MVV ENERGIE – ENERGISING THE FUTURE

SECURING TOMORROW'S ENERGY TODAY

FINANCIAL REPORT 3RD QUARTER OF 2009/10
1 OCTOBER 2009 – 30 JUNE 2010

MVV Energie

Key Figures
from 1.10.2009 to 30.6.2010

Key figures of the MVV Energie Group

Euro million	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	% change
External sales excluding electricity and natural gas taxes	2 554	2 482	+ 3
Adjusted EBITDA [1]	357	357	0
Adjusted EBITA [1]	251	250	0
Adjusted EBIT [1]	251	250	0
Adjusted EBT [1]	192	192	0
Adjusted net surplus for period [1]	129	129	0
Adjusted net surplus for period after minority interests [1]	120	117	+ 3
Adjusted earnings per share [1] in Euro	1.83	1.78	+ 3
Cash flow before working capital and taxes	375	356	+ 5
Cash flow before working capital and taxes per share in Euro	5.69	5.40	+ 5
Free cash flow	112	– 110	—
Adjusted total assets as of 30.6.2010/30.9.2009 [1]	3 483	3 566	– 2
Adjusted equity as of 30.6.2010/30.9.2009 [1]	1 264	1 208	+ 5
Adjusted equity ratio as of 30.6.2010/30.9.2009 [1]	36.3 %	33.9 %	+ 7
Investments	141	158	– 11
Number of employees as of 30.6.2010/30.6.2009	5 997	5 926	+ 1

1 excluding non-operative IAS 39 valuation items / fair values of energy trading derivatives

Contents

2 _ To Our Shareholders
2 _ Letter from the CEO
3 _ The Share of MVV Energie AG

4 _ Interim Group Management Report
4 _ Business Framework
4 _ Macroeconomic Situation
4 _ Sector-specific Developments
4 _ Energy Policy and Regulation
5 _ Our Corporate Strategy
5 _ Generation, Products, Services
5 _ Energy Trading Business
6 _ Positive Weather Factor in 3rd Quarter of 2009/10
6 _ Research and Development
6 _ Employees
7 _ Business Performance
7 _ Earnings Position of the MVV Energie Group
10 _ Segment Performance
12 _ Net Asset and Financial Position
14 _ Opportunity and Risk Report
14 _ Events After the Balance Sheet Date
15 _ Outlook

18 _ Interim Consolidated Financial Statements
18 _ Balance Sheet
19 _ Statement of Comprehensive Income
20 _ Statement of Changes in Equity
21 _ Segment Report
22 _ Cash Flow Statement
24 _ Notes to the Interim Consolidated Financial Statements
32 _ Responsibility Statement

Financial Calendar, Imprint

3rd Quarter of 2009/10 at a glance

1 April 2010 to 30 June 2010

- MVV Energie acquired a wind farm in June 2010. Near Rostock, Plauerhagen Wind Farm has eight wind power plants in total, with overall installed capacity of 16 MW. Its forecast electricity output amounts to around 38 GWh per annum.

- Having installed its second solar plant on company buildings, Stadtwerke Solingen has the largest photovoltaics system in town. The green electricity thereby produced now powers all of Solingen’s trolley buses.

- In Rohrbeck in Brandenburg, MVV Energiedienstleistungen GmbH launched operations at its fourth biogas plant at the beginning of July 2010. Electricity totalling around 20 MWh per annum is now generated at the four biogas plants and fed into the public grid. The surplus heat arising upon electricity generation is used for heating purposes.

- Stadtwerke Ingolstadt began the construction of a 5.3-kilometre district heating pipeline on 30 April 2010. Working together with various local partners, it is thus implementing Bavaria’s largest surplus heat and district heating project. Under the management of its subsidiary, reginova GmbH, Stadtwerke Ingolstadt will in future be supplying the Audi Sport Park with electricity, heating and cooling energy and additional services.

Letter from the CEO

Dear Shareholders,

“Securing Tomorrow’s Energy Today” – it is by this principle that we are steering our company into the future. By acquiring Plauerhagen Wind Farm in Mecklenburg-Vorpommern, MVV Energie has now gained its first major foothold in the high-growth wind power market. We intend to maintain this course – around half of the investment programme of Euro 3 billion we have announced is to be channelled into generating further growth momentum. Renewable energies will form one key focus in this respect. In all, we aim to raise the share of our proprietary electricity generation based on renewable energies from 18 % already in the 2008/09 financial year to 30 % by 2020.

Our business increasingly benefited from a favourable tailwind in the 3rd quarter of 2009/10 (April to June 2010). Alongside the emergent economic recovery, two key factors here were the cooler weather conditions in April and May 2010 and the operational success in our nationwide electricity and gas business. Our adjusted EBIT grew year-on-year by Euro 4 million (+ 11 %) in the 3rd quarter of 2009/10. We have thus more than offset the downturn in earnings of Euro 3 million reported for the 1st half of 2009/10. At Euro 251 million, the MVV Energie Group’s adjusted EBIT for the first nine months of 2009/10 is Euro 1 million up on the previous year’s figure. As usual, we expect to see weaker earnings due to seasonal factors in the 4th quarter of 2009/10, but are nevertheless confident that our external sales and adjusted EBIT for 2009/10 as a whole will more or less match the previous year’s figures.

Our sector is heading towards a new energy era. The future lies in renewable energies and innovative technologies enhancing energy efficiency. Viewed realistically, however, it will not be possible – in the medium term at least – to cover all of our energy needs with renewable energies alone. Our energy supply will have to be reliable, sustainable and economically viable in future as well. During the period of transition to the renewable energies era we will need a balanced energy mix. Modern, high-efficiency coal power plants that generate electricity and heating energy simultaneously using cogeneration form an indispensable component of this mix. All eyes are set on the new energy concept announced by the Federal Government for autumn 2010, which will play a decisive role in shaping the future structure of the German energy industry. We welcome this plan to draw on a comprehensive energy concept to provide a reliable legislative framework, maintain the energy supply transformation process and place it on a sound footing.

Our “Once Together” group project has been underway at our Mannheim, Kiel and Offenbach locations and at MVV Energiedienstleistungen and MVV Umwelt since autumn 2009. Following a great deal of work, we plan to have taken the final decisions by autumn 2010. We aim to align the management of our Group even more closely to market requirements by working with a joint operating model and to cut costs in our existing business by exploiting location-specific optimisation measures. Competitive structures and efficient processes are crucial if we are to maintain our autonomy and achieve further sustainable, profitable growth.

Yours faithfully,

Dr. Georg Müller
CEO

Mannheim, August 2010

The Share of MVV Energie AG

Upward trend on stock market starts to falter

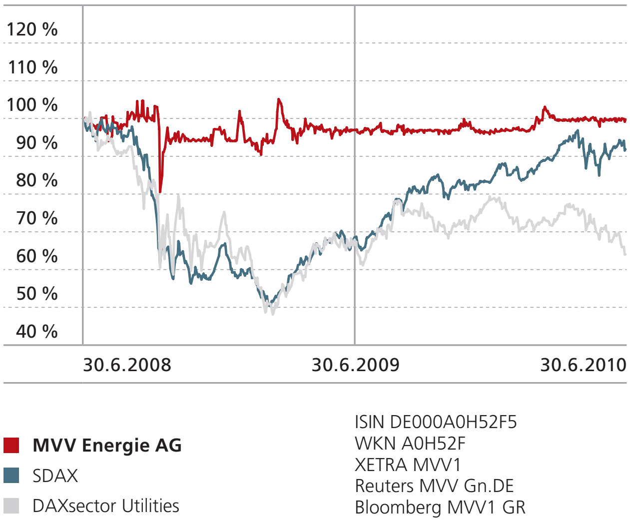
While the 1st quarter of 2010 had still clearly benefited from the macroeconomic recovery, in the reporting period from April to June 2010 financial markets witnessed a slightly negative trend. The DAX, Germany's leading index, thus fell by 3.1 %, having reached its provisional annual high at 6 332 points on 26 April 2010. This setback on the stock markets was largely driven by several factors – weaker macroeconomic data from China, the world's largest exporter, surprisingly low consumer confidence in the USA and currency insecurities in connection with overindebted public sector budgets in the so-called PIGS countries (Portugal, Italy, Greece and Spain). The negative trend is nevertheless put into perspective by the 24.1 % rise in the DAX between 30 June 2009 and 30 June 2010.

Year-on-year comparison of the quarterly reporting dates as of 30 June shows that MVV Energie's share price of Euro 31.00 remained virtually unchanged on the previous year's figure of Euro 30.99. Including the distribution of a dividend of Euro 0.90 per share in March 2010, our share price performance in the period under report amounted to + 2.9 %. Our comparative indices showed mixed developments. While the DAXsector Utilities fell by 3.9 %, the SDAX rose by 34.4 %. It should be noted, however, that all indices suffered sharp drops in prices in the 2008 crisis year. The stocks included in these indices thus had correspondingly great potential for recovery, while MVV Energie's share even managed to increase by 2.9 % in 2008 despite the difficult capital market climate.

Our share reached its highest closing price in XETRA trading in the quarter under report at Euro 31.19 on 6 and 17 May 2010. Its lowest closing price was recorded at Euro 30.38 on 26 May 2010.

A total of 223 500 MVV Energie shares were traded across all German marketplaces in the quarter under report. Trading volumes involving shares in MVV Energie AG dropped from an equivalent volume of Euro 22 million in the previous year's quarter to Euro 7 million in the 3rd quarter of 2009/10. The market capitalisation of MVV Energie AG amounted to Euro 2 043 million as of 30 June 2010 (previous year: Euro 2 042 million). The free float share of 18.5 % on which the share's weighting in the SDAX is based was valued at Euro 378 million at the end of the quarter under report in 2009/10, and thus unchanged on the previous year.

Performance comparison of the MVV Energie AG share over two years



ISIN DE000A0H52F5
WKN A0H52F
XETRA MVV1
Reuters MVV Gn.DE
Bloomberg MVV1 GR

Measured in terms of its free float market capitalisation, MVV Energie's share was ranked 53rd in the joint statistics compiled for the 100 companies in the MDAX and SDAX indices as of 30 June 2010 (previous year: 36th). This decline is due to the sharper growth in the share prices of other index members.

Voting rights notifications in 3rd quarter of 2009/10

Barclays Securities Ltd., London, UK, informed us pursuant to § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MVV Energie AG fell below the 5 % and 3 % thresholds on 8 April 2010 and 9 April 2010 and on those dates amounted to 4.13 % (around 2.7 million voting rights) and 2.73 % (around 1.8 million voting rights).

Deka International S.A., Luxembourg, Luxembourg, informed us pursuant to § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MVV Energie AG exceeded the 3 % and 5 % thresholds on 22 April 2010 and on that date amounted to 6.13 % (around 4.0 million voting rights). Details of further voting rights notifications received after the balance sheet date can be found in the relevant report on Page 14.

The shares held by the two companies are attributed to the free float.

Business Framework

Macroeconomic Situation

Having passed through the worst recession since the end of World War Two, with a 5 % downturn in output in 2009, the German economy showed an increasingly robust recovery in the 1st half of 2010. Gross domestic product rose by 1.7 % in real terms in the 1st quarter of 2010 compared with the equivalent period in the previous year. No official figures are yet available for the 2nd quarter, but indicators point towards a further revival. Numerous industrial sectors have shown signs of recovering. Please see the Outlook on Page 15 for comments on future economic developments.

Sector-specific Developments

Prices on the energy markets increased in the 2nd quarter of the 2010 calendar year (April to June) compared with the 1st quarter (January to March). Prices showed mixed developments, however, when compared with the equivalent quarter in the previous year. The quarterly average price of Brent crude oil rose by US$ 19.58 per barrel to US$ 79.48 per barrel. Average natural gas prices for delivery in 2011, on the other hand, fell to Euro 19.73/MWh, down Euro 1.20/MWh on the 2nd quarter of the 2009 calendar year. The average coal price for delivery in 2011 amounted to US$ 97.97 per tonne, and was thus US$ 11.52 per tonne higher than the price in the previous year's quarter. At Euro 15.12 per tonne, the price of emissions rights was also higher, in this case by Euro 1.29 per tonne. The average price of electricity for delivery in 2011, by contrast, eased by Euro 0.45/MWh to Euro 51.88/MWh.

Energy Policy and Regulation

In the discussions surrounding Germany's future energy policy, key decisions are expected to be announced in the government's energy concept due to be unveiled in autumn 2010. The decision as to the extension in the operating lifetimes of German nuclear power plants is due to be taken at the same time.

MVV Energie welcomes the Federal Government's plan to introduce a comprehensive energy concept aimed at creating a stable long-term framework for promoting competition and enhancing the ecological profile of the energy industry. All energy industry players should be involved in the compilation of the concept. We view the planned extension in nuclear power plant operating lifetimes critically, as it will reinforce the existing high degree of concentration in the electricity generation market and provide nuclear power plant operators with substantial additional profits. In view of this, the possibility of extending operating lifetimes should only be considered if suitable countermeasures are put in place to offset the resultant negative impact on competition and competitors. Such measures include siphoning off the additional profits to the greatest extent possible. These funds could then be used to promote the expansion of efficient technologies such as district heating, as well as of renewable energies. The decomissioning of power plant capacities by nuclear power plant operators should also be considered as a means of generating stimulus for greater competition.

The Federal Council (Bundesrat) approved the amendment to the Gas Grid Access Ordinance (GasNZV) on 9 July 2010. This ordinance now provides the legal framework for key regulations introduced by the Federal Networks Agency in terms of business processes, accounting and capacity management. It represents a pleasing step forward for competition in the gas market. Positive new regulations relate in particular to the shorter terms of capacity agreements, the improved resolution of contractual capacity bottlenecks, the merger of market regions and the clear support provided to processes suitable for use in the mass business. MVV Energie had long campaigned for the approval of the GasNZV amendment. However, regulatory gaps still exist in some areas, for example in terms of balancing energy costs or the provision of invoicing data.

The Federal Council also approved the retrospective fine tuning of the Incentive Regulation Ordinance. On the one hand those costs which grid operators generally cannot influence will be recognised more easily in some cases than before. On the other hand, costs that operators are more able to influence will be reviewed even more strictly in terms of their eligibility for recognition.

By adopting the "Act on Energy-Related Services and Other Energy Efficiency Measures" (EDL-G) on 9 July 2010, the German government implemented key requirements of the relevant EC Directive within German law. This legislation is intended to promote the development of the energy-related services market. To this end, customers of energy suppliers in particular should be informed regularly about the range of energy-related services, energy efficiency measures and energy audits relevant to their needs. The basis for these activities will be provided by a central companies register to be established at the Federal Office of Economics and Export Control. We hope to see a further revival in our business on account of the demand stimulated as a result.

Our Corporate Strategy

As a publicly listed energy supplier, MVV Energie is building on its sustainable, balanced and forward-looking business portfolio. With our strategic realignment in the 2008/09 financial year, we created a basis for our investments in the future, providing a firm foundation for sustainable, profitable growth at our company. The MVV Energie Group will be investing around Euro 3 billion to this end over the next ten years. Of this total, around Euro 1.5 billion will be channelled into replacement and renewal investments in our existing business and a further sum of around Euro 1.5 billion into investments in our growth, especially in the fields of renewable energies, energy-related services and district heating. Alongside the generation of energy from biomass, where we are already one of the German market leaders, we are also focusing at present on onshore wind power projects. We aim to increase the share of renewable energies in our generation portfolio from its current level of 18 % already to 30 % by 2020. The acquisition of Plauerhagen Wind Farm in June 2010 raised this share to 19 %.

We pressed consistently ahead with the realignment of the MVV Energie Group in the 3rd quarter of 2009/10. Having reassessed all relevant processes and structures at the Group, we are now preparing our new organisational structure. The aim is to further enhance process quality and efficiency at the Group on the basis of a uniform operating model, while at the same time further extending the Group's regional strengths.

Generation, Products, Services

In the period of transition towards greater use of renewable energies, modern, high-efficiency hard coal power plants generating electricity and heating energy simultaneously by drawing on cogeneration represent an indispensable component of the energy mix. Work on the construction of the new Block 9 at the large power plant in Mannheim (GKM) is progressing on schedule. Once the old Blocks 3 and 4 have been decommissioned, Block 9, which will have an electricity output of 911 MW_e or a district heating output of 500 MW_t, will from 2013 secure the supply of electricity and district heating to Mannheim and the Rhine/Neckar metropolitan region in the long term, thus also forming the basis for further expanding the regional district heating grid.

In our energy-related services business as well, our decentralised energy generation solutions focus above all on efficient cogeneration and increasingly also on the use of renewable energies, especially biomass (wood chips, wood pellets) and biogas.

On the sales side, we maintained our successful course in the first nine months of 2009/10 as well by drawing on innovative products. This was particularly the case in our nationwide industrial and commercial customer sales business. The Gas Energy Fund launched onto the market one year ago has been ever more widely accepted and also enabled MVV Energie to access the real estate sector in the 2009/10 financial year. Alongside our industrial and business customers, we can now thus offer structured procurement to this customer segment as well.

Energy Trading Business

Energy procurement, the management of procurement and generation portfolios and proprietary trading for five of our companies are pooled at 24/7 Trading GmbH, the central energy trading company of the MVV Energie Group. All commodities relevant for our Group, such as electricity, natural gas and emissions rights, are reported there, as are the associated physical and financial products and coal and oil price hedging transactions.

The wholesale energy markets in which 24/7 Trading GmbH operates have recovered since the economic crisis. The degree of volatility on wholesale energy markets nevertheless remains high. The professional risk management and portfolio management of the MVV Energie Group have proven extraordinarily effective in this market situation and are being continually enhanced. The Group's commodity positions are constantly monitored at 24/7 Trading. Based on the risk limits stipulated, this company has established extensive limit structures to facilitate the operative management of the risks involved in its business activities.

Positive Weather Factor in 3rd Quarter of 2009/10

The operative business performance of our Group is significantly affected by weather conditions. Apart from regional discrepancies, weather conditions in the 2009/10 winter half-year (October 2009 to March 2010) were largely consistent with those in the previous year. Significantly cooler temperatures were measured at our Kiel and Köthen locations, as well as in the Czech Republic, than at our Group's other locations, especially in January and February 2010. Notably cooler outdoor temperatures, compared both with the previous year and with the relevant long-term monthly averages, were also measured in April and May 2010. This situation benefited our district heating and gas business in the 3rd quarter of 2009/10.

Research and Development

MVV Energie is testing the use of smart meters within a project promoted by the Federal Ministry of Economics. More than 300 customers took part in smart metering practical trials in the 1st half of the 2010 calendar year, and were thus fitted out with the necessary meter systems. Since the beginning of July 2010 they now have access to variable price rates. These rates consist of three price zones, thus offering customers the possibility of postponing their electricity consumption to particularly cheap evening and night rates, or to the weekend. The participants in the field trials have access to a secure internet portal enabling them to track their energy consumption and costs.

The efficient use of smart metering technology is crucially dependent on customer acceptance and tangible customer benefits. The experiences gained by field trial participants are thus being recorded in several customer surveys and scientifically evaluated by one of the Fraunhofer research institutes.

Employees

The MVV Energie Group had around 6 000 employees as of 30 June 2010. The total number of employees was thus 80 higher than at the equivalent date in the previous year. This increase was driven in part by additional personnel joining the Group due to the initial full consolidation and the complete integration of companies. Within the framework of the strategic realignment of the MVV Energie Group, the MVV Energiedienstleistungen subgroup has also witnessed structural changes, with a reduction in personnel totals in the energy-related services business field over the past twelve months.

Personnel figures (headcount) at the balance sheet date on 30.6.

	2009/10	2008/09	+/–change
MVV Energie AG	1 473	1 478	–5
Fully consolidated shareholdings	3 837	3 759	+78
MVV Energie AG with fully consolidated shareholdings	**5 310**	**5 237**	**+73**
Proportionately consolidated shareholdings	677	670	+7
MVV Energie Group [1]	**5 987**	**5 907**	**+80**
External personnel at Mannheim cogeneration plant	10	19	–9
	5 997	**5 926**	**+71**

1 including 329 trainees (previous year: 348)

Business Performance

Earnings Position of the MVV Energie Group

Positive impact of macroeconomic and weather factors

Our business performance in the 3rd quarter of 2009/10 benefited from positive macroeconomic factors and weather conditions. The economic crisis of the past year appears to have been overcome. The economic recovery apparent since the beginning of 2010 has made itself felt in our electricity business with existing customers. We benefited additionally in the 3rd quarter of 2009/10 from further sales success in our nationwide electricity and gas businesses. Not only that, weather conditions were unusually cool in April and May 2010, a factor which led to higher district heating and heating gas turnover in these months.

External sales of the MVV Energie Group by segment
First nine months, 1.10. to 30.6.

Euro million	2009/10	2008/09	% change
Electricity	1 455	1 312	+ 11
District heating	266	264	+ 1
Gas	370	438	– 16
Water	74	74	0
Value-added services	234	231	+ 1
Environmental energy	140	145	– 3
Other / consolidation	15	18	– 17
	2 554	**2 482**	**+ 3**

EXTERNAL SALES (excluding electricity and natural gas taxes) grew year-on-year by Euro 17 million (+ 2 %) in the 3rd quarter of 2009/10 (April to June 2010) compared with the equivalent period in the previous year. On a cumulative basis for the first nine months of 2009/10, we could thus report aggregate year-on-year sales growth of Euro 72 million (+ 3 %).

This increase in sales compared with the first nine months of the previous year was chiefly driven by the electricity segment. This in turn was mainly due to volume growth in the electricity trading business and the successful activities of our companies in the nationwide sale of electricity to industrial and commercial customers, as well as to secondary distributors.

The reduction in sales in the gas segment was primarily due to the substantial price cuts introduced by all companies in our Group from the beginning of 2009. The impact of last year's price cuts more than offset the volume-driven sales growth due to cooler weather conditions and the expansion in the nationwide gas business.

The sales growth in the value-added services segment was driven above all by sales contributions from companies consolidated for the first time. The downturn in sales in the environmental energy segment was mostly due to price factors.

The domestic business accounted for 97 % of external sales in the first nine months of 2009/10. The Czech subgroup contributed 3 % of total sales.

Sales volumes of the MVV Energie Group[1]
First nine months, 1.10. to 30.6.

	2009/10	2008/09	% change
Electricity in kWh million	17 524	15 152	+ 16
of which wholesale	7 338	5 758	+ 27
of which retail / secondary distributors	10 186	9 394	+ 8
District heating in kWh million	6 781	6 701	+ 1
Gas in kWh million[2]	10 559	9 074	+ 16
of which wholesale	1 424	737	+ 93
of which retail / secondary distributors[2]	9 135	8 337	+ 10
Water in m³ million	40.3	39.4	+ 2
Combustible waste delivered in tonnes 000s	1 324	1 167	+ 13
of which environmental energy segment	1 179	1 132	+ 4
of which value-added services segment	114	35	+ 226
of which district heating segment	31	—	—

1 total volumes across all segments
2 correction in previous year

The development in sales volumes is outlined in the segment report from Page 10 onwards. The marked volume growth in the gas wholesale business is due to gas portfolio management. The sharp growth in combustible waste delivered in the value-added services segment was primarily driven by higher volumes of refuse-derived fuel at Gersthofen Industrial Park.

Development in further key items in the income statement

Initial application of IAS 1 Amendment (2007) led to an amended presentation of the income statement in the interim consolidated financial statements as of 30 June 2010 compared with the consolidated financial statements for the 2008/09 financial year (30 September 2009). For financial years beginning on or after 1 January 2009, it is now necessary to report those income and expense items recognised not in the income statement, but directly in equity. At the MVV Energie Group, these items relate in particular to the measurement of cash flow hedges and foreign exchange differences (please also see Pages 19 and 20).

The **COST OF MATERIALS** increased year-on-year by Euro 23 million (+ 1 %) to Euro 1 868 million in the first nine months of 2009/10. This rise was due above all to higher energy procurement costs on account of increased volumes, and was countered by savings in the gas business due to price reductions. Costs were successfully cut by enhancing cooperation across the Group in the field of strategic procurement management.

PERSONNEL EXPENSES grew by Euro 8 million (+ 4 %) to Euro 242 million in the first nine-months of 2009/10. This was chiefly the result of collective pay rises and increased personnel totals due to companies consolidated for the first time in 2009.

The development in **OTHER OPERATING INCOME** and **OTHER OPERATING EXPENSES** was influenced in the first nine months of 2009/10 as well by the mandatory measurement of commodity derivatives as of the balance sheet date pursuant to IAS 39. This also involves accounting for the fair values as of the balance sheet date of energy trading transactions concluded to hedge underlying transactions (commodities futures). Other operating income for the first nine months of 2009/10 includes IAS 39 measurement items of Euro 260 million, compared with Euro 253 million in the first nine months of the previous year. These items were offset by IAS 39 measurement items of Euro 180 million reported under other operating expenses, as against Euro 462 million in the first nine months of 2008/09. On a net basis, the IAS 39 item for the first nine months of 2009/10 was positive at around Euro 80 million, thus contrasting with the highly negative measurement item of around Euro – 209 million in the previous year's period. The development in IAS 39 items reflects the sharp fluctuations in prices on commodity and energy markets in the past two years.

Notes on the fair value measurement of energy trading derivatives

MVV Energie procures the electricity volumes required for its customers via 24/7 Trading GmbH from external trading partners or on the electricity exchange. Energy procurement involves a combination of underlying transactions and hedges. The procurement agreements thereby contracted act as hedges for customer sales contracts with delivery at later dates, socalled hedged items. To minimise risks and to hedge against price risks, we cover these hedged items promptly with hedging transactions (especially futures contracts). While the hedged items (customer sales contracts) may only be recognised upon physical delivery as of the performance date, i.e. later, the hedging transactions (financial instruments) require mandatory measurement at fair value as of the balance sheet reporting dates in line with IAS 39 requirements.

This measurement as of the balance sheet date has no impact on payments and also does not affect our operating business. It also does not influence the dividend, which is based on the earnings of MVV Energie AG calculated in accordance with the German Commercial Code (HGB).

Reconciliation with adjusted EBIT

For internal management purposes, as well as to enhance comparability and transparency, we refer to **ADJUSTED EBIT,** i.e. to operating earnings before interest and taxes on income excluding the impact on earnings of the fair value measurement of financial derivatives as of the balance sheet date required by IAS 39. In the consolidated income statement we report both the net result of IAS 39 derivative measurement and EBIT before IAS 39 derivative measurement, i.e. our adjusted EBIT, in the lines beneath the EBIT earnings item. In our financial reporting, we therefore report on the earnings position of the MVV Energie Group and the earnings performance of our business segments on the basis of this key earnings figure, as it provides a more meaningful indication of our ongoing earnings strength. The following table presents the reconciliation of EBIT as reported in the income statement with adjusted EBIT.

Reconciliation of EBIT (income statement) with adjusted EBIT
First nine months, 1.10. to 30.6.

Euro million	2009/10	2008/09	+/– change
EBIT as reported in income statement	331	41	+290
Energy trading derivatives measurement item	–80	209	–289
Restructuring expenses	—	—	—
= Adjusted EBIT	**251**	**250**	**+1**

Adjusted EBIT showed a slight year-on-year increase of Euro 1 million to Euro 251 million in the first nine months. This growth was the net result of a downturn in earnings in the 1st quarter of 2009/10 (Euro –7 million), which was nevertheless more than offset by the improved figures for the 2nd and 3rd quarters (Euro +4 million year-on-year in each case). The higher volume of adjusted EBIT in the first nine months of 2009/10 was chiefly attributable to the electricity and district heating segments.

Adjusted EBIT of the MVV Energie Group by segment
First nine months, 1.10. to 30.6.

Euro million	2009/10	2008/09	% change
Electricity	44	38	+16
District heating	69	62	+11
Gas	66	74	–11
Water	10	10	0
Value-added services	13	12	+8
Environmental energy	49	54	–9
Other / consolidation	—	—	—
	251	**250**	**0**

Adjusted net surplus for period

As in the 2008/09 Annual Report and our half-year financial report for 2009/10, for the first nine months of 2009/10 we have reported our adjusted net surplus for the period and our adjusted net surplus for the period after minority interests. These key net income figures after interest, taxes and minority interests have thus been adjusted to exclude the impact of the fair value measurement of financial derivatives as of the balance sheet date required by IAS 39. We have also eliminated this valuation item when determining adjusted taxes on income.

At Euro 192 million, our **ADJUSTED EBT** for the first nine months was at the same level as in the previous year. The tax rate based on adjusted EBT for the first nine months of 2009/10 amounts to 32.9 % (previous year: 32.7 %). The income tax expenses of Euro 87 million reported in the income statement for the first nine months of 2009/10 include deferred tax expenses of Euro 24 million due IAS 39 measurement items. In the previous year, income tax expenses for the first nine months of 2008/09 had totalled Euro 0.1 million. This figure was chiefly due to deferred tax income of Euro 63 million arising on account of the previous year's highly negative IAS 39 measurement item of Euro – 209 million.

Having deducted income taxes of Euro 63 million following adjustment for the financial derivatives measurement item (previous year: Euro 63 million), the **ADJUSTED NET SURPLUS FOR THE PERIOD** amounted to Euro 129 million in the first nine months of 2009/10, thus matching the previous year's figure.

Net of minority interests, the MVV Energie Group reported an **ADJUSTED NET SURPLUS FOR THE PERIOD AFTER MINORITY INTERESTS** of Euro 120 million in the first nine months of 2009/10, as against Euro 117 million in the previous year. On this basis, **ADJUSTED EARNINGS PER SHARE** amounted to Euro 1.83 in the first nine months of 2009/10, compared with Euro 1.78 in the previous year. As in the previous year, the nine-month weighted average number of shares amounted to 65.9 million.

Segment Performance

The **ELECTRICITY SEGMENT** maintained the positive development in turnover already apparent in the 1st half of 2009/10. Following growth of 0.8 billion kWh (+ 16 %) in the 3rd quarter of 2009/10, our nine-month turnover rose year-on-year by 2.4 billion kWh (+ 16 %) to 16.9 billion kWh. This substantial growth was largely driven by portfolio structuring and management in the electricity trading business. In our end customer business with industrial, commercial and secondary distribution customers, the volume growth in the 3rd quarter of 2009/10 (+ 15 %) and 2nd quarter of 2009/10 (+ 12 %) was far stronger than in the 1st quarter of 2009/10 (+ 2 %). This development was driven on the one hand by the noticeable recovery in demand seen due to macroeconomic factors in the industrial customer business since 2010 and on the other to successful acquisitions in the nationwide electricity sales business. In our private and business customer business, we boosted our nine-month electricity turnover year-on-year by 4 %. This volume growth was due in particular to expanded business volumes in the nationwide sales of our SECURA Ökostrom green electricity product.

Driven mainly by this volume growth, electricity sales (excluding electricity taxes) rose year-on-year by 11 % to Euro 1 455 million in the first nine months, while adjusted EBIT improved by Euro 6 million (+ 16 %) to Euro 44 million. This earnings growth was primarily due to positive portfolio management items, special items resulting from the reversal of provisions and the absence of the non-period items and reduced margins, with their resultant negative impact on earnings, seen in the previous year on account of the economic crisis. These factors outweighed the negative earnings contribution resulting from the start-up of our nationwide SECURA Ökostrom product.

Electricity turnover of the MVV Energie Group[1]
First nine months, 1.10. to 30.6.

kWh million	2009/10	2008/09	% change
Wholesale	7 338	5 758	+ 27
Industrial and commercial customers / secondary distributors	8 068	7 339	+ 10
Private and business customers	1 494	1 434	+ 4
	16 900	**14 531**	**+ 16**

1 excluding electricity turnover in value-added services and environmental energy segments

Nine-month turnover in the **DISTRICT HEATING SEGMENT** grew year-on-year by 4 % to 4.8 billion kWh. This volume growth was chiefly driven by higher demand for district heating from private and business customers in the 3rd quarter of 2009/10 due to weather conditions. District heating sales rose year-on-year by Euro 2 million (+ 1 %) in the first nine months of 2009/10, while adjusted EBIT grew year-on-year by Euro 7 million (+ 11 %) to Euro 69 million. This increase was due not only to initial consolidation items at the Czech subgroup, but also to improved generation costs at the Kiel subgroup, where the previous year's earnings had been burdened by downtime at the subgroup's main power plant (GKK).

District heating turnover of the MVV Energie Group[1]
First nine months, 1.10. to 30.6.

kWh million	2009/10	2008/09	% change
District heating			
Secondary distributors	648	633	+ 2
Industrial and commercial customers [2]	777	985	– 21
Private and business customers [2]	3 229	2 851	+ 13
	4 654	**4 469**	**+ 4**
Steam			
Industrial and commercial customers	167	177	– 6
	4 821	**4 646**	**+ 4**

1 excluding district heating turnover in value-added services and environmental energy segments
2 partial reallocation of customers in year under report

Turnover in the **GAS SEGMENT** rose year-on-year by 16 % to 10.2 billion kWh in the first nine months of 2009/10. This growth was driven by the gas portfolio management activities in the wholesale business and by the end customer business with industrial and commercial customers, where we posted further market success in our nationwide sales with the Gas Energy Fund launched a year ago. In the private and business customer business, higher turnover in the 3rd quarter of 2009/10 due to weather conditions enabled the year-on-year downturn in volumes to be reduced from – 6 % at the end of the 1st half of 2009/10 to – 1 %.

Despite this volume growth, sales fell by Euro 68 million (– 16 %) in the first nine months of 2009/10. The main reason here was the double-digit rate cuts introduced by all group companies compared with previous year's period. Adjusted EBIT in the gas segment declined year-on-year by Euro 8 million to Euro 66 million in the first nine months of 2009/10. This was mainly due to the price-related loss of sales, income from the sale of assets in the previous year and the costs incurrred in connection with developing the gas storage business at the Kiel subgroup.

Gas turnover of the MVV Energie Group[1]
First nine months, 1.10. to 30.6.

kWh million	2009/10	2008/09	% change
Wholesale	1 424	737	+ 93
Industrial and commercial customers / secondary distributors [2]	5 263	4 516	+ 17
Private and business customers	3 515	3 546	− 1
	10 202	**8 799**	**+ 16**

1 excluding gas turnover in value-added services segment
2 correction in previous year

Sales volumes in the **WATER SEGMENT** rose year-on-year by 2 % to 40.1 million m³ in the first nine months of 2009/10. The water business mainly depends on private and business customers, who account for around 83 % of our water turnover. The volume growth was generated in particular at the Mannheim and Kiel subgroups. Water sales (Euro 74 million) and adjusted EBIT (Euro 10 million) were at the same level as in the previous year.

Water turnover of the MVV Energie Group[1]
First nine months, 1.10. to 30.6.

m^3 million	2009/10	2008/09	% change
Secondary distributors	4.0	3.9	+ 3
Industrial and commercial customers	2.8	2.7	+ 4
Private and business customers	33.3	32.6	+ 2
	40.1	**39.2**	**+ 2**

1 excluding water turnover in value-added services segment

Sales in the **VALUE-ADDED SERVICES SEGMENT** increased by Euro 3 million (+ 1 %) to Euro 234 million in the first nine months of 2009/10. This growth was primarily driven by higher sales in the energy efficiency and management business field, which benefited above all from A + S Naturenergie GmbH, Pfaffenhofen, and MVV Energiedienstleistungen GmbH Nord, Hamburg, two companies consolidated for the first time in the previous year. The international consulting business was scaled down compared with the previous year. The energy-related services business at our municipal utility shareholdings relates in particular to the shared service company reported in this segment, namely 24/7 United Billing GmbH, Offenbach. Adjusted EBIT rose year-on-year by Euro 1 million (+ 8 %) to Euro 13 million in the first nine months of 2009/10.

Value-added services sales of the MVV Energie Group
First nine months, 1.10. to 30.6.

Euro million	2009/10	2008/09	% change
ERS holding company	27	32	− 16
Energy efficiency and management	115	99	+ 16
Industrial parks and large projects	62	64	− 3
Consulting	10	18	− 44
MVV Energiedienstleistungen	**214**	**213**	**0**
Energy-related services at municipal utility shareholdings	20	18	+ 11
Energy-related services (ERS)	**234**	**231**	**+ 1**
Other services / consolidation	—	—	—
	234	**231**	**+ 1**

Sales in the **ENVIRONMENTAL ENERGY SEGMENT** decreased by Euro 5 million to Euro 140 million in the first nine months of 2009/10. Of segment sales, Euro 118 million (previous year: Euro 114 million) were attributable to the incineration of waste at our locations in Mannheim, Offenbach and Leuna. We posted sales of Euro 22 million in our energy business, i.e. from the generation of electricity and steam (previous year: Euro 31 million). Adjusted EBIT improved by Euro 1 million (+ 6 %) to Euro 17 million in the 3rd quarter of 2009/10 on a standalone basis. At Euro 49 million, however, the adjusted EBIT of the environmental energy segment for the first nine months of 2009/10 was Euro 5 million down on the previous year's figure. This decline was chiefly due to price factors. Excess incineration capacities in Germany and the decline in waste volumes have led waste prices to fall below the previous year's level. In the energy business, sales at all plants were affected by lower electricity prices.

Energy turnover in the environmental energy segment of the MVV Energie Group
First nine months, 1.10. to 30.6.

kWh million	2009/10	2008/09	% change
Electricity turnover (including secondary distributors)	257	289	− 11
Steam turnover	274	318	− 14

The **OTHER SEGMENT** includes services not directly allocable to any individual segment. Consolidation items are reported separately in the segment report on Page 21.

Net Asset and Financial Position

Asset and capital structure

At Euro 3.71 billion, the **TOTAL ASSETS** of the MVV Energie Group as of 30 June 2010 were Euro 245 million (– 6 %) lower than at the end of the 2008/09 financial year (Euro 3.95 billion).

On the asset side, this reduction was due in almost equal share to non-current and current items. At Euro 2.67 billion, **NON-CURRENT ASSETS** were Euro 126 million (– 5 %) down on 30 September 2009. This reduction was chiefly due to a lower volume of other receivables and assets. This item was affected above all by the reclassification of those energy trading transactions recognised under IAS 39 requiring delivery in the 2010 calendar year from non-current to current assets. Largely as a result of initial consolidation, property, plant and equipment, which account for 76 % and thus the major share of non-current assets (previous year: 71 %), increased by Euro 33 million to Euro 2.03 billion.

CURRENT ASSETS fell by Euro 119 million (– 10 %) to Euro 1.04 billion. This decline compared with the end of the 2008/09 financial year was chiefly due to the reduction in cash and cash equivalents by Euro 193 million. This in turn was due above all to the repayment of current financial debt and the payment of the dividend for the 2008/09 financial year in March 2010. The impact of the aforementioned reclassification of energy trading transactions requiring recognition to current assets was more than offset by the decline in the fair values of commodity derivatives and their utilisation, thus leading to a slight reduction in other receivables and assets. At Euro 526 million, trade receivables increased by Euro 63 million compared with 30 September 2009. This increase was the result of seasonal factors and the expansion of activities in the nationwide electricity and gas sales businesses. Due to active receivables management and the netting of transactions customary in the energy trading business, the volume of receivables as of 30 June 2010 (Euro 526 million) could be reduced compared with 30 June 2009 (Euro 590 million) and 31 March 2010 (Euro 624 million).

The assets of Euro 3.4 million and liabilities of Euro 2.2 million reported as held for sale mainly relate to the planned disposal of one section of MVV Energiedienstleistungen GmbH Mitte, Berlin, that does not form part of the company´s core business.

On the liabilities side, the **EQUITY** of the MVV Energie Group rose to Euro 1.23 billion, up Euro 113 million (+ 10 %) compared with 30 September 2009. This increase was chiefly attributable to the net surplus for the period in the first nine months of 2009/10 (including IAS 39 valuation items). For internal management purposes, we eliminate the positive fair values of financial derivatives, amounting to Euro 226 million, from the asset side of our balance sheet as of 30 June 2010 (30 September 2009: Euro 388 million). On the equity and liabilities side, we eliminate the negative fair values of Euro 263 million from liabilities (30 September 2009: Euro 483 million) and the resultant net balance of Euro 37 million recognised under equity (30 September 2009: Euro 95 million). Calculated on this adjusted basis, the equity ratio of the MVV Energie Group amounted to 36.3 % in the first nine months of 2009/10 (30 September 2009: 33.9 %).

NON-CURRENT DEBT fell to Euro 1.47 billion, down Euro 226 million (– 13 %) compared with the balance sheet date on 30 September 2009. This decline was due to a reduction in financial debt and to the reclassification referred to above of those energy trading transactions recognised under IAS 39 requiring delivery in the 2010 calendar year from non-current to current other liabilities. **CURRENT DEBT** reduced by Euro 133 million (– 12 %) to Euro 1.01 billion. Here, the decline was attributable to a lower volume of other provisions and the reduction in current financial debt. Within current other liabilities, the aforementioned reclassification of energy trading derivatives was more than offset by the decline in the fair values of commodity derivatives and their utilisation. Information on the development in financial debt can be found on Page 13.

Investments

The MVV Energie Group invested a total of around Euro 141 million in the first nine months of 2009/10 (previous year's period: Euro 158 million). Of this sum, Euro 124 million was invested in intangible assets, property, plant and equipment and investment property (previous year: Euro 145 million), while Euro 17 million was channelled into the acquisition of fully and proportionately consolidated companies and other financial assets (previous year: Euro 13 million).

An amount of Euro 51 million was invested in property, plant and equipment and financial assets in the 3rd quarter of 2009/10 (previous year: Euro 74 million). The investments made in the 3rd quarter of 2009/10 focused on continuing with the construction of the 21-kilometre district heating pipeline to Speyer and expanding district heating grids in Mannheim, Offenbach, Ingolstadt and Kiel. As well as the renovation of the district heating supply tunnel under the firth, the investments made in Kiel also included continuing with the construction of a third natural gas storage cavern. At the Energieversorgung Offenbach subgroup, rapid progress is being made with the construction of a compression plant for wood pellet production.

Financial position and cash flow

Non-current and current financial debt reduced by Euro 26 million and Euro 128 million respectively. Overall, financial debt therefore amounted to Euro 1.36 billion, down Euro 154 million on the balance sheet date as of 30 September 2009. This reduction in financial debt is principally the result of loan repayments. Due to the disproportionate decline in cash and cash equivalents, net financial debt (financial debt less cash and cash equivalents) rose to Euro 1.23 billion as of 30 June 2010, up Euro 39 million compared with the balance sheet date for the 2008/09 financial year (30 September 2009).

The **CASH FLOW BEFORE WORKING CAPITAL AND TAXES** grew year-on-year by Euro 19 million to Euro 375 million in the first nine months of 2009/10. The special IAS 39 valuation item, which was the main reason for the substantial increase in the net surplus for the period before taxes on income in the first nine months of 2009/10, was eliminated in the context of other non-cash income and expenses.

The **CASH FLOW FROM OPERATING ACTIVITIES** rose to Euro 236 million in the first nine months of 2009/10, up Euro 201 million on the equivalent period in the previous year (Euro 35 million). This marked increase was the result of changes within other working capital. In the first nine months of 2009/10, the lower reduction in receivables and higher reduction in liabilities led to a noticeably lower volume of net changes in other asset and liability items than in the first nine months of the previous year. The cash flow was also affected by the less marked decline in current provisions.

Following the deduction of investments of Euro 124 million in intangible assets, property, plant and equipment and investment property (previous year: Euro 145 million), the **FREE CASH FLOW** for the first nine months of 2009/10 was positive at Euro 112 million. The free cash flow thus improved considerably compared with the first nine months of 2008/09, when it was still negative to the tune of Euro – 110 million.

At Euro 130 million, the outflow of funds for investment activities was higher in the first nine months of 2009/10 than in the previous year's period (Euro 98 million). This is the amount by which our payments for investments in property, plant and equipment and financial assets exceeded the proceeds from subsidy grants and the sale of other financial assets. The **CASH FLOW FROM INVESTING ACTIVITIES** was less negative in the previous year due to the inflow of funds from the sale of the Polish subgroup.

The **CASH FLOW FROM FINANCING ACTIVITIES** was negative at Euro – 298 million in the first nine months of 2009/10. In the previous year's period it had been positive to the tune of Euro + 207 million. This development was due to the significantly lower volume of net new borrowing in the period under report compared with the previous year. According to the cash flow statement in our interim consolidated financial statements (see Page 22), the MVV Energie Group reported cash and cash equivalents of Euro 128 million at the balance sheet date as of 30 June 2010 (previous year: Euro 241 million). Further details can be found in the notes from Page 29 onwards.

Opportunity and Risk Report

Stable opportunity and risk profile

Our group-wide systematic opportunity and risk management system ensures the early detection of any potential risks to the company's continued existence. At the same time, the identification and management of opportunities and risks forms the basis for optimising our business activities in the energy supply and waste incineration markets relevant for the MVV Energie Group.

We do not expect the remainder of the current 2009/10 financial year to see any changes in the opportunity and risk situation (price risks and opportunities, operating risks and opportunities, volume risks and opportunities, legislative risks, financing risks, strategic risks and opportunities) as presented in previous financial reports (Page 78 onwards in the 2008/09 Annual Report and Page 14 in the 2009/10 Half-Year Financial Report).

The most important exogenous factors affecting the business performance of the MVV Energie Group are weather-related volume risks and opportunities, operating risks and opportunities and legislative, above all regulatory risks.

Due to the summer months, weather-related risks and opportunities are of subordinate significance for the remaining months of the 2009/10 financial year.

Operating risks and opportunities developed as planned in the 3rd quarter of 2009/10 as well. These risks include potential restrictions on output at our plant capacities and related price risks, as well as potential opportunities arising due to higher output at our power plants. Downturns in turnover due to macroeconomic factors are cushioned by our customer structure, with its strong foundation of medium-sized customers, and our private customer business.

As in previous reporting periods, there were no indications of any risks that could have endangered the continued existence of the company or could do so in future.

Events After the Balance Sheet Date

Apart from the matters reported below, there were no material changes in the underlying framework for our business between the balance sheet date on 30 June 2010 and the preparation of these interim consolidated financial statements for the first nine months of 2009/10.

Voting rights notifications

Since the balance sheet date on 30 June 2010, we have received three voting rights notifications from Deka International S.A., Luxembourg, Luxembourg, pursuant to § 21 (1) of the German Securities Trading Act (WpHG). On 8 July 2010, Deka reduced its share of the voting rights in MVV Energie AG below the 5 % threshold, initially to 4.165 % (2 745 000 voting rights). On 22 July 2010, Deka further reduced its share of voting rights below the 3 % threshold pursuant to § 21 (1) of the German Securities Trading Act (WpHG) and on that date owned 2.3442 % of the shares in MVV Energie AG (1 545 000 voting rights). On 26 July 2010, Deka informed us pursuant to § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MVV Energie AG had exceeded the 3 % threshold once again and on that date amounted to 3.8615 % (2 545 000 voting rights).

On 12 July 2010, Barclays Capital Securities Ltd., London, UK, increased its shareholding above the 3 % threshold pursuant to § 21 (1) of the German Securities Trading Act (WpHG) and on that date directly held 3.28 % of the voting rights in MVV Energie AG (2 164 408 shares with voting rights). On 15 July 2010, Barclays Capital Securities Ltd. reduced its shareholding once again, falling short of the 3 % threshold requiring report under § 21 (1) of the German Securities Trading Act (WpHG), and on that date directly holding 2.31 % of the voting rights in MVV Energie AG (1 521 012 shares with voting rights).

International award for annual report

In the international "2009 Vision Awards Report Competition" organised by the League of American Communications Professionals (LACP), MVV Energie's Annual Report for the 2008/09 financial year was singled out for the Platinum Award, and thus ranked 1st, in the "Utility companies with annual sales of $ 100 million upwards" category. With 98 out of a maximum of 100 points, the report even improved its position on the previous year (Gold Award, 2nd position with 96 points). In the overall ranking of more than 4 000 annual reports submitted from more than 25 countries, MVV Energie's report was awarded 41st position, and was thus one of the 100 best annual reports.

Outlook

Future macroeconomic situation

Germany's leading economic research institutes have forecast growth of between 1.4 % and 1.9 % in 2010 compared with the 2009 crisis year. According to the Mannheim-based Centre for European Economic Research (ZEW), the economic recovery seen in recent months could weaken towards the end of the year. The experts believe that the budget policy measures and spending cuts introduced by European governments in their attempts to master the debt crisis will slow down economic growth, even though exports have received new momentum from the reduction in the euro exchange rate.

Future situation in the sector

Energy markets are undergoing profound structural change. Price competition is becoming increasingly intense on the electricity and gas markets and private and industrial customers' willingness to change provider is set to rise further. Further significant factors are the large numbers of concession agreements between municipalities and energy suppliers due to expire across Germany in 2012 and the development in CO_2 emissions certificates, which from 2013 will no longer be allocated free of charge. Alongside the electricity and gas markets, the German water industry is currently feeling the effects of stricter antitrust supervision. For the waste market, it is still too early to make any predictions concerning the further development in waste prices.

What's more, the future structures of the energy industry will also be greatly affected by the energy and climate policy decisions taken by the Federal Government, which is expected to unveil its new energy concept in autumn 2010. Any extension in the operating lifetimes of nuclear power plants – equivalent to a breach of the consensus reached in this matter in 2000 – would impact negatively on the relative competitive position of municipal companies vis-à-vis nuclear power plant operators. Together with the high additional profits at nuclear power plant operators, the resultant reinforcement of the high degree of concentration in the electricity generation market would have a disadvantageous impact on competitors' market activities. That is especially the case for companies like MVV Energie that have invested in generation facilities in recent years.

Implementation of the MVV 2020 strategy project

The necessity of our strategic realignment is confirmed by current developments in the energy, water and waste markets and ongoing macroeconomic risks. With our MVV 2020 strategy project, we have clearly defined our target of being one of Germany's leading energy companies in 2020 as well. During the 2009/10 financial year, we have consistently set about implementing this new alignment within our "Once Together" group project at our Mannheim, Kiel and Offenbach locations and at MVV Energiedienstleistungen and MVV Umwelt. This way, we are laying foundations for operational improvements across our network of locations. What's more, we are making the MVV Energie Group fit in organisational and structural terms to sustainably secure its competiveness and future viability by generating further profitable growth. Both the Group as a whole and each individual company stand to benefit from this process. In this, the regional identity of the individual companies within our Group forms a cornerstone of our strategy.

In parallel to this work, we are also pressing ahead with restructuring MVV Energiedienstleistungen and reorganising our shared service companies. The aim of the newly established Shared Service Center organisational unit is to ensure the uniform management of 24/7 IT-Services GmbH, 24/7 United Billing GmbH and 24/7 Metering GmbH, and to enhance the efficiency and quality of the operational services offered by these shared service companies.

Our future markets

Our future energy mix will be broader and more diverse. Alongside conventional technologies, MVV Energie is increasingly relying on renewable energies in its generation of electricity and heating energy. This trend towards the "ecologisation" of the energy industry is irreversible. We aim to raise the share of renewable energies in our proprietary electricity generation from 18 % (2008/09 financial year) to 30 % in 2020. Consistent with the MVV 2020 strategy, in our electricity and heating energy generation activities we will be focusing in future on wind power (onshore) and biomass. We intend to extend our generation capacities using biogas and biomethane by a double-digit Megawatt amount over the next five years.

A further focus of investment is district heating generated using the environmentally-friendly cogeneration process, which we will be expanding at all of the Group's locations. In Mannheim and the Rhine/Neckar metropolitan region we are investing a total of around Euro 60 million in concentrating and expanding the district heating supply. The construction of the 21-kilometre district heating transport pipeline to supply the city of Speyer, due to commence operations in October 2010, is one of the largest district heating projects currently underway in Europe.

In Ingolstadt, the largest surplus heat and district heating project in Bavaria is being prepared in a cooperation between our local municipal utility company, the municipal authorities, Audi AG, Petroplus Raffinerie Ingolstadt GmbH and the energy from waste plant. Stadtwerke Ingolstadt alone will be investing around Euro 23 million in expanding the district heating grid and converting and extending existing facilities. Numerous major local customers stand to benefit from this resource-effective and environmentally-friendly supply of district heating produced from surplus industrial heat. At the same time, it will also provide a foundation for connecting additional private district heating customers in Ingolstadt. Once operations commence with the extended district heating grid (scheduled for spring 2011) we expect to feed 330 million kWh of district heating into the grid every year.

Energieversorgung Offenbach is also expanding its district heating grid and Stadtwerke Kiel is investing Euro 11 million in modernising the local district heating supply. The energy concept at Stadtwerke Kiel envisages installing a new natural gas-powered cogeneration facility within the existing cogeneration plant and converting the district heating grid from heating steam to the more modern heating water technology in the coming years, thus enabling the subgroup to acquire additional inner-city district heating customers.

Opportunities in the waste market

Our MVV Umwelt subsidiary is one of the top players in Germany and Europe when it comes to forward-looking energy from waste generation technology. We exploit the material and energy potential offered by household and commercial waste as an important resource for generating heating energy and electricity. State-of-the-art power plant technology and all-round experience in planning, building and operating power plants guarantee that the waste is used safely and optimally in both economic and ecological terms. The launch of operations with the new Boiler No. 6 at the Mannheim location marks a further highpoint in our track record of generating environmentally-friendly energy from waste.

The British waste market offers opportunities for us to successfully export our expertise in generating energy from waste. Via its wholly-owned subsidiary MVV Environment Ltd., MVV Umwelt GmbH is closely investigating the UK market and participating in multi-stage bidding processes for the construction of energy from waste plants.

Future sales products and services

MVV Energie aims to consistently maintain the successful course it has taken by offering innovative products such as its Electricity and Gas Funds. In the coming years, we intend to focus in particular on profitably expanding our nationwide industrial customer sales. To this end, we aim to supplement our existing product portfolio, boost our sales team and extend our range of business services.

Since the 1st quarter of 2009/10, we have offered our customers in the housing and real estate industries considerable assistance in terms of automated payments. A new software solution enables accounting processes and the compilation of apartment utility bills to be simplified. The new product offers substantial added value in the cooperation between housing and real estate companies and their energy industry suppliers.

Future research and development activities

The liberalisation of the energy markets and universal availability of modern information and communications technologies are opening up new market models for so-called virtual power plants. This involves linking up decentralised generators and larger individual consumers within an energy management system. Overall, this provides quickly controllable and available power plant output with potential to be marketed as appropriate on various levels of the energy market. To this end, technical solutions and business models are currently being developed in various projects covering several business fields, such as Model City Mannheim.

Mannheim's first electric fuel station has been opened at the head office building of MVV Energie AG. Through to the end of 2010, owners of electric vehicles can load their batteries with green electricity free of charge. Within a cooperation project with Mannheimer Kongressgesellschaft m:con and the clothing store Engelhorn, two further fuel points are to be installed within the city by the end of 2010. The possibilities offered by electro-mobility are to be tested in day-to-day operations with a shuttle service for commuters. Within "Future Fleet", a cooperation with the software company SAP, the two companies will be converting part of their car pools to electric vehicles in the coming years – powered exclusively by renewable energies.

Future earnings position

It is still too early to issue any clear forecast concerning ongoing macroeconomic developments. The recovery in the German economy is still overshadowed by numerous uncertainties. We see the debt crises in several euro area member states as harbouring the greatest risks. It remains to be seen how the consolidation measures introduced by European governments and the European Central Bank (ECB) and the further development in the euro exchange rate will impact on the future development of the German economy. Against this backdrop, we are still also reserved concerning the development in our own future earnings position.

Sales forecast

With regard to the 2009/10 financial year, we are confident that we will more or less match the record level of external sales (excluding electricity and natural gas taxes) achieved in the previous year. We expect to be able to make up for the loss of sales due to the double-digit price cuts introduced by our companies in the gas and district heating segments in the previous 2008/09 financial year with volume growth in our electricity and gas trading businesses and in our nationwide electricity and gas sales. In our environmental energy segment, we expect our proven materials flow management skills to enable us to operate all energy from waste plants at full capacity in the 2009/10 financial year as well.

Earnings forecast

Our earnings forecast continues to be subject to several uncertainties. In terms of adjusted EBIT, we are upholding the earnings forecast published in our 2009/10 half-year financial report. Despite the ongoing difficult economic climate, we aim to more or less match the previous year's level of earnings (Euro 239 million) in the 2009/10 financial year as whole. Our "Once Together" group project could result in one-off items already being posted in the 2009/10 consolidated financial statements.

We will continue to uphold a dividend policy based on continuity that ensures a solid return for our shareholders in future as well.

Future financial position: investments and financing

The new strategic alignment will shape our investment and financial planning in the coming financial years. The MVV Energie Group has a sound equity basis, thus enabling it to finance the investments of around Euro 3 billion planned for the next ten years with a balanced mix of internally generated funds and capital market funds. We will make efficient use of our financing potential and make targeted investments in value-adding growth projects which fit into our strategic framework and meet our project-specific profitability requirements.

Our group of companies has sufficient funds to meet its future liquidity requirements. We currently see no financial restrictions at our Group due to rising borrowing costs. Our financing funds are chiefly derived from our operating cash flow, by issuing promissory note bonds and by taking up new loans. The companies within our Group have a significant volume of committed bilateral credit lines which have not yet been utilised. Among other options, we can also cover the refinancing requirements due in coming months with available cash and cash equivalents.

Future opportunities and risks

Even accounting for the uncertainties still surrounding future economic developments, there are no indications of any risks which could endanger the continued existence of the company in the further course of the 2009/10 financial year or beyond. No further risks have been added to the six risk categories listed on Pages 78 to 80 of our 2008/09 Annual Report (price risks and opportunities, operating risks and opportunities, volume risks and opportunities, legislative risks, financing risks, strategic risks and opportunities). The key challenges ahead, namely climate protection, energy efficiency and ensuring that resources are used sparingly, in conjunction with the strategic realignment we have adopted to account for these, offer opportunities for our Group to generate profitable growth in the medium to long term.

Balance Sheet
as of 30.6.2010

Balance sheet of the MVV Energie Group

Euro 000s	**30.6.2010**	30.9.2009	Notes
Assets			
Non-current assets			
Intangible assets	337 781	329 850	1
Property, plant and equipment	2 028 543	1 995 644	2
Investment property	6 123	6 317	
Associates	77 875	75 138	
Other financial assets	95 715	103 377	
Other receivables and assets	114 419	272 389	3
Deferred tax assets	7 787	11 991	4
	2 668 243	**2 794 706**	
Current assets			
Inventories	57 177	50 788	
Trade receivables	526 162	463 294	5
Other receivables and assets	280 026	282 356	3
Tax receivables	44 494	40 359	
Securities	1 314	1 534	
Cash and cash equivalents	127 940	321 170	6
Assets held for sale	3 377	—	7
	1 040 490	**1 159 501**	
	3 708 733	**3 954 207**	
Equity and liabilities			
Equity			
Share capital	168 721	168 721	
Capital reserve	455 241	455 241	
Retained earnings, including unappropriated net profit	486 165	371 409	
Accumulated other comprehensive income	13 796	14 739	
Capital of the MVV Energie Group	**1 123 923**	**1 010 110**	
Minority interests	102 604	103 029	
	1 226 527	**1 113 139**	
Non-current debt			
Provisions	114 909	114 387	
Financial debt	1 047 197	1 073 074	
Other liabilities	158 195	376 126	9
Deferred tax liabilities	151 210	134 274	4
	1 471 511	**1 697 861**	
Current debt			
Other provisions	128 854	156 223	10
Tax provisions	41 393	24 366	11
Financial debt	311 604	439 681	12
Trade payables	241 066	236 816	
Other liabilities	225 529	243 620	9
Tax liabilities	60 034	42 501	13
Liabilities held for sale	2 215	—	7
	1 010 695	**1 143 207**	
	3 708 733	**3 954 207**	

Statement of Comprehensive Income
from 1.10.2009 to 30.6.2010

Income statement of the MVV Energie Group

Euro 000s	**1.4.2010 to 30.6.2010**	1.4.2009 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	Notes
Sales	754 032	732 448	2 702 527	2 619 826	
less electricity and natural gas taxes	42 737	37 597	148 274	137 403	
Sales after electricity and natural gas taxes	**711 295**	**694 851**	**2 554 253**	**2 482 423**	15
Changes in inventories	512	5 756	4 447	6 704	
Own work capitalised	3 040	2 216	9 103	6 175	
Other operating income	74 225	– 142 621	334 602	326 405	16
Cost of materials	528 120	537 102	1 868 026	1 845 161	
Personnel expenses	80 850	78 264	242 085	233 733	
Other operating expenses	5 756	– 158 544	366 753	603 046	16
Income from associates	1 640	—	8 372	—	17
Other income from shareholdings	2 647	6 787	2 755	8 542	18
EBITDA	**178 633**	**110 167**	**436 668**	**148 309**	
Depreciation	36 930	36 274	106 120	107 481	
EBITA	**141 703**	**73 893**	**330 548**	**40 828**	
Restructuring expenses	—	—	—	—	
EBIT	**141 703**	**73 893**	**330 548**	**40 828**	
of which result of IAS 39 derivative measurement	99 523	36 574	79 495	– 208 886	
of which EBIT before result of IAS 39 derivative measurement	42 180	37 319	251 053	249 714	
Financing income	1 393	1 797	5 480	7 655	
Financing expenses	17 807	17 560	64 346	65 253	
EBT	**125 289**	**58 130**	**271 682**	**– 16 770**	
Taxes on income	38 410	18 510	87 154	143	19
Net surplus / deficit for period	**86 879**	**39 620**	**184 528**	**– 16 913**	
Minority interests	4 659	– 1 194	11 519	– 1 088	
Share of earnings attributable to shareholders in MVV Energie AG (net surplus / deficit for period after minority interests)	**82 220**	**40 814**	**173 009**	**– 15 825**	20
Basic and diluted earnings per share (Euro)	**1.25**	**0.62**	**2.63**	**– 0.24**	20

Statement of income and expenses recognised in group equity

Euro 000s	**1.4.2010 to 30.6.2010**	1.4.2009 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Net surplus / deficit for period	**86 879**	**39 620**	**184 528**	**– 16 913**
Cash flow hedges	1 004	3 460	1 817	– 12 132
Differential amounts from currency translation	– 1 126	6 784	– 1 844	– 2 504
Other income and expenses	**– 122**	**10 244**	**– 27**	**– 14 636**
Comprehensive income	**86 757**	**49 864**	**184 501**	**– 31 549**
Minority interests	5 910	21	12 435	– 4 437
Comprehensive income for period attributable to shareholders in MVV Energie AG	**80 847**	**49 843**	**172 066**	**– 27 112**

Statement of Changes in Equity

from 1.10.2009 to 30.6.2010

Statement of changes in equity

	Equity contributed		Equity generated							
			Accumulated earnings recognised in income statement			Accumulated other comprehensive income				
Euro 000s	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Statutory reserve of MVV Energie AG	IAS reserve	Group equity generated	Differential amount from currency translation	Fair value measure-ment of financial instruments	**Capital of the MVV Energie Group**	Minority interests	**Total capital**
Balance at 1.10.2008	**168 721**	**455 241**	**1 278**	**171 385**	**332 758**	**17 256**	**7 052**	**1 153 691**	**116 061**	**1 269 752**
Income and expenses recognised directly in equity	—	—	—	—	—	– 1 956	– 9 331	– 11 287	– 3 349	– 14 636
Result of business operations	—	—	—	—	– 15 825	—	—	– 15 825	– 1 088	– 16 913
Comprehensive income for period	**—**	**—**	**—**	**—**	**– 15 825**	**– 1 956**	**– 9 331**	**– 27 112**	**– 4 437**	**– 31 549**
Dividend distribution	—	—	—	—	– 59 316	—	—	– 59 316	– 11 064	– 70 380
Change in scope of consolidation	—	—	—	—	– 331	—	—	– 331	223	– 108
Balance at 30.6.2009	**168 721**	**455 241**	**1 278**	**171 385**	**257 286**	**15 300**	**– 2 279**	**1 066 932**	**100 783**	**1 167 715**
Balance at 1.10.2009	**168 721**	**455 241**	**1 278**	**171 385**	**198 746**	**16 351**	**– 1 612**	**1 010 110**	**103 029**	**1 113 139**
Income and expenses recognised directly in equity	—	—	—	—	—	– 1 594	651	– 943	916	– 27
Result of business operations	—	—	—	—	173 009	—	—	173 009	11 519	184 528
Comprehensive income for period	**—**	**—**	**—**	**—**	173 009	– 1 594	**651**	**172 066**	**12 435**	**184 501**
Dividend distribution	—	—	—	—	– 59 316	—	—	– 59 316	– 11 046	– 70 362
Change in scope of consolidation	—	—	—	—	1 063	—	—	1 063	– 1 814	– 751
Balance at 30.6.2010	**168 721**	**455 241**	**1 278**	**171 385**	**313 502**	**14 757**	**– 961**	**1 123 923**	**102 604**	**1 226 527**

The amendment to IAS 1 has led to an amended presentation of the statement of changes in equity in the first nine months of 2009/10.
The first nine months of the previous year have been adjusted accordingly.

Segment Report
from 1.10.2009 to 30.6.2010

Income statement by segment

	External sales excluding energy taxes		Intercompany sales excluding energy taxes		Scheduled depreciation		Adjusted EBIT	
Euro 000s	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Electricity	1 455 238	1 312 703	47 533	46 986	16 229	18 179	43 429	37 908
District heating	265 981	264 141	15 226	18 396	21 556	19 510	69 356	61 565
Gas	369 564	437 795	24 734	24 411	10 530	11 528	65 625	74 467
Water	73 874	73 746	190	333	8 018	8 066	10 178	10 106
Value-added services	234 369	231 595	43 267	53 399	14 321	13 678	13 121	11 700
Environmental energy	140 346	144 683	28 894	31 730	25 836	26 822	49 302	54 305
Other	14 881	17 760	61 667	47 171	9 630	9 698	– 178	– 337
Consolidation	—	—	– 221 511	– 222 426	—	—	220	—
MVV Energie Group	**2 554 253**	**2 482 423**	**—**	**—**	**106 120**	**107 481**	**251 053**	**249 714**

Initial application of IFRS 8 has led to amendments in the presentation of the segment report.
Further information can be found under Note 21. The previous year's figures have been adjusted accordingly.

Cash Flow Statement

from 1.10.2009 to 30.6.2010

Cash flow statement of the MVV Energie Group

Euro 000s	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Net surplus/deficit for period before taxes on income	271 682	– 16 770
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	106 120	107 481
Net financial result	58 866	57 598
Interest received	5 398	6 883
Change in non-current provisions	6 156	– 7 124
Other non-cash income and expenses	– 73 612	209 463
Result of disposal of non-current assets	233	– 1 936
Cash flow before working capital and taxes	**374 843**	**355 595**
Change in other assets	– 172 373	– 293 744
Change in other liabilities	111 164	70 136
Change in current provisions	– 30 923	– 46 904
Income taxes paid	– 47 044	– 50 343
Cash flow from operating activities	**235 667**	**34 740**
Investments in intangible assets, property, plant and equipment and investment property	– 123 734	– 145 053
(Free cash flow)	**(111 933)**	**(– 110 313)**
Proceeds from disposal of intangible assets, property, plant and equipment and investment property	1 917	10 715
Proceeds from subsidy payments	5 302	4 929
Proceeds from sale of fully and proportionately consolidated companies	—	34 800
Proceeds from sale of other financial assets	3 998	10 134
Payments for acquisition of fully and proportionately consolidated companies[1]	– 9 495	– 1 239
Payments for other financial assets	– 7 874	– 11 935
Cash flow from investing activities	**– 129 886**	**– 97 649**
Proceeds from taking up of loans	105 614	584 664
Payments for redemption of loans	– 274 290	– 247 393
Dividend payment	– 59 316	– 59 316
Dividend payment to minority shareholders	– 11 046	– 11 064
Interest paid	– 59 138	– 59 592
Cash flow from financing activities	**– 298 176**	**207 299**
Cash-effective change in cash and cash equivalents	– 192 395	144 390
Change in cash and cash equivalents due to currency translation	– 835	– 969
Cash and cash equivalents as of 1.10.2009 (2008)	321 170	97 123
Cash and cash equivalents as of 30.6.2010 (2009)	**127 940**	**240 544**

Cash flow – aggregate presentation

Euro 000s	1.10.2009 to 30.6.2010	1.10.2008 to 30.6.2009
Cash and cash equivalents as of 1.10.2009 (2008)	**321 170**	**97 123**
Cash flow from operating activities	235 667	34 740
Cash flow from investing activities	– 129 886	– 97 649
Cash flow from financing activities	– 298 176	207 299
Change in cash and cash equivalents due to currency translation	– 835	– 969
Cash and cash equivalents as of 30.6.2010 (2009)	**127 940**	**240 544**

1 please see explanations under "Changes in the scope of consolidation"

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Interim Consolidated Financial Statements

for the First Nine Months of 2009/10

Disclosures concerning the company

MVV Energie AG has its 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, environmental energy and value-added services. Its environmental energy activities focus on waste incineration.

These abridged interim consolidated financial statements were approved by the Executive Board on 10 August 2010. The abridged interim consolidated financial statements and interim group management report were not subject to any audit review requirement.

Accounting policies

The abridged interim consolidated financial statements for the period from 1 October 2009 to 30 June 2010 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 2009. No application has been made of published standards and interpretations not yet requiring mandatory application.

Apart from the new requirements outlined below, the accounting policies applied in the interim consolidated financial statements as of 30 June 2010 therefore correspond to those applied in the consolidated financial statements as of 30 September 2009.

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have amended and newly adopted some standards and interpretations which require mandatory application for the first time in the abridged interim consolidated financial statements. The following standards and interpretations were applied at the MVV Energie Group for the first time in the 2009/10 financial year:

Improvement Project (2008/2009)	Omnibus standard amending various IFRSs
IAS 1 Amendment (2007)	Presentation of Financial Statements
IAS 23 Amendment (2007)	Capitalisation of Borrowing Costs
IAS 32 and IAS 1	Financial Instruments: Presentation (Puttable Instruments)
IFRS 1/IAS 27 Amendments (2008)	First-time Adoption of International Financial Reporting Standards and Consolidated and Separate Financial Statements
IFRS 2 Amendment (2008)	Share-based Payment (Vesting Conditions and Cancellation)
IFRS 2 Amendment (2009)	Clarification of Accounting for Group Cash-settled Share-based Payment Transactions
IFRS 3/IAS 27 Amendment (2008)	Business Combinations and Consolidated and Separate Financial Statements
IFRS 7 Amendment (2009)	Improving Disclosures on Financial Instruments
IFRS 8	Operating Segments
IFRIC 9/IAS 39 Amendment (2009)	Embedded Derivatives
IFRIC 12	Service Concession Arrangements
IFRIC 15	Agreements for the Construction of Real Estate
IAS 39 (2008)	Recognition and Measurement (Eligible Hedged Item)
IAS 39 (2008)	Reclassifications of Financial Assets

The initial application of these new requirements did not have any material implications for the net asset, financial and earnings position of the MVV Energie Group. The initial application of IAS 1 led to amendments in the presentation of the income statement and of the statement of changes in equity. The amendments in the presentation of the segment report due to initial application of IFRS 8 have been outlined in the segment report chapter. The figures for the comparable period have been adjusted accordingly.

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

Alongside MVV Energie AG, 62 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 2009: 56). 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.

MVV Energiedienstleistungen Wohnen GmbH & Co. KG, Berlin, was merged into MVV Energiedienstleistungen GmbH Mitte, Berlin, as of 1 October 2009. The incorporating company is a group company. The merger did not have any implications for the net asset, financial and earnings position of the Group.

MVV Holding CZ s.r.o., Prague, Czech Republic, was included in the scope of consolidation for the first time in the 1st quarter of 2009/10. This is a subholding of MVV Energie AG which was previously not operationally active. It was acquired at carrying amount by MVV Energie CZ a.s., Prague, Czech Republic, in the 1st quarter of 2009/10.

A 100 % stake was acquired in IROMEZ s.r.o., Pelhřimov, Czech Republic, on the basis of a contract dated 23 October 2009. Accordingly, this company was fully consolidated in the consolidated financial statements of the MVV Energie Group for the first time in the 1st quarter of 2009/10. The fair values of the company's assets and liabilities identifiable upon acquisition are presented in the following table. The purchase price allocation for the company thereby acquired has currently not yet been completed. Amendments were made in the 3rd quarter of 2009/10 to the costs of acquisition and the provisional measurement of assets and liabilities. The figures stated in the table are still subject to amendment.

The goodwill thereby arising was recognised under intangible assets. The purchase price obligation was settled in cash. The costs directly attributable to the acquisition, amounting to Euro 139 thousand, have been directly expensed.

The disclosure of proforma sales and earnings has been omitted, as the aggregate implications of the company acquisition are not material for the MVV Energie Group.

Identifiable assets and liabilities

	IROMEZ s.r.o., Pelhřimov		Götzfried + Pitzer Entsorgung GmbH, Ulm		e.n.o. energy Standort 12 GmbH & Co. KG, Rerik		BHG Biomasse Handelsgesellschaft mbH, Mannheim	
Euro 000s	Recognised upon acquisition	Carrying amount	Recognised upon initial consolidation	Carrying amount	Recognised upon acquisition	Carrying amount	Recognised upon initial consolidation	Carrying amount
Intangible assets	2	2	2 382	36	—	—	—	—
Property, plant and equipment	2 307	1 169	1 440	110	23 717	14 271	184	184
Deferred tax assets	—	88	—	—	—	—	—	—
Inventories, receivables, other assets	1 865	1 865	255	255	229	229	199	199
Cash and cash equivalents	99	99	3 460	3 460	—	—	1 670	1 670
Provisions	—	—	106	106	9	9	—	—
Other liabilities	2 027	2 027	3 255	3 255	21 412	14 526	49	49
Deferred tax liabilities	84	—	366	—	25	25	—	—
Fair value of net assets	**2 162**	**1 196**	**3 810**	**500**	**2 500**	**– 60**	**2 004**	**2 004**
Share acquired in company	2 162	1 196	3 810	500	2 500	– 60	2 004	2 004
Debit difference	—	—	—	—	—	—	—	—
Goodwill	1 149	—	2 582	—	—	—	3 038	—
Earnings contribution since date of initial consolidation	316	—	– 193	—	—	—	—	—
Earnings contribution between acquisition and initial consolidation	—	—	100	—	—	—	—	—
Foreign exchange differences	34	—	—	—	—	—	—	—

MVV Umwelt GmbH, Mannheim, acquired the remaining 10.2 % of the shares in MVV BMKW Mannheim GmbH, Mannheim, from BHG Biomasse Handelsgesellschaft mbH, Mannheim, in the 2nd quarter of 2009/10. The purchase price amounted to Euro 1 450 thousand. Until the beginning of the 3rd quarter of 2009/10, BHG Biomasse Handelsgesellschaft mbH, Mannheim, was reported as a wholly-owned other shareholding with majority ownership. In the 3rd quarter of 2009/10 the shares in BHG Biomasse Handelsgesellschaft mbH, Mannheim, were merged with MVV Umwelt Ressourcen GmbH, Mannheim. As a result of the merger, the company has thus been included in the scope of consolidation since this time. The resultant goodwill has been deducted from the purchase price allocation performed upon the acquisition of BHG Biomasse Handelsgesellschaft mbH, Mannheim, and capitalised.

Within the framework of an asset deal, assets were acquired in Hermann Götzfried Umweltdienste e.K., Türkheim, on the basis of a contract dated 1 May 2010 and then contributed to Manfred Pitzer GmbH Entsorgung, Recycling, Transporte, Ulm. The company was subsequently renamed as Götzfried + Pitzer Entsorgung GmbH, Ulm. This company was thus fully consolidated in the consolidated financial statements of the MVV Energie Group for the 3rd quarter of 2009/10. The fair values of the company's assets and liabilities identifiable upon acquisition are presented in the table on Page 25. The purchase price allocation for the company thereby acquired has currently not yet been completed; the figures stated in the table are therefore still subject to amendment. The goodwill thereby arising was recognised under intangible assets.The purchase price obligation was settled in cash. The costs directly attributable to the acquisition of Götzfried Umweltdienste e. K., Türkheim, amounting to Euro 173 thousand, have been directly expensed. The disclosure of proforma sales and earnings has been omitted, as the aggregate implications of the company acquisition are not material for the MVV Energie Group.

GeTeBe Gesellschaft für Technologieberatung mbH, Berlin, was merged into MVV Energiedienstleistungen GmbH, Mannheim, in the 3rd quarter of 2009/10. The merger did not have any implications for the net asset, financial and earnings position of the Group.

At the Czech subgroup, the companies G-LINDE s.r.o., Prague, and G-RONN s.r.o., Prague, were founded and included in the scope of consolidation in the 3rd quarter of 2009/10.

e.n.o. energy Standort 12 GmbH & Co. KG, Rerik, a company that includes Plauerhagen Wind Farm, was acquired by MVV Alpha dreizehn GmbH, Mannheim, on the basis of a contract dated 20 May 2010. Both companies were thus consolidated for the first time in the 3rd quarter of 2009/10. The fair values of the assets and liabilities of e.n.o. energy Standort 12 GmbH & Co. KG, Rerik, identifiable upon acquisition are presented in the table on Page 25. The purchase price allocation for the company thereby acquired has currently not yet been completed; the figures stated are therefore still subject to amendment. The purchase price obligation was settled in cash. The disclosure of proforma sales and earnings has been omitted, as the aggregate implications of the company acquisition are not material for the MVV Energie Group.

Currency translation

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

Currency translation

	Rate on reporting date		Average rate	
1 Euro	**30.6.2010**	30.9.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Czech crowns (CZK)	25.691	25.164	25.795	26.534
British pounds (GBP)	0.817	0.909	0.882	0.879

(Source: European Central Bank)

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 the financial year than in the 3rd and 4th quarters.

Notes on the Balance Sheet

1 Intangible assets

The increase in intangible assets is mainly due to the companies consolidated for the first time in the 3rd quarter of 2009/10, namely Götzfried + Pitzer Entsorgung GmbH, Ulm, and BHG Biomasse Handelsgesellschaft mbH, Mannheim. Goodwill amounting to Euro 5 621 thousand and customer relationships amounting to Euro 2 352 thousand were recognised in this respect. The goodwill already recognised in the 1st quarter of 2009/10 for IROMEZ s.r.o., Pelhřimov, Czech Republic, was adjusted to Euro 1 149 thousand in the 3rd quarter of 2009/10.

2 Property, plant and equipment

Property, plant and equipment increased in the 3rd quarter of 2009/10, mainly on account of the acquisition of Plauerhagen wind farm.

3 Other receivables and assets

The decline in non-current other receivables and assets compared with 30 September 2009 is attributable on the one hand to the reclassification of those energy trading transactions recognised under IAS 39 with delivery dates in the 2010 calendar year from non-current to current assets and on the other to a reduction in the fair values of commodity derivatives.

Other current receivables and assets fell slightly. The aforementioned reclassification of energy trading derivatives with delivery dates in the 2010 calendar year from non-current to current other assets was offset by the utilisation and reduced fair values of commodity derivatives. The counterparty risk reduction receivables included in this figure (margins) fell by Euro 43 427 thousand to Euro 47 989 thousand. This factor was partly offset by fixed-term investments with terms of more than three months.

4 Deferred taxes

The reduction in deferred tax assets and increase in deferred tax liabilities are primarily due to measurement items in connection with energy trading transactions and the resultant possibility of netting such transactions in line with the respective fiscal units.

5 Trade receivables

The rise in trade receivables in the first nine months of the 2009/10 financial year corresponds to the customary seasonal course of business. Customer instalments 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 slight increase in sales in the first nine months of the 2009/10 financial year is also reflected in a higher volume of receivables.

6 Cash and cash equivalents

The reduction in cash and cash equivalents is principally due to the repayment of current financial debt and the payment of the dividend for the 2008/09 financial year.

7 Assets and liabilities held for sale

Assets held for sale, amounting to Euro 3 377 thousand, include the planned disposal of sections of MVV Energiedienstleistungen GmbH Mitte, Berlin, and the carrying amount of the interest held in 24solution S-H GmbH, Kiel. The liabilities of Euro 2 215 thousand reported as held for sale relate to the planned disposal of sections of MVV Energiedienstleistungen GmbH Mitte, Berlin.

8 Dividend distribution

The Annual General Meeting held on 12 March 2010 approved the distribution of a dividend of Euro 0.90 per share for the 2008/09 financial year (distribution total: Euro 59 316 thousand). Moreover, a sum of Euro 11 046 thousand was distributed to minority shareholders on the level of the subgroups.

9 Other liabilities

The reduction in non-current other liabilities is mainly due to the reclassification of energy trading derivatives with delivery dates in the 2010 calendar year from non-current to current other liabilities.

The aforementioned reclassification of energy trading derivatives with delivery dates in the 2010 calendar year from non-current to current other liabilities is offset by utilisation and the reduced fair values of the commodity derivatives. The security deposits provided to us in the context of energy trading transactions amount to Euro 11 237 thousand.

10 Other provisions

The decline in current other provisions is mainly due to the utilisation of personnel provisions and to services not yet invoiced. Furthermore, provisions for miscellaneous items have also reduced significantly. This is primarily the result of ongoing utilisation and reversals.

11 Tax provisions

The increase in tax provisions chiefly relates to taxes on income in view of the higher level of operating earnings posted for the first nine months before the IAS 39 measurement item.

12 Financial debt

The reduction in current financial debt is largely due to the repayment of liabilities to banks.

13 Tax liabilities

The rise in tax liabilities has mainly been driven by an increased VAT charge and by higher energy tax liabilities due to increased sales volumes.

14 Contingent liabilities

There have been no material changes in contingent liabilities since 30 September 2009.

Notes on the Income Statement

15 Sales

A depiction of sales broken down into their respective segments has been provided in the segment report. The slight growth in sales compared with the 3rd quarter of the previous year is due above all to volume growth in the electricity and gas trading business and the nationwide electricity and gas sales business. This was partly compensated for by price factors in the gas and district heating segments.

16 Other operating income and other operating expenses

The increase in other operating income and the reduction in other operating expenses is mainly due to the recognition of energy trading derivatives measured in accordance with IAS 39. The positive item resulting from IAS 39 valuation amounted to Euro 79 495 thousand in the 3rd quarter of 2009/10. In the previous year's period, the negative IAS 39 valuation item had amounted to Euro 208 886 thousand. These IAS 39 valuation items are reflected at an amount of Euro 260 105 thousand under other operating income (previous year's period: Euro 252 685 thousand) and at an amount of Euro 180 610 thousand under other operating expenses (previous year's period: Euro 461 571 thousand).

17 Income from associates

The income of Euro 8 372 thousand from associates is attributable to the subsequent measurement of the associates of the MVV Energie Group. As these associates were recognised for the first time in the 4th quarter of 2008/09, no figures are available for the previous year's period.

18 Other income from shareholdings

The development in other income from shareholdings mainly reflects the changed reporting procedure for those associates reclassified from other shareholdings in the 4th quarter of 2008/09. Other income from shareholdings is therefore not comparable with the previous year's figure.

19 Taxes on income

Taxes on income

Euro 000s	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Taxes on income	87 154	143
Effective tax rate in %	32.1	−0.9

Pursuant to IAS 34.30 (c), tax expenses on earnings before IAS 39 were calculated for the period under report using the tax rate of 32.9 % expected for the overall 2009/10 financial year. The tax rate on earnings after IAS 39 amounts to 32.1 %. The low level of expenses reported under taxes on income in the previous year's period chiefly involved deferred tax income of Euro 63 million in connection with the high negative IAS 39 valuation item.

20 Earnings per share

Earnings per share

	1.4.2010 to 30.6.2010	1.4.2009 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009
Share of earnings attributable to shareholders in MVV Energie AG Euro 000s	82 220	40 814	173 009	− 15 825
No. of shares in 000s (weighted average)	65 907	65 907	65 907	65 907
Earnings per share (Euro)	1.25	0.62	2.63	− 0.24

It was not necessary to account for any dilution effects.

21 Segment report

The electricity segment includes the value creation stages 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.

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 line item depicts those activities not allocable to individual business segments. The consolidation line item presents the elimination for the purposes of consolidation of values involving transactions with other 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 segments. 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.

The income statement segment report presented in accordance with IFRS 8 is based on the segment earnings (adjusted EBIT) used for internal management purposes. The segment earnings of individual business segments do not include the results of non-operating IAS 39 measurement items in connection with financial derivatives (Euro 79 495 thousand; previous year's period: Euro −208 886 thousand). Information about the structure of adjusted EBIT can be found on Page 9 of the interim group management report.

22 Cash flow statement

The cash flow before working capital and taxes showed a slight increase compared with the previous year's period. The substantial year-on-year changes in the net surplus/deficit for the period before taxes on income, which are attributable to the IAS 39 valuation, are largely eliminated under other non-cash income and expenses.

The cash flow from operating activities was affected by the changes within other working capital. The net balance of these changes was significantly lower in the first nine months of 2009/10 than in the previous year's period, as a result of which the cash flow from operating activities was significantly positive in the first nine months of 2009/10. This positive development in the first three quarters of the 2009/10 financial year was supported by the less marked decline in current provisions.

The lower volume of investments in intangible assets, property, plant and equipment and investment property in the first nine months of the 2009/10 financial year was offset by higher payments for company acquisitions and lower proceeds from disposals of non-current assets, as a result of which the cash flow from investing activities was more negative than in the previous year's period. Furthermore, unlike in the previous year's period, which witnessed the sale of the Polish subgroup, there was no compensating inflow of funds in the nine months under report.

The cash flow from financing activities is negative on account of the dividend distribution, interest payments and the net repayment of loans. The first nine months of the previous year were characterised by substantial net new lending, as a result of which the cash flow from financing activities was positive in the previous year's period.

23 Related party disclosures

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, as well as rental, leasing and service agreements). Moreover, a concession agreement is in place between MVV Energie AG and the City of Mannheim.

All business relationships have been concluded on customary market terms and are basically analogous to the supply and service agreements concluded with other companies.

Related party disclosures

	Goods and services provided				Receivables		Liabilities	
	Income		Expenses					
Euro 000s	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	**1.10.2009 to 30.6.2010**	1.10.2008 to 30.6.2009	**30.6.2010**	30.9.2009	**30.6.2010**	30.9.2009
Abfallwirtschaft Mannheim	208	227	2 456	3 507	346	283	1 625	2 656
ABG Abfallbeseitigungs-gesellschaft mbH	22 441	24 948	3 960	3 605	3 253	5	616	2 463
GBG Mannheimer Wohnungsbaugesellschaft mbH	10 512	10 278	61	34	26	2 651	8	1 828
m:con – Mannheimer Kongress- und Touristik GmbH	2 662	2 422	226	445	7 700	8 265	—	—
MVV GmbH	534	820	1 731	1 649	395	156	66	38 933
MVV OEG AG	308	388	5	1	145	100	2	—
MVV Verkehr AG	560	805	—	42	718	946	—	7
Rhein-Neckar-Verkehr GmbH	7 119	5 537	364	190	4 680	5 567	568	678
Stadtentwässerung Mannheim	1 867	655	508	482	188	539	162	151
City of Mannheim	7 794	7 874	16 819	15 545	1 955	5 489	1 115	74
Other companies controlled by the City of Mannheim	6 522	3 583	227	1 704	751	1 292	48	1 001
Associates	38 701	32 744	142 658	134 727	2 714	3 885	9 657	10 808
Proportionately consolidated companies	68 033	42 805	9 961	7 283	29 568	21 571	14 240	4 718
Other majority shareholdings	2 255	3 699	2 914	4 308	6 688	7 733	2 069	3 085
Total	**169 516**	**136 785**	**181 890**	**173 522**	**59 127**	**58 482**	**30 176**	**66 402**

24 Events after the balance sheet date

We are not aware of any events after the balance sheet date.

Mannheim, 10 August 2010

MVV Energie AG

Executive Board

Dr. Müller | Brückmann | Dr. Dub | Farrenkopf

Responsibility Statement

“We affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles applicable for interim reporting and the interim group management report provides a fair review of the development and performance of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group through to the end of the 2009/10 financial year.“

Mannheim, 10 August 2010

MVV Energie AG

Executive Board

Dr. Müller   Brückmann   Dr. Dub   Farrenkopf

Financial Calendar

12. 3. 2010	Annual General Meeting
15. 3. 2010	Payment of Dividend
14. 5. 2010	Half-Year Financial Report 2009/10
14. 5. 2010	Press Conference and Analysts' Conference 1st Half of 2009/10
13. 8. 2010	Financial Report 3rd Quarter of 2009/10
13. 8. 2010	Analysts' Conference 3rd Quarter of 2009/10
30. 12. 2010	Annual Financial Report 2009/10 (Annual Report)
12. 1. 2011	Annual Results Press Conference and Analysts' Conference
15. 2. 2011	Financial Report 1st Quarter of 2010/11
18. 3. 2011	Annual General Meeting
21. 3. 2011	Payment of Dividend
13. 5. 2011	Half-Year Financial Report 2010/11
13. 5. 2011	Press Conference and Analysts' Conference 1st Half of 2010/11
15. 8. 2011	Financial Report 3rd Quarter of 2010/11
15. 8. 2011	Analysts' Conference 3rd Quarter of 2010/11

Imprint

Published by

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
Finance and Investor Relations
Tel: +49 (0)621 290-2292
Fax: +49 (0)621 290-3075
m.jentsch@mvv.de
ir@mvv.de

This financial report was published on the internet on 13 August 2010.

All financial reports of the MVV Energie Group can be downloaded from our website. The German and English editions of the Annual Report can also be accessed as interactive online reports.

www.mvv-investor.de