



# MVV Energie – Energising the Future

Fact book

First nine months of 2011/12 financial year

15 August 2012

[www.mvv-investor.de](http://www.mvv-investor.de)

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Key financial data for the  
first nine months of 2011/12 financial year

# Key figures of the MVV Energie Group for the first nine months of 2011/12 financial year – Adjusted

Earnings performance in Euro million

	2011/12 (1.10-30.6.)	2010/11 (1.10-30.6.)	% change
External sales excl. electricity and energy tax <sup>1</sup>	2,978	2,679	+11
Adjusted EBITDA <sup>1, 2</sup>	346	362	-4
Adjusted EBIT <sup>2</sup>	226	248	-9
Adjusted EBT <sup>3</sup>	177	202	-12
Adjusted net surplus for period <sup>3</sup>	121	136	-11
Adjusted net surplus for period after minority interests <sup>3</sup>	106	114	-7
Adjusted earnings per share <sup>3</sup> in Euro	1.60	1.73	-8
Free cash flow <sup>4</sup>	-200	37	–

1 previous year's figure adjusted

2 excluding non-operating IAS 39 derivative measurement items and including interest income from finance leases

3 excluding non-operating IAS 39 derivative measurement items, including interest income from finance leases and excluding restructuring expenses in previous year

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

## External sales by reporting segments in the first nine months of 2011/12 financial year

External sales in Euro million

	2011/12 (1.10-30.6.)	2010/11 (1.10-30.6.) <sup>1</sup>	% change
<b>Generation and Infrastructure</b>	248	244	+2
<b>Trading and Portfolio Management</b>	750	506	+48
<b>Sales and Services</b>	1,651	1,631	+1
<b>Strategic Investments</b>	326	302	+8
<b>Other Activities</b>	3	3	0
<b>Total</b>	<u>2,978</u>	<u>2,686</u>	+11

<sup>1</sup> previous year's figure adjusted (amended presentation of building cost subsidies)

# Adjusted EBIT by reporting segments in the first nine months of 2011/12 financial year

Adjusted EBIT in Euro million

	2011/12 (1.10-30.6.)	2010/11 (1.10-30.6.) <sup>1</sup>	% change
<b>Generation and Infrastructure</b>	<b>114</b>	<b>121</b>	<b>-6</b>
<b>Trading and Portfolio Management</b>	<b>13</b>	<b>28</b>	<b>-54</b>
<b>Sales and Services</b>	<b>46</b>	<b>45</b>	<b>+2</b>
<b>Strategic Investments</b>	<b>43</b>	<b>44</b>	<b>-2</b>
<b>Other Activities</b>	<b>10</b>	<b>10</b>	<b>0</b>
<b>Total</b>	<b><u>226</u></b>	<b><u>248</u></b>	<b>-9</b>

<sup>1</sup> starting in 2011/12 financial year: overhead expenses allocated to reporting segments in line with causation on a capital employed basis (previous year's figure adjusted)

## Reconciliation of EBIT (income statement) with adjusted EBIT in the first nine months of 2011/12 financial year

in Euro million

	2011/12 (1.10-30.6.)	2010/11 (1.10-30.6.)	+/- change
<b>EBIT as reported in income statement</b>	<b>192</b>	<b>260</b>	<b>-68</b>
<b>+ Derivative measurement items under IAS 39</b>	<b>31</b>	<b>-46</b>	<b>+77</b>
<b>+ Restructuring expenses</b>	<b>-</b>	<b>31</b>	<b>-31</b>
<b>+ Interest income from finance leases</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>= Adjusted EBIT</b>	<b><u>226</u></b>	<b><u>248</u></b>	<b>-22</b>

# Key factors in the first nine months of 2011/12 financial year affecting year-on-year adjusted EBIT performance

## Positive factors

- ▶ Improved margins in nationwide electricity and gas sales to industrial and commercial customers
- ▶ Expansion of wind power business

## Negative factors

- ▶ Weather-related reduction in district heating and gas turnover
- ▶ Extended downtime at joint power plant (GKK) in Kiel due to turbine damage
- ▶ Lower clean dark spread (CDS) due to falling electricity prices on the wholesale market and lower coal prices. However, electricity prices fell more markedly than coal prices.





## Key financial data for the 2010/11 financial year

## We achieved all our targets in the 2010/11 financial year

▶ **Sales target (excluding electricity and natural gas taxes) for 2010/11 financial year at around previous year's level (Euro 3.4 billion in 2009/10 financial year). With actual sales of Euro 3.6 billion this target has been exceeded.**



▶ **Adjusted EBIT target at around previous year's level (Euro 243 million in 2009/10 financial year). With actual adjusted EBIT of Euro 242 million this target has been achieved.**



▶ **Payment of a constant dividend of Euro 0.90 per share for the 2010/11 financial year**



# Key figures of the MVV Energie Group for the 2010/11 financial year – Adjusted

Earnings performance in Euro million

	2010/11 (1.10-30.9.)	2009/10 (1.10-30.9.)	% change
<b>Sales excluding electricity and energy tax</b>	<b>3,590</b>	<b>3,359</b>	<b>+7</b>
<b>Adjusted EBITDA <sup>1</sup></b>	<b>394</b>	<b>406</b>	<b>-3</b>
<b>Adjusted EBIT <sup>2</sup></b>	<b>242</b>	<b>243</b>	<b>0</b>
<b>Adjusted EBT <sup>2, 3</sup></b>	<b>179</b>	<b>165</b>	<b>+8</b>
<b>Adjusted net surplus for period <sup>2, 3</sup></b>	<b>125</b>	<b>105</b>	<b>+19</b>
<b>Adjusted net surplus for period after minority interests <sup>2, 3</sup></b>	<b>108</b>	<b>95</b>	<b>+14</b>
<b>Adjusted earnings per share <sup>2, 3</sup> in Euro</b>	<b>1.63</b>	<b>1.44</b>	<b>+13</b>
<b>Free cash flow <sup>4</sup></b>	<b>163</b>	<b>154</b>	<b>+6</b>

1 excluding non-operating IAS 39 derivative measurement items and including interest income from finance leases (previous year's figure adjusted)

2 excluding non-operating IAS 39 derivative measurement items and excluding restructuring expenses and including interest income from finance leases (previous year's figure adjusted)

3 impact of the expiry of the Kiel put option in 2010/11 financial year

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

# External sales by reporting segments in the 2010/11 financial year

External sales in Euro million

	2010/11 (1.10-30.9.)	2009/10 (1.10-30.9.) <sup>1</sup> pro forma
<b>Generation and Infrastructure</b>	320	329
<b>Trading and Portfolio Management</b>	800	684
<b>Sales and Services</b>	2,095	1,984
<b>Strategic Investments</b>	371	356
<b>Other Activities</b>	4	6
<b>Total</b>	<u>3,590</u>	<u>3,359</u>

<sup>1</sup> previous year's figures calculated as pro forma figures

## Adjusted EBIT by reporting segments in the 2010/11 financial year

Adjusted EBIT in Euro million

	2010/11 (1.10-30.9.)	2009/10 (1.10-30.9.) <sup>1</sup> pro forma
<b>Generation and Infrastructure</b>	<b>123</b>	<b>122</b>
<b>Trading and Portfolio Management</b>	<b>26</b>	<b>40</b>
<b>Sales and Services</b>	<b>51</b>	<b>39</b>
<b>Strategic Investments</b>	<b>37</b>	<b>37</b>
<b>Other Activities</b>	<b>5</b>	<b>5</b>
<b>Total</b>	<b><u>242</u></b>	<b><u>243</u></b>

<sup>1</sup> previous year's figures calculated as pro forma figures

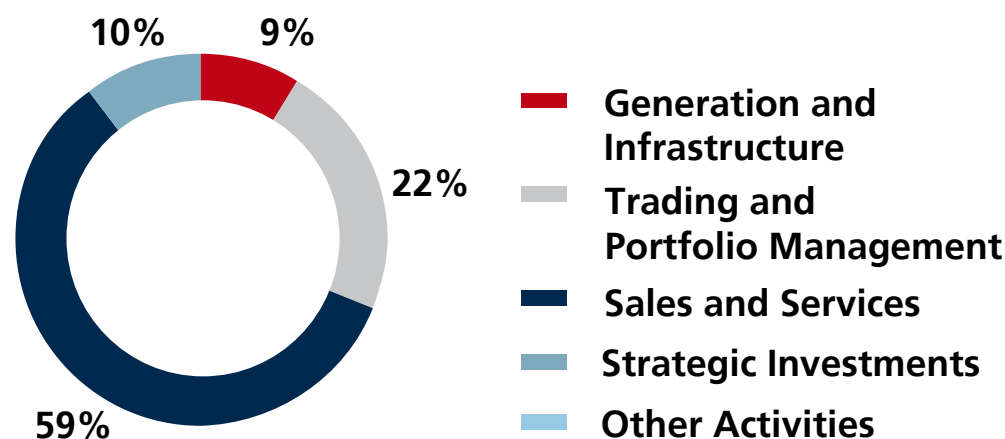
# Sales volumes and combustible waste delivered in the 2010/11 financial year

## Sales volumes

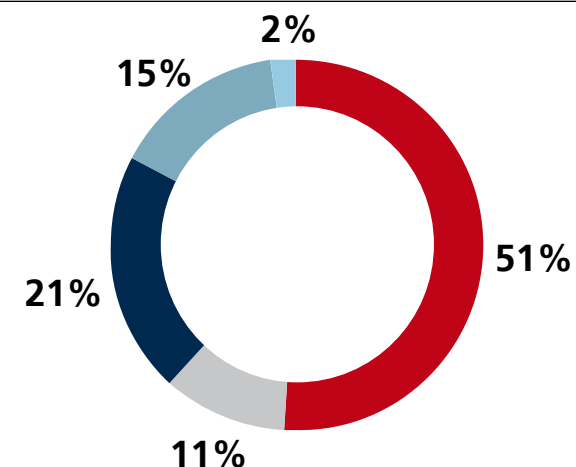
	2010/11 (1.10-30.9.)	2009/10 (1.10-30.9.)	% change
<b>Electricity in kWh million</b>	<b>26,093</b>	<b>23,891</b>	<b>+9</b>
<b>of which Generation and Infrastructure</b>	<b>155</b>	<b>334</b>	<b>-54</b>
<b>of which Trading and Portfolio Management</b>	<b>12,855</b>	<b>10,771</b>	<b>+19</b>
<b>of which Sales and Services</b>	<b>11,678</b>	<b>11,510</b>	<b>+1</b>
<b>of which Strategic Investments</b>	<b>1,405</b>	<b>1,276</b>	<b>+10</b>
<b>District heating in kWh million</b>	<b>7,288</b>	<b>7,586</b>	<b>-4</b>
<b>Gas in kWh million</b>	<b>10,888</b>	<b>11,775</b>	<b>-8</b>
<b>of which Trading and Portfolio Management</b>	<b>1,700</b>	<b>2,313</b>	<b>-27</b>
<b>of which Sales and Services</b>	<b>7,759</b>	<b>7,356</b>	<b>+5</b>
<b>of which Strategic Investments</b>	<b>1,429</b>	<b>2,106</b>	<b>-32</b>
<b>Water in m<sup>3</sup> million</b>	<b>53.7</b>	<b>54.2</b>	<b>-1</b>
<b>Combustible waste delivered in tonnes 000s</b>	<b>1,835</b>	<b>1,762</b>	<b>+4</b>

# External sales and adjusted EBIT by reporting segments – well-balanced business portfolio

Share of external sales in 2010/11 FY



Share of adjusted EBIT in 2010/11 FY



## ► Key figures (2010/11 FY pursuant to IFRS)

External sales <sup>1</sup> :	Euro 3.590 million
Adjusted EBITDA:	Euro 394 million
Adjusted EBIT:	Euro 242 million
Adjusted annual net surplus:	Euro 125 million
Adjusted equity ratio:	39.5%
Free cash flow:	Euro 163 million
Number of employees:	5,923

<sup>1</sup> excluding electricity and natural gas taxes

<sup>2</sup> closing price on 14.8.2012: Euro 22.88

## ► Key valuation parameters

Enterprise value <sup>2</sup> / sales:	0.7
Enterprise value <sup>2</sup> / adjusted EBITDA:	6.6
Enterprise value <sup>2</sup> / adjusted EBIT:	10.7
Price <sup>2</sup> / book value ratio:	1.3
Price <sup>2</sup> / earnings ratio:	14.0
Adjusted earnings per share:	Euro 1.63
Dividend per share:	Euro 0.90
Dividend yield:	3.9%

## Reconciliation of EBIT (income statement) with adjusted EBIT in the 2010/11 financial year

in Euro million

	2010/11 (1.10-30.9.)	2009/10 (1.10-30.9.)	+/- change
<b>EBIT as reported in income statement</b>	<b>253</b>	<b>308</b>	<b>-55</b>
<b>+ Derivative measurement items under IAS 39</b>	<b>-46</b>	<b>-69</b>	<b>+23</b>
<b>+ Restructuring expenses</b>	<b>31</b>	<b>-</b>	<b>+31</b>
<b>+ Interest income from finance leases</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>= Adjusted EBIT</b>	<b><u>242</u></b>	<b><u>243</u></b>	<b>-1</b>



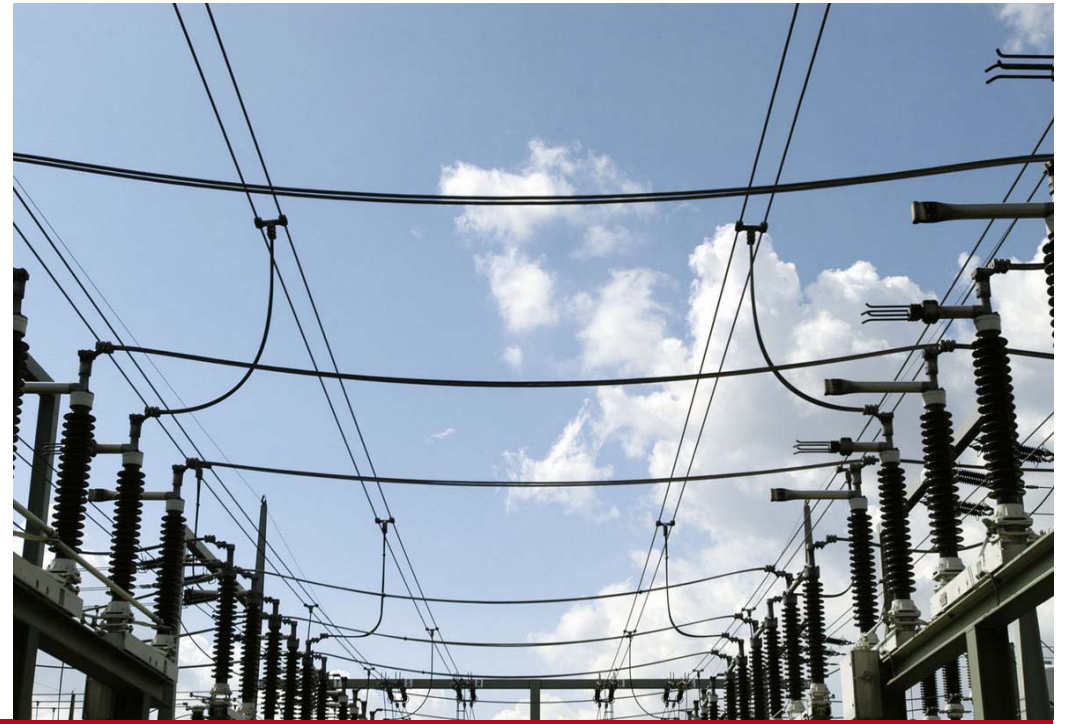
# Key factors affecting year-on-year adjusted EBIT performance

## Positive one-off factors

- ▶ Year-on-year comparison benefits from high write-downs in ERS business in previous year
- ▶ Improvement in generation and environmental energy
- ▶ Gas optimisation and improved trading results
- ▶ Improvements at Czech subgroup

## Negative one-off factors

- ▶ Lower clean dark spreads and higher performance prices
- ▶ Weather-related reduction in district heating turnover



# Transformation of the energy supply system in Germany

## Long-term aims of Federal Government's Energy Concept from autumn 2010 unchanged despite nuclear energy exit

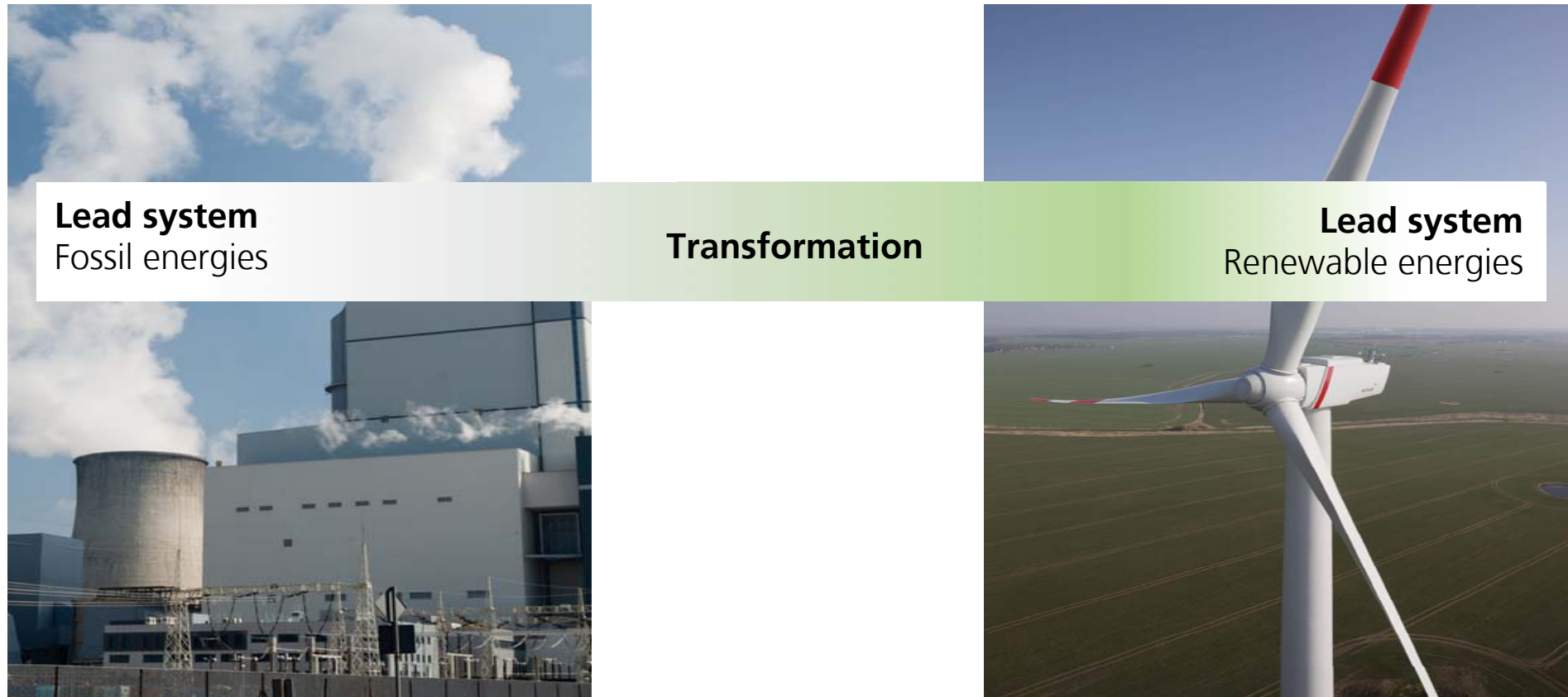
### Greenhouse gas reduction: 40% (2020) / 80-95% (2050)

	2020	2050
Primary energy consumption (base: 2008)	-20%	- 50%
Building heating/primary energy consumption	-20%	- 80%
Electricity consumption (base: 2008)	-10%	-25%
% renewables in end energy consumption	18%	60%
% renewables in electricity consumption	35%	80%

### Gradual nuclear energy exit by 2022

- ▶ Extensive new legislation (including amendments to Atomic Energy, Renewable Energies and Cogeneration Acts)

# Fundamental transformation in entire energy supply system

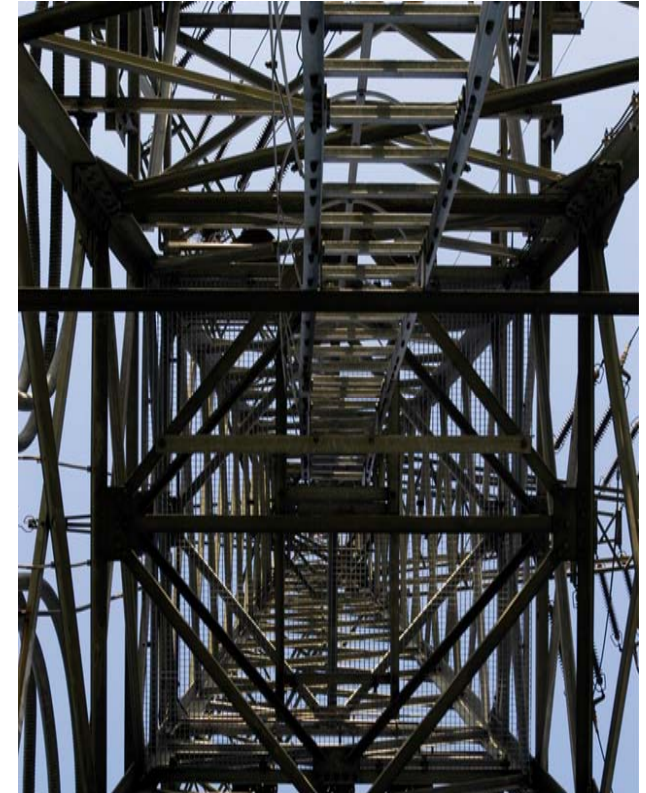


- ▶ Transformation requires new market design, new price systems, new technologies
- ▶ Transformation will require all-round "management"

# Key challenges involved in the new energy supply system

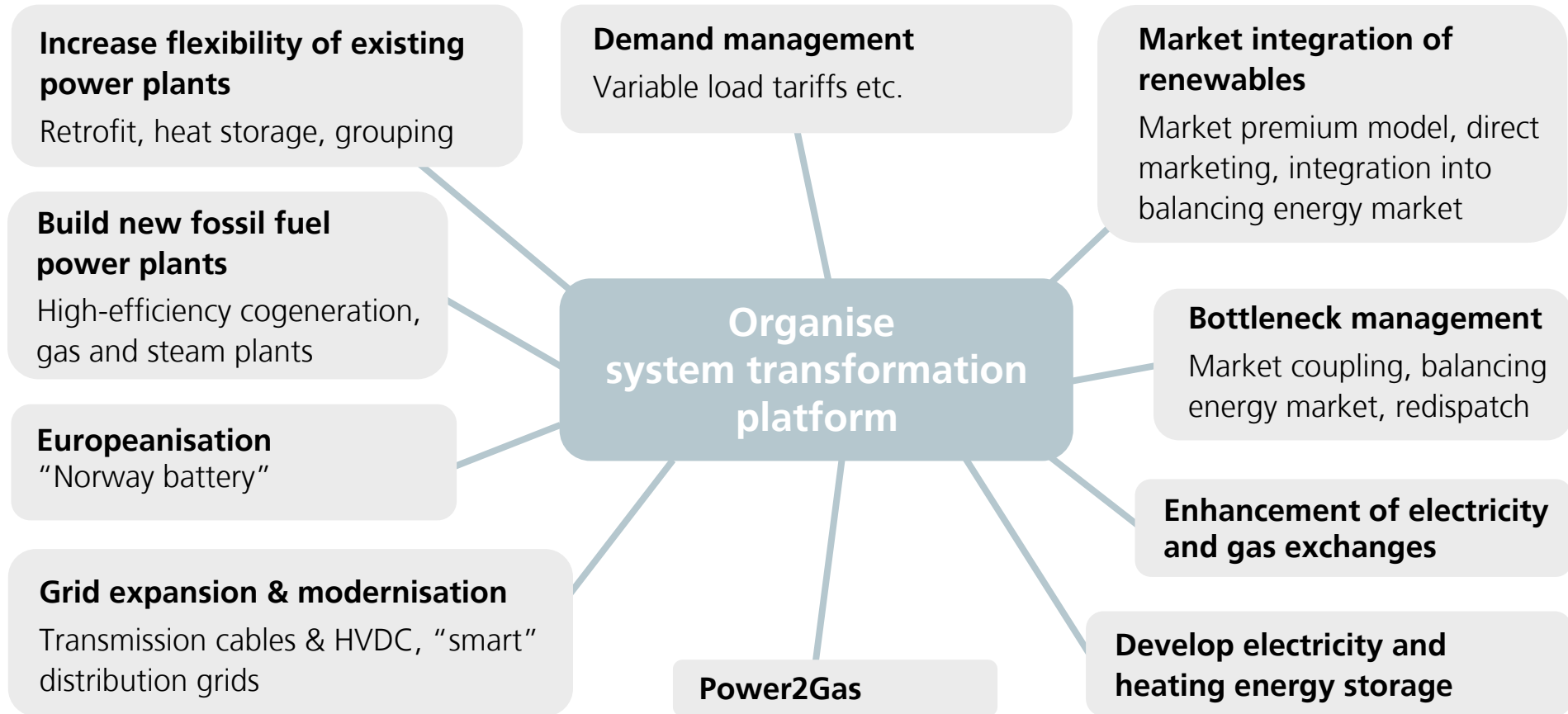


- ▶ Increased **flexibility**
- ▶ **Market integration** of renewables energies
- ▶ **Energy efficiency**
- ▶ **Grid expansion & restructuring**



- ▶ Transformation of the energy supply system involves far more than just switching off nuclear power plants
- ▶ Transformation means promoting energy efficiency and expanding renewable energies while simultaneously safeguarding system stability

# Which key factors will be relevant in future?



- ▶ **Comprehensive market design as indispensable factor for successful transformation**
- ▶ **Broad-based consensus within society necessary for paradigm shift**





## MVV Energie – Implementation of our strategy

# We are making good progress with implementing our growth targets – Examples of projects implemented since MVV 2020



**Successful entry into UK market**



**Development of wind power portfolio**



**Entry into biomethane business**



**Expansion in district heating Block 9 GKM**



**Expansion of district heating in Czech Republic**



**Joint district heating project in Ingolstadt**



**Expansion in energy efficiency and contracting**



# Kirchberg wind farm – Further step in high-growth wind power market



## Kirchberg location in Rhineland-Palatinate

- ▶ **Launch of operations:** December 2011
- ▶ **Investment:** Euro 84 million
- ▶ Joint venture with juwi
- ▶ 23 E-82 E2 type wind turbines (Enercon)
- ▶ **Hub height:** 138 metres
- ▶ **Output:** 53 MW<sub>e</sub>
- ▶ **Electricity output:** 125 GWh p.a.  
(equivalent to consumption of 35,000 households)
- ▶ **CO<sub>2</sub> reduction:** 100,000 tonnes a year

We are focusing on onshore wind power plants

# Launch of biomethane business at Klein Wanzleben location

## Biomethane plant at Klein Wanzleben location

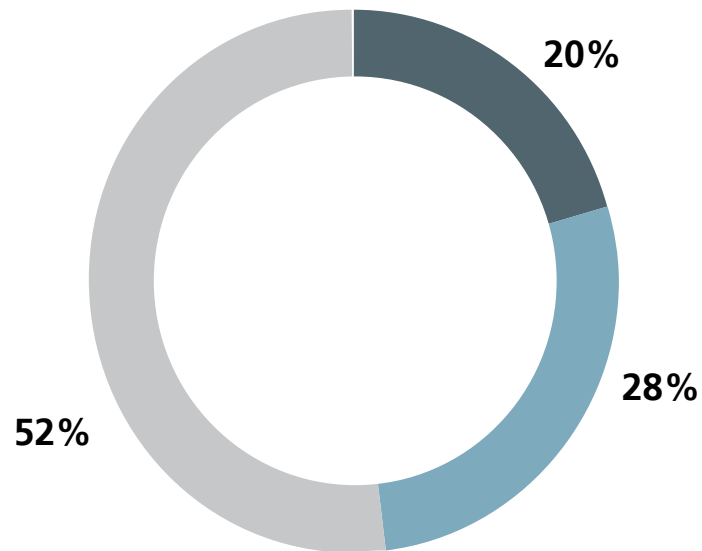
- ▶ **Launch of construction work:** end of May 2011
- ▶ **Launch of operations:** summer 2012
- ▶ **Investment:** Euro 12.6 million  
(of which MVV Energie: Euro 9.4 million)
- ▶ **Biogas production:** 63 million kWh p.a.
- ▶ **Raw materials requirement:**  
approx. 47,500 tonnes p.a. of maize silage,  
2,500 tonnes p.a. of sugar beet plus  
10,000 tonnes p.a. of sugar beet chips  
for process heat production (own consumption)
- ▶ **Planned operating term:** at least 20 years



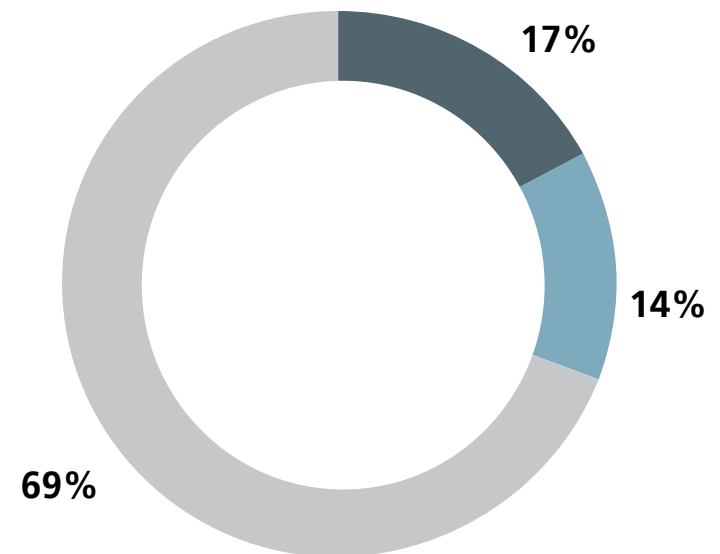
Key component in expansion of renewable energies

# High priority for renewable energies at MVV Energie Group

Electricity generation of the MVV Energie Group  
in Germany in FY 2010/11: 3.8 TWh



Net electricity generation  
in Germany in 2010: 584 TWh



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

Sources: Renewable Energies Statistics Working Group (AGEE-Stat), Association of the German Energy and Water Industries (BDEW), Berliner Energieagentur GmbH/Prognos AG and own calculations (preliminary)

# Implementation: Successful expansion of district heating – Ingolstadt



## Ingolstadt joint district heating project

- ▶ **Launch of operations:** summer 2011
- ▶ Bavaria's largest waste heat and district heating project
- ▶ **Investment:** around Euro 23 million
- ▶ Joint project with Petroplus refinery, City of Ingolstadt and AUDI AG
- ▶ Construction of a 5.3 km district heating pipeline
- ▶ **Thermal energy output:** 300 GWh p.a.

Resource-effective use of waste industrial heat to supply heating energy



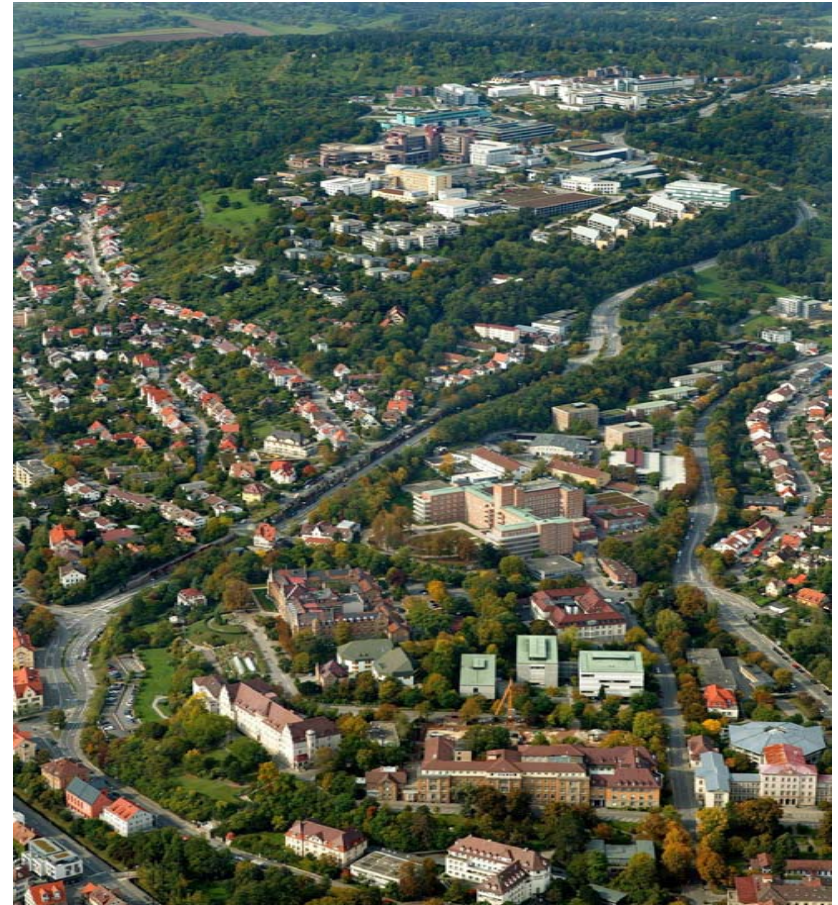
# Enhanced energy efficiency and contracting – Tübingen University Hospital

## Tübingen University Hospital

- ▶ **Assumption of operations:** July 2010
- ▶ Conversion of 40 year-old heat power plant from oil and gas to wood pellet operations
- ▶ **Launch of operations** with new system: end of 2012
- ▶ **Investments:** Euro 12 million
- ▶ **Contractual term:** 20 years
- ▶ **Energy cost savings:** 20% p.a.

### Technical data

- ▶ 2 wood boilers: each 10 MW<sub>th</sub>
- ▶ **CO<sub>2</sub> reduction:** 20,000 tonnes a year, or up to 98%



Environmentally-friendly heating energy generation using ecological local heating supply

# TERMIZO – Heating energy from waste

## TERMIZO in the Czech Republic

- ▶ TERMIZO is a waste-fired heating energy plant that meets the highest European standards
- ▶ **Purchase price:** approx. Euro 21 million
- ▶ All of the heating energy produced is supplied to Teplarna Liberec
- ▶ Single-line plant concept with modern flue gas cleaning

### Technical data

- ▶ **Thermal energy output:** 38.3 MW<sub>t</sub>
- ▶ **Electricity generation:** 4.0 MW<sub>e</sub>
- ▶ **Waste incineration capacity:** 106,000 tonnes p.a.



Modern plant with high availability rates

# Grosskraftwerk Mannheim (GKM)

## Grosskraftwerk Mannheim (GKM)

- ▶ **Launch of operations** at Block 9: 2015
- ▶ **Shareholder structure** in GKM: 28% MVV Energie, 40% RWE, 32% EnBW
- ▶ **Gross electricity generation capacity** at GKM: 1,675 MW<sub>el</sub>
- ▶ **Gross electricity generation capacity** at new Block 9: 911 MW<sub>el</sub>
- ▶ **Efficiency ratio** of new Block 9: 70%
- ▶ District heating supply secure, as Blocks 3 and 4 to remain in operation until Block 9 is online
- ▶ Immissions protection approval to use Block 3 as **“cold reserve”** in winter months



**Output from Block 9 will cover around 25% of electricity needs in Rhine/Neckar metropolitan region**

# Plymouth energy from waste plant project: MVV Energie commences construction work

## South West Devon Waste Partnership



### Investment and financing

- ▶ **Investment:** approx. Euro 250 million
- ▶ **Financing:** secured with KfW IPEX and Svenska Handelsbanken
- ▶ **Start of main construction work:** August 2012
- ▶ **Launch of operations:** from 2014

### Technical data

- ▶ **Thermal use of waste volume:** 245,000 tonnes p.a.
- ▶ **Net electricity output:** 22.5 MW<sub>e</sub>
- ▶ **Max. thermal energy output:** 23.3 MW<sub>t</sub>

### Broad and secure revenue base

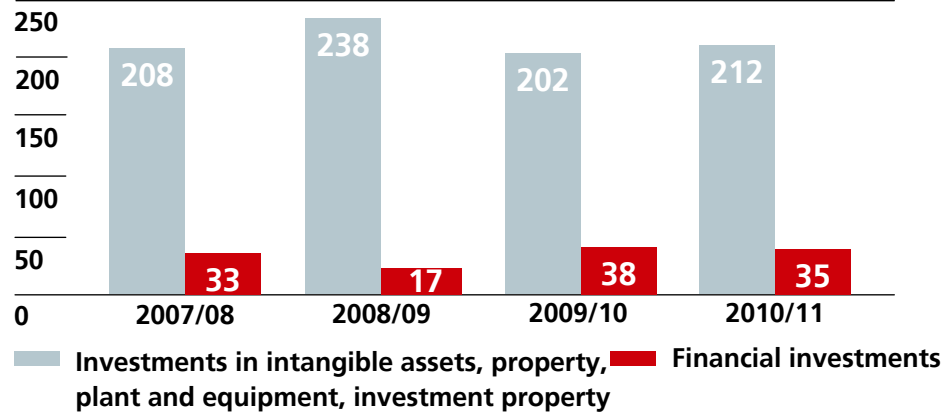
- ▶ Municipal waste contract: 25-year term, 75% bring-or-pay
- ▶ Energy supply contract with a 25-year term to supply electricity and steam to navy base
- ▶ Government support for cogeneration and generation of renewable energy from biogenic share of waste

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



# Investment and growth

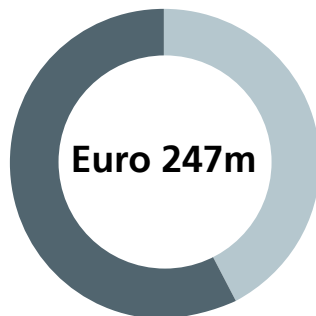
Investments in Euro million



Investments<sup>1</sup> in 2010/11 financial year

Growth investments

**Euro 143 million**



Replacement investments

**Euro 104 million**

<sup>1</sup> Investments in intangible assets, property, plant and equipment, investment property, as well as payments for the acquisition of fully and proportionately consolidated companies and other financial assets

## ► Existing business

- Optimising and preserving substance of supply facilities and distribution grids
- Concentration of locations and construction of new gas turbines in Kiel

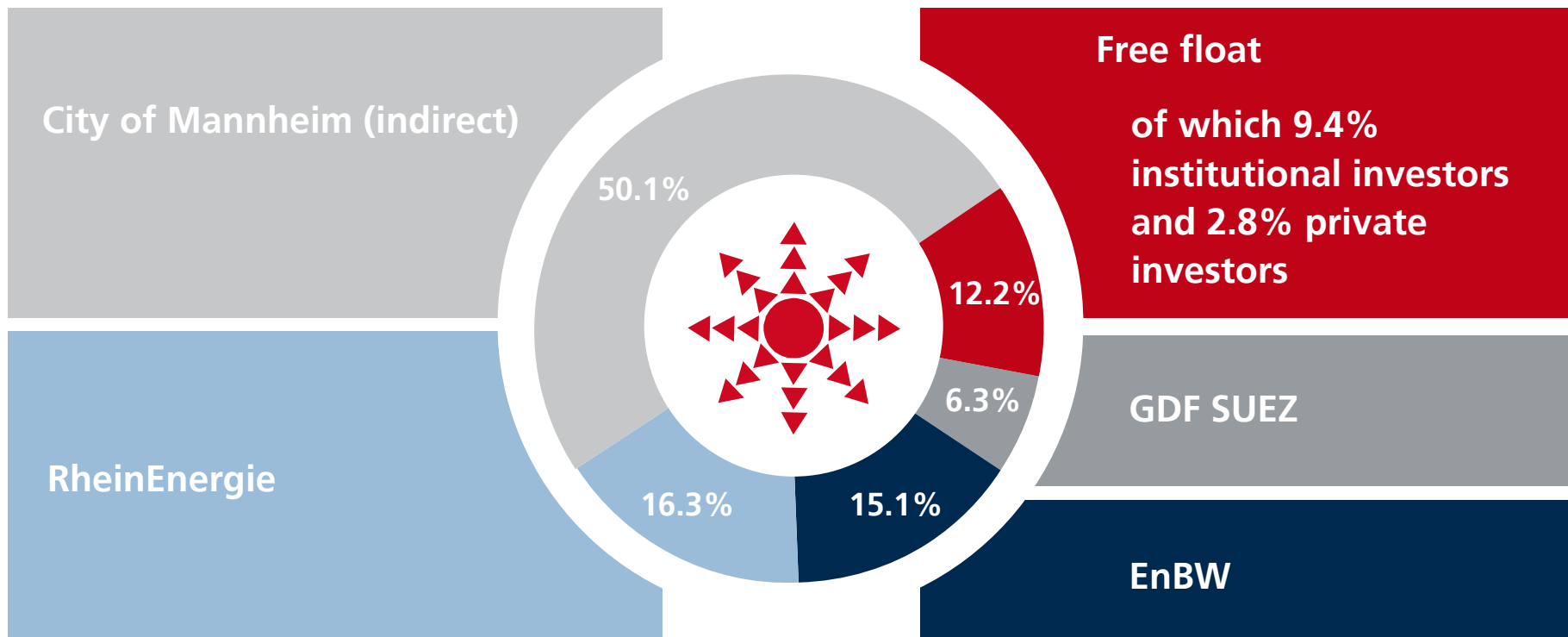
## ► Growth investments

- Extending the supply of district heating in Mannheim and construction of a district heating pipeline to Speyer
- Ingolstadt district heating association
- Construction of Klein Wanzleben biomethane plant
- Construction of Kirchberg wind farm
- Construction of Plymouth energy from waste plant
- Contracting project Tübingen University Hospital
- Construction of cogeneration plants in Czech Republic (COGEN II)
- Acquisition of cogeneration plant TERMIZO in Czech Republic



# The share of MVV Energie

# Current shareholder structure and key figures of MVV Energie AG



▶ **No. of shares:**

65.907 million

▶ **Average daily turnover:**

8,431 shares in 2010/11 FY

▶ **Market capitalisation:**

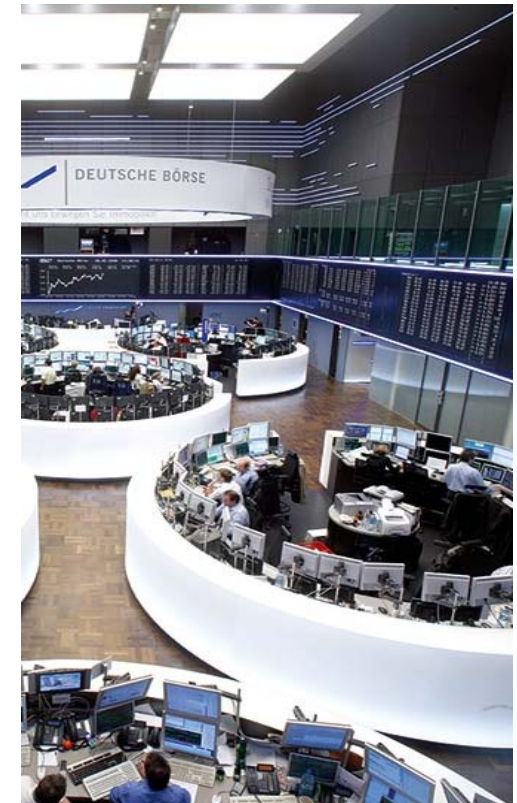
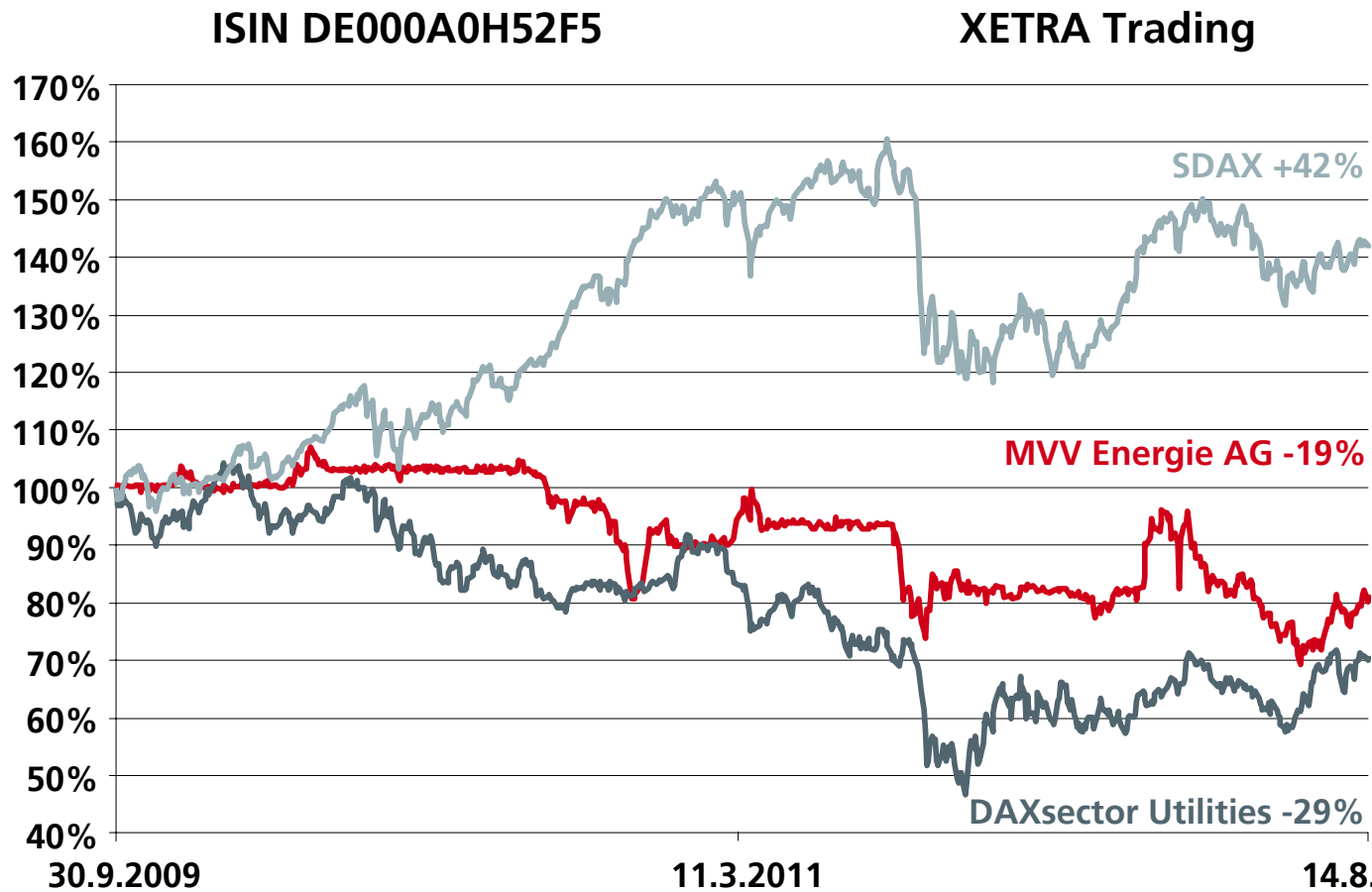
Euro 1,508 million

(Closing price on 14.8.2012:  
Euro 22.88)

▶ **Free float:**

Euro 185 million

# Performance comparison of the MVV Energie AG share



Share chart as performance comparison (including dividend payments in March 2010, 2011 and 2012) with SDAX and DAXsector Utilities

## High dividend distribution in past eight years

### Dividend

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Dividend/Share (Euro)</b>	<b>0.75</b>	<b>0.75</b>	<b>0.80</b>	<b>0.80</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>
<b>Total dividend <sup>1</sup> (Euro million)</b>	<b>38.0</b>	<b>41.8</b>	<b>44.6</b>	<b>52.7</b>	<b>59.3</b>	<b>59.3</b>	<b>59.3</b>	<b>59.3</b>
<b>Closing price on 30.9. (Euro)</b>	<b>14.40</b>	<b>19.29</b>	<b>23.23</b>	<b>29.49</b>	<b>33.20</b>	<b>30.83</b>	<b>29.00</b>	<b>23.86</b>
<b>Dividend yield <sup>2</sup> (%)</b>	<b>5.2</b>	<b>3.9</b>	<b>3.4</b>	<b>2.7</b>	<b>2.7</b>	<b>2.9</b>	<b>3.1</b>	<b>3.8</b>

<sup>1</sup> 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

<sup>2</sup> dividend yield based on respective closing price in XETRA trading on 30 September

# Advantages for our shareholders

## Well balanced portfolio

- ▶ Across major steps of the value added chain,
- ▶ across regions and
- ▶ across customers

## Green & clean

- ▶ No nuclear exposure in own generation
- ▶ Wind onshore, biomass and biomethane
- ▶ CHP and district heating
- ▶ R&D: Smart metering and E-mobility

## Ambitious capex programme until 2020

- ▶ Euro 3 billion in total of which
  - Euro 1.5 billion in growth
  - Euro 1.5 billion in replacement investments

## Solid balance sheet

- ▶ Long term investment horizon matched with long term maturities
- ▶ High equity ratio of 39.5%

**We are committed to shareholder value**



## Outlook

## Outlook for 2011/12 financial year

▶ **Sales target (excluding electricity and natural gas taxes) for 2011/12 financial year slightly above previous year's level (Euro 3.59 billion in 2010/11 financial year)**



▶ **Adjusted EBIT target of around Euro 220 million (Euro 242 million including interest income from finance leases in 2010/11 financial year)**







## Financial calendar of 2012/13

# Financial calendar of 2012/13

- ▶ 15.5.2012 Half-Year Financial Report of 2011/12 and Analysts` Conference Call
- ▶ 15.8.2012 Financial Report 3<sup>rd</sup> Quarter of 2011/12
- ▶ 18.12.2012 2011/12 Annual Report
- ▶ 18.12.2012 Annual Results Press Conference and Analysts` Conference in Frankfurt/Main
- ▶ 14.2.2013 Financial Report 1<sup>st</sup> Quarter of 2012/13
- ▶ 8.3.2013 Annual General Meeting in Mannheim
- ▶ 11.3.2013 Payment of Dividend
- ▶ 15.5.2013 Half-Year Financial Report of 2012/13 and Analysts` Conference Call
- ▶ 15.8.2013 Financial Report 3<sup>rd</sup> Quarter of 2012/13



Back up

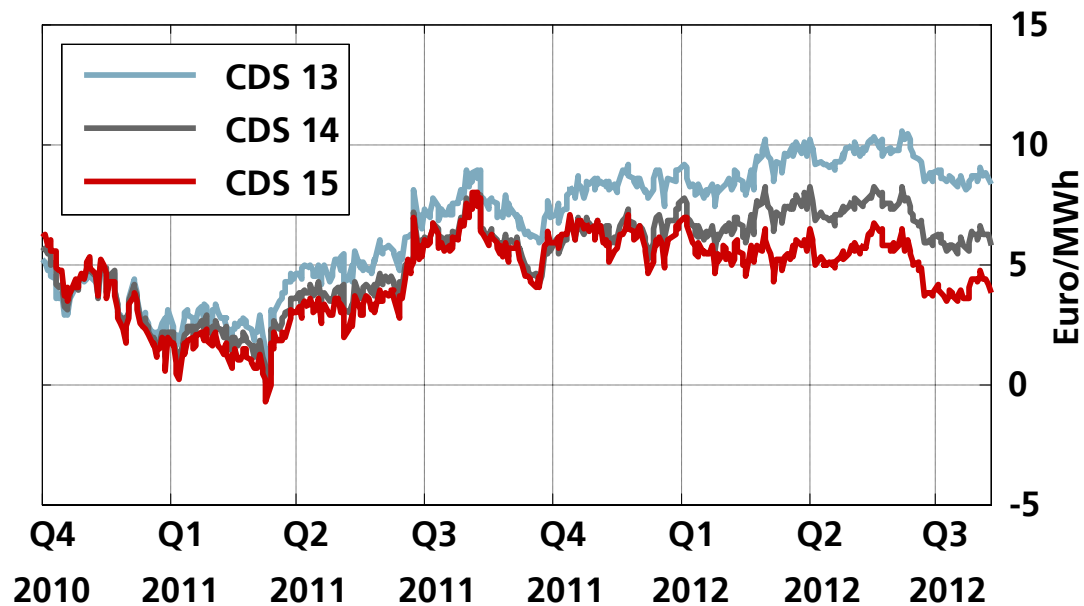
## External sales and adjusted EBIT performance by quarter

Euro million

	2010/11 (1.10-30.9.)		2009/10 (1.10-30.9.)		% change
1 <sup>st</sup> Quarter	947		839		+13
2 <sup>nd</sup> Quarter	949		1,004		-5
3 <sup>rd</sup> Quarter	783		711		+10
4 <sup>th</sup> Quarter	911		805		+13
<b>External sales in the financial year</b>	<b><u>3,590</u></b>		<b><u>3,359</u></b>		<b>+5</b>

1 <sup>st</sup> Quarter	91		85		+7
2 <sup>nd</sup> Quarter	113		125		-10
3 <sup>rd</sup> Quarter	44		43		+2
4 <sup>th</sup> Quarter	-6		-10		+40
<b>Adjusted EBIT in the financial year</b>	<b><u>242</u></b>		<b><u>243</u></b>		<b>0</b>

# The Clean Dark Spread (CDS) development has a significant impact on the MVV Energie Group



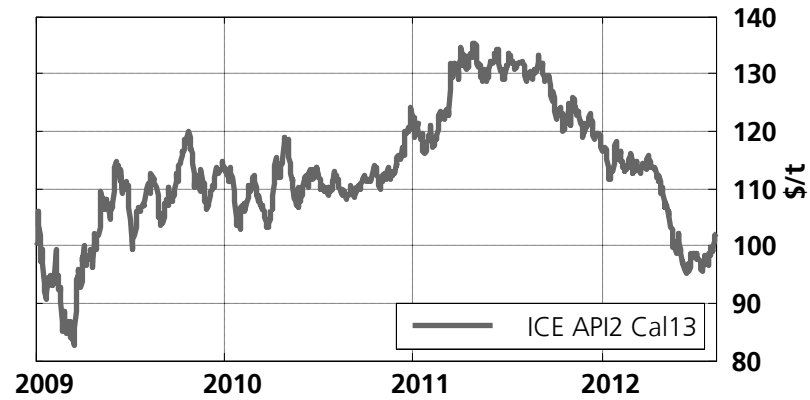
Future CDS development will be influenced by different markets and political decisions:

## German power generation

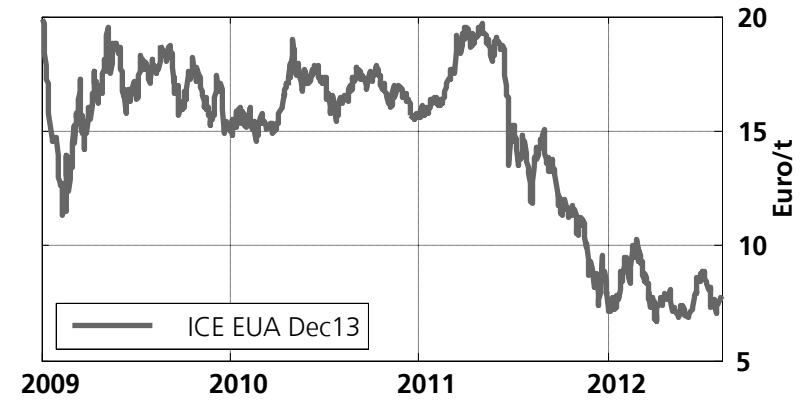
- Nuclear exit
  - Renewable generation (wind, solar)
  - New conventional generation
- ▶ Global coal markets/FX
- ▶ Carbon price level

# Energy price curves

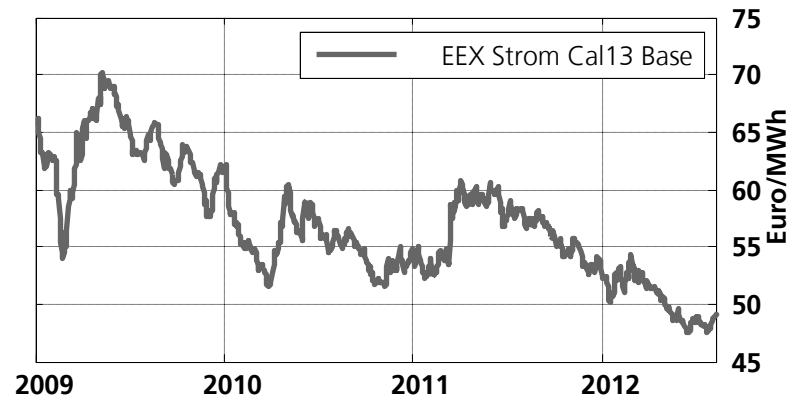
## Coal



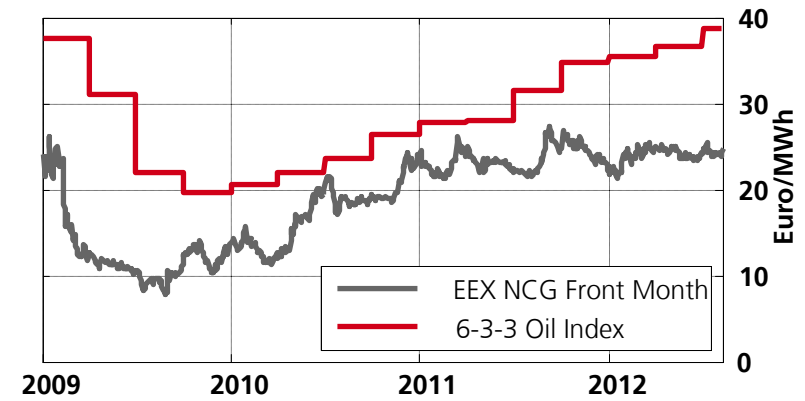
## CO<sub>2</sub>



## Electricity



## Gas



# Municipal utility companies and major locations of the MVV Energie Group

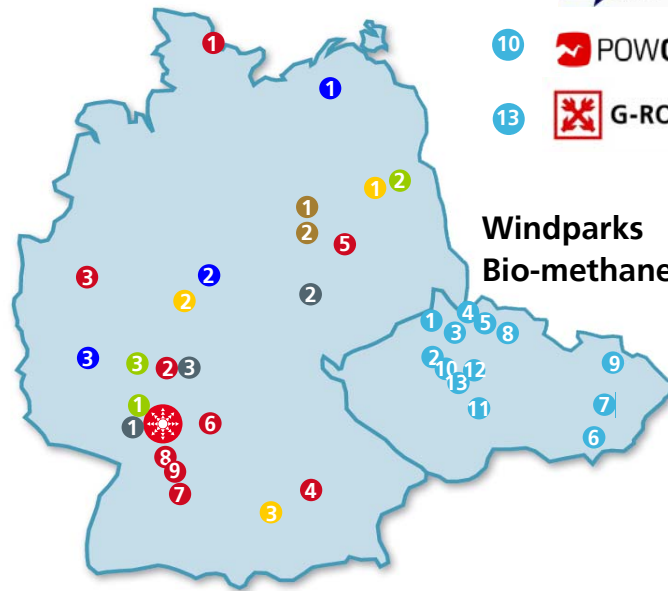


## MVV Energie CZ

- |    |                               |    |                       |    |            |
|----|-------------------------------|----|-----------------------|----|------------|
| 1  | TERMO DĚČÍN                   | 2  | EH<br>ENERGIE Holding | 3  | CLT        |
| 4  | TEPLARNA<br>LIBEREC           | 5  | TEP                   | 6  | CTZ s.r.o. |
| 7  | ZÁSROVNÍ TEPLN<br>VSETÍN a.s. | 8  | JTR                   | 9  | OPATHERM   |
| 10 | POWGEN                        | 11 | IROMEZ                | 12 | G-LINDE    |
| 13 | G-RONN                        |    |                       |    |            |

## MVV Energie

- Windparks** 1 Plauerhagen 2 Massenhausen 3 Kirchberg  
**Bio-methane** 1 Klein Wanzleben 2 Kroppenstedt (planned)



## MVV Energiedienstleistungen

- 1 Berlin 2 Korbach 3 Gersthofen

## MVV Umwelt

- Biomass power plant** 1 Mannheim 2 Königs Wusterhausen 3 Wicker 4 Plymouth (as of 2012 under construction)  
**Waste utilisation** 1 Mannheim 2 TREA Leuna 3 Offenbach 4

- |   |                          |   |                                                              |
|---|--------------------------|---|--------------------------------------------------------------|
| 1 | 24/7 STADTWERKE KIEL     | 6 | STADTWERKE<br>BUCHEN                                         |
| 2 | EVO                      | 7 | Stadtwerke<br>SINSHEIM                                       |
| 3 | EWS                      | 8 | Stadtwerke<br>Schwetzingen                                   |
| 4 | STADTWERKE<br>INGOLSTADT | 9 | Stadtwerke<br>Walldorf GmbH<br>Energie · Wasser · Städtepark |
| 5 | Köthen Energie           |   |                                                              |

### Biomass power plant

### Waste utilisation

- 1 Mannheim  
1 Mannheim

- 2 Königs Wusterhausen  
2 TREA Leuna

- 3 Wicker  
3 Offenbach

- 4 Plymouth (as of 2012 under construction)



# Decentralised energy supply – EVO wood pellet plant in Offenbach



## Wood pellet plant in Offenbach

- ▶ **Launch of operations:** May 2011
- ▶ **Investment in wood pellet plant, including adjacent biomass cogeneration plant:** approx. Euro 17 million
- ▶ Wood pellet production from shavings and waste timber: initially 65,000 tonnes a year
- ▶ Possibility of doubling wood pellet production in further expansion stage
- ▶ Substitute fuel for up to 50,000 tonnes of hard coal at EVO's cogeneration plant
- ▶ **CO<sub>2</sub> reduction:** up to 80,000 tonnes a year

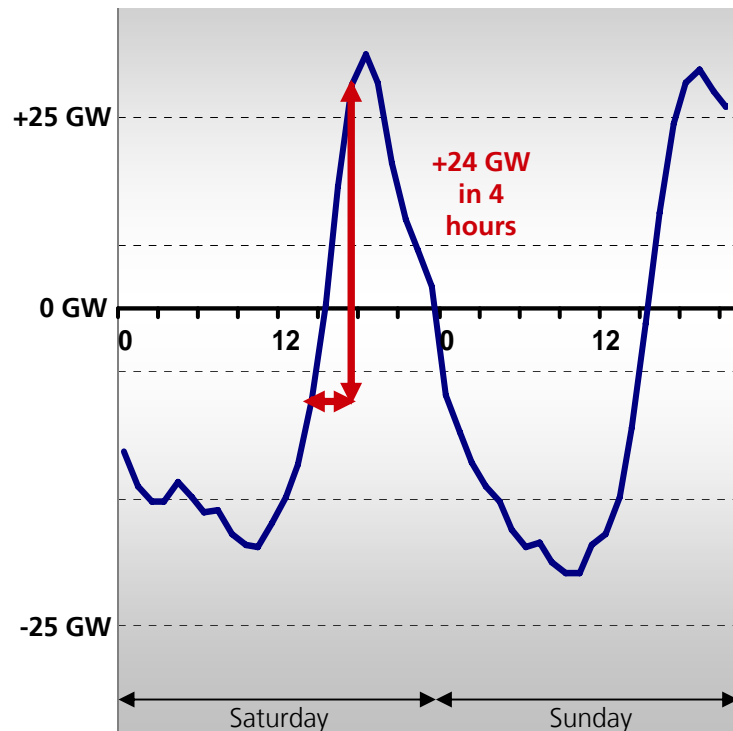
One of Germany's most modern plants – making a key contribution to climate protection



# Market integration of renewable energies will require highly flexible gas power plants and cogeneration plants

## Residual load 2030

(electricity demand – renewables feed-in)



Too little electricity

Too much electricity

**Conventional power plants**

**Import of electricity**

- Storage/flexibilities**
- ▶ Pump storage
  - ▶ Heating energy storage
  - ▶ Gas to power ("methanisation")
  - ▶ Norway as battery
  - ▶ Demand-side management

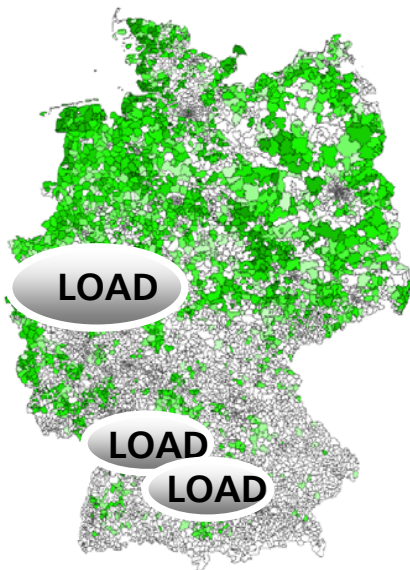
**Switch off renewables plants**

**Export of electricity**

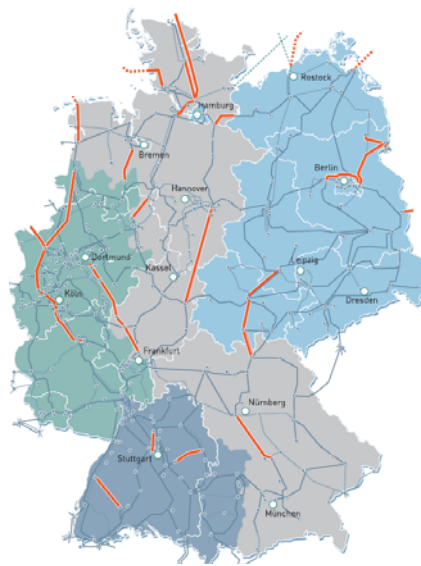
▶ Increasing need for supply-side and demand-side flexibility with high load gradients to offset fluctuating renewables feed-in volumes

# Grid expansion and conversion required on transmission and distribution grid levels

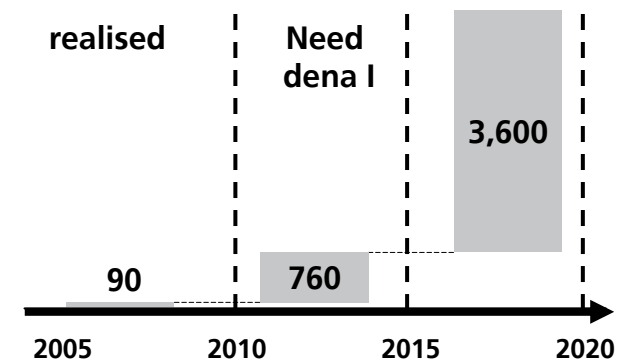
Wind output distribution



dena I grid expansion project



Grid expansion need after dena I und II [km]



- ▶ Grid expansion costs including offshore link: ~ Euro 1bn p.a.

Sources: dena grid studies I and II; Renewable Energies Agency

- ▶ Expansion of smart transmission/distribution grids – key aspect of energy turnaround
- ▶ Significant delays in transmission grid expansion (8 of 24 priority projects)