

Financial Statements of E.ON AG for the 2003 Financial Year
In Accordance with German GAAP



E.ON AG's Financial Statements and Review of Operations for the 2003 financial year are published in the Federal Gazette (*Bundesanzeiger*) and filed in the Commercial Register of the Düsseldorf District Court under HRB 22315. E.ON AG's Review of Operations is combined with the Group's and published in our 2003 Annual Report on pages 30 to 47.

E.ON AG
PO Box 301051
40410 Düsseldorf
Germany

The German version
of E.ON AG's Financial Statements
is legally binding.

2 Supervisory Board

Honorary Chairman

Prof. Dr. Günter Vogelsang
Düsseldorf

Supervisory Board

Ulrich Hartmann
Chairman of the Supervisory Board,
E.ON AG, Düsseldorf
(since April 30, 2003)

Hubertus Schmoldt
Chairman of the Board of Management,
Industriegewerkschaft Bergbau,
Chemie, Energie, Hanover
Deputy Chairman

Günter Adam
Foreman, Hanau

Dr. Karl-Hermann Baumann
Chairman of the Supervisory Board,
Siemens AG, Munich

Ralf Blauth
Industrial Clerk, Marl

Dr. Rolf-E. Breuer
Chairman of the Supervisory Board,
Deutsche Bank AG,
Frankfurt am Main

Dr. Gerhard Cromme
Chairman of the Supervisory Board,
ThyssenKrupp AG, Düsseldorf

Wolf-Rüdiger Hinrichsen
Head of the Economic Affairs
Department, E.ON AG, Düsseldorf

Ulrich Hocker
General Manager,
German Investor Protection Association,
Düsseldorf

Dr. Jochen Holzer
Honorary Senator, former Chairman of
the Supervisory Board, VIAG AG,
Munich
(until April 30, 2003)

Jan Kahmann
Member of the Board,
Unified Service Sector Union (ver.di),
Berlin (until April 30, 2003)

Eva Kirchhof,
Diploma Physicist, Marl

Seppel Kraus
Labor Union Secretary, Munich
(since April 30, 2003)

Prof. Dr. Ulrich Lehner
President and Chief Executive Officer,
Henkel Group, Düsseldorf
(since April 30, 2003)

Dr. h.c. André Leysen
Honorary Chairman of the
Administrative Board, GEVAERT N.V.,
Mortsel, Belgium
(until April 30, 2003)

Dr. Klaus Liesen
Honorary Chairman of the Supervisory
Board, Ruhrgas AG, Essen
(Chairman until April 30, 2003)

Margret Mönig-Raane
Vice-Chairwoman of the Board,
Unified Service Sector Union (ver.di),
Berlin (until April 30, 2003)

Peter Obramski
Labor Union Secretary, Gelsenkirchen
(since April 30, 2003)

Ulrich Otte
Systems Engineer, Munich

Klaus-Dieter Raschke
Tax Assistant, Nordenham

Armin Schreiber
Electrical Engineer, Grafenrheinfeld
(until April 30, 2003)

Dr. Henning Schulte-Noelle
Chairman of the Supervisory Board,
Allianz AG, Munich

Prof. Dr. Wilhelm Simson
Munich
(since April 30, 2003)

Gerhard Skupke
Gas Technician, Fürstenwalde
(since April 30, 2003)

Kurt F. Viermetz
Retired Vice-Chairman and Director
of the Board, J.P. Morgan & Co., Inc.,
New York
(until April 30, 2003)

Dr. Bernd W. Voss
Member of the Supervisory Board,
Dresdner Bank AG,
Frankfurt am Main
(until April 30, 2003)

Dr. Georg Freiherr von Waldenfels
Former Minister of State, Attorney,
Munich
(since April 30, 2003)

Supervisory Board Committees

Executive Committee
Ulrich Hartmann, Chairman
Hubertus Schmoldt
Ralf Blauth
Dr. Henning Schulte-Noelle

Audit Committee
Dr. Karl-Hermann Baumann, Chairman
Ralf Blauth
Ulrich Hartmann
Klaus-Dieter Raschke

Finance and
Investment Committee
Ulrich Hartmann, Chairman
Dr. Gerhard Cromme
Wolf-Rüdiger Hinrichsen
Hubertus Schmoldt

Dr. Wulf H. Bernotat

Born 1948 in Göttingen, member of the Board of Management since 2003
Chairman and CEO, Düsseldorf (since May 1, 2003)

Ulrich Hartmann

Born 1938 in Berlin, member of the Board of Management since 1989
Chairman and co-CEO, Düsseldorf (until April 30, 2003)

Prof. Dr. Wilhelm Simson

Born 1938 in Cologne, member of the Board of Management since 2000
Chairman and co-CEO, Düsseldorf (until April 30, 2003)

Dr. Burckhard Bergmann

Born 1943 in Sendenhorst/Beckum, member of the Board of Management since 2003
Upstream Business, Düsseldorf (since March 5, 2003)

Dr. Hans Michael Gaul

Born 1942 in Düsseldorf, member of the Board of Management since 1990
Controlling/Corporate Planning, M&A, and Legal Affairs, Düsseldorf

Dr. Manfred Krüper

Born 1941 in Gelsenkirchen, member of the Board of Management since 1996
Human Resources, Infrastructure and Services, Procurement, and Organization, Düsseldorf

Dr. Erhard Schipporeit

Born 1949 in Bitterfeld, member of the Board of Management since 2000
Finance, Accounting, Taxes and IT, Düsseldorf

Dr. Johannes Teyssen

Born 1959 in Hildesheim, member of the Board of Management since 2004
Downstream Business, Düsseldorf (since January 1, 2004)

Executive Vice Presidents

Kiran Bhojani, Düsseldorf

Dr. Peter Blau, Düsseldorf

Gert von der Groeben, Düsseldorf

Ulrich Hüppe, Düsseldorf (until December 31, 2003)

Heinrich Montag, Düsseldorf

Dr. Rolf Pohlig, Düsseldorf

Hans Gisbert Ulmke, Düsseldorf

4 Financial Statements of E.ON AG

Balance Sheet of E.ON AG			
€ in millions	Note	Dec. 31, 2003	Dec. 31, 2002
Assets			
Intangible assets		0.3	0.4
Property, plant and equipment	(1)	190.7	193.5
Financial assets			
Shares in affiliated companies	(2)	22,152.9	19,518.7
Other financial assets	(3)	113.1	542.5
Fixed assets	(4)	22,457.0	20,255.1
Receivables and other assets			
Receivables from affiliated companies	(5)	6,523.7	6,907.5
Other receivables and assets	(6)	1,287.4	2,898.6
Securities	(7)	267.8	593.2
Liquid funds	(8)	250.6	4.1
Non-fixed assets		8,329.5	10,403.4
Prepaid expenses	(9)	33.8	41.7
		30,820.3	30,700.2
Stockholders' equity and liabilities			
Capital stock	(10)	1,799.2	1,799.2
Conditional capital: €175.0 million (2002: €75.0 million)			
Additional paid-in capital	(11)	6,067.5	6,067.5
Retained earnings	(12)	2,478.2	1,866.3
Net income available for distribution		1,312.1	1,141.6
Stockholders' equity	(13)	11,657.0	10,874.6
Reserves subject to future taxation	(14)	414.9	469.7
Provisions for pensions	(15)	169.5	156.2
Provisions for taxes	(16)	1,452.1	1,222.3
Other provisions	(17)	504.7	451.6
Provisions		2,126.3	1,830.1
Bank loans		291.1	649.6
Liabilities to affiliated companies		14,170.3	14,682.7
Other liabilities		2,157.6	2,190.0
Liabilities	(18)	16,619.0	17,522.3
Deferred income		3.1	3.5
		30,820.3	30,700.2

Income Statement of E.ON AG			
€ in millions	Note	2003	2002
Income from equity interests	(19)	3,017.8	-1,021.9
Interest income (net)	(20)	-793.1	-326.5
Other operating income	(21)	1,323.0	4,643.9
Personnel expenses	(22)	-88.4	-73.8
Depreciation and amortization of intangible assets and property, plant and equipment		-7.8	-8.3
Write-downs of financial assets and current securities	(23)	-191.8	-158.2
Other operating expenses	(24)	-1,064.9	-954.3
Pretax income		2,194.8	2,100.9
Taxes	(25)	-270.8	-435.9
Net income		1,924.0	1,665.0
Net income transferred to retained earnings		-611.9	-523.4
Net income available for distribution		1,312.1	1,141.6

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Development of Fixed Assets of E.ON AG										
€ in millions	Acquisition/production costs							Net book value		Depreciation & write-downs at Dec. 31, 2003
	Jan. 1, 2003	Additions	Disposals	Transfers	Dec. 31, 2003	Accumulated depreciation & write-downs Dec. 31, 2003	Write-ups Dec. 31, 2003	Dec. 31, 2003	Dec. 31, 2002	
Licenses, commercial and similar rights	2.6	0.2	1.4	-	1.4	1.1	-	0.3	0.4	0.3
Intangible assets	2.6	0.2	1.4	-	1.4	1.1	-	0.3	0.4	0.3
Real estate, leasehold rights and buildings, including buildings on land owned by third parties	228.1	1.7	4.6	-	225.2	65.8	-	159.4	164.2	4.7
Technical equipment, plant and machinery	7.2	-	-	-	7.2	7.2	-	-	-	-
Other plant, fixtures, furniture and office equipment	32.1	1.5	2.5	-	31.1	19.8	-	11.3	12.8	2.8
Advance payments and construction in progress	16.5	3.5	-	-	20.0	-	-	20.0	16.5	-
Property, plant and equipment	283.9	6.7	7.1	-	283.5	92.8	-	190.7	193.5	7.5
Shares in affiliated companies	19,786.4	8,425.6	5,610.3	10.4	22,612.1	459.2	-	22,152.9	19,518.7	191.5
Long-term loans to affiliated companies	517.7	-	414.1	-	103.6	-	-	103.6	517.7	-
Shares in associated and other companies	21.7	-	4.6	-10.4	6.7	-	-	6.7	21.7	-
Other long-term loans	5.2	-	0.5	-	4.7	1.9	-	2.8	3.1	-
Financial assets	20,331.0	8,425.6	6,029.5	-	22,727.1	461.1	-	22,266.0	20,061.2	191.5
Fixed assets	20,617.5	8,432.5	6,038.0	-	23,012.0	555.0	-	22,457.0	20,255.1	199.3

Accounting and Valuation Policies

Intangible assets are valued at acquisition cost and amortized on schedule using the straight-line method over a period of three years.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. Buildings are generally depreciated using the straight-line method over a useful life of up to 50 years. Depreciation on movable fixed assets is generally calculated as permissible under tax law using the declining-balance method. The full rate of depreciation is charged on additions during the first six months, and a half rate is charged on additions during the second half of the year. The declining-balance method of depreciation is replaced by the straight-line method according to schedule when the even distribution of the residual book value over the remaining useful life leads to higher depreciation amounts.

Low-value assets are depreciated in full in their year of addition.

Shares in affiliated companies and equity interests are generally valued at acquisition cost or at lower adjusted value as necessary. Contributions and mergers are stated at book or fair value. Differences between the original acquisition cost (Book value) and the present value of additions recognized at present value are disclosed as additions to the shareholdings in the companies into which the shares were incorporated (cf. Note 2).

Interest-bearing loans are shown at nominal value, interest-free and low-interest loans at their present value.

The values of receivables and other assets are adjusted to account for recognizable individual risks. Current securities are valued at acquisition cost or lower market or repurchase value, as appropriate.

Cash and cash equivalents as well as bank balances denominated in foreign currencies are translated at the exchange rate valid as of the balance-sheet date.

Derivative financial instruments are used to hedge against interest-rate and currency risks arising from booked, pending and planned underlying transactions. Booked and pending underlying transactions as well as their respective hedges are assigned to portfolios. These are set up for each currency and, within each currency, separately for currency and interest-rate hedging instruments. Transactions assigned to a

portfolio are separately valued at market value as of the balance-sheet date. The portfolio's valuation result is derived from the difference between market values and acquisition costs. According to accounting principles under German commercial law, a portfolio with a negative valuation result gives rise to a provision for imminent losses from pending transactions. Positive valuation results are disregarded. In addition, hedging transactions may be assigned directly to booked and pending underlying transactions and combined with them to form valuation units.

Untaxed reserves and extraordinary fiscal write-downs are stated under reserves subject to future taxation. The transfer of untaxed reserves to replacement assets is recorded as a reclassification under reserves subject to future taxation.

Provisions for pensions are computed actuarially at their present value with an interest rate of 6 percent based on the 1998 Heubeck mortality tables and cover all commitments. Other provisions cover all recognizable risks and other obligations.

Deferred tax assets and liabilities are offset against each other. In cases where this results in an excess of assets, such an excess is not recognized, in accordance with the discretionary treatment of such cases allowable pursuant to Sec. 274, Para. 2 of the German Commercial Code.

Liabilities are shown at their repayment value. Annuities are stated at their present value. Values for contingent liabilities resulting from guarantees and warranties correspond to the credit amounts still outstanding on the balance-sheet date.

Disclosures made in the Financial Statements are denominated in millions of euros.

Notes to the Balance Sheet

(1) Property, Plant and Equipment

€3.5 million of the €6.7 million in additions relate to advance payments and work in progress and €3.2 million relate to the acquisition of administrative buildings and furniture, fixtures and office equipment for use in such buildings. Disposals principally relate to the sale of real estate and buildings as well as fixtures, furniture and office equipment.

(2) Shares in Affiliated Companies

Shares in affiliated companies were up a net €2,634.2 million to €22,152.9 million.

Additions amounted to €8,425.6 million and principally relate to the acquisition of Ruhrgas AG and Bergemann GmbH (€6,178.9 million), additions to additional paid-in capital (€1,331.0 million) and intercompany acquisitions (€675.4 million). Additions from contributions relate to the folding of EBV Verwaltungs GmbH into Aviga GmbH (€217.6 million) and the folding of NFK Finanzcontor GmbH & Co. KG into NFK Finanzcontor GmbH (formerly known as NFK Finanzcontor Beteiligungs GmbH) (€14.4 million). The folding transactions were implemented at present value.

Following the out-of-court settlement with the plaintiffs in the Ruhrgas case, all of the outstanding shares in Ruhrgas were acquired in the first quarter of 2003. An advance of €1,900.0 million on the purchase price of €4,186.3 million for the acquisition of a direct 39.72 percent stake in Ruhrgas had already been paid in the previous year (cf. Note 6). This advance, which had been recognized as a current asset until then, was subsequently transferred to shares in affiliated companies.

Additional shares in Ruhrgas were purchased by acquiring a 52.51 percent shareholding in Bergemann GmbH for €1,992.6 million.

The remaining shares in Ruhrgas were acquired by E.ON's wholly owned subsidiary E.ON Zehnte Verwaltungsgesellschaft mbH, which was merged into E.ON Telecom GmbH in the year under review. This company was renamed Ruhrgas Holding GmbH thereafter.

In the fiscal year, the shares held in Bergemann GmbH and the direct stake in Ruhrgas AG were also transferred to Ruhrgas Holding GmbH in order to optimize the centralized

management of the company's involvement in Ruhrgas. The €5,602.3 million combined shareholding sold to Ruhrgas Holding GmbH is disclosed under disposals. Ruhrgas Holding GmbH now holds a 94.5 percent stake in Ruhrgas AG. The remaining 5.5 percent stake in Ruhrgas AG are held by E.ON AG.

Pursuant to a purchase agreement dated September 25, 2003, E.ON AG acquired the remaining 50 percent stake in Induboden GmbH for €8.1 million. As a result of this acquisition, the company became an affiliate and is no longer disclosed as an associate.

In the year under review, VEBA Telecom Management GmbH transferred €700.0 million, E.ON RAG Beteiligungs GmbH transferred €96.0 million, and Ruhrgas AG transferred €55.0 million to additional paid-in capital to strengthen these companies' equity bases. Aviga GmbH renounced a €480.0 million loan in favor of its additional paid-in capital. All capital payments were made in compliance with Sec. 272, Para. 2, No. 4 of the German Commercial Code.

Intercompany sales included E.ON AG's purchase of €675.4 million in limited partnership shares in NFK Finanzcontor GmbH & Co. KG. E.ON AG transferred this interest together with the €1.0 million in limited partnership shares already capitalized by E.ON AG to NFK Finanzcontor GmbH. This transaction was completed at present value.

The stake in NFK Finanzcontor GmbH was subsequently transferred to the newly established Nordel Holding GmbH & Co. KG at book value. Furthermore, a 49 percent shareholding in VEBA Electronics GmbH, which had a prorated book value of €294.2 million, was transferred to Nordel Holding GmbH & Co. KG.

The payment of a liquidating dividend of Gesellschaft für Energiebeteiligung mbH i. L. as of October 31, 2003 led to a disposal of €7.3 million.

An impairment loss of €164.0 million was recognized for the losses incurred by VEBA Telecom Management GmbH. Further impairment losses of €27.5 million had to be recognized in accordance with Sec. 254 of the German Commercial Code since fiscal value allowances in the same amount had been reversed due to the transfers in accordance with Sec. 281, Para. 1, Sentence 3 of the German Commercial Code (cf. Note 14).

A list of E.ON AG's shareholdings as of December 31, 2003 has been filed with the Commercial Register of the Düsseldorf District Court under HRB 22315.

(3) Other Financial Assets

Long-term loans amounting to €106.4 million and shareholdings amounting to €6.7 million are included in other financial assets.

Long-term loans decreased by a total of €414.4 million. E.ON AG assigned Viterra AG a €153.4 million loan (including the underlying interest-rate swaps) awarded to Deutschbau Holding GmbH.

Shareholdings were down a net €15.0 million to €6.7 million. This decline is due to the reclassification of the stakes held in Induboden GmbH (€6.8 million), Bergemann GmbH (€2.0 million) and Ruhrgas AG (€1.6 million) as shares in affiliated companies as well as the divestment of Montan-Verwaltungsgesellschaft mbH (€4.6 million).

(4) Fixed Assets

The breakdown and development of fixed asset items shown on the Balance Sheet are presented on page 6.

(5) Receivables from Affiliated Companies

Receivables include time and overnight deposits, sums from affiliated companies resulting from profit- and loss-pooling agreements as well as distributable profit from affiliated companies. As in previous year, none of these receivables have a remaining term of more than one year.

(6) Other Receivables and Assets

€ in millions	Dec. 31, 2003	Dec. 31, 2002
Accounts receivable from associated companies and other share investments	-	0.1
Other assets	1,287.4	2,898.5
	1,287.4	2,898.6

Other assets principally relate to tax refund claims and interest receivables. The €1,900 million advance payment on the acquisition of additional shares in Ruhrgas AG recognized under other assets in the previous year was transferred to financial assets (cf. Note 2). As in the previous year, none of the other assets have a remaining term of more than one year.

(7) Securities

€ in millions	Dec. 31, 2003	Dec. 31, 2002
Shares in affiliated companies	0.7	-
Own shares	227.6	169.5
Other securities	39.5	423.7
	267.8	593.2

By December 31, 2003, E.ON AG had acquired 15,848 shares in Thüga AG through a squeeze-out (corresponding to 0.02 percent of the capital stock). These shares are disclosed as shares in affiliated companies.

As of December 31, 2003, E.ON still had 4,403,342 E.ON shares on its books, 4,360,533 of which are being held in order to provide financial security for E.ON's stock option plan and are to be sold on the stock market whenever options are exercised (cf. Note 10). A valuation increase of €58.0 million was made due to the share's higher quotation on the stock market on the balance-sheet date, in compliance with Sec. 280, Para. 1, Sentence 1 of the German Commercial Code.

Other securities include €30.5 million in shares in companies that do not belong to the E.ON Group that may be sold at any time. A further €9.0 million relate to shares in equity and pension funds.

A €15.5 million valuation adjustment was made for shares in companies that do not belong to the E.ON Group and a €1.0 million value adjustment was made for shares in equity funds due to their higher stock-market quotations as of the balance-sheet date, in compliance with Sec. 280, Para. 1, Sentence 1 of the German Commercial Code.

(8) Liquid Funds

As of the balance-sheet date, liquid funds, which primarily consist of bank balances, were up €246.5 million.

(9) Prepaid Expenses

This item predominantly consists of debt discounts on three of the loans granted by E.ON International Finance B.V. in the amount of €28.0 million. Another €4.2 million stem from accrued insurance premiums.

(10) Capital Stock

The Corporation's capital stock is split among 692,000,000 shares without nominal value and amounts to €1,799,200,000.

Pursuant to the April 30, 2003 Annual Shareholders' Meeting resolution, the Corporation was authorized to buy back up to ten percent of the Corporation's then current capital stock

in shares until October 30, 2004. For reasons of simplicity, the following commentary on the development of the Corporation's own shares is based on whole euro amounts.

The following shares were bought in the year under review:

Month of acquisition	Number of shares	Percentage of capital stock	Computed share of capital stock (€)	Purchase price (€)
January	470	0.00	1,222	17,878
February	338	0.00	879	13,009
March	12	0.00	31	429
May	146	0.00	380	6,284
August	240,000	0.03	624,000	11,078,400
October	3	0.00	8	115

Shares acquired in January were exclusively for use in accordance with Sec. 71, Para. 1, No. 3 of the German Stock Corporation Act.

Shares purchased additionally were exclusively issued to employees of E.ON AG and its affiliated companies in accor-

dance with Sec. 71, Para. 1, No. 2 of the German Stock Corporation Act (AktG).

The 4,407,169 shares on the Corporation's books as of January 1, 2003 as well as those purchased in the year under review were used as follows:

Month of sale	Number of shares	Percentage of capital stock	Computed share of capital stock (€)	Selling price (€)	Sales proceeds (€)
January	470	0.00	1,222	17,878	-17,878
February	338	0.00	879	13,009	-6,301
March	12	0.00	31	429	-429
May	146	0.00	380	6,284	-6,284
June	43,173	0.01	112,250	1,660,002	-1,660,002
July	3,463	0.00	9,004	133,152	-68,893
August	11	0.00	29	508	-508
October	12	0.00	31	554	-554
November	196,920	0.03	511,992	9,089,827	-27,527
December	251	0.00	653	11,586	-11,586

Of the aforementioned shares, 470 were used in accordance with Sec. 71, Para. 1, No. 3 of the German Stock Corporation Act. The resulting €17,878 in sales proceeds have been disclosed as part of E.ON AG's other operating expenses.

The remaining shares were issued to qualified employees of E.ON AG and the E.ON Group within the scope of the employee share purchase program, E.ON's investment plan,

and shop agreements/personnel measures. The resulting sales proceeds mentioned previously have been disclosed as part of personnel costs or other operating expenses of E.ON AG.

As of the balance-sheet date, 4,403,342 shares with a combined value of €227.6 million (corresponding to 0.64 percent, or a computed €11,448,689.20, of the Corporation's capital stock) were disclosed under securities as own shares (cf. Note 7).

In accordance with Sec. 160, Para. 1 Item 2 of the German Stock Corporation Act., shares held by the Group companies EBY Port 1 GmbH and EBY Port 2 GmbH are classified as own shares as defined in Sec. 71, Para. 1, No. 4 of the German Stock Corporation Act in conjunction with Sec. 71d of the German Stock Corporation Act. The following table shows the movements in the 35,250,955 shares held by these companies as of January 1, 2003 during the period under review.

Month of sale	Number of shares	Percentage of capital stock	Computed share of capital stock (€)	Selling price (€)	Sales proceeds (€)
July	3,440,698	0.50	8,945,815	152,422,921	86,464,741
August	240,000	0.03	624,000	11,078,400	6,477,600

In the fiscal year, 3,440,698 of the 35,250,955 E.ON shares held by the aforementioned companies as of January 1, 2003 were issued to E.ON Bayern minority shareholders as part of a voluntary public offer to exchange E.ON Bayern shares for E.ON shares. An additional 240,000 shares were transferred to E.ON AG pursuant to a purchase and transfer agreement. Proceeds from the sale are disclosed in these companies' other operating income.

The 31,570,257 E.ON shares on these companies' books as of December 31, 2003 represent 4.56 percent of the Corporation's capital stock, equivalent to a computed €82,082,668.20. Including the 4,403,342 shares held by E.ON AG, this corresponds to 5.20 percent, or a computed €93,531,357.40, of the Corporation's capital stock.

At the May 25, 2000 Annual Shareholders' Meeting, the Board of Management was authorized to increase the Corporation's capital stock by up to €180.0 million (Authorized Capital I) through the issuance of new shares in return for cash, with the option of limiting shareholder subscription rights, and to increase the Corporation's capital stock by up to €180.0 million (Authorized Capital II) through the issuance of new shares in return for contributions in kind under the exclusion of shareholder subscription rights. Authorized Capital II amounts to €150.4 million as a result of the capital increase that was performed in 2000.

Furthermore, the Board of Management was authorized to increase the Corporation's capital stock by up to €180.0 million (Authorized Capital III) through the issuance of new shares in return for cash. The Board of Management is furthermore empowered, subject to the consent of the Supervisory Board, to decide on the exclusion of shareholder subscription rights.

All three capital amounts expire on May 25, 2005.

The €75.0 million in conditional capital approved at the May 25, 2000 Annual Shareholders' Meeting was annulled at the April 30, 2003 Annual Shareholders' Meeting. Instead, a resolution was passed to use €175.0 million in conditional capital that expires on April 30, 2008—with the option of excluding subscription rights—to issue bonds with convertible or option rights and to fulfill conversion commitments to creditors holding bonds with call options on shares in E.ON AG or in companies in which E.ON AG holds direct or indirect majority stakes.

On August 18, 2003, Munich-based Allianz AG informed us of the following: In compliance with Sec. 21, Para. 1 of the German Securities Trading Act (WpHG), we hereby inform you that our share in your company's voting stock dropped below the 5 percent hurdle effective August 15, 2003 and now amounts to 4.20 percent. Of these voting rights, 4.18 percent are allocable to us according to Sec. 22, Para. 1, Sentence 1, No. 1 of the German Securities Trading Act, and 0.02 percent are allocable to us according to Sec. 22, Para. 1, Sentence 1, No. 6 of the German Securities Trading Act.

(11) Additional Paid-In Capital

Additional paid-in capital amounts to €6,067.5 million exclusively comprising share issuance premiums and remained unchanged since December 31, 2002.

(12) Retained Earnings

Retained earnings comprise the following:

€ in millions	Dec. 31, 2003	Dec. 31, 2002
Legal reserves	45.3	45.3
Other assets	227.6	169.5
Other retained earnings	2,205.3	1,651.5
	2,478.2	1,866.3

Reserves for own shares increased by €58.1 million due to the change in own shares, which was largely a result of write-ups.

In the year under review, €611.9 million (previous year: €523.4 million) of the Corporation's net income of €1,924.0 million (previous year: €1,665.0 million) were transferred to other retained earnings. In line with the changes in own shares, €58.1 million were transferred from other retained earnings to reserves for own shares.

(13) Stockholders' Equity

In summary, stockholders' equity developed as follows:

€ in millions	2003				2002	
	Capital stock	Additional paid-in capital	Retained earnings	Net income available for distribution	Total	Total
January 1	1,799.2	6,067.5	1,866.3	1,141.6	10,874.6	10,309.3
Dividend of E.ON AG for the previous year				-1,141.6	-1,141.6	-1,099.7
Transfer from net income to retained earnings			611.9		611.9	523.4
Income earmarked for distribution				1,312.1	1,312.1	1,141.6
December 31	1,799.2	6,067.5	2,478.2	1,312.1	11,657.0	10,874.6

(14) Reserves Subject to Future Taxation

€ in millions	Dec. 31, 2003	Dec. 31, 2002
Untaxed reserves		
acc. to Sec. 6b, German Income Tax Act	13.8	22.4
acc. to Sec. 52 (16), German Income Tax Act	-	0.9
Valuation allowances in acc. with the Coal Adjustment Act, Plant Closures Act, Sec. 35, Par 6b German Income Tax Act, and Rationalization Act for		
Property, plant and equipment	234.6	249.8
Financial assets	166.5	196.6
	414.9	469.7

€54.8 million were reversed in the period under review (previous year: €141.4 million). No funds were transferred to exceptional items in the year under review. €27.5 million of

the reversals relate to the reversal of valuation allowances under fiscal law within the scope of contribution transaction (cf. Note 2) and an additional €7.1 million result from the reversal of valuation allowances under fiscal law in connection with unscheduled depreciation of a building of a limited partnership of which E.ON AG is a shareholder. Net income rose by €32.9 million as a result of the change in reserves subject to future taxation. The extent of future burdens is negligible.

(15) Provisions for Pensions

As regards provisions for pensions, payments of €11.2 million were contrasted by €24.5 million in additions.

(16) Provisions for Taxes

Provisions for taxes relate to periods which have not been audited by the tax authorities and are still open (cf. Note 25). As in the previous year, the offsetting of deferred tax liabilities against deferred tax assets resulted in a surplus of tax assets, which is not considered.

(17) Other Provisions

This item principally consists of provisions for claims in the amount of €150.1 million for reclamations resulting from the operation of closed pits when they were run by acquired mining companies. Provisions for the tax-related interest expense decreased by €39.2 million to €100.4 million.

Furthermore, provisions have been recognized to cover various obligations associated with the disposal of financial assets (€121.3 million), imminent losses from pending purchase transactions (€60.0 million), rent default risks (€11.5 million), costs incurred to prepare financial statements (€7.5 million), and various other risks (€53.0 million).

(18) Liabilities

€ in millions	Dec. 31, 2003				Dec. 31, 2002
	Total	With a maturity of			
		up to 1 year	over 1 and up to 5 years	over 5 years	
Banks	291.1	291.1	0.0	0.0	649.6
Advance payments received	3.2	3.2	0.0	0.0	1.3
Accounts payable	34.6	34.6	0.0	0.0	42.6
Affiliated companies	14,170.3	990.1	0.0	13,180.2	14,682.7
Associated and other companies	0.4	0.1	0.2	0.1	475.8
secured by mortgages	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)
Other liabilities	2,119.4	2,113.5	4.8	1.1	1,670.3
taxes	(5.0)	(5.0)	(0.0)	(0.0)	(13.4)
social security	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
secured by mortgages	(1.1)	(0.1)	(0.3)	(0.7)	(1.5)
	16,619.0	3,432.6	5.0	13,181.4	17,522.3

Accounts payable to affiliated companies primarily reflect the fact that €6,580.2 million in funds from the bonds issued by E.ON International Finance B.V. in May 2002 were passed on and that €6,600.0 million in long-term funds were drawn by E.ON Finance GmbH (formerly known as Hibernia Industriewerte GmbH).

Other liabilities principally relate to €2,102.0 million in drawings on commercial papers.

Contingent Liabilities & Other Financial Obligations.

The table below provides an overview of contingent liabilities:

€ in millions	Dec. 31, 2003	Dec. 31, 2002
Contingent liabilities resulting from warrantees	10,800.0	10,453.4
vis-à-vis affiliated companies	(0.0)	(32.6)
Contingent liabilities resulting from guarantees	1,007.5	407.1
	11,807.5	10,860.5

€7,500.0 million in contingent liabilities arising from warrantees consist of repayment warrantees made to bond creditors for principal from the bonds issued by E.ON International Finance B.V. Another €3,300.0 million primarily relate to warrantees provided by E.ON AG in connection with the divestment of operations.

Furthermore, as of December 31, 2003, our books included guarantees primarily for Viterro AG (€589.4 million) and ONE GmbH (formerly known as Connect Austria Gesellschaft für Telekommunikation GmbH) (€194.1 million).

Other financial obligations totaled €365.3 million as of December 31, 2003.

Notes to the Income Statement

(19) Income From Equity Interests

€ in millions	2003	2002
Income from profit- and loss-pooling agreements	2,606.1	1,363.5
Income from Group allocations	300.6	55.4
Income from companies in which share investments are held	670.1	272.5
thereof from affiliated companies	(48.3)	(272.1)
Losses from profit- and loss-pooling agreements	-559.0	-2,713.3
	3,017.8	-1,021.9

For reasons of clarity, income from Group allocations has been broken down by company in the table below. Prior-year figures have been adjusted. Income from equity interests developed as shown above.

€ in millions	2003	2002
Ruhrgas Holding GmbH (previous year: E.ON Telecom GmbH)	1,381.9	999.3
Viterra AG	1,100.0	-246.7
AV Packaging GmbH	527.4	-
E.ON Finance GmbH (formerly known as Hibernia Industriewerte GmbH)	185.5	-159.0
E.ON Energie AG	-279.8	587.8
E.ON UK Holding GmbH	-14.6	-2,440.8
Others	117.4	237.5
	3,017.8	-1,021.9

Income from Ruhrgas Holding GmbH appropriated in the year under review primarily consists of dividends for 2002 and the first half of 2003 as well as profits transferred from Ruhrgas AG in the second half of 2003.

Income appropriated from Viterra AG improved significantly year-on-year due to the sale of the energy service activities.

€527.4 million in income were appropriated from AV Packaging GmbH, in which E.ON AG holds a 49 percent stake. This company had already divested the Schmalbach-Lubeca activities in the previous year.

A loss of €279.8 million incurred at E.ON Energie AG was offset in the year under review. The merger loss of €1,801.4 million resulting from the merger of Isar-Werke GmbH into E.ON Energie AG was largely offset by counteracting positive effects on income.

(20) Interest Income (Net)

€ in millions	2003	2002
Income from other securities and long-term loans included in financial assets	22.1	58.4
thereof from affiliated companies	(21.8)	(36.7)
Other interest and similar income	101.8	205.0
thereof from affiliated companies	(86.5)	(158.3)
Interest and similar expense	-917.0	-589.9
thereof paid to affiliated companies	(-773.0)	(-475.5)
	-793.1	-326.5

The decline in interest income is principally the result of the loss assumed from E.ON UK Holding GmbH and the associated decrease in accounts receivable. Furthermore, interest income was adversely affected by the payment to compensate for market value differences made to E.ON International Finance B.V. due to the premature annulment of a loan and contributions to additional paid-in capital of various companies (cf. Note 2).

(21) Other Operating Income

€ in millions	2003	2002
Income from the reversal of reserves subject to future taxation	54.8	141.4
Income from the disposal/write-up of fixed assets	69.7	201.4
Income from contributions	232.0	3,609.3
Other	966.5	691.8
	1,323.0	4,643.9

Income from the reversal of reserves subject to future taxation is detailed in Note 14. Income from asset disposals predominantly originates from the sale of properties without buildings and residential properties.

Income from contributions relates to the transactions described in Note 2.

Other income breaks downs in the following table.

€ in millions	2003	2002
Income from cross-currency/interest-rate swaps and currency options	740.9	572.0
Income from write-ups on current securities	74.5	0.1
Income from the release of provisions	42.0	79.2
Income from rent and leases	9.3	13.7
Other income	99.8	26.8
	966.5	691.8

Other income includes an exceptional sum of €46.0 million, which stems from the on-debiting of various expenses from previous accounting periods to E.ON UK Ltd., which capitalized them as incidental acquisition costs for the purchase of Powergen Ltd. A retroactive payment of €23.2 million for the acquisition of the MEMC loans that had been assigned to a third party in 2001 was appropriated in the year under review.

(22) Personnel Expenses

€ in millions	2003	2002
Wages and salaries	60.1	43.7
Social security contributions, pension costs and other employee benefits	28.3	30.1
for pensions	(25.0)	(27.1)
	88.4	73.8

The increase in wages and salaries is principally due to the expenses shown in the table above for the accrual of provisions for commitments arising from the stock option plan, performance-linked compensation, lump sum payments as well as linear and individual wage and salary adjustments.

The stock option plan that was introduced in 1999 for select executives at E.ON AG and its various Group companies was continued in 2003. A total of 729,178 stock appreciation rights (SARs) (fourth tranche: 511,500; third tranche: 373,900; second tranche: 327,000) was granted to members of the Board of Management and senior executives of E.ON AG as part of their overall compensation within the scope of a fifth tranche at the beginning of the year under review. All of the first-tranche SARs were exercised in full in the 2002 financial year.

The number of SARs awarded to qualified individuals on the Board of Management was determined by the Presiding Committee of the Supervisory Board of E.ON AG, and by the Board of Management for other entitled individuals.

SARs awarded in all tranches have a term of seven years and may be exercised in full or in parts within certain periods—four weeks after the publication of an interim report or the consolidated financial statements of E.ON—in the third to seventh year of the term. There is a two-year period of non-negotiability. SARs that remain unexercised as of the last cut-off date are considered as having been exercised automatically as of such date, as long as the exercise conditions have been met. No SARs were exercised in the 2003 financial year.

On exercise of stock appreciation rights, the beneficiary receives a cash compensation equaling the difference between E.ON's share price at the time of exercise and the base quotation, multiplied by the number of SARs exercised. The base quotation since the fourth tranche is the arithmetic mean of the closing quotations of E.ON shares on the XETRA electronic stock trading system in December of the prior year. For tranches two and three, the base quotation is the closing share price on the XETRA on the day of issue. SARs may only be exercised if the E.ON share outperforms the Stoxx Utilities Price Index for at least ten consecutive stock-market trading days during the term of the tranche and if E.ON's share price has risen by at least 10 percent over the base quotation at the time of issue (second and third tranches: 20 percent). These SARs can only be issued if the beneficiary owns a certain number of shares in E.ON, which must be held until the SARs become exercisable. No SARs were exercisable on December 31, 2003, because the exercise hurdles were not met and some of the holding periods had not yet expired.

A provision of €7.4 million was built to cover commitments arising from the stock option plan in the 2003 Financial Statements (previous year: none) based on the intrinsic values of as of the balance-sheet date. €6.7 million of the provision cover fifth-tranche SARs and €0.7 million covers second-tranche SARs. No provision was built for the other tranches, because the intrinsic values of these tranches was negative as of the balance-sheet date.

(23) Write-Downs of Financial Assets and Current Securities

Write-downs of financial assets amounted to €191.5 million (previous year: €70.2 million) (cf. Note 2).

Due to lower stock-market quotations as of the balance-sheet date, write-downs of current securities totaled €88.0 million in the previous year.

(24) Other Operating Expenses

€ in millions	2003	2002
Cross-currency/interest-rate swaps, currency option premiums	735.5	585.7
Fees	50.6	109.2
Addition to provisions from losses from pending purchase transactions	60.0	0.0
Addition to provisions for commitments from the disposal of financial assets	47.0	35.8
Advertising	27.9	57.3
Currency exchange differences	11.8	28.7
Other administrative expenses	132.1	137.6
	1,064.9	954.3

(25) Taxes

€ in millions	2003	2002
Income taxes	270.3	449.1
Other taxes	0.5	-13.2
	270.8	435.9

Income taxes principally cover the expense of setting up provisions relating to burdens possibly arising for prior years.

Personnel

On average, the number of people employed in the 2003 financial year rose by two to 295, excluding six trainees.

Additional Information

On December 11, 2003, the Board of Management and the Supervisory Board of E.ON AG issued a statement of compliance with the German Corporate Governance Code in accordance with Sec. 161 of the German Stock Corporation Act and published it on the company's website under www.eon.com to make it permanently available to its shareholders.

Board Compensation**Supervisory Board**

Provided that E.ON's April 28, 2004 Annual Shareholders' Meeting approves the proposed dividend, the total remuneration of the members of the Supervisory Board will amount to €2.8 million (2002: €2.3 million). €0.4 million of this compensation (2002: €0.4 million) comprises the fixed component (including compensation for the performance of duties at subsidiaries and meeting attendance fees), while €2.4 million (2002: €1.9 million) represents the variable remuneration component.

The Supervisory Board's remuneration is regulated in the Articles of Association of E.ON AG. In line with the provisions set forth therein, in addition to the reimbursement of their out-of-pocket expenses, which shall also include the value-added tax on their emoluments, the members of the Supervisory Board receive a fixed remuneration of €10,000.00 for each financial year. Moreover, the members of the Supervisory Board receive a remuneration of €1,250.00 for every 1 percent the dividend paid to the shareholders exceeds 4 percent of the Corporation's capital stock. The Chairman receives three times these amounts, his Deputy and every chairman of a committee of the Supervisory Board double these amounts, and each member of a committee one-and-a-half times these amounts. Furthermore, Supervisory Board members receive an attendance fee of €1,000.00 for every day of attendance at a Supervisory Board meeting and a Supervisory Board committee meeting.

Compensation is paid on a prorated basis in the event of changes in personnel during the financial year. The members of the Supervisory Board had no lines of credit outstanding in fiscal 2003.

The members of the Supervisory Board are listed on page 2.

Board of Management

In the 2003 financial year, the two Chairmen, Ulrich Hartmann and Prof. Dr. Wilhelm Simson, retired effective April 30. Dr. Wulf H. Bernotat was appointed Chairman of the Board of Management as of May 1. Dr. Burckhard Bergmann was appointed member of the Board of Management as of March 5.

Aggregate remuneration paid to the members of the Board of Management amounted to €12.8 million (2002: €9.7 million). €3.3 million of this compensation (2002: €3.8 million) comprises the fixed component (including pecuniary benefits and other remuneration), while €9.5 million (2002: €5.2 million) represent the variable remuneration component and relate to the bonus for fiscal 2003 and performance-linked lump sum payments. There were no gains on the exercise of stock appreciation rights in 2003 (2002: €0.7 million).

At the beginning of 2003, the members of the Board of Management were awarded a total of 446,511 SARs (2002: 260,000) from the fifth tranche of the virtual stock option plan described on page 15.

Based on a hypothetical exercise, the intrinsic value of SARs from the fifth and second tranches was €9.63 and €3.34 per option, respectively. SARs from other tranches had no intrinsic value because their listed share prices were significantly lower than their base quotations.

Total payments to retired members of the Board of Management and their beneficiaries amounted to €4.5 million (2002: €3.4 million). Provisions of €56.2 million (2002: €35.6 million) have been set up for E.ON's pension obligations to retired members of the Board of Management and their beneficiaries. The members of the Board of Management had no lines of credit outstanding in fiscal 2003.

The members of the Board of Management are listed on page 3.

Dividend Proposal

		€
In 2003, net income amounted to	1,923,983,202.06	
Taking into account the transfers to other retained earnings of	611,930,400.06	
net income available for distribution totals	1,312,052,802.00	

We propose to the Annual Shareholders' Meeting that the €1,312,052,802.00 in net income available for distribution for the 2003 financial year be appropriated to distribute a dividend of €2.00 per individual share certificate with dividend entitlements.

Düsseldorf, February 16, 2004

Board of Management



Bernotat



Bergmann



Gaul



Krüper



Schipporeit



Teyssen

Report of Independent Auditor

We have audited the annual financial statements, together with the bookkeeping system, and the combined management report of E.ON AG, Düsseldorf for the business year from January 1, 2003 to December 31, 2003. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and

the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. On the whole the combined management report provides a suitable understanding of the Company's position and suitably presents the risks of future development.

Düsseldorf, February 17, 2004

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Wiegand
Wirtschaftsprüfer
(German Certified
Public Auditor)

Granderath
Wirtschaftsprüfer
(German Certified
Public Auditor)

Other Directorships Held by Members of E.ON AG's Supervisory Board

Ulrich Hartmann

Chairman of the Supervisory Board,
E.ON AG
(since April 30, 2003)

- Deutsche Bank AG
- Deutsche Lufthansa AG
- Hochtief AG
- IKB Deutsche Industriebank AG (Chairman)
- Münchener Rückversicherungs-Gesellschaft AG (Chairman)
- Arcelor
- Henkel KGaA

Hubertus Schmoldt

Chairman of the Board of Management,
Industriegewerkschaft Bergbau,
Chemie, Energie
Deputy Chairman

- Bayer AG
- BHW AG
- DOW Olefinverbund GmbH
- Deutsche BP AG

Günter Adam

Foreman
• Degussa AG

Dr. Karl-Hermann Baumann

Chairman of the Supervisory Board,
Siemens AG

- Deutsche Bank AG
- Linde AG
- Schering AG
- Siemens AG (Chairman)
- ThyssenKrupp AG
- Wilhelm von Finck AG

Ralf Blauth

Industrial Clerk
• Degussa AG

Dr. Rolf-E. Breuer

Chairman of the Supervisory Board,
Deutsche Bank AG

- Bertelsmann AG
- Deutsche Bank AG (Chairman)
- Deutsche Börse AG (Chairman)
- Compagnie de Saint-Gobain S.A.
- Kreditanstalt für Wiederaufbau
- Landwirtschaftliche Rentenbank

Dr. Gerhard Cromme

Chairman of the Supervisory Board,
ThyssenKrupp AG

- Allianz AG
- Axel Springer Verlag AG
- Deutsche Lufthansa AG
- Ruhrgas AG
- Siemens AG
- ThyssenKrupp AG (Chairman)
- Volkswagen AG
- Suez S.A.
- BNP Paribas S.A.

Ulrich Hocker

General Manager,
German Investor Protection Association

- CBB Holding AG
- Feri Finance AG
- Gildemeister AG
- Karstadt Quelle AG
- ThyssenKrupp Steel AG
- Gartmore Capital Strategy Fonds
- Phoenix Mecano AG
(President of the Administrative Board)

Jan Kahmann

Member of the Board,
Unified Service Sector Union (ver.di)
(until April 30, 2003)

- Eurogate Beteiligungs GmbH
- TUI AG

Eva Kirchhof

Diploma Physicist

- Wohnungsgesellschaft Hüls mbH

Seppel Kraus

Labor Union Secretary
(since April 30, 2003)

- Wacker-Chemie GmbH
- UPM-Kymmene Beteiligungs GmbH

Dr. h.c. André Leysen

Honorary Chairman of the
Administrative Board, GEVAERT N.V.
(until April 30, 2003)

- Schenker AG

Prof. Dr. Ulrich Lehner

President and Chief Executive Officer,
Henkel Group
(since April 30, 2003)

- Dresdner Bank Luxembourg S.A.
- Ecolab Inc.¹
- Novartis AG

Information as of December 31, 2003, or the date of retirement from E.ON AG's Supervisory Board.

- Directorships/supervisory board memberships pursuant to Article 100, Paragraph 2, of the German Stock Corporation Act (AktG).
- Directorships/memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

¹Exempted Group directorship.

Other Directorships Held by Members of E.ON AG's Supervisory Board

Dr. Klaus Liesen

Honorary Chairman of the Supervisory Board, Ruhrgas AG

- TUI AG
- Volkswagen AG

Margret Mönig-Raane

Vice-Chairwoman of the Board, Unified Service Sector Union (ver.di) (until April 30, 2003)

- Deutsche Bank AG

Peter Obramski

Labor Union Secretary (since April 30, 2003)

- E.ON Energie AG
- E.ON Engineering GmbH
- E.ON Kraftwerke GmbH

Ulrich Otte

Systems Engineer

- E.ON Energie AG
- E.ON Kraftwerke GmbH

Klaus-Dieter Raschke

Tax Assistant

- E.ON Energie AG
- E.ON Kernkraft GmbH

Armin Schreiber

Electrical Engineer (until April 30, 2003)

- E.ON Kernkraft GmbH

Dr. Henning Schulte-Noelle

Chairman of the Supervisory Board, Allianz AG

- Allianz AG (Chairman)
- Siemens AG
- ThyssenKrupp AG

Prof. Dr. Wilhelm Simson

Member of the Supervisory Board, E.ON AG (since April 30, 2003)

- Bayerische Hypo- und Vereinsbank AG
- Degussa AG (until December 31, 2003)
- Frankfurter Allgemeine Zeitung GmbH
- Jungbunzlauer Holding AG

Gerhard Skupke

Gas Technician

(since April 30, 2003)

- E.DIS Aktiengesellschaft

Kurt F. Viermetz

Retired Vice-Chairman and Director of the Board, J.P. Morgan & Co., Inc. (until April 30, 2003)

- Bayerische Hypo- und Vereinsbank AG
- ERGO Versicherungsgruppe AG
- Grosvenor Estate Holdings

Dr. Bernd W. Voss

Member of the Supervisory Board, Dresdner Bank AG (until April 30, 2003)

- Allianz Lebensversicherungs-AG
- Continental AG
- Dresdner Bank AG
- OSRAM GmbH
- Quelle AG
- TUI AG
- Wacker-Chemie GmbH
- ABB Ltd.
- Bankhaus Reuschel & Co. (Chairman)

Dr. Georg Freiherr von Waldenfels

Former Minister of State, Attorney (since April 30, 2003)

- Deutscher Tennis Bund Holding GmbH (Chairman)
- Messe München GmbH

Information as of December 31, 2003, or the date of retirement from E.ON AG's Supervisory Board.

- Directorships/supervisory board memberships pursuant to Article 100, Paragraph 2, of the German Stock Corporation Act (AktG).
- Directorships/memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

¹Exempted Group directorship.

Other Directorships Held by Members of E.ON AG's Board of Management

Dr. Wulf H. Bernotat

Chairman of the Board of Management and CEO
(since May 1, 2003)

- E.ON Energie AG¹ (Chairman)
- Ruhrgas AG¹ (Chairman)
- Allianz AG
- Metro AG
- RAG Aktiengesellschaft (Chairman)
- Powergen Limited² (Chairman)

Dr. Burckhard Bergmann

Member of the Board of Management Upstream Business
(since March 5, 2003)

- Ruhrgas Energie Beteiligungs-AG¹ (Chairman)
- Thüga AG¹
- Allianz Lebensversicherungs-AG
- VNG-Verbundnetz Gas AG (Chairman)
- Jaeger Akustik GmbH & Co. (Chairman)
- METHA Methanhandel GmbH² (Chairman)
- Mitteleuropäische Gasleitungsgesellschaft mbH (MEGAL)² (Chairman)
- OAO Gazprom
- Ruhrgas E&P GmbH² (Chairman)
- Ruhrgas Industries GmbH² (Chairman)
- Trans Europe Naturgas Pipeline GmbH (TENP)² (Chairman)
- ZAO Gerosgaz² (Chairman; chairmanship rotates with representative of foreign partner company)

Dr. Hans Michael Gaul

Member of the Board of Management Controlling/Corporate Planning, Mergers & Acquisitions, Legal Affairs

- Degussa AG¹
- E.ON Energie AG¹
- Ruhrgas AG¹
- Viterra AG¹ (Chairman)
- Allianz Versicherungs-AG
- DKV AG
- RAG Aktiengesellschaft
- Steag AG
- Volkswagen AG
- LG&E Energy LLC²

Dr. Manfred Krüper

Member of the Board of Management Human Resources, Infrastructure and Services, Procurement, Organization

- E.ON Energie AG¹
- Viterra AG¹
- equitrust Aktiengesellschaft (Chairman)
- RAG Aktiengesellschaft
- RAG Immobilien AG
- Victoria Versicherung AG
- Victoria Lebensversicherung AG
- E.ON North America, Inc.² (Chairman)

Dr. Erhard Schipporeit

Member of the Board of Management Finance, Accounting, Taxes, IT

- Degussa AG¹
- Ruhrgas AG¹
- Commerzbank AG
- Talanx AG
- E.ON Risk Consulting GmbH² (Chairman)
- HDI V.a.G.

Dr. Johannes Teyssen

Member of the Board of Management Downstream Business
(since January 1, 2004)

- Avacon AG¹ (Chairman)
- E.ON Bayern AG¹ (Chairman)
- E.ON Hanse AG¹ (Chairman)
- E.ON Sales & Trading GmbH¹
- Thüga AG¹ (Chairman)
- EWE Aktiengesellschaft²
- E.ON Hungária Energetikai Részvénytársaság² (Chairman)
- Sydkraft AB² (Chairman)

Information as of December 31, 2003.

- Directorships/supervisory board memberships pursuant to Article 100, Paragraph 2, of the German Stock Corporation Act (AktG).
- Directorships/memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

¹Exempted E.ON Group directorship.

²Other E.ON Group directorship.

