Renewables: delivering RWE’s strategy on all fronts

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Liverpool, 12 September 2012
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- Expectations of future economic performance; and
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RWE’s strategic cornerstones

> Reduce specific CO₂ emissions by more than 20% by 2020 compared to 2005
> Increase renewable generation capacity to at least 20% by 2020
> Conservation of resources through higher energy efficiency

> Focus on core markets in Northwest and Central Europe
> Regional growth markets mainly CEE/SEE
> More than 60% of capex spent in international businesses

> Active along the entire value chain
> Minimise regulatory and political risks through geographic diversification
> Balanced asset portfolio across the Group and within each business
Renewables contributes to each strategic pillar

More international
- Regional diversification in and around traditional core markets

More sustainable
- Reduce CO₂ intensity through expansion of renewables capacity

More robust
- Increasing contribution from feed-in tariffs

Specific CO₂ emissions exposure

Operating results 2011

- €5.8bn
- Regulated ~30%
- Unregulated ~70%
Growing importance of renewables within well diversified generation mix

- Essent, NL & GER
  971 MW

- Rhyl Flats, UK
  90 MW

- Onshore wind, POL
  67 MW

- Onshore wind, IT
  51 MW

- Tilbury biomass, UK
  742 MW

- Greater Gabbard, UK
  504 MW

- Gwynt y Môr, UK
  576 MW

- Nordsee Ost, GER
  295 MW

- Project pipeline
  15,000 MW

2009 2010 2011 2012 2013/2014 ...

1 Includes 616 MW wind, 11 MW hydro, 25 MW dedicated biomass and 320 MW biomass co-firing capacity

1 50% ownership RWE Innogy

2 60% ownership RWE Innogy
Financial strength essential for ability to grow renewables business

Measures to improve financial headroom

- **Capital measures**: completed ✔
- **Divestments**: up to €7bn by 2013
- **Focused long-term capex programme**: €4 – 5 bn/a from 2013 ✔
- **Efficiency programme**: €1bn by 2014 identified ✔

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (in property, plant &amp; equipment and financial assets)</th>
<th>Dividends</th>
<th>Cash flows from operating activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>€5.5</td>
<td></td>
<td>≤</td>
</tr>
<tr>
<td>2011</td>
<td>€9.4</td>
<td></td>
<td>≤</td>
</tr>
<tr>
<td>2014/2015e</td>
<td></td>
<td></td>
<td>≤</td>
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</tbody>
</table>

- > 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

- Capex in property, plant & equipment and financial assets
- Dividends (incl. minority payments; year of payment)
- Cash flows from operating activities
RWE 2015 – four action fields to align RWE with changing market environment

**Strategy**
- Identify opportunities of energy market transformation
- Align execution of strategy to changing market environment

**Structures/Roles**
- Eliminate structural and operational duplications and clarify interfaces
- Establish European generation company

**Functional Excellence**
- Drive efficiency enhancements and operational excellence
- Realise efficiencies of €1 bn by 2014 compared to 2012

**Cultural Change**
- Align management and employees across all parts of RWE
- Foster high performance culture
RWE’s generation portfolio is ideally located to be managed as a pan-European operation.

RWE power plants in Europe

Competitive positions

<table>
<thead>
<tr>
<th>Core-markets</th>
<th>Market position</th>
<th>Dispatch portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany - own plants - contracted</td>
<td>No 1</td>
<td>24 GW 7 GW</td>
</tr>
<tr>
<td>UK</td>
<td>No 4</td>
<td>11 GW</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No 2</td>
<td>7 GW</td>
</tr>
<tr>
<td>New GenCo</td>
<td>No 1</td>
<td>~50 GW¹</td>
</tr>
</tbody>
</table>

¹ Includes 1.3 GW from RWE East
European GenCo to start operations in 2013

> Bundling of conventional generation activities in one European generation company
> “Societas Europaea” (SE) as legal corporation based in Germany

> Asset structure along fuel types while keeping regional component on the next organisational level
> German hard coal and gas-fired power plants to be transferred from RWE Power to new GenCo SE
> After separation of generation from retail businesses, GenCo to steer Dutch and UK coal, gas and biomass plants

1 Biomass co-firing
2 Pumped storage, O&M contracts, run-of-river-plants in RWE Innogy
Summary

RWE’s path to a more international, robust and sustainable company

Renewables’ strong contribution to RWE’s strategic cornerstones

Focus on financial strength to support RWE’s growth in renewables

Increase operational excellence and capture further efficiencies

Integration of RWE’s conventional generation portfolio in European GenCo