



May 10, 2006

### **E.ON committed to value-enhancing growth**

- **Positive performance continues in first quarter**
- **Company remains optimistic on full year results**

In the first quarter of 2006 the E.ON Group continued its positive earnings development. E.ON grew sales by 37 percent year-on-year to €1.5 billion (prior year: €15.8 billion) and adjusted EBIT<sup>1</sup> by 6 percent to €2,534 million (€2,390 million). Net income (after taxes and minority interests) also surpassed the high prior-year figure, advancing by 18 percent to €1,718 million (€1,459 million).

### **Consolidation effects and cold weather key positive factors**

The Central Europe market unit increased adjusted EBIT by 10 percent to €1,413 million (€1,281 million). The advance is primarily attributable to the inclusion of newly consolidated subsidiaries in Bulgaria and Romania, temperature-driven increases in natural gas sales volumes, and higher average prices for electricity and natural gas in the wake of the global increase in raw materials and energy prices. Pan-European Gas grew adjusted EBIT by 57 percent to €733 million (€467 million). Contributing to the increase were higher sales volumes caused by colder winter weather, consolidation effects, and an improved upstream business. Pan-European Gas's first-quarter results were adversely affected by the increase in light heating oil prices, since procurement prices respond to changes in light heating oil prices faster than sales prices. However, this effect was less pronounced than in prior-year period. The U.K. market unit's adjusted EBIT fell by 86 percent to €38 million (€268 million). Natural gas supply issues and cold weather led to considerably higher natural gas procurement costs in the United Kingdom. Nordic's adjusted EBIT rose by 5 percent from €287 million to €300 million, in part due higher spot electricity prices. U.S. Midwest's adjusted EBIT declined by 8 percent from

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€100 million to €92 million. Higher costs associated with new market regulations in the transmission business constituted the main factor.

### **Outlook confirmed**

E.ON continues to expect its adjusted EBIT for 2006 to slightly surpass the high prior-year level. However, the company will not repeat the extraordinarily high net income figure posted in 2005, which resulted in particular from the book gains on its successful Viterra and Ruhrgas Industries disposals.

E.ON CEO Wulf H. Bernotat said: “Our first-quarter earnings development confirms again that we were right to focus on our core power and gas business. Now a top priority is to achieve value-enhancing growth in our core business..” By acquiring Endesa, a Spanish energy utility, E.ON aims to tap attractive growth markets in Southern Europe and South America. In late April the European Commission issued an unconditional antitrust approval for E.ON’s acquisition of Endesa. The national approvals process conducted by the CNE, Spain’s energy regulator, is currently under way.

In addition, E.ON continues to negotiate with Gazprom about acquiring a stake in Yushno Russkoye gas field in order to strengthen its position in natural gas procurement.

1) Non-GAAP financial measure; for a reconciliation to net income, see the E.ON Interim Report 1/2006, page 8.

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the prospectus (when it is available) and its complementary documentation from E.ON, Endesa, the four Spanish Stock Exchanges, and Santander Investment Bolsa SV SA or Santander Investment SA, Corredores de Bolsa. The prospectus will also be available on the websites of the CNMV ([www.cnmv.es](http://www.cnmv.es)) and E.ON ([www.eon.com](http://www.eon.com)). Likewise, investors and security holders may obtain a free copy of the U.S. tender offer statement (when it is available) and other documents filed by E.ON with the SEC on the SEC's web site at [www.sec.gov](http://www.sec.gov). The U.S. tender offer statement and these other documents may also be obtained for free from E.ON, when they become available, by directing a request to E.ON AG, External Communications, Tel.: 0211- 45 79 - 4 53.

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