



MVV Energie – Energising the Future

Analysts` presentation

Consolidated financial statements for the
2009/10 financial year pursuant to IFRS

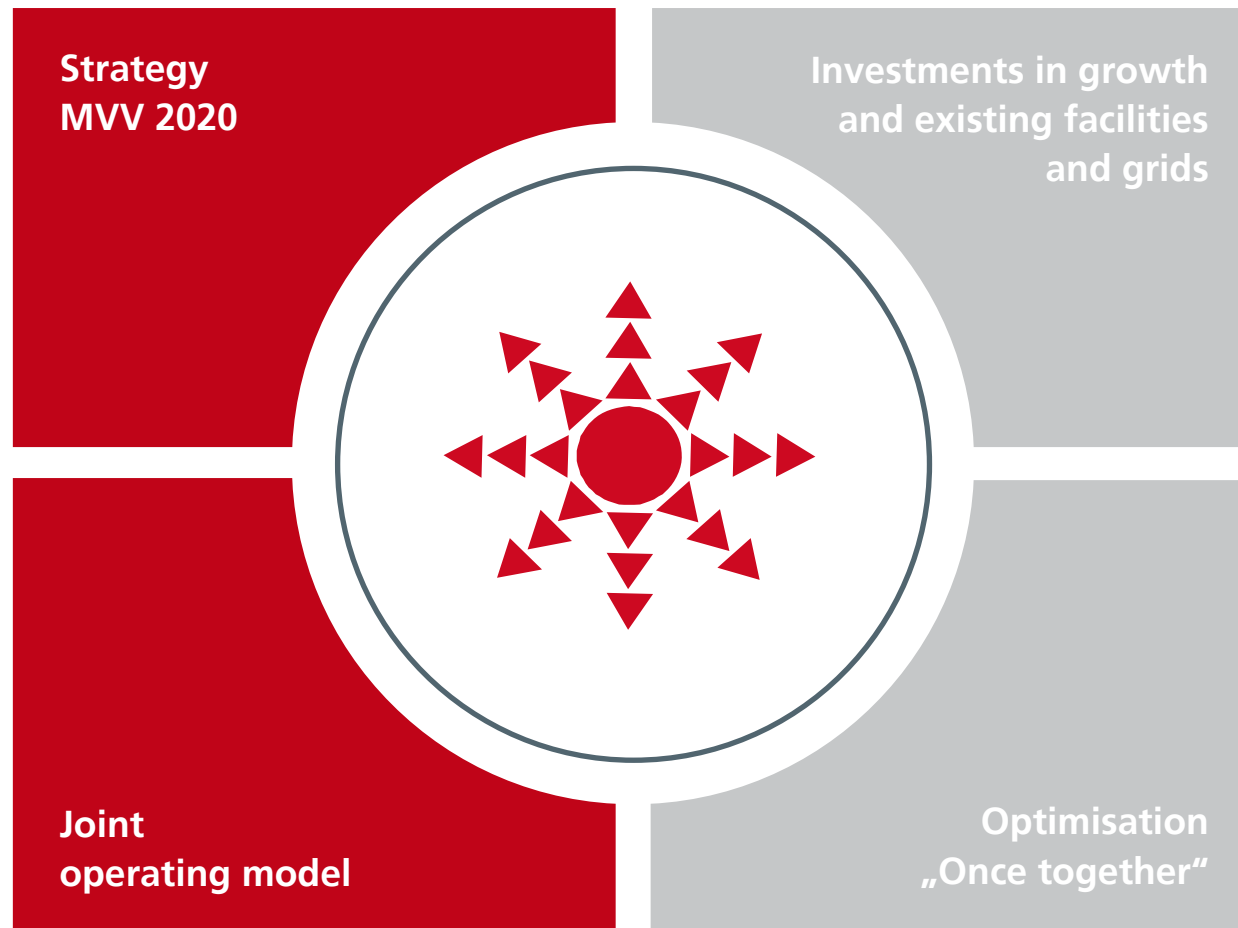
12 January 2011

www.mvv-investor.de



Our Understanding of Our Business

MVV Energie – Energising the future





Key financial data for the 2009/10 financial year

We achieved all our targets in the 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). With actual sales of Euro 3.36 billion this target has been exceeded.



- ▶ Adjusted EBIT target at around previous year's level (Euro 239 million in 2008/09 financial year). With actual adjusted EBIT of Euro 239 million this target has been achieved.



- ▶ Proposal of a constant dividend of Euro 0.90 per share for the 2009/10 financial year.



Key figures of the MVV Energie Group for the 2009/10 financial year – Adjusted

Earnings performance in Euro million

	2009/10 (1.10-30.9.)		2008/09 (1.10-30.9.)		% change
Sales excluding electricity and energy tax	3,359		3,161		+6
Adjusted EBITDA ¹	402		385		+4
Adjusted EBIT ²	239		239		0
Adjusted EBT ²	165		165		0
Adjusted annual net surplus ²	105		112		-6
Adjusted annual net surplus after minority interests ²	95		98		-3
Adjusted earnings per share ² in Euro	1.44		1.48		-3
Free cash flow ³	154		20		+670

1 excluding non-operating IAS 39 measurement items in connection with energy trading derivatives

2 excluding non-operating IAS 39 measurement items in connection with energy trading derivatives and one-off restructuring expenses at MVV Energiedienstleistungen GmbH subgroup in previous year

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

Sales by segment in the 2009/10 financial year

Sales in Euro million

	2009/10 (1.10-30.9.)		2008/09 (1.10-30.9.)		% change
Electricity ¹	2,010		1,760		+14
District heating	307		294		+4
Gas ²	429		486		-12
Water	100		101		-1
Value-added services ³	307		308		0
Environmental energy	187		194		-4
Other	19		18		+6
	<u>3,359</u>		<u>3,161</u>		+6

1 excluding electricity tax

2 excluding natural gas tax

3 excluding electricity and natural gas taxes

Adjusted EBIT by segment in the 2009/10 financial year¹

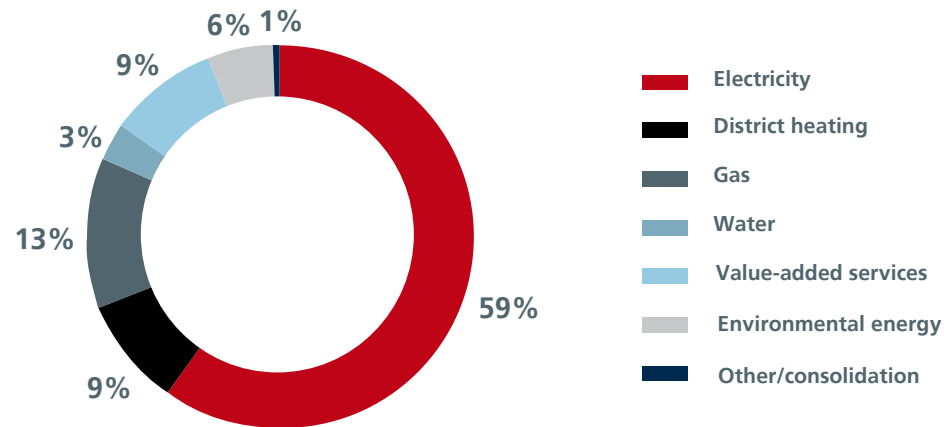
Adjusted EBIT in Euro million

	2009/10 (1.10-30.9.)	2008/09 (1.10-30.9.)	% change
Electricity	54	35	+54
District heating	48	36	+33
Gas	58	66	-12
Water	13	14	-7
Value-added services	4	18	-78
Environmental energy	62	71	-13
Other/consolidation	0	-1	+100
	<u>239</u>	<u>239</u>	0

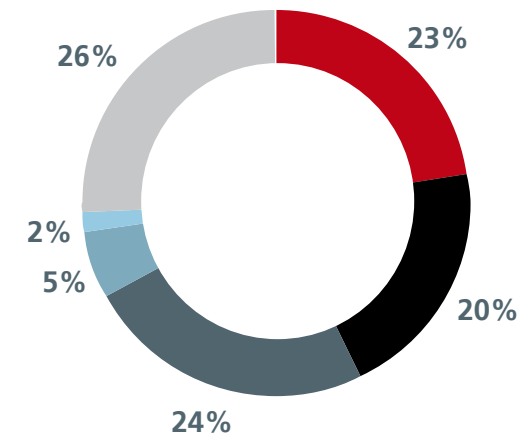
¹ excluding non-operating IAS 39 measurement items in connection with energy trading derivatives and one-off restructuring expenses at MVV Energiedienstleistungen GmbH subgroup in previous year

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

Sales by segment in 2009/10 financial year



Adjusted EBIT in 2009/10 financial year



► Key figures (2009/10 FY pursuant to IFRS)

Sales ¹ :	Euro 3,359 million
Adjusted EBIT:	Euro 239 million
Adjusted annual net surplus:	Euro 105 million
Adjusted equity ratio:	35.7%
Employees:	6,068

¹ excluding electricity and natural gas taxes

2009/10 financial year: EBIT adjusted for IAS 39

in Euro million

	2009/10 (1.10-30.9.)		2008/09 (1.10-30.9.)		+/- change
EBIT	308		-23		+331
+ Net valuation item for financial derivatives	-69		+229		-298
+ Expenses for restructuring measure	-		+33		-33
= Adjusted EBIT	<u>239</u>		<u>239</u>		0

Factors relevant to adjusted EBIT performance in the 2009/10 financial year

Positive one-off factors

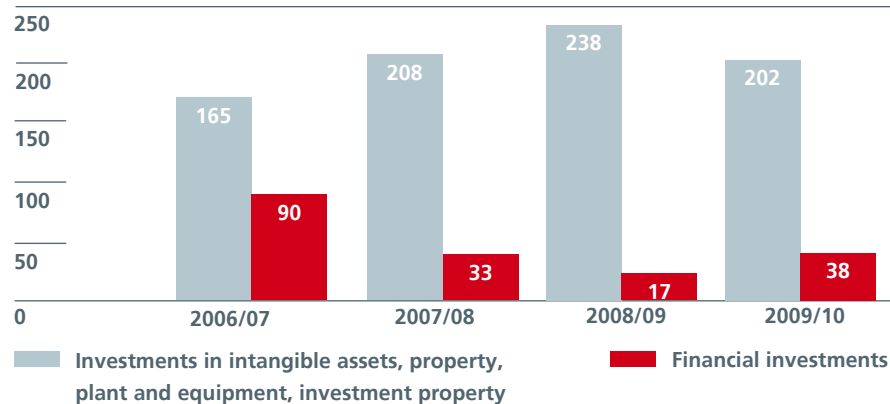
- ▶ One-off impact of reversal of provisions and discontinuation of one-off charges in electricity segment in previous year
- ▶ Economic upturn benefits electricity business
- ▶ Positive impact on margin due to weather-related volume growth in district heating business, better district heating production in Kiel and initial consolidation of IROMEZ (CZ)
- ▶ Positive margin items in gas business
- ▶ Launch of operations with Boiler 6 at Mannheim cogeneration plant

Negative one-off factors

- ▶ One-off impact of asset impairments (Altenstadt, Waldenergie Bayern) in energy-related services subgroup
- ▶ Non-repetition of previous year's income from sale of gas grids in Heddesheim and Sinsheim
- ▶ Price-related downturn in waste business
- ▶ Weaker energy business at environmental energy subgroup due to lower energy prices

Investment and growth

Investments in Euro million



Investments¹ in 2009/10 financial year



¹ Investments in intangible assets, property, plant and equipment, investment property

► Existing business

- Optimising and preserving substance of supply facilities and distribution grids
- Completion of Boiler 6 at Mannheim cogeneration plant
- Renovation of supply tunnel under Kiel Firth

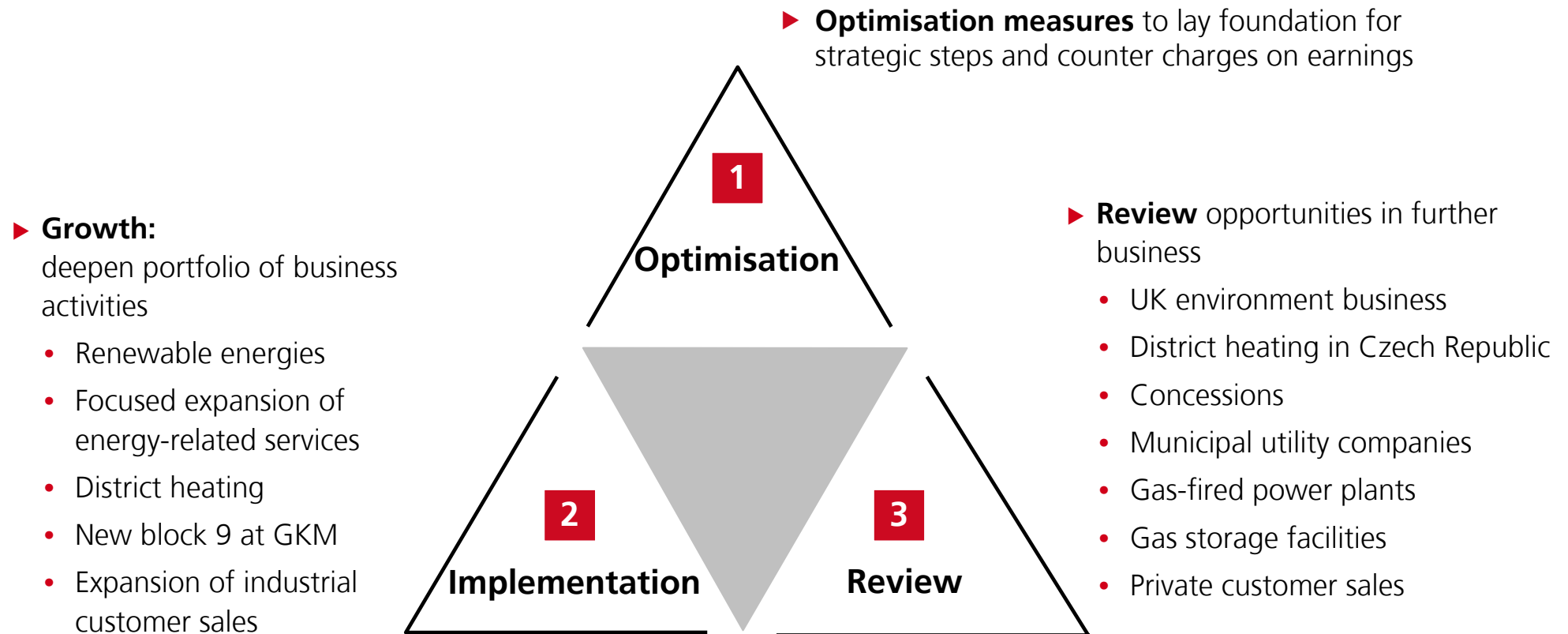
► Growth investments

- Extending the supply of district heating in Mannheim and construction of a district heating pipeline to Speyer
- Construction of a compression plant for wood pellet production in Offenbach
- Acquisition of Plauerhagen wind farm
- Construction of industrial power plant in Gersthofen (refuse-derived fuels)
- Construction of biomass cogeneration plant in Mertingen
- Contracting project for the Federal Office for the Protection of the Constitution (*Bundesverfassungsschutz*) in Cologne
- Acquisition of new shareholdings in materials flow management companies and district heating shareholdings in Czech Republic (IROMEZ)

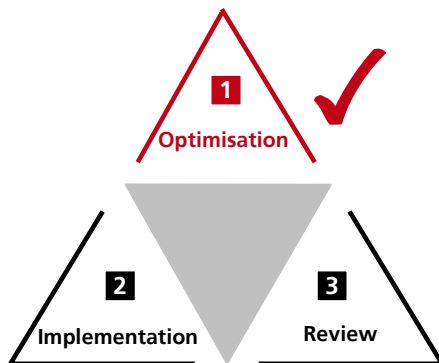


MVV Energie – Strategic positioning

Our strategy: three strategic focuses with investments of Euro 3 billion by 2020



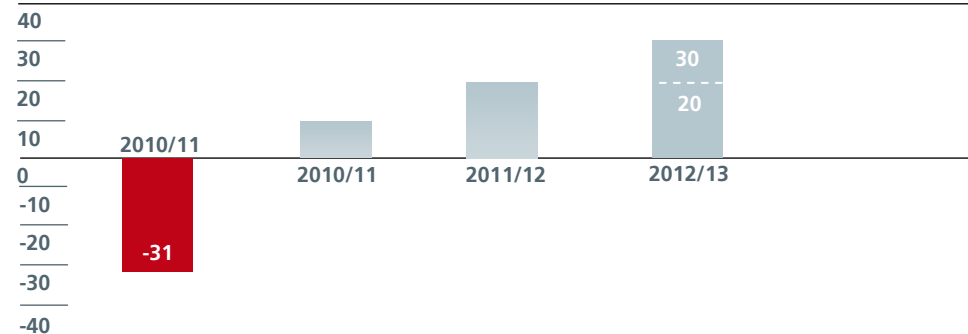
Optimisation: Creating a sustainable foundation



► Future earnings enhancements at the MVV Energie Group

- Increasing volume of savings each year, set to reach Euro 20 million to Euro 30 million by FY 2012/13
- Recognition of provisions of Euro 31 million in FY 2010/11 for material and personnel cost savings
- Socially responsible cutting of 450 jobs by 2020

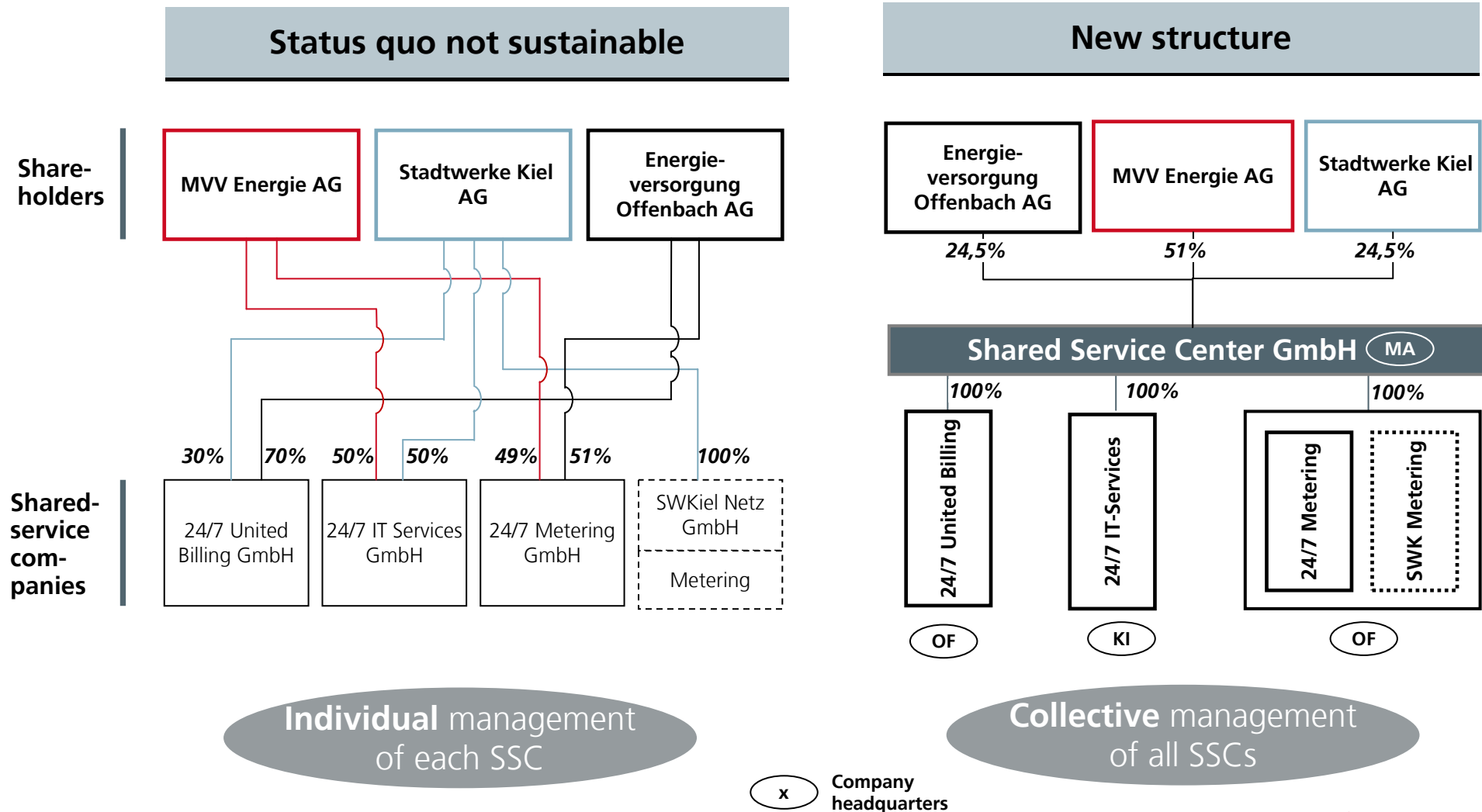
Statement of provisions and annual savings in Euro million



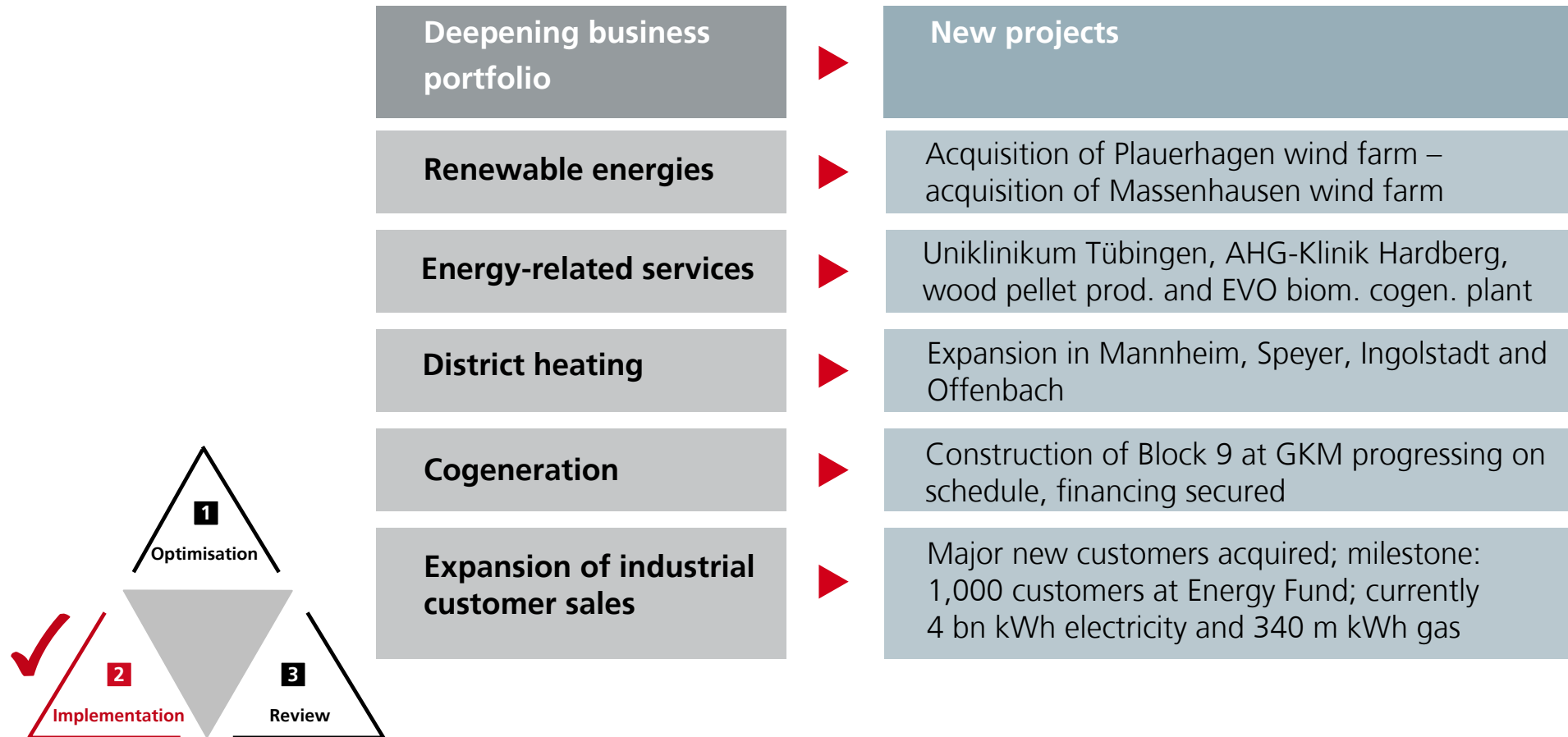
► Energy-related services subgroup: Neutralisation of historic charges

- Impairment losses of Euro 20 million as of 30.9.2010
- Restructuring in organisational and personnel terms

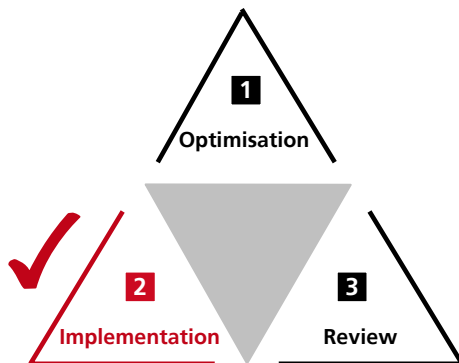
Optimisation: Shared-service companies currently not competitive – to be managed collectively in future



Implementation: Investments made in growth projects in all five areas of strategic priority



Implementation: Plauerhagen wind farm – First step in high-growth wind energy market

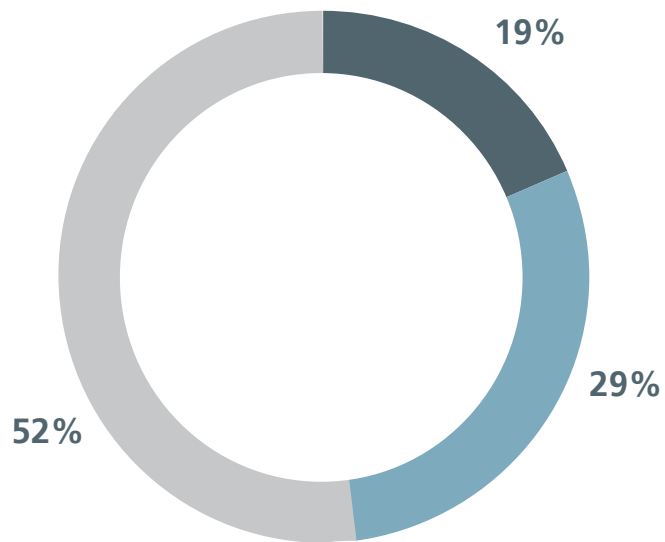


Technical data

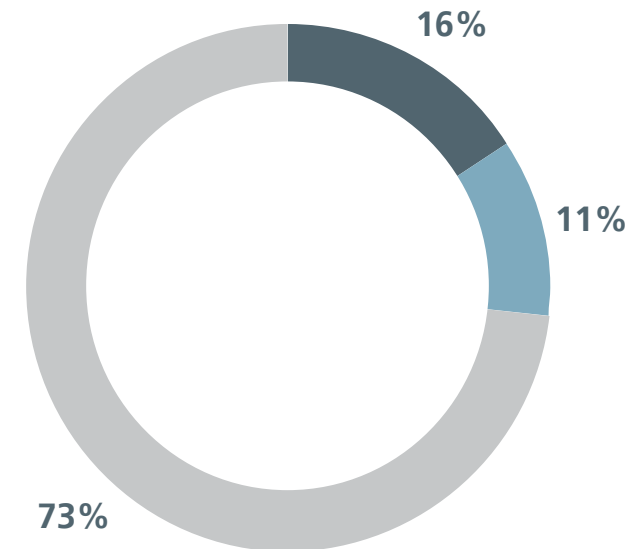
- Plauerhagen location in Mecklenburg-Vorpommern
- Eight e.n.o. 82 type wind energy plants
- Hub height: 101 metres
- Output: 16 MW_e
- Electricity production: approx. 35 GWh p.a.
- Supply to around 10,000 households

High priority for renewable energies at MVV Energie Group – Target: Expansion to 30% share of generation by 2020

Electricity generation of the MVV Energie Group in Germany in FY 2009/10: 3.7 TWh



Gross electricity generation in Germany in 2009: 594 TWh



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

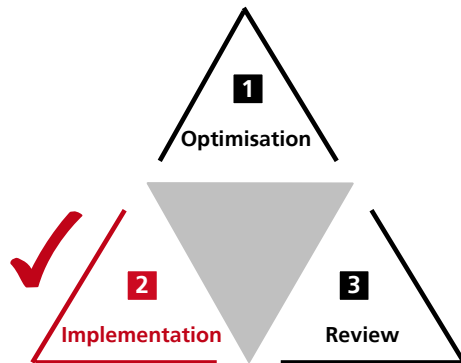
Source: Association of the German Energy and Water Industries (BDEW), Federal Ministry for the Environment, Nature Conservation and Reactor Safety and own calculations (preliminary)

Implementation: Successful expansion of district heating – Ingolstadt example



► Ingolstadt district heating association

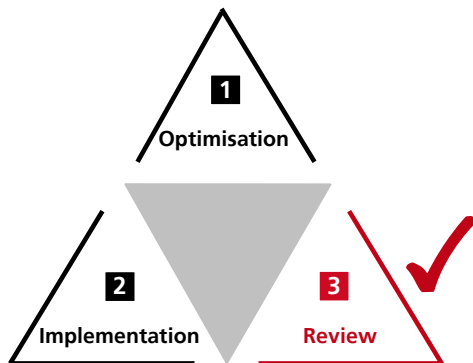
- Bavaria's largest waste heat and district heating project
- Cooperation project with Petroplus Refinery, City of Ingolstadt and AUDI AG
- Construction of a 5.3 km district heating pipeline
- District heating output to be increased starting in spring 2011 from 190 GWh p.a. to approx. 300 GWh p.a. by 2013
- Investments: around Euro 23 million



Successful expansion of district heating – Czech example

► COGEN I

- Energy-efficient conversion of 7 existing heating energy generation plants at 4 locations to cogeneration plants
- Electricity output: increase from 35 MW_e to 48 MW_e
- Heating energy output: increase from 321 MW_t to 336 MW_t
- Investments: approx. Euro 13 million
- Plants in operation since January 2010



► COGEN II

- Stake in Českolipská teplárenská a.s. stocked up from 35% to 94.99% in FY 2008/09 and installation of four energy-efficient cogeneration plants in Česká Lípa by 2011
- Electricity output: 8 MW_e
- Heating energy output: 8 MW_t
- Investments: approx. Euro 9 million

Plymouth energy from waste plant project: MVV Energie selected as preferred bidder



Technical data

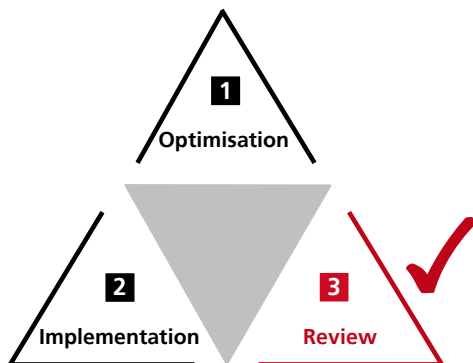
- ▶ Nominal capacity: 245,000 tonnes p.a.
- ▶ Net electricity production: 22.5 MW
- ▶ Max. heating energy supply: 23.3 MW

Broad revenue base

- ▶ Municipal waste contract: 25-year term, 75% bring-or-pay
- ▶ Commercial waste contract: 10-year term, bring-or-pay
- ▶ Energy supply contract with a 25-year term to supply electricity and steam to navy base
- ▶ Government support for cogeneration and generation of renewable energy from biogenic share of waste

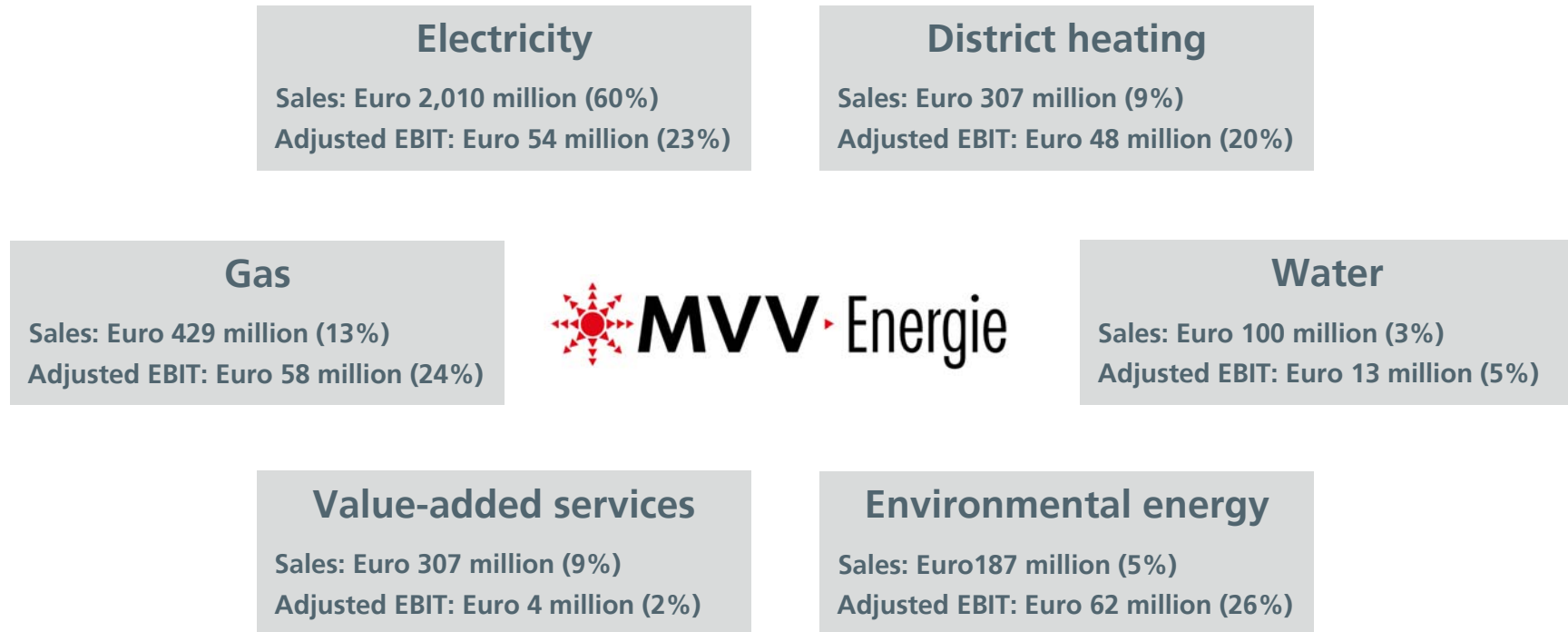
Investment and financing

- ▶ Investment: app. Euro 250m
- ▶ Financing concept designed and currently being finalised
- ▶ Financial close: March 2011
- ▶ Construction: from 2012
- ▶ Operations: from 2014



Exporting our wealth of expertise in generating energy from waste to the UK

Business segments 2009/10 of the MVV Energie Group



Figures in brackets: Share of total sales / of total adjusted EBIT

Our claim: Energising the future

Core strategic elements



New reporting segments based on value creation stages from 2010/11 financial year

Generation and Infrastructure

Trading and Portfolio Management

Sales and Services

Strategic Investments

Other Activities

Our demands for expansion of cogeneration and district heating

Status quo:

- ▶ Importance of environmentally-friendly district heating and cogeneration not adequately accounted for in Federal Government's Energy Concept

Core statements in BET survey "2025 Cogeneration and District Heating Pact":

- ▶ The expansion target of achieving a 25% share of cogeneration in electricity generation is achievable by 2025 provided that the current annual maximum subsidy volume of Euro 750 million is upheld
 - Condition: Adjustment of subsidy instruments, especially the German Cogeneration Act to include focused incentives to modernise, increase flexibility and enhance efficiency of plants and to increase density of district heating grids and extend plant subsidies through to 2025
- ▶ Based on the current subsidy framework, the 25% target will not be met
- ▶ What's more, in terms of electricity the balancing out potential offered by cogeneration plants makes an important contribution towards integrating renewable energies
- ▶ For the foreseeable future, expanding cogeneration represents most effective means of cutting CO₂ emissions, particularly in existing building stock/conurbations and in industrial processes:
 - Even with enhanced efficiency, substantial volumes of heating energy will still have to be supplied as ecologically and economically as possible. Renewable energies often not feasible (biomass: no volumes available; heating pumps: space required; geothermal energy: not universally available)

25% cogeneration target for electricity generation achievable by 2025 given enhanced subsidy instruments

Current subsidy

Subsidy for plants starting operations by 2016

Subsidy for max. 30,000 full load hours or 6/4 years

No bonus for particularly high efficiency

Subsidy starting from modernisation costs > 50 % of costs of new plant

District heating grid subsidy of Euro 1 x pipeline length (m) x nominal diameter (mm) until 2020

No nationwide requirements for supply of heating energy to existing building stock



MVV Energie's proposal



Extension to 2025



Abolish annual limit, i.e. subsidy for max. 30,000 full load hours



Floating bonus for high electricity key figures (0.6-1.1)



Additionally: Half subsidy rate for modernisations with costs > 25 % of new plant to promote increased efficiency and flexibility



Grid subsidy until 2025 of Euro 80 per kW of pipeline output as incentive to increase grid density



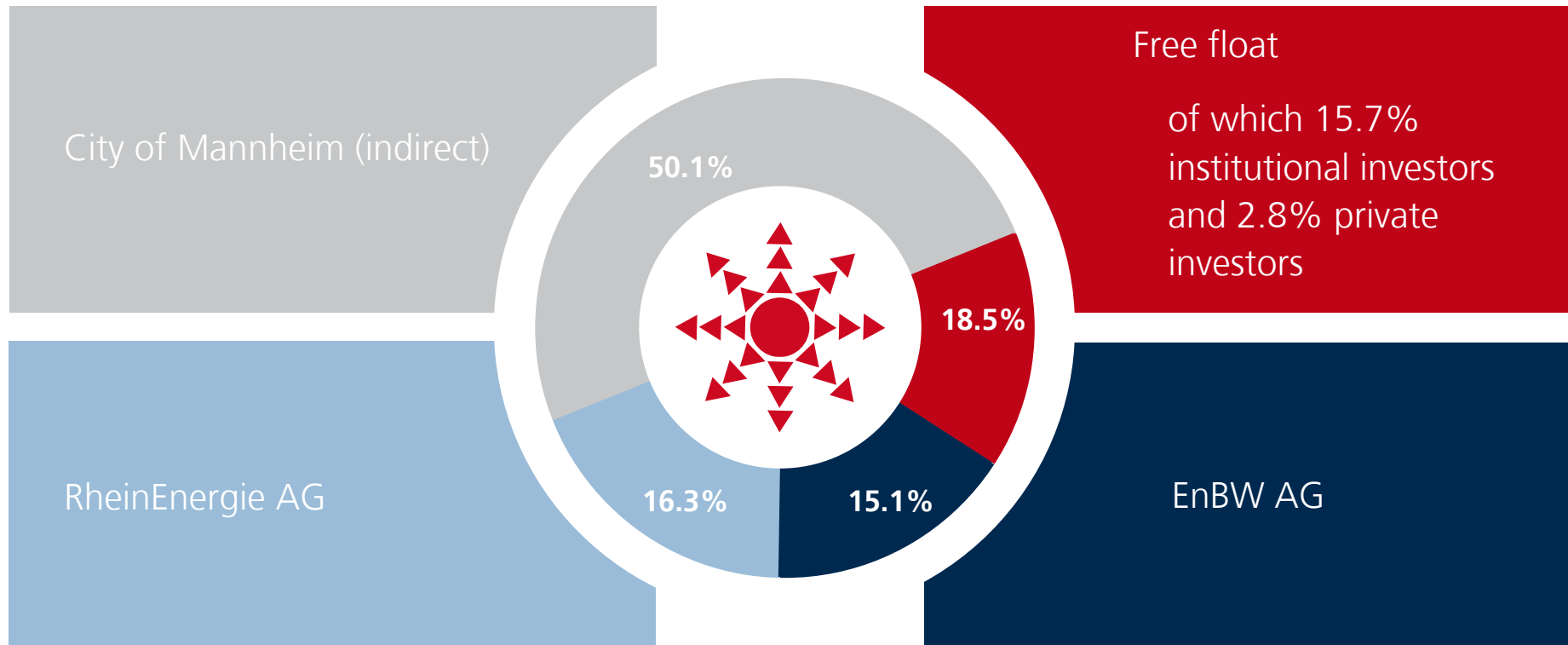
Nationwide extension of ecological heating supply requirements for existing building stock

Maintain Euro 750 million subsidy framework while adjusting design of subsidy instruments



The share of MVV Energie

Current shareholder structure and key figures of MVV Energie AG



▶ **No. of shares:**

65.907 million

▶ **Average daily turnover:**

6,100 shares in 2009/10 FY

▶ **Market capitalisation:**

Euro 1,810 million

(Closing price on 7.1.2011:
Euro 27.46)

▶ **Free float:**

Euro 335 million

MVV Energie's share proved stable in a difficult market

The MVV Energie AG share (ISIN DE000A0H52F5)

XETRA trading



Share chart as performance comparison (including dividend payments in March 2009 and March 2010) with SDAX and DAXsector Utilities

High dividend distribution in past eight years

Dividend

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Dividend/Share (Euro)	0.75	0.75	0.75	0.80	0.80	0.90	0.90	0.90 ³
Total dividend¹ (Euro million)	38.0	38.0	41.8	44.6	52.7	59.3	59.3	59.3
Closing price on 30.9. (Euro)	15.30	14.40	19.29	23.23	29.49	33.20	30.83	29.00
Dividend yield² (%)	4.9	5.2	3.9	3.4	2.7	2.7	2.9	3.1

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 18 March 2011

Advantages for our shareholders

- ▶ **Stability** due to diversified portfolio
- ▶ Solid balance sheet with matching maturities and **high equity ratio**
- ▶ High volume of **investments** of Euro 3 billion by 2020; of which Euro 1.5 billion in growth investments
- ▶ Solid **dividend yields**
- ▶ Listed in the Prime Standard (**SDAX**)
- ▶ Continuous **improvement in IR communications**



We are committed to shareholder value



Outlook

Outlook for 2010/11 financial year

▶ Sales target (excluding electricity and natural gas taxes) for 2010/11 financial year at around previous year's level (Euro 3.36 billion in 2009/10 financial year)



▶ Adjusted EBIT target at around previous year's level (Euro 239 million in 2009/10 financial year)





Financial calendar of 2010/11

Financial calendar of 2010/11

- ▶ 30.12.2010 2009/10 Annual Report
- ▶ 12.1.2011 Annual Results Press Conference and Analysts` Conference in Frankfurt/Main
- ▶ 15.2.2011 Financial Report 1st Quarter of 2010/11
- ▶ 18.3.2011 Annual General Meeting in Mannheim
- ▶ 21.3.2011 Payment of Dividend
- ▶ 13.5.2011 Half-Year Financial Report of 2010/11 and Analysts` Conference Call
- ▶ 12.8.2011 Financial Report 3rd Quarter of 2010/11 and Analysts` Conference Call



Thank you for your attention!

I would be pleased to answer any queries you may have.

Dr. Georg Müller, CEO