

RWE Innogy – On track for strong performance

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Cost cutting version.

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Forward Looking Statement

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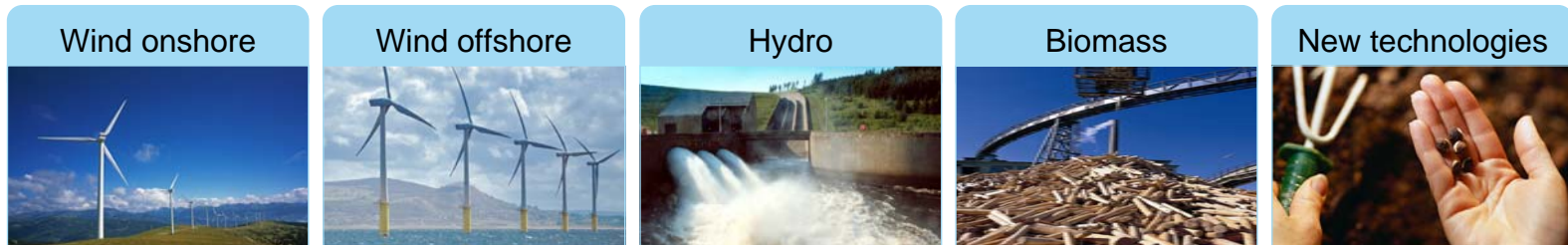
- Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
- Statements of plans or objectives for future operations or of future competitive position;
- Expectations of future economic performance; and
- Statements of assumptions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

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RWE Innogy – a snapshot

- Overview**
- > RWE Innogy is bundling renewables activities and competencies across RWE Group
 - Focus on profitable capacity growth in commercially mature renewable technologies
 - Research & Development and ventures to drive the development of emerging technologies
 - > European focus
 - > Asset portfolio of 1.2 GW capacity in operation and 0.5 GW under construction (as of February 2009)
 - > Project pipeline of 12.6 GW capacity (as of February 2009)

Business Area



Focus and Strategy

<p>Key technology for capacity growth</p> <p>Focus markets include UK, Spain, Germany, France, Italy, Central-Eastern Europe</p>	<p>Key technology for capacity growth</p> <p>Focus markets include UK, Germany, Netherlands</p>	<p>Run-of-river projects</p> <p>Development of hydro power projects</p> <p>Focus areas are Central- and South-Eastern Europe</p>	<p>Development of biomass (> 5 MW) and biogas plants</p> <p>Regional focus on RWE core markets and South-Eastern Europe</p>	<p>Ventures and R&D</p> <p>Emerging technologies</p> <p>Carbon neutral generation</p> <p>Efficient energy storage</p>
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Focus on Renewables

CO₂ Hedge

Sustainable improvement of the CO₂ balance of the RWE Group

Focus on Europe

Choosing the right opportunities as critical success factor

RWE Innogy

- Capacity target of 4.5 GW in operation or construction by 2012 translating into generation of 15 TWh/a in 2013
 - Wind, Hydro, Biomass, new technology ventures
- 750 people in 10 countries (2/2009) – a true European venture
- Excellent management of value chain through high quality people from all areas of the renewables sector

Technology

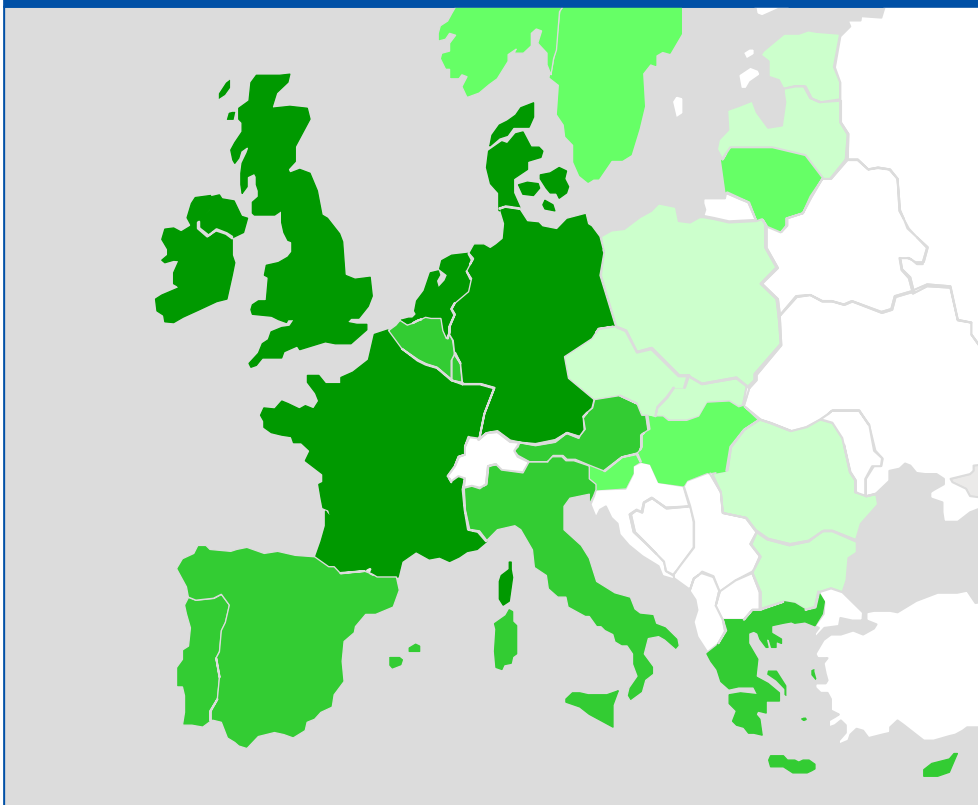
Build on existing RWE technical/contract risk management skills

Operational Excellence

High availability and understanding resource, e.g. wind speed

Renewable Energy growth is crucial for RWE portfolio and remains high on the political agenda

Impact of Renewable Energy Directive on EU Member States



We concentrate on markets we know:
Our focus is on Europe

- > 20% target for renewable energy in Europe in 2020 was confirmed by head of Member States during the EU Summit 11/12 December 2008
- > Strong volume growth in RWE Innogy's core markets brings excellent business opportunities

Headroom for growth (difference between 2005 and 2020 targets):

- < + 8 %
- + 8 % to + 10 %
- + 10 % to + 12 %
- > + 12 %



RWE Innogy already active in the markets with significant headroom

Strong European footprint with focus on wind and hydro

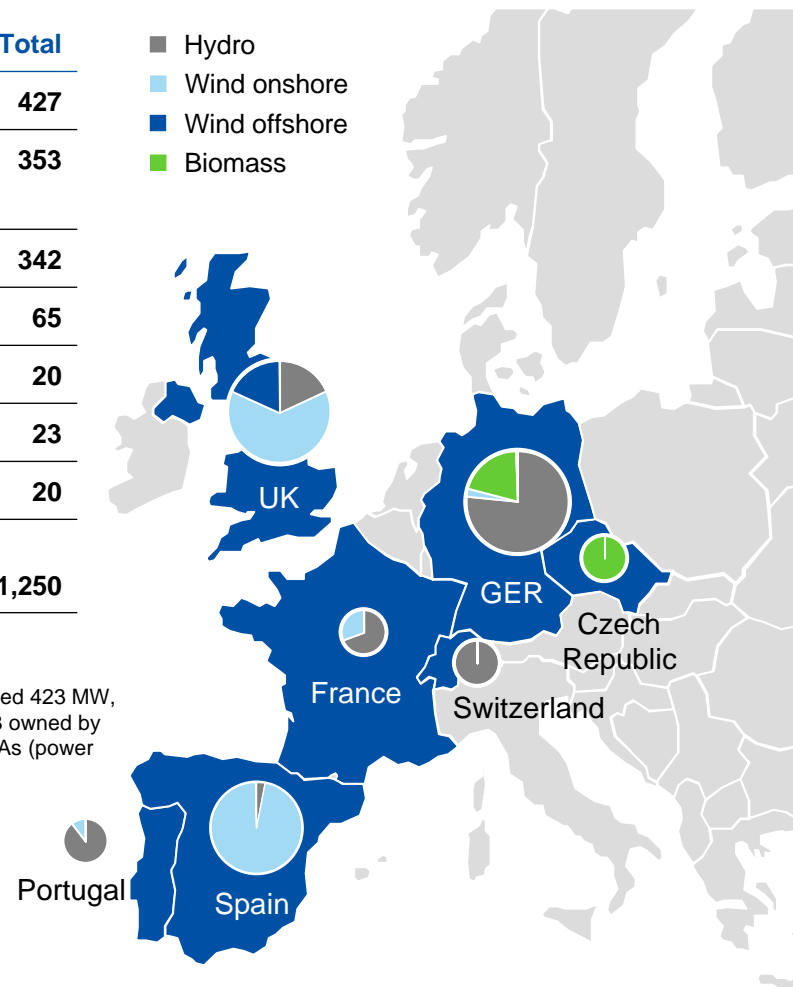
Capacity in MW _{el} (pro rata)	Hydro	Onshore wind	Offshore wind	Biomass	Solar PV & thermal	Total
Germany	339	11		75	1	427
UK	65	228 ¹⁾ [135 ^{2) <td>60¹⁾</td> <td></td> <td></td> <td>353</td>}	60 ¹⁾			353
Spain	10	332			< 1	342
France	45	20				65
Portugal	18	2				20
Switzerland	23					23
Czech Republic				20		20
Total RWE Innogy	499	593	60	95³⁾	2	1,250

(data as of February 2009)

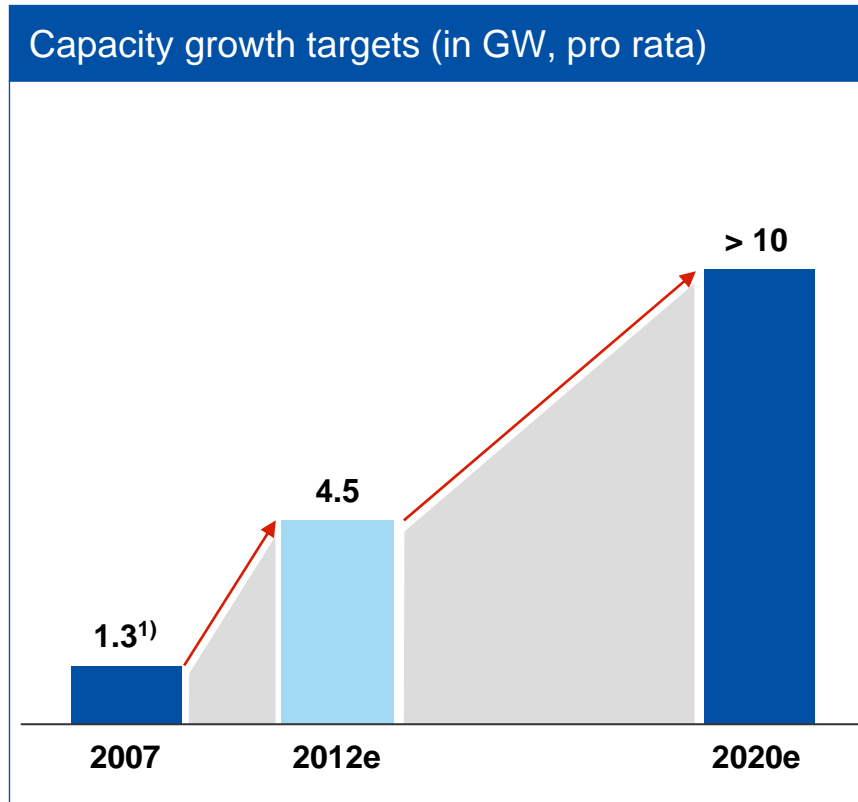
¹⁾ 228 MW = 32 MW Innogy wholly owned assets + 196 MW of Zephyr assets. RWE Innogy UK operated 423 MW, of this 391 MW (331 MW onshore/60 MW offshore) is owned by Zephyr Investments Ltd which is 1/3 owned by RWE Innogy UK. Of the 331 MW onshore, 196 MW is 100% contracted to RWE npower through PPAs (power purchase agreements). The remaining 32 MW is onshore and 100% owned by RWE Innogy UK and 100% contract to RWE npower through a PPA. The offshore capacity of 60 MW is 100% contracted to RWE npower through a PPA.

²⁾ An additional capacity of 135 MW is contracted to the NFPA (Non-Fossil Fuel Purchasing Agency, est. 1989 to support renewables by offering long term PPAs and new projects were typically contracted in this way until the introduction of the Renewables Obligation in 2002).

³⁾ Including 50 MW of biomass/fossil mix and 15 MW of fossil capacity; the thermal capacity of the plants in operation amounts to 517 MW_{th} in Germany and 292 MW_{th} in the Czech Republic.



We will be growing the business, but value creation is superior to additional megawatts



Our medium-term targets

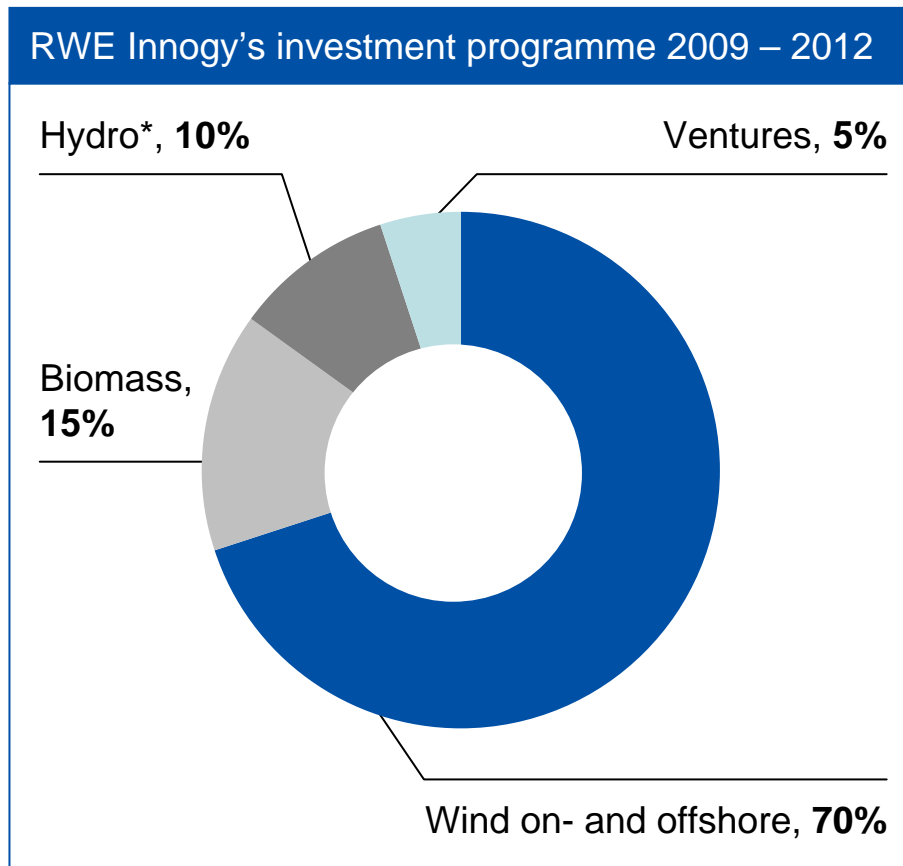
- > We stick to our capacity target of 4.5 GW in operation or under construction by 2012.
- > This translates into generation of 15 TWh/a in 2013.
- > The planned acquisition of Essent will contribute 1 GW to our target.

Our roadmap

- > Strong organic growth (incl. development of acquired pipeline) and strategic acquisitions.
- > Value creation in line with RWE's strict investment criteria.

¹⁾ RWE Innogy capacity by year-end 2007, composed of 1,100 MW capacity in operation and 211 MW under construction (pro rata).

Average investments of more than €1 bn p.a. – mainly in mature technologies

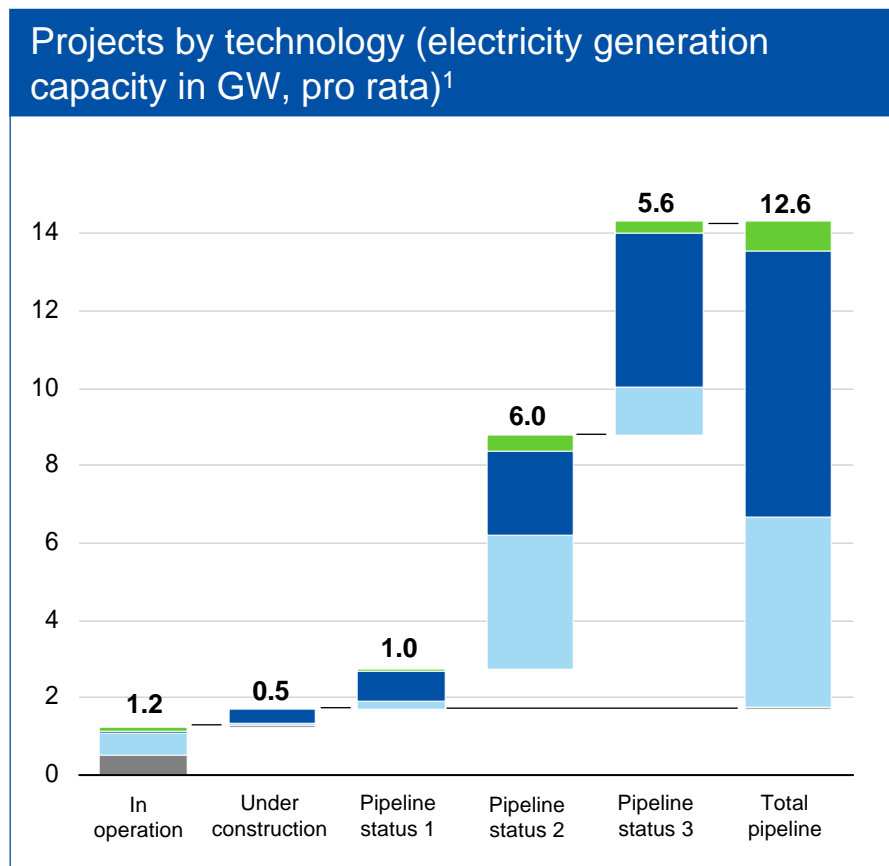


- Focus will be on wind but also biomass and hydro.
- Wind will account for approx. 70% of investments. Roughly half of this will be dedicated to onshore wind.
- We will look for value adding acquisitions as well.

* Including geothermal and other renewables

Sources: RWE Innogy, Emerging Energy Research, Eurelectric, IEA, European Commission

Our strategy: Growing generation capacity and profit



- > Capacity ramp-up to 3.6 GW in 2013 based on current organic growth projects and investment plan.
- > On this basis, operating result is expected to exceed € 500 million by 2013.

(data as of February 2009)

¹ Definition of pipeline status:

Pipeline status 1 – Project consented, not yet under construction

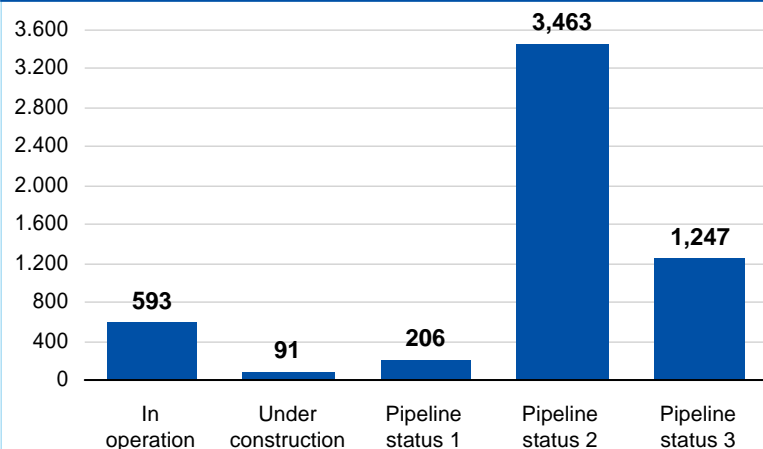
Pipeline status 2 – Prospects (not consented) – land agreements in place, environmental impact studies commenced

Pipeline status 3 – Identified opportunities – sites identified, but no land agreements – initial discussion on agreements

Onshore and offshore wind assets and pipeline

(as of February 2009, pro rata)

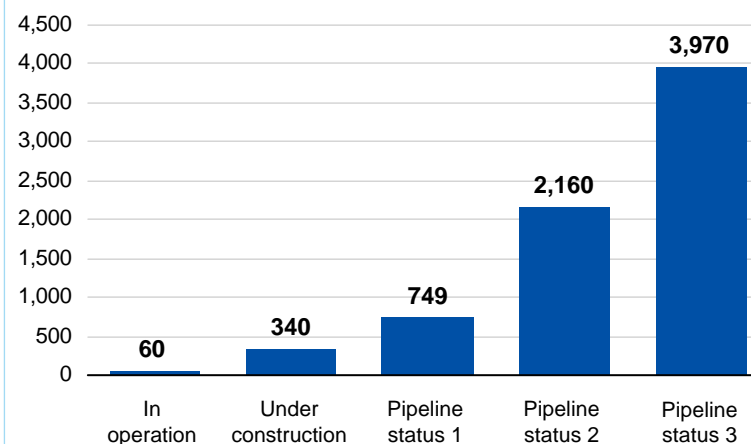
Onshore Wind (in MW)



Onshore wind assets & pipeline

- > 593 MW onshore wind farms in operation (of which Zephyr UK 196 MW under economic control of RWE Innogy) and 91 MW under construction
- > Onshore wind pipeline of 4.9 GW
 - 3 major contributors are UK, CEE and Italy

Offshore Wind (in MW)

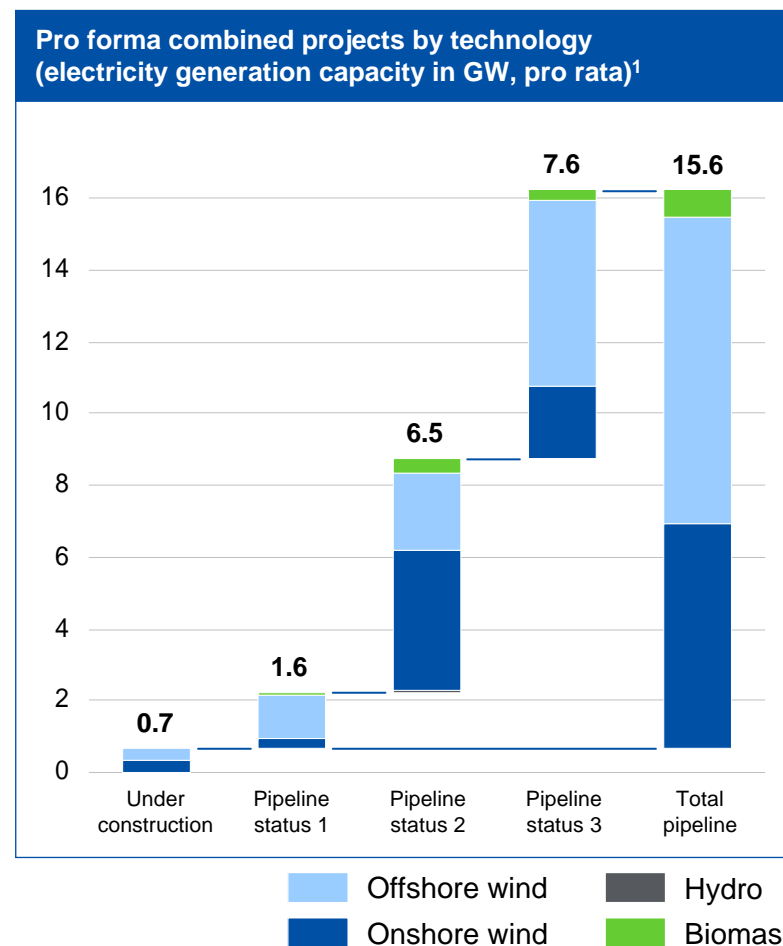
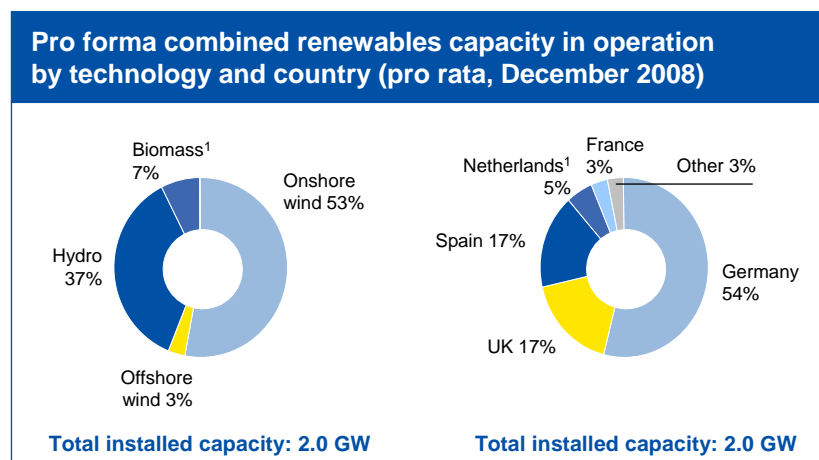


Offshore wind assets & pipeline

- > 60 MW offshore wind farm (North Hoyle) in operation and 340 MW (Rhyl Flats, Greater Gabbard) under construction
- > Offshore wind pipeline of 6.9 GW (among others Gwynt y Môr 0.75 GW and Triton Knoll 1.2 GW in UK, Nordsee 1 in Germany 0.96 GW as well as 1.8 GW in NL)

RWE and Essent: A leading renewable generation position in North West Europe

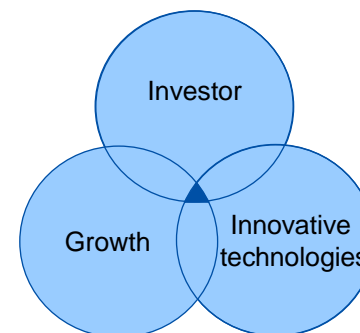
- > Essent brings 476 MW of renewable generation assets in operation and 198 MW under construction to RWE's existing portfolio
- > Essent contributes a 3,000 MW project pipeline
- > Improved diversified regional generation mix
 - Significant increase in Dutch and German onshore wind capacity



¹ as of February 2009, excluding hydro storage with natural inflow projects of RWE Power

The Corporate Venture Organisation of RWE Innogy - enabling new technologies and future growth

- > A leading driver of innovative renewable energy technologies
- > Creating future growth opportunities
 - New renewable technologies will be more than wind
 - New business models will address customer needs
 - New market segments will change renewable energy generation
- > Bridging the 'scale gap' between RWE and emerging businesses of potential interest
- > Building portfolio of investments in European companies within emerging renewable technologies
- > Acting as reliable partner for the management of portfolio companies, encouraging their success with financial, technological and management support
- > Current portfolio of four companies in different technologies, countries and stages:



Topell

- > Biomass
- > Netherlands
- > Torrefaction and pelletisation technology

Image showing biomass pellets and a diagram of the torrefaction process.

Quietrevolution

- > Small decentral wind
- > UK
- > Electricity generation from turbulent winds

Image of a small decentral wind turbine.

ReVolt Technologies

- > Energy Storage
- > Norway
- > Revolutionary re-chargeable Zinc-air battery technology

Image of a Zinc-air battery technology.

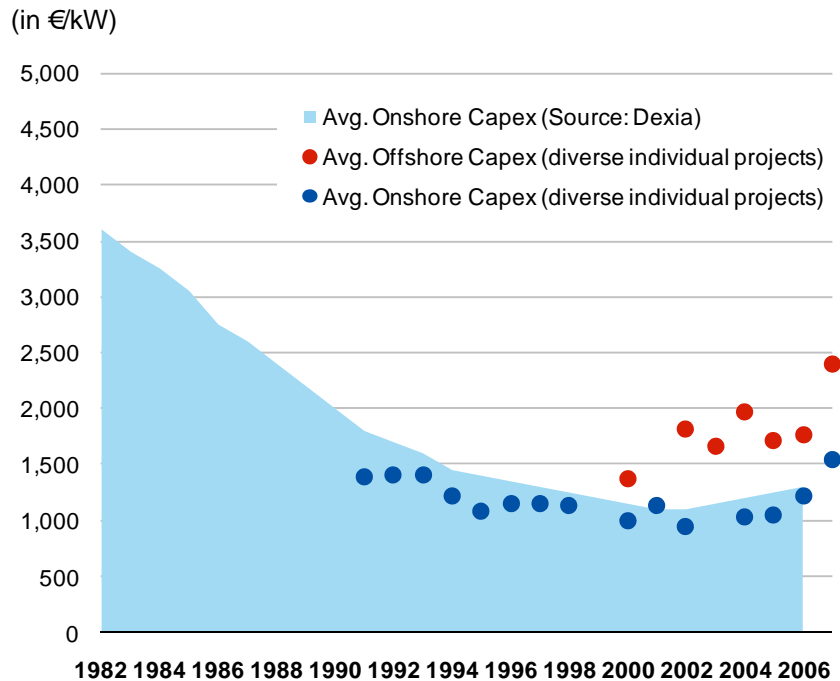
Voith Hydro Ocean Current Technologies

- > Ocean Current Power
- > Germany
- > Reliable 3 blade tidal stream turbine with 1MW

Image of a 3 blade tidal stream turbine.

RWE Innogy in good position to profit from financial crisis

Analysis of capex for european on- and offshore wind projects



Trends in the wind market 2009:

Shift from a sellers to a buyers market

- > US orders decline by 20 - 30% due to reduced gas prices and therefore decreased PPA price levels and unattractive PTC conditions
- > 10 % decline in orders in Europe in 2009
- > Capacity build-up in bottleneck components (gearboxes, bearings, blades, etc.) by 25 % in 2007 / 2008
- > Lead-times for turbines down to 8 months in 2009 from about 14 months in 2007/2008
- > Situation in Germany is somewhat different in 2009 as projects had been postponed in 2008 due to the new EEG coming into effect as of January 2009 (commissioning shifted from 2008 to 2009)

Sources: DEXIA, RWE Innogy, diverse internet sources – the chart shows the average cost per kW capacity, the deviation from project to project is significant, also due to other project and location specific factors such as underlying wind regime, construction costs in difficult areas as well as regulatory issues.

The Importance of Turbines....







REpower Framework Agreement



- Through all of our development channels we are pursuing projects with a volume of > 12 GW. At a conservative 50% success rate we need circa 6 GW of turbines and will seek to diversify technologies. The REpower Framework Agreement represents therefore a 20% technology hedge.
- The REpower agreement secures up to 250 x 5MW wind power turbines (6 MW as the technology moves to maturity).
- These turbines are available throughout our core markets Germany, the Netherlands and the UK.
- Flexible pricing structure with limited exposure to price increases, but taking advantage of price decreases plus more advantageous availability guarantees.

Our vision for RWE Innogy in 2020

RWE Innogy aims to ...

-  be among the top 5 companies in the European renewable energy sector
-  contribute to the Group's growth strategy
-  provide sustainable value added to the RWE Group
-  be a key element in RWE's CO₂ reduction programme
-  stand for state of the art operation of renewable technology
-  be a leading player in developing new renewable technologies

Back-up

To succeed we must be BOLD but not RECKLESS. We're already making ground...

Wind onshore

- > Access to 3 further wind energy projects in **Poland** (150 MW).
- > Acquisition of 100% in **Spanish** wind power operator Urvasco Energía S.A. (6 wind farms with 150 MW).
- > Acquisition of 6 projects in the **Czech Republic** (100 MW) as well as local project development company.
- > JV (50/50) with **Italian Fri-El Green Power** S.p.A. (960 MW as well as more than 12 biomass projects).
- > Acquisition of wind farm projects in western **Hungary** (300 MW) and local project development company.
- > Acquisition of additional 23.75 % stake in **Spanish** wind farm Las Aldehuelas (now owning 48% of 47.2 MW)

Wind offshore

- > Acquisition of 50% stake in UK offshore wind farm **Greater Gabbard** (509 MW) from SSE.
- > Consent for 750 MW offshore wind farm **Gwynt Y Môr** received in December 2008.
- > Acquisition of German offshore wind project **North Sea Windpower 3** (960 MW, renamed Innogy Nordsee 1).

Biomass

- > Acquisition of consented project **Helius Stallingborough** (65 MW_{el}) in Lincolnshire / UK
- > Biomass-fired cogeneration plant with the municipal utility of **Troisdorf / Germany** (18 MW_{th} and 7.5 MW_{el}).
- > 6.5 MW_{th} Biogas plant in Güterglück in the state of **Saxony-Anhalt**.
- > Construction start at **Wittgenstein** inter-municipal industry park (30 MW_{th} and 8 MW_{el}).

New technologies

- > Acquisition of a 25% share in Dutch start-up company **Topell**, which holds the worldwide licence to the Torbed reactor allowing them to setup a ground breaking process for the production of torried biopellets.
- > Minority stake in **Quiet Revolution**, an innovative manufacturer of small vertical axis wind turbines (6 kW)
- > Minority stake in **Revolt Technology** (development of high energy density rechargeable zinc-air batteries)
- > Formation of joint venture **Voith Hydro Ocean Current Technologies** for development, manufacture and marketing of ocean current technologies



...but on the basis of strict investment criteria and financial discipline:
“**Bold but not Reckless**” means we don’t always win... but we do always learn.

Ambitious targets in offshore wind as an essential part of growth

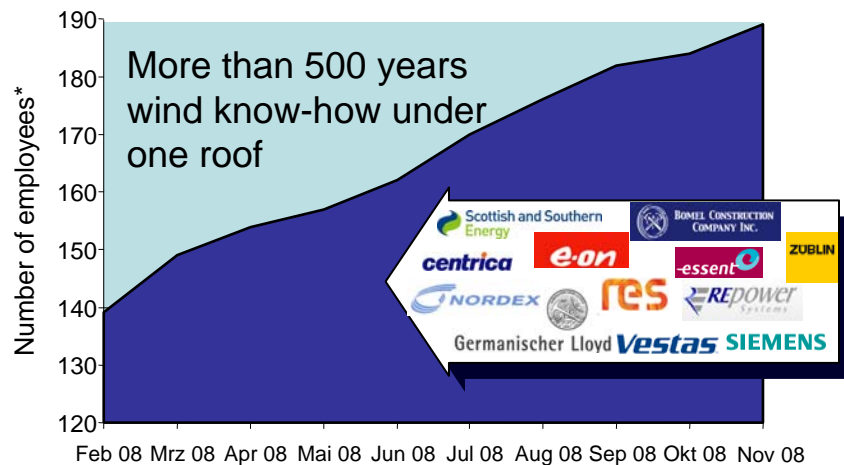
- > RWE Innogy is well positioned in the UK offshore market due to past activities from Npower renewables
- > Offshore market in general immature and industry faced with bottlenecks (turbines, vessels)
- > Strategy focus on securing bottlenecks and optimising of matrix project organisation to mitigate risks and to meet targets
- > Opportunity to be one of the top three offshore wind power plant operators until 2012
- > RWE Innogy currently owns less than 5% of rated power of offshore wind power plants in operation, top three players are DONG (23%), Vattenfall (20%), Centrica (17%)



Managing of risks and challenges needs strong management team and new approaches

- > Entire value chain is managed by RWE Innogy itself
 - via multi-contracting approach for own projects
 - MSA for M&A projects

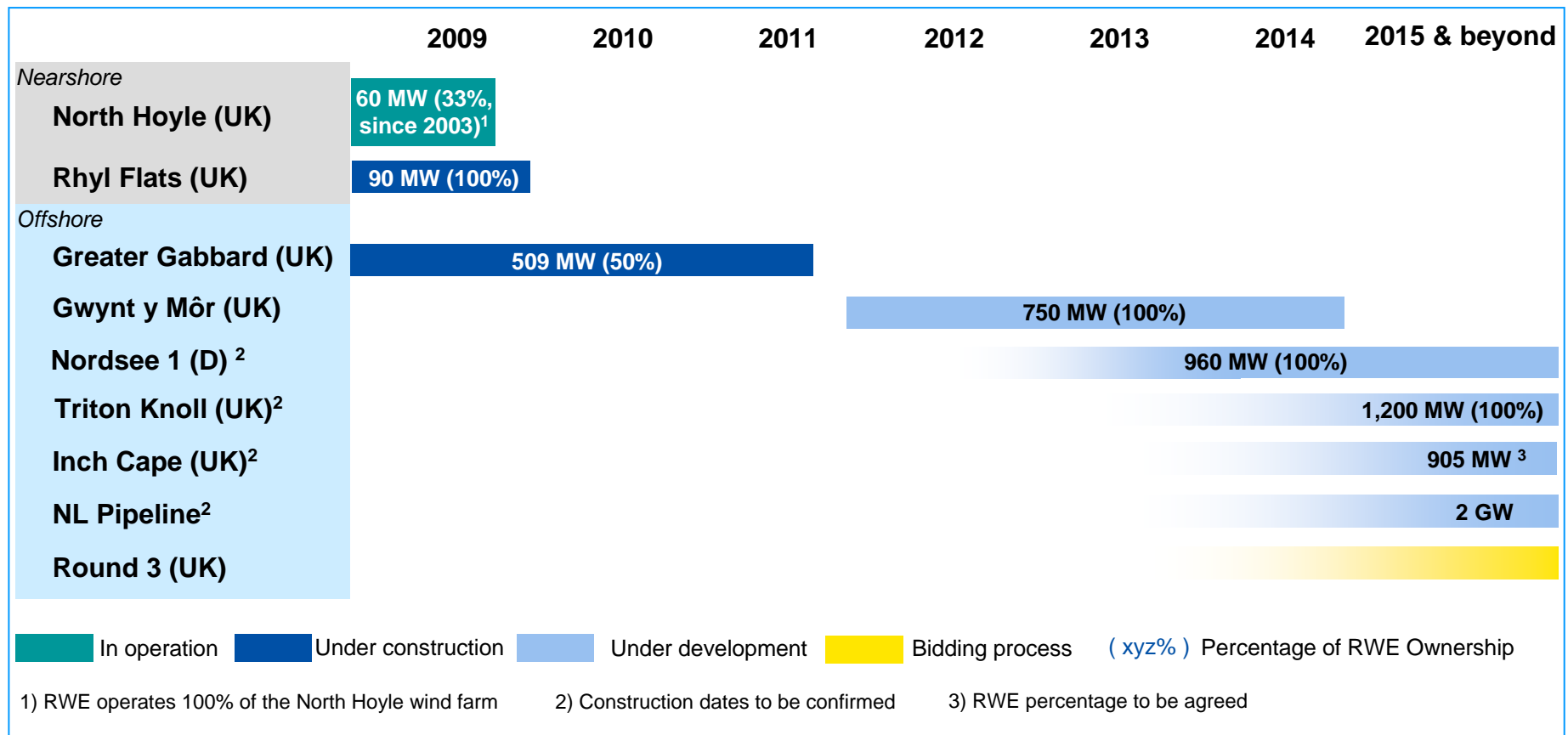
- > Reduce bottlenecks:
 - Framework contracts with turbine suppliers
 - Own vessels for installation



- > Within a very short period of time Innogy built an experienced management and project team to tackle the challenges

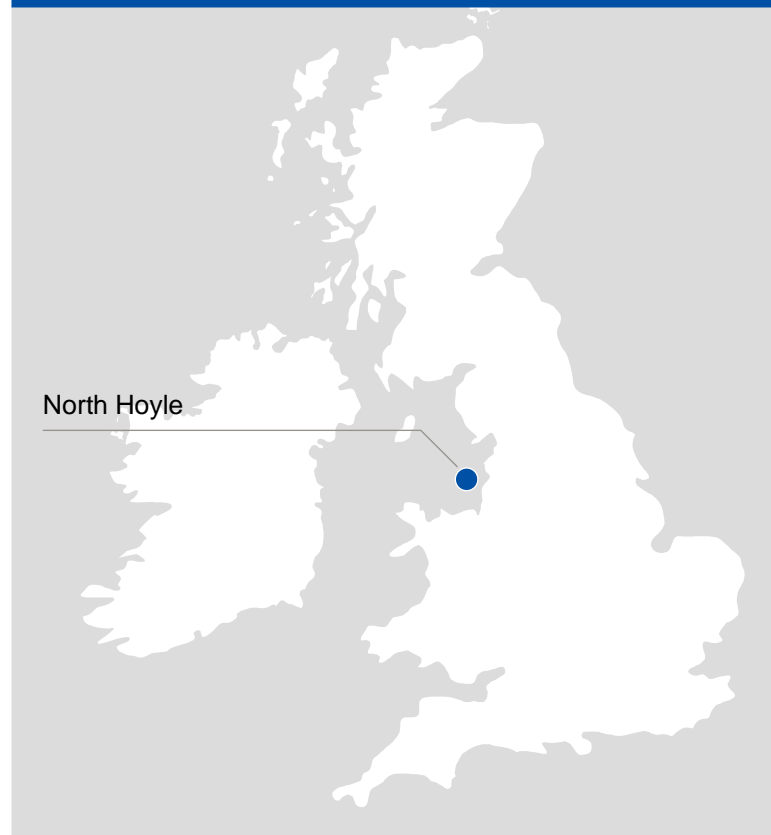
- > Strong expertise in project management
 - Experienced team
 - Collaboration with RWE Power and RWE npower to align with best practice in project management
 - Project management steering groups are chaired by the COO personally

RWE Innogy – Offshore Wind Roadmap



The experience begins with North Hoyle

RWE Innogy offshore assets and projects UK



North Hoyle offshore wind farm

- **30 x Vestas 2.0 MW turbines (60MW)**
- 8 km offshore between Rhyl and Prestatyn, 15-20 m depths,
- 50 year Crown Estate lease
- **Investment of around €110m**
- **Fully operational since 2004**
- First offshore wind farm in UK waters
- Produces energy to meet the needs of approximately **40 000 homes per year.**

Operational Excellence – Our operating business is best in class

Operating business seen as best in class and leading industry best practice:

- Wind Turbine Safety Rules - Excellent safety record in industry
- Central Control Room – Own 400 MW + 3rd party business
- Distributed Control and Data Acquisition System – Global SCADA for remote operation and plant monitoring
- Engineering standards – Best practice established via owners forum

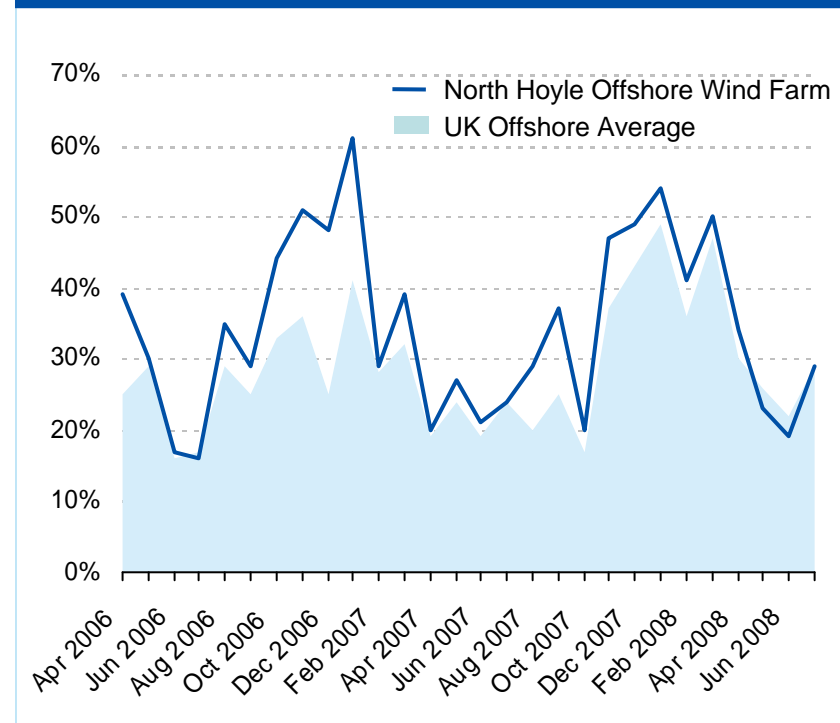
Long term (>15 yrs) player in wind generation market

Early mover, having build first commercial offshore wind farm in UK (North Hoyle, 60 MW, 2003)

Highly experienced development team creating valuable project pipeline

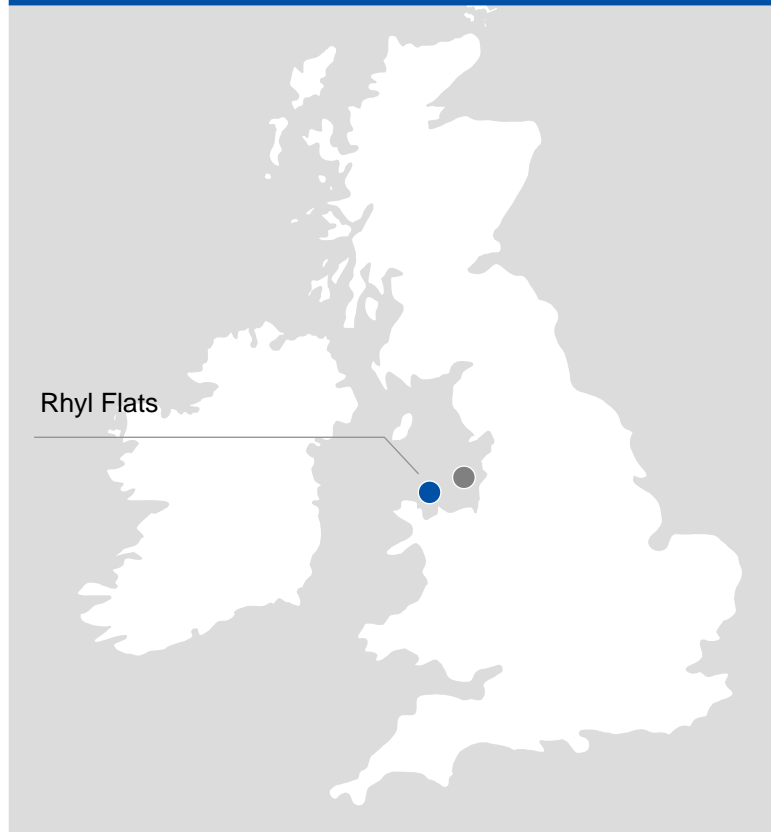
Experienced construction teams (360 MW in UK)

North Hoyle load factor consistently higher than competitors (% load factor)



Our next incremental step - Rhyl Flats

RWE Innogy offshore assets and projects UK



Rhyl Flats offshore wind farm

Once operational, the Rhyl Flats offshore wind farm will meet the average needs of approximately 61,000 homes.

- > Contract signed with Siemens power generation for supply and **installation of 25 turbines with 3.6 MW each (90 MW in total) in July 2007**
- > Onshore construction work in progress
- > Initial site preparation work offshore completed
- > **Commissioned and fully operational in 2009**
- > **Total investment 280 €m**

> **Current Status**

- > All foundations installed (monopile foundations as in North Hoyle)
- > Majority of turbines delivered to site and in pre assembly
- > Installation to restart in Spring as per Consent

Bringing Scale – The Purchase of 50% of Greater Gabbard from SSE

RWE Innogy offshore assets and projects UK



Greater Gabbard offshore wind farm

- **140 x Siemens 3.6 MW turbines (509MW)**
- 25-47 km offshore, 24-34 m depths, 147 km²
- 50 year Crown Estate lease
- **Investment of around £ 1.3 bn** excluding the connection to the electricity grid
- Beginning of **first electricity production scheduled for 2010, fully operational in 2011**
- Good wind speeds, load factors projected to be at top end for current European Offshore
Developed by Airtricity/Fluor, RWE purchased 50% share in Oct 2008
- Strong counterparties: Turbine Supply Agreement with Siemens; BOP Contract (EPC wrap) with Fluor.

Building 'organic' options in-house - Gwynt y Môr

RWE Innogy offshore assets and projects UK



Gwynt y Môr offshore wind farm

- **150 x 5MW or 208 x 3.6 MW turbines (total capacity 750 MW)**
- 13 – 15 km off the coast of North Wales, 12-34 m depths, 124 km²
- The wind farm has the potential to generate enough power every year to supply the average needs of 2% of UK households.
- Section 36 consent application submitted November 2005
- **Consent awarded in December 2008**
- **Total investment €2.5 bn**
- Installation in three stages with 250 MW each in **2011 – 2014**
- **First generation in 2012, full generation in 2014**

Expanding our core offshore markets – Acquisition of German NSWP3 (renamed into RWE Innogy Nordsee 1)

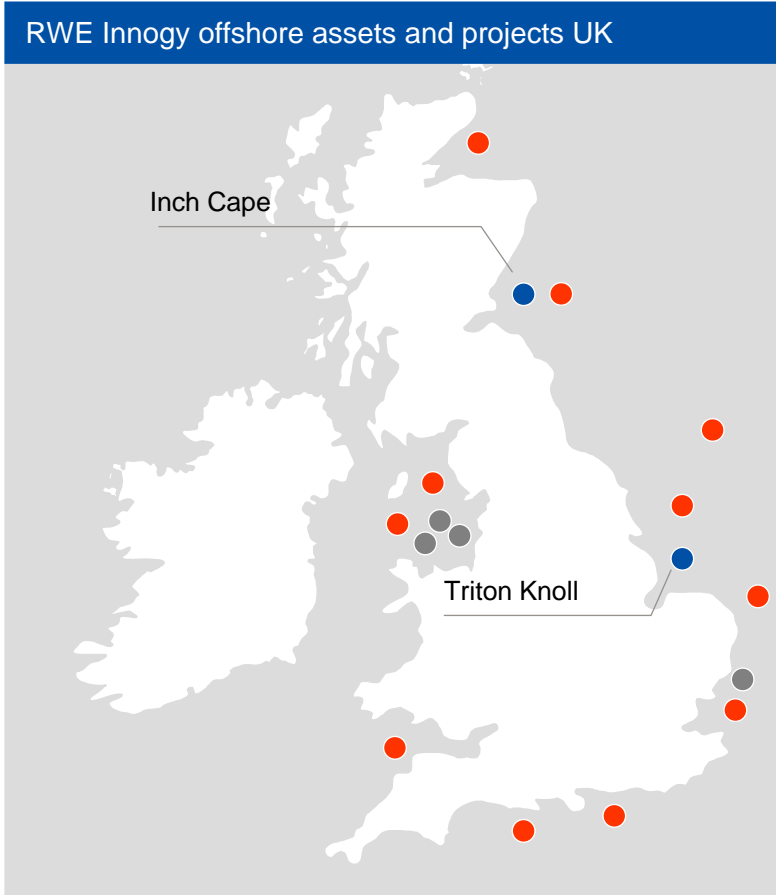
RWE Innogy offshore assets and projects Germany



Innogy Nordsee 1 offshore wind farm

- Largest project off the German coast with **capacity of 960 MW**
- **150 to 180 wind turbines with 5 or 6 MW each** – negotiations with REpower concerning a framework agreement at very advanced stage
- 40 km north of the North Sea island of Juist, water depth 26 – 34 m - project area 150 km²
- Just under **4,000 full load hours** according to site tests
- Innogy Nordsee 1 **unconsented, consent likely in end of 2009** due to inclusion in offshore priority area
- **Total investment €2.8 bn**
- **Start of construction in 2011, fully operational in 2014**

Larger Scale offshore projects for 2015 and beyond

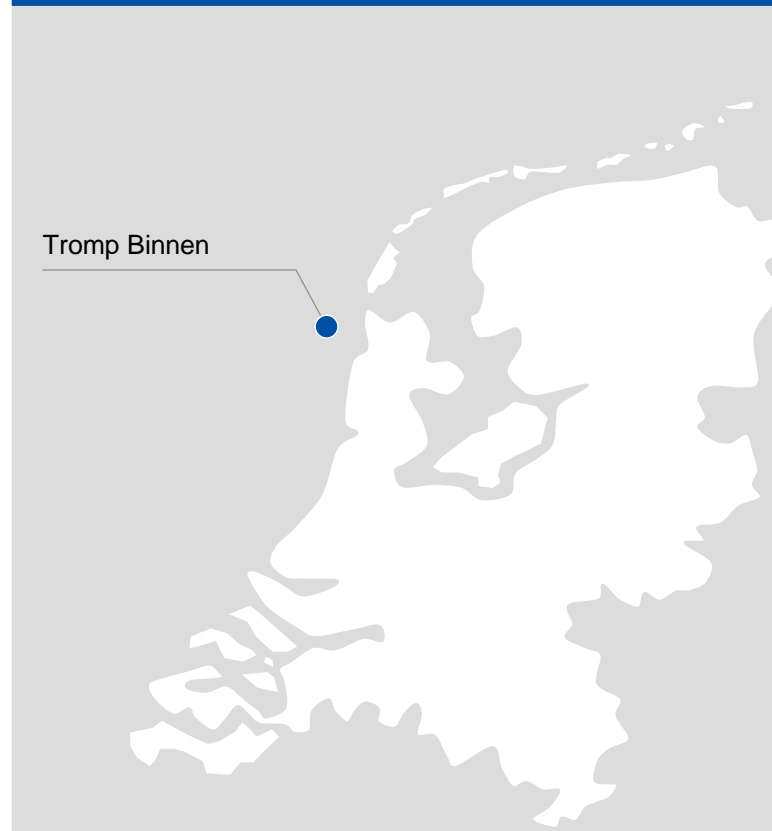


● Round 3 sites

- **Inch Cape / Scotland (total capacity 905 MW)**
 - Exclusivity granted by Crown Estate.
- **Triton Knoll (total capacity 1,200 MW)**
 - 240-300 4MW-5MW turbines
- **RWE applies for 5 GW as part of a consortium in Round 3 UK.**

First RWE greenfield project development for offshore wind in continental Europe - Tromp Binnen

RWE Innogy offshore assets and projects NL



Tromp Binnen offshore wind farm

- Project off the Dutch coast with a **capacity of 295 MW**
- **59 wind turbines with 5 MW each**
- 75 km off the coast of IJmuiden, water depth 21 – 33 m - project area 33 km²
- Average annual wind speed ~10 m/s
- Just under 4,000 full load hours according to site evaluations
- Tromp Binnen **unconsented, permit application submitted, consent expected in end of 2009**
- **Construction planned from 2012 / 2013**