Delivering green growth supports RWE's transition to low carbon

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RWE

The energy to lead

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- 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

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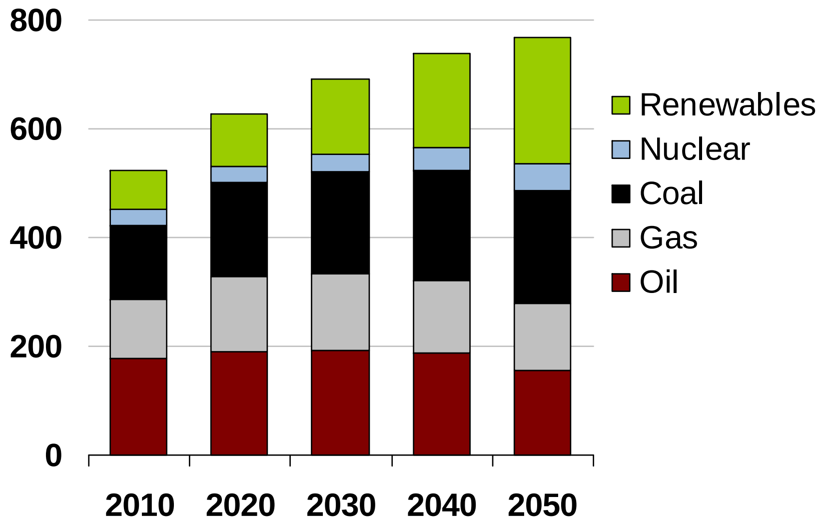
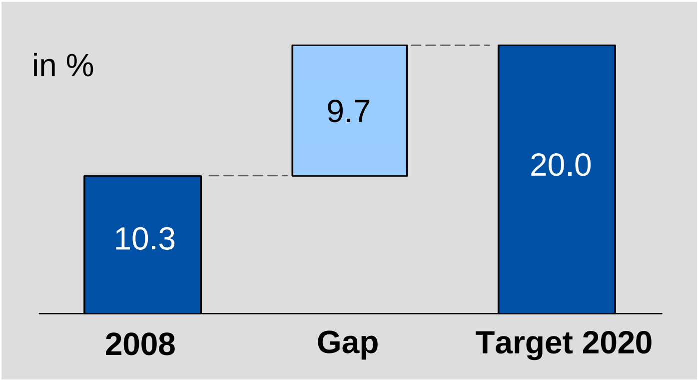
Against the background of rising energy demand, renewables has an increasing role to play

Growth of worldwide primary energy consumption source until 2050[1]



EU has committed itself to ambitious renewable targets already by 2020[2]



> Target of 20% share of renewables in overall EU energy consumption by 2020

> At least 10% of final energy consumption in transport by biofuels in 2020 in each country

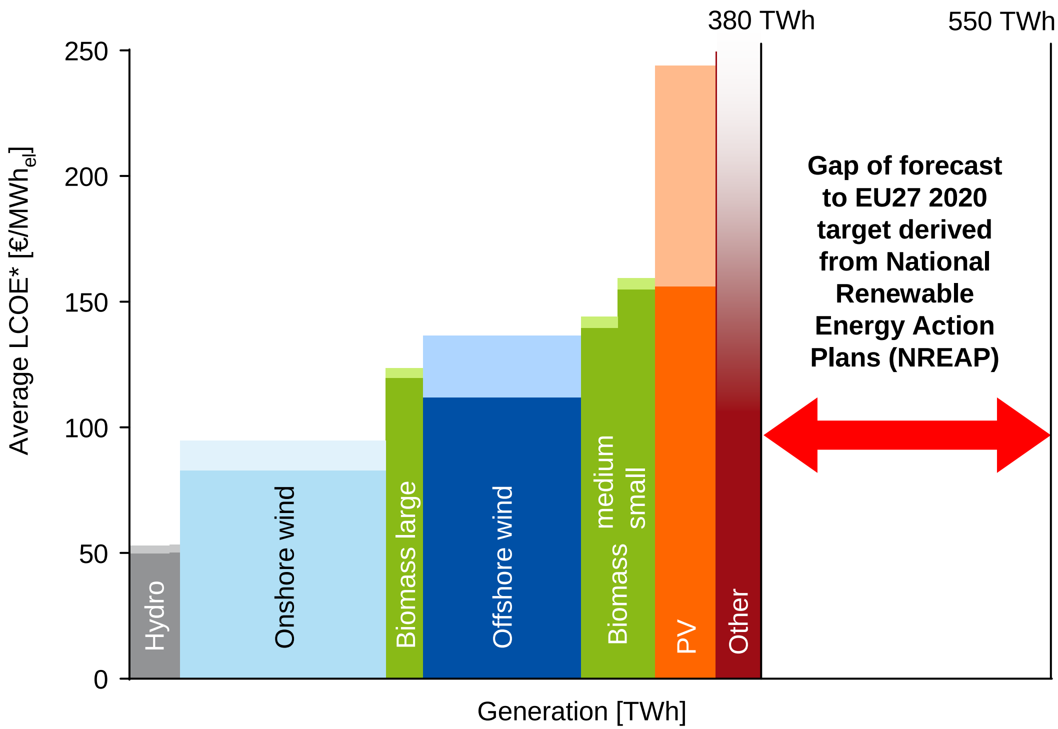
Global energy consumption increases by about 1/3 from 2010 to 2030.

Renewable energy and coal expected to cover most of the growth until 2050.

1. Source: Shell energy scenarios to 2050 ('blueprints' scenario shown), 2008.
2. Source: EU Commission 2008, Directive 2009/28/EC.

Binding renewable targets of 20% in Europe by 2020 remain robust despite the crisis

Generation growth forecast and LCOE[1] estimates
by RWE Innogy for EU27 2011-2020

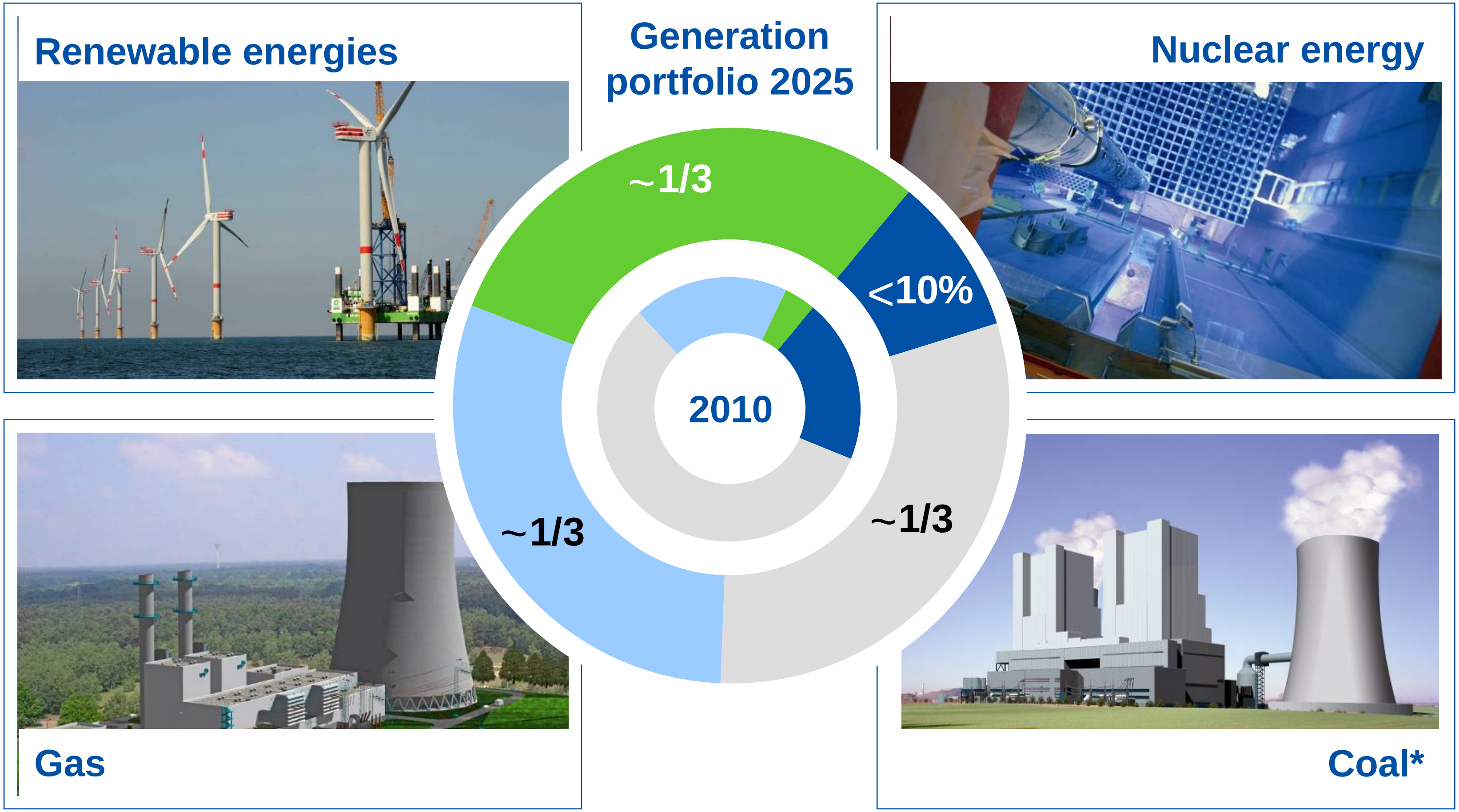


… and of course there are more drivers for renewables:

- > Security of supply – also in light of finite fossil fuels
- > Expectations by society and stakeholders
- > Competitiveness and affordability of energy
- > Reducing energy import dependencies
- > Investment returns
- > Growth

1. LCOE = Levelised cost of energy incl. devex and capex, shaded areas on top reflect cost ranges

For RWE, renewables are the main growth business and will contribute one third of power generation capacity in 2025



* In 2010, coal in schematic chart includes 1% other generation;
  in 2025 this will be only highly efficient coal.

RWE Innogy – focus on wind, hydro and biomass while also supporting new technologies

Mission Statement

To be trusted leaders in sustainability, renewable energy and innovative technology

Focused Strategy

> Bundling renewables activities and competencies across RWE Group
> European focus with integrated biomass supply chain extended to the US in 2011
> Focus on capacity growth in commercially mature renewable technologies

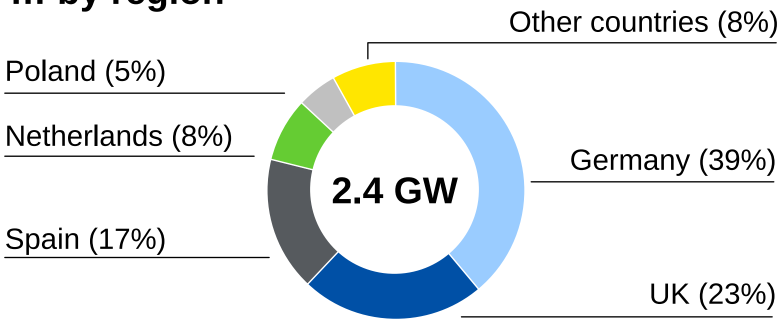
	Hydro	Wind onshore	Wind offshore	Biomass	New technologies
					
Growth potential	◔	◕	●	◕	Amongst others, new technologies include > Biogas > Solar thermal > Geothermal
Base load	◕	○	◔	●	
Technical risk	○	◔	◕	◑	
Economics	●	◕	◑	◑	
Implications	**“Just do it”** most economical and reliable option	**“Real growth”** mainstream and key technology for growth	**“Utility core skill”** ability for large scale projects essential	**“Step by step”** integrated approach over whole value chain	**“Driving innovation”** fostered through R&D and Venture Capital

● Highest score ○ Lowest score

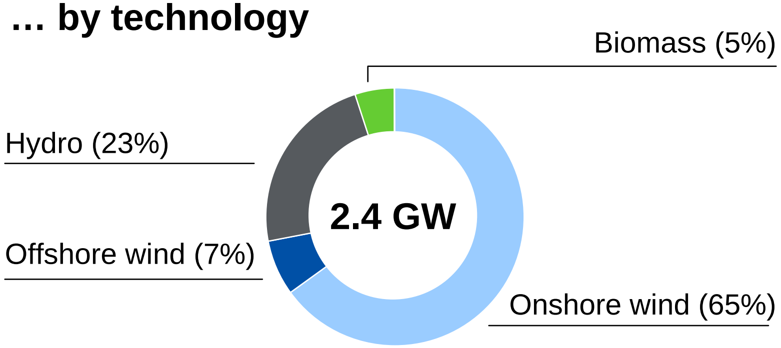
RWE has made an impressive start with 2.4 GW of renewable operating capacity and is progressing value-driven growth

RWE Innogy's installed capacity[1] diversified

… by region

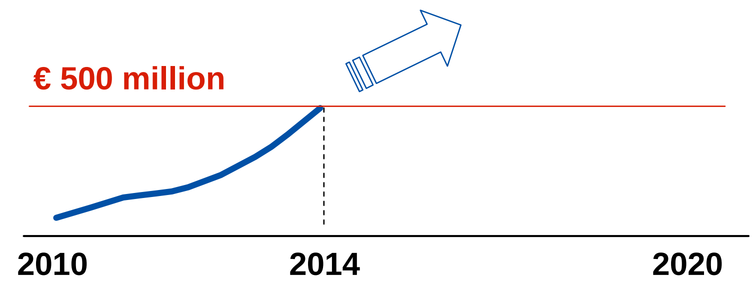


… by technology

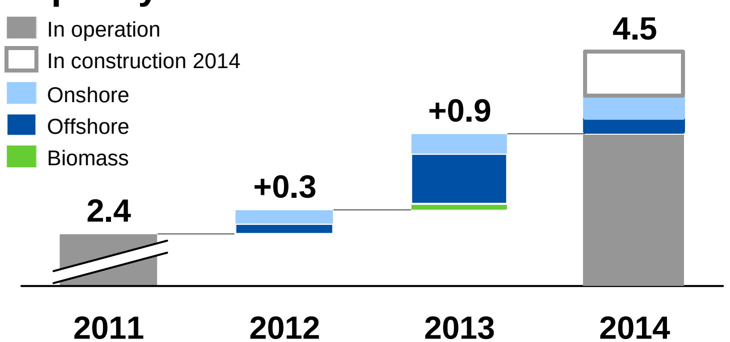


Journey to 2014 and beyond

Operating result



Capacity



1. Accounting view + power purchase agreements, Q3 2011

Onshore wind – substantial market position and steady growth in focus countries ahead

Good basis for future growth:

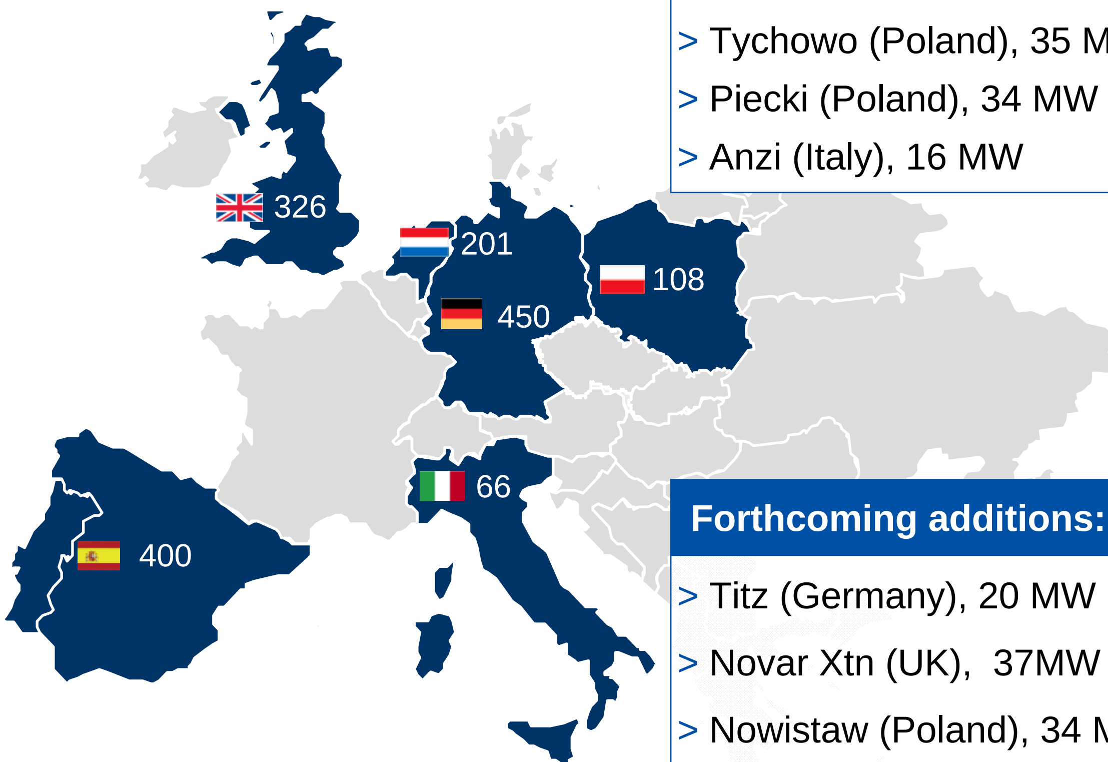
> Strong foothold in Europe with installed capacity > 1.5 GW*

> Steady growth of 0.2 GW/a and above in mid term

> Low cost and relatively fast construction – low risk projects with good returns

> Focus countries extend to Central- and South-Eastern Europe

> Good access to projects both through organic development and flexible partnership approach adopted to local situation



* Operating capacities: Accounting view + PPA as of 30 Sept 2011

Recent additions:

> Little Cheyne Court (UK), 60 MW

> Tychowo (Poland), 35 MW

> Piecki (Poland), 34 MW

> Anzi (Italy), 16 MW

Forthcoming additions:

> Titz (Germany), 20 MW

> Novar Xtn (UK), 37MW

> Nowistaw (Poland), 34 MW

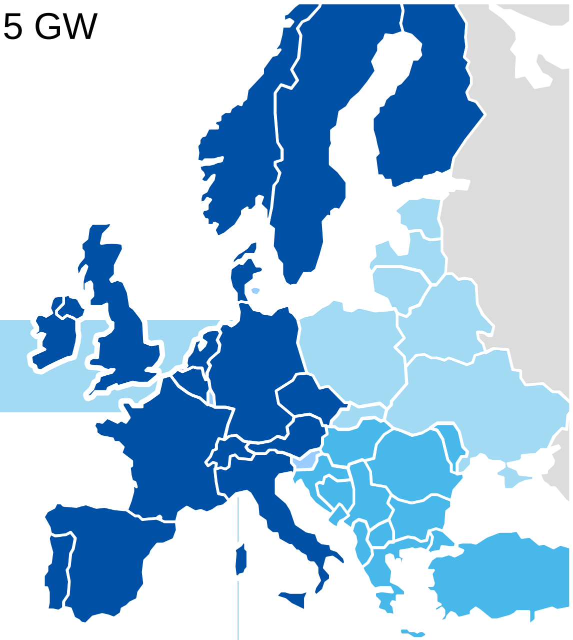
> Middlemoor (UK), 54 MW

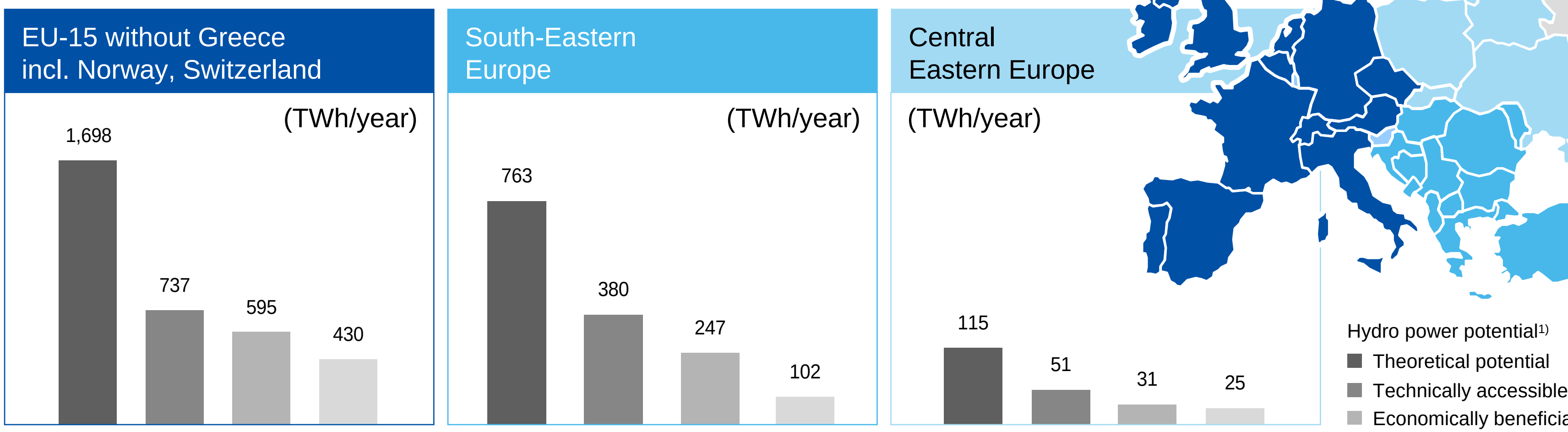
Hydro – mature technology but still some opportunities in Western and considerable potential in South-Eastern Europe

> Potential in Western Europe well exploited, RWE Innogy's capacity >0.5 GW

> Almost two-thirds of the economical potential in South-Eastern Europe is not developed – RWE's development activities focus on this region

> Technology well covered by experienced staff of RWE with over 100 years experience





28% unused economical potential

59% unused economical potential

19% unused economical potential

[1] Average values of the following sources: WEC, 2007 Survey of Energy Resources; EUROSTAT; UCTE; Europe's hydropower potential today and in the future, CESR, University of Kassel; Hydropower & Dams World Atlas, 2007.

Strong rationale for use of biomass as renewable energy source – RWE well positioned with integrated supply chain

Strong market rationale

> Significant greenhouse gas (GHG) abatement potential

> Contribution to energy security and diversification of renewable sources

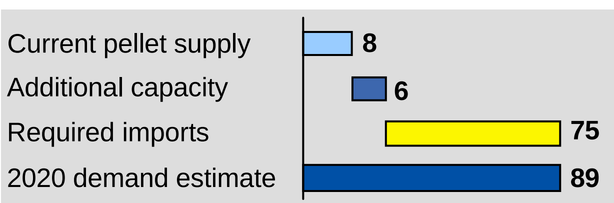
> Good suitability for base load supply

Demand growth drives need for imports

> European forests largely exploited

> Large scale energy generation requires increased imports

> Demand and import estimate 2020*:



RWE has already successfully executed a vertically integrated supply chain:

- Procurement from sustainable forestry

- Pellet production at customised quality

- Transportation via rail and shipping

- Dedicated biomass combustion and co-firing

* in million metric tons

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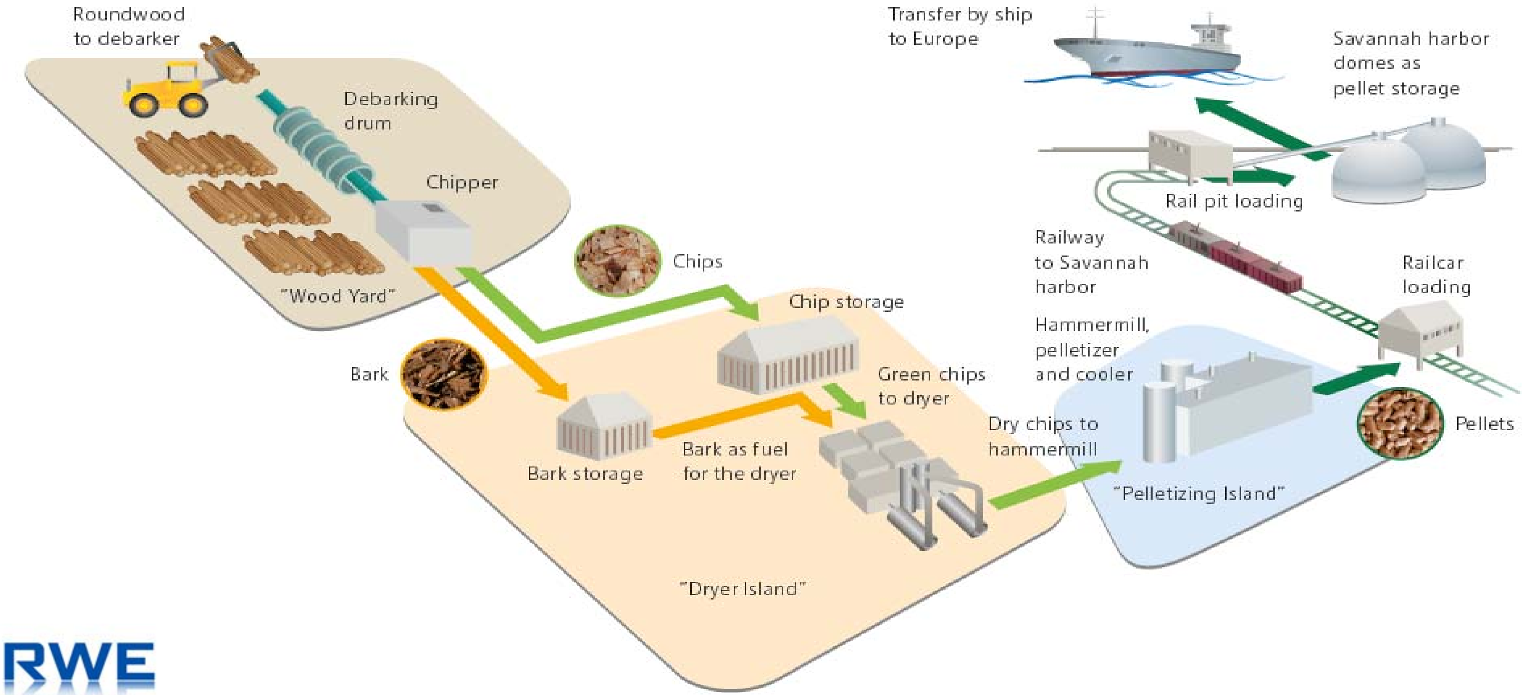
In 2011, RWE Innogy has inaugurated the world's largest pellet plant in the south of the US state of Georgia

- Total investment of approx. $ 160m (€ 120m)
- 82 Full Time Equivalent (FTE) employed
- Production capacity of 750,000 tons per year
- 1.5 million tons of virgin wood from area of about 50 miles around plant used as feedstock


Aerial view of pellet plant



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More than 7 years of experience in offshore wind, growth ambitions matched by large project pipeline

Development*

- Innogy Nordsee 1, Germany, ca. 1,000 MW
- Galloper, UK, 500 MW

- Triton Knoll, UK, 1,200 MW
- Tromp Binnen, Netherlands, 300 MW
- Atlantic Array, UK, 1,500 MW
- Doggerbank, UK, 9,000 MW

Construction*

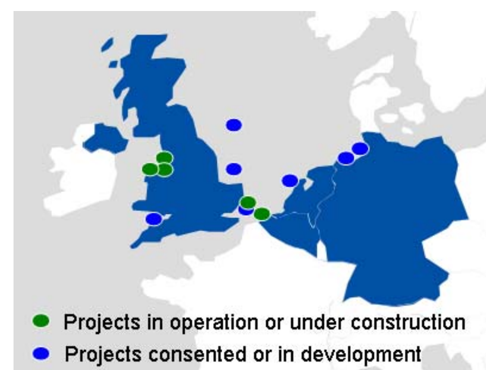
- Greater Gabbard, UK, 504 MW
- Thornton Bank II+III, Belgium, 295 MW

- Nordsee Ost, Germany, 295 MW
- Gwynt y Môr, UK, 576 MW

Operation*

- North Hoyle, UK, 60 MW fully commissioned in 2004 – 7 years of experience in O&M

- Rhyl Flats, UK, 90 MW fully commissioned in 2009
- Thornton Bank I, Belgium, 90 MW, commissioned in 2009



* Full project capacity shown, RWE share may be lower.

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In summary RWE Innogy …

… is well positioned in the renewables business

- Installed capacity already more than doubled within two years to 2.4 GW
- Diversified portfolio in terms of technologies and regions

… will significantly increase capacity and results

- Large, realisable and well balanced project pipeline
- Investments of more than €1 bn p.a. on average
- Strong commitment in RWE Group to renewables

… with excellence in construction and operation

- Focus on technologies close to maturity (hydro, on- and offshore wind, biomass) in markets we know (Europe)
- Already strong expertise and track record in key technology wind offshore

Green and sustainable growth continued

Movie on construction of 90 MW offshore wind farm Rhyl Flats

Thank you for your attention!

Now it’s time for your questions…

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