Value in uncertain times

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(as of May 2012)

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

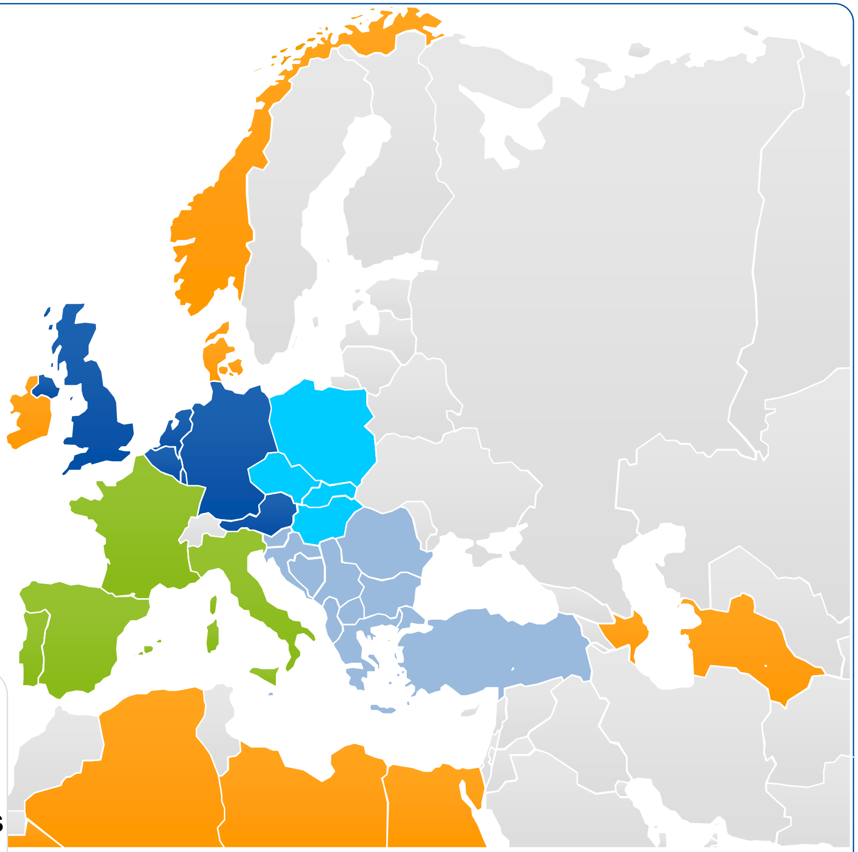
are forward-looking statements. Also words such as “anticipate”, “believe”, “estimate”, “intend”, “may”, “will”, “expect”, “plan”, “project” “should” and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect the judgement of RWE’s management based 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.

Main messages

- Q1 2012 operating performance: EBITDA: -9%, operating result -14%, recurrent net income -20%
- Further successful structural changes of long-term gas supply contracts with international oil and gas majors; focus now on remaining three major gas suppliers
- Successful hybrid bonds issuance of GBP 750m and USD 500m
- 2012 guidance confirmed

More international, while maintaining a regionally focused strategy

- Core markets in Northwest and Central Europe
- Regional growth markets mainly CEE/SEE, especially Turkey
- Renewables business in and around our traditional core markets
- Upstream gas & oil position/projects mainly in Europe, Caspian region, Africa and Trinidad & Tobago



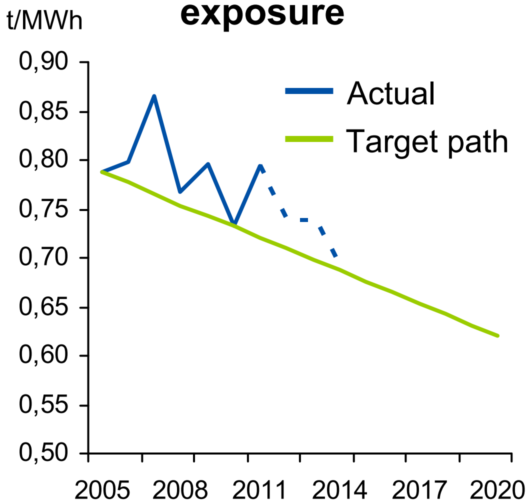
- RWE markets with established market positions
- Growth markets under observation / first activities
- Additional markets especially for renewables business
- Additional markets for upstream gas & oil

More sustainable: Three levers to execute our strategy

Lower CO_2 emissions

- Reduce specific CO_2 emissions by more than 20% by 2020 compared to 2005

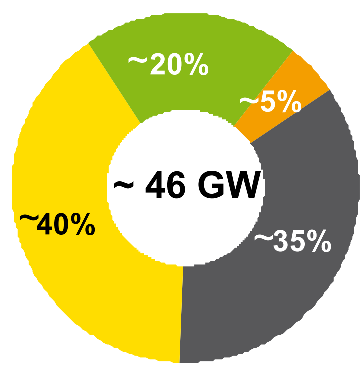
Specific CO_2 emissions exposure



More renewables

- Increase renewable generation capacity to at least 20% by 2020

Estimated generation portfolio 2020



Nuclear
Gas/other
Coal (partly highly efficient)
Renewables

Efficient use of energy

- Increase efficiency of fossil fuelled power plants
- Offer efficiency enhancing energy products to end costumers

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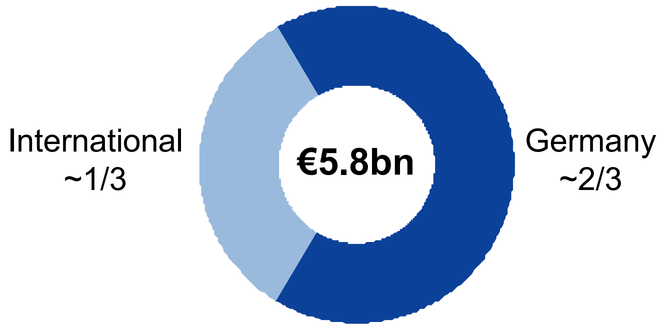
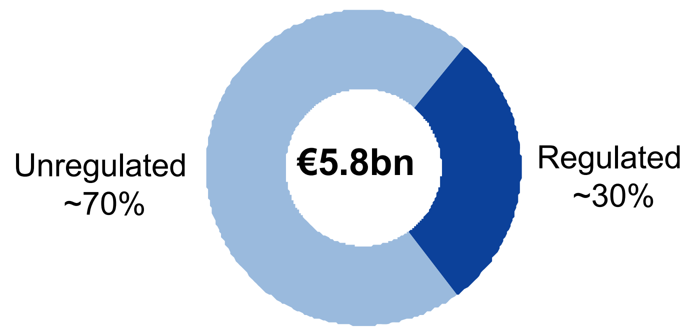
More robust, with a well balanced portfolio approach

- Active along the whole value chain
- Broad geographic diversification in known territory to minimise regulatory and political risks
- Balanced generation portfolio across all technologies
- Continuous contribution from stable regulated business
- Invest in most economic renewable technologies
- Exposure via RWE Dea to global unregulated commodity prices

Operating result 2011





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Execution of strategy will be based on four pillars

Bundle of measures

1. Divestments
2. Focused long-term capex programme
3. Efficiency programme
4. Capital measures

Secure financial strength for long-term growth

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Further progress on divestment plans

Total residual divestment requirement reduced to up to € 7 billion

Upstream assets

- Sale of selected assets ongoing
- RWE Dea remains with RWE Group and represents an important part of our growth story

German downstream assets

- Disposal of full or parts of various German regional distribution and supply businesses
- Agreement regarding the sale of a 19% shareholding in the German regional utility VSE, based in the Saarland.

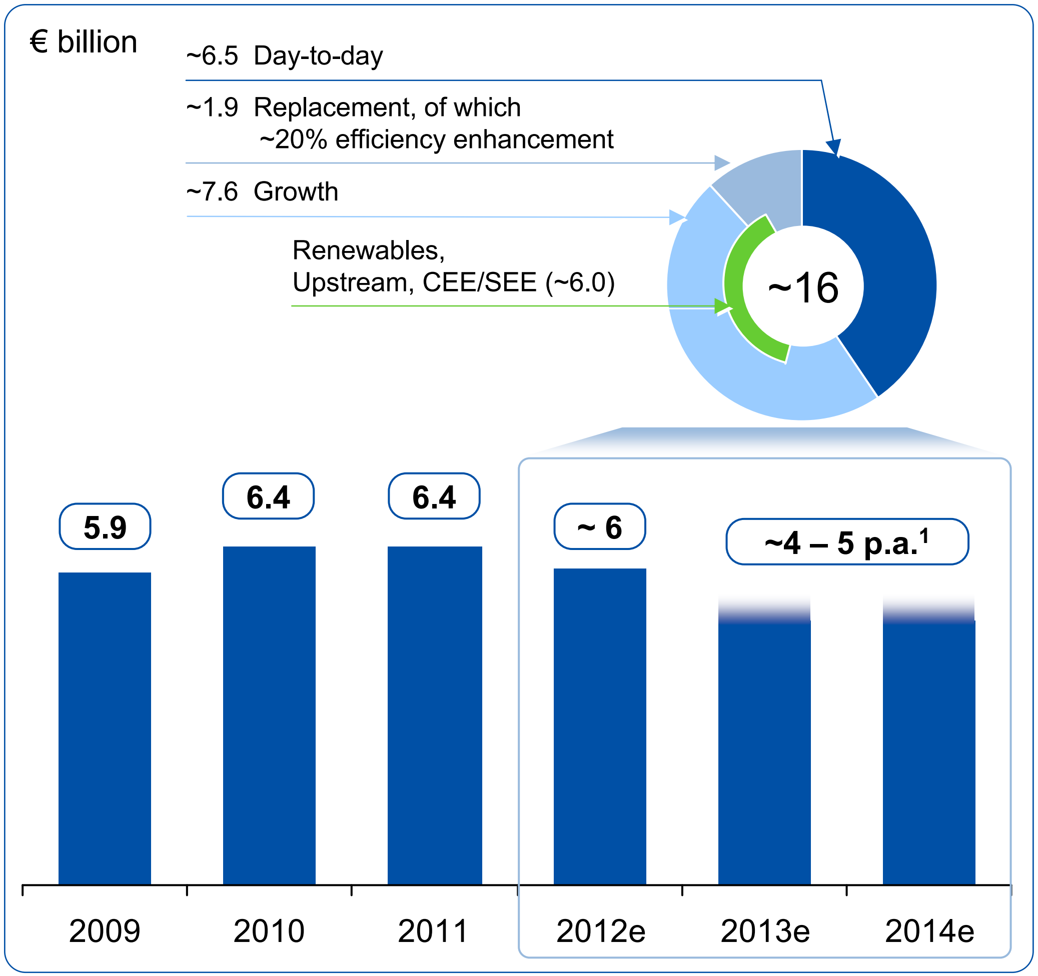
NET4GAS

- Separation of NET4GAS with fully established support functions completed
- Full disposal envisaged

Others

- Berlinwasser: very advanced talks on sale of our minority stake
- Thermal generation assets: discussions regarding sale of stakes in power plants ongoing

Streamlined and disciplined investment programme



[1] After planned divestments.

- Peak of investment programme in 2010/2011
- Finalising conventional power generation programme mainly in 2012 and 2013
- More than 60% of our capex will be spent in our international businesses
- Sustainable long-term capex level of up to € 5 bn p.a. of which day-to-day capex up to € 2.5 bn p.a.
- Approx. € 16 bn capex programme for 2012 – 2014 of which c. € 8 bn for growth/efficiency enhancement, thereof c. € 6 bn in our growth areas Renewables, CEE/SEE and Upstream Gas & Oil
- Committed capex (including day-to-day, approx.):

2012	2013	2014
95%	85%	65%

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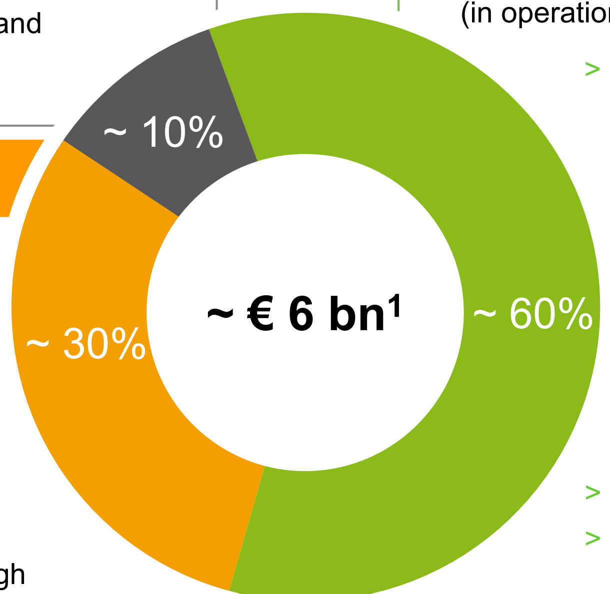
€ 6 bn earmarked for growth areas until 2014

CEE/SEE[2]

- Growth opportunities mainly in generation
- Regional focus on Turkey and Poland

Upstream Gas & Oil[2]

- 2014 targets post planned disposals:
  - Gas and oil production of ~ 40 mm boe
  - Operating result of ~ € 800m
- Development focus on UK, Norwegian and North African gas fields
- Longer term growth secured through continued successful exploration effort



Renewables (RWE Innogy)[2]

- Target capacity of 4.5 GW (in operation or under construction) by 2014
- Operating result of €500 million by 2014
- Balanced generation portfolio across countries and technologies:
  - Regional diversification across core markets
  - Focus on most cost competitive technologies to minimise regulatory risk
- Large project pipeline of c. 14 GW
- 1.1 GW currently under construction

[1] Growth and replacement capex, excluding day-to-day capex.
[2] Divisional split; regional overlap due to potential upstream and renewable investments in Central Eastern/South Eastern Europe.

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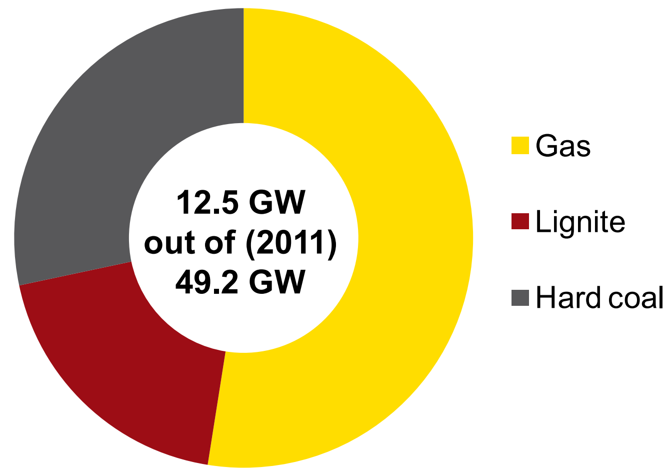
By 2014 we will have renewed more than 25% of our electricity generation fleet


BoA Neurath
2.1 GW lignite


Staythorpe
1.7 GW CCGT


Moerdijk 2
0.4 GW CCGT


Denizli
0.8 GW CCGT




Lingen
0.9 GW CCGT


Claus C
1.3 GW CCGT


Pembroke
2.2 GW CCGT


Hamm
Hard coal 1.5 GW


Eemshaven
Hard coal 1.6 GW

2010	H1 2012	H2 2012	2013/2014	2014

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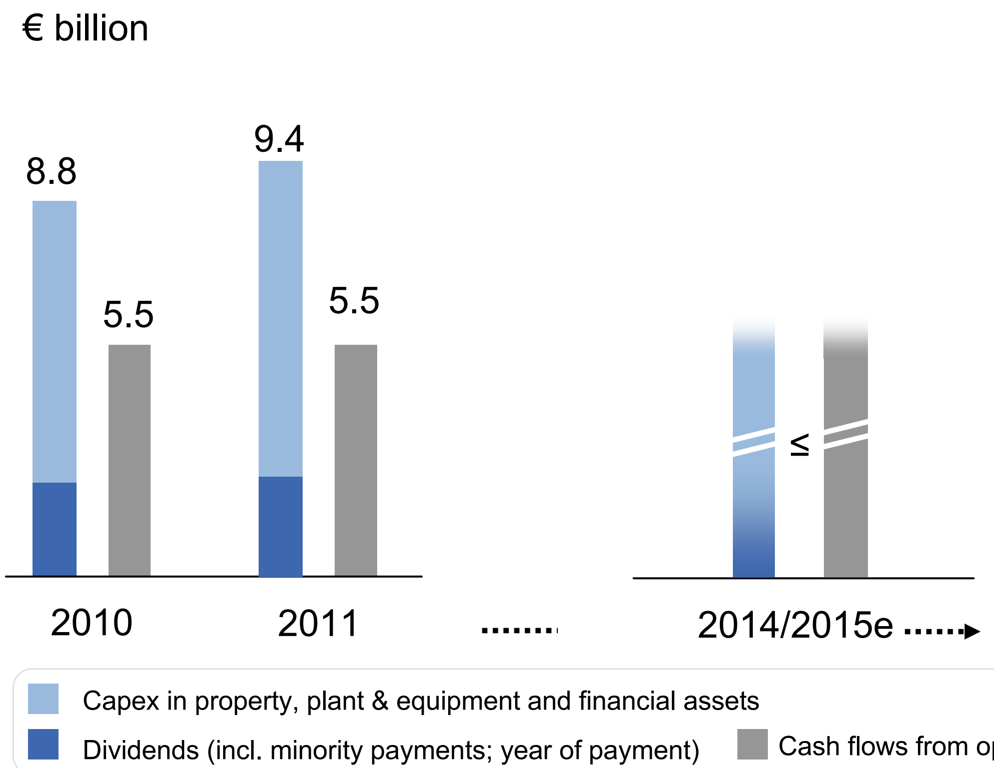
Strict investment discipline provides platform for sustainable dividends

Mid-term target to cover investments and dividends by cash flows from operating activities



- Capex level will normalise beyond 2013
- Pay-out ratio of 50% - 60% of recurrent net income
- Flexibility to adjust investments to meet cash flow, if necessary

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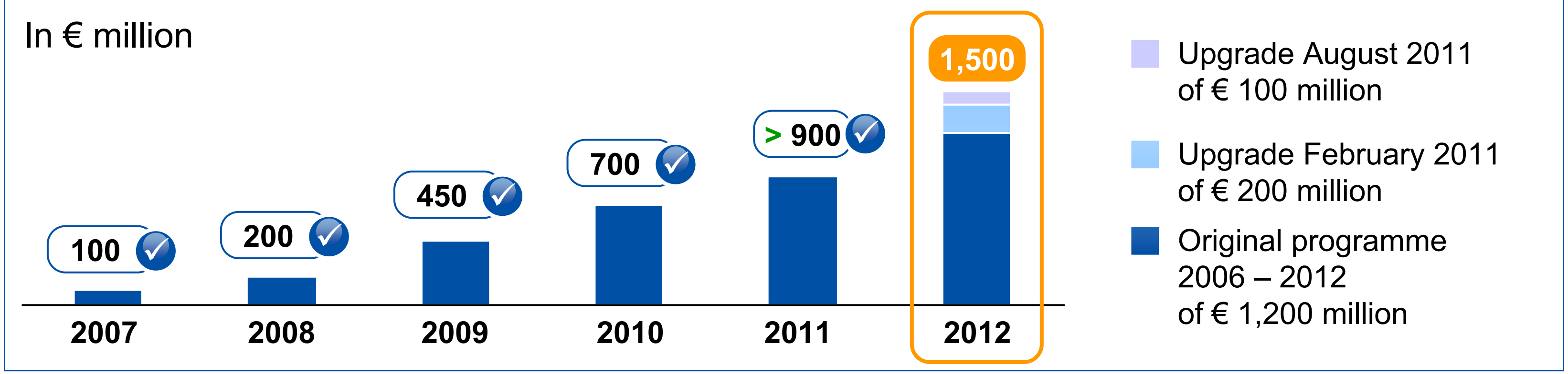
Efficiency programme well on track and stepped up

Cumulative operating result contribution of the programme compared to 2006



- Efficiency programme of € 1.2 billion 2006 to 2012 stepped up by € 200 million in February 2011 and another € 100 million in August 2011 to a total of € 1.5 billion
- Additional efficiency measures by optimising cost for services and materials in our overhead functions and project costs. Introduction of new IT systems in UK
- Fully accretive to operating result (i.e. post cost inflation and one-off cost of programme)
- Target for 2011 already overachieved

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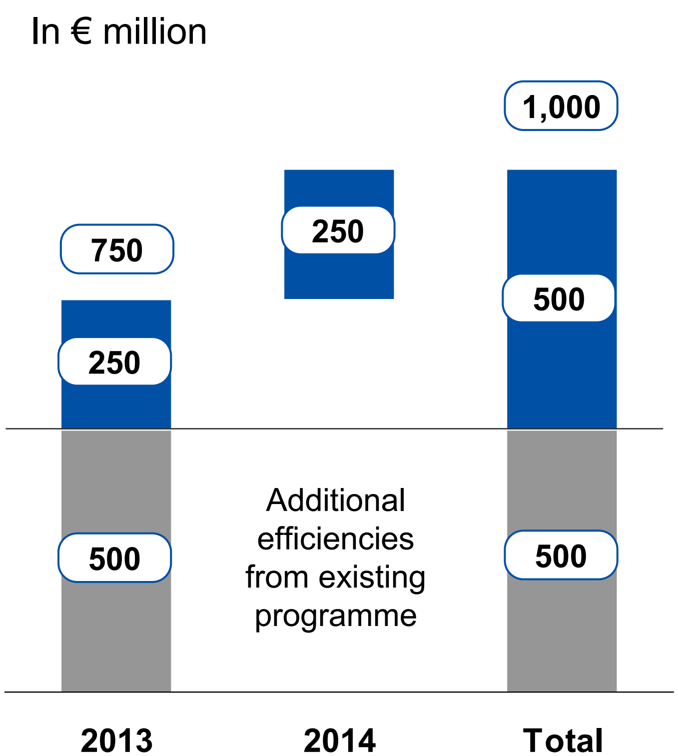
Further efficiency enhancements initiated



- Sustainable improvement of operating results and EBITDA compared to 2012
- Efficiency measures focusing on...
  - Group IT, service and overhead functions
  - All operational companies
- Several concrete measures, e.g.
  - Optimisation of European power plant portfolio
  - Process optimisation of our sales and distribution companies via internal benchmark analysis
  - Personnel measures in German generation and sales and distribution businesses
  - Realignment of businesses, e.g. centralising trading and commercial asset optimisation
- Further update at H1 results (August 2012)

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Capital measures strengthen our balance sheet

Equity capital measure of € 2.1 bn successfully concluded in Dec. 2011

- Placement of 80.4 million shares via an accelerated book building procedure
- Transaction included 28.1 million treasury shares
- Subscription price of € 26 per share

Intention to issue further hybrid capital

- USD 500 million hybrid bond placed in March/April 2012
- GBP 750 million hybrid bond placed in March 2012
- CHF 250 million hybrid bond placed in October 2011
- Combining the benefits of equity and tax-deductible debt
- Additional support to stabilise credit rating via equity credit
- No dilution of shareholders
- Intention to conclude programme by end of 2012, depending on market conditions

Outlook for 2012 – 2013

€ million

	2011	2012e after further disposals[1]	2013e after further disposals[1]
EBITDA	8,460	in the order of 2011	~9,000
Operating result	5,814	in the order of 2011	in the order of 2011
Recurrent net income	2,479	in the order of 2011	in the order of 2011
Dividend	€ 2.00/share	Pay out ratio of 50% – 60% of recurrent net income	

[1]Expected earnings dilution from the remaining up to €7 bn divestment programme:

in € bn	EBITDA	Operating result	Recurrent net income
2012		no major dilution effect expected	
Full year effect (after 2013)	~0.5	~0.4	~0.3

The 2013 outlook is based on commodity prices as of January 2012.

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RWE's platform for future value enhancement

- Three main long-term growth areas: Renewables, Upstream and CEE/SEE
- Maintain strategic and regional focus
- Stream-lined and disciplined investment approach
- Further efficiency enhance-ments and operational excellence
- Positive outlook for 2012/2013

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Back-up Charts

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RWE Group key performance indicators

January – March € million		2012	2011	Change in %
External revenue		15,593	15,754	-1.0
Cash flows from operating activities		298	2,284	-87.0
EBITDA		3,125	3,426	-8.8
Operating result		2,436	2,827	-13.8
Non-operating result		13	209	-93.8
Financial result		-470	-372	-26.3
Taxes on income		-555	-726	23.6
Minorities		96	104	-7.7
Hybrid investors' interest		17	15	13.3
Net income		1,311	1,819	-27,9
Recurrent net income		1,288	1,609	-20.0
Average number of shares	(million)	614	534	15.0
Recurrent net income per share	(€)	2.10	3.02	-30.5

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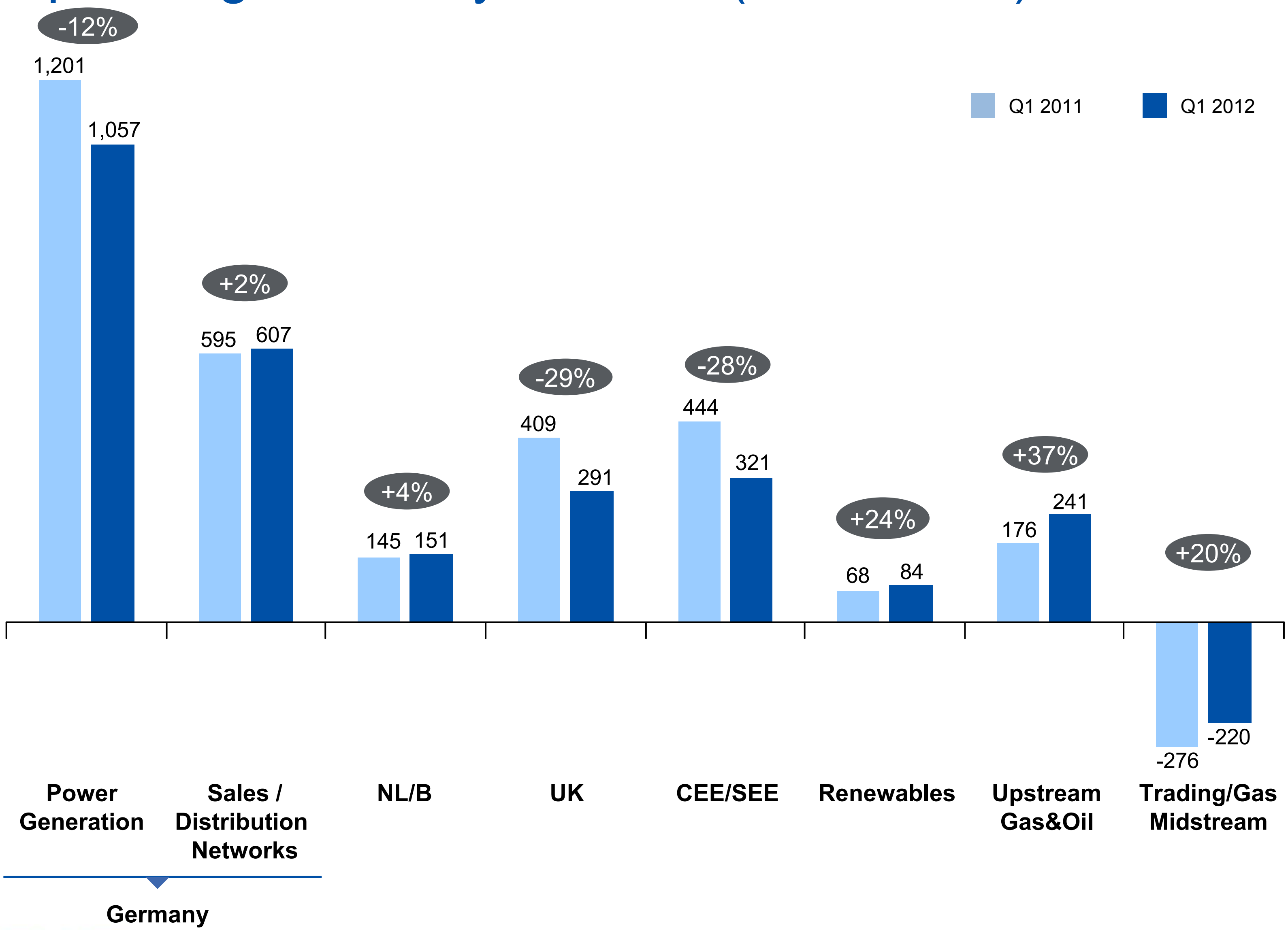
Operating Result by Division (in € million)



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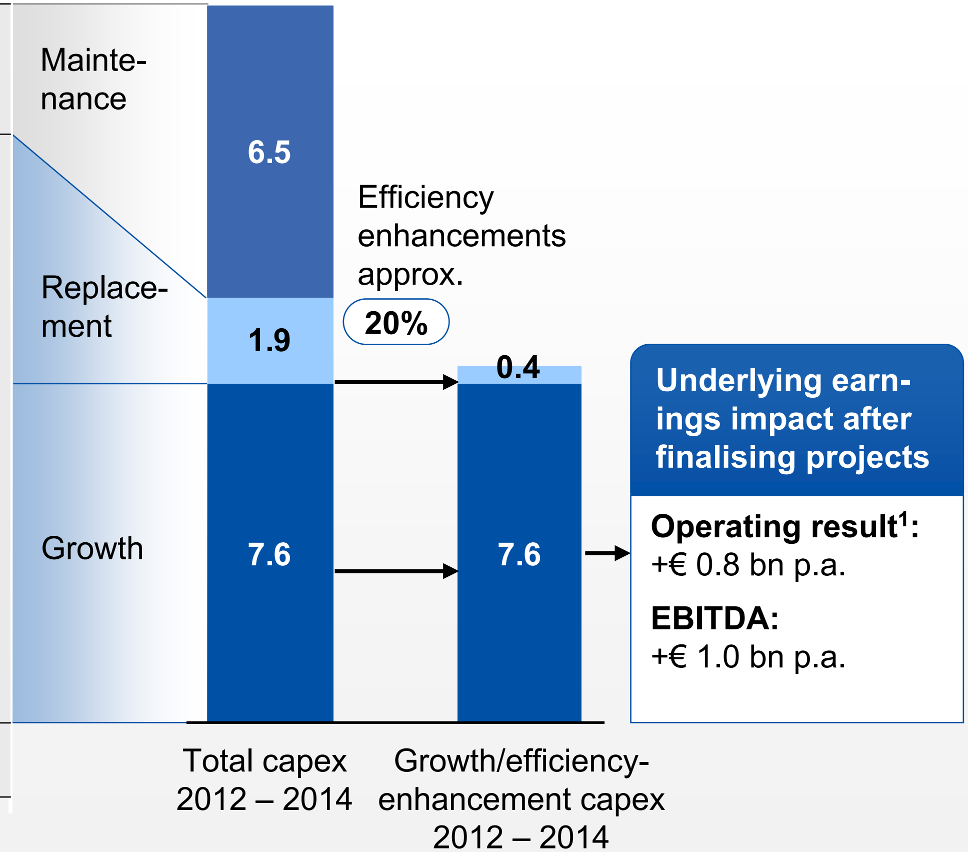
Divisional outlook for the operating result

€ million	2011 actual	2012 forecast vs. 2011
Germany	4,205	Above last year
Power Generation	2,700	Above last year
Sales/Distribution networks	1,505	In the order of last year's level
Netherlands/Belgium	245	Significantly below last year
United Kingdom	357	Above last year
Central Eastern and South Eastern Europe	1,109	Below last year
Renewables	181	Above last year
Upstream Gas & Oil	558	Significantly above last year
Trading/Gas Midstream	-800	Significantly below last year

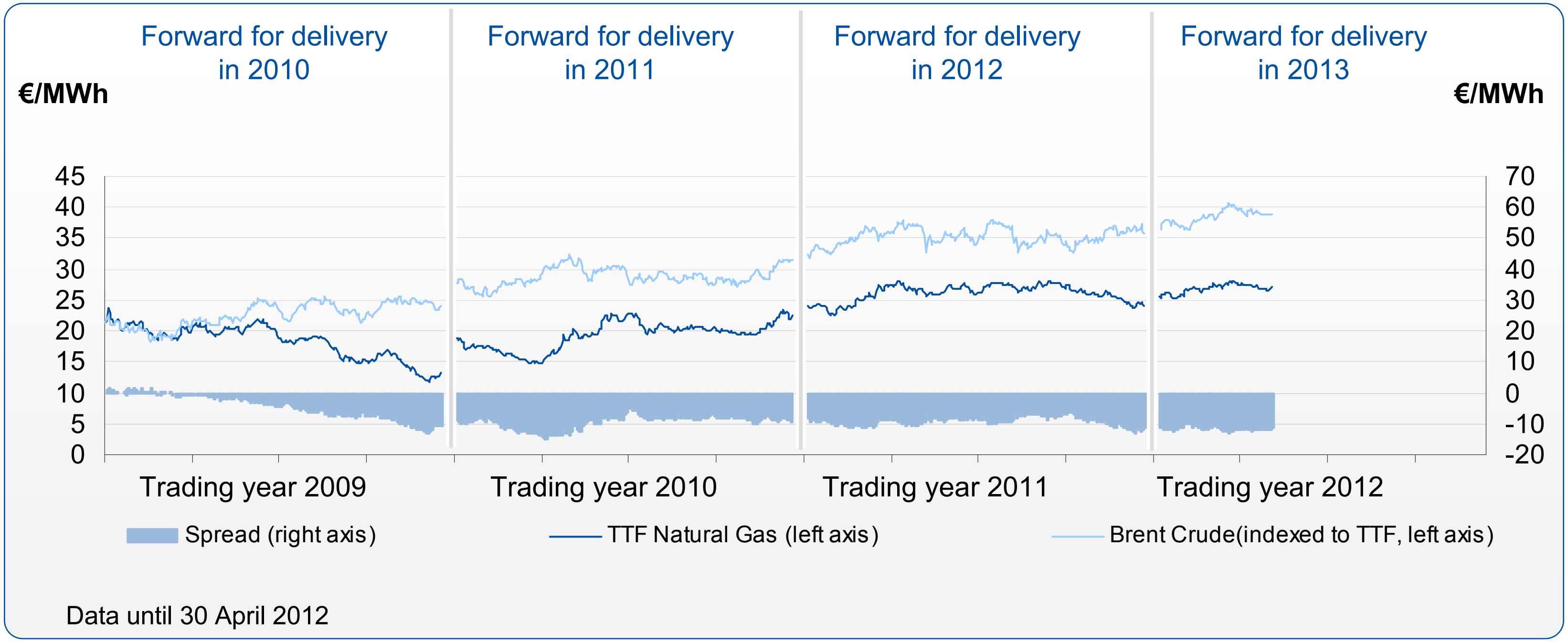
RWE's capex programme 2012 to 2014
How capex leads to earnings growth

Day to day investments	6.5	
Thereof grid		*3.0*
Growth and replacement projects	**9.5**	
Electricity generation		
> Hard coal and lignite plants	2.5	
> Gas plants	0.5	
> Renewable projects, thereof	4.0	
– Wind offshore		1.8
– Wind onshore		1.0
– Biomass		0.5
– Hydro, other		0.7
Upstream	1.9	
Gas midstream	0.5	
Miscellaneous other smaller projects	0.1	
Total	**€ 16.0 bn**	



[1] Average impact. Depending on depreciation period, operating result lower in early years and higher in later years.

Development of TTF gas price and brent oil price



Relative development of the TTF and brent forwards for the years 2010, 2011, 2012 and 2013 since January 1st, 2009. To compare both, the brent oil price is based to the TTF gas price as of January 1st, 2009. The curves simply illustrate the development of the market prices which should give a rough indication on the gas-to-oil-spread situation. The real gas-to-oil-spread exposure depends on the individual contract details and will deviate from this slide.

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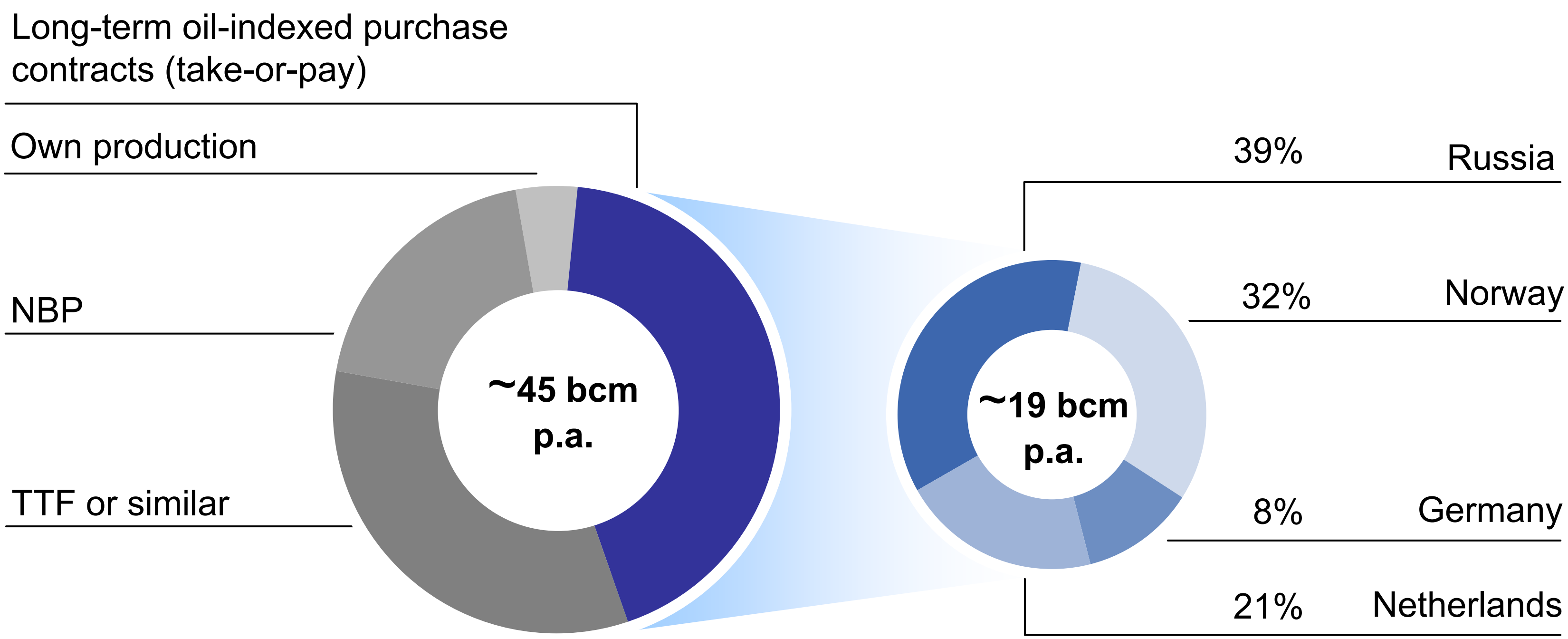
RWE's gas procurement portfolio

(as of April 2012)



- Our gas procurement portfolio is managed by RWE Supply & Trading
- ~42% or 19 bcm p.a. of overall gas procurement based on long-term oil-indexed purchase contracts
  - of which ~17 bcm p.a. remain with a gas-to-oil spread exposure as of April 2012 when taking cost based sales into account

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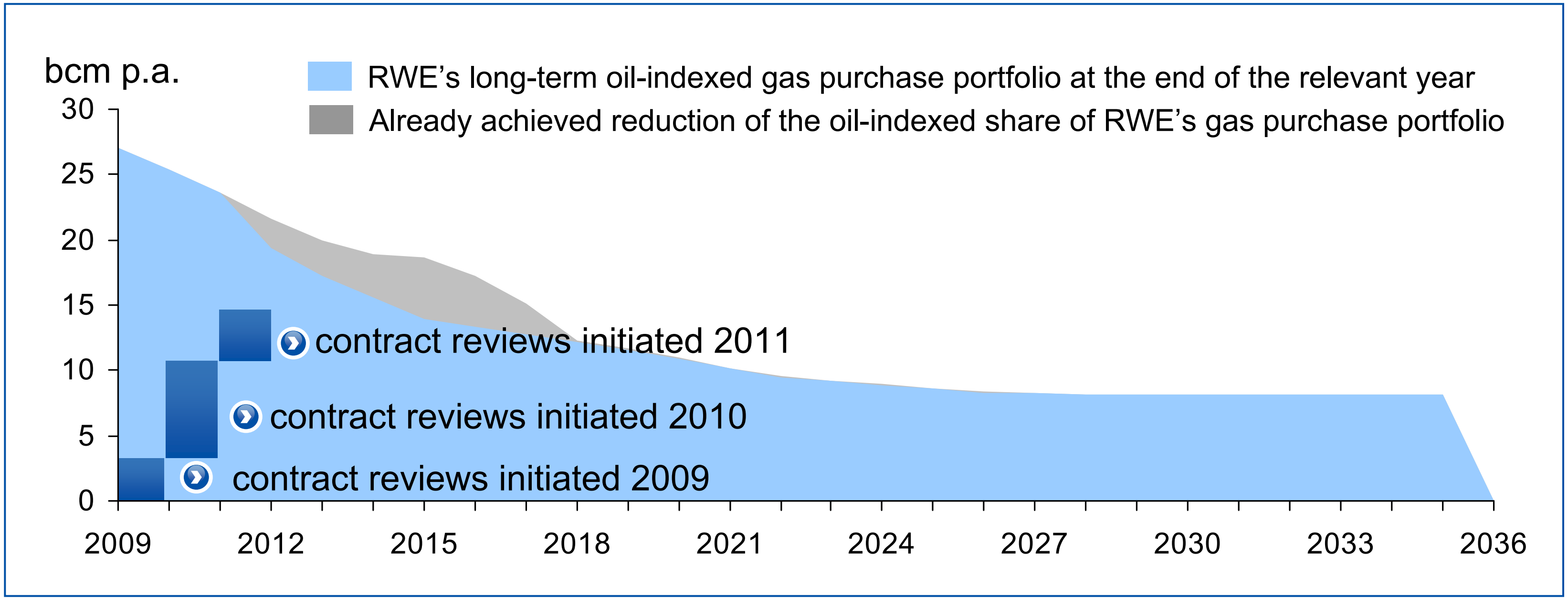
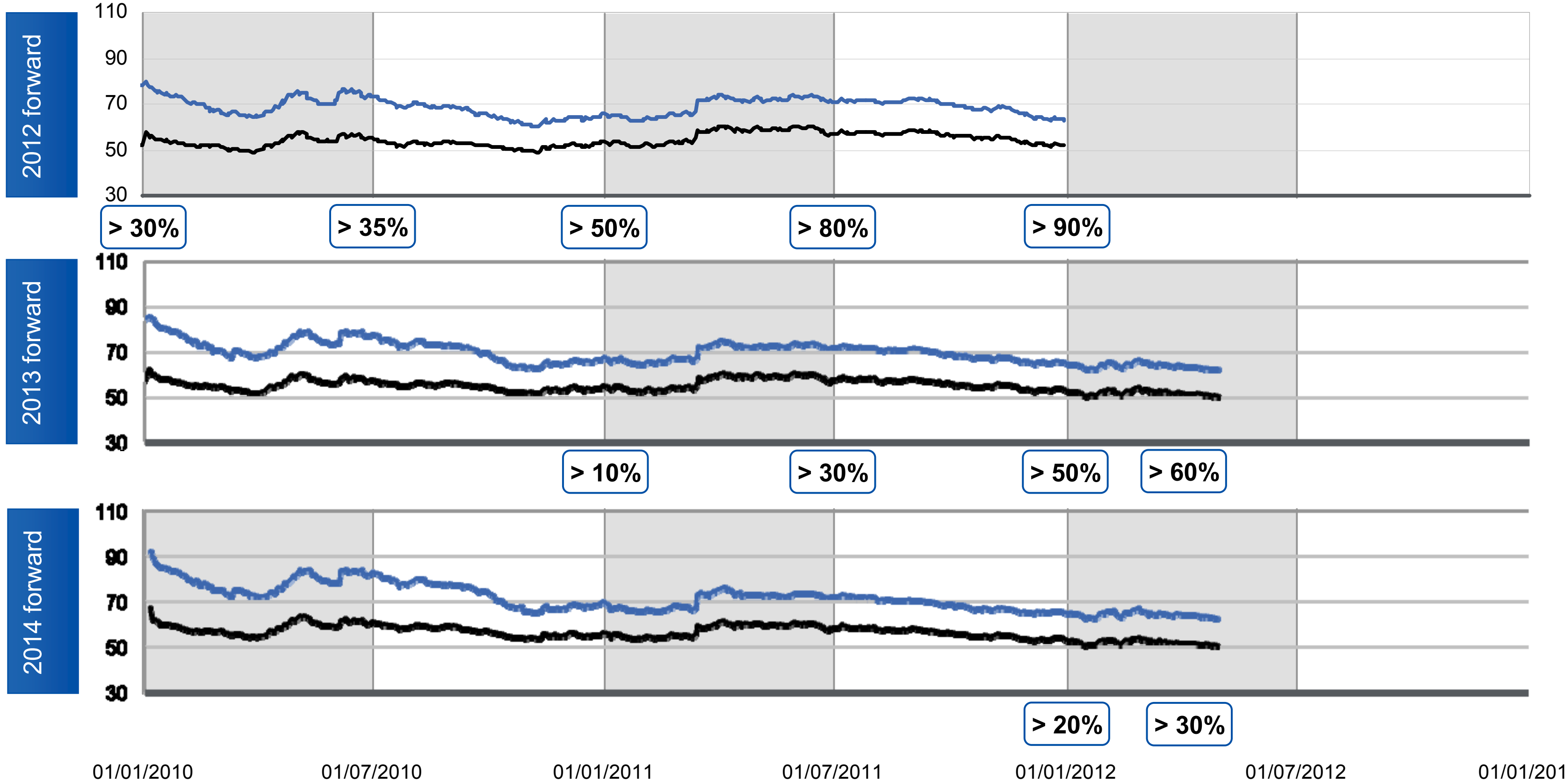
RWE's long-term oil-indexed gas purchase portfolio



- RWE was one of the first in 2009 and 2010 to initiate contract reviews - also by using so-called "joker" price reviews. We continue to make use of this contractual toolbox where necessary
- As of April 2012 we are in the renegotiation process with 6 out of 17 contracts (approx. 15 bcm p.a.), many of which have meanwhile reached the official arbitration stage
- Some negotiations have already been successfully concluded, resulting in a reduction of the future gas-to-oil spread exposure.

Forward selling[1] by RWE Power in the German market

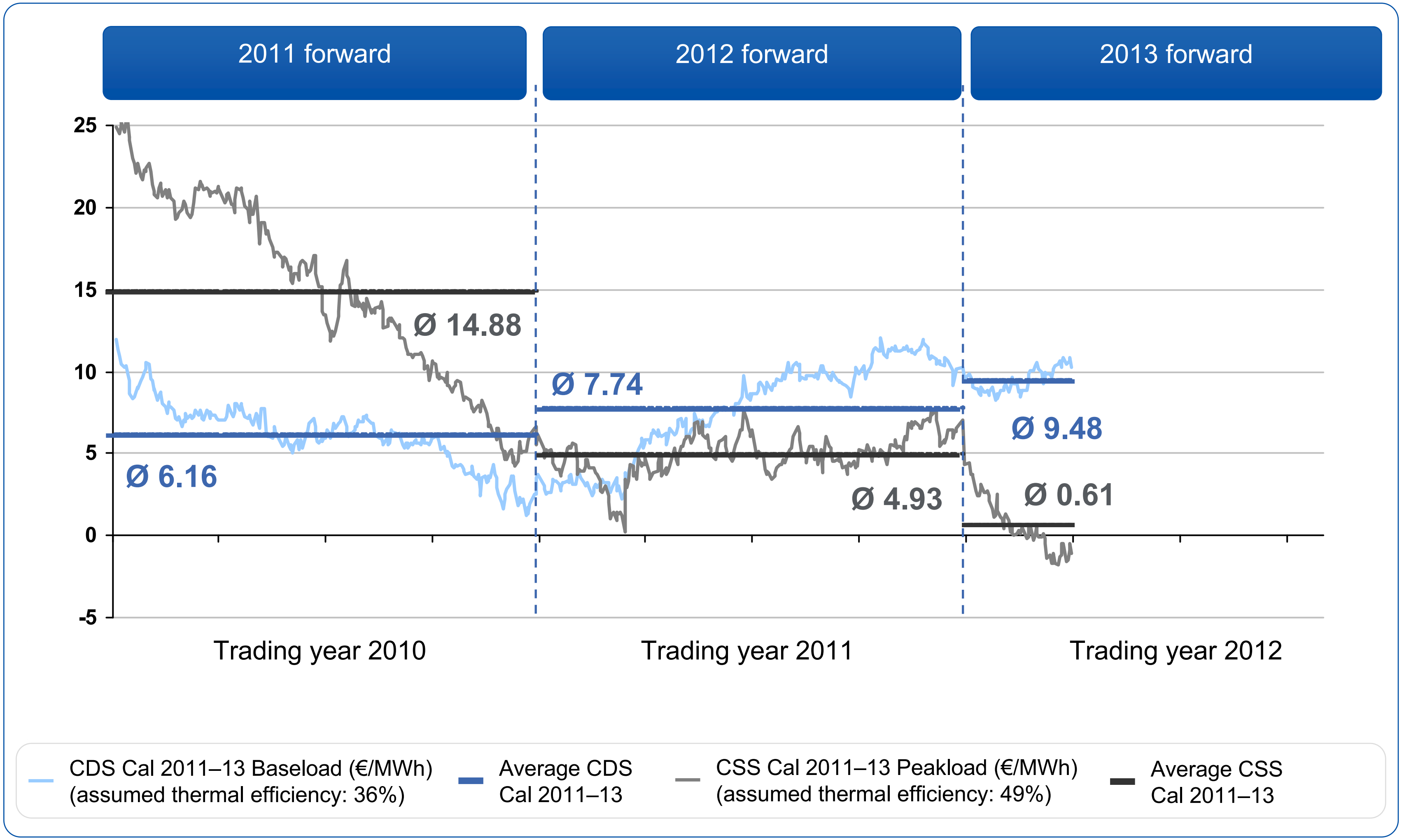
(Base-load & peak-load forwards in €/MWh)



[1] Hedge ratio in % of full year production (as of end of March 2012)

(Average realised price for 2011: €63/MWh (2010: €67/MWh)).

Germany: Clean Dark and Spark Spreads (CDS/CSS)



Source: RWE Supply & Trading, prices until 25 April 2012.

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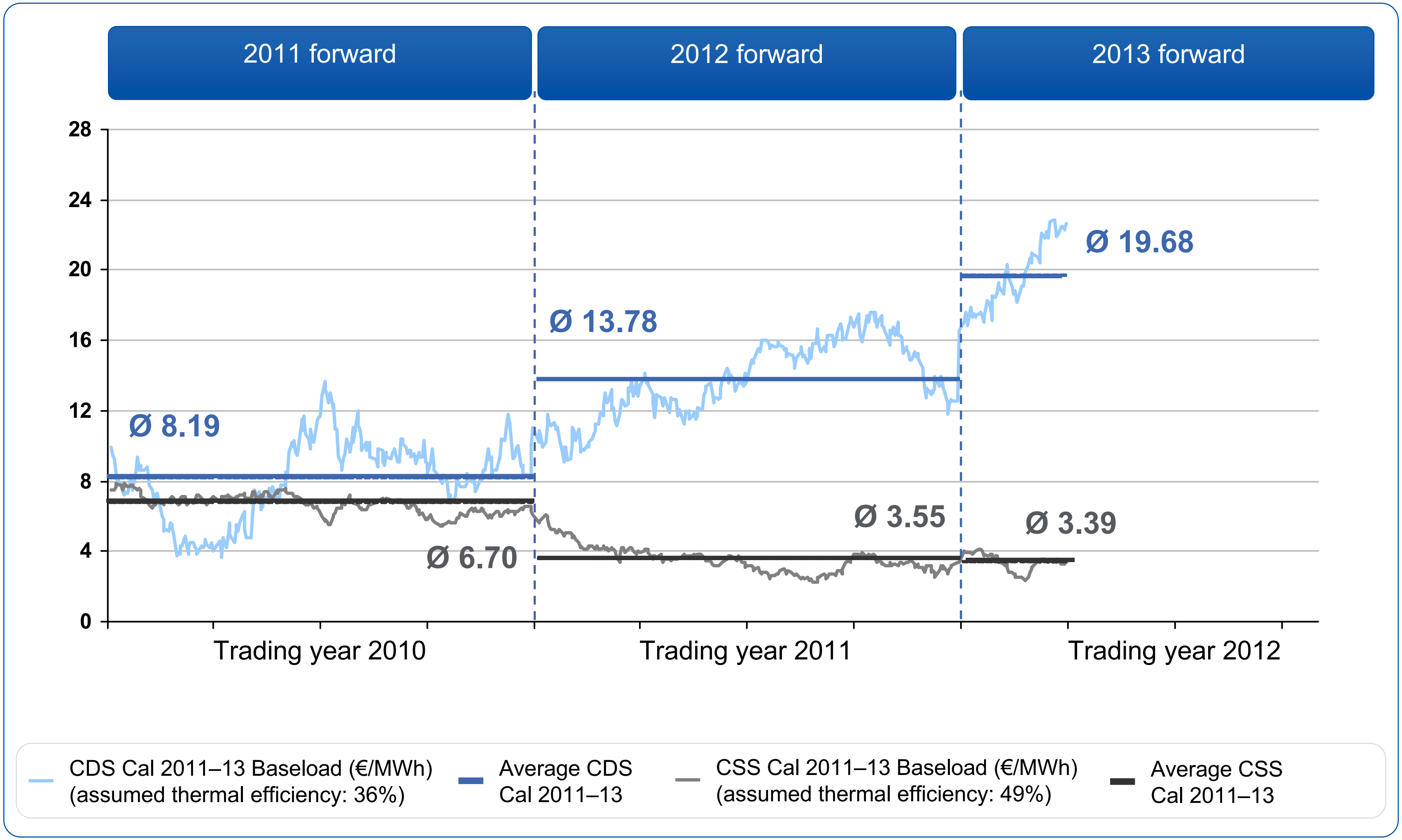
UK: Clean Dark and Spark Spreads (CDS/CSS)



Source: RWE Supply & Trading, prices until 25 April 2012.

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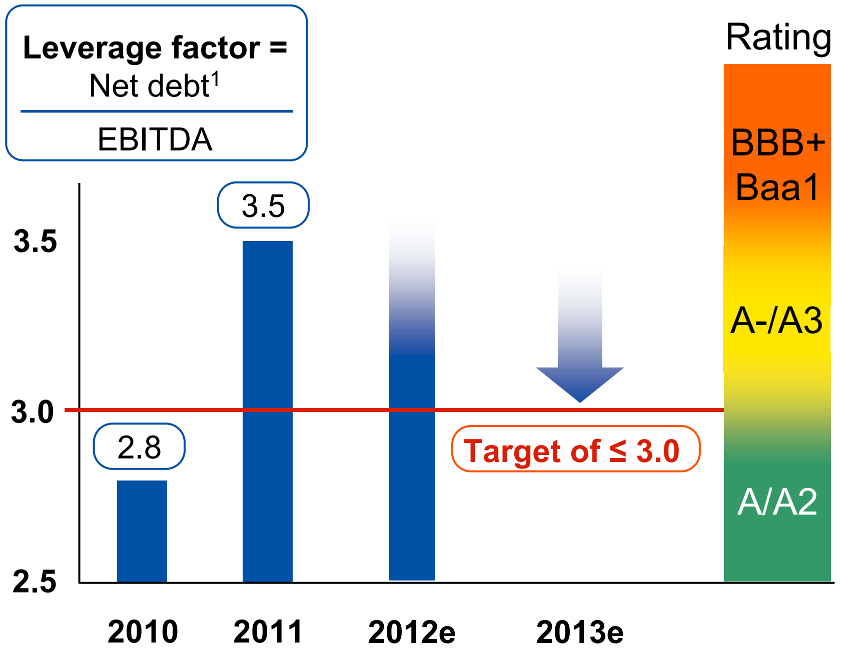
How we are going to support our “A” rating

Expected development of leverage factor



Measures to support our “A” rating

Already implemented:

- € 2.1 billion equity capital measure
- € 1.5 billion hybrid capital
- € 1.5 billion asset disposals

Further programme to reduce net debt by...

- Up to € 7 billion outstanding asset disposals between 2012 and 2013
- Capex discipline: Capex + dividends ≤ cash flows from operating activities by 2014/15
- Hybrid bonds

... and improve earnings by

- New efficiency programme of €1 bn by 2014

[1] Net debt = net financial debt + pension, mining and nuclear provisions + 50% of hybrid capital; (at year end).

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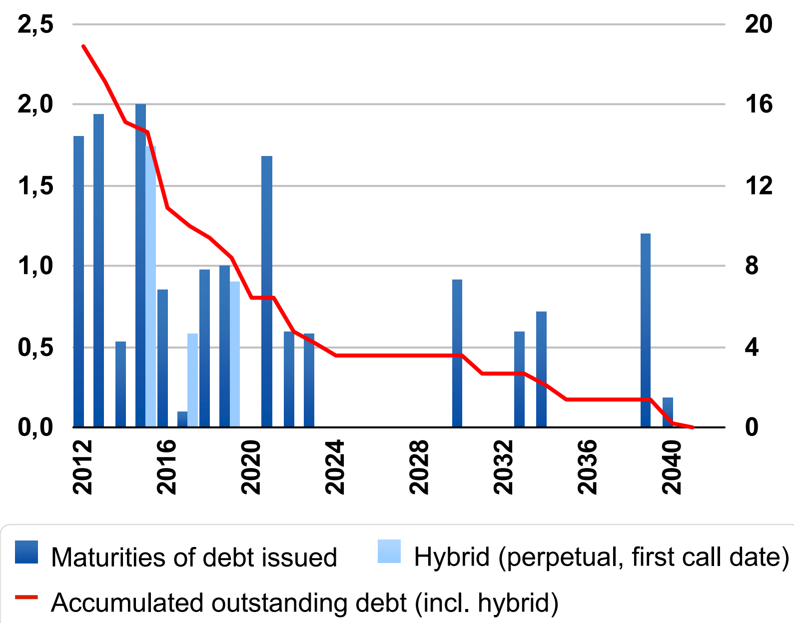
Capital market debt maturities and sources of financing

Capital market debt maturities[1]

in € bn



Balanced profile with limited maturities up to end of 2014 (~€ 4.3 billion)

[1] RWE AG and RWE Finance B.V., as of Mar. 31, 2012 (incl. USD Hybrid, issued 29th of March)

Strong sources of financing

Fully committed syndicated loan
(€ 4.0 bn up to Nov. 2015)

for liquidity back-up

€ 0.0 bn

Commercial paper
(up to 1 year)

$ 0.6 bn ($ 5.0 bn)

€ 0.5 bn (Mar. 31, 2012)

MTN programme
(up to 30 years)

€ 30 bn

€ 15.7 bn (Mar. 31, 2012)[2]

[2] Bonds outstanding under the MTN-programme, i.e. excluding hybrid. Including hybrid: € 18.9 bn

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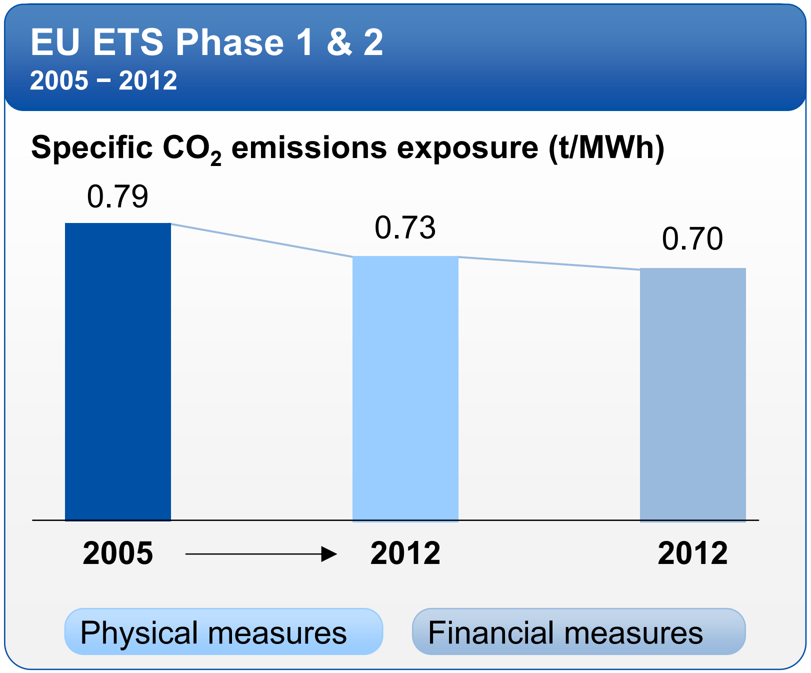
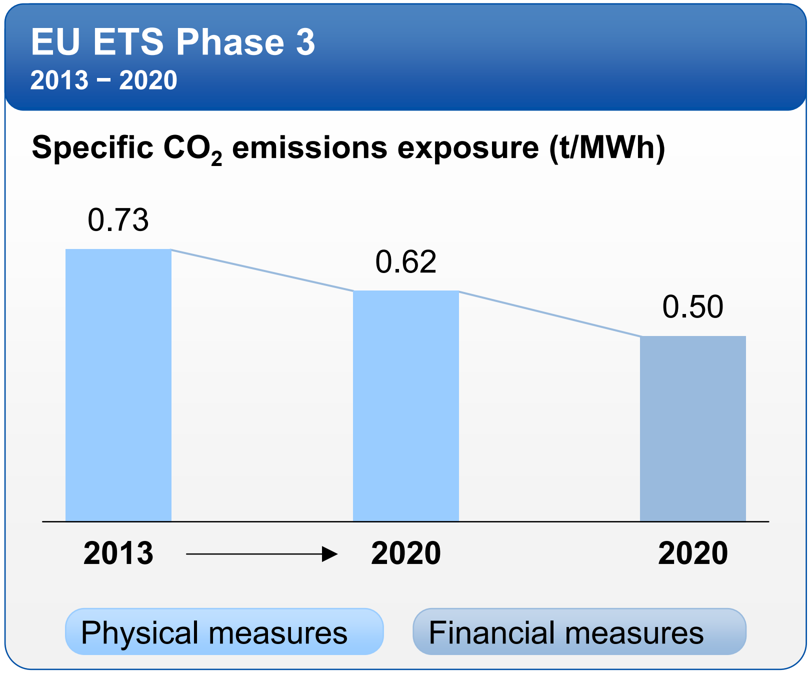
RWE has taken physical and financial measures to reduce its CO_2 exposure significantly

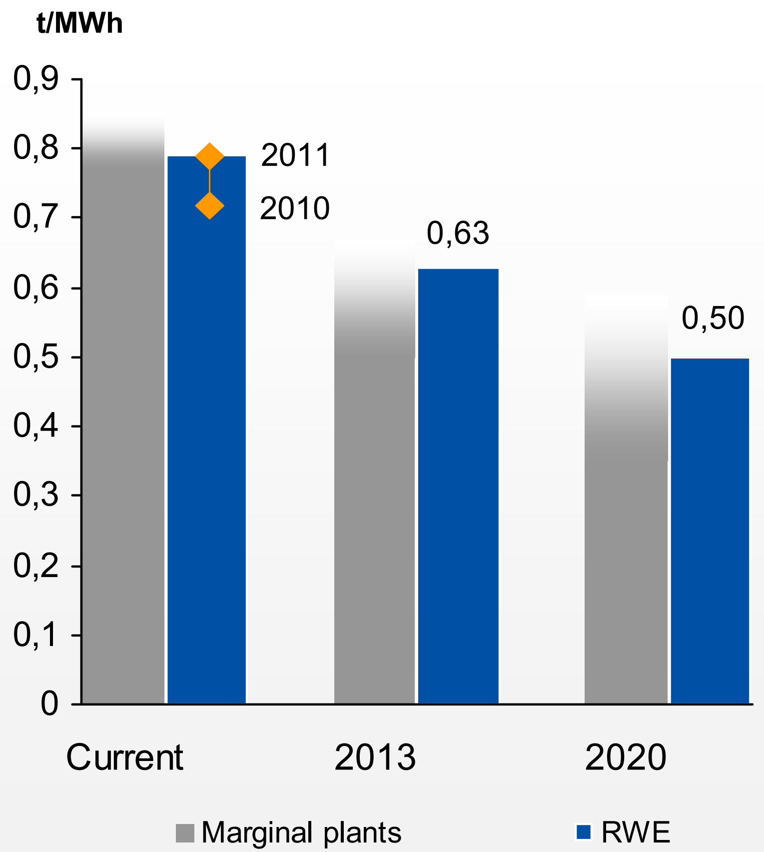




- **Physical measures** include new-builds of highly-efficient power plants, shut-downs of existing power plants with higher CO_2 intensity, and growth in electricity generation from renewable sources.
- Additional **financial measures** include the use of Kyoto Credits as well as financial portfolio measures, e.g. the sale of electricity under long-term PPA's.

The graphs reflect RWE's projections based on current assumptions regarding future commodity price development .
PPA: Power Purchase Agreement.

RWE's physical and financial portfolio measures lead to a largely neutral financial CO_2 position



Pass-through factor[1]

- Factor by which the CO_2 price is reflected in the power price
- Set by the specific emission factor of the marginal plant in every hour

RWE's CO_2 market exposure

- RWE reduces its CO_2 emissions by modernizing its power plant portfolio
- This, together with other portfolio measures (physical & financial), will lead to a financially neutral CO_2 position, i.e. RWE's results are expected to be largely neutral to CO_2 price variations

[1] Range of average specific emissions of marginal plants. Projected factors depend – inter alia – on commodity price assumptions.

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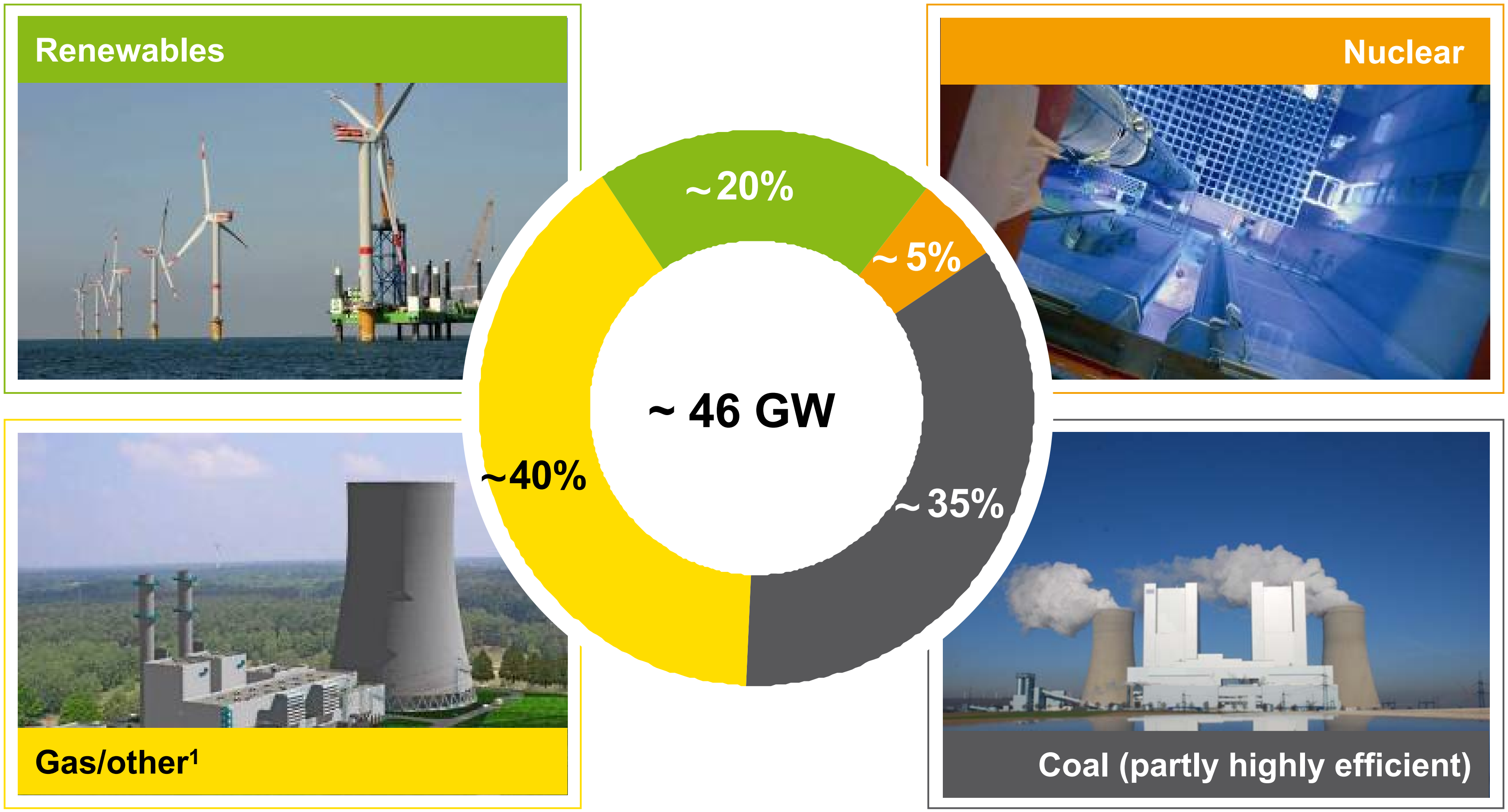
In 2020 approx. 20% of RWE's generation capacity will be in renewables



[1] Including approx. 8% of others, mainly pumped storage.

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Conventional power plant new build programme

	€ bn[1]	2005 2006 2007 2008 2009 2010 2011 2012 2013 2014
Lingen (Gas, 876 MW, 100%)	0.5	
BoA 2&3, Neurath (Lignite, 2,100 MW, 100%)	2.6	Units G F
Hamm (Hard coal, 1,528 MW, 77%)	2.4	Units D E
Staythorpe (Gas, 1,650 MW, 100%)	0.8	Units 1 -4
Pembroke (Gas, 2,188 MW, 100%)	1.2	Units 1 -5
Moerdijk 2 (Gas, 426 MW, 100%)	0.4	
Claus C (Gas, 1,304 MW, 100%)	1.1	
Eemshaven (Hard coal/biomass, 1,560 MW, 100%)	2.9	Units A B
Denizli (Gas, 775 MW, 70%)	0.5	

[1] Capex at 100% share

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RWE Dea's largest field developments

Production start	RWE share	Capex[1] (€ bn)	2011	2012	2013	2014	2015	2016	2017	2018
West Nile Delta (Egypt)	NA 40% WMDW 20%	2.8								
Disouq (Egypt)	100% (Operator)	0.1								
Breagh Phase 1 (GB)	70% (Operator)	0.4								
Reggane (Algeria)	19,5%	0.4								
Edvard Grieg (Norway)[2]	20%	0.7								
Knarr (Norway)[3]	10%	0.2								
NC 193 / 195 (Libya)	100% (Operator)	0.5								

1 RWE's share in capex
2 Formerly "Luno"
3 Formerly "Jordbær"

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RWE Innogy major projects under construction

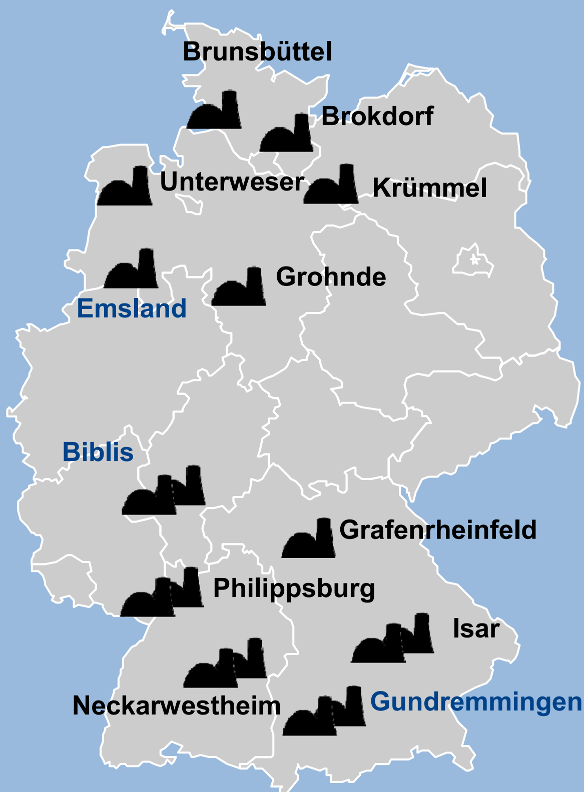
	€ bn[1]	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gwynt y Môr (Wind offshore, 576 MW, 60%)	2.4										
Greater Gabbard (Wind offshore, 504 MW, 50%)	1.9										
Markinch (Biomass CHP, 45 MW_e, 88 MW_{th}, 100%)	0.3										
Nordsee Ost[2] (Wind offshore, 295 MW, 100%)	0.9										

- Capacity and earnings target for RWE Innogy until 2014 is mainly driven by 4 major projects
- Large scale projects, especially in offshore wind, play a vital role in achieving European renewable targets as growth potentials in other areas are limited
- Utilities like RWE have a competitive advantage in these large-scale projects as we can build on expert knowledge gained in our other large projects

[1] Capex at 100% share; UK offshore includes investment for grid connection.
[2] The construction schedule is currently under revision due to the delay in the offshore grid connection.

Overview of German nuclear power plants

German nuclear power plants



Power plant	Net capacity MW	Commercial commissioning	Closure
Biblis A	1,167	1975	Immediately 8,409 MW
Neckarwestheim I	785	1976	
Biblis B	1,227	1977	
Brunsbüttel	771	1977	
Isar 1	878	1979	
Unterweser	1,345	1979	
Philippsburg 1	890	1980	
Krümmel	1,346	1984	
Grafenrheinfeld	1,275	1982	31.12.2015
Gundremmingen B	1,284	1984	31.12.2017
Philippsburg 2	1,392	1985	31.12.2019
Grohnde	1,360	1985	31.12.2021 4,058 MW
Gundremmingen C	1,288	1985	
Brokdorf	1,410	1986	
Isar 2	1,400	1988	31.12.2022 4,039 MW
Emsland	1,329	1988	
Neckarwestheim II	1,310	1989	
	20,457		

RWE power plants.

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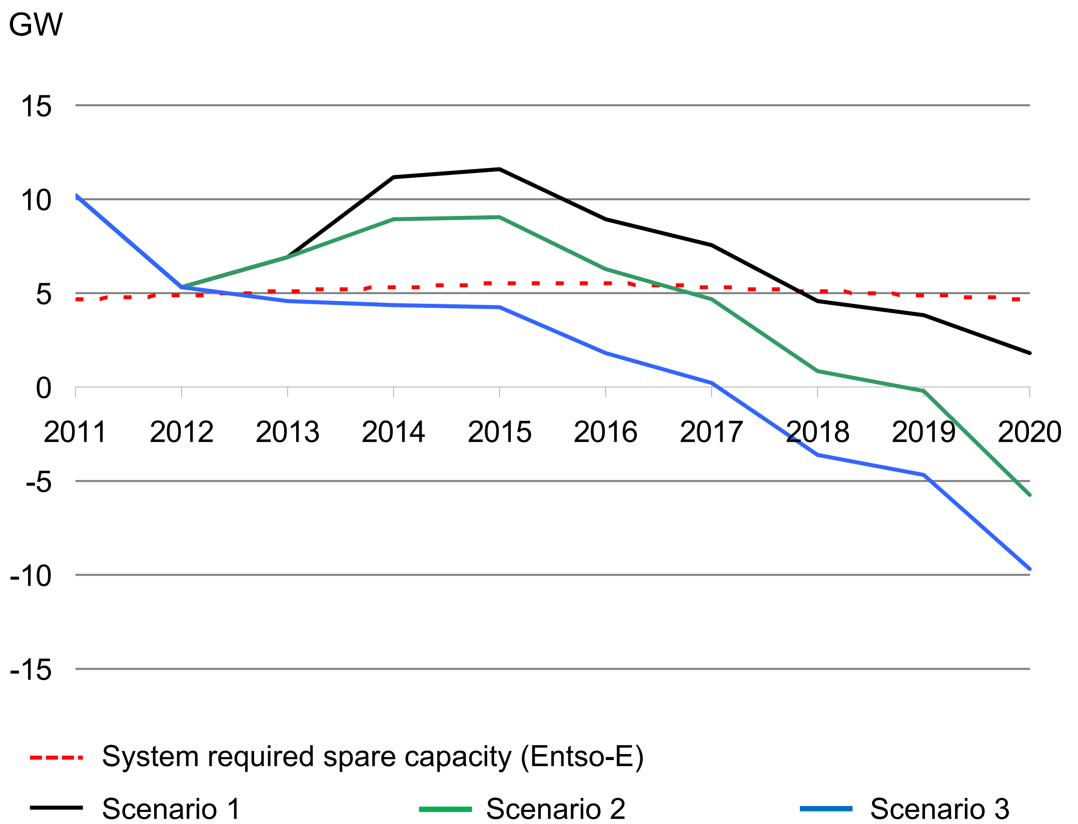
Scenarios for German capacity reserve margins

Reliable available spare capacity for peak demand



Scenarios

Development of capacity reserve margin considering...

Scenario 1:
... only announced new build and most likely shut down of power plants

Scenario 2:
... additionally to scenario 1: plus shut down of plants >50 years of lifetime

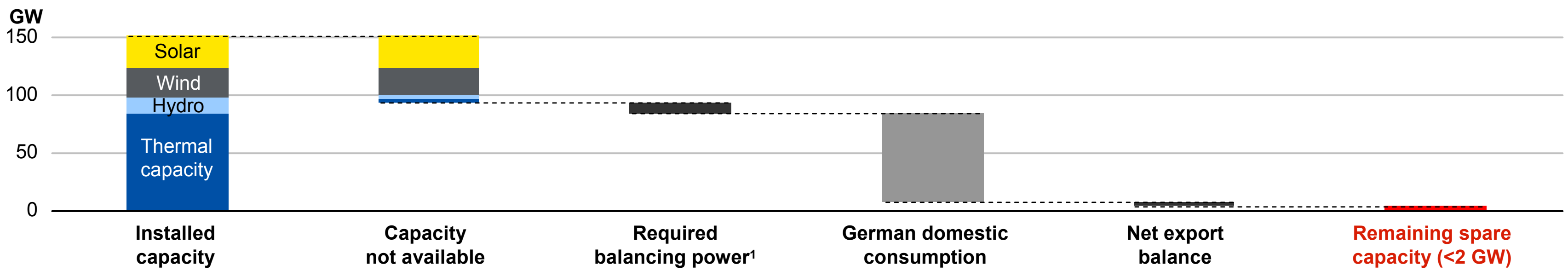
Scenario 3:
... additionally to scenario 2: plus shut down of plants which are uneconomically according to RWE market model

Source: Entso-E (2011), RWE estimates (March 2012)

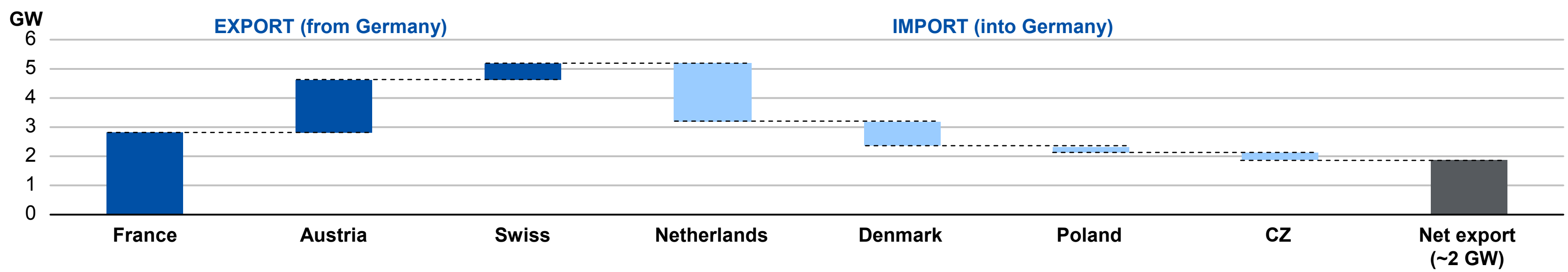
German electricity system at its limit

Capacity situation on 8 February 2012

Sufficient electricity supply was only guaranteed on the basis of hardly any outages in the thermal generation fleet



No relief through electricity imports during peak hours due to likewise high electricity demand in neighbouring countries: demand for electricity exports were higher than available imports



[1] German TSOs have contracted approx. 5 GW of balancing power to cover short-term grid imbalances.

Source: ENTSO-E, EEX, BDEW; German electricity import/export on 8 February 2012, 6:00 – 7:00 p.m.

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RWE Power's nuclear power plant decommissioning concept

35 – 40% share of costs	About 50% share of costs		10 – 15% share of costs
	Decommissioning		
Post operational phase **5 – 7 years**	**Nuclear dismantling (immediate, deferred)** **10 – 15 years**	**Conventional dismantling/ demolition** **2 – 3 years**	**Final disposal**
– Power production has ceased – In some cases, technical infrastructure needs to be operated for an additional period – For the time being, fuel elements are being cooled in pond storage facilities until they are suitable for dry-cask (CASTOR) storage on site – Shut down of systems which are no longer needed – Treatment of operating materials and waste	– Dismantling of contaminated and activated systems, structures and components – Materials and waste management (treatment, conditioning, packaging)	– Conventional demolishing of buildings/components which fall no longer under the German Nuclear Energy Act (AtG).	– Final disposal of decommissioning waste

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Nuclear provisions

1 **Provisions for uncertain liabilities as per IAS 37**

2 **Public-law liabilities under Sec. 9a of the Germany Nuclear Energy Act**

3

Provisions are made for	RWE fiscal year 2011: €10,366 million
> **Disposal of spent nuclear fuel assemblies** Flasks, transport, conditioning, intermediate and final storage	€4,658 million
> **Decommissioning of nuclear power plants** Post-operation phase, dismantling, removal, final storage	€4,964 million
> **Disposal of radioactive operating waste (e.g. cleaning cloths, oils, resins)** Conditioning, flasks, intermediate and final storage	€744 million

4 **Inflation of current cost to the assumed disposal date by a set inflation rate; then discounting of the result back to today (discount rate 5.0%)**

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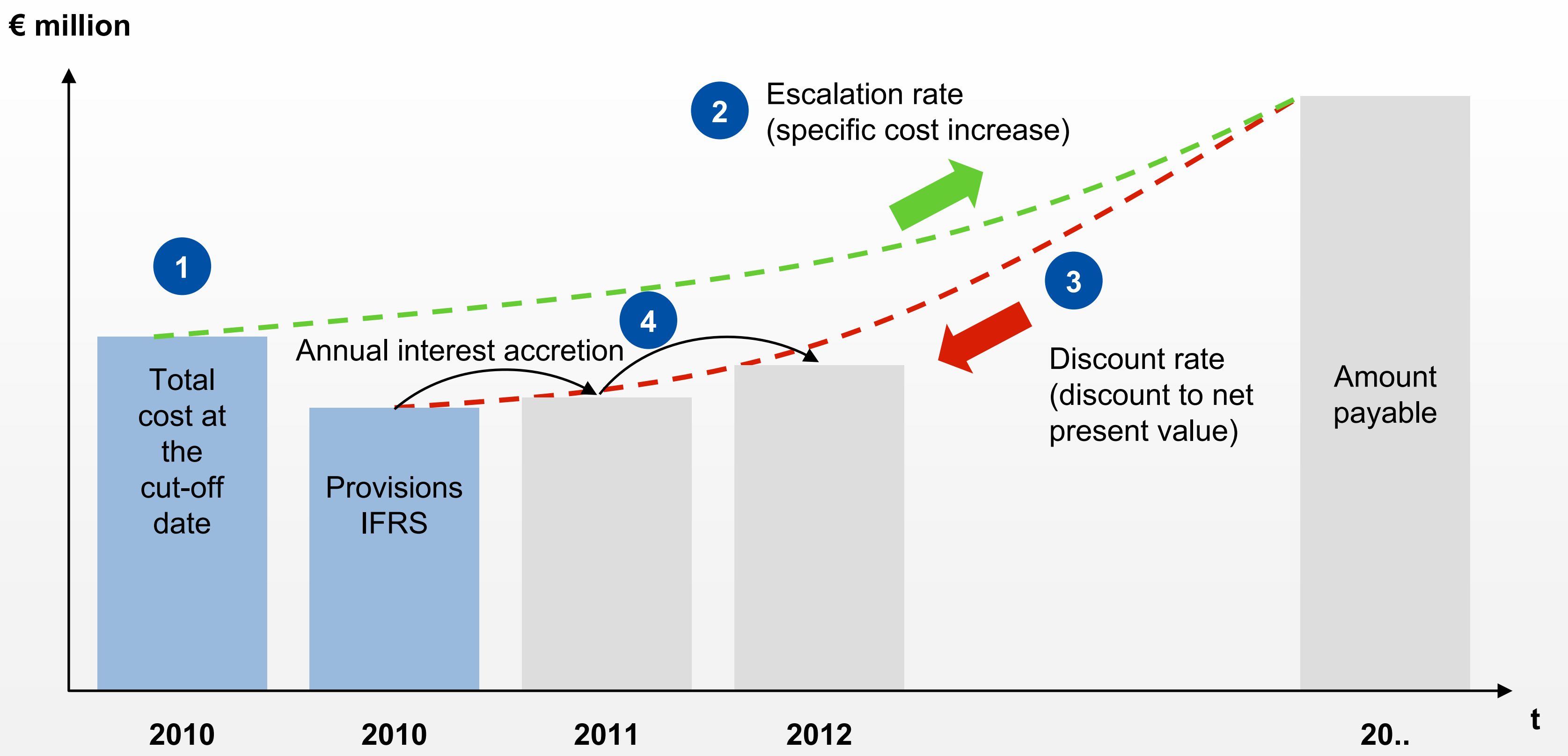
How the size of the provision is determined

Schematic description



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