

RWE's business performs as planned in the first three quarters of 2018

- **Adjusted EBITDA for 'RWE stand-alone' totals €1.3 billion; adjusted net income of €645 million**
- **Forecast and dividend outlook for 2018 confirmed**
- **Transaction with E.ON makes good progress: joint teams prepare integration of renewables into RWE Group**

Essen, 14 November 2018

Markus Krebber, CFO of RWE AG: *"We are very satisfied with the development in the first three quarters of 2018: the earnings of our core business are developing as planned. We will achieve our operating goals for the full year and confirm the envisaged increase in the ordinary dividend to 70 cents."*

RWE's operating activities performed as planned in the first nine months of fiscal 2018. The forecast and dividend outlook remain unchanged.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) of €1.3 billion (first three quarters of 2017: €1.7 billion) was achieved for 'RWE stand-alone' from January to September. Adjusted net income amounted to €645 million compared to €930 million in the first three quarters of 2017. RWE continues to expect adjusted EBITDA of between €1.4 billion and €1.7 billion and adjusted net income of between €500 million and €800 million for the full year. Since business developed as planned and the medium-term earnings prospects are improving, the company has confirmed the outlook for the dividend. The ordinary dividend for 2018 is set to rise from €0.50 to €0.70.

Transaction with E.ON makes good progress

The transaction with E.ON is proceeding according to plan. RWE, E.ON and innogy are currently working hard to go through the merger control procedures before the European Commission as quickly as possible. Competition clearance is still expected by the summer of 2019. It is envisaged that the entire transaction will be completed rapidly thereafter. In addition, joint integration teams have begun to prepare the integration of the renewables operations into the

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RWE Group. With this transaction, RWE has set the stage for the future: it will become the second-largest offshore wind operator and the No. 3 in renewable energy in Europe.

RWE's transformation is reflected by two key figures in particular: on completion of the transaction, renewables will account for about 60% of the Group's EBITDA, with 20% coming from conventional generation, 10% from trading and 10% from financial assets. Sixty percent of the generation portfolio will then consist of electricity with low or zero carbon dioxide emissions.

Lignite & Nuclear segment: expected decline in earnings

In the first nine months of 2018, adjusted EBITDA in the Lignite & Nuclear segment decreased to €240 million (first three quarters of 2017: €551 million). This was primarily due to the year-on-year drop in margins. In addition, power production was down, largely due to the shutdown of unit B of the Gundremmingen nuclear power plant at the end of 2017. The ongoing cost-cutting programme partially offset these anticipated declines. RWE still expects adjusted EBITDA of between €350 million and €450 million for the year as a whole.

European Power segment: operating earnings nearly on a par year on year

At €234 million, adjusted EBITDA in the European Power Generation segment was also significantly lower than in the prior-year period (€324 million). This figure also included non-recurring income from the sale of land, which has now been discontinued. Power plant margins also declined. This was offset by additional income from the British capacity market. As before, RWE expects this segment to post adjusted EBITDA of between €300 million and €400 million for 2018.

Supply & Trading segment: almost at the high year-earlier level

After an encouraging third quarter, the Supply & Trading segment nearly matched the high level recorded in the same period last year. Adjusted EBITDA amounted to €183 million (first three quarters of 2017: €201 million). RWE continues to anticipate that this segment will achieve adjusted EBITDA of between €100 million and €300 million for the year as a whole.

innogy: received dividends as in 2017

In May, RWE received a dividend payment of €683 million from the financial investment innogy SE. This sum corresponds to the dividend payment received last year. On 13 November, innogy published details on its earnings as part of its reporting for the first nine months.

Net debt drops considerably

As of 30 September 2018, net debt directly attributable to RWE totalled €2.1 billion, about €2.4 billion down on the level as of 31 December 2017.

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Additional information on business figures can be found [here](#):

- Interim statement on the first three quarters of 2018
- Key figures for Q1–Q3 2018
- Speech delivered at the Q3 press conference
- Presentation for the investor and analyst conference calls
- Video interview with Markus Krebber, Chief Financial Officer of RWE AG

Note on changed financial reporting

The financial investment innogy stopped being presented as a fully consolidated company in the consolidated financial statements in the middle of 2018. The segment is now called ‘innogy – continuing operations’. It only includes those parts of the company that are due to remain within the RWE Group over the long term. This applies to the renewables business, gas storage and the stake in Austria-based Kelag. The other parts of innogy, which will be transferred to E.ON, are classified as ‘discontinued operations’ until their date of sale. The current financial statements do not include the business of E.ON’s renewables division or the dividend which will be paid to RWE through E.ON’s future shareholding. The minority interests in the Gundremmingen and Emsland nuclear power plants, which RWE will acquire from E.ON, have not been presented either.

Due to the transaction with E.ON, RWE adjusted its financial reporting for the Group in compliance with International Financial Reporting Standards (IFRS) at the mid-year point. As a result of this change, the consolidated figures for the RWE Group are only of limited informational value. Therefore, the focus rests on the key figures for ‘RWE stand-alone’. They encompass the Lignite & Nuclear, European Power and Supply & Trading divisions plus the innogy dividend. The company is using these key figures to manage its operating activities and determine the dividend for its shareholders.

Please direct inquiries to:	Stephanie Schunck	Lothar Lambertz
	RWE AG	RWE AG
	Head of Corporate Communications & Energy Policy	Head of the Group Press Office
	T +49 (0) 201 12-22088	T +49 (0) 201 12-23984
	stephanie.schunck@rwe.com	lothar.lambertz@rwe.com

About RWE AG

RWE AG, with its headquarters in Essen, Germany, has three operating segments: Lignite & Nuclear, European Power based on gas, coal, hydro and biomass, and Supply & Trading. The company plays a crucial role in power system operations and security of supply across Europe. Its fourth pillar is the financial investment innogy SE, one of the Europe's leading energy companies. With this structure, the RWE Group has almost 60,000 employees who work at all levels of the energy industry's value chain.

Forward-looking statements

This press release contains forward-looking statements. The statements reflect management's current assessments, expectations and assumptions and are based on the information currently available to it. Forward-looking statements provide no assurance that future events or developments will occur and are subject to known and unknown risks and uncertainties. As a result of various factors, actual future events and developments may differ materially from the expectations and assumptions expressed herein. In particular, these factors include changes in the general economic environment and the competitive situation. Above and beyond this, developments on the financial markets, fluctuations in exchange rates, changes to national and international law – especially with regard to tax regulations – and other factors can influence the future results and performance of the Company. Neither the Company nor any of its associated companies undertake to update the statements contained in this press release.