

Financial Statements of

RWE Beteiligungsverwaltung Ausland GmbH

for the Financial Year from

1 January to 31 December 2011

RWE Beteiligungsverwaltung Ausland GmbH

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Financial Statements of RWE Beteiligungsverwaltung Ausland GmbH

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Balance Sheet

RWE Beteiligungsverwaltung Ausland GmbH

at 31 December 2011

| Assets | Note | 31 Dec 2011 | 31 Dec 2010 |
|---|------|------------------------------|------------------------------|
| | | € | € |
| Non-current assets | | | |
| Financial assets | (1) | 574,042,101.18 | 532,536,673.59 |
| Current assets | | | |
| Accounts receivable and other assets | (2) | 81,972,121.32 | 78,640,924.98 |
| Bank balances | | 24,428.60 | 24,549.50 |
| Prepaid expenses | (3) | 216,217.38 | 0.00 |
| | | <u>656,254,868.48</u> | <u>611,202,148.07</u> |
| Equity and liabilities | | | |
| | Note | 31 Dec 2011 | 31 Dec 2010 |
| | | € | € |
| Equity | | | |
| Subscribed capital | | 26,000.00 | 26,000.00 |
| Capital reserve | | 435,394,207.87 | 435,394,207.87 |
| Net profit | | 0.00 | 0.00 |
| | | <u>435,420,207.87</u> | <u>435,420,207.87</u> |
| Provisions | | | |
| Other provisions | (4) | 375,488.60 | 78,970.39 |
| Liabilities | | | |
| | (5) | 220,459,172.01 | 175,702,969.81 |
| | | <u>656,254,868.48</u> | <u>611,202,148.07</u> |

Income Statement

**RWE Beteiligungsverwaltung Ausland GmbH for the
period from 1 January to 31 December 2011**

| | Note | 2011 € | 2010 € |
|---|------|----------------------------------|----------------------------------|
| Revenue | (7) | 2,525,000.00 | 0.00 |
| Other operating income (thereof income from currency translation) | (8) | 2,227,747.89 (2,227,747.89) | 176,165.19 (141,117.08) |
| Cost of materials | (9) | 2,500,000.00 | 0.00 |
| Other operating expenses (thereof expenses associated with currency translation) | (10) | 2,445,289.77 (1,609,602.47) | 109,486.11 (28,140.76) |
| Income from investments (thereof associated with affiliated companies) | (11) | 36,635,984.91 (36,635,984.91) | 34,457,452.92 (34,457,452.92) |
| Other interest and similar income (thereof from affiliated companies) | (12) | 5,364,808.84 (5,364,808.84) | 164,801.66 (164,801.66) |
| Write-downs of financial assets | (13) | 3,057,512.76 | 0.00 |
| Interest and similar expenses (thereof paid to affiliated companies) | (12) | 14,174,496.79 (14,174,496.79) | 223,515.33 (223,515.33) |
| Profit from ordinary activities | | 24,576,242.32 | 34,465,418.33 |
| Taxes on income | (14) | 2,108,124.60 | 8,897,543.93 |
| Profit transferred in accordance with a profit and loss pooling agreement | (15) | 22,468,117.72 | 25,567,874.40 |
| Net profit | | 0.00 | 0.00 |

Notes

RWE Beteiligungsverwaltung Ausland GmbH

Basis of presentation

RWE Beteiligungsverwaltung Ausland GmbH (RBA), Essen, was established on 19 May 2009 and is registered in the Commercial Register of the Essen District Court under HRB 21457. As the sole shareholder of RBA, RWE Energy AG, Dortmund, paid in €25,000.00 in capital stock in cash.

The object of the company is the establishment, acquisition, holding, use and sale of investments and similar rights, especially outside Germany; the management of and rendering of services to investments held, especially outside Germany; and the further development of existing business fields as well as the identification and creation of new business fields for the RWE Group, especially in Central Eastern and South Eastern Europe as well as in Turkey.

A control and profit and loss pooling agreement was concluded between RBA and RWE Energy AG on 19 May 2009, which was registered in the Commercial register on 3 June 2009. As RWE Energy AG was merged into RWE AG with retroactive effect from 1 January 2009, the control and profit and loss pooling agreement is now between RBA and RWE AG.

RWE AG, Essen, is RBA's sole shareholder.

RBA forms a corporate, trade and sales tax unit with RWE AG.

RBA is integrated in RWE AG's cash pool management system.

The financial statements for the financial year from 1 January to 31 December 2011 have been prepared in accordance with the German Commercial Code and the German Limited Liability Company Act. RBA is a small corporation as defined by Section 267, Paragraphs 1 and 4 of the German Commercial Code.

Some of the exemptions granted by Section 266, Paragraph 1, Sentence 3; Section 274 a, Item 1 and Section 288 of the German Commercial Code to small corporations in preparing financial statements were made use of. The preparation of a review of operations was renounced in accordance with Section 264, Paragraph 1, Sentence 4 of the German Commercial Code.

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 to the financial statements. The income statement has been prepared using the nature of expense method. The financial statements have been prepared in euros (€).

Accounting policies

The accounting policies applied last financial year remain unchanged.

Investments in affiliated companies are stated at the lower of acquisition cost or fair value, taking account of the valuation units formed (cf. Note 6).

Accounts receivable and other assets are recognised at nominal value, taking account of necessary valuation allowances.

Bank balances are accounted for at nominal value.

The subscribed capital is stated in nominal terms.

Provisions take account of all uncertain liabilities. They are valued at the settlement amount required based on sound commercial reasoning based on their amount.

Liabilities are stated at repayment amounts, taking account of the valuation units formed (cf. Note 6).

Accounts receivable, accounts payable and cash on hand in foreign currency with a remaining term of less than one year are converted based on the average spot rate on the cut-off date.

Hedges with a remaining term of more than one year are stated at the hedging rate.

Other liabilities with a remaining term of more than one year are valued at the higher of the exchange rate at first recognition or the exchange rate on the cut-off date (average spot rate).

Notes to the Balance Sheet

(1) Non-current assets

Financial assets consist of the following investments in affiliated companies:

| | 31 Dec 2011 | | 31 Dec 2010 | |
|---|-------------|----------------|-------------|----------------|
| | % | € | % | € |
| RWE Polska S.A., Warsaw/Poland | 100 | 435,395,207.87 | 100 | 435,395,207.87 |
| RWE & Turcas Güney Elektrik Üretim A.S., Ankara/Turkey | 70 | 135,216,693.84 | 70 | 91,046,921.53 |
| ECS a.s., Prague/Czech Republic | 51 | 1,793,772.61 | 51 | 1,793,772.61 |
| RWE East Bucharest S.R.L., Bucharest/Romania | 100 | 1,000,000.00 | 100 | 4,057,515.73 |
| PHP Poland Sp z.o.o., Warsaw/Poland | 100 | 567,907.25 | 0 | 0.00 |
| RWE East s.r.o., Prague/Czech Republic | 98 | 39,876.66 | 98 | 39,876.66 |
| RWE Kuzey Holding A.S., Istanbul/Turkey | 100 | 25,902.47 | 100 | 25,902.47 |
| RWE Hrvatska d.o.o., Zagreb/Croatia | 100 | 2,740.48 | 100 | 2,740.48 |
| RWE Bulgaria EOOD, Sofia/Bulgaria | 0 | 0.00 | 100 | 126,801.46 |
| RWE Güney Holding A.S., Istanbul/Turkey | 0 | 0.00 | 100 | 38,853.70 |
| RWE Elektrownia Czczcott Sp z.o.o., Katowice/Poland | 0 | 0.00 | 75 | 9,081.08 |
| | | 574,042,101.18 | | 532,536,673.59 |

The capital contribution of €44,787,852.03 attributable to RBA due to a decision to increase the capital of RWE & Turcas Güney Elektrik Üretim A.S. (RTG) has been made. Furthermore, currency adjustments in relation to currency transactions (swaps) reduced the carrying amount by €618,079.72 due to the existing valuation unit (see Note 6).

In the period under review, RWE Power Romania S.A. was renamed RWE East Bucharest S.R.L. In the reporting period, the shares of RWE East Bucharest S.R.L. were written down by €3,057,512.76 to their lower fair value.

The investment in PHP Poland Sp. z.o.o. was acquired on 10 November 2011.

RWE Bulgaria EOOD was liquidated as of 22 September 2011.

The investment in RWE Güney Holding A.S. was sold for its carrying amount on 11 February 2011.

RWE Elektrownia Czczcott Sp. z.o.o. was liquidated as of 31 July 2011.

Information provided in accordance with Sec. 285, Item 11 of the German Commercial Code (HGB) can be found in the annex.

(2) Accounts receivable and other assets

Accounts receivable and other assets mainly related to €80,902,857.50 in accounts receivable from the shareholder RWE AG (prior year: €78,640,830.55) which primarily consisted of financial claims.

(3) Prepaid expenses

Prepaid expenses were payments accrued for government guarantees for direct investments abroad.

(4) Provisions

Other provisions include expenses associated with the audit of the financial statements as well as provisions for impending losses on derivative financial instruments used to hedge currency.

(5) Liabilities

| | 31 Dec 2011 | Thereof RT* < 1 yr. | Thereof RT* > 5 yrs. |
|---|------------------|------------------------|-------------------------|
| | € | € | € |
| Accounts payable to affiliated companies | 220,459,172.01 | 78,574,695.28 | 133,019,172.63 |
| (thereof to the shareholder) | (141,884,476.73) | (8,865,304.10) | (133,019,172.63) |
| | 220,459,172.01 | 87,439,999.38 | 133,019,172.63 |

| | 31 Dec 2010 | Thereof RT* < 1 yr. | Thereof RT* > 5 yrs. |
|---|-----------------|------------------------|-------------------------|
| | € | € | € |
| Accounts payable to affiliated companies | 175,702,969.81 | 97,098,204.40 | 78,604,765.41 |
| (thereof to the shareholder) | (84,656,048.28) | (6,051,282.87) | (78,604,765.41) |
| | 175,702,969.81 | 97,098,204.40 | 78,604,765.41 |

Accounts payable to the shareholder RWE AG consisted of the funding account in the amount of €8,865,304.10 (prior year: €6,051,282.87) and a loan account payable in the amount of €133,019,172.63 (prior year: €78,604,765.41). Furthermore, there was an account payable to RWE Turkey Holding A.S. in the amount of €78,574,695.28 (prior year: €78,574,695.28).

(6) Hedges

The currencies of the purchase price and capital increases of RWE & Turcas Güney Üretim Elektrik A.S. (RTG) were hedged via two TRY-denominated loans granted by RWE AG (nominal amount of TRY 160,000,000.00 hedged at an exchange rate translating into €78,604,765.41 and a nominal amount of TRY 136,270,000.00 hedged at an exchange rate translating into €54,414,407.22. The investment in RTG and the TRY-denominated loans form a valuation unit (microhedge).

On repayment of the TRY-denominated loans, the difference between the rate of the day and the original TRY spot rate will be offset against the cost of acquiring the investment without an effect on profit or loss. The effects of the hedge on earnings are offset over the full term by commensurate opposing changes in the value of the investment using the critical terms match method. Until the second TRY-denominated loan was granted, the capital increases were hedged via cross-currency swaps. On termination of the cross-currency swaps, the difference between the rate of the day and the original TRY spot rate was offset against the cost of acquiring the investment in RTG without an effect on profit or loss (see Note 1).

The currency of the account payable to RWE Turkey Holding A.S. has been hedged by a TRY-denominated investment in RWE AG (nominal amount of TRY 160,000,000.00 hedged at an exchange rate translating into €78,604,765.41).

Notes to the Income Statement

(7) Revenue

Other revenue includes revenue from a service agreement with the shareholder.

(8) Other operating income

Other operating income includes income realised on derivative financial instruments and income from the release of provisions.

(9) Cost of materials

The cost of materials includes expenses associated with temporary employees seconded by the shareholder.

(10) Other operating expenses

Other operating expenses include exchange losses on amounts in foreign currency, notarial costs, costs related to the Commercial Register, expenses associated with the audit of the financial statements, Chamber of Commerce membership fees, bank fees and additions to provisions.

Income from investments

Income from investments consists of the dividends appropriated from RWE Polska S.A.

(12) Other interest and similar income

Interest income amounted to €5,364,808.84 (prior year: €164,801.66) which fully related to affiliated companies, resulting in particular from the interest on the financial resources account with RWE AG.

(13) Write-downs of financial assets

In the reporting period, the shares in RWE East Bucharest S.R.L. were written down by €3,057,512.76 to their lower fair value (see Note 1).

(14) Interest and similar expenses

This item amounted to €14,174,496.79 (prior year: €223,515.33) and related to the interest expenses paid to the shareholder RWE AG.

(15) Taxes on income

Taxes on income relate to the income tax apportionment for the financial and earlier years within the scope of the tax unit made by RWE AG.

(16) Expenses associated with the transfer of profits

Expenses associated with the transfer of profits relate to profits transferred to RWE AG.

Additional information

Employees

The company does not have any employees. The managing directors are not remunerated by the company.

Intragroup relations

There is no legal obligation to prepare consolidated financial statements or a review of Group operations for the division of RBA in accordance with Section 291 of the German Commercial Code because RBA and its subsidiaries have been included in the consolidated financial statements of RWE AG, Essen, for the period ended 31 December 2011, which have been audited and presented in German in accordance with Section 325 of the German Commercial Code. The consolidated financial statements of RWE AG are submitted to the operator of the German Electronic Federal Gazette (Bundesanzeiger Verlagsgesellschaft mbH, Cologne) and announced in the German Electronic Federal Gazette.

Board of Directors

Marion Prinz

- Head of the Group Accounting Governance Department of RWE AG, Essen

Dr Ulrich Rust

- Deputy Director of the Group Legal/Board Affairs Organisational Unit of RWE AG, Essen

Klaus Buhl

- Head of the Business Development Region C Department of RWE AG, Essen

Frank Grone

- Director of the Investment Management Organisational Unit of RWE AG, Essen

Essen, 27 January 2012
RWE Beteiligungsverwaltung Ausland GmbH

The Board of Directors

Marion Prinz

Dr Ulrich Rust

Klaus Buhl

Frank Grone

Shares in affiliated companies and investments

Company: 5140 RWE Beteiligungsverwaltung Ausland GmbH
 Status: Affiliated companies included in the consolidated financial statements
 Division: Central Eastern and South Eastern Europe

As of: 31/12/2011

Domestic

| Seq. no. | Company name | City | Country | Share | | Equity | |
|----------|---|-------|---------|--------|-------|---------|----|
| | | | | Direct | Total | € '000 | € |
| 1 | RWE Beteiligungsverwaltung Ausland GmbH | Essen | D | | | 435,420 | 1) |

Legend: 1 Profit and loss pooling agreement.
 2 Figures taken from the consolidated financial statements.

Shares in affiliated companies and investments

Company: 5140 RWE Beteiligungsverwaltung Ausland GmbH
 Status: Affiliated companies included in the consolidated financial statements
 Division: Central Eastern and South Eastern Europe

As of: 31/12/2011

Foreign

| Seq. no. | Company name | City | Country | Share | | Equity | |
|----------|---|----------|---------|--------|-------|---------|--------|
| | | | | Direct | Total | € '000 | € |
| 2 | RWE & Turcas Güney Elektrik Üretim A.S. | Ankara | TR | 70 | 70 | 173,438 | -1,579 |
| 3 | RWE East, s.r.o. | Prag | CZ | 98 | 98 | 424 | 405 |
| 4 | RWE Polska Contracting Sp. z.o.o. | Wroclau | PL | | 100 | 2,655 | |
| 5 | RWE Polska S.A. | Warschau | PL | 100 | 100 | 458,810 | 27,152 |
| 6 | RWE Stoen Operator Sp z.o.o. | Warschau | PL | | 100 | 612,943 | |

Legend: 1 Profit and loss pooling agreement.
 2 Figures taken from the consolidated financial statements.

Shares in affiliated companies and investments

Company: 5140 RWE Beteiligungsverwaltung Ausland GmbH
 Status: Affiliated companies not included in the consolidated financial statements
 Division: Central Eastern and South Eastern Europe

As of: 31/12/2011

Foreign

| Seq. no. | Company name | City | Country | Share | | Equity | |
|----------|---|----------|---------|--------|-------|--------|--------|
| | | | | Direct | Total | € '000 | € |
| 7 | ECS - Elektrárna Cechy-Slrecl, a.s. | Prag | CZ | 51 | 51 | 3.599 | -7 |
| 8 | Energetyka Wschod Sp. z o.o. | Wroclaw | PL | | 100 | 34 | 15 |
| 9 | Energetyka Zachod Sp. z o.o. | Wroclaw | PL | | 100 | 52 | 12 |
| 10 | PHI Poland Sp. z o.o. | Warschau | PL | 100 | 100 | | |
| 11 | RWE & Tuncsa Enerji Topym Satis A.S. | Istanbul | TR | | 100 | 14 | -15 |
| 12 | RWE & Tuncsa Kocay Elektrik Üretim Anonim Sirketi | Ankara | TR | | 70 | 28 | -14 |
| 13 | RWE East Bucharest S.R.L. | Bukarest | RO | 100 | 100 | 2.928 | -1.838 |
| 14 | RWE Energetyka Tuzemeszne Sp. z o.o. | Wroclaw | PL | | 100 | 1.268 | 194 |
| 15 | RWE Hrvatska d.o.o. | Zagreb | HR | 100 | 100 | 5 | 21 |
| 16 | RWE Kocay Holding Anonim Sirketi | Istanbul | TR | 100 | 100 | -9 | -20 |
| 17 | Stoen Manufacturing Sp. z o.o. | Warszawa | PL | | 100 | -467 | -31 |

Legend: 1 Profit and loss pooling agreement.
 2 Figures taken from the consolidated financial statements.

Shares in affiliated companies and investments

Company: 5140 RWE Beteiligungsverwaltung Ausland GmbH

Status: Investments

As of: 31/12/2011

Division: Central Eastern and South Eastern Europe

Foreign

| Seq. no. | Company name | City | Country | Share | | Equity | |
|----------|-------------------------------|----------|---------|--------|-------|----------|--------|
| | | | | Direct | Total | € '000 | € |
| 18 | EnergoNuclear S.A. | Bukarest | RO | | 9 | 17,523 | -704 |
| 19 | Towarowa Gielada Energii S.A. | Warschau | PL | | 2 | 8,878 | 3,868 |
| 20 | URSUS | Warschau | PL | | 1 | -121,723 | -1,274 |

Legend: 1 Profit and loss pooling agreement.

2 Figures taken from the consolidated financial statements.

Shares in affiliated companies and investments

Company:

5140

RWE Beteiligungsverwaltung Ausland GmbH

As of: 31/12/2011

We hereby confirm that the current version of the list of the shareholdings of RWE Beteiligungsverwaltung Ausland GmbH in accordance with Section 285, Item 11 and Section 313, Paragraph 2, Items 1 to 4 and Paragraph 3 of the German Commercial Code is part of the financial statements for the period ending on 31 December 2011 prepared by RWE Beteiligungsverwaltung Ausland GmbH and audited by us.
