

AS Tallinna Vesi

Interim results

9 months ended 30 September 2008

October 2008

Speakers



Ian Plenderleith
CEO, Chairman of the Management Board



Siiri Lahe
CFO, Member of the Management Board

Key achievements in 1st 9 months 2008

Good Operational Performance

Q3 achieved the coefficient 0.5 for Nitrogen

All LoS requirements fulfilled

Sales from main operating activity increased by 11.3%

Sales growth in surrounding areas 52.6%

Underlying profit before tax increased by 13.2%

Signed Maardu contract

Tariff increase of 12.8% from 1 Jan 2009

CSR & IR awards

Financial Highlights in 9 mths 2008 compared to 2007

<i>mln EEK</i>	9 months 2008	9 months 2007	Increase	Change
Sales	670,4	550,4	120,0	21,8%
Main operating activities	537,2	482,6	54,6	11,3%
Other operating activities	133,2	67,8	65,4	96,5%
Net profit	203,1	195,9	7,2	3,7%
Underlying Net profit	203,1	182,6	20,5	11,3%

Water and Wastewater and other revenues

Revenues

million EEK

	9 M 2008	9 M 2007	Ch. EEK	Ch. %
Domestic	259,8	238,3	21,5	9,0%
Commercial, in area only	204,8	189,1	15,8	8,3%
Commercial, outside area only	19,5	12,8	6,7	52,6%
Overpollution	10,3	7,6	2,7	35,1%
Water and wastewater total	494,4	447,8	46,6	10,4%

Volumes

million m3

	9 M 2008	9 M 2007	Ch. M3	Ch. %
Domestic	21,4	21,9	-0,5	-2,5%
Commercial, in area only	7,3	7,5	-0,2	-3,3%
Commercial, outside area only	2,7	1,8	0,9	53,5%
Water and wastewater total	31,3	31,2	0,2	0,5%

- Other main business revenues 42.8 mln EEK, by 8.0 mln EEK or 23% higher y-o-y
- Impact from the biggest lost industrial customer minus 129 thousand m3 (water & sewerage in total)

Costs: 9 mths 2008 compared to 9 mths 2007

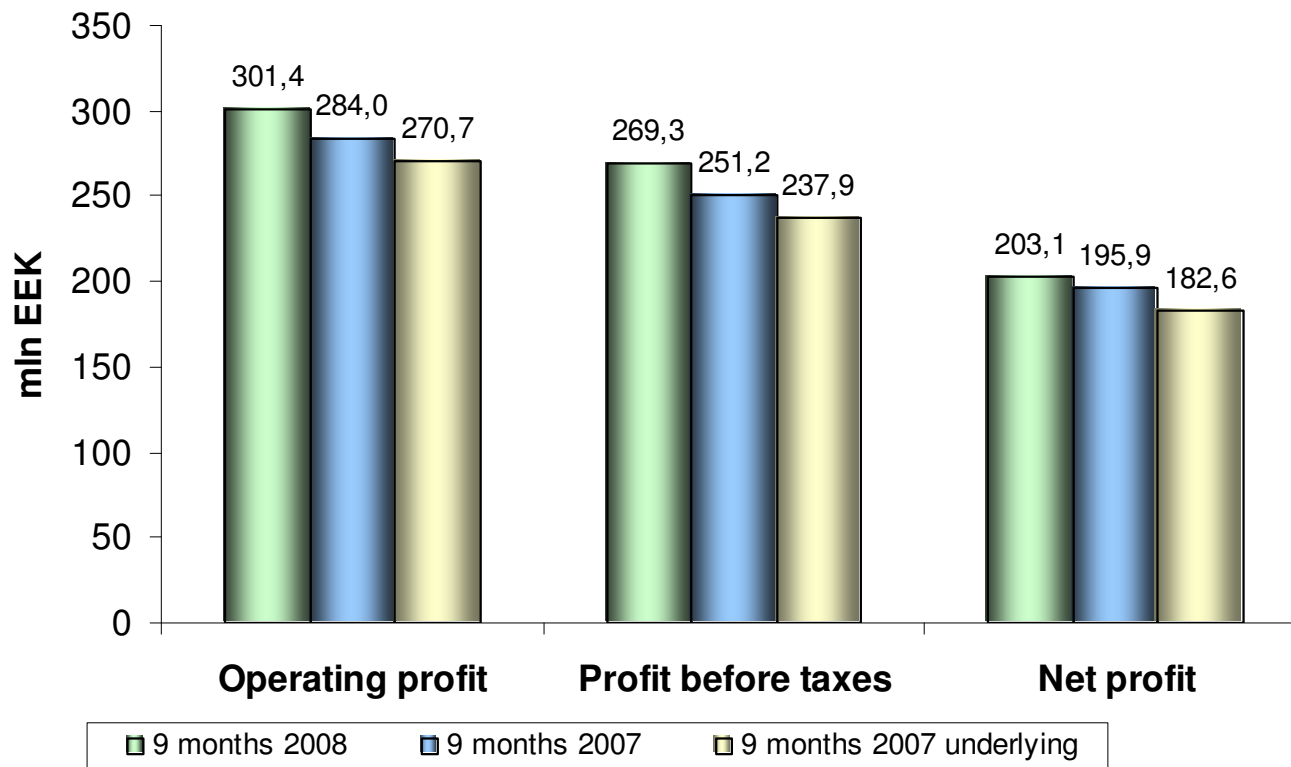
Inflationary increases partially balanced by out-performance

- COGS – main operating activities by 26.4% or 41.6 mln EEK higher y-o-y
- Underlying COGS – main operating activities by 16.6% or 28.3 mln EEK higher y-o-y
 - ✓ In 2007 Environmental taxes 13.3 mln EEK lower due to provision write-back
- Marketing costs 0.5 mln EEK lower
- Administration costs 1.0 mln EEK lower

Across all above categories the impact from the following indexes:

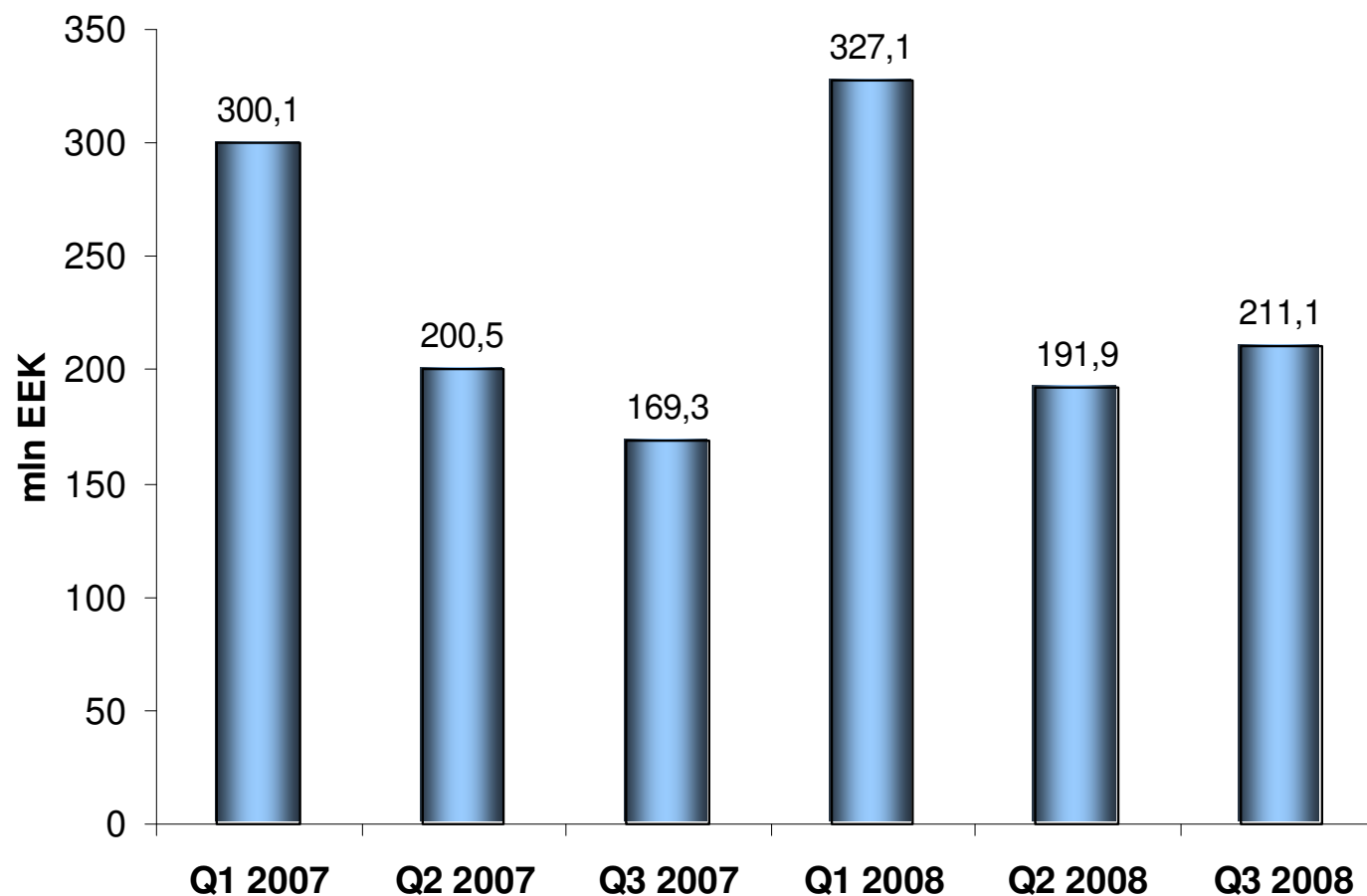
- ✓ CPI increase in 2007 - 6.6%, forecast for 2008 – around 10%
 - ✓ Salaries index increase in 2007 - 20.4%, forecast for 2008 - 15%
 - ✓ Construction price index increase in 2007 - 12.7%
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- Other revenues 1.9 mln EEK lower
 - Financial costs 0.8 mln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

Reported: Profitability of Operations



- Underlying operating profit 301.4 mln EEK in 9mo08, 11.3% increase y-o-y
- Underlying profit before taxes 269.3 mln EEK in 9mo08, 13.2% increase y-o-y
- Underlying net profit 203.1 mln EEK in 9mo08, 11.3% increase y-o-y

Cash Position



- As of 30 September 2008 cash balance 211 m'EEK
- 32.7 m'EEK cash generated in 9 M 2008, 112.8 m'EEK more than in 9 M 2007



Thank You!

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