

AS Tallinna Vesi

Interim results

12 months ended 31 December 2008

January 2009

Speakers



Ian Plenderleith
CEO, Chairman of the Management Board



Siiri Lahe
CFO, Member of the Management Board

Highlights – 2008 Financial Year

Good Operational Performance

All LoS requirements fulfilled

Sales from main operating activity increased by 10.3%

Sales growth in surrounding areas 41%

Underlying profit before tax increased by 13%

Agreed new 37.5m loan facility with Nordea bank

Financial Highlights in 12 mths 2008 compared to 2007

<i>mln EEK</i>	12 months 2008	12 months 2007	Increase	Change
Sales	719,9	648,3	71,6	11,0%
Main operating activities	719,9	648,3	71,6	11,0%
Other operating activities - <i>reclassified as explained in Note 1 to the accounts</i>				
Net profit	296,0	277,8	18,1	6,5%
Underlying Net profit	296,0	264,5	31,4	11,9%

	9 months		Year ended 31 December
	2008	2007	2007
<u>Accounting before changing the accounting policy:</u>			
Revenues from other operating activities	133 193	67 798	172 437
Costs of goods sold (other operating activities)	-119 440	-58 867	-158 187
<u>Accounting after changing the accounting policy:</u>			
Other income / expenses (-) from constructions	13 753	8 931	14 250

Water and Wastewater and other revenues

Revenues

million EEK	12 M 2008	12 M 2007	Ch. EEK	Ch. %
Domestic	346,8	319,0	27,9	8,7%
Commercial, in area only	271,2	252,7	18,6	7,4%
Commercial, outside area only	26,4	17,7	8,7	49,4%
Overpollution	13,8	10,3	3,5	34,1%
Water and wastewater total	658,3	599,6	58,7	9,8%

Volumes

million m3	12 M 2008	12 M 2007	Ch. M3	Ch. %
Domestic	28,5	29,3	-0,8	-2,7%
Commercial, in area only	9,6	10,0	-0,4	-4,1%
Commercial, outside area only	3,8	2,5	1,3	53,9%
Water and wastewater total	41,9	41,8	0,1	0,3%

- Other main business revenues 61.6 mln EEK, by 12.9 mln EEK or 26.5% higher y-o-y

Costs: 12 mths 2008 compared to 12 mths 2007

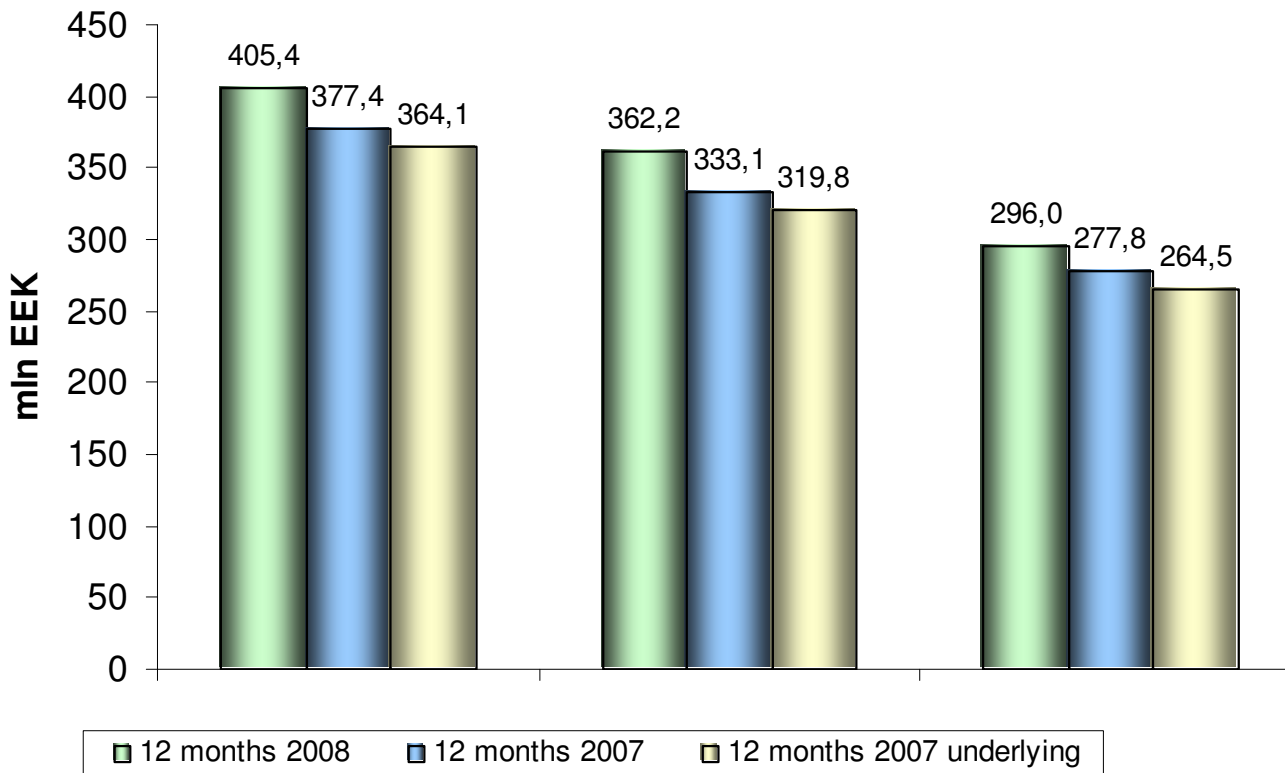
Inflationary increases partially balanced by out-performance

- COGS – main operating activities by 25.9% or 56.1 mln EEK higher y-o-y
- Underlying COGS – main operating activities by 18.6% or 42.8 mln EEK higher y-o-y
 - ✓ In 2007 Environmental taxes 13.3 mln EEK lower due to provision write-back
- Marketing costs 1.2 mln EEK lower
- Administration costs 2.3 mln EEK lower

Across all above categories the impact from the following indexes:

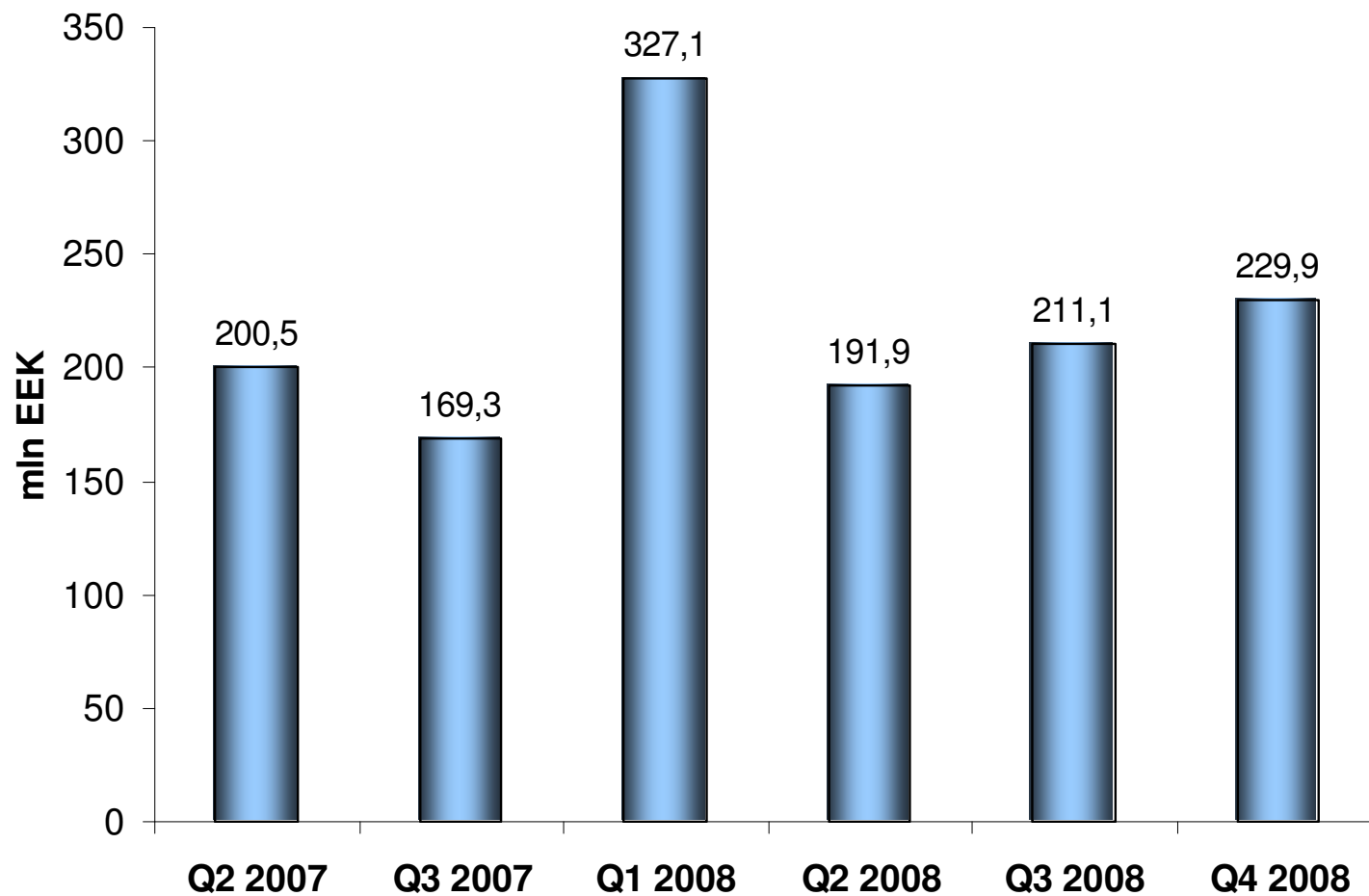
- ✓ CPI increase in 2007 - 6.6%, 2008 – 10.4%
 - ✓ Salaries index increase in 2007 - 20.4%, forecast for 2008 - 15%
 - ✓ Construction price index increase in 2007 - 12.7%, 2008 – 3.4%
- Other revenues 8.9 mln EEK higher
 - Financial costs 1.0 mln EEK lower

Reported: Profitability of Operations



- Underlying operating profit 405.4 mln EEK in 12mo08, 11.3% increase y-o-y
- Underlying profit before taxes 362.2 mln EEK in 12mo08, 13.2% increase y-o-y
- Underlying net profit 296.0 mln EEK in 12mo08, 11.9% increase y-o-y

Cash Position



- As of 31 December 2008 cash balance 229.9 m'EEK
- 51.4 m'EEK cash generated in 12 M 2008, 122.4 m'EEK more than in 12 M 2007



Thank You!

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Tallinna Vesi


The logo for Tallinna Vesi, featuring the company name in a serif font above a stylized blue wave graphic.