



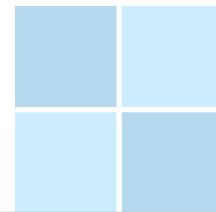
On Course: Success Driven by Efficiency

Fact Book

1st Quarter of 2005/2006

14.2.2006

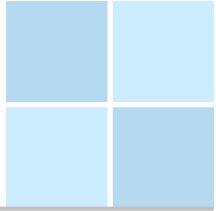




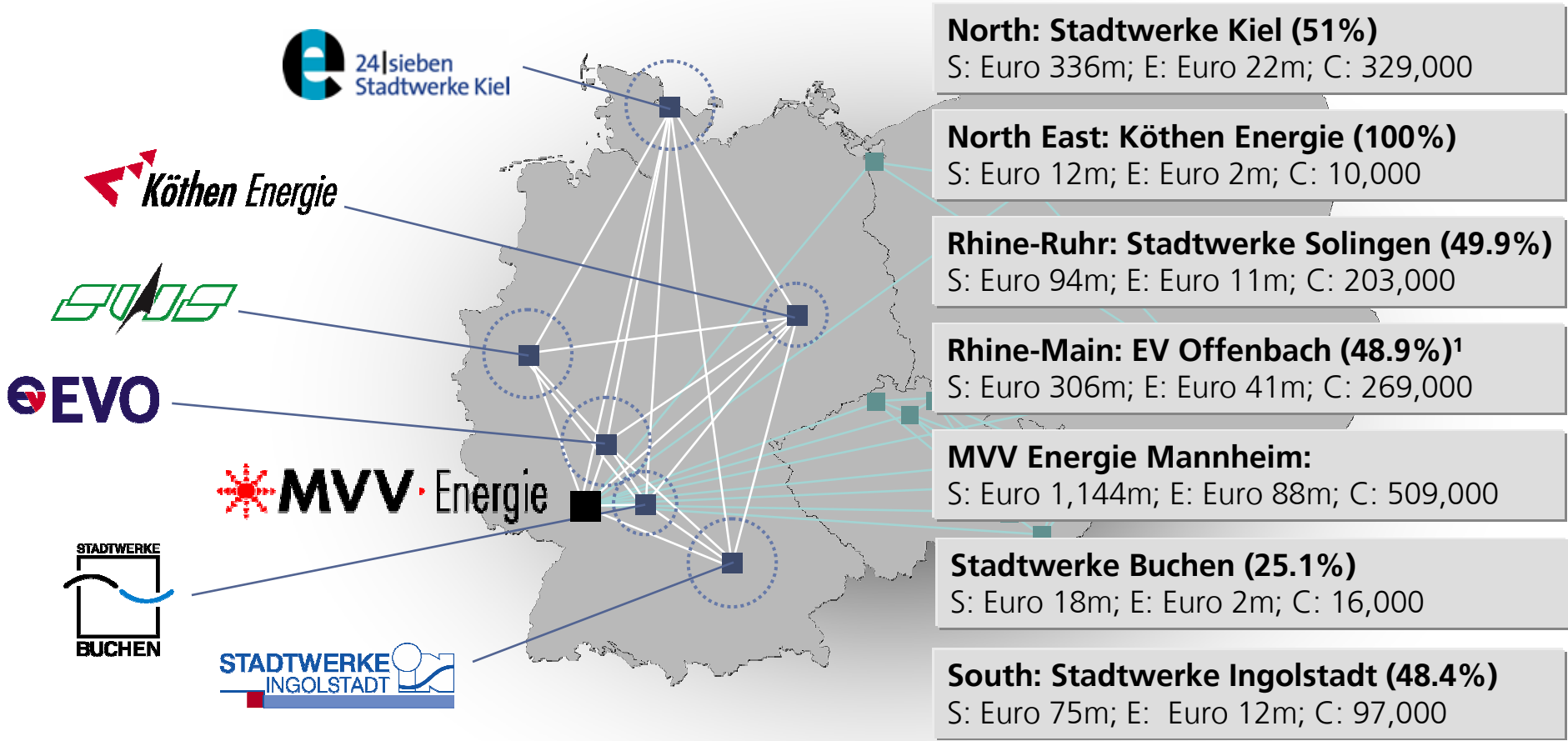
Strong Market Position

- ▶ Ranked No. 5 among European district-heating utilities in terms of volume
- ▶ Ranked No. 6 among German electricity suppliers in terms of volume of electricity sold to end customers
- ▶ Total of 1.7 million customers in Germany and Eastern Europe for electricity, district heating, gas and water
- ▶ One of the top 3 utility companies to use refuse- and biomass-derived fuel to generate energy in Germany, with a annual capacity of 1.2 million tonnes
- ▶ Among the Top 10 in energy related services in Germany (contracting, land improvement & development)

Solid foundation for further success



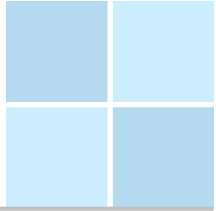
Our Network of Municipal Utility Companies



S = Sales; E = EBIT (Subgroup annual financial statements of the MVV Energie Group for the 2004/2005 financial year); C = Customers including residential units in apartment blocks

¹ Majority of votes 50.1%





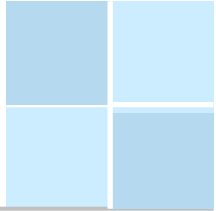
Multiplying the Value of Our District Heating Expertise

Shareholdings in European District Heating Utility Companies

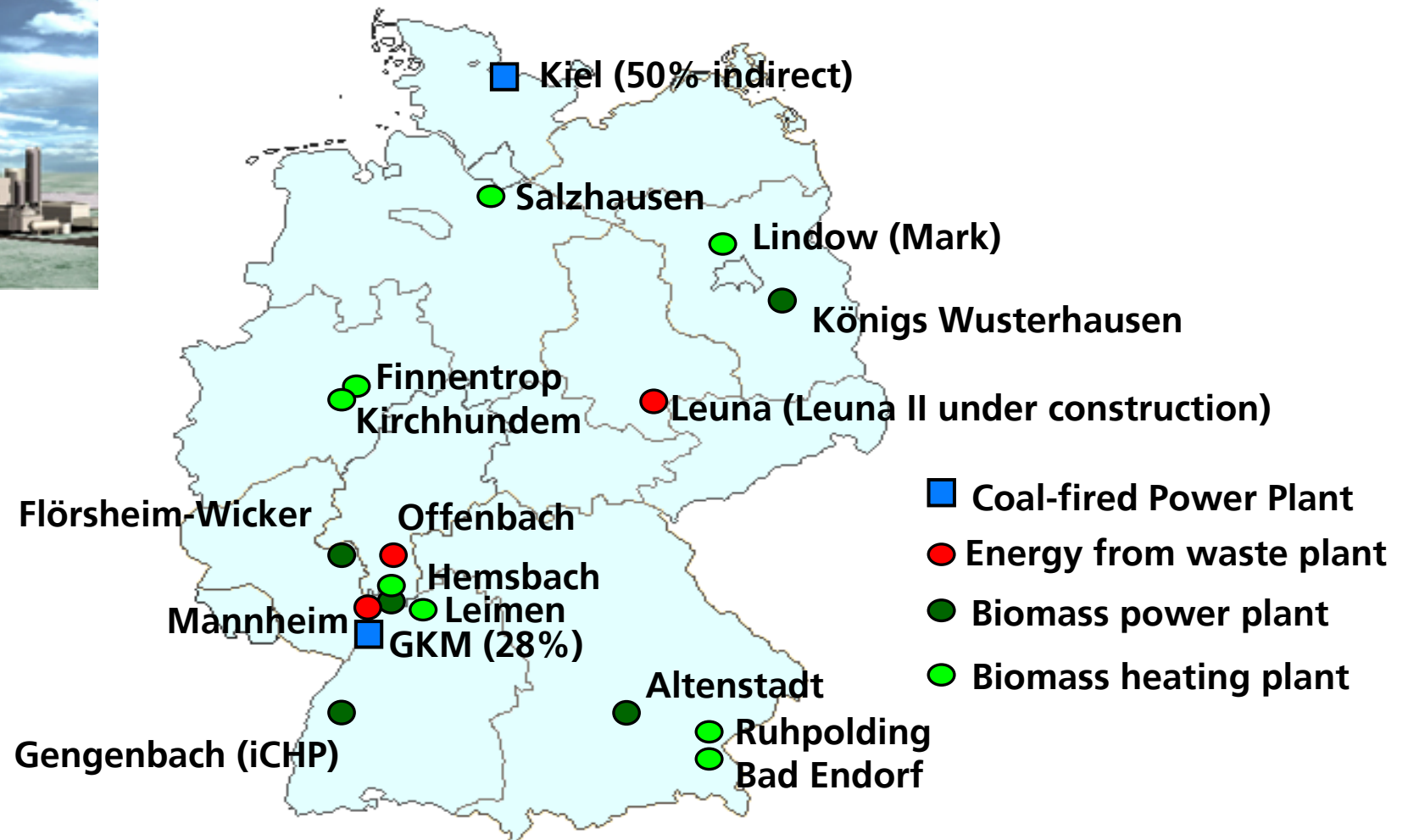


Poland
Sales: Euro 42 million
EBIT: Euro - 1 million
Customers: 195,000

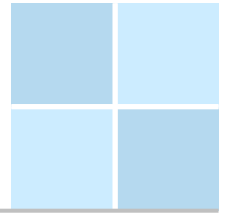
Czech Republic
Sales: Euro 42 million
EBIT: Euro 8 million
Customers: 59,000



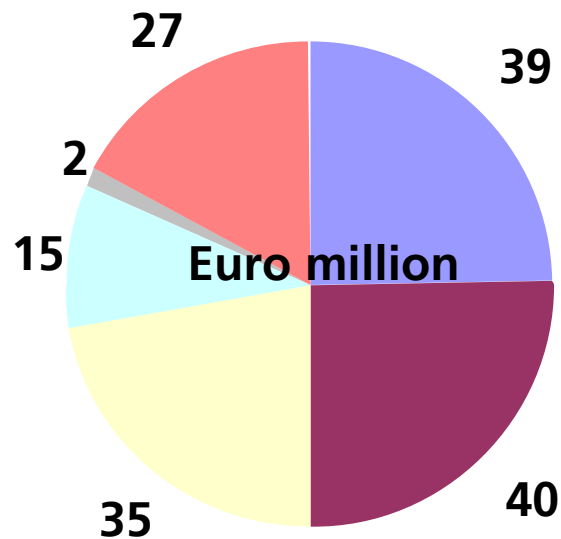
Our Coal, Waste and Biomass Plants



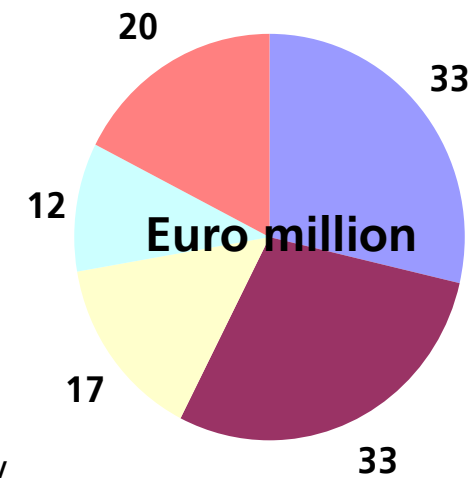
Our Operating Earnings (EBIT) Are Generated by a Number of Segments



Financial Year 2004/2005



Financial Year 2003/2004 ^{1,2}

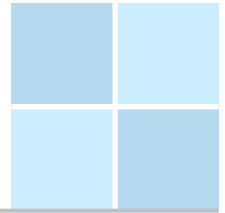


- Electricity
- District heating
- Gas
- Water
- Value-added services
- Environmental energy

¹ Adjusted EBIT

² Value-added services: Euro - 18 million

MVV Energie's Concept as a Distributor and Service Provider



Stable Core Business

- ▶ Successful **energy distribution** (electricity, gas, district heating) as well as **energy from waste incineration, utilising biomass** and **water distribution**
- ▶ Long-term **customer retention** as a result of MVV owning its networks
- ▶ **Sound earnings** with huge potential for **cost savings**

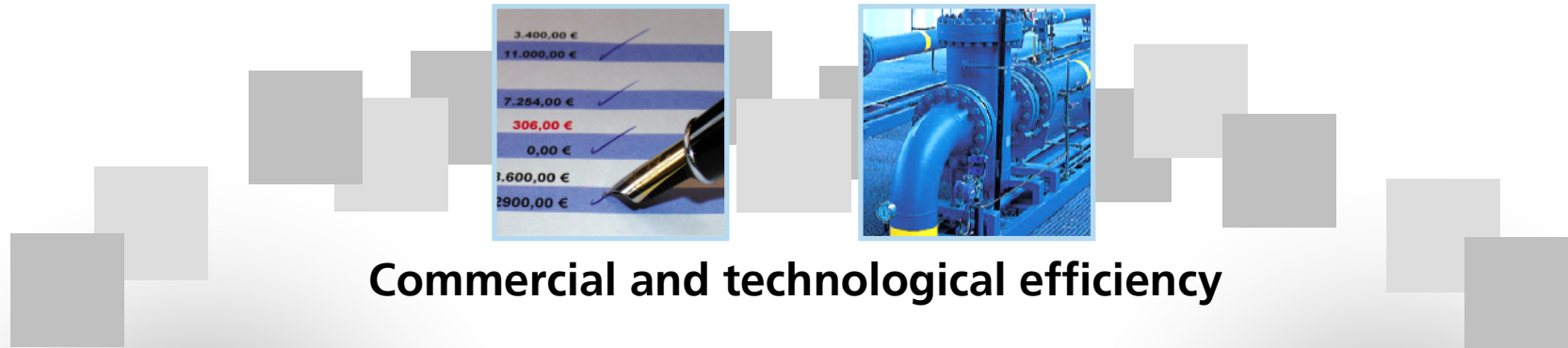
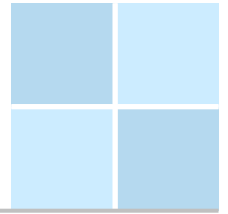
+ Growth Potential

- ▶ New markets through new national and international **shareholdings**
- ▶ Utilisation of new market opportunities in the **waste to energy business**
- ▶ Building on existing customer links by means of **energy-related services**

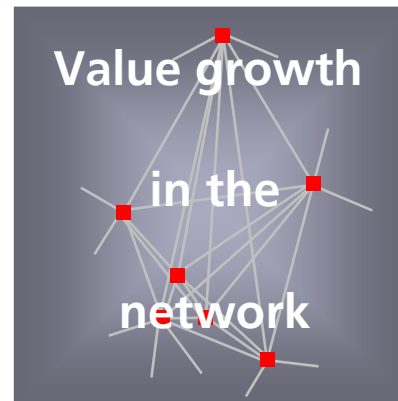
Our Strategy



The MVV Energie Strategy

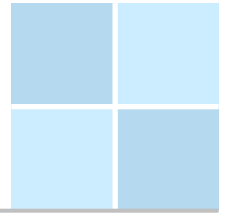


External
Expansion of the
network

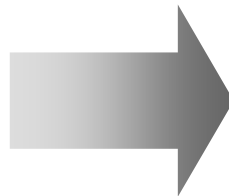


Organic
Growth via products
and raise in efficiency

Growth Based on Shareholdings in Municipal Utility Companies



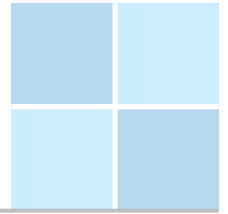
- ▶ Several hundred autonomous municipal utility companies currently active in Germany
- ▶ In many cases inadequately prepared for competition
- ▶ Often only active in distribution of electricity and gas, no proprietary generation activities
- ▶ Expected pressure on earnings due to network regulation
- ▶ Lack of resources in municipalities



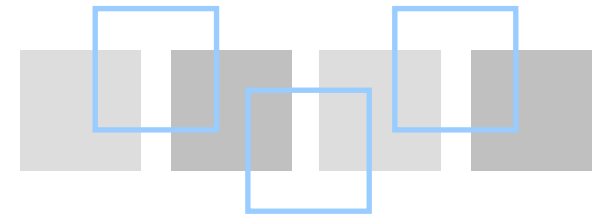
Sale of further municipal utility companies expected

MVV Energie is well-positioned for further acquisitions

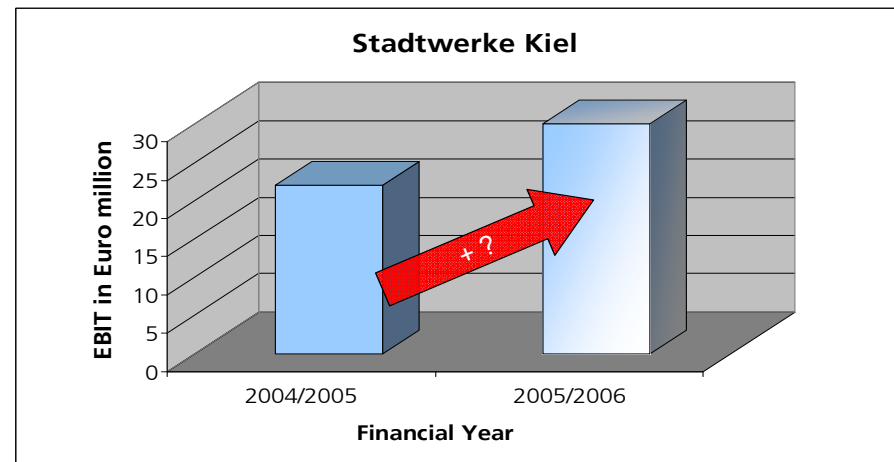
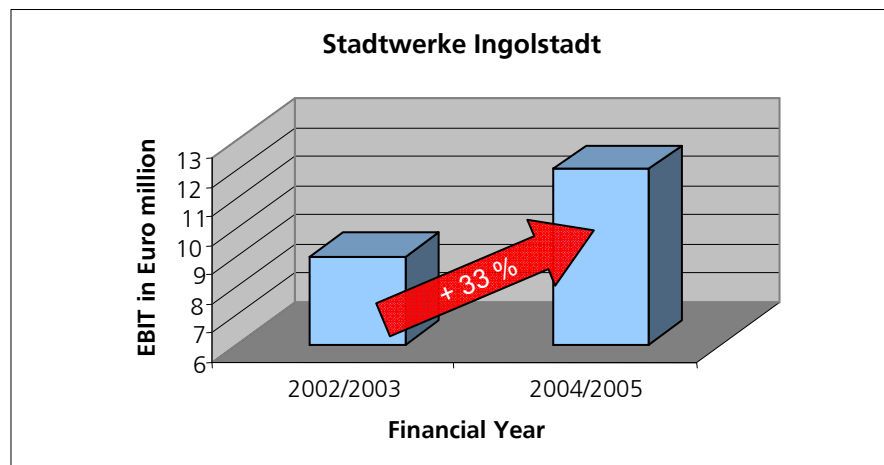
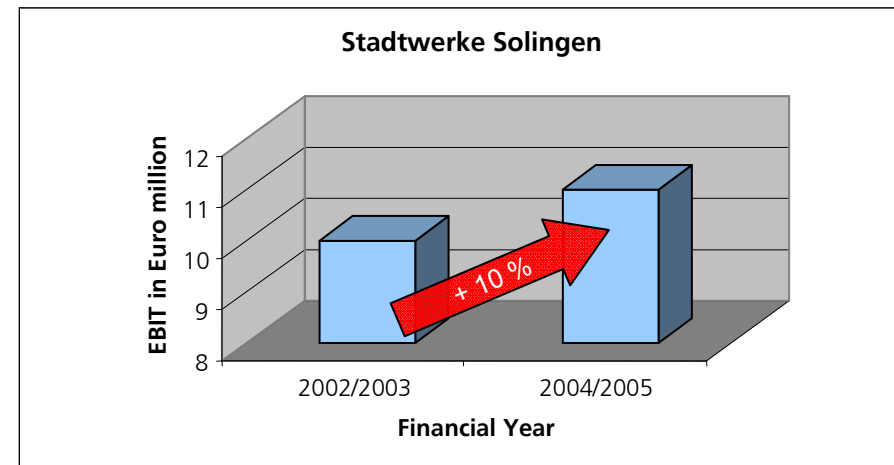
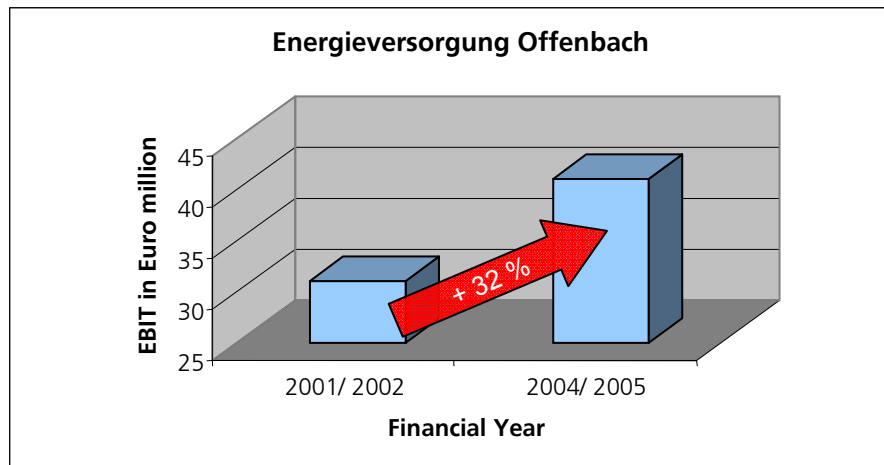
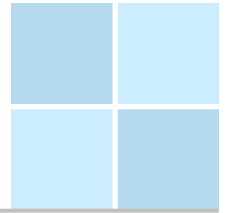
Horizontal Cooperation as an Alternative to Vertical Integration



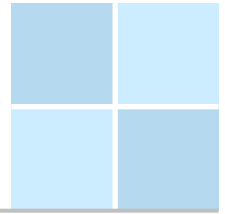
- ▶ Standardisation of technology
- ▶ Standardisation of information processing (IT)
- ▶ Centralisation of procurement and logistics functions
- ▶ Joint optimisation of energy portfolio by building up purchasing power
- ▶ Shared-service companies for metering and billing
- ▶ Sales cooperations



We Have Increased the Value of Our Municipal Utility Shareholdings



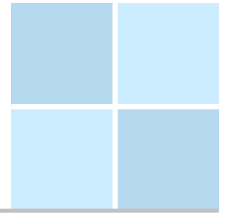
Growth in Environmental Energy



- ▶ Environmental Energy in the MVV Energie network includes:
 - **Incineration of waste**
 - **Generation of electricity from biomass**
- ▶ **Goal:** together with our partners in the network to attain market leadership within 5 years with focus in the Rhine/Main region and in the region surrounding TREA Leuna
- ▶ We expect to see further growth as a result of the construction of the second plant in Leuna (completion in 2007), improved materials energy management and possible further projects



Growth Based on Energy Services



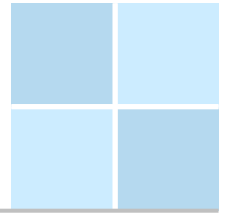
- ▶ MVV Energie is successfully positioned among the top 10 providers of energy services in the market

- ▶ 3 main product areas
 - **Industrial Solutions**
 - **Municipal Solutions**
 - **Advisory Services – national and international**

- ▶ **Goal:** based on internal and external growth to become one of the top three providers of energy and infrastructure services in Germany in the next five years



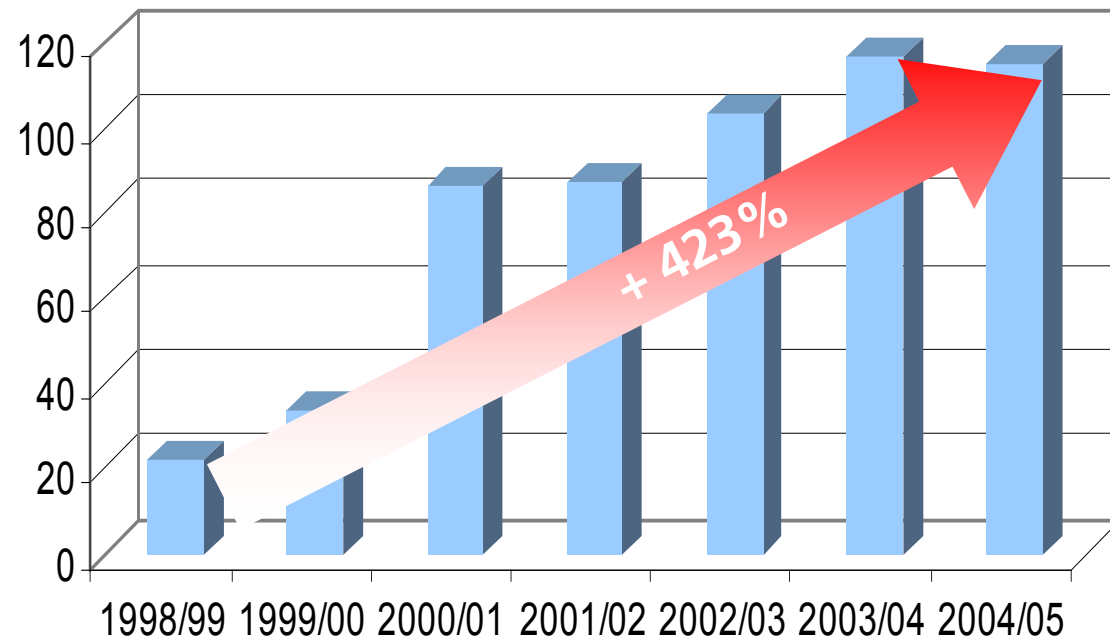
Healthy Growth in Our National and International Business in Energy Services



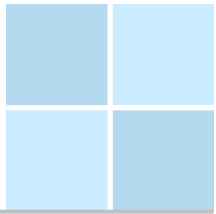
i.e.

- ▶ Contracting
- ▶ Land improvement & development
- ▶ Consulting

Sales from value-added services (Euro million)

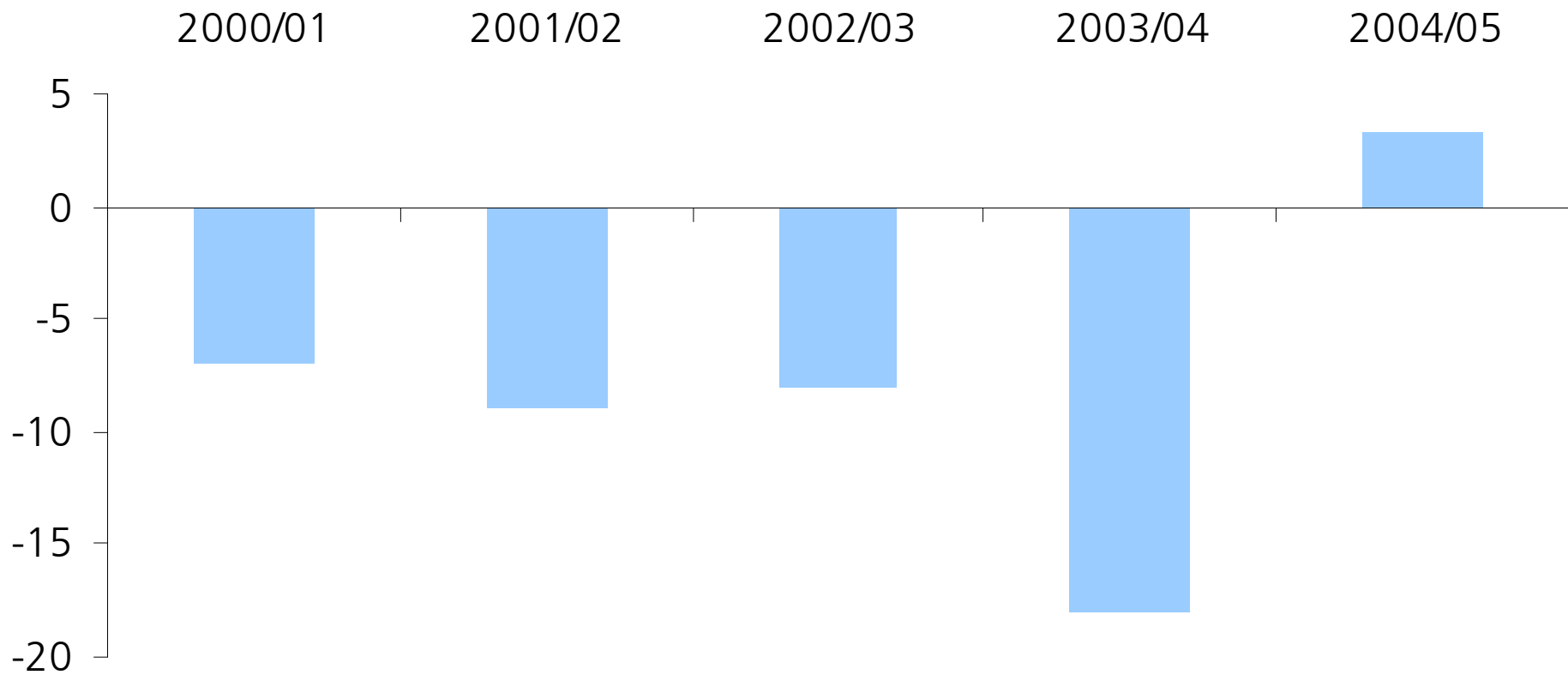


Comprehensive solutions for customers promote commodity sales



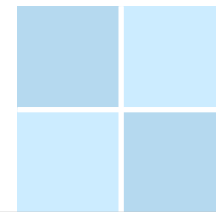
Energy Services: Successful Turnaround

Adjusted EBIT in Euro million

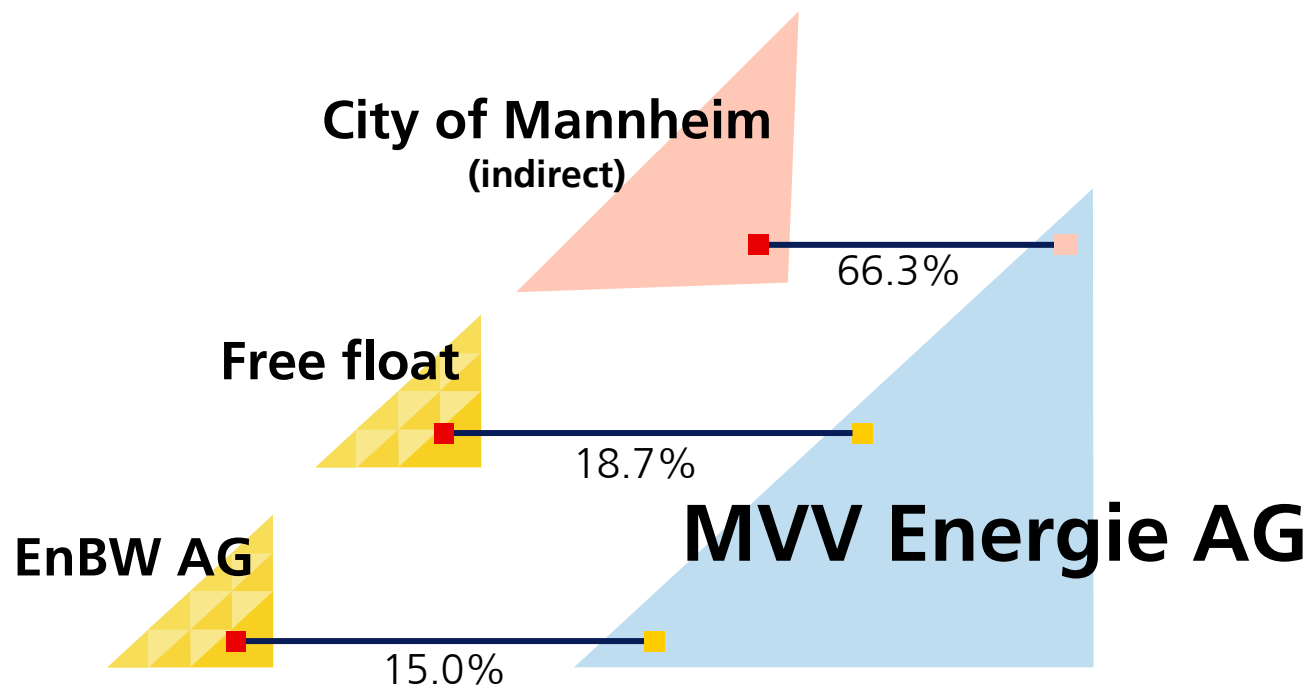


Our Shares



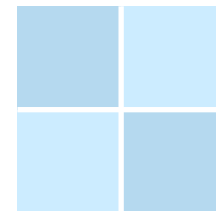


Current Shareholders Structure and Key Figures



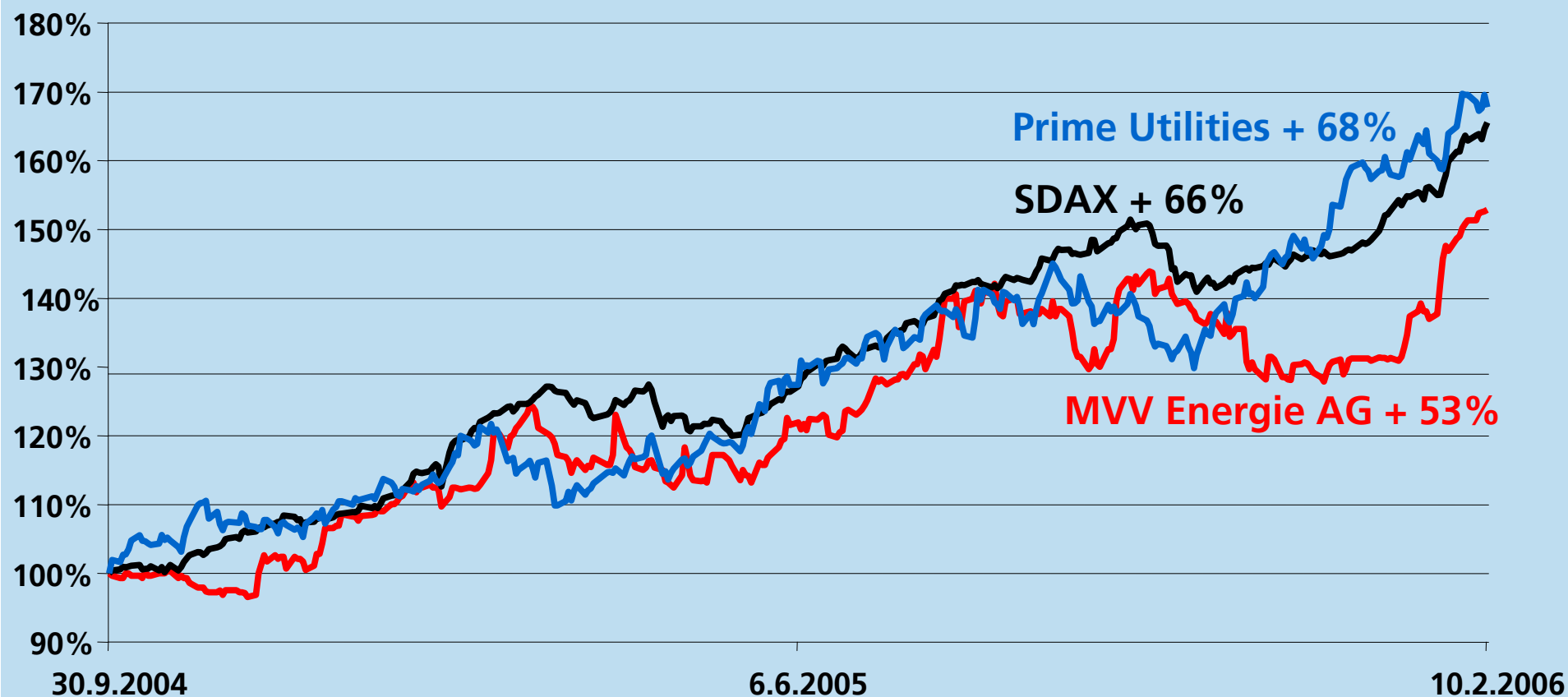
- ▶ No. of shares: 55.704 million
- ▶ Market capitalisation: Euro 1,163 million (Closing price on 10.2.2006: Euro 20.87)
- ▶ Free float: Euro 217 million

Performance Comparison of the MVV Energie AG Share with the SDAX and Prime Utilities Indices (FY 2004/2005 – 10.2.2006)

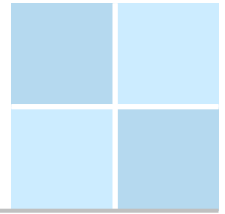


MVV Energie AG Share (ISIN DE 0007255903)

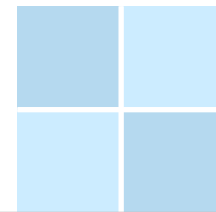
Xetra-Trading



Capital Increase Successfully Placed



- ▶ On 15 November 2005, we executed a capital increase of almost 10% in order to finance current investment requirements (including Leuna II)
- ▶ In case of further investments authorised capital of about 18% is still available
- ▶ The use of the additional authorised capital mainly depends on investment opportunities in the market for larger scale municipal utility companies
- ▶ There are currently no suitable acquisitions opportunities in the market
- ▶ The City of Mannheim currently has no plans to dispose of its shares. It intends to remain the majority shareholder in the medium term



Advantages for Our Shareholders

- ▶ Secure earnings thanks to **stable core business**
- ▶ Huge **potential for cost reductions**
- ▶ Upside potential can be realised by acquiring **additional shareholdings** and expanding **environmental energy** as well as **energy-related services**
- ▶ Attractive **dividend returns** (currently almost 4%)
- ▶ Listed on the Prime Standard (**SDAX**)

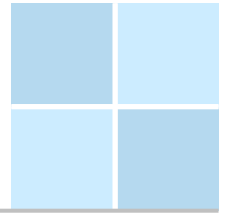


We are committed to shareholder value

Outlook

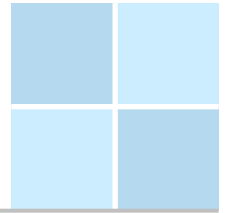


Savings Potential of the Newly Launched “FOKUS” Programme



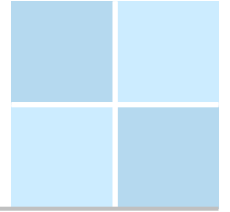
- ▶ Administration expenses currently amount to Euro 93 million in Mannheim alone
- ▶ “FOKUS” will enable us to save an increasing amount per year in terms of personnel and material expenses in the administrative divisions in Mannheim
- ▶ These savings are expected to reach their maximum level of Euro 29 million in 2008. Two thirds thereof will be realised in the current financial year 2005/06
- ▶ More than half of the savings are to be achieved by cutting jobs in a socially responsible manner
- ▶ Furthermore, we also intend to realise further potential savings at our shareholdings, e.g. in Kiel

Significant Increase in Earnings Expected in the Current Financial Year



- ▶ The earnings of MVV Energie have risen in the recent financial year as a result of its strategic focusing, cost-reduction measures and the initial consolidation of Kiel
- ▶ Earnings in the current 2005/06 financial year will be positively affected by the following factors in particular:
 - Full-year operations at the waste-to-energy plant in Leuna
 - Savings generated by FOKUS programme and from increased cooperation across the Group
 - Improved earnings in Poland and the Czech Republic
- ▶ We will generate a positive value spread figure on the level of the overall company (ROCE > WACC) in the current financial year
- ▶ Rising earnings enable us to propose a consistent attractive dividend of Euro 0,75 per share from the achieved free cash flow for 2004/05 (to be paid on 10 March 2006) and to raise dividends for the current financial year

We Have Increased Our Forecast for the Current Financial Year



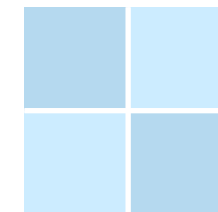
- ▶ Environmental energy segment:
 - Significant rise in waste incineration capacity to a total of 900,000 tonnes per annum with a simultaneous increase in capacity utilisation rates
 - Sustainable increase in prices for the incineration of commercial waste
 - Higher revenues from electricity generation as a result of rise in prices
- ▶ Positive earnings development in Poland and the Czech Republic due to restructuring measures
- ▶ Cost reductions due to increased cooperation across the Group

- ▶ Our **new forecasts** for 2005/2006:
 - Sales: Euro **2,25** billion (2,2)
 - EBIT: Euro **195** million (185)
 - EBT: Euro **133** million (123)

Key Financial Data for the 2004/2005 Financial Year



Key Figures of the MVV Energie Group for the 2004/2005 Financial Year

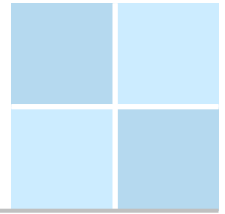


Earnings performance Euro million (unadjusted)	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Sales	1,958	1,652	+ 19
EBITDA	288	209	+ 38
EBITA	156	55	+ 184
EBIT	158	41	+ 285
EBT	90	- 23	-
Annual net surplus/deficit	51	- 38	-
after minority interests	34	- 44	-
Free Cash flow	60	- 18	-
Earnings per share in Euro	0.67	- 0.86	-

¹ Inflow of funds from ongoing business activities, less investments in tangible assets / intangible assets

Portfolio Adjustments and Impairment Tests in 2003/04

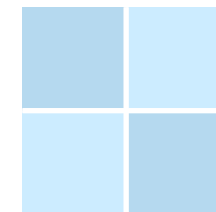
Impact of one-off expenditures on EBIT: Euro 56 million



- ▶ Restructuring of our Powerline business
 - Depreciation of fibre-optic grids in Mannheim: Euro 10 million
 - Partial depreciation of fixed assets at MAnet: Euro 7 million
 - Restructuring expenses at MAnet: Euro 1 million
- ▶ Relinquishing of non-core business activities
 - Partial depreciation of MVV's shareholding in Spain: Euro 2 million
 - Loss from sale of AWATECH: Euro 8 million
 - Depreciation of financial assets in our innovations portfolio: Euro 6 million
 - Devaluation in Eternegy and Portugal projects: Euro 7 million
 - Devaluation in book values of our consulting business: Euro 2 million
- ▶ Impairment tests: Euro 3 million

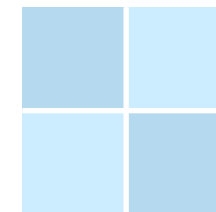
Restructuring measures aimed at cutting costs in future

EBIT Adjusted for One-off Factors



EBIT Euro million	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	change
EBIT (unadjusted)	158	41	+ 117
+ costs of portfolio streamlining (Powerline: Euro 18m, Spain: Euro 2m, AWATECH: Euro 8m, innovations portfolio: Euro 13m, eternegy and Portugal: Euro 10m, consulting: Euro 2m)	–	+ 53	- 53
+ charge from impairment tests	–	+ 3	- 3
EBIT (adjusted)	<u>158</u>	<u>97</u>	<u>+ 61</u>

Key Figures of the MVV Energie Group for the 2004/2005 Financial Year (previous year adjusted)

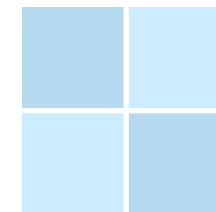


Earnings performance Euro million	2004/2005 1.10.-30.9.	adjusted ¹	
		2003/2004 1.10.-30.9.	% change
Sales	1,958	1,652	+ 19
EBITDA	288	236	+ 22
EBITA	156	106	+ 47
EBIT	158	97	+ 63
EBT	90	36	+ 150
Annual net deficit/surplus	51	19	+ 168
after minority interests	34	12	+ 183
Free Cash flow ²	60	- 16	-
Earnings per share in Euro	0.67	0.24	+ 179

¹ In the previous year: excluding expenses relating to streamlining of portfolio and restructuring measures
² Inflow of funds from ongoing business activities, less investments in tangible assets and intangible assets

Initial Consolidation Factors from Stadtwerke Kiel

Difference 2004/2005 FY (1.10.04 – 30.9.05) vs. 2003/2004 FY (1.5.04 – 30.9.04)



Euro Million		Volume 1.10.-30.9.	Sales 1.10.-30.9.	EBIT 1.10.-30.9.
Electricity	(kWh million)	4,309	95	1
District heating	(kWh million)	912	41	- 7
Gas	(kWh million)	2,359	84	- 2
Water	(m ³ million)	10.5	19	2
Value-added services		–	1	1
Other/consolidation		–	4	–
Total			92	- 6

Sales by Segment in the 2004/2005 Financial Year

Sales in Euro million	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Electricity ¹	975	828	+ 18
District heating	250	252	- 1
Gas ²	366	263	+ 39
Water ²	106	86	+ 23
Value-added services	115	117	- 2
Environmental energy	131	97	+ 35
Other/consolidation	15	9	+ 67
Total sales	1,958	1,652	+ 19

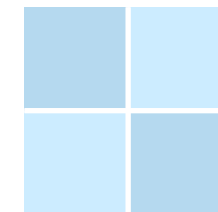
¹ including energy tax of Euro 92 million (previous year: Euro 84 million)

² including gas tax of Euro 61 million (previous year: Euro 49 million)

EBIT by Segment in the 2004/2005 Financial Year

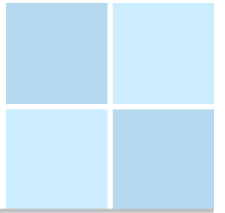
EBIT in Euro million	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Electricity	39	32	+ 22
District heating	40	32	+ 25
Gas	34	17	+ 100
Water	15	12	+ 25
Value-added services	2	- 63	-
Environmental energy	27	12	+ 125
Other/consolidation	1	- 1	-
Total EBIT	<u>158</u>	<u>41</u>	+285

EBIT by Segment in the 2004/2005 Financial Year (previous year adjusted)



EBIT in Euro million	adjusted ¹		% change
	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	
Electricity	39	33	+ 18
District heating	40	33	+ 21
Gas	34	17	+ 100
Water	15	12	+ 25
Value-added services	2	- 18	-
Environmental energy	27	20	+ 35
Other/consolidation	1	-	-
Total EBIT	158	97	+ 63

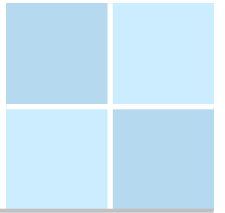
¹ in the previous year: excluding expenses for streamlining of portfolio and restructuring measures



Volumes in the 2004/2005 Financial Year

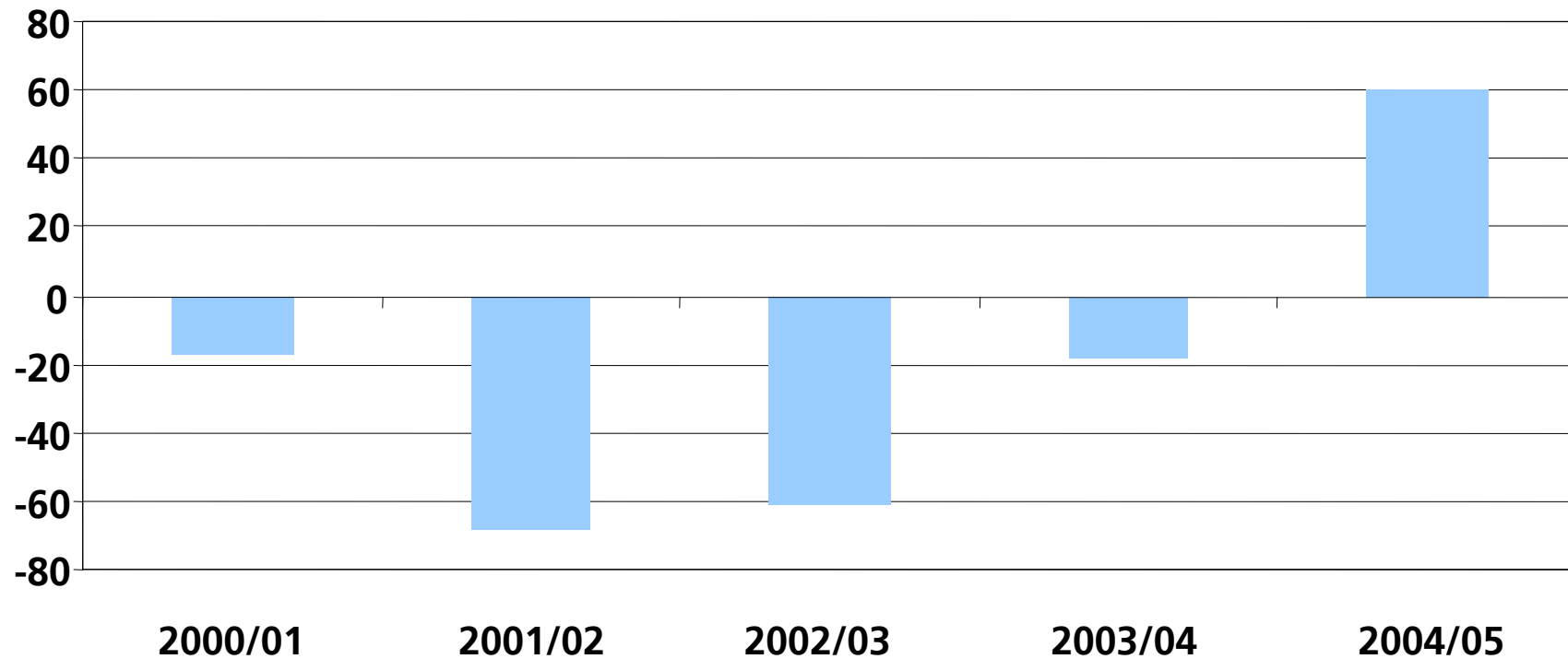
Volume¹	2004/2005 1.10.-30.9.	2003/2004 1.10.-30.9.	% change
Electricity (kWh million)	18,307	14,539	+ 26
of which: wholesale (kWh million) (incl. secondary distributors)	9,454	5,587	+ 69
of which: retail (kWh million)	8,853	8,952	- 1
District heating ² (kWh million)	7,454	7,504	- 1
Gas (kWh million)	11,096	8,906	+ 25
Water (m ³ million)	58.3	47.6	+ 19
Incinerated waste (tonnes 000s)	619	519	+ 8

¹ total volume from all segments
² corrections in previous year's figure

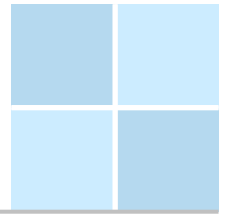


Free Cashflow Returns to Positive Ground Once More

Euro million

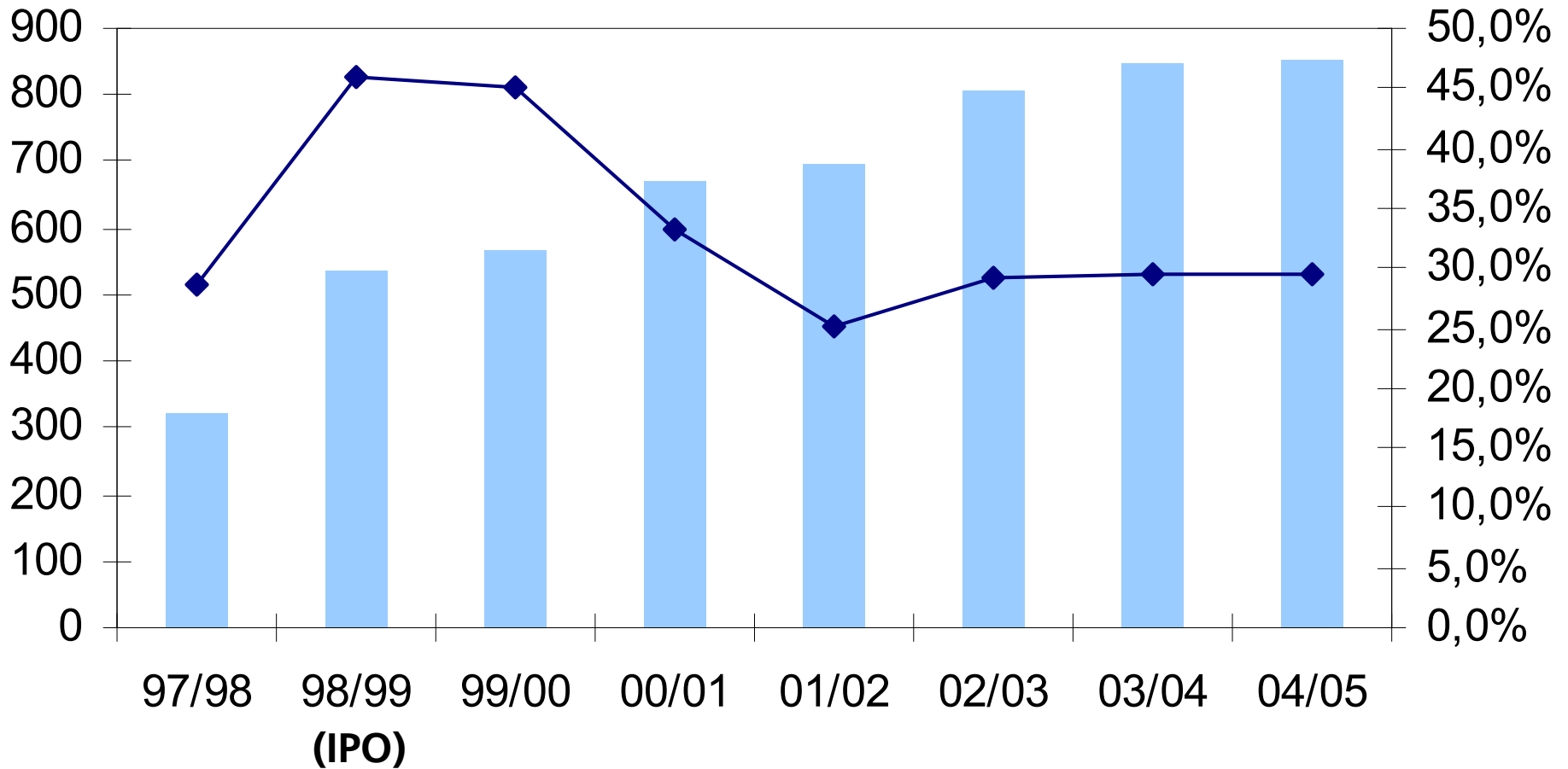


Solid Equity Capitalisation



Euro million

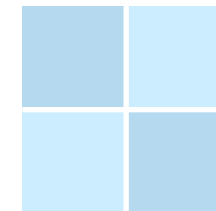
Equity —◆— Equity to Total Capital Ratio



Key Financial Data for the 1st Quarter of 2005/2006



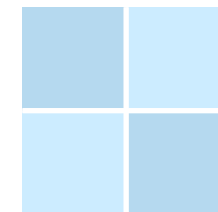
Volumes in the 1st Quarter of 2005/2006



Volume ¹		2005/2006 1.10.-31.12.	2004/2005 1.10.-31.12.	% change
Electricity	(kWh million)	4,608	4,330	+ 6
of which: wholesale (incl. secondary distributors)	(kWh million)	2,360	2,029	+ 16
of which: retail	(kWh million)	2,448	2,301	- 2
District heating ²	(kWh million)	2,358	2,472	- 5
Gas	(kWh million)	3,606	3,667	- 2
Water	(m ³ million)	13.7	14.0	- 2
Combustible waste delivered	(tonnes 000s)	318	177	+ 80

¹ total volume from all segments
² corrections in previous year's figure

Key Figures of the MVV Energie Group for the 1st Quarter of 2005/2006



Earnings performance Euro million	2005/2006 1.10.-31.12.	2004/2005 1.10.-31.12.	% change
Sales	579	524	+ 10
EBITDA	109	101	+ 8
EBITA	77	68	+ 13
EBIT	77	68	+13
EBT	61	53	+ 15
Annual net surplus/deficit	35	33	+ 6
after minority interests	29	25	+ 16
Free Cash flow	- 35	- 20	- 75
Earnings per share in Euro	0.54	0.50	+ 8

¹ Inflow of funds from ongoing business activities, less investments in tangible assets and intangible assets

Sales by Segment in the 1st Quarter of 2005/2006

Sales in Euro million	2005/2006 1.10.-31.12.	2004/2005 1.10.-31.12.	% change
Electricity ¹	257	244	+ 5
District heating	84	78	+ 8
Gas ²	131	112	+ 17
Water ²	25	26	- 4
Value-added services ³	27	25	+ 8
Environmental energy	49	30	+ 63
Other/consolidation ³	6	9	- 33
Total sales	579	524	+ 10

¹ including energy tax of Euro 28 million (previous year: Euro 27 million)

² including gas tax of Euro 20 million (previous year: Euro 20 million)

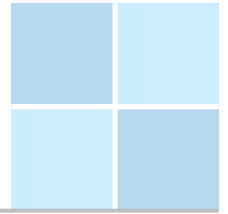
³ with effect from the 2005/06 financial year, the companies MANet GmbH and ENERGY InnovationsPortfolio AG & Co. KGaA will no longer be reported under the value-added services segment, but rather in the Other segment; the previous year's figures have been adjusted for reasons of comparison

EBIT by Segment in the 1st Quarter of 2005/2006

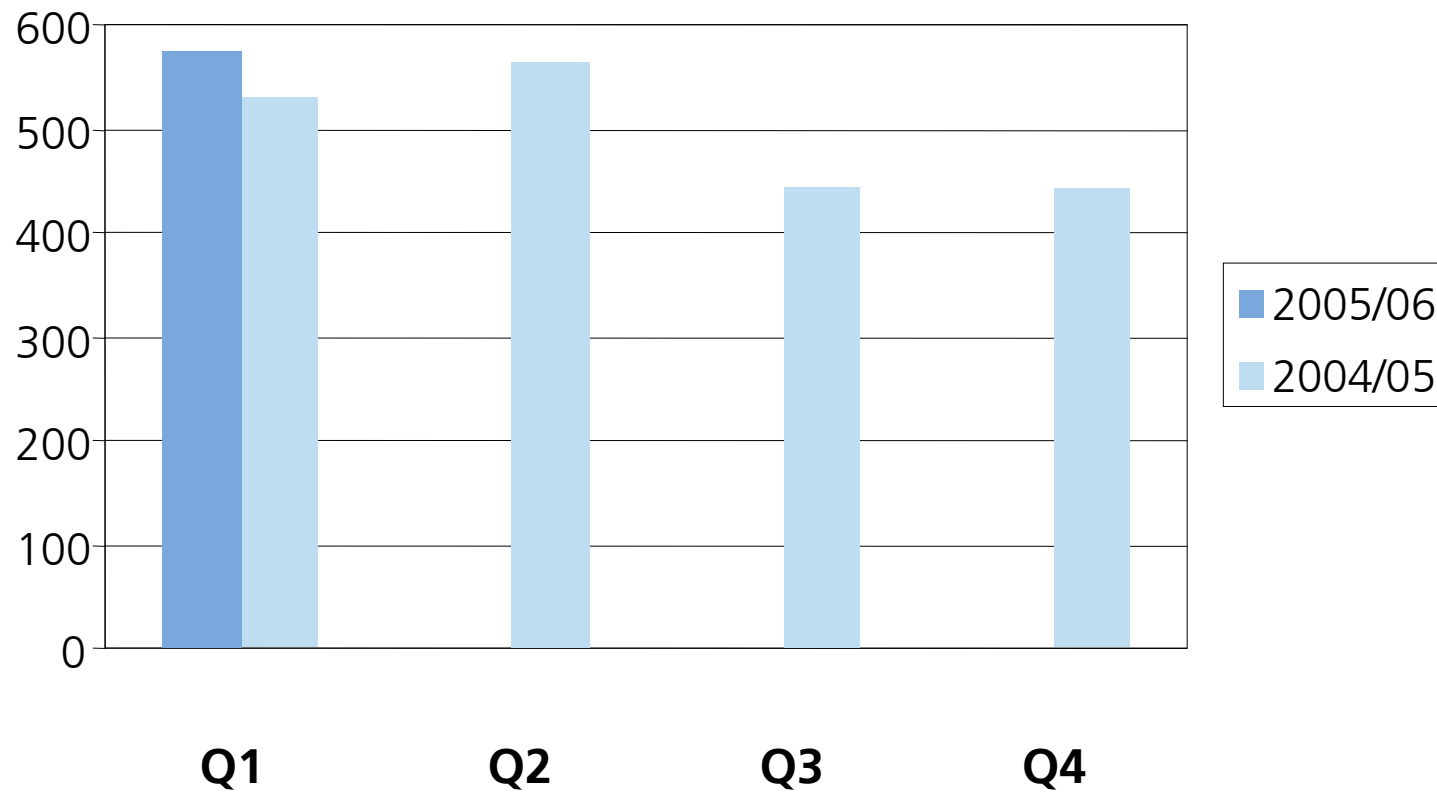
EBIT in Euro million	2005/2006 1.10.-31.12.	2004/2005 1.10.-31.12.	% change
Electricity	10	17	- 41
District heating	26	21	+ 24
Gas	18	17	+ 6
Water	5	4	+ 25
Value-added services ¹	1	2	- 50
Environmental energy	17	7	+ 143
Other/consolidation ¹	-	-	-
Total EBIT	<u>77</u>	<u>68</u>	+ 13

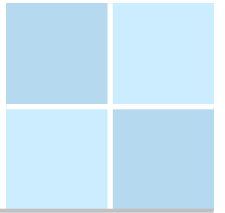
¹ with effect from the 2005/06 financial year, the companies MANet GmbH and ENERGY InnovationsPortfolio AG & Co. KGaA will no longer be reported under the value-added services segment, but rather in the Other segment; the previous year's figures have been adjusted for reasons of comparison

Sales by Quarter



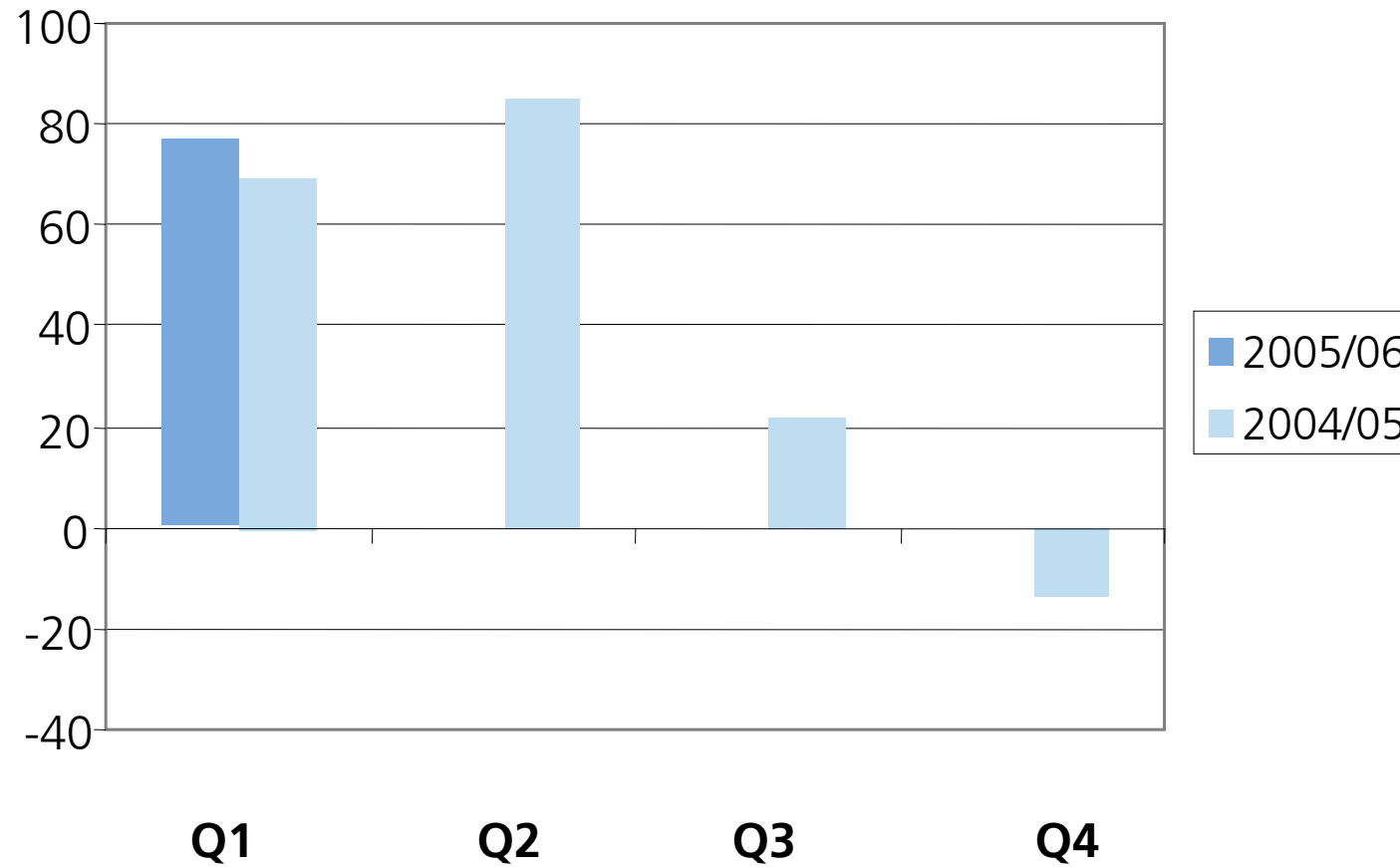
Euro million



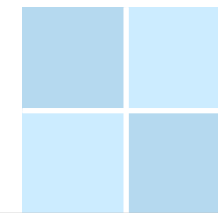


Strong Seasonal Cycles in the Results

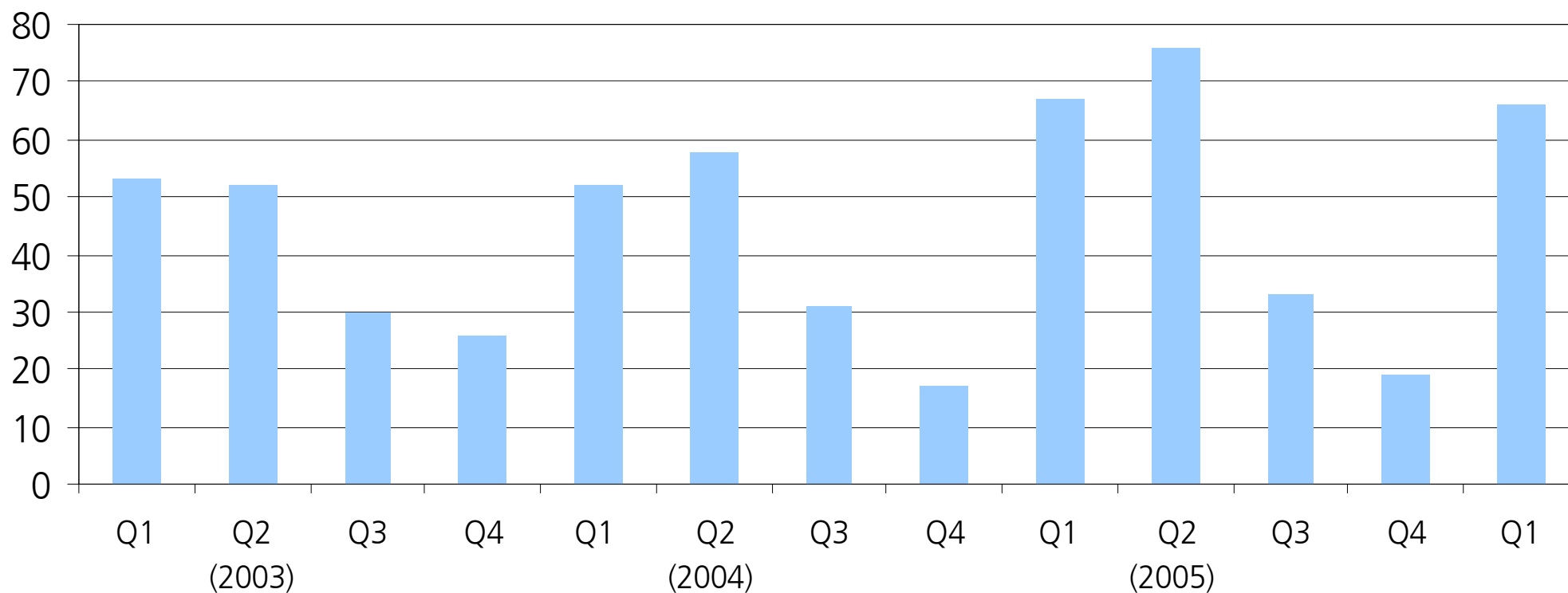
EBIT by Quarter in Euro million



Continuously Positive Cash Flow (DVFA/SG)

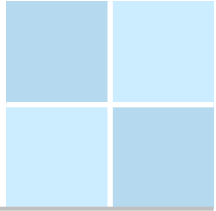


Cashflow (DVFA/SG) in Euro million

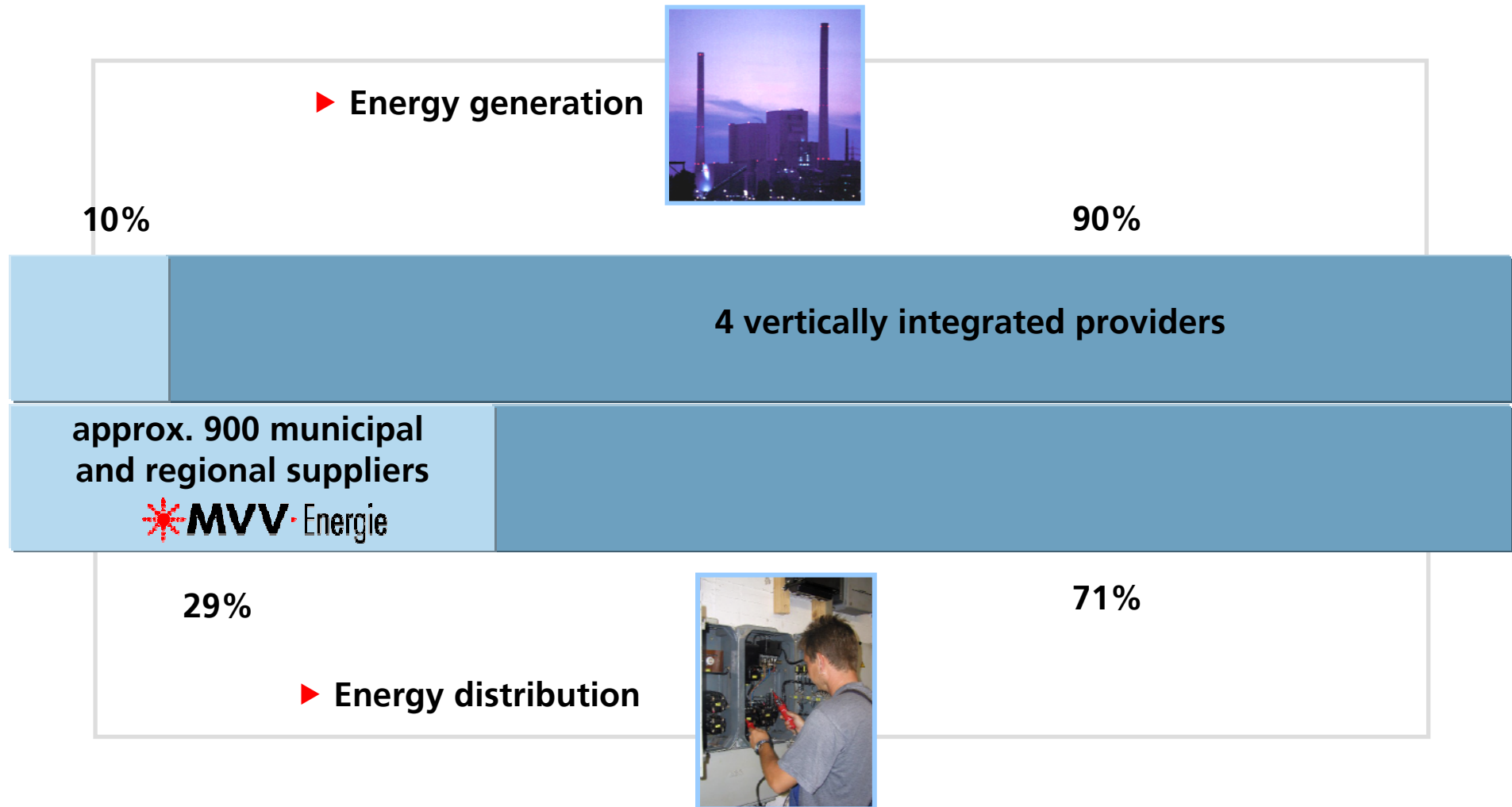


Appendix: The German Electricity Market



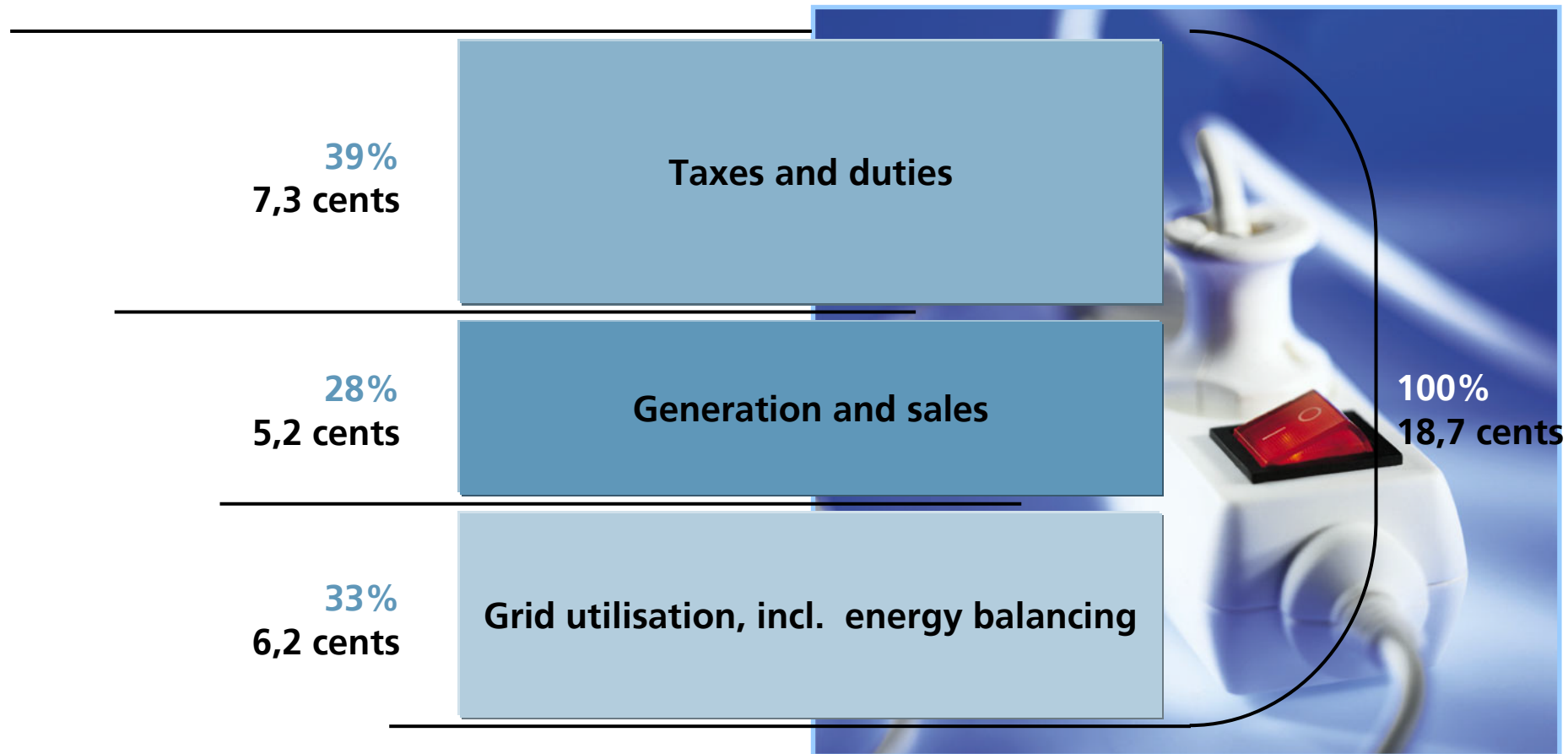
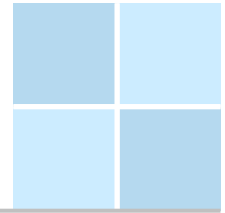


Structure of the German Electricity Industry



Electricity Price Components

(per kWh)



End customer with 3,500 kWh p.a. (Sources: VDN, VDEW),
average household customer price: 18,7 cents