

Investor and Analyst Conference Call Q1 2009

Essen, May 14, 2009

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Forward Looking Statement

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

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

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

Key messages

Performance Q1 2009

- Operating result increased 5.0%
- Recurrent net income up by 5.9%

Strategy

- Recommended bid for Dutch utility Essent
- Successful bid for nuclear sites in UK within NDA auction process
- Step into the Turkish electricity market
- Reorganization of Group structure well underway

Financing

- Financing of Essent transaction in place
- Bond placement in February 2009

Efficiency Enhancement

- Target of €450 m for 2009 compared to 2006 well on track

Outlook

- 2009: Outlook confirmed
- Dividend 2009: Payout ratio of 50% - 60% of recurrent net income

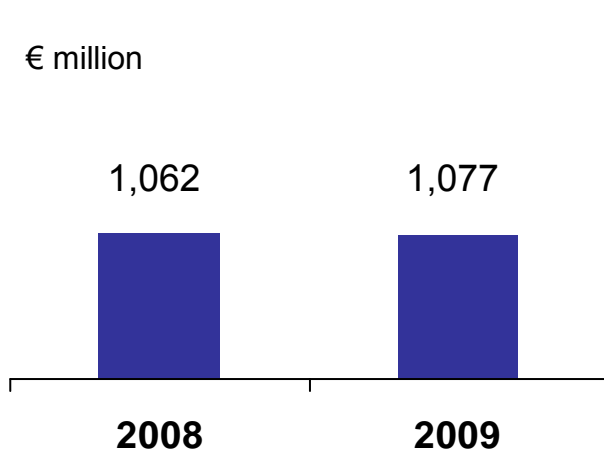
RWE Group key performance indicators

January – March € million	2009	2008	change in %
External revenue	14,516	13,395	+8.4
Cash flows from operating activities	533	1,384	-61.5
EBITDA	3,090	2,951	+4.7
Operating result	2,624	2,499	+5.0
Non-operating result	424	15	-
Financial result	-510	-301	-69.4
Income from discontinued operations	25	-634	-
Net income	1,745	809	+115.7
Recurrent net income	1,507	1,423	+5.9
Average number of shares (million)	531.9	558.4	-4.7
Earnings per share (EPS) (€)	3.28	1.45	+126.2
Recurrent EPS (€)	2.83	2.55	+11.0

Performance of RWE Power

Q1 operating result: +1.4%

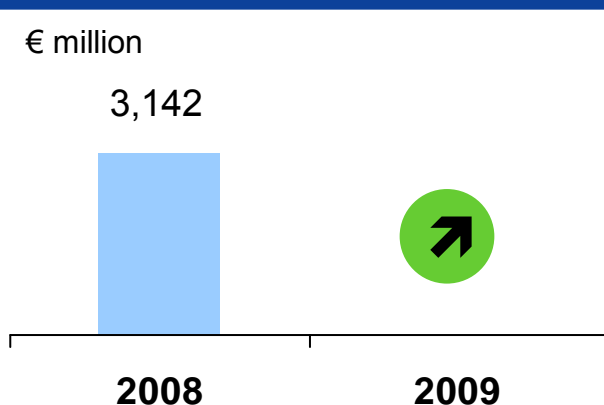
€ million



- ⊕ Higher realised electricity prices and lower volumes (+€280 million) including margin impact from Biblis outage (-€150 million)
- ⊖ Increased costs due to higher fuel prices (-€210 million)
- ⊕ Slightly lower costs for CO₂ certificates (+€30 million)
- ⊖ Higher staff costs (-€20 million)

Full year 2009 guidance: Operating result above previous year

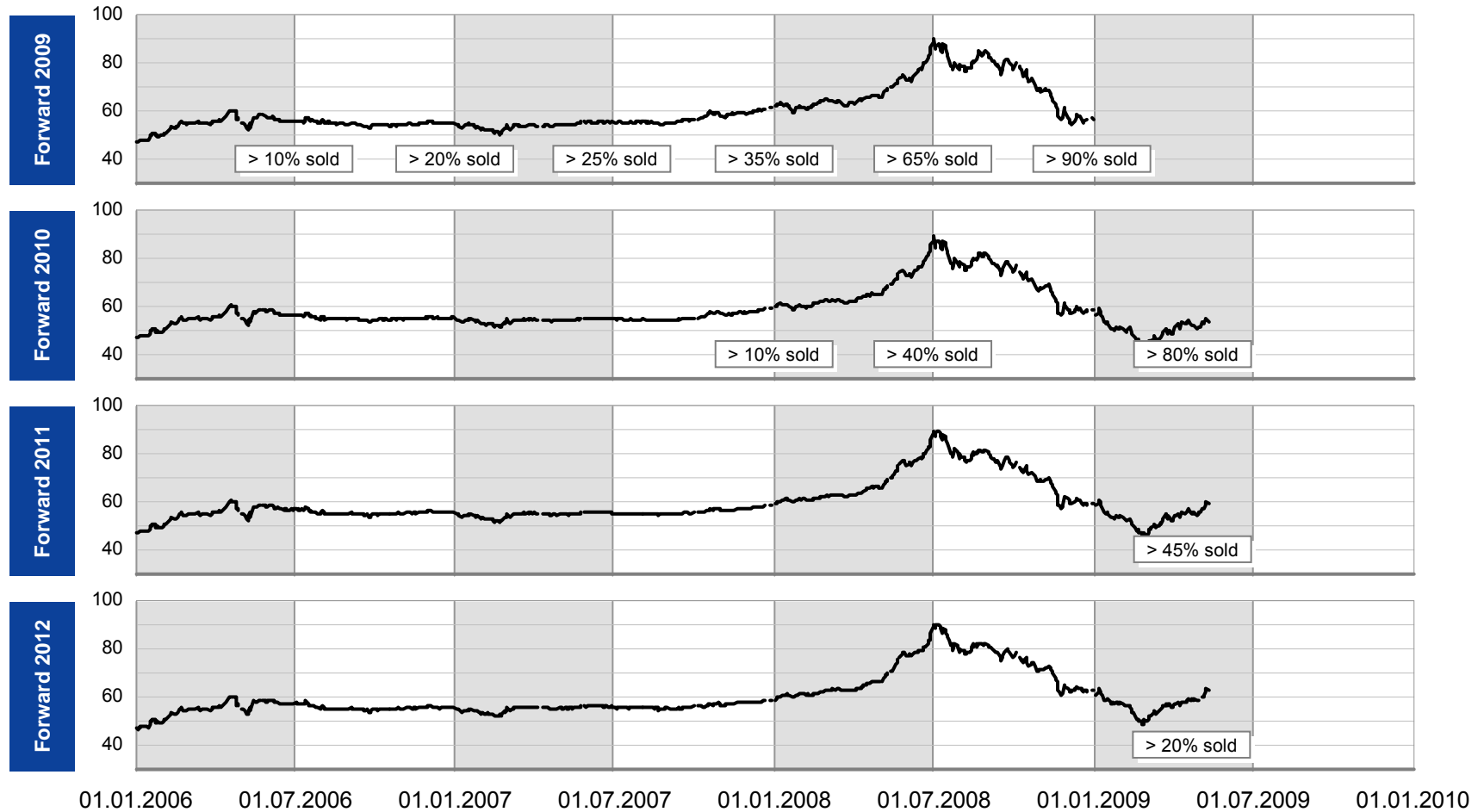
€ million



- ⊕ Higher realised electricity prices
- ⊖ Maintenance outage of Biblis A and B (-€0.7 bn)
- ⊖ Increased costs due to higher fuel prices (-€0.5 bn)
- ⊖ Higher staff and fixed operating and maintenance costs

Our hedging strategy protects us from short-term impacts of the recession

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



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

¹ Forward selling as of April 30, 2009; price data as of May 11, 2009

A well balanced customer portfolio and conservative risk management help us to weather the crisis

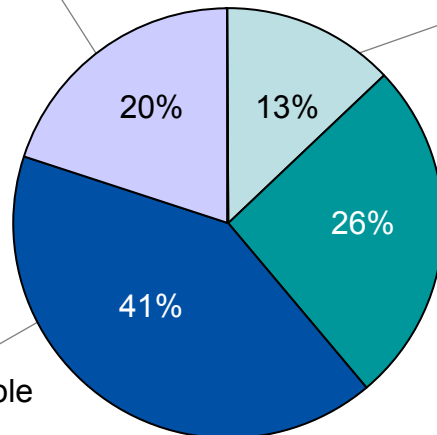
RWE German external electricity sales per customer group in 2009

Trading / Wholesale market

- > Exchange traded products: counterparty credit risk managed by clearing firm
- > OTC trades: either cleared or based on bilateral credit risk agreements (incl. collaterals)
- > Limit setting and daily monitoring of credit risk

Distributors („Stadtwerke“)

- > Consumption more or less stable
- > Take-or-pay contracts (average ToP volume 100%)
- > Low credit risk in case of public background
- > Limit setting and regular, timely monitoring of credit risk



Private and commercial

- > Consumption stable
- > Low risk of bad debt

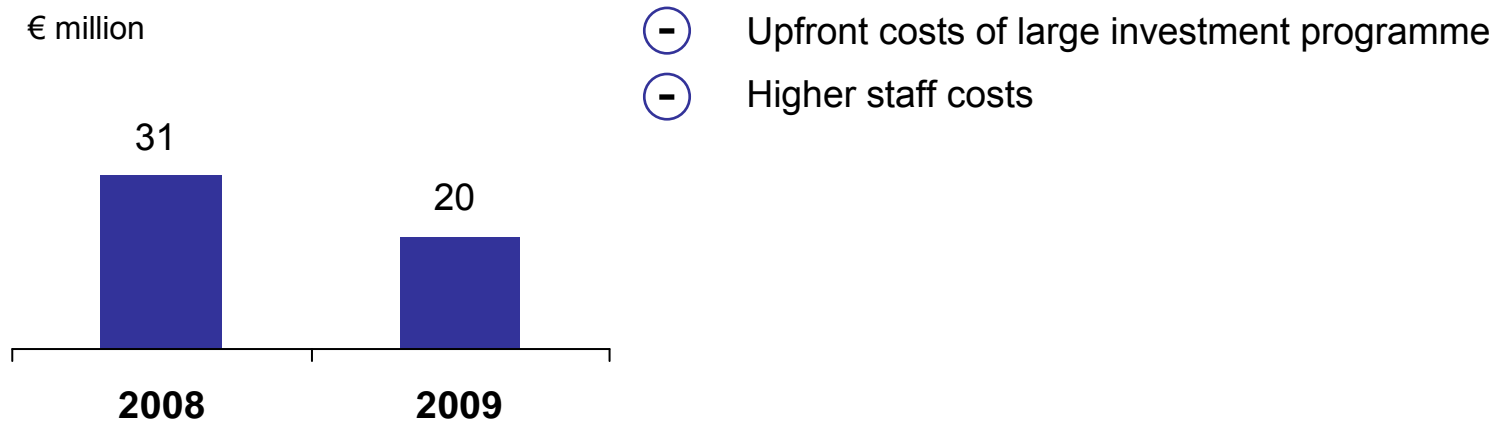
Industrial and corporate

- > Consumption down > 10%
- > Take-or-pay contracts (industrial customers: average ToP volume 90%)
- > Limit setting and regular, timely monitoring of credit risk

Performance of RWE Innogy

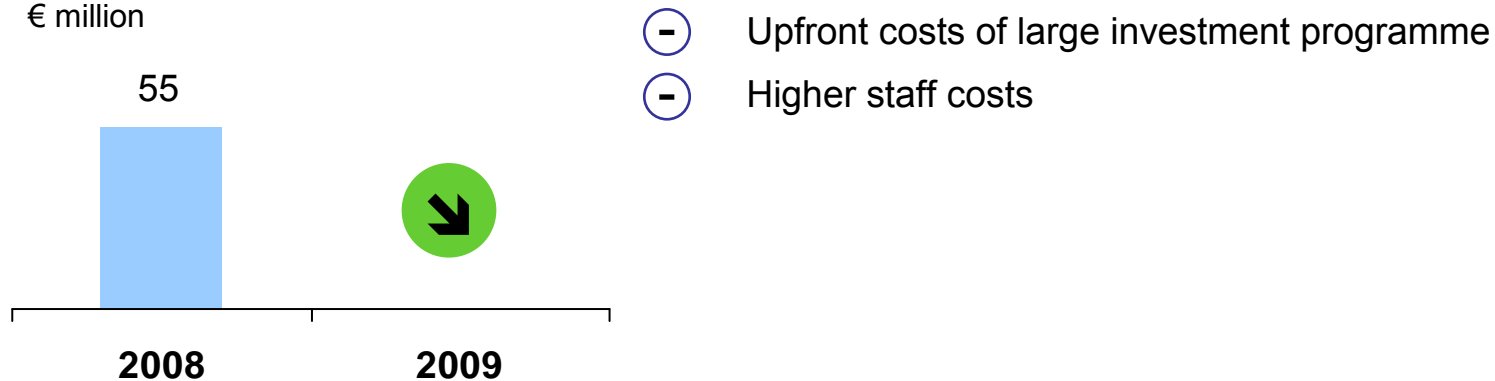
Q1 operating result: -35.5%

€ million



Full year 2009 guidance: Operating result below previous year

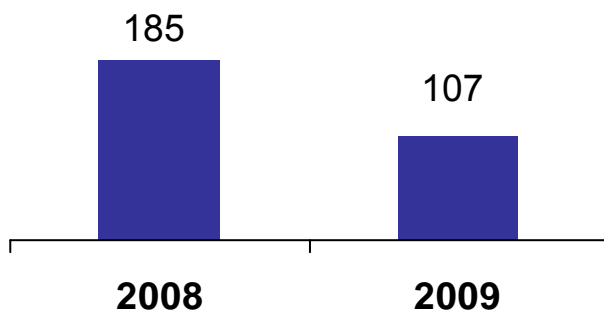
€ million



Performance of RWE Dea

Q1 operating result: -42.2%

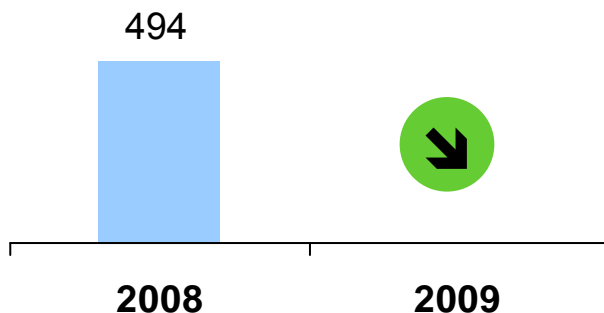
€ million



- ⊖ Slump in oil prices leads to significant reduction of average realised oil price (incl. hedging)
- ⊖ Negative f/x effects (-€43 million)
- ⊖ Higher realised gas prices partly offset by negative volume effects in UK gas production
- ⊖ Slightly higher exploration costs in light of expansion strategy

Full year 2009 guidance: Operating result significantly below previous year

€ million

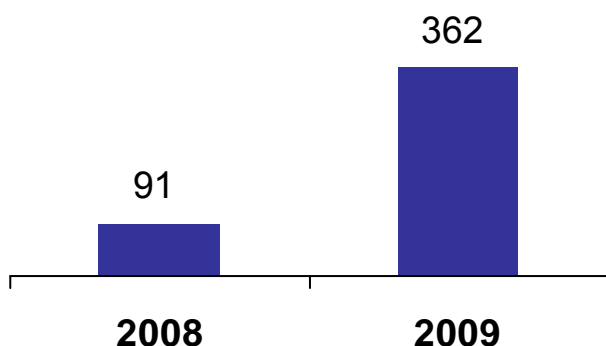


- ⊖ Significant decline in achieved crude oil and gas prices
- ⊖ Negative f/x effects
- ⊖ Negative gas volume effects
- ⊖ Exploration costs expected to stay at a high level

Performance of RWE Supply & Trading

Q1 operating result: +298%

€ million



Trading

Marked-to-market performance of trading in line with last year; reported IFRS numbers benefitted additionally from realisation of transactions concluded in earlier years



Supply

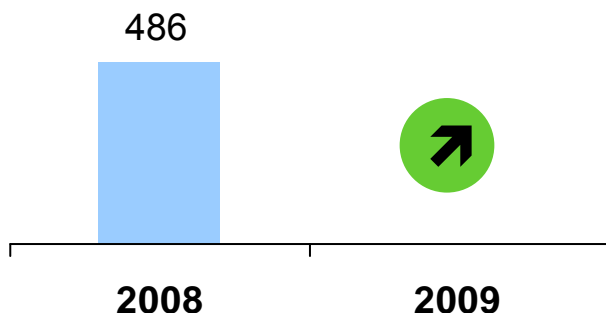
One-off effect from negative non-operative marked-to-market changes in Q1 2008 (disclosed in non-operating result since Q2 2008)



Portfolio management (gas procurement)

Full year 2009 guidance: Operating result above previous year

€ million



Trading

Benefit from successful trading transactions concluded in earlier years and which will be accounted for in the IFRS numbers this year



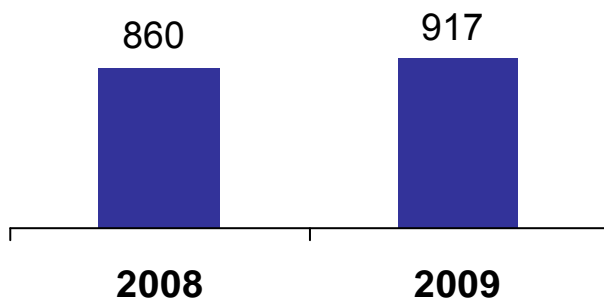
Supply

Portfolio management (gas procurement)

Performance of RWE Energy

Q1 operating result: +6.6%

€ million



German regions: net gain of approx. 30,000 electricity customers. Benefits from efficiency enhancements and improved gas sales business. Lower electricity margins



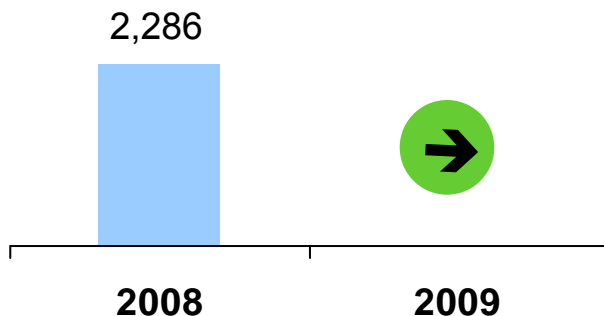
International regions: negative f/x effects and lower electricity sales in Hungary.



Supra-regional operations: Higher revenues in the Czech gas transport business partly offset by negative f/x effects and increased costs at eprimo

Full year 2009 guidance: Operating result matching previous year's level

€ million



Efficiency enhancement measures to compensate for pressure from incentive-based regulation



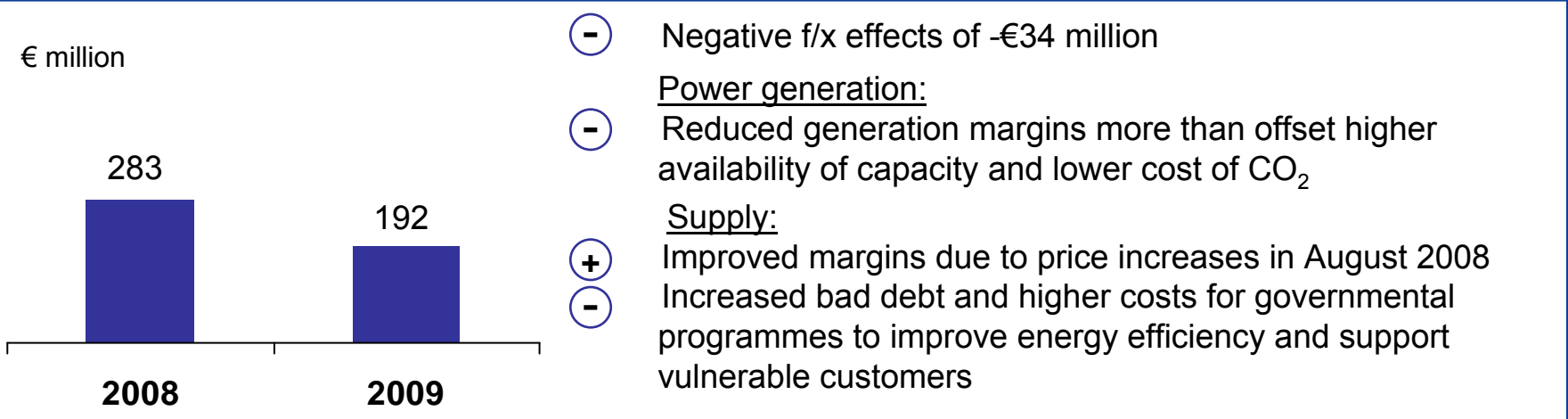
Improved earnings in electricity and gas supply business



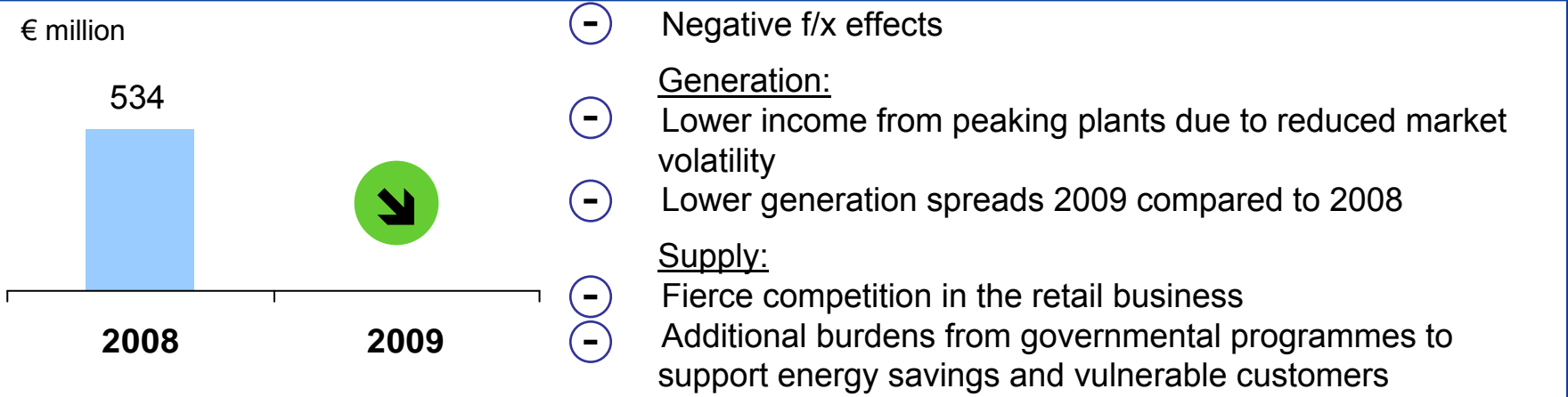
Increase in staff costs

Performance of RWE npower

Q1 operating result: -32.2%



Full year 2009 guidance: Operating result significantly below previous year



Non-operating result

January – March € million	2009	2008	Change (absolute)
Capital gains	4	31	-27
Impairment losses	-	-	-
Restructuring / other	420	-16	+436
Total	424	15	+409

- Capital gains: no major capital gains in 2009. In 2008 mainly income from sale of 8% stake in rhenag to RheinEnergie AG
- Restructuring / other:
 - Positive impact from result of commodity derivatives (+€382 million)
 - Amortisation of npower's customer accounts (-€63 million; 2008: -€73 million)
 - Income from change of nuclear and mining provisions (+€49 million; 2008: +€52 million)

Financial result

January – March € million	2009	2008	Change (absolute)
Net interest	-114	-24	-90
Interest accretion to non-current provisions	-221	-190	-31
Other financial result	-175	-87	-88
Total	-510	-301	-209

- Net interest: declined due to higher debt and upfront costs for financing the Essent acquisition; we have adjusted for the upfront costs of the Essent acquisition in the recurrent net income
- Interest accretion to non-current provisions: declined because of lower expected income from assets in our CTA and pension fund
- Other financial result: higher losses from the sale of securities (-€47 million) and higher write-downs on securities (-€17 million)

Cash flow statement

January – March

€ million

	2009	2008	Change (absolute)
Funds from operations (FFO)	1,940	2,403	-463
Changes in working capital	-1,407	-1,019	-388
Cash flows from operating activities	533	1,384	-851
Capex on fixed assets	-853	-657	-196
Free Cash flow	-320	727	-1,047

➤ FFO

- Various smaller effects adding to the adverse trend

➤ Change in working capital

- Cash out for certificates to cover 2008 CO₂ emissions (-€1 bn)

- Positive impact from variation margins (+€0.5 bn)

➤ Capex on fixed assets

- increased mainly due to strong investment programme of RWE Innogy and power plant projects at RWE Power

Outlook 2009

	2008 € million	2009 forecast
External revenue	48,950	In the order of last year's level
EBITDA	8,773	In the order of last year's level
Operating result	6,826	In the order of last year's level
Recurrent net income	3,367	In the order of last year's level
Dividend	€ 4.50	Payout ratio 50% - 60% ¹
Capex on fixed assets	4,454	In the order of €6.5 billion

¹ Based on recurrent net income.

Back-up Charts

RWE Group electricity production

January – March in TWh	Germany	UK	Other Internat.	Total 2009	Total 2008
Lignite	17.1	-	1.2	18.3	18.9
Nuclear	9.9	-	-	9.9	12.4
Hard coal	9.6	5.2	0.2	15.0	17.7
thereof contracts	5.2	-	-	5.2	8.3
Gas	2.5	3.6	-	6.1	8.2
Renewable energies	0.9	0.3	0.3	1.5	1.4
thereof contracts	0.1	0.2	-	0.3	0.3
Pumped storage, oil, other	0.4	0.2	-	0.6	0.6
thereof contracts	0.4	-	-	0.4	0.5
Subtotal	40.4	9.3	1.7	51.4	59.2
Electricity purchases*	19.9	5.2	6.0	31.1	31.8
Total	60.3	14.5	7.7	82.5	91.0

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

RWE Group electricity sales volume

January – March in TWh	Germany	UK	Poland	Hungary	Other	Total 2009	Total 2008
Private and commercial customers	8.4	6.0	1.0	1.5	0.2	17.1	17.4
Industrial and corporate customers	13.4	7.7	0.8	1.4	0.2	23.5	25.8
Distributors	24.1	-	0.3	1.2	0.3	25.9	23.8
Electricity trading ¹	10.9	-	-	-	-	10.9	19.2
Total	56.8	13.7	2.1	4.1	0.7	77.4²	86.2²

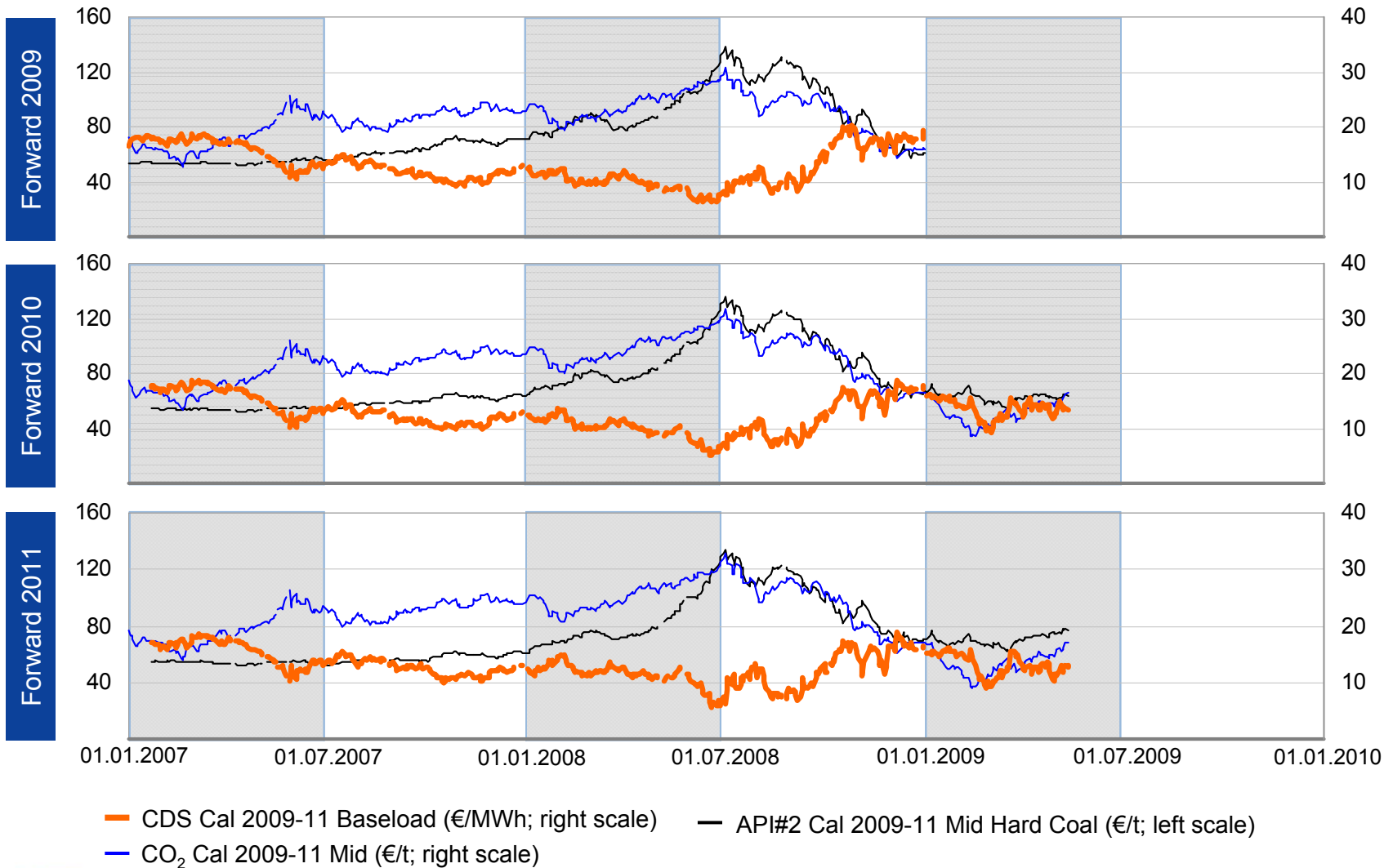
¹ Net of electricity purchased from third parties.

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

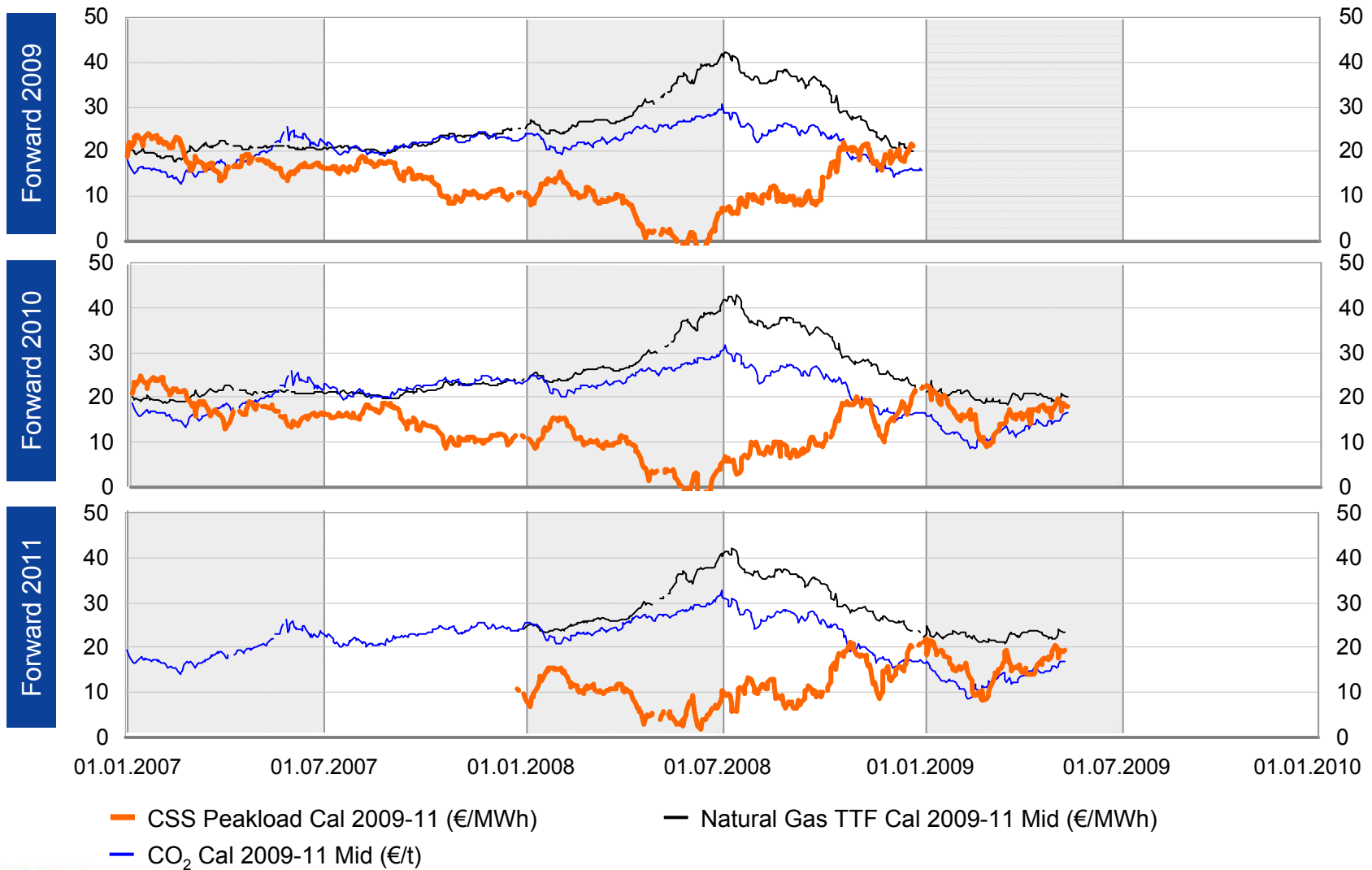
RWE Group gas sales volume

January – March in TWh	Ger- many	Czech Rep.	UK	Other	Total 2009	Total 2008
Private and commercial customers	9.8	17.4	19.5	4.8	51.5	46.5
Industrial and corporate customers	10.5	8.8	2.6	9.8	31.7	32.6
Distributors	31.6	7.4	-	-	39.0	43.4
Total	51.9	33.6	22.1	14.6	122.2	122.5

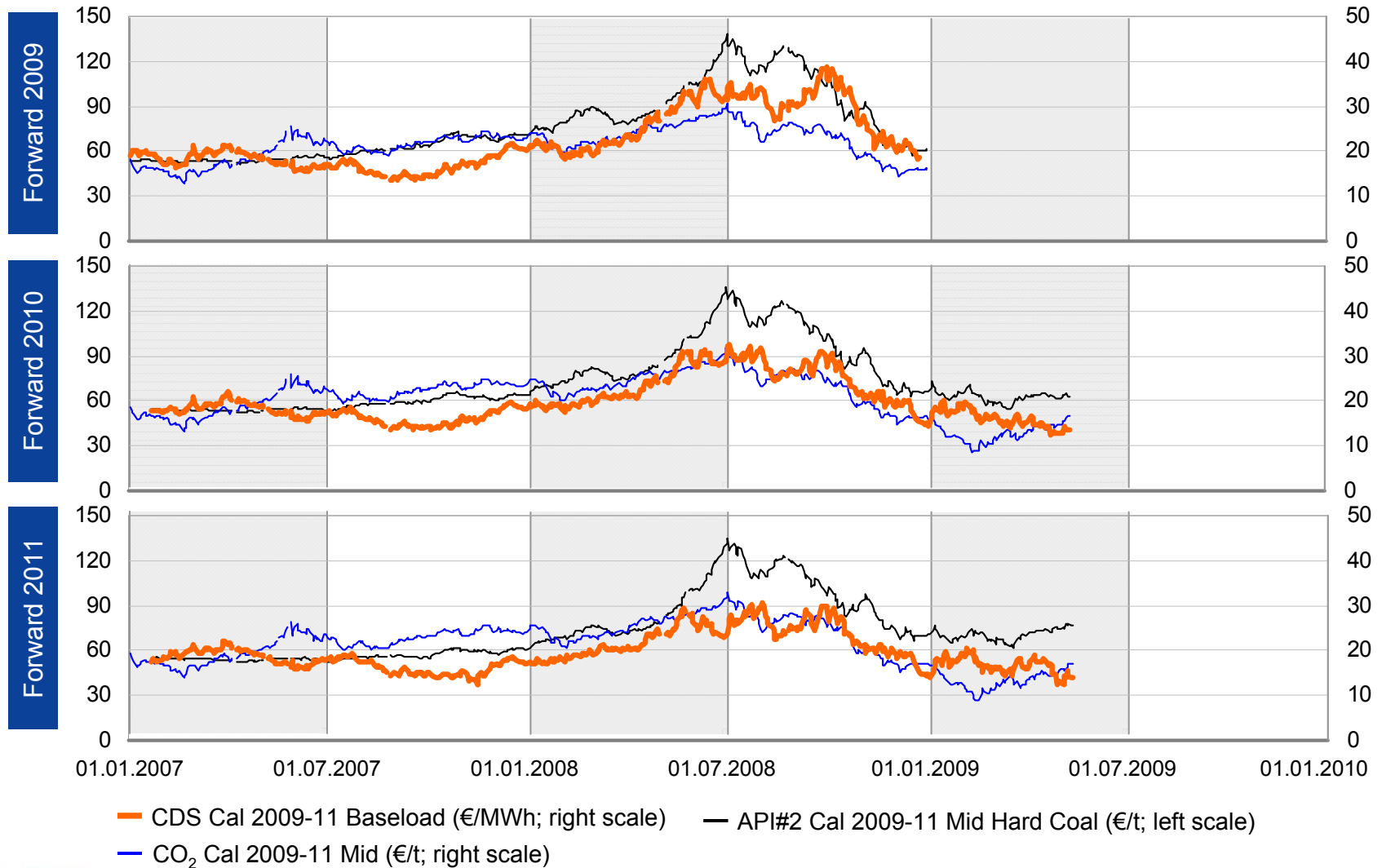
Germany: Clean Dark Spread (CDS) versus hard coal and CO₂ prices



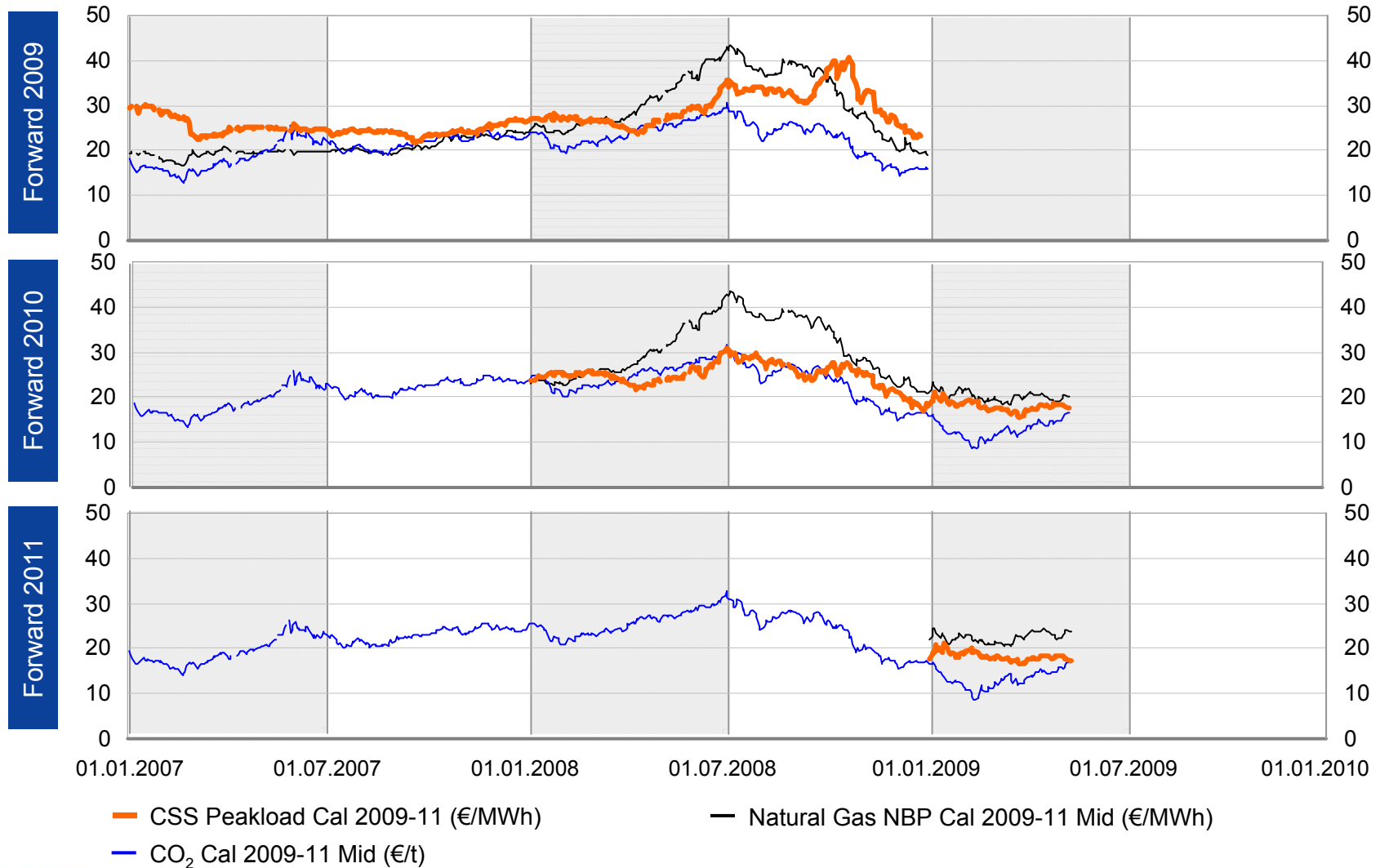
Germany: Clean Spark Spread (CSS) versus natural gas and CO₂ prices



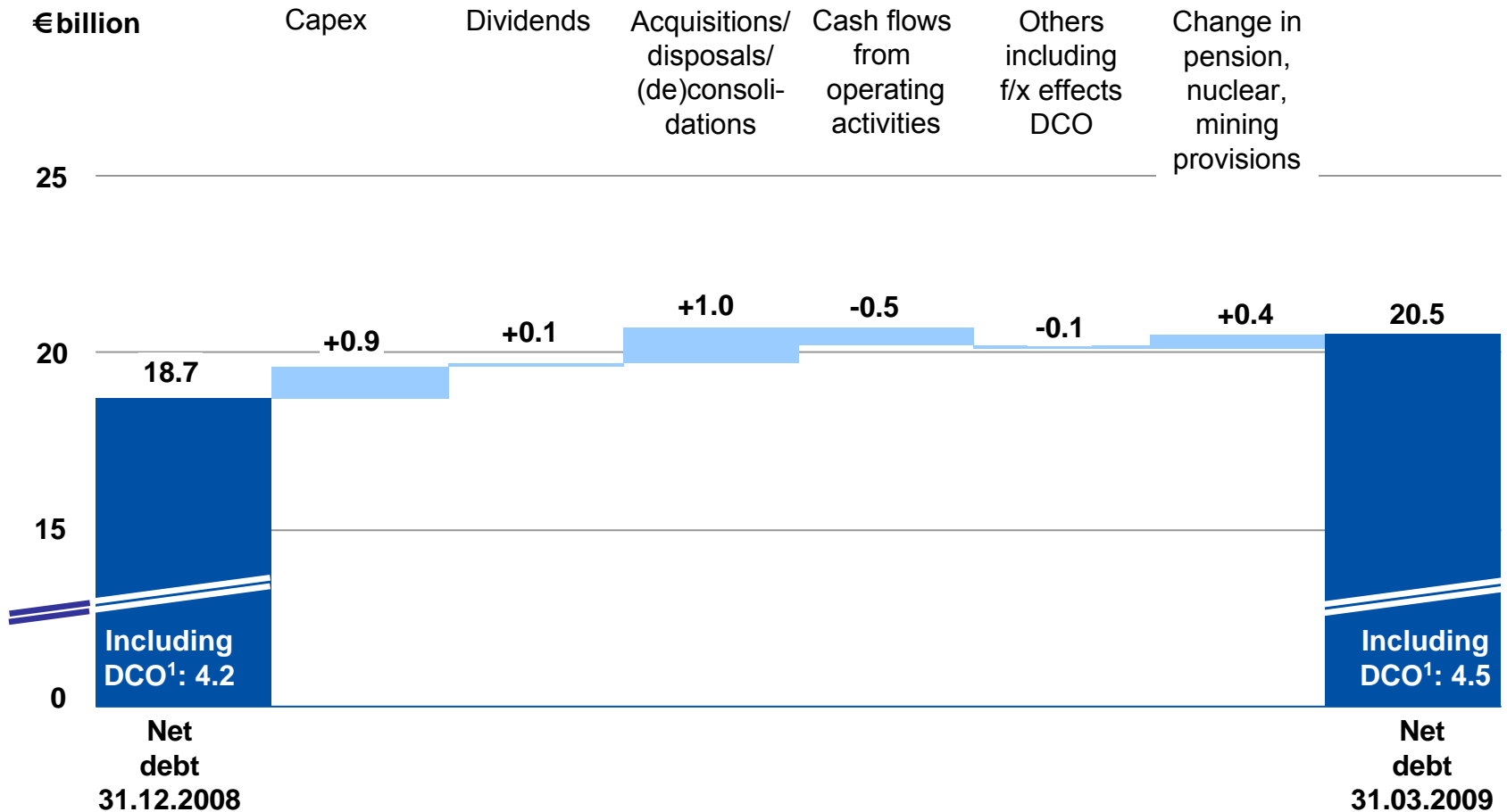
UK: Clean Dark Spread (CDS) versus hard coal and CO₂ prices



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



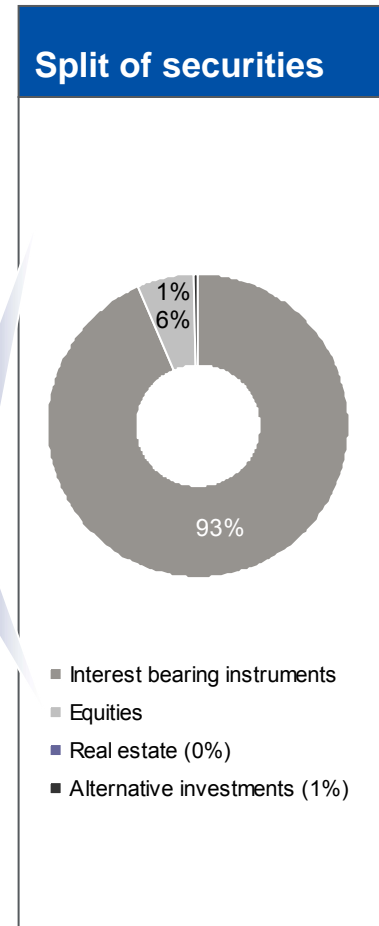
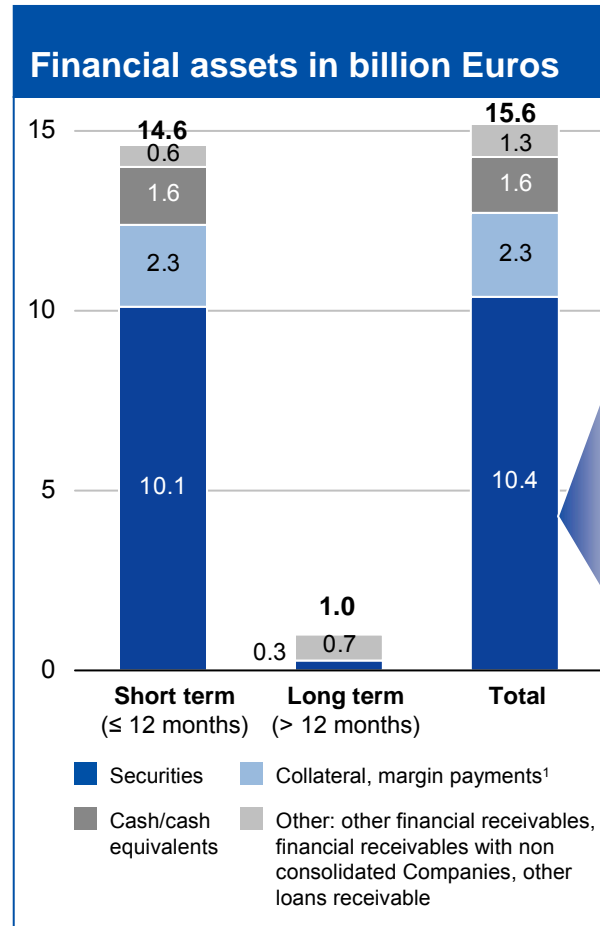
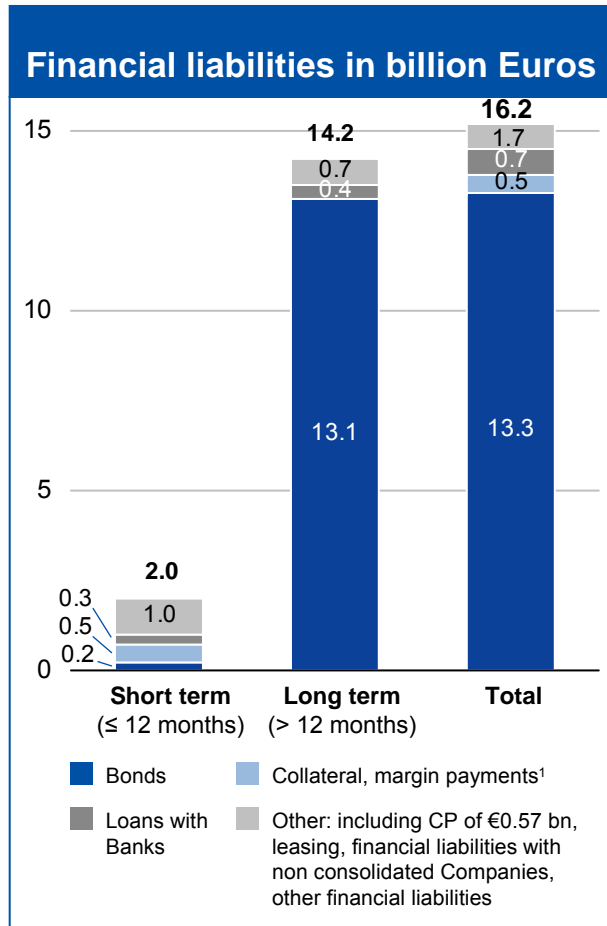
Development of net debt



¹ Net debt of discontinued operations (DCO)

Financial liabilities and assets: Solid financing in place





(as of 31.03.2009)

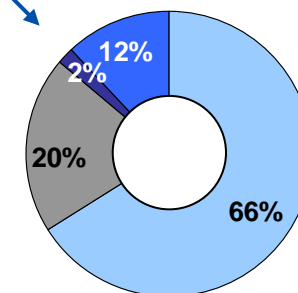
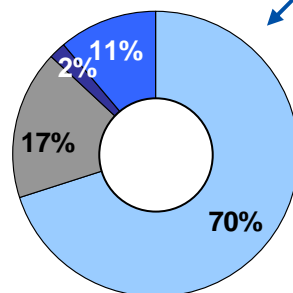


¹ Excluding variation margins under EEX based commodity contracts which are accounted for in the cash flow statement under 'change in working capital' and which are netted against the fair values of the respective derivatives at any point in time.

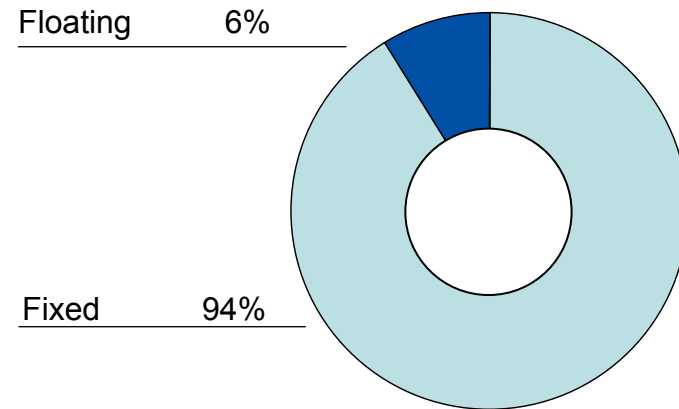
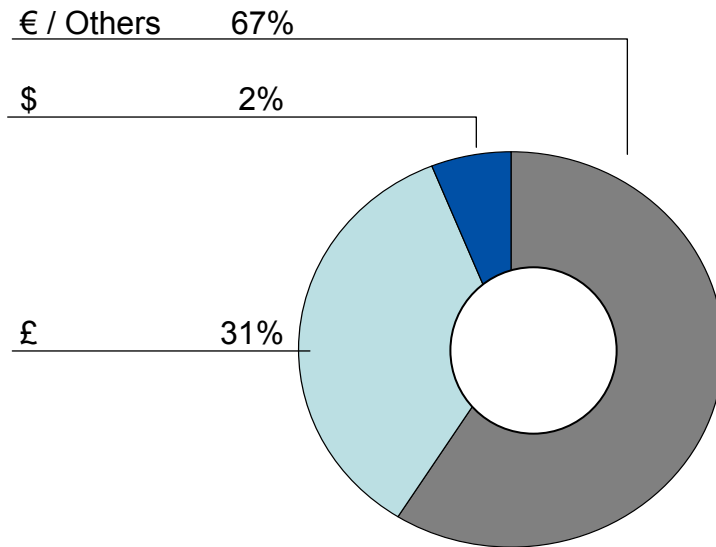
Development of pension liabilities, plan assets and provisions

€ million	31.12.2008	31.03.2009	change absolute
Present value of funded benefit obligations	11,872	12,017	+145
Fair value of plan assets	11,030	10,713	-317
Net amount for funded plans	842	1,304	+462
Capitalized surplus of plan assets over benefit obligations	0	0,003	+3
Provision recognized for funded plans	842	1,307	+465
Provision recognized for unfunded plans	1,896	1,802	-94
Total provisions	2,738	3,109	+371

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



Gross financial debt currency and interest exposure¹

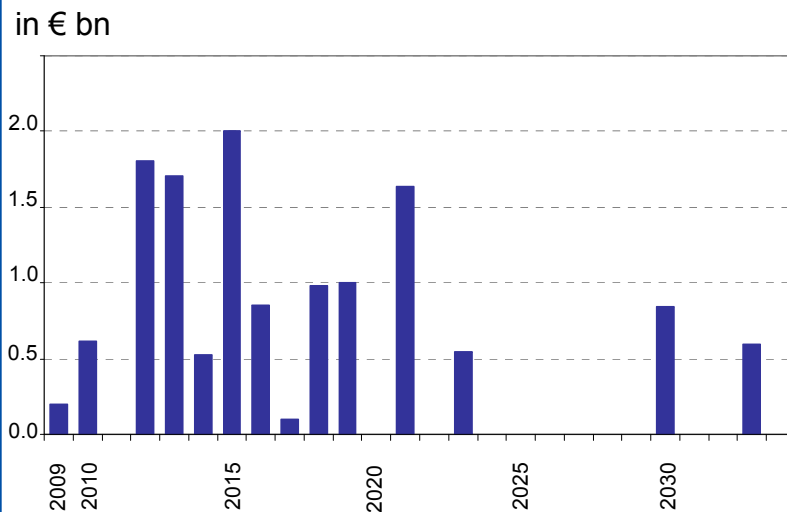


As of March 31, 2009

¹ Excluding American Water; including cross-currency swaps

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

Capital market debt maturities¹

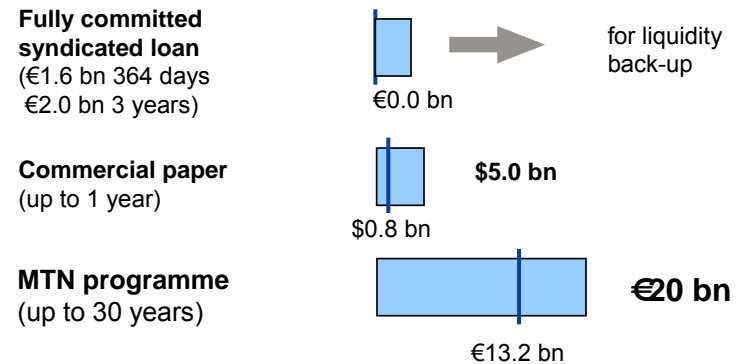


➤ Balanced profile with limited maturities in the next 3 years (~€0.8 billion)

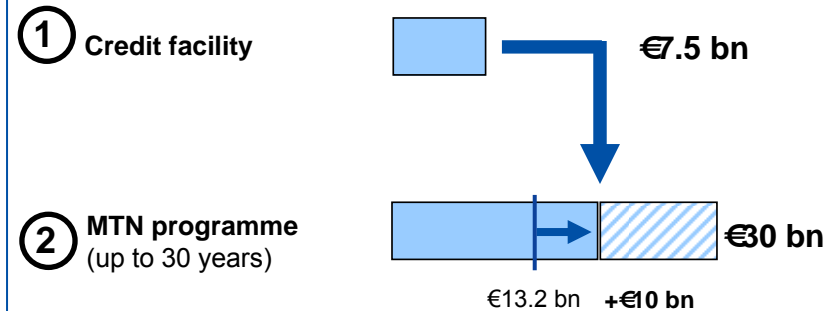
¹ Excluding American Water; including cross-currency swaps

¹ RWE AG and RWE Finance b.v., as of March 31, 2009

General financing

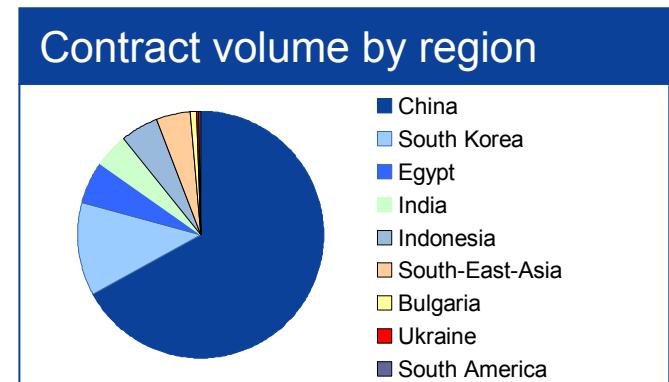
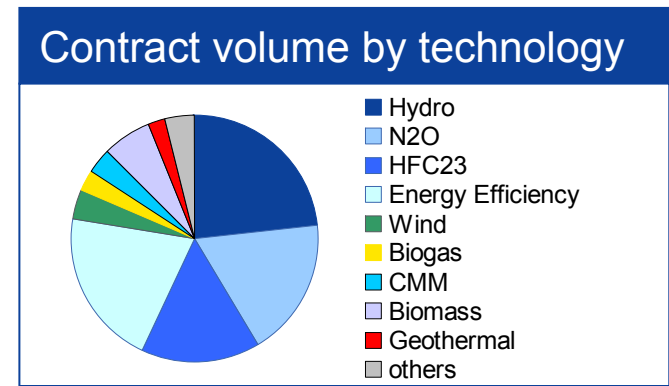
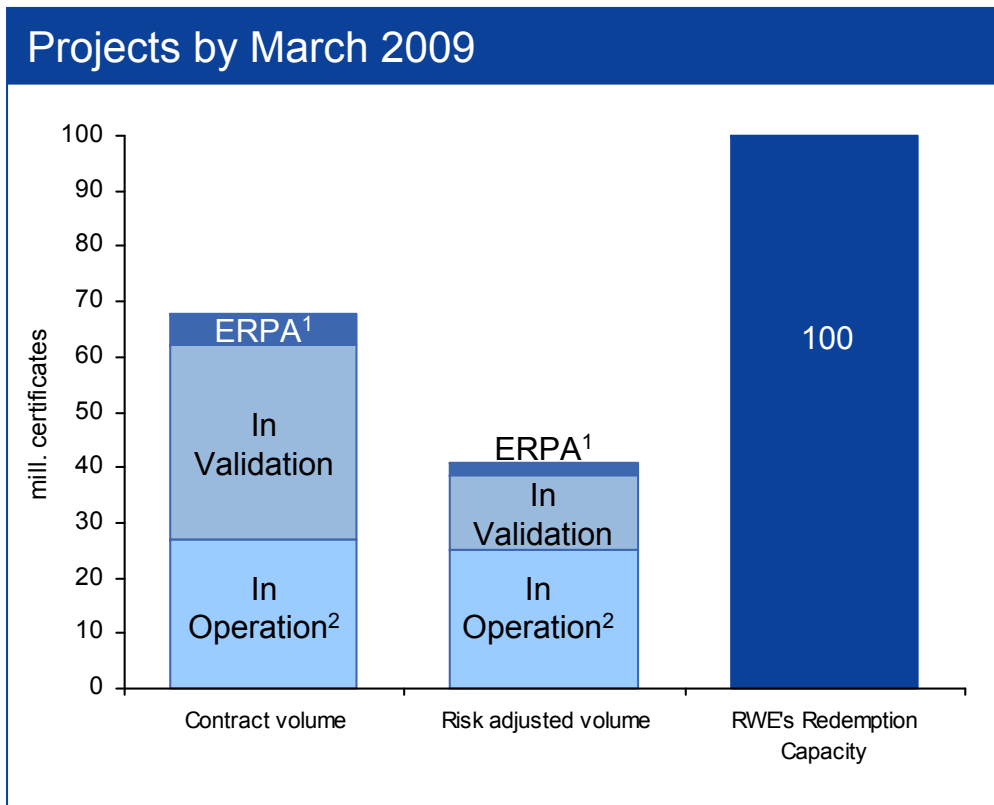


Essent acquisition financing



Amounts used as of March 31, 2009

RWE's current Kyoto credit portfolio for 2008-2012



¹ ERPA: Emission Reduction Purchase Agreement

² In Operation: All projects which have already issued certificates