

Information Memorandum



RWE Aktiengesellschaft

(Essen, Federal Republic of Germany)
as Issuer

US\$ 5,000,000,000 Global Commercial Paper Programme

Arrangers

Deutsche Bank

Merrill Lynch International

ECP Dealers

**Bayerische Landesbank Girozentrale
Citibank International plc
Deutsche Bank
Dresdner Kleinwort Wasserstein
HSBC CCF
Merrill Lynch International
Westdeutsche Landesbank Girozentrale**

USCP Dealers

**Deutsche Bank Securities Inc.
Merrill Lynch Money Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. Incorporated**

ECP Fiscal Agent

Deutsche Bank

USCP Fiscal Agent

Deutsche Bank Trust Company Americas

The date of this Information Memorandum is May 29, 2002

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IMPORTANT NOTICE

This Information Memorandum is provided by RWE Aktiengesellschaft ("RWE" or the "Issuer") in connection with a global commercial paper programme (the "Programme") under which RWE may issue and have outstanding at any time short-term notes (the "Notes") up to a maximum aggregate amount set forth below in "Summary of the Programme—Programme Amount." The Notes may be in the form of Euro-commercial paper ("ECP Notes") or U.S. commercial paper ("USCP Notes").

RWE accepts responsibility for the information contained in this Information Memorandum. It has taken all reasonable care to ensure that the information contained in this Information Memorandum is in accordance with the facts.

Deutsche Bank Aktiengesellschaft and Merrill Lynch International as arrangers (the "Arrangers" and each a "Dealer"), Bayerische Landesbank Girozentrale, Citibank International plc, Credit Commercial de France (HSBC CCF), Deutsche Bank Aktiengesellschaft, Dresdner Bank Aktiengesellschaft, Merrill Lynch International and Westdeutsche Landesbank Girozentrale (the "ECP Dealers") as well as Deutsche Bank Securities Inc., Merrill Lynch Money Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated (the "USCP Dealers", the ECP Dealers and the USCP Dealers together the "Dealers") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Arrangers or any of the Dealers as to the accuracy or completeness of this Information Memorandum or any supplement hereto or any further information supplied by the Issuer in connection with the Programme described herein.

This Information Memorandum contains only summary information concerning the Notes and the Issuer. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Arrangers or any of the Dealers that any recipient of this Information Memorandum purchase Notes issued by the Issuer under the Programme or any rights in respect of such Notes. Each person contemplating purchasing Notes or any rights in respect of Notes under the Programme should make (and shall be deemed to have made) its own independent investigation and appraisal of the financial condition, affairs and creditworthiness of the Issuer. Each prospective purchaser has the opportunity to ask questions of, and receive answers from, the Issuer concerning the Issuer and the offering of the Notes.

No comment is made or advice given to particular investors in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional advisers.

The information contained in this Information Memorandum is not to be assumed to be correct, accurate, not misleading up to date subsequent to the date hereof and the distribution of the Information Memorandum does not constitute a representation by the Issuer, the Arrangers or any of the Dealers that this information shall be updated at any time after the date of this Information Memorandum.

The Arrangers and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to the Arrangers' or any Dealer's attention.

No person has been authorised to give any information or make any representation not contained or incorporated by reference in this Information Memorandum or any supplement hereto and if given or made such information or representation must not be relied upon as having been authorised.

The distribution of this Information Memorandum and the offering for sale of Notes or any rights in respect of such Notes in or from certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Notes come are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions and prohibitions. In particular, such persons are required to comply with the restrictions and prohibitions on sales and offers of the Notes and on distribution of this Information Memorandum and other information in relation to the Issuer and the Notes set out under "Selling Restrictions" on pages 21 and 22.

The ECP Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), as amended and may not be offered or sold within the United States or to, or for the benefit or account of, U.S. persons.

The USCP Notes have not been and will not be registered under the Securities Act or any other applicable securities law in the United States, and offers and sales thereof may be made only in compliance with an applicable exemption from the registration requirements of the Securities Act and any applicable securities laws in the United States. By its acceptance of a USCP Note, the purchaser will be deemed to represent that (i) it has been afforded an opportunity to investigate matters relating to the Issuer and the USCP Notes, (ii) it is not acquiring such USCP Note with a view to any distribution thereof and (iii) it is either (a) (1) an institutional investor that is an accredited investor within the meaning of Rule 501(a) under the Securities Act (an "Institutional Accredited Investor") and (2) is (i) purchasing USCP Notes for its own account, (ii) a U.S. bank (as defined in Section 3(a)(2) of the Securities Act) or a savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Securities Act) acting in its individual or fiduciary capacity or (iii) a fiduciary or agent (other than a U.S. bank or savings and loan association) purchasing USCP Notes for one or more accounts each of which accounts is such an Institutional Accredited Investor; or (b) a Qualified Institutional Buyer ("QIB") within the meaning of Rule 144A under the Securities Act that is acquiring USCP Notes for its own account or for one or more accounts, each of which accounts is a QIB; and the purchaser acknowledges that it is aware that the seller may rely upon the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A. By its acceptance of a USCP Note, the purchaser thereof shall also be deemed to agree that any resale or other transfer thereof will be made only (a) in a transaction exempt from registration under the Securities Act, either (1) to the Issuer or to a placement agent designated by the Issuer as a placement agent for the USCP Notes (collectively, the "placement agents"), none of which shall have any obligation to acquire such USCP Note, (2) through a placement agent to an Institutional Accredited Investor or a QIB, or (3) to a QIB in a transaction that meets the requirements of Rule 144A and (b) in minimum amounts of \$250,000.

No application will be made at any time to list the Notes on any stock exchange.

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Arrangers or the Dealers to any person to subscribe for or to purchase any of the Notes nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for or purchase any Notes which may be issued pursuant to this Programme.

In this Information Memorandum, references to "€", "EUR" or "Euro" are to the single currency which was introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, the Treaty of Amsterdam and as further amended from time to time. All references in this Information Memorandum to the "United States" or "USA" refer to the United States of America, its territories and possessions. References to "U.S.\$", "US\$", "U.S. dollars" or "dollars" are to United States dollars. All references to "United Kingdom" or "UK" refer to the United Kingdom of Great Britain and Northern Ireland.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from and qualified in its entirety by the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular series of Notes, the applicable terms and conditions. Expressions defined in the "Terms and Conditions of the ECP Notes" and the "Terms of USCP Notes", as set forth below, shall have the same meaning in this Summary unless specified otherwise.

Issuer:	RWE Aktiengesellschaft ("RWE")
Arrangers:	Deutsche Bank Aktiengesellschaft Merrill Lynch International
ECP Dealers:	Bayerische Landesbank Girozentrale Citibank International plc Credit Commercial de France (HSBC CCF) Deutsche Bank AG London Dresdner Bank Aktiengesellschaft Merrill Lynch International Westdeutsche Landesbank Girozentrale
USCP Dealers:	Deutsche Bank Securities Inc. Merrill Lynch Money Markets Inc. Merrill Lynch, Pierce, Fenner & Smith Incorporated Morgan Stanley & Co. Incorporated
ECP Fiscal Agent:	Deutsche Bank Aktiengesellschaft, Frankfurt am Main
USCP Fiscal Agent:	Deutsche Bank Trust Company Americas, New York
Programme Amount:	Up to an amount of US\$ 5,000,000,000
Currencies:	ECP Notes may be issued in Euro or any other currency as may be agreed by the Issuer and the relevant Dealer, USCP Notes will be issued in U.S. dollars only, subject in each case to compliance with any applicable legal and regulatory requirements.
Dealer Agreements:	ECP Notes may be subscribed by any ECP Dealer under the ECP Dealer Agreement dated May 29, 2002, as amended from time to time (the "ECP Dealer Agreement"). USCP Notes may be subscribed by any USCP Dealer under the USCP Dealer Agreement dated May 29, 2002, as amended from time to time (the "USCP Dealer Agreement").
Tenor:	ECP Notes will have a tenor of not less than seven nor more than 364 days including the value date and the maturity date, subject to compliance with any applicable legal and regulatory requirements. USCP Notes will have a tenor of not less than one day nor more than 365 days, including the value date and the maturity date, and shall not contain any provision for extension, renewal or automatic "rollover."

- Denominations / Series of Notes:** ECP Notes will be issued in minimum denominations of €100,000 each or such other conventionally and legally accepted minimum denominations for commercial paper in the relevant currency, provided that the minimum denomination shall not be less than € 50,000 or the equivalent thereof. ECP Notes will be issued in series, each in an aggregate principal amount of not less than € 2,500,000 or the equivalent thereof. Notes comprised in a series have identical terms.
- USCP Notes will be issued in minimum denominations of US\$ 250,000.
- Yield Basis:** Notes may be issued on a discounted, accumulated or an indexed basis.
- Form of Notes:** ECP Notes comprised in a series will be represented by a global note (an "ECP Global Note") which will not be exchangeable for definitive Notes.
- USCP Notes will be book-entry notes represented by one or more Master Notes (a "USCP Master Note") held on behalf of The Depository Trust Company ("DTC"). Definitive USCP Notes will only be available in the exceptional circumstances contemplated by the Letter of Representations among RWE, the USCP Fiscal Agent and DTC.
- Clearing Systems:** ECP Global Notes will be deposited with Clearstream Banking AG, Frankfurt am Main ("CBF") or a common depository for Clearstream Banking société anonyme, Luxembourg ("CBL") and Euroclear Bank S. A./N. V., Brussels, as operator of the Euroclear-System ("Euroclear").
- The USCP Master Notes will be issued in the name of (or a nominee for) DTC.
- Status of Notes:** Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.
- Taxation:** All payments by the Issuer in respect of the Notes will be made subject to deduction of taxes if such deduction is required by law and there will be no call option for taxation reasons.
- Events of Default:** None
- Negative Pledge:** None
- Listing:** The Notes will not be listed on any stock exchange.
- Redemption:** The Notes will be redeemed at their redemption amount (determined by the Calculation Agent, if necessary) on the date specified in the relevant Notes. Amounts due on the Notes will be made in the currency in which the Notes are denominated, or, in the case of Dual Currency Notes, the currency agreed upon in the terms applicable to the

relevant Notes.

Any Notes the proceeds of which are to be accepted by the Issuer in the United Kingdom, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

Optional Redemption: Notes may be redeemed (in whole or in part) before their stated maturity at the option of the Issuer if this option is provided in the relevant Notes.

Notices: Unless otherwise specified in the relevant ECP Notes, all notices relating to ECP Notes shall be made by way of publication in a leading daily newspaper distributed nationally within Germany (such as the *Börsen-Zeitung*) or, at the option of the Issuer, through the Clearing System. If all holders of a series of ECP Notes are known to the Issuer by name and address, such notices may, additionally or in lieu of the notification pursuant to sentence 1, also be given directly to the holders of such Notes.

Unless otherwise specified in the relevant USCP Notes, all notices relating to USCP Notes shall be made by first-class mail to such holder at its address set forth in the register maintained by the USCP Fiscal Agent.

Governing Law: The ECP Dealer Agreement and the ECP Notes will be governed by German law. The USCP Dealer Agreement and the USCP Notes will be governed by New York law.

Jurisdiction: Non-exclusive place of jurisdiction for any legal proceedings arising under the ECP Notes is Frankfurt am Main. Non-exclusive place of jurisdiction for any legal proceedings arising under the USCP Notes is New York City.

Selling Restrictions: For a description of certain restrictions of offers, sales and deliveries of Notes and on the distribution of offering material in Germany, the United States of America, the United Kingdom and Japan, see "Selling Restrictions". Further restrictions may be required in connection with any particular issue of Notes and will be specified in the documentation relating to such issue.

FORM OF ECP GLOBAL NOTE

WKN •

ISIN •

Common Code •

RWE AKTIENGESELLSCHAFT
(the "Issuer")

Global Note No.: · Series No.: ·

- 1. Aggregate nominal amount:** ·
- 2. Currency:** ·
- 3. Number of Notes:** ·
- 4. Denomination of each Note:** ·
- 5. Redemption amount¹ :** Nominal Amount ²
 • % of Nominal Amount³
 Index linked ⁴
- 6. Dual currency notes⁵ :** yes
- 7. Rate of discount:** · % p.a.
- 8. Rate of accumulation:** · % p.a.
 Day Count Fraction ·
- 9. Index linked rate of accumulation⁶ :** yes
- 10. Value date:** ·
- 11. Maturity date:** ·
- 12. Early redemption at the option of
 the Issuer (§ 3 (3))⁷ :** yes
- 13. Supplementary Conditions⁸:** yes
- 14. Fiscal Agent⁹:** Deutsche Bank Aktiengesellschaft
 [Other Fiscal Agent]

¹ Any Notes, the proceeds of which are to be accepted by the Issuer in the United Kingdom, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

² Complete for discounted Notes and specify the rate of discount in item 7.

³ Complete for accumulated Notes and specify the rate of accumulation in item 8.

⁴ Complete for index linked Notes and attach Supplementary Conditions to this Global Note setting out full details, including method of calculation of redemption amount.

⁵ Complete for Notes which may be redeemed in another currency than stated in item 2 and attach Supplementary Conditions to this Global Note setting out full details, including exchange rate to be used for calculation of Redemption Amount.

⁶ Complete for index linked Notes and attach Supplementary Conditions to this Global Note setting out full details, including method of calculation of redemption amount.

⁷ Complete for Notes which are subject to early redemption at the option of the Issuer according to § 3 (3) of the Terms and Conditions of the Notes and attach Supplementary Conditions to this Global Note setting out full details, including dates on, and amounts at which, Notes may be redeemed.

⁸ Complete if Supplementary Conditions are to be attached to this Global Note. Supplementary Conditions are needed in case of indexed, or dual-currency Notes or Notes which are subject to early redemption at the option of the Issuer (§ 3 (3))

⁹ If Fiscal Agent is not Deutsche Bank Aktiengesellschaft specify other Fiscal Agent.

15. Calculation Agent¹⁰:

.

16. Clearing System¹¹:

Clearstream Frankfurt Clearstream Luxembourg

Euroclear

This Global Note represents the above-mentioned Notes. The Notes are subject to the Terms and Conditions of the Notes and to the Supplementary Conditions (if any), in each case annexed to this Global Note (the "Conditions"). Accordingly, the Issuer undertakes to pay to, or to the order of, the bearer of this Global Note the amounts payable in respect of the Notes represented by this Global Note in accordance with the Conditions.

Essen _____
(Date)

RWE AKTIENGESELLSCHAFT

(Authentication Signature)

¹⁰ Always to be completed in the case of index linked or dual-currency Notes

¹¹ Indicate the relevant Clearing System

TERMS AND CONDITIONS OF THE ECP NOTES

§ 1 General Provisions

- (1) Currency, Nominal Amount, Number and Denomination. The currency, aggregate nominal amount and number of Notes as well as the nominal amount of each Note shall be as set forth on the face of the global note (the "**Global Note**").
- (2) Terms and Conditions, Supplementary Conditions. The legal relations created by the Notes are governed by these Terms and Conditions. If the Notes constitute index linked Notes, dual currency Notes or Notes subject to early redemption at the option of the Issuer, these Terms and Conditions will be supplemented by the Supplementary Conditions appended to this instrument (the "**Supplementary Conditions**").
- (3) Bearer Notes. The Notes are issued to bearer.
- (4) Global Note. The Notes are represented for their entire life by the Global Note. Definitive Notes and definitive interest coupons will not be issued.
- (5) Form. The Global Note bears the manual or facsimile signatures of two authorized representatives of the Issuer and a manual authentication signature; the Supplementary Conditions, if any, bear the manual signatures of two authorized representatives of the Issuer.

§ 2 Status

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.

§ 3 Redemption, Early Redemption

- (1) Redemption. The Notes will be redeemed on the maturity date at their redemption amount as specified on the face of the Global Note.
- (2) Index Linked Notes or Dual Currency Notes. In the case of index linked Notes or dual currency Notes, the calculation of the redemption amount will be made by the Calculation Agent in accordance with the Supplementary Conditions.
- (3) Early Redemption. In the case of Notes which are subject to early redemption at the option of the Issuer, the Issuer shall give notice of the redemption not less than two Banking Days (as defined in § 4(6)) before the redemption date specified in the Supplementary Conditions, such notice to be

given in accordance with § 6, and shall redeem all, but not some only, of the Notes on the redemption date and at the redemption amount as set forth in the Supplementary Conditions.

§ 4 Payments

- (1) **General.** Payments in respect of the Notes shall be made through the Fiscal Agent specified in the Global Note to, or to the order of, the bearer of the Global Note for credit to the account of the relevant account holders of the Clearing System.
- (2) **Currency.** Payments in respect of the Notes shall be made in the currency in which the Notes are denominated. In the case of dual currency Notes which provide for an option of the Issuer to determine the payment currency, the Issuer shall not less than two Banking Days (as defined in subsection (6)) before the maturity date give notice in accordance with § 6 specifying the currency in which the payment will be made.
- (3) **No Periodic Payments of Interest.** There will be no periodic payments of interest on the Notes.
- (4) **Discharge.** All payments made by the Issuer to, or to the order of, the bearer of the Global Note shall discharge the liability of the Issuer under the Notes to the extent of the sums so paid.
- (5) **Default.** Should the Issuer fail to redeem the Notes when due (or, where the due date is not a Banking Day, on the next succeeding Banking Day), and only in this event, interest at the Rate of Interest (as defined in subsection (6)) shall continue to accrue on the redemption amount from the due date (inclusive) until the date of redemption of the Notes (exclusive).
- (6) **Banking Day and Rate of Interest. "Banking Day"** shall:
 - (i) (where the Global Note is deposited with Clearstream Frankfurt), be a day (other than a Saturday or Sunday) on which Clearstream Frankfurt and banks settle payments in Frankfurt am Main; or
 - (ii) (where the Global Note is deposited with a depository common to Clearstream Luxembourg and Euroclear), be a day (other than a Saturday or Sunday) on which such common depository

as well as

 - (a) (where the Notes are denominated in a currency other than Euro) banks in Frankfurt, and in the principal financial centre (in the case of Australia, in both principal financial centres) of the country of the currency in which the Notes are denominated; or

(b) (where the Notes are denominated in Euro) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System ("TARGET"),

settle payments.

"**Rate of Interest**" shall mean the rate of discount or the rate of accumulation specified on the face of the Global Note or the indexed rate of accumulation determined by the Calculation Agent in accordance with the Supplementary Conditions, as the case may be.

§ 5 Taxation

All payments by the Issuer in respect of the Notes will be made subject to deduction of taxes or other duties, if such deduction is required by law.

§ 6 Notices

(1) All notices relating to the Notes shall be made by way of publication in a leading daily newspaper distributed nationally within Germany (such as the *Börsen-Zeitung*) or, at the option of the Issuer, by way of notification through the Clearing System. If all holders of Notes are known to the Issuer by name and address, such notices may, additionally or in lieu of the publication or notification pursuant to sentence 1, also be given directly to the holders of the Notes.

(2) Subsection (1) shall apply only to the extent not otherwise provided in the Supplementary Conditions.

§ 7 Presentation Period

The presentation period provided in § 801(1), sentence 1, German Civil Code (BGB) shall, in respect of the Notes, be reduced to ten years.

§ 8 Applicable Law, Place of Jurisdiction

(1) Applicable Law. The Notes shall be governed by, and construed in accordance with, German law.

(2) Place of Jurisdiction. Non-exclusive place of jurisdiction for all legal disputes arising out of or in connection with these Notes shall be Frankfurt am Main.

**FORM OF SUPPLEMENTARY CONDITIONS
ECP NOTES**

[To be appended to the Global Note if the Global Note constitutes index linked Notes,
dual currency Notes or Notes subject to early redemption]

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RWE AKTIENGESELLSCHAFT

SUPPLEMENTARY CONDITIONS

to Global Note No. .

WKN . / ISIN . / Common Code .

- Index linked notes**
(Set forth details in full here (including provisions for calculating the Redemption Amount and the Rate of Accumulation/fall-back provisions))

- Dual currency notes**
(Set forth details in full here (including exchange rate(s) or basis for calculating exchange rate(s) to determine Redemption Amount/fall-back provisions))

- Early redemption at the option of the Issuer**

Redemption Date(s) Redemption Amount(s)

- Notices**
(Complete only if § 6(1) of the Terms and Conditions of the Notes is not applicable)

RWE AKTIENGESELLSCHAFT

TERMS OF USCP NOTES

*The following is the text of the terms of the USCP Notes
as they will appear on the reverse of the USCP Master Note*

1. General.

- (a) The obligations of the Issuer evidenced hereby (each a “Note”) are represented by one or more Master Notes (a “Master Note”) issued in the name of (or a nominee for) The Depository Trust Company (“DTC”).
- (b) Notes are issuable in denominations of US\$ 250,000 and any multiples of US\$ 1,000 in excess thereof.
- (c) The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer.
- (d) Additional terms and conditions of the Notes relating to each issuance shall be set forth in the related Supplementary Conditions (as defined below).

2. Payments.

- (a) Payments of principal of and interest on obligations represented by this Note will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.
- (b) The Issuer shall pay or cause to be paid all amounts payable in respect of each Note to DTC or a single nominee of DTC or, at the option of the Issuer, to such other persons as DTC may designate, by wire transfer of immediately available funds on the date such payments are due.
- (c) “Business Day” means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City, unless indicated otherwise in the Supplementary Conditions (as defined below in Section 3(b)).

3. Interest.

(a) A Note will bear interest at a fixed rate (a "Fixed Rate Note"), which may be zero in the case of certain Notes issued at an issue price representing a discount from the principal amount payable at maturity, or will bear interest at a rate that is linked to an index (an "Index Linked Note").

(b) The Supplementary Conditions sent to each holder of such Note (the "Supplementary Conditions") will describe the following terms: (i) whether such Note is a Fixed Rate Note or an Index Linked Note; (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any; (v) if such Note is an Index Linked Note, the relevant index which shall serve as the basis for the determination of the interest rate (the "**Base Rate**"), and any other terms relating to the particular method of calculating the interest rate for such Note; (vi) whether such Note may be redeemed prior to the Maturity Date and, if so, the provisions relating to such redemption; and (vii) any tax considerations particular to such Note.

(c) Each Note will bear interest from its Issue Date at the rate per annum specified in the Supplementary Conditions until the principal amount thereof is paid or made available for payment. Interest on each Note will be payable on the Maturity Date. Unless indicated otherwise in the Supplementary Conditions, interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

(d) The Issuer shall specify in writing to the Paying Agent which party will be the calculation agent (the "Calculation Agent") with respect to the Index Linked Notes. The Calculation Agent will provide the interest rate with respect to such Index Linked Note to the Paying Agent as soon as the interest rate with respect to such Index Linked Note has been determined.

4. Optional Redemption.

In the case of Notes which are subject to early redemption at the option of the Issuer, the Issuer shall give notice of the redemption not less than two Business Days (as defined in Section 2(c)) before the redemption date specified in the Supplementary Conditions. Any notice of redemption from the Issuer shall be in writing delivered to the Paying Agent in accordance with Section and shall state (i) the principal amount of the Note to be redeemed, (ii) the date of redemption, (iii) the amount payable on the redemption date and (iv) that on the redemption date such redemption amount shall become due and payable and interest will cease to accrue thereon from and after such date.

5. Final Maturity.

If not previously redeemed, the Stated Maturity Date for any Note will be such date specified in the Supplementary Conditions, which shall be not less than one day nor more than 365 days including the Issue Date and the Stated Maturity Date of such Note. If the Stated Maturity Date (as specified in the Supplementary Conditions) of a Note falls on a day that is not a Business Day, then the Adjusted Maturity Date shall be the next succeeding Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Business Day. If, however, either the Stated Maturity Date (as specified in the Supplementary Conditions) is the 365th day following the Issue Date (including the Issue Date) and such day is not a Business Day or the Adjusted Maturity Date as a result of the previous sentence would be 365 or more days following the Issue Date (including the Issue Date) then the Adjusted Maturity Date shall be the immediately preceding Business Day. The Notes shall not contain any provision for extension, renewal or automatic "rollover." On its Stated Maturity Date, the Adjusted Maturity Date (as set forth in this paragraph 5), or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration of notice of redemption, each such date being referred to as a Maturity Date, the principal amount of each Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

6. Default.

Should the Issuer fail to redeem the Notes when due (or, where the due date is not a Business Day, on the next succeeding Business Day), and only in this event, interest shall continue to accrue on the redemption amount from the due date (inclusive) until the date of redemption of the Notes (exclusive).

7. Taxation.

All payments by the Issuer in respect of the Notes will be made subject to deduction of taxes or other duties, if such deduction is required by law.

8. Notices.

Whenever the Issuing and Paying Agency Agreement or a Note requires that the Issuer or the Paying Agent give notice to the registered holder of a Note, the Issuer or the Paying Agent, as the case may be, will cause such notice to be mailed by first-class mail to such holder at its address set forth in the register maintained by the Paying Agent.

9. Governing Law, Place of Jurisdiction.

(a) Each Note shall be governed by, and interpreted in accordance with, the laws of the State of New York without regard to its conflicts of laws provisions.

(b) Non-exclusive place of jurisdiction for all legal disputes arising out of or in connection with these Notes shall be The City of New York.

10. Supplementary Conditions.

Any term contained in the Supplementary Conditions shall supercede any conflicting term contained herein.

FORM OF SUPPLEMENTARY CONDITIONS

USCP NOTES

.....

RWE AKTIENGESELLSCHAFT

CUSIP: .

ISIN: .

Common Code: .

Issue Amount: _____

Issue Date : _____

Stated Maturity Date: _____

- Fixed Rate Notes**
(Set forth details in full here (including Interest Rate) and other provisions relating to the Fixed Rate Note)

- Index Linked Notes**
(Set forth details in full here (including the Base Rate and any other provisions relating to the calculating of interest for the Index Linked Note)

- Early redemption at the option of the Issuer**

Redemption Date(s): _____ Redemption Amount(s): _____

- Set forth all other relevant provisions**

RWE AKTIENGESELLSCHAFT

RWE AKTIENGESELLSCHAFT

Establishment and Seat

RWE Aktiengesellschaft ("RWE") was founded on 25 April 1898 as Rheinisch-Westfälisches Elektrizitätswerk Aktiengesellschaft with headquarters in Essen.

Objects

RWE is a holding company leading a group of companies which are mainly focused on the core business segments of Electricity, Gas, Water & Wastewater and Environmental Services. Together these four activities form a balanced portfolio of multi-utility services. Expansion of the four core activities is centred around growing the customer base to generate economies of scale, exploiting cross-selling opportunities and taking advantage of utility de-regulation opportunities worldwide. Additionally RWE has non-core financial affiliates (in which RWE may not hold the majority of equity), especially these are Hochtief Aktiengesellschaft, Heidelberger Druckmaschinen Aktiengesellschaft and Shell & DEA Oil GmbH.

Capital Stock

At the date hereof the capital stock totals EUR 1,459,200,000, divided into 531,000,000 common shares and 39,000,000 non-voting preference shares. All shares are no-par-value shares made out to the bearer.

Fiscal Year

The fiscal year of RWE is the calendar year. The period from 1 July 2000 to 31 December 2000 constituted an abbreviated fiscal year for RWE on a stand-alone basis.

The fiscal year for the consolidated group accounts of RWE (the "RWE Group") changed over from a divergent business year (1 July - 30 June) to the calendar year as of 1 January 2002. The period between 1 July 2001 to 31 December 2001 was an abbreviated fiscal year for the consolidated group accounts of the RWE Group.

From 1 January 2002 forward the fiscal year for the individual and group accounts of RWE was harmonised.

Business Description

The RWE Group had annual revenues for the financial year ending June 2001 of approximately EUR 63 billion and for the half year from 1 July 2001 to 31 December 2001 of approximately EUR 33.3 billion. RWE has approximately 170,000 employees around the world. RWE operates as the central funding source within the Group.

In 2000 RWE merged its business with VEW Aktiengesellschaft and acquired Thames Water Plc of the UK. RWE supplies via its network of subsidiaries more than 10 million electricity customers and nearly 4 million gas customers throughout Europe, and Thames Water Plc and American Water Works, Inc. ("AWW") will, when the AWW acquisition is completed, serve 58 million water and waste water customers worldwide. With revenues from waste & recycling services of around EUR 2 billion, RWE is also the third largest waste management company in Europe. Further significant activities are in the areas of coal mining, oil exploration and production and corporate services. The financial affiliates are active in various other areas such as printing machines and construction & civil engineering.

Acquisitions in RWE's core-business areas are pending as follows:

In September 2001, the acquisition of American Water Works, Inc. USA for U.S. dollars 7.6 billion was announced. This is expected to complete in the first half year of 2003. The transaction will enable RWE to be the largest investor-owned water company in the United States with regard to population served and combined with Thames Water Plc further affirm its position as the third largest water company in the world.

In March 2002 RWE and Innogy Holdings plc, UK ("Innogy"), agreed the terms of a recommended offer to be made by RWE for all the common shares of Innogy. The offer values Innogy's issued share capital at

EUR 5.0 billion. RWE estimates the net debt at the closing end of the transaction to be EUR 3.4 billion. Total enterprise value (including option movements) is EUR 8.5 billion. Innogy is a leading integrated energy company in the United Kingdom selling electricity and gas to a wide customer base. The transaction is expected to close in June 2002.

ADDITIONAL AVAILABLE INFORMATION

For further information on RWE any purchaser or prospective purchaser of Notes issued or to be issued under the Programme is referred to the most recent audited consolidated and stand-alone annual financial statements and the most recent unaudited interim financial statements (which are published quarterly in each year) since the above description is necessarily incomplete in material aspects. These documents are, when published, available from the head office of RWE specified on page 24 hereof

RWE is exempt from the reporting requirements of Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and, in accordance with such exemption, furnishes to the U.S. Securities and Exchange Commission ("SEC") the information required by Rule 12g3-2(b) under the Exchange Act. All such information can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549 and at certain Regional Offices of the SEC. Copies of these documents can be obtained by mail from the Public Reference Section of the SEC, Washington, D.C. 20549 at prescribed rates.

SELLING RESTRICTIONS

1. **General:** Without prejudice to the restrictions set forth below, each ECP Dealer has represented and agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses or distributes the Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, deliveries or sales and neither the Issuer nor any other Dealer shall have responsibility therefor.

Each USCP Dealer has represented and agreed that it will comply with the selling restrictions set forth below under "United States of America" and that neither the Issuer nor any other Dealer shall have any responsibility therefor.

2. **Federal Republic of Germany:** Each Dealer has represented and agreed to offer and sell Notes issued under the Programme in compliance with the provisions of the Securities Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) as amended from time to time.

3. **United States of America:**

- (a) *Provisions applicable to the ECP Notes:*

The ECP Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

Each Dealer has agreed that it will not offer or sell any ECP Notes within the United States or to, or for the account or benefit of, a U.S. person, except in accordance with Rule 903 of Regulation S under the Securities Act and that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States and will not otherwise involve its U.S. office in the offer or sale of the ECP Notes.

- (b) *Provisions applicable to the USCP Notes:*

The USCP Notes have not been registered under the Securities Act or any other applicable securities law in the United States, and offers and sales thereof may be made only in compliance with an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws in the United States. Each Dealer has agreed that it will offer or sell USCP Notes only to a purchaser that is either (A) (1) an institutional investor that is an accredited investor within the meaning of Rule 501(a) under the Securities Act (an "Institutional Accredited Investor" and (2) is (i) purchasing USCP Notes for its own account, (ii) a U.S. bank (as defined in Section 3(a)(2) of the Securities Act) or a savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Securities Act) acting in its individual or fiduciary capacity or (iii) a fiduciary or agent (other than a U.S. bank or savings and loan association) purchasing USCP Notes for one or more accounts each of which accounts is such an Institutional Accredited Investor; or (B) a Qualified Institutional Buyer ("QIB") within the meaning of Rule 144A under the Securities Act that is acquiring USCP Notes for its own account or for one or more accounts, each of which accounts is a QIB.

4. **United Kingdom:** Each Dealer has represented and agreed that

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of

investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA"),

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

5. **Japan:** The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and each Dealer has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident in Japan except pursuant to an exemption which will result in compliance with the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

TRANSFER RESTRICTIONS

Restrictions on the transfer of the ECP Notes

ECP Notes may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in accordance with Rule 903 of Regulation S under the Securities Act.

Restrictions on the transfer of the USCP Notes

By its acceptance of a USCP Note, purchasers will be deemed to agree that any resale or other transfer thereof will be made only (a) in a transaction exempt from registration under the Securities Act, either (1) to the Issuer or to a placement agent designated by the Issuer as a placement agent for the USCP Notes (collectively, the “placement agents”), none of which shall have any obligation to acquire such USCP Note, (2) through a placement agent to an Institutional Accredited Investor or a QIB, or (3) to a QIB in a transaction that meets the requirements of Rule 144A and (b) in minimum amounts of US\$ 250,000.

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