

2008

Financial Statements 2008 of RWE AG

FINANCIAL STATEMENTS OF RWE AG

The financial statements and review of operations of RWE AG for the 2008 fiscal year are submitted to Bundesanzeiger Verlagsgesellschaft mbH, Cologne, Germany, the operator of the electronic Bundesanzeiger (Federal Gazette) and published in the electronic Bundesanzeiger. The review of operations of RWE AG has been combined with the review of operations of the RWE Group and has been published in our annual report on pages 31 to 118.

The joint list of RWE AG's investments has been prepared in accordance with Sec. 285, Item 11, and Sec. 313, Para. 2, Items 1 through 4 of the German Commercial Code (HGB) and published in the electronic Bundesanzeiger.

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Balance Sheet at December 31, 2008

Assets € million	Note	12/31/08	12/31/07
Non-current assets	(1)		
Financial assets		30,298	29,546
Current assets			
Accounts receivable and other assets	(2)		
Accounts receivable from affiliated companies		9,870	5,542
Other assets		739	886
Marketable securities	(3)	4,489	4,184
Cash and cash equivalents	(4)	345	595
		15,443	11,207
Prepaid expenses	(5)	49	39
		45,790	40,792
Equity and liabilities € million	Note	12/31/08	12/31/07
Equity	(6)		
Subscribed capital			
Common shares		1,340	1,340
Preferred shares		100	100
		1,440	1,440
Capital reserve		1,158	1,288
Retained earnings			
Reserves for own shares		2,021	
Other retained earnings		2,389	3,900
Distributable profit		2,408	1,772
		9,416	8,400
Provisions	(7)		
Provisions for pensions and similar obligations		3,454	2,987
Provisions for taxes		2,532	2,666
Other provisions		1,355	1,335
		7,341	6,988
Liabilities	(8)		
Bonds		913	913
Bank debt		584	516
Trade accounts payable		33	23
Accounts payable to affiliated companies		26,029	23,515
Other liabilities		1,408	359
		28,967	25,326
Deferred income	(9)	66	78
		45,790	40,792

Income Statement for the period from January 1, 2008 to December 31, 2008

€ million	(Note)	2008	2007
Net income from financial assets	(12)	3,751	4,130
Net interest	(13)	-961	-1,210
Other operating income	(14)	1,225	1,964
Staff costs	(15)	-99	-114
Other operating expenses	(16)	-796	-1,048
Profit from ordinary activities		3,120	3,722
Taxes on income	(17)	-285	-777
Net profit		2,835	2,945
Profit carried forward from the previous year		83	¹
Reduction of the capital reserve in acc. with Sec. 272, Para. 2, No. 4 of the German Commercial Code (HGB) ²		130	
Settlement paid to shareholders ²		-130	
Transfer to retained earnings		-510	-1,173
Distributable profit		2,408	1,772

¹ Negligible amount.

² Correction to the transfer to the capital reserve in connection with the RWE/VEW merger in 2000 due to the compensation payable to VEW AG shareholders (cf. Note 6).

Notes at December 31, 2008

Roll-forward of non-current assets	Cost				Accumulated depreciation	Carrying amounts		Depreciation for the reporting period
	Balance at Dec 31, 07	Additions	Disposals	Balance at Dec 31, 08	Balance at Dec 31, 08	Balance at Dec 31, 07	Balance at Dec 31, 08	
€ million								
Financial assets								
Shares in affiliated companies	12,057	330	16	12,371	89	11,968	12,282	
Loans to affiliated companies	12,181	1,592	330	13,443		12,181	13,443	
Investments	100	69	1	168	16	94	152	10
Long-term securities	5,427	357	475	5,309	847	5,301	4,419	764
Other loans	2			2		2	2	
	29,767	2,348	822	31,293	952	29,546	30,298	774

Basis of presentation

The financial statements of RWE AG have been prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Individual balance sheet and income statement items have been combined in order to improve clarity. These items are

stated and explained separately in the notes to the financial statements. The income statement has been prepared using the nature of expense method. The financial statements have been prepared in euros (€) and amounts are stated in millions of euros (€ million).

Accounting policies

Investments in affiliated companies and investments are stated at cost, or at lower fair values in individual cases.

Long-term securities are valued at cost or lower market value.

Loans and employer loans are accounted for at nominal value or at lower fair value.

Accounts receivable and other assets are disclosed at nominal value after deducting required value adjustments. All identifiable individual risks are taken into account. Non-interest-bearing accounts receivable for other assets are discounted to their present value. Current securities including own shares are valued at cost or lower market value.

Provisions for pensions and similar obligations are based on actuarial computations using Klaus Heubeck's 2005 G reference tables—which take into account generation-dependent life expectancies—applying the entry age normal method and an interest rate of 5%.

All identifiable risks, uncertain liabilities and anticipated losses from pending business transactions are taken into account in the assessment of other provisions.

On principle, liabilities are valued at repayable amounts.

Contingent liabilities are valued according to the extent of liability existing as of the balance-sheet date.

Foreign-currency transactions are valued at the exchange rate prevailing at the time of first entry or—when hedged—at the forward rate. As regards receivables, liabilities and foreign currency holdings, losses arising from exchange-rate fluctuations are included in the results as of the balance-sheet date.

Notes to the Balance Sheet

(1) Non-current assets

An analysis and description of the movements of non-current assets summarized in the balance sheet for the 2008 financial year is provided on page 2. The following is an overview of material changes in the fiscal year:

RWE Innogy GmbH, Essen, commenced business operations on February 1, 2008; these encompass the planning, construction and operation of plants for the generation of electricity from renewables and extraction of energy.

The company was funded with €50 million in capital by RWE AG. As per the spin-off and transfer agreement dated May 5, 2008, RWE Power AG, Cologne and Essen, transferred its Renewable Energy Division to RWE Innogy GmbH. This transaction had an effect of €14 million on additions and disposals relating to shares in affiliated companies, respectively.

The carrying amount of Scaris Investment Ltd., Valletta/Malta, increased to a total of €100 million as a result of a capital increase.

As per a merger agreement dated March 12, 2008, RWE Gas Midstream GmbH, Essen, was retrospectively folded into RWE Supply & Trading GmbH, Essen, as of January 1, 2008. This had an effect of €25 million on both shares in affiliated companies and additions and disposals. Furthermore, two transfers to the capital reserve of RWE Supply & Trading GmbH resulted in an increase in the company's carrying amount of €173 million.

The additions to loans to affiliated companies predominantly relate to RWE Innogy GmbH, Essen.

Long-term securities nearly exclusively include special funds.

Due to a trust arrangement entered into in connection with a contractual trust arrangement (CTA), €2,430 million in disclosed marketable securities and €157 million in disclosed shares in affiliated companies and investments are available solely to finance pension commitments.

(2) Accounts receivable and other assets

€ million	Dec 31, 08	Thereof RT ¹ > 1 year	Dec 31, 07	Thereof RT ¹ > 1 year
Accounts receivable from affiliated companies	9,870	980	5,542	146
Other assets	739	547	886	630
	10,609	1,527	6,428	776

1 RT = remaining term.

Accounts receivable from affiliated companies include claims arising from loans, tax group accounting settlements and ongoing clearing transactions.

Other assets primarily include claims from corporate tax credits. The enactment of the Societas Europaeae Introduction Tax Law (SEStEG) on December 13, 2006, resulted in a legally unconditional claim to the reimbursement of corpo-

rate tax credits from the tax imputation period (Sec. 37 of the German Corporate Tax Act (KStG)—new version) at the end of the day on December 31, 2006. The credit is a result of the system switch from the imputation method to the half-income procedure in 2001 and is based on the fact that the tax burden of retained earnings in the past was higher than the tax burden on the profits which were distributed. The distribution-dependent realization of the credit

applicable in the past was replaced by a procedure by which payments are made in instalments over a period of 10 years (2008 to 2017; generally effective September 30). Since the instalments do not bear interest, the receivable is stated at its present value.

In addition, interest accruals and receivables are disclosed.

Due to a contractual trust arrangement (CTA), €17 million in disclosed other assets are available solely to finance pension commitments.

(3) Marketable securities

€ million	Dec 31, 08	Dec 31, 07
Own shares	2,021	
Other marketable securities	2,468	4,184
	4,489	4,184

As per the resolutions passed by the Annual General Meeting on April 18, 2007, and April 17, 2008, 31,734,473 RWE AG no-par-value common shares were purchased in the period from February 21, and May 16, 2008, and were still held by the company on December 31, 2008. The buyback was carried out by banks commissioned by the company and in accordance with Art. 4 to 6 of the Commission's EC Directive No. 2273/2003 of December 22, 2003. The shares bought back can be used for all the purposes laid out in the authorization resolutions. The average purchase price of the own shares including ancillary purchasing costs was €78.77 per individual share certificate. They account for €81,240,250.88 of the corporation's share capital (5.64% of the subscribed capital). Since the share price was lower as of the cut-off date, the own shares had to be written down by €15.07 to €63.70 per share. As mandated by law, a provision equalling the amount stated for the own shares on the balance sheet was accrued.

Furthermore, in the 2008 fiscal year, RWE AG bought 386,344 RWE common shares on the capital market at an average purchase price of €62.78 per individual share certificate. They account for €989,040.64 of the corporation's share capital (0.1% of the subscribed capital). Employees of RWE AG and its affiliated companies received a total of 378,334 common shares at an average price of €58.09 per individual share certificate within the scope of capital formation and 8,010 common shares at an average price of €50.69 on the occasion of service anniversaries. A total of 65 unneeded common shares were sold on the capital market at a price of €61.80 per share. Aggregate proceeds amounted to €22,387,465.96. Differences to the purchase price were recorded with an effect on results.

The other marketable securities are fixed-interest securities from the investment of cash and cash equivalents.

(4) Cash and cash equivalents

Cash and cash equivalents nearly exclusively relate to bank balances.

(5) Prepaid expenses

€ million	Dec 31, 08	Dec 31, 07
Discount	39	30
Other	10	9
	49	39

Other prepaid expenses predominantly consist of accrued prepayment of rent.

(6) Equity

Changes in equity € million	Balance at Dec 31, 07	Reserves for own shares	Dividend payments	Settlement paid to share- holders	Net profit	Balance at Dec 31, 08
Subscribed capital	1,440					1,440
Capital reserve	1,288			-130		1,158
Retained earnings						
Reserve for own shares		2,021				2,021
Other retained earnings	3,900	-2,021			510	2,389
Distributable profit	1,772		-1,689		2,325	2,408
	8,400	0	-1,689	-130	2,835	9,416

RWE AG's share capital remained unchanged at €1,439,756,800 and breaks down as follows:

Common shares: 523,405,000 no-par-value common shares in the name of the bearer with 523,405,000 votes (93.1% of the subscribed capital).

Preferred shares: 39,000,000 no-par-value preferred shares in the name of the bearer without voting rights (6.9% of the subscribed capital).

In the course of the distribution of profits, the non-voting preferred shares are entitled to a preferred dividend of €0.13 per preferred share under certain conditions.

Based on a resolution passed by the Annual General Meeting on April 17, 2008, the Executive Board was authorized to increase the corporation's share capital by April 16, 2013, with the Supervisory Board's approval by up to €287,951,360.00 through the issuance of common shares in the name of the bearer in exchange for contributions in cash or in kind (authorized capital). In certain cases, the subscription rights of shareholders can be waived, with the approval of the Supervisory Board.

Pursuant to the resolution passed by the Annual General Meeting on April 17, 2008, the Executive Board was authorized to purchase shares of any class in RWE, totalling up to 10% of the company's share capital until October 16, 2009.

In addition, authorization was granted to acquire the company's shares by exercising put or call options.

The €2,021 million reserve for own shares was accrued in the fiscal year through a transfer from other retained earnings.

On December 22, 2008, a settlement agreement was reached to put an amicable end to the RWE/VEW conciliation proceedings before the Dortmund Regional Court, which was seized of the case. The settlement envisions a final compensation of €10.39 and €3.61 in interest until December 31, 2008, for every VEW share with a nominal value of DM 50. The interest rate applied for the period from January 1, 2009, to the settlement date will be two percentage points above the German central bank's applicable base rate. The settlement will be paid in own shares and result in a reduction of the merger profit transferred to the capital reserve in accordance with Sec. 272, Par. 2, No. 4 of the German Commercial Code (HGB) in the year 2000.

In the year under review, the groupwide share-based payment systems for executives of RWE AG and subordinate affiliates consisted of the following: the Long-Term Incentive Plan (LTIP) and 'Beat'. If the persons holding stock options are not employed by RWE AG, the expenses associated with the exercise of the options are borne by the respective Group company.

	LTIP ¹	
	2003 tranche	2004 tranche
Grant date	Jul 1, 2003	May 25, 2004
Number of options granted	6,677,450	9,192,800
Term	5 years	5 years
Vesting conditions	Two-year waiting period; the common share price must have risen by at least 10% prior to the exercise date and must have outperformed the Dow Jones STOXX Utilities Price Index on ten consecutive days in the same period (this last condition does not apply if the common share price increases by at least 20%). Upon achievement of the above performance targets, the options can be exercised on a daily basis following expiration of the waiting period, with the exception of short blocking periods prior to the publication of corporate data. The number of options which may be exercised depends on the increase in the price of the common share compared to the exercise price determined when the options are granted. In the event of a 20% price increase all of the options can be exercised; for a 15 or 10% increase, 60 or 25% of the options can be exercised, respectively.	
Exercise price	€26.37	€35.45
Form of settlement	Cash settlement amounting to the difference between the share price upon exercise and the exercise price or provision of common shares (at the discretion RWE AG). Settlement is limited to 50% of the exercise price.	

¹ Long-Term Incentive Plan.

	Beat			
	2005 tranche	2006 tranche	2007 tranche	2008 tranche
Grant date	Jan 1, 2005	Jan 1, 2006	Jan 1, 2007	Jan 1, 2008
Number of conditionally granted performance shares	2,551,800	2,444,191	1,468,132	1,668,836
Term	3 years	3 years	3 years	3 years
Pay-out conditions	Automatic pay-out if following a waiting period of three years an outperformance of at least 25% compared to the Dow Jones STOXX Utilities Index peer group has been achieved, measured in terms of their index weighting as of the inception of the programme. Measurement of outperformance is carried out using Total Shareholder Return (TSR), which takes into account both the development of the share price and reinvested dividends.			
Determination of payment	<ol style="list-style-type: none"> 1. Determination of the index weighting of the peer group companies which exhibit a lower TSR than RWE at the end of the term. 2. Performance factor is calculated by squaring this percentage rate and multiplying it by 1.25. 3. Total number of performance shares which can be paid out is calculated by multiplying the performance shares conditionally granted by the performance factor. 4. Payment corresponds to the final number of performance shares valued at the average RWE share price during the last 20 trading days prior to expiration of the programme (with a ceiling of two times the value of the performance shares as of the grant date, for the 2006, 2007 and 2008 tranches, and three times the value for the 2005 tranche). 			
Change in corporate control/merger	<ul style="list-style-type: none"> ▪ If during the waiting period there is a change in corporate control, a compensation payment is made. This is calculated by multiplying the price paid in the acquisition of the RWE shares by the final number of performance shares. The latter shall be determined as per the regulations of the compensation. ▪ In the event of merger with another company, compensation shall be calculated on the basis of the expected value of the performance shares at the time of the merger multiplied by the prorated number of performance shares corresponding to the ratio between the total waiting period and the waiting period until the merger takes place. 			
Form of settlement	Cash settlement			

Long-Term Incentive Plan. The following changes in the number of outstanding LTIP options occurred in the year under review:

LTIP	2003 tranche	2004 tranche
Outstanding at the start of the fiscal year	13,200	85,000
Change in grant/expired		-33,500
Exercised	-13,200	-39,500
Outstanding at the end of the fiscal year	0	12,000
Exercisable at the end of the fiscal year	0	12,000

The average weighted share price as of the exercise date amounted to €77.06 for the options from LTIP exercised fiscal 2008. The exercise price of the outstanding LTIP option as of the balance-sheet date was €17.73. The weighted average remaining contractual term amounted to 0.4 years.

Beat. The fair value of the performance shares (PS) conditionally granted in the Beat programme amounted to €22.25 per share as of the grant date for the 2008 tranche, to €24.99 per share for the 2007 tranche and to €17.48 per share for the 2006 tranche. These values were calculated

externally using a multivariate Black-Scholes standard model via Monte Carlo simulations on the basis of one million scenarios each. In the calculations, due consideration was taken of the maximum payment stipulated in the programme's conditions for each conditionally granted performance share, discount rates for the remaining term, volatilities and the expected dividends of peer companies as well as the expected dividends of RWE AG.

In the year under review, the number of performance shares issued in the Beat programme developed as follows:

Beat	2005 tranche	2006 tranche	2007 tranche	2008 tranche
Outstanding at the start of the fiscal year	2,283,118	2,421,361	1,463,550	0
Granted				1,668,836
Change in grant/expired		-48,006	-12,246	-4,597
Paid	-2,283,118			
Outstanding at the end of the fiscal year	0	2,373,355	1,451,304	1,664,239
Payable at the end of the fiscal year	0	2,373,355	0	0

The remaining contractual term amounted to one year for the 2007 tranche and two years for the 2008 tranche. The contractual term for the 2006 tranche ended upon comple-

tion of the year under review. In accordance with the plan regulations, the payment amount is €32.49 per performance share.

(7) Provisions

€ million	Dec 31, 08	Dec 31, 07
Provisions for pensions and similar obligations	3,454	2,987
Provisions for taxes	2,532	2,666
Other provisions	1,355	1,335
	7,341	6,988

Disclosed provisions for pensions also include benefits payable to current and former employees of RWE Energy AG, RWE IT GmbH, RWE Power AG, RWE Rhein-Ruhr AG, RWE Service GmbH, RWE Systems Applications GmbH, RWE Systems Computing GmbH, RWE Supply & Trading GmbH, RWE Transportnetz Strom GmbH and RWE Westfalen-Weser-Ems AG. Expenses incurred for the retirement benefits of the companies concerned are reimbursed by them.

Provisions for taxes predominantly concern the year under review as well as tax auditing periods which are still open.

Other provisions primarily relate to risks associated with investments, interest payment obligations, and contingent losses from pending financial transactions.

(8) Liabilities

€ million	Dec 31, 08	Thereof RT ¹ < 1 year	Thereof RT ¹ > 5 year	Dec 31, 07	Thereof RT ¹ < 1 year
Bonds	913	157	700	913	
Bank debt	584	530		516	378
Trade accounts payable	33	33		23	23
Accounts payable to affiliated companies	26,029	8,347	7,379	23,515	8,000
Other liabilities	1,408	1,302	102	359	248
of which tax	(228)	(228)		(198)	(198)
of which social security	(5)	(1)	(1)	(6)	(1)
	28,967	10,369	8,181	25,326	8,649

1 RT = remaining term.

Bonds largely comprise medium-term notes of RWE AG with varying maturities and interest rates.

Bank debt principally relates to obligations arising from bank loans and interest accruals from existing swap agreements.

Accounts payable to affiliated companies concern the transfer of financial resources as well as ongoing clearing transactions.

Other liabilities primarily include accounts payable related to taxes and interest accruals.

(9) Deferred income

This item exclusively relates to accrued interest equalization payments.

(10) Contingent liabilities & other financial obligations
Contingent liabilities include warranty agreements, bank guarantees and liabilities from guarantees.

Warranty agreements reflect €1,346 million in warranties granted to third parties for the benefit of affiliated companies.

Accounts payable due to bank guarantees amount to €411 million and exclusively relate to current business conducted by affiliated companies.

Furthermore, the guarantees comprise performance and warranty guarantees totalling €82 million, €73 million of which are from current business conducted by affiliated companies.

The following payment guarantees to the creditors of the bonds of RWE Finance B.V., Hoofddorp, Netherlands, (a subsidiary wholly owned by RWE AG) were in existence

as of the balance-sheet date within the scope of the debt issuance programme:

Issuer	Issue volume	Coupon in %	Maturity
RWE Finance B.V.	£500 million	4.625	August 2010
RWE Finance B.V.	€1,808 million	6.125	October 2012
RWE Finance B.V.	£630 million	6.375	June 2013
RWE Finance B.V.	€1,000 million	5.75	November 2013
RWE Finance B.V.	€530 million	4.625	July 2014
RWE Finance B.V.	€850 million	6.25	April 2016
RWE Finance B.V.	€980 million	5.125	July 2018
RWE Finance B.V.	€1,000 million	6.625	January 2019
RWE Finance B.V.	£570 million	6.5	April 2021
RWE Finance B.V.	£488 million	5.625	December 2023
RWE Finance B.V.	£760 million	6.25	June 2030

Due to the transfer of certain pension obligations to RWE Pensionsfonds AG in fiscal 2007, RWE AG and the affiliated companies that entered into the Pensionsfonds agreement are legally obligated to contribute further capital in their function as employer in the event that the Pensionsfonds has insufficient funds in the future.

Additionally, there are joint and several liabilities from the transfer of pension obligations to eight affiliated companies in the amount of €33 million and to an investment of an affiliate in the amount of €12 million.

By signing a mutual benefit agreement, RWE AG and other parent companies of German nuclear power plant operators undertook to provide about €2,244.4 million in funding to liable nuclear power plant operators to ensure that they are able to meet their payment obligations in the event of nuclear damages. RWE AG has a 25.851% contractual share in the liability, plus 5% for damage settlement costs.

Pursuant to the shareholders' agreement of December 22, 2003, RWE Energy or an affiliated company named by it will purchase all of RWE Westfalen-Weser-Ems AG's outstanding shares that were granted to the former shareholders of RWE Gas AG in connection with the split-up of RWE Gas AG

for €800 million effective December 31, 2008. RWE AG accepted the obligation to pay the purchase price through a cumulative assumption of debt, which results in a collective liability. The payment of the purchase price by RWE Energy Beteiligungsgesellschaft mbH on January 15, 2009, terminated the collective liability.

RWE AG is a co-guarantor for a joint and several liability of £4 million within the scope of a notional cashpool between affiliates.

RWE AG and some of its subsidiaries are involved in lawsuits and arbitration proceedings in connection with their business operations. However, RWE does not expect this to have any material negative effects on the RWE Group's economic or financial situation.

A number of shareholder compensation claims were filed by outside shareholders in connection with restructuring programmes under company law to examine the reasonability of the conversion ratios and/or the amount of the cash compensations. RWE AG assumes that the conversion ratios and cash compensations determined by appraisers and verified by auditing firms were reasonable. If a different legally enforceable decision is reached, the compensation will be

carried out by making an additional cash payment to the affected shareholders, including those who are not involved in the conciliation proceedings.

At the beginning of May 2007, the EU Commission instigated market abuse proceedings against RWE, based on the suspicion that RWE and companies affiliated with it obstructed access to the German gas transmission system, in order to safeguard RWE's alleged market-leading position as a gas supplier. Following an agreement in principle between RWE AG and the EU Commission in May 2008, RWE AG offered to sell its German gas transmission grid to a third party independent of RWE by making an official binding commitment in December 2008. This commitment is not an admission of an infringement of antitrust law. The EU Commission is currently seeking the opinions of other market participants and is expected to decide on this basis in the spring of 2009 whether the proceedings against all involved RWE companies will be ended.

€75 million in long-term securities have been deposited in a trust for RWE AG and subsidiaries to secure entitlements from the old-age part-time block model in accordance with

Sec. 8a of the German Old-Age Part-Time Employment Act (AltTZG). This collateral benefits both its own employees as well as the employees of group companies.

€10 million in accounts receivable from reinsurance policies have been pledged in connection with company pension benefit obligations from deferred compensation schemes. Other future—undiscounted—financial obligations from leases and rent amounted to €162 million as of December 31, 2008. €110 million thereof are payable to affiliated companies.

(11) Derivative financial instruments

We use derivative financial instruments to hedge currency, interest rate and price risks from foreign currency items, cash investments and financing transactions. The nominal volume of derivatives concluded with external counterparties amounts to €22.3 billion as of the balance-sheet date. Offsetting derivatives with a nominal volume of €22.0 billion have been concluded with group companies.

The following overview shows our derivative financial instruments as of December 31, 2008:

€ million	Nominal volume		Remaining term > 1 year		Fair value	
	External	Within the group	External	Within the group	External	Within the group
Foreign currency derivatives						
Foreign exchange forwards	3,310	16,264	527	3,546	82	-389
Interest-rate/cross-currency swaps	15,610	5,695	2,482	3,169	965	-1,006
	18,920	21,959	3,009	6,715	1,047	-1,395
Interest rate derivatives	3,426		2,776		123	
Total	22,346	21,959	5,785	6,715	1,170	-1,395

The fair value generally corresponds to the market value of the derivative financial instrument if it can be reliably determined. If the market value cannot be determined reliably, the fair value is derived from the market value of similar financial instruments or using generally accepted valuation methods (discounted cash flow method, option price model).

Within the scope of currency hedging, among other things, interest-rate/cross-currency swaps as well as matching offsetting transactions have been concluded with wholly-owned subsidiaries. RWE AG's derivative transactions concluded with banks and the respective offsetting transactions form an evaluation unit to avoid an evaluation result. The companies use these interest-rate/cross-currency swaps in addition to foreign-currency liabilities to hedge the prices of their foreign investments. On termination of a swap, the positive or negative market value is offset against the cost of the investments without an effect on profits or losses.

RWE AG concluded cross-currency swap transactions in order to hedge its Group companies' foreign-currency receivables and liabilities.

Interest-rate and interest-rate/cross-currency swaps are used to hedge bonds and notes payable.

Furthermore, currency futures and cross-currency swaps were purchased for contractually agreed and forecast payments payable by—and individual currency risks associated with—RWE AG and Group companies. Most of them were passed on to Group companies congruently.

Changes in the market value of derivatives are offset by corresponding offsetting changes in the market value of existing underlying transactions. €57 million in provisions to cover possible losses from negative market values of financial instruments were accrued for negative currency portfolio balances and financial instruments which do not have a counteracting transaction on the balance sheet. Internal directives that are binding upon RWE AG and its subsidiaries define the range of action, responsibilities and controls allowable when trading with derivatives. In particular, with the exception of proprietary energy trading transactions, derivative financial instruments may only be used to hedge risks arising from underlying transactions and associated liquidity investment and financing procedures. All external counterparties have good credit ratings.

Notes to the Income Statement

(12) Net income from financial assets

in Mio. €	2008	2007
Income from profit and loss transfer agreements with affiliated companies	5,017	3,918
Income from investments in		
affiliated companies	209	107
other companies	9	1
	218	108
Expenses from profit and loss transfer agreements with affiliated companies	-952	-591
Income from other securities and loans held as financial assets	721	831
of which from affiliated companies	(536)	(629)
Amortization of financial assets and current securities	-1,253	-136
	3,751	4,130

Net income from financial assets largely consists of income transferred from RWE Power AG and RWE Energy AG.

The amortization of financial assets and current securities largely relates to special funds and own shares.

(13) Net interest

€ million	2008	2007
Other interest and similar income	669	568
of which from affiliated companies	(299)	(211)
Interest and similar expenses	-1,630	-1,778
of which from affiliated companies	(-1,232)	(-1,355)
	-961	-1,210

A €46 million interest expense from this item is allocable to the settlement payment to shareholders due to a court settlement in the RWE/VEW conciliation proceedings; the

interest expense relates to the period from November 24, 2000, to December 31, 2008.

(14) Other operating income

Other operating income mainly consists of income from intra-group tax allocations. It also includes income from

the sale of marketable securities and the use and release of investment risk provisions.

(15) Staff costs

€ million	2008	2007
Wages and salaries	-79	-67
Cost of social security, pensions and other benefits	-20	-47
of which for pensions	(-15)	(-43)
	-99	-114

Annual average full time equivalents	2008	2007
Salaried staff	431	355
of which part-time and fixed-term employees	(50)	(41)
Apprentices	10	11
	441	366

(16) Other operating expenses

Other operating expenses primarily concern expenses associated with the interest share credited to the RWE Group's divisional management companies for the pension provisions reported on RWE AG's balance sheet and administrative expenses. This item also includes other taxes.

(17) Taxes on income

Taxes on income primarily relate to the fiscal year and prior years as well as to an addition to provisions for corporate and trade tax risks.

Other disclosures

Information on the members of the Supervisory Board and Executive Board pursuant to Sec. 285, No. 10 of the German Commercial Code (HGB) is provided on pages 22 to 26.

The Executive and Supervisory Boards have issued the declaration regarding the German Corporate Governance Code pursuant to Sec. 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the shareholders on RWE AG's website.

The principles of the compensation system and the amount of compensation for the Executive and Supervisory Boards are presented in the compensation report. The compensation report is part of the review of operations.

In total, the Executive Board received €17,510,000 short-term compensation components in fiscal 2008. In addition to this, long-term compensation components from the 2008 tranche of the Beat programme amounting to €2,750,000 were allocated (123,596 performance shares). Total compensation of the Executive Board for fiscal 2008 thus amounts to €20,260,000. The fixed remuneration paid to members of the Supervisory Board was €1,199,000, and the variable remuneration amounted to €2,974,000.

No loans or advances were granted to members of the Executive Board or Supervisory Board in the year under review. An employee representative appointed to the Supervisory Board in the year under review has an outstanding employee loan of €13,000 taken out before the individual joined the board.

Former members of the Executive Board of RWE AG and their surviving dependants received €18,165,000. This includes €16,501,000 in long-term incentive components. €30,533,000 in provisions have been made to cover pension obligations to former members of the Executive Board and their surviving dependants.

The Economic Advisory Board received €250,000.

As of the balance-sheet date, the Executive Board held 114,416 performance shares from the 2006 tranche of the long-term incentive plan (Beat), 120,048 performance shares from the 2007 tranche and 123,596 performance shares from the 2008 tranche. The long-term incentive plan is described in detail in the section on equity.

On February 8, 2008, Barclays Global Investors UK Holdings Limited, London/England, informed us pursuant to Secs. 21 and 22 of the German Securities Trading Act (WpHG) that its share of voting rights in RWE AG crossed the threshold of 3% as of February 6, 2008, and that it held 3.07% of the voting rights in RWE AG on that day.

On April 15, 2008, Allianz SE, Munich, informed us in accordance with Secs. 21, 22 and 24 of the German Securities Trading Act (WpHG) that its shareholding exceeded the 3% hurdle on April 10, 2008, amounting to 4.18%. This includes 4.18% of the voting rights in RWE AG, which are allocable to Allianz SE pursuant to Sec. 22 of the German Securities Trading Act (WpHG). Furthermore, Allianz SE informed us in connection with Sec. 24 of the German Securities Trading Act (WpHG) that Allianz Deutschland AG, Munich, and Allianz Versicherungs-Aktiengesellschaft, Munich, each exceeded the 3% hurdle of voting rights on April 10, 2008. In this connection, the voting rights of Allianz Versicherungs-Aktiengesellschaft, Munich, are allocable to Allianz Deutschland AG, Munich, in accordance with Sec. 22 of the German Securities Trading Act (WpHG).

On April 28, 2008, Capital World Growth and Income Fund, Los Angeles/USA, informed us in accordance with Sec. 21 of the German Securities Trading Act (WpHG) that its share of voting rights in RWE AG exceeded the threshold of 3% on April 22, 2008, and amounted to 2.964% on that day.

On April 29, 2008, Allianz SE, Munich, informed us in accordance with Secs. 21, 22 and 24 of the German Securities Trading Act (WpHG) that its shareholding fell below the 3% hurdle on April 25, 2008, and that it amounted to 2.073%

on that day. This includes 2.066% of the voting rights in RWE AG, which are allocable to it in accordance with Sec. 22 of the German Securities Trading Act. Furthermore, Allianz SE, Munich, informed us in connection with Sec. 24 of the German Securities Trading Act (WpHG) that the shares of voting rights held by Allianz Deutschland AG, Munich, and Allianz Versicherungs-Aktiengesellschaft, Munich, each fell below the 3% hurdle of voting rights on April 25, 2008. According to Sec. 22 of the German Securities Trading Act (WpHG), 1.94% of the voting rights are allocable to Allianz Deutschland AG, Munich. The share of voting rights held by Allianz Versicherungs-Aktiengesellschaft, Munich amounted to 1.55% on that day.

On May 5, 2008, Capital Research and Management Company, Los Angeles/USA, informed us in accordance with Secs. 21 and 22 of the German Securities Trading Act (WpHG) that its share of voting rights in RWE AG had fallen below the threshold of 5% on April 29, 2008, and amounted to 4.98% on that day. Pursuant to Sec. 22 of the German Securities Trading Act (WpHG), all of these voting rights are allocable to Capital Research and Management.

On September 3, 2008, Barclays Global Investors UK Holdings Limited, London/England, informed us in accordance with Secs. 21 and 22 of the German Securities Trading Act (WpHG) that its share of voting rights in RWE AG fell below the threshold of 3% on March 14, 2008, and amounted to 0.574% on that day.

The following fees were recognized as expenses for the services rendered in fiscal 2008 by the auditor of the financial statements, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft:

€ million	2008	2007
Audit services	2.7	1.9
Other assurance and valuation services	0.6	0.5
Other	0.1	0.1
	3.4	2.5

The fees for audit services primarily consist of the fees for the legally required audit of the financial statements of the parent company (RWE AG) and of the RWE Group and for the audit-like review of the interim Group financial statements of RWE AG, insofar as these are directly borne by RWE AG. Fees for other assurance and valuation services related principally to due diligence, consulting services relating to, and the audit of, the implementation of groupwide accounting principles and ongoing or planned transactions and other special audits. This item also includes fees for the audit of the internal controlling system and, above all, of IT systems as well as expenses incurred in connection with statutory regulations and court orders.

Dividend proposal

Distributable profit developed as follows:

Net profit	2,835,154,691.75 €
Profit carried forward from the previous year	82,753,097.50 €
Transfer to retained earnings	509,800,000.00 €
Distributable profit	2,408,107,789.25 €

We propose to the Annual General Meeting that RWE AG's distributable profit for fiscal 2008 be appropriated as follows:

Distribution of a dividend of €4.50 per dividend-bearing individual share certificate:

Dividend	2,388,107,371.50 €
Profit carryforward	20,000,417.75 €
Distributable profit	2,408,107,789.25 €

The dividend proposal takes into account the non-dividend-bearing shares held by the corporation as of December 31, 2008. The number of dividend-bearing shares may decline before the Annual General Meeting if further shares are purchased. Accordingly, the number of dividend-bearing shares may rise if own shares are sold before the Annual General Meeting. In either of these cases, based on an unchanged dividend per dividend-bearing share, an adjusted proposal for the appropriation of the distributable profit will be made to the Annual General Meeting, according to which the total amount payable to the shareholders will be reduced by the partial amount that would be payable for the own shares additionally purchased between January 1, 2009, and the date of the proposal for the appropriation of distributable profit and will be increased by the partial amount that would be payable for the own shares sold between January 1, 2009, and the date of the proposal for the appropriation of distributable profit. The profit carry-forward will rise or fall by these partial amounts.

Essen, February 13, 2009

The Executive Board



Jürgen Großmann



Leonhard Birnbaum



Alwin Fitting



Ulrich Jobs



Rolf Pohlig

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the review of operations includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Essen, February 13, 2009

The Executive Board



Jürgen Großmann



Leonhard Birnbaum



Alwin Fitting



Ulrich Jobs



Rolf Pohlig

Auditor's Report

We have audited the annual financial statements—comprising the balance sheet, the income statement and the notes to the financial statements—together with the bookkeeping system and the management report of RWE Aktiengesellschaft, Essen, which is combined with the group management report, for the business year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management

report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions in the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Essen, February 16, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Manfred Wiegand
Wirtschaftsprüfer
(German Certified
Public Auditor)

Markus Dittmann
Wirtschaftsprüfer
(German Certified
Public Auditor)

MATERIAL INVESTMENTS AS OF DECEMBER 31, 2008

I. Affiliates	Investment in acc. with Sec. 16 of the German Stock Corporation Act in %	Equity of the last fiscal year €'000	Net income/loss of the last fiscal year €'000	Revenue 2008 € million	Employees ² 2008 average
RWE Aktiengesellschaft, Essen		9,415,874	2,835,155	-	431
RWE Power					
RWE Power Aktiengesellschaft, Cologne and Essen	100	2,037,209	- ¹	10,459	13,378
Kernkraftwerke Lippe-Ems GmbH, Lingen (Ems)	99	165,545	- ¹	404	305
Kernkraftwerk Gundremmingen GmbH, Gundremmingen	75	84,184	8,343	277	720
Mátrai Erőmű Zártkörűen Működő Részvénytársaság (MÁTRA), Visonta/Hungary	51	241,615	54,198	346	2,398
Rheinbraun Brennstoff GmbH, Cologne	100	63,294	- ¹	620	167
RWE Dea					
RWE Dea AG, Hamburg	100	1,323,905	- ¹	1,185	858
RWE Dea Norge AS, Oslo/Norway	100	111,143	36,326	301	56
RWE Dea Suez GmbH, Hamburg	100	87,226	- ¹	222	122
RWE Supply & Trading					
RWE Supply & Trading GmbH, Essen	100	248,980	- ¹	25,419	723
RWE Energy					
RWE Energy Aktiengesellschaft, Dortmund	100	1,017,905	- ¹	8,875	476
Budapesti Elektromos Művek Nyrt. (ELMÜ), Budapest/Hungary	55	1,008,294	60,556	1,087	327
ELMÜ Hálózati Elosztó Kft., Budapest/Hungary	100	1,014,203	36,553	395	197
ÉMÁSZ Hálózati Kft., Budapest/Hungary	100	316,103	-831	161	132
Emscher Lippe Energie GmbH, Gelsenkirchen	79	49,658	-4,996	528	634
Energis GmbH, Saarbrücken	64	133,914	19,725	388	308
envia Mitteldeutsche Energie AG, Chemnitz	64	888,733	99,171	2,347	2,139
envia Netzservice GmbH, Chemnitz	100	4,045	- ¹	354	12
envia Verteilnetz GmbH, Halle (Saale)	100	24	- ¹	1,684	5
eprimo GmbH, Neu-Isenburg	100	4,600	- ¹	149	57
Észak-magyarországi Áramszolgáltató Nyrt. (ÉMÁSZ), Miskolc/Hungary	54	356,849	27,584	459	124
EWV Energie- und Wasser-Versorgung GmbH, Stolberg	54	33,744	7,786	361	369
Jihomoravská plynárenská, a.s., Brno/Czech Republic	50	198,708	21,957	749	778
Koblenzer Elektrizitätswerk und Verkehrs-Aktiengesellschaft, Koblenz	58	71,192	8,003	432	514
Lechwerke AG, Augsburg	90	226,775	53,186	999	1,144
LEW Verteilnetz GmbH, Augsburg	100	25	- ¹	548	4
MITGAS Mitteldeutsche Gasversorgung GmbH, Halle (Saale)	60	93,786	25,382	790	306
rhenag Rheinische Energie Aktiengesellschaft, Cologne	67	156,700	42,426	294	326
RWE Energy Beteiligungsgesellschaft mbH, Dortmund	100	7,553,333	- ¹	-	-
RWE Energy Nederland N.V., Hoofddorp/Netherlands	100	37,345	70,049	2,278	274
RWE Gas International B.V., Hoofddorp/Netherlands	100	4,802,611	622,324	-	-
RWE Key Account GmbH, Essen	100	30	- ¹	2,506	100
RWE Kundenservice GmbH, Bochum	100	25	- ¹	260	14
RWE Polska S.A., Warschau/Poland	100	486,943	15,710	676	576

1 Profit- and loss-pooling agreement.

2 Converted to full-time positions.

I. Affiliates	Investment in acc. with Sec. 16 of the German Stock Corporation Act in %	Equity of the last fiscal year €'000	Net income/loss of the last fiscal year €'000	Revenue 2008 € million	Employees ³ 2008 average
RWE Energy					
RWE Rhein-Ruhr Aktiengesellschaft, Essen	100	238,405	- ¹	5,281	4,783
RWE Rhein-Ruhr Netzservice GmbH, Siegen	100	25	- ¹	666	32
RWE Rhein-Ruhr Verteilnetz GmbH, Wesel	100	25	- ¹	2,080	6
RWE Stoen Operator Sp z o.o., Warschau/Poland	100	633,567	19,442	254	617
RWE Transgas, a.s., Prague/Czech Republic	100	3,580,760	400,934	2,499	220
RWE Transgas Net, s.r.o., Prague/Czech Republic	100	1,940,360	180,059	369	687
RWE Transportnetz Gas GmbH, Dortmund	100	100	- ¹	342	92
RWE Transportnetz Strom GmbH, Dortmund	100	613,025	- ¹	5,393	283
RWE Westfalen-Weser-Ems Aktiengesellschaft, Dortmund	100	283,185	- ¹	4,555	2,638
RWE Westfalen-Weser-Ems Netzservice GmbH, Dortmund	100	25	- ¹	911	23
RWE Westfalen-Weser-Ems Verteilnetz GmbH, Recklinghausen	100	25	- ¹	1,670	3
RWW Rheinisch-Westfälische Wasserwerksgesellschaft mbH, Mülheim an der Ruhr	80	75,157	10,467	104	410
Severočeská plynárenská, a.s., Ústí nad Labem/Czech Republic	100	157,607	17,969	328	53
Severomoravská plynárenská, a.s., Ostrava/Czech Republic	68	172,489	21,427	517	33
Stadtwerke Düren GmbH, Düren	75	14,123	-6,608	162	206
Středočeská plynárenská, a.s., Prague/Czech Republic	100	91,858	2,948	355	42
Süwag Energie AG, Frankfurt am Main	78	258,509	37,350	1,527	1,411
Süwag Netz GmbH, Frankfurt am Main	100	25	- ¹	479	14
Thyssengas GmbH, Dortmund	100	179,695	- ¹	108	-
VSE Aktiengesellschaft, Saarbrücken	69	133,329	14,453	437	309
Východočeská plynárenská, a.s., Hradec Králové/Czech Republic	67	114,265	11,673	331	42
Západočeská plynárenská, a.s., Plzeň/Czech Republic	100	79,356	5,552	247	40
RWE npower					
RWE npower Holdings plc, Swindon/UK ²	100	381,330	131,684	8,628	12,281
Water Division					
American Water Works Company, Inc., Wilmington/Delaware/USA American Water-Group ^{2,4} with 67 subsidiaries in the US and Canada	60	3,284,427	-232,803	1,590	7,300
Other subsidiaries					
Agrupació Energías Renovables, S.A.U., Barcelona/Spain AERSA-Group ² with 15 subsidiaries in Spain	100	174,103	11,382	65	17
Npower Renewables Ltd., Reading/UK	100	121,940	4,777	28	207
RWE Finance B.V., Hoofddorp/Netherlands	100	10,308	1,599	-	-
RWE Innogy Cogen GmbH, Dortmund	100	53,982	- ¹	80	116
RWE Innogy GmbH, Essen	100	183,850	- ¹	116	83
RWE Service GmbH, Dortmund	100	270,574	- ¹	2,023	1,853

1 Profit- and loss-pooling agreement.

2 Figures from the company's financial statements.

3 Converted to full-time positions.

4 Discontinued operation.

II. Companies accounted for using the equity method	Investment in acc. with Sec. 16 of the German Stock Corporation Act in %	Equity of the last fiscal year €'000	Net income/ loss of the last fiscal year €'000
RWE Power			
Grosskraftwerk Mannheim Aktiengesellschaft, Mannheim	40	114,141	6,647
TCP Petcoke Corporation, Dover/Delaware/USA ¹	50	10,018	10,135
RWE Supply & Trading			
Excelebrate Energy LP, The Woodlands/Texas/USA ¹	50	311,187	-106,574
RWE Energy			
AVU Aktiengesellschaft für Versorgungs-Unternehmen, Gevelsberg	50	100,145	13,260
Cegedel S.A., Luxembourg/Luxembourg ¹	30	528,860	61,467
Dortmunder Energie- und Wasserversorgung GmbH (DEW 21), Dortmund	47	150,437	21,966
Energie Wasser Niederrhein GmbH, Moers	20	32,901	6,970
EVH GmbH, Halle (Saale)	30	76,736	6,826
Fővárosi Gázművek Zrt., Budapest/Hungary	50	164,856	31,192
Kärntner Energieholding Beteiligungs-GmbH, Klagenfurt/Austria ¹	49	361,223	113,232
KEW Kommunale Energie- und Wasserversorgung AG, Neunkirchen	29	70,590	7,952
Niederrheinische Versorgung und Verkehr Aktiengesellschaft, Mönchengladbach ¹	50	441,334	28,959
Pfalzwerke Aktiengesellschaft, Ludwigshafen	27	192,047	22,380
Regionalgas Euskirchen GmbH & Co. KG, Euskirchen	43	49,893	9,090
RheinEnergie AG, Cologne	20	564,045	190,457
RWE-Veolia Berlinwasser Beteiligungs AG, Berlin	50	261,307	-7,773
SpreeGas Gesellschaft für Gasversorgung und Energiedienstleistung mbH, Cottbus	33	22,350	7,907
Stadtwerke Duisburg Aktiengesellschaft, Duisburg	20	153,223	29,721
Stadtwerke Essen Aktiengesellschaft, Essen	29	116,557	23,269
Stadtwerke Remscheid GmbH, Remscheid	25	107,493	4,640
Stadtwerke Velbert GmbH, Velbert	40	75,626	7,238
Südwestfalen Energie und Wasser AG, Hagen	19	280,665	16,061
TIGÁZ Tiszántúli Gázszolgáltató Zrt., Hajdúszoboszló/Hungary	44	594,761	491,454
Východoslovenská energetika, a.s., Košice/Slowakia	49	698,318	530,209
Zagrebačke Otpadne Vode d.o.o., Zagreb/Croatia	49	104,943	23,206
Other			
Fri-El S.p.A., Bozen/Italy ¹	50	22,460	-719
Greater Gabbard Offshore Winds Limited, Reading/UK	50	-59	-23
Zephyr Investments Ltd., Reading/UK ¹	33	-9,580	-4,276

¹ Figures from the company's financial statements.

III. Other Investments	Investment in acc. with Sec. 16 of the German Stock Corporation Act in %	Equity of the last fiscal year €'000	Net income/loss of the last fiscal year €'000
RWE Energy			
Stadtwerke Chemnitz Aktiengesellschaft, Chemnitz	19	255,387	23,131

BOARDS AND COMMITTEES

Supervisory Board

Dr. Thomas R. Fischer
Berlin
Chairman
Business executive

Frank Bsirske¹
Berlin
Deputy Chairman
Chairman of ver.di
Vereinte Dienstleistungsgewerkschaft

- Deutsche Lufthansa AG
- IBM Central Holding GmbH
- KfW – Kreditanstalt für Wiederaufbau

Dr. Paul Achleitner
Munich
Member of the Board of Management of Allianz SE

- Allianz Deutschland AG
- Allianz Europe B.V. (Chairman)
- Allianz Global Investors AG
- Allianz Lebensversicherungs-AG
- Bayer AG

Werner Bischoff¹
Monheim am Rhein
Member of the Main Executive Board of
IG Bergbau, Chemie, Energie

- Continental AG
- Evonik-Degussa GmbH
- Evonik Industries AG
- RWE Dea AG
- Sanofi-Aventis Deutschland GmbH
- Hoechst GmbH
- RWE Power AG
- BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH
- THS TreuHandStelle für Bergmannswohnstätten im rheinisch-westfälischen Steinkohlenbezirk GmbH

Carl-Ludwig von Boehm-Bezing
Bad Soden
Former member of the Board of Management of
Deutsche Bank AG

Heinz Büchel¹
Trier
Chairman of the General Works Council of
RWE Rhein-Ruhr AG

- RWE Energy AG

Dieter Faust¹
Eschweiler
Chairman of the Works Council, Plant Services/
Materials Management of RWE Power AG

Simone Haupt^{1,2}
Hagen
—until November 30, 2008—
Chairman of the General Works Council of
RWE Systems AG

Andreas Henrich¹
Siegen
—since April 1, 2008—
Degree in economics

- ELE Emscher Lippe Energie GmbH
- RWE Rhein-Ruhr AG

Heinz-Eberhard Holl
Osnabrück
Former Chief Administrative Officer,
Osnabrück Rural District

- Georgsmarienhütte GmbH
- Georgsmarienhütte Holding GmbH

▪ Member of other mandatory supervisory boards.
▪ Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

¹ Employee representative.

² Information valid as of the date of retirement from the Supervisory Board.

Dr. Gerhard Langemeyer

Dortmund

Mayor of the City of Dortmund

- Dortmunder Stadtwerke AG (Chairman)
- Gesellschaft für Vermögensverwaltung AG
- KEB Holding AG (Chairman)
- Klinikum Dortmund gGmbH (Chairman)
- Schüchtermann Schiller'sche Kliniken KG
- Sparkasse Dortmund (Chairman)

Dagmar Mühlenfeld

Mülheim an der Ruhr

Mayor of the City of Stadt Mülheim an der Ruhr

- Mülheimer Wohnungsbau e.G. (Chairman)
- Beteiligungsholding Mülheim an der Ruhr GmbH
- Flughafen Essen/Mülheim GmbH (Chairman)
- medl GmbH (Chairman)
- Mülheim & Business GmbH (Chairman)
- Ruhrbania Projektentwicklungsgesellschaft mbH (Chairman)

Erich Reichertz^{1,2}

Mülheim an der Ruhr

—until March 31, 2008—

Diploma in engineering

- RWE Energy AG

Dr. Wolfgang Reiniger

Essen

Mayor of the City of Essen

- EGZ Entwicklungsgesellschaft Zollverein mbH
- EMG Essen Marketing GmbH Gesellschaft für Stadtwerbung, Touristik und Zentrenmanagement (Chairman)
- Entwicklungsgesellschaft Universitätsviertel Essen mbH (Chairman)
- Essener Wirtschaftsförderungsgesellschaft mbH (Chairman)
- Margarethe Krupp-Stiftung für Wohnungsfürsorge (Chairman)
- Messe Essen GmbH (Chairman)
- Sparkasse Essen (Chairman)

Günter Reppien¹

Lingen

Chairman of the General Works Council of

RWE Power AG

- RWE Power AG
- Stadtwerke Lingen GmbH

Karl-Heinz Römer¹

Mülheim an der Ruhr

District General Manager of

ver.di Vereinte Dienstleistungsgewerkschaft

- RWE Energy AG
- RWE Rhein-Ruhr AG

Dagmar Schmeer¹

Saarbrücken

Chairman of the Works Council of VSE AG

- VSE AG

Dr. Manfred Schneider

Leverkusen

Chairman of the Supervisory Board of Bayer AG

- Daimler AG
- Linde AG (Chairman)
- TUI AG

Dr.-Ing. Ekkehard D. Schulz

Krefeld

Chairman of the Executive Board of ThyssenKrupp AG

- AXA Konzern AG
- Bayer AG
- MAN AG
- ThyssenKrupp Services AG (Chairman)
- ThyssenKrupp Steel AG (Chairman)
- ThyssenKrupp Technologies AG (Chairman)

▪ Member of other mandatory supervisory boards.
 ▪ Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

¹ Employee representative.

² Information valid as of the date of retirement from the Supervisory Board.

Uwe Tigges¹

Bochum

Chairman of the General Works Council of
RWE Westfalen-Weser-Ems AG

- RWE Energy AG
- RWE Westfalen-Weser-Ems AG

Prof. Karel Van Miert

Beersel

Professor, Nyenrode University

- Münchener Rückversicherungs-Gesellschaft AG
- Agfa-Gevaert N.V.
- Anglo American plc
- De Persgroep
- Koninklijke Philips Electronics N.V.
- SIBELCO N.V.
- SOLVAY S.A.
- Vivendi Universal S.A.

Manfred Weber¹

Wietze

—since December 1, 2008—

Chairman of the General Works Council of RWE Dea AG

- RWE Dea AG

Supervisory Board Committees

Executive Committee of the Supervisory Board

Dr. Thomas R. Fischer (Chairman)

Frank Bsirske

Dr. Paul Achleitner

Heinz Büchel

Dieter Faust

Simone Haupt—until November 30, 2008—

Dagmar Schmeer—since December 11, 2008—

Dagmar Mühlenfeld

Dr. Manfred Schneider

Mediation Committee in accordance with Sec. 27,
Par. 3 of the German Co-Determination Act (MitbestG)

Dr. Thomas R. Fischer (Chairman)

Frank Bsirske

Werner Bischoff

Dr. Manfred Schneider

Personnel Affairs Committee

Dr. Thomas R. Fischer (Chairman)

Frank Bsirske

Dr. Paul Achleitner

Heinz-Eberhard Holl

Günter Reppien

Uwe Tigges

Audit Committee

Carl-Ludwig von Boehm-Bezing (Chairman)

Werner Bischoff

Dr. Gerhard Langemeyer

Günter Reppien

Dr.-Ing. Ekkehard D. Schulz

Uwe Tigges

Nomination Committee

Dr. Thomas R. Fischer (Chairman)

Dr. Paul Achleitner

Heinz-Eberhard Holl

▪ Member of other mandatory supervisory boards.
▪ Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

¹ Employee representative.

Executive Board

Dr. Jürgen Großmann

President and CEO of RWE AG,
appointed until September 30, 2012.

Born in 1952 in Mülheim an der Ruhr, studied ferrous met-allurgy and economics, doctorate in ferrous metal-lurgy, from 1980 to 1993 active within the Klöckner Group, exiting as member of the Executive Board of Klöckner-Werke AG, in 1993 acquired Georgsmarienhütte, from 1993 to 2006 Owner and Managing Director of Georgsmarienhütte Holding GmbH, joined RWE AG as President and CEO effective October 1, 2007.

Group-level responsibilities: Energy Policy, Change Man-agement, Investor Relations, Communications, Ex-ecutive Management, Auditing.

Other Appointments:

- BATIG Gesellschaft für Beteiligungen mbH
- British American Tobacco (Industrie) GmbH
- British American Tobacco (Germany) GmbH
- Deutsche Bahn AG
- SURTECO AG (Chairman)
- Volkswagen AG
- Hanover Acceptances Limited

Dr. Leonhard Birnbaum

—since Oktober 1, 2008—
Executive Vice-President of RWE AG,
appointed until September 30, 2013.

Born in 1967 in Ludwigshafen am Rhein, graduated chemi-cal engineer, from 1996 to 2008 consultant at McKinsey, in 2000 promoted to partner (principal) and 2006 to senior partner (director) at McKinsey, exiting as member of McKinsey's management team for the European energy sector, joined RWE AG as a Head of Corporate Strategy and Business Development in April 7, 2008, Chief Strategy Of-ficer of RWE AG since January 1, 2009.

Group-level responsibilities: Strategy, Business Develop-ment, Mergers & Acquisitions, Research & Development, Renewable Energies.

Other Appointments:

- RWE Npower Holdings plc

Berthold Bonekamp¹

—until December 31, 2008—
Executive Vice-President of RWE AG

Born in 1950 in Billerbeck (Coesfeld County), studied mechanical engineering and business management, joined the RWE Group in 1981, since April 2004 Executive Vice-President of RWE AG, from April 2004 to February 2008 concurrently CEO of RWE Energy AG, from April to Decem-ber 2008 Chief Strategy Officer of RWE AG.

Other Appointments:

- Berlinwasser Holding AG
- RWE Energy AG
- Berliner Wasserbetriebe AöR
- RWE Npower Holdings plc

▪ Member of other mandatory supervisory boards
▪ Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

¹ Information valid as of the date of retirement from the Executive Board.

Alwin Fitting

Executive Vice-President of RWE AG,
appointed until July 31, 2010.

Born in 1953 in Westhofen (Rhine-Hesse), joined the RWE Group in 1974, trained master electrician, from October 2000 to July 2005 Executive Vice-President and Labour Director of RWE Power AG, since August 2005 Executive Vice-President and Labour Director of RWE AG.

Group-level responsibilities: Human Resources Management, Corporate Citizenship, Security, Diversity Office and Corporate Responsibility / Environmental Politics.

Other Appointments:

- RWE Energy AG
- RWE IT GmbH (Chairman)
- RWE Pensionsfonds AG
- RWE Service GmbH (Chairman)
- European School of Management and Technology GmbH

Dr. Ulrich Jobs

Executive Vice-President of RWE AG,
appointed until March 31, 2012.

Born in 1953 in Herne, holds a diploma in engineering and a doctorate in mining/mine engineering, joined the RWE Group in 1977, since April 2007 Executive Vice-President of RWE AG, from May 2007 to February 2008 concurrently CEO of RWE Power AG, Chief Operating Officer of RWE AG since April 2008.

Group-level responsibilities: Organization, Performance Improvement, Value Chain Management.

Other Appointments:

- Deutsche Steinkohle Aktiengesellschaft
- RAG AG
- RheinEnergie AG

- RWE Dea AG (Chairman)
- RWE Energy AG (Chairman)
- RWE Power AG (Chairman)
- RWE Npower Holdings plc (Chairman)
- RWE Supply & Trading GmbH (Chairman)

Dr. Rolf Pohlig

Executive Vice-President of RWE AG,
appointed until December 31, 2011.

Born in 1952 in Solingen, doctorate in economics, from 1993 to 2000 Executive Vice-President Finance and Accounting of VEBA AG, from 2000 to 2006 Executive Vice-President Mergers & Acquisitions of E.ON AG, joined the RWE Group in January 2007 as Executive Vice-President, since May 2007 Chief Financial Officer of RWE AG.

Group-level responsibilities: Finance, Controlling, Risk Management, Legal / Board Affairs, Accounting, Tax and Insurances.

Other Appointments:

- RWE Energy AG
- RWE Pensionsfonds AG (Chairman)
- RWE Power AG
- American Water Works Company, Inc.
- RWE Npower Holdings plc

-
- Member of other mandatory supervisory boards
 - Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

Economic Advisory Board

Prof. Dr. Dr. Theodor Baums

Frankfurt am Main

Member of the Executive Committee of Deutsche Schutzvereinigung für Wertpapierbesitz e. V., Director of the Institute for Law and Finance, Universität Frankfurt

Martin Blessing

Frankfurt am Main

—since May 28, 2008—

Chairman of the Board of Managing

Directors of Commerzbank AG

Dr. Michael Frenzel

Hannover

Chairman of the Executive Board of TUI AG

Dr. Dietmar Kuhnt

Essen

Former CEO of RWE AG

Prof. Dr. Hubert Markl

Constance

Former President of Max-Planck-Gesellschaft

Wolfgang Mayrhuber

Frankfurt am Main

CEO of Deutsche Lufthansa AG

Dr. Thomas Middelhoff

Essen

Chairman of the Management Board of Arcandor AG

Klaus-Peter Müller

Frankfurt am Main

Chairman of the Supervisory Board of Commerzbank AG

Prof. Dr. Heinrich von Pierer

Erlangen

Dr. Richard Pott

Leverkusen

—since September 9, 2008—

Member of the Board of Management of Bayer AG

Dr. Werner Schnappauf

Berlin

—since May 28, 2008—

Director General and Member of the Presidential Board of

Bundesverband der Deutschen Industrie e. V.

Klaus Schneider

Munich

Chairman of Schutzgemeinschaft

der Kapitalanleger e. V.

Prof. Dr. Jürgen Strube

Ludwigshafen

Chairman of the Supervisory Board of BASF SE

Werner Wenning

Leverkusen

—from January 1 to April 30, 2008—

Chairman of the Board of Management of Bayer AG

Anton Werhahn

Neuss

Business executive

IMPRINT

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Phone +11 49 180 1 451280 (from the USA)

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FINANCIAL CALENDAR 2009/2010¹

April 22, 2009	Annual General Meeting
April 23, 2009	Ex-dividend date
May 14, 2009	Interim report for the first quarter of 2009 with analyst conference call
August 13, 2009	Interim report for the first half of 2009 <ul style="list-style-type: none">▪ Press conference▪ Analyst conference
November 12, 2009	Interim report for the first three quarters of 2009 with analyst conference call
February 25, 2010	Annual report for fiscal 2009 <ul style="list-style-type: none">▪ Press conference▪ Analyst conference
April 22, 2010	Annual General Meeting
April 23, 2010	Ex-dividend date
May 12, 2010	Interim report for the first quarter of 2010 with analyst conference call
August 12, 2010	Interim report for the first half of 2010 <ul style="list-style-type: none">▪ Press conference▪ Analyst conference
November 11, 2010	Interim report for the first three quarters of 2010 with analyst conference call

¹ All events will be broadcasted live on the Internet and can thus be followed by the public at large, investors and analysts simultaneously. We will keep the recordings on our website for at least twelve months.

RWE Aktiengesellschaft

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