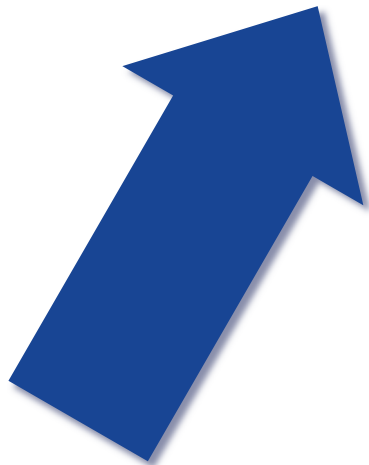


RWE AG Annual General Meeting *13 April 2006*

Harry Roels | Chairman and CEO



■ *2005: A good year for RWE*



Operating result up **4%**,
and up **8%** organically



Net income up **4%**
despite American Water
impairment loss

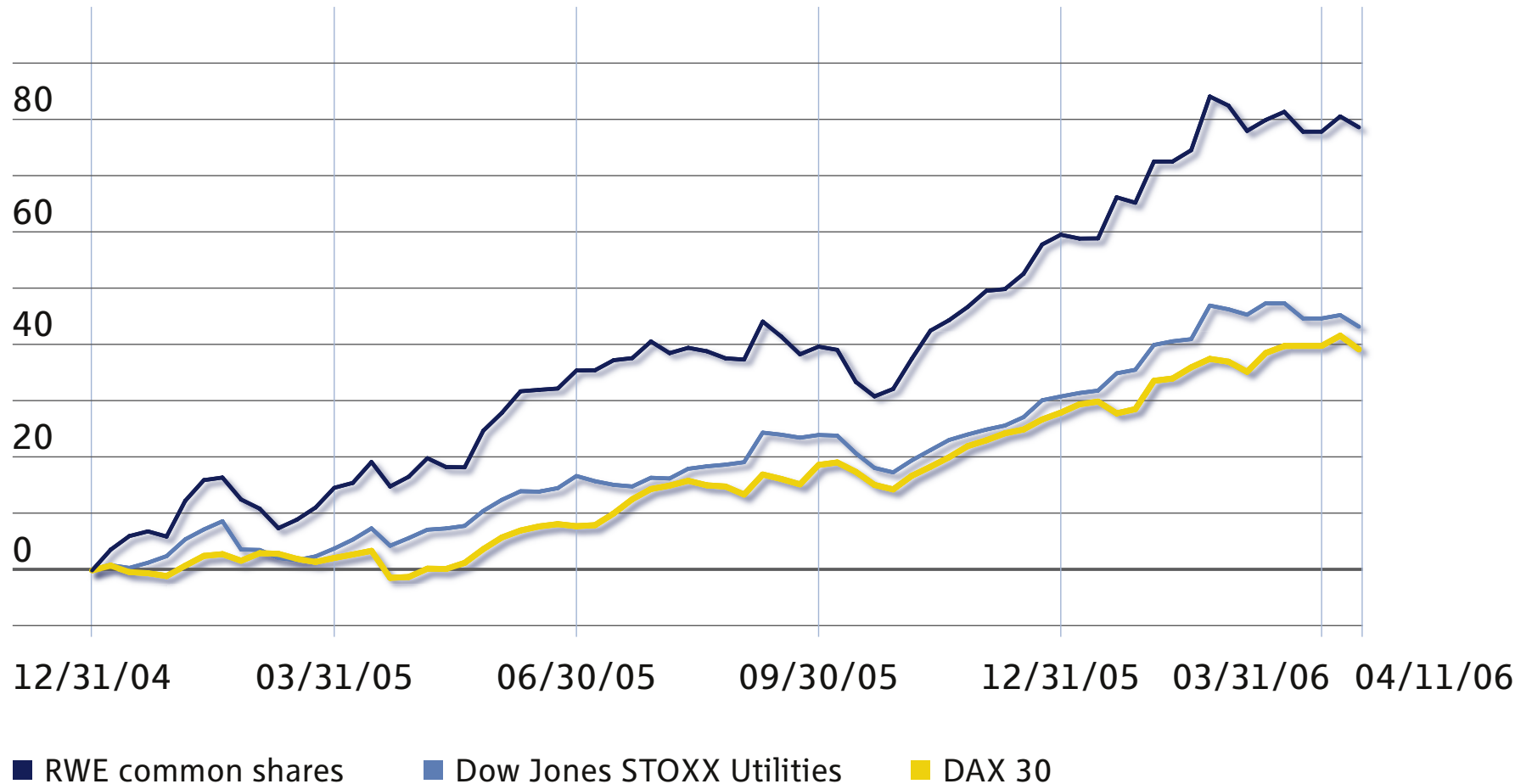


ROCE at **14.7%**,
2006 ROCE target (**14%**)
thus already surpassed

■ RWE shares clearly outperform DAX

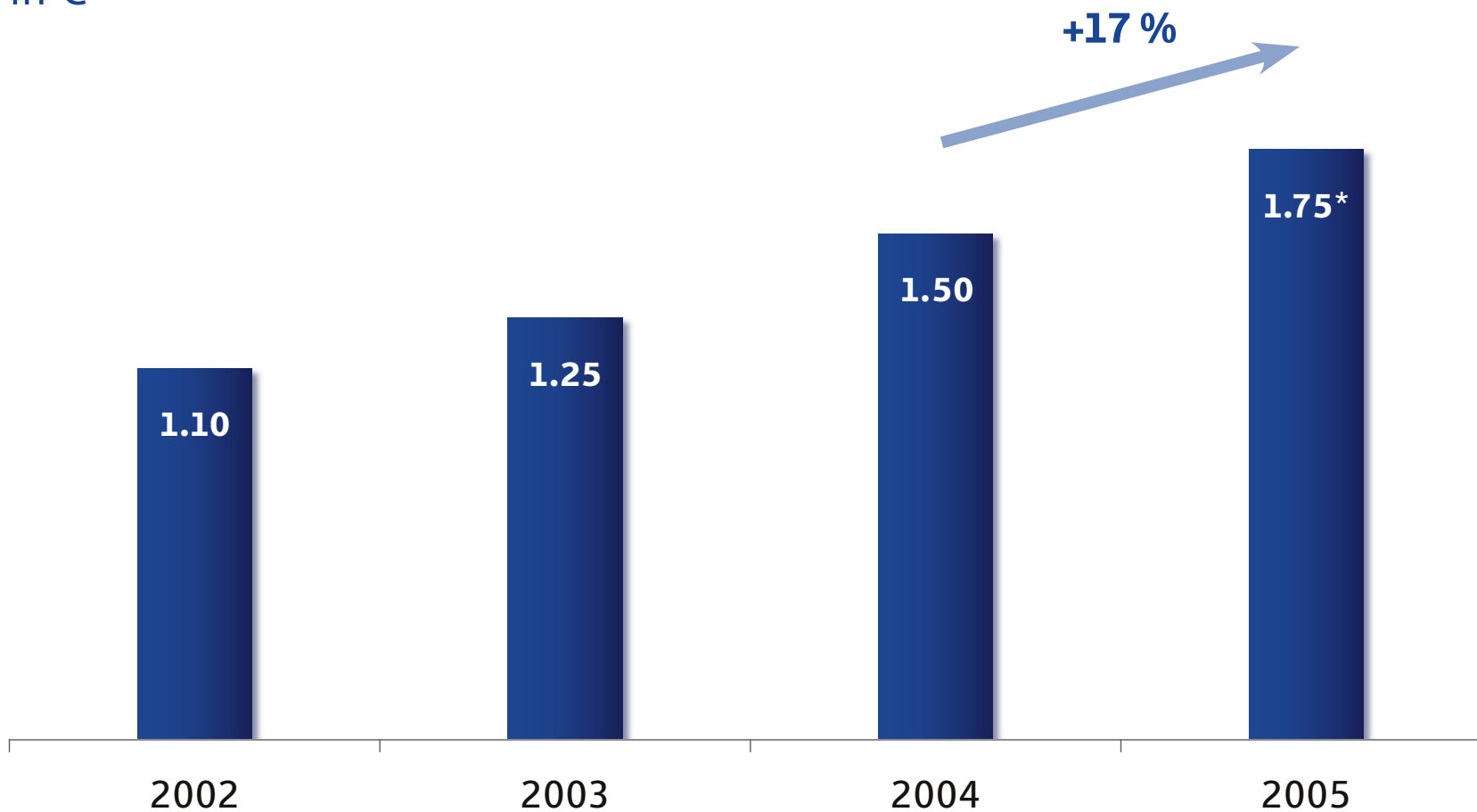


Share price performance from 12/31/2004 to 04/11/2006
in %



■ *Fourth double-digit dividend increase in a row*

Dividend per share
in €

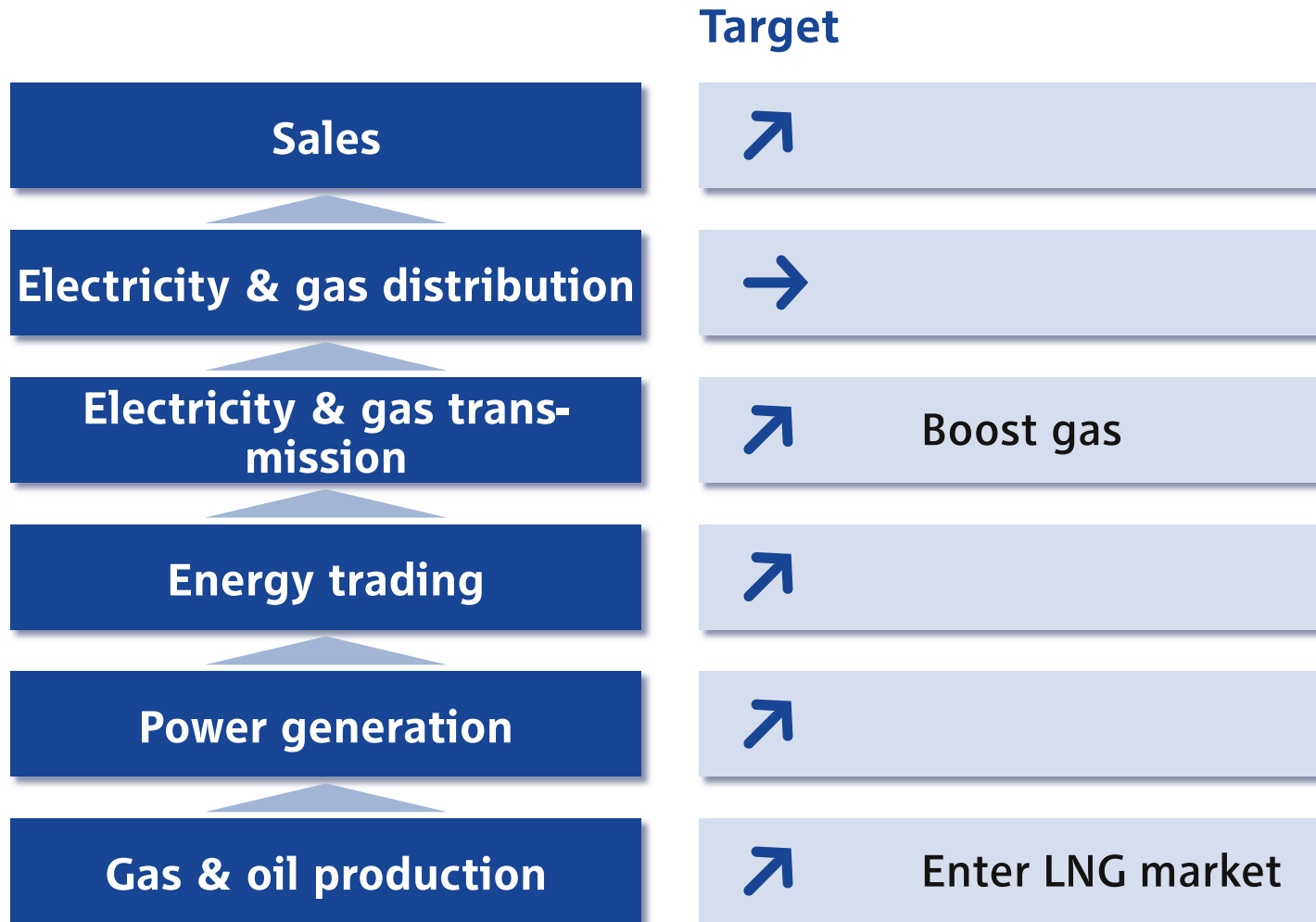


*Dividend proposal.

- *More focus on energy*

***»We want to rank among
Europe's five leading electricity
and gas utilities.«***

■ Growth along the energy value chain



■ *Competitive advantage through in-house gas and oil production*

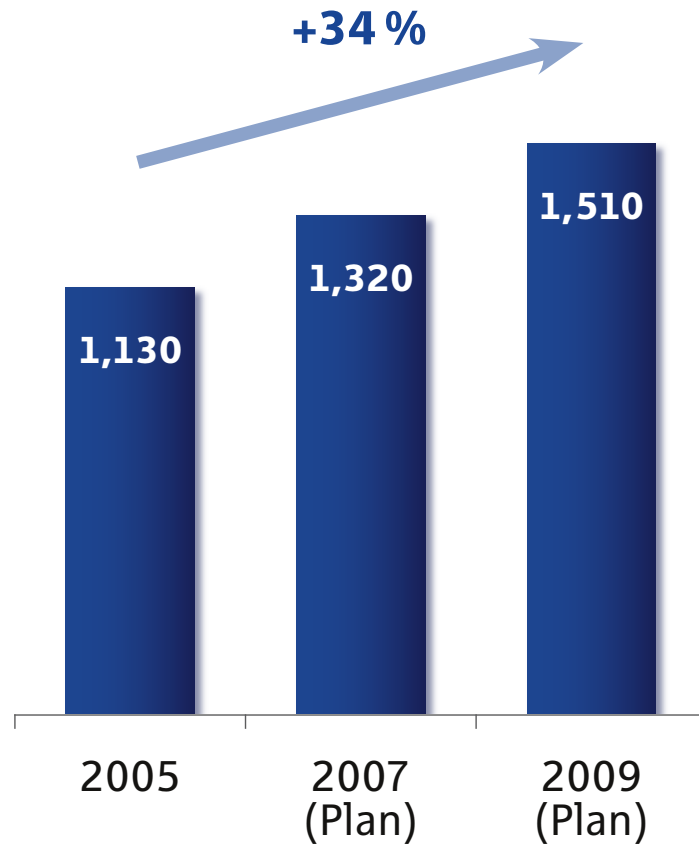
- Partial hedging of fuel price fluctuations
- Diversification of the gas procurement portfolio
- Contribution to the security of supply
- Highest return on capital employed within the Group



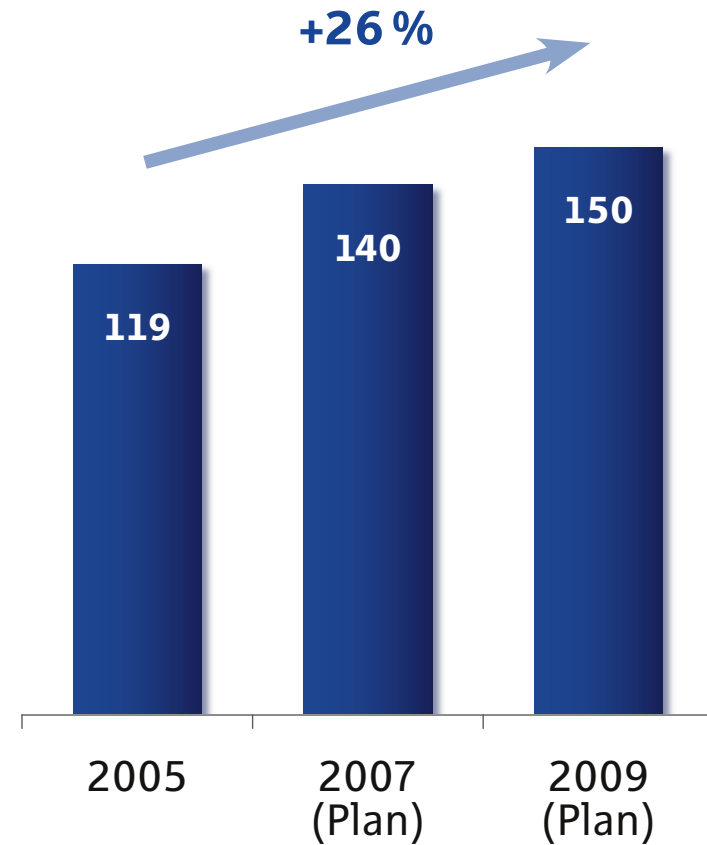
■ Production ■ Exploration

■ **Expansion of gas and oil production through organic growth**

Gas and oil reserves and resources
in millions of barrels of oil equivalent



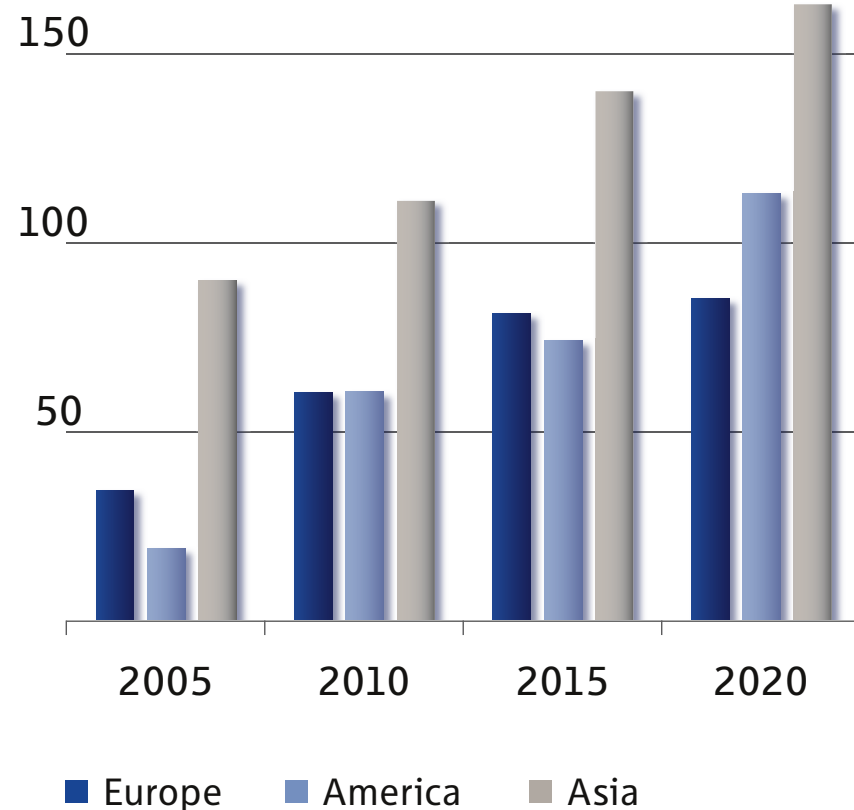
Gas and oil production
in thousands of barrels of oil equivalent per day



■ **Entry into the liquefied natural gas (LNG) market planned**

- Global market with attractive opportunities for growth
- Stronger effect on electricity and gas prices in Europe going forward
- RWE Dea is evaluating options to enter the LNG market using gas production in Egypt

LNG (Atlantic) demand forecast
in million metric tonnes p. a.



■ *We are investing billions of euros in Germany*

Options

- Neurath
(2,100 MW lignite power plant)
- Hamm
(1,500 MW hard coal power plant)
- 800 MW combined cycle gas turbine power plant
- Energy from renewables
- Customer power plants
(200–600 MW CCGT plants)
- Electricity / gas: network expansion and improvement



■ *Our UK power plant projects*

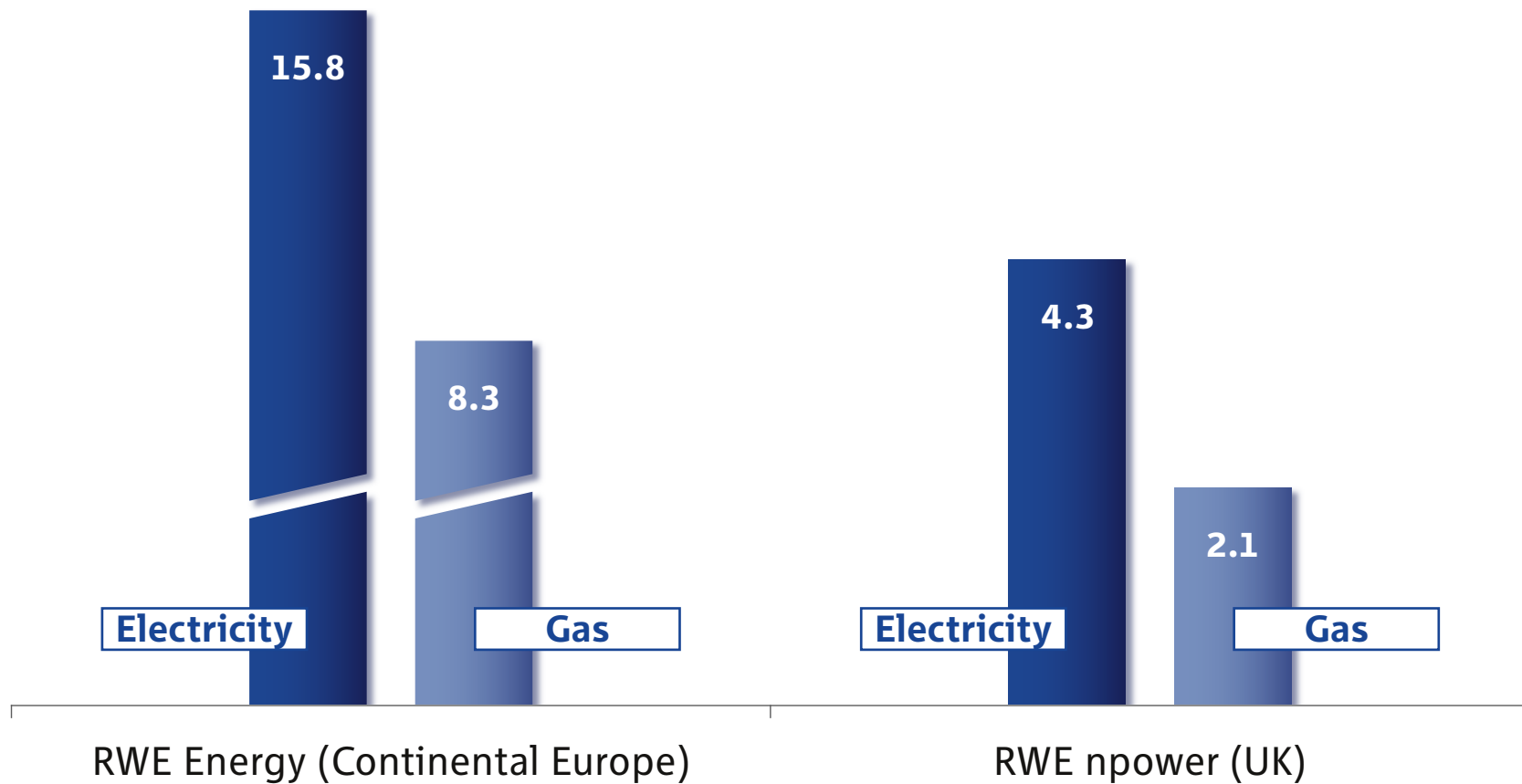
Options

- Great Yarmouth
(420 MW combined cycle gas turbine power plant)
- Pembroke or Staythorpe
(combined cycle gas turbine power plant with up to 2,000 MW)
- Wind power plants



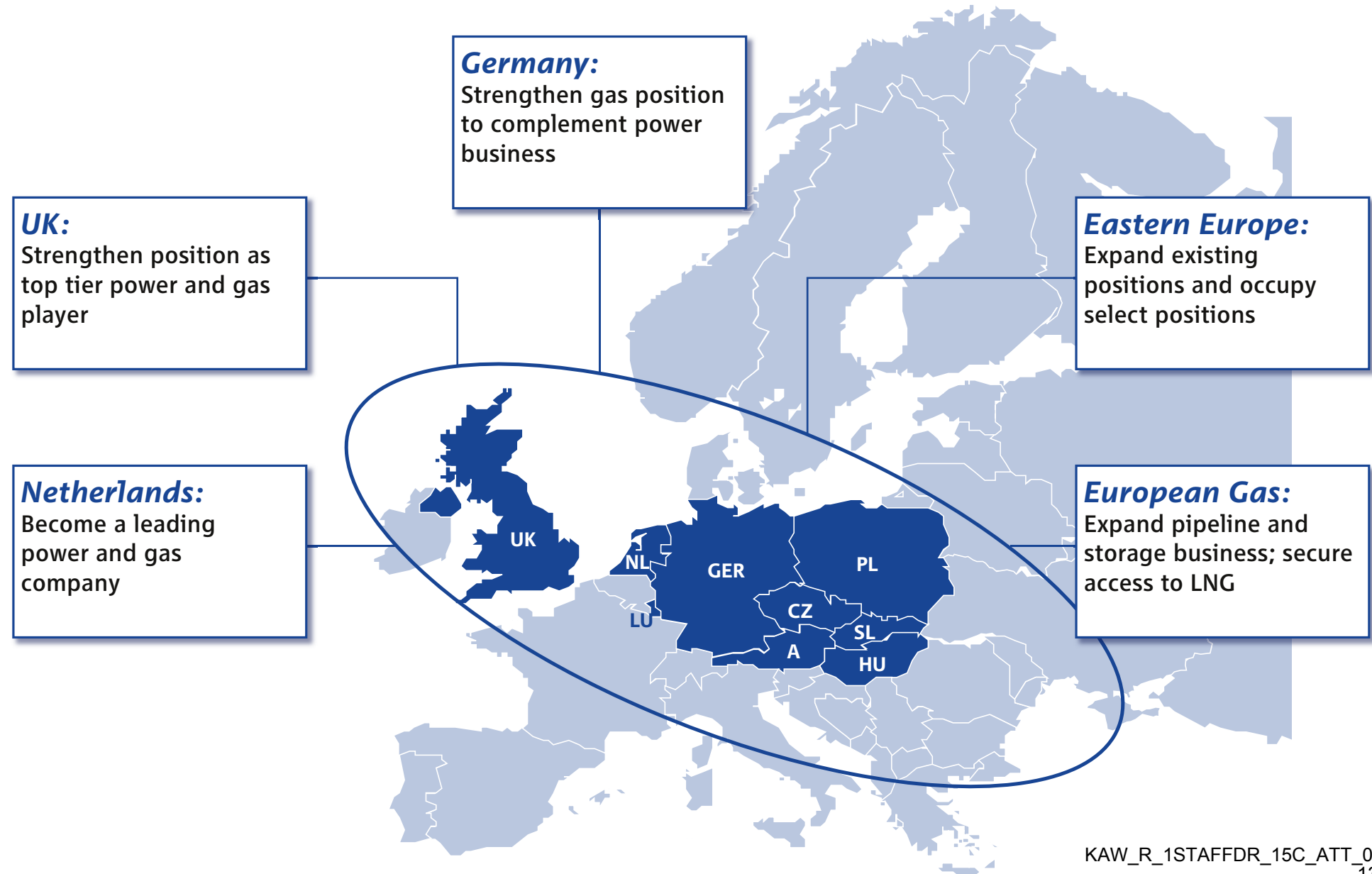
■ *Expansion of our customer base in electricity and gas sales*

Customer figures 2005
millions

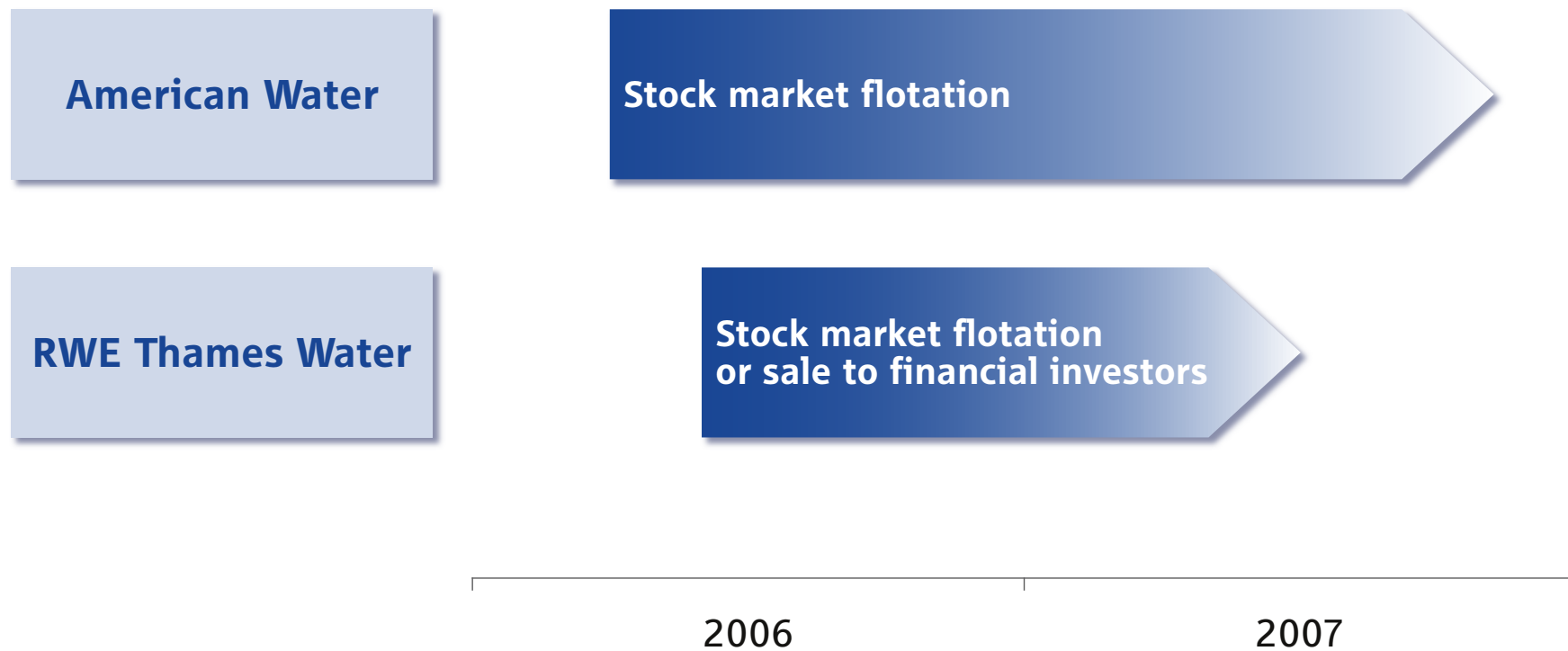




■ How far does RWE's Europe extend?



■ *Sale of water business on schedule*



■ **More financial leeway for capital expenditure in the energy business**

RWE npower

€600 million p. a. ($\pm 15\%$)

RWE Power

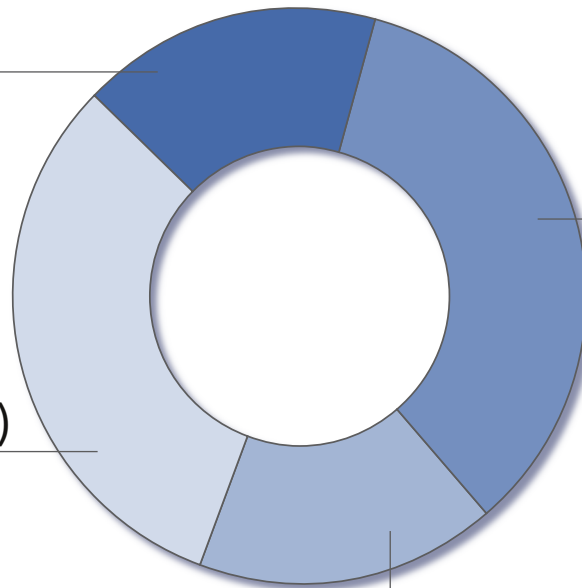
€1,200 million p. a. ($\pm 25\%$)

RWE Energy

€1,100 million p. a. ($\pm 10\%$)

RWE Dea

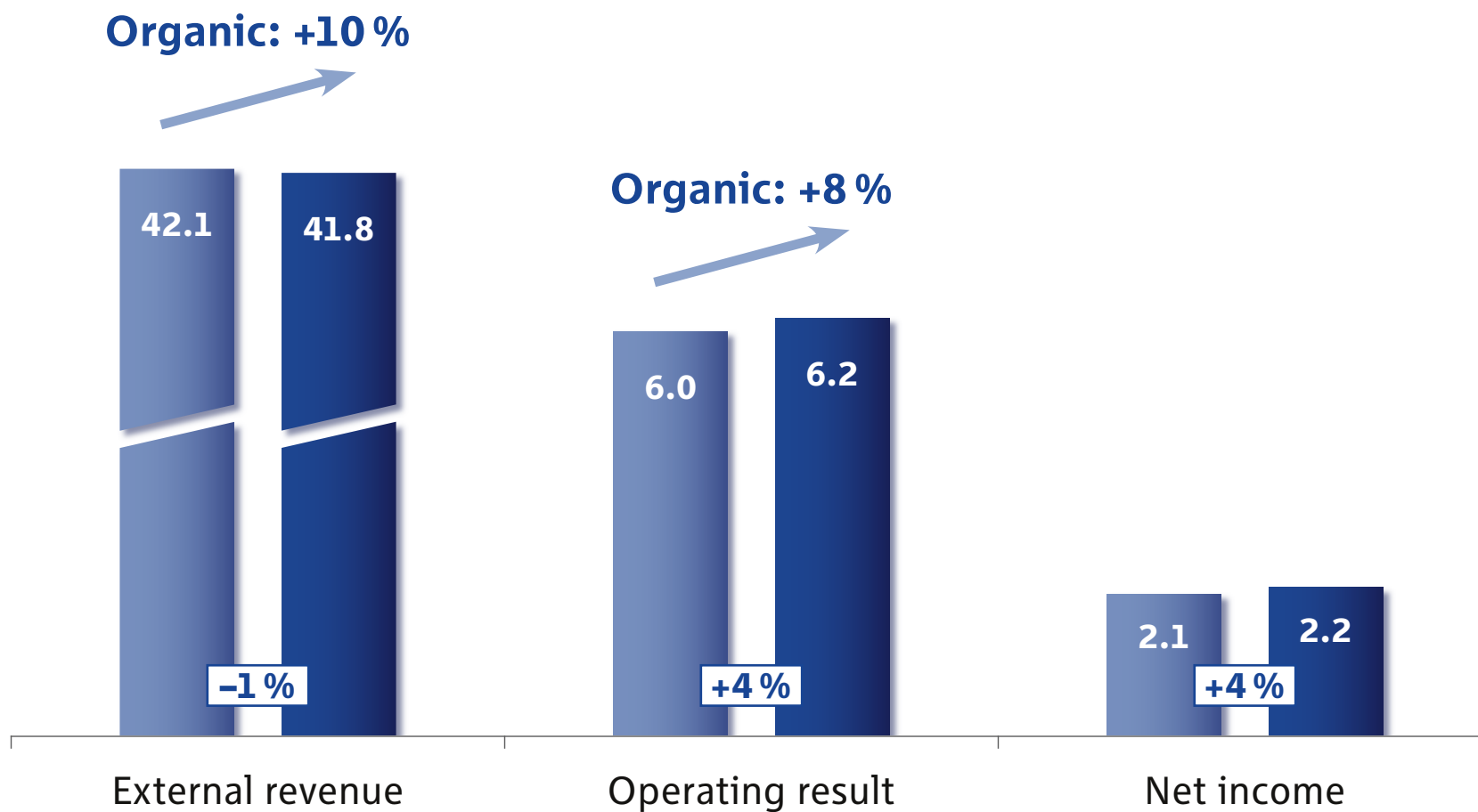
€600 million p. a. ($\pm 15\%$)



**Avg. €3.5 billion in capex on PP&E p. a. ($\pm 15\%$) for 2006 to 2010
= €1 billion more for the security of supply**

■ *All financial targets achieved, some exceeded*

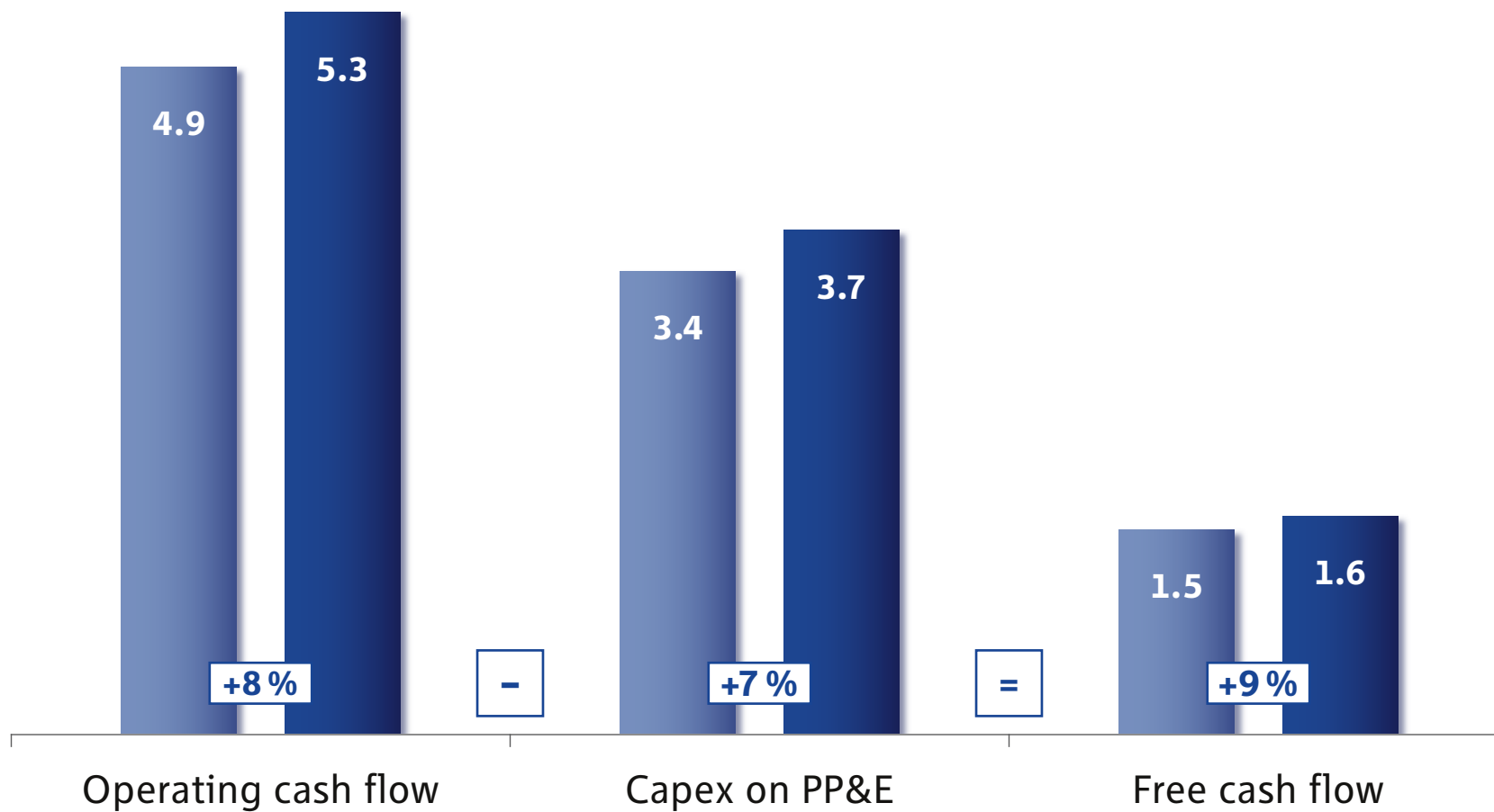
€billion



■ 2004 ■ 2005

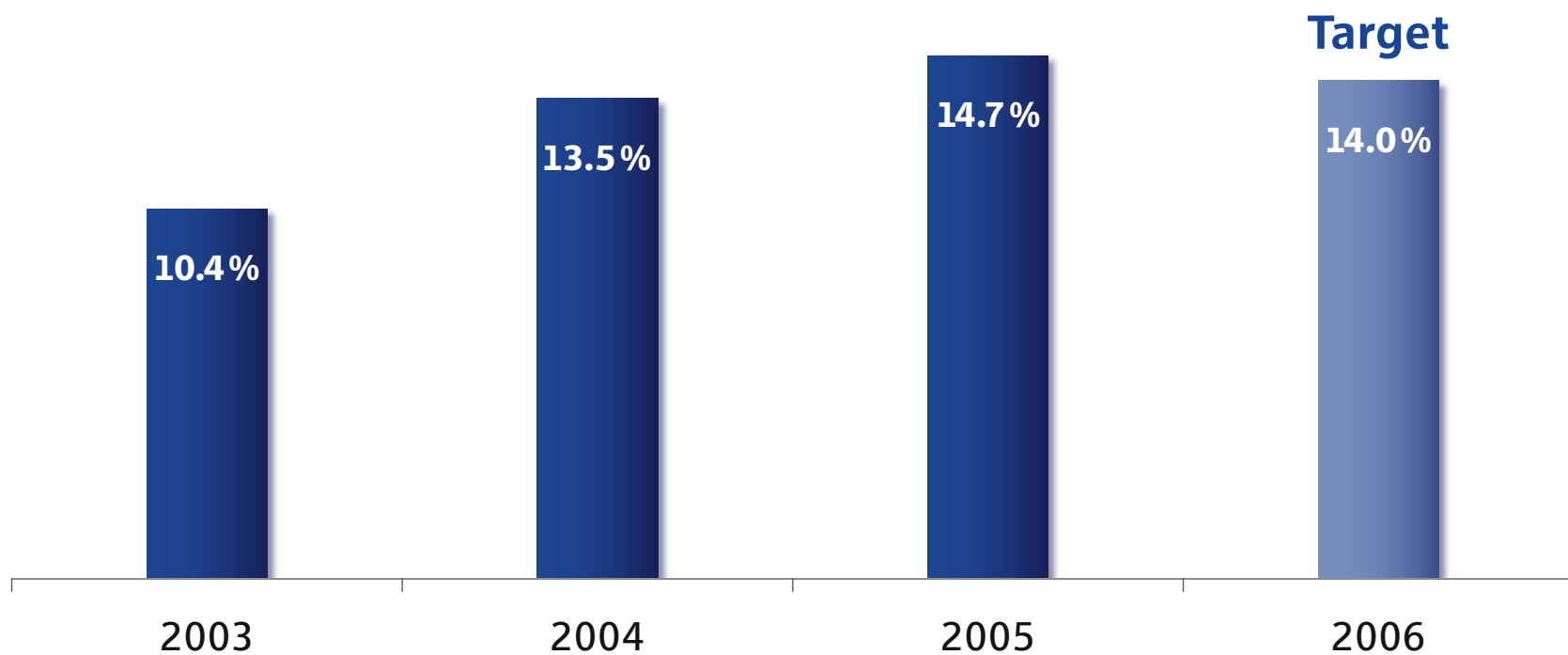
■ *Marked increase in free cash flow*

€billion



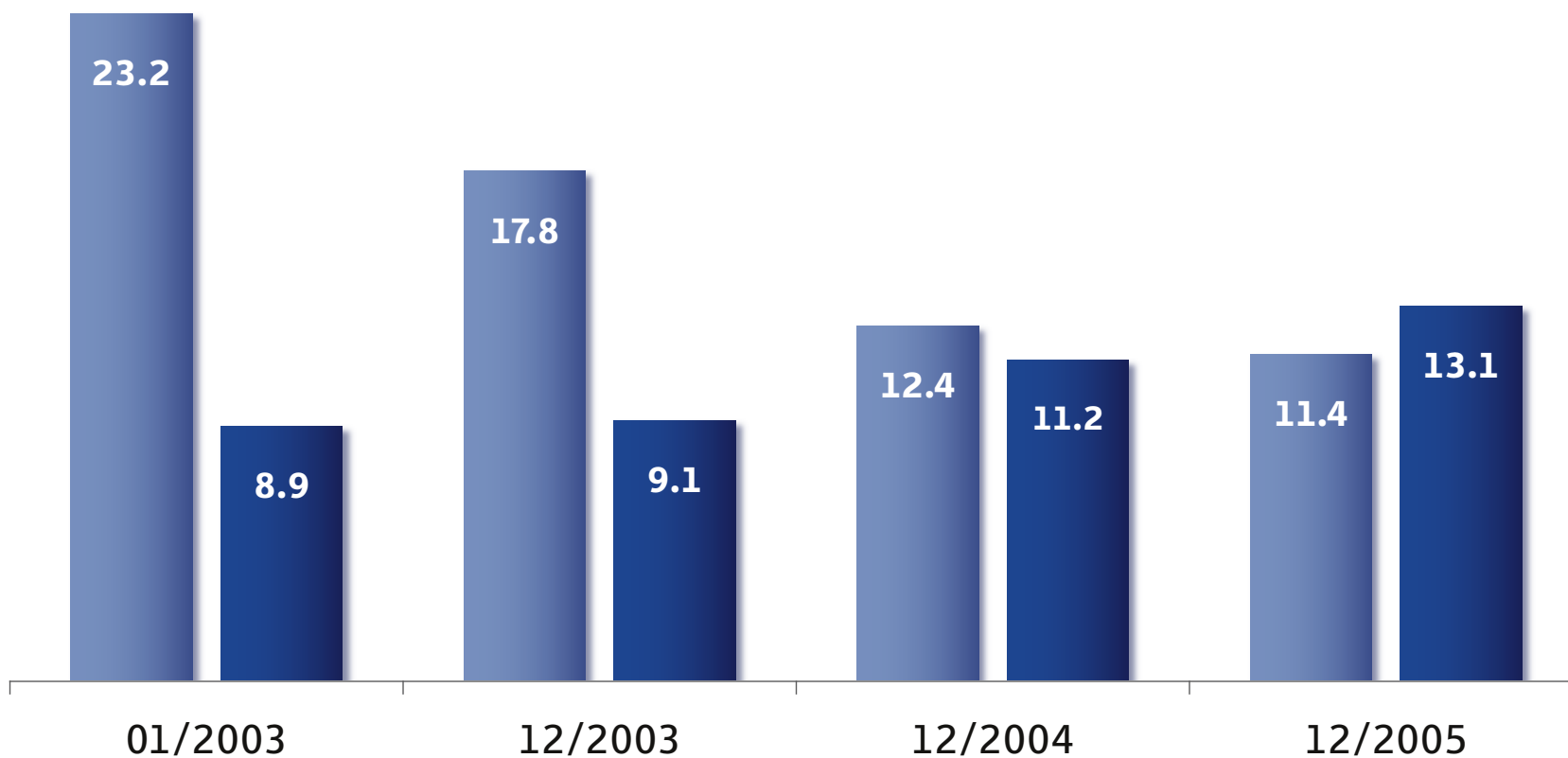
■ 2004 ■ 2005

■ *ROCE target for 2006 already surpassed*



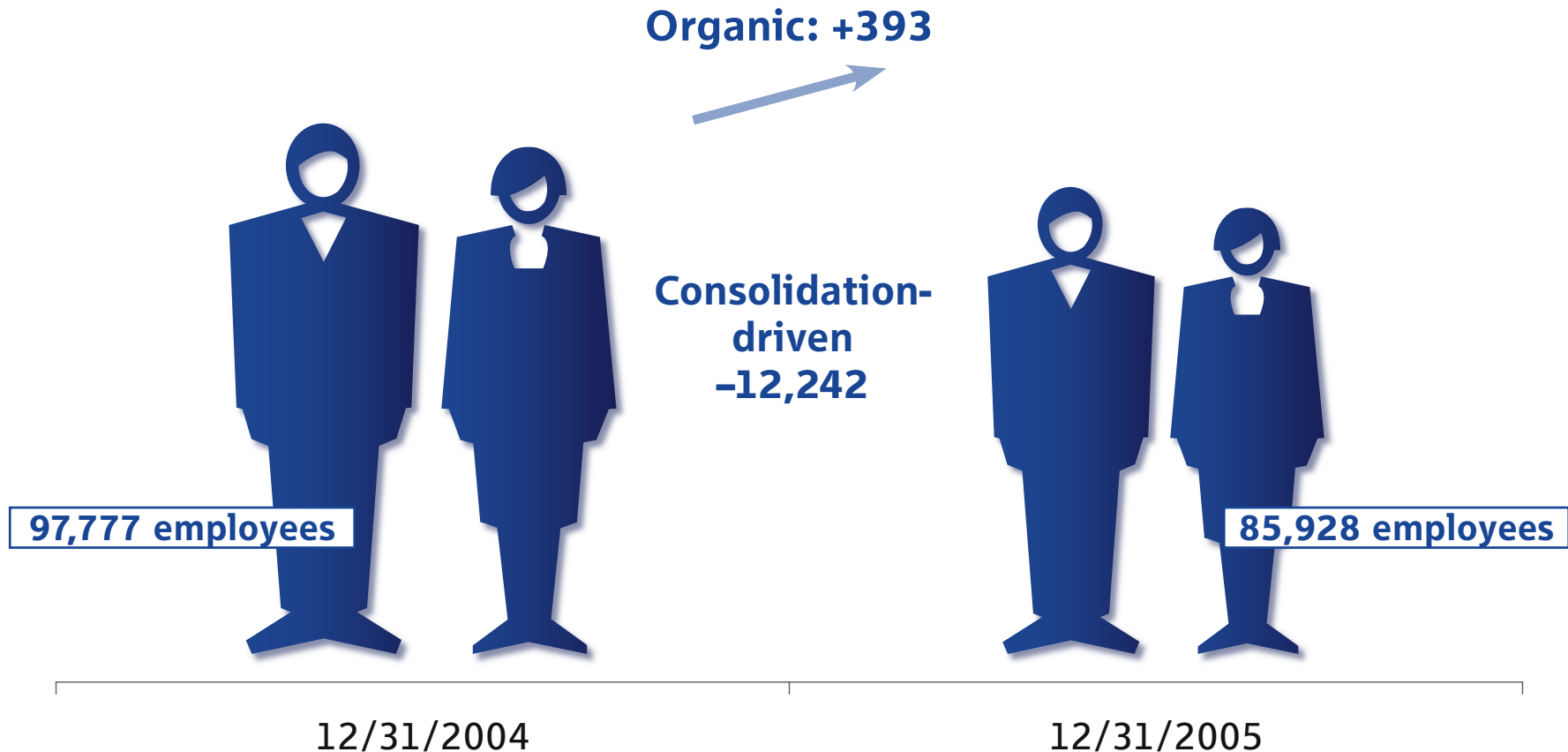
■ *Debt reduced, Equity increased*

€billion



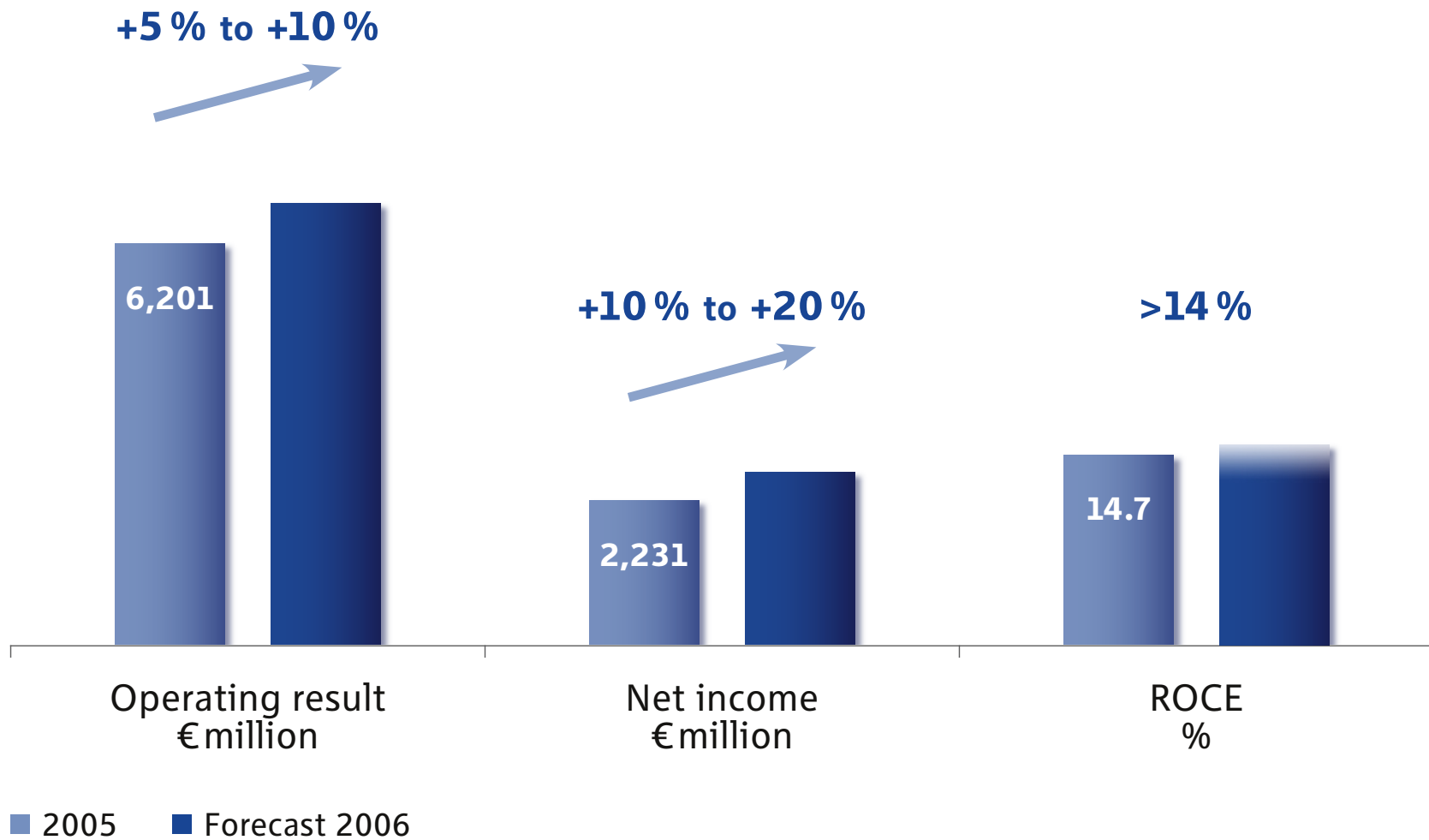
■ Net debt ■ Equity

■ **Workforce stable**



With 3,115 apprentices, we have again exceeded in-house needs by 80 %

■ Outlook for 2006



■ *RWE is engineering the power plant technology of the future*

**Today's technology:
retrofitting options**



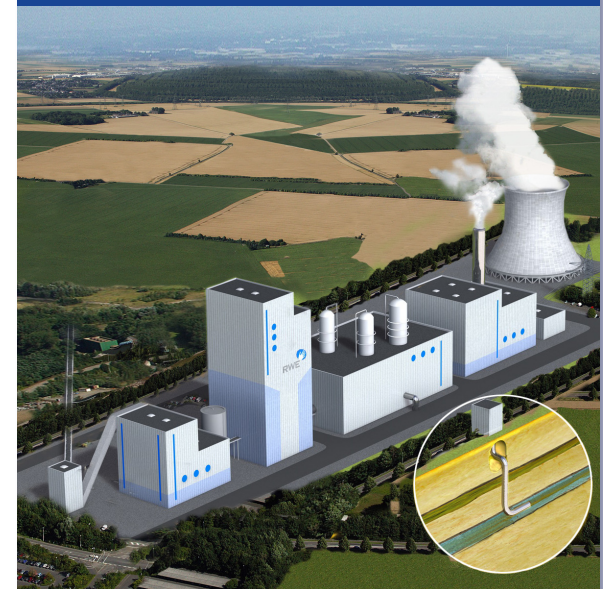
**CO₂ scrubbing for progressive
steam power plants**

**Tomorrow's technology:
efficiency improvements**



Dry-lignite power station

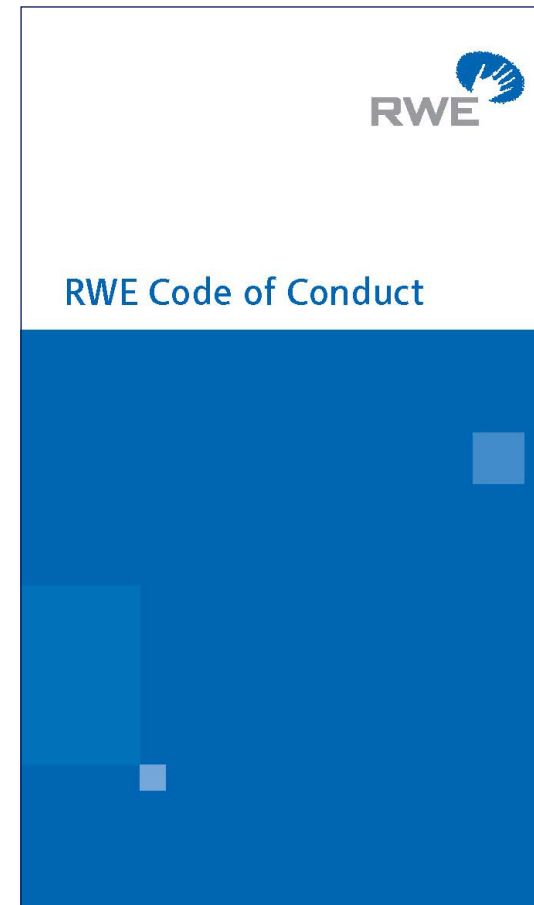
**The day after tomorrow:
CO₂-free power plant**



**CO₂-free power plant with
CO₂ storage**

■ *RWE's Code of Conduct*

- Ensures predictable behaviour in internal cooperation and external dealings with customers, suppliers and partners
- Basis for defining responsible measures to retain customers



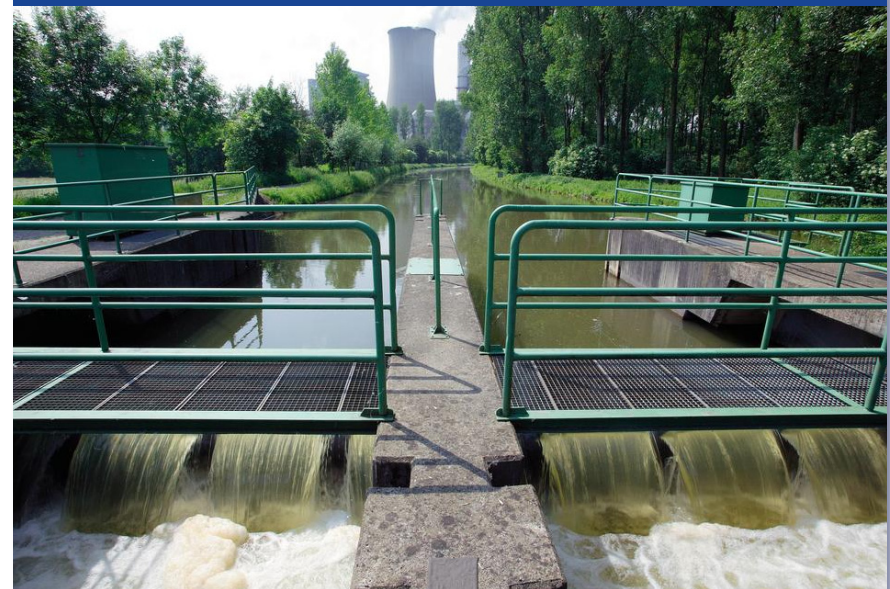
■ *We are responsible corporate citizens
in our regions*

Social responsibility



€17 million (+13%)

Environmental protection

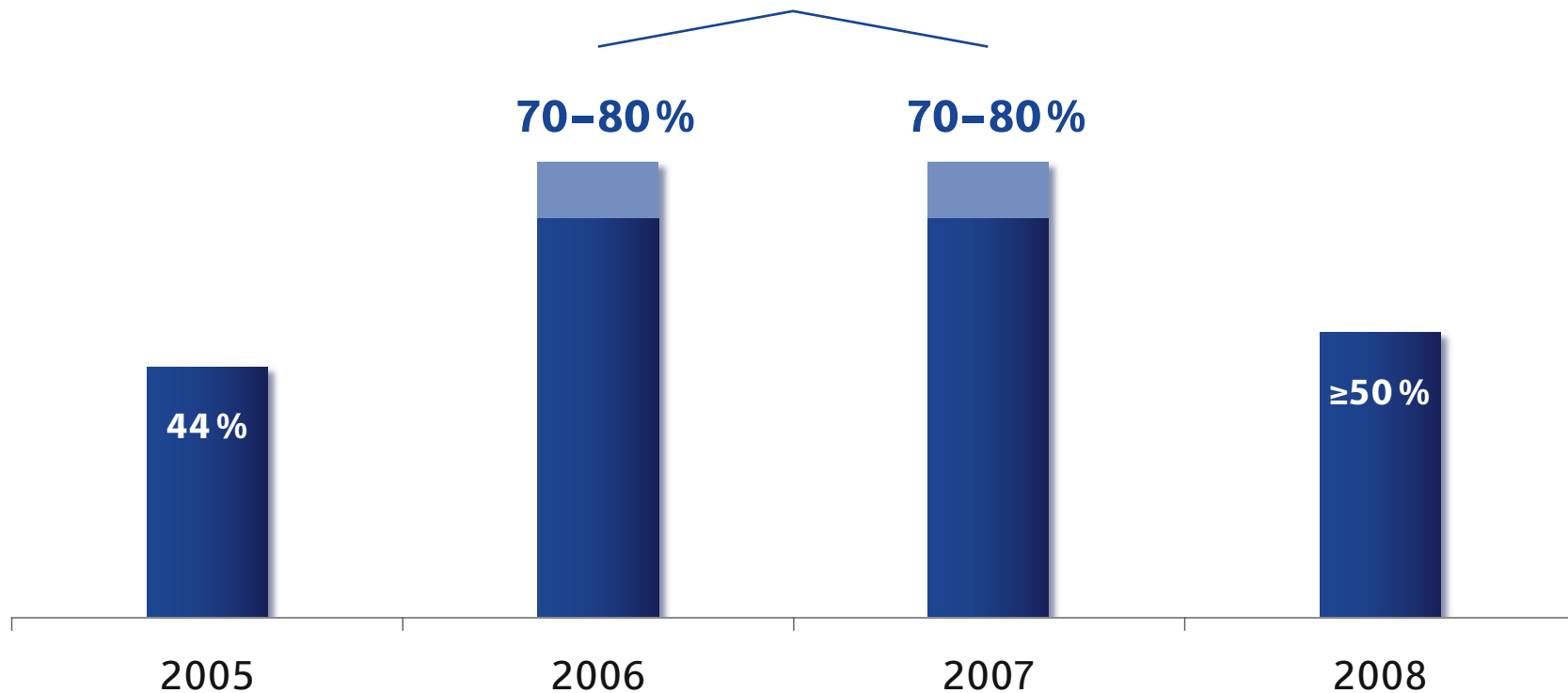


€1 billion (+6%)

- *We want to make sure that you benefit from high dividends in the future as well!*

Payout of recurrent net income

Depending on the progress of the planned sale of RWE Thames Water and American Water



Thank you for your attention

Harry Roels | Chairman and CEO