



MVV Energie – Energising the Future

Fact book

1st Half of 2010/11 financial year

13 May 2011

www.mvv-investor.de

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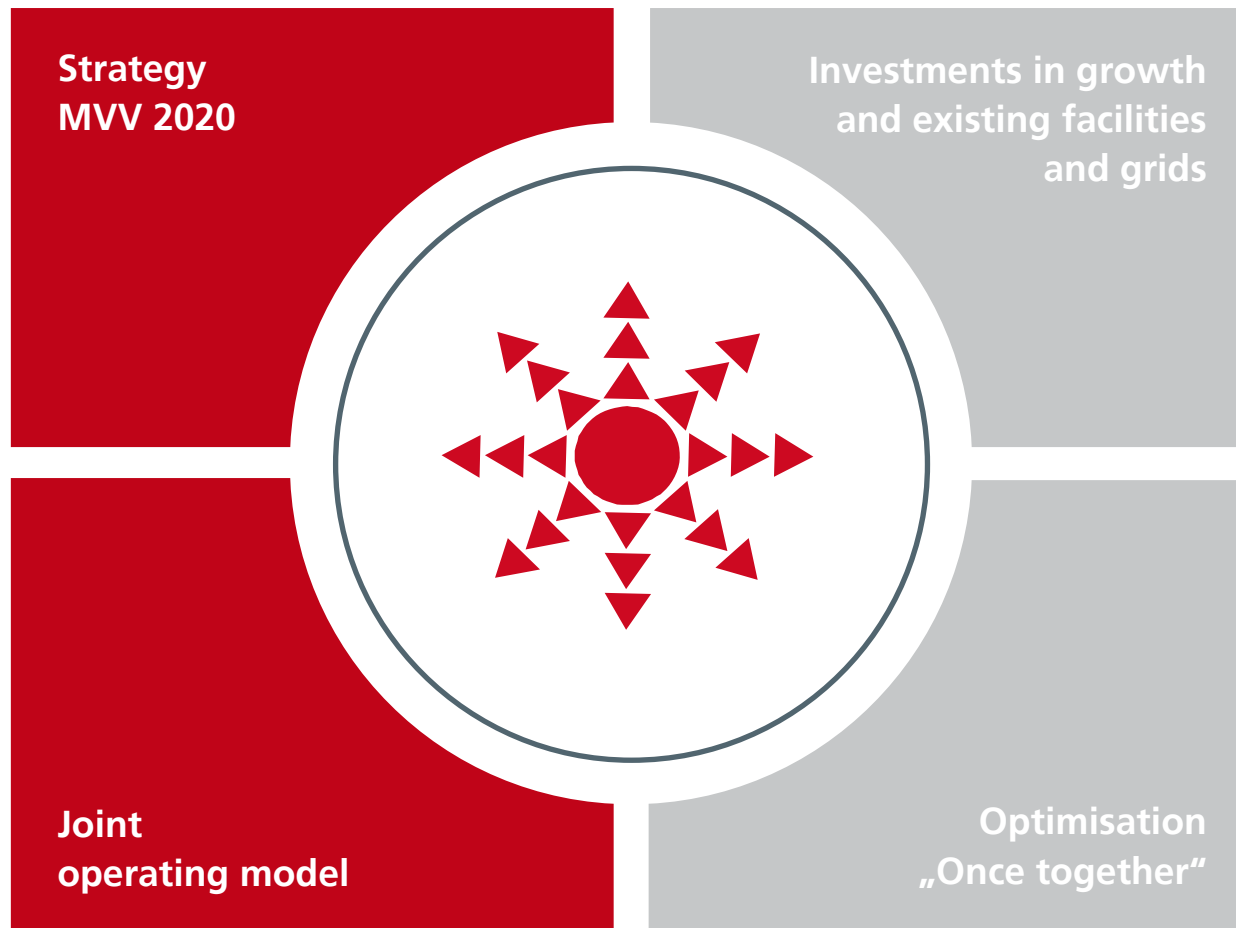
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Our Understanding of Our Business

MVV Energie – Energising the future





Key financial data for the 1st half of 2010/11 financial year

Key figures of the MVV Energie Group for the 1st half of 2010/11 financial year – Adjusted

Earnings performance in Euro million

	2010/11 (1.10-31.3.)	2009/10 (1.10-31.3.)	% change
Sales excluding electricity and energy tax	1,896	1,843	+3
Adjusted EBITDA ¹	275	280	-2
Adjusted EBIT ²	204	210	-3
Adjusted EBT ^{2,3}	173	166	+4
Adjusted net surplus for period ^{2,3}	117	112	+4
Adjusted net surplus for period after minority interests ^{2,3}	98	104	-6
Adjusted earnings per share ^{2,3} in Euro	1.49	1.57	-5
Free cash flow ⁴	26	-29	–

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

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

3 impact of the expiry of the Kiel put option

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

Sales by reporting segments in the 1st half of 2010/11 financial year

Sales in Euro million

	2010/11 (1.10-31.3.)	2009/10 (1.10-31.3.) ¹ pro forma
Generation and Infrastructure	160	158
Trading and Portfolio Management	347	359
Sales and Services	1,160	1,112
Strategic Investments	227	210
Other Activities	2	4
Total	<u>1,896</u>	<u>1,843</u>

¹ previous year's figures calculated as pro forma figures

Adjusted EBIT by reporting segments in the 1st half of 2010/11 financial year

Adjusted EBIT in Euro million

	2010/11 (1.10-31.3.)	2009/10 (1.10-31.3.) ¹ pro forma
Generation and Infrastructure	74	77
Trading and Portfolio Management	30	32
Sales and Services	54	58
Strategic Investments	42	42
Other Activities	4	1
Total	204	210

¹ previous year's figures calculated as pro forma figures

Reconciliation of EBIT (income statement) with adjusted EBIT in the 1st half of 2010/11 financial year

in Euro million

	2010/11 (1.10-31.3.)		2009/10 (1.10-31.3.)		+/- change
EBIT as reported in income statement	227		189		+38
+ Derivative measurement items under IAS 39	-56		20		-76
+ Restructuring expenses	31		-		+31
+ Interest income from finance leases	2		1		+1
= Adjusted EBIT	<u>204</u>		<u>210</u>		-6



Key financial data for the 2009/10 financial year

We achieved all our targets in the 2009/10 financial year

▶ Sales target (excluding electricity and natural gas taxes) for 2009/10 financial year at around previous year's level (Euro 3.16 billion in 2008/09 financial year). With actual sales of Euro 3.36 billion this target has been exceeded.



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



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



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

Earnings performance in Euro million

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

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

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

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

Sales by segment in the 2009/10 financial year

Sales in Euro million

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

1 excluding electricity tax

2 excluding natural gas tax

3 excluding electricity and natural gas taxes

Adjusted EBIT by segment in the 2009/10 financial year¹

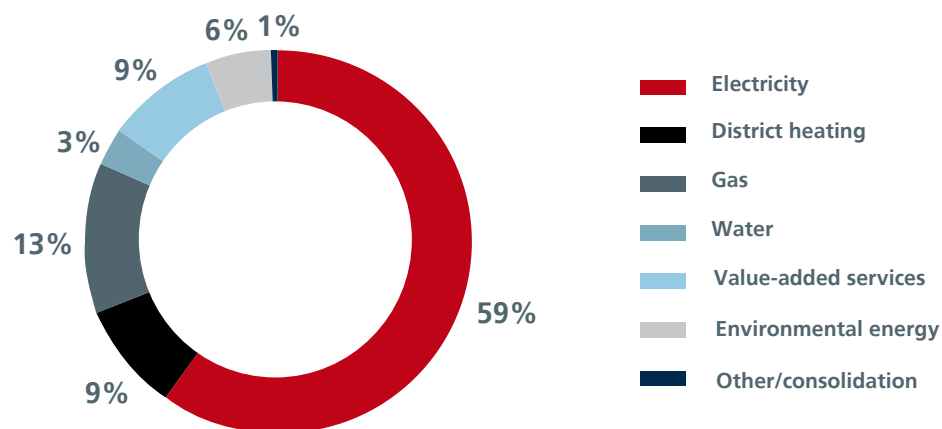
Adjusted EBIT in Euro million

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

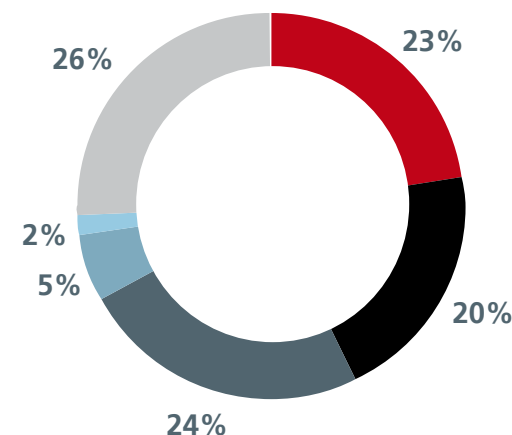
¹ excluding non-operating IAS 39 measurement items in connection with energy trading derivatives and one-off restructuring expenses at MVV Energiedienstleistungen GmbH subgroup in previous year

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

Sales by segment in 2009/10 financial year



Adjusted EBIT in 2009/10 financial year



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

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

¹ excluding electricity and natural gas taxes

² Closing price on 12.5.2011: Euro 27.40)

► Key valuation parameters

Enterprise value ² / sales:	0.9
Enterprise value ² / adjusted EBITDA:	7.5
Enterprise value ² / adjusted EBIT:	12.6
Price ² / book value ratio:	1.6
Price ² / earnings ratio:	19.0
Adjusted earnings per share:	Euro 1.44
Dividend per share:	Euro 0.90
Dividend yield:	3.3%

2009/10 financial year: EBIT adjusted for IAS 39

in Euro million

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

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

Positive one-off factors

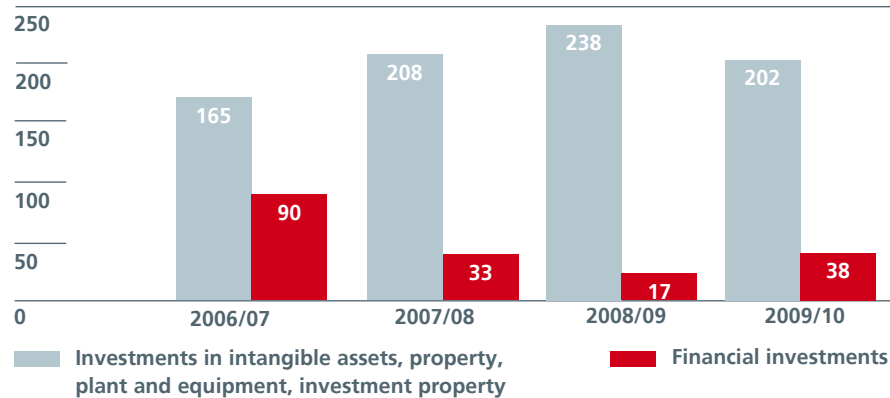
- ▶ One-off impact of reversal of provisions and discontinuation of one-off charges in electricity segment in previous year
- ▶ Economic upturn benefits electricity business
- ▶ Positive impact on margin due to weather-related volume growth in district heating business, better district heating production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

Negative one-off factors

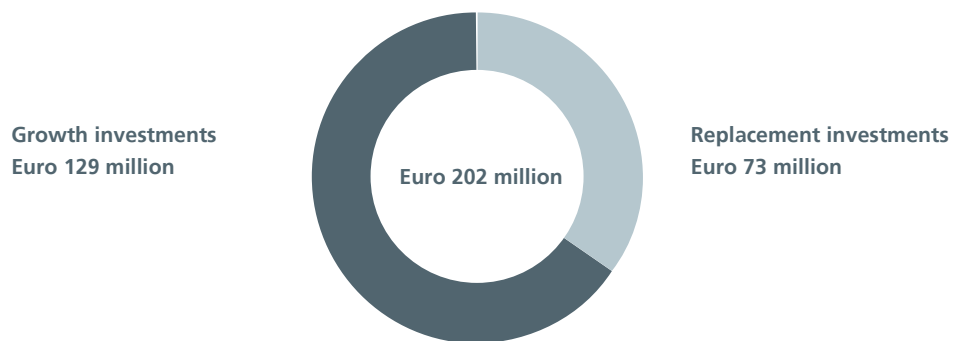
- ▶ One-off impact of asset impairments (Altenstadt, Waldenergie Bayern) in energy-related services subgroup
- ▶ Non-repetition of previous year's income from sale of gas grids in Heddesheim and Sinsheim
- ▶ Price-related downturn in waste business
- ▶ Weaker energy business at environmental energy subgroup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

Investment and growth

Investments in Euro million



Investments¹ in 2009/10 financial year



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

► Existing business

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

► Growth investments

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



MVV Energie – Strategic positioning

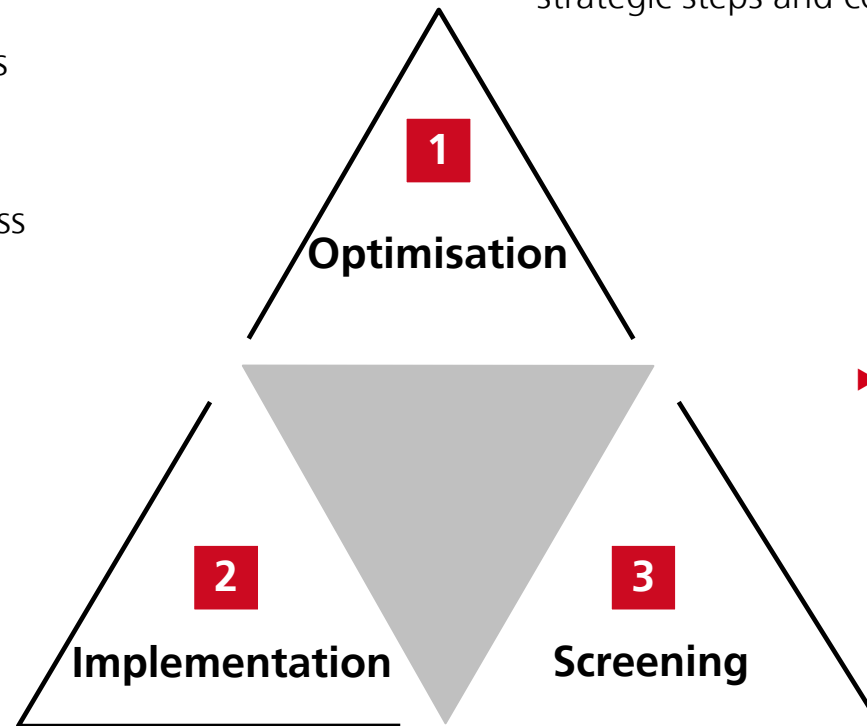
Further developed strategy “MVV 2020”: three strategic focuses with investments of Euro 3 billion by 2020

► **Growth:**

deepen portfolio of business activities

- Renewable energies: wind onshore and biomass
- Cogeneration: new block 9 at GKM
- UK environment business
- District heating
- Expansion of industrial customer sales
- Focused expansion of energy-related services

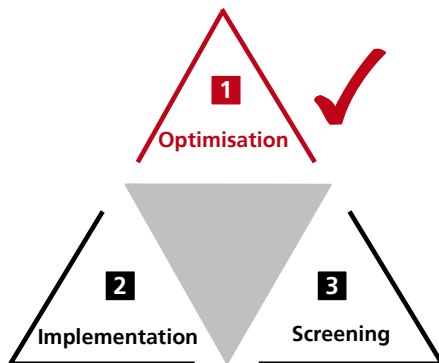
► **Optimisation measures** to lay foundation for strategic steps and counter charges on earnings



► **Screening** opportunities in further business

- District heating in Czech Republic
- Concessions
- Municipal utility companies
- Gas-fired power plants

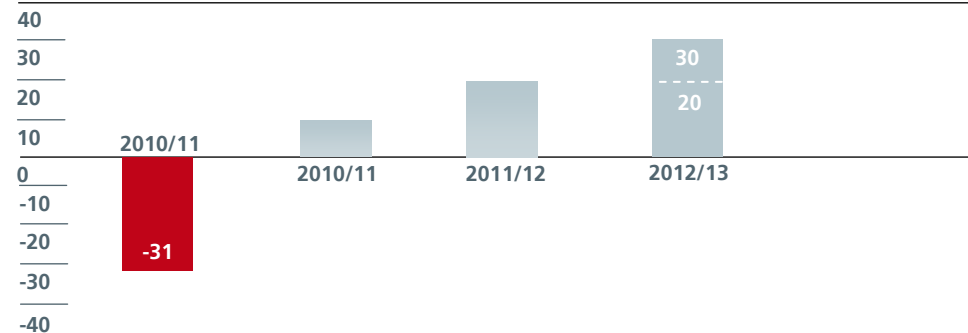
Optimisation: Creating a sustainable foundation



► Future earnings enhancements at the MVV Energie Group

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

Statement of provisions and annual savings in Euro million

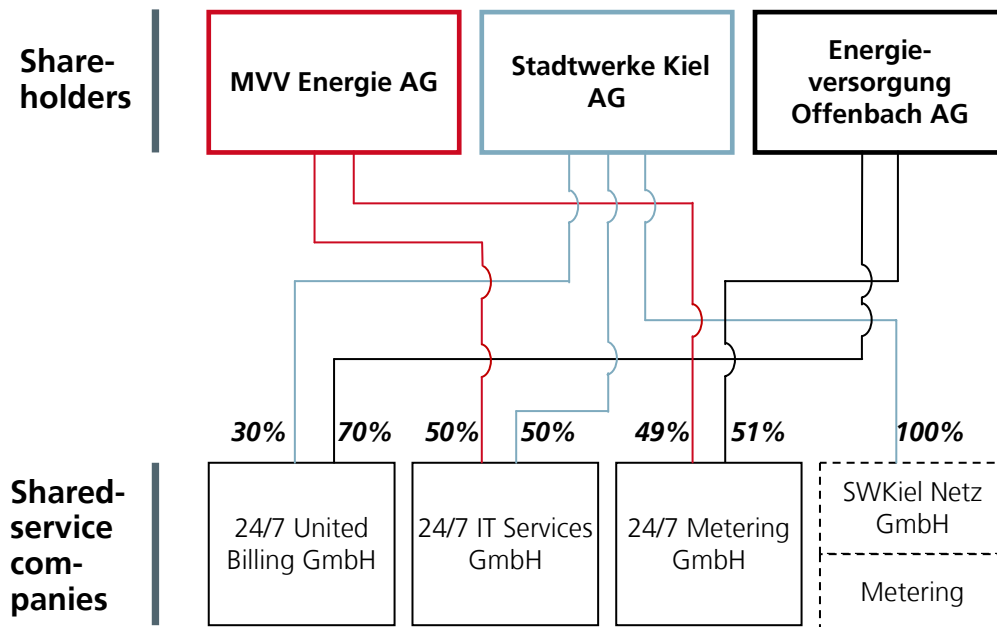


► Energy-related services subgroup: Neutralisation of historic charges

- Restructuring in organisational and personnel terms
- Focusing our investments and product portfolio on promising markets

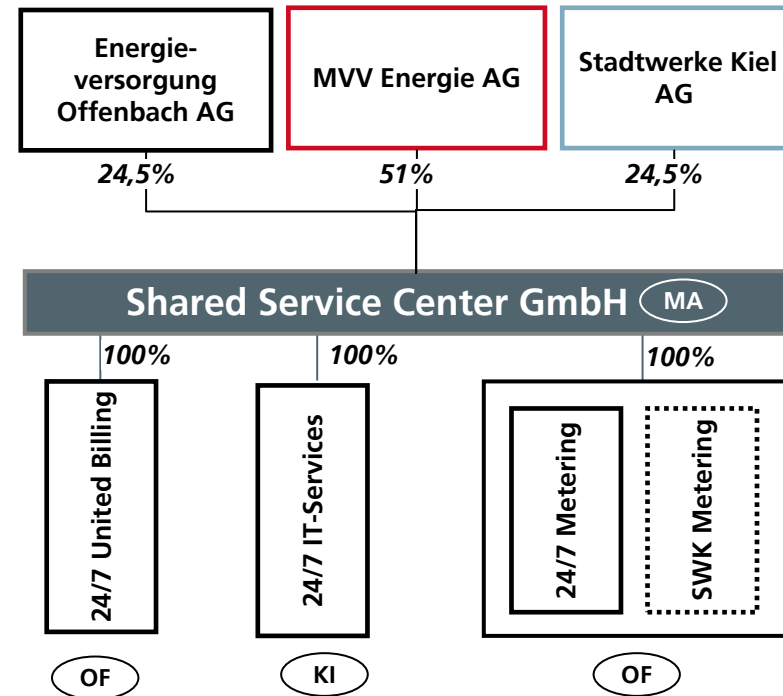
Optimisation: Shared-service companies currently not competitive – to be managed collectively in future

Status quo not sustainable



Individual management of each SSC

New structure

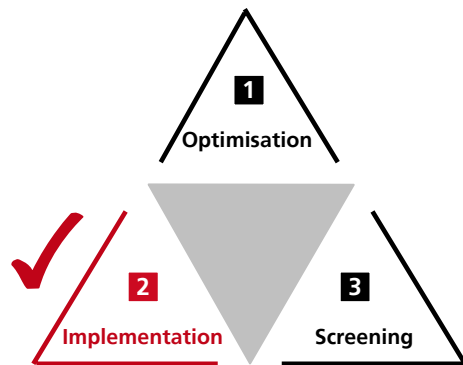


Collective management of all SSCs



Company headquarters

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



Deepening business portfolio

Renewable energies

Cogeneration (CHP)

UK environment business

District heating

Expansion of industrial customer sales

Energy-related services

New projects

Acquisition of Plauerhagen wind farm – acquisition of Massenhausen wind farm

Block 9 at GKM under construction, efficiency ratio 70%, financing secured

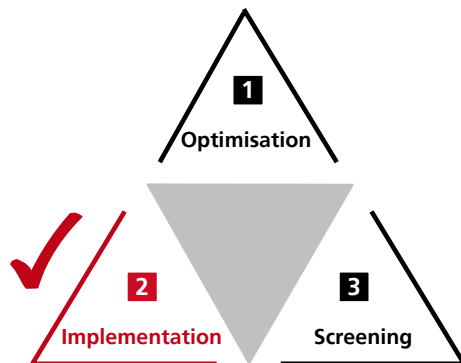
Construction of a energy from waste plant in Plymouth; nominal capacity: 245,000 tonnes p.a.

Expansion in Mannheim, Speyer, Ingolstadt and Offenbach

Major new customers acquired; milestone: 1,000 customers at Energy Fund; currently 4 bn kWh electricity and 340 m kWh gas

Uniklinikum Tübingen, AHG-Klinik Hardberg, wood pellet prod. and EVO biom. cogen. plant

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

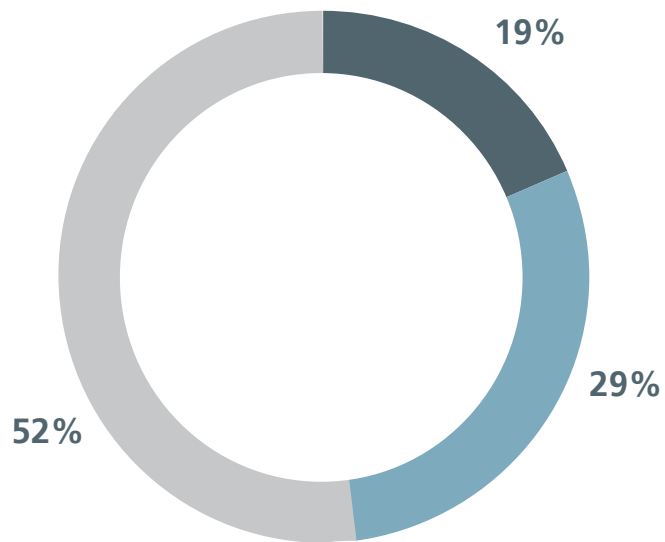


Technical data

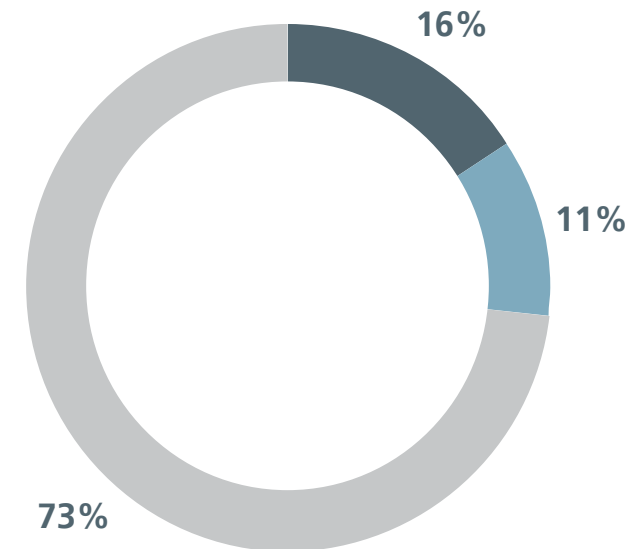
- Plauerhagen location in Mecklenburg-Vorpommern
- Eight e.n.o. 82 type wind energy plants
- Hub height: 101 metres
- Output: 16 MW_e
- Electricity production: approx. 35 GWh p.a.
- Supply to around 10,000 households

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

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



Gross electricity generation in Germany in 2009: 594 TWh



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

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

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



Technical data

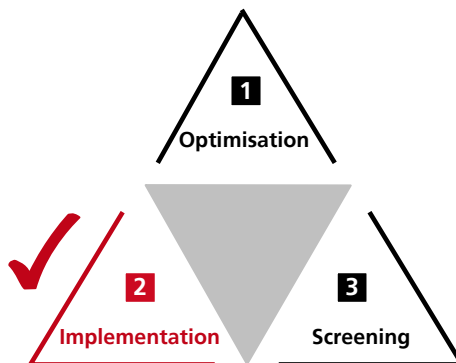
- ▶ Nominal capacity: 245,000 tonnes p.a.
- ▶ Net electricity production: 22.5 MW
- ▶ Max. heating energy supply: 23.3 MW

Broad revenue base

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

Investment and financing

- ▶ Investment: app. Euro 250m
- ▶ Financing concept designed and currently being finalised
- ▶ Financial close: 25 March 2011
- ▶ Construction: from 2012
- ▶ Operations: from 2014



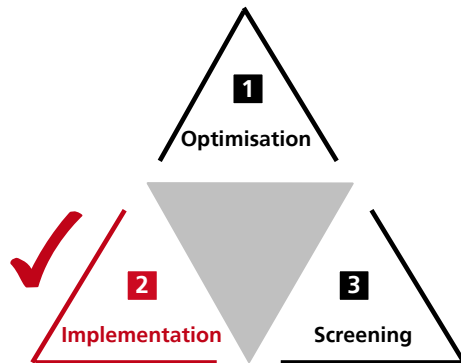
Exporting our wealth of expertise in generating energy from waste to the UK

Implementation: Successful expansion of district heating – Ingolstadt example



► Ingolstadt district heating association

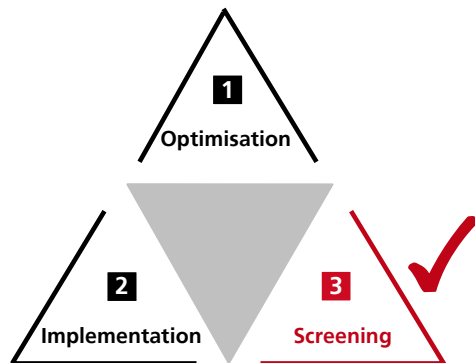
- Bavaria's largest waste heat and district heating project
- Cooperation project with Petroplus Refinery, City of Ingolstadt and AUDI AG
- Construction of a 5.3 km district heating pipeline
- District heating output to be increased starting in spring 2011 from 190 GWh p.a. to approx. 300 GWh p.a. by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



Successful expansion of district heating – Czech example

► COGEN I

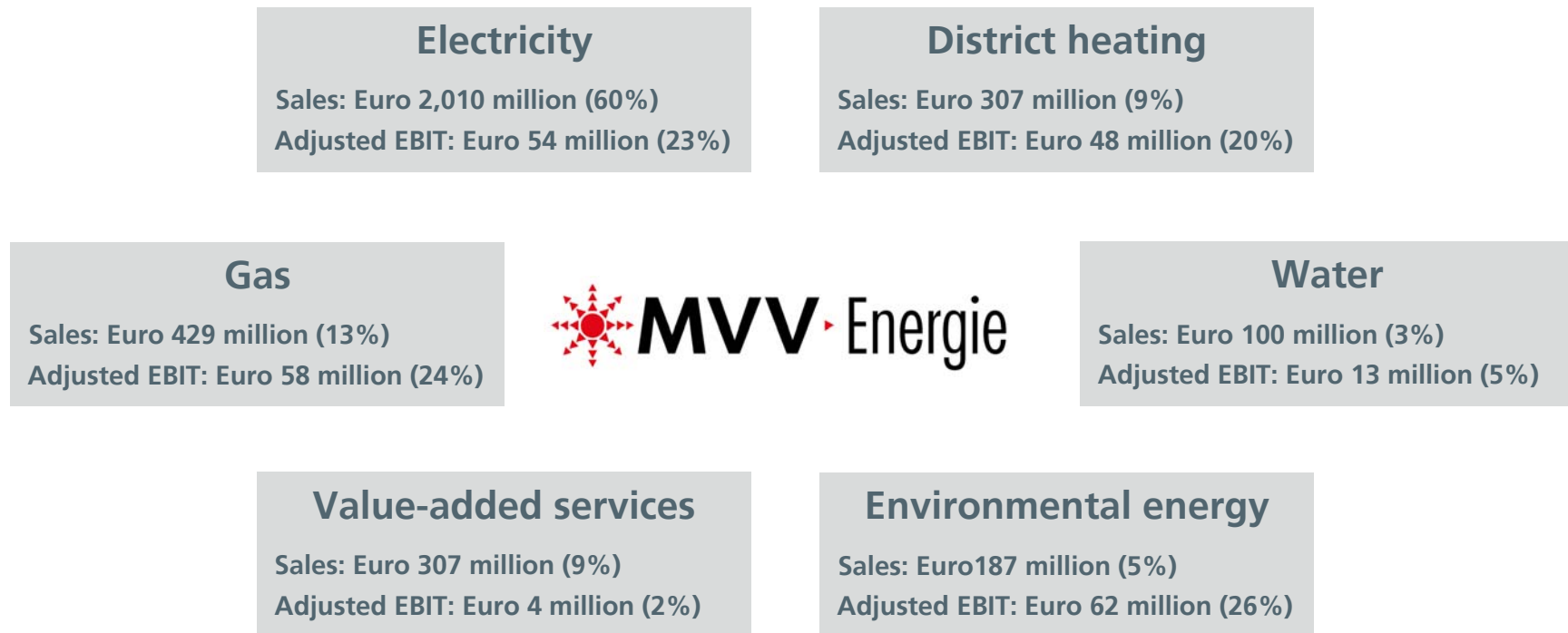
- Energy-efficient conversion of 7 existing heating energy generation plants at 4 locations to cogeneration plants
- Electricity output: increase from 35 MW_e to 48 MW_e
- Heating energy output: increase from 321 MW_t to 336 MW_t
- Investments: approx. Euro 13 million
- Plants in operation since January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



► COGEN II

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

Business segments 2009/10 of the MVV Energie Group



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

Our claim: Energising the future

Core strategic elements



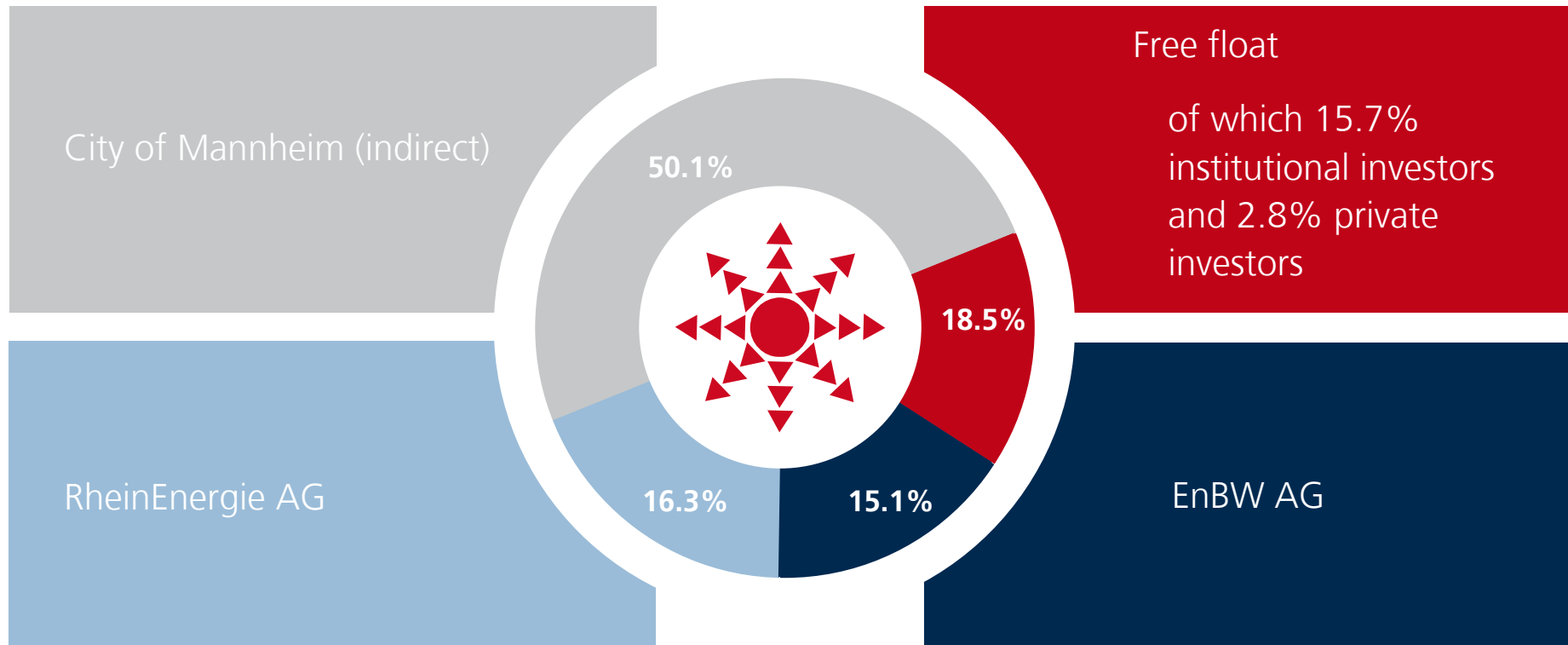
New reporting segments based on value creation stages from 2010/11 financial year





The share of MVV Energie

Current shareholder structure and key figures of MVV Energie AG



▶ **No. of shares:**

65.907 million

▶ **Average daily turnover:**

10,363 shares in April 2011

▶ **Market capitalisation:**

Euro 1,806 million

(Closing price on 12.5.2011:
Euro 27.40)

▶ **Free float:**

Euro 334 million

MVV Energie's share proved stable in a difficult market

The MVV Energie AG share (ISIN DE000A0H52F5)

XETRA trading



Share chart as performance comparison (including dividend payments in March 2009, 2010 and 2011) with SDAX and DAXsector Utilities

High dividend distribution in past eight years

Dividend

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Dividend/Share (Euro)	0.75	0.75	0.75	0.80	0.80	0.90	0.90	0.90
Total dividend ¹ (Euro million)	38.0	38.0	41.8	44.6	52.7	59.3	59.3	59.3
Closing price on 30.9. (Euro)	15.30	14.40	19.29	23.23	29.49	33.20	30.83	29.00
Dividend yield ² (%)	4.9	5.2	3.9	3.4	2.7	2.7	2.9	3.1

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

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

Advantages for our shareholders

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



We are committed to shareholder value



Outlook

Outlook for 2010/11 financial year

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



▶ Adjusted EBIT target at around previous year's level (Euro 243 million including interest income from finance leases in 2009/10 financial year)



▶ **Variables affecting the outlook**

- Development in energy prices relevant to our business (electricity, coal, gas, oil, CO₂ certificates)
- Weather conditions
- Development of waste prices in Germany
- Regulatory and competitive factors



Financial calendar of 2010/11

Financial calendar of 2010/11

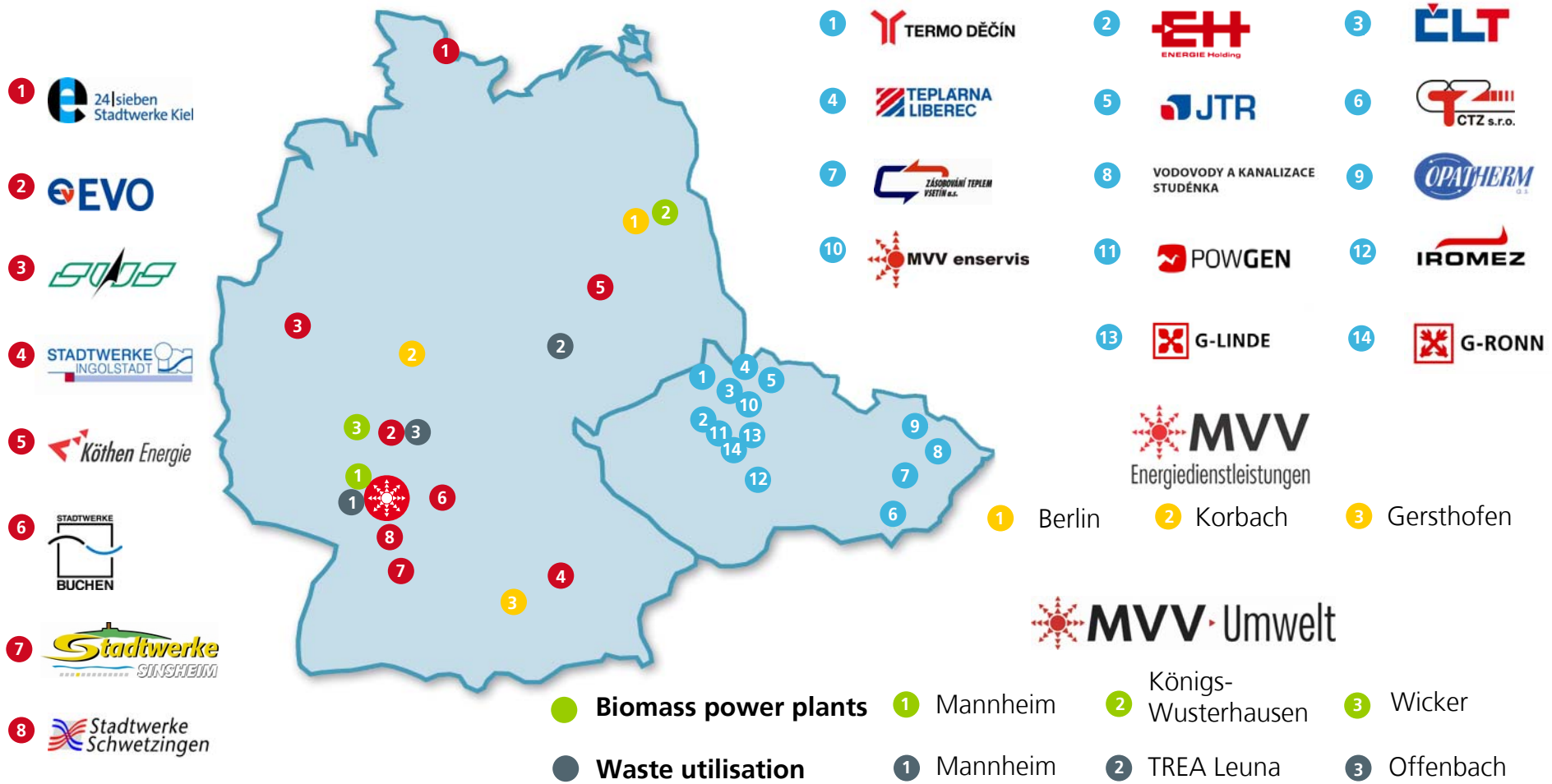
- ▶ 30.12.2010 2009/10 Annual Report
- ▶ 12.1.2011 Annual Results Press Conference and Analysts` Conference in Frankfurt/Main
- ▶ 15.2.2011 Financial Report 1st Quarter of 2010/11
- ▶ 18.3.2011 Annual General Meeting in Mannheim
- ▶ 21.3.2011 Payment of Dividend
- ▶ 13.5.2011 Half-Year Financial Report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



Back up

Municipal utility companies and major locations of the MVV Energie Group

 **MVV Energie CZ**



Sales and adjusted EBIT performance by quarter

Euro million

	2009/10 (1.10-30.9.)		2008/09 (1.10-30.9.)		% change
1 st Quarter	839		830		+1
2 nd Quarter	1,004		958		+5
3 rd Quarter	711		694		+2
4 th Quarter	805		679		+19
Sales in the financial year	<u>3,359</u>		<u>3,161</u>		+6

1 st Quarter	85		92		-8
2 nd Quarter	124		120		+3
3 rd Quarter	42		38		+11
4 th Quarter	-12		-11		-9
Adjusted EBIT in the financial year	<u>239</u>		<u>239</u>		0

Sales volumes in the 2009/10 financial year (total volume from all segments)

Sales volumes ¹

	2009/10 (1.10-30.9.)		2008/09 (1.10-30.9.)		% change
Electricity in kWh million	23,891		19,582		+22
of which wholesale	10,310		6,993		+49
of which retail/secondary distributors	13,581		12,643		+7
District heating in kWh million	7,586		7,217		+5
Gas in kWh million	11,775		10,851		+9
of which wholesale	1,382		1,529		-10
of which retail/secondary distributors	10,393		9,322		+11
Water in m³ million	54.2		53.2		+2
Combustible waste delivered in tonnes 000s	1,762		1,599		+10
of which environmental energy segment	1,582		1,527		+4
of which value-added services segment	144		72		+100
of which district heating segment	36		–		–

¹ total volume from all segments