



E.ON Conference Call

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Presentation:

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Chairman of the Board of Management and CEO

Please check against delivery

Good afternoon Ladies and Gentlemen,

It gives me great pleasure to talk to you about the significant changes that are happening at the E.ON Group. You will agree with me that the last week, in particular, was not only exciting, but in our view also provided an excellent platform for our "focus and growth" strategy.

Now, I would like to highlight these events:

- We have successfully completed the acquisition of Powergen, which represents the biggest acquisition in the history of E.ON to date.
- We also sold our remaining 49%-stake in Veba Oel to BP by exercising our put option and thus exiting from the oil business completely.
- We have made a commitment to Deutsche Bahn to accept its offer of 32.75 euros per share for our distribution and logistics group Stinnes. This paves the way for an earlier than expected exit this year.
- After intense negotiations with ExxonMobil, Shell and Preussag, we came to an agreement to acquire their remaining 40% shareholdings in Ruhrgas. This is in line with our declared strategy to own 100% of Ruhrgas.
- And finally, last Friday, we have received the most important announcement: the ministerial permit for the acquisition of Ruhrgas.
- As a reminder, this approval also triggers the divestment process of our chemicals business Degussa to RAG.

You will agree with me that these events in the past week have been extraordinary for the E.ON Group, as well as for our shareholders. Nevertheless, the ministerial permit was not a free ride, and we had to make some significant concessions.

Since you have all followed in detail the ministerial permit for Ruhrgas, I will just list the shareholdings that E.ON and Ruhrgas have agreed to divest:

- Our participation in Germany's third largest gas supplier, Verbundnetz Gas (VNG), in which Ruhrgas holds 36.8% and E.ON 5.3%.
- The 27.4% stake in EWE, which is the fourth largest regional distribution company in the E.ON Group.
- Within the area of EWE, we will also divest E.ON Energie's 24.1% stake in Stadtwerke Bremen, which has only been a financial investment for us.

- E.ON Energie's 22% stake in Bayerngas, which is a regional long-distance gas supplier in Bavaria.
- E.ON's 80.5% stake in Gelsenwasser. Gelsenwasser is the only fully consolidated company to be divested. Its sales amount to 394 million euros of which 45% come from gas and 55% from water. As you are aware, we have often stated that the water business is not a top priority for us .

We have about six months to divest these companies after closing the Ruhrgas transaction. However, if necessary, this period can be extended for up to one year if we can give the Ministry of Economics good reasons for such an extension.

I would like to emphasize that the list of divestments does not include the publicly much debated sale of our gas subsidiaries Thüga and Heingas. Also, all our other majority-owned gas distributors, mainly Schlesweg and Avacon, are not affected by these concessions. Thus, we can stick to our integrated plan in the gas business.

In addition to the above-mentioned divestments, we have committed to the Ministry to invest approximately 6 to 8 billion euros in the entire gas value chain in the medium term. However, these investments have to meet our strict return-on-investment criteria. By means of these investments, we will contribute to the stabilization and security of gas supply in Germany.

Moreover, in order to make the German gas market more competitive, we have made additional commitments to the Ministry. These will involve easy access to the gas network, flexible contract conditions, "legal unbundling" of the transportation network of Ruhrgas starting on the 1st of January 2004, and finally the so-called "Gas Release Program".

- The "Gas Release Program" calls for Ruhrgas to auction 5% of its contracted volume to competitors, which will total 75 billion kWh over three years. This program will start on the 1st of October 2003.
- In order to create more demand for gas under this program, Ruhrgas will allow its customers, if they want, to reduce their supplied gas volume to up to 80% of the demand. The remaining 20% will be released to all market players.

To summarize,
Ladies and Gentlemen,

The concessions and commitments made by E.ON and Ruhrgas to the Ministry of Economics are significant but in line with our expectations and within acceptable limits.

For us, however, the most important aspect is that we can now finally move forward in our integrated electricity and gas strategy. Ruhrgas will remain an independent company, and Thüga will be integrated into Ruhrgas. Thus the integrated gas business will provide an excellent platform to further strengthen our position in the growing German and European gas markets.

This concludes my remarks, and we will now be happy to answer your questions.