



Invitation

*to the Annual General Meeting of RWE Aktiengesellschaft
on Thursday, April 17, 2008*



RWE Aktiengesellschaft

Essen

International Securities Identification Numbers (ISIN):

DE 0007037129

DE 0007037145

Invitation to the Annual General Meeting

Dear Shareholders,

We hereby invite you to attend our Ordinary Annual General Meeting, which shall convene at 10:00 a. m. on Thursday, April 17, 2008, in the Grugahalle on Norbertstraße 2 in Essen, 45131, Germany.

Agenda

- 1. Presentation of the approved Financial Statements of RWE Aktiengesellschaft and the Group for the financial year ended December 31, 2007, with the combined Review of Operations of RWE Aktiengesellschaft and the Group including the statement by the Executive Board on takeover-related issues, the proposal of the Executive Board for the appropriation of distributable profit, and the Supervisory Board Report for fiscal 2007**

The aforementioned documents have been made available on the Internet at www.rwe.com and in the offices of RWE Aktiengesellschaft corporate headquarters, which are located on Opernplatz 1, 45128 Essen, Germany. Copies of these documents will be furnished free of charge and immediately upon request from any shareholder.

- 2. Appropriation of distributable profit**

The Executive Board and the Supervisory Board propose that RWE Aktiengesellschaft's distributable profit for fiscal 2007 be appropriated as follows:

Payment of a dividend of €3.15 per dividend-bearing share	=	€1,771,575,750.00
Profit carryforward	=	€10,872.55
		<hr/>
Distributable profit	=	€1,771,586,622.55

The sum payable to the shareholders shall be reduced by the partial sum that would be payable based on the own shares that are in the company's possession when the resolution on the appropriation of distributable profit has been passed and that do not bear dividend

entitlements pursuant to Section 71 b of the German Stock Corporation Act. The profit carryforward shall increase by said partial sum.

3. *Approval of the Acts of the Executive Board for fiscal 2007*

The Executive Board and the Supervisory Board propose that the Executive Board be granted approval for its acts in fiscal 2007.

4. *Approval of the Acts of the Supervisory Board for fiscal 2007*

The Executive Board and the Supervisory Board propose that the Supervisory Board be granted approval for its acts in fiscal 2007.

5. *Appointment of the auditors for fiscal 2008*

The Supervisory Board proposes that

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft,
Frankfurt am Main,
Zweigniederlassung Essen,

be appointed auditors for fiscal 2008 and to conduct an audit-like review of the financial report for the first half of 2008.

6. *Authorisation to implement share buybacks*

The authorisation issued at the 2007 Annual General Meeting to conduct share buybacks expires on October 17, 2008. Therefore, it shall be renewed. The draft resolution contains provisions for the acquisition and subsequent use of treasury stock.

- a) The Executive Board and the Supervisory Board propose that:
- aa) The company is authorised to buy back up to 10% of its capital stock as of the passage of the resolution by the Annual General Meeting in shares of any kind until October 16, 2009. The buyback can be limited to a single class of shares. At the Executive Board's discretion, the acquisition shall be made (1) on the stock exchange or (2) via a public purchase offer.
- (1) If the acquisition is made on the stock exchange, the price per share paid by the company (excluding ancillary purchase costs) may not deviate by more than 10% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three stock market trading days prior to the purchase.
- (2) If the acquisition is arranged as a public purchase offer, the price per share offered and paid by the company may not deviate by more than 20% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three stock-market trading days prior to the publication of the offer. If the purchase offer is oversubscribed, it shall be accepted on a prorated basis. Preferred acceptance of low quantities, i. e. up to 100 shares per shareholder, is allowable.

- bb) Pursuant to Sub-Item aa) or on the basis of an authorisation granted previously, the Executive Board is authorised to call purchased shares without further approval from the Annual General Meeting. The call can be made without reducing capital by increasing the prorated amount of the remaining shares in the company's capital stock. In such a case, the Executive Board shall be authorised to adjust the number of shares in the Articles of Incorporation.
- cc) Furthermore, in accordance with Sub-Item aa) or on the basis of an authorisation granted previously, the Executive Board is authorised to transfer these common shares to third parties in connection with mergers or acquisitions of companies or of stakes in companies. Shareholder subscription rights are excluded.
- dd) Furthermore, the Executive Board is authorised to sell the common shares purchased by exercising the authorisation in accordance with Sub-Item aa) or on the basis of an authorisation granted previously, without selling them on the stock market or offering them to all shareholders, as long as they are sold for cash and at a price that is not significantly lower than the price at which common shares with the same entitlements are listed on the stock market at the time of sale. Shareholder subscription rights are excluded. This authorisation is limited to the sale of shares which together account for no more than 10% of the company's capital stock. The upper limit of 10% of the company's capital stock shall be reduced by the prorated amount of the capital stock allocable to shares issued during the term of this authorisation within the scope of a capital increase under exclusion of subscription rights in accordance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act.

- ee) All of the preceding authorisations may be exercised in full, in part, once or several times, singly, or jointly.
 - ff) The limited authorisation to conduct share buybacks issued by the Annual General Meeting on April 18, 2007, which expires effective October 17, 2008, shall be revoked once the new authorisation has entered into force.
- b) The Executive Board and the Supervisory Board further propose that the following resolution be adopted:
- aa) Share buybacks implemented pursuant to the aforementioned authorisation may also be carried out by exercising put and call options. In such events, the option-based transactions must be carried out with a financial institution or with companies whose activities comply with Section 53, Paragraph 1, Sentence 1 or Section 53b, Paragraph 1, Sentence 1 or Paragraph 7 of the German Banking and Financial Dealings Act (referred to as "financial institutions" hereinafter) as long as, on exercise of the option, said financial institution delivers shares which were purchased in line with the principle of equal treatment. Share buybacks using put and call options are limited to shares accounting for a maximum of 5% of the company's capital stock when the resolution is adopted by the Annual General Meeting. The term of the options must end no later than October 16, 2009. The option premium paid or received by the company for exercising the call or put option may not deviate by more than 5% from the theoretical market value of the option in question, determined using generally accepted investment mathematics methods. The purchase price of the shares due on exercise of the

option may not deviate by more than 20% from the arithmetic mean of the closing bidding price of the type of share in question on the Xetra trading system (or on a system replacing the Xetra system with comparable functionality) on the Frankfurt Stock Exchange on the last three stock-market trading days prior to the conclusion of the option transaction (without including ancillary purchasing costs, but including the option premium received or paid).

- bb) The Executive Board is authorised to use the shares in the company purchased by exercising this authorisation as set out in Item 6 a) of the Agenda.

7. *Formation of authorised capital and introduction of a new Article 4, Paragraph (2) into the Articles of Incorporation*

The Supervisory Board and the Executive Board propose that the following resolutions be passed:

- a) Subject to Supervisory Board approval, the Executive Board shall be authorised to increase the company's capital stock by up to EUR 287,951,360.00 until April 16, 2013, through the issuance of bearer common shares in return for contributions in cash or in kind (authorised capital). The authorisation may be exercised in full or in part, once or several times. Subject to Supervisory Board approval, the Executive Board shall be authorised to exempt fractional amounts from shareholder subscription rights. Subject to Supervisory Board approval, the Executive Board shall further be authorised to exclude shareholder subscription rights in cases where the shares are issued in return for contributions in kind for the purpose of mergers or the acquisition of companies or stakes in companies. Furthermore,

subject to Supervisory Board approval, the Executive Board shall be authorised to exclude shareholder subscription rights if the capital increase is carried out in return for cash contributions, the total prorated amount allocable to the new shares for which subscription rights are excluded does not exceed 10% of the capital stock, and the issuance price of the new shares is not significantly below the listed price of the common shares with the same entitlements already quoted on the stock exchange when the issue price is finalised. The upper limit of 10% of the company's capital stock shall be reduced by the prorated amount of the capital stock allocable to the company's own shares sold during the term of the authorised capital under exclusion of shareholder subscription rights in accordance with Section 71, Paragraph 1, Item 8, Sentence 5, and Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. The new shares may also be transferred to banks appointed by the Executive Board for the purpose of having them offered to shareholders for subscription.

- b) The current Paragraphs (2) and (3) in Article 4 of the Articles of Incorporation shall become Paragraphs (3) and (4).
- c) A new Article 4, Paragraph (2) shall be introduced into the Articles of Incorporation with the following wording:

“Subject to Supervisory Board approval, the Executive Board shall be authorised to increase the company's capital stock by up to EUR 287,951,360.00 until April 16, 2013, through the issuance of bearer common shares in return for contributions in cash or in kind (authorised capital). The authorisation may be exercised in full or in part, once or several times.

Subject to Supervisory Board approval, the Executive Board shall be authorised to exempt fractional amounts from shareholder subscription rights. Subject to Supervisory Board approval, the Executive Board shall further be authorised to exclude shareholder subscription rights in cases where the shares are issued in return for contributions in kind for the purpose of mergers or the acquisition of companies or stakes in companies. Furthermore, subject to Supervisory Board approval, the Executive Board shall be authorised to exclude shareholder subscription rights if the capital increase is carried out in return for cash contributions, the total prorated amount allocable to the new shares for which subscription rights are excluded does not exceed 10% of the capital stock, and the issuance price of the new shares is not significantly below the listed price of the common shares with the same entitlements already quoted on the stock exchange when the issue price is finalised. The upper limit of 10% of the company's capital stock shall be reduced by the prorated amount of the capital stock allocable to the company's own shares sold during the term of the authorised capital under exclusion of shareholder subscription rights in accordance with Section 71, Paragraph 1, Item 8, Sentence 5, and Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. The new shares may also be transferred to banks appointed by the Executive Board for the purpose of having them offered to shareholders for subscription.

- d) The Supervisory Board shall be authorised to amend the wording of the Articles of Incorporation to reflect the usage of authorised capital or on expiry of the authorisation period.

Executive Board report to the Annual General Meeting on Item 6

We propose to the Annual General Meeting that the company continue to be authorised to buy back shares of all types. The authorisation issued by the 2007 Annual General Meeting, which expires effective October 17, 2008, shall be revoked once the new authorisation has entered into force.

Besides making acquisitions on the stock exchange, the company should also be enabled to conduct share buybacks via a public purchase offer submitted to all of the holders of shares of the class in question. This will afford the company greater flexibility. The principle of equal treatment set forth in German stock corporation law must be taken into account. If a public purchase offer is oversubscribed, it shall be accepted on a prorated basis. However preferred acceptance of low quantities, i. e. up to 100 shares per shareholder, is possible. This is supposed to avoid fractional amounts when determining the contingents that are to be purchased and prevent small numbers of shares from being left over, thus simplifying the technical procedure.

The authorisation as per Item 6 b) of the Agenda further envisions that derivatives can also be used in put or call options, or a combination of the two, when carrying out share buybacks. Item 6 b) of the Agenda thus extends Item 6 a) of the Agenda simply by the possibility of conducting share buybacks by exercising put or call options or a combination of the two, and does not constitute an additional or independent authorisation to implement share buybacks; this means that all of the conditions governing share buybacks under Item 6 a) of the Agenda remain in effect, i. e. the timing provisions. The size of the share buybacks carried out in this manner is further limited to 5% of the company's capital stock within the scope of the general authorisation under Item 6 a). This alternative affords the company the possibility to optimally structure share buybacks.

When selling a put option, the company grants the buyer of the put option the right to sell to the company shares in the company at a price determined by the put option (exercise price). In the event that the put option is exercised, as seller, the company is obligated to purchase the number of shares set forth by the put option at the exercise price. In compensation, the company receives an option premium when the put option is sold.

The advantage of using put options from the company's perspective is that the exercise price can be determined on the day on which the option is concluded. However, the cash and cash equivalents are not paid until the exercise date. If the option is not exercised, because the share price exceeds the exercise price on the exercise date, the company may not purchase any of its own shares using this procedure. However, it keeps the option premium it received on the day the option was concluded.

When purchasing a call option, the company is granted the right—in exchange for paying an option premium—to sell a number of shares at a pre-determined price (exercise price) from the seller of the option. It makes economic sense for the company to exercise a call option when the company's share price exceeds the exercise price at the exercise date, since it can then purchase the shares from the seller at the lower exercise price. By purchasing call options, the company can hedge rising share prices and is only obligated to purchase the number of shares it actually needs at a later point in time.

The aforementioned option transactions are to be carried out with a financial institution. This enables the head office to conclude option transactions at short notice—unlike when making offers for the purchase of the option to all shareholders. Due to the determination of the option premium as described above and the more limited allowable exercise price set forth in the resolution, shareholders are not put at an economic disadvantage when the company

carries out share buybacks by exercising put or call options. Since the company pays a fair market price, shareholders who do not participate in the option transaction do not lose any value. The shareholders are thus in the position they would be if the share buyback were conducted on the stock exchange, in which case not all shareholders would actually be able to sell shares to the company. Furthermore, when exercising call options, one must comply with the provisions set forth by the resolution, which mandate that on exercise of the option, only shares previously purchased in line with the principle of equal treatment may be delivered.

Section 71, Paragraph 1, Item 8, Sentence 4 of the German Stock Corporation Act allows the Executive Board to sell shares bought back on the basis of the aforementioned authorisation on the stock exchange. It is also proposed that the Annual General Meeting authorise the Executive Board to call treasury stock without further approval from the Annual General Meeting. The proposed authorisation envisions the Executive Board also calling shares without decreasing the company's capital, in accordance with Section 237 Paragraph 3, Item 3 of the German Stock Corporation Act. In cases where shares are called without decreasing the company's capital, the prorated amount of the other shares in the company's capital stock increases. In such cases, the Executive Board shall be authorised to amend the Articles of Incorporation to reflect the change in the number of shares.

Furthermore, the company seeks to be allowed to offer common shares under exclusion of subscription rights as compensation in the event of a merger or the acquisition of a company or of a stake in a company. Treasury stock is an important acquisition currency. It can represent an attractive financing option for the company. Sellers often ask for treasury stock as compensation. If given the corresponding authorisation, the company will be able to rapidly and flexibly complete acquisitions paid for in shares either in full or in part. Most importantly, it will be able to do so

without seeking approval from the Annual General Meeting, which is often impossible due to time constraints. Moreover, the use of treasury stock as acquisition currency benefits existing shareholders in that their voting rights are not diluted compared to the situation before the company bought back its own shares. At present, there are no plans to make acquisitions in exchange for treasury stock.

The company is also to be put in a position in compliance with Section 186, Paragraph 3 Sentence 4 of the German Stock Corporation Act to sell its own common shares under exclusion of shareholder subscription rights without selling them on the stock exchange or by making an offer to shareholders in exchange for cash. The primary objective is to enable the company to issue shares in the company at short notice. The proposed authorisation thus helps secure that the company has a sufficient amount of equity over the long term. The prerequisite is that the exercise price is not significantly lower than the price of the common shares in the company with the same entitlements on the stock market at the time of sale. This shall be deemed the case if the sales price is no more than 5% lower than the arithmetic mean of the closing bidding price of the type of company share in question on the Xetra trading system on the last three stock-market trading days prior to the binding agreement reached with the buyer. In the event of a discount over the price of the shares on the stock market at the time of sale based on prevailing market conditions, the Executive Board will make sure that the discount is as small as possible. The sum accounted for by the shares which are up for sale is limited to 10% of the company's capital stock. The Executive Board is of the opinion that this depends on the capital stock existing when the own shares are used on the basis of the authorisations approved under Items 6 a) dd) and b) bb) for the first time. However, this issue has not been resolved in jurisdiction so far. The Executive Board will consider the current state of jurisdiction when exercising the authorisations. Shares issued during the term of this authorisation within the scope of a capital increase under exclusion of subscription rights in accordance with Sec-

tion 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act will be deducted from this upper limit. Due to the limit imposed on the number of shares that may be sold and the obligation to ensure that the sales price of the new shares mirrors that of the price of the shares on the stock market as closely as possible, the shareholders are afforded suitable protection from a dilution of their shares. At the same time, this ensures that the compensation sought by the company is reasonable.

The Executive Board will report on the exercise of the authorisation at the Annual General Meeting following such exercise.

Report of the Executive Board to The Annual General Meeting on Item 7

The Executive Board proposes to the Annual General Meeting that it be authorised to increase the company's capital stock, subject to Supervisory Board approval, by up to EUR 287,951,360.00 once or by partial amounts until April 16, 2013, through the issuance of new bearer common shares in return for contributions in cash or in kind (authorised capital).

This will put the company in a position to rapidly and flexibly raise additional equity when needed, without having to conduct a capital increase via a resolution passed by the Annual General Meeting, which may not be possible due to time constraints.

The shareholders shall generally be entitled to subscription rights when authorised capital is used. In order to simplify the process, the Executive Board is to be authorised to exempt fractional amounts from the subscription rights, subject to Supervisory Board approval. This will enable the exercise of the authorisation on the basis of rounded amounts, while maintaining an even subscription ratio.

The Executive Board is further to be authorised, subject to Supervisory Board approval, to exclude shareholder subscription rights in cases where the shares are issued in return for contributions in kind for the purpose of mergers or the acquisition of companies or stakes in companies. This is to put the company in a position to offer shares as quid pro quo for mergers, company acquisitions, and the purchase of stakes in companies. Shares are an important acquisition currency. It can represent an attractive financing option for the company. Sellers often ask for shares as compensation. If given the corresponding authorisation, the company will be able to rapidly and flexibly complete acquisitions paid for in shares either in full or in part. Most importantly, it will be able to do so without seeking approval from the Annual General Meeting, which is often impossible due to time constraints. At present, there are no acquisition projects requiring the use of authorised capital. Therefore, no statements on issuance amounts can currently be made.

Furthermore, subject to Supervisory Board approval, in compliance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act, the Executive Board is to be authorised to exclude shareholder subscription rights if the capital increase is carried out in return for cash contributions, the total prorated amount allocable to the new shares for which subscription rights are excluded does not exceed 10% of the capital stock, and the issuance price of the new shares is not significantly below the listed price of the common shares with the same entitlements already quoted on the stock exchange when the issue price is finalised. The Executive Board is of the opinion that the determination of the upper limit of 10% of the capital stock depends on the capital stock existing when the authorised capital is used for the first time. However, this issue has not been resolved in jurisdiction so far. The Executive Board will consider the current state of jurisdiction when using the authorised capital. The upper limit of 10% of the company's capital stock shall be reduced by the prorated

amount of the capital stock allocable to the company's own shares sold during the term of the authorised capital under exclusion of shareholder subscription rights in accordance with Section 71, Paragraph 1, Item 8, Sentence 5, and Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. If the issue amount is not more than 5% below the arithmetic mean of the closing bidding prices for shares in the company of the same class in Xetra trading on the last three stock exchange trading days prior to the day on which the new shares are subscribed, the issue amount shall not be considered as being too low. In such events, the Executive Board will see to it that a potential discount on the listed share price at the time of the sale is as low as possible, given the prevailing market conditions. The proposed authorisation is primarily to enable the company to issue shares in the company at short notice. It serves to ensure that the company has a lasting and suitable amount of shareholders' equity. By limiting the number of issuable shares and stipulating that the issue price of new shares be close to the listed price, the shareholders will be suitably protected from a dilution of their shares. At the same time, this will ensure that the cash flows realised by the company are appropriate.

The Executive Board is to be able to determine the further specifics of the share entitlements and the conditions of the share issuances at the appropriate time, subject to the approval of the Supervisory Board. In so doing, it will safeguard the interests of the company and the shareholders.

In addition to the direct issuance of new shares to the shareholders, it is also to be possible for the new shares to be transferred to banks appointed by the Executive Board for the purpose of offering them to the shareholders for subscription. Having banks as intermediaries will simplify the process of issuing shares merely in technical respects.

The Executive Board will report on the use of authorised capital at the Annual General Meeting following such exercise.

Shareholder motions

All shareholder motions and candidate proposals on specific items on the agenda are to be addressed to

RWE Aktiengesellschaft
Recht/Organangelegenheiten Konzern
Opernplatz 1
45128 Essen
(Telefax: +49 201 12-15743)

or per e-mail to:
hv2008.gegengantraege@rwe.com

We will publish motions and electoral proposals made by shareholders that must be made accessible and are submitted to one of the two aforementioned addresses by the end of the day on April 2, 2008, on the Web at www.rwe.com.

Attendance at the Annual General Meeting

Accordingly, entitled to attend the Annual General Meeting or exercise voting rights are shareholders who send their registration to attend the Annual General Meeting to one of the following addresses no later than April 10, 2008,

in Germany:

RWE Aktiengesellschaft
c/o Dresdner Bank AG
WDHHV dwpbank AG
Wildunger Str. 14
60487 Frankfurt am Main
(Telefax: +49 69 5099 1110)
E-Mail: hv-eintrittskarten@dwpbank.de

in Switzerland:

RWE Aktiengesellschaft
c/o Credit Suisse
Generalversammlungen UWAC 3
Postfach, 8070 Zürich
Switzerland

or

RWE Aktiengesellschaft
c/o UBS AG
Global Wealth Management & Business Banking
Operations / Wertschriften Services
Emissionen / Generalversammlungen
Badenerstraße 574c,
Postfach, 8098 Zürich
Switzerland

and furnish proof of their share ownership in the company through a custodian credit institution or custodian financial service institution, reflecting that they were shareholders of the company at the beginning of the day on March 27, 2008, i. e. at 0:00 hours on March 27, 2008. Analogously to the registration, proof of share ownership in the company must be received at one of the addresses listed above no later than April 10, 2008. The registration and proof of share ownership must be in writing in German or English.

Shareholders who request an admission ticket for the Annual General Meeting from a custodian credit institution on time do not need to do anything else. In such cases, registration and proof of share ownership are handled by the custodian credit institution.

For technical reasons, the total number of shares and voting rights existing at the point in time at which the Annual General Meeting was convened will be published separately. For information only, the company is informing you that the company's capital stock was divided among 562,405,000 shares at the point in time at which the Executive Board and the Supervisory Board submitted the draft resolutions (February 20, 2008). Of these, 523,405,000 were common shares granting 523,405,000 voting rights, and 39,000,000 were preferred shares without voting rights.

Proxy voting

Once again, we are affording our shareholders the opportunity to be represented during votes by a proxy nominated by the company. This proxy must be given authorisation and instructions for the exercise of the voting rights. The proxy is obligated to vote in accordance with the instructions received.

Authorisation and instructions on the exercise of voting rights may be submitted to the proxy nominated by the company, via the Internet, or in writing using the appropriate forms. If using the Internet, authorisation and instructions can even be submitted during the Annual General Meeting. Details of this procedure, including binding deadlines, technical requirements, procedural steps, the process, and risks associated with making changes to instructions are described in a brochure that can be obtained by shareholders from their custodian credit institution and can be downloaded from the Internet from www.rwe.com.

Registration and proof of share ownership must be submitted before the appropriate deadline according to the aforementioned provisions even when a proxy nominated by the company is chosen for the exercise of voting rights. All allowable forms of attendance and proxy, including attendance in person, attendance by proxy, and attendance by name through a custodian credit institution or custodian financial service institution or a shareholders' association shall continue to remain unaffected by this option of exercising voting rights and shall remain possible without limitation.

Essen, March 4, 2008

Sincerely yours,

**RWE Aktiengesellschaft
The Executive Board**

The invitation to the Annual General Meeting was announced in the March 4, 2008, issue of the electronic Bundesanzeiger (Federal Gazette—www.ebundesanzeiger.de). The invitation and the documents, which can be viewed at the company's headquarters from the convocation of the AGM onwards, will be available on the internet at www.rwe.com as well.



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