

Peter Terium / Dr Bernhard Günther
RWE Fiscal 2013 Press Conference
Essen, 4 March 2014
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Check against delivery.

Peter Terium

Image 1

Ladies and Gentlemen,

Good morning to you all.

Welcome to our press conference on fiscal 2013.

My Executive Board colleagues Rolf Martin Schmitz, Bernhard Günther, Uwe Tigges and I would like to thank you for joining us.

Especially on this Carnival Tuesday. I realise that we are being a little demanding on those for whom this is a special time of the year. And I can also understand that some may look upon today's press conference as a form of anti-Carnival provocation. Especially – and this is for the benefit of the Rhinelanders present – as Rolf Martin Schmitz has to miss out on his local Shrove Tuesday parade. For once, however, this is something

we are not responsible for. We have no influence over the Carnival calendar, transformation or no transformation.

Even so, today has a certain symbolism for us: we have not been in the mood for celebrating for some time now. To put it bluntly – we've had it with being cheerful.

Image 2

Before we answer your questions, there are three points that I would like to focus on:

First, our extremely difficult economic situation – especially in conventional electricity generation.

Second, I would like to clarify what we are doing about it – in other words, how we want to recover our financial strength.

And third, I would like to describe in somewhat greater detail our role as the partner in the transformation of the energy system – and our objectives in the area of networks, supply and power stations.

Bernhard Günther will then provide the figures on our business performance.

In closing, I will then deal briefly with the political framework conditions necessary to make the transformation of the energy system a success.

Ladies and Gentlemen,

We are in an extremely difficult phase right now.

Image 3

Just one fact is enough to show how serious the situation is: for the first time since the Federal Republic of Germany was established, in other words, in more than 60 years, we have posted a loss again – one that runs into the billions: our net income was minus €2.8 billion.

One reason is impairment losses totalling €4.8 billion. These are essentially due to the crisis in the Conventional Power Generation Segment. More than anything, they are a reflection of, as well as a reaction to the greatly worsened earnings prospects in the continental European power station sector.

Our operating result declined 8% in 2013, to €5.9 billion. Recurrent net income fell 6% to €2.3 billion.

Why has the decline in both of these values been comparatively moderate?

First, we benefited from the positive one-off effect of the Gazprom payment. Second, effects such as impairment losses are not taken into account when calculating recurrent net income.

Our operating result from conventional electricity generation plunged by more than half in 2013, down to €1.4 billion. This is a decrease of 58% compared to the previous year. This shows the full extent of the crisis.

In other words, we are making less and less money with our conventional power stations, especially those based on gas and coal. This trend will continue in the next few years and it is irreversible. As you know, we sell most of our electricity production up to three years in advance. In other words, the electricity volumes that we sold in 2013 were sold at prices realised in previous years. These were substantially higher than they are now. This advantage will now start to disappear gradually – but dramatically.

What are the causes of these massive losses of earnings?

First, the conventional power stations are not being used to their full capacity, because they are being driven out by photovoltaics, especially during peak load hours.

Second, the huge expansion of renewables has pushed wholesale prices for electricity down even further. At the current market price of less than €37 per megawatt hour, it is virtually impossible to operate conventional power stations economically.

Third, in 2013 the EU member countries abolished the free allocation of CO₂ emission allowances for electricity generation. The consequence for us has been substantial financial burdens.

In specific terms, 20% to 30% of our power stations currently cannot even cover their operating costs.

Image 4

It goes without saying that this cannot be left to continue. This is why we decided to remove power station capacity of about 4,400 megawatts from the market, at least temporarily. We already informed you about 3,100 megawatts of this total in mid-2013. We have now added our CCGT power station Claus C in the Netherlands to the list - one of the newest plants of its kind with an efficiency of almost 60% and a generating capacity of 1,300 megawatts. Claus C represents an investment of more than €1 billion that will soon be left idle.

By the end of this year, we will also stop using German hard coal-fired power stations with a generating capacity of about 2,200 megawatts with which we have a contractual right of usufruct, the “STEAG contracts”. Of this total of 2,200 megawatts, we announced just under 1,200 megawatts in mid-2013.

In view of our difficult economic situation – which brings me to my second point – we are continuing to do all we can to bolster our financial strength.

One thing is totally clear: our net debt of just under €31 billion continues to bear no reasonable relation to our earnings capacity, even though we were able to reduce debt by more than €2 billion last year.

Image 5

With further efficiency improvements we want to achieve savings of a further €1 billion by the end of 2017. We will need to offset general cost increases that – unlike the situation in other industries – we cannot pass on as part of our selling prices. Including these increased costs, we want to achieve an additional earnings contribution of at least €500 million – over and above the €1 billion that we want to save by the end of 2014. This gives a combined figure of at least €1.5 billion, as we announced in November last year. Today I am happy to be able to confirm two things:

First: we completed the savings of €1 billion during 2013, which was much faster than we expected.

Second, we are fairly confident that we can accomplish our savings goal for 2017 – a total of at least €1.5 billion – a year earlier than originally planned. The Conventional Power Generation Division will contribute about half of this figure.

Divestments also form part of our package of measures. At the end of March 2013, we sold the Czech gas transmission system operator NET4GAS for €1.6 billion.

In addition, we will gradually bring our investments down to about €2 billion a year by 2016. This excludes RWE Dea.

We have been helped in this situation by the fact that, last week, we came to an agreement with Gazprom as a result of which there will be no further negative impact from these long-term gas procurement contracts until the next regular price revision in summer 2016.

Image 6

But this alone is not sufficient. We are therefore adapting our dividend policy to give us more room to reduce our indebtedness. At the Annual General Meeting in April, we will propose a dividend of €1 per share for fiscal 2013. The figure for 2012 was still €2, in other words, twice as high.

Believe me: this decision was an incredibly difficult one. Of course, we understand our shareholders' expectations. Of course we understand the financial concerns and the plight of the municipalities in particular. And of course we also know what this means for the cities and communities that are affected. These are places that are short of funds for kindergartens, for instance.

However, it is not only our shareholders who have a role to play. Our employees do too. They are also being asked to play their part. This is why the Executive Board has decided to impose a pay freeze for our managers and salaried staff this year. The decision is not an easy one, but it is an obvious course of action.

And of course, the Board is making its own contribution. We are going beyond the notion of a pay freeze. We have advised the Supervisory Board that the Executive Board will forgo half-a-million euro in compensation for the current year.

In the compensation report on page 114 of the Annual Report we show, with greater transparency from this year onwards, what benefits have been granted to the Executive Board and what payments were actually made during 2013. This latter element is shown in the table 'Allocation'. This compensation report thus satisfies all of the requirements of the German Corporate Governance Code – a year earlier than required.

The Executive Board has also decided to introduce a supplementary bonus component for all Group executives. The incentive criterion is the leverage factor, in other words the ratio of net debt to Group EBITDA. This will encourage the management to focus its efforts even more strongly on bringing indebtedness

and earning capacity back to a healthy and sustainable level. The goal is to bring the leverage factor back down to below the 3.0 level. The Supervisory Board has agreed to extend this new performance component to the Executive Board. This does not mean that there is any hidden increase in compensation for the Executive Board of RWE AG. Part of the current long-term variable compensation, previously orientated towards the share price, has simply been aligned to this new target.

A new, Group-wide steering model – “Lean Steering” – will also make us more efficient and flexible. The number of members of the Executive Board has been reduced from five to four. For many employees, the new model will mean career-related changes. We will also need to reduce our headcount further. On both of these subjects, we signed an agreement on reconciliation of interests and a social compensation plan with the Group Works Council at the end of November last year.

Let me emphasise something at this point: when we talk about how we want to bring the Group back to its old strength once again, we are mainly talking – either directly or indirectly – about one thing: many thousands of individuals and their families. This is something we must never forget.

We are talking about more than 66,000 RWE employees who are committed, on a daily basis, to providing an

affordable, reliable and sustainable energy supply. We are talking about people who are prepared to make personal sacrifices to achieve these goals. We are constantly aware of our responsibility for all of these individuals.

Ladies and Gentlemen,

I grant that we have made mistakes. We were late entering into the renewables market – possibly too late.

Image 7

But, for RWE, the energy transformation did not start with Fukushima, nor did it start when I took up my present position. This brings me to my third point.

Since 2006 at the latest, we have been working at full pace to achieve the transformation of the energy system. Since then, throughout Europe we have invested more than €12 billion alone in new gas-fired power stations and state-of-the-art, flexible coal-fired power stations. This was, and still is – in addition to many other factors – a very substantial contribution to the transformation of the energy system.

- **We now have highly efficient and flexible coal-fired power stations that are essential to ensure security of supply. In terms of flexibility, our new lignite units BoA 2 & 3 are second to none, including the latest gas-fired power plants.**

Something that is not widely known at all is that the capacity of all the power stations in the Rhenish region – more than 10,000 megawatts – can be reduced and increased again by about 5,000 megawatts within 30 minutes. This is equivalent to about 2,500 state-of-the-art wind turbines.

Image 8

- **It is well known that gas-fired power plants are often considered the ideal partner for renewables. With a gas capacity of about 5,000 megawatts we were the no. 1 in Germany in 2013, and no. 3 in Europe with a capacity of just under 16,000 megawatts!**
- **In terms of pumped-storage hydroelectric stations we are no. 2 in Germany.**
- **Among larger combined heat and power generation plants (> 100 MW_{el}), we are in 2nd place in Germany.**
- **In the last 12 months alone, we have invested €35 million in more than 220 local district heating and cogeneration projects for larger customers. On average this represents a new system every working day.**

Image 9

- **In 2015 we will be one of the three largest offshore operators in Europe, with a generating capacity of 1,000 megawatts.**
- **We are already one of the largest onshore wind power operators among the German energy utilities.**
- **Together with its partners, Innogy supplies green electricity to 2.5 million households.**
- **Since the beginning of the year, one-third of the trains on Deutsche Bahn's long-distance public transport service have been running on green electricity from RWE.**
- **We offer a broad spectrum of "smart" products for residential customers, corporate customers and municipal utilities.**

Image 10

- **In terms of energy services, we are no. 1 in Germany, and intend to continue growing.**

What am I trying to say here? The message is that we have been driving forward the energy transformation for years without talking about it enough. However: we have invested billions of euro in projects that, taken together, all put a lot into the transformation of the

energy system. It is quite sad to see that so little has been received out of this commitment.

Take our conventional power stations. In principle they are a major support for the transformation of the energy system. They are efficient, they are available all the time, and they are capable of being adapted flexibly to accommodate renewables. This is how it both could and should be – in theory. But as I said, it is different in practice.

This is our great problem. We can call it the power station paradox of the energy transformation: power stations are practical and necessary in terms of the goals of the transformation of the energy system. But they can hardly be considered commercially feasible any longer. Many of them have quite simply “gone under”.

How can we get ourselves out of the crisis? What steps can we take?

To deal with this structural crisis in the generation market we need the appropriate framework conditions in place as swiftly as possible. If the market does not undergo a structural reform of this nature, conventional power generation within the Group will become almost meaningless in economic terms. I will return to this subject later.

Despite the difficulties that we face, our focus is on the future. We are, and will remain, the partner for the transformation of the energy system, and are orienting our operational business accordingly.

This means that the importance of our “Supply” and “Distribution Networks” business areas will grow as a consequence of the transformation of the energy system. Their share of the results will grow perceptibly in the medium term. The stages of the value chain which are further downstream will gain substantially in importance as the energy industry transformation takes hold. Decentralised business strategies are becoming more important. They do not generate huge yields, but at the same time they are not as capital-intensive.

Technological innovations are essential to the transformation of the European energy system. We are at the forefront in this regard. Among 16 major energy utilities in Europe, we rank third in the current Innovation Index of the European School of Management and Technology (ESMT), and are no. 1 in Germany.

We intend to focus even more on innovation in our activities. This is why, in my own Board department, I have created a new unit that will deal specifically with this subject. Erwin van Laethem will be responsible for

this unit as “Chief Innovation Officer”. He will also remain CEO of Essent.

Thanks to our innovations and high efficiency levels, we also expect to see continued stable revenues in our gas network business. We work with more than 3,000 concession municipalities. This means that we supply almost one in every four municipalities in Germany with electricity and gas. We cannot lose sight of the fact, however, that this market is fiercely competitive. The keyword here is “municipalisation”.

Image 11

We are making our grids smarter. The distribution network is the technical backbone of the transformation of the energy system. And we are one of the leading network operators. Our electricity distribution system in Germany has an overall length of just under 350,000 km. This means we could circle the Earth almost nine times. In reality, though, we can’t – because there are currently some 300,000 renewables systems connected to these networks – almost one windmill or one solar power plant per kilometre of cable!

Between 2014 and 2016 we intend to invest some €2 billion in expanding and modernising our electricity and gas distribution systems in Germany. A key objective is the efficient integration of the growing feed-in of electricity from renewables into the overall system.

To achieve this, we are making the grid fit for the future. Our innovative “Smart Country” and “Smart Operator” grid projects are driving the development of smart grids forward in rural areas. You will be familiar with these projects.

Germany is becoming increasingly urban. This means that innovative technologies are becoming more and more important for urban energy supply. In Essen we are laying the world’s longest high-temperature superconductor cable. With no change in voltage, this will transmit five times as much electricity as traditional underground cables.

So you see, ladies and gentlemen, the transformation of the energy system brings with it a need for new grid technologies. It is also providing us with synergies in other infrastructural areas. You will doubtless be wondering, “How?”

Well, we are living in a digital age. No industry, no craft enterprise, no dentist can manage without data flows. This means that comprehensive broadband coverage is now an important location factor. When we lay cables and pipes, we can easily lay ducts for fibre optic cable at the same time. This avoids extra earthworks, which can account for about 80 percent of the total costs of a broadband connection. RWE has already connected

more than 100,000 people in rural regions to the broadband network using fibre optic cable.

Image 12

In other words, our customers are the key focus of our actions. And what is true for the grid is also true for supply: we are pulling out all the stops. RWE is no. 1 for energy supply in Germany. Our supply business, with more than 23 million customers throughout Europe, provides stable revenues at a high level. We want to consolidate this customer base, and of course increase our customer numbers in the process. That means we have to know what our customers want before they do. I am reminded of Henry Ford, who is supposed to have said, “If I had asked people what they wanted, they would have said ‘faster horses’”. And Steve Jobs is quoted as saying, “It’s not the customer’s job to know what they want”.

This is our job, what we have to bring to the table. We will therefore deepen our understanding of our customers. We will focus even more intensely than before on our customers’ needs, to be able to offer them new and individual products and services.

We are already in a position where we can count on a high level of customer satisfaction. Four-fifths of our German customers say they are “very satisfied” with us. The figure is as high as 90% for our online customers, according to representative surveys.

It is therefore no surprise that, after 2013, RWE also received an award for high service quality at the beginning of this year. We consider customer satisfaction as both a mandate and an obligation. We are therefore developing new business models, with regard to photovoltaics for example, that now focus on maximising consumption of power generated by consumers themselves rather than feed-in tariffs. One such product is RWE HomePower Solar.

So how do we see ourselves? What are the next steps?

Image 13

The decentralised energy world needs an ‘integrated energy manager’. In other words, someone to coordinate the many activities of the individual market players: someone to look after networking the various individual initiatives involved in the transformation of the energy system at a technical and economic level – to bring them all together as a single, integrated unit. We are taking care of this. We are joining all the little pieces to form the bigger picture. We have the necessary expertise to achieve all this. So what, specifically, does it involve?

- **For three years, now, RWE SmartHome has provided a convenient system to manage domestic energy use. Until now, the heating component has been limited to adjusting heater controls. Now we are bringing smart power down**

to the basement. In future it will be possible to directly control Internet-capable condensing boilers. With Bosch/Buderus we gained a key partner that will help RWE to expand the use of its smart domestic control systems.

- **“RWE SmartCompany” is a product that makes it easy for small and medium-sized enterprises to record their consumption data at different locations, and to reduce their costs by up to 20%.**
- **Major corporate customers, regional energy providers and municipal utilities can participate in energy trading via the “RWE WebMarket” online marketplace.**
- **We are working with Siemens to test a web service that will bundle and market decentralised energy resources. This service is directed principally at small and medium-sized municipal utilities.**
- **Electric vehicles are a core element in the transformation of the energy system. Not only are they CO₂-free, they can also serve as decentralised energy storage units, which is a key element in stabilising the distribution network. We are pressing ahead with the concept of electric mobility in cooperation with Schneider Electric. Schneider is the global specialist in power**

management and system solutions for electric mobility. In future, RWE and Schneider will bundle their expertise to provide innovative charging infrastructure solutions for electric vehicles.

- **We need to continue the task of integrating renewables swiftly and reliably. We are therefore driving forward technologies that will combine the “electricity” and “heat” sectors. We call this “Power to Heat”. A good example is the heat pump. We are helping our customers to use heat pumps by offering especially favourable prices. The ground and the air provide 75% of the heat, which draws on the natural potential of the environment.**
- **And ultimately it involves initiating local energy communities that can provide support for the regional energy supply system. In this connection we could make available photovoltaic systems or wind turbines that these energy communities could play a part in. This is something that only major energy utilities can manage. They are the only ones that bring all the necessary skills together under one roof. We have some new public participation models in mind in this regard.**

Last but not least, the further expansion of renewables remains a strategic growth area for us. We are focusing on wind energy in our core European markets.

We are, however, moving away from quantitative targets. Instead, our expansion goals in the area of renewables are focused much more strongly on the potential for adding value to the Group. Quality before quantity. We do not need to own the plants ourselves to be able to build them.

We are working on new models for partnerships with potential investors. Getting investors on board enables us to recycle existing invested capital to a certain extent, and turn our project pipeline into reality despite the limited financial resources. New financing models permit further growth for renewables, and make it possible to spread the investment risk.

As you can see: the country has the “energy to lead”, and we are right up there with it. With that, I would now like to hand over to Bernhard Günther, who will shed more light on our business performance.

Bernhard Günther

Thank you, Peter.

Ladies and Gentlemen,

Image 14

Peter Terium has already given you a brief summary of the key financial indicators of our business performance: the figures for operating result, EBITDA and recurrent net income are all in line with expectations.

For EBITDA, this was around €9 billion, and for our operating result around €5.9 billion. EBITDA thus declined 6% year on year, while recurrent net income was down 8%.

This is mainly attributable to the huge earnings shortfalls in the conventional electricity generation business. This was compounded by a decline in results for RWE Dea and the loss in results caused by the sale of NET4GAS. Conversely, the result achieved by the Trading/Gas Midstream division was extraordinarily high, thanks to the substantial amounts of compensation paid to us following the successful revision of our gas procurement agreement with Gazprom.

Net of major consolidation and currency effects, the decreases in EBITDA and the operating result amount to 3% and 5% respectively.

Due to time constraints, I would like to refer you to the Annual Report for details on the various divisions. However, I would like to briefly explain the reconciliation of the operating result to net income, which you will be familiar with from previous years.

The non-operating result of minus €5.5 billion was again significantly below the previous year's negative value. This reflects a decline in net income of about €3.4 billion.

Impairment losses of €4.8 billion were the key factor in these developments. €2.4 billion of this amount is attributable to our Dutch generation portfolio, since the expansion of solar capacities in Germany is also driving conventional power stations out of the market in neighbouring countries. Extraordinary impairment charges in RWE Innogy and our German gas storage business were also necessary. This was another area in which market conditions – among other things – deteriorated.

In contrast, the financial result improved slightly to minus €1.9 billion. This is partly due to the net interest result, where we benefited from the low interest rate. There was also a decrease in the interest accretion to long-term provisions. This was caused mainly by the fact that the drop in discount rates for these provisions came to an end due to low market interest rates. This led to an increase in the previous year.

Income before tax was negative, at minus €1.5 billion. Nevertheless, income tax of €956 million was still payable. This is because the lion's share of the substantial impairment losses was not tax-deductible.

Thus, as Peter Terium noted at the beginning, we have posted our first loss in decades – a net income of minus €2.8 billion. This is about €4.1 billion below the level of the previous year.

Net of one-off effects, our recurrent net income, the basis for determining the dividend in previous years, was about €2.3 billion. As you know, we intend to propose a dividend of €1 per share to the Annual General Meeting this year.

Capital expenditure on property, plant and equipment also fell markedly compared to the previous years, to about €4.5 billion. We cut expenditure by about 12%. The majority was spent on completing our new build projects for conventional power stations and on renewables, while a further focal point involved maintaining and modernising our grid infrastructure.

Cash flows from operating activities of approximately €5.8 billion were up 31% year on year, which means our cash flow is developing significantly better than earnings. One of the reasons is that the previous year's financial statements were strongly characterised by

changes in the fair values of commodity contracts, which resulted in income, but did not lead to corresponding cash inflows because the contracts had not yet been realised by the end of the year. In addition, in 2013 the operating result was curtailed by the accrual of non-cash-effective provisions to a greater degree than in 2012.

Image 15

By 31 December 2013, net debt, including provisions for pensions, nuclear energy and mining, amounted to €30.7 billion. We reduced it by €2.3 billion compared to 2012. This figure roughly equates to the proceeds of the sale of shareholdings and fixed assets during 2013. These, together with our high free cash flow, contributed substantially to the reduction of our net debt.

Our net financial debts, including 50% of our hybrid bonds, amounted to €11.2 billion, representing a decline in the order of €1.9 billion. This shows that we are making progress in reducing our indebtedness. And lower net financial debts mean a reduced need for refinancing.

As you are aware, we manage our debt on the basis of the ratio of net debt to EBITDA. This ratio was 3.5 at the end of the year, and was thus on a par with last year. This means we are still above our self-imposed upper limit of 3.0.

On that note, I now hand you back to Peter Terium.

Peter Terium

Ladies and Gentlemen,

We are making all efforts to make the transformation of the energy system a success. I hope that this is clear by now.

Image 16

We need the right framework conditions to achieve this. We need a reform of the electricity market. A reform that will provide an economic reward for security of supply, alongside electricity production.

You are all aware that I am a friend and supporter of renewable energy sources. But renewables alone cannot guarantee security of supply.

I therefore say that security of supply must not be sacrificed at the altar of renewable energy sources. A value has to be placed on security of supply. We do not want subsidies. We want more market. We want a decentralised, technology-neutral capacity market.

The fire brigade is not paid just for the water it uses to put fires out. It is also paid for being on standby, together with its equipment, 24/7, so it can respond

rapidly in an emergency to fight the fire. We want the same arrangement!

It is irrelevant in this regard whether security of supply is achieved using old or new power plants, or coal or gas-fired facilities. What is clear is that conventional power stations will continue to be needed for the long term to partner with renewable energy.

On the other hand, their economic situation has taken a dramatic turn. Gas and coal-fired power stations are increasingly finding themselves in the red. We are facing a genuine dilemma, with security of supply on one side and economic efficiency on the other. We cannot maintain this much longer.

It would therefore be fatal to defer trying to solve this problem to some unknown time in the future. Time is of the essence. We need to deal with this now, not in a couple of years. It really will be too late by then. The government needs to respond, now! We cannot go on living on the edge.

Otherwise state-of-the-art, efficient power stations will be taken out of the market. The German Federal Network Agency currently has 42 applications to close down power stations. If these were approved, up to 10,000 megawatts of assured capacity would no longer be available.

This is the visible effect of the expansion of renewables: the potential massive destruction of value in the power plant fleet. Analysts from Credit Suisse estimate that these “forgotten costs” will amount to more than €50 billion in Germany alone. It means not only losses for the power station operators, but also the loss of jobs and a lower tax income. In other words, the entire economy will be affected.

We need to keep the scope of the problem in view at all times: it is thanks to lignite that energy-intensive industries have settled along the Rhine, for instance, and it is thanks to lignite that they have remained there until today. If the existence of these power stations is under threat, that means that entire branches of industry are themselves under threat. If the chemical industry stops planning new investments in Germany, the writing will be on the wall. This trend must be stopped.

This is why we want to develop RWE Generation further as a cost-efficient provider of power station capacity. It should function to a certain extent as a safety net for “green electricity”, based on a new market design.

The German Association of Energy and Water Industries (BDEW) and the German Association of Local Utilities representing the interests of the municipal utilities (VKU) have put forward a practical suggestion

for just this type of capacity market. It is structured with a European focus and involves extremely low costs, unlike other models. That is something that can be built on.

In addition to a capacity market, we also need a reform of the Renewable Energy Sources Act. The objective should be to slow down the growth in subsidy requirements for renewables as well as cut back the added costs for industrial and residential customers.

This will work best if the principles governing the market and competition are gradually applied to electricity production from renewables. It should be possible to further develop the opportunities and means of directly marketing “green electricity” in that direction.

All in all, the cornerstones of the reform of the Renewable Energy Sources Act, as presented by Economics and Energy Minister Sigmar Gabriel in mid-January, are a step in the right direction.

We also welcome the latest proposals by the European Commission on the framework conditions for an ambitious climate protection roadmap. The acknowledgement of a powerful European Emissions Trading System with an ambitious CO₂ mitigation goal by the year 2030 deserves particular mention.

We expect the government to follow the European path rigorously, overcome aspects of national or regional egoism and think on a European scale. The refinement of the Renewable Energy Sources Act and decentralised capacity markets could represent starting points in this regard.

Ladies and Gentlemen,

Image 17

This brings me to our outlook for the current fiscal year.

I can keep this short, since we provided you with this outlook last November. There has been no reason to change it thus far. Specifically, this means that we expect to experience a further substantial decrease in earnings in 2014.

From today's perspective, we expect RWE to achieve an EBITDA of €7.6 to €8.1 billion for the current year, an operating result of €4.5 to €4.9 billion and recurrent net income of €1.3 to €1.5 billion.

That's enough from us for now. We now look forward to your questions.

Thank you very much.