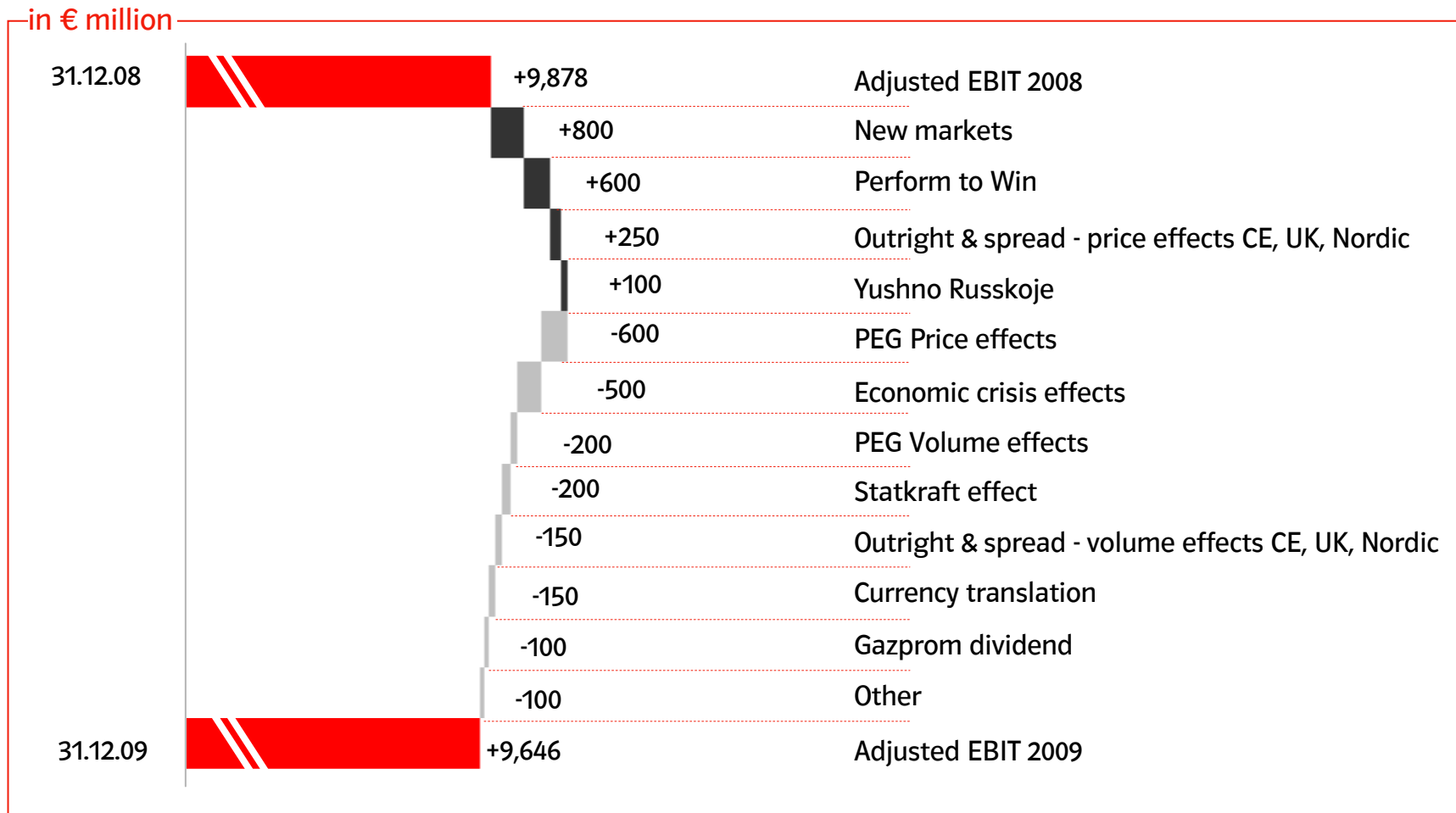
E.ON Group – Financial highlights

in € million

	2009	2008	+/- %
Sales	81,817	86,753	-6
Adjusted EBITDA	13,526	13,385	+1
Adjusted EBIT	9,646	9,878	-2
Adjusted net income	5,328	5,597	-5
Cash provided by operating activities	9,054	6,738	+34
Economic investments	11,994	26,236	-54
Economic net debt (Dec. 31)	-44,665	-44,946	+281 ¹

1. Change in absolute terms

Key drivers of group Adjusted EBIT 2009 vs. 2008



E.ON Group – Adj. EBIT and adj. EBITDA by market unit

in € million

	Adjusted EBIT			Adjusted EBITDA		
	2009	2008	+/-%	2009	2008	+/- %
Central Europe	4,817	4,720	+2	6,479	6,266	+3
Pan-European Gas	1,754	2,631	-33	2,275	3,113	-27
U.K.	649	922	-30	1,080	1,396	-23
Nordic	535	770	-31	851	1,112	-23
U.S. Midwest	384	395	-3	552	549	+1
Energy Trading	949	645	+47	961	649	+48
New Markets	862	90	+858	1,544	510	+203
Corporate Center	-304	-295	-	-216	-210	-
Adjusted EBIT	9,646	9,878	-2	13,526	13,385	+1

Adjusted EBIT by business unit – Central Europe

in € million

	2009	2008	+/- %
Central Europe West Non-regulated	3,522	3,360	+5
Central Europe West Regulated	1,064	853	+25
Central Europe East	341	424	-20
Other/Consolidation	-110	83	-
Adjusted EBIT	4,817	4,720	+2
Adjusted EBITDA	6,479	6,266	+3

Main effects:

Central Europe West Non-regulated (+162)

- Full year consolidation of SNET in 2009 (+223)
- Positive margin effect in generation (+120); higher gross margin in retail gas (+148); cost cutting (+174)
- Disposal of power plants (-171); negative effects resulting from economic downturn (-97)
- Lower gross margin retail power (-127)

Central Europe West Regulated (+211)

- Higher power network revenues due to regulation (+204); weather related higher gross margin in gas networks (+53); cost cutting (+56)
- Network losses (-15)

Central Europe East (-83)

- First time consolidation of Gaz Romania from PEG (+61)
- Lower gross margin power mainly Hungary (-64); negative effects due to economic downturn (-15); currency effects (-15)

Adjusted EBIT by business unit – Pan-European Gas

in € million

	2009	2008	+/- %
Regulated	761	683	+11
Non-regulated	751	1,633	-54
Other/Consolidation	242	315	-23
Adjusted EBIT	1,754	2,631	-33
Adjusted EBITDA	2,275	3,113	-27

Main effects:

Regulated (+78)

- In German transport business lower earnings due to regulatory effects (-60) compensated by a higher income from participations (+97)
- E.ON Ruhrgas International (+83) mainly driven by higher income from shareholdings (+46) and positive effects at E.ON Földgaz Trade (+47)

Non-regulated (-882)

- Upstream: Price (-205) and volume (-37) effect upstream partly compensated by Yushno Ruskoje contribution (+98)
- Supply and sales: Gas margin - price effects (-463)
- Supply and sales: Gas margin - lower volumes (-192)
- Lower Gazprom dividend (-97)

E.ON Ruhrgas AG – Gas sales developments Q1-Q4 2009

Delta vs. 2008 (in TWh)

	Q1 2009	Q2 2009	H1 2009	Q3 2009	9M 2009	Q4 2009	FY 2009
Total	-36	-45	-81	6	-75	-3	-78
<i>of which</i>							
Economic crisis	-6	-9	-15	-4	-19	-3	-22
Market effects / competition / others	-18	-20	-38	12	-26	-2	-28
Volumes related to EET / exports abroad	-12	-16	-28	-2	-30	2	-28

Adjusted EBIT by business unit – UK

in € million

	2009	2008	+/- %
Regulated	407	452	-10
Non-regulated	308	555	-45
Other/Consolidation	-66	-85	-
Adjusted EBIT	649	922	-30
Adjusted EBITDA	1,080	1,396	-23

Main effects:

Regulated (-45)

- Currency translation effects (-48)

Non-regulated (-247)

- Underlying operational improvements in all businesses, including margin recovery in retail (+178)
- Lower dark/spark spreads in generation (-123)
- Lower market based transfer prices primarily for CO2 (-143)
- Transfer of further activities to EET (-122)
- Currency translation effects (-37)

Adjusted EBIT by business unit – Nordic

in € million

	2009	2008	+/- %
Regulated	226	211	+7
Non-regulated	348	594	-41
Other/Consolidation	-39	-35	-
Adjusted EBIT	535	770	-31
Adjusted EBITDA	851	1,112	-23

Main effects:

Regulated (+15)

- Power distribution (+55)
- Currency effect (-24)

Non-regulated Business (-246)

- Lower generation volumes in nuclear power (-183); thereof related to the upgrade of the Oskarshamn nuclear power station (-119) and planned revision Ringhals (-61)
- Lower generation EBIT in hydro power as a result of the asset swap as part of the Statkraft transaction (-120)
- Higher hydro volumes due to higher inflow (+17)
- Higher transfer prices (+113)
- Currency effect (-36)

Adjusted EBIT by business unit – U.S. Midwest

in € million

	2009	2008	+/- %
Regulated	394	402	-2
Non-regulated / Other	-10	-7	-
Adjusted EBIT	384	395	-3
Adjusted EBITDA	552	549	+1

Main effects:

Regulated Business (-8)

- Higher earnings resulting from environmental investments (+31)
- Currency effects (+20)
- Favourable timing of fuel and gas cost recoveries from customers (+16)
- Lower sales volumes and lower wholesale pricing (-61)

Adjusted EBIT by business unit – Energy Trading

in € million

	2009	2008	+/- %
Proprietary trading	124	179	-31
Optimization	825	466	+77
Adjusted EBIT	949	645	+47
Adjusted EBITDA	961	649	+48

Main effects:

Proprietary trading (-55)

Optimization (+359)

- Group internal transfers (e.g. CO2 from UK and CE to EET)
- Strong portfolio optimization results for gas
- Inclusion of Italian trading activities for the first time.

E.ON Group – Adj. EBIT by New Markets

in € million

	2009	2008	+/- %
Climate & Renewables	146	66	+121
Russia	73	41	+78
Italy	540	0	-
Spain	103	-17	-
Adjusted EBIT	862	90	+858
Adjusted EBITDA	1,544	510	+203

Main effects:

EC&R (+80)

- Mainly result of new capacities and increased performance especially in our European portfolio

Russia (+32)

- Mainly result of higher gross margins due to further opening of the market and lower fixed cost as a result of cost optimization

Italy (+540)

- Mainly driven by full year incorporation of E.ON Produzione assets (+164) and a successful renegotiation of power contracts (+213)
- CO₂ one off effect in H2 2008 (+153)

Spain (+120)

- First time consolidation as of H2 2008 (+58)
- PPA effect for freely allocated CO₂ that negatively impacted last years results was not repeated this year (+64)

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

in € million

	2009	2008	+/- %
Adjusted EBIT	9,646	9,878	-2
Adjusted interest expense (net)	-2,177	-1,835	-
Net book gains	4,815	1,324	-
Restructuring and cost-management expenses	-443	-524	-
Other non-operating earnings	-48	-6,260	-
Income/Loss from continuing operations before income taxes	11,793	2,583	+357

Main comments:

Adjusted interest expense

- Higher interest expenses in line with higher financial indebtedness

Net book gains

- Mainly reflects effects from the disposal of generating capacity as part of the agreement with the EU (~ € 2.4 bn)

Other non-operating earnings

- Mark-to-market valuation of derivatives +€ 1.1 bn in 2009 vs. -€ 2.2 bn in 2008
- Strongly negative result in 2008 was influenced by ~ € 3.3 bn impairments, mainly on goodwill
- EU fine of -€ 553 m

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

in € million

	2009	2008	+/- %
Income/Loss from continuing operations before income taxes	11,793	2,583	+357
Income taxes	-2,976	-834	-
Income/Loss from continuing operations	8,817	1,749	+404
Income/Loss from discontinued operations, net	-172	-128	-
Net income	8,645	1,621	+433
Attributable to shareholders of E.ON AG	8,396	1,283	+554
Minority interests	249	338	-26

Main comments:

Income tax rate

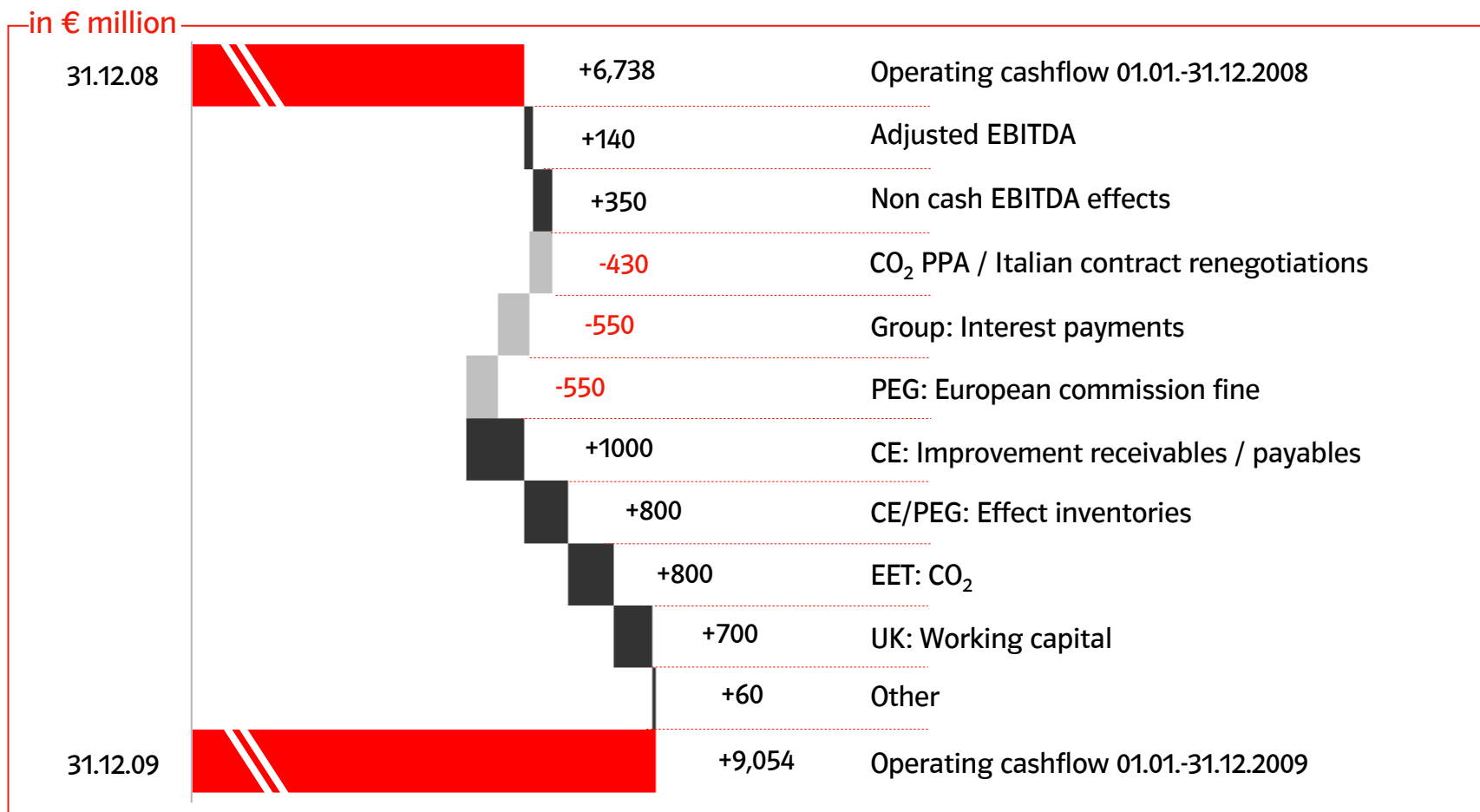
- Reported tax rate down: 2009: 25% 2008: 32%
- Main reason for decreasing tax rate: high share of non tax deductible goodwill impairments in Q4 of 2008

E.ON Group – Adjusted net income

in € million

	2009	2008	+/- %
Net income attrib. to shareholders of E.ON AG	8,396	1,283	+554
Net book losses/gains	-4,815	-1,324	-
Restructuring and cost-management expenses	443	524	-
Other non-operating earnings	48	6,260	-
Taxes and minority interests on non-operating earnings	1,104	-1,171	-
Special tax effects	-20	-103	-
Income/Loss from discount. operations, net	172	128	-
Adjusted net income	5,328	5,597	-5

Cash provided by operating activities – reconciliation



Funds from operations (FFO)

in € million

	2009	2008	+/-
Cash provided by operating activities	9,054	6,738	+2,316
- Changes in operating assets and liabilities and in income taxes	148	285	-137
<i>thereof: Marking to market of derivatives¹</i>	-1,089	2,176	-3,265
Funds from operations	8,113	9,199	-1,086

Cash provided by operating activities and Funds from operations for 2009 impacted by two special items:

- - €553m: European Commission fine
- - €476m: Payment for tax audits for the business years 1997 to 2003

1) The position "Marking to market of derivatives" is part of non-operating earnings. Due to its non-cash nature, the whole amount is adjusted in the cashflow statement in the position "Changes in operating assets and liabilities and in income taxes". However, as the adjustment for „Marking to market of derivatives“ is not part of working capital changes, it has to be added back again when calculating Funds from operations.

E.ON Group – Investments by market unit

in € million

	2009	2008	+/- %
Central Europe	3,256	3,188	+2
Pan-European Gas	1,610	1,215	+33
U.K.	897	1,162	-23
Nordic	1,104	939	+18
U.S. Midwest	545	650	-16
Energy Trading	53	8	+563
New Markets	1,881	3,305	-43
Corporate Center / Others	-146	7,939	-
Cash-effective investments	9,200	18,406	-50
Debt acquired	-	3,464	
Asset swap	2,794	4,366	
Economic investments	11,994	26,236	

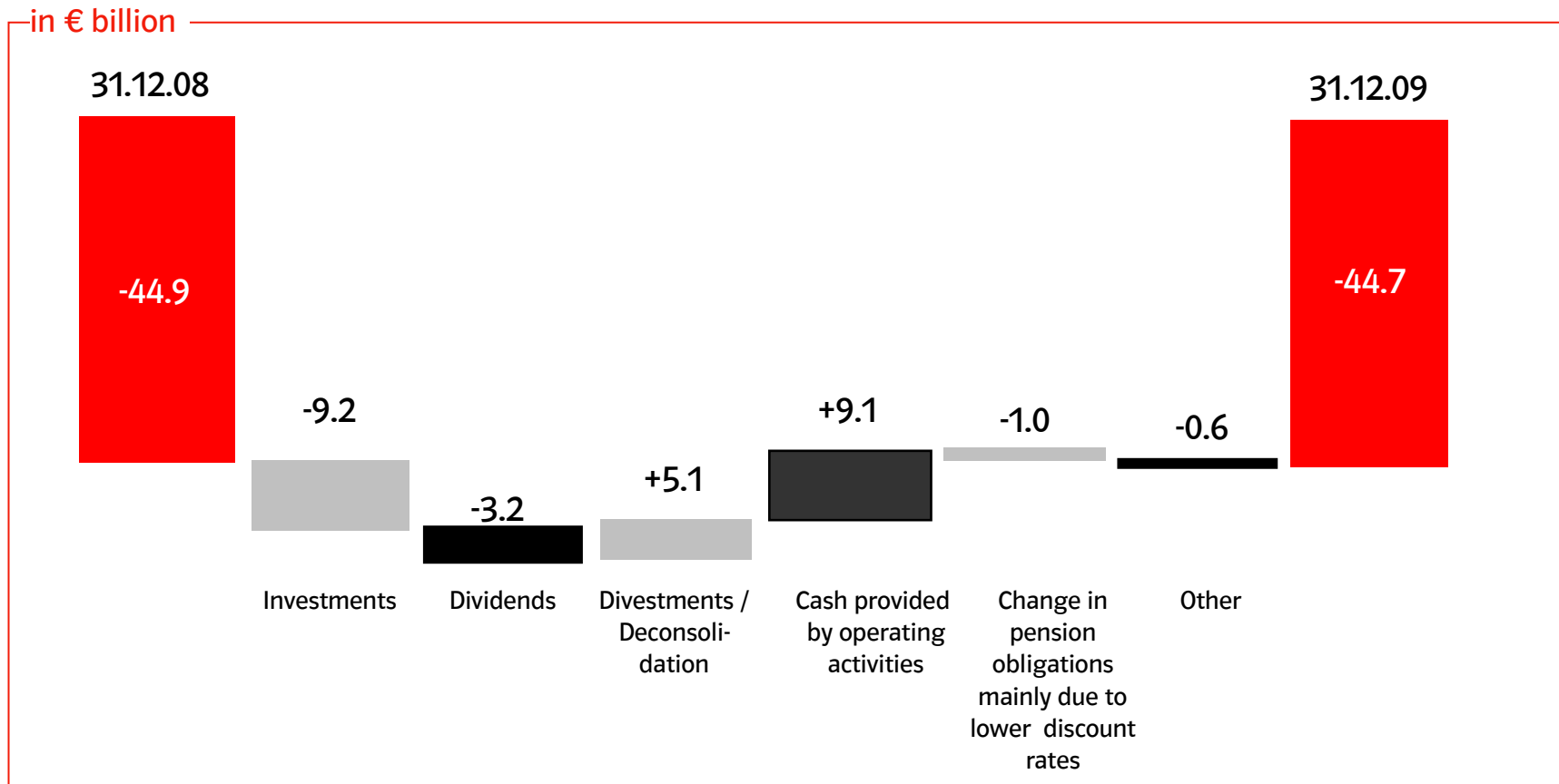
E.ON Group – Economic net debt

in € million

	Dec 31, 2009	Dec 31, 2008
Liquid funds	6,116	6,348
Non-current securities	3,670	5,017
Total liquid funds and non-current securities	9,786	11,365
Financial liabilities to banks and third parties	-35,579	-39,095
Financial liabilities to Group companies	-2,198	-1,963
Total financial liabilities	-37,777	-41,058
Net financial position	-27,991	-29,693
Fair value of currency derivatives used for financing transactions ¹	-6	1,988
Provisions for pensions	-2,884	-3,559
Asset retirement obligations	-15,050	-14,839
Less prepayments to Swedish nuclear fund	1,266	1,157
Economic net debt	-44,665	-44,946
Adjusted EBITDA	13,526	13,385
Debt Factor (Economic net debt / Adjusted EBITDA)	3.3	3.4

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

E.ON Group – Development of economic net debt



E.ON's interest rate policy

- **Key elements of E.ON's interest rate policy:**
- E.ON's business model is capital intensive and has a very long-term investment horizon
- As E.ON is not a cyclical company, funding at variable rates does not provide a hedge for business risks
- Risk capital is mainly allocated to commodity risks
- As a consequence, we strive to minimize interest rate risks by implementing a high fixed portion of our funding

Key figures (as of 31 December 2009; including use of interest derivatives):

- Average interest rate of gross debt (all currencies): 4.5%
- Share of financial liabilities with fixed interest rates: 88%
- Effective interest duration: 6.9 years

Outlook 2010

Adjusted EBIT

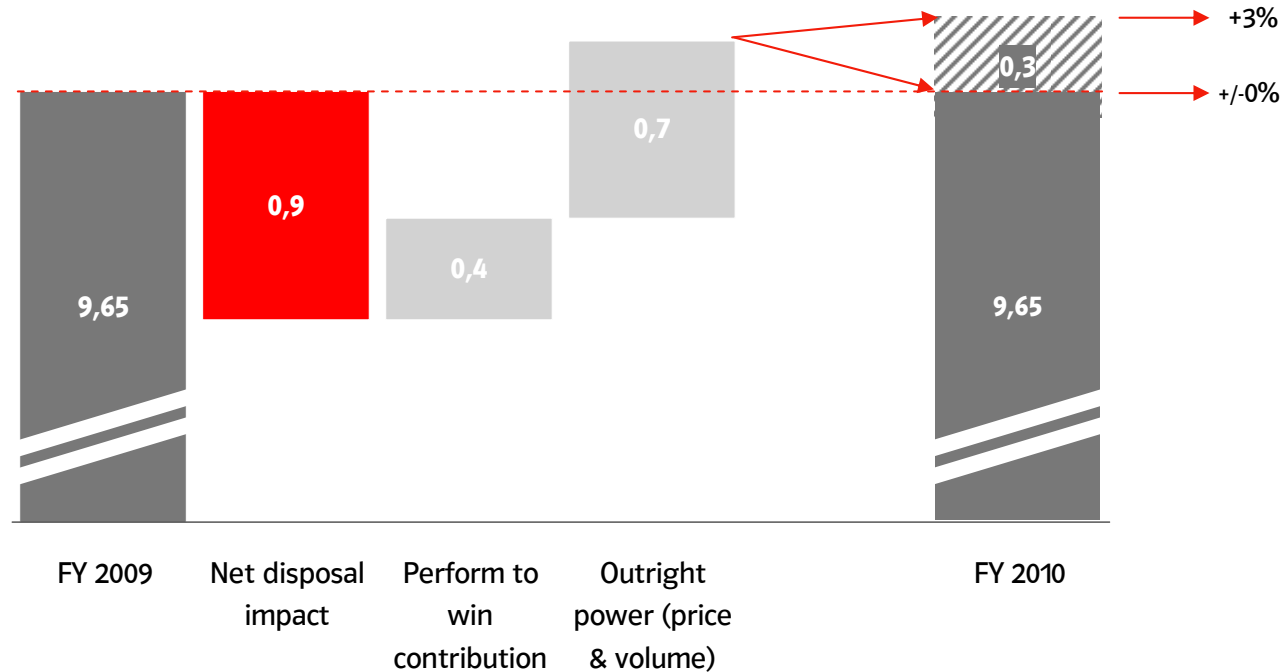
To be 0-3% above 2009 level¹

Adjusted net income

To be in line with 2009

EBIT development 2010 – Major drivers, rough reconciliation

Adj. EBIT development 2010 vs 2009, € billion



Adjusted EBIT to be 0-3% above 2009 levels ¹

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

Adj. EBIT 2010 – expected effects by segment 2010 vs. 2009

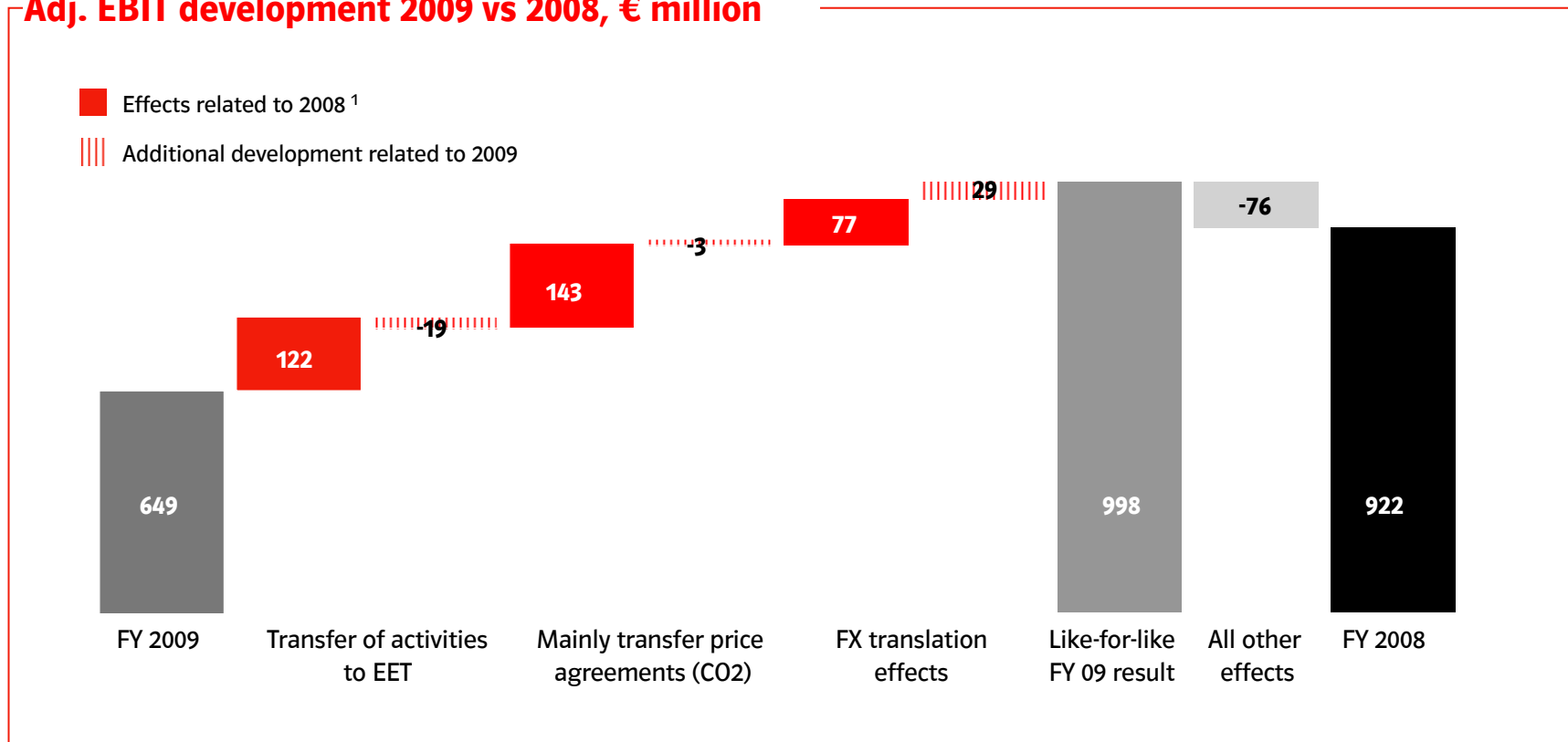
2010 vs. 2009		Expected effect	Comments
Market Unit			
Central Europe	▶	▲ ▲ ▼	New power plants Less impact from economic crisis Disposal/deconsolidation of power plant capacity and the grid business
Pan-European Gas	▼	▼ ▼ ▼ ▲	Disposal/deconsolidation of Thüga Regulation of gas transport business Supply and sales business under continued pressure Full year contribution from Yushno Ruskoje
UK	▲	▲ ▼	Efficiency measures, slightly higher grid tariffs Currency translation
Nordic	▲	▲ ▲	Improved nuclear volumes due to finalization of upgrade Higher internal transfer prices
US Midwest	▶	➤	Higher cost from additional capacity to be compensated by higher revenues
EET	▲	▲	Higher contribution from the asset optimization activity (in particular from higher locked in prices)
New Markets	▼	▼ ▼ ▲	Absence of the one off gain from the contract renegotiation in Italy Deconsolidation of power plant capacity as part of A2A carve out EC&R EBIT driven by increased capacities (target of €300m very ambitious)

e-on

Back-up Charts

MU UK performance on a like-for-like basis

Adj. EBIT development 2009 vs 2008, € million

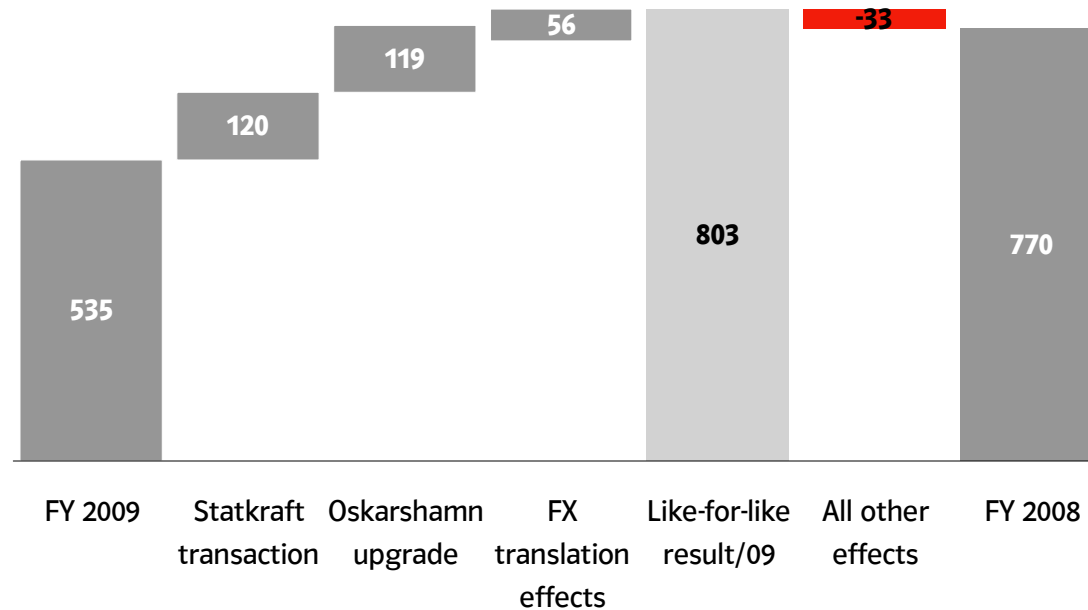


1. Same effect as shown on chart 7

Lower Adjusted EBIT in 2009 mainly driven by internal transfers and currency translation

MU Nordic performance on a like-for-like basis

Adj. EBIT development FY 09 vs FY 08, € million

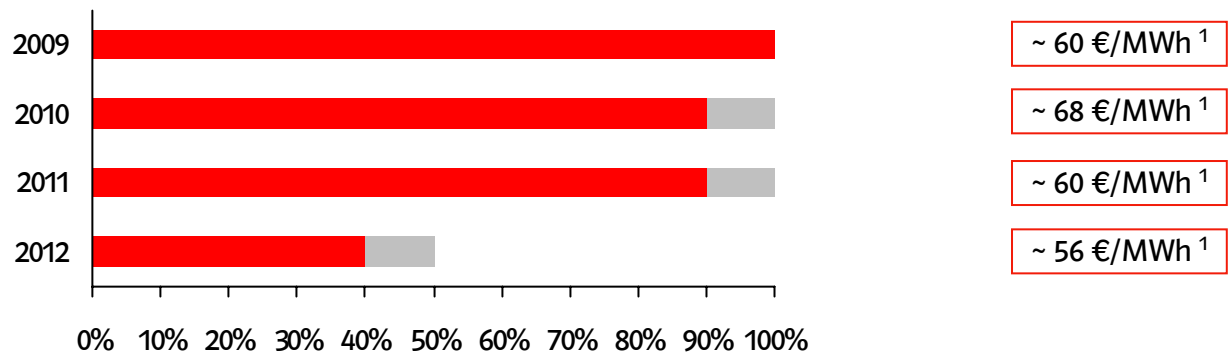


Lower Adjusted EBIT in 2009 mainly driven by hydro asset transfer (Statkraft) and outages due to nuclear power plant upgrade Oskarshamn

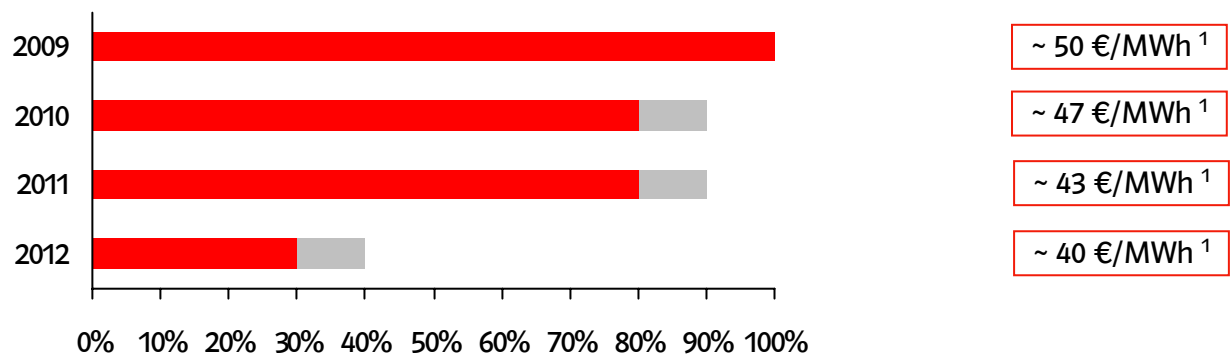
Hedging of E.ON's outright generation (ratio & price)

(as of December 31, 2009)

Central Europe



Nordic

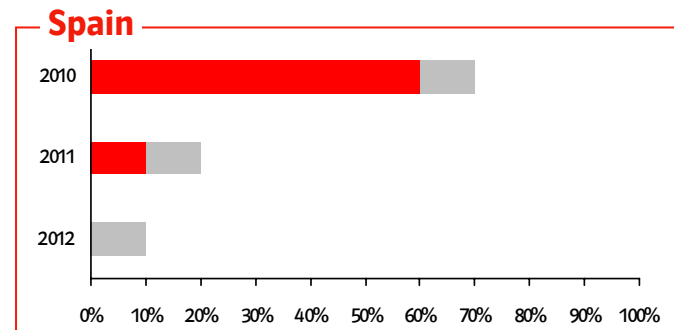
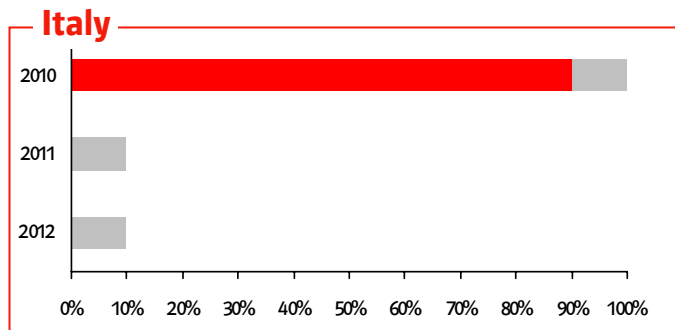
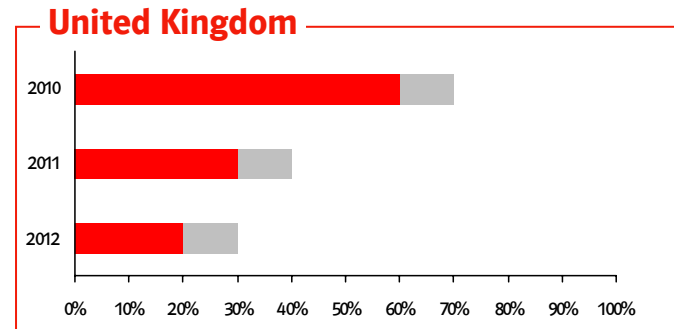
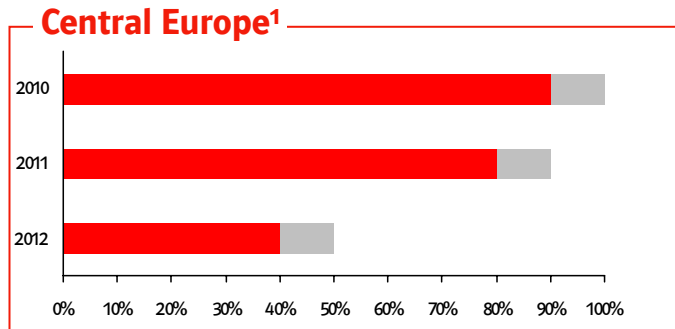


= percentage band of generation hedged

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

Hedging of E.ON's spread generation

(as of December 31, 2009)

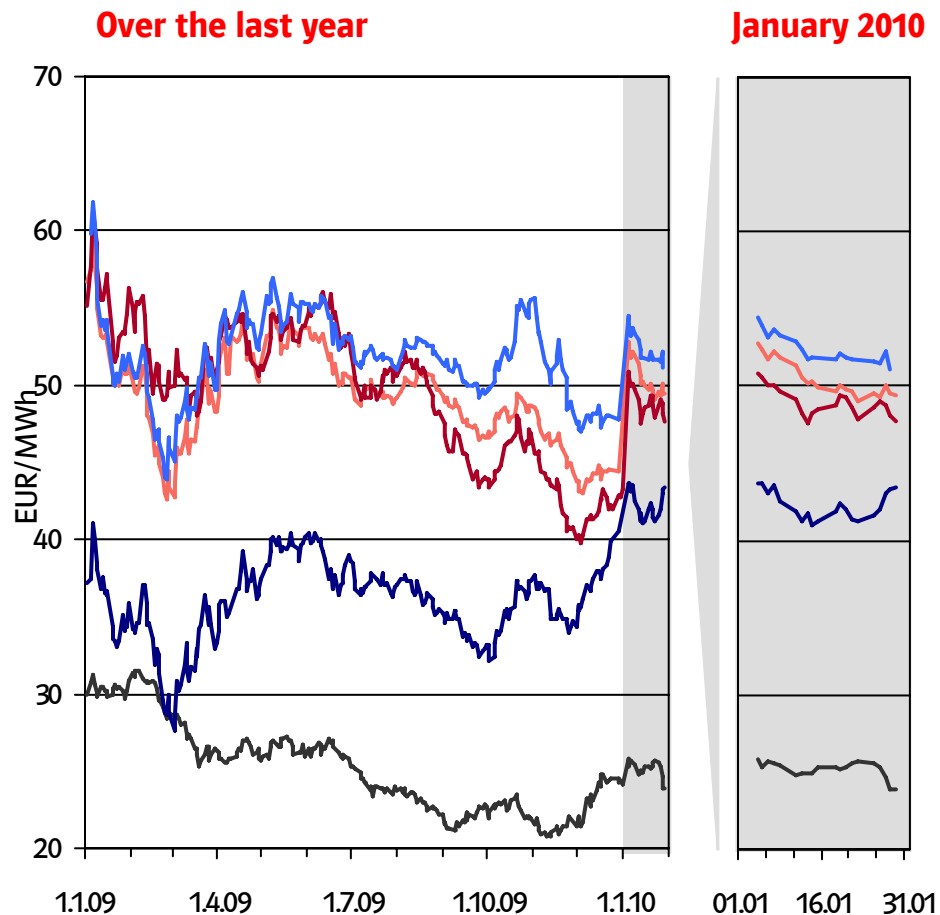


= percentage band of generation hedged

1. Excluding contracted capacities from Ruhrenergie and spread portfolio from SNET .

Development of Electricity Prices in selected markets

EEX, UK, Nord Pool, French and US Forward prices Year+1



Key driver

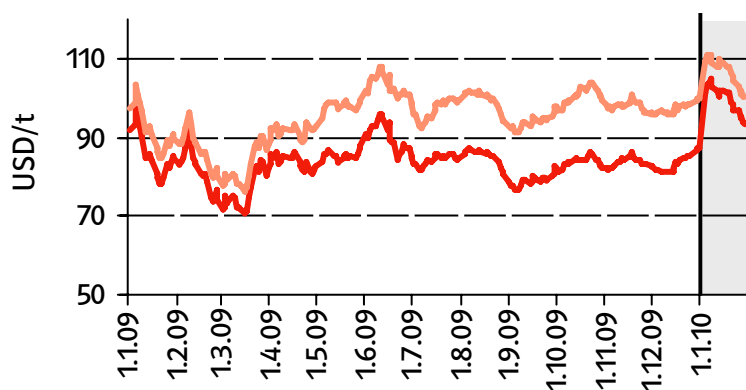
- UK forward prices appear to be driven mainly by the UK natural gas and CO₂ prices.
- Nordic forward prices appear to be driven mainly by the hydrological situation and CO₂ prices.
- Mainland European forward prices appear to be driven by natural gas and CO₂ prices.
- US forward prices appear to be driven by US gas prices.

Legend

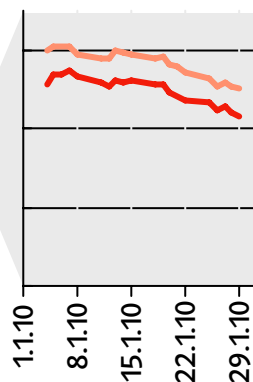
- UK Cal Year+1 (10/11) Base Load (EUR/MWh)
- French Year+1 (10/11) Base Load (EUR/MWh)
- EEX Year+1 (10/11) Base Load (EUR/MWh)
- Nord Pool Year+1 (10/11) Base Load (EUR/MWh)
- US Year+1 (10/11) Base Load (EUR/MWh)

Europe - Coal and CO₂ Prices

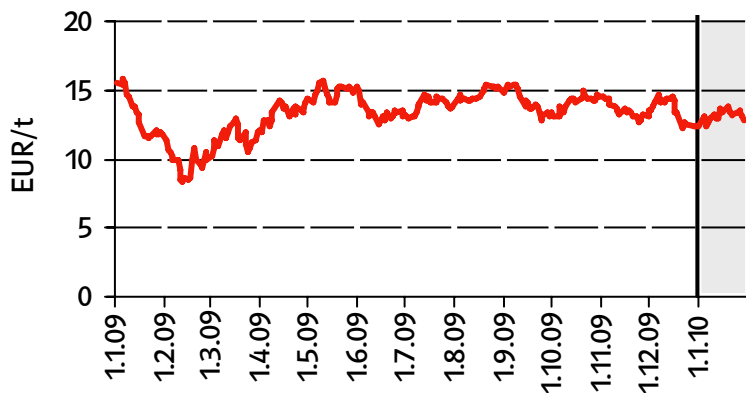
ARA (Coal) - Over the last year



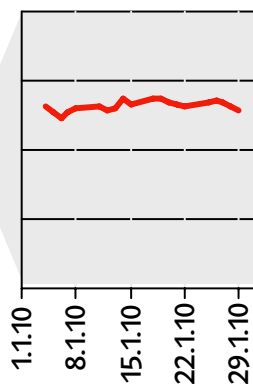
January



EUA (CO₂) - Over the last year



January



Recent Messages

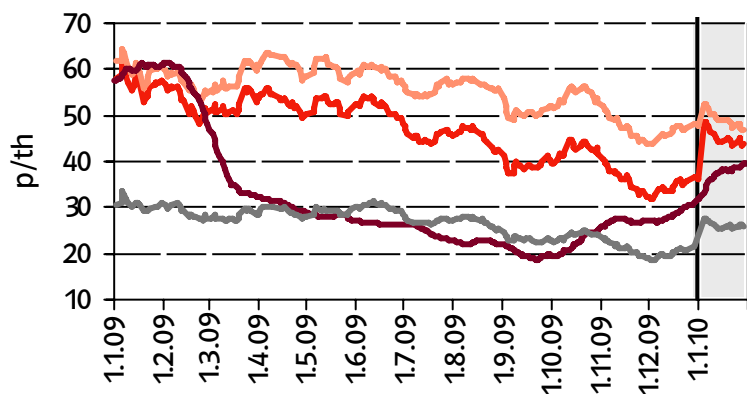
- Coal market**
 Coal prices decreased continuously over the course of the month, as Chinese import appetite is diminishing, temperatures are rising and the oil market is showing weaknesses.
- Freight rates**
 Freight rates only showed minor movements, being supported by Chinese imports and port congestion and pressed by expected new vessels.
- CO₂ allowances market**
 Carbon was traded on a rather constant level in January, which can be explained by the fact that the market is lacking a clear direction.

Legend

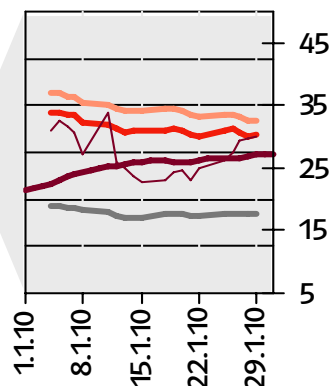
- coal forwards for year+1 (2010/2011)
- coal forwards for year+2 (2011/2012)
- CO₂ futures for year 2010 (NAP-2 phase)

Europe - Gas and Oil Prices

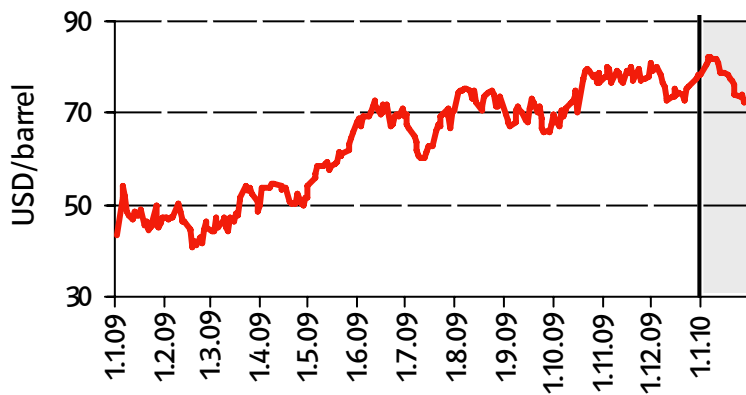
Gas - Over the last year



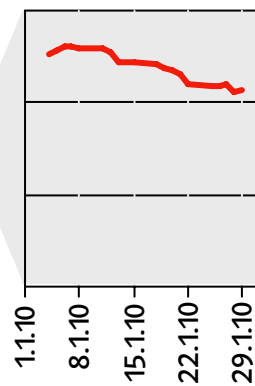
January



Brent Oil - Over the last year



January



Recent Messages

- Gas market**
 Gas spot prices were first influenced by a break from the cold spell and general oversupply, before they were again lifted by colder weather and substantially low storage levels.
- Oil market**
 Several factors account for a decreasing oil price, like weak US economic data and high inventory figures. The price dip was only partly offset by minor hopes for fast economic recovery.

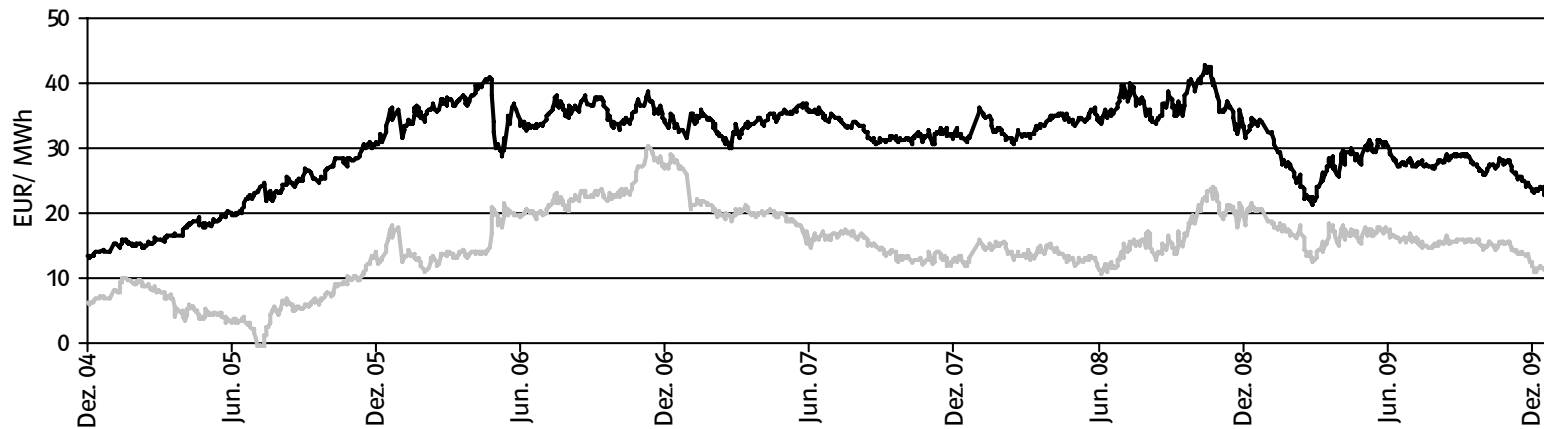
Legend

- NBP gas forward year+1 (2010/2011)
- NBP gas forward year+2 (2011/2012)
- NBP gas spot (30 days moving average)
- NBP gas spot (daily, for current month)
- TTF gas forward year+1 (2010/2011)
- Brent oil forward month+1

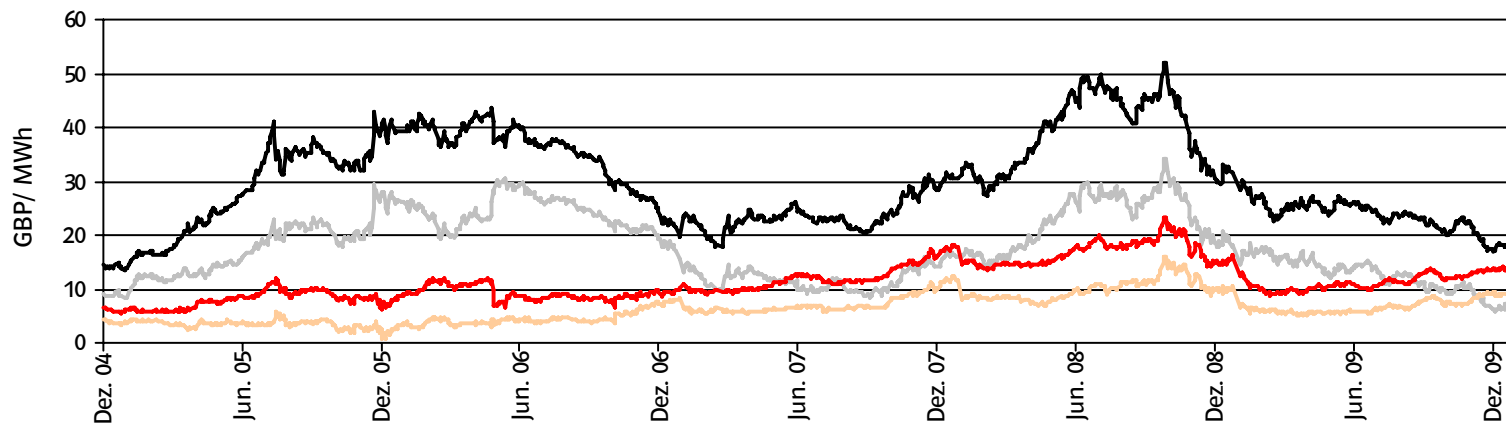
(NBP gas in p/th, TTF gas in EUR/MWh)

Germany and United Kingdom - Dark and Spark Spreads

German Dark Spreads - Last 5 years



UK Dark and Spark Spreads - Last 5 years



Legend

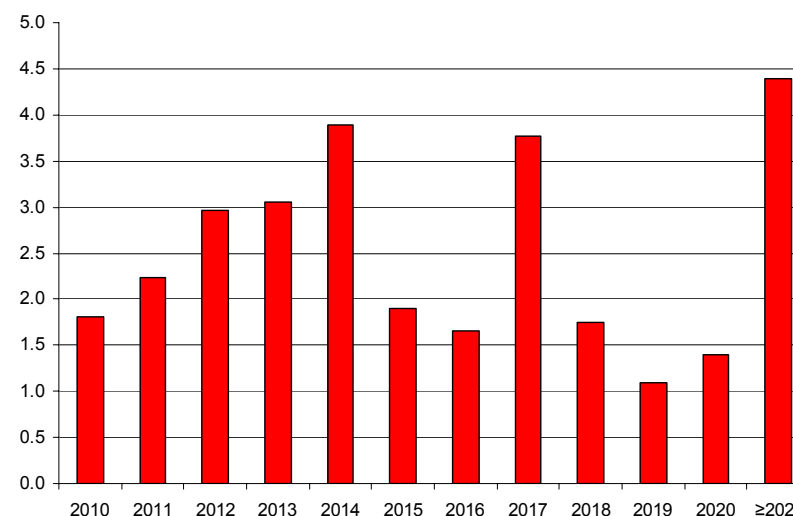
- dark spread year+1 excl. CO₂
- dark spread year+1 incl. CO₂
- spark spread year+1 excl. CO₂
- spark spread year+1 incl. CO₂

Financial liabilities of the E.ON Group

€ in billion

	31 Dec 2009	31 Dec 2008
Bonds ¹	29.0	25.3
<i>in EUR</i>	18.3	17.5
<i>in GBP</i>	4.8	3.1
<i>in USD</i>	2.9	2.7
<i>in CHF</i>	1.5	0.8
<i>in SEK</i>	0.6	0.5
<i>in JPY</i>	0.7	0.6
<i>other currencies</i>	0.2	0.1
Promissory notes	1.4	1.3
Commercial Paper ²	1.5	7.3
Other financial liabilities ³	5.9	7.2
Total	37.8	41.1

Maturity profile (as of 31 Dec 2009)⁴



1) Thereof bonds issued by Market Units: 2009: €1.1bn, 2008: €1.3bn

2) CP outstanding by E.ON AG

3) Thereof other financial liabilities of Market Units: 2009: €3.5bn, 2008: €4.4bn

4) 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 2009 interest result

	2009	2008	Delta '09 / '08
Interest from financial assets/liabilities	-1.531	-1.062	-469
Interest cost from provisions for pensions and similar provisions ¹	-228	-145	-83
Accretion of provisions for retirement obligation and other provisions	-830	-885	+55
Construction period interests ²	+338	+182	+156
Other ³	+2	+17	-15
	-2.249	-1.893	-356

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 – Additional detail on nuclear provisions

€ billion	2009			2008		
	Germany	Sweden	Total	Germany	Sweden	Total
Non-contractual obligation for nuclear waste management	8.2	0.9	9.1	8.4	0.9	9.3
Contractual obligation for nuclear waste management	3.8	0.5	4.3	3.7	0.4	4.1
	12.0	1.4	13.4	12.1	1.3	13.4
Decommissioning	8.1	0.4	8.5	8.2	0.4	8.6
Disposal of nuclear fuel rods and nuclear waste	3.9	1.0	4.9	3.9	0.9	4.8
	12.0	1.4	13.4	12.1	1.3	13.4

E.ON Group – Non-operating income

in € million

	2009
Net book gains	4,815
Book Gains - Sale 5.000 MW	2,357
OCI-release (Gazprom shares for Yushno Russkoje)	1,818
Book gain Thüga	328
Other	312
Restructuring expenses	-443
Other non-operating income	-48
Mark-to-market valuation of derivatives	1,089
Fine "Megal" (Pan European Gas)	-553
Impairment assets/securities (Central Europe)	-378
Other	-206
Non-operating income	4,324

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.