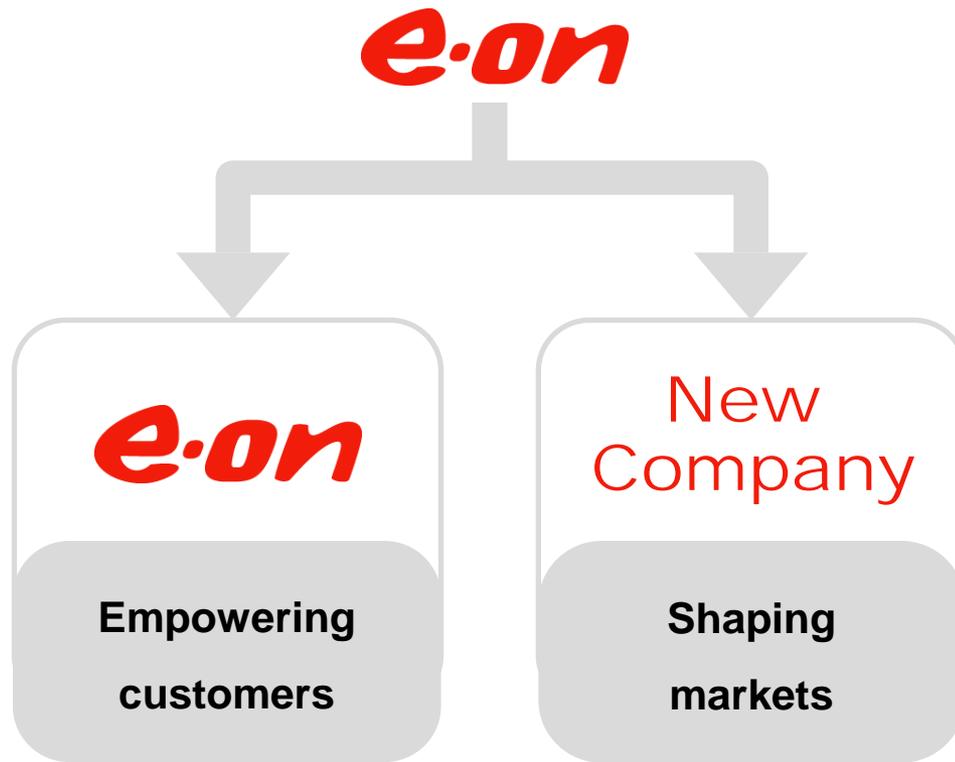


# Empowering customers. Shaping markets.

Press Conference, 1 December 2014

The logo for e-on, featuring the text "e-on" in a white, lowercase, sans-serif font with a dot over the "e", set against a red rectangular background.

# E.ON to split into two publicly listed companies



- E.ON to spin off a majority stake in its power & gas up- and midstream businesses ('New Company') to its shareholders
- Intention to divest remaining stake in the new company over the medium term post spin-off
- Initial spin-off expected to be completed in 2016
- Divestment Spanish activities agreed to; divestment of Italian activities under evaluation; E&P North Sea under review

**Two highly competitive companies with distinct identities**

# Two very different energy worlds emerging

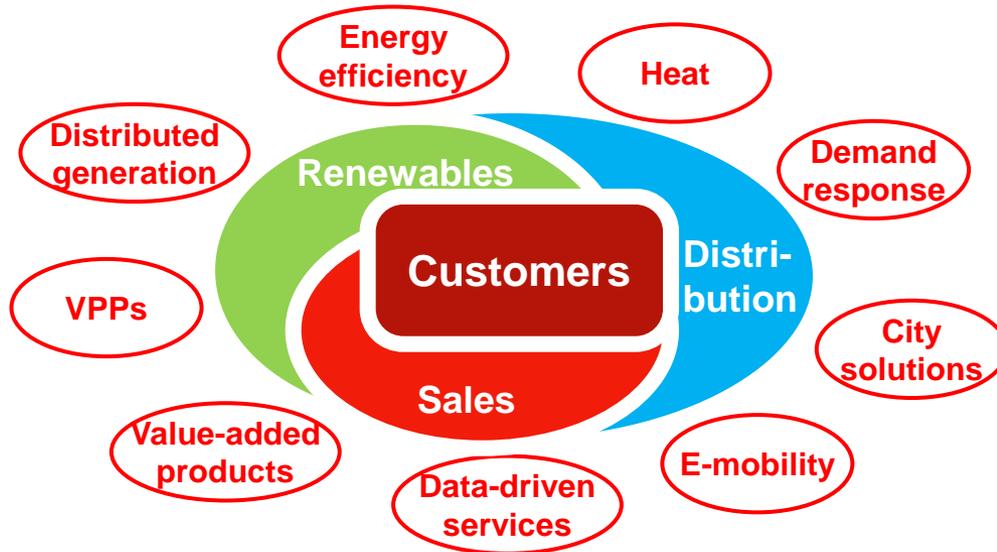


## Conventional energy world

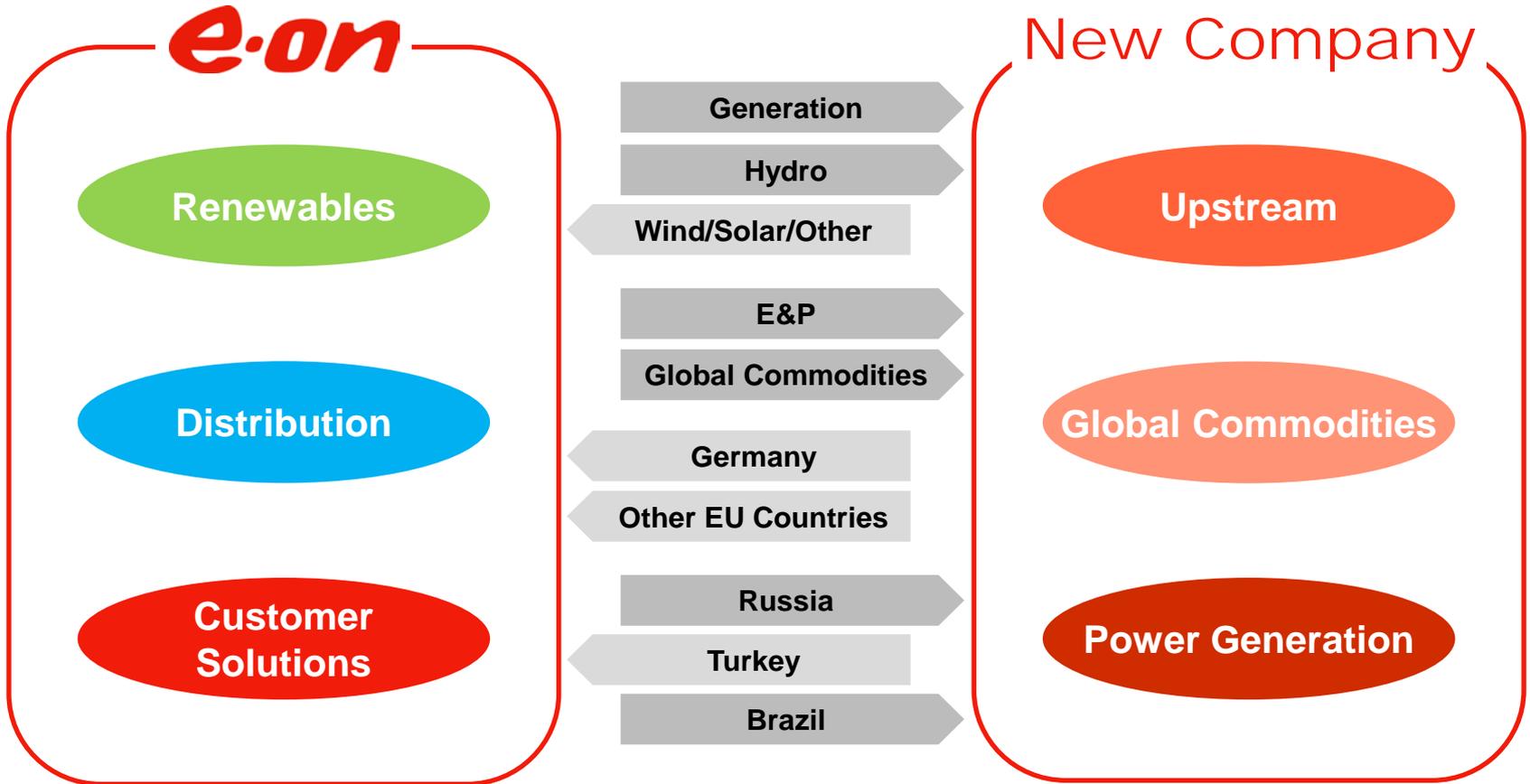
- System-centric
- Security of supply
- Global/regional perspective
- Large scale, central
- Conventional technologies

## New energy world

- Customer-centric
- Sustainability
- Local proximity
- Small scale, distributed
- Clean technologies



# Two leading companies for two energy worlds



**Distinct opportunities, mindsets and capabilities**

# Profile of future E.ON<sup>1</sup>

## Renewables



**~4.4 GW capacity**  
**~15 GW global pipeline**  
Europe onshore 1.1 GW  
Europe offshore 0.7 GW  
US onshore 2.5 GW

## Distribution



**>1 million km networks**  
**~26m grid customers**  
Germany 411 000 km  
Sweden 136 000 km  
Other EU<sup>2</sup> 314 000 km  
Turkey<sup>2</sup> 200 000 km

## Customer Solutions



**~33 million sales customers**  
UK 7.7m  
Germany 6.1m  
Other EU<sup>2</sup> 10.4m  
Turkey<sup>2</sup> 9.0m

**Portfolio focused on the new energy world**

1. 2013 figures, excluding Spain

2. E.ON holds 49% in ZSE and 50% in Enerjisa. Figures for ZSE and Enerjisa included at 100%

# Strategy of future E.ON

## Renewables

**Internationally leading provider of large and mid-scale wind & PV solutions**

- Stronger growth in wind on- and offshore
- Expand and build in new geographies
- Significantly improve position in solar PV

## Distribution

**Benchmark for network performance and the new DSO integrator role**

- Higher investments in networks, stronger push towards remote and digital capabilities
- Selective, synergistic acquisitions in existing regions

## Customer Solutions

**Leading provider of customer solutions for the new energy world**

- Reach scale in energy efficiency and on-site generation
- Intensify innovative offerings for the physical and digital new energy world
- Stronger growth in heat and sustainable cities

**Customers' choice for powering energy solutions**

**e-on**

# Profile of New Company<sup>1</sup>

## Upstream



### North Sea

Production	17 mboe
Reserves	186 mboe

### Russia

Production	6.3 bcm
Reserves	152 bcm <sup>2</sup>

## Global Commodities



Coal supply	29 m t
Gas LTCs	35 bcm
Gas storage	9 bcm
LNG regas	4.7 bcm

## Power Generation



### 51 GW of capacity<sup>3</sup>

Germany	17.5 GW
UK	6.6 GW
Sweden	6.3 GW
Other Europe	10.2 GW
Russia	9.9 GW

**Among the top in European power and gas**

1. 2013 figures, excluding Spain

2. According to 2009 swap agreement

3. E.ON holds 83% of E.ON Russia and 43% of Eneva. E.ON Russia included at 100%, Eneva not included.

# Strategy of New Company

## Strong base

- Attractive power and gas portfolio, among the top in Europe
- Excellent reputation in engineering and operations of conventional assets
- Leading generator and delivery quality in Russia
- Global trading house

## Strong future

- Contributing to security of supply in power and gas to Germany and Europe
- Platform for consolidation of European generation
- Trustworthy counterparty for global energy arbitrage and 3rd party services

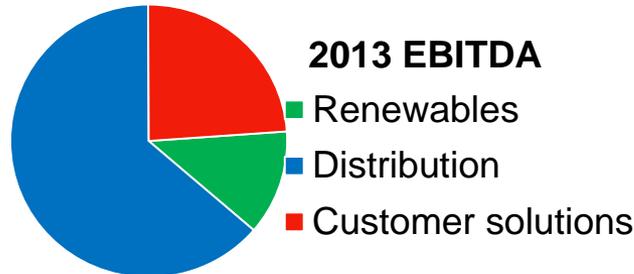
## Upside potential

- Capacity mechanisms across Europe
- ETS revitalization
- Commodity markets recovery
- Opportunities from global arbitrage
- Selected growth in international generation in later years

**Reshaping the conventional energy world**

# Two compelling equity stories for our shareholders

**e-on**



## Capex

About twice depreciation,  
close to OCF

## Capital structure

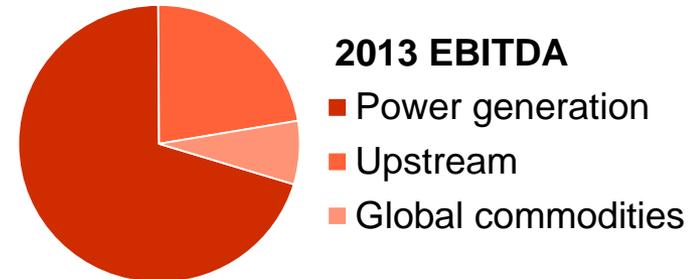
All bonds to stay with E.ON SE  
Rating impact limited to one notch

## Profile

Solid base, attractive growth

**Sustainable growth of dividend**

**New Company**



## Capex

About half of depreciation initially,  
significantly below OCF

## Capital structure

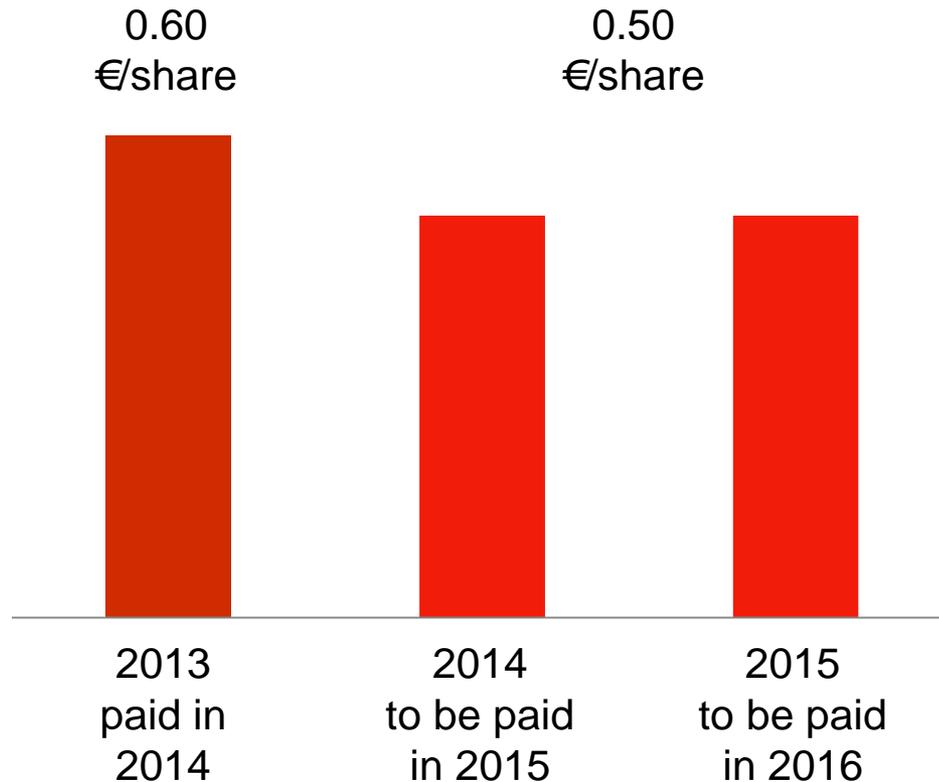
Positive net financial position  
Rating comfortably investment grade

## Profile

Strong cash conversion

**High payout with optionality**

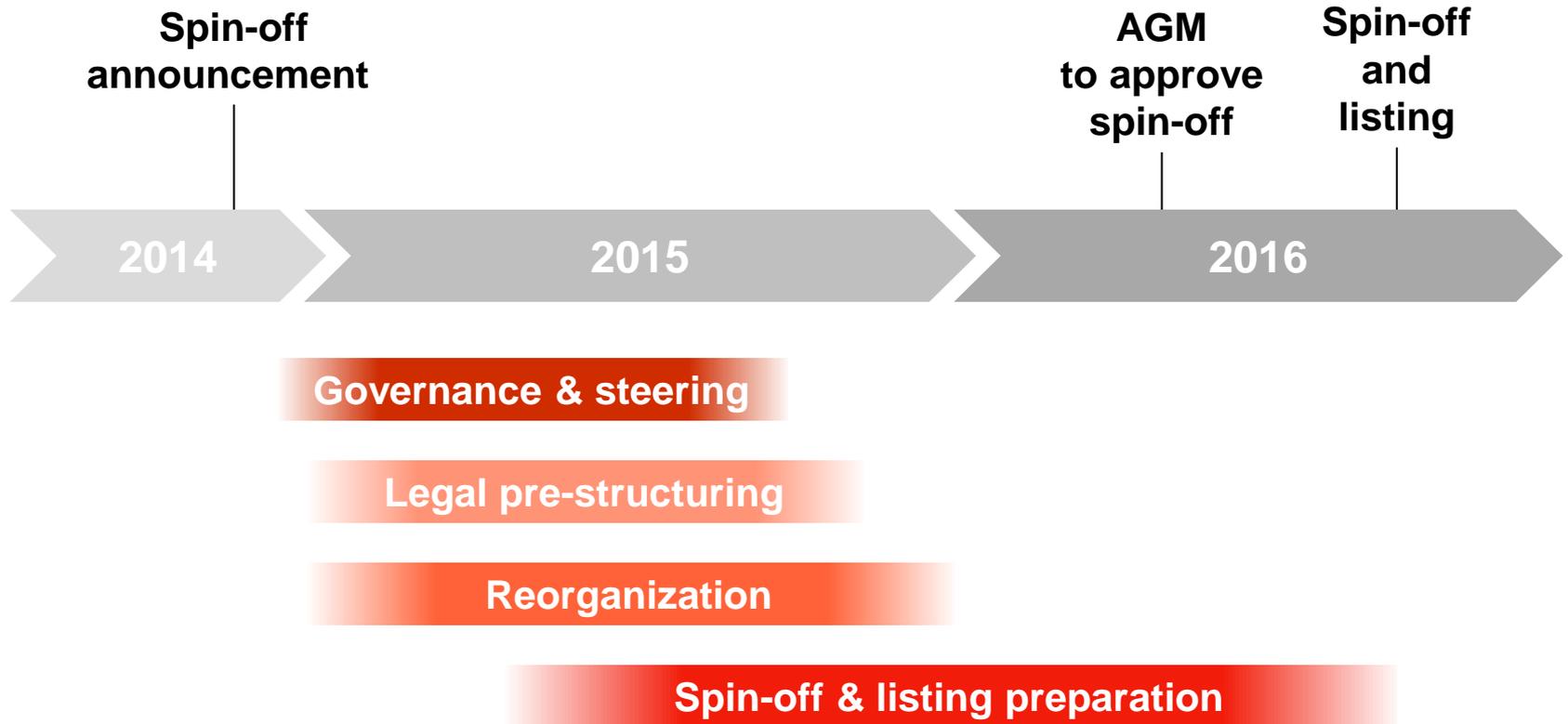
# Dividend during transition phase



- Dividend of 0.50 €/share for 2014 and 2015 intended
- Fixed dividend to bridge transition phase
- Fixed dividend to remove uncertainty stemming from divestments

**0.50 €/share dividend for 2014 and 2015**

# Transaction timeline



**Eyeing a completion of the spin-off in the second half of 2016**

# Safeguarding employees interests

## Principles agreed with European and Group Works Councils

- No employee reductions linked to spin-off
- Collective agreements unchanged
- Pensions unaffected
- Commitment to ongoing personal development and training
- Headquarters of both companies to be in Rhine-Ruhr area, Germany
- Commitment to ongoing consultation and alignment during the transition, both at European and national level

**New setup will improve job prospects**

# Proposition for customers, employees and other stakeholders

**e.on**

## Empowering customers

- Retains and attracts **employees** as it offers opportunities in a growing market and with a clear purpose
- Responds to the fundamental **customer** need wanting solutions – and not commodities or technologies
- Enables **societies** to build their lives and future on cleaner and more sustainable answers

## New Company

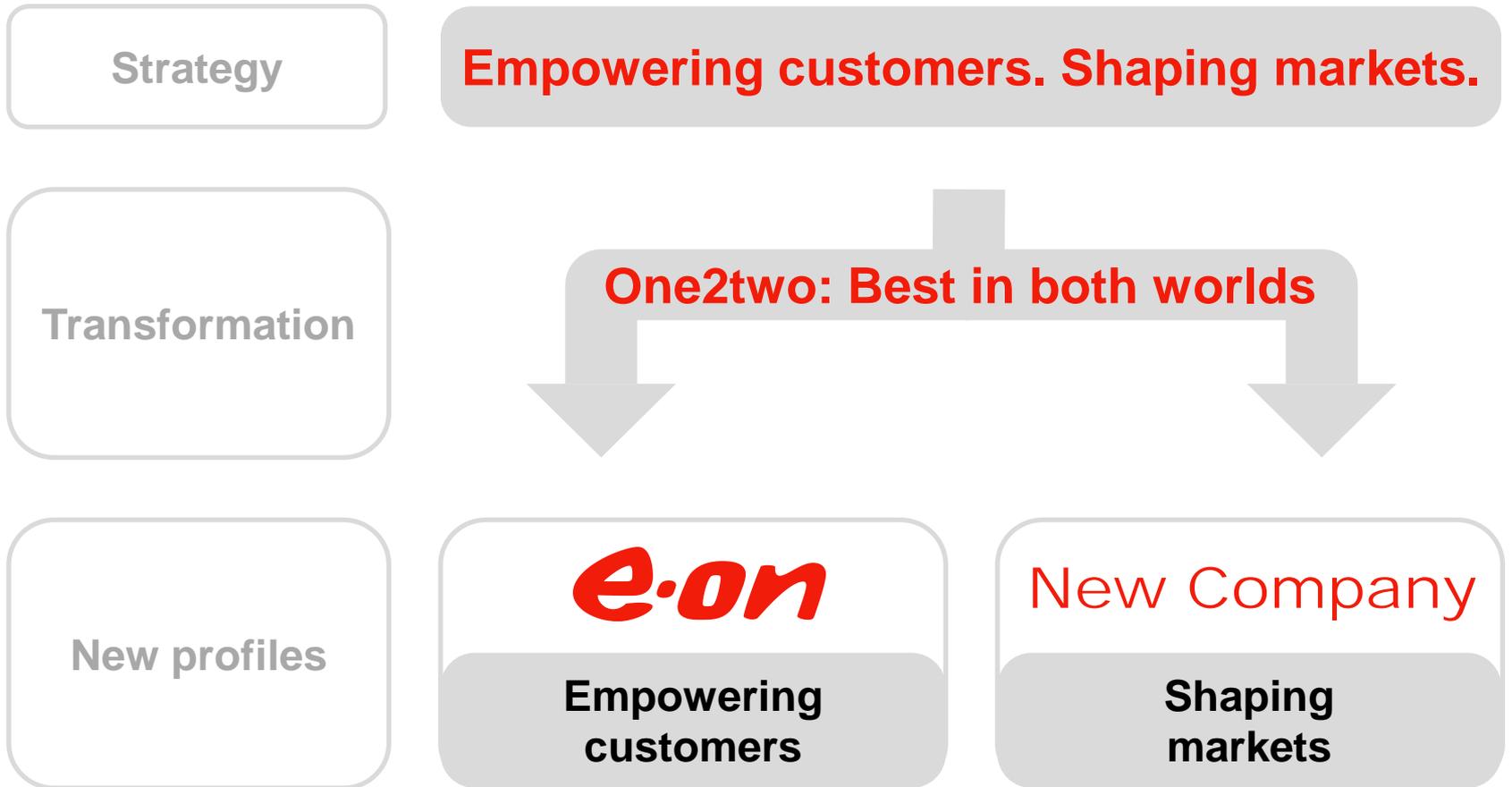
### Shaping markets

- Offers **employees** opportunities in a leading company with significant upside potential
- Offers **partners** a platform to cooperate and benefit by raising efficiency via consolidation and 3<sup>rd</sup> party services
- Enables **societies** to transform energy systems at high standards of security of supply

**Two highly attractive companies**

**e.on**

# E.ON's new strategy



# Disclaimer

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