

Investor and Analyst Conference Call Q3 2016

Essen, 14 November 2016

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The RWE logo is displayed in a bold, blue, sans-serif font. The letters 'R', 'W', and 'E' are connected, with the 'W' being wider than the 'R' and 'E'. Below the logo, there is a subtle reflection effect on the light blue background.

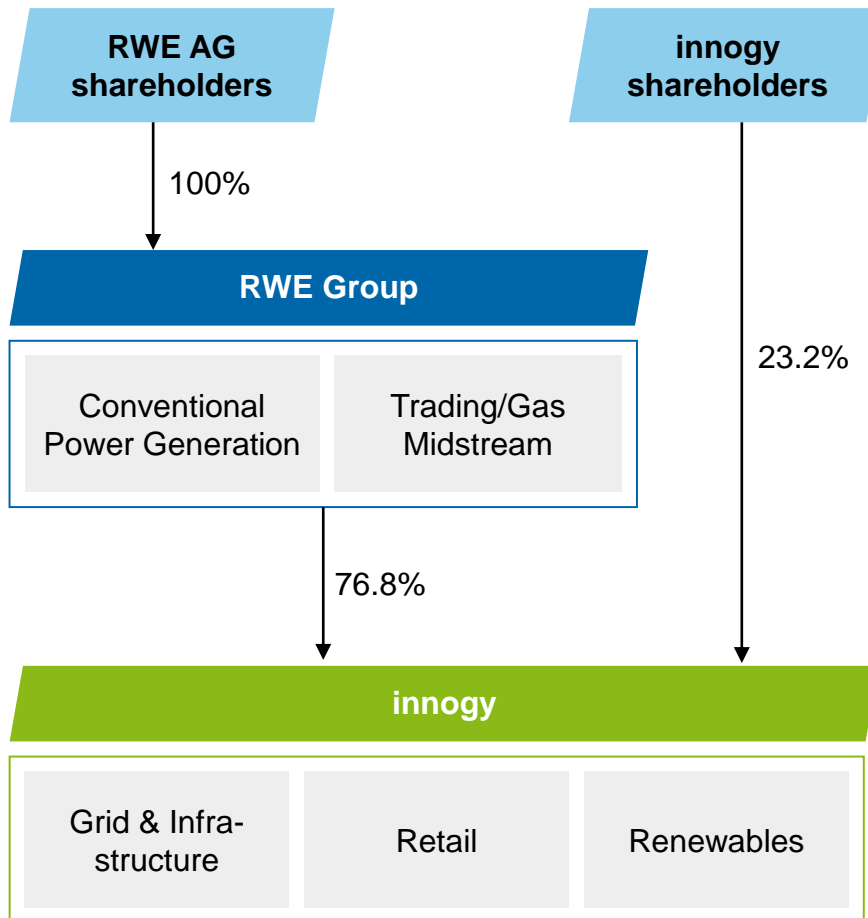
Notice

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

Main messages

- > Successful innogy IPO; €2.6bn in proceeds for RWE AG
- > Effective separation of RWE AG and innogy SE
- > RWE Group's operational performance for first nine months of fiscal year 2016 in line with expectations
- > Outlook for 2016 Group earnings confirmed
- > Publication of draft law for transfer of financing and duties of the disposal of nuclear waste

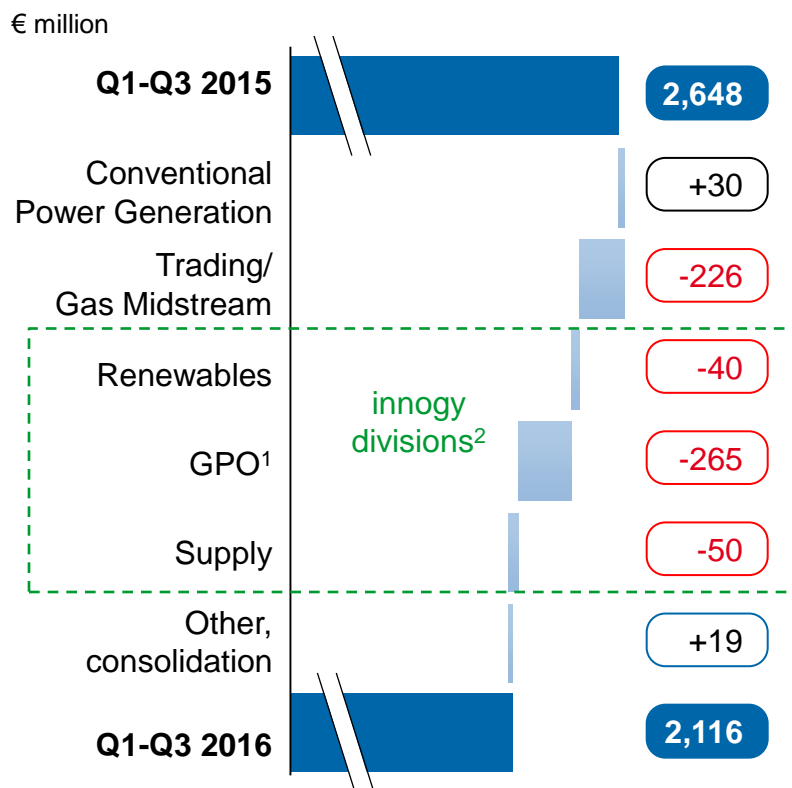
RWE after the innogy IPO



- > Proceeds of approx. €2.6bn for RWE AG from sale of ~13.2% of innogy shares
- > ‘Agreement on basic principles’ between RWE and innogy:
 - Operational management of Conventional Power Generation and Trading/Gas Midstream
 - innogy as a financial investment; i.e. relevant for RWE is the dividend payment of innogy
- > RWE AG’s intention is to maintain a majority shareholding in innogy for the time being

Development of operating result in Q1-Q3 2016

By division (-€532 million; -20%)



- > Conventional Power Generation: Cost reductions and positive one-off effects as well as lower depreciation overcompensate lower realised generation spreads.
- > Trading/Gas Midstream: Positive earnings in Q3 could not offset the negative trading performance in Q2 2016.
- > 'innogy divisions'² show in total an earnings decline of €355 million.

A detailed overview of the individual value drivers is given on slides 15 and 18 and in the Interim Statement on pages 7 to 8.

1 GPO: Grid/Participations/Other.

2 Divisions which will in future be reported under innogy. 'Other, consolidation' not yet included.

Development of the earnings figures in Q1-Q3 2016

€ billion	Q1-Q3 2016	+/- vs. Q1-Q3 2015
EBITDA	3.8	-0.6
Depreciation	-1.7	+0.1
Operating result	2.1	-0.5
Non-operating result	-0.4	-0.2
Financial result	-1.4	-0.3
Tax	-0.1	+0.4
Income from DCO ¹	-	-1.5
Minorities + hybrids	0.2	-0.1
Net income	0.0	-1.9
Adjustments	0.2	+1.6
Adjusted net income	0.2	-0.3

- > Non-operating result: Down, mainly as a result of timing effects from asymmetrical accounting for derivatives and impairment on German gas storage assets.
- > Financial result: mainly impacted by losses from the sale of securities compared to realised profits in 2015.
- > Tax rate for reconciliation of reported net income at 33% and for adjusted net income at 36%.
- > No income from DCO in Q1-Q3 2016, while in 2015 the sale of RWE Dea contributed €1.5bn.
- > Adjustments to net income 2016 comprise non-operating result and respective tax effect on it.

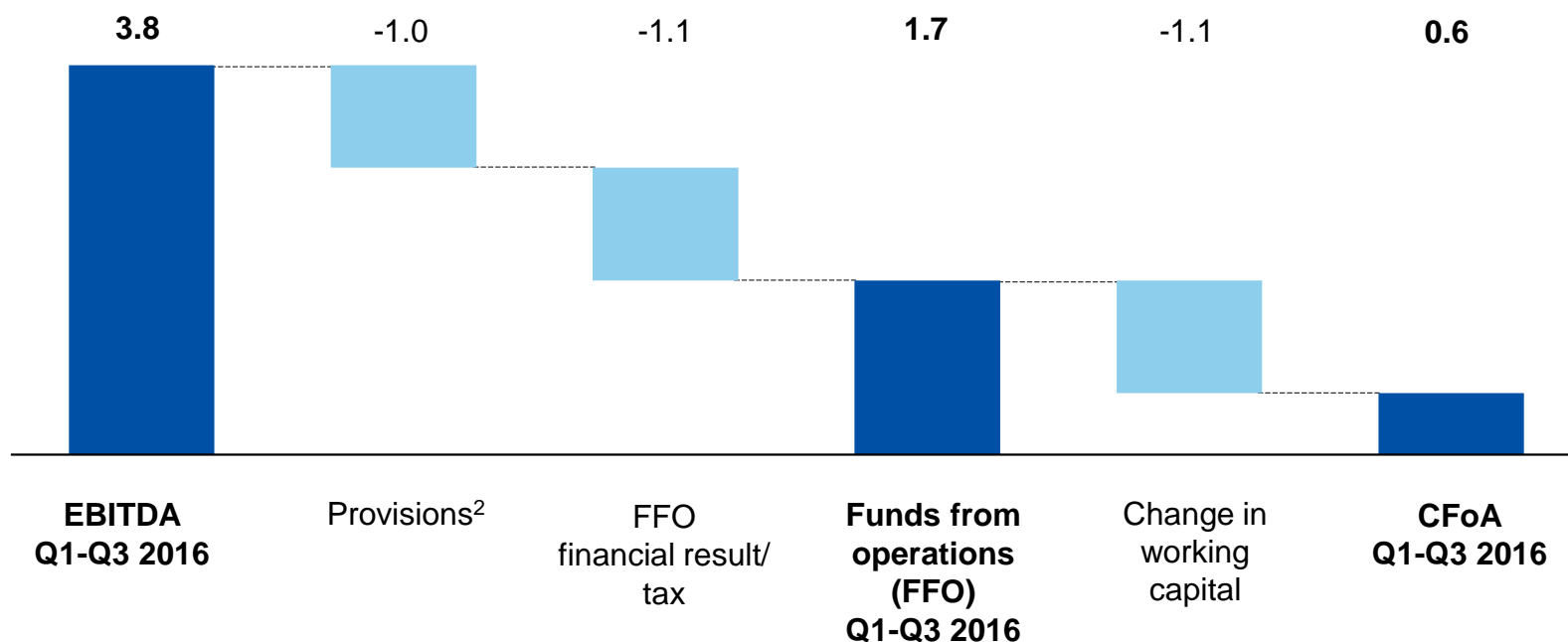
¹ Income from discontinued operations (DCO).

Rounding differences may occur.

From EBITDA to cash flows from operating activities

Change in provisions and change in working capital leads to low CFoA¹ in Q1-Q3 2016

€ billion

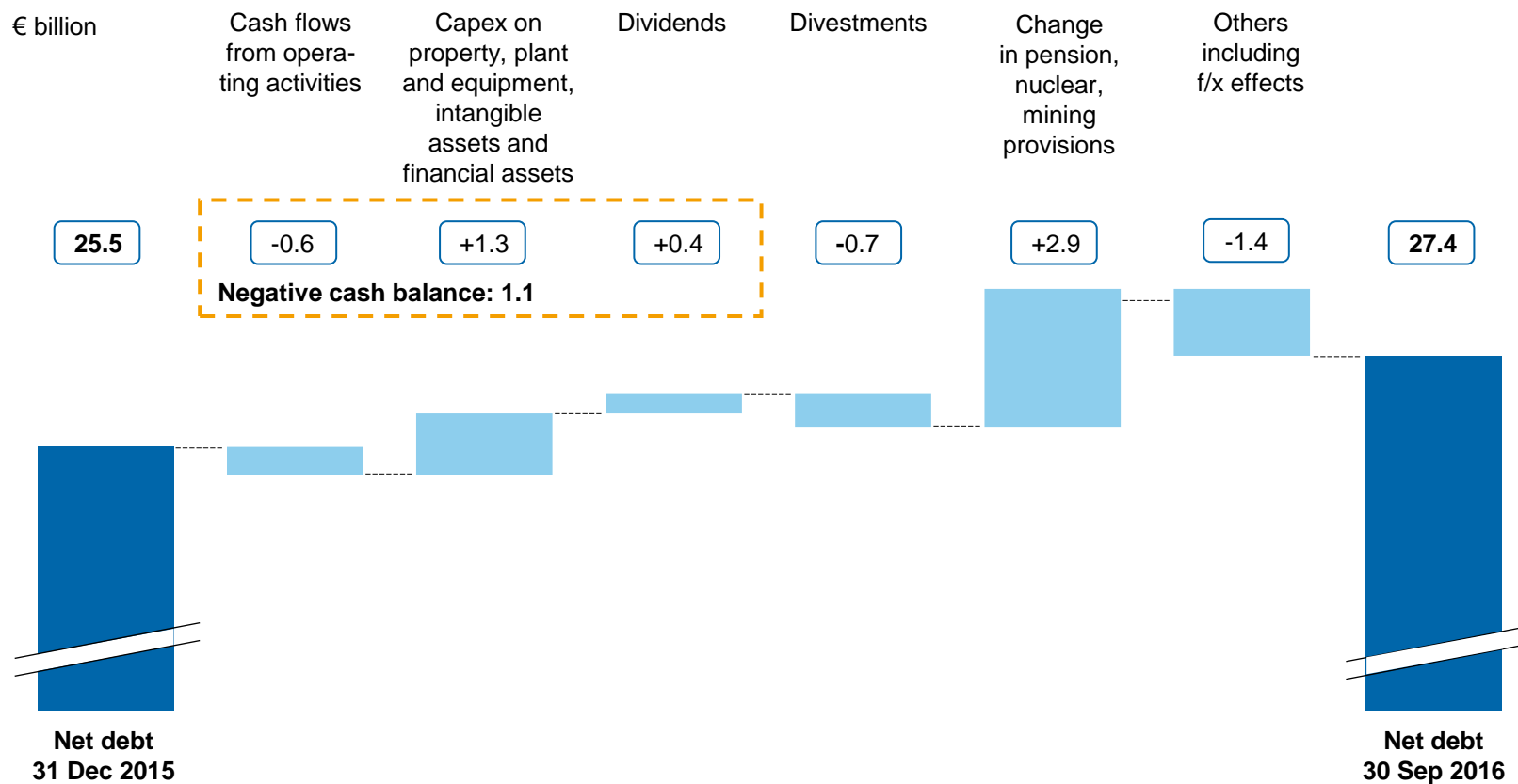


¹ Cash flows from operating activities.

² Net effect from use of provisions and additions/release of provisions in EBITDA.

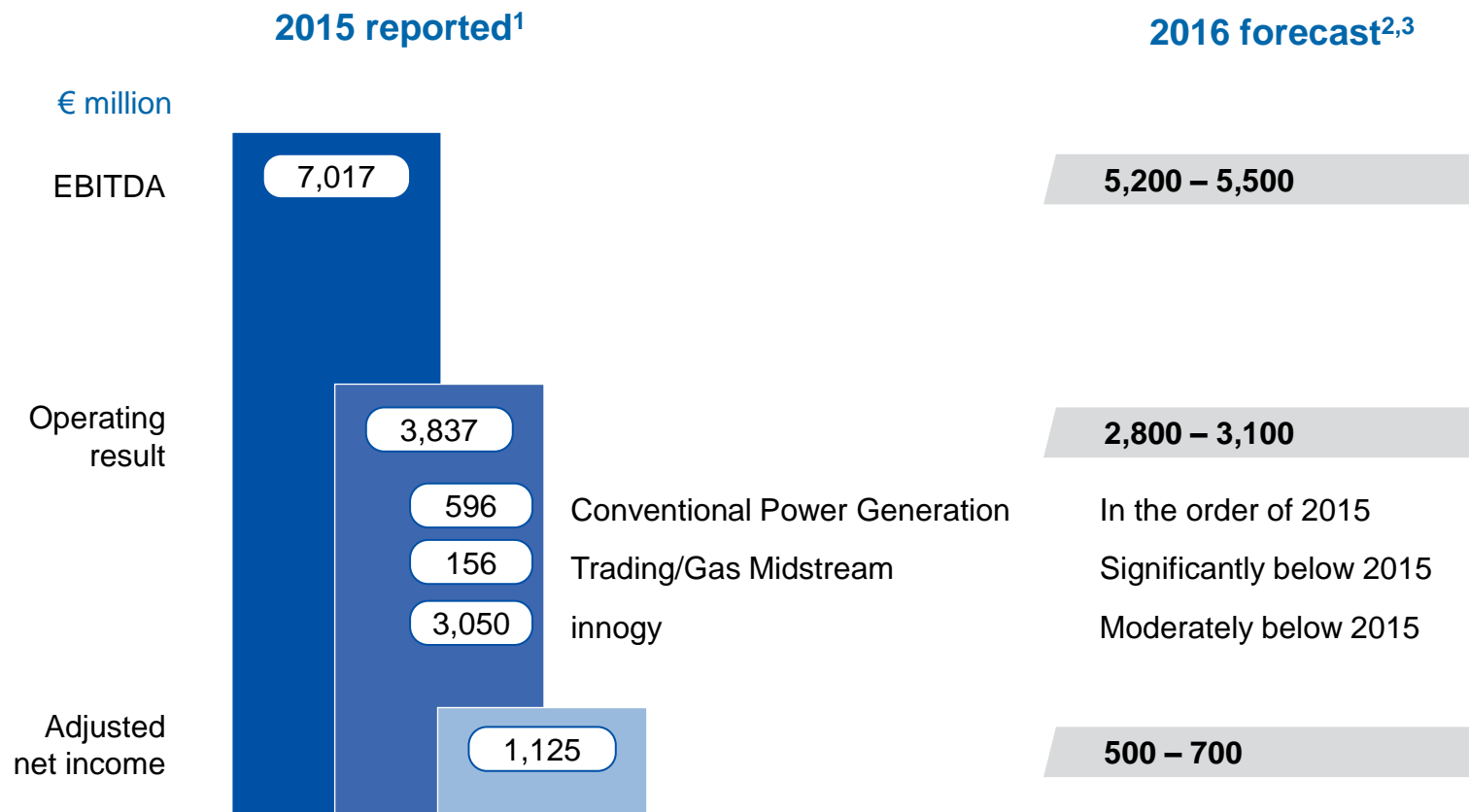
Development of net debt¹

Higher net debt due to negative cash balance and interest driven higher pension provisions



¹ Positive prefix means increase in net debt. We have started including provisions for dismantling wind farms in net debt in H1 2016. Figures for 2015 have been adjusted accordingly.

Group outlook for 2016 confirmed



1 Some figures adjusted; see Interim Statement Q1-Q3 2016 page 1 et seq.

2 Qualifiers such as 'moderately', and 'significantly' indicate percentage deviations from the previous year's figures.

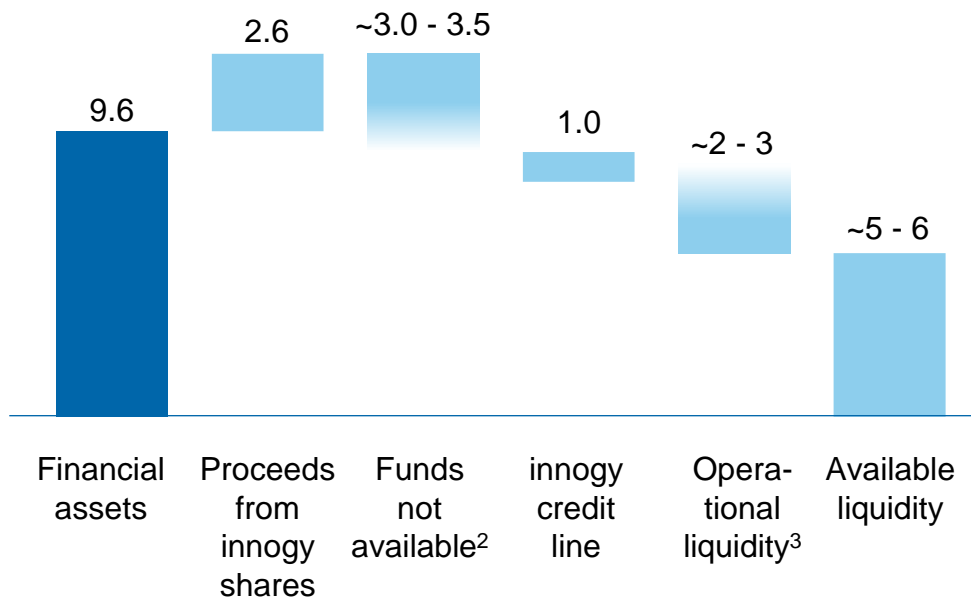
3 The outlook accounts for the current status of the nuclear fuel tax law. If the Constitutional Court declares the tax illegal and decides fully in our favour, we expect a positive earnings contribution of up to €1.7bn to EBITDA, operating result and adjusted net income.

Draft nuclear law: Transfer of financing and duties of the disposal of nuclear waste

- > Independent foundation constituted under public law – responsible for the financing of nuclear waste disposal and interim storage
- > Financial obligation consists of existing provisioned future liabilities (base amount) as well as a risk premium of 35.47%
- > 3 options for payment of financial obligation:
 - Full payment of base amount and risk premium after 7 months of law becoming effective
 - Payment of base amount after 7 months of law becoming effective, with subsequent payment of risk premium (latest to year end 2022)
 - Payment in instalments until 2026 possible; requirement to provide guarantees
- > Interest of 4.58% p.a. to be charged on any outstanding payments of base amount
- > Transfer of liability triggered by payment of full amount or first instalment. However, obligation to cover cost increases until full payment of risk premium

RWE stand-alone with solid liquidity position

Liquidity position of RWE stand-alone¹ (€ bn)



- > Comfortable liquidity position for short-term financing requirements
- > Ample options to finance externalisation of provisions for nuclear storage:
 - Existing liquidity
 - Deferred payment option provided by Government
 - Debt financing
 - innogy shares
- > Syndicated credit line of €2.5 billion and commercial paper programme as additional liquidity reserve

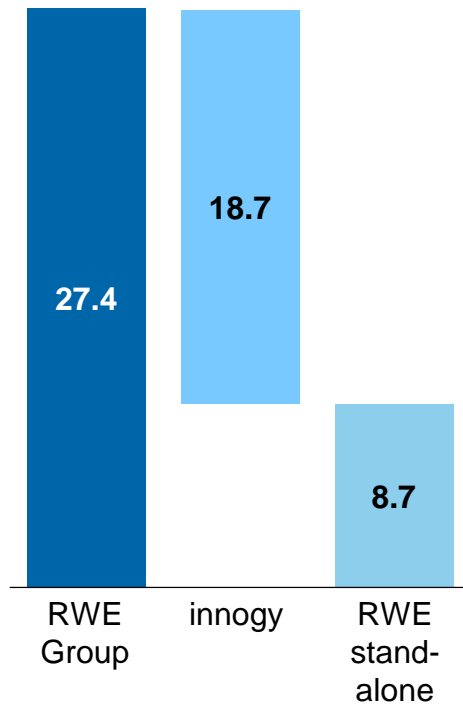
¹ RWE's view excluding innogy: Cash and cash equivalents, marketable securities, other financial assets as of 30.09.2016; see page 12.

² Other financial assets which can not be used short- to mid-term for other financing purposes and funds earmarked for special purposes, e.g. repayment of outstanding commercial paper.

³ Liquidity required for day-to-day business.

Net debt breakdown of RWE Group

€bn as of 30 Sep 2016



Financial assets

14.7

- > Financial receivables against innogy 5.2
- > Other financial assets 9.6

Liabilities

23.5

- > Nuclear provisions 10.6
- > Mining provisions 2.5
- > Pension provisions 3.4
- > Other financial liabilities 2.9
- > Debt not (yet) pushed down to innogy 5.2
- > Hybrid adjustments -1.0

Rounding differences may occur.

Financial calendar

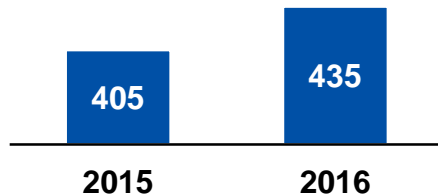
- > 14 March 2017: Annual Report on fiscal 2016
- > Late March 2017: Capital Markets Day
 - > Strategic update and management agenda
 - > Key financial performance and steering parameters
 - > Revised dividend policy
- > 27 April 2017: Annual General meeting

Back-up charts

Performance of the Conventional Power Generation Division

Jan – Sep: operating result: +7.4% (+ €30 million)

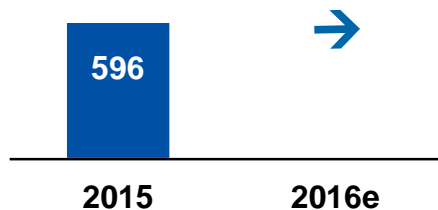
€ million



- + Efficiency improvements
- + Lower depreciation
- + Income from sale of real estate
- + Lower nuclear fuel tax
- + Settlement for damages for new hard coal power plant in Hamm
- Lower realised electricity generation spreads

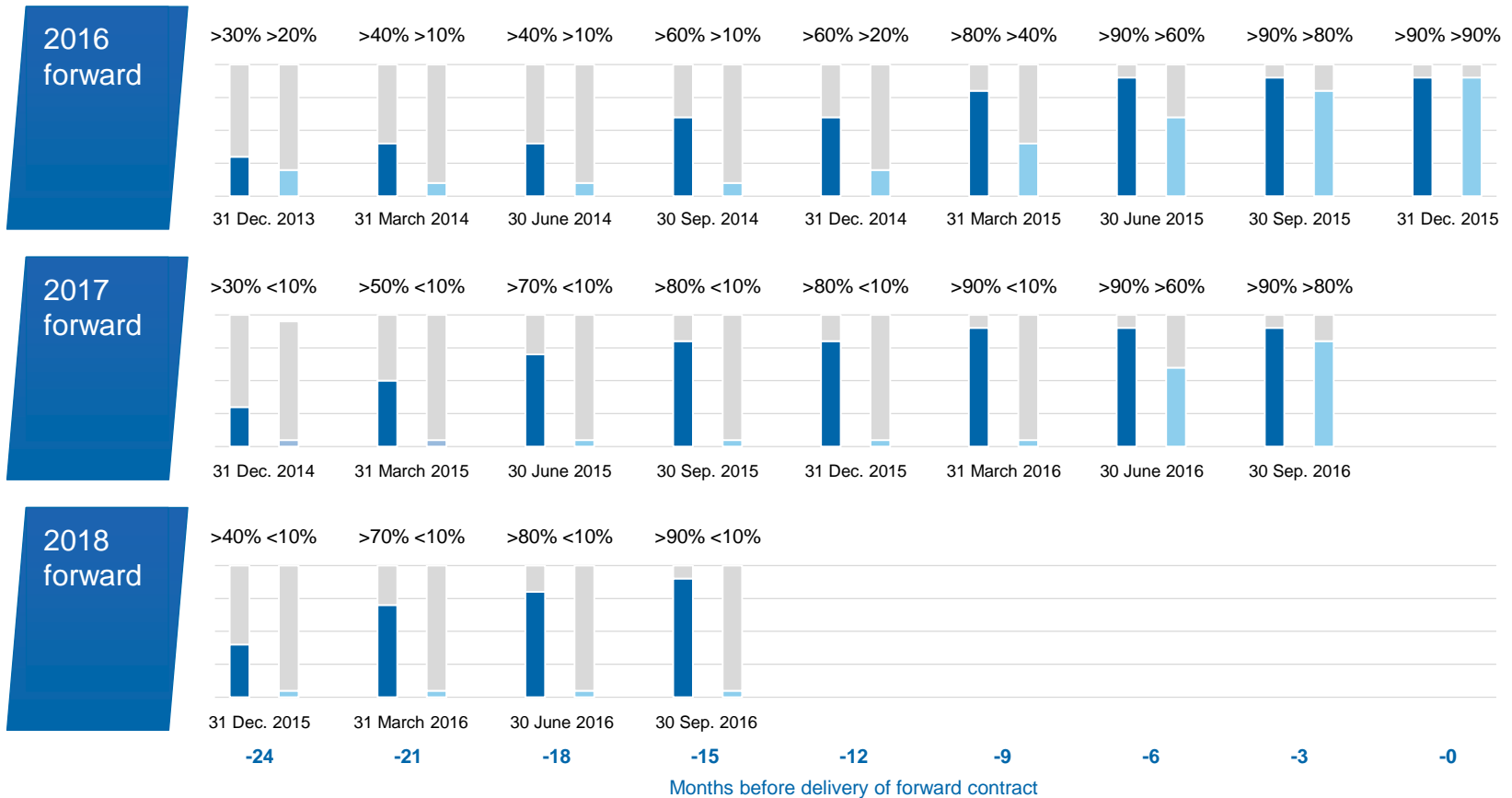
Outlook for fiscal 2016: in the order of 2015

€ million



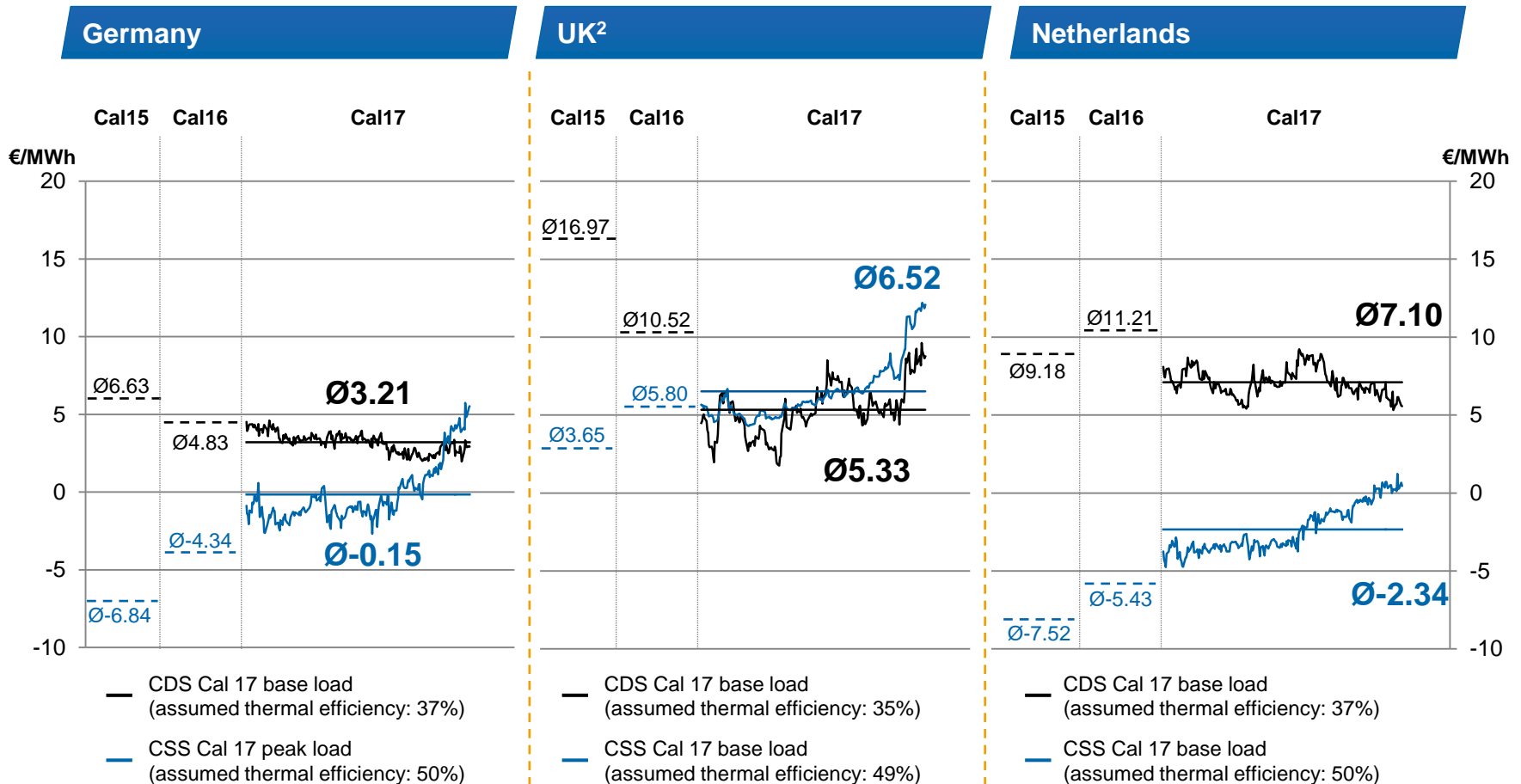
- Lower realised electricity generation spreads
- Higher costs due to larger plant revision programme
- + Efficiency improvements and lower depreciation
- + Absence of one-off costs from termination of power plant project Hamm D in 2015 as well as income from sale of real estate and settlement for damages for new hard coal power plant in Hamm

RWE's forward hedging of conventional electricity production (German, Dutch and UK portfolio) – As of 30 September 2016



- Outright, electricity hedged incl. CO₂ (GER nuclear and lignite based power generation)
- Spread, electricity and underlying commodity hedged incl. CO₂ (GER, UK and NL/B hard coal and gas based power generation)

Clean Dark (CDS) and Spark Spreads (CSS) – 2015 - 2017 forwards for Germany, UK and NL¹



¹ Settlement one year ahead (Cal+1).

² Including UK carbon tax.

Source: RWE Supply & Trading, prices through to 1 November 2016.

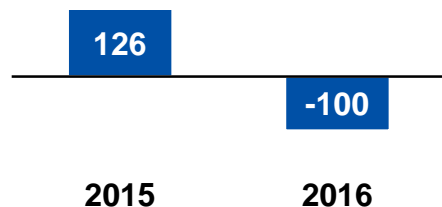
Performance of the Trading/Gas Midstream Division

Jan – Sep: operating result: -€226million

€ million

Trading:

- Significantly lower earnings from trading activities in Q2

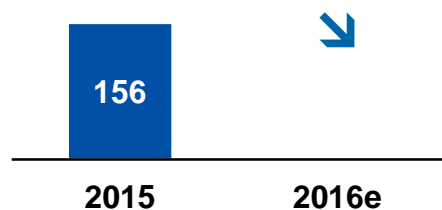


Outlook for fiscal 2016: significantly below previous year

€ million

Trading:

- Lower earnings after weak performance in Q2 2016



Overview of capacity measures

Measure	Plant	MW ¹	Fuel	Location	Date
Decommissioning	Goldenbergwerk	110	Lignite	DE	Q3-2015
	Amer 8	610	Hard coal	NL	Q1-2016
	Westfalen C	285	Hard coal	DE	Q1-2016
	Mid-size units	190	Gas	NL	Q4-2016
	Voerde A/B	1.390	Hard coal	DE	Q1-2017
	Gersteinwerk K2	610	Hard coal	DE	Q1-2019
Long-term mothballing ²	Claus A	610	Gas	NL	Q1-2012
	Weisweiler H	270	Topping gas turbine	DE	Q3-2013
	Weisweiler G	270	Topping gas turbine	DE	Q3-2013
	Gersteinwerk F	355	Gas – steam turbine	DE	Q3-2013
	Gersteinwerk G	355	Gas – steam turbine	DE	Q2-2014
	Claus C	1,300	Gas	NL	Q3-2014
	Moerdijk 1	339	Gas	NL	Q1-2018
	Moerdijk 2	430	Gas	NL	Q1-2018
Termination of contracts	Confidential	2,960	Hard coal	DE	Q4-2013 – Q2-2015
Stand-by reserve ³	Frimmersdorf P & Q	560	Lignite	DE	Q4-2017
	Niederaußem E & F	590	Lignite	DE	Q4-2018
	Neurath C	290	Lignite	DE	Q4-2019
Total		11,524 MW			

1 Net nominal capacity, rounded.

2 In times of market tightness mothballed plants might return temporarily to the system.

3 Capacity will be decommissioned after 4 years in the reserve.

Keep up with RWE ...



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Important links



Annual and Interim Reports
<http://www.rwe.com/ir/reports/>



Investor and Analyst Conferences
<http://www.rwe.com/ir/investor-and-analyst-conferences/>



Facts & Figures – the Guide to RWE and the Utility Sector
<http://www.rwe.com/ir/facts-figures/>



IR presentations & further factbooks
<http://www.rwe.com/ir/presentations/>



IR videos
<http://www.rwe.com/ir/videos/>



Consensus of analysts' estimates
<http://www.rwe.com/ir/consensus-estimates>

Financial Calendar



14 March 2017
Annual Report for fiscal 2016



27 April 2017
Annual General Meeting



3 May 2017
Dividend payment



15 May 2017
Interim statement on the first quarter of 2017



14 August 2017
Interim report on the first half of 2017



14 November 2017
Interim statement on the first three quarters of 2017

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