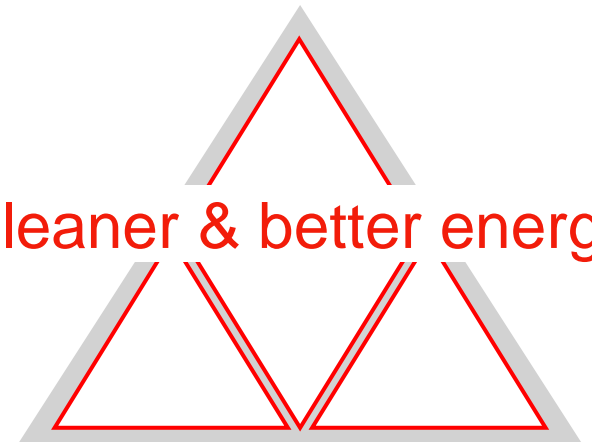


E.ON Debt Investor Update

London, 7 July 2014

Cleaner & better energy



e-on

Reshaping E.ON

Current focus areas

- 1 Strengthen performance culture
- 2 Push for adequate business environment
- 3 Improve capital management
- 4 Invest prudently into priority areas

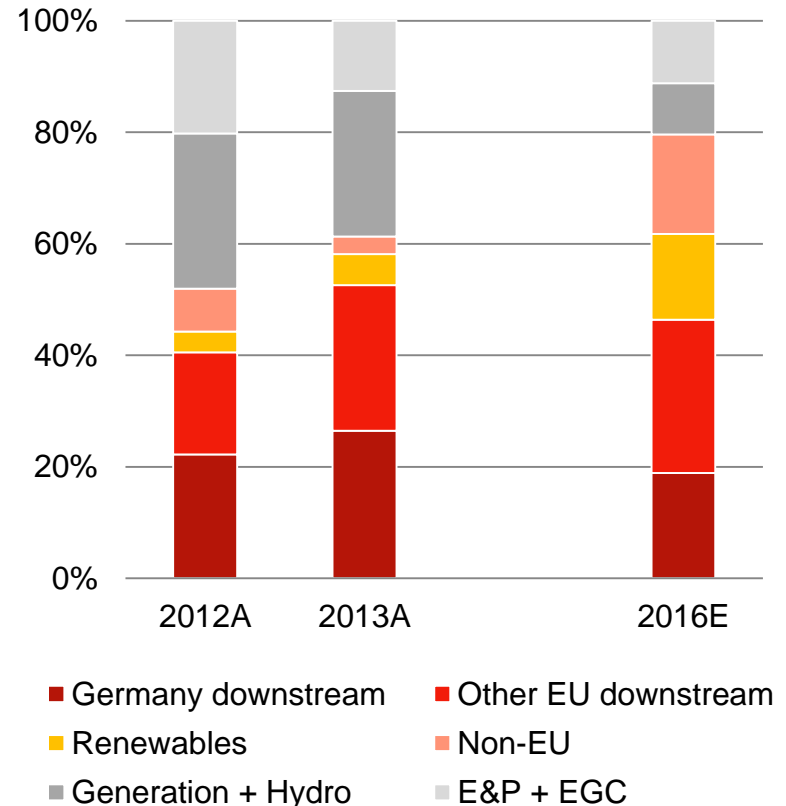
➔ Advancing the transformation of the portfolio

- Better earnings mix
- Well positioned to benefit from energy system transformation

➔ Becoming free cash flow positive by 2015

- Prerequisite to reduce leverage organically

Share of NOPAT¹



1 Strengthen performance culture

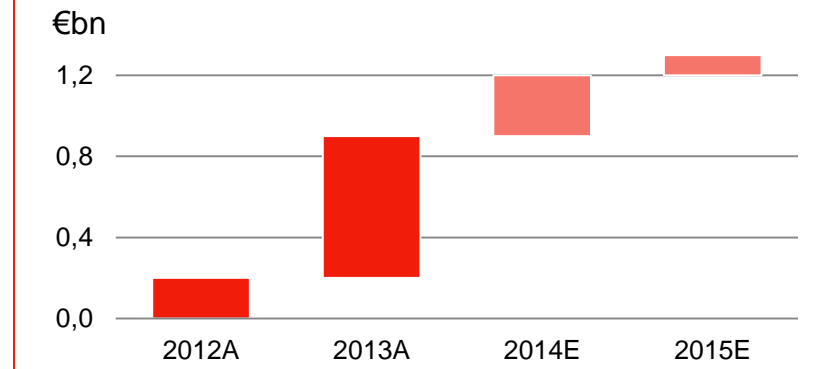
E.ON 2.0

- Almost all cost savings measures now decided
- Implementation largely completed by end 2014
- €0.9bn of net cost savings achieved so far out of €1.3bn, thereof €0.7bn in 2013
- ~7,700 FTE reduction by end 2013 out of ~11,000 by end 2015

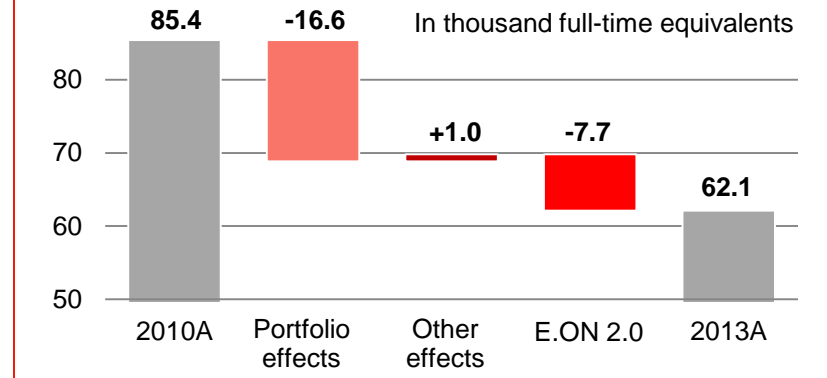
Beyond E.ON 2.0

- Cost savings integral part of target setting process
- Cost reductions in established businesses to clearly beat inflation
- Part of cost savings will be 'reinvested' in operational excellence and in growing activities

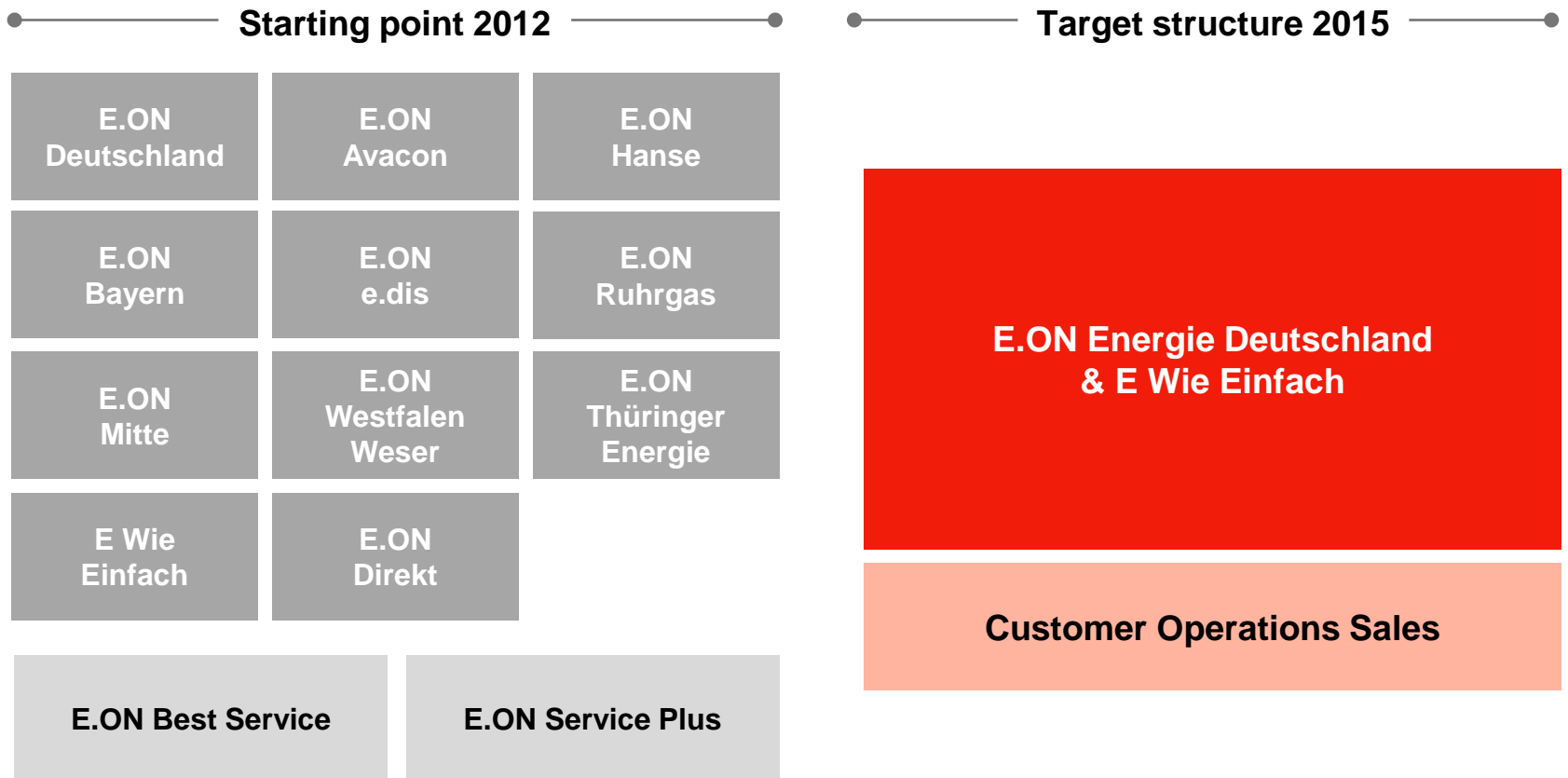
E.ON 2.0 net cost savings



E.ON 2.0 HR impact



1 Example: Simplify our German sales organization



➔ Cost efficiency meets customer focus

2 Push for adequate business environment

Outpace competition

Principles

- Put the customer first
- Identify and monetize emerging trends
- Develop portfolio of compelling and innovative products and services
- Reach and strengthen top quartile

Examples

- From 6 weeks to 6 days to get last customer re-connected after severe storms in Sweden
- uSwitch elects E.ON as Britain's favorite energy supplier for the second year running
- 'Saving Energy Toolkit' in partnership with Opower rolled out to 5m customers

Engage to improve business frameworks

Principles

- Contribute positively to dialogue with public, politicians and regulators
- Proactively protect our rights and assets
- Close or exit unsustainable positions

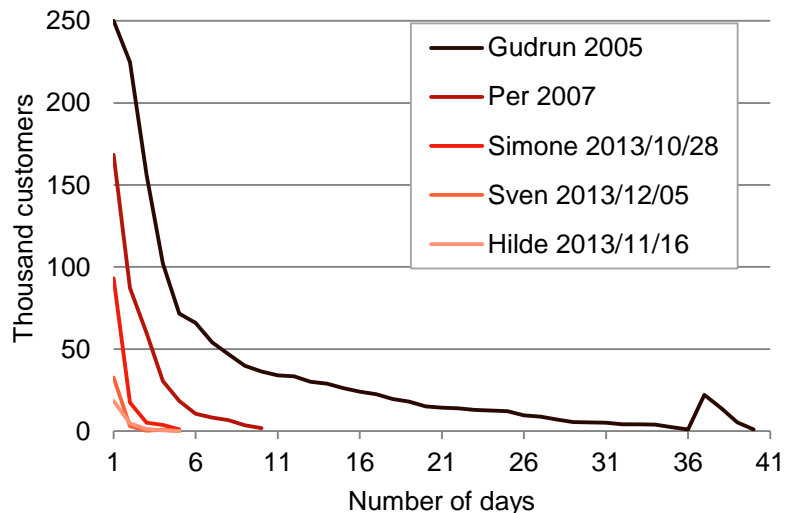
Examples

- New 2030 emission targets for EU and reform of emission trading
- Upcoming energy reforms in Germany
- Closure of 13 GW of conventional capacity, more than a quarter of our portfolio

2 Examples: putting the customer first

Weather-securing Swedish networks

Customers without power after strong storms



- Networks strengthened to better withstand strong storms
- Customer-oriented crisis management

Compelling products and services

Teaming up with customers for on-site generation solutions

- Expansion of German CHP business with addition of ~60 new units in the mini-midi segment alone in 2013
- Commissioning of industrial CHP plant Greifswald (37MW)

Gaining momentum with enhanced service offering

- Acquisition of Matrix: leading player in integrated energy management
- Partnership with GreenWave Reality for smart home solutions

3 Improve capital management

Proactive portfolio management

Looking back ...

- €6.2bn of disposal proceeds in 2013
- Beyond de-leveraging, transactions allowed to:
 - Focus on core business
 - Re-set German downstream operations
 - Exit weak market positions

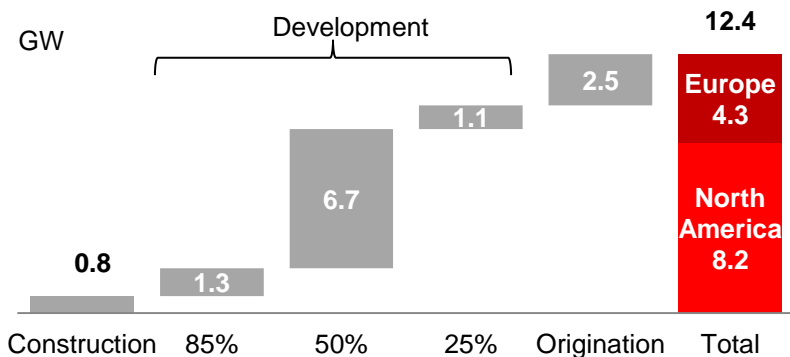
Going forward ...

- Continuous review of portfolio
- Effort underway across the group to reduce working capital requirements

Capital rotation concept validated

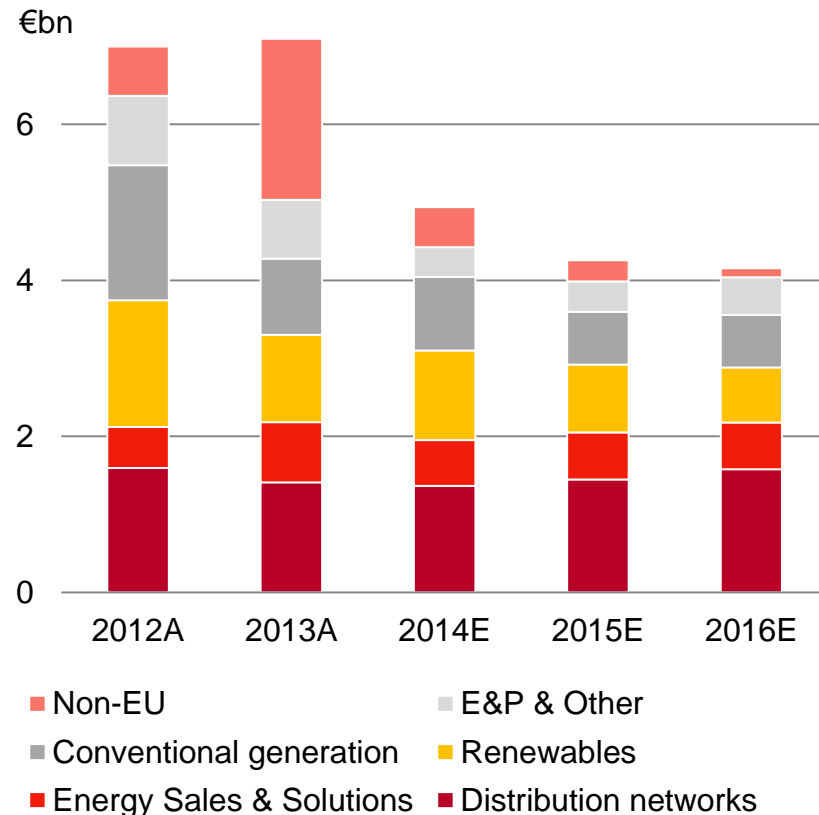
- Proceeds of more than €0.7bn from 2 major renewables transactions in 2013 and 2014
 - Long-term service contracts secured
 - Ambition level increased from €0.3bn to ~€0.4bn yearly on average
- ➔ **Crystalizing value rather than piling up MWs**

Renewables pipeline



4 Invest prudently into priority areas

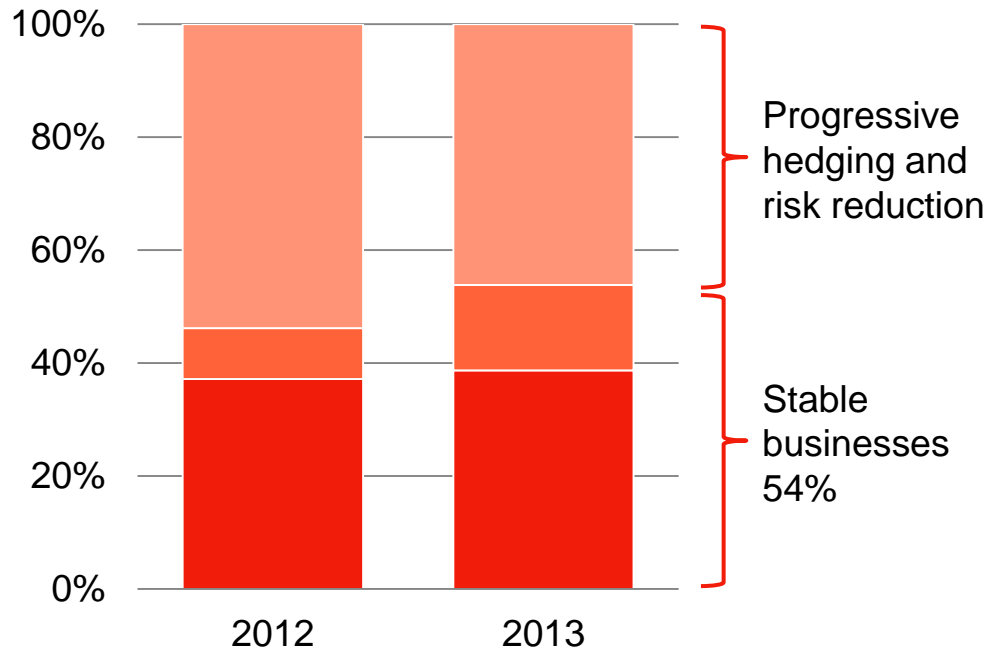
Capex 2012-2016¹



- Reduction to ~€5bn in 2014, and then further to ~€4bn in 2016
 - Focus on transformation, around two thirds of capex allocated to priority businesses:
 - Distribution networks
 - Energy Sales & Solutions
 - Renewables
 - Non-EU: completion Berezovskaya in Russia, minor capital injections in Brazil and Turkey
- ➔ **Net of capital rotation, capex close to depreciation in 2014-2016**

More than half of EBITDA from stable businesses

EBITDA¹ split



■ Regulated ■ Quasi-regulated/LT contracted² ■ Merchant³

- The share of stable businesses within E.ON's portfolio mix rose sharply in 2013 to 54% (2012: 46%)
- In addition, the risk-profile of our merchant activities benefits from early hedging and generally declining commodity price risks

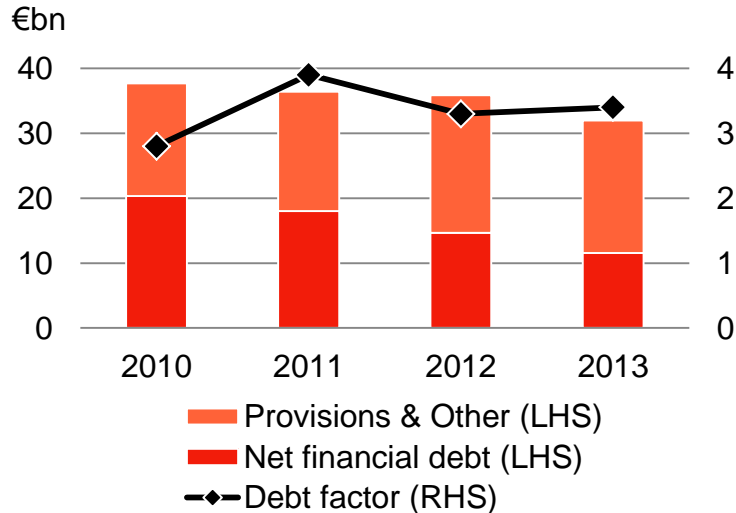
1. Adjusted for extraordinary effects

2. Regulated: revenues set by law and based on costs plus a reasonable return on capital employed. Example: Regulated network activities

3. Quasi-regulated and long-term contracted: revenues with high degree of predictability, price and/or volume largely set by law or individual contractual arrangements for the medium- to long-term. Examples: renewables with support mechanisms, generation capacity sold under long-term PPAs

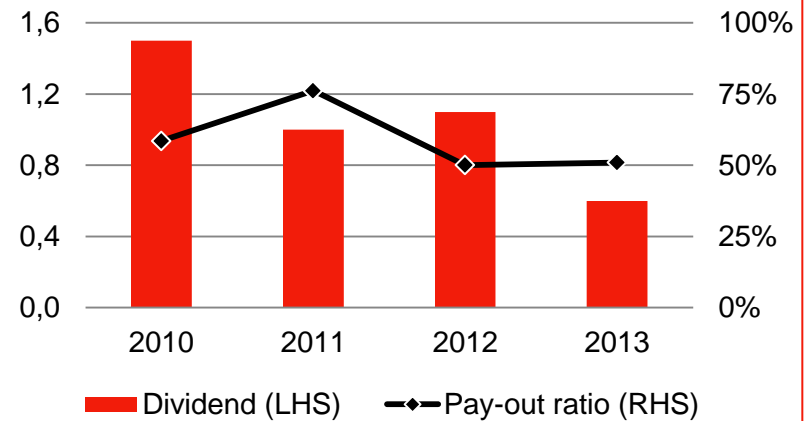
Financial strategy

Capital structure



- Debt Factor key ratio for steering its capital structure; Mid-term Debt Factor target of <math><3.0x</math> unchanged
- Strict capital management remains a key priority as Debt Factor exceeds thresholds
- E.ON to become free cash flow positive remains a strategic requirement
- Significant progress in financial net debt reduction achieved

Dividend policy



- Payout-policy going forward confirmed (dividends based on a payout ratio of 50-60%)
- 2013 dividend proposal: 0.60 €/share
- Implies 51% payout ratio
- Option for shareholders to exchange the cash dividend into E.ON shares offered first time for FY2013
- Results exceeded expectations with 37% participation rate (yielding in cash savings of more than €300m)

EUR Bond Tender Offer Successfully Completed

Transaction rationale

- Reduction of gross debt and future interest payments in line with deleveraging process
- Pro-active liquidity management post collection of significant disposal proceeds
- Third significant liability management exercise following transactions in 2009 and 2011

Key transaction highlights

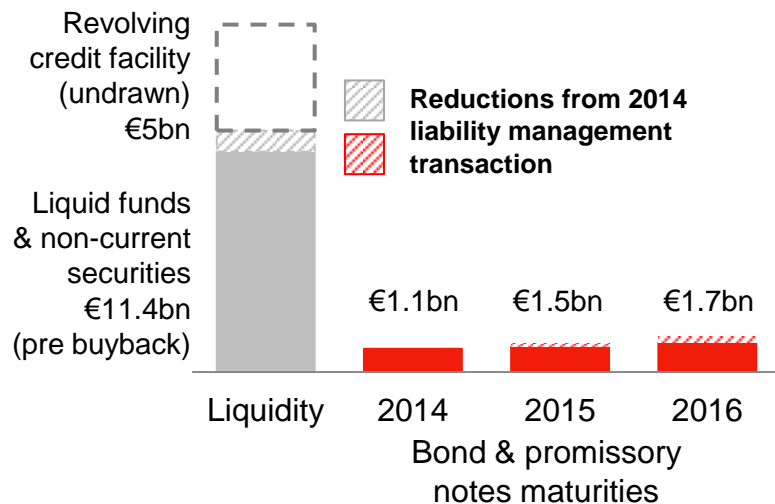
- Fixed spread cash tender for 3 Eurobonds
- Outstanding nominal of €5.125bn originally maturing in 2015, 2016, and 2017
- Accepted €1bn nominal, in line with announced target
- Highest tender volume accepted for the 2017 note in order to flatten maturity profile

Outcome in detail

Bond	Accepted tender volume	Accepted %age of nominal
EUR 1,250m 5.25% 09/2015	EUR 132.4m	~ 11%
EUR 1,500m 5.50% 01/2016	EUR 261.8m	~ 17%
EUR 2,375m 5.50% 10/2017	EUR 605.8m	~ 26%

Strong liquidity and well-balanced maturity profile

Liquidity and financial flexibility



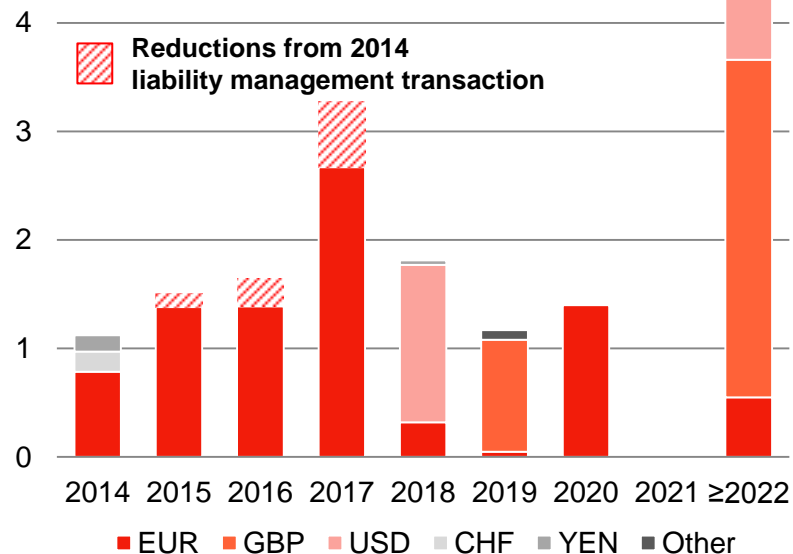
Flexible funding options

Debt issuance program €35bn	EUR CP program €10bn	USD CP program \$10bn	Revolving credit facility €5bn
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- No bond issuance since mid 2009
- No bond funding envisaged for 2014

Maturity Profile

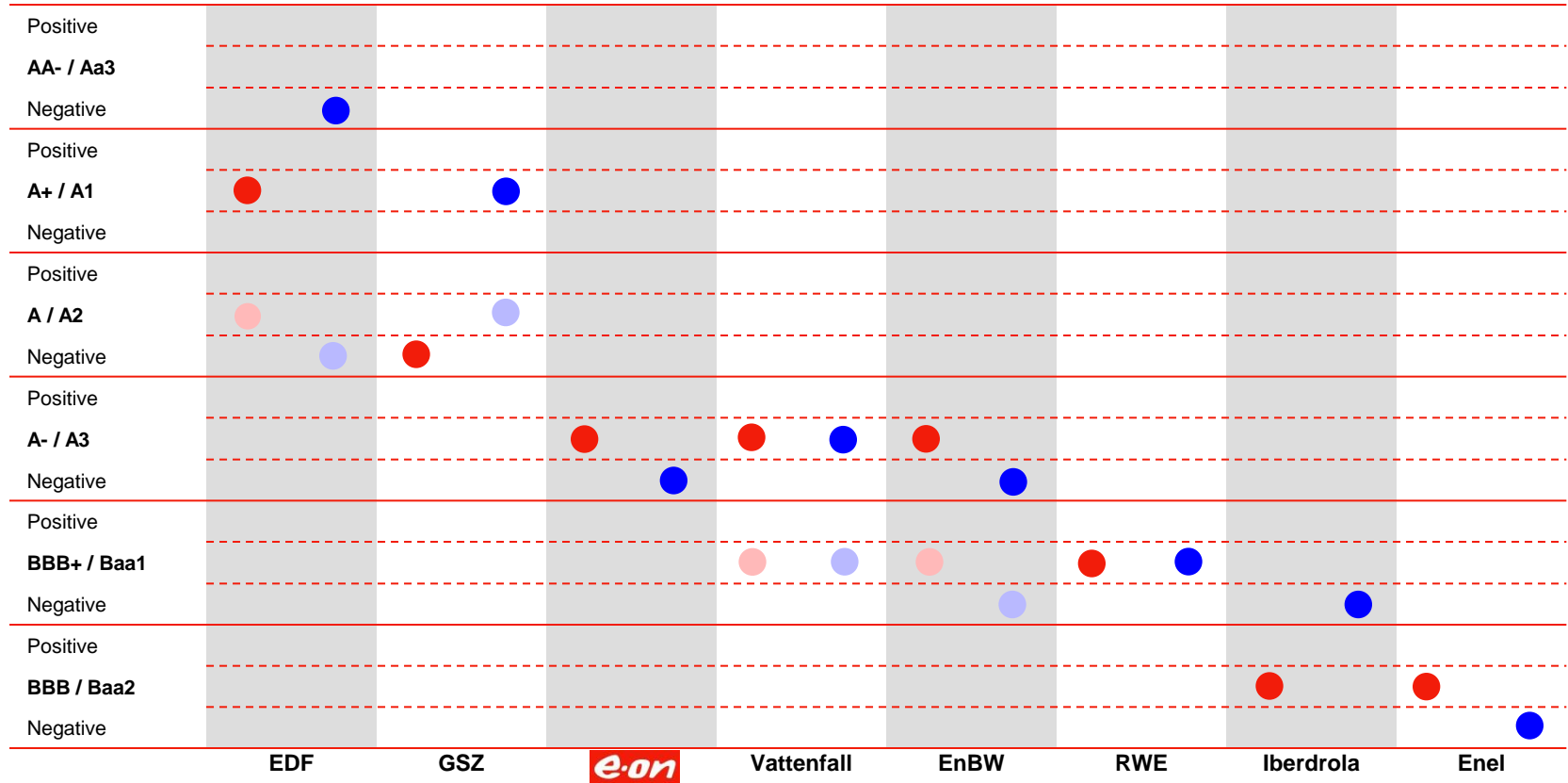
€bn, as of 31 Mar 2014¹



- Upcoming debt maturities easily manageable
- Long-term and well-balanced debt maturity profile
- Effective duration of bonds issued: 7.6 years

E.ON rating well positioned

Ratings (S&P/Moody's) and outlooks¹



STANDARD & POOR'S

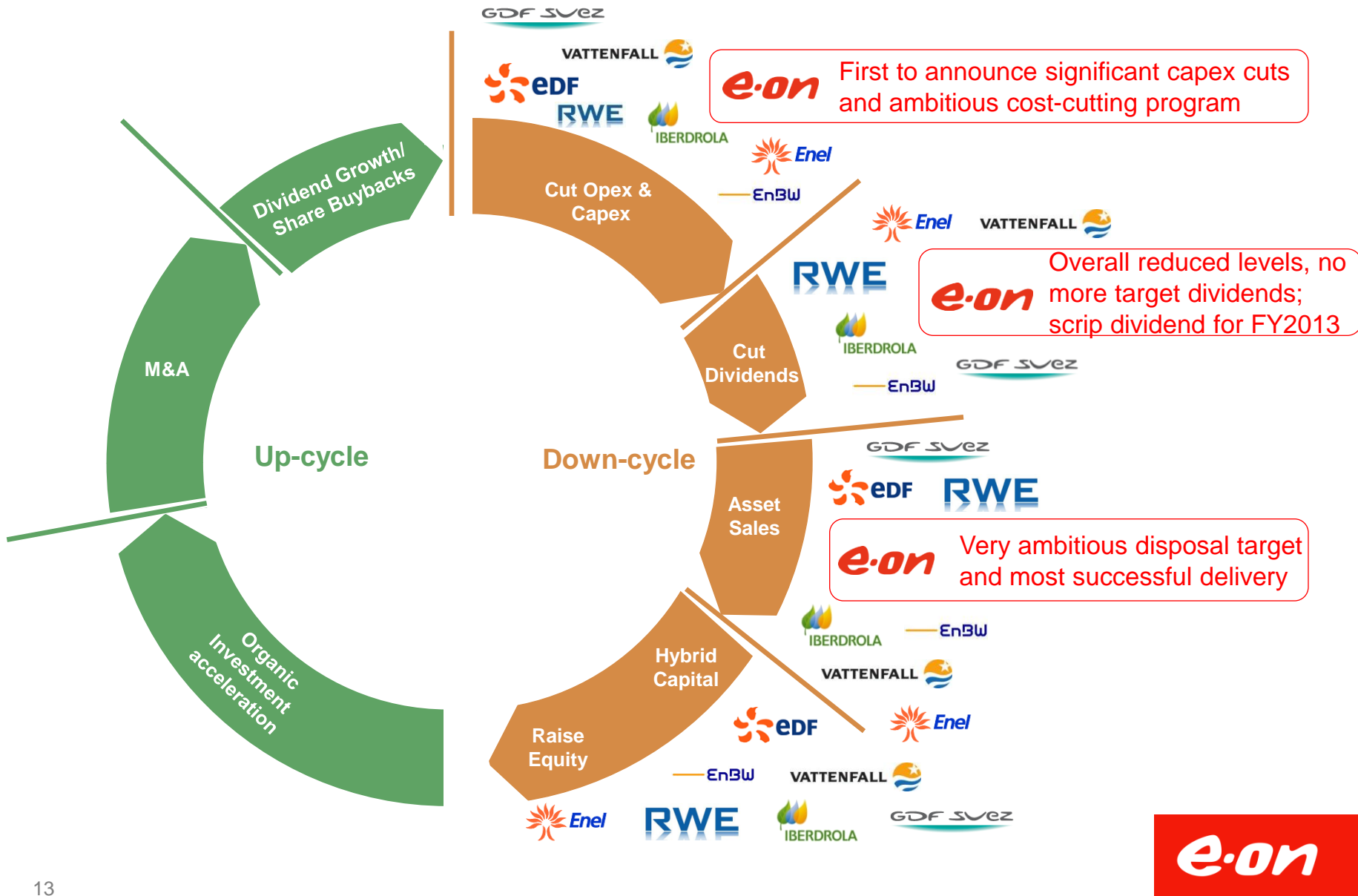
- Current group rating S&P
- Standalone rating S&P (rating excluding any influence from full or partial state ownership; if applicable and different from group rating)

MOODY'S

- Current group rating Moody's
- Standalone rating Moody's (rating excluding any influence from full or partial state ownership; if applicable and different from group rating)



Various counter-measures used within the industry while a number of options still available



Our businesses

Distribution Networks

Energy Sales

Energy Solutions

Renewables

Conventional Generation

Exploration & Production

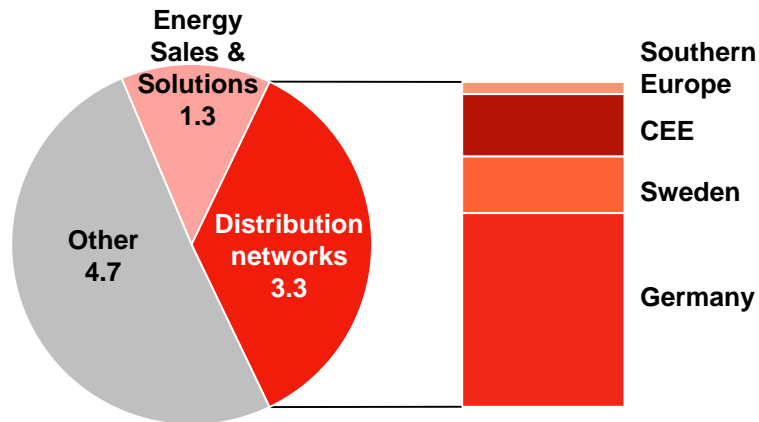
Global Commodities

Non-EU Countries

Distribution networks: one of E.ON's key pillars

E.ON's distribution networks

2013 EBITDA in €bn



- 17m network customers in Europe
- ~800,000 km of power distribution networks in 7 countries and ~100,000 km of gas distribution networks in 5 countries
- Additional growth platform in Turkey with ~200,000 km power distribution networks

Business environment improving

- Improving regulatory environment in most countries
- Increasing investment needs
- Increasing deployment of smart technologies

Leveraging strong positions

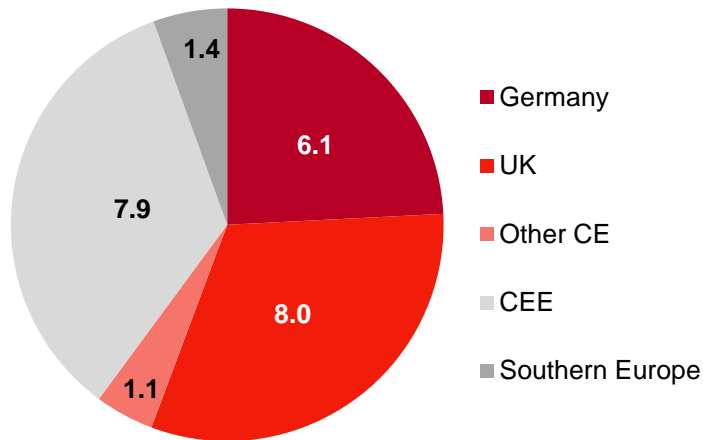
- Deliver top performance as basis for good relations with customers and regulators
- Strive to be #1 in the constant competition with any DSO in our markets
- Seize growth opportunities as networks are enablers of 'Energiewende'
- 50% of expected investments to grow the networks

Energy sales: customer focus meets cost efficiency

E.ON's energy sales business

- 25 million customers in Europe

2013 Customers per region (in millions)

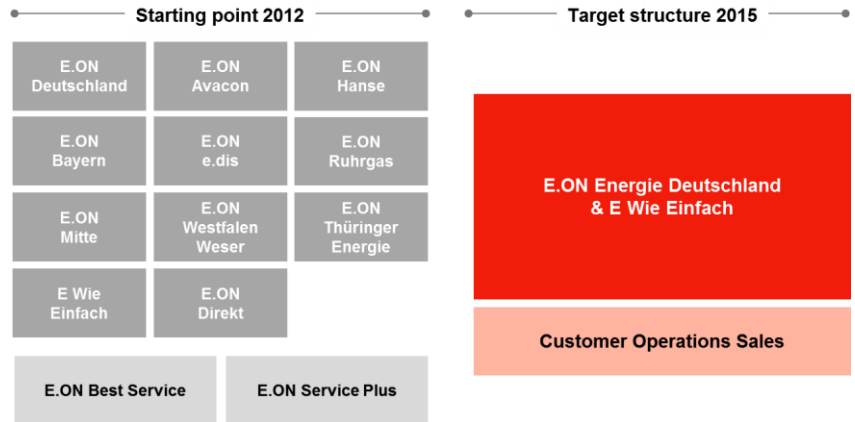


- Additional 9 million customers in Turkey via JV Enerjisa

Customer focus: example UK

- Above market average net promoter score (NPS)
- Topping uSwitch Energy Awards in customer satisfaction for second year in a row

Cost efficiency: example Germany



➔ Strong platform to leverage energy solutions

Energy solutions: sharpening up

E.ON Connecting Energies

- Fully-integrated provider of **end-to-end managed energy services**
- Serving **commercial & industrial customers** and **public-sector institutions**
- **Technology-agnostic** and **vendor-independent**
- Offering **IT-based and data-analytics led optimization** solutions
- **International** footprint and delivery capabilities
- Leveraging E.ON's **25 years of experience** in distributed energy

End-to-end provider of energy as managed service



Energy efficiency

Identify energy cost and carbon savings across commercial & industrial estates and processes



On-site generation

Generate power, heat & cooling and steam at customer sites and in off-grid environments



Flexibility & VPP

Aggregate distributed generation capacities and positive/negative loads for monetization in the markets

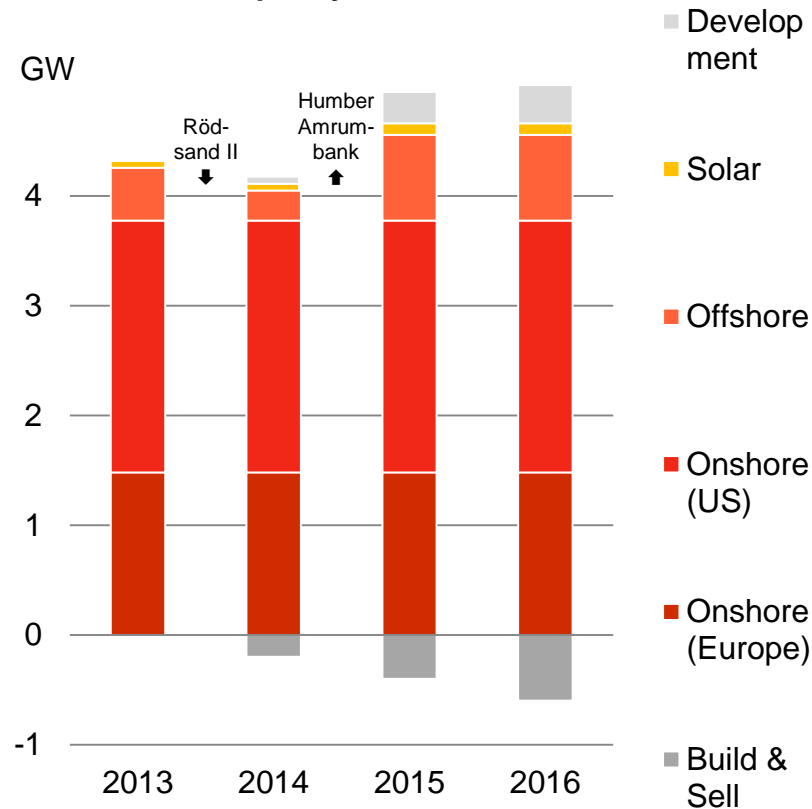
Data Intelligence for Energy Systems

Create, own & manage IT platforms - integrated data analytics

We design, build, own, operate and optimize energy-related assets and systems at our customers' sites¹

Renewables: leveraging pipeline faster

2013A-2016E capacity



- London Array (0.6 GW) commissioned in 2013
- Amrum Bank West (0.3 GW) and Humber Gateway (0.2 GW) to be commissioned in second half of 2015
- Additional 400 MW of projects currently under development assumed to be added by 2016
 - 201 MW onshore wind project Grandview in Texas
 - Further potential in solar PV
- “Develop & Sell” and capital rotation to help monetize project pipeline faster and develop services

➔ **Crystalizing value rather than piling up MWs**

Conventional generation: ensuring security of supply

Conventional generation to keep key role

- Ensuring security of supply, even in renewables-dominated system
- Market design needs to adjust accordingly: from energy-only to capacity markets

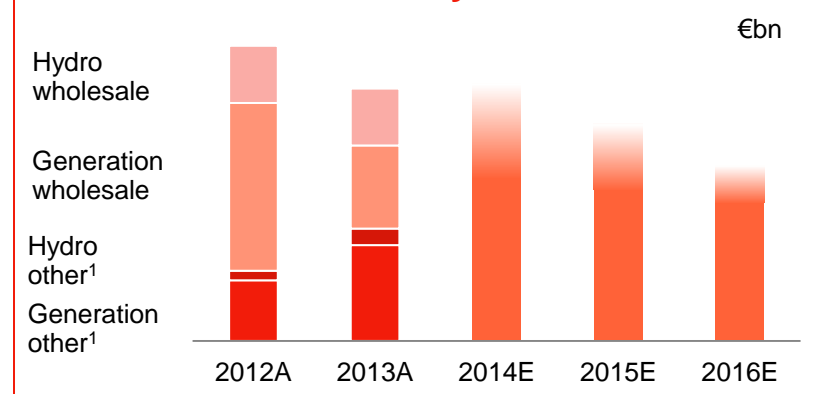
Restructuring to bring business back to sustainable footing

- Further reduction of controllable costs
- Retirement of ~13 GW by 2015
- No investments in new-builds

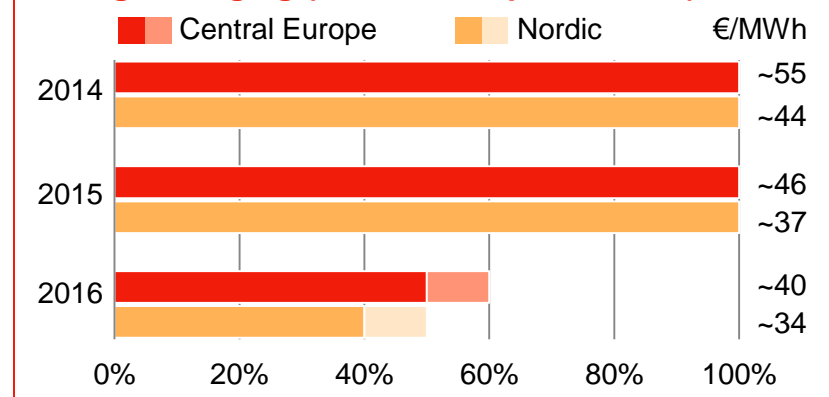
Earnings bottoming out

- Strong decline of earnings from energy markets until 2016
- Growing importance of other earnings sources (TSO, capacity markets, etc)

EBITDA Generation + Hydro



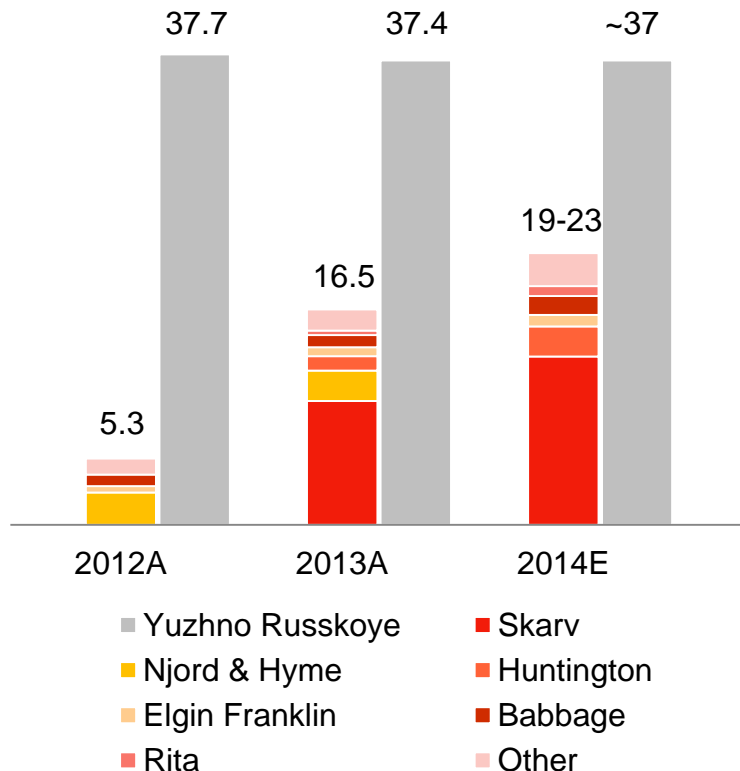
Outright hedging (Central Europe & Nordic)



E&P: harvesting strong investments

Oil & gas production

mboe



- Focus on organic growth with short-term emphasis on exploration
- Very encouraging Tolmount discovery
- Successful ramp-up of Skarv
- Njord platform under review – Njord and Hyme production not included in 2014 forecast
- Strong free cash flow generation from 2014 to 2016
- 2014-2016 capex of €0.3bn per year on average
- Capex of ~€0.5bn per year on average needed to replenish North Sea reserves

Global Commodities: managing commodity risks

Strong assets and positions

- 42 GW of generation capacity optimized across Europe
- 29m tonnes of total coal supply volume
- 540 TWh of gas procured under long-term contracts
- 9 bcm of gas storage capacity
- 6.7 bcm of LNG regas capacity



Clear priorities

Protect value in European power & gas

- Refine plant optimization to meet changes to market realities
- Continue renegotiation/arbitration of LTCs
- Improve storage and legacy transport positions

Seek value from global commodities and arbitrage

- Leverage large coal and gas positions
- Develop flexible long-term LNG supply portfolio
- Optimize LNG regas capacities

Non-EU: market positions firmed up

E.ON Russia



E.ON interest	83%
Pro-rata Capacity	10.3 GW

- Highly efficient assets
- Operational outperformance on the back of fuel cost optimization and tight fixed cost management
- Start of new Berezovskaya unit in 2015 to further improve level and mix of earnings

Turkey - Enerjisa



E.ON interest	50% (at equity)
Pro-rata capacity	2.3 GW
Customers	9 m

- Good progress in integration of newly acquired DisCos
- 745 MW of generation capacity added in 2013
- On track to reach 5 GW of installed generation by 2017

Brazil - eneva



E.ON interest	38% (at equity)
Pro-rata Capacity	1.7 GW

- 1.5 GW of attributable capacity added in 2013
- Refinancing plan agreed to further stabilize financial structure
- Operational performance of coal plants improving

Backup

Outlook

Financials

Economic net debt

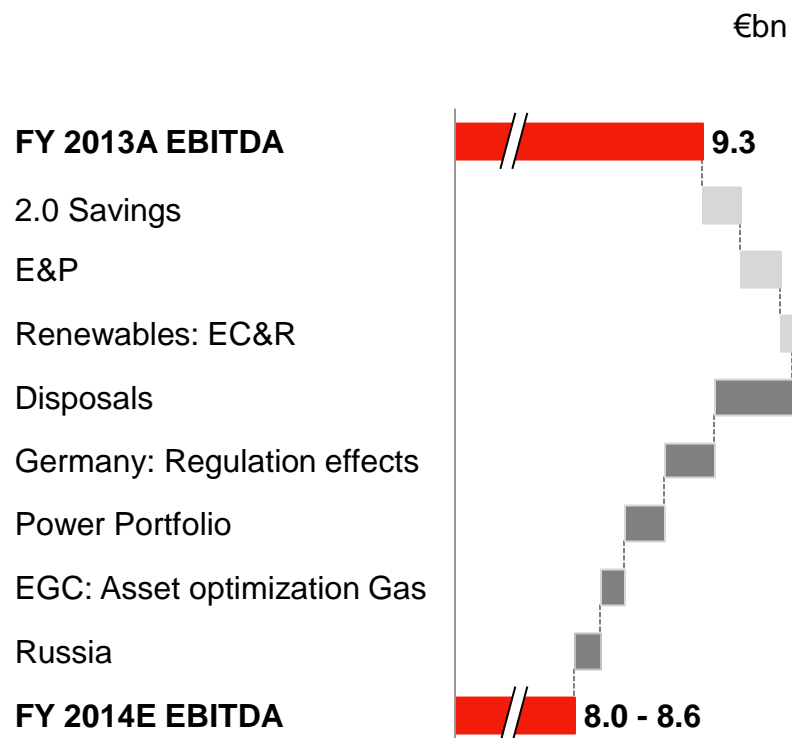
Dividend

Operations

Reporting calendar & Important links

2014 outlook

EBITDA¹



Underlying net income¹

€bn	2013A	2014E
EBITDA	9.3	8.0 – 8.6
Depreciation	3.6	↗
Adj. interest expense	1.8	↗
Taxes	1.2	↘
Minorities	0.4	↘
Underlying net income	2.2	1.5 – 1.9
Underlying EPS (€/share)	1.18	0.8 – 1.0

2014 EBITDA¹ outlook per unit

€bn	2013A	2014E	Main drivers
Generation	1.9	↗	E.ON 2.0 cost savings, transfer of biomass activities to Generation, Maasvlakte start-up
Renewables	1.4	→	Higher book gain from capital rotation, lower hydro prices and volumes
Exploration & Production	1.1	↗	Higher production output in North Sea fields
Global Commodities	0.4	↘	Falling margins in gas storage, deconsolidation effects (Földgaz)
Germany	2.4	↘	New regulatory period for power, further dilution from disposals
Other EU Countries	2.2	↘	Absence of renewables related payments in Regional Unit Czech
Non-EU Countries	0.5	↘	Regulatory intervention in Russia and weak Rouble exchange rate
EBITDA¹	9.3	8.0 – 8.6	

Financial highlights

€m	FY 2012	FY 2013	% YoY	Q1 2013	Q1 2014	% YoY
Sales	132,093	122,450	-7%	35,878	31,820	-11%
EBITDA ¹	10,771	9,315	-14%	3,600	3,162	-12%
EBIT ¹	7,012	5,681	-19%	2,759	2,290	-17%
Underlying net income ¹	4,170	2,243	-46%	1,406	1,220	-13%
Operating cash flow	8,808	6,375	-28%	1,620	2,643	+63%
Investments ²	6,997	8,086	+16%	915	693	-24%
Economic net debt	-35,845	-31,991	+3,854 ³	-32,218 ²	-31,137	+1,081 ³

1. Adjusted for extraordinary effects

2. Contains €2bn resulting from the asset swap deal with Verbund to acquire 50% in Enerjisa in exchange for German hydro generation assets (1.5bn related to swap; remainder cash compensation)

3. Change in absolute terms

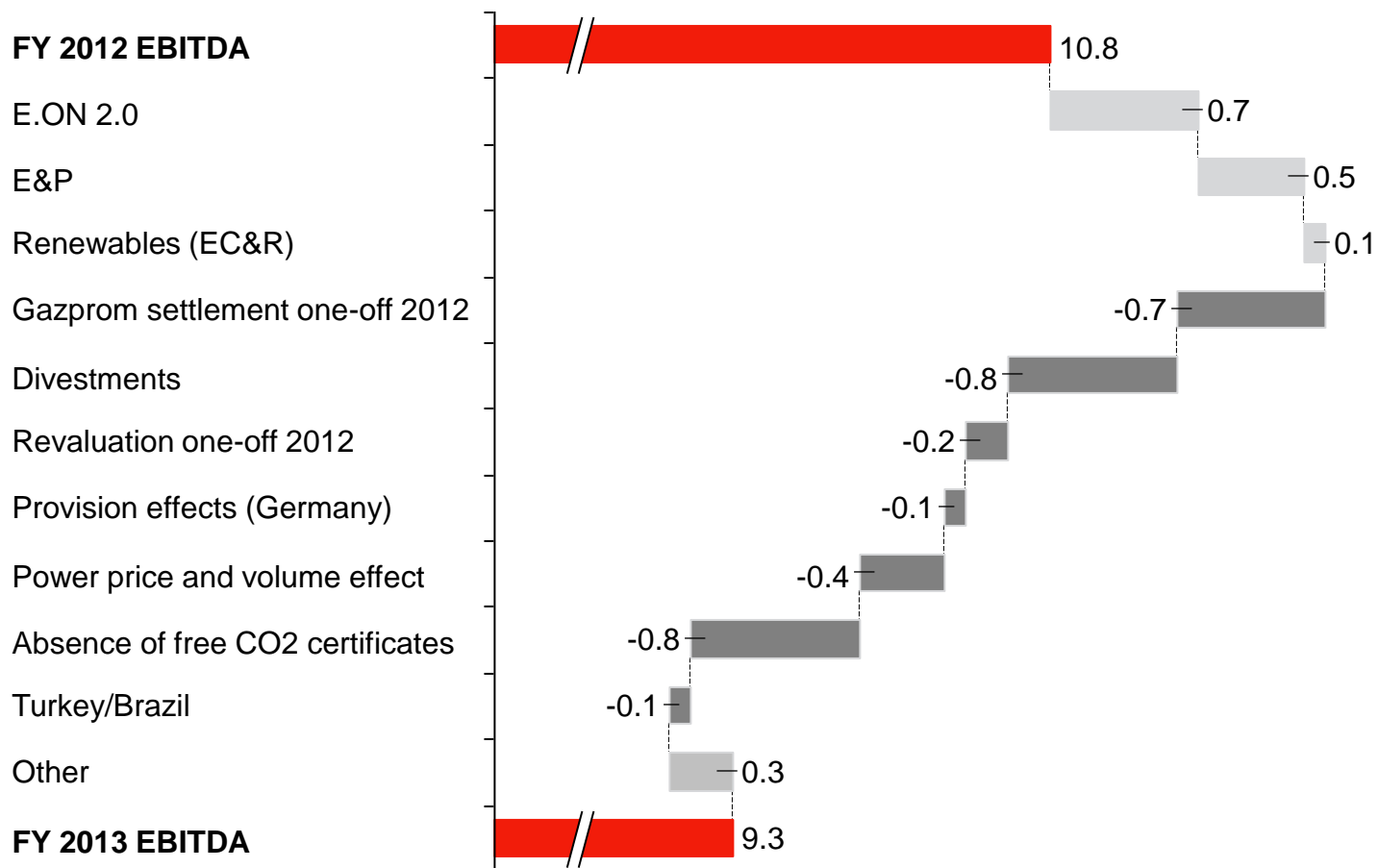
2013 EBITDA and EBIT by unit

€m	EBITDA ¹			EBIT ¹		
	FY 2012	FY 2013	% YoY	FY 2012	FY 2013	% YoY
Generation	2,396	1,882	-21%	1,435	973	-32%
Renewables	1,349	1,431	+6%	955	982	+3%
Global Commodities	1,421	352	-75%	1,163	220	-81%
Exploration & Production	523	1,070	+105%	293	560	+91%
Germany	2,734	2,413	-12%	1,766	1,693	-4%
Other EU Countries	2,032	2,173	+7%	1,345	1,532	+14%
Non-EU Countries	718	533	-26%	535	338	-37%
Group Management / Consolidation	-402	-539	-	-480	-617	-
Total	10,771	9,315	-14%	7,012	5,681	-19%

Q1 2014 EBITDA and EBIT by unit

€m	EBITDA ¹			EBIT ¹		
	Q1 2013	Q1 2014	% YoY	Q1 2013	Q1 2014	% YoY
Generation	893	916	+3%	686	694	+1%
Renewables	475	569	+20%	375	465	+24%
Global Commodities	212	-41	-	177	-66	-
Exploration & Production	177	339	+92%	83	192	-
Germany	822	630	-23%	638	477	-25%
Other EU Countries	920	757	-18%	760	587	-23%
Non-EU Countries	193	105	-46%	151	69	-54%
Group Management / Consolidation	-92	-113	-	-111	-128	-
Total	3,600	3,162	-12%	2,759	2,290	-17%

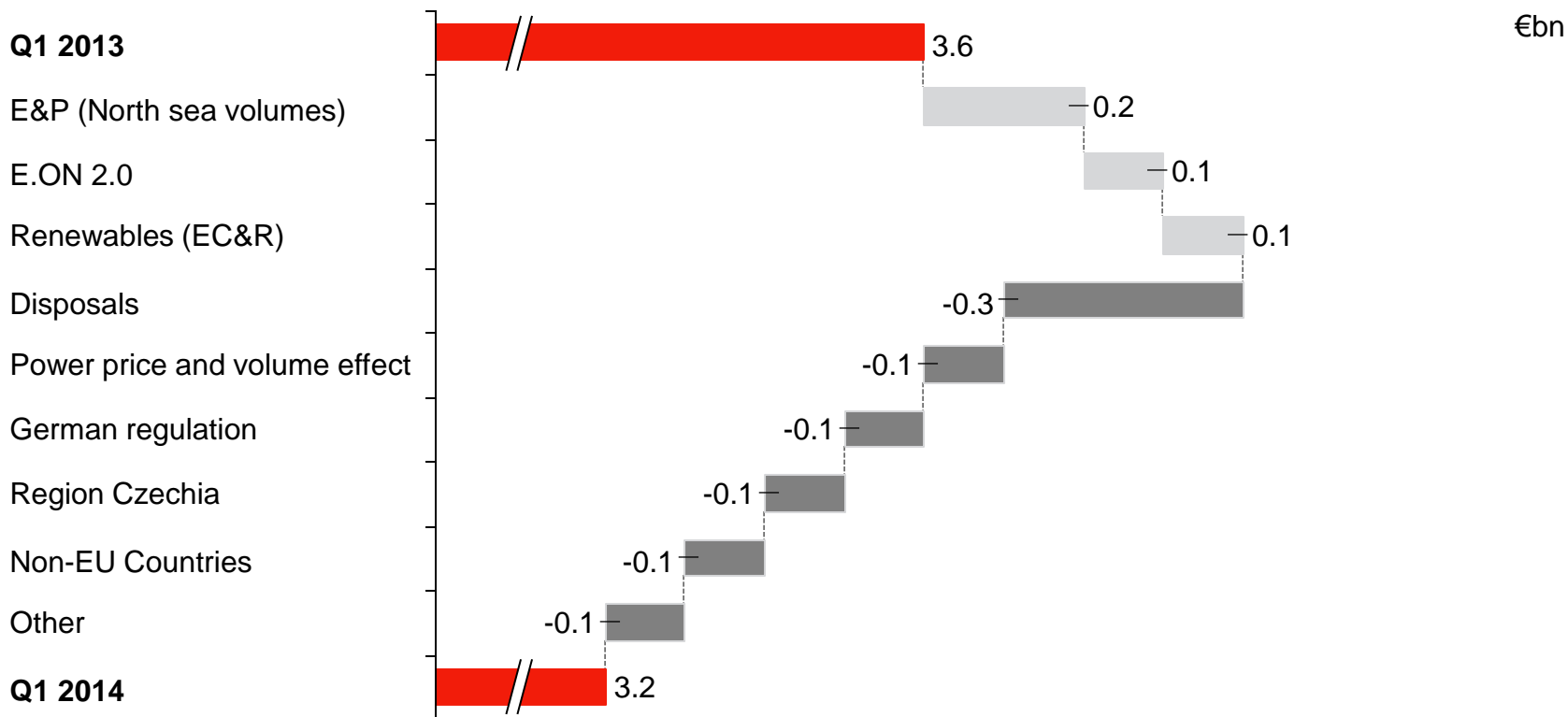
2013 EBITDA^{1,2} development



€bn

1. Adjusted for extraordinary effects
2. Individual effects rounded

First quarter 2014 EBITDA development ^{1,2}



1. Adjusted for extraordinary effects
 2. Individual effects rounded



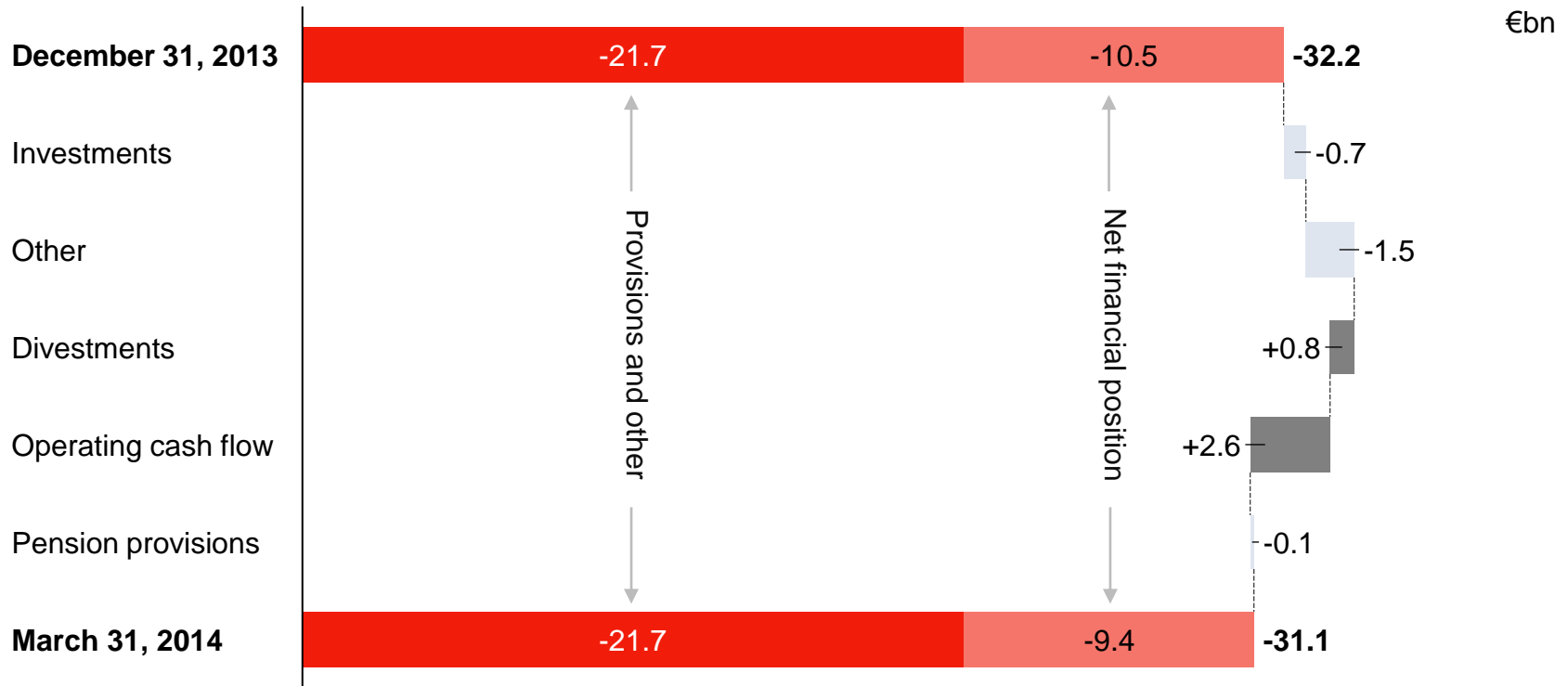
Underlying net income

€m	FY 2012	FY 2013	% YoY	Q1 2013	Q1 2014	% YoY
EBITDA ¹	10,771	9,315	-14%	3,600	3,162	-12%
Depreciation/amortization recognized in EBIT ¹	-3,759	-3,634	-	-841	-872	-
EBIT ¹	7,012	5,681	-19%	2,759	2,290	-17%
Economic interest expense (net)	-1,329	-1,823	-	-474	-450	-
EBT ¹	5,683	3,858	-32%	2,285	1,840	-19%
Income taxes on EBT ¹	-1,140	-1,186	-	-695	-493	-
<i>% of EBT ¹</i>	<i>20.1%</i>	<i>30.7%</i>	-	<i>30</i>	<i>27</i>	-
Non-controlling interests	-373	-429	-	-184	-127	-
Underlying net income ¹	4,170	2,243	-46%	1,406	1,220	-13%

Economic net debt

€m	31 Dec 2012	31 Dec 2013	31 Mar 2014
Liquid funds	6,546	7,814	6,812
Non-current securities	4,746	4,444	4,575
Financial liabilities	-25,944	-22,724	-20,697
Adjustment FX hedging ¹	234	-46	-55
Net financial position	-14,418	-10,512	-9,365
Provisions for pensions	-4,945	-3,418	-3,523
Asset retirement obligations	-16,482	-18,288	-18,249
Economic net debt	-35,845	-32,218	-31,137

First quarter 2014 economic net debt development



Dividend either in cash or in E.ON shares

Voluntary scrip dividend

- Additional option for shareholders to exchange the cash dividend into E.ON shares
- Cash payment is default
- Subscription price close to market price (this year's discount: 2.9%)

Use of treasury shares

- E.ON did make use of its existing treasury shares
- No new shares issued

Taxation

- Tax treatment of dividends in cash and in shares is generally equal in Germany (tax portion ~ 28%²)
- ~ 72 % of cash dividend is exchangeable into E.ON shares

Outcome

- Participation rate of 37 percent, exceeding expectations
- ~24m treasury shares distributed to shareholders
- Cash dividend of ~840m
- Cash savings of ~€300m

Generation – Conventional capacity retirements

Year	Total Capacity (MW)	Unit	Country	Technology	Reason	Status	Retirement Date	
2012	4,477 MW	• Veltheim 4 ST	Germany	Steam	Economic	Shutdown	Aug 2012	
		• Grain 1+4	UK	CCGT	LCPD	Shutdown	Nov 2012	
		• Kingsnorth 1-4	UK	Steam	LCPD	Shutdown	Dec 2012	
		• Staudinger 3	Germany	Steam	Economic	Shutdown	Dec 2012	
		• Escucha 1	Spain	Steam	LCPD	Shutdown	Dec 2012	
		• Ostiglia 4	Italy	CCGT	Other	Shutdown	Dec 2012	
		• Other						
2013	2,707 MW	• Ironbridge 1-2	UK	Steam	LCPD	Conversion ¹	Mar 2013	
		• Hornaing 3	France	Steam	LCPD	Mothballing ²	Mar 2013	
		• Provence 4	France	Steam	LCPD	Mothballing ³	Mar 2013	
		• Staudinger 1	Germany	Steam	Other	Shutdown	Apr 2013	
		• Shamrock	Germany	Steam	Other	Shutdown	Apr 2013	
		• Tavazzano 8	Italy	CCGT	Economic	Mothballing	Apr 2013	
		• Malzenice	Slovakia	CCGT	Economic	Mothballing	Oct 2013	
		• Puertollano	Spain	Steam	LCPD	Shutdown	Dec 2013	
2014	3,280 MW	• Fiume Santo 1-2	Italy	Steam	Other	Shutdown	Jan 2014	
		• Vilvoorde	Belgium	CCGT	Economic	Mothballing	Jan 2014	
		• Datteln 1-3	Germany	Steam	Other	Shutdown	Mar 2014	
		• Lucy 3	France	Steam	LCPD	Mothballing ²	Mar 2014	
		• Emile Huchet 5	France	Steam	LCPD	Mothballing ²		
		• Scholven D-E-F	Germany	Steam	Economic	Shutdown		
		• Knepper C	Germany	Steam	Economic	Shutdown		
2015	2,606 MW	• Grafenrheinfeld	Germany	Nuclear	Other	Shutdown		
		• Veltheim 3	Germany	Steam	Economic	Shutdown ⁴		
		• Emile Huchet 4	France	Steam	LCPD	Shutdown		
		• Kiel	Germany	Steam	Economic	Shutdown ⁵		

1. Biomass conversion in 2013
4. 66% of 303 MW

2. Mothballing until shutdown in 2015

3. Biomass conversion in 2015
5. 50% of 323 MW. Stadtwerke Kiel has option to continue operations until 2018

Generation - E.ON's nuclear fleet in Germany

	Start-up date	E.ON share (%)	Capacity (MW)	2012 output (TWh)	2012 remaining volumes (TWh) ¹	Shutdown date
Isar 1	1979	100.0	878	0.0	2	2011
Unterweser	1979	100.0	1,345	0.0	11	2011
Brunsbüttel	1977	33.3	771	0.0	11	2011
Krümmel	1984	50.0	1,346	0.0	88	2011
Grafenrheinfeld	1982	100.0	1,275	10.0	23	2015
Gundremmingen B	1984	25.0	1,284	9.9	30	2017
Gundremmingen C	1985	25.0	1,288	10.1	39	2021
Grohnde	1985	83.3	1,360	11.0	61	2021
Brokdorf	1986	80.0	1,410	10.2	74	2021
Isar 2	1988	75.0	1,410	11.4	82	2022
Emsland	1988	12.5	1,329	10.8	87	2022

E&P - Oil & Gas production

m boe	FY 2012	FY 2013	% YoY	Q1 2013	Q1 2014	% YoY
Skarv	0.0	10.0	-	1.2	3.8	+217%
Njord/Hyme	2.6	2.4	-7%	1.0	0.0	-100%
Elgin-Franklin	0.5	0.6	+6%	0.1	0.2	+156%
Babbage	0.9	0.8	-9%	0.2	0.3	+82%
Huntington	0.0	0.8	-	0.0	0.5	-
Rita	0.0	0.3	-	0.0	0.2	-
Total North Sea	5.3	16.5	+211%	2.9	5.5	+87%
Yuzhno Russkoje	37.7	37.4	-1%	10.0	9.8	-2%
Total	43.0	53.9	+25%	13.0	15.3	+18%

Reporting calendar & important links

Reporting calendar

August 13, 2014	Interim Report II: January – June 2014
November 12, 2014	Interim Report III: January – September 2014
March 11, 2015	Annual Report 2014

Important links

Creditor Relations	http://www.eon.com/en/investors/bonds.html
Capital Market Story	http://www.eon.com/en/investors/presentations/capital-market-story.html
Other Presentations	http://www.eon.com/en/investors/presentations/special-topics.html
Annual Reports	http://www.eon.com/en/about-us/publications/annual-report.html
Interim Reports	http://www.eon.com/en/about-us/publications/interim-report.html
Facts & Figures	http://www.eon.com/en/about-us/publications/facts-and-figures.html

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