

Adapting for the Future: Sustainability Leveraging Opportunity

07/08

Fact book

1st Half of 2007/2008 financial year

16 May 2008

www.mvv-investor.de



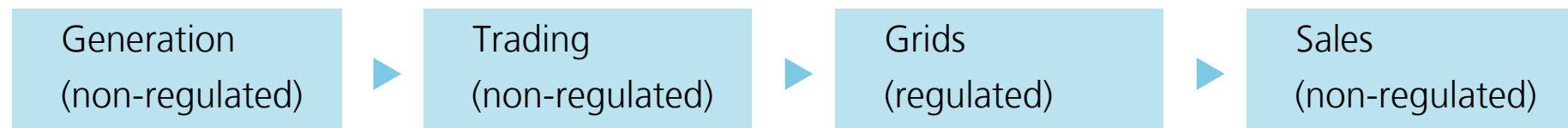
MVV Energie in brief



Business activities of the MVV Energie Group



Value chain in electricity



Balanced business portfolio in the 2006/2007 financial year

Non-regulated business: 37% of sales, 76% of EBIT					Regulated business: 63% of sales, 24% of EBIT		
Core business			Growth business		Core business		
	Sales Euro mill. in %	District heating 272 12	Water 104 5	Value-added services 263 12	Environmental energy 184 8	Electricity 1,079 48	Gas 342 15
	EBIT Euro mill. in %	42 21	19 10	19 9	71 36	38 19	11 5
	Market position	No. 5 in Germany	fragmented	No. 3 in Germany	No. 3 in Germany	No. 7 in Germany	No. 12 in Germany
<ul style="list-style-type: none"> ▶ Process optimisation ▶ External growth in submarkets 			<ul style="list-style-type: none"> ▶ Organic growth ▶ Growth via acquisitions 		<ul style="list-style-type: none"> ▶ Efficiency enhancements ▶ Development of new sales forms and products 		

Strong market position of the MVV Energie Group

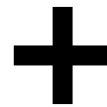
- ▶ Ranked No. 5 among German district heating utilities in terms of volume in 2006/07 FY
- ▶ Ranked No. 7 among German electricity suppliers in terms of volume of electricity sold to end customers
- ▶ Total of 1.15 million customer contracts in Germany and Eastern Europe for electricity, district heating and gas at the end of 2006/07 FY and 0.17 million in Germany for water
- ▶ Third-largest operator of incineration facilities in Germany (incineration capacity of 1.6 million tonnes of waste and biomass p.a. for the generation of electricity and district heating)
- ▶ With sales of Euro 263 million in 2006/07 FY, one of the three largest energy-related service providers in Germany

Solid foundation for further success

Objectives of strategic alignment 2003/2004 – 2006/2007

Return to value creation

Growth in core competencies



Efficiency enhancement

Streamlining of portfolio

approx. 30 shareholdings not consistent with strategy

Value spread

2003/2004: -5.3%

2006/2007: +1.5%

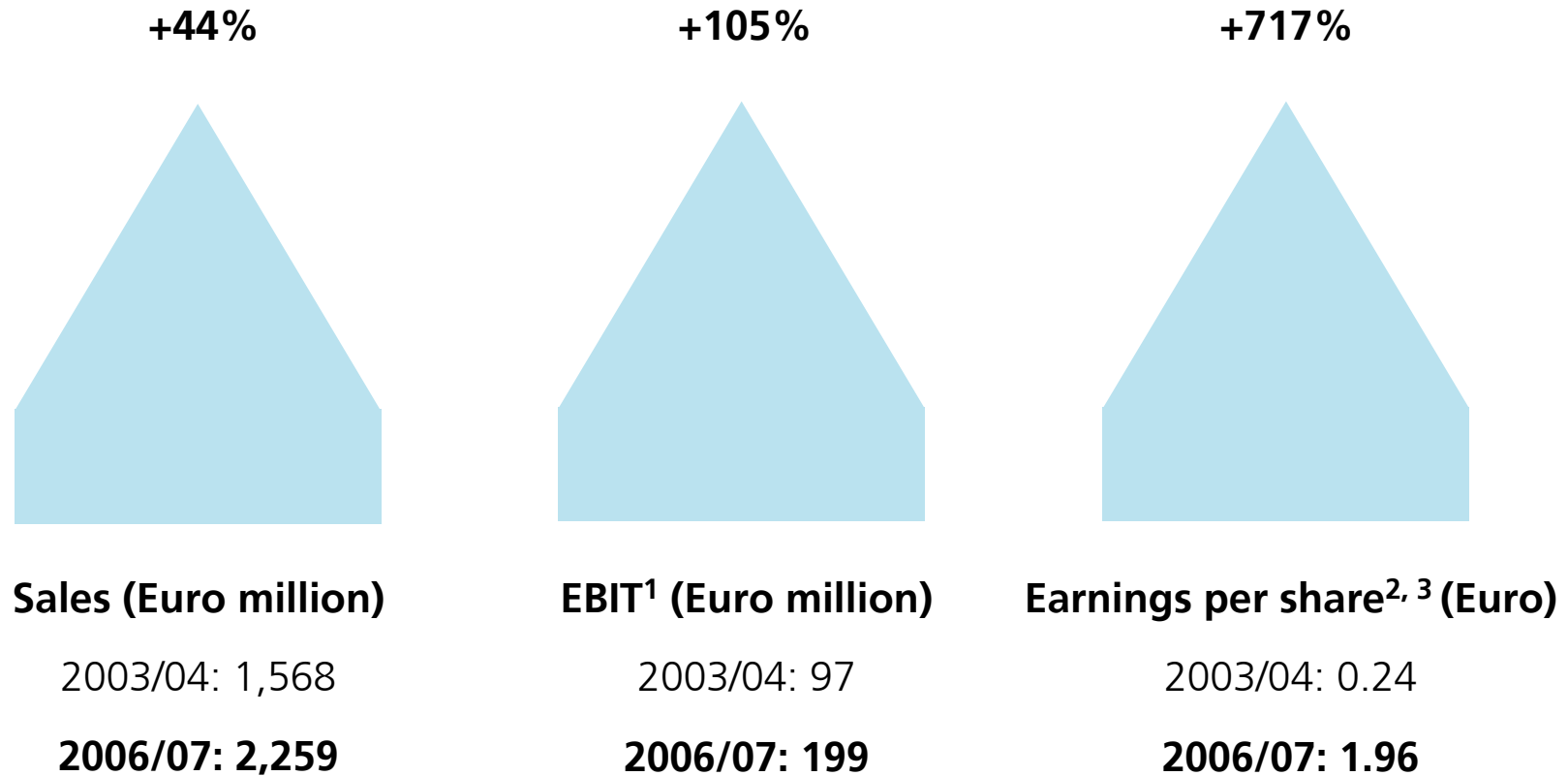
Increase in market capitalisation¹

1.10.2003: Euro 772 mill.

15.5.2008: Euro 2,076 mill.

¹ including capital increase by approx. 30 %

Successful growth course 2003/2004 – 2006/2007



¹ 2003/04 FY: excluding expenses for streamlining of portfolio and restructuring expenses

2006/07 FY: prior IAS 39

² increase in number of shares from 50.7 million in 2003/04 FY to 55.8 million

(weighted annual average) as a result of capital increases in 2006/07 financial year

³ 2006/07 FY: including deferred tax income of Euro 46 million due to 2008 corporate tax reform

Key financial data
for the 1st half of 2007/2008
financial year



Key figures of the MVV Energie Group for the 1st half of 2007/2008 financial year

Earnings performance in Euro million

	2007/08 (1.10.-31.3.)	2006/07 (1.10.-31.3.)	% change
Sales ¹	1,412	1,211	+17
EBITDA	310	229	+35
EBIT	238	159	+50
EBIT prior IAS 39	194	166	+17
EBT	200	118	+69
Net surplus for the period	134	70	+91
Net surplus for the period after minority interests	120	59	+103
Earnings ² per share ³ in Euro	1.85	1.05	+76

¹ excluding electricity and natural gas tax

² in accordance with IAS 33

³ increase in number of shares (weighted half-year average) from 55.8 million to 64.7 million as a result of capital increase

Sales by segment in the 1st half of 2007/2008 financial year

Sales in Euro million

	2007/08 (1.10.-31.3.)	2006/07 (1.10.-31.3.)	% change
Electricity ¹	667	514	+30
District heating	211	184	+15
Gas ²	243	245	-1
Water	51	51	-
Value-added services ³	137	123	+11
Environmental energy	97	93	+4
Other/consolidation	6	1	+500
	<u>1,412</u>	<u>1,211</u>	+17

¹ excluding electricity tax

² excluding natural gas tax

³ excluding electricity tax and natural gas tax

EBIT by segment in the 1st half of 2007/2008 financial year¹

EBIT in Euro million

	2007/08 (1.10.-31.3.)	2006/07 (1.10.-31.3.)	% change
Electricity ¹	83	19	+337
District heating	60	62	-3
Gas	39	22	+77
Water	5	7	-29
Value-added services	7	12	-42
Environmental energy	43	38	+13
Other/consolidation	1	-1	-
	<u>238</u>	<u>159</u>	+50

¹ including IAS 39: Euro 44 million (previous year: Euro -7 million)

Sales and EBIT performance by quarter

Euro million

	2007/08 (1.10.-31.3.)	2006/07 (1.10.-31.3.)	± Change
1 st Quarter	663	582	+14
2 nd Quarter	749	629	+19
3 rd Quarter			
4 th Quarter			
Sales in the 1st half of 2007/2008 FY	<u>1,412</u>	<u>1,210</u>	+17
1 st Quarter	124	69	+80
2 nd Quarter	114	90	+27
3 rd Quarter			
4 th Quarter			
EBIT in the 1st half of 2007/2008 FY	<u>238</u>	<u>159</u>	+50

Sales volumes in the 1st half of 2007/2008 financial year

Sales volumes¹

	2007/08 (1.10.-31.3.)	2006/07 (1.10.-31.3.)	% change
Electricity ² in kWh million	11,962	12,086	-1
of which wholesale ² in kWh million	6,464	6,851	-6
of which retail ² in kWh million	5,498	5,235	+5
District heating in kWh million	5,002	4,529	+10
Gas in kWh million	6,481	6,492	-
Water in m ³ million	27.2	27.5	-1
Combustible waste delivered in tonnes 000s	770	676	+14

¹ total volume from all segments

² corrections in previous year's figure (wholesale 6,801 kWh million, retail 5,239 kWh million)

Key financial data
for 2006/2007 financial year



Successful 2006/2007 financial year

EBIT before IAS 39 virtually matches high previous year's level – in spite of substantial downturns in turnover due to weather conditions

Core business

- ▶ Successful sales activities in nationwide sale of electricity (e.g. acquisition of new customers, electricity funds)
- ▶ Savings generated by efficiency enhancement and cost savings programmes
- ▶ Expansion of generation and district heating capacities in Mannheim

High-growth fields

- ▶ Leuna II waste incineration plant commences operations ahead of schedule
- ▶ External growth in value-added services business (e.g. IGS, MVV Energiedienstleistungen GmbH Berlin, DECON)
- ▶ Leading position extended in field of renewable energies

Key figures of the MVV Energie Group for the 2006/2007 financial year

Earnings performance in Euro million

	2006/07 (1.10.-30.9.)	2005/06 (1.10.-30.9.)	% Change
Sales ¹	2,259	2,170	+4
EBITDA	359	370	-3
EBIT	215	201	+7
EBIT prior IAS 39	199	201 ²	-1
EBT	139	128	+9
Annual net surplus	126 ³	64	+97
Annual net surplus after minority interests	109 ³	50	+118
Earnings ⁴ per share ⁵ in Euro	1.96	0.91	+115
Free cash flow ⁶	119	-52	-

¹ excluding electricity tax and natural gas tax

² impact on earnings of IAS 39 (energy trading transactions) insignificant in the previous year

³ including deferred tax income of Euro 46 million due to the 2008 corporate tax reform

⁴ in accordance with IAS 33

⁵ number of shares (weighted annual average): 55.8 million (previous year: 55.1 million)

⁶ cash flow from operating activities less investments in intangible assets, property, plant and equipment and investment property

Sales by segment in the 2006/2007 financial year

Sales in Euro million

	2006/07 (1.10.-30.9.)	2005/06 (1.10.-30.9.)	% Change
Electricity ¹	1,079	966	+12
District heating	272	276	-1
Gas ²	342	447	-23
Water	104	107	-3
Value-added services ³	263	149	+77
Environmental energy	184	193	-5
Other/consolidation	15	32	-53
	<u>2,259</u>	<u>2,170</u>	+4

¹ excluding electricity tax of Euro 108 million (previous year: Euro 102 million)

² excluding natural gas tax of Euro 35 million (previous year: Euro 2 million following legislative amendment in tax liability as of 1 August)

³ excluding electricity tax and natural gas tax of Euro 4 million (previous year: Euro 1 million)

EBIT by segment in the 2006/2007 financial year

EBIT in Euro million

	2006/07 (1.10.-30.9.)	2005/06 (1.10.-30.9.)	% Change
Electricity	54	20	+170
District heating	42	51	-18
Gas	11	31	-65
Water	19	21	-10
Value-added services	19	12	+58
Environmental energy	71	68	+4
Other/consolidation	-1	-2	+50
	<u>215</u>	<u>201</u>	+7

Sales volumes in the 2006/2007 financial year

Sales volumes¹

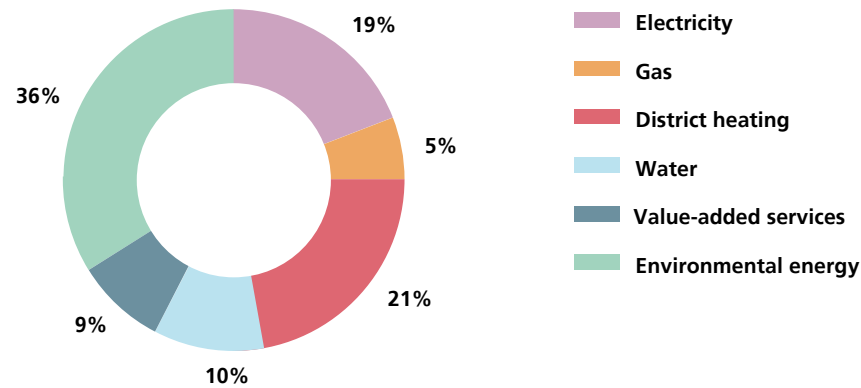
	2006/07 (1.10.-30.9.)	2005/06 (1.10.-30.9.)	% Change
Electricity ² in kWh million	24,443	20,484	+19
of which wholesale ² in kWh million	14,152	10,566	+34
of which retail ² in kWh million	10,291	9,918	+4
District heating in kWh million	6,265	7,343	-15
Gas in kWh million	9,456	11,513	-18
Water in m ³ million	56.1	57.9	-3
Combustible waste delivered in tonnes 000s	1,409	1,229	+15

¹ total volume from all segments

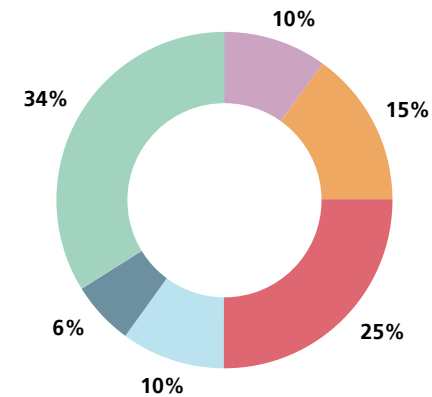
² corrections in previous year's figure (wholesale 10,478 kWh million, retail 9,860 kWh million)

EBIT by segment – well-balanced business portfolio

EBIT in 2006/07 FY¹



EBIT in 2005/06 FY¹

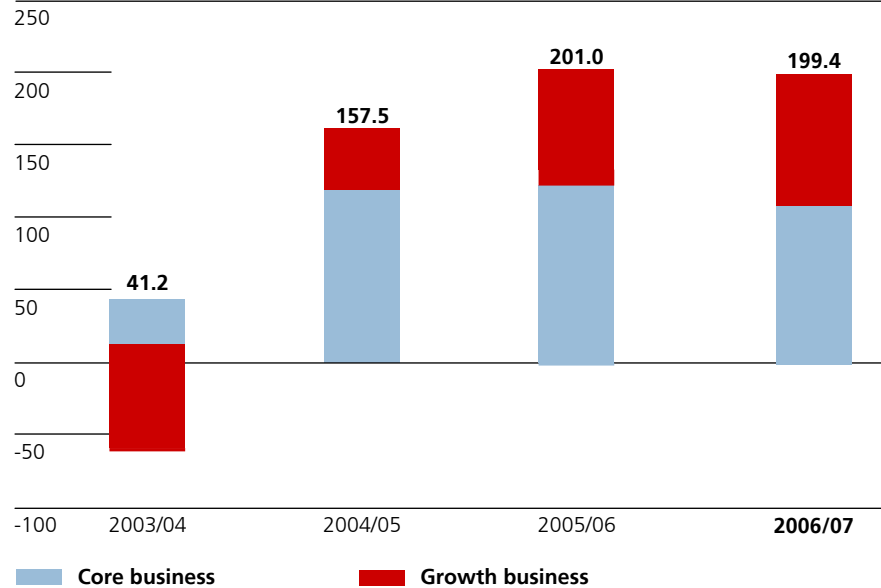


¹ Other/consolidation: Euro -1 million (previous year: Euro -2 million) not shown in chart

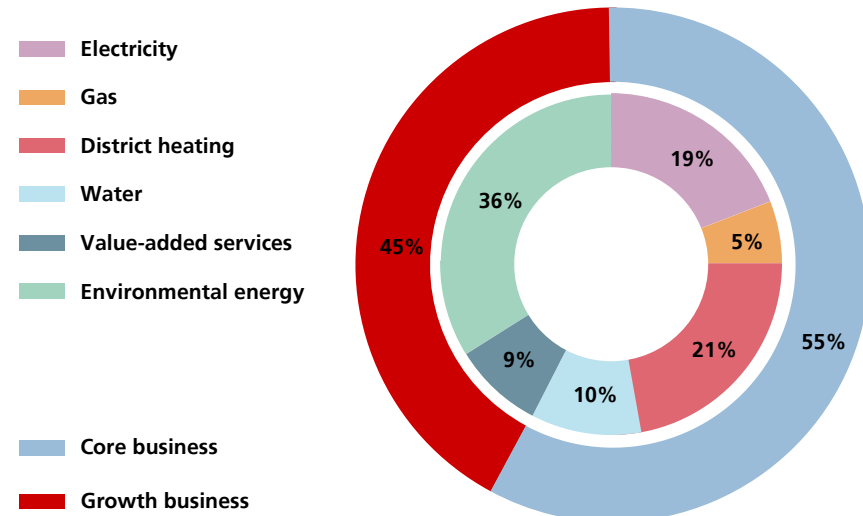
- ▶ Share of EBIT before IAS 39 attributable to business segments in non-regulated markets rises slightly from 75% to 76% in 2006/07 FY

EBIT prior IAS 39 by segments

EBIT in Euro million



EBIT by segments in 2006/07 FY ¹



¹Other/consolidation: Euro -1 million (not shown in chart)

- ▶ Share of EBIT before IAS 39 of high-growth environmental energy and value-added services segments rises continuously to 45% in 2006/07 FY

Factors relevant to EBIT performance

Positive one-off factors

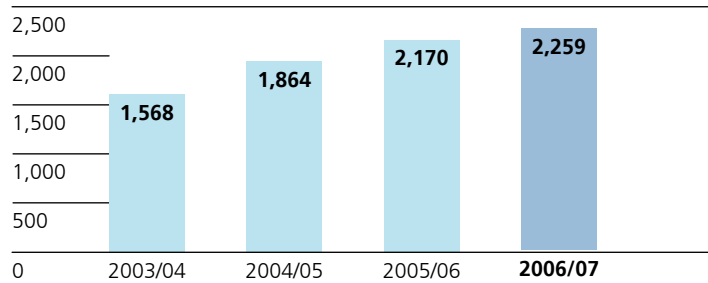
- ▶ Discontinuation of previous year's impairment losses
- ▶ Discontinuation of previous year's extraordinary depreciation of land, buildings, technical equipment etc.
- ▶ Valuation effect of energy trading transactions measured as per IAS 39
- ▶ Acquisition successes and impact of initial consolidation (especially IGS, MVV Energiedienstleistungen GmbH Berlin and in the Czech district heating market)
- ▶ Sale of 49% of shares in Kielspeicher Verwaltungs-GmbH

Negative one-off factors

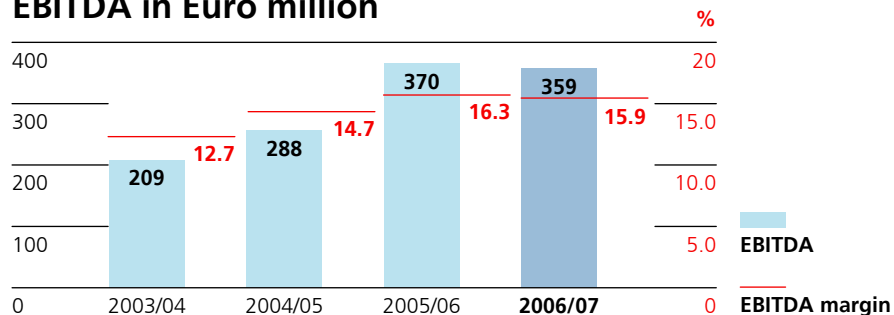
- ▶ Downturn in earnings due to extremely mild weather conditions during 2006/07 heating period
- ▶ Increased provisions for compensation and future part-time early retirement expenses
- ▶ Provisions for restructuring measures at Polish subgroup
- ▶ Price adjustments in waste disposal contracts in Mannheim

Key figures – track record

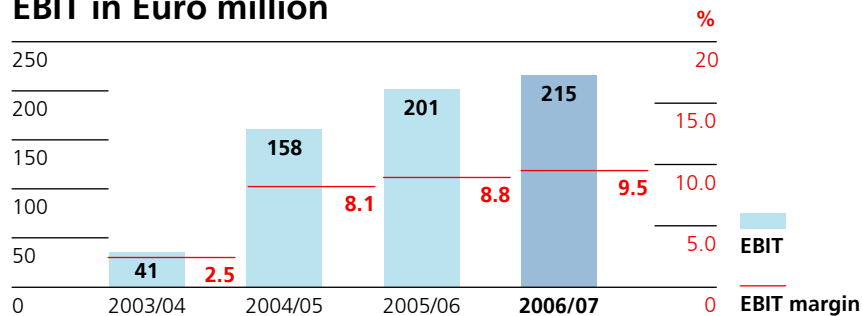
Sales in Euro million



EBITDA in Euro million



EBIT in Euro million



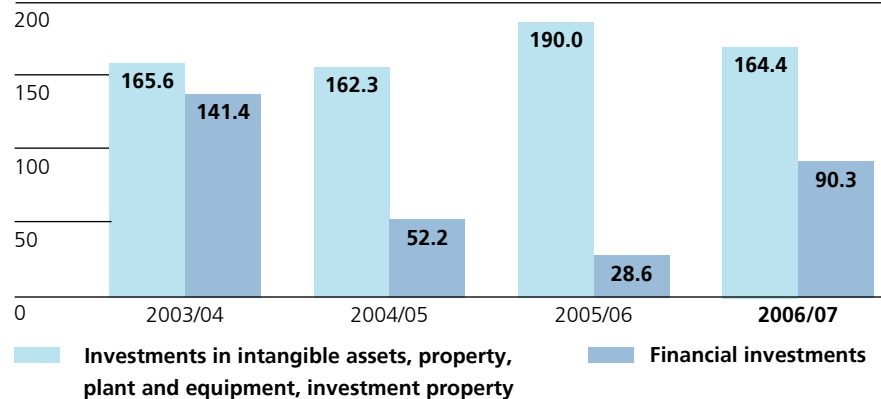
- ▶ Growth in financial ratios
- ▶ Improvement in business operating efficiency
- ▶ High dividends in recent years

Dividend

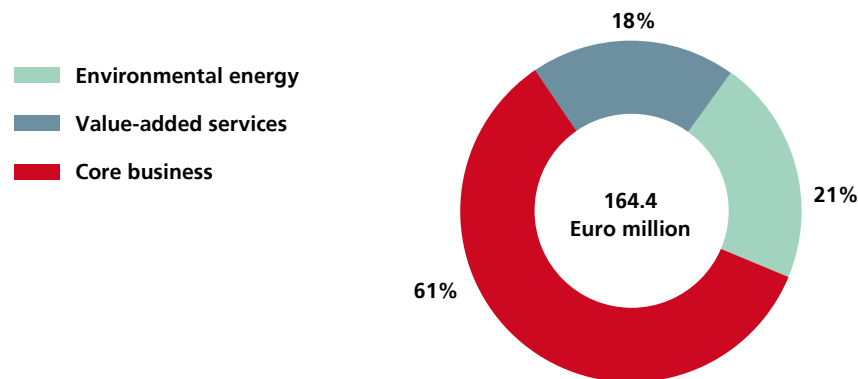
	2004/05	2005/06	2006/07
Dividend/Share (Euro)	0.75	0.80	0.80
Dividend yield (%)	3.9	3.4	2.7

Investment and growth

Investments in Euro million



Investments in intangible assets in 2006/07 FY



Recent and planned investments:

► Core business:

- Underground gas storage in Kiel
- Teplárna Liberec in Czech Republic

► Environment:

- Leuna II waste incineration
- New waste boiler 6 in Mannheim

► Energy-related services:

- MVV Energiedienstleistungen GmbH Berlin
- Contracting for Continental in Korbach
- Industrial park Gersthofen

Capital increase will provide scope for further growth

MVV Energie – business and strategy



Our strengths as a distribution and energy-related services company

Stable core business

- ▶ **Diversified portfolio mix** as a distribution company (electricity, district heating, gas and water)
- ▶ Traditionally **close links to customers** in our local and regional sales markets
- ▶ **Networking** companies with comparable portfolios on a distribution level
- ▶ Development of **innovative electricity products** for nationwide sale of electricity (e.g. electricity fund, SECURA-Ökostrom)

Attractive growth potential

- ▶ Growth via **municipal utility shareholdings** (expansion of municipal utility network)
- ▶ Efficiency enhancements and tapping of further **synergy potential** in municipal utility network
- ▶ Seizing new market opportunities using waste and biomass to generate energy in **high-growth environmental energy business** via acquisitions and cooperations
- ▶ **Expansion of energy-related services** in Germany: organic and external growth
- ▶ Expansion of **nationwide electricity sales** in Germany

Growth based on new shareholdings in municipal utility companies

- ▶ Structural transformation expected in energy market
- ▶ Many municipal utility companies inadequately prepared for competition in electricity and gas markets
- ▶ Often only active in distribution of electricity and gas, no proprietary generation activities
- ▶ Increased pressure due to grid regulation and future incentive regulation (from January 2009)
- ▶ Lack of financial resources in municipalities
- ▶ Antitrust restrictions on large vertical players
- ▶ Opportunities resulting from portfolio streamlining measures at large vertical players
- ▶ **Sale of further municipal utility companies expected**

MVV Energie is well-positioned for further acquisitions

Our municipal utility network



Challenges in the liberalised electricity and gas business

Generation and wholesale

- ▶ Electricity generation dominated by four vertically integrated providers
- ▶ Low level of liquidity on gas markets

Grids: transport and distribution

- ▶ Second round of fee approvals for electricity and gas
- ▶ Gas grid access: concrete implementation uncertain
- ▶ Incentive management from January 2009

Sales

- ▶ More competitors
- ▶ Principal price components cannot be influenced by sales activities

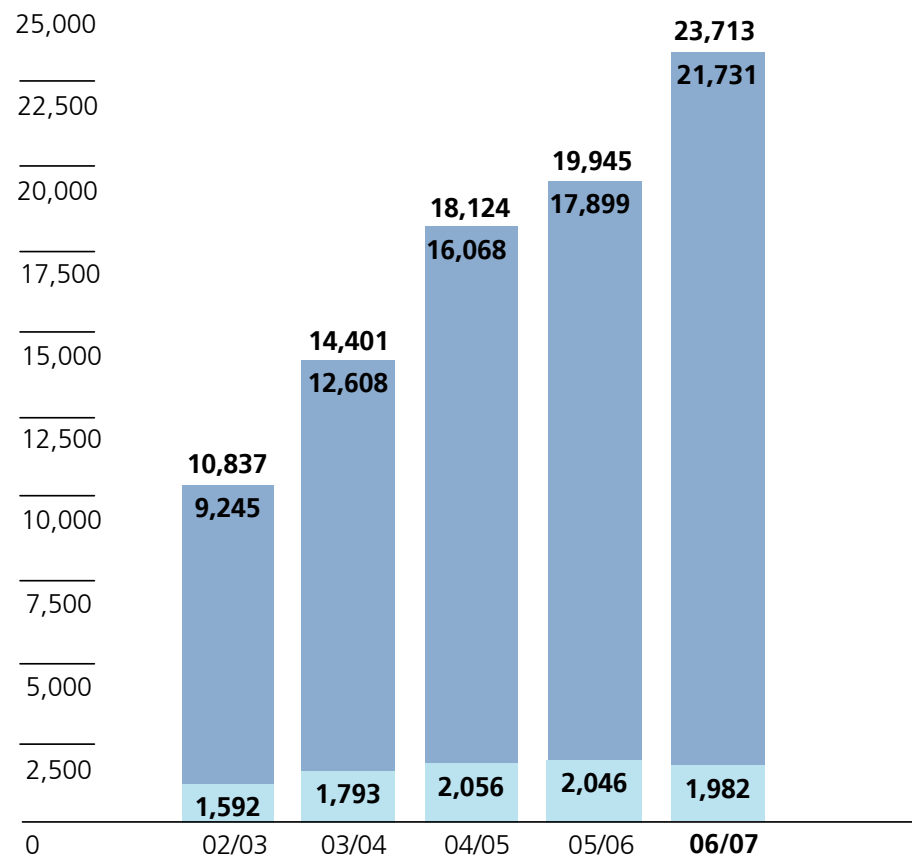
- ▶ **Investment in generation**
- ▶ **Consolidation of gas portfolio in the MVV Energie Group**

- ▶ **Cooperation in grid management and operation**
- ▶ **Cost management**

- ▶ **Differentiation into new product groups**
- ▶ **Premium offerings in core markets**

Electricity turnover of the MVV Energie Group over the last 5 years

**Electricity turnover of the MVV Energie Group¹
in kWh million (electricity segment)**

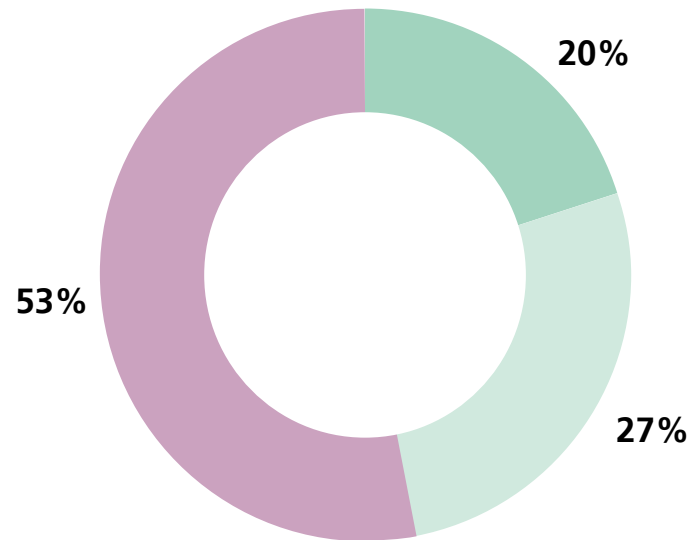


- ▶ Significant growth in wholesale electricity trading
- ▶ The share of business customers and wholesale electricity trading has increased to around 92%.

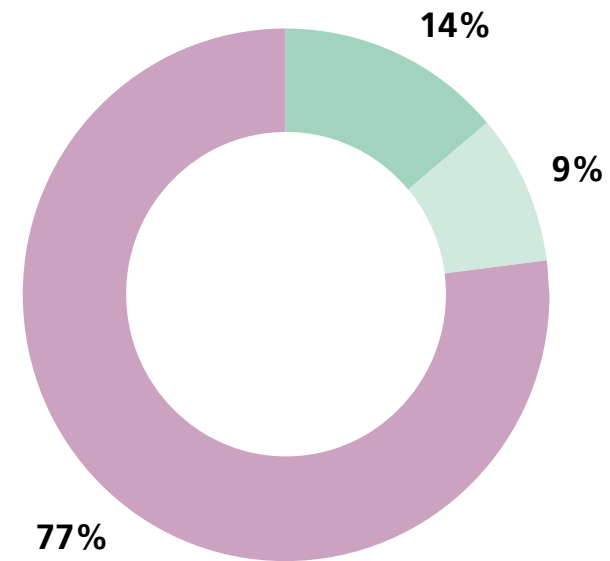
□ Total
■ Business customers and wholesale electricity trading (including secondary distributors)
■ Private customers

Electricity generation at MVV Energie by source

**Electricity generation in Germany
under the management of MVV Energie
2006/07 FY**



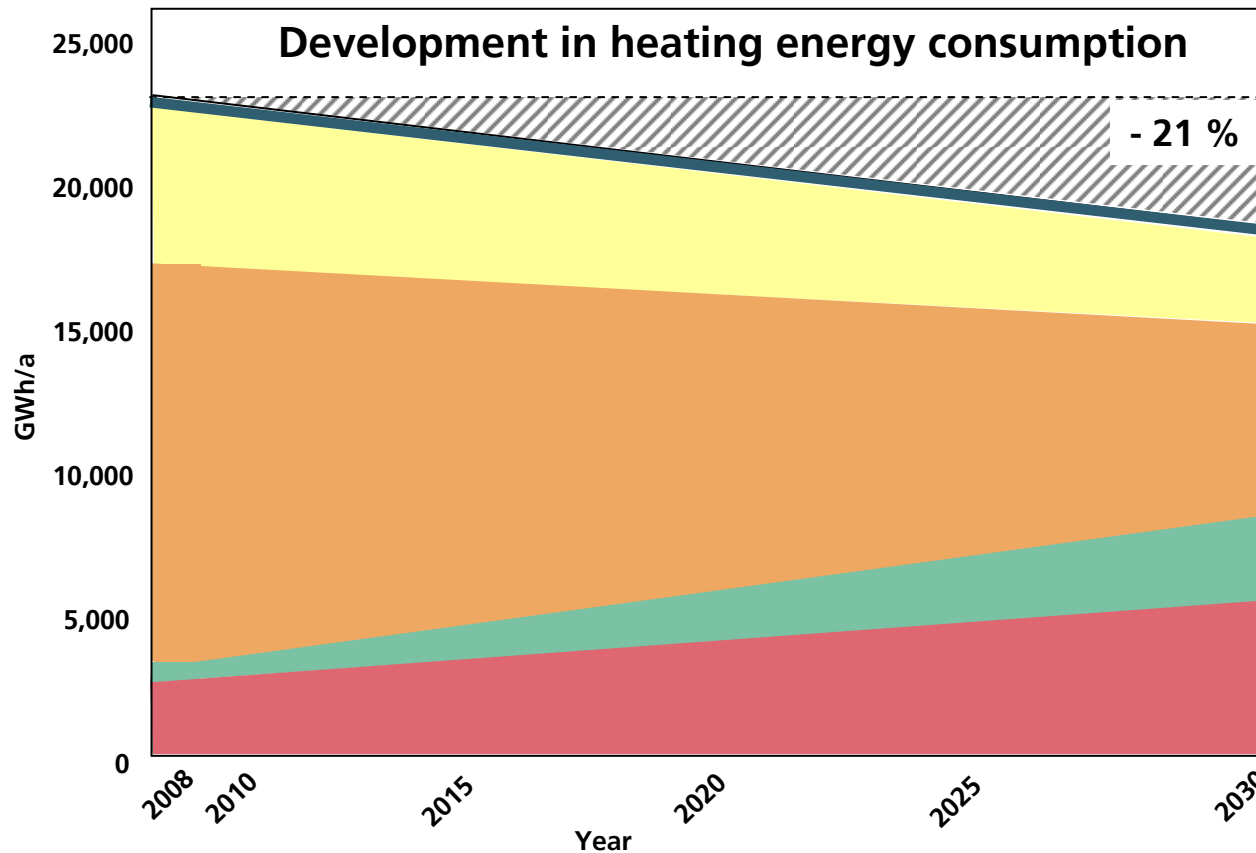
**Gross electricity generation
in Germany in 2007**



- Electricity from renewable energies, including biomass cogeneration plants and biogenous share of waste
- Other electricity resulting from cogeneration
- Other electricity generation

Source: Federal ministry of the environment (BMU), AGE Energiebilanzen and own calculations

Results of district heating study in Rhine/Neckar metropolitan region



Energy source in %

	2008	2030
District heating	13.0	28.9
Renewable	0.6	14.4
Gas	63.4	46.2
Oil	22.0	10.0
Other	1.0	0.4

Energy savings and increased energy efficiency will reduce consumption by 21%.

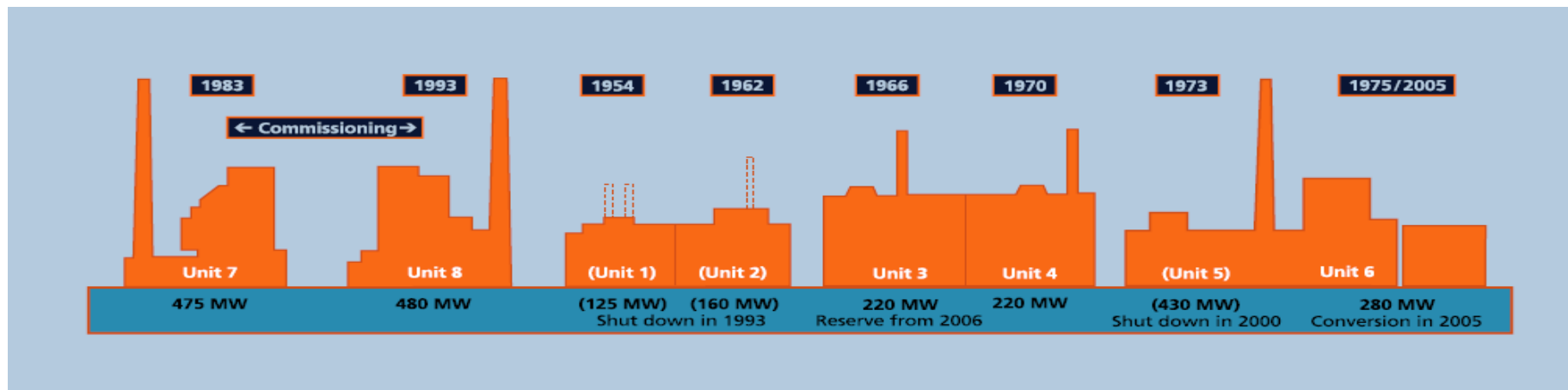
Share of renewable energies and district heating set to rise to more than 43%.

Share of fossil fuels due to fall from more than 85% to around 56%.

Foundation for further expansion of district heating

- ▶ Safeguarding secure, inexpensive, economical and environmentally-friendly supply of district heating in the long term
- ▶ Increasing efficiency and saving resources
- ▶ Climate-friendly CO₂ regime

Grosskraftwerk Mannheim



With Block 9, we are laying the foundation for the expansion of cogeneration and district heating – an ecologically necessary step which also makes economic sense and is being promoted by the Federal Government.

Continuity in non-regulated district heating and water businesses

District heating

- ▶ Municipal cogeneration plants ensure efficient and ecologically advantageous supply of district heating
- ▶ Business performance remains dependent on weather conditions



Water

- ▶ Mature market segments are provided with high-quality supply



- ▶ **Permanent enhancements to operations**
- ▶ **External growth in submarkets**

Growth in environmental energy business

Environmental energy includes:

- ▶ Waste incineration (generation of steam and electricity from household and commercial waste)
- ▶ Generation of electricity from biomass / old wood

Existing capacities at our sites:

- ▶ Mannheim (550,000 t/a)
- ▶ Offenbach (250,000 t/a)
- ▶ Leuna I und II (400,000 t/a)
- ▶ Biomass-to-energy: Mannheim, Königs Wusterhausen, Flörsheim-Wicker (370,000 t/a)

Growth by:

- ▶ Expanding capacity
- ▶ Waste logistics management
- ▶ External growth (new locations, acquisitions, cooperations)

Growth in value-added services business

Energy efficiency and smart financing:

- ▶ Represent mega-trends and thus represent important drivers for energy-related services

Target group area:

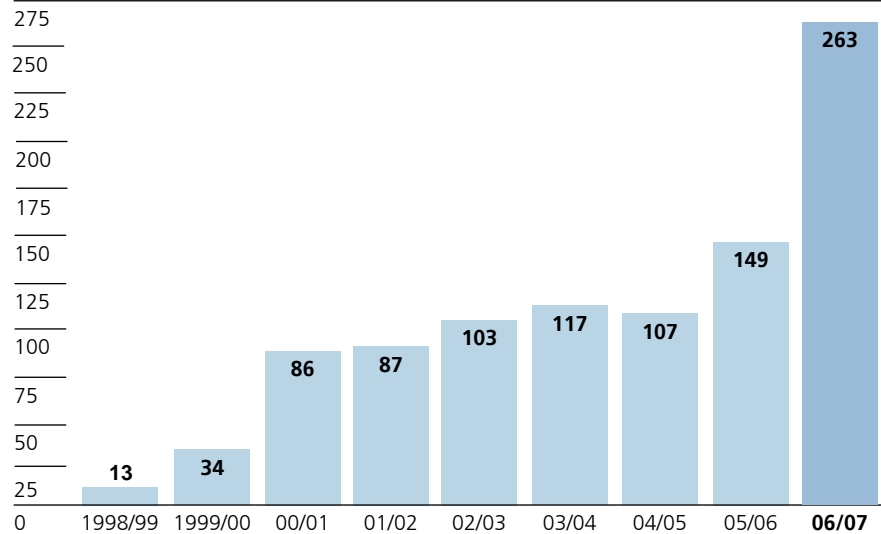
- ▶ Industrial Solutions – tailored outsourcing solutions for industry
- ▶ Municipal Solutions – savings contracting, land improvement and development projects (main customers in public sector)
- ▶ Real Estate Utilities – technical facility management, district heating supply, meter management, utilities invoicing
- ▶ Advisory Services – national and international

Growth by:

- ▶ New energy-efficient products
- ▶ Real estate utilities
- ▶ External growth (acquisitions, cooperations)

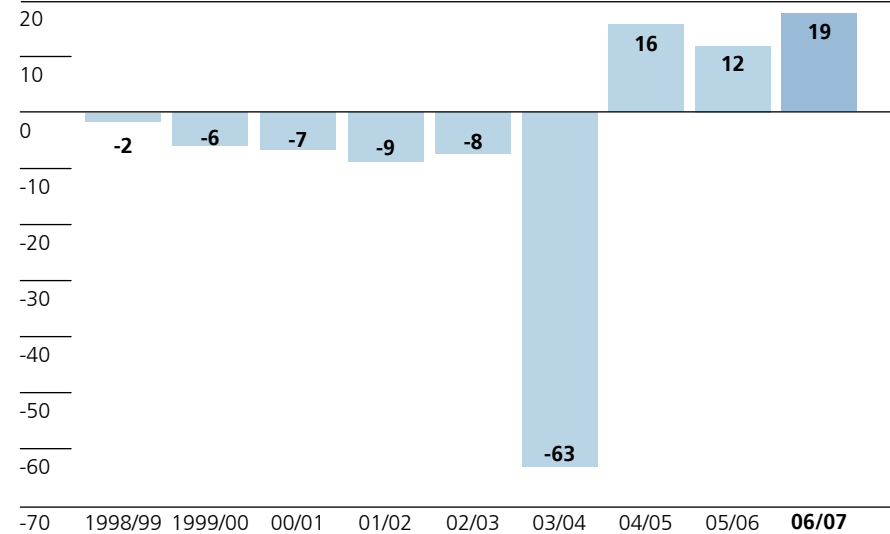
Sales and EBIT in the value-added services segment¹

Sales in Euro million



- ▶ Sales growth chiefly due to successful acquisitions and new contracts with industry, municipal administrations, real estate sector and structural changes (shared service companies)

EBIT in Euro million



- ▶ EBIT performance in previous years marked by start-up costs: streamlining of portfolio in 2003/04 FY; from 2004/05 FY onwards market successes, new companies, structural changes

¹ source: audited, consolidated Annual Reports of the MVV Energie Group (IAS/IFRS)

Superb growth prospects due to expanded market positions

Environmental energy

- ▶ 1.6 million tonnes p.a. of capacity for non-recyclable waste incineration and generation of energy from biomass at five locations in Germany
- ▶ Plant at full capacity due to long-term contracts and material flow management
- ▶ Launch of Leuna II will have first full-year impact in 2007/08 FY
- ▶ Premium waste disposal provider
- ▶ Climate protection requirements of EU Commission and Federal Government leading to growing markets for renewable energies and energy efficiency

Energy-related services

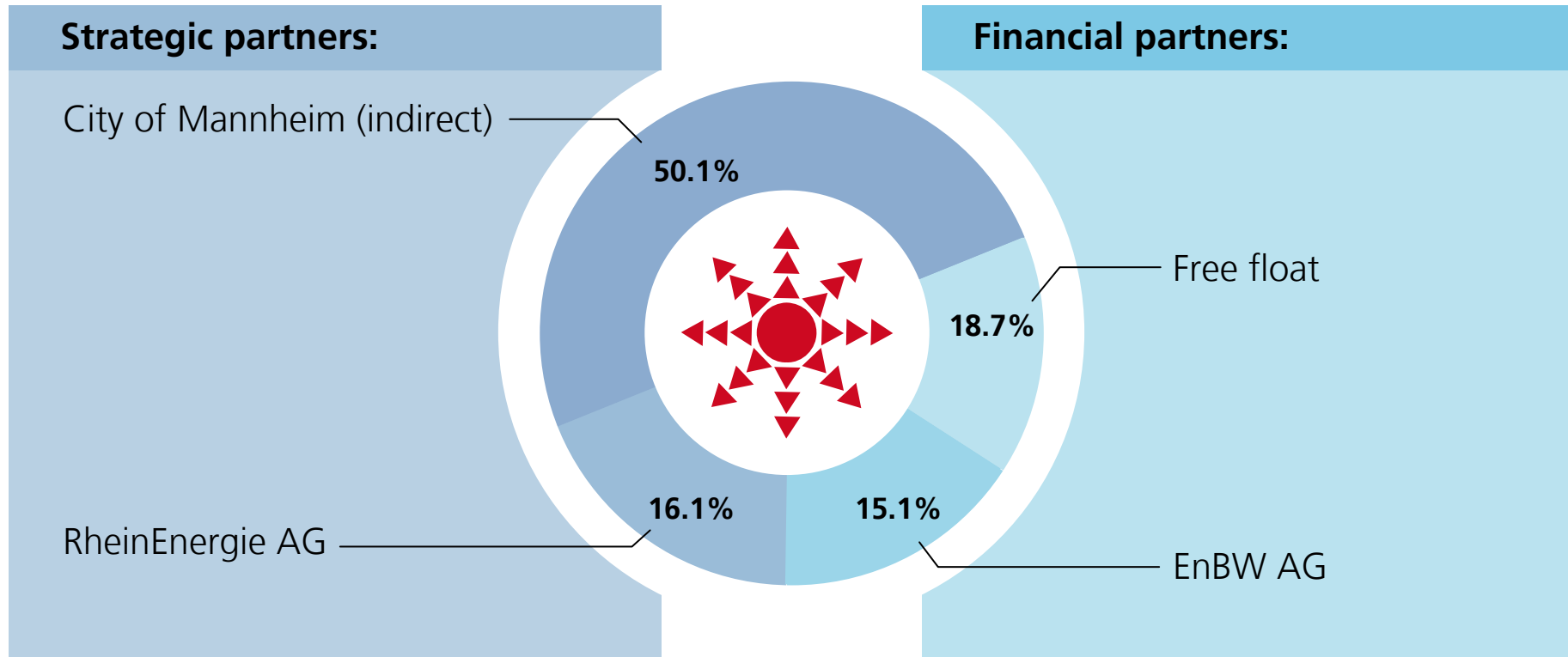
- ▶ We currently operate 24 biomass heat plants and biomass power and heat plants
- ▶ Great interest across Germany in energy-efficient contracting solutions
- ▶ Industry on the lookout for innovative energy concepts: offering of alternative substitute fuel solutions for large industrial locations
- ▶ Nationwide expansion of successful real estate utilities concept

Capital increase and share



 **MVV** Energie

Current shareholder structure and key figures of MVV Energie AG



▶ **No. of shares:**
65.907 million

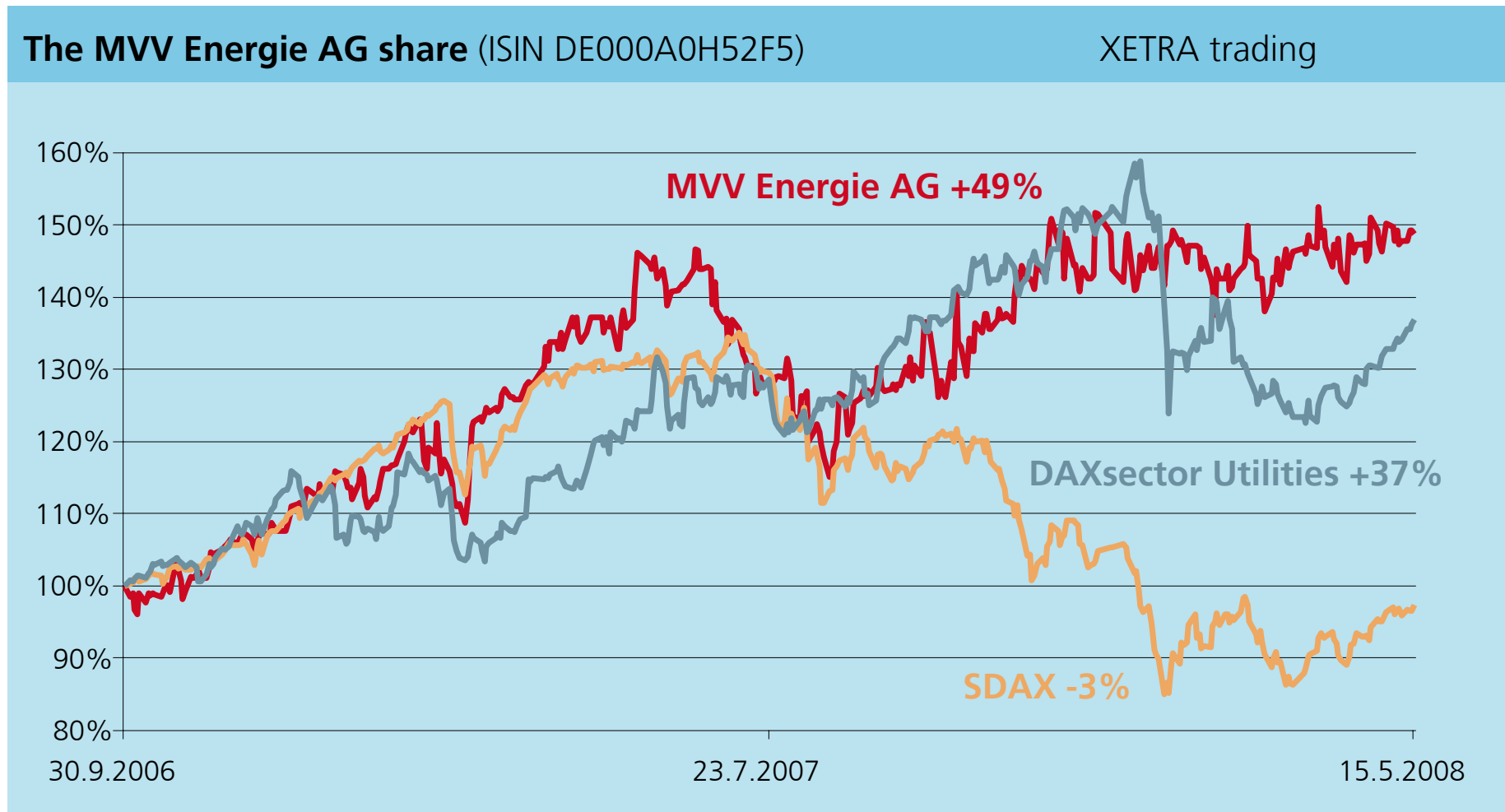
▶ **Market capitalisation:**
Euro 2,076 million
(Closing price on 15.5.2008:
Euro 31.50)

▶ **Free float:**
Euro 388 million

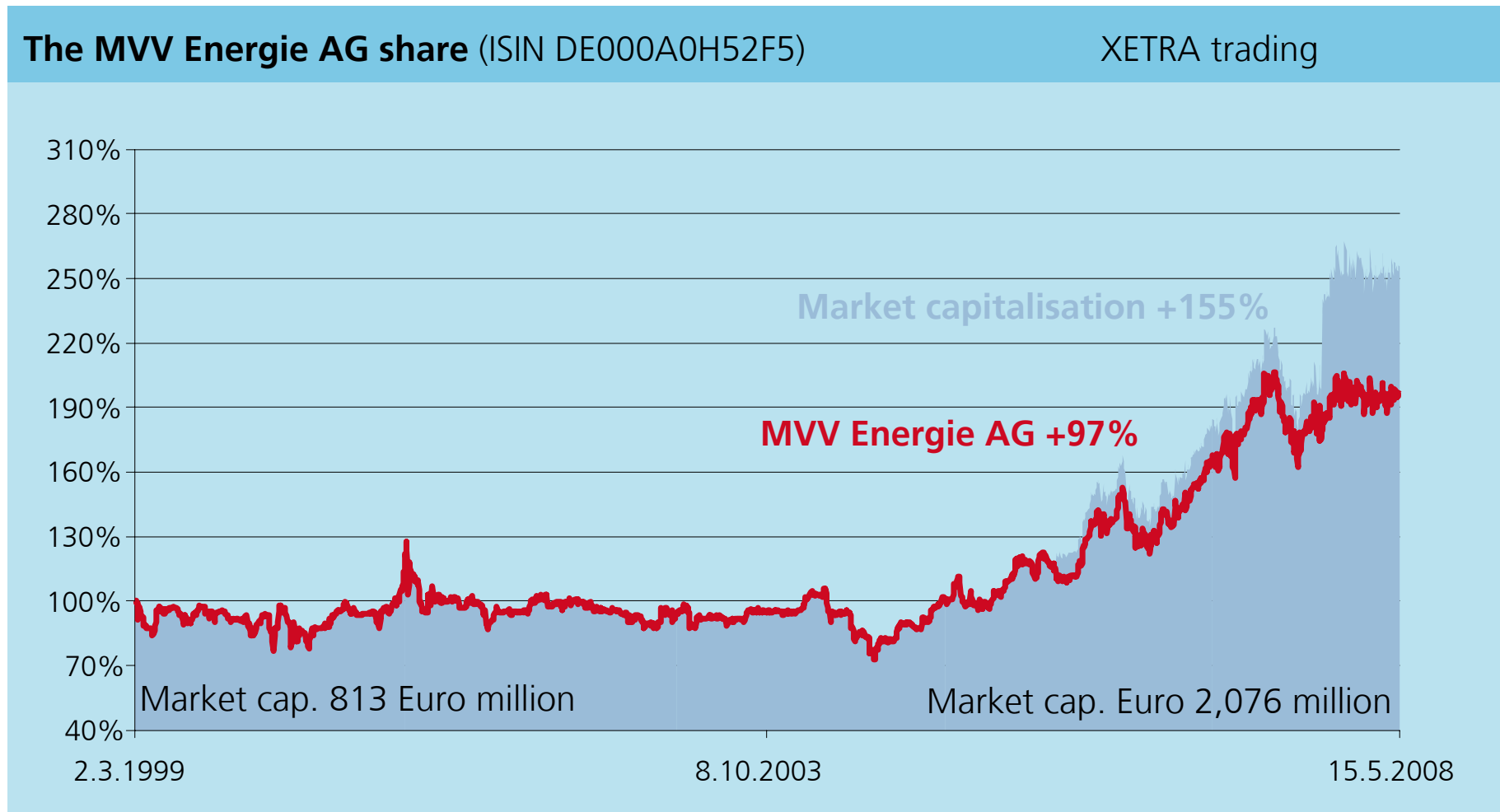
Successful capital increase in October 2007

- ▶ 18.2% capital increase, 10.14 million new shares
- ▶ Subscription price of Euro 22.50 per new share
- ▶ Subscription rights for existing shareholders
- ▶ Subscription rights were exercised in full by all shareholders
- ▶ New shares eligible for dividends for 2006/07 FY
- ▶ Proceeds from capital increase: Euro 228 million
- ▶ Capital increase had no negative impact on the share price of MVV Energie AG
- ▶ Syndicate: Sal. Oppenheim (sole global coordinator), Société Générale and UniCredit (Bayerische Hypo- und Vereinsbank AG)
- ▶ No offering in the USA

Performance comparison of the MVV Energie AG share with the SDAX and DAXsector Utilities indices (FY 2006/2007 – 15.5.2008)



Share price development and market capitalisation since IPO 2.3.1999 – 15.5.2008



Advantages for our shareholders

- ▶ **Stable earnings** thanks to core business
- ▶ Further **cost-saving potential** in municipal utility network
- ▶ Growth prospects by means of further **acquisitions**, expansion of **environmental energy division** and **energy-related services, strategic partnerships** e.g. RheinEnergie AG
- ▶ Solid **dividend returns**
- ▶ Listed on the Prime Standard (**SDAX**)



We are committed to shareholder value

Outlook



Outlook

▶ Double digit sales and EBIT growth target for 2007/08 financial year



▶ Structural change and mergers in the German electricity supply market



▶ Grid regulation in electricity and gas



▶ Increased competition in gas and electricity sales



▶ Sustainability of price level in environmental sector



▶ Growth in energy-related services

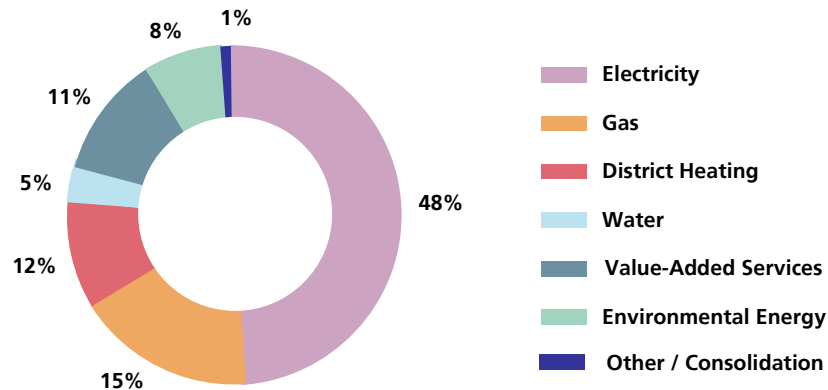


▶ Opportunities due to strategic partnership with RheinEnergie AG

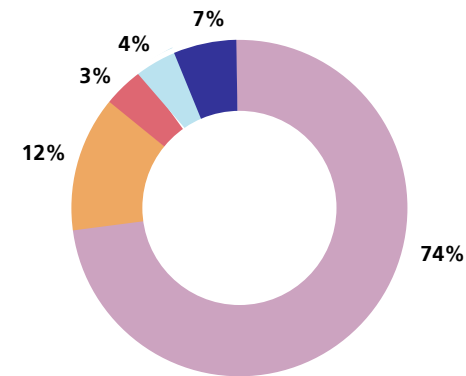


Comparison of MVV Energie and RheinEnergie AG

MVV Energie: Sales by segment in 2006/07 FY



RheinEnergie AG: Sales by segment in 2006 FY



▶ Key Figures (2006/07 FY pursuant to IFRS)

Sales ¹ :	Euro 2,259 million
EBIT:	Euro 215 million
Annual net surplus:	Euro 126 million
Equity ratio:	27.9%
Employees:	6,394

¹ excluding energy taxes

- ▶ First publicly listed municipal utility network
- ▶ Nationwide sales activities
- ▶ Success in environmental energy and value-added services segments

▶ Key Figures (2006 FY pursuant to German GAAP)

Sales ¹ :	Euro 3,288 million
EBIT:	Euro 207 million
Annual net surplus ² :	Euro 185 million
Equity ratio:	34.8%
Employees:	2,834

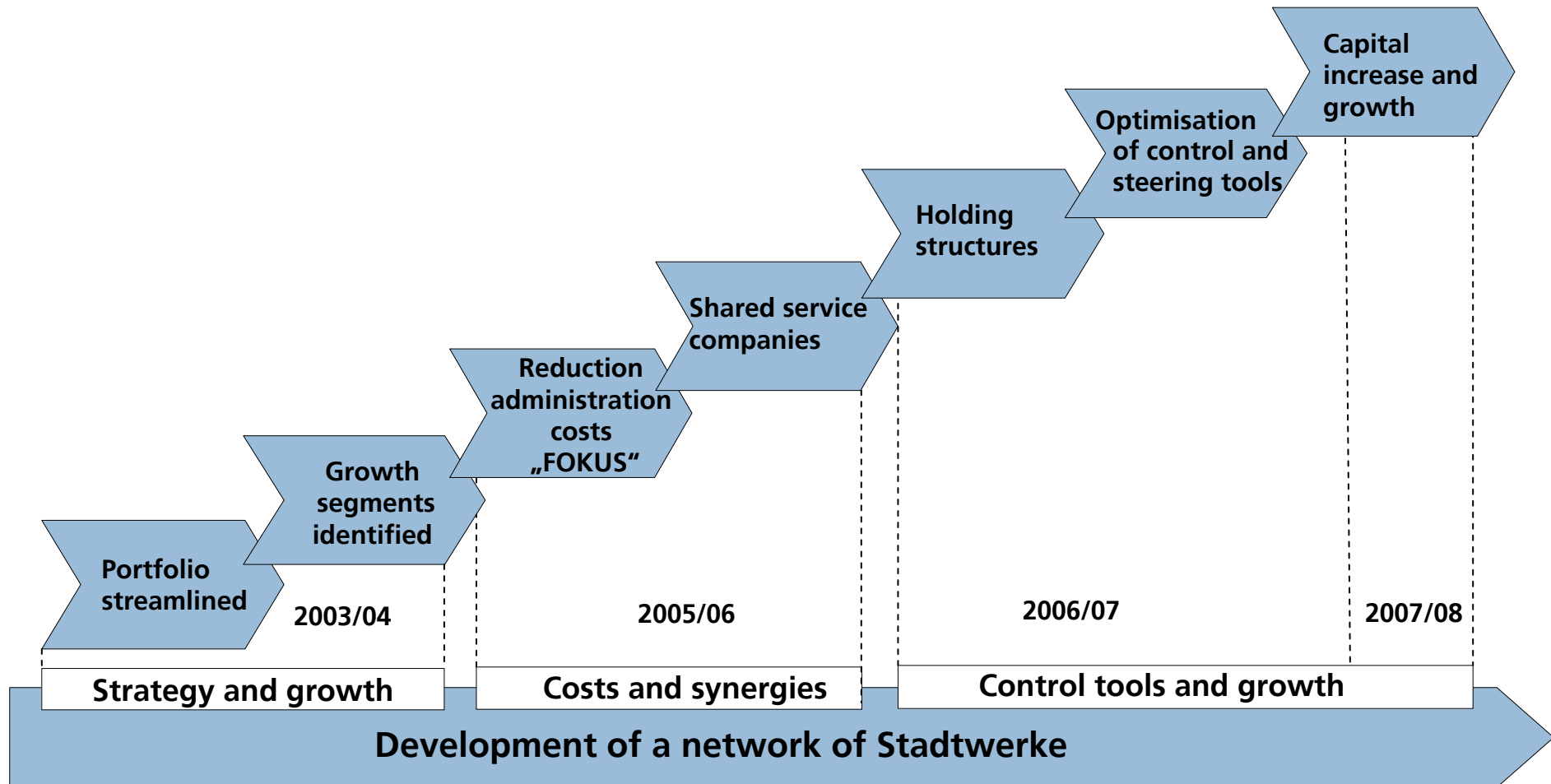
¹ excluding energy taxes ² before compensation payment and profit transfer

- ▶ Municipal background to company (80% City of Cologne; 20% RWE)
- ▶ Heavily involved in Rhine region around Cologne
- ▶ Pursuing idea of cooperation between municipal utility companies

Backup



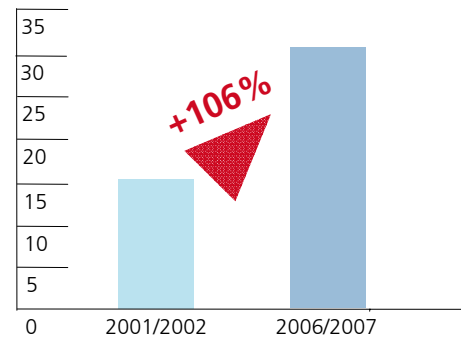
Continuous development of MVV Energie



We have increased the value of our municipal utility shareholdings

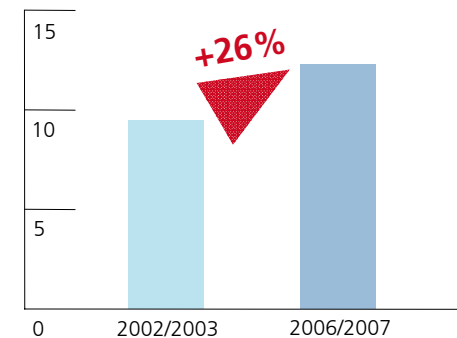
Energieversorgung Offenbach

ANS in Euro million



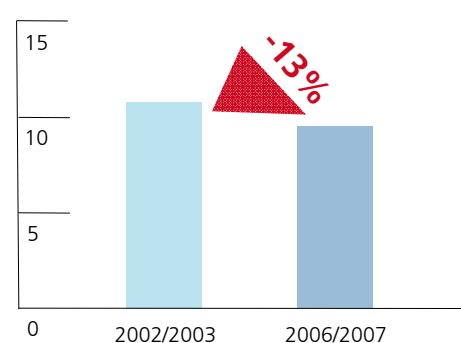
Stadtwerke Solingen

ANS in Euro million



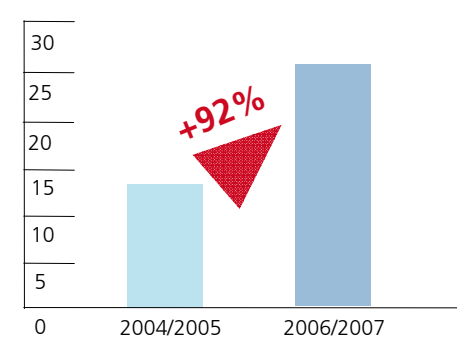
Stadtwerke Ingolstadt

ANS in Euro million



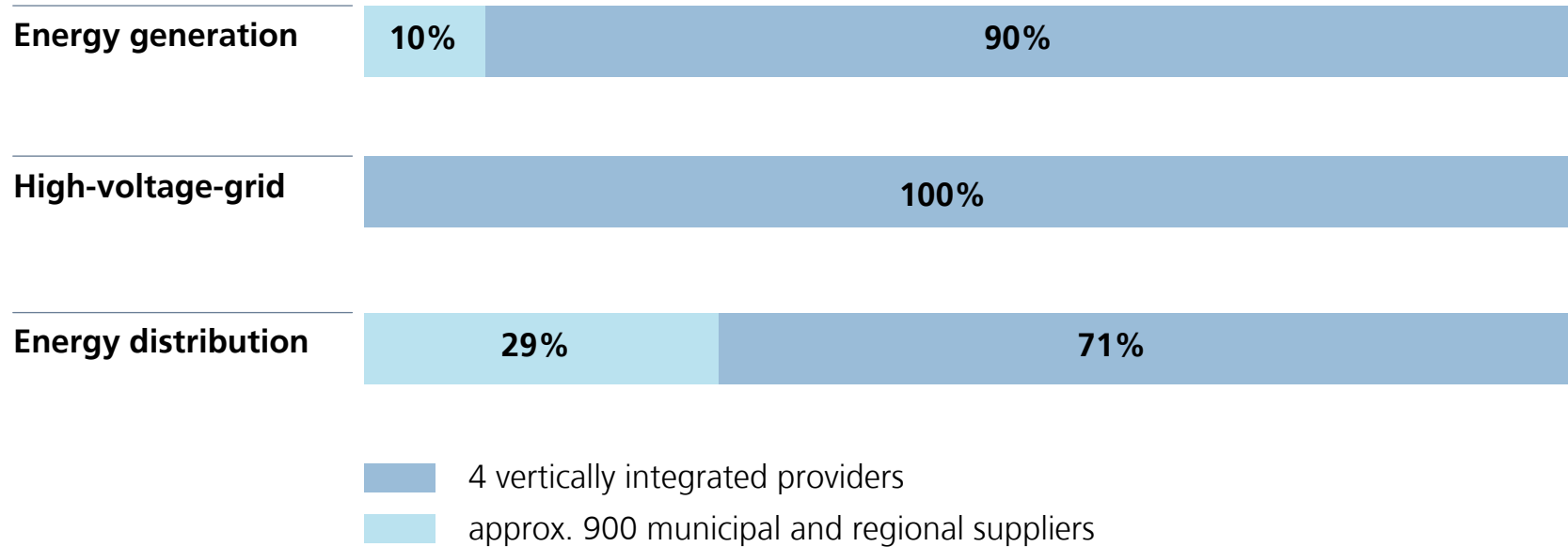
Stadtwerke Kiel

ANS in Euro million



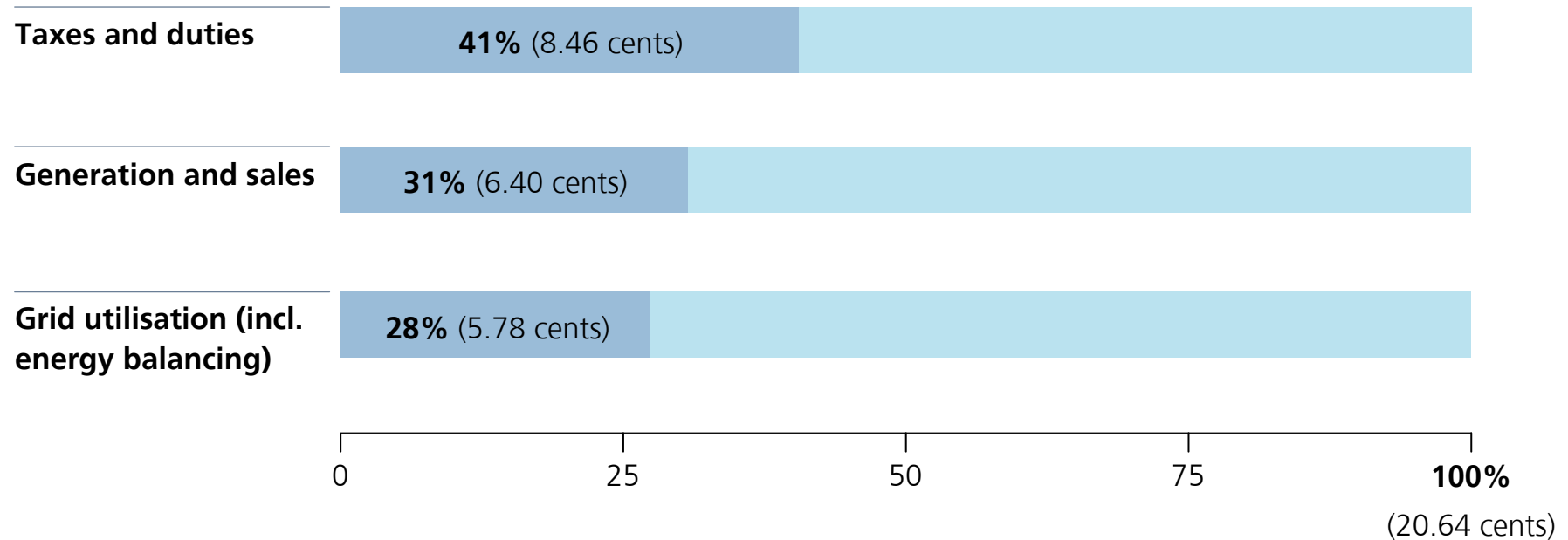
ANS = Annual net surplus

Structure of the German electricity industry



Dominance of the four dominant players restricts their growth potential in Germany – potential for MVV Energie AG

Electricity price components in Germany (per kWh)



Source BDEW: End customer with 3,500 kWh p.a., average household customer price: 20.64 cents in 2007

District heating with Combined Heat and Power (CHP)

