First Half 2012 Results

Cleaner & better energy

Johannes Teyssen, CEO

August 13, 2012

Financials

H1 2012 Financial highlights

- EBITDA[1]: +55% to €6.7bn
- EBIT[1]: +105% to €4.9bn
- Underlying net income[1]: +255% to €3.3bn
- Underlying EPS[1, 2]: 1.74 €/share
- Operating cash flow: +5% to €2.5bn
- Economic net debt: -€36.4bn[3] to -€41.1bn

FY 2012 outlook

- EBITDA[1]: €10.4bn – €11.0bn (upgraded early July)
- Underlying net income[1]: €4.1bn – €4.5bn (upgraded early July)

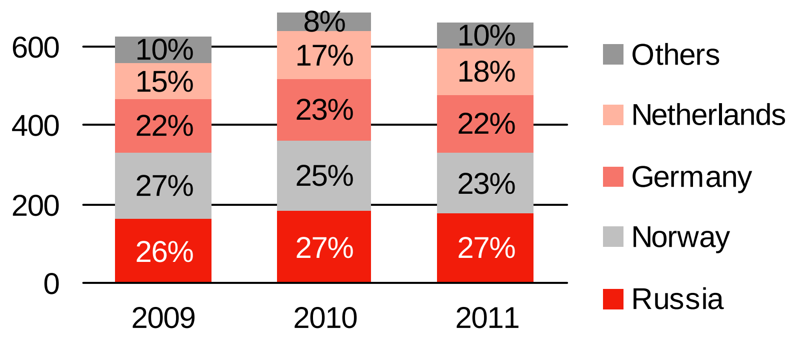
1. Adjusted for extraordinary effects
2. Based on number of shares outstanding (1.905 billion)
3. On Dec 31st 2011

Renegotiation agreement with Gazprom

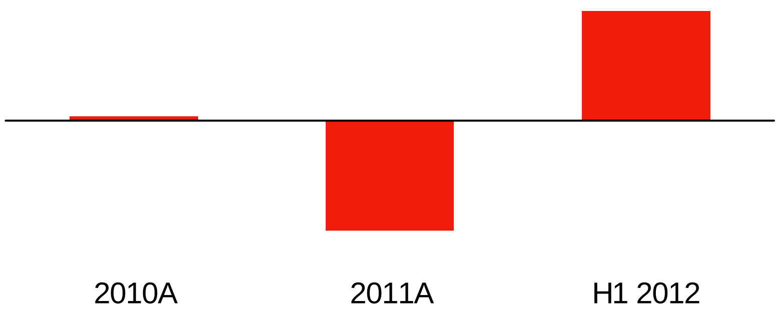
Agreement terms

- Pricing conditions adapted
- New pricing conditions applied retroactively since Q4 2010
  - ➡ ~€1bn positive EBITDA effect in H1 2012
- Exposure to gas-to-oil spread substantially reduced
- Arbitration proceedings have been stopped
- Confirmation of long-running successful partnership with Gazprom

Long-term gas supply[1]



EBITDA gas wholesale

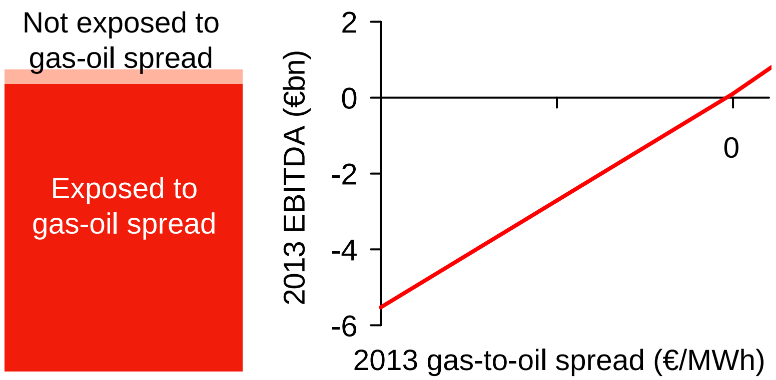


1. E.ON Ruhrgas AG

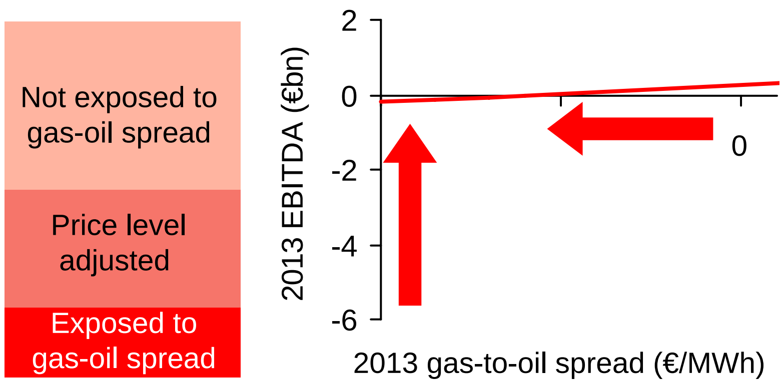
Successful commercial agreement with E.ON's largest supplier

Gas supply portfolio

2013 LTC gas portfolio – 2009 view



2013 LTC gas portfolio – current view



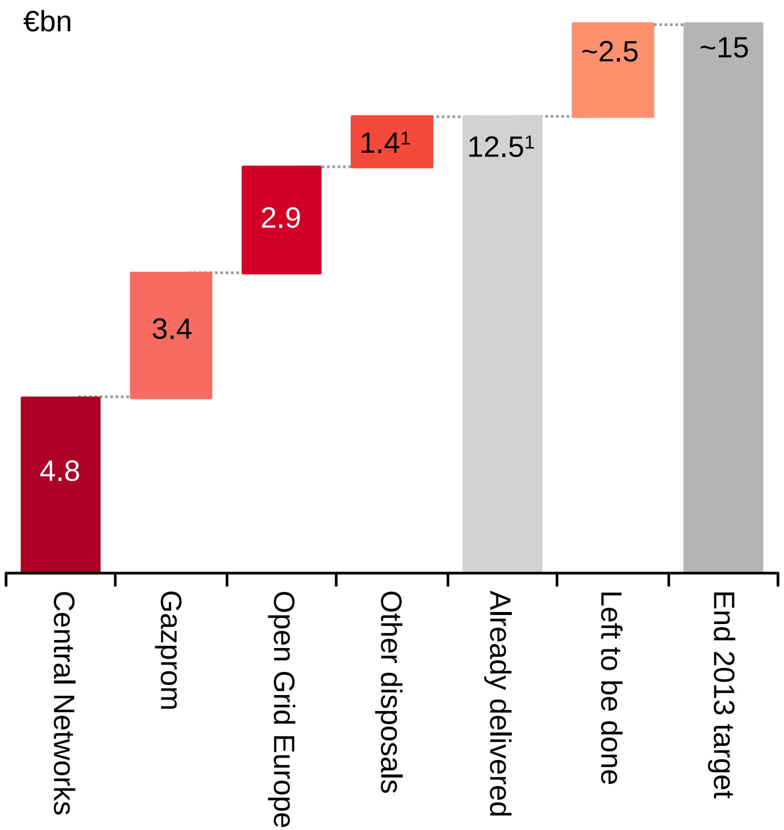
Achievements

- Pricing conditions of all oil indexed contracts successfully renegotiated
- Major milestone to restore competitiveness of long-term gas contracts achieved
- Gas supply portfolio substantially de-risked: roughly half of portfolio not exposed to gas-oil spread any more
- Ongoing discussions to convert remaining quick fixes into structural solutions
- Long-term gas contracts have demonstrated their robustness even in turbulent gas markets
- Overall, positive EBITDA contribution from gas wholesale portfolio since 2010
- Limited risk for 2013 due to high degree of contracting in sales

Break-even point strongly lowered, risk substantially reduced

Divestments of non-core assets

Disposal target and delivery



1. Thereof €0.1bn signed but not yet closed

Transactions

Recent developments

- OGE sold and closed, UK Interconnector sold, HSE closed, E.ON Bulgaria closed
- Strict divestment discipline led us to decide not to dispose of E.ON Energy-from-Waste

Delivered so far

- 3 major divestments: Central Networks, 3.5% in Gazprom and Open Grid Europe
- 14 other transactions for ~€1.4bn

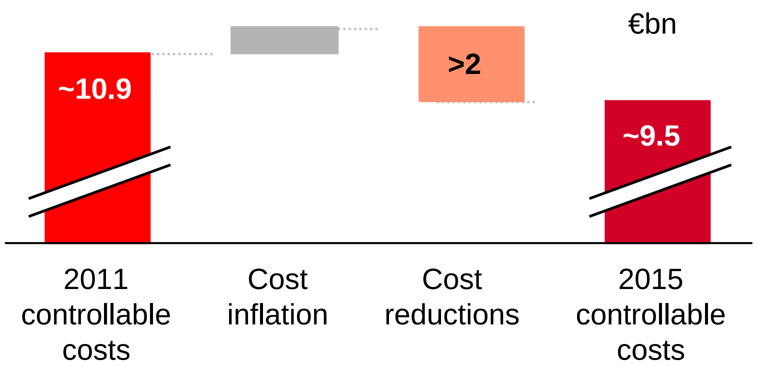
Potential disposal candidates

- Current discussions regarding a stronger involvement of municipalities in E.ON Westfalen Weser, Thüringer Energie and Mitte
- Ongoing processes regarding other non-core assets

More than 80% of €15bn disposal target already achieved

E.ON 2.0

Controllable cost target



- Target of reducing controllable cost to €9.5bn in 2015[1]
- Cost reductions to also compensate for cost inflation
- Personnel reduction of ~11,000 FTEs[2]
- Ambition to reach top quartile in operational businesses and support functions

Cost savings in overheads

- Group Management: reduction from ~600 FTEs to ~400 FTEs
- Closure of E.ON Energie headquarters in Munich (~400 FTEs)
- Creation of E.ON Deutschland in Essen (~100 FTEs)
- Reorganization of Global Gas and Trading
  - Exploration & Production has become new unit
  - Sales activities transferred to regional units, especially gas sales
  - Supply and optimization activities brought into new unit Optimization & Trading

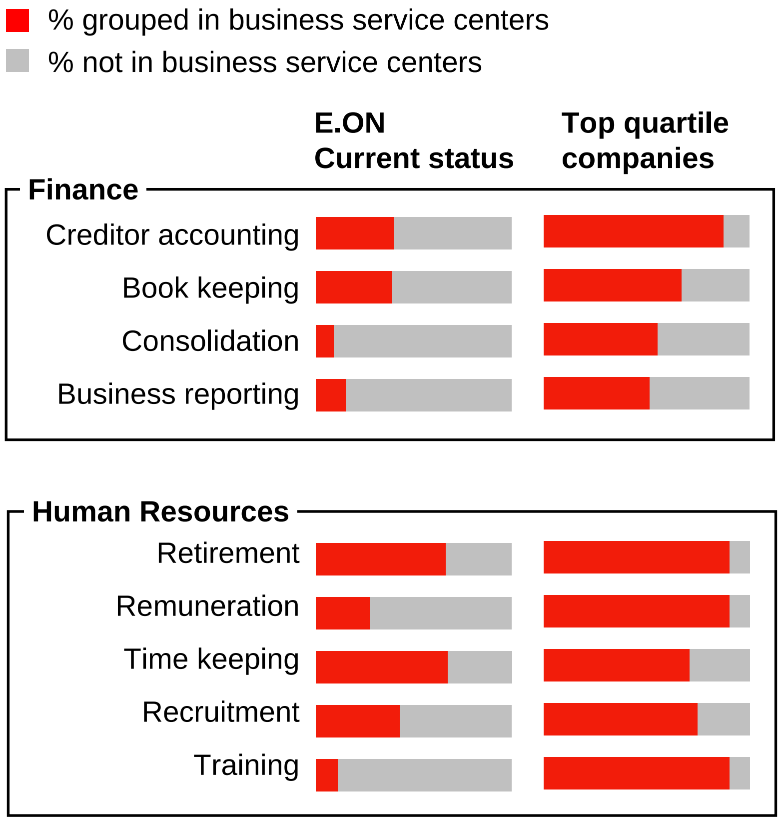
1. Before adjustments for portfolio changes 2. Compared to 2010

Further milestones on road to E.ON 2.0 implementation

e·on

E.ON 2.0 – Support functions

Benchmarking Finance and HR functions[1]



Cost savings in Finance and HR

- Benchmarking has shown substantial potential for improvement at E.ON compared to sample of top quartile companies
- Optimization of existing structures
- Bundling of HR and Accounting activities in 2 Business Service Centers
  - Berlin: ~500 FTEs with focus on HR
  - Cluj: ~600 FTEs with focus on Accounting
- Total HR and Accounting FTEs:
  - ~3,700 FTEs today
  - ~2,500 FTEs in 2015
  - ➡ >30% reduction

1. Basis: Hackett Benchmarking

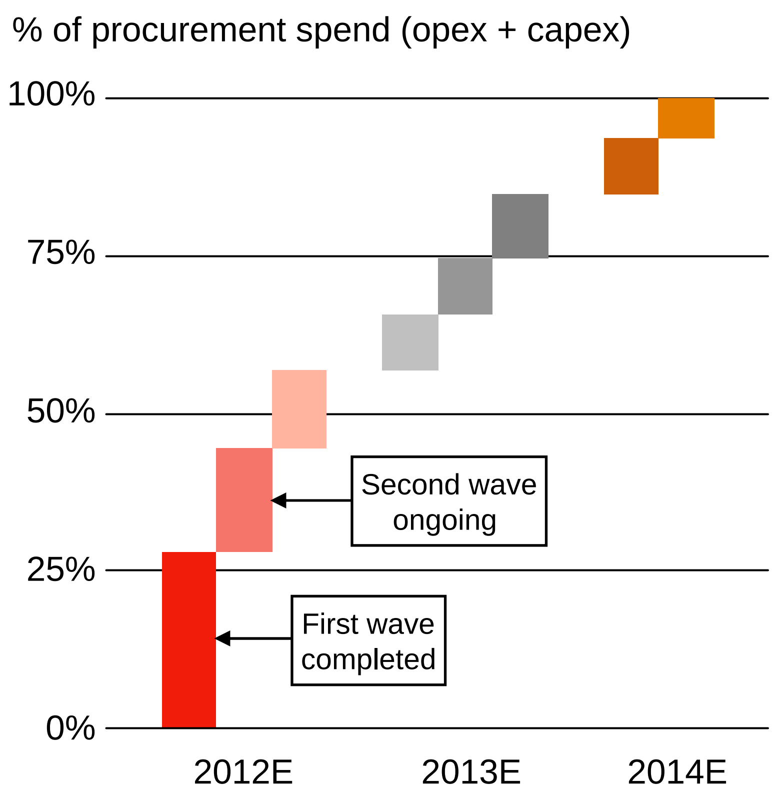
Reduction of FTEs in HR and Accounting of more than 30% by 2015

E.ON 2.0 - Procurement

Cost savings in procurement

- ~30% of E.ON 2.0 cost savings to come from procurement
- New structures being set up to better manage procurement spend
- Spend categories to be reviewed in 8 successive waves
- Total procurement spend to be addressed, thereof ~40% opex and ~60% capex[1]
- First wave addressing 8 spend categories completed
- Example: substantial reduction of CCGT maintenance costs including gas turbine, boilers, generators, and steam turbines
- Second wave addressing another 7 spend categories ongoing; third wave to start soon

Schedule of 8 successive waves



1. Savings in capex spend do not impact controllable costs

First 2 waves confirm savings of more than 20% on procurement spend

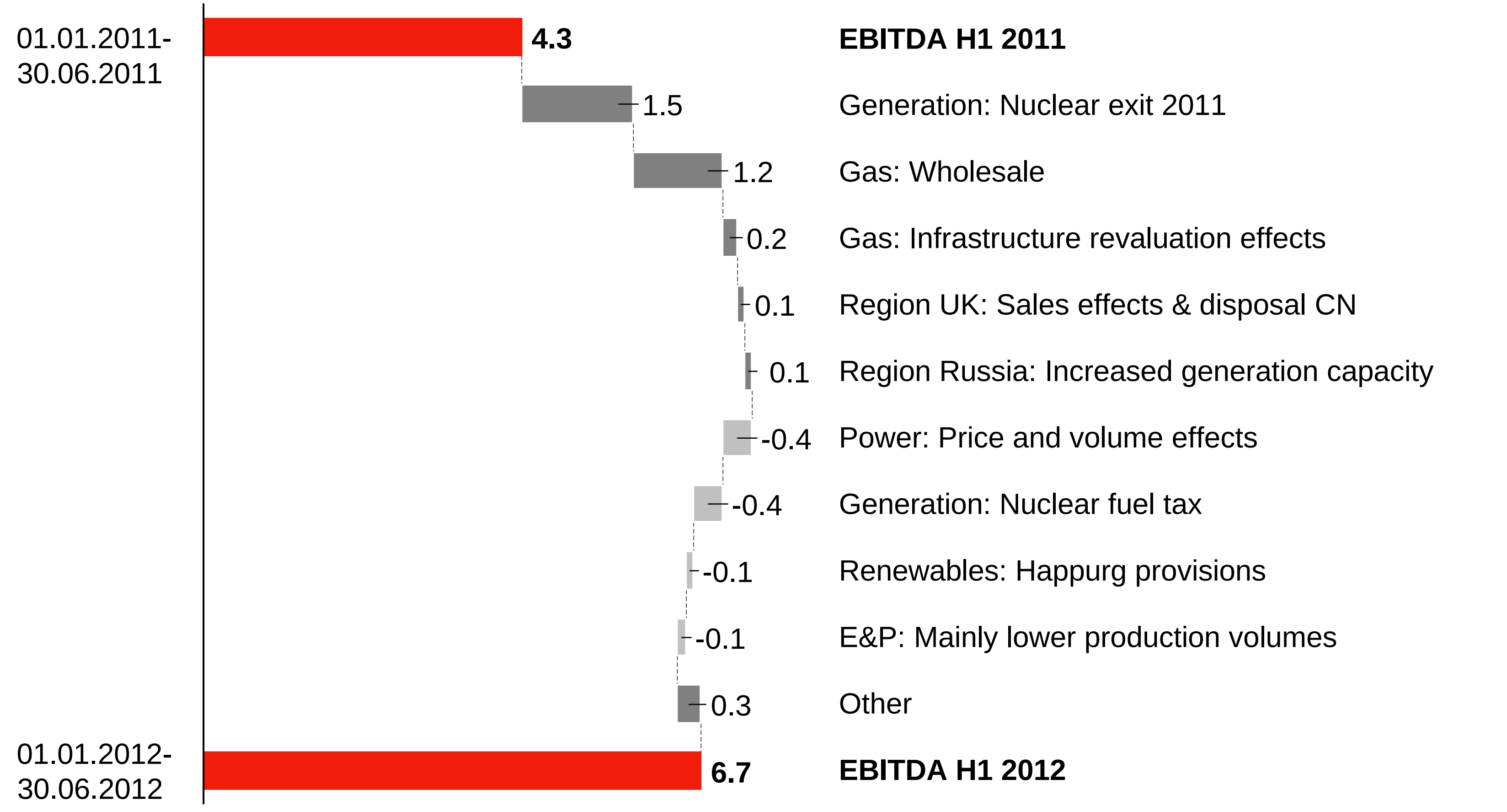
First Half 2012 Results

Cleaner & better energy

Marcus Schenck, CFO
August 13, 2012

Key drivers of group EBITDA[1,2] H1 2012 vs. H1 2011

First half in € million



Gazprom settlement and absence of nuclear one-off drive H1 earnings

1. Adjusted for extraordinary effects
2. Individual effects rounded

E.ON Group – From EBITDA[1] to net income (1/2)

First half in € million

	2012	2011	+/- %
EBITDA[1]	**6,706**	**4,325**	**+55**
Depreciation/Amortization/Impairments	-1,832	-1,952	-
EBIT[1]	**4,874**	**2,373**	**+105**
Economic interest expense (net)	-722	-846	-
Net book gains	67	1,162	-
Restructuring and cost-management expenses	-144	-255	-
Mark-to-market valuation of derivatives	-759	-225	-
Other non-operating earnings	83	-1,201	-
Income/Loss from continuing operations before income taxes	**3,399**	**1,008**	**+237**

Economic interest expense (+124)

- For details see chart 29

Net book gains (-1,095)

- Prior year profiting from book gains on sale of Gazprom shares and the Central Networks disposal

Restructuring (+111)

1. Adjusted for extraordinary effects

E.ON Group – From EBITDA[1] to net income (2/2)

First half in € million

	2012	2011	+/- %
Income/Loss from continuing operations before income taxes	**3,399**	**1,008**	**+237**
Income taxes	-293	-73	-
Income tax rate (in %)	*8.6*	*7.2*	
Income/Loss from continuing operations	**3,106**	**935**	**+232**
Income/Loss from discontinued operations, net	27	13	-
Net income	**3,133**	**948**	**+230**
Of which			
Attributable to shareholders of E.ON AG	2,906	691	-
Non-controlling interests	227	257	-

Income tax rate

- Low income tax rate driven by earnings development, especially in Exploration & Production and by release of provisions

1. Adjusted for extraordinary effects

E.ON Group – Underlying net income[1]

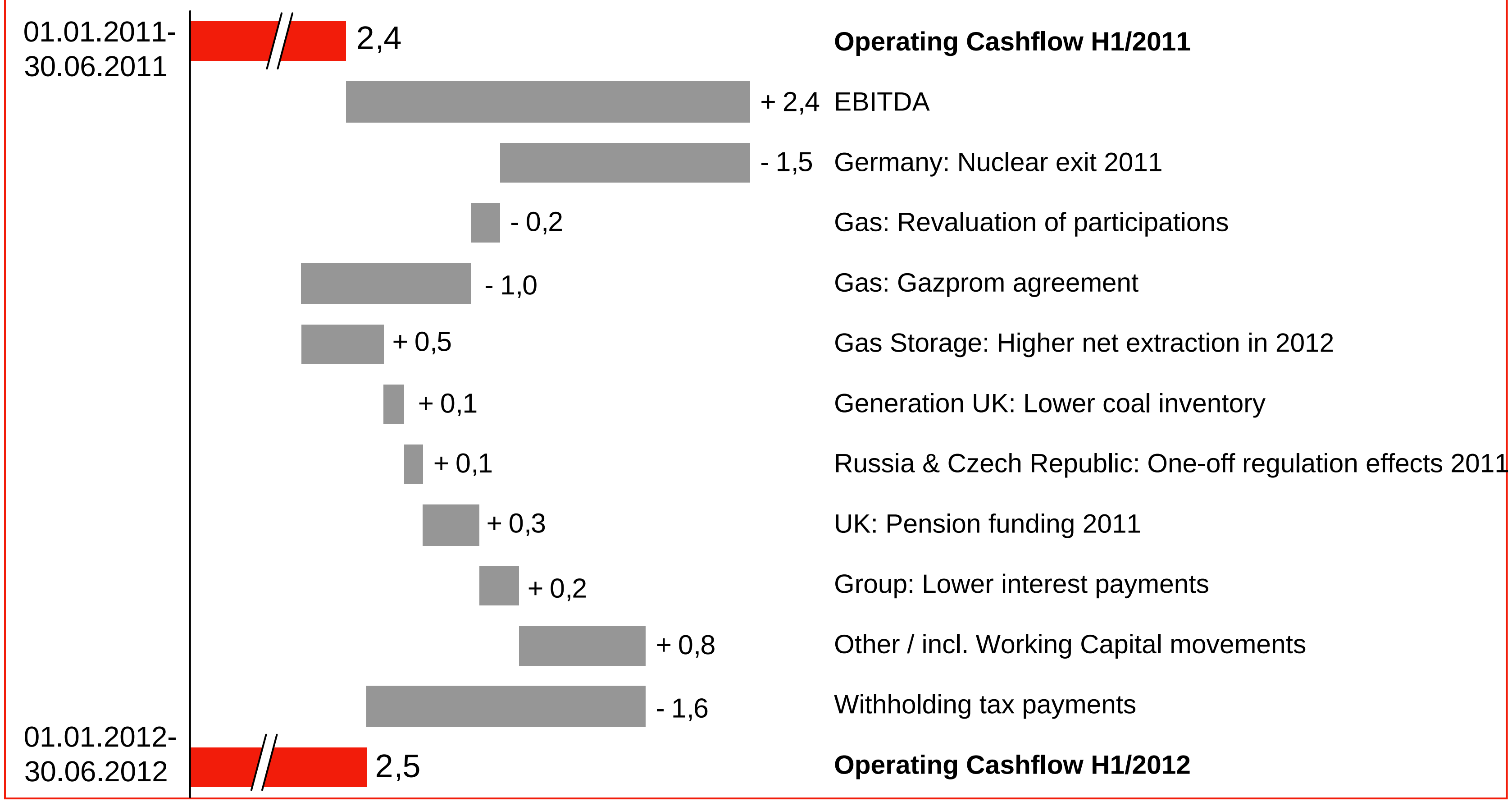
First half in € million

	2012	2011	+/- %
EBITDA[1]	**6,706**	**4,325**	**+55**
Depreciation/Amortization recognized in EBIT[1]	-1,832	-1,952	-
Economic interest expense (net)	-722	-846	-
EBT (earnings before tax)[1]	**4,152**	**1,527**	**+172**
Income taxes on EBT[1]	-616	-326	-
% of EBT[1]	*14.8*	*21.3*	-
Non-controlling interests	-223	-268	-
Underlying net income[1]	**3,313**	**933**	**+255**

1. Adjusted for extraordinary effects

Operating cash flow – Reconciliation[1]

First half in € million

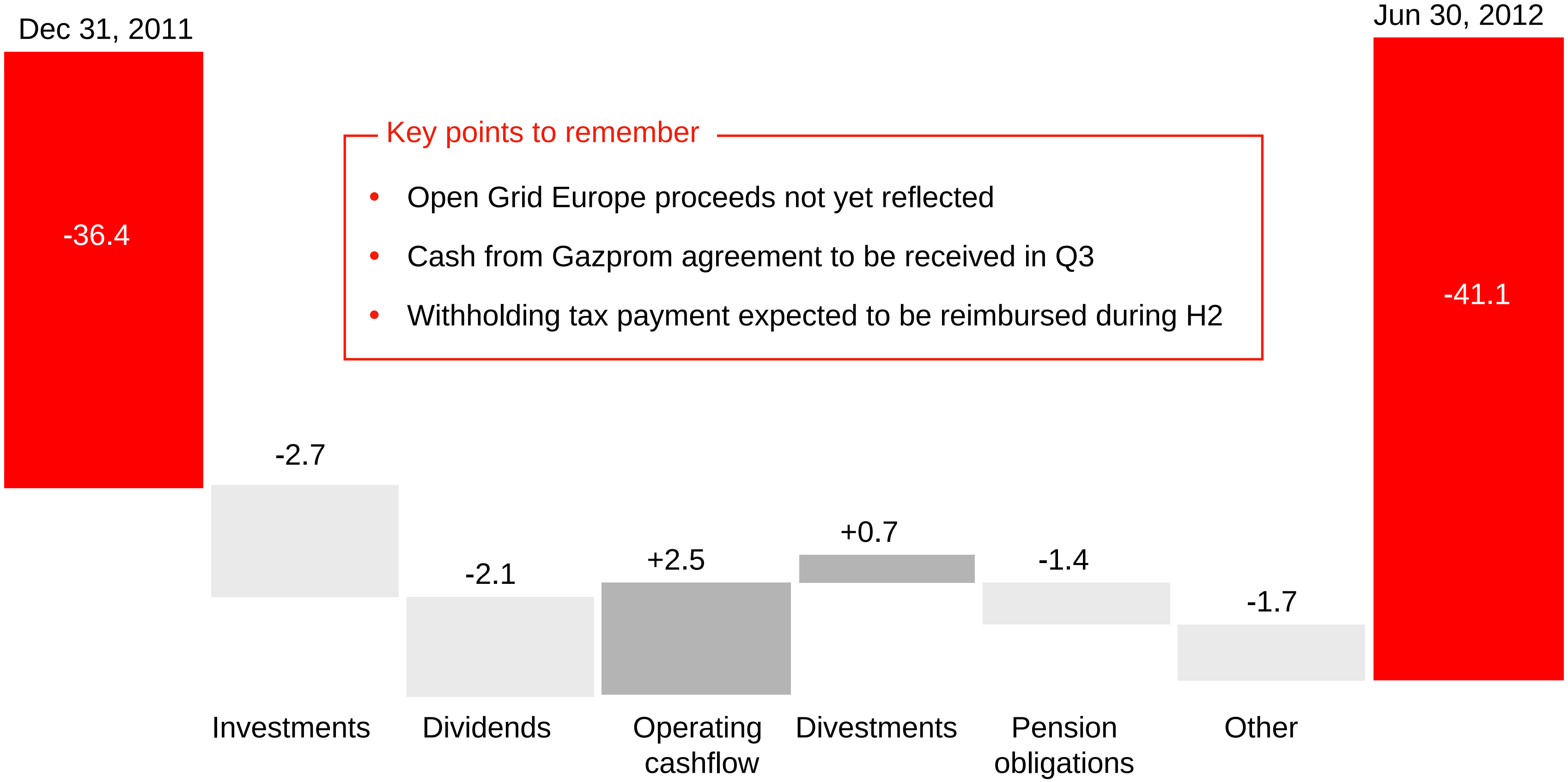


Impact of withholding tax payment to be fully recouped in H2

1. Individual effects rounded
2. Working capital

E.ON Group – Economic net debt

June 30, 2012, in € billion



Key points to remember

- Open Grid Europe proceeds not yet reflected
- Cash from Gazprom agreement to be received in Q3
- Withholding tax payment expected to be reimbursed during H2

Economic net debt distorted by timing of significant cash inflows

Outlook 2012

As published early July

EBITDA[1]

EBITDA - Old	€9.6 – 10.2bn

Positives

- One-off effect from Gazprom settlement for period from Q4 2010 to Q2 2012
- Adapted Gazprom pricing conditions for H2 2012

Negatives

- Assumption of worst case scenario for E&P production
- Disposal of Open Grid Europe[2]
- Other effects

EBITDA - New	€10.4 – 11.0bn

Underlying net income[1]

Underlying net income - Old	€2.3 – 2.7bn

Positives

- EBITDA effects
- Lower depreciation, mainly due to disposal of Open Grid Europe and to lower E&P production
- One-off effects on taxes and net interest expenses
- Lower tax rate, mainly due to lower E&P earnings

Underlying net income - New	€4.1 – 4.5bn

1. Adjusted for extraordinary effects
2. Disposal effect on 2013 EBITDA ~ -€0.3bn; not yet reflected in current FY 2013 guidance

Substantial increase of FY outlook based on Gazprom agreement

Appendix

E.ON Group – Financial highlights

In € million

	2012	2011	+/- %
Sales	65,402	53,048	+23
EBITDA[1]	6,706	4,325	+55
EBIT[1]	4,874	2,373	+105
Underlying net income[1]	3,313	933	+255
Operating cash flow	2,479	2,362	+5
Investments	2,720	2,467	+10
Economic net debt	-41,087	-36,385[3]	-4,702[2]

1. Adjusted for extraordinary effects
2. Change in absolute terms
3. As of December 31

E.ON Group –EBITDA[1] and EBIT[1] by segments

First half in € million

	EBITDA[1]			EBIT[1]		
	2012	2011	+/-%	2012	2011	+/- %
Generation	1,161	558	+108	727	-8	-
Renewables	661	753	-12	464	578	-20
Optimization & Trading	1,805	-20	-	1,679	-160	-
Exploration & Production	337	421	-20	197	295	-33
Germany	1,250	1,301	-4	781	835	-6
Other EU countries	1,303	1,255	+4	972	879	+11
Russia	350	252	+39	251	195	+29
Group Management / Other	-161	-195	-	-197	-241	-
Group total	**6,706**	**4,325**	**+55**	**4,874**	**2,373**	**+105**

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Generation

First half in € million

	2012	2011	+/- %
Nuclear	357	-293	-
Steam	738	716	+3
CCGT	118	141	-16
Other/Consolidation	-52	-6	-
EBITDA[1]	**1,161**	**558**	**+108**

Main effects (in € bn):

Nuclear (+0.6)

- Absense of prior year nuclear one-off (+1.5)
- Lower transfer prices for volumes transferred to trading unit and lower volumes due to nuclear shut downs of Isar 1 and Unterweser, which were still producing in Q1 2011 (-0.5)
- Higher nuclear tax payments (-0.4)

CCGT (-)

- First time contribution from Grain in the UK
- Lower production and ancillary service in Italy

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Renewables

First half in € million

	2012	2011	+/- %
Hydro	358	449	-20
Wind, solar and others	303	304	+0
EBITDA[1]	**661**	**753**	**-12**

Main effects (in € bn):

Hydro (-0.1)

- Lower prices in Nordic partially offset by overall higher volumes [volumes in Italy and Spain down; volumes in Germany and Nordic up]
- Provision for leakage at pump storage hydro plant Happurg

Wind and others (-)

- Higher volumes due to new capacity, better wind and better availability
- Positive prior year one-off not repeated
- High Q1 2011 prices in US market not repeated

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Optimization & Trading

First half in € million

	2012	2011	+/- %
Optimization	1,282	-404	-
Proprietary Trading	-31	-14	-
Infrastructure shareholdings / other / consolidation	554	398	+39
EBITDA[1]	**1,805**	**-20**	**-**

Main effects (in € bn):

Optimization (+1.7)

- Substantially improved profitability in gas wholesale mainly as a result of contract renegotiations (+1.2)
- Improved margin in outright portfolio (+0.4)

Infrastructure shareholdings / other / consolidation (+0.2)

- Revaluation of participations (+0.2)

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Exploration & Production

First half in € million

	2012	2011	+/- %
Exploration & Production	337	421	-20

Main effects (in € bn):

North sea

- Lower volumes for gas and liquids not offset by higher prices (-0.1)

Yushno Russkoje

- Higher prices partly offset by higher cost

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Germany

First half in € million

	2012	2011	+/- %
Distribution	933	807	+16
Sales/Other	317	494	-36
EBITDA[1]	**1,250**	**1,301**	**-4**

Main effects (in € bn):

Distribution (+0.1)

- Mainly driven by higher grid revenues

Sales/Other (-0.2)

- Absence of positive non-periodic effects in 2012
- Increased grid tariffs not passed through to customers in first half

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Other EU countries

First half in € million

	2012	2011	+/- %
Distribution	660	880	-25
Sales	386	135	+186
Other/Consolidation	257	240	+7
EBITDA[1]	**1,303**	**1,255**	**+4**

Main effects (in € bn):

Distribution (-0.2)

- UK + Italy: Disposal of Central Networks and E.ON Rete (-0.2)
- Romania: Higher grid losses

Sales (+0.3)

- UK: Mainly due to very weak Q1 2011 result and due to price increases in the further course of 2011 (+0.2)
- Italy: Bad debt allowances booked in Q2 2011 not repeated in 2012

1. Adjusted for extraordinary effects

EBITDA[1] by unit – Russia

First half in € million

	2012	2011	+/- %
Russia	350	252	+39

Main effects (in € bn):

Russia (+0.1)

- Mainly driven by higher results from new units not yet productive in first half 2011

1. Adjusted for extraordinary effects

E.ON Group – Economic net debt

First half in € million

	Jun 30, 2012	Dec 31, 2011
Liquid funds	5,015	7,020
Non-current securities	4,921	4,904
Total liquid funds and non-current securities	**9,936**	**11,924**
Financial liabilities to banks and third parties	-29,553	-28,490
Financial liabilities resulting from interests in associated companies and other shareholdings	-1,592	-1,424
Total financial liabilities	**-31,145**	**-29,914**
Net financial position	**-21,209**	**-17,990**
Fair value of currency derivatives used for financing transactions[1]	451	524
Provisions for pensions	-4,614	-3,245
Asset retirement obligations	-17,380	-17,269
Less prepayments to Swedish nuclear fund	1,665	1,595
Economic net debt	**-41,087**	**-36,385**

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

E.ON Group – Investments by unit

First half in € million

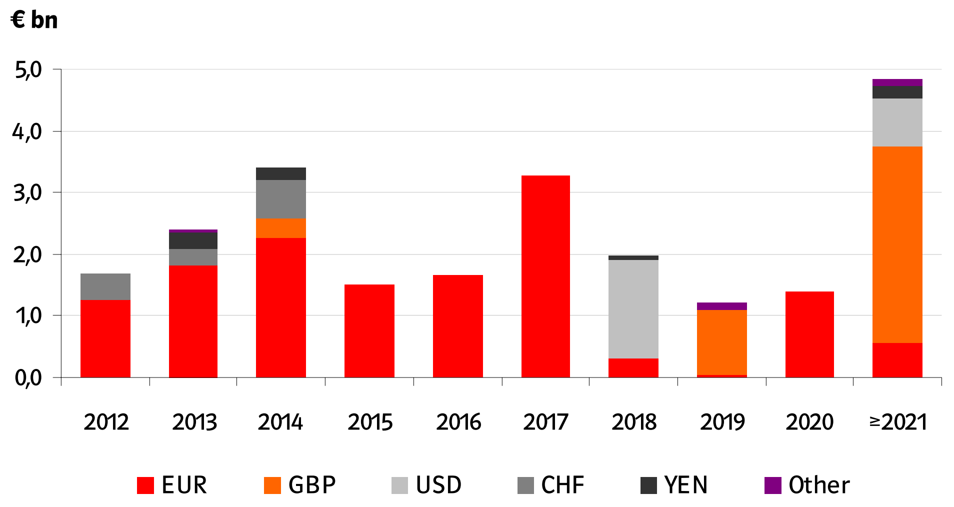
	2012	2011	+/- %
Generation	485	641	-24
Renewables	731	419	+74
Optimization & Trading	199	214	-7
Exploration & Production	255	255	+0
Germany	297	307	-3
Other EU countries	367	495	-26
Russia	123	111	+11
Management Group / Others	263	25	-
Investments	**2,720**	**2,467**	**+10**
Of which			
Maintenance investments	364	404	-10
Growth and replacement investments	2,356	2,063	+14

Financial liabilities of the E.ON Group

in € billion

	30 Jun 2012	31 Dec 2011
Bonds[1]	**22.7**	**23.4**
in EUR	13.3	13.3
in GBP	4.6	5.0
in USD	2.4	2.6
in CHF	1.3	1.3
in SEK	0.2	0.3
in JPY	0.8	0.8
other currencies	0.1	0.1
Promissory notes	**0.8**	**0.8**
Commercial Paper	**2.6**	**0.9**
Other liabilities[2]	**5.0**	**4.8**
Total	**31.1**	**29.9**

Maturity profile (as of 30 Jun 2012)[3]



1) Thereof bonds issued by segments: June 30, 2012: €0.3bn; Dec 31, 2011: €0.3bn
2) Thereof other financial liabilities of segments: June 30, 2012: €3.2bn; Dec 31, 2011: €3.2bn
3) 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 – Economic interest expense (net)

First half in € million

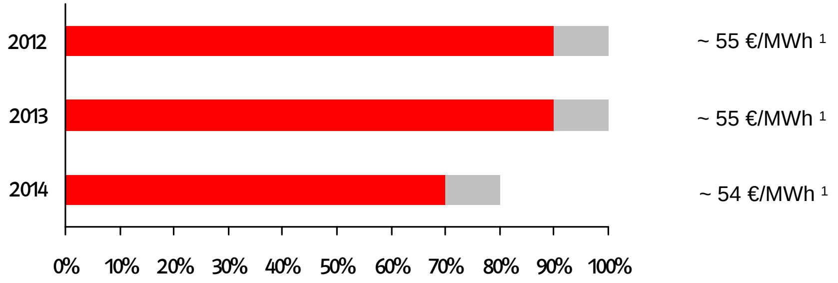
	2012	2011	Delta ‘12 / ’11
Interest from financial assets/liabilities	-561	-482	-79
Interest cost from provisions for pensions and similar provisions[1]	-64	-76	12
Accretion of provisions for retirement obligation and other provisions	-430	-419	-11
Capitalised interests[2]	158	154	4
Other[3]	175	-23	198
Economic interest expense (net)	**-722**	**-846**	**124**

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: 5%)
3. Includes mainly effects from market valuation of interest derivatives and tax related interest expense.

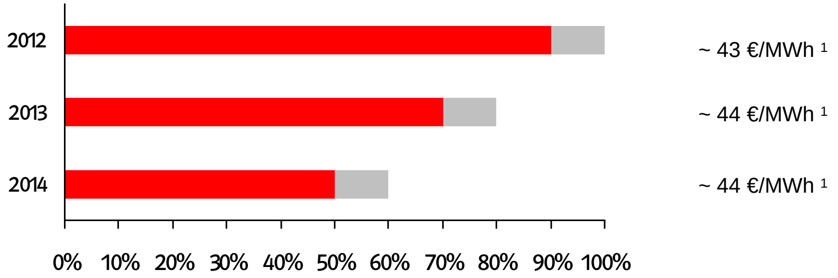
Hedging of E.ON's outright generation

Hedging (as per end June, 2012)

Central Europe: Outright power hedging



Nordic: Outright power hedging



= percentage band of generation hedged

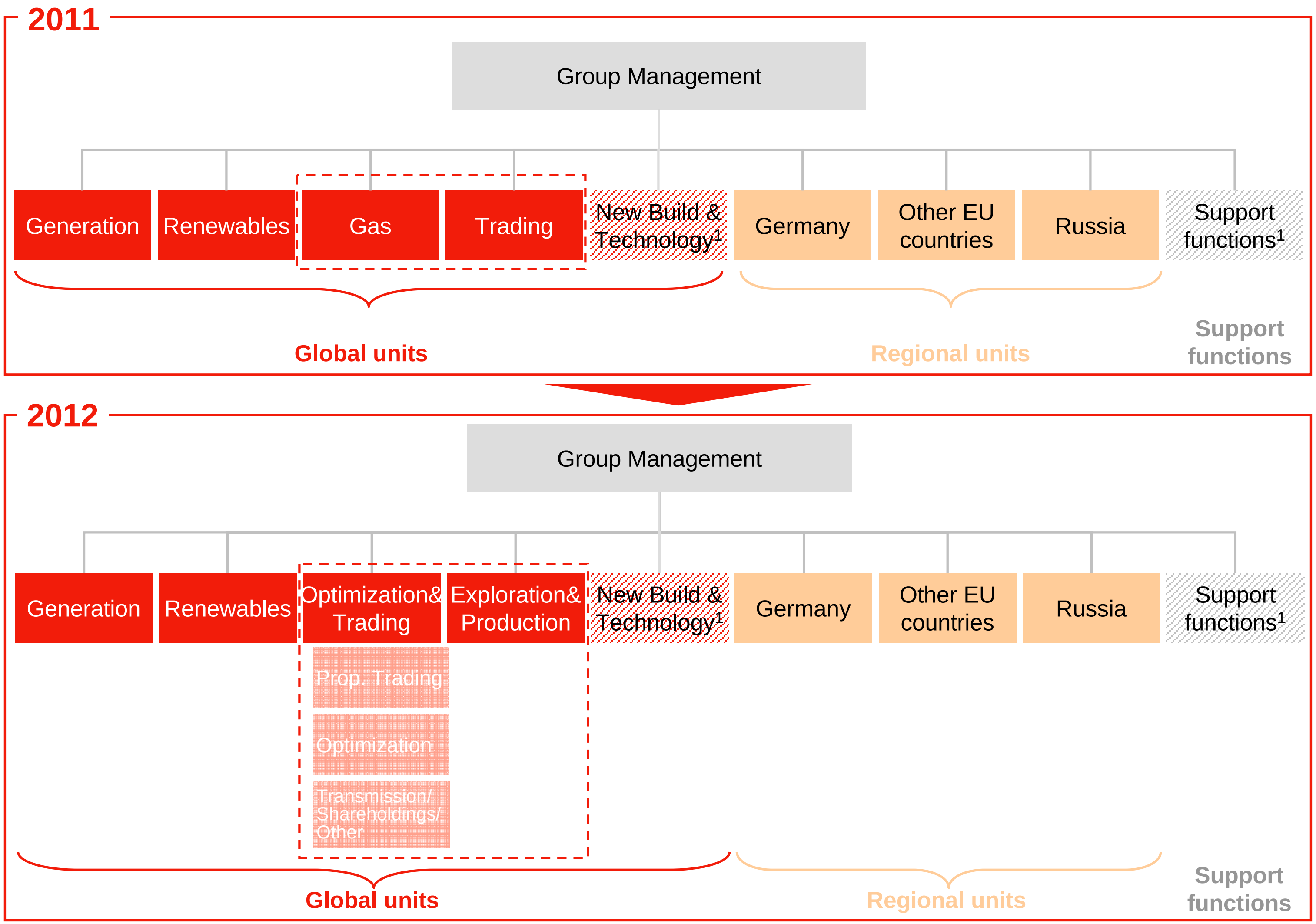
1. Average realized price only relevant for the pure outright power position (Nuclear/Hydro) sold in the respective year

Oil & Gas production

in k boe

	H1 2012	H1 2011	+/-%	2011	2010
Njord	1,836	2,689	-32	4,744	7,309
Elgin-Franklin	534	1,423	-62	2,543	2,746
Babbage	501	822	-39	1,439	461
Rita	7	581	-99	581	2,174
Other UK fields	720	1,087	-34	1,678	2,067
Total North Sea	**3,599**	**6,602**	**-45**	**10,985**	**14,757**
Yuzhno Russkoye	**19,248**	**19,649**	**-2**	**38,180**	**37,801**
Total	**22,847**	**26,251**	**-13**	**49,165**	**52,558**

Change in group structure as per Q1 2012



1. Not a reporting segment.

E.ON Investor Relations Contact

Dr. Marc Spieker
Head of IR

T+49 2 11-45 79-3 45
marc.spieker@eon.com

Peter Blankenhorn
Regions/Sales, SRI, Retail,
Facts & Figures

T +49 2 11-45 79-4 81
peter.blankenhorn@eon.com

François Poullet
Generation, Gas

T +49 2 11-45 79-3 32
francois.poullet@eon.com

Marc Koebernick
Renewables, Trading

T +49 2 11-45 79-2 39
marc.koebernick@eon.com

Dr. Stephan Schönefuß
Politics & regulation, Regions/Distribution

T +49 2 11-45 79-48 08
stephan.schoenefuss@eon.com

Aleksandr Aksenov
Outside Europe, Russia

T +49 2 11-45 79-5 54
aleksandr.aksenov@eon.com

Carmen Schneider
Technology & Innovation,
Roadshow planning & management,
Shareholder ID & Targeting

T +49 2 11-45 79-3 45
carmen.schneider@eon.com

E.ON IR - Reporting calendar & important links

Reporting calendar

Date	Event
November 13, 2012	Interim Report III: January – September 2012
March 13, 2013	Annual report 2012
May 3, 2013	2013 Annual Shareholders Meeting
May 6, 2013	Dividend Payment
May 8, 2013	Interim Report I: January – March 2013
August 13, 2013	Interim Report II: January – June 2013

Important links

Content	Link
Equity Story	http://www.eon.com/en/investors/26658.jsp
Segment Stories	http://www.eon.com/en/investors/42341.jsp
Annual Report	http://www.eon.com/en/corporate/19886.jsp
Interim Reports	http://www.eon.com/en/corporate/1022.jsp
Facts & Figures	http://www.eon.com/en/corporate/1029.jsp
Creditor Relations	http://www.eon.com/de/investoren/dialog/creditor-relations.htm

Disclaimer

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.