MVV Energie

Financial Report: 1st Quarter of 2008/2009

1 October 2008 – 31 December 2008

08/09

Key Figures

1 October 2008 – 31 December 2008

Key Figures of the MVV Energie Group Euro million	**2008/2009**	2007/2008	% change
Sales excluding electricity and natural gas taxes	**830**	**663**	**+ 25**
EBITDA[1]	– 41	161	– 125
EBITDA before IAS 39	**127**	**124**	**+ 2**
EBITA[1]	– 76	124	– 161
EBITA before IAS 39	**92**	**87**	**+ 6**
EBIT[1]	– 76	124	– 161
EBIT before IAS 39	**92**	**87**	**+ 6**
EBT[1]	– 100	100	– 200
EBT before IAS 39	**68**	**63**	**+ 8**
Net deficit/surplus for the period[1]	– 72	67	– 207
Net deficit/surplus for the period after minority interests[1]	– 69	58	– 219
Earnings per share[1, 2] in Euro	– 1.05	0.91	– 215
Cash flow before working capital and taxes	124	125	– 1
Cash flow before working capital and taxes per share[2] in Euro	1.88	1.96	– 4
Free cash flow[3]	– 121	– 19	– 537
Total assets (as of 31. 12. 2008 / 30. 9. 2008)	3 890	3 787	+ 3
Equity (as of 31. 12. 2008 / 30. 9. 2008)	1 179	1 270	– 7
Investments[4]	47	45	+ 4
Number of employees[5] (as of 31. 12. 2008 / 31. 12. 2007)	5 897	6 362	– 7

[1] including IAS 39. An explanation of the IAS 39 item can be found in the Interim Group Management Report from Page 5 onwards

[2] increase in number of shares (weighted quarterly average) from 63.5 million to 65.9 million as a result of capital increase

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

[4] investments in intangible assets, property, plant and equipment and investment property, as well as payments for the acquisition of fully and proportionately consolidated companies and other financial assets

[5] including external personnel at Mannheim energy from waste plant

Contents

Interim Group Management Report

Business Segments

Interim Consolidated Financial Statements

Interim Group Management Report

Major Events in 1st Quarter of 2008/2009
1 October to 31 December 2008

Highlights in the 1st Quarter

- Increased dividend proposed for the 2007/08 financial year
- Dr. Georg Müller appointed as CEO
- Nationwide gas sales successfully launched

Dividend proposal adopted for Annual General Meeting

The MVV Energie Group maintained its course of profitable, sustainable growth in the 2007/08 financial year, with significant year-on-year improvements in sales and all key earnings figures compared with the weaker performance due to weather conditions in the previous 2006/07 financial year. In view of the company's sustained business success, the Executive and Supervisory Boards of MVV Energie AG decided in December 2008 to propose an increase in the dividend for the 2007/08 financial year from Euro 0.80 to Euro 0.90 per share for approval by the Annual General Meeting on 13 March 2009. Together with the higher number of shares due to the capital increase in October 2007, this would then increase our dividend total to Euro 59.3 million, up by Euro 6.6 million on the previous year.

Dr. Georg Müller is new CEO

On 23 October 2008, the Supervisory Board of MVV Energie AG appointed Dr. Georg Müller as a member of the Executive Board of MVV Energie AG and as CEO for a period of five years. Dr. Müller, previously CEO at RWE Rhein-Ruhr AG, Essen, assumed this function as of 1 January 2009. Following Dr. Rudolf Schulten's departure from office, his responsibilities were temporarily assumed by Dr. Werner Dub (Technology Division) through to the position being newly filled.

Successful start to nationwide gas sales

MVV Energie AG now intends to seize the opportunities resulting from competition by offering attractive gas products as well. In October 2008, we successfully launched our newly developed nationwide gas business with industrial and commercial customers. By the end of the quarter under report, a volume of around 1.3 billion kWh had already been sold.

Further expansion of district heating in Mannheim

Around 60 % of apartments in Mannheim are already heated with district heating. A forward-looking district heating expansion programme was launched in November 2008, following detailed analysis of the economic feasibility of extending the district heating supply to areas of Mannheim previously not covered and of increasing coverage in areas already within the grid. MVV Energie AG intends to invest around Euro 66 million by 2020 in district heating within the built-up area of Mannheim and in linking district heating grids in the Rhine/Neckar metropolitan region.

Major order in energy-related services business

Based on a five-year contract between one of Europe's largest private hospital groups and MVV Energiedienstleistungen GmbH Berlin, the first individual contracts have been concluded to supply heating, cooling energy and electricity to eight pilot hospitals. Moreover, MVV Energiedienstleistungen GmbH is set to take over the energy management for a total of 80 hospitals across Germany.

Rheinisch-Bergisch municipal utility association not implemented

In December 2008, the supervisory boards of the municipal utility and investment companies of the town of Velbert unexpectedly decided not to approve the planned Rheinisch-Bergisch municipal utility association (RBSV) due to be launched by the towns of Solingen, Remscheid and Velbert on 1 January 2009. Following the failure of this three-way merger, largely due to political reasons, other solutions are now being examined.

The Share of MVV Energie AG

Very weak capital markets – MVV Energie AG share unaffected

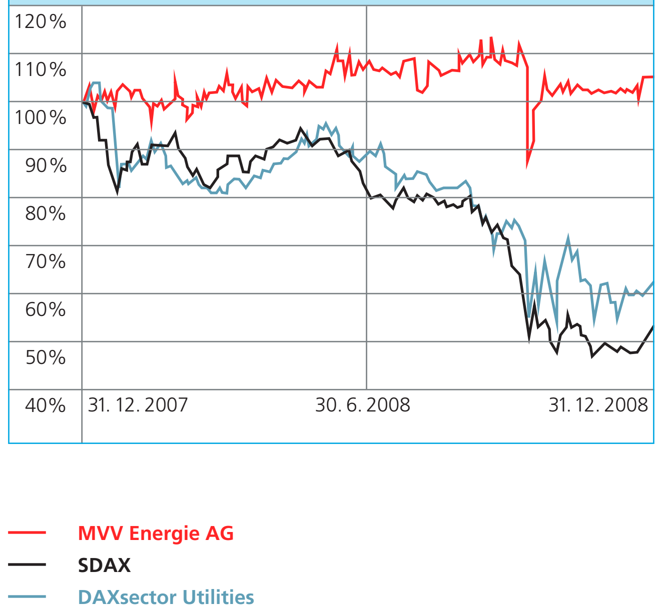
The DAX, Germany's lead index, lost 40.4 % of its value in 2008. After 2002 (– 44 %), 2008 was thus the second-weakest year on the stock market since index calculations began. During the quarter under report from October to December 2008, international financial markets continued to be burdened by numerous rounds of negative financial and economic news. Developments were correspondingly volatile, with a clear downward trend. Expectations vary widely concerning 2009.

A comparison of the two quarterly reporting dates on 31 December 2007 and 2008 shows that our share price rose year-on-year by 2.9 % to Euro 32.21. Including the distribution of a dividend of Euro 0.80 per share in March 2008, the performance of our share during the period under report even amounted to 5.7 % (see share performance chart). The comparative indices, by contrast, showed sharp declines, with the DAXsector Utilities (previously: Prime Utilities) falling by 36.7 % and the SDAX even by 46.1 %. The share of MVV Energie AG thus maintained its ground extraordinarily well in this difficult market climate.

Our share's highest closing price in XETRA trading during the quarter under report was at Euro 34.04 on 3 October 2008, while the lowest closing price was at Euro 26.55 on 10 October 2008. Trading volumes involving shares in MVV Energie AG declined from an equivalent value of Euro 74 million in the previous year's quarter, a high figure due to the capital increase, to Euro 44 million in the 1st quarter of 2008/09 (– 40.5 %).

The increase in the share price and thus in the market capitalisation of MVV Energie AG reflects the high degree of trust placed by the capital market and shareholders in the growth strategy of the MVV Energie Group. The market capitalisation amounted to Euro 2 123 million on 31 December 2008 and was thus Euro 61 million (+ 2.9 %) higher than the equivalent figure for the previous year.

Performance Comparison of the MVV Energie AG Share (ISIN DE000A0H52F5)



Change in shareholder structure

By acquiring additional shares on the stock exchange, RheinEnergie AG, Cologne, increased its shareholding in MVV Energie AG by 0.2 % to 16.3 %. The free float declined correspondingly to 18.5 %. The shareholdings held by the other major shareholders, EnBW AG, Karlsruhe, (15.1 %) and the City of Mannheim (50.1 %), remained unchanged.

Business Framework

Market climate

At energy companies in Germany, the quarter under report was characterised by further preparations for the incentive regulation which has formed the basis for the grid fee regulatory process (electricity and gas) since 1 January 2009.

The fall in prices on commodity markets continued in the 4th quarter of 2008. By the end of the year, the price of North Sea Brent oil had fallen by around 75 % from its all-time high of almost \$ 146 per barrel in July 2008 to just over \$ 36 per barrel. The average price fell to around \$ 60 per barrel in the final quarter of 2008, down almost \$ 60 per barrel on the previous quarter.

At the end of the quarter (31 December 2008), the price of natural gas on the Zeebrugge and NetConnect Germany exchanges for delivery in 2009 amounted to around Euro 20/MWh.

The price of hard coal (for delivery in 2009) was listed at just under \$ 88 per tonne at the end of 2008, equivalent to a reduction of more than \$ 25 per tonne (23 %) since the beginning of October 2008. Compared with the record high in summer 2008, the coal price in US dollars fell by around 60 %. At around 56 %, the decline in the euro price was less marked. Coal prices are thus at roughly the same level as in the 4th quarter of 2007.

CO_2 emissions certificates were also listed at significantly lower prices in the period under report (1 October to 31 December 2008). At Euro 19 per tonne, the quarterly average price was significantly below the annual average (approx. Euro 23 per tonne). CERs (Certified Emission Reductions) for the 2009 calendar year lost around 27 % in value in the quarter under report and ended the year at approximately Euro 14 per tonne.

Spot market electricity prices fell significantly in the 4th calendar quarter of 2008 due to reduced prices on the fuel and CO_2 markets. While the average price level for deliveries in 2009 still amounted to around Euro 81/MWh in the 3rd quarter, three months later it had fallen to just over Euro 65/MWh.

Energy policy developments

With the "Green Package" presented at the end of 2008, the EU has adopted far-reaching measures to restructure the EU economy along ecological lines. The amendment of greenhouse gas emissions trading is especially relevant for the German energy industry. From 2013 onwards, certificate allocation is to be harmonised more closely across the EU, with the full auction principle being introduced for electricity generation. The specific structure of the transitional regulations governing the generation of heating energy using cogeneration remains to be seen.

New regulatory concepts have also been adopted to promote renewable energy sources and for the market launch of CO_2 capture and storage (CCS) technologies. Investigations into the possibility of retrospectively adding CCS technologies ("capture-readiness") will become mandatory upon the construction of new power plants fired by fossil fuels. Moreover, we have also systematically expanded our generation capacities from renewable energy sources and waste in recent years, thus significantly diversifying our generation portfolio.

Earnings Position

External Sales of the MVV Energie Group by Segment 1st Quarter, 1. 10. – 31. 12.

Euro million	External Sales 2008/2009	2007/2008	% change
Electricity	413	306	+ 35
District heating	98	99	– 1
Gas	157	113	+ 39
Water	24	25	– 4
Value-added services	86	71	+ 21
Environmental energy	47	48	– 2
Other/consolidation	5	1	+ 400
	830	663	+ 25

Sales growth due to success in nationwide market

The economic crisis currently underway in Germany did not lead to any tangible downturn in turnover and sales at our Group in the quarter under report. The **external sales** of the MVV Energie Group (excluding electricity and natural gas taxes) rose by Euro 167 million (+ 25 %) to Euro 830 million in the 1st quarter of 2008/09 (1 October to 31 December 2008). This sharp increase compared with the equivalent quarter in the previous year was due in particular to the substantial volume growth achieved in our nationwide sales of electricity and gas products for medium-sized industrial, commercial and multiple location customers. Following our success in the electricity market, in October 2008 we successfully launched our newly founded nationwide gas business with industrial and commercial customers. Sales in our core business were also affected by higher electricity, district heating and gas rates, with which we passed on increases in our procurement costs. Electricity trading sales benefited from volume growth. Weather conditions, a key factor for our district heating and gas businesses, impacted negatively. Measured in terms of degree day figures, it was 3.3 % milder in the 1st quarter of 2008/09 than in the equivalent quarter in the previous year.

High negative valuation item due to IAS 39

The mandatory recognition of derivative financial instruments at the MVV Energie Group pursuant to international accounting standards (IAS 39) leads to a high volume of items, nevertheless not cash-effective, resulting from the valuation of energy trading transactions as of the respective reporting date. The MVV Energie Group procures the energy volumes required to supply our customers on the market via 24/7 Trading GmbH, i.e. from external trading partners or via the exchange. The procurement contracts thereby concluded represent hedges for the sales contracts concluded with customers, the so-called underlying transactions. With due commercial prudence, we promptly secure the underlying transactions with hedging transactions (especially forward contracts) in order to minimize risk and hedge against price risks. While the underlying transaction is only recognised in the accounts upon performance, international accounting standards require the current fair value of the hedging transactions already to be recognised as of the reporting dates for the interim consolidated financial statements (quarterly) and the annual consolidated financial statements (IAS 39).

In periods of rising market prices, as was the case until July 2008, the valuation of energy trading transactions as of the reporting date led to positive valuation items at net buyers, such as the MVV Energie Group. On the reporting dates on 30 June 2008 and 30 September 2008, these amounted to Euro + 188 million and Euro + 88 million respectively. Periods in which market prices fall, by contrast, lead to negative valuation items at net buyers. On 31 December 2008, these amounted to Euro – 168 million. These reporting date valuations represent a snapshot view of the value of the hedging transactions upon the reporting date. They are not cash-effective, but their mandatory recognition in the accounts leads to a high degree of earnings volatility.

EBIT before IAS 39 of the MVV Energie Group by Segment
1st Quarter, 1. 10. – 31. 12.

Euro million	2008/2009	2007/2008	% change
Electricity	21	19	+ 11
District heating	29	26	+ 12
Gas	17	15	+ 13
Water	4	2	+ 100
Value-added services	4	4	—
Environmental energy	17	20	– 15
Other/consolidation	—	1	– 100
	92	87	+ 6

Key items in the income statement

Cost of materials rose year-on-year by Euro 176 million (+ 41 %) to Euro 604 million. This substantial increase was mainly driven by higher energy procurement costs in the electricity, district heating and gas businesses due to volume and price factors, as well as by increased material expenses and third-party services resulting from the expansion of business volumes. In terms of materials procurement, part of the overall increase in market prices could be absorbed by intensifying supplier management and by pooling procurement activities across the locations in our municipal utility network.

Personnel expenses rose by Euro 2 million (+ 3 %) to Euro 76 million in the 1st quarter of 2008/09. Alongside collectively agreed pay rises, this increase was due to the stocking up of personnel in the high-growth environmental energy and energy-related services businesses. These measures more than offset the personnel expense savings resulting from the sale and deconsolidation of the Polish subgroup.

As a result of the IAS 39 valuation item, the **other operating income** and **other operating expenses** reported for the 1st quarter of 2008/09, and thus all further earnings figures, are not directly comparable with the previous year's figures. Due to the sharp drop in commodity and energy prices during the quarter under report, the valuation of energy trading transactions (derivative financial instruments) under IAS 39 as of the reporting date on 31 December 2008 led to a valuation item of Euro 172 million being reported under other operating income (previous year's quarter: Euro 90 million) and to a significantly higher valuation item of Euro 340 million being reported under other operating expenses (previous year's quarter: Euro 53 million). The IAS 39 valuation therefore had a negative net impact on earnings of Euro –168 million in the 1st quarter of 2008/09. This contrasts with the positive net valuation item of Euro 37 million reported for the 1st quarter of 2007/08 due to higher fair values as of 31 December 2007. All in all, the IAS 39 valuation impacted earnings negatively to the tune of Euro – 205 million in the 1st quarter of the current year compared with the same period in the previous year.

By analogy with our practice in the 2007/08 financial year, our overview of key figures also includes all of our key operating earnings figures prior to the application of IAS 39 for the quarter under report and the previous year's period. We believe these adjusted earnings figures provide comparable and meaningful performance and management indicators for the sustainable earnings power of our business.

Operating earnings before interest, taxes, depreciation and goodwill amortisation (EBITDA) before IAS 39 rose year-on-year from Euro 124 million to Euro 127 million (+ 2 %). **Operating earnings before interest and taxes (EBIT) before IAS 39** grew from Euro 87 million to Euro 92 million (+ 6 %) in the 1st quarter of 2008/09. These figures, adjusted to exclude the valuation item, underline the stable overall development in our operating earnings power in the 1st quarter of 2008/09. Alongside increased volumes in the nationwide electricity and gas business, the improvement in EBIT before IAS 39 was driven in particular by cost savings and by the fact that the charges incurred in the previous year due to a damaged turbine at the Offenbach cogeneration plant no longer applied. Further information can be found in the explanations provided on developments in the business segments (Page 16 onwards).

Sales Volumes of the MVV Energie Group[1] **1st Quarter, 1. 10. – 31. 12.**	**2008/2009**	2007/2008	% change
Electricity in kWh million	6 972	6 347	+ 10
of which wholesale	4 092	3 757	+ 9
of which retail	2 880	2 590	+ 11
District heating in kWh million	2 239	2 429	– 8
Gas in kWh million	3 241	3 138	+ 3
of which secondary distributors/wholesale	764	496	+ 54
of which retail	2 477	2 642	– 6
Water in m^3 million	12.9	13.5	– 4
Combustible waste delivered in tonnes 000s	391	386	+ 1

[1] total volumes of all segments

Due to the high IAS 39 item of Euro –168 million, we posted negative **earnings before taxes (EBT)** of Euro – 100 million in the income statement for the 1st quarter of 2008/09, as against positive EBT of Euro 100 million in the previous year's period.

The negative EBT resulted in income of Euro 28 million from taxes on income for the 1st quarter of 2008/09. This is chiefly attributable to income of Euro 51 million from the change in deferred taxes as of 31 December 2008 due to the negative IAS 39 valuation item. Tax expenses for earnings before IAS 39 were calculated in the quarter under report at the tax rate of 32.9 % expected for the overall 2008/09 financial year. The tax rate for earnings after IAS 39 (tax income) amounted to 28.0 % in the quarter under report, as against 33.2 % in the previous year's quarter (tax expenses).

Adjusted for the valuation item, **EBT before IAS 39** improved year-on-year by Euro 5 million to Euro 68 million. The IAS 39 valuation item also led to negative minority interests of Euro – 3 million in the quarter under report (previous year: Euro + 9 million).

After income taxes and minority interests and before adjustment for the high negative IAS 39 item, the MVV Energie Group posted a **net deficit for the period after minority interests** (share of earnings allocable to shareholders in MVV Energie AG) of Euro – 69 million in its interim consolidated financial statements in accordance with IFRS for the 1st quarter of 2008/09, compared with a net surplus after minority interests of Euro 58 million in the previous year's period.

Based on these results, which are not comparable due to the high negative IAS 39 valuation item, the MVV Energie Group generated calculative negative **earnings per share** of Euro – 1.05 in the 1st quarter of 2008/09 (previous year: Euro + 0.91). Alongside the IAS 39 item, it should be noted that the weighted quarterly average number of individual shares rose from 63.5 million to 65.9 million in the 1st quarter of 2008/09 as a result of the capital increase in October 2007. The IAS 39 valuation items have no connection with the actual operating business, are not cash-effective and also do not affect our ability to pay dividends. Our dividend is based on the earnings of MVV Energie AG calculated in accordance with the German Commercial Code (HGB).

Earnings position of major shareholdings

Our German municipal utility shareholdings and Czech district heating shareholdings generated sales of Euro 349 million prior to consolidation (previous year: Euro 311 million) and adjusted sustainable operating earnings (EBIT before IAS 39) of Euro 49 million (previous year: Euro 44 million) in the 1st quarter of 2008/09.

At **Stadtwerke Kiel AG (SWK)**, sales grew year-on-year by 12 % to Euro 127 million. This growth came from the electricity, district heating and gas businesses and was due to both volume and price-related factors. Sustainable EBIT before IAS 39 improved by Euro 2 million to Euro 22 million. Sales volumes in the gas segment were boosted by the private and commercial customer business and by increased flat deliveries in the secondary distribution business.

Sales at **Energieversorgung Offenbach AG (EVO)** rose by 20 % to Euro 118 million, while sustainable EBIT before IAS 39 increased year-on-year by Euro 2 million to Euro 13 million. Since beginning to supply natural gas in the district in January 2008, EVO's Gasversorgung Offenbach GmbH subsidiary has acquired more than 2 000 new customers, who will obtain their electricity and natural gas from a single source in future. From autumn 2009, EVO will supply district heating to Heusenstamm. Based on the licensing agreement signed in the quarter under report, EVO will in a first stage be building a district heating pipeline from EVO's cogeneration plant to the swimming pool and the Heusenstamm campus. In a second stage, a residential area can be connected with a pipeline to EVO's supply grid. The district heating supplied by EVO's cogeneration plant will lead to appreciable savings of fossil fuels and thus to a reduction in CO_2 emissions.

Due mainly to higher electricity and gas revenues, sales at **Stadtwerke Solingen GmbH (SWS)** rose year-on-year by 17 % to Euro 34 million. At Euro 4 million, sustainable EBIT before IAS 39 were at the previous year's level.

Sales at **Stadtwerke Ingolstadt Beteiligungen GmbH (SWI)** grew year-on-year by 27 % to Euro 34 million. At Euro 4 million, sustainable EBIT before IAS 39 were unchanged on the previous year. The improvement in earnings in the electricity and district heating segments was sapped by lower gas earnings. SWI won an order in the quarter under report to supply electricity to major customers in Ingolstadt, Neckarsulm, Dresden and Zwickau/Mosel. The contract runs for three years from 2010.

At **Köthen Energie GmbH**, sales grew by 34 % to Euro 6 million in the 1st quarter of 2008/09, while EBIT rose by 41 % to Euro 0.8 million. Natural gas, district heating and contracting rates were raised as of 1 October 2008 due to the rise in oil prices in the 1st half of 2008. The acquisition of external special contract gas customers led to volume growth of 1.2 million kWh in the quarter under report. In the electricity business, we have obtained commitments from additional electricity fund customers for turnover volumes of 1.1 million kWh in the current financial year and of 8.5 million kWh in the following 2009/10 financial year.

Sales at the **Czech subgroup** rose by Euro 1 million (+ 4 %) to Euro 31 million in the 1st quarter of 2008/09. Due to a weather-related reduction in volumes and higher procurement costs, sustainable EBIT before IAS 39 dropped by Euro 3 million to Euro 5 million. Following a resolution to sell adopted by the town of Česká Lípa, MVV Energie CZ s.r.o. will stock up its shareholding in the district heating company Českolipská teplárenská a.s. by around 60 % to around 95 %. The district heating company can be fully consolidated in the consolidated financial statements of the MVV Energie Group following the second purchase price instalment due for payment in January 2009. In December 2008, MVV Energie CZ s.r.o. changed its legal form to MVV Energie CZ a.s.

Shared service companies

As a grid operator, **24/7 Netze GmbH** is responsible for sustainable operation of the grids leased from its parent companies, MVV Energie AG and EVO. As well as assuring the quality of the grids, the company also has to meet the rate of return expected by its shareholders. The Federal Networks Agency has granted approvals for the second fee applications for the electricity grids in Mannheim and Offenbach with effect from 1 April 2008, as well as for the local gas distribution grid in Mannheim from 1 June 2008. The approvals granted in the first cost approval round have been extended for the regional gas distribution grid in Mannheim and the gas distribution grid in Offenbach. The costs thereby approved also form the basis for the incentive regulation in effect since 1 January 2009. Each grid operator receives an individual revenue map based on an efficiency comparison of all grid operators undertaken by the Federal Networks Agency. This revenue map basically stipulates the respective grid fees for the next four years (gas) or five years (electricity). As a result, revenues will be calculated for the first time separately from costs. Incentive regulation therefore also presents us with the challenge, which we are already confronting, of adapting cost structures to these revenue requirements.

Given its strategic positioning as the energy trading unit for the MVV Energie Group, **24/7 Trading GmbH** plays the key role in the Group's energy procurement and marketing activities in the wholesale market. The substantial drop in primary energy prices following the very sharp increase as of 30 September 2008 has also affected electricity and emissions rights. Given this development, price hedging transactions are increasingly gaining in significance. The company's product range includes trading with electricity, certified green electricity products, natural gas, emissions rights, environmental certificates and financial products. Gas trading activities are to be expanded in future.

24/7 Metering GmbH continues to develop on schedule in terms of its business performance. We expect new business to result from the liberalisation of the metering business by the Federal Government. With its "Metering Liberalisation" project, the company is preparing in cooperation with 24/7 Netze GmbH for the change in requirements due to the German Metering Liberalisation Act. Within its "Metering in the MVV Energie Group" project, the company is preparing for the new legal requirements applicable to intelligent meters from 2010 onwards.

The main task of **24/7 IT-Services GmbH** involves structuring the Group's IT costs on a sustainable basis. Merging the locations on a standardised IT platform and consolidating applications across locations enables the necessary resources to be pooled more efficiently.

MVV Energie AG has pooled all of its customer service activities at **24/7 United Billing GmbH,** which currently handles more than 1.1 million customer agreements. Its product portfolio covers the entire customer management process, from initial installation to invoicing to ongoing telephone and personal support. The company successfully implemented a key figure system in the 1st quarter of 2008/09. This system enables managers, employees and clients to obtain an overview at any time of the quality of the service performed. This will lead to further efficiency enhancements and quality improvements.

24/7 Insurance Services GmbH has established itself as the exclusive provider and broker of insurance services within the MVV Energie Group.

Net Asset and Financial Position

Asset and capital structure

The **total assets** of the MVV Energie Group rose to Euro 3.89 billion as of 31 December 2008, up Euro 103 million (+ 3 %) on the reporting date at the end of the past 2007/08 financial year (30 September 2008).

On the asset side, **non-current assets** fell by Euro 145 million (– 5 %) to Euro 2.58 billion. This reduction compared with the reporting date on 30 September 2008 was chiefly due to the marked fall in the market prices of energy trading transactions requiring recognition under IAS 39, as well as to a reclassification to current assets of energy trading transactions with delivery dates in the 2009 calendar year. At Euro 1.95 billion, property, plant and equipment, which account for 76 % and thus the major share of non-current assets (previous year: 79 %), were at the same level as in the previous year.

Current assets rose by Euro 248 million to Euro 1.31 billion (+ 23 %). As well as the reclassification referred to above of energy trading transactions requiring recognition from non-current to current assets, this increase was attributable to the security deposits provided by the MVV Energie Group to reduce counterparty risk. These were paid to the European Energy Exchange (EEX) and to other trading partners on the basis of bilateral agreements. Furthermore, current assets were also affected by higher **trade receivables.** The growth in this item by 24 % compared with 30 September 2008 to Euro 666 million was mainly the result of higher sales volumes due to seasonal factors. Following the sale of the Polish subgroup and of an office building at the Kiel subgroup, **assets held for sale** were reported at Euro 0 as of 31 December 2008.

On the liabilities side, the **equity** of the MVV Energie Group fell to Euro 1.18 billion, down Euro 91 million (– 7 %) on 30 September 2008. This decline was chiefly due to the reduced quarterly earnings in 2008/09 on account of the high IAS 39 valuation item.

Compared with the reporting date on 30 September 2008, **non-current debt** fell by Euro 79 million (– 5 %) to Euro 1.37 billion. This reduction was offset by an increase in **current debt** by Euro 273 million (+ 25 %) to Euro 1.35 billion. The reclassification referred to above of energy trading derivatives with delivery dates in the 2009 calendar year requiring recognition under IAS 39 from non-current to current other liabilities impacted on **other liabilities** by analogy with developments on the asset side. Further details can be found in the notes to the interim consolidated financial statements from Page 27 onwards.

Investments

The MVV Energie Group invested a total of Euro 47 million in the 1st quarter of 2008/09 (previous year: Euro 45 million). Of this sum, Euro 44 million was invested in intangible assets, property, plant and equipment and investment property (previous year: Euro 41 million), while Euro 3 million was channelled into the acquisition of fully and proportionately consolidated companies and other financial assets (previous year: Euro 4 million).

Investments in the core business fields mainly focused on optimising and maintaining the substance of supply facilities and distribution grids. The Kiel subgroup is investing in the construction of a third gas cavern in order to optimise its gas procurement. The largest investment in the environmental energy segment is the construction of boiler 6 at the waste incineration plant in Mannheim. Investments in the value-added services segment focused on building decentralised energy generation plants powered by waste timber, wood chips, refuse-derived fuel and renewable energies, as well as in the acquisition and construction of biogas plants.

Financial position

Non-current and **current financial debt** rose to Euro 1.30 billion, up Euro 64 million on the reporting date at the end of the previous year (30 September 2008). The net financial debt (financial debt less cash and cash equivalents) of the MVV Energie Group rose by Euro 100 million to Euro 1.24 billion in the 1st quarter of 2008/09.

At Euro 124 million, the **cash flow before working capital and taxes** was at the same level in the period under report as in the previous year. The sharp changes in the net surplus for the period due to the IAS 39 valuation of derivative financial instruments were eliminated on the level of other non-cash income and expenses. The marked changes in other assets and liabilities, primarily due to the increase in **trade receivables,** and the changes in current provisions led to a negative **cash flow from operating activities** of Euro – 77 million in the 1st quarter of 2008/09 compared with a positive figure of Euro 23 million in the same period in the previous year. The deduction of slightly higher **investments in intangible assets, property, plant and equipment and investment property** resulted in a negative **free cash flow** of Euro – 121 million in the 1st quarter of 2008/09 (previous year: Euro – 19 million).

Largely due to the inflow of funds from the sale of the Polish subgroup, the **cash flow from investing activities** was virtually neutral in the period under report (previous year: Euro – 28 million). As a result of a higher volume of loans being taken up, the **cash flow from financing activities** was positive at Euro 41 million in the quarter under report. The equivalent figure for the previous year was affected by the inflow of funds from the capital increase in October 2007.

Detailed information about the company's financial position can be found in the cash flow statement in the interim consolidated financial statements (Page 25) and the notes to the interim consolidated financial statements (from Page 27 onwards).

Personnel Totals	2008/2009 31. 12. 2008	2007/2008 30. 9. 2008	2007/2008 31. 12. 2007	Change on 31. 12. 2007
MVV Energie AG [1]	1 514	1 527	1 541	– 27
Fully consolidated shareholdings	3 679	3 661	3 755	– 76
MVV Energie AG with fully consolidated shareholdings	**5 193**	5 188	5 296	– 103
Proportionately consolidated shareholdings	676	685	1 028	– 352
MVV Energie Group [2]	**5 869**	**5 873**	**6 324**	**– 455**
External personnel at Mannheim energy from waste plant	28	28	38	– 10
	5 897	5 901	6 362	– 465

[1] including 51 employees of MVV RHE AG (previous year: 55)

[2] including 426 trainees (previous year: 425)

Employees

Increased personnel in high-growth fields

The number of employees at the MVV Energie Group, including external personnel, showed a marked decline by 465 to 5 897 employees in the 1st quarter of the 2008/09 financial year compared with the equivalent quarter of the previous year. This was chiefly due to the sale of the Polish companies in the 2007/08 financial year. Mainly as a result of this, the number of employees at proportionately consolidated companies fell from 1 028 to 676. The number of employees abroad, now solely involving personnel at the Czech subgroup, thus virtually halved from 1 085 in the previous year to 563. Compared with the previous quarter, the MVV Energie Group had only a marginally lower number of employees.

Personnel totals in the core businesses of our municipal utility shareholdings declined on schedule, while there was a slight increase in the number of employees in our high-growth environmental energy and energy-related services businesses and at our shared service companies. Within the energy-related services business, the international consulting business of the two companies MVV Consulting GmbH and Decon Deutsche Energie-Consult Ingenieurgesellschaft mbH was merged to form the new company MVV decon GmbH.

Research and Development

Practical trials with fuel cell heating appliances extended

Within the framework of the “Hydrogen and Fuel Cell Technology National Innovation Programme”, MVV Energie AG is receiving state support from the Federal Ministry of Transport, Building and Urban Affairs for its joint project “Callux Practical Trials with Fuel Cells for Homes”. In these practical trials, we are among the leading German energy suppliers investing in fuel cell technology on a long-term basis aimed at launching such technology onto the market. In the quarter under report, we installed four fuel cell heating appliances in private households and heating stations.

Successful continuation of energy data management system field trials

Since the launch of field trials in March 2008, the decentralised energy data management system has been installed in 18 households in the Mannheim area. Valuable insights have now been gained into potential load shifts, utilisation patterns and energy-saving possibilities.

Opportunity and Risk Report

No risks identified which could endanger the company

The group-wide systematic risk management system in place at the MVV Energie Group represents a key instrument of the company's management. It serves to identify any potential risks to the company's continued existence at an early stage and to optimise the opportunity/risk profile of our business activities.

No further risk categories were added in the 1st quarter of 2008/09 to the six categories listed in previous financial reports (strategic risks, legal risks, financial risks, price risks, volume risks and operating risks).

Weather-related risks and regulatory risks represent the most important external factors affecting the business performance of the MVV Energie Group. By the end of the 1st quarter of 2008/09, weather-dependent volumes had developed virtually on target.

Upon the expiry of 2008, cost-based grid fee regulation was replaced by incentive regulation based on an efficiency comparison. The maximum revenue limits relevant for the MVV Energie Group are expected to be set by the Federal Networks Agency in the 1st calendar quarter of 2009.

As in previous reporting periods, the MVV Energie Group was not exposed during the quarter under report to any risks which could have endangered the continued existence of the company or which could do so in future.

Events After the Balance Sheet Date

New Rhine-Neckar arena in Sinsheim

The new Bundesliga stadium of the football team TSG 1899 Hoffenheim, who generated a great deal of enthusiasm with their first Bundesliga season in the Carl Benz Stadium in Mannheim through to the Autumn Championships, was officially opened in Sinsheim on 24 January 2009. As the largest energy supplier in the region, MVV Energie is maintaining the cooperation it has built up over many years with TSG 1899 Hoffenheim to the benefit and in the interests of the entire Rhine/Neckar metropolitan region.

Outlook

Difficult economic framework in future

The beginning of 2009 has not brought any let-up in the stream of negative headlines concerning the development of the Germany economy. Like the EU Commission, the Federal Government assumes in its economic forecast for 2009 that gross domestic product will decline by 2.3 % compared with 2008. The Centre for European Economic Research (ZEW) expects economic prospects to begin to brighten from mid-2009.

Energy markets are undergoing profound structural change. The gas dispute between Russia and Ukraine, which led to supplies to Western Europe being interrupted for almost two weeks in January 2009, once again underlined the extent of our dependence on Russian gas imports and the importance of supply reliability for our economy. Environmental and climate protection are still among the main topics of public debate and represent one of the key challenges we face in the coming decades.

The current economic and financial crisis has already led to production being cut in numerous core sectors of the German economy by introducing reduced working hours or extending plant shutdown periods. Given our broad base of mostly medium-sized customers and our share of private customers, however, we do not expect to see any dramatic downturns in turnover. Likewise, based on current information, we do not expect the financial crisis to have any grave implications on the investment decisions we have taken to date. Any more severe economic downturn in Germany would nevertheless not leave us entirely unaffected, and could potentially be reflected in higher financing costs or payment defaults.

Grid regulation

Incentive regulation took effect on 1 January 2009. A maximum revenue limit will be set by the Federal Networks Agency for the coming years based on historic costs at individual grid operators and an efficiency comparison of all grid operators. These efficiency requirements will lead to a decline in grid fees, a development for which the MVV Energie Group is well prepared.

Strategic alignment

Our strategy remains focused on achieving sustainable and profitable growth. We see no reason to question the combination of core and high-growth business fields which has been so successful to date. With its core business fields of electricity, district heating, gas and water and its high-growth fields of environmental energy and energy-related services, our group of companies has a unique business portfolio and a balanced mix of business activities in regulated and non-regulated markets.

The implementation of the challenging German and European climate protection targets adopted in 2008 will permanently change energy supply systems. Given the will on the part of politicians and society at large to achieve greater climate protection and energy efficiency, ever greater importance will be accorded to using renewable energy sources, decentralised generation, innovative technology and to energy-conscious behaviour.

The Federal Government plans to double the volume of electricity generated using cogeneration and is thus promoting the expansion of cogeneration plant and district heating grids with a total of Euro 750 million per year. In the heating market, the Renewable Energies Heating Act will increase the market penetration of renewable energy sources.

The MVV Energie Group has longstanding experience and great technical expertise in the fields now being called for and supported in the political arena. This head start over the competition will open up attractive market opportunities for us. In Mannheim alone, we are therefore investing around Euro 100 million by 2020 in measures which will also have a positive impact in terms of climate protection.

Increasing pressure to cooperate

Given competition and incentive regulation, numerous municipal utility companies in Germany will witness increasing pressure on their margins and pressure to adapt. We therefore expect to see increasing numbers of cooperations, strategic partnerships and mergers in our sector in the coming years.

The strength of the MVV Energie Group lies in the regional presence and local roots of its companies. The regional networking of companies with comparable portfolios on a distribution level means that we are present in virtually all of Germany's major conurbations and economic regions. Pooling non-core service activities in joint subsidiaries ("24/7" shared service companies) provides all companies in our municipal utility network with a joint platform for achieving further efficiency enhancements. Moreover, it also offers other municipal utility companies a solid foundation for promising partnerships and cooperations.

As the only publicly listed energy supply company with a strong municipal background, we see ourselves as having good prospects of making successful bids in the event of companies being put up for sale, not least in view of the antitrust restrictions on large vertical players. The proceeds from the capital increase in 2007 also mean that we have scope for further external growth.

Expansion of nationwide electricity and gas sales

We are countering the tangible increase in dynamism in the electricity and gas businesses by enhancing our products in line with customers' requirements. In this way, we aim to exploit the opportunities offered by the competitive framework and to acquire new customers.

Following the market success of our nationwide sale of electricity, at the beginning of the 2008/09 financial year we launched our first nationwide gas supplies to industrial customers, multiple location customers and secondary distributors. As already for electricity, customers in our nationwide gas business stand to benefit from our experience in structured procurement on the wholesale market.

Future opportunities in district heating supply

The City of Mannheim and the Rhine/Neckar metropolitan region already have one of Germany's largest and most modern district heating grids. In our district heating supply, we are actively seizing the growth opportunities offered by the Federal Government's Integrated Climate and Energy Programme. Work on the forward-looking district heating expansion programme already began in November 2008.

The planned construction by 2013 of a new power plant block fired by hard coal (Block 9) at Grosskraftwerk Mannheim AG (GKM), which will have an electrical output of 911 MW_e or a district heating output of 500 MW_t, marks an important foundation for securing the electricity supply in the long term and for the energy-efficient expansion of the district heating supply in Mannheim and the Rhine/Neckar metropolitan region.

Strong market position in high-growth business fields

We also see superb growth prospects in the environmental energy and energy-related services businesses, in both of which we have built up leading positions in the German market.

Given the long-term increase in commodity and natural gas prices, using waste as a fuel to generate energy is gaining in economic significance. Political climate protection requirements and the promotion of renewable energies and energy efficiency will lead to growing markets in the environmental business as well. By means of acquisitions and cooperations, we aim to exploit new opportunities in the German market for generating energy from waste and biomass. Moreover, we now also intend to maintain our successful growth by expanding into promising foreign waste markets. Our newly founded British subsidiary is currently sounding out the market in the UK.

We were early to invest in efficient energy generation, energy-saving technologies and greater use of renewable energies in our energy-related services business as well. MVV Energiedienstleistungen GmbH currently operates 24 biomass heating and cogeneration plants and thus has an excellent track record in planning, building and operating decentralised generation plants. Energy-saving contracting and supply solutions also offer good opportunities for our business. We will be expanding our successful concept in the real estate utility business across the whole of Germany. We see further business opportunities in supplying utilities to industrial parks, where companies are under particular pressure in view of climate protection requirements and high energy prices.

Outlook for remainder of financial year

Cold weather conditions with highly negative temperatures in January 2009 led to higher sales volumes in the district heating and gas businesses. On the procurement side, we expect to see increased costs due to high power peaks. MVV Energie AG and the state antitrust agency in Baden-Württemberg have agreed joint calculation methods for assessing the appropriateness of gas prices within the gas price-setting process. MVV Energie AG cut its gas rates by 7.5 % as of 1 January 2009, having previously announced a 5 % reduction. Moreover, it is granting a loyalty bonus based on consumption during the 2008 calendar year. Given the development in the oil price, MVV Energie AG is cutting its gas price for private customers by a further 15 % as of 1 April 2009. It will simultaneously reduce its district heating rates by 12 %.

Based on the information currently available, we still expect sales in the current 2008/09 financial year to grow compared with 2007/08 to reach Euro 2.8 billion.

The difficult climate in the overall economy and the energy industry at present, coupled with the unforeseeable nature of weather conditions in the high-volume winter months of February and March 2009, make it difficult at this stage to provide a reliable earnings forecast for the 2008/09 financial year as a whole. In terms of our sustainable operating earnings (EBIT before IAS 39), i.e. excluding valuation items under IAS 39, we expect, also from a current perspective and taking due account of the difficult economic climate, to post slightly lower earnings in the 2008/09 financial year than in 2007/08 (Euro 249 million).

Alongside the factors outlined above, the earnings performance in the remainder of the 2008/09 financial year will be significantly affected by negative valuation items under IAS 39, which are nevertheless of a non-cash nature. Given the sharp drop in commodity and energy prices, high negative valuation items resulting from the reporting date measurement of derivative financial instruments (especially energy-trading transactions) are also to be expected at the coming reporting dates. The mandatory recognition of derivative financial instruments under IAS 39 required by international accounting standards leads to a high degree of earnings volatility.

We see the IAS 39 valuation item as representing an accounting item within our IFRS consolidated financial statements. It has no connection with our operating business, is not cash-effective and also has no impact on the dividend proposed for approval by the Annual General Meeting in March 2010, which is based on the earnings of MVV Energie AG pursuant to the German Commercial Code (HGB).

Research and development

Fuel cells and energy-efficient micro-cogeneration house energy plants used to generate electricity and heating in detached and semidetached houses are among the forward-looking innovative energy technologies in the field of sustainable energy conversion. We are currently already testing these appliances in large-scale field trials. In parallel, product development work is continuing on intelligent energy management systems enabling customers in future to determine the source of their electricity at short notice, and thus to exploit differing rates to their advantage.

Future risks

As outlined in the Opportunity and Risk Report (Page 12), there are currently no indications of any risks which could endanger the company's continued existence in the further course of the 2008/09 financial year.

MVV Energie sponsors social and welfare projects with energy efficiency

In the eighth round of its Sponsoring Fund, MVV Energie has supported 17 projects in the region with a total of Euro 50 000. As well as promoting social welfare projects, especially for children and young people, we have this time also targeted our support on measures aimed at achieving greater energy efficiency. We have so far promoted more than 200 projects with around Euro 400 000 from this fund, for which applications are invited twice a year. The next application round began 1 February 2009. Our municipal utility shareholdings also meet their regional and local obligations with comparable sponsorship programmes at their respective locations.

Business Segments

Developments in the Segments

Electricity Segment 1st Quarter, 1. 10. – 31. 12.	2008/2009	2007/2008	% change
Electricity turnover in kWh million			
of which wholesale/secondary distributors	4 028	3 715	+ 8
of which retail	2 753	2 479	+ 11
	6 781	**6 194**	**+ 9**
External sales in Euro million	413	306	+ 35
EBIT in Euro million	– 135	56	– 341
EBIT before IAS 39 in Euro million	21	19	+ 11

Electricity segment – success in nationwide electricity business

The MVV Energie Group maintained its ground very well in the highly competitive electricity market, reporting marked year-on-year turnover growth for the 1st quarter of 2008/09 both in the wholesale and secondary distribution (+ 8 %) and retail businesses (+ 11 %). Overall, electricity turnover rose by 9 %.

The substantial growth in volumes in the retail business was attributable to the industrial and commercial customer business (special contract customers). At 2.2 billion kWh, this now accounts for 82 % of the entire retail business. In this customer segment, further market success was achieved across Germany with the electricity fund models offered nationwide. Electricity turnover with fixed-rate customers, who account for 18 % of our retail business, fell year-on-year by 15 %. We are confronting the increasing dynamism in the electricity market by enhancing our products in line with customers' needs. Since January 2008, our subsidiary SECURA Energie GmbH has offered an attractive green electricity product on a nationwide basis under the SECURA Ökostrom brand. Since March 2008, our industrial and commercial customers have also been able to convert their electricity procurement from the MVV Energie Group to green electricity products, as have public sector clients, multiple location operators and secondary distributors.

External sales (excluding electricity tax) rose year-on-year by Euro 107 million (+ 35 %). This strong growth was driven by the volume increases in electricity trading and the nationwide electricity business referred to above and by higher prices in the private customer and nationwide electricity businesses.

The operating earnings (EBIT) of the electricity segment for the quarter under report include a large negative special item of Euro – 156 million from the IAS 39 valuation of derivative financial instruments (especially energy trading transactions) as of the reporting date. This contrasts with the positive valuation item of Euro 37 million in the previous year's period. Adjusted for these two non-cash special items, sustainable electricity EBIT before IAS 39 rose year-on-year by Euro 2 million to Euro 21 million (+ 11 %). This improvement was driven by higher earnings contributions from the parent company MVV Energie AG, as well as from the shareholdings in Kiel, Ingolstadt and the shared service company 24/7 Trading GmbH. Moreover, earnings also benefited from cost-cutting measures, especially in Mannheim and Kiel.

District heating segment – sales and earnings performance affected by special item

Turnover and sales were significantly affected by the sale, now complete, of the Polish shareholdings and Polish subgroup. Adjusted for this deconsolidation item, our district heating turnover declined year-on-year by 3 %. This reduction more or less conformed to weather conditions during the period. In degree day figures, it was 3.3 % milder in the period under report, October to December 2008, than in the same period in the previous year. Price adjustments introduced at the Kiel subgroup and in Ingolstadt as of 1 April 2008 and at the Mannheim and Offenbach subgroups as of 1 October 2008 enabled the volume-related loss of sales to be compensated for virtually in full.

District Heating Segment 1st Quarter, 1. 10. – 31. 12.	2008/2009	2007/2008	% change
District heating turnover in kWh million	1 726	2 052	– 16
External sales in Euro million	98	99	– 1
EBIT in Euro million	30	26	+ 15
EBIT before IAS 39 in Euro million	29	26	+ 12

Gas Segment 1st Quarter, 1. 10. – 31. 12.	2008/2009	2007/2008	% change
Gas turnover in kWh million			
of which secondary distributors/wholesale	764	496	+ 54
of which retail	2 370	2 515	– 6
	3 134	**3 011**	**+ 4**
External sales in Euro million	157	113	+ 39
EBIT in Euro million	4	15	– 73
EBIT before IAS 39 in Euro million	17	15	+ 13

Sustainable operating earnings (EBIT before IAS 39) in the district heating segment rose year-on-year by Euro 3 million to Euro 29 million. Alongside cost savings, this growth was chiefly due to the previous year's earnings having been affected by turbine damage at the Offenbach cogeneration plant.

Gas segment – improved sales and earnings

Within the gas segment, reduced volumes among private and business customers (retail) due to milder weather conditions were more than offset by volume growth in the nationwide gas business successfully established by MVV Energie AG for special contract customers and in the secondary distribution business. In the nationwide gas business with industrial and commercial customers, an annual volume of 1.3 billion kWh was already acquired in the 1st quarter for the 2008/09 financial year as a whole. The shareholdings in Offenbach, Solingen and Köthen also reported volume growth due to successful acquisitions. At 3.1 billion kWh, total gas turnover in the quarter under report was 4 % higher than in the previous year.

Driven mainly by price adjustments, external sales rose year-on-year by 39 % to Euro 157 million. All group companies operating in the gas business were obliged to raise their gas prices as of 1 October 2008 due to the drastic rise in oil prices in the 1st half of 2008.

The operating earnings (EBIT) performance in the quarter under report for the first time included negative special items, amounting to Euro – 13 million, from the IAS 39 valuation of energy trading transactions as of the reporting date. Adjusted for this non-cash valuation item, sustainable operating EBIT in the gas segment rose year-on-year by Euro 2 million to Euro 17 million. This increase was driven in particular by nationwide gas sales in the industrial and commercial customer business, the sale of a gas grid at the Mannheim subgroup and an improved earnings contribution from the Kiel subgroup.

Water Segment **1st Quarter, 1. 10. – 31. 12.**	**2008/2009**	2007/2008	% change
Water turnover in m³ million	12.8	13.4	– 4
External sales in Euro million	24	25	– 4
EBIT in Euro million	4	2	+ 100

Value-added Services Segment **1st Quarter, 1. 10. – 31. 12.**	**2008/2009**	2007/2008	% change
Electricity turnover in kWh million	103	94	+ 10
Heating water turnover in kWh million	255	156	+ 63
Steam turnover in kWh million	156	116	+ 34
Gas turnover in kWh million	107	127	– 16
Water turnover in m³ million	0.1	0.1	—
Combustible waste delivered in tonnes 000s	20	—	+ 100
External sales in Euro million	86	71	+ 21
EBIT in Euro million	4	4	—

Water segment – improvement in EBIT

Developments in the water business are dependent on private and business customers, who account for around 82 % of our water turnover. The year-on-year decline in volumes and sales by 4 % each in the quarter under report was largely due to lower consumption at the Mannheim, Kiel and Offenbach subgroups.

Operating earnings (EBIT) in the water segment rose year-on-year by Euro 2 million to Euro 4 million. The negative impact on margins of reduced water turnover was more than offset by cost savings in Mannheim and Kiel.

Value-added services segment – substantial sales growth

Segment sales rose year-on-year by Euro 15 million to Euro 86 million (+ 21 %). This growth was mainly attributable to the municipal contracting business and was largely driven by contracting services for the real estate sector, especially in the capital city of Berlin. Growth at Industriepark Gersthofen Servicegesellschaft mbH & Co. KG also enabled our industrial parks business (industrial contracting) to report a significant increase in sales. The refuse-derived fuel power plant at the Korbach location also posted initial sales following the launch of operations.

At Euro 4 million, operating earnings (EBIT) in the value-added services segment were at the same level as in the previous year.

Environmental Energy Segment 1st Quarter, 1. 10. – 31. 12.	2008/2009	2007/2008	% change
Combustible waste delivered in tonnes 000s	371	386	– 4
Electricity turnover in kWh million	88	59	+ 49
Steam turnover in kWh million	102	105	– 3
External sales in Euro million	47	48	– 2
EBIT in Euro million	17	20	– 15

A further biogas plant has been acquired in Oehna/Brandenburg and will generate electricity and heating energy for around 1200 households from June 2009. Within a large-scale investment programme organised by various development organisations in Kazakhstan, our consulting subsidiary MVV decon GmbH has been awarded an order to plan 55 substations as part of the rehabilitation of the electricity transmission and distribution grid. This consulting order has a volume of Euro 2.3 million. A further consulting order to modernise substations and transmissions lines has been received from Nigeria.

Environmental energy segment – decline in sales and earnings

Sales in the environmental energy segment fell year-on-year by 2 % to Euro 47 million. This was primarily due to a reduction in non-recyclable waste incineration sales at our locations in Mannheim, Offenbach and Leuna, mainly on account of prices, from Euro 39 million to Euro 38 million in the 1st quarter of 2008/09. As in the previous year's period, we generated sales of Euro 9 million in our energy business, i.e. decentralised steam and electricity generation at the waste incineration and biomass power plants in Mannheim and Königs Wusterhausen.

Operating earnings (EBIT) dropped year-on-year by Euro 3 million to Euro 17 million. Downtime caused by inspection work and breakdowns meant that the waste incineration plant in Mannheim fell short of its customary throughput in the 1st quarter of 2008/09. Moreover, earnings also suffered from higher gas procurement prices in the quarter under report.

We established MVV Environment Ltd. in September 2008 to probe the interesting economic prospects offered by the British waste market. MVV Umwelt GmbH has already participated in several bidder selection processes for municipal disposal contracts in the UK. Our presence has met with a great deal of interest from British municipal partners.

Interim Consolidated Financial Statements

Balance Sheet

as of 31. 12. 2008

Balance Sheet of the MVV Energie Group Euro 000s	**31. 12. 2008**	30. 9. 2008	Notes
Assets			
Non-current assets			
Intangible assets	312 622	314 928	
Property, plant and equipment	1 952 122	1 955 484	
Investment property	6 515	6 583	
Other financial assets	175 337	174 783	
Other receivables and assets	131 494	272 500	1
Deferred tax assets	2 243	968	2
	2 580 333	**2 725 246**	
Current assets			
Inventories	54 652	57 088	
Trade receivables	666 227	536 142	3
Other receivables and assets	497 729	284 395	1
Tax receivables	30 625	50 327	
Securities	6	7	
Cash and cash equivalents	60 430	97 123	
Assets held for sale	—	36 681	4
	1 309 669	**1 061 763**	
	3 890 002	**3 787 009**	

Balance Sheet of the MVV Energie Group Euro 000s	**31. 12. 2008**	30. 9. 2008	Notes
Equity and liabilities			
Equity			
Share capital	168 721	168 721	
Capital reserve	455 241	455 241	
Retained earnings, including unappropriated net profit	435 587	505 421	
Accumulated other comprehensive income	8 762	24 308	
Capital of the MVV Energie Group	**1 068 311**	**1 153 691**	
Minority interests	110 841	116 061	
	1 179 152	**1 269 752**	
Non-current debt			
Provisions	127 630	130 234	
Financial debt	912 943	912 572	
Other liabilities	186 486	213 798	6
Deferred tax liabilities	138 197	188 036	2
	1 365 256	**1 444 640**	
Current debt			
Other provisions	161 849	186 088	7
Tax provisions	52 106	44 428	8
Financial debt	387 273	324 020	9
Trade payables	294 527	240 312	10
Other liabilities	386 798	249 026	6
Tax liabilities	63 041	28 743	11
	1 345 594	**1 072 617**	
	3 890 002	**3 787 009**	

Income Statement

from 1. 10. to 31. 12. 2008

Income Statement of the MVV Energie Group Euro 000s	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007	Notes
Sales	878 287	704 922	
less electricity and natural gas taxes	47 907	42 384	
Sales after electricity and natural gas taxes	**830 380**	**662 538**	13
Change in inventories	– 1 859	– 4 386	
Own work capitalised	1 904	1 894	
Other operating income	188 106	100 314	14
Cost of materials	604 494	428 782	15
Personnel expenses	75 697	73 943	
Other operating expenses	380 210	97 727	14
Other income from shareholdings	1 059	1 193	
EBITDA	**– 40 811**	**161 101**	
Depreciation	35 429	36 975	
EBITA	**– 76 240**	**124 126**	
Goodwill amortisation	—	—	
EBIT [1]	**– 76 240**	**124 126**	
Financing income	4 433	2 369	
Financing expenses	28 275	26 412	
EBT	**– 100 082**	**100 083**	
Taxes on income	– 28 053	33 259	16
Net deficit/surplus for the period	**– 72 029**	**66 824**	
Minority interests	– 2 706	8 850	
Share of earnings allocable to shareholders in MVV Energie AG (net deficit/surplus for the period after minority interests)	**– 69 323**	**57 974**	17
Basic earnings per share (Euro)	**– 1.05**	**0.91**	17

[1] EBIT before IAS 39: Euro 91 821 thousand in 1st quarter of 2008/09 (Euro 87 471 thousand in 1st quarter of 2007/08)

Statement of Changes in Equity

from 1. 10. to 31. 12. 2008

Statement of Changes in Equity Euro 000s	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Retained earnings, including un-appropriated net profit	Accumulated other comprehensive income: Differential amount from currency translation	Accumulated other comprehensive income: Fair value measurement of financial instruments	**Capital of MVV Energie Group**	Minority interests	**Total capital**
Balance at 1. 10. 2007	142 764	255 523	383 397	13 170	3 487	**798 341**	115 361	**913 702**
Income and expenses recognised directly in equity	—	—	—	432	1 051	1 483	– 635	848
Result of business operations	—	—	57 974	—	—	57 974	8 850	66 824
Comprehensive income for the period	—	—	57 974	432	1 051	**59 457**	8 215	**67 672**
Distribution of dividend	—	—	—	—	—	—	– 475	– 475
Capital increase	25 957	199 709	—	—	—	225 666	—	225 666
Change in retained earnings	—	—	424	—	—	424	– 424	—
Balance at 31. 12. 2007	168 721	455 232	441 795	13 602	4 538	**1 083 888**	122 677	**1 206 565**
Balance at 1. 10. 2008	168 721	455 241	505 421	17 256	7 052	**1 153 691**	116 061	**1 269 752**
Income and expenses recognised directly in equity	—	—	—	– 5 455	– 10 091	– 15 546	– 3 117	– 18 663
Result of business operations	—	—	– 69 323	—	—	– 69 323	– 2 706	– 72 029
Comprehensive income for the period	—	—	– 69 323	– 5 455	– 10 091	**– 84 869**	– 5 823	**– 90 692**
Change in scope of consolidation	—	—	– 511	—	—	—	603	92
Balance at 31. 12. 2008	168 721	455 241	435 587	11 801	– 3 039	**1 068 311**	110 841	**1 179 152**

The statement of changes in equity was adapted to the customary international reporting format at the end of the 2007/08 financial year. The comparable quarter has been amended accordingly.

Segment Report

from 1. 10. to 31. 12. 2008

Income Statement by Segment	External Sales excluding energy taxes		Intercompany Sales excluding energy taxes		EBIT		EBIT before IAS 39	
Euro 000s	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007
Electricity	413 037	305 516	8 895	2 154	– 134 809	55 852	21 033	19 197
District heating	98 213	99 235	11 328	5 394	30 467	25 788	29 141	25 788
Gas	156 469	112 961	18 557	11 654	3 635	15 548	17 180	15 548
Water	24 118	24 986	167	78	3 728	2 331	3 728	2 331
Value-added services	86 142	71 362	25 699	22 826	3 757	3 665	3 757	3 665
Environmental energy	46 979	47 519	12 462	9 284	17 269	19 677	17 269	19 677
Other/consolidation	5 422	959	– 77 108	– 51 390	– 287	1 265	– 287	1 265
MVV Energie Group	**830 380**	662 538	**—**	—	**– 76 240**	124 126	**91 821**	87 471

Cash Flow Statement

from 1. 10. to 31. 12. 2008

Cash Flow Statement of the MVV Energie Group Euro 000s	1. 10. 2008 to 31. 12. 2008	1. 10. 2007 to 31. 12. 2007
Net deficit/surplus for the period before taxes on income	– 100 082	100 083
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	35 429	36 975
Net interest expenses	23 842	24 043
Interest received	1 848	1 568
Change in non-current provisions	– 2 604	– 2 879
Other non-cash income and expenses	165 952	– 35 053
Result generated from disposal of non-current assets	– 625	– 76
Cash flow before working capital and taxes	**123 760**	**124 661**
Change in other assets	– 224 052	– 135 423
Change in other liabilities	59 534	40 560
Change in current provisions	– 23 690	– 361
Income taxes paid	– 12 208	– 6 632
Cash flow from operating activities	**– 76 656**	**22 805**
Investments in intangible assets, property, plant and equipment and investment property	– 43 894	– 41 309
(Free cash flow)	**(– 120 550)**	**(– 18 504)**
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	5 101	620
Proceeds from subsidy payments	2 301	1 913
Proceeds from sale of fully and proportionately consolidated companies	34 800	—
Proceeds from sale of other financial assets	4 941	14 000
Payments for acquisition of fully and proportionately consolidated companies	—	237
Payments for other financial assets	– 3 214	– 3 828
Cash flow from investing activities	**35**	**– 28 367**
Proceeds from taking up of loans	166 165	73 556
Payments for redemption of loans	– 96 520	– 202 938
Proceeds from capital increases	—	225 666
Dividend payment	—	—
Dividend payment to minority shareholders	—	– 475
Interest paid	– 28 362	– 18 598
Cash flow from financing activities	**41 283**	**77 211**
Cash-effective changes in cash and cash equivalents	– 35 338	71 649
Change in cash and cash equivalents due to currency translation	– 1 355	– 2 259
Cash and cash equivalents at 1. 10. 2008 (2007)	97 123	99 583
Cash and cash equivalents at 31. 12. 2008 (2007)	**60 430**	**168 973**

Cash flow – aggregate presentation Euro 000s	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007
Cash and cash equivalents at 1. 10. 2008 (2007)	**97 123**	99 583
Cash flow from operating activities	– 76 656	22 805
Cash flow from investing activities	35	– 28 367
Cash flow from financing activities	41 283	77 211
Change in cash and cash equivalents due to currency translation	– 1 355	– 2 259
Cash and cash equivalents at 31. 12. 2008 (2007)	**60 430**	168 973

Notes to the Interim Consolidated Financial Statements

1st Quarter of 2008/09

Disclosures concerning the company

MVV Energie AG has its legal domicile in Mannheim, Germany. The MVV Energie Group acts as an energy distribution company and service provider in the fields of electricity, district heating, gas, water and value-added services. Its environmental energy activities focus on the incineration of non-recyclable waste.

These abridged interim consolidated financial statements were prepared by the Executive Board on 11 February 2009. The abridged interim consolidated financial statements and interim group management report have not been subject to any audit review.

Accounting policies

The abridged interim consolidated financial statements for the period from 1 October 2008 to 31 December 2008 have been prepared in accordance with IFRS accounting requirements as adopted by the EU, and in particular with IAS 34 "Interim Financial Reporting". These interim consolidated financial statements do not include all notes and disclosures required of a complete set of annual financial statements and should therefore be read in conjunction with the consolidated financial statements as of 30 September 2008. No application has been made of published standards and interpretations not yet requiring mandatory application.

With the exception of the new provisions outlined below, the accounting policies applied in the interim consolidated financial statements as of 31 December 2008 therefore correspond to those applied in the consolidated financial statements as of 30 September 2008.

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have amended or newly adopted some standards and interpretations which required mandatory application for the first time in the abridged interim consolidated financial statements. The MVV Energie Group has applied the following standards and interpretations for the first time in the 2008/09 financial year:

IFRIC 13:	Customer Loyalty Programmes
IFRIC 14:	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The initial application of these new provisions did not have any notable implications.

No application was made of IFRIC 12 "Service Concession Arrangements" in the quarter under report, as this interpretation has not yet been adopted in the relevant legislation. This is expected to take place in the 1st quarter of 2009.

The statement of changes in equity has been adjusted compared with the abridged interim consolidated financial statements for the 1st quarter of the 2007/08 financial year to conform to the customary international reporting format. The comparable period has been adjusted accordingly.

In contrast to the presentation in the 2007/08 financial year and in the interests of greater transparency, the dividend payment line item has been supplemented by a new line item, namely dividend payment to minority shareholders. The comparable figures have been adjusted accordingly. These amendments have not led to any displacements within the cash flow statement.

The preparation of the interim consolidated financial statements in some cases required the use of assumptions and estimates which impacted on the values stated for the assets, liabilities, income and expenses thereby reported. Actual figures could in individual cases deviate at a later point in time from the assumptions and estimates thereby made. Resultant amendments would have a corresponding impact on earnings upon more accurate information becoming available.

Changes in the scope of consolidation

In addition to MVV Energie AG, 51 German and foreign subsidiaries in which MVV Energie AG directly or indirectly holds a majority of the voting rights are fully consolidated in the interim consolidated financial statements of the MVV Energie Group (30 September 2008: 53). The relevant control concept requires the parent company to exercise a controlling influence for a company to be fully consolidated. This is the case for all fully consolidated companies.

DECON Deutsche Energie-Consult Ingenieurgesellschaft mit beschränkter Haftung, Bad Homburg v. d. Höhe, was merged into MVV decon GmbH, Mannheim, and MVV Energiedienstleistungen GmbH IS Südwest, Mannheim, was merged into MVV Energiedienstleistungen GmbH Südwest, Mannheim, in both cases as of 1 October 2008. The incorporating companies are both group companies. These mergers did not have any implications for the financial, net asset and earnings position of the Group.

Currency translation

The currency translation in the abridged interim consolidated financial statements has been based on the following exchange rates:

1 Euro	Rate on reporting date		Average rate	
	31.12.2008	30.9.2008	**1.10.2008 to 31.12.2008**	1.10.2007 to 31.12.2007
Polish zlotys (PLN)	—	—	—	3.662
Czech crowns (CZK)	26.875	24.660	25.344	26.317
British pounds (GBP)	0.953	0.790	0.839	—

(Source: European Central Bank)

The reporting date rates for Polish zlotys have been omitted due to the disposal of the Polish subgroup in the 2007/08 financial year.

Seasonal influences on business activities

The seasonal nature of business activities at the companies in the MVV Energie Group means that a higher level of sales and operating earnings is regularly generated in the first two quarters of our financial year than in the 3rd and 4th quarters.

Notes on the Balance Sheet

1 Other receivables and assets

The decline in non-current other receivables and assets compared with 30 September 2008 is largely attributable to the significant reduction in market prices, as well as to a reclassification to current other assets of energy trading transactions recognised under IAS 39 with delivery dates in the 2009 calendar year.

The increase in other current assets is chiefly due to security deposits paid in the context of energy trading transactions in order to reduce counterparty risk. Amounting to Euro 83 059 thousand, these were paid by the MVV Energie Group both to the EEX (European Energy Exchange) and to other trading partners within the framework of bilateral agreements. A further reason for the significant increase is the reclassification already referred to above of energy trading derivatives with delivery dates in the 2009 calendar year from non-current to current other assets. A further amount of Euro 13 000 thousand related to the payment of the purchase price for the remaining 49 % of the shares in MVV Energiedienstleistungen Wohnen GmbH & Co. KG, Berlin.

2 Deferred taxes

The rise in deferred tax receivables and decline in deferred tax liabilities are chiefly attributable to the sharp reduction in the fair values of energy trading transactions.

3 Trade receivables

The rise in trade receivables in the 1st quarter of the 2008/09 financial year is a customary seasonal phenomenon. Consumption accruals do not compensate in full for the increased energy turnover during the winter months and thus lead to a seasonal rise in trade receivables. The sales growth in the 1st quarter of the 2008/09 financial year is also reflected in a higher volume of receivables.

4 Assets held for sale

The assets of Euro 36 681 thousand reported as held for sale as of 30 September 2008 mainly consisted of the shareholding held in MVV Polska Sp. z o.o., Warsaw, Poland, amounting to Euro 34 049 thousand, which was spun off to MVV Nederland B.V., Netherlands. A selling price of Euro 34 800 thousand was realised in the quarter under report. Moreover, the office building reported as held for sale was transferred to its new owner as of 1 October 2008. The selling price of Euro 3 700 thousand has also been realised.

5 Distribution of dividend

The Annual General Meeting to be held on 13 March 2009 will decide on the distribution of a dividend of Euro 0.90 per individual share for the 2007/08 financial year (total distribution: Euro 59 316 thousand).

6 Other liabilities

The reduction in non-current other liabilities is chiefly attributable to the reclassification of energy trading derivatives with delivery dates in the 2009 calendar year from non-current to current other liabilities.

The increase in current other liabilities compared with 30 September 2008 is largely the result of the significant reduction in market prices, as well as of the reclassification to current other liabilities of energy trading transactions recognised under IAS 39 with delivery dates in the 2009 calendar year. The impact of this development was countered by the discontinuation of security deposits received in the context of energy trading transactions.

7 Other provisions

The reduction in other current provisions was mainly due to the utilization of personnel provisions in the quarter under report.

8 Tax provisions

The rise in tax provisions largely relates to taxes on income in view of increased quarterly earnings prior to the IAS 39 measurement item.

9 Financial debt

The increase in current financial debt is primarily the result of increased short-term demand for financial funds at MVV Energie AG.

10 Trade payables

The rise in trade payables is due to seasonal factors. As a result of increased energy procurement by the MVV Energie Group during the winter months, the corresponding accrual of consumption leads to increased volumes of trade payables.

11 Tax liabilities

The rise in tax liabilities is principally due to an increased VAT payment charge and higher energy tax liabilities.

12 Contingent liabilities

There have been no material changes in contingent liabilities since 30 September 2008.

Notes on the Income Statement

13 Sales

A depiction of sales broken down into their respective segments has been provided in the segment report. The growth in sales compared with the 1st quarter of the previous year is due to increased electricity trading and nationwide electricity and gas sales volumes and to higher prices.

14 Other operating income and other operating expenses

The rise in other operating income and other operating expenses is mainly due to the recognition of energy trading derivatives measured in accordance with IAS 39. The disproportionate increase in other operating expenses in the 1st quarter of 2008/09 was primarily due to the marked decline in commodity prices. The negative IAS 39 valuation item amounted to Euro 168 061 thousand in the 1st quarter of 2008/09. The application of IAS 39 in the comparable quarter in the previous year still led to a positive valuation item of Euro 36 655 thousand. These IAS 39 valuation items are reflected at Euro 171 966 thousand under other operating income (comparable quarter: Euro 89 656 thousand) and at Euro 340 027 thousand under other operating expenses (comparable quarter: Euro 53 001 thousand).

15 Cost of materials

The increase in the cost of materials compared with the equivalent period in the previous year is primarily the result of seasonal volume and price factors.

16 Taxes on income

Taxes on income Euro 000s	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007
Taxes on income	– 28 053	33 259
Effective tax rate in %	28.0	33.2

The recognition of deferred tax assets, mainly due to the development in the fair value of energy trading transactions, resulted in tax income during the quarter under report (comparable quarter: tax expenses). Pursuant to IAS 34.30 (c), the tax expenses on earnings before IAS 39 were calculated in the quarter under report using the tax rate expected for the 2008/09 financial year as a whole, which amounts to 32.9 %. The tax rate (tax income) for earnings after IAS 39 amounts to 28.0 %.

17 Earnings per share

Earnings per share	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007
Share of earnings allocable to shareholders in MVV Energie AG (Euro 000s)	– 69 323	57 974
No. of shares in 000s (weighted quarterly average)	65 907	63 482
Earnings per share (Euro)	– 1.05	0.91

It was not necessary to account for any dilution effects.

18 Segment reporting

The electricity segment includes the value creation steps involved in the generation, trading, distribution and sale of electricity. The gas and district heating segments include the value creation stages involved in the procurement, distribution and sale of gas and of heating water and steam. As well as procurement, distribution and sale, the water segment also includes the value creation stage of production (waterworks).

In addition to the activities of the MVV Energiedienstleistungen subgroup, the value-added services segment also includes the value-added services businesses at the municipal utility companies. The shared service companies 24/7 Metering GmbH, 24/7 United Billing GmbH and 24/7 IT-Services GmbH are also reported in the value-added services segment.

The environmental energy segment includes the activities relating to the incineration of non-recyclable waste and the operation of biomass power plants.

The other/consolidation section depicts consolidation items, as well as those activities not allocable to individual business segments.

Segment revenues have been reported net of energy taxes in the abridged interim consolidated financial statements.

Intercompany sales represent the volume of sales between the group companies. The transfer prices applied to transfers between the segments correspond to customary market prices. Segment sales are equivalent to the total of intercompany and external sales.

Operating earnings (EBIT) have been selected to represent segment earnings. We have refrained from depicting the transition to net earnings for the period in our segment reporting as this information is already provided in the income statement.

19 Cash flow statement

In contrast to the presentation in the 2007/08 financial year, and in the interests of greater transparency, the dividend payment line item has been supplemented by a new line item, namely dividend payment to minority shareholders. The comparable figures have been adjusted accordingly. These amendments have not led to any displacements within the cash flow statement.

The cash flow before working capital and taxes showed no significant changes compared with the equivalent period in the previous year. The substantial changes in net deficit/surplus for the period before taxes on income compared with the equivalent quarter in the previous year, which are attributable to the IAS 39 valuation item, are eliminated on the level of other non-cash income and expenses and of changes in working capital.

The cash flow from operating activities is characterised by the marked increase in trade receivables and the decline in other current provisions. All in all, this resulted in a negative cash flow from operating activities.

The cash flow from financing activities is positive due to increased taking up of loans. The comparable quarter was characterised by a capital increase and the resultant possibility of loan redemption. The cash flow from investing activities was neutral. The investment outlays made in the 1st quarter of 2008/09 were largely offset by the inflow of funds from the sale of the Polish subgroup.

20 Relationships to related companies, individuals and entities

Euro 000s	Goods and services provided					
	Income		Expenses		Receivables	
	1. 10. 2008 to 31. 12. 2008	1. 10. 2007 to 31. 12. 2007	**1. 10. 2008 to 31. 12. 2008**	1. 10. 2007 to 31. 12. 2007	**31. 12. 2008**	30. 9. 2008
Abfallwirtschaft Mannheim	72	10	1 724	25	166	282
ABG Abfallbeseitigungs-gesellschaft mbH	7 504	9 249	1 086	1 560	33	26
GBG Mannheimer Wohnungsbaugesellschaft mbH	198	139	8	—	429	2 059
m:con – Mannheimer Kongress- und Touristik GmbH	814	772	62	74	5 287	5 676
MVV GmbH	248	782	545	645	75	164
MVV OEG AG	72	112	—	—	66	52
MVV Verkehr AG	211	267	4	4	797	1 079
Rhein-Neckar-Verkehr GmbH	2 573	2 139	—	—	3 140	5 384
Stadtentwässerung Mannheim	1 086	1 311	115	260	514	966
City of Mannheim	3 672	3 250	6 140	5 742	980	1 445
Proportionately consolidated companies	35 028	16 024	6 822	4 032	4 523	3 861
Other companies controlled by the City of Mannheim	1 990	1 873	19	14	513	5 171
	53 468	35 928	**16 525**	12 356	**16 523**	26 165

Numerous contractually agreed legal relationships are in place between companies of the MVV Energie Group and the City of Mannheim and the companies controlled by the latter (electricity, gas, water and district heating supply agreements, rental, leasing and service agreements). Moreover, a concession agreement is in place between MVV Energie AG and the City of Mannheim.

All business arrangements have been concluded at customary market conditions and are basically analogous to the supply and service agreements concluded with other companies.

The liabilities towards the City of Mannheim and its affiliated companies mainly relate to loan liabilities towards MVV GmbH.

Liabilities	
31. 12. 2008	30. 9. 2008
1	—
—	8
—	—
—	—
38 700	38 991
—	—
1	1
—	—
4	—
—	19
8 883	4 135
—	151
47 589	43 305

21 Events after the balance sheet reporting date

Supplies in the district heating pipeline to the north of Mannheim were interrupted between 21 January and 23 January 2009 to enable necessary repairs to be performed. As a result, the districts of Waldhof, Käfertal and Schönau could not be supplied to the full customary extent with district heating. The implications for the net asset, financial and earnings position are not deemed material.

Mannheim, 11 February 2009
MVV Energie AG
Executive Board

Dr. Müller   Brückmann   Dr. Dub   Farrenkopf

Responsibility Statement

"To the best of our knowledge, and in accordance with the accounting principles applicable to interim financial reporting, the interim consolidated financial statements give a true and fair view of the net asset, financial and earnings position of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group up to the end of the 2008/09 financial year."

Mannheim, 11 February 2009
MVV Energie AG
Executive Board

Dr. Müller Brückmann Dr. Dub Farrenkopf

Financial Calendar

13. 3. 2009	Annual General Meeting
16. 3. 2009	Payment of Dividend
15. 5. 2009	Financial Report 2nd Quarter of 2008/2009
15. 5. 2009	Press Conference and Analysts' Conference 2nd Quarter of 2008/2009
14. 8. 2009	Financial Report 3rd Quarter of 2008/2009 Analysts' Conference
19. 11. 2009	Publication of Preliminary Results for the 2008/2009 Financial Year
30. 12. 2009	Annual Financial Report 2008/2009 (Annual Report)

Imprint

Publisher

MVV Energie AG
Luisenring 49
D-68159 Mannheim

Postal address
D-68142 Mannheim

Tel: ++49 (0) 621 290-0
Fax: ++49 (0) 621 290-2324

www.mvv-energie.de
energie@mvv.de

Editorial responsibility

Wilfried Schwannecke
Tel: ++49 (0) 621 290-2392
Fax: ++49 (0) 621 290-3075
w.schwannecke@mvv.de

Contact

Marcus Jentsch
Head of Group Department
Investor Relations
Tel: ++49 (0) 621 290-2292
Fax: ++49 (0) 621 290-3075
www.mvv-investor.de
ir@mvv.de

Design: Anja Patricia Helm, 745 Agentur für Gestaltung, Düsseldorf