3 **S**teps to long-term value

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RWE – an attractive value proposition

Attractive portfolio

- Leading market position and regionally focused strategy
- Pure utility play – exit of upstream activities
- Balanced asset portfolio
- Highly cost-efficient and modernised power plant portfolio by 2013/14
- CO_2 neutral position
- Successful structural changes to all long-term gas supply contracts

Stable financials

- Progress in strengthening balance sheet
- Streamlined and disciplined investment approach
- Cash flows from operating activities to cover investments and dividends by 2015
- Further efficiency enhancements and operational excellence

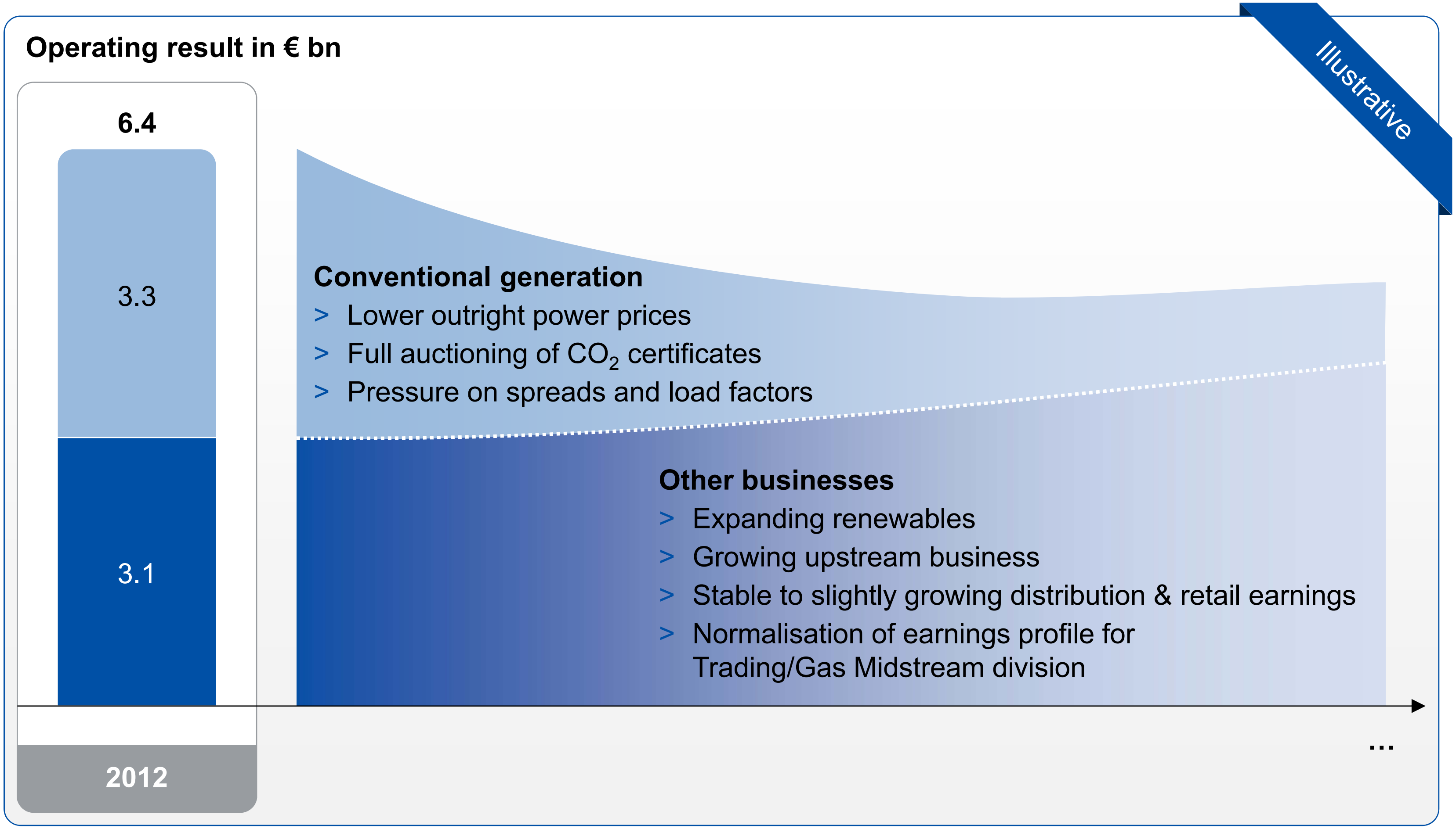
Earnings outlook for 2013 confirmed:
EBITDA c. €9 bn; operating result c. €5.9 bn; recurrent net income c. €2.4 bn

Milestones of 2013

- Financial performance in H1 in line with expectations:
  EBITDA +9%, operating result +12%, recurrent net income +19%
- Strategic decision to evaluate potential exit options for our Upstream Gas & Oil activities. Sales process initiated
- Disposal of assets with a total value of €0.5 bn and divestment of NET4GAS with a total value of €1.6 bn closed on 2 August
- Successful conclusion of gas price arbitration with Gazprom; award as expected; impact on operating result approx. €1 billion
- Rating downgrade by Moody's from A3/negative outlook to Baa1 with stable outlook; S&P's confirmed BBB+/stable outlook
- Earnings outlook for 2013 confirmed; proposal for 2013 dividend: €1/share[1]

[1] Executive and Supervisory Boards intend to propose to the AGM on 16 April 2014 a dividend of €1 per common and preference share

Earnings in conventional power generation are coming under severe pressure



RWE Generation assets under review

Profitability of RWE's conventional generation portfolio[1]

OR[2] $\geq$ WACC	c. > 50% – 60%
OR $\geq$ 0	c. > 60% – 70%
FCF[2] $\geq$ 0	c. > 70% – 80%

First responses

- Capacity measures
  - decommissioning
  - long-term or summer mothballing
  - termination of contracted hard coal units
  - in total: 4,265 MW
- Capacity under intense review
  - Westfalen C (hard coal, 255 MW)
  - Frimmersdorf P&Q (lignite, 287 MW/285 MW)
  - Goldenbergwerk J (lignite, 70 MW)
- Reviewing another 1,450 MW of contracted hard coal plants
- Continuing operation with regular review dates

[1] Rough profitability analysis for 2013 to 2015 in % of installed capacity of RWE's conventional generation portfolio (economic stake) in Germany, UK and NL (average c. 44 GW) based on market parameters as of January 2013
[2] OR = operating result; WACC = weighted average cost of capital pre tax; FCF = free cash flow = revenue – cash costs

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Decision on capacity measures

Measure	Plant	MW[1]	Fuel	Location	Date
Decom-missioning	Amer 8	610	Hard coal	NL	Q1-2016
Long-term mothballing	Moerdijk 2	430	Gas	NL	Q4-2013
	Gersteinwerk F	355	Gas – steam turbine	DE	Q3-2013
	Gersteinwerk G	355	Gas – steam turbine	DE	Q2-2014
	Weisweiler H	270	Topping gas turbine[2]	DE	Q3-2013
	Weisweiler G	270	Topping gas turbine[2]	DE	Q3-2013
	2 mid-size units	85	Gas	NL	Q1-2013
Summer mothballing	Emsland B	360	Gas – steam turbine	DE	Q2-2014
	Emsland C	360	Gas – steam turbine	DE	Q2-2014
Termination of 3 contracts	Confidential	1,170	Hard coal	DE	Q4-2013 – Q4-2014
Total		**4,265**	**MW**		

[1] Net nominal capacity | [2] At a lignite plant

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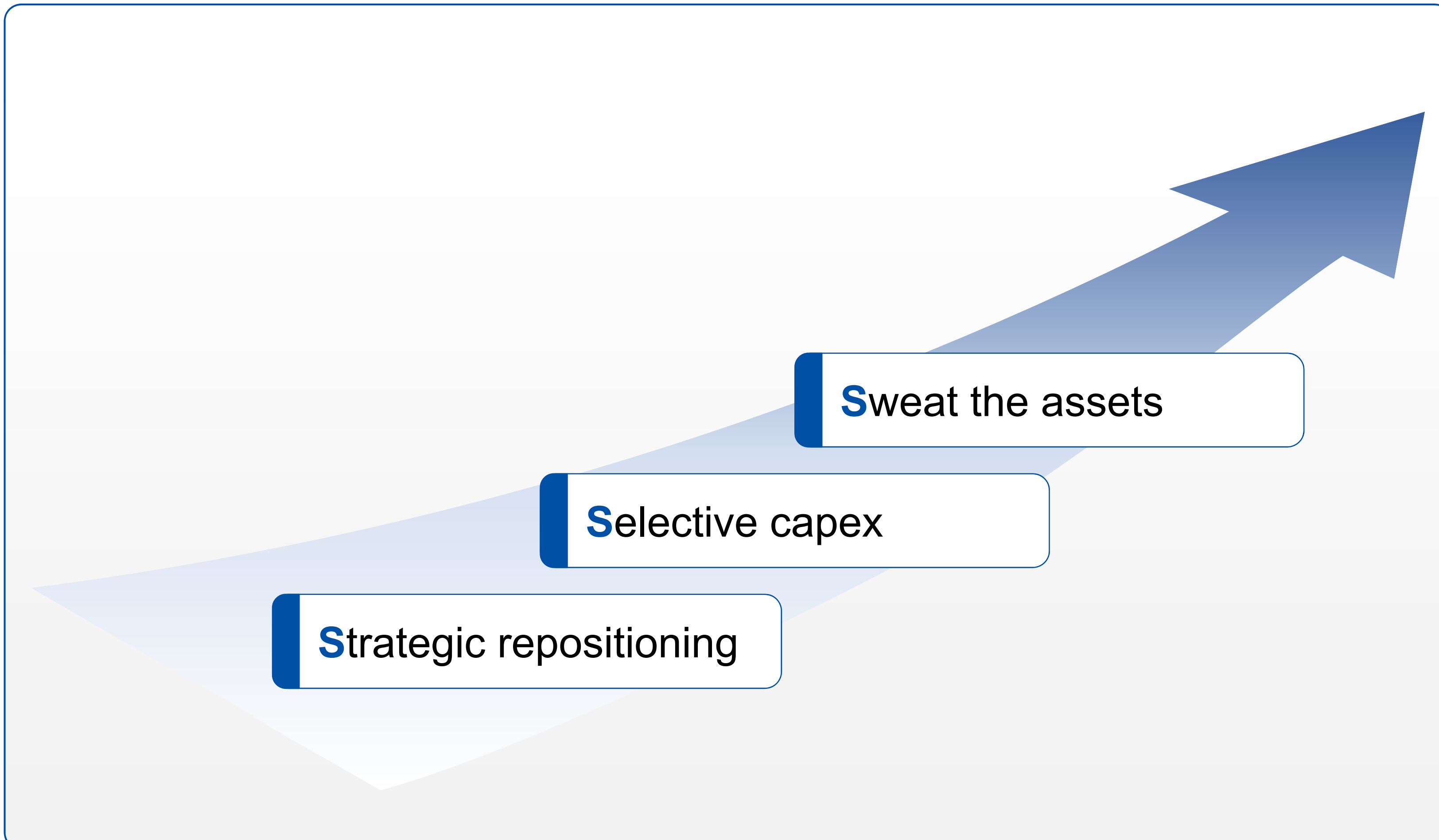
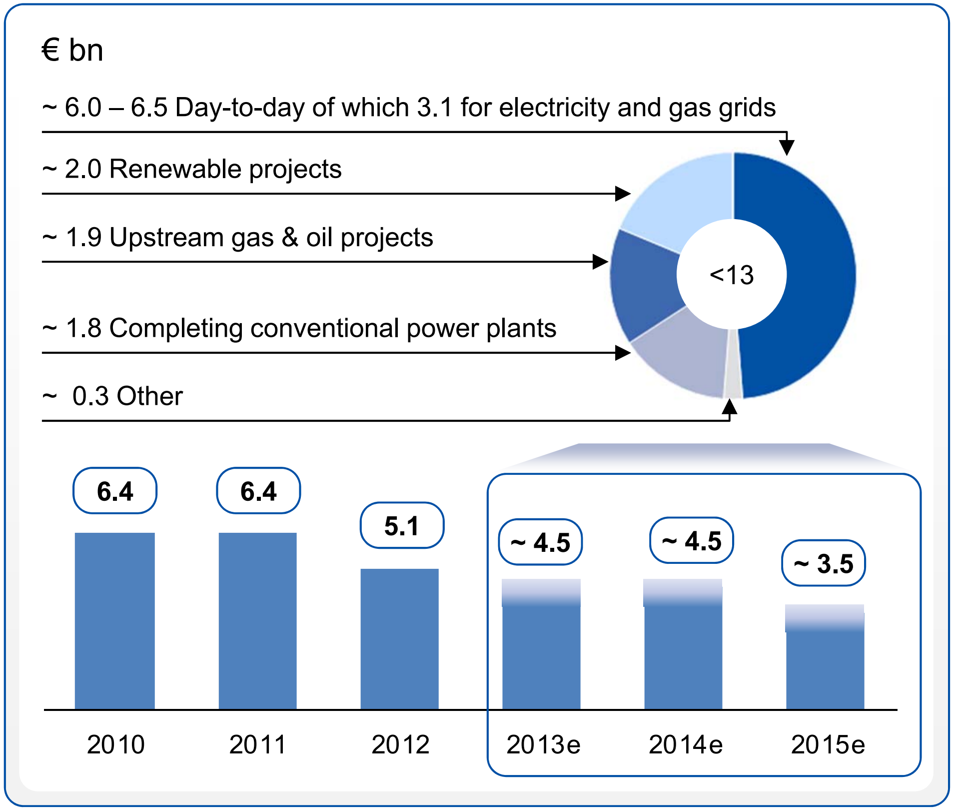
Implementation of strategy based on 3 steps to create long-term value



Financial discipline and flexibility at forefront in new investment plan



- Approx. €12-13 bn capex programme for 2013 – 2015
- Completion of conventional power generation programme in 2013/14
- Committed capex (including day-to-day, approx.)

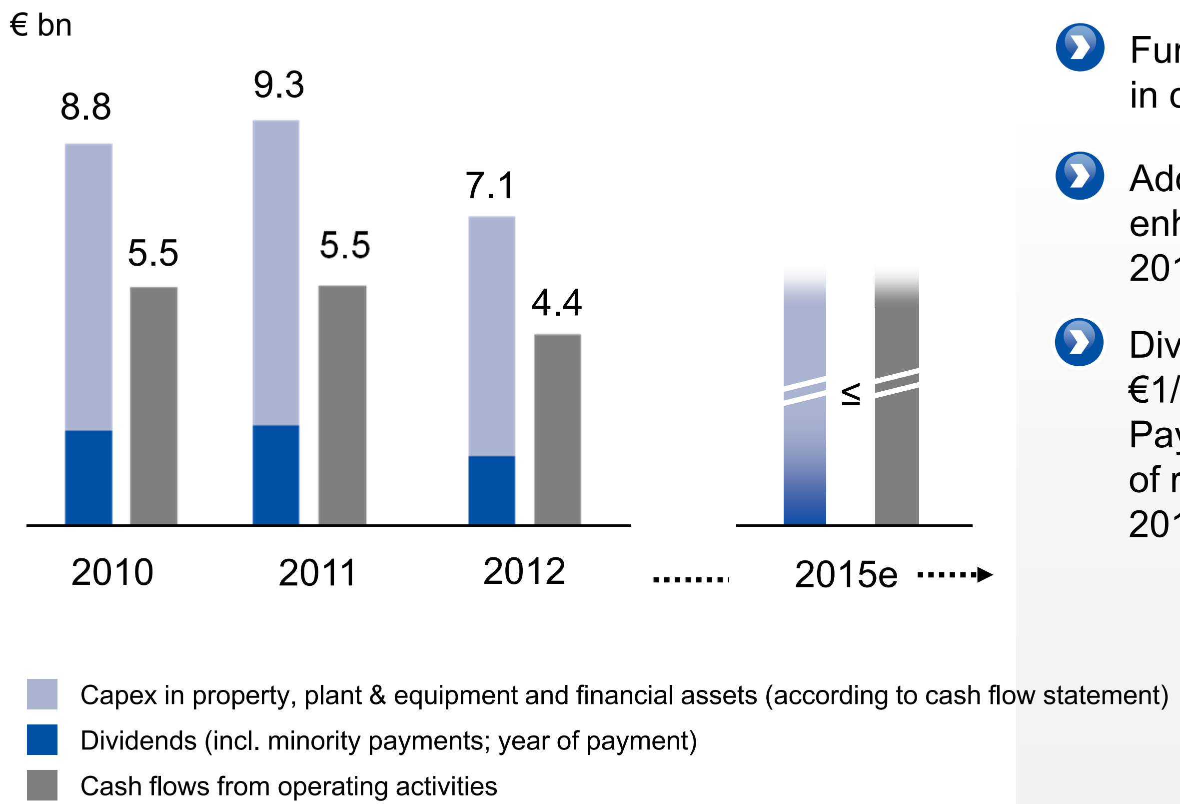
2013	2014	2015
>95%	c. 85%	c. 75%

- Sustainable long-term capex level of €3 – €4 bn p.a. of which day-to-day capex c. €2 to €2.5 bn p.a.

Further growth projects have to be financed debt-neutral, for example by the disposal of other assets or partnering solutions.

Positive cash balance provides ability to drive down debt

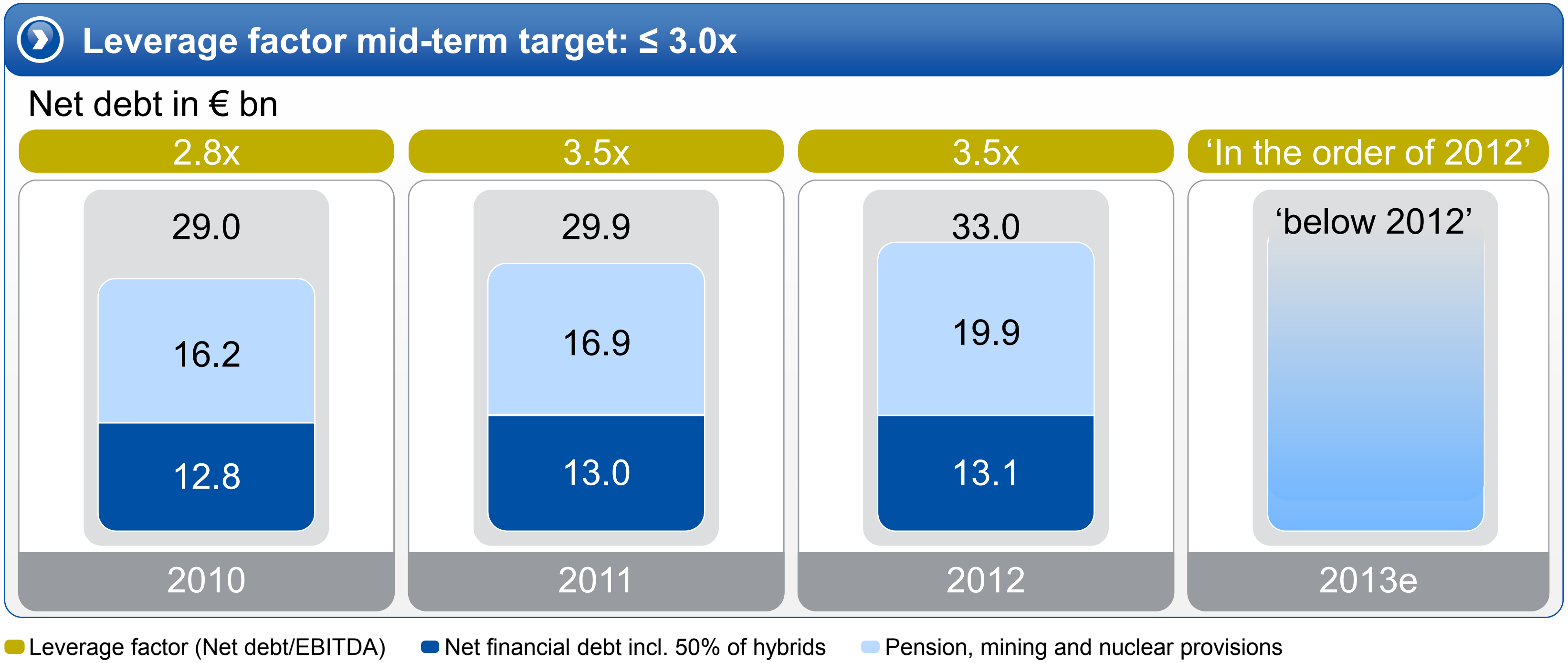
Cash flows from operating activities to cover investments and dividends by 2015



- Further reductions in capex levels
- Additional efficiency enhancements post 2014 initiated
- Dividend proposal 2013: €1/share;[1] Pay-out ratio of 40% – 50% of recurrent net income from 2014 onwards

[1] Executive and Supervisory Boards intend to propose to the AGM on 16 April 2014 a dividend of €1 per common and preference share

Excellent access to debt capital market is key



- > Current market environment allows us a higher gearing temporarily
- > Aspiration to bring down leverage factor to 3.0x medium term unchanged
- > Focus on additional efficiency enhancements and lower capex
- > Short-term changes in discount rates for long-term provisions will not drive deleveraging strategy

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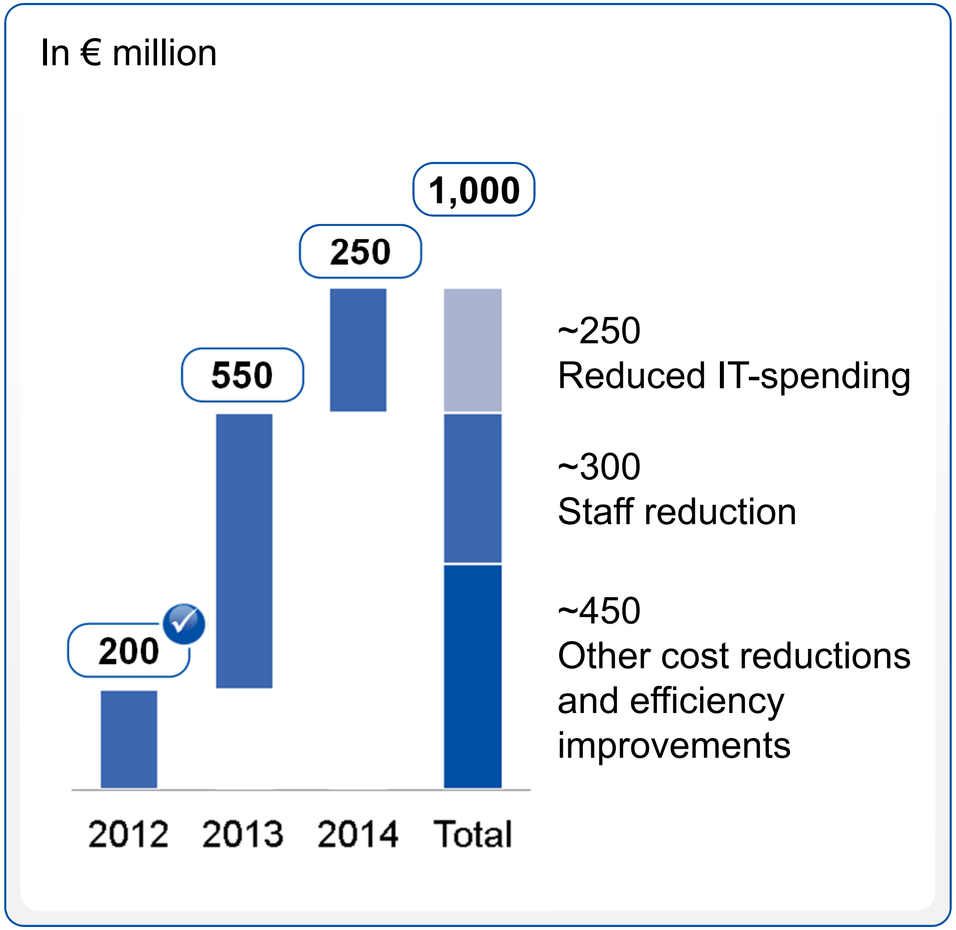
€1 bn efficiency enhancement programme: All measures identified and implementation on track



- €1 bn programme backed bottom-up by operational measures
- Several hundred individual measures across the whole RWE Group
- €200 million achieved earlier than planned in 2012
- Programme includes c. €300 million from workforce reduction by 2014
- Fully accretive to operating result (i.e. post cost inflation and one-off cost of programme)

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Outlook for 2013

In € million

	2012	2013e[2]	2014 …
EBITDA	9,314	In the order of 9,000	
Operating result	6,416	In the order of 5,900	
Recurrent net income	2,457	In the order of 2,400	
Dividend	€2.00/share	€1/share[1]	Pay out ratio of 40% – 50% of recurrent net income

[1] Executive and Supervisory Boards intend to propose to the AGM on 16 April 2014 a dividend of €1 per common and preference share
[2] The outlook is after assumed disposals. For 2013 we expect this to be mainly the disposal of NET4GAS which was closed on 2 August.