



**Telephone Conference on the Release of  
E.ON AG's Interim Report for January 1 – March 31, 2007**

**Düsseldorf, May 9, 2007**

**Presentation by:**

**Dr. Wulf H. Bernotat**

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

**Please check against delivery**

Ladies and gentlemen, welcome to our telephone conference on our first interim report for 2007. Because our Annual Shareholders Meeting was just a few days ago, today I'll focus on the E.ON Group's very solid earnings development in the first three months of 2007. Last week we said that the current financial year has started very well. To put this in numeric terms, we increased adjusted EBIT by 21 percent, from €2.7 billion to €3.3 billion.

It's noteworthy that we achieved this earnings improvement predominantly outside Germany. The U.K. market unit delivered the biggest earnings growth, increasing its adjusted EBIT from €43 million to €436 million. It should be noted, however, that the prior-year quarter was negatively impacted by high gas procurement costs that resulted from a gas supply bottleneck and unseasonably cold weather in Great Britain. In addition, Dalmine, our newly consolidated subsidiary in Italy, made a tangible contribution to the improvement in adjusted EBIT. The importance of Pan-European Gas's business outside Germany is also increasing, as are its earnings contribution. New supply agreements were concluded with large customers in Denmark, France, and Italy. The inclusion of the E.ON Földgáz Group in Hungary continues to have a positive effect on adjusted EBIT.

This development demonstrates that our systematic focus on growth in Europe has been the right strategy. While we're recording improvements in our other European markets, we're increasingly experiencing the adverse effects of Germany's energy-policy and regulatory environment. The significant, regulation-driven reduction in network charges and the continued dramatic increase in the amount of renewable-source electricity delivered onto our network have had an especially negative impact. Now, the proposed amendments to Germany's Law Against Restraints of Competition will put an even heavier regulatory burden on us. This regulatory intervention is anti-market, anti-European, and will have a counterproductive effect on competition. More regulation in the German market will of course have a further negative impact on our business.

In the context of these developments, we're working hard to further enhance the efficiency of our organizational structures business processes and to reduce our costs. At the same time, they make it clear how important it is that we organize our business even more along European lines. The assets we'll acquire in Spain, Italy, and France as part of our Endesa project represent an important step in this direction. Other steps will follow. In a project called europe.on, we're hard at work refining our strategy, our market positions, and our financial strategy. We're designing a package of measure in which we:

1. establish how we'll manage our business across regional boundaries
2. outline the prospects for further external and internal growth
3. set new targets for enhancing our profitability
4. reorganize the management of our capital structure.

As we announced at the Annual Shareholders Meeting, we'll provide you with a detailed presentation of these measures on May 31.

Our objective is to make E.ON the most agile and powerful company in the European energy industry—even though we're facing harsher energy-policy and regulatory headwinds than ever before. Our broad geographic footprint with a presence in all major European markets makes us better equipped than any other company in our industry to face these challenges.

I'll now hand things over to Marcus Schenck who will now give you a detailed look at our first-quarter results.

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