

The logo for e.on, featuring the lowercase letters 'e.on' in a white, stylized, rounded font against a red background.

Acquisition of Airtricity North America

October 4<sup>th</sup>, 2007

## E.ON acquires wind energy company Airtricity North America for \$ 1.4 bn

### Transaction overview

Equity value	\$ 820 m
Net debt	\$ 553 m
Total purchase price	\$ 1,373 m
Development capex until 2011	~\$ 3.5 bn
Expected closing*	Dec 2007 / Jan 2008

### Seller

Airtricity, an international developer and owner of wind farms based in Ireland

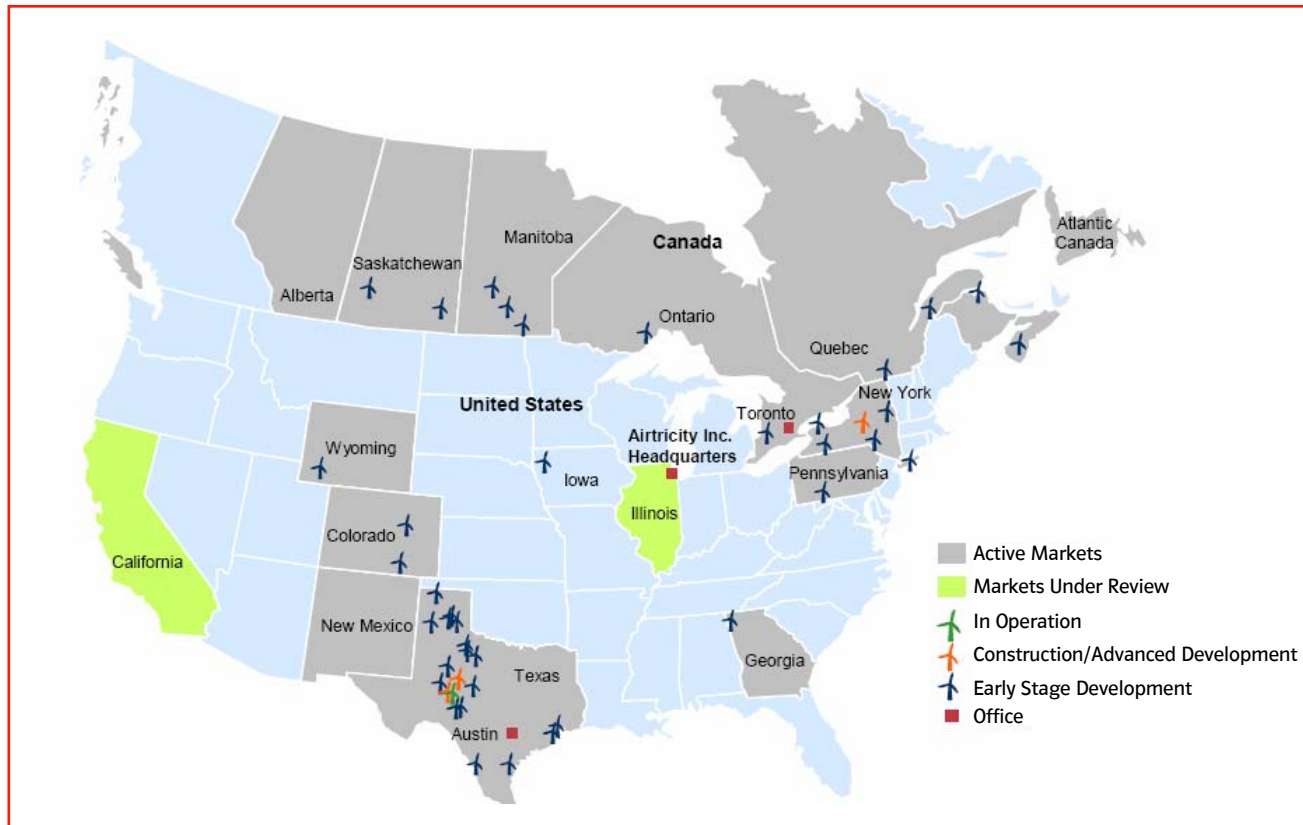
### Overview of Airtricity wind assets

Operating assets	214 MW
Total development pipeline	~ 2,000 MW
• under construction and operating by Q1 2008	370 MW
• under construction and operating by Q4 2008	507 MW
• advanced development pipeline	>1,000 MW

Further significant project pipeline across U.S. & Canada in early development stage (a potential of >5,000 MW)

\* Transaction is subject to certain approvals (e.g. regulatory and antitrust approvals)

# Airtricity North America has advanced projects in Texas and New York but development options all over U.S. and Canada

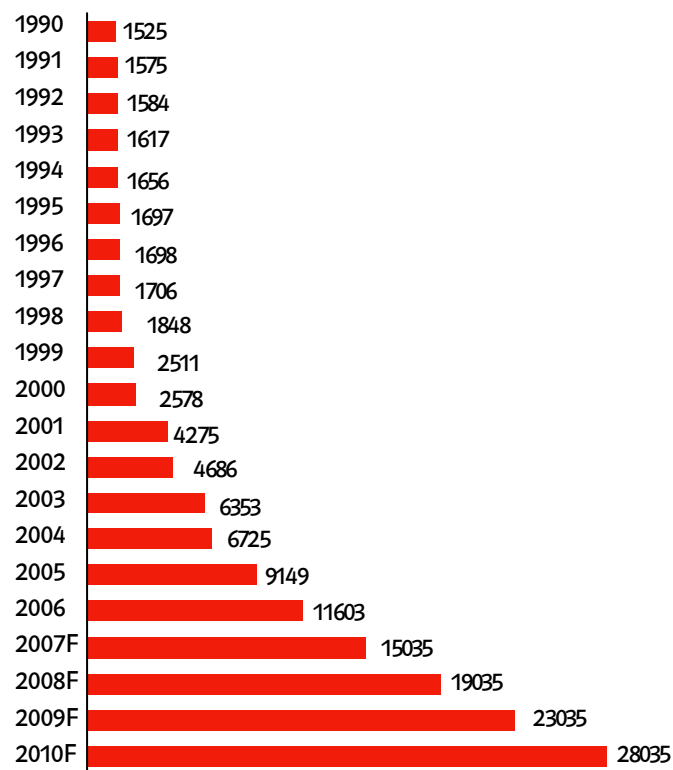


## Airtricity North America is a highly attractive asset in the U.S. wind market

- Platform in place to significantly grow the current base of installed capacity in attractive wind sites over the next years
- Strong relationship with leading turbine manufacturers
  - => Secured turbines for approx. 1,300 MW of the development pipeline
- Experienced management team with strong operational track record
- Robust and achievable wind development pipeline to support long term continued growth
- Focused on attractive markets
  - => favorable regulatory regime provides attractive financial returns
  - => increase certainty on deliverability / execution of pipeline

# The U.S. is rapidly expanding its wind generation capacity

## U.S. wind generation capacity (MW)

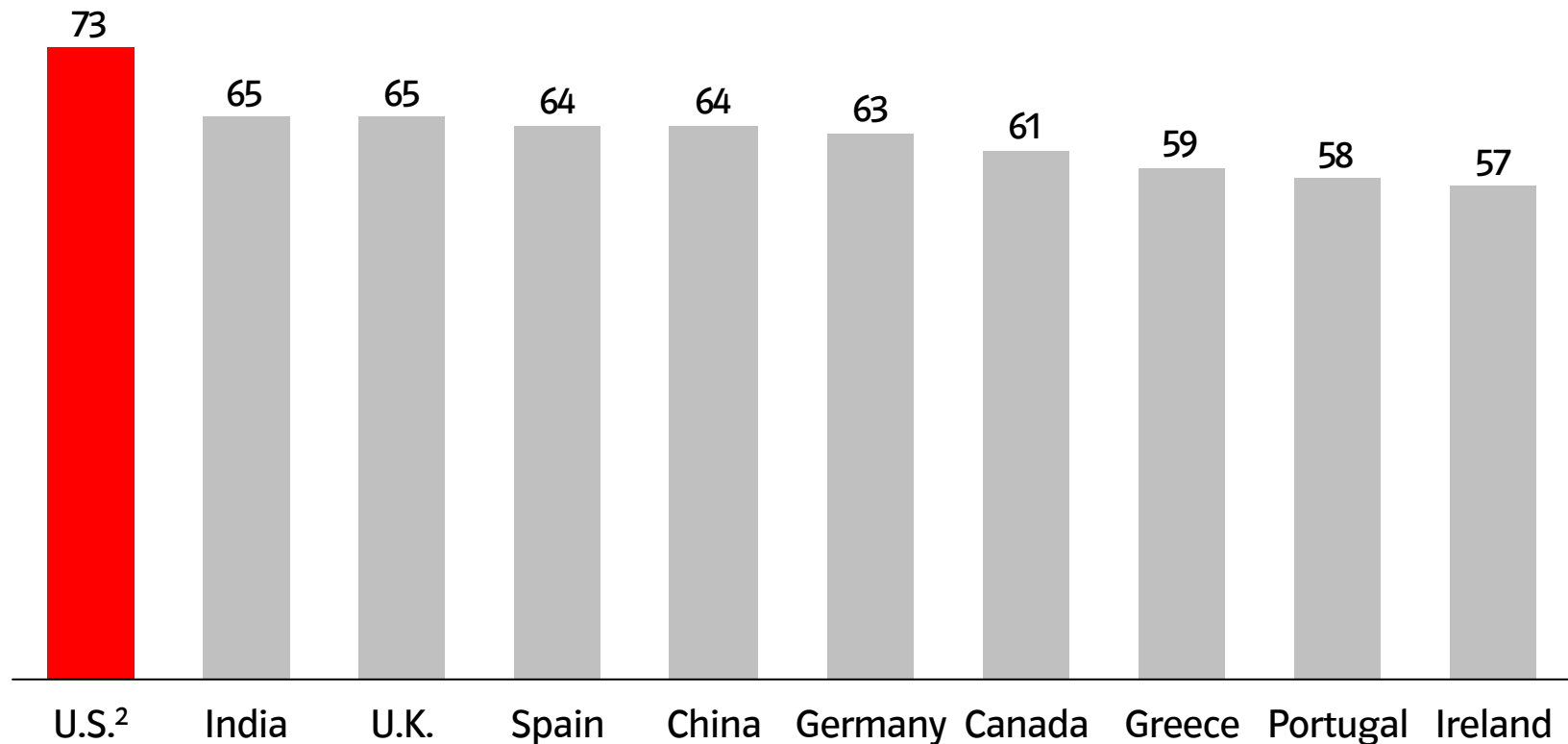


## U.S. wind generation key market trends

- The U.S. is one of the fastest growing wind energy markets: annual growth rate in excess of 10% expected over the next ten years
- 2,454 MW installed in 2006, increasing the U.S. generating capacity to 11,603 MW
- New wind plants contributed 19% of new nameplate capacity added to the U.S. grid in 2006
- >3,000 MW capacity additions expected in 2007
- State renewable portfolio standards, pending carbon legislation, and elevated commodity prices remain key drivers

## U.S. has been identified as the most attractive place for wind energy investments world-wide

### Overview of Ernst & Young Long-term Wind Index<sup>1</sup>: Top-10 Countries

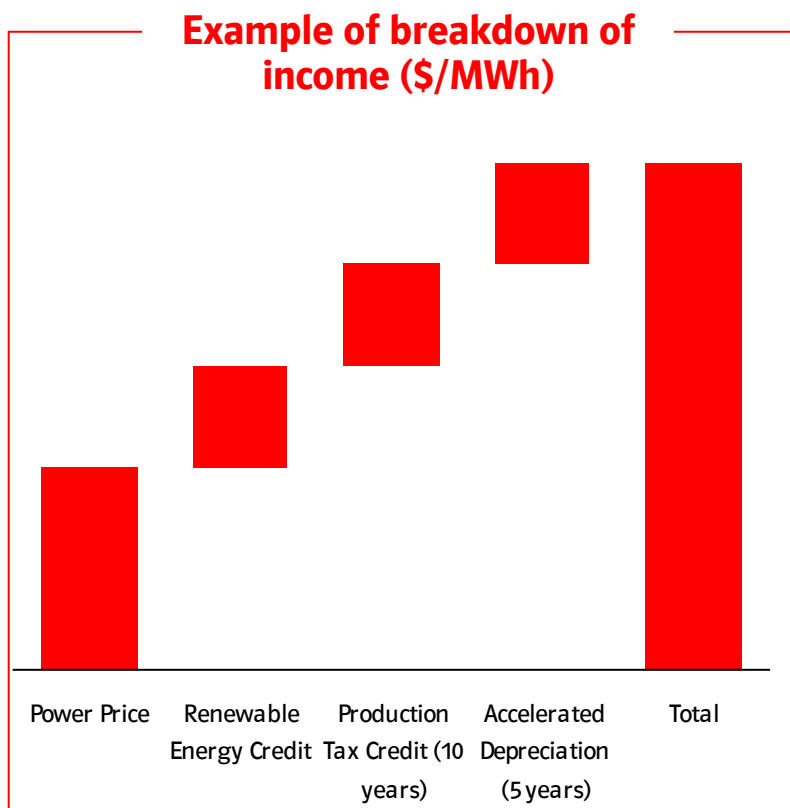


<sup>1</sup> Evaluated by investment related issues, such as resource quality, tax climate, market growth potential, announced projects, etc.

<sup>2</sup> This indicates US states with Renewable Portfolio Standards and favorable wind regimes

Source: E&Y Renewable Energy Country Attractiveness Indices (Q2 2007); [http://www.ey.com/GLOBAL/content.nsf/International/Oil\\_Gas\\_Renewable\\_Energy\\_Attractiveness\\_Indices](http://www.ey.com/GLOBAL/content.nsf/International/Oil_Gas_Renewable_Energy_Attractiveness_Indices)

# U.S. regulation offers attractive incentive schemes



## Explanation of components

- **Power price:** Wholesale price or power purchase agreement price.
- **Renewable energy credit:** Each MWh of renewable energy generated creates a credit that can be sold. Value of credit varies from state to state.
- **Production tax credits\*:** Annual tax credit based on the amount of electricity generated by that facility - provides approximately \$20/MWh subsidy increasing with inflation for first 10 years of asset life.
- **Accelerated depreciation:** Allows higher depreciation at beginning of project life, resulting in tax benefits.

\* Production tax credits can be utilized via own profits or equity investors

## Combination of E.ON and Airtricity portfolios gives the opportunity to diversify and expand growth

### E.ON Renewables

- Operational portfolio of 637 MW
- Development portfolio of approx. 2.6 GW
- Country coverage: Denmark, Sweden, Germany, U.K., Spain and Portugal
- On- and offshore



### Airtricity North America

- Operational Portfolio of 214 MW
- Development portfolio of approx. 2.0 GW
- Country coverage: U.S.A. and Canada
- Onshore only



- Combined operational portfolio of 851 MW, with 4.6 GW development portfolio, #7 global wind generator
- By Q1 2008 operating assets of more than 1,000 MW
- Operational and development experience of onshore wind farms are complimentary with the opportunity to create procurement and economies of scale benefits, as well as transfer of operational best practice

## Acquisition of Airtricity North America underpins E.ON's renewables growth story

- Airtricity North America offers platform for organic growth in the highly attractive U.S. market
- Potential operational and development opportunities for E.ON across a wider range of geographical locations
- E.ON's generation portfolio becomes more carbon efficient in the medium term



Following acquisition of Energi E2 Renovables Ibéricas which strengthened our portfolio in Europe, E.ON now attains a strong renewables market position with considerable growth potential outside of Europe



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