

Financial report 2012

RWE Finance B.V.

's-Hertogenbosch, the Netherlands

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Directors' report

Directors' report

Main developments during the year

During the year one new bond has been issued for GBP 600 million with a coupon of 4.75% p.a. and a maturity date in 2034.

During the year one bond in the amount of EUR 1,808 million has been repaid. Furthermore the exchange rate for GBP-EUR increased from 1.197 in 2011 to 1.225 at year end 2012.

The exchange rate for USD-EUR decreased from 0.773 at year end 2011 to 0.758 at year end 2012.

As a result the balance sheet total decreased from EUR 14,604,677,000 to EUR 13,649,136,000

The net result for the year 2012 slightly decreased to EUR 2,466,000 (2011: EUR 2,582,000).

During the financial year 2012 RWE Finance B.V. (the "Company") declared an interim dividend in amount of EUR 2,350,000.

In 2013 bonds in the amount of EUR 1,000 million, GBP 630 million and USD 250 million are maturing. In 2014 one bond in the amount of EUR 530 million will mature.

All bonds have been issued under guarantee of RWE AG.

Risk management and use of financial instruments

As the proceeds of all the bonds are one on one lent to the parent company RWE AG, RWE Benelux Holding B.V. and RWE nPower plc., all 100% group companies, the ability of the company to meet its obligations under the bonds depends upon the payment of the principal and interest due from the parent company, RWE Benelux B.V. and RWE nPower plc. No liquidity risk is present, due to the fact that the maturity mismatch between the assets and liabilities is limited to the equity of the company. The interest rate on the loans, which were issued before 2008, is 0.0237% higher than the interest rate on the relating bonds. The loans issued in 2008 until 2011 have an interest spread of 0.0225%. Effective 2012 the spread amounts to 0.0237% again.

We furthermore refer to the disclosures in paragraph 4 of the notes.

Currency risk

The Company's currency exposure mainly relates to positions and future transactions in British Pounds and US-Dollars. However, as the bonds issued in foreign currencies have been one on one used to finance the loans to group companies a natural hedge has been obtained and therefore currency risk is eliminated.

Interest rate risk

The Company's exposure to interest rate risk on interest-bearing receivables and interest-bearing long-term and current liabilities is limited as the bonds and loans issued all have fixed interest rates. The spread on loans amounts to 0.0237% for loans issued before 2008 and 0.0225% for loans issued thereafter till 2012. In 2012 and 2013 the spread will again be 0.0237%.

Credit risk

The loans to group companies have been granted to RWE AG, RWE Benelux Holding B.V., and RWE nPower plc., being 100% group companies. RWE AG has a good solvency, a rating BBB+ rating, (outlook stable) S&P and a A3-rating (outlook negative) from Moody's. The loans which are granted to RWE Benelux Holding B.V. and RWE nPower plc. are guaranteed by RWE AG.

The Company does not use any financial instruments to hedge any liquidity, currency or interest exposure.

Financial Outlook

On 30 January 2013 the Company issued a bond of EUR 750 million with a coupon of 1.875% p.a., which is due 2020. No further financing is currently planned for the remainder of the year 2013. The proceeds of the bond issued as per 30 January 2013 have been lent to RWE Benelux Holding B.V.

The Company intends to continue its operations as an inter group finance company for the foreseeable future.

Board

Due to the passing away of Mr. Hoogeweegen one director's position was vacant from March 24, 2012 till the end of August 2012. As per August 31, 2012 Mr. Ton resigned as director of the Company. As per September 1, 2012 Mr Heischkamp and Mr. Stollenga were appointed as directors of the Company.

The above changes in the composition of the board took place before the introduction of the new legislation in which the company is required to include certain disclosures regarding the appointment of at least 30% female board members.

In the future the following steps will be taken, an internal selection process will be started up in which preference will be given to female candidates that fit the profile for a Board member of the Company. The Company will also actively seek for female candidates in this process and invite them to apply.

Responsibility Statement

"The Managing Directors of the Company hereby declare that to the best of their knowledge and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the year ending 31 December 2012 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and that the Directors' report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial year of the Company together with a description of the principal risks that it faces."

's-Hertogenbosch, the Netherlands, 5 April 2013

The Managing Directors,

M. Coenen

V. Heischkamp

A. Blok

J. Stollenga

Financial statements

Balance sheet

(before appropriation of result)

	Ref.	31 December 2012		31 December 2011	
		EUR'000	EUR'000	EUR'000	EUR'000
<i>Assets</i>					
Non-current assets					
Financial assets	5.1		11,160,270		12,279,043
Current assets					
Receivables	5.2	2,477,443		2,316,575	
Cash and cash equivalents	5.3	11,423		9,059	
			2,488,866		2,325,634
			13,649,136		14,604,677
<i>Equity and liabilities</i>					
Equity attributable to equity holders of the parent	5.4				
Share capital		2,000		2,000	
Retained earnings		5,761		5,529	
Profit for the year		2,466		2,582	
			10,227		10,111
Non-current liabilities	5.5		11,160,270		12,279,043
Current liabilities	5.6		2,478,639		2,315,523
			13,649,136		14,604,677

Income statement

	Ref.	2012		2011	
		EUR'000	EUR'000	EUR'000	EUR'000
Finance costs					
Interest income	6.1	873,129		859,423	
Interest expenses	6.2	(865,642)		(855,860)	
Gross margin on interest			7,487		3,563
General and administrative expenses	6.3		(4,212)		(147)
Operating income			3,275		3,416
Income tax expense	6.4		(809)		(834)
Net result after taxation			2,466		2,582

Cash flow statement

	2012	2011
	EUR'000	EUR'000
Cash flows from operating activities		
Cash generated from operations:		
Interest received	835,036	860,802
Interest paid	(831,701)	(857,096)
Expenses paid	(264)	(170)
Income tax expense	(796)	(870)
Net cash from operating activities	<u>2,275</u>	<u>2,666</u>
Cash flows from investment activities		
Cash flows from financing activities		
Issuance of long-term bonds	718,738	
Issuance of long-term loans	(718,738)	
Repayment of long-term bonds	(1,808,000)	(1,500,000)
Repayment of long-term loans	1,808,000	1,500,000
Dividends paid		(2,300)
Net cash used in financing activities	<u>-</u>	<u>(2,300)</u>
Net cash flows	2,275	366
Exchange and translation differences on cash and cash equivalents	28	(61)
Net increase/(decrease) in cash and cash equivalents	<u>2,303</u>	<u>305</u>
Cash and cash equivalents		
Opening balance	9,059	8,754
Closing balance (including current liability group companies)	11,362	9,059
Net increase/(decrease) in cash and cash equivalents	<u>2,303</u>	<u>305</u>

Notes to the financial statements

1 *General*

1.1 *Activities*

The activities of RWE Finance B.V. are to facilitate the financing of RWE AG and group companies.

1.2 *Group structure*

RWE Finance B.V., incorporated on 14 February 2001, is a private limited liability company. The parent company of RWE Finance B.V. is RWE AG in Essen, Germany. The financial statements of RWE Finance B.V. are included in the consolidated financial statements of RWE AG.

RWE Finance B.V. is seated at Willemsplein 4, 's-Hertogenbosch, the Netherlands.

1.3 *Accounting policies*

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

1.4 *Notes to the cash flow statement*

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and current liability group companies

Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

1.5 *Estimates*

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

2.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes. The financial statements are expressed in EUR'000.

2.2 Foreign currencies

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognised in the financial statements at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the income statement.

2.3 Financial assets

Loans to group companies

Loans to group companies included in financial assets are initially recognised at fair value, and subsequently carried at amortised cost.

Deferred premiums and discounts on loans to group companies are amortised over the term of the loans using the effective interest method. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

The interest rate charged on loans to group companies has been set in conformity with the tax ruling obtained from the local tax authorities.

2.4 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities.

2.6 Non-current liabilities

Bonds included in non-current liabilities are initially recognised at fair value, net of transaction costs incurred. Bonds are subsequently carried at amortised cost.

Deferred premiums and discounts on bonds are amortised over the term of the loans using the effective interest method. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

3 Accounting policies for the income statement

3.1 General

Results on transactions are recognised in the year in which they are realised; losses are accrued as soon as they are foreseeable.

3.2 Foreign currencies

Exchange differences resulting from settlement and translation are charged or credited to the income statement.

3.3 General and administrative expenses

General and administrative expenses include the expenses of the board of directors and the administration services outsourced to Essent Nederland B.V., starting 2012.

In 2011 the administration services were outsourced to Deutsche International Trust Company N.V.

The guarantee fee that is due by RWE Benelux Holding B.V. and RWE nPower plc. is received by the company as part of their interest payments and accounted for and paid to RWE AG as an operating expense by the Company.

3.4 Interest income and expense

Income from financing activities is determined as interest income received from inter-company financing activities. Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for the transaction costs on loans received as part of the calculation of effective interest.

3.5 Taxation

Corporate income tax is calculated on the profit/loss before taxation in the income statement, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

3.6 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are recognised to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income taxes are recognised at face value.

4 Financial instruments

4.1 Market risk

Currency risk

The Company's currency exposure mainly relates to positions and future transactions in British Pounds and US-Dollars. However, as the bonds issued in foreign currencies have been one on one used to finance the loans to group companies a natural hedge has been obtained and therefore currency risk is eliminated.

Price risk

The Company's price risk is limited as the bonds issued by the Company have been one on one used to finance the loans to group companies. As a result a natural hedge has been obtained.

4.2 Interest rate risk

The Company's exposure to interest rate risk on interest-bearing receivables and interest-bearing long-term and current liabilities is limited as the bonds and loans issued all have fixed interest rates. The spread on loans amounts to 0.0237% for loans issued before 2008 and 0.0225% for loans issued thereafter till 2012. Effective 2012 the spread will again be 0.0237%.

4.3 Credit risk

The loans to group companies have been granted to RWE AG, RWE Benelux Holding B.V., and RWE nPower plc., all being a 100% group company. RWE AG has a good solvency, a rating BBB+ rating, (outlook stable) S&PF and a A3-rating (outlook negative) from Moody's. The loans which are granted to RWE Benelux Holding B.V. and RWE nPower plc. are guaranteed by RWE AG.

We furthermore refer to paragraph 5.1 of the notes to these financial statements.

4.4 Liquidity risk

The liquidity risk is minimal, because the proceeds of the bonds outstanding are one-on-one lent to RWE AG, RWE Benelux Holding B.V. and RWE nPower plc..

The interest rate on the loans to RWE AG, RWE Benelux Holding B.V. and RWE nPower plc. are higher than the interest rate on the related bonds.

5 Notes to the balance sheet

5.1 Financial assets

Financial assets concerns loans to group companies and is specified as follows:

	2012	2011
	EUR'000	EUR'000
1 January		
Book value	12,279,043	13,941,224
Movements financial year		
Loans issued	718,738	-
Exchange differences	123,933	145,819
Short-term loans transferred to receivables	(1,961,444)	(1,808,000)
	(1,118,773)	(1,662,181)
31 December		
Book value	11,160,270	12,279,043

The loans are to be repaid in the period between 2013 and 2039. During the year under review a new loan has been issued for GBP 600 million with a maturity date in 2034.

Three loans for a total amount of EUR 1,000 million, GBP 630 million and USD 250 million will be repaid during 2013. These loans have been classified under the short term receivables.

The loans which are to be repaid between 1 January 2014 and 31 December 2017 amount to EUR 3,380 million.

Currency

The nominal amount of the loans to the parent company consists of five loans contracted in EUR amounting to EUR 4,360,000,000 and nine loans to the parent company contracted in GBP to a total amount of GBP 3,947,500,000 (EUR 4,837,029,770) and one loan to the parent company contracted in USD to a total amount of USD 250,000,000 (EUR 189.480.066). Furthermore two loans for a total amount of EUR 3,000,000,000 have been lent on to RWE Benelux Holding B.V., a 100% group company and a loan of GBP 600,000,000 (EUR 735,204,019) has been lent on to RWE nPower plc., also a 100% group company.

Interest

The interest rates are fixed and vary as follows:

Loan	Amount	Interest rate
EUR	7,360,000,000	4.6487% - 6.6475%
GBP	4,547,500,000	5.3737% - 6.5237%
USD	250,000,000	2.0225%

5.2 *Receivables*

	31 December 2012		31 December 2011	
	Total	Term > 1 year	Total	Term > 1 year
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term part of group loans	1,961,444	-	1,808,000	-
Interest receivable from group companies	441,723	-	421,506	-
Deferred premiums and discounts	74,276	72,589	87,069	79,486
	<u>2,477,443</u>	<u>72,589</u>	<u>2,316,575</u>	<u>79,486</u>

5.3 *Cash and cash equivalents*

The cash and cash equivalents are at the free disposal of the Company.

	2012	2011
	EUR'000	EUR'000
Current account group companies	11,333	9,019
Cash	90	40
Total cash and cash equivalents	<u>11,423</u>	<u>9,059</u>

At year-end the deposit with the parent company amounted to EUR 11,332,632 (2011: EUR 9,018,711). The deposit matures at 31 January 2013 and bears interest at 0.12% p.a. (2011:1.09%).

5.4 *Equity attributable to equity holders of the parent*

Share capital

The authorised share capital as at 31 December 2012 amounts to EUR 10,000,000 of which 20,000 shares of EUR 100 each have been issued and fully paid up. The breakdown of the share capital can be specified as follows:

	2012		2011	
	Shares	Share capital EUR'000	Shares	Share capital EUR'000
1 January				
Issued and fully paid-up	20,000	2,000	20,000	2,000
Movements financial year				
Additionally paid-in capital				
31 December				
Issued and fully paid-up	20,000	2,000	20,000	2,000

<i>Retained earnings</i>	2012	2011
	EUR'000	EUR'000
Balance as at 1 January	5,529	5,249
Additions from profit previous year	2,582	2,580
Dividends declared/paid	(2,350)	(2,300)
Balance as at 31 December	5,761	5,529

Profit for the year

	2012	2011
	EUR'000	EUR'000
Balance as at 1 January		
Profit for the financial year	2,466	2,582
Balance as at 31 December	2,466	2,582

5.5 Non-current liabilities

This item relates to the issued bonds and is specified as follows:

	2012	2011
	EUR'000	EUR'000
1 January		
Book value	12,279,043	13,941,224
Movements financial year		
Bonds issued	718,738	-
Exchange differences	123,933	145,819
Short-term part of bonds transferred to current liabilities	(1,961,444)	(1,808,000)
	(1,118,773)	(1,662,181)
31 December		
Book value	11,160,270	12,279,043

The bonds are to be repaid in the period between 2013 and 2039. During the year under review a new bond has been issued for GBP 600 million till 2034.

Three bonds for a total amount of EUR 1,000 million, GBP 630 million and USD 250 million will be repaid during 2013. These bonds have been classified under the short term liabilities.

The bonds which are to be repaid between 1 January 2014 and 31 December 2017 amount to EUR 3,380 million.

Currency

The nominal amount of the bonds consists of ten bonds contracted in EUR amounting to EUR 7,360 million and nine bonds contracted in GBP to a total amount of GBP 4,548 million (EUR 5,572 million) and one bond contracted in USD 250 million (EUR 189 million).

The bonds are listed at the Luxembourg Stock Exchange.

Interest

The interest rates are fixed and vary as follows:

Bond	Amount	Interest rate
EUR	7,360,000,000	4.625% - 6.625%
GBP	4,547,500,000	4.750% - 6.500%
USD	250,000,000	2.000%

5.6 Current liabilities

	31 December 2012		31 December 2011	
	Total	Term > 1 year	Total	Term > 1 year
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term part of bonds	1,961,444	-	1,808,000	-
Interest payable	435,909	-	419,827	-
Guarantee Fee (RWE AG)	4,038	-	-	-
Dividend	2,350	-	-	-
Current account group companies	61	-	-	-
Corporate income tax	134	-	121	-
Accrued liabilities	99	-	119	-
Deferred tax liability	329	293	387	326
Deferred premiums and discounts	74,275	72,589	87,069	79,486
	2,478,639	72,882	2,315,523	79,812

Current account group companies represents the inhouse bankbalance with Essent NV.

Deferred tax liability

	EUR'000
At 1 January 2012	387
Added	-
	387
Movements	(58)
At 31 December 2012	329

During 2013 EUR 36,479 will be amortized to the Income Statement.

Financial instruments

Financial instruments valued at cost

The table below shows financial instruments whose market value differs from cost.

	31 December 2012		31 December 2011	
	Market value	Book value	Market value	Book value
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Financial assets</i>				
Loans to group companies	15,635,588	13,121,714	16,105,240	14,087,043
<i>Financial liabilities</i>				
Bonds issued	15,393,413	13,121,714	15,987,403	14,087,043

The difference in valuation of bonds and loans result from different valuation methods.
The bonds are valued by market quotes, whereas the market values of the loans are calculated via a discounted cashflow model.

Financial assets

The market value of the loans to group companies is EUR 15,635,588 (2011: EUR 16,105,240).
The market value of the loans to group companies is higher than the book value because they carry interest at a rate that is higher than the market rate.

Non-current liabilities

The market value of the bonds issued is EUR 15,393,413,156 (2011: EUR 15,987,403,433).

6 Notes to the income statement

6.1 Interest income

	2012	2011
	<u>EUR'000</u>	<u>EUR'000</u>
Interest income group companies	855,253	836,940
Release deferred premiums and discounts	17,859	22,483
Interest on deposit/bank	17	
	<u>873,129</u>	<u>859,423</u>

6.2 Interest expenses

	2012	2011
	<u>EUR'000</u>	<u>EUR'000</u>
Interest expenses bonds issued	847,783	833,377
Release deferred premiums and discounts	17,859	22,483
	<u>865,642</u>	<u>855,860</u>

6.3 General and administrative expenses

	2012	2011
	EUR'000	EUR'000
Guarantee Fee	4,074	0
Advisory fees	55	34
Wages and salaries	0	0
Management and administrative expenses	38	70
Other	45	43
	<u>4,212</u>	<u>147</u>

In 2011 EUR 4,300 was paid as remuneration of the Board of Directors, in 2012 nil.

PricewaterhouseCoopers Accountants N.V. is the auditor of the financial statements of the Company. The composition of the fees paid to the auditor, as included in advisory fees, is as follows:

	2012	2011
	EUR'000	EUR'000
Audit of the Financial Statements	21	27
Other assurance services	34	30
Total audit fees	<u>55</u>	<u>57</u>

6.4 Income tax expense

	2012	2011
	EUR'000	EUR'000
Result before taxation	3,275	3,416
Total permanent and timing differences	-	-
Taxable amount	<u>3,275</u>	<u>3,416</u>
Income tax charge	809	834
Effective tax rate	<u>24.7%</u>	<u>24.4%</u>

The average effective tax rate amounts to 24.7%.

The statutory tax rate is 25% for the year 2012. The difference to the effective tax rate is mainly caused by the fact that the tax rate over the first EUR 200,000 profit is only 20%.

6.5 *Employees*

One director was in function till March 24, 2012, the second director resigned by the 31st of August. In 2011 both directors were in function for the entire year.

6.6 *Related parties*

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of RWE Finance B.V. or the ultimate parent company and close relatives are regarded as related parties.

The parent company RWE AG, RWE Benelux Holding B.V. and RWE nPower plc. qualify as related parties. We also refer to the notes 5.1, 5.2, 5.3 and 5.6.

Transactions carried out by the Company with related parties are all based on arm's length terms and conditions.

The related party positions within the balance sheet as at 31 December can be specified as follows:

	2012	2011
	EUR'000	EUR'000
Loans including deferred premium and discount	13,076,630	14,046,679
Interest receivable on the above loans	441,723	421,506
Deposit	11,333	9,019
Inhouse bank balance	(61)	0
Guarantee fee payable	(4,038)	0
Total related parties in the balance sheet	13,525,587	14,477,204

The related party positions within the income statement for the year 31 December can be specified as follows:

	2012	2011
	EUR'000	EUR'000
Interest on loans	855,253	836,821
Amortisation premium and discount	12,793	22,483
Interest on deposit	17	114
Guarantee fee	(4,074)	0
Total related parties in the income statement	863,989	859,418

's-Hertogenbosch, the Netherlands, 5 April 2013

Board of directors,

M. Coenen

V. Heischkamp

A. Blok

J. Stollenga

Other information

Proposed profit appropriation

According to article 27 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

During the year the Company declared an interim dividend to a total amount of EUR 2,350,000. The Company will not advise the shareholder to pay a final dividend.

Events after the balance sheet date

On 30 January 2013 the Company issued a bond of EUR 750 million with a coupon of 1.875% p.a., which is due 2020. No further financing is currently planned for the remainder of the year 2013.

No other events after the balance sheet date occurred, which should be included in these accounts.



Independent auditor's report

To: the General Meeting of Shareholders of RWE Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 as set out on pages 5 to 21 of RWE Finance B.V., 's-Hertogenbosch, which comprise the balance sheet as at 31 December 2012, the income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Directors' responsibility

The directors are responsible for the preparation and fair presentation of these financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of RWE Finance B.V. as at 31 December 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 5 April 2013

PricewaterhouseCoopers Accountants N.V.

Original has been signed by S.A. van Kempen RA