



**Telephone Conference on the Release of
E.ON AG's Interim Report for January 1 – September 30, 2009**

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Statement by:

Dr. Wulf H. Bernotat

Chairman of the E.ON AG Board of Management and CEO

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Hello everyone and welcome to today's telephone conference. We have many news items on our agenda today. However the overall core message is: E.ON is firmly on course. We keep our promises and achieve our forecasts, even in tough times.

The first evidence of this is our solid set of nine-month results. In a year characterized by a global recession, we can see clearly that our efforts to successfully steer E.ON through the current tough times are paying off. Our nine-month adjusted EBIT of €7.7 billion was just below, and our adjusted net income of €4.5 billion was right at, the high prior-year level. We intend to continue this solid performance. From today's perspective, we still expect full-year adjusted EBIT to match the high prior-year level. We're raising our forecast for adjusted net income slightly: we now expect the decline to be around 3 to 5 percent. Our previous forecast was for a decline of 5 to 10 percent.

In a global economic crisis, these kinds of results are hardly par for the course. They're only possible through the interplay of three initiatives:

1. Enhancing our company's efficiency through a program we call PerformtoWin.
2. Executing our investment strategy—which is systematically geared towards long-term growth—but doing so in a disciplined manner in view of the dramatic changes to the current economic situation.
3. Systematically optimizing our portfolio through disposals and fulfilling our commitment to the European Commission.

Regarding this last point, yesterday we announced a further milestone: the sale of Transpower Stromübertragungs GmbH, the subsidiary that owns and operates our extra high-voltage transmission system, to TenneT, a state-owned system operator in the Netherlands. We have agreed on a company value of transpower of €85 million Euro. The provisionally purchase price—including also cash on hand at transpower—has been set at €1.1 billion as of December 31, 2009. The final purchase price will be set when transpower's net financial position is calculated as of the December 31 balance-sheet date

If the German Federal Cartel Office and the European Commission approve the transaction, TenneT will assume responsibility for operating this network at the start of next year. This transaction marks the prompt fulfillment of one of the measures imposed by the European Commission last year. As you know, these measures include the sale of 5,000 MW of generation capacity in Germany. Through swift, resolute action, we've almost completely fulfilled this commitment, as well. Only a few weeks ago, we sold our stake in Mehrum power station to co-owner Stadtwerke Hannover and sold generation capacity to EdF and EnBW. We've now divested a total of 4,800

MW. This means that although we've reduced our market position in Germany, we've expanded and strengthened our power generation business in other European markets.

In addition, we recently signed a contract to sell Thüga to the Integra/KOM9 consortium; Thüga shareholdings not included in the deal will be sold separately. The purchase price for the Thüga assets being sold to the consortium is about €2.9 billion.

With these transactions, we've swiftly fulfilled and implemented almost all of our commitment. We've significantly reduced our position at all stages of the value chain in Germany. This has given important impetus to competition in the German energy market.

We announced at the start of the year that we plan to divest more than €10 billion in assets until 2010. In just a short time, we've generated about €6 billion by divesting our extra high-voltage system, generation capacity, and Thüga. Here, too, we're right on course.

Our asset sales—those we're planning and those we've already implemented—enhance our investment strength. We continue to make substantial investments in organic growth. Our focus is on three areas: power generation—which already accounts for more than half of our adjusted EBIT—infrastructure, and upstream natural gas. Investments in generation—in conventional and in renewable technologies—are investments in the future, despite the fact that we're currently experiencing a temporary, recession-driven drop in demand.

The fact is all indicators suggest that demand will increase in the years ahead and that Europe will have to add significantly more generation capacity by 2015, at the latest. That's what our investments are aimed at. But in today's difficult market situation, it doesn't make sense to prematurely add new, capital-intensive power plants that would produce electricity for which there's temporarily no demand, due to the economic crisis. That's why, for example, we've decided to delay by two or three years our decision to build new coal-fired generating units at Kingsnorth power station in the United Kingdom. In addition, the current situation creates opportunities for taking advantage of lower prices for power plants and their components in order to reduce capital expenditure.

The key factor for all our new power plant projects not yet under construction is to get the timing right. I'd like to take this opportunity to again state clearly that this doesn't mean that we're canceling these projects. Our sole concern is to find the right time window for our investments, and in this we're guided only by market realities and by demand.

We're currently building two highly efficient coal-fired generating units, one in Rotterdam and one in Datteln. As you know, in the case of Datteln we're

in the middle of a tough legal battle relating to the construction permit. But we're confident that we'll be able to complete this generating unit without significant delay. We're gaining lots of support, mainly from political leaders in North Rhine-Westphalia, but also from a majority of the people who live in the region. We believe all the facts support this project. The new generating unit will replace older, less efficient units. It will produce power that's urgently needed. And it will be significantly greener, displacing the emission of up to 1 million metric tons of carbon dioxide each year. Finally, anything short of moving forward with the construction of the new Datteln unit would have a devastating impact on future investments in North Rhine-Westphalia and throughout Germany. That's an outcome no one can want to bring about.

With that, I'd like to say a few words about the new German government's coalition agreement. We welcome the coalition's support for market-based mechanisms and competition in the energy industry and for a non-ideological energy policy guided by three overarching objectives: supply security, climate friendliness, and affordability. Germany urgently needs—but has for decades lacked—a coherent energy strategy. So it's definitely a sign of progress that designing such a strategy is now on the coalition's agenda. We also welcome the coalition's explicitly stated support for a balanced energy mix encompassing not only significantly more renewables but also nuclear and coal, which will remain indispensable for decades to come. Here, I'd like to add that the German Energy Agency (dena) recently warned—and not for the first time—that Germany's demand for electricity will outpace supply beginning in 2015.

Obviously, many sections of the coalition agreement lack specific energy-policy proposals or decisions. One example is extending the operating lives of nuclear power stations. It's also obvious that the sooner these decisions are made, the better, particularly in terms of creating a stable environment for investments. But I'm confident that the coalition's leadership is aware of this and for this reason alone it doesn't make sense to put added pressure on them. The issue is sensitive enough as it is. In any case, we're ready to take part in constructive talks and to find reasonable solutions as part of our social responsibility to ensure a secure supply of energy.

The coalition agreement also calls for improvements in the subsidy programs for renewables. We agree that action needs to be taken in this area, particularly with a view towards establishing a uniform EU-wide subsidy regime. But independent of this, we continue to rapidly expand our renewables capacity. One quarter of our investments in generation already goes towards renewables, mainly wind farms. An E.ON Climate & Renewables wind farm in Texas recently became fully operational; at nearly 800 MW, it's the world's largest onshore wind farm. With large sites in Denmark and the United Kingdom, we're well on our way to becoming Northwestern Europe's market leader in offshore wind. And in August, Alpha Ventus, Germany's first offshore wind farm, began delivering

electricity to the mainland. The facility, in which we own a stake, will be completed next spring. It demonstrates that E.ON lives up to its commitment to invest in climate-friendly technologies, even when the conditions are particularly difficult.

Another important focus of our investment strategy is upstream natural gas. Although the earnings situation in the European gas business is difficult right now, this shouldn't blind us to the fact that natural gas will remain an indispensable, sought-after fuel. According to the latest forecasts, global gas consumption is expected to increase significantly through 2030, rising by 50 percent to between 4,300 to 4,800 billion cubic meters (bcm). I believe it's therefore only a matter of time before the huge energy-security significance of long-term contracts again becomes apparent. Furthermore, it makes sense for us to supplement our procurement portfolio—which is already very well diversified—with gas from our own production assets. This includes LNG, a highly competitive and dynamic business in which we're working on promising projects. But it also and primarily includes our own upstream business in which we've achieved some important milestones. One is the installation of Babbage drilling platform in the British North Sea, the first to be operated by E.ON Ruhrgas. And just a few days ago, we finally closed the deal to acquire a stake in Yuzhno Russkoye in Russia, one of the world's largest gas fields. Yuzhno Russkoye's peak production is 6 billion cubic meters per year. The deal brings us closer to our objective of sourcing at least 10 billion cubic meters of natural gas annually from our own production assets.

Together with the streamlining of our portfolio and our successful efficiency enhancements, these investments will help create a solid platform from which E.ON can start off strong when the current economic crises ends. In this context, we're pleased that PerformtoWin, our efficiency-enhancement program, is also progressing well. Our objective with the program is to deliver lasting improvements totaling €1.5 billion by 2011. We intend to achieve this mainly through structural improvements. In August, we reached an agreement with employee representatives on key points and a basic framework for implementing PerformtoWin in a socially responsible manner. We're now negotiating with the Group Works Council in Germany on a package of job-related measures. The talks, which reflect our commitment to social partnership, have been very constructive, and I'm confident that we'll soon have good results. The package will focus on job-security measures involving alternative job offers.

The triad of efficiency enhancement, portfolio streamlining, and investments in organic growth will enable us—during the economic crisis—to build up the strength to meet future challenges. With that, I'd like to thank you for listening and will now hand things over to Marcus Schenck for a detailed look at our nine-month results.

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