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COMP/M.4672 - E.ON/ ENDESA EUROPA/ VIESGO

SECTION 1.2

Description of the concentration

By means of the notified concentration E.ON AG, Düsseldorf, Germany (E.ON), acquires sole control over Endesa Europa, S.L., a subsidiary of Endesa S.A., Madrid, Spain (Endesa), over certain assets of Endesa and over the Viesgo subsidiaries of Enel S.p.A., Roma, Italy (Enel). This transaction implements the Agreement of 2 April 2007 by which E.ON, Enel and Acciona have settled their competing public tender offers over Endesa.

E.ON is a service provider with its main activities in the generation and supply of electricity and gas. Currently, the company has five market units: The Central Europe market unit is operating the electricity business and downstream gas business in Central Europe. E.ON's Pan-European Gas market unit is engaged in the upstream and midstream gas business in Europe. The UK market unit is operating the electricity business and gas business in the UK. E.ON's Nordic market unit is operating in the electricity and gas business in Northern Europe. In addition, there is a U.S. Midwest market unit which is active in the regulated and non-regulated utility business predominantly in Kentucky and which also has investments in the regulated gas distribution and energy services sector in Argentina.

Endesa Europa is conducting Endesa's business in the electricity sector in European countries outside Spain. Only its activities in France, Italy, Poland and Turkey will be transferred to E.ON. The Endesa assets to be transferred relate to electricity generation in Spain. The Viesgo subsidiaries of Enel are active as Spanish utility companies in the electricity sector.

By the proposed acquisition of Endesa, E.ON intends to extend its activities into a new geographic market, i.e. Spain, in which E.ON is currently not active at all and to improve its activities in France, Italy, Poland and Turkey (where E.ON is active only to a very limited extent so far).