

Unaudited financial report for the six-month period ending 30 June 2016

**RWE Finance B.V.
's-Hertogenbosch, the Netherlands**

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Interim report of the directors

Interim report of the directors

Main developments during the period under review

The first half of the year 2016 saw intensive restructuring of the RWE Group as a preparation for the envisaged initial public offering (IPO) of RWE International SE (direct parent company of RWE Finance B.V. per 30 June 2016). Within this project some RWE group companies have been merged and the borrower of 10 intercompany loans of RWE Finance B.V., previously transferred to RWE Innogy GmbH and GBV Zweiundzwanzigste Gesellschaft für Beteiligungsverwaltung mbH (GBV22), is now RWE International SE – the mother company of the newly formed group bundling RWE's renewables, grids and retail business. There have also been changes to the loan (GBP 600 million) previously granted to RWE Generation UK plc (formerly RWE Npower plc); the borrower has changed to RWE Gas International N.V. (RGI). After this restructuring all intercompany loans of RWE Finance B.V. have a borrower belonging to the newly formed RWE International SE group (RWE International SE, RWE Benelux Holding B.V. or RGI).

On 20 April 2016 three intercompany loans (total amount EUR 850 million) granted to RWE International SE were paid back. RWE Finance B.V. used the funds to remit its maturing bond of EUR 850 million. Furthermore the exchange rate for GBP-EUR decreased from 1.406 per 31 December 2015 to 1.210 as per the end of June 2016. The net effect on the balance sheet total was a decrease from EUR 11,155.4 million to EUR 9,646.2 million. The net result decreased with 22.4% to EUR 0.7 million (2015: EUR 0.9 million), mainly caused by lower gross financing volumes due to the repayment in 2016.

The next upcoming maturity will only be in July 2018 for one bond in the amount of EUR 980 million. All bonds have been issued under guarantee of RWE AG and are listed on the Luxembourg Stock Exchange. Since October 2013 one bond is also listed on the Frankfurt Stock Exchange, which means this bond is listed on two Stock Exchanges.

To strengthen its financing capacity RWE Finance B.V. became an additional borrower within the scope of the EUR 4 billion revolving credit facility of RWE AG on 29 June 2016. The credit line is a backup facility provided by a group of 32 banks and is available for drawings up to the maturity on 31 March 2021. According to the internal allocation agreement RWE Finance B.V. is allowed to draw up to EUR 1.5 billion from this credit line.

Risk management and use of financial instruments

As the proceeds of all the bonds are one on one lent to the direct parent company RWE International SE, RWE Benelux Holding B.V. (RBH) and RGI, all 100% group companies, the ability of the company to meet its obligations under the bonds depends upon the payment of the principal and interest due from the above mentioned group companies. No liquidity risk is present, due to the fact that the maturity mismatch between the assets and liabilities is limited to the equity of the company. The interest rate on the loans, which were issued to the parent company before 2008, is 0.0237% higher than the interest rate on the relating bonds. The loans issued in 2008 until the end of 2011 have an interest rate of 0.0225% higher than the interest rate on the relating bonds. For 2012 and 2013 the spread was again set at 0.0237% and for 2014 as well as 2015 at 0.03%. As from 2016 the spread is 0.0639% based on verbal agreement with the tax authorities. On the loan issued to RGI an additional 0.6% is added to cover a guarantee fee payable to RWE AG. For the loan issued to RBH in 2013 a guarantee fee of 0.3% is charged, payable to RWE AG. The loan issued in 2014 bears a guarantee fee of 0.35%. We furthermore refer to the disclosures in paragraph 4 of the notes.

Currency risk

The Company's currency exposure mainly relates to positions and future transactions in British Pounds. However, as the bonds issued in foreign currencies have been one on one used to finance the loans to group companies in the same currency a natural hedge has been obtained and therefore currency risk is eliminated.

Interest rate risk

The company's exposure to interest rate risk on interest-bearing receivables and interest-bearing non-current and current liabilities is limited as the bonds and loans issued all have corresponding tenors and fixed interest rates.

Credit risk

The loans to group companies have been granted to the direct parent company RWE International SE as well as to RBH and RGI, all being 100% group companies. The actual long-term rating for RWE AG provided by S&P is BBB- with a negative outlook; Moody's rated RWE AG on Baa3 with a stable outlook.

Financial Outlook

On 20 July 2016 RWE International SE sold its participation in RWE Finance B.V. to RGI as a result of which RGI became the direct parent company and RWE AG remains the ultimate parent company.

A listing of RWE International SE via an initial public offering is envisaged for late 2016. The proceeds are mainly to be used to finance growth investments in this company. Within this scope, the role of RWE Finance B.V. as a finance vehicle of the newly formed RWE International SE group will be adopted. New financial transactions might follow accordingly.

On 1 September 2016 the rebranding of the names of the following companies took place:

- RWE Finance B.V. changed to innogy Finance B.V.;
- RWE Gas International N.V. changed to innogy International Participations N.V.;
- RWE Benelux Holding B.V. changed to innogy Benelux Holding B.V.;
- RWE International SE changed to innogy SE.

Responsibility Statement

"The Managing Directors of the Company hereby declare that to the best of their knowledge and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the period ending 30 June 2016 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and that the Directors' report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial year of the Company together with a description of the principal risks that it faces."

's-Hertogenbosch, The Netherlands, 6 September 2016

Board of Directors,

S. Lowis

V. Heischkamp

J. Stollenga

H. Dullens

Interim financial report for the six-month period ending 30 June 2016

Balance sheet
(before appropriation of profit)

	Ref.	30 June 2016		31 December 2015	
		EUR'000	EUR'000	EUR'000	EUR'000
<i>Assets</i>					
Non-current assets					
Financial assets	5.1		9,269,867		9,867,557
Current assets					
Receivables	5.2	365,669		1,277,715	
Cash and cash equivalents	5.3	10,669		10,160	
			376,338		1,287,875
			9,646,205		11,155,432
<i>Equity and liabilities</i>					
Shareholder's equity					
Share capital	5.4	2,000		2,000	
Retained earnings		8,761		6,955	
Profit for the year		697		1,806	
			11,458		10,761
Non-current liabilities					
	5.5		9,269,867		9,867,557
Current liabilities					
	5.6		364,880		1,277,114
			9,646,205		11,155,432

Income statement

	Ref.	Jan - Jun 2016		Jan - Jun 2015	
		EUR'000	EUR'000	EUR'000	EUR'000
Interest and similar income	6.1	259,903		323,433	
Interest and similar expenses	6.2	(254,086)		(317,121)	
Total financial result			5,817		6,312
General and administrative expenses	6.3		(4,888)		(5,115)
Operating income			929		1,197
Income tax expense	6.4		(232)		(299)
Net result after taxation			697		898

Cash flow statement

	Ref.	Jan - Jun 2016	Jan - Dec 2015
		EUR'000	EUR'000
Cash flows from operating activities			
Cash generated from operations:			
Interest received		315.358	706.862
Interest paid		(304.006)	(696.808)
Expenses paid		(70)	(202)
Income tax paid		(613)	18
Guarantee fee paid		(10.027)	(10.113)
Net cash from operating activities		642	(243)
Cash flows from investment activities			
		-	-
Cash flows from financing activities			
Repayment of long-term bonds	5.6	(850.000)	(2.000.000)
Repayment of long-term loans	5.2	850.000	2.000.000
Dividends paid	5.4	-	(1.900)
Net cash used in financing activities		-	(1.900)
Net cash flows		642	(2.143)
Exchange and translation differences on cash and cash equivalents		(16)	(32)
Net increase/(decrease) in cash and cash equivalents		626	(2.175)
Cash and cash equivalents			
Opening balance		10.084	12.259
Closing balance	5.3	10.710	10.084
Net increase/(decrease) in cash and cash equivalents		626	(2.175)

Notes to the financial statements

1 General

1.1 Activities

The activities of RWE Finance B.V. are to facilitate the financing of companies within the RWE Group.

1.2 Group structure

RWE Finance B.V., incorporated on 14 February 2001, is a private limited liability company. In April 2016 the direct parent company of RWE Finance B.V. changed from RWE Innogy GmbH in Essen, Germany to RWE International SE in Essen, Germany. RWE AG is the ultimate parent company. The financial statements of RWE Finance B.V. are included in the consolidated financial statements of RWE AG, available via www.rwe.com.

RWE Finance B.V. is seated at Willemsplein 4, 's-Hertogenbosch, the Netherlands and registered in the Trade register Brabant no. 34 15 11 16.

1.3 Accounting policies

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

1.4 Comparison previous year

The valuation principles and method of determining the result are the same as those used in the previous year.

1.5 Notes to the cash flow statement

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and current liability group companies.

Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

1.6 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

2.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes. The financial statements are expressed in EUR'000.

2.2 Foreign currencies

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the income statement.

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro, which is the functional and presentation currency of RWE Finance B.V.

2.3 Financial assets

Loans to group companies

Loans to group companies included in financial assets are initially recognized at fair value, and subsequently measured at amortized cost.

Deferred premiums and discounts on loans to group companies are amortized over the term of the loans using the effective interest method. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

The interest rate charged on loans to group companies has been set in conformity with the tax ruling obtained from the local tax authorities.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognized in the income statement

The amount of an impairment loss incurred on financial assets stated at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in the income statement.

2.4 Receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognized under bank overdrafts forming part of current liabilities. Cash and cash equivalents are stated at face value.

2.6 Non-current liabilities

Bonds included in non-current liabilities are initially recognized at fair value, net of transaction costs incurred. Bonds are subsequently measured at amortized cost.

Deferred premiums and discounts on bonds are amortized over the term of the loans using the effective interest method. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

2.7 Current Liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

3 Accounting policies for the income statement

3.1 General

Results on transactions are recognized in the year in which they are realized; losses are accrued as soon as they are foreseeable.

3.2 Foreign currencies

Exchange differences resulting from settlement and translation are charged or credited to the income statement.

3.3 General and administrative expenses

The guarantee fee that is due by RWE Benelux Holding B.V. and RWE Gas International N.V. is received by the Company as part of their interest payments and accounted for and paid to RWE AG as an operating expense by the Company.

3.4 Interest income and expense

Income from financing activities is determined as interest income received from intercompany financing activities. Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for the transaction costs on loans received as part of the calculation of effective interest.

3.5 Taxation

Corporate income tax is calculated on the profit/loss before taxation in the income statement, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

3.6 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are recognized to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income taxes are recognized at face value.

4 Financial instruments and risk management

4.1 Market risk

Currency risk

The Company's currency exposure mainly relates to positions and future transactions in British Pounds. However, as the bonds issued in foreign currencies have been one-on-one used to finance the loans to group companies a natural hedge has been obtained and therefore currency risk is eliminated.

Price risk

The Company's price risk is limited as the bonds issued by the Company have been one-on-one used to finance the loans to group companies. As a result a natural hedge has been obtained.

4.2 Interest rate risk

The Company's exposure to interest rate risk on interest-bearing receivables and interest-bearing non-current and current liabilities is limited as the bonds and loans issued all have fixed interest rates. The spread on loans amounts to 0.0237% for loans issued before 2008 and 0.0225% for loans issued thereafter till 2012. For 2012 and 2013 the spread was again 0.0237% and for 2014 as well as 2015 0.03%. As from 2016 the spread is 0.0639% based on verbal agreement with the tax authorities.

4.3 Credit risk

The loans to group companies have been granted to the direct parent company RWE International SE as well as to RWE Benelux Holding B.V. and RWE Gas International N.V., all being 100% group companies. The actual long-term rating for RWE AG provided by S&P is BBB- with a negative outlook; Moody's rated RWE AG on Baa3 with a stable outlook.

We furthermore refer to paragraph 5.1 of the notes to these financial statements.

4.4 Liquidity risk

The liquidity risk is minimal, because the proceeds of the bonds outstanding are one-on-one lent to RWE International SE, RWE Benelux Holding B.V. and RWE Gas International N.V.

The interest rates on the loans to RWE International SE, RWE Benelux Holding B.V. and RWE Gas International N.V. are higher than the interest rates on the related bonds.

5 Notes to the balance sheet

5.1 Financial assets

Financial assets concern loans to group companies and are specified as follows:

	2016	2015
	EUR'000	EUR'000
1 January		
Book value	9,867,557	10,409,529
Movements financial year		
Exchange rate differences	(597,690)	308,028
Short-term part of loans transferred to receivables	-	(850,000)
	(597,690)	(541,972)
30 June 2016 / 31 December 2015		
Book value	9,269,867	9,867,557

In April 2016 the intercompany loans (EUR 1,980 million and GBP 3,317.5 million) and corresponding interest receivables due from RWE Innogy GmbH changed legal title to RWE International SE. The intercompany loan (GBP 600 million) and corresponding interest receivable due from RWE Generation UK plc changed legal title to RWE Gas International N.V. in the same month.

The loans are to be repaid in the period between 2018 and 2039. An amount of EUR 2,730 million and GBP 570 million is to be repaid between 1 July 2017 and 30 June 2021. During the period under review no new loan has been issued. Three loans for a total amount of EUR 850 million have been repaid in April 2016. These loans were classified under the receivables.

Currency

The nominal amount of the loans to the direct parent company RWE International SE consist of two loans contracted in EUR amounting to EUR 1,980 million and eight loans company contracted in GBP to a total amount of GBP 3,317.5 million (EUR 4,013.9 million). Furthermore four loans for a total amount of EUR 2,550 million have been lent on to RWE Benelux Holding B.V., a 100% group company, and a loan of GBP 600 million (EUR 726 million) has been lent on to RWE Gas International N.V., also a 100% group company.

Interest

The interest rates are fixed, ranging from:

<u>Loan</u>	<u>Amount</u>	<u>Interest rate</u>
EUR	4,530,000,000	2.1987% - 6.6475%
GBP	3,917,500,000	5.3737% - 6.5237%

5.2 Receivables

	<u>30 June 2016</u>		<u>31 December 2015</u>	
	<u>Total</u>	<u>Term > 1 year</u>	<u>Total</u>	<u>Term > 1 year</u>
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term part of group loans	-	-	850,000	-
Interest receivable from group companies	305,707	-	361,162	-
Deferred premiums and discounts	59,962	59,962	66,553	66,318
	<u>365,669</u>	<u>59,962</u>	<u>1,277,715</u>	<u>66,318</u>

The fair value of the receivables is in line with their carrying amount.

5.3 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the Company.

	<u>30 June 2016</u>	<u>31 December 2015</u>
	EUR'000	EUR'000
Current account group companies	10,663	10,152
Cash	6	8
Total cash and cash equivalents	<u>10,669</u>	<u>10,160</u>

At 30 June 2016 the deposit with the ultimate parent company amounted to EUR 10.7 million (2015: EUR 10.2 million). The deposit matures at 6 July 2016 and bears interest at 0.0% p.a. (2015: 0.0%). The fair value of the cash and cash equivalents is in line with their carrying amount.

Cash flow statement

The closing balance in the cash flow statement is the balance of the cash and cash equivalents of EUR 10.7 million (2015: 10.2 million) minus the liability from current account group companies EUR 0.0 million (2015: EUR 0.1 million) (ref 5.6).

5.4 Shareholder's equity

Share capital

The authorized share capital as at 30 June 2016 amounts to EUR 10 million of which 20,000 ordinary shares of EUR 100 each have been issued and fully paid up. The breakdown of the share capital can be specified as follows:

	30 June 2016		31 December 2015	
	Shares	Share capital EUR'000	Shares	Share capital EUR'000
1 January				
Issued and fully paid-up	20,000	2,000	20,000	2,000
Movements financial year				
Additionally paid-in capital	-	-	-	-
30 June 2016 / 31 December 2015				
Issued and fully paid-up	20,000	2,000	20,000	2,000

Retained earnings

	30 June 2016	31 December 2015
	EUR'000	EUR'000
Balance as at 1 January	6.955	6.806
Additions from profit previous year	1.806	2.049
Dividends declared/paid	-	(1.900)
Balance as at 30 June 2016 / 31 December 2015	8.761	6.955

Profit for the year

	30 June 2016	31 December 2015
	EUR'000	EUR'000
Balance as at 1 January		
Profit for the financial year	697	1,806
Balance as at 30 June 2016 / 31 December 2015	697	1,806

5.5 Non-current liabilities

This item relates to the issued bonds and is specified as follows:

	30 June 2016	31 December 2015
	EUR'000	EUR'000
1 January		
Book value	9,867,557	10,409,529
Movements financial year		
Exchange rate differences	(597,690)	308,028
Short-term part of bonds transferred to current liabilities	-	(850,000)
	(597,690)	(541,972)
30 June 2016 / 31 December 2015		
Book value	9,269,867	9,867,557

The bonds are to be repaid in the period between 2018 and 2039. An amount of EUR 2,730 million and GBP 570 million is to be repaid between 1 July 2017 and 30 June 2021. During the period under review no new bond has been issued. One bond for a total amount of EUR 850 million has been repaid in April 2016. This bond was classified under the current liabilities.

Currency

The nominal amount of the bonds consists of six bonds contracted in EUR amounting to EUR 4,530 million and nine bonds contracted in GBP to a total amount of GBP 3,917.5 million (EUR 4,739.9 million). The bonds are listed at the Luxembourg Stock Exchange and one of these bonds also at the Frankfurt Stock Exchange since October 2013.

Interest

The interest rates are fixed, ranging from:

Bond	Amount	Interest rate
EUR	4,530,000,000	1.875% - 6.625%
GBP	3,917,500,000	4.750% - 6.500%

5.6 Current liabilities

	30 June 2016		31 December 2015	
	Total	Term > 1 year	Total	Term > 1 year
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term part of bonds	-	-	850,000	-
Interest payable	300,439	-	350,359	-
Guarantee Fee (RWE AG)	4,035	-	9,242	-
Current account group companies	(41)	-	76	-
Corporate income tax	248	-	629	-
Accrued liabilities	25	-	27	-
Deferred tax liability	212	180	228	196
Deferred premiums and discounts	59,962	59,962	66,553	66,318
	<u>364,880</u>	<u>60,142</u>	<u>1,277,114</u>	<u>66,514</u>

The fair value of the liabilities is in line with their carrying amount.

Current account group companies represent the In-house bank balance with RWE Benelux Holding B.V.

Deferred tax liability

	EUR'000
At 1 January 2016	228
Movements	(16)
At 30 June 2016	<u>212</u>

During the coming year EUR 32,371 will be amortized to the income statement.

The deferred tax liability is caused by a penalty payment in 2007 for early termination of a loan. For tax purposes the payment is spread over the original duration of the loan which originally ended in 2030.

5.7 Financial instruments

Financial instruments valued at cost

The table below shows financial instruments whose market value differs from cost.

	30 June 2016		31 December 2015	
	Market value	Book value	Market value	Book value
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Financial assets</i>				
Loans to group companies	10,637,650	9,269,867	11,955,260	10,717,557
<i>Financial liabilities</i>				
Bonds issued	10,624,251	9,269,867	11,661,670	10,717,557

The market value of bonds and loans is determined through different valuation methods. The market value of loans to group companies is higher than the market value of bonds issued as they carry a higher interest rate.

The market value of loans to group companies and bonds issued is higher than the book value because they carry interest at a rate that is higher than the market rate.

6 Notes to the income statement

6.1 Interest and similar income

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Interest income on loans group companies	258,379	321,817
Release deferred premiums and discounts	1,524	1,607
Interest on deposit/bank	-	9
	259,903	323,433

6.2 Interest and similar expenses

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Interest expenses on bonds issued	252,557	315,508
Release deferred premiums and discounts	1,524	1,607
Interest on deposit/bank	5	6
	254,086	317,121

6.3 General and administrative expenses

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Guarantee Fee	4,820	5,000
Advisory fees	15	50
Wages and salaries	-	-
Management and administrative expenses	52	64
Other	1	1
	<u>4,888</u>	<u>5,115</u>

In 2015 and 2016 the remuneration of the Board of Directors was nil.

PricewaterhouseCoopers Accountants N.V. is the auditor of the financial statements of the Company. The composition of the fees paid to the auditor is as follows:

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Audit of the Financial Statements	15	14
Other assurance services	-	36
Total audit fees	<u>15</u>	<u>50</u>

6.4 Income tax expense

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Current tax:		
Current income tax	248	315
Deferred tax:		
Net movement in deferred taxes	(16)	(16)
Income tax expense	<u>232</u>	<u>299</u>
Income before tax	929	1.197
Effective tax rate	<u>25,0%</u>	<u>25,0%</u>

The statutory tax rate is 25% for the year 2016 (2015: 25%).

7 Other information

7.1 Employees

RWE Finance had no employees in 2015 and 2016.

7.2 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of RWE Finance B.V. or the ultimate parent company and close relatives are regarded as related parties.

The ultimate parent company RWE AG, the direct parent company RWE International SE, RWE Benelux Holding B.V. and RWE Gas International N.V. qualify as related parties. We also refer to the notes 5.1, 5.2, 5.3 and 5.6. Transactions carried out by the Company with related parties are all based on arm's length terms and conditions.

The related party positions within the balance sheet can be specified as follows:

	30 June 2016	31 December 2015
	EUR'000	EUR'000
Loans including deferred premium and discount	9,237,097	10,680,048
Interest receivable on the above loans	305,707	361,162
Deposit	10,663	10,152
Inhouse bank balance	41	(76)
Guarantee fee payable	(4,035)	(9,242)
Total related parties in the balance sheet	9,549,473	11,042,044

The related party positions within the income statement can be specified as follows:

	30 June 2016	30 June 2015
	EUR'000	EUR'000
Interest on loans	258,379	321,817
Amortisation premium and discount	1,524	1,607
Interest on deposit	-	9
Guarantee fee	(4,820)	(5,000)
Total related parties in the income statement	255,083	318,433

7.3 Commitments and contingencies

Fiscal Unity

RWE Finance B.V. is part of the fiscal unity RWE Gas International N.V. with effective date 1 January 2015. The company and its fellow group members are jointly and severally liable for all tax liabilities within the fiscal unity.

Revolving credit facility

To strengthen its financing capacity RWE Finance B.V. became an additional borrower within the scope of the EUR 4 billion revolving credit facility of RWE AG on 29 June 2016. The credit line is a

backup facility provided by a group of 32 banks and is available for drawings up to the maturity on 31 March 2021. According to the internal allocation agreement RWE Finance B.V. is allowed to draw up to EUR 1.5 billion from this credit line.

7.4 Events after the balance sheet date

On 20 July 2016 RWE International SE sold its participation in RWE Finance B.V. to RWE Gas International N.V. as a result of which RWE Gas International became the direct parent company and RWE AG remains the ultimate parent company.

On 1 September 2016 the rebranding of the names of the following companies took place:

- RWE Finance B.V. changed to innogy Finance B.V.;
- RWE Gas International N.V. changed to innogy International Participations N.V.;
- RWE Benelux Holding B.V. changed to innogy Benelux Holding B.V.;
- RWE International SE changed to innogy SE.

No events after balance sheet date occurred, which should be included in these accounts.

's-Hertogenbosch, The Netherlands, 6 September 2016

Board of directors,

S. Lowis

V. Heischkamp

J. Stollenga

H. Dullens

Other information

Other information

Articles of association governing profit appropriation

According to article 27 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.