



Partners in the Network

Fact Book

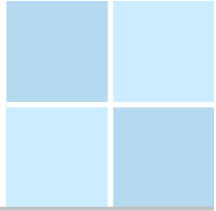
First Quarter of 2004/2005

16.3.2005

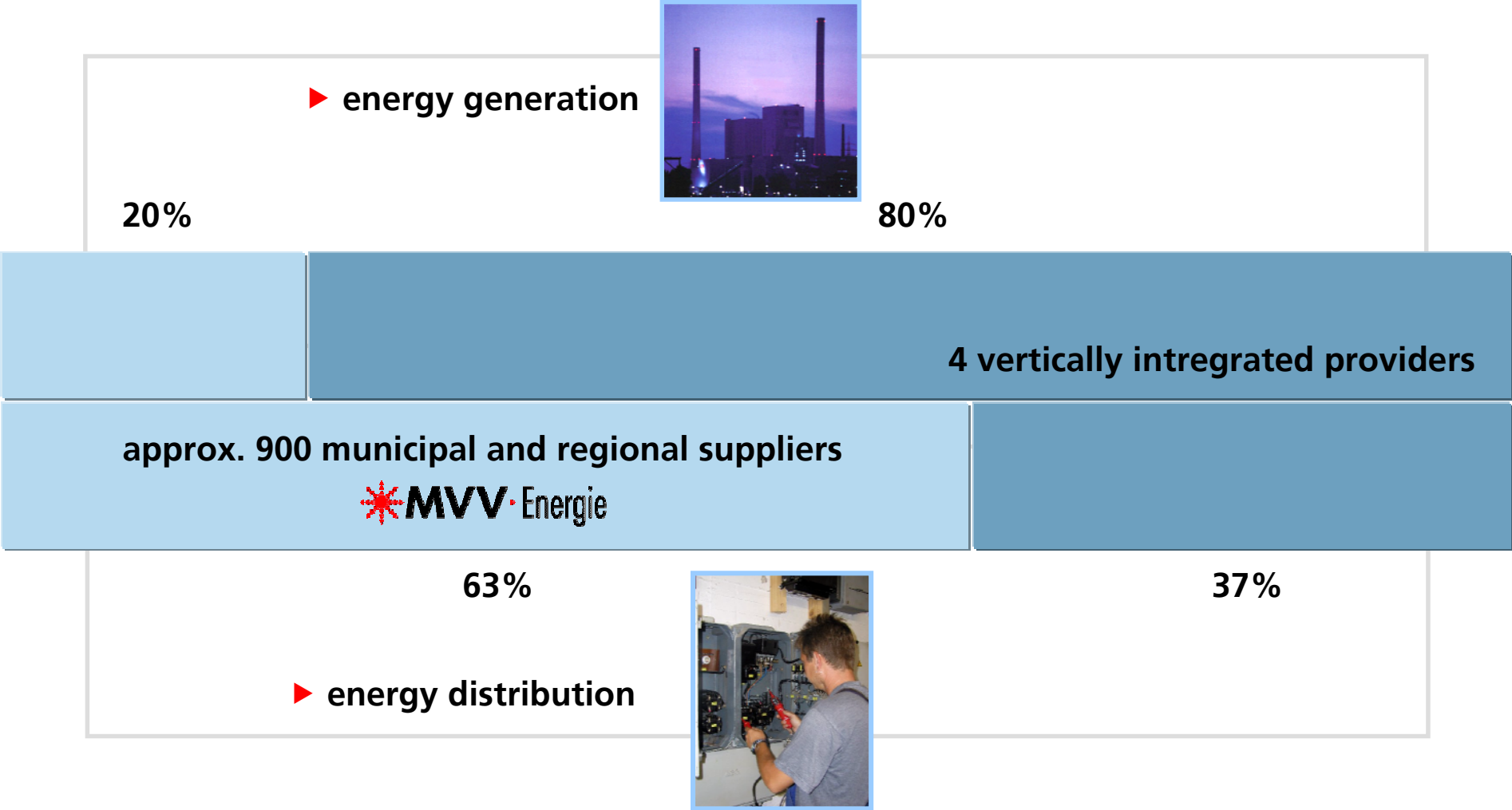


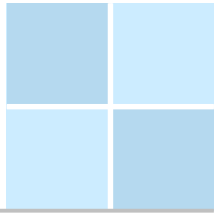
The German Energy Market



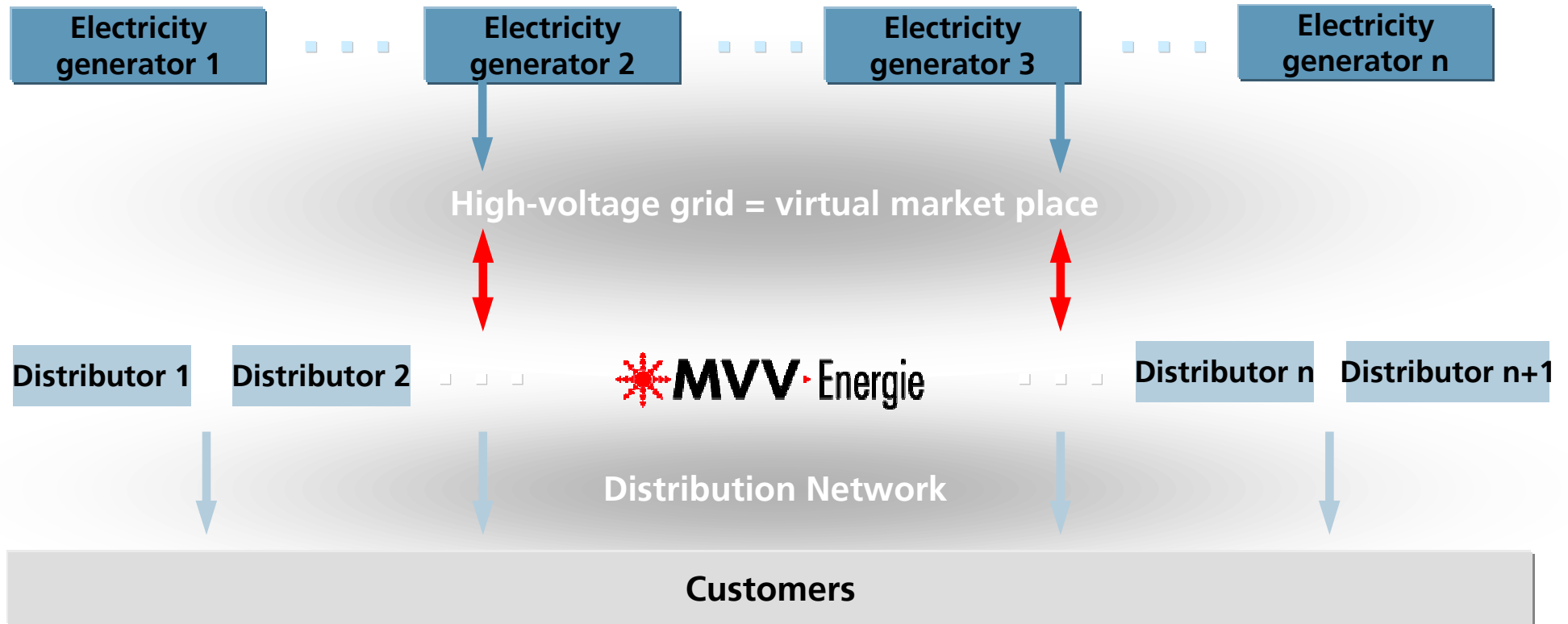


Structure of the German Electricity Industry

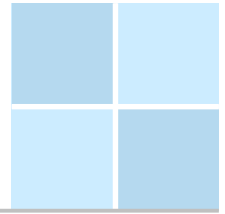




The Market Model for Electric Power



The Two Waves of Liberalisation



▶ 1st Wave:

- Identification and establishment of new stages in value chain (e.g. trading)
- Focus on generation
- Price war for industry customers
- Testing markets (e.g. brands)
- Predicted death of municipal companies has not come about



**Consolidation on
generation and
transmission levels**

▶ 2nd Wave:

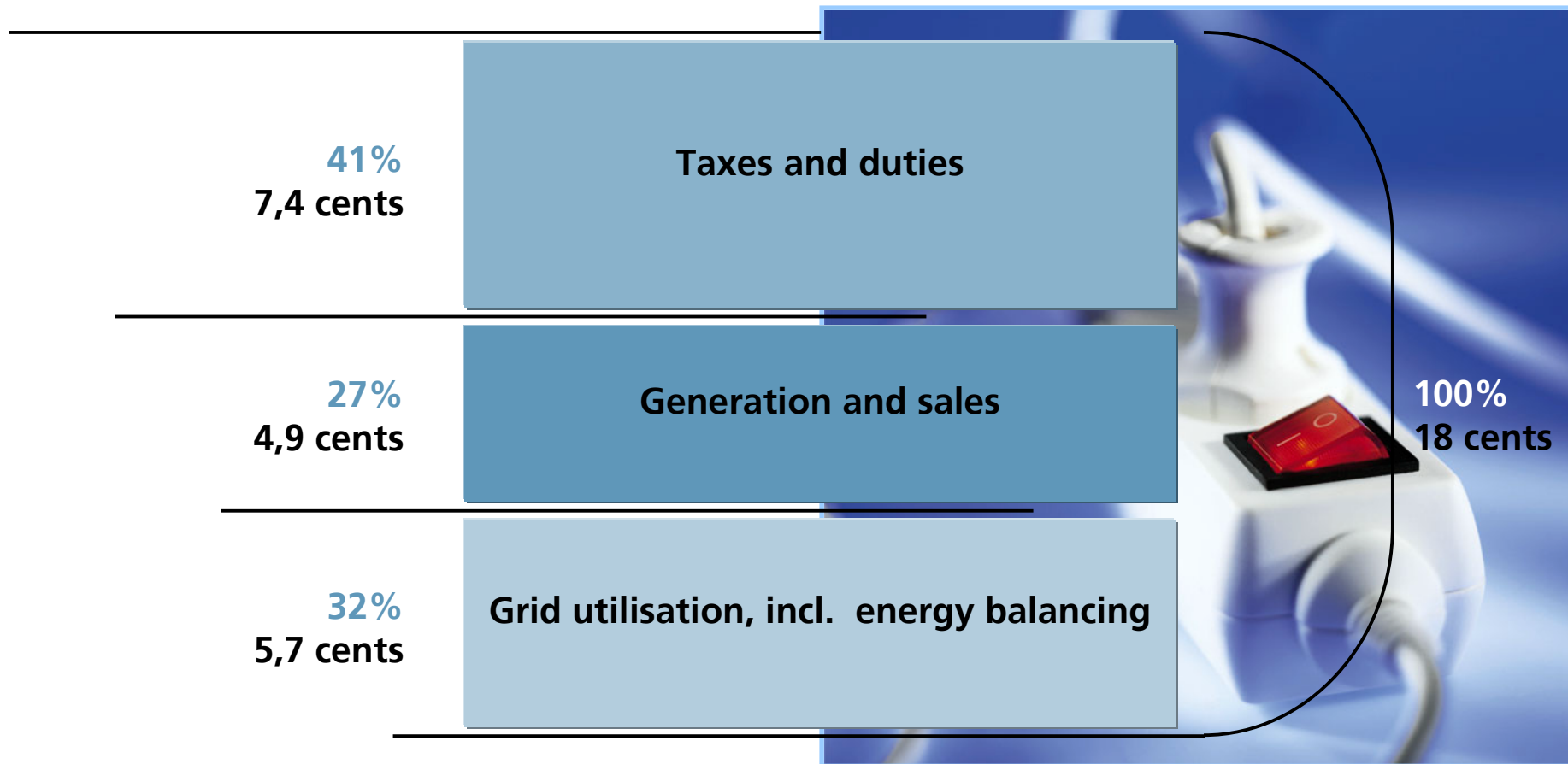
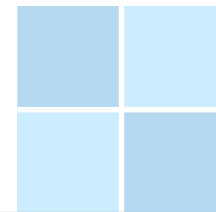
- Focus on profitability and professionalism
- Pressure on distributors' margins
- Regulatory authority, new Energy Act, CO₂ trading
- Transparency of grid operation



**Consolidation on
distribution level?**

Electricity Price Components

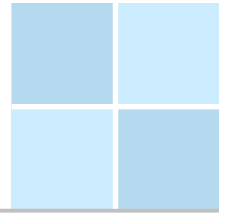
(per kWh)



End customer with 3,500 kWh p.a. (Sources: VDN, VDEW),
average household customer price: 18 cents

MVV Energie Today

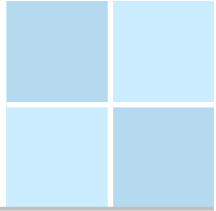




Strong Market Position

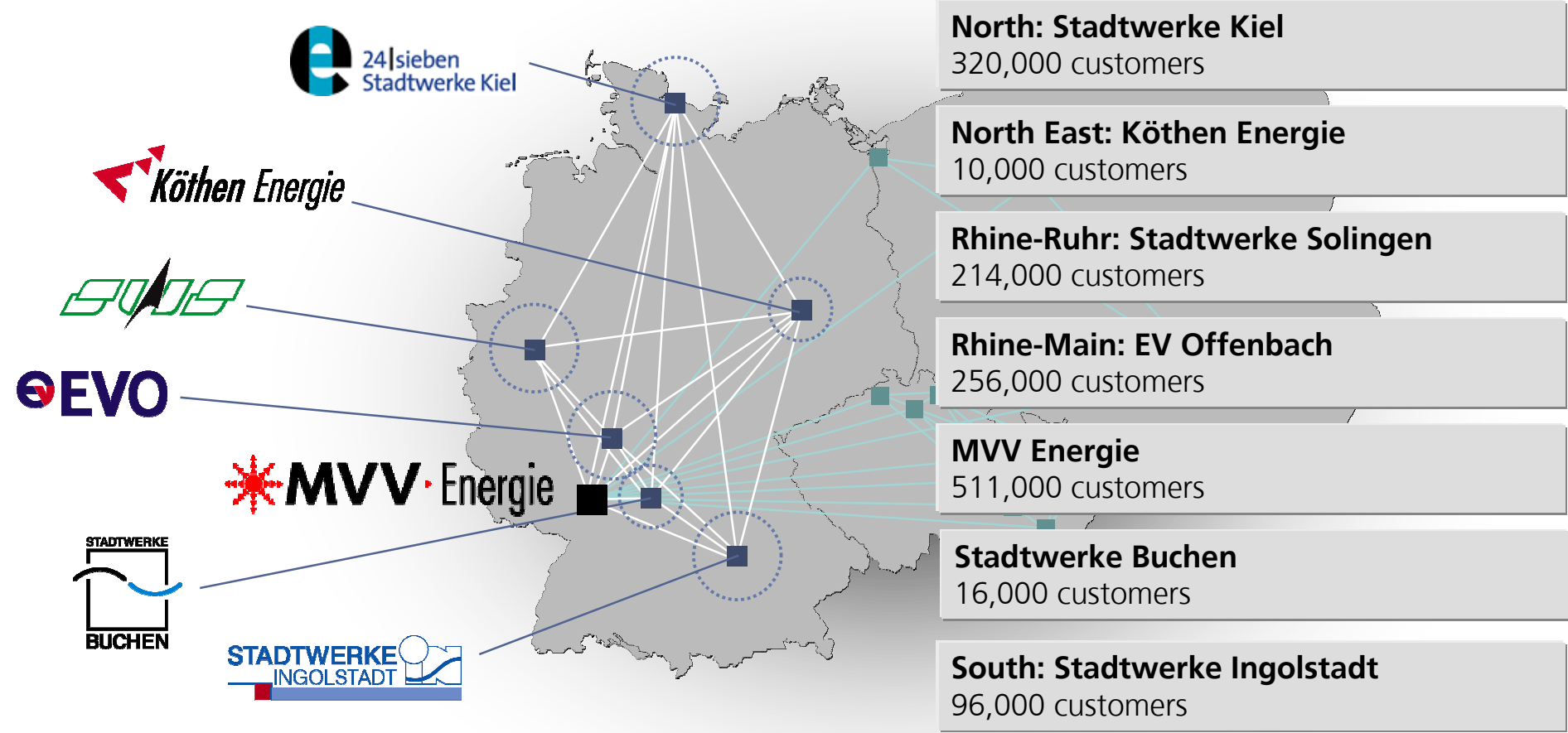
- ▶ Ranked No. 6 among German electricity suppliers in terms of volume of electricity sold to end customers
- ▶ Ranked No. 5 among European district-heating utilities in terms of volume
- ▶ Total of 1.7 million customers in Germany and Eastern Europe for electricity, district heating, gas and water
- ▶ Among the Top 10 in value-added services in Germany (contracting, land improvement and development)
- ▶ One of the major utility companies to use refuse- and biomass-derived fuel to generate energy in Germany, with a future annual capacity of nearly 1 million tonnes

Solid foundation for further success



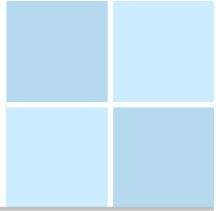
Our Network of Municipal Utility Companies

Customers¹ of the core business in Germany:



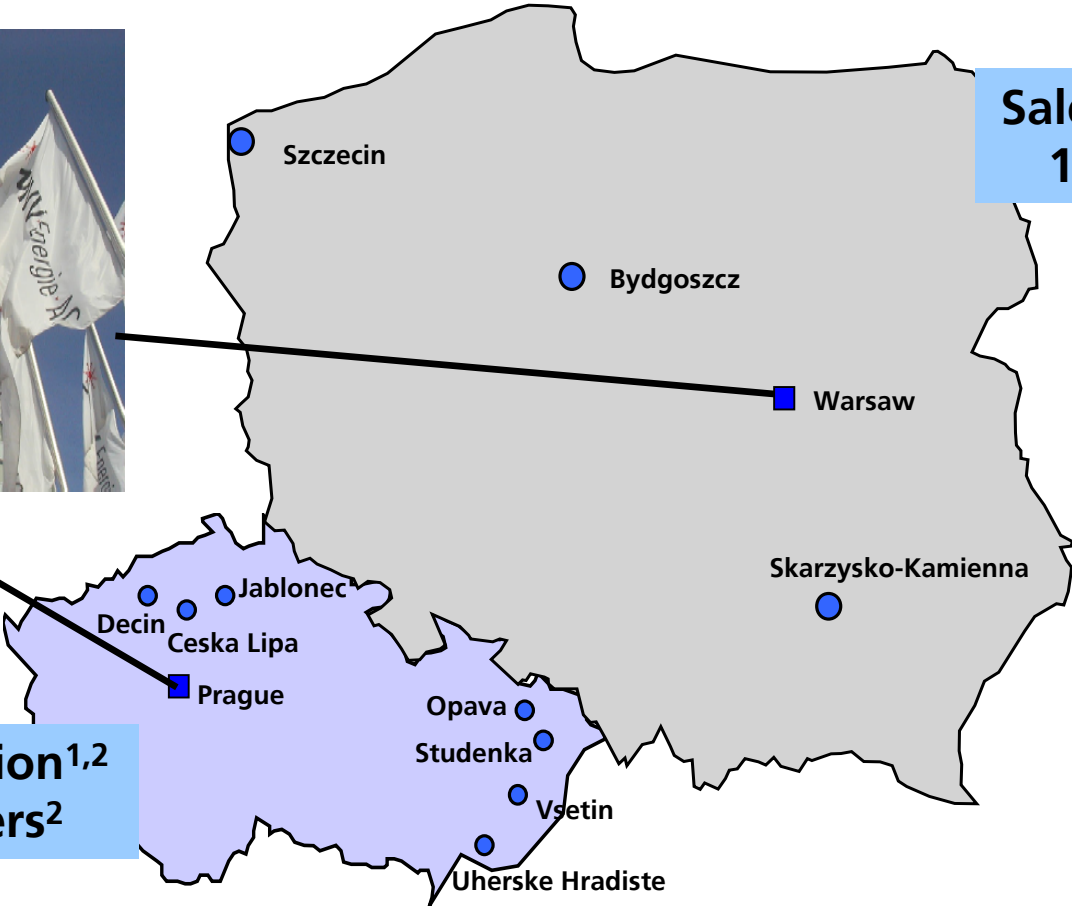
¹ including residential units in apartment blocks





Multiplying the Value of Our District Heating Expertise

Shareholdings in European District Heating Utility Companies



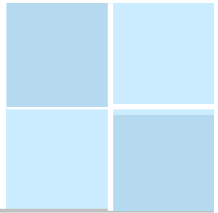
**Sales: Euro 36 million¹
192,000 customers**

**Sales: Euro 92 million^{1,2}
104,000 customers²**

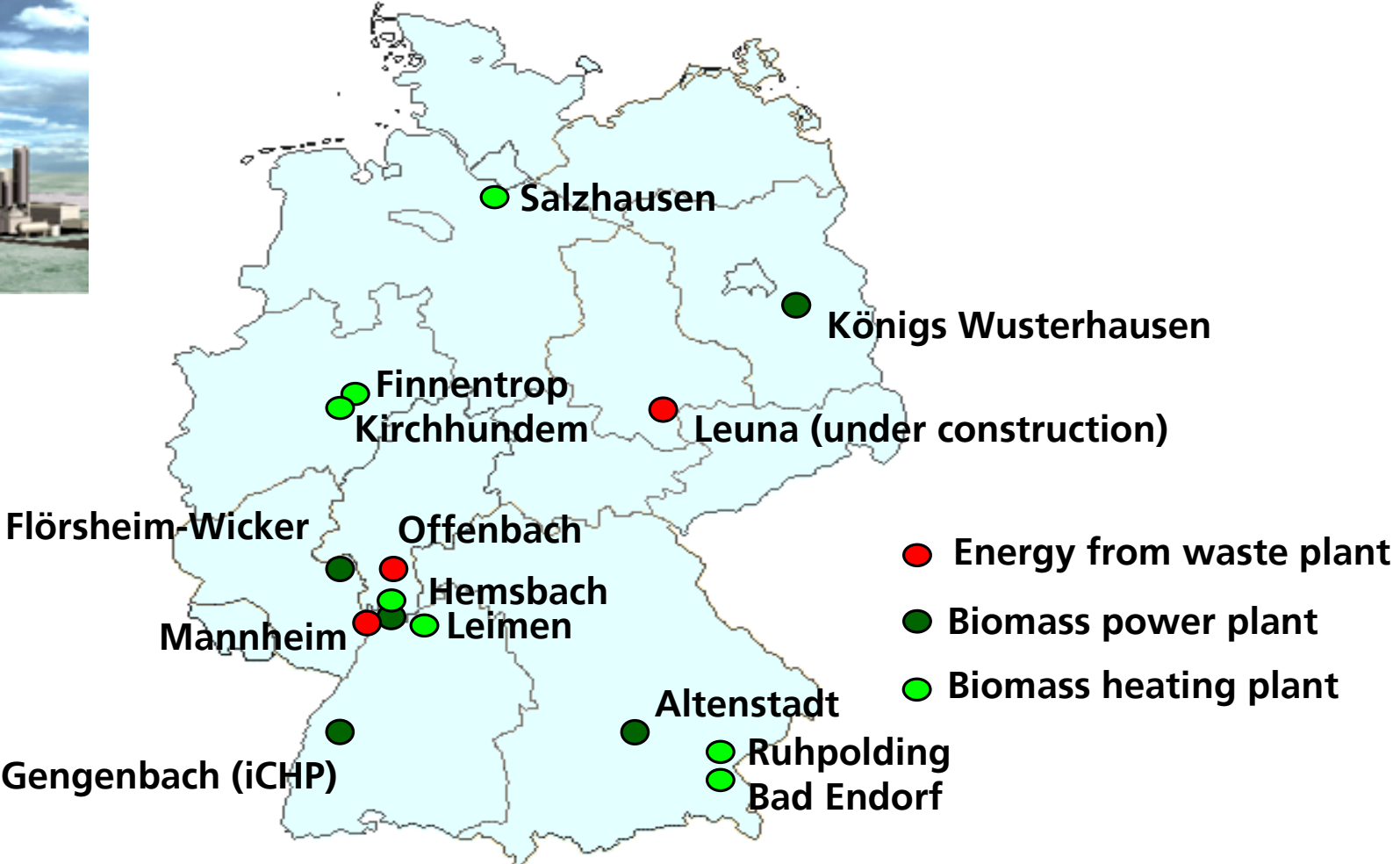
¹ Fiscal Year 2003/2004

² Incl. our shareholdings in Brno, which has been sold in October 2004

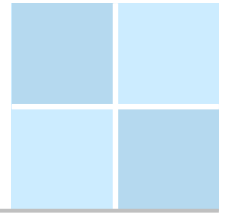




Successfully Disposing of Waste and Utilising Biomass



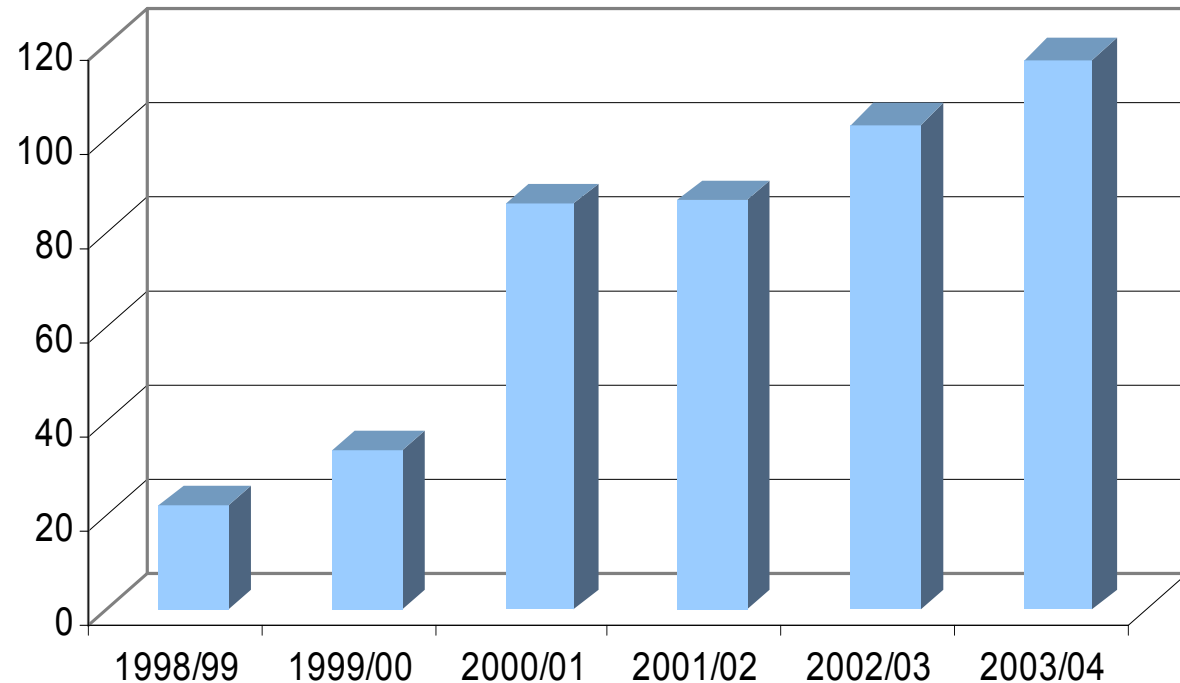
Healthy Growth in Our National and International Business in Value-Added Services



i.e.

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

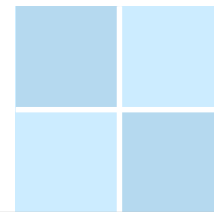
Sales from value-added services (Euro million)



Comprehensive solutions for customers promote commodity sales

2003/2004 - Year of Restructuring





Focusing on our Core Business Completed

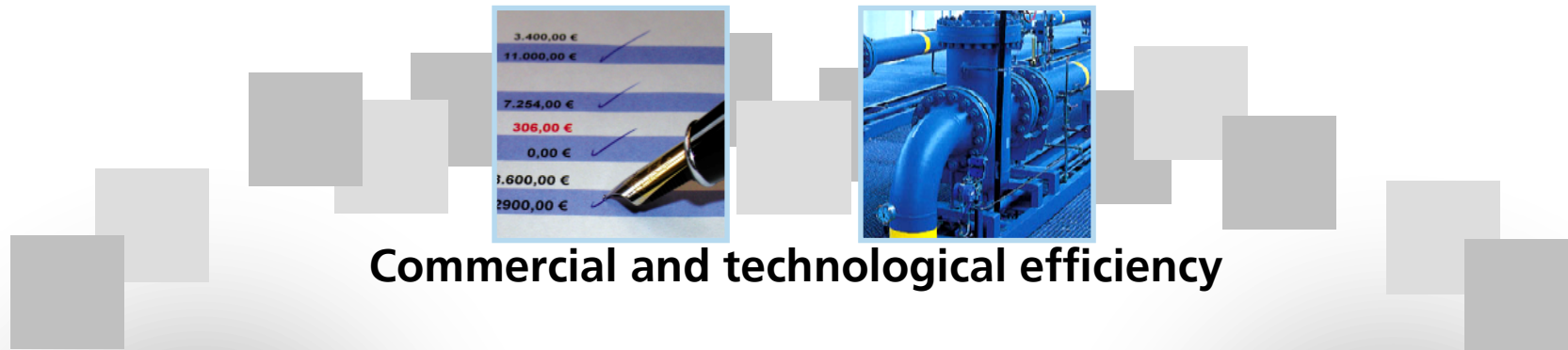
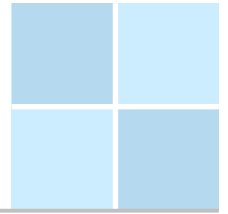
- ▶ Restructuring and outsourcing of Powerline nearly concluded
- ▶ Sale of Aquamundo completed
- ▶ Sale of AWATECH GmbH completed
- ▶ Liquidation of MVV Espana completed
- ▶ Proceedings currently underway to sell the shareholding in Portugal
- ▶ Sale of various wind projects completed
- ▶ Consulting shareholdings merged
- ▶ Book values of shareholdings largely confirmed by impairment tests
- ▶ New organisational structure implemented

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

Our Strategy

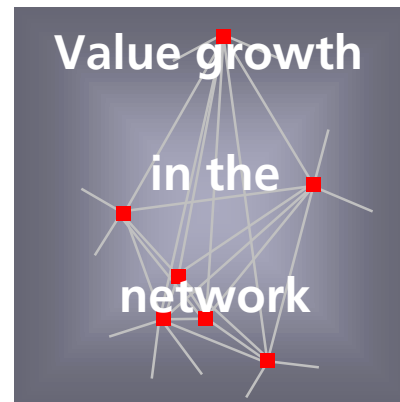


The MVV Energie Strategy



Commercial and technological efficiency

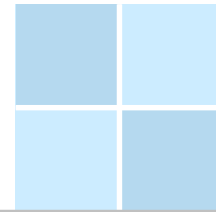
**External
Expansion of the
network**



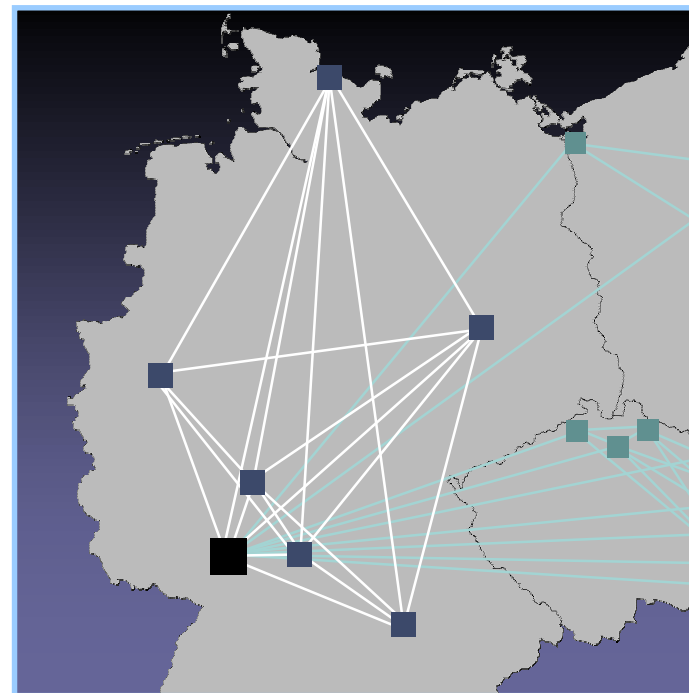
**Organic
Growth via products**

The MVV Energie Network

Learning from One Another - Improving

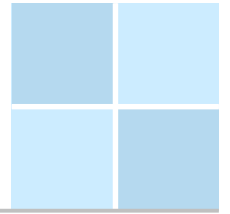


- ▶ **Realisation** of
 - economies of scale
 - new sales opportunities
- ▶ **Accessing**
 - growth areas
 - operational excellence
- ▶ **Utilisation** of
 - regional market expertise
 - local customer proximity
- ▶ **Options:** cooperations, alliances, shareholdings

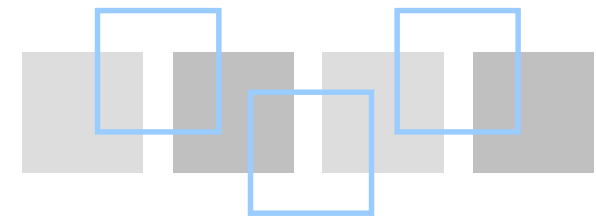


Growth safeguards the company's competitiveness in the liberalised energy market

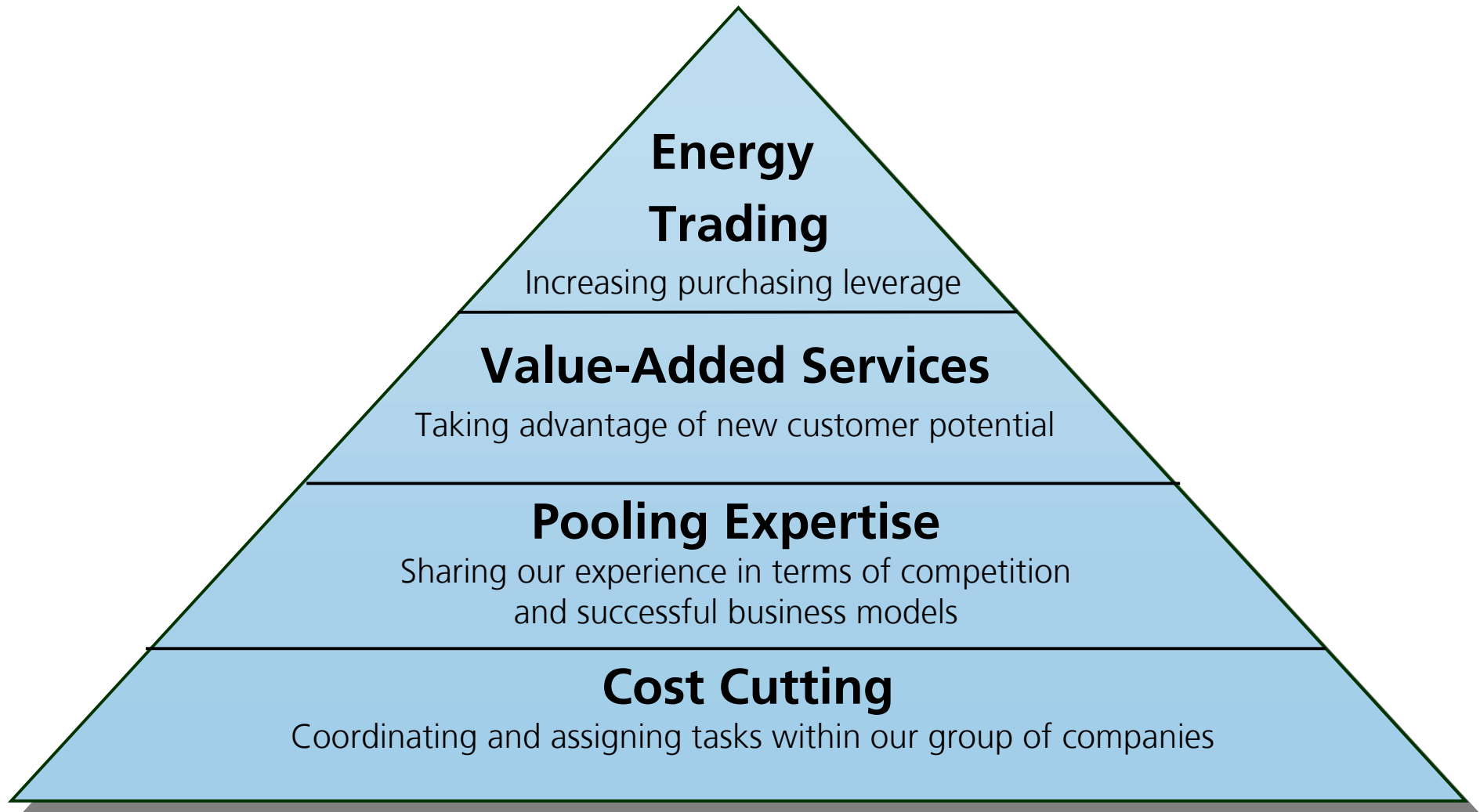
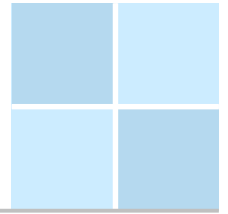
Horizontal Cooperation as an Alternative to Vertical Integration



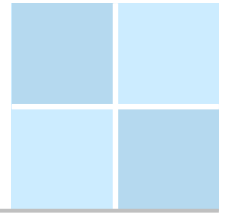
- ▶ **Competitive market environment**
- ▶ **Build up critical volume and purchasing power**
- ▶ **Multiplication of business model**, e.g. by means of
 - standardisation of technology
 - standardisation of information processing
 - centralisation of procurement and logistics functions
 - Joint optimisation of energy portfolio
 - Sales cooperations
 - Accounting procedures



We can exploit potential synergies and access new customer groups via shareholdings in distribution utilities



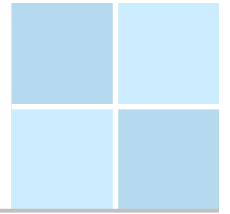
Growth based on Energy Services



- ▶ MVV Energie is successfully positioned among the top 10 providers of energy services in the market
- ▶ **Goal:** based on internal and external growth to become one of the top three providers of energy and infrastructure services in Germany in the next five years
- ▶ 3 main product areas
 - **Industrial Solutions**
 - **Municipal Solutions**
 - **Advisory Services – national and international**



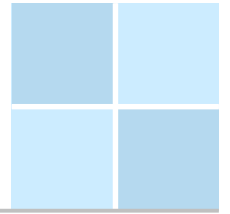
Growth in Environmental Energy



- ▶ MVV Energie is the market leader in the generation of electricity from biomass
- ▶ **Goal:** together with our partners in the network to attain market leadership within 5 years with focus in the Rhine/Main region and in the region surrounding TREA Leuna in former East Germany
- ▶ Environmental Energy in the MVV Energie network includes:
 - **Incineration of domestic waste**
 - **Generation of electricity from biomass**
- ▶ From 2005 onwards, waste from the City of Karlsruhe and surrounding area



MVV Energie's Concept as a Distributor and Service Provider



Stable Core Business

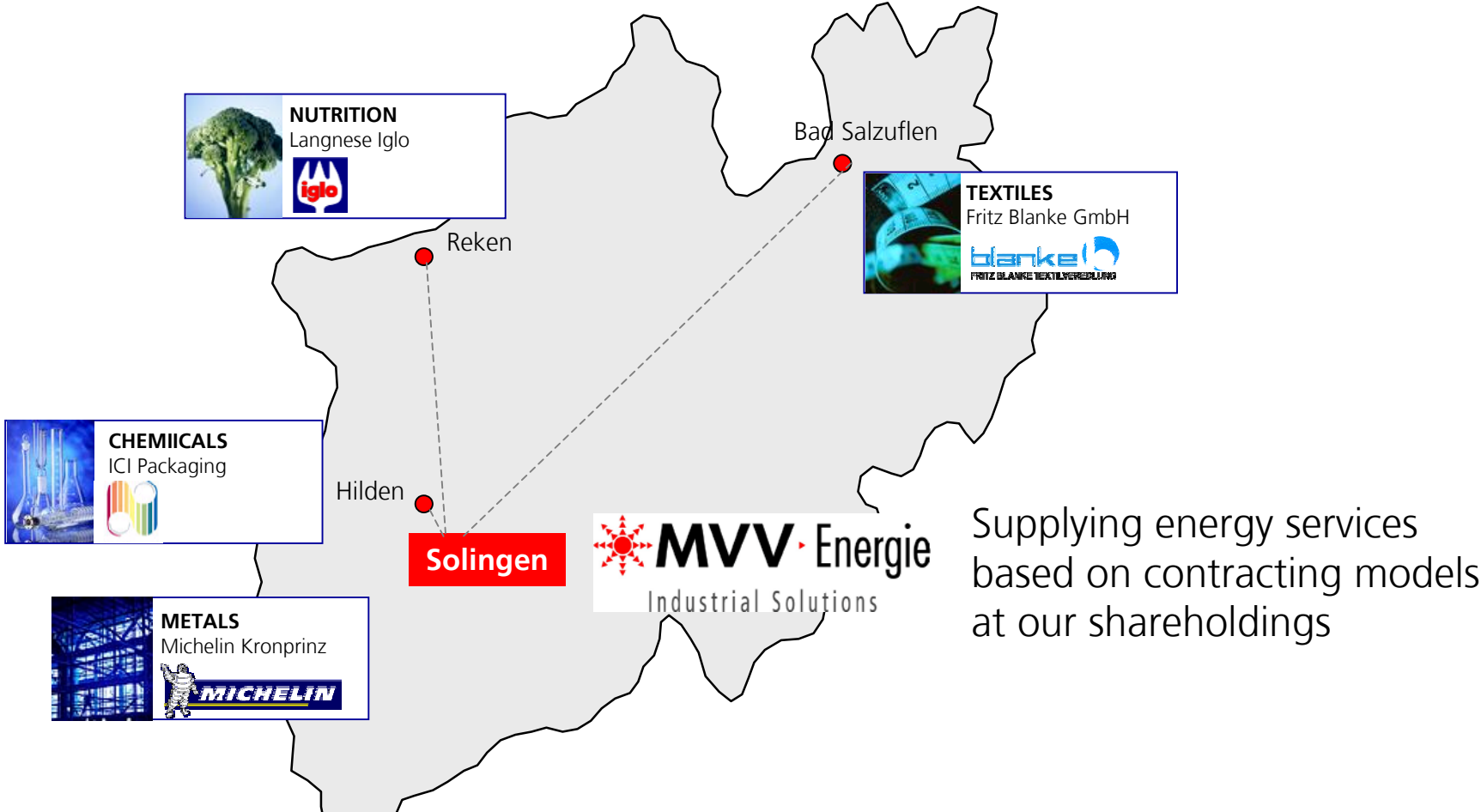
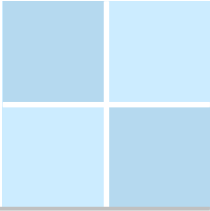
- ▶ Successful **energy distribution** (electricity, gas, district heating) as well as **energy from waste incineration, utilising biomass and water distribution**
- ▶ Long-term **customer retention** as a result of MVV owning its networks
- ▶ **Sound earnings** with huge potential for synergies

+

Growth Potential

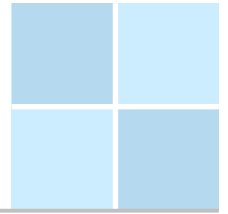
- ▶ New markets through new national and international **shareholdings**
- ▶ Building on existing customer links by means of **value-added services**
- ▶ Continuing development of our product portfolios in important **energy technologies**, for example, fuel cells, by means of our shareholdings

Implementation of Our Platform Concepts - taking Nordrhein-Westfalen as an example



Successful marketing via our shareholdings

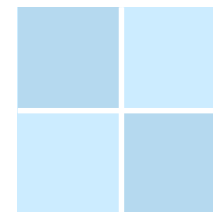
Economical Procurement via Energy Trading



- ▶ 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)
- ▶ Fully equipped trading floor with front, back and middle offices, as well as research department
- ▶ Member of the merged EEX power exchanges

Key Financial Data in the 2003/2004 Financial Year



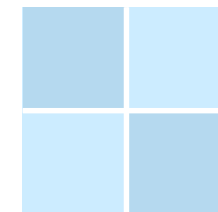


Volumes in the 2003/2004 Financial Year

Volume¹	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	% change
Electricity (kWh million)	14,539	10,927	+ 33
of which: wholesale ^{2, 3} (kWh million) (incl. secondary distributors)	5,587	2,678	+ 109
of which: retail (kWh million)	8,952	8,294	+ 8
District heating (kWh million)	7,488	7,370	+ 2
Gas (kWh million)	8,906	8,422	+ 6
Water (m ³ million)	47.6	41.9	+ 14
Incinerated waste (tonnes 000s)	519	481	+ 8

¹ total volume from all segments
² stated net and excluding deliveries within the Group (previous year adjusted)
³ corrections in previous year's figure

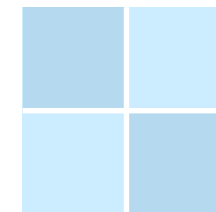
Key Figures of the MVV Energie Group in the 2003/2004 Financial Year (unadjusted)



Earnings performance Euro million (Unadjusted)	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	% change
Sales ¹	1,652	1,438	+ 15
EBITDA	209	359	- 42
EBITA	55	257	- 79
EBIT	41	244	- 83
EBT	- 23	184	- 113
Annual net deficit/surplus	- 38	159	- 124
after minority interests	- 44	152	- 129
Earnings per share in Euro	- 0.86	3.01	- 129
Cash flow pursuant to DVFA/SG	158	150	+ 5

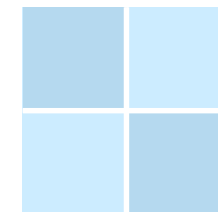
¹ energy sales reported net, i.e. only at level of gross profit generated and reclassification of release of income subsidies as depreciation (previous year adjusted)

EBIT Adjusted for One-off Factors



EBIT in Euro million	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	change
EBIT (<i>unadjusted</i>)	41	244	- 203
+ costs of portfolio streamlining (Powerline: Euro 18m, Spain: Euro 2m, AWATECH: Euro 8m, innovations portfolio: Euro 13m, eternegy and Portugal: Euro 10m, consulting: Euro 2m)	+ 53	–	+ 53
+ charge from impairment tests	+ 3	–	+ 3
- income from sale of GVS shareholding (after deduction of net book values and transaction costs)	–	- 140	+ 140
- income from GVS shareholding		- 1	+ 1
+ measures to enhance competitiveness	–	+ 18	- 18
EBIT (adjusted)	97	121	- 24

Adjusted Earnings in the 2003/2004 Financial Year

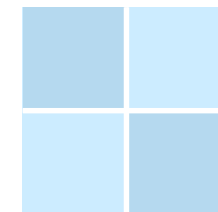


Earnings performance Euro million	adjusted ¹	adjusted ²	% change
	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	
Sales	1,652	1,438	+ 15
EBITDA	236	235	-
EBITA	106	134	- 21
EBIT	97	121	- 20
EBT	36	61	- 41
Annual net deficit/surplus	19	32	- 41
after minority interests	12	25	- 52
Earnings per share in Euro	0.24	0.50	- 52
Cash flow pursuant to DVFA/SG	158	150	+ 5

¹ in the year under report excluding one-off expenses for streamlining of portfolio and impairment tests

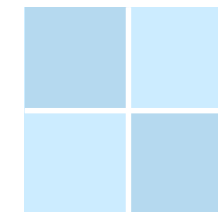
² in the previous year excluding income from GVS shareholding and expenses on measures to enhance competitiveness

Initial Consolidation Factors from Stadtwerke Kiel in the 2003/2004 Financial Year



Euro Million		Volume 1.5.-30.9.	Sales 1.5.-30.9.	EBIT 1.5.-30.9.
Electricity	(kWh million)	2,357	51	1
District heating	(kWh million)	195	9	- 7
Gas	(kWh million)	445	17	- 2
Water	(m ³ million)	7.9	14	2
Other/consolidation		-	1	-
Total			92	- 6
Badwill				4
SW Kiel balanced				- 2

Sales by Segment in the 2003/2004 Financial Year



Sales in Euro million	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	% change
Electricity ^{1, 2}	828	680	+ 22
District heating ²	252	246	+ 2
Gas ^{2, 3}	263	240	+ 10
Water ²	86	73	+ 18
Value-added services	117	103	+ 14
Energy from waste plants	90	93	- 3
Renewable energy	7	2	+ 250
Other/consolidation	9	1	+ 800
Total sales	<u>1,652</u>	<u>1,438</u>	<u>+ 15</u>

¹ energy trading sales reported net i.e. only at the gross margin generated (previous year adjusted) and including energy tax of Euro 84 million (previous year: 80 million)

² reallocation of release of income subsidies from sales to depreciation (previous year adjusted)

³ including gas tax of Euro 49 million (previous year: 41 million)

EBIT by Segment in the 2003/2004 Financial Year

EBIT in Euro million	unadjusted	unadjusted	% change
	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	
Electricity	32	27	+ 19
District heating	32	38	- 16
Gas	17	163	- 90
Water	12	11	+ 9
Value-added services	- 63	- 8	- 688
Energy from waste plants	22	19	+ 16
Renewable energy	- 10	- 6	- 67
Other/consolidation	- 1	-	-
Total EBIT	41	244	- 83

Adjusted EBIT by Segment in the 2003/2004 Financial Year

EBIT in Euro million	adjusted ¹	adjusted ²	% change
	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	
Electricity	33	30	+ 10
District heating	33	39	- 15
Gas	17	23	- 26
Water	12	12	-
Value-added services	- 18	- 5	- 260
Energy from waste plants	22	28	- 21
Renewable energy	- 2	- 6	+ 67
Other/consolidation	-	-	-
Total EBIT	97	121	- 20

¹ in the year under report excluding one-off expenses for streamlining of portfolio and impairment tests

² in the previous year excluding income from GVS shareholding and expenses on measures to enhance competitiveness

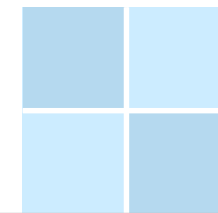
Sales by Region in the 2003/2004 Financial Year

Sales in Euro million	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	% change
MVV Energie AG/MVV RHE AG (Mannheim)	1,054	917	+ 15
Energieversorgung Offenbach	285	266	+ 7
SW Solingen	83	77	+ 8
SW Ingolstadt	73	77	- 5
SW Kiel	92	–	–
Energie Köthen	11	11	–
Municipal utility shareholdings in Germany	544	431	+ 26
Other shareholdings	52	49	+ 8
Total Germany	1,650	1,397	+ 18
MVV Energie CZ, Prague	92	95	- 3
MVV Polska	36	40	- 10
International Consulting, Portugal/Spain	9	9	–
Total abroad	137	144	- 5
Consolidation	- 135	- 103	
MVV Energie Group	<u>1,652</u>	<u>1,438</u>	<u>+ 15</u>

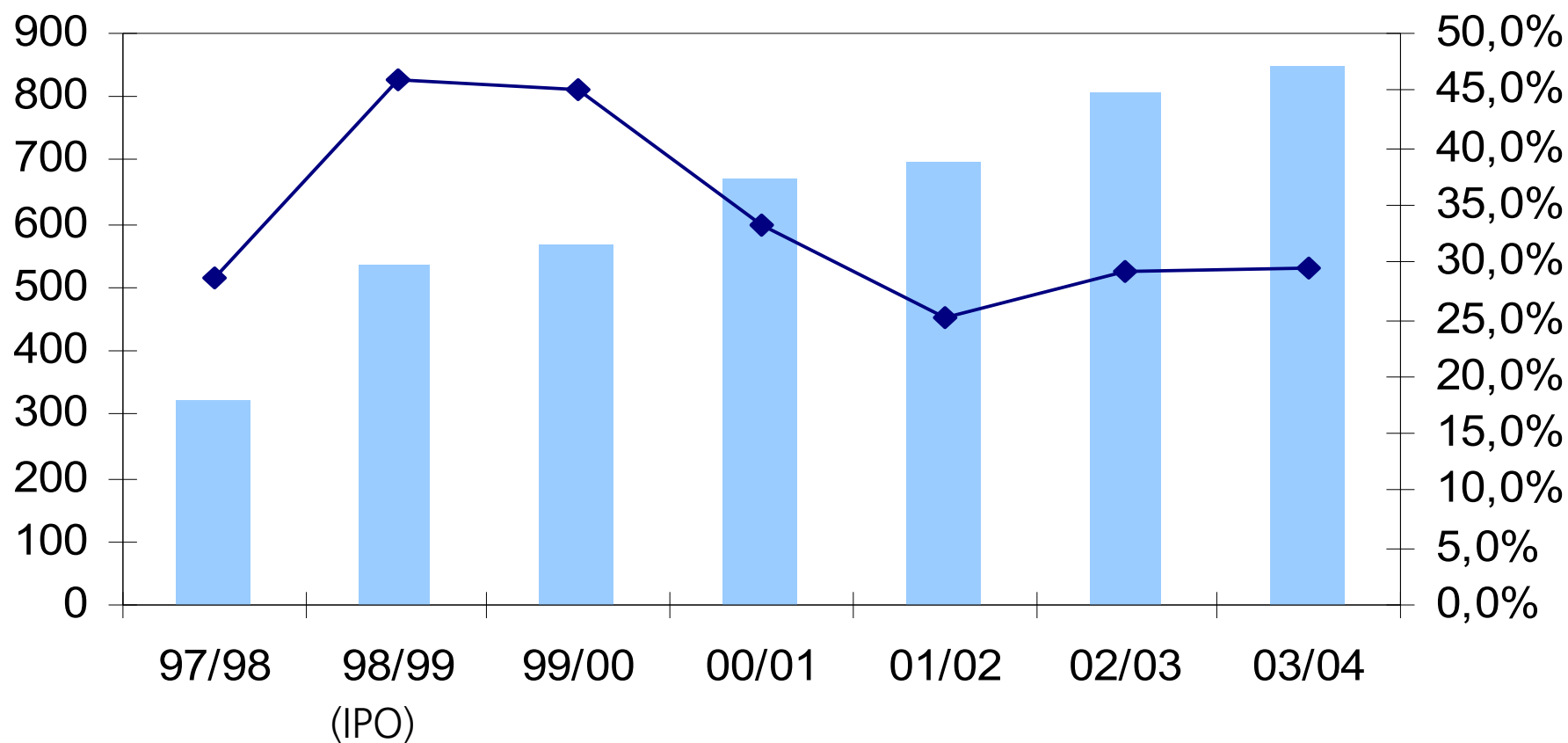
Adjusted EBIT by Region in the 2003/2004 Financial Year

EBIT (adjusted) in Euro million	2003/2004 1.10.-30.9.	2002/2003 1.10.-30.9.	% change
MVV Energie AG/MVV RHE AG (Mannheim)	27	74	- 74
Energieversorgung Offenbach	29	35	- 17
SW Solingen	12	12	-
SW Ingolstadt	12	10	+ 20
SW Kiel (excluding badwill)	- 6	-	-
Energie Köthen	2	1	+ 100
Municipal utility shareholdings in Germany	49	58	- 16
Other shareholdings	21	- 11	+ 291
Total Germany	97	121	- 20
MVV Energie CZ, Prague	11	12	- 8
MVV Polska	1	2	- 50
International Consulting, Portugal/Spain	- 2	0	-
Total abroad	10	14	- 29
Amortisation of goodwill	-10	- 14	
MVV Energie Group	97	121	- 20

Solid Equity Capitalisation

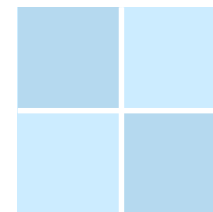


Euro million



Key Financial Data in the First Quarter of 2004/2005



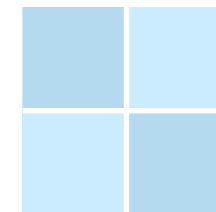


Volumes in the First Quarter of 2004/2005

Volume¹	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
Electricity (kWh million)	4,349	2,789	+ 56
of which: wholesale ^{2, 3} (kWh million) (incl. secondary distributors)	2,029	809	+ 151
of which: retail (kWh million)	2,320	1,980	+ 17
District heating (kWh million)	2,472	2,596	- 5
Gas (kWh million)	3,667	2,854	+ 29
Water (m ³ million)	14.0	9.7	+ 44
Incinerated waste (tonnes 000s)	115	131	- 12

¹ total volume from all segments
² stated net and excluding deliveries within the Group (previous year adjusted)
³ corrections in previous year's figure

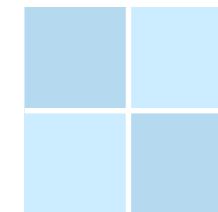
Key Figures of the MVV Energie Group in the First Quarter of 2004/2005



Earnings performance Euro million (Unadjusted)	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
Sales ¹	524	407	+ 29
EBITDA	101	76	+ 33
EBITA	68	51	+ 33
EBIT	68	47	+ 45
EBT	53	34	+ 56
Net surplus	33	19	+ 74
after minority interests	25	16	+ 56
Earnings per share in Euro	0.50	0.31	+ 61
Cash flow pursuant to DVFA/SG	67	50	+ 34

¹ energy sales reported net, i.e. only at level of gross profit generated and reclassification of release of income subsidies as depreciation (previous year adjusted)

Sales by Segment in the First Quarter of 2004/2005



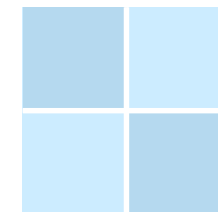
Sales in Euro million	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
Electricity ^{1, 2}	244	171	+ 43
District heating ²	78	79	- 1
Gas ^{2, 3}	112	84	+ 33
Water ²	26	17	+ 53
Value-added services	27	26	+ 4
Environmental energy	30	25	+ 20
Other/consolidation	7	5	+ 40
Total sales	524	407	+ 29

¹ including electricity tax of Euro 27 million (previous year 21 million)

² reallocation of release of income subsidies from sales to depreciation (previous year adjusted)

³ including gas tax of Euro 20 million (previous year: 16 million)

EBIT by Segment in the First Quarter of 2004/2005



EBIT in Euro million	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
Electricity	17	9	+ 89
District heating	21	22	- 5
Gas	17	10	+ 70
Water	4	4	-
Value-added services	2	- 5	+ 140
Environmental energy	7	7	-
Other/consolidation	-	-	-
Total EBIT	<u>68</u>	<u>47</u>	<u>+ 45</u>

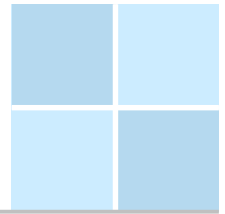
Sales by Region in the First Quarter of 2004/2005

Sales in Euro million	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
MVV Energie AG/MVV RHE AG (Mannheim)	296	246	+ 20
Energieversorgung Offenbach	76	72	+ 6
SW Solingen	24	22	+ 9
SW Ingolstadt	21	24	- 13
SW Kiel	96	–	–
Energie Köthen	4	4	–
Municipal utility shareholdings in Germany	221	122	+ 81
Other shareholdings	24	20	+ 20
Total Germany	541	388	+ 39
MVV Energie CZ, Prague	13	32	- 59
MVV Polska	13	11	+ 18
International Consulting, Portugal/Spain	4	1	+300
Total abroad	30	44	- 32
Consolidation	- 47	- 25	
MVV Energie Group	524	407	+ 29

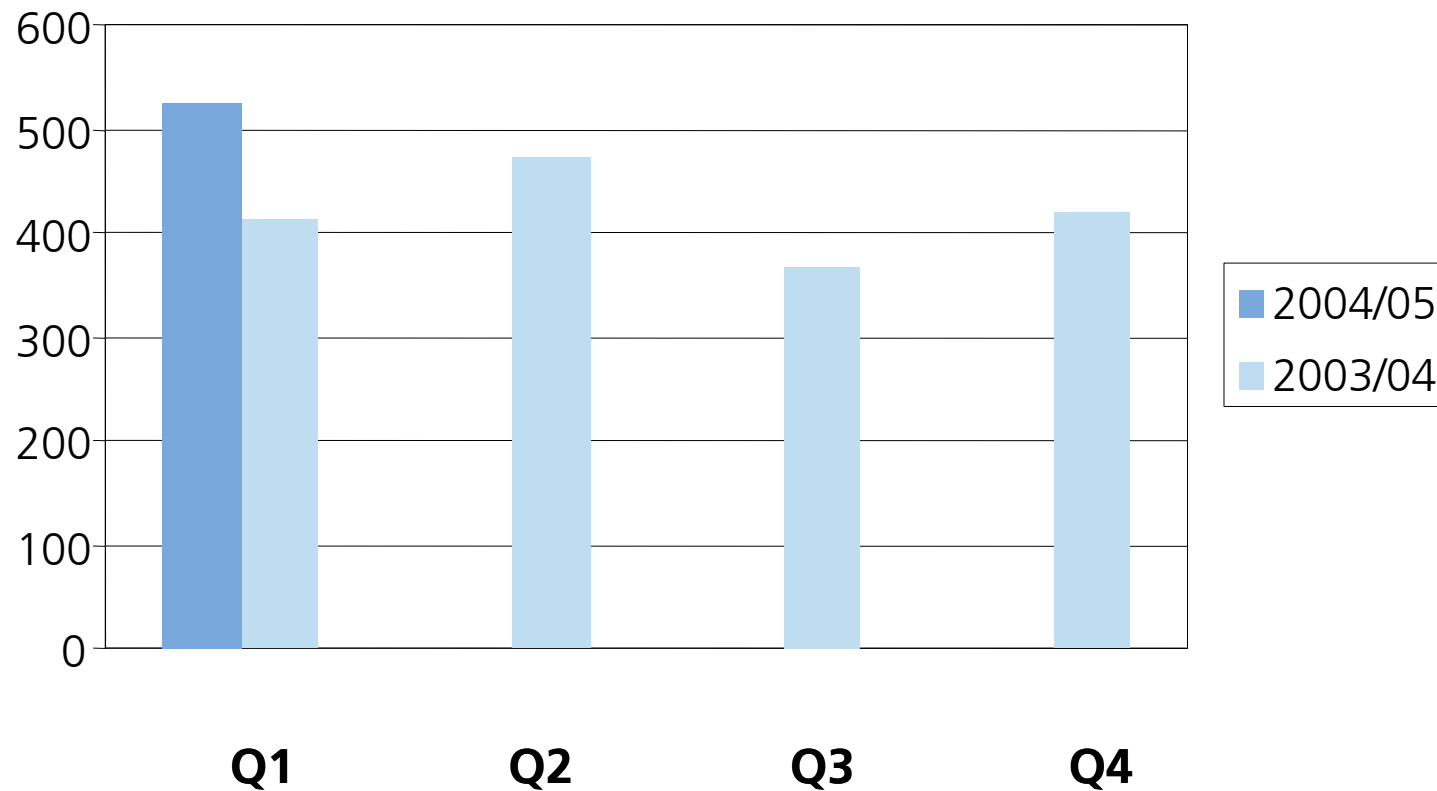
EBIT by Region in the First Quarter of 2004/2005

EBIT in Euro million	2004/2005 1.10.-31.12.	2003/2004 1.10.-31.12.	% change
MVV Energie AG/MVV RHE AG (Mannheim)	34	28	+ 21
Energieversorgung Offenbach	9	8	+ 13
SW Solingen	4	4	-
SW Ingolstadt	4	4	-
SW Kiel (excluding badwill)	13	-	-
Energie Köthen	1	1	-
Municipal utility shareholdings in Germany	31	17	+ 82
Other shareholdings	1	- 2	+ 150
Total Germany	66	43	+ 53
MVV Energie CZ, Prague	1	8	- 88
MVV Polska	1	0	-
International Consulting, Portugal/Spain	0	0	-
Total abroad	2	8	- 75
Consolidation (03/04: Amortisation of goodwill)	-	- 4	
MVV Energie Group	68	47	+ 45

Sales¹ by Quarter

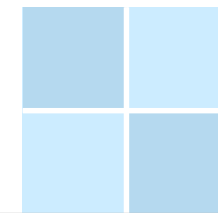


Euro million

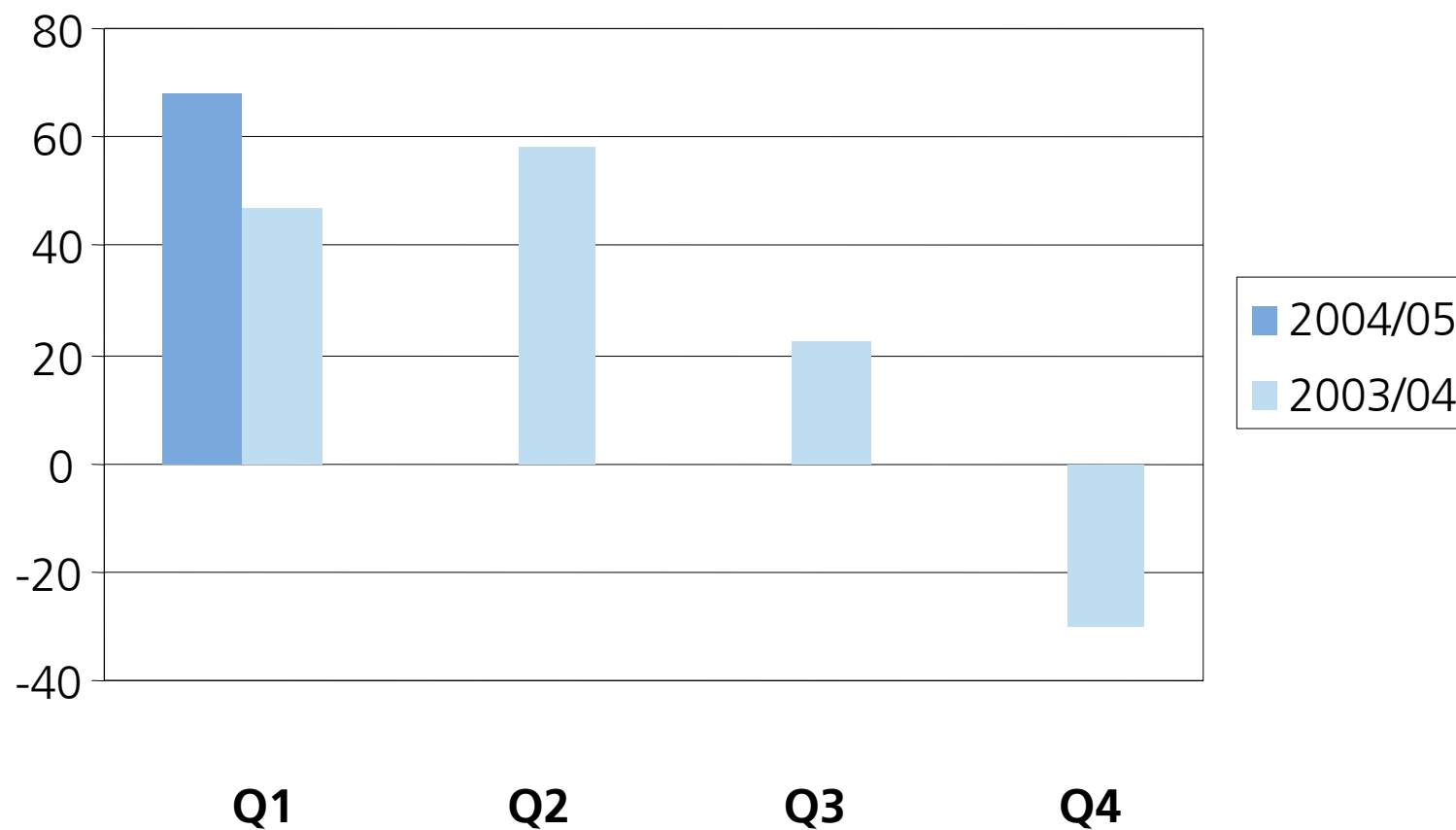


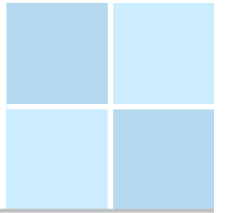
¹ energy trading sales reported net, i.e. only at the gross margin generated

Adjusted EBIT by Quarter



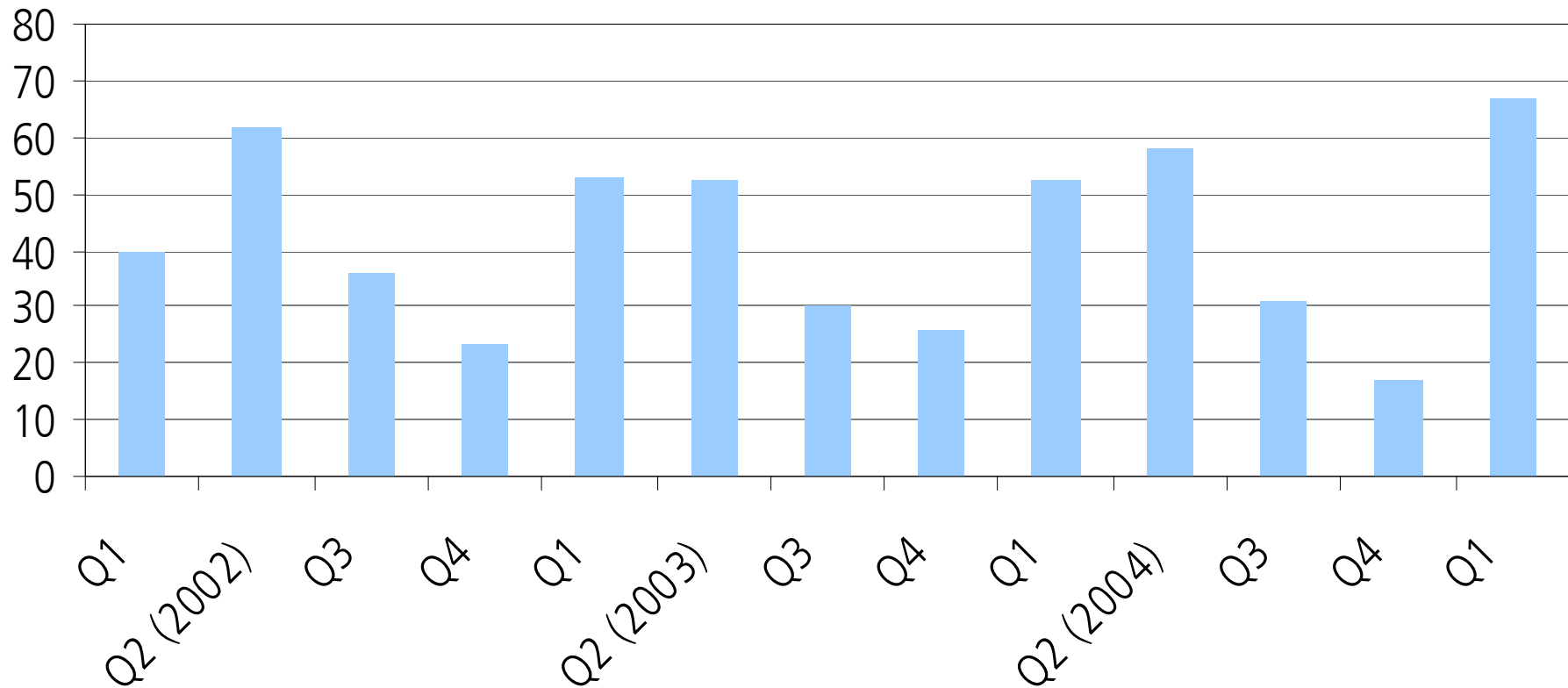
Euro million





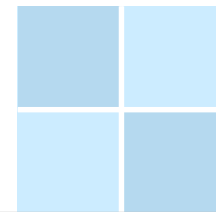
Continuously Positive Cash Flow (DVFA/SG)

Euro million

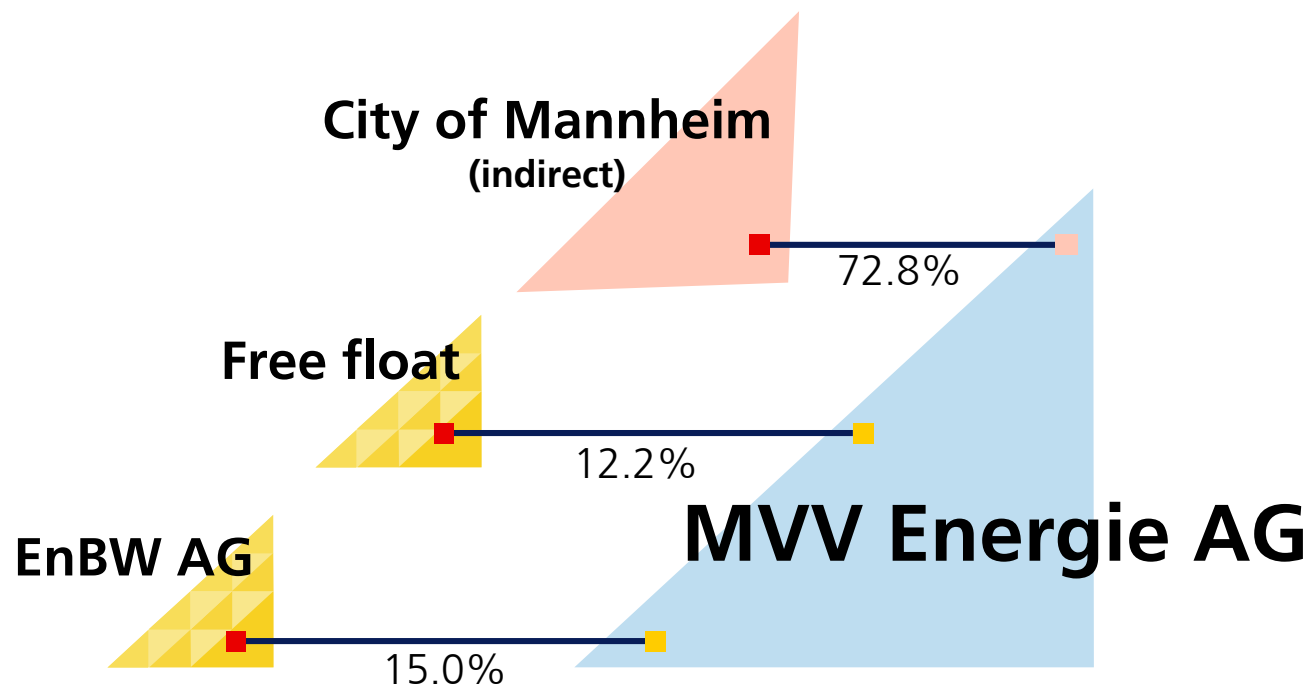


The MVV Energie AG Share



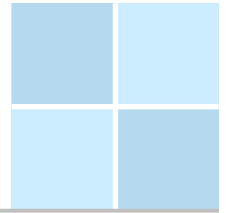


Current Shareholders Structure and Key Figures



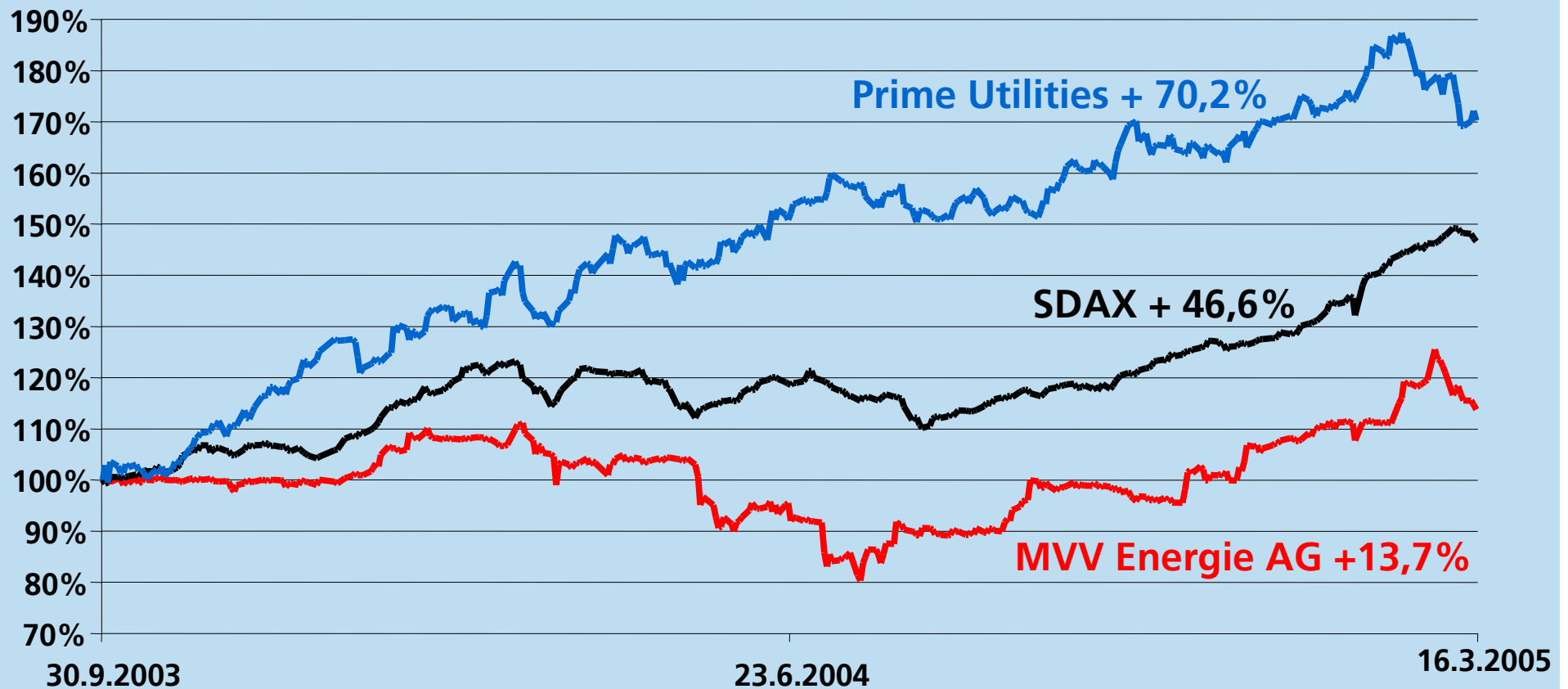
- ▶ No. of shares: 50.702 million
- ▶ Market capitalisation: Euro 796 million (Closing price on 1.4.2005: Euro 15.70)
- ▶ Free float: Euro 97 million

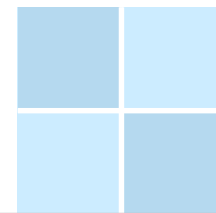
Performance Comparison of the MVV Energie AG Share with the SDAX and Prime Utilities Indices (2003/04 FY – 16.3.2005)



MVV Energie AG Share (ISIN DE 0007255903)

Frankfurt Stock Exchange





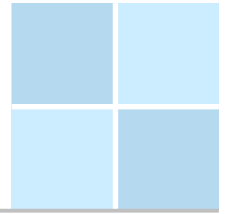
Advantages for Our Shareholders

- ▶ Secure earnings thanks to **stable core business**
- ▶ Upside potential can be realised by acquiring **additional shareholdings** and expanding **value-added services** as well as **environmental energy**
- ▶ Attractive **dividend returns** (currently almost 5 %)
- ▶ High **equity** per share (above Euro 12)
- ▶ Listed on the Prime Standard (**SDAX**)



We are committed to shareholder value

Capital Increase Planned

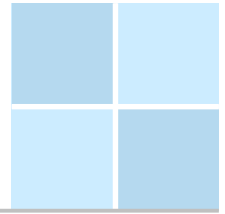


- ▶ We are planning to undertake a capital increase in order to obtain fresh equity for acquisitions or for larger-scale investments
- ▶ **Authorised capital** of up to **30%** of the equity is **available**
- ▶ Based on the current share price, this would result in additional equity capital of up to **Euro 240 million**
- ▶ However, the actual scale of the capital increase depends on the **investment possibilities**
- ▶ We will be flexible in our decision as to the scale of the capital increase
- ▶ The City of Mannheim is not envisaged to relinquish its shares at a secondary public offering. It aims to remain the majority shareholder in the medium term.

Outlook



Significant Increase in Earnings Expected in Current and Next Financial Years



- ▶ The earnings of MVV Energie will rise in the current financial year as a result of its strategic focusing, cost-reduction measures and the initial consolidation of Kiel
- ▶ We confirm our forecast for 2004/05
 - Sales: Euro 2 billion
 - EBIT: Euro 150 million
- ▶ We expect this efficiency enhancement programme (e.g. procurement, IT, standardisation of technology, personnel reductions) to have a noticeable impact with effect from the coming 2005/2006 financial year
- ▶ This should then facilitate a double-digit increase in the EBIT figure
- ▶ Rising earnings will enable us to distribute an attractive dividend without asset erosion
- ▶ Our medium-term goal involves generating a positive value spread figure on the level of the overall company (ROCE > WACC)