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Sir David Tweedie
Chairman of the
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Re: Exposure Drafts

"Investments in Debt Instruments – Proposed amendments to IFRS 7"
"Embedded Derivatives – Proposed amendments to IFRIC 9 and IAS 39"

Dear Sir David,

We appreciate the opportunity to comment on the above mentioned exposure drafts. In particular, we would like to comment on the effective dates proposed in the exposure drafts.

The exposure drafts were issued on 22/23 December 2008 with a comment period until 15 and 21 January 2009 and a proposed effective date of fiscal years ending on or after 15 December 2008. For the majority of companies the standards will therefore be applicable already for the financial statements as of 31 December 2008 if the proposed effective date is retained in the final standards.

Taking into consideration that the IASB will need some time to analyse the comment letters and decide on the final regulations, we do not expect the final standards to be issued before the end of January 2009. To become mandatory and applicable for European entities the amended standards must be endorsed by the EU which will demand some further time. The standards might therefore be finalised and endorsed at a point in time where many entities are already far advanced in the process of preparing the financial statements and very close to the publication of the annual reports – RWE e.g. will publish the annual report 2008 on 26 February 2009.

We are therefore seriously concerned about the timing of the due process and the probably retrospective effective date. As many corporate entities are currently preparing the financial statements, there is hardly any time left to prepare for complying with the new requirements on the basis of the exposure drafts. This is even complicated by the fact that not all requirements in the exposure drafts are completely clear (e.g. the definition of debt instruments). In the case of deviations of the final rules from the exposure drafts it will possibly be impossible to react in time.

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We therefore strongly ask you not to issue new requirements with retrospective effective dates. We acknowledge however that the financial crisis requires urgent measures: Nevertheless it is very important for preparers that the standardsetting process remains reliable and that new standards are issued timely so that the entities have the possibility of analysing the new requirements and implementing them in high quality. We therefore recommend to delay the mandatory application of the amended standards, but allow earlier application on a voluntary basis for entities that wish to apply the standards at year end 2008.

If you have any questions please do not hesitate to contact Fred Riedel, Head of Group Accounting (fred.riedel@rwe.com), or Dr. Britta Leippe, Head of IFRS Competence Center (britta.leippe@rwe.com).

Sincerely yours,

RWE Aktiengesellschaft

A handwritten signature in black ink, appearing to be 'Dr. Pohl'.

Dr. Pohl
(CFO)

A handwritten signature in black ink, appearing to be 'Fred Riedel'.

Riedel
(Head of Group Accounting)