



AS Tallinna Vesi

Interim results
3 months ended 31 March 2008

April 2008

Speakers



Roch Cheroux
CEO, Chairman of the Management Board



Siiri Lahe
CFO, Member of the Management Board

Key achievements in Q1 2008

Amendment Agreement implemented

Tariff increase 11.7% starting 1st January 2008

Strong Operational Performance

All LoS requirements fulfilled

Sales from main operating activity increased by 12.3%

Sales growth in surrounding areas 43%

Underlying profit before tax increased by 9,1%

12.45 kroons (0.796 €) per share dividends approved

Financial Highlights in Q1 2008 compared to Q1 2007

<i>mln EEK</i>	Q 1 2008	Q 1 2007	Increase	Change
Sales	211,2	205,4	5,9	2,9%
Main operating activities	180,9	161,1	19,8	12,3%
Other operating activities	30,4	44,2	-13,9	-31,4%
Net profit	89,5	95,3	-5,8	-6,1%
Underlying Net profit	89,5	82,0	7,5	9,1%

Water and Wastewater and other revenues

Revenues

million EEK	3 M 2008	3 M 2007	Ch. %
Domestic	88,8	81,1	9,5%
Commercial, in area only	69,9	63,6	10,0%
Commercial, outside area only	6,2	4,4	43,0%
Overpollution	3,5	1,3	169,2%
Water and wastewater total	168,5	150,3	12,1%

Volumes

million m3	3 M 2008	3 M 2007	Ch. %
Domestic	7,3	7,5	-1,9%
Commercial, in area only	2,5	2,5	-2,0%
Commercial, outside area only	0,8	0,6	40,5%
Water and wastewater total	10,6	10,6	0,4%

- Water and waste water revenues, excl overpollution + 10.7% y-o-y
- Growth in sales outside of the service area + 43% y-o-y
- Overpollution revenue 3.5 mln EEK, 2.2 mln EEK increase y-o-y
- Other main business revenues 12.4mln EEK, by 1.6 mln EEK higher y-o-y
- Impact from the lost industrial customer minus 69 k m3

Costs: Q1 2008 compared to Q1 2007

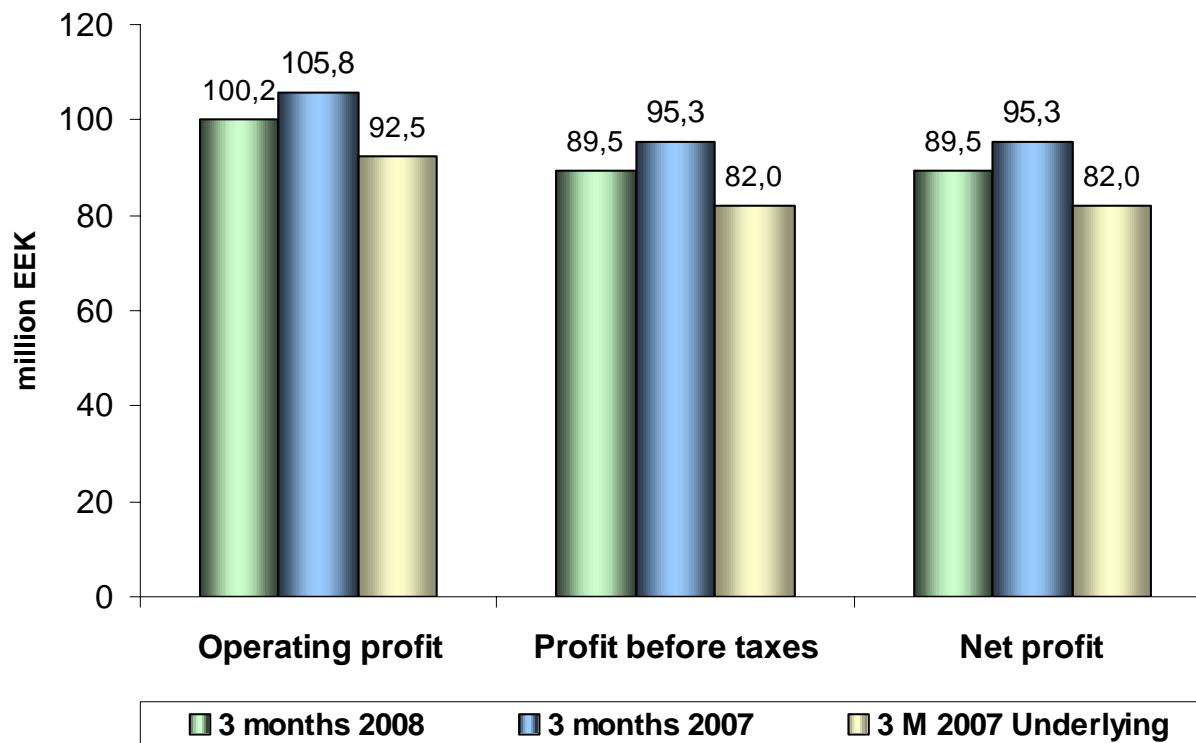
Inflationary increases partially balanced by out-performance

- COGS – main operating activities by 47.4% or 21.3 mln EEK higher y-o-y
- Underlying COGS – main operating activities by 13.7% or 7.9 mln EEK higher y-o-y
 - ✓ In 2007 Environmental taxes 13.3 mln EEK lower due to provision write-back
- Marketing costs 0.2 mln EEK higher
- Administration costs 0.2 mln EEK higher

Across all above categories:

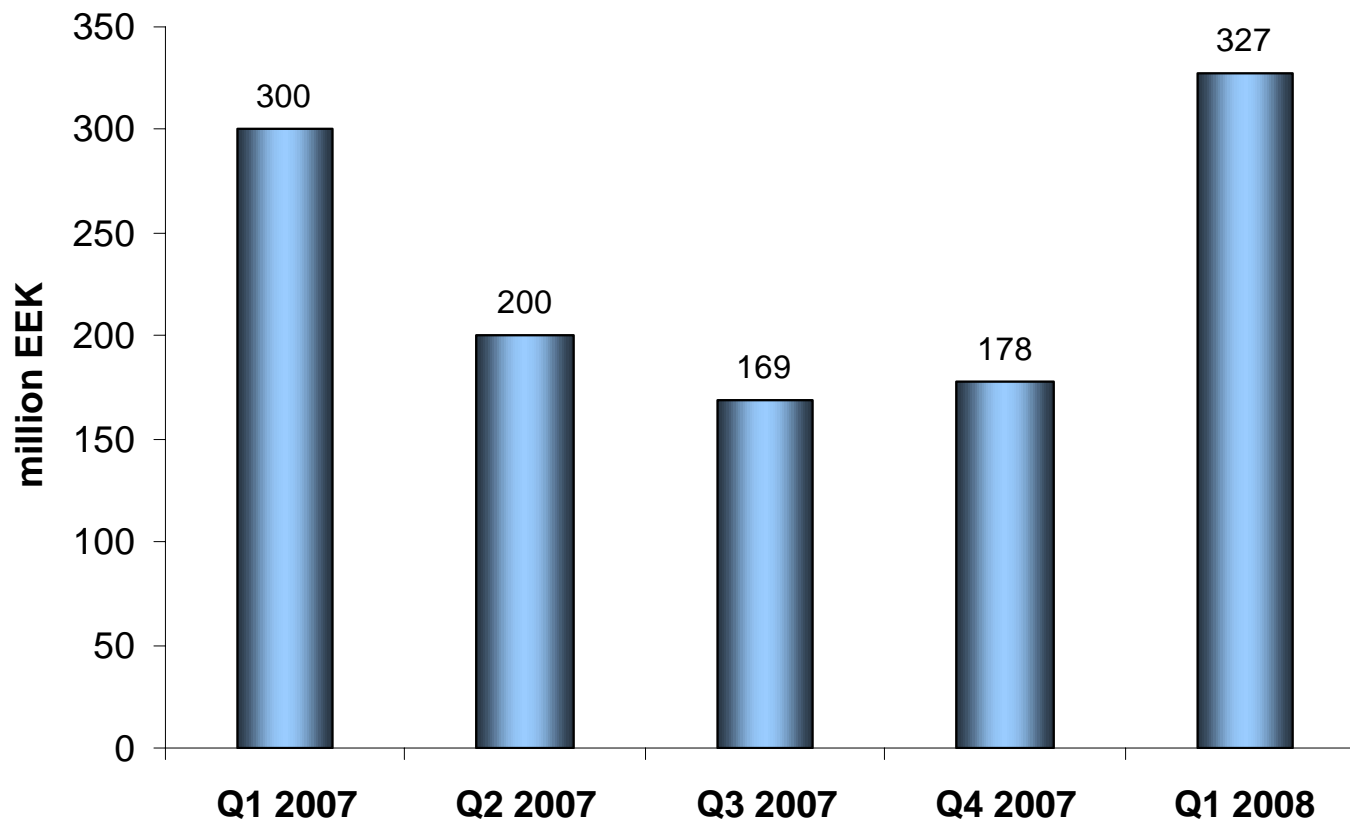
- ✓ CPI increase in 2007 - 6.6%, forecast for 2008 - 9.8%
- ✓ Salaries index increase in 2007 - 20.4%, forecast for 2008 - 15%
- ✓ Construction price index increase in 2007 - 12.7%
- Other revenues 2.5 mln EEK lower
- Financial costs 0.3 mln EEK higher (increase in Euribor rates)

Reported: Profitability of Operations



- Underlying operating profit 100.2 mln EEK in 3mo08, 8.3% increase y-o-y
- Underlying profit before taxes 89.5 mln EEK in 3mo08, 9.1% increase y-o-y
- Underlying net profit 89.5 mln EEK in 3mo08, 9.1% increase y-o-y

Cash Position



- As of 31 March 2008 cash balance 327 mln EEK
- 149m'EEK cash generated in Q1 2008, 98m'EEK more than in Q1 2007



Thank You!

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