

Focus on financial strength



(as of January 2015)

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.

RWE – an attractive value proposition

Attractive portfolio

- > Leading market position and regionally focused strategy
- > Pure utility play – exit of upstream activities
- > Balanced asset portfolio
- > Highly cost-efficient and modernised power plant portfolio
- > CO₂ neutral position
- > Successful structural changes to all long-term gas supply contracts

Stable financials

- > Progress in strengthening balance sheet
- > Streamlined and disciplined investment approach
- > Cash flows from operating activities to cover investments and dividends by 2015 at latest
- > Further efficiency enhancements and operational excellence



Earnings outlook for 2014, RWE Dea as a 'discontinued operation' (DCO):
EBITDA c. €6.4 – 6.8 bn; operating result c. €3.9 – 4.3 bn;
recurrent net income c. €1.2 – 1.4 bn

Main messages



Financial performance in the first nine months 2014 in line with expectations: EBITDA -22%, operating result -31%; recurrent net income -60%



Group outlook for 2014 confirmed



RWE Dea: The parties to the transaction continue to work towards a closing of the transaction



Adoption of new dividend policy: from 2015 onwards, the dividend proposal will be oriented towards RWE's operating cash flows, indebtedness and earnings position



UK capacity market clears at £19.4/kW (2012 prices); RWE has been awarded capacity agreements for 8 GW of generation capacity

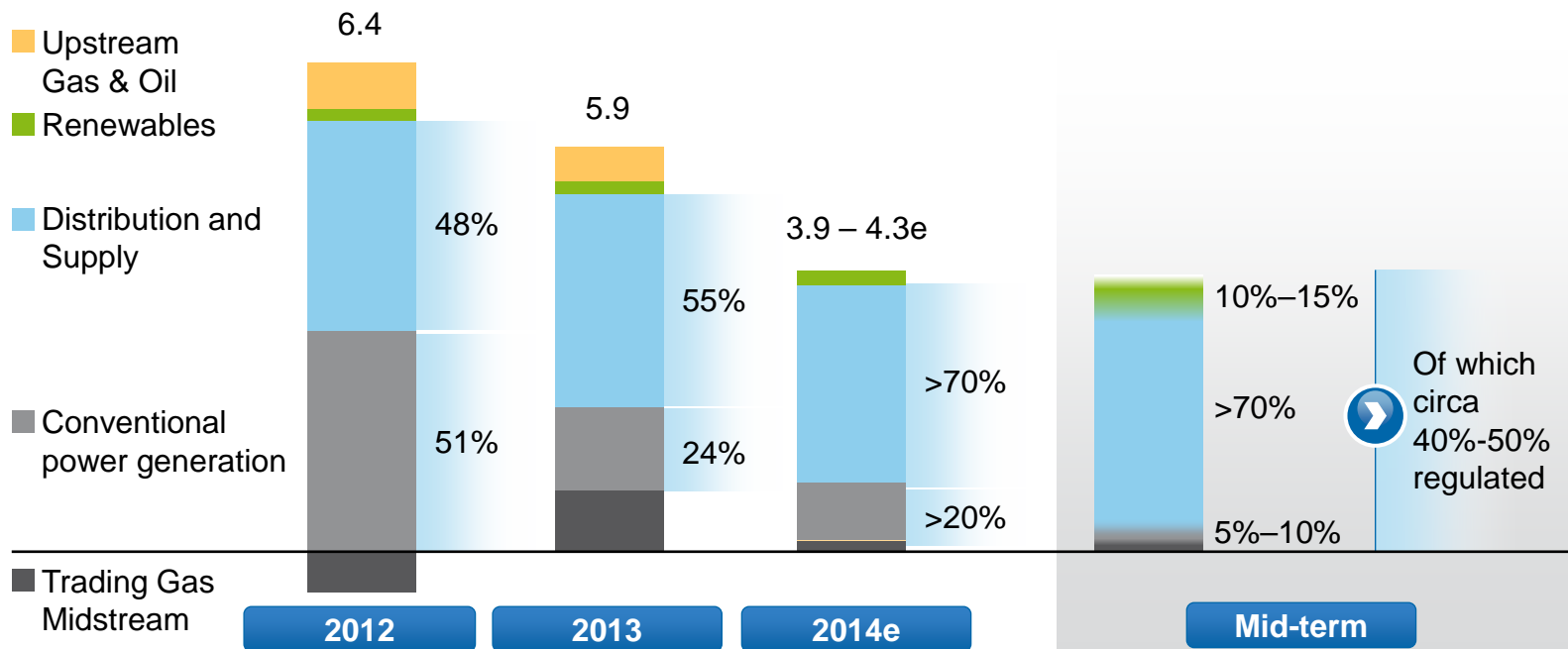


Sale of stakes in Nordsee One, 2 and 3 offshore wind projects to Northland Power and Enna biomass project to Fri-El Green Power

From commodity driven earnings development to attractive regulated profile

RWE develops towards an attractive stable downstream business profile with additional focus on renewables and upside potential from conventional power generation

Operating result in €bn



RWE's mid-term business profile drivers



GENERATION

- > Selective growth in renewable energy
- > Restructure conventional power generation ("no profit or cash burning")
- > Upside potential from market recovery of conventional power markets (e.g. new market design or recovery of commodities)

TRADING

- > Ongoing focus on value extraction in commercial asset optimisation
- > Develop growth opportunities in new trading markets
- > Additional value contribution from principal investment projects
- > Commercial settlement with Gazprom; no further losses until May 2016
- > Ongoing losses from long-term contracted gas storage capacities

DISTRIBUTION

- > GER: Stable regulatory environment for the next regulatory period
 - Electricity: 2014 – 18
 - Gas: 2013 – 17
 - Potential for revenue growth from integration of renewables
 - Focus on performance
- > CEE/SEE: Aim to stabilise regulated earnings
 - CZ: Discussion on next regulatory period (2015)
 - HU: Political pressure on returns

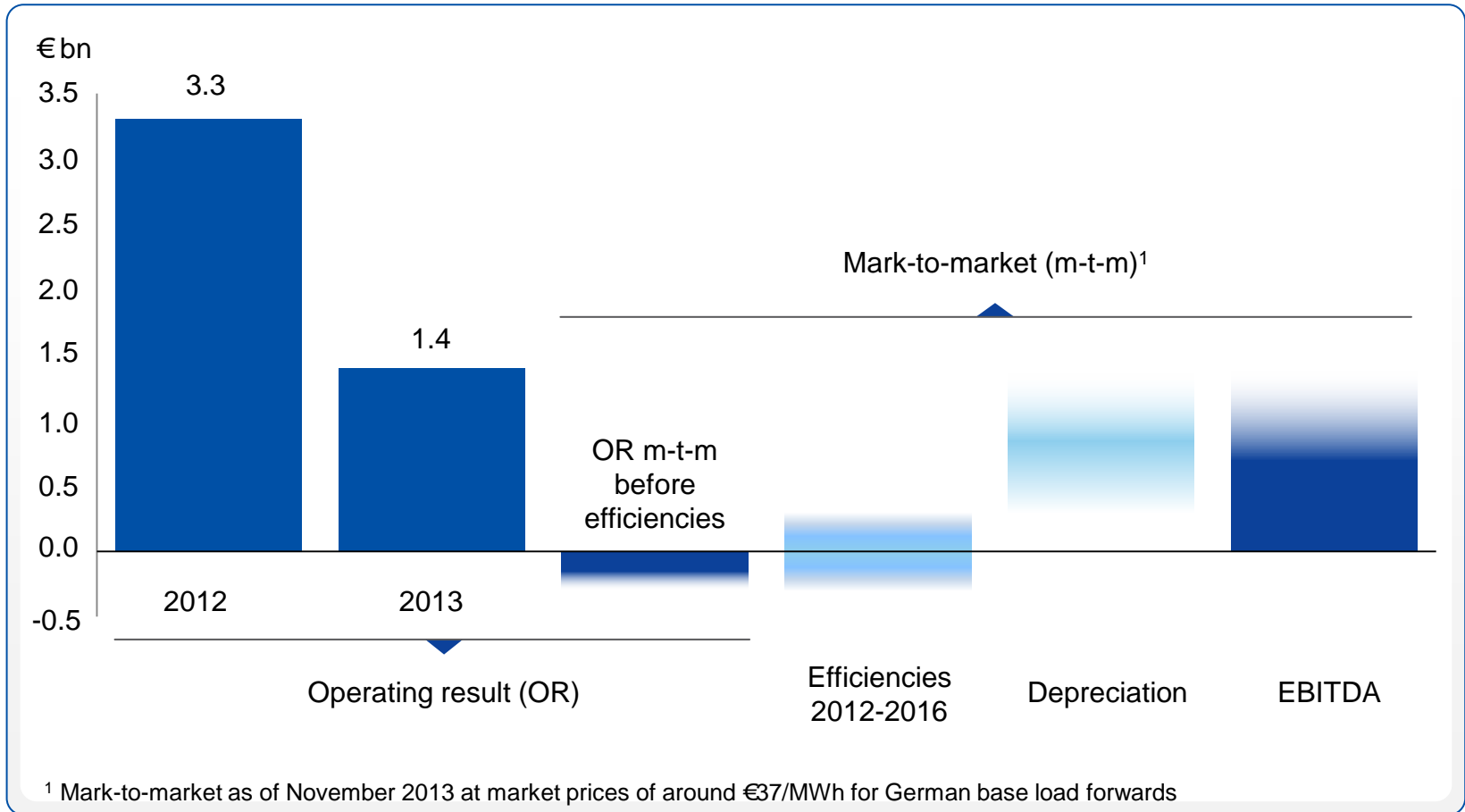
SUPPLY

- > Focus on efficiency enhancements
- > Increasing pressure on sales margins
- > Margin upside via new products and cross selling
- > Value oriented customer service
- > Smart markets:
 - Decentralised CHP/services
 - Energy efficiency
- > Growth by leveraging sales know-how across mature and new markets

**High portion of earnings from stable regulated businesses
(German and CEE/SEE networks; renewables)**

Integrated utility along the value chain with focus on core markets within Europe

Conventional Power Generation: mark-to-market earnings perspective



Overview of capacity measures

Measure	Plant	MW ¹	Fuel	Location	Date
Decom-missioning	Amer 8	610	Hard coal	NL	Q1-2016
	Goldenbergwerk	110	Lignite	DE	Q3-2015
	Westfalen C	285	Hard coal	DE	Q1-2016
	Gersteinwerk K2	610	Hard coal	DE	Q1-2017
Long-term mothballing ²	Claus C	1,300	Gas	NL	Q3-2014
	Moerdijk 2	430	Gas	NL	Q4-2013
	Gersteinwerk F	355	Gas – steam turbine	DE	Q3-2013
	Gersteinwerk G	355	Gas – steam turbine	DE	Q2-2014
	Weisweiler H	270	Topping gas turbine ³	DE	Q3-2013
	Weisweiler G	270	Topping gas turbine ³	DE	Q3-2013
	Mid-size units	85 ⁴	Gas	NL	Q1-2013
Summer mothballing	Emsland B	360	Gas – steam turbine	DE	Q2-2014
	Emsland C	360	Gas – steam turbine	DE	Q2-2014
	Lingen	880	Gas – CCGT	DE	Q2-2014
Termination of contracts	Confidential	2,660	Hard coal	DE	Q4-2013 – Q4-2014
Total		8,940 MW			

1 Net nominal capacity, rounded

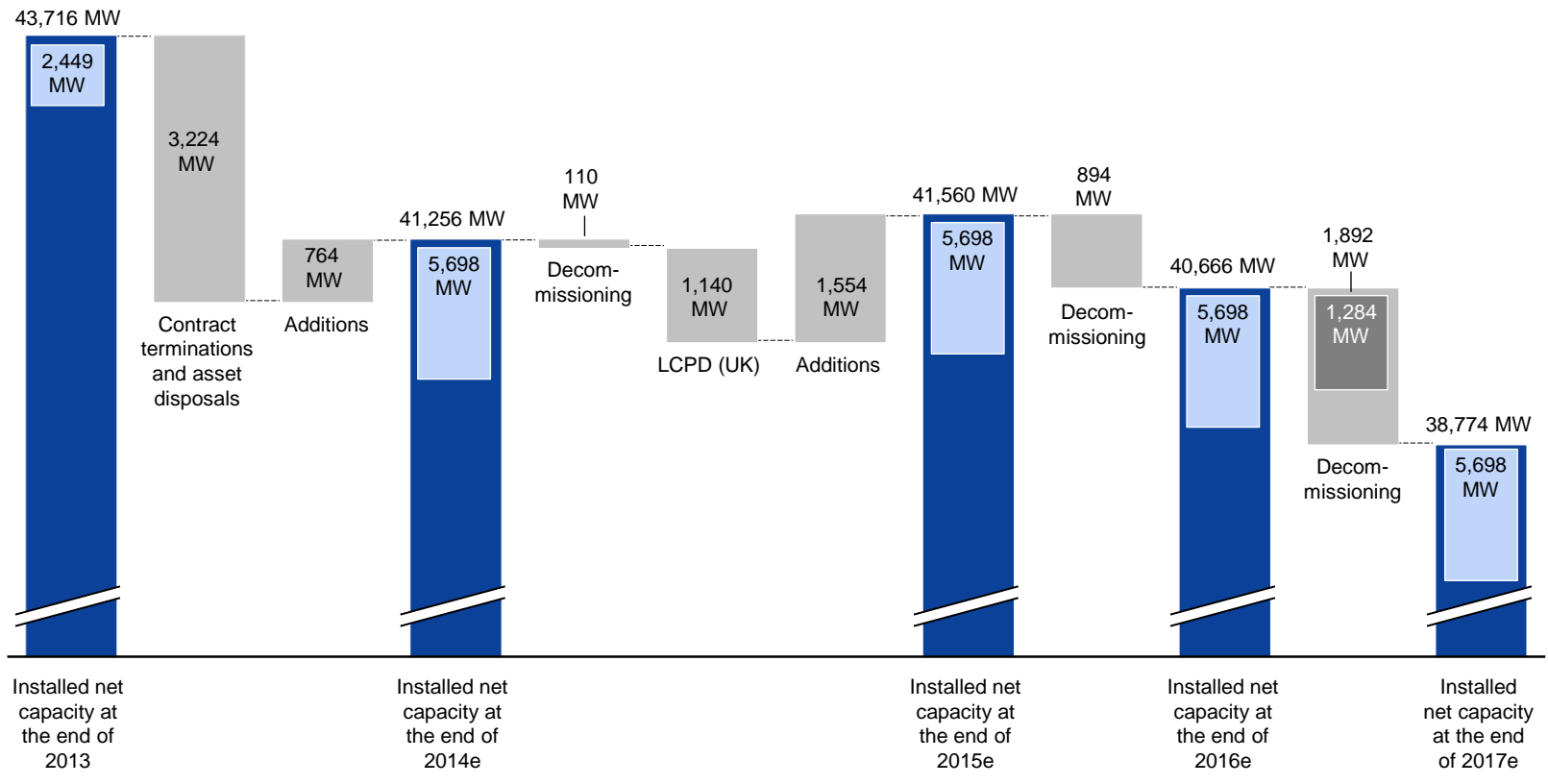
2 In times of market tightness mothballed plants might return temporarily to the system

3 At a lignite plant

4 Includes 1 unit which is part of ELES transaction

Impact of our capacity measures on our total conventional generation portfolio

Net decrease in RWE Generation's portfolio¹ to substantially materialise after 2015

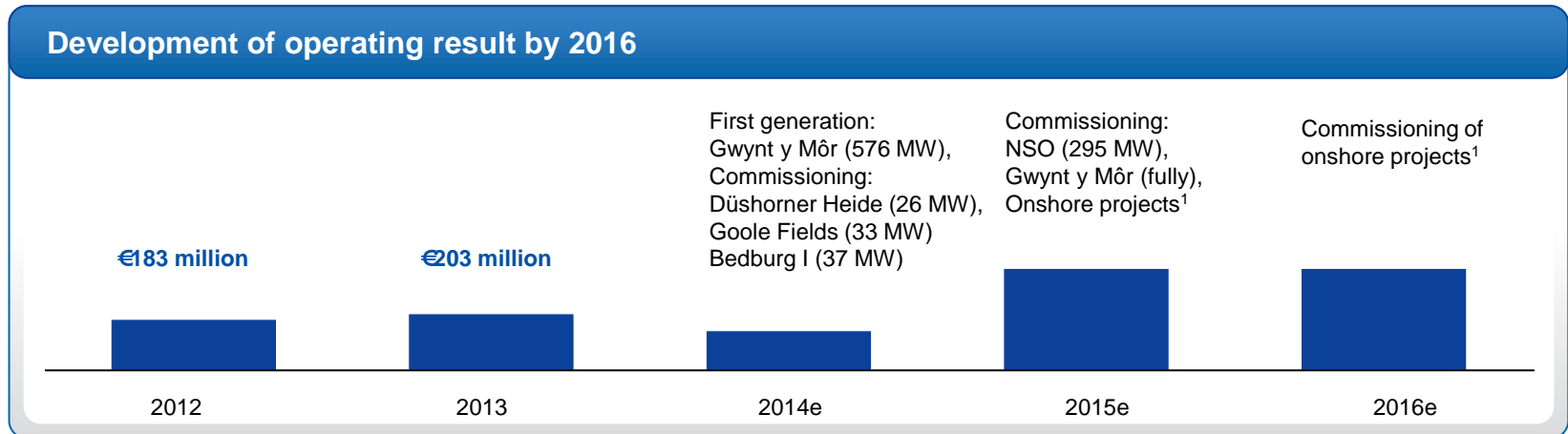


XX MW Thereof mothballed gas-fired capacity

XX MW Thereof nuclear decommissioning

¹ RWE's legal consolidation stake. Unit D (764 MW) of our hard coal-fired power plant at the 'Westphalia' site in Hamm is not considered here because the date for bringing the unit into operation is pending.

RWE Innogy will provide mid-term earnings growth despite reduced capex volume



Taken and planned investment decisions

Investments decided in 2014

- Onshore wind farm Zuidwester: Approx. 90 MW (Netherlands)
- Onshore wind farm Bedburg I: 37 MW (Germany)

Planned investment decisions in 2014/2015

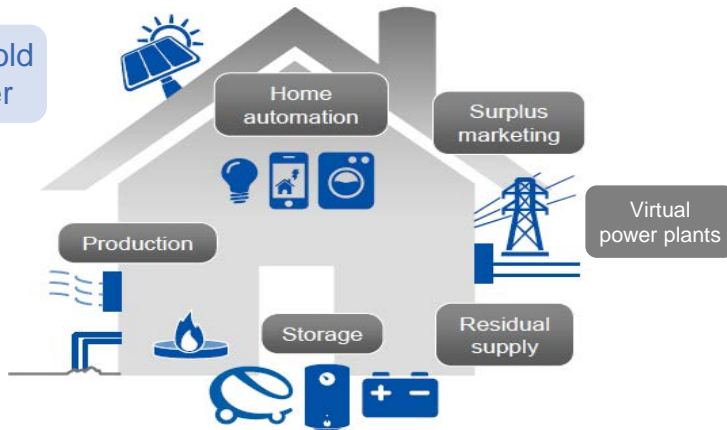
- Offshore wind farm Nordsee One²: Approx. 330 MW (Germany)
- Several onshore wind farms: Approx. ~120 MW¹ (UK and Germany)

¹ Subject to FID, commissioning expected of ~55 MW in 2015 and of ~35 MW in 2016. | ² RWE Innogy would hold minority stakes.

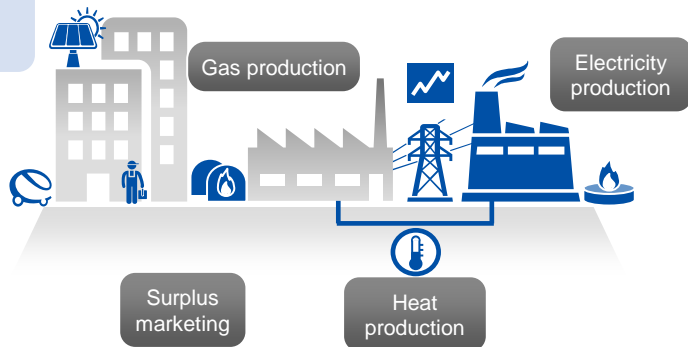
More customers will produce self-generated power and will be enabled to manage their consumption

Changing energy landscape

Household customer



Business customer



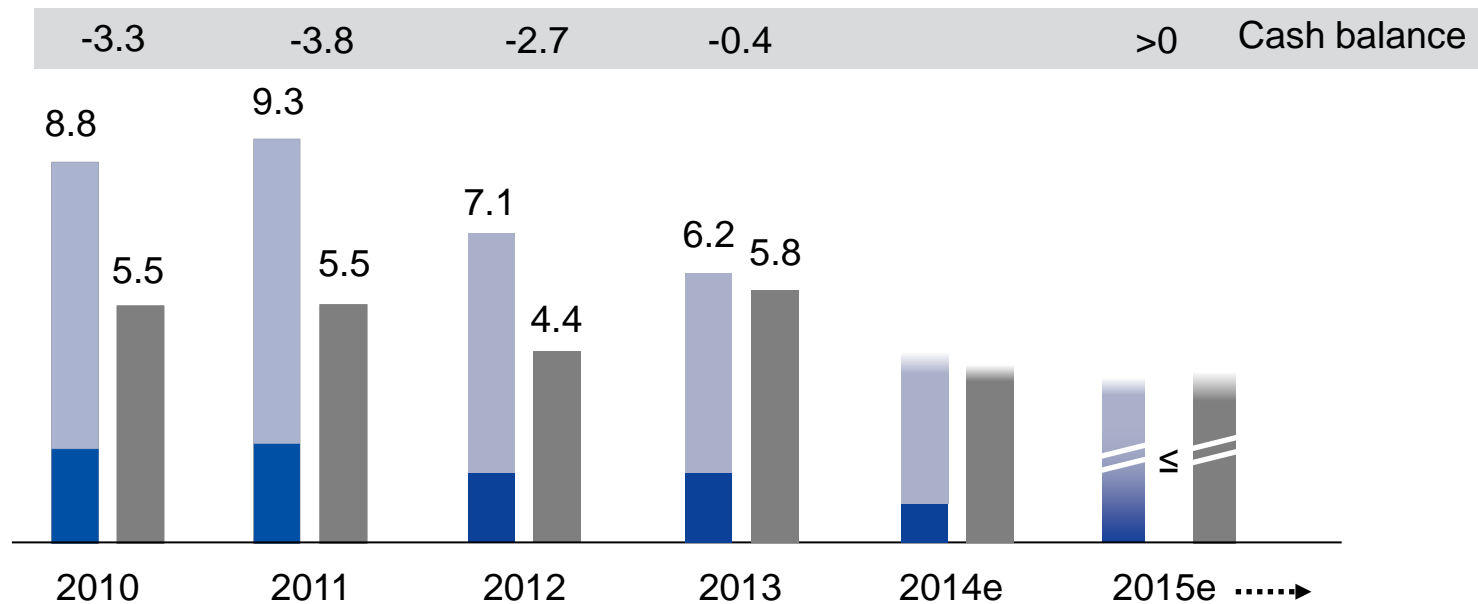
Trends in retail markets

- » Increase in decentral energy production from household customers
- » Higher incentivisation of “prosumers” to maximise own consumption
- » Rising penetration of home automation systems enables households to manage their energy needs
- » Electricity production on-site becomes increasingly attractive for business customers which leads to higher volumes of own production of power, gas or heat

RWE well on track to reach target of a positive cash balance

Cash flows from operating activities to cover investments and dividends by 2015

€bn

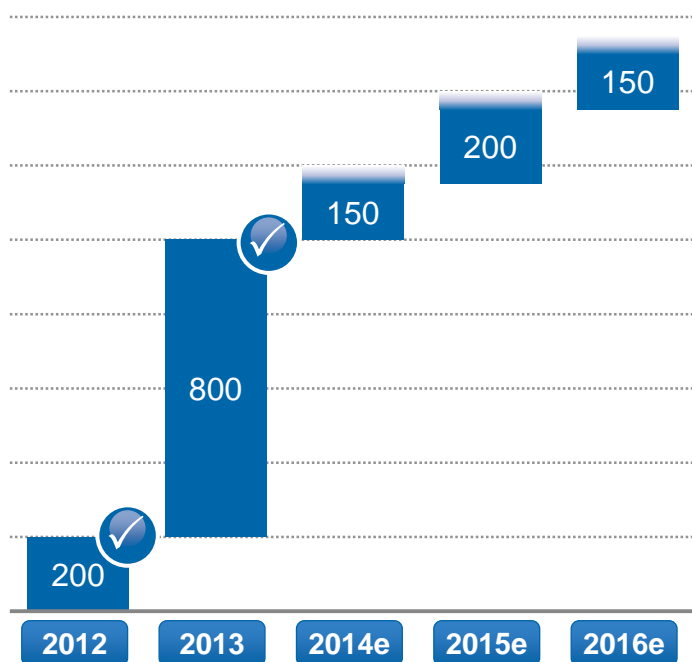


- Capex in property, plant & equipment and financial assets (according to cash flow statement)
- Dividends (incl. minority payments; year of payment)
- Cash flows from operating activities (2014: from continued operations)

Efficiency improvements 1 year ahead of plan – At least €1.5 bn net benefit to be achieved by 2016

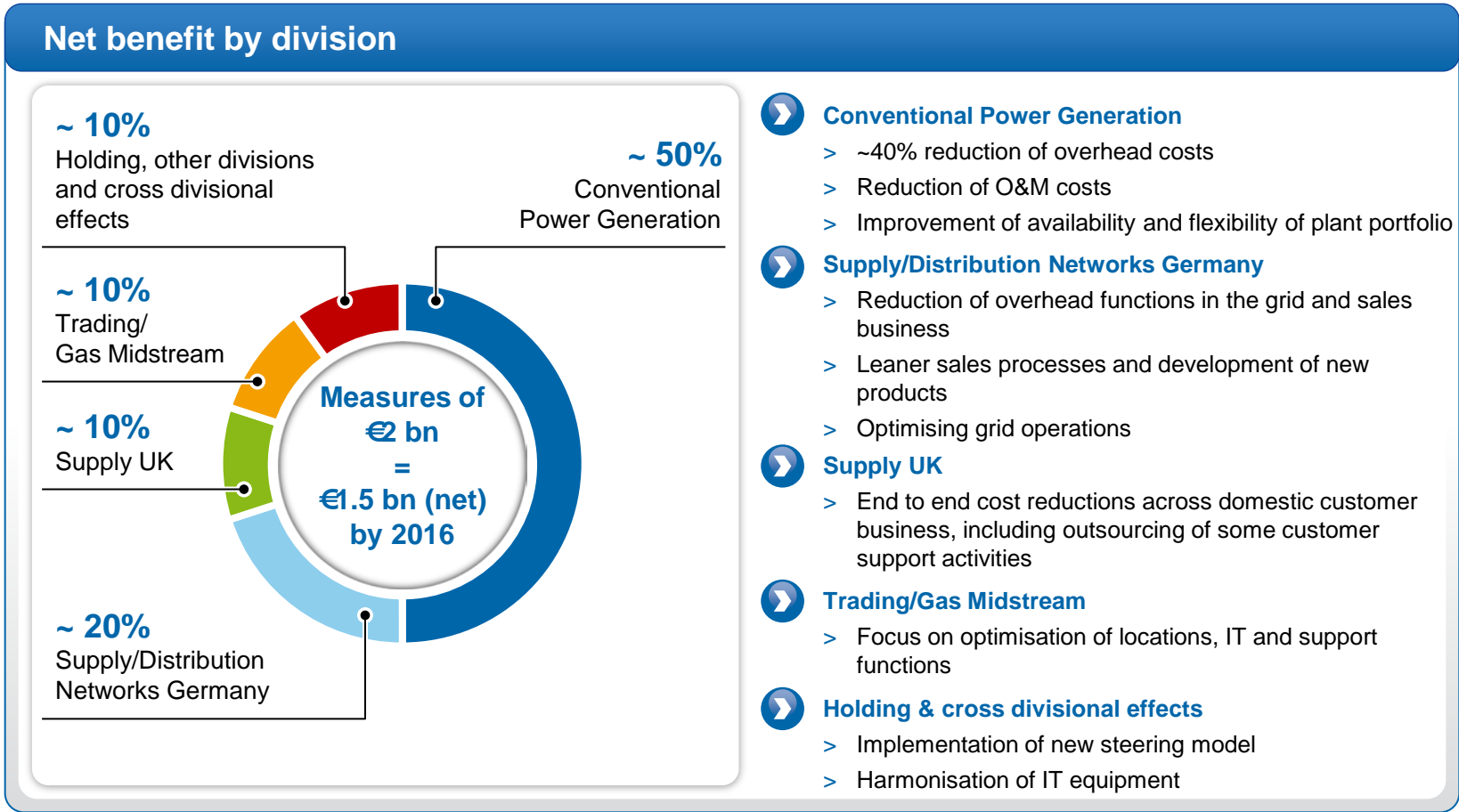
Net benefit to operating result

In € million



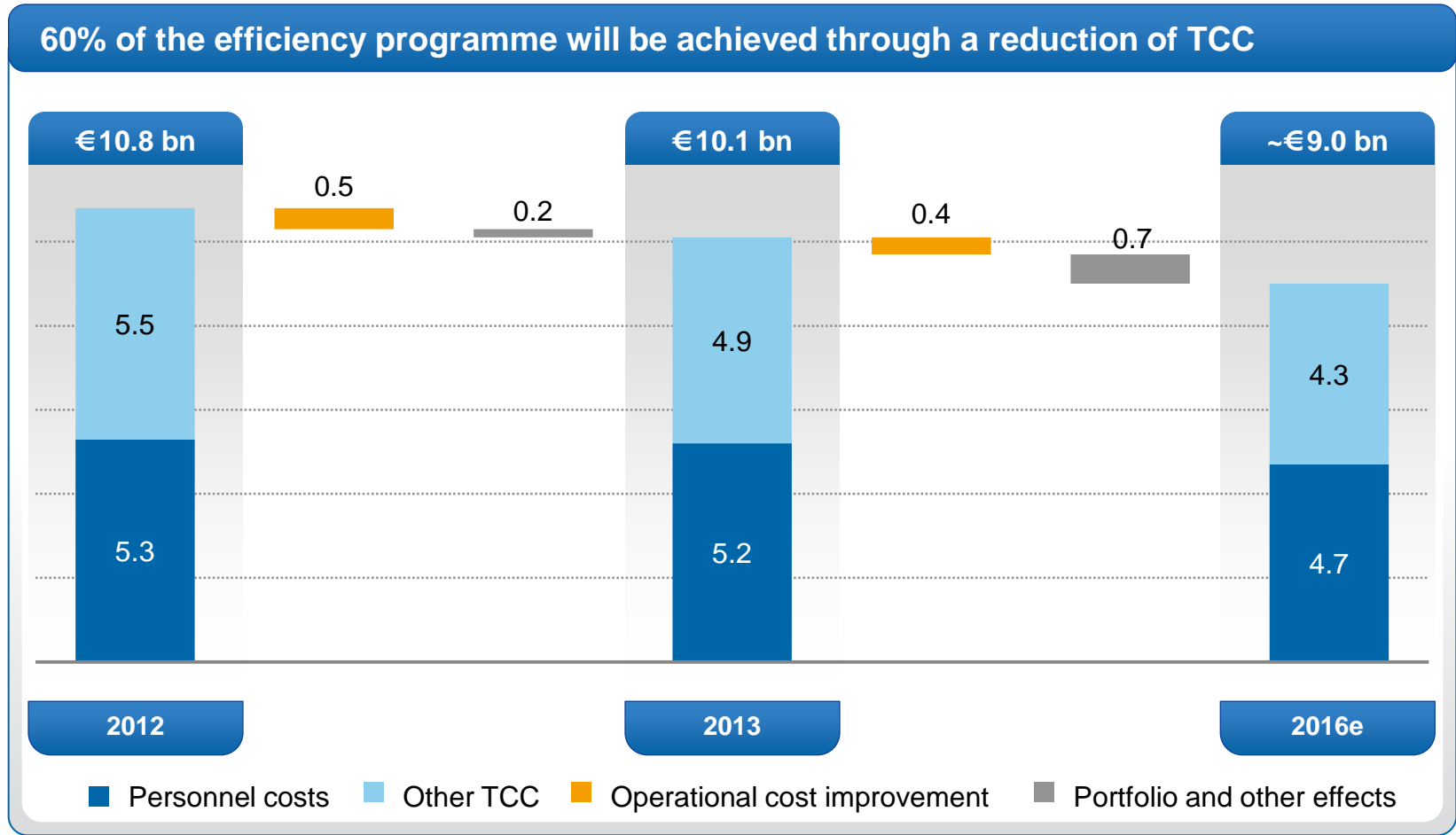
- > Total programme consists of measures amounting to €2 bn (= gross effect)
- > Efficiency improvements to be fully earnings enhancing by 2016, one year earlier than initially envisaged
- > Efficiencies net of underlying cost increases such as wage inflation
- > €1 bn already achieved by 2013 instead of 2014
- > Continuous improvement: focus on limiting cost increases by e.g. staff factor costs, to secure further potential upside
- > Staff reduction:
 - Reduction of ~10,200 FTEs envisaged by year-end 2016
 - Operational FTE reduction of ~4,500 realised by year-end 2013
- > Internal planning for next wave of efficiency enhancements already started

Efficiency measures of €2 bn implemented by the end of 2016

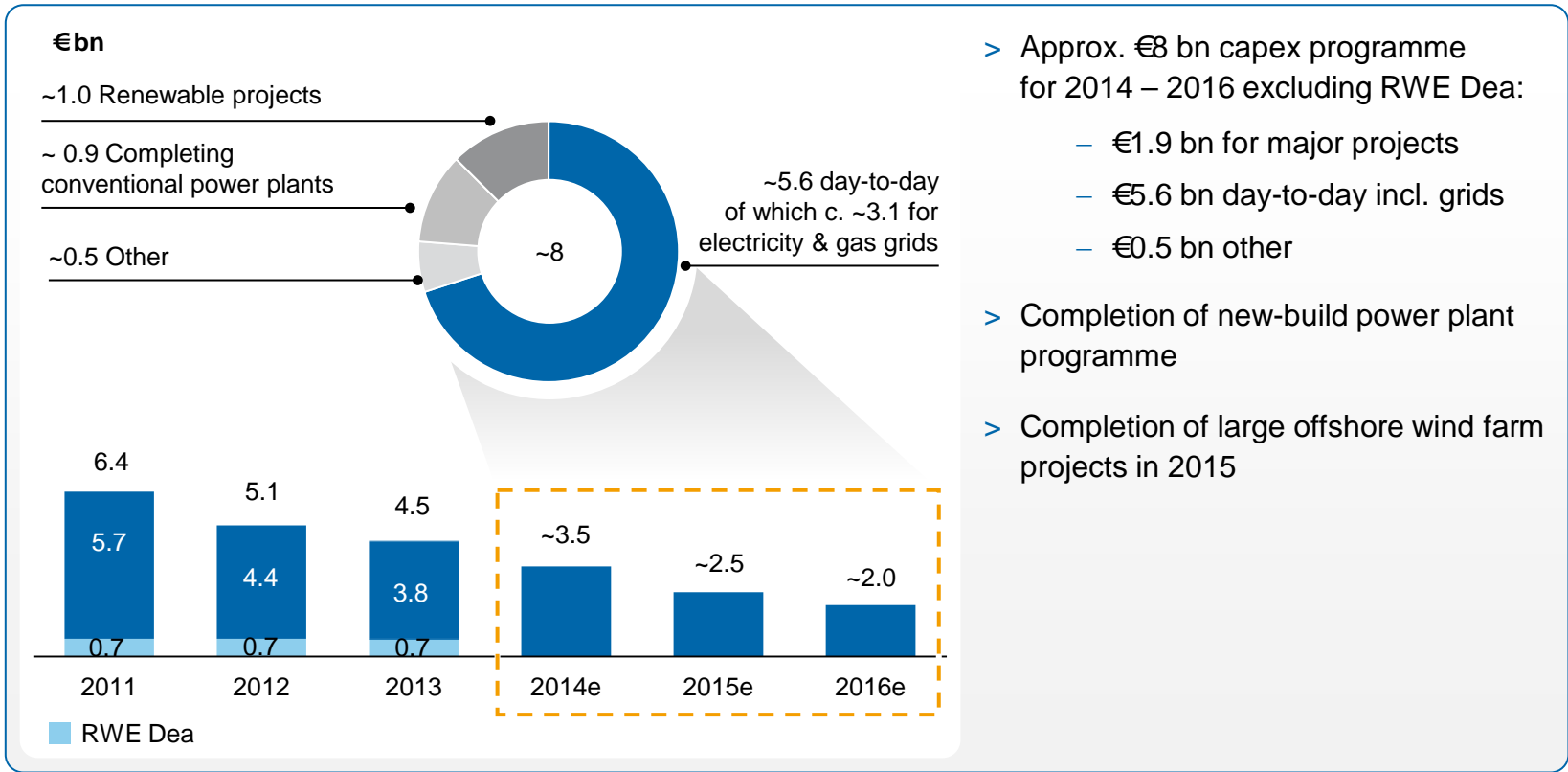


Difference between measures and net figure = cost inflation; %-figures indicate net benefit to operating result

Focus on total controllable costs (TCC)



Capex programme reduced to maintenance level



- > Approx. €8 bn capex programme for 2014 – 2016 excluding RWE Dea:
 - €1.9 bn for major projects
 - €5.6 bn day-to-day incl. grids
 - €0.5 bn other
- > Completion of new-build power plant programme
- > Completion of large offshore wind farm projects in 2015

➔ Further growth projects have to be financed debt-neutral, e.g. by the disposal of other assets or partnering solutions.

Disposals focus on RWE Dea and Urenco

RWE Dea

- > Strategic decision, not for deleveraging purposes
- > Agreement signed with LetterOne Group in March to sell RWE Dea at an EV of c. €5.1 bn
- > The parties are working on closing the transaction quickly, but some third-party approvals are still pending

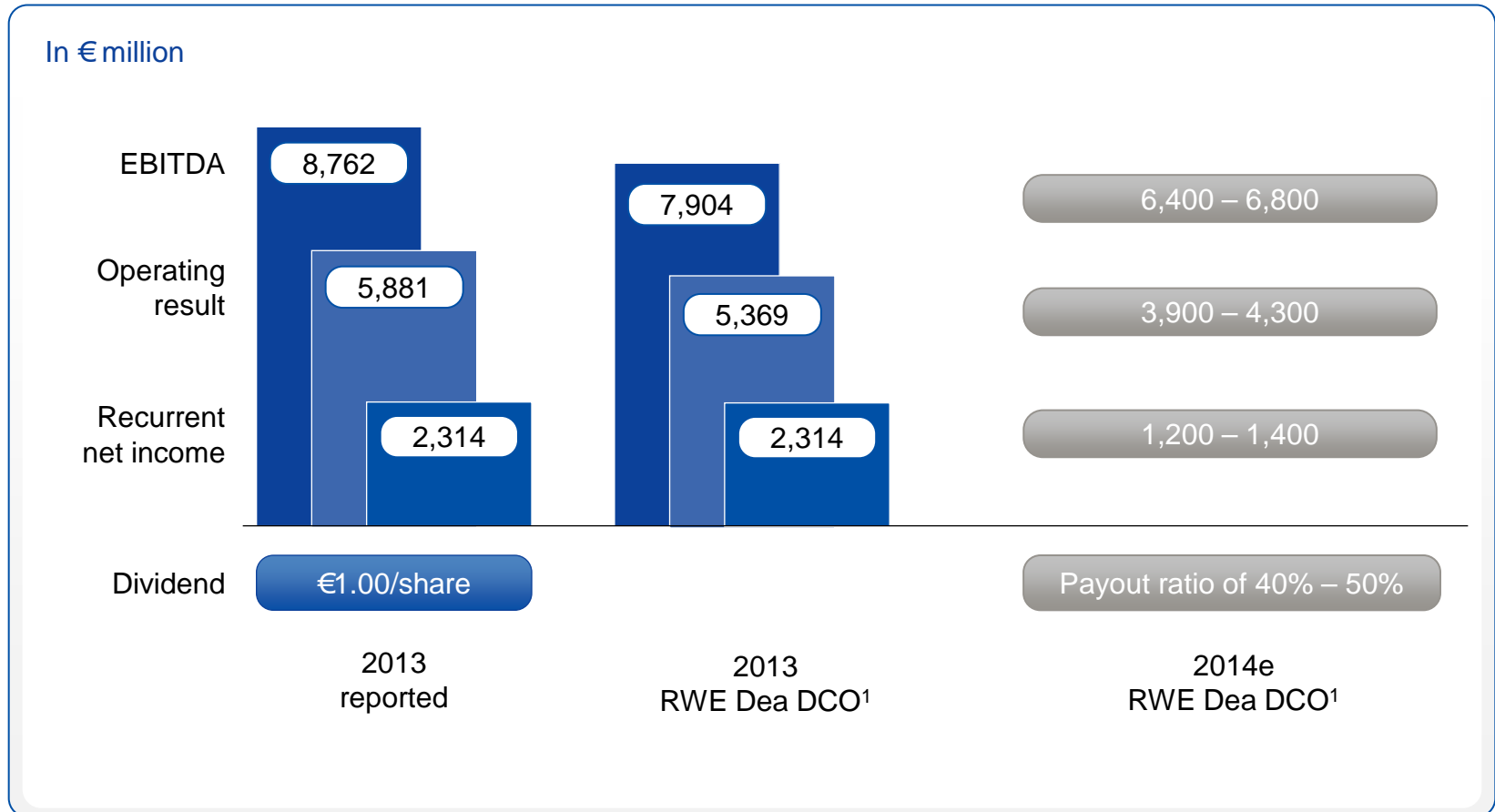
Urenco

- > Non core asset
- > Reviewing potential exit routes
- > Disposal conditional to meeting all stakeholders' interests

Portfolio adjustments

- > Further optimisation within participation portfolio possible
- > Streamlining of renewable businesses

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 is 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 pro rata interest on the sale price. Further restatements according to IFRS 11. See page 11 of the Q1-Q3 2014 interim report.

Back-up Charts

Major earning drivers post 2013



- Further decline in realised electricity margins (realised outright power price 2013: €51/MWh)
- Disposal of RWE Dea
- Disposal of NET4GAS in 2013 (2013 earnings contribution: €171 m to operating result)
- Regulatory and competitive pressure



- Efficiency enhancement programme (2014 to 2016: at least €500 million)
- Earnings growth in renewables
- Performance increase in our downstream business

Further potential upside from:

- New market design for conventional power generation or commodity recovery
- Selective growth projects from “Energiewende” (new German energy policy)
- Potential for small growth in our supply business across Europe

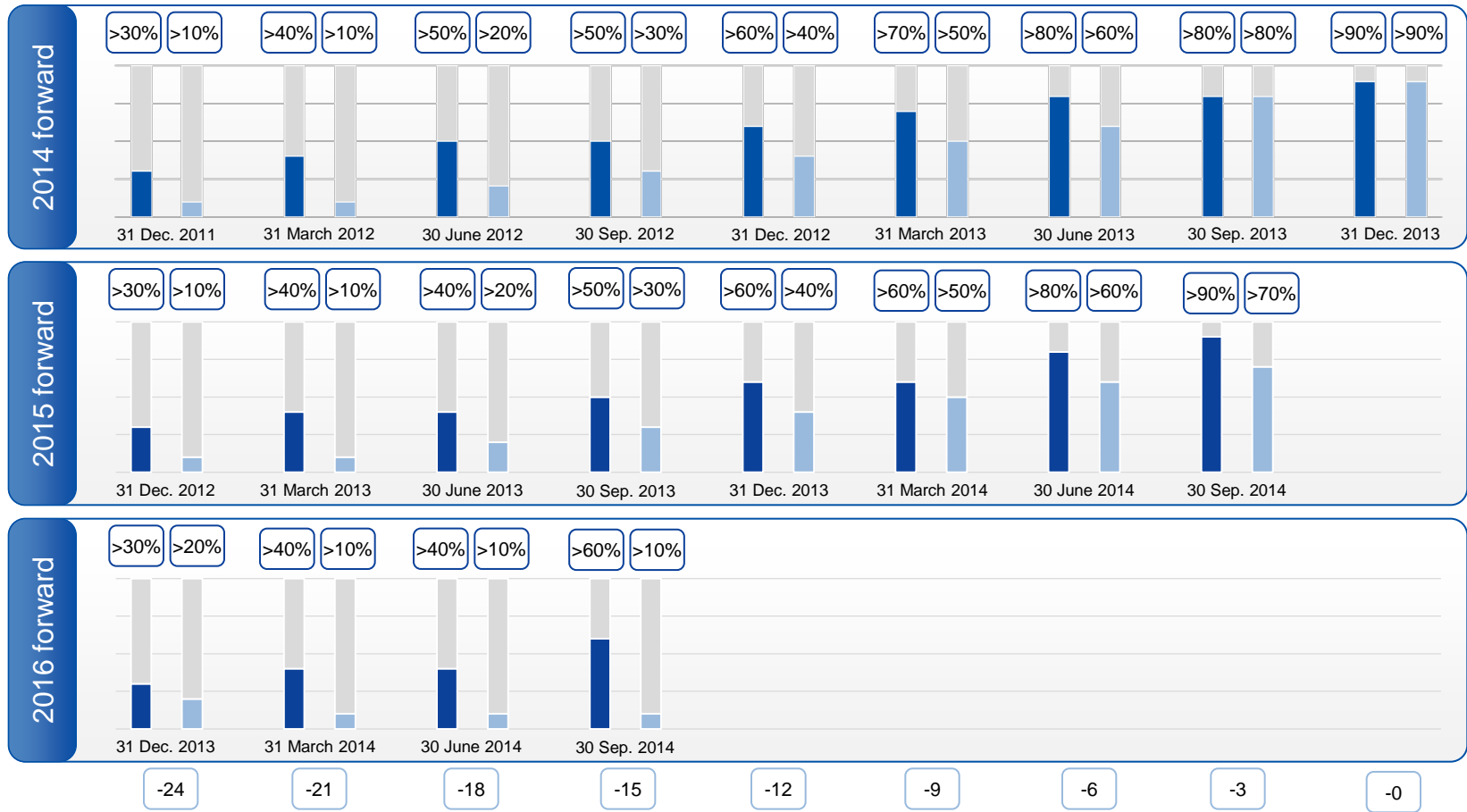
2014 divisional outlook for the operating result unchanged except for Supply UK

€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	Significantly below 2013
Central Eastern and South Eastern Europe	1,032	Significantly below 2013
Renewables	203	Significantly below 2013
Trading/Gas Midstream	831	Significantly below 2013

¹ Figures partly restated. For more details see Q1-Q3 2014 interim report, page 11.

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

As of 30 September 2014



■ Outright (GER nuclear and lignite based power generation)

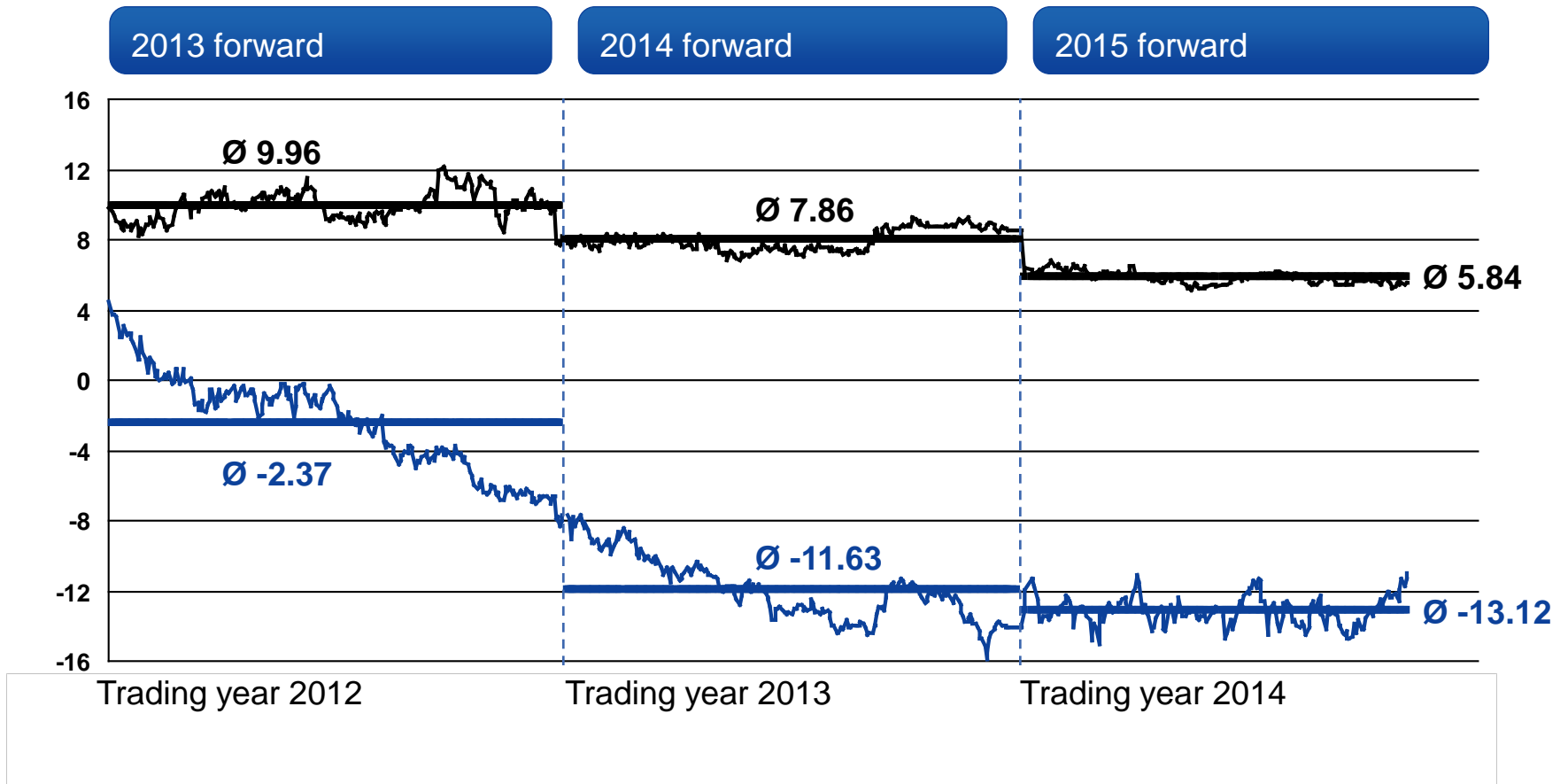
■ Spread (GER, UK and NL/B hard coal and gas based power generation)

RWE has secured contracts for 8 GW in the first UK capacity auction

Plant	MW ¹	Plant type
Aberthaw	1,486	Coal/OCGT
Didcot B	1,364	CCGT
Great Yarmouth	361	CCGT
Little Barford	683	CCGT
Pembroke	2,090	CCGT
Staythorpe	1,633	CCGT
Miscellaneous smaller units	394	CHP/OCGT/CCGT
	8,011	

1 De-rated power plant capacity, i.e. capacity which has been awarded capacity agreements. Different from net generation capacity.

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

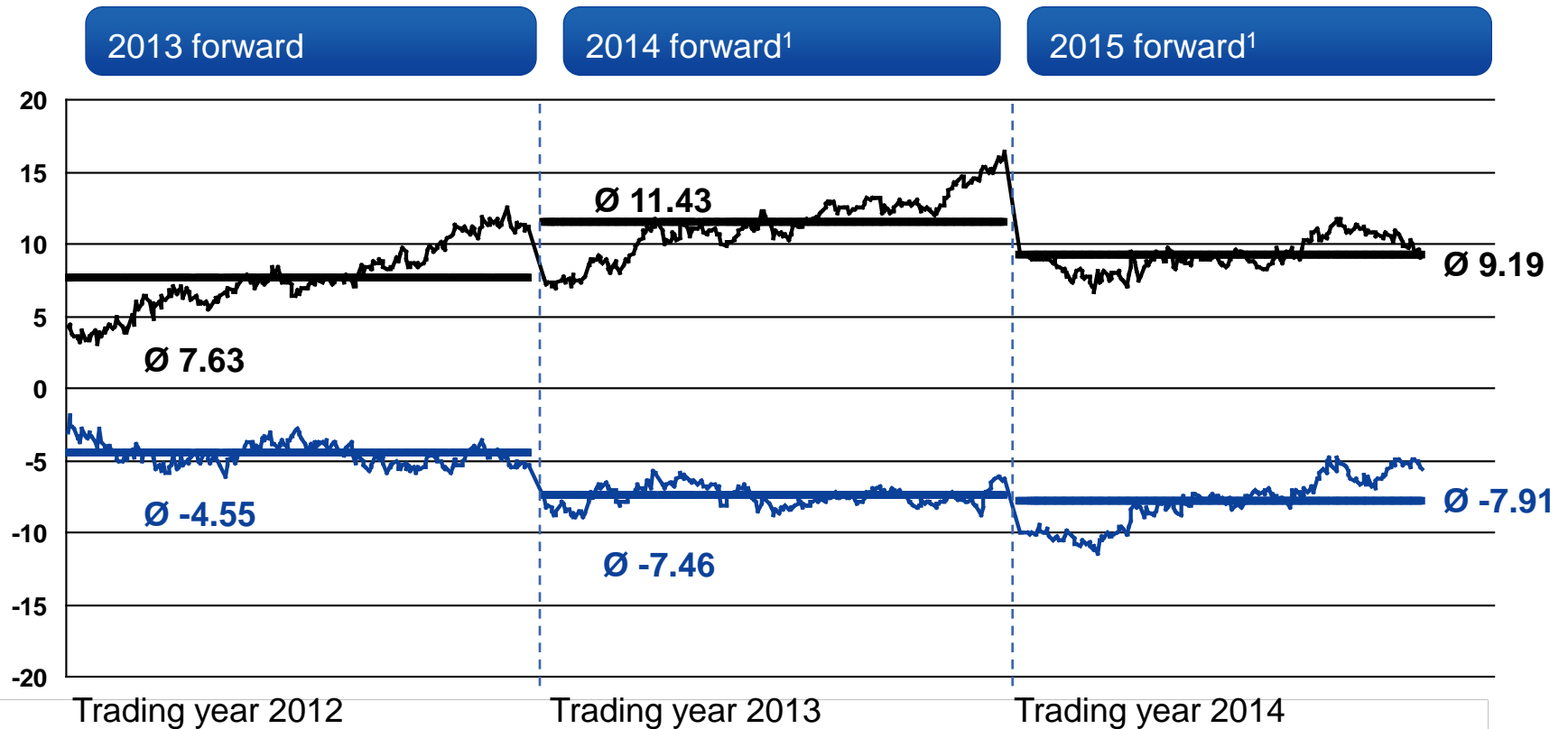


— CDS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 36%)

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

Source: RWE Supply & Trading, prices through to 06 November 2014

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



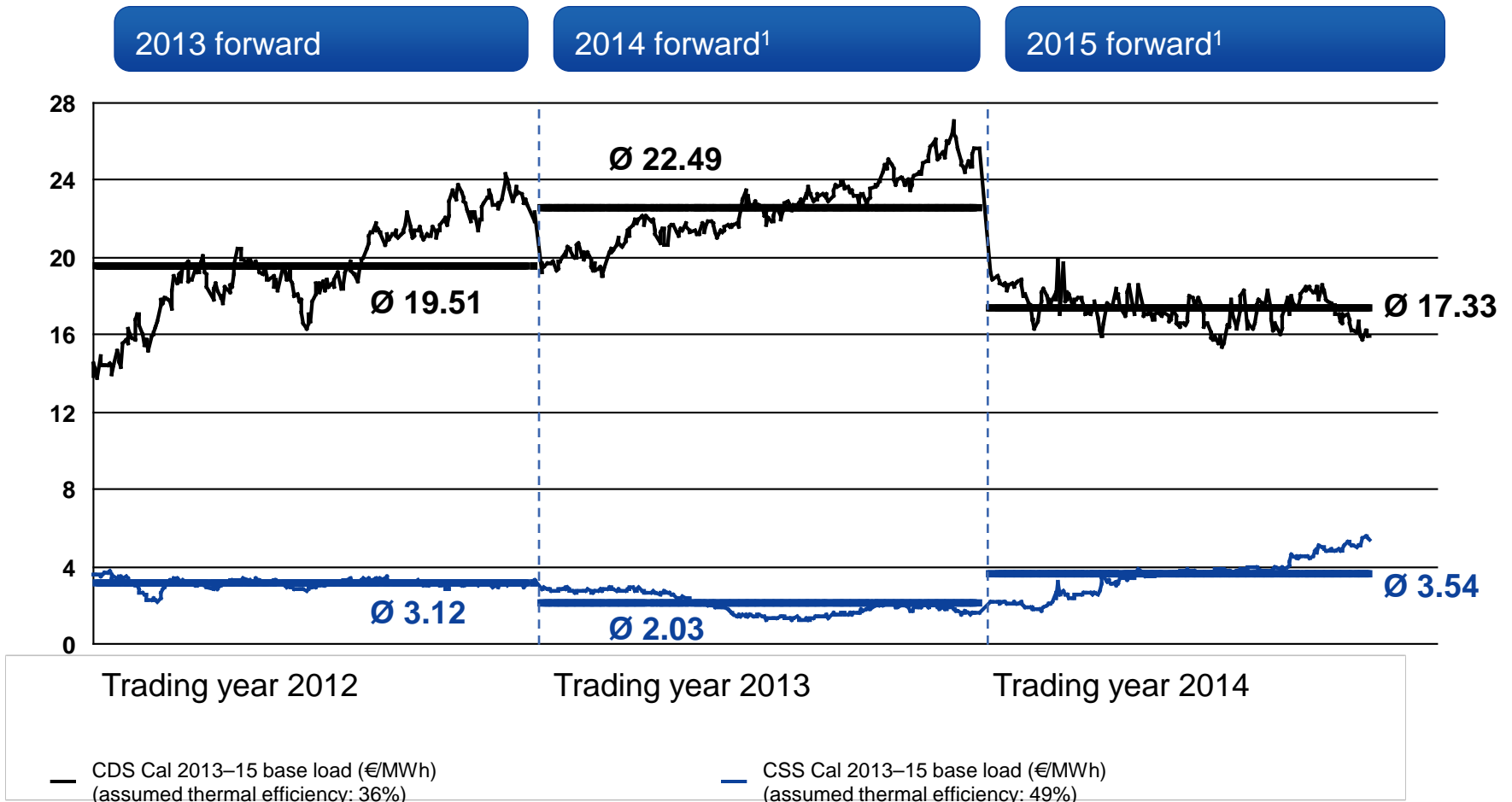
— CDS Cal 2013–15 base load (€/MWh)
(assumed thermal efficiency: 37%)

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

1 CDS: Including coal tax.

Source: RWE Supply & Trading, prices through to 06 November 2014

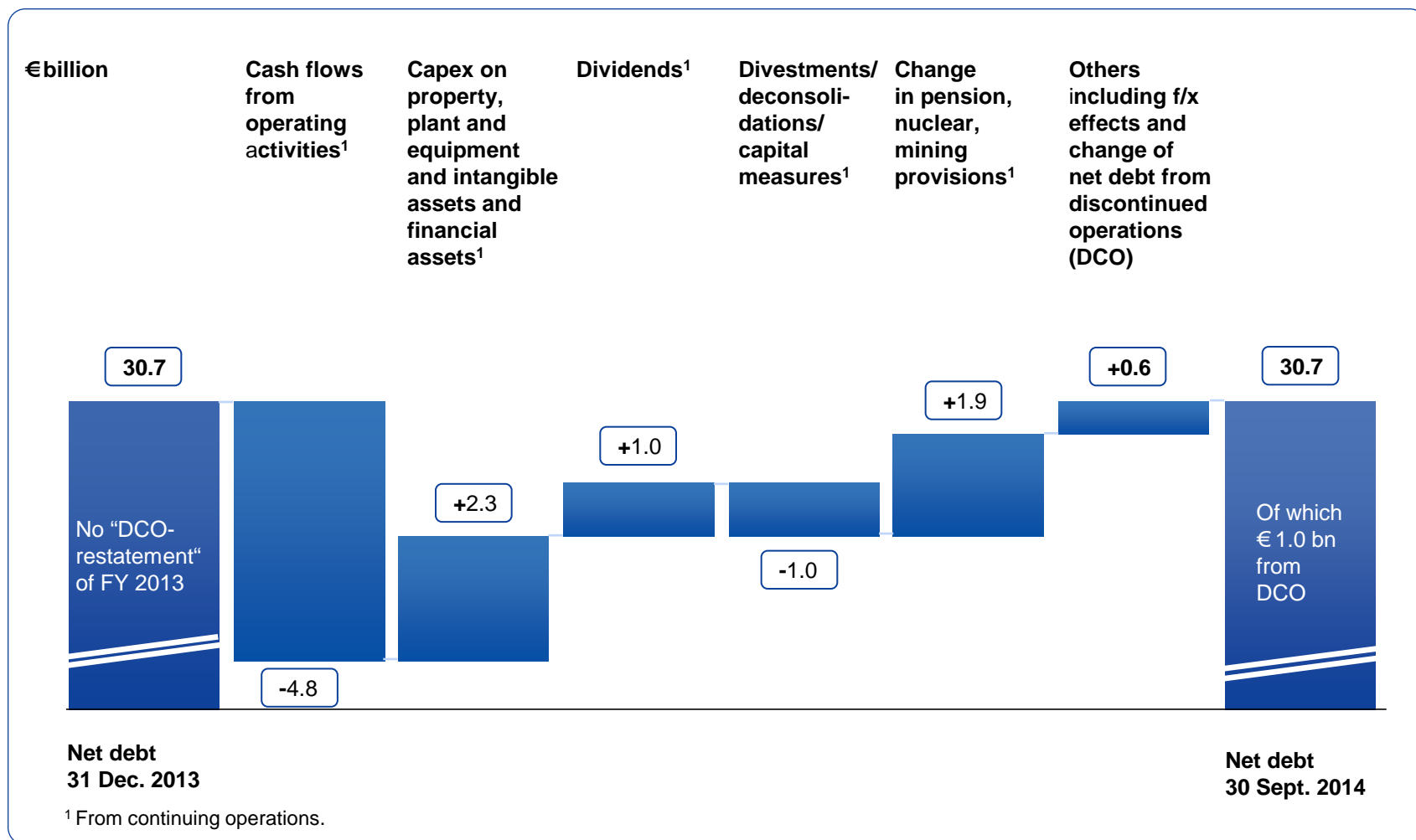
UK: Clean Dark (CDS) and Spark Spreads (CSS) and Spark Spreads (CSS)



¹ Including UK carbon tax.

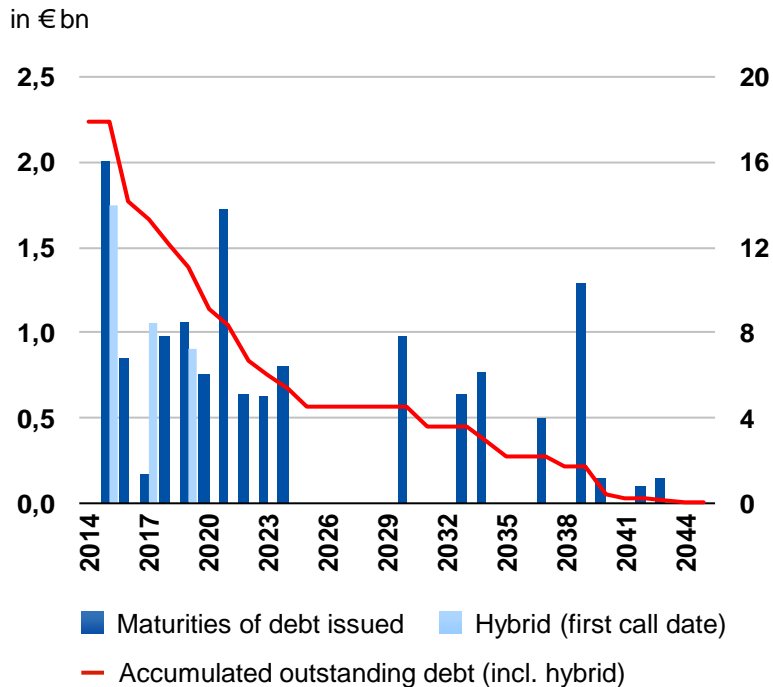
Source: RWE Supply & Trading, prices through to 06 November 2014

Development of net debt



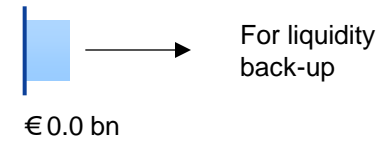
Capital market debt maturities and sources of financing

Capital market debt maturities¹

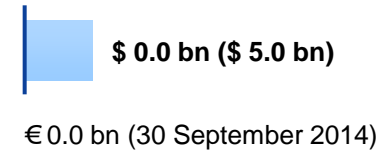


Strong sources of financing

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 (~€ 3.75 billion)

¹ RWE AG and RWE Finance B.V. as of 30 September 2014

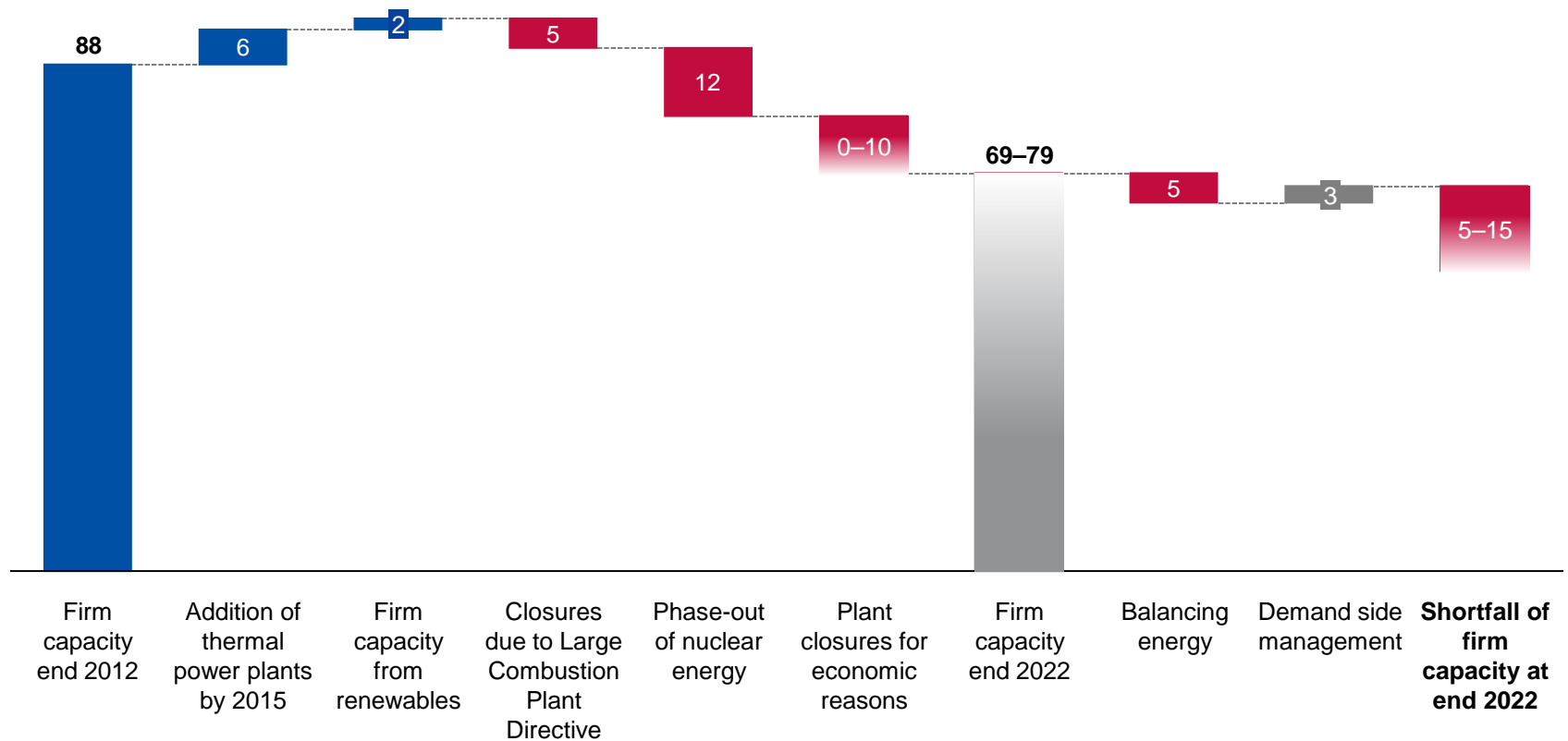
² Bonds outstanding under the MTN-programme, i.e. excluding hybrids. Including hybrids: € 17.9 bn

RWE's major investment projects

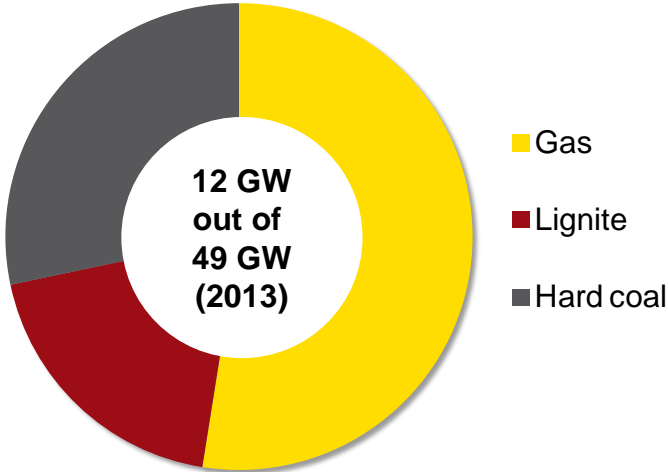
		RWE share	Capex (€bn)	2013	2014	2015	2016	2017	2018
Conventional new build power plant programme (capex at 100% share)									
	Hamm (hard coal, 1,528 MW) ¹	77%	2.5	Unit E (764 MW)					
	Eemshaven (hard coal/biomass, 1,554 MW)	100%	3.1	Units A B					
<p>¹ The date for bringing unit D (764 MW) into operation is pending.</p>									
RWE Innogy: major projects under construction (capex at 100% share; UK offshore includes investment for grid connections)									
	Gwynt y Môr (offshore wind, 576 MW)	60% ²	2.8						
	Nordsee Ost (offshore wind, 295 MW)	100%	1.4						
<p>² Sale of 10% to Green Investment Bank (GIB) envisaged in 2015</p>									

Growing uncertainty as to whether sufficient firm capacity will be available

Development of firm capacity in Germany, 2012 – 2022 [GW]



By 2015 we will have renewed 25% of our electricity generation fleet



2010

H1 2012

H2 2012

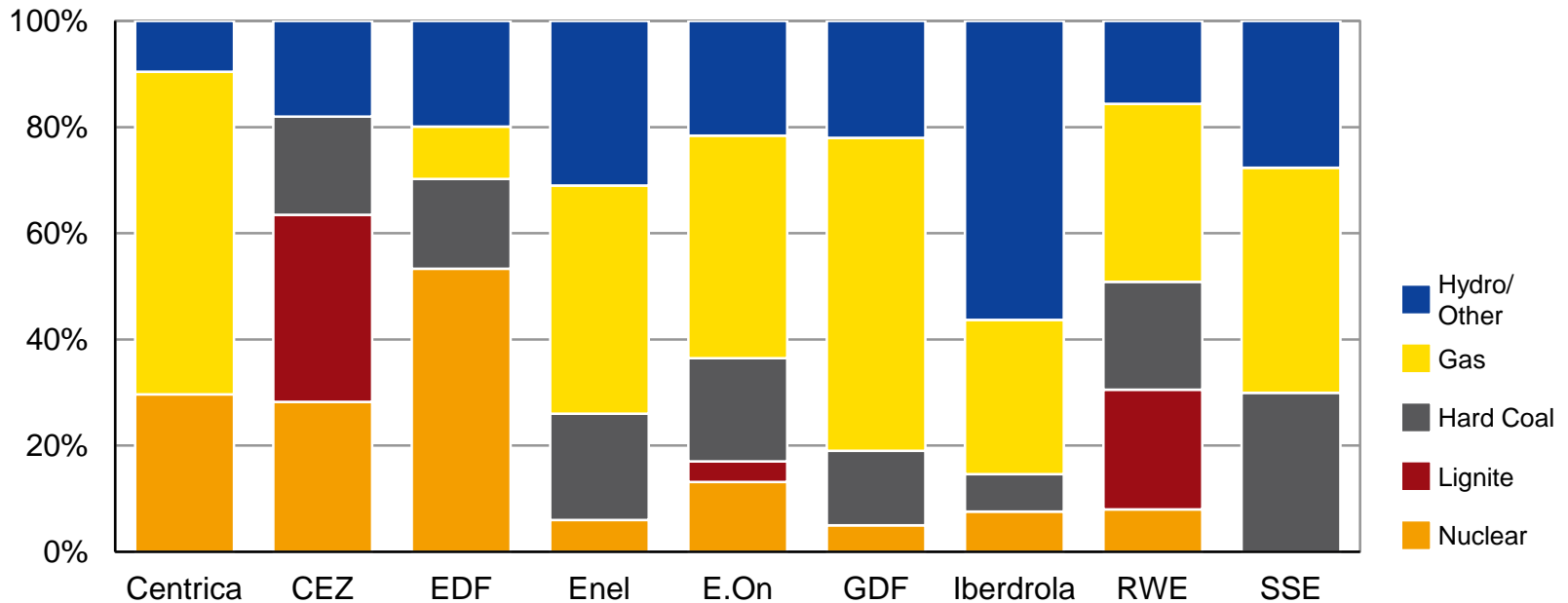
2013

2014

2015

The fuel mix of European electricity generators 2013

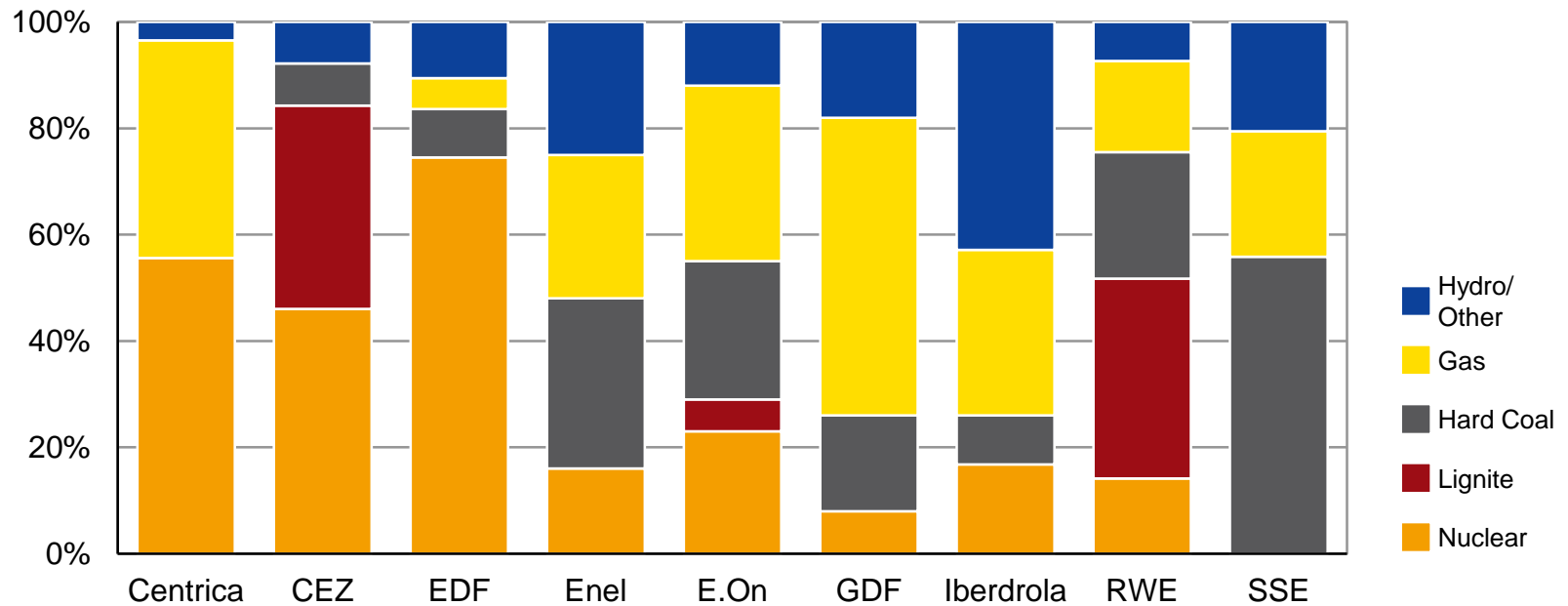
RWE has one of the most balanced generation portfolios of European electricity generators (installed capacity)



Share in power plant capacity of own generation by fuel type.
Source: Annual reports 2013, company presentations, RWE.

The fuel mix of European electricity generators 2013

RWE has one of the most balanced generation portfolios of European electricity generators (generation output)



Share in electricity generation of own generation by fuel type.
Source: Annual reports 2013, company presentations, RWE.

Keep up with RWE ...



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Financial calendar

<http://www.rwe.com/web/cms/en/110614/rwe/investor-relations/events/calendar/>



Annual and Interim Reports

<http://www.rwe.com/web/cms/en/110822/rwe/investor-relations/reports/>



Investor and Analyst Conferences

<http://www.rwe.com/web/cms/en/1460144/rwe/investor-relations/events/investor-and-analyst-conferences/>



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

<http://www.rwe.com/web/cms/en/2495606/rwe/investor-relations/presentations-videos/presentations/>



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/>



IR videos and presentations

<http://www.rwe.com/web/cms/en/2495764/rwe/investor-relations/presentations-videos/videos/videos-2014/>