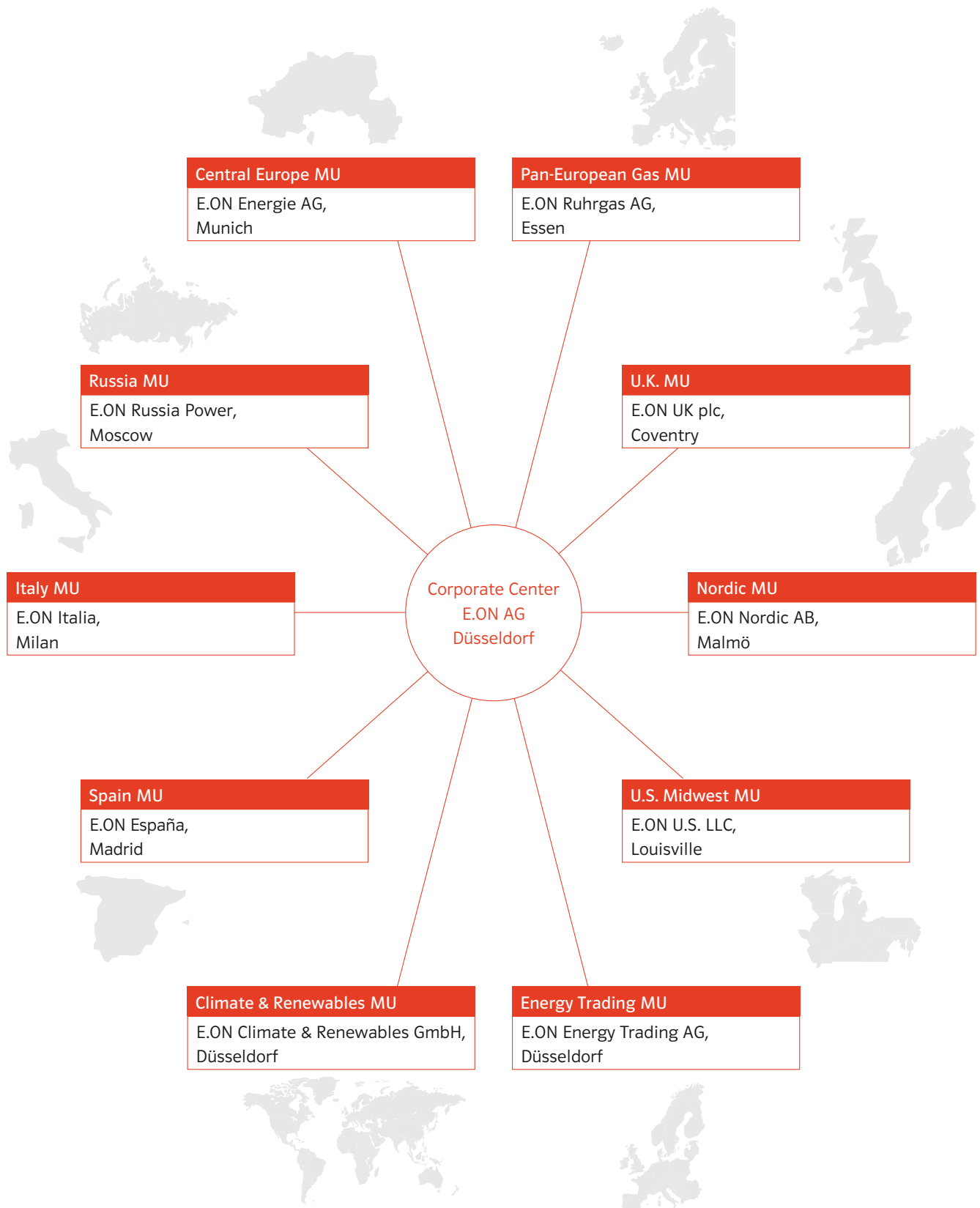




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Group Structure



E.ON Group

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Strategy & Investment Plan

Strategic Direction

E.ON has six key beliefs about what drives sustainable success in our power and gas business:

1. Vertical integration

Being present in all parts of the value chain—in Generation/ Gas E&P (Upstream), Supply & Trading (Midstream) and Sales (Downstream)—will be the long-term winning business model for energy utilities.

The value of vertical integration depends on the degree of market liberalization.

- In liberalized fully effective markets vertical integration offers value from superior market intelligence compared to less integrated players and portfolio protection against the shift of profit margin along the value chain.
- Whereas in markets with regulated generation and/or retail tariffs the value from vertical integration is limited.

2. Convergence of power and gas

Since convergence of the power and gas markets creates economies of scope, substantial presence in both markets will be a key competitive advantage and driver for value creation. In both trading (superior market intelligence) and retail (dual fuel offerings) a presence in both the power and gas markets is a key competitive advantage. For generation (better gas supply) and distribution (cost savings in overlapping network areas) a presence in both power and gas is not a must but offers additional value potential.

3. Access to infrastructure and role of regulated business

Infrastructure access is essential (e.g. for market access, connectivity, to offer structured products)—ownership only required under certain market conditions. In addition, ownership of regulated businesses can offer low-risk value, cash generation and an overall more balanced portfolio.

4. Strong market positions in a competitive market environment

In liberalized markets, scale is a key competitive edge. The best structure for the energy markets are liberalized markets with strong integrated players with a long-term view since they ensure efficiency, security of supply and climate protection. European energy companies will have to prepare for the development towards an integrated and competitive European energy market—while acknowledging different speeds of transition for different regions and commodities.

5. Growth

Organic growth is a prerequisite for sustained value creation. Given the moderate growth rates in some of our core markets, external growth is necessary to create above-average shareholder value.

6. Value from experience

We can create more value by managing a broad range of assets in different energy markets—even in nonconnected markets—by sharing expertise and best practices across our organization.

Based on these beliefs, E.ON pursues a clear strategy:

Integrated power and gas business

- Run an integrated power and gas business with leading market positions.
- Engage in total value chain management.
- Make investments in infrastructure where these investments enhance our market access and connectivity.

Clear geographic focus

- Strengthen our leading positions in our core European markets.
- Pursue selective growth in new markets.
- View North America as a growth market for our renewables business and a long-term growth option for our integrated energy business.

Clear strategic priorities

- Our top priority is to strengthen and grow our position in Europe.
- Maintain our strong, diversified generation portfolio while systematically reducing our specific carbon dioxide emissions.
- Strengthen our gas supply position through our own gas production and liquefied natural gas.

Strict investment criteria

- Focus on selective investments and acquisitions with significant value-creation potential.
- Observe our strict strategic and acquisition criteria.

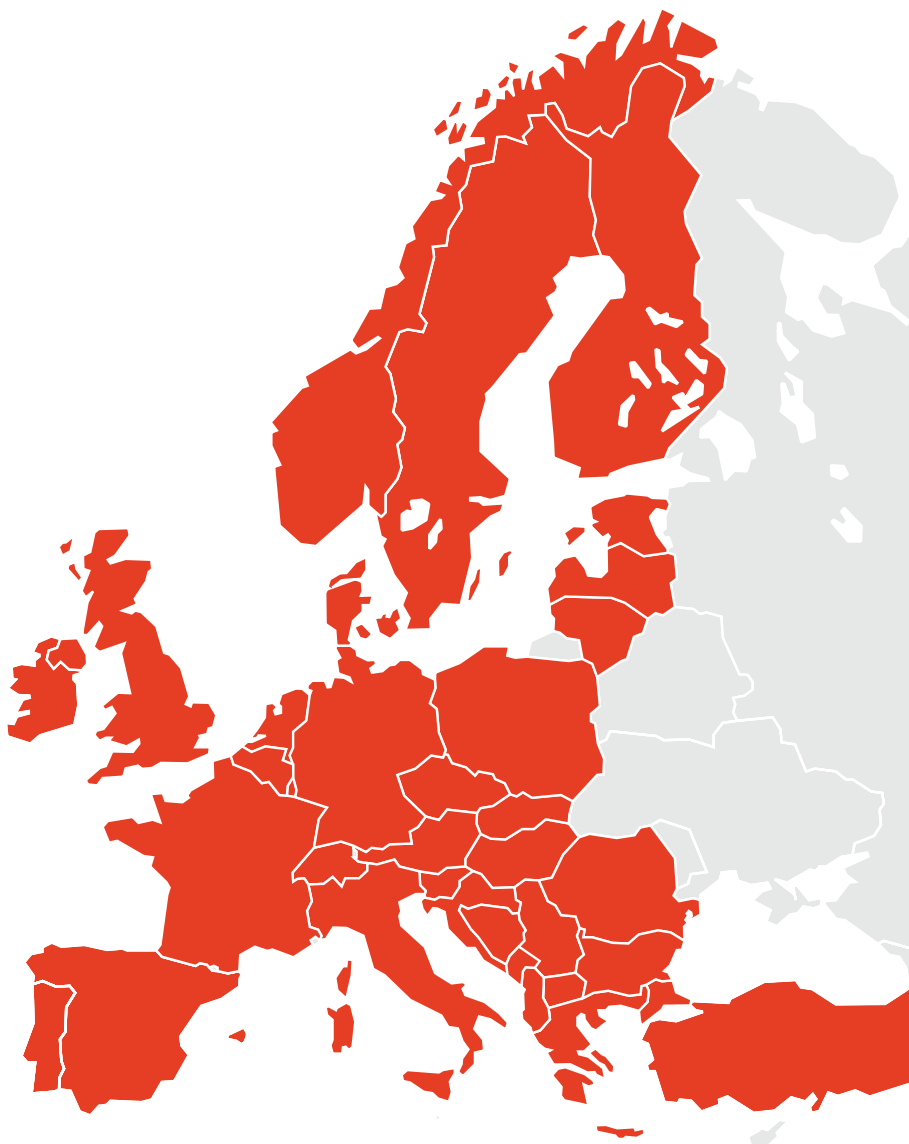
Central Europe—Fortify Strong Market Position in Power and Downstream Gas



Key issues

- Prepare for generation reinvestments for the next decade.
- Broaden scope of power generation.
- Hedge retail positions in eastern Europe with generation assets.
- Realize regional and power/gas downstream synergies.
- Integrate and strengthen assets from Enel/Acciona agreement in France, Poland and Turkey.
- Participate in privatization processes in existing and new Central Europe markets providing new growth opportunities.

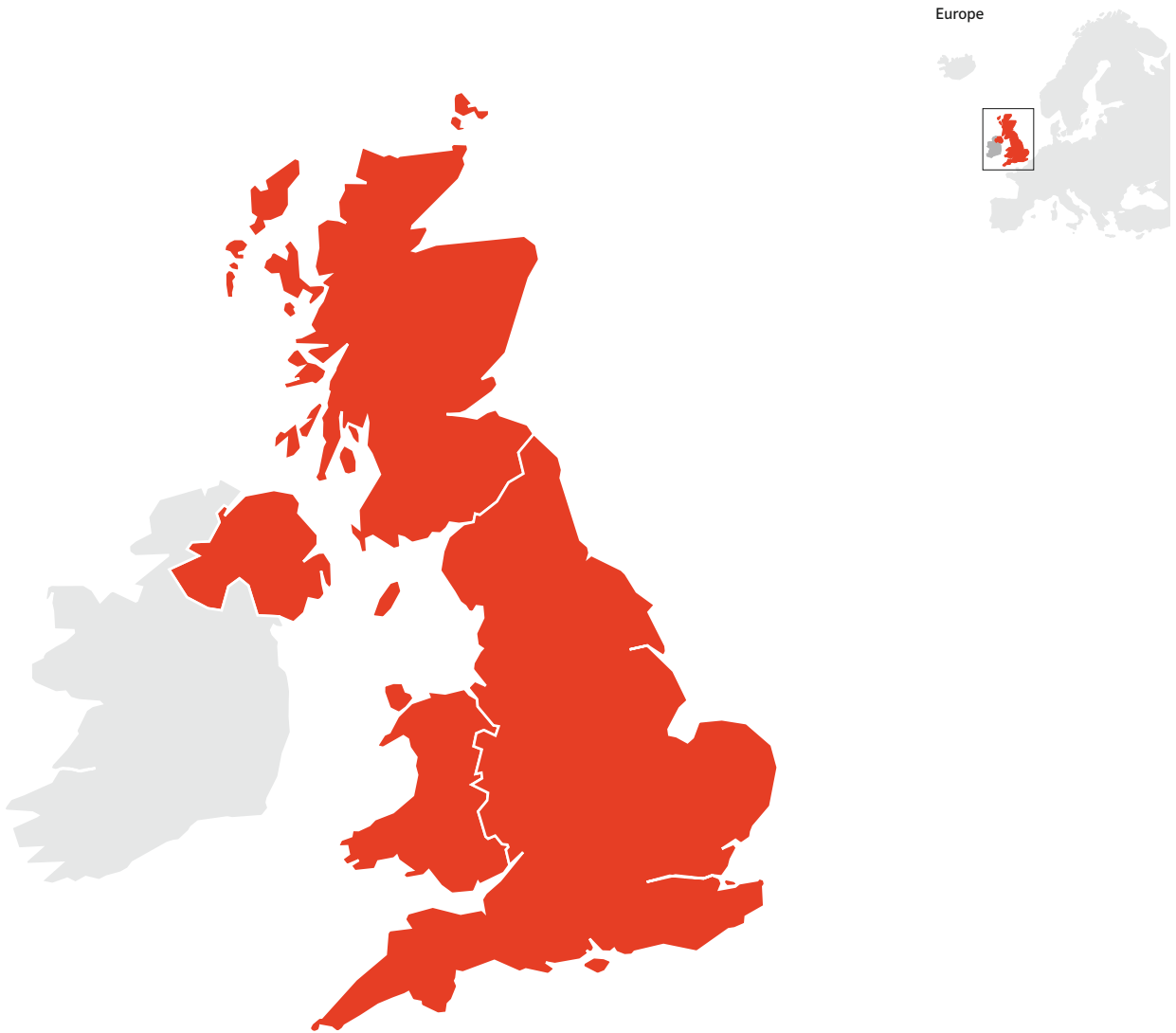
Pan-European Gas—Strengthen and Diversify



Key issues

- Further expansion of Pan-European Gas's supplier role for the Group—taking over gas supplier role for the new market units in Spain and Italy.
- Strengthen and expand own gas production to at least 10 billion m³/year.
- Expand into LNG.
- Strengthen and intensify the cooperation and partnership with producers.
- Selected infrastructure investments to secure European gas supply in import pipelines, interconnectors and storage.

U.K.—Optimize and Grow



Key issues

- Remain and grow as one of the U.K.'s largest electricity generators while reducing CO₂ emissions.
- Become the best U.K. networks operator with competitive costs, efficient processes, superior customer experience.
- Become the largest, most preferred, and least carbon-intensive energy supplier.

Nordic—Consolidation and Expansion of Market Position through Organic and External Growth

Europe

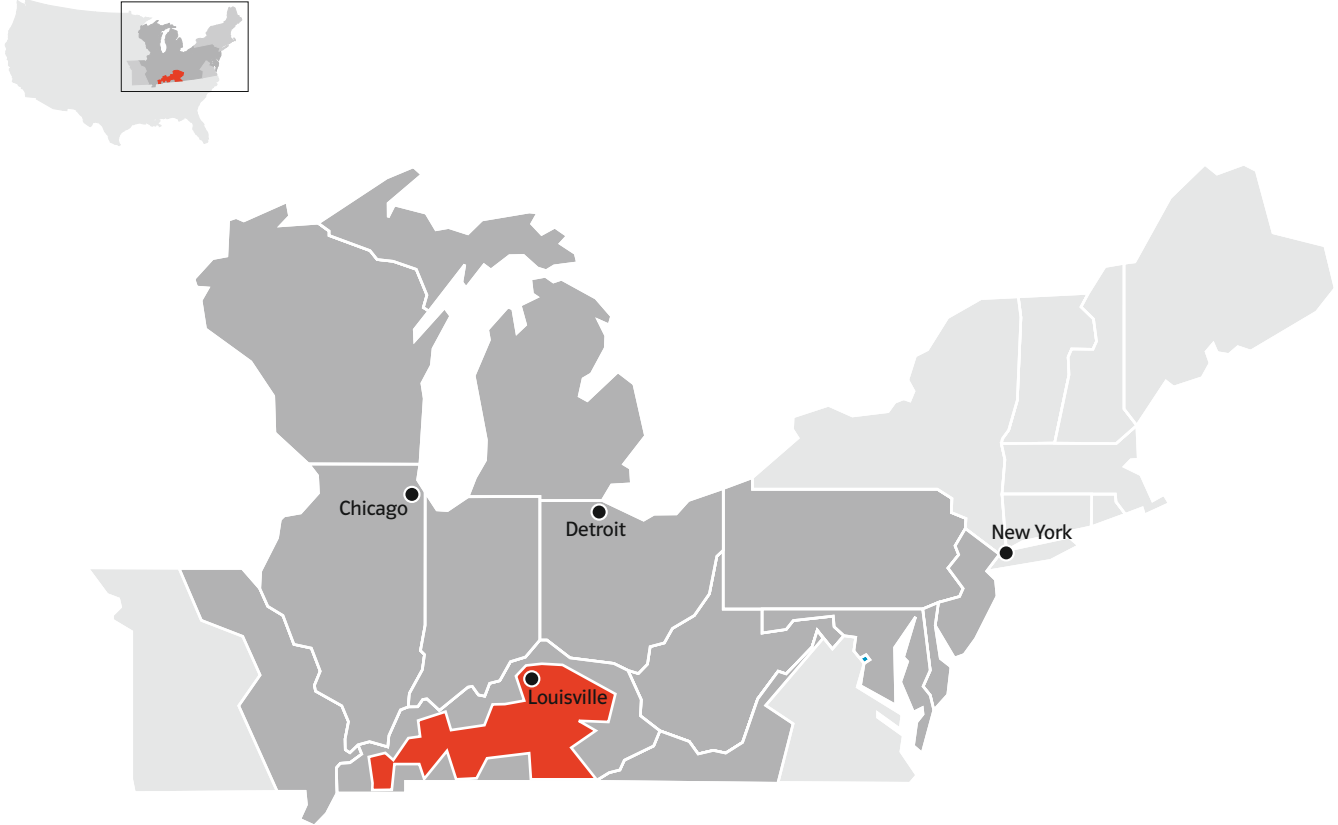


Key issues

- Consolidation of fragmented Nordic market provides opportunities for growth.
- Further developing of a diversified generation portfolio.
- Identify acquisition opportunities providing synergies in power, gas and district heating in Sweden, Denmark and Finland.
- Development of gas supply and gas infrastructure in Central Sweden.

U.S. Midwest—Current Focus on Organic Growth

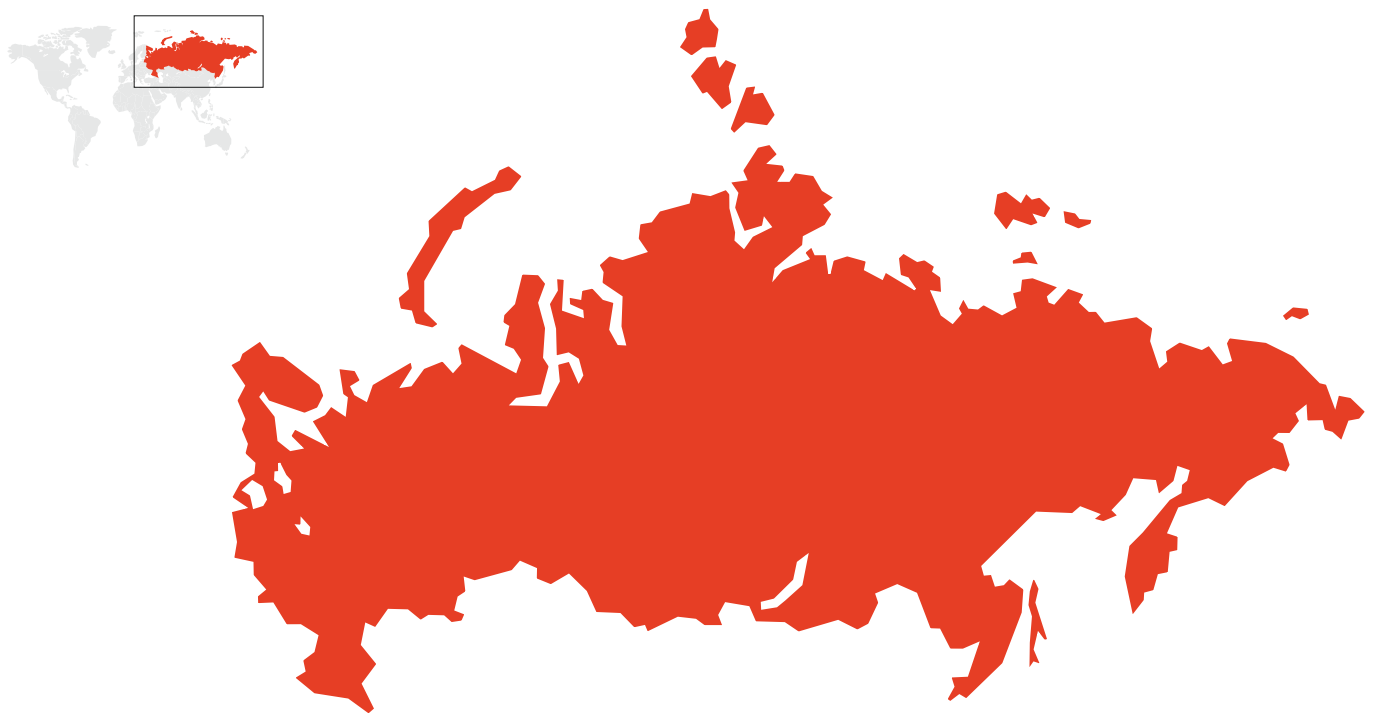
U.S. Midwest



Key issues

- Stable regulatory environment in Kentucky and strong local market coverage provides sustainable competitive position.
- Continuous performance improvement of existing business.
- Focused capital investments in generation.
- Long-term option for growth through consolidation opportunities in a fragmented market.

Russia—Market Entry through Successful Integration of OGK-4



Key issues

- Successful integration of OGK-4 into the E.ON Group.
- Position E.ON/OGK-4 among the leading power producers in the Russian market.
- Fulfill successfully the committed new build program in the envisaged time frame.
- Support proactively the power market reform and the transformation process.

Italy—Integrate and Grow

Europe



Key issues

- Integration of Italian assets from Endesa transaction into the market unit Italy.
- Optimization of generation portfolio, especially refurbishment of older plants.
- Increasing importance of dual fuel customers, driven by opening of retail mass market.

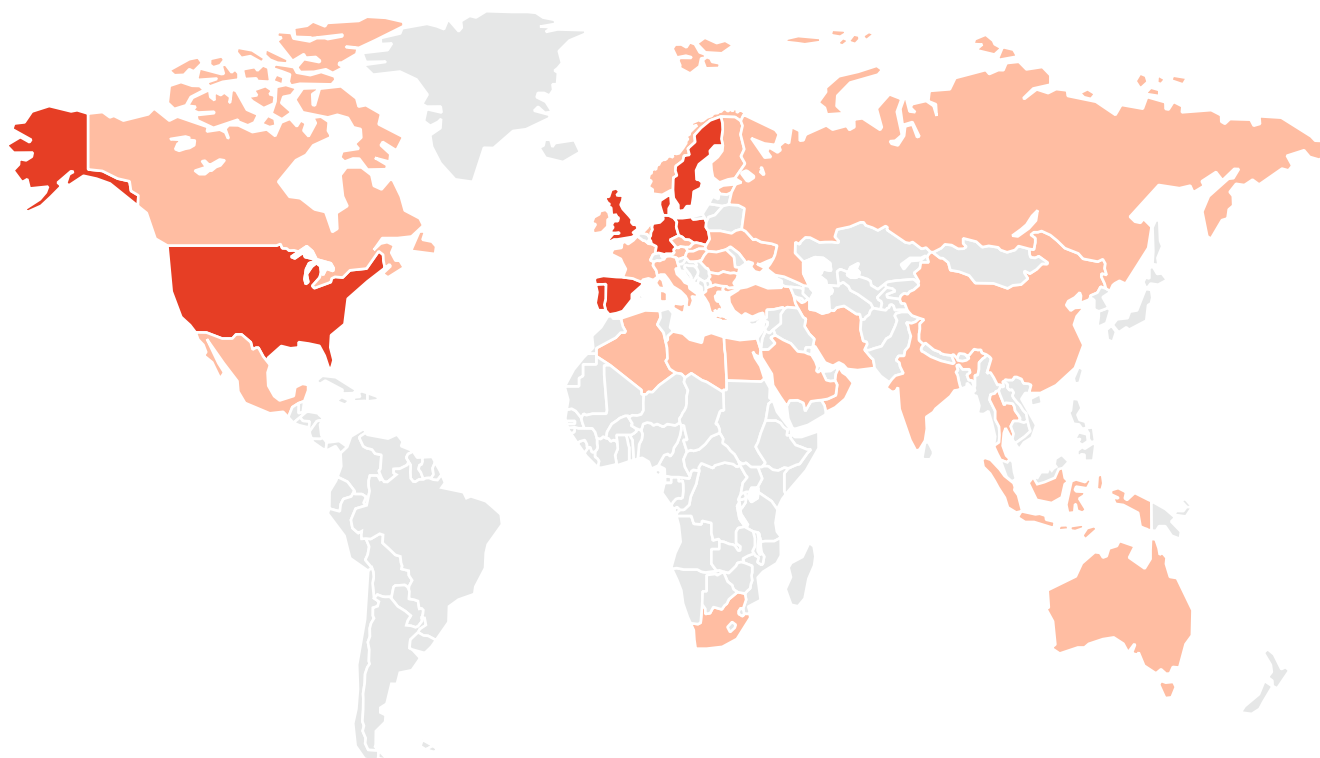
Spain—Gaining Foothold in Iberia



Key issues

- Build market unit Spain based on Viesgo and Endesa assets.
- New build pipeline until 2011 (2 GW CCGTs) and retrofits.
- Establish climate protection strategy.

Climate & Renewables—Bundling of Competences¹ and Focus on Rapid Growth in Renewable Energy



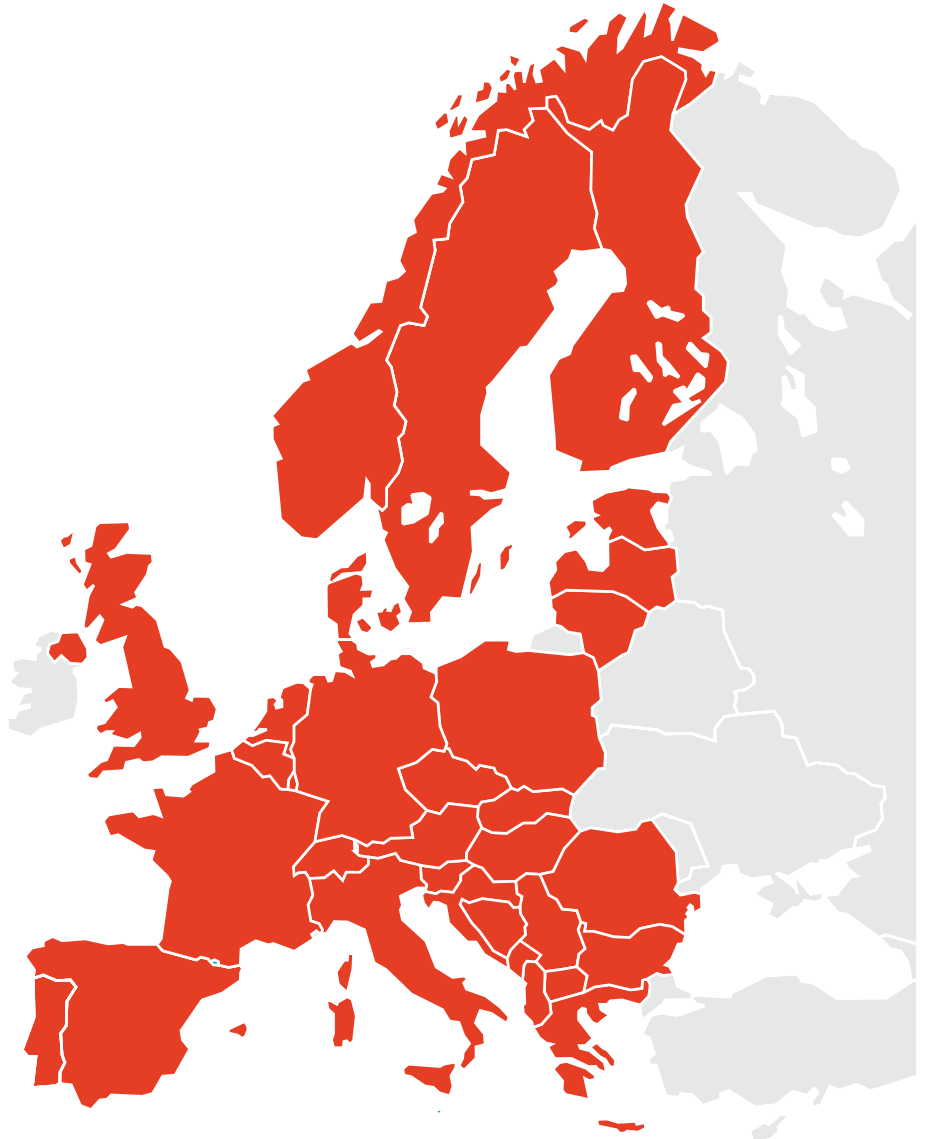
Key issues

- Bundling of all business activities related to renewable energy sources (wind, biomass, biogas, solar, etc.) within the E.ON Group with the exception of hydroelectric power.
- Bundling of all business activities related to carbon sourcing ("Joint Implementation" and "Clean Development Mechanism" outlined in the Kyoto protocol).
- Deliver E.ON's ambitious growth target in renewable energy.

■ Operational asset base
■ Attractive potential RES countries

¹Italy and France: Future Integration of Endesa assets.

Energy Trading—Optimizing E.ON’s Capability in European Power Trading, Asset Hedging and Commodity Trading



E.ON Energy Trading trades in physical and financial markets related to E.ON's asset positions (physical assets as well as end customer portfolios).

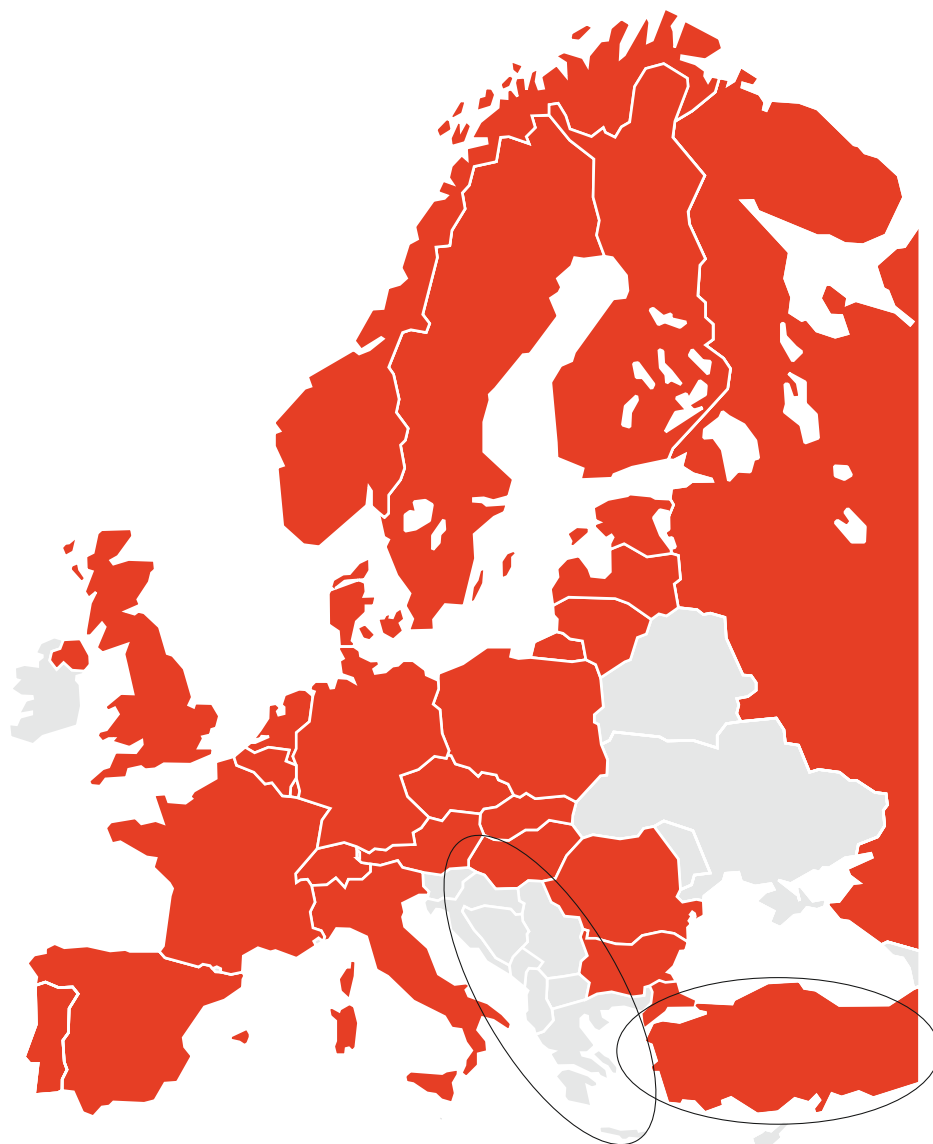
Key issues

- Proactively seek new value by increasing trading across commodities and markets.
- Actively promote European energy market liquidity, liberalization and integration.

Short term challenges

- Secure existing business and manage relocation of staff to Düsseldorf.
- Set up new risk and operational frameworks to realize value created by integrating E.ON's asset positions.
- Integrate and start trading new positions arriving from Enel/Acciona acquisitions.

Growth Opportunities in New Markets

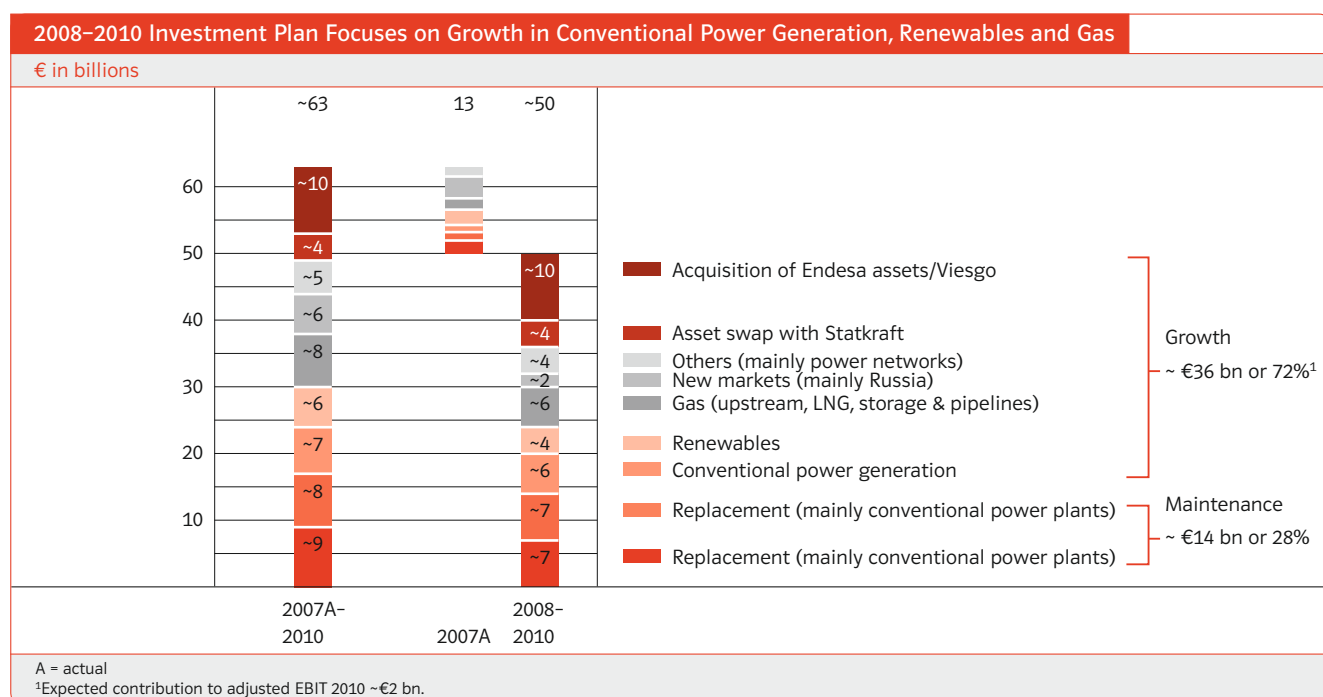
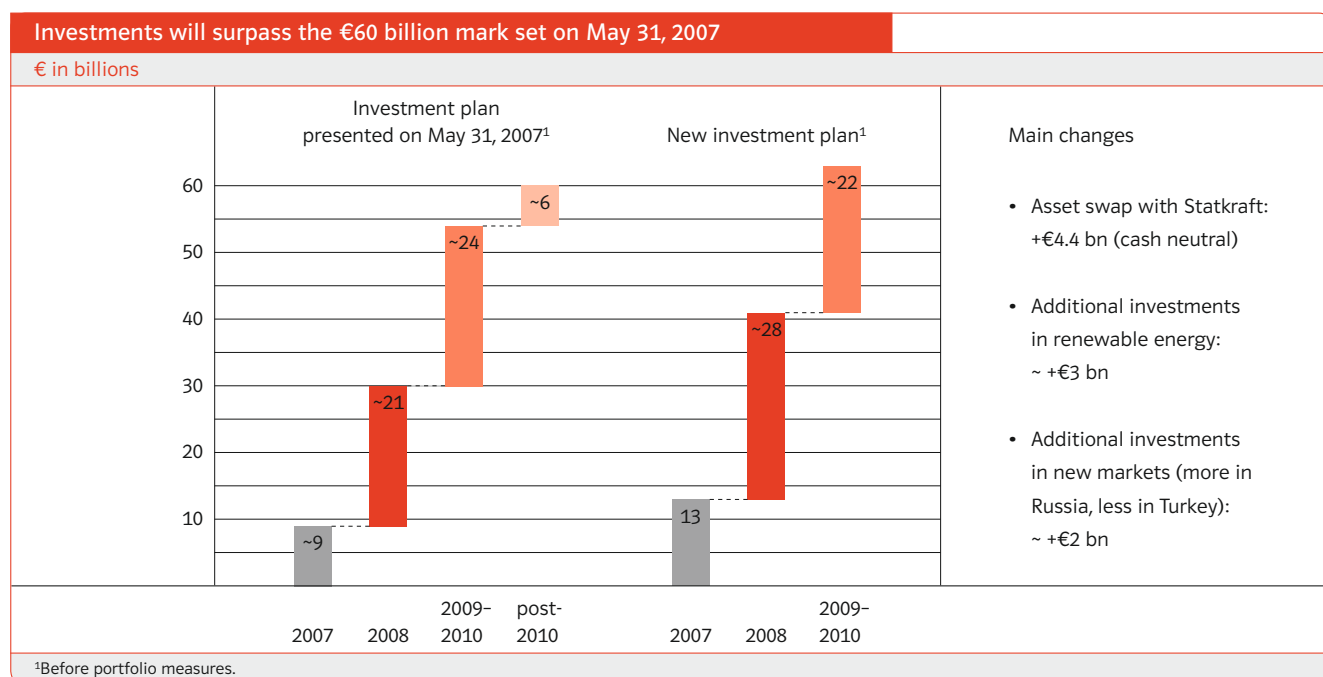


Key issues

- Active monitoring of further privatization opportunities in Southeast Europe.
- Evaluation of market entry opportunities in Turkey in progress—time-dependent on privatization schedule.
- Project team in Turkey established.

2008-2010 Investment Plan

2008-2010 investment plan focuses on growth in conventional power generation, renewables and gas.



Strict Strategic and Acquisition 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).

Acquisition criteria

- Value enhancing over project lifetime.
- Earnings enhancing in the first full year after acquisition.¹

E.ON's commitment

If individual assets do not contribute in line with financial and strategic expectations, E.ON will take concrete portfolio measures until 2010.

¹Applicable to acquisitions of companies with relatively mature/stable business.

Key Figures

Consolidated Balance Sheets

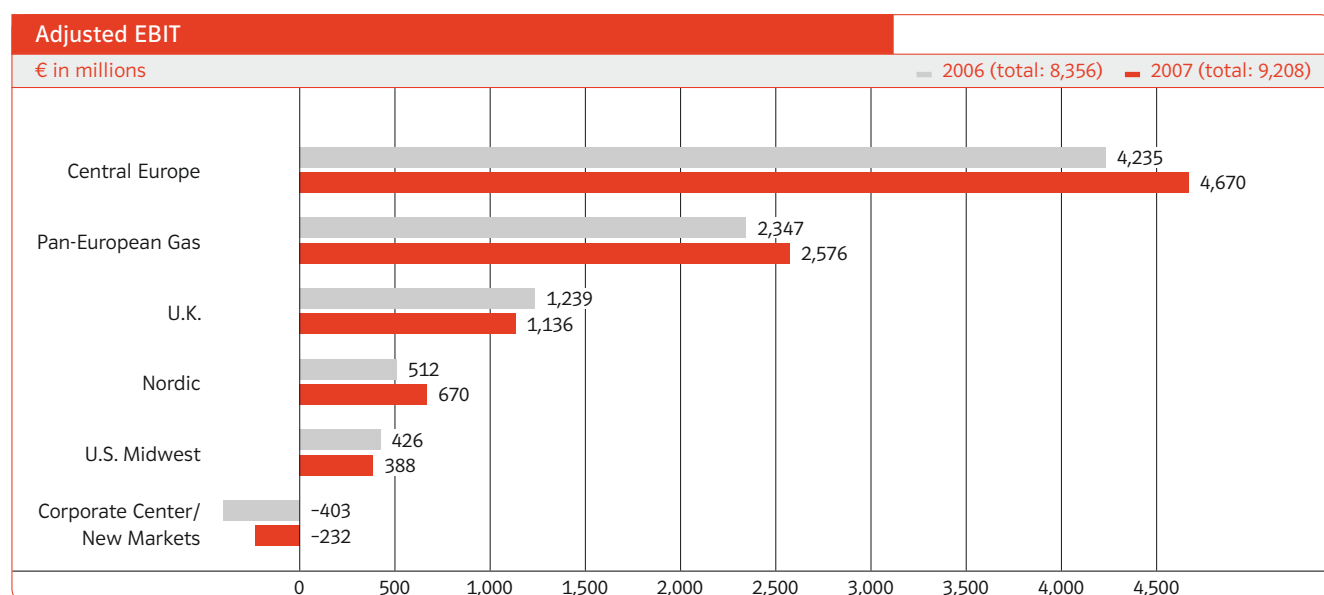
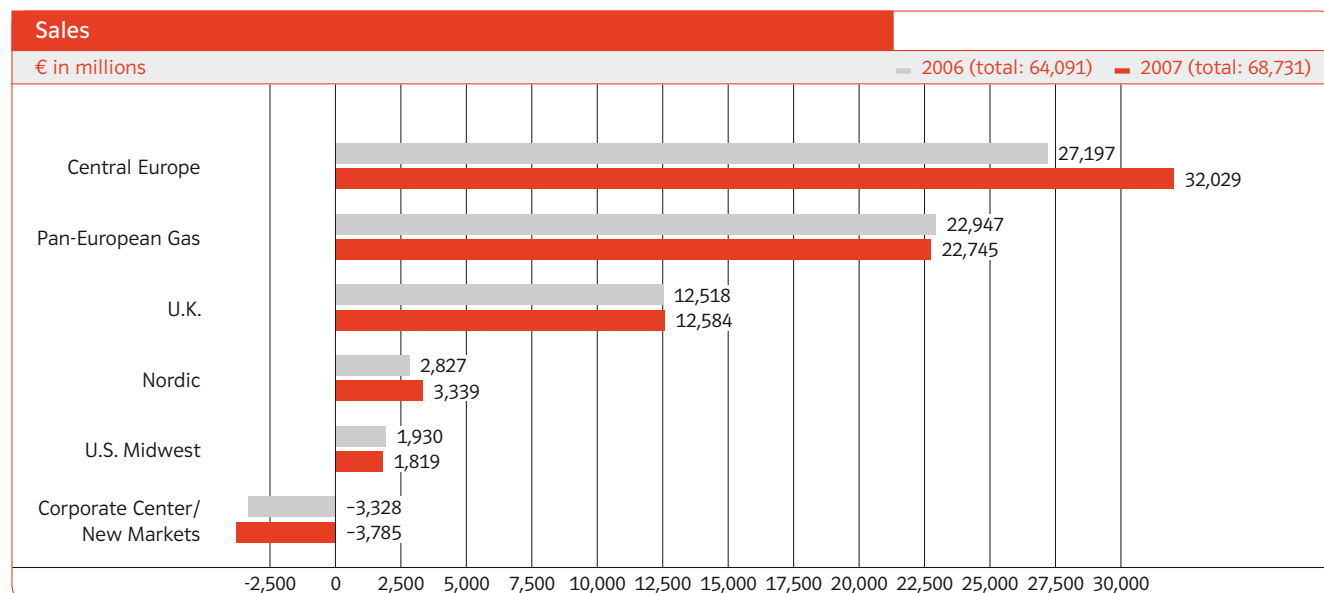
E.ON AG and Subsidiaries Consolidated Balance Sheets—Assets			
€ in millions	December 31		January 1, 2006
	2007	2006	
Goodwill	16,761	15,320	15,494
Intangible assets	4,284	3,894	4,207
Property, plant and equipment	48,552	42,484	41,067
Companies accounted for under the equity method	8,411	7,770	9,507
Other financial assets	21,478	20,679	16,544
<i>Equity investments</i>	14,583	13,533	10,073
<i>Non-current securities</i>	6,895	7,146	6,471
Financial receivables and other financial assets	2,449	2,631	3,268
Operating receivables and other operating assets	680	373	1,736
Income tax assets	2,034	2,090	1
Deferred tax assets	1,155	1,247	2,108
Non-current assets	105,804	96,488	93,932
Inventories	3,811	4,199	2,587
Financial receivables and other financial assets	1,515	1,477	1,090
Trade receivables and other operating assets	17,973	18,057	17,088
Income tax assets	539	554	874
Liquid funds	7,075	6,189	9,901
<i>Securities and fixed-term deposits</i>	3,888	4,448	5,455
<i>Restricted cash</i>	300	587	98
<i>Cash and cash equivalents</i>	2,887	1,154	4,348
Assets held for sale	577	611	682
Current assets	31,490	31,087	32,222
Total assets	137,294	127,575	126,154

E.ON AG and Subsidiaries Consolidated Balance Sheets—Equity and Liabilities			
€ in millions	December 31		January 1, 2006
	2007	2006	
Capital stock	1,734	1,799	1,799
Additional paid-in capital	11,825	11,760	11,749
Retained earnings	26,828	24,350	22,910
Accumulated other comprehensive income	10,656	11,033	8,150
Treasury shares	-616	-230	-256
Reclassification related to put options on treasury shares	-1,053	0	0
Equity attributable to shareholders of E.ON AG	49,374	48,712	44,352
Minority interests (before reclassification)	6,281	4,994	4,747
Reclassification related to put options	-525	-2,461	-3,130
Minority interests	5,756	2,533	1,617
Equity	55,130	51,245	45,969
Financial liabilities	15,915	10,029	10,985
Operating liabilities	5,432	5,422	5,666
Income taxes	2,537	2,333	1,134
Provisions for pensions and similar obligations	2,890	3,962	9,768
Miscellaneous provisions	18,073	18,138	18,009
Deferred tax liabilities	7,555	7,063	7,625
Non-current liabilities	52,402	46,947	53,187
Financial liabilities	5,549	3,443	3,455
Trade payables and other operating liabilities	18,254	19,578	18,296
Income taxes	1,354	1,753	1,859
Miscellaneous provisions	3,992	3,994	2,552
Liabilities associated with assets held for sale	613	615	836
Current liabilities	29,762	29,383	26,998
Total equity and liabilities	137,294	127,575	126,154

Consolidated Statements of Income

E.ON AG and Subsidiaries Consolidated Statements of Income		
€ in millions	2007	2006
Sales including electricity and energy taxes	70,761	67,653
Electricity and energy taxes	-2,030	-3,562
Sales	68,731	64,091
Changes in inventories (finished goods and work in progress)	22	8
Own work capitalized	517	395
Other operating income	7,776	7,914
Cost of materials	-50,223	-46,708
Personnel costs	-4,597	-4,529
Depreciation, amortization and impairment charges	-3,194	-3,670
Other operating expenses	-9,724	-11,907
Income/Loss (-) from companies accounted for under the equity method	1,147	748
Income/Loss (-) from continuing operations before financial results and income taxes	10,455	6,342
Financial results	-772	-995
Income from equity investments	179	50
Income from other securities, interest and similar income	1,035	1,169
Interest and similar expenses	-1,986	-2,214
Income taxes	-2,289	-40
Income/Loss (-) from continuing operations	7,394	5,307
Income/Loss (-) from discontinued operations, net	330	775
Net income	7,724	6,082
Attributable to shareholders of E.ON AG	7,204	5,586
Attributable to minority interests	520	496
Adjusted net income	5,115	4,682

Sales and Adjusted EBIT



Return on Capital Employed (ROCE) and Value Added

E.ON Group ROCE and Value Added		
€ in millions	2007	2006
Adjusted EBIT	9,208	8,356
Goodwill, intangible assets, and property, plant, and equipment	69,597	61,698
+ Shares in affiliated and associated companies and other share investments	22,994	21,303
+ Inventories	3,811	4,199
+ Accounts receivable	9,064	9,760
+ Other noninterest-bearing current assets and deferred tax assets	13,317	12,561
- Noninterest-bearing provisions ¹	6,024	5,614
- Noninterest-bearing liabilities and deferred tax liabilities	35,132	36,149
- Adjustments ²	9,692	6,267
Capital employed in continuing operations (at year end)	67,935	61,491
Capital employed in continuing operations (annual average)³	63,287	60,756
ROCE	14.5%	13.8%
Cost of capital	9.1%	9.0%
Value added	3,417	2,916

¹Noninterest-bearing provisions mainly include current provisions. In particular, they do not include provisions for pensions or for nuclear waste management.

²Capital employed is adjusted to exclude the mark-to-market valuation of other share investments (including related deferred-tax effects) and operating liabilities for certain purchase obligations to minority shareholdings pursuant to IAS 32. The adjustment to exclude the mark-to-market valuation of other share investments applies primarily to our shares in Gazprom.

³In order to better depict intraperiod fluctuations in capital employed, annual average capital employed is calculated as the arithmetic average of the amounts at the beginning of the year, the end of the year, and the balance-sheet dates of the three interim reports. Capital employed in continuing operations amounted to €62,374 million, €62,004 million, and €62,630 million at March 31, June 30, and September 30, 2007, respectively.

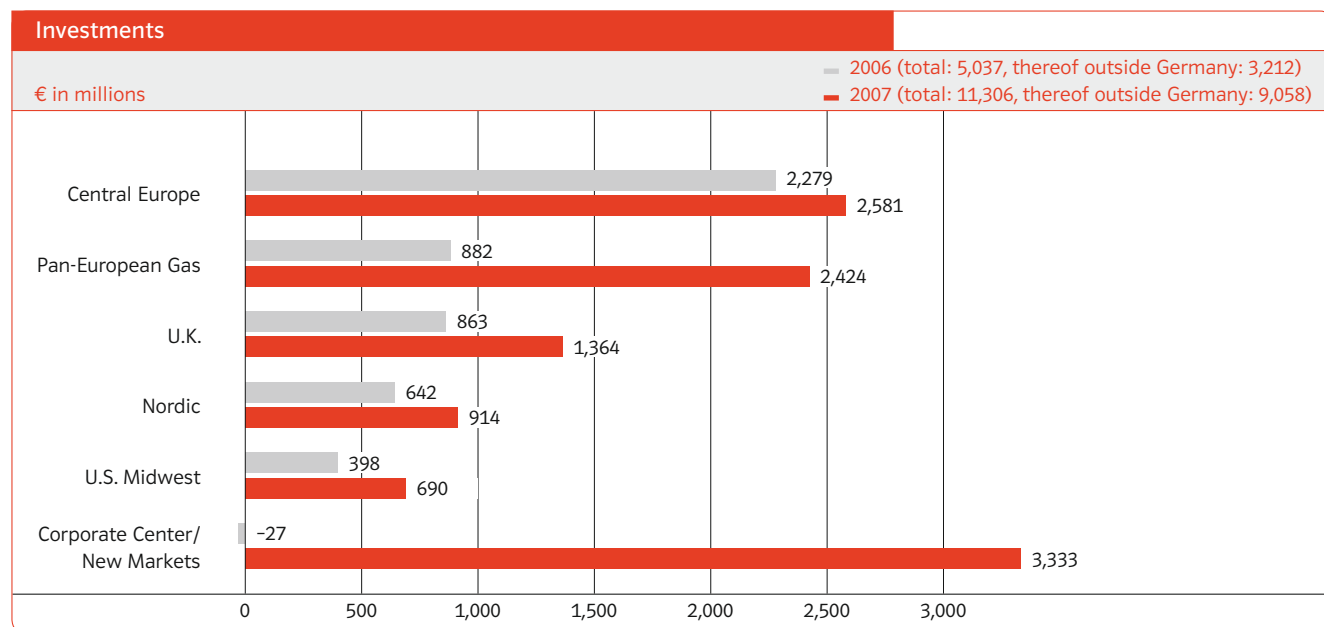
ROCE and Value Added by Segment

ROCE and Value Added by Segment								
€ in millions	Central Europe		Pan-European Gas ¹		U.K.		Nordic	
	2007	2006	2007	2006	2007	2006	2007	2006
Adjusted EBIT	4,670	4,235	2,576	2,347	1,136	1,239	670	512
÷ Capital employed	18,943	19,818	17,130	15,855	12,368	12,822	6,886	6,423
= ROCE	24.7%	21.4%	15.0%	14.8%	9.2%	9.7%	9.7%	8.0%
Cost of capital	9.3%	9.0%	8.8%	8.2%	9.5%	9.2%	8.8%	9.0%
Value added	2,917	2,457	1,062	1,046	-37	64	62	-64

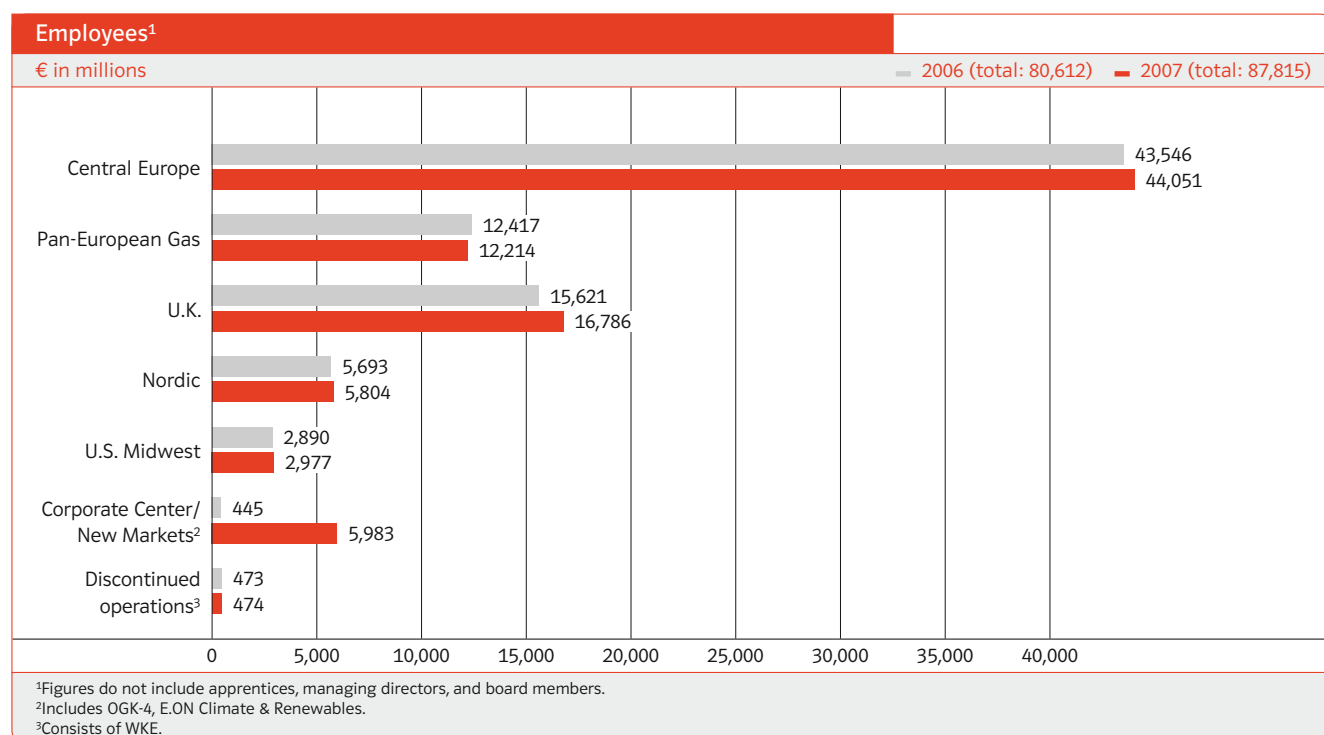
¹Capital employed is adjusted to exclude the mark-to-market valuation of other share investments. This applies primarily to our shares in Gazprom.

ROCE and Value Added by Segment (continued)							
€ in millions	U.S. Midwest		Corporate Center/ New Markets		E.ON Group		
	2007	2006	2007	2006	2007	2006	
Adjusted EBIT	388	426	-232	-403	9,208	8,356	
÷ Capital employed	6,780	7,118	1,180	-1,280	63,287	60,756	
= ROCE	5.7%	6.0%	-	-	14.5%	13.8%	
Cost of capital	7.8%	8.0%	-	-	9.1%	9.0%	
Value added	-142	-142	-	-	3,417	2,916	

Investments by Segment



Employees by Segment



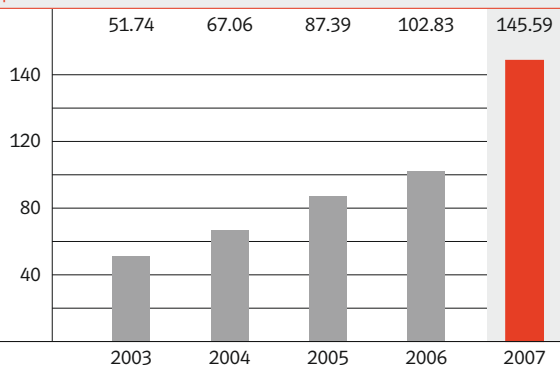
E.ON Stock Information

Weighting of E.ON Stock in Major Indices

As of December 28, 2007	%
DAX	10.06
Dow Jones EURO STOXX 50	4.12
Dow Jones STOXX Utilities	18.93

Stock Price at Year End

€ per share



Type of shares Ordinary shares with no par value

Stock codes Germany WKN 761 440 ISIN DE 000 761 4406
USA¹ Cusip No. 268 780 103

Stock symbols Reuters FSE EONG.F Xetra EONG.DE ADR² EONGY.PK
Bloomberg FSE EOA GF Xetra EOA GY ADR² EONGY US

¹In the United States, E.ON Shares trade in the over the counter market (OTC market) via ADR.
²OTC Code.

E.ON Stock Key Figures¹

€ per share	2003	2004	2005	2006	2007
Earnings attributable to the shareholders of E.ON AG	7.11	6.61	11.24	8.47	11.06
Earnings from adjusted net income ²	-	-	5.52	7.10	7.86
Dividend	2.00	2.35	2.75	3.35	4.10
Dividend payout (€ in millions)	1,312	1,549	4,614 ³	2,210	2,590 ⁴
Twelve-month high ⁵	51.74	67.06	88.92	104.40	146.06
Twelve-month low ⁵	34.67	49.27	64.50	82.12	96.05
Year-end closing price ⁵	51.74	67.06	87.39	102.83	145.59
Number of shares outstanding (in millions)	656	659	659	660	632
Market capitalization ⁶ (€ in billions)	33.9	44.2	57.6	67.6	92.0
Book value ⁷	45.39	50.93	67.50	73.81	78.12
Market-to-book ratio ⁸ (percentage)	114	132	129	139	186
E.ON stock trading volume ⁹ (€ in billions)	38.5	46.1	62.5	92.5	136.2
Trading volume of all German stocks (€ in billions)	807.8	877.7	1,095.8	1,539.3	2,350.9
E.ON stock's share of German trading volume (percentage)	4.8	5.3	5.7	6.0	5.8

¹Adjusted for discontinued operations; figures up to and including 2005 calculated according to U.S. GAAP.

²Based on weighted average of shares outstanding.

³Includes special dividend of €4.25 per share.

⁴Based on the number of shares outstanding as of December 31, 2007; further share repurchases could alter the dividend payout.

⁵Xetra.

⁶Based on shares outstanding.

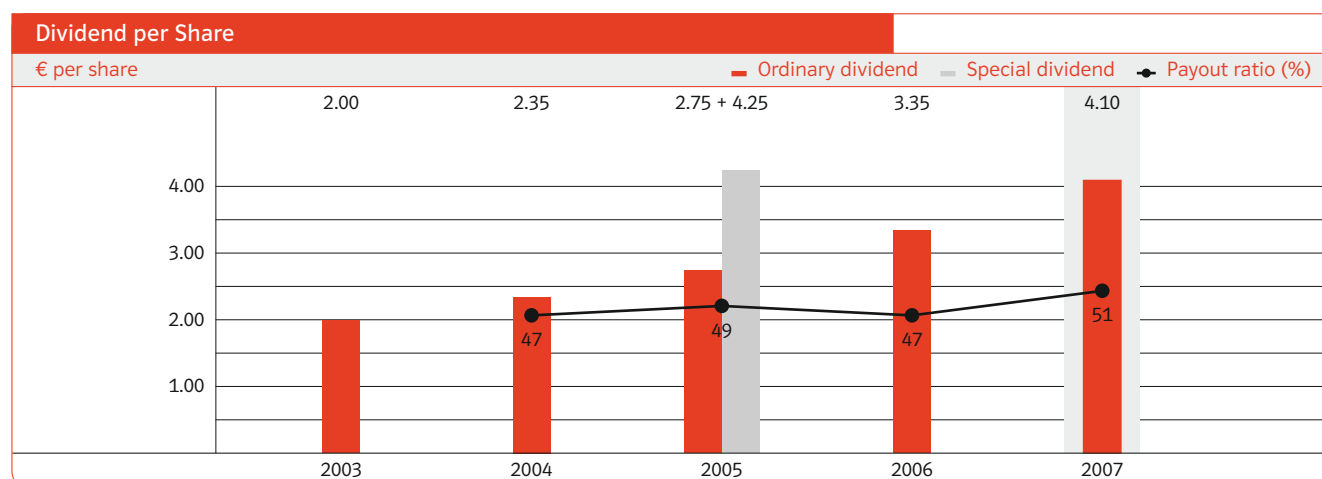
⁷Attributable to the shareholders of E.ON AG.

⁸Year-end stock price expressed as a percentage of book value per share.

⁹On all German stock exchanges, including Xetra.

Dividend Policy

Continuous dividend increase is our commitment to shareholders



Dividend to grow by 10 to 20 percent between 2007 and 2010

- Ordinary dividend increased by 22 percent to €4.10 per share for 2007.
- Reinforcing our position as one of the major dividend payers amongst the DAX 30 companies.

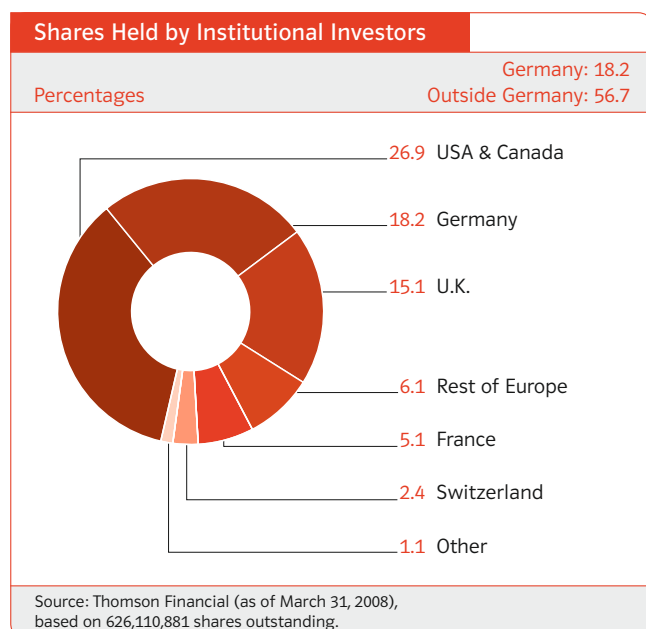
Commitment to Payout ratio of between 50 percent and 60 percent of adjusted net income

- Payout ratio 2007: 50 percent.
- Further attractive payments to shareholders via our €7 billion share buyback program.

Share Buyback Program

In June 2007, E.ON began its previously announced share buyback program. By year end 2007, E.ON had repurchased nearly 28 million of its own shares with an aggregate purchase volume of €3.5 billion and sold put options on 10 million of its own shares. In December 2007, we cancelled 25 million shares, thereby reducing E.ON's capital stock. The share buyback program is an important step towards optimizing E.ON's capital structure. It increases the attractiveness of E.ON stock, since it positively influences earnings per share and the dividend yield.

Shareholders' Structure



A survey conducted in March 2008 identified 74.9 percent of the shares outstanding as being held by institutional investors. According to the survey, institutional investors in Germany hold 18.2 percent of the shares outstanding; those outside of Germany hold 56.7 percent.

ADR Program

E.ON shares trade in the United States in the over-the-counter market (OTC market) via ADR. The OTC code is EONGY.

E.ON's ADR program gives U.S. investors the opportunity to buy E.ON shares and hold share certificates that are in many aspects like American shares. ADR are quoted in dollars, a significant advantage for U.S. investors. Dividends are also paid in dollars. ADR holders have the same rights and obligations as ordinary share owners. They can attend and vote at Shareholders Meetings, participate in profits, and receive information.

The exchange ratio between E.ON ADR and E.ON shares is 3:1. The price of 3 ADR thus matches that of one share.

Detailed information on E.ON's ADR program is available from JPMorgan at www.adr.com.

Strong Operating Cash Flow and Access to Debt Capital Markets

Strong operating cash flow generation

- The core energy business earns a strong and stable cash flow.
- Group cash flow from continuing operations of €8.7 billion in 2007—amounts to a 22 percent increase compared to the prior year.
- Future development of cash flows: investment program will lead to operating cash flow below investment volume until 2010. However, investments will further improve E.ON's ability to generate strong cash flows.

Ready access to banks and capital markets

- Committed syndicated credit line
 - €10.0 billion, 364 days tranche, general corporate purposes
 - €5.0 billion, 5 years tranche (maturing in 2011), for refinancing and liquidity provision as well as for general corporate purposes (as of year-end 2007: no amounts outstanding)
- Existing capital market programs
 - €10 billion commercial paper program (as of year-end 2007: €1.8 billion outstanding)
 - €30 billion debt issuance program (as of year-end 2007: €12.5 billion outstanding)

Finance Strategy

Major elements of E.ON's new finance strategy

- E.ON commits itself to a single A flat/A2 target rating.
- E.ON pursues an active capital structure management with the debt factor as steering measure (debt factor = economic net debt/adjusted EBITDA). E.ON's target capital structure corresponds to a debt factor of 3x. Our debt factor at year end 2007 was 1.9 compared to 1.6 at year end 2006.
- E.ON commits to achieve the targeted capital structure/debt factor by the end of 2008.
- Also thereafter, E.ON will actively manage its capital structure in both directions:
 - Should the debt factor fall considerably below 3x, we will make additional investments or return additional cash to shareholders.
 - Should the debt factor increase considerably above 3x, we will exercise strict investment discipline/portfolio management, reduce cash returns to shareholders, or may even contemplate a capital increase.

Economic Net Debt		
€ in millions	December 31	
	2007	2006
Liquid funds	7,075	6,189
Non-current securities	6,895	7,146
Total liquid funds and non-current securities	13,970	13,335
Financial liabilities to banks and third parties	-19,357	-11,465
Financial liabilities to Group companies	-2,107	-2,007
Total financial liabilities	-21,464	-13,472
Net financial position	-7,494	-137
Provisions for pensions	-2,890	-3,962
Asset retirement obligations ¹	-13,754	-14,134
Economic net debt	-24,138	-18,233
Adjusted EBITDA	12,450	11,724
Debt factor	1.9	1.6

¹Prepayments to Swedish nuclear fund are deducted.

Funding of subsidiaries

- Centralized external financing on Group level¹, on-lending to subsidiaries.
- Case by case decision for majority-held subsidiaries and joint ventures.

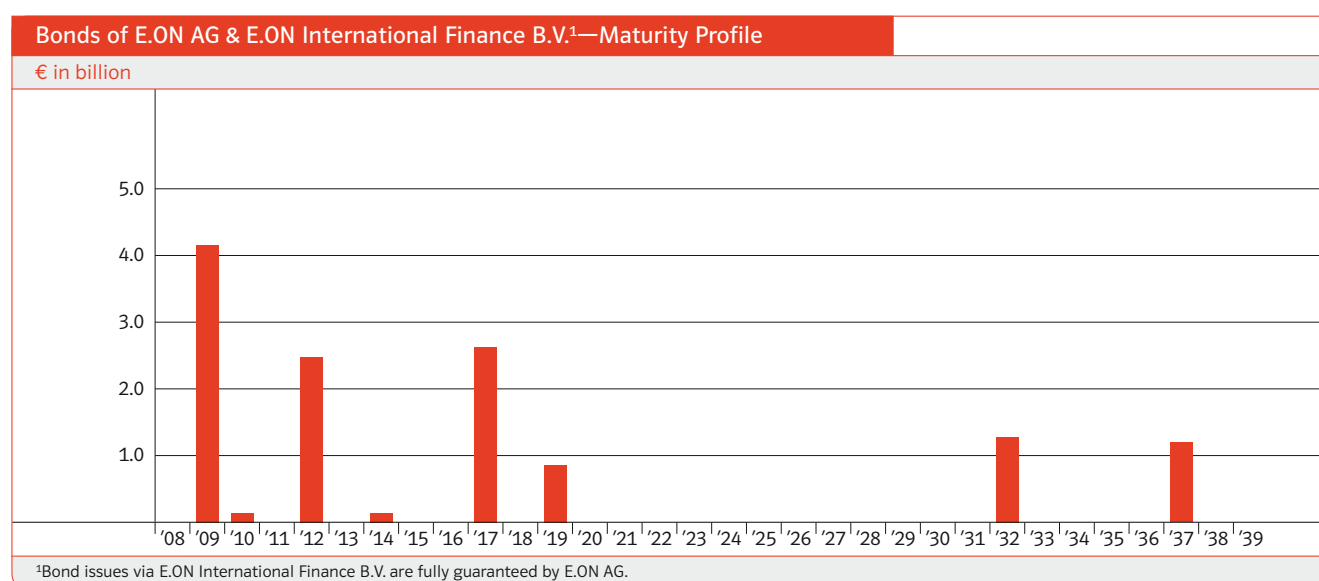
Principles of financial policy

- Variety of markets and debt instruments to maximize diversity of investor base.
- Issue of bonds with maturities that give our debt portfolio a broadly balanced maturity profile.
- Combination of large-volume benchmark issues with smaller issues that take advantage of market opportunities.

¹Except in cases of regulatory constraints and economic disadvantages.

Debt Profile¹

Financial Liabilities to Banks and Third Parties				
€ in billion	E.ON AG & E.ON International Finance B.V.	Market units & other	E.ON Group	
Bonds	12.8	1.7	14.5	
Commercial Paper	1.8	0.2	2.0	
Bank Loans/others	0.4	2.5	2.9	
Total	15.0	4.4	19.4	



¹As of December 31, 2007.

E.ON Bonds—Debt Issues of E.ON International Finance

Debt Issues of E.ON International Finance				
Volume issued in the respective currency	Initial term	Repayment	Coupon	Listing
EUR 4,250 million	7 years	May 2009	5.750%	Luxembourg
CHF 200 million	3 years	Dec 2010	3%	SWX Swiss Exchange
GBP 500 million	10 years	May 2012	6.375%	Luxembourg
EUR 1,750 million	5 years	Oct 2012	5.125%	Luxembourg
CHF 225 million	7 years	Dec 2014	3.25%	SWX Swiss Exchange
EUR 900 million	15 years	May 2017	6.375%	Luxembourg
EUR 1,750 million	10 years	Oct 2017	5.5%	Luxembourg
GBP 600 million	12 years	Oct 2019	6%	Luxembourg
GBP 975 million	30 years	June 2032	6.375%	Luxembourg
GBP 900 million	30 years	Oct 2037	5.875%	Luxembourg

Central Europe Market Unit

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Introduction

The Central Europe market unit is led by E.ON Energie. E.ON Energie, which is wholly owned by E.ON, is one of the largest nonstate-owned European power companies in terms of electricity sales. E.ON Energie had revenues of €32.0 billion, €24.9 billion of which was generated from German customers, and adjusted EBIT of €4.7 billion in 2007. E.ON Energie, together with E.ON Ruhrgas and E.ON Nordic, is responsible for all of E.ON's energy activities in Germany and continental Europe and is one of the four interregional electric utilities in Germany that are interconnected in the western European power grid.

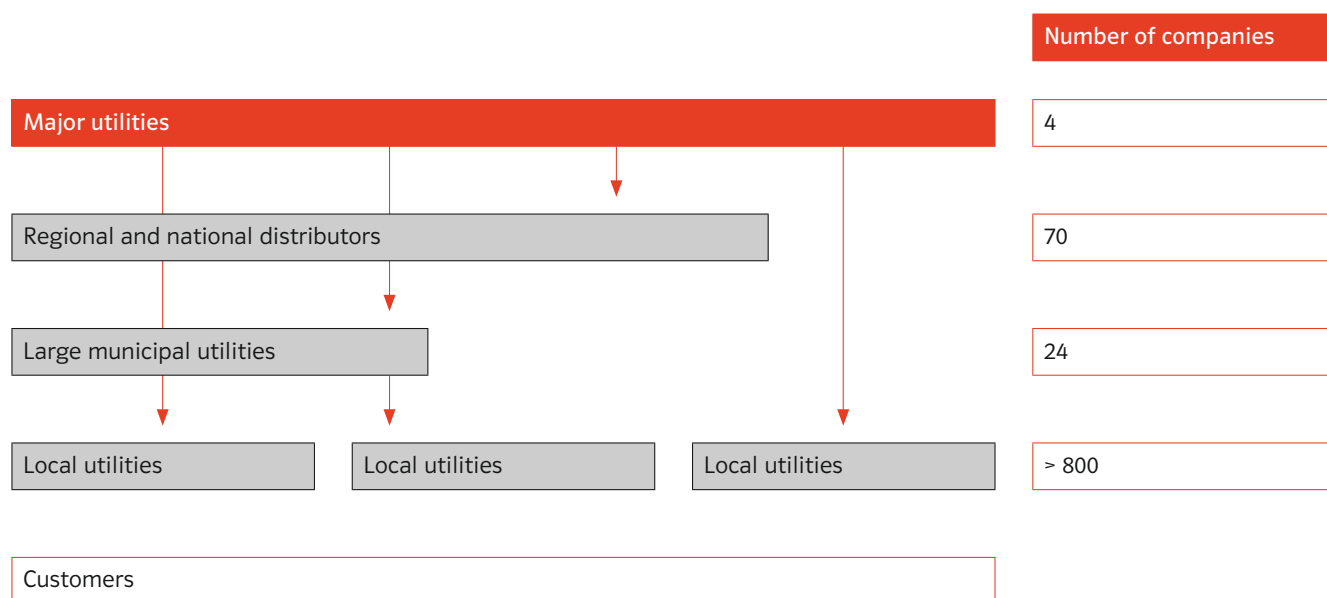
E.ON Energie is embarking on a significant program to build new generating capacity in many of the countries in which it operates:

- Construction is underway on new facilities at Irsching, Germany (a 530 MW advanced natural gas plant to be built in cooperation with Siemens AG, scheduled to begin operations in 2011, and a new 800 MW combined-cycle gas-fired plant, which is scheduled to begin operations in 2009), Datteln, Germany (a 1,100 MW hard coal plant, scheduled to begin operations in 2011), and Livorno Ferraris, Italy (an 800 MW natural gas plant, scheduled to begin operations in 2008 and expected to form part of the new market unit Italy).
- In addition, E.ON Energie plans to build new plants at the location of Staudinger, Germany (a 1,100 MW hard coal plant), Maasvlakte, the Netherlands (a 1,100 MW hard coal plant), and in the harbor of Antwerp, Belgium (a 1,100 MW hard coal plant), if all requirements are met. E.ON also plans to build the world's first large coal-fired power plant with a target efficiency of more than 50 percent and a capacity of about 550 MW in Wilhelmshaven, Germany.
- E.ON Energie also intends to erect two 400 MW gas-fired combined-cycle power plants in Gönyü, Hungary, and Malzenice, Slovakia, both of which are expected to start operations in 2010, and may build other power plants in eastern Europe.

E.ON Energie's company structure reflects its operations in western and eastern Europe and, in addition, reflects the individual segments of its power business: generation, transmission, distribution, sales and trading.

The following charts give an overview of E.ON Energie's activities as of December 31, 2007.

Market Overview Germany



Source: BDEW 2006.

Central Europe—Electricity Market		
Billion kWh	Power supplied as of Dec. 31, 2007	CAGR 2006-2010
Germany	255	0.5%
Netherlands	12	1.2%
Czech Republic	12	1.4%
Slovakia	8	1.3%
Hungary	15	1.4%
Romania	3	2.6%
Bulgaria	5	2.5%
Switzerland	8	1.1%

CAGR = Compound annual growth rate.

Central Europe—Gas Market		
Billion kWh	Gas supplied as of Dec. 31, 2007 ¹	CAGR 2006-2010
Germany	93.2	0.7%
Czech Republic	3.7	1.7%
Hungary	12.7	2.1%

¹eurogas 2005.
CAGR = Compound annual growth rate.
Source: E.ON.

Business Activities¹

E.ON AG	
E.ON Energie AG • Leading entity for the management and coordination of the group activities • Centralized strategic, controlling and service functions	100%
Western Europe Conventional Power Plants E.ON Kraftwerke GmbH (100%) • Power generation by conventional power plants • Renewables • District heating • Industrial power plants Nuclear Power Plants E.ON Kernkraft GmbH (100%) • Power generation by nuclear power plants Hydroelectric Power Plants E.ON Wasserkraft GmbH (100%) • Power generation by hydroelectric power plants Waste Incineration BKB AG (100%) • Energy generation from waste incineration E.ON Benelux Holding B.V. (100%) • Power generation by conventional power plants in the Netherlands • District heating in the Netherlands • Sales of power and gas in the Netherlands Transmission E.ON Netz GmbH (100%) • Operation of high-voltage grids (380 kilovolt–110 kilovolt) • System operation, including provision of regulating and balancing power Distribution of Electricity and Gas Seven regional companies across Germany (shareholding percentages range from 62.8 to 100.0 percent) • Distribution of electricity and gas to retail customers Sales and Trading² of Power, Gas and Heat E.ON Sales & Trading GmbH (100%) • Supply of power and energy services to large industrial customers, as well as to regional and municipal distributors • Centralize wholesale functions • Physical energy trading and trading of energy-based financial instruments and related risk management • Emissions trading Seven regional companies across Germany (shareholding percentages range from 62.8 to 100.0 percent) • Sales of electricity, gas, heat and water to retail customers • Ownership and operation of regional grid companies in compliance with the Energy Law of 2005 • Energy support services • Waste incineration E WIE EINFACH Strom & Gas GmbH (100%) • Sales of electricity and gas to residential customers and small and medium enterprises across Germany Ruhr Energie GmbH (100%) • Customer service and electricity and heat supply to utilities and industrial customers in the Ruhr region	Eastern Europe E.ON Hungária Energetikai ZRt. (100%) • Generation, distribution and sales of electricity and gas in Hungary through its group companies E.ON Czech Holding AG (100%) • Generation, distribution and sales of electricity and gas in the Czech Republic through its group companies E.ON Energie România S.A. (90.2%) • Generation, distribution and sales of electricity in Romania through its group companies E.ON Bulgaria EAD (100%) • Distribution and sales of electricity in Bulgaria through its group companies Západoslovenská energetika a.s. (49% held at equity) • Distribution and sales of electricity in Slovakia through its group companies
	Consulting and Support Services E.ON Engineering GmbH (57%) ³ • Provision of consulting and planning services in the energy sector to companies within the Group and third parties • Marketing of expertise in the area of conventional and renewable power generation and cogeneration, as well as a pipeline business E.ON IS GmbH (30%) ⁴ • Provision of information technology services to companies within the Group and third parties E.ON Facility Management GmbH (100%) • Infrastructure services

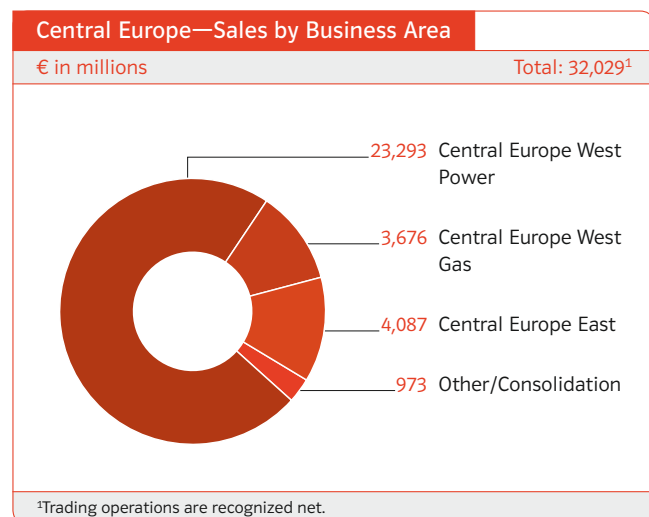
¹As of December 31, 2007.

²Carried out by E.ON Energy Trading as of January 1, 2008.

³The remaining 43.0 percent is held by E.ON Ruhrgas.

⁴The remaining 70.0 percent is held by E.ON AG.

2007 Sales



Significant Market Positions

- One of Europe's leading utility companies.
- A leading power supplier in Germany.
- Substantial position in Germany's gas distribution market.
- Strong position as international power supplier, active particularly in the Netherlands, Hungary, Czech Republic, Bulgaria, Romania and Slovakia.
- Creation of a first generation position in Italy by building a new CCGT plant in Livorno Ferraris.

Power and Gas Activities in Europe



¹Italy transferred to new market units as of January 1, 2008.

²Part of Central Europe as of June 26, 2008.

³Part of Central Europe as of July 1, 2008; activities under development.

Key Figures Overall Market Power¹

As of December 31, 2007	Central Europe shareholdings	Overall market ²
Power supplied	313.7 billion kWh	791 billion kWh
Customers	15.5 million	76 million
Transmission system length (≥ 110 kV)	54,000 km	185,000 km
Generation capacity	28,479 MW	179,000 MW
Generation output ³	135 billion kWh	600 billion kWh

¹Region Bulgaria, Czech Republic, Germany, Hungary, Netherlands, Romania.

²Some data for eastern Europe is only available for former years.

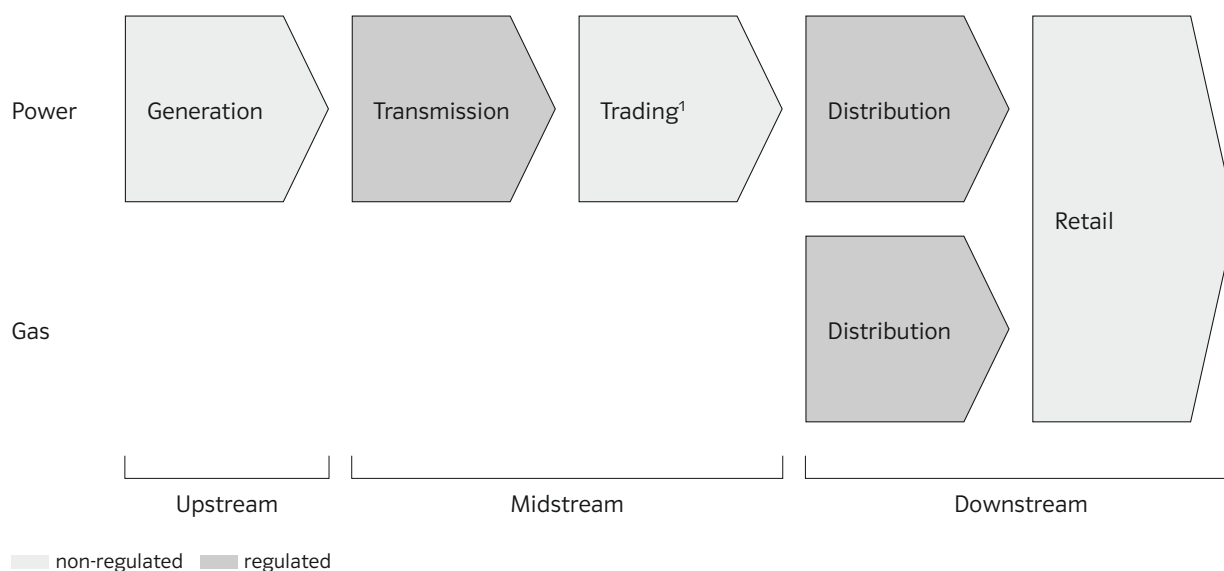
³Overall figures only Germany and Netherlands.

Key Figures Overall Market Gas

As of December 31, 2007	Central Europe shareholdings	Overall market ¹
Gas supplied	126 billion kWh	1,665 billion kWh
Customers	2.4 million	32 million

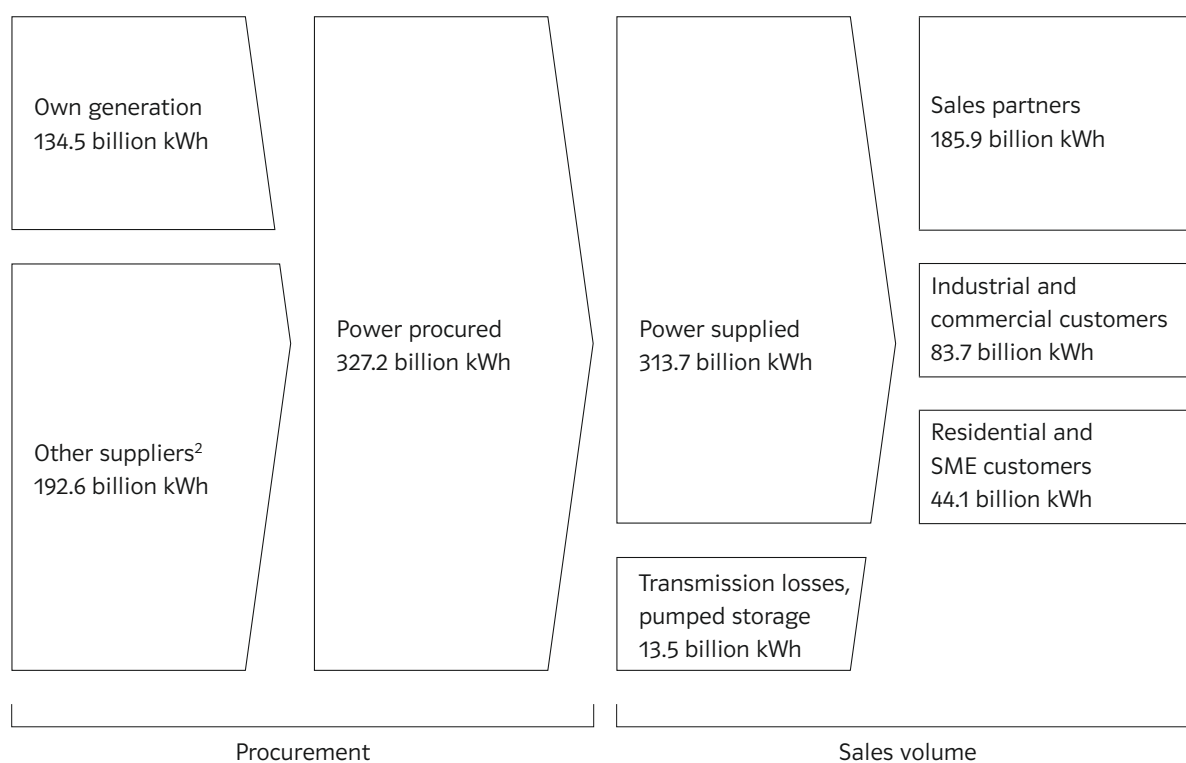
¹Source eurogas 2005 (Czech Republic, Germany, Hungary, Netherlands).

Business Activities along the Value Chain



¹Carried out by E.ON Energy Trading as of January 1, 2008.

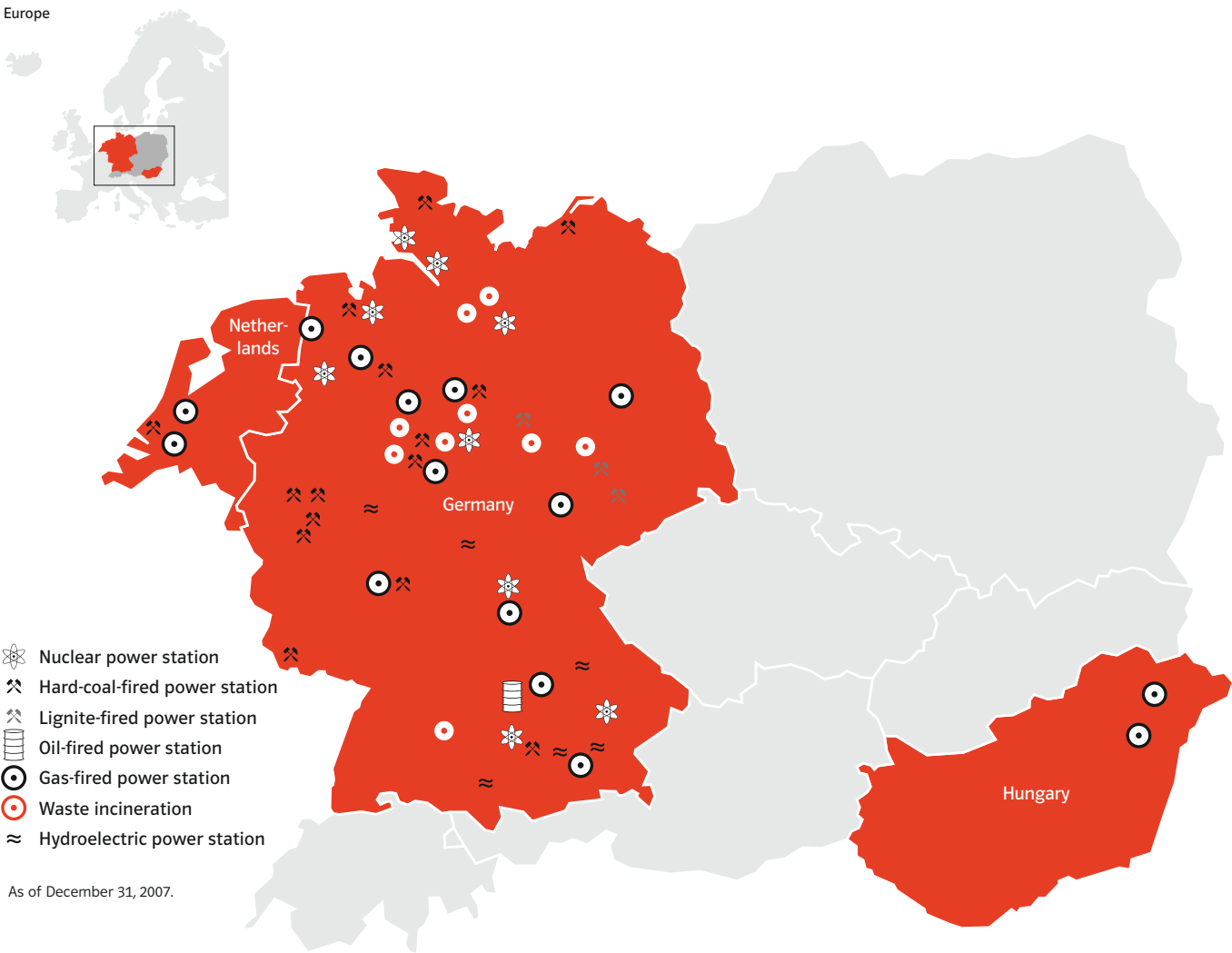
2007 Power Procurement and Sales Volume¹



¹Excluding trading operations, which are recognized net under IFRS.

²8.3 billion of this is derived from jointly operated power stations.

Location of Major Generation Assets



Generation Capacity by Sources

Attributable Power Generation Capacity ¹		
MW	2007	2006
Nuclear	8,548	8,473
Hard coal	8,565	8,546
Lignite	1,314	1,315
Natural gas	5,258	5,118
Oil	1,145	1,153
Hydro	3,153	3,113
Other renewables ²	280	240
Others	216	214
Central Europe	28,479	28,172
Nuclear	8,548	8,473
Hard coal	7,466	7,461
Lignite	1,314	1,315
Natural gas	4,219	4,121
Oil	1,145	1,153
Hydro	3,153	3,113
Others	406	367
Germany	26,251	26,003
Hard coal	1,066	1,052
Natural gas	808	810
Other renewables ²	6	6
E.ON Benelux	1,880	1,868
Oil/Gas	95	95
Other	138	92
E.ON Hungary	233	187
Other plants	115	114

¹As of December 31, 2007.
²Partly transferred to the new market unit Climate & Renewables as of January 1, 2008.

Generation Output by Sources

Power Generation Output ¹		
GWh	2007	2006
Nuclear	62,214	62,766
Hard coal	42,461	39,839
Lignite	8,675	8,630
Oil/gas	9,294	8,411
Waste incineration	1,324	1,110
Hydro	7,282	7,292
Other renewables	1,775	1,599
Combined heat and power	1,466	1,629
Others	43	29
Central Europe	134,531	131,304
Nuclear	62,214	62,766
Hard coal	35,921	33,309
Lignite	8,435	8,563
Oil/gas	5,568	4,580
Waste incineration	1,324	1,110
Hydro	7,232	7,225
Other renewables	1,775	1,599
Combined heat and power	1,466	1,629
Others	43	29
Germany	123,978	120,808
Hard coal	6,540	6,531
Oil/gas	2,774	3,182
E.ON Benelux	9,314	9,713
Oil/gas	951	649
E.ON Hungary	951	649
Other plants	289	135

¹As of December 31, 2007.

Generation Assets

Lignite-fired Power Stations

As of December 31, 2007	Shareholders	Net MW	E.ON Energie share		Start-up date
			%	MW	
Buschhaus	E.ON	352	100.0	352	1985
Lippendorf S	E.ON/EnBW	891	50.0	446	1999
Schkopau	E.ON/Saale Energie	900	55.6	500	1995
Others (< 100 MW)		33		17	
Total		2,176		1,315	

Gas-fired Power Stations

As of December 31, 2007	Shareholders	Net MW	E.ON Energie share		Start-up date
			%	MW	
Burghausen	E.ON	120	100.0	120	2001
Emden 4	E.ON	433	100.0	433	1972
Franken I/1	E.ON	383	100.0	383	1973
Franken I/2	E.ON	440	100.0	440	1976
GKW Weser/Veltheim 4 GT	E.ON/Stw. Bielefeld	400	67.0	268	1975
Huntorf	E.ON	290	100.0	290	1977
Irsching 3	E.ON	415	100.0	415	1974
Jena-Süd	E.ON/other	197	76.8	151	1996
Kirchlengern GT 1/2	E.ON/other	200	62.8	126	1980/2005
Kirchmöser	E.ON	160	100.0	160	1994
Obernburg	E.ON/other	100	50.0	50	1995
Robert Frank 4	E.ON	491	100.0	491	1973
Staudinger 4	E.ON	622	100.0	622	1977
Others (< 100 MW)		432		270	
Total Germany		4,683		4,219	
Galileïstraat	E.ON	209	100.0	209	1988
RoCa 3	E.ON	220	100.0	220	1996
Others (< 100 MW)		379		379	
Total Netherlands		808		808	
Debrecen		95	100.0	95	2000
Others (< 100 MW)		145		136	
Total Hungary		240		231	
Total		5,731		5,258	

Oil-fired Power Stations

As of December 31, 2007	Shareholders	Net MW	E.ON Energie share		Start-up date
			%	MW	
Ingolstadt 3	E.ON	386	100.0	386	1973
Ingolstadt 4	E.ON	386	100.0	386	1974
Others (< 100 MW)		373		373	
Total		1,145		1,145	

Nuclear Power Stations					
As of December 31, 2007	Shareholders	Net MW	E.ON Energie share		Start-up date
			%	MW	
Brokdorf	E.ON/VE	1,410	80.0	1,128	1986
Brunsbüttel	E.ON/VE	771	33.3	257	1976
Emsland	E.ON/RWE	1,329	12.5	166	1988
Grafenrheinfeld	E.ON	1,275	100.0	1,275	1981
Grohnde	E.ON/Stw. Bielefeld	1,360	83.3	1,133	1984
Gundremmingen B	E.ON/RWE	1,284	25.0	321	1984
Gundremmingen C	E.ON/RWE	1,288	25.0	322	1984
Isar 1	E.ON	878	100.0	878	1977
Isar 2	E.ON/SWM	1,400	75.0	1,050	1988
Krümmel	E.ON/VE	1,346	50.0	673	1983
Unterweser	E.ON	1,345	100.0	1,345	1978
Total		13,686		8,548	

Hard-Coal-fired Power Stations					
As of December 31, 2007	Shareholders	Net MW	Central Europe share		Start-up date
			%	MW	
Bexbach 1	E.ON/Stw. Aachen	714	8.3	59	1983
Datteln 3	E.ON	113	100.0	113	1969
Farge	E.ON	350	100.0	350	1969
GKW Weser/Veltheim 3	E.ON/Stw. Bielefeld	303	67.0	203	1970
Heyden	E.ON	875	100.0	875	1987
Kiel	E.ON/Stw. Kiel	323	50.0	162	1970
Knepper C	E.ON	345	100.0	345	1971
Mehrum C	E.ON/Stw. Hanover, Braunsch. Vers. AG	690	50.0	345	1979
Rostock	E.ON/RWE/VE	508	50.4	256	1994
Scholven B	E.ON	345	100.0	345	1968
Scholven C	E.ON	345	100.0	345	1969
Scholven D	E.ON	345	100.0	345	1970
Scholven E	E.ON	345	100.0	345	1971
Scholven F	E.ON	676	100.0	676	1979
Shamrock	E.ON	132	100.0	132	1957
Staudinger 1	E.ON	249	100.0	249	1965
Staudinger 3	E.ON	293	100.0	293	1970
Staudinger 5	E.ON	510	100.0	510	1992
Wilhelmshaven	E.ON	747	100.0	747	1976
Zolling	E.ON	449	100.0	449	1986
Others (< 100 MW)		353		322	
Total Germany		9,010		7,466	
Maasvlakte 1	E.ON	532	100.0	532	1988
Maasvlakte 2	E.ON	534	100.0	534	1987
Total Netherlands		1,066		1,066	
Total		10,076		8,532	

Generation Assets

Hydroelectric Power Stations					
As of December 31, 2007	Shareholders	Net MW	Central Europe share		Start-up date
			%	MW	
Braunau-Simbach	E.ON/Verbund	100	50.0	50	1953
Erzhausen	E.ON	220	100.0	220	1964
Happurg	E.ON	160	100.0	160	1958
Jochenstein	E.ON/Verbund	132	50.0	66	1955
Langenprozelten	E.ON	164	100.0	164	1976
Reisach	E.ON	105	100.0	105	1955
Walchensee	E.ON	124	100.0	124	1924
Waldeck 1	E.ON	120	100.0	120	1931
Waldeck 2	E.ON	460	100.0	460	1974
Others (< 100 MW)		1,866		1,684	
Total Germany		3,451		3,153	

Other Germany/Netherlands ¹		
As of December 31, 2007	Net MW	Central Europe share MW
Wind biomass et al.	381	248
Others	250	164
Total Other	631	412

¹Additionally E.ON holds smaller participations in eastern Europe on power plants with an E.ON share smaller than 25 MW.

Generation Assets Central Europe		
As of December 31, 2007	Net MW	Central Europe share MW
Germany	34,776	26,251
International	2,418	2,228
Total Central Europe	37,194	28,479

Reduction of Installed Generation Capacity

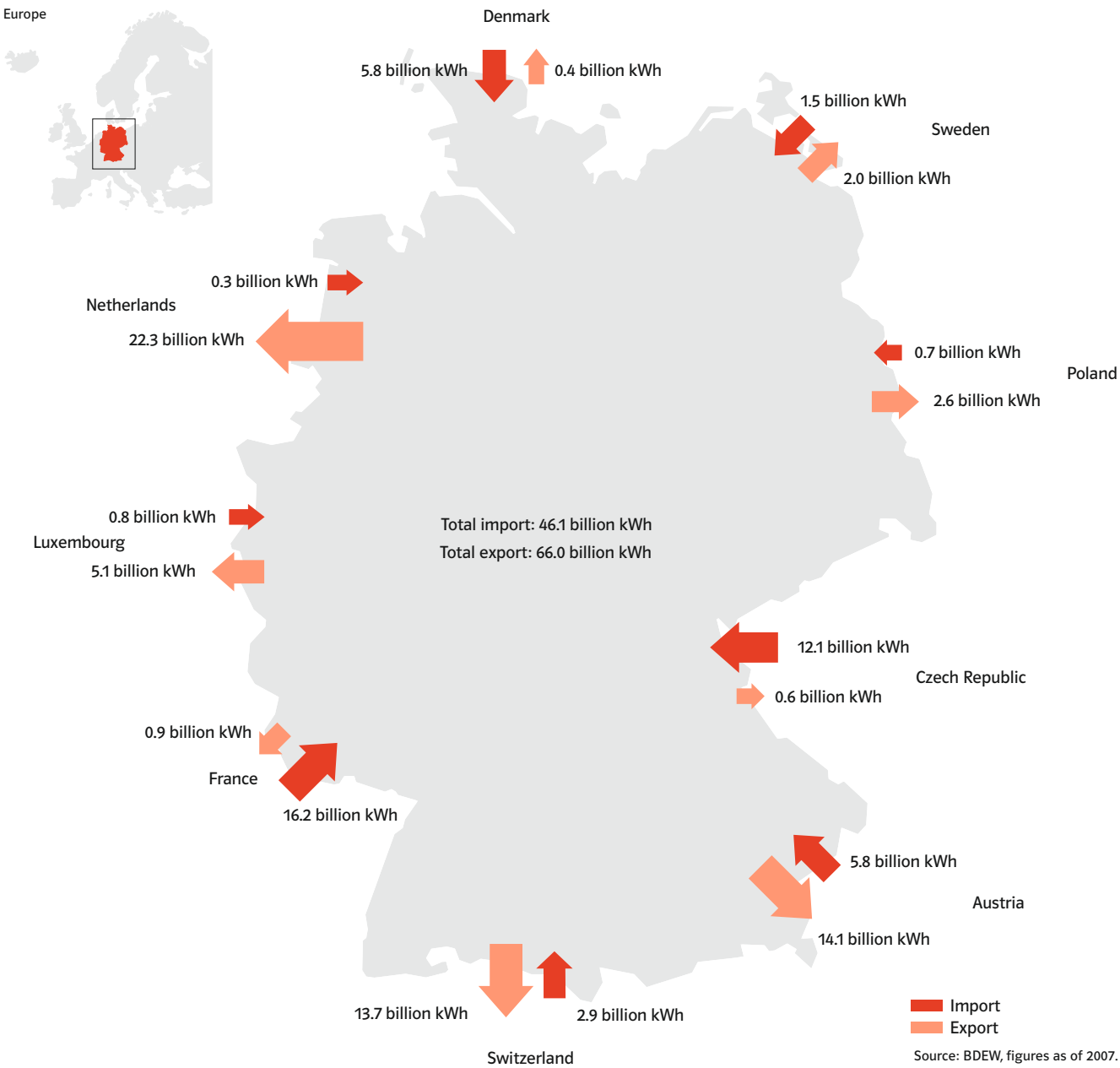
Shutdowns/Cold Reserve/Mothballed					
As of December 31, 2007	Shareholders	Net MW	Central Europe share		Start-up date
			%	MW	
Arzberg 5 ¹	E.ON	104	100.0	104	1966
Arzberg 6 ¹	E.ON	252	100.0	252	1974
Arzberg 7 ¹	E.ON	121	100.0	121	1979
Irsching 1 ¹	E.ON	151	100.0	151	1969
Irsching 2	E.ON	312	100.0	312	1972
Offleben ¹	E.ON	280	100.0	280	1972
Pleinting 1	E.ON	292	100.0	292	1968
Pleinting 2	E.ON	402	100.0	402	1976
Rauzel 2 ¹	E.ON	164	100.0	164	1967
Scholven G ¹	E.ON	672	50.0	336	1974
Scholven H ¹	E.ON	672	50.0	336	1975
Stade ¹	E.ON/VE	640	66.7	417	1972
Staudinger 2	E.ON	249	100.0	249	1965
Würgassen ¹	E.ON	640	100.0	640	1971
Total		4,951		4,056	

¹Dismantling in process or finished, respectively.

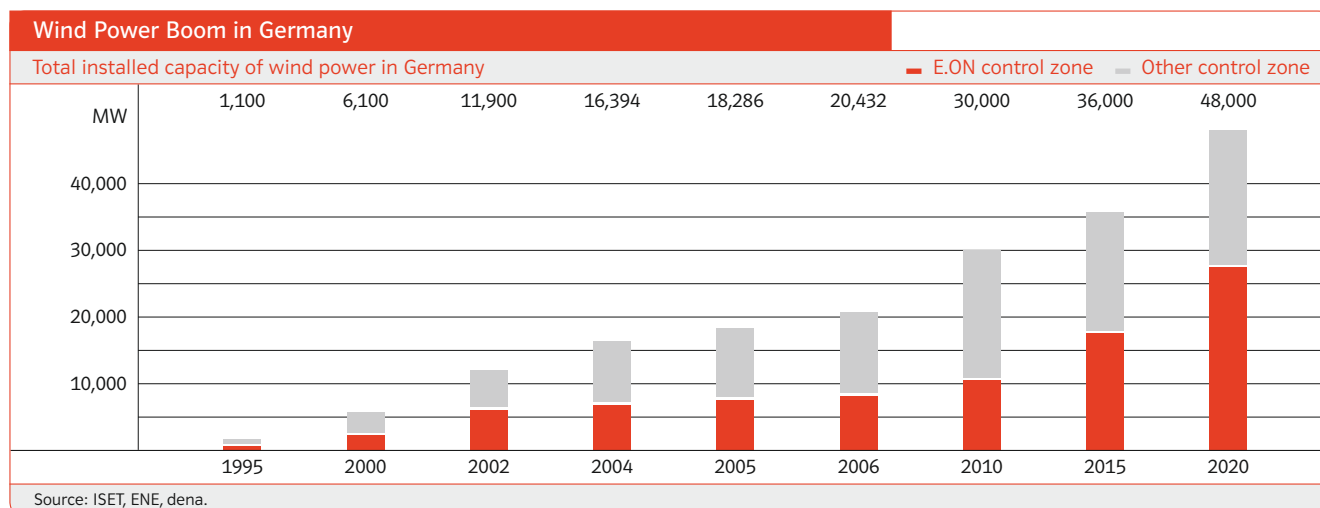
Provisions for Nuclear Power

Provisions for Nuclear Power		
€ in billions	2007	2006
Non-contractual nuclear waste management obligations	9.71	10.19
Thereof advance payments made to reprocessors and to other waste management companies	-0.78	-0.78
Total	8.93	9.41
Contractual nuclear waste management obligations	3.44	3.48
Thereof advance payments made to reprocessors and to other waste management companies	-0.12	-0.11
Total	3.32	3.37

German Power Imports and Exports



Integration of Wind Energy into the Grid



Wind Power in Figures		
	2007	2006
Installed capacity of wind power in Germany as of December 31	26,620 MW	20,432 MW
<i>Thereof in E.ON control zone</i>	8,230 MW	8,112 MW
Average wind power fed into E.ON control zone	n.a.	1,483 MW
Wind energy generation in Germany	n.a.	30 billion kWh
<i>Thereof in E.ON control zone</i>	n.a.	13 billion kWh
Compensation to be paid for electricity generated from wind energy under the Renewable Energies Act (Germany)	n.a.	approx. €2,660 million
<i>Thereof to be borne by customers in the E.ON control zone</i>	n.a.	approx. €1,150 million

Source: Windreport E.ON Netz.

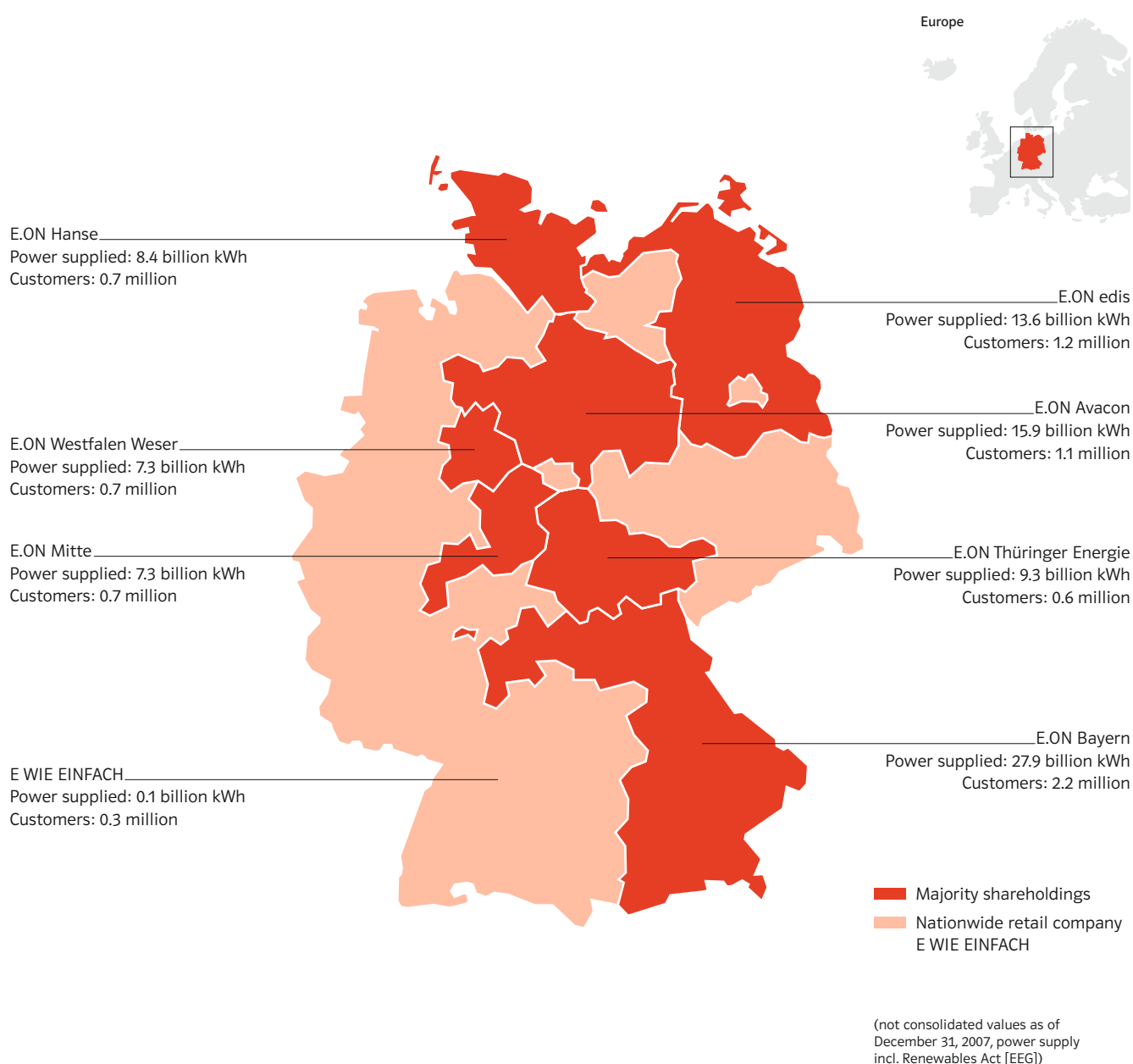
Transmission System of E.ON Netz



Total grid length: 43,000 km E.ON Energie Group in Germany (including 110 kV lines of regional utilities).

Key Figures E.ON Netz 2007		Power Transmission System Length 2007			
		Kilometers	380 kV	220 kV	110 kV ¹
Customers	237 grid customers ¹	E.ON Netz GmbH	5,600	5,000	22,000
Customers	261 traders	Germany	18,600	17,400	75,200
Area	140,000 ² km ²	¹ The 110 kV is not depicted in the graphic.			
¹ E.g. regional or local energy distributors, major industry, power plants.					
² Not including regional utilities.					

Central Europe West Power—Leading Position in the German Market



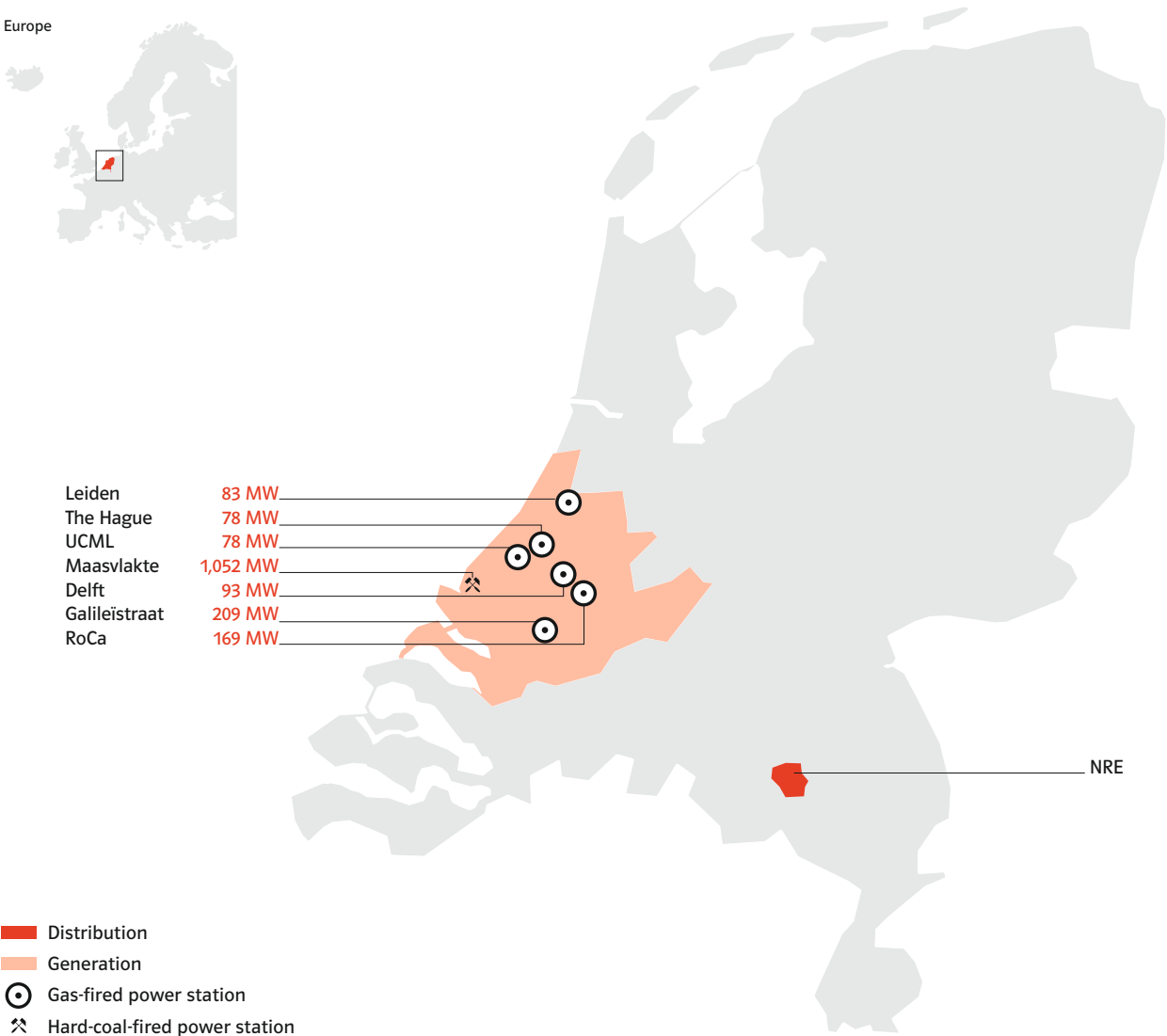
Key Figures Power		
As of December 31, 2007	Central Europe shareholdings	Overall market ²
Power supplied	255.2 billion kWh ¹	522 billion kWh
Customers	8 million	45 million
Transmission system length (220/380 kV)	10,600 km	111,200 km ³
Generation capacity	26,251 MW	104,385 MW
Generation output	124.0 billion kWh	492.1 billion kWh

¹Including sale of power of E.ON Sales & Trading in other European Countries.
²Source: BDEW.
³Including 110 kV.

Central Europe—Major Shareholdings	
As of December 31, 2007	%
E.ON Avacon AG	65.0
E.ON Mitte AG	73.3
E.ON edis AG	70.0 ¹
E.ON Bayern AG	100.0
E.ON Hanse AG	73.8
E.ON Westfalen Weser AG	62.8
E.ON Thüringer Energie AG	77.0
E WIE EINFACH Strom & Gas GmbH	100.0

¹E.ON AG share in total 71.0 percent.

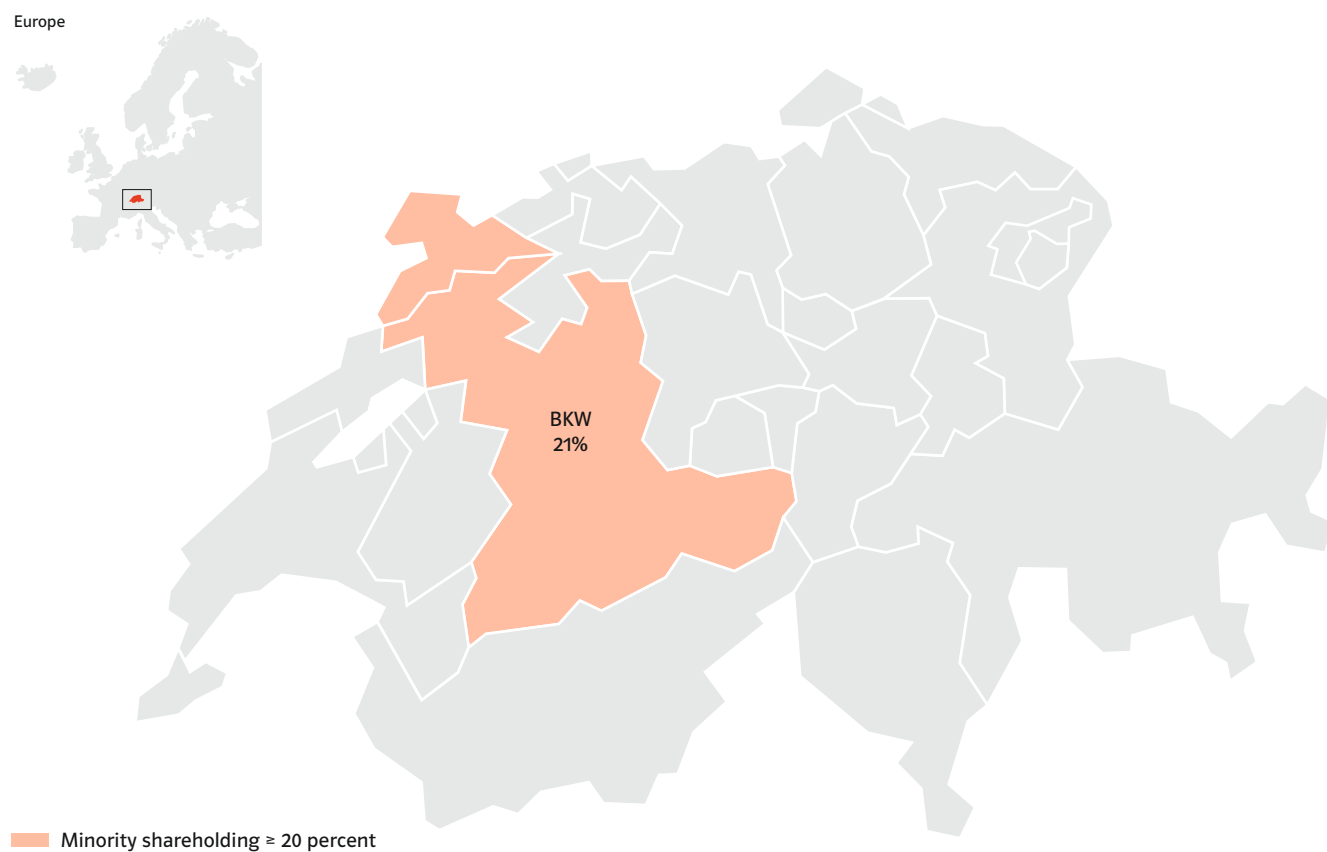
Central Europe West Power—Activities in the Netherlands



Central Europe—Shareholdings	
As of December 31, 2007	%
E.ON Benelux	100.0

Key Figures Power		
As of December 31, 2007	Central Europe shareholdings	Overall market ¹
Power supplied	19.8 billion kWh	95 billion kWh
Customers	0.1 million	8.0 million
Generation capacity	1,880 MW _{el}	20,904 MW _{el}
Generation output	9 billion kWh	96 billion kWh
¹ Source: BDEW.		

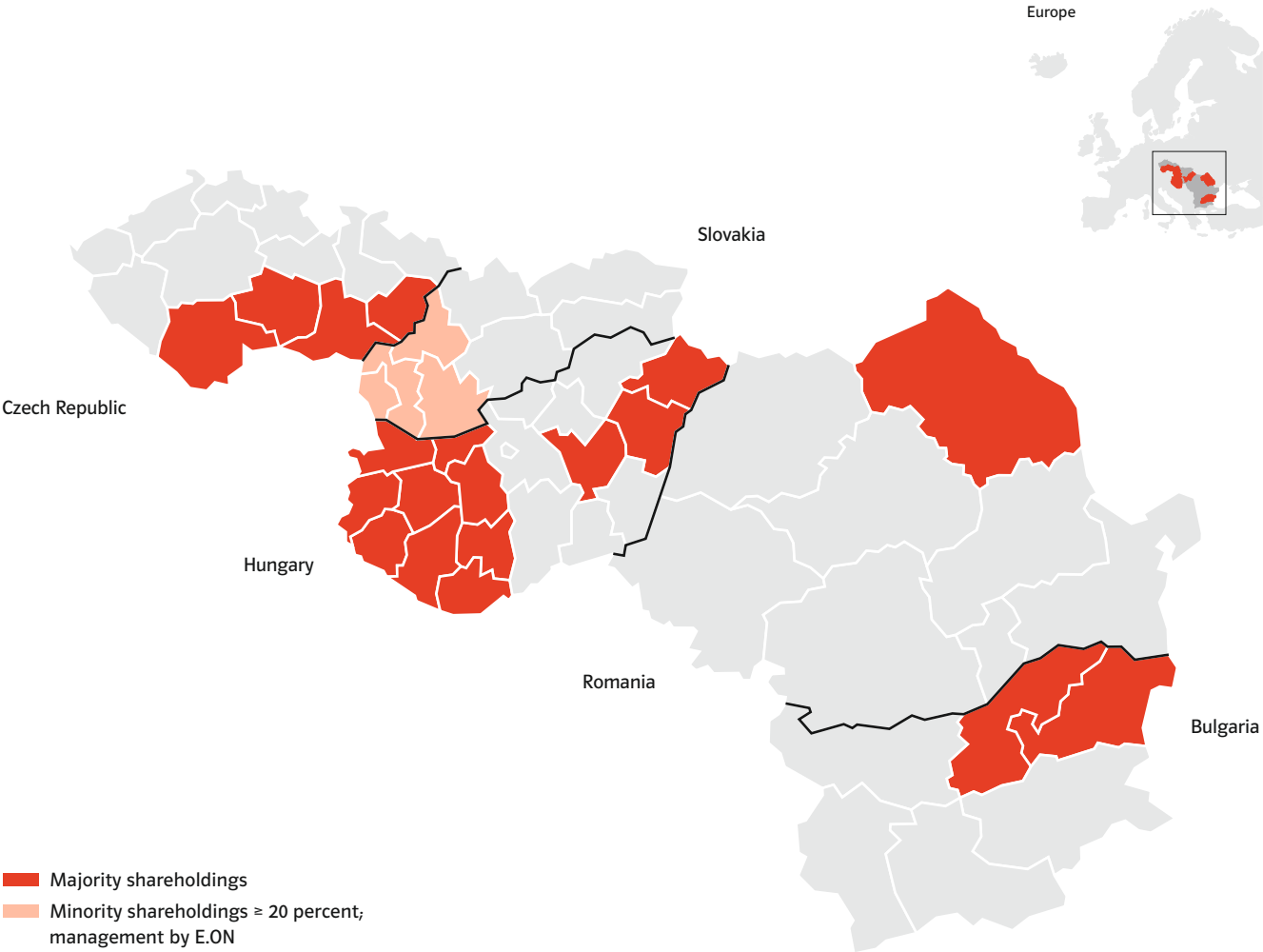
Activities in Switzerland



E.ON Energie—Shareholdings	
As of December 31, 2007	%
BKW	21.0 ¹
¹ Equity interest 21.0 percent, voting interest 20.0 percent.	

Key Figures		
As of December 31, 2007	Central Europe shareholdings ¹	Overall market ³
Power supplied ²	7.8 billion kWh	56.2 billion kWh
Customers	0.3 million	4.0 million
Transmission system length	711 km	12,816 km
Generation capacity	2,205 MW	17,306 MW
¹ Source: BKW. Figures not consolidated into E.ON Group.		
² In Switzerland.		
³ As of December 31, 2006.		

Central Europe East—Activities in the Power Market

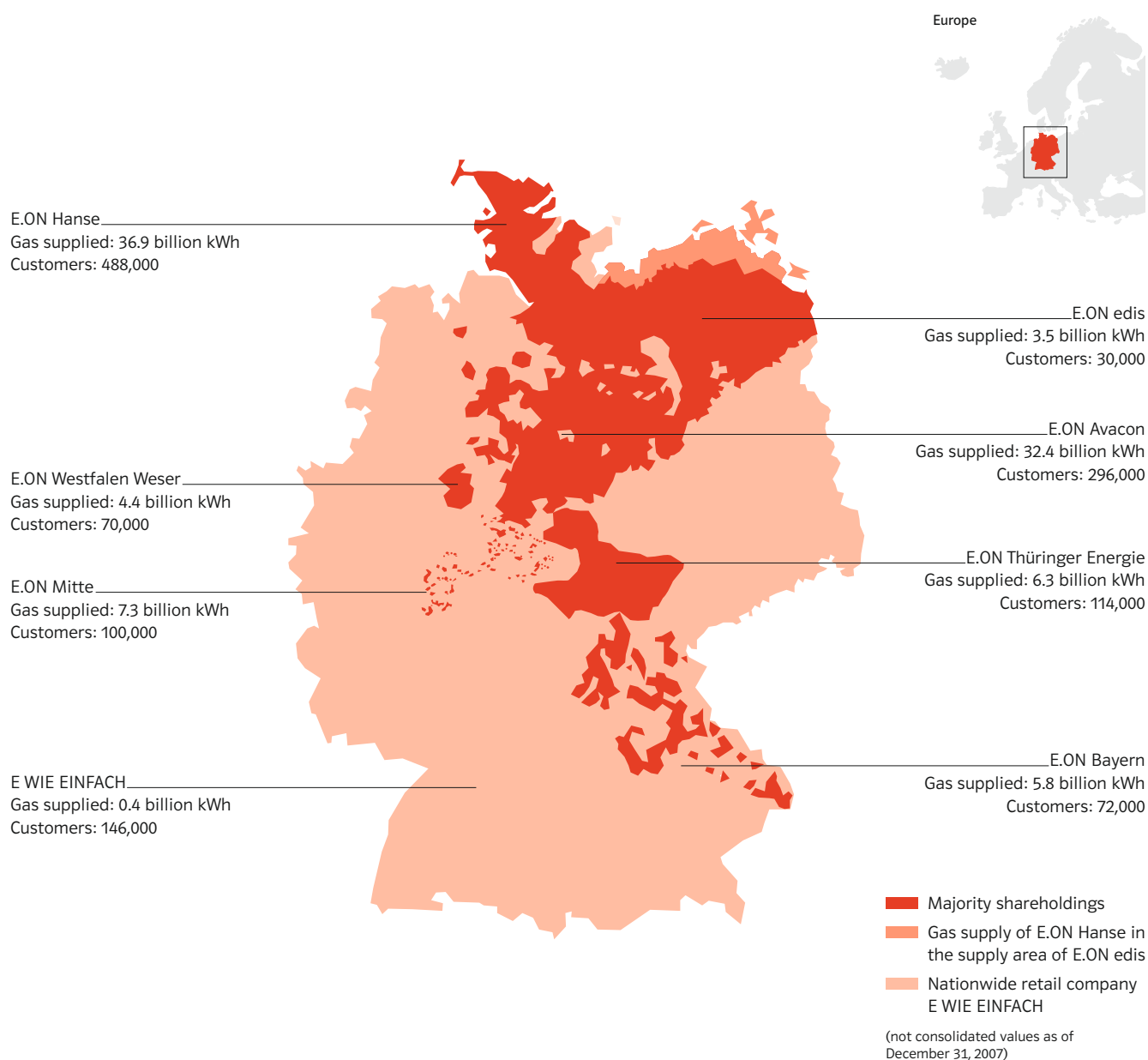


Key Figures Power ¹		
As of December 31, 2007	Central Europe shareholdings ²	Overall market ³
Bulgaria		
Power supplied	5.0 billion kWh	33 billion kWh
Customers	1.1 million	4.6 million
Transmission system length (≥ 110 kV)	34 km	14,610 km
Generation capacity	0 MW	9,675 MW
Romania		
Power supplied	3.3 billion kWh	53 billion kWh
Customers	1.4 million	8.7 million
Transmission system length (≥ 110 kV)	3,737 km	18,600 km
Generation capacity	0 MW	17,198 MW
Slovakia		
Power supplied	8.0 billion kWh	27 billion kWh
Customers	0.9 million	2.3 million
Transmission system length (≥ 110 kV)	2,758 km	9,357 km
Generation capacity	0 MW	7,778 MW
Czech Republic		
Power supplied	12.0 billion kWh	64 billion kWh
Customers	1.5 million	5.6 million
Transmission system length (≥ 110 kV)	2,447 km	18,004 km
Generation capacity	114 MW	17,508 MW
Hungary		
Power supplied	15.2 billion kWh	41 billion kWh
Customers	2.5 million	5.2 million
Transmission system length (≥ 110 kV)	4,442 km	10,500 km
Generation capacity	233 MW	8,171 MW

¹Key figures of all shareholdings > 20 percent as of December 31, 2007.
²Only power plants > 20 MW included.
³Overall market figures pro forma, as not all data is available for 2007.

Central Europe—Shareholdings Power	
As of December 31, 2007	%
Bulgaria	
E.ON Bulgaria EAD (holding and services)	100.0
E.ON Bulgaria Grid AD	67.0
E.ON Bulgaria Sales AD	67.0
Romania	
E.ON Energie România S.A.	90.2
E.ON Moldova Distribuție S.A.	51.0
E.ON Moldova Furnizare S.A.	51.0
Slovakia	
Západoslovenská energetika a.s.	49.0
Czech Republic	
E.ON Czech Holding AG	100.0
Teplárna Otrokovice a.s.	66.0
E.ON Distribuce, a.s.	100.0
E.ON Energie, a.s.	100.0
E.ON Česká republika, s.r.o.	100.0
Hungary	
E.ON Hungária Energetikai ZRt.	100.0
Debreceni Kombinált Ciklusú Erőmű Kft.	100.0
Nyíregyházi Kombinált Ciklusú Erőmű Kft.	100.0
E.ON Energiatermelő Kft.	100.0
E.ON Dél-dunántúli Áramszolgáltató ZRt.	100.0
E.ON Észak-dunántúli Áramszolgáltató ZRt.	100.0
E.ON Tiszántúli Áramszolgáltató ZRt.	100.0
E.ON Energiakereskedő Kft.	100.0
E.ON Energiaszolgáltató Kft.	100.0
E.ON Hálózati Szolgáltató Kft.	100.0
E.ON Ügyfélszolgálati Kft.	100.0
E.ON Gazdasági Szolgáltató Kft.	100.0

Central Europe West Gas—Activities in the German Gas Market



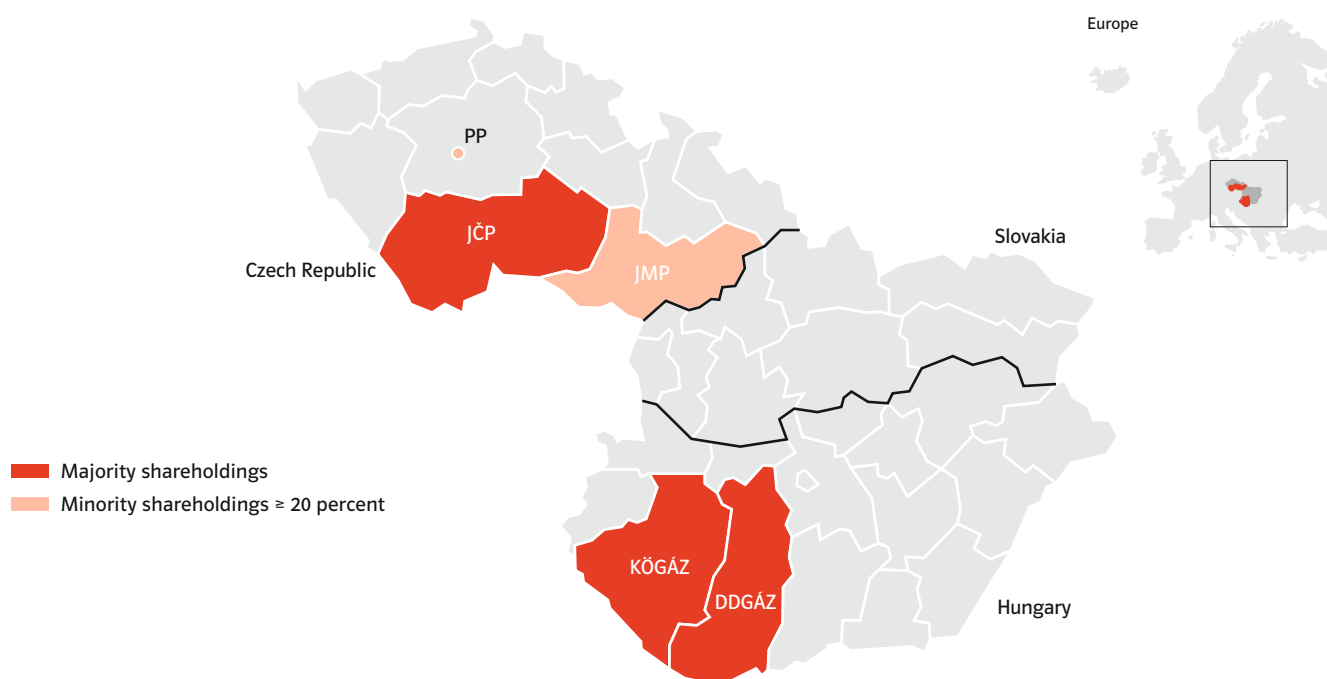
Key Figures Gas		
As of December 31, 2007	Central Europe shareholdings ¹	Overall market
Gas supplied	93.2 billion kWh	925 billion kWh ³
Customers	1.5 million	18.9 million ²

¹Consolidated shareholdings > 50.0 percent.
²Source: eurogas 2005.
³Source: eurogas 2007.

Central Europe—Major Shareholdings Gas	
As of December 31, 2007	%
E.ON Avacon AG	65.0
E.ON Mitte AG	73.3
E.ON edis AG	70.0 ¹
E.ON Bayern AG	100.0
E.ON Hanse AG	73.8
E.ON Westfalen Weser AG	62.8
E.ON Thüringer Energie AG	77.0
E WIE EINFACH Strom & Gas GmbH	100.0

¹E.ON AG share in total 71.0 percent.

Central Europe East—Activities in the Gas Market



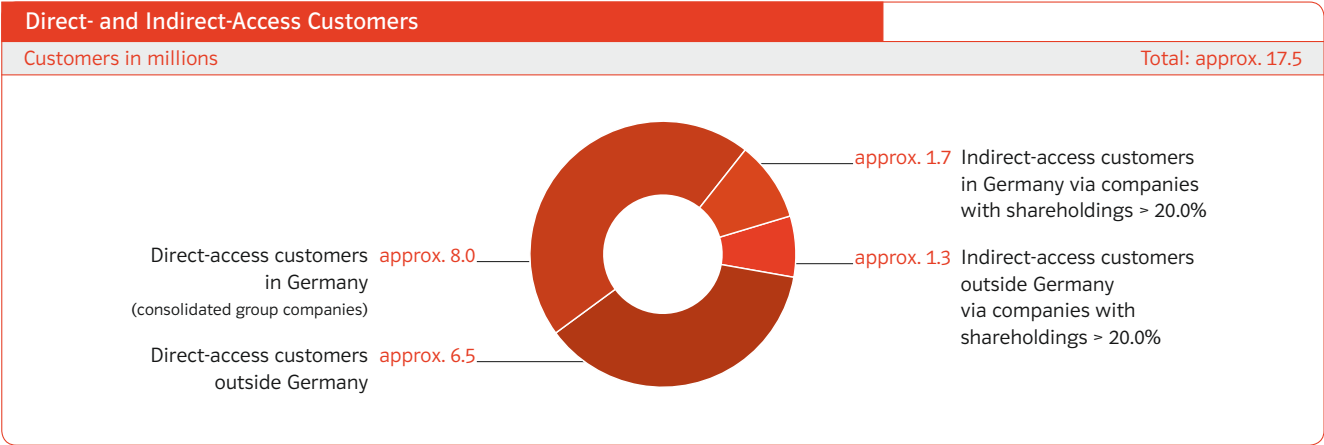
Key Figures Gas		
As of December 31, 2007	Central Europe shareholdings	Overall market
Czech Republic		
Gas supplied	3.7 billion kWh	91.4 billion kWh ¹
Customers	0.2 million	2.8 million ²
Hungary		
Natural gas supplied	12.7 billion kWh	139.9 billion kWh ¹
Customers	0.6 million	3.4 million ²

¹Source: eurogas 2007, preliminary.
²Source: eurogas 2005.

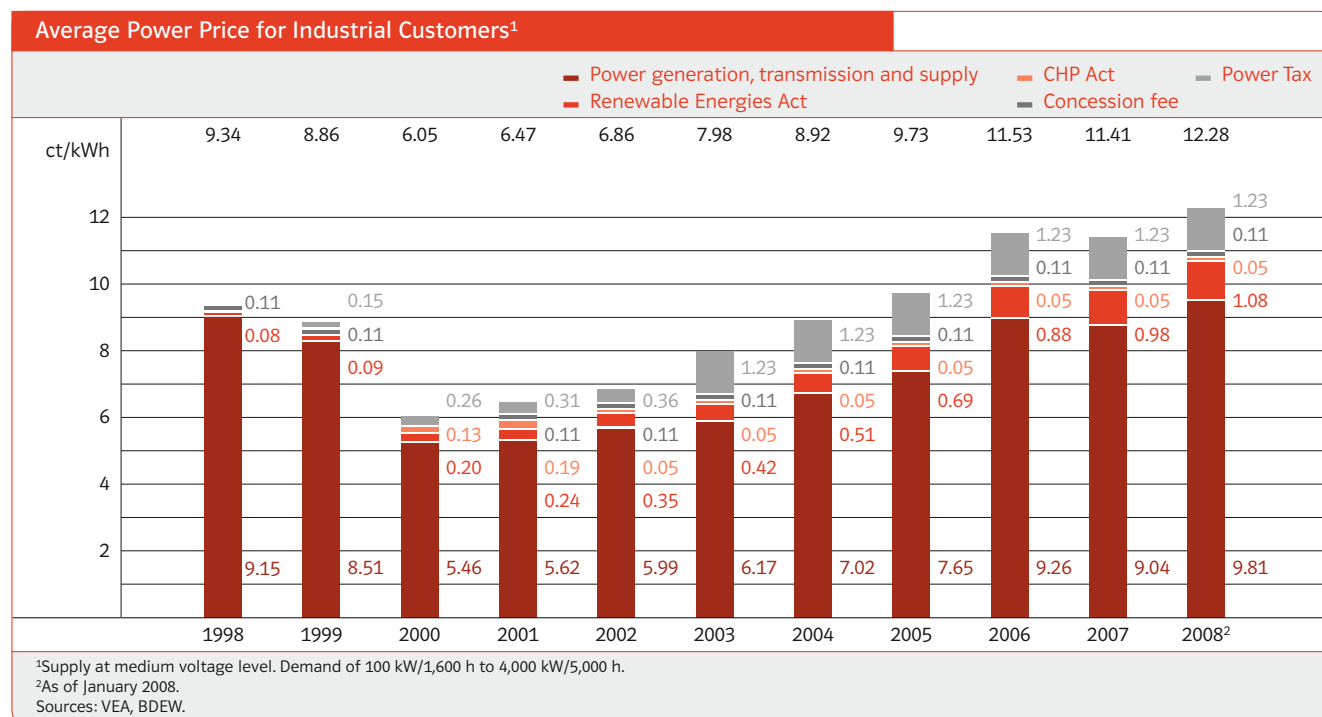
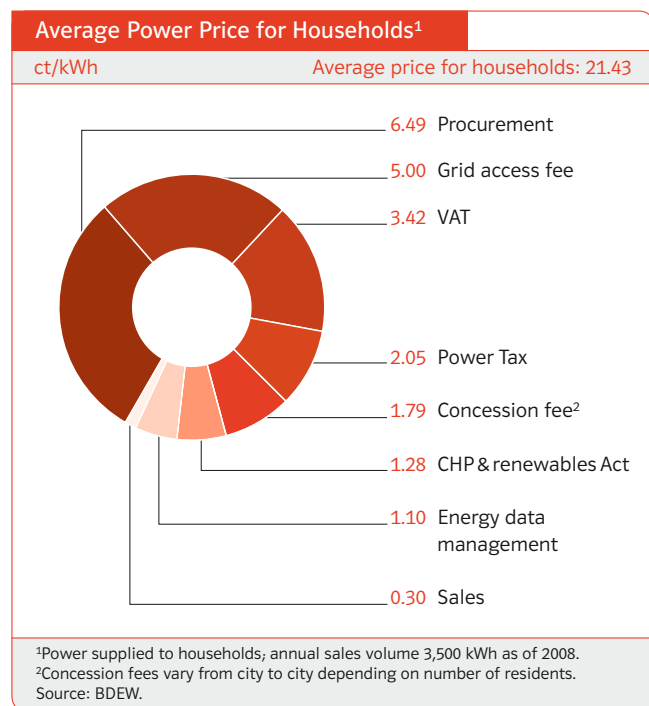
Central Europe—Shareholdings Gas	
As of December 31, 2007	%
Czech Republic	
Jihočeská plynárenská, a.s. (JČP)	100.0
JČP Distribuce, s.r.o. (JČPD)	100.0
Jihomoravská plynárenská, a.s. (JMP)	43.7
Pražská plynárenská (PP) ¹	49.3
Hungary	
E.ON Dél-dunántúli Gázszolgáltató ZRt. (DDGÁZ)	99.9
E.ON Közép-dunántúli Gázszolgáltató ZRt. (KÖGÁZ)	99.6
E.ON Energiakereskedő Kft. (EVK)	100.0

¹In addition: 49.0 percent of the holding company of PP: Prazská plynárenská Holding.

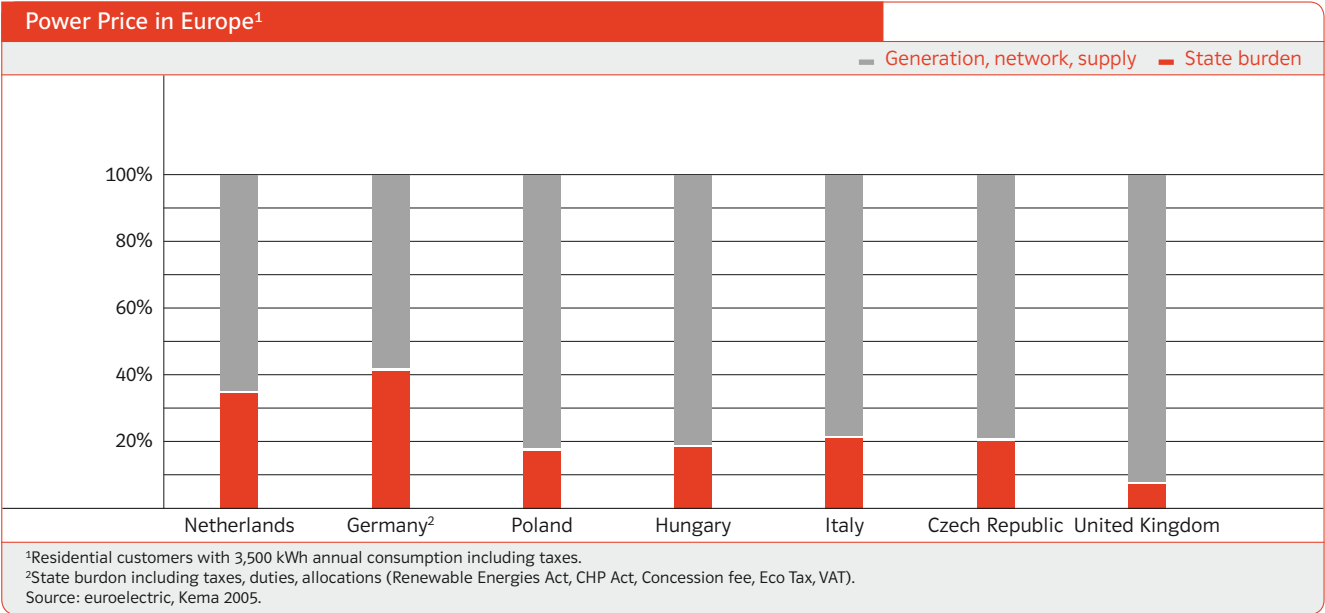
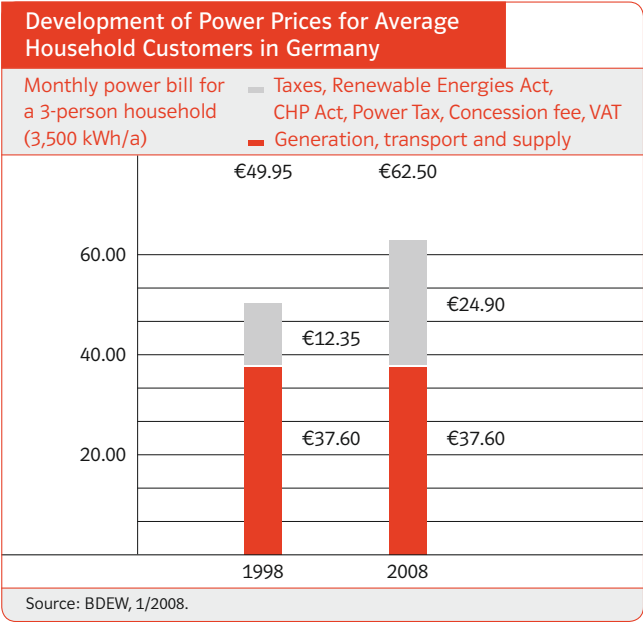
Power Customers in Europe



Composition of Power Prices in Germany



Composition of Power Prices



Key Figures

Central Europe Key Figures			
€ in millions	2007	2006	+/- %
Total sales	32,029	27,197	+18.0
Adjusted EBITDA	6,222	5,747	+8.0
Depreciation/amortization and write-downs	-1,521	-1,495	-
Adjusted EBIT	4,670	4,235	+10.0
Cash provided by operating activities	3,811	3,802	-
Returns			
Capital employed (annual average) ¹	18,943	19,818	-
ROCE	24.7%	21.4%	+3.3 ³
Cost of capital	9.3%	9.0%	+0.3 ³
Power procurement²			
Owned generation	134.5 bn kWh	131.3 bn kWh	+3.0
Purchases	192.6 bn kWh	149.9 bn kWh	+28.0
<i>from jointly owned power plants</i>	8.3 bn kWh	12.3 bn kWh	-33.0
<i>from outside sources</i>	184.3 bn kWh	137.6 bn kWh	+34.0
Power procured	327.2 bn kWh	281.2 bn kWh	+16.0
Station use, line loss, pumped storage hydro	-13.5 bn kWh	-13.0 bn kWh	-
Power sales	313.7 bn kWh	268.2 bn kWh	+17.0
Power sales by customer segment			
Residential and small commercial	44.1 bn kWh	45.3 bn kWh	-3.0
Industrial and large commercial	83.7 bn kWh	77.2 bn kWh	+8.0
Sales partners	185.9 bn kWh	145.7 bn kWh	+28.0
Installed generating capacity	28,479 MW	28,172 MW	+1.0

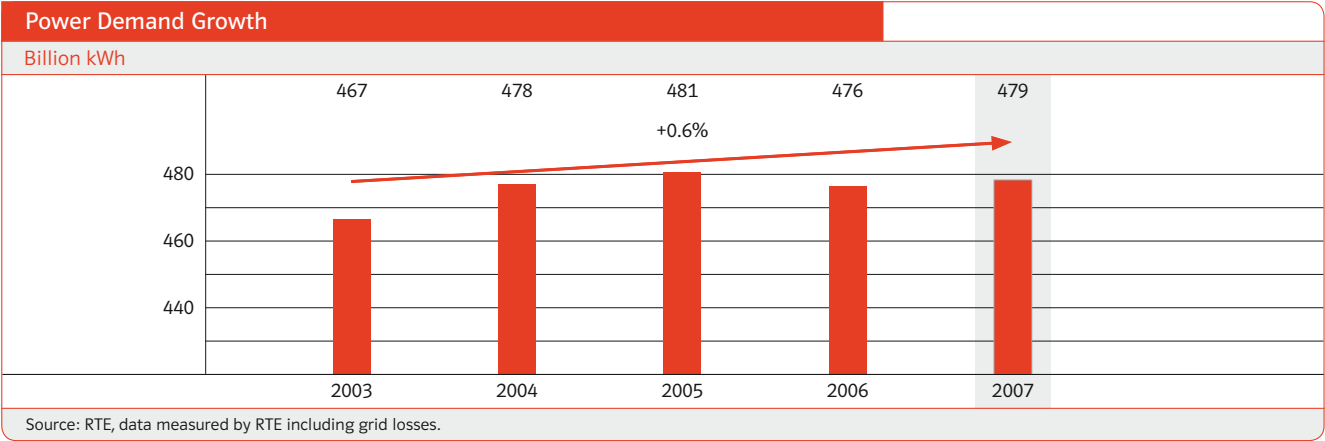
¹Annual average.

²Excludes trading operations, which are recognized net under IFRS.

³Change in percentage points.

France—Market Overview

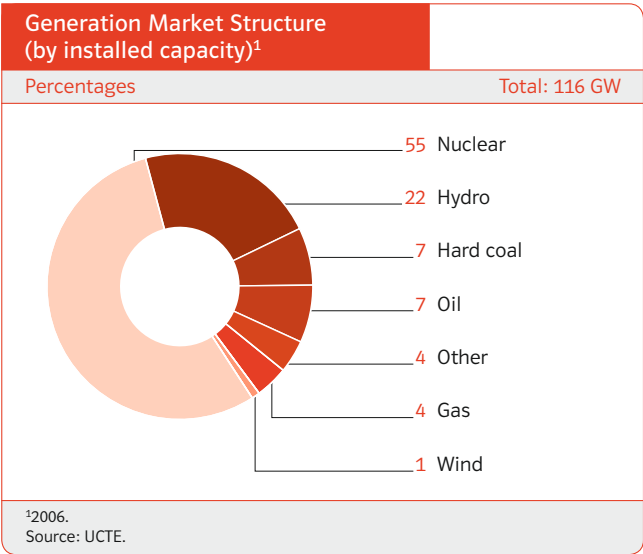
Power demand growth



Moderate growth in power market contrary to growing gas market driven by residential and power generation sectors.

Market specifics

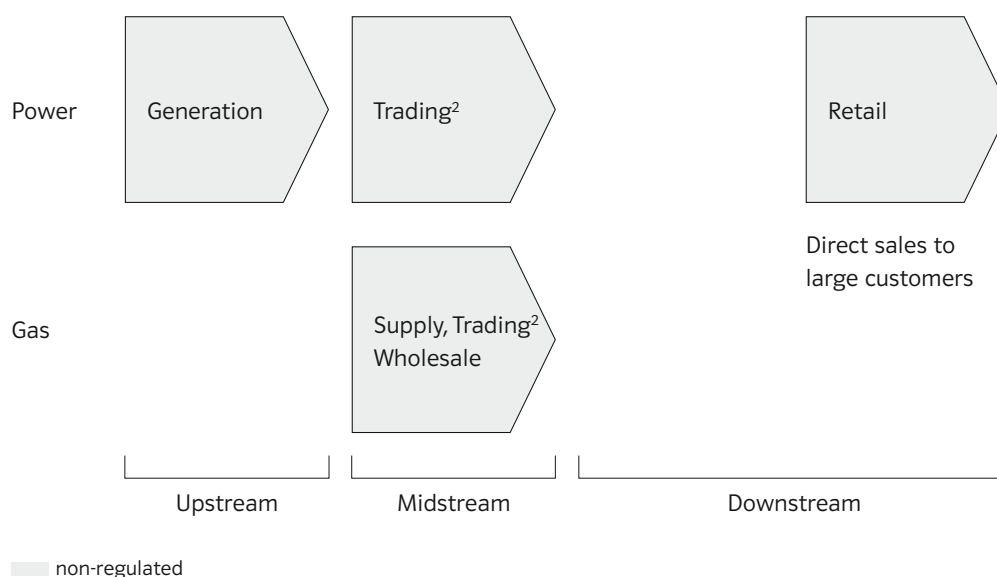
- Second-largest power and fourth-largest gas market in Europe.
- France with the highest power interconnection capacity in Europe.
- Market coupling with Belgium and Netherlands, future coupling with Germany.
- Full market liberalization on July 1, 2007.



Opportunities from changing generation structure

- Generation portfolio dominated by nuclear power plants.
- Need for new mid-merit capacity due to decreasing reverse margin.
- Recent new build focus on CCGT and renewables.

E.ON France—Presence along the Value Chain¹



¹Part of Central Europe as of closing date June 26, 2008.

²Envisaged to be carried out by E.ON Energy Trading.

E.ON France—Market Position

Position in power generation

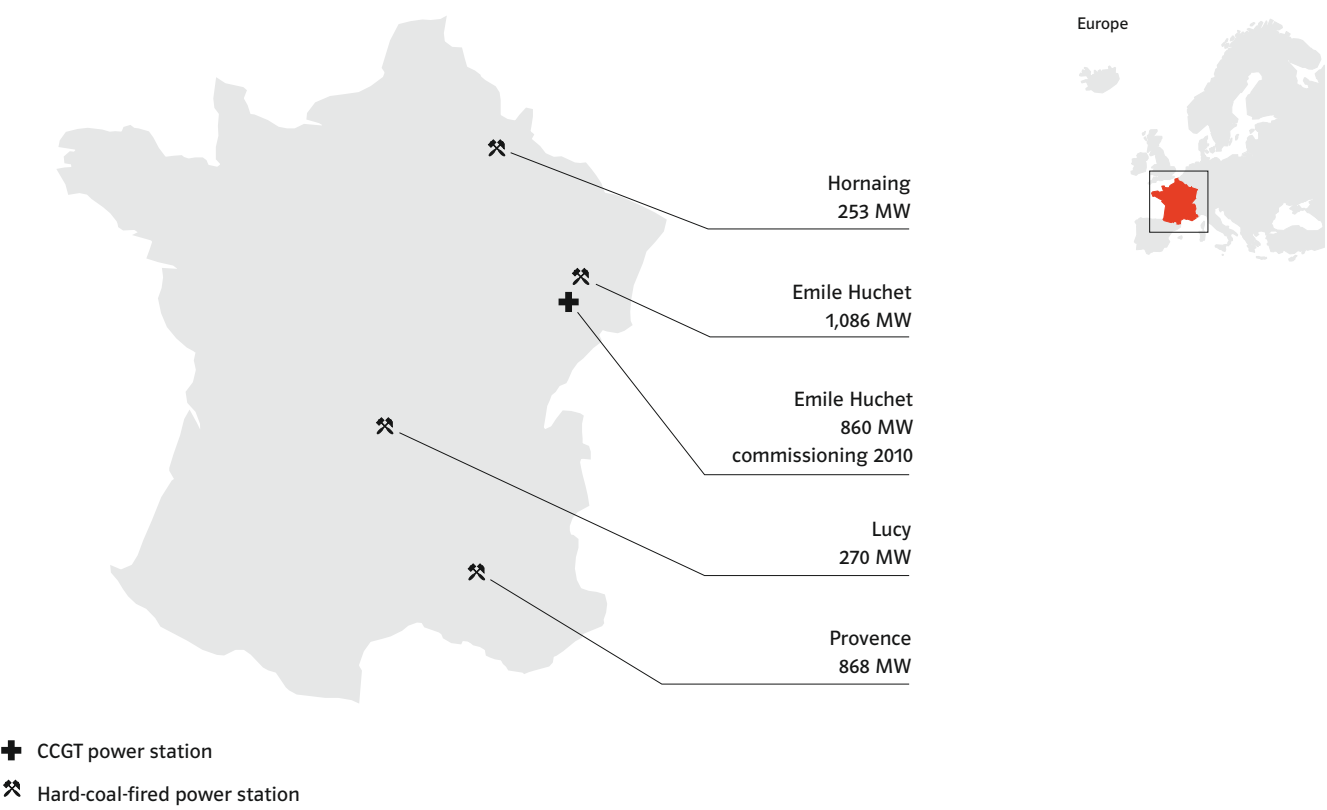
- Capacity No. 3
- Production No. 3

E.ON France—Key Figures

Power Generation by Energy Source		
MW	E.ON/SNET (expected) ¹	Overall market ²
Nuclear	-	63,300
Hydro	-	25,500
Coal	2,477	8,200
Wind	10	1,300
Oil, other	-	17,700
SNET/E.ON	2,487	116,000

¹2007 data.
²2006 data, source: UCTE 2006.

E.ON France—Generation Assets¹



¹Current status as of June 26, 2008.

Pan-European Gas Market Unit

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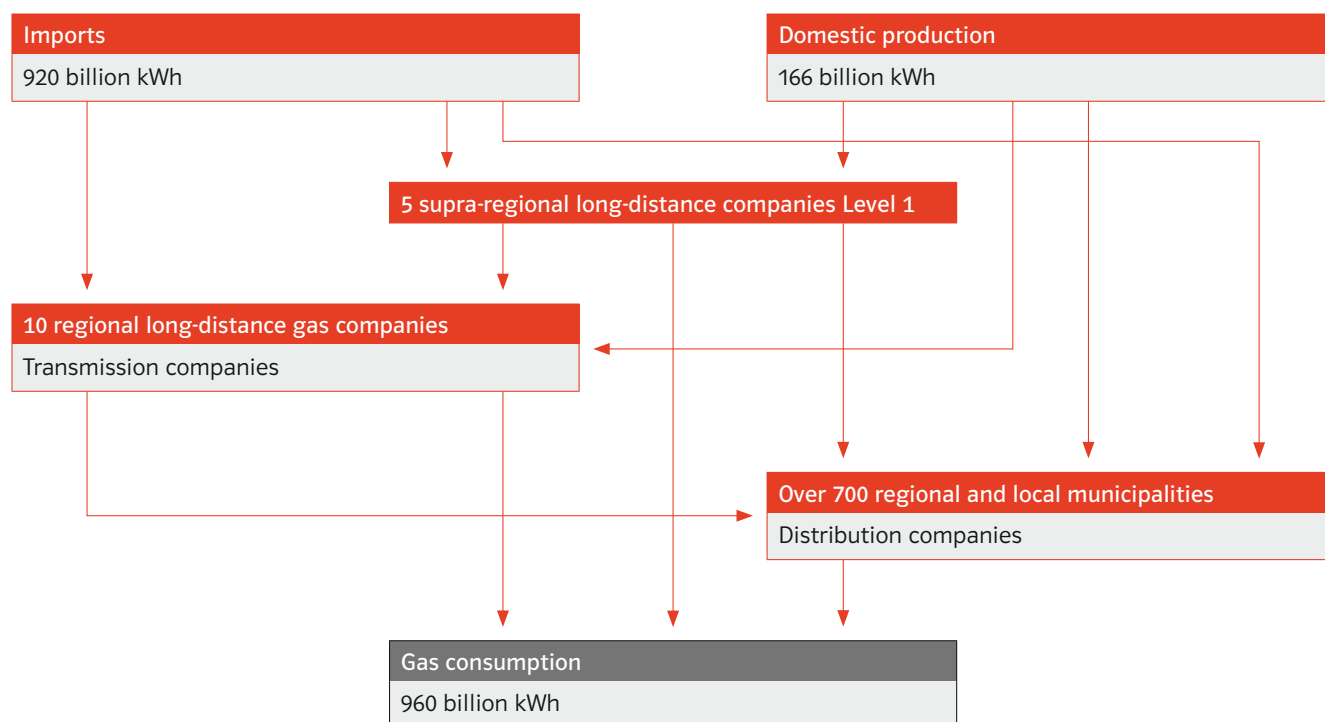
Introduction

E.ON Ruhrgas is the lead company of the Pan-European Gas market unit and is responsible for all of E.ON's non-retail gas activities in continental Europe. In terms of sales, E.ON Ruhrgas is one of the leading non-state-owned gas companies in Europe and the largest gas company in Germany. E.ON Ruhrgas' principal business is the exploration & production, supply, transmission, storage and sale of natural gas. E.ON Ruhrgas also holds numerous stakes in German and other European gas companies, as well as a small shareholding in Gazprom, Russia's main natural gas exploration, production, transportation and marketing company. In 2007, the Pan-European Gas market unit recorded revenues of €22.7 billion and adjusted EBIT of €2.6 billion. €13.7 billion of the Pan-European Gas market unit's 2007 revenues was generated in Germany and €9.0 billion was generated abroad (measured by location of customer).

In 2007, E.ON Ruhrgas entered into the following significant transactions:

- In June 2007, E.ON Ruhrgas AG participated in the creation of a joint venture to plan a new European gas pipeline in Scandinavia. This Skanled pipeline is to transport Norwegian gas to Norway, Sweden and Denmark. With a 15 percent stake, E.ON Ruhrgas is one of the largest partners in the joint venture, in which a total of ten companies from Norway, Sweden, Denmark and Poland are involved. The total investment for the pipeline is currently estimated at €1.3 billion on the basis of an updated design incorporating developments in the material procurement and construction markets. A final decision on construction of the pipeline is to be taken by the end of 2009. If constructed, the pipeline is then expected to come into operation by 2012 at the latest.
- In August 2007, E.ON Ruhrgas acquired (through its subsidiary E.ON Ruhrgas Norge AS ("E.ON Ruhrgas Norge")) an approximately 28.1 percent stake in the Norwegian natural gas fields Skarv and Idun from Shell, with retro-active effect to January 1, 2007. E.ON Ruhrgas Norge's share of the investments for developing these fields is expected to be around \$1.4 billion (around €0.9 billion). Skarv and Idun are both located in the northern Norwegian Sea, just below the Arctic Circle. Skarv-Idun is thought to be among the most attractive undeveloped gas fields in Norway as the area has significant potential for reserves growth through further exploration. Gas production is expected to start in 2011.

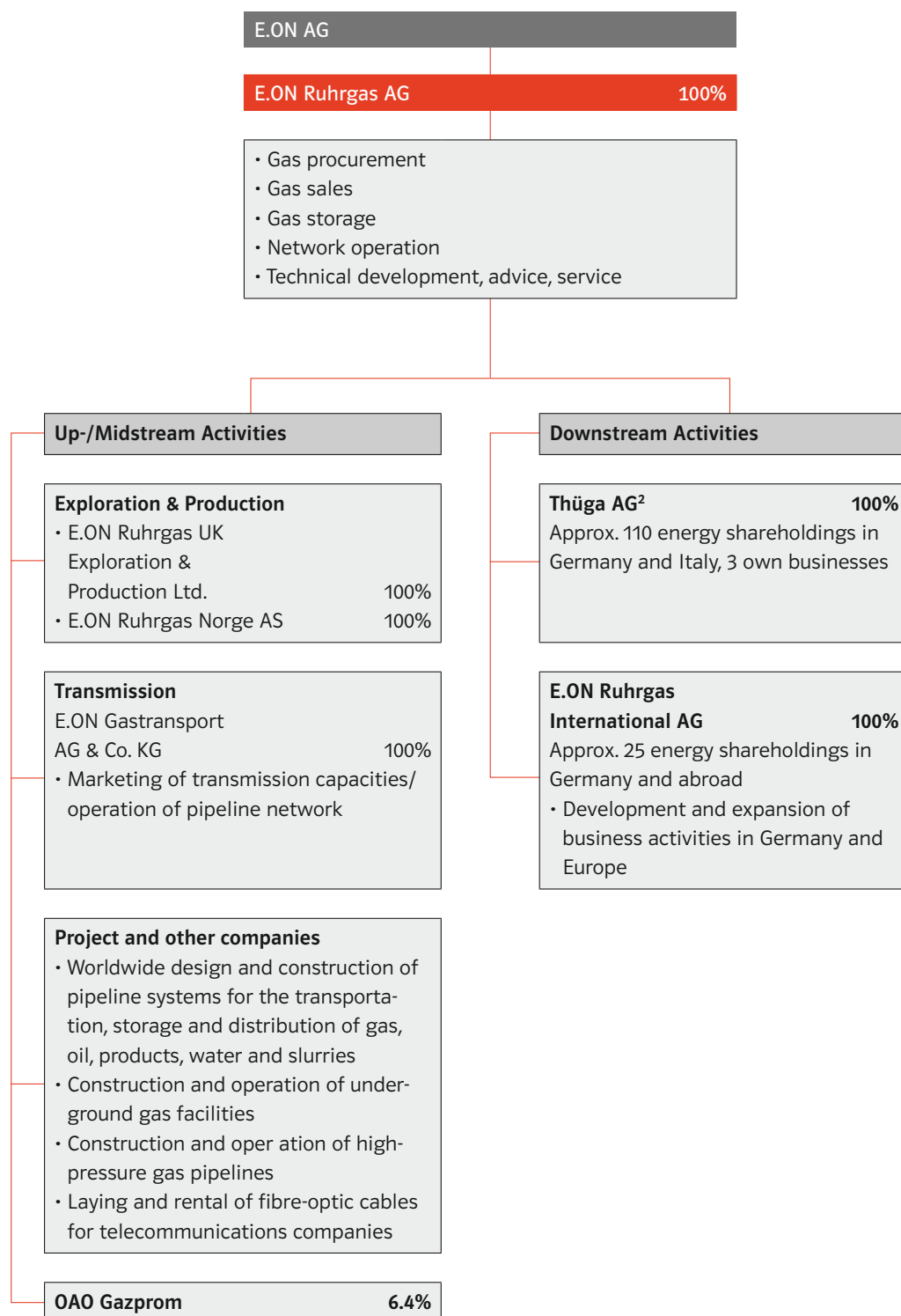
Market Overview Germany



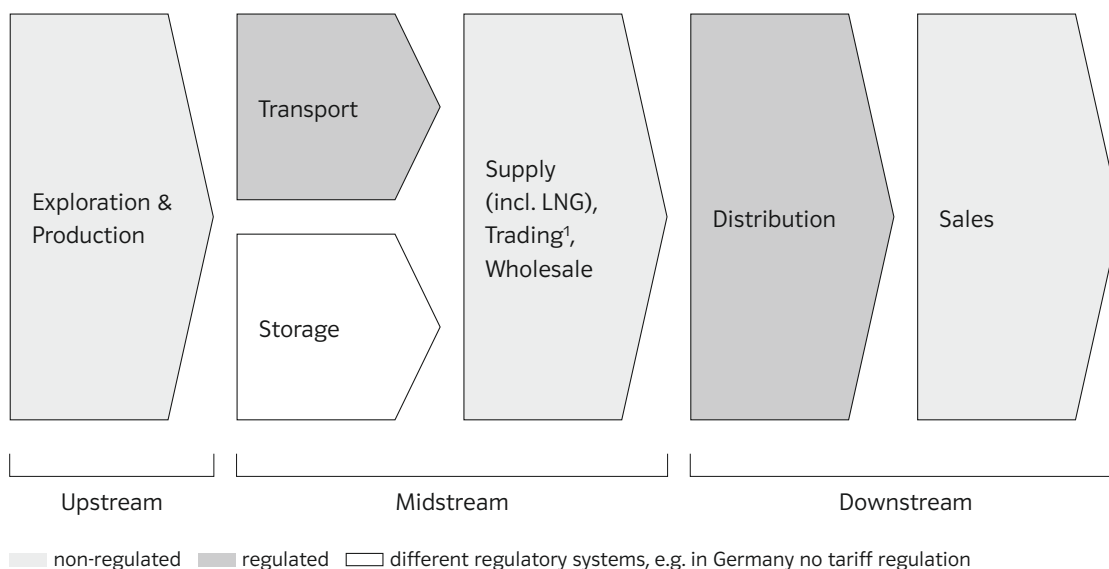
Source: preliminary figures 2007 WEG Wirtschaftsverband Erdöl- und Erdgas-gewinnung e. V., Statistisches Bundesamt.

Pan-European Gas—Gas Markets with E.ON Core Presence		
Billion kWh	Gas supplied as of Dec. 31, 2007 ¹	CAGR 2006-2010
Slovakia	70.9	1.8%
Hungary	149.3	2.1%
Romania	186.6	4.2%
Italy	914.8	2.5%
Germany	1,017.9	0.7%

¹E.ON Demand Forecast 2007.
CAGR = Compound annual growth rate.
Source: E.ON.

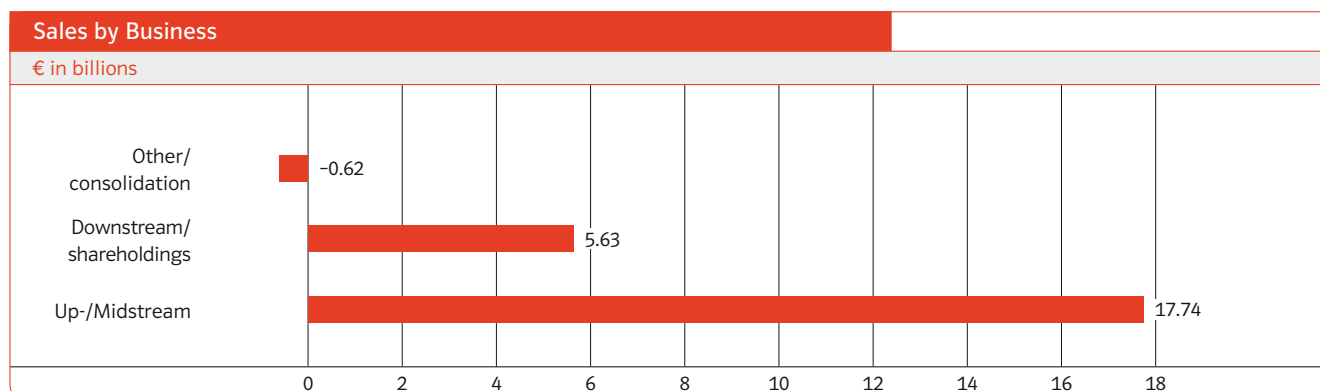
Business Activities¹¹As at December 31, 2007.²The Thüga Italia activities were carved out of the market unit Pan-European Gas at January 1, 2008 and are jointly with market unit Central Europe assets in Italy transferred to the new market unit Italy.

E.ON Ruhrgas—Business Activities along the Gas Value Chain



¹carried out by E.ON Energy Trading as of January 1, 2008.

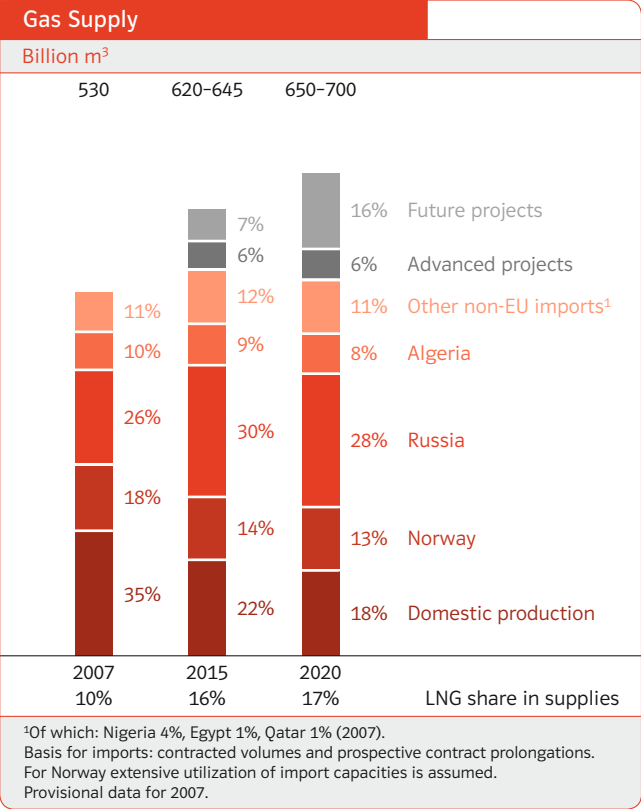
E.ON Ruhrgas—2007 Sales



Major market positions

- E.ON Ruhrgas is the market leader in Germany with a total gas sendout of 713 billion kWh (2007).
- E.ON Ruhrgas is among the leading gas companies in Europe.
- Sound relationship with all major gas producers, above all in the Netherlands, Norway and Russia.
- Strategic pipeline assets and transmission rights facilitate access to important sales markets in Europe.
- Competence and expertise in pipeline operations as a basis for participation in other strategic pipeline projects.
- To establish a consistent organization for its gas storage and CO₂ sequestration activities, E.ON will create a new subsidiary to be managed by E.ON Ruhrgas.

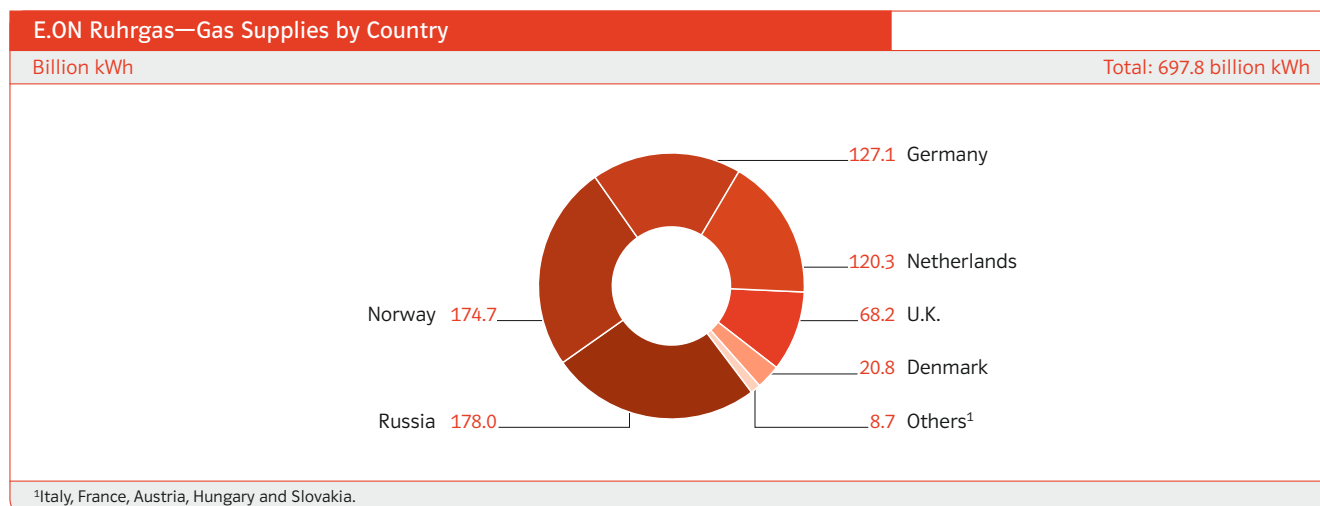
European Gas Imports Development



Key challenges of European gas markets

- Increasing gas demand and declining indigenous production resulting in a rising dependency on imports.
- Strongly increasing competition for worldwide gas reserves is strengthening the influence of producers/ national corporations.
- Goal of EU liberalization policy to promote more open and competitive gas markets: e.g. remove bottlenecks in cross-border capacities, develop trading hubs.
- Enhance security of supply (long-term supply contracts, additional infrastructure, further supply diversification opportunities through LNG).

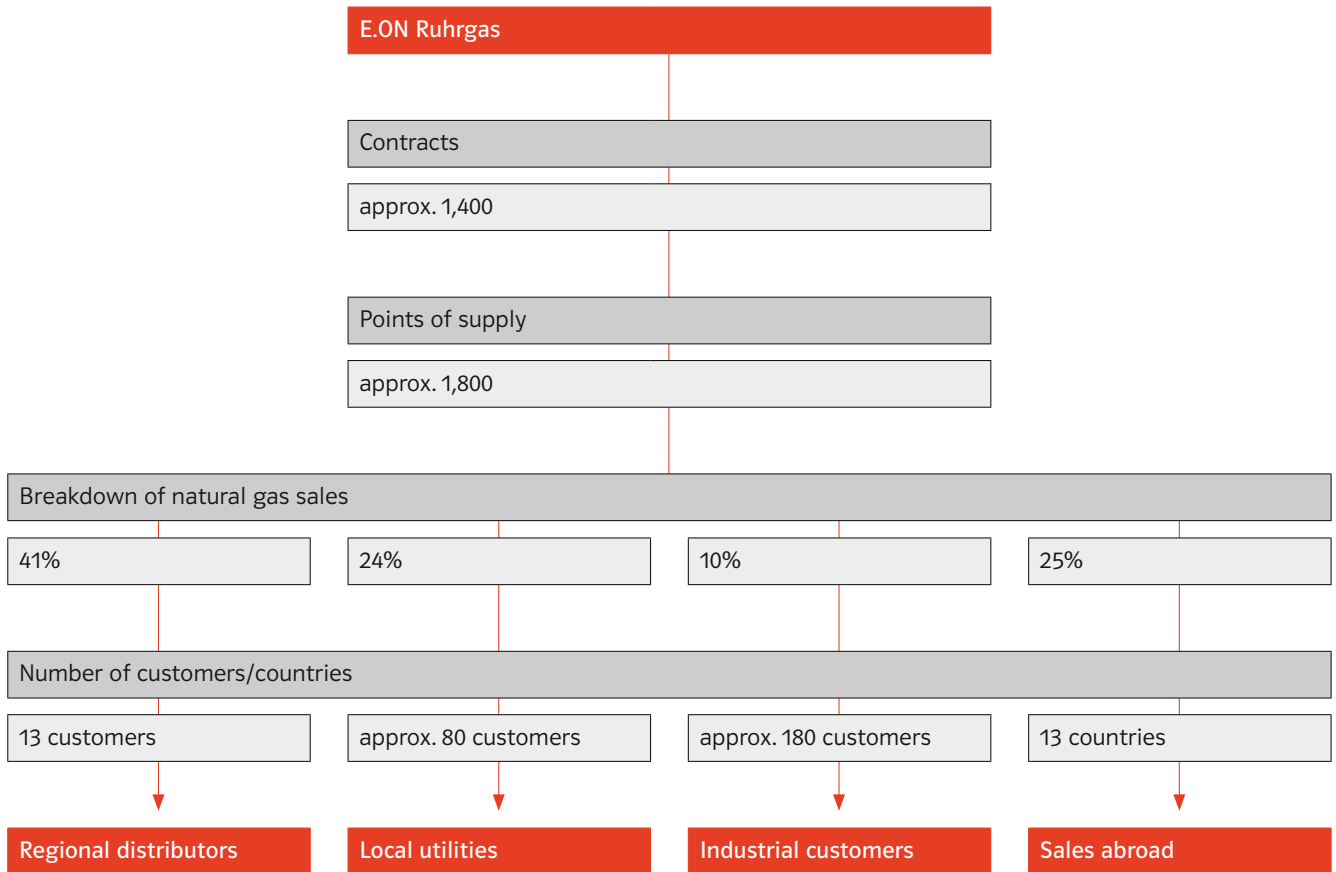
E.ON Ruhrgas—Gas Supply Structure by Country in 2007



Long-term import contracts secure gas supplies

- In order to provide a sound basis for gas supplies, E.ON Ruhrgas concludes long-term agreements with producers and relies on a diversified portfolio of purchase sources.
- Long-term take-or-pay commitments enable the producers to invest the billions required to develop new gas fields and lay the pipelines to connect them to the transmission infrastructure.
- At the same time, these commitments are the foundation for ensuring long-term supplies of gas at competitive prices in the purchasing countries.
- This fair balance of risks is a sound basis for cooperation in a spirit of trust and in the interests of both parties.

E.ON Ruhrgas—Sales Volumes by Sectors 2007



Contractual flexibility

- Most customers buy all the gas they need from E.ON Ruhrgas under flexible contracts.
- E.ON Ruhrgas structures its gas deliveries to the distribution companies flexible enough so that they are able to meet the fluctuations in demand due to rises and falls in temperature.
- This flexibility can be provided based on the contractual flexibility of the E.ON Ruhrgas supply portfolio and the underground storage facilities.

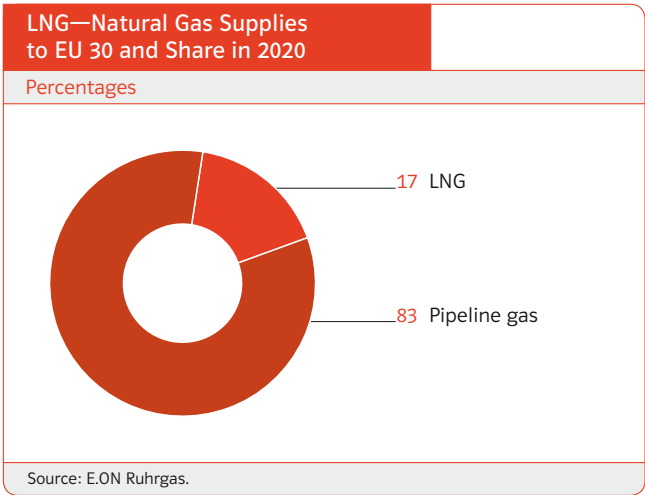
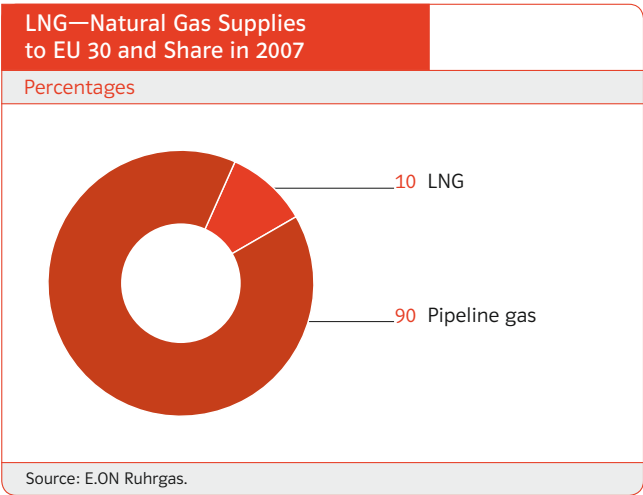
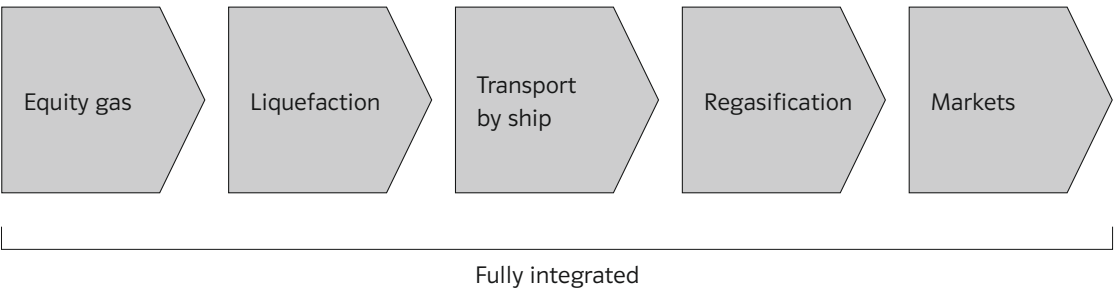
Prices

- Gas prices are based on competing fuels (mainly gas oil).
- The gas prices follow the development of gas oil prices with a certain time lag.
- The gas prices for the distribution and industrial customers of E.ON Ruhrgas are adjusted automatically at pre-determined intervals in accordance with the price adjustment clauses agreed in the contracts.

Liquefied Natural Gas (LNG)

LNG is a Possible Opportunity to Diversify Gas Supply to Existing Markets.

Value chain



Options

Strong projected growth in global LNG demand which gives E.ON opportunity to:

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

Activities of E.ON Ruhrgas in LNG

E.ON is actively developing all parts of the LNG value chain. The global market for LNG is highly competitive. E.ON is competing with players from all over the world, e.g. utilities and international oil and gas companies.

Supply

The current geographical focus for securing LNG supplies is the Middle East and Africa. In these regions E.ON Ruhrgas is active in:

- Establishing contacts and building relevant relationships with stakeholders.
- Analyzing and exploring E&P potential.
- Discussing with potential upstream and liquefaction partners.
- Ongoing negotiating on Sales Purchase Agreements (SPAs) with potential suppliers of LNG.

Liquefaction

- Furthermore, E.ON Ruhrgas has been selected as an investor for a new integrated gas liquefaction (LNG) project in Equatorial Guinea. E.ON Ruhrgas will hold a share of 5 percent and participate in several stages of this LNG project: gas infrastructure, gas collection and liquefaction.

Shipping

Focusing on competitive transportation costs combined with high HSE¹ and reliability standards, E.ON is preparing to secure needed shipping capacity for fob² volumes under long-term SPAs and for short-term spot or trading cargoes.

Regasification

E.ON Ruhrgas is currently developing strategic market entries in Europe by participating in several regasification projects or by contracting regasification capacity:

- Isle of Grain Terminal (U.K.): contracted annual capacity of 1.7 billion m³/year for the duration of 19 years starting in 2010.

- Wilhelmshaven (Germany): Majority interest in DFTG (Deutsche Flüssigerdgas Terminal Gesellschaft) which launched an open season process for the terminal project with a planned capacity of 10 billion m³/year and a planned start of operations in 2011/12.
- Isle of Krk (Croatia): Shareholder in a consortium (Adria LNG d.o.o.) with Geoplin, OMV, Total, RWE and other Croatian partners to build a regasification terminal with a capacity of 10 to 15 billion m³/year and a planned start of operations in 2012.
- Le Havre (France): Shareholder in a consortium (Gaz de Normandie SAS) with Poweo, Verbund and CIM which is developing the project with an estimated capacity of approx. 9 billion m³/year and a planned start of operations in 2011.

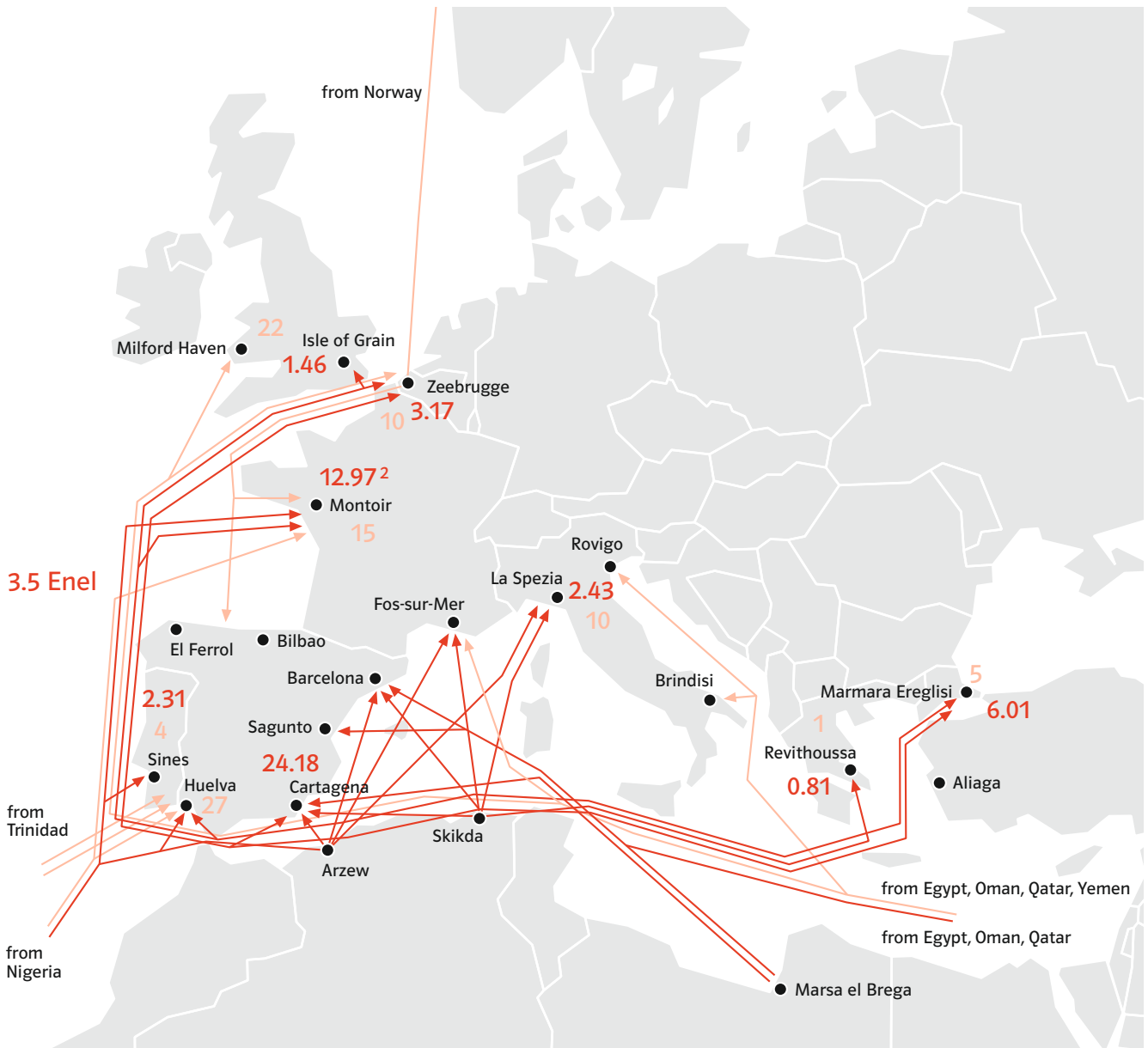
Trading

Beside the long-term LNG supply contracts a global LNG spot market has emerged where idle capacities and arbitrage opportunities are being utilized. Trading volumes however remain rather limited. For E.ON, acquiring LNG spot cargoes allows for a quicker entry into the market and to gain operational experience.

¹HSE—health, safety, environment.

²fob—free on board.

LNG Flows to Europe 2007 vs. 2010¹



¹In billion m³/year.

²Including 3.5 billion m³/year from Nigeria via Montoir for Enel/Italy.

Source: Cedigaz.

— LNG supplies 2007: 53.34 billion m³
— Imports 2010: 94 billion m³

E.ON Ruhrgas—International Shareholdings



- Supply country
- Supplies/supply agreement
- Cooperation agreement
- Affiliate
- Office/station

As at December 31, 2007.

E.ON Ruhrgas—International Shareholdings

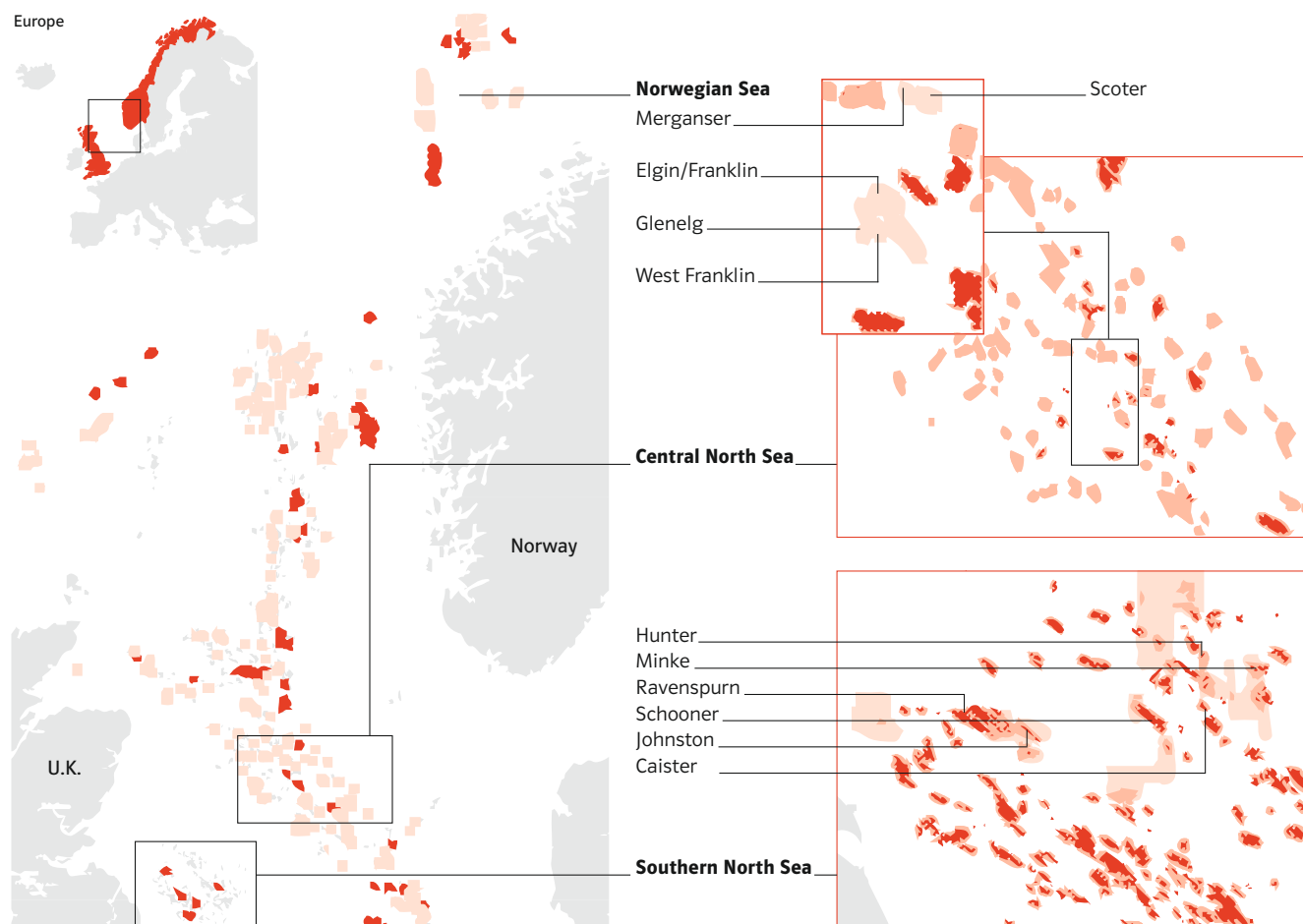
E.ON Ruhrgas International Shareholdings outside Germany			
Shareholdings	Countries	Share held %	Gas sendout 2007 billion kWh
Gasnor AS	Norway	14.00	1.9
Swedegas AB (formerly: Nova Naturgas AB)	Sweden	29.59	-
Gasum Oy	Finland	20.00	43.4
AS Eesti Gaas	Estonia	33.66	8.3
JSC Latvijas Gāze	Latvia	47.23	17.3
AB Lietuvos Dujos	Lithuania	38.91	14.1
Rytu Skirstomieje Tinklai	Lithuania	20.28	-
Inwestycyjna Spółka Energetyczna Sp. z o.o. (IRB)	Poland	50.00	-
EUROPGAS a.s. ¹	Czech Republic	50.00	-
E.ON Földgáz Trade ZRt.	Hungary	100.00	114.2
E.ON Földgáz Storage	Hungary	100.00	-
Panrusgáz ZRt.	Hungary	50.00	77.5
Colonia-Cluj-Napoca-Energie S.R.L. (CCNE)	Romania	33.33	-
SPP ²	Slovakia	24.50	58.5
Nafta a.s.	Slovakia	40.45	1.3
S.C. Congaz S.A.	Romania	28.59	2.8
Ekopur d.o.o. ³	Slovenia	100.00	-
Soteg-Société de Transport de Gaz S.A.	Luxembourg	20.00	16.7
Holdigaz SA	Switzerland	2.21	-
E.ON Gaz Distribuție S.A.	Romania	51.00	-
E.ON Gaz România S.A.	Romania	51.00	29.2

¹EUROPGAS a.s. holds 50.0 percent of SPP Bohemia a.s. and 48.18 percent of Moravské naftové doly a.s. (MND) in the Czech Republic.

²E.ON Ruhrgas Mittel- und Osteuropa GmbH has an indirect interest of 24.50 percent in SPP, Slovakia.

³Ekopur d.o.o. holds 6.52 percent of Geoplin d.o.o. in Slovenia.

E.ON Ruhrgas—Upstream Activities¹



Norwegian Sea	
	Interest
Njord	30%

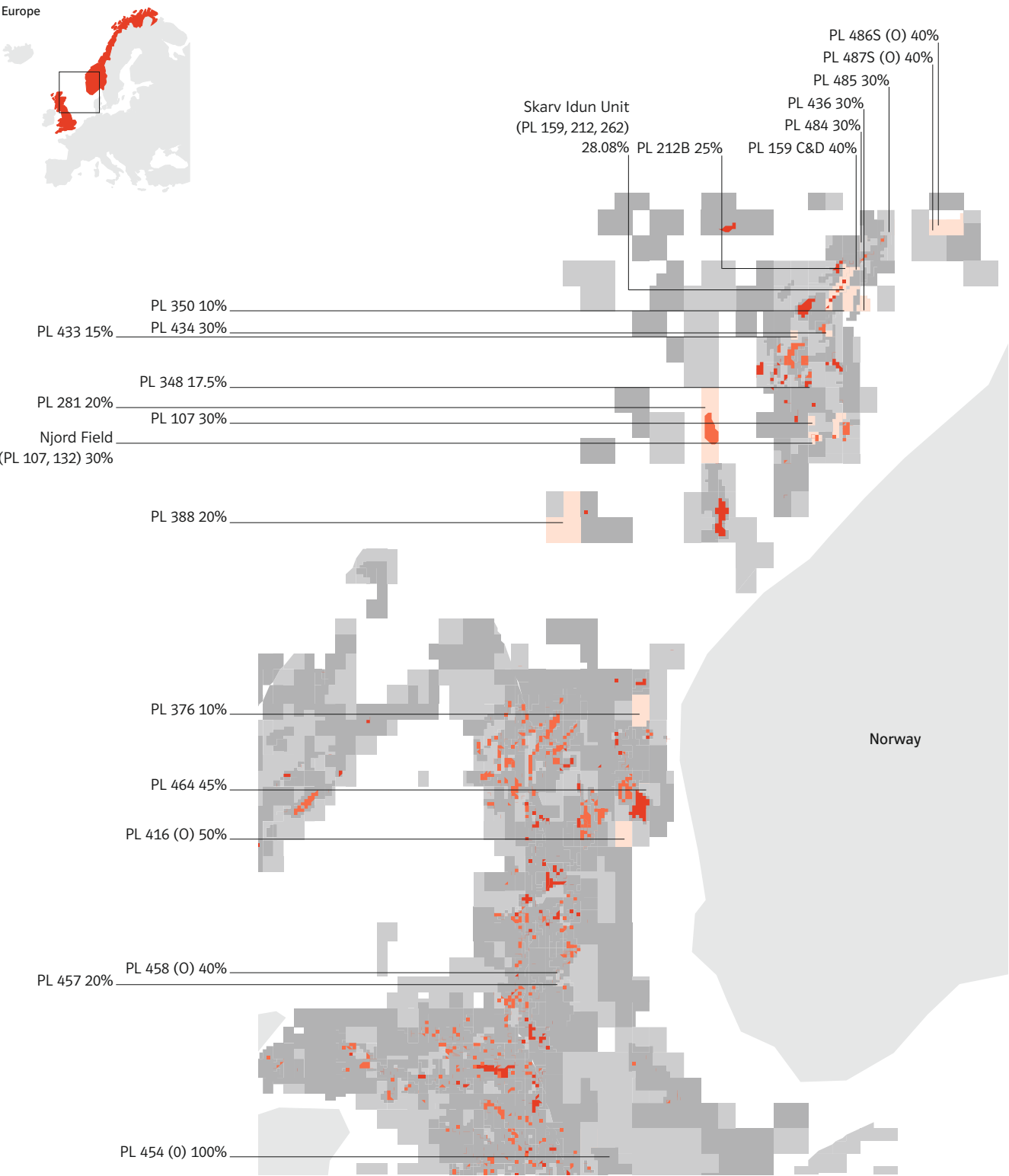
E.ON Ruhrgas Exploration Production		
	2007	2006
Gas		
U.K.	751 million m ³	725 million m ³
Norway	20 million m ³	0 million m ³
Total gas	771 million m³	725 million m³
Oil and liquids		
U.K.	2.9 million bbl	2.7 million bbl
Norway	2.1 million bbl	2.6 million bbl
Total oil and liquids	5.0 million bbl	5.3 million bbl
Total production	9.8 million boe	9.8 million boe

Central North Sea	
	Interest
Elgin/Franklin	5.2%
Scoter	12.0%
West Franklin	5.2%
Merganser	7.9%
Glenelg	18.6%

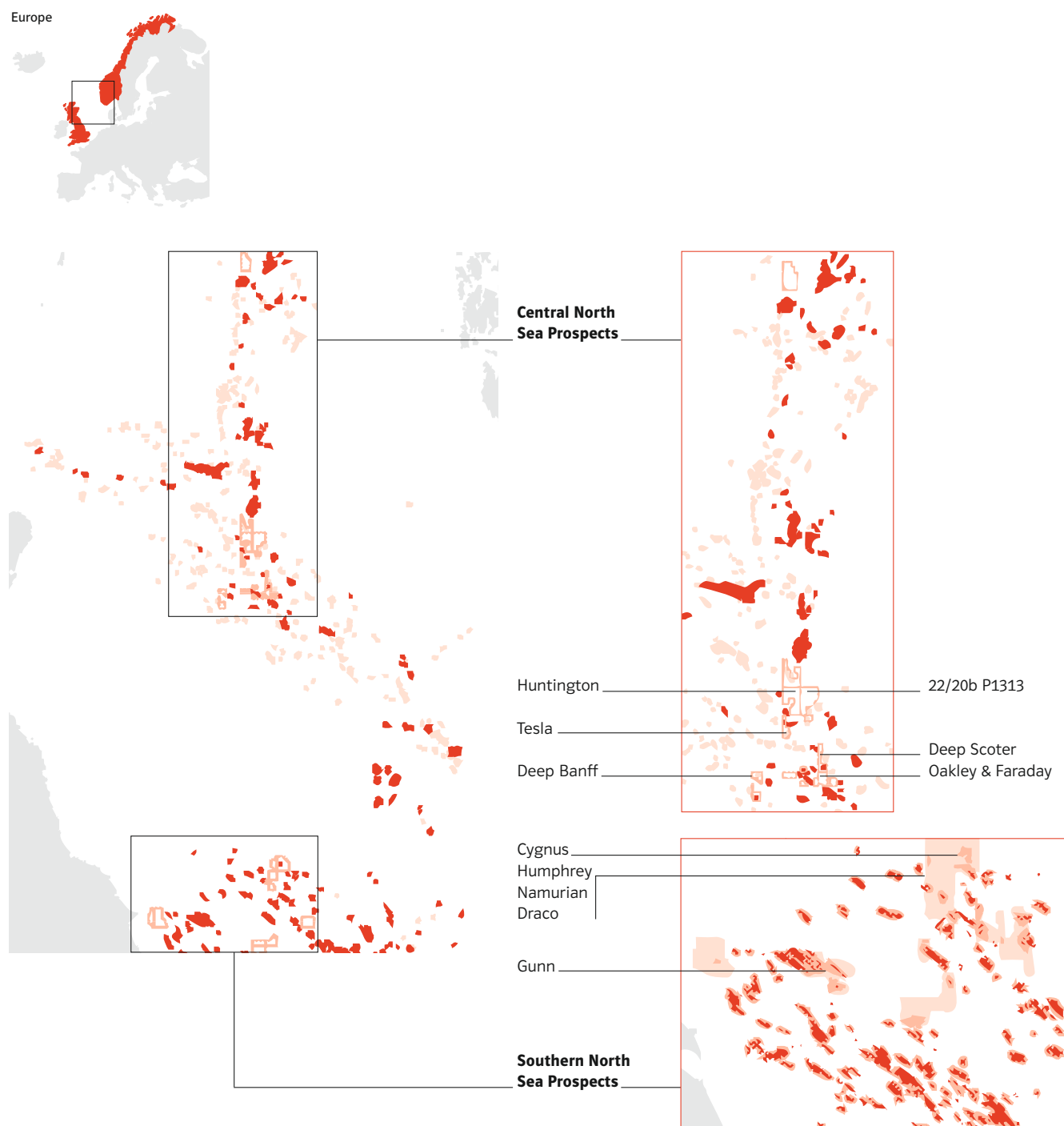
Southern North Sea	
	Interest
Ravenspurn North	28.8%
Johnston	50.1%
Hunter	79.0%
Schooner	4.8%
Caister	40.0%
Minke	42.7%

¹Only fields in production; therefore without Skarv.

E.ON Ruhrgas—Exploration Licenses Norway



E.ON Ruhrgas—Exploration Licenses U.K. North Sea



E.ON Ruhrgas—Activities in Russia

Gazprom Group

- Gas reserves 29.8 trillion m³
- Gas production¹ 548.6 billion m³
- Pipeline system² 158,200 km
- Exports
 - Europe² 168,5 billion m³
 - CIS and Baltic states 100,9 billion m³

Partnership with Gazprom

- Russia is one of the main sources of natural gas for Europe.
- E.ON Ruhrgas and Gazprom with long-standing partnership.
- Long-term supply contracts running up to 2036.
- E.ON Ruhrgas interest/direct and indirect 6.4 percent.

¹On www.gazprom.com.

²As of December 31, 2007. Source: Annual Report OAO Gazprom.

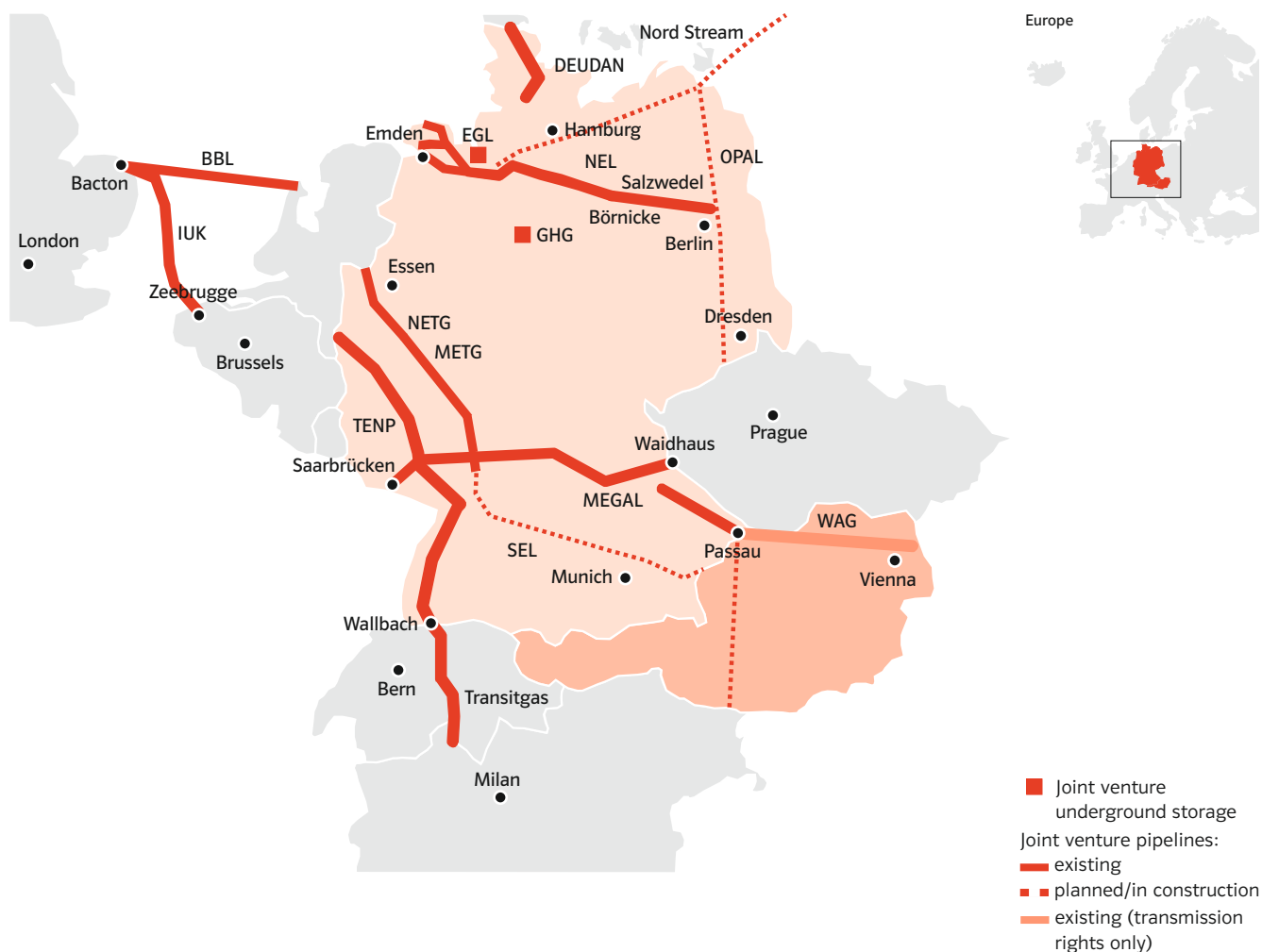
Gas Production in Russia—Yushno Russkoye



- Start of production Q4/2007.
- Proven and probable reserves of 820¹ billion m³ or at least 35 years of production.
- Plateau production of approximately 25 billion m³/year (equivalent to yearly demand of Spain 100 percent or U.K. 25 percent).
- Total investment for field development €1.2 billion.
- E.ON planned participation 25 percent minus 1 share.

¹Assessment of proven reserves based on Russian Standards.

E.ON Ruhrgas—Pipeline and Storage Joint Ventures



Shareholdings¹

Percentages

Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG, Haan (Rhld.), (NETG)	50.00
Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Haan (Rhld.), (METG)	100.00
Trans Europa Naturgas Pipeline GmbH & Co. KG, Essen (TENP)	51.00
MEGAL Mittel-Europäische Gasleitungsgesellschaft mbH & Co. KG, Essen	51.00
DEUDAN - Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. KG, Handewitt	25.00
GHG-Gasspeicher Hannover Gesellschaft mbH, Hanover	13.20
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG, Emstek	40.60
Etzel Gas-Lager GmbH & Co. KG, Friedeburg-Etzel, (EGL)	74.80
Transitgas AG, Zurich, Switzerland	3.00
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., Vienna, Austria ²	15.00
Interconnector (UK) Limited, London, United Kingdom, (IUK)	23.59 ³
BBL Company V.O.F., Groningen, Netherlands	20.00
Nord Stream AG, Zug, Switzerland	24.50 ⁴
Tauerngasleitung Studien- und Planungsgesellschaft mbH (TGL), Wals, Austria	45.00

¹As of December 31, 2007.

²Holds the assets of the WAG West Austrian Gasline via a financial lease agreement with OMV Gas.

³25.09 percent as of May 2008.

⁴20.00 percent as of June 2008.

E.ON Ruhrgas—Pipelines in Germany

E.ON Ruhrgas AG's Pipelines in Germany ¹		
km	Total	Maintained by E.ON Ruhrgas AG
Owned by E.ON Ruhrgas AG	6,746	6,428
Co-owned pipelines	1,547	602
DEUDAN (PC)	110	-
EGL (PC)	67	67
MEGAL (PC)	1,092	1,092
METG (PC)	425	425
NETG (PC)	285	144
NETRA (PC)	341	106
TENP (PC)	998	998
Companies in which E.ON Ruhrgas AG holds a stake through its subsidiaries ERI and Thüga	-	2,037
Owned by third parties	-	1,043
Total in Germany	11,611	12,942

¹As of December 31, 2007.
(PC) project company.

E.ON Ruhrgas—Transmission

Transmission services

Gas transmission through the gas network operated by E.ON Gastransport, a wholly-owned subsidiary of E.ON Ruhrgas AG.

Storage services

Provision of storage capacity of E.ON Ruhrgas AG.

Virtual trading points

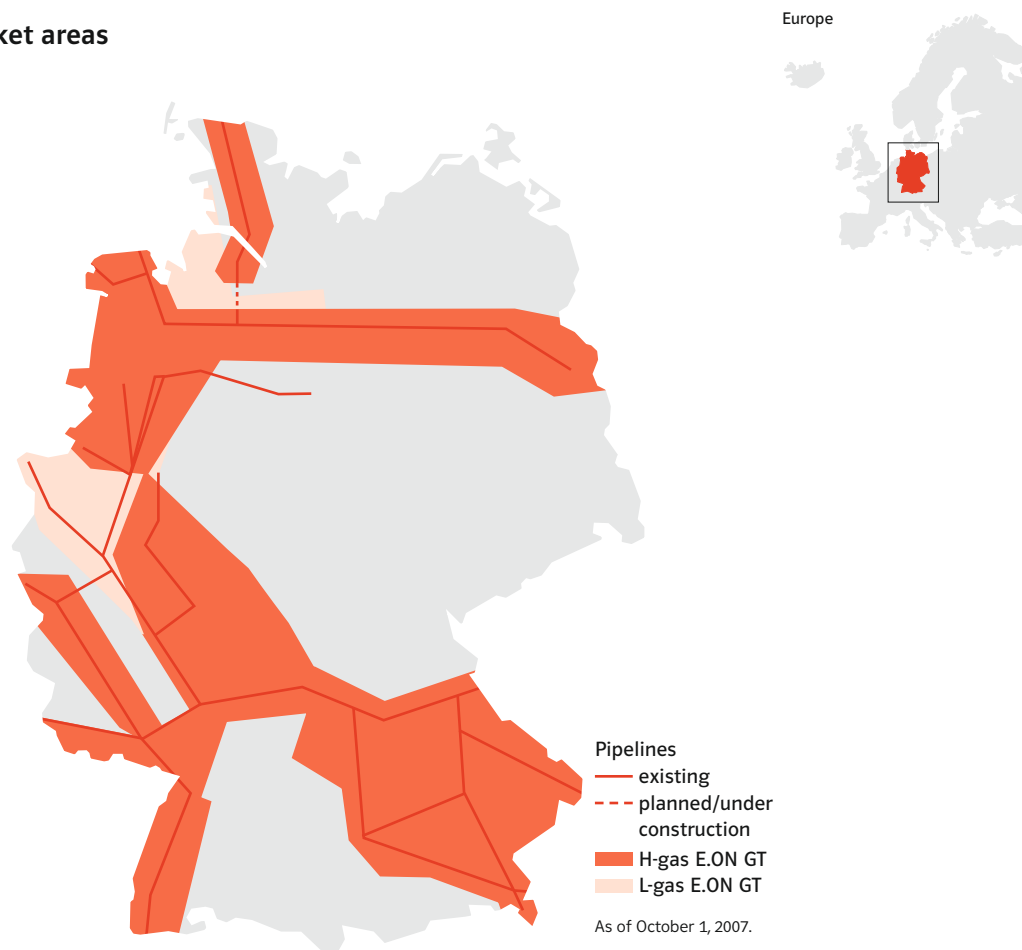
Handling the gas traded at the virtual trading points of E.ON Gastransport.

Transmission management in third-party networks

- Purchasing of transmission capacity in national and international third-party networks.
- Handling of transmission in third-party networks.

E.ON Ruhrgas—Transport

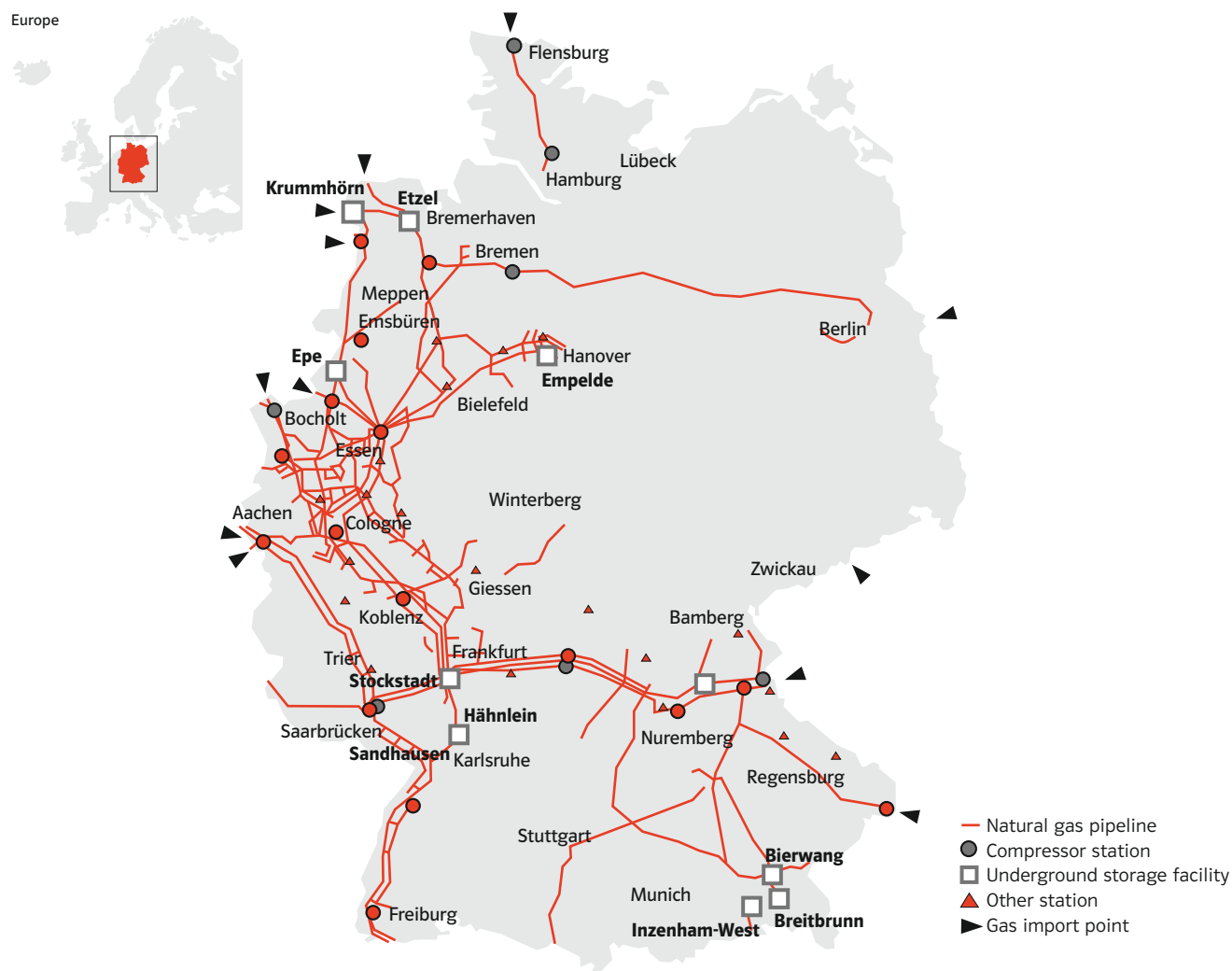
E.ON Gastransport market areas



Key issues

- Booking of freely assignable capacities.
- Simple fee structure for over 1,000 entry and exit points.
- Fees contain system service and fuel gas elements.
- Real-time availability of platform functionality (i.e. online booking of capacities).
- One virtual trading point in each market area.
- As of October 1, 2007 market areas H-gas North, H-gas Middle and H-gas South were merged into one H-Gas area.
- Joint market areas planned with other grid operators.

E.ON Ruhrgas—Gas Storages



E.ON Gas Storage

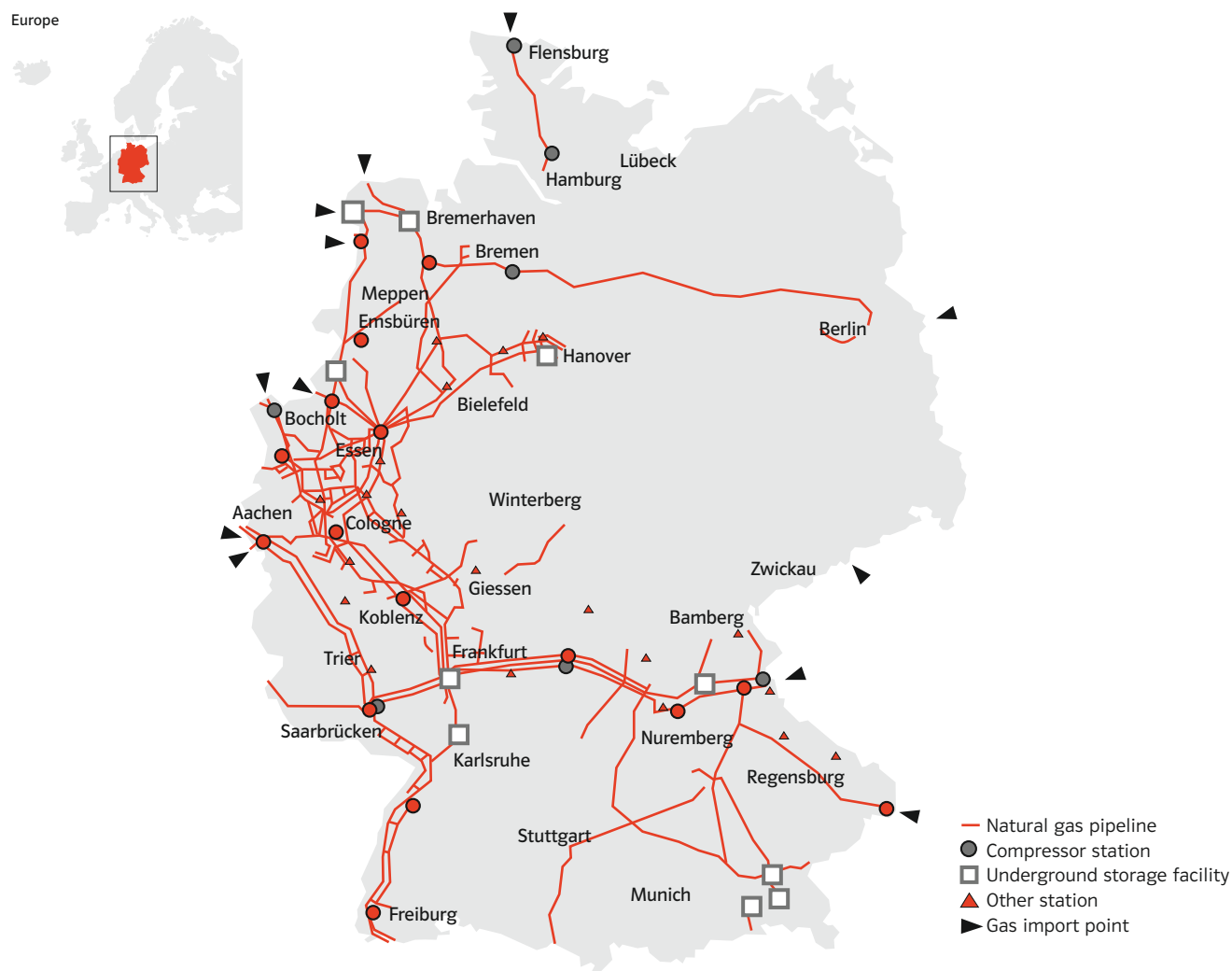
- A new company E.ON Gas Storage, a wholly-owned subsidiary of E.ON Ruhrgas, will bundle all E.ON storage activities and operates throughout Europe.
- E.ON Gas Storage will start its business operations in 2008.

E.ON Ruhrgas—Gas Storages

E.ON Ruhrgas AG's Underground Gas Storage Facilities in Germany ¹					
		E.ON Ruhrgas AG's share in working capacity (million m ³)	E.ON Ruhrgas AG's share in maximum withdrawal rate (thousand m ³ /hour)	E.ON Ruhrgas AG's share in storage facility or in the project company %	Operated by E.ON Ruhrgas AG
Bierwang ³	E.ON Ruhrgas AG	1,360	1,200	100.0	Yes
Empelde ²	GHG-Gasspeicher Hannover Gesellschaft mbH ⁴	18	47	13.2	-
Epe ²	E.ON Ruhrgas AG	1,761	2,450	100.0	Yes
Eschenfelden ³	E.ON Ruhrgas AG/N-ERGIE AG	48	87	66.7	Yes
Etzel ²	Etzel Gas-Lager GmbH & Co. KG ⁴	371	987	74.8	-
Hähnlein ³	E.ON Ruhrgas AG	80	100	100.0	Yes
Krummhörn ^{2,5}	E.ON Ruhrgas AG	-	-	100.0	Yes
Sandhausen ³	E.ON Ruhrgas AG/ Gasversorgung Süddeutschland GmbH	15	23	50.0	Yes
Stockstadt ³	E.ON Ruhrgas AG	135	135	100.0	Yes
Breitbrunn ³	RWE Dea AG/ Exxon Mobil Gasspeicher Deutschland GmbH ⁷ / E.ON Ruhrgas AG ⁸	992 ⁶	520	Leased ⁷	Yes ⁸
Inzenham-West ³	RWE Dea AG	500	300	Leased	-
Total		5,280	5,849		

¹As of December 31, 2007.
²Salt cavern.
³Porous rock.
⁴Project company.
⁵Currently out of service for repairs/adjustments.
⁶992 million m³ is the current working gas capacity available to E.ON Ruhrgas AG.
⁷Underground section.
⁸Above-ground-part, particularly the storage compressor station.

E.ON Ruhrgas—Involvement in the German Gas Market



E.ON Ruhrgas International Shareholdings in Germany

Percentages	Share held
Ferngas Nordbayern GmbH ¹	53.10
Gas-Union GmbH ¹	25.93
Saar Ferngas AG ¹	20.00

¹Interest held via ERI's wholly-owned subsidiary RGE Holding GmbH.

Key Figures in 2007

	E.ON Ruhrgas AG	Overall market	Market share
Sales	532 ¹ bn kWh	960 bn kWh	55.4%
Pipeline systems ²	11,611 km	61,000 ⁵ km	19.0%
Storage capacities ³	5.3 bn m ³	19.2 ⁶ bn m ³	26.1%

¹1712.8 billion kWh including gas sales volume abroad and other volumes.

²Incl. co-owned pipelines and Joint Venture Pipelines.

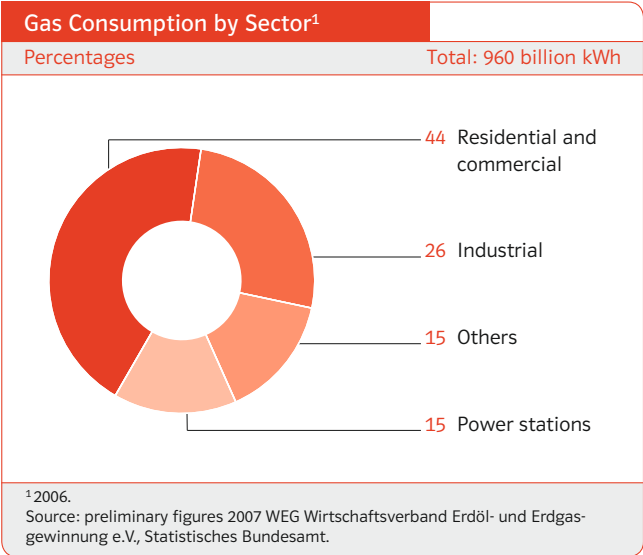
³Working gas capacity.

⁴Incl. joint and joint-venture facilities.

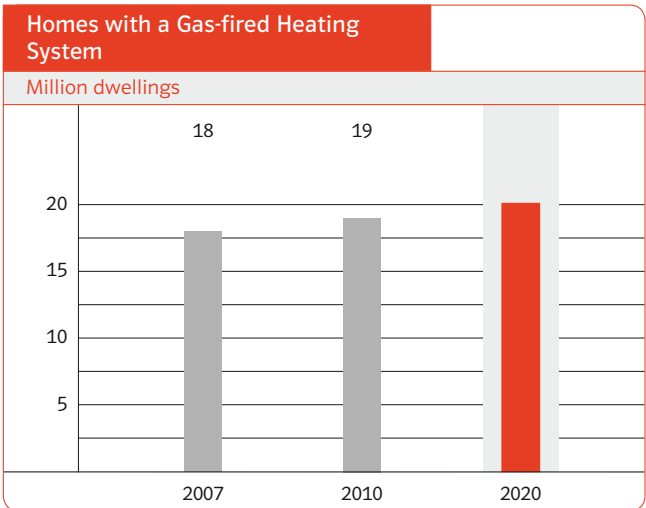
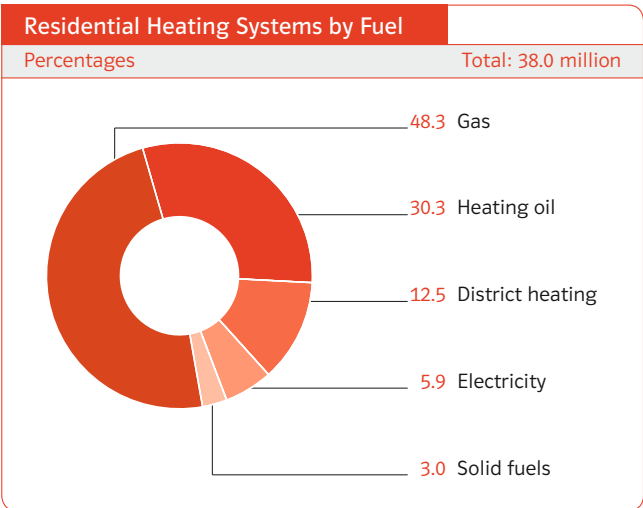
⁵As of December 31, 2003. Source: BGW-Gasstatistik, high and mid pressure networks.

⁶As of December 31, 2007. Source: LBEG Niedersächsisches Landesamt für Bergbau, Energie und Geologie.

German Natural Gas Consumption by Market Sector

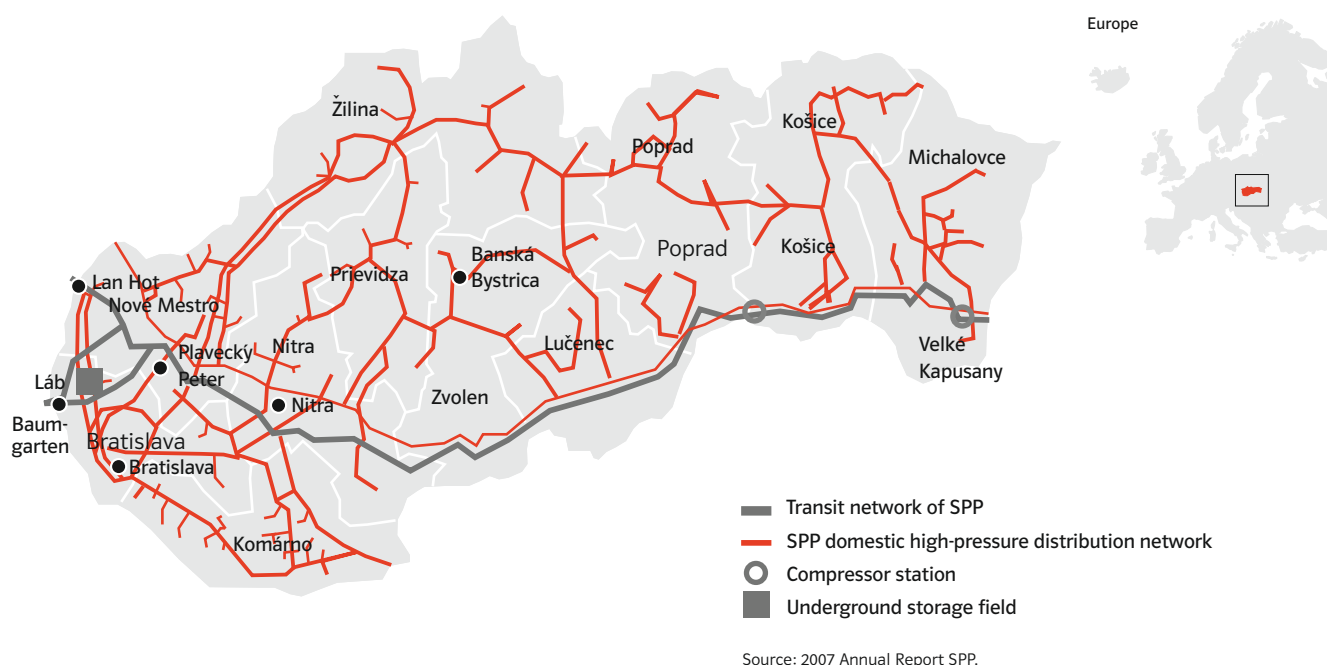


Residential Heating Systems in Germany



- Approximately 67 percent of new dwellings have a gas-fired heating system.
- Over the years, gas has steadily increased its share of the residential space-heating market.
- Today, gas is the most popular choice for heating homes.
- The number of homes heated by gas has been steadily growing since the 1970s. This development is continuing. Today, 48 percent of the nearly 38 million homes in Germany use gas for heating and the trend is upwards.

E.ON Ruhrgas—Activities in Slovakia



Shareholders of SPP

- Slovak state 51 percent.
- Slovak Gas Holding B.V. 49¹ percent (E.ON Ruhrgas International and Gaz de France 50 percent each).

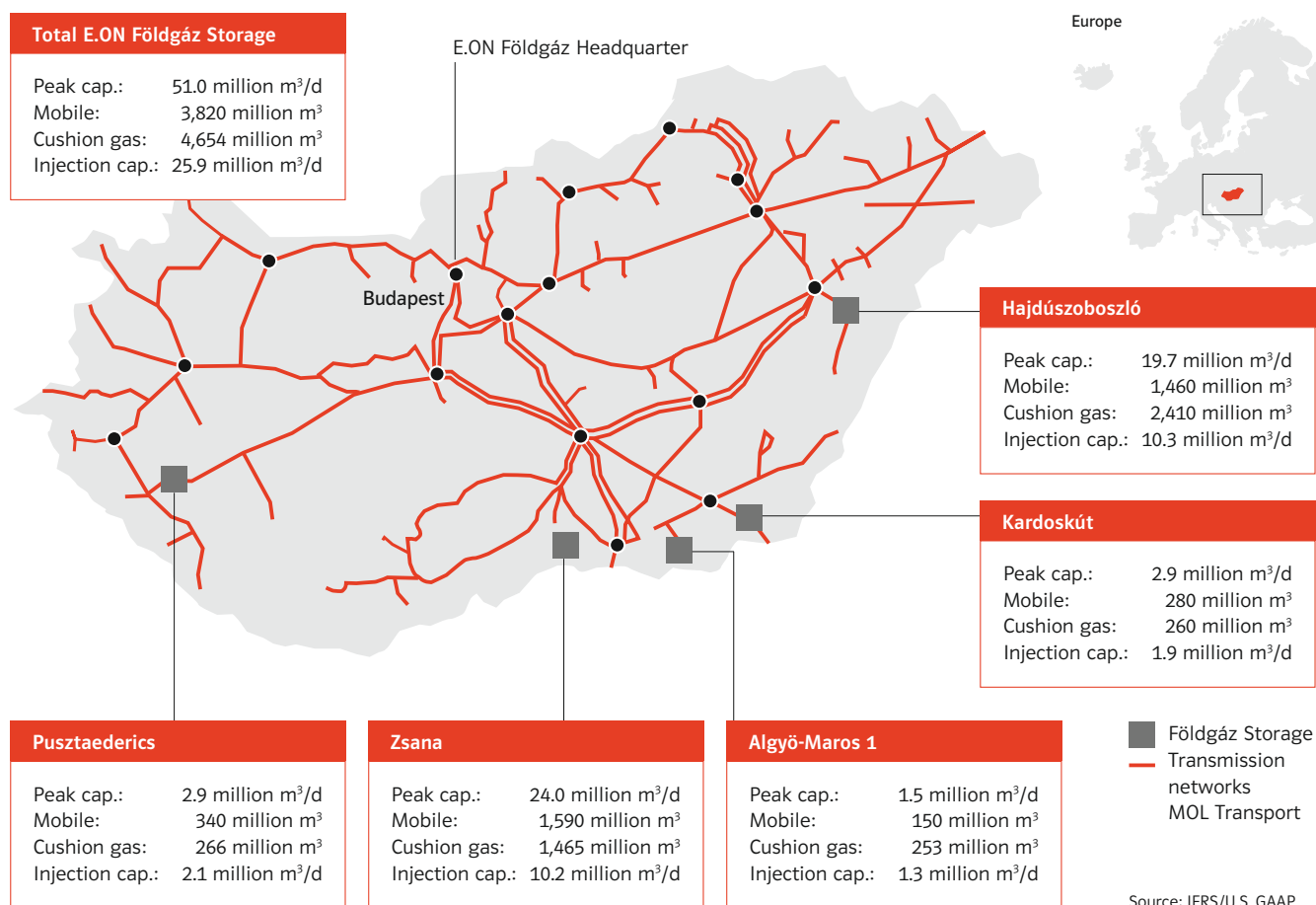
Key Figures 2007

Sales	€2.39 billion
Gas sendout	5.7 billion m ³
Customers	1.5 million
Transit gas volume	72.8 billion m ³
Employees (Average in 2007)	5,438

Basis: IFRS Consolidated.

¹E.ON Ruhrgas International and Gaz de France have business control of the company through Slovak Gas Holding B.V.

E.ON Ruhrgas—Activities in Hungary

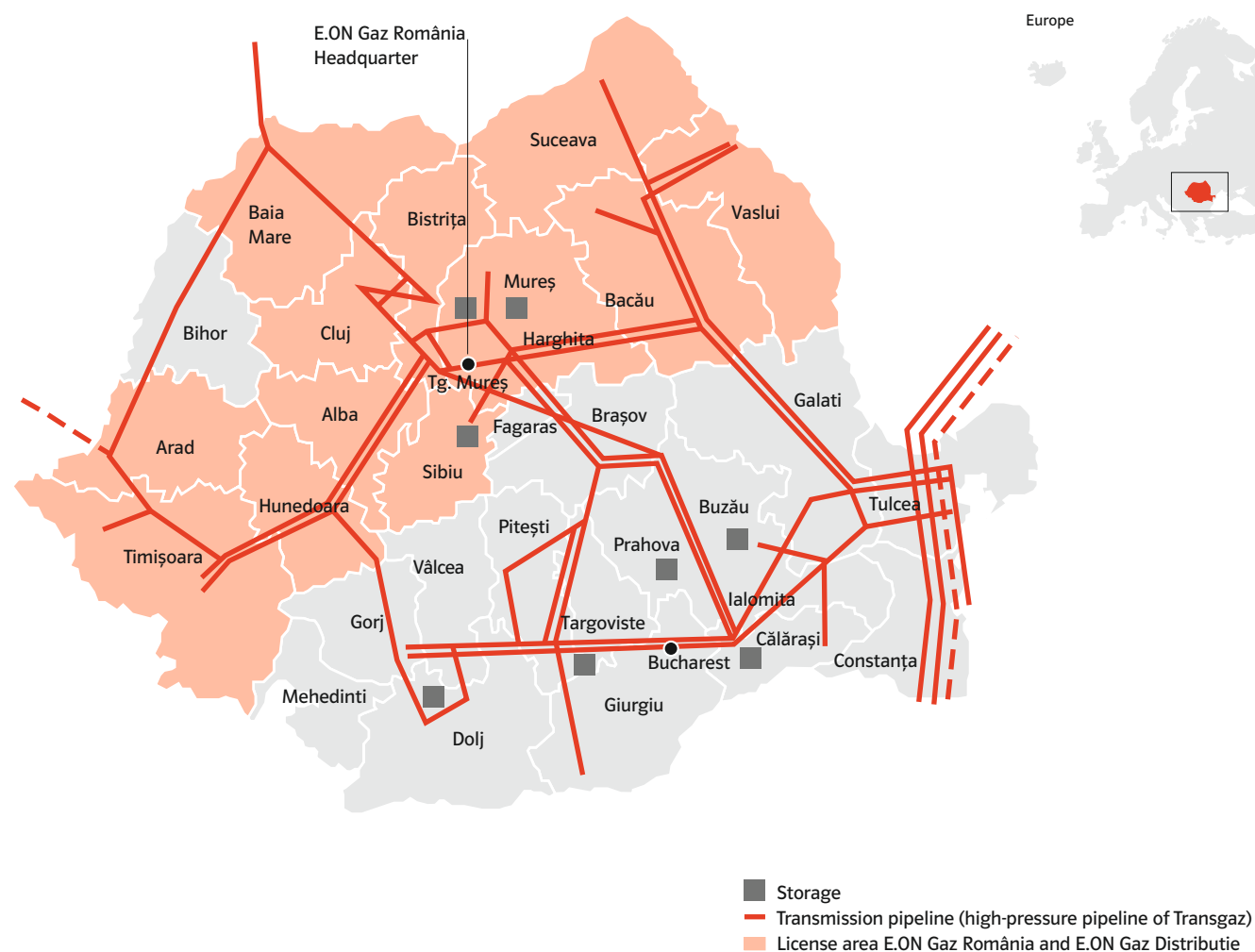


Key Figures 2007

	E.ON Földgáz Trade	E.ON Földgáz Storage
Sales	€3,100.0 million	€200.4 million
Gas sendout	11.1 billion m ³	-
Customers	50	12
Employees (Dec. 31)	75	172

Basis: HAS (Hungarian Accounting Standards).

E.ON Ruhrgas—Activities in Romania



Shareholders of E.ON Gaz România

- Romanian State: 49.0 percent.
- E.ON Ruhrgas: 51.0 percent.

Key Figures 2007		
	E.ON Gaz România	E.ON Gaz Distribuție
Sales	€365.3 million	€459.5 million
Gas sendout	2.8 billion m ³	-
Customers	1.37 million	1.37 million
Employees (Dec. 31)	443	7,545

Source: RAS (Romanian Accounting Standards).

Key Figures

Pan-European Gas Key Figures			
€ in millions	2007	2006	+/- %
Sales	22,745	22,947	-1
Adjusted EBITDA	3,176	3,092	+3
Adjusted EBIT	2,576	2,347	+10
ROCE	15.0%	14.8%	+0.2 ¹
Cost of capital	8.8%	8.2%	+0.6 ¹
Value added	1,062	1,046	+2
Cash provided by operating activities	3,041	604	+403
Investments	2,424	882	+175
Employees (at year end)	12,214	12,417	-2

¹Change in percentage points.

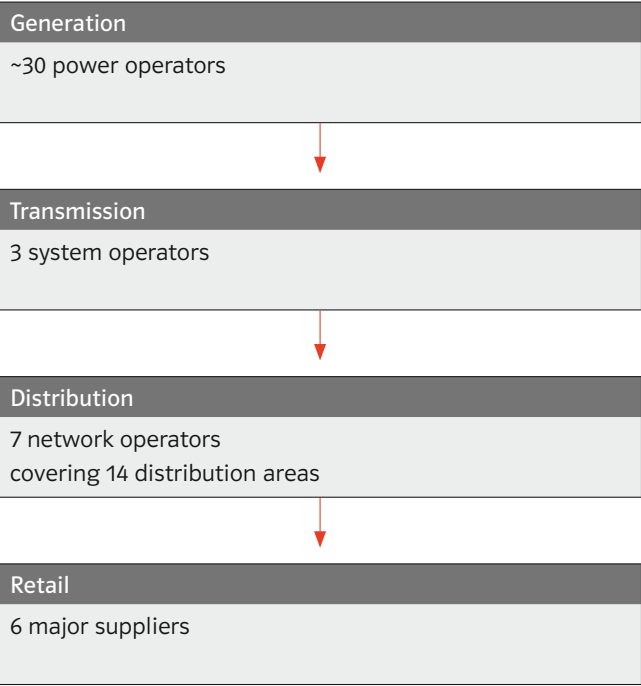
U.K. Market Unit

92	Introduction
92	Market Overview U.K.
93	Business Activities
94	2007 Sales
95	Activities in U.K.
96	Business Activities along the Value Chain
97	2007 Power Procurement and Sales Volume
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105	Energy Services
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Introduction

E.ON UK is one of the leading integrated power and gas companies in the United Kingdom. It was formed as one of the four successor companies to the former Central Electricity Generating Board as part of the privatization of the power industry in the United Kingdom in 1989. E.ON UK and its associated companies are actively involved in power generation, distribution, retail and trading. As of December 31, 2007, E.ON UK owned or through joint ventures had an attributable interest in 10,581 MW of generation capacity, including 359 MW of CHP plants and 251 MW of operational wind and hydroelectric generation capacity. E.ON UK served approximately 8.0 million electricity and gas customer accounts at December 31, 2007 and its Central Networks business served 4.9 million customer connections. The U.K. market unit recorded sales of €12.6 billion in 2007 and adjusted EBIT of €1.1 billion.

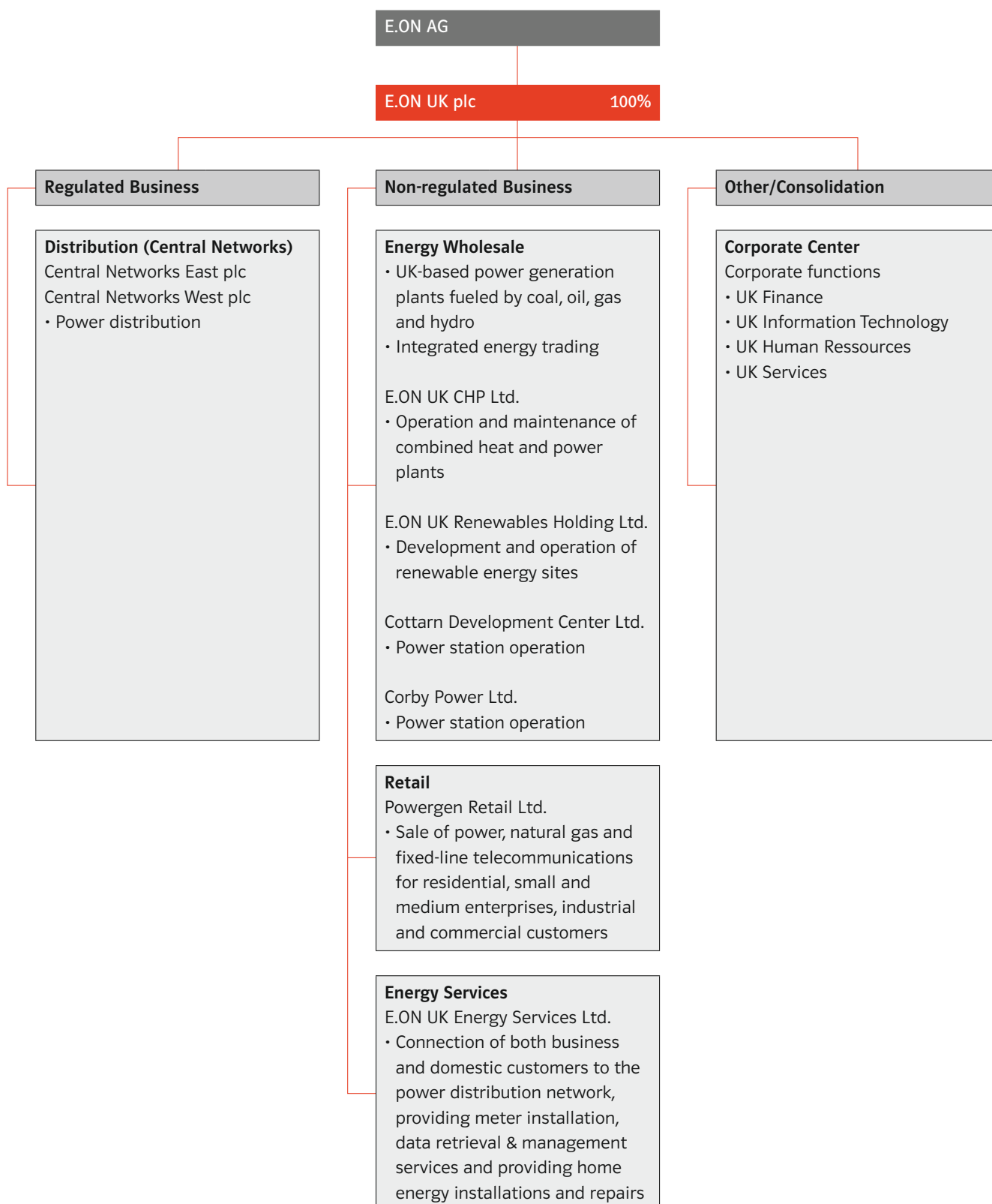
Market Overview U.K.



U.K. Power and Gas Supply		
Billion kWh	Supply ¹	CAGR 2005-2010
Power	357.4	0.6%
Gas	1,053.0	1.4%

¹As of December 31, 2006.
CAGR = Compound annual growth rate.
Source: E.ON

Business Activities



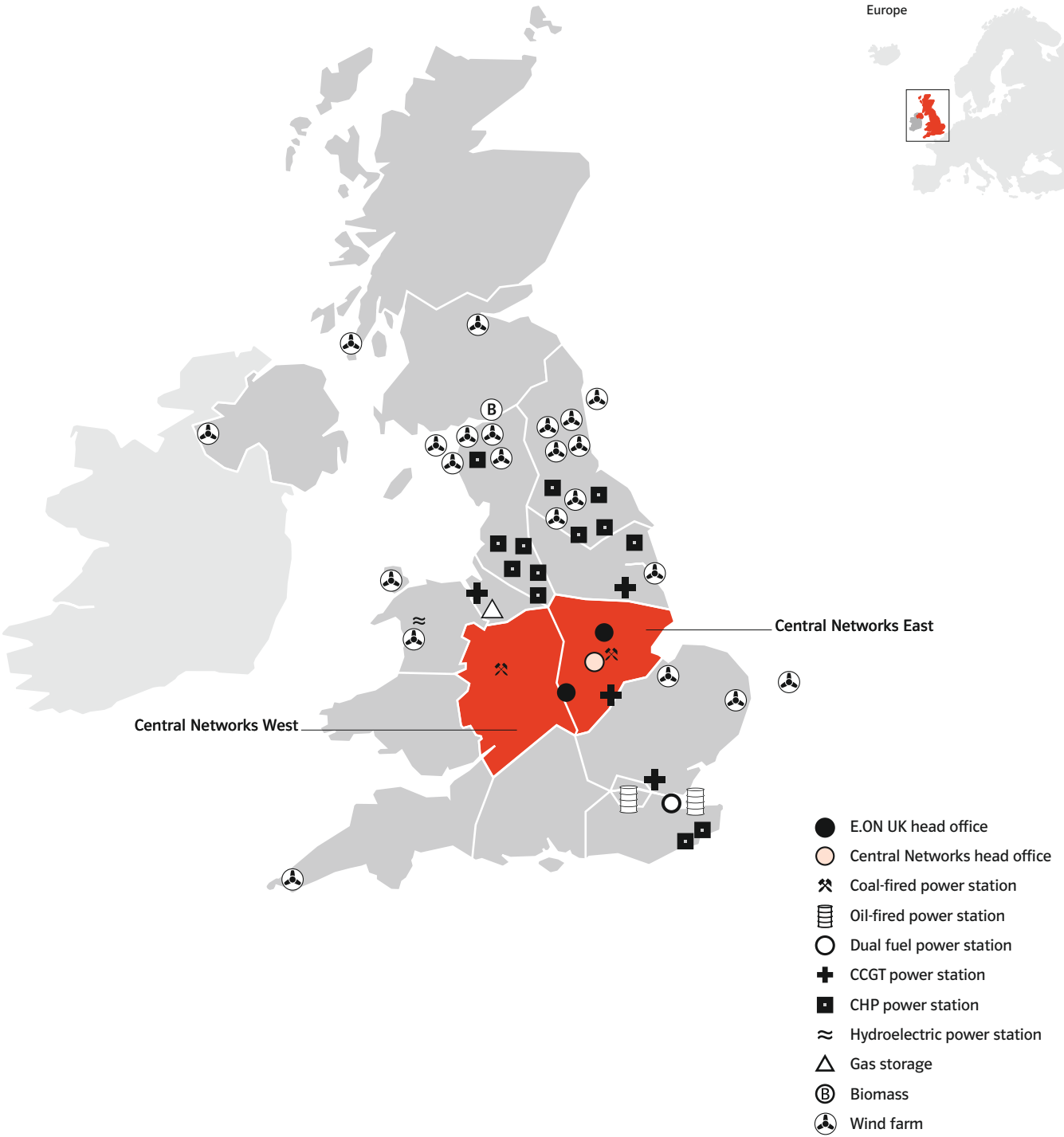
2007 Sales

Sales by Business Units	
€ in million	
Regulated business	888
Non-regulated business	12,126
Other/consolidation	-430
Total	12,584

Significant market positions

- One of the U.K.'s leading national energy brands with about 8.0 million customer accounts (5.3 million electricity and 2.7 million gas).
- Flexible generation position, well balanced against mass-market retail operations.
- Energy Trading business division is a major participant in the U.K. electricity and gas wholesale market.
- E.ON UK's share of distribution network is 132,115 km, overall market is 759,221 km, giving a market share of 17.0 percent.
- One of the leading U.K. renewable developers and operators, and leading CHP operator.

Activities in U.K.



Activities in U.K.

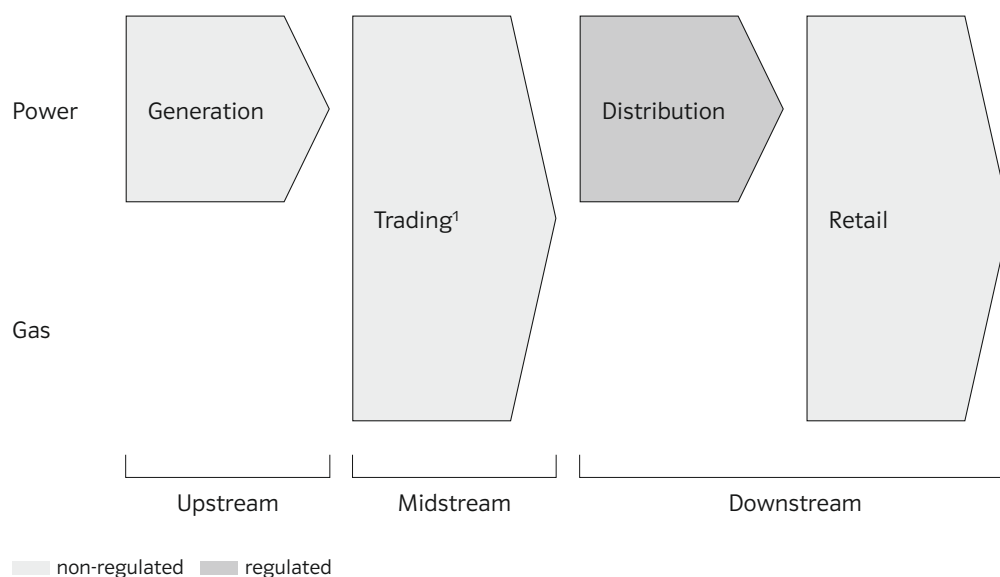
Power			
	E.ON UK shareholdings	Overall U.K. market	Market share %
Power supplied	77.8 billion kWh	357.4 billion kWh	22.0
of which own generation ¹	41.2 billion kWh	357.4 billion kWh	12.0
Customer accounts	5.3 million	29.2 million	18.0
Distribution network	132,115 km	759,221 km	17.0
Generation capacity	11 GW	83 GW ²	13.0

¹Excludes CHP and renewables generation.
²Official U.K. Government Figures for U.K. Plant Capacity have yet to be released for 2007 (figures based on prior year).

Natural Gas			
	E.ON UK shareholdings	Overall U.K. market	Market share %
Sales	78.9 billion kWh ¹	1,053 billion kWh	7.5
Customer accounts	2.7 million	22.1 million	12.2

¹Sales to industrial and commercial customers, sales to retail mass market customers, market sales (see Business Overview, page 44).

Business Activities along the Value Chain



¹Carried out by E.ON Energy Trading as of January 1, 2008.

2007 Power Procurement and Sales Volume

Power Generation by Energy Source					
MW	2007 ¹	2006	2005	2004	2003
Gas	3,865	3,849	3,849	2,567	2,993
Coal	4,910	4,910	4,910	4,910	4,910
Other	1,806	1,788	1,788	1,788	1,711
E.ON UK	10,581	10,547	10,547	9,265	9,614
Gas	37,633	37,633	36,396	35,631	33,857
Coal	22,902	22,902	22,627	22,639	22,524
Nuclear	10,969	10,969	11,852	11,852	11,852
Other	11,541	11,541	10,863	10,179	10,061
U.K. market overall	83,045	83,045	81,738	80,301	78,294

¹Official U.K. Government Figures for U.K. Plant Capacity have yet to be released for 2007 (figures based on prior year).

Generation Output					
GWh	2007	2006	2005	2004	2003
Gas	19,723	14,479	16,405	16,560	16,286
Coal	22,856	22,143	21,840	21,760	24,759
Other	756	857	934	521	380
E.ON UK	43,335	37,480	39,179	38,841	41,425
Gas	146,084	124,688	134,798	137,758	128,037
Coal	125,245	139,474	126,140	121,937	127,698
Nuclear	57,249	69,237	75,173	73,682	81,911
Other	28,803	27,539	24,401	22,612	17,595
U.K. market overall	357,380	360,937	360,512	355,989	355,241

Generation Assets

Hard-Coal-fired Power Stations				
	Total capacity net MW	E.ON UK's share		
		%	Attributable capacity MW	Start-up date
Ironbridge U1 ¹	485	100.0	485	1970
Ironbridge U2 ¹	485	100.0	485	1970
Kingsnorth U1 ¹	485	100.0	485	1970
Kingsnorth U2 ¹	485	100.0	485	1971
Kingsnorth U3 ¹	485	100.0	485	1972
Kingsnorth U4 ¹	485	100.0	485	1973
Ratcliffe U1 ^{1,2}	500	100.0	500	1968
Ratcliffe U2 ^{1,2}	500	100.0	500	1969
Ratcliffe U3 ^{1,2}	500	100.0	500	1970
Ratcliffe U4 ^{1,2}	500	100.0	500	1970
Total	4,910		4,910	

¹Biomass material co-fired during 2007.
²In May 2006, after a successful 18-month trial, Ratcliffe-on-Soar power station was granted the necessary authorization to allow the co-firing of petroleum coke with coal at all four units.

Natural-Gas-fired Power Stations				
	Total capacity net MW	E.ON UK's share		
		%	Attributable capacity MW	Start-up date
Cottam Development Centre (CDC) Module	400	100.0	400	1999
Connahs Quay U1	345	100.0	345	1996
Connahs Quay U2	345	100.0	345	1996
Connahs Quay U3	345	100.0	345	1996
Connahs Quay U4	345	100.0	345	1996
Corby Module	401	50.0	200	1993
Enfield ¹	408	100.0	408	2002
Killingholme Mod 1	450	100.0	450	1992
Killingholme Mod 2	450	100.0	450	1993
Merchant CHP	218	100.0	218	various
Total	3,707		3,506	

¹Enfield capacity increased to 408 MW (2006: 392 MW) after a compressor upgrade.

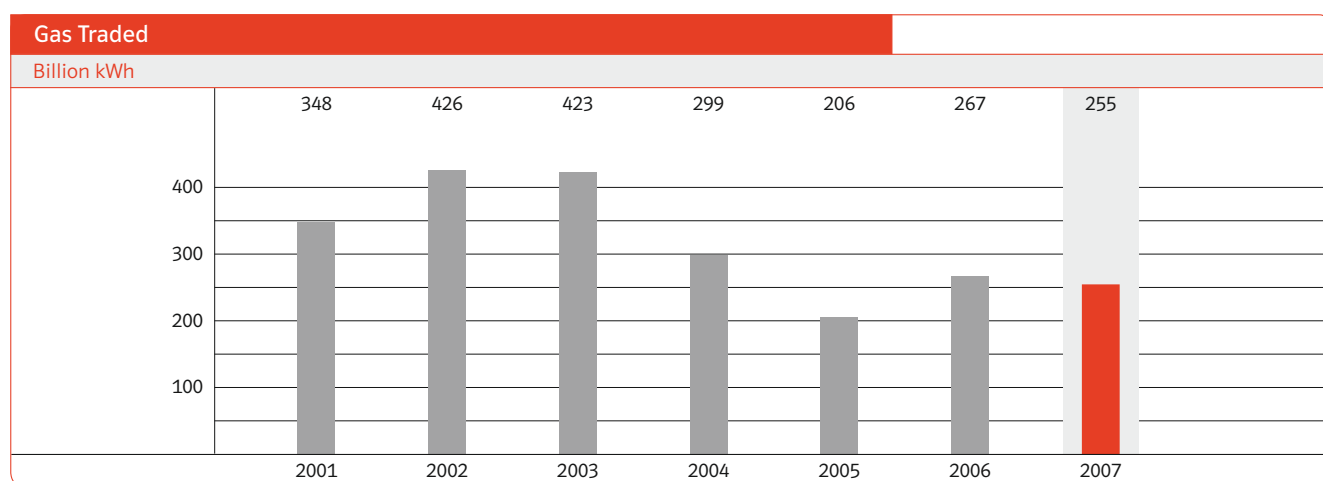
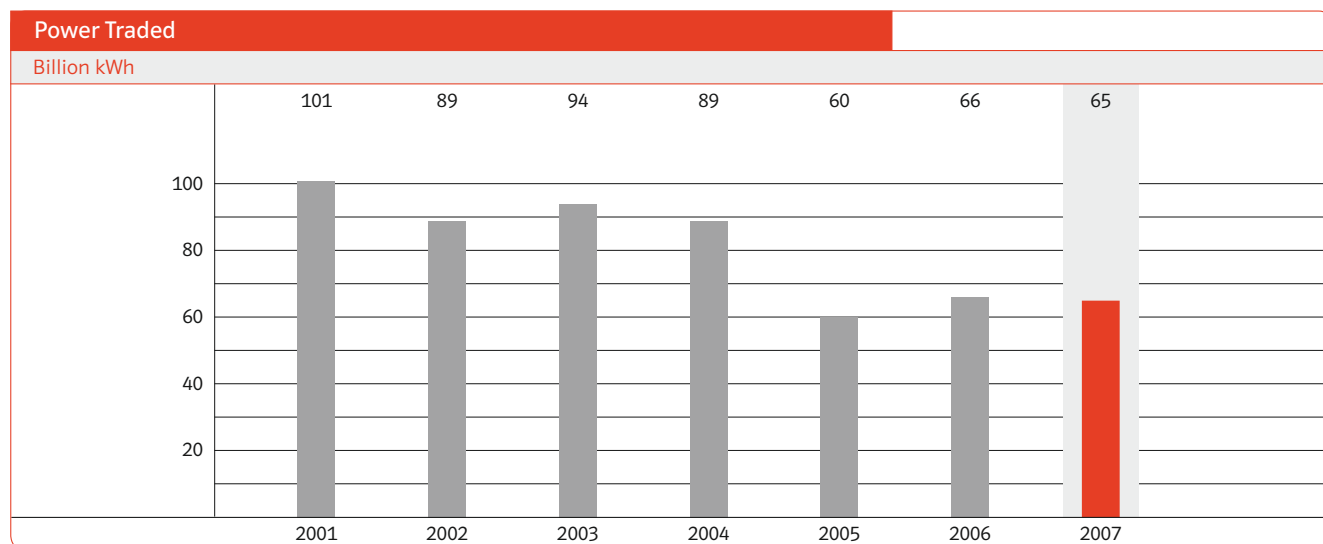
Oil-fired Power Stations				
	Total capacity net MW	E.ON UK's share		
		%	Attributable capacity MW	Start-up date
Grain U1	650	100.0	650	1982
Grain U4	650	100.0	650	1984
Total	1,300		1,300	

Other Power Stations (Including Hydroelectric and Wind Farms)				
	Total capacity net MW	E.ON UK's share		Start-up date
		%	Attributable capacity MW	
Grain Aux GT1	28	100.0	28	1979
Grain Aux GT4	27	100.0	27	1980
Kingsnorth Aux GT1	17	100.0	17	1967
Kingsnorth Aux GT4	17	100.0	17	1968
Ratcliffe Aux GT2	17	100.0	17	1967
Ratcliffe Aux GT4	17	100.0	17	1968
Taylors Lane GT2	68	100.0	68	1981
Taylors Lane GT3	64	100.0	64	1979
Hydroelectric	50	100.0	50	1962
Wind farms ¹	212	various	201	various
Total	517		506	

¹Wind farm capacity at 212 MW (2006: 197 MW) after completion of Stags Holt onshore site. Transferred to E.ON Climate & Renewables at January 1, 2008.

CHP Power Stations				
	Total capacity net MW	E.ON UK's share		Start-up date
		%	Attributable capacity MW	
CHP schemes	359	100.0	359	various
Total	359		359	

Power and Gas Trading

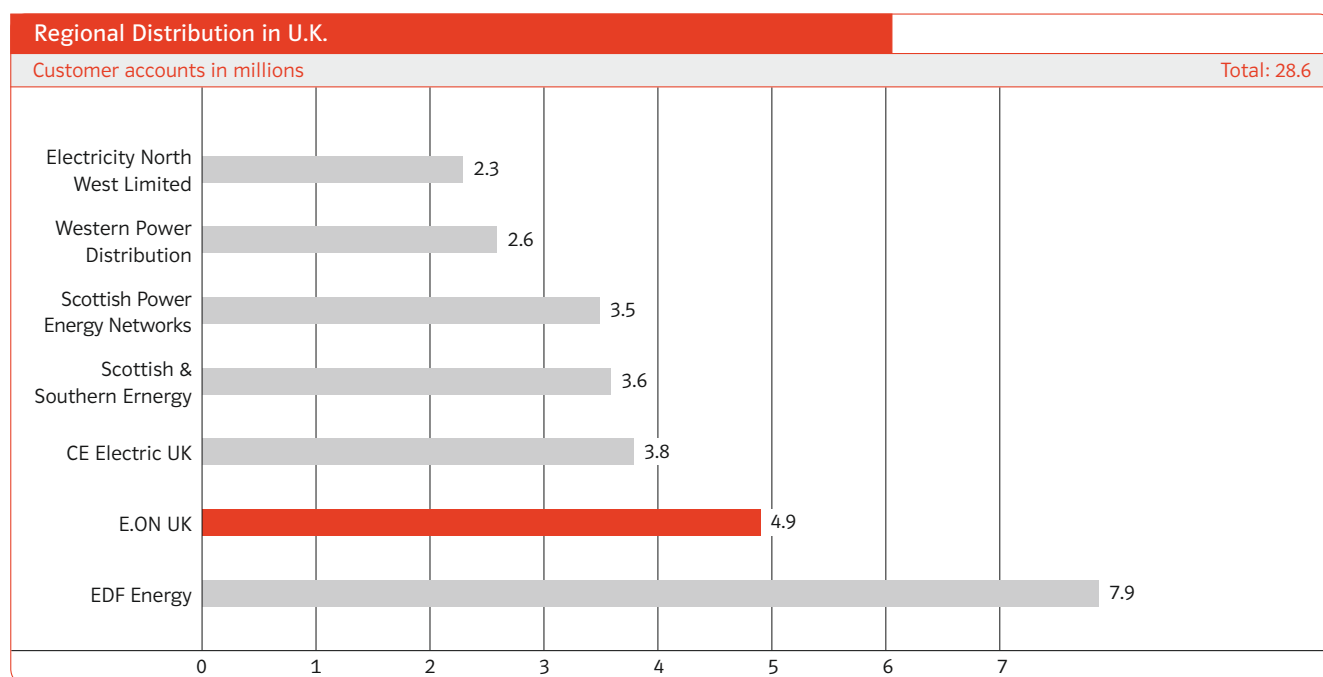


Market Purchases and Proprietary Trading

- Primary role is to maximize the integrated gross margin across generation, trading, and retail, within acceptable risk limits.
- Active in several markets: Power in U.K. and in France; gas in U.K. and continent, gas oil and fuel oil in U.K., carbon in the U.K. as well as international & U.K. coal trading.

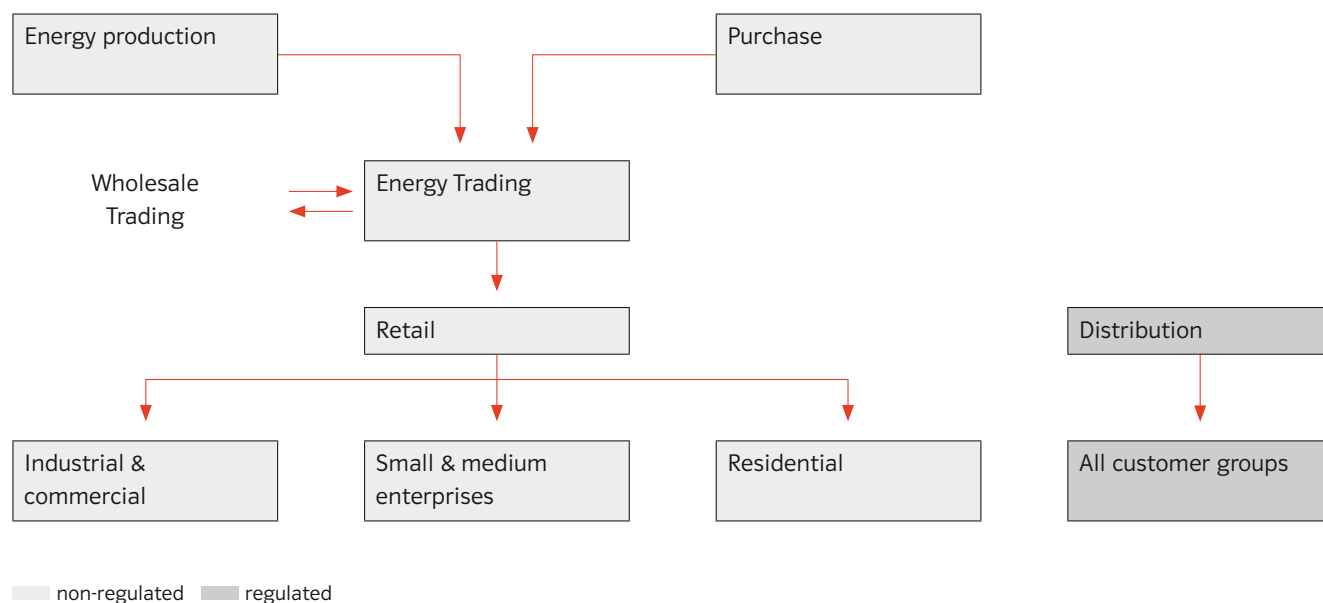
Regional Distribution





In January 2004, E.ON UK acquired Midlands Electricity for £1.2 billion. The distribution network of Midlands Electricity is adjoining E.ON UK's existing East Midlands Electricity network. The combined system is known as Central Networks, with 4.9 million customer connections.

Supply Structure

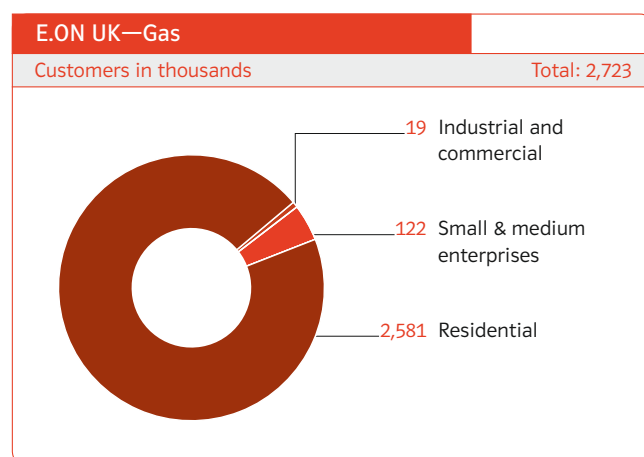
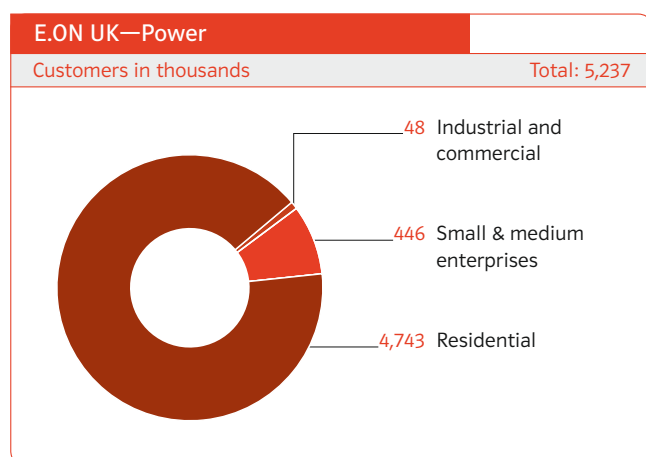


Non-regulated Business

- Activities throughout U.K.
- Free choice of electricity supplier.
- Competition and minimal regulation.
- Trade and delivery of electricity.
- Power trading optimizes generation and supply.

Regulated Business

- Operating in East Midlands and in Midlands (since January 16, 2004).
- Highly regulated.
- Only electricity distribution.
- Strict separation from retail business.

Power and Gas Customers¹

Marketing, customer services, and products create loyalty to the E.ON UK and Powergen brands.

¹As of December 31, 2007.

Energy Services

Energy Services Key Figures	
	2007
Energy Services	
Number of Staff	4,015
Connections	
Number of domestic connections	46,405
Home Installations	
Number of heating jobs	116,917 ¹
Number of insulation jobs	116,695 ¹
Number of local authority/housing association contracts	28 ¹
Metering	
Meter changes	281,000

¹See Business Overview, page 51, approx. 400,000 homes per year.

- **New Connections**—Connecting domestic and business customers to the distribution network predominantly for electricity, but increasingly offering multi-utility connection service.
- **Metering Services**—Provides meter installation, data retrieval, data management and meter maintenance services to external customers and our retail business.
- **Home Energy Services**—Provides home energy installations and repairs, including loft and cavity wall insulations, boiler service and repair work to domestic customers, local authorities and housing associations.

E.ON UK—Investments in Generation and Gas Infrastructure

- Progress has been made on consents to build two new highly efficient coal units at Kingsnorth power station in Kent. Approval has been ratified by the local authority and should be confirmed by the U.K. government midway through 2008.
- In 2007 E.ON UK started construction of one of the UK's largest gas-fired CHP stations which will generate 1,275 MW of power and export up to 340 MW of heat at its Isle of Grain site in Kent. This station is due to commission in 2009.
- Continued development of one of the largest gas storage facilities in the U.K.

E.ON UK—Continuous Investment in Renewables

New build and contracts will be utilized to meet the increasing renewable obligation requirement. Recent major actions include:

- During the year construction continued on the 44 MW wood-burning plant in Lockerbie, in Southwest Scotland. This became operational in the first quarter of 2008.
- During the year construction progressed with the Robin Rigg 180 MW offshore wind farm.
- During the year, E.ON UK completed construction of an 18 MW onshore wind farm in Cambridgeshire which became operational in the third quarter of 2007.

Key Figures

U.K. Key Figures			
	2007	2006	+/- %
Sales	€12,584 million	€12,518 million	+1.0
Adjusted EBITDA	€1,657 million	€1,804 million	-8.0
Adjusted EBIT	€1,136 million	€1,239 million	-8.0
ROCE	9.2%	9.7%	-0.5 ¹
Cost of capital	9.5%	9.2%	+0.3 ¹
Value added	€-37 million	€64 million	-
Cash provided by operating activities	€1,615 million	€724 million	+123.0
Investments	€1,364 million	€863 million	+58.0
Employees (at year end)	16,786	15,621	+7.0

¹Changes in percentage points.

Sales by Customer Segment ¹			
Billion kWh	2007	2006	+/- %
Power Residential and SME	34.2	37.9	-10.0
Power I&C	18.4	18.4	-
Power Market sales	25.2	17.5	+4.4
Total power sales	77.8	73.8	+5.0
Gas Residential and SME	55.5	63.9	-13.0
Gas I&C	23.4	28.7	-18.0
Gas Market sales	78.2	62.8	+25.0
Total gas sales	157.1	155.4	+1.0

¹Excludes energy trading activities.

Nordic Market Unit

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121	The Natural Gas Market in Sweden
122	2007 Gas Procurement and Sales Volume
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Introduction

E.ON Nordic's principal business, carried out mainly through E.ON Sverige, is the generation, distribution, sales and trading of power, gas and heat, mainly in Sweden. E.ON Sverige is the second-largest Swedish utility (on the basis of power sales and production capacity).

E.ON Nordic is the largest shareholder in E.ON Sverige, currently holding 55.3 percent of the share capital and a 56.6 percent voting interest. On October 12, 2007, E.ON and Statkraft signed a letter of intent stating that E.ON AG will take over Statkraft's 44.6 percent interest within 2008. The value of this transaction amounts to €4.4 billion.

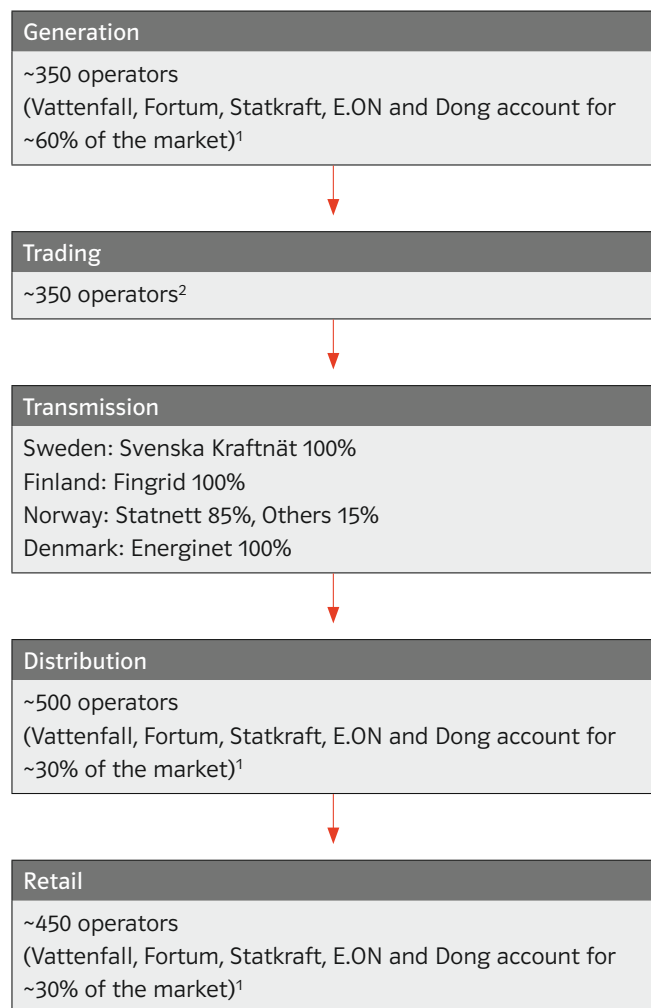
For the first half of 2006, E.ON Nordic also held a majority shareholding in E.ON Finland. On June 26, 2006, E.ON Nordic and Fortum Power and Heat Oy ("Fortum") finalized the transfer of this interest pursuant to an agreement signed on February 2, 2006. In total, 10,246,565 shares, equivalent to 65.56 percent of the share capital and voting interest of E.ON Finland, were transferred to Fortum for total consideration of approximately €390 million.

E.ON Nordic and its associated companies are actively involved in the ownership and operation of power generation facilities. As of December 31, 2007, E.ON Nordic owned, through E.ON Sverige, interests in power stations with a total installed capacity of approximately 18,200 MW, of which its attributable share was approximately 7,400 MW (not including mothballed and shutdown power plants).

In 2007, about 51 percent of the electric power generated by E.ON Nordic through E.ON Sverige was generated at nuclear facilities and about 44 percent at hydroelectric plants. The remaining approximately 5 percent was generated using fuel oil, biomass, natural gas, wind power and waste. E.ON Nordic also supplies gas, is active in the heat and waste business and conducts electricity trading activities. In 2007, E.ON Nordic had sales of €3.3 billion and adjusted EBIT of €670 million. Electricity contributed approximately 75 percent, heat 12 percent, gas 6 percent and other 7 percent of 2007 sales, net of energy taxes. Other sales are mainly attributable to the waste business, as well as contracting activities. E.ON Nordic traded a total of approximately 62.5 billion kWh of electricity in 2007 (including both purchases and sales). E.ON Nordic is primarily active in Sweden, but also operates to a minor degree in Finland, Denmark and Poland. In 2007, E.ON Nordic estimates that it supplied about 21 percent of the electricity consumed by end users in Sweden.

In January 2007, a severe storm hit Sweden cutting power to approximately 300,000 households, including approximately 170,000 E.ON Nordic customers. The expenses incurred by E.ON Nordic for providing mandatory compensation to affected customers in accordance with newly enacted Swedish legislation, as well as rebuilding infrastructure, amounted to €95 million.

Market Overview Power



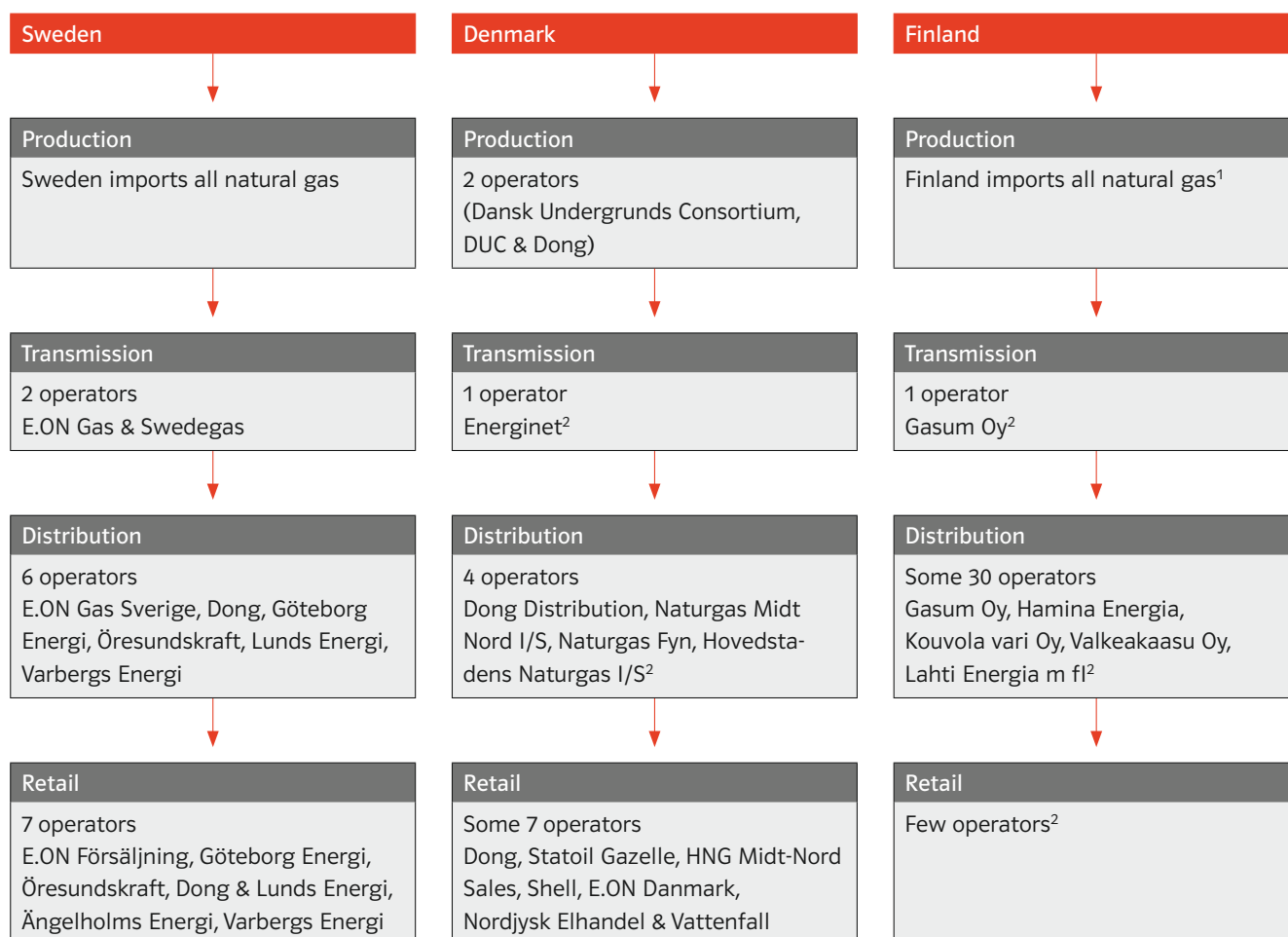
¹According to Fortum's annual report 2006, page 11 (confirmed by Swedish National Energy Agency, Energimarknadsinspektionen).

²According to "Energimarknadsinspektionens Yearly Report 2006," published by Swedish National Energy Agency.

Nordic Power Market		
Billion kWh	Power supplied ¹	CAGR 2005-2010
Sweden	145	0.8%
Norway	126	0.9%
Finland	90	2.2%
Denmark	36	0.0%
Total	397	

¹As of December 31, 2007. Source: Fortum Annual Report 2007.
CAGR = Compound annual growth rate.

Market Overview Gas



¹www.energiaalansiusuomessa.fi.

²www.iern.net.

Nordic—Natural Gas Market Sweden, Denmark and Finland

Billion kWh	Gas supplied ¹	CAGR 2005-2010
Sweden	9.2 ²	13.3%
Finland	53.0 ³	6.4%
Denmark	45.0 ⁴	4.0%

¹As of December 31, 2006.

²Statistics for natural gas, Svenska Gasföreningen, www.gasforeningen.se.

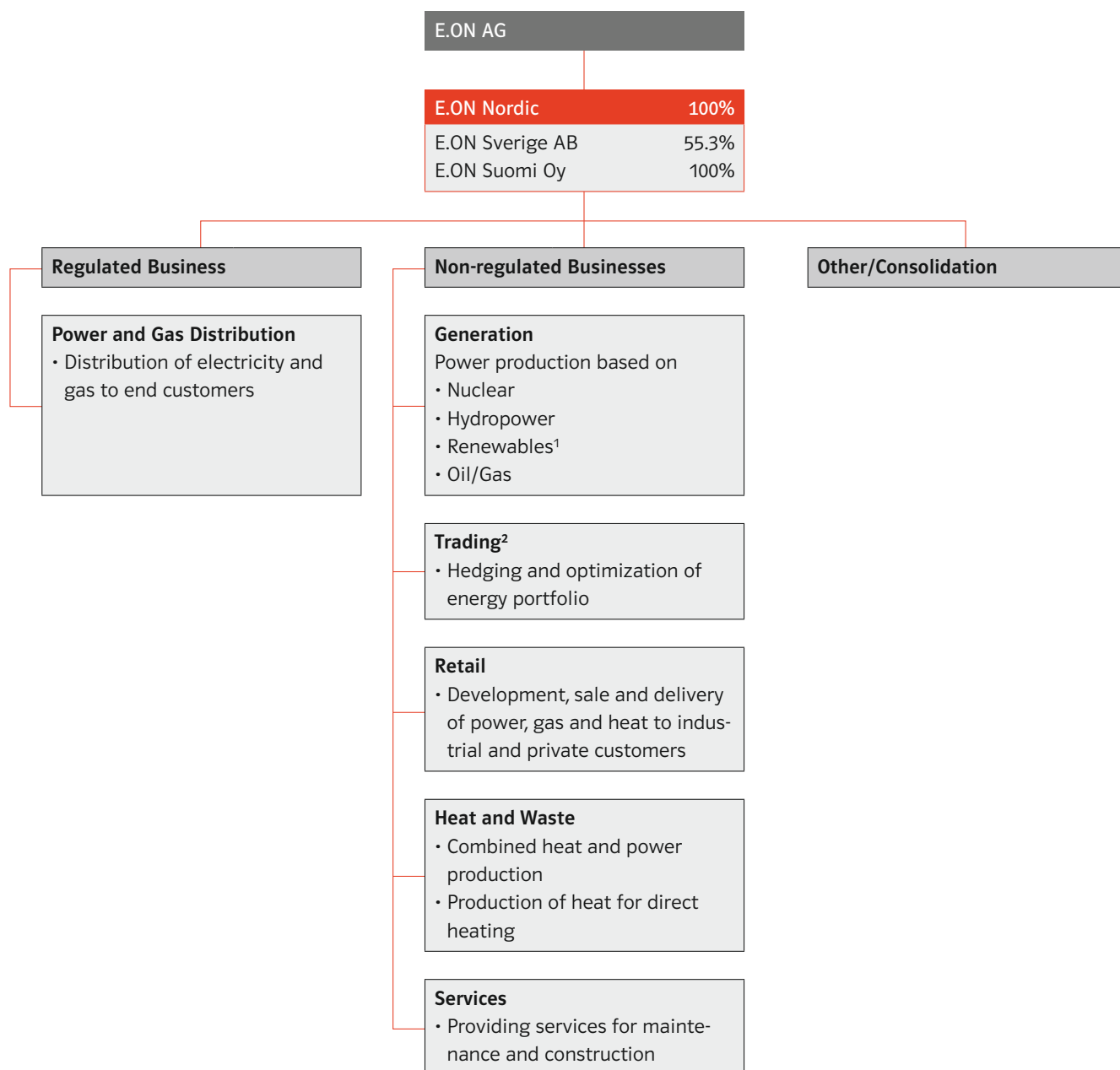
³Statistical Agency Denmark.

⁴Annual Report Gasum.

CAGR = Compound annual growth rate.

Source: E.ON.

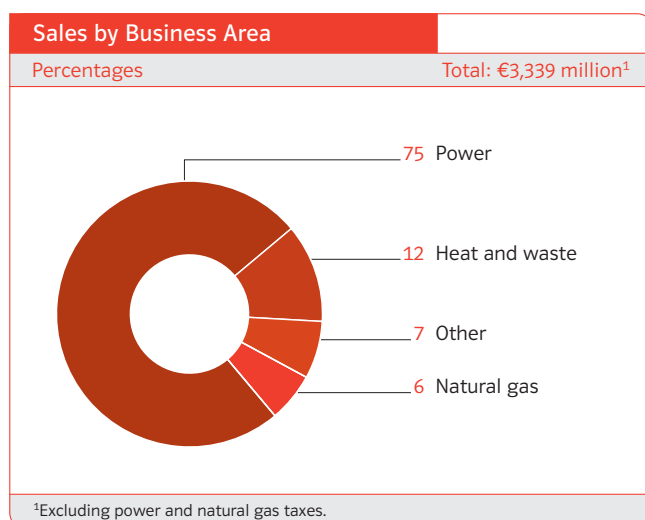
Business Activities



¹Carried out by E.ON Climate & Renewables as of January 1, 2008.

²Carried out by E.ON Energy Trading as of January 1, 2008.

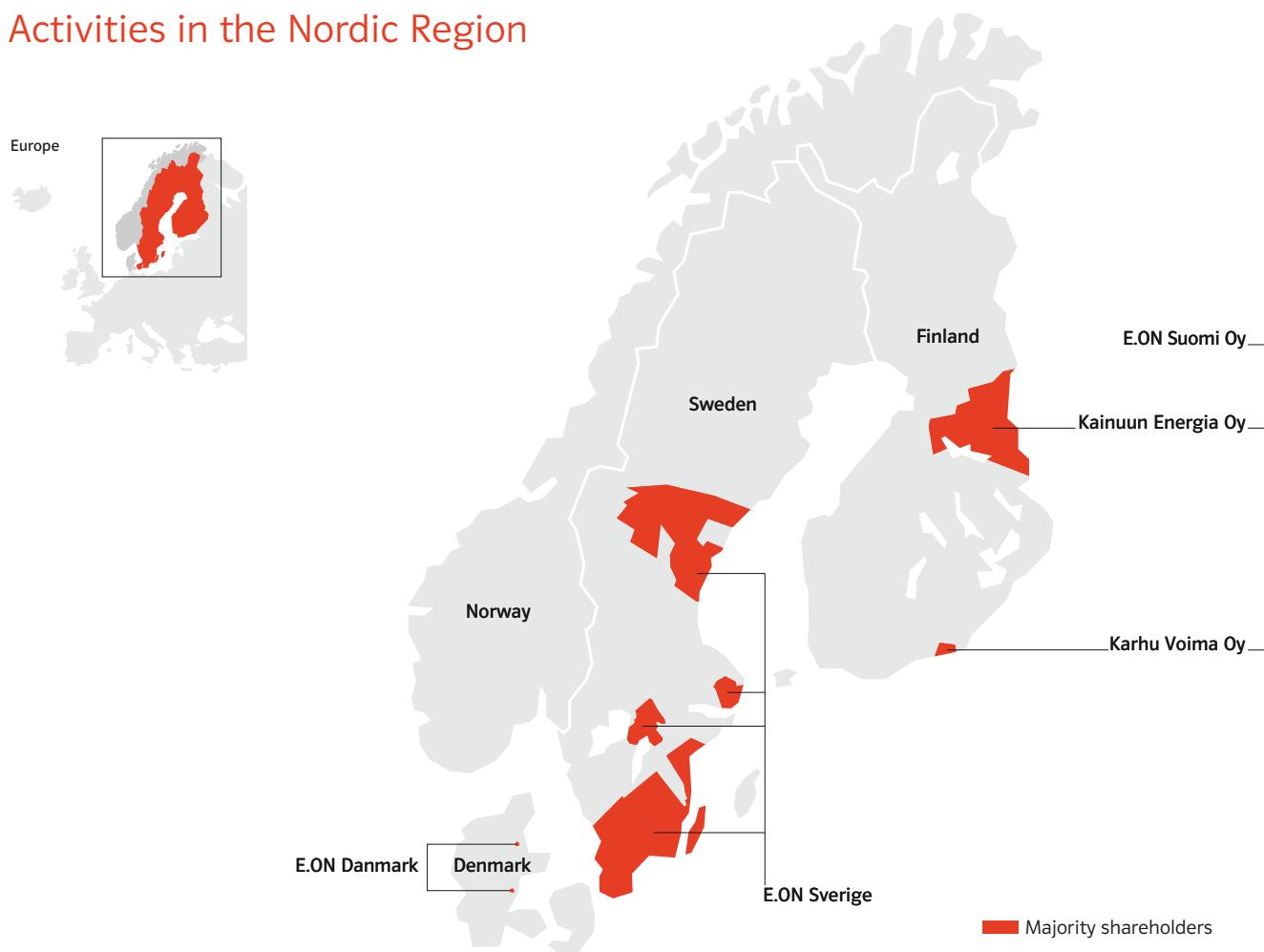
2007 Sales



Significant market positions

- Sweden's second-largest power company.
- No. 4 in power generation with 9 percent of total 395 billion kWh in the Nordic region.
- No. 3 in power/gas retail with 1.3 million customers in the Nordic region.
- Substantial position in Sweden's natural gas market with 70 percent market share in distribution.

Activities in the Nordic Region



E.ON AG—Shareholdings

As of December 31, 2007	%
E.ON Nordic	100.0
E.ON Sverige ¹	55.3
E.ON Suomi	100.0

¹Holding of 56.6 percent voting interest. On October 12, 2007, E.ON and Statkraft signed a letter of intent stating that E.ON AG will take over Statkraft's 44.6 percent interest within 2008.

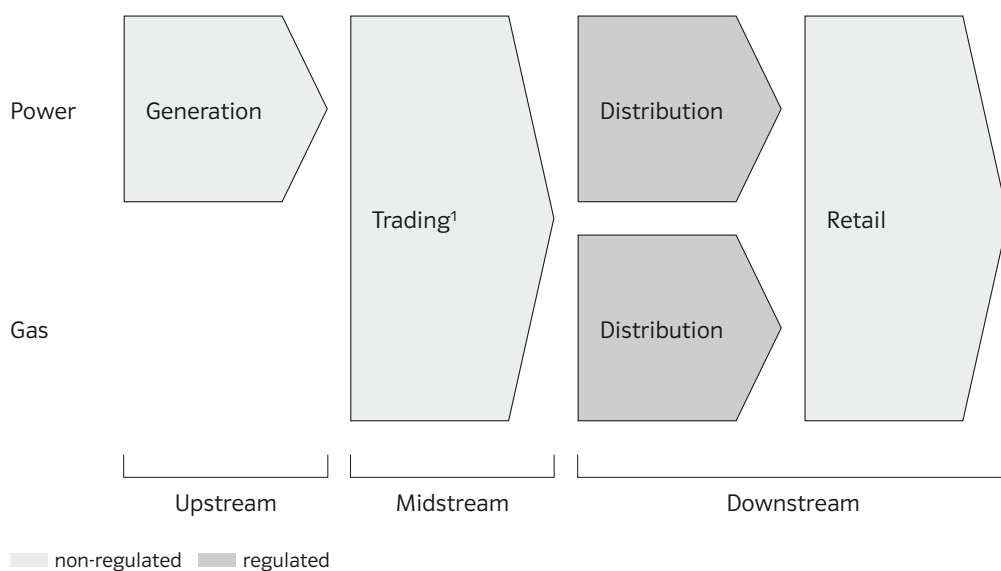
Key Figures—Sweden

As of December 31, 2007	E.ON shareholdings	Overall market	Market share %
Electricity			
Power supplied	43.4 billion kWh	146.4 billion kWh	28.0
Customers	1,088,000	5,300,000	21.0
Distribution grid length ¹	125,000 km	530,000 km	24.0
Generation capacity	7,316 MW _{el}	33,819 MW _{el}	22.0
Generation output	27.9 billion kWh	140.3 billion kWh	20.0
Natural gas²			
Natural gas supplied	5.3 billion kWh	16.0 billion kWh	36.0
Customers	n.a.	n.a.	n.a.
Transmission system length	204 km	560 km	36.0

¹Up to 130 kV.

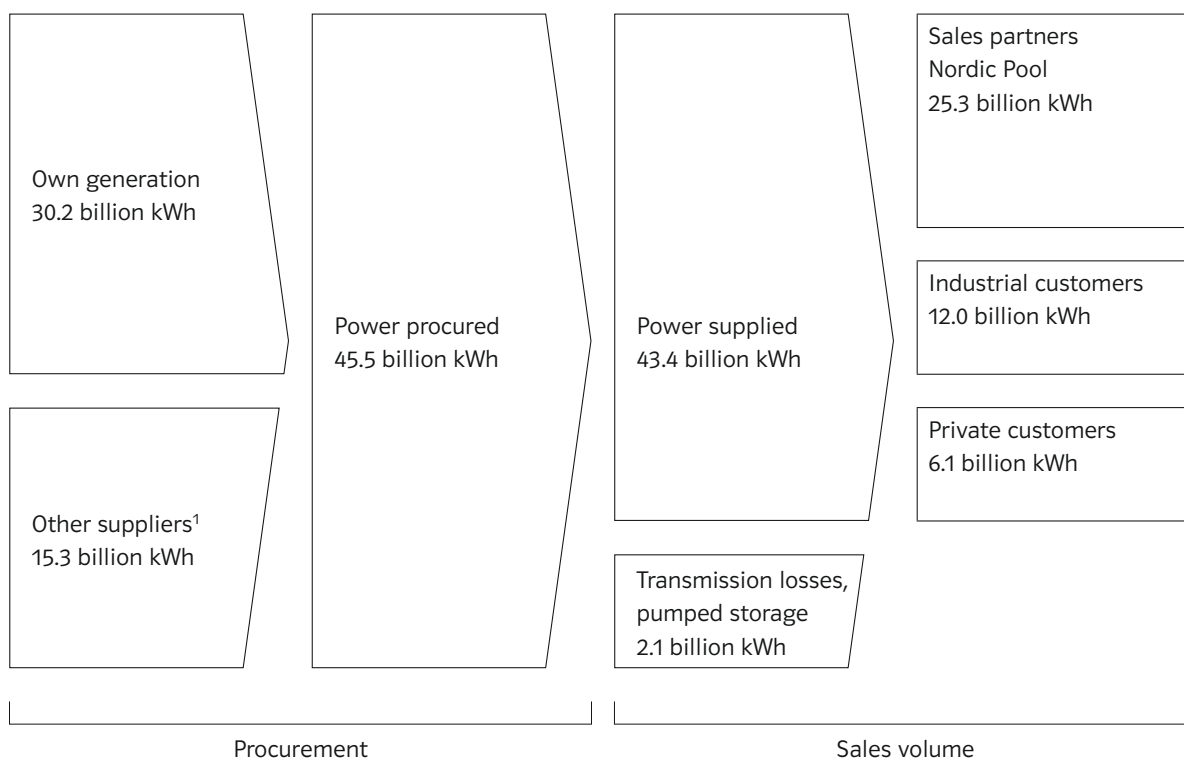
²Natural gas, liquefied petroleum gas and biogas.

Business Activities along the Value Chain



¹Carried out by E.ON Energy Trading as of January 1, 2008.

2007 Power Procurement and Sales Volume



¹9.8 billion kWh of this total stems from jointly operated power stations.

Generation Capacity and Output by Sources

Power Generation Capacity by Energy Source		
MW	2007	2006
Nuclear	2,601	2,593
Hydro	2,754	2,751
Renewables ¹	51	52
Oil, other	2,031	2,015
E.ON Nordic	7,437	7,411
Thermal	23,539	22,003
Nuclear	11,288	11,632
Hydro	47,925	47,445
Renewables	10,230	10,219
Nordic market overall	92,982	91,299

¹Partly transferred to the new market unit Climate & Renewables as of January 1, 2008.

Power Generation Output by Energy Source		
Billion kWh	2007	2006
Thermal	1.7	1.05
Nuclear	15.4	15.7
Hydro	13.3	10.4
Renewables ¹	0.1	0.2
E.ON Nordic	30.5	27.4
Thermal	72.7	50.4
Nuclear	87.0	91.8
Hydro	192.4	222.2
Renewables	31.7	30.5
Nordic market overall	383.8	394.9

¹Not considering hydroelectric and biomass.

Location of Major Generation Assets



Generation Assets

Nuclear Power Stations					
As of December 31, 2007	Shareholders	Net MW	E.ON share		Start-up date
			%	MW	
Forsmark 1	MKG/Vattenfall	1,000	9.3	93	1980
Forsmark 2	MKG/Vattenfall	1,000	9.3	93	1981
Forsmark 3	MKG/Vattenfall	1,170	10.8	126	1985
Oskarshamn I	E.ON Sverige/Fortum	472	54.5	257	1972
Oskarshamn II	E.ON Sverige/Fortum	598	54.5	326	1974
Oskarshamn III	E.ON Sverige/Fortum	1,150	54.5	627	1985
Ringhals 1	E.ON Sverige/Vattenfall	856	29.6	253	1976
Ringhals 2	E.ON Sverige/Vattenfall	867	29.6	256	1975
Ringhals 3	E.ON Sverige/Vattenfall	985	29.6	292	1981
Ringhals 4	E.ON Sverige/Vattenfall	935	29.6	277	1983
Total		9,033		2,600	

Oil-fired Power Stations					
As of December 31, 2007	Shareholders	Net MW	E.ON share		Start-up date
			%	MW	
Barsebäck GT	E.ON Sverige	84	100.0	84	1974
Bråvalla	E.ON Sverige	240	100.0	240	1972
Halmstad G11	E.ON Sverige	78	100.0	78	1973
Halmstad G12	E.ON Sverige	172	100.0	172	1993
Karlshamn G1	E.ON Sverige/Fortum	332	70.0	232	1971
Karlshamn G2	E.ON Sverige/Fortum	332	70.0	232	1971
Karlshamn G3	E.ON Sverige/Fortum	326	70.0	228	1973
Karskär G4	E.ON Sverige/Korsnas/Fortum	125	58.9	74	1968
Öresundsverket GT	E.ON Sverige	126	100.0	126	1971
Oskarshamn GT	E.ON Sverige/Fortum	80	54.5	44	1973
Other (< 50 MW installed capacity)		77	n.a.	41	
Total		1,972		1,551	

Generation Assets

Hydroelectric Power Stations					
As of December 31, 2007	Shareholders	Net MW	E.ON share		Start-up date
			%	MW	
Balforsen	E.ON Sverige	88	100.0	88	1958
Bergeforsen	E.ON Sverige/Vattenfall	160	44.0	70	1955
Bjurfors nedre	E.ON Sverige	78	100.0	78	1959
Blåsjön	E.ON Sverige/Fortum/Nybrovikenskraft	60	50.0	30	1957
Degerforsen	E.ON Sverige	63	100.0	63	1965
Edensforsen (Åseleälven)	E.ON Sverige	67	96.5	65	1956
Edsele	E.ON Sverige	60	100.0	60	1965
Forsse	E.ON Sverige	52	100.0	52	1968
Gulsele (Åseleälven)	E.ON Sverige/Vattenfall	64	65.0	42	1955
Hällby (Åseleälven)	E.ON Sverige/Vattenfall	84	65.0	55	1970
Hammarforsen	E.ON Sverige	84	100.0	84	1928
Harrsele	E.ON Sverige/Junkavaran	223	50.6	113	1957
Hjälta	E.ON Sverige	178	100.0	178	1949
Järnvägsforsen	E.ON Sverige	100	94.9	95	1975
Korselbränna (Fjällsjöälven)	E.ON Sverige	130	100.0	130	1961
Moforsen	E.ON Sverige	135	100.0	135	1968
Olden (Langan)	E.ON Sverige	112	100.0	112	1974
Pengfors	E.ON Sverige	52	65.0	34	1954
Ramsele	E.ON Sverige	157	100.0	157	1958
Rätan	E.ON Sverige	60	100.0	60	1968
Sollefteåforsen	E.ON Sverige/Municipality of Sollefteå	61	50.0	31	1966
Stensjön (Harkan)	E.ON Sverige/Nybrovikenskraft	95	50.0	48	1968
Storfinnforsen	E.ON Sverige	112	100.0	112	1953
Trangfors	E.ON Sverige	73	100.0	73	1975
Other (< 50 MW installed capacity)		1,910		792	
Total		4,258		2,754	

Gas-fired Power Stations

As of December 31, 2007	Shareholders	Net MW	E.ON share		Start-up date
			%	MW	
Heleneholm G11, G12	E.ON Sverige	130	100.0	130	1966+1970
Total		130		130	

Wind Power Stations

As of December 31, 2007	Net MW	E.ON share		Start-up date
		%	MW	
Sweden	18	n.a.	18	n.a.
Denmark	165	n.a.	33	n.a.
Total	183		51	

Other Power Stations

As of December 31, 2007	Net MW	E.ON share		Start-up date
		%	MW	
Abyverket G1, G2, G3 (CHP)	151	100.0	151	1962-1974
Händelö (Norrköping) (CHP)	100	100.0	100	1983
Karskär G3	48	58.9	28	1968
Kainuun Voima (CHP)	72	26.0	18	1989
Other (< 1 MW attributable capacity)	2,250	n.a.	1	n.a.
Total	2,621		299	

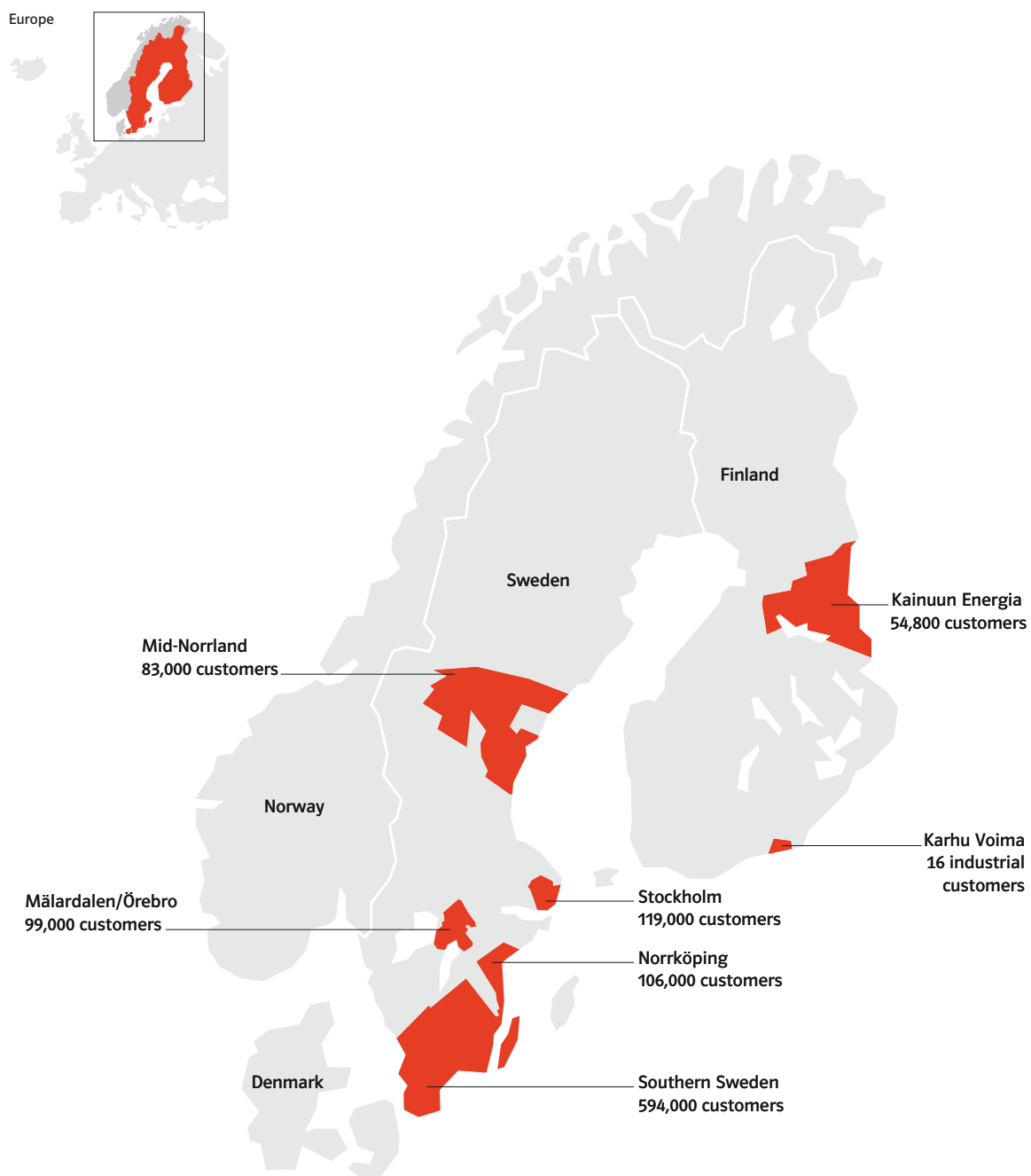
Generation Assets Nordic

As of December 31, 2007	Net MW	E.ON share MW
Sweden	33,744	7,231
Finland	16,544	31
Denmark	12,699	33
Total	62,987	7,295

Shutdown

As of December 31, 2007	E.ON share %	Start-up date	Shutdown date
Barsebäck 1 (Nuclear)	25.8	1975	1999
Barsebäck 2 (Nuclear)	25.8	1977	2005

Distribution Regions in Sweden and Finland

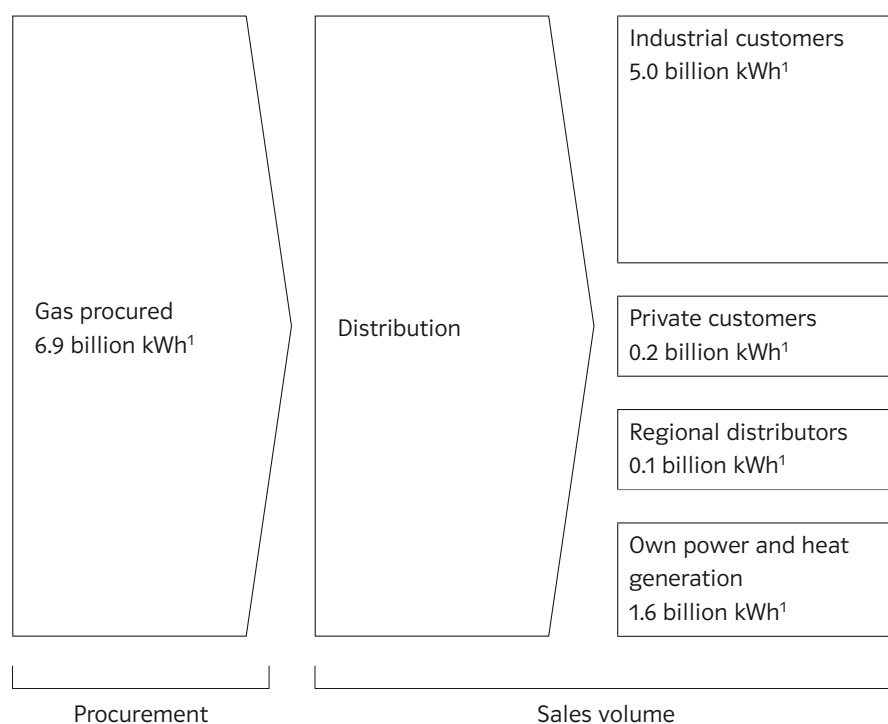


The Natural Gas Market in Sweden



- Gas distribution market in Sweden: 10 billion kWh.
- E.ON Sverige market share in gas distribution: 55 percent.
- Gas represents approximately 20 percent of total energy supply in the Nordic region, while at the national level, it comprises somewhat less than 2 percent of Sweden's total energy supply.
- The 320 km national gas transmission pipeline is owned by Swedegas AB, a consortium in which E.ON Ruhrgas International AG holds a 29.6 percent interest.
- E.ON Nordic owns, operates and maintains a regional high-pressure gas pipeline with a length of 204 km and a low-pressure gas distribution pipeline with a length of 1,881 km.
- In addition, E.ON Nordic has an underground gas storage facility in Getinge with a working capacity of 8.5 million m³ and a maximum withdrawal rate of 40,000 m³/hour. In 2007, E.ON Nordic transported a total of 6.0 billion kWh of gas through its gas pipeline system.
- All gas is imported from Denmark. The Swedish natural gas market is currently connected to the Danish natural gas market through one supply route. Sweden's strategic location between two of the largest producers, Russia and Norway, has led to the initiation of several studies and projects with the aim of increasing supplies to or via Sweden.

2007 Gas Procurement and Sales Volume



¹Including liquefied petroleum gas and biogas.

Key Figures

Nordic Key Figures			
€ in millions	2007	2006	+/- %
Total sales	3,339	2,827	+18.0%
Adjusted EBITDA	1,027	871	+18.0%
Adjusted EBIT	670	512	+31.0%
ROCE	9.7 %	8.0 %	+1.7% ¹
Cost of capital	8.8 %	9.0 %	-0.2% ¹
Value added	62	-64	-
Cash provided by operating activities	914	715	+28.0%
Investments	914	642	+42.0%
Employees (at year end)	5,804	5,693	+2.0%

¹Changes in percentage points.

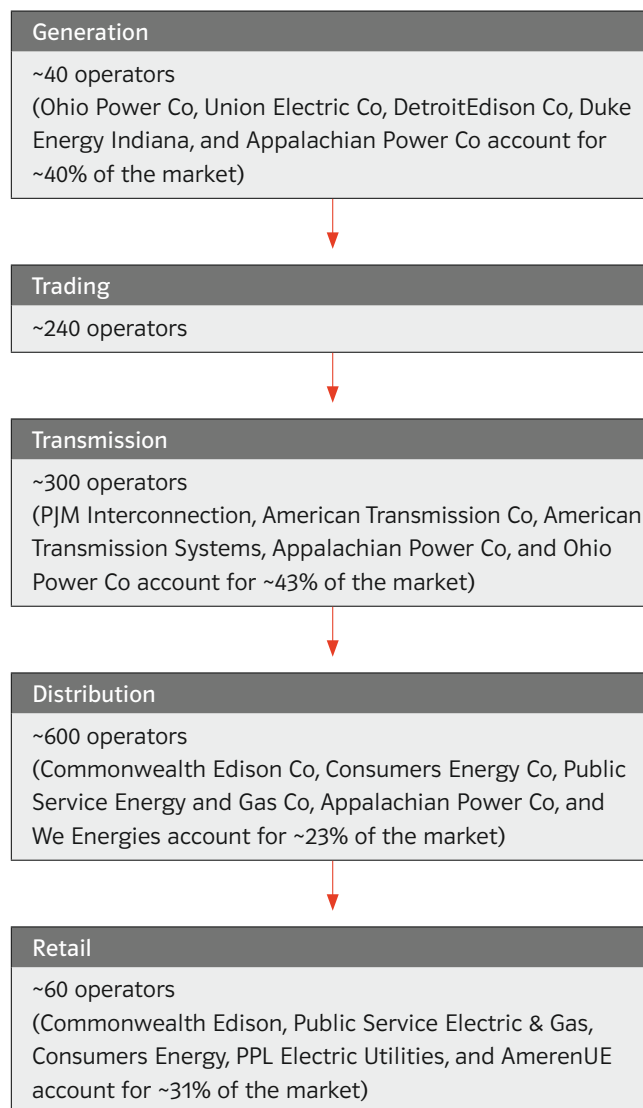
U.S. Midwest Market Unit

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Introduction

E.ON U.S. is an integrated energy services company with businesses in power generation, electric utility and retail gas services, as well as asset-based energy marketing. Asset-based energy marketing involves the off-system sale of excess power generated by physical assets owned or controlled by E.ON U.S. and its affiliates. E.ON U.S.'s power generation and retail electricity and gas services are located principally in Kentucky, with a small customer base in Virginia and Tennessee. As of December 31, 2007, E.ON U.S. owned or controlled aggregate generating capacity of approximately 7,500 MW. In 2007, E.ON U.S. served more than one million customers. The U.S. Midwest market unit recorded sales of €1,819 million in 2007 and adjusted EBIT of €388 million.

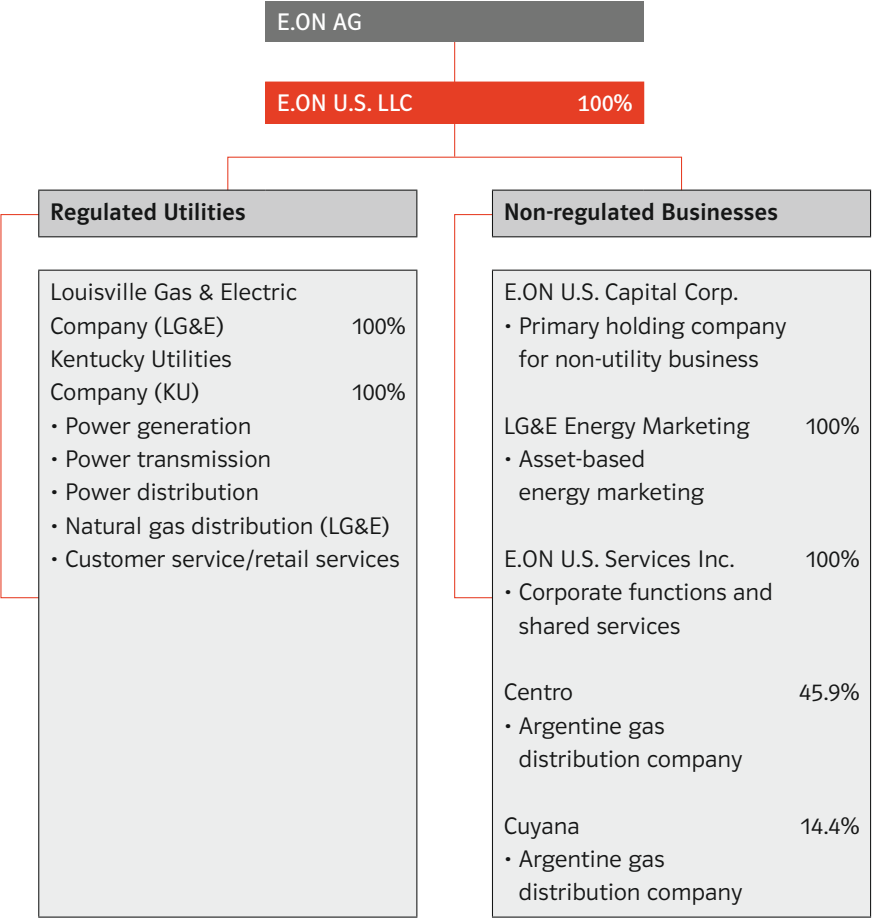
Market Overview Power



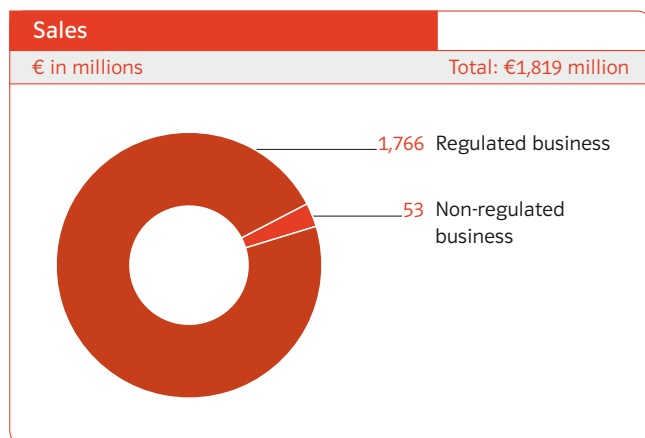
U.S. Midwest Power and Gas Supply		
Billion kWh	Supply ¹	CAGR 2005-2010
Power	767	1.16%
Gas	500	0.7%

¹As of 2005, PowerDat.
CAGR = Compound annual growth rate.

Business Activities



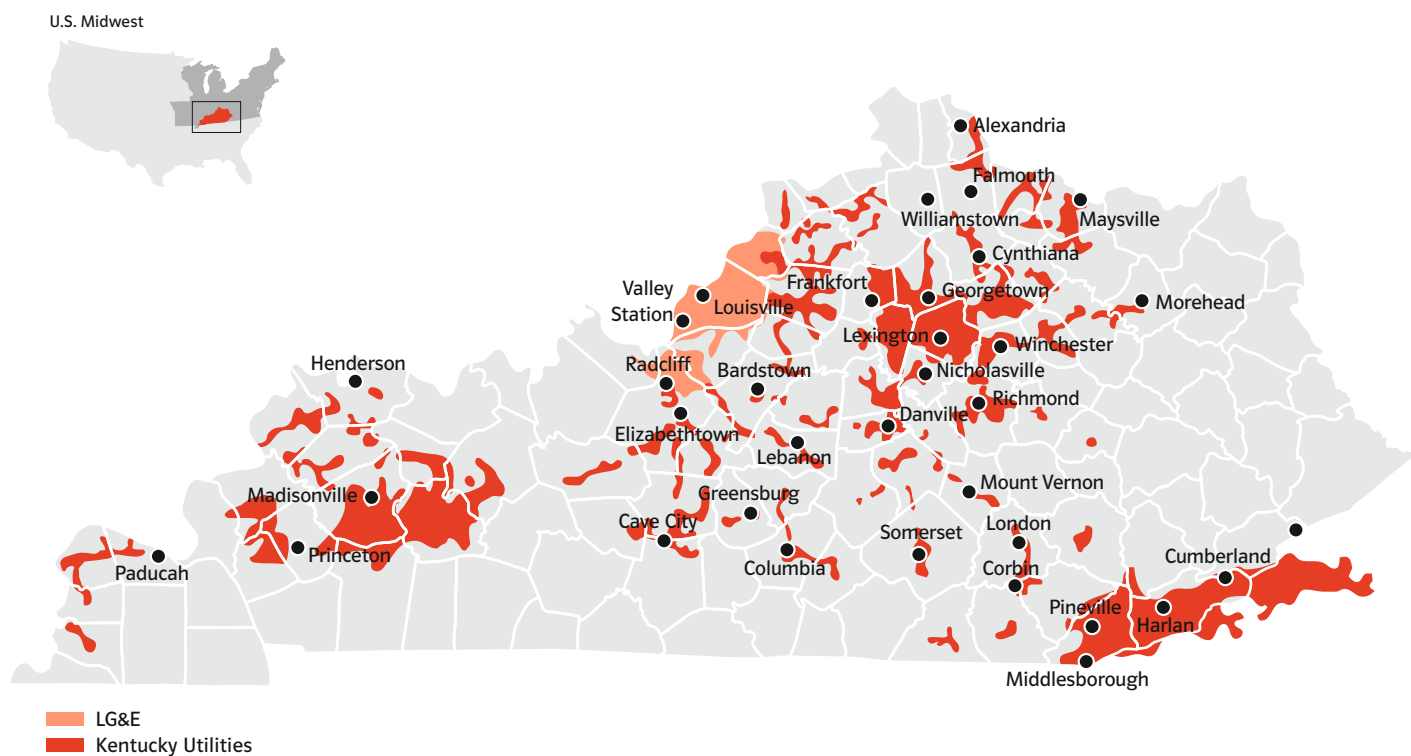
2007 Sales



Significant market positions

- One of the U.S.'s lowest-cost energy providers.
- Honored several times by JD Power for outstanding customer satisfaction.
- More than 7.5 GW of low-cost generation capacity.
- Proven environmental track record through the reduction of SO₂ by 53 percent and NO_x by 60 percent per unit since 1990.

Power Service Territory

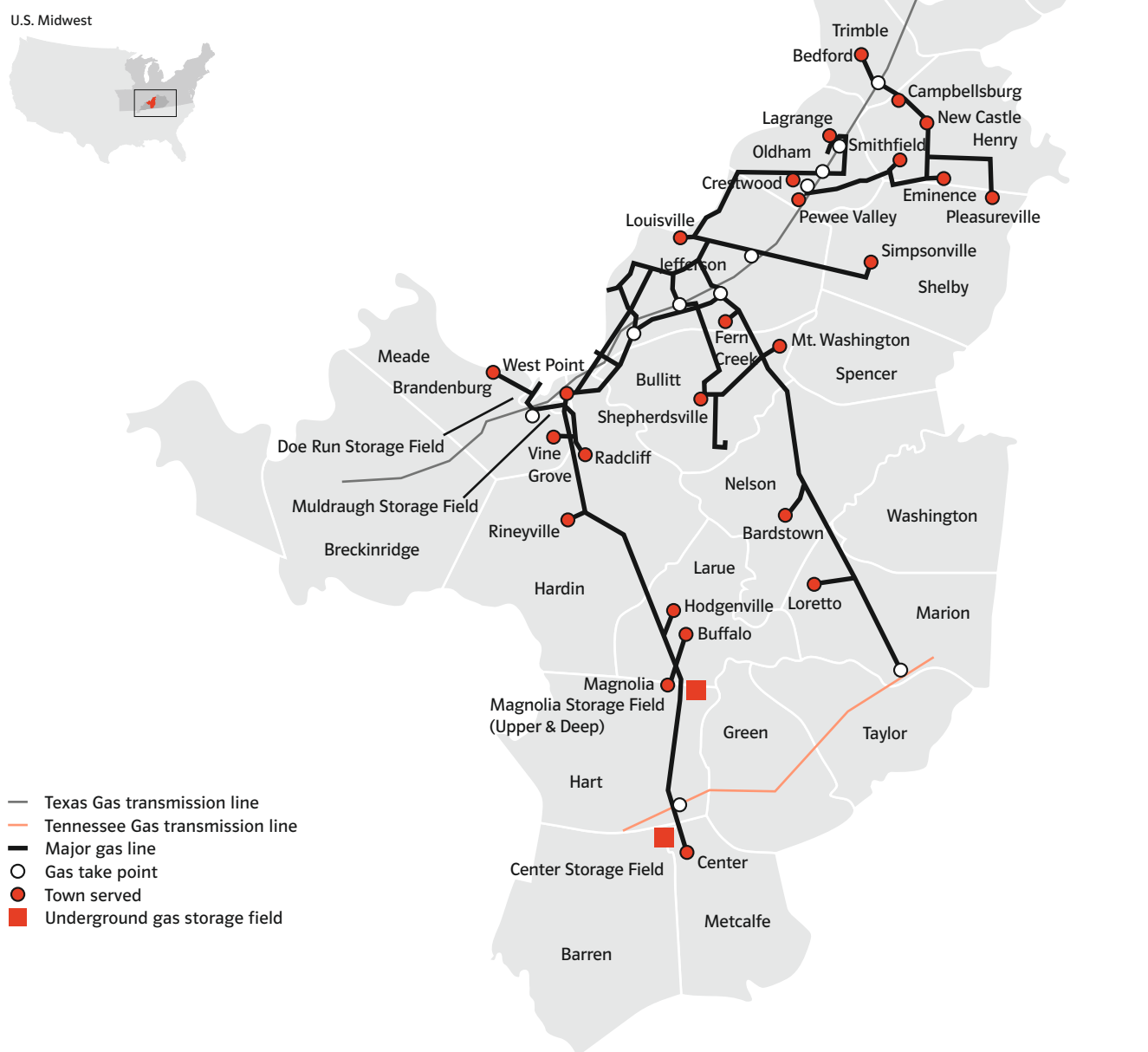
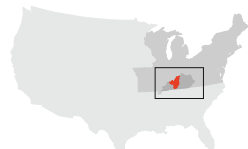


Power Sector			
	E.ON U.S. LLC shareholdings	Overall U.S. market	E.ON U.S. LLC market share in Kentucky %
Power supplied	35.9 billion kWh	3,661 billion kWh ¹	40.0
Customers	0.94 million	139,906 million ²	43.0
Transmission system length	4,924 miles	691,314 miles ¹	37.0
Generation capacity	7,519 MW	971,090 MW ²	38.0
Generation output	33.8 billion kWh	4,160 billion kWh	36.0

¹2005 data.
²2006 data.

Gas Supply Area

U.S. Midwest

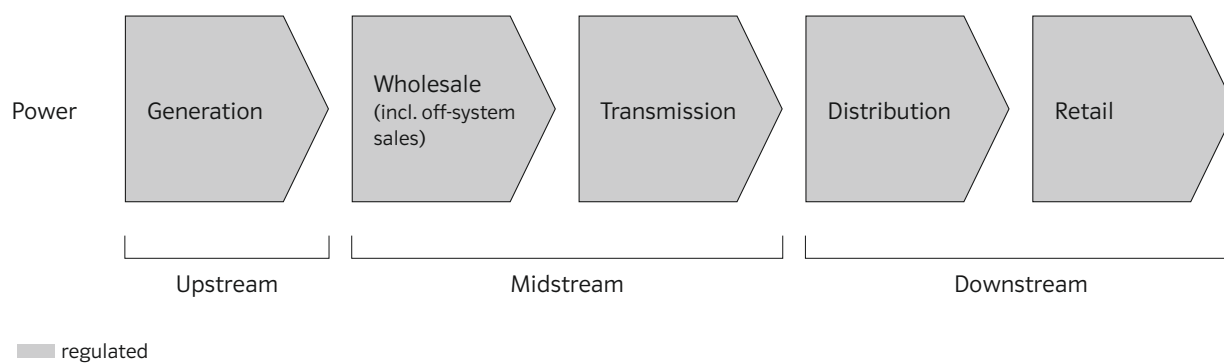


Natural Gas Sector

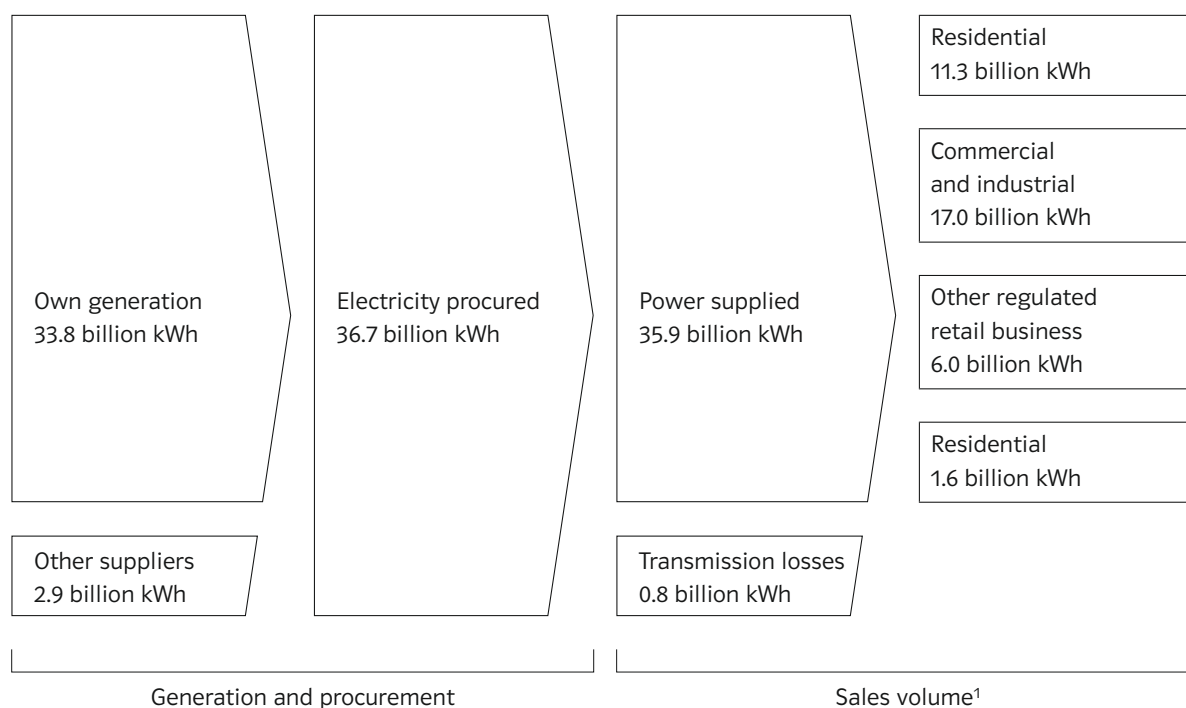
	E.ON U.S. LLC shareholdings	Overall U.S. market ¹	E.ON U.S. LLC market share in Kentucky %
Sales volume	13.6 billion kWh	6,344 billion kWh	22.0
Customers	0.33 million	69.9 million	38.0
Gas storage ²	8.0 billion kWh	2,441 billion kWh	12.0

¹2006 data.²Total capacity.

Power Business Activities along the Value Chain



2007 Power Procurement and Sales Volume



¹Excludes brokered sales and discontinued operations.

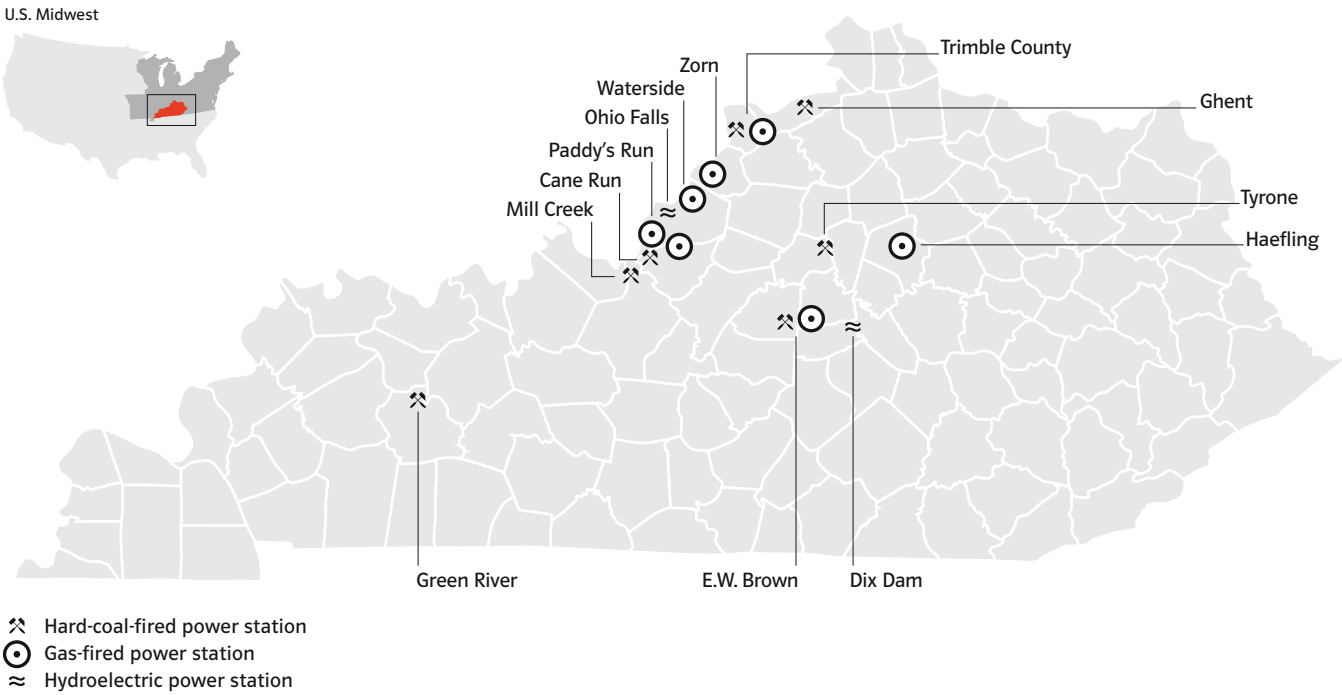
Generation Capacity and Output by Sources

Generation Capacity by Sources						
MW	2007 ¹	2006	2005	2004	2003	2002
Gas/petroleum	2,164	2,141	2,244	2,244	1,604	1,594
Hydro	74	72	72	72	72	72
Hard coal	5,281	5,294	5,294	5,294	5,318	5,399
E.ON U.S.	7,519	7,507	7,610	7,610	6,994	7,065
Gas/petroleum/other		459,790	450,970	451,888	437,002	391,567
Hydro		100,590	95,140	98,405	99,216	99,727
Hard coal		310,660	309,330	313,020	313,019	315,350
Nuclear		100,050	100,110	99,628	99,209	98,657
U.S. market overall		971,090	955,550	962,941	948,446	905,301

¹2007 data is not available for U.S. market.

Generation Output by Sources						
GWh	2007	2006	2005	2004	2003	2002
Gas/petroleum	986	722	885	197	137	642
Hydro	167	287	231	309	247	280
Hard coal	33,510	34,183	34,508	33,915	33,108	32,250
E.ON U.S.	34,663	35,192	35,624	34,421	33,492	33,172
Gas/petroleum/other	1,091,136	997,128	984,842	943,478	878,445	889,673
Hydro	241,318	281,397	258,510	259,929	267,271	255,586
Hard coal	2,020,572	1,987,224	2,014,173	1,978,620	1,973,737	1,933,130
Nuclear	806,487	787,219	780,465	788,528	763,733	780,064
U.S. market overall	4,159,513	4,052,968	4,037,990	3,970,555	3,883,186	3,858,453

Generation Assets



Generation Assets

Hard-Coal-fired Electric Power Stations				
	Total capacity net MW	E.ON U.S.'s share		Start-up date
		%	Attributable capacity MW	
Cane Run 4 ¹	155	100.0	155	1962
Cane Run 5 ¹	168	100.0	168	1966
Cane Run 6 ¹	240	100.0	240	1969
E.W. Brown 1 ²	101	100.0	101	1957
E.W. Brown 2 ²	167	100.0	167	1963
E.W. Brown 3 ²	429	100.0	429	1971
Ghent 1 ²	475	100.0	475	1974
Ghent 2 ²	484	100.0	484	1977
Ghent 3 ²	480	100.0	480	1981
Ghent 4 ²	493	100.0	493	1984
Green River 3 ²	68	100.0	68	1954
Green River 4 ²	95	100.0	95	1959
Mill Creek 1 ¹	303	100.0	303	1972
Mill Creek 2 ¹	301	100.0	301	1974
Mill Creek 3 ¹	391	100.0	391	1978
Mill Creek 4 ¹	477	100.0	477	1982
Trimble County 1 ¹	511	75.0	383	1990
Tyrone 3 ²	71	100.0	71	1953
Total	5,409		5,281	

¹Power station owned by LG&E.
²Power station owned by KU.

Gas-Fired Electric Power Stations

	Total capacity net MW	E.ON U.S.'s share		Start-up date
		%	Attributable capacity MW	
Cane Run 11 ¹	14	100.0	14	1968
E.W. Brown 5 ³	117	100.0	117	2001
E.W. Brown 6 ³	154	100.0	154	1999
E.W. Brown 7 ³	154	100.0	154	1999
E.W. Brown 8 ²	106	100.0	106	1995
E.W. Brown 9 ²	106	100.0	106	1994
E.W. Brown 10 ²	106	100.0	106	1995
E.W. Brown 11 ²	106	100.0	106	1996
E.W. Brown IAC ³	98	100.0	98	2000
Haefling 1 ²	12	100.0	12	1970
Haefling 2 ²	12	100.0	12	1970
Haefling 3 ²	12	100.0	12	1970
Paddy's Run 11 ¹	12	100.0	12	1968
Paddy's Run 12 ¹	23	100.0	23	1968
Paddy's Run 13 ³	158	100.0	158	2001
Trimble County 5 ³	160	100.0	160	2002
Trimble County 6 ³	160	100.0	160	2002
Trimble County 7 ³	160	100.0	160	2004
Trimble County 8 ³	160	100.0	160	2004
Trimble County 9 ³	160	100.0	160	2004
Trimble County 10 ³	160	100.0	160	2004
Zorn 1 ¹	14	100.0	14	1969
Total	2,164		2,164	

¹Power station owned by LG&E.
²Power station owned by KU.
³Power station jointly owned by LG&E and KU.

Hydroelectric Power Stations

	Total capacity net MW	E.ON U.S.'s share		Start-up date
		%	Attributable capacity MW	
Dix Dam ²	24	100.0	24	1925
Ohio Falls ¹	50	100.0	50	1928
Total	74		74	

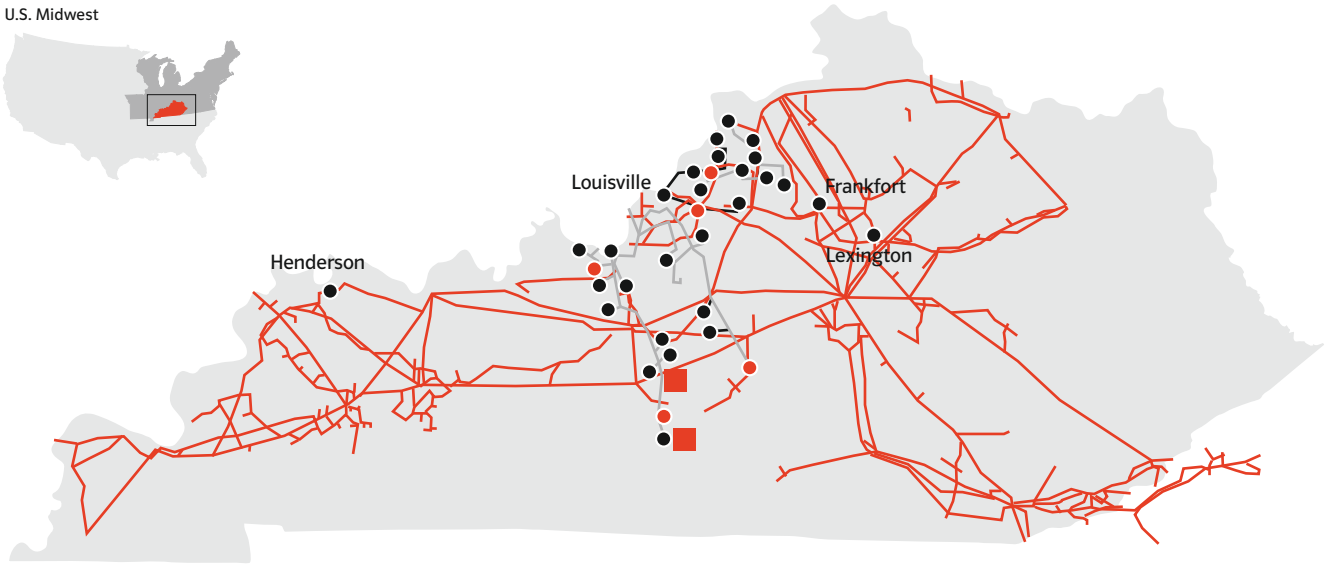
¹Power station owned by LG&E.
²Power station owned by KU.

Generation Assets

Mothballed/Shutdown/Reduced Electric Power Stations				
	Total capacity net MW	E.ON U.S.'s share		Start-up date
		%	Attributable capacity MW	
Green River 1 ²	22	100.0	22	1950
Green River 2 ²	22	100.0	22	1950
Tyrone Unit 1 ²	27	100.0	27	1947
Tyrone Unit 2 ²	31	100.0	31	1948
Waterside 7 ¹	11	100.0	11	1964
Waterside 8 ¹	11	100.0	11	1964
Total	124		124	
¹ Power station owned by LG&E. ² Power station owned by KU.				

Distribution Map

U.S. Midwest



Electric system

— Major electricity transmission line

Gas system

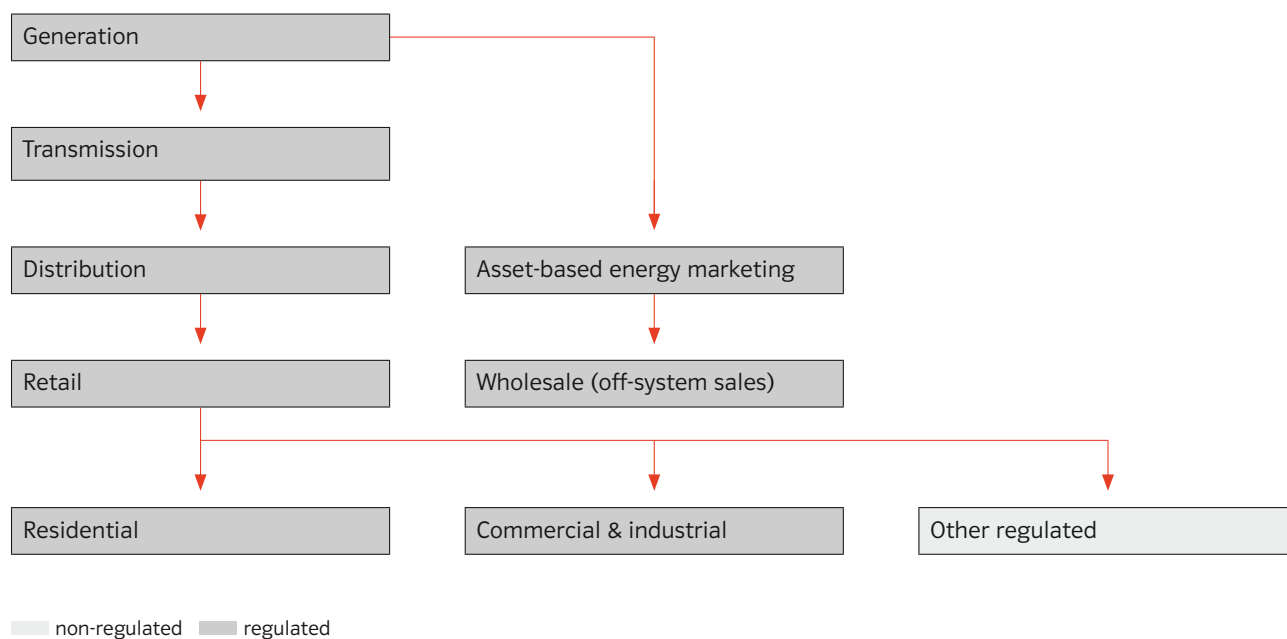
— Major gas line

● Gas take point

● Town served

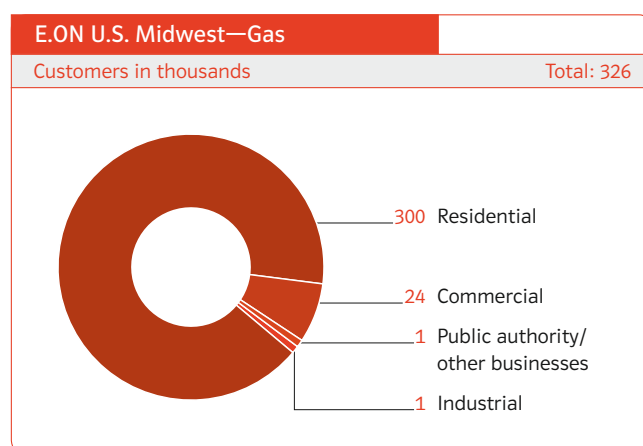
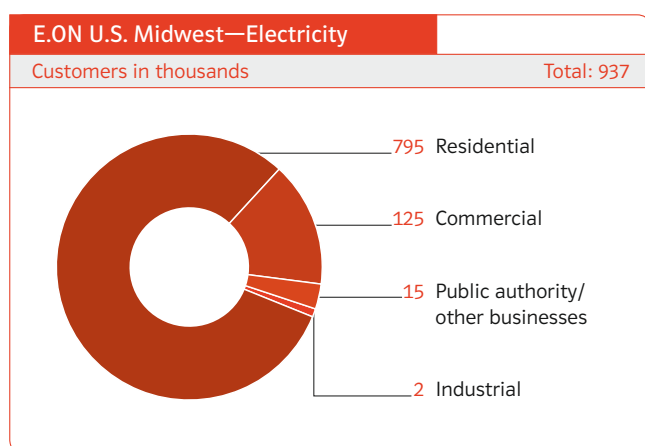
■ Underground gas storage field

Supply Structure



- Clear responsibilities for customer segments.
- Optimal supply chain management.
- Optimizing generation capacity by sales and trading.

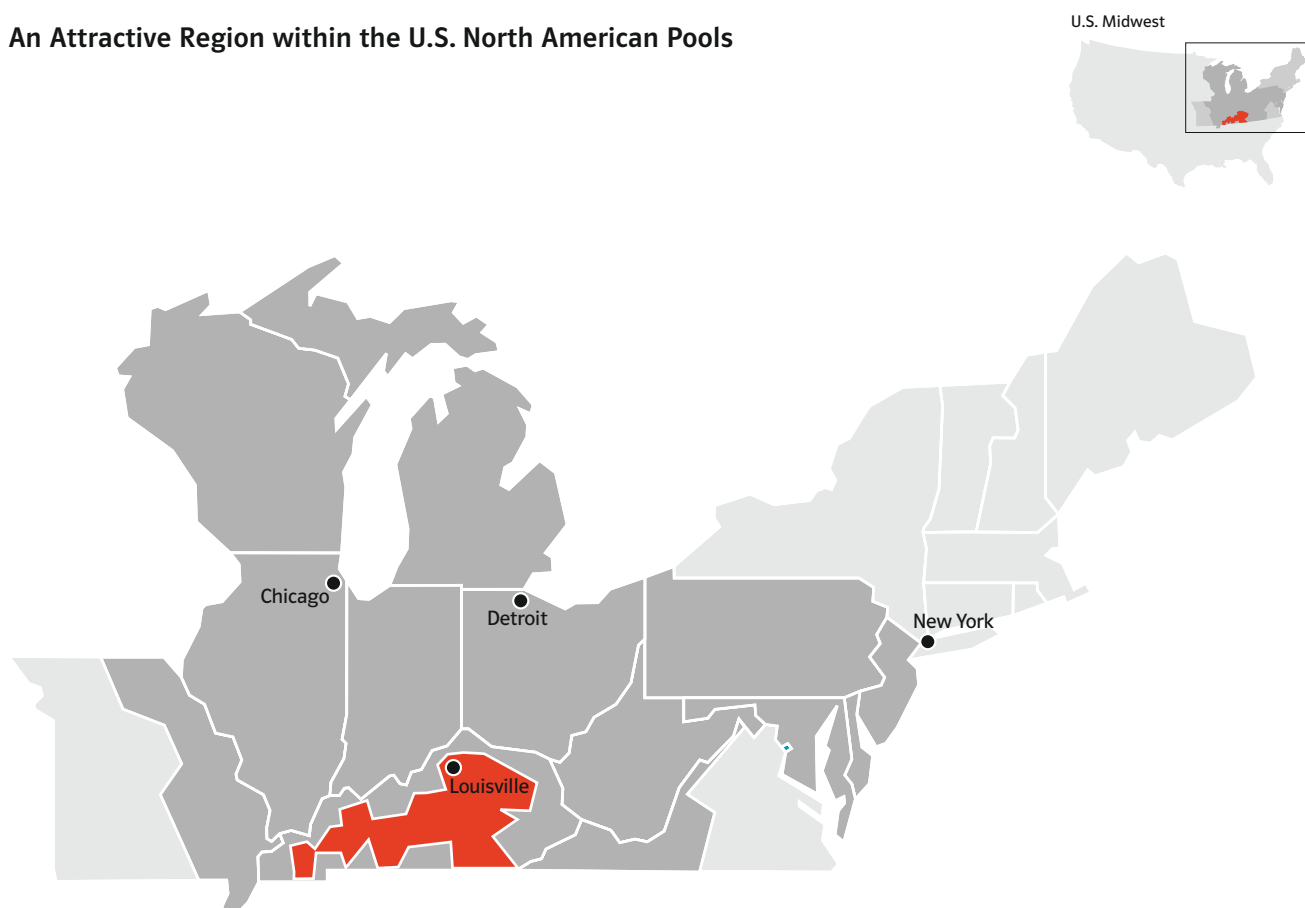
Power and Gas Customers



- Louisville Gas & Electric and Kentucky Utilities serve over 1 million customers in 82 of Kentucky's 120 counties.
- Kentucky Utilities also serves customers in five counties of southwestern Virginia through Old Dominion Power Company.

U.S. Midwest Region

An Attractive Region within the U.S. North American Pools



- 29 percent of U.S. electricity demand is in the Midwest¹.
- Important power interchanges with good network/grid interfaces.
- Heavily industrialized region.
- Potential for consolidation in a fragmented market.
- Favorable regulatory conditions.

¹Defined as ReliabilityFirst (formerly MAIN = Mid-America Interconnected Network, ECAR = East Central Area Reliability Coordination Agreement, MAAC = Mid-Atlantic Area Council). Most of Kentucky falls into the SERC region now.

Key Figures

U.S. Midwest Key Figures			
	2007	2006	%
Sales	€1,819 million	€1,930 million	-6.0
Adjusted EBITDA	€543 million	€595 million	-9.0
Adjusted EBIT	€388 million	€426 million	-9.0
ROCE	5.7%	6.0%	-0.3 ¹
Cost of capital	7.8%	8.0%	-0.2 ¹
Value added	€-142 million	€-142 million	-
Cash provided by operating activities	€216 million	€381 million	-43.0
Investments	€690 million	€398 million	+73.0
Employees (at year end)	2,977	2,890	+3.0

¹Change in percentage points.

Sales by Customer Segment			
Billion kWh	2007	2006	%
Retail customers	34.3	32.6	+5.0
Off-system sales	1.6	2.7	-41.0
Power sales	35.9	35.3	+2.0
Retail customers	13.1	12.3	+7.0
Off-system sales	0.5	0.1	+400.0
Gas sales	13.6	12.4	+10.0

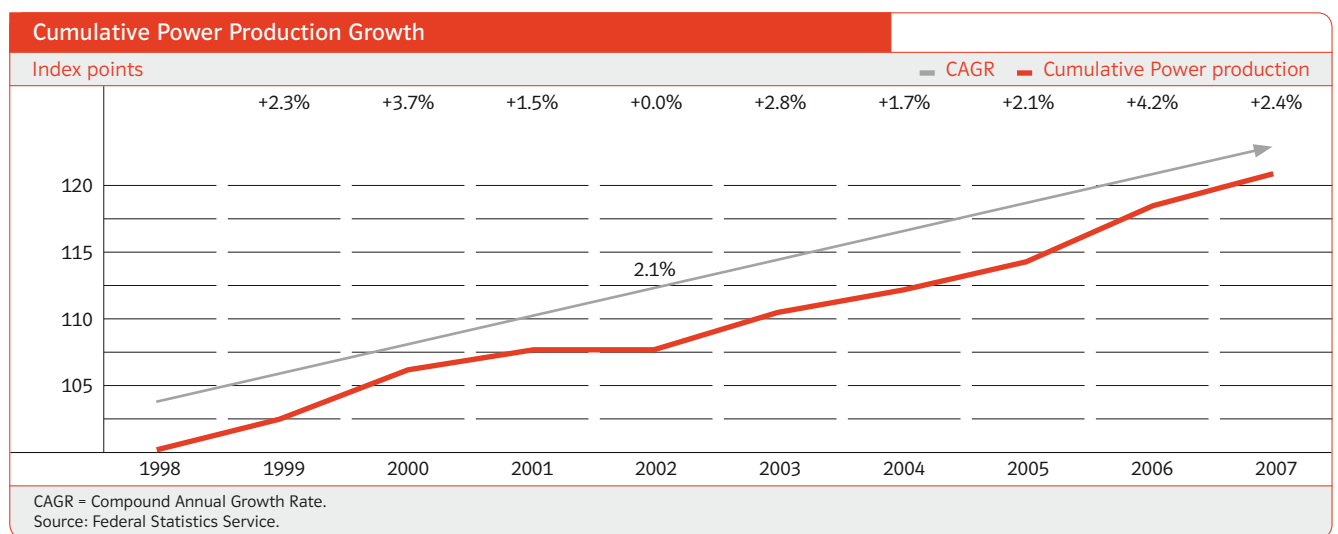
New Market Units

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New Markets—Russia

Market Attractiveness

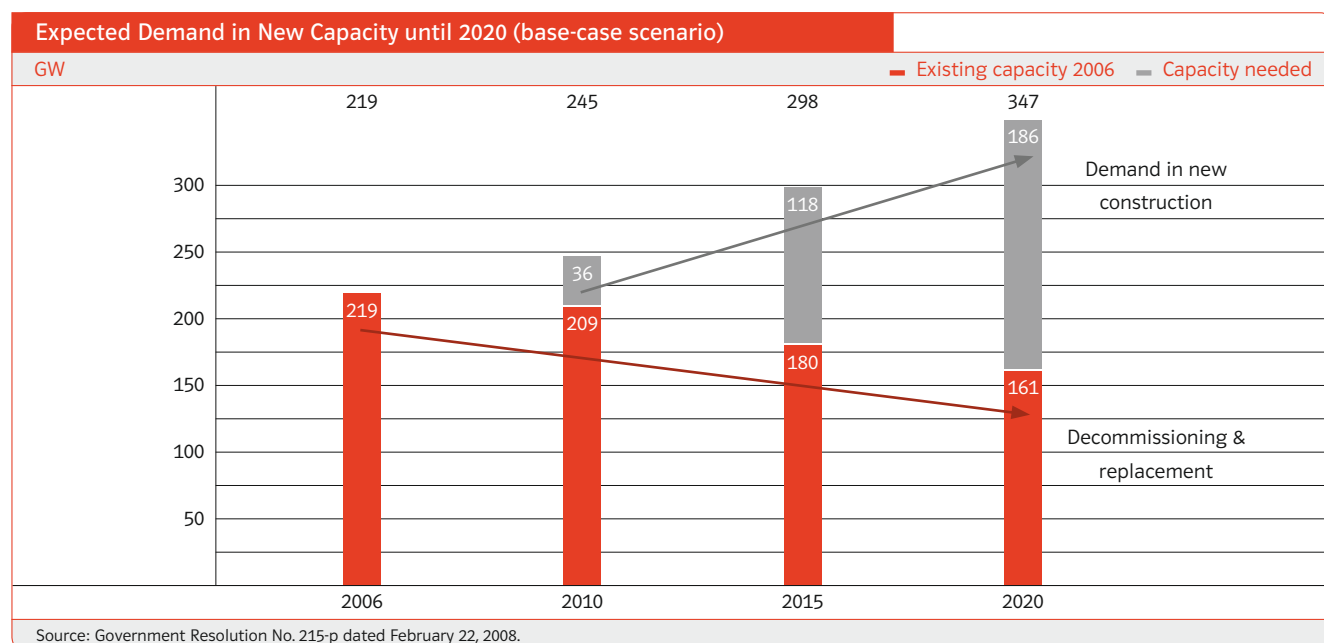
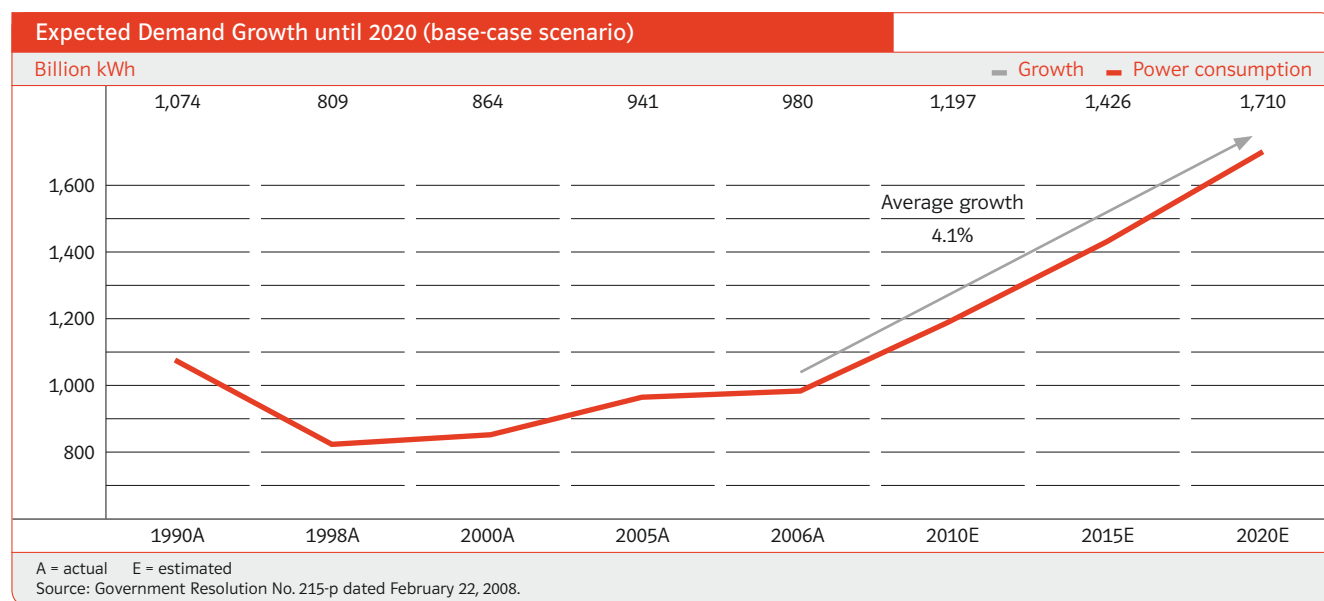
- World's fourth-largest market in terms of installed capacity and electricity production.
- Substantial growth in electricity demand driven by positive GDP development.
- Increasing electricity consumption reached 1,003 billion kWh in 2007.



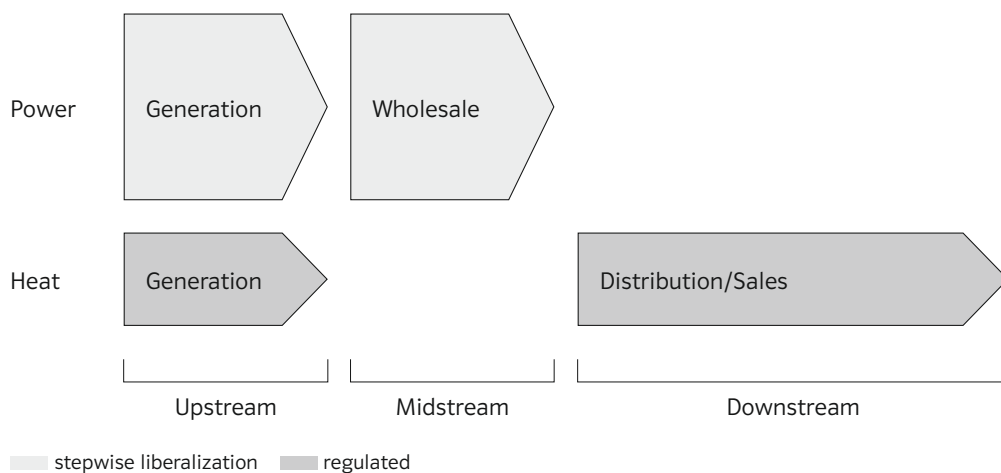
Expected Demand Development

Attractive growth outlook:

- Electricity demand growth rate 4.1 percent p.a. in 2007-2020.
- 57.0 percent of capacities will exceed their lifespan by 2020.
- 51.7 GW to be decommissioned by 2020.



E.ON Russia Power—Presence along the Value Chain



E.ON Russia Power—Market Position

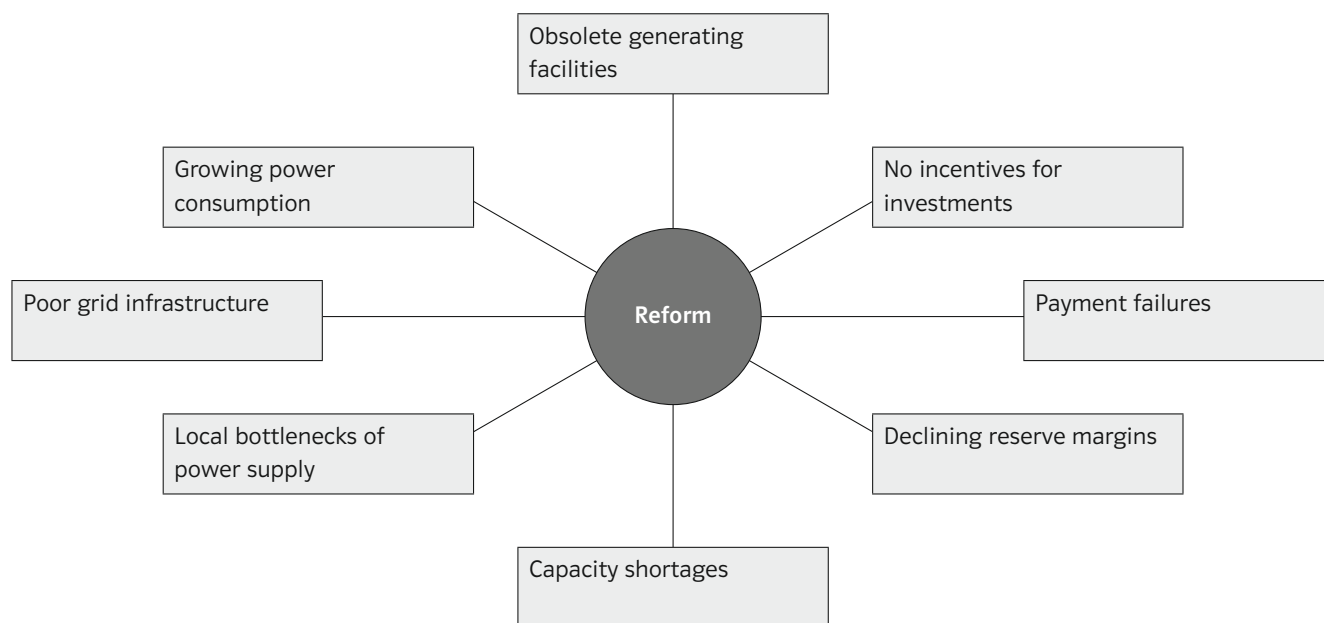
- Amongst leading power producers in Russia.
- No. 1 among thermal wholesale generating companies in power generation.
- No. 1 among thermal wholesale generating companies in power sales.
- Leading market position in Tyumen region.
- Substantial positions in fast-growing regions: Moscow, Perm, Krasnoyarsk and Smolensk.

OGK-4 Presence on Local Electricity Markets ¹				
	Total capacity MW	OGK-4 capacity MW	Total output million kWh	OGK-4 output million kWh
Tyumen region (first pricing zone)	11,479	4,800	87,629	34,406
Krasnoyarsk region (second pricing zone)	11,258	1,500	56,978	8,529
Moscow region (first pricing zone)	14,988	1,100	25,076	4,911
Smolensk region (first pricing zone)	4,178	630	23,958	2,099
Perm region (first pricing zone)	6,032	600	33,978	4,296
Total Russia	219,000²	8,630	1,015,893	54,241

¹Based on 2007.
²Rounded.

Power Industry Reform—Background

15 years of underinvestments in electricity industry began to threaten further development of Russian economy.



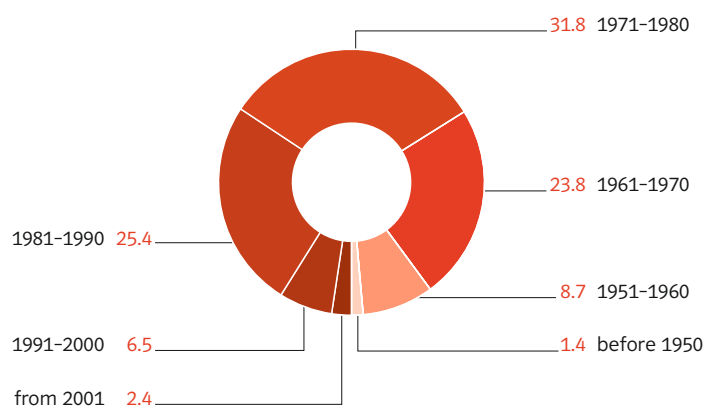
Milestones

- 2000: the reform was firstly initiated
- 2001: the government approved industry reform
- 2003–2005: reorganization of regional monopolies
- 2005–2006: creation of OGKs and TGKs
- 2006: launch of the new market model
- 2007: start of the market liberalization
- 2008: final reorganization of RAO UES
- 2011: full implementation of target model envisaged

Power Industry reform—strong need for capacity replacement.

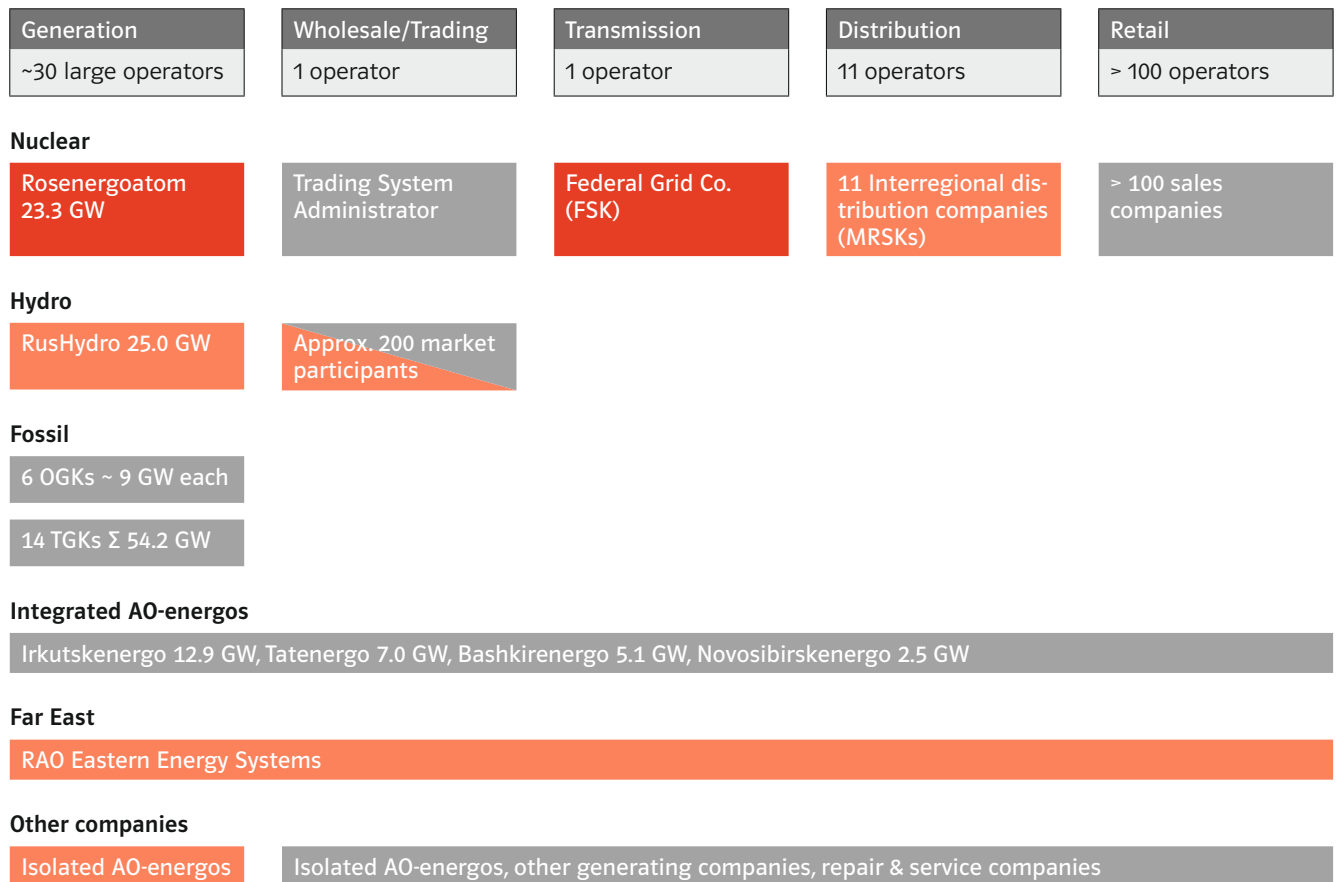
Russian Power Market—Generating Equipment Breakdown by Age

Percentages



Power Industry Reform—Reshuffling the Corporate Landscape

- Transition from the monopolistic state-controlled industry to competitive state/private environment.
- Generation segment was the first segment to finish reorganization: currently 25 large producers.



State control extent: ■ 75%+ ■ 50%+ ■ 0-50%

Power Industry Reform—Reshaping the Market Structure

- Stepwise deregulation 2007–2010.
- Introduction of new market segments (e.g. day-ahead market, capacity market).
- Spot market and free bilateral contracts are focus of the new market.
- Capacity is expected to be traded separately.
- Balancing market to reduce imbalances.

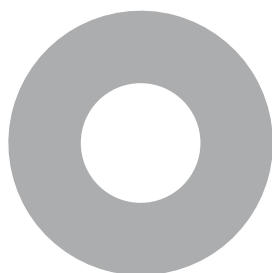
In September 2006, Russian government approved new rules and structure of the wholesale electricity market consisting of the following segments:

- Regulated Agreements—electricity is sold under the tariffs set by regulator.
- Day-ahead market—spot market with electricity sales on day-ahead basis.
- Balancing market—real-time spot market.

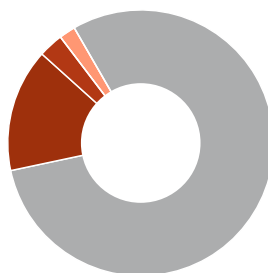
Evolution of Russian Electricity Market

Illustrative

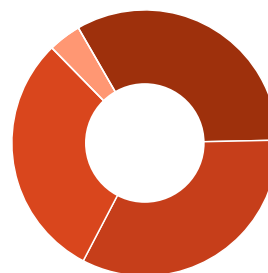
Pre-reform model
(before 2007)



Current model
(2007–2008)



Target model
(for 2011)



Regulated Agreements

- Prices are set by regulator.
- Prescribed counterparties.
- Take-or-pay obligations for electricity and capacity volumes.
- Until 2007 tariffs on a "cost plus" basis.
- From 2008 indexation formula for setting tariffs.

Day-ahead spot market

- Prices are driven by demand/supply.
- Day-ahead basis.
- Price-setting and price-accepting bids and offers.
- Hourly equilibrium prices.
- Free counterparties.

Free agreements with prescribed counterparties

- Free price, terms and conditions.
- Limited volumes within the transition period until 2011.

Capacity market

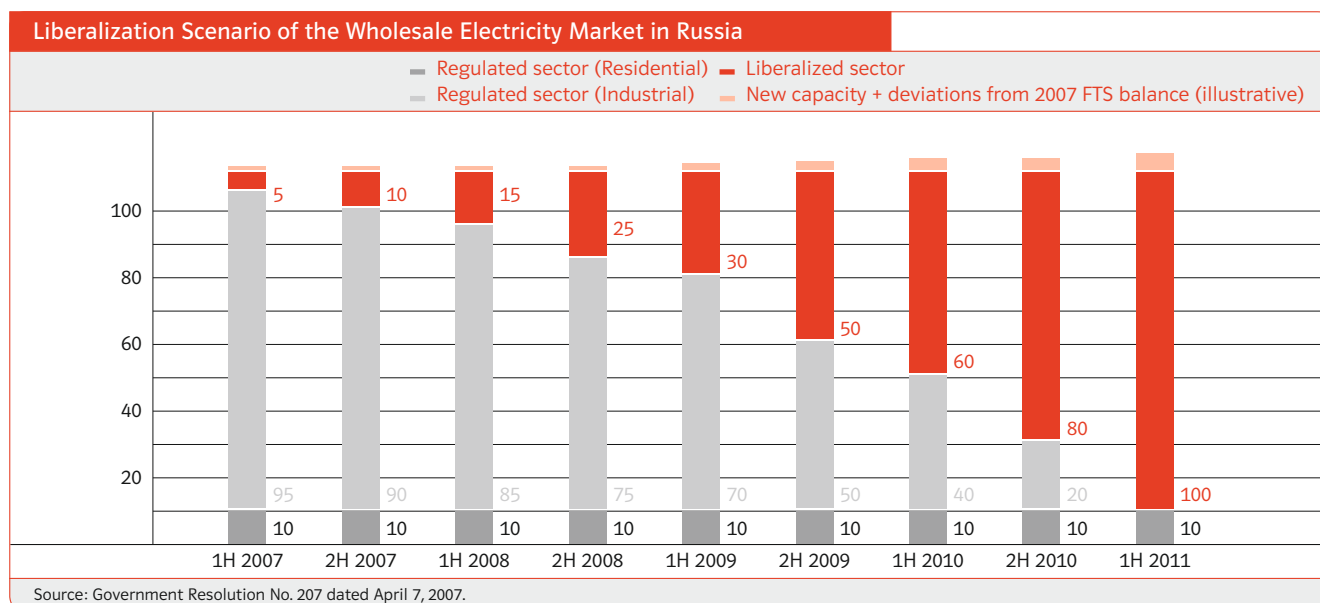
- Fully regulated until July 1, 2008—capacity payments mainly cover generator's fixed costs.
- Since July 1, 2008 liberalization according to power market scenario.
- Capacity auctions.
- Capacity exchange/trade with link to power volumes.

Balancing market

- Prices are driven by demand/supply.
- Designed to eliminate imbalances between demand/supply.
- Price-setting and price-accepting bids and offers.
- System services market is expected to be launched in 2009.

Power Industry Reform—Stepwise Liberalization

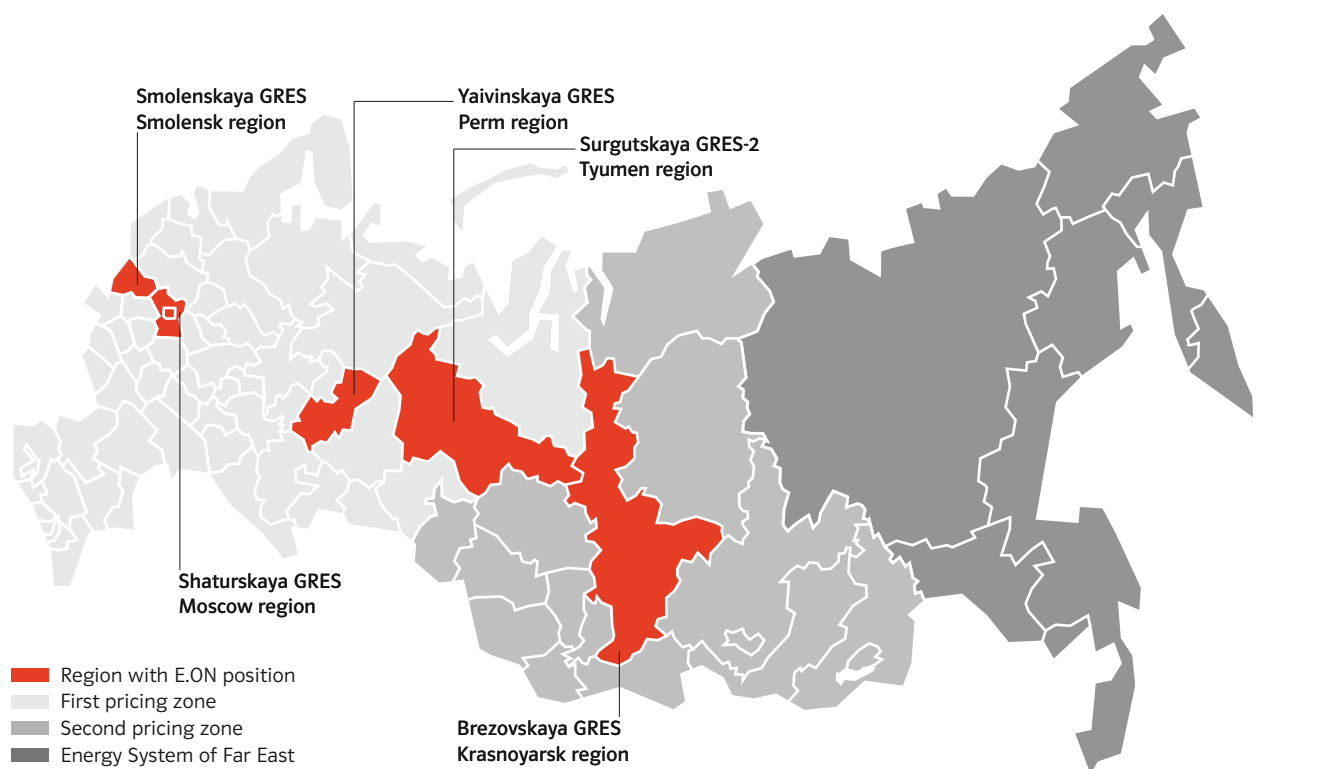
In April 2007, Russian government adopted stepwise liberalization of the electricity and capacity market.



- Liberalization ratios are applied to the electricity and capacity volumes included in the Federal Tariff System (FTS) balance for 2007 (excluding volumes sold to the households).
- Capacity and power for households are sold under regulated agreements.
- The newly commissioned capacity and power produced from that capacity are sold on the free market.
- Heat market will remain fully regulated until special resolution of the government.

Power Market—Two Pricing Zones

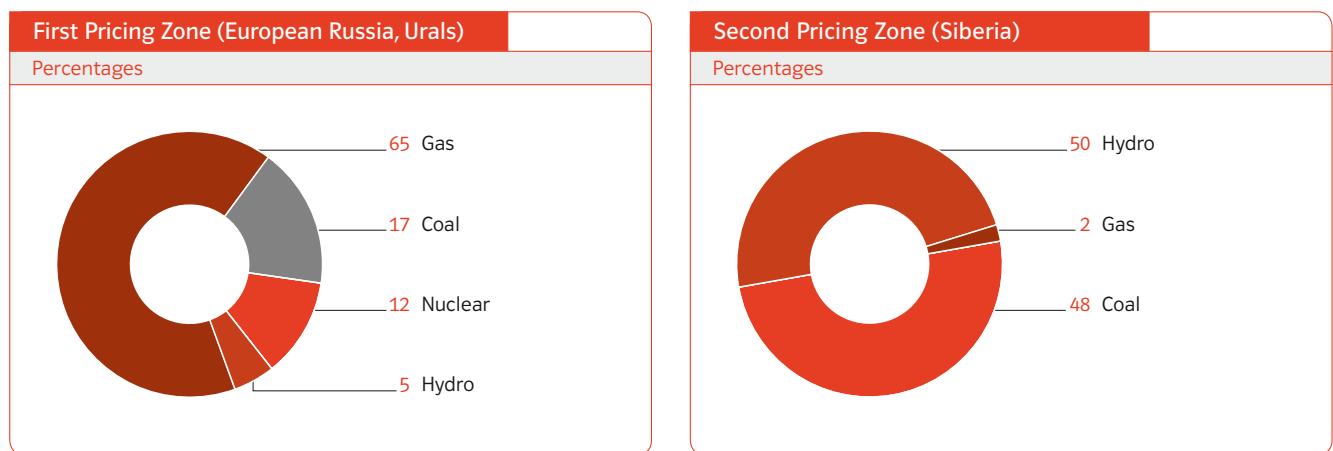
- Russian power market is subdivided into two pricing zones.
- Far East Energy System is isolated from unified energy system and fragmented within itself.
- Interconnection between zones very limited.



- Pricing zones further segmented into free float zones driven by grid limitations.
- Russian transmission grid part of IPS/UPS power system.
- Feasibility study on synchronous interconnection of the power system of IPS/UPS with UCTE have been carried out—synchronous interconnection feasible in ten long-term but strong investment need.

Strongly different fuel mix within the two pricing zones

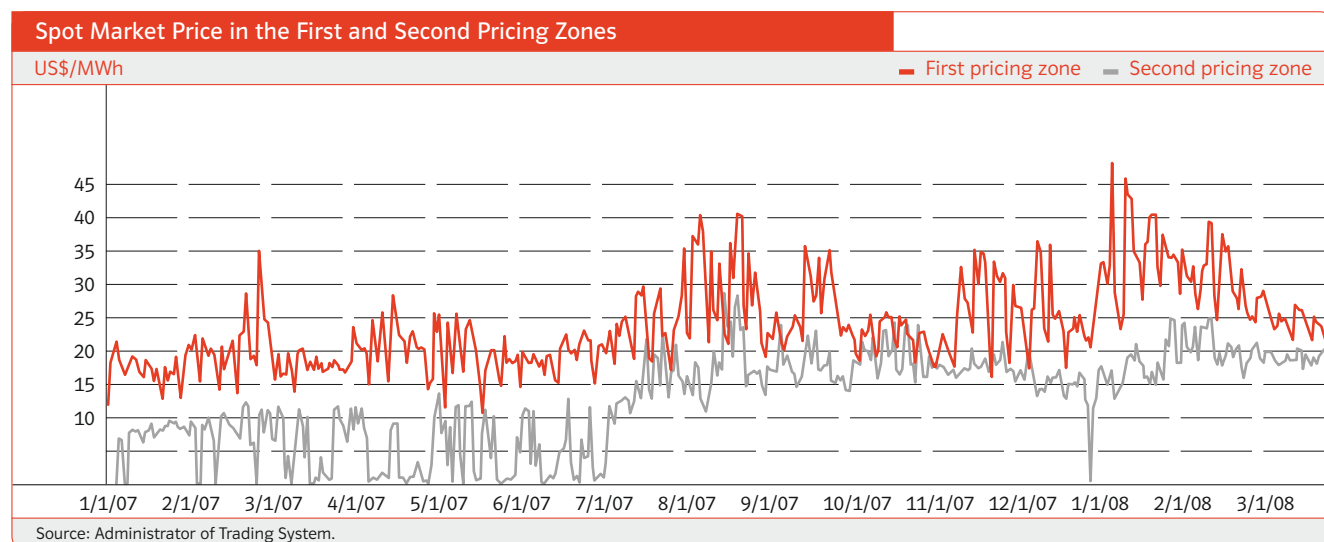
- Higher dependence on seasonality.
- Different merit orders.
- Different structure of electricity demand and, accordingly, different growth rates of consumption.



- No immediate access to fuel sources in European Russia; proximity to gas in Urals.
- Dominant positions of gas-fired generation.
- Significant share of nuclear generation.
- Low reserve margins.
- Advantageous exposure to coal as primary fuel source.
- Hydro and coal capacities prevail in Siberia.
- No nuclear facilities.

Spot Market—Future Basis of the Power Wholesale Market

Spot market is expected to be a cornerstone for future wholesale electricity market.



- Spot price is highly volatile due to its dependence on:
 - seasonality
 - weather conditions
 - day of the week
 - repairs of equipment
 - water flows and load of hydro generation.
- Absence of a forward market further increases spot price volatility.
- First pricing zone: spot prices are normally set by gas-fired and fuel oil power units.
- Second pricing zone: spot prices are usually set by hydro stations and coal power plants.

Current Status of Power Industry and Market Developments

Markets

- Day-ahead sales—approximately 15 percent of volumes in H1 2008, approximately 25 percent of volumes in H1 2008.
- Capacity market is expected to be launched on July 1, 2008.

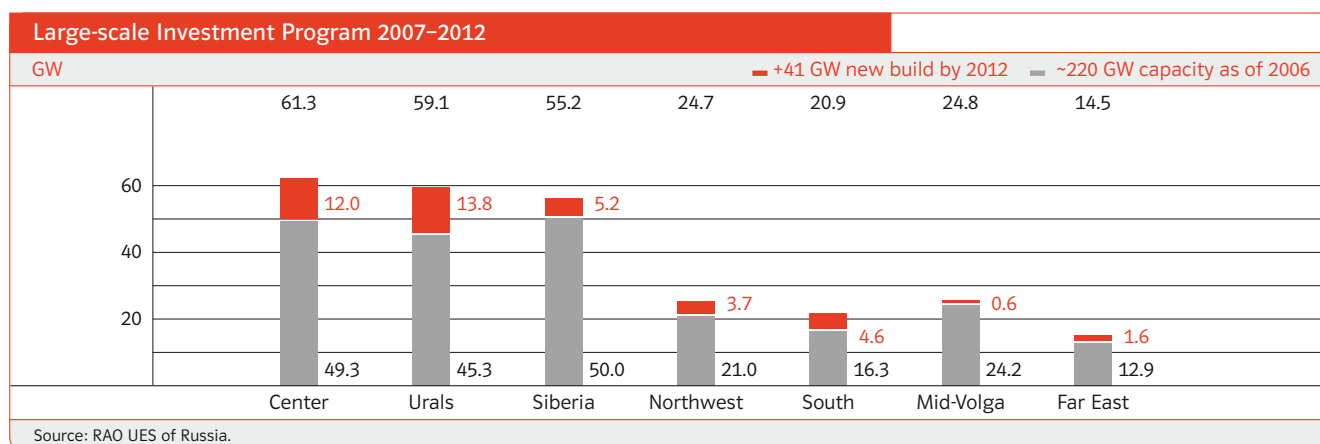
Corporate

- Most generation companies are already controlled by strategic or portfolio investors.
- Final reorganization of RAO UES of Russia to be completed on July 1, 2008.

Infrastructure

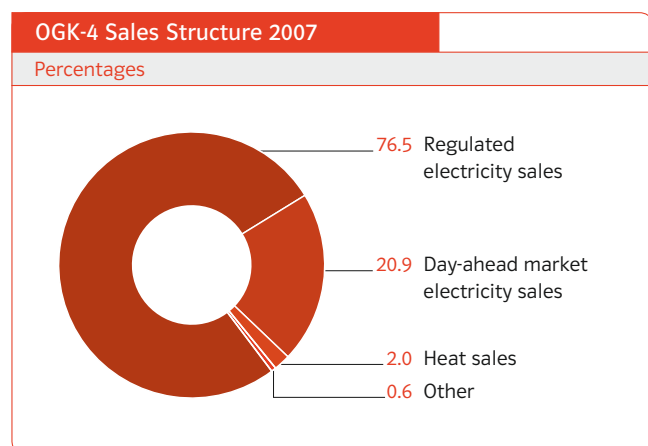
- Consolidation of Federal Grid Company and 11 inter-regional distribution companies is under way.
- Market Council to be formed in 2008.

Investments



- Investment deployment philosophy is fully based on the reform concept.
- 41 GW of new installed capacity in 2006–2010.
- Most of commissioning in fast-growing Central, Urals and Siberia.
- Approximately 50 percent of additional capacities will be gas-fired.
- Roughly 20 percent of new built will be nuclear and hydro (~10 percent each).

E.ON Russia Power—2007 Sales



- Regulated electricity sales 45.5 billion kWh.
- Non-regulated electricity sales 12.0 billion kWh.
- Heat sales 2.2 billion kWh.

E.ON Russia Power—Generation Assets and Key Figures

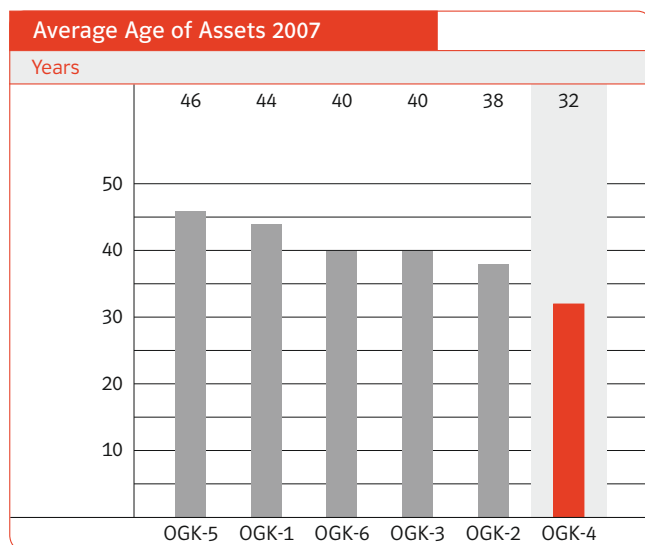
OGK-4 Electric Power Stations				
	Total capacity net MW	OGK-4's share		Start-up date
		%	Attributable capacity MW	
Gas: Surgutskaya GRES-2	4,800	100.0	4,800	1985-1988
Coal: Berezovskaya GRES	1,500	100.0	1,500	1987-1991
Gas/coal/peat/fuel oil: Shaturskaya GRES	1,100	100.0	1,100	1971-1986
Gas/coal/peat: Smolenskaya GRES	630	100.0	630	1978-1985
Gas/coal: Yaivinskaya GRES	600	100.0	600	1963-1965
Total	8,630		8,630	

OGK-4 Power Generation by Power Plant				
MWh	2007	2006	2005	2004
Surgutskaya GRES-2	34,406	32,884	31,936	30,867
Berezovskaya GRES	8,529	6,921	6,675	6,197
Shaturskaya GRES	4,911	4,763	4,581	3,154
Smolenskaya GRES	2,099	2,388	2,139	1,967
Yaivinskaya GRES	4,296	4,074	3,652	3,627
Total	54,241	51,030	48,983	45,812
Russia's market overall	1,015,893	991,424	953,071	931,900 ¹

¹Rounded.

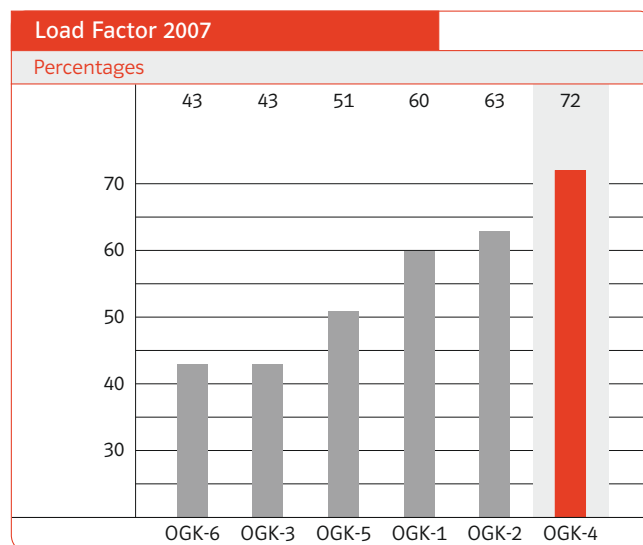
E.ON Russia Power—Generation Assets and Key Figures

Superior positions among peers in terms of age and efficiency of generating facilities (see average age of assets 2007 and heat rate 2007).

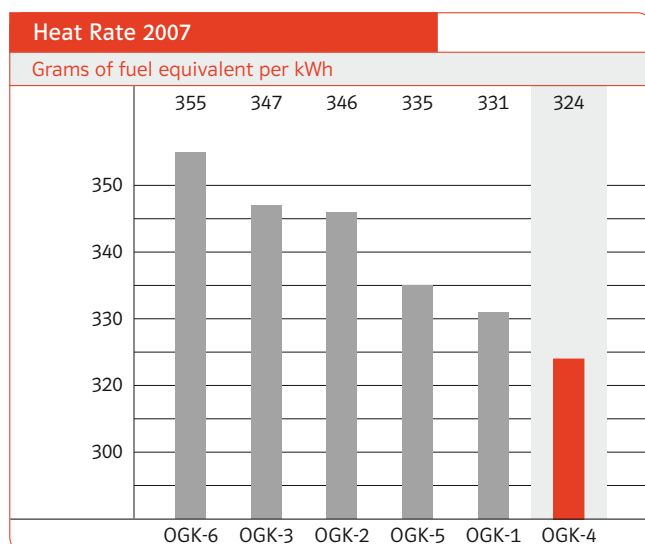


Younger assets require less repair and maintenance costs.

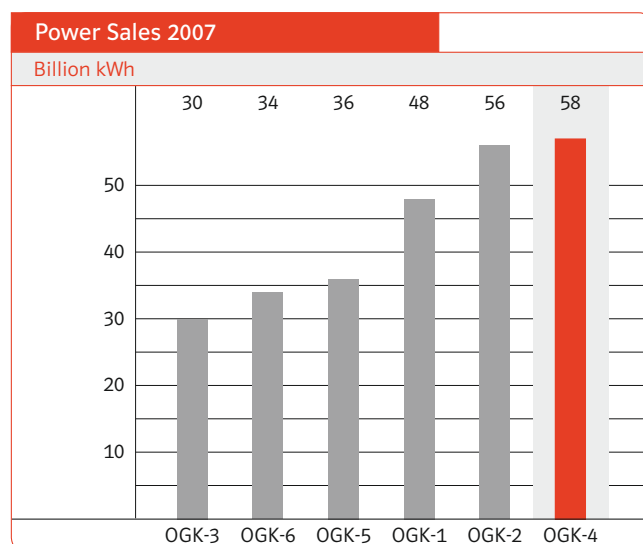
Operating more efficient facilities, OGK-4 power plants enjoy higher load factor that leads to higher sales volumes (see load factor 2007 and power sales 2007).



System operator firstly loads more efficient facilities that leads to higher sales volumes.



Since fuel costs' share in overall costs of generators is approximately 60 percent, fuel efficiency is crucial.



Sales volume comprises sales of produced power and results of trading activities as well.

E.ON Russia Power—Investment Program

Market-driven projects

- New electricity/capacity to be sold at free prices.
- Soaring spot prices.
- Construction in regions experiencing consumption growth.
- New facilities will be the most efficient on the market.

Fuel security

- Mid- and long-term contracts with key fuel suppliers.
- Existing equipment is flexible in varying fuel mix.

Construction issues

- Construction on sites of the existing power plants.
- All new build contracts on the EPC (turnkey) basis.
- All main equipment contracted.

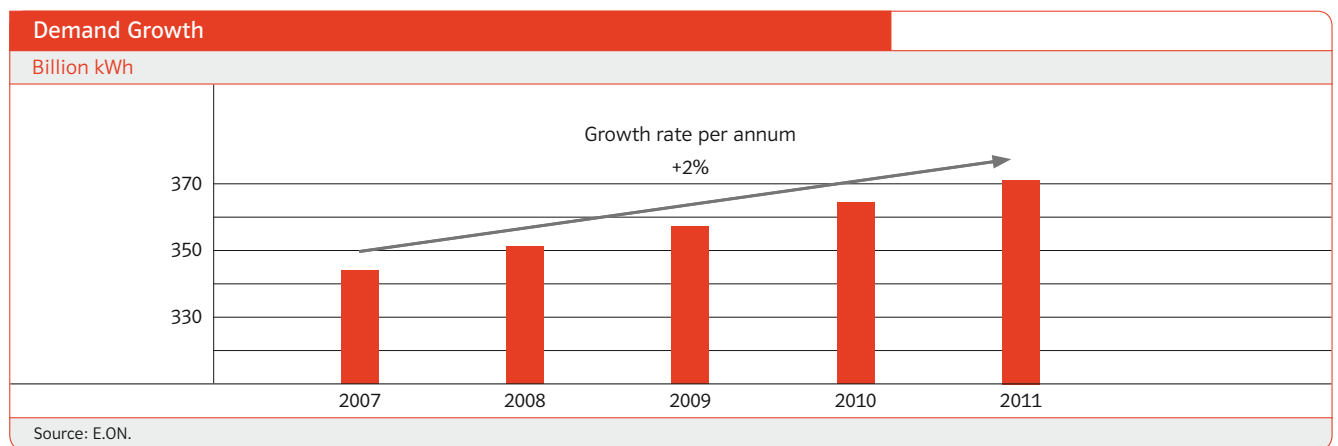
New build pipeline 2007–2011



New Markets—Italy

Market Overview

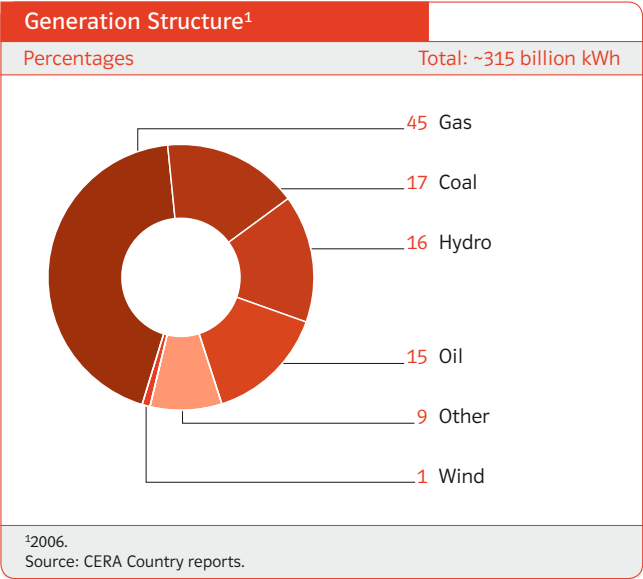
- Italy is the fourth-largest power and the third-largest gas market in Europe.
- The power sector shows a stable demand growth of about 2 percent, where at present about 50 billion kWh power has to be imported each year to meet Italy's power demand.
- The future demand growth in the gas sector is expected to be driven mainly by increasing consumption from gas-fired power plants.



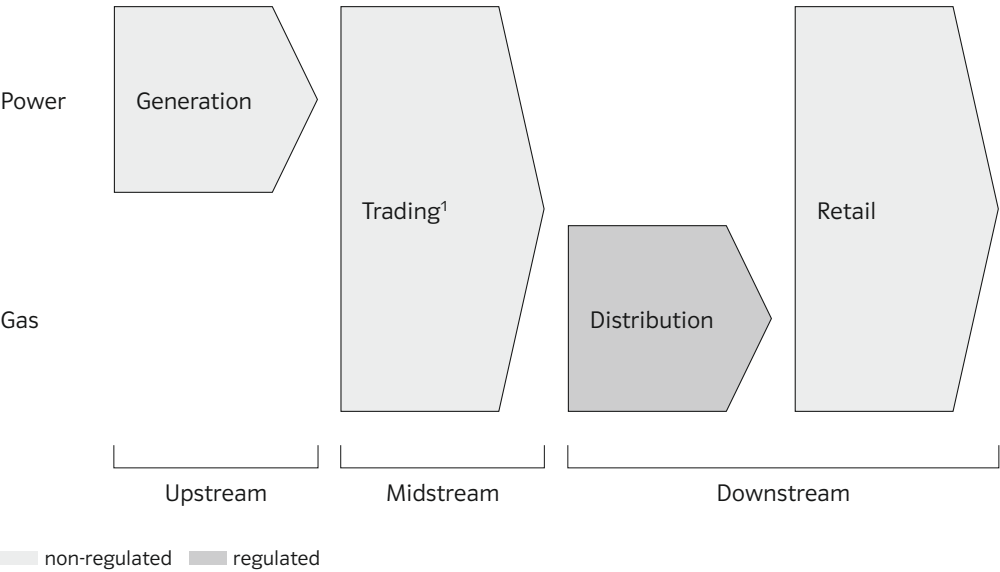
Key drivers for power demand growth

- Demand growth is mainly driven by increasing consumption of the service and industrial sector.
- Demand from service sector is expected to grow at an annual rate of 4 percent until 2011, amounting to a total growth of about 15 billion kWh.
- Industrial demand is expected to increase by almost 10 billion kWh until 2011, corresponding to an annual growth rate of 1 percent.
- Shrunk shift towards gas in the generation portfolio.

E.ON Italia—Generation Structure



E.ON Italia—Presence along the Value Chain



¹Envisaged to be carried out by E.ON Energy Trading.

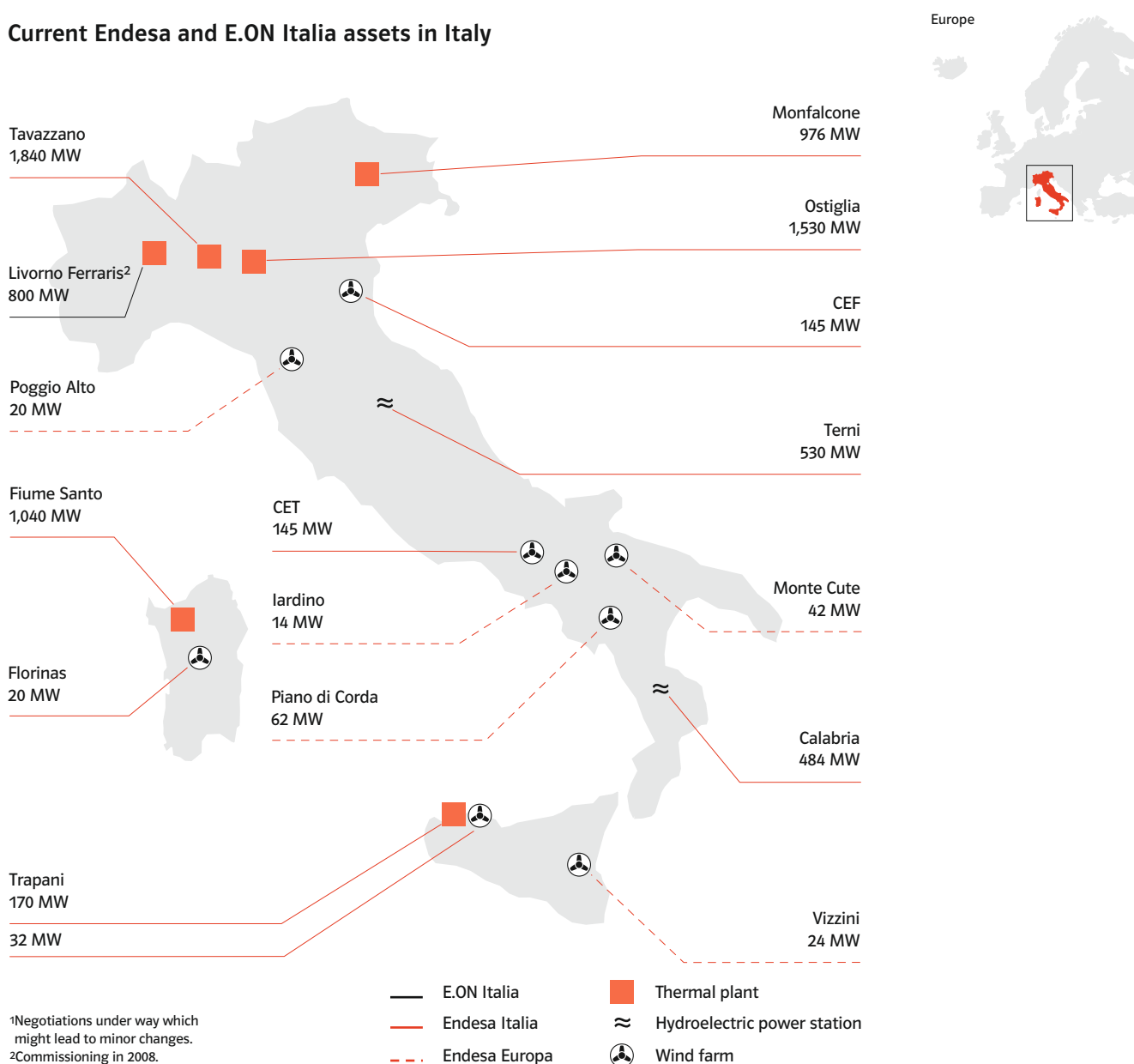
E.ON Italia—Key Figures

Key Figures ¹ (2008 Expected)		
GW	Envisaged E.ON Italia	Overall market (approx.)
Generation capacity	6.5 ²	91.2 ³

¹Fully consolidated companies.
²Including 0.8 GW Livorno Ferraris and pro rata of 7 GW Endesa generation capacity.
³2006.

E.ON Italia—Generation Assets¹

Current Endesa and E.ON Italia assets in Italy



E.ON Italia—Gas Downstream Assets

Current gas downstream assets

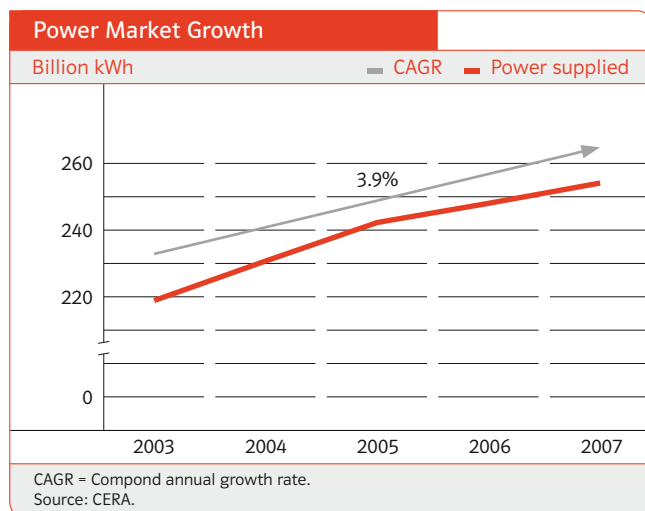


New Markets—Spain

Market Overview

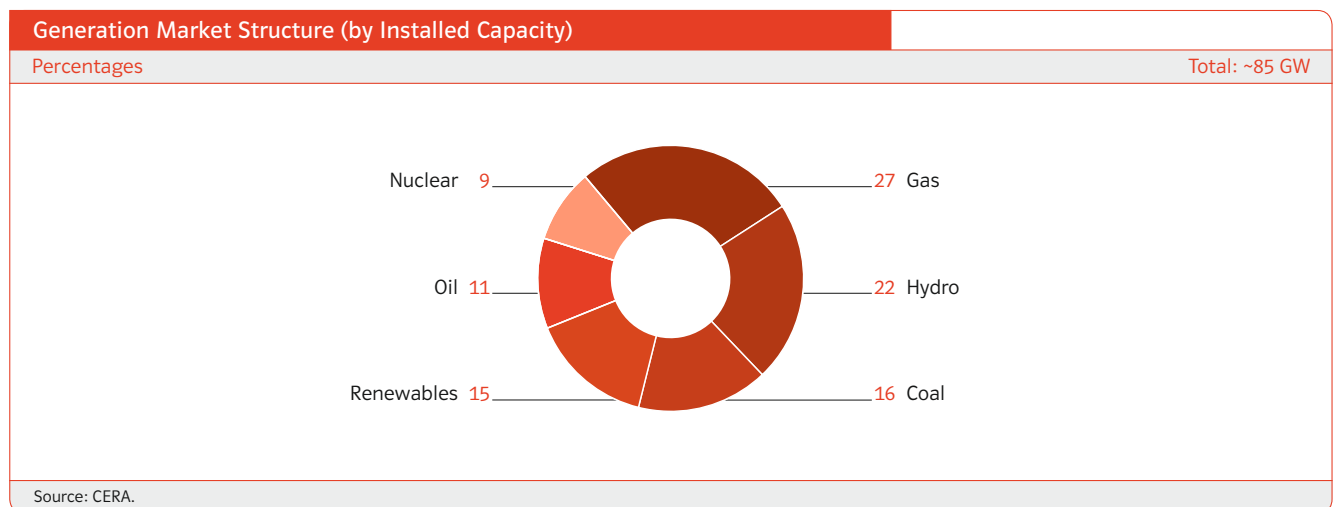
One of the largest fast-growing power markets in Europe.

- Fifth-largest market in Europe (9 percent of EU30).
- Strong demand growth (CAGR 3.9 percent, four times of EU30 average).
- Diversified fuel mix.



Opportunities from changing generation structure.

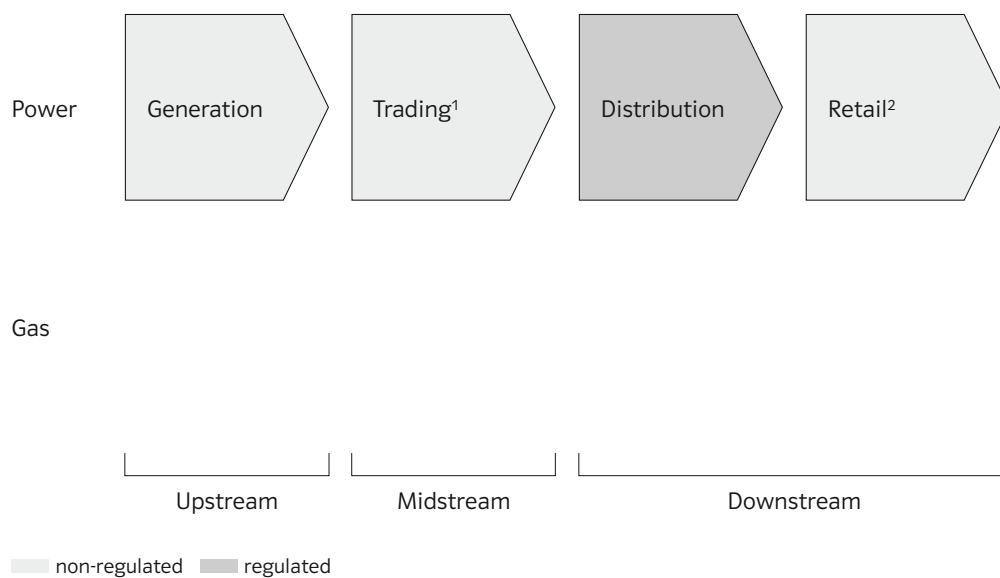
- Replacement of old generation capacity currently under way.
- Shift in fuel type from domestic coal and oil towards gas and renewables.



Market Specifics

- Evolving common Iberian market (with Portugal) but limited interconnection capacities to the rest of Europe.
- Gas market (and gas-to-power market) depends on LNG due to limited import pipelines.
- Hydro power strongly depending on irregular rainfalls.

E.ON España—Presence along the Value Chain



¹Envisaged to be carried out by E.ON Energy Trading.

²Regulated consumer prices.

E.ON España—Market Position 2011

Position in power generation

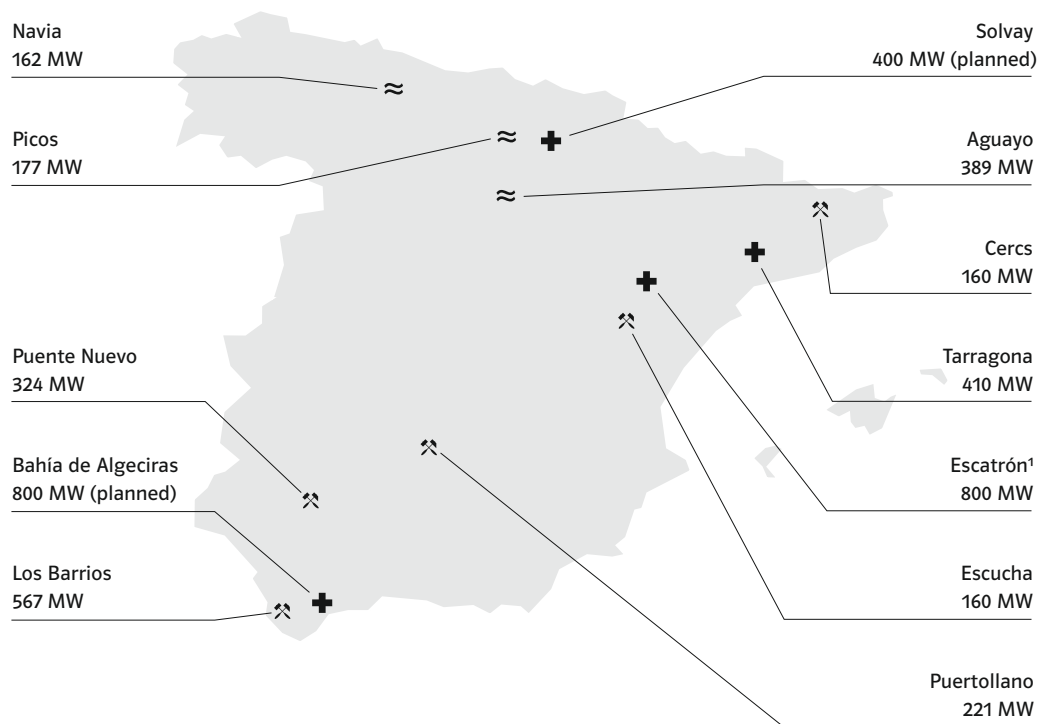
- Capacity No. 4
- Production No. 5

Position in power distribution and sales

- Customers No. 4
- Sales No. 5

E.ON España—Generation Assets

Location of assets and fuel types



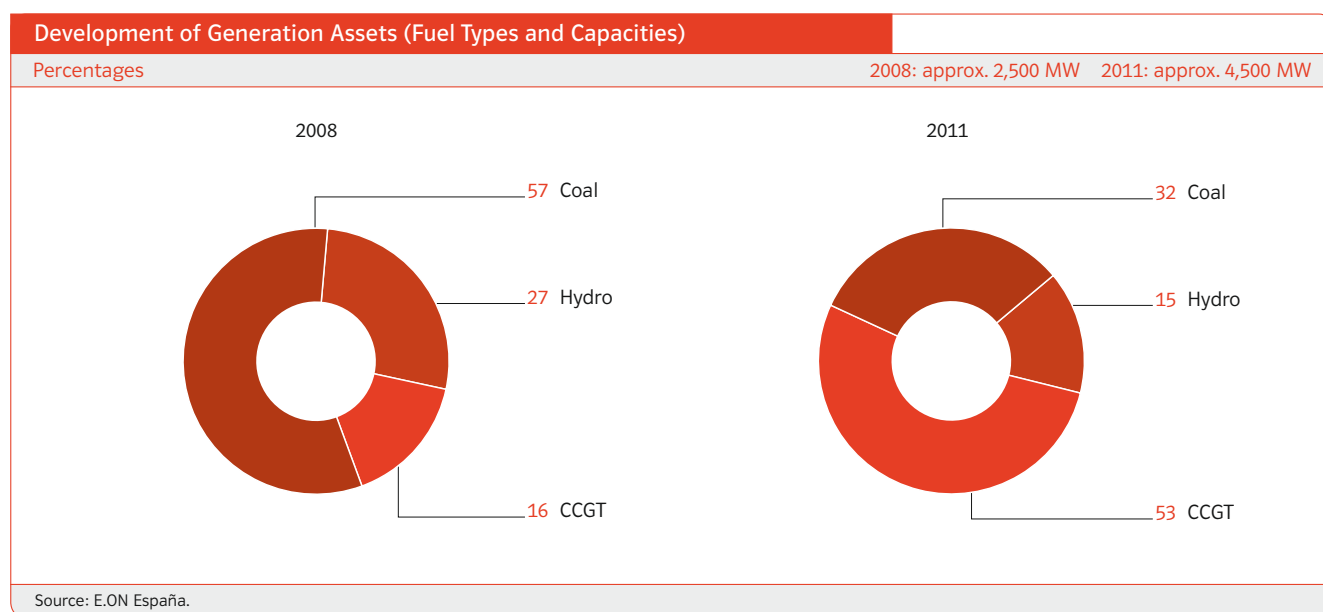
- ≈ Hydro power station
- ↔ Coal-fired power station
- ✱ Nuclear power station
- ✚ CCGT power station

¹Commissioning in 2008.
Source: E.ON España

Europe



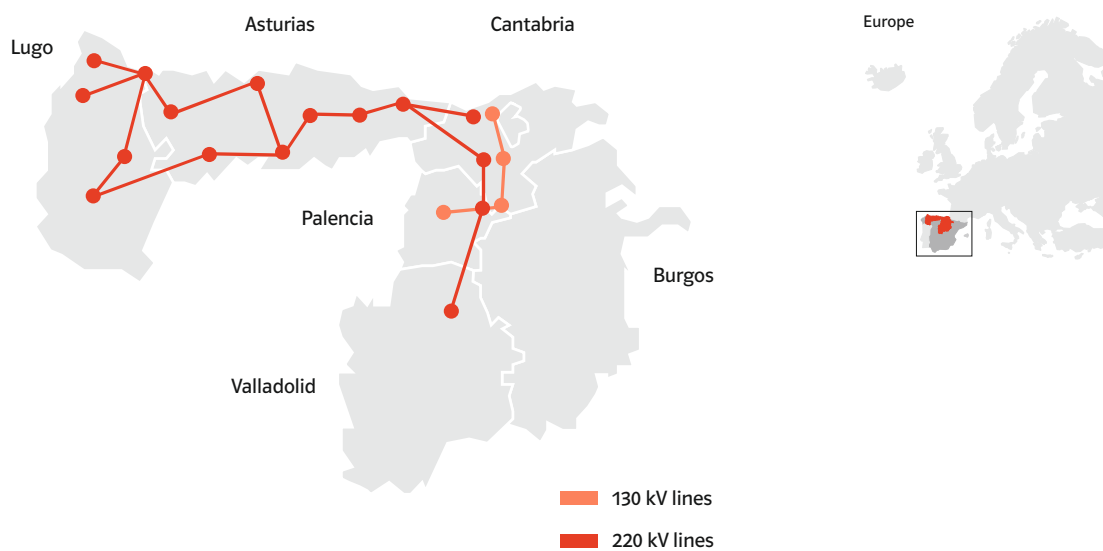
E.ON España—Generation Assets



E.ON España—Key Figures

Power Generation Capacity by Fuel Type	
MW	2008
Coal	1,432
Gas (CCGT)	410
Hydro	668
Spain market unit	2,510

E.ON España—Power Distribution Assets



Position in power distribution

Network	29,500 km
Distributed power	5.9 billion kWh

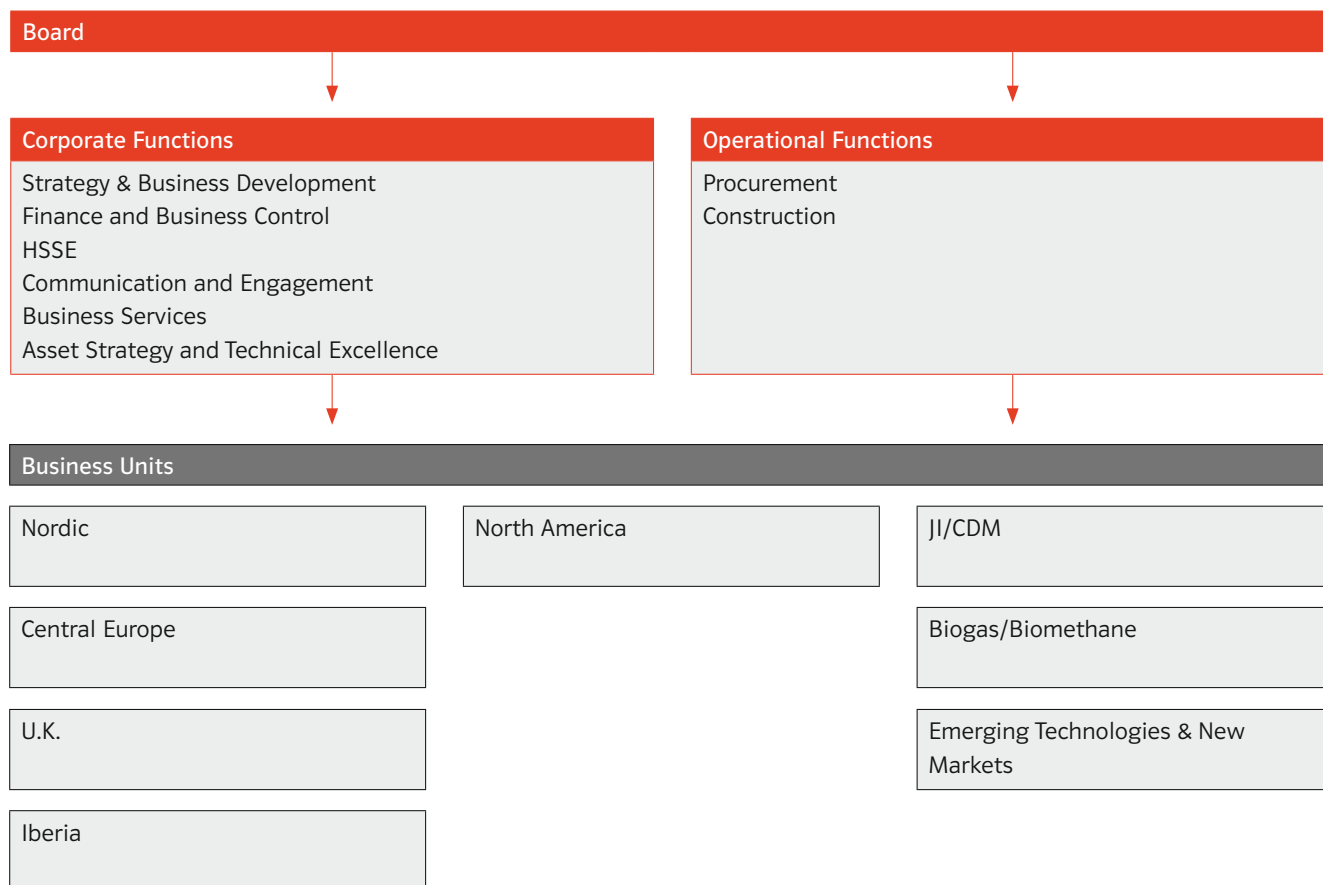
Position in power sales

Customers ¹	650,000
Distributed power	4.9 billion kWh

¹Including pro rata customers from BEGASA.

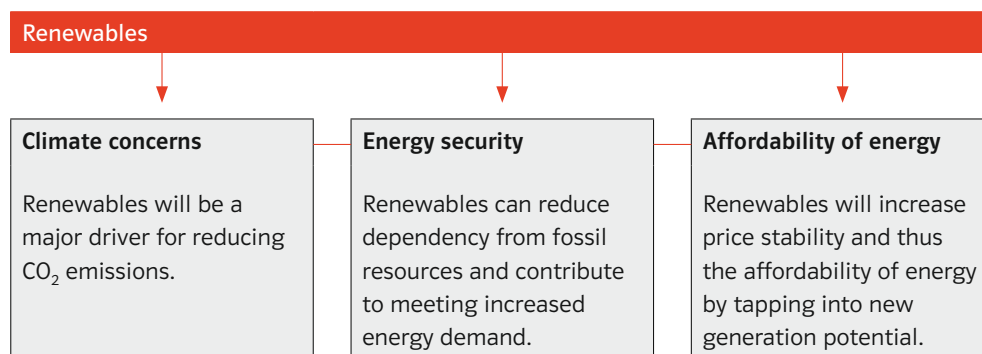
Climate & Renewables Market Unit

Organizational Setup



Overview and Timeline

Renewables are the key to address fundamental energy challenges



E.ON is well prepared to drive the renewables agenda to a new level with:

Managing scale, complexity and supply chain

- Operational excellence in running large power plants.
- Management capability for large-scale projects.
- Deep know-how of the entire energy supply chain—from generation to retail distribution.

Financial strength/M&A capability

- Large investments: offshore wind park approximately €0.4–1.0 billion, a sizeable portfolio requires > €1 billion.
- Ability to integrate businesses (M&A).

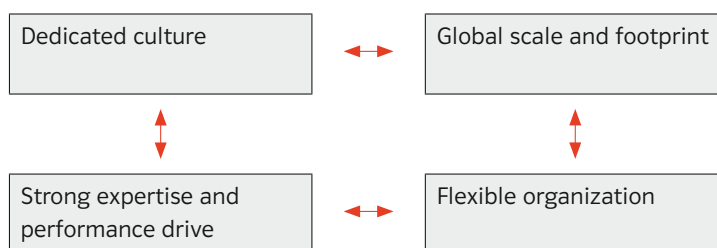
Technical capabilities

- In-depth knowledge of all power technologies.
- Engineering at E.ON—more engineers than the entire wind industry in Germany (> 4,000).
- Close R&D collaboration and strategic partnerships with leading research institutions (e.g. RWTH Aachen).

Strong management commitment

"Our vision is to make E.ON a global leader in Renewables and Climate Protection, consistent with our overall vision to be the world's leading power and gas company."

Achievements through:



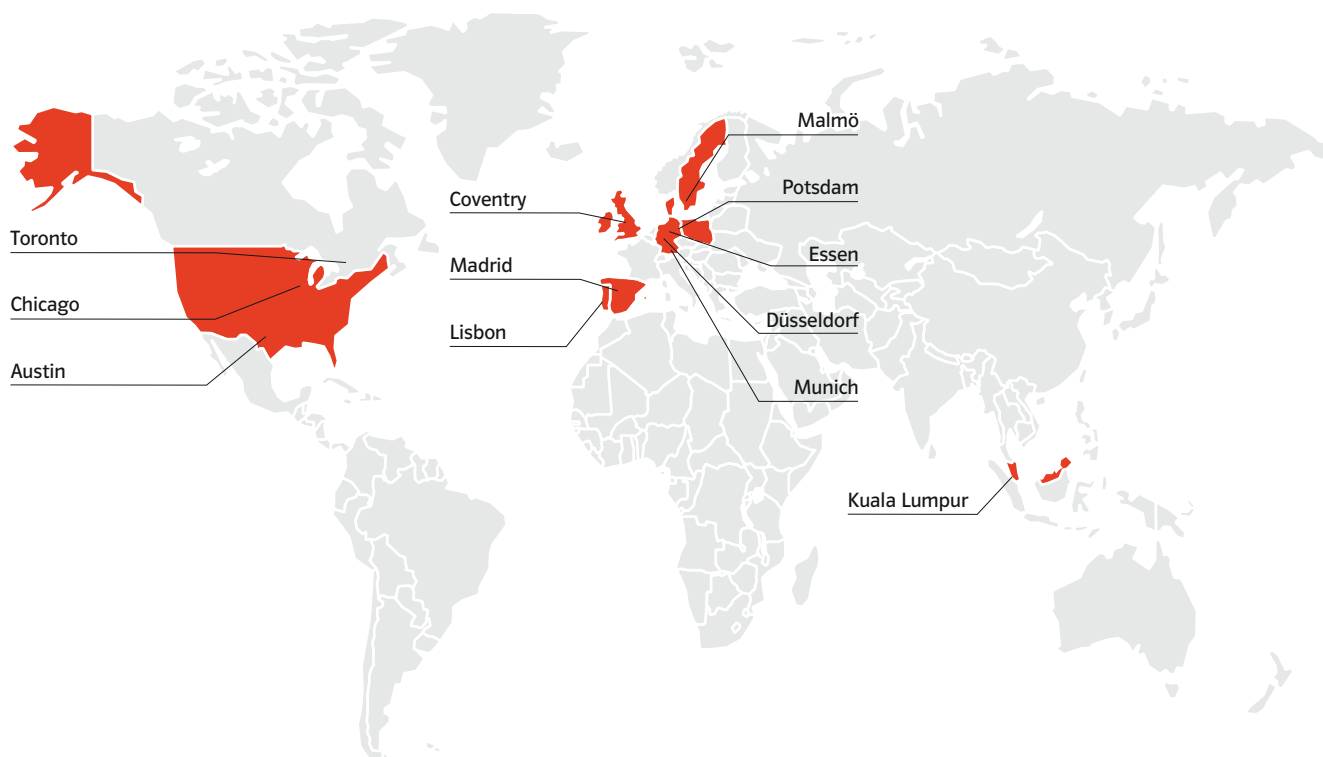
On May 31, 2007, E.ON announced:

- E.ON will establish a new Renewables & Climate Protection unit E.ON Climate & Renewables.
- E.ON will invest €3 billion until 2010. In October 2007 the investment was adjusted to €6 billion.
- E.ON will decrease specific CO₂ emissions by 50 percent until 2030.

E.ON Climate & Renewables remit is:

- Managing all existing and future Renewables operations, excluding Hydro.
- Carbon sourcing for the entire E.ON Group (JI/CDM).
- Setting strategy, portfolio and the investment plan for Renewables.
- Driving E.ON's key growth aspirations.
- Spearheading E.ON's activities in emerging renewables markets.

Existing Offices



Key strategic issues

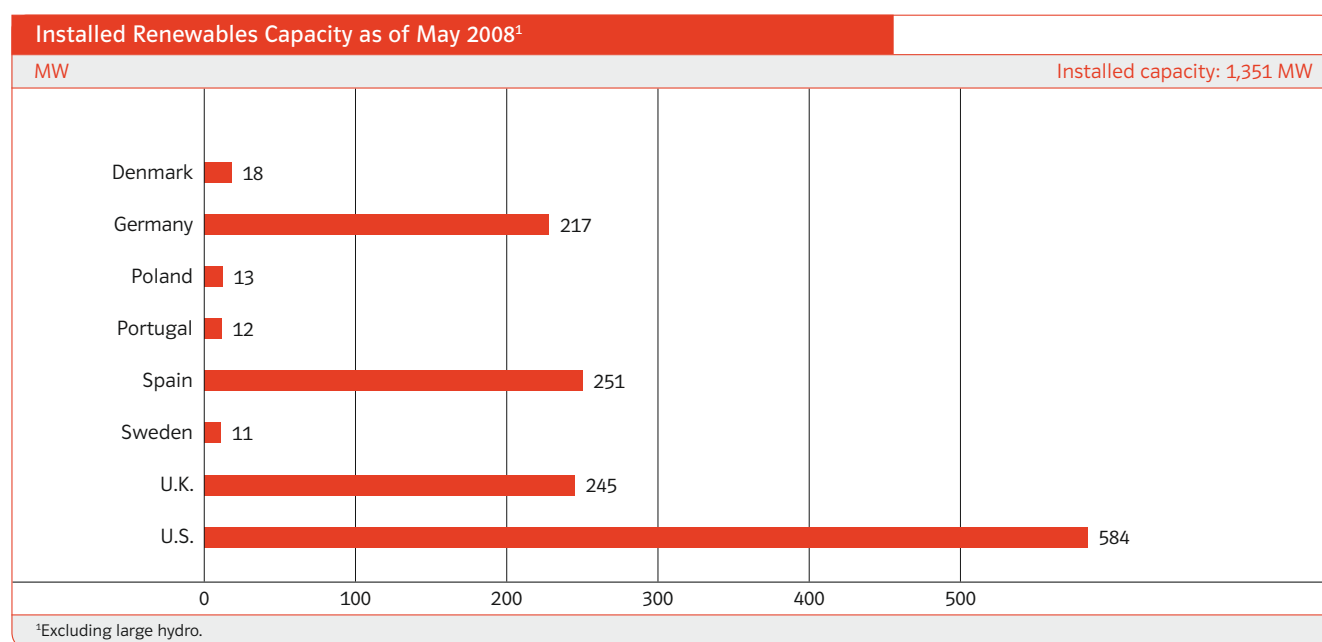
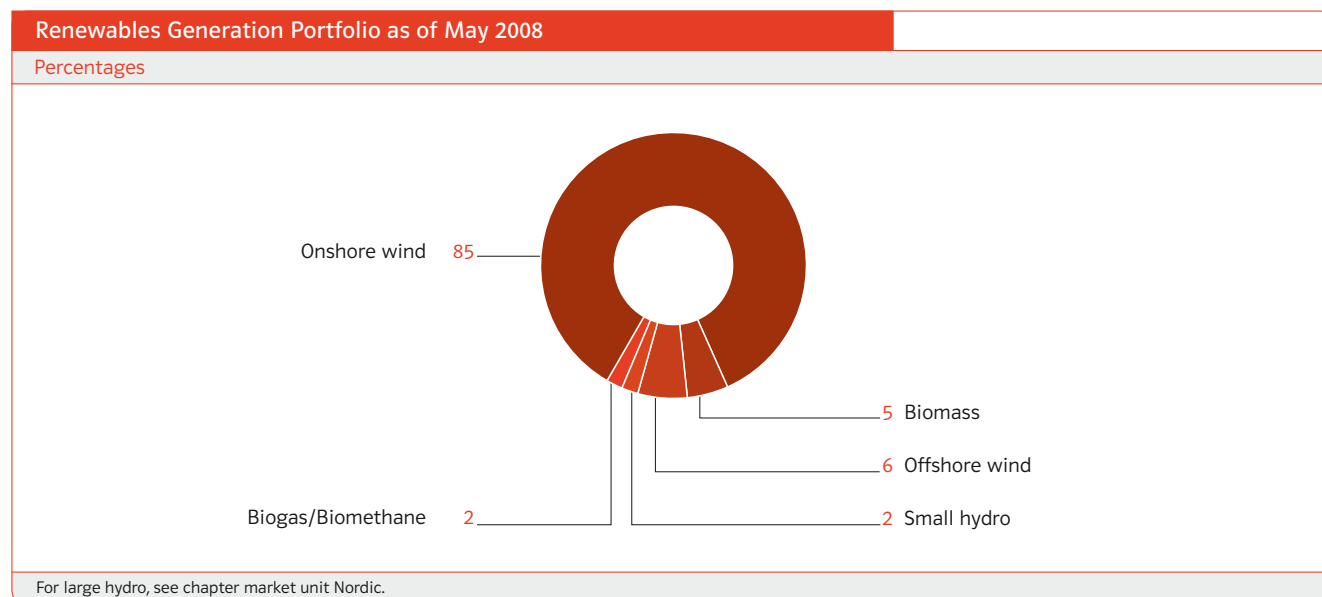
- Shaping the next stage of industry development as a leading global player with a lookout on worldwide opportunities.
- Focus on scalable technologies, scalable already or in the future, moving the business from boutique to industrial.
- Superior value chain management together with first-class assets and locations give competitive advantage.
- Flexible and agile organization with a diverse and experienced workforce along with a strong performance drive.
- Fully leverage by using existing groupwide skills and capabilities.

Timeline

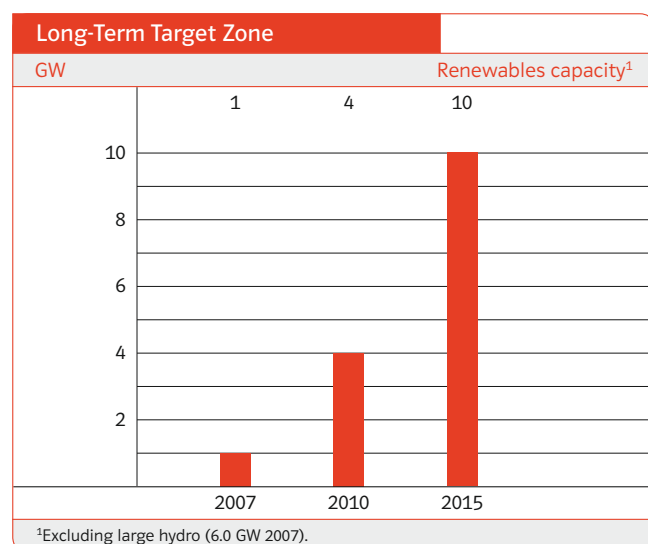
Unit up and running—at the same time we tripled our renewables capacity to more than 1,300 MW in less than a year.

Renewables Timeline	
Commissioning	Date
E.ON renewables portfolio	May 2007
Treue Ost wind farm, Germany	Jul 2007
Solar JV with Schüco, Germany	Aug 2007
Acquisition of E2-I, Spain	Aug 2007
Acquisition of Airtricity, North America	Oct 2007
Munnsville wind park, U.S.	Oct 2007
Stag's Holt, wind park U.K.	Oct 2007
Steven's croft Biomass plant, U.K.	Nov 2007
Investment raised to EUR 6 bn until 2010	Oct 2007
Lebcz, wind park, Poland	Nov 2007
	Dec 2007/
Sand Bluff wind park, U.S.	Jan 2008
Schwandorf biomethane plant, Germany	Feb 2008
Roscoe and Champion wind parks, U.S.	Feb/Mar 2008

Generation Portfolio



Long-Term Targets



Major projects

- Major wind onshore projects in construction in 2008
Panther Creek, Pyron and Inadale, in total 700 MW (U.S.)
Sierra de Tineo, Mingorrubio, Barão de S. João, Espinhaço de Cão, in total 135 MW (Iberia)
- Wind offshore projects in construction in 2008
Robin Rigg, 180 MW (U.K.)
Alpha Ventus, 20 MW (CE)
- Wind offshore projects in development in 2008
Rödsand 2, 207 MW gross (Nordic)

Technologies to Be Rolled Out

Wind

Onshore

- 54 wind parks currently in operation; 1,153 MW worldwide.
- Long-term experience in Germany and U.K.
- Large-scale projects commissioned in U.S. with capacity of more than 100 MW each.
- Approximately 50 percent North America/50 percent Europe.

Offshore

- First mover in market (Blyth, U.K.; 2000).
- Three operational offshore wind parks in Europe with 82 MW.
- Rødsand 2 license in Denmark, 207 MW (gross).
- Alpha Ventus (Germany) as a pioneer deep-water project.

E.ON Climate & Renewables intention is to become the leading player and to drive the market development to scale.

Biogas/Biomethane

Biogas is obtained from anaerobic digestion of biomass. The anaerobic digestion is a process in which methane is extracted from organic material by bacteria in the absence of oxygen. The feedstock for anaerobic digestion can be for example energy crops, agricultural waste, etc. The biogas can be used for generating electricity and heat by feeding it into a turbine.

Alternatively, the biogas can be upgraded to biomethane by separating CO₂ from the methane gas and the result is purified biogas, which is biomethane with at least 95 percent methane content. This biomethane can be injected into the gas pipeline.

- E.ON Climate & Renewables has several biogas and biomethane plants across the EU and ten years experience in pace-setting biomethane Research & Development (R&D).
- E.ON opened the largest biomethane plant in the world (Schwandorf, Germany).

E.ON Climate & Renewables aims to spearhead the market development by becoming market and technology leader in biomethane and to continue R&D to reinforce technological leadership position.

Biomass

Biomass will refer to solid biomass (wood, wood waste, straw, agricultural waste) for generating power and heat through a combustion technology.

- Experience in Europe through several large inland dedicated biomass plants in Central Europe and U.K., a total of 69 MW_{el} in operation.
- Of these dedicated wood-burning plants one of the largest in Europe, Steven's Croft—44 MW_{el}, was commissioned by E.ON Climate & Renewables in the last quarter of 2007.
- E.ON Climate & Renewables will follow an ethical sourcing policy.

E.ON Climate & Renewables is looking to extend a strong current position through focus on developing and operating large coastal and inland plants, as well as building experience in cutting-edge gasification technology.

Small hydro

This technology will be managed within the E.ON Group through the Competence Center Hydro in Nordic.

Technologies for the First Commercial Plants

These are the technologies in which we are focused on the First Commercial Plants:

- Photovoltaic thin film, Malibu, a joint venture with Schüco
 - JV with Schüco, Malibu, to develop cutting-edge thin-film solar technology for the commercial and utility sector.
 - The Malibu production starts commercial operation at the beginning of 2009 and will be capable to produce 40 MW per year with an option to expand.
- Co-location/sun-farms:
 - We will review our wind portfolio for complementary PV/TF installations.

- CSP—concentrating solar plants¹
 - E.ON Climate & Renewables performs a dedicated analysis to establish view on most promising technology options to develop plans for first commercial opportunities.
 - Potential future large-scale entry with explicit goal to drive technological development and scale.

E.ON Climate & Renewables will drive cost-effective solutions together with step change potential for cost reduction and technology.

¹Identical to solar thermal plants.

Technologies in Proof-of-Concept and R&D Stage

Ocean energy

- E.ON Climate & Renewables started to explore ocean energy in 2005 in U.K.
- Planning commercial trials of ocean energy in 2009 and 2011 (~1 MW) with
 - Pelamis wave technology, where a full-scale ocean testing of commercial-scale devices is scheduled for 2009.
 - Tidal lunar technology, where a full-scale ocean testing of commercial-scale devices is scheduled for 2011.

E.ON Climate & Renewables is driving technology development and will focus on devices with potential to deliver scale and rapid reduction in capital and operating costs.

Geothermal energy

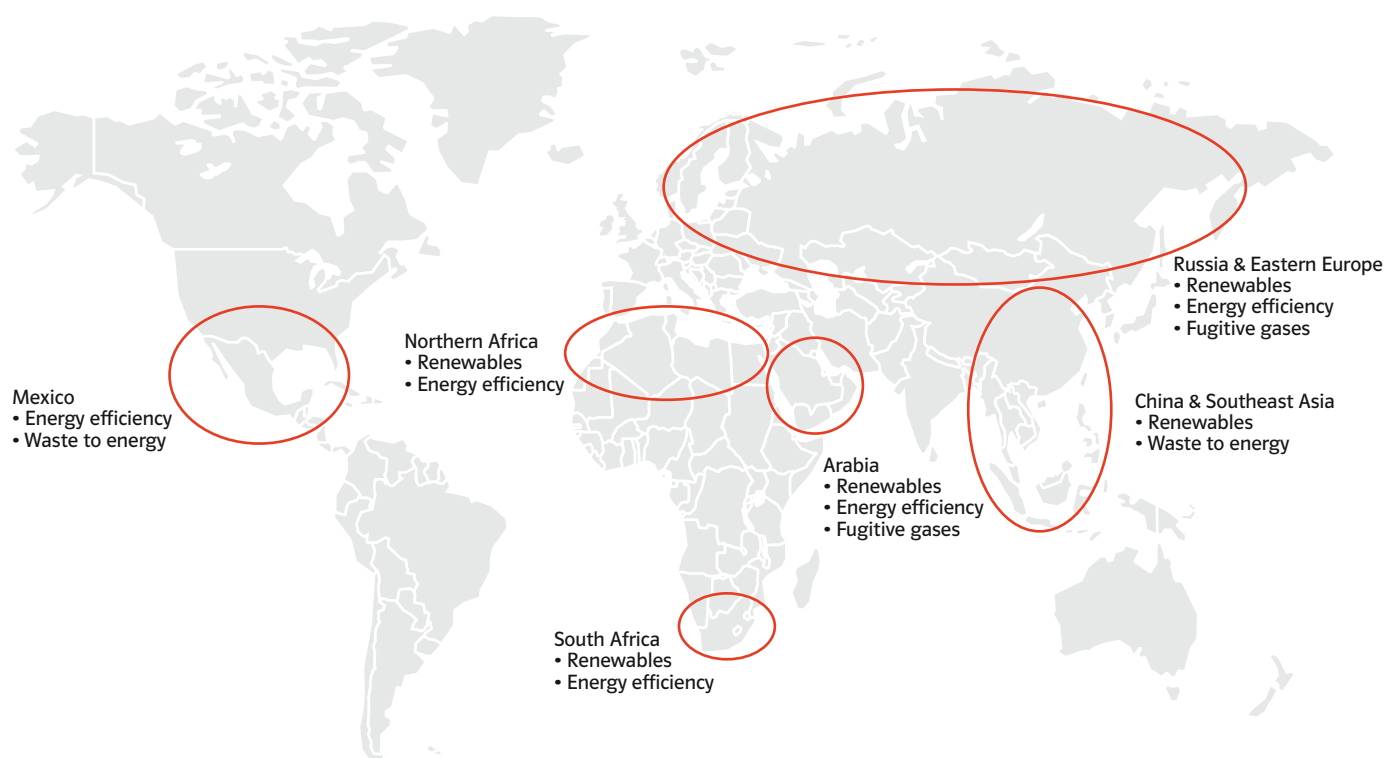
Hot Dry Rock technology will be tracked by E.ON Climate & Renewables through the support of E.ON Energy Research Center at Aachen University (e.g. small demonstration projects).

E.ON Climate & Renewables is investigating in a very early R&D stage Hot Dry Rock technology which holds large global potential.

Joint Implementation (JI) and Clean Development Mechanism (CDM)

Flexibility mechanisms allow carbon credits to be outside of Europe and sold into the Emissions Trading Scheme.

Carbon sourcing (JI/CDM): Different technology focus in different markets



Global supply for Phase II (2008–2012) is estimated at 2 billion tons of carbon dioxide

Clean Development Mechanism (CDM)

- CDM projects take place between developed countries (e.g. EU) and developing countries (e.g. China).
- CDM projects produce carbon credits called certified emission reduction (CERs).
- CERs generated by a project are based on the difference between business-as-usual emissions and emissions with the project, based on external audit process.
- CERs are used to offset emissions in developed countries.

Joint Implementation (JI)

- JI projects take place between developed countries (e.g. EU) and economies in transition (e.g. Russia).
- JI projects produce carbon credits called emission reduction units (ERUs).
- ERUs generated by a project are deducted from the host country's CO₂ allocation.
- ERUs are to offset emissions in developed countries.

Creating project options in line with our capability set and sourcing requirements

A number of projects in focus countries have been initiated

- Wind projects development in South Africa.
- Co-generation projects with industrial costumers.
- Biomass project development in China.
- Energy efficiency projects for gas and coal power plants in Russia.

Operational Assets¹

Wind onshore	MW ¹
Ascoy	1.5
Bodenaya	18.0
Boquerón	24.8
Borja 2	10.8
Borja 1	8.1
Carcelén	11.4
Magallón	12.3
Mallén	25.5
Páramo de Poza	15.0
Pax	19.2
Pico Gallo	24.4
Planas de Pola	17.8
Remolinos	5.9
San Juan de Bargas	18.1
Santa Quiteria	2.3
Spain	215.1
Joguinho	11.7
Portugal	11.7
Forest Creek	124.2
Munnsville	34.5
Sand Bluff	90.0
Champion	126.5
Roscoe	209.0
U.S.	584.2
Askam	4.6
Bessy Bell	5
Blood Hill	2.3
Bowbeat	31.2
Deucheran Hill	15.8
Hare Hill	5.1
High Volts	7.8
Homeside	5.1
Lowca	4.6
Oldside	5.4
Out Newton	9.1
Ovenden Moor	4.6
Rheidol	2.4
Rhyd y Groes	3.6
Royd Moor	3.3
Siddick	4.2
St Breock	5.0
Stag's Holt	18.0
U.K.	137.1

Wind onshore (continued)	MW ¹
EWC Windpark, Cuxhaven	2.5
Land Brandenburg, Windkraft (WKA)	50.8
Land Brandenburg, WKA Schönerlinde	0.8
Land Mecklenburg-Vorpommern, WKA	36.7
Land Mecklenburg-Vorpommern, WKA Kessin	0.4
Land Sachsen-Anhalt, WKA	19.9
Land Sachsen, WKA	23.6
Rheiner Windpark	2.5
Windpark Dargelütz	22.0
Windpark Helmstedt-Treue	8.0
Windpark Treue-Ost	8.0
Windpark Riethnordhausen, 5 WKA	7.4
Germany	182.6
Windpark Lebcz I	5.9
Windpark Lebcz II	7.4
Poland	13.3
Southern Sweden	9.4
Sweden	9.4
Total wind onshore	1,153.4
¹ E.ON equity share.	

Wind offshore	MW ¹
Blyth	4.0
Scroby Sands	60.0
U.K.	64.0
Nysted 1	18.3
Denmark	18.3
Total wind offshore	82.3
¹ E.ON equity share.	

¹As of May 31, 2008.

Biomass	
	MW ¹
Steven's Croft	44.0
U.K.	44.0
Biomasseheizkraftwerk Landesbergen GmbH	10.0
Biomasseheizkraftwerk Zolling GmbH	15.0
Germany	25.0
Total biomass	69.0
¹ E.ON equity share.	

Biogas/Biomethane	
	MW ¹
Juneda	4.3
VAG	6.0
Spain	10.3
Biogasanlage (BGA) Kaakstedt	0.8
Biogasanlage (BGA) Sauen	0.4
Biogasanlage (BGA) Hasenwinkel	0.4
Biogasanlage (BGA) Malchin	3.7
BGA Fürstenwalde	0.5
BGA Roggenhagen	0.1
Germany Biogas	5.9
Bioerdgas Schwandorf	2.7
Biogasanlage (BGA) Ketzin	0.6
Germany Biomethane	3.3
Laholm	0.7
Norrköping	0.3
Wrams Gunnarstorp	0.3
Sweden	1.3
Total biogas/biomethane	20.8
¹ E.ON equity share.	

Small Hydro	
	MW ¹
E2-I Project	5.3
Giribaile	20.0
Spain	25.3
Total small hydro	25.3
¹ E.ON equity share.	

Total Operational Assets	
	MW ¹
Total wind onshore	1,153.4
Total wind offshore	82.3
Total biomass	69.0
Total biogas/biomethane	20.8
Total small hydro	25.3
Total operational assets	1,350.8
¹ E.ON equity share.	

Energy Trading Market Unit

Introduction

E.ON Energy Trading takes advantage of the growing opportunities resulting from converging regional markets in Europe. E.ON Energy Trading proactively contributes to the development of exchanges, market rules and liquidity throughout the energy markets of Europe.

E.ON Energy Trading is a truly international business through its trading activities, corporate culture and its multinational teams working together.

E.ON Energy Trading optimizes E.ON's up- and downstream asset base through integration by bringing together all group commodity risk positions and market expertise within E.ON Energy Trading.

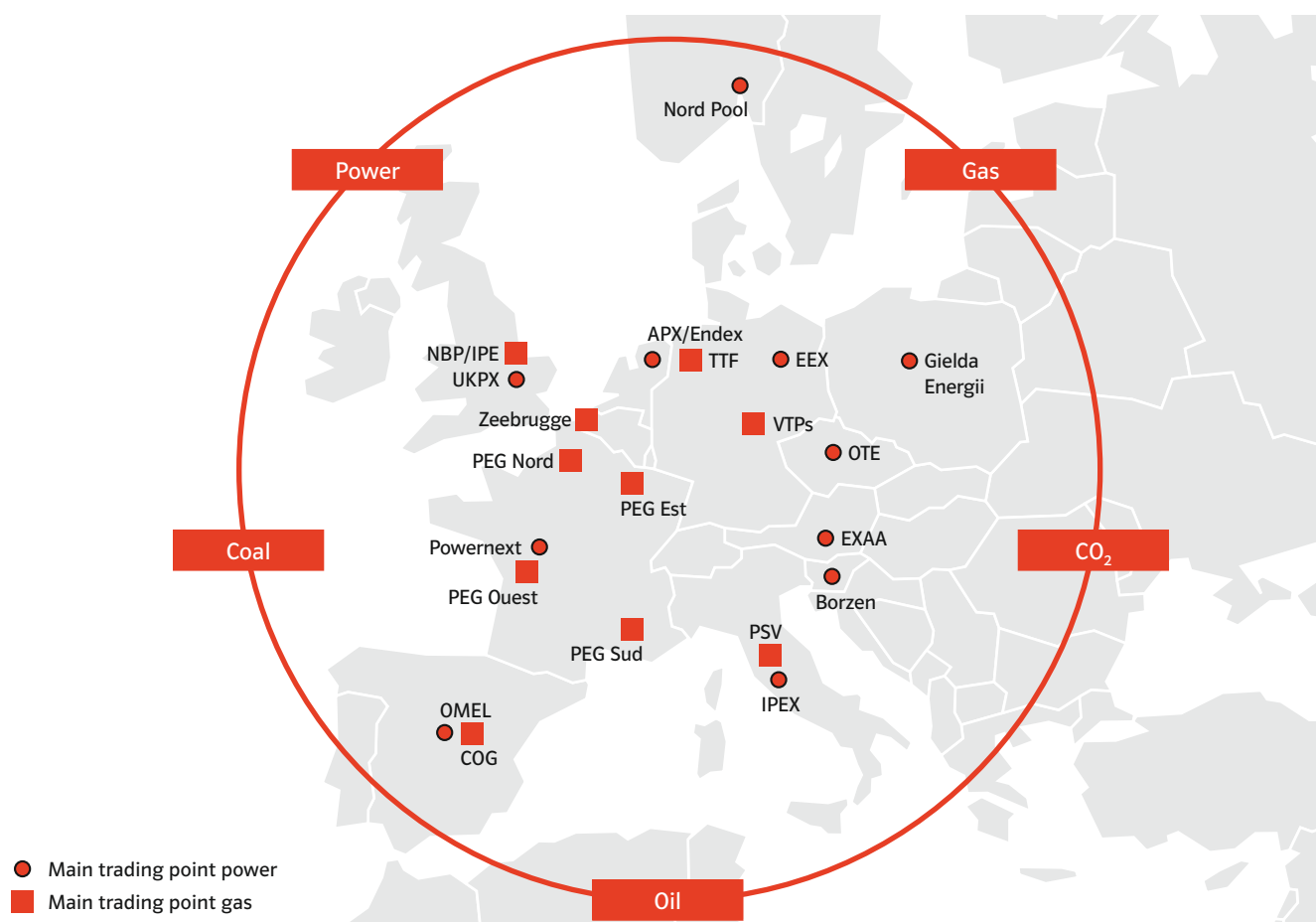
Combining the integration and optimizing with innovative new business generation, E.ON Energy Trading helps to achieve a better return for the E.ON Group than the market units could do on their stand-alone assets. E.ON Energy Trading is responsible for commodity risk management and the optimization of E.ON's assets three years prior to delivery.

E.ON Energy Trading steers the value through timing decisions on hedging, capturing flexibility value of E.ON's assets, arbitraging across regions and commodities, optimizing risk allocation and through proprietary trading.

Based on openness, transparency and knowledge sharing, E.ON Energy Trading's trading culture allows for attaining and retaining top talent in trading, risk management and back office.

The transfer of activities between the existing market units and E.ON Energy Trading is taking place during 2008.

Energy Trading in Europe



A centralized E.ON Energy Trading will play an important role in realizing additional value from E.ON's assets.

Benefits of E.ON's single European energy trading unit:

Cross regional integration

Single integrated view on all markets & assets improves capture of arbitrage opportunities.

Cross commodity integration

Ability to realize the benefits of power and gas convergence.

Risk capital

Integrated portfolio view and consistent risk/hedging strategy reduces risk for a given return.

Proprietary trading

Asset knowledge, understanding of the market fundamentals & deal flow deliver superior performance.

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Financial Calendar

August 13, 2008	Interim Report: January—June 2008
September 1, 2008	Capital Market Day
November 12, 2008	Interim Report: January—September 2008
March 10, 2009	Release of 2008 Annual Report
May 6, 2009	2009 Annual Shareholders Meeting
May 7, 2009	Dividend Payout
May 13, 2009	Interim Report: January—March 2009
August 12, 2009	Interim Report: January—June 2009
November 11, 2009	Interim Report: January—September 2009

