

Check against delivery.

Peter Terium

Ladies and Gentlemen,

My colleagues Rolf Martin Schmitz, Bernhard Günther, Uwe Tigges and I would like to welcome you to our Fiscal 2015 Press Conference.

Our Annual Report has a proven track record of providing you with facts, figures and data. A lot you will have heard already. And the rest you can analyse at your leisure.

Ladies and Gentlemen,

2015 was not a normal year by anyone's standards. It was a year that will go down in the history of the RWE Group for some very particular reasons. For being a difficult one. As one pointing the way forward. As a harbinger of upheaval. This is the aspect I would like to focus on now.

Behind an upheaval, there must always be a cause, or a necessity. You will be aware that the price-driven

decline in margins in conventional power generation has a negative impact on our operating result, not to mention the political uncertainties. We therefore need to change course – urgently. The 2015 fiscal year confirms this.

Net income dropped to minus €170 million. The main reason for the deterioration in earnings is the decline in margins in the conventional power plant business. This impacts not only the results in the current Annual Financial Statement. With electricity wholesale prices currently at a historical low of around €20 per megawatt hour of base load power, earnings prospects have further deteriorated.

But I'll tell you something that might come as a surprise: we would still have needed to restructure our company even if the business figures had been outstanding. I'm absolutely sure of it.

What makes me say that?

I'll tell you. I asked myself a basic question some time ago now. And that question was, "What does it take to be successful as an energy company in the future?" Looking at it from the perspective of the year 2050, a lot of developments are already apparent.

The transformation of the energy system means that the future belongs to renewables. The Paris and Elmau

declarations are the political expression of a global climate awareness.

RWE contributed to the German Economic Miracle with electricity derived from fossil fuels. Now we want to make our contribution to climate-compatible energy supply. Not as a moraliser, but as a Group of companies that wants to earn money.

But the transformation of the energy system also means that more and more people are supplying themselves with electricity. Traditional full-service suppliers have no chance on the energy market of the future. We are not being complacent, we see – and have seen for a long time – that this is how it is. That means the future is our opportunity!

In short, restructuring our Group is not an emergency measure, but a strategic step.

We are building the energy company of the future! In the process we are opening up new business opportunities – for the benefit of our shareholders, our employees and all other stakeholders. Let me emphasise: these are prospects for both subsidiary and parent company. After all, the old RWE stands to benefit most from the new company. I will come back to this later.

Ladies and Gentlemen,

From the outside, this restructuring of RWE may seem like a revolution. In reality though, it's an evolution. We have carefully prepared what we are doing here – step by step.

When I say “we”, I mean the entire Executive Board. We are all behind this approach – the Executive Board and the Supervisory Board. That's why I will draw on an image from my colleague Bernhard Günther to describe what we are doing.

As it stands today, RWE is like a steam ship – massive horsepower in the engine room, but not very agile or flexible, more suited to calmer waters. The problem in this connection is the current state of the weather – in other words the market situation and political environment. Or as Bernhard puts it, the difficulty lies in navigating to the destination through stormy seas and dense fog.

Our restructuring therefore takes care of two things at once: it is both a response to current challenges, and a promise for the future!

Or, to keep up the maritime image, we are doing three things:

We are making RWE ready for the high seas;

We are proceeding cautiously, so that we can react rapidly;

And we are keeping our destination on the radar.

Let me start by explaining how we are going to make RWE ready for the high seas. We have three measures lined up to achieve this!

First: Financial consolidation, by enhancing our efficiency and reducing debt.

We reduced our net debt in 2015 from €31 billion to €25.1 billion. We are relying on divestments in the right place and at the right time. That was the case with RWE Dea, as a glance at current oil price movements will show.

At the same time, we are boosting our financial strength. In 2015 we once again exceeded the targets set by our efficiency-enhancement programme! And so we are now raising the bar even higher. We are now aiming to achieve an impact of €2.5 billion on our operating result by 2018.¹ In rough terms, this means

¹ We want to achieve this mainly in the area of conventional power generation. And also by comprehensively restructuring our UK supply business.

that in just six years, RWE will have saved the equivalent of the national budget of Macedonia²!

Measure no. 2: A responsible, economically acceptable dividend policy.

On 3 March, the Supervisory Board **unanimously** agreed to our proposal regarding the dividend payment this year. Given the current situation, this decision was simply essential. After all, we cannot distribute money today that we don't have! We'd prefer to work towards having something that we can distribute tomorrow!

And finally Measure no. 3: The radical restructuring of the Group. As announced: in future with two strong groups of companies under one roof.

Our timeframe is ambitious. But we are working hard, and have made very good progress so far:

- About 1,000 RWE employees are working on the restructuring project. The new company is being set up, and preparations are under way for the IPO.
- The names of the management that will head the new company were announced last Thursday. The names of the management of RWE AG after the

² The State budget for 2014 forecast total revenue (converted into euros) of €2.536 billion and expenditure of €2.855 billion. Source: http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/Mazedonien/Wirtschaft_node.html

successful IPO of the new company were also announced.

- **The new company will begin operations on 1 April. For a transitional period it will be named “RWE International SE”.**
- **Its definitive name and brand presence will be announced in the summer.**
- **The IPO is expected to follow at the end of the year.**
- **... so that’s the roadmap!**

The decision to restructure the Group does not solve all of our problems. But we have taken key steps in the right direction:

- **We will have a better structure in place in future – with two clearly focused companies that can tackle their challenges individually.**
- **We will gain further access to the capital market, which will help us finance our future business growth.**
- **And we will acquire the flexibility to sell off shares in order to create liquidity when we need it. That means we could flexibly service our obligations arising from the phase-out of nuclear energy without sneaking out of our responsibilities, because our recoverable assets will remain unchanged.**

So that's how we're going to prepare the company for the high seas.

At the same time: We are proceeding cautiously, so that we can react rapidly!

Dreaming about the energy world of the future will achieve nothing. We need to earn money right now.

People often ask me, "When will that happen? When will things pick up again?" And I am convinced the answer is, the first day after the IPO!

I have reason to be this optimistic: the new company is not beginning life as a start-up. It is starting out as an established company, a heavyweight. It has a profitable portfolio of products and services. And we're investing in that portfolio.

I'll have more to say about innovations later. But these are seed investments. What counts here is the measured use of resources, an open view and the right mindset. When it comes to investing in these areas, it makes more sense to sow seeds than try to move trees.

The revenue from the increase in capital resulting from the IPO therefore serves a different purpose. It will be earmarked for sensible capital investment in projects that will make immediate growth a possibility. We are investing in the three growth fields for the new

company – the expansion of renewables, the grid business and retail.

I should mention that fiscal 2015 has confirmed that our strategic direction is the right one. The results in all three divisions were gratifying. We have here a good, solid basis for our future business performance!

I would like to look briefly at developments in these areas – again from the perspective of having an eye to the present and a mind to the future.

For distribution grids and retail, our results in the past business year in Germany, our core market, were better than expected, and provided a significant growth in customer numbers. In the Netherlands and Belgium, the operating result for our supply business recorded a considerable gain. Business in Eastern Europe is also developing positively. As mapped out in the Annual Report, we strengthened our market position in the electricity sector in Poland and the Czech Republic in particular.

For the future, we intend to continue to tap into the potential that Eastern Europe offers. And we want to develop new markets.

In Romania and Croatia, for example, we would like to gain a foothold among the major local suppliers in the medium term. And we entered the Slovenian market in 2015. Our objective is to achieve a 10% market share

by 2020, measured based on electricity business with residential customers.

In Hungary and Poland, we are already well established and have begun new supply activities. When we re-entered the Hungarian gas market in the summer of 2015, we set ourselves the goal of achieving a 10-15% market share in gas sales to business and industrial customers by 2020. We are a lot closer to that target since acquiring the customer portfolio of ENI's Hungarian subsidiary Tigáz. In Poland, we would like to expand our gas supply to small and medium-sized enterprises.

In short, our overall result in the area of grids and supply in fiscal 2015 was basically good.

Unfortunately, serious problems with the billing systems for our UK end-customer business cast a shadow over this positive picture. What happened there was a disaster. But we took swift and rigorous action to remedy the situation.

In mid-2015 we replaced the management of npower in the UK. The new team headed by Paul Coffey has analysed the problems and put forward a detailed, two-year restructuring plan. We hope to be out of the "valley of tears" in the UK by 2018.

Our objective is to simplify and standardise processes. We need to reduce operating costs, and to win back lost trust.

Some initial successes are already evident. By the end of 2015, for example, the number of customer complaints had fallen by 50 percent, and this has been acknowledged by the UK regulatory authorities. That means we are currently third among the six big UK suppliers in terms of numbers of complaints, after being at the bottom of the table. To work through the accumulated customer complaints, npower had engaged a large number of temporary workers. These are now being gradually wound down again.

All in all, npower plans to make significant reductions in employee numbers and temporary workers. The company wants to merge locations. The loss-making business with costly energy services has already been closed down. These are decisions that don't come easy, but they are necessary.

I am certain, however, that we are getting the problems in the UK under control. And we must note that our supply business is growing throughout Europe!

Now let me move on to the most gratifying development from the past year: our success with renewables!

The fact is that our subsidiary RWE Innogy increased its result from €186 million to €493 million, that's more than a two-and-a-half-fold improvement. It is increasingly becoming one of the main pillars of our business.

By the way, we made a major contribution in 2015 towards achieving Germany's goals for the expansion of renewables! In terms of numbers, the completion of "Nordsee Ost" alone could potentially supply an additional 340,000 households in Germany with green electricity.³

In addition, "Gwynt y Môr", off the Welsh coast, is currently the second-largest offshore wind farm in the world to go on the grid – under our leadership. In other words, RWE is implementing the energy transition in Germany, and also in Europe!

Measured by capacity, RWE is currently among the "Top 5" in Europe in offshore wind power! Onshore, too, we are one of the largest operators in Europe, with a generating capacity of more than 2,000 megawatts. In 2015 we had eight new onshore wind farms under

³ Total capacity 295 megawatts; assumptions: 4,000 full-load hours per year, per-household average annual consumption 3,500 kilowatt hours.

construction at the same time – in four different countries.⁴

I think that is something that can be built on. This is also reflected in our generation portfolio – especially when we deduct the capacities that have been temporarily closed down. What I want to say here is that the percentage of our total capacity represented by green energy is already reaching double digits! In other words, RWE is already greener than many imagine.

Our plan for the near future is to continue to focus on wind power, both onshore and offshore. But we also want to tackle large-scale projects in the future! And we are increasingly looking towards markets outside Europe. We are looking at North America. And especially at Turkey and the MENA region, i.e. the Middle East and North Africa.

The many hours of sunshine that this region enjoys mean that it is particularly suitable for large-scale photovoltaic projects. Tenders are currently being held for huge solar farms. We recently qualified to participate in the bidding process for an 800 MW

⁴ Source: Internal calculations, as well as “Bloomberg new energy finance, renewable owners database”, <http://about.bnef.com>, retrieved on 24 February 2016 (regarding offshore).

facility in Dubai, in conjunction with our Chinese partner Jinkosolar.

But let me reassure you: we are not exactly succumbing to “gold fever”! The MENA region is not a simple region, not least at a political level. The technique here has to involve controlled offensives – weighing up the opportunities and risks. In other words, we will invest only where the risk-benefit ratio is encouraging!

We also want to intensify our cooperation with the Emirate of Dubai, mainly focusing on management services and technical consulting. A letter of intent in this regard was signed in 2015 – evidence that our expertise in the energy sector is in demand world-wide. Our advantage in terms of knowledge gained from the transformation of the energy system will be of great value to us in the future. And that’s something we want to market proactively!

I have already mentioned the notion of controlled offensives. That brings me to our next subject: RWE builds on stable returns in the grid business!

The grids are the backbone of the energy market transformation. Capital investment in distribution systems lets us kill two birds with one stone: we are opening up new growth opportunities for our

company. And we are contributing to the system integration of renewables.

Our research project Designetz, for example, could provide a Germany-wide blueprint for a functioning decentralised electricity supply system. We are therefore working with municipal utilities and other partner entities to meet a need for the whole of society. It is not for nothing that the Federal Ministry for Economic Affairs and Energy has indicated the possibility of substantial subsidies for the project.

In short, when it comes to the success of the energy market transformation, we are contributing just as much in the area of grids as we are with wind turbines. This also becomes visible with our pilot project “AmpaCity”.

Granted, something as plain as a cable doesn’t offer much in the way of instant appeal. But even so, our superconducting cable can transport five times as much electricity as a conventional copper cable. That’s a step towards the space-saving, energy-efficient networks of the future. Electricity transmission on this scale creates the preconditions for further expanding electrification in urban areas.

There are therefore two aspects to “proceeding cautiously”: we are building our business success, step by step; and we are helping make the

transformation of the energy system a success. These will be two sides of the same coin in the future.

Ladies and Gentlemen,

I have finally reached the subject of ‘The Future’!

Step 3 – We are keeping our destination on the radar!

What exactly will the energy market of the future look like? And what will the energy company of the future have to contribute?

One thing is certain: the transformation of the energy system is making our world more electrified! Fossil fuels, including oil and gas, are being replaced by electricity. The consequence is that we will need more electricity. And that electricity will be increasingly decentralised and renewable.

Our customers are becoming prosumers. They are growing more sophisticated. They want smart, digital products and energy efficiency. And they are becoming more independent of our actual core business, since they are increasingly generating their own electricity.

In other words, the electricity supply of the future will be more decentralised, and more complex. And other, fundamental changes will also have an impact. The key concepts here are digitisation, Industrie 4.0, the Internet of Things, and the Sharing Economy.

Why, for example, shouldn't people who generate their own electricity also trade and exchange it? Digital platforms will make that possible on a large scale, that's one thing I'm certain about.

But what does all this mean for an energy company?

It means the energy company of the future has to be innovative, decentralised and customer-focused! And that's our goal. Putting it another way, we are evolving from a pure power provider into a caring utility. This certainly will not happen overnight, but will be a step-by-step process. We are proceeding cautiously, but we have ambitious goals on the radar.

In short, innovation isn't just an empty idea for RWE, it is an important part of how we see ourselves as a company.

I mentioned seed investments earlier. Like in any seeding process, there will be many seeds that fail to take. But others will grow and prosper. And that is the most important thing.

For example, it's clear to us that smart houses will increasingly generate their own electricity. That's why we developed the new "easyOptimize" control box. This optimises in-home electricity generation, building on the information from our smart meters.

And that means we will no longer be supplying electricity to these customers in the near future. What

we will supply is our smart infrastructure and expertise as a decentralised energy manager.

So yes, the old steam ship is becoming more and more flexible. And the main thing that implies is that we will be part of the competition for customers!

International technology companies and small start-ups also rely on innovative business models. The Amazons and Googles of this world are champing at the bit to penetrate the European electricity market. But we've made the firm decision to put our advantage to good use.

We have both the expertise and the trust. RWE is a reliable company that is an established part of society.

SmartHome, for example, was the first system of this kind with security certified by Germany's TÜV.

Although we supply technological solutions, we also stand for data protection and handling customer data responsibly! In a digital world, that's becoming increasingly important. And we're well ahead of the competition in this regard.

There's another aspect that I consider important here: not only is our steam ship becoming more agile, it is also getting a lot more help from smaller vessels! EasyOptimize is also a good example of how we take business models from the Group and launch them on the market as independent start-ups.

In other words, we are looking beyond our own horizons. And that's one reason why we are relying more on partner entities from outside the energy industry.

- **Gardena Gartengeräte, for example, will be communicating in future via our digital transfer protocol "Lemonbeat".**
- **We have entered into an extensive partnership arrangement with the French Schneider Electric Group on the subject of "charging points for electric mobility".**
- **And in cooperation with Aldi Süd we have set up quick-charging points in front of about 50 stores. That means Aldi customers can charge their electric cars for free while they do their shopping.**

...those are just a few of the things we achieved in 2015. There will be a lot more.

And that brings me full circle, back to the beginning of my speech and the concept of upheaval.

Yes, I am convinced that we are currently experiencing a radical upheaval in our entire industrial landscape! Stable but cumbersome structures are no longer viable. Agility and flexibility are what count. Large companies now have to constantly scrutinise themselves and continue developing. That's the only

way they can take advantage of new market trends instead of being overrun by them.

In other words, the energy market transformation is part of a larger development. It is a wake-up call. We've heard it and we are taking action. We are putting all our efforts into building the innovative, decentralised energy company of the future!

Ladies and Gentlemen,

Today I have deliberately avoided repeating what's in our Annual Report. The facts and figures it contains are and will remain fundamental. Bernhard will go into more detail on these in just a moment. But I felt it was important to talk to you about the path the company is taking.

Right now we are in the pre-IPO phase. That means my hands are tied to a certain extent. There are many things I can't speak in detail about, even just from a legal perspective. But I hope I have made the underlying idea sufficiently clear.

To put it another way, communication is there to help understanding. Particularly in times of upheaval.

And with that I will hand you over to my colleague Bernhard Günther, who will talk about our business performance.

Bernhard Günther

Thank you, Peter.

Ladies and Gentlemen,

As Peter has just told you, I will now talk about some facts and figures. You can read about the details in our Annual Report. As in our previous press conferences, I will limit myself to the main aspects, to leave you more time for questions.

Compared to the previous year, our operating earnings deteriorated considerably, as expected. Our earnings before interest, taxes, depreciation and amortisation (EBITDA), at €7.0 billion, were higher than our forecast range of €6.1 billion to €6.4 billion. This, however, was based on two special items in particular. Firstly, the full consolidation of Slovak energy utility VSE gave us a one-off valuation effect of plus €185 million.

Secondly, we benefited from one-off effects in connection with our power station project in Hamm. Although the impairment on Block D, which we will not complete, is not included in EBITDA, it does include the positive effects from insurance claims, for example. The operating result of €3.8 billion includes all effects. This figure lies within our original expectations.

The operating earnings trend was determined in particular by the continuing decline in margins for conventional power generation. This was compounded by burdens affecting our UK supply business. The main reason was grave process and system-related problems in residential customer billing. Unexpected substantial earnings shortfalls stemmed from the fact that residential and commercial customers switched providers, or we were only able to retain such customers by offering them contracts with more favourable conditions. As Peter noted earlier, we are working with a new management team to implement a restructuring programme. According to current plans, the situation should stabilise in 2016, although a complete resolution may not be achieved until 2018.

But there are also positive developments.

At €493 million, our subsidiary for renewables more than doubled its operating result. Alongside a sustained improvement in operating result, Innogy also experienced positive one-off effects, particularly from the sale of stakes in the Galloper offshore wind project.

You will find further details regarding developments in the individual divisions in the Annual Report.

I would now like to briefly explain the reconciliation of the operating result to adjusted net income. Here, too,

you will find further details in our brand new Annual Report.

The non-operating result declined by €3.0 billion from its 2014 figure to minus €2.9 billion. This can be attributed mainly to the high impairments on German and UK power stations, amounting to €2.1 billion, against the backdrop of further deteriorating earnings prospects.

Conversely, the financial result improved by €0.3 billion to minus €1.6 billion, mainly due to relief in the interest accretion to non-current provisions.

Income from continuing operations before tax was negative, at minus €0.6 billion. Nevertheless, we stated income taxes of €0.6 billion. This is mainly because we wrote down deferred tax assets in the RWE AG tax group, as we will probably not be able to use them within a reasonable period.

Discontinued operations contributed about €1.5 billion to income after tax. The majority of this sum is attributable to the book gain on the sale of our subsidiary RWE Dea.

Deducting the stakes held by other shareholders and income attributable to non-controlling interests takes our net income to minus €170 million.

For this reason, we published our dividend proposal as early as 17 February 2016. In line with this, the Executive Board proposes to the Annual General Meeting that the company suspend the dividend payment on common shares and pay a dividend of 13 cents per preferred share.

In preparing the Annual Financial Statement for fiscal 2015, the Executive Board is obliged to make a proposal on the appropriation of profits, which it wants to present to the Annual General Meeting. In the meantime, the Supervisory Board has unanimously approved the Executive Board's proposal and has suggested the same dividend proposal to the Annual General Meeting.

When working on the Annual Financial Statement, it quickly became clear to us on the Board that the dividend proposal would be less than the capital market expected. So we assumed the proposal would have a direct impact on the share price. In such cases, joint stock law obliges us to issue an ad hoc release. It is not possible to inform individual shareholders in advance. The publication of an ad hoc release just under three weeks ago was therefore not a question of style – it was a question of law.

So, now let's move away from legal aspects and get back to the figures:

Our adjusted net income amounted to €1.1 billion and was therefore at the lower end of the forecast range of €1.1 billion to €1.3 billion. When calculating adjusted net income, we excluded in particular the entire non-operating result as well as the associated income taxes. Furthermore the result for discontinued operations only contains the portion of the interest on the sale price of RWE Dea allocable to 2015. It was also adjusted for the writing down of deferred tax assets. Compared to 2014, adjusted net income was down by 12%. This was predominantly due to the deterioration in operating earnings.

Capital investment fell slightly, to €3.3 billion, including €2.9 billion for capital expenditure on property, plant and equipment. In the area of conventional power generation, we completed the power station projects in Hamm, Germany, and in Eemshaven, in the Netherlands. In the area of renewables, we also completed further large-scale projects in the form of the offshore wind farms Nordsee Ost and Gwynt y Môr.

Cash flows from operating activities totalled €3.3 billion, 40% less than in 2014. This reflects the deterioration in conventional power generation margins, which was only partially cushioned by efficiency improvements. In addition, we had to pledge substantial collateral for certain commodity derivative transactions. Transactions that were reflected in

changes in working capital also had a significant influence. For example, in 2014, expenses associated with purchases of CO₂ emission allowances were very low due to a change in the payment schedule. This was a non-recurring effect.

As at 31 December 2015, our net debt amounted to €5.1 billion. Compared to the end of 2014 it decreased by €5.8 billion. The main reason for this was the disposal of RWE Dea, which had an impact of €5.3 billion, including the interest on the sale price.

Increasing financial strength remains a major priority for RWE. Our prime objective is to be able to refinance our business at acceptable conditions on the debt capital market at all times, even in the event of a financial crisis.

As you are aware, our rating is watched extremely closely by the rating agencies, which is not particularly unusual these days. All in all, 40 European energy providers are currently being monitored. But German utilities have been dealt a particularly bad hand because of the uncertainties relating to nuclear power. In this connection it is important that we reach a constructive solution with the 'Commission for the Review of Nuclear Exit Financing', which will not put too much financial pressure on us and not further jeopardise our rating.

On that note, I will now hand you back to Peter Terium.

Peter Terium

Thank you, Bernhard.

Ladies and Gentlemen,

Following the establishment of the new company bundling retail, grids and renewables, the parent company RWE AG will concentrate on conventional power generation and energy trading. It also plans to remain the majority shareholder of RWE International SE for the long term and to fully consolidate it. The restructuring of the Group therefore quite deliberately reflects the fact that we are not renouncing the generation of electricity using coal and gas.

Our efficient and flexible portfolio of power plants is there to continue to ensure that enough electricity is available whenever it is needed. RWE AG therefore wants to make a vital contribution to the security and flexibility of the energy system. As a form of reinsurance for renewables, our conventional power stations remain a key to making the transformation of the energy system a success. Or in other words: renewables and conventional power stations are two sides of the coin that makes the transformation of the energy system affordable.

But one thing is also clear: the continuing decline in margins means we face enormous challenges in the area of conventional power generation. High special write-downs on our German and UK power plant fleet – as Bernhard mentioned just now – are a reflection of a further worsening of earnings prospects recently.

We cannot expect any lasting improvement in this dramatic situation in the foreseeable future. There is no rapid recovery of wholesale electricity prices in sight. The massive expansion of renewables offers no prospects for that in the current market system.

The new German law on the future design of the electricity market is in no way enough to set sufficient pricing signals. Even in the relatively short term it will become clear that a capacity market is essential, alongside and in addition to it. Otherwise, it will be impossible to maintain the high level of security of supply that we are used to. That is why we are resolutely campaigning to continue the discussion on introducing a capacity market, so that we do not run out of time at the end of the day and have to face serious supply bottlenecks.

Besides the major economic challenge, we face an additional one in the form of climate policy, in particular when it comes to generating electricity from lignite.

Of course, RWE will observe German and European climate protection targets. It will observe the long-term decarbonisation project that the latest world climate conference in Paris, for example, demanded at the end of last year.

But here, too, our philosophy is, “structural change, yes; structural rifts, no!”

Decarbonisation is not an academic debate. Rather, it is about tens of thousands of people living and working in the Rhenish lignite area. It is about local and regional value creation.

The people in the region want a minimum of opportunity to plan reliably, and they have earned that. With us, they can plan reliably. We have defined clear milestones for a socially compatible and climate-compatible restructuring of the energy supply system. And we are standing by it.

Putting five 300-MW units into standby will reduce our CO₂ emissions in lignite-based electricity production by 15% by 2020.

According to current plans, further power station closures will reduce our CO₂ emissions in the year 2030 by 40-50% compared to current levels. Lignite-based electricity production will decline further during the following years.

At some point, only lignite-fired power stations with optimised plant engineering will be producing electricity in the Rhenish region. By about the middle of the century, and thus in line with our ambitious targets to reduce CO₂ emissions in Germany by 2050, the Garzweiler and Hambach open-cast mines will be exhausted.

In short, our roadmap for further lignite-based electricity production in the coming decades is entirely in harmony with both national and European climate protection goals!

But let me note one thing clearly and without fear of misunderstanding: lignite cannot survive economically at a market price of around €20 per megawatt hour.

Now for the second pillar of RWE AG. This will comprise energy and commodities trading. One of the main things this does is to optimise the use of our power stations.

Energy trading is a profitable business, and one that we want to expand. We have already begun to invest in power companies and facilities to a limited extent, and expect to generate attractive returns within three to five years following a process of restructuring and selling them on.

One example is the Lynemouth hard coal-fired power station, in the north of England, which we acquired at

the end of 2012. We laid the foundations for converting it into a biomass power station with the aid of State subsidies, and sold it again at the beginning of 2016.

We must not forget the third pillar, either: as the majority shareholder, RWE AG should profit greatly from the new company, through success and growth, and through dividends.

That brings me to the outlook.

Despite the major success achieved in implementing our efficiency-enhancement programme, the crisis in conventional power generation remains a main determinant of the development of RWE's earnings.

For 2016, we expect EBITDA of €5.2 billion to €5.5 billion, an operating result of €2.8 billion to €3.1 billion and adjusted net income of €0.5 billion to €0.7 billion. This represents a considerable decline compared to 2015. But that should be no surprise in a context of falling electricity prices. The absence of the special items from which we benefited last year also plays a role.

We are tackling the operating and technical problems in the UK supply business with resolve, but anticipate burdens in this area in 2016 as well. In addition to operating activities, we are focusing in particular on implementing the Group's restructuring, which was decided at the end of 2015. In doing this we are setting

the course for a stronger RWE, which will be able to tap into new opportunities in a difficult market environment. Until the IPO, we will manage the company from a single source.

From a single source means – together. The four of us here and our colleagues in the new subsidiary.

Ladies and Gentlemen,

As you can see, we are living through a difficult period, but the prospects are good. I am convinced that we can do it!

We now look forward to your questions.