



**Conference Call for Analysts and Investors
First Half Results 2007**

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Presentation by:

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

Please check against delivery

Ladies and gentlemen, let me wish you a good afternoon and welcome you to the presentation of our 2007 First Half results.

Before we go into details, let me briefly mention the main highlights.

First, with regard to our **financials for the first half of 2007**, adjusted EBIT improved by 7 percent year-on-year to reach 5.4 billion Euros. Operating cash flow was 2 billion Euros higher than last year, and economic net debt decreased by 1.8 billion Euros compared to the end of 2006.

Second, we have so far bought back 8.9 million of our own shares for 1.1 billion Euros as part of our 7 billion Euros buy-back program, thus delivering on our promise to optimize our capital structure and return cash to shareholders.

And finally, we reconfirm our outlook for the full year.

My colleague Marcus Schenck will detail all this in a moment.

Before I go further, let me first say a few words about 'europe.on'. The 'europe.on' project is well on track. We have filled most of the key management positions of the new units 'Renewables & Climate Protection', 'Energy Trading' and 'Fossil-Fired New-Builds', and are now working through the details of the implementation.

The new units will be up and running by January 1st, 2008.

I will now concentrate on the following:

First, the status of our agreement with Enel and Acciona,

Second, the execution of our investment plan,

Finally, recent political and regulatory developments.

Status of agreement with Enel/Acciona

Let me start with the status of our agreement with Enel and Acciona.

On August 6th, the EU Commission cleared E.ON's proposed acquisition of the Endesa/Viesgo assets. We plan to file for approval with the CNE in September, and do not expect any issue to arise. The timing of the transaction now depends on the success of the offer of Enel and Acciona for Endesa and on the valuation process.

We assume that Enel and Acciona should be able to effectively take control of Endesa by mid-October. The process to establish the transaction value should start soon thereafter.

The valuation mechanism provided for in the agreement clearly defines how the transaction value will be obtained, and ensures that both parties come up with realistic valuations. We currently expect that the transaction will close during the first half of 2008.

In addition to the approximately 10 billion Euros acquisition of Endesa/Viesgo assets, we are also making good progress in other areas of the 60 billion Euros investment plan announced on May 31st.

Let me comment on the two transactions we concluded in the last two weeks.

Acquisition of 28% in Skarv-Idun

On August 2nd, we announced that E.ON will acquire Shell's stakes in four licenses with upstream gas fields in the Norwegian Sea for 893 million US Dollars.

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First and foremost, the acquired licenses include a 28 percent stake in the undeveloped Skarv and Idun gas fields. According to the PDO (Plan for Development and Operation) filed with the

Norwegian Petroleum Directorate, our share in the reserves of these two fields amounts to 116 million barrels oil equivalent, of which 13.6 billion cubic meters of rich gas. Note however that PDO reserves are typically stated conservatively.

The development of Skarv and Idun will require 5 billion US Dollars of investments, of which 1.4 billion US Dollars will be on E.ON's account. Production start is scheduled for the end of 2011 with an average volume of 1.4 billion cubic meters over 10 years. Skarv and Idun will thus make a material contribution to our target of producing at least 10 billion cubic meters of equity gas per year.

In addition to the Skarv and Idun fields, the acquired licenses also include the Snadd discovery, whose reserves are 10 to 15 percent of those of Skarv-Idun, and which will be developed at a later stage. Finally, the four licenses cover a substantial acreage which still has to be explored. With 8 additional exploration prospects, we have reasonable hopes of further exploration success in this highly prolific area of the Norwegian Sea.

Taking all this into account, plus the 30% tax uplift on Norwegian upstream investments, the valuation of this acquisition meets our cost of capital for upstream activities, which is well above the group's cost of capital, at oil prices clearly below the current level of 70 Dollar. This acquisition thus comfortably fulfills our financial investment criteria and should create value for the group.

The acquisition of Skarv and Idun together with the development capex makes up more than 50 percent of the 3 billion Euros that we have allocated for upstream and LNG projects in our 60 billion Euro investment plan.

Energi E2 Renovables Ibéricas acquisition

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Let me come to our second transaction. As you know, a new emphasis for E.ON is our expansion in renewable energy. With the acquisition of the renewable portfolio of Energi E2 in Spain and Portugal from DONG Energy, we have made a big step forward.

The acquired assets include 260 MW of renewable capacity in operation, as well as a project pipeline of about 560 MW of wind capacity. 90 MW are already in construction, and the other 470 MW will be completed in the period 2008 until 2011. In addition to the transaction value of 722 million Euros, the development portfolio will require at least 0.6 billion Euros of capex.

At 28 and 36 percent in Spain and Portugal respectively, the load factor of the existing wind portfolio is clearly above average. Furthermore, both Spain and Portugal have reviewed the regulatory framework for renewables in the course of this year, and have ensured that investments remain highly attractive.

This acquisition nicely adds to E.ON's existing renewable portfolio by increasing capacity in operation from 420 MW to 680 MW, and the development portfolio from 2000 MW to 2560 MW. It will also strengthen E.ON's expected position in the Iberian market after the Endesa/Viesgo acquisition.

With a total investment volume of up to 1.3 billion Euros, the acquisition of Energi E2 Renovables Ibéricas represents more than 40% of the 3 billion Euros of investments that we have earmarked for renewables. Together with the planned organic investments we described on May 31st, we are delivering on the investment promise we made as it relates to renewables.

Organic investments

Let me now talk about selected parts of the planned organic investments, which make up the bulk of our 60 billion Euros investment plan.

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On May 25th, E.ON UK started work on the 1200 MW combined heat and power station at Grain.

On July 2nd, E.ON Energie started construction of the 800 MW Irsching 5 CCGT.

Altogether, today, E.ON has 7 new fossil-fired power plants under construction, with a total capacity of more than 5600 MW and representing more than 3.6 billion Euros of our planned investments in generation.

I would like to add that we have started discussions with Czech company Mostecká Uhelná, owner of the Vršany lignite mine, regarding the concept of a new lignite-fired power station.

The plant would have a capacity of 1200 MW and would start operations in 2013. The investment could cost up to 2 billion Euros and is already included in our 60 billion Euros plan.

As you can see from these recent developments, we are well under way to implement our organic growth program.

Let me finally comment on recent political and regulatory developments.

Political and regulatory developments

On July 27th, France, Germany and seven other countries sent a letter to the EU Commission regarding ownership unbundling.

In this letter, these nine countries state that they do not see any positive correlation between full ownership unbundling and the level of prices or investments. Furthermore, they underline that a clear regulatory framework is much more relevant to ensure fair access to the grids than grid ownership. They conclude that full ownership unbundling can not be accepted as the sole option to ensure the further development of the internal markets for electricity and gas.

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Nevertheless, E.ON shares the vision of the Commission of creating an integrated, competitive EU energy market. E.ON has submitted constructive proposals to the EU Commission to establish Regional System Operators.

In a model of Regional System Operator, asset ownership and investments are left untouched. The Regional System Operator would rather focus on cross-border optimization, such as congestion management and investments in interconnections. We believe that such a model could address the issues of market integration much more effectively than ownership unbundling.

Another recent development was the announcement of the EU Commission to open formal proceedings against E.ON and Gaz de France concerning suspected market sharing.

The Commission has so far communicated only a few details regarding these proceedings. We understand it concerns an agreement between E.ON and Gaz de France dating back from 1975 regarding the use of the MEGAL gas pipeline. The MEGAL pipeline connects France and the Czech Republic through Germany, and is for 51 percent owned by E.ON and for 44 percent by Gaz de France. The agreement was terminated in 2004 and it never had any practical relevance. Whatever the outcome of the EU investigation, we do not expect major implications for our company.

Conclusion

This concludes my remarks for today. Marcus will now present our results and outlook in more detail. I remain available to answer your questions later on.

Marcus, over to you.