

RWE Credit Day

London, 2 July 2009



Agenda

- 9:00 Registration, tea and coffee
- 9:30 Welcome and Introduction Ingo Alphéus / Oliver van der Mond
- 9:40 **Steady course through stormy waters** Dr. Rolf Pohlig
- 10:00 Q&A
- 10:20 **Essent - a compelling transaction** Peter Terium
- 10:40 Q&A
- 11:00 **RWE financing - strategy and management** Dr. Markus Coenen
- 11:20 Q&A
- 11:40 Get together

Steady course through stormy waters

Dr. Rolf Pohlig, CFO RWE AG

RWE Credit Day, London

July 2nd 2009



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	<ul style="list-style-type: none">> Operating result increased 5.0%> Recurrent net income up by 5.9%
Strategy	<ul style="list-style-type: none">> 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	<ul style="list-style-type: none">> Financing of Essent transaction in place> Bond placement of €6.3 billion in February and June 2009
Efficiency Enhancement	<ul style="list-style-type: none">> Target of €450 m for 2009 compared to 2006 on track
Outlook	<ul style="list-style-type: none">> Outlook 2009 confirmed> Dividend 2009: Payout ratio of 50% - 60% of recurrent net income

More growth, less CO₂ - Our strategic roadmap for 2012

What we aim to do	Target for 2012
 Defend and expand existing margins in RWE key markets Germany and UK	GER: defend/grow margins on current volumes UK: defend/grow volumes and profitability
 Increase level of regional diversification	Share of non-German operating result grows from 27% (2008) to 40 - 50%
 Boost proportion of renewables in our generation portfolio while creating value	More than tripling of installed base to 4,500 MW
 Reduce carbon exposure	Reduction by 20% (compared to 2006 emissions)
 Strengthen gas midstream activities	Profitably increase contracted European gas supply purchase volume from 40 to 60 bcm p.a.
 Grow equity gas business organically	Doubling of hydrocarbon production by 2012/2013 to 12 bcm p.a.

Besides Essent our focus is on organic growth and selective small M&A outside Germany

Time horizon 2009 - 2012:

UK: approx. €3 billion

CCGT new build, offshore wind, nuclear new build

BeNeLux: approx. €15 billion

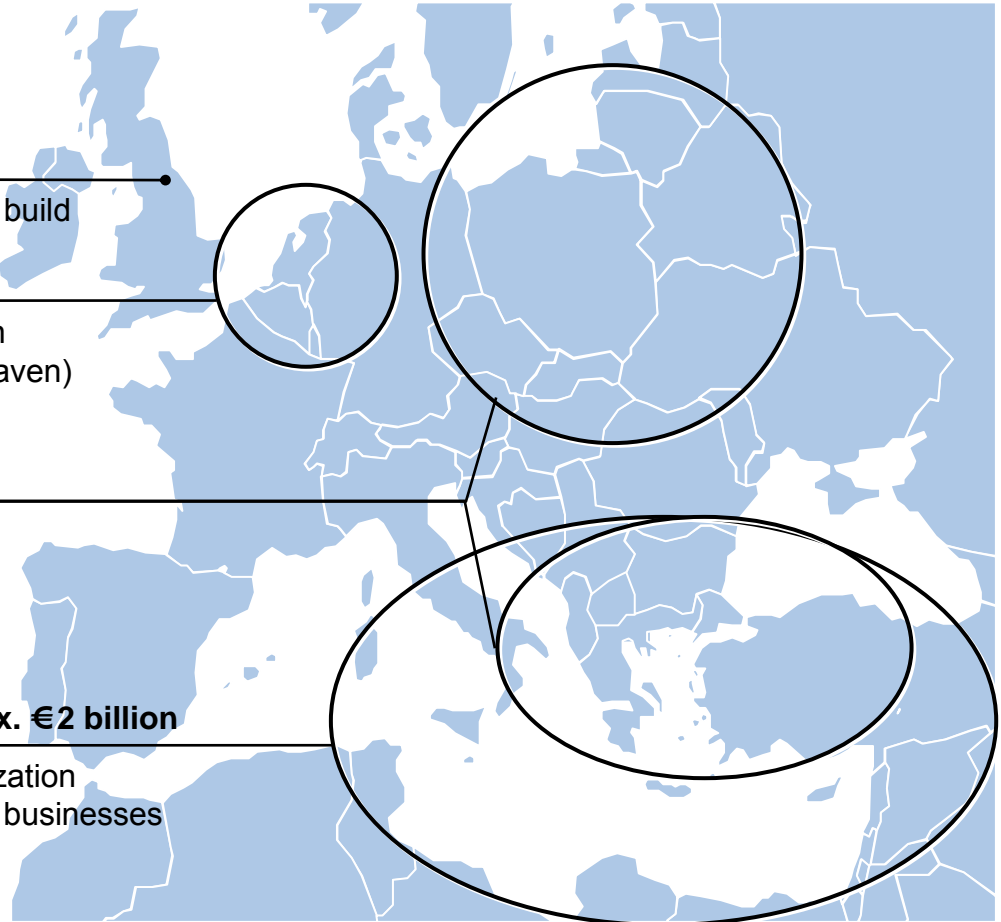
Acquisition of Essent (NL), increased stake in Luxembourg, low-carbon generation (Eemshaven)

CEE / SEE / Turkey: approx. €2 billion

Building up a low-carbon generation portfolio taking advantage of privatizations to achieve an integrated market position/capex projects

Upstream/Midstream gas and LNG: approx. €2 billion

Organic capex in upstream, exploiting optimization potential for all non-regulated gas midstream businesses



Restrictive CO₂ regulation highlights need for further internationalization and access to gas: We are already on this path

Expansion of nuclear activities

- > ≤49% stake in Belene with 2 GW (Bulgaria)
- > 9% stake in Cernavoda project with 1.4 GW (Romania)
- > JV (50/50) with E.ON for at least 6 GW nuclear new build in UK



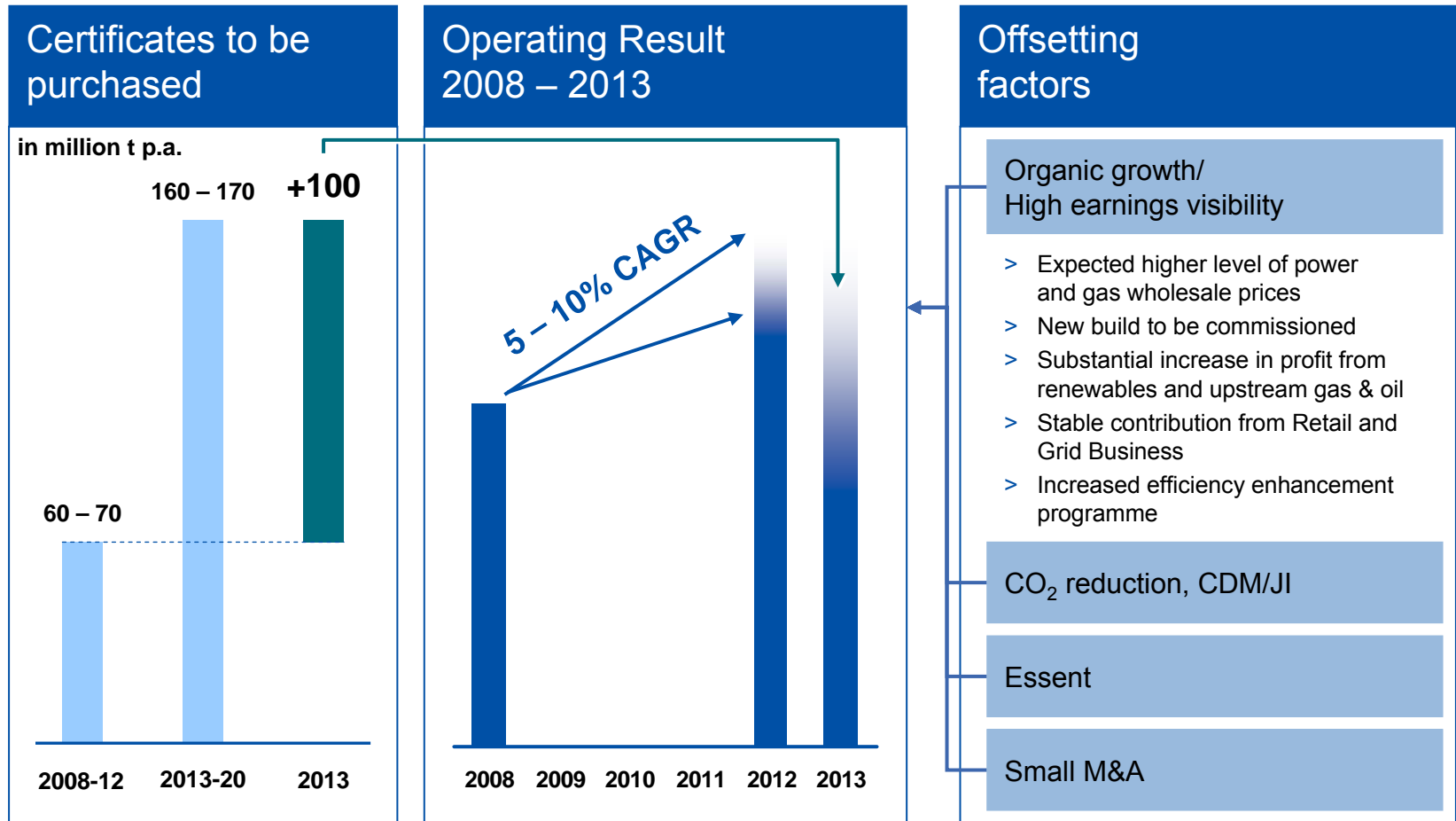
Benefitting from investor-friendly CO₂ allocation in CEE and SEE

- > Option for 800 MW hard-coal fired project in Poland
- > JV with Turcas to develop 800 MW CCGT project in Turkey
- > Further projects are being investigated

Hedging the fuel switch: Expansion of upstream and gas sourcing

- > RWE Dea to double hydrocarbon production by 2012/13
- > 50% in Exceletrate LNG Joint Venture
- > 17% in Nabucco pipeline project

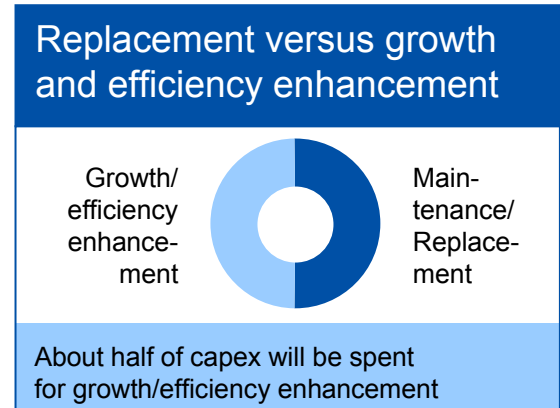
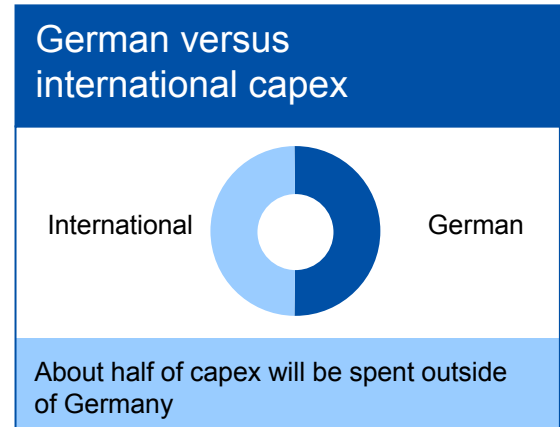
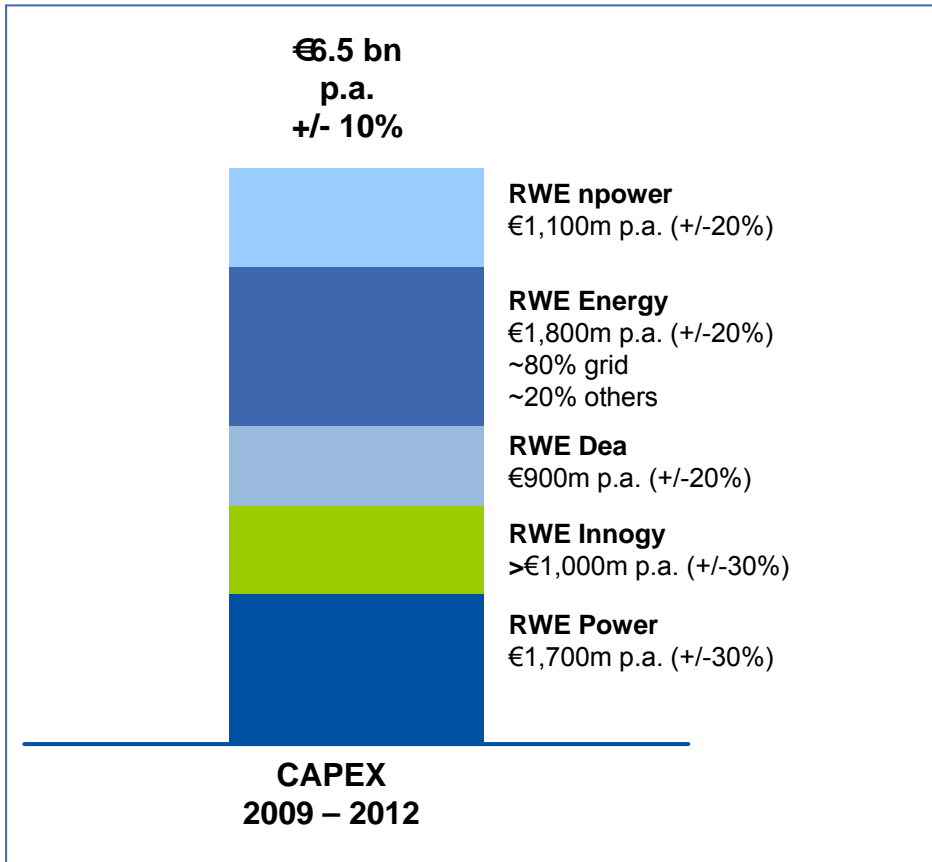
Our strategy to reduce the impact of CO₂ on our P&L in 2013



Offsetting factors to reduce the impact of CO₂ on our P&L in 2013

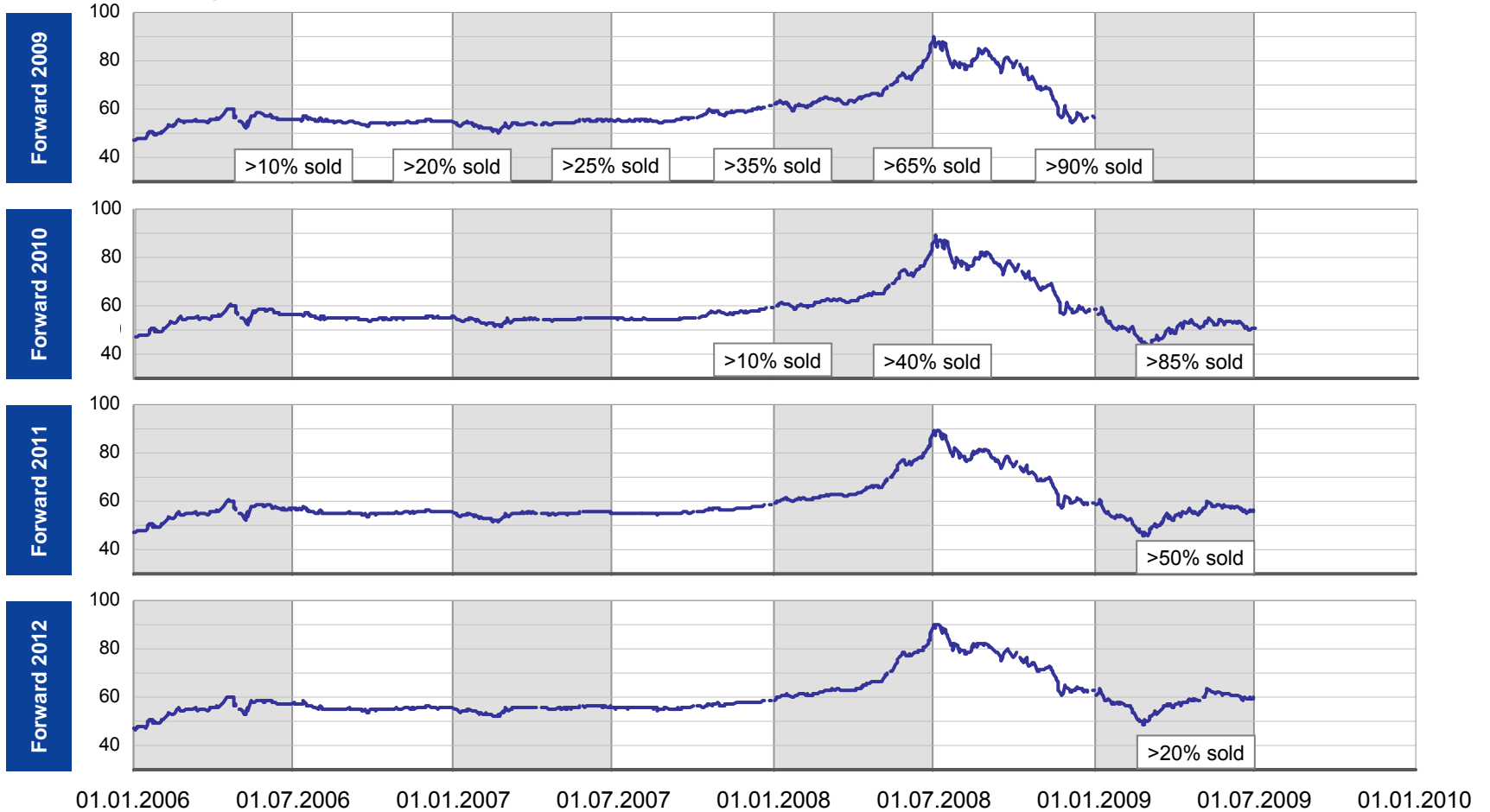
Organic Growth/ High Earnings Visibility	<ul style="list-style-type: none">> Expected higher level of power (>60€/MWh) and gas prices> RWE Innogy: operating result at least €0.5bn p.a. by 2013> RWE Dea: operating result of €0.9bn p.a. by 2013 (based on forwards in the mid 60\$/bbl)> RWE Energy activities: at least €2.5bn operating result contribution> Efficiency enhancement: €1.2bn p.a. by 2012 vs. 2006
CO₂ Reduction / CDM / JI	<ul style="list-style-type: none">> Reduction of financial exposure to carbon by 20% compared to 2008 emissions (via planned new builds, renewables, CDM/JI, nuclear lifetime extension)
Essent	<ul style="list-style-type: none">> Essent's standalone EBITDA and EBIT at CAGR of 10% until 2012> EBITDA synergies of €100m p.a. as of 2014 (already significant step in 2013)
Small M&A	<ul style="list-style-type: none">> Entry into new markets in CEE/SEE via buying and then building assets with CO₂ intensity below RWE's current level

We confirm our capex programme to capture growth opportunities and secure market share



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 May 29, 2009; price data as of June 30, 2009

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

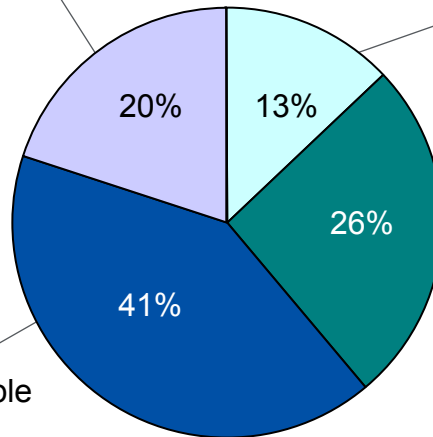
RWE German external electricity sales per customer group in 2009

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

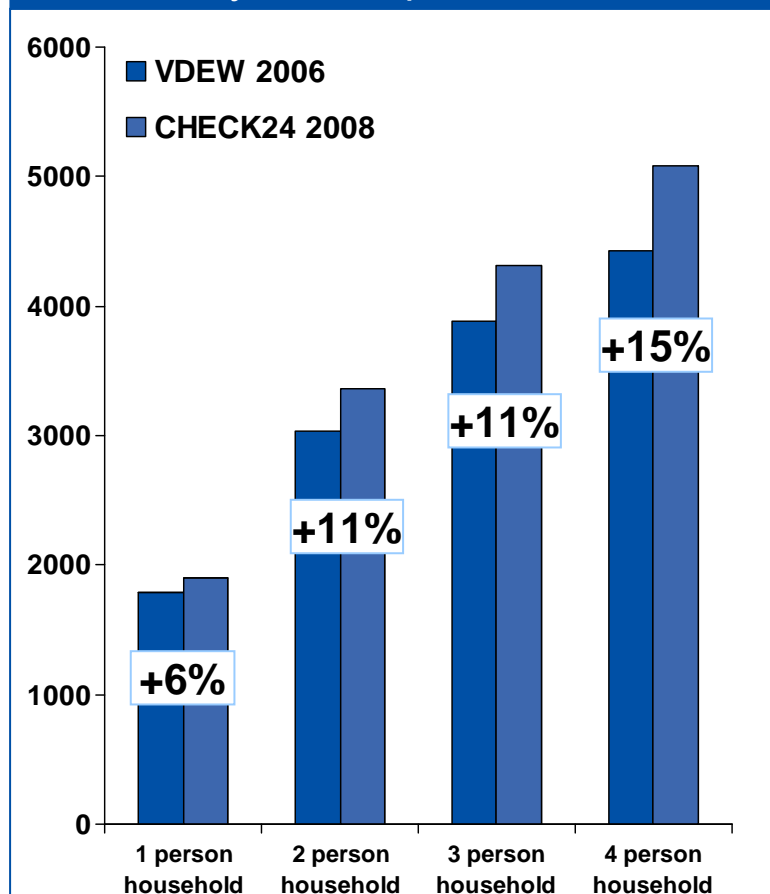
- > Consumption stable
- > Low risk of bad debt

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

Increasing electricity consumption of German households has stabilising effect

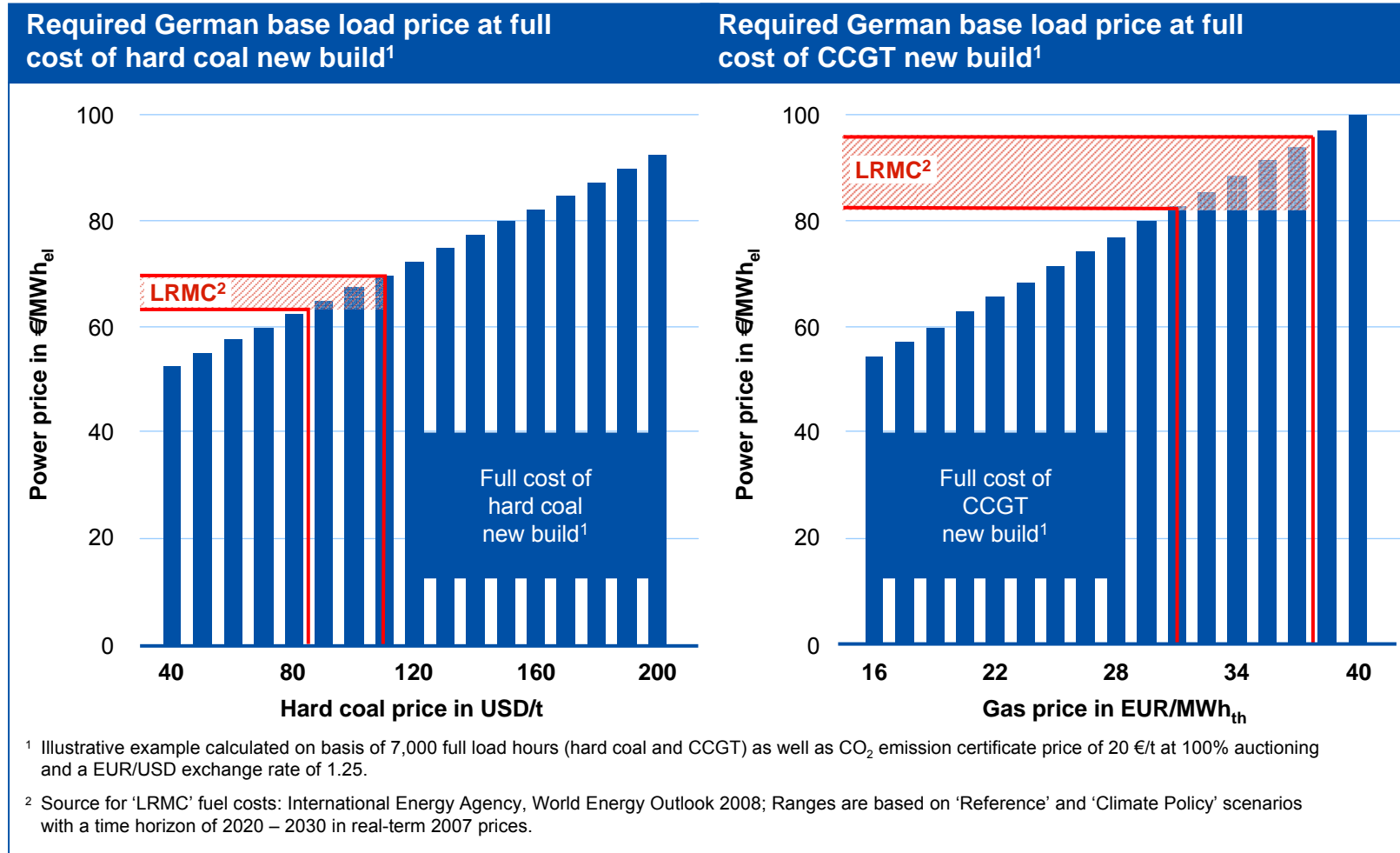
Electricity consumption of households in Germany in kWh p.a.¹



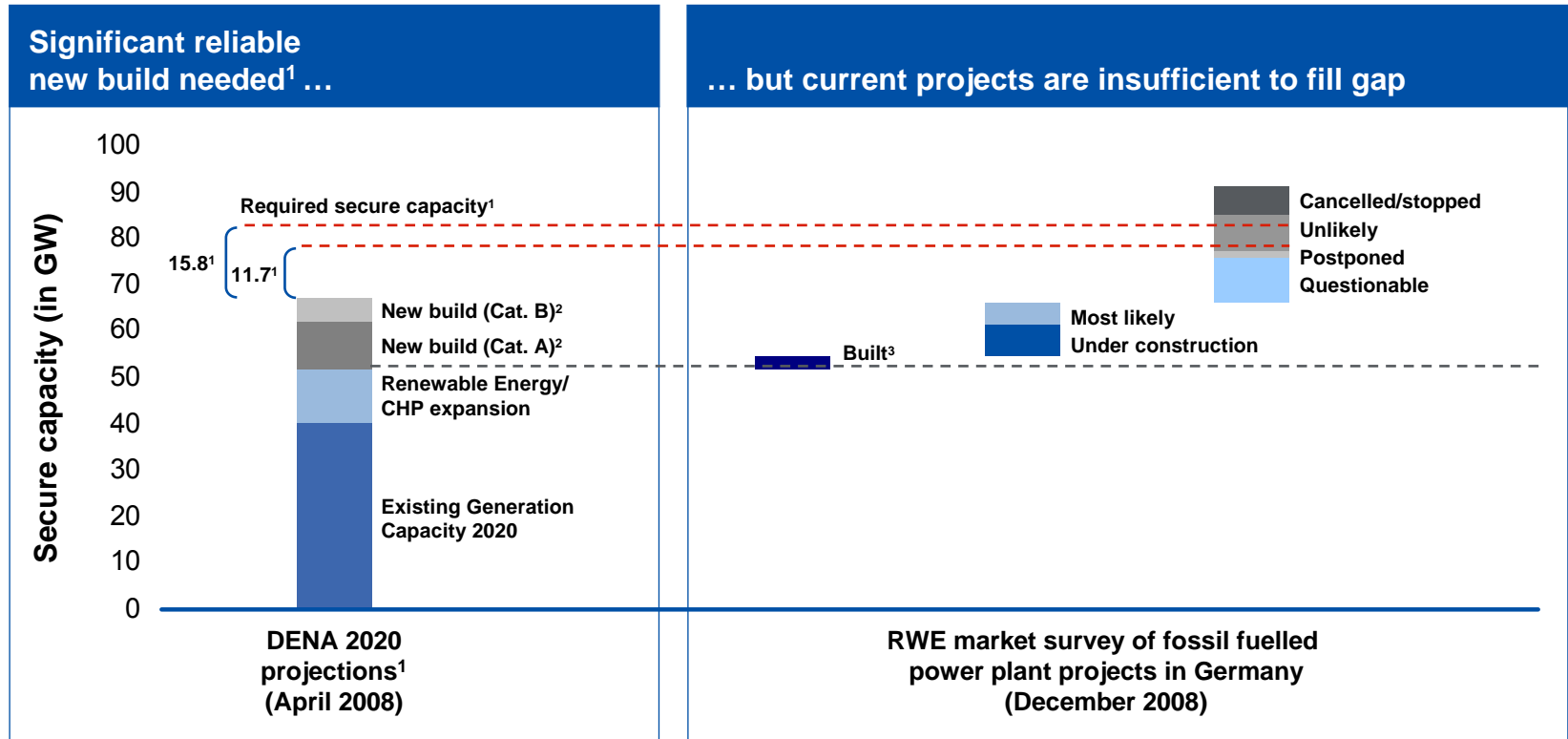
Possible reasons for this increase¹

- > Rise in consumer electronics usage (like game consoles, bigger flat screen TVs, larger refrigerators, etc.). Above all, households with kids show an over-proportional usage of additional devices
- > Increasing living space per capita, more single households
- > Rising demand for more comfort/convenience

Germany – Expected long run marginal cost indicates sustainably higher power price levels



Scarce generation capacity increases value of existing and future asset base

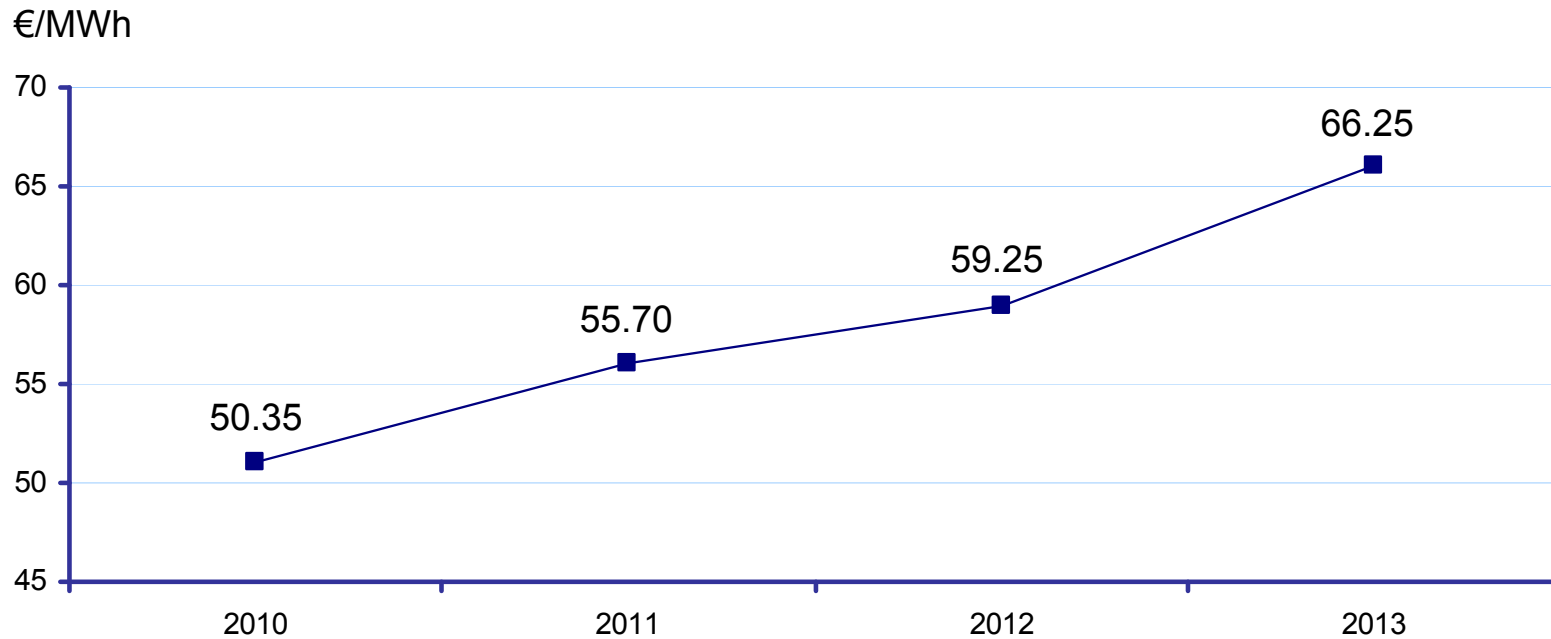


¹ Source: DENA, April 2008. Basis: nuclear phaseout, full achievement of government targets in renewable energy and CHP, flat consumption (15.8 GW) or reduction in consumption by 0.5% p.a. (11.7 GW),

² Category A: projects under construction or operating after 2005, Category B: projects with high probability of execution

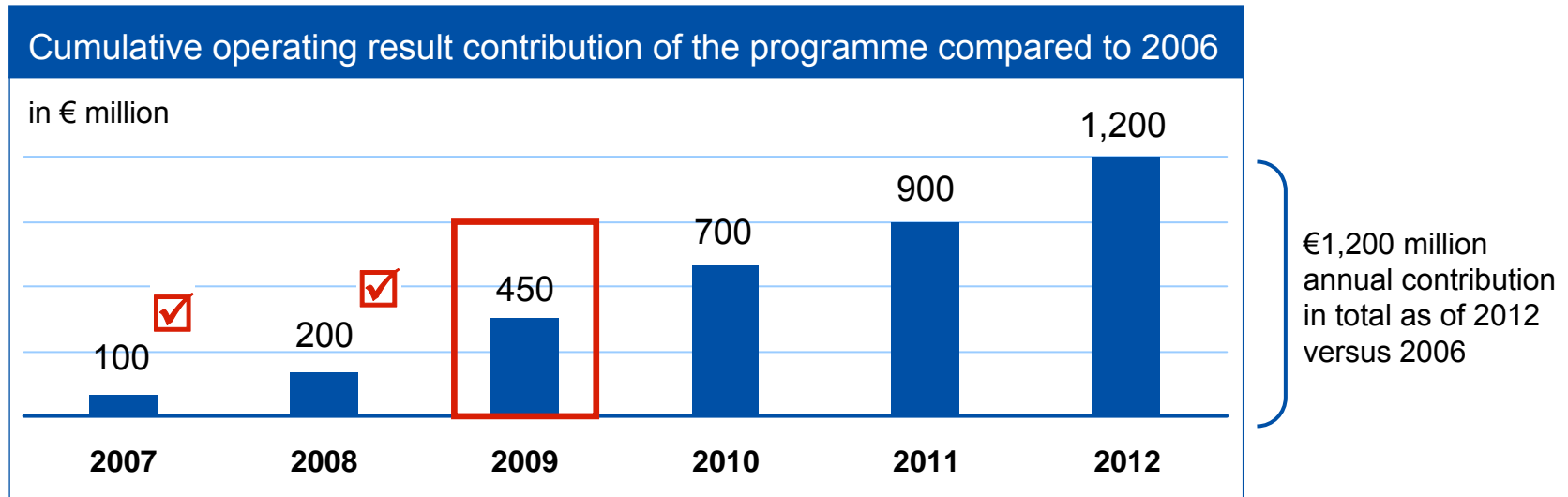
³ Power plant projects already operating since 2005 included in DENA new build category A (2.7 GW secured capacity)

Strong contango of German base-load power forward price¹ supports our view



¹ as per June 29, 2009

Efficiency enhancement programme is on track to deliver €1.2 billion by 2012



- > Efficiency gains will be fully accretive to operating result (i.e. post cost inflation and one-off cost of programme)
- > Underpinned by a significant portfolio of projects across the group. For example:
 - Cost savings from RWE Energy’s “continuous improvement” project GO (e.g. merging of call-centres, standardization of back-office processes, bundling of purchasing in IT and grid maintenance)
 - Key performance improvement projects in RWE Power and RWE npower to increase thermal efficiency, availability and capacity of existing stations

Mid-term financial targets:

We are also a stable post-crisis investment

Operating Result	> 5 – 10% CAGR ¹ to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh
Recurrent net income	> In the order of 10% CAGR ¹ to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh
Dividend	> Payout ratio of 50 – 60% of recurrent net income
Capital structure	> Compliant with at least “A flat” rating category
Efficiency	> €1.2 billion improvement in annual operating result by year-end 2012 vs. 2006

¹ based on 2008

Essent – A compelling transaction

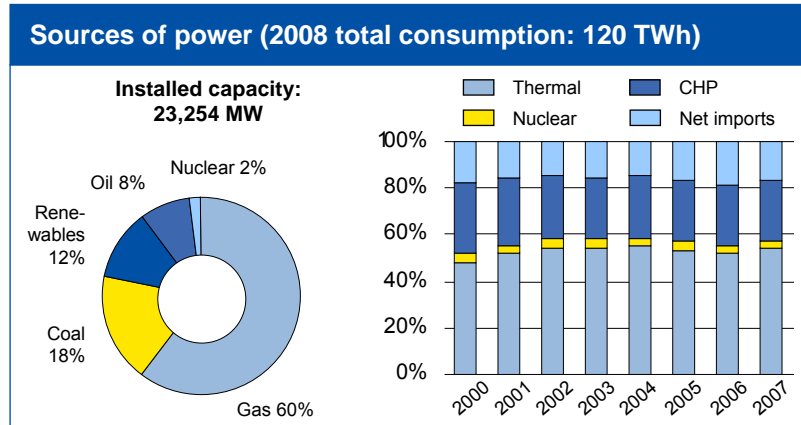
Peter Terium, des. CEO Essent BV

RWE Credit Day, London

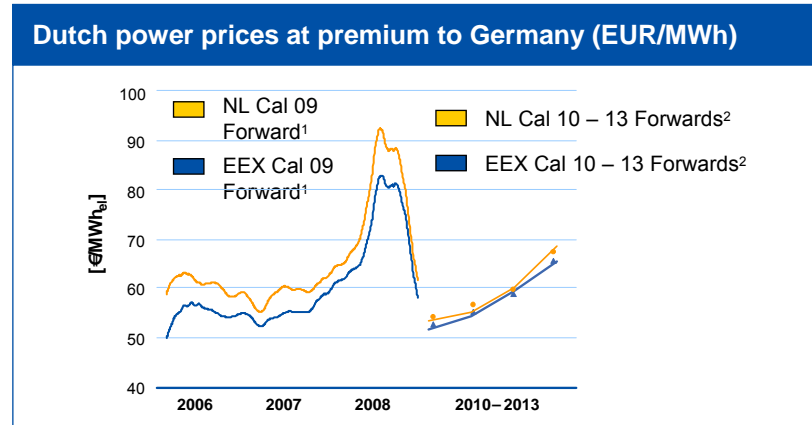
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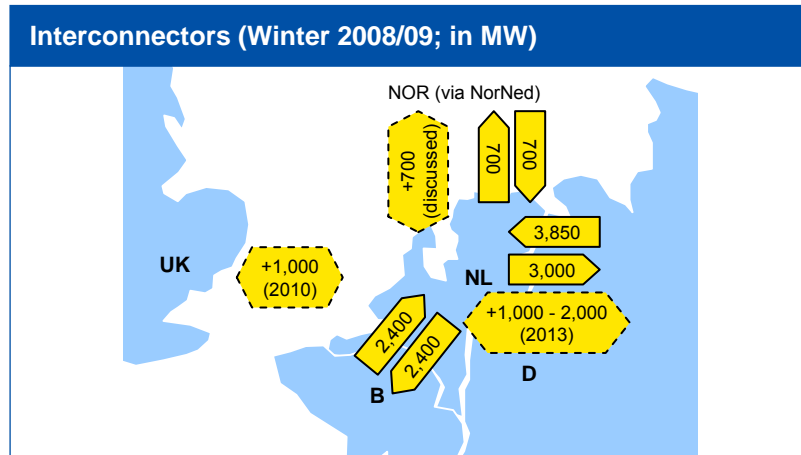
The Netherlands: An attractive market for investment



Source: EnergieNed (2006, 2008), UCTE, company information



¹ 30 day moving average; ² As of June 30 2009 – Source: RWE Trading

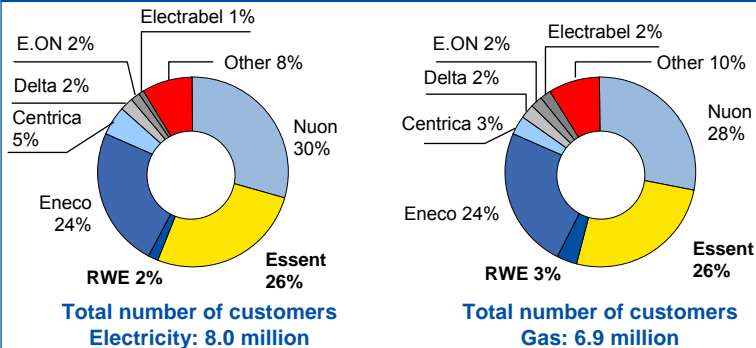


Source: ETSO, RWE

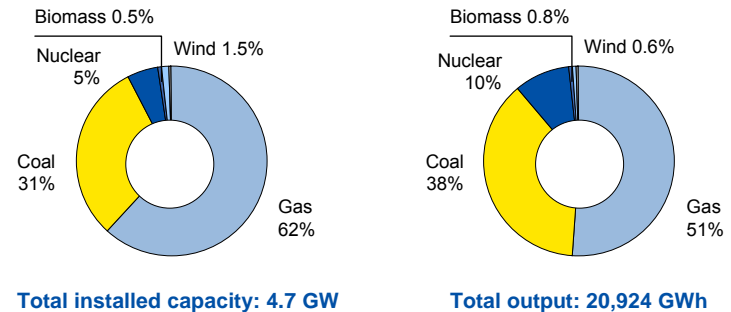
- ### Key characteristics of Dutch power market
- > Generation mix dominated by gas, high proportion of mid-merit and peakload
 - > Net importer of electricity
 - > Attractive new build sites with transport connections and cooling water access
 - > Strong interconnections with Germany, Belgium and Norway; additional interconnectors planned with UK, GER and Norway
 - > Over time expected to become swing market in North West Europe
 - > Overall rising power prices anticipated, however narrowing of price differential to Germany expected
 - > Wholesale market liquidity in relative terms comparable to Germany

Essent: A balanced generation mix and strong retail position

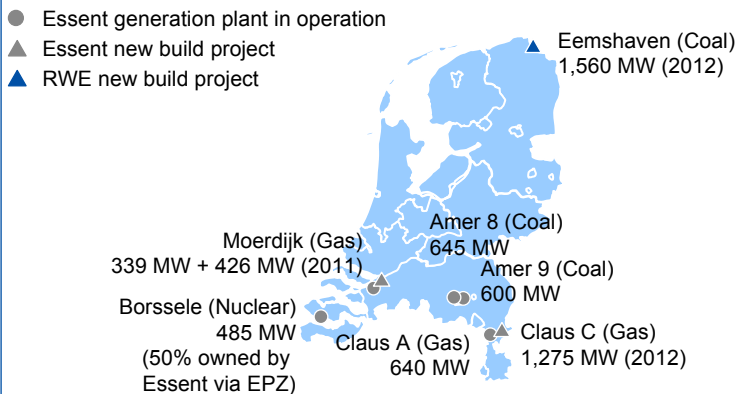
Electricity and gas supply (2008) – Essent is a market leader



Essent Dutch generation mix – low CO₂ intensity



Combined major generation plants and growth projects in NL

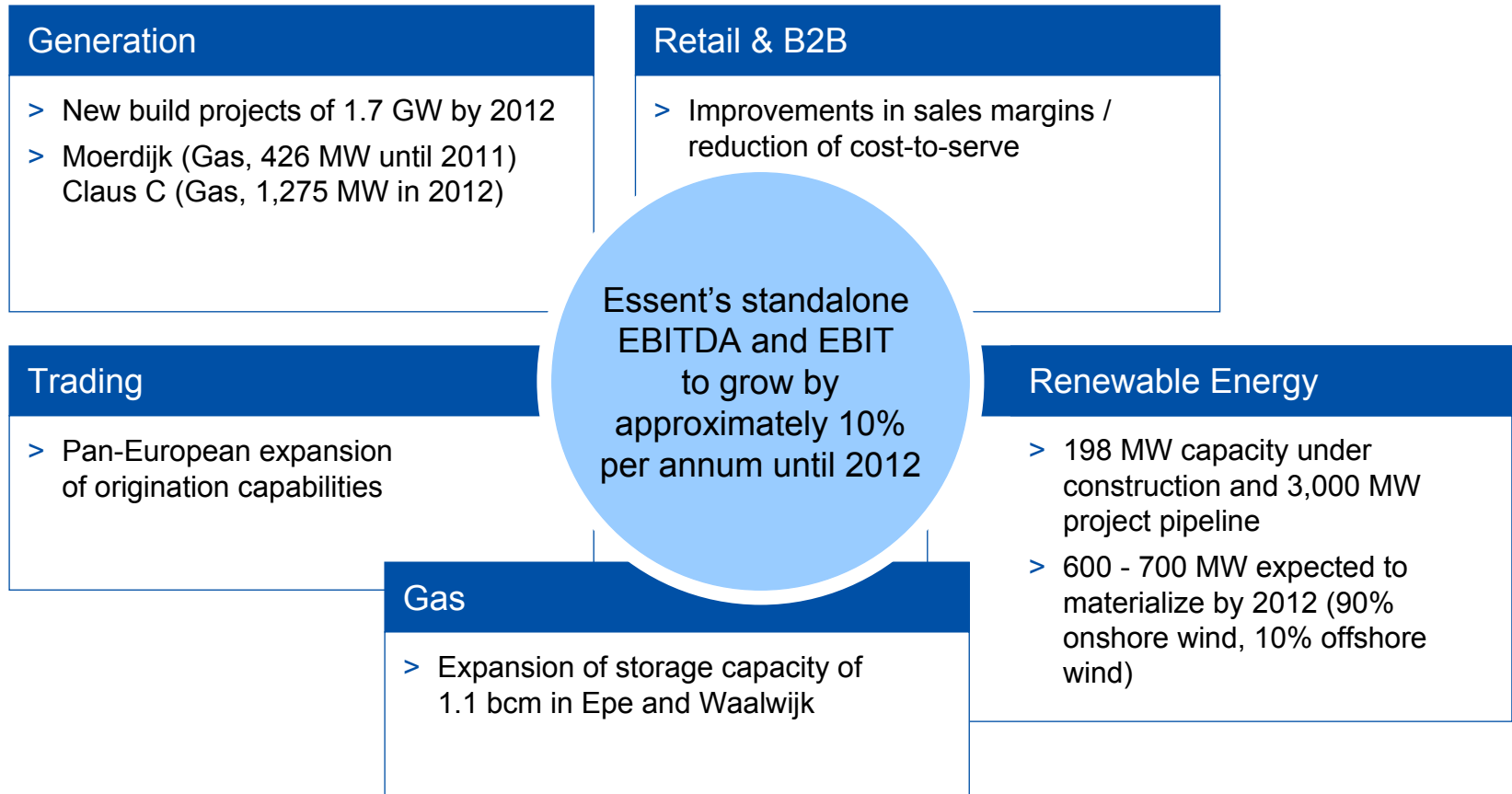


Flexible generation reducing RWE's average CO₂ intensity

- > More balanced generation portfolio along the merit order
- > Increased flexibility of the combined generation portfolio provides additional potential for short term position management
- > Reduction of CO₂ intensity (2007):
 - Essent – 536 kg/MWh
 - RWE – 861 kg/MWh
- > Capacity for biomass co-firing of between 20% to 30% at Essent's Amer 8 and Amer 9 power plants
- > Combined new build projects provide attractive growth potential: 40% additional capacity by 2012

Source: Essent, EnergieNed, GfK

Even standalone Essent offers already significant growth potential



The Essent new build project Claus C is a good example for the standalone growth potential

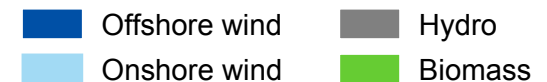
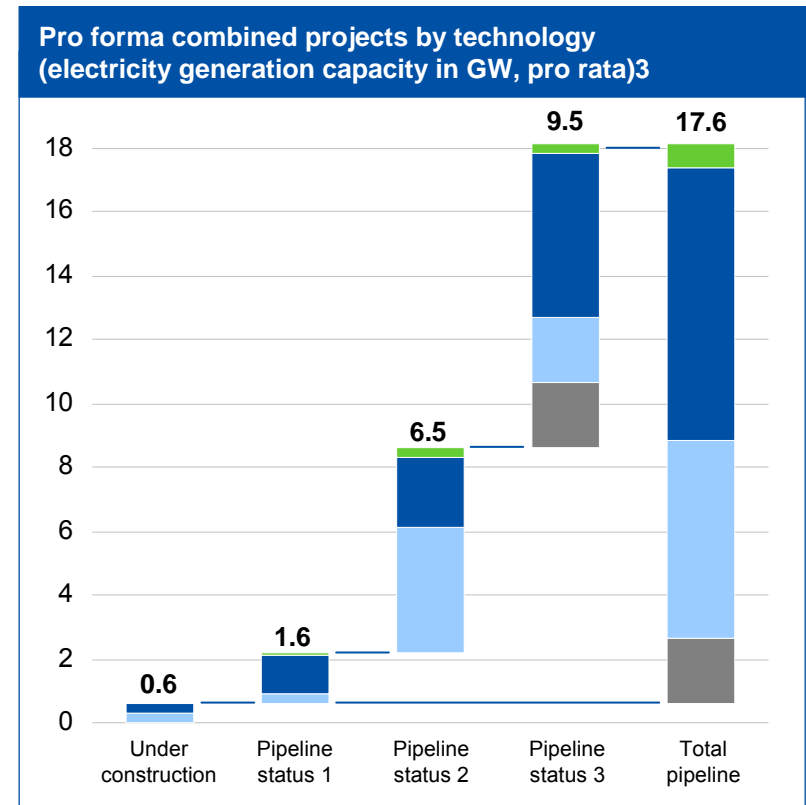
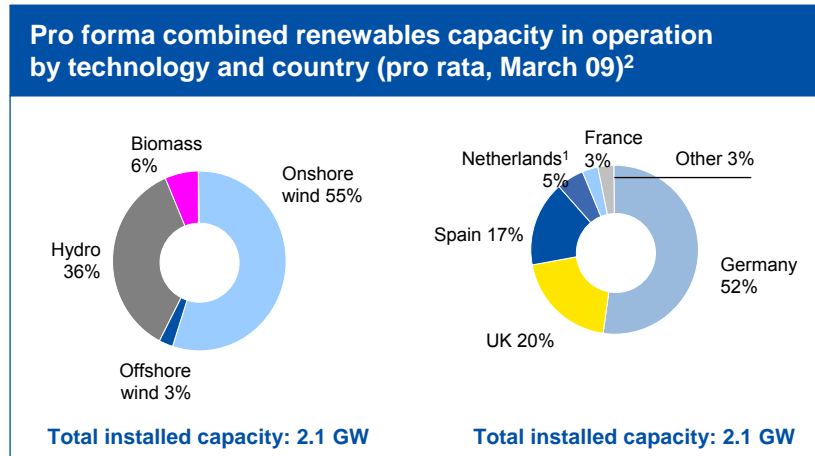
- > **upgrading** the existing Claus B unit into a modern CCGT plant by re-using existing components of the Claus B unit
- > **three gas turbines**, each having a dedicated **Heat Recovery Steam Generator** replacing the existing boilers
- > unit is **designed for start/stop operation** and will make use of Claus B's existing steam-turbine, generator, condenser, cooling facilities and infrastructure
- > **CO2 emission** shall decrease by more than 40%



- > Capacity upgrade: from 1,280 MW to 1,920 MW
- > Efficiency enhancement: from 39% to 58.5%
- > Investment costs: € 1 billion
- > Start of commercial operation: 2012

RWE and Essent combined: The leading renewable generation position in North West Europe

- > Essent brings 476 MW of renewable generation assets in operation and 198 MW under construction to RWE's existing portfolio
- > Essent contributes a 3,000 MW project pipeline¹
- > Improved diversified regional generation mix
 - Significant increase in Dutch and German onshore wind capacity



¹ Essent asset and pipeline capacities as at December 2008

² Excluding hydro storage with natural inflow projects of RWE Power;

Combined RWE assets as at March 09 and Essent assets as at December 2008

³ Combined RWE Innogy projects as at March 09 and Essent projects as at December 2008;

Pipeline status 1 – Project consented, not yet under construction

Pipeline status 2 – Prospects (not consented) – land agreements in place, environmental impact studies commenced

Pipeline status 3 – Identified opportunities – sites identified, but no land agreements – initial discussion on agreements

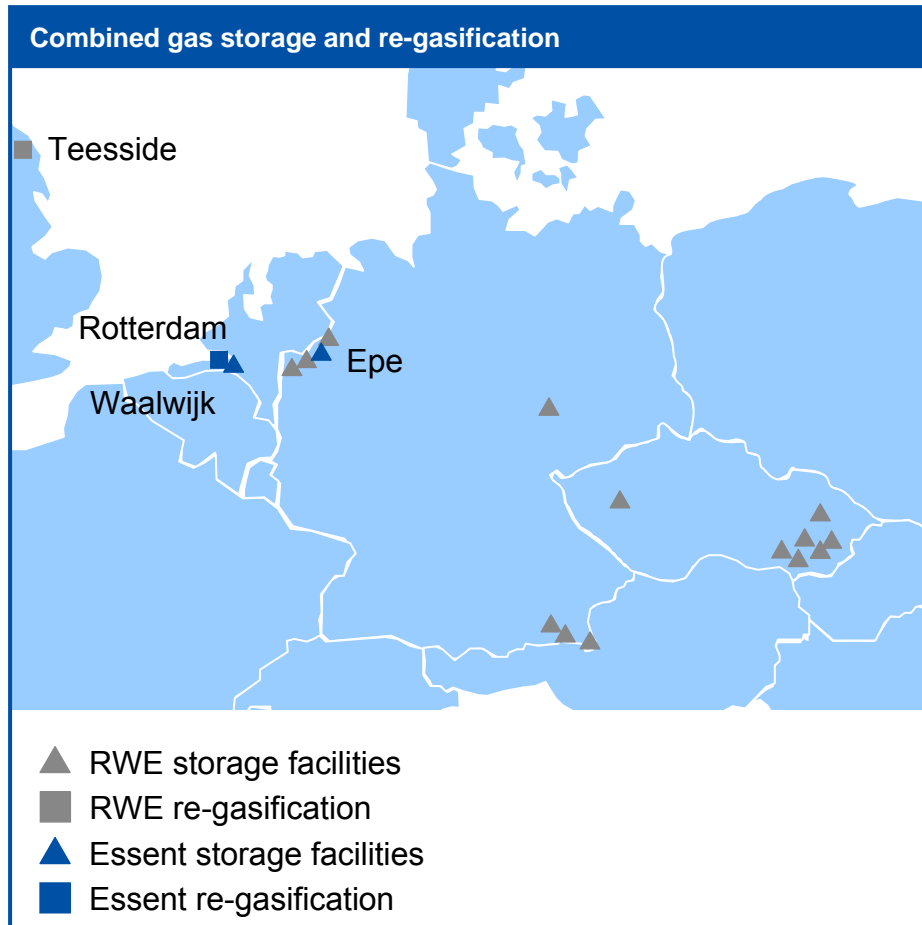
RWE and Essent combined: A pan-European trading “powerhouse”

Combination creates ...

- > Number 1 European energy trading and origination house
- > Strong geographical presence throughout Europe (UK, Netherlands, Germany, Czech Republic, Switzerland)
- > Combination of Essent’s established pan-European origination activities with RWE’s comprehensive trading operations and balance sheet
- > Optimization of combined fuel sourcing
- > Cross-border short term position management
- > Essent and RWE share same asset-backed trading philosophy

Trading volumes (annual average)	RWE	Essent	pro-forma combined
Electricity	1,200 TWh	225 TWh	1,425 TWh
Gas	90 bcm	13 bcm	103 bcm
Coal	130 mt	100 mt	230 mt

RWE and Essent combined: Enlarged regional cross-border gas sourcing and storage position with enhanced optionality

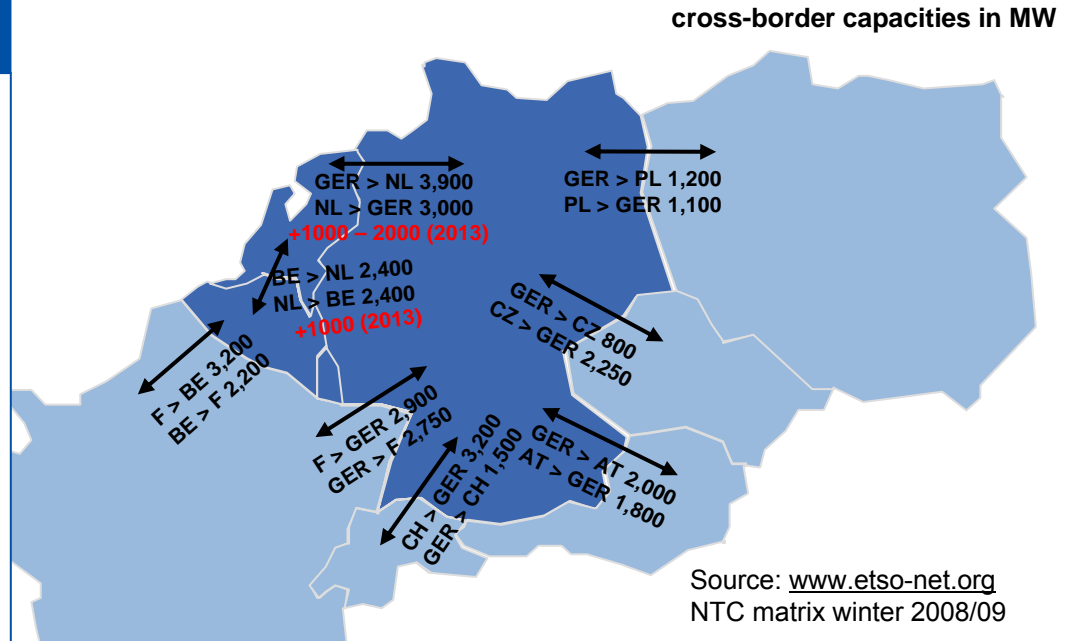


- > Essent and RWE will create a combined gas portfolio which will allow for additional sourcing optimization:
 - > Procurement of 53 bcm (13 bcm of Essent and 40 bcm of RWE)
 - > Storage capacity of 5.7 bcm (0.36 bcm of Essent and 5.3 bcm of RWE)
- > Access to Essent's storage facilities in Epe and Waalwijk
 - > Existing working gas volume of 0.36 bcm in Epe (connected to the Dutch grid), development of additional 1.1 bcm in Epe and Waalwijk under consideration
 - > Planned connection of Epe to German grid
- > Essent's access to re-gasification capacity complements RWE's LNG capabilities via Excelerate
 - > 3 bcm booked capacity for 20 years at GATE (Rotterdam)

Essent strengthens RWE's leading position in the converging energy market

More leverage in NW-Europe

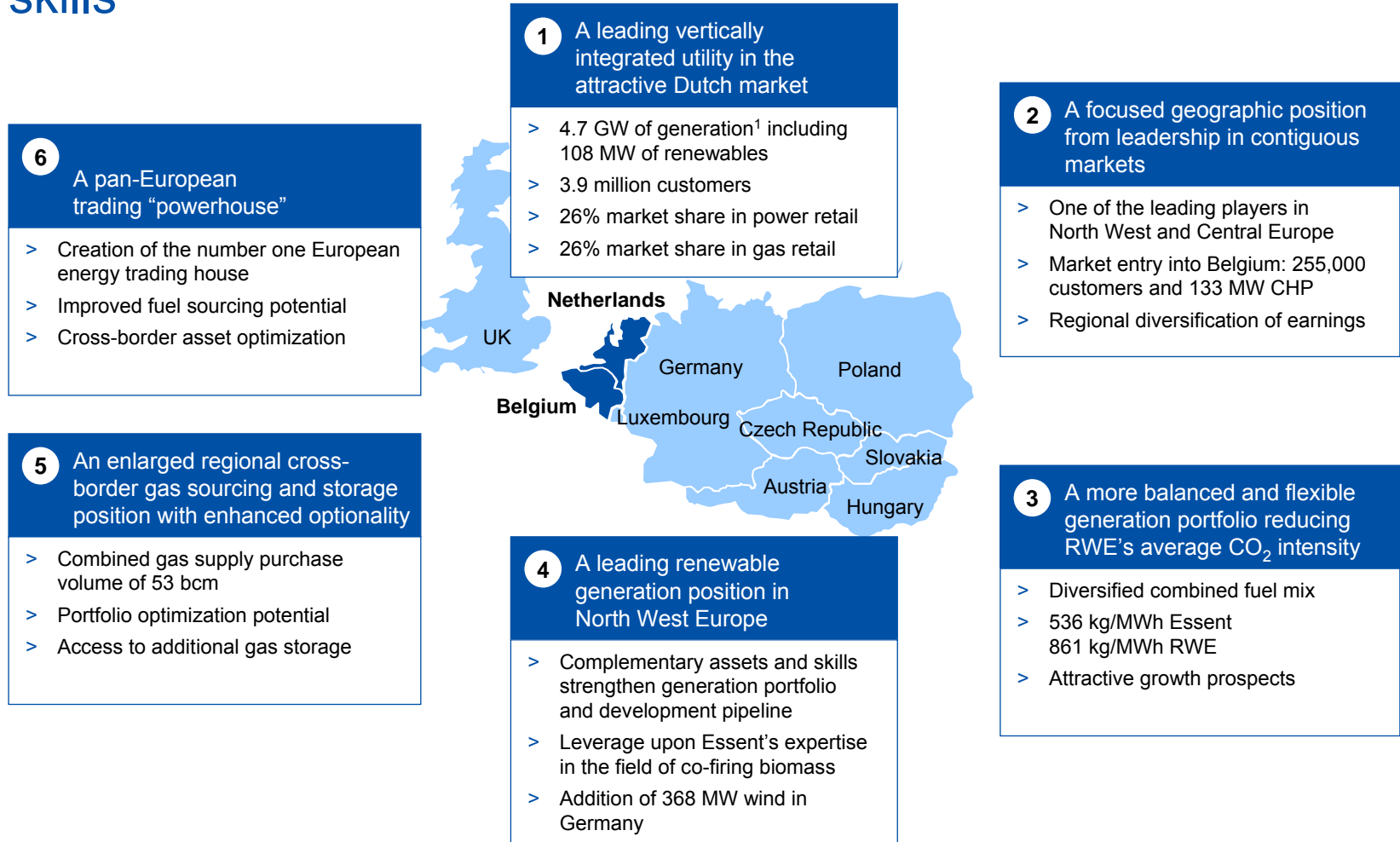
- > Germany currently the only net exporter in this region
- > Germany/NL future swing markets for NW Europe and CEE
- > Combined generation and trading activities with more potential for asset optimization (power plants, gas storage facilities)
- > Combined generation portfolios provide better base/peak flexibility
- > Essent's Belgian activities can be springboard into the French market
- > Ca. 20% in new Luxembourg utility



Benefitting from more convergence

- > Cross-border capacities: according to UCTE study 8 projects underway to increase interconnector capacity by 2013
- > Net export from Germany to adjacent countries 10 – 15 TWh p.a.
- > Spot price correlation above 0.9 in the connected markets

These are the reasons for a strong strategic rationale of the transaction: complementary portfolios of regions, assets and skills









¹ Corresponds to installed capacity in the Netherlands only, excluding swb, 368 MW of wind in Germany and 133 MW CHP in Belgium

Synergy potential underpins a value enhancing transaction

Area	Synergy sources
Retail	<ul style="list-style-type: none"> > Combination of RWE's and Essent's Dutch retail businesses > Reduction of cost-to-serve from best practice transfer
Generation	<ul style="list-style-type: none"> > Improvement in opex from best practice transfer > Integration of RWE's Eemshaven new build power plant into Essent's existing portfolio > Leveraging of increased global sourcing power
Supply and Trading	<ul style="list-style-type: none"> > Value at Risk (VaR) of combined Essent and RWE lower than sum of stand-alone VaRs of both companies > Reduction in opex of gas storage facilities due to geographically adjacent caverns
Corporate Centre	<ul style="list-style-type: none"> > Best practice transfer in HQ and support functions
Procurement	<ul style="list-style-type: none"> > Have been identified already in the transaction phase but not quantified in the business case

- > **EBITDA synergies: approx. €100 million per annum by 2014**
- > **Net of one-time integration cost**
- > **Further increasing thereafter**

The Essent transaction accelerates the delivery of RWE's strategic roadmap

What we aim to do	Target for 2012	Essent impact
 Defend and expand existing margins in RWE key markets Germany and UK	GER: defend/grow margins on current volumes UK: defend/grow volumes and profitability	
 Increase level of regional diversification	Share of non-German operating result grows from 36% (2007) to 40 – 50%	5 - 10% absolute increase by 2012
 Boost proportion of renewables in our generation portfolio while creating value	More than tripling of installed base to 4,500 MW	More than 1 GW by 2012
 Reduce carbon exposure	Reduction by 20% (compared to 2006 emissions)	CO₂ intensity 40% below RWE's
 Strengthen gas midstream activities	Profitably increase contracted European gas supply purchase volume from 40 to 60 bcm p.a.	13 bcm increase
 Grow equity gas business organically	Doubling of hydrocarbon production by 2012/2013 to 12 bcm p.a.	

Cultural proximity is a key factor for a successful transaction

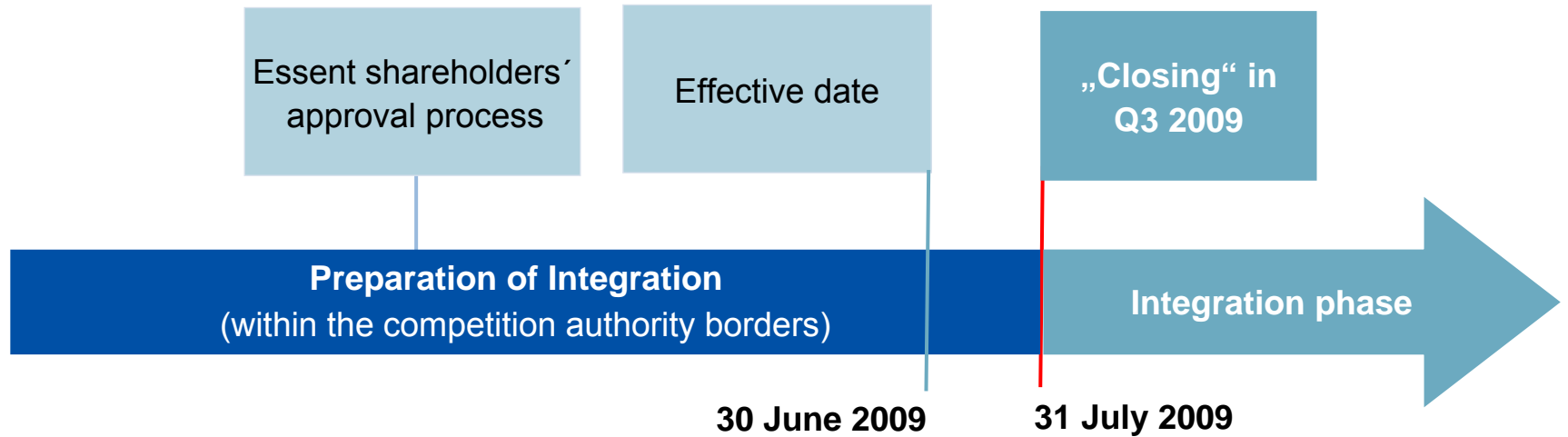
Cultural proximity between RWE and Essent

- > Mergers in the past often failed due to a lack of solid cultural fit and integration
- > In the RWE/ Essent transaction, a very strong cultural fit is an important driver for financial and operational success
- > Essent culture and values fit RWE very well:
 - > Solid
 - > Down-to earth
 - > Team-orientated
 - > Modest
 - > Open-minded



The strong fit results in low integration risks and is a very solid basis for our joint future

Overview transaction timeline



Overview current status of Essent transaction

Acceptance level	<ul style="list-style-type: none">> 134 of 136 Shareholders have formally accepted the RWE offer> Current level of signed "Deeds of Acceptances": 99,990454 % as of 1 July 2009> 100% seems to be achievable, full integration envisaged
Unbundling	<ul style="list-style-type: none">> The Dutch Minister of Economic Affairs van der Hoeven has approved the Essent unbundling plan on 26 May 2009> Unbundling was legally executed 30 June 2009
Anti-trust	<ul style="list-style-type: none">> The EU Commission has approved the transaction on 23 June 2009> As expected, the 51% of Stadtwerke Bremen have to be sold as merger remedy> Agreement with Stadt Bremen/EWE as Buyer of Stadtwerke Bremen in place
Others	<ul style="list-style-type: none">> Work in progress:<ul style="list-style-type: none">> Consensual termination of Cross Border Leases> Legal case with Delta regarding EPZ JV (Nuclear plant Borssele)> Carve-out of Essent waste assets by Essent> Closing is envisaged for 31 July 2009
PMI	<ul style="list-style-type: none">> Very good progress of the PMI preparation project
Business performance	<ul style="list-style-type: none">> The performance of Essent during 2009 is fully in line with our expectations> Financials are -as expected- according to budgeted figures

Key take-aways from Essent transaction

Accelerates delivery of strategic roadmap	<ul style="list-style-type: none">> In terms of regional diversification> CO2-exposure and renewables target> Gas portfolio
Matching business models of RWE and Essent	<ul style="list-style-type: none">> Integrated utility with a strong intermediate trading business> Commercial approach to optimize assets> Good cultural fit; low integration risks
Convergence of adjacent markets	<ul style="list-style-type: none">> Cross-border trades> Optimization of mutual assets of RWE and Essent> Use of more flexible portfolio in more volatile commodity markets
Growth potential and synergies	<ul style="list-style-type: none">> New build projects match the need for more flexibility in generation> Best-practice transfer in Retail> Number one power trading house in Europe

RWE Financing – Strategy and Management

Dr. Markus Coenen, Head of Group Finance

RWE Credit Day, London

July 2nd 2009



Our main financial targets

Targeting at least a solid “A” rating

- > Rating level at least A/A1 (S&P) A2/P1 (Moody’s)
- > Leverage factor (net debt to EBITDA – 2.8 to 3.4) as an operational instrument, however
- > Rating retention will have priority should any conflict arise

Secure liquidity in difficult market circumstances

- > Fully backed bid and early refinancing of Essent acquisition
- > Ample liquidity from strong cash flows, CP and back-up line
- > Smooth maturity profile (capital market debt not exceeding €2 bn per year)

Weather-proof and conservative financial policy

- > Long-term and fixed interest financing matching a long-term business
- > Conservative definition of net debt (including all major long-term provisions)
- > 80% of pension obligations funded by CTA

Rating agencies put RWE on watchlist after Essent bid - but they recognize the strategic advantage of the deal

S&P

(A, “negative outlook”)

- > RWE’s outlook changed to “negative” for bid on Dutch utility Essent N.V.
- > RWE's financial profile will be “somewhat below” S&P expectations for current rating if acquisition takes place
- > Rating could be lowered if “RWE's financial profile does not improve to levels commensurate with the ratings”
- > “The proposed acquisition would be mildly positive from a business risk perspective as Essent's unregulated businesses are complementary to and would diversify RWE's existing operations, while entailing limited integration risks.”

Moody’s

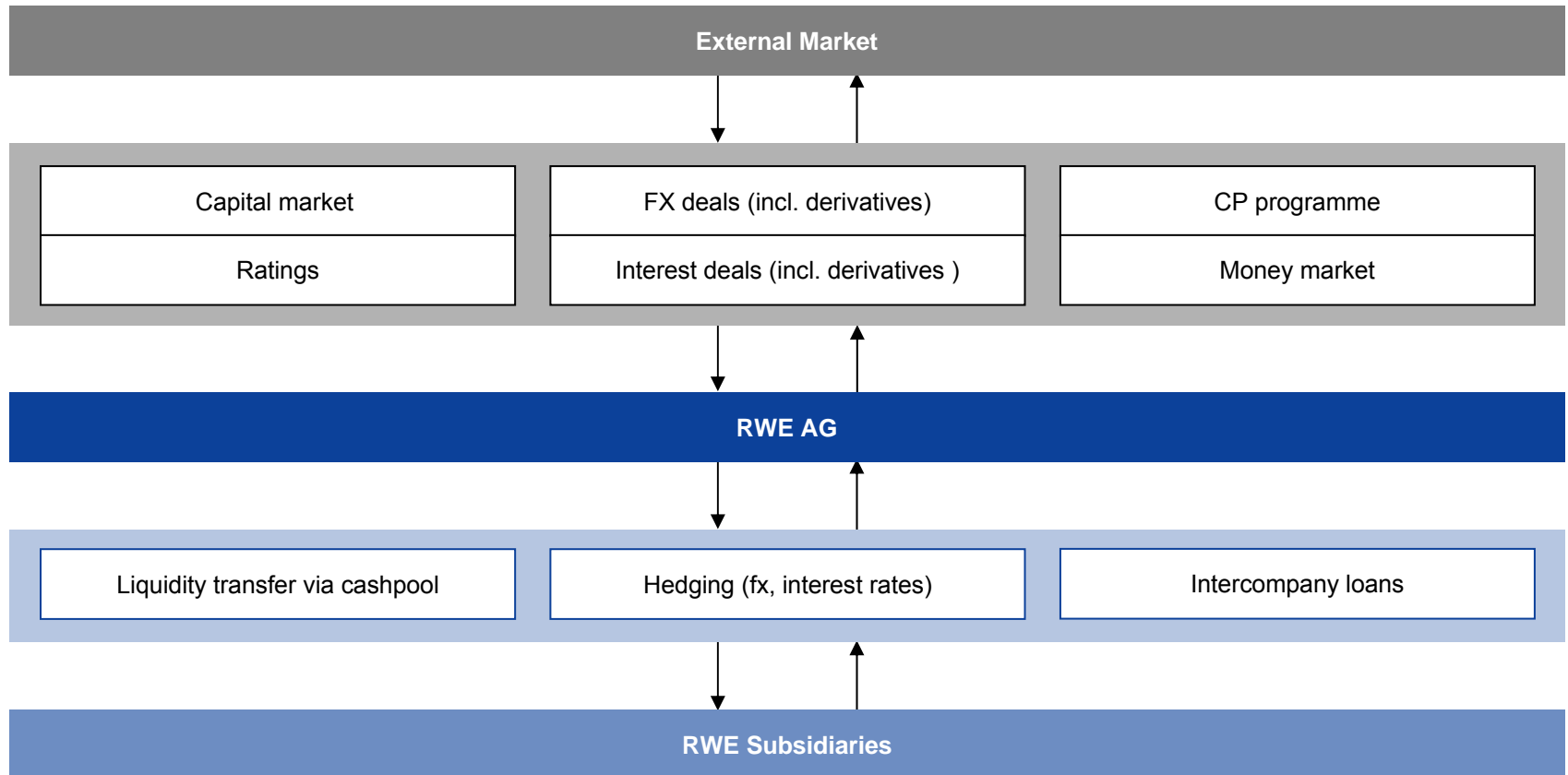
(A1, “rating under review”)

- > A1/Prime-1 ratings are on review for possible downgrade
- > Rating review reflects that with Essent acquisition “RWE's credit metrics would likely decline to levels some way below guidance for current A1 rating”
- > Moody's will focus on “RWE's plans for extracting synergies, minimising integration costs and reducing debt through potential asset disposals”
- > Moody’s will take into account that Essent transaction raises proportion of unregulated assets but increases regional diversification, improves the generation mix and strengthens the midstream gas position



We are taking action by disposals (SW Bremen, TSO Gas) and evaluation of CAPEX synergies between RWE and Essent

RWE's centralised Treasury – Basis for groupwide Financial Risk Management & Funding



Managing Financial Counterparty Risk at RWE

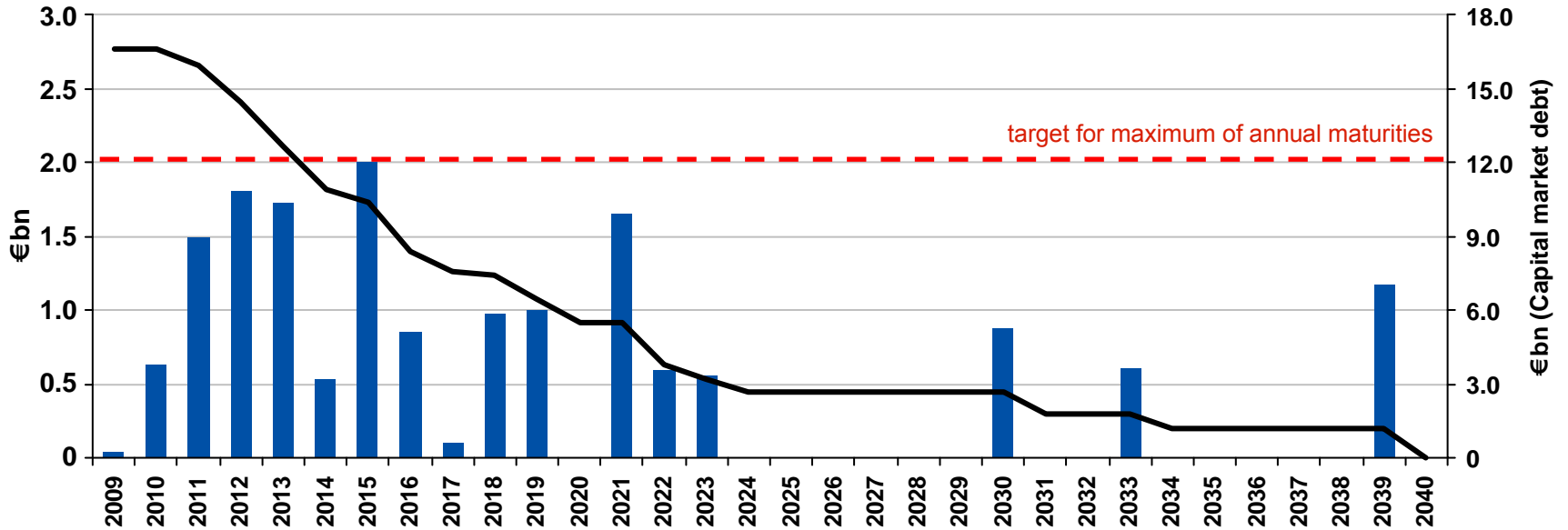
- > Financial transactions are executed with approved financial counterparties only on the basis of **ISDA/DRV¹ agreements**
- > Approved counterparties are required to have a minimum long-term **S&P rating of A-** (or a comparable equivalent)
- > The exposure **limit** of each approved financial counterparty itself depends on the rating, the amount of equity and the CDS of the financial counterparty; exposure ranges between € 500 m and € 0 m
- > Counterparty exposures are constantly **monitored** based on marked-to-market exposure
- > Whenever limits are exceeded, **collaterals** are called in to mitigate counterparty risks effectively



RWE did not encounter significant losses from the fallout of the financial crisis

We aim to keep a balanced Maturity Profile of Capital Market Debt

Total: €16.7 bn^{1, 2}



Liability side is controlled via maturity structure and fixed/floating mix

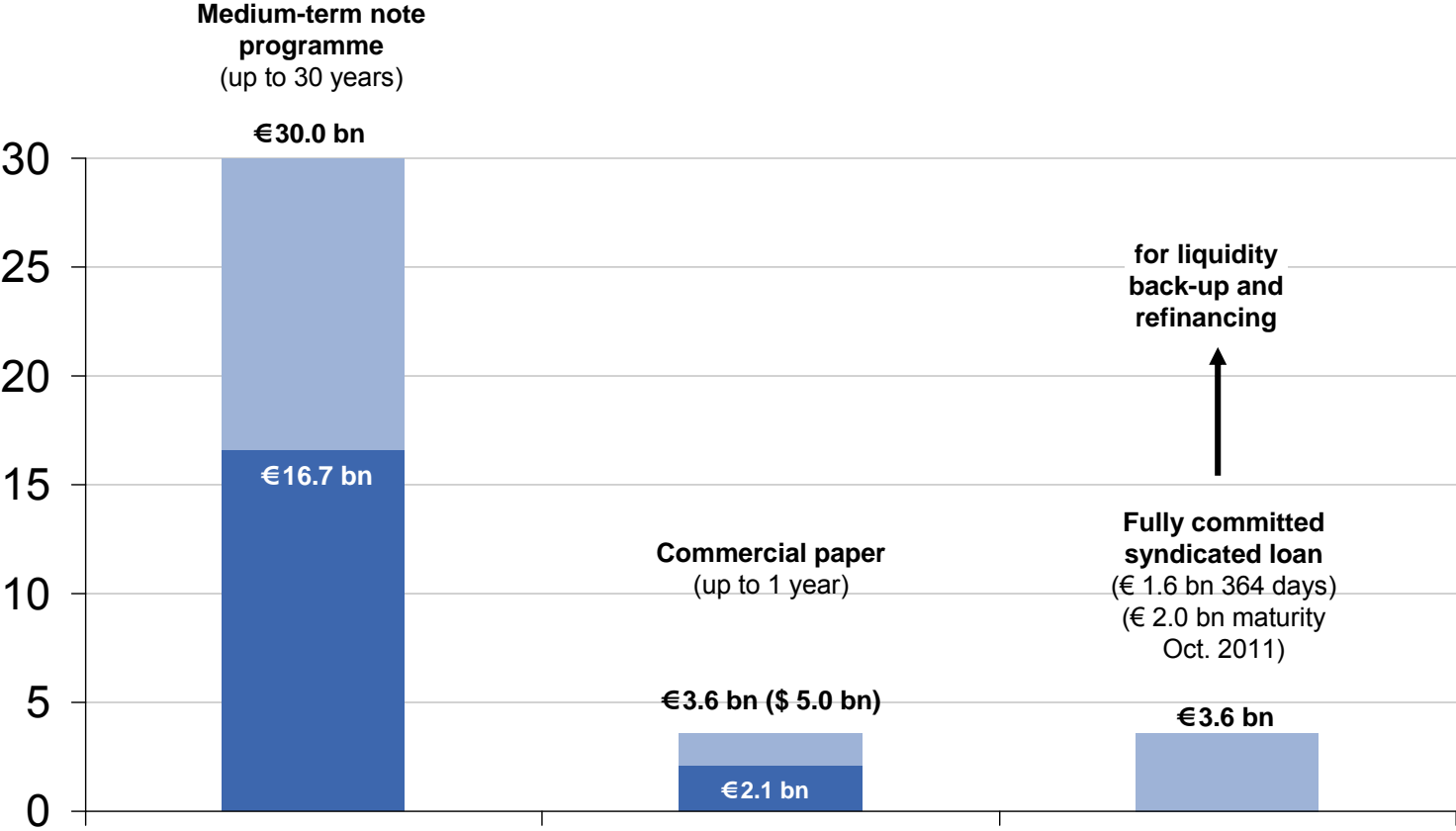
Maturity range	0 – 3 Years	4 – 7 Years	8 – 12 Years	>12 Years
in € bn	2.2	6.9	2.8	4.8
Relative share	13%	41%	17%	29%

- RWE AG/RWE Finance
- Accumulated outstanding debt

- 1) RWE AG and RWE Finance b.v., as of 30 June 2009; **excluding American Water**; including cross-currency swaps
- 2) Nominal value outstanding of capital market debt **excluding commercial paper programme**.

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

Available credit facilities^{1, 2}

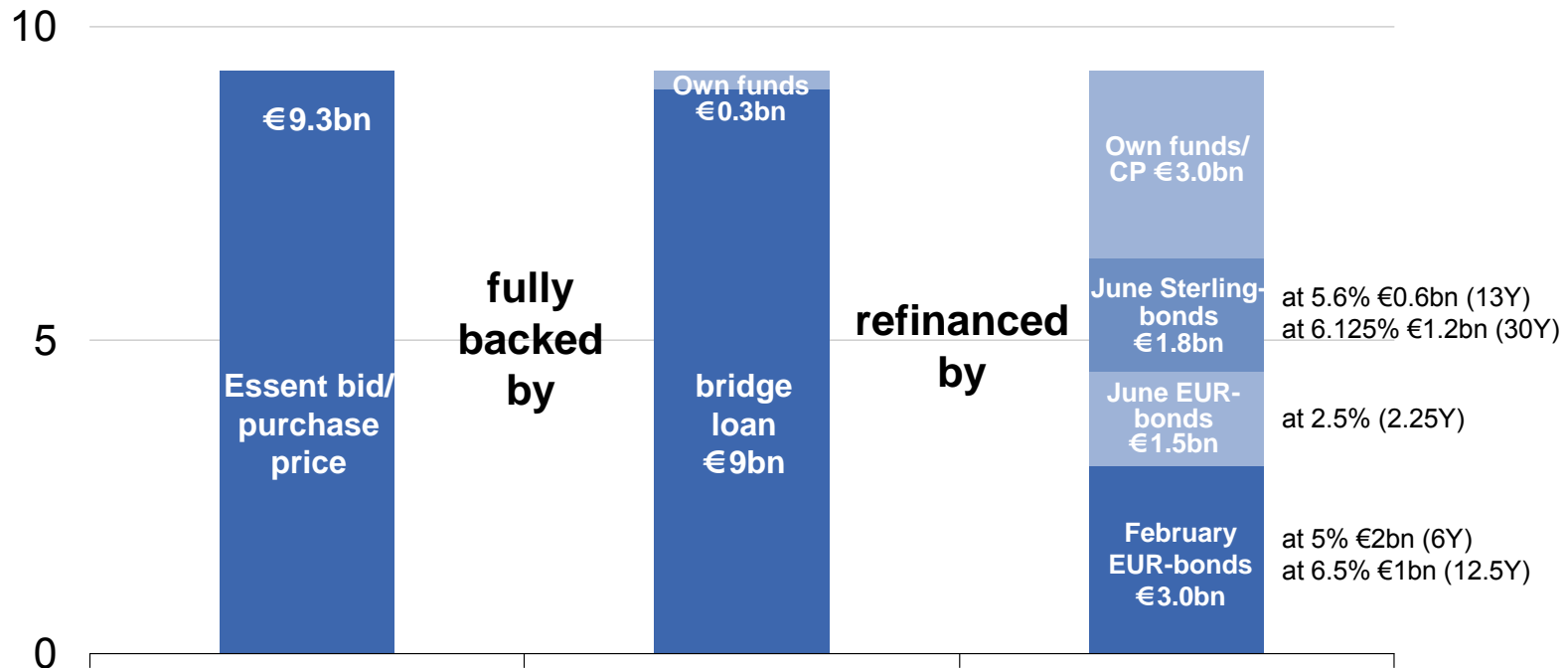


¹ As of End of June, 2009.

² Excluding uncommitted bilateral lines.

available
amounts used

Early refinancing in difficult time: Payment scheme with regard to Essent acquisition

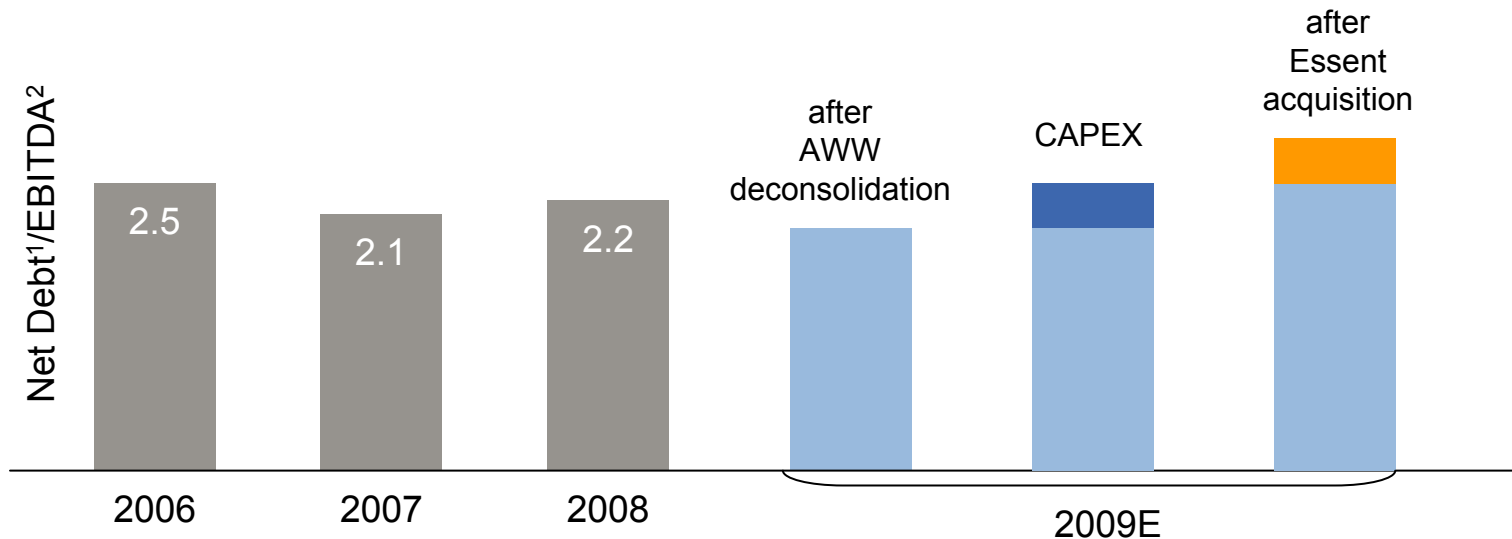


Leverage factor: Essent brings us right in the middle of our target range

Leverage measured by ratio of **Net Debt/EBITDA (= leverage factor)**:

Net debt
<ul style="list-style-type: none"> > Net financial debt + provisions for pension + provisions for nuclear decommissioning + provisions for mining damage

Leverage Factor
<ul style="list-style-type: none"> > RWE's originally targeted range for the leverage factor: 2.8x – 3.4x by 2010 > Actual targeted leverage factor to be in line with Single A flat / A2 rating



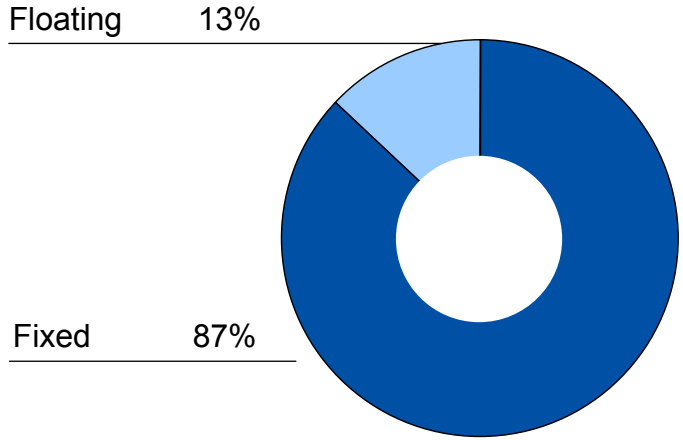
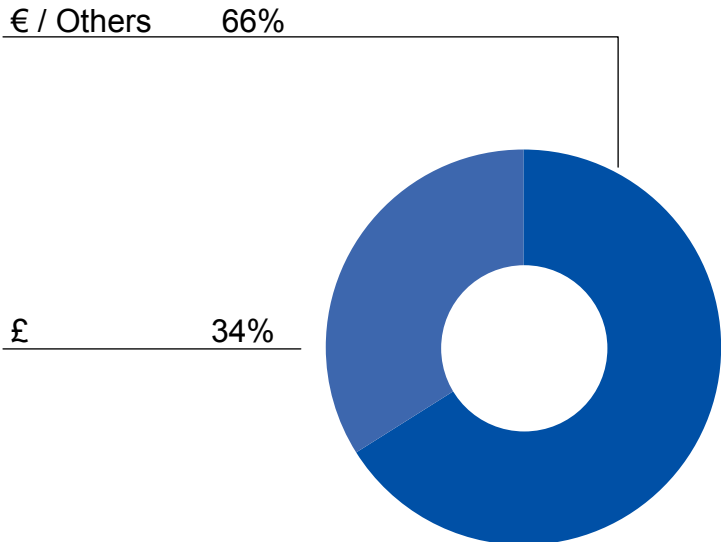
Our net debt definition is already highly conservative

€ million

03/31/2009

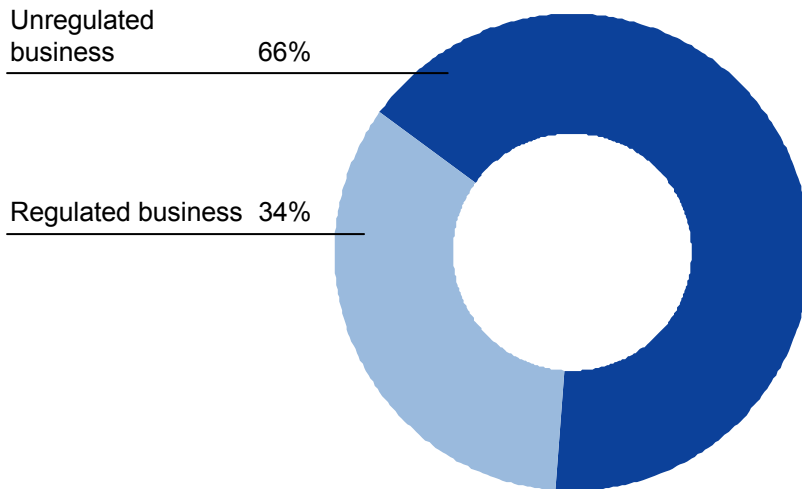
Cash and cash equivalent	1,584
Marketable securities	10,373
Other financial assets	3,644
Financial assets of continuing operations	15,601
Bonds, notes payable, bank debt, cp	14,510
Other financial liabilities	1,696
Financial liabilities of continuing operations	16,206
Net financial debt (+) / assets ('-') of continuing operations	605
Provisions for pensions and similar obligations	3,109
Capitalized surplus of plan assets over benefit obligations	3
Provisions for nuclear waste management	9,438
Provisions for mining	2,858
Net debt (+) / assets ('-') from DCO	4,522
Net debt (+) / assets ('-') new definition	20,529

The currencies and interest rate structure of our financial debt match our business and conservative risk policy

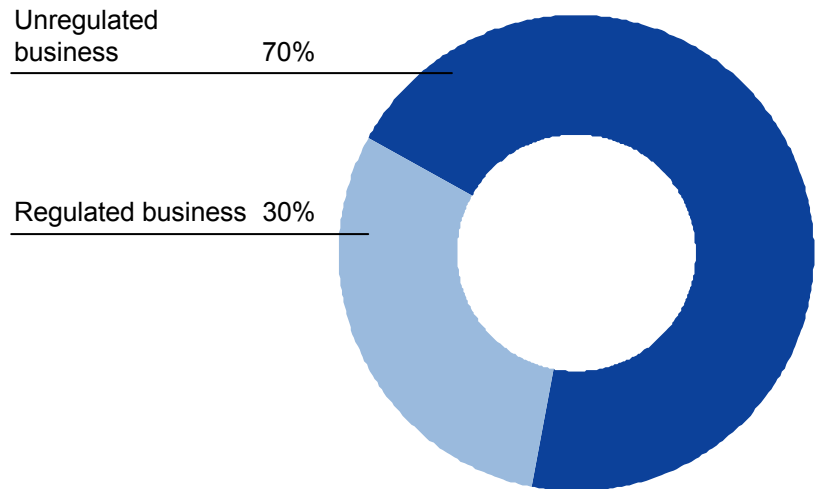


30% of 2008 Operating Result¹ derived from Regulated Businesses gives high Earnings Reliability

External Revenue



Operating Result¹



- Regulated business includes:
 - German electricity and gas grids
 - Czech gas distribution and supply business
 - Electricity supply in Poland and Hungary
 - Continental European water business
 - Renewables