

Dr. Großmann

A compelling transaction

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Ladies and Gentlemen,
Good afternoon to everyone at this press conference and to everyone listening through satellite and internet.

Today is a great day for RWE. After tough competition, Essent has chosen RWE as the preferred bidder. That's a compelling transaction for all. This new alliance with a company of major expertise and a major reputation will help to secure the energy supply of the Netherlands. Essent gets access to our pan-European network – whether for sourcing, procurement or engineering. We're strongly committed to the Dutch market and to continuous investment which brings considerable momentum for the local economy and for jobs. For RWE it's an historic opportunity. We create a leading position in the attractive Dutch energy market, laying the basis for significant further growth. The transaction value has been fixed at 9.3 billion Euros. Thus it is one of the largest acquisitions in the history of our company. It's a fair price, which reflects the value of Essent.

The acquisition of Essent makes RWE one of the leading energy company in northwest Europe. We are closing the operational gap between the United Kingdom and important markets on the European continent. Thus RWE

- Fosters its position in North West and Central Europe.
- Strengthens its activities in renewables

- Improves its CO2 position
- Grows substantially in the gas business
- Increases its number of energy customers to 35 million and
- Forms the Number One energy trading platform in Europe.

That's an excellent fit for both. Our assets and skills match brilliantly. We're building a top partnership with a company that has been handling gas for 150 years and electricity for more than 90 years.

Essent as well as RWE have long-term experience in running first-class power plants and operate complementary portfolios of assets. So far, however, RWE still has a gap to fill between our strong operations in Germany, the United Kingdom and Eastern Europe. This we're now set to achieve in the Netherlands and Belgium.

Essent has a total installed capacity of 6200 megawatts. With 4700 megawatts and strong market shares in gas as well as in power retail, the company holds a leading position in the attractive Dutch market. A solid presence in Belgium comes on top of that. Altogether Essent serves 5,3 million customers. Gas is of special importance. Together we'll have a portfolio of 53 billion cubic metres and access to an attractive network of storage facilities. In a new, flexible and diversified, fuel mix our CO2 exposure will be improved. That's good news for climate protection.

RWE has set for itself a strategic roadmap. Four very important parts of it will be strongly fostered by the acquisition of Essent.

- 1) On a mid-term basis we want to increase the share of our non-German operating results from 36 per cent (2007) to 40 to 50 per cent.
- 2) RWE Innogy, our subsidiary for renewables, aims to bring up the installed capacity to 4500 megawatts by 2012. Thus it will be more than tripled. By 2020 we're heading towards 10,000 megawatts.
- 3) CO₂ exposure is to be reduced. There we have set a target of 20 per cent (compared with 2007).
- 4) Gas supply purchase volume is to be increased by 50 per cent to 60 billion cubic metres per year.

The new alliance across our common border will drive these plans forward. The strategic fit is excellent and the financials are strong.

The deal is good for customers, employees and shareholders. It's good for the Netherlands in general. The country receives significant investment to secure energy supply at competitive costs.

Essent and RWE will invest several billion euros by 2012. Current generation capacity will be replaced and enlarged. With more than 2 billion euros, one of our biggest projects is a new first-class coal-fired power plant in Eemshaven in the northern part of the Netherlands. It will be capture-ready for the CCS technology, which means separating CO₂, thus preventing it from flowing into the atmosphere, and storing it. In Eemshaven we plan to use biomass in the production process – a technology in which Essent is already a specialist.

But of course our research and development programme goes far beyond CCS. E-Mobility and Renewables are a significant part of it.

Ladies and Gentlemen,

We come as a partner, as a neighbour and as a friend. The river Rhine is a nice connector between the Netherlands and Germany. So we are very close to each other, and not only geographically. If you want to increase the value of your house, it's better to invest next door than to build summer homes far away all over Europe.

What's more, we strictly respect the heritage of Essent as a Dutch company. We're not looking for quick money. Our aim is to bring sustainable value and growth to Essent. That's a strong commitment for the Netherlands and for the Dutch culture. We are proud to have Essent in our family. Together, RWE and Essent have a great deal to offer and a great deal to achieve. RWE's corporate colour is blue, but I also like orange. I am convinced that we will form a great team. With the spirit and the power you need. With a great capacity for innovation. RWE and Essent will have a bright future. Thank you, and I will now hand you over to Leo Birnbaum.

Summary

Ladies and Gentlemen,

Let me briefly sum up in four points – for RWE as well as for our Dutch partner.

- For an acquisition Essent is currently by far the best opportunity in Europe. RWE is grasping this opportunity.
- RWE improves its position in the top league of European utilities
- RWE strengthens its core business in its core region
- The underlying financials are strong and underpin the attractiveness of our combination.

For the Dutch side:

- Security of supply is improved through a strong partner
- Sustainability is provided through the creation of a leading renewables generator in northwest Europe.
- Essent gets access to an attractive commodity sourcing portfolio. The company can then operate on a much larger scale, which helps to meet customers needs.
- Essent can continue its successful development in a rapidly consolidating European utility sector and preserve its Dutch heritage.

Thank you and now we are pleased to answer your questions.

Dr. Birnbaum

Attractive Business Combination

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Thank you, Juergen and good afternoon also from my side.

Let me point out in some more detail the cornerstones of our strategy with regard to Essent. Juergen already gave you the overview.

We combine two leading integrated utilities with complementary market positions. The result will be a winning business combination.

With 2.3 million customers in electricity and 1.8 million in gas Essent is a leading utility in the Netherlands and Belgium. Together we will serve 35 million energy customers on the European continent and in the United Kingdom. That's a very strong alliance indeed. The Dutch market is attractive and competitive. Even today RWE is well-known here. We serve more than 340,000 customers and 50,000 businesses with electricity and gas.

In terms of power production Essent holds a Number One position in the Netherlands with a very attractive generation mix and an capacity of 4700 megawatts. Gas is a major part of this portfolio. Including foreign operations the total capacity is 6200 megawatts.

In generation, the transaction reduces RWE's CO₂-intensity. It provides growth potential and increases flexibility in the portfolio, so that we can optimize and balance our power plant fleet along the merit order.

Together, our total installed capacity amounts to approximately 51,000 megawatts. The share of gas in our production portfolio will rise. Part of the envisaged transaction is the Borssele nuclear power plant, where Essent holds a 50 per cent stake.

With less than 550 g per kwh Essent's generation mix is low, which enables us to improve our CO2 exposure. That's a very important step. Also in the renewables sector we can benefit from each other's expertise.

Let me put a special focus on renewables. The combination of RWE Innogy's with Essent's generation assets makes us a leading player in Europe. Onshore and offshore. On top of this come strong biomass activities. It's a complementary fit.

The combined entity will benefit from a strong renewables position on both sides. Essent will be adding 477 megawatts in operation to RWE's existing portfolio. Another 200 megawatts are under construction. RWE is expanding rapidly and ambitiously. In only one year, RWE Innogy has developed into an internationally well-respected market player. It is a growth driver for the whole group. Together with Essent our project pipeline amounts to 15,000 megawatts. That's a huge programme. Our common installed capacity in renewables amounts to 2,000 megawatts, with major strongholds in Germany, the United Kingdom, Spain and the Netherlands. You see: the wind is blowing heavily and it is blowing us forward.

We create the Number One energy trading company in Europe with a strong geographical presence all over the continent. That's a real European powerhouse.

We can optimize our fuel sourcing according to market conditions. Cross-border short term position management will be strengthened to a large extent. In electricity, gas as well as in coal we jointly achieve impressive trading volumes. In electricity that amounts to 1,425 TWh, in gas to more than 100 billion cubic metres and in coal to 230 million tons. The new company will benefit significantly from that. Trading belongs to the major growth drivers.

Our business models are similar. Regional proximity reduces our integration risk.

Essent, once the documents are signed, will become the seventh subsidiary of RWE having its own management board. Here we can count on an experienced and well-performing team, which I am delighted to welcome to the RWE group. We are looking forward to exchanging our experience and our expertise.

The headquarters of Essent remains in Arnheim. Brands and locations will be maintained. RWE's current Dutch business is to be merged into Essent. The renewables and trading operations will be integrated. And, furthermore: Employees will have a tremendous chance to develop in the new RWE group.

Ladies and Gentlemen,

Essent is an excellent company with big tradition and expertise. For RWE it's a perfect combination. Thank you for listening. I am now giving the floor to Rolf Pohlig.

Dr. Pohlig

Value enhancing financials

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Thank you Leo. Good afternoon also from me, Ladies and Gentlemen.

As we are all very excited about the strategic prospects of this transactions, it is important that this transaction also has a sound financial rationale. With an enterprise value of 9.3 billion Euros, we are offering an attractive price for Essent's shareholders, but at the same time, create value for our own shareholders. In particular if you consider the high quality of Essent's assets, the strong complementarities with RWE and the relatively low integration risk.

At 10.2 times, the multiple based on Essent's last-twelve-months EBITDA as per the time of closing is comparable to other large European transactions in the sector.

Now let me turn to RWE's acquisition criteria.

As you know, RWE has in the past years always been committed to its strict acquisition criteria and as a result had to waive some strategically attractive targets. However, today I am pleased to confirm that the acquisition of Essent fulfils RWE's strict financial criteria. The IRR hurdle rate is based on a post-tax project WACC of 7% plus a value contribution. In this particular case, we have not used the full 150 basispoints, that we usually apply for value contribution, but half of it. This is

owed to the low overall risk compared to other comparable assets and markets in Europe.

We expect the Return on Capital Employed (ROCE) to match the WACC with the 3rd full year of consolidation. Assuming a closing in 2009, this means 2012. The transaction is earnings accretive from its 1st full year of consolidation – or simply in 2010.

In terms of our balance sheet, the transaction makes us achieve the targeted leverage factor one year ahead of schedule. Roughly speaking we would reach the middle of the bandwidth.

Please rest assured that this transaction does by no means affect our dividend commitment with pay out ratios of 50-60%. For the avoidance of doubt, for financial year 2008, we expect a payout ratio of 70-80% as announced in September last year. I would also like to emphasize that the stable character of Essent's business will add to the long-term reliability of our dividend policy.

Before I hand back to Jürgen I would like to spend a minute on the further timetable and the prerequisites for the closing of the transaction.

After today's announcement, we will shortly submit our filing with the EU cartel authority for anti trust clearance. In parallel, we are working on obtaining the required approvals from Essent's shareholders and the advice from Essent's works council. At the same time, Essent is continuing the necessary restructuring and unbundling of its waste and grid activities.

We expect completion of the transaction in the third quarter of 2009.

I will now hand over to Jürgen for his closing remarks.