



Welcome to E.ON's Conference Call

First Half Results 2000

August 17, 2000

Agreement between E.ON and BT

- E.ON receives a Put-Option to sell its 45% stake in VIAG Interkom to BT between 1st of January to 31st of January 2001
- BT receives a Call-Option to acquire a 45% stake in VIAG Interkom between 1st of May to 31st of July 2001
- The exercise price for Put and Call-Option is set at roughly 6.6 billion Euros and can be adjusted in accordance with the price for UMTS license.
- Minimum option price is 6 billion Euros and the maximum 7.8 billion Euros

E.ON Group`s 1st Half Results

- Accounting and valuation policies are not yet harmonized
- Former VIAG numbers are based on International Accounting Standards (IAS)
- Former VEBA numbers are based on US GAAP, insofar as permissible under German GAAP
- The results are simply added together and are not consolidated

Group Performance (1)

€ in millions

| | 1st half 2000 | 1st half 1999 | +/- % |
|--|---------------|---------------|------------|
| Group External Sales | 46,881 | 34,878 | +34 |
| Group Internal Operating Profit | 1,712 | 1,896 | -10 |
| Electricity | 1,118 | 1,665 | -33 |
| Oil | 55 | -27 | - |
| Chemicals | 379 | 377 | +1 |
| Telecommunications | -274 | -374 | +27 |
| Real estate | 39 | 79 | -51 |
| Other Activities | 454 | 129 | +252 |
| E.ON AG/consolidation | -59 | 47 | - |



Group Performance (2)

€ in millions

| | 1st half 2000 | 1st half 1999 | +/- % |
|--|---------------|---------------|------------|
| Group Internal Operating Profit | 1,712 | 1,896 | -10 |
| Net book gains | 4,464 | 1,875 | +138 |
| Cost-management and restructuring expenses | -116 | -81 | -43 |
| Other non-operating earnings | -620 | -200 | -210 |
| Foreign E&P taxes | 224 | 118 | +90 |
| Pretax Income | 5,664 | 3,608 | +57 |
| Income taxes | -2,344 | -843 | -178 |
| Income after taxes | 3,320 | 2,765 | +20 |
| Minority interests | -288 | -183 | -57 |
| Group Net Income | 3,032 | 2,582 | +17 |



Electricity - Power supply (pro forma figures)*

kWh in millions

| | 1st half 2000 | 1st half 1999 | +/- % |
|-----------------------------|----------------|---------------|--------------|
| Standard-rate customers | 15,908 | 15,189 | +4,7 |
| Special-rate customers | 26,891 | 24,399 | +10,7 |
| Distributors | 61,422 | 49,878 | +22,9 |
| Foreign utilities | 14,450 | 6,606 | +118,7 |
| Traders | 3,327 | 1,664 | +100,0 |
| Total power supplied | 104,221 | 89,466 | +16,5 |

* preliminary

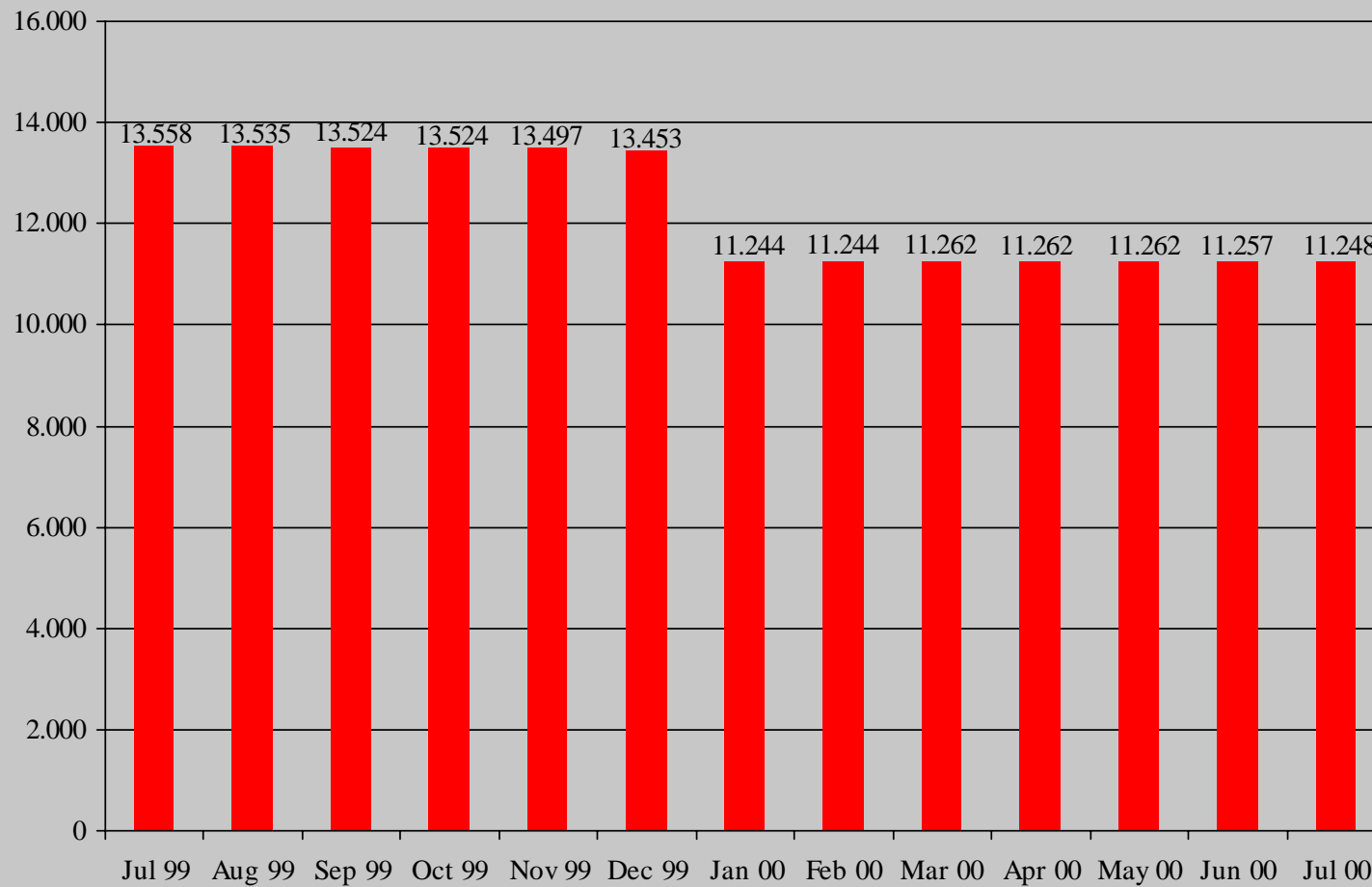
Electricity - Internal Operating Profit

in millions

| | PreussenElektra 1st half 2000 | +/-% 1st half 2000 vs. 99 | Bayernwerk 1st half 2000 | +/- % 1st half 2000 vs. 99 | Total | +/- % 1st half 2000 vs. 99 |
|--|--|--|-------------------------------------|---|--------------|---|
| Sales Volume (kWh) | 63,101 | +17 | 41,120 | +16 | 104,221 | +16 |
| Sales (€) | 4,031 | +4 | 2,325 | -17 | 6,356 | -5 |
| Internal Operating Profit (€) | 528 | -42 | 590 | -22 | 1,118 | -33 |

Electricity - German industrial power prices

in Pf/kWh



Source: VIK

Electricity - Price comparison special-rate customers*

in Pf/kWh

| | July 2000 | July 1999 | +/- Pf/kWh | +/- % |
|------------------------|---------------|---------------|--------------|---------------|
| VEAG | 12.163 | 14.175 | -2.01 | -14.19 |
| EnBW | 13.131 | 13.512 | -0.38 | -2.82 |
| Bayernwerk | 10.270 | 13.653 | -3.38 | -24.78 |
| BEWAG | 12.120 | 13.720 | -1.60 | -11.66 |
| Germany | 11.248 | 13.558 | -2.31 | -17.04 |
| VEW | 12.835 | 13.163 | -0.33 | -2.49 |
| HEW | 13.690 | 14.870 | -1.18 | -7.94 |
| RWE | 9.862 | 13.439 | -3.58 | -26.62 |
| PreussenElektra | 11.795 | 13.142 | -1.35 | -10.25 |

* average prices, excl. electricity taxes and sales taxes
Source: VIK



Electricity - Price comparison standard-rate

customers*

in Pf/kWh

| | June 2000 | June 1999 | +/- % |
|------------------------|--------------|--------------|--------------|
| PreussenElektra | 25.78 | 27.20 | -5.25 |
| Bayernwerk | 30.03 | 32.36 | -7.21 |
| BEWAG | 28.32 | 31.46 | -9.98 |
| EnBW | 30.15 | 29.65 | +1.69 |
| HEW | 29.72 | 31.92 | -6.88 |
| RWE | 26.17 | 27.28 | -4.09 |
| VEW | 27.80 | 30.80 | -9.74 |

* average prices, incl. electricity taxes but excl. sales taxes
Source: E.ON Energie

Oil - Key figures

€ in millions

| | 1st half 2000 | 1st half 1999 |
|--|---------------|---------------|
| Internal Operating Profit | 55 | -27 |
| Upstream | 71 | -20 |
| Downstream | 9 | 33 |
| Others | -25 | -40 |
| Average crude oil price (\$/barrel) | 26.8 | 13.4 |
| Refinery margins (\$/ton) | 20.4 | 11.0 |
| Hedging losses | -104 | -38 |

Chemicals - Internal Operating Profit

€ in millions

| | Degussa-Hüls 1st half 2000 | +/- % 1st half 2000 vs. 99 | SKW Trostberg 1st half 2000 | +/- % 1st half 2000 vs. 99 | Total 1st half 2000 | +/- % 1st half 2000 vs. 99 | +/- % adj.* 1st half 2000 vs. 99 |
|--|-------------------------------|----------------------------------|--------------------------------|----------------------------------|---------------------------|----------------------------------|--|
| Sales | 7,644 | - | 2,068 | +20 | 9,712 | +3 | +28 |
| Internal Operating Profit (€) | 276 | +1 | 103 | - | 379 | +1 | +22 |

* Adjusted for Degussa`s 4th quarter 1998 sales of € 1.8 billion and IOP of € 66 million

Telecommunications - Key figures

€ in millions

| | 1st half 2000 | 1st half 1999 |
|----------------------------------|---------------|---------------|
| Sales | 467 | 239 |
| Internal Operating Profit | -274 | -374 |

Mobile Communications by Country

Market Share

| | | |
|-------------------|----------------------------|------------|
| Germany: | 1,800,000 subscribers | 6% |
| Austria: | 730,000 subscribers | 16% |
| Switzerland: over | 600,000 subscribers | 17% |
| France: | over 3,800,000 subscribers | 19% |

Real estate - Key figures

€ in millions

| | 1st half 2000 | 1st half 1999 |
|----------------------------------|---------------|---------------|
| Sales | 563 | 515 |
| Internal Operating Profit | 39 | 79 |

- **Energy Services:**
 - Income is now distributed over the entire 12-month period instead of a lump sum in one quarter
- **Number of housing units sold:**
 - 585 units vs. 1,307 units
 - Full year housing units to be sold: 4,100 units vs. 2,935 units (1999)

Internal Operating Profit - Other Activities

€ in millions

| | 1st half 2000 | 1st half 1999 | +/- % |
|------------------------|---------------|---------------|-------------|
| VAW Aluminium | 156 | 102 | +53 |
| Distribution/Logistics | 330 | 118 | +180 |
| Stinnes | 104 | 74 | +41 |
| VEBA Electronics | 153 | 22 | +596 |
| Klöckner & Co. | 73 | 23 | +217 |
| Schmalbach Lubeca | 22 | 18 | +22 |
| Gerresheimer Glas | 8 | 9 | -11 |
| Silizium-Wafer | -62 | -118 | +48 |
| Total | 454 | 129 | +252 |

Outlook

- Full year Group internal operating profit to be lower in 2000 than in 1999
- Electricity's full year earnings to come in markedly below the prior year's showing
- Oil's internal operating profit will be considerably higher year-on-year
- Chemicals to report higher earnings than in 1999
- Telecommunications to report considerable start-up losses, but on a level that is lower than in prior years
- Aluminum to report internal operating profit on par with the 1999 figure
- All other activities to report higher - in some cases quite considerably higher - internal operating profit than in 1999
- Pre-tax and Net Consolidated Income will come in far ahead of last year's figures

Summary

- The First Half Results are gratifying
- In the Electricity division, the worst is behind us, but we will continue to cut costs further
- Focus and streamline our portfolio rapidly
- A strong competition player worldwide, especially in Europe