Focus on financial strength

(as of November 2013)
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

<table>
<thead>
<tr>
<th>Attractive portfolio</th>
<th>Stable financials</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Leading market position and regionally focused strategy</td>
<td>&gt; Progress in strengthening balance sheet</td>
</tr>
<tr>
<td>&gt; Pure utility play – exit of upstream activities</td>
<td>&gt; Streamlined and disciplined investment approach</td>
</tr>
<tr>
<td>&gt; Balanced asset portfolio</td>
<td>&gt; Cash flows from operating activities to cover investments and dividends by 2015</td>
</tr>
<tr>
<td>&gt; Highly cost-efficient and modernised power plant portfolio by 2013/14</td>
<td>&gt; Further efficiency enhancements and operational excellence</td>
</tr>
<tr>
<td>&gt; CO₂ neutral position</td>
<td></td>
</tr>
<tr>
<td>&gt; Successful structural changes to all long-term gas supply contracts</td>
<td></td>
</tr>
</tbody>
</table>

Earnings outlook for 2013 confirmed:
EBITDA c. €9 bn; operating result c. €5.9 bn; recurrent net income c. €2.4 bn
Milestones of 2013

Financial performance in Q1-Q3 in line with expectations:
EBITDA -0.1%, operating result +0.4%, recurrent net income +1.3%

Strategic decision to evaluate potential exit options for our Upstream Gas & Oil activities. Sales process initiated

Disposal of assets with a total effect of €2.2bn including divestment of NET4GAS (disposal value €1.6 bn; closed on 2 August)

Successful conclusion of gas price arbitration with Gazprom; award as expected; impact on operating result approx. €1 billion

Rating downgrade by Moody’s from A3/negative outlook to Baa1 with stable outlook; S&P’s confirmed BBB+/stable outlook

Earnings outlook for 2013 confirmed; proposal for 2013 dividend: €1/share\(^1\)
Outlook for 2014 significant below 2013.

\(^1\) Executive and Supervisory Boards intend to propose to the AGM on 16 April 2014 a dividend of €1 per common and preference share
Earnings in conventional power generation are coming under severe pressure

Operating result in € bn

- Conventional generation
  - Lower outright power prices
  - Full auctioning of CO₂ certificates
  - Pressure on spreads and load factors

- Other businesses
  - Expanding renewables
  - Growing upstream business
  - Stable to slightly growing distribution & retail earnings
  - Normalisation of earnings profile for Trading/Gas Midstream division

2012
Conventional Power Generation: mark-to-market earnings perspective

Operating result in € bn

- Outright position
- Impact from decline in realised outright power price from €55/MWh to ~€37/MWh
- CDS/CSS
- Volumes
- Mainly shut down of 150 MW lignite units and Tilbury
- CO₂
- Free allocation of c. 120 mt of CO₂ certificates in 2012: ~€1.2 bn
- Others¹
- Efficiencies
- Mark-to-market²

¹ Others: e.g. compensation payments for construction delays in 2012; changes in the regulatory framework (e.g. biomass NL); increase in depreciation
² Mark-to-market as of November 2013 at market prices of around €37/MWh for German baseload forwards
RWE Generation assets under review

Profitability of RWE’s conventional generation portfolio

- OR² > WACC
  - c. > 50% – 60%
- OR ≥ 0
  - c. > 60% – 70%
- FCF² > 0
  - c. > 70% – 80%

First responses

- Capacity measures
  - decommissioning
  - long-term or summer mothballing
  - termination of contracted hard coal units
  - in total: 4,265 MW

- Capacity under intense review
  - Westfalen C (hard coal, 255 MW)
  - Frimmersdorf P&Q (lignite, 287 MW/285 MW)
  - Goldenbergwerk J (lignite, 70 MW)

- Reviewing another 1,450 MW of contracted hard coal plants

- Continuing operation with regular review dates

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1 Rough profitability analysis for 2013 to 2015 in % of installed capacity of RWE’s conventional generation portfolio (economic stake) in Germany, UK and NL (average c. 44 GW) based on market parameters as of January 2013

2 OR = operating result; WACC = weighted average cost of capital pre tax; FCF = free cash flow = revenue – cash costs
# Decision on capacity measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Plant</th>
<th>MW&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Fuel</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decommissioning</td>
<td>Amer 8</td>
<td>610</td>
<td>Hard coal</td>
<td>NL</td>
<td>Q1-2016</td>
</tr>
<tr>
<td>Long-term mothballing</td>
<td>Moerdijk 2</td>
<td>430</td>
<td>Gas</td>
<td>NL</td>
<td>Q4-2013</td>
</tr>
<tr>
<td></td>
<td>Gersteinwerk F</td>
<td>355</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>Gersteinwerk G</td>
<td>355</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td></td>
<td>Weisweiler H</td>
<td>270</td>
<td>Topping gas turbine&lt;sup&gt;2&lt;/sup&gt;</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>Weisweiler G</td>
<td>270</td>
<td>Topping gas turbine&lt;sup&gt;2&lt;/sup&gt;</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>2 mid-size units</td>
<td>85</td>
<td>Gas</td>
<td>NL</td>
<td>Q1-2013</td>
</tr>
<tr>
<td>Summer mothballing</td>
<td>Emsland B</td>
<td>360</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td></td>
<td>Emsland C</td>
<td>360</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td>Termination of 3 contracts</td>
<td>Confidential</td>
<td>1,170</td>
<td>Hard coal</td>
<td>DE</td>
<td>Q4-2013 – Q4-2014</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4,265 MW</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Net nominal capacity  |  <sup>2</sup> At a lignite plant
Excellent access to debt capital market is key

Leverage factor mid-term target: ≤ 3.0x

Net debt in € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2.8x</th>
<th>3.5x</th>
<th>3.5x</th>
<th>‘In the order of 2012’</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>29.0</td>
<td>29.9</td>
<td>33.0</td>
<td>2.8x</td>
</tr>
<tr>
<td></td>
<td>16.2</td>
<td>16.9</td>
<td>19.9</td>
<td>3.5x</td>
</tr>
<tr>
<td></td>
<td>12.8</td>
<td>13.0</td>
<td>13.1</td>
<td>‘below 2012’</td>
</tr>
</tbody>
</table>

> Current market environment allows us a higher gearing temporarily
> Aspiration to bring down leverage factor to 3.0x medium term unchanged
> Focus on additional efficiency enhancements and lower capex
> Short-term changes in discount rates for long-term provisions will not drive deleveraging strategy
Full benefit of deleveraging measures mainly after 2014

- Leverage ratio 2014: declining earnings trend overlays efforts to reduce debt
- Continued pressure on earnings and cash flows induced from falling commodity prices
- Prime objective is to maintain excellent access to capital markets
- Aspiration to bring leverage factor in line with 3.0x target remains
- Leverage starting to ease from 2015 onwards due to positive cash balance

*no positive effects from disposals assumed
Short-term focus remains on positive cash balance

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

€ bn

- 2010: 8.8
  - Capex: 5.5
  - Dividends: 3.3
- 2011: 9.3
  - Capex: 5.5
  - Dividends: 3.8
- 2012: 7.1
  - Capex: 4.4
  - Dividends: 2.7
- 2013e
  - Capex: 5.5
  - Dividends: 3.6
- 2014e
  - Capex: 5.5
  - Dividends: 3.9
- 2015e
  - Capex: 5.5
  - Dividends: 4.1

Legend:
- Light blue: Capex in property, plant & equipment and financial assets (according to cash flow statement)
- Blue: Dividends (incl. minority payments; year of payment)
- Gray: Cash flows from operating activities
## Current building blocks to improve balance sheet

<table>
<thead>
<tr>
<th>Measures to improve leverage headroom</th>
<th>Impact$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Efficiency enhancements</strong></td>
<td>~ €1.5 bn Between 2014 and 2017</td>
</tr>
<tr>
<td>&gt; Earnings improvement through additional efficiency enhancement measures (€0.5 bn) 2014 and 2017</td>
<td></td>
</tr>
<tr>
<td><strong>Capex reduction</strong></td>
<td>~ €2.0 bn From 2013 to 2016</td>
</tr>
<tr>
<td>&gt; Reduction of discretional investments</td>
<td></td>
</tr>
<tr>
<td>&gt; Optimisation of maintenance capex</td>
<td></td>
</tr>
<tr>
<td><strong>Disposals</strong></td>
<td>Depending on sales proceeds</td>
</tr>
<tr>
<td>&gt; Focus on the disposal of RWE Dea and Urenco and opportunistic portfolio optimisation</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend strategy</strong></td>
<td>~ €1.0 bn Between 2014 and 2017</td>
</tr>
<tr>
<td>&gt; Dividend proposal of €1/share for 2013</td>
<td></td>
</tr>
<tr>
<td>&gt; Adjusted dividend pay-out ratio from 2014 onwards</td>
<td></td>
</tr>
</tbody>
</table>

$^1$ Isolated headroom effect; not to be deducted from net debt as measures are incorporated in outlook.
Additional €1bn of efficiency measures will lead to over €0.5 bn further earnings improvements

- Full effect of new measures will be seen by 2017
- New programme consists of gross measures in the magnitude of c. €1 bn before offsetting underlying cost increases
- New programme will sustainably improve underlying earnings by ≥€500 m by the end of 2017
- Continuous improvement: Our focus will be on limiting cost increases by e.g. reducing staff factor costs, to secure potential upside to €500 m
- Staff reduction:
  - Old programme: c. 3,700 (of which c. 1,000 in 2012)
  - New programme: c. 6,500
  - 30.09.13 – end of 2 programmes: up to 7,000
- Efficiency improvements:
  - 1st wave: €1,000 m (2012 - 2014)
  - 2nd wave: ≥€500 m (2014 – 2017)
  - 3rd wave: internal planning already started
Capex programme reduced to maintenance level

> Approx. €11 bn capex programme for 2014 – 2016; c. €2 bn less than last year’s programme for 2013 – 2015

> Completion of new-build power plant programme in 2014

> Completion of large offshore wind farm projects in 2015

> Capex excluding RWE Dea reduced to maintenance level of c. €2 bn from 2016 onwards

> RWE Dea has to be self financing

> On average c. €1 bn p.a. capex at RWE Dea of which c. €0.3 bn for day-to-day

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
- Sale of entire business intended to safeguard value of the business
- Disposal progress within expected timeframe

**Urenco**
- Non core asset
- Reviewing potential exit routes
- Disposal conditional to meeting all stakeholders’ interests

**Portfolio adjustments**
- Evaluation of further optimisation potential within participation portfolio
- Streamlining of renewable businesses
Outlook for 2013 and 2014

In € million

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013e</th>
<th>2014e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>9,314</td>
<td>In the order of 9,000</td>
<td>7,600 – 8,100</td>
</tr>
<tr>
<td>Operating result</td>
<td>6,416</td>
<td>In the order of 5,900</td>
<td>4,500 – 4,900</td>
</tr>
<tr>
<td>Recurrent net income</td>
<td>2,457</td>
<td>In the order of 2,400</td>
<td>1,300 – 1,500</td>
</tr>
<tr>
<td>Dividend</td>
<td>€2.00/share</td>
<td>€1/share¹</td>
<td>Pay out ratio of 40% – 50%</td>
</tr>
</tbody>
</table>

¹ Executive and Supervisory Board intend to propose to the AGM on 16 April 2014 a dividend of €1 per common and preference share for fiscal year 2013.

² The outlook is before the disposal of RWE Dea and Urenco. For RWE Dea we expect for fiscal 2014 an EBITDA of €1,200 -1,300 million an operating result of €600 – 650 million and a recurrent net income of c. €250 million.
Back-up Charts
## 2013 Divisional outlook for the operating result

<table>
<thead>
<tr>
<th>Division</th>
<th>2012 (€ million)</th>
<th>2013 forecast versus 2012¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Power Generation</td>
<td>3,275</td>
<td>Significantly below last year’s level</td>
</tr>
<tr>
<td>Supply/Distribution Networks Germany</td>
<td>1,578</td>
<td>In the order of last year’s level</td>
</tr>
<tr>
<td>Supply Netherlands/Belgium</td>
<td>190</td>
<td>Significantly above last year’s level</td>
</tr>
<tr>
<td>Supply United Kingdom</td>
<td>286</td>
<td>Above last year’s level</td>
</tr>
<tr>
<td>Central Eastern and South Eastern Europe</td>
<td>1,052</td>
<td>Below last year’s level</td>
</tr>
<tr>
<td>Renewables</td>
<td>183</td>
<td>In the order of last year’s level</td>
</tr>
<tr>
<td>Upstream Gas &amp; Oil</td>
<td>685</td>
<td>Significantly below last year’s level</td>
</tr>
<tr>
<td>Trading/Gas Midstream</td>
<td>-598</td>
<td>Significantly above last year’s level</td>
</tr>
</tbody>
</table>
Operational result outlook for fiscal year 2013

... by major value drivers

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>€6.4 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency programme</td>
<td>c. €550 million envisaged for 2013</td>
</tr>
<tr>
<td>Higher depreciation</td>
<td>Increase in the order of €0.2 bn in 2013</td>
</tr>
<tr>
<td>Full auctioning of CO₂-certificates</td>
<td>Additional burdens of c. €1.2 bn; In FY 2012 still c. 121 million certificates allocated free of charge</td>
</tr>
<tr>
<td>Electricity generation margins (D;NL;UK); volumes, prices and spreads</td>
<td>Closure of 1.8 GW old lignite plants, less generation capacity 'in the money', rolling off of hedges; additional charges in UK (CO₂ floor) and NL (coal tax)</td>
</tr>
<tr>
<td>Grid margins (D; CEE/SEE)</td>
<td>Slightly positive trend for grid margins</td>
</tr>
<tr>
<td>Sales margins (D;NL;UK; CEE/SEE)</td>
<td>Positive trend for sales margins</td>
</tr>
<tr>
<td>Trading/Gas Midstream</td>
<td>Mainly improved gas-midstream-business; c. +€1 bn from Gazprom arbitration ruling</td>
</tr>
<tr>
<td>Dilution from disposals</td>
<td>c. 0.2 bn for Berlin waterworks, KEVAG and NET4GAS</td>
</tr>
</tbody>
</table>

FY 2013e | In the order of €5.9 bn |
## Operating result outlook for fiscal year 2014

### Trend for major value drivers in fiscal year 2014

<table>
<thead>
<tr>
<th>FY 2013 outlook</th>
<th>In the order of €5.9 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency programmes</td>
<td>c. €300 million from old and new programme envisaged for 2014</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Trend for higher depreciation as a result of huge investment programme.</td>
</tr>
<tr>
<td>Electricity generation margins (D;NL;UK); volumes, prices and spreads</td>
<td>Average realised outright price for 2013 in the order of €50/MWh; for 2014 in the order of €45/MWh; lower realised spreads</td>
</tr>
<tr>
<td>Growth from Upstream Gas&amp;Oil</td>
<td>RWE Dea’s volume target of 40 mm boe confirmed; in line with earnings expectations of €600 – 650 million</td>
</tr>
<tr>
<td>Grid margins (D; CEE/SEE)</td>
<td>Stable trend</td>
</tr>
<tr>
<td>Sales margins (D;NL;UK; CEE/SEE)</td>
<td>Stable trend</td>
</tr>
<tr>
<td>Trading/Gas Midstream</td>
<td>Absence of positive one-off from Gazprom arbitration and back to normalised earnings</td>
</tr>
<tr>
<td>Dilution from disposals</td>
<td>c. 0.2 bn for NET4GAS; RWE Dea and Urenco still included in our earnings numbers for the time being</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2014 outlook</th>
<th>€4.5 – 4.9 bn</th>
</tr>
</thead>
</table>
Development of net debt

<table>
<thead>
<tr>
<th>€ billion</th>
<th>Capex</th>
<th>Dividends</th>
<th>Acquisitions/divestiture/disposals/(de)consolidation</th>
<th>Cash flows from operating activities</th>
<th>Others including fx effects</th>
<th>Change in pension, nuclear, mining provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33.0</td>
<td>+2.9</td>
<td>+1.6</td>
<td>-2.2</td>
<td>+0.2</td>
<td>+0.3</td>
</tr>
<tr>
<td>Net debt</td>
<td>31 Dec 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>30 Sept 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RWE’s forward hedging of conventional electricity production (German, Dutch and UK portfolio)

As of 30 September 2013

- Outright (GER nuclear and lignite based power generation)
- Spread (GER, UK and NL/B hard coal and gas based power generation)
Germany: Clean Dark (CDS) and Spark Spreads (CSS)

Source: RWE Supply & Trading, prices until 08 November 2013
NL: Clean Dark (CDS) and Spark Spreads (CSS)

- **2012 forward**
  - $\$ 8.59$
- **2013 forward**
  - $\$ 7.63$
- **2014 forward**
  - $\$ 10.85$

**2012 forward**
- $\$ -1.24$

**2013 forward**
- $\$ -4.55$

**2014 forward**
- $\$ -7.50$

- **CDS Cal 2012 – 14 Base load (€/MWh)**
  - (assumed thermal efficiency: 37%)
- **Average CDS Cal 2012 – 14**
- **CSS Cal 2012 – 14 Base load (€/MWh)**
  - (assumed thermal efficiency: 49%)
- **Average CSS Cal 2012 – 14**

1 CDS: Including coal tax
Source: RWE Supply & Trading, prices until 08 November 2013
UK: Clean Dark (CDS) and Spark Spreads (CSS)

2012 forward 2013 forward\(^1\) 2014 forward\(^1\)

CDS Cal 2012 – 14 Base load (€/MWh) (assumed thermal efficiency: 36%)
Average CDS Cal 2012 – 14
CSS Cal 2012 – 14 Base load (€/MWh) (assumed thermal efficiency: 49%)
Average CSS Cal 2012 – 14

\(^1\) Including UK carbon tax
Source: RWE Supply & Trading, prices until 08 November 2013
Capital market debt maturities and sources of financing

**Capital market debt maturities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Maturities of debt issued</th>
<th>Hybrid (first call date)</th>
<th>Accumulated outstanding debt (incl. hybrid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>20</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>2016</td>
<td>16</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>2019</td>
<td>12</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>2022</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2025</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2028</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2031</td>
<td>1</td>
<td>0</td>
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</tr>
<tr>
<td>2034</td>
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</tr>
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<td>2037</td>
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</tr>
<tr>
<td>2043</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Strong sources of financing**

- **Fully committed syndicated loan**
  - € 4.0 bn up to Nov. 2017
  - € 0.0 bn

- **Commercial paper**
  - (up to 1 year)
  - $ 0.0 bn ($ 5.0 bn)
  - € 0.0 bn (8 Oct 2013)

- **MTN programme**
  - (up to 30 years)
  - € 30 bn
  - € 14.8 bn (8 Oct 2013)

---

1 RWE AG and RWE Finance B.V., as of 8 Oct 2013, i.e. including new bond issue as of 08 Oct 2013 about € 0.5 bn

2 Bonds outstanding under the MTN-programme, i.e. excluding hybrids. Including hybrids: € 18.5 bn

**Balanced profile with limited maturities up to end of 2015 (~€ 5.3 billion)**
Capital market debt currency and interest exposure (as of 08 Oct 2013)

1 Capital market debt = bonds of € 14.8 bn and hybrids of € 3.7 bn; split into currencies includes cross-currency swaps
2 Capital market debt plus other interest rate-related positions such as commercial paper and cash; including interest and cross-currency swaps
Moderate and disciplined growth in German and CEE/SEE downstream markets

**Germany (examples)**

- **Energy services capex (€ million)**
  - 2011: 40
  - 2012: 60
  - 2013+: 60

**Investments of up to €100 million per annum in**

- **Contracting solutions** (at IRR of ~8%)
  (heating, cooling, cogeneration, compressed air)
- **Consulting services**
  (energy controlling, thermography)
- **Special products**
  (virtual power plant etc.)

**CEE/SEE (examples)**

**Build on current downstream market positions and expand in new markets, regions, and commodities**

- Continue to build electricity downstream position from currently 2% to ~5% – 7% in 2015
- Seek electricity customers beyond region of Warsaw and enter gas supply market
- Target further increase of market share and value of customer portfolio
- Establish electricity retail position with focus on B2B segment
The fuel mix of European electricity generators 2012

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 2012, company presentations, RWE.
The fuel mix of European electricity generators 2012

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 2012, company presentations, RWE.
By 2014 we will have renewed more than 25% of our electricity generation fleet.

BoA Neurath
2.1 GW Lignite

Staythorpe
1.7 GW CCGT

Moerdijk 2
0.4 GW CCGT

Lingen
0.9 GW CCGT

Claus C
1.3 GW CCGT

Pembroke
2.2 GW CCGT

Denizli
0.8 GW CCGT

Hamm
1.5 GW Hard coal

Eemshaven
1.6 GW Hard coal

Gas

Lignite

Hard coal

12.5 GW out of (2012)
52 GW

## RWE’s major investment projects

<table>
<thead>
<tr>
<th>Conventional power plant new build programme (capex at 100% share)</th>
<th>RWE share</th>
<th>Capex (€ bn)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamm (hard coal, 1,528 MW)</td>
<td>77%</td>
<td>2.4</td>
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<tr>
<td>Eemshaven (hard coal/biomass, 1,560 MW)</td>
<td>100%</td>
<td>3.0</td>
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<tr>
<td>Denizli (gas, 787 MW)</td>
<td>70%</td>
<td>0.5</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RWE Dea’s largest field developments (RWE’s share in capex)</th>
<th>NA 40%</th>
<th>WMDW 20%</th>
<th>2.9</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>West Nile Delta (Egypt)</td>
<td>40%</td>
<td>2.9</td>
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<tr>
<td>Disouq (Egypt)</td>
<td>100% (operator)</td>
<td>0.2</td>
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<tr>
<td>Breagh Phase 1 (GB)</td>
<td>70% (operator)</td>
<td>0.4</td>
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<tr>
<td>Reggane (Algeria)</td>
<td>19.5%</td>
<td>0.4</td>
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<tr>
<td>Knarr (formerly “Jordbær”) (Norway)</td>
<td>10%</td>
<td>0.2</td>
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<tr>
<td>NC 193/195 (Libya)</td>
<td>100% (operator)</td>
<td>0.5</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RWE Innogy major projects under construction (capex at 100% share; UK offshore includes investment for grid connections)</th>
<th>RWE share</th>
<th>Capex (€ bn)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markinch (biomass CHP, 46 MW_e, 88 MW_in)</td>
<td>100%</td>
<td>0.3</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Gwynt y Môr (wind offshore, 576 MW)</td>
<td>60%</td>
<td>2.7</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordsee Ost¹ (wind offshore, 295 MW)</td>
<td>100%</td>
<td>1.4</td>
<td></td>
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</tr>
</tbody>
</table>

¹ The construction schedule was revised several times in 2012 due to the delay in the offshore grid connection by TenneT. The first feed-in of electricity is now only expected by Mid 2014 and the commissioning of the wind farm is delayed at least until Q4 2014.
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Calendar

Annual and Interim Reports

Investor and Analyst Conferences

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

Consensus of analysts’ estimates of RWE’s key performance indicators
RWE Generation SE –
How we are tackling the challenges we are facing

Essen, 19 December 2013

Frank Weigand
Chief Financial Officer
RWE Generation SE
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
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Mid-term earnings perspective of Conventional Power Generation

Operating result in € bn

- Impact from decline in realised outright power price from €55/MWh to ~€37/MWh
- Mainly shut down of 150 MW lignite units and Tilbury
- Free allocation of c. 120 mt of CO2 certificates in 2012: ~€1.2 bn

Others:
- Compensation payments for construction delays in 2012
- Changes in the regulatory framework (e.g. biomass NL)
- Increase in depreciation

Mark-to-market:
- 2012-2017

1 Others: e.g. compensation payments for construction delays in 2012; changes in the regulatory framework (e.g. biomass NL); increase in depreciation
2 Mark-to-market as of November 2013 at market prices of around €37/MWh for German baseload forwards
Internal focus on cost reduction and portfolio optimisation and external focus on development of the market model

What are we doing about that?

Internally

> Operational: Cash Improvements through efficiencies
> Structural: Portfolio-Optimisation

Externally

> Interaction with stakeholders to further develop market models
  – Security of supply
  – Climate protection and sustainability
  – Affordability of electricity
Efficiency programme “Neo” covers all areas of RWE Generation via dedicated projects

1 CAO - Commercial Asset Optimisation
¾ of target already specified by ideas / measures

Cash improvement target

DoI\(^1\) logic applies

Already specified by ideas / measures

\(~ 75\%\)

\(~ 25\%\)

Overall target

100\% = high
3 digit €m

At least 80 \% to be effective in operating result

\(^1\) DoI = Degree of Implementation
Cash improvement measures will ramp-up until end of 2016, with full financial effect in 2017
A core cost approach is applied across the workstreams

1. Cost decrease due to mothballing / closures
2. Addressable cost base 2015
3. Core cost
4. Eliminate activities/end product
5. Reduce service levels
6. Reduce service levels

- Service level reduction (reduce output)
- Reduce cost per output

- Optimise processes
- Streamline organisation
- Reduce factor cost
Synergy and restructuring potential is targeted in project NEO across all areas of the generation business

- **Hard Coal & Gas**
  - Further reduction of start-up time and costs
  - Optimisation of hard-coal transportation cost

- **Nuclear**
  - Improvement of front to back end processes in fuel management
  - Active ageing management for power plants

- **Lignite**
  - Improvement of technical processes in plants, mines and refining
  - Reorganisation of overhauls and services through out lignite system

- **Hydro**
  - Increase of production by ecological and technical improvements
  - Streamline organisation by realising internal and external synergies

- **RWE Technology**
  - Alignment of resources to predicted demand
  - Integration of Management Support functions into RWE Generation

- **Management & Support Functions**
  - Elimination or service level reduction of non crucial activities
  - Optimisation of processes and streamlining of the organisation

- **Commercial Asset Optimisation**
  - Optimisation of processes / structure
  - Integration of activities in Germany and NL / Reduction of IT complexity

- **Procurement**
  - Switch to cheaper supplier (e.g. to non-OEM-supplier)
  - Standardisation / harmonisation of product requirements
RWE Generation assets under review

Profitability of RWE’s conventional generation portfolio

- OR\(^2\) > WACC: c. > 50% – 60%
- OR \(\geq\) 0: c. > 60% – 70%
- FCF\(^2\) > 0: c. > 70% – 80%

First responses

- Capacity measures
  - decommissioning
- long-term or summer mothballing
- termination of contracted hard coal units
- In total: 4,265 MW

- Capacity under intense review
  - Westfalen C (hard coal, 255 MW)
  - Frimmersdorf P&Q (lignite, 287 MW / 285 MW)
  - Goldenbergwerk J (lignite, 70 MW)

- Reviewing another 1,450 MW of contracted hard coal plants

- Continuing operation with regular review dates

---

1 Rough profitability analysis for 2013 to 2015 in % of installed capacity of RWE’s conventional generation portfolio (economic stake) in Germany, UK and NL (average c. 44 GW) based on market parameters as of January 2013
2 OR = operating result; WACC = weighted average cost of capital pre tax; FCF = free cash flow = revenue – cash costs
# Decision on capacity measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Plant</th>
<th>MW(^1)</th>
<th>Fuel</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decommissioning</td>
<td>Amer 8</td>
<td>610</td>
<td>Hard coal</td>
<td>NL</td>
<td>Q1-2016(^2)</td>
</tr>
<tr>
<td>Long-term mothballing</td>
<td>Moerdijk 2</td>
<td>430</td>
<td>Gas</td>
<td>NL</td>
<td>Q4-2013</td>
</tr>
<tr>
<td></td>
<td>Gersteinwerk F</td>
<td>355</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>Gersteinwerk G</td>
<td>355</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td></td>
<td>Weisweiler H</td>
<td>270</td>
<td>Topping gas turbine(^3)</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>Weisweiler G</td>
<td>270</td>
<td>Topping gas turbine(^3)</td>
<td>DE</td>
<td>Q3-2013</td>
</tr>
<tr>
<td></td>
<td>2 mid-size units</td>
<td>85</td>
<td>Gas</td>
<td>NL</td>
<td>Q1-2013</td>
</tr>
<tr>
<td>Summer mothballing</td>
<td>Emsland B</td>
<td>360</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td></td>
<td>Emsland C</td>
<td>360</td>
<td>Gas – steam turbine</td>
<td>DE</td>
<td>Q2-2014</td>
</tr>
<tr>
<td>Termination of 3 contracts</td>
<td>Confidential</td>
<td>1,170</td>
<td>Hard coal</td>
<td>DE</td>
<td>Q4-2013 – Q4-2014</td>
</tr>
</tbody>
</table>

**Total** | **4,265 MW**

\(^1\) Net nominal capacity  \(^2\) Depending on the final decision on the Dutch “Energieakkoord”, with a decision expected by the end of August 2013  \(^3\) At a lignite plant
Development of the electricity market model under the principle of one goal - one instrument

<table>
<thead>
<tr>
<th>Goal: Security of supply</th>
<th>Goal: Climate protection</th>
<th>Goal: Affordable electricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-discriminatory system to reward availability of power generation capacity</td>
<td>Emissions trading system with a long-term goal to reduce CO₂ emissions</td>
<td>Market integration of renewable energy; reform of the Renewable Energy Act</td>
</tr>
</tbody>
</table>
Back-up Charts
RWE’s forward hedging of conventional electricity production (German, Dutch and UK portfolio)

As of 30 September 2013

- **Outright (GER nuclear and lignite based power generation)**
- **Spread (GER, UK and NL/B hard coal and gas based power generation)**

<table>
<thead>
<tr>
<th>Months before delivery of forward contract</th>
<th>2013 forward</th>
<th>2014 forward</th>
<th>2015 forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>-24</td>
<td></td>
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<tr>
<td>-21</td>
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<td>-18</td>
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</table>

- 2013 forward

- 2014 forward

- 2015 forward
Germany: Clean Dark (CDS) and Spark Spreads (CSS)

CDS Cal 2012 – 14 Base load (€/MWh) (assumed thermal efficiency: 36%)
Average CDS Cal 2012 – 14
CSS Cal 2012 – 14 Peak load (€/MWh) (assumed thermal efficiency: 49%)
Average CSS Cal 2012 – 14

Source: RWE Supply & Trading, prices until 08 November 2013
NL: Clean Dark (CDS) and Spark Spreads (CSS)

CDS Cal 2012 – 14 Base load (€/MWh)
(assumed thermal efficiency: 37%)

Average CDS Cal 2012 – 14

CSS Cal 2012 – 14 Base load (€/MWh)
(assumed thermal efficiency: 49%)

Average CSS Cal 2012 – 14

1 CDS: Including coal tax
Source: RWE Supply & Trading, prices until 08 November 2013
UK: Clean Dark (CDS) and Spark Spreads (CSS)

CDS Cal 2012 – 14 Base load (€/MWh) (assumed thermal efficiency: 36%)

Average CDS Cal 2012 – 14

CSS Cal 2012 – 14 Base load (€/MWh) (assumed thermal efficiency: 49%)

Average CSS Cal 2012 – 14

1 Including UK carbon tax

Source: RWE Supply & Trading, prices until 08 November 2013