



MVV Energie – Energising the Future

Fact book

Consolidated financial statements for the
2008/09 financial year pursuant to IFRS

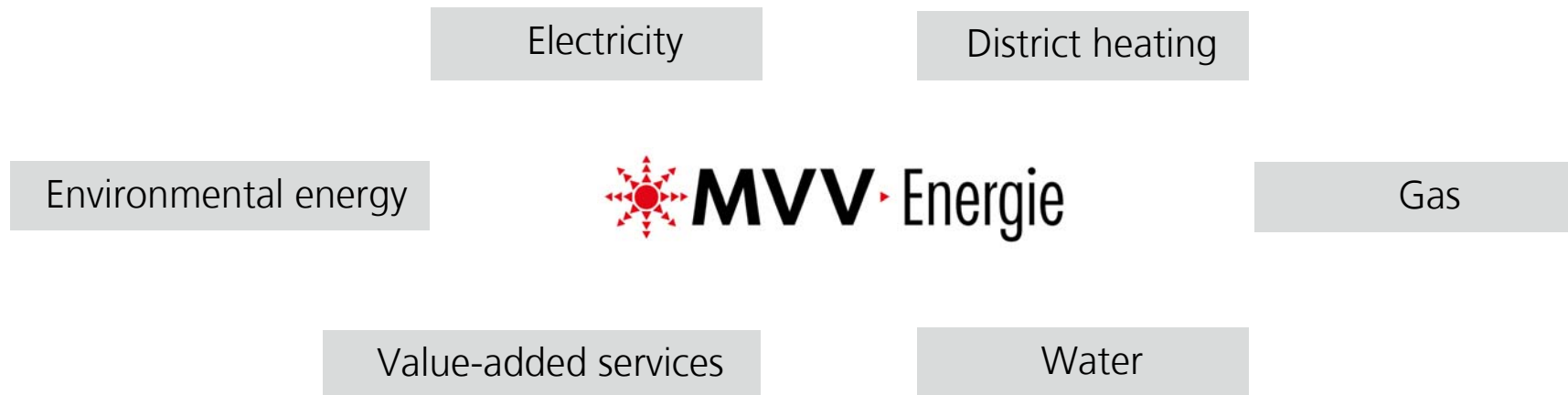
27 January 2010

www.mvv-investor.de



MVV Energie in brief

Business activities of the MVV Energie Group

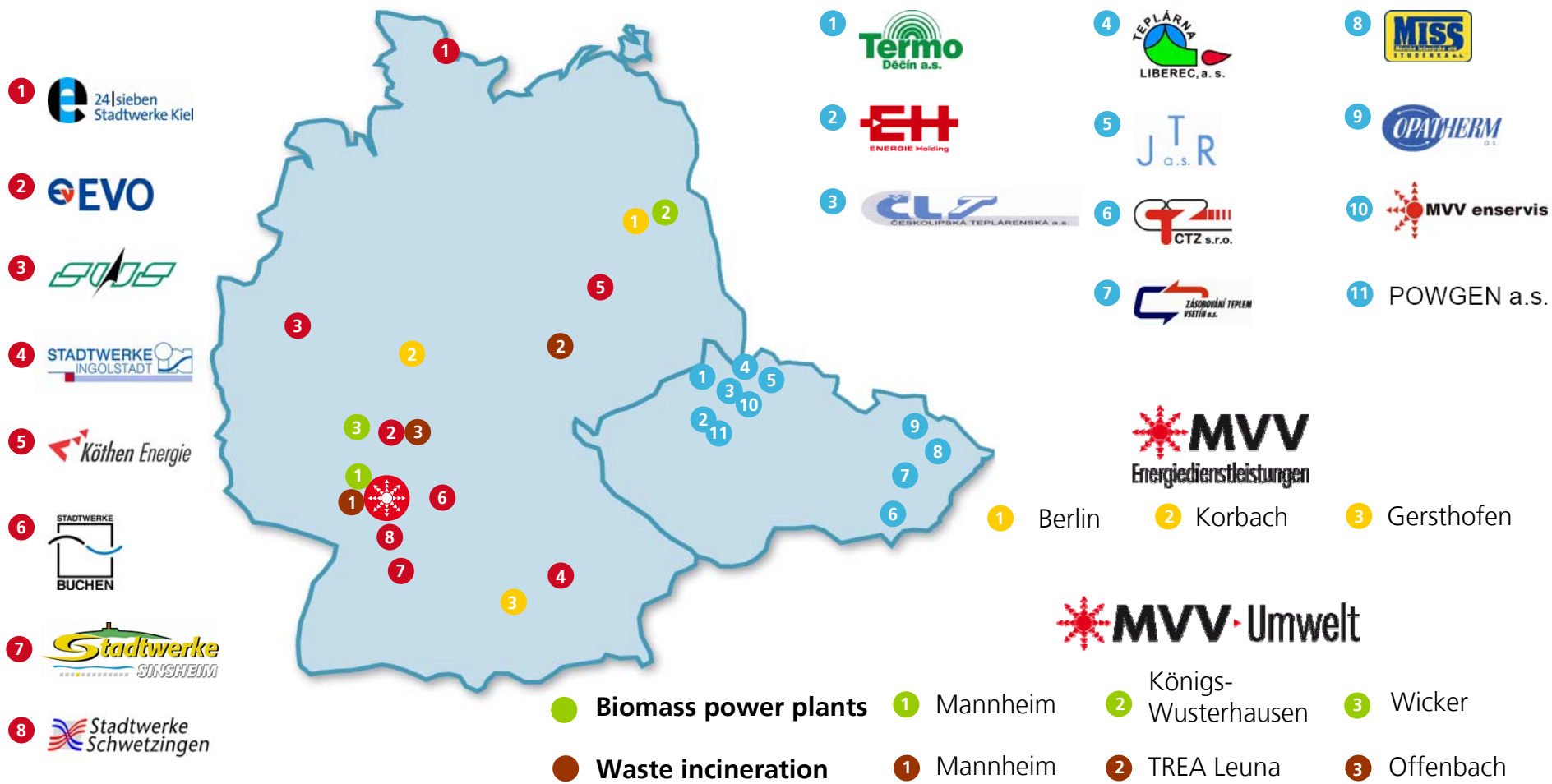


Energy industry value chain



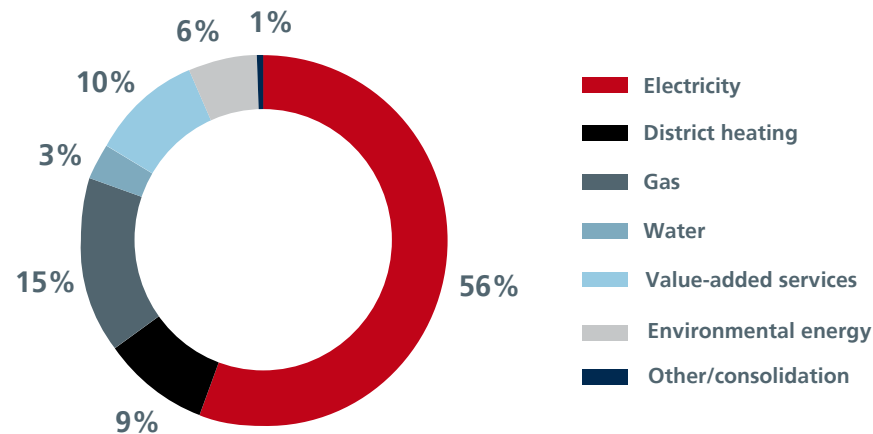
Municipal utility companies and major locations of the MVV Energie Group

 **MVV** Energie CZ

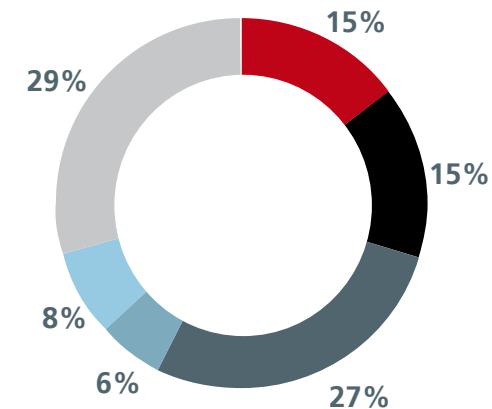


Sales and adjusted EBIT by segment – well-balanced business portfolio

Sales by segment in 2008/09 financial year



Adjusted EBIT in 2008/09 financial year



► Key figures (2008/09 FY pursuant to IFRS)

Sales ¹ :	Euro 3,161 million
Adjusted EBIT :	Euro 239 million
Adjusted annual net surplus:	Euro 185 million
Adjusted equity ratio:	33.9%
Employees:	6,053

¹ excluding electricity and natural gas taxes



Key financial data for the 2008/09 financial year

We achieved all our targets in the 2008/09 financial year

- ▶ Sales target for 2008/09 FY was above Euro 2.8 billion.
With actual sales of Euro 3.2 billion this target has been achieved



- ▶ Adjusted EBIT target slightly lower than in 2007/08 FY (Euro 249 million).
With actual adjusted EBIT of Euro 239 million this target has been achieved



Key figures of the MVV Energie Group for the 2008/09 financial year – Adjusted

Earnings performance in Euro million

	2008/09 (1.10-30.9.)		2007/08 (1.10-30.9.)		% change
Sales excluding electricity and energy tax	3,161		2,636		+20
Adjusted EBITDA ¹	385		398		-3
Adjusted EBIT ²	239		249		-4
Adjusted EBT ²	165		181		-9
Adjusted annual net surplus ²	12		123		-9
Adjusted annual net surplus after minority interests ²	98		110		-11
Adjusted earnings per share ^{2,3} in Euro	1.48		1.69		-12
Free cash flow ⁴	20		54		63

¹ excluding non-operative IAS 39 valuation items in connection with financial derivatives

² excluding non-operative IAS 39 valuation items in connection with financial derivatives and excluding one-off charges for write-downs at energy-related services subgroup

³ increase in number of shares (weighted annual average) from 65.3 million to 65.9 million as a result of capital increase

⁴ cash flow from operating activities less investments in intangible assets, property, plant and equipment and investment property

Sales by segment in the 2008/09 financial year

Sales in Euro million

	2008/09 (1.10-30.9.)		2007/08 (1.10-30.9.)		% change
Electricity ¹	1,760		1,382		+27
District heating	294		303		-3
Gas ²	486		356		+37
Water	101		102		-1
Value-added services ³	308		277		+11
Environmental energy	194		194		-
Other/consolidation	18		22		-18
	<u>3,161</u>		<u>2,636</u>		+20

¹ excluding electricity tax

² excluding natural gas tax

³ excluding electricity and natural gas taxes

Adjusted EBIT by segment in the 2008/09 financial year¹

Adjusted EBIT in Euro million

	2008/09 (1.10-30.9.)	2007/08 (1.10-30.9.)	% change
Electricity	35	64	-45
District heating	36	38	-5
Gas	66	35	+89
Water	14	10	+40
Value-added services	18	20	-10
Environmental energy	71	81	-12
Other/consolidation	-1	1	-200
	<u>239</u>	<u>249</u>	-4

¹ excluding non-operative IAS 39 valuation items in connection with financial derivatives and excluding one-off charges for write-downs at energy-related services subgroup

2008/09 financial year: EBIT adjusted for IAS 39 and one-off factors

in Euro million

	2008/09 (1.10-30.9.)		2007/08 (1.10-30.9.)		+/- change
EBIT (unadjusted)	-23		337		-360
+ Net valuation item for financial derivatives	+229		-88		+317
+ Expenses for restructuring measure (one-off expenses and posting write-downs)	+33		-		+33
= Adjusted EBIT	<u>239</u>		<u>249</u>		-10

Factors relevant to adjusted EBIT performance in the 2008/09 financial year

Positive one-off factors

- ▶ Positive margin effects due to strong volume growth in gas business
- ▶ Cost savings due to optimised gas procurement for special contract customers
- ▶ Sale of gas cavern in Kiel and of two local gas grids in the Mannheim region

Negative one-off factors

- ▶ Lower revenues from electricity generation
- ▶ Price cuts and losses incurred due to lower volumes of consumption at industrial electricity customers in wake of economic crisis
- ▶ Sale/deconsolidation of Polish subgroup in previous year
- ▶ Volume and price reductions in waste business
- ▶ Downtime due to inspection measures and interruptions to operations at energy from waste plants in Mannheim and Leuna

Sales and adjusted EBIT performance by quarter

Euro million

	2008/09 (1.10-30.9.)		2007/08 (1.10-30.9.)		% change
1 st Quarter	830		663		+25
2 nd Quarter	958		749		+28
3 rd Quarter	694		630		+10
4 th Quarter	679		594		+14
Sales in the financial year	<u>3,161</u>		<u>2,636</u>		+19

1 st Quarter	92		87		+6
2 nd Quarter	120		107		+12
3 rd Quarter	38		57		+33
4 th Quarter	-11		-2		-450
Adjusted EBIT in the financial year	<u>239</u>		<u>249</u>		-4

Sales volumes in the 2008/09 financial year (total volume from all segments)

Sales volumes ¹

	2008/09 (1.10-30.9.)		2007/08 (1.10-30.9.)		% change
Electricity in kWh million ²	19,582		18,188		+8
of which wholesale in kWh million ^{2,3}	6,939		5,797		+20
of which retail/secondary distributors in kWh million ³	12,643		12,391		+2
District heating in kWh million	7,217		7,006		+3
Gas in kWh million	10,851		9,166		+18
of which wholesale in kWh million ³	1,529		864		+77
of which retail/secondary distributors in kWh million ³	9,322		8,302		+12
Water in m³ million	53.2		55.1		-3
Combustible waste delivered in tonnes 000s	1,599		1,550		+3

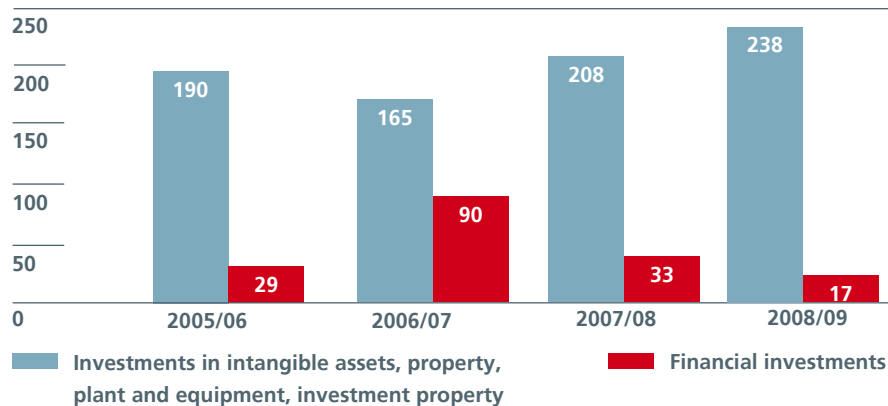
¹ total volume from all segments

² recalculation of own-account trading in year under report and previous year

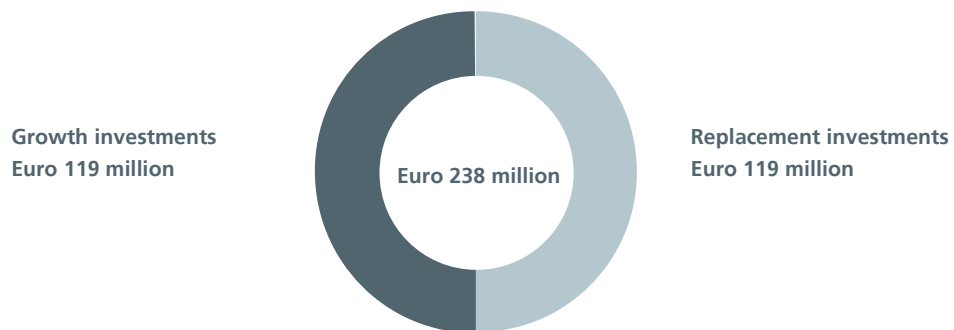
³ reallocation of secondary distributors in year under report and previous year

Investment and growth

Investments in Euro million



Investments in intangible assets in 2008/09 financial year



► Existing business

- Optimising and preserving substance of supply facilities and distribution grids
- Extending the supply of district heating in Mannheim
- Renovation of supply tunnel under Kiel Firth

► Environment

- Construction of Boiler 6 at Mannheim energy from waste plant

► Energy-related services

- Construction of industrial power plants in Gersthofen and Korbach (refuse-derived fuels)
- Construction of biomass cogeneration plant in Mertingen
- Acquisition of new shareholdings in energy-related services business



MVV Energie – Strategic repositioning

Long-term structural transformation changes environment for the MVV Energie Group and provides framework for strategy

Mega-trends	Implication	Examples
Structural change	Energy efficiency and climate protection	▶ Political intervention is changing the industry – CO ₂ certificates, Renewable Energies Act ...
Stagnation / decline in demand	Crowding-out competition	▶ Most forecast institutes ¹ expect to see stagnation – energy companies expect decline
Erosion in margins	Pressure on costs	▶ Marked increase over time in competitive pressure / pressure to consolidate in all stages of value chain (including grids)
New markets	Growth opportunities	▶ New business fields such as energy efficiency and renewable energies potentially offer new opportunities

¹ EWI, BMWI, Fraunhofer, BDEW – forecast with decline scenario

MVV 2020 – Two strategic basic approaches: optimisation and implementation

1 Optimisation of existing business

► Optimisation measures to lay foundation for strategic steps and counter charges on earnings

- One-off expenses and posting write-downs aims to boost the efficiency of MVV Energiedienstleistungen GmbH for the future
- Realignment will sustainably improve the earnings performance at the high-growth energy-related service division
- Structure and process optimisation at MVV Energie AG and major utility shareholdings

2 Implementation of growth initiatives

► Enhancing portfolio of business activities

- Renewable energies (focus on wind onshore and biomass)
- Expansion of energy-related services after successful realignment
- Expansion of district heating
- Construction of the new Block 9 at GKM forms the basis for a secure long-term electricity and district heating supply
- Strengthening of industrial customer sales
- Further development of environmental energy business
- Municipal utilities/concessions

Targeted enhancement of energy-related services business; first lay foundations to successfully exploit attractive market climate

Opportunities

Market potential provides "tailwind"

- ▶ Energy-related services segment is one of the few business fields with substantial growth rates (3-5% p.a.)
- ▶ Less than 50% of market potential currently tapped

Market position achieved

- ▶ Number three in German energy-related services market

Challenges

Focus is required

- ▶ Achievable yields vary significantly between individual market segments
- ▶ Focus available resources (financial and personnel) on attractive market segments

Implement restructuring in near future

- ▶ Organisational and cost structures harbour potential for optimisation – the existing business must also meet return expectations

Entrepreneurial decision

Exploit market growth, focus energy-related services, generate positive value added contribution

Targeted further development of energy-related services business – foundations laid for successful restructuring

Key features of realignment ERS¹

- ▶ **Increase operating efficiency**
- ▶ **Simplify organisational structures**
- ▶ **Reduce number of legal entities**

Key areas of focus

- ▶ **Contracting & Energy Efficiency**
Contracting services in the fields of energy supply, operations management and energy saving, reduce energy expenses by offering technical, commercial and all-round optimisation services
- ▶ **Industrial Parks**
Services in the field of energy & utilities; services in the fields of occupational, environmental and health protection
- ▶ **Consulting**

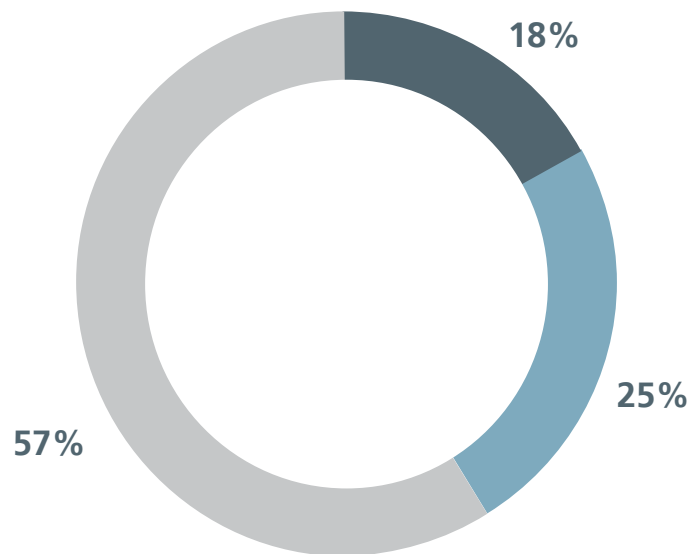
Business areas not in focus

- ▶ **Infrastructure Planning**
Especially land improvement and development projects and transport systems
- ▶ **Power plants not based on cogeneration**
- ▶ **Individual consulting segments**

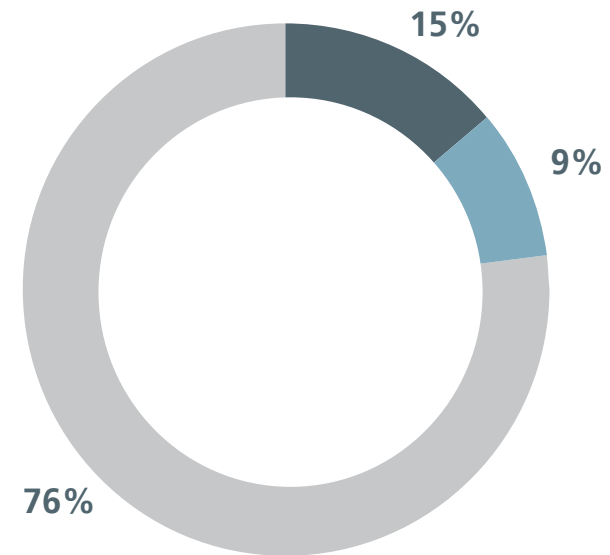
¹ energy-related services

High priority for renewable energies at MVV Energie Group

Electricity generation of the MVV Energie Group in Germany in the 2008/09 FY: 3.8 TWh



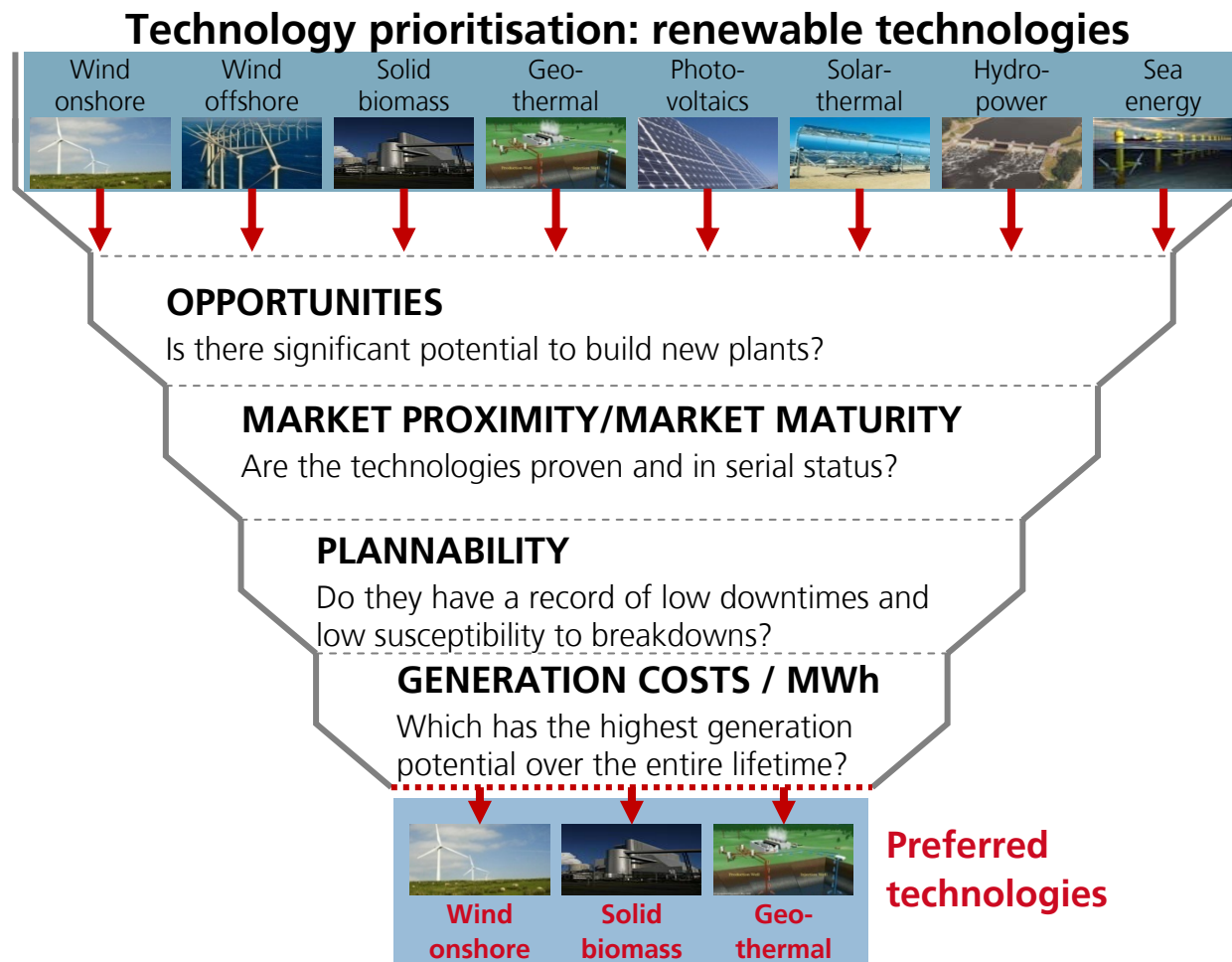
Gross electricity generation in Germany in 2008: 639 TWh



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

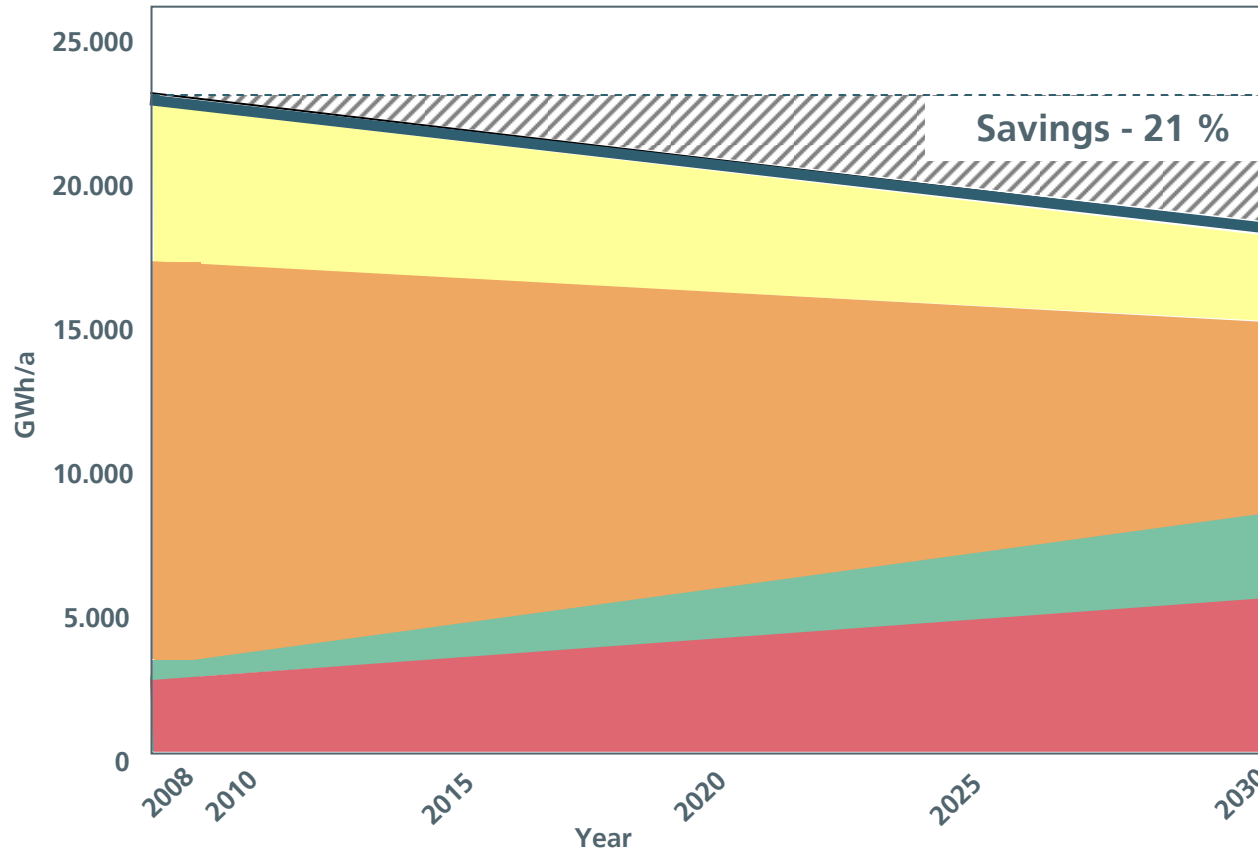
Source: Federal Ministry of the Environment (BMU), AGE Energiebilanzen (preliminary) and own calculations

Expand renewable energies – technologies prioritised on basis of four key criteria



- ▶ Alternative renewable energies technologies assessed in accordance with four criteria within a “funnel model”
- ▶ On this basis, analysis of eight alternatives led to identification of three preferred technologies
 - Wind onshore
 - Solid biomass
 - Geothermal energy
- ▶ Monitor opportunities and implement when favourable opportunities arise

Results of district heating study in Rhine/Neckar metropolitan region



Energy source in %

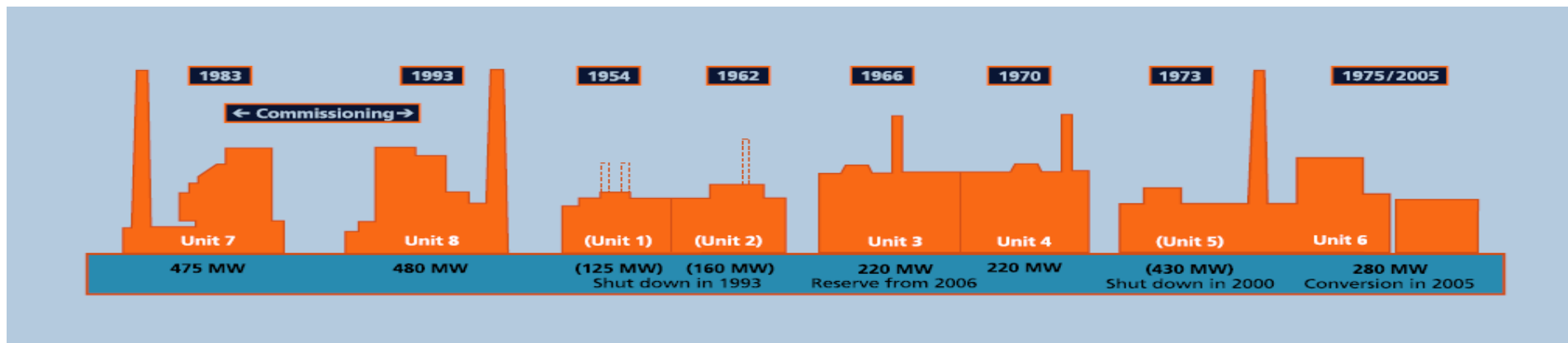
	2008	2030
District heating	13.0	28.9
Renewable	0.6	14.4
Gas	63.4	46.2
Oil	22.0	10.0
Other	1.0	0.4

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 (cogeneration)
- ▶ Climate-friendly CO₂ regime and increasing efficiency as well as saving resources
- ▶ Investment volume: Euro 1.2 billion, financing organised by GKM itself; capacity: 911 MW electric power or 500 MW thermal energy

Grosskraftwerk Mannheim (GKM); MVV Energie AG share: 28%

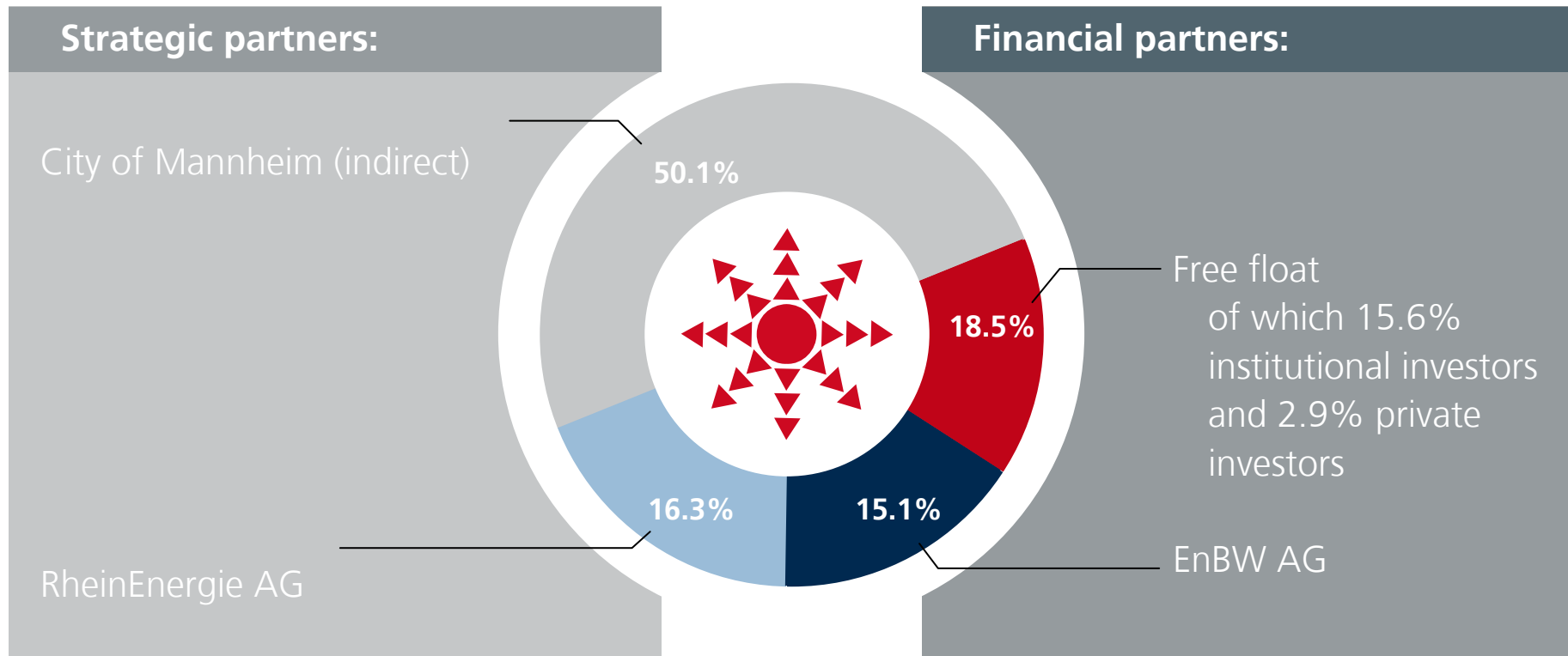


With Block 9, we are laying the foundation for the expansion of cogeneration and district heating – an ecologically necessary step which also makes economic sense and is being promoted by the Federal Government.



The share of MVV Energie

Current shareholder structure and key figures of MVV Energie AG



▶ **No. of shares:**

65.907 million

▶ **Average daily turnover:**

19,162 shares

▶ **Market capitalisation:**

Euro 2,039 million

(Closing price on 25.1.2010:
Euro 30.94)

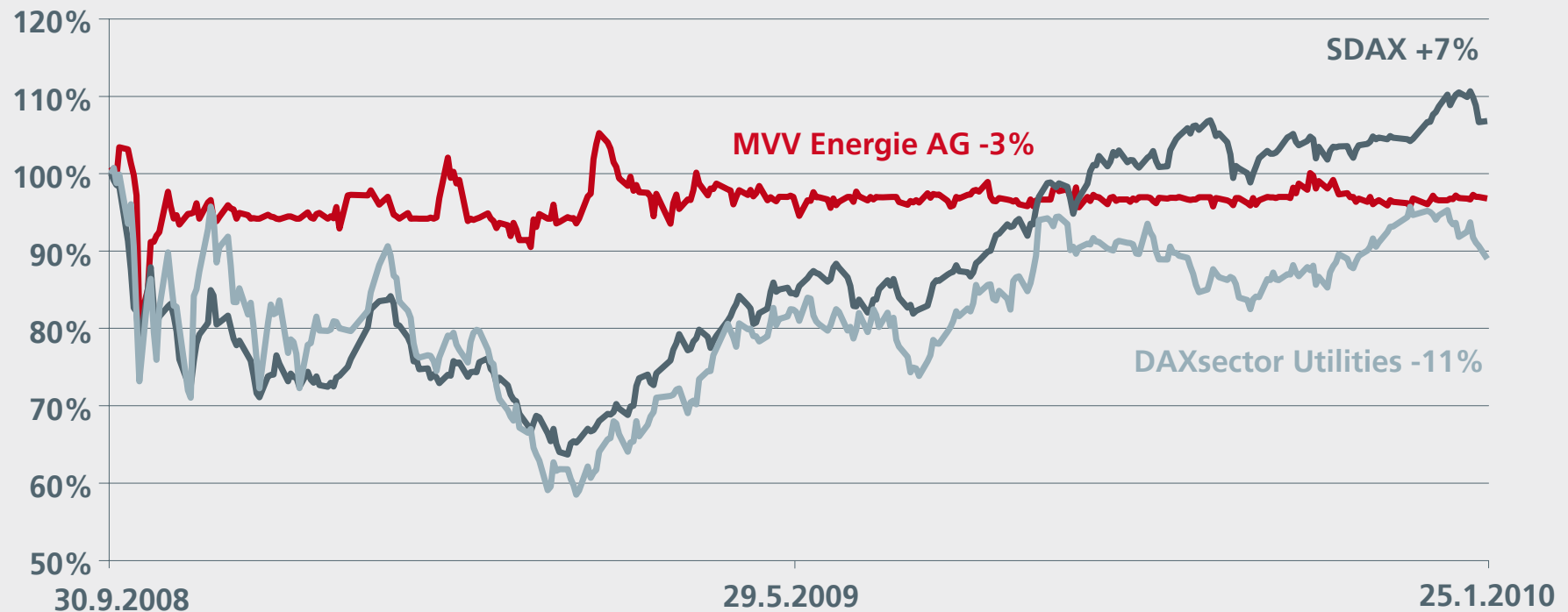
▶ **Free float:**

Euro 377 million

MVV Energie's share proved stable in a weak market

The MVV Energie AG share (ISIN DE000A0H52F5)

XETRA trading



Share chart as performance comparison (including dividend payment in March 2009) with SDAX and DAXsector Utilities

High dividend distribution in past eight years

Dividend

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Dividend/Share (Euro)	0.75	0.75	0.75	0.75	0.80	0.80	0.90	0.90 ³
Total dividend ¹ (Euro million)	38.,0	38.0	38.0	41.8	44.6	52.7	59.3	59.3
Dividend yield ² (%)	5.0	4.9	5.2	3.9	3.4	2.7	2.7	2.9

¹ with dividend entitlement until FY 2003/04: 50.7 million shares; FY 2004/05: 55.7 million shares; FY 2005/06: 55.8 million shares; from FY 2006/07: 65.9 million shares

² dividend yield based on respective closing price in XETRA trading on 30 September

³ pending approval by the Annual General meeting on 12 March 2010

Advantages for our shareholders

- ▶ **Stability** due to diversified portfolio
- ▶ Solid balance sheet with matching maturities and **high equity ratio**
- ▶ High volume of **investments in future** in fields of renewable energies, energy-related services, district heating, power plant in Mannheim (GKM) and further expansion of nationwide sales of electricity and gas to industrial customers
- ▶ Solid **dividend yields**
- ▶ Listed in the Prime Standard (**SDAX**)
- ▶ Continuous **improvement in IR communications** (3rd position in SDAX stock market segment in 2009 Investor Relations Prize awarded by the business magazine Capital)



We are committed to shareholder value



Outlook

Outlook for 2009/10 financial year

▶ Sales target (excluding electricity and natural gas taxes) for 2009/10 financial year at around previous year's level (Euro 3.16 billion in 2008/09 financial year)



▶ Adjusted EBIT target at around previous year's level (Euro 239 million in 2008/09 financial year)





Financial calendar of 2009/10

Financial calendar of 2009/10

- ▶ 19.11.2009 Publication of Preliminary Results for the 2008/09 Financial Year and Analysts` Conference Call
- ▶ 27.1.2010 Annual Results Press Conference and Analysts` Conference in Frankfurt/Main
- ▶ 15.2.2010 Financial Report 1st Quarter of 2009/10
- ▶ 12.3.2010 Annual General Meeting in Mannheim
- ▶ 15.3.2010 Payment of Dividend
- ▶ 14.5.2010 Financial Report 2nd Quarter of 2009/10 and Analysts` Conference Call
- ▶ 13.8.2010 Financial Report 3rd Quarter of 2009/10 and Analysts` Conference Call