

Enjoying Success Together Integration and Growth



Fact Book

The First Three Quarters of Fiscal Year 2003/2004 (1/10/03–30/6/04)

16/8/2004



Agenda



- ▶ Executive Summary
- ▶ Business Model
- ▶ Financial Data - The First Three Quarters
- ▶ MVV Energie AG's Stock
- ▶ Outlook



Executive Summary

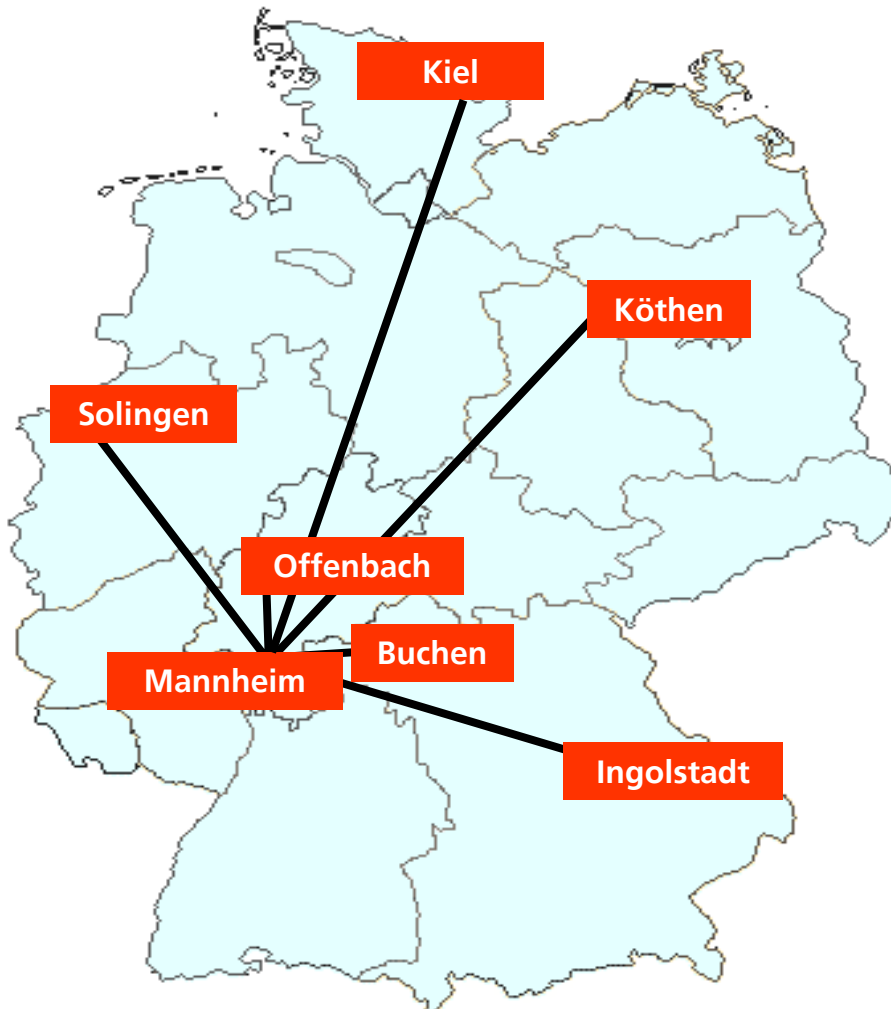


Strong Market Position

- ▶ Ranked No. 5 among German power suppliers according to volume
- ▶ Ranked No. 5 among European district-heating utilities according to volume
- ▶ A total of 1.7 million customers in Germany and Eastern Europe for electric power, gas, district heating and water
- ▶ Successful business in value-added services (Contracting, land improvement and development)
- ▶ One of the major utilities to use refuse- and biomass-derived fuel to generate energy in Germany with a capacity of nearly 1 Mill. tonnes per year in future

Solid foundation for continuing growth

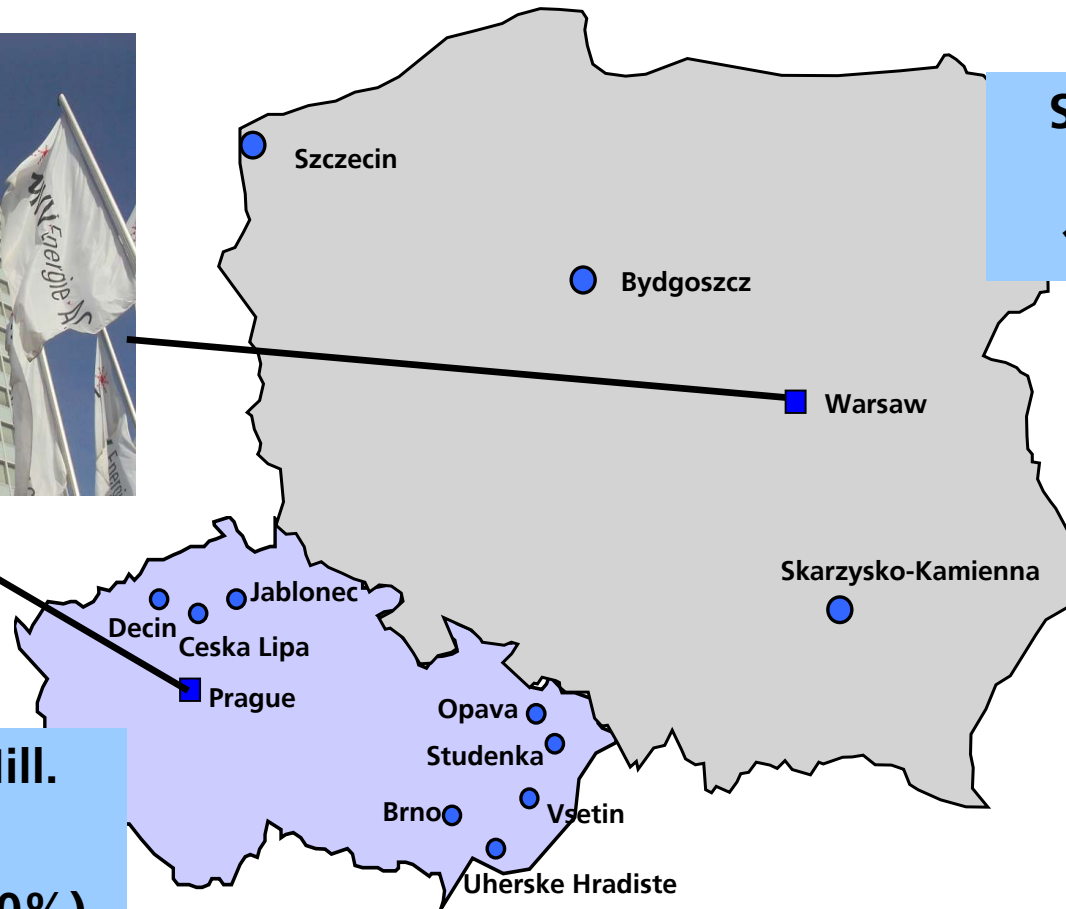
Our Goal: A Successful Network of Municipal Utilities



- ▶ Access to new customers
- ▶ Providing a platform for marketing value-added energy services
- ▶ Strengthening our power-purchasing leverage
- ▶ Creating synergy potential (IT, procuring and so forth)
- ▶ Exchanging successful business models

Multipling the Value of Our District-Heating Expertise

Participations in European District-Heating Utilities



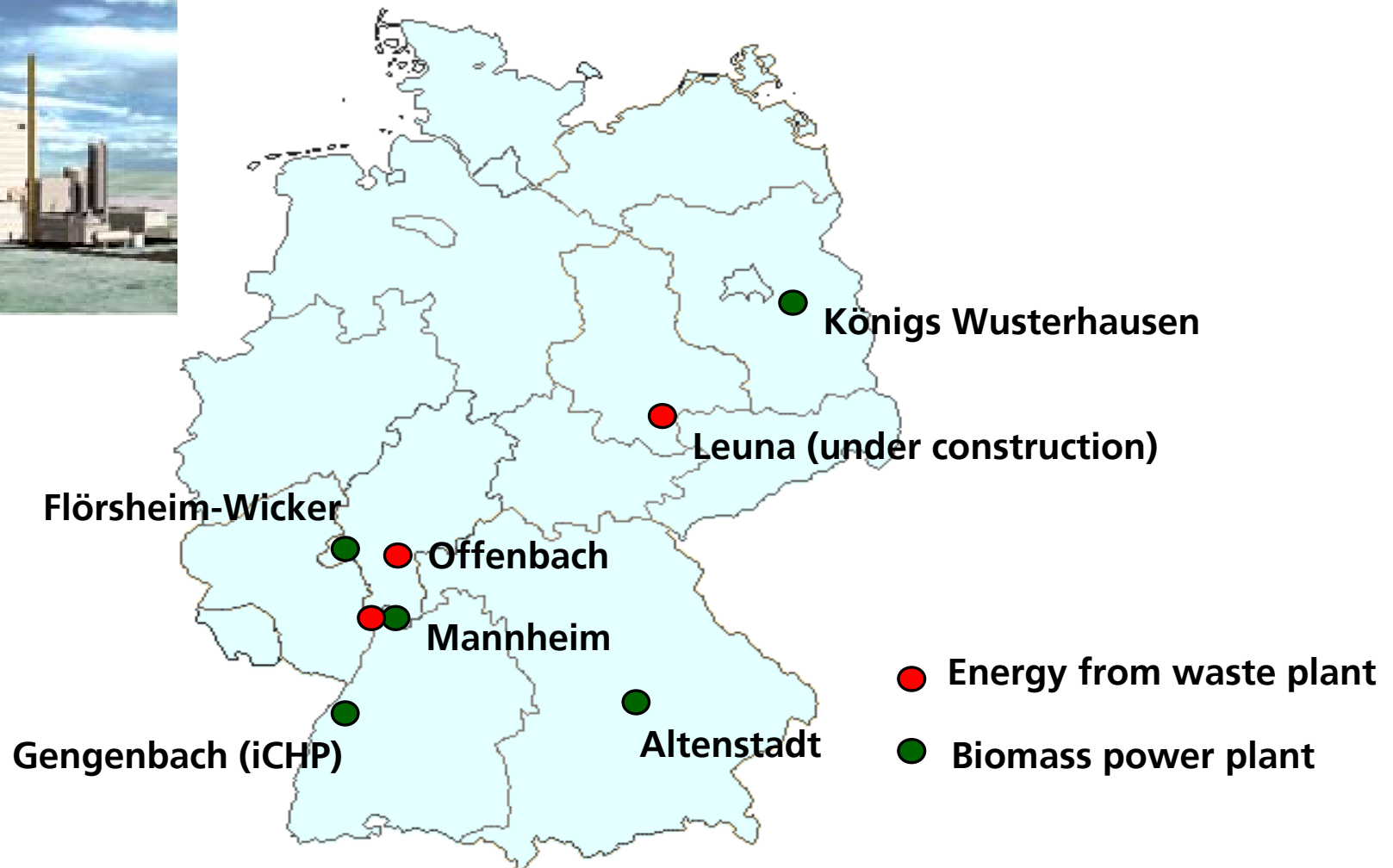
Sales: Euro 40 Mill.
(2002/03)

170,000 customers

Sales: Euro 95 Mill.
(2002/03)

(Market Share > 10%)
105,000 customers

Successfully Disposing of Waste and Utilising Biomass



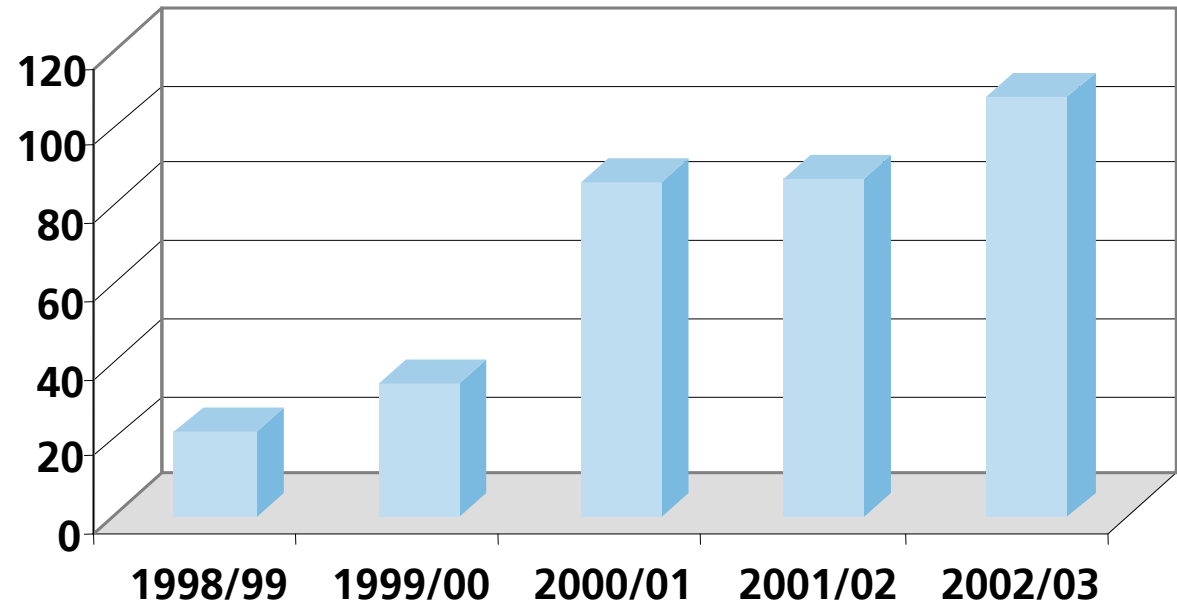
Healthy Growth in Our National and International Business in Value-Added Services



i.e.

- ▶ Contracting
- ▶ Land improvement & development
- ▶ Consulting
- ▶ Water Services

Sales from Value-aded services in Euro Mill.



Comprehensive solutions for customers promote commodity sales

Business Model



MVV Energie's Concept as a Distributor and Service Provider

Stable Core Business

- ▶ Successful **energy distribution** (Power, gas, district heating) as well as in **energy from waste incineration, utilising biomass** and in **water distribution**
- ▶ Long-term **customer ties** thanks to owning our own networks
- ▶ **Sound earnings** with huge potential for synergies

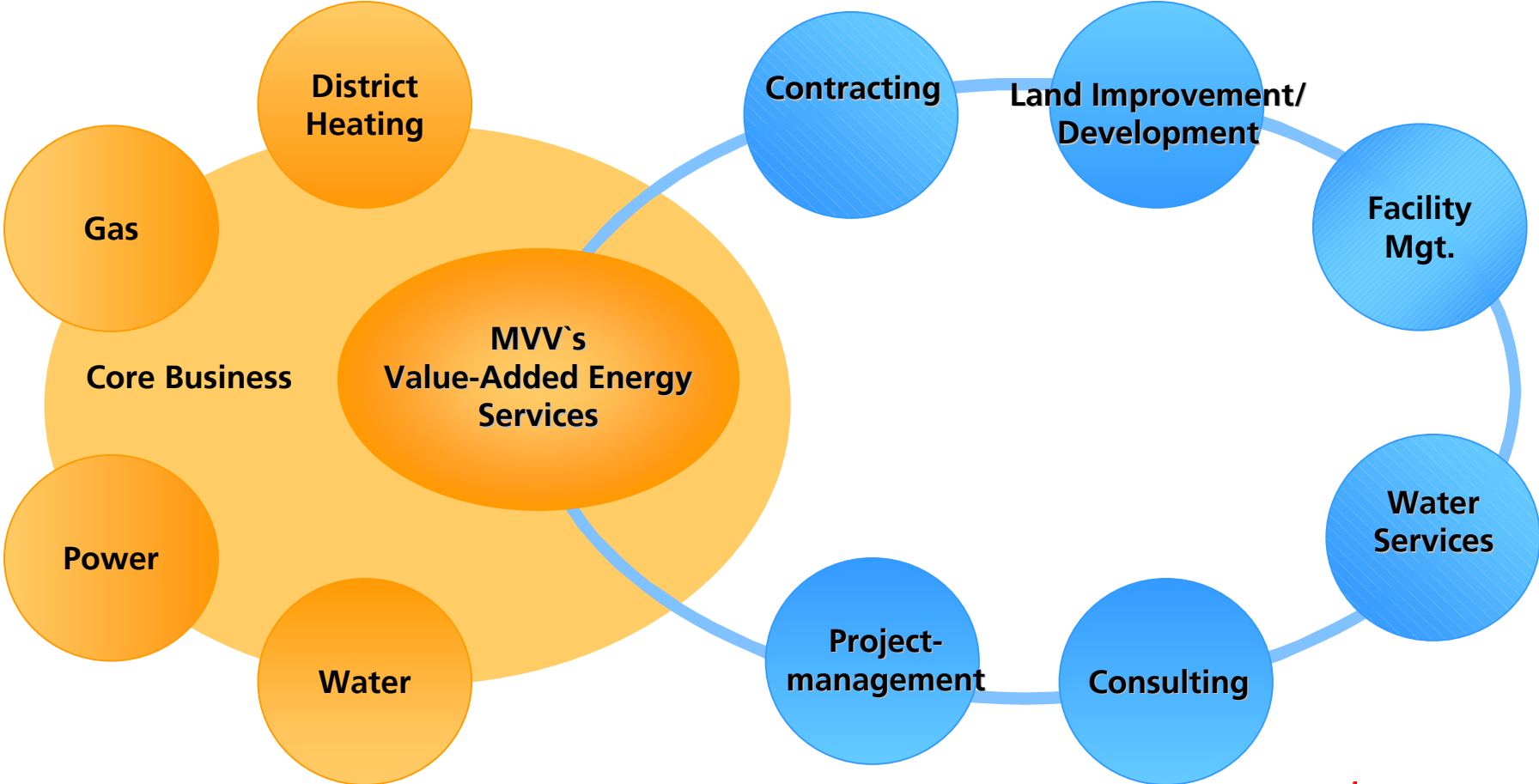
+

Growth Potential

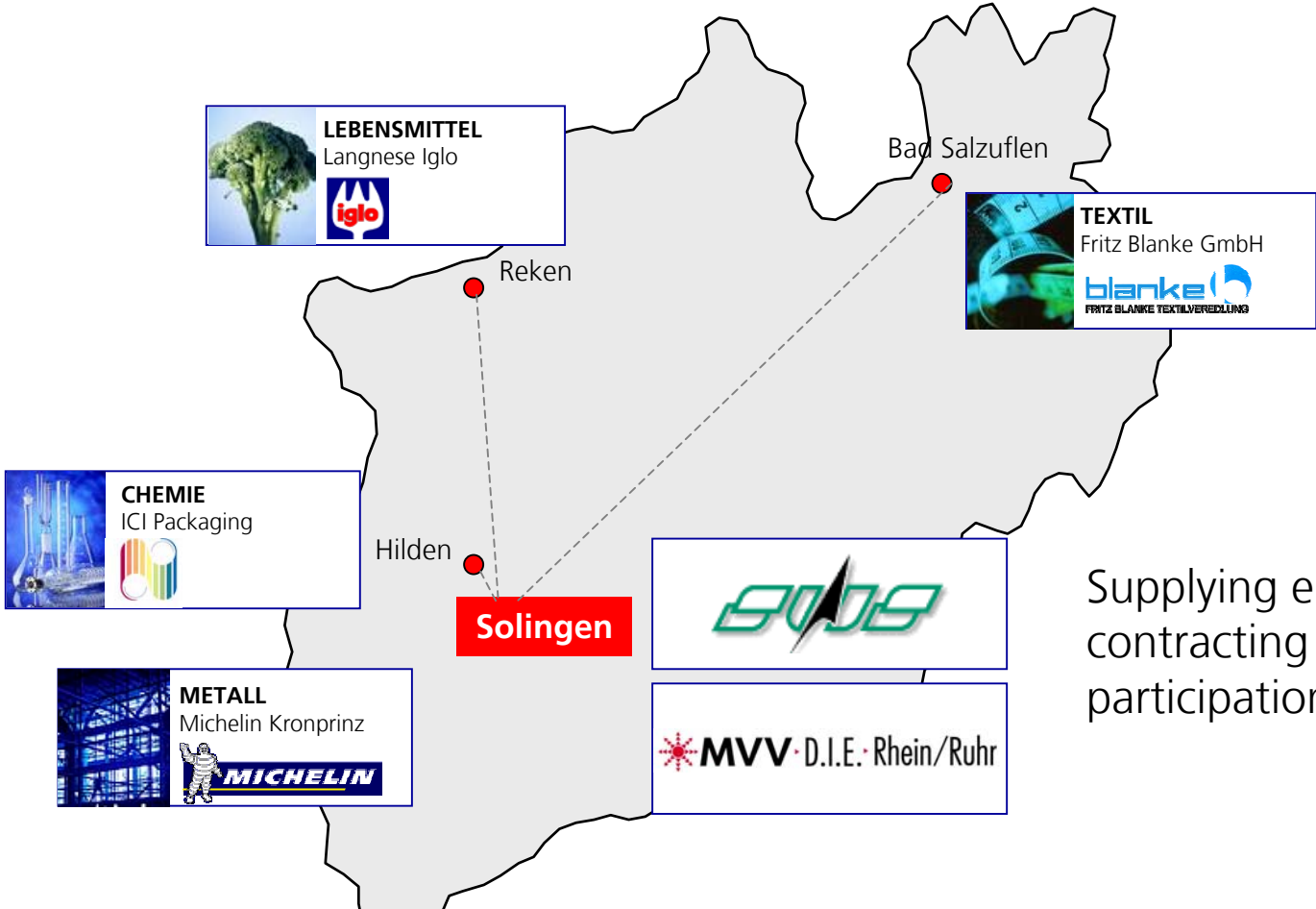
- ▶ New markets through new national and international **participations**
- ▶ Building on existing customer ties through **value-added services**
- ▶ Continuing development of our product portfolios in important **energie technologies**, for example fuel cells, via our participations

Our Business Model

We offer value-added energy services based on customer ties via our networks



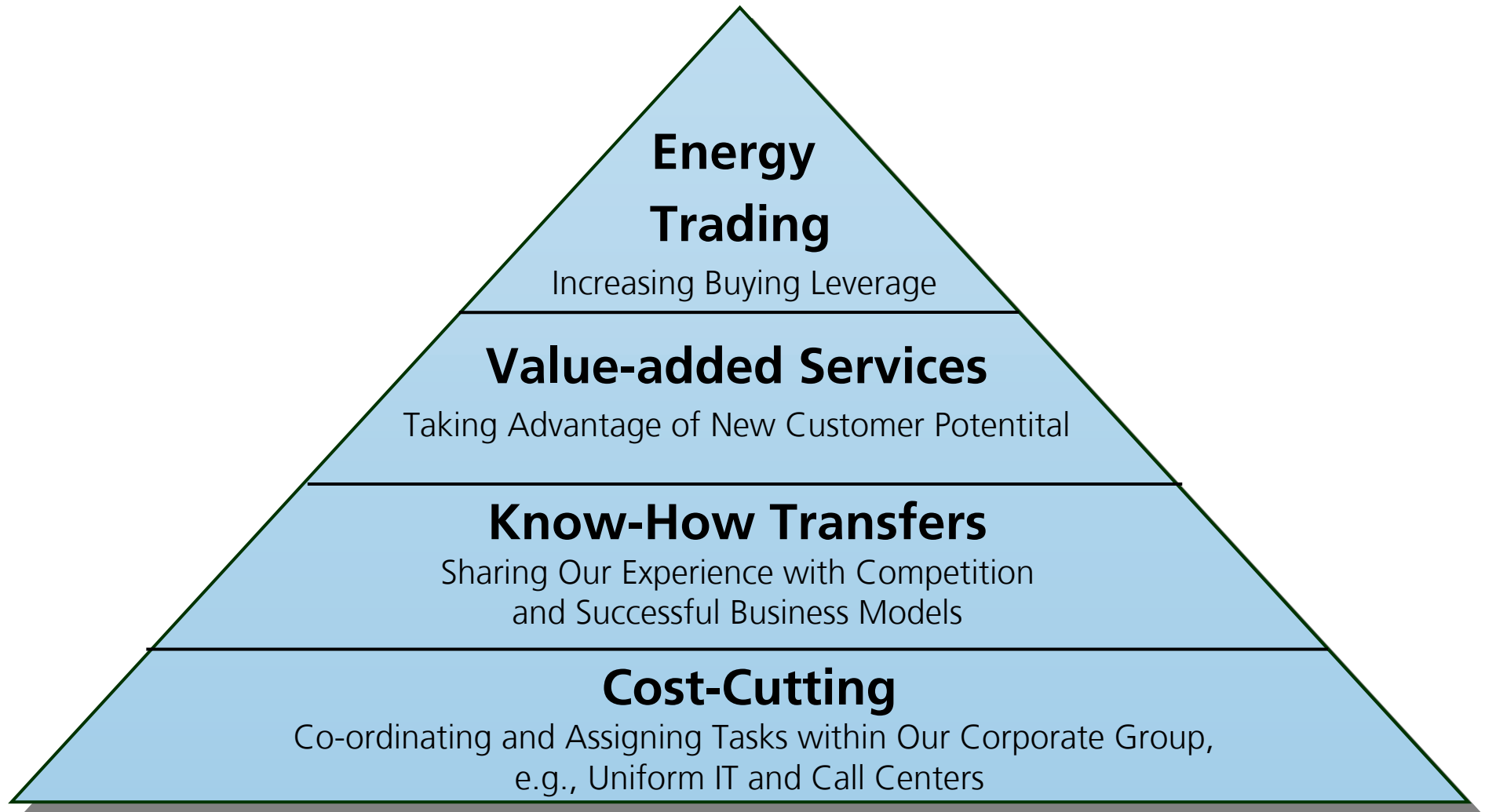
Implementation of Our Platform Concepts Using North Rhine-Westphalia as Example



Supplying energy service using contracting models via our participations

Successful marketing via our participations

We can make use of synergy potential and new customer groups via participations in distribution utilities



Economical Procurement via Energy Trading

- ▶ Professional Power Trading (Procurement)
- ▶ Controlling portfolios and minimising risks
- ▶ Creating special profiles for customer needs
- ▶ Additional windows of opportunity (e.g., gas trading, weather derivatives)
- ▶ Completely equipped trading floor with front, back and middle offices as well as research
- ▶ Member of the merged EEX power exchanges

Financial Data

The First Three Quarters of Fiscal Year 2003/2004



Factors Affecting Results - 1st–3rd Quarters of 2003/2004

- ▶ Power-trading volume increasing
- ▶ Adjusted EBIT supported by profit from our sale of Stadtwerke Meißen (1st Quarter)
- ▶ Positive impact on our district-heating results from organisational changes offset by a warmer winter and fluctuations in the exchange rates for the currencies in Eastern Europe
- ▶ Energy from waste plants negatively affected by these organisational changes
- ▶ Water results weakened by disadvantageous weather
- ▶ Losses from Eternegy exceed profits from Biomass powerplants
- ▶ Value-added services segment still shows a negative EBIT because of the continuing losses of non-restructured participations
- ▶ Income-tax rate rises because our restructuring measures are not completely deductible

Volume - 1st–3rd Quarters of 2003/2004

Volume¹	2003/2004 1/10–30/6	2002/2003 1/10–30/6	In %
Electric power (Mill. kWh)	9,649	8,615	+ 12
Thereof wholesaling ² (Mill. kWh)	3,563	2,426	+ 47
Thereof retailing (Mill. kWh)	6,086	6,189	- 2
District heating (Mill. kWh)	6,597	6,720	- 2
Gas (Mio kWh)	7,474	7,404	+ 1
Water (Mill. m ³)	29,8	30,5	- 2
Incinerated waste (1000 tonnes)	377	355	+ 6

¹ Total volume from all segments

² Only net power-trading volume carried as well as without intercompany deliveries (last year's figures updated accordingly)

MVV Energie Group - 1st-3rd Quarters of 2003/2004 (Unadjusted)

Developments in Earnings In Euro Mill. (Unadjusted)	2003/2004 1/10-30/6	2002/2003 1/10-30/6	In %
Sales	1,251	1,143	+ 9
EBITDA	199	344	- 42
EBITA	99	262	- 62
EBIT	86	252	- 66
EBT	46	211	- 78
Net earnings after taxes	8	175	- 95
after deducting minority interests	0	168	-
Earnings per share in Euro	0.00	3.32	-
Cash flow in acc. with DVFA/SG	141	135	+ 4

¹ Net sales from energy trading, i.e., only showing the margin actually realised (last year's sales were updated accordingly)

Portfolio Adjustments - One-off expenditures impact EBIT (1st–3rd Quarters)

Euro 41 Mill. (Euro 20 Mill. in 1st–2nd Quarters + Euro 21 Mill. in 3rd Quarter)

- ▶ Restructuring in our Powerline business
 - Depreciation of fibre-optic grids in Mannheim: Euro 10 Mill. (1st–2nd Quarters 03/04)
 - Partial depreciation of fixed assets at Manet: Euro 7 Mill. (1st–2nd Quarters 03/04)
 - Restructuring expenses at Manet: Euro 1 Mill. (1st–2nd Quarters 03/04)
- ▶ Dropping non-core business activities
 - Partial depreciation of MVV's participation in Spain: Euro 2 Mill. (1st–2nd Quarters 03/04)
 - Loss from sale of AWATECH: Euro 8 Mill. **(3rd Quarter 03/04)**
 - Depreciation of financial assets in our innovations portfolio: Euro 6 Mill. **(3rd Quarter 03/04)**
 - Devaluation in Eternegy and Portugal projects: Euro 7 Mill. **(3rd Quarter 03/04)**
- ▶ We intend to implement the remaining measures to adjust our portfolio (total to be charged against net earnings: up to Euro 52 Mill.) in the current fiscal year

Restructuring measures to cut costs in future

EBIT Adjusted for One-off Factors

EBIT in Euro Mill.	2003/2004 1/10–30/6	2002/2003 1/10–30/6	+/-
EBIT MVV Energie Group (unadjusted)	86	252	- 166
- Profits from sale of GVS shares (after deducting the book value and transaction costs)		- 140	+ 140
- Income from GVS		- 1	+ 1
+ Measures to enhance competitiveness		+ 12	- 12
+ Portfolio adjustments (Powerline Euro 18 Mill., Spain Euro 2 Mill. AWATECH Euro 8 Mill., Innovations portfolio Euro 6 Mill., Eternegy and Portugal Euro 7 Mill.)	+ 41		+ 41
Adjusted EBIT MVV Energie Group	127	123	+ 4

Results - 1st–3rd Quarters of 2003/2004 (Adjusted)

Developments in Earnings In Euro Mill.	Adjusted ¹	Adjusted ²	In %
	2003/2004 1/10–30/6	2002/2003 1/10–30/6	
Sales	1,251	1,143	+ 9
EBITDA	221	215	+ 3
EBITA	137	133	+ 3
EBIT	127	123	+ 3
EBT	88	83	+ 6
Net earnings after taxes	49	44	+ 11
after deducting minority interests	41	37	+ 11
Earnings per share in Euro	0.80	0.73	+ 10
Cash flow in acc. with DVFA/SG	147	147	–

¹ In 2003/04 without expenditures for portfolio adjustments and restructuring measures

² In 2002/03 without profits from sale of our GVS shares, the remaining income from GVS as a participation and the expenditures for measures to strengthen our competitiveness

Sales by Segment - 1st– 3rd Quarters of 2003/2004

Sales in Euro Mill.	2003/2004 1/10–30/6	2002/2003 1/10–30/6	In %
Electric power ¹	595	503	+ 18
District heating	211	217	- 3
Gas ²	219	208	+ 5
Water	54	54	–
Energy from waste (MHKW) ³	67	69	- 3
Value-added services ³	87	83	+ 5
Renewable energy	4	–	–
Other/Consolidation	14	9	
Total Sales	<u>1,251</u>	<u>1,143</u>	<u>+ 9</u>

¹ Energy-trading sales shown as net figures, i.e., only with the margin actually realised (last year's figures updated accordingly) and including Euro 65 Mill. for the electricity tax (Euro 57 Mill. last year)

² Including Euro 41 Mill. for natural gas tax (Euro 35 Mill. last year)

³ In 2002/03 without sales from project business/transfer of the biomass powerplants still under construction in Mannheim, Flörsheim-Wicker (MHKW segment) and Königs Wusterhausen (value-added services segment) to the respective project companies, which were set against a corresponding consolidation item

EBIT by Segment - 1st–3rd Quarters of 2003/2004

EBIT in Euro Mill.	Unadjusted 2003/2004 1/10–30/6	Unadjusted 2002/2003 1/10–30/6	In %
Electric power	30	24	+ 25
District heating	49	48	+ 2
Gas	28	167	- 83
Water	8	9	- 11
Energy from waste (MHKW)	19	15	+ 27
Value-added services	- 31	- 5	- 520
Renewable energy	- 8	- 6	- 33
Other/Consolidation	- 9	–	
Total EBIT	<u>86</u>	<u>252</u>	<u>- 66</u>

EBIT by Segment - 1st–3rd Quarters of 2003/2004 (Adjusted)

EBIT in Euro Mill.	Adjusted ¹	Adjusted ²	In %
	2003/2004 1/10–30/6	2002/2003 1/10–30/6	
Electric power	30	26	+ 15
District heating	49	49	-
Gas	28	25	+ 12
Water	8	10	- 20
Energy from waste (MHKW)	19	23	- 17
Value-added services	- 6	- 4	- 50
Renewable energy	- 2	- 6	+ 67
Other/Consolidation	1	–	
Total EBIT	127	123	+ 3

¹ In 2003/04 without expenditures for portfolio adjustments and restructuring measures

² In 2002/03 without profits from sale of our GVS shares, the remaining income from GVS as a participation and the expenditures for measures to strengthen our competitiveness

Sales by Companies - 1st–3rd Quarters of 2003/2004

Sales in Euro Mill.	2003/2004 1/10–30/6	2002/2003 1/10–30/6	In %
MVV Energie AG/MVV RHE AG (Mannheim)	802	712	+ 13
Energieversorgung Offenbach	219	201	+ 9
SW Solingen ¹	67	63	+ 6
SW Ingolstadt ¹	62	62	–
Energie Köthen	10	10	–
MVV Energie CZ, Prague	83	87	- 5
MVV Polska	30	36	- 17
Other Participations	43	48	- 10
Total Participations	514	507	+ 1
Consolidation	- 65	- 76	
MVV Energie Group	<u>1,251</u>	<u>1,143</u>	<u>+ 9</u>

¹ Proportionally consolidated

EBIT by Companies - 1st–3rd Quarters of 2003/2004

EBIT in Euro Mill.	2003/2004 1/10–30/6	2002/2003 1/10–30/6	In %
MVV Energie AG/MVV RHE AG (Mannheim)	52	205	- 75
Energieversorgung Offenbach	26	22	+ 18
SW Solingen ¹	10	10	-
SW Ingolstadt ¹	12	9	+ 33
Energie Köthen	2	2	-
MVV Energie CZ, Prague	18	19	- 5
MVV Polska	1	3	- 67
Other Participations	- 22	- 8	- 175
Total Participations	47	51	- 8
Consolidation	- 13	- 10	
MVV Energie Group	<u>86</u>	<u>252</u>	<u>- 66</u>

¹ Proportionally consolidated

EBIT by Companies - 1st–3rd Quarters of 2003/2004 (Adjusted)

Adjusted EBIT in Euro Mill.	2003/2004 1/10–30/6	2002/2003 1/10–30/6	In %
MVV Energie AG/MVV RHE AG (Mannheim) ¹	72	71	+ 1
Energieversorgung Offenbach ²	26	27	- 4
SW Solingen	10	10	-
SW Ingolstadt	12	9	+ 33
Energie Köthen	2	2	-
MVV Energie CZ, Prague	18	19	- 5
MVV Polska	1	3	- 67
Other Participations ³	- 1	- 8	+ 88
Total Participations	68	62	+ 10
Consolidation	- 13	- 10	
MVV Energie Group	127	123	+ 3

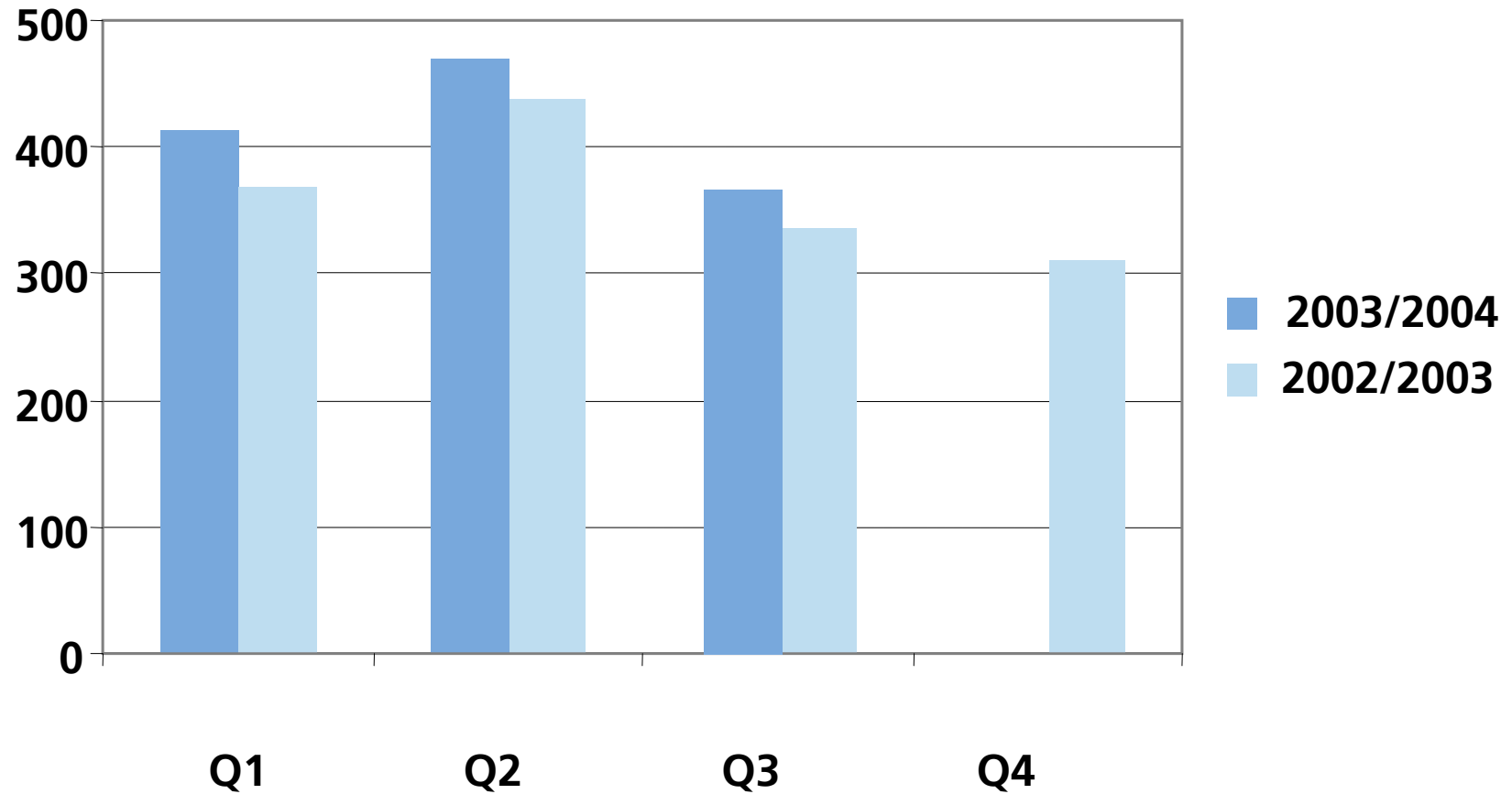
¹ In 2003/04 without depreciation of our fibre-optic networks of Euro 10 Mill., value corrections of Euro 2 Mill. in Spain and loss from sale of AWATECH of Euro 8 Mill.; in 2002/03 without the GVS profit of Euro 141 Mill. and personnel-restructuring costs of Euro 7 Mill. incurred because of GKM

² In 2002/03 without Euro 5 Mill. in provisions for a partial retirement programme at EVO

³ In 2003/04 partial depreciation of fixed assets and restructuring expenses at MANet of Euro 8 Mill., depreciation of financial assets in our innovations portfolio of Euro 6 Mill. and devaluation in Eternegy and Portugal projects of Euro 7 Mill.

Sales¹ by Quarter

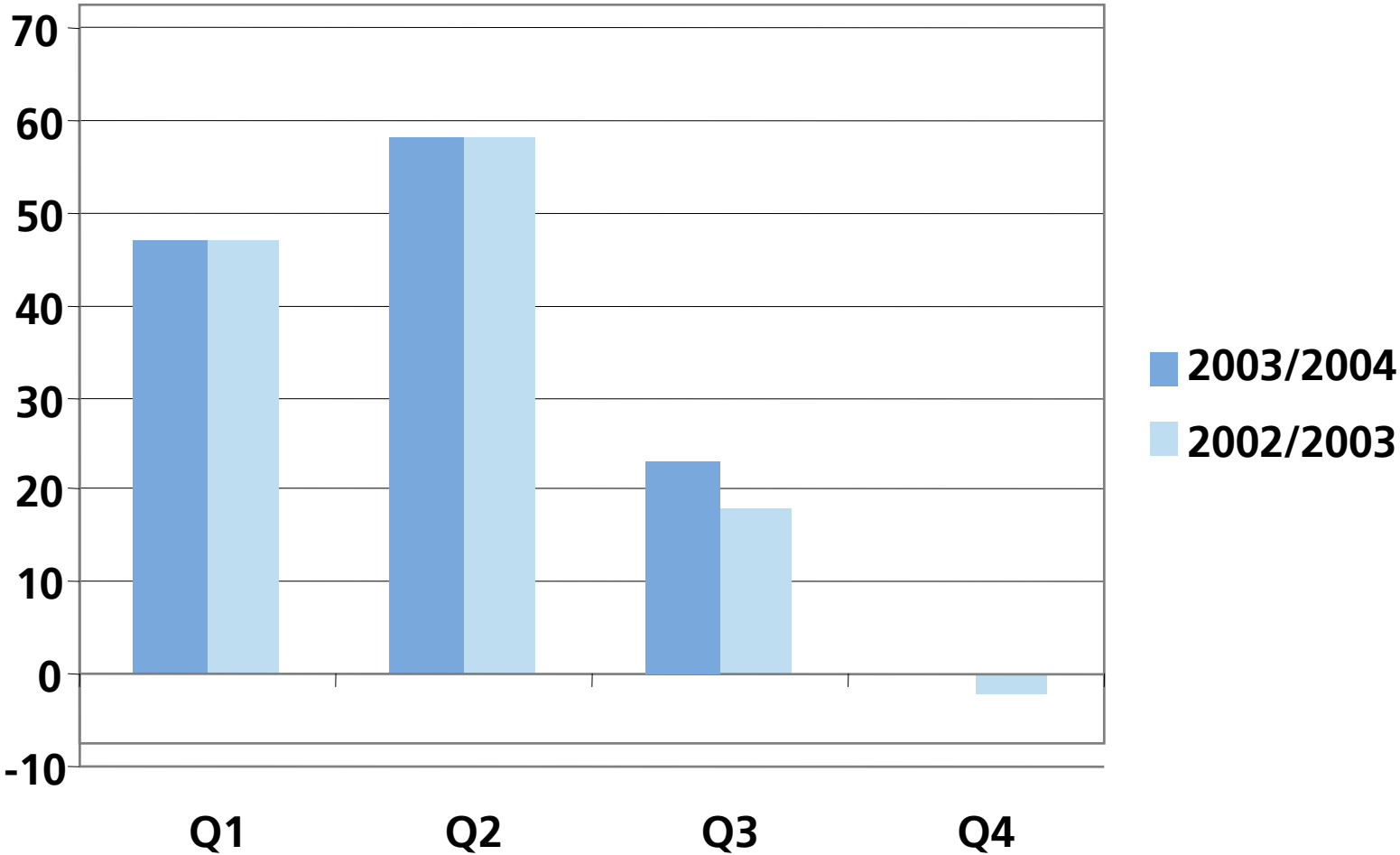
In Euro Mill.



¹ Energy-trading sales shown as net figures

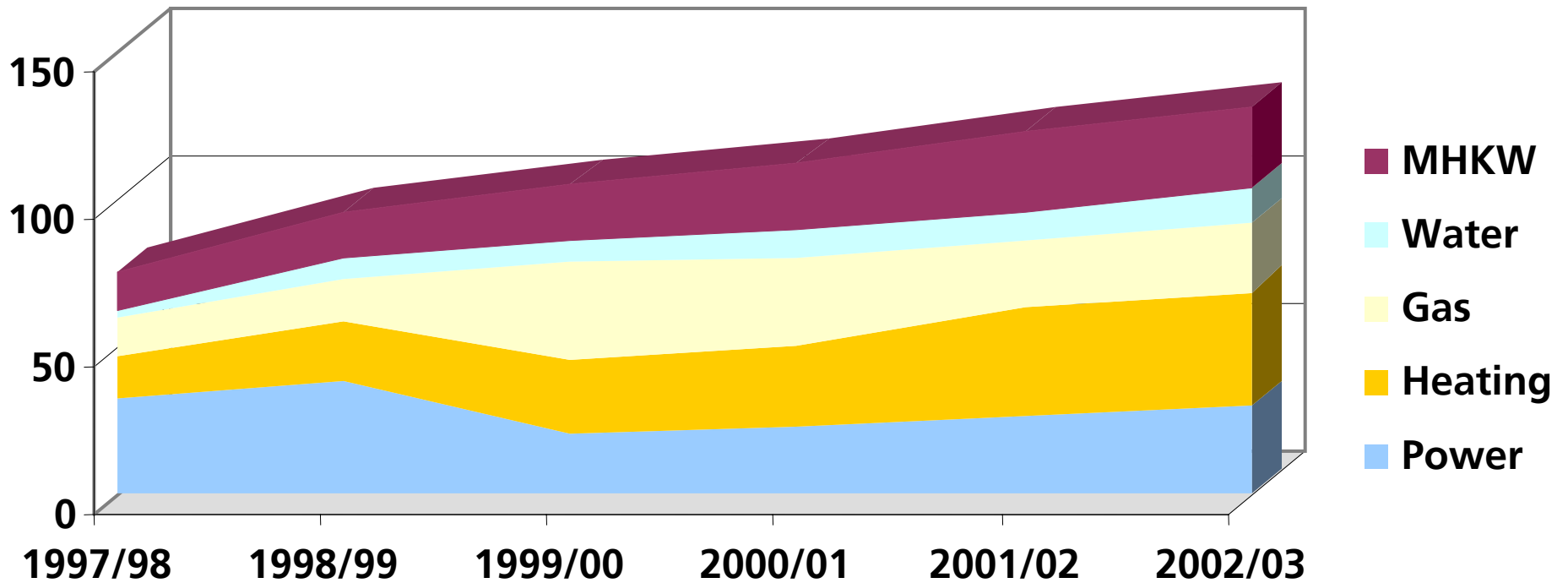
EBIT by Quarter (Adjusted)

In Euro Mill.



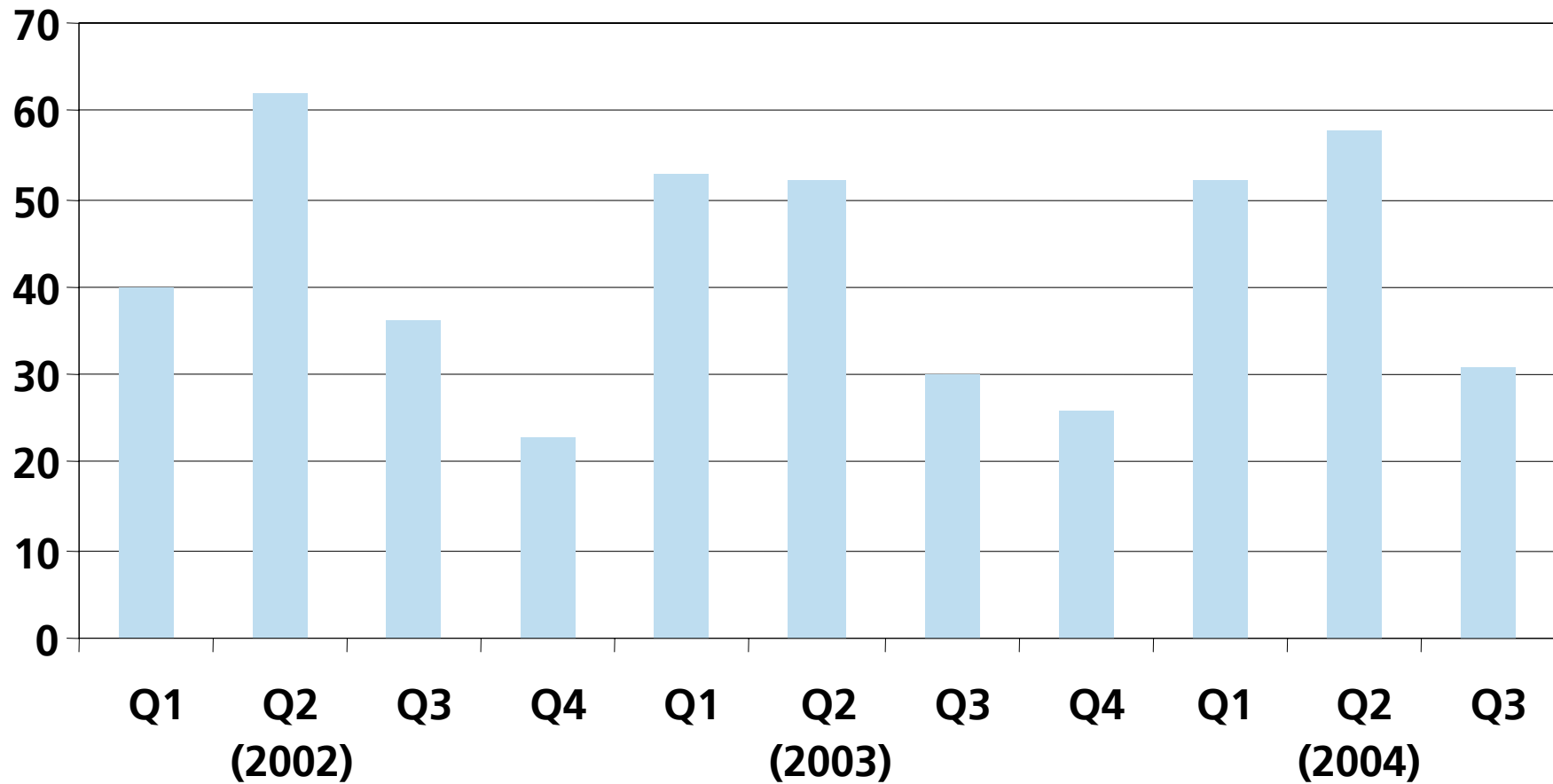
Earnings Growth from Our Core Business to Remain Stable on a Long-Term Basis

EBIT from our Core Business in Euro Mill.
(Divisions adjusted for One-off Factors)



Positive Cash flow (DVFA)

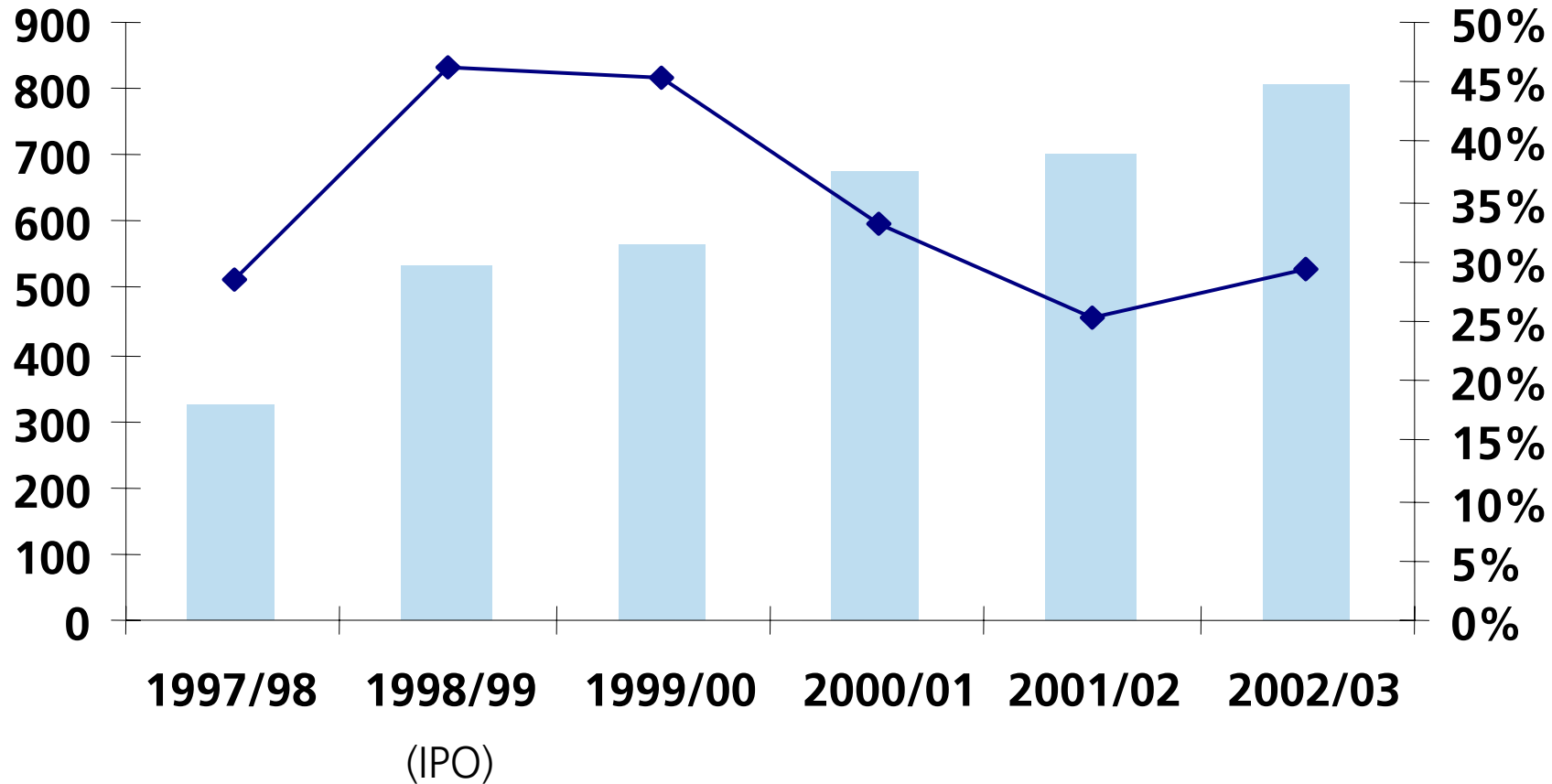
In Euro Mill.



Equity Significantly Increased

In Euro Mill.

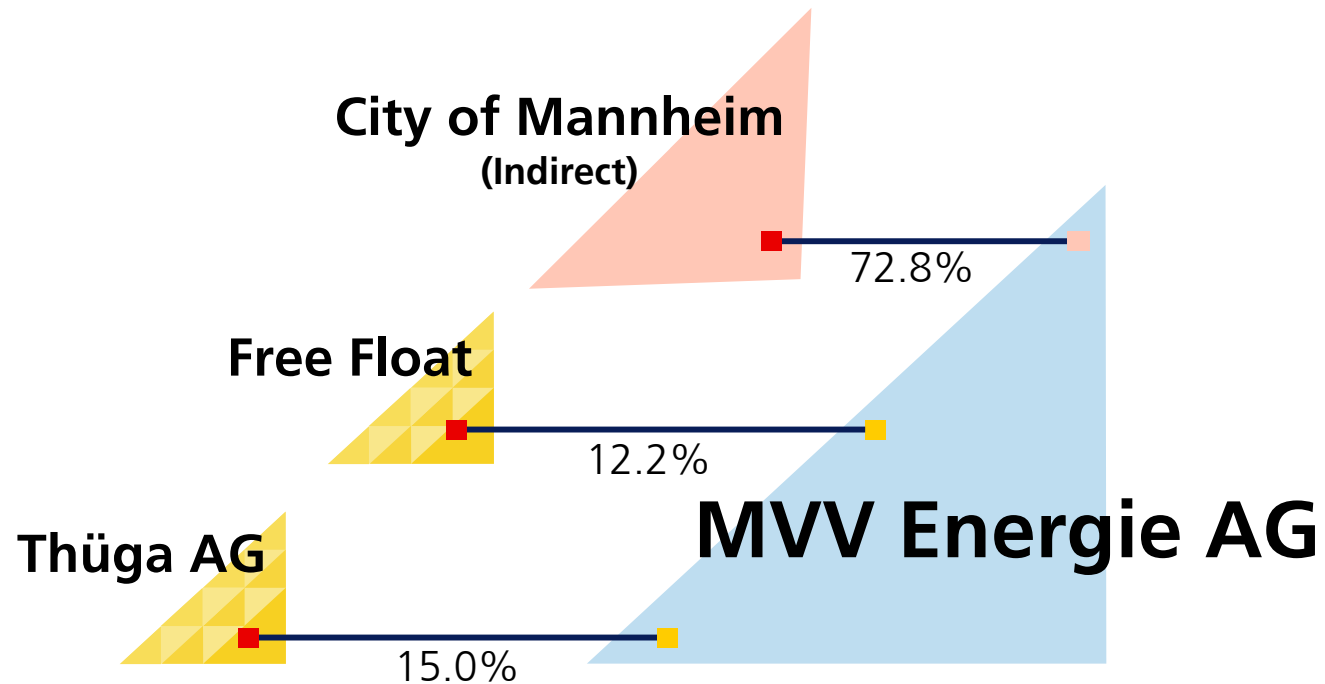
Equity — Equity to Total Capital Ratio



MVV Energie AG's Stock



Shareholders' Structure & Key Indicators

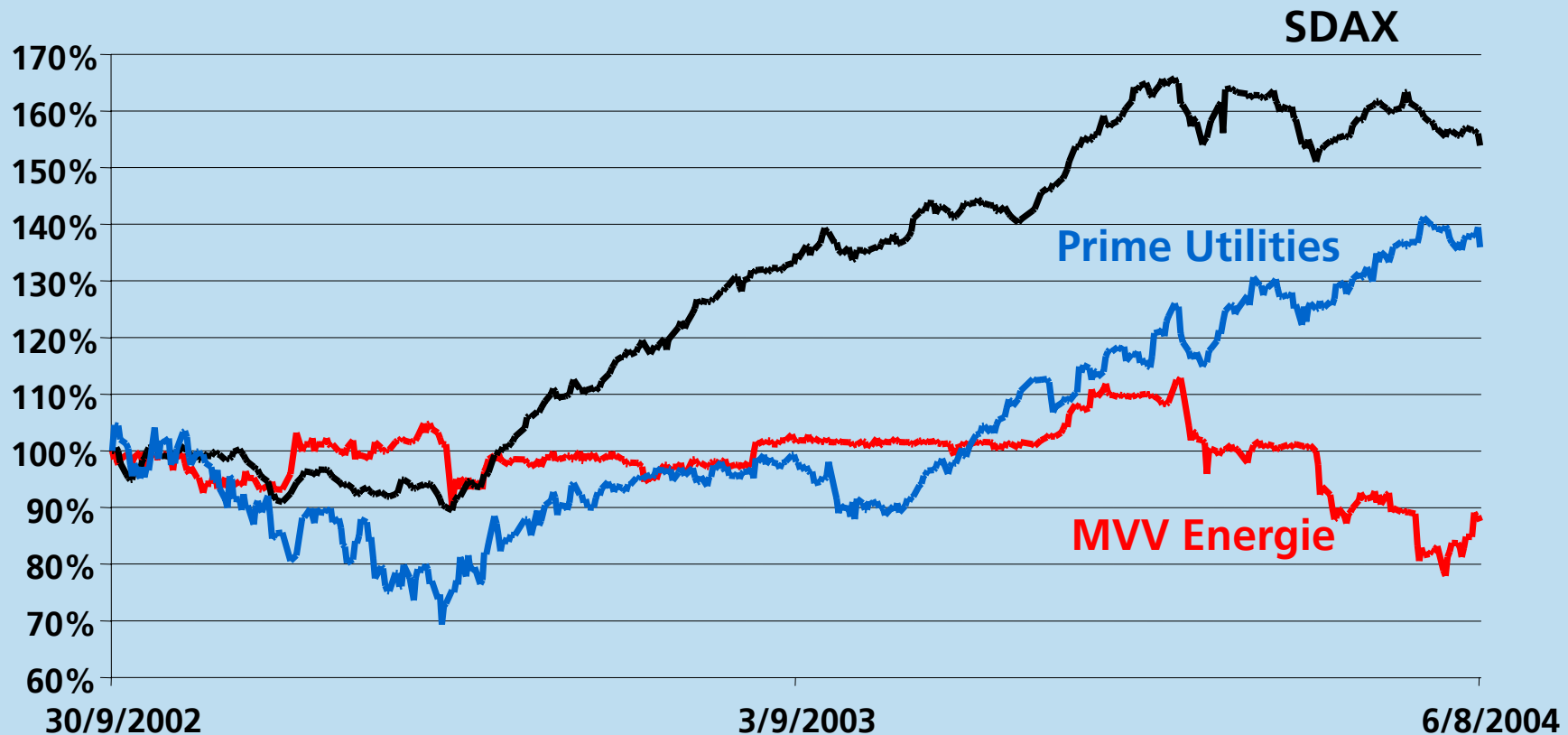


- ▶ No. of Shares: 50.702 Mill.
- ▶ Market Capitalisation: Euro 667 Mill. (Share Price as of 6/8/2004: Euro 13.15)
- ▶ Free Float: Euro 81 Mill.

Developments in Share Price (FY 2002/03 - 6/8/2004) versus SDAX and Prime Utilities

MVV Energie's Share (ISIN DE 0007255903)

Stock Exchange Frankfurt



Advantages for Our Shareholders

- ▶ Secure earnings thanks to **stable core business**
- ▶ Upside potential can be realised by acquiring **additional participations**, expanding **value-added services** and **turning around or eliminating business divisions running deficits**
- ▶ Attractive **dividend returns** (currently over 5.6%)
- ▶ High **equity** per share (approx. Euro 13)
- ▶ Suitable as a long-term investment due to **low volatility**
- ▶ Listed on the Prime Standard (**SDAX**) with a medium-term chance for the MDAX



We are committed to shareholder value

Planned Capital-Market Measures (SPO)

- ▶ In case of additional major acquisitions or investments, we will **obtain new equity from stock market**
- ▶ Objectives: To create equity for **additional growth** and **to increase free float to at least 25%**
- ▶ Our shareholders **approved authorised capital** of up to 20% of our share capital (10% thereof without options) at our general meeting on March 12, 2004
- ▶ At the current share price, this would mean a **volume** of approx. **Euro 130 Mill.**
- ▶ Increasing liquidity and availability of MVV's shares will make them **more attractive for institutional investors**

Solution for long-term growth compatible with capital markets

Outlook



Consistent Focussing on Our Profitable Core Business

- ▶ In March 2004, the Supervisory Board approved the measures proposed by the Executive Board on strategically focusing on our core business as an energy distributor and value-added services provider
- ▶ Growth through additional **participations** in energy-distribution utilities
- ▶ Continuing development of our **value-added services** close to our core business
- ▶ Merging our **energy from waste business** with our **biomass powerplants** and efficient expansion of this business division
- ▶ Increasing the profitability of our district-heating participations in Eastern Europe
- ▶ Basing our portfolio on profitability and closeness to our core business activities
- ▶ Taking advantage of synergies within our multi-utility Group by streamlining group structures, processes and controlling based on key economic indicators

Progress has been achieved in focusing on our core business

- ▶ Restructuring and outsourcing of Powerline nearly concluded
- ▶ Sale of Aquamundo completed
- ▶ Sale of AWATECH GmbH completed
- ▶ Liquidation of MVV Espana almost completed
- ▶ We are preparing to divest ourselves of MVV Portugal
- ▶ We are preparing to sell Eternegy's wind projects
- ▶ Several participations to be merged
- ▶ New organisational structure implemented

Consistent focusing on core business as a sound basis for profitable growth

Annually scheduled impairment test for our participations in municipal utilities moved up

- ▶ Rumours in the Press regarding a certain need for value corrections with some of our participations in municipal utilities were triggered not least by the comparatively reasonably priced acquisition of the shares in the Kiel public utility
- ▶ In order to provide clarification on the sustainability of value of our participations as quickly as possible, we have moved up an annually scheduled impairment test for our financial statements for fiscal year 2003/04 by several weeks
- ▶ The results should be available by late September 2004

Developments in earnings will be primarily affected by the new direction of MVV Energie's strategies and portfolio

- ▶ We are still expecting a decline in EBIT for fiscal year 2003/04 without taking into account the restructuring costs with respect to adjusted EBIT for 2002/03 in the single-digit percentage range
- ▶ As announced early on one-off costs accompanying the restructuring measures of up to Euro 52 Mill. will be charged against net earnings for 2003/04
- ▶ Without adjusting for one-off costs we are expecting negative net earnings for fiscal year 2003/04
- ▶ Both these one-off costs as well as possible value corrections with some of our participations in municipal utilities will be covered by the profits from last year's sale of MVV Energie's shares in GVS (profit carryover)
- ▶ We will thus once again be able to propose an attractive dividend for fiscal year 2003/04 at the next General Shareholders' Meeting

Outlook

- ▶ The falling prices for participations in municipal utilities coupled with the restrictions on major interregional utilities will favour our prospects for growth
- ▶ We will fully consolidate our new participation in Kiel by the end of this fiscal year. However, we are not expecting an appreciable contribution to EBIT therefrom in fiscal year 2003/04
- ▶ Efficiency of the MVV Energie Group's structures is planned to be improved as a result of this strategic initiative and the successful restructuring of our Group's organisation
- ▶ In conjunction with cost-cutting measures this will contribute to better corporate results in fiscal year 2004/05.
- ▶ We will also concentrate our investments in order to generate free cash flow

Financial Data - 3rd Quarter of 2003/2004



EBIT Adjusted for One-off Factors - 3rd Quarter

EBIT in Euro Mill.	2003/2004 1/4–30/6	2002/2003 1/4–30/6	+/-
EBIT MVV Energie Group (unadjusted)	1	20	- 19
- Profits from sale of GVS shares (after deducting the book value and transaction costs)			
- Income from GVS			
+ Measures to enhance competitiveness		- 2	+ 2
+ Portfolio adjustments (AWATECH Euro 8 Mill., Innovationsportfolio Euro 6 Mill., projects Eternegy and Portugal Euro 7 Mill.)	+ 21		+ 21
Adjusted EBIT MVV Energie Group	<u>22</u>	<u>18</u>	<u>+ 4</u>

Adjusted Results - 3rd Quarter of 2003/2004

Developments in Earnings In Euro Mill.	Adjusted ¹	Adjusted ²	In %
	2003/2004 1/4–30/6	2002/2003 1/4–30/6	
Sales	366	336	+ 9
EBITDA	55	49	+ 12
EBITA	26	22	+ 18
EBIT	22	18	+ 22
EBT	10	6	+ 67
Net earnings after taxes	6	1	+ 500
after deducting minority interests	5	0	+ 500
Earnings per share in Euro	0.09	- 0.01	–
Cash flow in acc. with DVFA/SG	31	31	–

¹ In 2003/04 without expenditures for portfolio adjustments and restructuring measures

² In 2002/03 without expenditures for measures to strengthen our competitiveness

MVV Energie Group - 3rd Quarter of 2003/2004

Volume ¹		2003/2004 1/4–30/6	2002/2003 1/4–30/6	In %
Electric power	(Mill. kWh)	3,199	2,826	+ 13
Thereof wholesaling ²	(Mio kWh)	1,155	709	+ 63
Thereof retailing	(Mill. kWh)	2,044	2,117	- 3
District heating	(Mill. kWh)	1,136	1,101	+ 3
Gas	(Mill. kWh)	1,426	1,421	-
Water	(Mill. m ³)	10.7	11.0	- 3
Incinerated waste	(1000 tonnes)	131	121	+ 8

¹ Total volume from all segments

² Only net power-trading volume carried as well as without intercompany deliveries (last year's figures updated accordingly)

Sales by Segment - 3rd Quarter of 2003/2004

Sales in Euro Mill.	2003/2004 1/4–30/6	2002/2003 1/4–30/6	In %
Electric power ¹	202	174	+ 16
District heating	41	40	+ 3
Gas ²	42	43	- 2
Water	19	19	–
Energy from waste (MHKW) ³	22	23	- 4
Value-added services ³	29	33	- 12
Renewable energy	2	–	–
Other/Consolidation	9	4	
Total Sales	366	439	+ 9

¹ Energy-trading sales shown as net figures, i.e., only with the margin actually realised (last year's figures updated accordingly) and including Euro 21 Mill. for the electricity tax (Euro 21 Mill. last year)

² Including Euro 8 Mill. for natural gas tax (Euro 7 Mill. last year)

³ In 2002/03 without sales from project business/transfer of the biomass powerplants still under construction in Mannheim, Flörsheim-Wicker (MHKW segment) and Königs Wusterhausen (value-added services segment) to the respective project companies, which were set against a corresponding consolidation item

EBIT by Segment - 3rd Quarter of 2003/2004 (Adjusted)

EBIT in Euro Mill.	Adjusted ¹	Adjusted ²	In %
	2003/2004 1/4–30/6	2002/2003 1/4–30/6	
Electric power	13	13	–
District heating	1	0	+ 100
Gas	1	- 1	–
Water	3	5	- 40
Energy from waste (MHKW)	7	6	+ 17
Value-added services	- 3	- 2	- 50
Renewable energy	- 1	- 2	+ 50
Other/Consolidation	1	- 1	
Total EBIT	22	18	+ 22

¹ In 2003/04 without expenditures for portfolio adjustments and restructuring measures

² In 2002/03 without expenditures for measures to strengthen our competitiveness

EBIT by Companies - 3rd Quarter of 2003/2004 (Adjusted)

EBIT in Euro Mill. (Adjusted)	2003/2004 1/4–30/6	2002/2003 1/4–30/6	In %
MVV Energie AG/MVV RHE AG (Mannheim) ¹	20	17	+ 18
Energieversorgung Offenbach ²	4	7	- 43
SW Solingen	2	2	–
SW Ingolstadt	2	2	–
Energie Köthen	0	0	–
MVV Energie CZ, Prague	- 1	- 2	+ 50
MVV Polska	1	- 1	–
Other Participations ³	2	- 4	–
Total Participations	8	4	+ 50
Consolidation	- 6	- 3	
MVV Energie Group	<u>22</u>	<u>18</u>	<u>+ 22</u>

¹ In 2003/04 without loss from sale of AWATECH Euro 8 Mill.

² In 2002/03 without Euro 2 Mill. in provisions for a partial retirement programme at EVO

³ In 2003/04 without write-offs on Innovationsportfolio Euro 6 Mill, wind projects (Eternegy) und Portugal Euro 7 Mill.