

Check against delivery.

*Embargoed until
10 a.m. on 26 February 2009*

Chart 1

Ladies and Gentlemen,

Good morning and welcome to RWE – whether you are here with us in Essen or following us on your screens.

I would also like to extend a warm welcome to you on behalf of my colleagues Rolf Pohlig, Ulrich Jobs, Alwin Fitting and – making his first appearance here today – Leonhard Birnbaum. My colleagues are all happy to answer any questions you may have – as am I, although of course I can't compete with their technical expertise and detailed knowledge.

But let's get down to business.

Chart 2

Successful business development in 2008

We can look back on 2008 as a successful fiscal year or, to be more precise, the best in the history of RWE – with records set in revenue and operating result.

External revenue was up 15% year on year, to €49 billion. We also managed to increase our operating result by 4% to €6.8 billion, and recurrent net income by 13% to €3.4 billion.

High dividend

That is good news for our shareholders. We are proposing a dividend of €4.50 per share to the Annual General Meeting on 22 April 2009. This represents a payout ratio of 71% of recurrent net income.

**Contrary to proposals recently voiced in political circles, anyone who puts their money at a company's disposal can rightly expect a fair dividend – and will get one from RWE. If an appropriate rate of return is not forthcoming, investors will withdraw their capital. Investments will be thwarted. Cancel the dividend in our industry?
Not a good idea.**

High investments – secure jobs

RWE is one of the largest private investors in Europe. In the past year alone, we increased our capital expenditure on property, plant and equipment by 10%, to €4.5 billion. If American Water is left out of the equation, the increase amounted to 30%. With our power plant projects in Neurath, Hamm and Lingen alone, we are securing together with our subcontractors a maxi-

mum of 14,000 jobs during the construction period. In many cases, these are jobs with small to medium-sized enterprises that have no government rescue packages to fall back on.

A company that earns well, pays well – offering jobs that can outlast the economic crisis. We increased the size of our workforce in 2008 by 4% to 66,000 employees. And we are still looking for more skilled staff for our core business, particularly engineers.

Chart 3

Further factors for success...

In the second half of 2008 we significantly increased our customer numbers. This means that, after long years, RWE has now reversed the downward customer trend.

We are working much more efficiently. The target we set ourselves for further efficiency gains in 2007/2008 in order to save €200 million more than in 2006 was achieved. The sooner you begin restructuring, the sooner you can reap the rewards.

And we will be reducing our gas prices on 1 April for the second time this year. You see, the link with oil prices works – in both directions. More on that later.

In summary, we can be pleased with our performance. Like a flywheel, we first slowly set ourselves in motion.

Then we continually upped the pace, and now we are really gathering momentum. Mass times acceleration – that is the secret to our strength.

We can look back with a sense of satisfaction, and we can look forward with confidence.

The financial and economic crisis has opened everyone's eyes to what really counts in any economy: substance, investment, financial discipline and stability. That is precisely what characterises RWE. It is also what we are building on for the future. I know that sounds far from spectacular and not at all “hip”. But it does mean we are fighting fit with a solid all-round position.

New RWE

Chart 4

We have set the course for further growth. RWE is determined to remain one of the leading independent European energy groups and to extend its position even further.

To do this, RWE must become leaner. We will have to think and act in a more businesslike manner. We will have to be faster, more pro-active and more flexible in our approach. And we must develop even better rapport with our customers. This is not a new departure for us. Ever since early 2008, we have been focusing intently on simplifying our organisational structure.

We have now formulated some new, organisational, responses to these challenges – not only in our day-to-day business operations, but also by further developing our Group organisational and workflow structure. In this context, we have made some key structural decisions that will enable us to conduct our German core business even more effectively and to carry out our investment programme.

- **Our restructuring primarily involves merging RWE Rhein Ruhr and RWE Westfalen Weser Ems to form two separate companies, one for supply and the other for the distribution grids. The supply company will serve as the nucleus for supply activities outside RWE's core regions. It does not replace the supply tasks in the regional companies. The regional presence will remain in place. Functional expertise will be bundled in the distribution grid company, but this also will not replace the responsibility of the regional companies for their regional grids.**
- **The function of the intermediate holding RWE Energy will be discontinued. Instead, a new portfolio will be created within the Executive Board of RWE for the German generation, distribution grid and supply business. This department will be headed by Rolf Martin Schmitz, as recently announced. Mr. Schmitz has been very**

successful in his work within the energy industry for many years. He has held key positions in the generation field as well as in distribution and supply. I am very pleased with this valuable addition to our Group personnel.

- **The executive management of the RWE Group will in general be more closely aligned to national markets. This means that, outside Germany as well, the specific market conditions in RWE's growth regions will form the basis for our operations. We can then show one face to the customer and respond more rapidly to local needs, which will facilitate the implementation of our growth strategy.**
- **We plan to bundle our engineering activities, in particular the construction of new nuclear and conventional thermal power plants, in a single business unit. This will let us act as a strong, united front, for example when negotiating with suppliers.**

The fundamental decisions are clear – and the details will be worked out during the coming weeks. The Group will now be working intensively on this endeavour – with the participation of everyone affected, including the works councils and trade unions.

- **In addition, a new company will be set up to pool all Group activities related to energy efficiency and energy services. We have secured the managing director of the German Energy Agency (dena), Stephan Kohler, a proven and valued expert in this field, to head up this new company. He will be another great asset to our management team. The new company will rapidly achieve successes comparable to those of RWE Innogy in the field of renewables under the leadership of Fritz Vahrenholt.**

Furthermore, our transmission system operator, RWE Transportnetz Strom, will now report directly to the CEO and Chairman of the Board of RWE AG. RWE will organise its ultra-high voltage network as an Independent Transmission Operator (ITO). In making these changes, we are taking the initiative early on to implement one of the key points of the Third Single European Energy Market Package currently being discussed in Brussels. To put it succinctly: the transmission network is part of our core business and should remain so.

With this new structure, RWE is creating the ideal conditions to make further progress with its core business in Germany – despite the restrictions imposed by the anti-trust authorities.

Chart 5**RWE investment programme being implemented**

Ladies and Gentlemen,

The success of our core business is not measured over years, but over decades. This long-term approach even in the face of the current economic downturn will have a positive impact.

It means that we are maintaining our course. We are forging ahead with the biggest investment programme in the history of our company – despite the financial crisis and the recession.

At a time when industrial production and capital investment is on the decline, this is also an important signal to be sending our economy.

We are resolutely resisting negative trends.

We are not making any cutbacks in our proposed investments. But we also need the right underlying political conditions. Some major brakes will have to come off in this regard.

We are actively reorganising our portfolio.

In 2008 RWE invested €4.5 billion primarily in power plant projects already in progress and in renewables.

By the end of 2012, we want to have invested a further €26 billion in property, plant and equipment: in power plants and grids, in renewables, in innovative energy technologies, gas pipelines and storage systems, and in exploration and production of oil and gas.

Of the €26 billion, €17 billion will be allocated to growth and replacement investments, particularly in power plants. Of these €17 billion, nearly 40% will be invested in zero-emission and low-carbon power plant technologies, i.e. renewables, nuclear and highly efficient gas and steam power plants.

That means: a substantial part of our investment budget will go towards reconstructing our generation portfolio – on the way to a greener, more sustainable RWE.

This is our private economic stimulus package – at no cost whatsoever to the national budget. This is our contribution to security of supply, economic revival and climate protection. We are remaining true to our strategy of more growth – less CO₂.

But now, as every year at this time, it's Rolf Pohlig's turn to give you some details on RWE's progress in 2008.

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[Rolf Pohlig]

Chart 6

Ladies and Gentlemen,

Juergen has already mentioned the key financial indicators of revenue and earnings. The reason for this positive trend was some solid results, in particular from our electricity generation business in Germany. A key factor in this was the fact that Biblis was back on line. But there were also some negative factors, as you know. Firstly, there was the substantial added expense of the emissions trading scheme of around €1 billion. Other negative influences were the reduction in grid fees that was imposed by the German Federal Network Agency and the higher cost of fossil fuels, which amounted to an additional burden of nearly €1 billion in Germany alone. Despite all this, we raised our operating result to €6.8 million, achieving the forecast we made in early 2008. As time is of the essence, allow me to refer you here to the annual report for further details on each division. However, I would like to briefly explain the item of reconciliation of the operating result to net income.

The non-operating result, at minus €0.5 billion, was significantly below that of the previous fiscal year. The primary reason for this was a reduction in capital gains from divestment proceeds. The financial result dropped by €340 million to minus €1.5 billion. This reflects the financial crisis, which caused us to write down the value

of securities or sell them at book losses. Moreover, the financial result of the previous year was particularly high due to some special effects.

The effective tax rate dropped by 11 percentage points to 29%. As a result, it is slightly below the “normal rate” set by the latest German corporate tax reform.

Our tax bill totalled €1.4 billion.

Income from discontinued activities of minus €570 million includes costs relating to the IPO of American Water.

The bottom line is net income of around €2.6 billion, representing a decrease of 4%.

We were able to raise recurrent net income, the basis for our dividend, by 13% to €3.4 million. This amounts to €6.25 per share, an increase of 18%.

Chart 7

Cash flow from operating activities was almost €8.9 billion, making it 45% higher year on year. In this case, special effects worked to our advantage: we didn't pay for the majority of the CO₂ allowances we used in 2008 until 2009. As a result, cash flow for 2008 was €0.9 billion higher.

In addition, as we sell a significant amount of electricity on a forward basis via futures, and market prices were

below the prices fixed for these futures contracts, we received the price difference from our contractual partners via so-called “variation margins”. For 2008, this came to almost €1.8 billion net.

Capital expenditure on property, plant and equipment of some €4.5 billion was 10% higher year on year.

Disregarding American Water capex, which was still included in the figures for the previous fiscal year, we invested 30% more than in 2007.

Free cash flow – or cash flow minus capital expenditure on property, plant and equipment – of €4.4 billion was more than twice as high as in the previous year.

Our net financial debt – i.e. net debt excluding provisions for pensions, nuclear energy and mining – was minus €650 million as at 31 December 2008. In other words, we did not have any net financial debt, but rather net financial assets.

And with that, I will now hand back to Juergen Grossmann.

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[Juergen Grossmann]

Thank you for your comments, Rolf.

Chart 8

Challenges faced by the energy industry

Ladies and Gentlemen,

Irrespective of the economic crisis, all energy companies are faced with some major challenges:

- **We have to limit our growing dependency on energy imports – not only in Germany, but in all of Europe. Security of supply is not something to be taken for granted – particularly when it comes to natural gas.**
- **Climate protection has been dominating the political agenda in Europe ever since the EU climate package was finalised in December.**
- **The investment required to ensure environmentally sound expansion of energy infrastructure is huge.**
- **National and cross-border competition is heating up, particularly in the electricity market.**

Strategic direction

RWE is meeting these challenges with a clearly defined strategy. We want to continue to achieve meaningful growth – organically, through value-enhancing acquisitions, and by developing innovative technologies. At the same time, we're becoming greener, more efficient, more international and more robust in outlook. In other words, our position is becoming less vulnerable to crisis.

The highlights:

- **We believe in a balanced mix of renewables, lignite, hard coal, nuclear energy and gas.**
- **We believe in climate-friendly, coal-fired electricity generation with significantly less CO₂.**
- **We are undertaking a massive expansion of renewables.**
- **Our CO₂ emissions will decrease 20% by 2012 compared to 2008. This does not take into account any growth investments.**
- **We are strengthening our number one position in energy trading.**

- **We are becoming leaner and more efficient. In mid-2008 we doubled our target for efficiency gains to €1.2 billion by 2012. These savings will be made incrementally, year after year.**
- **We are becoming more international. The earnings share of our activities abroad will increase from 27% in 2008 to 40 to 50% in 2012. With the acquisition of Essent we are taking a major step forward towards achieving this goal.**
- **We are opting for innovative energy technologies like the electric car and new developments in the renewables area.**
- **We are driving the “Nabucco” gas pipeline project forward.**

In short: RWE remains a guaranteed source of growth and employment.

We are actively addressing the challenges facing the energy industry: security of supply, climate protection and competitive pricing.

Social responsibility

Chart 9

And not only that – we stand by our sense of social responsibility. Since the beginning of the year, RWE has

pooled its charitable work under the umbrella of the RWE Foundation. We are continuing the good work of the RWE Youth Foundation and aim to make a real impact in the areas of university, school and cultural life. This foundation currently has some €56 million of capital at its disposal – with more on the way.

On the subject of our contribution, we once ran some sample sums for RWE Energy's German business to find out what kind of local value we're creating. The results are worth mentioning:

Of the value created in 2008 of around €5.8 billion, €2.4 billion went toward taxes¹ and levies.

Nearly €1.6 billion went to our staff in the form of wages and salaries.

A good €0.9 billion was passed on to local authorities, primarily in concession fees and dividends.

Private and institutional shareholders received €0.6 billion.

Some €0.3 billion remain to cover the 2008 investment budget totalling €1.4 billion.

¹ Both direct and indirect taxes.

Through our investments we feed a further €3 billion into Germany's economic cycle every year.

These are the concrete, tangible benefits derived from our business activity.

And another thing is very important to me personally. We will be conferring our new research award for the first time this year – the RWE Future Award. The award is specifically geared to up-and-coming scientists and recent graduates in the energy field.

We are looking for work on low-carbon power generation, contemporary, future-proof grid technologies and intelligent energy applications. Our call for submissions is headed "Technologies for tomorrow's energy supply". We want to raise the profile of outstanding engineering and scientific research and take these good ideas further. The graduates involved can compete for a total prize pool of €35,000. I think this makes it well worthwhile to apply.

Chart 10

Essent

Ladies and Gentlemen,

With our offer a few weeks ago to purchase the Dutch utility Essent we have taken a major step towards implementing our corporate strategy. In mid-February of

this year, after careful scrutiny of our offer, the Central Works Council of Essent gave their support for the transaction, whereupon RWE and Essent formally signed an offer agreement.

Essent, with an estimated EBITDA of around €880 million in 2008, 7,800 employees and 5.3 million customers, is the leading energy provider in the Netherlands and the fourth largest player in Belgium.

Essent has some impressive power plant facilities based on gas, hard coal, renewables and nuclear energy. This means we are strengthening our core competencies and improving our CO₂ balance in the process.

We could not have found a better partner than Essent. Our strategic visions complement each other perfectly. This goes for both our massive expansion of renewables and our mutual efforts to utilise CCS technology – or Carbon Capture and Storage. There are also clear parallels between RWE and Essent in our energy trading practices.

With Essent, we will become a leading energy provider in North-Western Europe.

The transaction volume of €9.3 billion reflects the attractiveness of Essent. The offer meets the financial

criteria RWE has defined for transactions of this kind. We will endeavour to complete the purchase of Essent in the 3rd quarter of 2009. Due to the similarities in our corporate philosophy regarding our core business and our geographical proximity, I do not anticipate any integration problems.

I am not categorically ruling out further acquisitions. But – should there be any more – they will not be anywhere near the magnitude of the Essent project.

Luxembourg

A few weeks ago (23 January 2009), we were also able to strengthen our market position in Luxembourg, where we now have a stake in the integrated power and gas company being set up by the Luxembourg government. RWE will hold almost 20% of the shares in this company.

Turnaround in customer numbers

Chart 11

After a difficult start early in 2008, we achieved a net gain of some 80,000 residential electricity customers in Germany between July and December 2008. Our fixed price offer, “ProClimate Power 2011”, has been a complete success: by the end of January 2009, 200,000 customers had already opted for this attractive deal.

With ProClimate, the power is generated from hydro-power and nuclear energy – making it almost completely CO₂-free. The customer can cancel at the end of any calendar year. We guarantee the price for three years – just as we did in the past for the “Loyalty Power Tariff”, which has since expired. Thanks to these offers, some 500,000 customers have gained long-term price stability.

Our discount brand, eprimo, has acquired almost 300,000 new customers since the beginning of 2008, raising its customer numbers to the current level of around 500,000. That is strong growth by any standards. But it comes as no great surprise because, according to a survey conducted by “Euro” magazine at the start of this year, eprimo is the least expensive standard power supplier in the category “no advance payment”. Shortly after this eprimo was even declared – [quote] – the “hands down winner” because in 55 out of every 100 cases investigated, it was also the most affordable provider of green power.

Reduction in gas price

Any benefits we gain in the process of gas procurement we pass on to our customers. For RWE consumers, the gas price will fall on 1 April this year by around 12%. This will be the second gas price cut in a few short months. Counting our gas price reduction on

1 January 2009, this adds up to a total decrease of up to 18%.

This shows that the link to oil prices can also work to the benefit of our customers.

Ladies and Gentlemen,

We have a great deal planned in the power plant area too. Here are just a few highlights:

Coal Innovation Centre

Chart 12

At the location of the first lignite-fired power plant with state-of-the-art technology, in Niederaussem, all of our research into innovative coal-fired power generation will be pooled at our innovation centre.

This includes CO₂ scrubbing. All of our coal-fired power plant projects are basically “capture-ready”. This means they can be retrofitted with CO₂ capture technology that separates the CO₂ from the flue gas. In conjunction with BASF and Linde we are currently building a pilot plant for CO₂ scrubbing, supported by the German Federal Ministry of Economics. For both our IGCC project and for CO₂ scrubbing, we will require a pipeline infrastructure.

Along with CO₂ scrubbing, we are also developing more advanced systems for fluidised-bed drying with internal waste heat utilisation in Niederaussem. Prof. Andreas

Pinkwart, Research Minister of the State of North Rhine-Westphalia, will officially commission this prototype plant tomorrow [27 February]. Once the technology is ready for large-scale production, it will boost the efficiency of lignite-fired power generation by a further four percentage points. This will make a unique, world-beating efficiency rate of 47% – or perhaps even more – achievable.

Pembroke

RWE is one of the largest investors not only in Germany, but also in the United Kingdom. This is why we are all the more delighted about the recent approval by the British Energy and Climate Change Secretary of the new gas power plant that RWE npower will be building near Pembroke. The new facility will have the capacity to produce 2,000 megawatts and will cost £1 billion, or €1.2 billion. It is the largest gas-fired power station in Europe.

Chart 13

Nuclear energy

Ladies and Gentlemen,

We are also demonstrating “the energy to lead” with nuclear energy. It is important in helping us achieve more growth and less CO₂.

For this reason we have entered into a joint venture with E.ON to build new nuclear power plants in the United

Kingdom. RWE npower and E.ON UK each hold 50% of the shares. The new company will initially purchase power plant locations, and then manage the approvals process until new nuclear power plants are actually built and operated in the UK. Together with E.ON, we are looking to build capacity of around 6,000 megawatts in this way.

In November 2008 we signed an investment agreement with the Romanian state nuclear power corporation SNN and five other European partners for a share of 9.15% in units 3 and 4 of the Cernavoda power plant.

In December 2008 we signed a joint venture agreement with our Bulgarian partner NEK on the construction and operation of the nuclear power plant in Belene. Safety and transparency are our top priorities here – with no compromises – just as they are everywhere we responsibly operate large-scale technology. So we will be going ahead with this project on that basis, and only on that basis. Once all the relevant aspects have been clarified, arrangements can be made for the possible joint construction and operation of this plant.

Innogy success story

Chart 14

Let me now turn to RWE Innogy.

The company has had a phenomenal year since getting off the ground in early 2008 and has maintained that

dynamic pace ever since. Some €1.1 billion has already been invested, so you can see that we do keep our word.

Currently, around 500 MW of new capacity is under construction.

By 2012 we will have 4,500 MW in operation or under construction. Based on average loads, we intend to produce 15,000 GWh of electricity annually from renewables by 2013. By 2020 the aim is to have 10,000 MW of installed capacity. One of RWE Innogy's most significant successes has been the acquisition of the rights to an offshore wind project 40 kilometres north of the island of Juist. One of the world's largest offshore wind farms, and the largest off the German coast, will be built here, with a capacity of 960 MW – provided approval is received. The investment for this project amounts to €2.8 billion.

We have already secured the necessary components and equipment for this major project. A few days ago we reached an agreement with REpower over the supply of up to 250 offshore wind turbines. This is the largest general agreement ever signed in the history of offshore wind power.

So you see, RWE is putting its faith in renewables. But we also know that the necessary technologies for this form of power generation have to be developed further. This is why we are proud to be entering into a joint

venture with Voith to make ocean current technology a competitive power-generating option. This will be the fourth innovation in renewables technology RWE Innogy has backed in the space of one year. The other three are: production of biocoal pellets, small rooftop wind turbines, and the development of rechargeable zinc-air batteries.

And we are not just building; we will also earn money from renewables. RWE Innogy's target is to earn more than €500 million in 2013.

Diversification of gas sources

Chart 15

The gas dispute between Russia and the Ukraine showed just how urgently the EU needs to develop new supply routes and more diversified sources of gas. This is in the best interest of natural gas and of all of its suppliers.

This is why we are focusing investments on the exploration of gas fields and on LNG – liquefied natural gas.

At the same time, we are energetically driving the “Nabucco” gas pipeline forward as one of the consortium partners.

We anticipate that the countries involved in the Nabucco project will sign the necessary agreements in the first half of 2009. This would give us the legal framework to

proceed – an important basis for a construction decision in 2010.

With the 3,300-kilometre-long “Nabucco” pipeline, we aim to make part of the gas reserves in the Caspian region and Middle East accessible to Turkey and Europe. Once this pipeline in place, the first eight billion cubic metres of gas per annum could reach Europe from as early as 2014.

Nabucco will become an indispensable part of European gas supply.

Chart 16

E-mobility

Ladies and Gentlemen,

Electric cars are a mega-trend these days, particularly with a view to reducing carbon emissions and storing electricity. Customers want reliable, quantifiable cost benefits and the secure feeling of being able to “top up” anywhere – simply and conveniently.

To address this demand, we will be developing and marketing a network of charging points. This is why RWE is working with Daimler to speed up the process of standardising the interface between car and charging point. Eight major European energy providers and seven key car manufacturers are working with us on this.

As part of our joint initiative with Daimler, “e-mobility Berlin”, we will soon be commissioning the first of some 500 planned charging points. This pilot project is designed to provide us with some experience in how business models and technologies function in the end-customer business under realistic conditions.

RWE intends to extend this initiative to the key metropolitan centres of Germany by 2015. We are seeking strong partners to work with us on this and will be entering into further cooperative ventures.

It is our aim to develop e-mobility into a profitable growth area for RWE. We anticipate that by 2020 some 2.5 million electrically powered vehicles will be on Germany’s roads. Marketing the infrastructure and supplying the electricity required will open up new economic opportunities for us – opportunities that we by all means intend to take advantage of.

With this in mind, we will be following up the launch of our efficiency company with the establishment of an e-mobility company in the coming weeks.

Energy policy

Ladies and Gentlemen,

Perhaps the current crisis will also help us identify and above all correct some misguided energy policies and developments and to put to rest some illusions. I am thinking here in particular of the phase-out of nuclear energy and the future shape of the European emission trading scheme. I am concerned about our growing dependence on energy imports – particularly when it comes to gas.

A crisis like this shows us what security of supply really means. RWE has succeeded in ensuring a steady supply to its customers in the affected countries. And at the behest of Slovakian Prime Minister Fico we also made gas available to the Slovakian market, outside our supply area. To do so, we had to reverse the flow of gas for the first time from an east-west to a west-east direction. We are proud of our efforts and the resourcefulness of our staff. We also earned some strong political acknowledgement for them.

Nevertheless, such an event does leave a bitter after-taste. You see, our vulnerability became patently obvious in the frosty month of January. Something similar could easily happen again. The latest transit agree-

ment between Russia and the Ukraine offers no satisfactory protection from a recurrence, because the fact is that the transit network in the Ukraine is in a poor state of repair. This means Europe could easily be affected by supply bottlenecks in the future.

If nuclear energy does go at some point in Germany as a result of the planned phase-out, it will mean we have to rely on even more gas power plants and even more gas imports – meaning even greater dependency. As you know, I consider the phase-out of nuclear energy to be the wrong approach. To me, we have no option but to extend the life of our nuclear power plants. This is the only way to close some of the imminent shortfalls in capacity.

We should follow the example of Sweden. Nearly 30 years ago, it was the first country in the world to oppose nuclear energy. Yet now they have resolved to phase out their phase-out. As Swedish Prime Minister Reinfeldt put it: “We are finally reconciling climate change policy with energy policy”. “Bravo” is all I can say to that. Italy will follow – where does that leave Germany?

New emissions trading regulations

Ladies and Gentlemen,

The EU decision to auction all emission rights from 2013 is driving up the total costs of all fossil-fuel-fired power generation. Coal is particularly affected by this policy. This is why RWE will not be building any new coal-fired power plants in Germany or Western Europe beyond our current and planned projects. At least, this will be our policy until the price of electricity has reached a level that fully covers CO₂ costs. Seen in this light, the EU decision on emissions trading is anti-investment. In view of the current economic crisis, this is a devastating signal to be sending. It is my impression that the implications of this have not yet sunk into the minds of key energy policymakers in Europe.

Eastern European countries on the other hand, to which the limited exemptions from the full auctioning process apply, remain attractive locations for coal-fired power plants.

Outlook

Ladies and Gentlemen,

This brings me to the outlook for the future. RWE remains confident, despite the prevailing financial and economic crisis. Our business model is weatherproof, and our finances are too.

From today's perspective, 2009 will be another good year.

We can say this with a clear conscience, because we already sold almost all of our electricity production for 2009 at fixed prices on the forward market. In addition, our efficiency enhancement programme will generate gains of €450 million compared with 2006. However, some substantial constraints have to be weighed up against this optimism. For example, both Biblis units are due for comprehensive maintenance outages this year.

In our UK business, we will have a difficult year, not least because of the severe political constraints. In the field of oil and gas production, low commodity prices and high investments in future growth are putting pressure on our earnings.

Overall we expect 2009 EBITDA, the operating result and recurrent net income to be on a par with last year's

figures. The dividend payout ratio will return to the regular level of 50 to 60% of recurrent net income. You can be sure that we will do everything in our power to make sure a dividend airbag from RWE cushions the potholes of the economic crisis!

So much for our prospects for the year that has just begun. Let us now take a look at the mid-term trend. I know that, in the current climate, looking ahead to the current fiscal year is a risky undertaking for many companies. And it is all the more difficult in an environment where most people are only planning as far as they can see and refuse to give a long-term prognosis. We are not immune from the risks of what could be a lengthy recession, with the resulting decline in industrial electricity consumption and low energy prices that would follow.

On the other hand, the fundamental factors that have been responsible in recent years for rising energy prices will rapidly regain significance. These include worldwide population growth as well as the limited supply of fossil fuels. Many suppliers are not investing enough in the development of new oil and gas reserves. And finally, considering the advanced average age of Europe's power plants, investments in building new ones are too low as well. To cite an example, 60% of all hard-coal-fired power plants in the EU are over 25 years old. It's no

wonder then that the forward prices for electricity over the next few years are above the current level.

Our new goals for the period through to 2012 are therefore dependent on achieving an average realised electricity price for our German baseload output of at least €60 per megawatt hour.

On this basis, we will be able to increase the operating result by an average of 5 to 10% per annum, instead of 5% as previously forecast. On this basis, the new benchmark for recurrent net income is now set at an average increase of 10% per annum, instead of the previous 5 to 10% range.

Ladies and Gentlemen,

This is not just optimism, but our considered assessment of the situation. Energy will remain a mega-issue – with or without a crisis.

That's all from me for now.

We now look forward to fielding your questions.