

**Second Supplement dated 10 January 2012
to the Prospectus dated 13 April 2011
as supplemented by the First Supplement dated 2 December 2011**

*This document constitutes a supplement (the "**Second Supplement**") within the meaning of Article 16 of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the "**Prospectus Directive**") to the base prospectus of RWE Aktiengesellschaft in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 ("**Non-Equity Securities**") and (ii) the base prospectus of RWE Finance B.V. in respect of Non-Equity Securities (together, the "**Debt Issuance Programme Prospectus**" or the "**Prospectus**").*

This Second Supplement is supplemental to, and should be read in conjunction with the Prospectus dated 13 April 2011 and the first supplement to the Prospectus dated 2 December 2011 (the "**First Supplement**", the Prospectus together with the First Supplement, the "**Supplemented Prospectus**"). Therefore, with respect to future issues of Notes under the Programme of RWE Aktiengesellschaft and RWE Finance B.V., references in the Final Terms to the Prospectus are to be read as references to the Supplemented Prospectus as further supplemented by this Second Supplement.



RWE Aktiengesellschaft

(Essen, Federal Republic of Germany)

as Issuer and, in respect of Notes issued by
RWE Finance B.V., as Guarantor

RWE Finance B.V.

('s-Hertogenbosch, The Netherlands)

as Issuer

€30,000,000,000

Debt Issuance Programme

(the "**Programme**")

The Issuers have requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**Commission**") in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Law**"), which implements the Prospectus Directive, to approve this Second Supplement and to provide the competent authorities in the Federal Republic of Germany ("**Germany**") and The Netherlands with a certificate of approval attesting that the Second Supplement has been drawn up in accordance with the Luxembourg Law relating to prospectuses for securities ("**Notification**"). The Issuer may request the Commission to provide competent authorities in additional host member states within the European Economic Area with a Notification.

This Second Supplement has been approved by the Commission, has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of RWE Group (www.rwe.com).

RWE Aktiengesellschaft ("**RWE**" or the "**Guarantor**", together with its consolidated group companies, the "**RWE Group**") with its registered office in Essen, Germany and RWE Finance B.V. ("**RWE Finance**") with its registered office in 's-Hertogenbosch, The Netherlands (herein each also called an "**Issuer**" and together the "**Issuers**") accept responsibility for the information given in this Second Supplement.

Each Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Supplemented Prospectus have the same meaning in this Second Supplement.

This Second Supplement shall only be distributed in connection with the Supplemented Prospectus. It should only be read in conjunction with the Supplemented Prospectus.

To the extent that there is any inconsistency between any statement in this Second Supplement and any other statement in or incorporated by reference into the Supplemented Prospectus, the statements in this Second Supplement will prevail.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Supplemented Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the First Supplement.

Each Issuer has confirmed to the Dealers that the Supplemented Prospectus as supplemented by this Second Supplement contains all information with regard to the Issuers and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder, the information contained therein with respect to the Issuers and the Notes is accurate in all material respects and is not misleading, the opinions and intentions expressed therein with respect to the Issuers and the Notes are honestly held, there are no other facts with respect to the Issuers or the Notes the omission of which would make the Supplemented Prospectus as supplemented by this Second Supplement misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Supplemented Prospectus or this Second Supplement or any other document entered into in relation to the Programme or any information supplied by any Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuers, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arrangers nor any Dealer nor any other person mentioned in the Supplemented Prospectus or this Second Supplement, excluding the Issuers, is responsible for the information contained in the Supplemented Prospectus or this Second Supplement or any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Second Supplement, to withdraw their acceptances.

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Replacement information pertaining to SUMMARY REGARDING RWE AKTIENGESELLSCHAFT AND RWE GROUP

The first sentence of the section "Share buyback" on page 16 of the Supplemented Prospectus shall be replaced by the following:

"Following the capital measure in December 2011, RWE holds some 0.3 million shares as treasury stock."

The last three sentences of the first paragraph under the heading "*RWE Group's update on strategy announced in August 2011 and investing activities*" in the section "Trend Information" on pages 17 - 19 of the Supplemented Prospectus shall be replaced by the following:

"The package of measures also envisaged the issuance of new shares and the sale of treasury shares. In so doing, in December 2011, RWE raised its equity by a total of some €2.1 billion."

The heading "*RWE and Gazprom in talks regarding partnership in electricity generation*" and the paragraph thereunder in the section "Trend Information" on pages 17 - 19 of the Supplemented Prospectus shall be deleted.

The last sentence of the paragraph under the heading "*RWE Group's financing*" in the section "Trend Information" on pages 17 - 19 of the Supplemented Prospectus shall be deleted.

The section under the heading "Major Shareholders" on page 20 of the Supplemented Prospectus shall be replaced by the following:

"Recent notifications of shareholding in accordance with the German Securities Trading Act (*WpHG*) and RWE's survey offer the following picture of shareholding positions¹:

RW Energie-Beteiligungsgesellschaft mbH & Co. KG	16%
BlackRock Financial Management	5%
Other shareholders	78%
Employee shareholders	1%

¹ Percentages reflect shares in the subscribed capital."

Replacement information pertaining to ZUSAMMENFASSUNG IN BEZUG AUF RWE AKTIENGESELLSCHAFT UND DEN RWE-KONZERN

The first sentence of the section "Aktienrückkaufprogramme" on page 31 of the Supplemented Prospectus shall be replaced by the following:

"Seit der Kapitalmaßnahme im Dezember 2011 hält RWE ungefähr 0,3 Millionen Aktien im Eigenbestand."

The last three sentences of the first paragraph under the heading "*RWE-Konzern Strategieupdate von August 2011 und Investitionstätigkeit*" in the section "Ausblick" on pages 32 - 35 of the Supplemented Prospectus shall be replaced by the following:

"Das Maßnahmenpaket sah ferner die Ausgabe neuer und die Veräußerung im Eigenbestand gehaltener RWE-Aktien vor. Auf diese Weise hat RWE im Dezember 2011 sein Eigenkapital um insgesamt ungefähr €2,1 Milliarden erhöht."

The heading "*RWE und Gazprom führen Gespräche über Partnerschaft in der Stromerzeugung*" and the paragraph thereunder in the section "Ausblick" on pages 32 - 35 of the Supplemented Prospectus shall be deleted.

The last sentence of the paragraph under the heading "*Finanzierung des RWE-Konzerns*" in the section "Ausblick" on pages 32 - 35 of the Supplemented Prospectus shall be deleted.

The section under the heading "Hauptanteilseigner" on page 35 of the Supplemented Prospectus shall be replaced by the following:

"Aktuelle Mitteilungen nach dem deutschen Wertpapierhandelsgesetz (WpHG) und RWE-Erhebungen zeigen das folgende Bild der Eigentümerstruktur¹:

RW Energie-Beteiligungsgesellschaft mbH & Co. KG	16%
BlackRock Financial Management	5%
Sonstige Aktionäre	78%
Belegschaftsaktionäre	1%

¹ Die Prozentangaben beziehen sich auf den Anteil am gezeichneten Kapital."

Replacement information pertaining to RWE AKTIENGESELLSCHAFT AS ISSUER AND GUARANTOR AND RWE GROUP

The first sentence of the section "Share buyback" on page 46 of the Supplemented Prospectus shall be replaced by the following:

"Following the capital measure in December 2011, RWE holds some 0.3 million shares as treasury stock."

The last three sentences of the first paragraph under the heading "*RWE Group's update on strategy announced in August 2011 and investing activities*" in the section "Trend Information" on pages 47 - 51 of the Supplemented Prospectus shall be replaced by the following:

"The package of measures also envisaged the issuance of new shares and the sale of treasury shares. In so doing, in December 2011, RWE raised its equity by a total of some € 2.1 billion."

The heading "*RWE and Gazprom in talks regarding partnership in electricity generation*" and the paragraph thereunder in the section "Trend Information" on pages 47 - 51 of the Supplemented Prospectus shall be deleted.

The last sentence of the paragraph under the heading "*RWE Group's financing*" in the section "Trend Information" on pages 47 - 51 of the Supplemented Prospectus shall be deleted.

The section under the heading "Major Shareholders" on page 54 of the Supplemented Prospectus shall be replaced by the following:

"Recent notifications of shareholding in accordance with the German Securities Trading Act (*WpHG*) and RWE's survey offer the following picture of shareholding positions¹:

RW Energie-Beteiligungsgesellschaft mbH & Co. KG	16%
BlackRock Financial Management	5%
Other shareholders	78%
Employee shareholders	1%

¹ Percentages reflect shares in the subscribed capital.

RW Energie-Beteiligungsgesellschaft mbH & Co. KG, in which primarily municipal shares are pooled, notified us on 21 December 2007 that its voting rights in RWE totalled 16.089% that day. Thus, RW Energie-Beteiligungsgesellschaft mbH & Co. KG is RWE's single largest shareholder. US-based asset management company BlackRock Inc. informed us on 27 October 2011 that its voting shares amount to 5.01%, which is the largest RWE position outside Germany. Some 1% of the shares are under RWE employee ownership."

The sixth paragraph (starting with "In connection with..."), the sixteenth paragraph (starting with "Two environmental organisations...") and the seventeenth paragraph (starting with "Furthermore, court proceedings...") of the section "Financial Information concerning RWE Aktiengesellschaft's Assets and Liabilities, Financial Position and Profits and Losses - *Legal and Arbitration Proceedings*" on pages 55 - 57 of the Supplemented Prospectus shall be deleted.

The section under the heading "Additional Information – Share Capital" on page 57 of the Supplemented Prospectus shall be replaced by the following:

"In December 2011, RWE's share capital was increased by using part of the existing authorised capital by issuing 52,340,499 new ordinary bearer shares against cash contribution. The new shares are entitled to dividends as of 1 January 2011; shareholders' subscription rights were excluded for these new shares. At the same time, 28,105,327 treasury shares – i.e. 5.0% of company's share capital – were sold. These shares are also entitled to dividends as of 1 January 2011. The treasury shares were allocated subject to a claw-back provision if subscription rights were exercised by existing shareholders. All 80,445,826 shares were placed at a price of €26 per share. As a result of the capital measure, RWE received gross issuing proceeds of some €2.1 billion.

The capital stock of RWE now amounts to €1,573,748,477.44. It is fully paid up and divided into

- a) 575,745,499 common shares, and
- b) 39,000,000 non-voting preference shares.

Common and preferred shares are no-par-value bearer share certificates. Preferred shares have no voting rights. Under certain conditions, preferred shares are entitled to payment of a preference dividend of €0.13 per preferred share, upon allocation of RWE's profits.

Following the capital increase in December 2011, and pursuant to the resolution passed by the Annual General Meeting on 17 April 2008, the Executive Board is authorised to increase RWE's capital stock, subject to the Supervisory Board's approval, by up to €153,959,682.56 until 16 April 2013, through the issuance of new bearer common shares in return for contributions in cash or in kind (authorised capital). In certain cases, the subscription rights of shareholders can be waived, with the approval of the Supervisory Board.

Pursuant to a resolution passed by the Annual General Meeting on 22 April 2009, the Executive Board was authorised to issue option or convertible bonds until 21 April 2014. The total nominal value of the bonds is limited to €6,000 million. Shareholders' subscription rights may be waived under certain conditions. The Annual General Meeting decided to establish €143,975,680 in conditional capital divided into 56,240,500 bearer common shares, in order to redeem the bonds. Shares from the authorised capital are to be deducted from the shares from the conditional capital, insofar as they are both issued with a waiver of shareholders' subscription rights. Accordingly, the share capital may not be increased by more than 20% by the issue of new shares.

Pursuant to the resolution passed by the Annual General Meeting on 22 April 2010, the Executive Board was authorised to purchase shares of any class in RWE totalling up to 10% of RWE's share capital until 21 October 2011. Share buybacks may also be conducted by exercising put or call options. Following the capital measure in December 2011, RWE holds some 0.3 million shares as treasury stock.

In the event of an increase in the capital stock, the distribution of profits in respect of new shares can deviate from the stipulations of Section 60 of the German Stock Corporation Act (*Aktiengesetz*).

In the course of the distribution of profits, the non-voting preference shares shall be entitled to a preferred dividend of €0.13 per preference share."

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