



**Teleconference
Interim Report January 1 – March 30, 2005**

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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,

Welcome to the telephone conference presenting our figures for the first quarter of 2005. Today we are taking stock of this financial year so far and intend to inform you in detail, as usual, of business developments in the first quarter. I will give you a brief overview and then my colleague, Erhard Schipporeit, will explain the quarterly figures in detail. Subsequently we will both be available to answer your questions.

At the annual press conference in March we were able to state that in the 2004 financial year we already reached or surpassed most of the financial targets we had set ourselves for 2006. We described the outlook for the new year as being positive. The first quarter of 2005 has borne out our expectations.

The positive development of results in the E.ON Group continued this year. Adjusted EBIT, the key measure of our operating performance, rose by 7 % against the prior-year quarter to a good €2.5 billion. Almost all market units contributed to this improvement. In net income (after tax and minority interests) we were again able to reach the high prior-year level at €1.5 billion despite considerably lower book gains and higher taxes than in the previous year. Today I can therefore state this: In the first quarter of 2005 we were again able to improve our operating performance in the entire group.

Let me give you a few examples to illustrate E.ON's strength. In the growth region of eastern Europe we have acquired targeted shareholdings step by step and developed a leading market position. This year we made further progress in this connection. In February, we completed the acquisition of shares in the Bulgarian power suppliers Gorna Oryahovitza and Varna. These companies sold approx. 5 billion kWh of power to 1.1 million customers in 2004. In early April we signed a contract for purchasing a majority stake in the Romanian

regional supplier Electrica Moldova. This company supplies some 1.3 million customers with approx. 4 billion kWh of power. With these share investments we were able to expand further our position in central and eastern Europe. Like no other energy company we are able in this region to leverage our energy synergies across national borders and are very profitable in this respect.

In the United Kingdom as a key market we are also expanding further our leading position in power generation. Last week we were able to strengthen our position on the UK market by acquiring a modern and efficient gas-fired power station at Enfield near London. This example also illustrates how we are systematically implementing our strategy for organic growth on our core markets.

The pleasing development of results in the first quarter, further progress in group integration and steady expansion of our market positions all show that E.ON is making further progress towards achieving its vision of becoming the world's leading power and gas company.

The road to that vision involves not only expansion of our existing market positions but also targeted, forward-looking investments. Until 2007 we will invest almost €19 billion, including nearly €6 billion in Germany. The focus is on the modernisation and maintenance of power and gas networks and environmentally friendly power generation. We assume that by 2020 we will invest a double-digit billion sum in the replacement of power stations which are decommissioned because of their age or under the nuclear energy agreement. Our investments will provide jobs for up to 30,000 people outside our company for the duration of the projects. We are thus making an important contribution not only to future security of German energy supply but also to the German labour market.

On the other hand, we are faced in the medium term with the task of widening the basis for future added value. Thus we do not rule out major acquisitions if opportunities arise that meet our strict investment criteria. What ultimately matters is not the size of an acquisition but merely the value added. There are a number of options in this respect. Europe is and will remain our focus. Further liberalisation of this market will offer us further growth prospects. In addition, we are keeping open the option of growth on the US energy market. Our strategy and goals are clear. The first quarter of 2005 shows that we are on the right track.