

Steady course through stormy waters

Investor and Analyst Conference
Fiscal Year 2008
Essen, February 26, 2009



Forward Looking Statement

This presentation contains certain forward-looking statements within the meaning of the US federal securities laws. Especially all of the following statements:

- Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
- Statements of plans or objectives for future operations or of future competitive position;
- Expectations of future economic performance; and
- Statements of assumptions underlying several of the foregoing types of statements

are forward-looking statements. Also words such as “anticipate”, “believe”, “estimate”, “intend”, “may”, “will”, “expect”, “plan”, “project” “should” and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect the judgement of RWE’s management based on factors currently known to it. No assurances can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Such risks and uncertainties include, but are not limited to, changes in general economic and social environment, business, political and legal conditions, fluctuating currency exchange rates and interest rates, price and sales risks associated with a market environment in the throes of deregulation and subject to intense competition, changes in the price and availability of raw materials, risks associated with energy trading (e.g. risks of loss in the case of unexpected, extreme market price fluctuations and credit risks resulting in the event that trading partners do not meet their contractual obligations), actions by competitors, application of new or changed accounting standards or other government agency regulations, changes in, or the failure to comply with, laws or regulations, particularly those affecting the environment and water quality (e.g. introduction of a price regulation system for the use of power grid, creating a regulation agency for electricity and gas or introduction of trading in greenhouse gas emissions), changing governmental policies and regulatory actions with respect to the acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, production disruption or interruption due to accidents or other unforeseen events, delays in the construction of facilities, the inability to obtain or to obtain on acceptable terms necessary regulatory approvals regarding future transactions, the inability to integrate successfully new companies within the RWE Group to realise synergies from such integration and finally potential liability for remedial actions under existing or future environmental regulations and potential liability resulting from pending or future litigation. Any forward-looking statement speaks only as of the date on which it is made. RWE neither intends to nor assumes any obligation to update these forward-looking statements. For additional information regarding risks, investors are referred to RWE’s latest annual report and to other most recent reports filed with Frankfurt Stock Exchange or SWX Swiss Exchange and to the material furnished to the US Securities and Exchange Commission by RWE.

“Steady course
through stormy waters”

Dr. Jürgen Großmann, CEO

Achievements

Performance 2008	<ul style="list-style-type: none">> 2008 financial forecasts fully achieved> Dividend of €4.50¹ per share – highest dividend ever (payout ratio 71%)	✓
Growth Offensive/ Internationalization	<ul style="list-style-type: none">> Recommended bid for Dutch utility Essent> Nuclear projects in Bulgaria and Romania in preparation> Entry into Excelerate LNG JV and Nabucco pipeline consortium> JV with E.ON in UK to build at least 6 GW of nuclear capacity	✓
CO ₂ Reduction/ Renewables	<ul style="list-style-type: none">> 10 GW of conventional new build with 20-30% CO₂ reduction underway> Installed renewables base grown by 16% to ca. 1,300 MW, pipeline by 50% to about 12 GW realizable projects	✓
Efficiency Enhance- ment / Leaner Structures	<ul style="list-style-type: none">> Efficiency Programme: €200m accumulated profit contribution in 2008 compared to 2006> Project “New RWE”: groupwide streamlining of overhead-functions, realignment of German sales and networks organization	✓

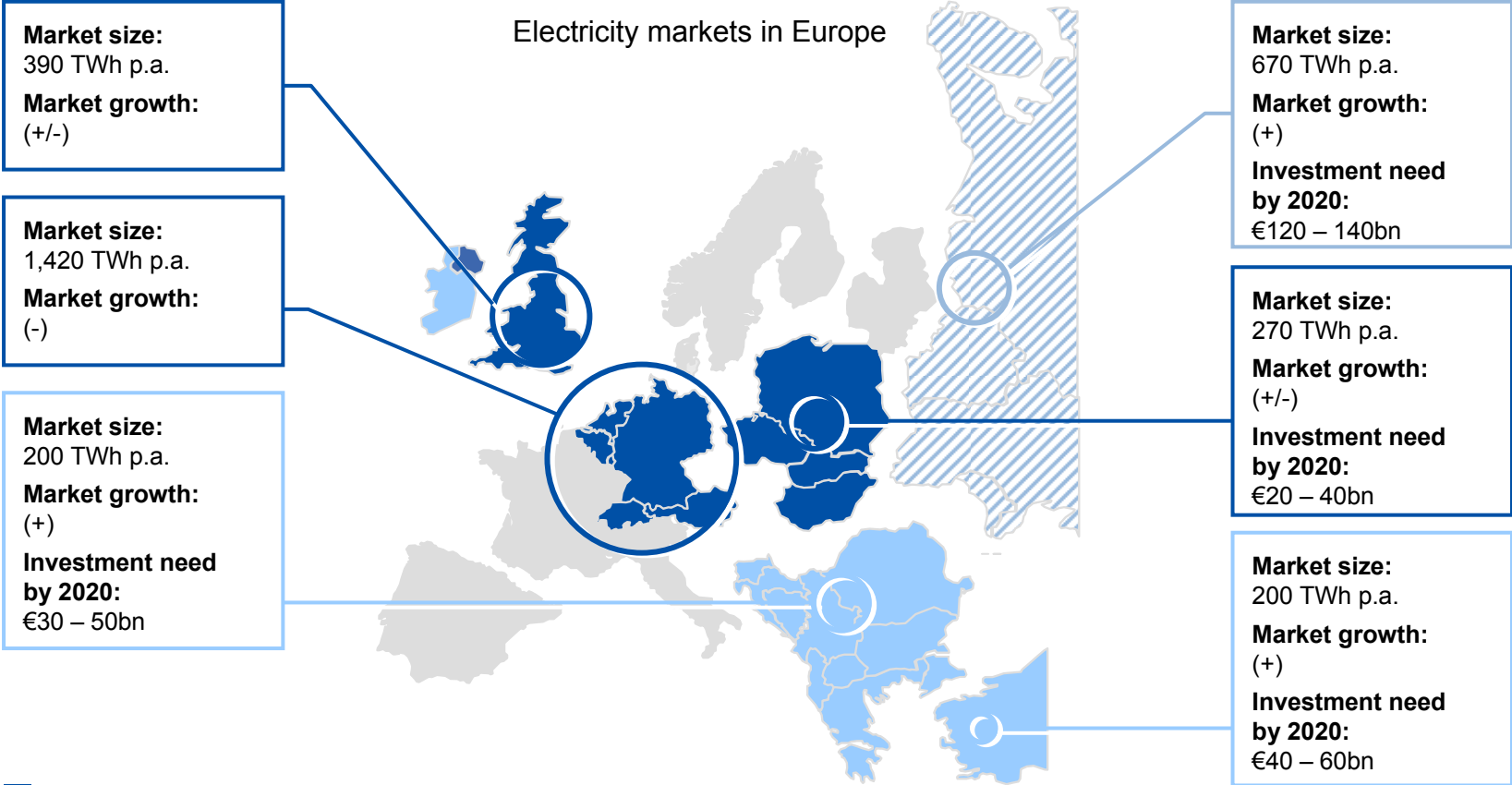
¹ Dividend proposal for fiscal year 2008, subject to approval by the April 22, 2009, Annual General Meeting.

2008 financial forecasts fully achieved

	2008 € million	change to 2007	Outlook for 2008	
External revenue	48,950	+15.2%	Higher year on year	✓
EBITDA	8,314	+5.0%	At least on par year on year	✓
Operating result	6,826	+4.5%	At least on par year on year	✓
Recurrent net income	3,367	+12.8%	Increase of more than 10 %	✓
<hr/>				
Dividend (€)	4.50 ¹			
Payout Ratio	71%		payout ratio 70 – 80%	✓

¹ Dividend proposal for fiscal year 2008, subject to approval by the April 22, 2009, Annual General Meeting.

Substantial investment needs in Europe offer ample opportunities for financially strong players

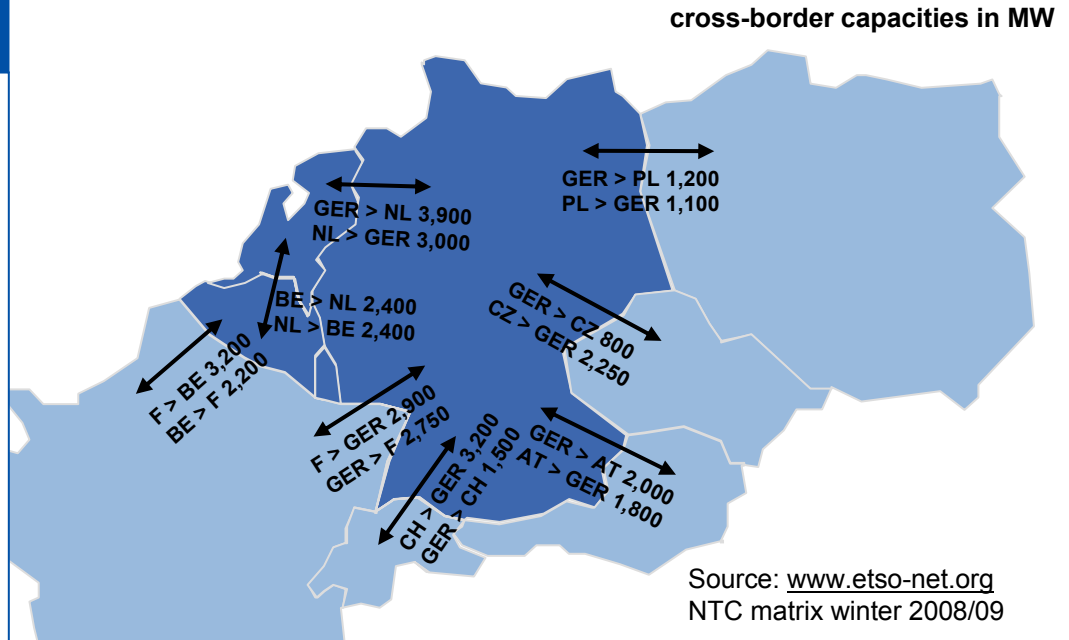


- Core and growth region
- Region for additional growth

We seize these opportunities – Essent strengthens our leading position in the converging energy market

More leverage in NW-Europe

- > Germany currently the only net exporter in this region
- > Germany/NL future swing markets for NW Europe and CEE
- > Combined generation and trading activities with more potential for asset optimization (power plants, gas storage facilities)
- > Combined generation portfolios provide better base/peak flexibility
- > Essent's Belgian activities can be springboard into the French market
- > Ca. 20% in new Luxembourg utility



Benefitting from more convergence

- > Cross-border capacities: according to UCTE study 8 projects underway to increase interconnector capacity by 2013
- > Net export from Germany to adjacent countries 10 – 15 TWh p.a.
- > Spot price correlation above 0.9 in the connected markets

Restrictive CO₂ regulation highlights need for further internationalization and access to gas: We are already on this path

Expansion of nuclear activities

- > ≤49% stake in Belene with 2 GW (Bulgaria)
- > 9% stake in Cernavoda project with 1.4 GW (Romania)
- > New JV (50/50) with E.ON for at least 6 GW nuclear new build in UK



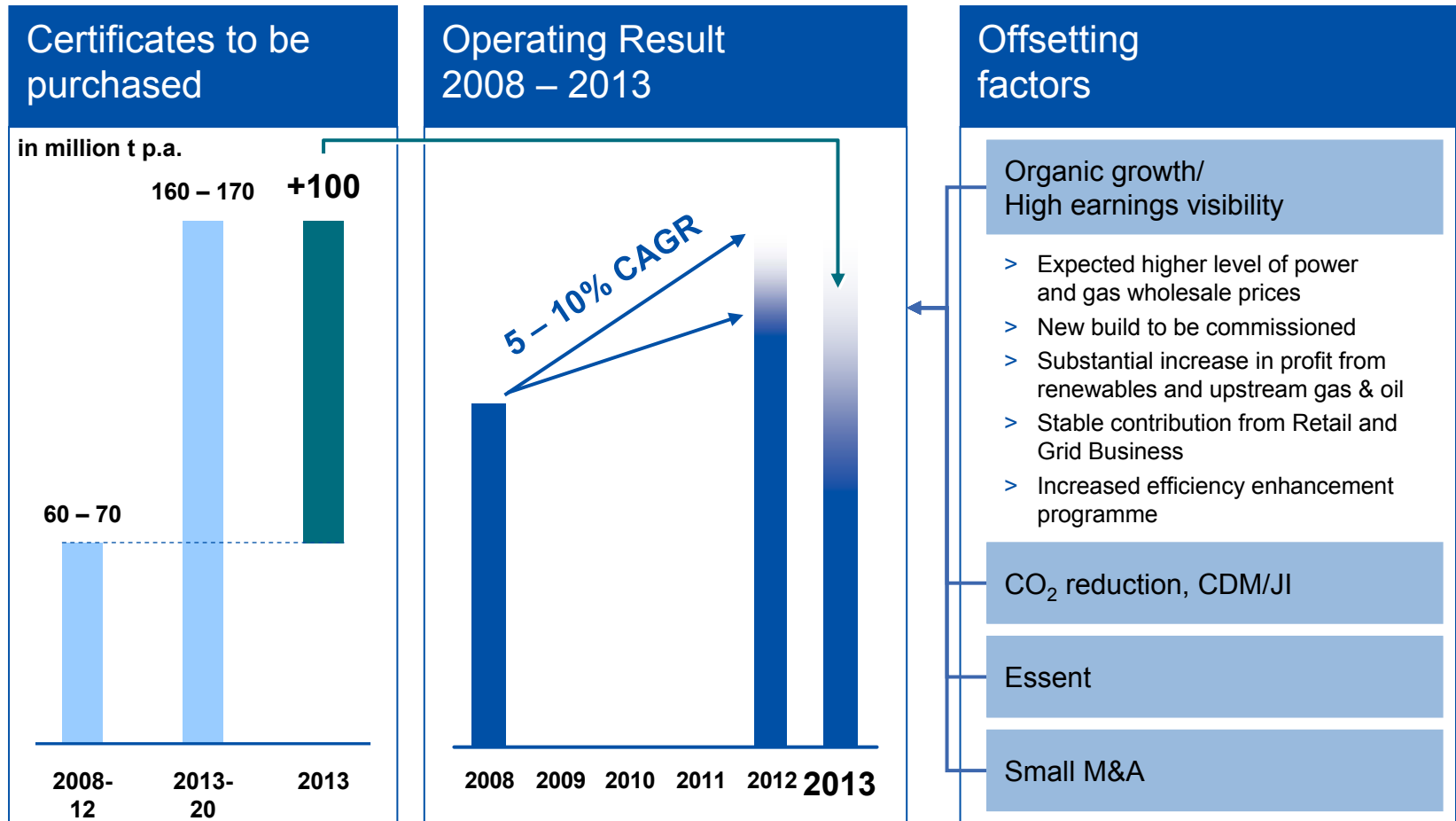
Benefitting from investor-friendly CO₂ allocation in CEE

- > Option for 800 MW hard-coal fired project in Poland
- > Further projects are being investigated

Hedging the fuel switch: Expansion of upstream and gas sourcing

- > RWE Dea to double hydrocarbon production by 2012/13
- > 50% in Excelerate LNG Joint Venture
- > 17% in Nabucco pipeline project

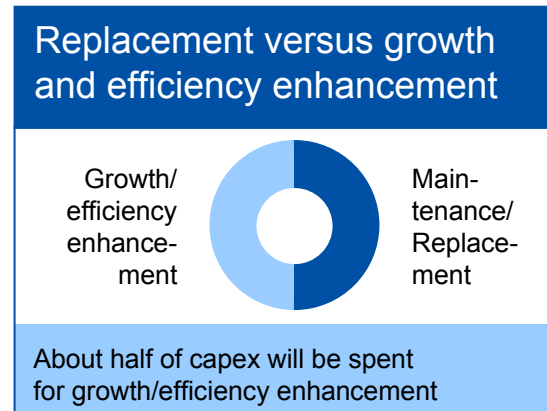
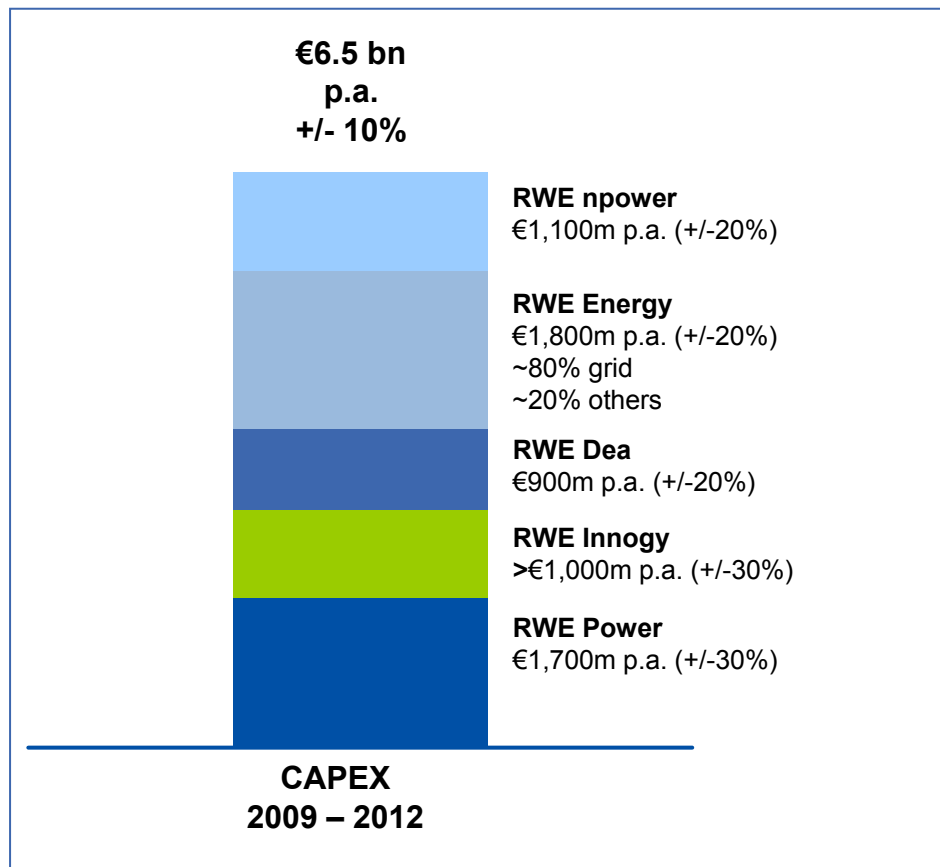
Our strategy to reduce the impact of CO₂ on our P&L in 2013



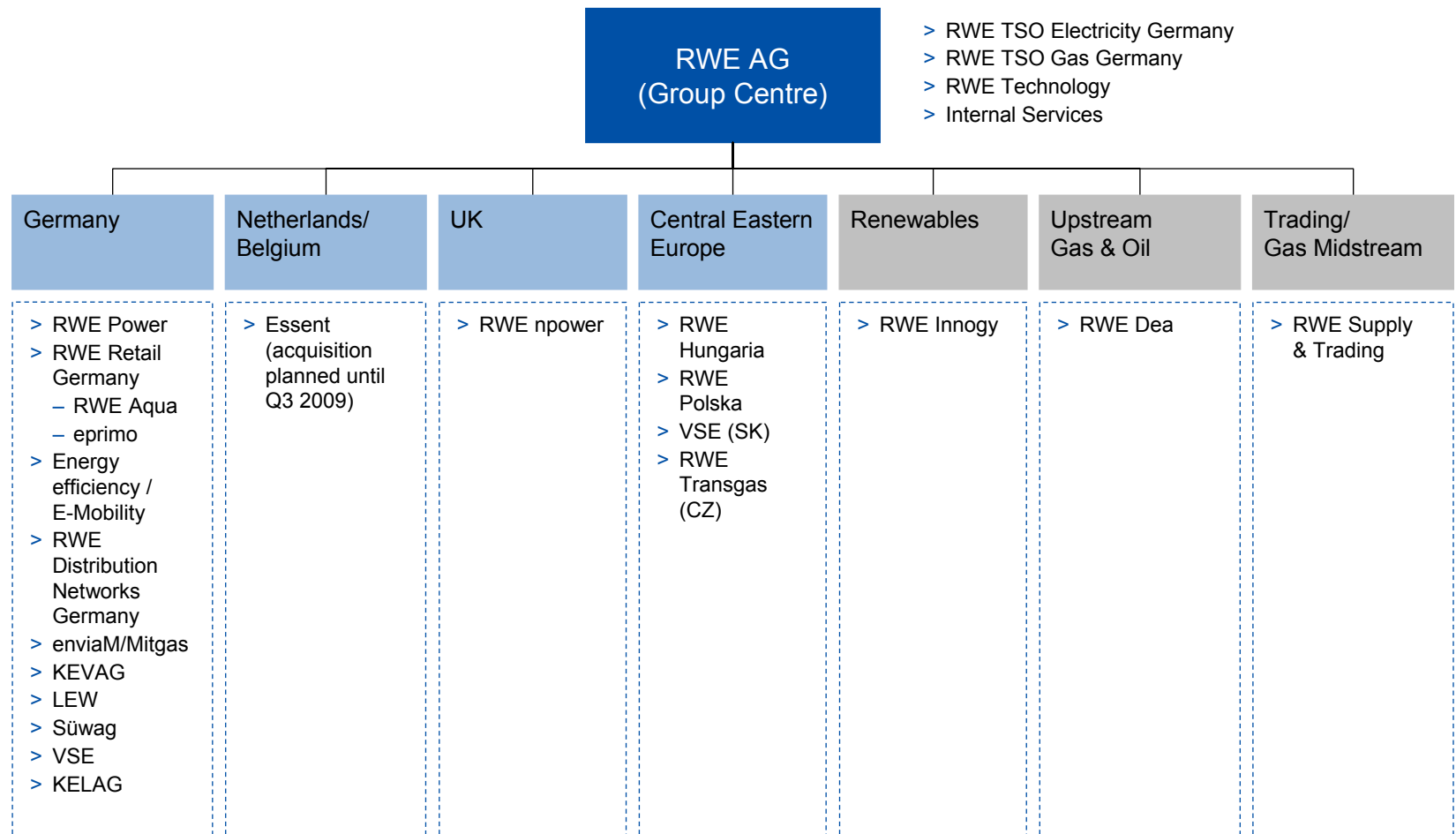
Offsetting factors to reduce the impact of CO₂ on our P&L in 2013

Organic Growth/ High Earnings Visibility	<ul style="list-style-type: none"> > Expected higher level of power (>60€/MWh) and gas prices > RWE Innogy: operating result at least €0.5bn p.a. by 2013 > RWE Dea: operating result of €0.9bn p.a. by 2013 (based on current oil forwards) > RWE Energy activities: at least €2.5bn operating result contribution > Efficiency enhancement: €1.2bn p.a. by 2012 vs. 2006
CO₂ Reduction / CDM / JI	<ul style="list-style-type: none"> > Reduction of financial exposure to carbon by 20% compared to 2008 emissions (via planned new builds, renewables, CDM/JI, nuclear lifetime extension)
Essent	<ul style="list-style-type: none"> > Essent's standalone EBITDA and EBIT at CAGR of 10% until 2012 > EBITDA synergies of €100m p.a. as of 2014 (already significant step in 2013)
Small M&A	<ul style="list-style-type: none"> > Entry into new markets in CEE/SEE via buying and then building assets with CO₂ intensity below RWE's current level

We confirm our capex programme to capture growth opportunities and secure market share



The new RWE: More market-driven, leaner and faster



■ Region ■ Function

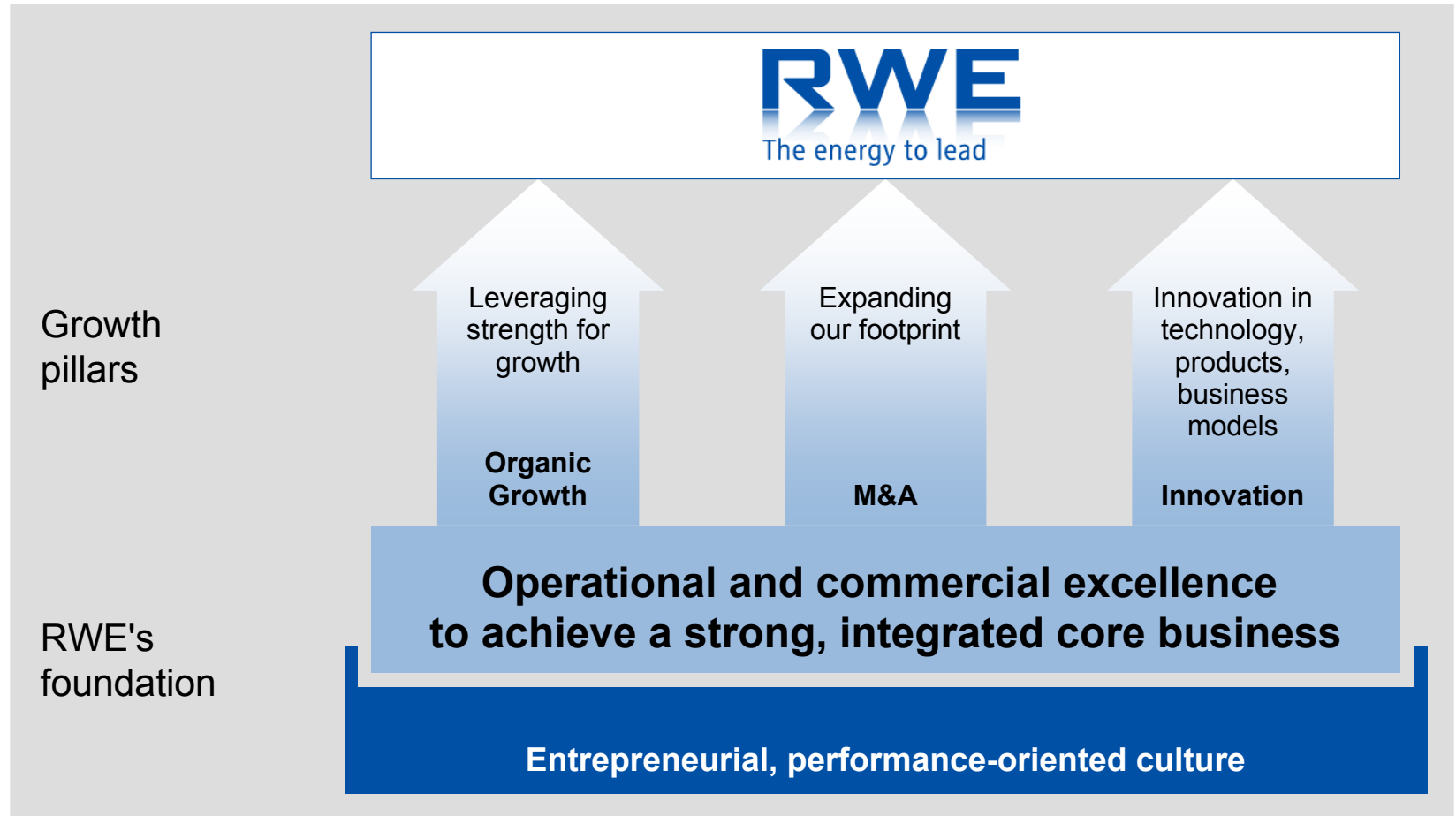
The political framework of our business remains challenging

EU CO ₂ regulation	> NAP 3 framework	✓
	> NAP 3 implementation	?
German nuclear legislation	> Lifetime extension	?
Renewables	> EU renewables target (20% by 2020)	✓
	> National renewables regulation	✓
Carbon Capture and Storage (CCS)	> EU framework for demo plants	✓
	> National political/administrative support	?
German network regulation	> Incentive regulation	✓
	> Ownership Unbundling	?

“Value and Growth – A simple strategy for a complex market”

Dr. Leonhard Birnbaum, CSO

Our strategic platform – long-term, well-balanced and weather-proof



RWE's simple strategy – Where to and why?

**...more
sustainable**

- > **Modernization** of power plant portfolio
- > Strong expansion of **renewable energies**

**...more
international**

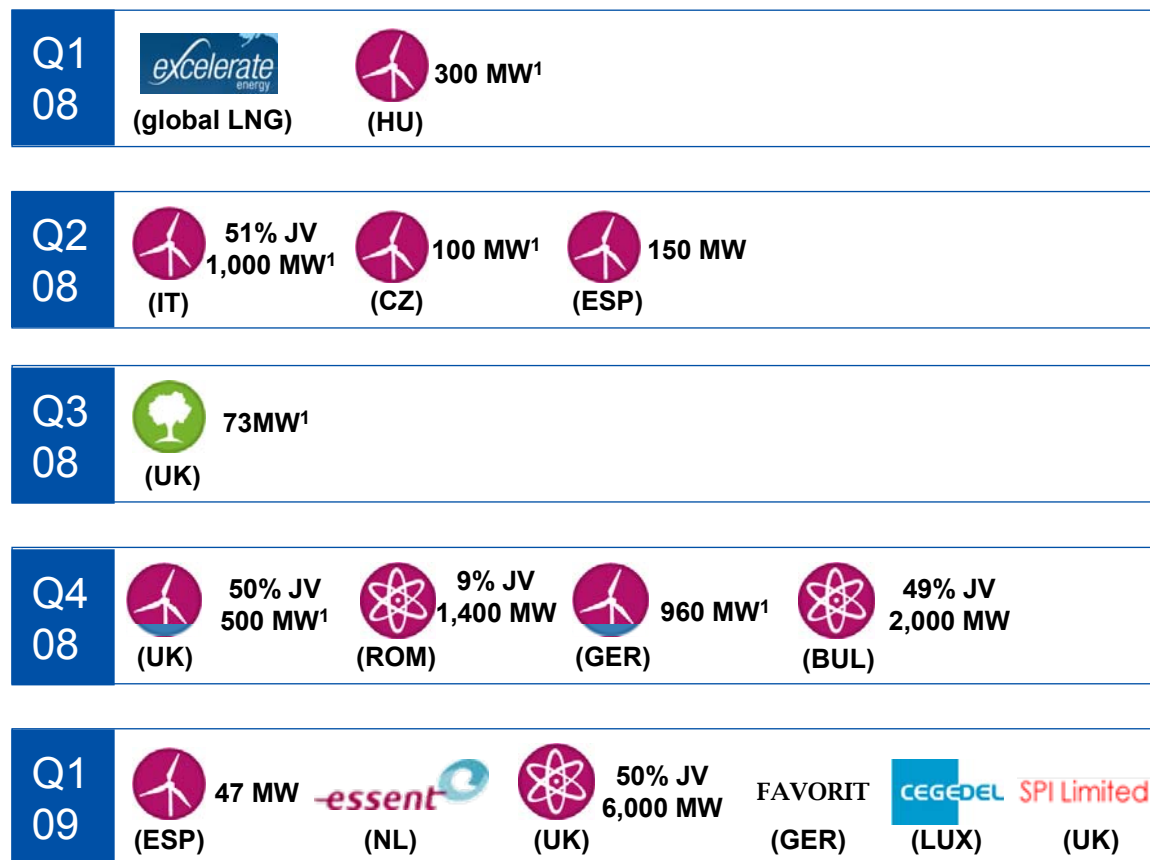
- > High share of investments **outside of Germany**
- > **Growth** in regions **new** to RWE

**...more
robust**

- > Strengthening RWE's business **along the entire value chain** (from upstream to the customer)
- > **Reducing risks** from different markets and regulators by geographic diversification
- > **Reducing selective commodity positions** (CO₂)
- > Stable regulated business

▶ **...and in the end more valuable despite all challenges!**

Track record 2008/09: entering new markets and reducing CO₂ exposure at the same time

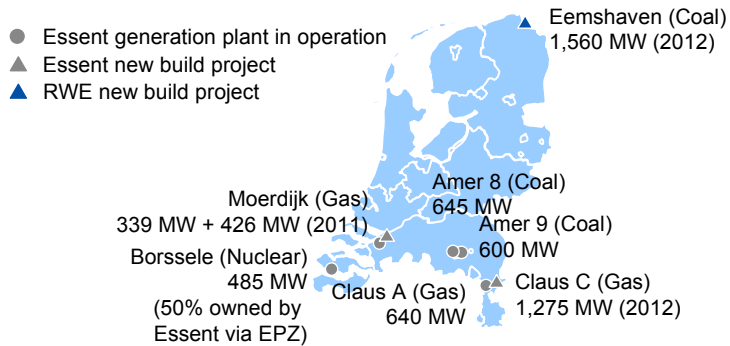


What we did – and what not...

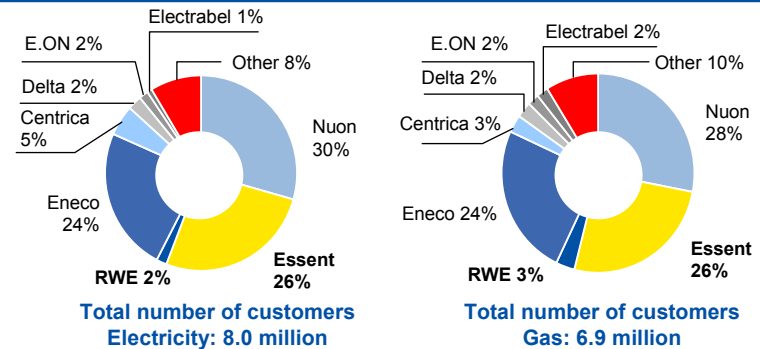
- > We avoided large M&A at the peak of the market
- > In renewables, we focused on access to pipelines rather than developed projects
- > In nuclear, we prepare for extensive growth – but spread the risks via JV structures

Essent matches our strategy and asset portfolios ...

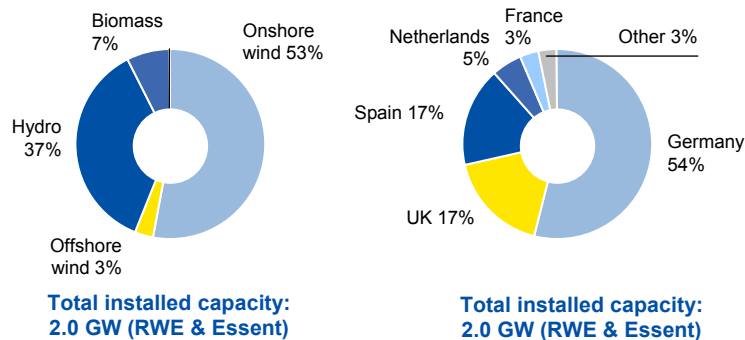
... in Dutch power generation



... in Dutch supply



... in renewables



... in energy trading

- > Combination creates number 1 European energy trading and origination house
- > Strong geographic presence throughout Europe
- > Combination of Essent's established pan-European origination activities with RWE's comprehensive trading operations and balance sheet
- > Optimization of combined fuel sourcing, cross-border short term position management
- > Essent and RWE share same asset-backed trading philosophy

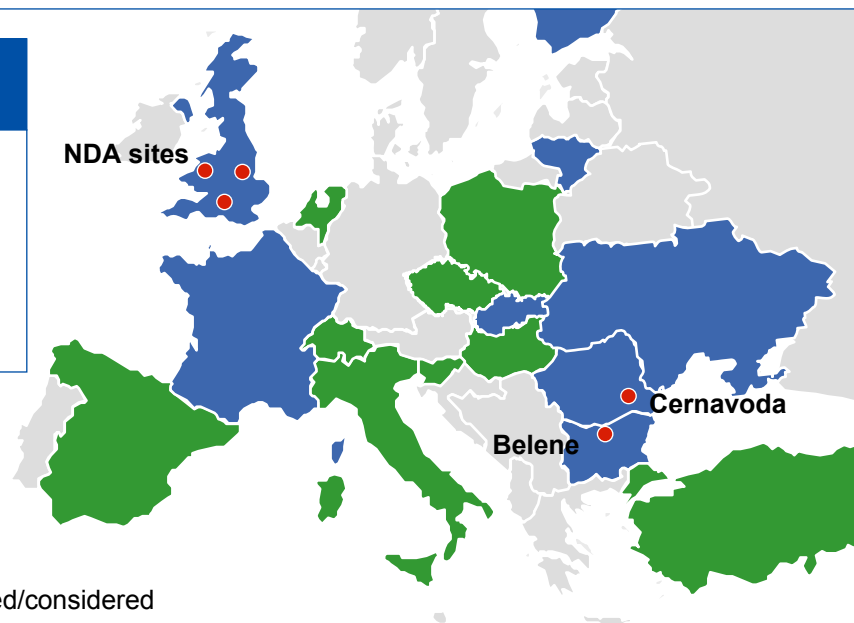
Nuclear strategy: preservation of nuclear competence, growth in new and existing markets, zero CO₂

Investment criteria

- > **Security:** Focus on countries with an existing nuclear framework (legal, infrastructure, waste)
- > **Nuclear framework:** Highest standards (plant security, technology, quality), focus on new builds
- > **Strategic fit:** attractive market, fit with RWE's portfolio and strategy
- > **Financial criteria:** the same standard criteria as for other generation new build projects

UK

- > New nuclear programme since 2006
- > Auctioning of NDA sites in 2009
- > JV with E.ON to build at least 6 GW



Romania

- > Construction of two new CANDU units (2 x 720 MW) in Cernavoda
- > Commissioning planned for 2015/16

Bulgaria

- > Construction of two AES 92 units (2x 1,000 MW) pressurized water reactor units in Belene
- > Commissioning planned for 2014/15

RWE activities

- NPP units being planned/considered

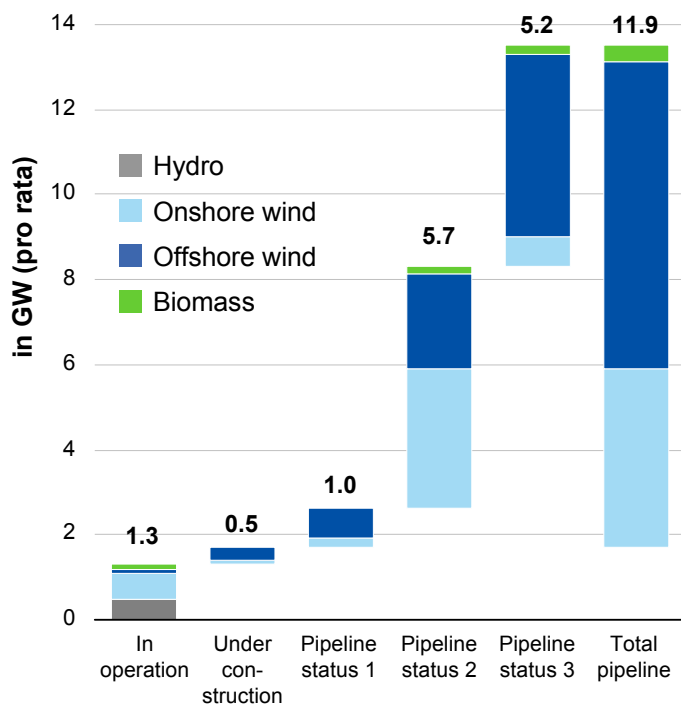
National frameworks

■ National framework for new build until 2015

■ National framework for new build between 2016 and 2025

Our strategy in Renewable Energy: Growing generation capacity and profit - in existing and new markets

Our existing generation assets and project pipeline



> RWE Innogy:

Organic capacity ramp-up translating into profits

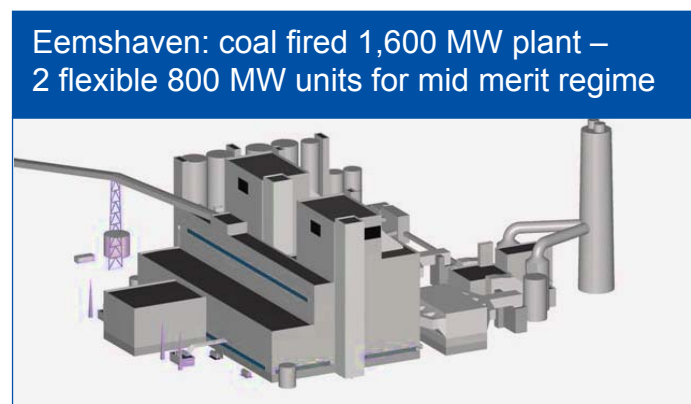
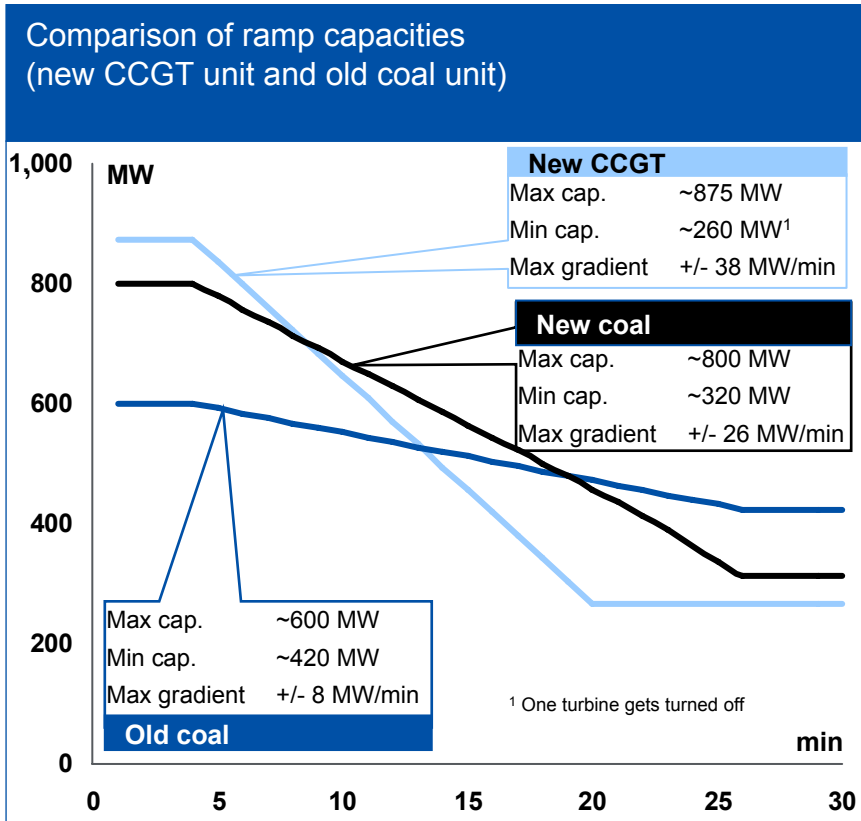
- Capacity ramp-up to 3.7 GW in 2013 based on current organic growth projects
- On this basis, operating result is expected to exceed € 500m by 2013
- We stick to our capacity target of 4.5 GW in operation or construction by 2012, which translates into generation of 15 TWh/a in 2013 – the planned acquisition of Essent will contribute 1 GW to this
- Value creation remains priority over additional MW

> Leveraging the crisis:

Securing turbines at attractive prices

- Framework agreement signed with REpower: Delivery of up to 250 turbines with 5/6 MW each between 2011 and 2015 (up to 1.3 – 1.5 GW in total)

Strategy for fossil fired generation: growth, higher flexibility, less CO₂ emissions



▶ Small and flexible units can be dispatched more quickly to capture extra margin potential along the merit order

Besides Essent our focus is on organic growth and selective small M&A outside Germany

Time horizon 2009 - 2012:

UK: approx. € 3 billion

CCGT new build, offshore wind, nuclear new build

BeNeLux: approx. €15 billion

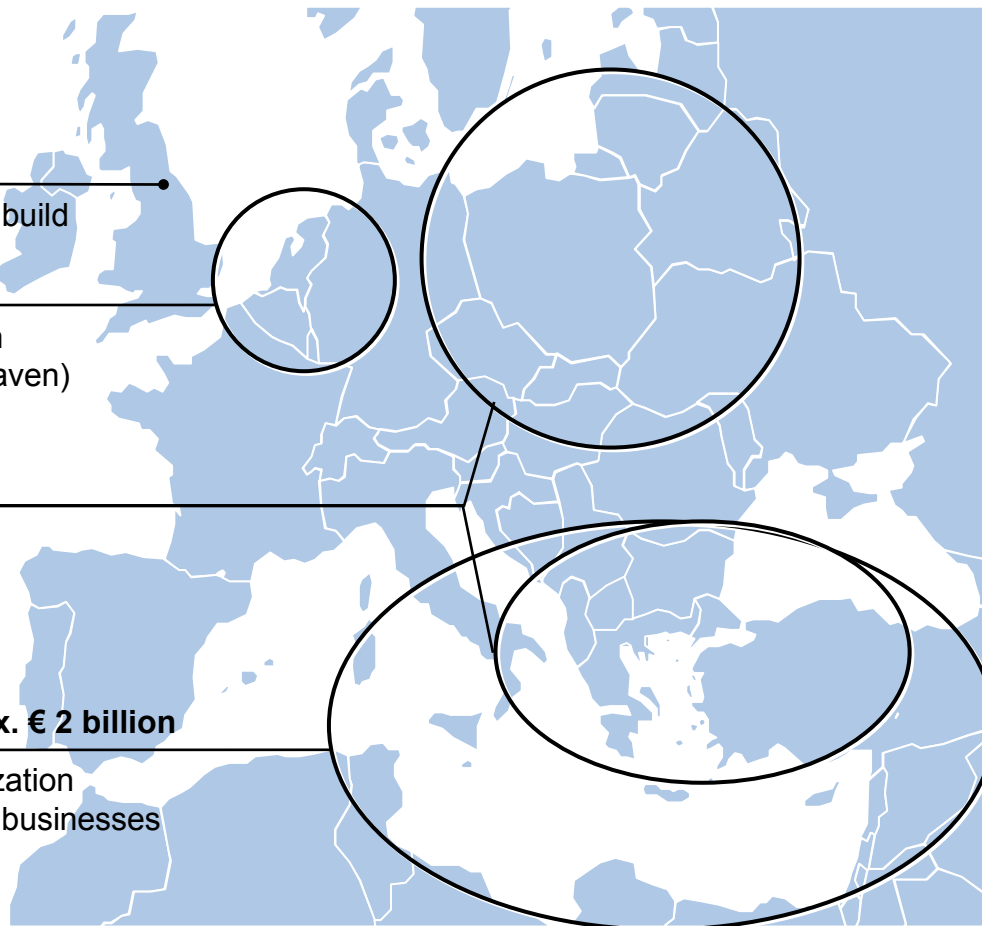
Acquisition of Essent (NL), increased stake in Luxembourg, low-carbon generation (Eemshaven)

CEE / SEE / Turkey: approx. € 2 billion

Building up a low-carbon generation portfolio taking advantage of privatizations to achieve an integrated market position/capex projects

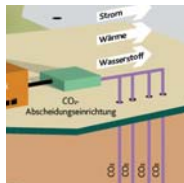
Upstream/Midstream gas and LNG: approx. € 2 billion

Organic capex in upstream, exploiting optimization potential for all non-regulated gas midstream businesses



Innovation strategy: Leading the way in terms of technology, business innovation and products

Technologies



Carbon capture and sequestration



WTA® Lignite pre drying process



Compressed air energy storage

More on RWE's R&D on the internet: www.rwe.com/RandD

RWE Innogy Venture Capital

Topell biocoal pellets



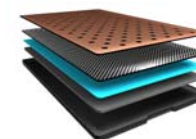
Tidal stream energy JV with Voith



Quiet Revolution small scale windpower units



REVOLT zinc-air batteries



More on RWE Innogy ventures on the internet: www.rweinnogy.com

Business Innovation

E-Mobility cooperation with Daimler



Mobile power plants



"Smart Home" metering service



Products



"ProKlima" tariff
CO₂-free power



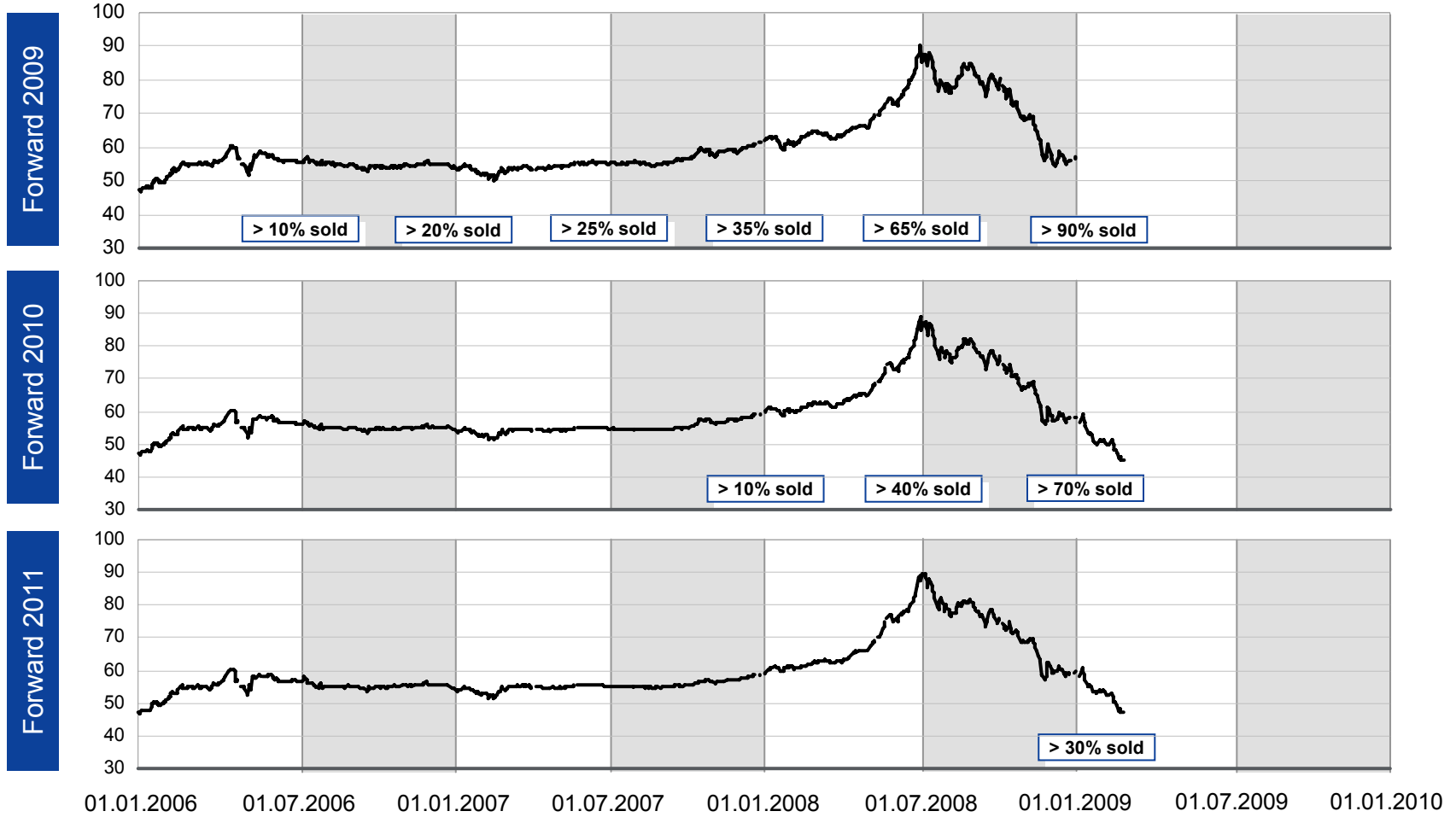
3-year fixed price power and gas

“Our target: Best-practice operations to benefit from strong fundamentals”

Dr. Ulrich Jobs, COO

Attractive margins locked in for 2009 and 2010

Forward selling of RWE Power in the German market (base load forwards in €/MWh)

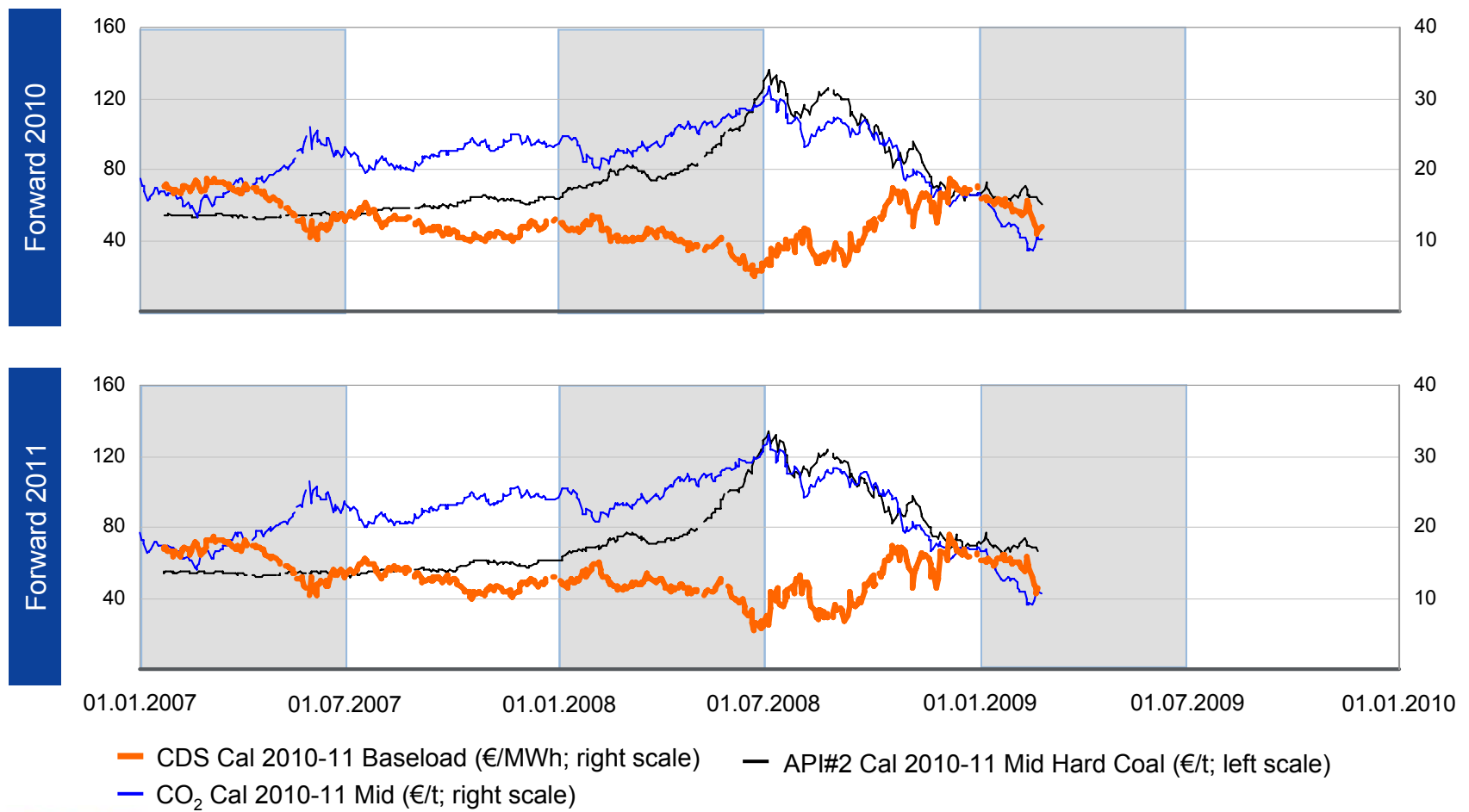


(average realised price for forward 2007: €47/MWh, for forward 2008: €58/MWh)

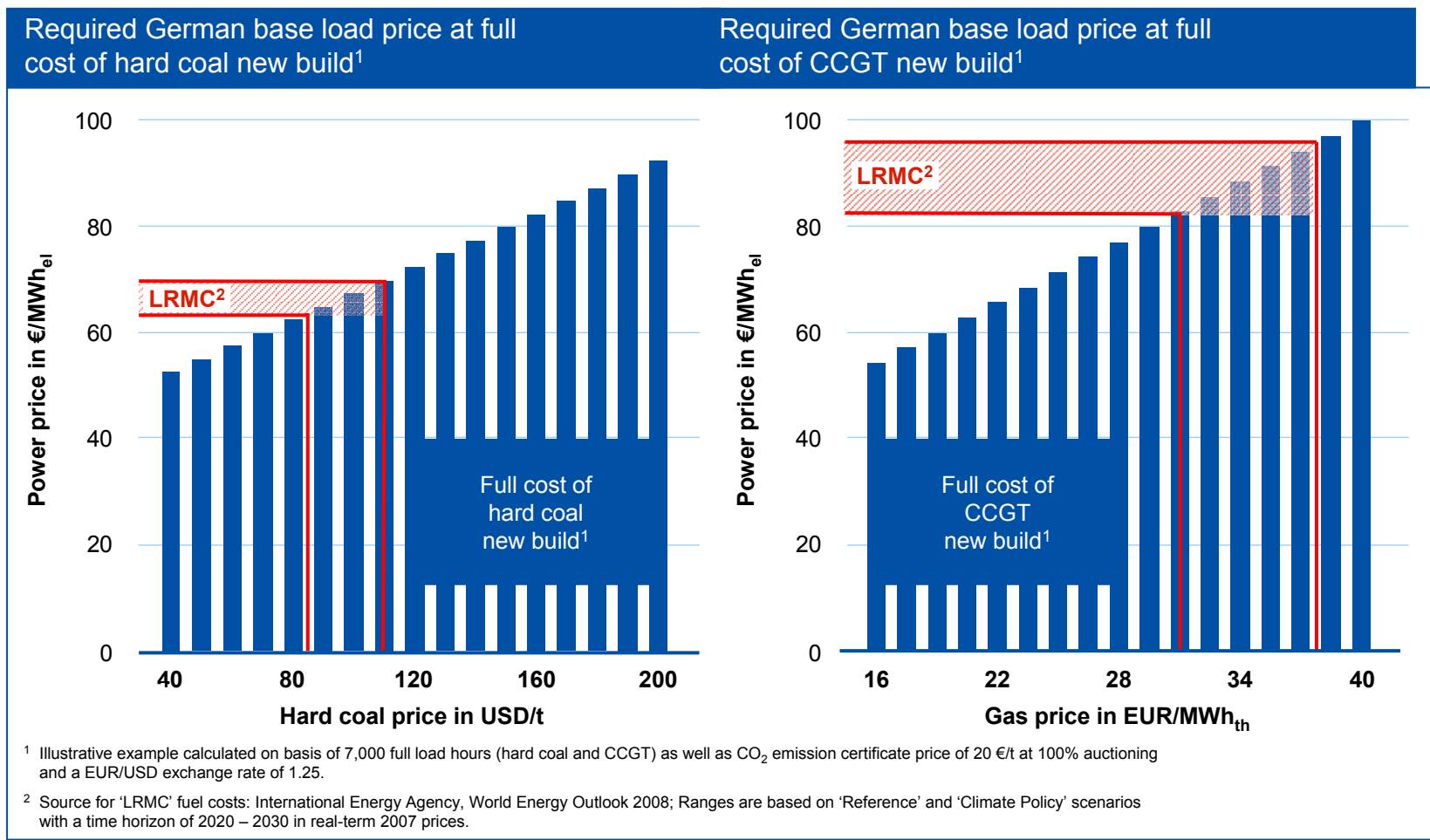
¹ Forward selling as of February 1st 2009; price data as of 23.02.2009



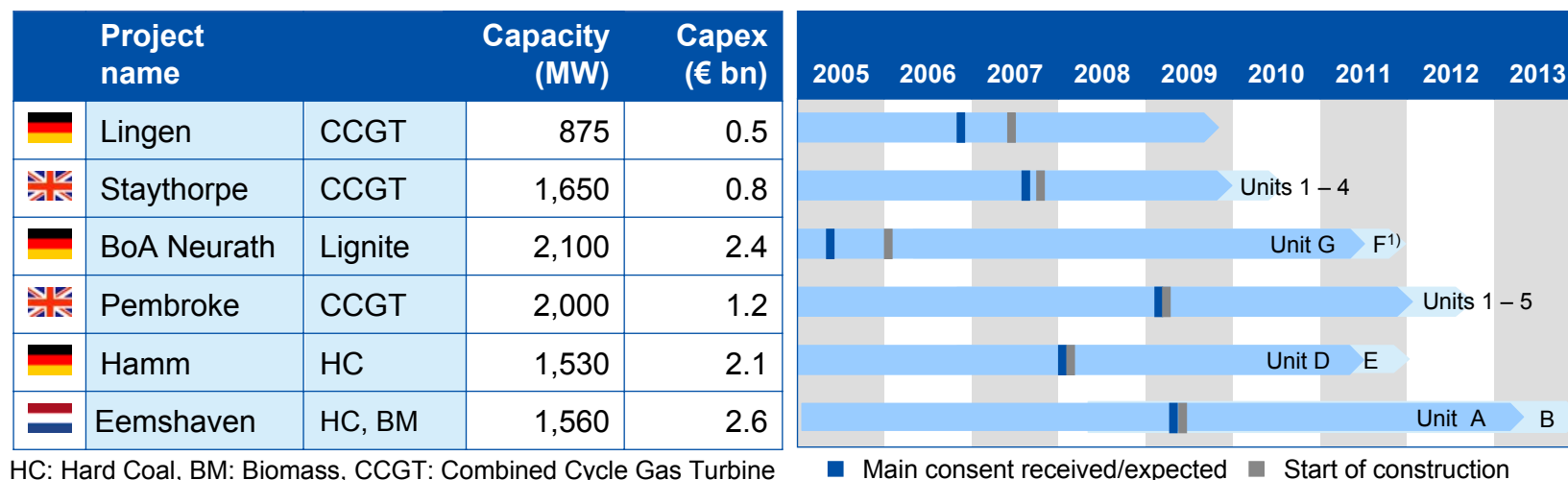
While 2009 is almost fully locked in there is still potential for 2010 due to higher clean dark spreads



Germany – Expected long run marginal cost indicates sustainably high power price levels



Status of our new build projects



- > Projects with total generation capacity of 10 GW are currently under construction or in approval process
- > Subject to final approval, construction of Eemshaven hard coal project is scheduled to start in 2009
- > Components secured at early stages (significantly below estimated current price levels)

¹ Data on start of full commercial operation is preliminary and cannot be finally determined yet due to an accident in 2007

UK: Good operating performance but negative effects due to volatile market and social programmes

Generation

- > Unprecedented **volatility** in commodity markets
- > **Short-Term-Position-Management** with recent extra-ordinary performance due to 90% plant availability without Aberthaw
- > Successfully completed **retrofit at Aberthaw**: plant now complies with LCPD
- > More **fuel flexibility** for existing hard coal plants due to investments in boiler technology: less dependence on particular coal suppliers
- > **New build projects**: Staythorpe, Pembroke targeted to come onstream ahead of when the market is expected to be tight in capacity
- > **Nuclear**: Joint Venture with E.ON for new build

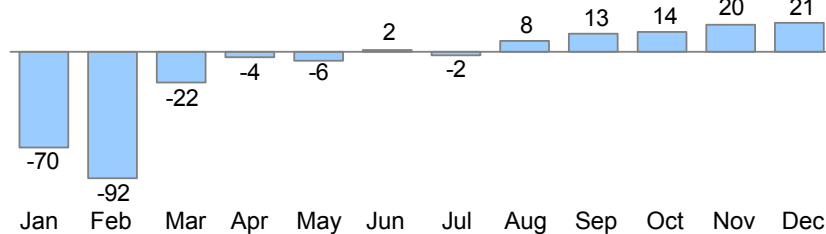
Retail

- > **Competitive & volatile** market environment persists
- > **Extra burdens** for energy suppliers of around £4.1bn between 2008 and 2011 for social programmes imposed by the government focusing on CO₂ reduction and energy efficiency (CERT/CESP) and on “fuel poverty”
- > Increased focus on **Energy Services** (acquisition of energy service provider SPI)
- > **Better service** through introduction of new SAP system

Retail Germany – strong position in key areas and significant growth potential elsewhere

Electricity: Retail customer development at RWE

Net churn 2008 in thousand customers



RWE retail customer gains by innovative products

In million	Electricity	Gas
Loyalty product (3-year fixed price)	0.5	0.1
“ProKlima” power (CO ₂ -free, 3-year fixed price)	0.2	–

RWE total customers

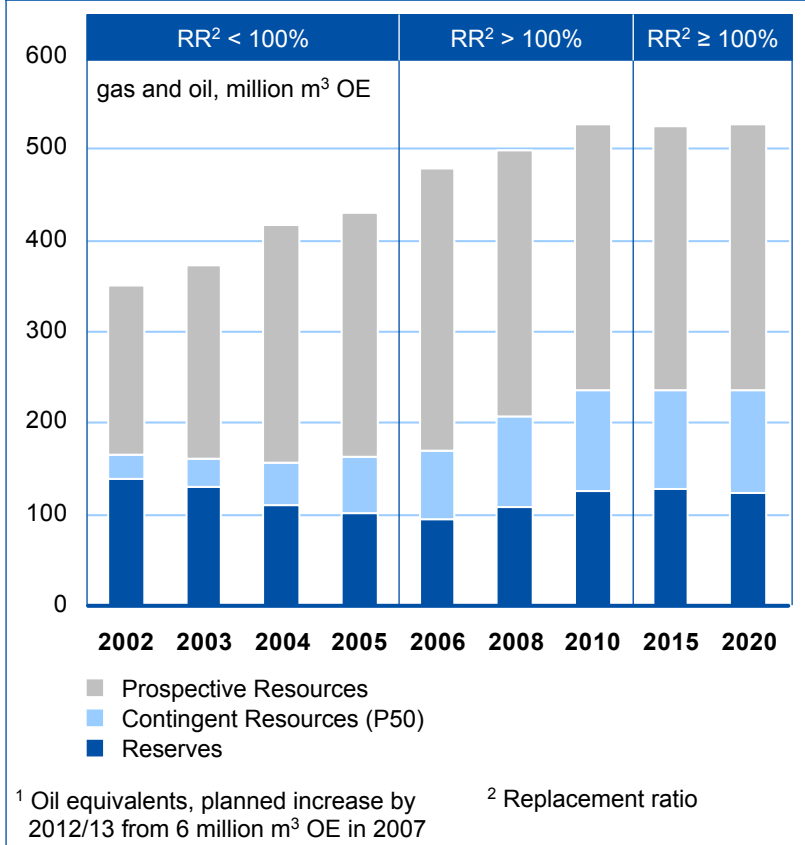
In million	Electricity	Gas
Total customers 2007 (thereof eprimo discount) ¹	7.1 (0.2)	1.0 (²)
Total customers 2008 (thereof eprimo discount) ¹	7.0 (0.4)	1.0 (²)

¹ signed and confirmed ² eprimo gas business just started



RWE Dea on attractive growth path

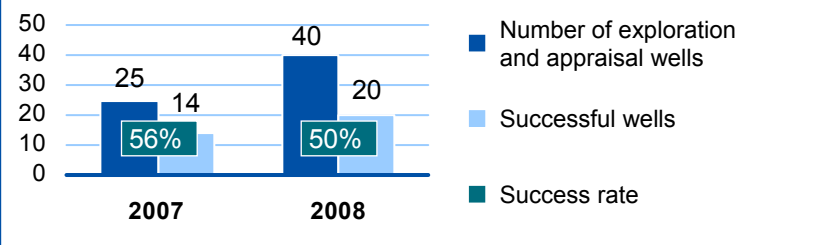
High replacement ratio to maintain resource level despite production increase to 12 million m³ OE¹



Expansion in new regions to gain access to potential new reserves



High success rate in exploration and appraisal

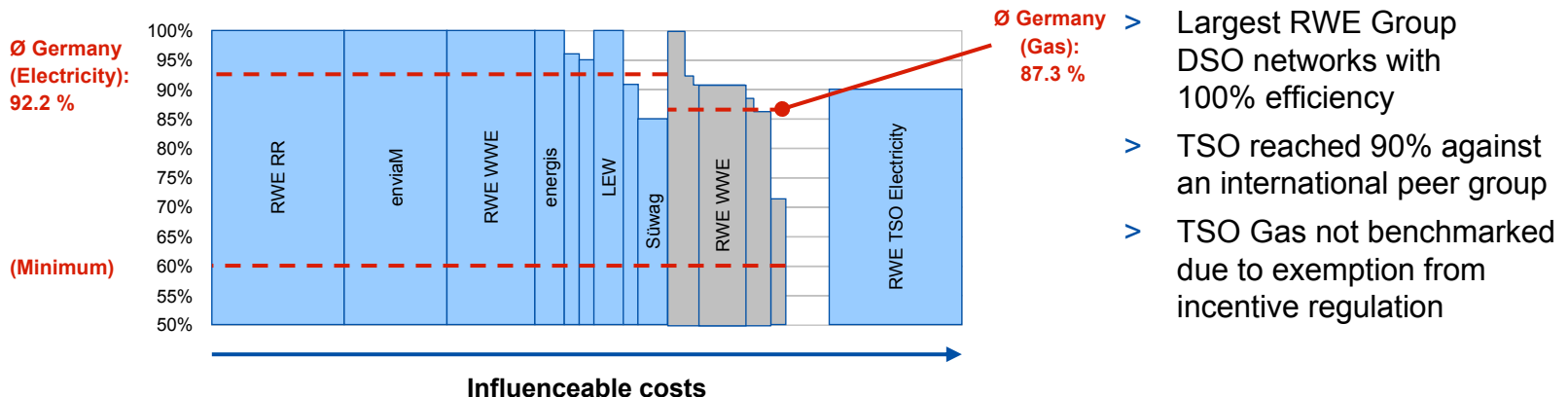


Latest benchmarking of key operations shows strong performance levels

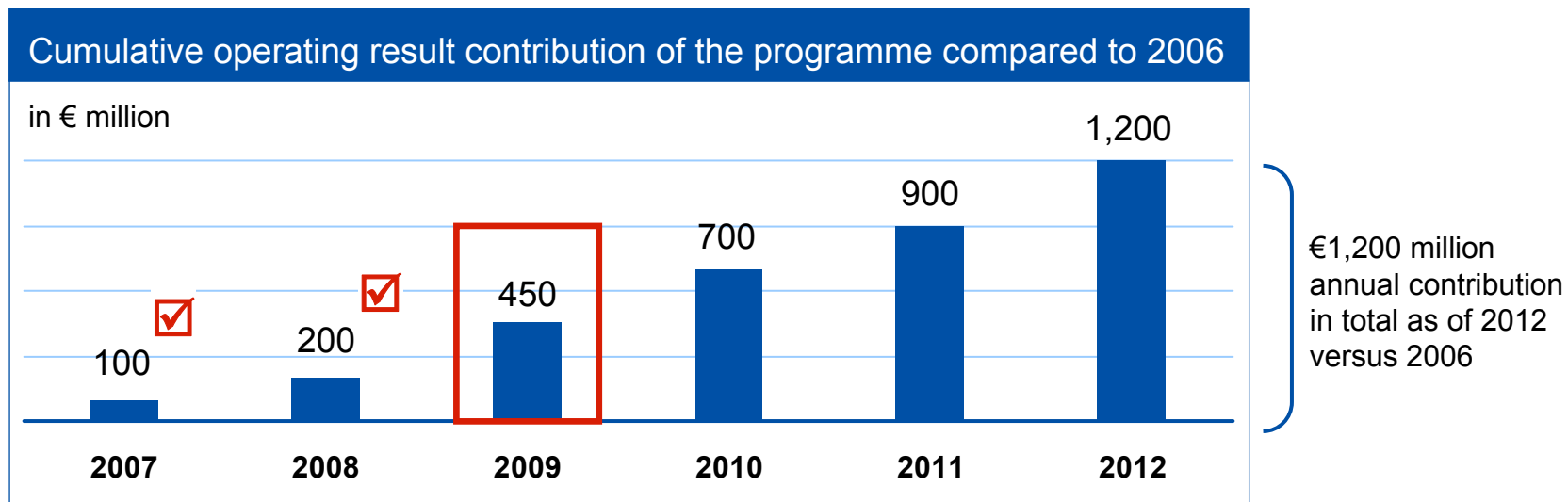
Power Stations

- > **Hard Coal and Gas: Solomon benchmarking of 400 power station units worldwide in 2007**
RWE Power (GER): overall performance (efficiency, reliability, O&M costs) in upper quartile
RWE npower (UK): close behind the first quartile and expected to close the gap in "Benchmark 2010"
- > **Nuclear: Accenture benchmarking of more than 40 international units in 2008**
Emsland and Biblis: "total controllable costs" close to upper quartile
Gundremmingen is No.1 in West Europe and internationally in upper quartile

Network Efficiencies (GER)



Efficiency enhancement programme is on track to deliver €1.2 billion by 2012



- > Efficiency gains will be fully accretive to operating result (i.e. post cost inflation and one-off cost of programme)
- > Underpinned by a significant portfolio of projects across the group. For example:
 - Cost savings from RWE Energy’s “continuous improvement” project GO (e.g. merging of call-centres, standardization of back-office processes, bundling of purchasing in IT and grid maintenance)
 - Key performance improvement projects in RWE Power and RWE npower to increase thermal efficiency, availability and capacity of existing stations

„Delivering on the traditional virtues of a utility – strong cash generation, robust balance sheet“

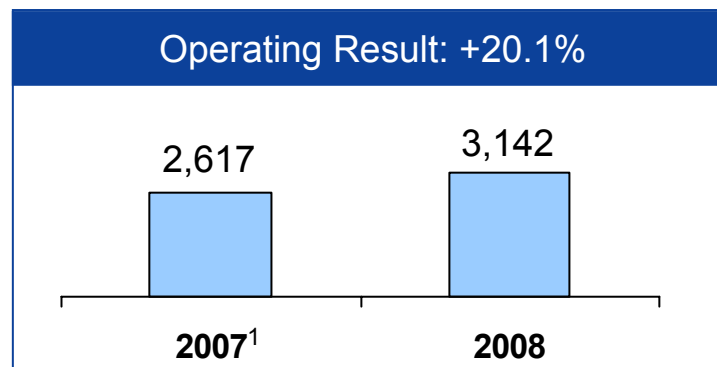
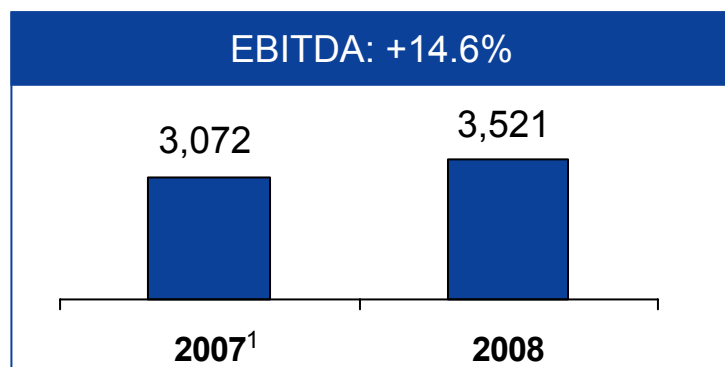
Dr. Rolf Pohlig, CFO

RWE Group key performance indicators 2008

January – December € million	2008	2007 ¹	change in %
External revenue	48,950	42,507	+15.2
Cash flows from operating activities	8,853	6,085	+45.5
EBITDA	8,314	7,915	+5.0
Operating result	6,826	6,533	+4.5
Non-operating result	-485	-149	-225.5
Financial result	-1,475	-1,138	-29.6
Income from discontinued operations	-567	-274	-106.9
Net income	2,558	2,667	-4.1
Recurrent net income	3,367	2,985	+12.8
Number of shares outstanding (weighted average) (million)	538.4	562.4	-4.3
Earnings per share (EPS) (€)	4.75	4.74	+0.2
Recurrent EPS (€)	6.25	5.31	+17.7

¹ Figures partially adjusted: see Annual Report page 60.

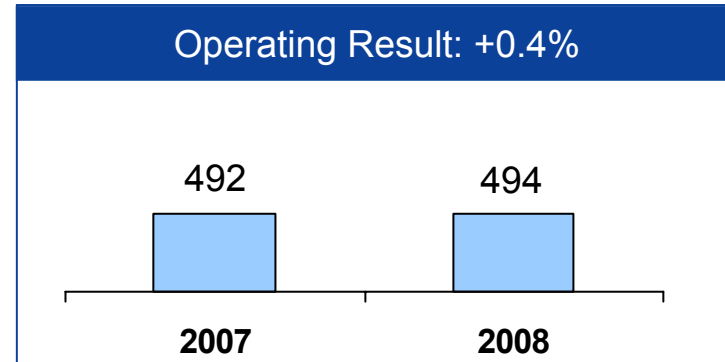
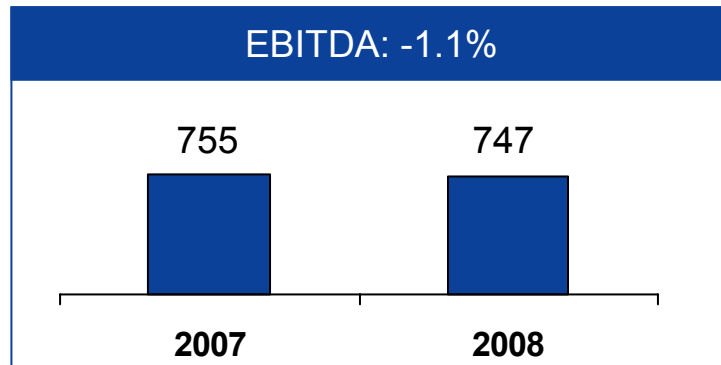
Performance of RWE Power



- + Higher realised electricity prices and higher volumes (approx. +€2.0 bn)
- Increased costs due to higher fuel prices (approx. -€470 million)
- Higher costs for CO₂ certificates (increase of approx. -€960 million to -€1,120 million)
- + Absence of one-off burden from sunk cost Ensdorf in 2007 (approx. +€110 million)

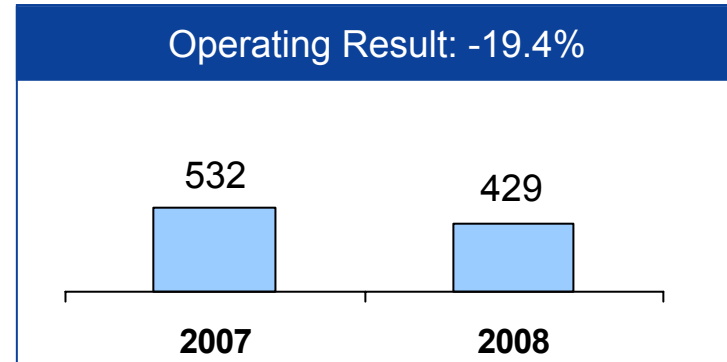
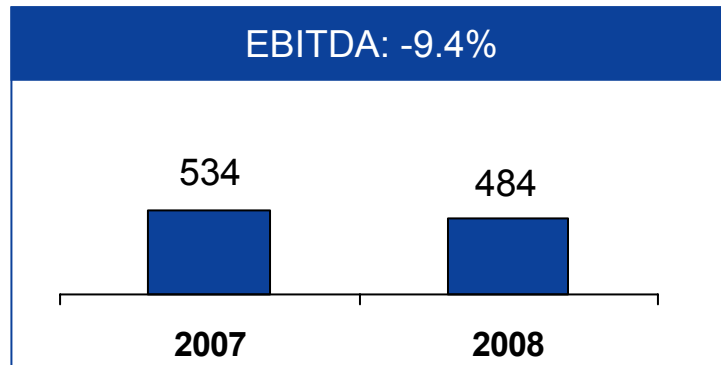
¹ Figures adjusted: see Annual Report page 60.

Performance of RWE Dea



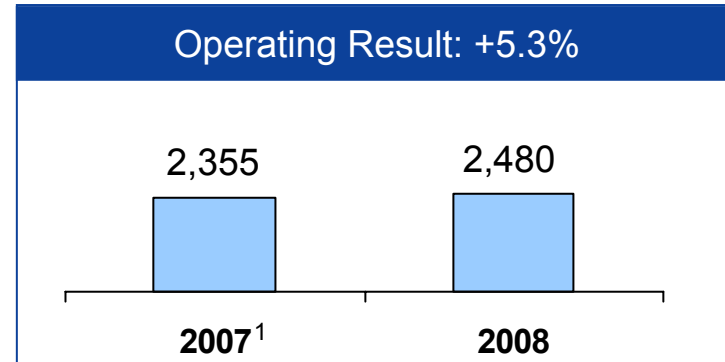
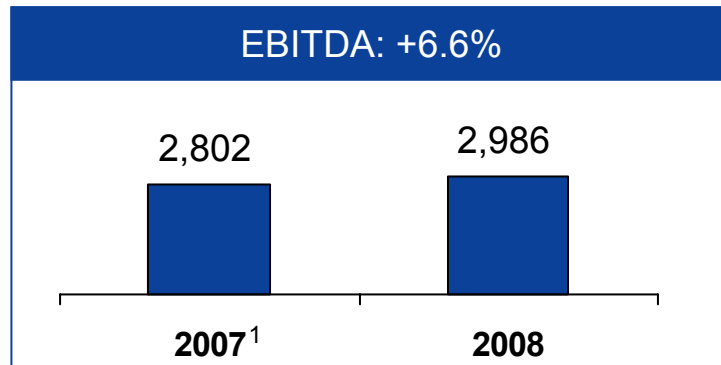
- + Significant increase in crude oil prices but not fully reflected due to the dollar's weakness and our hedge policy. Oil production declining
- Negative impact from currency exchange rate changes (approx. -€150 million)
- Increased exploration activities led to higher exploration costs
- + Increased gas volumes and improved gas prices

Performance of RWE Supply & Trading



- Despite operational performance in line with last year, reported IFRS relevant trading performance lower due to
 - in 2008 higher portion of performance which will be realized in later periods
 - in 2007 higher portion of realized performance from previous periods
- + Supply business benefited from margin improvements and the reclassification of the gas midstream activities of RWE Transgas to this division

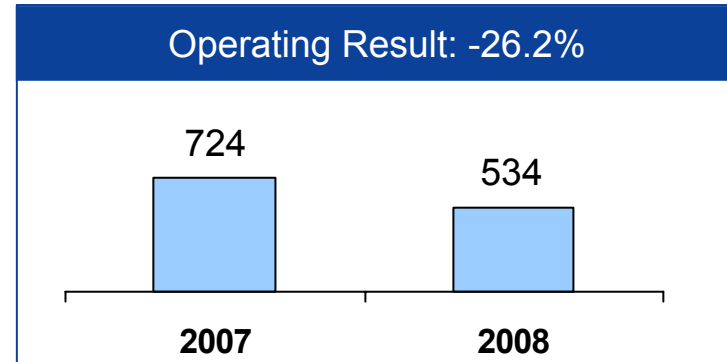
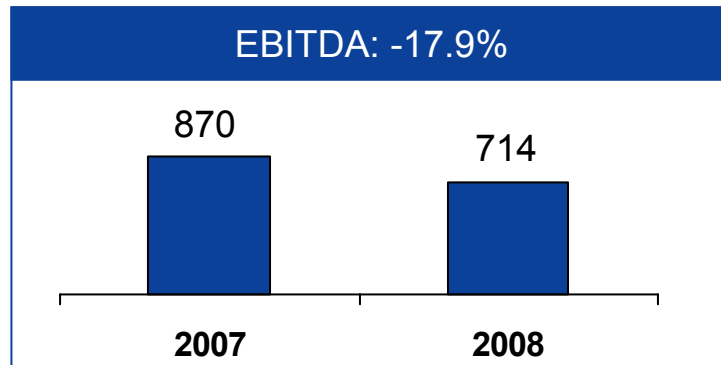
Performance of RWE Energy



- Negative impact from German grid regulation (approx. -€470 million) but improved electricity retail results and cost reduction measures
- + Customer losses in Germany stopped. Second half 2008 shows net gain of approx. 80,000 electricity customers.
- International regions: drop in earnings due to one-off effect in previous year
- Supra-Regional operations: Mainly reduced grid fees and higher costs for balancing power

¹ Figures adjusted: see Annual Report page 60.

Performance of RWE npower



- Negative impact from currency exchange rate changes (-€90 million)

Power generation:

- + Improved short term position management, benefiting from high plant availability
- Growing costs of CO₂ (increase of -€80 million to -€194 million)

Supply:

- The UK government's programmes for increasing energy efficiency and reducing CO₂ from households and for fuel poor have become significantly more costly (increase of approx. -€90 million)
- Increasing bad debt charges

Non-operating result

January – December € million	2008	2007	Change (absolute)
Capital gains	89	339	-250
Impairment losses	-	-	-
Restructuring / other	-574	-488	-86
Total	-485	-149	-336

- > Capital gains: disposal of a further 8% stake in rhenag. Fiscal year 2007 dominated by the disposal of the Dutch gas grid assets and a 25% stake in rhenag.
- > Restructuring / other:
 - Negative impact from result of commodity derivatives mainly for hedging gas sales contracts (-€404 million). Effect will be reversed with the realization of the underlying business transactions (see also back-up chart 55)
 - Amortization of RWE npower's customer accounts (-€279 million, FY 2007: -€325 million)
 - Income from change of nuclear provisions (+€143 million, FY 2007: +€178 million)

Financial result

January – December € million	2008	2007	Change (absolute)
Net interest	-158	-479	+321
Interest accretion to non-current provisions	-738	-771	+33
Other financial result	-579	112	-691
Total	-1,475	-1,138	-337

- > Net interest: Among other reasons better due to improved net financial position, lower cost of debt and in 2008 absence of one-off costs for buying back bonds in 2007
- > Interest accretion to non-current provisions: Lower pension provisions after setting up a Contractual Trust Arrangement (CTA) in March 2007 led to lower interest accretion
- > Other financial result: One-off gain in 2007 of €155 million due to the funding of the CTA and €142 million from the disposal of Heidelberger Druckmaschinen shares while in 2008 we incurred write downs and book losses from the sale of securities

Reconciliation to recurrent net income

January – December € million	2008 reported	2008 non-rec.*	2008 recurrent	2007 recurrent	change absolute
Operating result	6,826	-	6,826	6,533	+293
Non-operating result	-485	+485	0	0	0
Financial result	-1,475	-96	-1,571	-1,435	-136
Taxes on income	-1,423	-298	-1,721	-2,044	+323
Income from discontinued operations	-567	+631	64	155	-91
Minority interest	-318	+87	-231	-224	-7
Net income	2,558	+809	3,367	2,985	+382

- > Non-recurrent items in the financial result*:
 - Release of provisions due to settlement of legacy claims (+€96 million)
- > Main non-recurrent item in taxes on income*:
 - Tax-effect from non-operating result (+€151 million)
 - Settlement of legacy tax-claim (+€177 million)
- > Non-recurrent item in income from discontinued operations*:
 - Fair value adjustment of American Water (-€631 million).
- > Non-recurrent item in Minority interest*:
 - Minority interest of American Water (-€87 million).

*Note: prefix for non recurrent adjustment in the table is a mathematical prefix; prefix in the notes reflects impact on P&L earnings.

Cash flow statement

January – December € million	pro forma adjusted for American Water		as reported including American Water	
	2008	2007	Change	2007
Funds from operations (FFO)	7,166	5,814	+1,352	6,307
Changes in working capital	1,687	-254	+1,941	-222
Cash flows from operating activities of continuing operations	8,853	5,560	+3,293	6,085
Capex on fixed assets	-4,454	-3,430	-1,024	-4,065
Free cash flow	4,399	2,130	+2,269	2,020

> FFO

- Cash out for certificates to cover 2008 CO₂ emissions largely affects 2009 (+€0.9 bn)
- Improved operational performance of German generation business

> Change in working capital

- Net cash inflow from variation margins for electricity forward sales due to declining market prices (+€1.8 bn)

> Capex on fixed assets

- Approx. 30% higher (excluding American Water) than in 2007 but less than originally expected. Amongst others due to delays at some of our power plant projects

Value management 2008

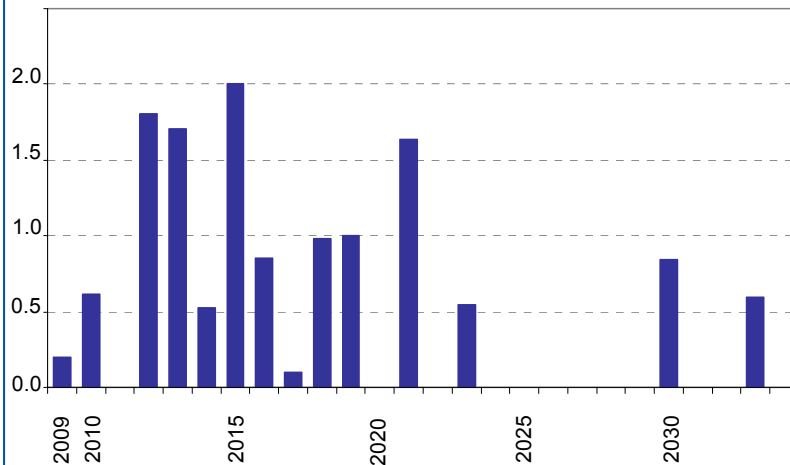
Key figures for value management in 2008	Operating result € million	Capital employed € million	ROCE in %	Cost of capital in %	Value added	
					in 2008 € million	in 2007 € million
RWE Power	3,142	13,031	24.2	9.5	1,915	1,289
RWE Dea	494	1,806	27.3	12.0	277	266
RWE S&T	429	1,027	41.8	9.5	331	522
RWE Energy	2,480	20,578	12.1	8.5	731	468
RWE npower	534	5,303	10.1	9.5	30	82
Other, consolidation	-253	-1,936	-	-	169	343
RWE Innogy	55	1,422	3.9	8.5	-66	-
RWE Group	6,826	39,809	17.2	8.5	3,453	2,970

- > ROCE exceeding cost of capital by 8.7%-points, creating €3.5 bn value added
- > RWE Group's cost of capital 2009 versus 2008 increased by 50 basis points; divisional WACCs up between 50 and 100 basis points: lower risk free rate, higher risk premium.

We maintain a high level of liquidity and strong sources of financing - even after the bid for Essent

Capital market debt maturities¹

in € bn



> Balanced profile with limited maturities in the next 3 years (~€0.8 billion)

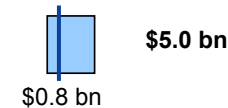
General financing

Fully committed syndicated loan
(€1.6 bn 364 days
€2.0 bn 3 years)

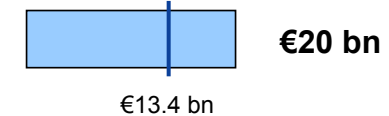


for liquidity back-up

Commercial paper
(up to 1 year)

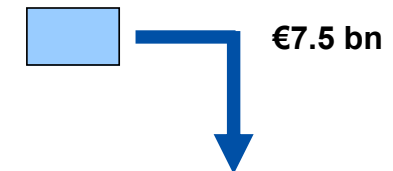


MTN programme
(up to 30 years)



Essent acquisition financing

① **Credit facility**



② **MTN programme**
(up to 30 years)



Amounts used as of February 16, 2009

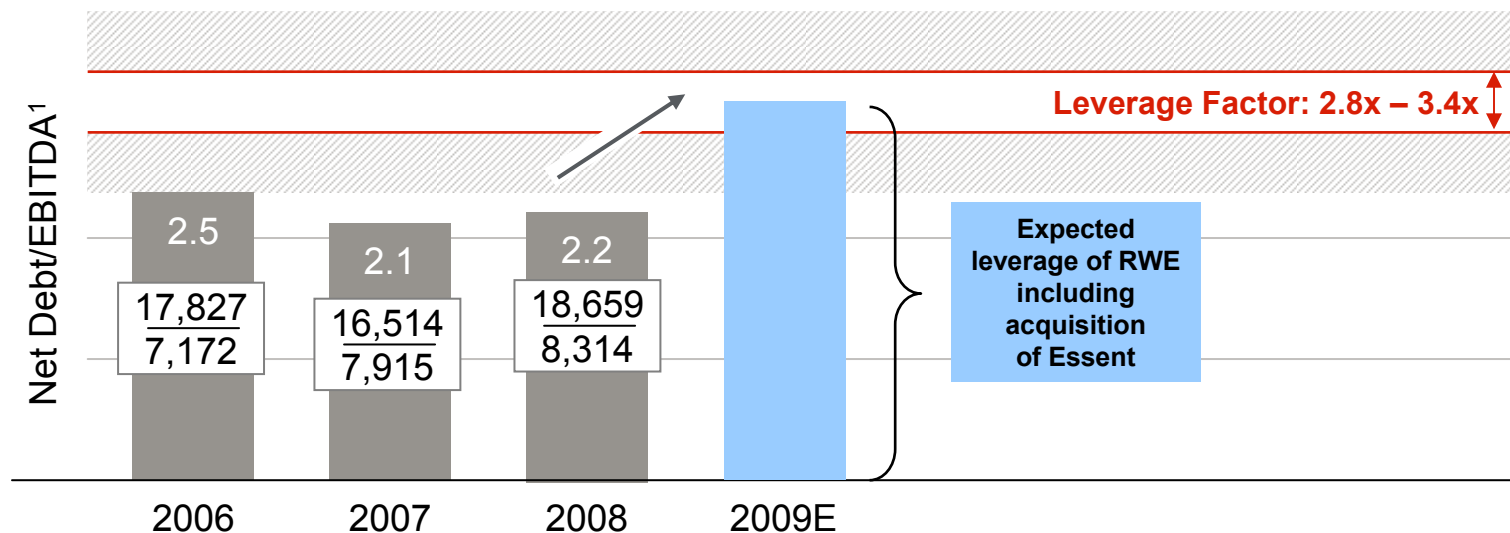
¹ RWE AG and RWE Finance b.v., as of February 16, 2009

Essent acquisition brings RWE into target corridor of the planned leverage factor

Leverage measured by ratio of **Net Debt/EBITDA (= leverage factor)**:

Net debt
<ul style="list-style-type: none"> > Net financial debt + provisions for pension + provisions for nuclear decommissioning + provisions for mining damage

Leverage Factor
<ul style="list-style-type: none"> > RWE's targeted range for the leverage factor: 2.8x – 3.4x by 2010 > Expected leverage factor for 2009 is at least implicitly in line with Single A flat/A2 rating (based on rating agencies' current models)



¹ Net debt in € million; EBITDA in € million

Outlook for the operating result 2009 per division

	2008 € million	2009 forecast
RWE Power	3,142	Above previous year
RWE Dea	494	Significantly below previous year
RWE Supply & Trading	486 ¹	Above previous year
RWE Energy	2,286 ¹	Matching previous year's level
RWE npower	534	Significantly below previous year
RWE Innogy	55	Below previous year

¹ Numbers adjusted for the transfer of RWE Transportnetz Strom (TSO electricity) and RWE Key Account. For details see Annual Report page 114.

2009 outlook and mid-term financial targets

Dr. Jürgen Großmann, CEO

Outlook for 2009: We are well prepared to weather the storm

	2008 € million	2009 forecast
External revenue	48,950	Above previous year
EBITDA ¹	8,773	in the order of last year's level
Operating result	6,826	in the order of last year's level
Recurrent net income	3,367	in the order of last year's level
Capex on fixed assets	4,454	in the order of €6.5 bn

¹ 2008 adjusted EBITDA figure according to new definition as of 2009 onwards; including operating income from investments

Mid-term financial targets:

We are also a stable post-crisis investment

Operating Result	> 5 – 10% CAGR ¹ to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh
Recurrent net income	> In the order of 10% CAGR ¹ to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh
Dividend	> Payout ratio of 50 – 60% of recurrent net income
Capital structure	> Compliant with at least “A flat” rating category
Efficiency	> €1.2bn improvement in annual operating result by year-end 2012 vs. 2006

¹ based on 2008

Our Targets

- > Value accretive growth (mainly organic) based on our strategic roadmap for 2012
 - > To reduce financial exposure to CO₂ in light of the 2013 challenge
 - > To secure our position in the premiere league of European Utilities
 - > To deliver a high and sustainable dividend to our shareholders

Back-up Charts

RWE including Essent¹ on a pro forma basis

External revenue	2008 € million
RWE	48,950
Essent	6,551
Pro forma combined	55,501

EBITDA	2008 € million
RWE ³	8,773
Essent	882
Pro forma combined	9,655

Operating result	2008 € million
RWE	6,826
Essent ²	600
Pro forma combined	7,426

¹ Preliminary fully consolidated figures for Essent according to info memorandum as presented on January 12, 2009. (excluding waste business and distribution networks and including 100% of swb (in accordance with GAAP)).

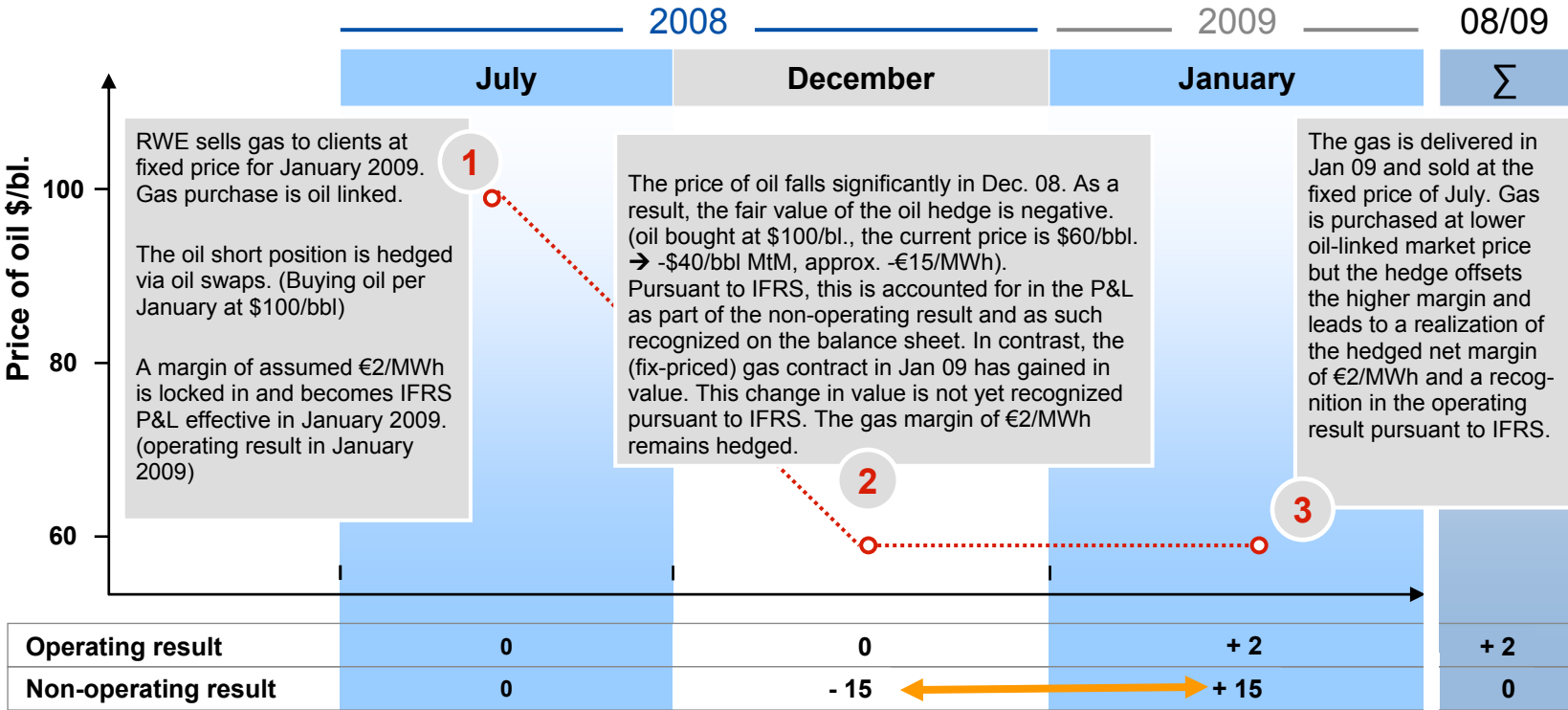
² EBIT

³ Adjusted 2008 figure according to new definition as of 2009, including operating income from investments

Non-operating result: Impact of oil hedges for our gas supply business

Assumptions:

- Fixed-price contracts with clients
- Gas purchases are oil-indexed (here without time offset)
- As a result: oil short position which is hedged via oil swaps



UK's CO₂ reduction and social energy programmes

Expected industry spend for CO₂ reduction and social obligation

	3 year spend (2008-11) (£m)
CERT (original spend)	2,800
CERT (20% increase)	560
CESP	350
Voluntary social spend	375
Total	4,085

Voluntary social spend

- > Voluntary commitments by energy suppliers to support certain customer groups such as fuel poor
- > Measures principally in form of reduced tariffs
- > RWE npower committed to spend approximately £53 million over 3 years (April 2008 – April 2011)

Carbon Emissions reduction target (CERT)

- > This phase of the energy supplier obligation to last 3 years (April 2008 – April 2011)
- > Replaced the Energy Efficiency Commitment (EEC)
- > Target of 154 mt CO₂ emissions reduction, increased by 20% to 185 mt CO₂ in September 2008
- > Emissions savings to be delivered by measures improving energy efficiency in households
- > Obligation to make 40% of saving in priority group¹ (including those aged 70 and over)
- > RWE npower CO₂ reduction target of 26.2 million over 3 years
- > Government proposed on 12 February 2009 to continue with a CERT equivalent obligation until December 2012

Community Energy Savings Programme (CESP)

- > Partnership of local councils, voluntary organisations and energy suppliers in the most deprived areas of the UK
- > Power generators included in the programme
- > House-to-house calls to offer free and discounted central heating, energy efficiency measures and benefit checks
- > Measures must deliver significant CO₂ and fuel bill savings
- > Creation of 100 new community schemes benefiting some 90,000 homes
- > Allocation to energy companies pro rata to market share

¹ Includes those in receipt of relevant defined benefits or tax credits.

RWE Group electricity production

January – December in TWh	Germany	UK	Other Internat.	Total 2008	Total 2007
Lignite	68.3	-	5.6	73.9	76.1
Nuclear	49.3	-	-	49.3	32.1
Hard coal	43.6	18.0	0.4	62.0	71.0
thereof contracts	28.6	-	-	28.6	36.3
Gas	12.9	18.2	0.1	31.2	29.3
Renewable energies	3.7	0.9	0.7	5.3	5.2
thereof contracts	0.6	0.7	-	1.3	1.6
Pumped storage, oil, other	1.9	0.5	-	2.4	2.4
thereof contracts	1.4	-	-	1.4	1.8
Subtotal	179.7	37.6	6.8	224.1	216.1
Electricity purchases*	69.4	18.1	22.6	110.1	108.2
Total	249.1	55.7	29.4	334.2	324.3

* Net, excluding trading. Purchases for physical deliveries to customers only.

RWE Group electricity sales volume

January – December in TWh	Germany	UK	Poland	Hungary	Other	Total 2008	Total 2007
Private and commercial customers	27.2	21.4	3.5	6.0	0.7	58.8	60.4
Industrial and corporate customers	58.7	31.1	3.2	7.0	0.6	100.6	98.2
Distributors	80.8	-	0.5	5.3	1.0	87.6	79.3
Electricity trading ¹	70.1	-	-	-	-	70.1	68.5
Total	236.8	52.5	7.2	18.3	2.3	317.1²	306.4²

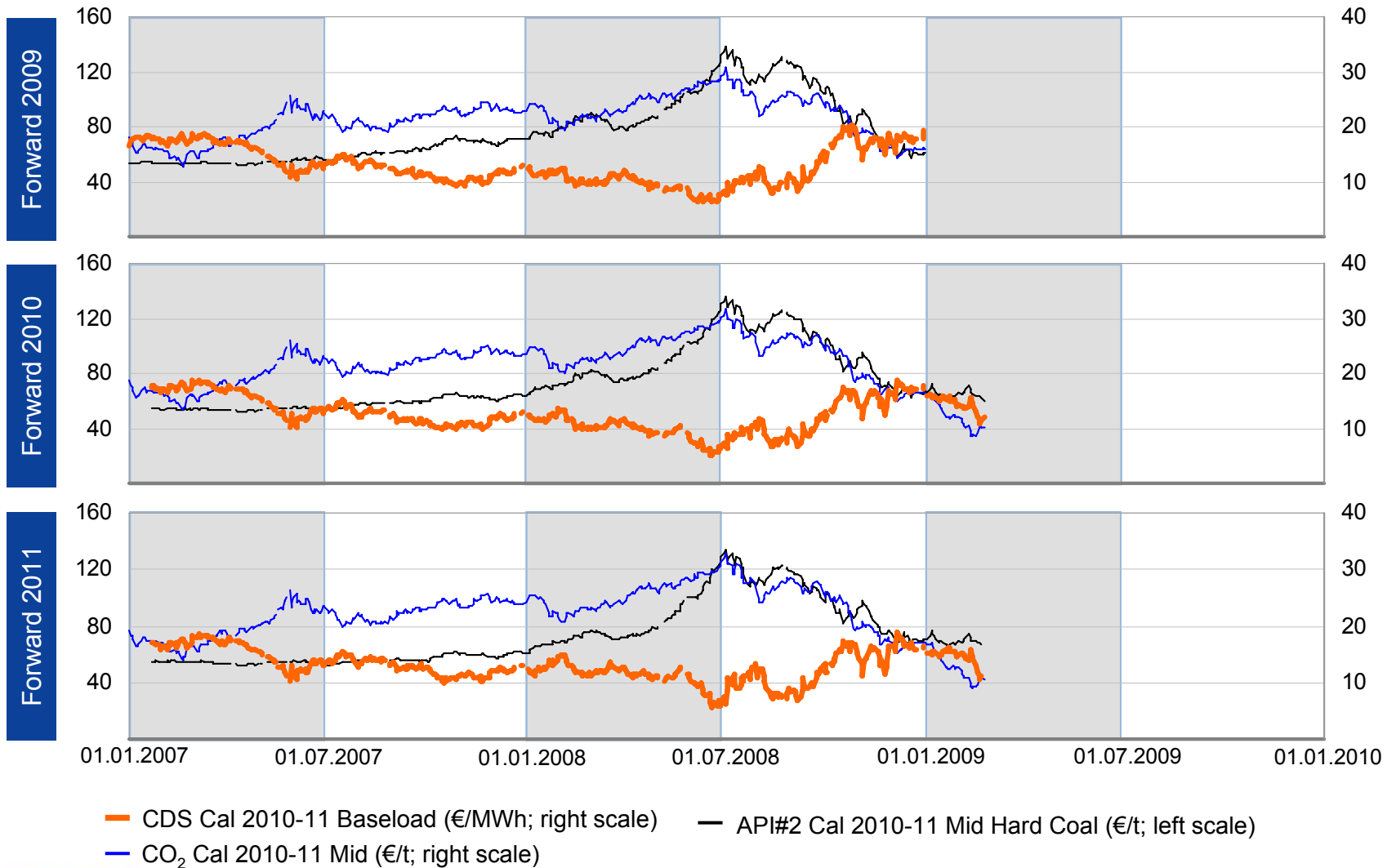
¹ Net of electricity purchased from third parties.

² Difference between electricity production and electricity sales volume due to grid losses, own consumption by lignite production and pumped-storage power plants.

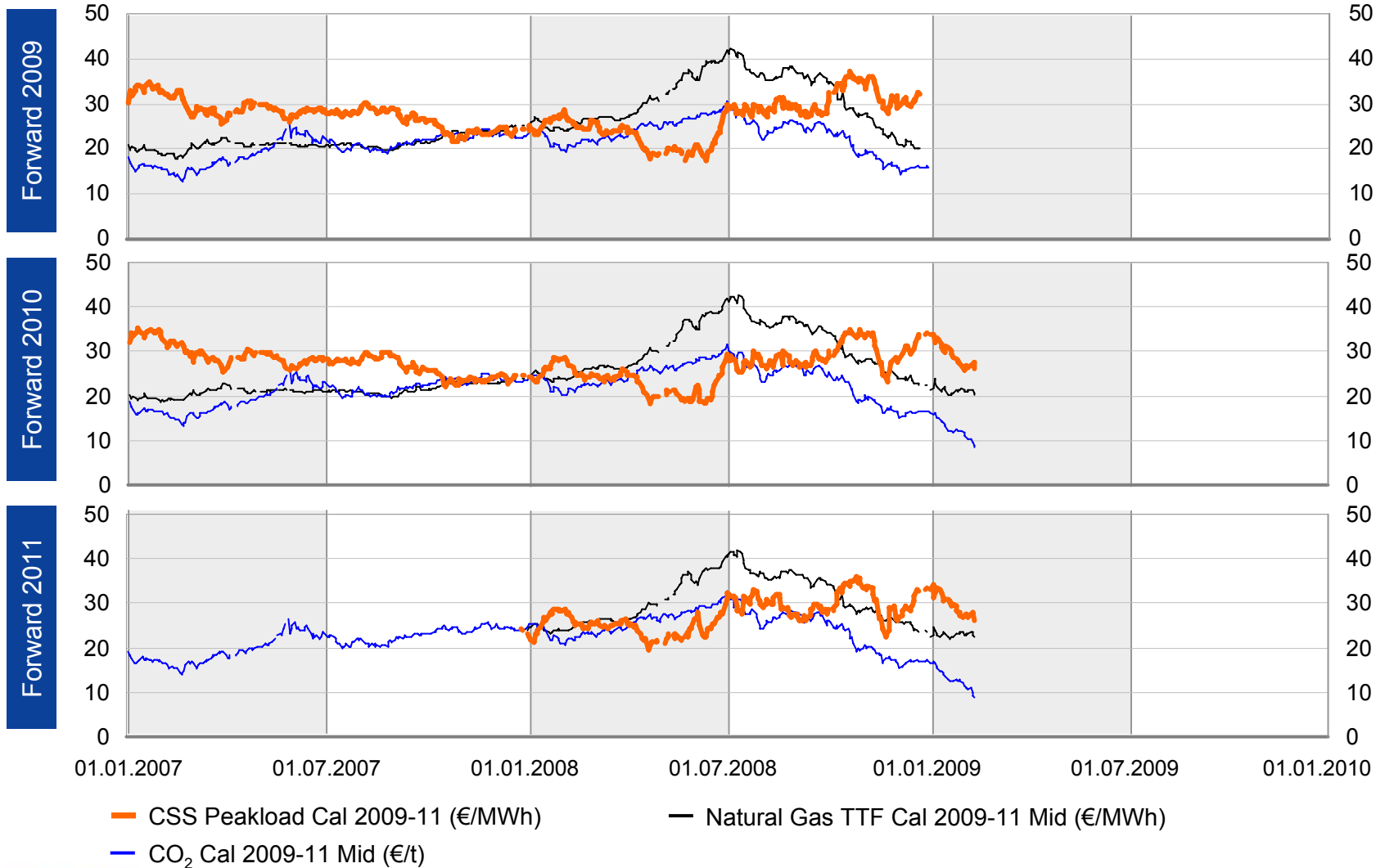
RWE Group gas sales volume

January – December in TWh	Ger- many	Czech Rep.	UK	Other	Total 2008	Total 2007
Private and commercial customers	20.9	33.5	48.5	7.7	110.6	110.3
Industrial and corporate customers	38.8	31.5	9.7	26.9	106.9	116.6
Distributors	95.0	15.3	-	-	110.3	108.1
Total	154.7	80.3	58.2	34.6	327.8	335.0

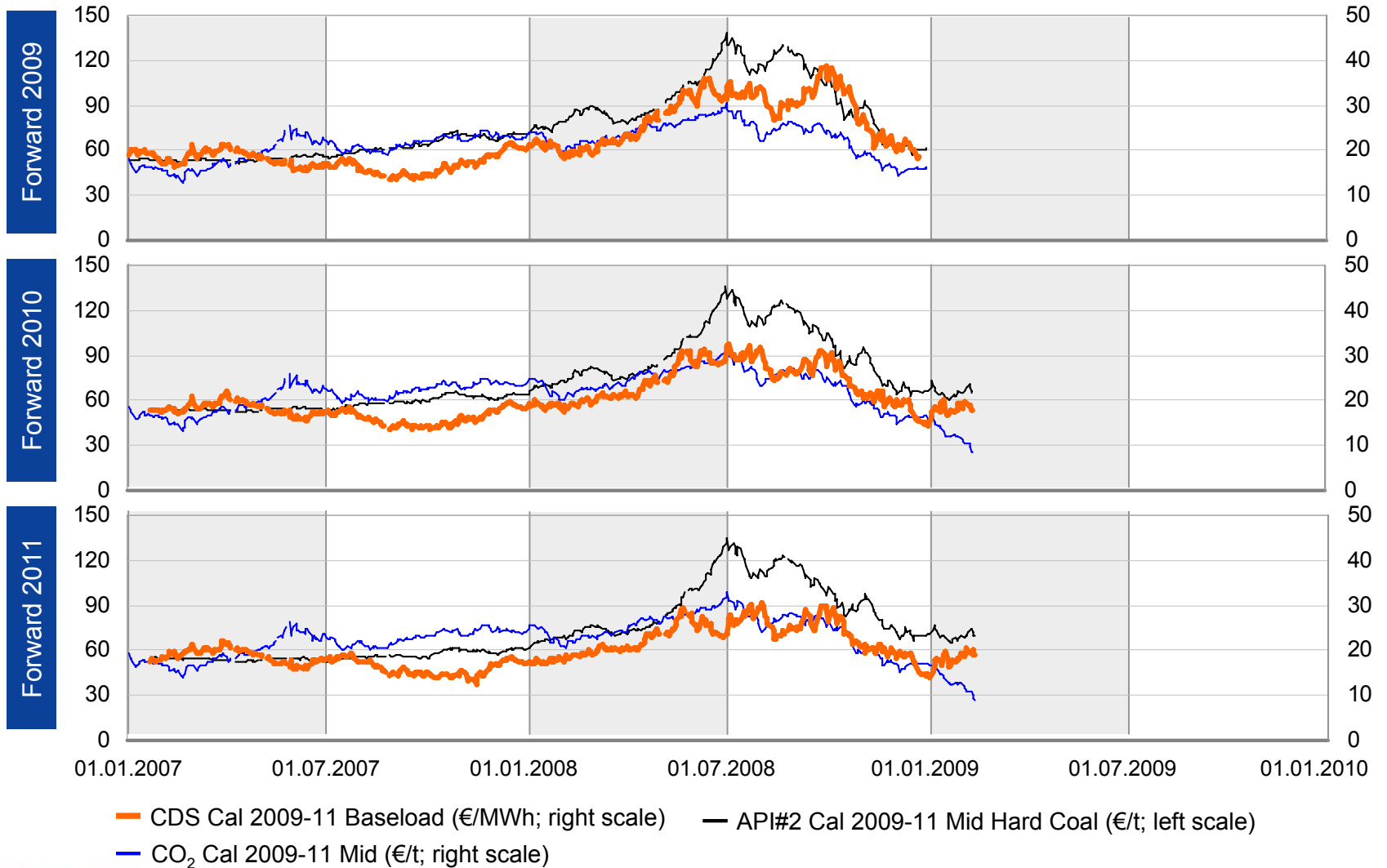
Germany: Clean Dark Spread (CSS) versus hard coal and CO₂ prices



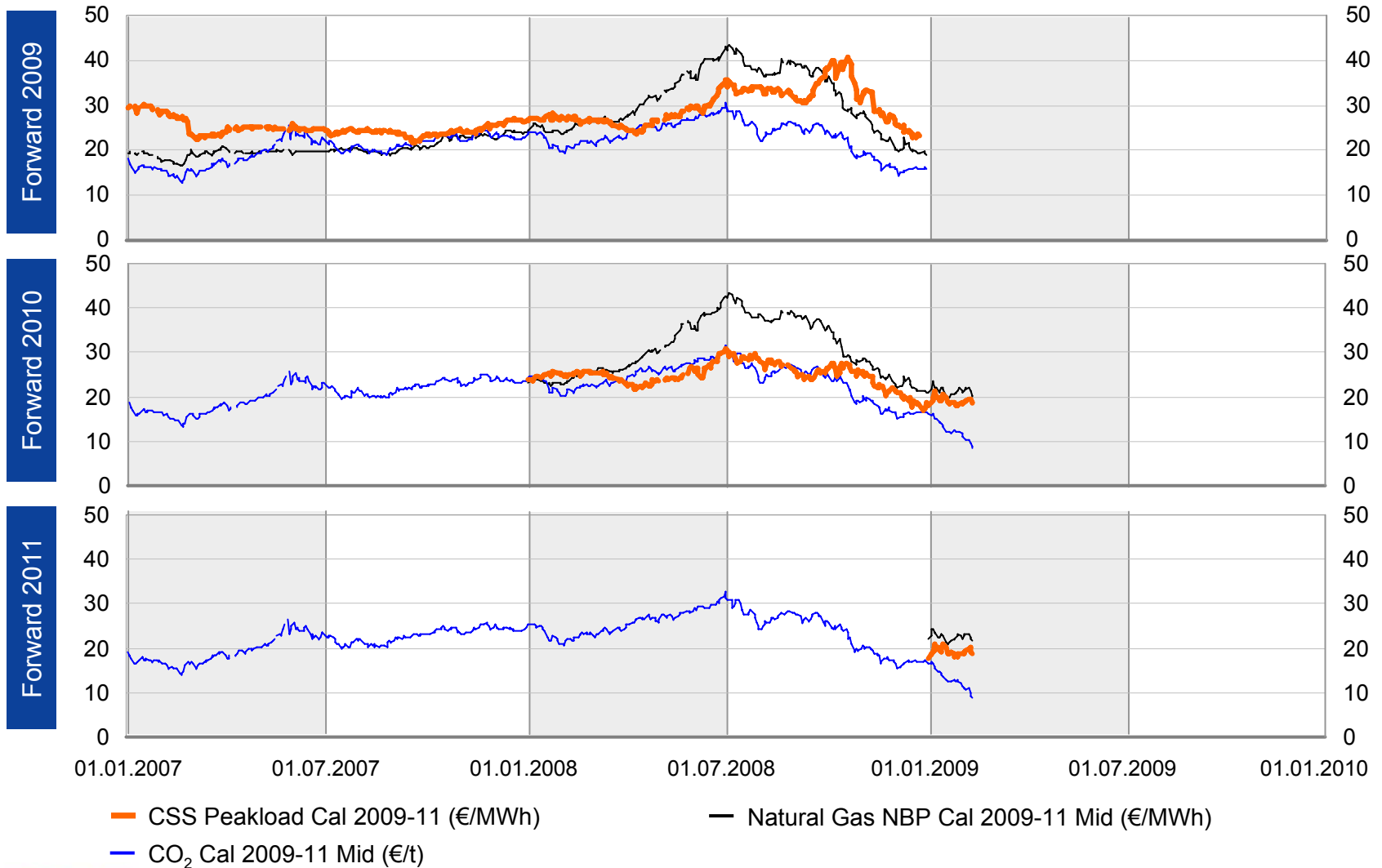
Germany: Clean Spark Spread (CSS) versus natural gas and CO₂ prices



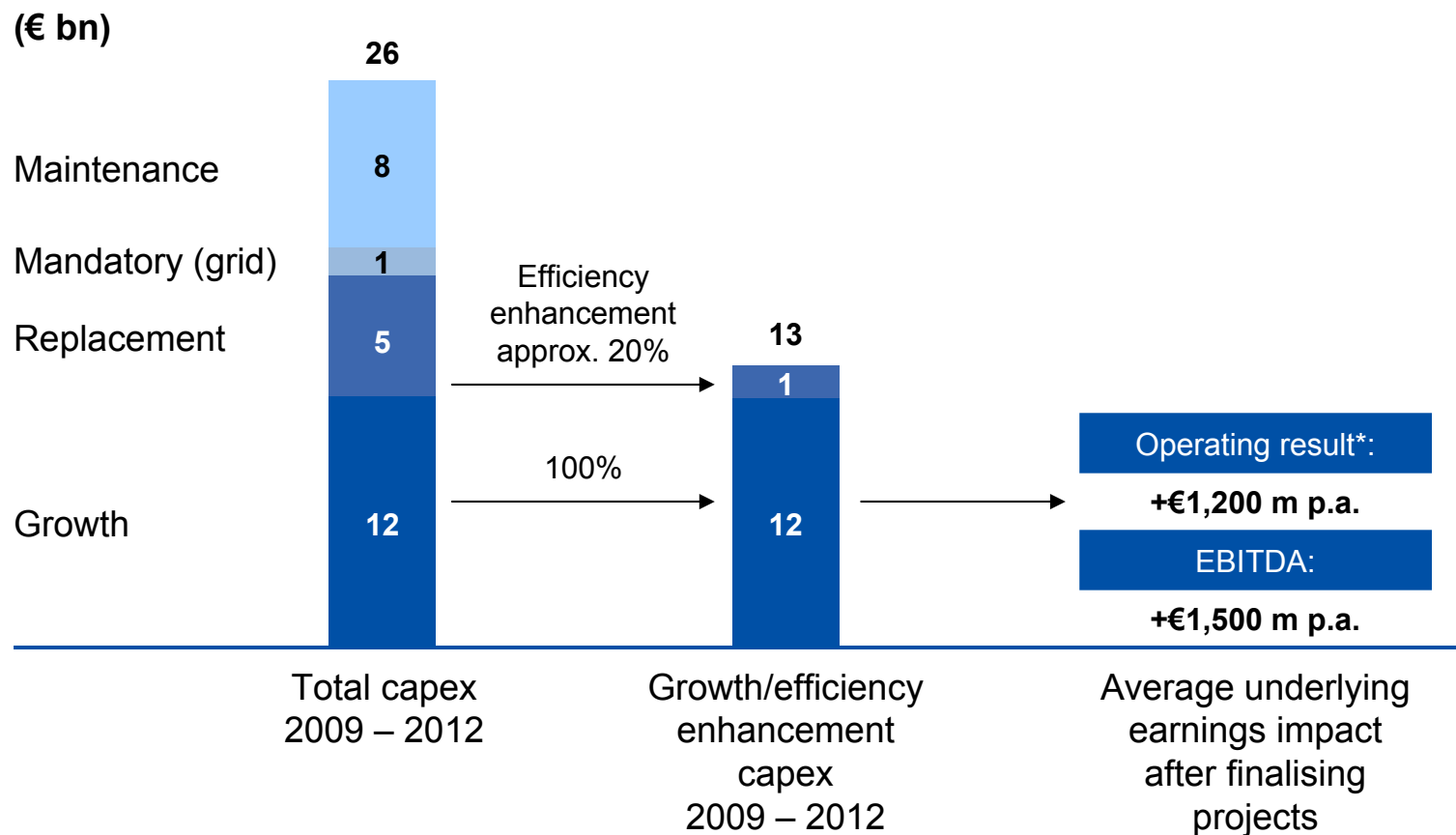
UK: Clean Dark Spread (CDS) versus hard coal and CO₂ prices



UK: Clean Spark Spread (CSS) versus natural gas and CO₂ prices

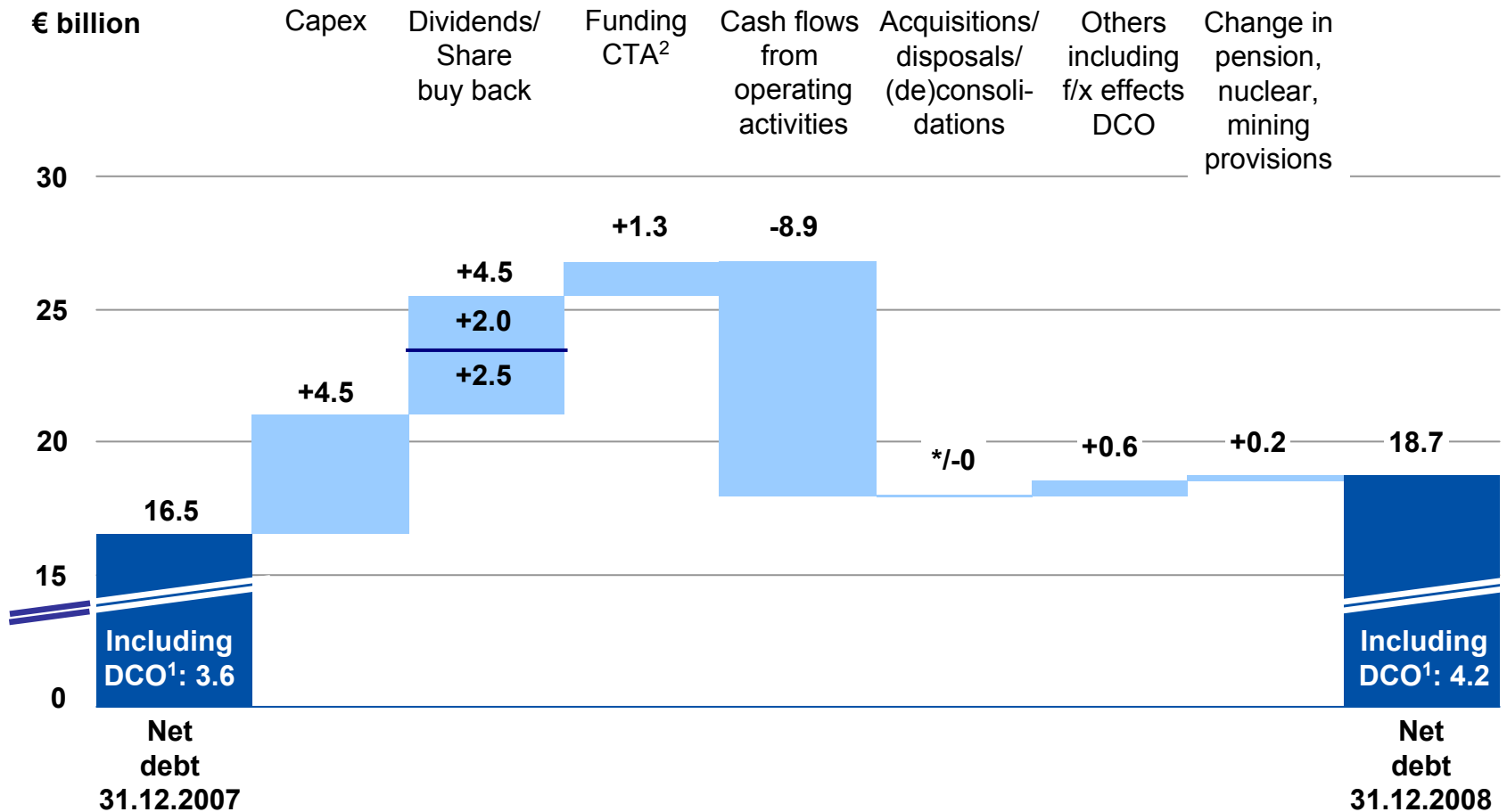


How growth and efficiency enhancement capex will impact our underlying earnings performance



* Average impact. Depending on depreciation period, operating result lower in early years and higher in later years.

Development of net debt

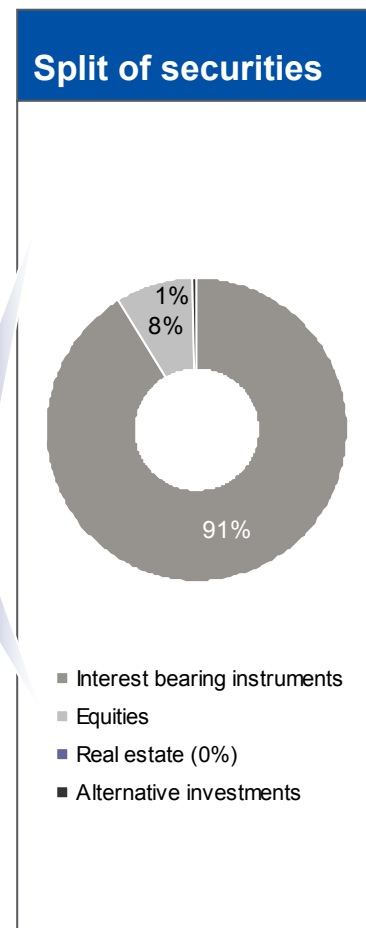
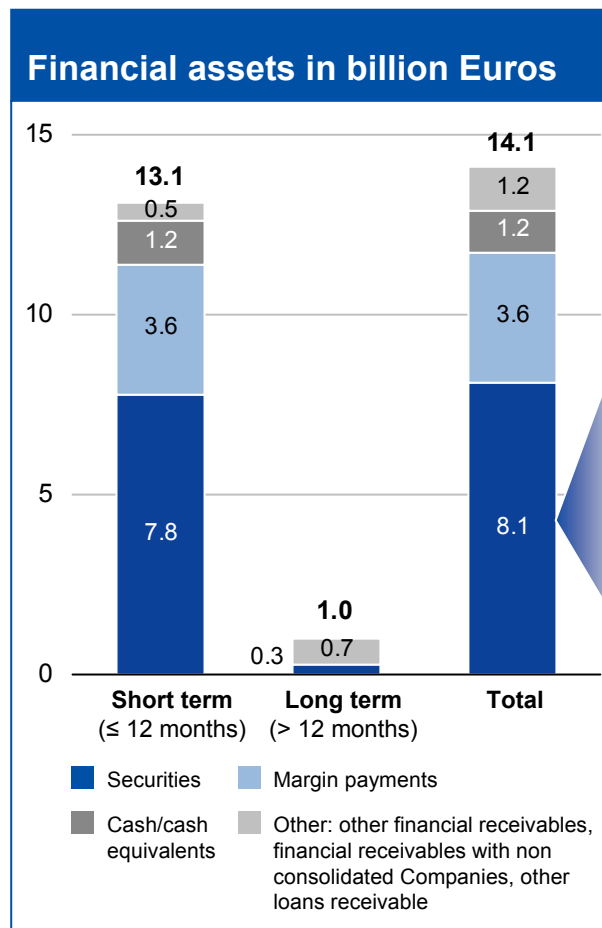
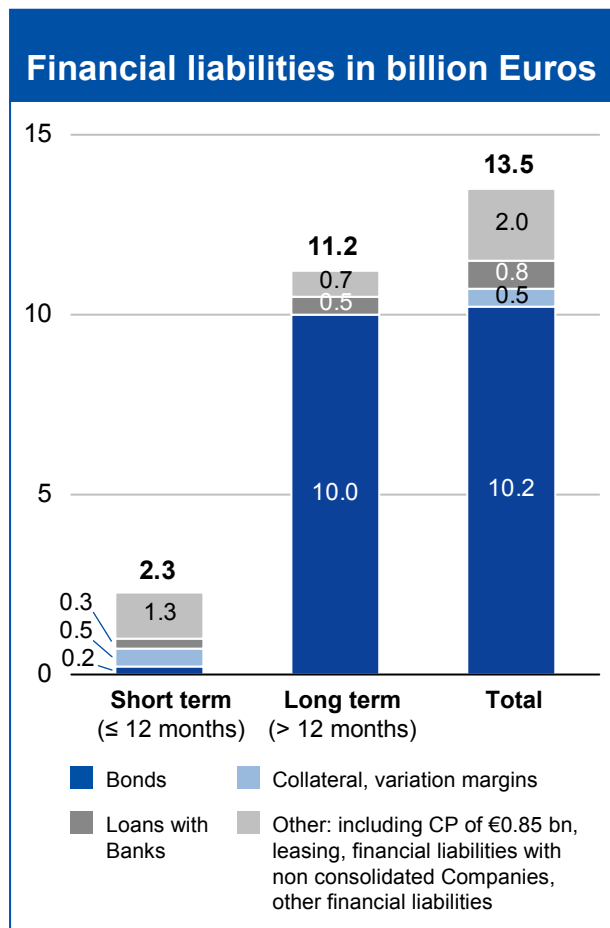


¹ Net debt of discontinued operations (DCO)

² CTA = Contractual Trust Arrangement.





Financial liabilities and assets: Solid financing in place

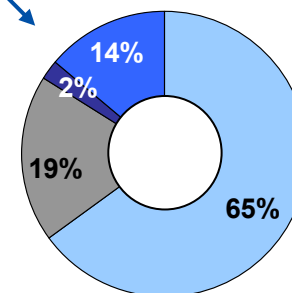
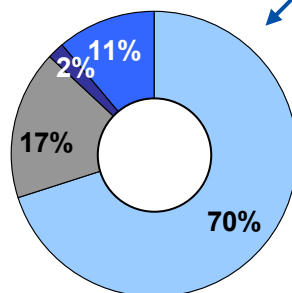
(as of 31.12.2008)



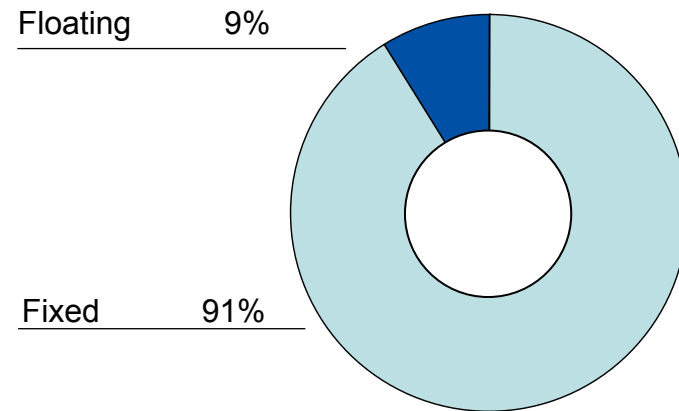
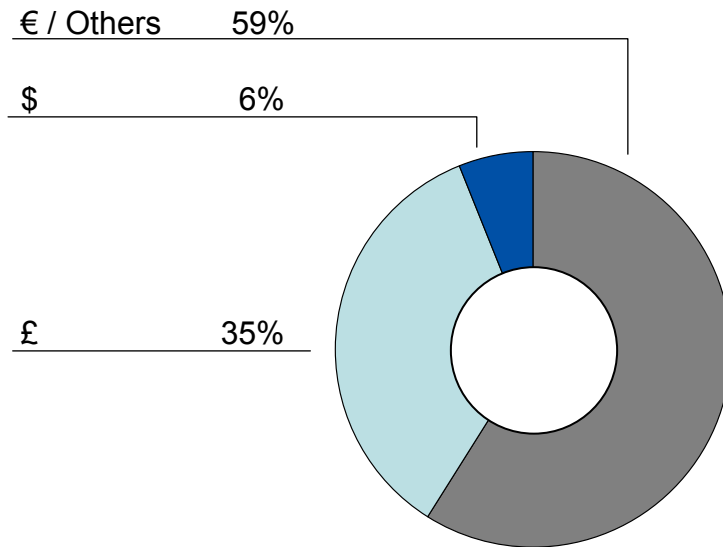
Development of pension liabilities, plan assets and provisions

€ million	31.12.2008	31.12.2007	change absolute
Present value of funded benefit obligations	11,872	12,298	-426
Fair value of plan assets	11,030	12,675	-1,645
Net amount for funded plans	842	-377	+1,219
Capitalized surplus of plan assets over benefit obligations	0	507	-507
Provision recognized for funded plans	842	130	+712
Provision recognized for unfunded plans	1,896	3,435	-1,539
Total provisions	2,738	3,565	-827

-  Interest bearing instruments
-  Equities
-  Real Estate
-  Alternative Investments



Gross financial debt currency and interest exposure¹

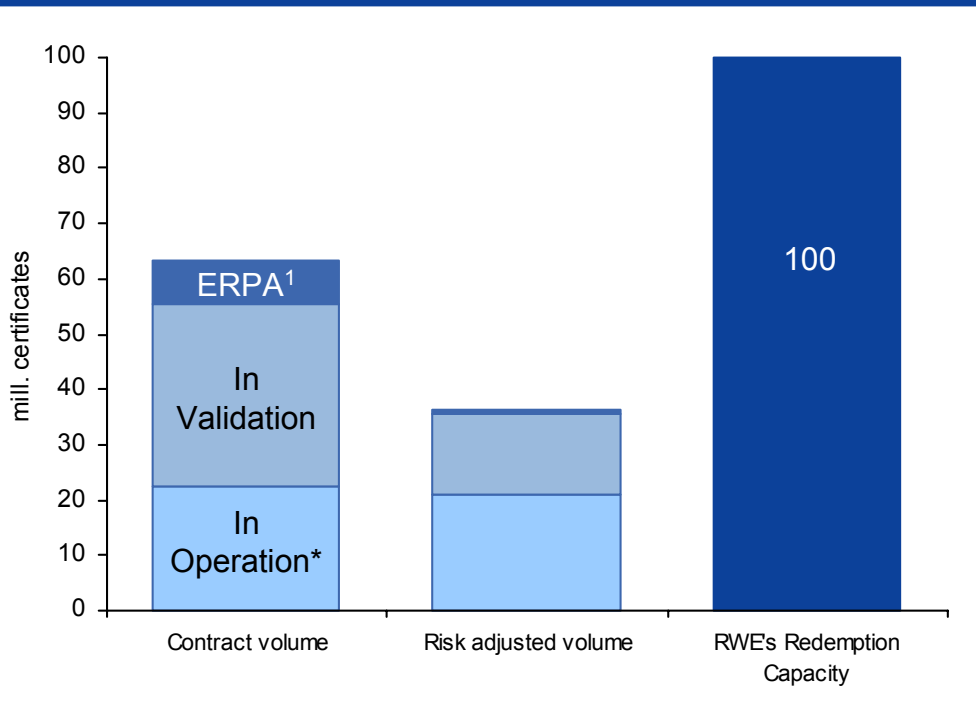


With debt in foreign currencies we hedge the translation risk of our international activities.

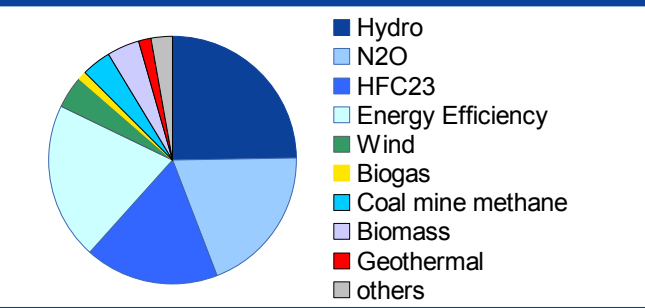
¹ Excluding American Water; including cross-currency swaps

RWE's current Kyoto credit portfolio for 2008-12

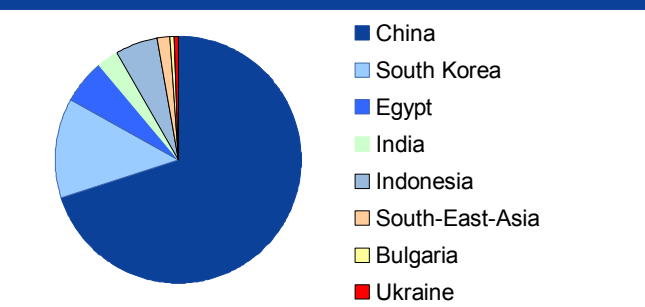
Projects as of December 31, 2008



Contract volume by technology



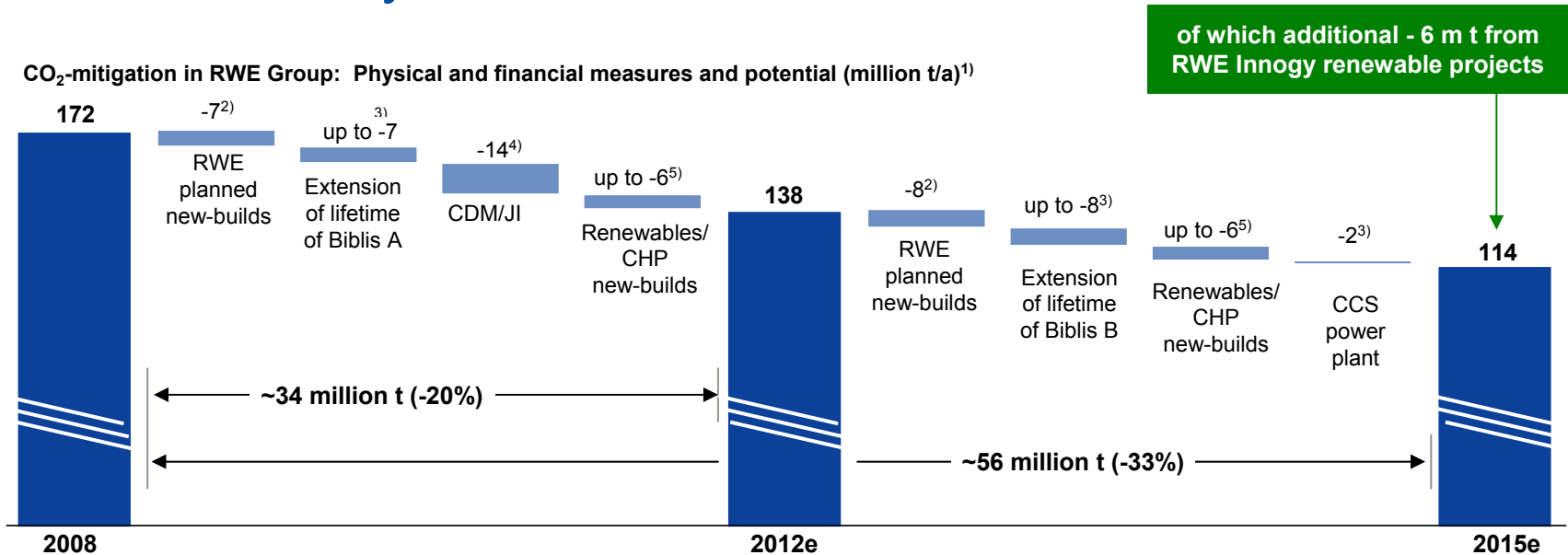
Contract volume by region



¹ ERPA: Emission Reduction Purchase Agreement

² In Operation: All projects which have already issued certificates

Less CO₂: Our Strategy to Reduce our Exposure Physically and Financially



Requirements for economically and ecologically reasonable CO₂-mitigation:

- > Political framework allows for extension of lifetimes of nuclear power plants, an economic use of renewables and CCS technology.
- > Power plants with above average CO₂ emissions will be decommissioned, as long as it is economic and security of supply will not be endangered.

1) Excl. growth investments and market induced load factor changes.
 2) New-builds with decommissioning and lower load factors of old plants (depending on market conditions).
 3) Depending on political framework; avoidance of emissions from old coal plants.

4) CDM/JI-projects for covering a maximum of 22% of CO₂-allocation in Germany and 9% in UK (avg. 10 – 12 €/t mix of price and costs)
 5) Avoidance of emissions from coal- and gas-fired plants.