



On Course: Success Driven by Efficiency

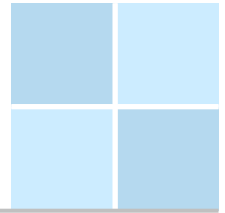
Factbook

1st Half of 2005/2006

15 May 2006

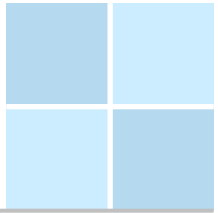


Strong Market Position

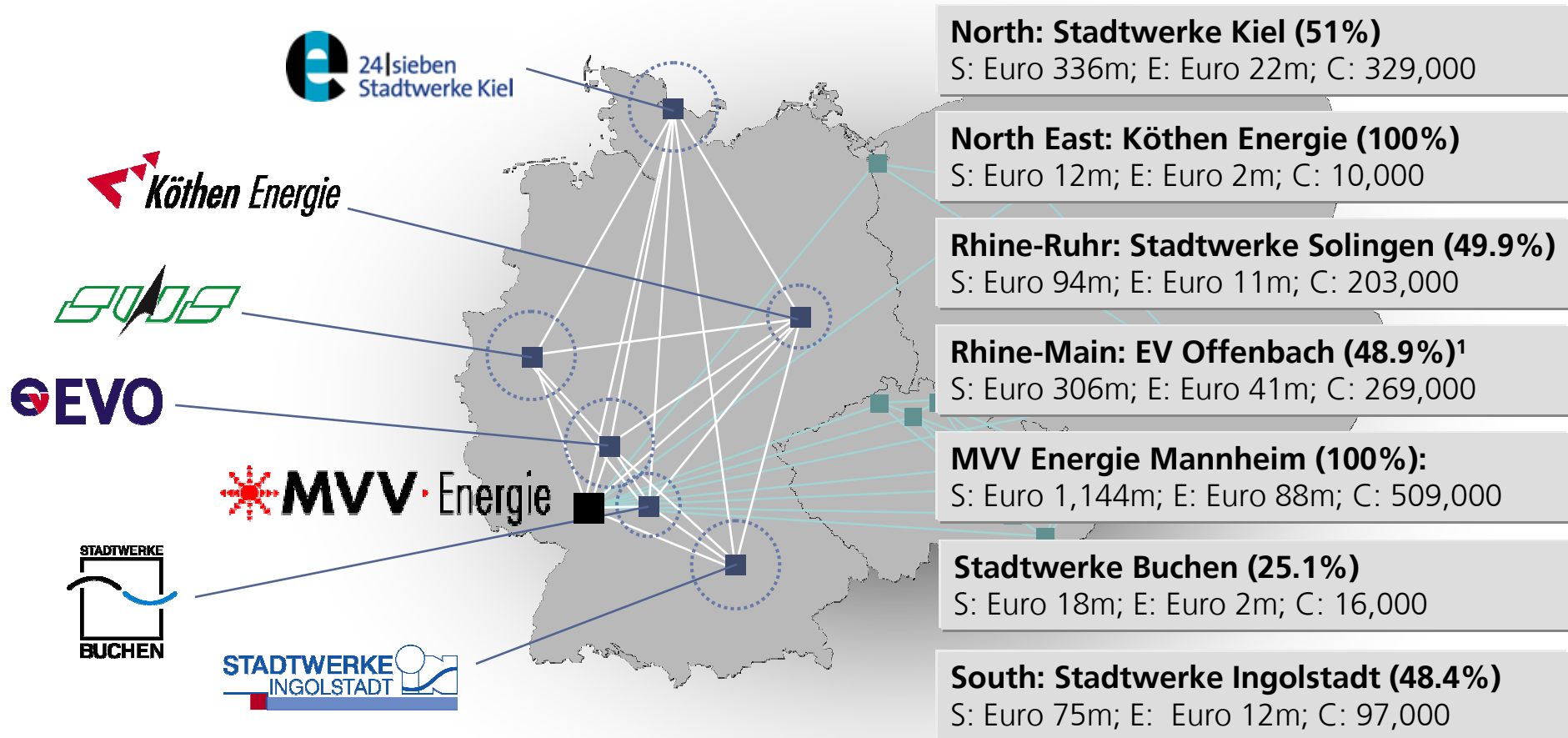


- ▶ Ranked No. 5 among European district-heating utilities in terms of volume
- ▶ Ranked No. 6 among German electricity suppliers in terms of volume of electricity sold to end customers
- ▶ Total of 1.7 million customers in Germany and Eastern Europe for electricity, district heating, gas and water
- ▶ One of the top 3 utility companies to use refuse- and biomass-derived fuel to generate energy in Germany, with an annual capacity of 1.2 million tonnes
- ▶ Among the Top 10 in energy related services in Germany (contracting, land improvement & development)

Solid foundation for further success

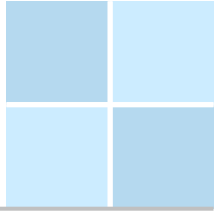


Our Network of Municipal Utility Companies



S = Sales; E = EBIT (Subgroup annual financial statements of the MVV Energie Group for the 2004/2005 financial year); C = Customers including residential units in apartment blocks

¹ Majority of votes 50.1%



Multiplying the Value of Our District Heating Expertise

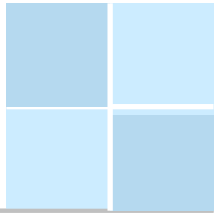
Shareholdings in European District Heating Utility Companies



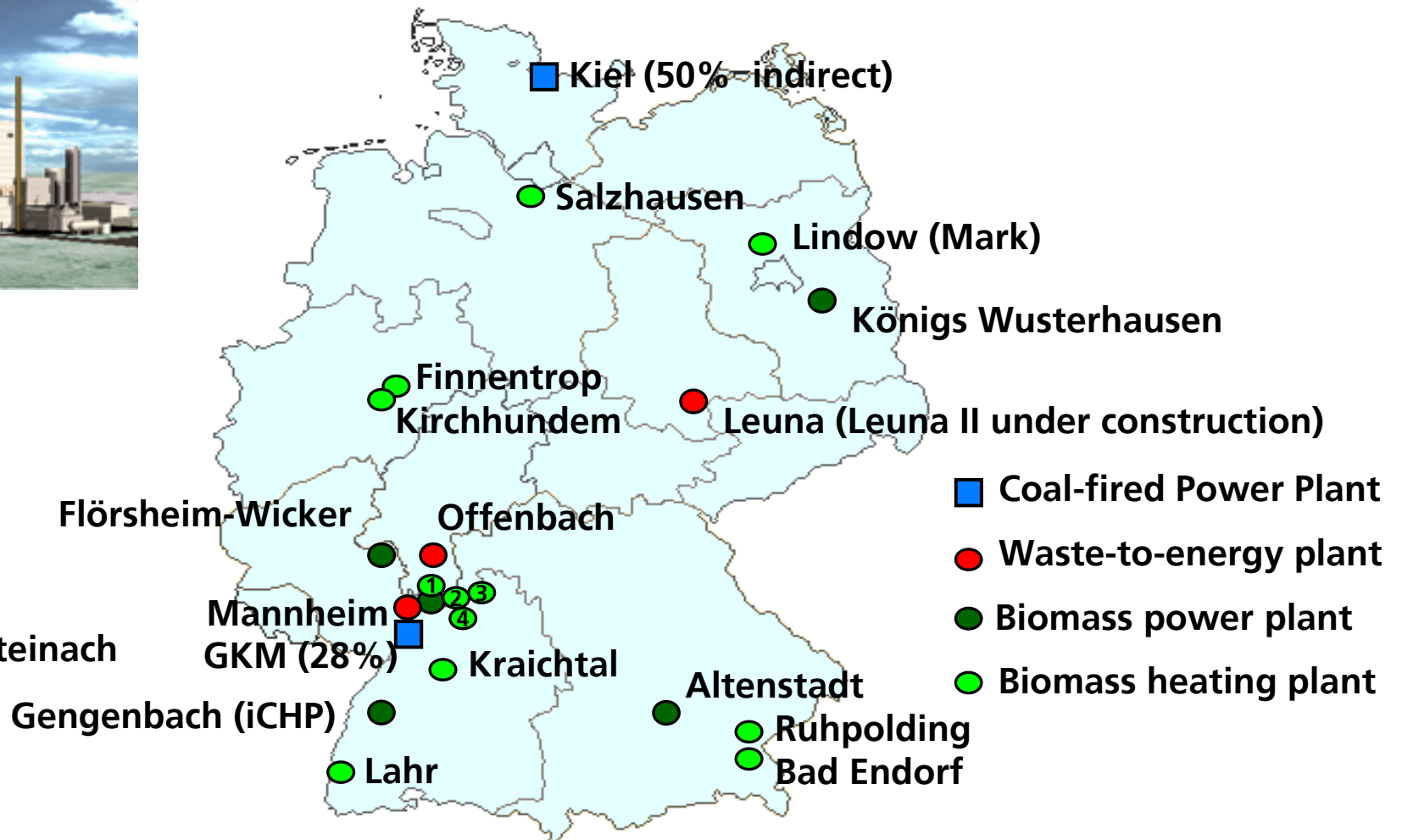
Poland
Sales: Euro 42 million
EBIT: Euro - 1 million
Customers: 195,000

Czech Republic
Sales: Euro 42 million
EBIT: Euro 8 million
Customers: 59,000

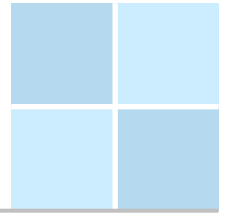
Slovakia



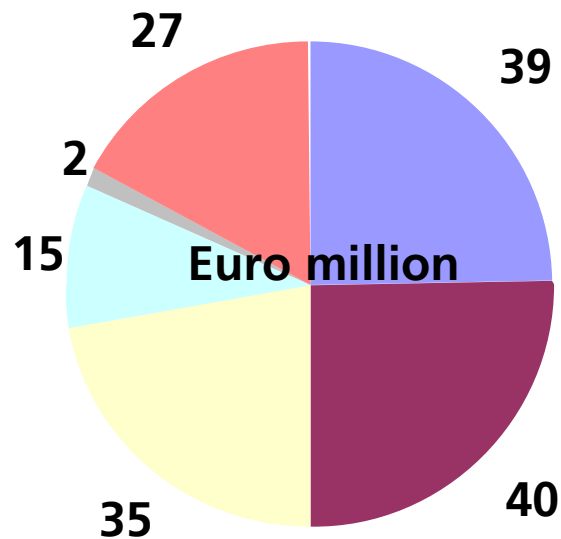
Our Coal, Waste and Biomass Plants



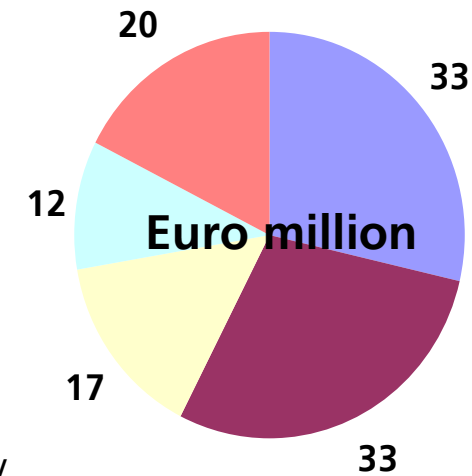
Our Operating Earnings (EBIT) Are Generated by a Number of Segments



Financial Year 2004/2005



Financial Year 2003/2004 ^{1,2}

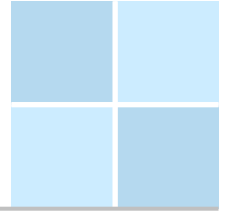


- Electricity
- District heating
- Gas
- Water
- Value-added services
- Environmental energy

¹ Adjusted EBIT

² Value-added services: Euro - 18 million

MVV Energie's Concept as a Distributor and Service Provider



Stable Core Business

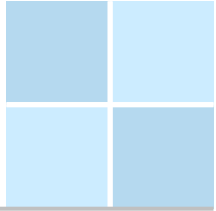
- ▶ Successful **energy distribution** (electricity, gas, district heating) as well as **energy from waste incineration, utilising biomass** and **water distribution**
- ▶ Long-term **customer retention** as a result of MVV owning its networks
- ▶ **Sound earnings** with huge potential for **cost savings**

+ Growth Potential

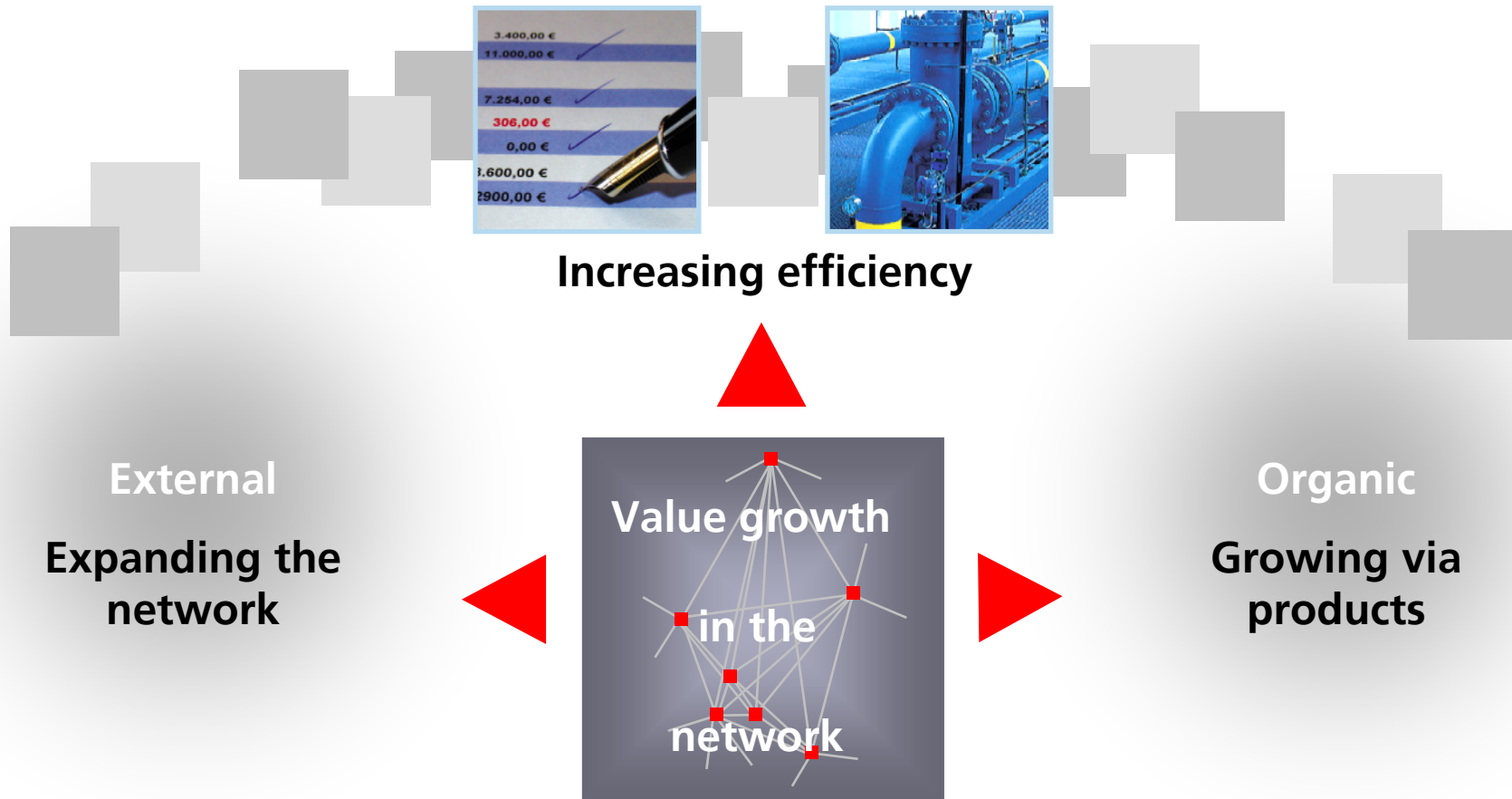
- ▶ New markets through new national and international **shareholdings**
- ▶ Utilisation of new market opportunities in the **waste to energy business**
- ▶ Building on existing customer links by means of **energy-related services**

Our Strategy

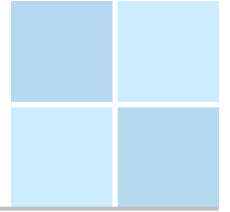




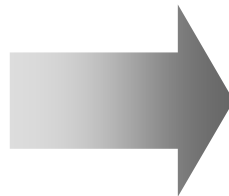
The MVV Energie Strategy



Growth Based on New Shareholdings in Municipal Utility Companies



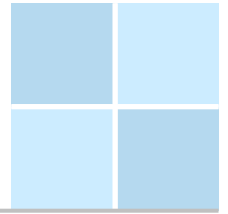
- ▶ Several hundred autonomous municipal utility companies currently active in Germany
- ▶ In many cases inadequately prepared for competition
- ▶ Often only active in distribution of electricity and gas, no proprietary generation activities
- ▶ Expected pressure on earnings due to network regulation
- ▶ Lack of resources in municipalities



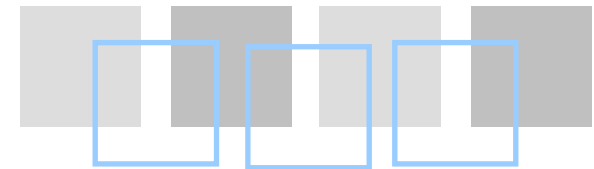
Sale of further municipal utility companies expected

MVV Energie is well-positioned for further acquisitions

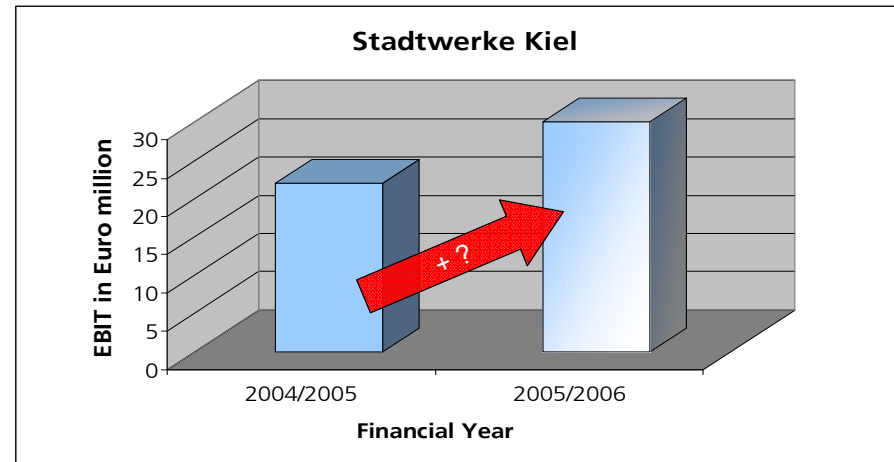
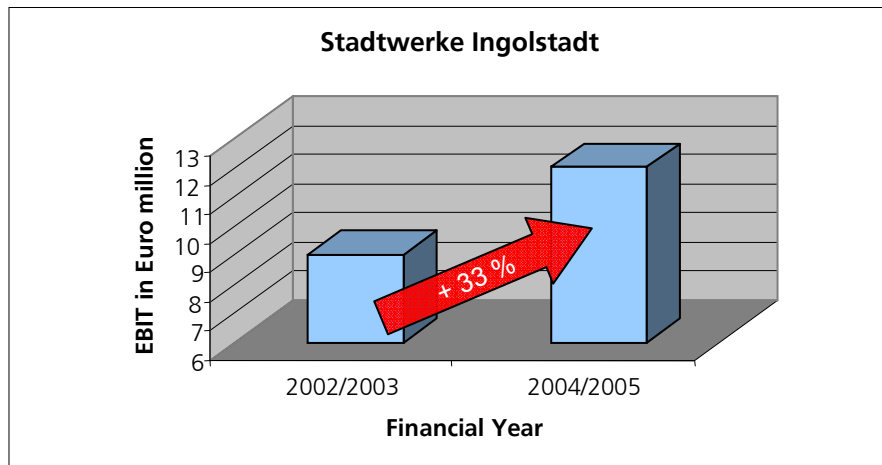
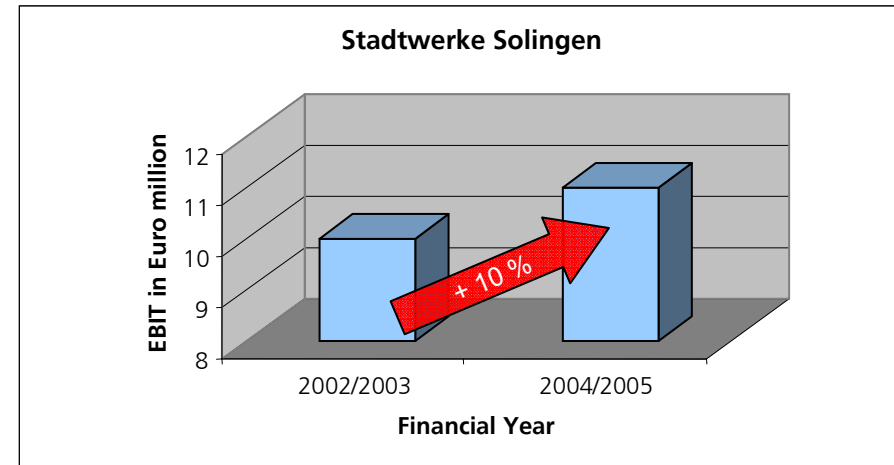
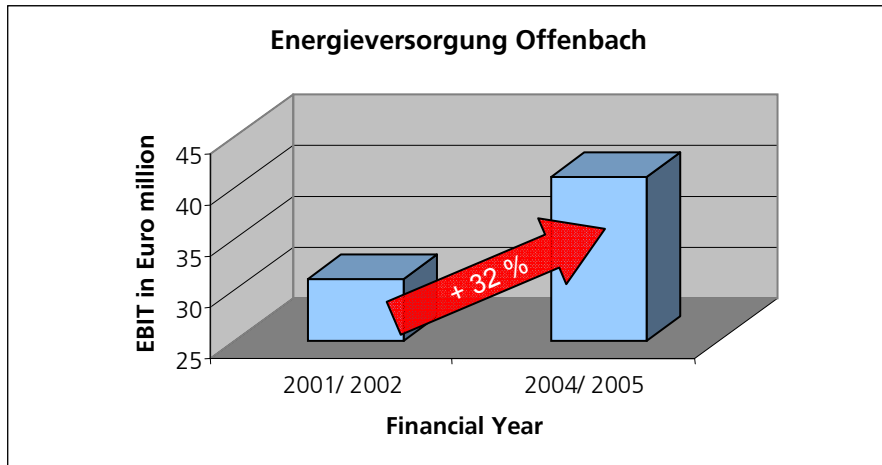
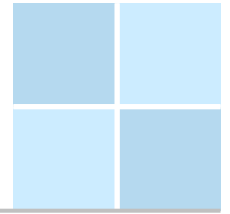
Horizontal Cooperation as an Alternative to Vertical Integration



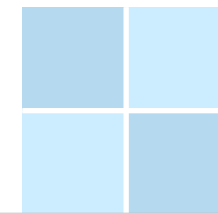
- ▶ Standardisation of technology
- ▶ Centralisation of procurement and logistics functions
- ▶ Joint optimisation of energy portfolio by building up purchasing power
- ▶ Shared-service companies, e.g. for metering, billing and information processing (IT)
- ▶ Sales cooperation



We Have Increased the Value of Our Municipal Utility Shareholdings



Growth in Environmental Energy



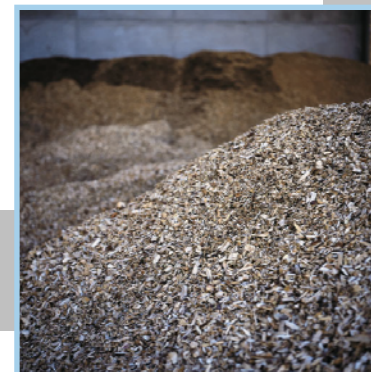
▶ Environmental Energy in the MVV Energie network includes:

- Incineration of waste
- Resultant production of heat and electricity
- Generation of electricity from biomass

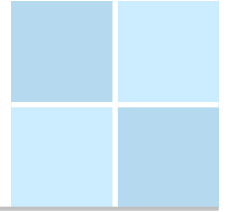
▶ We are benefiting from

- The expansion of our incineration capacities
- Increased capacity utilization
- Soaring prices for industrial waste
- Higher prices for electricity and steam

▶ We expect to see further growth as a result of the second Leuna plant construction (completion in 2007), improved materials energy management and possible further projects



Growth Based on Energy Services



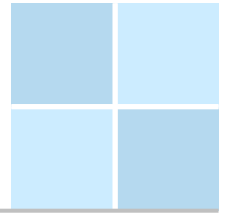
- ▶ MVV Energie is successfully positioned among the top 10 providers of energy services in the market

- ▶ 3 main product areas
 - **Industrial Solutions (Contracting)**
 - **Municipal Solutions (Land preparation & development)**
 - **Advisory Services – national and international**

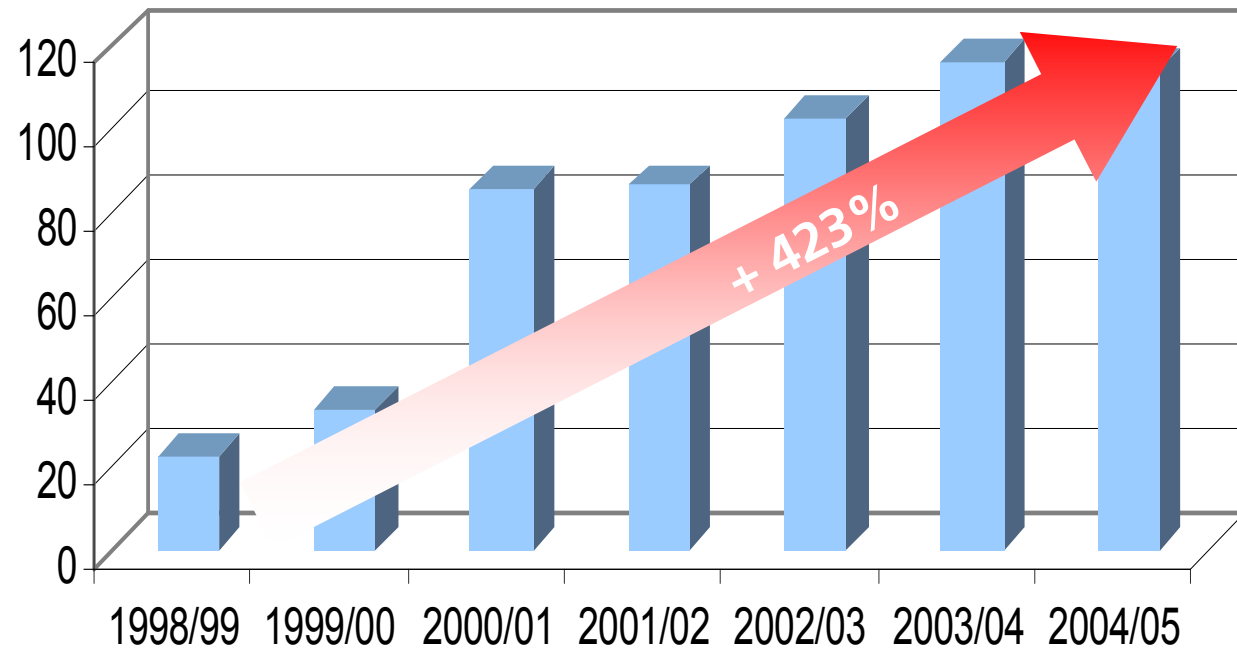
- ▶ **Goal:** based on internal and external growth, we aim to become one of the top three providers of energy and infrastructure services in Germany



Healthy Growth in Our National and International Business in Energy Services

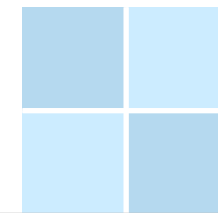


Sales in Euro million

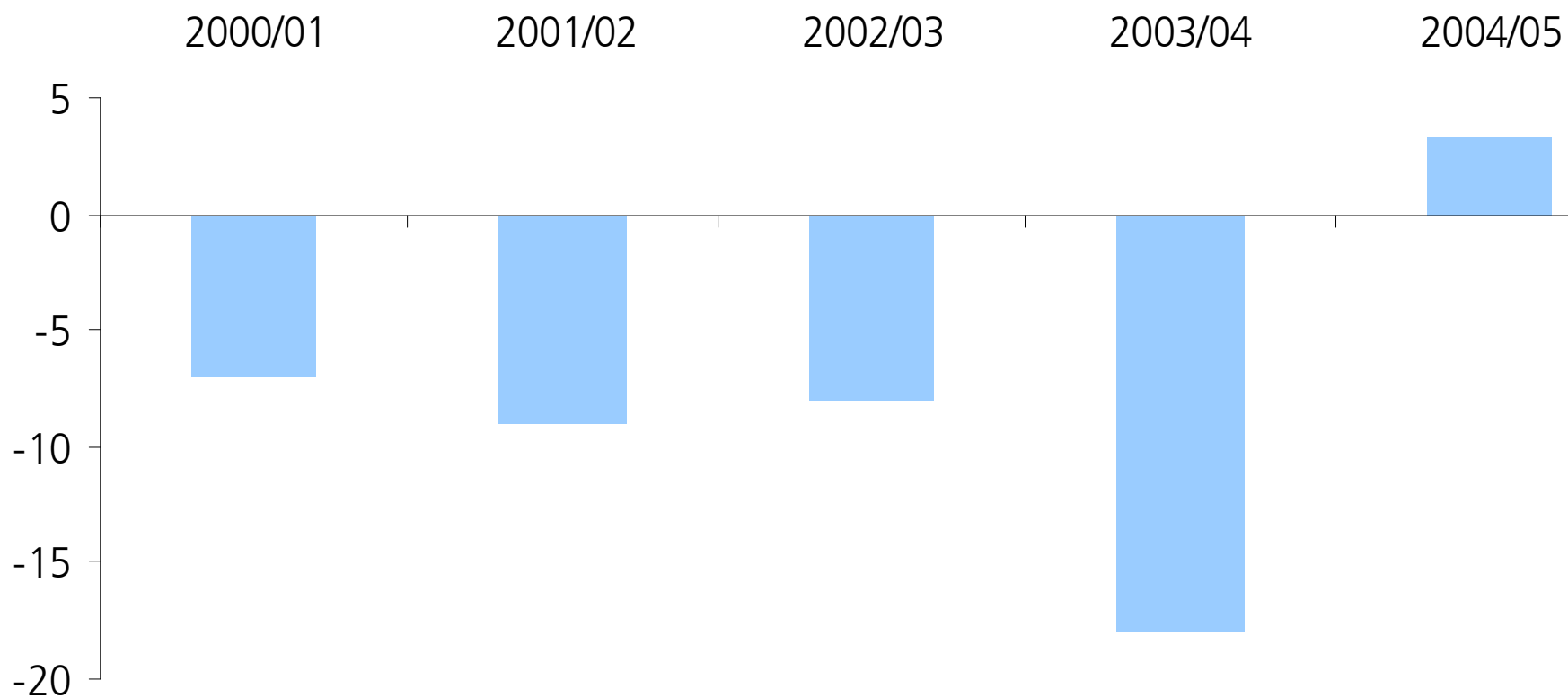


Comprehensive solutions for customers promote commodity sales

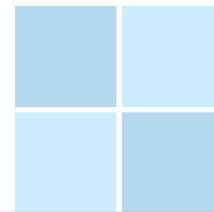
Energy Services: Successful Turnaround



EBIT¹ in Euro million



¹ Adjusted for one-off effects



Our Investment Strategy

Strategic criteria

Expansion of existing portfolio:

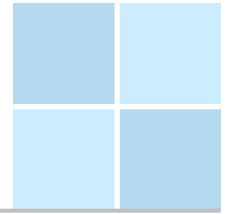
- ▶ Targets tailored to MVV Energie as a municipality utility group - **synergy potential**
- ▶ **Proximity to core business** in terms of content, and to core competencies as a distribution company
- ▶ Focus on defined **growth areas** (municipal utility companies/distributors, environmental energy, services)
- ▶ No investments outside the defined **business fields** or **regions**

Financial criteria

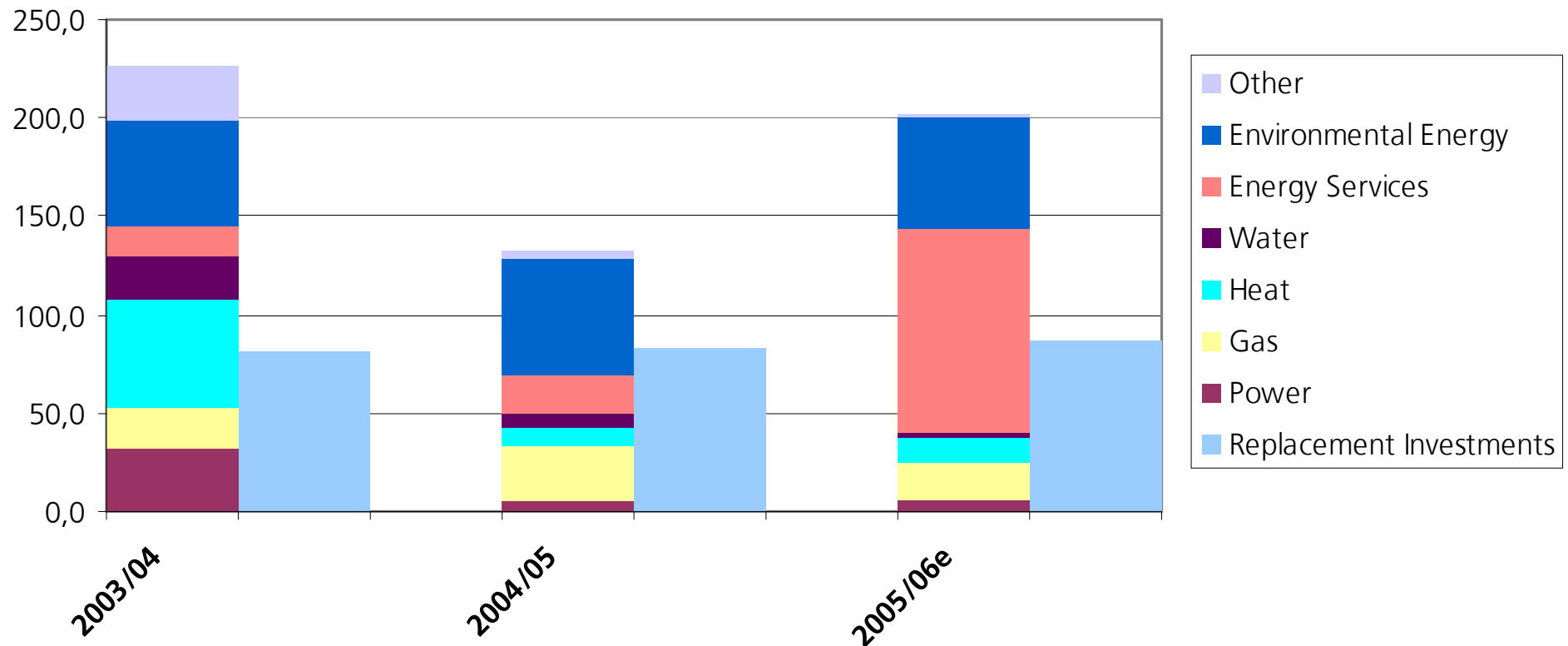
Principles of value creation:

- ▶ Each investment has to generate a premium on the **costs of capital** involved ($ROCE > WACC$)
- ▶ Internal requirements concerning the level of the positive **value spread** reflect growth targets and improvement in competitive position, as well as accounting for project risks affecting the company as a whole
- ▶ **Payback** and **break even** have to meet requirements of specific business field

Strong Investments in Energy Services and Environmental Energy

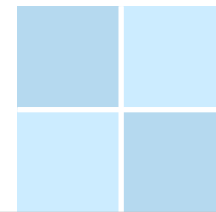


Investments in Euro Mill.

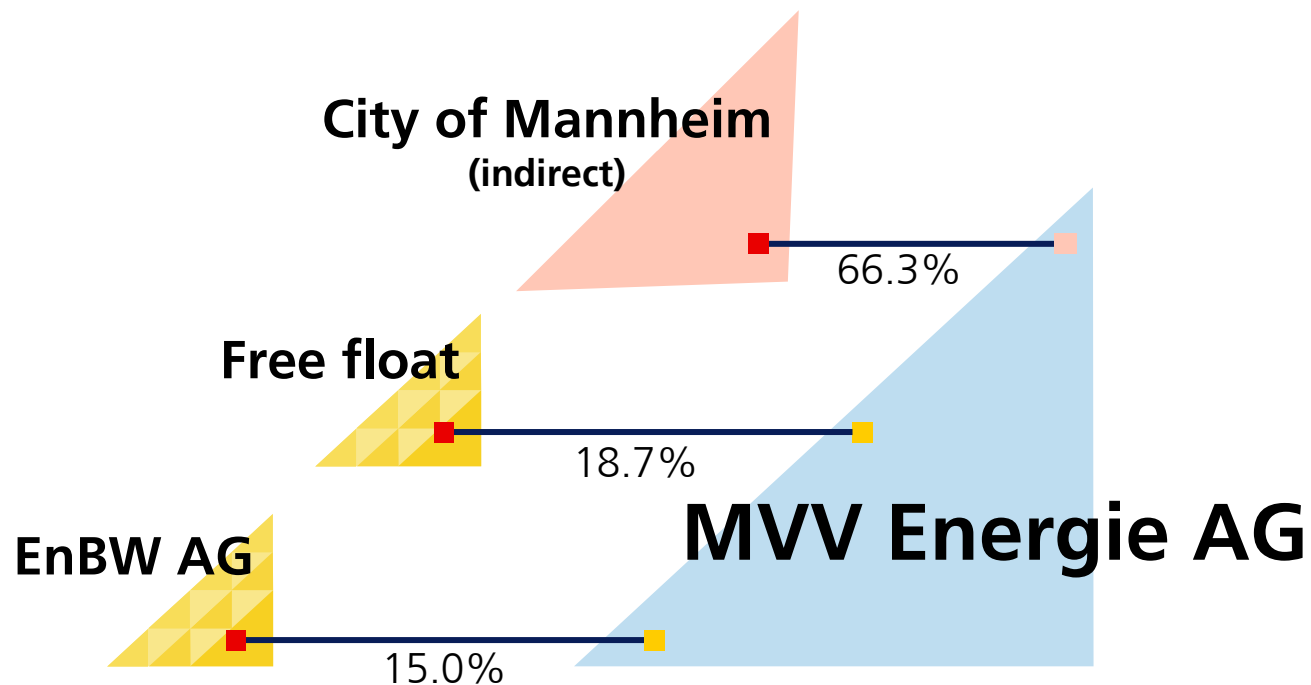


Our Shares



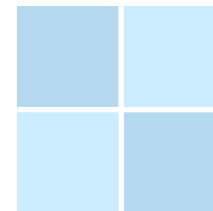


Current Shareholder Structure and Key Figures



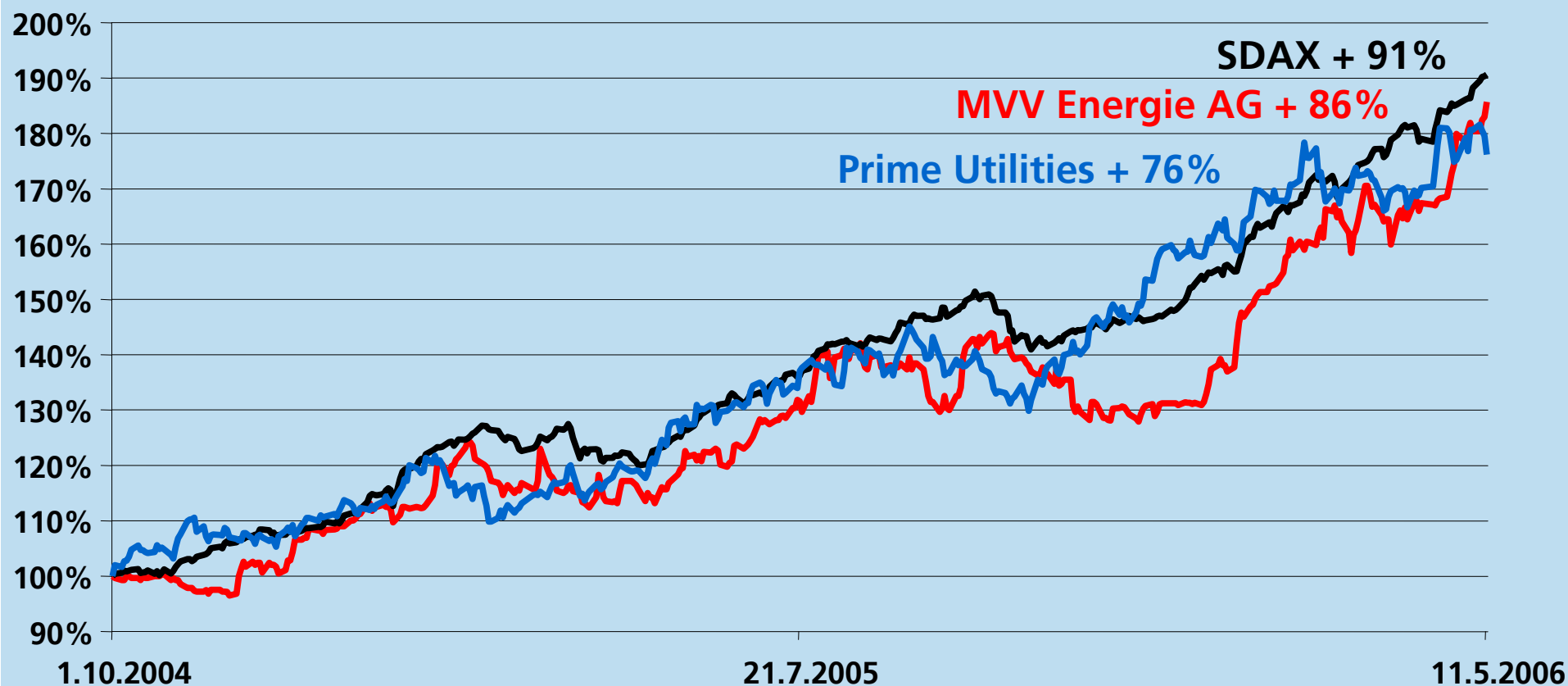
- ▶ No. of shares: 55.704 million
- ▶ Market capitalisation: Euro 1,365 million (Closing price on 11.5.2006: Euro 24.50)
- ▶ Free float: Euro 250 million

Performance Comparison of the MVV Energie AG Share with the SDAX and Prime Utilities Indices (FY 2004/2005 – 11.5.2006)

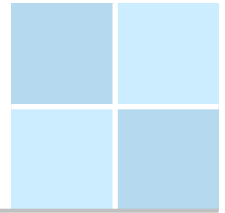


MVV Energie Share (ISIN DE 0007255903)

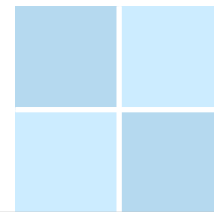
Xetra Trading



Capital Increase Successfully Placed



- ▶ On 15 November 2005, we executed a capital increase of almost 10% in order to finance current investment requirements (including Leuna II)
- ▶ Authorised capital of about 18% is available for further investments
- ▶ The use of the additional authorised capital mainly depends on investment opportunities in the market for larger scale municipal utility companies
- ▶ There are currently no suitable acquisition opportunities in the market
- ▶ The City of Mannheim currently has no plans to dispose of its shares. It intends to remain the majority shareholder in the medium term



Advantages for Our Shareholders

- ▶ Secure earnings thanks to **stable core business**
- ▶ Huge **potential for cost reductions**
- ▶ Upside potential can be realised by acquiring **additional shareholdings** and expanding **environmental energy** as well as **energy-related services**
- ▶ Attractive **dividend returns** (currently above 3%)
- ▶ Listed on the Prime Standard (**SDAX**)

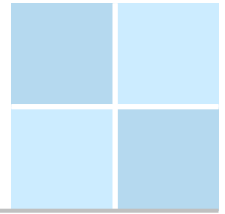


We are committed to shareholder value

Outlook

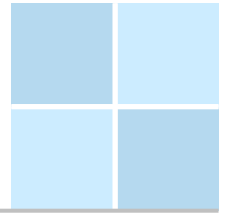


Savings Potential of the Newly Launched “FOKUS” Programme



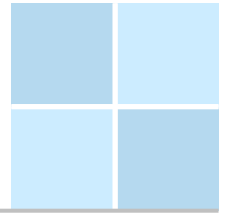
- ▶ Administration expenses currently amount to Euro 93 million in Mannheim alone
- ▶ “FOKUS” will enable us to save an increasing amount per year in terms of personnel and material expenses in the administrative divisions in Mannheim
- ▶ These savings are expected to reach their maximum level of Euro 29 million in 2008. Two thirds thereof will be realised in the current financial year 2005/06
- ▶ More than half of the savings are to be achieved by cutting jobs in a socially responsible manner
- ▶ Furthermore, we also intend to realise additional potential savings at our shareholdings, e.g. in Kiel
- ▶ We will increase efficiency further by founding shared service companies at the beginning of the next fiscal year

Significant Increase in Earnings Expected in the Current Financial Year



- ▶ The earnings of MVV Energie have risen in the last financial year as a result of its strategic focusing, cost-reduction measures and the initial consolidation of Kiel
- ▶ Earnings in the current 2005/06 financial year will be positively affected by the following factors in particular:
 - Full-year operations at the waste-to-energy plant in Leuna
 - Savings generated by the FOKUS programme and from increased cooperation across the Group
 - Improved earnings in Poland and the Czech Republic
- ▶ We will generate a positive value spread figure on the level of the overall company (ROCE > WACC) in the current financial year
- ▶ Rising earnings enabled us to pay a consistent attractive dividend of Euro 0,75 per share for 2004/05 from the achieved Free Cash Flow. We intend to raise the dividend for the current financial year.

We Confirm the Increased Forecast for the Current Financial Year



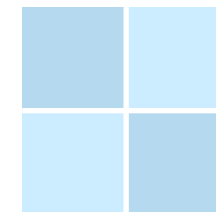
- ▶ Environmental energy segment:
 - Significant rise in waste incineration capacity to a total of 900,000 tonnes per annum with a simultaneous increase in capacity utilisation rates
 - Sustainable increase in prices for the incineration of commercial waste
 - Higher revenues from electricity generation as a result of a rise in prices
- ▶ Positive earnings development in Poland and the Czech Republic due to restructuring measures
- ▶ Cost reductions due to increased cooperation across the Group

- ▶ Our forecasts for 2005/2006:
 - Sales: Euro 2.25 billion (2.2)
 - EBIT: Euro 195 million (185)
 - EBT: Euro 133 million (123)

Key Financial Data for the 2004/2005 Financial Year



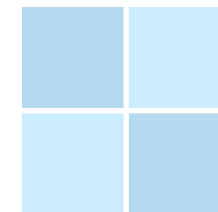
Key Figures of the MVV Energie Group for the 2004/2005 Financial Year (previous year adjusted)



Earnings performance Euro million	2004/2005 1.10.-30.9.	adjusted ¹	
		2003/2004 1.10.-30.9.	% change
Sales	1,958	1,652	+ 19
EBITDA	288	236	+ 22
EBITA	156	106	+ 47
EBIT	158	97	+ 63
EBT	90	36	+ 150
Annual net deficit/surplus	51	19	+ 168
after minority interests	34	12	+ 183
Free Cash Flow ²	60	- 16	-
Earnings per share in Euro	0.67	0.24	+ 179

¹ In the previous year: excluding expenses relating to streamlining of portfolio and restructuring measures
² Inflow of funds from ongoing business activities, less investments in tangible assets and intangible assets

Sales by Segment in the 2004/2005 Financial Year

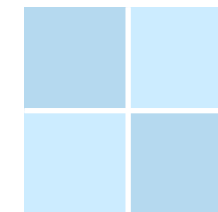


Sales in Euro million	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Electricity ¹	975	828	+ 18
District heating	250	252	- 1
Gas ²	366	263	+ 39
Water ²	106	86	+ 23
Value-added services	115	117	- 2
Environmental energy	131	97	+ 35
Other/consolidation	15	9	+ 67
Total sales	1,958	1,652	+ 19

¹ including energy tax of Euro 92 million (previous year: Euro 84 million)

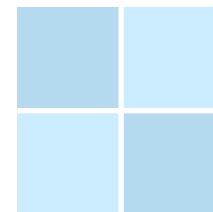
² including gas tax of Euro 61 million (previous year: Euro 49 million)

EBIT by Segment in the 2004/2005 Financial Year (previous year adjusted)



EBIT in Euro million	adjusted ¹		% change
	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	
Electricity	39	33	+ 18
District heating	40	33	+ 21
Gas	34	17	+ 100
Water	15	12	+ 25
Value-added services	2	- 18	-
Environmental energy	27	20	+ 35
Other/consolidation	1	-	-
Total EBIT	158	97	+ 63

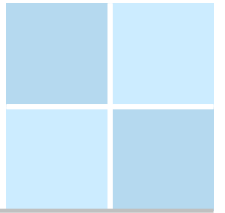
¹ in the previous year: excluding expenses for portfolio streamlining and restructuring measures



Volumes in the 2004/2005 Financial Year

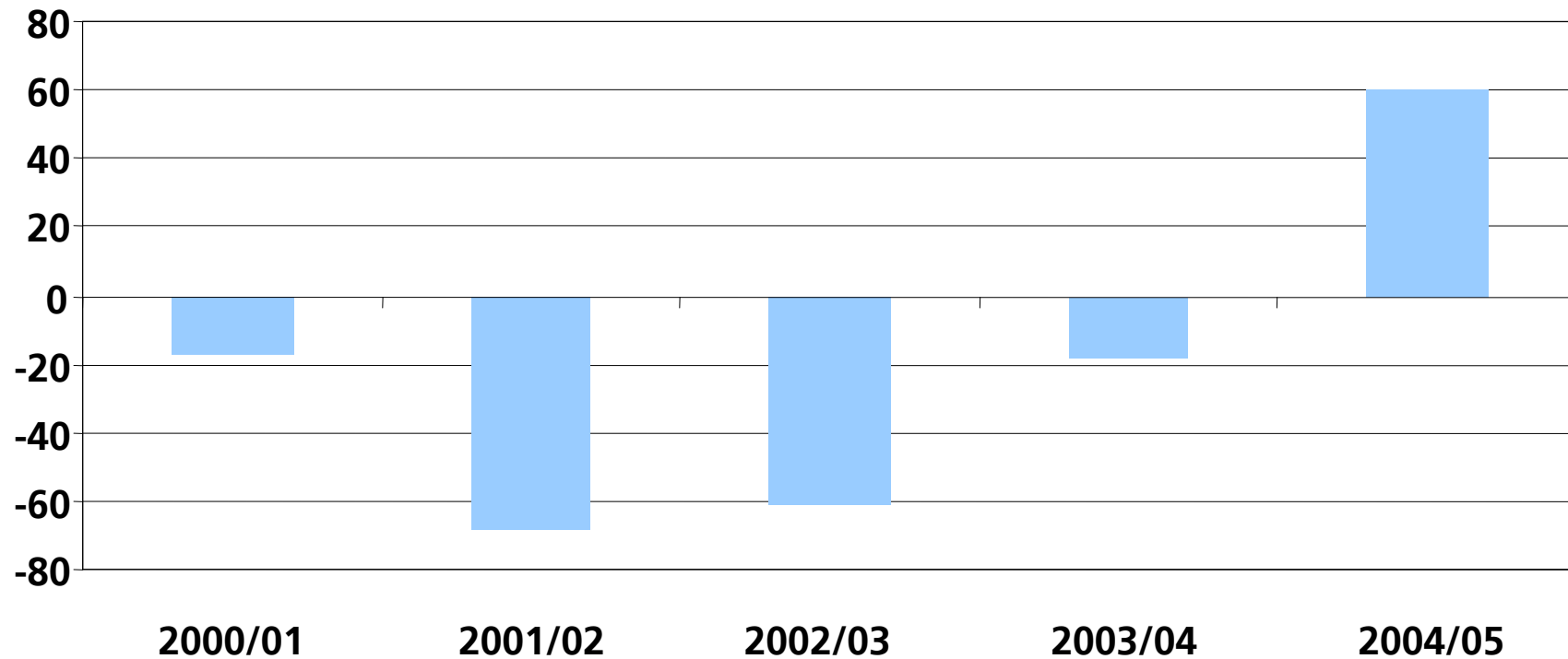
Volume¹	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Electricity (kWh million)	18,307	14,539	+ 26
of which: wholesale (kWh million) (incl. secondary distributors)	9,454	5,587	+ 69
of which: retail (kWh million)	8,853	8,952	- 1
District heating ² (kWh million)	7,454	7,504	- 1
Gas (kWh million)	11,096	8,906	+ 25
Water (m ³ million)	58.3	47.6	+ 19
Incinerated waste (tonnes 000s)	619	519	+ 8

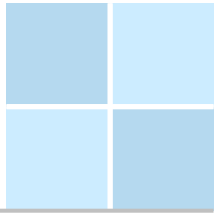
¹ total volume from all segments
² corrections in previous year's figure



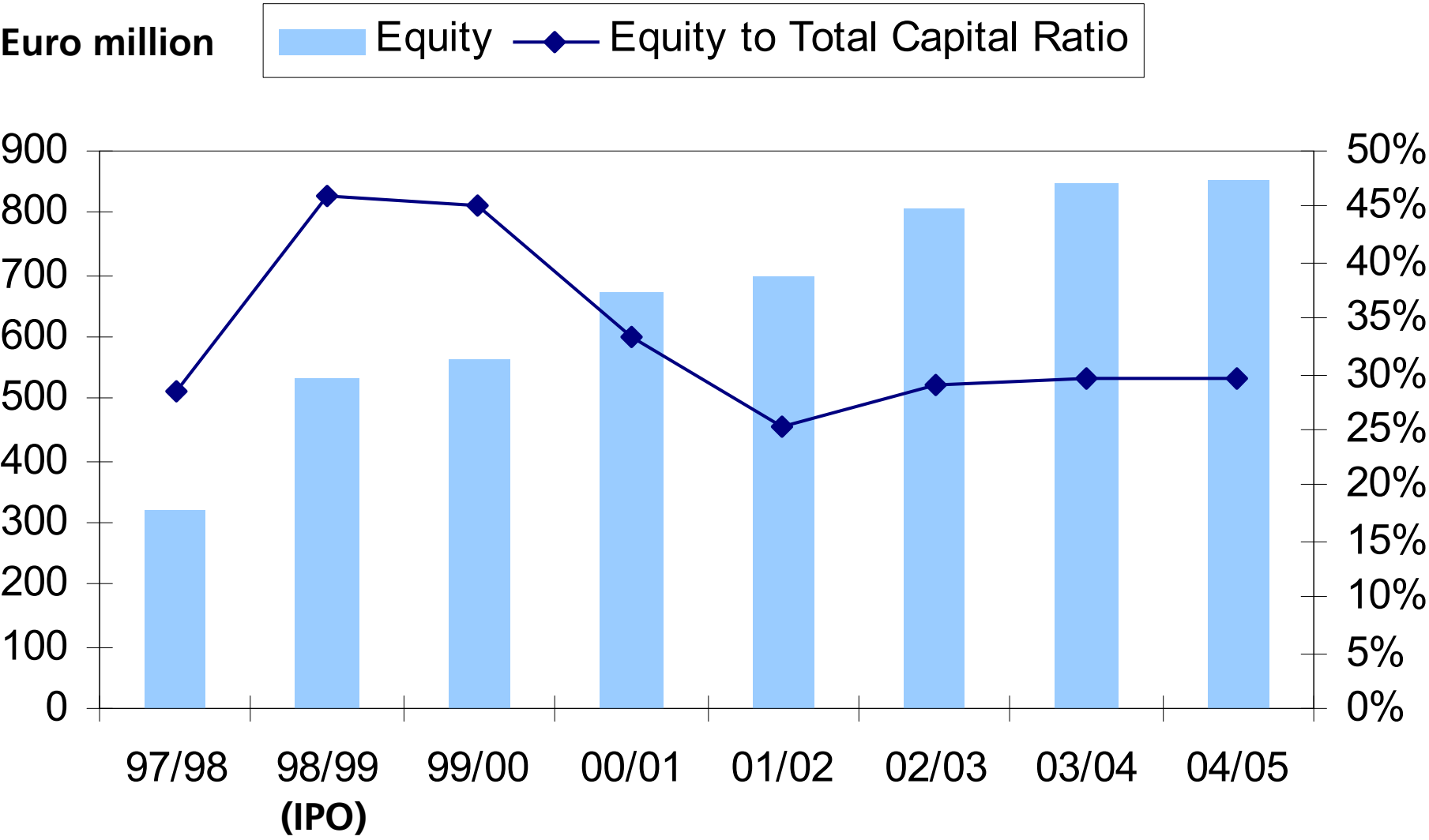
Free Cashflow Returns to Positive Ground

Euro million





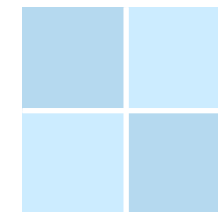
Solid Equity Capitalisation



Key Financial Data for the 1st Half of 2005/2006



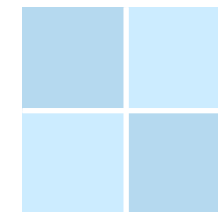
Volumes in the 1st Half of 2005/2006



Volume¹	2005/2006 1.10.-31.3.	2004/2005 1.10.-31.3.	% change
Electricity ² (kWh million)	9,945	8,971	+ 11
of which: wholesale ² (kWh million) (incl. secondary distributors)	5,100	4,418	+ 15
of which: retail ² (kWh million)	4,845	4,553	+ 6
District heating (kWh million)	5,659	5,474	+ 3
Gas ² (kWh million)	8,038	8,010	-
Water ² (m ³ million)	27.5	27.8	- 1
Combustible waste delivered (tonnes 000s)	583	232	+ 151

¹ total volume from all segments
² corrections in previous year's figure

Key Figures of the MVV Energie Group for the 1st Half of 2005/2006



Earnings performance Euro million	2005/2006 1.10.-31.3.	2004/2005 1.10.-31.3.	% change
Sales	1,290	1,085	+ 18
EBITDA	260	218	+ 19
EBITA	188	152	+ 24
EBIT	189	152	+24
EBT	157	120	+ 31
Annual net surplus	92	75	+ 23
after minority interests	73	59	+ 24
Free Cash Flow	- 58	8	-
Earnings per share in Euro	1.34	1.16	+ 16

¹ Inflow of funds from ongoing business activities, less investments in tangible assets and intangible assets

Sales by Segment in the 1st Half of 2005/2006

Sales in Euro million	2005/2006 1.10.-31.3.	2004/2005 1.10.-31.3.	% change
Electricity ¹	545	490	+ 11
District heating	196	174	+ 13
Gas ²	323	251	+ 29
Water ²	51	51	-
Value-added services ³	67	51	+ 31
Environmental energy	97	59	+ 64
Other/consolidation ³	11	19	- 42
Total sales	1,290	1,095	+ 18

¹ including energy tax of Euro 57 million (previous year: Euro 55 million)

² including gas tax of Euro 44 million (previous year: Euro 44 million)

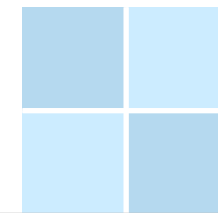
³ with effect from the 2005/06 financial year, the companies MANet GmbH and ENERGY InnovationsPortfolio AG & Co. KGaA will no longer be reported under the Value-added services segment, but rather in the Other segment; the previous year's figures have been adjusted for reasons of comparison

EBIT by Segment in the 1st Half of 2005/2006

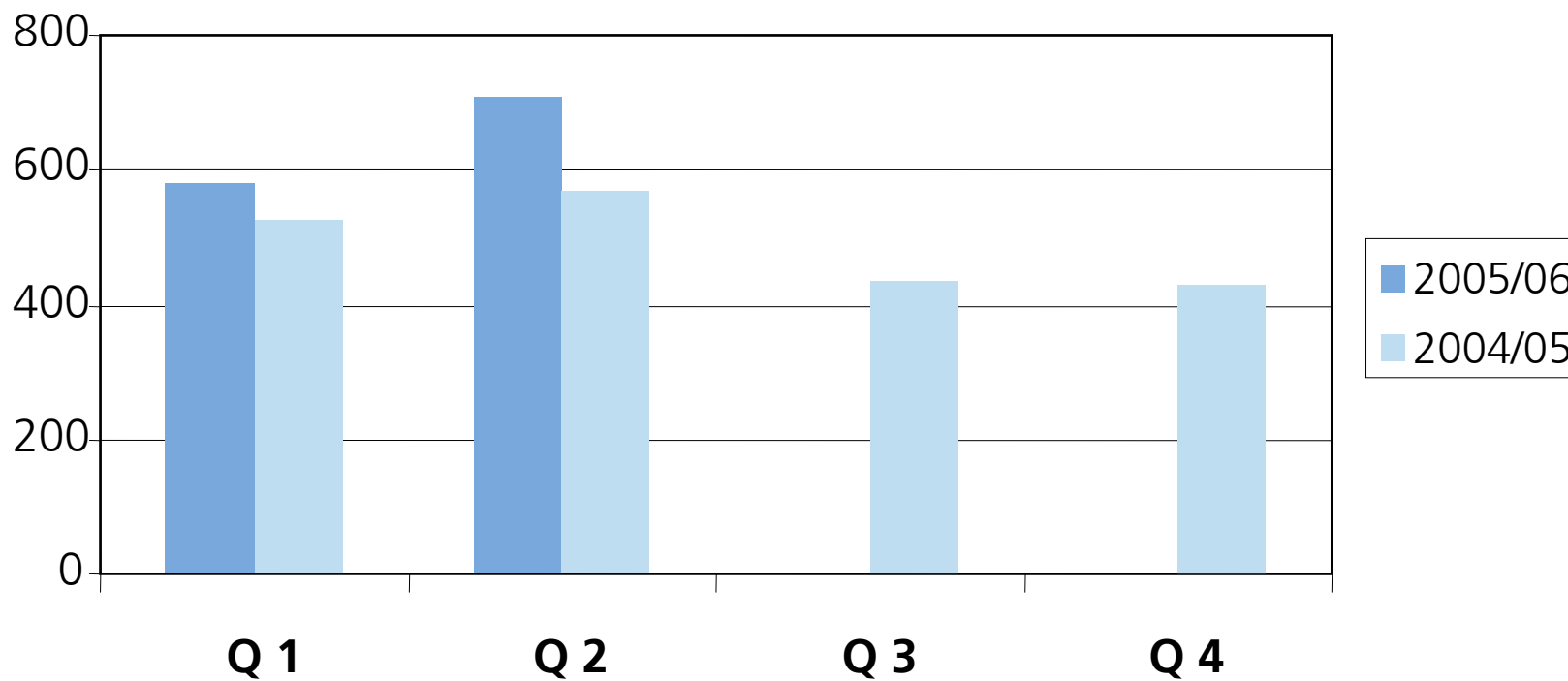
EBIT in Euro million	2005/2006 1.10.-31.3.	2004/2005 1.10.-31.3.	% change
Electricity	25	34	- 26
District heating	64	55	+ 16
Gas	49	40	+ 23
Water	9	8	+ 13
Value-added services ¹	4	2	+ 100
Environmental energy	41	14	+ 193
Other/consolidation ¹	- 3	- 1	- 200
Total EBIT	189	152	+ 24

¹ with effect from the 2005/06 financial year, the companies MANet GmbH and ENERGY InnovationsPortfolio AG & Co. KGaA will no longer be reported under the Value-added services segment, but rather in the Other segment; the previous year's figures have been adjusted for reasons of comparison

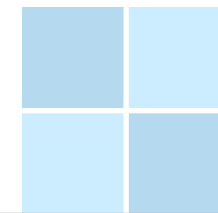
Sales by Quarter



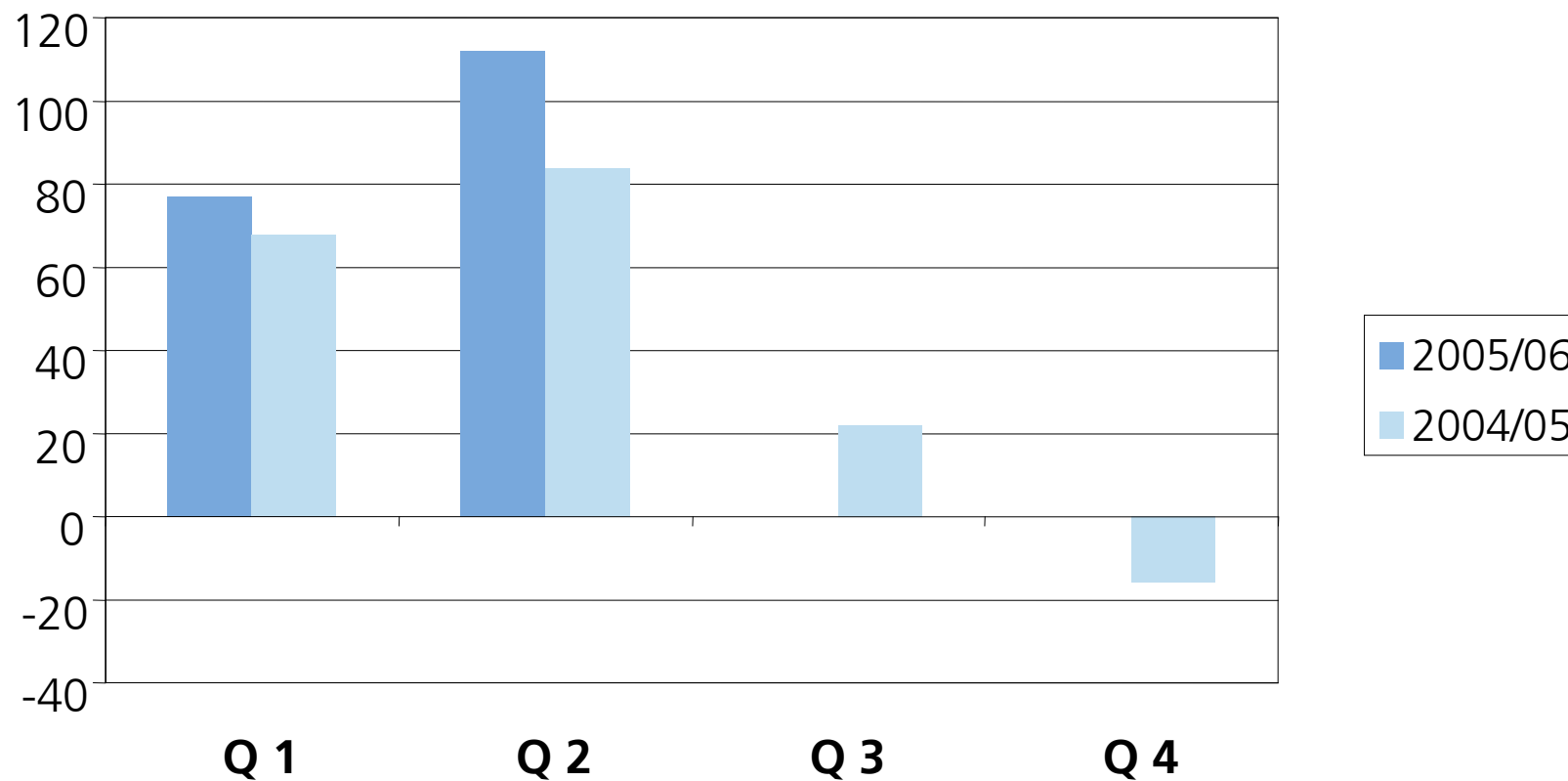
Euro million



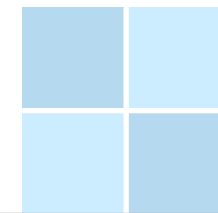
Strong Seasonal Cycles in the Results



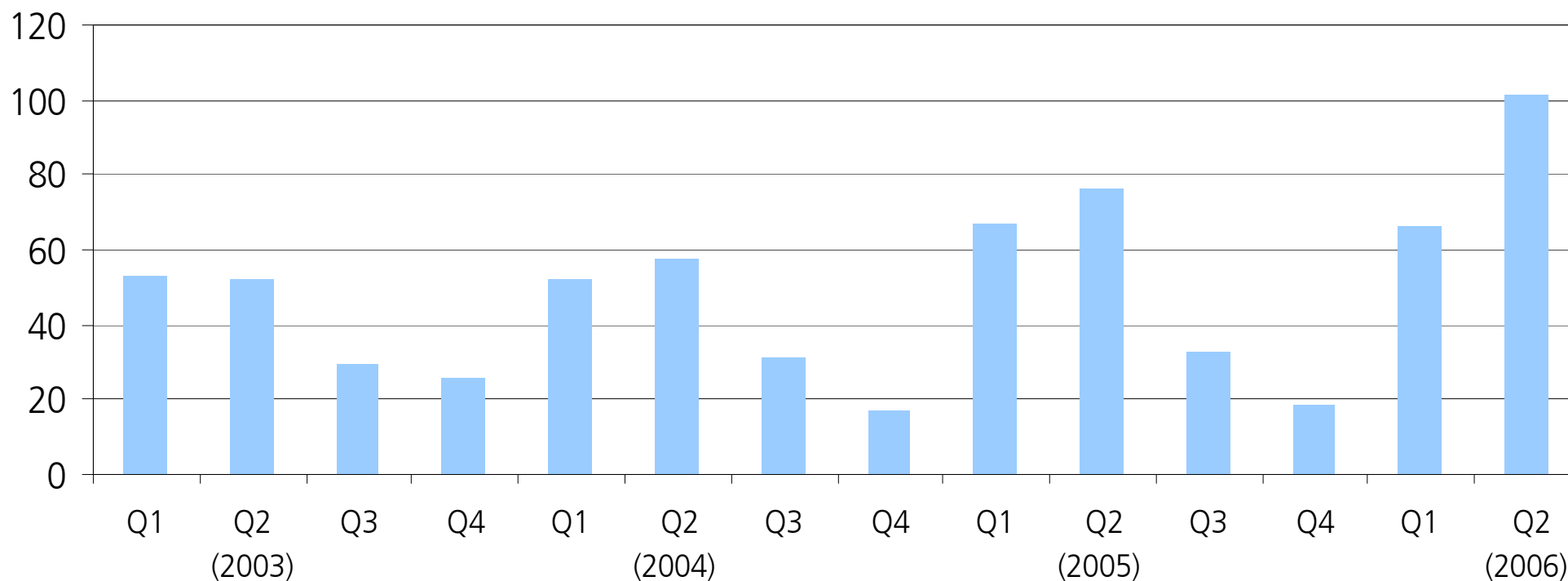
EBIT by Quarter in Euro million



Continuously Positive Cash Flow (DVFA/SG)

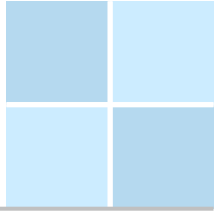


Cashflow (DVFA/SG) in Euro million

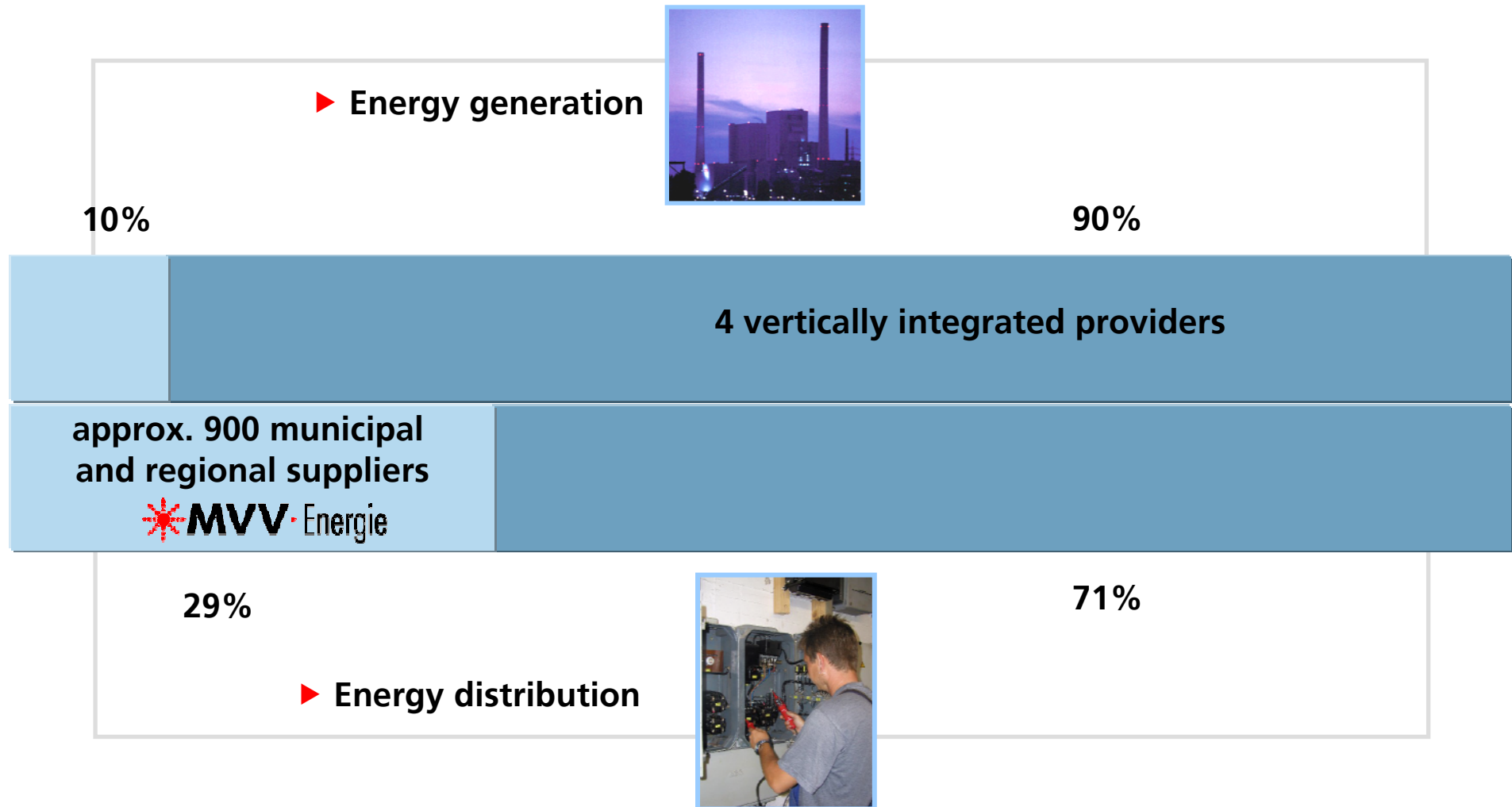


Appendix: The German Electricity Market



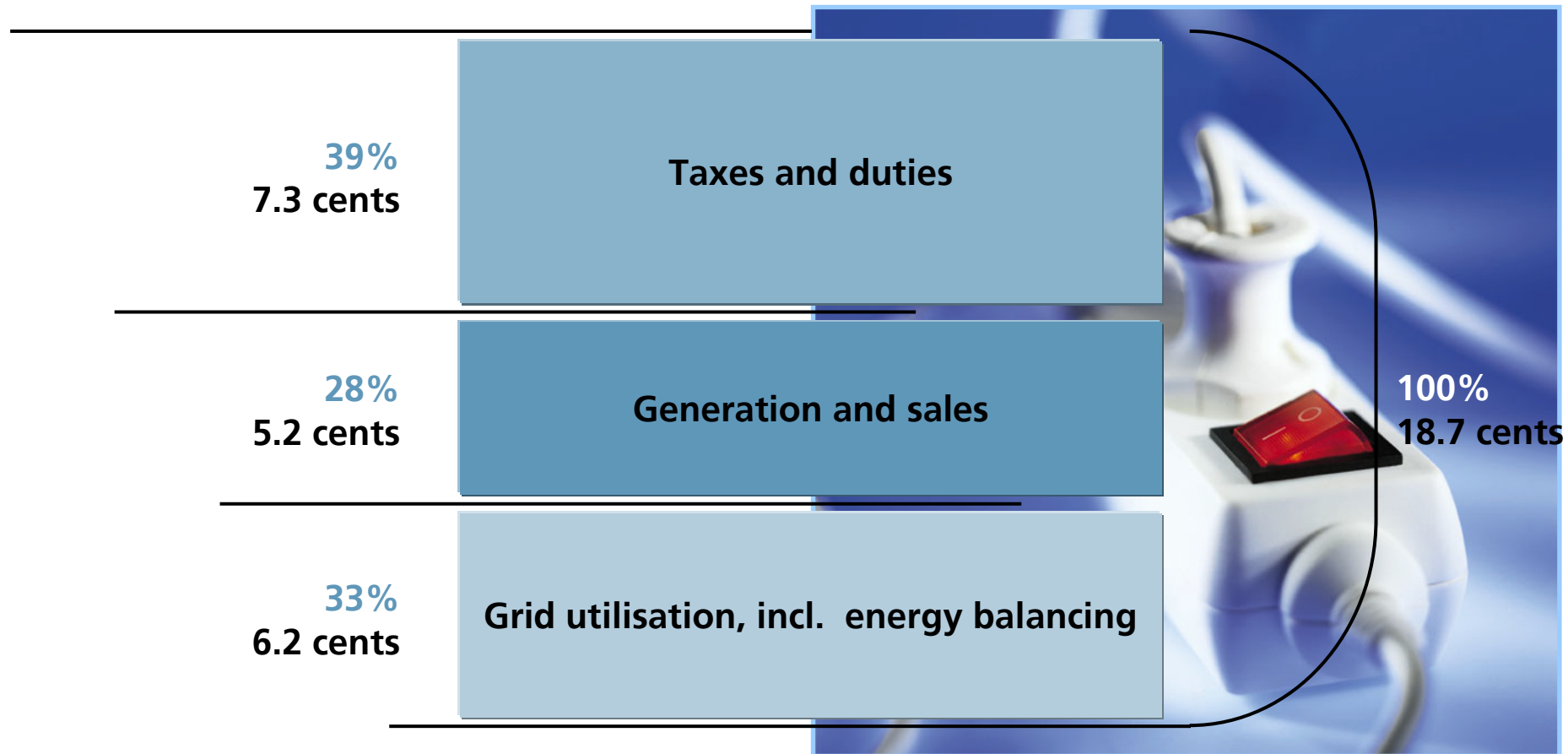
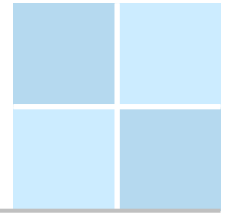


Structure of the German Electricity Industry



Electricity Price Components

(per kWh)



End customer with 3,500 kWh p.a. (Sources: VDN, VDEW),
average household customer price: 18.7 cents