

# 2009

Financial Statements of RWE AG



# FINANCIAL STATEMENTS OF RWE AG

The financial statements and review of operations of RWE AG for the 2009 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 114.

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, 2009

<b>Assets</b>	Note	12/31/09	12/31/08
€ million			
<b>Non-current assets</b>	(1)		
Financial assets		<b>40,039</b>	<b>30,298</b>
<b>Current assets</b>			
Accounts receivable and other assets	(2)		
Accounts receivable from affiliated companies		3,896	9,870
Other assets		690	739
Marketable securities	(3)	2,542	4,489
Cash and cash equivalents	(4)	1,169	345
		<b>8,297</b>	<b>15,443</b>
<b>Prepaid expenses</b>	(5)	<b>88</b>	<b>49</b>
		<b>48,424</b>	<b>45,790</b>
<b>Equity and liabilities</b>	Note	12/31/09	12/31/08
€ million			
<b>Equity</b>	(6)		
Subscribed capital			
Common shares		1,340	1,340
Preferred shares		100	100
		<b>1,440</b>	<b>1,440</b>
Capital reserve		1,158	1,158
Retained earnings			
Reserves for own shares		1,960	2,021
Other retained earnings		3,028	2,389
Distributable profit		1,867	2,408
		<b>9,453</b>	<b>9,416</b>
<b>Provisions</b>	(7)		
Provisions for pensions and similar obligations		3,309	3,454
Provisions for taxes		2,567	2,532
Other provisions		1,484	1,355
		<b>7,360</b>	<b>7,341</b>
<b>Liabilities</b>	(8)		
Bonds		756	913
Bank debt		161	584
Trade accounts payable		41	33
Accounts payable to affiliated companies		29,966	26,029
Other liabilities		632	1,408
		<b>31,556</b>	<b>28,967</b>
<b>Deferred income</b>	(9)	<b>55</b>	<b>66</b>
		<b>48,424</b>	<b>45,790</b>

## Income Statement for the period from January 1, 2009 to December 31, 2009

€ million	Note	2009	2008
Net income from financial assets	(12)	3,662	3,751
Net interest	(13)	-1,091	-961
Other operating income	(14)	2,062	1,225
Staff costs	(15)	-169	-99
Other operating expenses	(16)	-911	-796
<b>Profit from ordinary activities</b>		<b>3,553</b>	<b>3,120</b>
Taxes on income	(17)	-1,115	-285
<b>Net profit</b>		<b>2,438</b>	<b>2,835</b>
Profit carried forward from the previous year		7	83
Reduction of the capital reserve in accordance with Sec. 272, Para. 2, No. 4 of the German Commercial Code (HGB) <sup>1</sup>			130
Settlement paid to shareholders <sup>1</sup>			-130
Transfer to retained earnings		-578	-510
<b>Distributable profit</b>		<b>1,867</b>	<b>2,408</b>

1 In the previous year, a correction was made 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.

## Notes at December 31, 2009

€ million	Cost			Balance at 12/31/09	Accumula- ted depre- ciation Balance at 12/31/09	Carrying amounts		Deprecia- tion for the reporting period
	Balance at 12/31/08	Additions <sup>2</sup>	Disposals			Balance at 12/31/08	Balance at 12/31/09	
<b>Roll-forward of non-current assets</b>								
<b>Financial assets</b>								
Shares in affiliated companies	12,371	17,933	1,669	28,635	89	12,282	28,546	
Loans to affiliated companies	13,443	3,421	8,363	8,501		13,443	8,501	
Investments	168	176	1	343	53	152	290	37
Long-term securities <sup>1</sup>	5,309	220	2,799	2,730	31	4,419	2,699	28
Other loans	2	2	1	3		2	3	
	<b>31,293</b>	<b>21,752</b>	<b>12,833</b>	<b>40,212</b>	<b>173</b>	<b>30,298</b>	<b>40,039</b>	<b>65</b>

1 A write-up of €433 million was recognised for long-term securities in fiscal 2009.

2 Includes additions from the merger of RWE Energy AG (also see commentary on non-current assets).

## 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).

The Group's sales, network and investment businesses were realigned in fiscal 2009 as part of the RWE Group's restructuring. For this purpose, the supply operations of the former RWE Rhein-Ruhr Aktiengesellschaft, Essen, (RWE Rhein-Ruhr) and of the former RWE Westfalen-Weser-Ems Aktiengesellschaft, Dortmund, (RWE WWE) were pooled, including the Sales Portfolio Business Division of the former RWE Energy Aktiengesellschaft, Dortmund, and transferred to the newly established RWE Vertrieb Aktiengesellschaft, Dortmund, via

carve-outs. In addition, the grid and investment businesses of the former RWE Rhein-Ruhr and the former RWE WWE were combined and placed under RWE Rheinland Westfalen Netz AG, Essen; this was done by folding RWE WWE into RWE Rhein-Ruhr, which changed its name to RWE Rheinland Westfalen Netz.

RWE Energy's function as interim holding company was eliminated due to the realignment. As a result, the company was folded into RWE AG pursuant to a merger agreement dated August 11, 2009, with retroactive commercial effect as of January 1, 2009, after RWE Energy's Sales Portfolio Management Division had been carved out and transferred to RWE Vertrieb with retroactive effect as of January 1, 2009. The merger took effect on September 7, 2009, through its entry into the Commercial Register of the Essen District Court. The merger was carried out based on the cost principle. Transactions resulting from the merger are stated separately where necessary to improve comparability and clarity.

## 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 ex-

pectancies—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 summarised in the balance sheet for the 2009 financial year is provided on page 2. The following is an overview of material changes in the fiscal year:

€3,825 million were transferred to the capital reserve of GBV Zwanzigste Gesellschaft für Beteiligungsverwaltung mbH, Essen, in connection with the acquisition of the Dutch energy utility Essent N.V., Arnhem/Netherlands.

The merger of the wholly owned subsidiary RWE Energy in the fiscal year resulted in €13,604 million in additions and €1,503 million in disposals in connection with shares in affiliated companies. The additions primarily relate to RWE Beteiligungsgesellschaft mbH, Essen, RWE Gas International B.V., Hoofddorp/Netherlands, Ampriom GmbH, Dortmund, and RWE Beteiligungsverwaltung Ausland GmbH, Essen.

The carrying amount of Scaris Investment Ltd., Valletta/Malta, increased to a total of €320 million as a result of capital increases.

Further transfers were made to the capital reserve of RWE Supply & Trading GmbH, Essen; its carrying amount increased by a total of €173 million.

The addition to investments mainly stems from Východoslovenská energetika, a.s., Košice/Slovakia, within the scope of the merger of RWE Energy.

The additions and disposals in connection with loans relate to GBV Fünfte Gesellschaft für Beteiligungsverwaltung mbH, Essen, and RWE Aqua International GmbH, Essen and primarily to the €5,423 million (net) disposal from the merger of RWE Energy.

Long-term securities nearly exclusively include shares in special funds.

Due to a trust arrangement entered into in connection with a contractual trust arrangement (CTA), €2,461 million in disclosed marketable securities and €138 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, 09	Thereof RT <sup>1</sup> > 1 year	Dec 31, 08	Thereof RT <sup>1</sup> > 1 year
Accounts receivable from affiliated companies	3,896	1,121	9,870	980
Other assets	690	473	739	547
	<b>4,586</b>	<b>1,594</b>	<b>10,609</b>	<b>1,527</b>

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 corporate 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 realisation of the credit applicable in the past was replaced by a procedure by which payments are made in instalments over a period of ten 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 CTA, €19 million in bank balances disclosed as other assets are available solely to finance pension commitments.

### (3) Marketable securities

€ million	Dec 31, 09	Dec 31, 08
Own shares	1,960	2,021
Other marketable securities	582	2,468
	<b>2,542</b>	<b>4,489</b>

A total of 2,901,862 RWE AG common shares with a counter value of approximately €177 million were purchased between February 2, 2009, and February 16, 2009, in order to cover the settlement in connection with the RWE/VEW conciliation proceedings. In the same period, 2,888,000 existing own shares with a counter value of approximately €176 million were sold. Furthermore, another 28,846,473 own shares were stated as own shares under current securities as of December 31, 2009. They account for €73,846,970.88 of the corporation's share capital (5.13 % of the subscribed capital). A write-up on the share price of €67.96 per individual share certificate was recognised due to increases in value.

Furthermore, in the 2009 fiscal year, RWE AG bought 414,658 RWE common shares on the capital market at an average purchase price of €61.95 per individual share certificate. They

### (6) Equity

Changes in equity € million	Balance at Dec 31, 08	Reserves for own shares	Dividend payments	Net profit	Balance at Dec 31, 09
Subscribed capital	1,440				1,440
Capital reserve	1,158				1,158
Retained earnings					
Reserve for own shares	2,021	-61			1,960
Other retained earnings	2,389	61		578	3,028
Distributable profit	2,408		-2,401	1,860	1,867
	<b>9,416</b>	<b>0</b>	<b>-2,401</b>	<b>2,438</b>	<b>9,453</b>

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).

account for €1,061,524.48 of the corporation's share capital (0.1 % of the subscribed capital). Employees of RWE AG and its affiliated companies received a total of 406,110 common shares at an average price of €50.97 per individual share certificate within the scope of capital formation and 8,488 common shares at an average price of €38.08 on the occasion of service anniversaries. A total of 60 unneeded common shares were sold on the capital market at a price of €65.44 per share. Aggregate proceeds amounted to €21,026,576.14. 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, 09	Dec 31, 08
Discount	55	39
Other	33	10
	<b>88</b>	<b>49</b>

Other prepaid expenses predominantly consist of accrued prepayment of rent.

**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 authorised 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 (authorised 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 22, 2009, the Executive Board was authorised to purchase shares of any class in RWE, totalling up to 10% of the share capital until October 21, 2010. In addition, authorisation was granted to acquire the company's shares by exercising put or call options.

Pursuant to the resolution passed by the Annual General Meeting on April 22, 2009, the Executive Board was authorised to call or—under certain conditions and waiving the shareholders' subscription rights—sell own shares to third parties without requiring a further resolution to be passed by the Annual General Meeting.

Pursuant to the resolution passed by the Annual General Meeting on April 22, 2009, the Executive Board was further authorised to issue option or convertible bonds. The bonds' combined nominal value is limited to €6 billion. The shareholders' subscription rights can be waived under certain conditions. The Annual General Meeting passed a resolution to create €144 million in conditional capital, divided among 56 million common shares in the name of the bearer, in order to redeem the bonds. Shares from authorised capital are added to shares from conditional capital if they are both issued while waiving the shareholders' subscription rights. On this basis, the capital stock may not be increased by more than 20% through the issuance of new shares.

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 <sup>1</sup>	
2004 tranche	
Grant date	May 25, 2004
Number of options granted	9,192,800
Term	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	€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 of RWE AG). Settlement is limited to 50% of the exercise price.

1 Long-Term Incentive Plan

	<b>Beat</b>			
	2006 tranche	2007 tranche	2008 tranche	2009 tranche
Grant date	Jan 1, 2006	Jan 1, 2007	Jan 1, 2008	Jan 1, 2009
Number of conditionally granted performance shares	2,444,191	1,468,132	1,668,836	3,251,625
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"> <li>1. Determination of the index weighting of the peer group companies which exhibit a lower TSR than RWE at the end of the term.</li> <li>2. Performance factor is calculated by squaring this percentage rate and multiplying it by 1.25.</li> <li>3. Total number of performance shares which can be paid out is calculated by multiplying the performance shares conditionally granted by the performance factor.</li> <li>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).</li> </ol>			
Change in corporate control/merger	<ul style="list-style-type: none"> <li>▪ 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 plan with regard to the time when the bid for corporate control is submitted.</li> <li>▪ 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.</li> </ul>			
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:

<b>LTIP</b>	2004 tranche
Outstanding at the start of the fiscal year	12,000
Exercised	-12,000
Outstanding at the end of the fiscal year	0
Exercisable at the end of the fiscal year	0

The average weighted share price as of the exercise date amounted to €59.71 for the options from LTIP exercised fiscal 2009.

**Beat.** The fair value of the performance shares (PS) conditionally granted in the Beat programme as of the grant date amounted to €11.93 per share for the 2009 tranche, €22.25 per share for the 2008 tranche, and €24.99 per share for the 2007

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	2006 tranche	2007 tranche	2008 tranche	2009 tranche
Outstanding at the start of the fiscal year	2,373,355	1,451,304	1,664,239	0
Granted				3,251,625
Change in grant / expired		-4,201	-2,203	-7,984
Paid out	-2,373,355			
Outstanding at the end of the fiscal year	0	1,447,103	1,662,036	3,243,641
Payable at the end of the fiscal year	0	1,447,103	0	0

The remaining contractual term amounted to one year for the 2008 tranche and two years for the 2009 tranche. The contractual term for the 2007 tranche ended upon completion of the

year under review. In accordance with the plan regulations, the payment amount is €19.64 per performance share.

#### (7) Provisions

€ million	Dec 31, 09	Dec 31, 08
Provisions for pensions and similar obligations	3,309	3,454
Provisions for taxes	2,567	2,532
Other provisions	1,484	1,355
	<b>7,360</b>	<b>7,341</b>

Disclosed provisions for pensions also include benefits payable to current and former employees of Amprion GmbH, RWE Effizienz GmbH, RWE IT GmbH, RWE Power AG, RWE Rheinland Westfalen Netz AG, RWE Service GmbH, RWE Supply & Trading GmbH, Thyssengas GmbH and RWE Vertrieb AG. Expenses incurred for the retirement benefits of the companies concerned are reimbursed by them.

As of March 30, 2009, RWE AG transferred further pension obligations to RWE Pensionsfonds AG within the scope of follow-up funding on the basis of the pension fund agreement in force since 2007. The redemption price determined actuarially

in compliance with statutory regulations amounted to €444 million. The transfer led to a disposal of €369 million in pension obligations accounted for under German commercial law.

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, 09	Thereof RT <sup>1</sup> < 1 year	Thereof RT <sup>1</sup> > 5 years	Dec 31, 08	Thereof RT <sup>1</sup> < 1 year
Bonds	756	56	700	913	157
Bank debt	161	139		584	530
Trade accounts payable	41	41		33	33
Accounts payable to affiliated companies	29,966	7,715	8,617	26,029	8,347
Other liabilities	632	524	102	1,408	1,302
of which tax	(179)	(179)		(228)	(228)
of which social security	(7)	(2)	(1)	(5)	(1)
	<b>31,556</b>	<b>8,475</b>	<b>9,419</b>	<b>28,967</b>	<b>10,369</b>

1 RT = remaining term.

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

Bank debt principally relates to bank loans and interest accruals for 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 equalisation payments.

**(10) Contingent liabilities & other financial obligations**

Contingent liabilities include warranty agreements, bank guarantees and liabilities from guarantees.

Warranty agreements reflect €3,990 million in warranties granted to third parties for the benefit of affiliated companies.

Accounts payable due to bank guarantees amount to €350 million, of which €342 million relate to current business conducted by affiliated companies.

Furthermore, the guarantees comprise performance and warranty guarantees totalling €92 million, €71 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.	€1,500 million	2.5	September 2011
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.	€2,000 million	5.0	February 2015
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.	€1,000 million	6.5	August 2021
RWE Finance B.V.	£500 million	5.5	July 2022
RWE Finance B.V.	£488 million	5.625	December 2023
RWE Finance B.V.	£760 million	6.25	June 2030
RWE Finance B.V.	£1,000 million	6.125	July 2039

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 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.

RWE AG is a co-guarantor for a joint and several liability of £0.2 million within the scope of a notional cashpool between affiliates.

RWE AG is a co-guarantor for a joint and several liability in accordance with Sec. 133 of the German Company Transformation Act (UmwG) in connection with transactions under company transformation law.

RWE AG and some of its subsidiaries are involved in regulatory and anti-trust procedures, 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.

€95 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.

€14 million in accounts receivable from reinsurance policies have been pledged in connection with company pension benefit obligations from deferred compensation schemes.

The co-shareholders of an affiliated company have the right to tender their shares in this company. The full exercise of this right to tender can lead to a financial obligation of €1,320million.

Within the scope of the acquisition of the Dutch utility Es-sent N.V., RWE Benelux Holding B.V., Hoofddorp/Netherlands,

#### (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 €26.7 billion as of the balance-sheet date. Offsetting deriva-

tives with a nominal volume of €23.9 billion have been concluded with group companies.

has undertaken to acquire shares in Energy Resources B.V., 's-Hertogenbosch/Netherlands (formerly Essent Business Development B.V., 's-Hertogenbosch/Netherlands) under certain conditions. RWE AG as parent company will guarantee that this obligation is met.

In connection with the sale of investments of a subsidiary, the buyer obtained the right to tender these investments to RWE AG. This can result in a financial obligation of €53 million.

RWE AG is a co-guarantor for a joint and several liability for the payment obligation relating to capital contributions in the amount of €57 million vis-à-vis an affiliated company.

Other future—undiscounted—financial obligations from leases and rent amounted to €137 million as of December 31, 2009. €96 million thereof are payable to affiliated companies.

The following overview shows our derivative financial instruments as of December 31, 2009:

€ 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	3,130	16,920	518	4,882	8	89
Interest-rate/cross-currency swaps	19,199	6,662	2,864	2,481	51	-787
	<b>22,329</b>	<b>23,582</b>	<b>3,382</b>	<b>7,363</b>	<b>59</b>	<b>-698</b>
Interest rate derivatives	4,371	362	3,782	362	194	-18
<b>Total</b>	<b>26,700</b>	<b>23,944</b>	<b>7,164</b>	<b>7,725</b>	<b>253</b>	<b>-716</b>

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 off-setting 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 underlying transactions 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 un-

derlying transactions. €35 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

€ million	2009	2008
Income from profit and loss transfer agreements with affiliated companies	3,051	5,017
Income from investments in		
affiliated companies	1,042	209
other companies	44	9
	1,086	218
Expenses from profit and loss transfer agreements with affiliated companies	-798	-952
Income from other securities and loans held as financial assets	388	721
of which from affiliated companies	(287)	(536)
Amortisation of financial assets and current securities	-65	-1,253
	<b>3,662</b>	<b>3,751</b>

After the merger with RWE Energy, parts of the previous profit transfers are disclosed as income from investments.

### (13) Net interest

€ million	2009	2008
Other interest and similar income	409	669
of which from affiliated companies	(130)	(299)
Interest and similar expenses	-1,500	-1,630
of which from affiliated companies	(-1,180)	(-1,232)
	<b>-1,091</b>	<b>-961</b>

**(14) Other operating income**

Other operating income mainly consists of income from intra-group tax allocations. It also includes income from the write-up on marketable securities.

**(15) Staff costs**

€ million	2009	2008
Wages and salaries	-118	-79
Cost of social security, pensions and other benefits	-51	-20
of which for pensions	(-39)	(-15)
	<b>-169</b>	<b>-99</b>
<b>Annual average full time equivalents</b>	<b>2009</b>	<b>2008</b>
Salaried staff	661	431
of which part-time and fixed-term employees	(73)	(50)
Apprentices	10	10
	<b>671</b>	<b>441</b>

The rise in staff costs is due to the merger with RWE Energy and the pooling of back office functions.

**(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.

## 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 combined review of operations.

In total, the Executive Board received €18,770,000 short-term compensation components in fiscal 2009. In addition to this, long-term compensation components from the 2009 tranche of the Beat programme amounting to €3,750,000 were allocated (314,335 performance shares). Total compensation of the Executive Board for fiscal 2009 thus amounts to €22,520,000. The fixed remuneration paid to members of the Supervisory Board was €1,181,000, and the variable remuneration amounted to €2,265,000.

No loans or advances were granted to members of the Executive Board or Supervisory Board in the year under review. An employee representative on the Supervisory Board has an outstanding employee loan of €12,000 taken out before the individual joined the board.

Former members of the Executive Board of RWE AG and their surviving dependants received €8,365,000. This includes €7,000,000 in long-term incentive components. €12,528,000 in provisions have been made to cover pension obligations to former members of the Executive Board and their surviving dependants. The aforementioned figures were affected by the transfer of old-age retirement obligations to RWE Pensionsfonds AG with effect from March 30, 2009.

The Economic Advisory Board received €240,000.

As of the balance-sheet date, the Executive Board held 90,036 performance shares from the 2007 tranche of the long-term incentive plan (Beat), 110,113 performance shares from the 2008 tranche and 314,335 performance shares from the 2009 tranche. The long-term incentive plan is described in detail in the section on equity.

On January 14, 2009, Capital Research and Management Company, 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 5 % on January 9, 2009, and amounted to 5.04 % 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 July 23, 2009, 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 threshold of 5 % on July 21, 2009, and amounted to 4.99 % 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 2, 2009, 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 threshold of 3 % on August 28, 2009, and amounted to 2.98 % 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 December 7, 2009, BlackRock Financial Management, Inc., New York/USA, BlackRock Holdco 2, Inc., New York/USA, and BlackRock, Inc., New York/USA informed us of the following pursuant to Sec. 21 of the German Securities Trading Act (WpHG) in conjunction with Sec. 24 of the German Securities Trading Act (WpHG).

- BlackRock Financial Management, Inc.'s share of voting rights in RWE AG exceeded the threshold of 3 % on December 1, 2009, and amounted to 4.45 % on that day. Pursuant to Sec. 22 of the German Securities Trading Act (WpHG), all of these voting rights are allocable to BlackRock Financial Management, Inc.
- BlackRock Holdco 2, Inc.'s share of voting rights in RWE AG exceeded the threshold of 3 % on December 1, 2009, and amounted to 4.45 % on that day. Pursuant to Sec. 22 of the German Securities Trading Act (WpHG), all of these voting rights are allocable to BlackRock Holdco 2, Inc.
- BlackRock Inc.'s share of voting rights in RWE AG exceeded the threshold of 3 % on December 1, 2009, and amounted to 4.57 % on that day. Pursuant to Sec. 22 of the German Securities Trading Act (WpHG), all of these voting rights are allocable to BlackRock, Inc.

The following fees were recognised as expenses for services rendered in fiscal 2009 by the auditor of the financial statements, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft:

€ million	2009	2008
Audit services <sup>1</sup>	0.8	0.6
Other assurance services <sup>1</sup>	4.0	2.7
Other services	0.1	0.1
	<b>4.9</b>	<b>3.4</b>

<sup>1</sup> Prior-year figures were adjusted to improve comparability.

The fees for audit services consist of the fees for the legally required audit of the financial statements of the parent company (RWE AG) and of the RWE Group, insofar as these are directly borne by RWE AG. Fees for other assurance services related principally to the audit-like review of the interim Group financial statements of RWE AG. In the preceding year, they were disclosed as part of the audits item. This item also includes 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	2,438,413,209.38 €
Profit carried forward from the previous year	7,094,417.75 €
Transfer to retained earnings	578,000,000.00 €
Distributable profit	1,867,507,627.13 €

We propose to the Annual General Meeting that RWE AG's distributable profit for fiscal 2009 be appropriated as follows:

Distribution of a dividend of €3.50 per dividend-bearing individual share certificate:

Dividend	1,867,454,844.50 €
Profit carryforward	52,782.63 €
Distributable profit	1,867,507,627.13 €

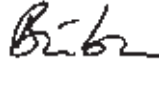
The dividend proposal takes into account the non-dividend-bearing shares held by the corporation as of December 31, 2009. The number of dividend-bearing shares may decline before the Annual General Meeting if further shares are purchased. Accordingly, the number of dividend-bearing shares may rise if 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, 2010, 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, 2010, and the date of the proposal for the appropriation of distributable profit. The profit carryforward will rise or fall by these partial amounts.

Essen, February 12, 2010

The Executive Board



Großmann




Birnbaum



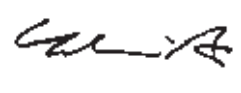
Fitting



Jobs



Pohlig



Schmitz

## 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 12, 2010

The Executive Board



Großmann



Birbaum



Fitting



Jobs



Pohlig



Schmitz

## 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, 2009. 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 15, 2010

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Manfred Wiegand  
Wirtschaftsprüfer  
(German Certified  
Public Auditor)

Markus Dittmann  
Wirtschaftsprüfer  
(German Certified  
Public Auditor)

# MATERIAL INVESTMENTS (AS OF DECEMBER 31, 2009)

<b>I. Affiliates</b>	Investment in acc. with Sec. 16 of the German Stock Corporation Act %	Equity of the last fiscal year €'000	Net income/ loss of the last fiscal year €'000	Revenue 2009 € million	Employees <sup>2</sup> 2009 average
<b>RWE Aktiengesellschaft, Essen</b>		<b>9,453,274</b>	<b>2,438,413</b>	<b>-</b>	<b>661</b>
<b>Power generation, Germany</b>					
RWE Power Aktiengesellschaft, Cologne and Essen	100	2,037,209	- <sup>1</sup>	10,300	13,524
Kernkraftwerke Lippe-Ems GmbH, Lingen (Ems)	99	165,545	- <sup>1</sup>	243	321
Kernkraftwerk Gundremmingen GmbH, Gundremmingen	75	84,184	8,343	294	719
Rheinbraun Brennstoff GmbH, Cologne	100	63,294	- <sup>1</sup>	587	171
<b>Sales and distribution networks, Germany</b>					
Emscher Lippe Energie GmbH, Gelsenkirchen	79	76,386	26,727	508	634
Energis GmbH, Saarbrücken	64	136,760	22,729	403	300
envia Mitteldeutsche Energie AG, Chemnitz	59	1,085,502	296,018	3,039	2,068
envia Netzservice GmbH, Kabelsketal	100	4,045	- <sup>1</sup>	374	12
envia Verteilnetz GmbH, Halle (Saale)	100	24	- <sup>1</sup>	1,835	5
eprimo GmbH, Neu-Isenburg	100	4,600	- <sup>1</sup>	342	74
EWV Energie- und Wasser-Versorgung GmbH, Stolberg	54	39,539	13,586	341	372
Koblenzer Elektrizitätswerk und Verkehrs-Aktiengesellschaft, Koblenz	58	73,236	10,035	446	508
Lechwerke AG, Augsburg	90	237,402	63,794	1,220	1,191
LEW Verteilnetz GmbH, Augsburg	100	25	- <sup>1</sup>	643	4
MITGAS Mitteldeutsche Gasversorgung GmbH, Halle (Saale)	75	132,592	38,805	713	319
rhenag Rheinische Energie Aktiengesellschaft, Cologne	67	142,577	28,402	270	327
RWE Beteiligungsgesellschaft mbH, Essen	100	7,820,490	- <sup>1</sup>	-	-
RWE Effizienz GmbH, Dortmund	100	25	- <sup>1</sup>	-	19
RWE Gasspeichergesellschaft mbH, Dortmund	100	115,426	- <sup>1</sup>	103	19
RWE Kundenservice GmbH, Bochum	100	25	- <sup>1</sup>	263	14
RWE Rheinland Westfalen Netz Aktiengesellschaft, Essen	100	497,854	- <sup>1</sup>	1,656	5,006
RWE Rhein-Ruhr Netzservice GmbH, Siegen	100	25	- <sup>1</sup>	767	28
RWE Rhein-Ruhr Verteilnetz GmbH, Wesel	100	25	- <sup>1</sup>	2,258	7
RWE Vertrieb Aktiengesellschaft, Dortmund	100	11,002	- <sup>1</sup>	13,237	1,020
RWE Westfalen-Weser-Ems Netzservice GmbH, Dortmund	100	25	- <sup>1</sup>	978	18
RWE Westfalen-Weser-Ems Verteilnetz GmbH, Recklinghausen	100	25	- <sup>1</sup>	1,853	3
RWW Rheinisch-Westfälische Wasserwerksgesellschaft mbH, Mülheim an der Ruhr	80	75,463	10,306	102	406
Stadtwerke Düren GmbH, Düren	75	23,345	2,614	152	211
Süwag Energie AG, Frankfurt am Main	78	296,109	80,800	1,698	1,401
Süwag Netz GmbH, Frankfurt am Main	100	25	- <sup>1</sup>	526	26
VSE Aktiengesellschaft, Saarbrücken	69	133,335	14,341	460	319
<b>Netherlands/Belgium</b>					
RWE Benelux Holding B.V., Hoofddorp/Netherlands	100	3,709,689	-112,679	-	-
Essent Energie Productie B.V., 's-Hertogenbosch/Netherlands	100	1,400,806	-8,873	-	509
Essent Energie Verkoop Nederland B.V., 's-Hertogenbosch/Netherlands	100	108,797	7,373	259	142
Essent Energy Trading B.V., Eindhoven/Netherlands	100	1,817,424	168,169	2,282	62
Essent Retail Energie B.V., 's-Hertogenbosch/Netherlands	100	309,570	3,883	563	828

1 Profit- and loss-pooling agreement.

2 Converted to full-time positions.

<b>I. Affiliates</b>	Investment in acc. with Sec. 16 of the German Stock Corporation Act %	Equity of the last fiscal year €'000	Net income/ loss of the last fiscal year €'000	Revenue 2009 € million	Employees <sup>1</sup> 2009 average
<b>Netherlands/Belgium</b>					
Essent Trading International SA, Geneva/Switzerland	100	-83,469	30,770	1,224	334
RWE Energy Nederland N.V., Hoofddorp/Netherlands	100	43,071	34,483	1,968	384
<b>United Kingdom</b>					
RWE Npower Holdings plc, Swindon/UK <sup>2</sup>	100	565,208	-178,007	8,214	12,733
<b>Central and Eastern Europe</b>					
Budapesti Elektromos Művek Nyrt. (ELMÜ), Budapest/Hungary	55	980,067	31,014	911	341
ELMÜ Hálózati Elosztó Kft., Budapest/Hungary	100	996,987	28,978	349	217
ÉMÁSZ Hálózati Kft., Budapest/Hungary	100	319,990	6,273	142	132
Észak-magyarországi Áramszolgáltató Nyrt. (ÉMÁSZ), Miskolc/Hungary	54	334,971	3,057	327	120
Jihomoravská plynárenská, a.s., Brno/Czech Republic	50	280,567	60,837	708	715
JMP Net, s.r.o., Brno/Czech Republic	100	399,326	38,736	119	44
Mátra Erőmű Zártkörűen Működő Részvénytársaság (MÁTRA), Visonta/Hungary	51	281,318	76,468	340	2,437
RWE Energie, a.s., Ústí nad Labem/Czech Republic	100	313,888	67,591	814	42
RWE Gas International B.V., Hoofddorp/Netherlands	100	4,389,762	429,771	-	-
RWE GasNet, s.r.o., Usti nad Labem/Czech Republic	100	517,674	82,220	159	154
RWE Gas Storage, s.r.o., Prag/Czech Republic	100	582,859	68,503	138	212
RWE Polska S.A., Warsaw/Poland	100	499,731	35,008	687	592
RWE Stoen Operator Sp z o.o., Warsaw/Poland	100	655,243	13,907	197	612
RWE Transgas, a.s., Prague/Czech Republic	100	3,652,076	599,730	2,154	263
RWE Transgas Net, s.r.o., Prague/Czech Republic	100	1,983,309	175,370	372	502
Severomoravská plynárenská, a.s., Ostrava/Czech Republic	68	206,211	51,231	469	21
SMP Net, s.r.o., Ostrava/Czech Republic	100	270,207	74,736	95	15
VCP Net, s.r.o., Hradec Králové/Czech Republic	100	201,487	75,673	52	13
Východočeská plynárenská, a.s., Hradec Králové/Czech Republic	67	132,988	28,010	303	50
<b>Renewables</b>					
RWE Innogy GmbH, Essen	100	183,850	- <sup>3</sup>	111	181
Agrupació Energías Renovables, S.A.U., Barcelona/Spain					
AERSA-Group <sup>2</sup> with 9 subsidiaries in Spain	100	174,103	11,382	63	29
RWE Npower Renewables Ltd., Swindon/UK	100	462,381	-6,188	19	268
RWE Innogy Cogen GmbH, Dortmund	100	53,982	- <sup>3</sup>	75	154
<b>Upstream gas &amp; oil</b>					
RWE Dea AG, Hamburg	100	1,323,905	- <sup>3</sup>	891	931
RWE Dea Norge AS, Oslo/Norway	100	115,512	-13,444	259	58
RWE Dea Suez GmbH, Hamburg	100	87,226	- <sup>3</sup>	135	128
<b>Trading/gas midstream</b>					
RWE Supply & Trading GmbH, Essen	100	370,408	- <sup>3</sup>	25,465	928
<b>Other subsidiaries</b>					
Amprion GmbH, Dortmund	100	613,025	- <sup>3</sup>	5,742	535
RWE Finance B.V., Hoofddorp/Netherlands	100	9,749	2,442	-	-
RWE Service GmbH, Dortmund	100	247,901	- <sup>3</sup>	2,234	1,426
Thyssengas GmbH, Dortmund	100	123,029	- <sup>3</sup>	215	127

1 Converted to full-time positions.

2 Figures from the company's financial statements.

3 Profit- and loss-pooling agreement.

<b>II. Companies accounted for using the equity method</b>	Investment inacc. with Sec. 16 of the German Stock Corporation Act %	Equity of the last fiscal year €'000	Net income/ loss of the last fiscal year €'000
<b>Power generation, Germany</b>			
Grosskraftwerk Mannheim Aktiengesellschaft, Mannheim	40	114,141	6,647
<b>Sales and distribution networks, Germany</b>			
AVU Aktiengesellschaft für Versorgungs-Unternehmen, Gevelsberg	50	100,865	13,680
Dortmunder Energie- und Wasserversorgung GmbH (DEW 21), Dortmund	47	150,437	23,846
Enovos International S.A., Luxembourg/Luxembourg	20	469,083	140,541
EVH GmbH, Halle (Saale)	30	76,736	8,705
Kärntner Energieholding Beteiligungs GmbH, Klagenfurt/Austria <sup>1</sup>	49	390,224	73,034
KEW Kommunale Energie- und Wasserversorgung AG, Neunkirchen	29	70,468	7,830
Niederrheinische Versorgung und Verkehr Aktiengesellschaft, Mönchengladbach <sup>1</sup>	50	435,816	23,184
Pfalzwerke Aktiengesellschaft, Ludwigshafen	27	193,537	18,069
Regionalgas Euskirchen GmbH & Co. KG, Euskirchen	43	48,501	6,408
RheinEnergie AG, Cologne	20	564,045	189,719
RWE-Veolia Berlinwasser Beteiligungs GmbH, Berlin	50	293,392	65,513
Stadtwerke Duisburg Aktiengesellschaft, Duisburg	20	153,223	34,640
Stadtwerke Essen Aktiengesellschaft, Essen	29	117,257	24,886
Stadtwerke Remscheid GmbH, Remscheid	25	111,736	6,620
Stadtwerke Velbert GmbH, Velbert	50	76,046	11,547
Südwestfalen Energie und Wasser AG, Hagen	19	267,011	407
Zagrebačke Otpadne Vode d.o.o., Zagreb/Croatia	49	113,247	10,629
<b>Central and Eastern Europe</b>			
Fővárosi Gázművek Zrt., Budapest/Hungary	50	153,954	21,373
TIGÁZ Tiszántúli Gázszolgáltató Zrt., Hajdúszoboszló/Hungary	44	536,966	-40,570
Východoslovenská energetika, a.s., Košice/Slovakia	49	704,922	80,229
<b>Renewables</b>			
Fri-El S.p.A., Bolzano/Italy <sup>1</sup>	50	18,842	755
Greater Gabbard Offshore Winds Limited, Reading/UK	50	-47	16
Zephyr Investments Ltd., Swindon/UK <sup>1</sup>	33	-8,412	-665
<b>Trading/gas midstream</b>			
Excelerate Energy LP, The Woodlands/Texas/USA <sup>1</sup>	50	310,220	-183,626

1 Figures from the company's financial statements.

<b>III. Other Investments</b>	Investment in acc. with Sec. 16 of the German Stock Corporation Act %	Equity of the last fiscal year €'000	Net income/ loss of the last fiscal year €'000
<b>Sales and distribution networks, Germany</b>			
Stadtwerke Chemnitz Aktiengesellschaft, Chemnitz	19	255,387	11,244

# BOARDS

As of February 12, 2010

## Supervisory Board

### Dr. Manfred Schneider

Leverkusen

Chairman - since May 1, 2009 -

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

### Dr. Thomas R. Fischer<sup>2</sup>

Berlin

- until January 31, 2010,

Chairman until April 30, 2009 -

Business executive

### Frank Bsirske<sup>1</sup>

Berlin

Deputy Chairman

Chairman of ver.di Vereinte Dienstleistungsgewerkschaft

- Deutsche Lufthansa AG
- IBM Central Holding GmbH
- KfW Bankengruppe

### 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 Bischoff<sup>1</sup>

Monheim am Rhein

Former member of the Main Executive Board of IG Bergbau,

Chemie, Energie

- Continental AG
- Evonik-Degussa GmbH
- Evonik Industries AG
- RWE Dea AG
- RWE Power AG
- BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH
- THS TreuHandStelle für Bergmannswohnstätten im rheinisch-westfälischen Steinkohlenbezirk GmbH (Chairman)

### Carl-Ludwig von Boehm-Bezing

Bad Soden

Former member of the Board of Management of Deutsche Bank AG

### Heinz Büchel<sup>1</sup>

Trier

Chairman of the General Works Council of

RWE Rheinland Westfalen Netz AG

### Dieter Faust<sup>1</sup>

Eschweiler

Deputy Chairman of the General Works Council of

RWE Power AG

- RWE Power AG

### Andreas Henrich<sup>1</sup>

Siegen

Head of HR Management at RWE Rheinland Westfalen Netz AG

- ELE Emscher Lippe Energie GmbH
- RWE Rheinland Westfalen Netz AG

### Heinz-Eberhard Holl<sup>2</sup>

Osnabrück

- until January 31, 2010 -

Former Chief Administrative Officer,

Osnabrück Rural District

- Georgsmarienhütte GmbH
- Georgsmarienhütte Holding GmbH

### Frithjof Kühn

Siegburg

- since February 1, 2010 -

Chief Administrative Officer, Rhein Sieg Rural District

- RW Holding AG (Chairman)
- Board of Directors of Kreissparkasse Köln

### Hans Peter Lafos<sup>1</sup>

Bergheim

- since October 28, 2009 -

Regional District Sector Head, Utilities and Disposal (Sector 2), ver.di Vereinte Dienstleistungsgewerkschaft, District of NRW

- RWE Power AG
- RWE Vertrieb AG
- GEW Köln AG

▪ 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

Former Mayor of the City of Dortmund

- Gesellschaft für Vermögensverwaltung AG
- KEB Holding AG (Chairman)
- WestLB AG

**Dagmar Mühlenfeld**

Mülheim an der Ruhr

Mayor of the City of 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)

**Dr. Wolfgang Reiniger**

Essen

Lawyer

**Günter Reppien<sup>1</sup>**

Lingen

Chairman of the General Works Council of RWE Power AG

- RWE Power AG
- Stadtwerke Lingen GmbH

**Karl-Heinz Römer<sup>1,2</sup>**

Mülheim an der Ruhr

- until September 30, 2009 -

District General Manager of

ver.di Vereinte Dienstleistungsgewerkschaft

**Dagmar Schmeer<sup>1</sup>**

Saarbrücken

Chairman of the Works Council of VSE AG

- VSE AG

**Dr.-Ing. Ekkehard D. Schulz**

Krefeld

Chairman of the Executive Board of ThyssenKrupp AG

- AXA Konzern AG
- Bayer AG
- MAN SE
- ThyssenKrupp Elevator AG (Chairman)
- ThyssenKrupp Steel Europe AG (Chairman)

**Uwe Tigges<sup>1</sup>**

Bochum

Chairman of the General Works Council of

RWE Vertrieb AG

- RWE Vertrieb AG

**Prof. Karel Van Miert**

Beersel

- deceased on June 22, 2009 -

Professor, Nyenrode University

**Manfred Weber<sup>1</sup>**

Wietze

Chairman of the General Works Council of RWE Dea AG

- RWE Dea AG

**Dr. Dieter Zetsche**

Stuttgart

- since July 16, 2009 -

Chairman of the Executive Board of Daimler AG

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▪ 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.

## Supervisory Board Committees

### **Executive Committee of the Supervisory Board**

Dr. Manfred Schneider (Chairman since May 1, 2009)  
Dr. Thomas R. Fischer (Chairman until April 30, 2009)  
Frank Bsirske  
Dr. Paul Achleitner  
Heinz Büchel  
Dieter Faust  
Dagmar Mühlenfeld  
Dagmar Schmeer  
Dr.-Ing. Ekkehard D. Schulz – since May 1, 2009 –

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

Dr. Manfred Schneider (Chairman since May 1, 2009)  
Dr. Thomas R. Fischer (Chairman until April 30, 2009)  
Frank Bsirske  
Werner Bischoff  
Dr.-Ing. Ekkehard D. Schulz – since May 1, 2009 –

### **Personnel Affairs Committee**

Dr. Manfred Schneider (Chairman since May 1, 2009)  
Dr. Thomas R. Fischer (Chairman until April 30, 2009)  
Frank Bsirske  
Dr. Paul Achleitner  
Heinz-Eberhard Holl – until January 31, 2010 –  
Frithjof Kühn – since February 1, 2010 –  
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. Manfred Schneider (Chairman since May 1, 2009)  
Dr. Thomas R. Fischer (Chairman until April 30, 2009)  
Dr. Paul Achleitner  
Heinz-Eberhard Holl – until January 31, 2010 –  
Frithjof Kühn – since February 1, 2010 –

## 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 metallurgy and economics, doctorate in ferrous metallurgy; active within the Klöckner Group from 1980 to 1993, exiting as member of the Executive Board of Klöckner-Werke AG; acquired Georgsmarienhütte in 1993; Owner and Managing Director of Georgsmarienhütte Holding GmbH from 1993 to 2006; joined RWE AG as President and CEO with effect from October 1, 2007.

Group-level responsibilities: Energy Policy, Compliance, Investor Relations, Communications, Executive Management, Executive Office and Auditing.

Other appointments:

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

### Dr. Leonhard Birnbaum

Executive Vice-President of RWE AG,  
appointed until September 30, 2013

Born in 1967 in Ludwigshafen am Rhein; graduated chemical engineer; consultant at McKinsey & Company Inc. from 1996 to 2008; promoted to partner (principal) in 2000 and to senior partner (director) at McKinsey in 2006, exiting as member of McKinsey's global management team for the energy sector; joined RWE AG as Head of Corporate Strategy and Business Development with effect from April 7, 2008; member of the Executive Board since October 1, 2008; Chief Strategy Officer of RWE AG since January 1, 2009.

Group-level responsibilities: Business Development, Strategy, Mergers & Acquisitions, Research & Development and Special Projects.

Other appointments:

- RWE Npower Holdings plc

### Alwin Fitting

Executive Vice-President of RWE AG,  
appointed until March 31, 2013

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

Group-level responsibilities: Citizenship, Security, HR Management, Strategic HR projects, Labour Law, Diversity Office and Corporate Responsibility/Environmental Protection.

Other appointments:

- 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; Executive Vice-President of RWE AG since April 2007; concurrently CEO of RWE Power AG from May 2007 to February 2008; Chief Operating Officer of RWE AG from April 2008 to April 2009; Chief Operating Officer International of RWE AG since May 2009.

Group-level responsibilities: Performance Improvement/Participation Management International, Value Chain Management and Organisation.

Other appointments:

- Deutsche Steinkohle Aktiengesellschaft
- RAG AG
- RWE Dea AG (Chairman)
- ELMÜ Nyrt. (Chairman)
- EMASZ Nyrt. (Chairman)
- Essent N.V.
- RWE Npower Holdings plc (Chairman)
- RWE Polska Spółka Akcyjna (Chairman)

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

- RWE Supply & Trading GmbH (Chairman)
- RWE Transgas, a.s. (Chairman)
- RWE Transgas Net, s.r.o.
- Východoslovenská energetika, a.s.
- Mátrai Kraftwerk G.AG

**Dr. Rolf Pohlig**

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

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

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

Other appointments:

- RWE Pensionsfonds AG (Chairman)
- RWE Power AG
- RWE Rheinland Westfalen Netz AG
- RWE Stiftung gemeinnützige GmbH (Chairman)
- RWE Vertrieb AG
- Essent N.V.
- RWE Npower Holdings plc
- RWE Transgas, a.s.

**Dr. Rolf Martin Schmitz**

Executive Vice-President of RWE AG,  
appointed until April 30, 2014

Born in 1957 in Mönchengladbach; doctorate in engineering; i.a. in charge of corporate development and economic policy at VEBA AG from 1988 to 1998; Member of the Executive Board of rhenag Rheinische Energie AG, Cologne, from 1998 to 2001; Member of the Board of Management of Thüga AG, Munich, from 2000 to 2004; Chairman of the Board of Directors of E.ON Kraftwerke GmbH, Hanover, from 2004 to 2005; Chairman of the Board of Management of RheinEnergie AG, Cologne, and Managing Director of Stadtwerke Köln from 2006 to 2009; joined RWE AG as Executive Vice-President and Chief Operating Officer National with effect from May 1, 2009.

Group-level responsibilities: Investment Management National, Concessions, Municipalities and Management of Generation, Networks and Sales.

Other appointments:

- envia Mitteldeutsche Energie AG (Chairman)
- Lechwerke AG (Chairman)
- RWE Power AG (Chairman)
- RWE Rheinland Westfalen Netz AG (Chairman)
- RWE Vertrieb AG (Chairman)
- Süwag Energie AG (Chairman)
- VSE AG (Chairman)

# IMPRINT

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For annual reports, interim reports and other information on RWE, please visit us on the internet at [www.rwe.com](http://www.rwe.com) or call our shareholder hotline:

Phone 0180 1 451280 (callers in Germany)  
Phone +49 180 1 451280 (callers outside Germany,  
excluding the USA)  
Phone +11 49 180 1 451280 (from the USA)

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the German Investor Relations Association.



## FINANCIAL CALENDAR 2010/2011

<b>April 22, 2010</b>	Annual General Meeting
<b>April 23, 2010</b>	Dividend payment
<b>May 12, 2010</b>	Interim report for the first quarter of 2010
<b>August 12, 2010</b>	Interim report for the first half of 2010
<b>November 11, 2010</b>	Interim report for the first three quarters of 2010
<b>February 24, 2011</b>	Annual report for fiscal 2010
<b>April 20, 2011</b>	Annual General Meeting
<b>April 21, 2011</b>	Dividend payment
<b>May 12, 2011</b>	Interim report for the first quarter of 2011
<b>August 11, 2011</b>	Interim report for the first half of 2011
<b>November 10, 2011</b>	Interim report for the first three quarters of 2011

The Annual General Meeting and all events concerning the publication of the financial reports are broadcast live on the internet and recorded. We will keep the recordings on our website for at least twelve months.



**RWE Aktiengesellschaft**

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