RWE International SE - Renewables
The competence hub for renewable energy within RWE

Investor’s presentation, May 2016
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Agenda

1. Highlights: Renewables in a nutshell
2. Details: Technology segments
3. Outlook: Strategic growth options
Renewables – part of a unique and leading European utility

> RWE to establish a new leading European utility comprising the grid, retail and renewables businesses

> Conventional power generation and trading businesses retained as separate functional units with RWE AG

> Key milestones:
  - December 2015: Supervisory Board approval
  - March 2016: Nomination of management team
  - 1 April 2016: Operational start
  - 30 June 2016: Full implementation of new structure planned
  - Listing of ~10% of NewCo via primary offering envisaged for late 2016

> IPO proceeds mainly to be used to finance growth investments in NewCo

> Placing of further stakes of NewCo by RWE AG via secondary offer possible at the same or later point in time

> RWE AG plans to remain majority shareholder in NewCo
RWE International: Strong European footprint with focus on wind and hydro

RWE’s renewables markets across Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Onshore</th>
<th>Offshore</th>
<th>Hydro</th>
<th>Others***</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>500</td>
<td>690</td>
<td>77</td>
<td>46</td>
<td>1.313</td>
</tr>
<tr>
<td>GER</td>
<td>567</td>
<td>295</td>
<td>375</td>
<td>7</td>
<td>1.244</td>
</tr>
<tr>
<td>SPA</td>
<td>447</td>
<td></td>
<td>12</td>
<td></td>
<td>459</td>
</tr>
<tr>
<td>NL</td>
<td>197</td>
<td></td>
<td></td>
<td></td>
<td>197</td>
</tr>
<tr>
<td>PL</td>
<td>242</td>
<td></td>
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<td></td>
<td>242</td>
</tr>
<tr>
<td>ITA</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
<td>67</td>
</tr>
<tr>
<td>Others**</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2.020</td>
<td>985</td>
<td>524</td>
<td>53</td>
<td>3.582</td>
</tr>
</tbody>
</table>

* Accounting view + PPAs as of Q4/2015 incl. 100% of Zephyr portfolio
** Countries: France, Portugal
*** Technologies: Biomass, Biogas, Solar

Portfolio highlights

> Diversified asset portfolio across Europe mainly consisting of offshore wind, onshore wind and hydro
> Majority of assets with regulated income streams
> Innovative O&M concepts to drive operational excellence
> Growth ambitions in established and new markets
## Performance of the Renewables Division
### 2015 full year and Q1/2016

#### 2015 full year

<table>
<thead>
<tr>
<th>January – December: operating result: +165% (+€307 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
</tr>
</tbody>
</table>

- Increased earnings contribution from growth investments, mainly Nordsee Ost and Gwynt y Môr and sale of grid connection asset of the latter project
- Weather-induced higher utilisation of wind farms
- One-off from disposal of stake in Galloper wind farm project (+€93 million)
- Positive f/x effects from our UK business
- Impact of impairments in 2014
- Impairments on UK onshore wind projects and Dutch onshore wind farms

#### 2016 Q1

<table>
<thead>
<tr>
<th>January – March: operating result: +0.7% (+€1 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ million</td>
</tr>
<tr>
<td>Q1 2015</td>
</tr>
<tr>
<td>Q1 2016</td>
</tr>
</tbody>
</table>

- Increased earnings contribution from Nordsee Ost and Gwynt y Môr offshore wind farm
- Book gain from sale of run-of-river plants in Germany
- Book gain from disposal of grid infrastructure of Gwynt y Môr in 2015
- Lower realised generation spreads of market exposed assets
Since 2009 RWE has delivered over 2.9 GW* additional growth in Renewables

<table>
<thead>
<tr>
<th>Year</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Suwalki (41MW)</td>
</tr>
<tr>
<td></td>
<td>Little Cheyne (60MW)</td>
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<tr>
<td></td>
<td>RADAG Hydro (24MW)</td>
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<tr>
<td></td>
<td>Small Hydro UK (10 MW)</td>
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<tr>
<td>2010</td>
<td>Ururi (26MW)</td>
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<tr>
<td></td>
<td>Piecki (32MW)</td>
</tr>
<tr>
<td></td>
<td>GreenGecco Projects (63MW)</td>
</tr>
<tr>
<td></td>
<td>Nowy Staw (45MW)</td>
</tr>
<tr>
<td>2011</td>
<td>Süderdeich (9MW)</td>
</tr>
<tr>
<td></td>
<td>Lochelbank (10MW)</td>
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<tr>
<td></td>
<td>Radag Hydro (24MW)</td>
</tr>
<tr>
<td></td>
<td>Enna Biomass (19MW)</td>
</tr>
<tr>
<td></td>
<td>Andasol 3 (50MW)</td>
</tr>
<tr>
<td>2012</td>
<td>GreenGecco Projects (63MW)</td>
</tr>
<tr>
<td></td>
<td>GreenGecco Projects (63MW)</td>
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<tr>
<td></td>
<td>Small Hydro UK (10 MW)</td>
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<tr>
<td>2013</td>
<td>GreenGecco Projects (63MW)</td>
</tr>
<tr>
<td></td>
<td>Nowy Staw (45MW)</td>
</tr>
<tr>
<td></td>
<td>Gwynt y Mor (50%, 576MW)</td>
</tr>
<tr>
<td>2014/15</td>
<td>Greater Gabbard (50%, 504MW)</td>
</tr>
<tr>
<td></td>
<td>Gwynt y Mor (50%, 576MW)</td>
</tr>
<tr>
<td></td>
<td>Thornton Bank (27%, 326MW)</td>
</tr>
</tbody>
</table>

*partly together with partners

May 2016

RWE International SE - Renewables

Page 7
Agenda

1. Highlights: Renewables in a nutshell
2. Details: Technology segments
3. Outlook: Strategic growth options
**Strong asset base in wind and hydro; utility scale PV as new pillar of RWE International’s growth strategy**

**RWE International SE - Renewables**

<table>
<thead>
<tr>
<th>Overview</th>
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<tbody>
<tr>
<td>&gt; Established in February 2008</td>
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<tr>
<td>&gt; Bundling renewables activities and competencies across RWE Group</td>
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<tr>
<td>– Growth focus in onshore and offshore wind, hydro as strong operational backbone</td>
</tr>
<tr>
<td>– Research &amp; Development and Venture Capital to drive the development of emerging technologies</td>
</tr>
<tr>
<td>&gt; European focus</td>
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<tr>
<td>&gt; Asset portfolio of ~3.6 GW in operation and ~0.4 GW under construction mainly located in United Kingdom, Germany, Spain, Netherlands, Poland and Italy (accounting view + PPA)</td>
</tr>
<tr>
<td>&gt; Project pipeline mainly consisting of wind</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Wind onshore</th>
<th>Wind offshore</th>
<th>Hydro</th>
<th>Solar &amp; New Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus and Strategy</strong></td>
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</tr>
<tr>
<td>Key technology for capacity and service growth</td>
<td></td>
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</tr>
<tr>
<td>Focus on organic growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus markets include UK, Germany, Spain, Netherlands, Italy and Poland</td>
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<td></td>
<td></td>
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<tr>
<td>Key technology for capacity and service growth</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Organic growth strategy within partnerships</td>
<td></td>
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</tr>
<tr>
<td>Focus markets include UK and Germany</td>
<td></td>
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</tr>
<tr>
<td>Operational Excellence in hydro run-of-river</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Selective development options</td>
<td></td>
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<tr>
<td>Strong experience in large-scale CSP</td>
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<tr>
<td>Growth focus on utility scale PV</td>
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<tr>
<td>Driving innovative renewable technologies to commercial applications, e.g. ultra-thin organic PV</td>
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</tbody>
</table>
With ~1 GW installed capacity RWE International has a leading position in the European Offshore Market

**RWE International wind offshore presence**

**Comments**

> **RWE International’s strengths**

- Strong in-house know-how to secure key value chain technologies and build large-scale power plants
- Delivery of projects through strategic partnerships & financing solutions
- Substantial installed capacity and pipeline provides a sound platform for growth, esp. strong starting position in UK

> **Market outlook**

- Strong market growth in medium to long term, time horizon depends on technical progress and future design of regulatory support
- Offshore wind is an engineering skill & scale game
- Trends: overcome of technical hurdles, auctioning of attractive sites, designing profitable and competitive projects, partner management of projects

**Offshore installed capacity development in EU by 2020**

Offshore: Focus on partnerships to enable future growth – RWE International with proven track record

<table>
<thead>
<tr>
<th>Operation</th>
<th>Development / Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Hoyle 1), UK, 60 MW:</td>
<td>Nordsee One 9), GER, 332 MW</td>
</tr>
<tr>
<td>Completely commissioned 2004</td>
<td>15%</td>
</tr>
</tbody>
</table>

| Rhyll Flats 2), UK, 90 MW: | Nordsee Ost, GER, 295 MW |
| Completely commissioned 2009 | 100% |

| Thornton Bank I-III 3), BE, 325 MW: | Triton Knoll 7), UK, 900 MW |
| Completely commissioned 2013 | 50% |

| Greater Gabbard 4), UK, 504 MW: | Dogger Bank 9), UK, 7200 MW |
| Completely commissioned 2012 | 15% |

1) RWE (33%), owned by Zephyr Investments Ltd., 2) RWE (50.1%), Greencoat UK Wind PLC (24.95%), Green Investment Bank (24.95%). 3) RWE : 27% share in C-Power consortium, 4) RWE (50%), Scottish and Southern Energy (50%). 5) RWE (50%), Stadtwerke München (30%), Siemens (10%), Green Investment Bank (10%) 6) RWE (15%), Nordland Power Inc (85%). 7) RWE (25%), Green Investment Bank 25%, Siemens 25%, Macquarie 25%. 8) RWE (25%), Scottish and Southern Energy (25%), Statoil (25%), Statkraft (25%).
Example for successful project finance: Galloper offshore windfarm, UK

- Bank process launched beginning of June 2015 and encountered very strong appetite in the commercial bank market
- Financial Close achieved in October with a consortium consisting of RWE International, Macquarie, Siemens and Green Investment Bank each holding 25% equity

PROJECT DATA:

- 336 MW, 56 x 6.0 MW Siemens turbines
- Overall investment amount of c. GBP 1.5bn incl. OFTO
- 27km off the Suffolk Coast at its nearest point
- 27 – 36 meter water depth
- Supply of 336,000 households p.a.
- Start of operation currently scheduled for 2018
- Project still benefitting from the ROC regime
Onshore: Eight projects in four countries under construction or recently commissioned

United Kingdom
- Batsworthy Cross
  - 18 MW under construction
  - 100% RWE

- Goole 2
  - 35 MW under construction
  - 100% RWE

Netherlands
- Zuidwester
  - 90 MW under construction
  - 100% RWE

- Kattenberg
  - 10 MW under construction
  - 100% RWE

Germany
- Bedburg 2
  - 29 MW commissioned
  - 51% RWE, 49% Stadt Bedburg

- Sandbostel
  - 12 MW commissioned
  - 100% RWE (sold to Recap)

Poland
- Opalenica
  - 17 MW commissioned
  - 100% RWE

- Nowy Staw 1, Stage 2
  - 28 MW commissioned
  - 100% RWE

RWE International onshore presence

- In total over 2 GW of wind onshore assets in operation across Europe
- All current new-built projects in time and in budget
- Entry into new markets under investigation
Hydro: operational backbone with selected growth opportunities & sale of services

Hydro capacity

Markets and operations
Technology & markets
> Small hydro plants (< 10 MW) expected to have significant share in future capacity growth in Western Europe
> Most significant growth potential of several GW in South-Eastern Europe and Turkey triggers demand of technical services in the Hydro Power Sector

RWE International assets
(Accounting view + PPA as of Q4 2015)
> Hydro power plants with 524 MW in operation
> 2 projects with 5 MW under construction

United Kingdom
78 MW

Germany
375 MW

France
45 MW

Spain
12 MW

Portugal
16 MW

RWE International hydro presence
Overview of selected renewable growth options

**Projects in development**

- **Offshore wind**
  - Galloper (UK, 2018\(^1\)) – 336 MW with Macquarie, GIB & Siemens
  - Nordsee One (GER, 2017\(^1\)) – 332 MW with Northland Power
- **Onshore wind**
  - Batsworthy Cross (UK, 2016\(^1\)) – 18 MW
  - Goole 2 (UK, 2017\(^1\)) – 35 MW
  - Kattenberg (NL, 2016\(^1\)) – 10 MW
  - Zuidwester (NL, 2017\(^1\)) – 90 MW
- **Hydro**
  - RADAG retrofit project (GER, 2019) – 84 MW and various small scale hydro growth opportunities in Scotland and Wales

**Overview of key project**

- **Offshore wind construction**:
  - Galloper (UK, 2018\(^1\)) – 336 MW with Macquarie, GIB & Siemens
  - Nordsee One (GER, 2017\(^1\)) – 332 MW with Northland Power

- **Offshore wind development**:
  - Kaskasi II (GER, 2021\(^1\)) – 265 MW
  - Borssele I & II (NL, 2021\(^1\)) – 700 MW with Macquarie
  - Nordsee II & III (GER, open) – 664 MW (tbc)
  - Triton Knoll (UK, 2021\(^1\)) – 750-900 MW with Statkraft
  - Dogger Bank (UK, 2023\(^1\)) – up to 4,800 MW with SSE, Statoil and Statkraft

- **Onshore wind construction**:
  - Batsworthy Cross (UK, 2016\(^1\)) – 18 MW
  - Goole 2 (UK, 2017\(^1\)) – 35 MW
  - Kattenberg (NL, 2016\(^1\)) – 10 MW
  - Zuidwester (NL, 2017\(^1\)) – 90 MW

- **Onshore wind development**:
  - Eschweiler (D, 2017\(^1\)) – 37 MW
  - Brechfa West (UK, 2017\(^1\)) – 57 MW
  - Dolice, stage 1 (PL, 2017\(^1\)) – 48 MW
  - Clocaenog Forest (UK, 2018\(^1\)) – 96 MW
  - Mynydd y Gwair (UK, 2018\(^1\)) – 40 MW

- **Hydro**:
  - RADAG retrofit project (GER, 2019) – 84 MW and various small scale hydro growth opportunities in Scotland and Wales

1 Expected commissioning
Agenda

1. Highlights: Renewables in a nutshell
2. Details: Technology segments
3. Outlook: Strategic growth options
New strategic options for renewables foster additional growth ambitions in wind and PV

Stop of planned disposals
> Especially relevant for RWE’s onshore portfolio
> Growth opportunity without additional expenditure for project development

Enter new markets
> Currently distinctive new markets under investigation regarding onshore Wind and PV

M&A
> Selected acquisitions of operational assets with strategic portfolio fit within RWE’s core markets

Secure short term project revenues
> Deliver current development projects under existing regulatory regimes (e.g. ROC and EEG)

Enter auction with mid term projects
> Participation in auctions for future projects

Expand development in core markets
> Increased onshore wind development activities in Germany and the Netherlands
The renewable’s operational model is very flexible and enables to work in different partnership structures

- **ExCo**
  - Overall accountability for results of Renewables (EBIT)
  - Accountable for economic success of entire investment portfolio
  - Ultimate goal is to maximise the portfolio NPV and to manage risks that may have an impact on the portfolio value.
  - Framework setting for asset management
  - In case of JV asset ownership: alignment of framework with JV partners

- **Investment management**
  - Accountable for the economic success of a specific asset; during development, construction and operations
  - Freedom to act in the set framework by investment management in order to maximise the NPV of the asset he is responsible for, irrespective of ownership structures

- **Asset management**
  - Delivery of services as contracted by asset/investment management
  - Continuous improvement
  - Proactive support to improve risk/return ratio of asset/portfolio
Questions & Answers

The energy to lead