

AS Tallinna Vesi

Interim results
6 months ended 30 June 2008

July 2008

Speakers



Roch Cheroux
CEO, Chairman of the Management Board



Siiri Lahe
CFO, Member of the Management Board

Key achievements in 1st half-year 2008

Good Operational Performance

All ISO certificates renewed

All LoS requirements fulfilled

Sales from main operating activity increased by 11.6%

Sales growth in surrounding areas 47.3%

Underlying profit before tax increased by 11.8%

12.45 kroons (0.796 €) per share dividends paid

Financial Highlights in 6 mths 2008 compared to 2007

<i>mln EEK</i>	6 months 2008	6 months 2007	Increase	Change
Sales	445,1	381,8	63,4	16,6%
Main operating activities	363,2	325,5	37,7	11,6%
Other operating activities	81,9	56,3	25,6	45,6%
Net profit	113,9	119,2	-5,3	-4,4%
Underlying Net profit	113,9	105,9	8,0	7,6%

Water and Wastewater and other revenues

Revenues

million EEK	6 M 2008	6 M 2007	Ch. EEK	Ch. %
Domestic	176,0	160,9	15,1	9,4%
Commercial, in area only	139,8	129,1	10,7	8,3%
Commercial, outside area only	12,2	8,3	3,9	47,3%
Overpollution	7,1	4,9	2,1	43,1%
Water and wastewater total	335,0	303,2	31,8	10,5%

Volumes

million m3	6 M 2008	6 M 2007	Ch. M3	Ch. %
Domestic	14,5	14,8	-0,3	-2,1%
Commercial, in area only	5,0	5,1	-0,2	-3,5%
Commercial, outside area only	1,7	1,1	0,5	48,1%
Water and wastewater total	21,1	21,0	0,0	0,2%

- Other main business revenues 28.1mln EEK, by 5.9 mln EEK or 27% higher y-o-y
- Impact from the biggest lost industrial customer minus 125 thousand m3 (water & sewerage in total)

Costs: 6 mths 2008 compared to 6 mths 2007

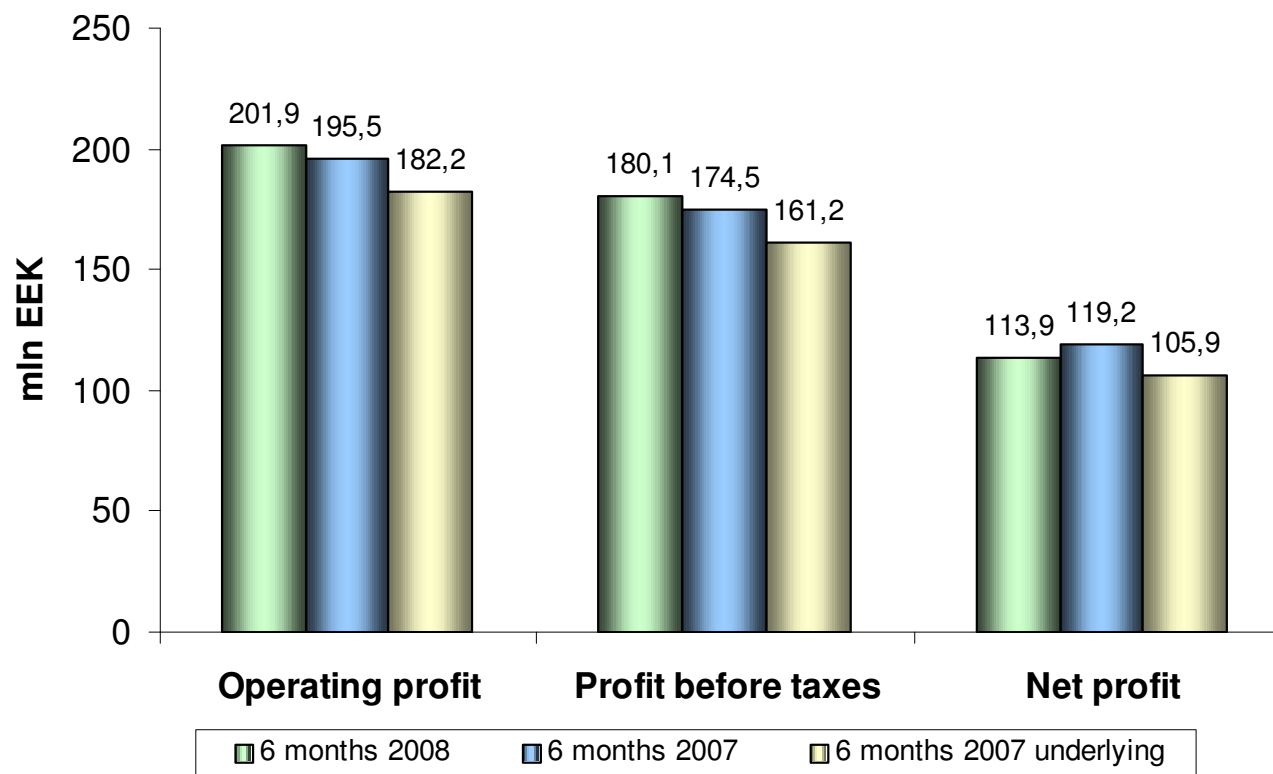
Inflationary increases partially balanced by out-performance

- COGS – main operating activities by 31.7% or 32.4 mln EEK higher y-o-y
- Underlying COGS – main operating activities by 16.5% or 19.1 mln EEK higher y-o-y
 - ✓ In 2007 Environmental taxes 13.3 mln EEK lower due to provision write-back
- Marketing costs 0.1 mln EEK lower
- Administration costs 0.8 mln EEK lower

Across all above categories the impact from the following indexes:

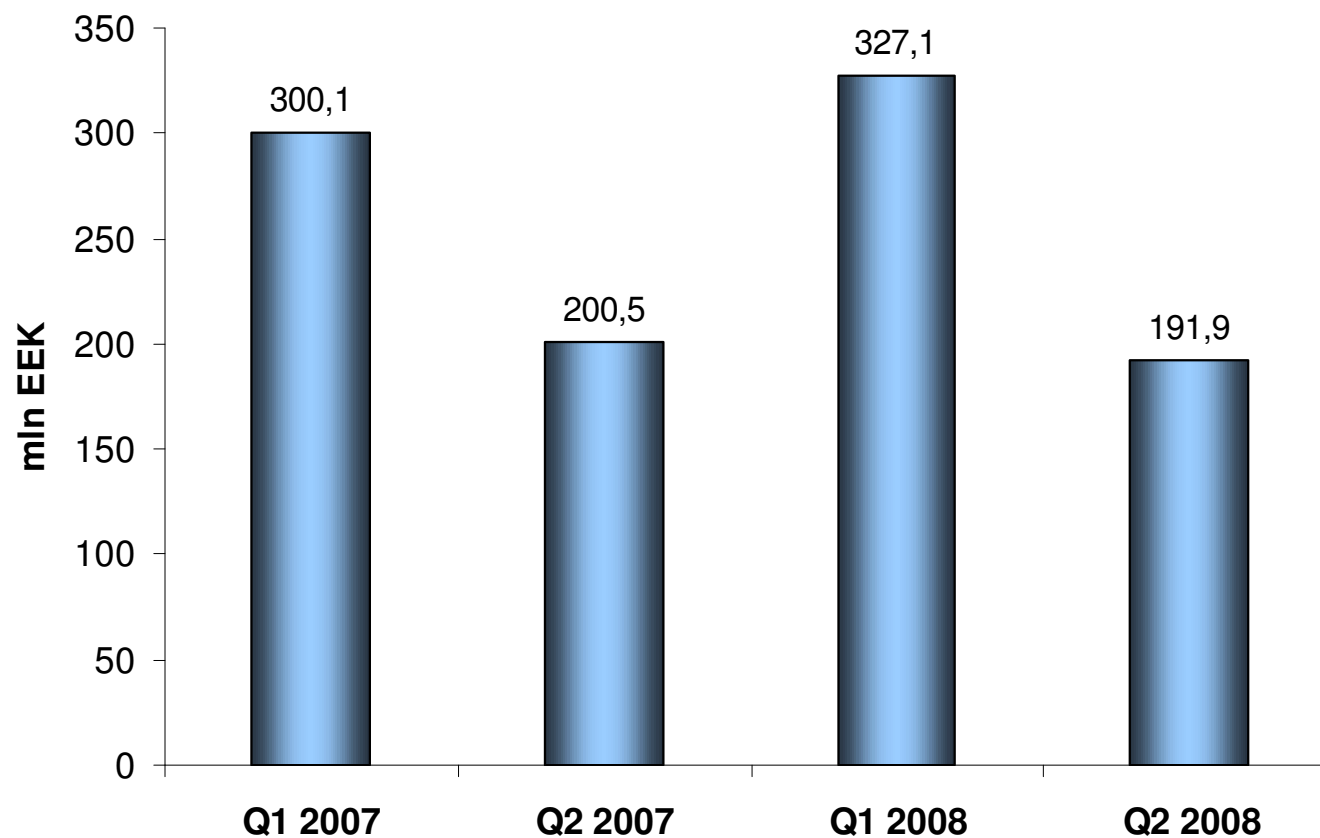
- ✓ CPI increase in 2007 - 6.6%, forecast for 2008 – around 10%
 - ✓ Salaries index increase in 2007 - 20.4%, forecast for 2008 - 15%
 - ✓ Construction price index increase in 2007 - 12.7%
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- Other revenues 1.9 mln EEK lower
 - Financial costs 0.8 mln EEK higher (increase in Euribor rates)

Reported: Profitability of Operations

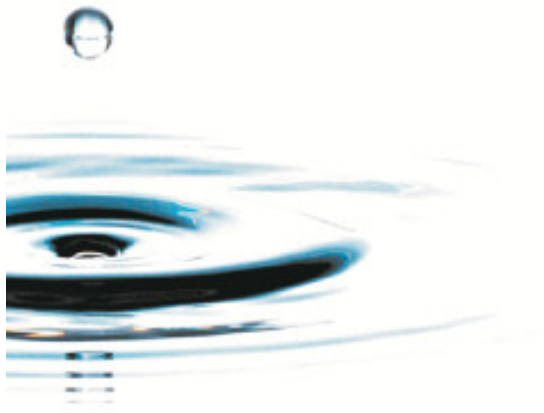


- Underlying operating profit 201.9 mln EEK in 6mo08, 10.8% increase y-o-y
- Underlying profit before taxes 180.1 mln EEK in 6mo08, 11.8% increase y-o-y
- Underlying net profit 113.9 mln EEK in 6mo08, 7.6% increase y-o-y

Cash Position



- As of 30 June 2008 cash balance 192 m'EEK
- 13.4 m'EEK cash generated in 6 M 2008, 62.4 m'EEK more than in 6 M 2007



Thank You!

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