

Investor and Analyst Q1 2015 Conference Call

Essen, 13 May 2015

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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 judgment 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.

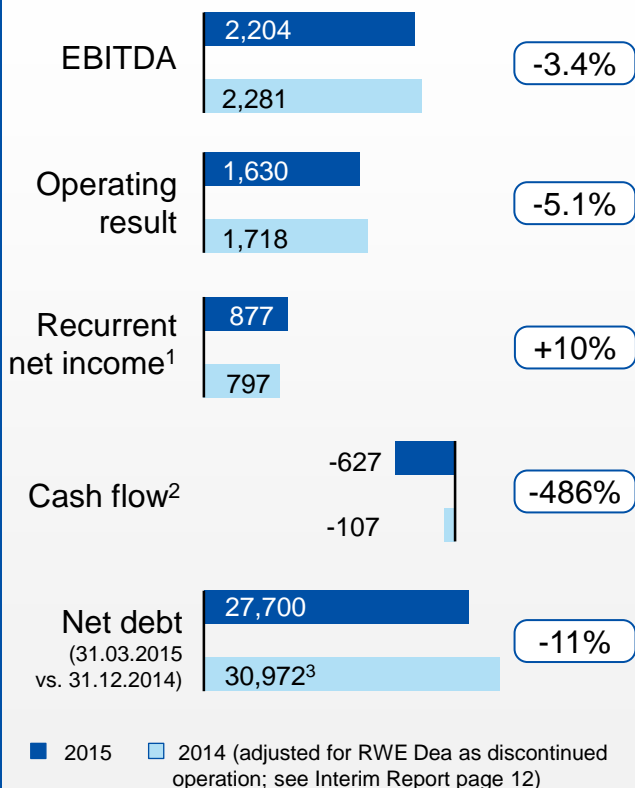
Main messages for Q1 2015

- Financial performance for first quarter:
EBITDA -3.4%, operating result -5.1%, recurrent net income +10.0%
- Group outlook for 2015 confirmed
- Net debt improved significantly to €27.7 bn (-€3.3 bn vs. 31.12.2014)
- Closing RWE Dea transaction for an enterprise value of €5.1 bn
- Political risks in Germany from additional carbon levy, discussions about funding of nuclear provisions and missing clear framework for a new market design

Development of main KPIs

RWE key figures for Q1 2015

€ million



- EBITDA and operating result declined mainly due to ongoing margin erosion in conventional power generation. This was partly offset by normalised weather conditions in our retail business units and positive f/x effects.
- Recurrent net income up 10% due to positive one-offs in financial result and recognition of interest on purchase price for Dea transaction (in 2014 only recognised in Q4).
- Cash flows from operating activities of continuing operations significantly down: see details on slide 7.
- Net debt improved significantly after successful disposal of RWE Dea: see details on slide 8.

- 1 With the H1 2015 report the 'recurrent net income' will be renamed as 'adjusted net income'.
- 2 Cash flows from operating activities of continuing operations.
- 3 Adjusted figure. See Interim Report page 23.

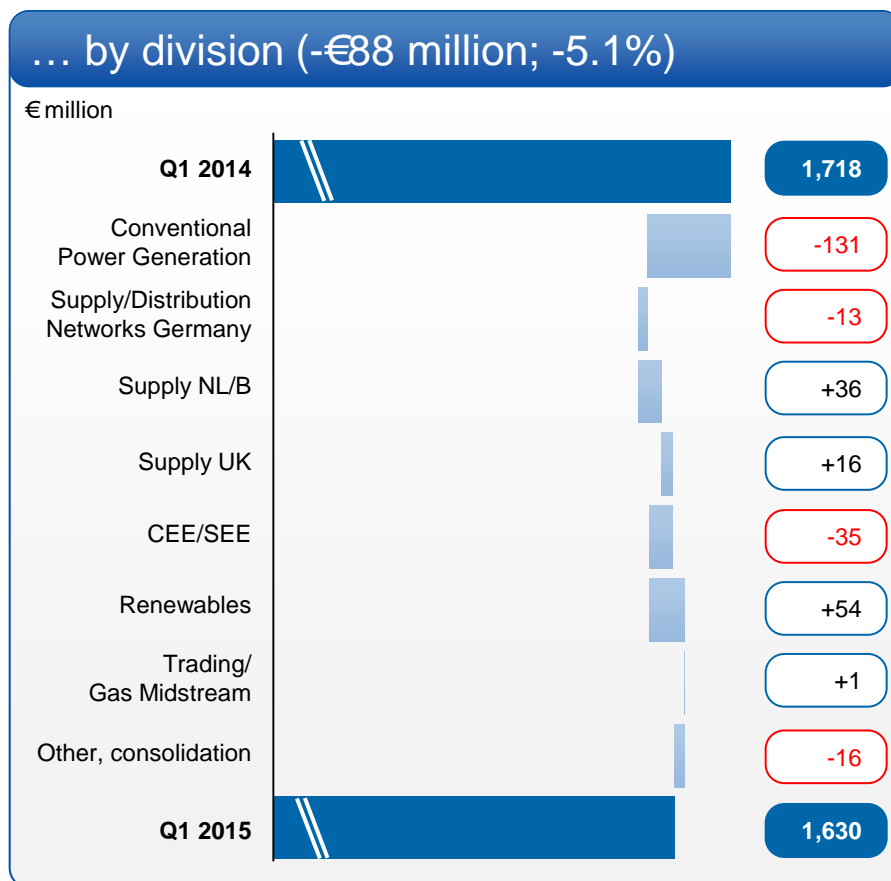
Development of the major earning figures in Q1 2015

€billion		Q1 2015	+/- vs. Q1 2014
EBITDA		2.2	-0.1
Depreciation		-0.6	-0.0
Operating result		1.6	-0.1
Non-operating result		-0.3	-0.5
Financial result		-0.2	+0.2
Tax		-0.2	+0.1
Income from DCO		1.5	+1.5
Minorities/hybrids		-0.2	-0.1
Net income		2.2	+1.2
Adjustments		-1.3	-1.1
Recurrent net income¹		0.9	+0.1

- Non-operating result down mainly due to general risk provisions and impact from commodity derivatives.
- Financial result improved mainly due to positive one-off from tax-free sale of securities.
- Tax rate for determining recurrent net income at 26% (2014: 27%).
- Income from DCO dominated by book gain from sale of RWE Dea.
- Minorities/hybrids increase. For more details see Interim Report pages 19, 20.
- Adjustments for recurrent net income (RNI) comprise non-operating result including tax effects. Furthermore, Dea is recognised in the 2015 RNI with the pro-rata interest on the sale price (€25 m).

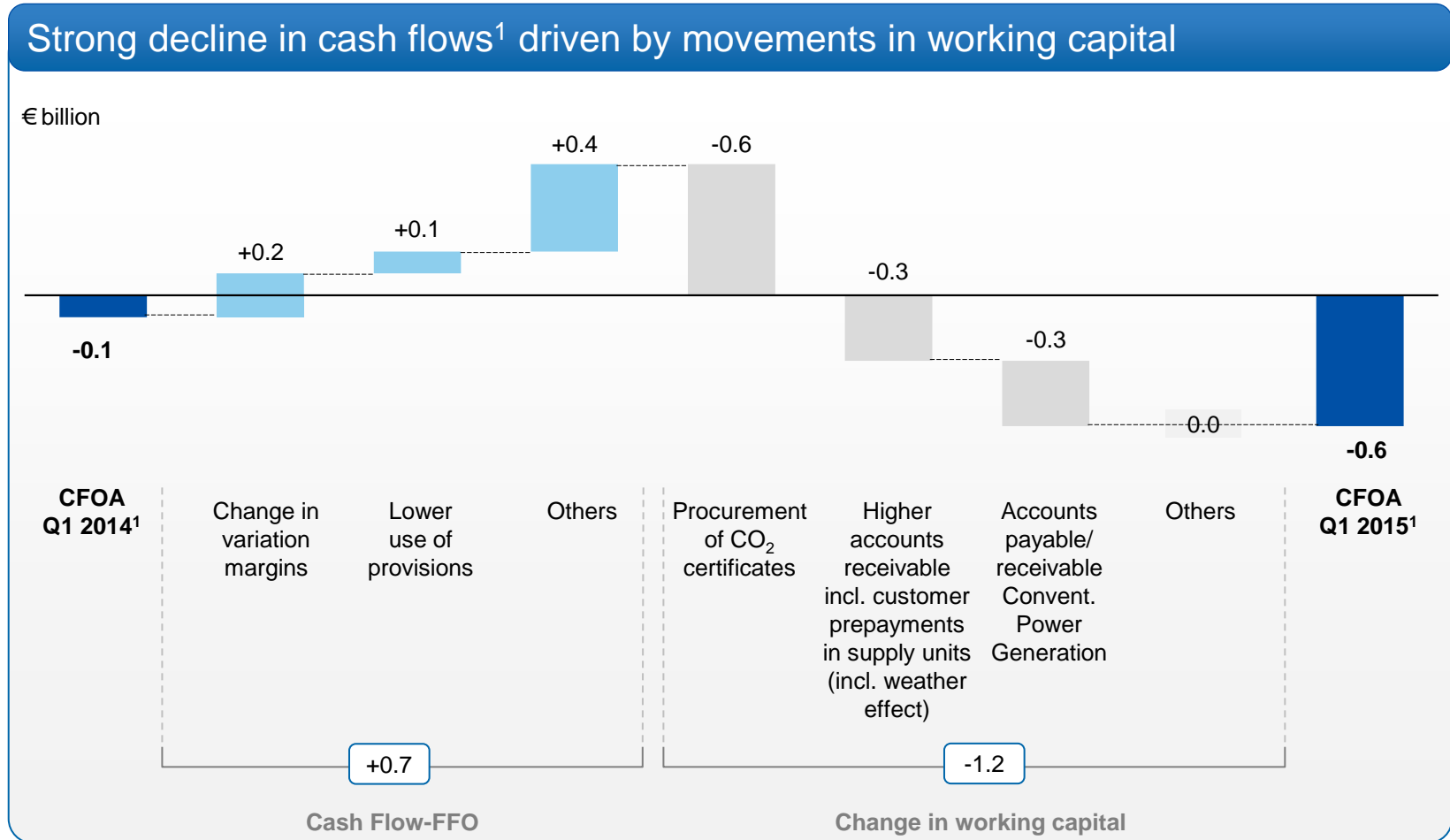
¹ With the H1 2015 report the 'recurrent net income' will be renamed as 'adjusted net income'.

Development of operating result ...



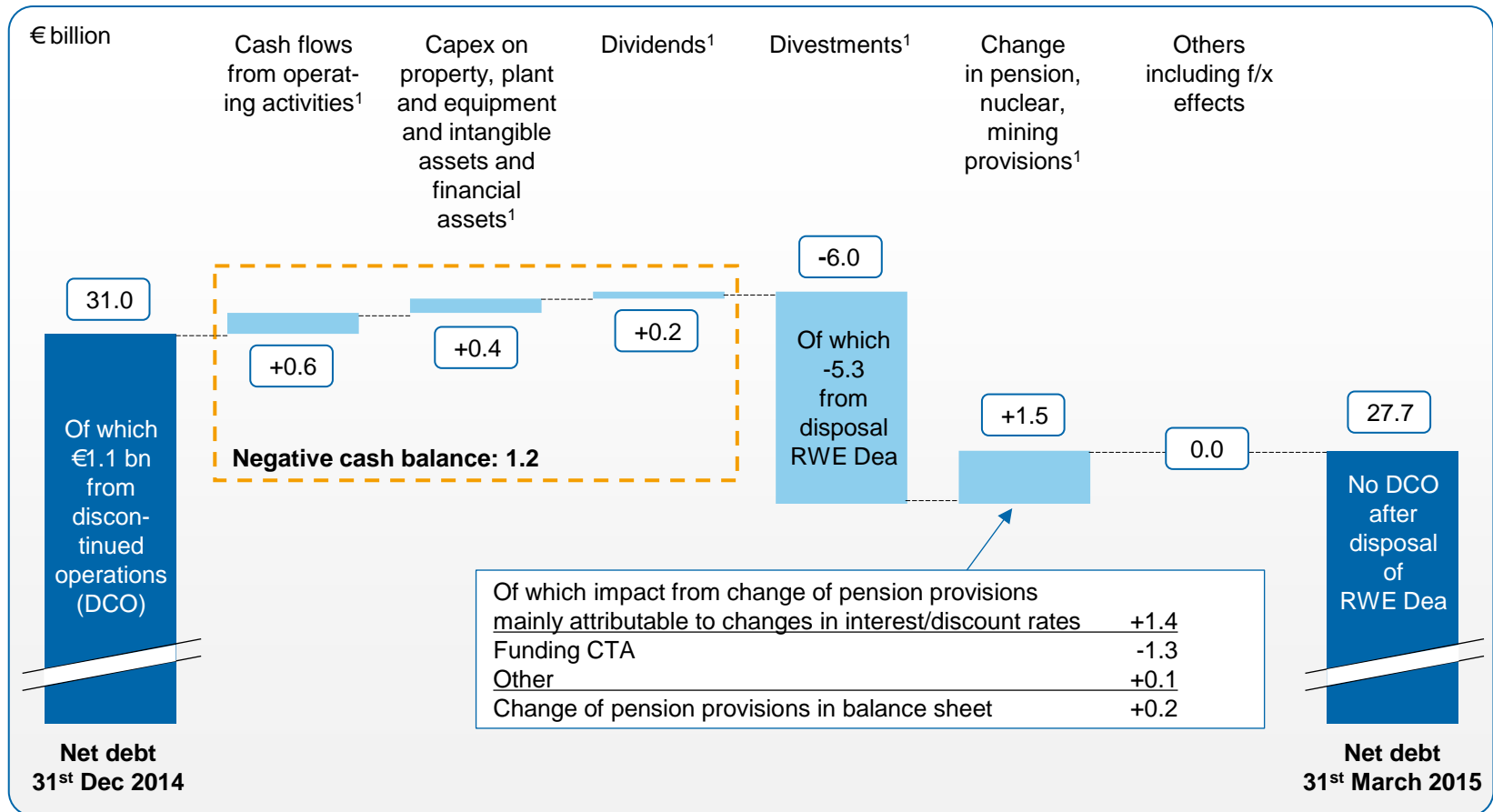
- Earnings in Conventional Power Generation under pressure due to declining generation margins.
- Earnings in energy retail business units supported by normalised weather conditions. They contributed €554 million to operating result in Q1 2015 (2014: €459 million); 34% of total operating result.
- Supply UK and renewables businesses benefit from positive f/x development.
- CEE/SEE impacted by e.g. lower gas storage margins.
- Strong earnings increase in renewables especially due to commissioning of offshore wind projects and sale of Gwynt y Môr grid connection.

Development of cash flows from operating activities



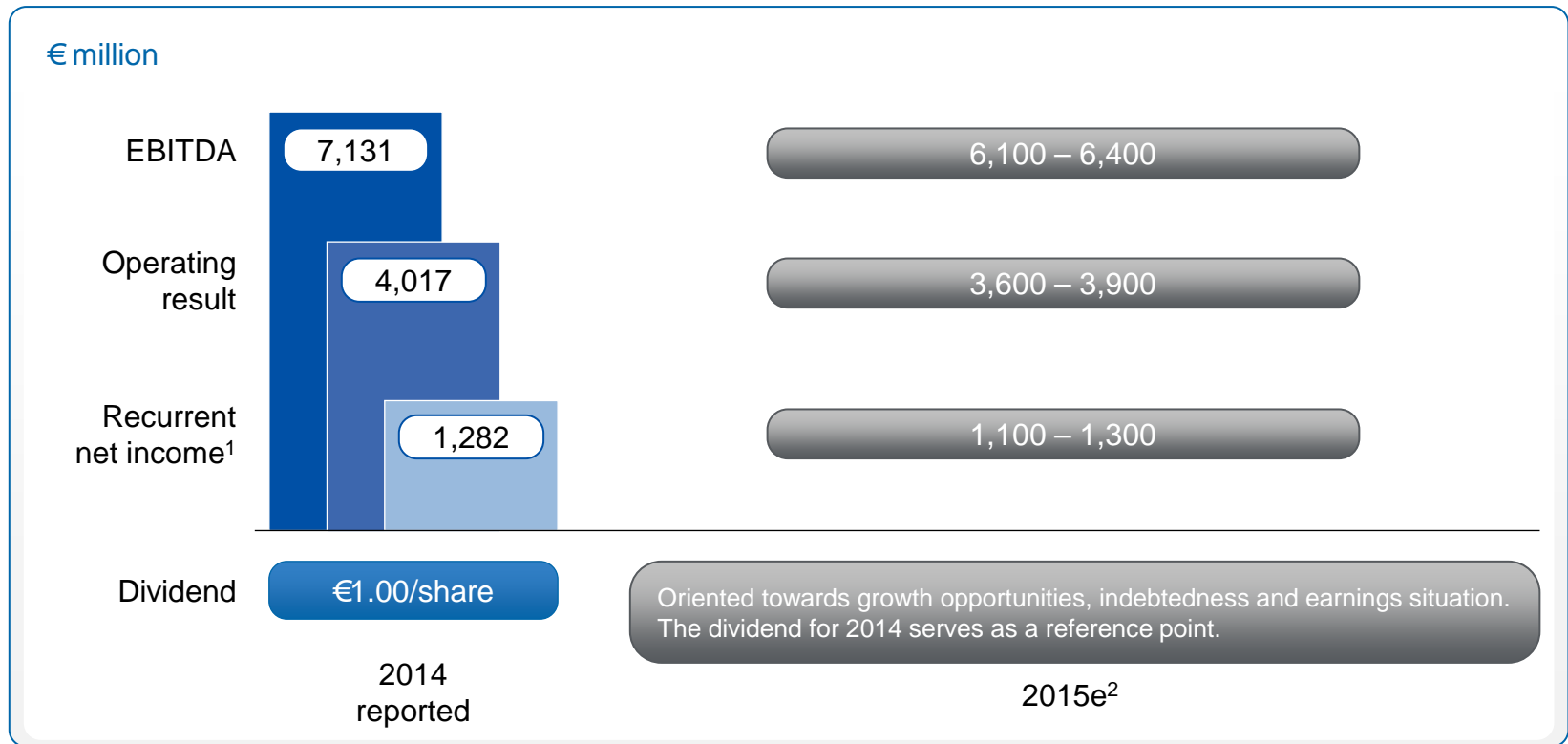
¹ CFOA = cash flows from operating activities; excluding discontinued operations.

Strong improvement of net debt after successful disposal of RWE Dea



1 From continuing operations.

Outlook for 2015 confirmed



1 With the H1 2015 report the 'recurrent net income' will be renamed as 'adjusted net income'.

2 The outlook considers the current status of the nuclear fuel tax law. In case nuclear fuel tax is declared finally illegal and fully in our favour, we expect a positive earnings contribution of c. €1.6 bn to EBITDA, operating result and net income.

RWE Dea: In 2014 and 2015 RWE Dea is not included in EBITDA and operating result. The recurrent net income includes the pro rata interest on the sale price.

2015 divisional outlook for the operating result

€ million	2014	2015 forecast versus 2014
Conventional Power Generation ¹	979	Significantly below 2014
Supply/Distribution Networks Germany	1,871	Moderately below 2014
Supply NL/B	146	Significantly above 2014
Supply UK	227	Moderately above 2014
Central Eastern and South Eastern Europe	690	Moderately below 2014
Renewables	186	Significantly above 2014
Trading/Gas Midstream	274	Moderately below 2014

¹ The outlook considers the current status of the nuclear fuel tax law.

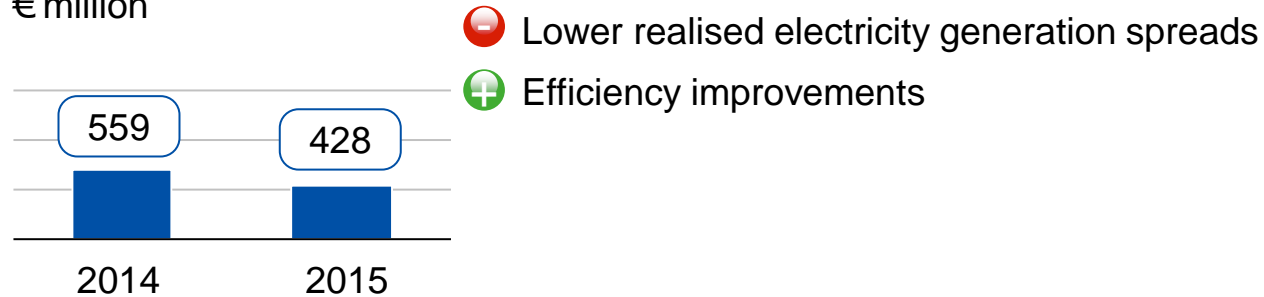
Back-up Charts



Performance of the Conventional Power Generation Division

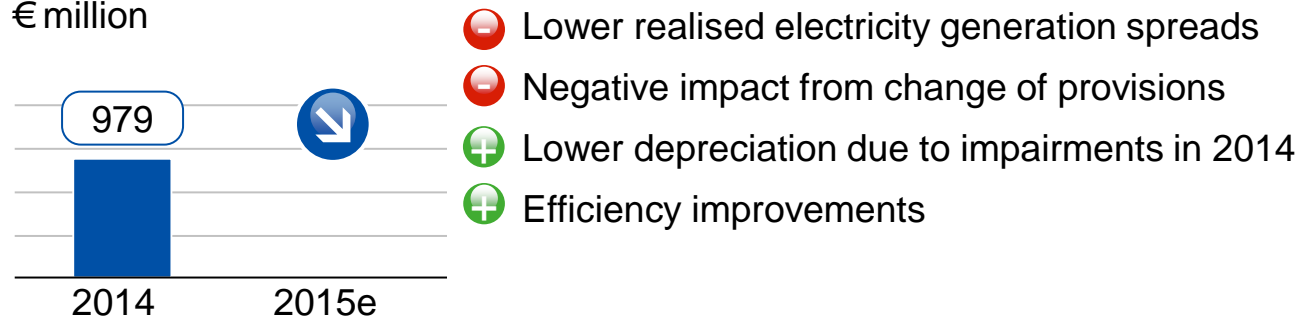
January – March: operating result: -23% (-€131 million)

€ million



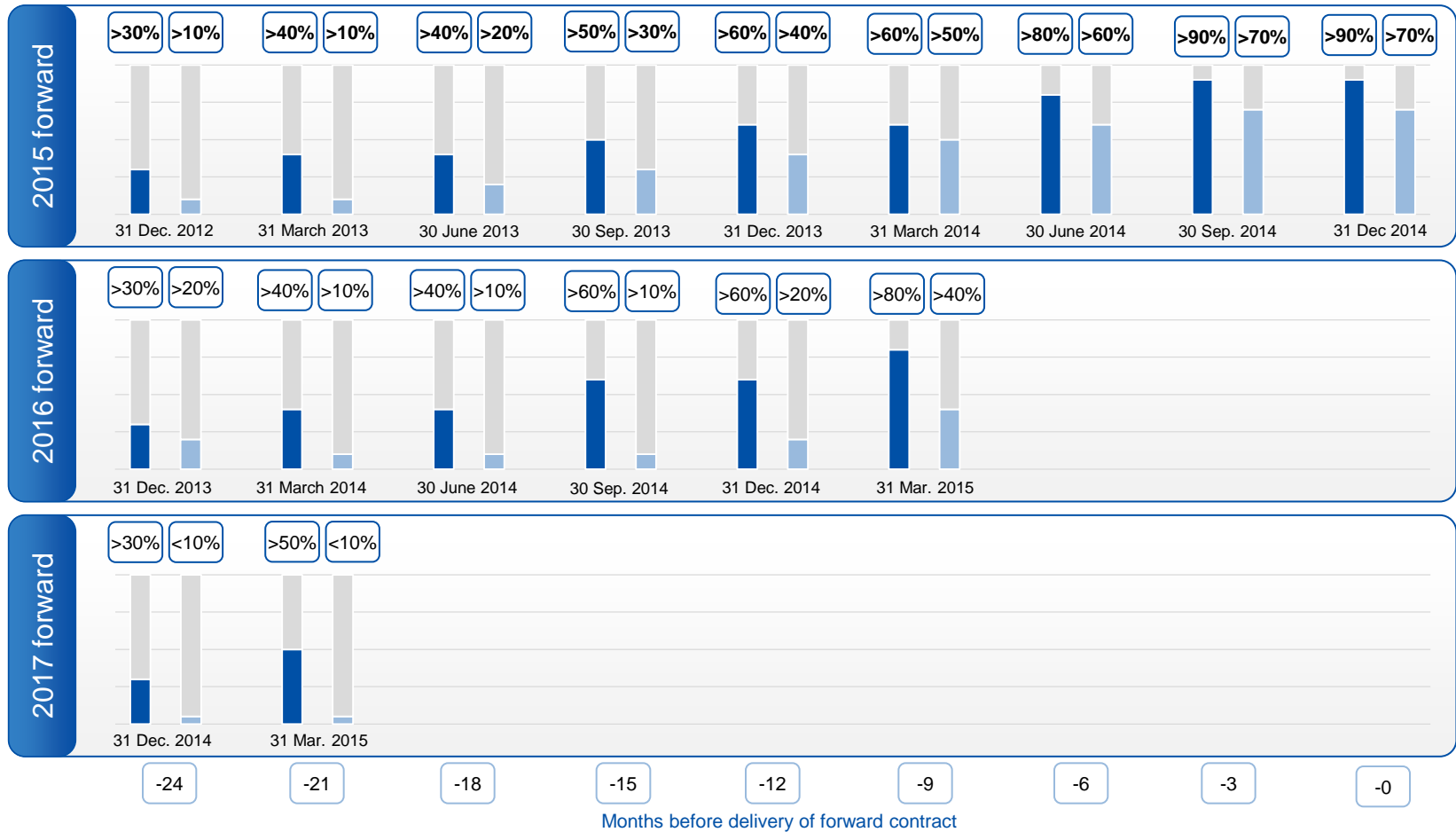
Outlook for fiscal 2015: significantly below previous year

€ million



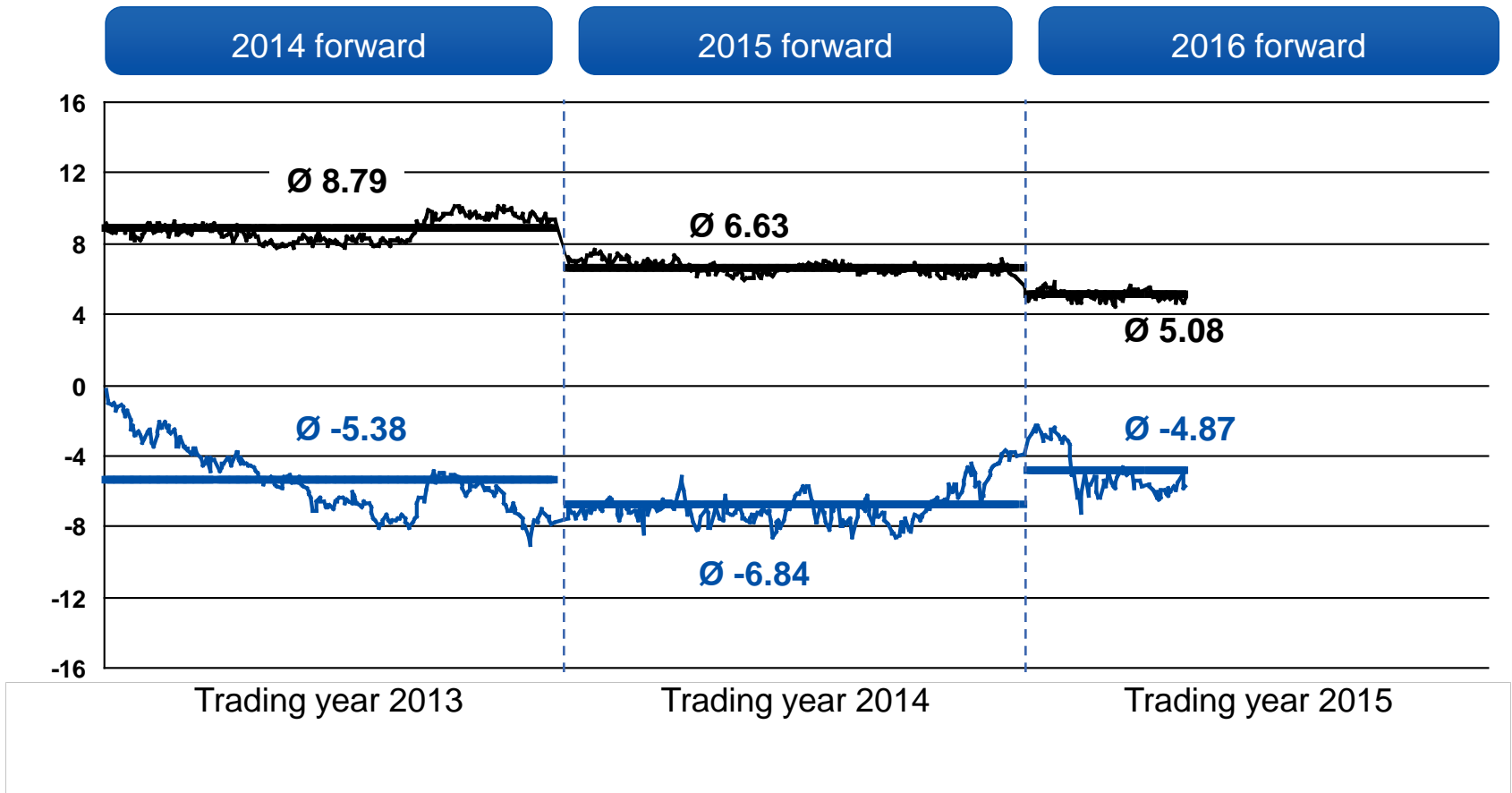
RWE's forward hedging of conventional electricity production (German, Dutch and UK portfolio)

As of 31 March 2015



- 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)

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

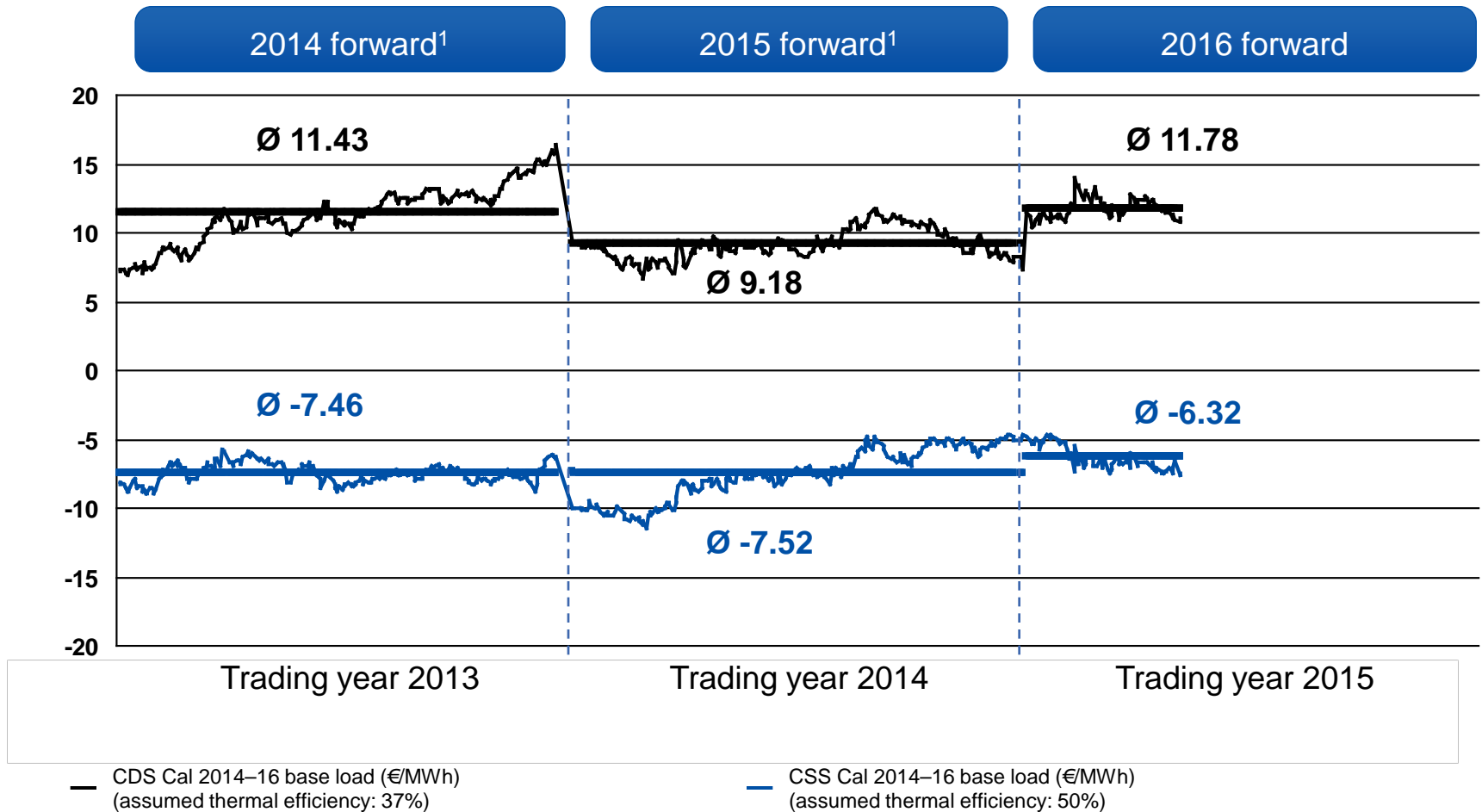


— CDS Cal 2014–16 base load (€/MWh)
(assumed thermal efficiency: 37%)

— CSS Cal 2014–16 peak load (€/MWh)
(assumed thermal efficiency: 50%)

Source: RWE Supply & Trading, prices through to 6 May 2015

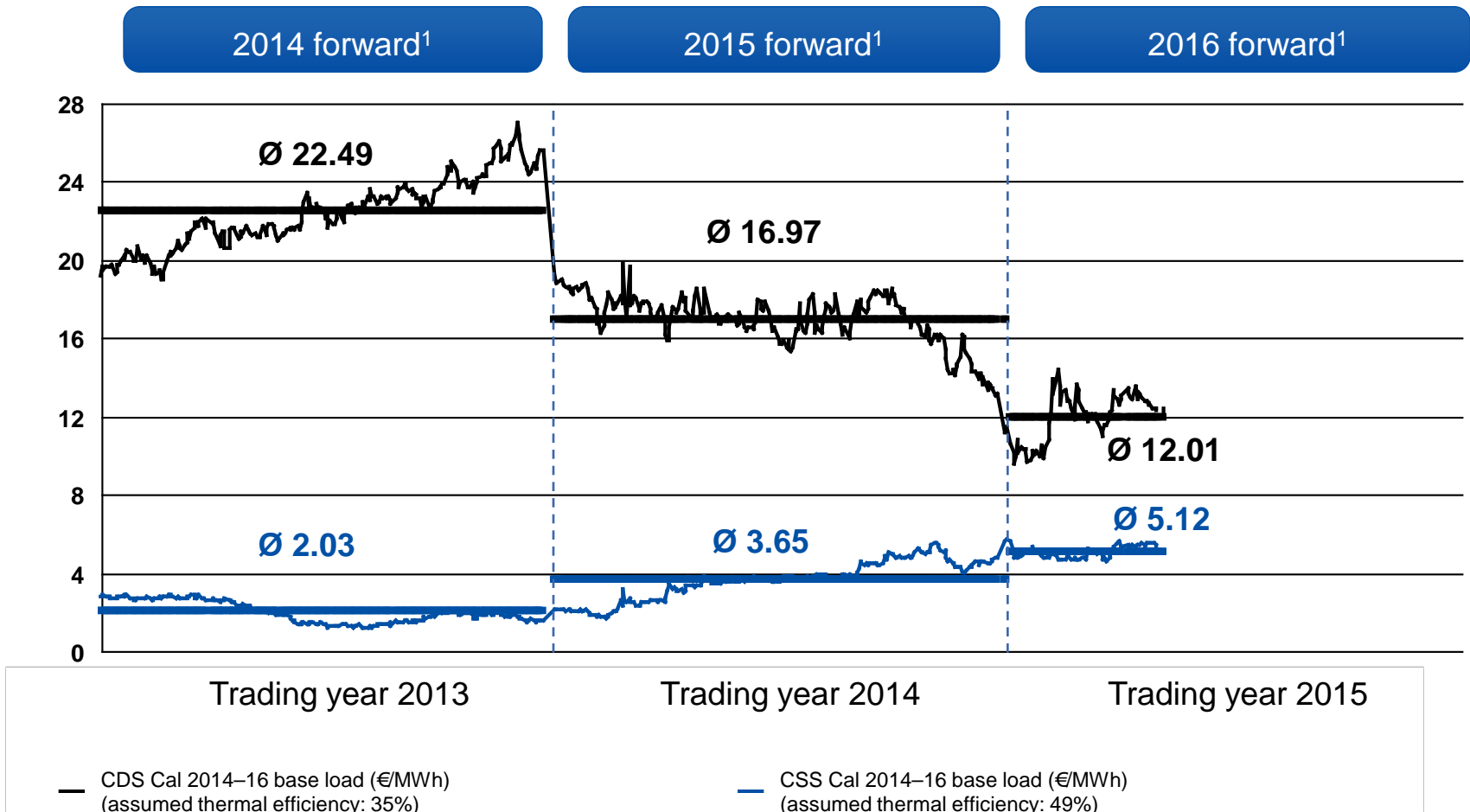
NL: Clean Dark (CDS) and Spark Spreads (CSS) and Spark Spreads (CSS)



1 CDS: Including coal tax for forwards 2014 and 2015.

Source: RWE Supply & Trading, prices through to 6 May 2015

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



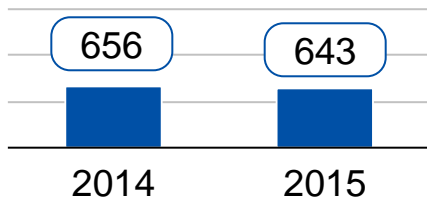
¹ Including UK carbon tax.

Source: RWE Supply & Trading, prices through to 6 May 2015

Performance of the Supply/Distribution Networks Germany Division

January – March: operating result: -2.0% (-€13 million)

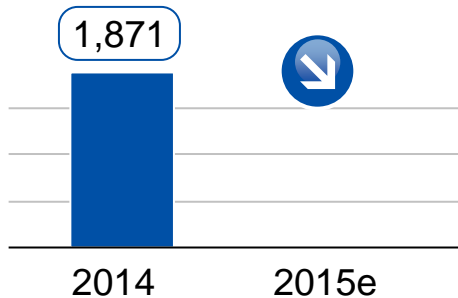
€ million



- ⊖ Lower earnings from the disposal of grid assets
- ⊕ Weather-induced higher electricity and gas demand

Outlook for fiscal 2015: moderately below previous year

€ million

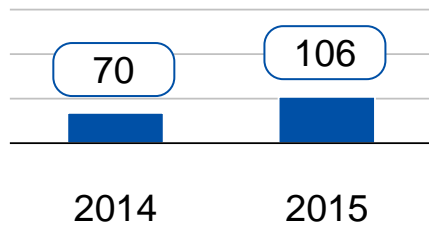


- ⊖ High earnings from the disposal of grid assets in 2014
- ⊖ Higher costs to improve the quality of our grid
- ⊕ Normalised weather conditions assumed

Performance of the Supply Netherlands/Belgium Division (Essent)

January – March: operating result: +51% (+€36 million)

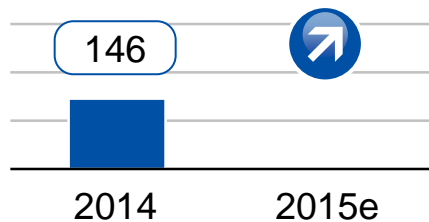
€ million



- ⊕ Weather-induced higher demand, especially in the gas business
- ⊕ Release of provision which was built for legal risks
- ⊕ Marketing of new supply offerings

Outlook for fiscal 2015: significantly above previous year

€ million

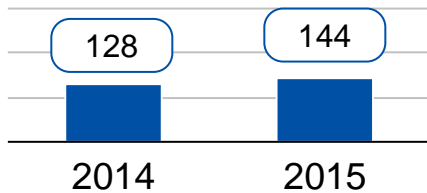


- ⊕ Normalised weather conditions assumed
- ⊕ Efficiency improvements

Performance of the Supply United Kingdom Division (RWE npower)

January – March: operating result: +13% (+€16 million)

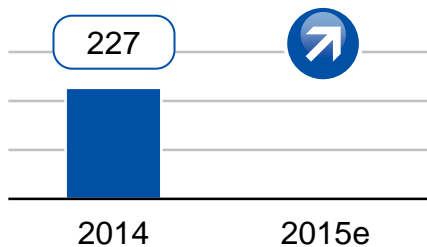
€ million



- ⊕ Positive f/x effects
- ⊕ Lower costs for 'Energy Companies Obligation' (ECO) programme
- ⊕ Lower gas procurement costs
- ⊖ Reduction of standard gas tariff by 5.1% (as of February 2015)
- ⊖ Higher grid fees
- ⊖ Customer losses and lower energy consumption

Guidance for fiscal 2015: moderately above previous year

€ million

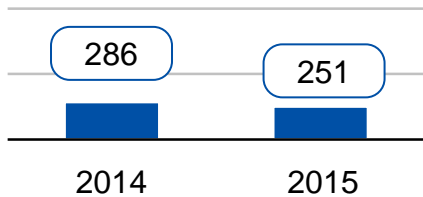


- ⊕ Efficiency improvements
- ⊕ Lower costs for customer service improvements
- ⊕ Lower gas procurement costs
- ⊖ Reduction of standard gas tariff by 5.1%
- ⊖ Higher grid fees
- ⊖ Higher costs to improve IT infrastructure

Performance of the Central Eastern and South Eastern Europe Division

January – March: operating result: -12% (-€35 million)

€ million



Czech Republic:

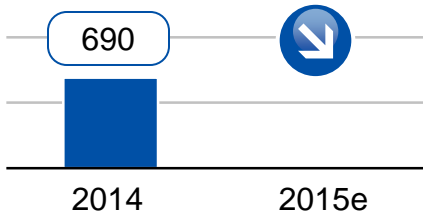
- Lower gas storage margins
- + Improved regulatory conditions for gas distribution grid
- + Weather-induced higher distributed gas volumes and sales

Poland:

- Higher electricity procurement costs

Outlook for fiscal 2015: moderately below previous year

€ million



Czech Republic:

- Price related lower margins in storage and sales
- + Normalised weather conditions assumed

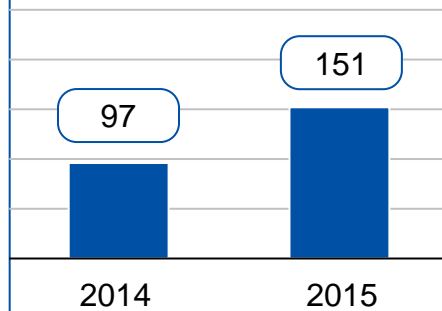
Hungary:

- Lower earnings from electricity generation (Mátra).

Performance of the Renewables Division (RWE Innogy)

January – March: operating result: +56% (+€54 million)

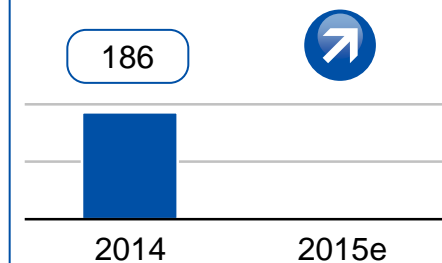
€ million



- ⊕ Increased earnings contribution from growth investments, mainly Gwynt y Môr and sale of grid connection asset of this project
- ⊕ Positive f/x effects from our UK business

Outlook for fiscal 2015: significantly above previous year

€ million

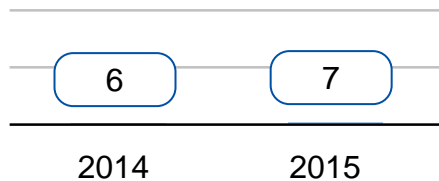


- ⊕ Increased earnings contribution from growth investments, mainly Nordsee Ost and Gwynt y Môr
- ⊕ Impact of impairments in 2014
- ⊖ Compensation payments for delays at Nordsee Ost project in 2014

Performance of the Trading/Gas Midstream Division (RWE Supply & Trading)

January – March: operating result: +17% (+€1 million)

€ million



Trading:

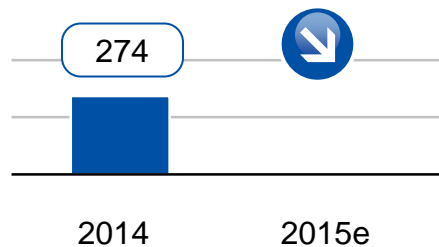
Stable earnings contribution from trading activities

Supply:

Still suffering from out of the money long-term gas storage contracts

Outlook for fiscal 2015: moderately below previous year

€ million



Trading:

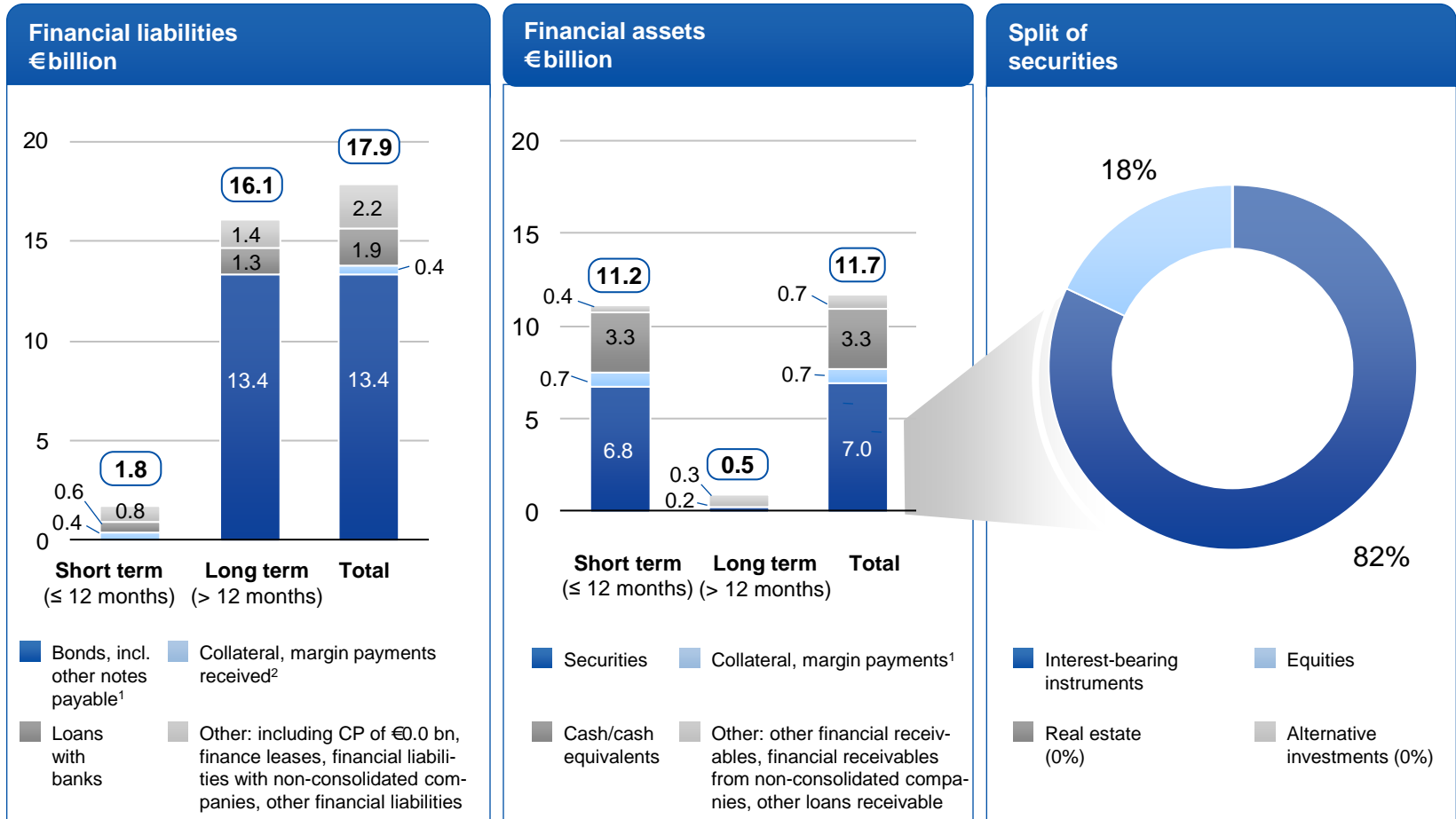
Performance not expected to reach high level of 2014

Supply:

Still suffering from out of the money long-term gas storage contracts

Financial liabilities and assets

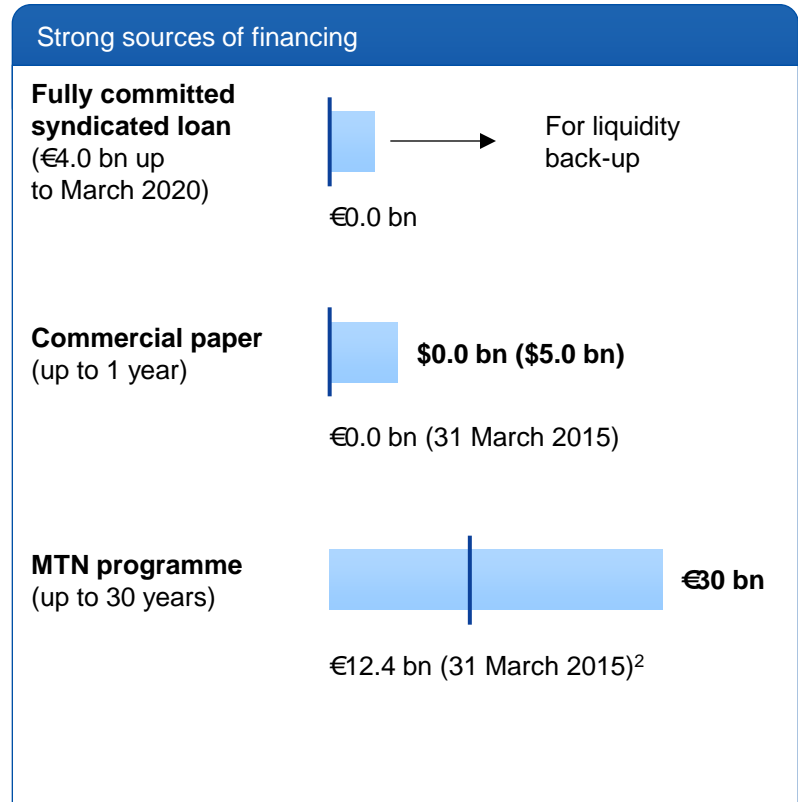
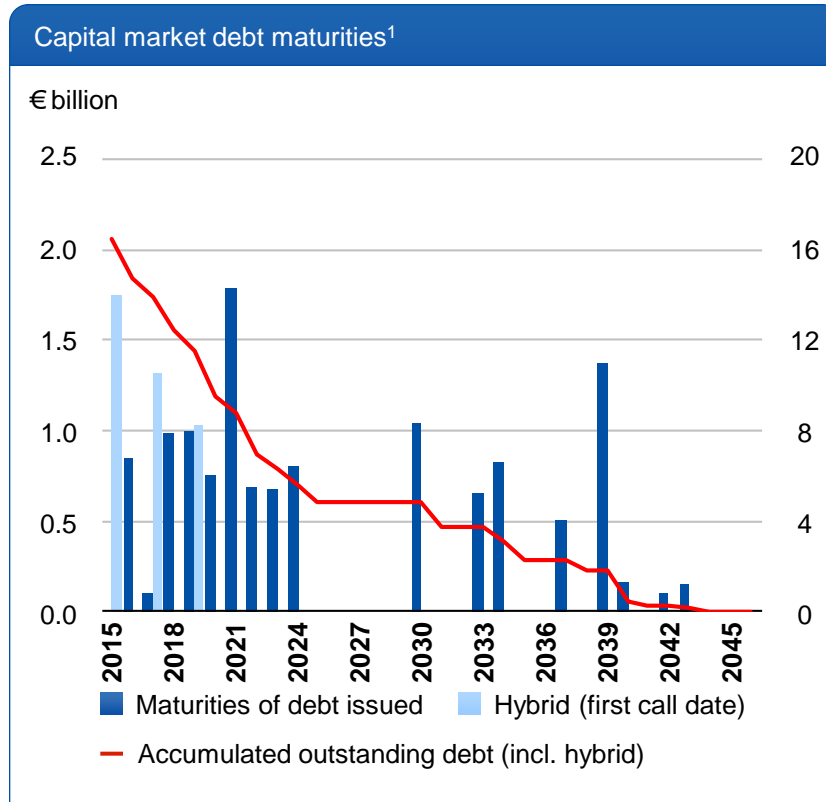
(Excluding hybrid capital as of 31 March 2015)



1 Including currency rate hedges of bonds.

2 Excluding variation margins which are netted against the fair values of the respective derivatives.

Capital market debt maturities and sources of financing



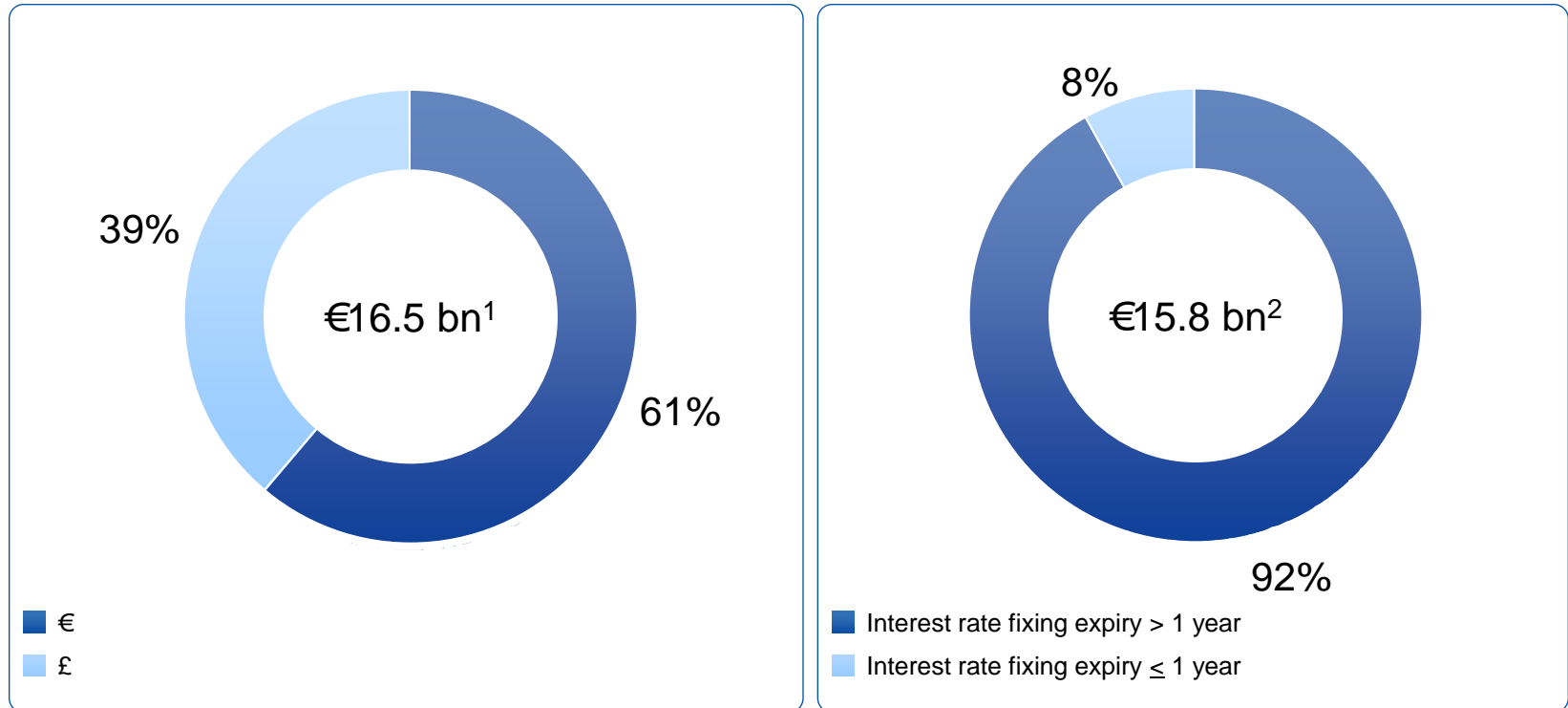
 **Balanced profile with limited maturities up to end of 2016 (~ €2.60 billion)**

¹ RWE AG and RWE Finance B.V. as of 31 March 2015.

² Bonds outstanding under the MTN-programme, i.e. excluding hybrids. Including hybrids: €16.5 bn.

Capital market debt currency and interest exposure





(as of 31 March 2015)



1 Capital market debt = bonds of €12.4 bn and hybrids of €4.1 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.

RWE's major investment projects

		RWE share	Capex (€bn)	2013	2014	2015	2016	2017	2018
Conventional new build power plant programme (capex at 100% share)									
	Hamm (hard coal, 1,528 MW) ¹	77%	2.5			Unit E (764 MW)			
	Eemshaven (hard coal/biomass, 1,554 MW) ²	100%	3.1			Units A&B			
<p>1 The date for bringing unit D (764 MW) into operation is pending. 2 Unit A since 1 May 2015 in commercial operation. Unit B expected to follow beginning of July.</p>									
RWE Innogy: major projects in commissioning (capex at 100% share)									
	Gwynt y Môr (offshore wind, 576 MW)	60% ³	2.4 ³						
	Nordsee Ost (offshore wind, 295 MW)	100%	1.4						
<p>3 After sale of transmission assets in February 2015.</p>									

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Financial calendar

<http://www.rwe.com/web/cms/en/110614/rwe/investor-relations/events/calendar/>



Annual and Interim Reports

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Facts & Figures – The Guide to RWE and the Utility Sector – as well as further factbooks

<http://www.rwe.com/web/cms/en/2495606/rwe/investor-relations/presentations-videos/presentations/>



Consensus of analysts' estimates of RWE's key performance indicators

<http://www.rwe.com/web/cms/en/345802/rwe/investor-relations/shares/analyst-consensus-estimates/>



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