

Report on the First Three Quarters of Fiscal Year 2007

Essen, November 14, 2007
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Forward Looking Statement



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

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

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

Key messages



Performance Q1-Q3 2007

- Operating result +20%
- Net income +35%
- Recurrent net income +24%

Strategy

- American Water – IPO postponed
- New company for renewable energies in preparation

Regulation

- More clarity on incentive based regulation for German networks
- Amended German Act Against Restraint of Competition underway

Outlook

- Outlook for 2007 confirmed (on the basis of American Water fully consolidated)



RWE Group results Q1-Q3 2007



January – September € million	2007	2006*	change in %
EBITDA	6,953	5,955	+16.8
Operating result	5,828	4,837	+20.5
Non-operating result	-112	-141	+20.6
Financial result	-947	-1,410	+32.8
Income from continuing operations before tax	4,769	3,286	+45.1
Taxes on income	-1,804	-1,274	-41.6
Income from continuing operations	2,965	2,012	+47.4
Income from discontinued operations	-	195	-
Minority interest	138	115	+20.0
Net income	2,827	2,092	+35.1
Recurrent net income	2,565	2,068	+24.0
Average No. of shares (million)	562.4	562.4	-
Recurrent EPS (€)	4.56	3.68	+24.0

* Adjusted figures: See interim report page 13.

Performance of RWE Power



January – September € million	Operating Result			EBITDA		
	2007	2006	Change in %	2007	2006	Change in %
	3,288	2,284	+44.0	3,720	2,718	+36.9
Power Generation	2,894	1,822	+58.8	3,174	2,137	+48.5
RWE Dea	394	462	-14.7	546	581	-6.0

■ Power Generation (incl. RWE Trading)

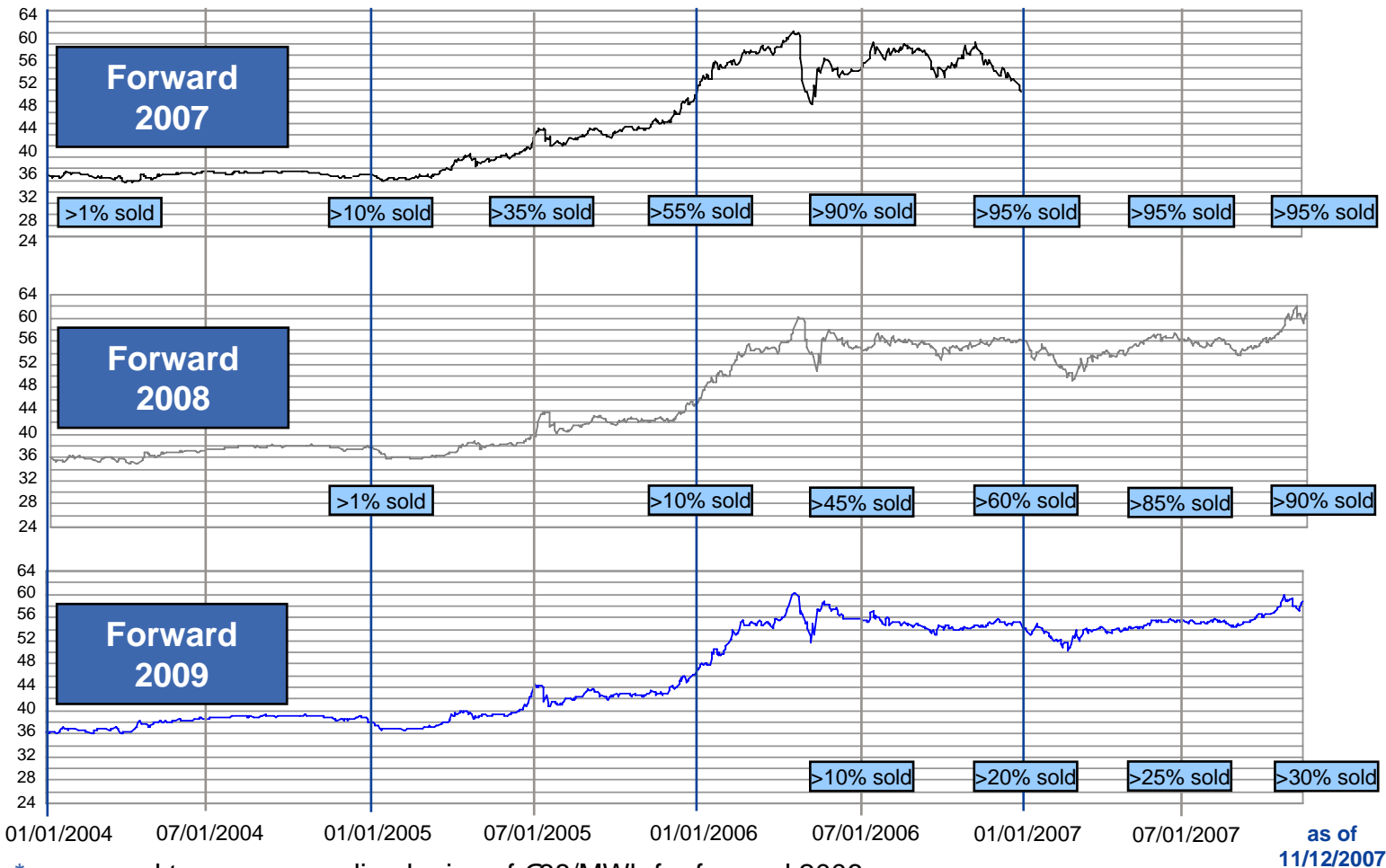
- Higher realized electricity prices and lower volumes (approx. +€700 million)
- Burden from outage of Biblis nuclear power plant (approx. -€600 million)
- Lower fuel costs (approx. +€60 million) and higher maintenance costs (approx. -€60 million)
- Costs for purchasing CO₂ certificates increased to €111 million (-€24 million)

- RWE Dea operating result down 15% due to disposal of KazGerMunai participation in Kazakhstan, redetermination of production shares in Snorre oilfield in Norway based on the contract, lower gas prices and increased exploration activities and costs

RWE Power: Still more than €20/MWh* to catch up RWE with current market price



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



* compared to average realised price of €38/MWh for forward 2006

Performance of RWE Energy



January – September € million	Operating Result			EBITDA		
	2007	2006 ¹	Change in %	2007	2006 ¹	Change in %
	1,820	2,063	-11.8	2,166	2,425	-10.7
German regions	996	1,238	-19.5	1,241	1,457	-14.8
International regions	474	436	+8.7	530	509	+4.1
Supraregional operations	628	614	+2.3	679	694	-2.2
Other, consolidation ²	-278	-225	-23.6	-284	-235	-20.9

- Negative impact from German grid regulation €500 million
- International regions: Up due to one-off effects in the Czech gas business and lower costs for gas storage
- Supraregional operations: Cut in electricity grid fees more than offset by efficiency measures, improved income from investments and a better performance of our Key Account activities

¹ Regional structure adjusted, see interim report page 13

² Including RWE Gas Midstream

Performance of RWE npower



January – September € million	Operating Result			EBITDA		
	2007	2006	Change in %	2007	2006	Change in %
	535	379	+41.2	635	471	+34.8

■ Power generation:

- Benefiting from higher wholesale prices and higher availability of power plants
- Costs for CO₂ down to €64 million (+€43 million)

■ Supply:

- Increase of ca. 350,000 residential energy customers compared to the same period last year
- Lower volumes due to mild weather
- Increased sales and service costs due to growing customer base



Performance of Water Division



January – September € million	Operating Result			EBITDA		
	2007	2006*	Change in %	2007	2006*	Change in %
	336	351	-4.3	533	550	-3.1

- Decline of results due to currency and consolidation effects
- Net of currency and consolidation effects, operating result up 4% year-on-year due to rate increases and higher demand in the regulated business

* Figure adjusted; Thames Water and the other water activities sold in 2006 are not included.

Non-operating result



January – September € million	2007	2006*	Change (absolute)
Capital gains	329	398	-69
Impairment losses	-	-	-
Restructuring / other	-441	-539	+98
Total	-112	-141	+29

- Capital gains: Mainly sale of Dutch gas grid assets and a 25% stake in rhenag
- Restructuring / other:
 - Amortization of RWE npower's customer accounts (-€247 million)
 - Income from change of nuclear provisions (+€125 million)
 - Reduction of goodwill as a consequence of the settlement of outstanding tax issues at RWE npower (-€138 million)

* Adjusted figures: See interim report page 13

Financial result



January – September € million	2007	2006*	Change in %
Net interest	-483	-487	+0.8
Interest accretion to non-current provisions	-633	-873	+27.5
Other financial result	169	-50	+438.0
Total	-947	-1,410	+32.8

- Net interest: Positive impact of sale of Thames Water offset by funding of CTA
- Interest accretion to non-current provisions: Improvement due to the externalization of pension obligations (CTA)
- Other financial result:
 - Book gain from the transfer of securities to the new CTA (+€155 million)
 - Positive effect due to the redemption of our Heidelberger Druckmaschinen exchangeable bond and the sale of Heidelberger Druckmaschinen shares (+€142 million)

* Adjusted figures: See interim report page 13

Cash flow statement



January – September € million	2007	2006	Change (absolute)
Income	2,965	2,207	+758
Depreciation, amortization, impairment losses and write-backs	1,746	2,139	-393
Changes in provisions	-236	+385	-621
Changes in deferred taxes	794	110	+684
Disposal gains	-649	-367	-282
Other non-cash items	-27	+72	-99
Funds from operations	4,593	4,546	+47
Changes in working capital and other balance sheet items	208	336	-128
Cash flows from operating activities	4,801	4,882	-81
Capex on fixed assets	-2,413	-2,729	+316
Free cash flow	2,388	2,153	+235

Outlook for 2007 (I)



	2006 € million	2007 forecast
EBITDA	7,861	+5 – +10%
Operating result	6,106	+10 – +15%
RWE Power	2,744	↗
RWE Energy	2,506	-5 – -10%
RWE npower	512	≥ +40%

Outlook for 2007 (II)



	2006 € million	2007 forecast
External revenue	44,256	↗
Operating result	6,106	+10 – +15%
Net income	3,847	↘
Recurrent net income	2,466	≥ +15%
Capex on fixed assets	4,494	ca. € 4.5 bn

Back-ups



RWE Group electricity production



January – September in TWh	Germany	UK	Other Internat.	Total 2007	Total 2006
Lignite	52.4		4.0	56.4	52.9
Nuclear	23.7			23.7	39.0
Hard coal	39.5	10.0		49.5	52.9
thereof contracts	25.0			25.0	22.6
Gas	7.3	12.9	0.1	20.3	17.7
Water and others	4.5	0.7	0.3	5.5	5.8
thereof contracts	2.1			2.1	1.9
Subtotal	127.4	23.6	4.4	155.4	168.3
Electricity purchases*	50.2	18.8	15.7	84.7	73.9
Total	177.6	42.4	20.1	240.1	242.2

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

RWE Group electricity sales volume



January – September in TWh	Germany	UK	Poland	Hungary	Other	Total 2007	Total 2006
Private and commercial customers	20.0	15.9	2.4	4.3	0.4	43.0	44.8
Industrial and corporate customers	40.8	24.4	2.3	5.0	0.3	72.8	71.3
Distributors	57.1		0.8	3.8	0.6	62.3	52.3
Electricity trading ¹	50.0					50.0	61.0
Total	167.9	40.3	5.5	13.1	1.3	228.1²	229.4²

¹ Net of electricity purchased from third parties.

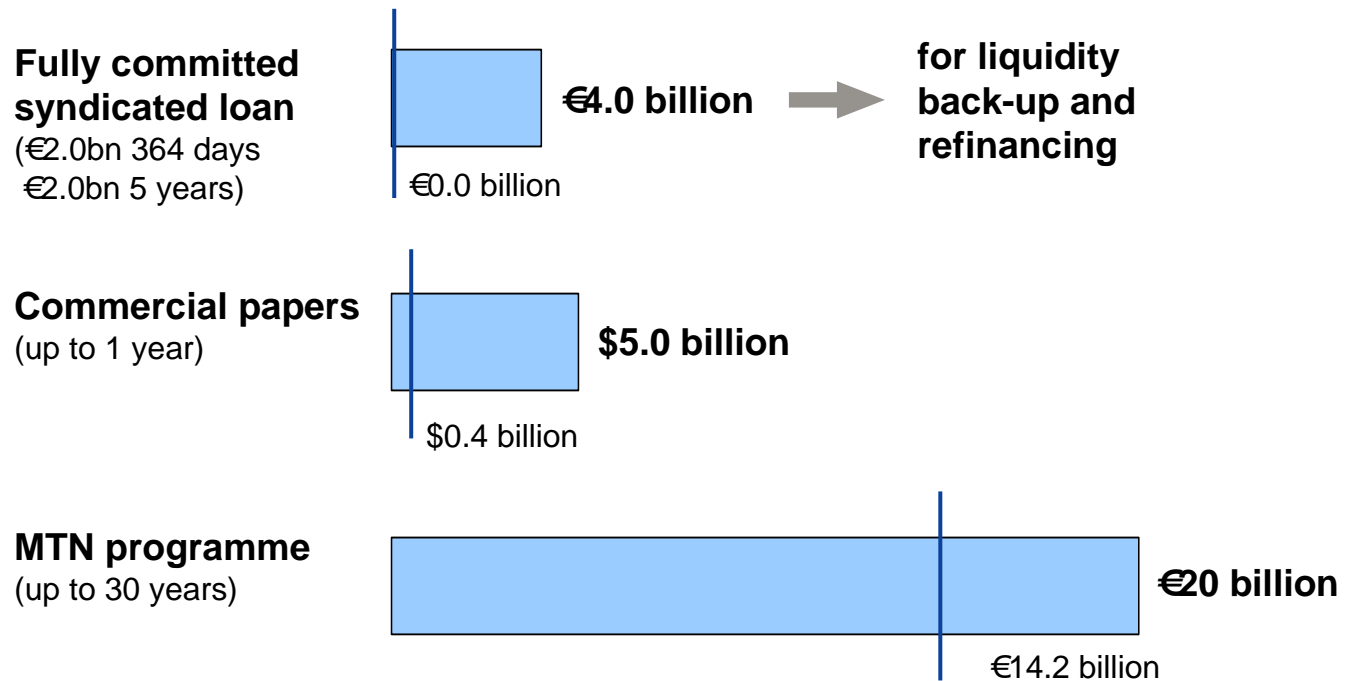
² Difference between electricity production and electricity sales volume due to grid losses, own consumption of lignite mines and pumping electricity.

RWE Group gas sales volume



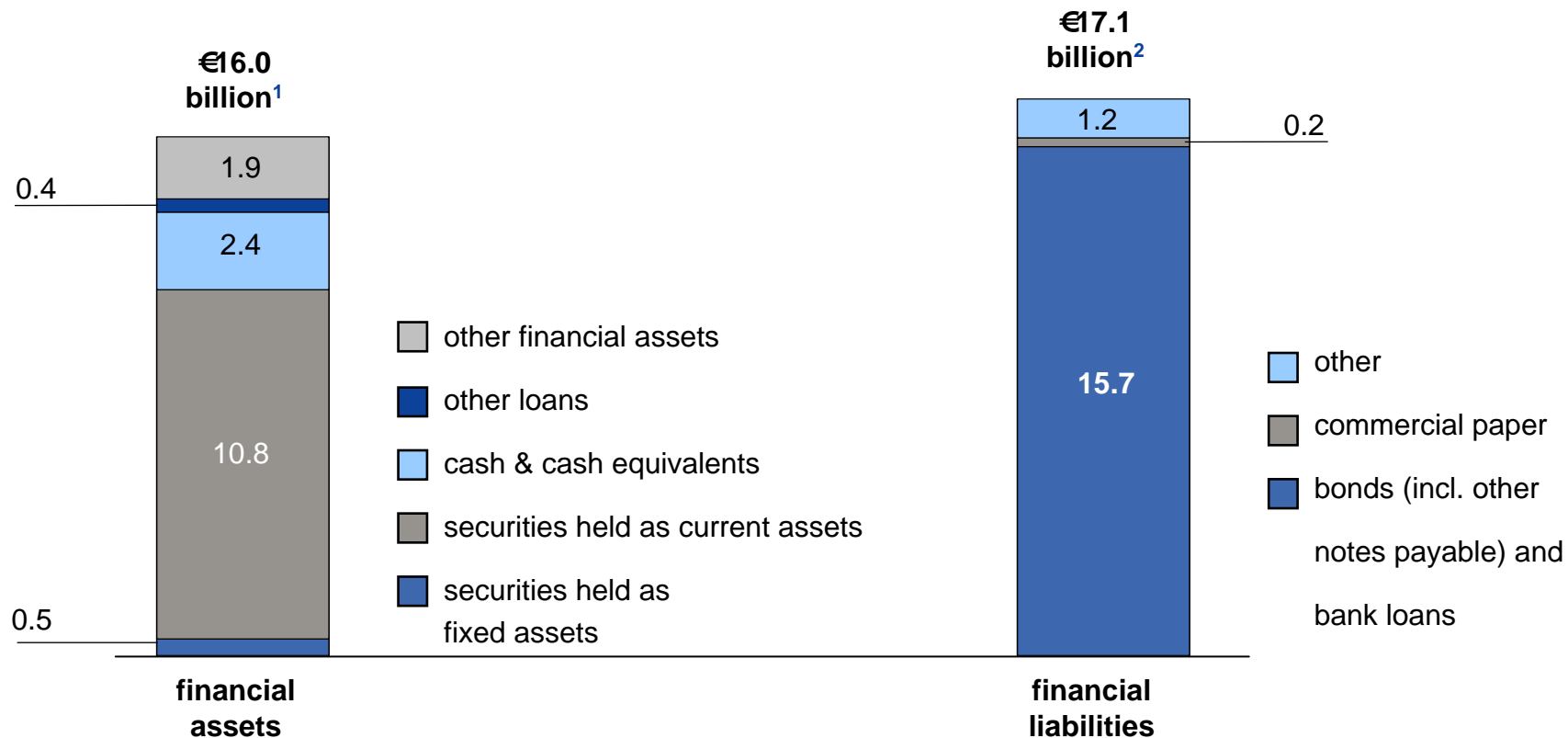
January – September in TWh	Ger- many	Czech Rep.	UK	Other	Total 2007	Total 2006
Private and commercial customers	14.9	18.7	29.8	3.8	67.2	78.9
Industrial and corporate customers	35.1	27.2	7.5	13.3	83.1	91.4
Distributors	63.4	8.9			72.3	91.7
Total	113.4	54.8	37.3	17.1	222.6	262.0

RWE AG: flexible funding structure



Amounts used as of 09/30/2007.

Financial assets and liabilities (as of 09/30/2007)

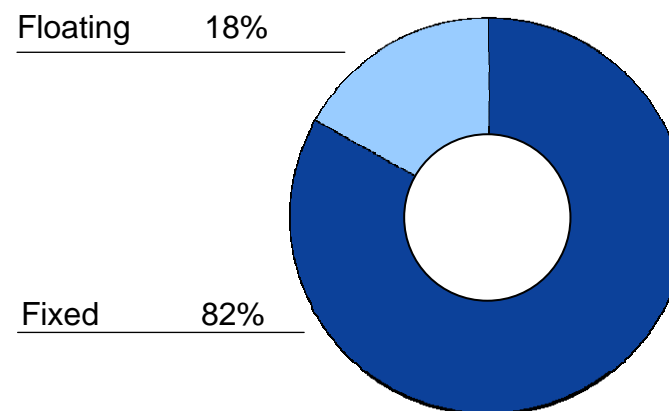
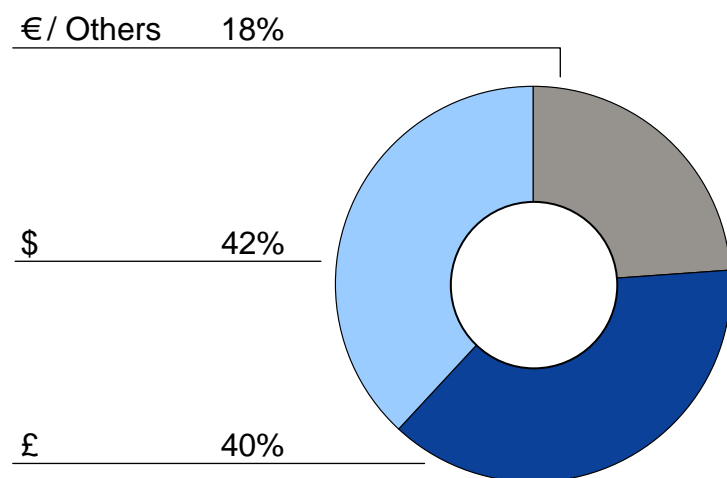


¹ December 31, 2006: €24.1 billion.

² December 31, 2006: €19.4 billion.

Gross financial debt currency and interest exposure¹

Gross financial debt as of September 30, 2007: €17.1 billion

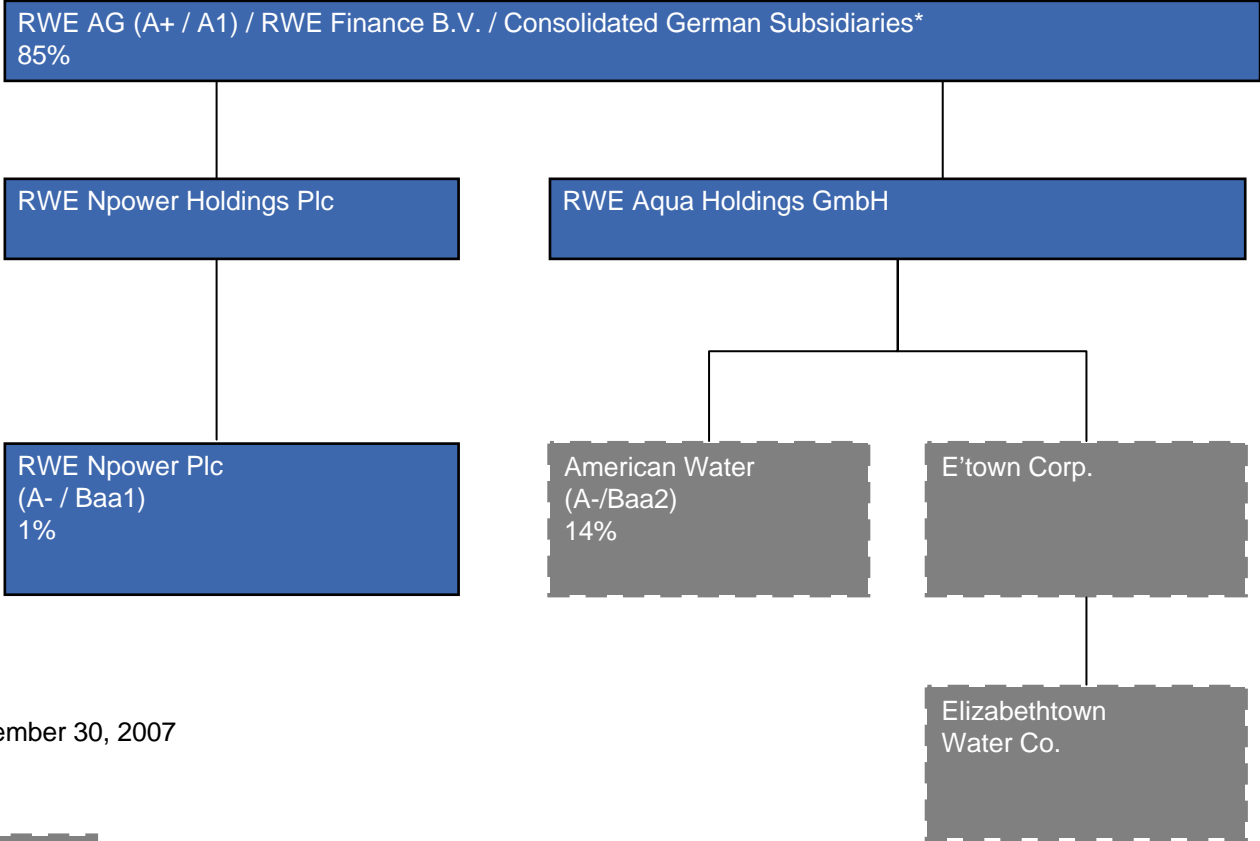


Long term financed (> 1 Year): 76% of gross financial debt
 Short term financed (< 1 Year): 24% of gross financial debt

With debt in foreign currencies we hedge the translation risk of our international activities.

¹ Including cross-currency swaps.

Structural subordination in the RWE Group



As of September 30, 2007

For sale

* Associated by profit & loss sharing agreement.
 Note: Structure simplified; percentages indicate quantity of group external gross financial debt held at entity/group of entities including bonds, bank loans and leases

Adjusted* 2006 quarterly numbers



€ million	Q1 2006	Q1-Q2 2006	Q1-Q3 2006	FY 2006 reported
EBITDA	2,500	4,520	5,955	7,861
Operating result	2,092	3,758	4,837	6,106
RWE Power	1,029	1,690	2,284	2,744
RWE Energy	1,013	1,723	2,063	2,506
RWE npower	38	274	379	512
Water Division	88	209	351	425
Others/consolidation	-76	-138	-240	-81
Non-operating result	-56	-395	-141	-414
Financial result	-535	-873	-1,410	-2,035
Income from continuing operations before tax	1,501	2,490	3,286	3,657
Taxes on income	-487	-853	-1,274	-982
Income from continuing operations	1,014	1,637	2,012	2,675
Income from discontinued operations	100	129	195	1,338
Minority interest	66	107	115	166
Net income	1,048	1,659	2,092	3,847
Recurrent net income	1,083	1,920	2,068	2,466

* Adjusted figures: See interim report page 13
 Conference Call, Q1-Q3 2007 | November 14, 2007

Reminder...

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■ Calendar

Investor Relations > Calendar

■ Annual Report

Investor Relations > Financial Reports > Annual Report

■ Interim Report

Investor Relations > Financial Reports > Interim Reports

■ Fact book (300 pages on our company and its divisions)

Investor Relations > Presentations > Factbook > RWE Facts & Figures

Fact book specials:

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CO2 emissions trading: Investor Relations > Presentations > Factbook

Electricity Generation Capacity: Investor Relations > Presentations > Factbook

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■ RWE as seen by analysts (overview of latest analyst earnings estimates)

Investor Relations > Shares > RWE as seen by analysts

■ RWE bonds as seen by analysts (overview of latest analyst ratings)

Investor Relations > Bonds > Credit Analyst's Estimates