

Investor and Analyst Q1 2014 Conference Call

Essen, 14 May 2014

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Forward Looking Statement

This presentation contains certain forward-looking statements within the meaning of the US federal securities laws. Especially all of the following statements:

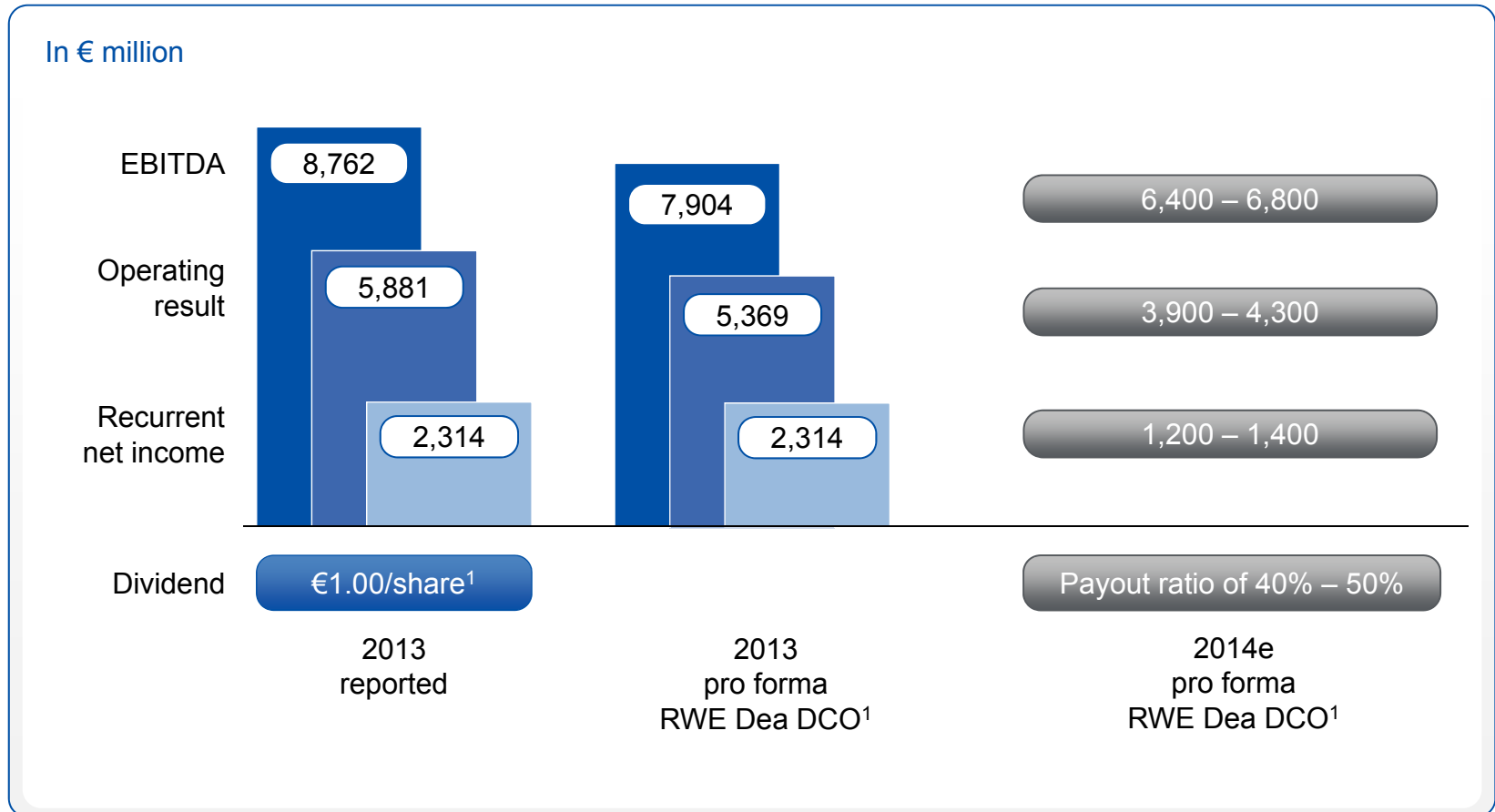
- > Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
- > Statements of plans or objectives for future operations or of future competitive position;
- > Expectations of future economic performance; and
- > Statements of assumptions underlying several of the foregoing types of statements

are forward-looking statements. Also words such as “anticipate”, “believe”, “estimate”, “intend”, “may”, “will”, “expect”, “plan”, “project” “should” and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect the judgement of RWE’s management based on factors currently known to it. No assurances can be given that these forward-looking statements will prove accurate and correct, or that anticipated, projected future results will be achieved. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Such risks and uncertainties include, but are not limited to, changes in general economic and social environment, business, political and legal conditions, fluctuating currency exchange rates and interest rates, price and sales risks associated with a market environment in the throes of deregulation and subject to intense competition, changes in the price and availability of raw materials, risks associated with energy trading (e.g. risks of loss in the case of unexpected, extreme market price fluctuations and credit risks resulting in the event that trading partners do not meet their contractual obligations), actions by competitors, application of new or changed accounting standards or other government agency regulations, changes in, or the failure to comply with, laws or regulations, particularly those affecting the environment and water quality (e.g. introduction of a price regulation system for the use of power grid, creating a regulation agency for electricity and gas or introduction of trading in greenhouse gas emissions), changing governmental policies and regulatory actions with respect to the acquisition, disposal, depreciation and amortisation of assets and facilities, operation and construction of plant facilities, production disruption or interruption due to accidents or other unforeseen events, delays in the construction of facilities, the inability to obtain or to obtain on acceptable terms necessary regulatory approvals regarding future transactions, the inability to integrate successfully new companies within the RWE Group to realise synergies from such integration and finally potential liability for remedial actions under existing or future environmental regulations and potential liability resulting from pending or future litigation. Any forward-looking statement speaks only as of the date on which it is made. RWE neither intends to nor assumes any obligation to update these forward-looking statements. For additional information regarding risks, investors are referred to RWE’s latest annual report and to other most recent reports filed with Frankfurt Stock Exchange and to all additional information published on RWE’s Internet Web site.

Main messages for Q1 2014

- Performance in line with our expectations: EBITDA -16%, operating result -18%, recurrent net income -36%
- Disposal of RWE Dea at an enterprise value of €5.1 bn; closing expected later this year; reporting under 'discontinued operations' as of H1 2014 retrospectively
- Successful commercial settlement with Gazprom on our long-term gas supply contract – no further exposure to the gas-to-oil-spread until June 2016
- Good access to debt capital markets: top-up of two bonds and new syndicated loan facility
- Outlook for 2014 on a like-for-like basis confirmed. RWE Dea considered under 'discontinued operations'

Outlook for 2014



¹ Based on the sale agreement, RWE Dea will be sold with retrospective effect as of 1 Jan. 2014. Hence, RWE Dea will be considered under 'discontinued operations' (DCO), i.e. not included in EBITDA and the operating result for 2013 and 2014. The recurrent net income (RNI) of RWE in 2013 still includes the RNI of RWE Dea. In 2014 RWE Dea is reflected in the RNI via the interest on the sale price, assuming the deconsolidation by the end of 2014. Further restatements according to IFRS 11. See page 12 and 35 of Q1 2014 interim report.

2014 Divisional outlook for the operating result unchanged

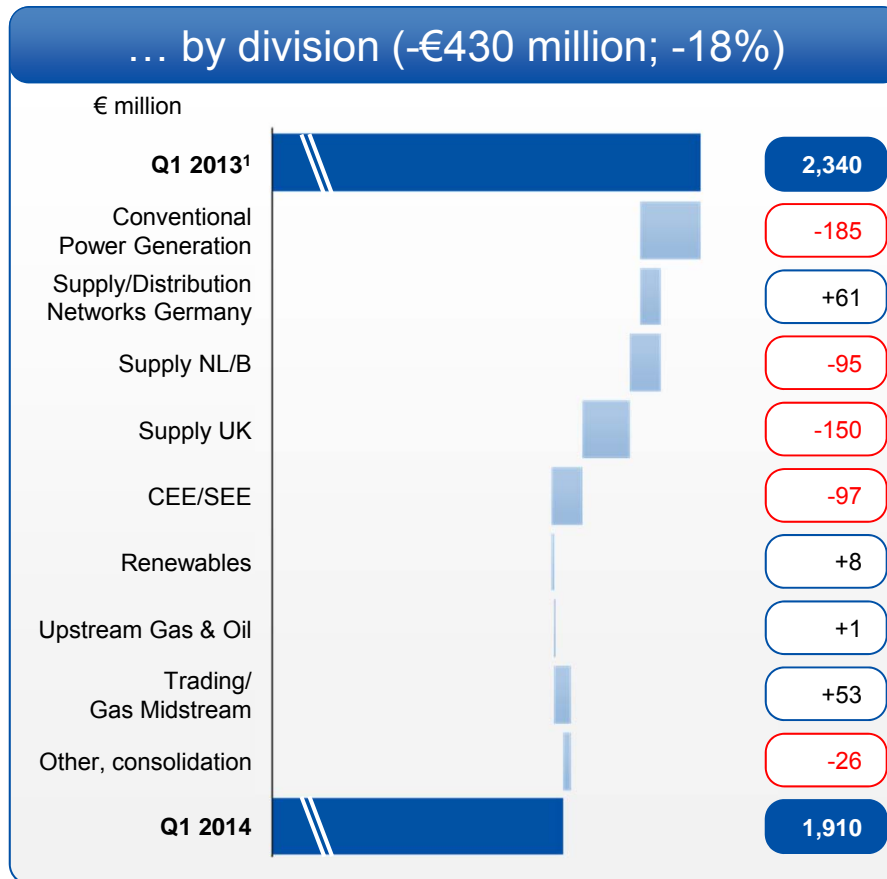
€ million	2013 ¹	2014 forecast versus 2013
Conventional Power Generation	1,384	Significantly below 2013
Supply/Distribution Networks Germany	1,626	Moderately above 2013
Supply Netherlands/Belgium	278	Significantly below 2013
Supply United Kingdom	290	Moderately below 2013
Central Eastern and South Eastern Europe	1,032	Significantly below 2013
Renewables	203	Moderately above 2013
Trading/Gas Midstream	831	Significantly below 2013

¹ Figures partly restated. For more details see Q1 2014 interim report page 12 and 35.

Back-up Charts



Development of operating result ...



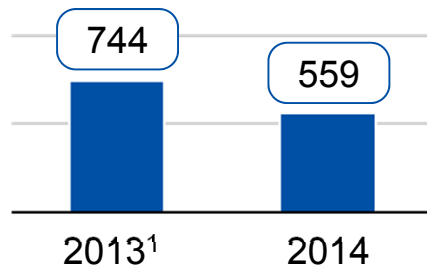
- Earnings in Conventional Power Generation under pressure due to declining generation margins
- Earnings trend in our supply divisions suffered among other things from weather effects
- Development of CEE/SEE division was hampered by the deconsolidation of NET4GAS and absence of positive effect from f/x derivatives which occurred in 2013
- RWE Dea still included in Q1 2014; change to reporting under 'discontinued operations' as of H1 2014
- Trading/Gas Midstream benefited from commercial settlement with Gazprom

¹ Partly restated figures; see Q1 2014 interim report page 12 and 35.

Performance of the Conventional Power Generation Division

January – March: operating result: -25% (-€185 million)

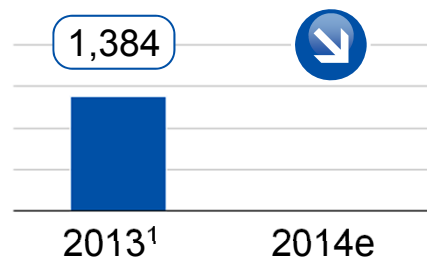
€ million



- Lower realised electricity generation spreads
- Closure of Tilbury and Didcot A power plants
- + Efficiency improvements
- + Lower operating depreciation

Guidance for fiscal 2014: Significantly below last year's level

€ million

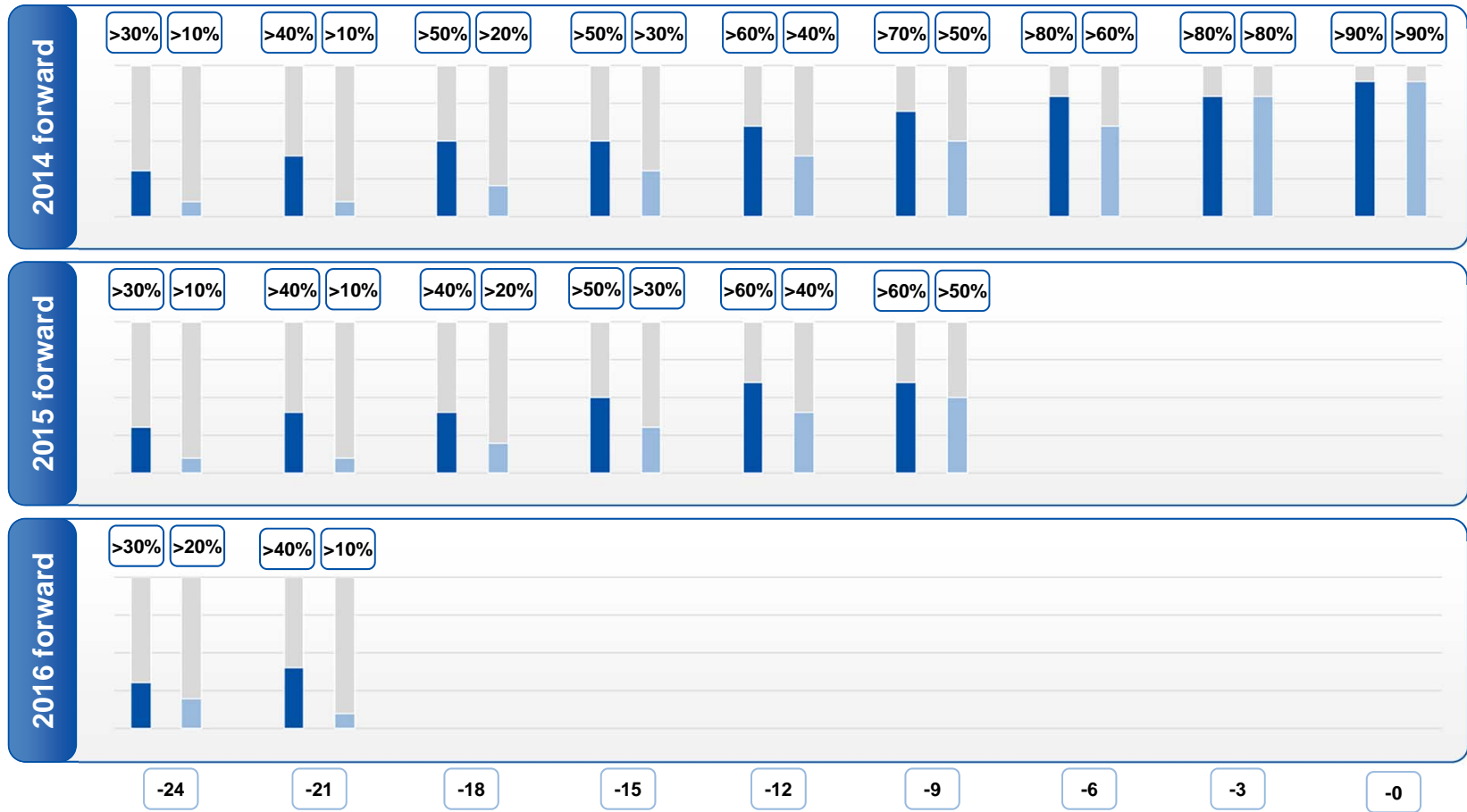


- Lower realised electricity generation spreads
- Higher expenses to maintain power stations after very few plant revisions last year
- Closure of Tilbury and Didcot A power plants
- + Efficiency improvements
- + Absence of negative one-off for adjustment of provision for pending losses from an electricity purchase contract in 2013

¹ Restated figure; see Q1 2014 interim report page 12 and 35.

RWE's forward hedging of conventional electricity production (German, Dutch and UK portfolio)

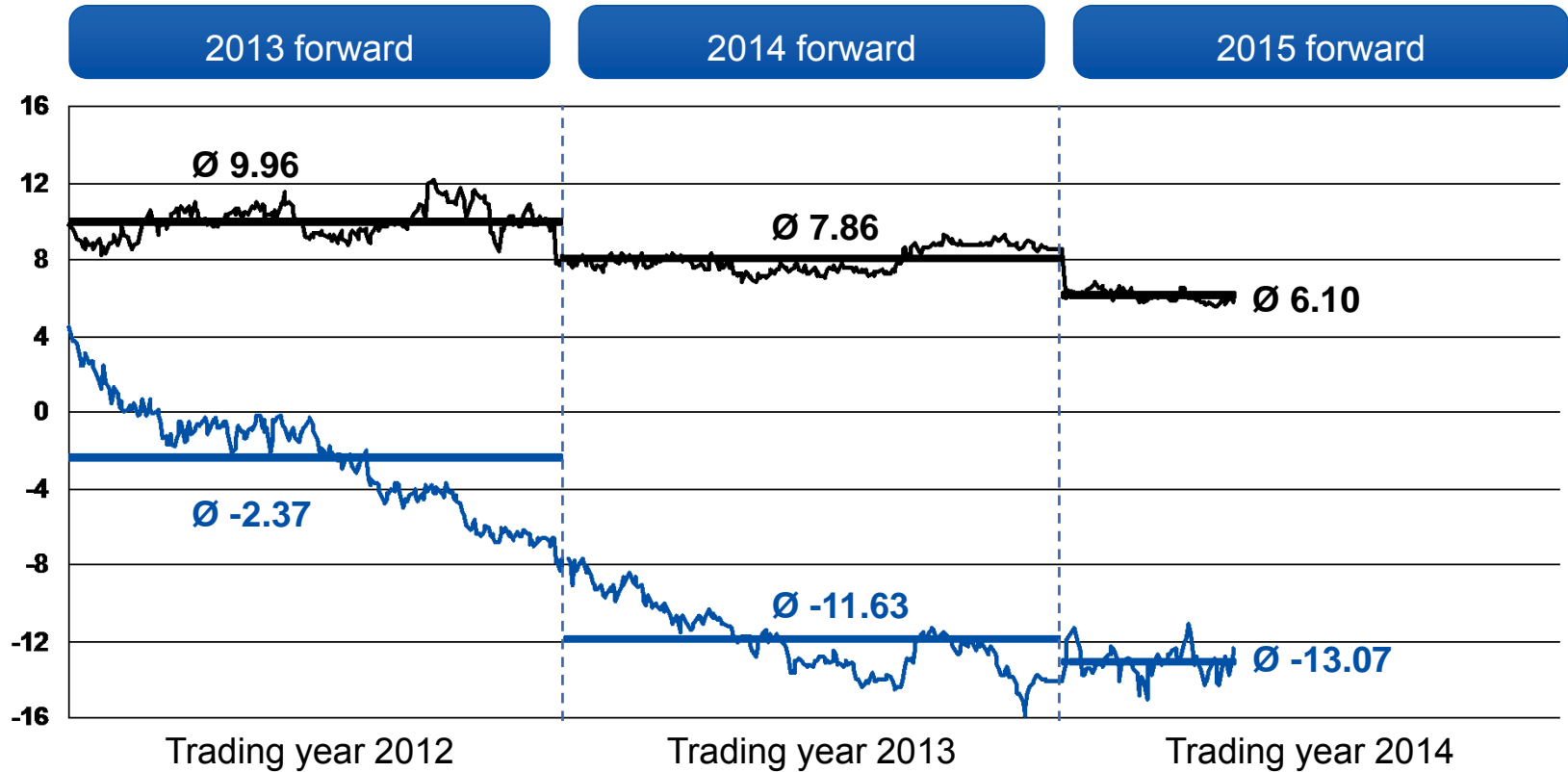
As of 31 March 2014



■ Outright (GER nuclear and lignite based power generation)

■ Spread (GER, UK and NL/B hard coal and gas based power generation)

Germany: Clean Dark (CDS) and Spark Spreads (CSS) and Spark Spreads (CSS)

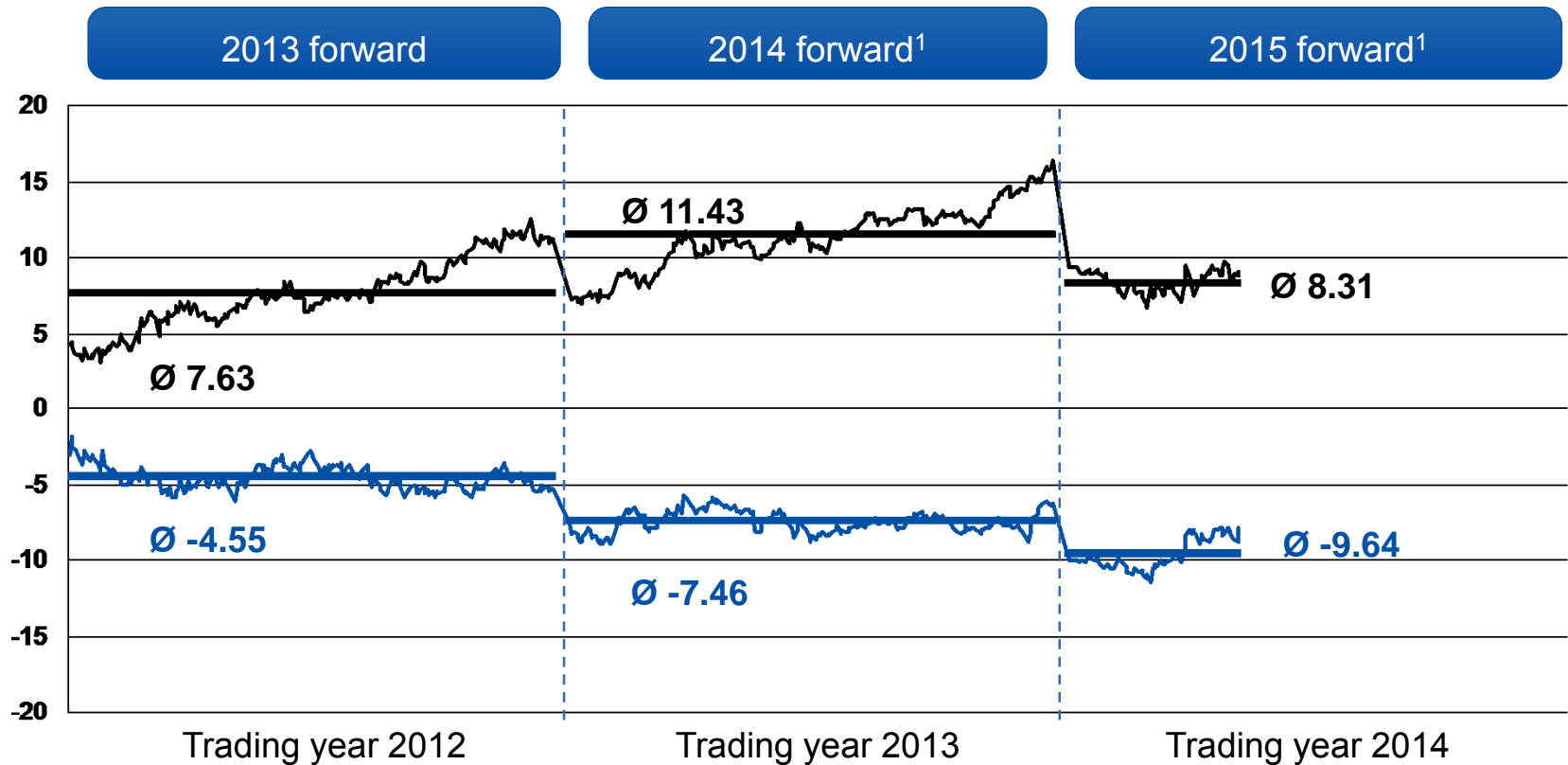


— CDS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 36%)

— CSS Cal 2013–15 peak load (€/MWh)
(assumed thermal efficiency: 49%)

Source: RWE Supply & Trading, prices until 6 May 2014

NL: Clean Dark (CDS) and Spark Spreads (CSS) and Spark Spreads (CSS)

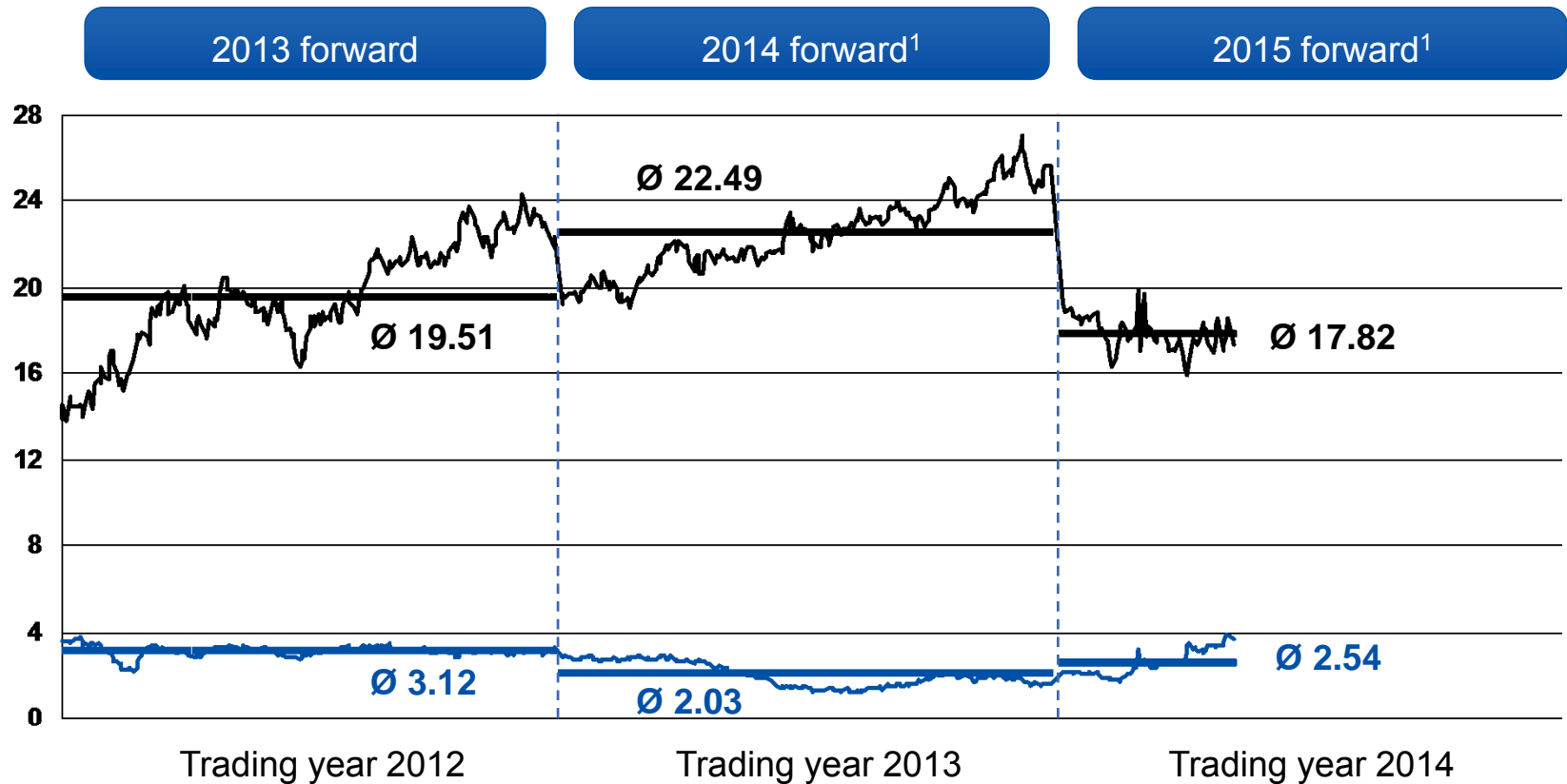


— CDS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 37%)

— CSS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 49%)

¹ CDS: Including coal tax
Source: RWE Supply & Trading, prices until 6 May 2014

UK: Clean Dark (CDS) and Spark Spreads (CSS) and Spark Spreads (CSS)



— CDS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 36%)

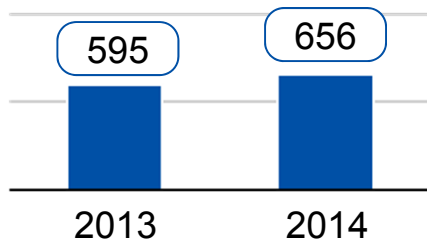
— CSS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 49%)

¹ Including UK carbon tax
Source: RWE Supply & Trading, prices until 6 May 2014

Performance of the Supply/Distribution Networks Germany Division

January – March: operating result: +10% (+€61 million)

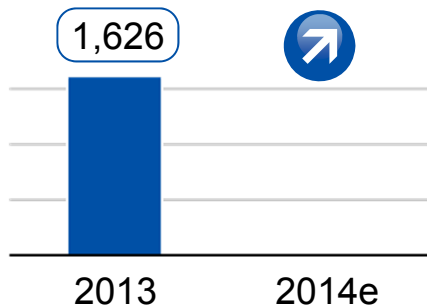
€ million



- ⊕ Efficiency improvements
- ⊕ Higher earnings from the disposal of grid assets
- ⊖ Weather induced decline in gas earnings

Guidance for fiscal 2014: Moderately above last year's level

€ million

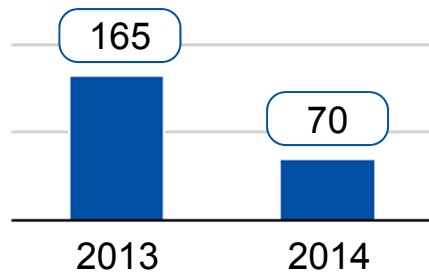


- ⊕ Efficiency improvements
- ⊕ Higher earnings from the disposal of grid assets
- ⊖ Weather induced decline in gas earnings

Performance of the Supply Netherlands/Belgium Division (Essent)

January – March: operating result: -58% (-€95 million)

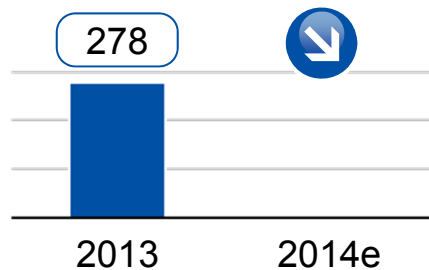
€ million



- ⊖ Weather induced reduction in gas earnings
- ⊖ Competition induced pressure on gas margins
- ⊕ Efficiency improvements

Guidance for fiscal 2014: Significantly below last year's level

€ million

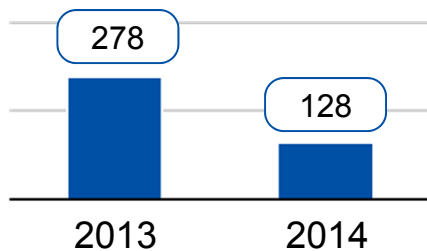


- ⊖ Absence of positive impact from release of provisions in 2013
- ⊖ Competition induced pressure on gas margins
- ⊖ Weather induced reduction in gas earnings
- ⊕ Efficiency improvements

Performance of the Supply United Kingdom Division (RWE npower)

January – March: operating result: -54% (-€150 million)

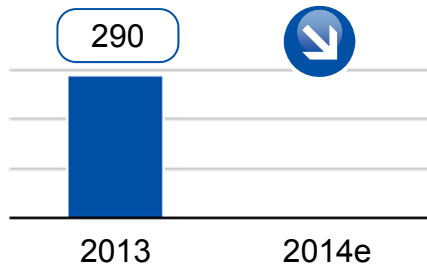
€ million



- ➖ Significantly higher burdens from government programmes to promote energy savings by households
- ➖ Higher grid fees and commodity costs
- ➖ Earnings dilution from disposal of retail sales units to Telecom Plus – change from direct to indirect supply for approx. 770,000 customers
- ➖ Weather induced reduction in sales volumes
- ➕ Efficiency improvements

Guidance for fiscal 2014: Moderately below last year's level

€ million

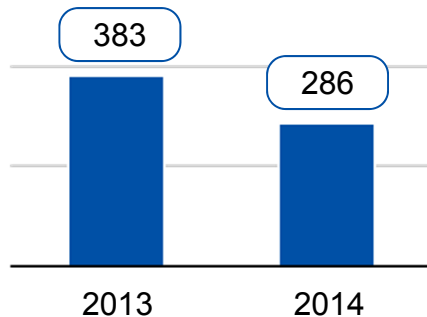


- ➖ Tougher competition in energy retail business and regulatory framework
- ➖ Earnings dilution from disposal of retail sales units to Telecom Plus – change from direct to indirect supply for approx. 770,000 customers
- ➖ Weather effects
- ➕ Efficiency improvements
- ↘ Lower burdens from government programmes to promote energy savings in households will be passed on to customers

Performance of the Central Eastern and South Eastern Europe Division

January – March: operating result: -25% (-€97 million)

€ million



- ⊖ Disposal of NET4GAS (as of 2 August 2013)
- ⊖ Positive effects in 2013 from derivatives to hedge f/x risks

Czech Republic:

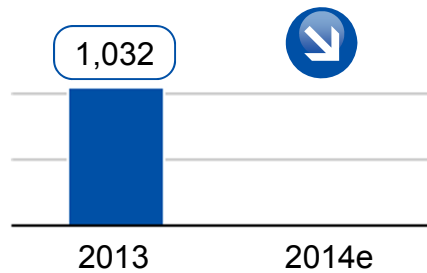
- ⊖ Weather and competition induced reduction in gas earnings

Poland:

- ⊕ Slightly improved situation in the electricity business

Guidance for fiscal 2014: Significantly below last year's level

€ million



- ⊖ Disposal of NET4GAS (as of 2 August 2013)
- ⊖ Positive effects in 2013 from derivatives to hedge f/x risks

Czech Republic:

- ⊖ Reduced margins in all gas activities (storage, grid and sales business)

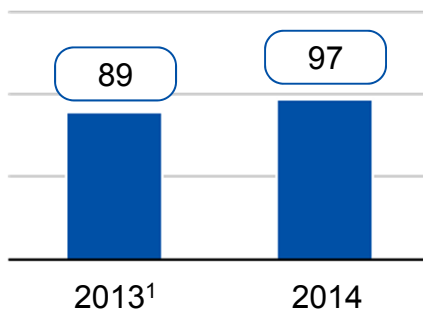
Hungary:

- ⊖ Reduced electricity generation margins

Performance of the Renewables Division (RWE Innogy)

January – March: operating result: +9.0% (+€8 million)

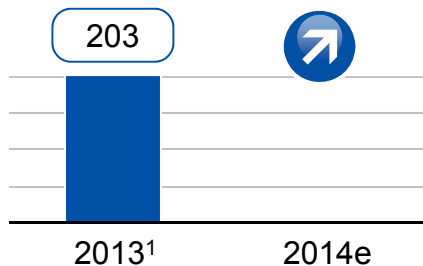
€ million



- + Increased earnings contribution from growth investments
- + Higher utilisation of wind farms
- Impact from new renewables support scheme in Spain
- Transfer of German biomass activities to Supply/Distribution Networks Germany Division

Guidance for fiscal 2014: Moderately above last year's level

€ million



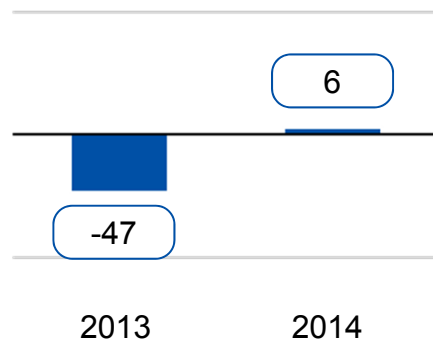
- + Commissioning of new assets
- + Efficiency improvements
- Impact from new renewables support scheme in Spain
- Transfer of German biomass activities to Supply/Distribution Networks Germany Division

¹ Restated figures; see Q1 2014 interim report page 12 and 35.

Performance of the Trading/Gas Midstream Division (RWE Supply & Trading)

January – March: operating result: +€53 million

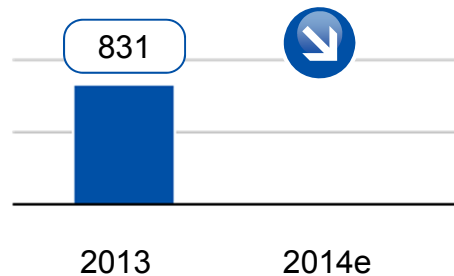
€ million



- + Commercial settlement with Gazprom on our long-term gas supply contract
- Pressure on margins in gas storage business

Guidance for fiscal 2014: Significantly below last year's level

€ million



Trading:

- + Better performance in the energy trading business

Supply:

- Absence of one-off from Gazprom arbitration ruling in 2013
- + Commercial settlement with Gazprom on our long-term gas supply contract
- Pressure on margins in gas storage business

Reconciliation of (recurrent) net income

€million	Q1 2014	+/-
EBITDA	2,589	-476
Depreciation	-679	+46
Operating result	1,910	-430
Non-operating result	178	+82
Financial result	-453	-25
Tax	-512	-5
Minorities/hybrids	-128	+6
Net income	995	-372
Adjustments	-157	-90
Recurrent net income	838	-462

- ▶ EBITDA and the operating result mainly suffered from lower generation margins, negative weather effects and the disposal of NET4GAS in 2013.
- ▶ Financial result mainly impacted by lower interest income and higher interest accretion to provisions
- ▶ Tax rate for determining recurrent net income at 34% (previous year 25%)
- ▶ Adjustments for recurrent net income comprise non-operating result including tax effects

Cash flow statement and reconciliation of cash balance

January – March €million	2014	2013	Change (absolute)
Funds from operations (FFO)	1,792	2,188	-396
Change in working capital	-1,635	-2,125	490
Cash flows from operating activities	157	63	94
Capex on fixed assets ¹	-873	-760	-113
Free cash flow	-716	-697	-19

¹ According to cash flow statement.

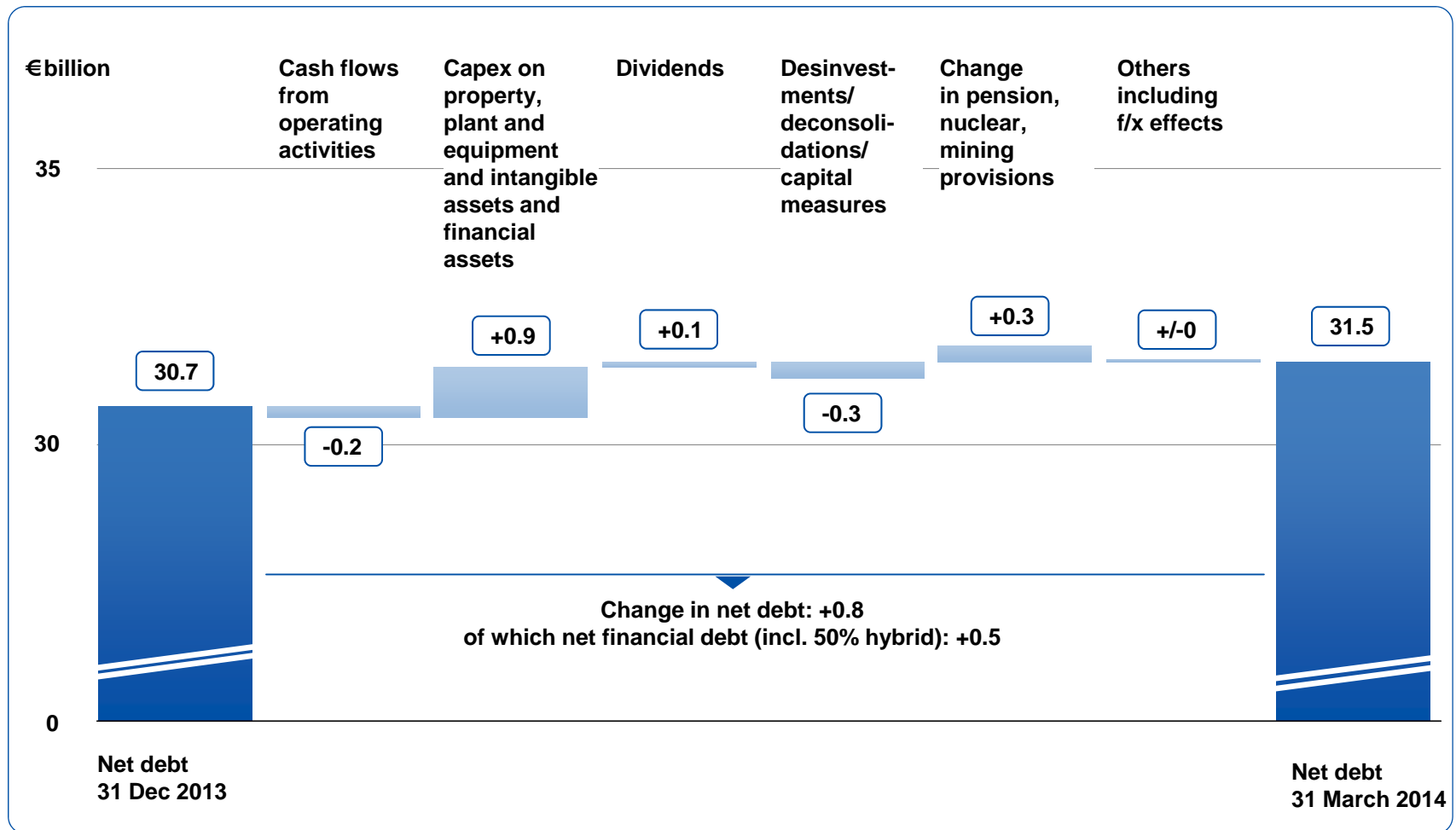


FFO – among other things:
> Shows the same trend as the operating result



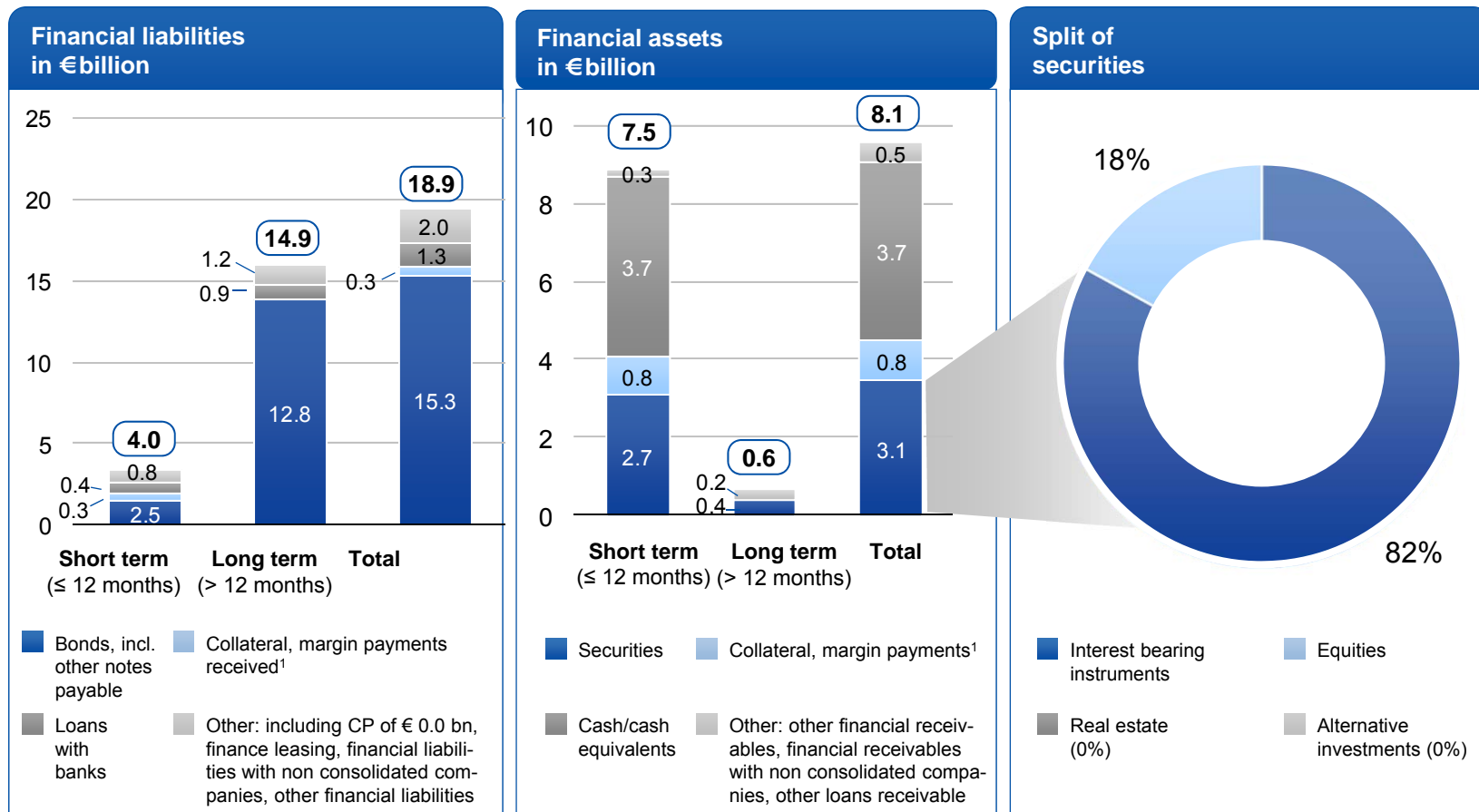
Change in working capital – among other things:
> Typical increase in accounts payable in Q1 but less than 2013 due to the different weather situation

Development of net debt



Financial liabilities and assets

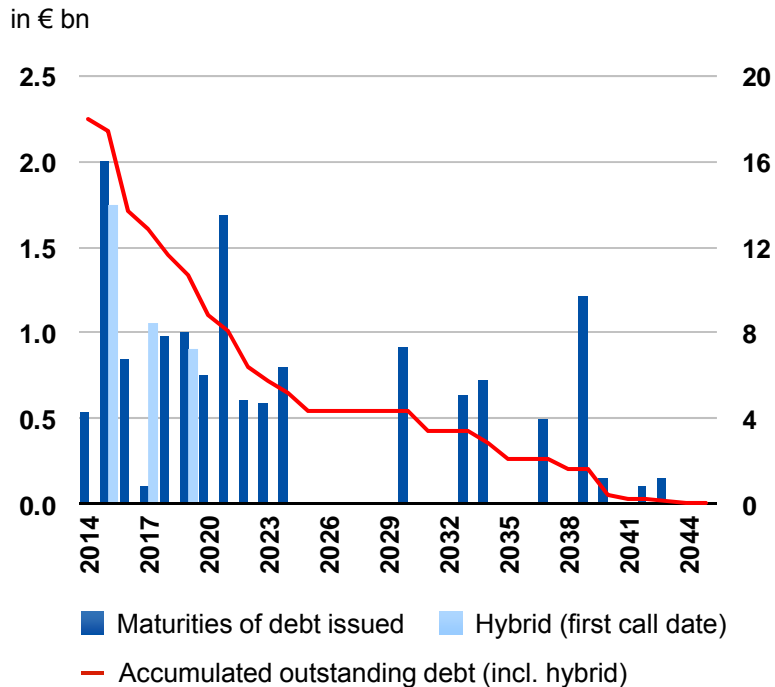
(Excluding hybrid capital, as of 31 March 2014)



¹ Excluding variation margins which are netted against the fair values of the respective derivatives.

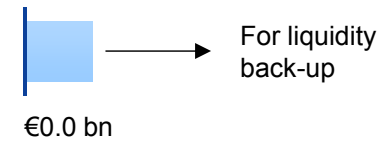
Capital market debt maturities and sources of financing

Capital market debt maturities¹

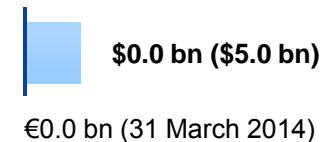


Strong sources of financing

Fully committed syndicated loan
(€4.0 bn up to March 2019)



Commercial paper
(up to 1 year)



MTN programme
(up to 30 years)



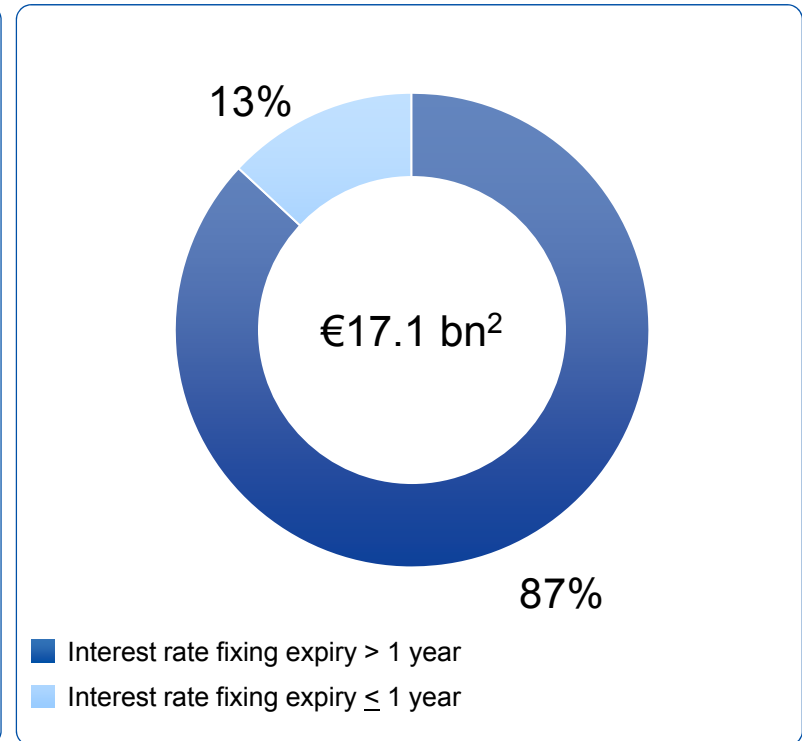
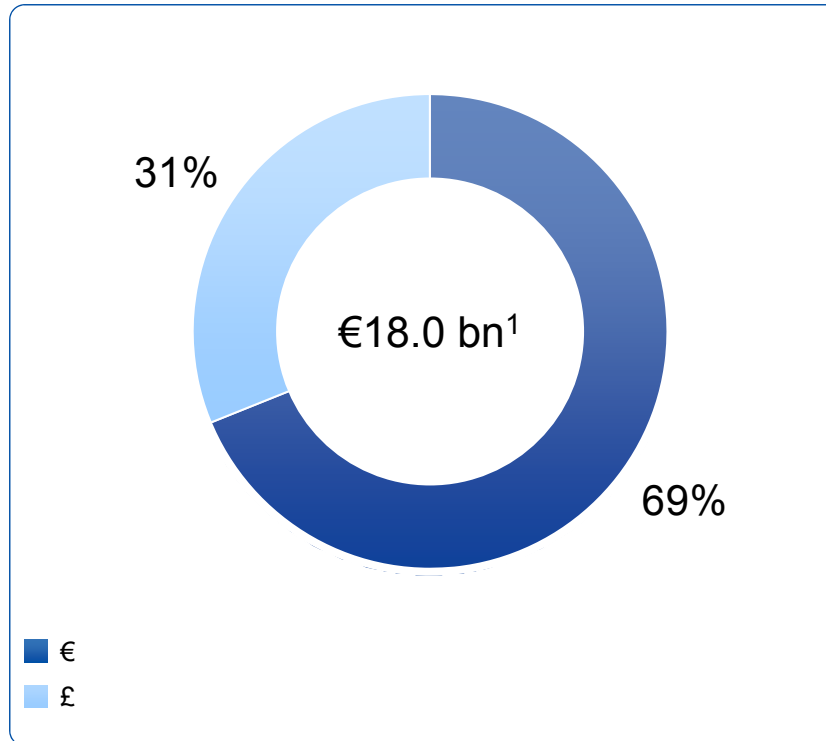
Balanced profile with limited maturities up to end of 2015 (~€4.3 billion)

¹ RWE AG and RWE Finance B.V. as of 31 March 2014

² Bonds outstanding under the MTN-programme, i.e. excluding hybrids. Including hybrids: €18.0 bn

Capital market debt currency and interest exposure






(As of 31 March 2014)



¹ Capital market debt = bonds of €14.3 bn and hybrids of €3.7 bn; split into currencies includes cross-currency swaps

² Capital market debt plus other interest rate-related positions such as commercial paper and cash; including interest and cross-currency swaps

RWE's major investment projects

		RWE share	Capex (€bn)	2013	2014	2015	2016	2017	2018
Conventional power plant new build programme (capex at 100% share)									
	Hamm (hard coal, 1,528 MW)	77%	2.5	Units E, D					
	Eemshaven (hard coal/biomass, 1,554 MW)	100%	3.0	Units A, B					
RWE Innogy major projects under construction (capex at 100% share; UK offshore includes investment for grid connections)									
	Markinch (biomass CHP, 46 MW _e , 88 MW _{th})	100%	0.3						
	Gwynt y Môr (wind offshore, 576 MW)	60%	2.7						
	Nordsee Ost (wind offshore, 295 MW)	100%	1.4						

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Facts & Figures - The Guide to RWE and the Utility Sector – as well as further fact books

<http://www.rwe.com/web/cms/en/114404/rwe/investor-relations/factbook/>



Consensus of analysts' estimates of RWE's key performance indicators

<http://www.rwe.com/web/cms/en/345802/rwe/investor-relations/shares/analyst-consensus-estimates/>