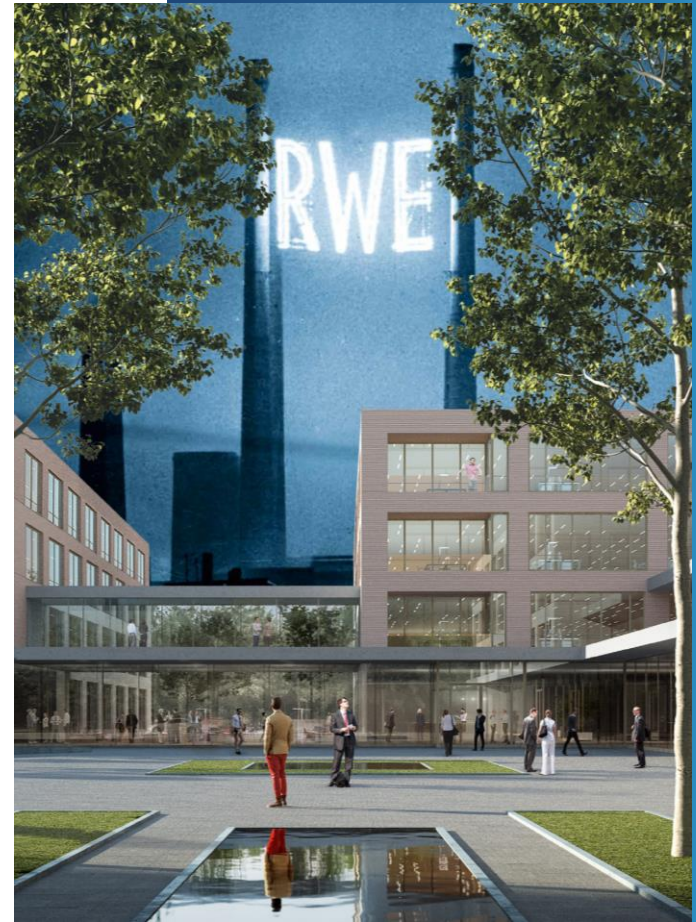


RWE Company Presentation

As of March 2018








Powering. Reliable. Future.

RWE

Disclaimer

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.

Investment Highlights: Transforming RWE into a leading European renewables and conventional power generator

-  Provider of secure energy supply underlined with highly complementary renewable and conventional power generation portfolio
-  Creation of Europe's #3 renewables player with significant offshore capabilities and U.S. footprint
-  Opportunity to extract value from combined generation portfolio via leading commercial asset optimisation and trading platform
-  Substantial increase in operational earnings and sustainable cash flows providing foundation for attractive dividend development
-  Strengthened capital structure with the ability to support future growth

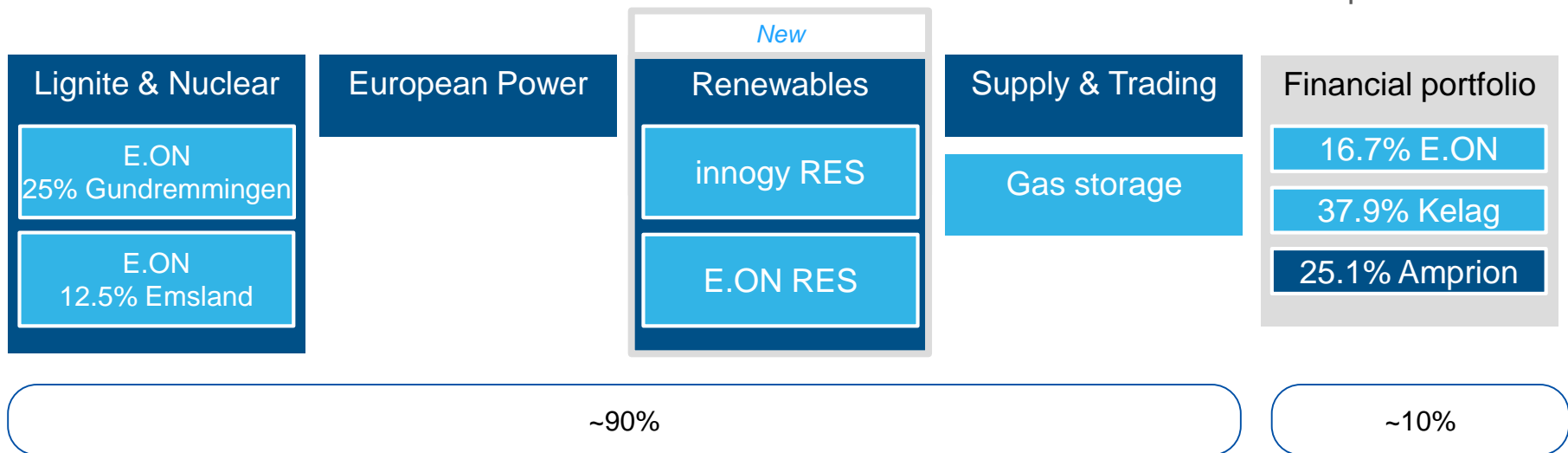
Strategic highlight: RWE continues to reshape its future

RWE is reshaping its operating business and financial portfolio



Operating business

Financial portfolio



Strengthening and future proofing of the core operating business

Optimised financial portfolio with stable and attractive dividends

Expected future EBITDA share.

Additions to RWE Portfolio (from transaction).

Key transaction parameters

E.ON acquisition of innogy	<ul style="list-style-type: none"> > E.ON to acquire RWE's 76.8% stake in innogy for a total consideration of €17.1bn, including fiscal 2017 and 2018 dividend > E.ON to launch a voluntary public takeover offer for innogy minorities at €40 per share (adjusted for dividend payments until closing) > Offer value of €40 per share represents a premium of 28% to the unaffected innogy share price¹ and implied EV/EBITDA 2018E of 10.5x²
RWE asset purchases <i>(economic effect as of 1 Jan 2018)</i>	<ul style="list-style-type: none"> > E.ON Renewables business³ > innogy Renewables business > innogy's German and Czech Gas Storage business > E.ON minority stakes in RWE's nuclear plants Gundremmingen (25.0%) and Emsland (12.5%) > innogy's 37.9% stake in Kelag
RWE stake in E.ON	<ul style="list-style-type: none"> > E.ON to issue 440m shares to RWE implying a post money stake of 16.7% in E.ON
Innogy dividend	<ul style="list-style-type: none"> > RWE to receive fiscal 2017 and 2018 innogy dividend
Cash payment	<ul style="list-style-type: none"> > E.ON to receive ~€1.5 bn from RWE

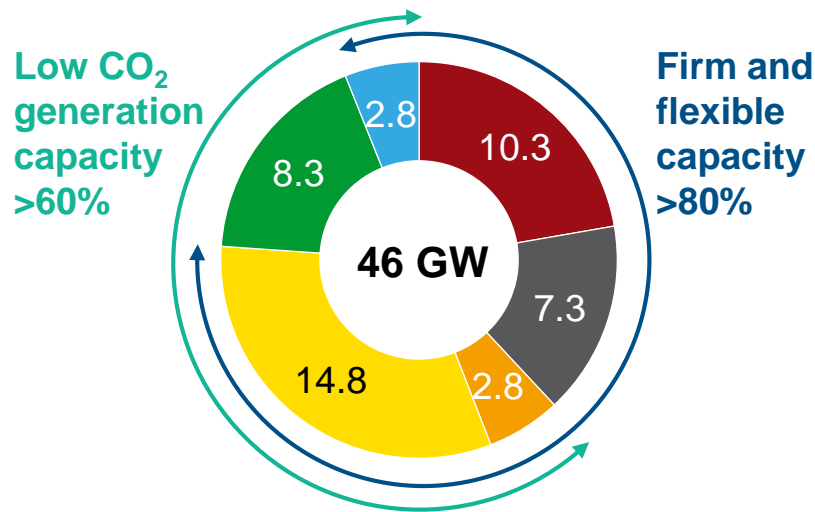
¹ As of 22 February 2018.

² Based on implied enterprise value of €43 bn and mid-point of guided innogy EBITDA 2018 of €4.1 bn and €4.2 bn.

³ Excluding German and Polish onshore wind assets belonging to e.dis (151 MW) and 20% stake in Rampion offshore wind farm (80 MW).

Highly complementary renewables and conventional generation portfolio

Pro forma combined electricity generation capacity¹
(as at 31 December 2017)



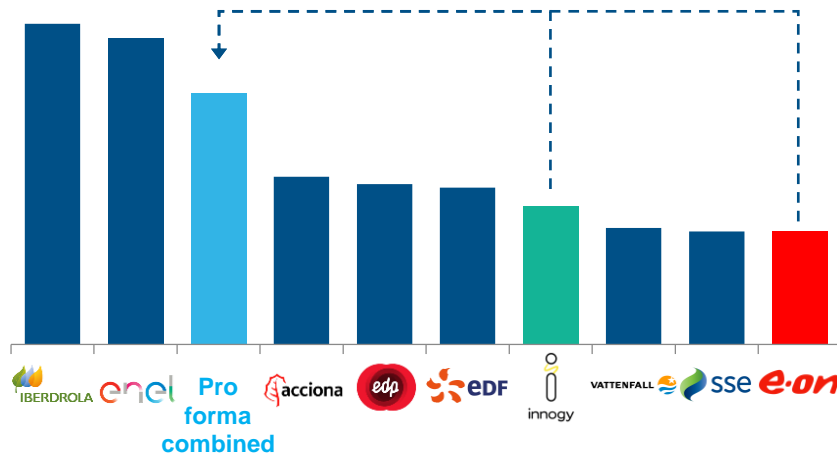
■ Gas ■ Renewables ■ Other
■ Lignite ■ Hard coal ■ Nuclear

- > Leading European generator with diversified and balanced generation technologies
- > De-risking of portfolio with >60% of low CO₂ generation capacity
- > Leading provider of reliable and flexible generation capacity to balance intermittent production of renewables
- > Opportunity to extract value from enlarged portfolio through leading commercial asset optimisation platform

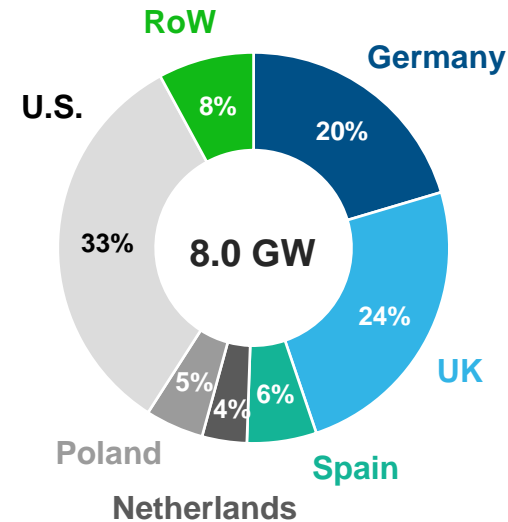
¹ RWE stand-alone (excluding Máttra) plus E.ON's and innogy's renewables businesses.

Leading renewables player with attractive growth platform

Installed renewable capacity in Europe¹



Pro forma combined renewables capacity²



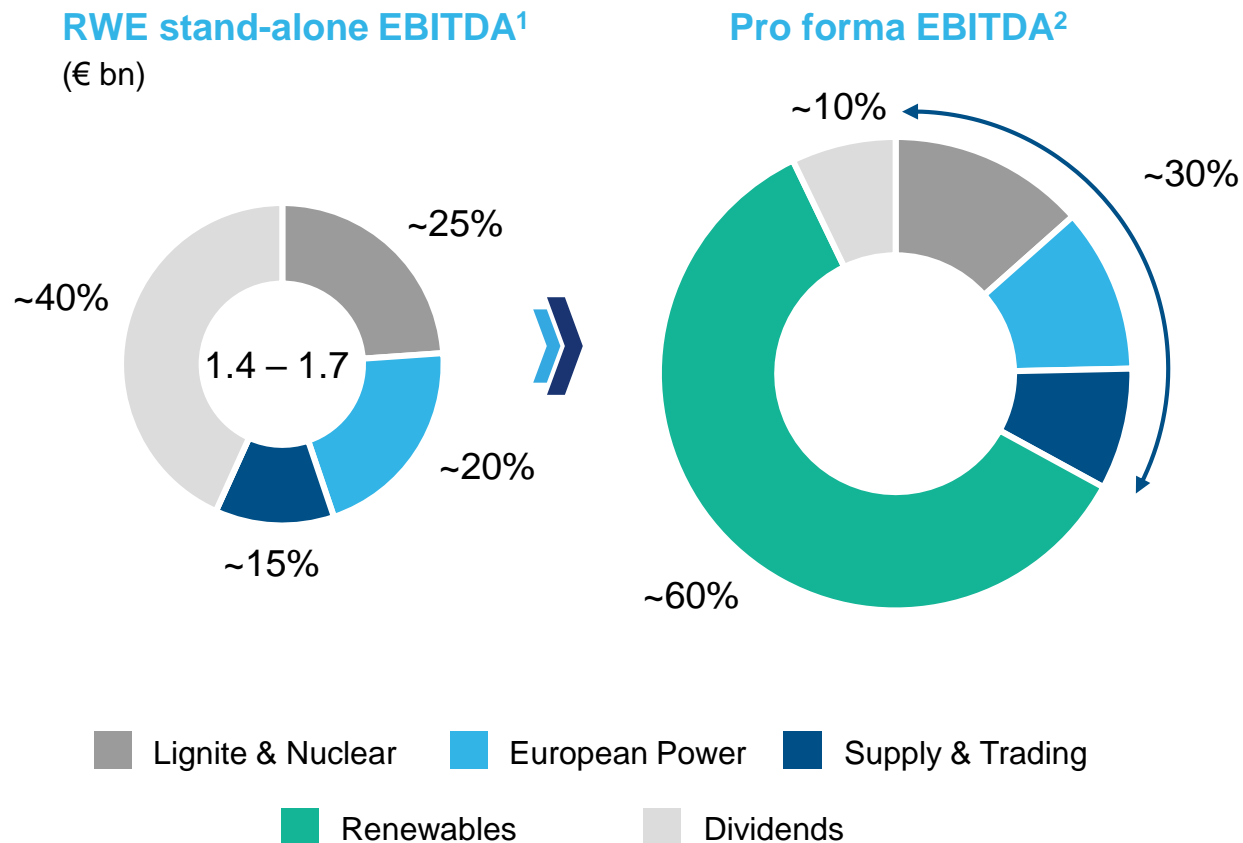
- > No. 3 renewables player in Europe with well-balanced portfolio and strong position in U.S. onshore wind market
- > Leading European offshore wind platform with 1.9 GW in operation and 1.3 GW in construction and advanced development
- > Strong development pipeline in attractive growth markets and scope for efficiencies

¹ Bloomberg New Energy Finance, March 2018.

² As at 31 December 2017. Accounting view. Excludes RWE's own renewable capacity.

Step-change in operating business with doubling of EBITDA post transaction

- > Significant earnings accretion with more than 90% of EBITDA from operating businesses
- > Diversification of earnings mix
- > ~60% contribution from renewables to pro forma EBITDA
- > ~50% of operating EBITDA coming from contracted³ operations with visible and stable earnings profile



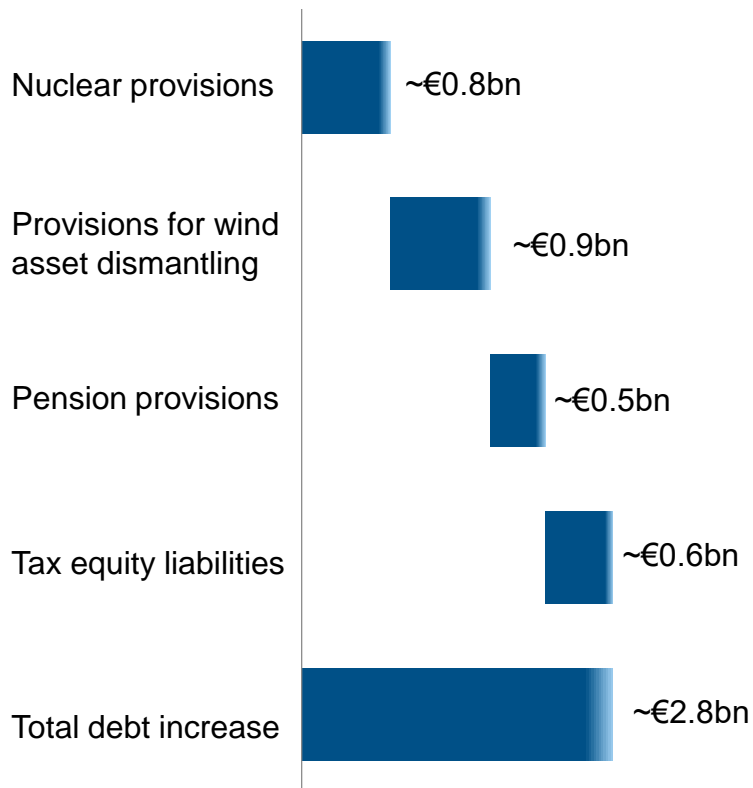
¹ EBITDA split based on mid-point 2018 EBITDA guidance for RWE stand alone.

² Split based on estimated numbers post closing.

³ Contracted operations include earnings from capacity payments for conventional generation, ROCs, CfDs, feed-in tariffs and PPAs.

Strong financial position post transaction provides ability to support future growth

Transactional debt effects



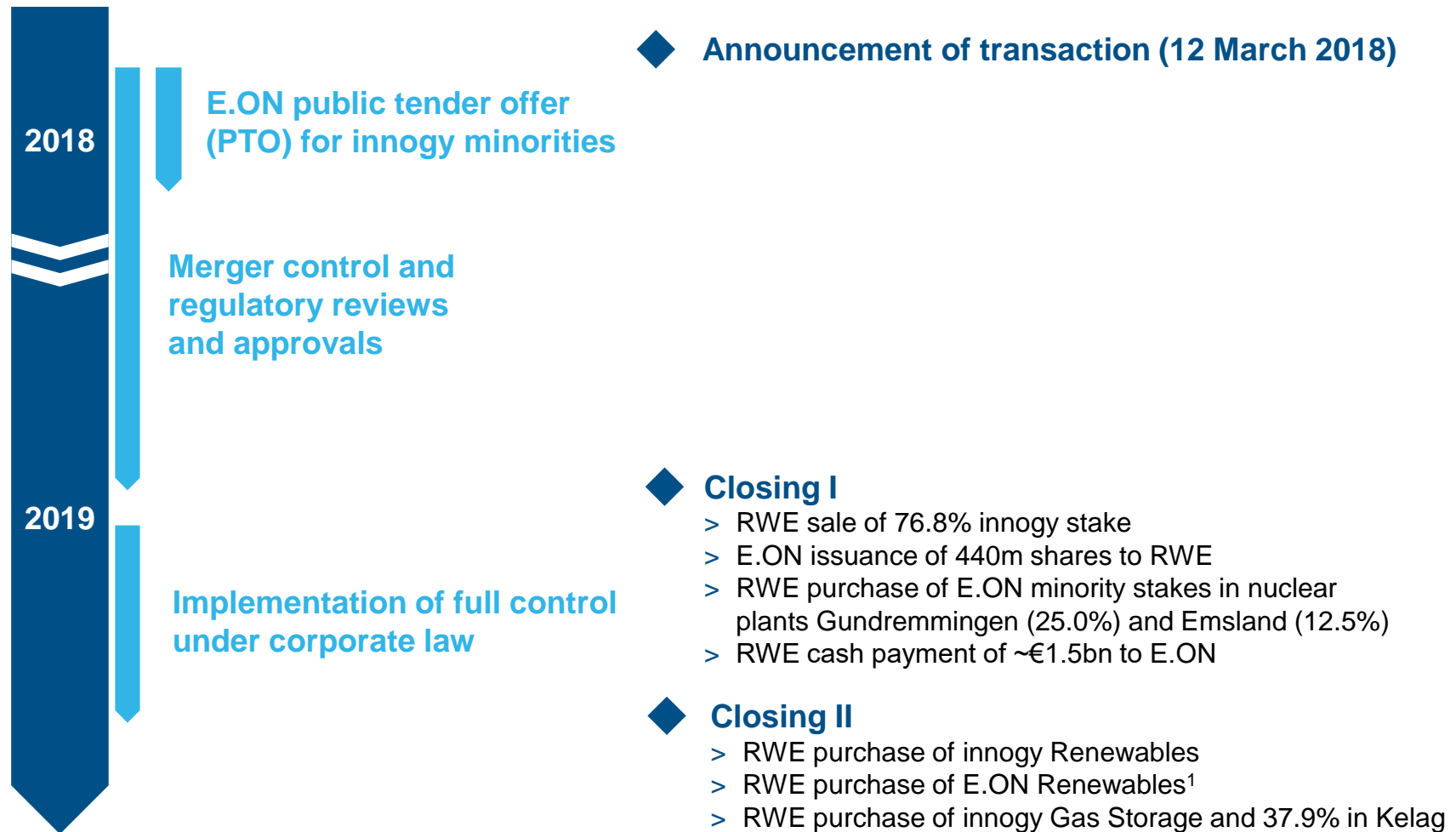
Financing

- > Limited cash requirements from transaction financed through own liquidity and funds
- > No assumption of capital market debt or plans to issue senior bonds

Rating strategy

- > Strong commitment to investment grade rating
- > Leverage supported by strong operational cash flows and financial portfolio
- > Pro forma net debt / EBITDA post transaction of 2.5x – <3.0x

Major transaction and legal milestones until closing



¹ Excluding German and Polish onshore wind assets belonging to e.dis (151 MW) and 20% stake in Rampion offshore wind farm (80 MW).

Strategic developments in current operations

Strategic focus on evolution of existing business portfolio

Optimise existing operations

Lignite & Nuclear/ European Power

- > Manage cost base
- > Apply capital allocation discipline
- > Actively manage portfolio

Supply & Trading

- > Maintain profitability

Enhance portfolio

European Power

- > Develop portfolio for future market requirements, e.g. gas turbine projects, biomass conversion
- > Participate in opportunistic asset consolidation (core markets)

Supply & Trading

- > Expand organically, e.g. LNG portfolio

Tap into evolving opportunities

- > Explore technologies suitable to provide security of supply
- > Invest selectively into new technologies (e.g. batteries)

TSOs expect significant tightening of secure generation capacity

TSO supply/demand balance¹



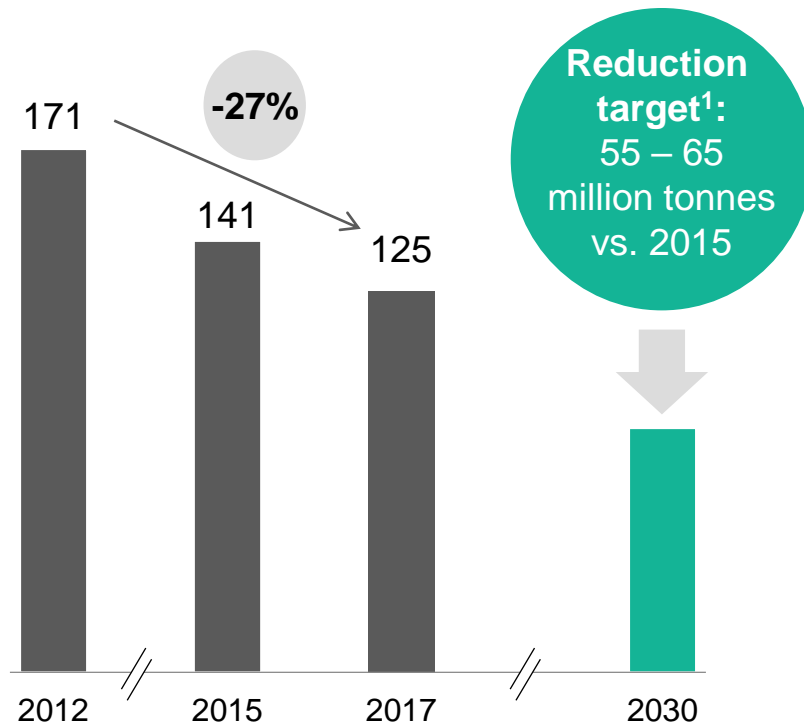
- > TSOs forecast potential for negative supply/demand balance by 2020
- > Reduction of reliable capacity driven by nuclear phase-out and hard coal plant closures
- > Growing need for TSOs to secure capacity via reserve mechanisms
- > Analysis points to increasing reliability on imports at times of low contribution from renewables

¹ Analysis of the German Transmission System Operators' (TSO) of supply/demand balance "Leistungsbilanz 2016-2020" from Oct 2017.

RWE's significant CO₂ reductions in line with European and national climate goals

RWE's CO₂ emissions in core markets¹

(million tonnes)



- > Significant CO₂ reduction since 2012
- > More than 10% emissions reduction in 2017
- > Target to reduce CO₂ emissions by 55 to 65 million tonnes by 2030 compared to 2015
- > Continuous decline to coal exposure
 - Biomass co-firing at Dutch hard coal plants
 - Transfer of 1.5 GW of lignite to stand-by reserve and final shut-down after 4 years
 - Closure of Weisweiler power plant site (1.8 GW) at end of Inden mine by 2030
 - Reduction in load factors of lignite and hard coal plants

¹ Referring to RWE stand-alone portfolio, excluding Mátra in Hungary and Denizli in Turkey.

Future growth options are developed and next steps considered

Gundremmingen



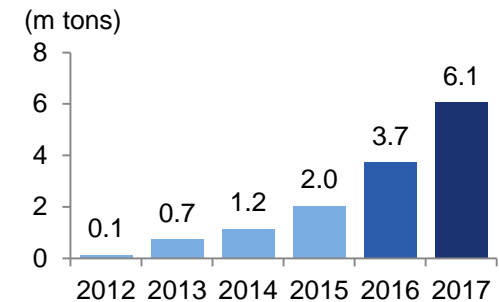
- > Development of open gas turbine project for grid stability reserve
- > Use of existing nuclear site
- > Auction by TSOs expected to start in 2018

Tilbury Energy Centre



- > Development of various new build options
- > Attractive location with existing grid connection and direct water cooling

Global LNG portfolio



- > Growth of supply contracts portfolio, among others
 - Angola LNG
 - Woodside Energy
 - Qatargas

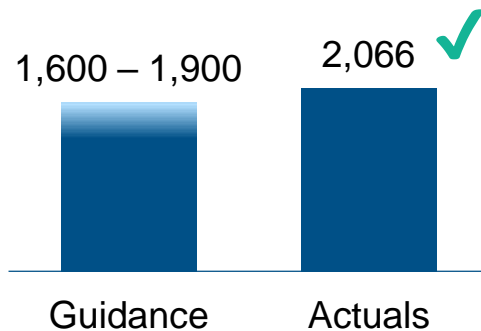
Financial highlights

Successful delivery of 2017 management targets

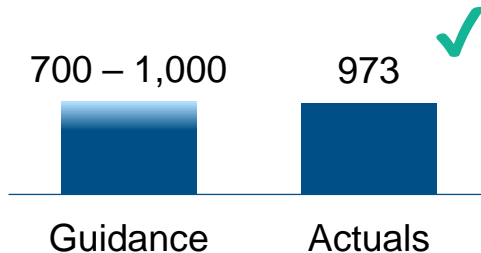
RWE stand-alone

(€ million)

2017 adj. EBITDA



2017 adj. net income



Earnings development above expectations



Return to clear dividend policy with minimum dividend of €0.50/share and future upside



Reimbursement of nuclear fuel tax and participation of shareholders via €1/share extraordinary dividend

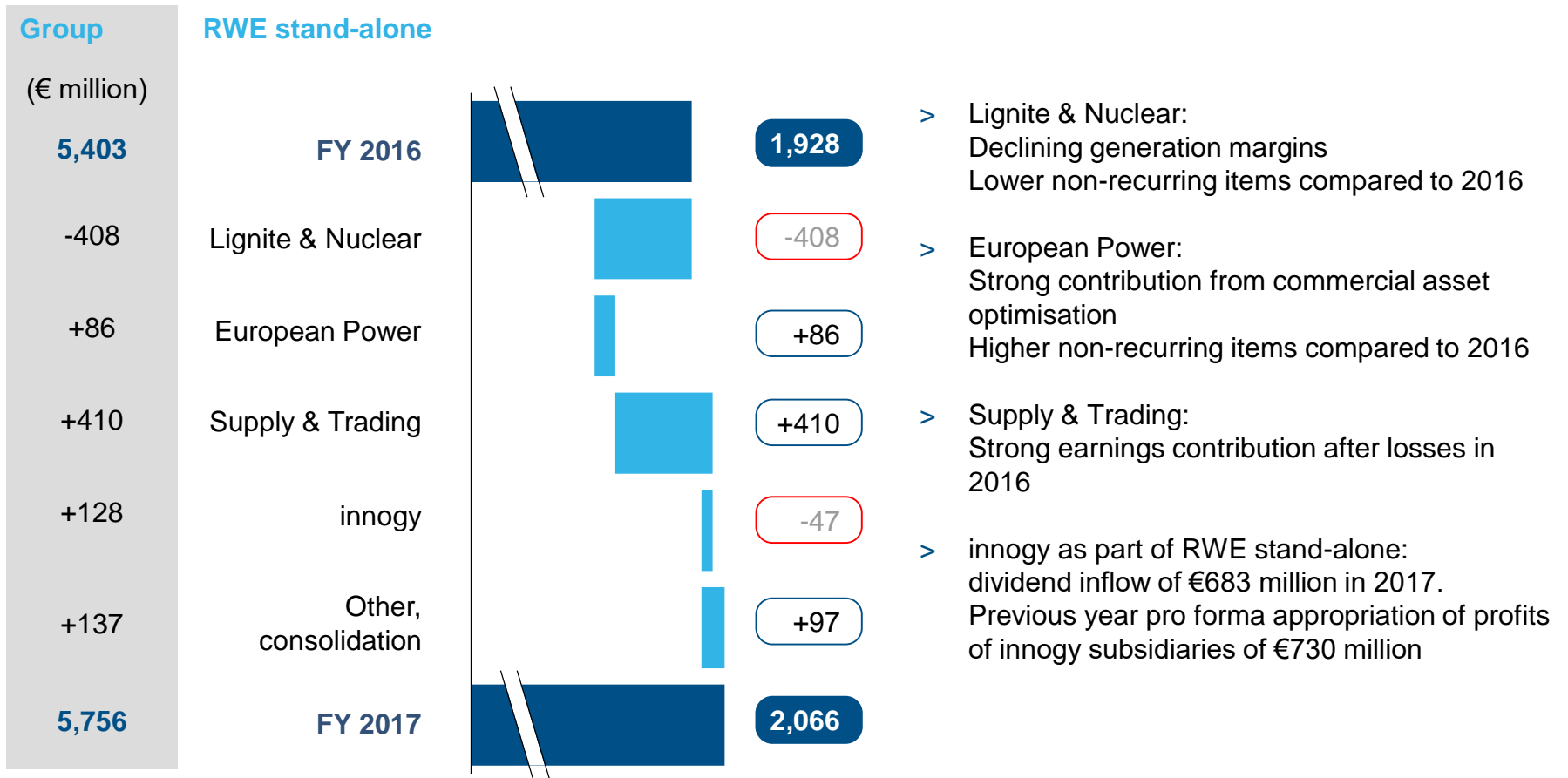


Conclusion of restructuring of responsibilities for nuclear waste disposal



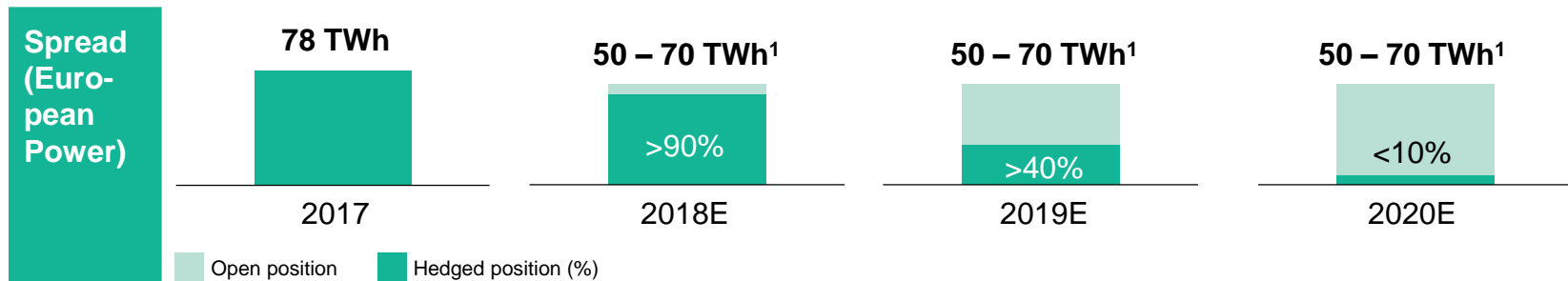
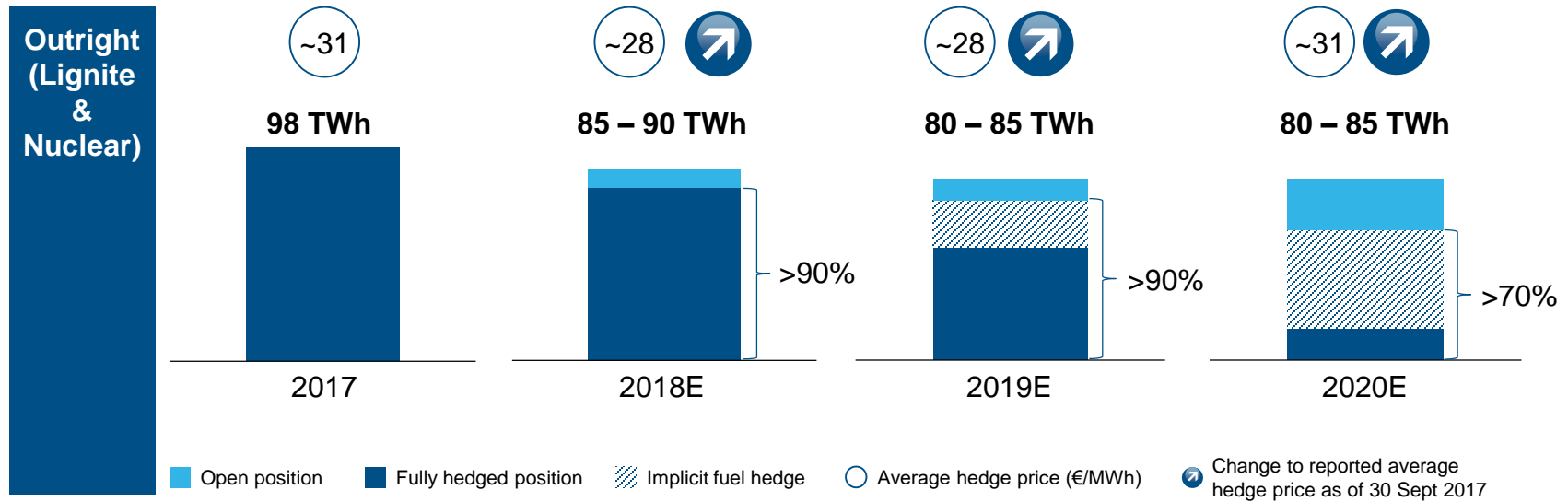
Optimisation of capital structure and stabilisation of investment grade rating

Development of adjusted EBITDA dominated by recovery of earnings at Supply & Trading



Hedging – Improved average hedge prices due to favourable development of spreads

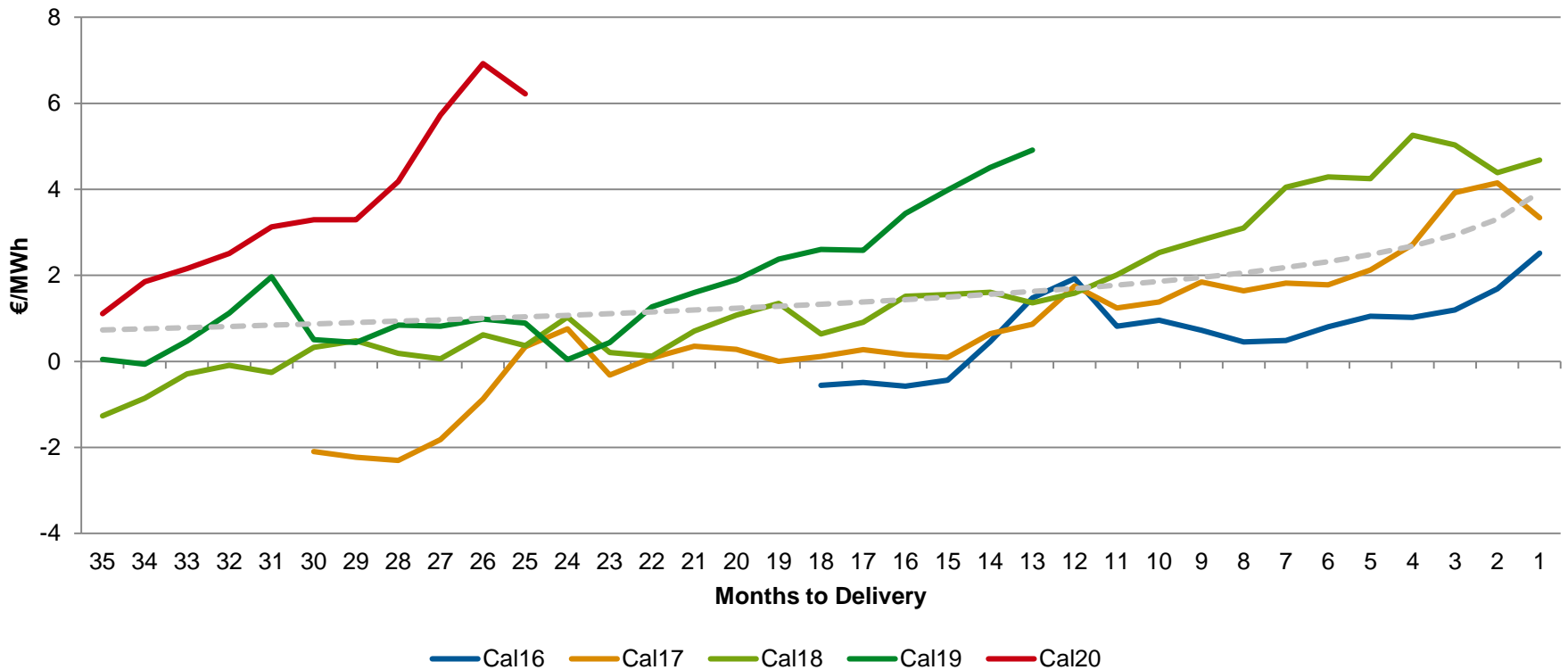
Expected positions and hedge status as of 31 December 2017



¹ Total in-the-money spread.

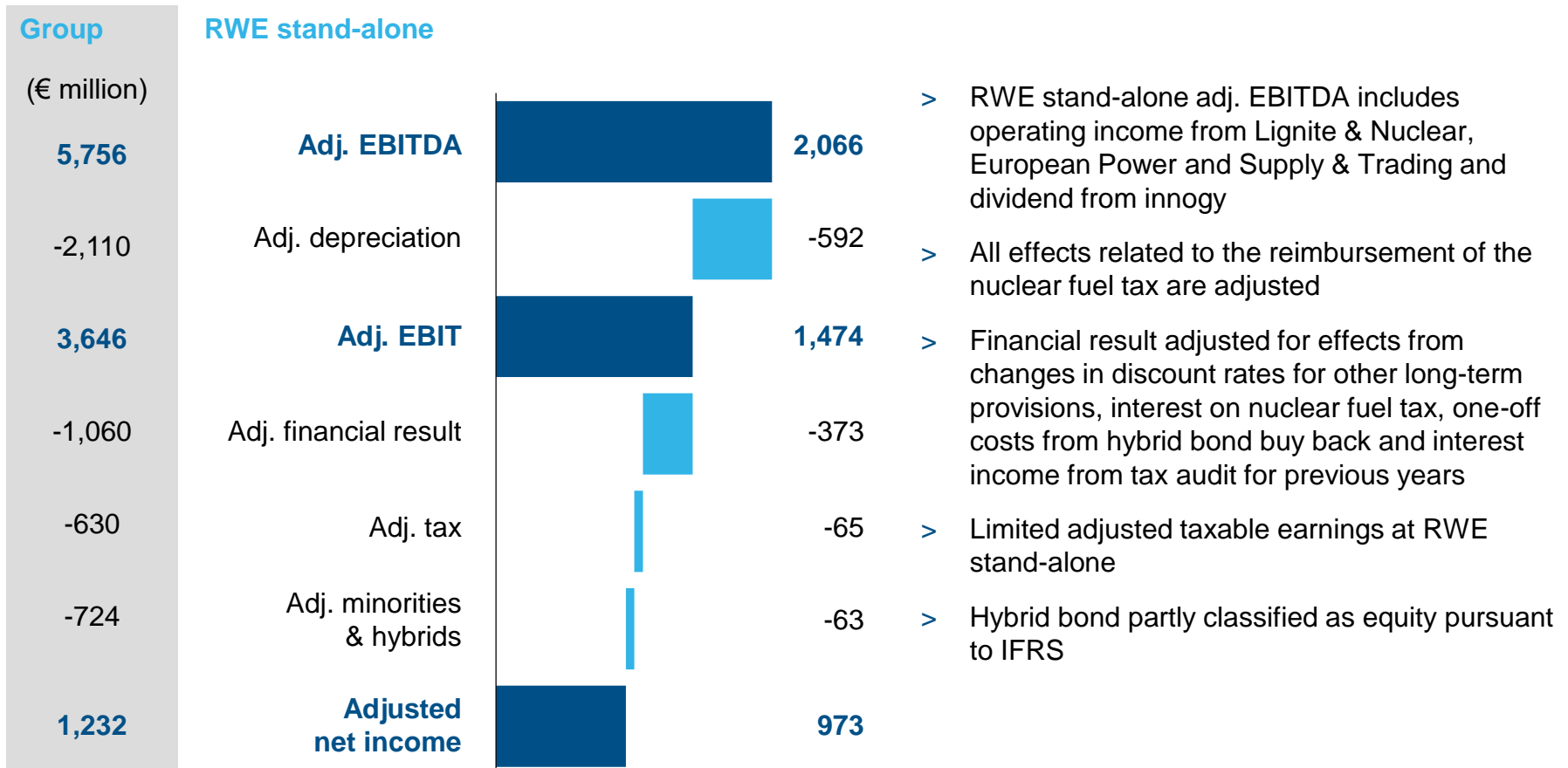
Significant improvement of fuel spreads in 2017

Development of German fuel spreads¹

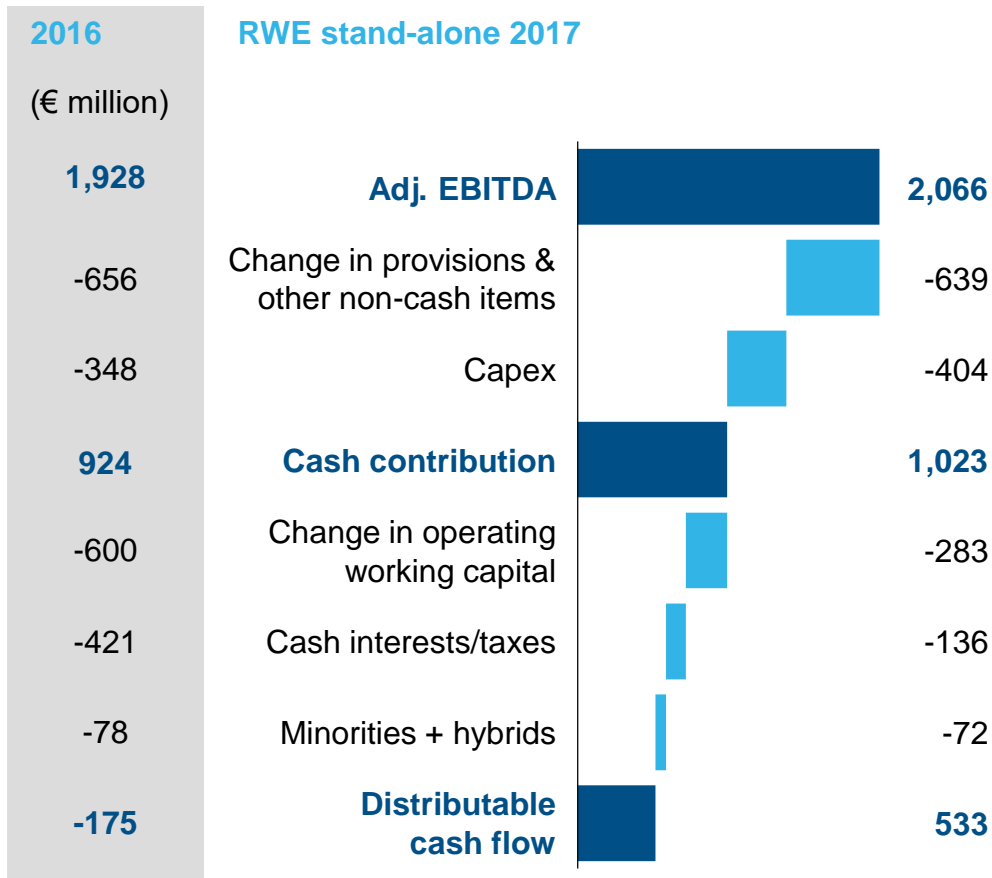


¹ Fuel spread defined as: Power price – (pass-through-factor carbon × EUA price + pass-through-factor coal × coal price + pass-through-factor gas × gas price).
Source: Bloomberg; data until 31 December 2017.

Adjusted net income FY 2017 reaches €973 million



High FY 2017 distributable cash flow despite negative effects in working capital



- > innogy dividend of €683 million fully reflected in Adj. EBITDA
- > Changes in provisions refer mainly to legacy provisions, nuclear provisions and restructuring provisions.
- > Change in operating working capital 2017 mainly impacted by phasing out of working capital optimisation measures from previous years and slightly higher gas inventories
- > Strong improvement in cash interest/taxes compared to FY 2016 is another main driver for higher distributable cash flow

Solid capital structure with high financial flexibility

RWE stand-alone net debt (as of 31 Dec 2017)¹

(€ bn)

Financial assets and receivables	8.7
> Financial receivables against innogy	1.7
> Financial assets	7.0
Financial liabilities (incl. hybrid adjustments)	2.5
> Bonds and bank debt, CP	1.6
> Other financial liabilities	1.0
> Hybrid adjustments	-0.1
Net financial assets (incl. hybrid adjustments)	6.1
Long-term liabilities	10.6
> Nuclear provisions	6.0
> Mining provisions	2.3
> Pension provisions	2.3
Total net debt	4.5





- > Net financial asset position
- > Majority of debt characterised by long-term provisions
- > Financial position commensurate with RWE's target to maintain investment grade ratings
- > Upside potential from rising interest rates (+10 bps change in real discount rates):
 - Pension provisions: c. -€0.1 billion
 - Nuclear provisions: c. -€50 million
 - Mining provisions: c. -€70 million
- > Outstanding hybrid capital of €2.0 billion, of which €0.9 billion classified as equity under IFRS and €1.1 billion classified as debt
- > Financial holdings (innogy, Amprion, Urenco) not included in net debt

¹ Rounding differences may occur.

RWE stand-alone – Outlook for 2018

FY 2017

FY 2018e

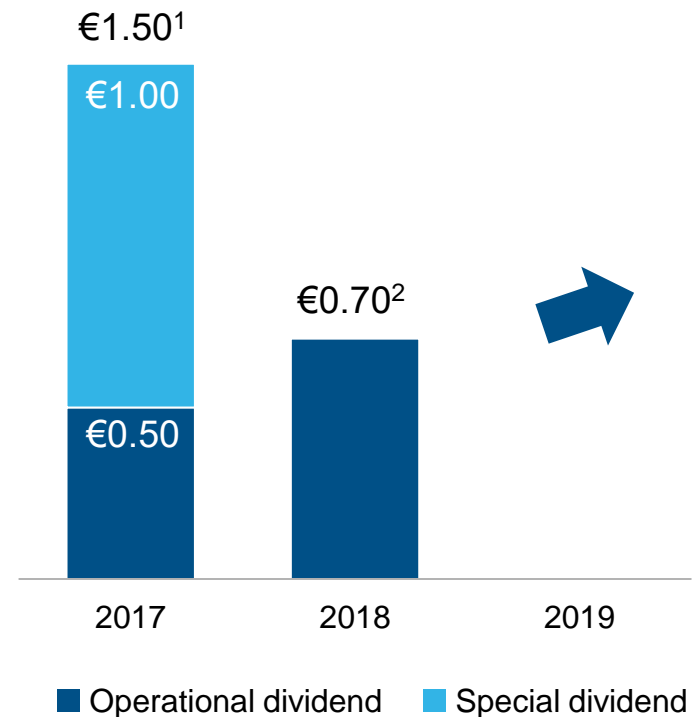
€2.1 bn	Adjusted EBITDA	€1.4 bn – €1.7 bn	
-€0.6 bn	Adj. depreciation		> Stable development expected
-€0.4 bn	Adj. net financial result		> Significant improvement from call and buy back of hybrids in 2017 and settlement of nuclear energy fund in July 2017
-€0.1bn	Adj. taxes		> Stable development expected
-€0.1bn	Adj. minorities & hybrid		> Stable development expected
€1.0 bn	Adjusted Net Income	€0.5 bn – €0.8 bn	
€0.50	Dividend (per share)	€0.70	
	> Normal dividend ¹	> Management target	
+ €1.00	> Special dividend ¹		

¹ Dividend proposal of €1.50 for RWE AG's 2017 fiscal year, subject to the passing of a resolution by the 26 April 2018 Annual General Meeting.

Clear perspective of growing dividend

Elements of dividend policy for next two years

- > Dividends driven by distributable cash flow of RWE stand-alone
- > Target to fully pay out entire distributable cash flow over planning horizon
 - Smooth short-term volatility of trading business
- > Objective of sustainable dividend payout
 - No pay out of substance
 - Anticipate known power price developments



Management incentive scheme aligned with focus on total shareholder return

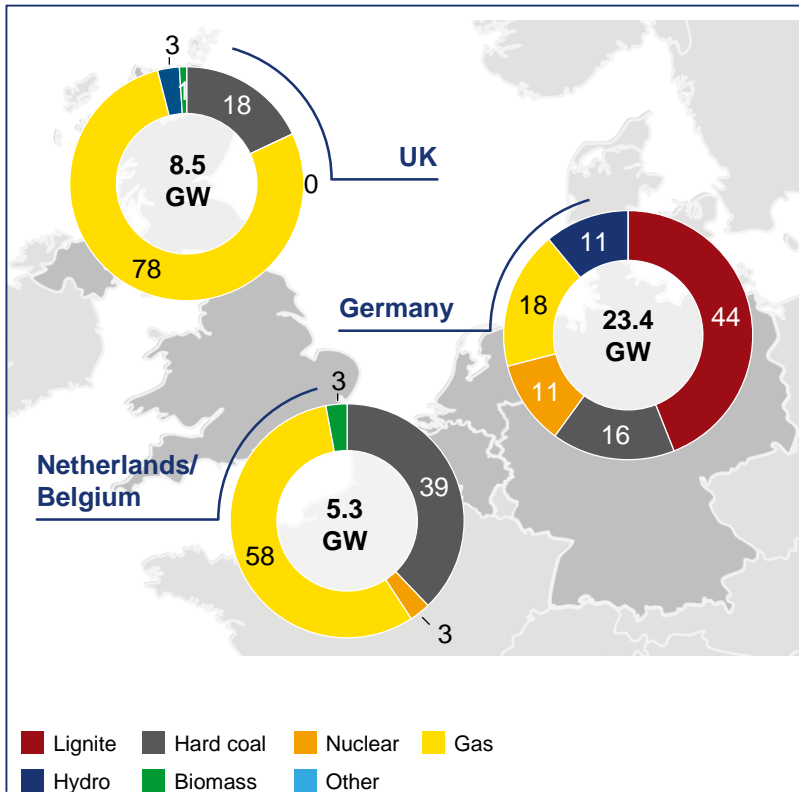
¹ Dividend proposal for RWE AG's 2017 fiscal year, subject to the passing of a resolution by the 26 April 2018 Annual General Meeting.

² Envisaged by management board.

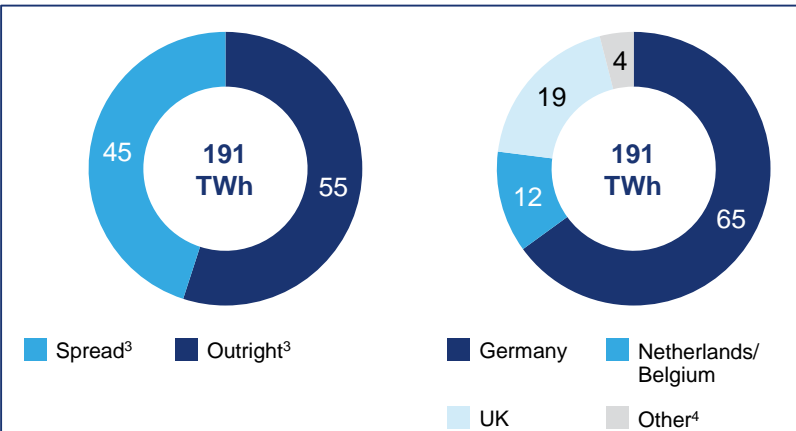
Appendix

Generation: Leading and diversified provider of reliable energy

Core generation markets¹ (%)



Production volumes² (%)



- ✓ Highly relevant position in all core markets
- ✓ Efficient and flexible portfolio across technologies
- ✓ Sophisticated commercial management of operations
- ✓ Well positioned to provide security of supply

¹ 2017 net capacity. Excluding Mátra in Hungary (0.8 GW) and Denizli in Turkey (0.8 GW) | ² 2017 production volumes (including Mátra and Denizli)

³ Spread: Hard coal, gas, hydro, biomass. Outright: Lignite, nuclear | ⁴ Including Mátra and Denizli

Commercial Asset Optimisation: High value contribution from all activities

Commercial Asset Optimisation (CAO) value contribution

Deviation from Reference Hedge Path

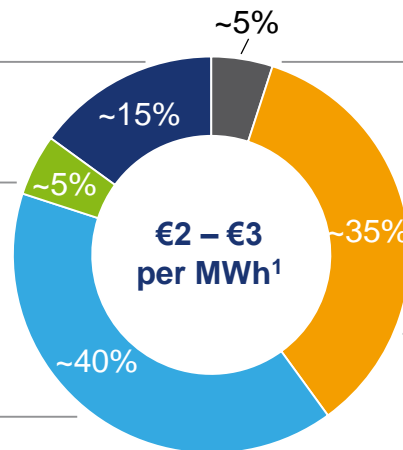
- > Within defined limits
- > Based on fundamental market views

Fuel procurement & logistics

- > Physical procurement of fuel and substitutes
- > Commercialisation of by-products

Reserve & ancillary services

- > Reserve, voltage support/ reactive power
- > Frequency response, black start



Option management

- > Re-optimisation of power station option
- > Shape management
- > Trading around hedge positions

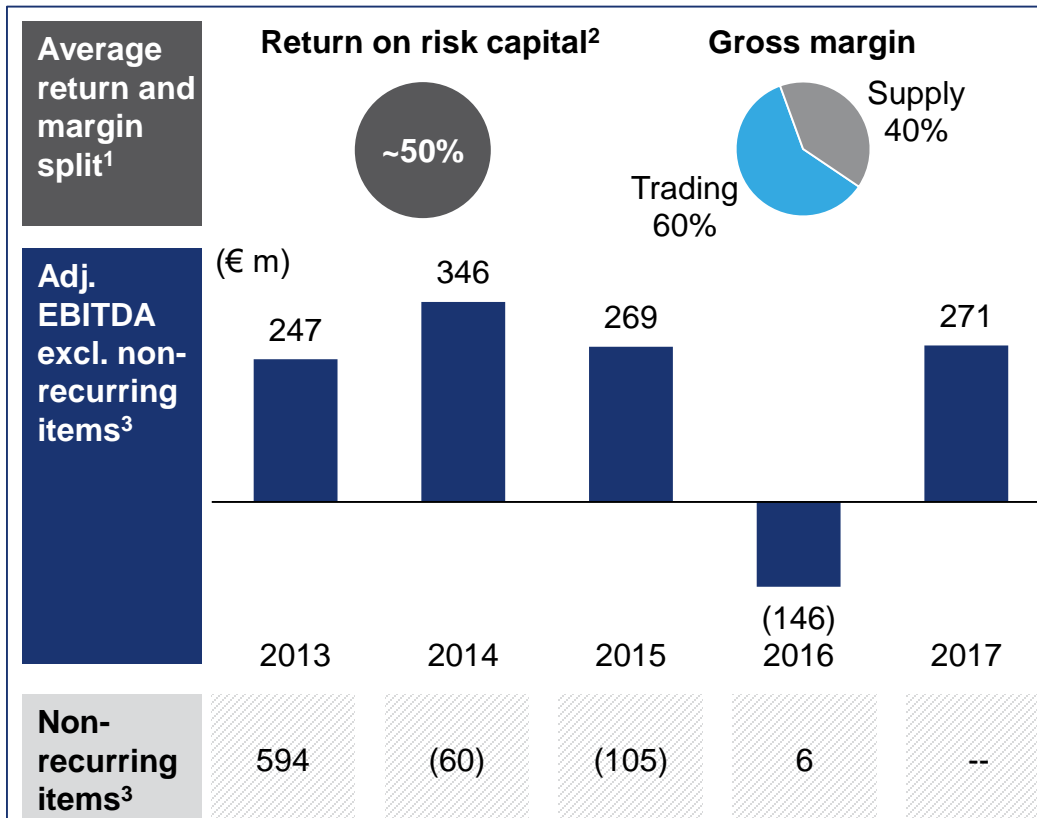
Short-term optimisation

- > Short-term trading
- > Balancing markets
- > Dispatch/intra-day trading

¹ On top of realised forward hedges as per Reference Hedge Path. Reported within results of Lignite & Nuclear and European Power

Supply & Trading: Important earnings contributor to RWE results

EBITDA development and gross margin split



Business segments

Trading

Trading

- > Physical and financial products on screen in liquid markets
- > Negotiated contracts (Origination)

Principal Investments

- > Private equity style investment in energy assets

Supply

Gas & LNG

- > Management of gas supply and infrastructure contracts

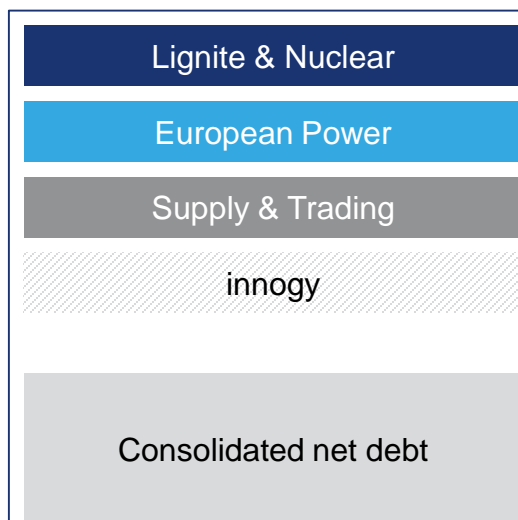
Commodity Solutions

- > B2B business for large industrial customers and municipalities

¹ 5 year average | ² Adj. EBITDA (excluding non-recurring items) / risk capital employed; includes risk capital for Trading and Origination, invested capital for Principal Investments, Gas & LNG and Commodity Solutions | ³ Non-recurring items: predominantly legacy gas midstream contracts

RWE stand-alone figures relevant for cash and value management

RWE Group



RWE stand-alone



Key financials 2017

Adj. EBITDA	€5.8 bn
Net debt	€20.2 bn

Adj. EBITDA	€2.1 bn
Net debt	€4.5 bn
innogy stake ¹	€14.0 bn

¹ Market value as of 31 December 2017

Lignite & Nuclear – Driven by lower realised generation margins

Key financials

€ million	FY 2017	FY 2016	change
Adj. EBITDA	671	1,079	-408
t/o non-recurring items ¹	-1	137	-138
Depreciation	272	415	-143
Adj. EBIT	399	664	-265
t/o non-recurring items ¹	-1	137	-138
Capex²	248	267	-19
Cash contribution²	423	812	-389

FY 2017 versus FY 2016:

- ⊖ Lower realised generation margins
- ⊖ Lower income at Mátra and classification as asset held for sale as of Q2 2017; i.e. earnings contribution from Q2 2017 onwards in non-operating result
- ⊖ Lower non-recurring items
- ⊕ Phase out of nuclear fuel tax in 2016
- ⊕ Operating cost improvements

EBITDA outlook for 2018: between €350 and €450 million

- ⊖ Lower realised generation margins (hedged outright price: ~€28/MWh vs. €31/MWh in 2017)
- ⊖ Closure of Gundremmingen B nuclear unit
- ⊕ Operating cost improvements

¹ Non-recurring items (not included in non-operating result).

² Cash contribution = adj. EBITDA minus capex with effect on cash (before changes in provisions), excl. investments from assets held for sale.

European Power – Higher earnings mainly due to favourable CAO result and higher non-recurring items

Key financials

€ million	FY 2017	FY 2016	change
UK	205	270	-65
Continental Europe	253	106	147
Adj. EBITDA¹	463	377	86
t/o non-recurring items ²	80	24	56
Depreciation	308	414	-106
Adj. EBIT	155	-37	192
t/o non-recurring items ²	80	24	56
Capex³	147	66	81
Cash contribution³	316	311	5

FY 2017 versus FY 2016:

- ⊕ Significantly higher income from commercial asset optimisation (CAO)
- ⊕ Higher positive non-recurring items
- ⊕ Operating cost improvements
- ⊕ Higher realised gas generation margins
- ⊖ Lower realised hard coal generation margins

EBITDA outlook for 2018: between €300 and €400 million

- ⊖ Lower realised generation margins
- ⊖ Return of commercial asset optimisation to normalised level
- ⊖ Absence of positive one-offs from 2017
- ⊕ Higher earnings contribution from UK capacity market

¹ Total adjusted EBITDA includes further income from other subsidiaries.

² Non-recurring items (not included in non-operating result). | ³ Cash contribution = adj. EBITDA minus capex with effect on cash (before changes in provisions).

Supply & Trading – Strong earnings contribution after losses in previous year

Key financials

€ million	FY 2017	FY 2016	change
Adj. EBITDA	271	-139	410
t/o non-recurring items ¹	-	6	-6
Depreciation	6	6	-
Adj. EBIT	265	-145	410
t/o non-recurring items ¹	-	6	-6
Capex²	7	4	3
Cash contribution²	264	-143	407

FY 2017 versus FY 2016:

- ⊕ Normalised trading result after losses in 2016
- ⊕ Strong earnings contribution of Gas & LNG
- ⊖ Absence of income from disposal of Lynemouth power plant in Q1 2016

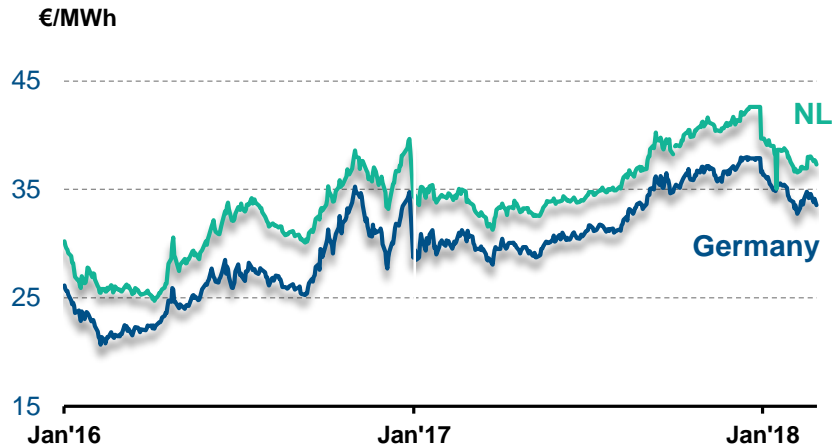
EBITDA outlook for 2018: between €100 and €300 million

- > Expected longer-term average earnings contribution of approx. €200 million

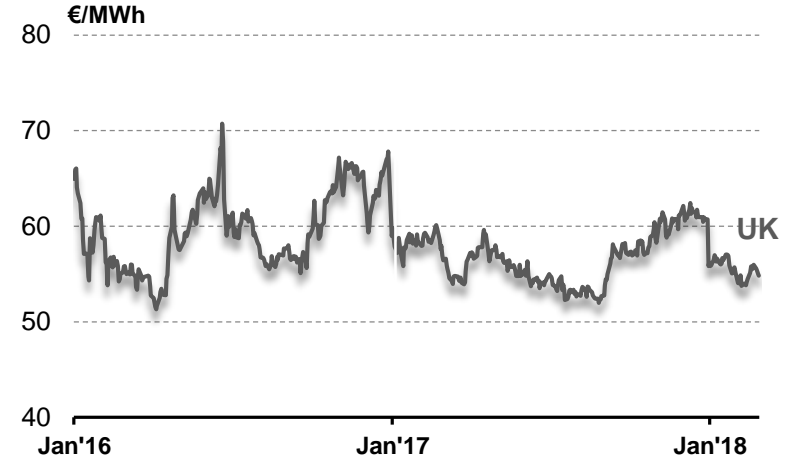
¹ Non-recurring items (not included in non-operating result). | ² Cash contribution = adj. EBITDA minus capex with effect on cash (before changes in provisions).

Power prices and commodities

Base load power prices – Germany, NL (1 year forward)



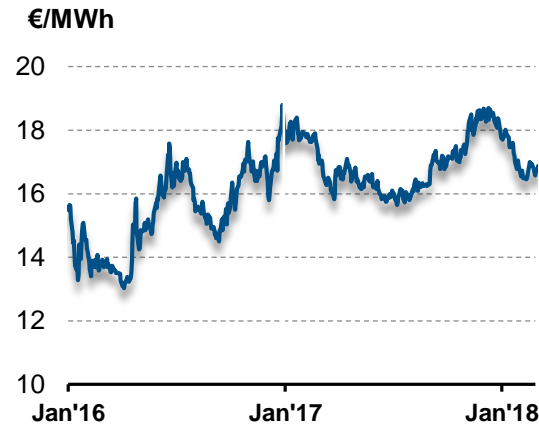
Base load power prices – UK (1 year forward)



Coal prices – API2 Cal-ahead



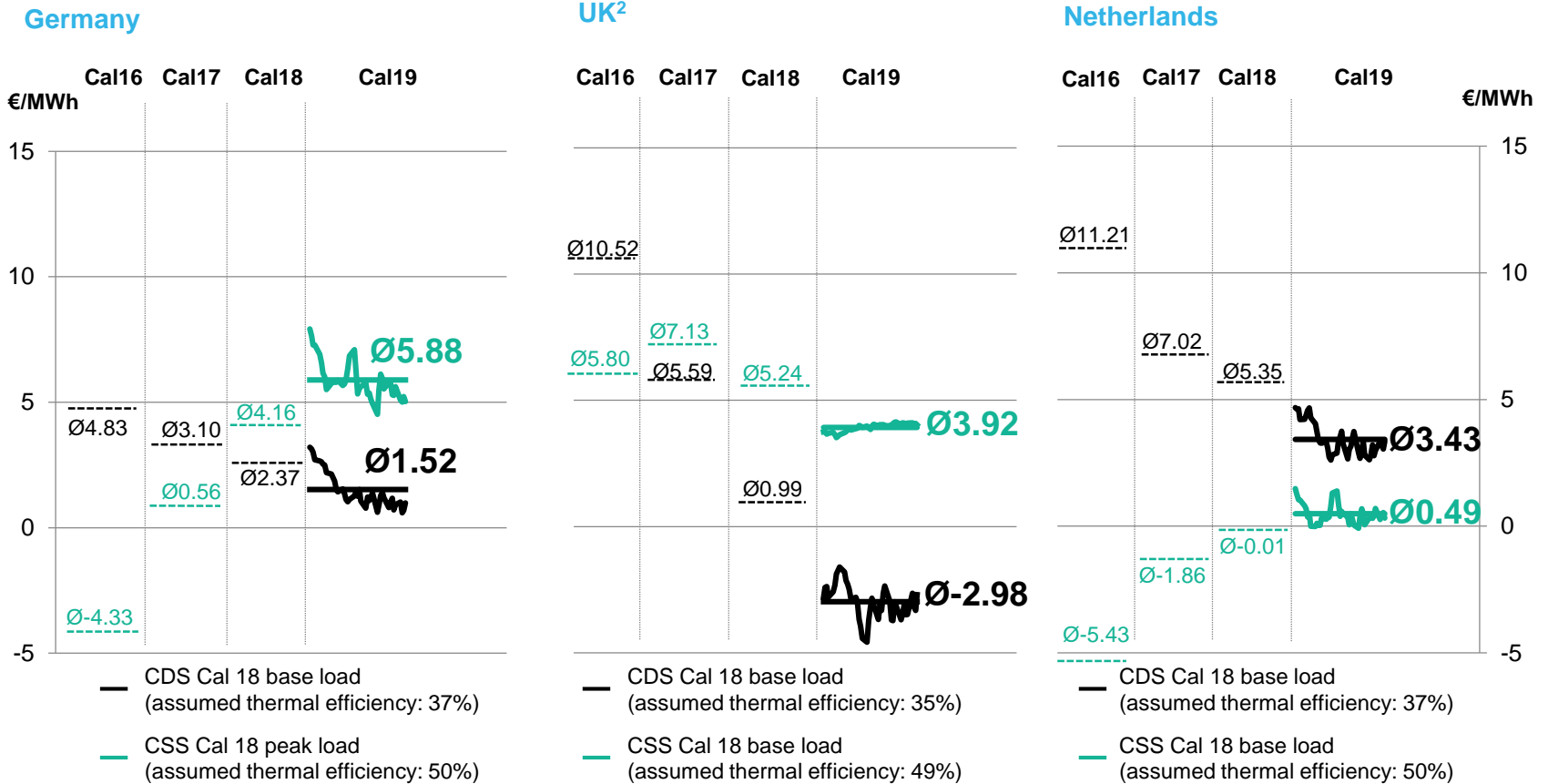
Gas prices – TTF Cal-ahead



Carbon prices - EU ETS








Clean Dark (CDS) and Spark Spreads (CSS) – 2016 - 2019 forwards for Germany, UK and NL¹



¹ Settlement one year ahead (Cal+1) | ² Including UK carbon tax | Source: RWE Supply & Trading, prices through to 1st of March 2018

RWE Investor Relations - contacts

Important Links

-  Annual and Interim Reports
<http://www.rwe.com/ir/reports/>
-  Investor and Analyst Conferences
<http://www.rwe.com/ir/investor-and-analyst-conferences/>
-  IR presentations & further factbooks
<http://www.rwe.com/ir/presentations/>
-  IR videos
<http://www.rwe.com/ir/videos/>
-  Consensus of analysts' estimates
<http://www.rwe.com/ir/consensus-estimates>

Financial Calendar

-  26 April 2018
Annual General Meeting
-  2 May 2018
Dividend payment
-  15 May 2018
Interim statement on the first quarter of 2018
-  14 August 2018
Interim statement on the first half of 2018
-  14 November 2018
Interim statement on the first three quarters of 2018

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