Investor and Analyst Conference Call Q1-Q3 2010

Essen, November 11, 2010

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Forward Looking Statement

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

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

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

Good development in 2010 continued

- Strong operating performance: EBITDA +14%, operating result +11%, recurrent net income +11%
- Solid earnings contribution from the Germany, Central Eastern and South Eastern Europe, Upstream Gas & Oil and Netherlands/Belgium Divisions
- German government decides to introduce a nuclear fuel tax and new energy concept, including the extension of the lifetimes of nuclear power plants
- Further streamlining of RWE's organisational structure
- Outlook for 2010 confirmed – good prospects for an attractive dividend

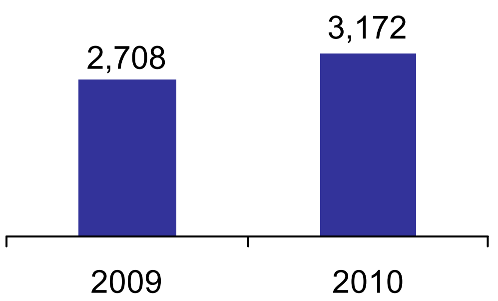
RWE Group key performance indicators

January – September € million		2010	2009	Change in %
External revenue		38,510	33,769	+14.0
Cash flows from operating activities		4,404	4,126	+6.7
EBITDA		7,914	6,966	+13.6
Operating result		6,129	5,534	+10.8
Non-operating result		-777	219	-
Financial result		-1,226	-1,438	+14.7
Taxes on income		-1,274	-1,368	+6.9
Minorities		215	176	+22.2
Net income		2,637	2,791	-5.5
Recurrent net income		3,175	2,871	+10.6
Average number of shares	(thousand)	533,559	532,990	+0.1
Earnings per share (EPS)	(€)	4.94	5.24	-5.7
Recurrent EPS	(€)	5.95	5.39	+10.4

Performance of the Germany Division (I)
Power Generation Business Area (RWE Power)

Q1 – Q3 operating result: +17.1%

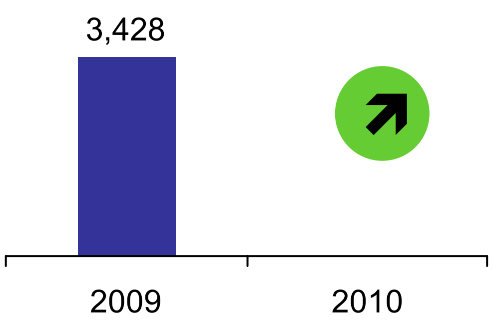
€ million



- (+) Lower fuel prices (ca. +€ 510 million) and costs associated with CO_2 certificates (ca. +€ 190 million)
- (+) Lower realised electricity prices but higher volumes (ca. +€ 170 million) (including positive margin impact of Biblis (ca. +€ 470 million))
- (-) Higher staff costs (ca. -€ 50 million)
- (-) Impact of change in nuclear and mining provisions (ca. -€390 million) (mainly release of provisions in 2009)

Guidance for 2010: significantly above previous year

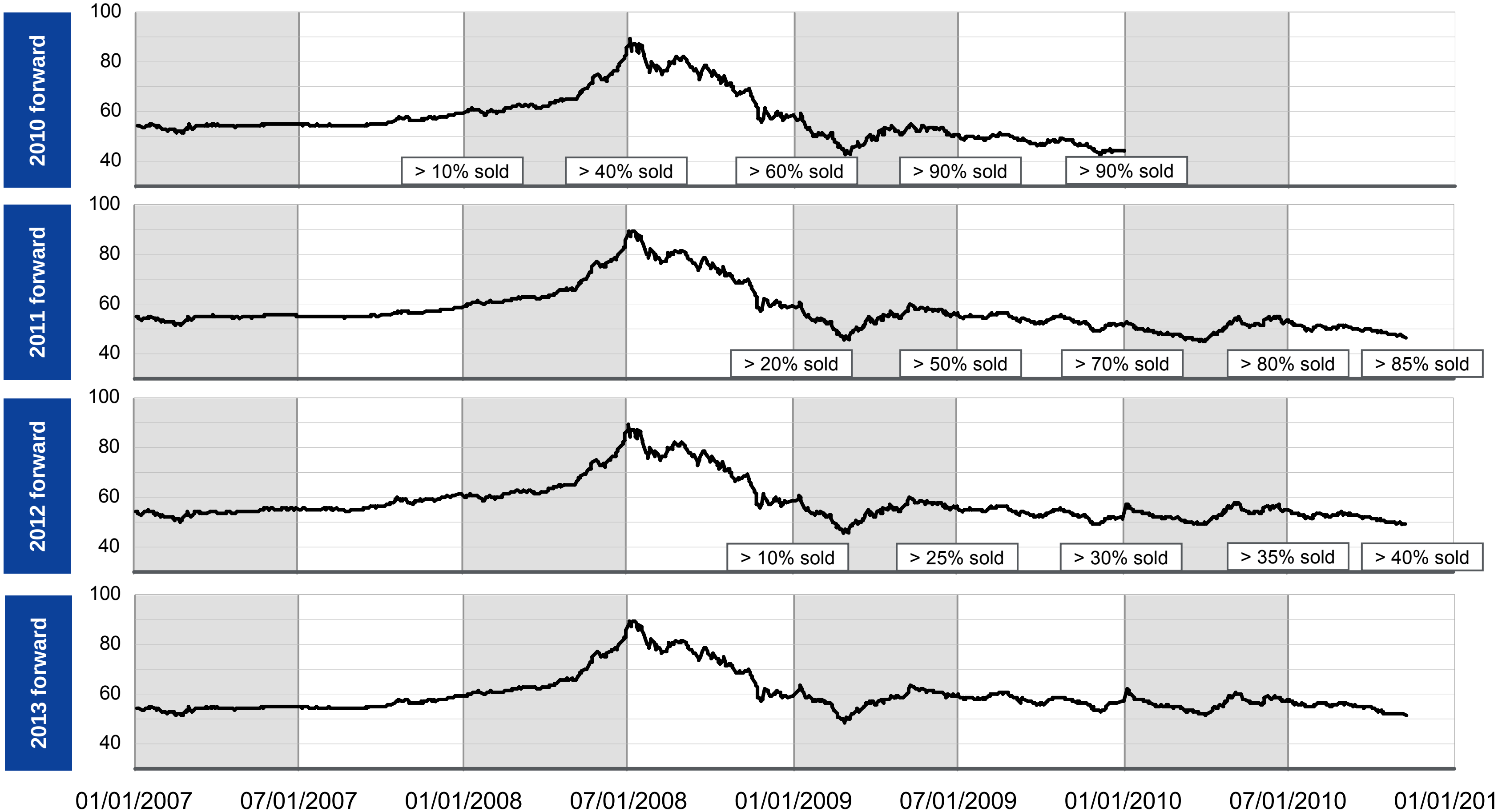
€ million



- (+) Higher availability of Biblis nuclear power plant
- (+) Lower fuel and CO_2 emission certificate costs
- (+) Lower fixed operating and maintenance costs
- (-) Lower realised electricity prices
- (-) Higher staff costs

Forward selling[1] by RWE Power in the German market

(Base-load forwards in €/MWh)



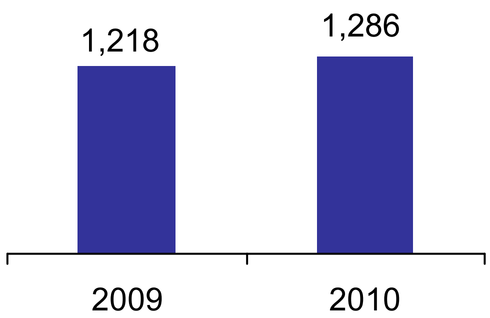
(average realised price for 2008 forward: €58/MWh, for 2009 forward: €70/MWh)

[1] Forward prices until November 8, 2010; hedge ratio as of Sept. 30, 2010.

Performance of the Germany Division (II)
Sales and Distribution Networks Business Area

Q1 – Q3 operating result: +5.6%

€ million

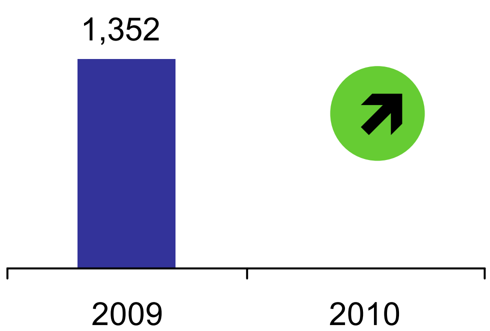


Sales
- + Efficiency enhancements
- + Slightly improved gas margins

Distribution networks
- + Positive volume effect due to economic recovery
- – Refunding of excess proceeds (“Mehrerlösabschöpfung”), partly offset by lower costs associated with transmission losses

Guidance for 2010: above previous year

€ million



- + Efficiency enhancements

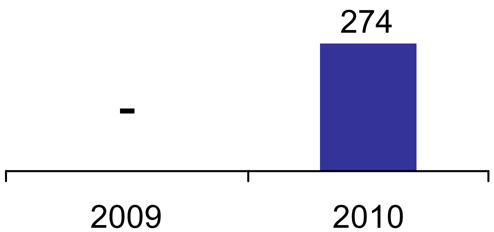
Sales
- + Absence of negative impact of gas-to-oil spread in year-earlier period
- + Slightly improved gas margins and positive volume effects

Distribution networks
- – Refunding of excess proceeds (“Mehrerlösabschöpfung”), partly offset by lower costs associated with transmission losses and positive volume effects

Performance of the Netherlands/Belgium Division (Essent)

Q1 – Q3 operating result: -

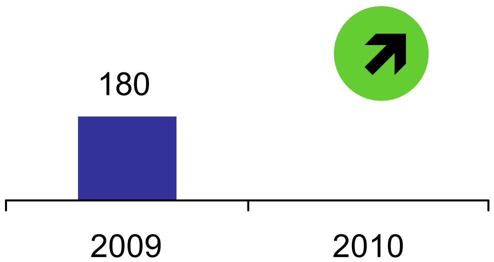
€ million



- (+) First-time consolidation of Essent
- (+) RWE Energy Nederland (REN) included in “other/consolidation” in Q1-Q3 2009
- (+) Operating performance: higher gas sales mainly due to weather effects
- (-) Upfront costs for Eemshaven power plant project which was transferred from RWE Power to Essent in Q3 2010

Guidance for 2010: significantly above previous year

€ million

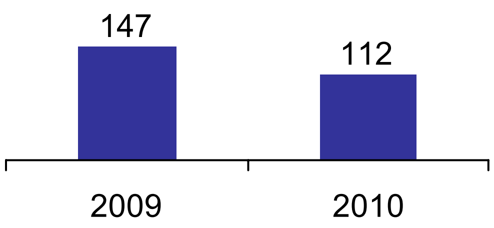


- (+) Full-year consolidation of Essent in 2010; 2009 figure only reflects 4th quarter
- (-) 2010 earnings of Essent’s proprietary trading activities are reported in the Trading/Gas Midstream Division. 2010 earnings of Essent’s wind activities are reported in the Renewables Division.
- (+) Q1-Q3 2009 earnings of REN are part of “other, consolidation”
- (-) Upfront costs for Eemshaven power plant project

Performance of the United Kingdom Division (RWE npower)

Q1 – Q3 operating result: -23.8%

€ million



<u>Power generation</u>

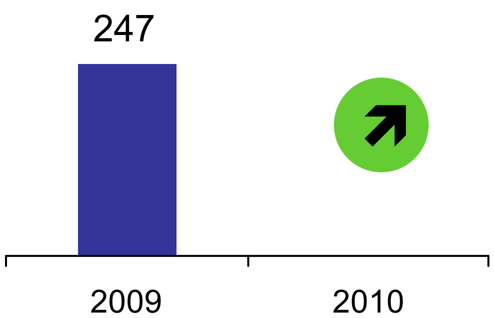
- – Reduced generation margins and lower income from short-term position management
- + Lower maintenance costs
- – One-off items with positive impact in Q3 2009

<u>Retail</u>

- + Higher residential gas demand due to cold winter
- + Slightly lower commodity costs, mainly offset by tariff cuts for both electricity (March 2009) and gas (March 2010)

Guidance for 2010: slightly above previous year

€ million



- + Sustained and additional cost & efficiency improvements

<u>Power generation</u>

- – Lower generation margins partly offset by reduced maintenance costs
- + Commissioning of Staythorpe CCGT units during H2 2010

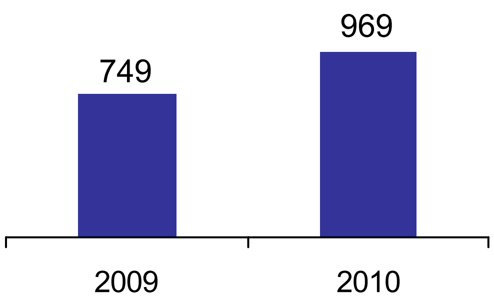
<u>Retail</u>

- + Slight recovery in overall performance, but pressure from tariff cuts (see above) and continuously rising commodity costs
- – Higher electricity network fees

Performance of the Central Eastern and South Eastern Europe Division

Q1 – Q3 operating result: +29.4%

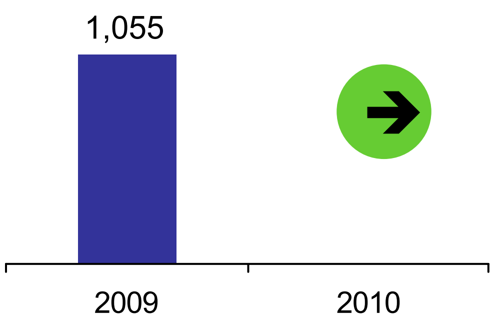
€ million



- (+) Higher margins in the Czech gas sales business
- (-) Lower gas sales volumes
- (+) Improved electricity sales margins in Hungary; slight rise in Poland
- (+) Positive f/x effects

Guidance for 2010: in the order of last year

€ million

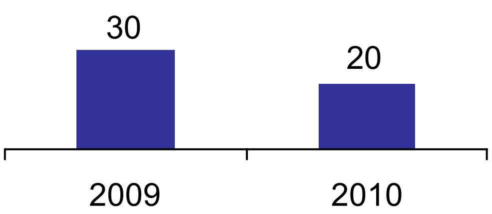


- (-) Lower gas margins in the Czech gas sales business
- (+) Higher earnings contribution from our Czech regional gas network business
- (-) Lower electricity generation and electricity sales margins + new tax burden in Hungary
- (+) Positive f/x effects

Performance of the Renewables Division (RWE Innogy)

Q1 – Q3 operating result: -33.3%

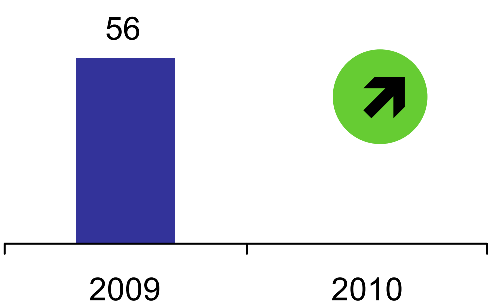
€ million



- (+) First-time consolidation of Essent wind activities (+€10 million)
- (+) Commissioning of Rhyl Flats wind farm (90 MW) in December 2009
- (-) Upfront costs of large investment programme
- (-) Lower realised electricity prices in Germany
- (-) Less wind in Germany, UK and the NL

Guidance for 2010: above previous year

€ million

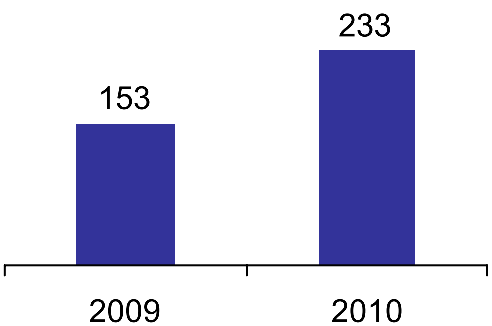


- (+) First-time consolidation of Essent's wind activities
- (+) Further results from growth investment programme
- (+) Commissioning of Rhyl Flats
- (-) Upfront costs of large investment programme
- (-) Reduced electricity prices

Performance of the Upstream Gas & Oil Division (RWE Dea)

Q1 – Q3 operating result: +52.3%

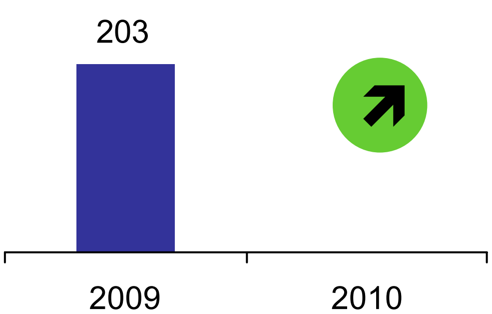
€ million



- \+ Higher oil prices
- \- Lower gas prices
- \- Lower production volumes
- \+ German business: lower royalties
- \+ North Africa: reduced exploration costs

Guidance for 2010: significantly above previous year

€ million

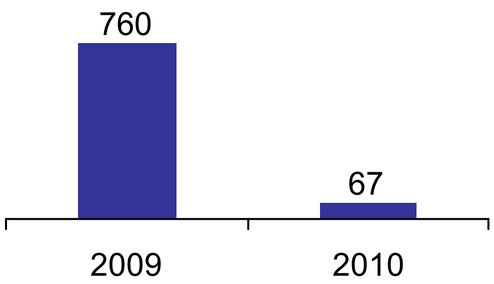


- \+ Improved oil prices and stronger US$
- \- Lower gas prices and volumes
- \+ Lower exploration costs
- \- Increased production costs

Performance of the Trading/Gas Midstream Division (RWE Supply & Trading)

Q1 – Q3 operating result: -91.2%

€ million



Trading

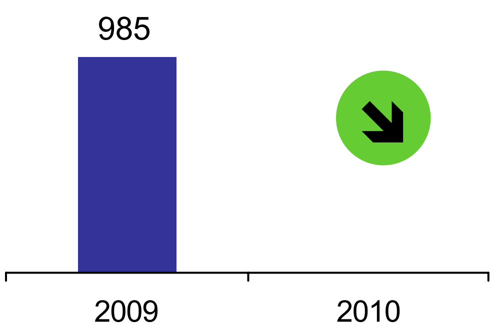
+ First-time consolidation of Essent's trading activities (+€61 million)
- Performance below very high level of Q1-Q3 2009

Supply

- Absence of one-offs (successful conclusion of price reviews) in the previous year
- Burdens from oil-indexed gas contracts

Guidance for 2010: significantly below previous year

€ million



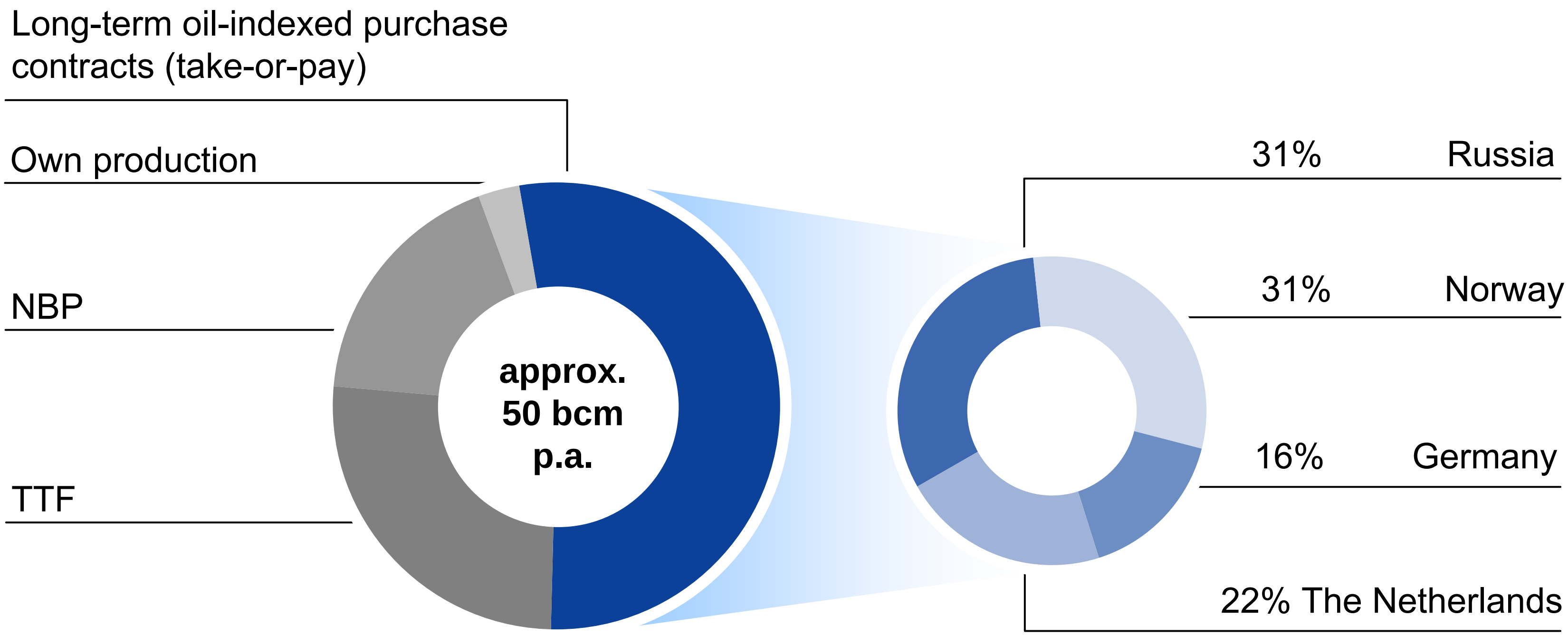
Trading

+ First-time consolidation of Essent's trading activities
- Performance below very high level of 2009

Supply

- Absence of one-offs (see above)
- Burdens from oil-indexed gas contracts

RWE's gas procurement portfolio is only partly exposed to the gas-to-oil spread



> Our gas procurement portfolio is solely managed by RWE Supply & Trading

> ~54% or 27 bcm of overall gas procurement based on long-term oil-indexed purchase contracts

- of which ~16 bcm have a gas-to-oil spread exposure in 2010 which is expected to increase to ~20bcm in the coming years

Non-operating result

January – September € million	2010	2009	Change (absolute)
Capital gains	17	29	-12
Impact of commodity derivatives on earnings	-793	578	-1,371
Restructuring, other	-1	-388	387
Total	**-777**	**219**	**-996**

- Capital gains: No major capital gains in 2009 and 2010
- Impact of commodity derivatives on earnings (timing differences):
  Mainly related to derivatives to secure our gas forward sales in our Trading/Gas Midstream Division. In Q1-Q3 2010 also related to the first-time marked-to-market valuation of our German gas purchase portfolio
- Restructuring, other:
  - Adjustment of provisions for loss-making contracts
  - Amortisation of RWE npower's customer accounts (-€196 million; Q1-Q3 2009: -€189 million)
  - In Q1-Q3 2009 we recognised an impairment loss of -€182 million for our at-equity investment in Excelerate

Financial result

January – September € million	2010	2009	Change (absolute)
Net interest	-526	-429	-97
Interest accretion to non-current provisions	-678	-676	-2
Other financial result	-22	-333	311
Total	**-1,226**	**-1,438**	**212**

- Net interest
  - Higher interest expenses due to increased debt used to finance our growth investment programme, especially the Essent acquisition
  - Lower interest income due to disposal of securities
  - One-off costs in 2009 for the bridge financing of the Essent acquisition
- Interest accretion to non-current provisions
  - No major changes compared to the year-earlier period
- Other financial result
  - Gains from the sale of securities in Q1-Q3 2010 and absence of losses realised by the sale of securities and write-downs of securities in Q1-Q3 2009

Cash flow statement

January – September € million	2010	2009	Change (absolute)
Funds from operations (FFO)	5,285	3,919	+1,366
Change in working capital	-881	207	-1,088
of which variation margins	-904	421	-1,325
Cash flows from operating activities	4,404	4,126	+278
Capex on fixed assets	-3,999	-3,701	-298
Free cash flow	405	425	-20

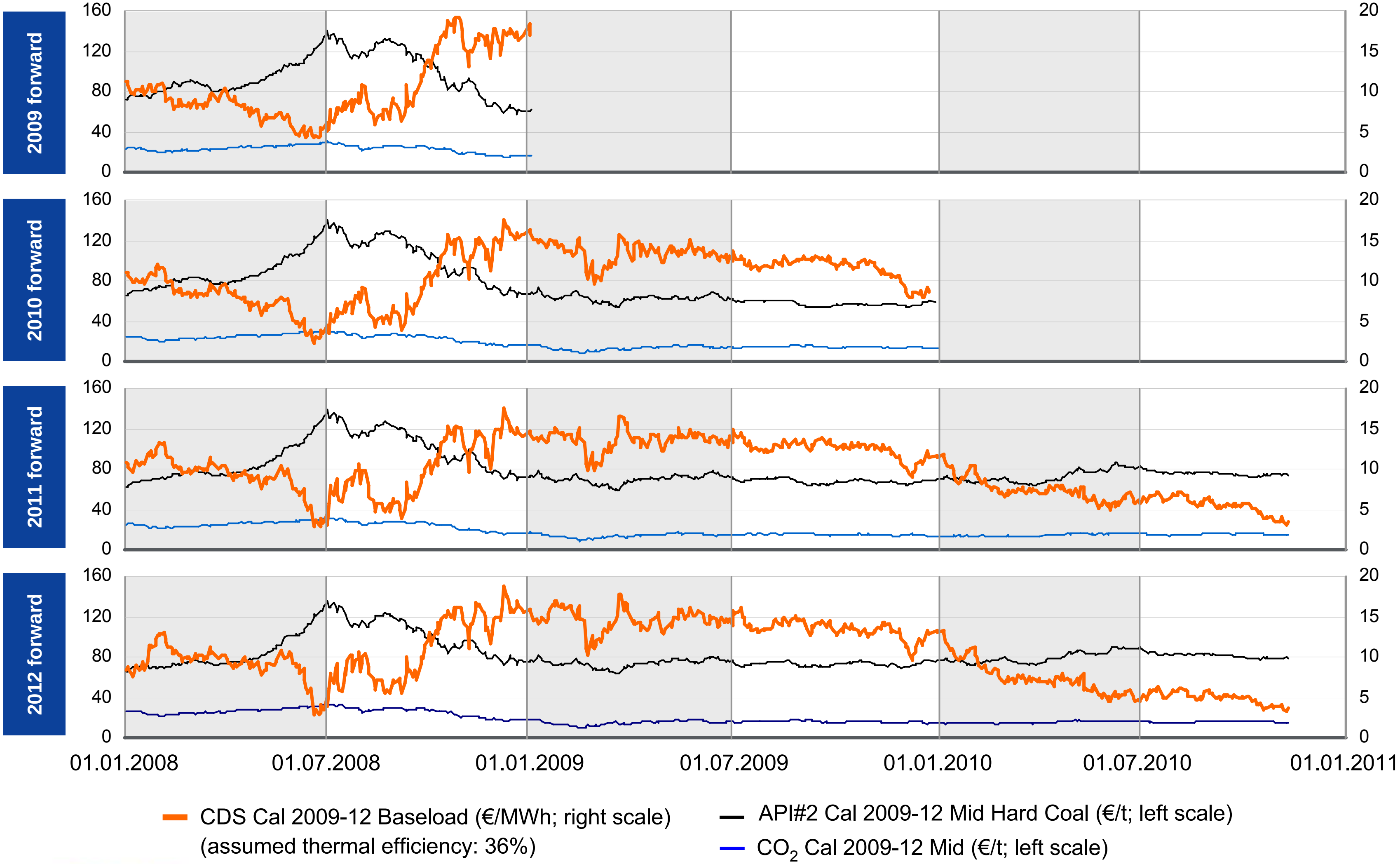
- FFO
  - Mainly positive operating earnings trend and Essent consolidation
- Change in working capital
  - Mainly driven by change in variation margins
- Capex on fixed assets
  - Increased mainly due to Essent consolidation

Outlook 2010

		2009 € million	2010 forecast
EBITDA		9,165	+5 – 10%
Operating result		7,090	+ca. 5%
Recurrent net income		3,532	+ca. 5%
Dividend	€	3.50	Payout ratio of 50 – 60% of net recurrent income
Capex on fixed assets	€bn	5.9	ca. 6.5
Net debt	€bn	25.8	+ca. € 5 bn

Back-up

Germany: Clean Dark Spread (CDS) versus hard coal and CO_2 prices



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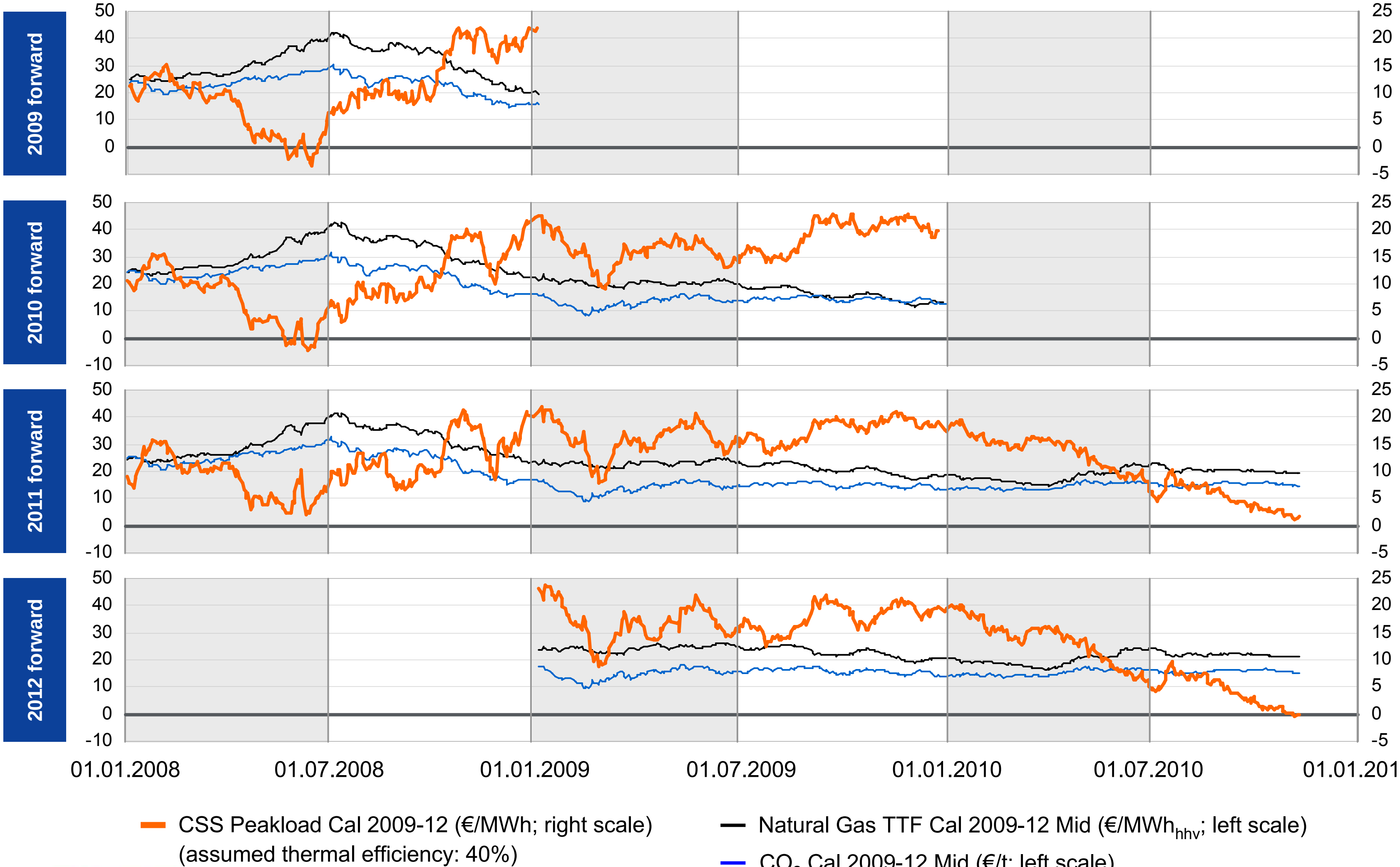
Germany: Clean Spark Spread (CSS) versus natural gas and CO_2 prices



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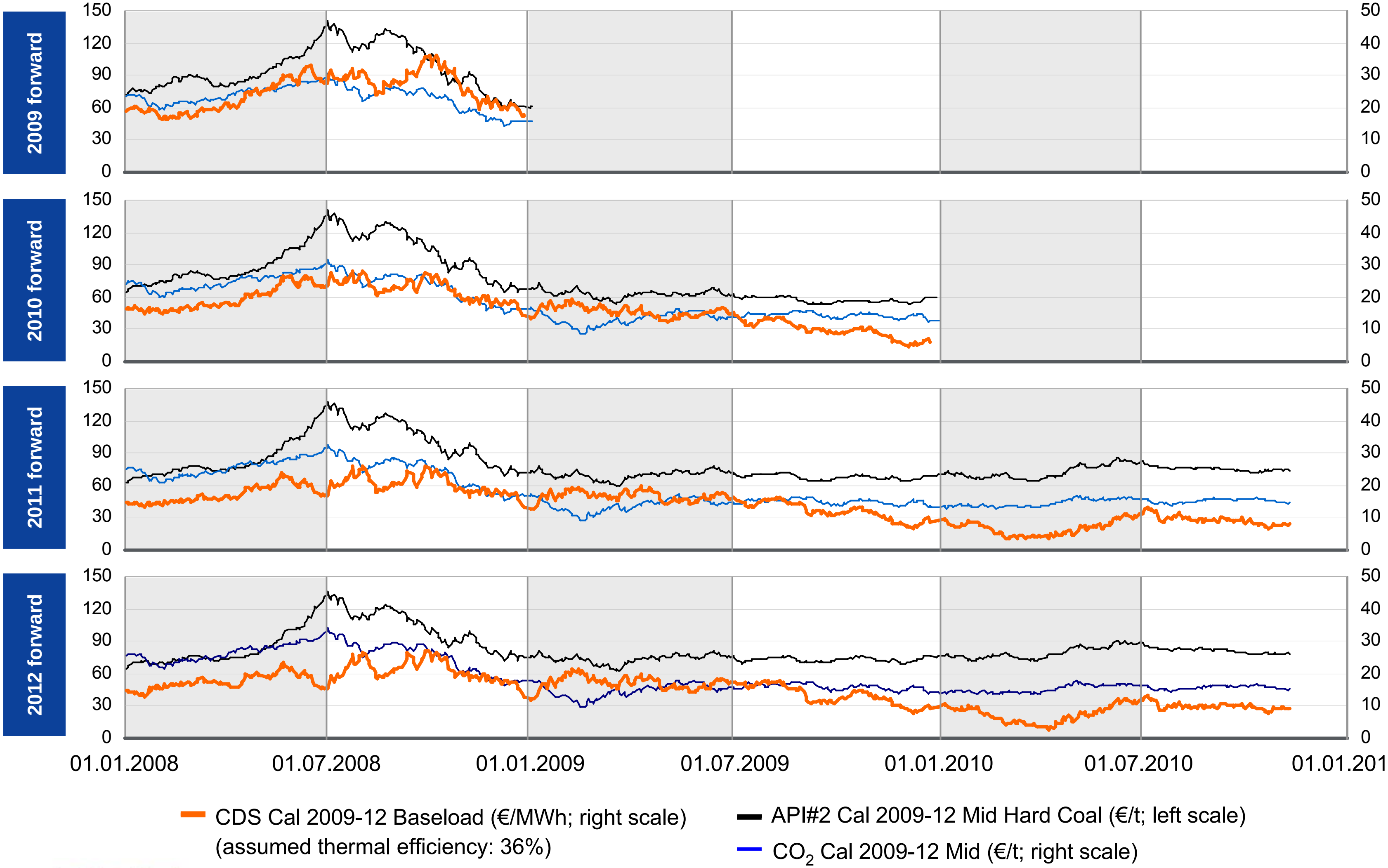
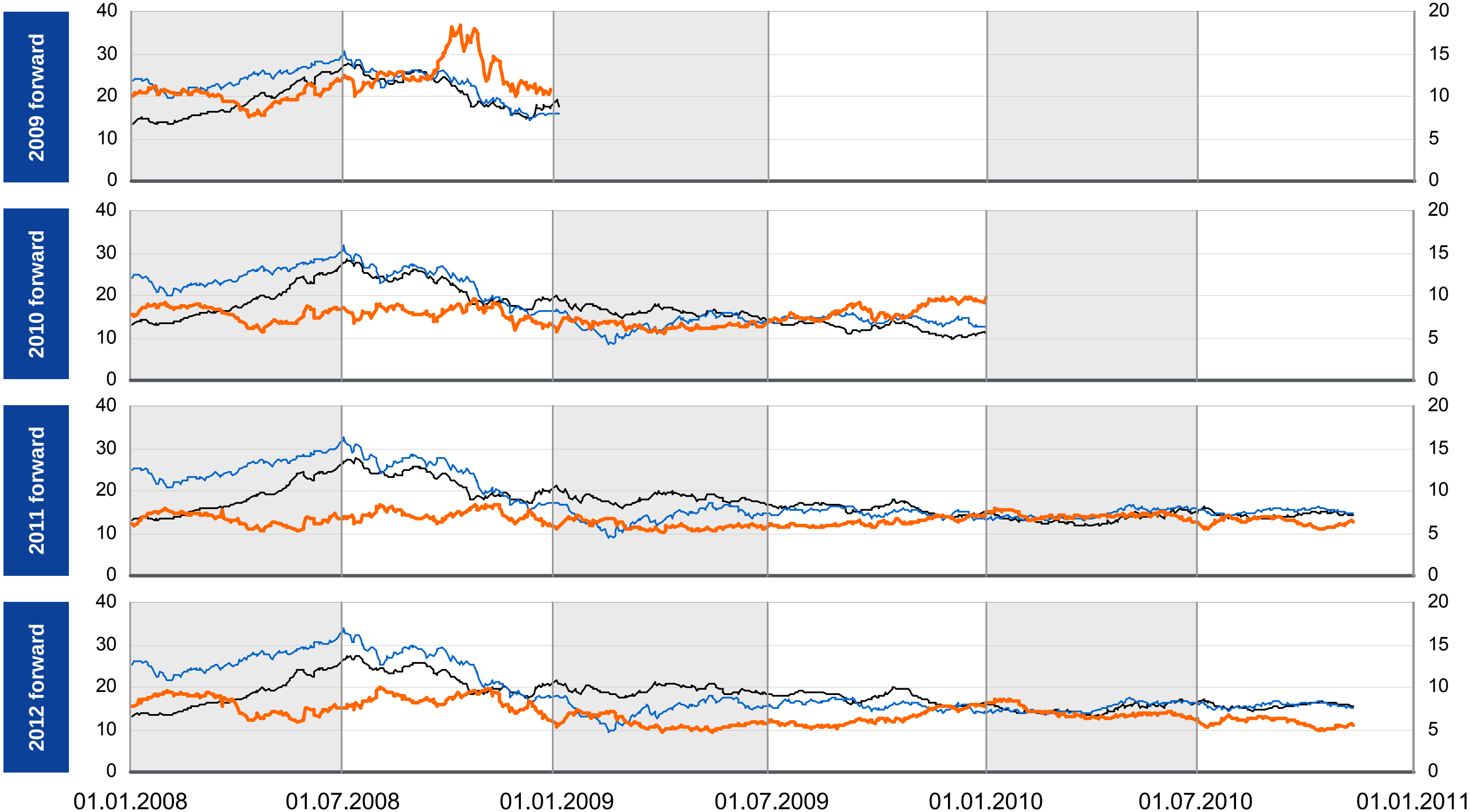
UK: Clean Dark Spread (CDS) versus hard coal and CO_2 prices



UK: Clean Spark Spread (CSS) versus natural gas and CO_2 prices



CSS Baseload Cal 2009-12 (€/MWh; right scale) (assumed thermal efficiency: 49%)

Natural Gas NBP Cal 2009-12 Mid (€/MWh_{hhv}; left scale)

CO_2 Cal 2009-12 Mid (€/t; left scale)

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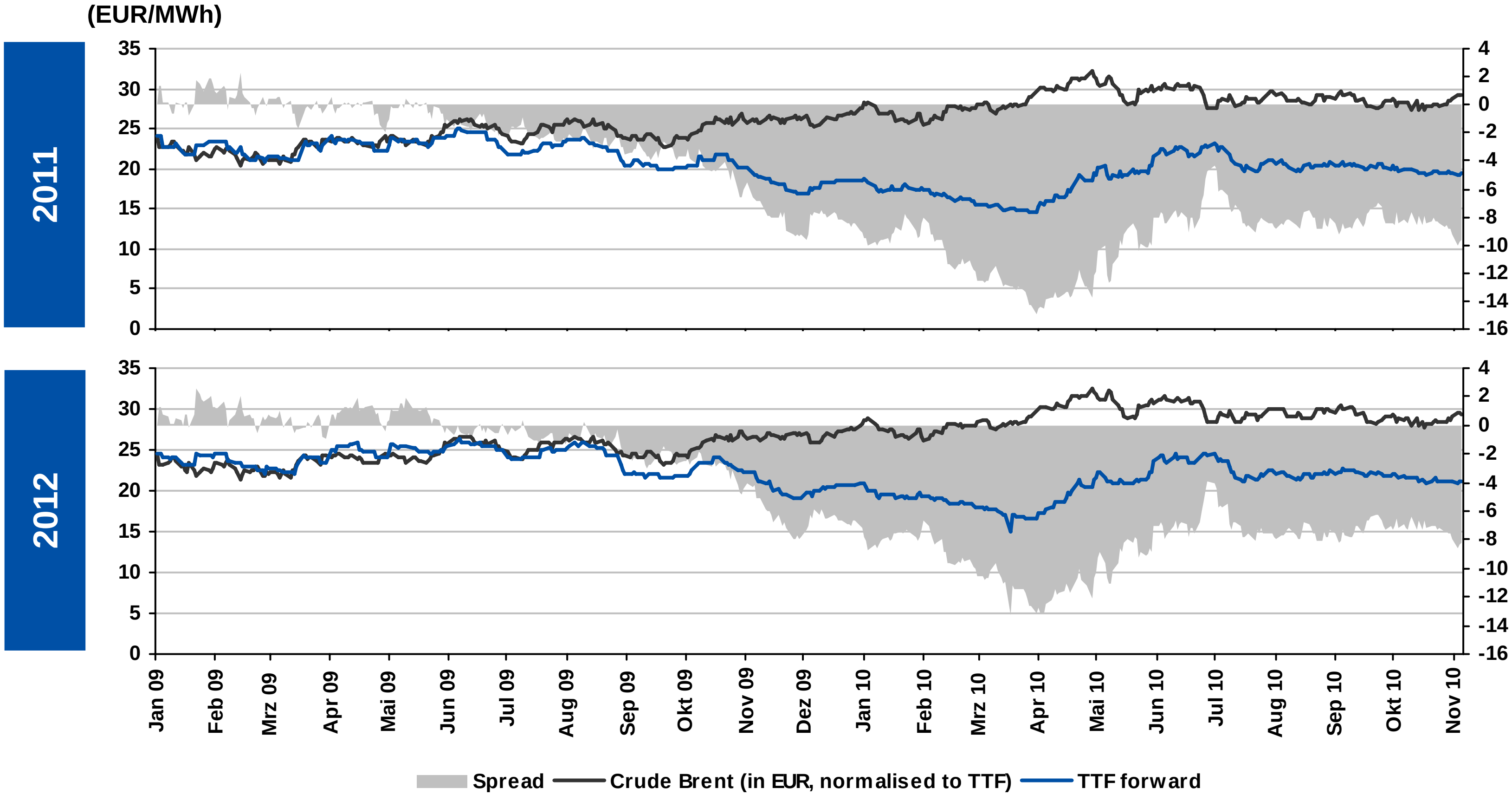
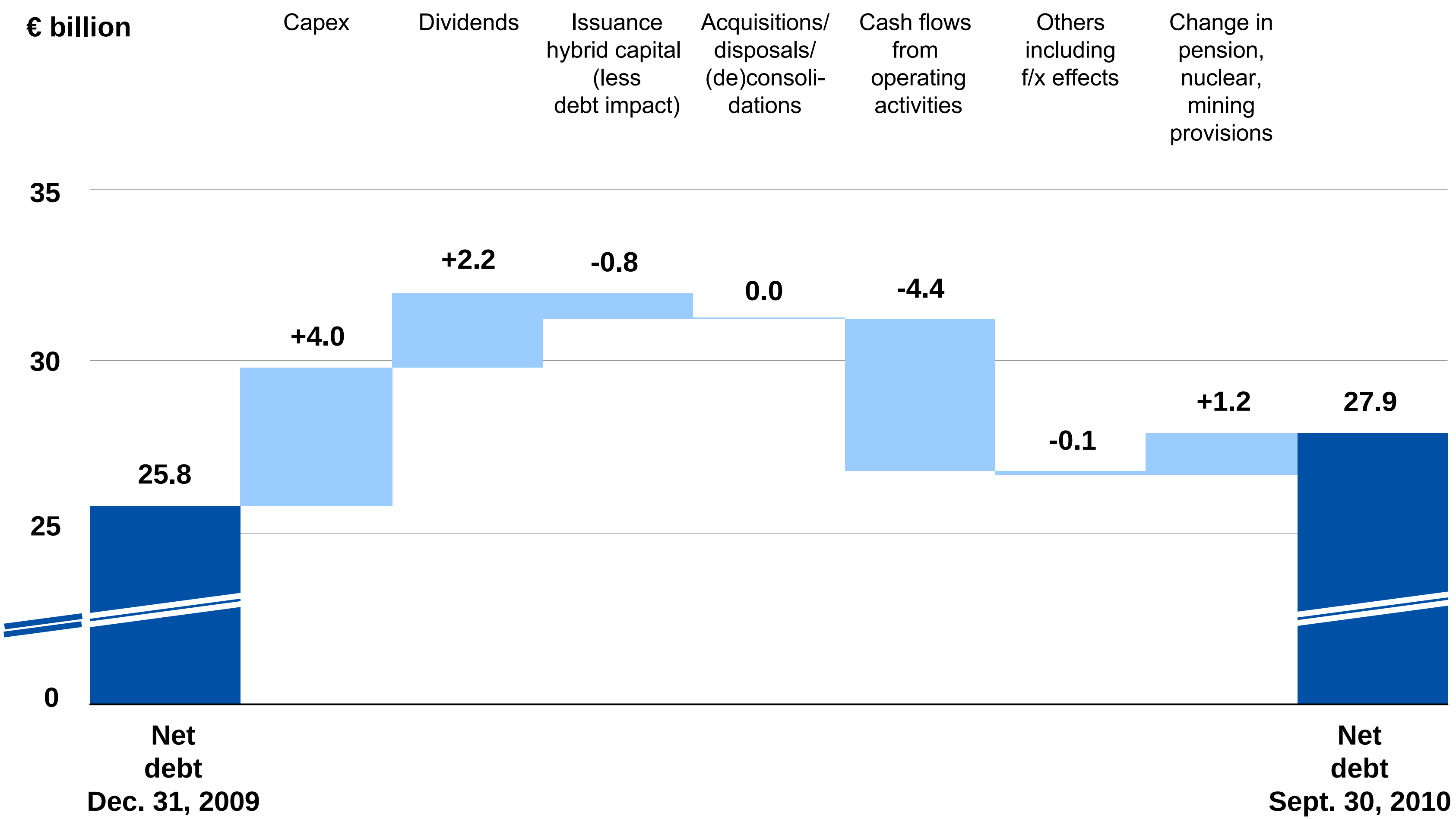
Development of TTF gas price and brent oil price since January 2009



Relative development of the TTF and brent forwards for the years 2011 and 2012 since January 1, 2009. To compare both, the brent oil price is normalised to the TTF gas price as of January 1, 2009. The curves simply illustrate the development of the market prices which should give a rough indication about the gas-to-oil-spread situation. The real gas-to-oil-spread exposure depends on the individual contract details and will deviate from this slide.

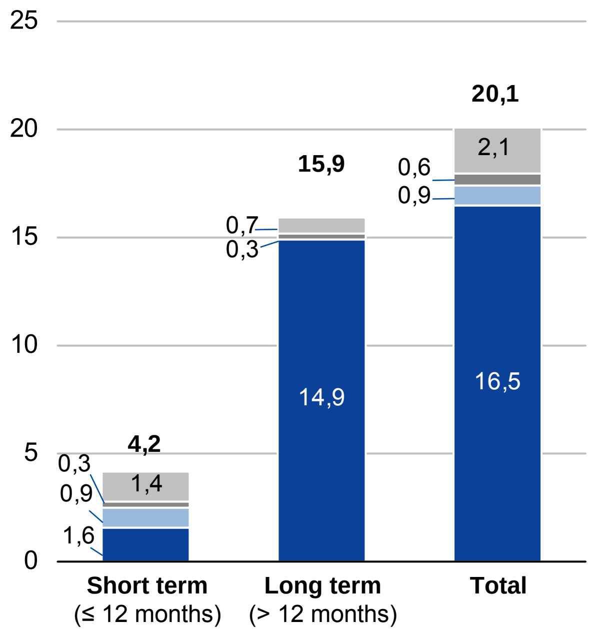
Development of net debt



Financial liabilities and assets

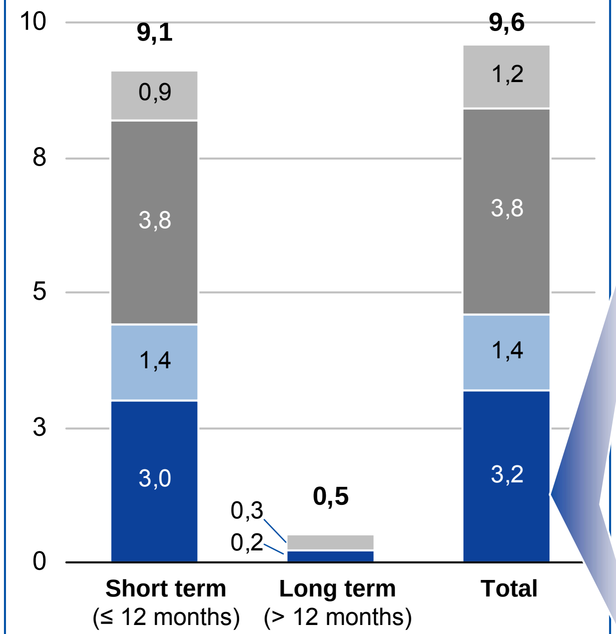
(as of Sept. 30, 2010)

Financial liabilities in billion Euros



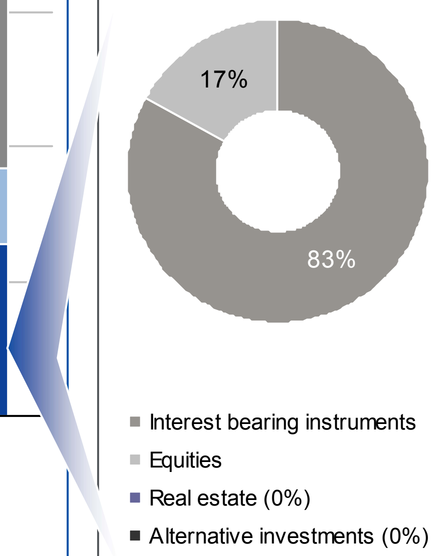
- Bonds, incl. other notes payable
- Loans with Banks
- Collateral, margin payments[1]
- Other: including CP of €0.5 bn, leasing, financial liabilities with non consolidated companies, other financial liabilities

Financial assets in billion Euros



- Securities
- Cash/cash equivalents
- Collateral, margin payments[1]
- Other: other financial receivables, financial receivables with non consolidated companies, other loans receivable

Split of securities

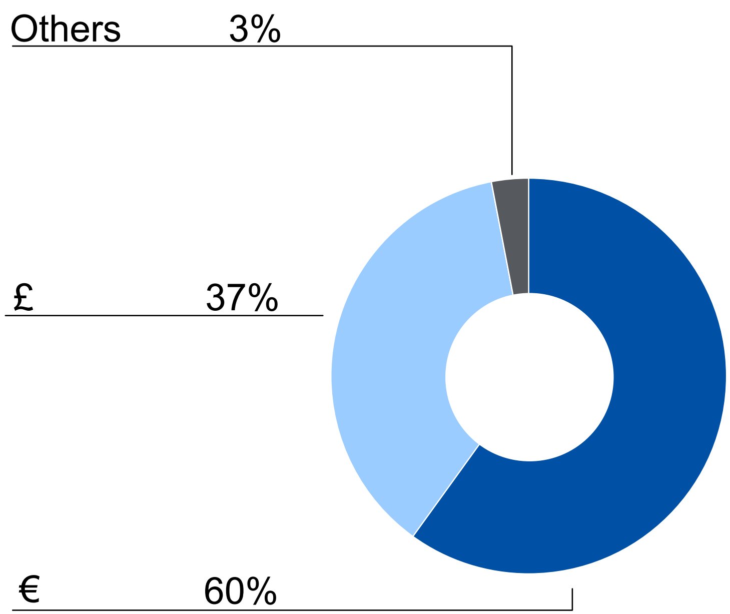


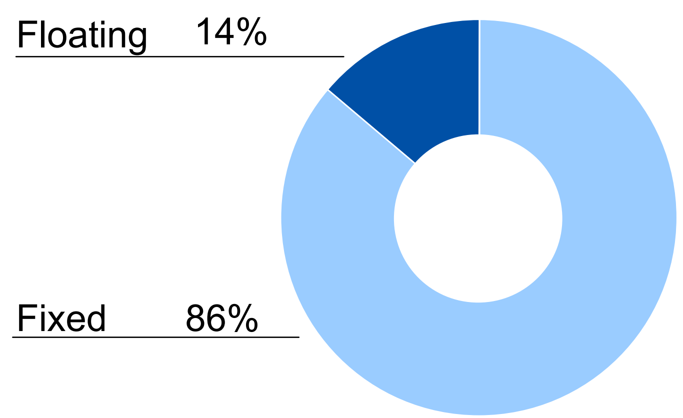
- Interest bearing instruments
- Equities
- Real estate (0%)
- Alternative investments (0%)

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

Gross financial debt currency and interest exposure[1]

(as of Sept. 30, 2010)

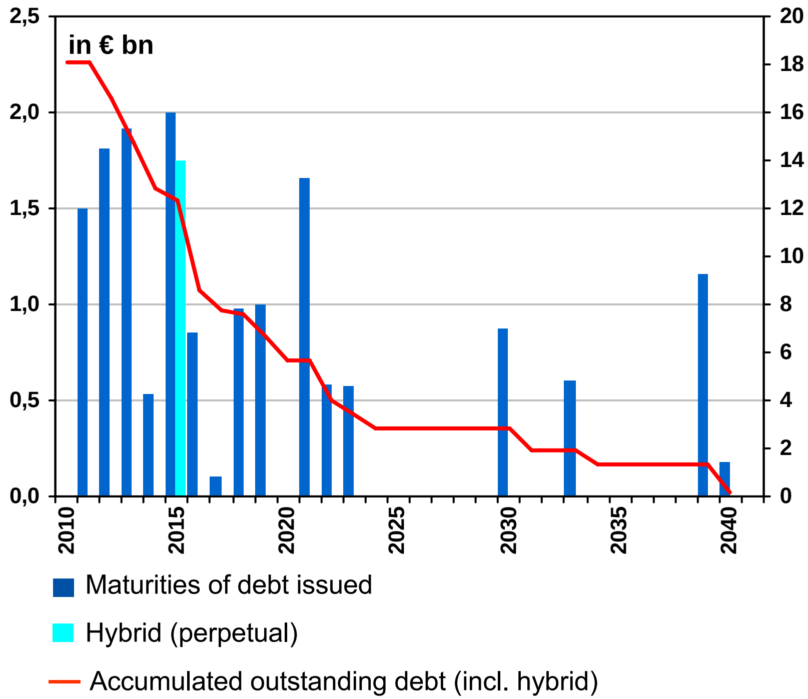




[1] Including cross-currency swaps.

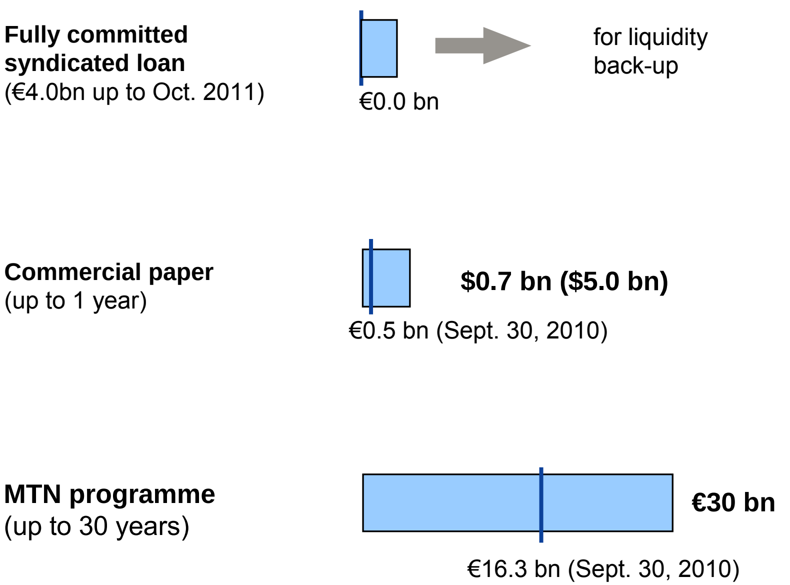
Capital market debt maturities and sources of financing

Capital market debt maturities[1]



> Balanced profile with limited maturities up to end of 2013 (~€5.2 billion)

Strong sources of financing



[1] RWE AG and RWE Finance B.V., as of Sept. 30, 2010

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