„Delivering Profitable Growth and Performance“

April 2005

2006 major "on.top" targets achieved or even surpassed ahead of schedule

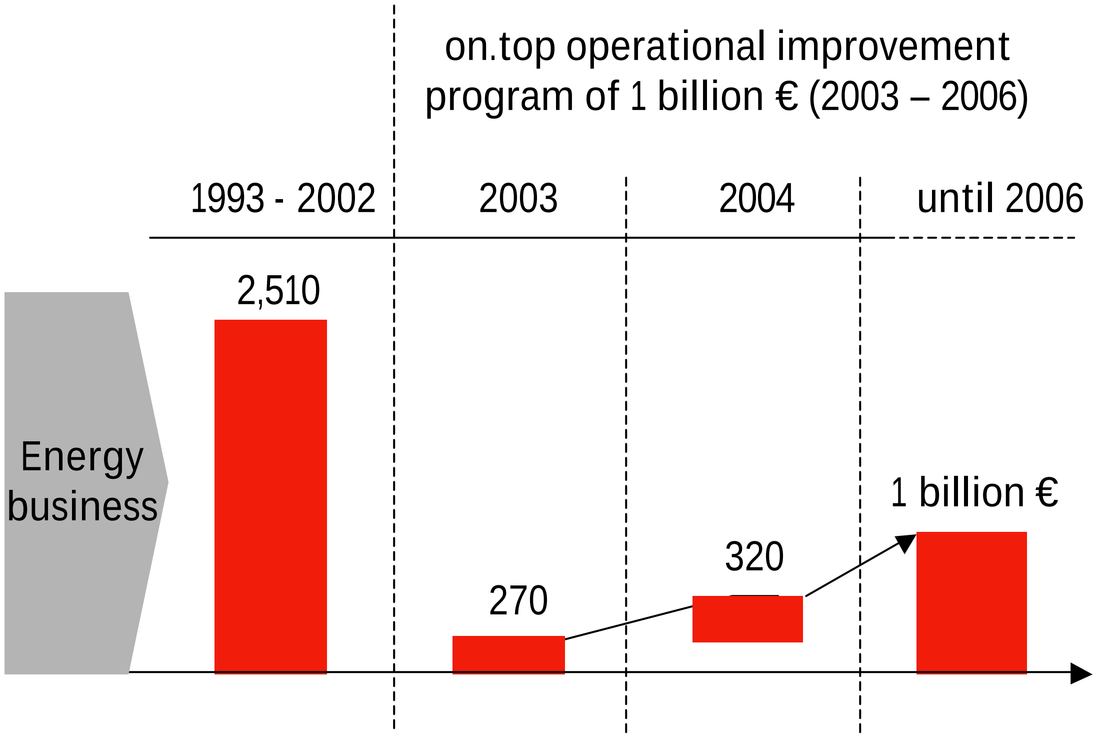
2004 was an excellent year for E.ON

- Adjusted EBIT of the energy business of at least 6.7 billion Euros achieved two years ahead of schedule
- Achieved operational improvements of 590 million Euros out of the target of 1 billion Euros
- Free cash flow for 2004 exceeded significantly the target of at least 2.4 billion Euros per annum
- Our core energy business achieved a pre-tax ROCE of 11.5% in 2004, already well above our 2006 goal of at least 10.5%

With its focus on "performance," the implementation of the "on.top" project has been a great success

Operational improvement in the energy business – A continuing group-wide process to create further value

in million €



- Operational improvements of 1bn€[1] through:
  - Operational excellence (e.g. best practice transfer in generation, trading and retail, interface optimization in overhead)
  - Integration synergies (e.g. TXU, E.ON Ruhrgas)
  - Further cost savings (e.g. procurement savings, contract re-negotiations)

  ➔ **Realized 590m €[2] until December 31, 2004**
- One-off costs of 430m €[3] over 3 years to achieve operational improvement

1) Equivalent U.S.-GAAP target: Net income of 650m €
2) Non-GAAP financial measure; cost reductions led to a roughly 380m € increase in consolidated net income (after taxes and minority interests)
3) Equivalent U.S.-GAAP target: Net income of 280m €

➔ **In addition to the successful operational improvement program in the past, within only four years (2003 – 2006) E.ON will realize another 1 billion € in its core business energy**

The results achieved in the past are the basis for our development in the future

Overall direction unchanged

We will maintain the overall direction set by “on.top“
- Continue to deliver performance
- Maintain focus on core European and US markets
- Retain strict financial investment criteria

Enhanced financial flexibility

We have the ability to make full use of our financial strength which enables us to pursue a wide range of external growth opportunities

Flexibility on timing

Due to the excellent position we have built in our core markets we are under no pressure to make hasty investment decisions – we can wait for the right opportunities to arise at the right price

Our vision:
„E.ON - the world´s leading power and gas company“

- **Choosing our markets carefully**, and only competing in those markets where our core capabilities can be applied
- Creating **leading positions** in all of our chosen markets
- Creating an **integrated power and gas business** in all of our chosen markets

Where we expect growth to come from . . .

. . . core existing markets

. . . and potential new markets

E.ON has five key principles about sustainable market success

Vertical integration	Being present in generation/upstream, midstream and downstream activities will be the long-term winning business model for energy utilities
Convergence of power & gas	Since convergence of the markets create economies of scope, strong presence in both markets will be a key competitive advantage and driver for value creation
Strong market positions	In liberalized markets scale is a key competitive edge markets with strong integrated players with a long-term view provide best reliability and security of supply
Growth	Organic growth is a prerequisite for continuous value creation given rather moderate growth rates in mature markets, external growth is required to create above average shareholder value
Value from experience	A leading player can create more value from holding energy assets even in disconnected markets based on its experience and expertise of managing a broad range of assets in different energy markets

Core principles drive clear strategic direction and business model

1. Integrated power & gas business

- Pursue a clear focus on integrated power and gas with leading market positions over the long-term
- Total value chain management; positions in infrastructure, where it enhances market and customer access

2. Clear geographic focus

- In existing market units, maintain and extend leading position and performance
- Focused steps into Italy, Eastern Europe, and Russia

3. Clear strategic priorities

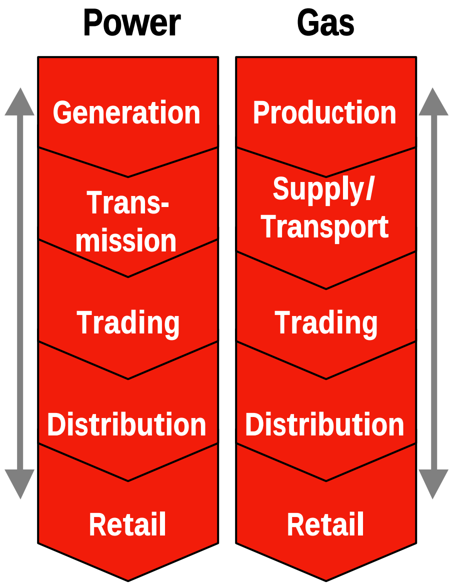
- First priority: strengthen and grow E.ON's position in European markets
- Maintain strong, diversified generation portfolio; strengthen gas supply position through equity gas and potentially LNG
- USA as long-term growth opportunity

4. Strict investment criteria

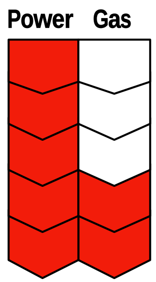
- Focus on selected acquisitions and investments with material value creation potential
- Strict strategic and financial investment criteria

E.ON's market unit structure makes best use of the integrated principle

Integrated power and gas business



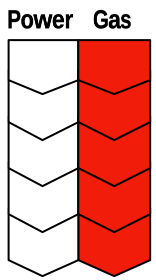
E.ON's market unit structure



Central Europe, Nordic, UK, US-Midwest

Integrated power and downstream gas businesses

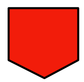
Gives opportunity to extract value from downstream synergies across electricity and gas value chains while maintaining vertically integrated position in individual electricity markets



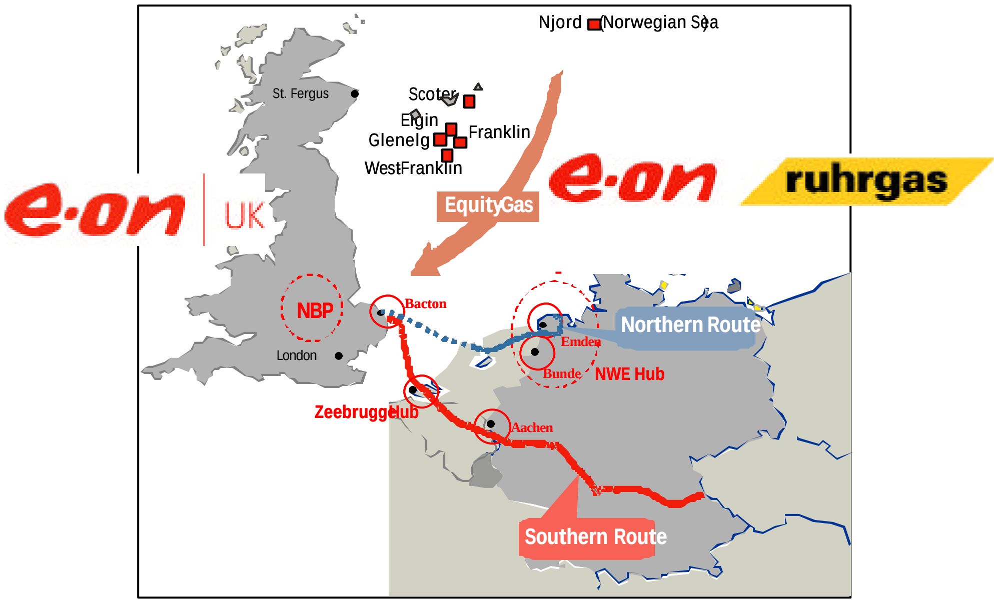
Pan-European Gas

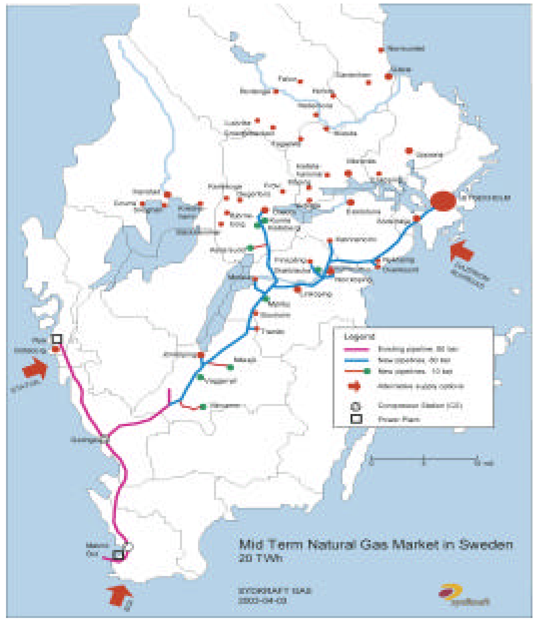
Integrated gas business

Gives opportunity to extract value throughout European gas value chain from vertical integration, while providing competitive long-term gas supply to other market units


Focus of activities

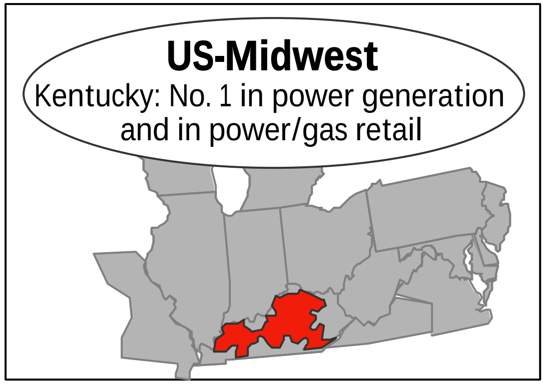
Opportunity to extend vertically integrated gas business in UK and Nordic markets

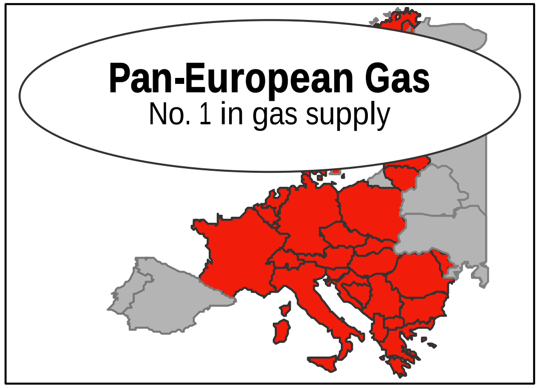


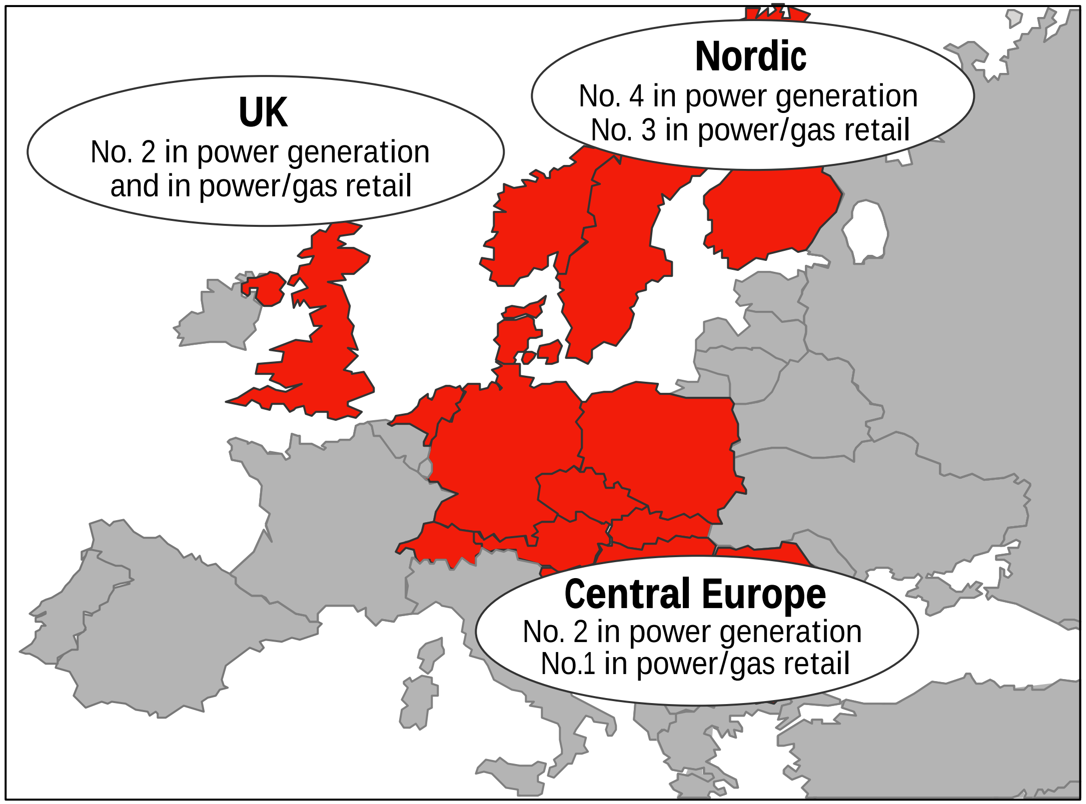


- Construction of the BBL Pipeline from Balgzand to Bacton with a capacity of 16.5 bcm (20% E.ON's share, total investment roughly € 100 m)
- Upgrade of the existing interconnector for reverse flow (11.1% share)
- Potential long term development of Nordic gas supply business

We focus on five core markets with strong positions in power and gas





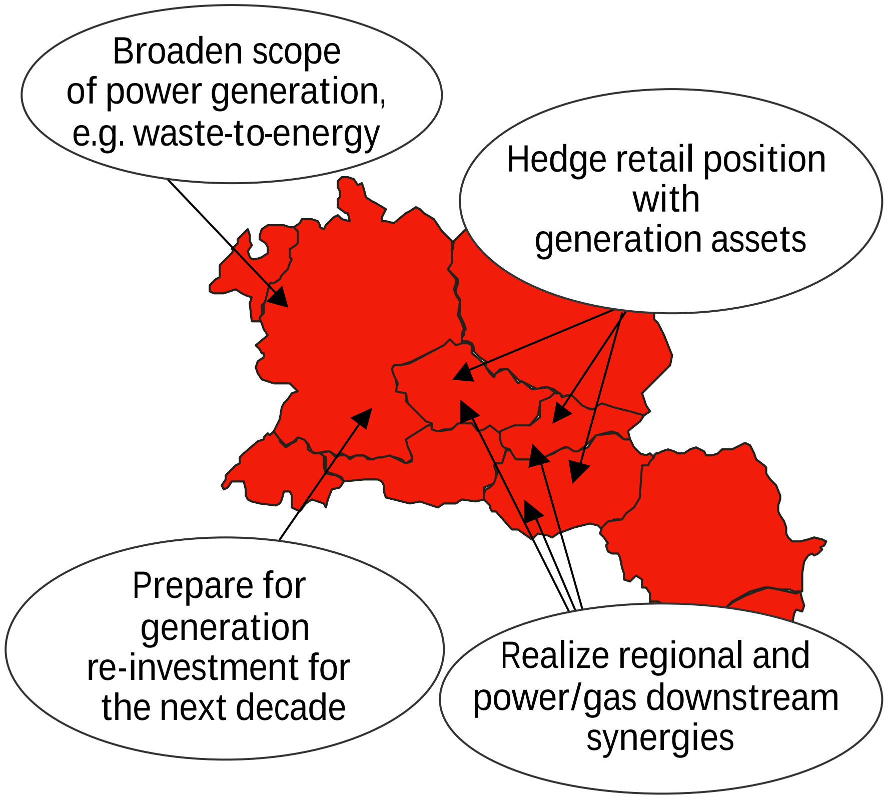


Central Europe – Fortify strong market position in power and downstream gas

Key issues

- Downstream participations partially fragmented
- Partially unbalanced portfolio remaining in some sub-markets
- Managing regulatory changes in the power and gas markets in Germany
- Longer term re-investment needed in generation and distribution

E.ON's strategic direction

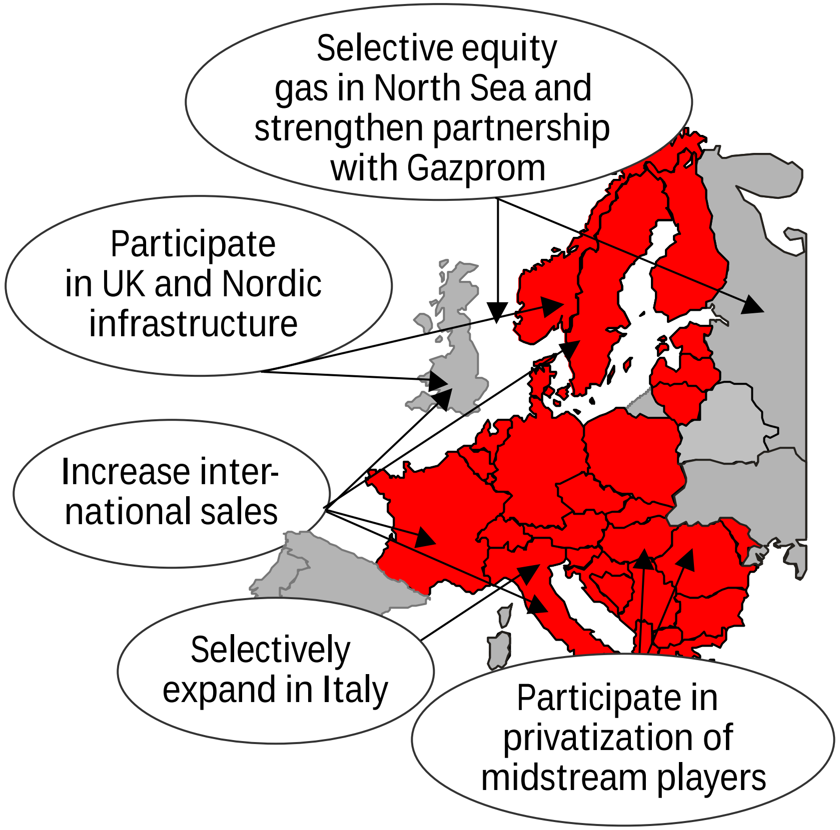


Pan-European gas – Strengthen and diversify

Key issues

- Break-up of traditional roles, regional production and import regimes within Europe
- Increased opening of European gas markets creates new challenges, but also provides opportunities to profitably increase international sales
- UK's increasing import dependence provides opportunities in supply and infrastructure
- Privatization of Eastern European midstream players offers opportunities for gas supply and investments

E.ON's strategic direction



UK – Optimize existing strong market position

Key issues

Power generation

- Environmental policy driving economics of power generation
- Increasing volatility of commodity prices

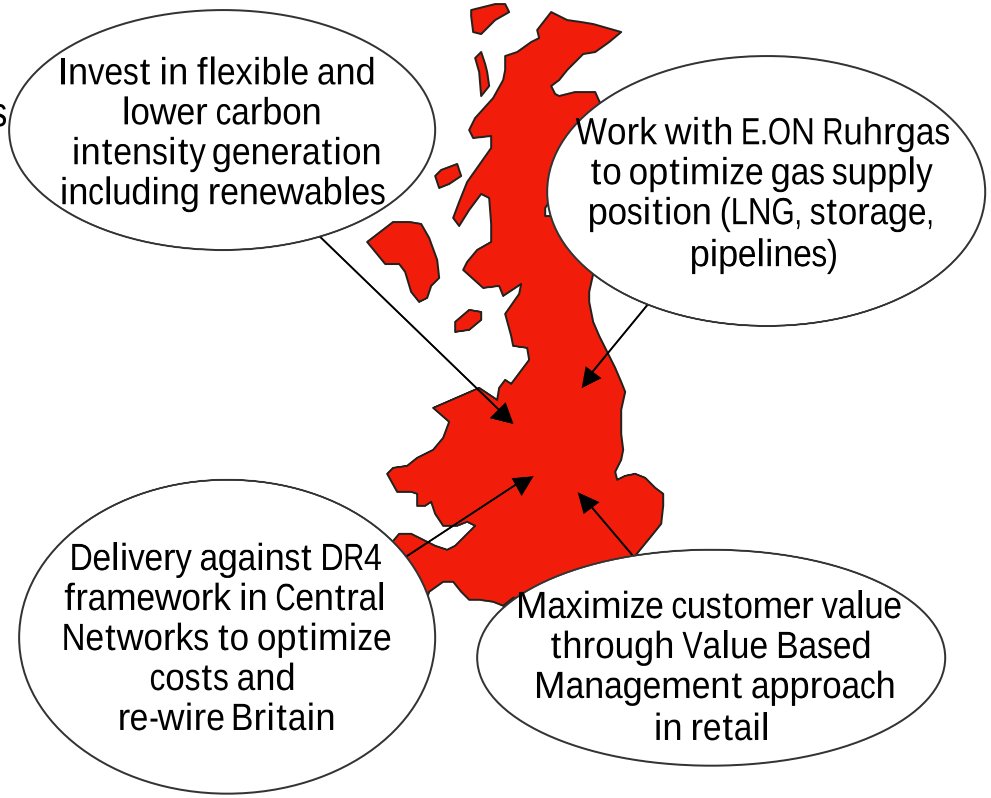
Gas supply - UK expected to become a net importer of gas 2005-2008

Power distribution – Following DR4[1] review, major investment required in electricity distribution networks:

- Replacing existing infrastructure
- Expanding network to cope with renewable build

Energy retail – Challenge of passing through rising costs in a competitive market

E.ON's strategic direction



1 Distribution Price Control 4, concluded in December 2004

Nordic – Stable position in consolidating market

Key issues

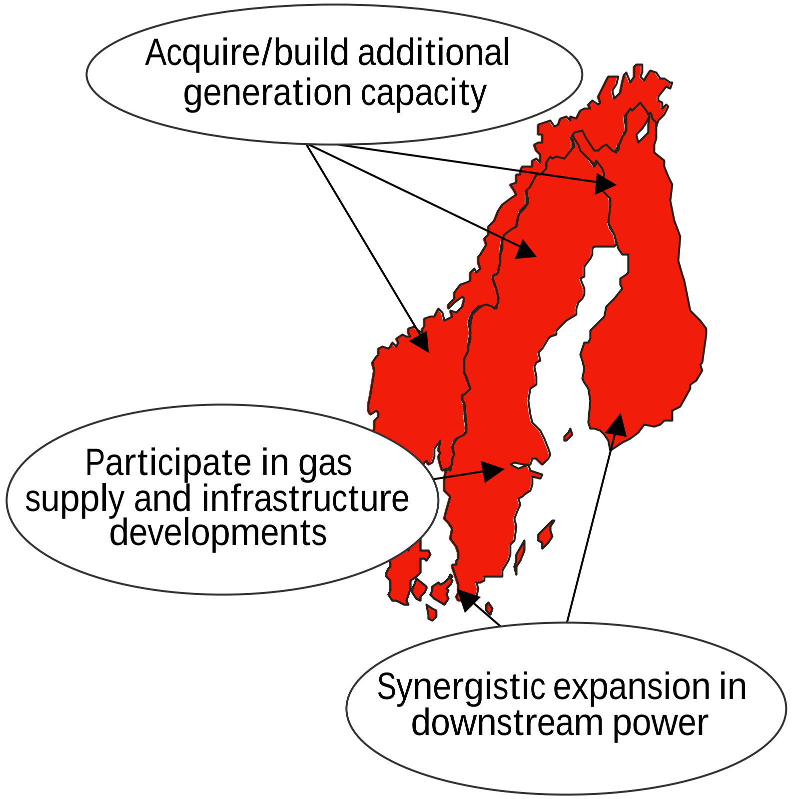
Power generation – Stabilized market due to normalization of hydropower reservoirs and high availability of nuclear power but volatility will remain high and may be reinforced by the closure of Barsebäck 2

- Planning of CHP-plant in Malmö
- Planning of increased capacity in all nuclear power stations

Gas supply – Potential for oil-to-gas substitution

- Opportunities for growth in industrial and CHP-generation segments
- Opportunity for gas infrastructure development

E.ON's strategic direction



US-Midwest – E.ON confirms long-term commitment

Key issues

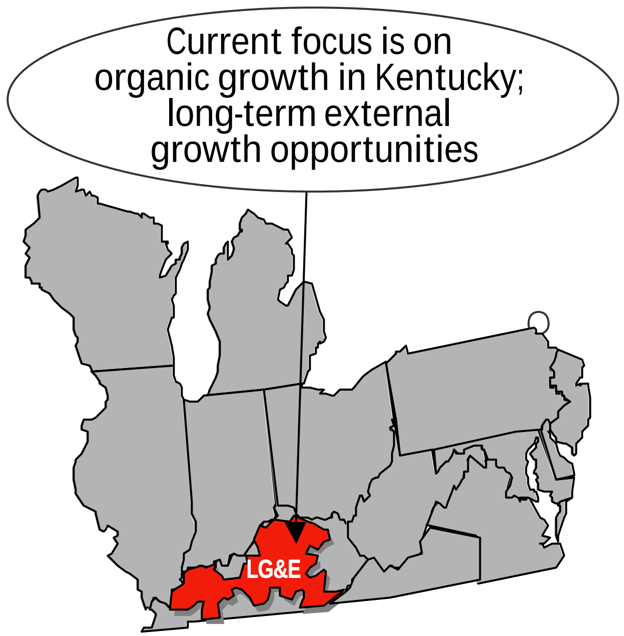
Stable regulatory environment in Kentucky and strong local market coverage

- Provides sustainable competitive position
- Drives future profitability of US-Midwest market unit

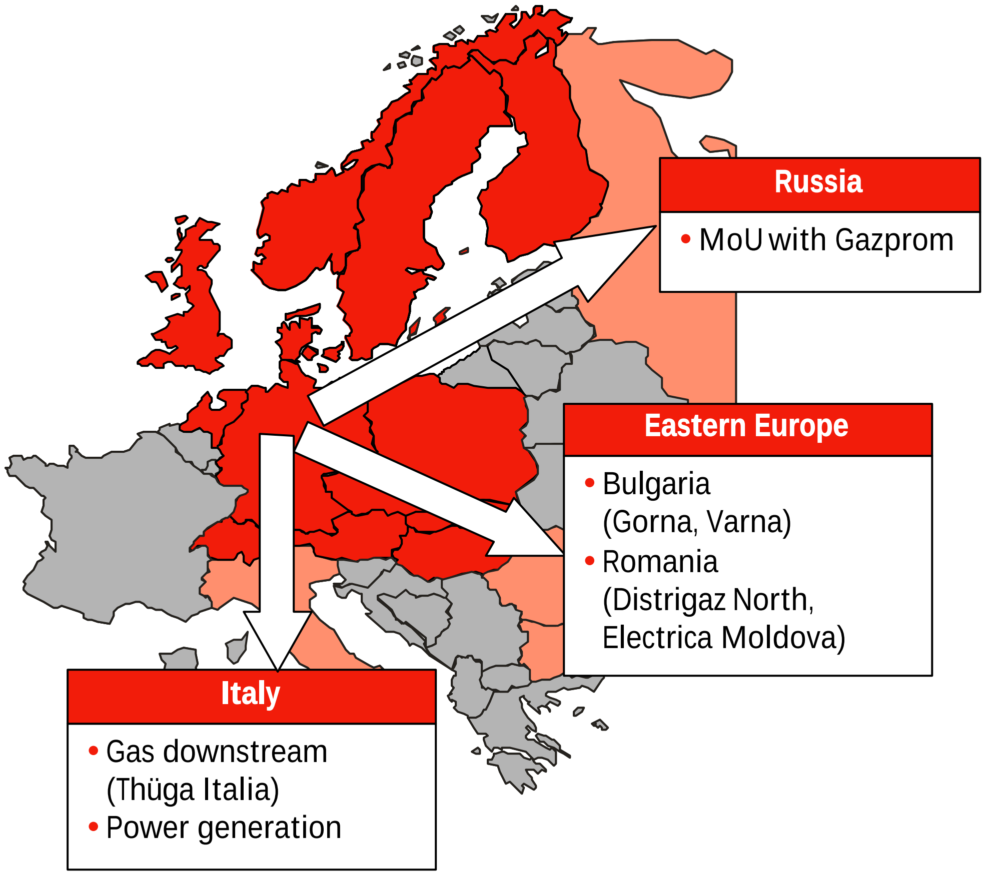
Organic growth through focused capital investment

- Trimble County 2 – USD 885 mn in 2005 to 2010
- Environmental Spend on FGD's – USD 678 mn in 2005 to 2009 (immediately recoverable through cost recovery mechanism)

E.ON's strategic direction



Expansion into potential new markets

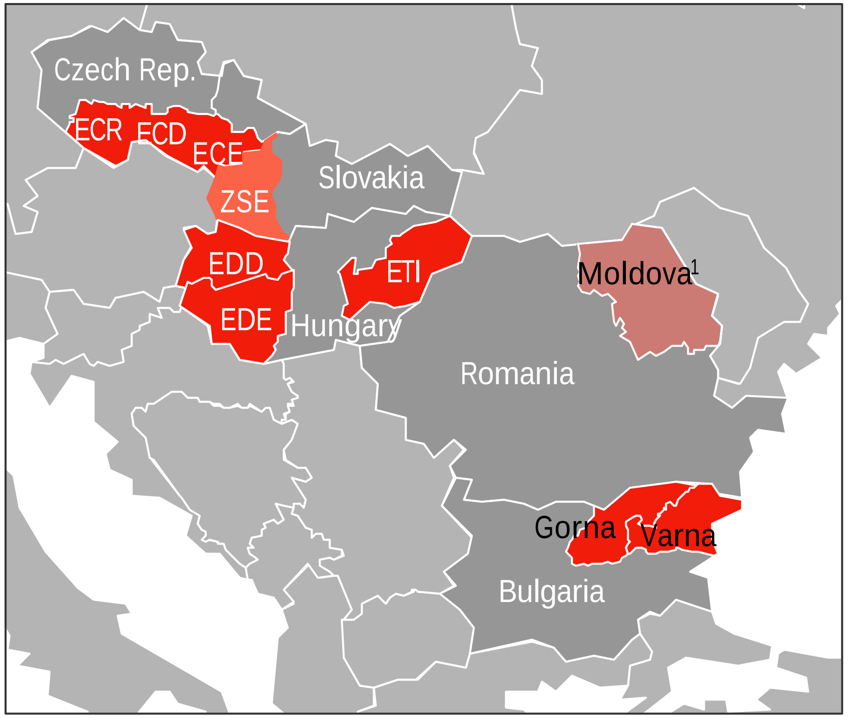


Rationale

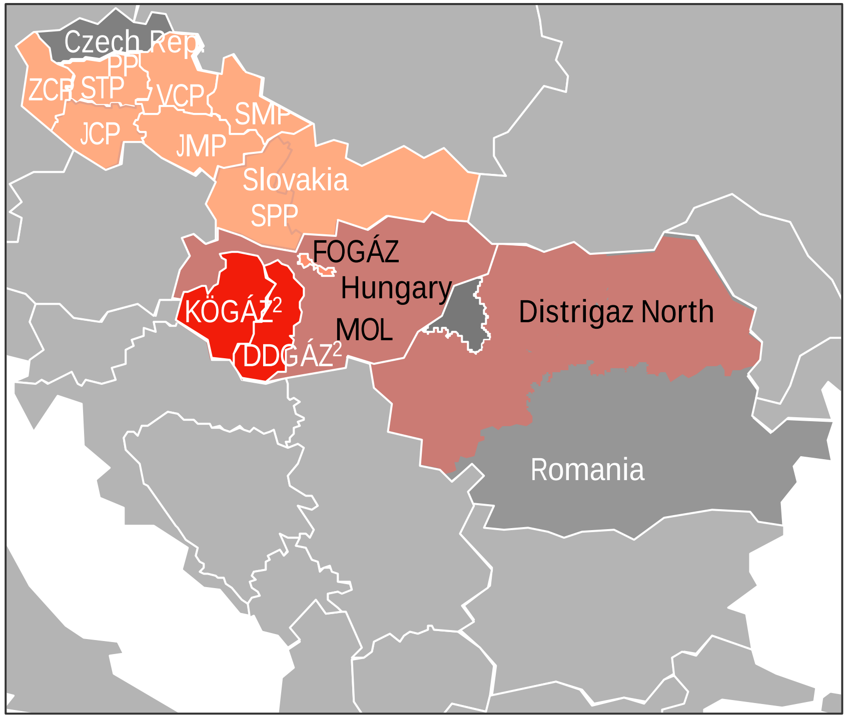
- Southern and Eastern Europe as attractive potential new markets for E.ON to expand its business model

E.ON continues to extend its strong integrated position in Eastern Europe

E.ON involvements in power



E.ON involvements in gas



Majority shareholding | Minority stake (with management control) | Closing expected in 2005 | Minority stake

1 Preferred Bidder
2 Subject to relevant Hungarian authority approval

In Italy E.ON pursues growth activities in both power and gas

Italian power market

- Europe's 5th largest power market (290 TWh) offering potential to reach significant scale in operations
- One of the fastest growing market in Europe after Spain

E.ON's strategic moves in power

Investments in power generation

- Build 800 MW CCGT power plant in Livorno Ferraris
- Total investment appr. 420 m€

Italian gas market

- Europe's 3rd largest gas market (740 TWh) offering potential for scale downstream
- Among the fastest growing markets in Europe

E.ON's strategic moves in gas

Extend gas downstream activities via Thüga Italia

- Current market share app. 5% in gas downstream
- Targeted market share up to 10%

We care about our customers . . .

. . . security of supply

E.ON's gas supply position is planned to be further strengthened through equity gas and, potentially, LNG

Equity gas

Extend E.ON's current small equity gas position in the North Sea

Long-term target: Cover up to 15-20% of gas supply from equity gas

Target regions

- North Sea (UK, Norway)
- Russia

Potential LNG options

- Diversify gas supply portfolio through long-term LNG-supply contracts and share in re-gasification capacity in E.ON's target markets
- Potentially build up an integrated LNG position including upstream

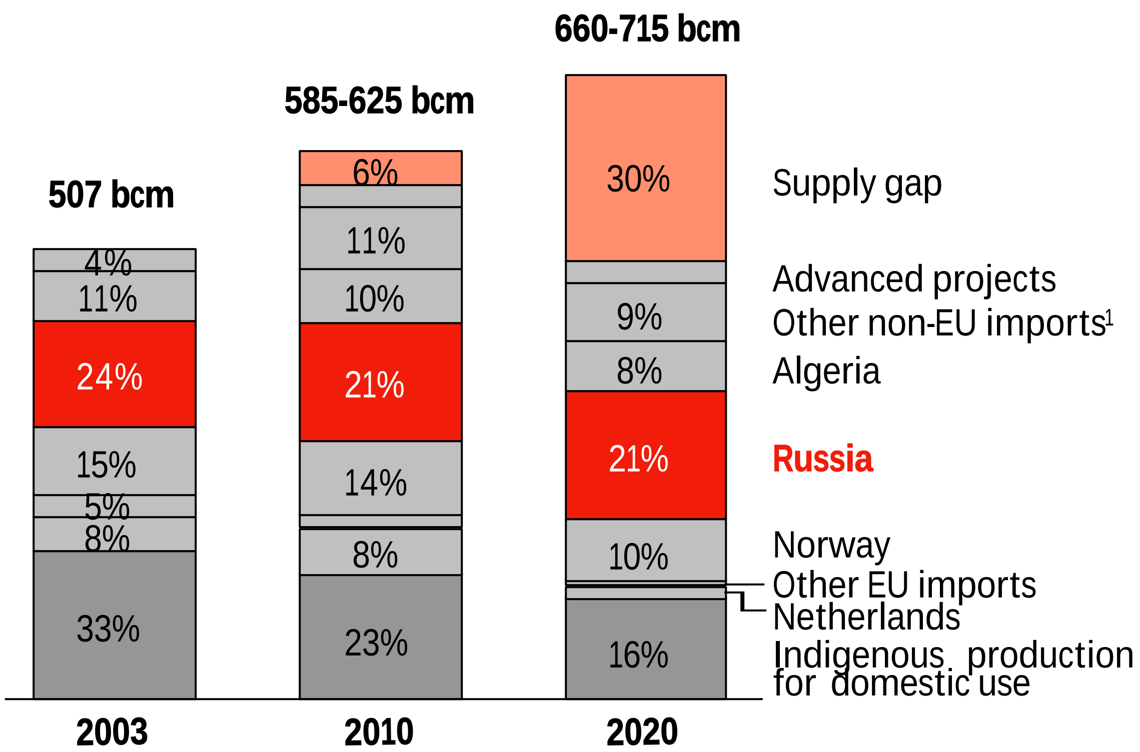
➡ High returns available in upstream business

E.ON has identified various cooperation areas with Gazprom

Memorandum of Understanding – July 8, 2004

Upstream Russia	Joint development of the gas field Yushno Russkoje (Western Siberia): Estimated start of production 2008, proven reserves of at least 25 years
Infrastructure to Europe	Joint construction of the North European Gas Pipeline (NEGP)
Downstream Europe	Joint Ventures in downstream cooperation in Europe (still to be defined)
Power Russia	Cooperation in the Russian power sector: One of the fastest growing markets in Europe with a growth rate of 6% and significant expected capacity shortages

Since Western Europe will increasingly rely on gas imports Russia will remain of high importance as supplier



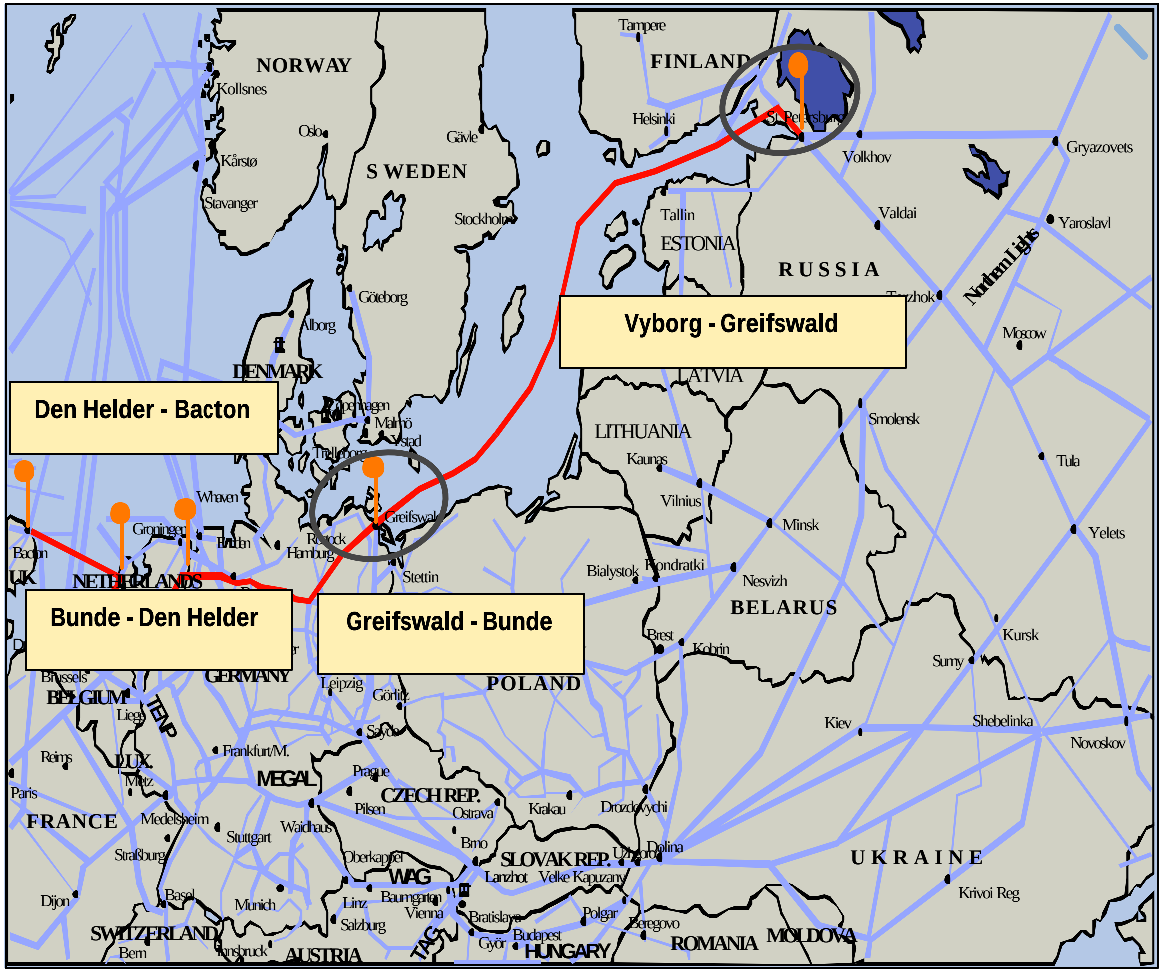
Provisional data for 2003
1 of which: 2010 / 2020: Nigeria 3%, Qatar 2%
Basis for imports: Contracted volumes and prospective contract prolongations

Gas production in Russia: Yushno Russkoje

- Estimated start of production 2008
- Proven reserves of 700[1] bcm or at least 25 years
- Production of approximately 25 bcm p.a. (equivalent to yearly demand of Spain 100% or U.K. 25%)
- Total investment (100%) USD 1 bn
- E.ON's share still to be determined

1 Assessment of proven reserves based on Russian standards

North European Gas Pipeline



- Start of operations expected between 2010 and 2012
- Planned investment (100%) from Vyborg to Greifswald € 2.0 – 2.4 bn
- Equity / debt financing still to be decided
- E.ON's share still to be determined

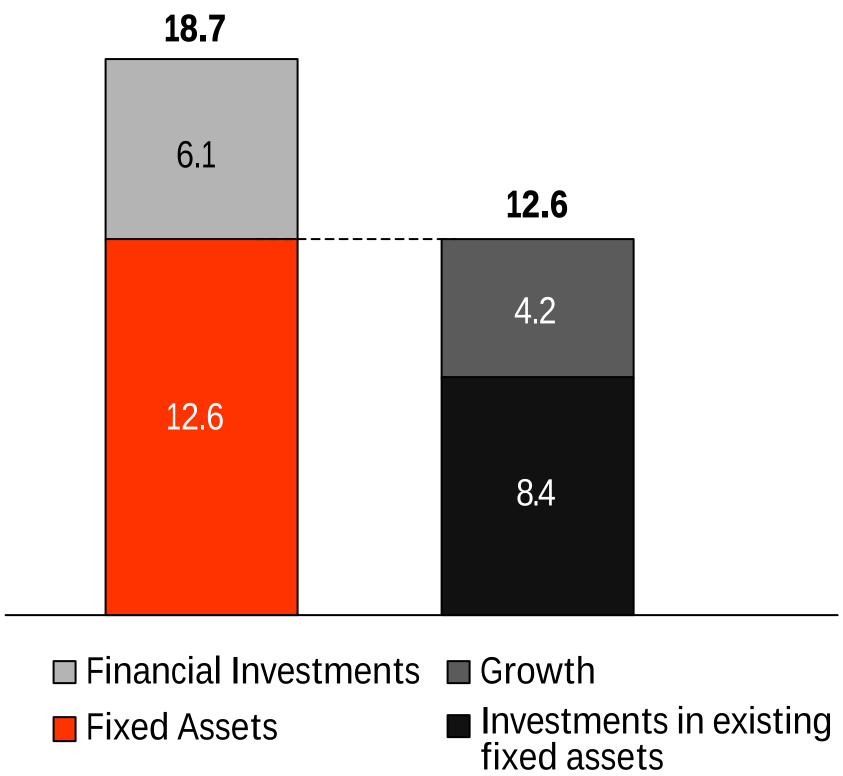
We care about our shareholders . . .

. . . value enhancing investments

… and increasing returns

The investment plan reflects our selective approach towards future investments

Investment plan 2005-07 in bn €



Split of Investments 2005 - 07

Financial Investments	
Strengthening position in upstream gas	€ 2.0 bn
MOL[1]	€ 0.7 bn
Further acquisitions in Central Europe	€ 0.6 bn
Put-option on Sydkraft	€ 2.2 bn
Put-option on ZSE	€ 0.3 bn
Other	€ 0.3 bn
Total	**€ 6.1 bn**
Fixed Assets	
Growth	
• Power generation[2]	€ 2.4 bn
• Power transmission and distribution	€ 0.6 bn
• Gas transmission, distribution and storage	€ 1.0 bn
• Other	€ 0.2 bn
Subtotal	**€ 4.2 bn**
Investments in existing fixed assets	
• Power generation	€ 2.9 bn
• Power transmission and distribution	€ 4.4 bn
• Gas transmission, distribution and storage	€ 0.7 bn
• Other	€ 0.4 bn
Subtotal	**€ 8.4 bn**
Total	**€ 12.6 bn**
Total Investments	**€ 18.7 bn**

1 75% minus one share in the gas trading, storage and transportation business
2 Including € 1.1 bn for renewable energy

All external growth opportunities are subject to E.ON’s strict strategic and financial investment criteria

Strategic Criteria

- Market attractiveness
(returns, growth, regulation, country risk)
- Target attractiveness
(asset quality, market position, management quality)
- Value creation potential
(cost reduction, integration benefits, transfer of best practice)

Financial Criteria

- Earnings enhancing in the first full year after acquisition
- Returns exceeding cost of capital three years after acquisition in general
- Not endanger overall group performance targets

Commitment to defend at least a strong single-"A" rating

- When considering an optimum leverage structure, E.ON focuses not only on minimizing its cost of capital but also on maintaining its balance sheet strength and rating in order to ensure future financial flexibility with ready market access at favorable terms and conditions at all times
- Based on our understanding of the rating agencies' methods we regard the following ratios as compatible with a rating of at least strong "A" over a medium-term period:
  - Gearing[1]: 80 - 100% (actual 2004: 73%)
  - EBITDA/net interest: average of about 10x (actual 2004: 16x)
  - EBITDA/net debt: average of about 0.5 – 1.0x (actual 2004: 1.92x)
- Rating agencies look at a wider range of ratios – it is therefore not appropriate to consider this ratio on an isolated basis. Moreover, qualitative factors play an important role for our rating and they cannot be measured in terms of ratios

1) Based on a definition including pension - and nuclear provisions.

Returning value to shareholders

Proposal to pay an ordinary dividend of 2.35 Euros per share for 2004

- Representing a 17.5% year-on-year increase, thus keeping our ''on.top'' commitment to double-digit dividend growth to 2006
- Reinforcing our position as a leading dividend payer amongst DAX-listed companies in Germany

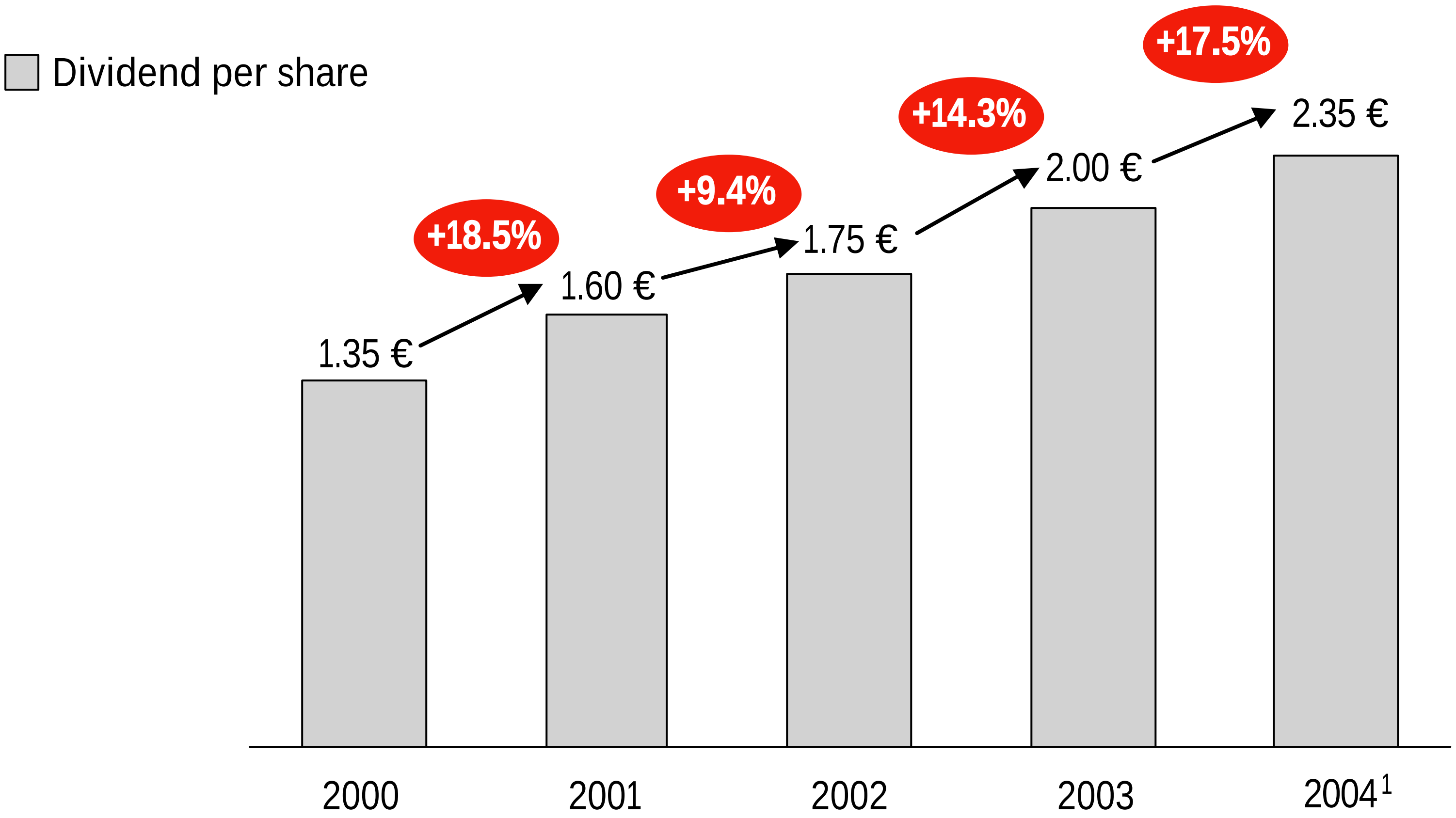
Intention to return the full value of our stake in Degussa to our shareholders

- Precise timing and manner of disposal remain to be determined

New commitment to achieving a payout ratio of between 50% and 60% of net income excluding exceptional items by 2007

- Confident of delivering further earnings growth in the future

E.ON Group – Dividend increase of 74% since 2000



➡ Since 2000 double-digit growth rate on average: **increase of 14.9% p.a.**

1 Proposal subject to the approval at the AGM

E.ON Group - Outlook 2005

Expected adjusted EBIT	**E.ON Group**	Slightly above last year's record level
	MU Central Europe	To be slightly above last year's level
	MU Pan-European Gas	To be higher than last year's level
	MU UK	To be similar to the last year's level, excluding impact of divested Asian Asset Management
	MU Nordic	To be slightly below last year's figure
	MU US-Midwest	To be on par with last year's level in U.S. Dollar currency
Expected consolidated net income		Ability to reach last year's level depends mainly on book gains from divestments as well as fair value of derivatives at year-end

Our vision:
„E.ON - the world´s leading power and gas company“

Back-up Charts

E.ON Group – Financial highlights

in million €

	2004	2003[1]	+/- %
Sales	49,103	46,427	+6
Adjusted EBITDA[2]	10,520	9,458	+11
Adjusted EBIT[2]	7,361	6,228	+18
Consolidated net income	4,339	4,647	-7
Capital employed[3]	64,987	62,684	+4
ROCE (in %)[4]	11.3	9.9	+1.4[5]
Cost of capital (in %)[4]	9.0	9.5	-0.5[5]
Cash provided by operating activities	5,972	5,538	+8
Free cash flow[6]	3,260	2,878	+13
Net financial position[7]	-5,483	-7,855	+30

1) E.ON Ruhrgas for the period February 1 - December 31, 2003
2) Non-GAAP financial measure; reconciliation to consolidated net income see Annual Report, p. 25
3) Annual average
4) Non-GAAP financial measure; see derivation in Annual Report, p. 45 - 46
5) Change in percentage points
6) Non-GAAP financial measure; reconciliation to cash provided by operating activities see Annual Report, p. 28
7) Non-GAAP financial measure; reconciliation see Annual Report, p. 29

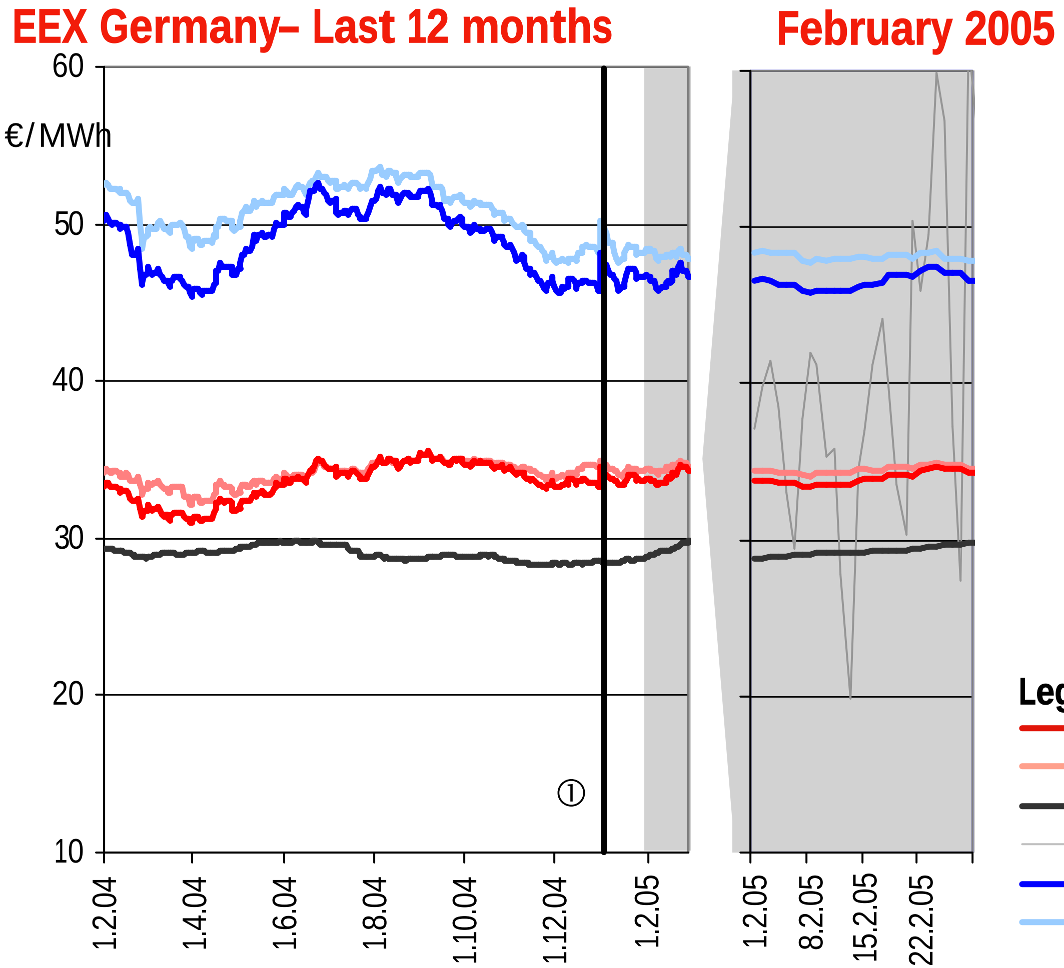
Market units – Key financial figures 2004

in million €

	Sales	Adjusted EBITDA[1]	Adjusted EBIT[1]	Capital Employed	ROCE (%)	Pre-tax CoC (%)[2]	Cash-flow[3]
Central Europe	20,752	4,908	3,602	16,938	21.3	9.0	2,938
Pan-European Gas	14,426	1,900	1,428	15,251	9.4	8.2	1,016
U.K.	8,490	1,592	1,017	11,446	8.9	9.2	633
Nordic	3,347	1,121	701	7,333	9.6	9.0	957
U.S. Midwest	1,913	544	349	6,441	5.4	8.0	182
Corporate Center	-813	-273	-314	1,700	-	-	241
Core Energy Business	**48,115**	**9,792**	**6,783**	**59,109**	**11.5**	-	**5,967**
Viterra	988	621	471	3,649	12.9	7.3	5
Degussa[4]	-	107	107	2,229	4.8	9.6[5]	-
E.ON Group	**49,103**	**10,520**[6]	**7,361**[6]	**64,987**	**11.3**[7]	**9.0**	**5,972**

1) Non-GAAP financial measure; reconciliation see Annual Report, p. 25
2) Cost of capital for 2004
3) Cash provided by operating activities
4) Degussa is included at equity in the Group Financial Statements since February 2003.
5) Due to equity consolidation, the cost of capital for Degussa equals the cost of equity after taxes
6) Non-GAAP financial measure; reconciliation to internal operating profit see Annual Report, p. 25
7) Non-GAAP financial measure; derivation see Annual Report, p. 25

Central Europe – Electricity wholesale prices



Key drivers

- High coal prices
- Costs of Emissions-Trading

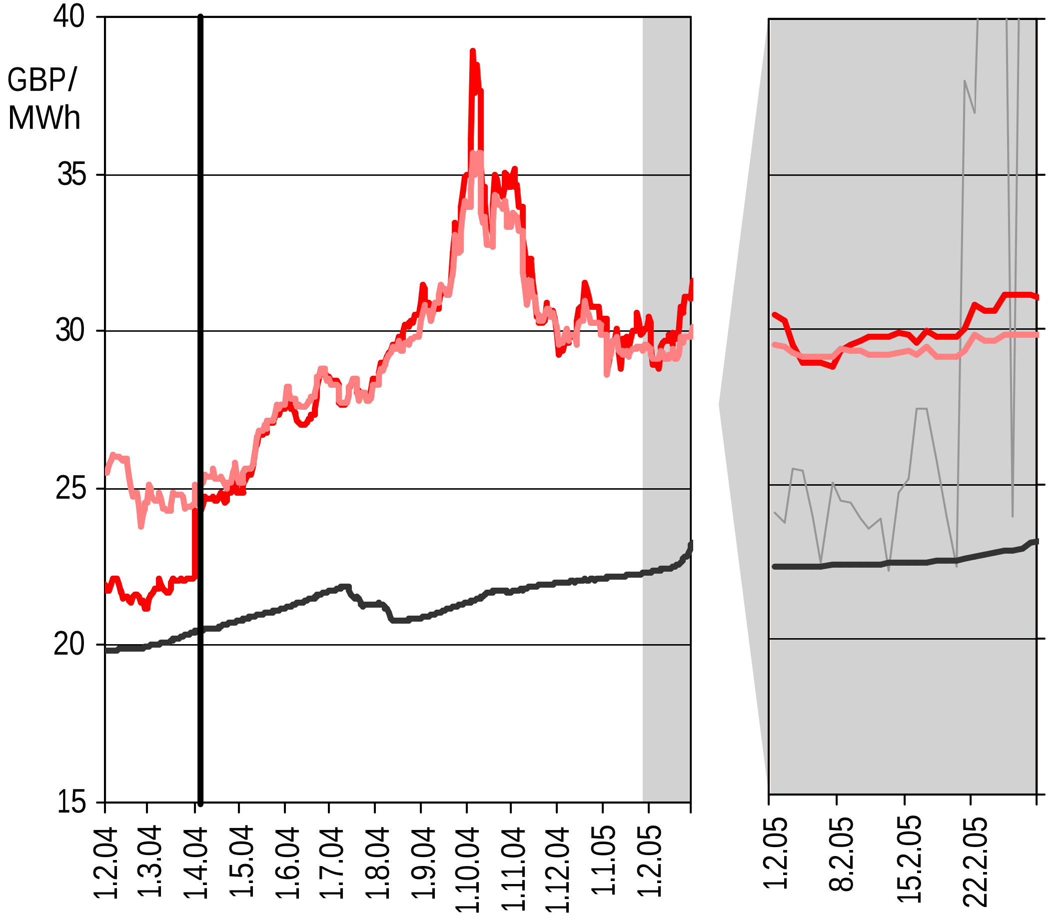
Legend

- Base future for year+1 (2005/2006)
- Base future for year+2 (2006/2007)
- Base spot (average of last 12 months)
- Base spot (only shown for last month)
- Peak future for year+1 (2005/2006)
- Peak future for year+2 (2006/2007)

① The line represents the switch of the futures, addressed by y+1 and y+2. Base/peak 2006 replaces base/peak 2005 (2007 replaces 2006 respectively)

U.K. – Electricity wholesale prices

Base load, OTC – Last 12 months | **February 2005**



Key drivers

- High gas prices due tight supply demand balance
- Costs of Emissions-Trading
- Uncertainty in the market regarding the Emissions Trading Scheme

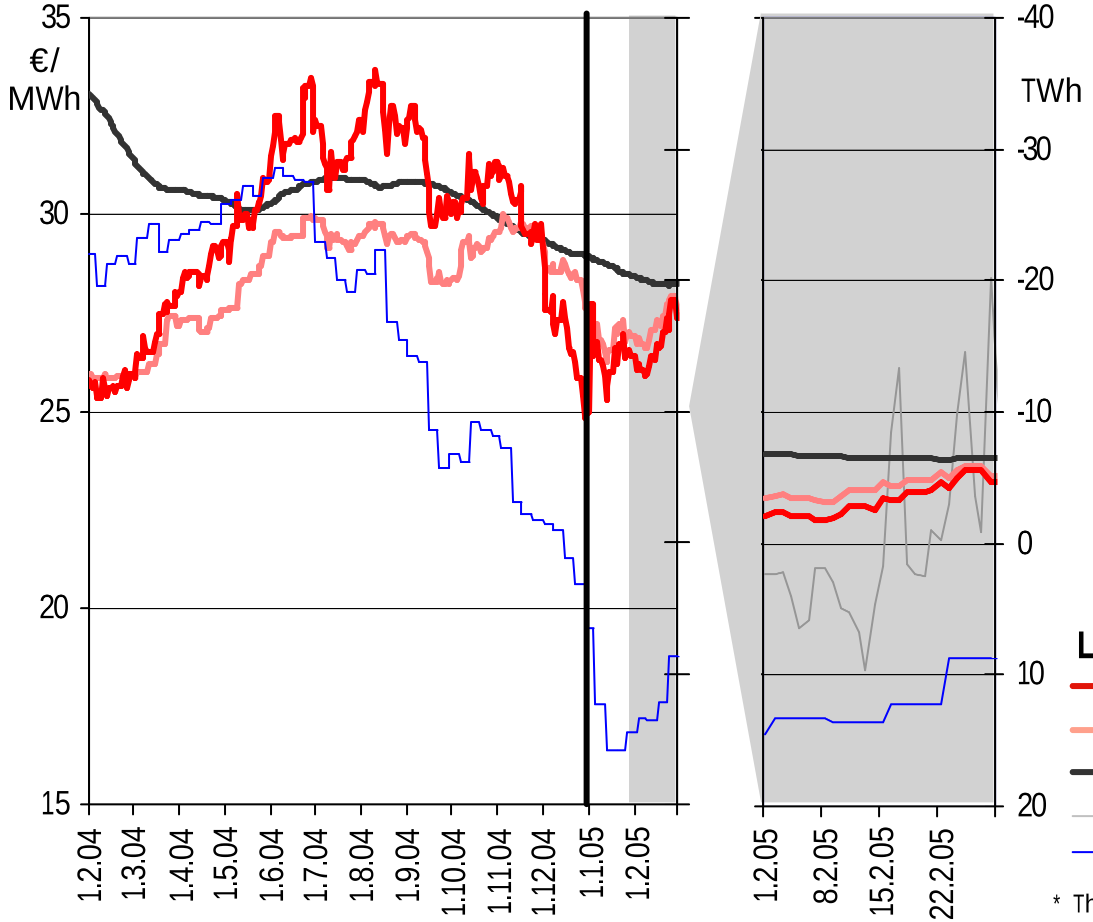
Legend

base forwards for year+1 (2004/2005)*
base forwards for year+2 (2005/2006)*
base spot (average over last 12 months)**
base spot (only shown for last month)**

*average of next summer (Apr.-Sep.) and winter (Oct.-Mar.)
** Base load day instrument, UK Power Exchange

Nordic – Electricity wholesale prices

Base load, Nordpool – Last 12 months February 2005



Key drivers

- Increased level of available Hydro energy
- High overall nuclear production in Sweden

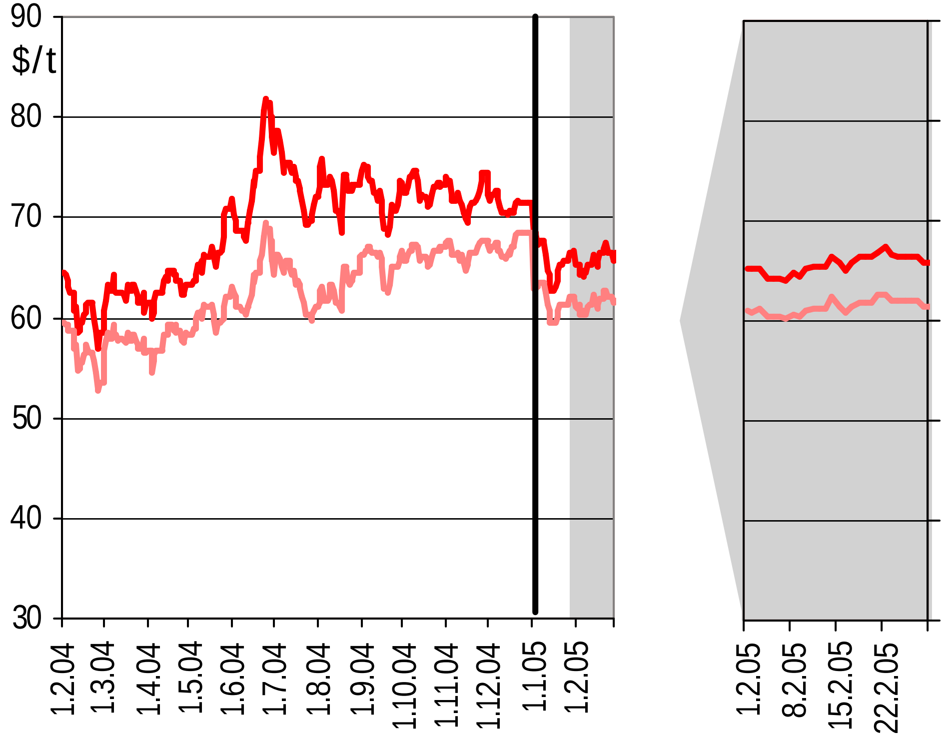
Legend

- Forwards for year+1 (2004/2005)
- Forwards for year+2 (2005/2006)
- Spot (average over last 12 months)
- Spot (daily average of last month)
- Hydrological level vs. normal *

* The development of the hydrological level vs. normal considers hydrological changes by precipitations (rain, snow, etc.) or snowmelts promptly.

Price developments of international steam coal forwards

Coal, CIF ARA – Last 12 months   February 2005



Key drivers

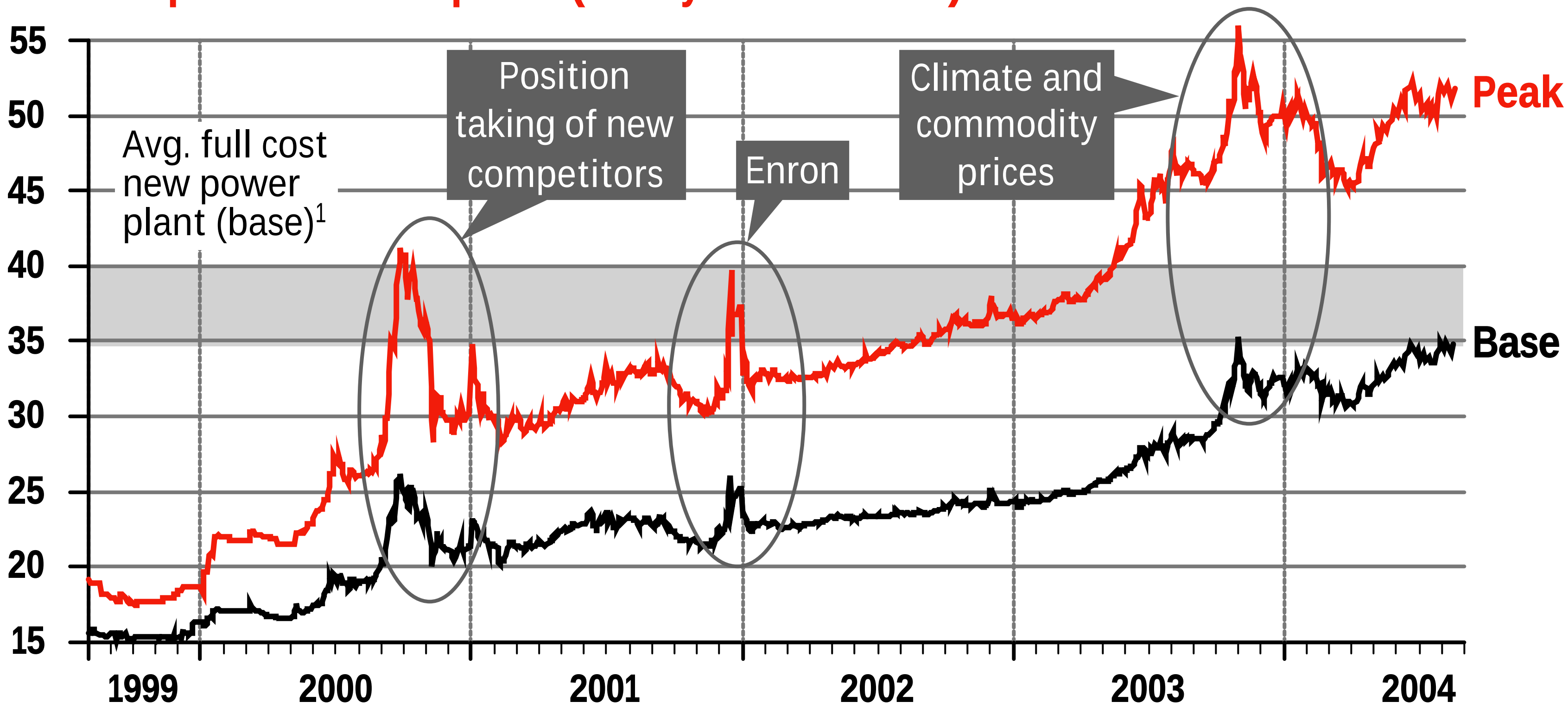
- Higher international demand for coal
- Increase in freight rates due to high demand for raw materials

Legend

Coal forwards for year+1 (2005/2006)
Coal forwards for year+2 (2006/2007)

With increasing necessity to build new power plants, the power prices will approach and fluctuate within the investment break-even corridor

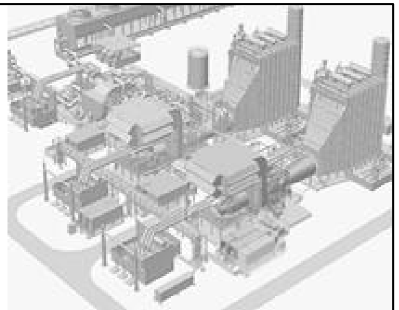
German power forward prices (next-year deliveries) in €/MWh



1) Without CO_2

In addition to our plans to create new capacity of 2,000 MW by 2012, a further 3,000 MW can be made available within a very short timeframe

New capacity and flexibility through boosting capacity, lifetime extensions for power plants & demothballing



Option 1

New construction of CCGT and hard coal power plants

Capacity Increase: **2,000 MW**

Timeframe: **In operation by 2012**

Option 2

Demothballing of power plants

Capacity Increase: 1,500 MW
Timeframe: short

Option 3 **Lifetime Extension** of conventional power plants

Capacity Increase: 1,000 MW
Timeframe: short

Option 4

Boosting Capacity of power plants

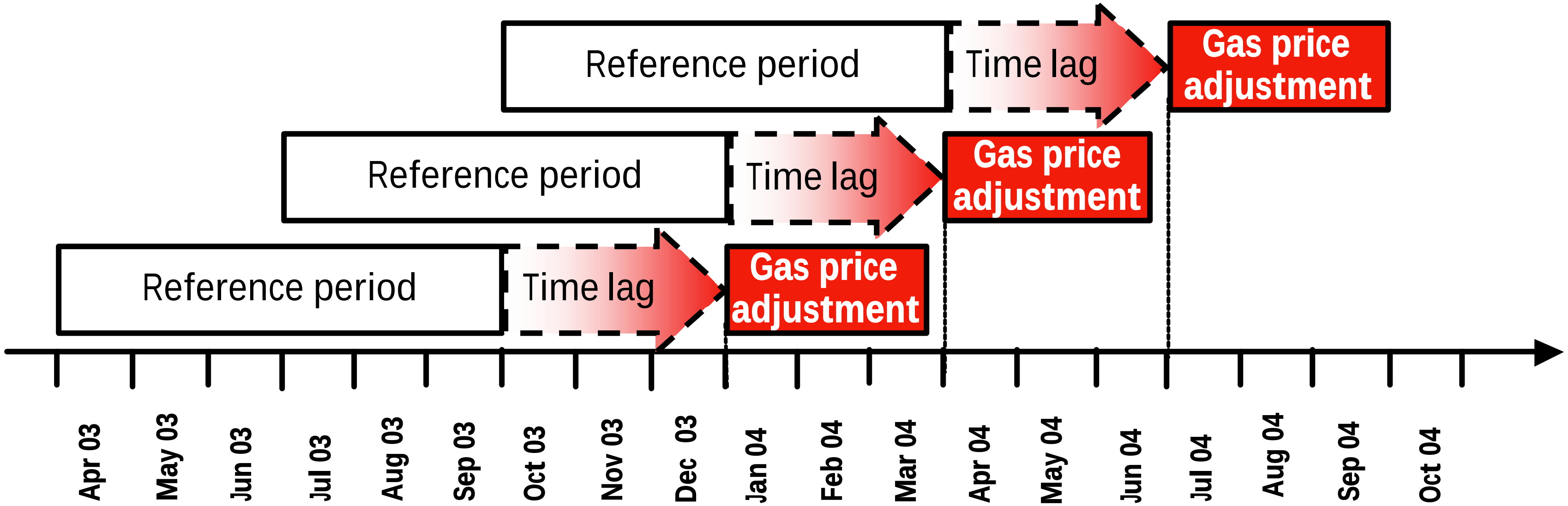
Capacity Increase: 500 MW
Timeframe: short

Gas price adjustment

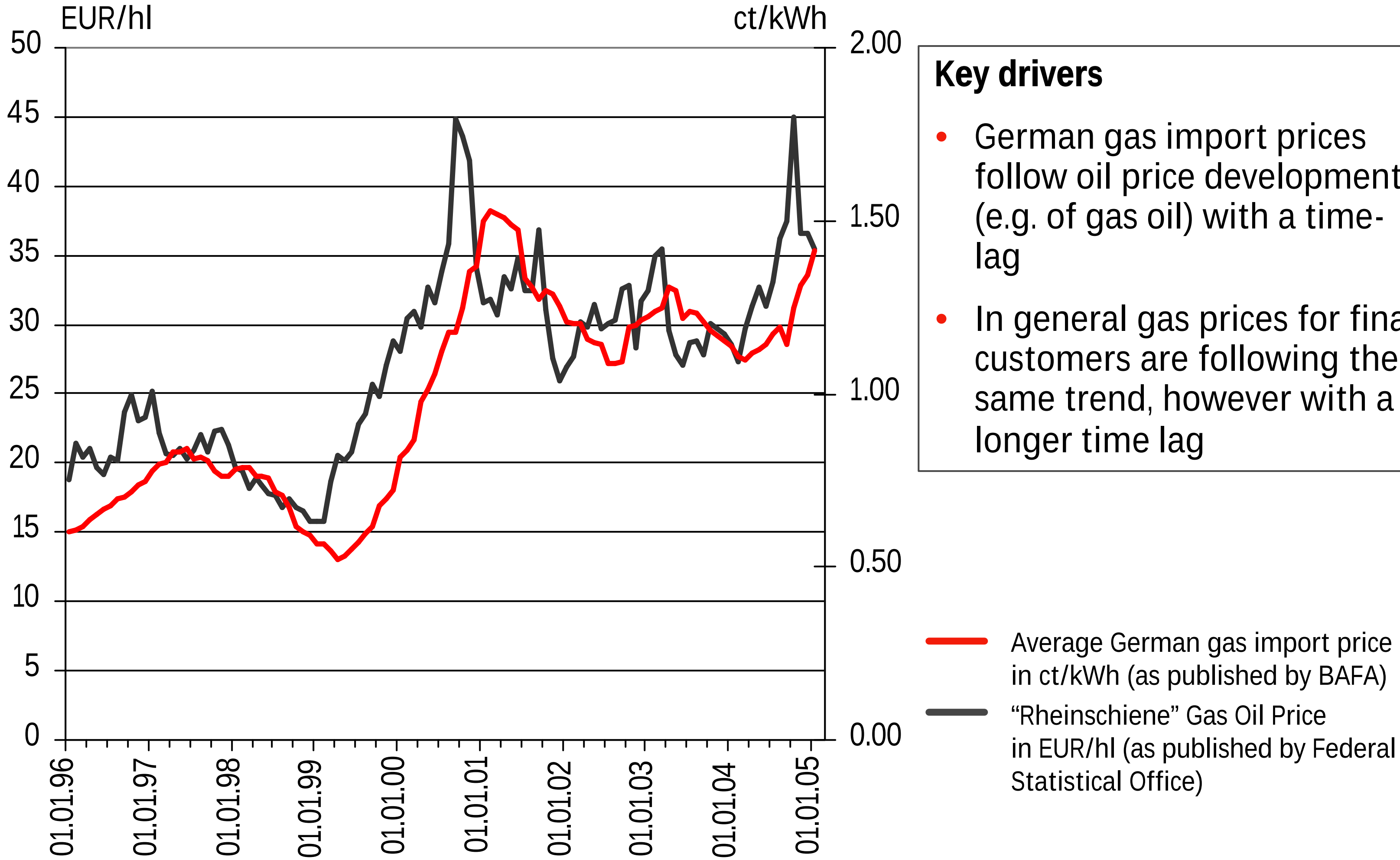
Oil indexation

- Main competitors of natural gas are gas oil and fuel oil.
- Long-term contracts need an automatic indexation.
- Oil indexation secures competitive gas prices.
- Example for oil indexation :

- Price adjustment every	3 months; 1.1./1.4./1.7./1.10.
- Reference period	6 months
- Time lag	3 months



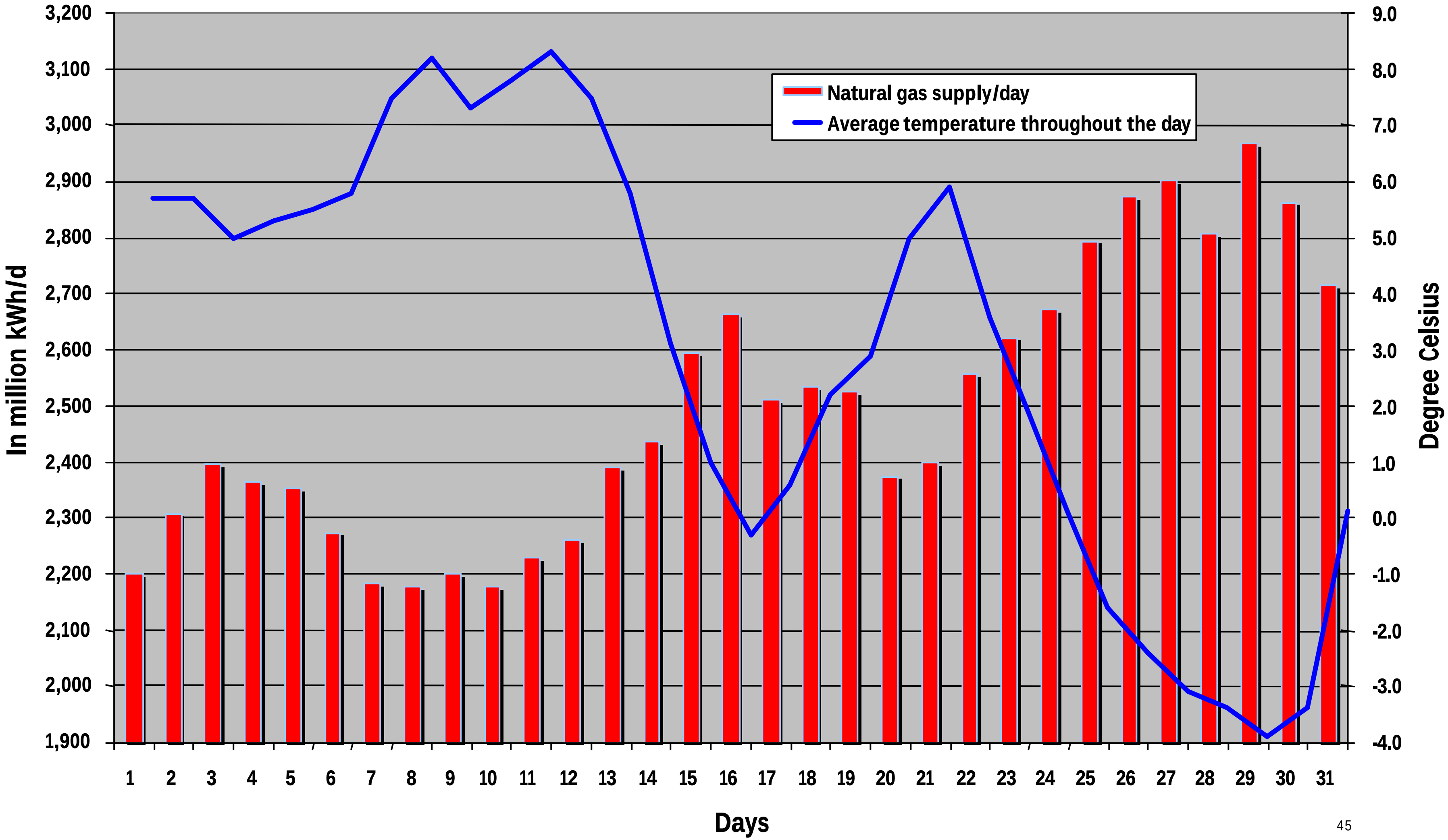
German gas import prices follow the development of oil prices



Key drivers

- German gas import prices follow oil price development (e.g. of gas oil) with a time-lag
- In general gas prices for final customers are following the same trend, however with a longer time lag

Natural gas supply and temperatures, January 2005



Power – Regulation a key component of E.ON´s business

E.ON´s Target Markets	Generation	Transmission	Distribution	Supply/Retail
Central Europe:				
• Germany	UR	R[1)]	R[1)]	UR[2)]
• Netherlands	UR	-	-	-
• Czech Republic	UR	-	R	R/UR[3)]
• Hungary	UR	-	R	R/UR[3)]
• Slovakia	-	-	R	R/UR[3)]
UK	UR	-	R	UR
US (Kentucky)	R	R	R	R
Nordic:				
• Sweden	UR	-	R	UR
• Finland	UR	-	R	UR

R: Regulated
UR: Unregulated
- : No presence of E.ON

1) Planned regulation
2) Except for standard rate customers
3) Fully liberalized from 2007

Framework of energy regulation in Germany

- Establishment of Federal Regulator with ex-ante and ex-post powers
- Cost regulation based on current cost accounting model
- New entry/exit access regime for gas
- Exemption from cost regulation for gas transmission grid
- Incentive based regulation to follow
- Legal and organisational unbundling
- Evaluation of regulatory system not later than 1st July 2007

Details still under discussion

- **Electricity:** Main elements of access regime and grid fee scheme of VVII+ accepted
- **Gas:** New access regime, benchmarking for gas transmission grid negotiated

Current status on grid fee regulation electricity/gas

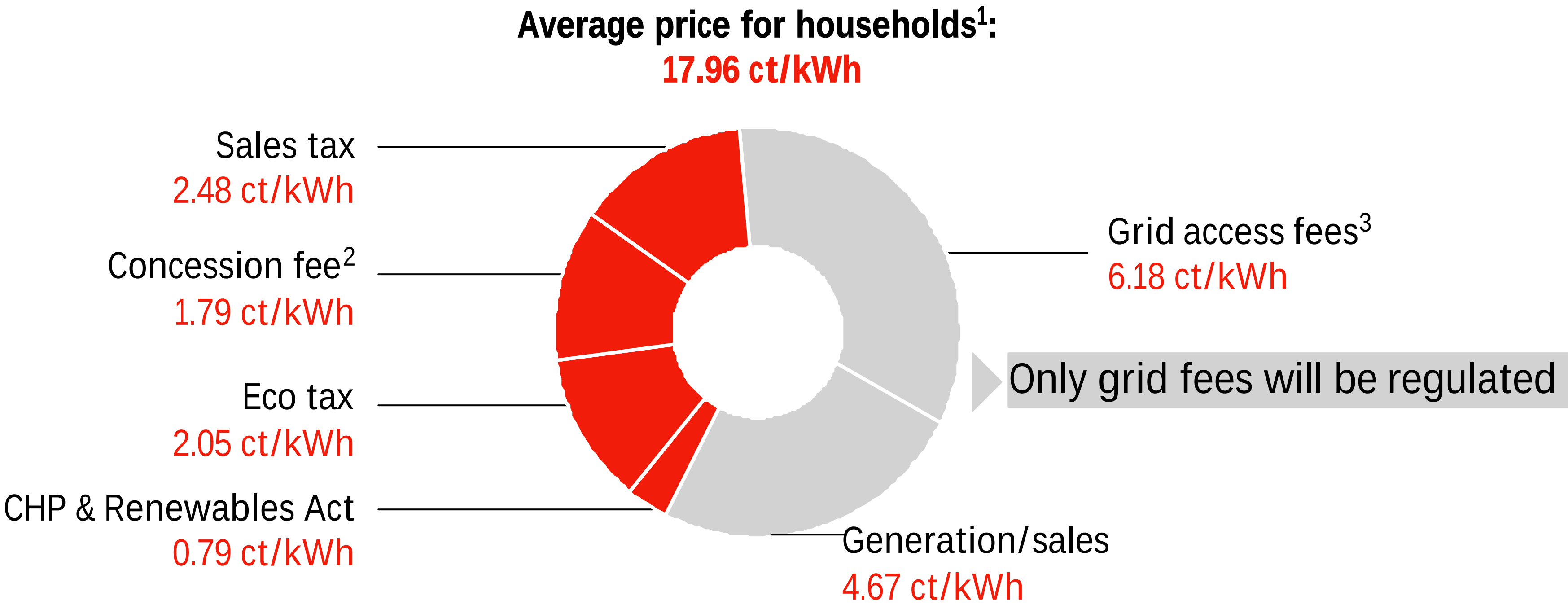
- Gas transmission network: exemption from cost regulation accepted if competition can be proved
- Cost-oriented fees for electricity and gas largely synchronous:
  - ⇨ Corporate tax to be included with implementation of incentive regulation
  - ⇨ Netting out of accumulated calculated depreciation and replacement controversial
  - ⇨ CAPEX:
    - Equity-capital interest 6.5% (electricity) and 7.8% (gas distribution) accepted
    - Interest on debt for cost calculation
    - Calculatory share of equity: maximum 40%
  - ⇨ OPEX:
    - Structural classes: East/West and turnover density
    - Comparative market: benchmarking

➢ **Draft law and regulations are expected to be passed by the Lower House of Parliament on April 15th, needs to be approved by the Upper House of Parliament**

➢ **Entry into force: July 1st (expected)**

Grid access fees only to be regulated in Germany

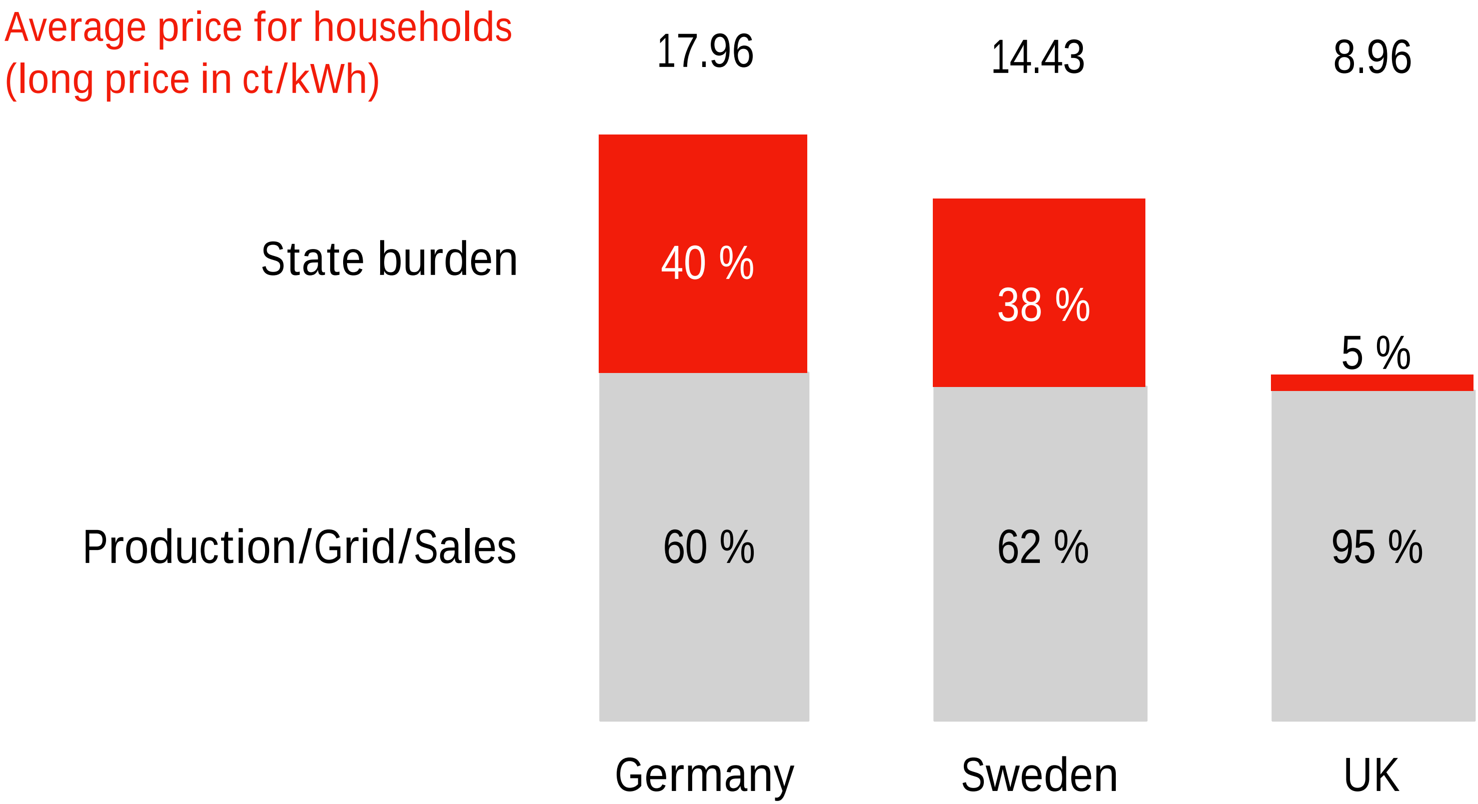
2004 (assumed consumption for a household: 3,500 kWh/a)



1) Electricity supplied to households; annual sales volume 3.500 kWh
2) Concession fee in cities between 100.000 and 500.000 residents
3) Arithmetic medium for grid fees as published by VDN, November 2004
Sources: VDN, VDEW, (2004).

State burden on power prices

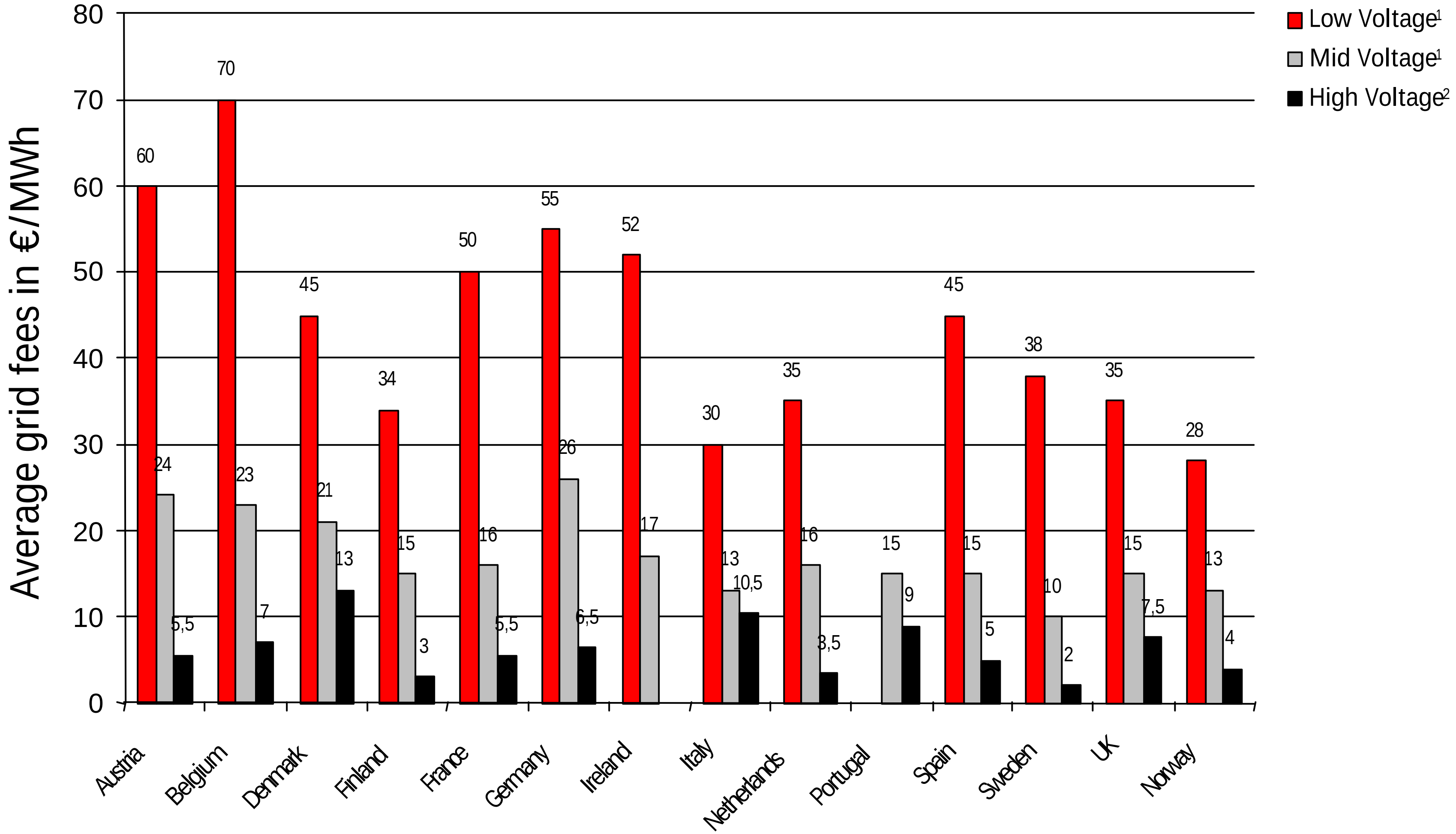
2004 (assumed consumption: 3,500 kWh/a)



Sources: Germany: VDEW; Sweden , UK: Eurostat (2004).

European grid fees comparison

2003



1) EU Commission: 3rd Benchmarking report 2004

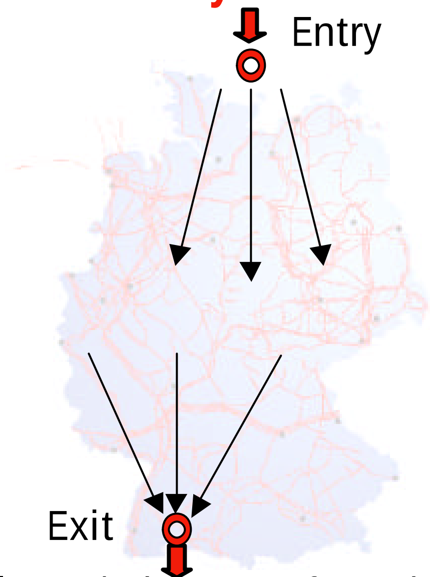
2) ETSO: Benchmarking Transmission Pricing in Europe 2003

Network access system for gas – Change to new entry /exit model

Distance-related model

- Capacity check on transmission route
- Capacity booking on transmission route
- Distance-related tariff

Entry/exit model



- Individual entry/exit systems for each network operator
- Individual entry and exit tariffs
- Separate booking and marketing of entry/exit capacities
- Check on available capacity after determination of a specific entry/exit point combination
- Cooperation between network operators to provide multi-grid access

German NAP proposal (Act of May 28, 2004)

Free grand fathering based on historic 2000 - 2002 emissions	
Power + Industry sector 2000-02:	505 Mt CO_2/a
Total allocation proposed for 2005-07:	503 Mt CO_2/a (- 0.4%)
Total allocation proposed for 2008-12:	495 Mt CO_2/a (- 2.0%)

New entrants

Reserve of 9 Mt CO_2/a to be distributed with an emission cap of 750 g/kWh.

Compensation for nuclear phase-out

Acknowledgement of the principle to compensate with an initial compensation of 1.5 Mt CO_2/a for 2005 – 2007.

Decommissioning of plants and transfer of certificates

In case of a shut down, full transfer of certificates to new installation for 4 years, possibly generating certificate surpluses, particularly when shifting from lignite to gas.

Afterwards, no further required reduction of emissions / certificates for 14 years.

Further, creating additional reserves for CHP, early actions and process emissions and a special option rule to be allocate by expected emissions and not by historical ones leave Power and Industry with a reduction up to 7.53 % in the period to 2005-07 dependent on the specific allocation rule.

Effects of the NAP on E.ON Energie

- Overall, E.ON accepts the compromise, but reserves final judgment of the effects of the proposal until a thorough analysis is completed
- Impact on E.ON Energie depends on the results of the application process, but may result in a maximum burden of approximately € 15 million (€ 5 per ton CO_2)
- E.ON is basically in favor of emissions trading as a tool to reduce greenhouse gas emissions, but only under conditions that are economically feasible
- E.ON Energie's CO_2 emissions were an average 360 g CO_2/kWh in 2003 compared to a German average of 580 g CO_2/kWh. The risk of higher costs is therefore comparably low
- E.ON is confident that possible costs for CO_2 allowances can be passed through to customers

In summary, there may be no additional burden on E.ON

Financing policy

- E.ON aims to maximize financing efficiency and minimize structural subordination issues
- General rules: External financings will be undertaken at the E.ON AG level or via finance subsidiaries under its guaranty and on-lent as needed within the Group. Generally, at market rates, for US at cost
- Case by case decision for majority held subsidiaries and joint ventures
- In certain limited circumstances, future financings may also take place at subsidiary level, e.g. for reasons of pricing, tax-efficiency or regulation
- For new subsidiaries external short-term debt to be refinanced immediately, other debt as it falls due by inter-company loans, or earlier if savings are available

E.ON Group - Strong financial profile

	2004	2003
Adj. EBITDA[1] / Net interest[2]	16.0 x	14.8 x
Adj. EBITDA[1] / Net financial position[3]	192 %	120 %
Net financial position[3] / Cash provided by operating activities	0.9 years	1.4 years
Gross external debt[4] / Total Capital[5]	33%	36%

1) Non-GAAP financial measure; reconciliation see Annual Report, p. 25
2) Non-GAAP financial measure; reconciliation see Annual Report, p. 160
3) Non-GAAP financial measure; reconciliation see Annual Report, p. 29
4) Non-GAAP financial measure; gross external debt equals financial liabilities to banks and third parties less interest portion, see Annual Report, p. 140
5) Non-GAAP financial measure; total capital equals gross external debt plus shareholders' equity plus minority interests

E.ON Group - Strong rating

Moody‘s (Aa3, „stable outlook“)

- E.ON’s A1 Rating upgraded to Aa3 on April 30, 2004
- The rating reflects E.ON’s improving credit protection measurements and reduced debt, its more narrowly defined medium-term plan and investment discipline, its good underlying core operating performance and the remaining divestments.

Standard & Poor‘s (AA-, „negative outlook“)

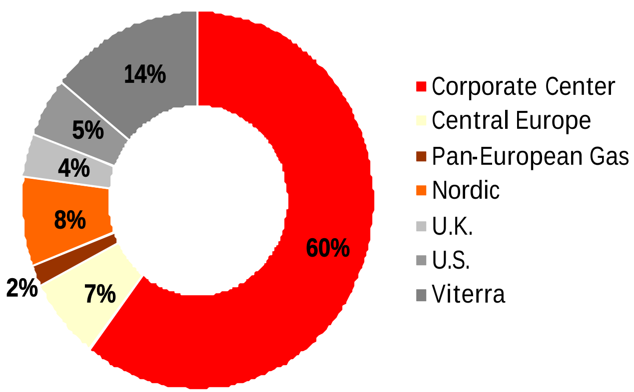
- AA- Rating confirmed on 14 March 2005, outlook revised from “stable” to „negative“
- The ratings on E.ON are supported by its very strong business position as the world’s largest private electricity and gas utility and vertically integrated positions in a number of high-quality electricity and gas markets, together with a robust financial profile. However, a combination of regulation impact and acquisitions, together with ongoing shareholder pressure or investments in riskier growth markets could ultimately lead to a ratings adjustment.

E.ON Group - Split of gross external debt[1]

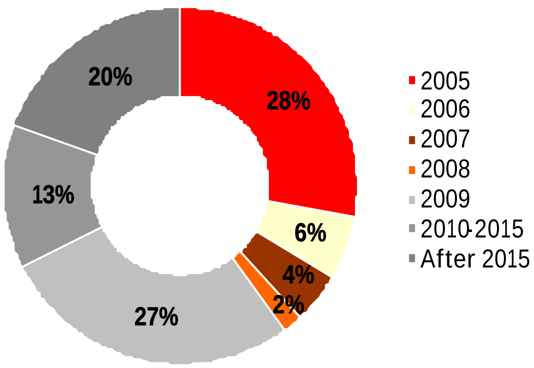
as of December 31, 2004, in billion €

	Central Europe	Pan-European Gas	U.K.	Nordic	U.S. Midwest	Corporate Center	Viterra	E.ON Group
Bonds	0.0	0.0	0.5	0.5	0.9	7.2	0.0	**9.1**
Commercial paper	0.0	0.0	0.0	0.2	0.0	3.4	0.0	**3.6**
Bank loans/others	1.3	0.4	0.2	0.7	0.0	0.4	2.6	**5.6**
Gross external debt[1]	1.3	0.4	0.7	1.4	0.9	11.0	2.6	**18.3**

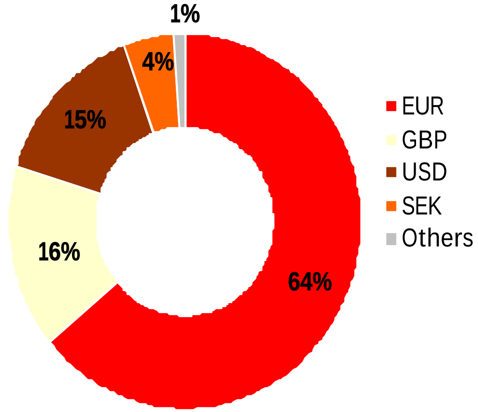
Split by Market Unit



Split by Maturity



Split by Currency[2]



1) Non-GAAP financial measure; gross external debt equals financial liabilities to banks and third parties less interest portion, see Annual Report, p. 140
2) Before hedging

This presentation may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Annual Report on Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

E.ON prepares its consolidated financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This presentation may contain references to certain financial measures (including forward looking measures) that are not calculated in accordance with U.S. GAAP and are therefore considered "Non-GAAP financial measures" within the meaning of the U.S. federal securities laws. E.ON presents a reconciliation of these Non-GAAP financial Measures to the most comparable US-GAAP measure or target, either in this presentation or on the website under www.eon.com. Management believes that the Non-GAAP financial measures used by E.ON, when considered in conjunction with (but not in lieu of) other measures that are computed in U.S. GAAP, enhance an understanding of E.ON's results of operations. A number of these Non-GAAP financial measures are also commonly used by securities analysts, credit rating agencies and investors to evaluate and compare the periodic and future operating performance and value of E.ON and other companies with which E.ON competes. These Non-GAAP financial measures should not be considered in isolation as a measure of E.ON's profitability or liquidity, and should be considered in addition to, rather than as a substitute for, net income, cash provided by operating activities and the other income or cash flow data prepared in accordance with U.S. GAAP. The Non-GAAP financial measures used by E.ON may differ from, and not be comparable to, similarly-titled measures used by other companies.