



**Conference Call for Analysts and Investors
First Quarter Results 2008**

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Presentation by:

Dr. Wulf H. Bernotat

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

Please check against delivery

Good afternoon ladies and gentlemen, and thank you for joining us on this conference call on our First Quarter 2008 results.

With adjusted EBIT almost flat, this is maybe not the strongest quarter in E.ON's history. However, underlying trends are clearly positive, and the outlook for the full year remains unchanged. We expect adjusted EBIT to grow by 5 to 10 percent, and adjusted net income by 3 to 5 percent.

While Marcus Schenck will present our results and outlook in further detail, I would like during today's call to touch on the following three topics:

- **First**, I will update you on the progress of the remedies proposed to the European Commission.
- **Second**, I will discuss the current stand of our acquisition of selected Endesa assets and Viesgo, and the asset swap with Statkraft.
- **And third**, I would like to explain our strategy regarding nuclear energy.

Structural remedies

Let me start with the status of the structural remedies that we have proposed to the European Commission.

We finalized this week the package of assets that we will propose to divest, and will shortly hand it over to the EU Commission.

As already announced, we propose to sell 4.8 GW out of the 25.6 GW of capacity in Germany. The package that we have put together is broadly representative of E.ON's overall generation portfolio, and breaks down as follows: 1,500 MW nuclear, 580 MW lignite, 1,788 MW coal, 272 MW gas, and 660 MW hydropower. You will find a full list of the power plants concerned in the backup charts.

In addition, we will divest the 380 and 220 kilovolt transmission network of our subsidiary E.ON Netz.

At this stage, we have not determined how exactly these assets will be divested. But as far as the generation capacity is concerned, we will favor asset swaps whenever possible.

With regard to timing, the EU Commission first has to conduct a market test. This is a standard procedure which is also used when assessing remedies in the context of M&A transactions. Thereafter, the Commission will have to consult the member states. Only then will the Commission be able to reach a final decision and will the proposed structural remedies become legally binding.

All in all, we assume that the EU Commission will reach a final decision somewhere around October this year. We will then have two years to divest the transmission network, and 6 months, with a possible extension of another 6 months, to divest the generation assets.

Update on pending M&A transactions

Let me now update you on the two M&A transactions which are still pending.

It is only a few weeks ago that we had a conference call with you to discuss the outcome of the valuation process related to Viesgo and the Endesa assets.

We expect that the EU Commission and the Spanish Ministry of Industry will approve the transaction before the end of this quarter. The Share Purchase Agreements should also be finalized in the coming weeks. Also, investment banks are now finalizing the valuation of the 450 MW nuclear drawing right agreement. We expect the transaction to close during the third quarter.

The Statkraft asset swap is also on track. We have agreed to a slight change to the assets to be swapped in Germany. Instead of E.ON's stake in the Veltheim gas-fired power plant, Statkraft will receive the Robert Franck 4 plant. We expect the transaction to close towards the end of the year.

Nuclear strategy

Let me now discuss our strategy for nuclear energy, as I have received a lot of questions lately on this topic.

Across our whole portfolio, nuclear power makes up 18 percent of E.ON's total generation capacity, and 30 percent of its generation output. Although our nuclear capacity will remain broadly stable until 2015, it will decline in relative terms due to the growth of other technologies.

Looking further towards 2030, we want to achieve a portfolio mix consisting of 50 percent low carbon generation- gas together with coal possibly fitted with carbon capture and storage - and 50 percent carbon-free generation.

The carbon-free part comprises hydro-electricity, renewables and nuclear energy. Most countries have already largely used up their hydro-electric potential. Few opportunities for growth are left in this area. Renewable energy will certainly continue to see very strong growth, but still has limitations in terms of availability. Nuclear power therefore remains one of the preferred options for baseload generation - carbon-free, reliable, and competitive.

Of course, the most sensible way to keep a high share of nuclear energy is to run the existing fleet for as long as possible. In the US, some nuclear power plants have received the permission to operate for up to 70 years. In Sweden, not only have the premature shut-downs been halted, but the lifetimes of some nuclear power plants have been extended to 60 years. Belgium is about to remove the 40 year limit for its existing power plants. With its phase-out after 32 years, Germany is increasingly isolated, and even criticized internationally. No one should be surprised: the nuclear phase-out will reduce security of supply, increase carbon emissions, and certainly not dampen electricity prices.

We will continue to try to convince the German public and politicians to drop the nuclear phase-out. We feel that the debate is moving in our direction, but we do not expect anything to happen before the next federal elections in September 2009.

However, running the existing fleet for longer will not be enough. Nuclear new-builds are also needed. Finland has already opted for the construction of a new nuclear station to cover part of its demand growth. Many countries in Eastern Europe see nuclear energy as a key component of a balanced generation mix. And in the UK, the government now supports nuclear new-builds to replace the nuclear capacity that will largely have to be shut down by 2020.

We are convinced that E.ON is well positioned to play a substantial role in this nuclear renaissance. We see three major criteria for success: access to cutting-edge technology, access to top-level operational skills, and access to adequate sites.

We have recently selected Areva and Siemens as partners for nuclear power projects. The agreement envisages cooperation on the construction of nuclear power stations in the UK on the basis of Areva's 1600 MW advanced pressurized water reactor with a conventional island from Siemens. We also agreed to collaborate on further developing Areva's boiling water reactor with an intermediate capacity of 1250 MW for use in other countries.

Both types of reactors are the latest development in nuclear technology and offer maximum safety. The agreement also secures access to components in due time.

With 9 plants operated by E.ON, and stakes in a further 12 plants, we obviously have extensive experience in running nuclear power plants. The high availability of our plants strongly demonstrates the level of our operational skills.

Undoubtedly, the hardest nut to crack for new-builds is finding suitable sites. A suitable site is much more than a simple piece of land. There are technical requirements such as strong connections to the grid and sufficient availability of cooling water. But most important is support from local and national citizens and politicians. Many countries are well aware of the issue. We believe that over time a sufficient number of sites will become available.

We are actively pursuing a project in Finland, and are also interested in building new nuclear power plants in the UK and in Eastern Europe. We are everywhere at the early stages of the process. Also, we should keep in mind that the construction of a single 1600 MW nuclear power plant represents

an investment of up to 5 billion Euros. Even for the largest players, this is a very large amount of money.

Conclusion

Let me now conclude my remarks.

We are well on our way to finalize two major M&A transactions, the acquisition of Viesgo and of selected Endesa assets as well as the Statkraft asset swap. During 2008, we are thus focusing on optimizing the group structure and on integration of the acquired assets.

Meanwhile, we continue to roll out our ambitious investment plan. In the second half of this year, we will commission the Livorno Ferraris CCGT for example. And with our nuclear strategy, we are already preparing the organic investments of the next decade.

Thank you for your attention. I will remain on the call to answer your questions later on. Marcus Schenck will now present our First Quarter results and the outlook.

Marcus over to you.