



Key Ratios for 2009

Total sales (CZK m)	9,932
EBITDA (CZK m)	7,975
Operating result (CZK m)	5,439
Profit before taxation (CZK m)	5,825
Profit after taxation (CZK m)	4,647
Investments (CZK m)	350
Number of employees (converted to FTE)	502

RWE Transgas Net, s.r.o. is hereinafter referred to as "Company" or "RWE Transgas Net". The Company changed its name to NET4GAS, s.r.o. as of 4 March 2010.

RWE Transgas Net Protects Nature

As a company that transports natural gas, RWE Transgas Net is closely connected with the natural environment. Since 2007, the Company has been showing its responsibility for the environment and promoting awareness of environmental protection through its "RWE Transgas Net. Blíž přírodě" (RWE Transgas Net. Nearer to Nature) project. In co-operation with Český svaz ochránců přírody (Czech union for nature conservation) and many other non-profit organisations, the Company is making it possible for the public to see the beauty of Czech fauna and flora. Last year, it extended this project to include help with the recovery of the area around the village of Cínovec. RWE Transgas Net wants to promote interest in nature also through this Annual Report. This is why you will find pictures of plants and animals from the Krušné hory Mountains on the pages of this report.

In its position of the general partner of the *Revitalizace rašelinišť v Krušných horách (Krušné hory Peat Bog Revitalisation)* project, the Company contributes to the revitalisation of original ecosystems. On the Cínovecký hřbet (Cínovec Ridge), U jezera (At the Lake) and Velké tetřeví tokaniště (The Great Grouse Mating Ground) sites, unique biotopes from the Ice Age can be found, which were affected by human interference in the past. Today, however, environmentalists are trying to prevent them from drying up. They are building wooden barrages preventing the dewatering of the peat bogs and increasing the landscape's retention capacity. By 2012, suitable conditions will be gradually created around Cínovec for the return of the ecosystems on which the existence of many fauna and flora species depends.

RWE Transgas Net makes every effort to draw the public's attention to the need to protect nature. Thanks to the Company's co-operation with Český svaz ochránců přírody, members of the public could visit as many as 31 valuable natural landmarks. As a result, wooden boardwalks, bridges, bird observation towers, etc. are being built across the Czech Republic. Under this scheme, last year visitors could walk down the first nature trail in the Southern Bohemian Region, called Podlešákův jilm (the Podlešák Elm – *Ulmus glabra*, named after the family who own the plot and planted the tree there in distant past).

Broad-Bordered Bee Hawk-Moth (*Hemaris fuciformis*)

The caterpillar lives from June to September and feeds on honeysuckle, snowberry, and the like. A small butterfly of the Sphingidae family, it beats its wings very fast and does not sit on a blossom when feeding on nectar.

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Lingonberry (*Vaccinium vitis-idaea*)

Very rare or absent in the Czech Republic's warm parts, found sparsely to amply in colder regions, especially in sub-montane to mountainous areas.



1 Managing Director's Statement



The beginning of 2009 was dramatic for all of us. Because of disputes with Ukraine, no natural gas flowed from Russia to Europe. Something like this happened for the very first time in more than 30 years. In spite of that, we passed muster, and all our customers received their contracted gas, and residents of the Czech Republic did not feel any crisis. Furthermore, we were able to reverse the gas flow and help Slovakia, which was heavily hit by the crisis. This was only possible thanks to the enormous commitment of all our employees, for which I thank them.

The key to coping with all these problems were the natural gas stores held in underground gas storage facilities and the sufficient flexibility of the gas transmission system. Its further development was one of our priorities in 2009 too. We continued the preparations for the *Gazelle* pipeline project, which one day will connect the Czech system to the new transport route composed of the Opal and North Stream gas pipelines. We obtained the planning decision on project siting for the development of the new gas pipeline, and we started tendering processes for pipe suppliers.

We also worked on an interconnector between the Czech and Polish transmission systems. Working with the Polish transmission system operator, Gas System, we drew up the design for the new gas pipeline in the Český Těšín area, which is intended for primarily supplying the Polish market. Nevertheless, in case of need, natural gas can also flow in the opposite direction to the Czech Republic. In line with the European Union's plan to enhance energy security in the Member States, we applied for support for this project from the European Energy Programme for Recovery. We took the same approach in the case of the planned investments in the reinforcement of reverse gas flows to Slovakia and projects for connecting underground gas storage facilities to the transmission system.

Within the Company, we focused on increasing operating performance in 2009. We quantified significant opportunities for cutting controllable costs and continued to optimise internal processes. These, however, were influenced by the implementation of measures based on the EU's third energy legislation package and the amendment to the Energy Act. The requirement for strengthening our independence of the vertically integrated undertaking has brought us, amongst others, the obligation to gradually terminate all the service provision agreements that are in place between RWE Transgas Net and the other RWE Group companies. At the end of 2009 we therefore terminated agreements in areas such as bookkeeping, payroll, facility management, PR, and press services.

There is no question that last year was a taxing period, which confronted us with a number of challenges and tasks, be it the preparations for the new legislation coming into force or the need of a fast response to unforeseeable events. Despite the ongoing global economic crisis, we can, nevertheless, describe 2009 as a successful year. RWE Transgas Net's results, which you will find on the following pages, only confirm this. I therefore thank all those who contributed to these results and I look forward to our co-operation in 2010.

Thomas Kleefuss

Managing Director and CEO, RWE Transgas Net, s.r.o.

Managing Directors of the Company as at 31 December 2009

Thomas Kleefuss

Managing Director, CEO

Born:

19 December 1963

Education:

Universität Köln am Rhein

Membership of bodies of other companies:

None

Any other business activities:

None

Jan Nehoda

Managing Director, COO

Born:

29 April 1950

Education:

Brno University of Technology, Faculty of Mechanical Engineering

Membership of bodies of other companies:

None

Any other business activities:

None

Managing Directors of the Company: Changes at the beginning of 2009:

As of 28 January 2009, Dr Klaus Homann resigned as the Company's Managing Director and CEO.

2 Report of the Company's Supervisory Board for 2009

The Supervisory Board continuously monitored the Company's business activities, its results and the Managing Directors' performance of their powers and responsibilities. At its two meetings held in 2009, the Supervisory Board had a quorum and discussed all matters for which it is responsible under the relevant legal regulations, the Company's Articles of Association, and the decisions adopted by the sole member acting in the capacity of the General Meeting, including the documents that the Supervisory Board requested from the Managing Directors as part of its supervisory activity. The Managing Directors commented on these documents when they were discussed by the Supervisory Board.

In performing its supervisory activity the Supervisory Board did not find anything inconsistent with generally applicable legal regulations, the Company's Articles of Association, or the decisions of the sole member acting in the capacity of the General Meeting.

At its meeting on 5 March 2010 the Supervisory Board reviewed the Company's annual financial statements for the period ended on 31 December 2009, and the Managing Directors' proposal for the distribution of profit.

Concurring with the auditor's opinion the Supervisory Board concluded that the annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2009, its financial performance and its cash flows for the period then ended in accordance with Czech accounting legislation.

The Supervisory Board recommends to the General Meeting to approve the annual financial statements for the period ended on 31 December 2009 and the Managing Directors' proposal for profit distribution.

During the course of 2009 there were no changes in the composition of the Supervisory Board.

The Supervisory Board expresses its gratitude to all employees for their work for the Company in 2009.

5 March 2010



Dr Ulrich Jobs
Chairman, Supervisory Board

The Supervisory Board as at 31 December 2009

Dr Joachim Schneider

Chairman

Born:

8 March 1964

Education:

Technische Hochschule Darmstadt and Rheinisch-Westfälische Technische Hochschule Aachen

Membership of bodies of other companies:

Member of the RWE Rheinland Westfalen Netz AG Board of Directors; Chairman of the RWE Gas Storage, s.r.o. Supervisory Board; Member of the envia Mitteldeutsche Energie AG, VSE AG, AVU Aktiengesellschaft für Versorgungsunternehmen, WVG – Warsteiner Verbundgesellschaft mbH, SEWAG – Südwestfalen Energie –und Wasser AG and Mark-E Aktiengesellschaft Supervisory Boards

Any other business activities:

None

Martin Herrmann

Vice-Chairman

Born:

3 July 1967

Education:

Westfälische Wilhems-Universität, Münster, Economics

Membership of bodies of other companies:

Chairman of the RWE Transgas, a.s. Board of Directors; Chairman of the Jihomoravská plynárenská, a.s., Severomoravská plynárenská, a.s., Východočeská plynárenská, a.s. and RWE Energie, a.s. Supervisory Boards; Vice-Chairman of the RWE Gas Storage, s.r.o. Supervisory Boards

Any other business activities:

None

Andreas Böwing

Member

Born:

11 April 1955

Education:

Universität Münster, graduated in Law

Membership of bodies of other companies:

Member of the RWE Gas Storage, s.r.o. and SAG Group GmbH Supervisory Boards

Any other business activities:

None

Dirk Simons

Member

Born:

9 December 1966

Education:

Technische Hochschule Aachen, Economic Sciences

Membership of bodies of other companies:

Vice-Chairman of the RWE Transgas, a.s. Board of Directors

Any other business activities:

None

Šárka Vojíková

Member

Born:

22 September 1967

Education:

Grammar school in Prague, a social law college in Prague

Membership of bodies of other companies:

Member of the RWE Transgas, a.s. and the RWE Gas Storage, s.r.o. Supervisory Boards

Any other business activities:

None

Jan Zaplatílek

Member

Born:

4 July 1963

Education:

Czech Technical University in Prague, Faculty of Civil Engineering

Membership of bodies of other companies:

Member of the MERO ČR, a.s. Supervisory Board

Any other business activities:

None

The Supervisory Board: Changes at the beginning of 2010:

Dr Joachim Schneider resigned as Chairman of the Supervisory Board and Andreas Böwing stepped down from the Supervisory Board as of 3 February 2010. The company elected Dr Ulrich Jobs and Dr Jürgen Gröner as members of the Supervisory Board with effect from 4 February 2010. Dr Ulrich Jobs was elected Chairman of the Supervisory Board on 5 March 2010.

Tussock Cottongrass (*Eriophorum vaginatum*)

Some 25 species grow in the cold zone of the mild belt and in the cold belt throughout the northern hemisphere. The Czech Republic is inhabited by four fen to peat species. The only cottongrass in the Czech Republic with individual tails; it is mainly found in mountains.



3 Management Report for 2009

3.1 Results

Revenues, expenses, and profit

In 2009 RWE Transgas Net, s.r.o. achieved a profit before tax of CZK 5,825 million. Profit after tax amounted to CZK 4,647 million. In 2009 operating result of RWE Transgas Net, s.r.o. amounted to CZK 5,439 million. The two core business activities, natural gas transit for international customers and inland transmission, contributed to this result. Operating income amounted to CZK 10,062 million and operating costs were CZK 4,623 million. The financial result ended up in a profit of CZK 386 million.

Structure of assets

The Company's assets were worth CZK 62,036 million in 2009. Fixed assets were worth CZK 49,522 million and accounted for 80% of total assets. Fixed assets mainly included tangible fixed assets worth CZK 49,427 million and intangible fixed assets worth CZK 95 million. Current and other assets totalled CZK 12,514 million as at 31 December 2009, accounting for 20% of total assets. Short term receivables accounted for about 99% of current and other assets.

Structure of shareholder's equity and liabilities

In 2009 the Company's equity amounted to CZK 52,510 million and accounted for about 85% of the Company's total shareholder's equity and liabilities. In 2009 RWE Transgas Net financed all of its activities using its own resources. Liabilities totalling CZK 9,526 million were made up of long-term liabilities (deferred tax liability), about 86%, short-term liabilities, about 11%, and provisions, about 3%.

Risk management

RWE Transgas Net manages risks in accordance with its internal directives. The Company records each identified risk in a Risk Catalogue. Risks are assessed in terms of the probability of their occurrence and the magnitude of potential damage.

No risks jeopardising the Company's existence were identified in 2009.

The currency risk is one of the most important risks because the Company's income is in foreign currencies. Hedging derivatives help to mitigate this risk.

Investments

In 2009 the Company invested CZK 350 million, of which CZK 10 million in intangible assets.

Investments in intangible assets mainly went to projects to improve the reliability of gas system control, in particular in the area of dispatch control in connection with the transfer of the dispatch control room to Kavčí hory. The first stage of the upgrade of the information system for emission monitoring and evaluation and for waste disposal was also important.

A major part of investments in tangible assets were channelled to improvements in the system's safety and variability. New interconnectors to expand the options for transporting gas in the opposite direction, from the west to the east, have been prepared. The installation of these interconnectors at the Lanžhot border transfer station was started. At the Kralice compressor station new anti-surge control was installed, while a new system for monitoring the condition of the turbine compressor set was implemented at the Veselí nad Lužnicí compressor station.

The Strážovice compressor station, no longer used, was disconnected from the system and it is prepared for closedown.

A mobile pumping compressor, which will significantly reduce methane emissions during operations on depressurised pipeline sections, was put into operation.

All work was carried out with a view to ensuring safe and reliable supplies of natural gas to contracting partners at all times.

As part of strategic investments, preparations continued for a new gas pipeline between Hora Sv. Kateřiny and Rozvadov and a gas pipeline to connect Dolní Dunajovice and the Břeclav compressor station; and a gas pipeline between the Třanovice UGS facility and Poland is being prepared. Intensive preparations for an interconnector between the Tvrdonice UGS facility and the Břeclav compressor station are under way.

Information about research and development activities

The Company does not engage in research and development of new products.

The Company's organisational units abroad

In the Company's certificate of incorporation, no organisational units in the Czech Republic or abroad are registered.

3.2 The Transmission System

In 2009 eight leaking closing ball valves (DN 700 to DN 1400) were replaced on the lines. The Strážovice compressor station was disconnected from the transmission system and two gas transport pipes, sealed branches forking off the inland lines, were removed.

The defects identified in the pipes of the DN 1400 line between the Lanžhot and Rozvadov border transfer stations were repaired. The autumn saw in-line inspection of DN 900 gas lines. All planned repairs on turbine compressor sets at compressor stations were completed in line with the schedule of activities for 2009.

Construction work was started to adjust the pipe yard at the Lanžhot transfer station; after completion, gas transport via the Lanžhot station will have greater variability. At the Kralice nad Oslavou compressor station anti-surge control was installed, which is related to the forthcoming "west-to-east transport intensification" project to ensure natural gas transmission from the west to the east, and potentially in both directions.

The gas crisis

RWE Transgas Net's transit system has been an important and reliable part of the European international transit pipeline network since the 1970s. Between 7 January and 20 January 2009, gas supplies from Russia across Ukraine were interrupted. Gas supplies for consumers in the Czech Republic were not disrupted at all during the gas crisis thanks to the conceptual work on the development of the gas system (flexibility, diversification), all the adopted measures and our operations and maintenance employees' personal commitment.

EEPR projects

RWE Transgas Net prepared the *"reverse gas flow"*, *"Czech Republic – Poland interconnector"* and *"flexibility of the connection of UGS facilities to the transmission system"* projects intended to increase the natural gas quantity transported in the reverse flow from the west to the east and to improve the reliability and safety of gas transmission in the case of a disruption in supplies from the east, or across Ukraine to eastern Europe.

Dispatch control

The preparations for the project of an IS upgrade were started in 2007. In 2008 the project team was put together, including technical support to be provided by RWE Westfalen-Weser-Ems Netzservice and the consultancy Consulectra for the purpose of preparing specification documentation for the tendering process. The Ettlingen-based German company IDS won the tendering process. In 2009 extensive talks were held with the supplier with a view to preparing and approving the detailed design documentation, which is contained in 13 separate books. The following two years will see the implementation of the project, involving in particular functional testing of the equipment to be supplied and its interconnection with compressor stations, gas lines themselves, and UGS facilities. Commissioning is planned for the second quarter of 2011.

3.3 Business and Communication Activities

Business activities

In 2009 RWE Transgas Net put in place shorter time limits for handling requests for transmission. To enhance natural gas traders' comfort, balancing accounts at additional points in the transmission system were put into operation. Further, RWE Transgas Net organised a tendering process for the purchase and sale of flexible gas, newly allocated to up to 10 bidders.

In co-operation with the Energy Regulatory Office, in 2009 a model was prepared for national transmission in 2010, which would simplify capacity nominations for traders and remove large customers' portfolio effects. Among other things, the model newly introduces on-line capacity booking, a system of 'two-in-one' capacity sale, and auctions of unused capacity on the firm basis one day prior to transmission. Further, the model helps to significantly enhance transparency thanks to the publication of information, in particular nominations and allocations.

The installation of OTE, based on an amendment to the Energy Act, was also an important change. The above changes have materially affected the TSO's Grid Code, the content of contracts and in particular IT systems vis-à-vis both traders and other market players.

Internally, the Company placed emphasis on deploying modern methods of business process management conducive to traders' higher comfort and maximum flexibility. In 2009 the Company entered into dozens of gas transmission and transit contracts and handled tens of thousands of requests for supplier switching.

Communication activities in 2009

In terms of external and internal communication at RWE Transgas Net, 2009 can be described as a turnaround year. Responding to the requirements of the so-called third energy package for the unbundling of the Company from the vertically integrated undertaking, preparations for a re-branding project were started. The purpose is to create a new name, brand, and identity for the Company, which will not be interchangeable with the RWE energy group's brand. The Company also launched activities geared towards gaining overall independence in the organisation of communication activities.

In 2009 RWE Transgas Net kept its profile – in the spirit of its mission – as a reliable, efficient and safe transmission system operator that guarantees sufficient and available capacity for its Czech and international partners.

Its non-discriminatory approach and guarantees of this approach for all natural gas traders were reflected in all external communications. In particular at the beginning of the year, at the time of the Russian-Ukrainian gas crisis, external communication was put to an extreme test, and passed it successfully. The public was repeatedly assured that co-operation between all the parties involved, including state administration, in tackling the situation was working well and that the temporary interruption in supplies would not result in a state of emergency.

In the months that followed, the main theme of communication was opportunities for the development of the gas transmission system owned by the Company in view of the need to diversify natural gas sources and increase flexibility of gas transport in Europe. The Company presented projects related to the interconnection of the gas transmission systems between the Czech Republic and Poland and between the Czech Republic and Austria. In addition, the Company outlined its plans for the *Gazelle* gas pipeline, which is to be connected to the Nord Stream and Opal pipelines for supplying Europe via the so-called northern route.

As an environmentally-minded partner, the Company extended its "*RWE Transgas Net. Blíž přírodě*" (*RWE Transgas Net. Nearer to Nature*) project. It became the general partner supporting the revitalisation of peat bogs in the Krušné hory Mountains, specifically the revitalisation of the broader surroundings of the village of Cínovec, where Ice Age organisms have survived until this day. Thanks to this support, the original ecosystems, rare plants and protected animal species, will be able to return to the Cínovecký hřbet (Cínovec Ridge) and Velké tetřeví tokaniště (The Great Grouse Mating Ground) sites and the U jezera (At the Lake) peat bog as early as 2012.

In addition, for the third year the Company worked as the General Partner with Český svaz ochránců přírody. Thanks to this partnership, in 2009 the public was able to visit seven valuable natural landmarks for the first time. They are among a total of 31 sites where tourists can walk over reconstructed bridges and along

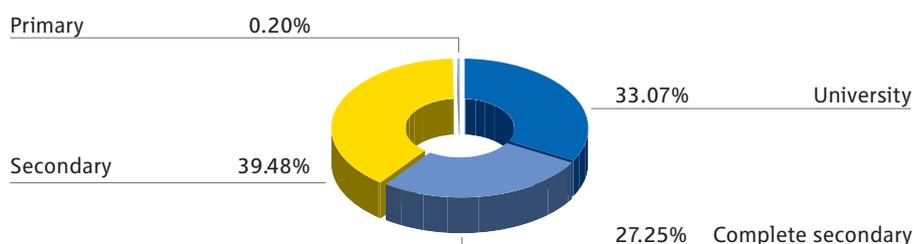
compact footpaths and visit a new bird observation tower. For example, the Podlešákův jilm (Podlešák Elm), Nad řekou (Over the River) and Podkovák sites can offer newly opened nature trails.

The grant scheme for regional development also continued in connection with "RWE Transgas Net. Blíž přírodě". Through the scheme, the Company promotes activities focused on the prevention and reduction of unemployment, environmental protection and planning, sustainable development, integration of the disabled, and infrastructure development.

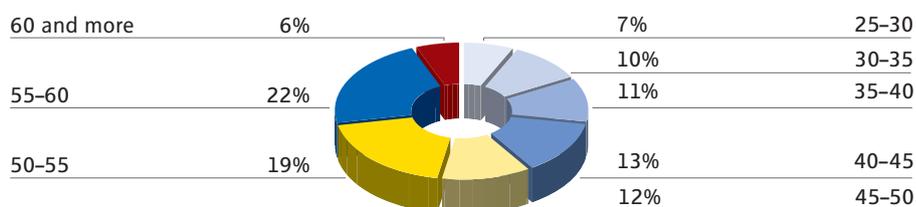
3.4 Human Resources

Due to organisational changes, the Company terminated 26 employees' contract of employment in 2009.

Employee structure by education as at 31 December 2009



Employee structure by age



Staffing levels as at 31 December 2009

RWE Transgas Net	
Regional operations	287
Prague	212
Total	499
Of whom: Manual	143
Professional	356

Wages

In 2009 wages developed in line with the applicable principles of remuneration and the principles agreed in RWE Transgas Net's Collective Agreement.

Professional training and career development

In 2009 the Company spent 3.08% of its 2009 payroll costs (i.e., payroll costs excluding remuneration for the Managing Directors, severance pay, and consideration paid under 'agreements to complete a job' or 'agreements

to perform work') on maintaining and upgrading its employees' qualifications. On the whole, 930 training events were organised, which were attended by 3,671 employees. Average annual expenses on education and training amounted to CZK 17,672 per employee.

Social policy

Measures adopted by the Company's management focused on maintaining the levels of working and social conditions for the employees, which were set out in the Collective Agreement for 2008 and 2009.

3.5 Environmental Protection

RWE Transgas Net's management has included environmental protection among its top priorities. The Company's Managing Directors have accepted and follow The Environment Policy, through which environmental protection is not only a guarantee of complying with all the statutory requirements but also, and above all, a guarantee of pursuing corporate social responsibility.

Environmental protection is reflected in all of the Company's processes and decisions. As part of their responsibilities and competencies related to their job positions, all employees help to create the preconditions for continuous improvements of the environment and adopt risk prevention measures to eliminate or mitigate risks. The Company sets its objectives and target values for environmental protection; these objectives and targets are reviewed and evaluated on a regular basis.

The Company's senior management and authorised employees were provided with information about the results achieved in environmental protection on a regular basis, in particular as regards air quality control, greenhouse gas emissions, waste management, water management, disposal of chemical substances, emergency preparedness, nature and landscape conservation, integrated prevention, and internal audits of the environmental management system. For the public, the required information is available on the Internet through the integrated pollution register.

The Company continuously enhances the employees' environmental awareness. It helps to educate and train its employees in the area of the applicable legal regulations and the Company's governing documents on environmental protection in direct relation to their job positions. With a view to making the activities more effective and to achieving the Company's targets in environmental protection, the Company and RWE AG have set up an expert commission; the environment manager works actively on the commission as the Company's representative in the field of environmental protection. The Company has pledged to implement, maintain and continuously improve its environmental management system under ISO 14001.

The Company strives for the maximum possible reduction in environmental pollution by operating its installations in accordance with all the applicable legal regulations, and for operating them on the basis of the best available techniques (BAT) and their reference documents (BREF).

In connection with the amendments to applicable legislation, in particular as regards reporting and mandatory returns to state administration and local government authorities, which came into force in 2009 or will come into force

in 2010, we expect that compliance with them will require demanding changes in all areas of the Company's environmental protection efforts. The Company's management has therefore decided to invest, on the basis of a tendering process, in a new information system for environmental protection, which primarily all the persons responsible for environmental issues at each of the Company's operations will use for meeting statutory requirements in 2010.

Work to complete the elimination of old environmental burden caused prior to privatisation continued in 2009. Post-remedial monitoring will continue in 2010 to check whether or not pollutants are present in some localities, thereby fully observing the provisions of the agreement between the Company and the Ministry of Finance of the Czech Republic, which finances these operations.

Pursuant to the applicable integrated permission, 2009 saw the end of the operation of the Strážovice compressor station. Preparations are under way for the steps to be taken for the closedown of this station in compliance with the conditions set out in the IPPC permission.

The relevant authorities did not censure or apply penalising measures to the Company. Particularly the thorough inspections conducted by Česká inspekce životního prostředí (The Czech Environmental Inspectorate) at the Strážovice and Veselí nad Lužnicí compressor stations, which focused on compliance with the binding conditions for operation set out in the applicable IPPC permits, have demonstrated that the Company's environmental protection system has been designed correctly, and the inspection authorities did not find any failures to comply with the applicable legal regulations.

3.6 Outlook and Subsequent Events

RWE Transgas Net will continue with measures responding to what to date has been the largest reduction in natural gas supplies from Gazprom export over the time for which the transit pipeline has been in operation. These measures include a series of medium-term and long-term steps for reinforcing the reverse gas flow from the west to the east, the development of the Czech-Polish interconnector near the town of Český Těšín, and improved flexibility of the connection of underground gas storage facilities to the transmission system.

The most important project is the *Gazelle* gas pipeline, which will strengthen the infrastructure for gas transmission and gas imports to the Czech Republic.

In line with the EU's effort to create a single market, the Company continues to strive for the development and maintaining of the existing services on the GATRAC platform. Customers can currently request cross-border capacity for a period of one or more days, months or years. All these capacities can be booked as firm or interruptible. The Company will continue negotiations with other TSOs on their joining the GATRAC platform.

In line with the measures required by the so-called third energy package, RWE Transgas Net has started to implement the related steps, including the definitive unbundling of the Company from RWE Transgas, a.s., consisting in the creation of its own units providing support services and changing the Company's name and visual identity. The change of the Company's name to NET4GAS, s.r.o. took place with effect from 4 March 2010.



Common Chiffchaff (*Phylloscopus collybita*)

A petite slim bird with greyish to green colour, yellowish on the underparts and around its legs. Nestlings have more pronounced yellow in their wardrobe.

4 Financial Part

4.1 Financial Statements

BALANCE SHEET

(in thousand Czech crowns)

		31. 12. 2009		31. 12. 2008	
		Gross	Provision	Net	Net
TOTAL ASSETS		71,333,185	(9,296,735)	62,036,450	62,445,609
B.	Fixed assets	58,818,756	(9,296,699)	49,522,057	51,615,393
B. I.	Intangible fixed assets	237,107	(142,499)	94,608	124,083
B. I.	1. Research & development	70,848	(37,470)	33,378	39,178
	2. Software	128,788	(102,585)	26,203	47,037
	3. Royalties	3,888	(2,444)	1,444	2,464
	4. Other intangible fixed assets	24,750		24,750	27,171
	5. Intangible fixed assets in the course of construction	8,833		8,833	8,233
B. II.	Tangible fixed assets	58,581,649	(9,154,200)	49,427,449	51,491,310
B. II.	1. Land	172,225		172,225	125,618
	2. Constructions	52,899,862	(7,047,145)	45,852,717	47,639,119
	3. Equipment	5,140,489	(2,107,055)	3,033,434	3,604,546
	4. Other tangible fixed assets	601		601	1,139
	5. Tangible fixed assets in the course of construction	368,472		368,472	120,888
C.	Current assets	12,473,977	(36)	12,473,941	10,821,117
C. I.	Inventories	43,278		43,278	49,906
C. I.	1. Raw materials	43,278		43,278	49,906
C. III.	Short-term receivables	12,429,323	(36)	12,429,287	10,769,868
C. III.	1. Trade receivables	328,021	(36)	327,985	477,440
	2. Receivables – controlling entities/subsidiaries	11,446,836		11,446,836	9,304,510
	3. Taxes and state subsidies receivable	143,012		143,012	5
	4. Short-term advances paid	25,184		25,184	21,805
	5. Anticipated assets	381,425		381,425	846,949
	6. Other receivables	104,845		104,845	119,159
C. IV.	Financial assets	1,376		1,376	1,343
C. IV.	1. Cash in hand	375		375	1,220
	2. Cash at bank	1,001		1,001	123
D. I.	Accruals and deferrals	40,452		40,452	9,099
D. I.	1. Prepaid expenses	1,227		1,227	289
	2. Accrued revenue	39,225		39,225	8,810

BALANCE SHEET – continued

(in thousand Czech crowns)

	31. 12. 2009	31. 12. 2008
TOTAL LIABILITIES AND EQUITY	62,036,450	62,445,609
A. Equity	52,510,171	52,146,191
A. I. Share capital	46,792,965	46,792,965
A. I. 1. Share capital	46,792,965	46,792,965
A. II. Capital contributions	28,732	28,732
A. II. 1. Other capital contributions	28,732	28,732
A. III. Reserve fund and other reserves	1,041,673	816,261
A. III. 1. Statutory reserve fund	1,041,673	816,261
A. V. Profit (loss) for the current period (+/-)	4,646,801	4,508,233
B. Liabilities	9,526,279	10,299,418
B. I. Provisions	269,088	152,857
B. I. 1. Income tax provision		83,547
2. Other provisions	269,088	69,310
B. II. Long-term liabilities	8,239,784	8,575,639
B. II. 1. Trade payables	2,543	4,855
2. Other liabilities	200	200
3. Deferred tax liability	8,237,041	8,570,584
B. III. Short-term liabilities	1,017,407	1,570,922
B. III. 1. Trade payables	306,743	276,756
2. Liabilities to employees	20,585	25,578
3. Liabilities for social security and health insurance	10,293	15,473
4. Taxes and state subsidies payable	107,792	123,537
5. Short-term advances received	384,709	848,391
6. Anticipated liabilities	92,814	60,096
7. Other payables	94,471	221,091

INCOME STATEMENT

(in thousand Czech crowns)

		Accounting period	
		2009	2008
A.	II. Sales of production	9,958,875	9,960,488
	II. 1. Sales of own products and services	9,931,715	9,951,504
	2. Own work capitalised	27,160	8,984
B.	Cost of sales	1,384,507	1,557,975
B.	1. Raw materials and consumables	137,188	184,367
	2. Services	1,247,319	1,373,608
	+ Added value	8,574,368	8,402,513
C.	Staff costs	411,367	502,833
C.	1. Wages and salaries	303,063	359,094
	2. Emoluments of board members	270	180
	3. Social security and health insurance costs	90,844	120,255
	4. Other social costs	17,190	23,304
D.	Taxes and charges	28,068	31,546
E.	Depreciation of long-term assets	2,457,968	2,501,986
	III. Sale of long-term assets and raw materials	50,145	72,891
	III. 1. Sale of long-term assets	49,369	70,151
	2. Sale of raw materials	776	2,740
F.	Net book value of long-term assets and raw materials sold	48,470	80,904
F.	1. Net book value of long-term assets sold	39,940	73,958
	2. Net book value of raw materials sold	8,530	6,946
G.	Increase/(decrease) in operating provisions	198,664	17,583
	IV. Other operating income	52,646	95,667
H.	Other operating charges	93,867	99,252
	* Operating result	5,438,755	5,336,967
	IX. Gain on revaluation of securities and derivatives	501,811	866,496
L.	Loss on revaluation of securities and derivatives	377,421	811,484
X.	Interest income	305,443	323,806
N.	Interest expense	74	182
	XI. Other financial income	379,376	555,237
O.	Other financial expense	423,304	550,332
	* Financial result	385,831	383,541
Q.	Tax on profit or loss on ordinary activities	1,177,785	1,212,275
Q.	1. – current	1,511,327	1,490,088
	2. – deferred	(333,542)	(277,813)
	** Profit or loss on ordinary activities after taxation	4,646,801	4,508,233
	*** Net profit (loss) for the financial period	4,646,801	4,508,233
	*** Net profit (loss) before taxation	5,824,586	5,720,508

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
Year ended 31 December 2009

	Share capital	Statutory reserve fund	Retained earnings	Other capital funds	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
As at 1 January 2008	46,792,965	445,747	7,433,485	28,732	54,700,929
Contribution to reserve fund	-	370,514	(370,514)	-	-
Profit distribution paid	-	-	(7,062,971)	-	(7,062,971)
Net profit for the current period	-	-	4,508,233	-	4,508,233
As at 31 December 2008	46,792,965	816,261	4,508,233	28,732	52,146,191
Contribution to reserve fund	-	225,412	(225,412)	-	-
Profit distribution paid	-	-	(4,282,821)	-	(4,282,821)
Net profit for the current period	-	-	4,646,801	-	4,646,801
As at 31 December 2009	46,792,965	1,041,673	4,646,801	28,732	52,510,171

CASH FLOW STATEMENT

Year ended 31 December 2009

	2009	2008
	CZK'000	CZK'000
Cash flows from operating activities		
Net profit on ordinary activities before tax	5,824,586	5,720,508
A.1 Adjustments for non-cash movements:		
A.1.1 Depreciation of fixed assets	2,457,968	2,501,986
A.1.2 Change in provisions	198,664	17,583
A.1.3 (Profit)/loss from disposal of fixed assets	(9,429)	3,807
A.1.4 Net interest income and expense	(305,369)	(323,624)
A.1.5 Change in fair value of financial derivatives	(123,851)	326,953
A* Net cash flow from ordinary activities before tax, changes in working capital	8,042,569	8,247,213
A.2 Working capital changes:		
A.2.1 (Increase)/decrease in receivables and prepayments	(815,420)	2,757,769
A.2.2 Increase/(decrease) in short-term payables and accruals	(380,689)	164,148
A.2.3 (Increase)/decrease in inventories	6,628	27,714
A** Net cash flow from ordinary activities before tax	6,853,088	11,196,844
A.3 Interest paid	(74)	(182)
A.4 Interest received	275,023	320,423
A.5 Income tax on ordinary activities paid	(1,737,884)	(1,580,294)
A*** Net cash flow from ordinary activities	5,390,153	9,936,791
Cash flows from investing activities		
B.1 Acquisition of fixed assets	(438,029)	(214,504)
B.2 Proceeds from sale of fixed assets	49,369	70,151
B*** Net cash flow from investing activities	(388,660)	(144,353)
Cash flows from financing activities		
C.1 Change in long- and short-term liabilities	(2,313)	4,855
C.2 Changes in equity:		
C.2.1 Profit distribution paid	(4,282,821)	(7,062,971)
C*** Net cash flow from financing activities	(4,285,134)	(7,058,116)
Net increase in cash and cash equivalents	716,359	2,734,322
Cash and cash equivalents at the beginning of the year	3,395,853	661,531
Cash and cash equivalents at the end of the year	4,112,212	3,395,853

4.2 Notes to Financial Statements

1. GENERAL INFORMATION

RWE Transgas Net, s.r.o. ("the Company"), was incorporated on 29 June 2005 and has its registered office at Praze 4 - Nusle, Na Hřebenech II 1718/8, Czech Republic. The Company's main business activity is natural gas transportation in accordance with the Act No. 458/2000 Coll., on conditions for undertaking the business and for the execution of state administration in the energy sector and on changes to certain decrees. Identification number of the Company is 27260364.

The registered office in 2008 was at Praha 10 – Strašnice, V Olšínách 75/2300, Czech Republic. Change to the current registered office was recorded to the commercial register with the effective date as at 7 October 2009.

The Statutory Representatives as at 31 December 2009 were as follows:

	Position	Date of appointment
Mr Thomas Kleefuss	Statutory Representative	1 January 2006
Mr Jan Nehoda	Statutory Representative	1 January 2006

The members of the Supervisory Board as at 31 December 2009 were as follows:

	Position	Date of appointment
Mr Joachim Schneider	Chairman	3 September 2008 (appointed as a member from 1 July 2008)
Mr Martin Herrmann	Vice-Chairman	16 January 2007 (appointed as a member from 22 December 2006)
Mr Andreas Böwing	Member	22 December 2006
Mr Dirk Simons	Member	18 May 2007
Ms Šárka Vojíková	Member	22 December 2006
Mr Jan Zaplatílek	Member	22 December 2006

During 2009 the following changes in the statutory bodies of the Company were made:

Mr Klaus Homann resigned from his position of statutory representative effective from 28 January 2009. The Articles of incorporation were changed effective from 1 March 2009 and the number of statutory representatives decreased to two.

The Company is organized as follows:

The general meeting is the supreme body of the Company. Statutory Representatives are the body governing the Company's activities and acting on its behalf. The Supervisory Board is the controlling body of the Company.

Governance of the Company is divided into two departments titled as follows: Capacity&Finance, Asset Management&Operation. These departments are managed by the individual Statutory Representatives.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic and have been prepared under the historical cost convention except as disclosed below. Derivatives are shown at fair value.

(b) Intangible fixed assets

All intangible assets with a useful life longer than one year and a unit cost of more than CZK 60,000 are treated as intangible fixed assets.

Purchased intangible fixed assets are recorded at cost, which includes all costs incurred in bringing the assets to their present location and condition. All research costs are expensed. Development costs are capitalised as intangible fixed assets and recorded at the lower of cost and the value of future economic benefits. All other development costs are expensed as incurred.

Intangible fixed assets are amortised applying the straight-line basis over their estimated useful lives as follows (unless the agreement or licence conditions state shorter or longer period):

Software	3 years
Other intangible fixed assets	6 years

A provision for impairment is established when the carrying value of an asset is greater than its estimated recoverable amount.

Subsequent expenditure on intangible fixed assets in amount over CZK 40,000 per year is capitalised.

Emission rights are accounted for as "Other intangible fixed assets".

Emission rights allocated through the National Allocation Plan to the Company free of charge are accounted for as "Other intangible fixed assets" with double entry to the liability account "Taxes and state subsidies payable" upon their being credited to the Czech Register of emission rights. The allocated emission rights are recorded at a replacement cost.

The emission rights liability is released to "Other operating income" to match it with relevant expenses.

Consumption of emission rights is recorded to "Other operating expenses" as at the balance sheet date on the basis of estimate of actual CO₂ emissions in the period. The Company applies first-in-first-out method for the disposals of the emission rights. Sale of emission rights is recorded as other operational revenue and is based on sales price. In case of shortage of emission rights at the year end a provision is established for expected consumption in the following year.

A provision is established when the book value of emission rights exceeds their estimated recoverable amount.

(c) Tangible fixed assets

All tangible assets with a useful life longer than one year and a unit cost of more than CZK 10,000 are treated as tangible fixed assets.

Acquired tangible fixed assets are recorded at cost, which include all costs incurred in bringing the assets to their present location and condition

Tangible fixed assets are depreciated applying the straight-line basis over their estimated useful lives as follows:

Buildings and constructions	45–70 years
Plant, machinery and equipment	4–40 years
Furniture and fittings	4–8 years
Motor vehicles	5–8 years

Tangible assets, with a useful life longer than one year and a unit cost higher than CZK 10,000 but lower than CZK 40,000 are depreciated using the straight-line method over their estimated useful life.

Repairs and maintenance expenditures of tangible fixed assets are expensed as incurred. Subsequent expenditure relating to tangible fixed assets exceeding CZK 40,000 per year is capitalised.

A provision for impairment is established when the carrying value of an asset is greater than its estimated recoverable amount.

(d) Inventories

Raw materials are mainly spare parts for the gas pipeline network. Inventories are stated at the lower of cost and net realizable amount. The cost includes the appropriate overheads incurred to bring the inventory to its present condition and location (mainly transport, customs duty, etc.). The weighted average cost method is applied for all disposals.

(e) Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for bad debts is created on the basis of an ageing analysis and individual evaluation of the recoverability of the receivables. Receivables from related parties have not been provided for.

(f) Cash and cash equivalents

The Company has prepared a Cash-Flow statement following the indirect method. Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are, for example, deposits with a maturity of less than 3 months from the date of acquisition and liquid commercial paper traded in public markets.

The Company uses so-called Cash-pooling within the group. A receivable (liability) that arises from Cash-pooling and meets the cash and cash equivalents

criteria is presented in the Cash Flow statement as a part of the item Cash and Cash equivalents if it is due within three months after the balance sheet date.

(g) Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the fixed exchange rate determined by the Company for the month as at the first day of the period.

Cash, receivables and liabilities balance denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet day. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

(h) Derivative financial instruments

Derivative financial instruments including foreign exchange contracts are initially recognised on the balance sheet at cost and subsequently are re-measured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models as appropriate. All derivatives are presented in other receivables or in other payables when their fair value is positive or negative, respectively.

Changes in the fair value of derivatives held for trading are included in the financial result.

(i) Expense and revenue recognition

The Company recognizes as revenue all income from fees collected for the transit and domestic gas transportation across the Czech Republic. Cost of sales includes mainly the cost of gas transportation. Sales are stated net of discounts and Value Added Tax.

(j) Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are created in the amount of the expected outflow in current terms and their amounts are reviewed and updated on a regular basis. The Company also recognizes tax deductible provisions relating to significant future repairs of fixed assets defined by the Act on Reserves.

The Company recognises an unpaid obligation relating to income tax in the balance of provisions. If advances paid for the income tax are higher than the estimated income tax payable as at the balance sheet date the difference is recognised as a short-term receivable.

(k) Employment benefits

The Company provides contribution for pension and life insurance to its employees, which is recognized as an expense. Further regular contributions are made to the state to fund the national pension plan. Pension and life insurance contribution is recognised as an expense.

(l) Deferred taxation

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets are recognised if it is probable that sufficient future taxable profit will be available against which the assets can be utilised.

(m) Related parties

The Company's related parties are considered to be the following:

- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and other subsidiaries and associates of these shareholders; and/or
- members of the Company's or parent company's statutory and supervisory bodies and management and parties close to such members, including entities in which they have a controlling or significant influence.

Material transactions and outstanding balances with related parties are disclosed in Notes 12 and 13.

Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves recognised in the financial statements.

3. INTANGIBLE FIXED ASSETS**Cost**

	1 January 2009	Additions	Transfers	Disposals	31 December 2009
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Research & development	82,150	-	9,172	(20,474)	70,848
Software	147,841	-	10,978	(30,031)	128,788
Royalties	4,461	-	-	(573)	3,888
Intangible assets in the course of construction	8,233	20,750	(20,150)	-	8,833
Emission rights	27,171	52,282	-	(54,703)	24,750
Advances paid for intangible fixed assets	-	3,094	(3,094)	-	-
Total	269,856	76,126	(3,094)	(105,781)	237,107

During 2009 the Company did neither purchase nor sell any emission rights.

Accumulated amortisation and net book value

	1 January 2009	Additions	Disposals	31 December 2009
	CZK'000	CZK'000	CZK'000	CZK'000
Research & development	(42,972)	(8,983)	14,485	(37,470)
Software	(100,804)	(24,337)	22,556	(102,585)
Royalties	(1,997)	(651)	204	(2,444)
Total	(145,773)	(33,971)	37,245	(142,499)
Net book value	124,083			94,608

Cost

	1 January 2008	Additions	Transfers	Disposals	31 December 2008
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Research & development	76,353	-	7,999	(2,202)	82,150
Software	122,253	-	27,389	(1,801)	147,841
Royalties	3,549	-	1,129	(217)	4,461
Intangible assets in the course of construction	18,653	26,097	(36,517)	-	8,233
Emission rights	-	151,094	-	(123,923)	27,171
Total	220,808	177,191	-	(128,143)	269,856

The Company purchased 4,788 emission rights in April 2008 to cover consumption in 2007. During 2008 the Company sold 94,371 emission rights (type: EUA) and purchased the same amount of another emission rights (type: CER).

Accumulated amortisation and net book value

	1 January 2008	Additions	Disposals	31 December 2008
	CZK'000	CZK'000	CZK'000	CZK'000
Research & development	(26,963)	(17,956)	1,947	(42,972)
Software	(57,730)	(44,771)	1,697	(100,804)
Royalties	(1,291)	(911)	205	(1,997)
Total	(85,984)	(63,638)	3,849	(145,773)
Net book value	134,824			124,083

4. TANGIBLE FIXED ASSETS**Cost**

	1 January 2009	Additions	Transfers	Disposals	31 December 2009
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Land	125,618	-	49,570	(2,963)	172,225
Constructions	52,892,691	-	19,203	(12,032)	52,899,862
Equipment	5,120,130	-	68,777	(48,418)	5,140,489
Other tangible fixed assets	1,139	-	-	(538)	601
Tangible assets in the course of construction	120,888	385,156	(137,572)	-	368,472
Advances paid for fixed assets	-	1,470	-	(1,470)	-
Total	58,260,466	386,626	-	(65,443)	58,581,649

Accumulated depreciation, impairment and net book value

	1 January 2009	Additions	Disposals	31 December 2009
	CZK'000	CZK'000	CZK'000	CZK'000
Constructions	(5,239,072)	(1,796,550)	1,827	(7,033,795)
Equipment	(1,515,584)	(626,004)	34,533	(2,107,055)
Impairment of constructions	(14,500)	-	1,150	(13,350)
Total	(6,769,156)	(2,422,554)	37,510	(9,154,200)
Net book value	51,491,310			49,427,449

Cost

	1 January 2008	Additions	Transfers	Disposals	31 December 2008
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Land	126,030	-	2,487	(2,899)	125,618
Constructions	52,875,773	-	33,935	(17,017)	52,892,691
Equipment	4,987,815	-	139,081	(6,766)	5,120,130
Other tangible fixed assets	1,139	-	-	-	1,139
Tangible assets in the course of construction	143,293	153,098	(175,503)	-	120,888
Advances paid for fixed assets	100	398	(498)	-	-
Total	58,134,150	153,496	(498)	(26,682)	58,260,466

Accumulated depreciation, impairment and net book value

	1 January 2008	Additions	Disposals	31 December 2008
	CZK'000	CZK'000	CZK'000	CZK'000
Constructions	(3,434,246)	(1,807,284)	2,458	(5,239,072)
Equipment	(891,213)	(631,064)	6,693	(1,515,584)
Impairment of constructions	(20,000)	(2,600)	8,100	(14,500)
Total	(4,345,459)	(2,440,948)	17,251	(6,769,156)
Net book value	53,788,691			51,491,310

5. RECEIVABLES

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Trade receivables		
- current	327,833	477,410
- overdue	188	30
	328,021	477,440
Other receivables		
- current	11,719,877	9,445,479
Anticipated assets	381,425	846,949
Provision for doubtful receivables	(36)	-
Net book value of short-term receivables	12,429,287	10,769,868

Trade receivables as at 31 December 2009 have not been secured and none of them are due after 5 or more years.

Other receivables as at 31 December 2009 include mainly Cash-pooling receivables from RWE Transgas, a.s. (see Note 13 Related party transactions) in the amount of CZK 11,446,836,000 (from which CZK 7,336,000,000 due after 3 months) and receivables from financial derivatives in the amount of CZK 104,780,000.

6. EQUITY

The Company is fully owned by RWE Transgas, a.s., incorporated in the Czech Republic, and the ultimate holding company is RWE Aktiengesellschaft, incorporated in Germany.

The statutory reserve fund is created from the profit of the Company according to law and may not be distributed to shareholders, but may be used to offset losses.

The net profit after taxation of CZK 4,508,233,000 for 2008 was approved and distributed based on the resolution of the sole shareholder on 18 March 2009.

7. PROVISIONS

	Tax-deductible provisions	Other provisions	Income tax provision	Total
	CZK'000	CZK'000	CZK'000	CZK'000
Opening balance as at 1 January 2008	11,494	34,733	173,754	219,981
Charge for the year	-	65,624	83,547	149,171
Released in the year				
Used in the year	(11,494)	(31,047)	(173,754)	(216,295)
Closing balance as at 31 December 2008	-	69,310	83,547	152,857
Charge for the year	-	221,443	-	221,443
Released in the year	-	(1,146)	-	(1,146)
Used in the year	-	(20,519)	(83,547)	(104,066)
Closing balance as at 31 December 2009	-	269,088	-	269,088

For the analysis of the current and deferred income tax, see Note 10 Taxation.

Other provisions contain provision for restructuring, employment benefits and share option bonus plan.

8. LIABILITIES

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Trade payables – current	306,743	276,756
Short-term advances received	384,709	848,391
Other payables – current	233,141	385,679
Anticipated liabilities	92,814	60,096
Total short-term liabilities	1,017,407	1,570,922
Trade payables	2,543	4,855
Other long-term payables	200	200
Deferred tax liability*	8,237,041	8,570,584
Total long-term liabilities	8,239,784	8,575,639
Total short-term and long-term liabilities	9,257,191	10,146,561

* See Note 10 Taxation

Short-term advances received as at 31 December 2009 represent mainly prepayments received from RWE Transgas, a.s and from other regional gas companies for gas transit in the amount of CZK 382,115,000. Other short-term payables as at 31 December 2009 include mainly payables from financial derivatives in the amount of CZK 59,953,000 and other payables in the amount of CZK 103,480,000.

The Company had no overdue liabilities as at 31 December 2009 and 2008.

The Company does not have any overdue payables related to social or health insurance or any other overdue payables to tax authorities or other state institutions.

Trade and other payables have not been secured over any assets of the Company and none of them are due after more than 5 or more years.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivatives is presented in "Other receivables" if positive, or in "Other payables" if negative.

Forward instruments:

	31 December 2009			31 December 2008		
	Fair value		Notional amount	Fair value		Notional amount
	Positive	Negative		Positive	Negative	
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Currency forwards	104,780	(59,953)	(5,662,892)	119,148	(198,172)	6,836,090

Notional amount represents net presentation of total volume of concluded forward transactions.

Change in a fair value of forward instruments and related gains and losses from financial transactions:

	2009	2008
	CZK'000	CZK'000
Changes in fair value of derivative instruments	124,390	55,012
Gains from forward instruments	299,184	443,278
Losses from forward instruments	(322,346)	(445,974)
Total	101,228	52,316

Gains and losses are shown in "Other financial income" and "Other financial expense".

Certain derivative transactions, although providing effective economic hedges under the Company's risk management strategies, do not qualify for the hedge accounting under Czech accounting rules. Therefore they are shown above as trading derivatives.

10. TAXATION

The income tax expense consists of the following:

	2009	2008
	CZK'000	CZK'000
Current tax expense	1,510,960	1,489,046
Deferred tax expense	(333,542)	(277,813)
Adjustment of prior year income tax expense based on the actual tax return	367	1,042
Total	1,177,785	1,212,275

Current tax can be analysed as follows:

	2009	2008
	CZK'000	CZK'000
Net profit before taxation	5,824,586	5,720,508
Non-taxable revenues	(7,722)	(37,323)
Difference between accounting and tax depreciation	1,482,441	1,299,375
Non-deductible costs	272,670	113,685
Gifts	(16,783)	(5,180)
Net taxable profit	7,555,192	7,091,065
Income tax rate	20%	21%
Corporate taxation	1,511,038	1,489,124
Tax discount	(78)	(78)
Tax to be paid	1,510,960	1,489,046

The deferred tax asset/liability as at 31 December 2009 is calculated at 19% (the rate enacted for 2010 and subsequent years).

Deferred tax as at 31 December 2008 was calculated at 20% (the rate enacted for 2009) and 19% (the rate enacted for 2010 and subsequent years) depending on the period when the temporary differences are expected to reverse.

Deferred tax asset/liability can be analysed as follows:

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Deferred tax liability:		
Difference between carrying value accounting and tax base of fixed assets	(8,287,301)	(8,583,969)
Deferred tax asset:		
Other provisions and allowances	50,260	13,385
Net deferred tax liability	(8,237,041)	(8,570,584)

11. REVENUE ANALYSIS

Sales of own products and services have been generated as follows:

	2009	2008
	CZK'000	CZK'000
Transportation - transit - foreign	7,319,909	6,862,271
- transport - domestic	2,505,574	2,424,256
Other	106,232	664,977
Total	9,931,715	9,951,504

Other revenues in 2008 include mainly operation and maintenance of underground gas storages.

12. EMPLOYEE ANALYSIS

Employee numbers	2009	2008
Members of Statutory bodies who are employees	1	1
Average number of other members of management	6	6
Average number of other staff	495	681
Total	502	688

No employee of the Company was a member of Supervisory Board in 2009 and 2008.

The Company's management includes Statutory Representative, other directors and senior staff members directly reporting to them.

	Management	Other staff	Total
	CZK'000	CZK'000	CZK'000
2009			
Wages and salaries	26,550	276,513	303,063
Bonuses to the members of statutory bodies	270	-	270
Social security costs	3,056	87,788	90,844
Other social costs	146	17,044	17,190
Total	30,022	381,345	411,367
2008			
Wages and salaries	34,958	324,136	359,094
Bonuses to the members of statutory bodies	180	-	180
Social security costs	2,975	117,280	120,255
Other social costs	215	23,089	23,304
Total	38,328	464,505	502,833

Other transactions with the Company's management and Statutory Representatives are described in Note 13 Related party transactions.

13. RELATED PARTY TRANSACTIONS

Profit/loss transfer agreement was concluded with RWE Transgas, a.s. on 29 June 2006. Based on this agreement the Company is committed to transfer its annual profit after contribution to statutory reserve fund to its shareholder. The shareholder is required to settle a loss of the Company that could not be settled from the statutory reserve fund or other Company's available funds.

The Company was involved in the following related party transactions:

	2009	2008
	CZK'000	CZK'000
Purchases:		
RWE Transgas, a.s. (services)	650,823	626,997
RWE Interní služby, s.r.o. (services)*	238,872	258,172
RWE Aktiengesellschaft (financial instruments, services)	704,063	1,257,458
RWE Plynoprojekt, s.r.o. (services, fixed assets)*	44,842	59,653
Other RWE Group companies	53,254	14,200
Total purchases	1,691,854	2,216,480

* The legal form of the company was changed from joint-stock company to limited liability company effective from 1 January 2009.

	2009	2008
	CZK'000	CZK'000
Sales:		
Transportation (transit and domestic transport):		
RWE Transgas, a.s.	8,075,307	7,551,172
Regional distribution operators of the RWE Group	1,047,933	1,109,251
Total sales	9,123,240	8,660,423
Other sales:		
RWE Transgas, a.s. (services, interests)	305,747	330,749
RWE Aktiengesellschaft (financial instruments)	800,996	1,309,774
RWE Gas Storage, s.r.o. (services)	97,758	623,426
Other RWE Group companies	12,498	71,179
Total other sales	1,216,999	2,335,128

All transactions were realized on arm's length basis.

The following related party balances were outstanding as at:

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Trade receivables:		
RWE Transgas, a.s.	313,142	466,283
Other RWE Group companies	1,158	2,175
Total trade receivables	314,300	468,458
Advances paid:		
RWE Plynoprojekt, s.r.o.*	15,600	15,600
Other RWE Group companies	474	572
Total advances paid	16,074	16,172
Anticipated assets:		
RWE Transgas, a.s.	272,604	111,578
RWE Gas Storage, s.r.o.	-	615,285
Other RWE Group companies	86,213	92,721
Total anticipated assets	358,817	819,584
Other receivables (from derivatives):		
RWE Aktiengesellschaft	104,780	119,148
Cash-pooling receivables:		
RWE Transgas, a.s.	11,446,835	9,304,510
Total receivables	12,240,806	10,727,872

* The legal form of the company was changed from joint-stock company to limited liability company effective from 1 January 2009.

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Trade payables:		
RWE Transgas, a.s.	123,027	119,347
RWE Gas Storage, s.r.o.	40,041	-
RWE Interní služby, s.r.o.*	20,661	22,238
Other RWE Group companies	21,255	6,838
Total trade payables	204,984	148,423
Advances received		
RWE Transgas, a.s.	233,379	102,769
RWE Gas Storage, s.r.o.	-	613,947
Other RWE Group companies	86,213	92,267
Total advances received	319,592	808,983
Anticipated payables		
RWE Transgas, a.s.	58,818	21,544
RWE Interní služby, s.r.o.*	3,970	5,232
Other RWE Group companies	466	948
Total Anticipated payables	63,254	27,724
Other payables (from derivatives):		
RWE Aktiengesellschaft	59,953	198,172
Total payables	647,783	1,183,302

* The legal form of the company was changed from joint-stock company to limited liability company effective from 1 January 2009.

Cash-pooling receivables and payables bear interest at market interest rates. Trade receivables and payables arose under the same terms and conditions as with unrelated parties.

Company cars are made available for use by board members and other management in total acquisition costs of CZK 9,565,000 (2008: CZK 8,430,000).

The Company provides foreign members of management with accommodation, in 2009 rent totalled CZK 1,626,000 (2008: CZK 1,689,000).

Share option bonus plan has been provided to the management, in 2009 provision for this plan was created in the amount of CZK 6,440,000 (2008: CZK 9,210,000).

Besides the above disclosed remuneration and benefits, there was no other cash or non-cash consideration provided in 2009 and 2008 to the Company shareholder, members of the Company's boards and management.

14. FEES PAID AND PAYABLE TO THE COMPANY'S AUDITOR

The information relating to the fees paid and payable for services performed by the audit company PricewaterhouseCoopers Audit, s.r.o. is included in the consolidated financial statements of the ultimate parent company.

15. COMMITMENTS

Capital commitments contracted by the Company as at 31 December 2009 were at total amount of CZK 11,168,000 (31 December 2008: CZK 16,419,000).

16. CONTINGENT LIABILITIES

The management of the Company is not aware of any significant unrecorded contingent liabilities as at 31 December 2009.

17. ONGOING VOLATILITY ON THE GLOBAL AND CZECH FINANCIAL MARKETS

The ongoing global financial crisis which commenced during 2008 has resulted in, among others, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and high volatility on financial markets.

Fair value of financial assets and liabilities:

The fair values of derivative financial instruments are established by the Company using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants. The valuation techniques reflect current market conditions at the measurement date which may not be representative of market conditions either before or after the measurement date.

Management have evaluated all available information and currently does not expect any significant impact of the economic recession on the Company's operation, in particular the Company's liquidity and funding. Management believes that all necessary steps are taken to support the sustainability of the Company's business under the current circumstances.

18. CASH FLOW STATEMENT

Cash and cash equivalents disclosed in the cash flow statement can be analysed as follows:

	31 December 2009	31 December 2008
	CZK'000	CZK'000
Cash on hand and in transit	375	1,220
Cash in bank	1,001	123
Receivable arising from Cash-pooling	4,110,836	3,394,510
Cash and cash equivalents	4,112,212	3,395,853

19. SUBSEQUENT EVENTS

No further events have occurred subsequent to the year-end that would have a material impact on the financial statements as at 31 December 2009.

12 February 2010



Thomas Kleefuss
Managing Director



Jan Nehoda
Managing Director

Note

The financial statements have been prepared in Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

Lousewort (*Pedicularis sylvatica*)

Formerly amply represented in the Czech Republic, it is sparse to rare today, growing mostly in hilly areas and submontane regions in wet meadows, peat bogs, and heathlands.



5 Independent Auditor's Report

5.1 Auditor's Report on the Financial Statements



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120 00 Prague 2
Czech Republic
Telephone +420 251 151 111
Facsimile +420 251 156 111

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF RWE TRANSGAS NET, S.R.O.

We have audited the accompanying financial statements of RWE Transgas Net, s.r.o., identification number 27260364, with registered office at Na Hřebenech II 1718/8, Praha 4, Nusle ("the Company"), which comprise the balance sheet as at 31 December 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended and notes, including a summary of significant accounting policies ("the financial statements").

Statutory Directors' Responsibility for the Financial Statements

The Statutory Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 the Act on Auditors of the Czech Republic, International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

PricewaterhouseCoopers Audit, s.r.o., registered seat Kateřinská 40/466, 120 00 Prague 2, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No 021.

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SHAREHOLDER OF RWE TRANSGAS NET, S.R.O. INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibility (continued)

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 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 the accounting policies used and the reasonableness of accounting estimates made by management, 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 the Company as at 31 December 2009, its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

12 February 2010

A handwritten signature in blue ink that reads "PricewaterhouseCoopers Audit, s.r.o." in a cursive script.

PricewaterhouseCoopers Audit, s.r.o.
represented by partner

A handwritten signature in blue ink that reads "Tomáš Bašta" in a cursive script.

Tomáš Bašta
Statutory Auditor, Licence No. 1966

Note

Our report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over the English version.

5.2 Auditor's Report on the Annual Report and the Report on Relations between Related Parties



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NET4GAS, S.R.O.

We have audited the financial statements of NET4GAS, s.r.o, identification number 27260364, with registered office at Na Hřebenech 1718/8, Praha 4-Nusle ("the Company") for the year ended 31 December 2009 disclosed in the annual report on pages 19–37 and issued the opinion dated 12 February 2010 and disclosed on pages 39–40.

Report on the Annual Report

We have verified that the other information included in the annual report of the Company for the year ended 31 December 2009 is consistent with the financial statements referred to above. The Statutory Directors are responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the financial statements based on our verification procedures.

Auditor's Responsibility

We conducted our verification procedures in accordance with the International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the verification procedures to obtain reasonable assurance about whether the other information included in the annual report which describes matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that the verification procedures performed provide a reasonable basis for our opinion.

Opinion

In our opinion, the other information included in the annual report of the Company for the year ended 31 December 2009 is consistent, in all material respects, with the financial statements.

PricewaterhouseCoopers Audit, s.r.o., registered seat Kateřinská 40/466, 120 00 Prague 2, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No 021.

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SHAREHOLDER OF NET4GAS, S.R.O. INDEPENDENT AUDITOR'S REPORT

Report on review of the Report on Relations

In addition we have also reviewed the accompanying report on relations between the Company and its controlling party and between the Company and the other persons controlled by the same controlling party for the year ended 31 December 2009 (the "Report"). The completeness and accuracy of the Report is the responsibility of the Statutory Directors of the Company. Our responsibility is to review the accuracy of information included in the Report.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 and related application guidance of the Chamber of Auditors of the Czech Republic for review of the report on relations. These standards require that we plan and perform the review to obtain moderate assurance as to whether the Report is free of material misstatement. A review is limited primarily to inquiries of Company personnel, analytical procedures and examination, on a test basis, of factual accuracy of data. A review therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Report has not been properly prepared, in all material respects, in accordance with the requirements of Article 66a of the Commercial Code.

10 March 2010

A handwritten signature in blue ink that reads "PricewaterhouseCoopers Audit, s.r.o." in a cursive script.

PricewaterhouseCoopers Audit, s.r.o.
represented by partner

A handwritten signature in blue ink that reads "Tomáš Bašta" in a cursive script.

Tomáš Bašta
Statutory Auditor, Licence No. 1966

Note

Our report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over the English version.

6 Report of RWE Transgas Net, s.r.o. on Relations between Related Parties as at 31 December 2009

Since RWE Transgas Net, s.r.o. (hereinafter “the Company”) as a controlled person did not enter into any controlling agreement effective in 2009, the Company has, under Section 66a, subsection 9 of Act No. 513/1991, the Commercial Code, as amended, drawn up this Report on Relations between the Company and Controlling Persons and between the Company and Other Persons Controlled by the Same Controlling Persons (hereinafter “Related Parties”) for 2009, to the extent these Related Parties are known to the Company. This Report is an integral part of the Company’s Annual Report for 2009 and the Company’s members will have this Report available by the same time and under the same conditions as the annual financial statements.

1 Controlling persons

Throughout the past accounting period the Company was controlled by the following persons:

a) Directly

– RWE Transgas, a.s., registered office at Limuzská 12/3135, Praha 10, 100 98, Company No. 26460815, which was the sole member of the Company and which was directly controlled by its shareholder, RWE Gas International B.V.

b) Indirectly

– RWE Gas International B.V., registered office at Diamantlaan 15, 2132 WV Hoofddorp, the Netherlands, which was the sole shareholder of RWE Transgas a.s.,
– RWE Energy Aktiengesellschaft (hereinafter “RWE Energy AG”), registered office at Rheinlanddamm 24, 44139 Dortmund, Germany, which was the sole member of RWE Gas International B.V. (until 7 September 2009, merger into RWE AG); and
– RWE Aktiengesellschaft (hereinafter “RWE AG”), registered office at Opernplatz 1, 45128 Essen, Germany, which was the sole shareholder of RWE Energy AG.

2 Other Related Parties

The Company requested the above controlling persons to provide a list of the other persons that were controlled by the same controlling persons in the past accounting period. The Company has drawn up this Report on the basis of the information provided by the controlling persons and other information available to it. The scheme of the relations between and control of companies along the relevant line within the RWE Group as at 31 December 2009 can be found on the third cover page of this report.

3 Agreements executed between the Company and Related Parties and performance provided and accepted

The Company and Related Parties executed agreements listed in Appendix 1 in the past accounting period. No damage has been caused to the Company by performing under these agreements or agreements entered into in previous accounting periods. There was therefore no need to secure any compensation for damage or enter into any agreements thereon. The values of the performance and payments between Related Parties in the relevant accounting period are shown in Note 13 of the Notes to the financial statements as at 31 December 2009.

4 Other legal acts made in the interest of Related Parties

On the basis of the decision adopted by RWE Transgas, a.s., as the sole owner of the Company, and RWE Gas Storage, s.r.o., as of 1 January 2009 the operation and maintenance of underground gas storage facilities was transferred from the Company to RWE Gas Storage, s.r.o. The Company did not make any other legal acts in the interest of Related Parties in the past accounting period.

5 Measures adopted in the interest or upon suggestion of Related Parties

The Company did not adopt or carry out any measures in the interest or upon suggestion of Related Parties in the past accounting period.

6 Non-existence of damage

In the past accounting period the Company did not suffer any damage caused by agreements in place with Related Parties, or other legal acts made in the interest of Related Parties or measures carried out in the interest or upon suggestion of Related Parties, which had been executed or adopted in or before the past accounting period.

7 Confidentiality

This Report does not disclose any information that is subject to the Company's trade secret.

8 Conclusion

This Report was approved by the Managing Directors of the Company on 4 March 2010 and presented for review to the Supervisory Board and the Company's auditor, who reviews the financial statements under a separate law.

Prague, on 9 March 2010



Thomas Kleefuss
Managing Director



Jan Nehoda
Managing Director

APPENDIX 1:**Agreements entered into by and between the Company and Related Parties in the last accounting period**

Contracting party	Type of agreement / Purpose of agreement	Number of agreements	
Jihomoravská plynárenská, a.s.	Gas transmission agreement	1	
	Addendum No. 1 to the gas transmission agreement	1	
	Addendum No. 2 to the gas transmission agreement	1	
	Addendum No. 3 to the gas transmission agreement	1	
	Addendum No. 4 to the gas transmission agreement	1	
	Addendum No. 5 to the gas transmission agreement	1	
	Addendum No. 6 to the gas transmission agreement	1	
	Addendum No. 7 to the gas transmission agreement	1	
	Addendum No. 8 to the gas transmission agreement	1	
	Agreement on the transfer of responsibility for imbalance	1	
Addendum No. 1 to an agreement on the provision of ArGUS consulting services	1		
Jihomoravská plynárenská, a.s. Severomoravská plynárenská, a.s.	Agreement on transmission capacity transfer	1	
Jihomoravská plynárenská, a.s. RWE Energie, a.s.	Agreement on transmission capacity transfer	1	
JMP Net, s.r.o.	Agreement on the termination of the agreement on the provision of the Compliance Officer service	1	
	Purchase orders	2	
RWE Distribuční služby, s.r.o.	Addendum No. 1 to an agreement on the provision of ArGUS consulting services	1	
	Purchase orders	3	
RWE Energie, a.s.	Gas transmission agreement	4	
	Addendum No. 1 to the gas transmission agreement	3	
	Addendum No. 2 to the gas transmission agreement	3	
	Addendum No. 3 to the gas transmission agreement	3	
	Addendum No. 4 to the gas transmission agreement	3	
	Addendum No. 5 to the gas transmission agreement	3	
RWE Gas Storage, s.r.o.	Addendum No. 6 to the gas transmission agreement	3	
	Agreement on the conditions of the operation of the interconnection between the transmission system and the virtual UGS facility	1	
	Addendum No. 1 to an agreement on servicing and engineering activities at UGS facilities	1	
	Addendum No. 2 to an agreement on servicing and engineering activities at UGS facilities	1	
	Agreement on the provision of ArGUS consulting services	1	
	Addendum No. 1 to the agreement on the provision of ArGUS consulting services	1	
	Agreement on the termination of an agreement on the provision of the Compliance Officer service	1	
	Purchase agreement	4	
	Commercial space lease agreement	1	
	Debt assignment agreement	1	
	Agreement on debt assignment and acceptance of contractual obligations	1	
	RWE GasNet, s.r.o. (SČP Net, s.r.o.)	Addendum No. 2 to an agreement on the conditions of the operation of interconnected gas systems	1
		Agreement on the termination of an agreement on the provision of the Compliance Officer service	1
Purchase orders		2	

Contracting party	Type of agreement / Purpose of agreement	Number of agreements
RWE Interní služby, s.r.o.	Agreement on the provision of vehicle fleet management services	1
	Addendum No. 1 to the agreement on the provision of vehicle fleet management services	1
	Addendum No. 2 to an agreement on the provision of transport services	1
	Addendum No. 2 to an agreement on the provision of IT services	1
	Addendum No. 2 to an agreement on the provision of procurement and logistics services	1
	Addendum No. 3 to an agreement on the provision of mobile telephone and IP telephony lease, logistics and clearing services	1
	Addendum No. 3 to an agreement on the provision of facility management services	1
	Addendum No. 2 to a commercial space lease agreement	1
	Agreement on the termination of an agreement on the provision of centralised payroll processing services	1
	Agreement on the termination of an agreement on the provision of user support services	1
	Agreement on the termination of an agreement on the provision of real estate administration services	1
	Contract for work	3
	Purchase orders	13
RWE Key Account CZ, s.r.o.	Agreement on the provision of ArGUS consulting services	1
RWE Plynoprojekt, s.r.o.	Contract for work	17
	Addendum No. 3 to the contract for work	2
	Addendum No. 4 to the contract for work	1
	Agreement on the provision of ArGUS consulting services	1
	Addendum No. 1 to the agreement on the provision of ArGUS consulting services	1
	Confidentiality agreement	1
	Commercial space lease agreement	1
Purchase orders	10	
RWE Transgas, a.s.	Gas transmission agreement	12
	Master agreement on gas transmission	6
	Gas transit transmission agreement	3
	Flexibility Service Contract 2010	1
	Agreement on the provision of wheeling	11
	Side Letter	3
	Addendum No. 2 to a natural gas sale agreement	1
	Agreement on the termination of an agreement on the provision of advisory services	1
	Agreement on the termination of an agreement on the provision of accounting services	1
	Agreement on the termination of an agreement on the provision of tax administration services	1
	Agreement on the termination of an agreement on the provision of SLA Consulting service, P&O	1
	Agreement on the termination of a mandate agreement on the provision of advisory services	1
	Agreement on the provision of internal audit services	1
	Agreement on the provision of ArGUS consulting services	1
	Addendum No. 1 to the agreement on the provision of ArGUS consulting services	1
Addendum No. 1 to an agreement on the provision of advisory services	1	

Contracting party	Type of agreement / Purpose of agreement	Number of agreements
RWE Transgas, a.s.	Addendum No. 2 an agreement on advice on management	1
	Addendum No. 2 to a loan agreement	1
	Addendum No. 2 to a commercial space lease agreement	2
	Addendum No. 3 to a commercial space lease agreement	1
	Purchase orders	8
Severomoravská plynárenská, a.s.	Gas transmission agreement	1
	Addendum No. 1 to the gas transmission agreement	1
	Addendum No. 2 to the gas transmission agreement	1
	Addendum No. 3 to the gas transmission agreement	1
	Addendum No. 4 to the gas transmission agreement	1
SMP Net, s.r.o.	Agreement on the termination of the Agreement on the provision of the Compliance Officer service	1
	Addendum No. 2 to the Agreement on the conditions of the operation of interconnected gas systems	1
STP Net, s.r.o. (merger RWE GasNet, s.r.o.)	Addendum No. 2 to the agreement on the conditions of the operation of interconnected gas systems	1
	Agreement on the termination of an agreement on the provision of the Compliance Officer service	1
	Purchase orders	1
VČP Net, s.r.o.	Addendum No. 3 to an agreement on the conditions of the operation of interconnected gas systems	1
	Agreement on the termination of an agreement on the provision of the Compliance Officer service	1
	Purchase orders	1
Východočeská plynárenská, a.s.	Addendum No. 1 to a gas transmission agreement	1
	Addendum No. 2 to a gas transmission agreement	1
	Addendum No. 3 to a gas transmission agreement	1
	Addendum No. 4 to a gas transmission agreement	1
ZČP Net, s.r.o. (merger RWE GasNet, s.r.o.)	Agreement on the connection of the Benešovice transfer station	1
	Addendum No. 2 to an agreement on the conditions of the operation of interconnected gas systems	1
	Agreement on the termination of an agreement on the provision of the Compliance Officer service	1

Scheme of the relations between and control of companies along the relevant line within the RWE Group as at 31 December 2009

RWE Aktiengesellschaft

