



**Welcome to E.ON's Conference Call  
First Quarter Results 2003**

Presentation by Dr. Erhard Schipporeit, CFO

May 15, 2003



This presentation contains certain statements that are neither reported financial results nor other historical information but are based on beliefs of E.ON's management as well as assumptions made by and information currently available to E.ON. These statements are forward-looking statements within the meaning of the safe-harbor provisions of the U.S. federal securities laws. Because these forward-looking statements are subject to risks, uncertainties and assumptions, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond our ability to control or estimate precisely, such as future market or economic conditions, fluctuations in currency or interest rates, the behaviour of other market participants or customers, the actions of governmental regulators, lack of successful completion or implementation of planned acquisitions or dispositions, as well as other risks, including those detailed in our filings with the Securities and Exchange Commission. For information identifying factors that could cause our actual results to differ materially from those anticipated in the forward-looking statements, you should refer to our filings with the Securities and Exchange Commission, in particular to the discussion included in the section of our 2002 Annual Report on Form 20-F entitled "Item 3. Key Information: Risk Factors." We caution you not to place undue reliance on these forward-looking statements, which speak only as of today's date. We do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of this presentation and do not intend to do so.



## E.ON Group - Key figures

First Quarter in million €

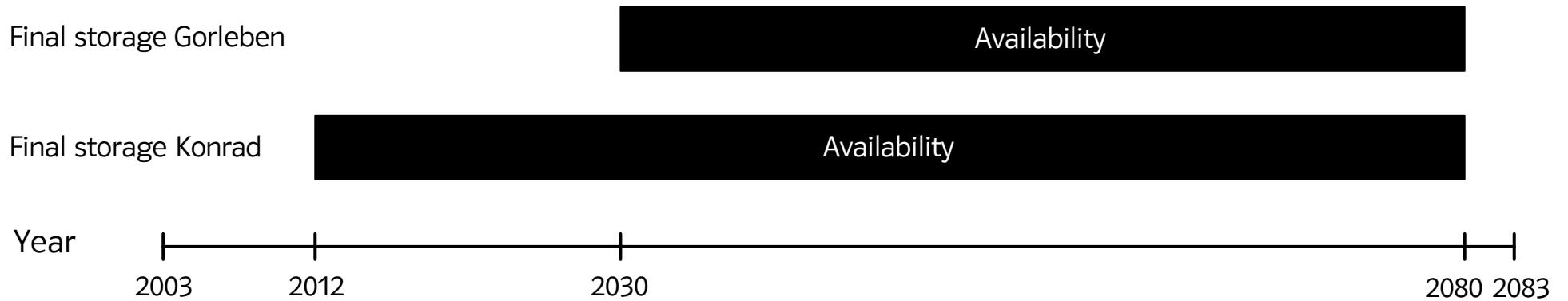
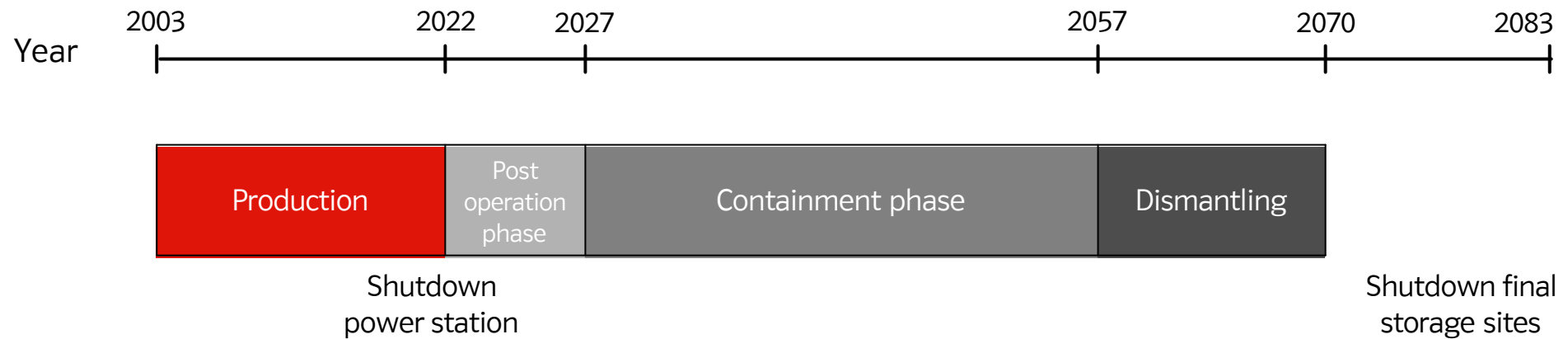
	2003	2002	+/- %
Sales	13,708	8,379	+64
EBITDA	2,658	1,852	+44
EBIT	1,931	1,237	+56
Group internal operating profit	1,496	1,121	+33
Results from ordinary business activities	1,898	1,822	+4
Results from continuing operations	1,432	1,128	+27
Group net income	986	3,212	-69

## E.ON Group – Internal operating profit by division

First Quarter in million €

	2003	2002	+/- %
E.ON Energie	1,070	962	+11
Ruhrgas	264	-	-
Powergen	155	-	-
Other/Consolidation	-137	37	-
<b>Core business energy</b>	<b>1,352</b>	<b>999</b>	<b>+35</b>
Viterra	55	5	-
Degussa	89	117	-24
<b>Other activities</b>	<b>144</b>	<b>122</b>	<b>+18</b>
<b>Group internal operating profit</b>	<b>1,496</b>	<b>1,121</b>	<b>+33</b>

# E.ON Group - Decommissioning schedule (example)



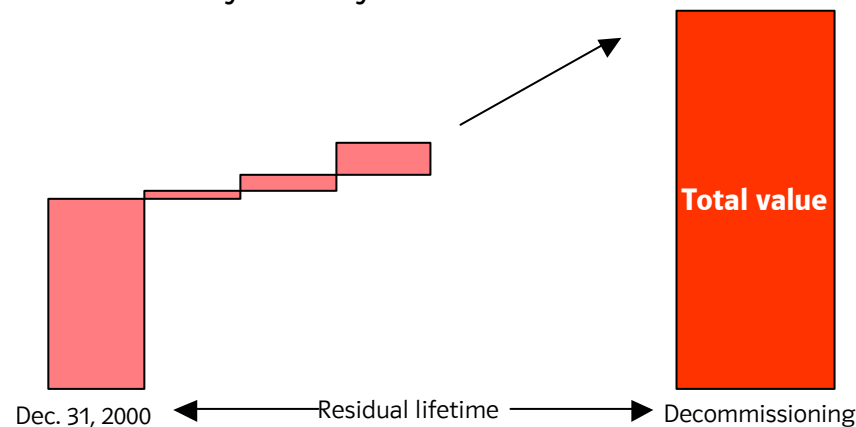
## E.ON Group – Accrual methods of nuclear provisions until Dec. 31, 2002

### Accounting until the end of 2000:

- Provisions were accrued in linear instalments over 19 years

### Accounting from 2001 until the end of 2002:

- Provisions accrued in instalments for the residual lifetime of the nuclear power plant pursuant to the Energy Consensus (consensus term = 32 years)
- Annual price increases were also allocated across the remaining residual lifetime
- Result: Provisions were accrued progressively until the total value was reached; the additions to provisions increased from year to year

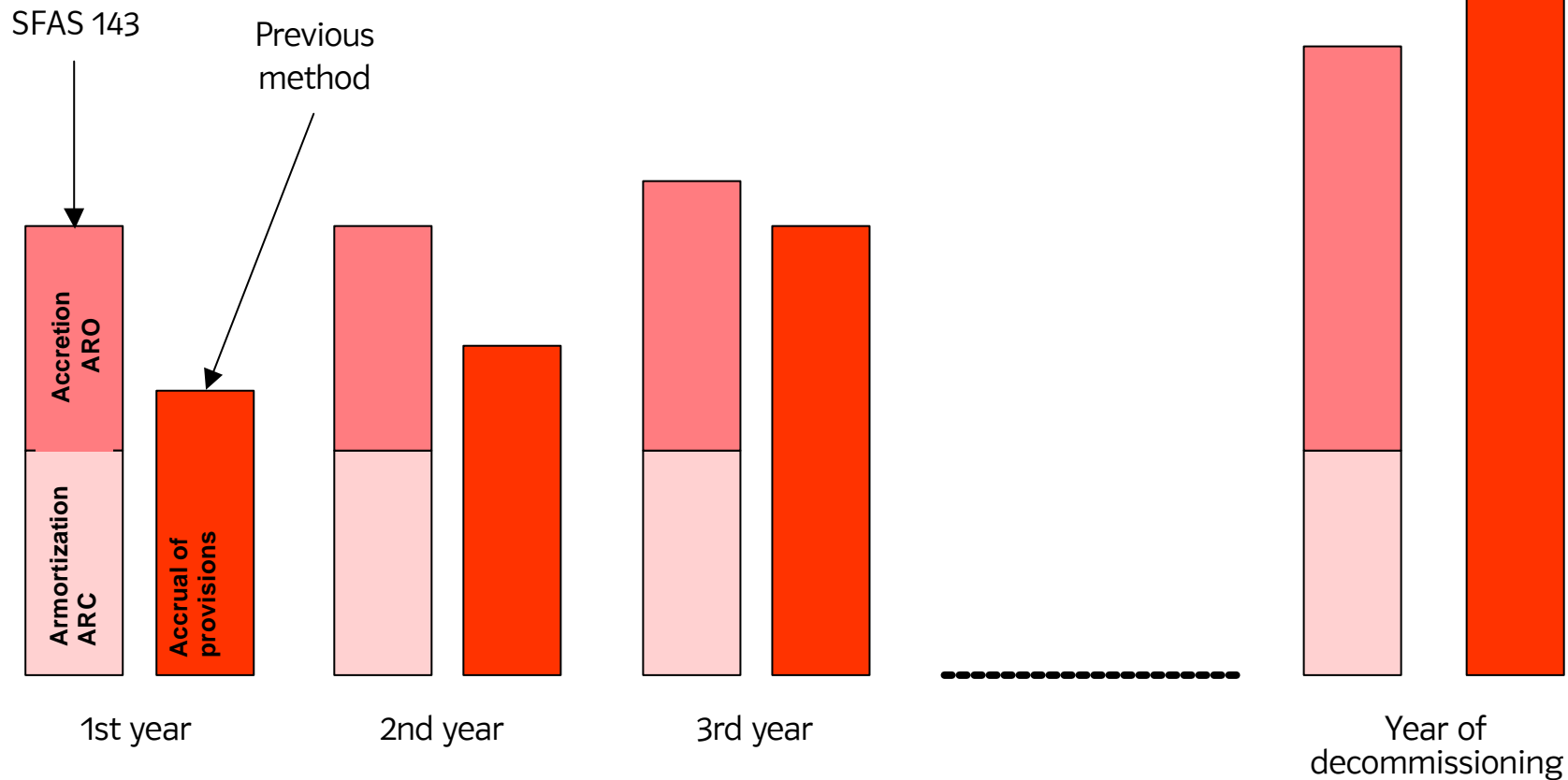


## E.ON Group – Impacts from new US-GAAP principle SFAS 143

- Requires to record 100% of the fair value of an Asset Retirement Obligation (ARO)
- Requires the related Asset Retirement Cost (ARC) to be capitalized and amortized over the life of associated assets
- Major effects of the first-time application as of January 1, 2003:
  - Additional liabilities for all existing AROs of 1.4 billion Euros
  - Additional charge of 448 million Euros after tax recorded under “Change in accounting principle”
- Major effects as of December 31, 2003
  - Additional charge of approx. 200 million Euros to E.ON Energie’s internal operating profit

# E.ON Group - Comparison of previous and new accrual method

**Both methods lead to the same valuation at the end of the term; however, the annual expense is allocated differently**



## Ruhrgas – Net contribution to internal operating profit

in million €

Feb. – Mar.  
2003

Internal operating profit before PPA	302
Purchase price allocation effects	-38
<b>Internal operating profit</b>	<b>264</b>
Financing costs for acquisition (Other/Consolidation)	-75
<b>Net contribution to internal operating profit</b>	<b>189</b>

## Ruhrgas – Key figures 2002 (US-GAAP, before PPA<sup>1</sup>)

€ in millions

	2002
Sales	11,765
<b>EBITDA</b>	<b>1,146</b>
Depreciation/ amortization and writedowns	-230
<b>EBIT</b>	<b>916</b>
Interest income	-2
<b>Internal operating profit</b>	<b>914</b>
thereof income from share investments	232
<b>Group net income</b>	<b>551</b>

1) Purchase price allocation not yet finalized; for the full year 2003 an amount of approx. € 120 million is expected

## Ruhrgas –Cashflow 2002 (US-GAAP)

€ in millions

	2002
Cash provided by operating activities	721
Cash provided by (used for) investing activities	-1,578
thereof purchase of intangible and fixed assets	-166
thereof purchase of equity investments	-1,451
Cash provided by (used for) financing activities	866
<b>Free cashflow<sup>1</sup></b>	<b>555</b>

1) Free cashflow = cash provided by operating activities - purchase of intangible and fixed assets

## Ruhrgas – Balance sheet (US-GAAP, after PPA)

As of March 31, 2003 in million €

	March 31, 2003		March 31, 2003
<b>Fixed assets</b>	<b>13,217</b>	<b>Stockholders' equity</b>	<b>10,838</b>
Thereof property, plant and equipment	4,573	<b>Minority interests</b>	<b>61</b>
Thereof share investments	5,009	<b>Provisions</b>	<b>4,024</b>
<b>Non-fixed assets</b>	<b>5,888</b>	Thereof pension provisions	715
Thereof securities	268	<b>Liabilities</b>	<b>4,182</b>
Thereof liquid funds	1,096	Thereof financial liabilities	780
<b>Total assets</b>	<b>19,105</b>	<b>Total stockholders' equity and liabilities</b>	<b>19,105</b>

## Powergen – Net contribution to internal operating profit

First Quarter in million €

2003

Internal operating profit before PPA	196
Purchase price allocation effects	-41
<b>Internal operating profit</b>	<b>155</b>
Financing costs for acquisition (Other/Consolidation)	-90
<b>Net contribution to internal operating profit</b>	<b>65</b>

## E.ON Group – Cashflow

First Quarter in million €

	2003	2002	+/- %
E.ON Energie	712	519	+37
Ruhrgas	858	-	-
Powergen	-168	-	-
Other/Consolidation	-322	127	-
<b>Core business energy</b>	<b>1,080</b>	<b>646</b>	<b>+67</b>
Viterra	64	81	-21
Degussa	-93	94	-
<b>Other activities</b>	<b>-29</b>	<b>175</b>	<b>-</b>
<b>Cashflow from continuing operations</b>	<b>1,051</b>	<b>821</b>	<b>+28</b>
Investments in intangible and fixed assets	-458	-546	-16
<b>Free cashflow</b>	<b>593</b>	<b>275</b>	<b>+116</b>

## E.ON Group - Outlook 2003

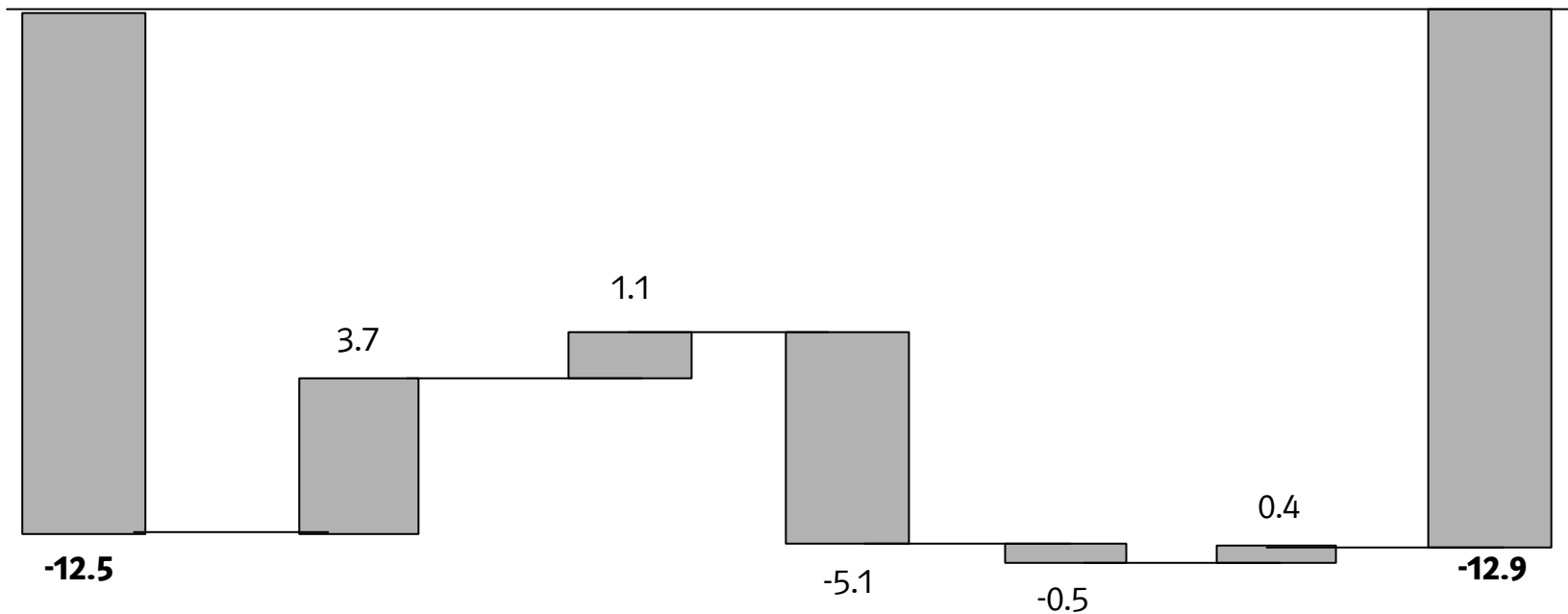
<b>Internal operating profit:</b>	<b>Expected to surpass last year's record-result slightly</b>
- <b>E.ON Energie:</b>	Further improvement of earnings
- <b>Ruhrgas:</b>	Improvement of earnings is expected; substantial positive earnings contribution after purchase price allocation effects and financing costs
- <b>Powergen:</b>	Increase in earnings anticipated; positive earnings contribution after financing costs
- <b>Viterra:</b>	Expecting further increase in earnings
- <b>Degussa:</b>	Further operational improvement in 2003, however will not be reflected in E.ON's Consolidated Financial Statements due to at equity accounting
<b>EBIT:</b>	<b>Significant rise is expected</b>
<b>Group net income:</b>	<b>Expected to further increase due to operating improvements and to substantial proceeds from divestments</b>

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Back-up charts

# E.ON Group - Net Financial Development

First Quarter in billions €



**Net financial position as of Dec. 31, 2002**

Divestments/  
deconsolidations

Cash provided  
by (used for)  
continuing  
operations

Investments  
in fixed and  
financial  
assets

Consolidation  
of acquisitions

Other

**Net financial position as of March 31, 2003**

## E.ON Group – Other non-operating earnings

First Quarter in million €

	<b>2003</b>
Partial sale of Bouygues Telecom (5.8%)	294
Partial sale of Degussa (18%)	168
Losses from partial sale of HVB shares (1.9%)	-76
Other	4
<b>Net book gains</b>	<b>390</b>
Powergen	-41
Other	-7
<b>Restructuring expenses</b>	<b>-48</b>
E.ON Energie/Powergen market-to-market valuation of derivatives	91
Other	-31
<b>Other non-operating earnings</b>	<b>60</b>

## E.ON Group – Discontinued operations

in million €

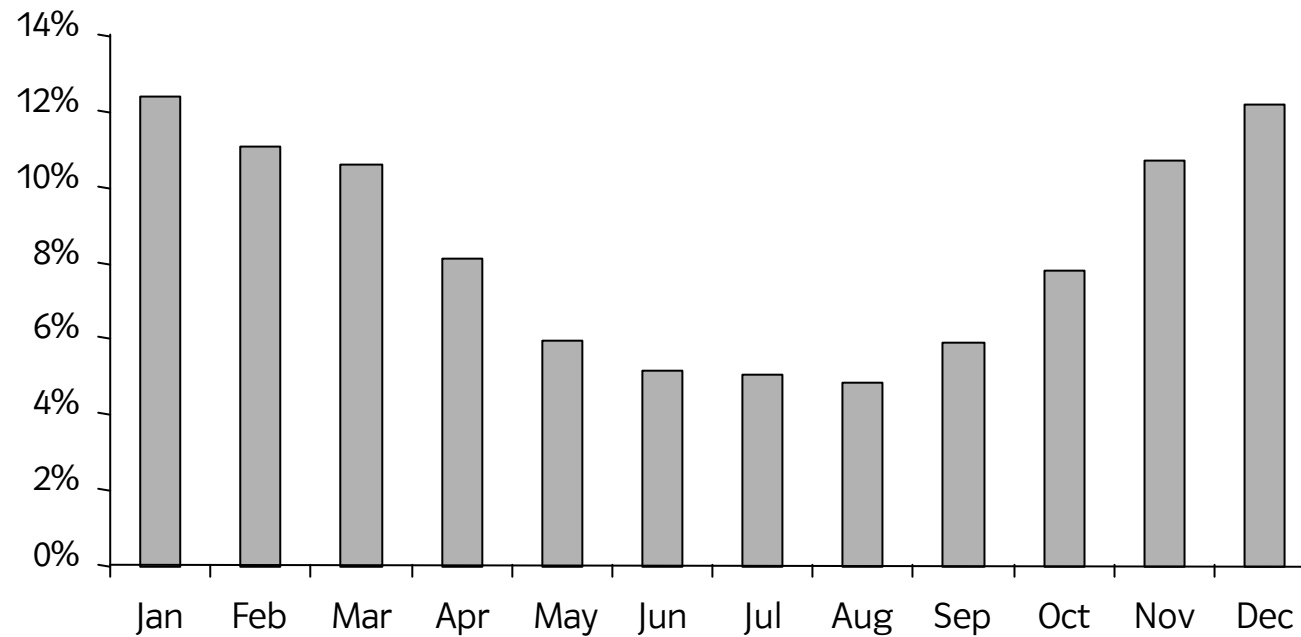
	First Quarter 2002				First Quarter 2003		
	Book gains	Other earnings	Total		Book gains	Other earnings	Total
VAW	893	61	954	Activities E.ON Energie	0	29	29
VEBA Oel	810	75	885	VEBA Oel	-37	0	-37
Stinnes	0	32	32	Activities Viterra	-10	20	10
Activities E.ON Energie	0	25	25				
Activities Degussa	-38	15	-23				
Activities Viterra	0	20	20				
<b>Results from discontinued operations</b>	<b>1,665</b>	<b>228</b>	<b>1,893</b>	<b>Results from discontinued operations</b>	<b>-47</b>	<b>49</b>	<b>2</b>

## Ruhrgas – Key figures (US-GAAP, pro forma after PPA)

in million €

	Jan. – Mar. 2003	Jan. – Mar. 2002
Sales	4,882	3,713
<b>EBITDA</b>	<b>566</b>	<b>388</b>
Depreciation/ amortization and writedowns	-119	-95
<b>EBIT</b>	<b>447</b>	<b>293</b>
Interest income	-33	-1
<b>Internal operating profit</b>	<b>414</b>	<b>292</b>

## Ruhrgas - Natural gas sales volume pattern



■ Average natural gas sales volume pattern

## Degussa – Since February 1, 2003 consolidated at equity

in million €

	First quarter 2002 fully consolidated	January 2003 fully consolidated	Feb.-Mar. 2003 at equity	First quarter 2003	+/-
Sales	2,873	994	0	994	-1,879
EBITDA	396	133	33	166	-230
EBIT	187	74	33	107	-80
<b>Internal operating profit</b>	<b>117</b>	<b>56</b>	<b>33</b>	<b>89</b>	<b>-28</b>

## Degussa - Effects from changes in consolidation method based on Annual Results 2002

in million €

	100% fully consolidated	64.6% fully consolidated	46.5% at equity
Sales	11,765	11,765	0
EBITDA	1,747	1,747	106
EBIT	936	936	106
<b>Internal operating profit</b>	<b>655</b>	<b>655</b>	<b>106</b>
Group net income	227	146	106