

RWE Innogy -

The competence hub for renewables
within RWE

Investor Meeting, 09th December 2015



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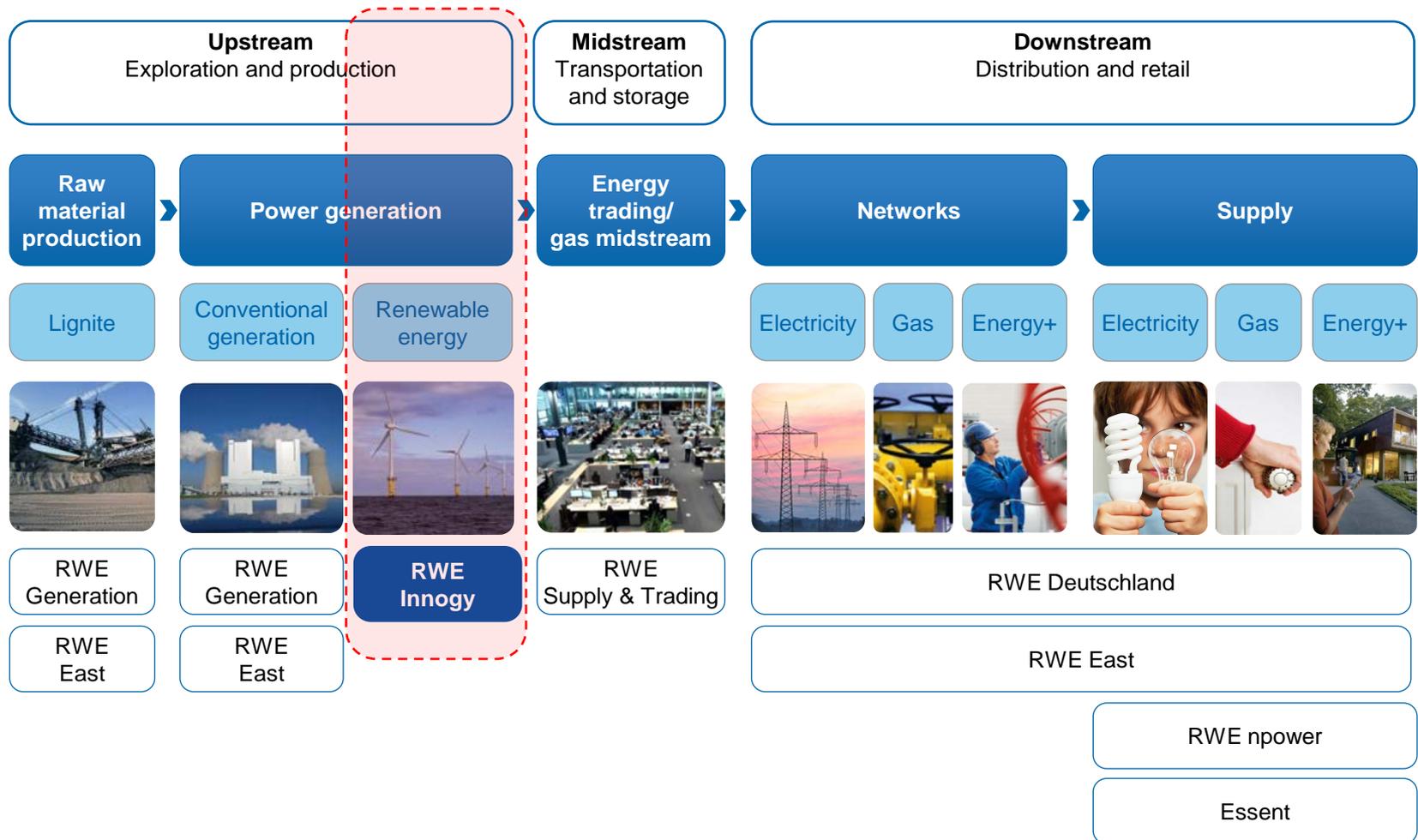
Agenda

1 Highlights: RWE Innogy in a nutshell

2 Details: Technology segments

3 Outlook: Strategic growth options

RWE bundles competencies for renewables in one company



RWE Innogy: strong European footprint with focus on wind and hydro

Innogy's markets across Europe



Portfolio highlights* (in MW)

	Onshore	Offshore	Hydro	others***	TOTAL
UK	500	748	78	46	1.372
GER	567	295	375	10	1.247
SPA	447		12		459
NL	210				210
PL	197				197
ITA	67				67
others**			61		61
TOTAL	1.987	1.043	526	56	<u>3.613</u>

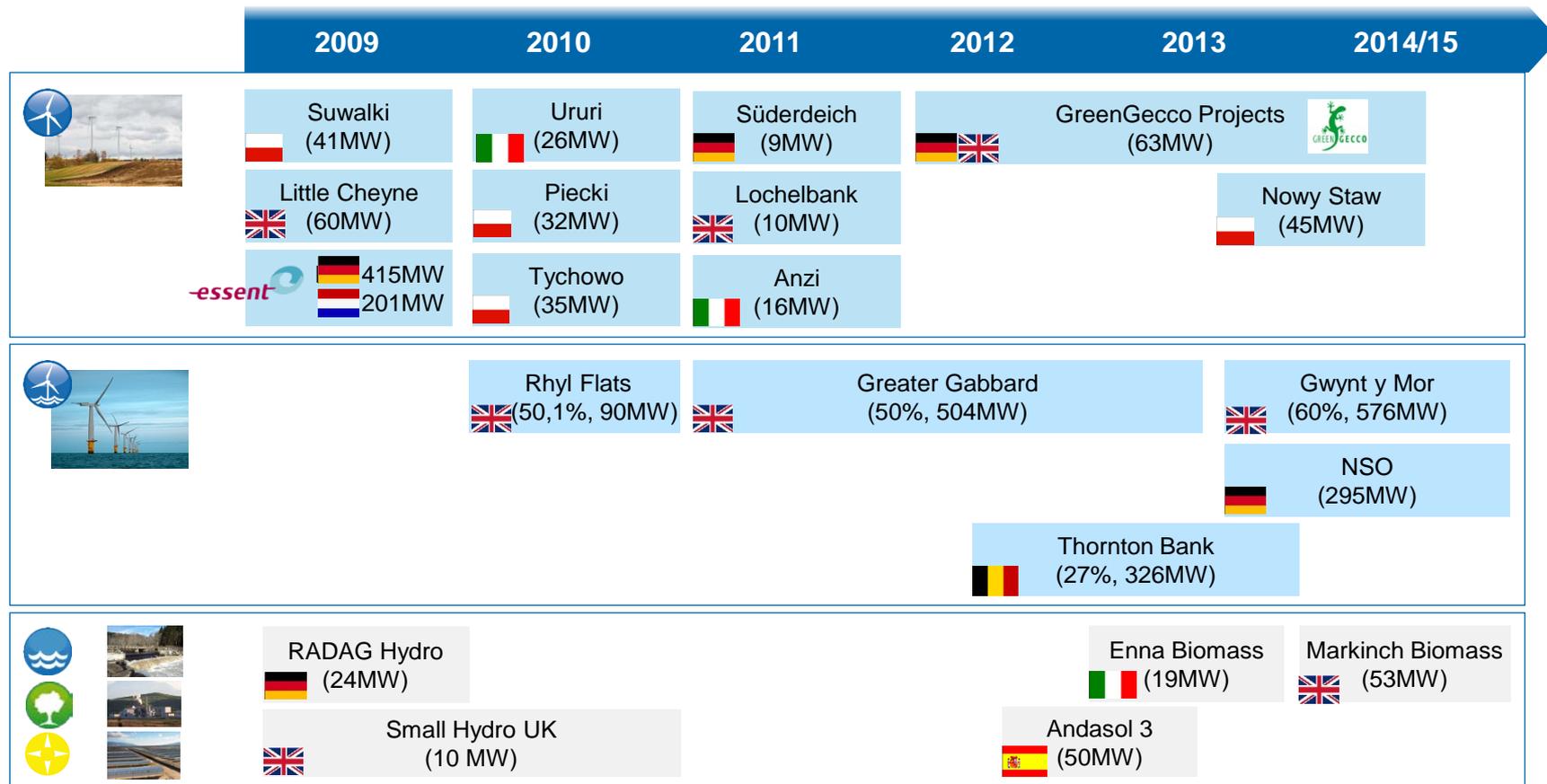
Innogy's financial performance (Q3 2015)

	Q3 2015	Q3 2014	
Generation	6,8 GWh	5,6 GWh	↗
EBITDA	505 m€	291 m€	↗
Operating result	280 m€	29 m€	↗
Investments	282 m€	650 m€	↘

Main drivers:

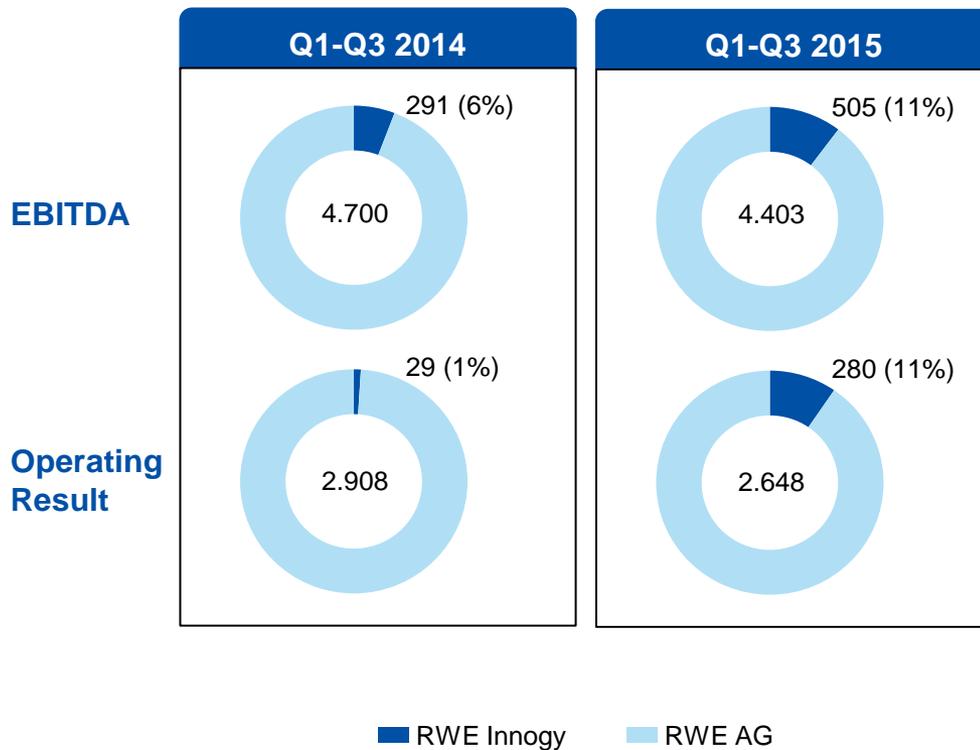
- Commissioning of offshore wind farms early 2015
- Ongoing shift from project centered company to focus on operational excellence across entire fleet
- Few one-off effects

Since 2008 RWE Innogy has delivered over 2.9 GW* additional growth across all business areas



RWE belongs to the top 10 operators of renewable energy assets across Europe**

Innogy's result contribution to the RWE Group constantly increases in the future



- Innogy will double its operating result in 2015 and delivers important contribution to RWE Group result – constantly increasing in the future
- The majority of the result comes from regulated business with secured cashflows and limited risk exposure
- Well diversified asset portfolio in various European countries
- Partnering solutions will diversify risks and leverage project pipeline further
- Focus on on- and off-shore wind
- At least €1 bn in growth capex (2015-2017)

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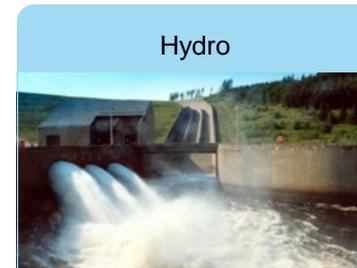
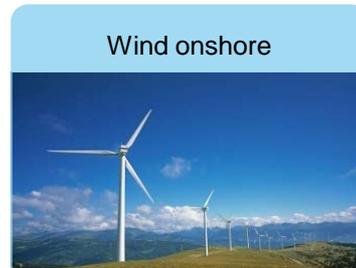
Innogy focuses on wind and hydro

RWE Innogy

Overview

- > Established in February 2008
- > Bundling renewables activities and competencies across RWE Group
 - Growth focus in onshore and offshore wind, hydro as strong operational backbone
 - Research & Development and Venture Capital to drive the development of emerging technologies
- > European focus
- > Asset portfolio of 3.6 GW in operation and 0.4 GW under construction mainly located in United Kingdom, Germany, Spain, Netherlands, Poland and Italy (accounting view + PPA)
- > Project pipeline of 3.5 GW* consisting mainly of wind and some hydro (accounting view + PPA as of Q4/14)

Business Area



Focus and Strategy

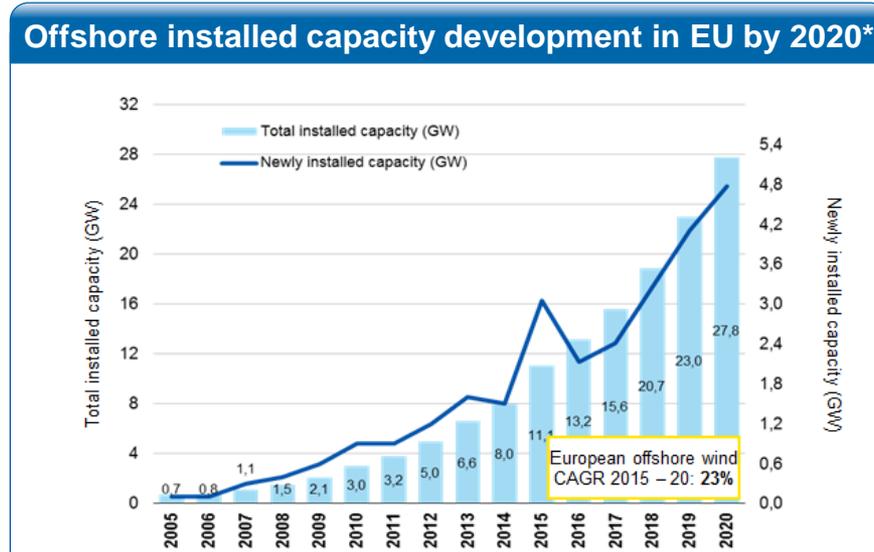
Key technology for capacity and service growth
 Organic growth strategy within partnerships
 Focus markets include UK and Germany

Key technology for capacity and service growth
 Focus on organic growth
 Focus markets include UK, Germany, Spain, Netherlands, Italy and Poland

Operational excellence in hydro run-of-river
 Selective development options

- Driving innovative renewable technologies to commercial applications via
- Cross functional R&D and demonstration plants
 - Venture Capital
 - Markinch
 - Georgia Biomass
 - Siegen Wittgenstein.

With 1 GW installed capacity RWE Innogy has a leading position in the European Offshore Market



Comments

> RWE Innogy strengths

- Strong in-house know-how to secure key value chain technologies and build large-scale power plants
- Delivery of projects through strategic partnerships & financing solutions
- Substantial installed capacity and pipeline provides a sound platform for growth, esp. strong starting position in UK

> Market outlook

- Strong market growth in medium to long term, time horizon depends on technical progress and development of approval procedures
- Offshore wind is an engineering skill & scale game
- Trends: overcome of technical hurdles, allocation of attractive sites, development of projects, M&A of projects

Offshore: Focus on partner strategy to enable future growth – Innogy with proven track record

Operation



▶ **North Hoyle¹⁾, UK, 60 MW:**
Completely commissioned 2004



▶ **Rhyl Flats²⁾, UK, 90 MW:**
Completely commissioned 2009



▶ **Thornton Bank I-III³⁾, BE, 325 MW:**
Completely commissioned 2013



▶ **Greater Gabbard⁴⁾, UK, 504 MW:**
Completely commissioned 2012

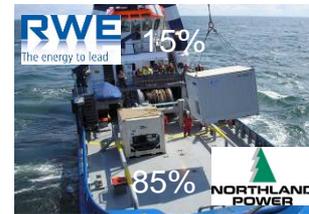


▶ **Nordsee Ost, GER, 295 MW**
To be completely commissioned 2015



▶ **Gwynt y Môr⁵⁾, UK, 576 MW**
To be completely commissioned 2015

Development



▶ **Nordsee One⁶⁾, GER, 332 MW**



▶ **Galloper⁷⁾, UK, 340 MW**



▶ **Triton Knoll⁸⁾, UK, 900 MW**



▶ **Dogger Bank⁹⁾, UK, 7200 MW**



▶ **Nordsee 2,3⁶⁾, GER, 664 MW**



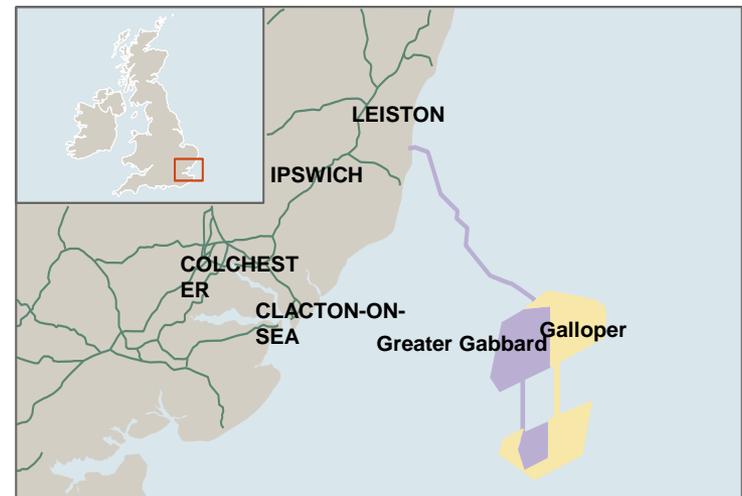
▶ **Kaskasi 2, GER, 210 MW**

Example for successful project finance: Galloper offshore windfarm, UK

- Bank process launched beginning of June 2015 and encountered very strong appetite in the commercial bank market
- Financial Close achieved in October with a consortium consisting of RWE Innogy, Macquarie, Siemens and Green Investment Bank each holding 25% equity

PROJECT DATA:

- 336 MW, 56 x 6.0 MW Siemens turbines
- Overall investment amount of c. GBP 1.5bn incl. OFTO
- 27km off the Suffolk Coast at its nearest point
- 27 – 36 meter water depth
- Supply of 336.000 households p.a.
- Start of operation currently scheduled for 2017/2018
- Project still benefitting from the ROC regime



Onshore: eight projects in four countries under construction – portfolio delivering stable results



United Kingdom

- > Batsworthy Cross
 - 18 MW
 - 100% Innogy
- > Goole 2
 - 35 MW
 - 100% Innogy



Netherlands

- > Zuidwester
 - 90 MW
 - 100% Innogy
- > Kattenberg
 - 10 MW
 - 100% Innogy (build-to-sell)



Germany

- > Bedburg 2
 - 29 MW
 - 51% Innogy, 49% Stadt Bedburg
- > Sandbostel
 - 12 MW
 - 100% Innogy (build-to-sell)



Poland

- > Opalenica
 - 17 MW
 - 100% Innogy
- > Nowy Staw 1, Stage 2
 - 28 MW
 - 100% Innogy



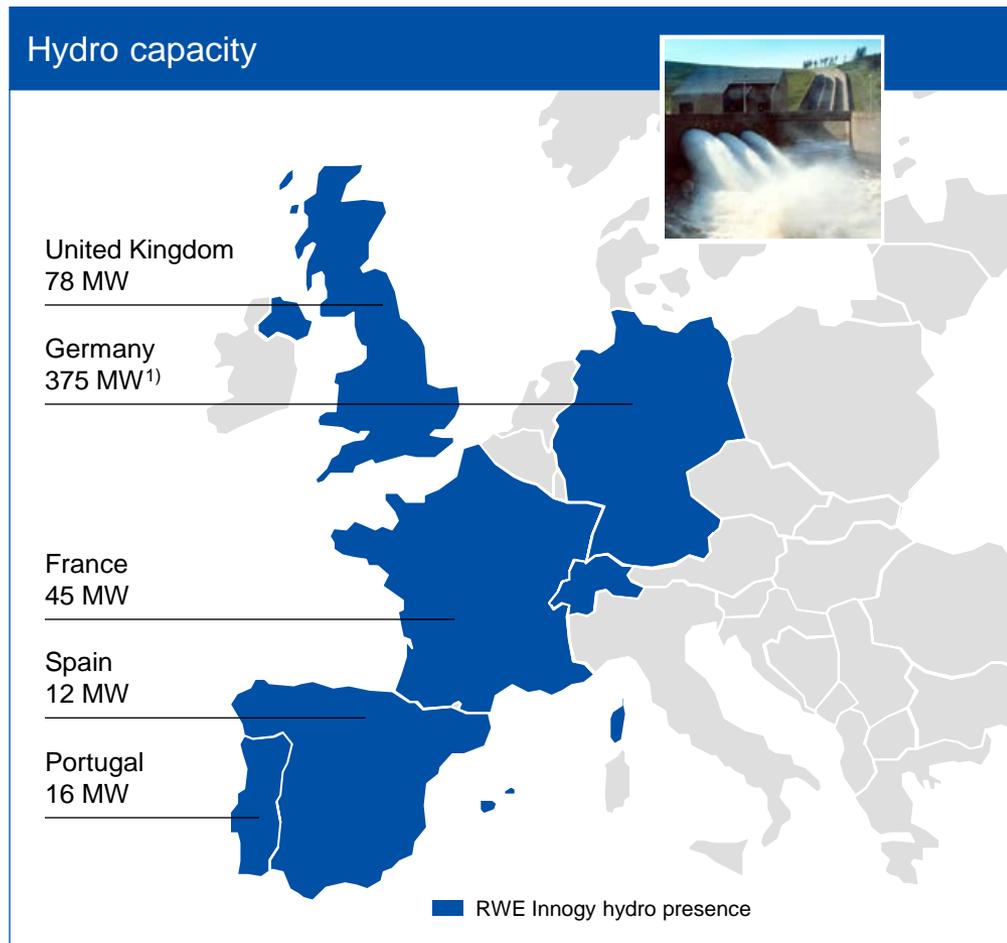
■ RWE Innogy onshore presence

Onshore highlights



- > In total nearly 2 GW of wind onshore assets in operation across Europe
- > All current new-built projects in time and in budget
- > 3rd party business (sale of services & build-to-sell) successfully launched into market
- > Entry into new markets under investigation

Hydro: operational backbone with selected growth opportunities & sale of services



Markets and operations

Technology & markets

- > Small hydro plants (< 10 MW) expected to have significant share in future capacity growth in Western Europe
- > Most significant growth potential of several GW in South-Eastern Europe and Turkey triggers demand of technical services in the Hydro Power Sector

RWE Innogy's assets

(Accounting view + PPA as of Q3 2015)

- > Hydro power plants with 526 MW in operation
- > 3 MW project under construction
- > 2 MW project decided in Nov. 2015

¹⁾ Pro-rata: RWE Innogy's share is 355 MW in Germany and 23 MW in Switzerland

3rd party services: leveraging value of development and operational expertise

We are using our in-house expertise for 3rd party services in ...

We have ...

1. more than 20 years cross-national experience in the wind and hydro business along the whole value-chain
2. more than 3000 MW wind capacity in operation across Europe
3. more than 500 MW hydro power capacity in operation in Europe



Therefore we increase operating result further by bringing our internal expertise to the market!

... development

We advise third parties during consenting phase. This service ranges from initial feasibility studies via micro-siting and detailed engineering to assistance to delivery contract negotiations from technical perspective.

... construction

Main focus is to supervise construction work and provide overall project management. This business is mainly to be seen in conjunction with sales of own pipeline projects to increase the margin of a sales project.

... operations

We provide the following services to external counterparties:

1. Operational and management services
2. Maintenance contracts where internal teams of technicians carry out scheduled maintenance and repairs
3. Control centre services where 24 hours, 365 day manned control centre provides remote monitoring and control services

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New strategic options for renewables foster additional growth ambitions in wind and PV

Stop of planned disposals

- > Especially relevant for Innogy's onshore portfolio
- > Growth opportunity without additional expenditure for project development



Enter new markets

- > Currently distinctive new markets under investigation regarding onshore Wind and PV

M&A

- > Selected acquisitions of operational assets with strategic portfolio fit within Innogy's core markets

Secure short term project revenues

- > Deliver current development projects under existing regulatory regimes (e.g. ROC and EEG)

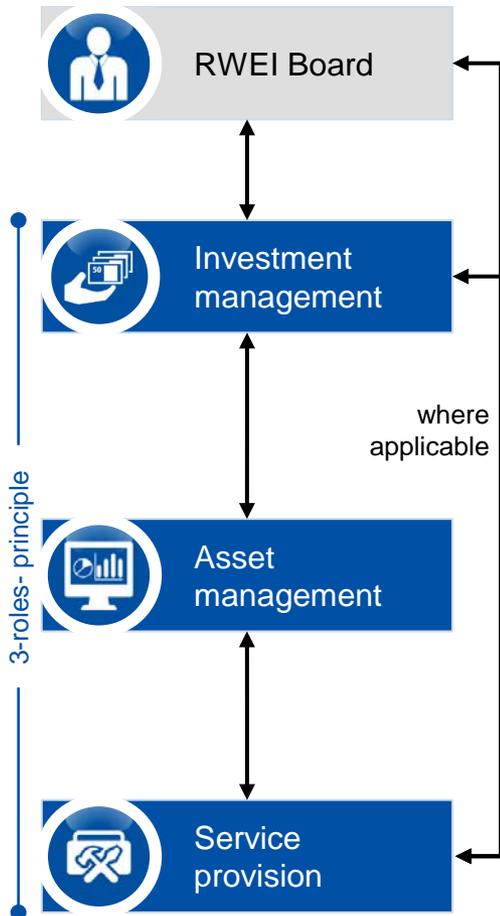
Enter auction with mid term projects

- > Participation in auctions for future projects, e.g. Borselle (offshore wind in the Netherlands)

Expand development in core markets

- > Increased onshore wind development activities in Germany and the Netherlands

RWE Innogy's operational model is very flexible and enables to work in different partnership structures



- > **Overall accountability** for results of RWEI (EBIT)
- > Accountable for **economic success** of Innogy's **entire investment portfolio**
- > Ultimate goal is to **maximise the portfolio NPV** and to manage risks that may have an impact on the portfolio value.
- > **Framework setting** for asset management
- > In case of JV asset ownership: **alignment of framework with JV partners**
- > Accountable for the **economic success of a specific asset**; during development, construction and operations
- > Freedom to act in the set framework by investment management in order to **maximise the NPV of the asset** he is responsible for, **irrespective of ownership structures**
- > **Delivery of services** as contracted by asset/ investment management
- > **Continuous improvement**
- > Proactive support to **improve risk/return** ratio of asset /portfolio

Questions & answers



RWE
The energy to lead