

Investor and Analyst Q1-Q3 2015 Conference Call

Essen, 12 November 2015

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- > Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items
- > Statements of plans or objectives for future operations or of future competitive position
- > Expectations of future economic performance; and
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Main messages for Q3 2015



Financial performance in the first nine months of 2015 in line with expectations: EBITDA -6%, operating result -9%, adjusted net income -29%.



Group outlook for 2015 confirmed.



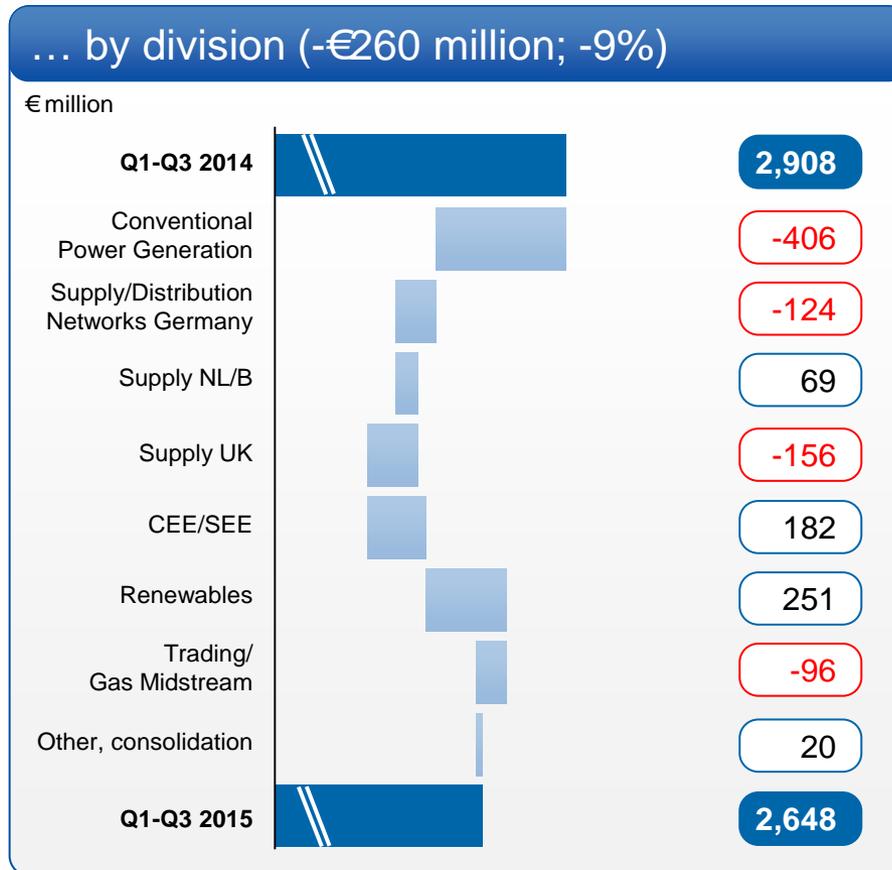
German energy policy:

- “Stress test” results - nuclear provisions fully reflect future obligations and are assessed conservatively compared to other countries.
- Clarity about the framework for the “standby capacity” for lignite power plants as an additional contribution to the climate protection action programme.



RWE Innogy forms a consortium to build and operate UK Galloper offshore wind farm (336 MW). Construction started in November 2015.

Development of operating result in Q1-Q3 2015



- Earnings in Conventional Power Generation under pressure mainly due to declining generation margins.
- Lower earnings from the disposal of grid assets in Germany but better performance in Supply NL/B.
- Strong earnings decline in Supply UK especially due to process and system-related problems for our B2C billing, customer losses and margin decline.
- Asset revaluation linked to the full consolidation of VSE group leads to an improvement of CEE/SEE operating result.
- Strong earnings increase of €251 million in our renewables business, mainly due to commissioning of two large offshore wind farms and the sale of Gwynt y Môr grid connection.
- Lower result in trading business in comparison to the very good result in 2014.

A detailed overview of the individual value drivers is given on slides 10 to 20 and in the Interim Report on pages 16 to 18.

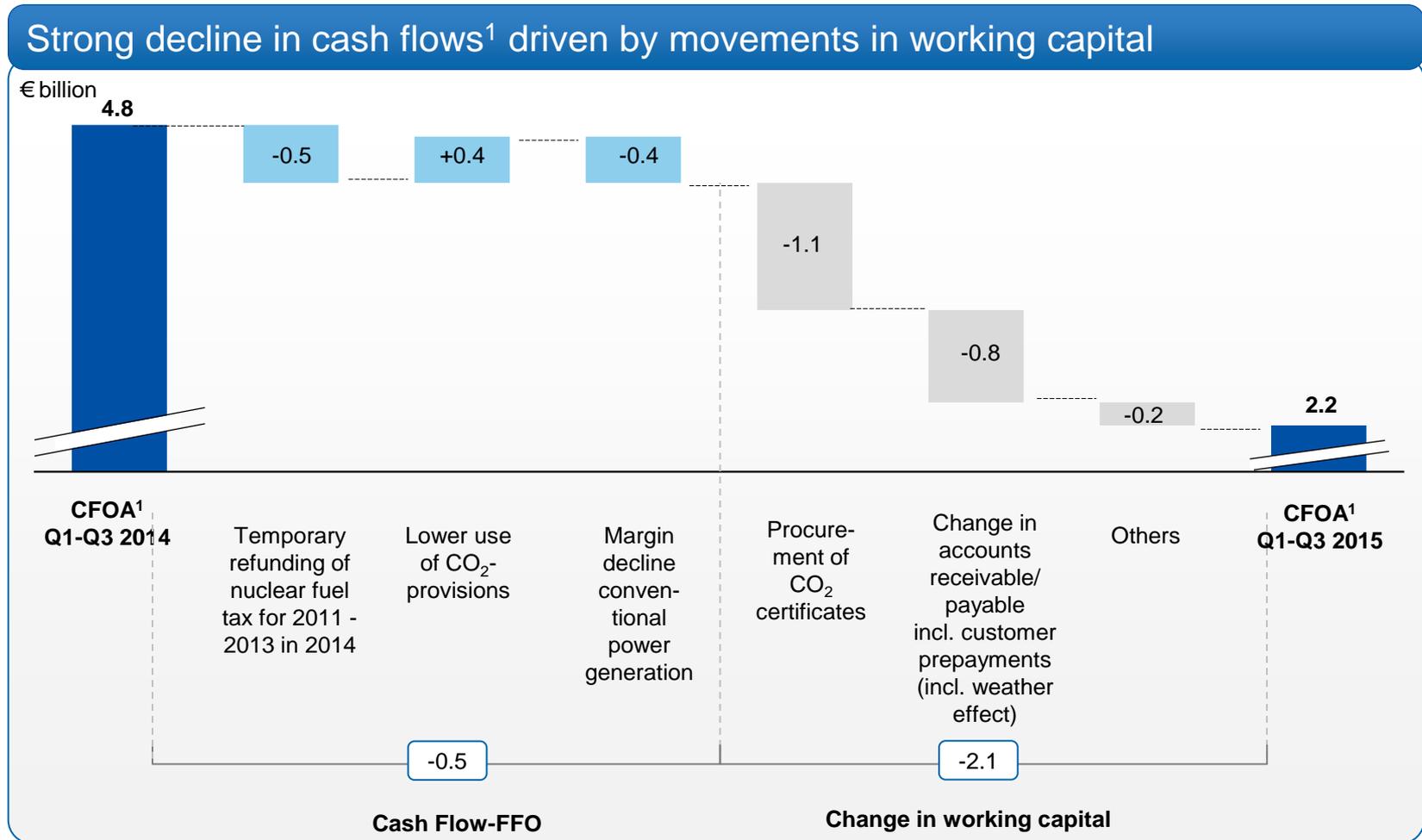
Development of the earning figures in Q1-Q3 2015

€billion		Q1-Q3 2015	+/- vs. Q1-Q3 2014
EBITDA		4.4	-0.3
Depreciation		-1.8	0.0
Operating result		2.6	-0.3
Non-operating result		-0.2	-0.1
Financial result		-1.1	0.3
Tax		-0.6	-0.1
Income from DCO		1.5	1.3
Minorities/hybrids		-0.4	-0.1
Net income		1.9	0.9
Adjustments		-1.4	-1.2
Adjusted net income¹		0.5	-0.2

- Financial result improved mainly due to positive one-off from the sale of securities and improved interest accretion to long-term provisions.
- As a result of merging fully owned German subsidiaries into RWE AG, we have the opportunity to optimise tax. Our tax rate for the first nine months is 42%.
- Income from DCO dominated by book gain from sale of RWE Dea. This leads to a significantly higher net income compared to 2014.
- Minorities/hybrids interest increased. For more details see Interim Report page 19.
- Adjustments to net income comprise in particular non-operating result and income from DCO.

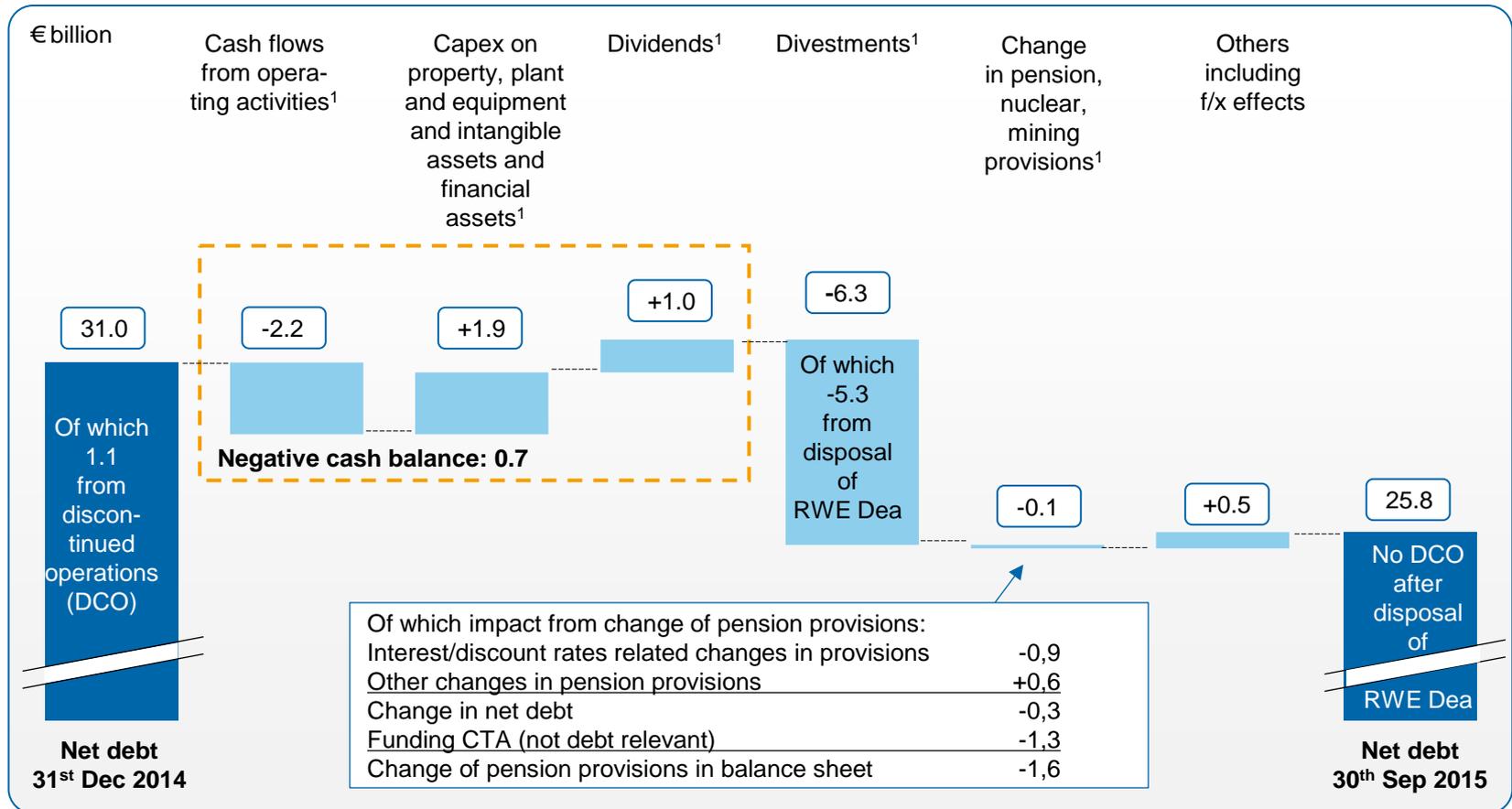
¹ New term: formerly 'recurrent net income'.

Development of cash flows from operating activities



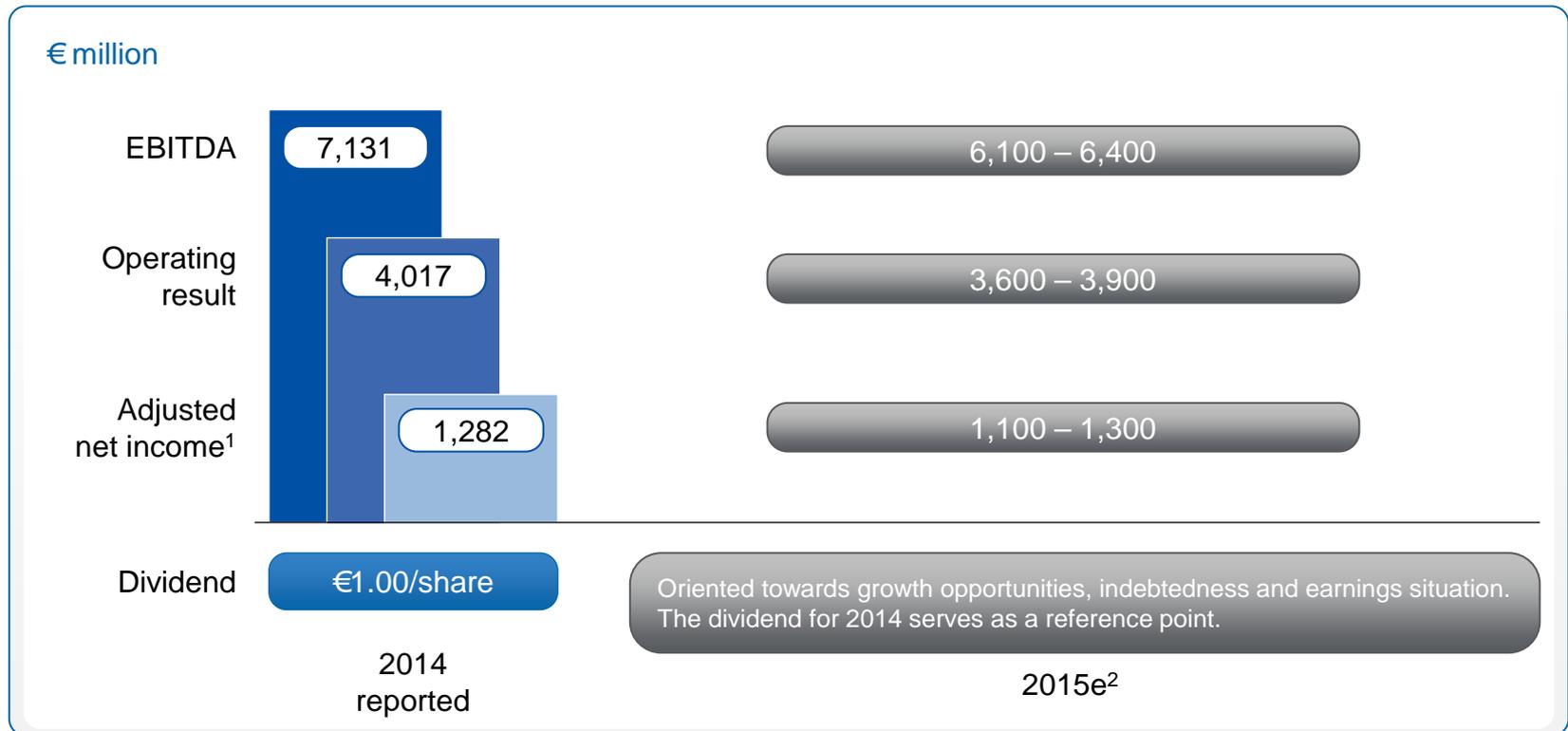
¹ CFOA = cash flows from operating activities.

Strong improvement of net debt after successful disposal of RWE Dea



1 From continuing operations.

Outlook for 2015 confirmed



1 New term: formerly 'recurrent net income'; see Interim Report page 19.

2 The outlook considers the current status of the nuclear fuel tax law. RWE Dea: In 2014 and 2015 RWE Dea is not included in EBITDA and operating result. The adjusted net income includes the pro rata interest on the sale price.

2015 divisional outlook for the operating result

€million	2014	2015 forecast
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	Significantly below 2014
Central Eastern and South Eastern Europe	690	Significantly above 2014
Renewables	186	Significantly above 2014
Trading/Gas Midstream	274	Significantly below 2014

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

Back-up Charts

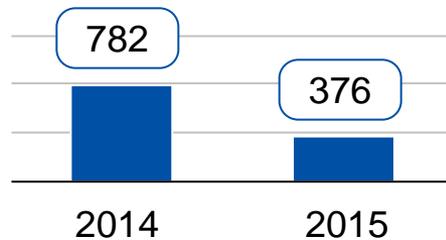


The energy to lead

Performance of the Conventional Power Generation Division

January – September: operating result: -52% (-€406 million)

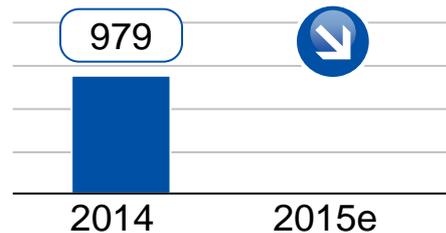
€ million



- Lower realised electricity generation spreads
- + Efficiency improvements

Outlook for fiscal 2015: significantly below previous year

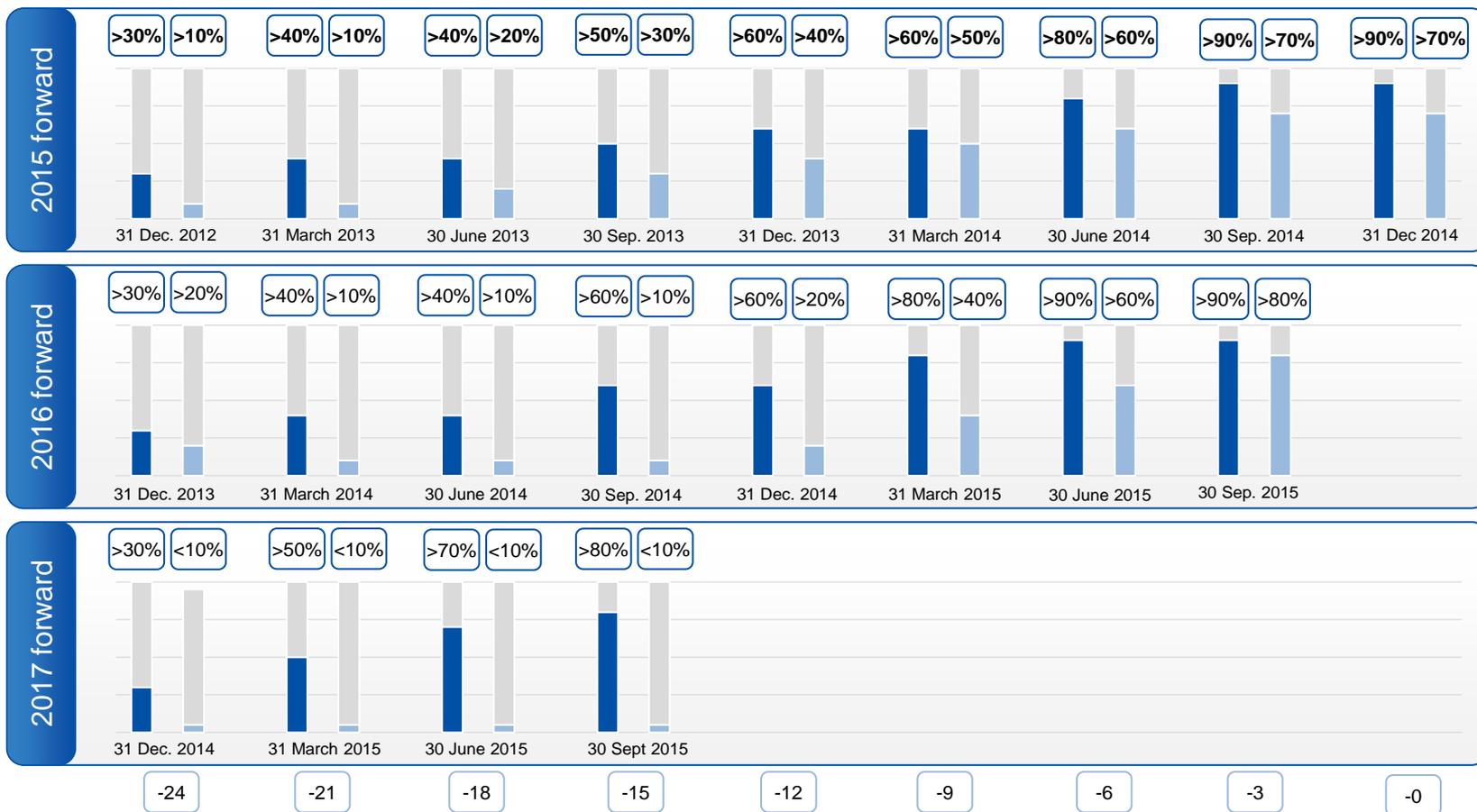
€ million



- Lower realised electricity generation spreads
- Negative impact from change of provisions
- + Lower total depreciation due to impairments in 2014
- + Efficiency improvements

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

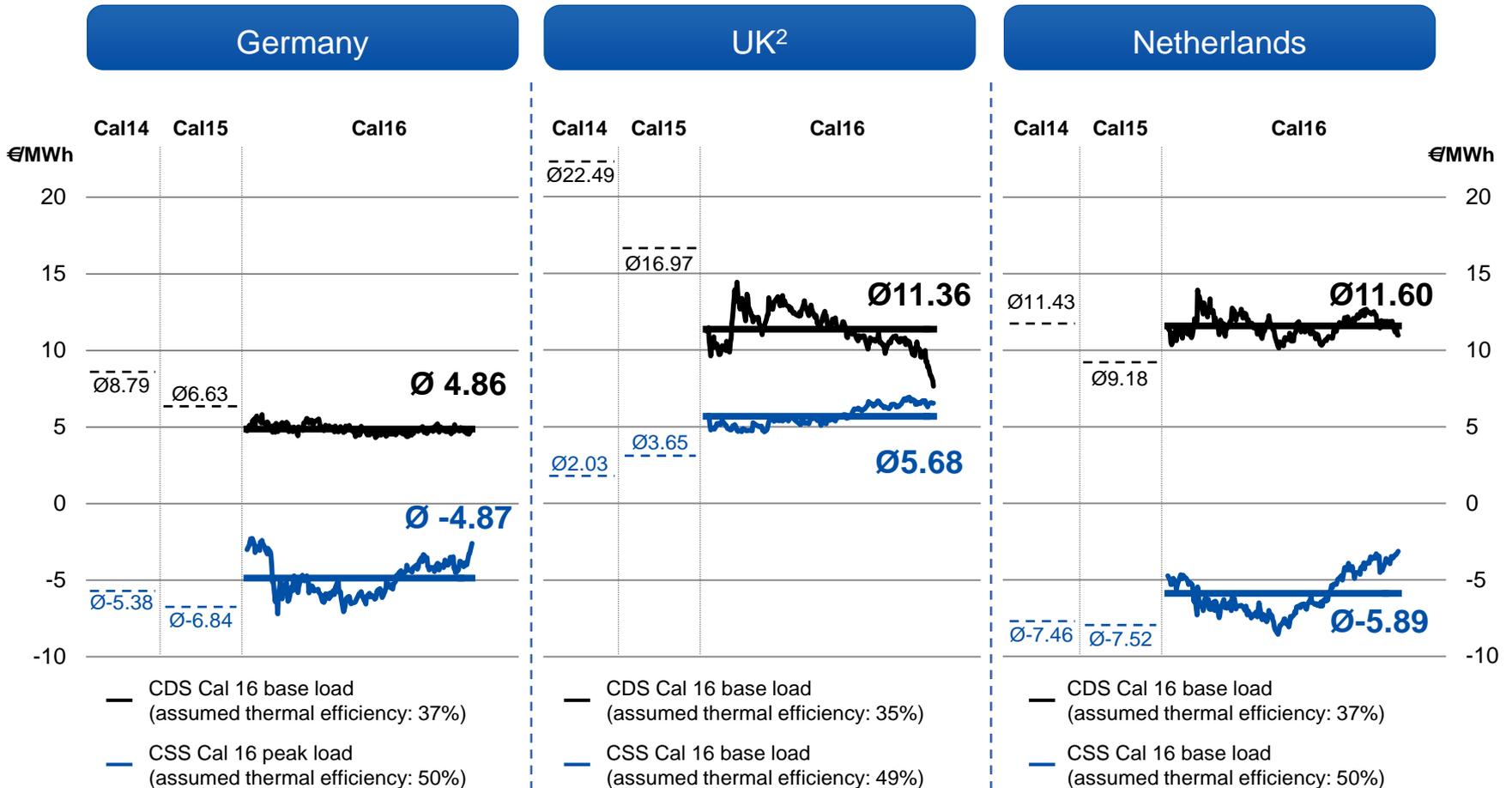
As of 30 September 2015



■ 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)

Clean Dark (CDS) and Spark Spreads (CSS) – 2014 - 2016 forwards for Germany, UK and Netherlands¹



¹ Settlement one year ahead (Cal +1).

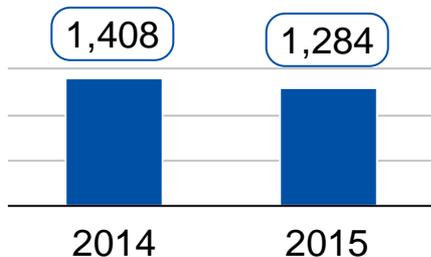
² Including UK carbon tax.

Source: RWE Supply & Trading, prices through to 2 November 2015.

Performance of the Supply/Distribution Networks Germany Division

January – September: operating result: -8.8% (-€124 million)

€ million

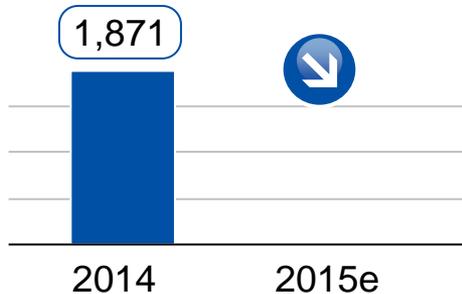


⊖ Lower earnings from the disposal of grid assets

⊕ Weather-induced higher gas demand

Outlook for fiscal 2015: moderately below previous year

€ million



⊖ High earnings from the disposal of grid assets in 2014

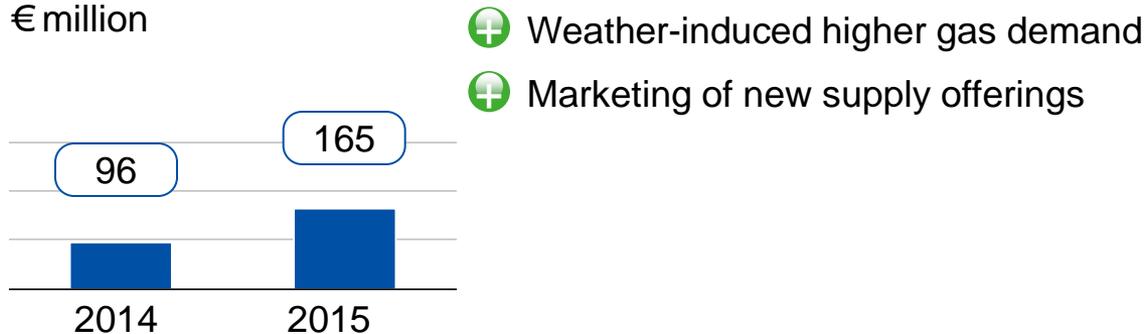
⊖ Higher costs to improve the quality of our grid

⊕ Normalised weather conditions assumed

Performance of the Supply Netherlands/Belgium Division (Essent)

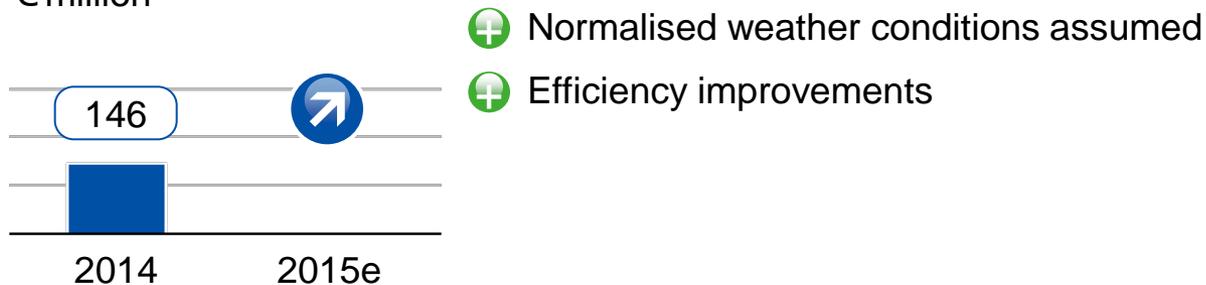
January – September: operating result: +72% (+€69 million)

€ million



Outlook for fiscal 2015: significantly above previous year

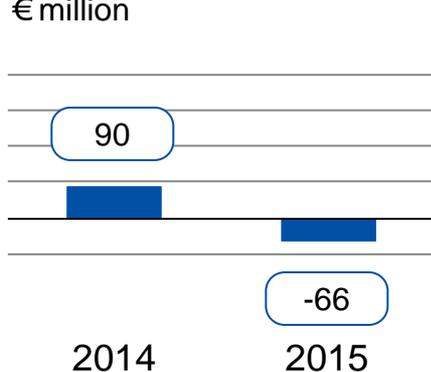
€ million



Performance of the Supply United Kingdom Division (RWE npower)

January – September: operating result: -173% (-€156 million)

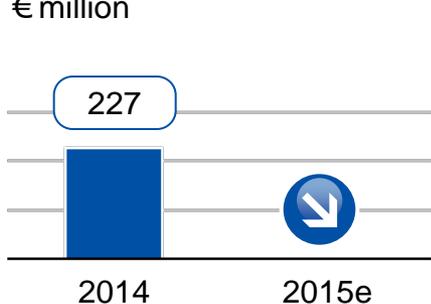
€ million



- + Lower costs for 'Energy Companies Obligation' (ECO) programme
- + Lower gas procurement costs, partly offset by lower gas tariff
- Significant process and system-related problems in B2C billing system
- Shift from standard to non-standard rate customers
- Customer losses and lower energy consumption in the B2C segment
- Higher grid fees

Guidance for fiscal 2015: significantly below previous year

€ million

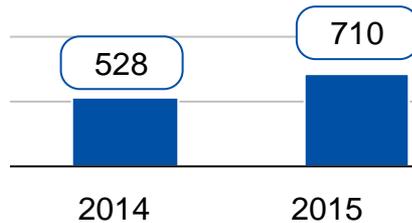


- + Lower costs for 'Energy Companies Obligation' (ECO) programme
- + Lower gas procurement costs, partly offset by lower gas tariff
- Significant process and system-related problems in B2C billing system
- Shift from standard to non-standard rate customers
- Customer losses and lower energy consumption in the B2C segment
- Higher grid fees

Performance of the Central Eastern and South Eastern Europe Division

January – September: operating result: +34% (+€182 million)

€ million



Slovakia:

- ⊕ VSE: One-off effect from asset revaluation linked to the full consolidation

Czech Republic:

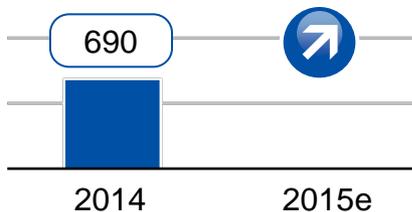
- ⊖ Lower gas storage margins
- ⊕ Improved regulatory conditions for gas distribution grid
- ⊕ Weather-induced higher distributed gas volumes and sales

Hungary:

- ⊖ Lower earnings from electricity generation (Mátra)

Outlook for fiscal 2015: significantly above previous year

€ million



Slovakia:

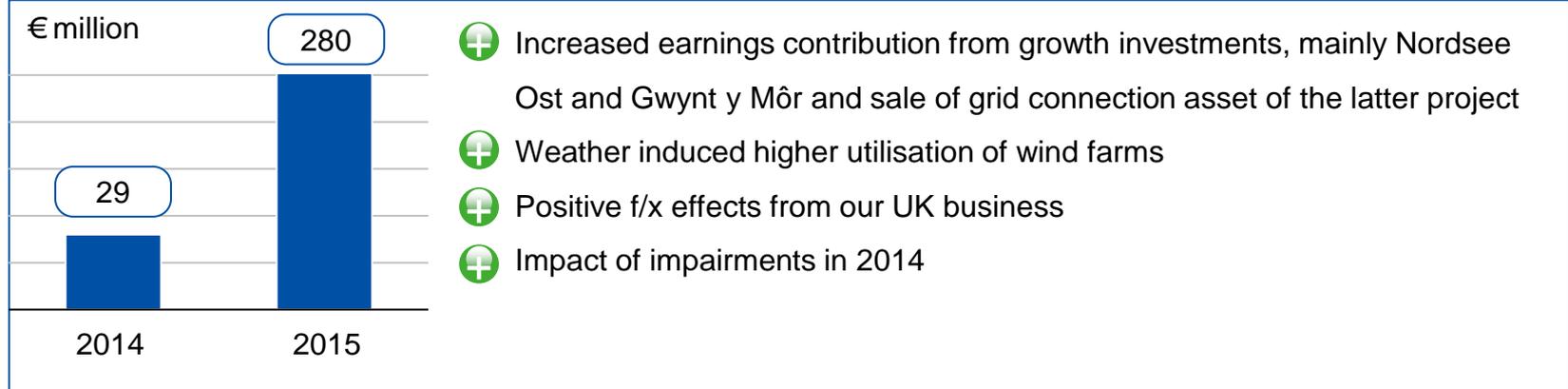
- ⊕ VSE: One-off effect from asset revaluation linked to the full consolidation

Czech Republic:

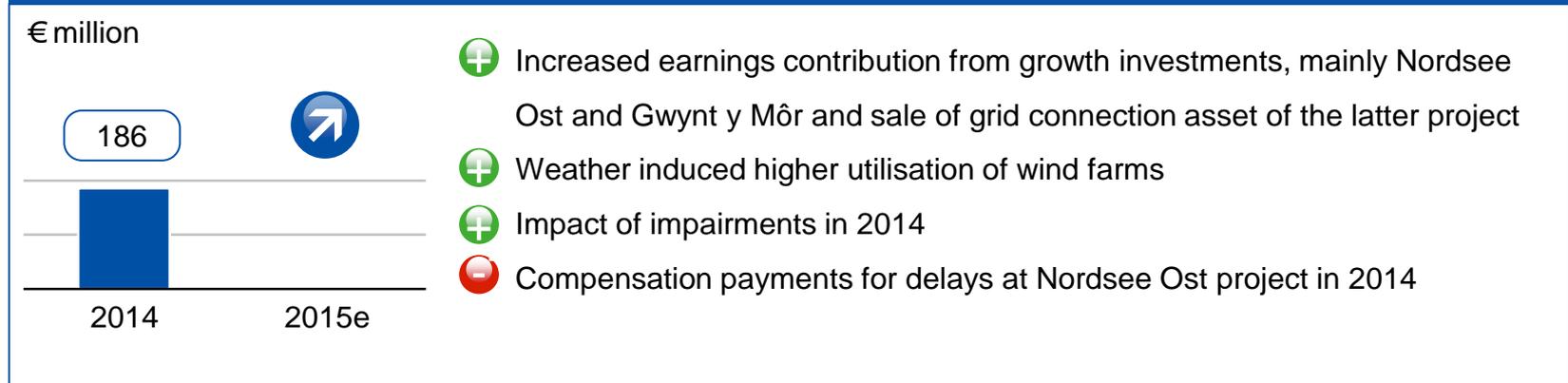
- ⊕ Improved regulatory conditions for gas distribution and normalised weather
- ⊖ Price related lower margins in gas storage

Performance of the Renewables Division (RWE Innogy)

January – September: operating result: +866% (+€251 million)



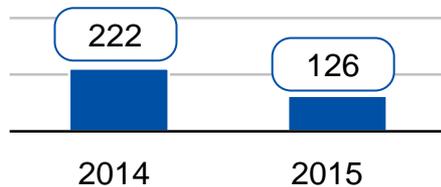
Outlook for fiscal 2015: significantly above previous year



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

January – September: operating result: -43% (-€96 million)

€ million



Trading:

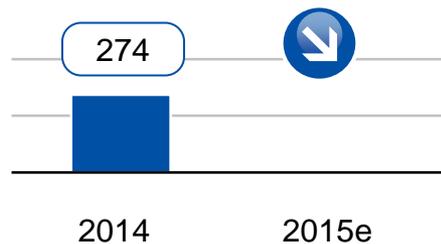
Trading activities did not reach high earnings level of 2014

Supply:

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

Outlook for fiscal 2015: significantly below previous year

€ million



Trading:

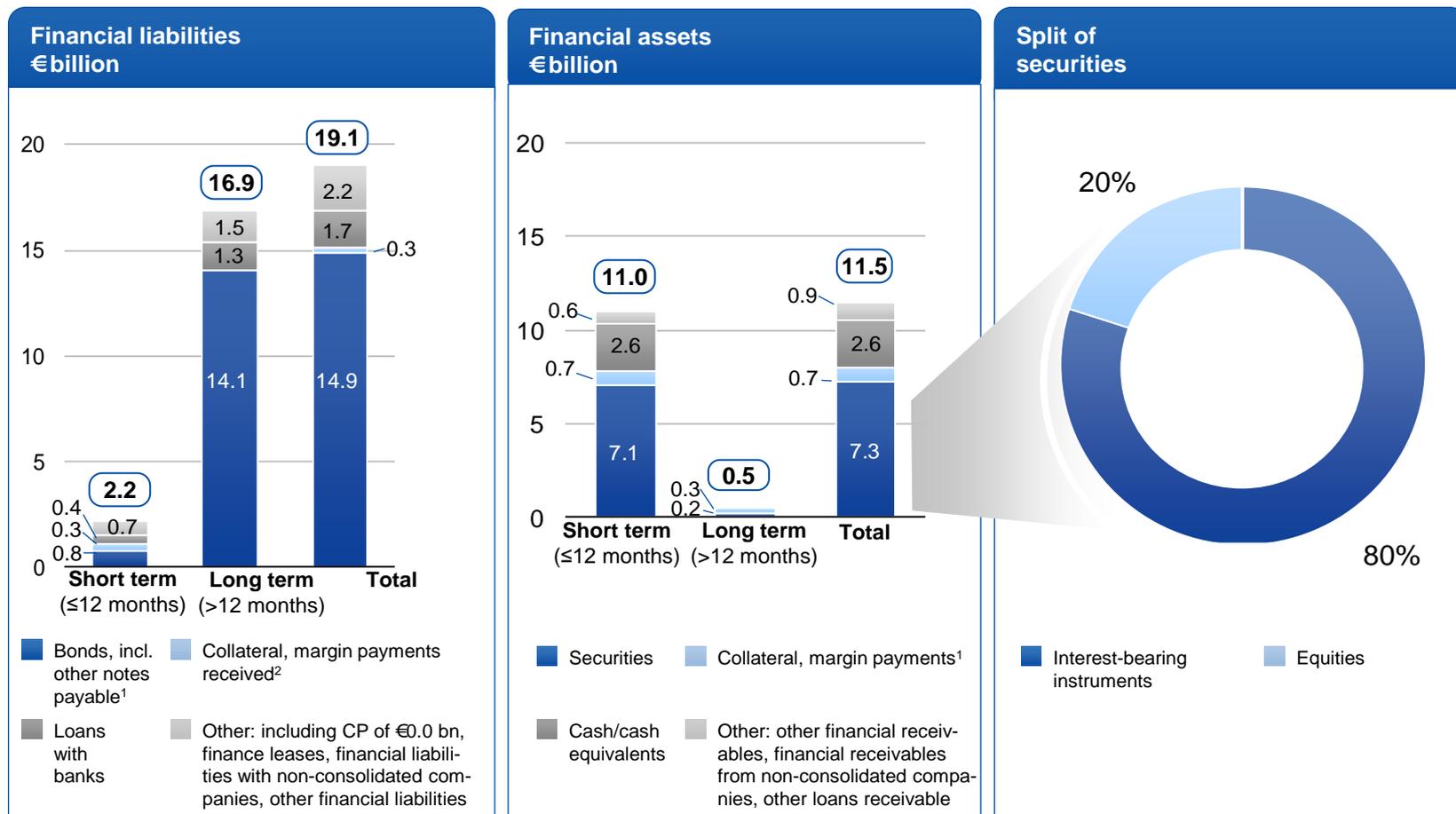
Trading activities not expected to reach high level of 2014

Supply:

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

Financial liabilities and assets

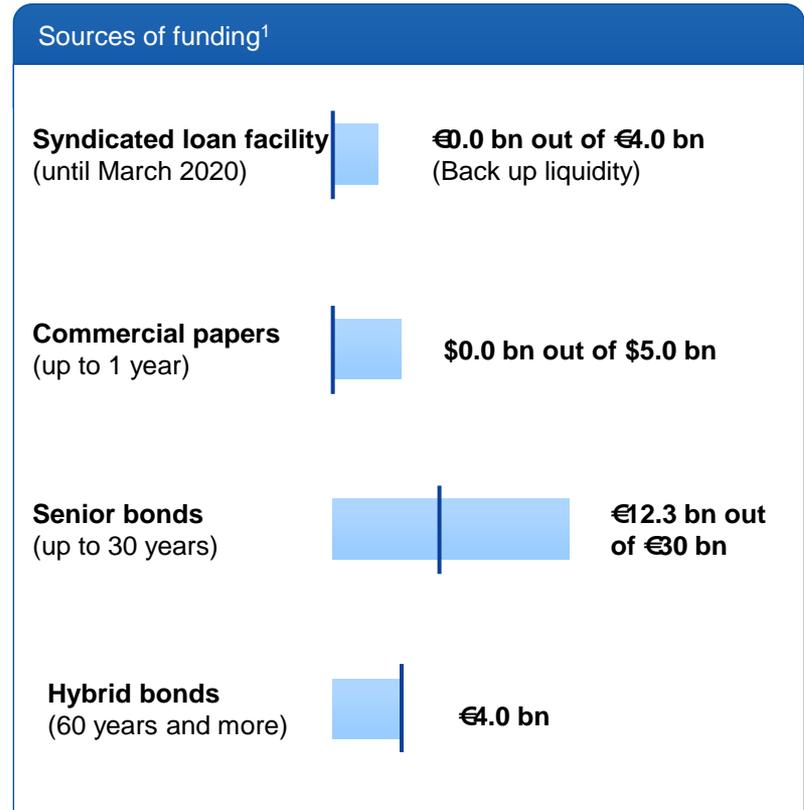
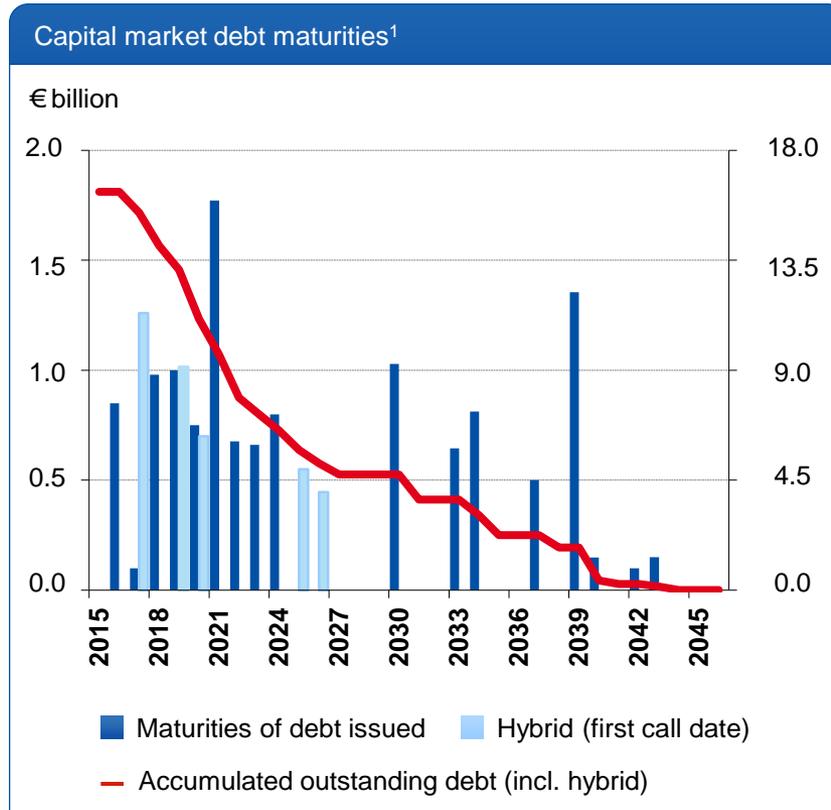
(Excluding hybrid capital as of 30 September 2015)



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

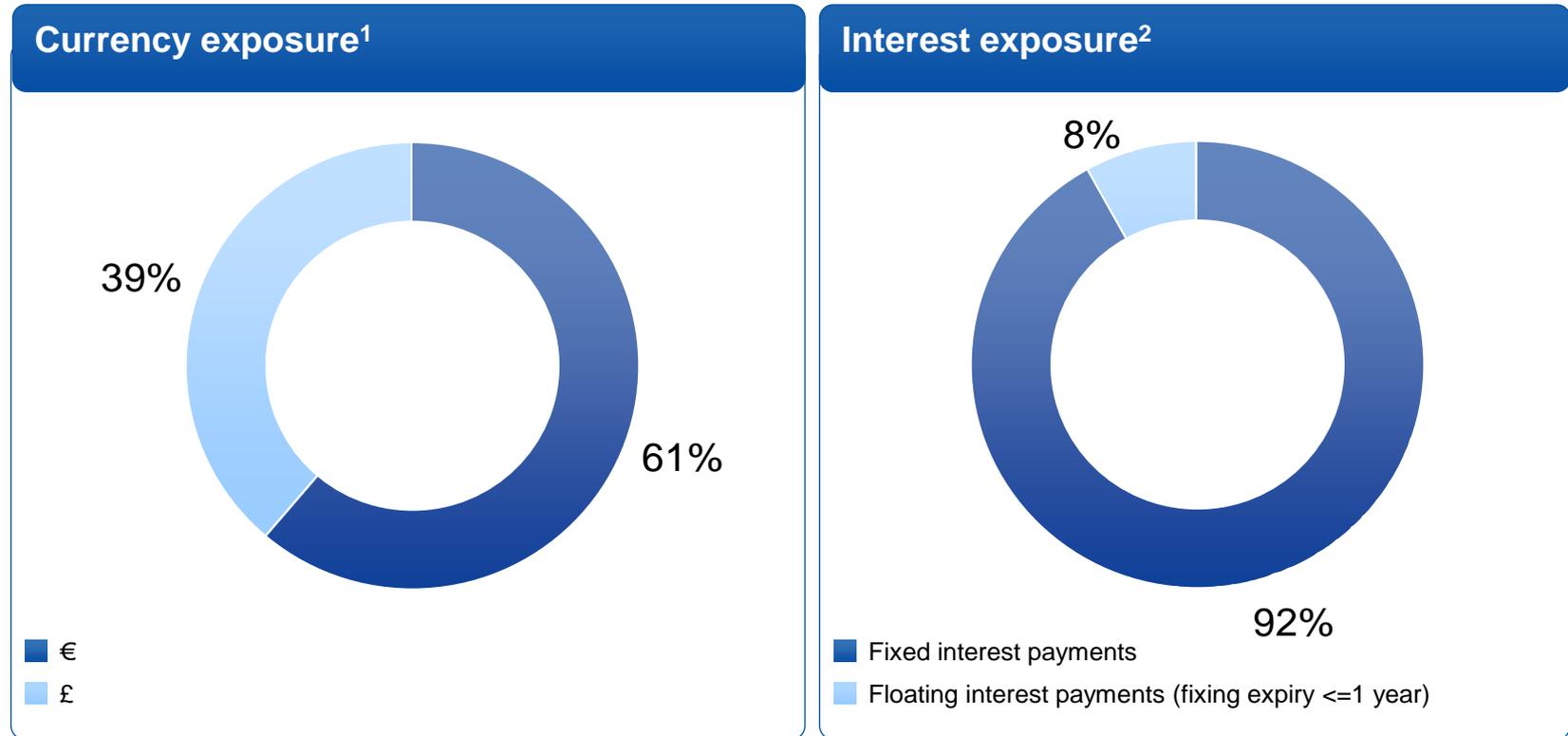


➔ **Balanced profile with limited maturities up to end of 2016 (~ €0.85 billion)**

¹ RWE AG and RWE Finance B.V. as of 30 September 2015.

Capital market debt currency and interest exposure

(as of 30 September 2015)



1 Capital market debt (senior bonds and hybrids) including cross-currency swaps.

2 Capital market debt (senior bonds and hybrids) including cross-currency and interest rate swaps.

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Financial Calendar



08 March 2016
Annual Report on fiscal 2015



20 April 2016
Annual General Meeting

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