

# Financial Statements of RWE AG 2002



Integration: The Key to Success

	<b>25,966</b>		
<b>(10)</b>	<b>54</b>		
	<b>38,926</b>		
04-19			<p><b>Financial Statements of RWE AG</b></p> <p>04_Balance Sheet</p> <p>05_Income Statement</p> <p>06_Notes</p> <p>18_Proposal for the Appropriation of Profit</p> <p>19_Auditors' Report</p>
108,327	301,300		
36,362			
242,325	-	33,840	
21,843	-	114,980	
20-31			<p><b>Further Information</b></p> <p>22_Material Investments</p> <p>25_Boards</p> <p>30_Imprint</p> <p>31_Financial Calendar</p>

The Financial Statements and Review of Operations of RWE AG for the 2002 fiscal year are published in the Bundesanzeiger (Federal Gazette) and filed with the Commercial Register of the Essen District Court under HRB 14525. The Review of Operations of RWE AG has been combined with the Review of Group Operations and has been published on pages 32 to 57 of our Annual Report.

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 filed in the Commercial Register of the Essen District Court.

Financial Statements of RWE AG	04-19
Further Information	20-31

### **Integration: The Key to Success**

For us, the quality of being international means working together in a way that transcends borders to reach common goals in innovative ways. We hold deep respect for the differences of other cultures, and strive always to learn from them.

As a company, we draw our strength from a broad array of people and their many talents. That's why we believe that integrating people and business is the key to our success, both now and in the future.



Front cover right:

“We may talk about our differences, but in doing so we find more we have in common.”

Brian Harris, Head of Tax, Innogy

Front cover left:

Dr. Hans-Jürgen Weck, Senior Manager of Group Controlling and Planning, RWE AG

# Balance Sheet

## as of December 31, 2002

Assets	Note	12/31/02	12/31/01
€ million			
<b>Non current assets</b>	<b>(1)</b>		
Financial assets		32,498	22,652
<b>Current assets</b>			
Accounts receivable and other assets	(2)		
_Accounts receivable from affiliated companies		4,884	4,654
_Accounts receivable from investments		43	209
_Other assets		99	237
Securities	(3)	1,164	1,779
Cash and cash equivalents	(4)	176	1,005
<b>Prepaid expenses</b>	<b>(5)</b>	<b>62</b>	<b>23</b>
		<b>38,926</b>	<b>30,559</b>
<b>Equity and Liabilities</b>	<b>Note</b>	<b>12/31/02</b>	<b>12/31/01</b>
€ million			
<b>Equity</b>	<b>(6)</b>		
_Subscribed capital			
_Common shares		1,340	1,359
_Preferred shares		100	100
<b>(Contingent capital: € 51 million)</b>		<b>1,440</b>	<b>1,459</b>
Capital reserve		1,288	1,269
Retained earnings		829	614
Distributable profit		619	562
		<b>4,176</b>	<b>3,904</b>
<b>Special reserves with an equity portion</b>	<b>(7)</b>	–	□
<b>Provisions</b>	<b>(8)</b>		
Provisions for pensions and similar obligations		5,550	5,375
Tax provisions		1,939	1,501
Other provisions		1,241	754
		<b>8,730</b>	<b>7,630</b>
<b>Liabilities</b>	<b>(9)</b>		
Bonds		2,689	246
Bank debt		263	1,482
Trade accounts payable		11	5
Accounts payable to affiliated companies		21,104	15,146
Accounts payable to investments		7	850
Other liabilities		1,892	1,282
		<b>25,966</b>	<b>19,011</b>
<b>Deferred income</b>	<b>(10)</b>	<b>54</b>	<b>14</b>
		<b>38,926</b>	<b>30,559</b>

□ Negligible amount.

# Income Statement for the period from January 1 through December 31, 2002

€ million	Note	2002	2001
Net income from financial assets	(13)	2,736	2,093
Net interest	(14)	- 1,069	- 661
Other operating income	(15)	1,709	1,294
Staff costs	(16)	- 64	- 66
Other operating expenses	(17)	- 1,327	- 932
<b>Profit from ordinary activities</b>		<b>1,985</b>	<b>1,728</b>
Taxes on income	(18)	- 836	- 916
<b>Net profit</b>		<b>1,149</b>	<b>812</b>
Profit carried forward from the previous year		□	□
Transfer to retained earnings		- 530	- 250
<b>Distributable profit</b>		<b>619</b>	<b>562</b>

□ Negligible amount.

# Notes

## Changes in Non current assets

	Cost of acquisition				Accumulated depreciation	Carrying amounts		Depreciation for the reporting period	
€ million	Balance as of 12/31/01	Additions	Transfers	Disposals	Balance as of 12/31/02	Balance as of 12/31/02	Balance as of 12/31/01	Balance as of 12/31/02	
<b>Financial assets</b>									
Investments in affiliated companies	9,999	1,539	- 553	1,388	9,597	90	9,829	9,507	90
Loans to affiliated companies	10,384	10,027	–	1,149	19,262	–	10,384	19,262	–
Investments	65	84	553	635	67	□	65	67	□
Loans to investments	□	1	–	–	1	1	0	0	1
Long-term securities	2,439	1,645	–	129	3,955	295	2,367	3,660	223
Other loans	7	□	–	5	2	–	7	2	–
	<b>22,894</b>	<b>13,296</b>	<b>0</b>	<b>3,306</b>	<b>32,884</b>	<b>386</b>	<b>22,652</b>	<b>32,498</b>	<b>314</b>

□ Negligible amount.

## 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. The Income Statement has been prepared using cost categories-oriented format. The Financial Statements have been prepared in euros (€) and amounts are stated in millions of euros (€ million).

Quarta Vermögensverwaltungsgesellschaft mbH was merged into RWE AG in accordance with Sec. 2, Item 1 of the Germany Company Transformation Act (UmwG) effective June 15, 2002.

# Accounting policies

Investments in affiliated companies and investments are stated at acquisition cost, or at lower fair values in individual cases.

Long-term securities are valued at acquisition cost or lower market value as appropriate.

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. Current securities are valued at acquisition cost or lower market value as appropriate.

Provisions for pensions and similar obligations are calculated based on actuarial computations taking Klaus Heubeck's 1998 reference tables into consideration while applying the going concern method and an interest rate of 6%.

All identifiable risks, contingent liabilities and anticipated losses are taken into account in the assessment of other provisions.

Liabilities are on principle 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 by swaps, futures and options) 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 on the Balance Sheet

### (1) Non current assets

An analysis and description of the movements of fixed asset items summarized on the Balance Sheet for the 2002 fiscal year is provided on page 6. We grouped our stakes in Heidelberger Druckmaschinen AG, Heidelberg (HDM), HOCHTIEF Aktiengesellschaft, formerly known as Gebr. Helfmann, Essen (HOCHTIEF), Francommerz Vermögensverwaltungsgesellschaft mbH, Frankfurt/Main (Francommerz) and Pan-Vermögensverwaltungsgesellschaft mbH, Munich (Pan) and placed them under the management of a financial holding company (RWE Gesellschaft für Finanzbeteiligungen mbH, Essen). This transaction results in a net disposal of €1,580 million and a net addition of €1,611 million in the Statement of Changes in Fixed Assets.

Furthermore, we increased our shareholding in Dortmund-based Harpen AG to 94.82%.

Another disposal was recorded as a result of the incorporation of Mitteldeutsche Energieversorgung AG, Halle (Saale), into RWE Plus AG, Essen.

Net changes in loans to affiliated companies principally relate to the Electricity and Gas Business Areas, both of which are core businesses, as well as to Essen-based Thames Water Aqua Holdings GmbH (TWAH).

Long-term securities nearly exclusively consist of special funds and loans taken out by American Water Works Company, Inc., Voorhees, New Jersey/USA.

## (2) Accounts receivable and other assets

€ million	12/31/02	Thereof RT*>1 year	12/31/01	Thereof RT*>1 year
Accounts receivable from affiliated companies	4,884	96	4,654	
Accounts receivable from investments	43		209	
Other assets	99	1	237	1
	<b>5,026</b>	<b>97</b>	<b>5,100</b>	<b>1</b>

\*RT = remaining term.

Accounts receivable from affiliated companies include claims arising from loans, tax group accounting settlements and ongoing clearing transactions.

Other assets principally include interest accruals and receivables.

## (3) Securities

Securities are fixed-interest securities obtained from the placement of liquid funds.

In the fiscal year under review, 424,963 common shares were acquired on the capital market at an average purchase price of €36.23 per share. They account for €1,087,905.28 of the Corporation's share capital (0,1% of subscribed capital). Employees of RWE AG and its affiliated companies received a total of 355,090 common shares at an average price of €36.03 per share within the scope of capital formation and 32,046 common shares at an average price of €17.64 on the occasion of service anniversaries. Aggregate proceeds amounted to €13,358,463.98. Differences in the purchase price were recognized as income.

A total of 37,827 common shares are still held by an affiliated company. The shareholding has a total nominal value of €96,837.12 (0.007% of subscribed capital) in connection with the issuance of RWE shares to employees.

## (4) Cash and cash equivalents

Cash and cash equivalents nearly exclusively relate to bank balances.

## (5) Prepaid expenses

€ million	12/31/02	12/31/01
Discount	48	10
Other	14	13
	<b>62</b>	<b>23</b>

Other prepaid expenses predominantly consist of accrual repayment of rent.



## (6) Equity

Changes in equity € million	Balance as of 12/31/01	Dividend- payments	Redemption of common shares	Net profit	Balance as of 31.12.02
Subscribed capital	1,459		- 19		1,440
Capital reserve	1,269		19		1,288
Retained earnings					
_Other retained earnings	614		- 315	530	829
Distributable profit	562	- 562		619	619
	<b>3,904</b>	<b>- 562</b>	<b>- 315</b>	<b>1,149</b>	<b>4,176</b>

Pursuant to the resolution adopted by the AGM on June 6, 2002, the Executive Board was authorized to purchase up to 57,000,000 of any class of shares in the Corporation until December 5, 2003. In the financial year under review, RWE Power AG purchased 7,595,000 common shares at €41.53 per individual share certificate. These shares were paid to RWE Power AG as quid pro quo for the investment in VEW AG within the scope of the merger between RWE (old) and VEW AG, with RWE (new) as the assuming entity. They account for €19,443,200 of the Corporation's share capital (1.33% of subscribed capital prior to the capital reduction). As a result of the capital reduction that became effective per the Executive Board resolution of July 2, 2002, pursuant to which the acquired common shares were appropriated, a portion of the Corporation's share capital corresponding to these shares was transferred to the capital reserve and the acquisition costs were offset against RWE AG's retained earnings.

RWE AG's €1,439,756,800 in share capital thus breaks down as follows:

### Common shares

523,405,000 non-par-value bearer shares of common stock with 523,405,000 votes (93.1% of the subscribed capital).

### Preferred shares

39,000,000 non-par-value bearer preferred shares without voting rights (6.9% of the subscribed capital).

Contingent capital in the amount of €51,200,000 is available to offer subscription rights to bearer shares of common stock held by members of the Executive Board and other executives of RWE AG and subordinate affiliated companies.

The Executive Board of RWE AG has been authorized to issue non-transferable subscription rights to a total of up to 20,000,000 common shares to the aforementioned persons until the end of the day on March 8, 2004.

There is a three-year waiting period for the stock options, which have a term of five years after their respective issue. The following options have been issued so far:

Tranche	Originally issued	Balance as of 12/31/01	Expired in 2002	Balance as of 12/31/02
1999 tranche	1,935,800	1,441,600	- 122,300	1,319,300
2000 tranche	4,336,500	3,366,000	- 383,000	2,983,000
2001 tranche	5,222,300	4,849,600	- 395,500	4,454,100
2001 A tranche	5,262,300	5,189,800	- 371,300	4,818,500
	<b>16,756,900</b>	<b>14,847,000</b>	<b>- 1,272,100</b>	<b>13,574,900</b>

Stock options can only be exercised if the quoted market price of the common share—calculated on the basis of the total return approach—has increased by at least 6% annually on average (absolute performance) before being exercised and has not trailed the Dow Jones STOXX share index by more than 10 percentage points (relative performance) in the same period. The four-week exercise periods start on the 21st trading day following the publication of the provisional revenues and earnings figures for the completed fiscal year and of the semi-annual results.

The stock options can only be exercised against payment of the exercise price. The exercise price corresponds to the quoted market price of the common shares on the first trading day after expiration of the relevant exercise period, minus a markdown, which is composed of the absolute and relative performance components. The markdown is limited to 40 percentage points.

Exercise conditions stipulate that the stock options can be used for already existing common shares instead of new shares from contingent capital and that the markdown can be paid in cash instead of in common shares. If the persons holding stock options are not employed by RWE AG, the expenses associated with the exercise are borne by the respective Group company.

In the 2002 fiscal year, a long-term incentive plan (LTIP) was introduced for Executive Board members and other executives of RWE AG and domestic and foreign subsidiaries, based on stock appreciation rights (SARs), in line with a resolution passed by the Supervisory Board.

There is a two-year waiting period for the SARs, which have a term of five years after their respective issue. 5,950,350 stock options were issued in the fiscal year for the first time. 5,945,350 of them remained as of the balance-sheet date.

SARs can be exercised only if the common share price has risen by at least 10% before the exercise date (absolute performance) and has outperformed in the same period the Dow Jones STOXX Utility Price Index on 10 consecutive days (relative performance). The relative success hurdle does not apply if the common share price increases by at least 20%.

SARs can be exercised daily after expiry of the waiting period and once the aforementioned performance targets have been hit, except during short blocking periods prior to the publication of corporate data. The number of exercisable SARs is determined by the extent to which the common share has risen over the exercise price established when the SARs were issued. If the common share price increases by 20%, all SARs can be exercised; an increase of 15% enables an exercise of 60%, and an increase of 10% enables the exercise of 25% of the SARs. Whenever SARs are exercised, the issuing company pays the difference between the current share price and the exercise price. The sum is limited to 50% of the exercise price.

The LTIP's exercise conditions stipulate that common shares may be used as quid pro quo instead of cash to pay out gains on the exercise of SARs. If the persons holding stock options are not employed by RWE AG, expenses associated with the exercise are borne by the respective Group company.

## (7) Special reserves with an equity portion

Special reserves with an equity portion in the amount of €0.1 million have been released in accordance with Sec. 52, Para. 16 of the German Income Tax Act (EStG).

## (8) Provisions

€ million	12/31/02	12/31/01
Provisions for pensions and similar obligations	5,550	5,375
Tax provisions	1,939	1,501
Other provisions	1,241	754
	<b>8,730</b>	<b>7,630</b>

Applications GmbH, RWE Systems Computing GmbH, RWE Systems Grundstücke GmbH, RWE Rheinbraun AG and RWE Trading GmbH. Expenses incurred for the retirement benefits of the companies concerned are reimbursed by them.

Tax provisions predominantly concern the year under review as well as tax auditing periods that are still open.

Disclosed provisions for pensions also include claims of current and former employees of RWE Gas AG, RWE Net AG, RWE Plus AG, RWE Power AG, RWE Systems AG, RWE Systems

Other provisions primarily include interest obligations as well as risks associated with investments and anticipated losses from financial transactions.

## (9) Liabilities

€ million	12/31/02	Thereof RT < 1 year	Thereof RT > 5 years	12/31/01	Thereof RT < 1 year
Bonds					
_of which convertible	2,689	72	147	246	
Bank debt	263	48	215	1,482	1,482
Trade accounts payable	11	11		5	5
Accounts payable to affiliated companies	21,104	4,134	13,735	15,146	5,850
Accounts payable to investees	7	1	6	850	850
Other liabilities	1,892	1,786	104	1,282	1,168
_of which tax	(81)	(81)		(5)	(5)
_of which under social security	(1)	(1)		(□)	(□)
	<b>25,966</b>	<b>6,052</b>	<b>14,207</b>	<b>19,011</b>	<b>9,355</b>

□ Negligible amount.

All bonds are medium term notes issued by RWE AG and have varying maturities and interest rates.

Accounts payable to affiliated companies concern the transfer of financial resources as well as ongoing clearance transactions.

Accounts payable to banks principally relate to bank loans and interest accrued from existing swap agreements.

Other liabilities primarily relate to liquid funds raised on the money market within the scope of a commercial paper program.

## (10) Deferred income

This item exclusively relates to accrued interest equalization payments.

## (11) Contingent liabilities and other financial obligations

Contingent liabilities include liabilities from guarantees and warranty agreements. Guarantees are performance and warranty guarantees totaling €66 million from current business conducted by subsidiaries. Nine guarantees have not been recorded in figures. Warranty agreements consist of €1,332 million in payment guarantees made for two affiliated companies.

The following payment guarantees to the creditors of the bonds of RWE Finance B.V., Amsterdam/Netherlands (an affiliate wholly owned by RWE AG) were in existence as of the balance-sheet date within the scope of the debt issuance program.

Issuer	Volume	Coupon in %	Due Date
RWE Finance B.V.	£ 100 Million	5.75	April 2006
RWE Finance B.V.	£ 250 Million	5.75	April 2006
RWE Finance B.V.	€ 2,500 Million	5.55	October 2007
RWE Finance B.V.	€ 2,000 Million	5.375	April 2008
RWE Finance B.V.	€ 1,500 Million	6.125	October 2012
RWE Finance B.V.	€ 250 Million	6.125	October 2012
RWE Finance B.V.	£ 750 Million	6.325	June 2013
RWE Finance B.V.	€ 500 Million	6.25	April 2016
RWE Finance B.V.	€ 200 Million	6.25	April 2016
RWE Finance B.V.	€ 150 Million	6.25	April 2016
RWE Finance B.V.	£ 350 Million	6.5	April 2021
RWE Finance B.V.	£ 225 Million	6.5	April 2021
RWE Finance B.V.	£ 75 Million	5.75	April 2021
RWE Finance B.V.	£ 800 Million	6.3	June 2030

Furthermore, RWE AG is liable for €151 million in liabilities of two affiliated companies.

Additionally, there are joint and several liabilities from the transfer of pension obligations to two affiliated companies in the amount of €6 million and to an investment of RWE Plus AG in the amount of € 5 million.

Future—undiscounted—financial obligations from leases and rent amounted to €307 million as of December 31, 2002. €192 million thereof are payable to affiliated companies.

By entering into the solidarity agreement, RWE AG and the German nuclear power plant operators' other parent companies have committed themselves to endow the nuclear power plant operators that would be liable in the event of damages caused by nuclear accidents with funds sufficient to fulfill the coverage provision in the amount of €2,244.4 million in order to enable them to meet their payment obligations. Contractually, RWE AG is responsible for covering 24.834% of the total liability plus 5% for damage settlement costs. The solidarity agreement came into force when the

German Nuclear Power Act (AtG) and the German Ordinance on Providing Cover under the Nuclear Power Act (AtDeckV) were written into law in the spring of 2002.

On September 17, 2001, the wholly-owned affiliated companies TWAH tendered an irrevocable takeover bid for the US-based water utility American Water Works Company Inc., Voorhees/New Jersey. The proposed purchase price is US\$ 46 per common share in cash. This results in a purchase price of US\$ 4.6 billion. RWE AG undertook a payment obligation. On January 17, 2002, American Water Works' shareholders approved the deal, which closed on January 10, 2003.

Under certain conditions, about €13 million in payment obligations to co-shareholders may arise in connection with existing investments.

## (12) 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 derivative transactions concluded with external counterparties amounts to € 21.6 billion as of the balance-sheet date. Offsetting derivatives with a nominal volume of € 10.5 billion have been concluded with Group companies.

Within the scope of currency hedging, among other things, interest-rate/cross-currency swaps with a volume totaling € 7.7 billion as well as matching offsetting cross-currency swaps were concluded with wholly-owned affiliated companies. RWE AG groups derivative transactions concluded with banks and their respective offsetting transactions to form valuation units to eliminate an evaluation result. They have a positive market value of € 437 million as of the balance-sheet date. Companies use their cross-currency swaps to hedge their foreign investments to hedge the prices if their foreign investments. Once a swap has expired, the difference between the swap's redemption rate and the original spot price is offset against the investments' acquisition costs without an effect on net profit.

Moreover, RWE AG concluded cross-currency swap transactions with a nominal volume of € 3.3 billion and a positive market value of € 108 million as of the balance-sheet date in order to hedge foreign-currency bonds as well as foreign-currency loans awarded to subsidiaries.

We have concluded interest rate and interest-rate/cross-currency swaps with a nominal volume of € 407 million and a negative market value of € 6 million as of the balance-sheet date, in order to hedge risks associated with medium-term notes. Derivative transactions with a nominal volume of € 466 million have been concluded to hedge currency risks associated with the commercial paper program issued by RWE AG. They had a negative market value of € 3 million as of December 31, 2002. Forward rate agreements with a nominal volume of € 2.7 billion and a negative market value of € 3 million have been entered into to hedge the interest rates of future emissions.

Derivatives with a nominal volume of € 3.5 billion relating to interest-rate hedging transactions are on our books. This resulted in a negative market value of € 283 million as of December 31, 2002, € 278 million of which are attributable to interest-rate hedges for future financing.

Furthermore, RWE AG and its subsidiaries concluded currency forwards and options with a combined volume of € 3.6 billion for contractually agreed and forecast payments.

€ 2.7 billion of this sum were transferred to subsidiaries congruently and form a valuation unit, avoiding an evaluation result. As of the balance-sheet date, the transactions had a positive net market value of € 3 million.

The derivatives' market values are contrasted by corresponding counteractive changes in market value where underlying transactions exist.

Forty-four percent of the total volume of derivatives concluded with external counterparties have a remaining term of less than one year.

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 arbitrage deals in energy trading, 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 top-notch credit ratings.

# Notes on the Income Statement

## (13) Net income from financial assets

€ million	2002	2001
Income from profit and loss transfer agreements with affiliated companies	2,908	2,329
Income from investments in		
_affiliated companies	168	332
_other enterprises	14	4
	<b>182</b>	<b>336</b>
Expenses from profit and loss transfer agreements		
_affiliated companies	- 584	- 707
_other investments	-	□
Income from other securities and loans held as financial assets	544	377
_of which from affiliated companies	(411)	(173)
Amortization of financial assets and current securities	- 314	- 242
	<b>2,736</b>	<b>2,093</b>

□ Negligible amount.

Income from profit and loss transfer agreements includes the following net transfers:

€ million	2002	2001
RWE Dea AG	1,089	232
RWE Power AG	991	517
RWE Net AG	271	421
RWE Gas AG	197	-
RWE Rheinbraun AG	166	357
Thames Water Aqua Holdings GmbH	152	54
RWE Solutions AG	27	19
RWE Trading GmbH	11	32
RWE Com Geschäftsführungs-GmbH	-	513
RWE Plus AG	-	122
RWE Umwelt AG	-	24
Other	4	38
	<b>2,908</b>	<b>2,329</b>

Expenses from the profit and loss transfer agreements with the following companies:

€ million	2002	2001
RWE Umwelt AG	- 260	- 32
RWE Plus AG	- 164	-
RWE Com Geschäftsführungs-GmbH	- 79	-
RWE Systems AG	- 61	- 38
RWE Solutions AG	-	- 458
RWE Trading GmbH	-	- 147
Other	- 20	- 32
	<b>- 584</b>	<b>- 707</b>

□ Negligible amount.

## (14) Net interest

€ million	2002	2001
Other interest and similar income	257	268
_of which from affiliated companies	(75)	(127)
Interest and similar expenses	- 1,326	- 929
_of which from affiliated companies	(- 961)	(- 690)
	<b>- 1,069</b>	<b>- 661</b>

## (15) Other operating income

Other operating income mainly discloses income from intra-Group tax allocations, the disposal of shares in companies, the release of provisions, and the sale of securities.

## (16) Staff costs

€ million	2002	2001
Wages and salaries	- 42	- 34
Cost of social security, retirement and other benefits	- 22	- 32
_of which for retirement benefits	(- 16)	(- 28)
	<b>- 64</b>	<b>- 66</b>

Average full time equivalents for the year	2002	2001
Salaried staff	372	296
_of which part-time and fixed-term employees	(15)	(23)
Apprentices	10	5
	<b>382</b>	<b>301</b>

## (17) Other operating expenses

Other operating expenses predominantly concern the interest share to be credited to the RWE Group's divisional management companies for the pension provisions shown in RWE AG's Balance Sheet, the transfer to the provision for investment risks, expenses associated with studies and consulting, and rent and maintenance expenses. This item also includes other taxes.

## (18) Taxes on income

Taxes on income primarily relate to the financial year under review and a transfer to provisions for corporate and trade tax risks.



## Other disclosures

Information on the members of the Supervisory Board and Executive Board pursuant to Sec. 285, Item 10 of the German Commercial Code (HGB) are provided on the pages 25 to 29.

Due to tax regulations, the release of special reserves with an equity portion had an €0.1 million effect on net income.

The declaration pursuant to Sec. 161 of the German Stock Corporation Act (AktG) has been issued for RWE AG and made accessible to its shareholders.

Provided that the General Meeting passes the proposed distribution, remuneration paid to the Executive and Supervisory Boards for the 2002 fiscal year had a fixed component of €3,777,021.68 and €122,399.19 respectively, while the variable component amounted to €4,672,584.95 and €967,719.15, respectively.

Former members of the Executive Board of RWE AG and their surviving dependants received €6,154,712.45. €60,039,809.00 in provisions have been made to cover pension obligations to former members of the Executive Board and their surviving dependants.

The Economic Advisory Board received €621,666.67.

As of the balance-sheet date, under the stock option plan, current and former members of the Executive Board held non-transferable stock options on 880,000 and 80,000 common shares of RWE AG, respectively, and 340,000 SARs within the scope of the Long Term Incentive Plan. Details on the stock option and Long Term Incentive Plan are described in the section on equity.

On October 15, 2002, Münster-based RW Energie-Beteiligungsgesellschaft mbH informed RWE AG pursuant to Sec. 21, Para. 1 of the German Securities Trading Act (WpHG) that it had surpassed the 10% voting right hurdle on October 14, 2002, and that it now owns 10.94% of RWE AG's voting stock.

On October 18, 2002, Munich-based Allianz Aktiengesellschaft informed RWE AG pursuant to Sec. 21, Para. 1 of the German Securities Trading Act (WpHG) that it had fallen below the 10% voting right hurdle on October 14, 2002, and that it now owns 7.55% of RWE AG's voting stock; 7.51% of our voting stock are allocable to Allianz according to Sec. 22, Para. 1, Page 1, No. 1 of the German Securities Trading Act, and 0.04% of our voting stock is attributable to Allianz according to Sec. 22, Para. 1, Page 1, No. 6 of the German Securities Trading Act (WpHG).

On October 21, 2002, Munich-based Münchener Rückversicherungs-Gesellschaft informed RWE AG pursuant to Sec. 21, Para. 1 and Sec. 22, Para. 1, No. 1 of the German Securities Trading Act (WpHG) that it surpassed the 5% voting right hurdle on October 14, 2002, and that it now owns 5.8% of RWE AG's shares, including 4.3% of our voting rights in accordance with Sec. 22, Para. 1, No. 1 of the German Securities Trading Act (WpHG).

# Proposal for the appropriation of profit

Distributable profit developed as follows:

amount in €

Net profit for the year	1,148,681,598.13
Profit carried forward from the previous year	40,348.11
Transfer to retained earnings	530,000,000.00
<b>Distributable profit</b>	<b>618,721,946.24</b>

We propose to the General Meeting that RWE AG's distributable profit for fiscal 2002 be appropriated as follows:

Payout of a dividend of €1.00 and a bonus of €0.10 per individual share certificate on the dividend-bearing capital stock of

€1,439,756,800.00	618,645,500.00
Profit carried forward	76,446.24
<b>Distributable profit</b>	<b>618,721,946.24</b>

Essen, February 25, 2003

The Executive Board

Kuhnt

Roels

Klein

Maichel

Rommel

Sturany

Zilius

# Report of Independent Auditors

We have audited the annual financial statements, together with the bookkeeping system, and the management report of the Company RWE Aktiengesellschaft for the business year from January 1 to December 31, 2002. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions in 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 management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (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 management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possi-

ble misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the 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 management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

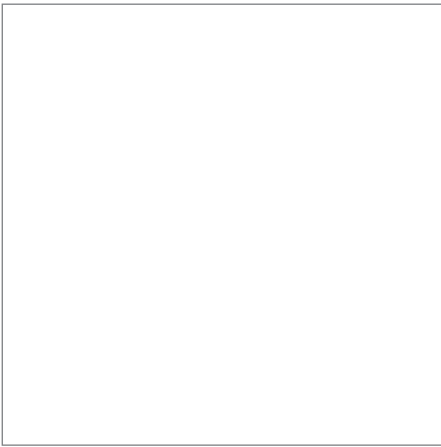
In our opinion, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. On the whole the management report provides a suitable understanding of the Company's position and suitably presents the risks of future development.

Essen, March 5, 2003

PwC Deutsche Revision  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft  
(Certified Public Accountants)

P. Albrecht  
Wirtschaftsprüfer  
(German Certified Public Accountant)

Dr. N. Schwieters  
Wirtschaftsprüfer  
(German Certified Public Accountant)



**Further Information**  
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## Further Information

99	1,323,905	— <sup>1</sup>	785
60	95,030	14,578	465
100	161,767	47,530	160
97	2,055,964	132,808	1,044
75	128,438	41,900	1,244

## Material Investments as of December 31, 2002

I. Affiliates	Investment	Equity	Net	Net sales	Employees <sup>4</sup>
	in acc. with	of the last	income/loss	2002 FY	2002 FY
	Sec. 16 of	fiscal year	of the last		average
	the German		fiscal year		
	Stock				
	Corporation				
	Act				
	%	€ '000	€ '000	€ million	
RWE Aktiengesellschaft, Essen		4,175,385	1,148,682	–	367
<b>Electricity</b>					
RWE Power Aktiengesellschaft, Essen	100	1,005,895	– <sup>1</sup>	3,494	2,480
RWE Rheinbraun Aktiengesellschaft, Cologne	100	1,111,080	– <sup>1</sup>	1,784	11,899
RWE Trading GmbH, Essen	100	51,100	– <sup>1</sup>	4,580	161
RWE Net Aktiengesellschaft, Dortmund	100	960,129	– <sup>1</sup>	4,241	5,915
RWE Plus Aktiengesellschaft, Essen	100	510,905	– <sup>1</sup>	5,240	2,208
RWE Solutions Aktiengesellschaft, Frankfurt/Main	100	185,985	– <sup>1</sup>	966	260
Innogy Holdings plc, Swindon/UK <sup>2</sup>	100	939,999	84,196	3,562	9,554
Harpen Aktiengesellschaft, Dortmund	95	203,471	16,588	58	129
Budapesti Elektromos Művek Rt. (ELMÜ), Budapest/Hungary	55	293,799	26,033	649	2,022
CONSOL Energy Inc., Wilmington/Delaware/USA; CONSOL Energy Group <sup>2</sup> with 51 subsidiaries in the USA, Belgium, Canada and Australia	72	155,486	12,330	2,257	6,786
Emscher Lippe Energie GmbH, Gelsenkirchen	79	82,462	12,916	333	704
envia Mitteldeutsche Energie AG, Chemnitz	60	909,223	87,780	1,886	3,404
Észak-magyarországi Áramszolgáltató Rt. (ÉMÁSZ), Miskolc/Hungary	54	130,203	1,696	306	1,389
EWV Energie- und Wasser-Versorgung GmbH, Stolberg	54	46,254	18,442	230	580
Kernkraftwerke Gundremmingen GmbH, Gundremmingen	75	76,304	116	215	708
Kernkraftwerke Lippe-Ems GmbH, Lingen (Ems)	88	465,545	– <sup>1</sup>	323	280
Koblenzer Elektrizitätswerk und Verkehrs-AG, Koblenz	58	81,391	16,354	217	589
Lechwerke Aktiengesellschaft, Augsburg <sup>3</sup>	90	182,030	22,168	736	1,279
Mátrai Erőmű Rt. (MÁTRA), Visonta/Hungary	51	177,667	23,403	195	3,107
RBB Vermögensverwaltungs GmbH, Cologne	100	36,361	19,307	1	–
Rheinbraun Engineering und Wasser GmbH, Cologne	100	14,250	1,796	10	10
RV Rheinbraun Handel und Dienstleistungen GmbH, Cologne	100	61,694	– <sup>1</sup>	2	6
SAG Energieversorgungslösungen GmbH, Frankfurt/Main	100	11,025	– <sup>1</sup>	130	1,168
RWE NUKEM GmbH, Alzenau	100	36,684	– <sup>1</sup>	220	161
RWE Piller GmbH, Osterode am Harz	100	16,718	- 448	83	523
RWE Industrie-Lösungen GmbH, Duisburg	100	10,256	- 4	127	262
SAG Netz- und Energietechnik GmbH, Langen	100	32,251	– <sup>1</sup>	231	1,960
SSM Coal B.V., Rotterdam/Netherlands; SSM Coal-Group <sup>2</sup> with 23 subsidiaries in Europe, Australia and the USA	100	31,087	12,420	736	155
Starkstrom-Gerätebau GmbH, Regensburg	100	12,412	1,719	86	396
Süwag Energie AG, Frankfurt/Main	78	250,945	35,635	906	1,626
Turbogás-Produtora Energética, S.A., Lisbon/Portugal	75	20,725	- 354	310	7
VSE Aktiengesellschaft, Saarbrücken	69	131,456	12,558	216	486

	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	Net sales 2002 FY € million	Employees <sup>4</sup> 2002 FY average
<b>Gas</b>					
RWE Gas Aktiengesellschaft, Dortmund	80	400,232	236,368	1,882	885
RWE Dea Aktiengesellschaft, Hamburg	99	1,323,905	— <sup>1</sup>	785	733
MITGAS Mitteldeutsche Gasversorgung GmbH, Halle	60	95,030	14,578	465	371
rhenag Rheinische Energie AG, Cologne	100	161,767	47,530	160	358
Transgas a.s. with 6 regional utilities in the Czech Republic <sup>2</sup>	97	2,055,964	135,013	1,044	6,117
Thyssengas GmbH, Duisburg	75	128,438	41,900	1,244	326
<b>Water</b>					
Thames Water Plc, London/UK <sup>2+3</sup>	100	2,673,074	161,878	1,915	11,414
Proyectos Y Instalaciones de Desalaciones, S.A., Madrid/Spain PRIDESIA Group <sup>2</sup> with 6 subsidiaries in Spain	75	30,067	1,485	28	334
RWE Aqua GmbH, Berlin	100	233,106	— <sup>1</sup>	6	155
RWW Rheinisch-Westfälische Wasserwerksgesellschaft, mbH, Mülheim/Ruhr	80	58,757	2,200	77	557
<b>Environmental Services</b>					
RWE Umwelt Aktiengesellschaft, Viersen	100	528,853	— <sup>1</sup>	568	1,107
<b>Printing Systems</b>					
Heidelberger Druckmaschinen AG, Heidelberg	50	2,108,327	301,360	1,946	11,182
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Heidelberg	100	36,362	— <sup>1</sup>	511	1,182
Heidelberg USA, Inc., Kennesaw/Georgia/USA <sup>2</sup>	100	242,325	- 33,844	759	1,462
Heidelberg Web Systems, Inc., Dover/New Hampshire/USA <sup>2</sup>	100	21,843	- 114,988	263	1,140
<b>Other subsidiaries</b>					
RWE Finance B.V., Zwolle/Netherlands	100	7,150	3,526	—	—
RWE Systems Aktiengesellschaft, Dortmund	100	150,507	— <sup>1</sup>	1,483	1,404

<sup>1</sup> Profit and loss-pooling agreement.

<sup>2</sup> Data from the company's consolidated financial statements.

<sup>3</sup> Truncated fiscal year.

<sup>4</sup> In full time equivalent (FTE), corresponding to the percentage of full-time employment.

<sup>5</sup> Data from the group financial statements.

## II. Associates accounted for using the equity method

	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>Electricity</b>			
Energieversorgung Oberhausen AG, Oberhausen	50	36,992	13,115
Kärntner Energieholding Beteiligungs-GmbH, Klagenfurt, Austria*	49	120,157	10,840
Kommunale Energie- und Wasserversorgung Neunkirchen AG, Neunkirchen	29	67,206	4,568
Motor-Columbus AG, Baden/Switzerland*	20	417,927	49,788
Niederrheinische Versorgung und Verkehr AG, Mönchengladbach*	50	388,112	36,298
Stadtwerke Duisburg AG, Duisburg	20	142,222	18,081
Stadtwerke Düsseldorf AG, Düsseldorf	20	355,714	46,542
TCP Petcoke Corporation, Dover/Delaware/USA	50	4,282	11,445
<b>Gas</b>			
Fővárosi Gázművek Rt., Budapest/Hungary	33	147,418	16,729
Nafta a.s., Trnava/Slovak Republic*	40	104,438	15,803
Stadtwerke Essen AG, Essen	29	113,454	14,810
TIGÁZ Tiszántúli Gázszolgáltató Rt., Hajdúszoboszló/Hungary	44	144,192	19,503
<b>Water</b>			
RWE/VIVENDI Berlinwasser Beteiligungs AG, Berlin	50	333,283	- 66,826
<b>Others</b>			
HOCHTIEF Aktiengesellschaft, Essen*	40	1,213,766	- 41,434

## III. Other Investments

<b>Electricity</b>			
Städtische Werke Magdeburg GmbH, Magdeburg	17	126,026	10,851
Stadtwerke Chemnitz AG, Chemnitz	19	257,628	12,891
<b>Others</b>			
RAG Aktiengesellschaft*	30	2,023,000	21,400

\* Data from the company's consolidated financial statements.



# Supervisory Board

## Dr. h.c. Friedel Neuber

Duisburg

Chairman

- Babcock Borsig AG (Chairman)
- Deutsche Bahn AG
- Hapag-Lloyd AG
- RAG AG
- ThyssenKrupp AG
- TUI AG (Chairman)
- Landwirtschaftliche Rentenbank

## Frank Bsirske\*

Hannover

Deputy Chairman

Chairman of ver.di Vereinte Dienstleistungsgewerkschaft e. V.

- DAWAG Deutsche Angestellten-Wohnungsbau-AG
- Deutsche Lufthansa AG
- IBM Central Holding GmbH

## Dr. Paul Achleitner

Munich

Executive Vice-President of Allianz AG

- Allianz Immobilien GmbH (Chairman)
- Bayer AG
- MAN AG
- Österreichische Industrieholding AG

## Carl-Ludwig von Boehm-Bezing

Bad Soden

Former member of the Board of Management of Deutsche Bank AG

- RÜTGERS AG
- Steigenberger Hotels AG
- ThyssenKrupp AG

## Burkhard Drescher

Oberhausen

Mayor of the City of Stadt Oberhausen

- Energieversorgung Oberhausen AG
- RW Holding AG (Chairman)
- Stadtwerke Oberhausen AG (Chairman)
- Deutsche Städte-Medien GmbH
- Entwicklungsgesellschaft Neu-Oberhausen mbH - ENO - (Chairman)
- PBO Projektentwicklungs- und Beteiligungsgesellschaft Oberhausen mbH
- Stadtparkasse Oberhausen (Chairman)

## Wilfried Eickenberg\*

Cologne

Chairman of the General Works Council of RWE Plus AG

- RWE Plus AG

## Ralf Hiltenkamp\*

Arnsberg

Chairman of the General Works Council of RWE Umwelt Westfalen GmbH & Co. KG

- RWE Umwelt AG

## Heinz-Eberhard Holl

Osnabrück

Former Chief Administrative Officer, Osnabrück Rural District

- Georgsmarienhütte GmbH
- Georgsmarienhütte Holding GmbH

## Berthold Huber\*

Stuttgart

Trade Union Secretary of IG Metall

- Audi AG
- Heidelberger Druckmaschinen AG
- Saarstahl AG

## Berthold Krell\*

Wenden-Hünsborn

Chairman of the General Works Council of RWE Net AG

- RWE Net AG

## Dr. Gerhard Langemeyer

Dortmund

Mayor of the City of Dortmund

- Dortmunder Stadtwerke AG (Chairman)
- Dortmunder Energie und Wasser GmbH
- KEB Holding AG
- Düsseldorf Rhein-Ruhr 2012 GmbH
- Klinikum Dortmund gGmbH (Chairman)
- Schüchtermann Schiller'sche Kliniken KG
- STEAG microParts GmbH

- \* Employee representative on the Supervisory Board.
- Member of other mandatory supervisory boards.
- Member of comparable domestic and foreign supervisory bodies of commercial enterprises.

**Josef Pitz\***

Angelbachtal  
 Chairman of the General Works Council of Heidelberger  
 Druckmaschinen AG  
 ■ Heidelberger Druckmaschinen AG

**Dr. Wolfgang Reiniger**

Essen  
 Mayor of the City of Essen  
 ■ Deutsche Städte-Medien GmbH  
 ■ Entwicklungsgesellschaft Universitätsviertel  
 Essen mbH (Chairman)  
 ■ EMG Essen Marketing GmbH Gesellschaft für Stadt-  
 werbung, Touristik und Zentrenmanagement (Chairman)  
 ■ Essener Wirtschaftsförderungsgesellschaft mbH  
 (Chairman)  
 ■ Margarethe Krupp-Stiftung für  
 Wohnungsfürsorge (Chairman)  
 ■ Messe Essen GmbH (Chairman)  
 ■ Sparkasse Essen (Chairman)

**Günter Reppien\***

Lingen  
 Chairman of the General Works Council of RWE Power AG  
 ■ RWE Power AG  
 ■ Stadtwerke Lingen GmbH

**Bernhard von Rothkirch\***

Frechen  
 M.A. mining engineering

**Dr. Manfred Schneider**

Leverkusen  
 Chairman of the Supervisory Board of Bayer AG  
 ■ Allianz AG  
 ■ DaimlerChrysler AG  
 ■ Linde AG  
 ■ Metro AG  
 ■ TUI AG

**Klaus-Dieter Südhofer\***

Recklinghausen  
 Deputy Chairman of IG Bergbau, Chemie, Energie  
 ■ BGAG Beteiligungsgesellschaft der Gewerk-  
 schaften AG  
 ■ GSG Wohnungsbau Braunkohle GmbH  
 ■ Harpen AG  
 ■ RAG AG  
 ■ RAG Immobilien AG  
 ■ RWE Dea AG  
 ■ RWE Rheinbraun AG

**Dr. Alfons Friedrich Titzrath**

Cologne  
 Former Chairman of the Supervisory Board of  
 Dresdner Bank AG  
 ■ Celanese AG  
 ■ Deutsche Lufthansa AG

**Prof. Karl Van Miert**

Beersel  
 President of Nyenrode University  
 ■ Fraport AG  
 ■ Münchener Rückversicherungs-Gesellschaft AG  
 ■ Agfa-Gevaert N. V.  
 ■ Anglo American plc  
 ■ De Persgroup  
 ■ DHV Group  
 ■ Koninklijke Philips Electronics N.V.  
 ■ Wolters Kluwer N. V.

**Erwin Winkel\***

Niederzier  
 Chairman of the General Works Council of  
 RWE Rheinbraun AG

\* Employee representative on the supervisory board.  
 ■ Member of other mandatory supervisory boards.  
 ■ Member of comparable domestic and foreign supervisory  
 bodies of commercial enterprises.

# Executive Board

## Harry Roels

Essen

—since February 1, 2003—

President and CEO of RWE AG

- RWE Plus AG (Chairman)
- RWE Power AG (Chairman)
- Innogy Holdings plc (Chairman)
- Thames Water Plc (Chairman)

## Dr. Dietmar Kuhnt

Essen

—until February 28, 2003—

Former President and CEO of RWE AG

- Allianz Versicherungs-AG
- Dresdner Bank AG
- Hapag-Lloyd AG
- Heidelberger Druckmaschinen AG (Chairman)
- HOCHTIEF AG (Chairman)
- mg technologies ag
- TUI AG

## Dr. Richard R. Klein

Essen

—until March 13, 2003—

Former Executive Vice-President of RWE AG

- Harpen AG (Chairman)
- RWE Systems AG (Chairman)
- RWE Umwelt AG
- Innogy Holdings plc
- Thames Water Plc

## Dr. Gert Maichel

Dortmund

Executive Vice-President of RWE AG

- Harpen AG
- RAG AG
- RWE Dea AG (Chairman)
- RWE Gas AG
- RWE Rheinbraun AG (Chairman)
- TÜV Rheinland Holding AG
- Innogy Holdings plc
- RWE Trading GmbH (Chairman)

## Manfred Remmel

Essen

—until March 13, 2003—

Former Executive Vice-President of RWE AG

- AXA Versicherung AG
- RWE Gas AG (Chairman)
- RWE Net AG (Chairman)
- RWE Plus AG
- RWE Solutions AG (Chairman)
- RWE Umwelt AG (Chairman)
- WISTA-Management GmbH

## Dr. Klaus Sturany

Dortmund

Executive Vice-President of RWE AG

- Commerzbank AG
- Hannover Rückversicherungs-AG
- Heidelberger Druckmaschinen AG
- HOCHTIEF AG
- RAG AG
- RWE Dea AG
- RWE Power AG
- RWE Solutions AG
- Innogy Holdings plc
- RWE Trading GmbH
- Thames Water Plc

## Jan Zilius

Essen

Executive Vice-President of RWE AG

- RWE Gas AG
- RWE Net AG
- RWE Rheinbraun AG
- RWE Systems AG

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

# Economic Advisory Board

**Edmond Alphandéry**

Paris  
—until March 31, 2002—  
Président du Conseil de Surveillance de CNP

**Prof. Dr. Dr. h. c. Theodor Baums**

Frankfurt/Main  
—since January 1, 2002—  
Member of the Executive Committee of Deutsche Schutzvereinigung für Wertpapierbesitz e. V.

**Dr. h. c. Manfred Bodin**

Hannover  
President and CEO of Norddeutsche Landesbank Girozentrale

**Dr. Gerhard Cromme**

Düsseldorf  
Chairman of the Supervisory Board of ThyssenKrupp AG

**Jürgen Dormann**

Schiltigheim  
Chairman of the Supervisory Board of Aventis

**Dr. Michael Frenzel**

Hannover  
President and CEO of TUI AG

**Prof. Dr. Dr. h. c. Joachim Funk**

Düsseldorf  
—until December 31, 2002—

**Dr. Jürgen Großmann**

Georgsmarienhütte  
Partner in Georgsmarienhütte GmbH

**Helmut Haumann**

Cologne  
President and CEO of GEW RheinEnergie AG

**Dr. Georg Holzhey**

Augsburg

**Dieter Kauffmann**

Esslingen  
—until June 30, 2002—  
Former Chairman of Schutzgemeinschaft der Kleinaktionäre e. V.

**Dr. h. c. Martin Kohlhaussen**

Frankfurt/Main  
Chairman of the Supervisory Board of Commerzbank AG

**Prof. Dr. Hubert Markl**

Konstanz  
Professor of Biology at Konstanz University

**Dr. Thomas Middelhoff**

Gütersloh  
—since February 1, 2002—  
Former President and CEO of Bertelsmann AG

**Rafael Miranda**

Madrid  
Consejero Delegado del Grupo Endesa

**Dr. Karl Josef Neukirchen**

Frankfurt/Main  
President and CEO of mg technologies ag

**Dr. Udo Oels**

Leverkusen  
Executive Vice-President of Bayer AG

**Alfred Freiherr von Oppenheim**

Cologne  
Chairman of the Supervisory Board of Sal. Oppenheim jr. & Cie. KGaA

**Dr. Heinrich von Pierer**

Munich  
President and CEO of Siemens AG

**Bernd Pischetsrieder**

Wolfsburg  
President and CEO of Volkswagen AG

**Diethelm Sack**

Frankfurt/Main  
Executive Vice-President of Deutsche Bahn AG

**Prof. Dr. Ernst Schadow**

Frankfurt/Main  
Executive Vice-President of Celanese AG

**Prof. Dr. Dieter Schmitt**

Essen  
Faculty of Energy Management Chair, GH Essen University

**Klaus Schneider**

München  
—since July 1, 2002—  
Chairman of Schutzgemeinschaft der Kleinaktionäre e. V.

**Hans Peter Schreib**

Düsseldorf  
 –until December 31, 2002–  
 Attorney-at-Law, Member of the Executive Committee  
 Deutsche Schutzvereinigung für Wertpapierbesitz e. V.

**Dr. Ron Sommer**

Bonn  
 Former President and CEO of Deutsche Telekom AG

**Karl Starzacher**

Essen  
 President and CEO of RAG AG

**Prof. Dr. Jürgen Strube**

Ludwigshafen  
 President and CEO of BASF AG

**Marcus Wallenberg**

Stockholm  
 Executive Vice-President, Investor AB

**Marilyn Ware**

New Jersey  
 –since February 1, 2002–  
 Chairman Emeritus of American Water Works Company, Inc.

**Dr. E.h. Jürgen Weber**

Frankfurt/Main  
 President and CEO of Deutsche Lufthansa AG

**Prof. Dr. Carl Christian von Weizsäcker**

Cologne  
 Director of the Energy Industry Institut  
 at Cologne University

**Wilhelm Werhahn**

Neuss  
 Personally liable partner in Wilh. Werhahn

**Dr. h.c. Wolfgang Ziemann**

Essen  
 Former Executive Vice-President of RWE AG

## Supervisory Board Committees

**Executive Committee of the Supervisory Board**

Dr. h. c. Friedel Neuber (Chairman)  
 Frank Bsirske  
 Dr. Paul Achleitner  
 Burkhard Drescher  
 Wilfried Eickenberg  
 Josef Pitz  
 Dr. Manfred Schneider  
 Erwin Winkel

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

Dr. h. c. Friedel Neuber (Chairman)  
 Frank Bsirske  
 Berthold Krell  
 Dr. Manfred Schneider

**Executive Board Human  
 Resources Committees**

Dr. h. c. Friedel Neuber (Chairman)  
 Frank Bsirske  
 Dr. Paul Achleitner  
 Heinz-Eberhard Holl  
 Klaus-Dieter Südhofer

**Audit Committee**

Carl-Ludwig von Boehm-Bezing (Chairman)  
 Ralf Hiltenkamp  
 Berthold Krell  
 Dr. Gerhard Langemeyer  
 Günter Reppien  
 Prof. Karel Van Miert

# Imprint

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»These financial statements are also available in German. The financial statements of RWE AG were prepared, audited and adopted in German. The English publication is a translation of the German financial statements. The German version shall prevail.«

# Financial Calendar 2003\_2004

03/17/2003

Annual Report for fiscal 2002  
\_Balance sheet press conference  
\_Analyst conference

05/14/2003

Interim report for the  
first quarter of 2003

05/15/2003

Annual General Meeting

08/12/2003

Interim report for the  
first half of 2003  
\_Mid-year press conference  
\_Analyst conference

11/13/2003

Interim report for the  
first three quarters of 2003

01/06/2004

Preliminary report on fiscal 2003

02/26/2004

Annual Report for fiscal 2003  
\_Balance sheet press conference  
\_Analyst conference

04/15/2004

Annual General Meeting

05/11/2004

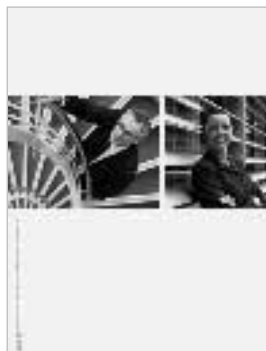
Interim report for the  
first quarter of 2004

08/10/2004

Interim report for the  
first half of 2004  
\_Mid-year press conference  
\_Analyst conference

11/09/2004

Interim report for the  
first three quarters of 2004



Back cover left:

“Good teamwork is essential to  
achieve our financial targets.”

Stephen Smith, Director of Taxation  
and Accounting, Thames Water

Back cover right:

“Dialogue is a key component to  
success. Especially at the  
international level.”

Anja Lorenz, Tax Manager, RWE AG

