



AS Tallinna Vesi

Interim results
6 months ended 30 June 2012

20 July 2012

Speakers



Ian Plenderleith
CEO, Chairman of the Management Board



Siiri Lahe
CFO, Member of the Management Board

The Privatisation Contract

District Court ruled that SA is a public law contract

The CA insists on closed court proceedings

CA opinion only, no evidence to support any claim

EU – Supportive of the regulatory economics of our case

Current tariffs until court decides on legality of privatisation

Operations – ASTV has met all its contractual obligations

Average annual real rate of return 2001 – 2012 is 6.2%

Operational Highlights – 6 months of 2012

Total sales increased by 3.8%

Operating profit from main services flat

Water quality 99,73%

Wastewater – Cleaner Baltic Sea

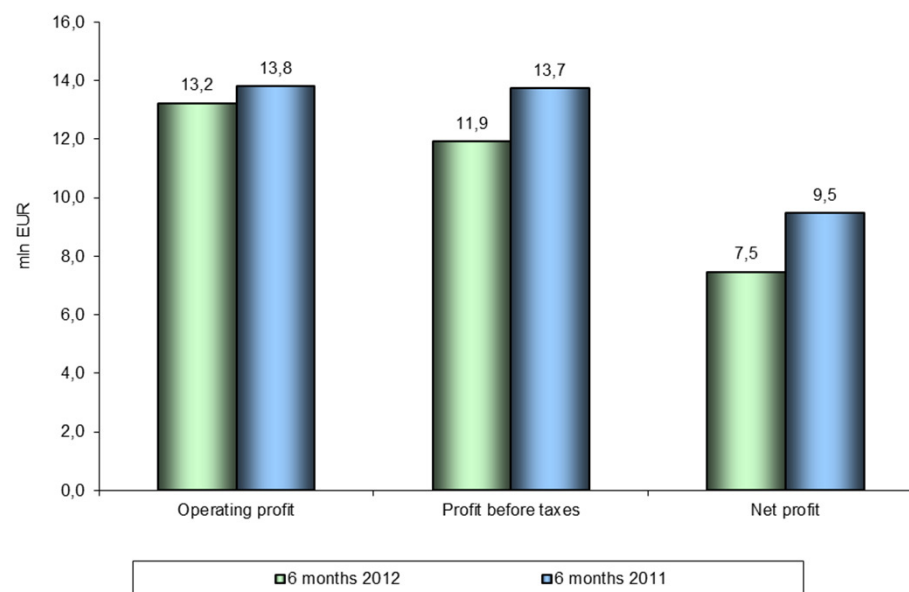
Network performance - Lower leakages, less blockages

Customer Service – lower customer hours off supply

Sustainable quality – ISO and EMAS re-accreditation

Financial Highlights in 6 mths 2012 compared to 2011

| <i>mln EUR</i> | 6 months 2012 | 6 months 2011 | Change | Change % |
|----------------------------------|------------------|------------------|--------|----------|
| Sales | 26,1 | 25,2 | 1,0 | 3,8% |
| Gross profit | 16,0 | 15,4 | 0,7 | 4,4% |
| Operating profit | 13,2 | 13,8 | -0,6 | -4,2% |
| Operating profit - main business | 13,2 | 13,2 | -0,1 | -0,7% |
| Net profit | 7,5 | 9,5 | -2,0 | -21,3% |



Water and Wastewater and Other Revenues

Revenues

| million EUR | 6M 2012 | 6M 2011 | Ch. EUR | Ch. % |
|-----------------------------------|-------------|-------------|------------|-------------|
| Domestic | 12,0 | 11,9 | 0,1 | 0,7% |
| Commercial, in area only | 9,3 | 9,0 | 0,3 | 3,8% |
| Commercial, outside area only | 2,1 | 1,7 | 0,4 | 22,8% |
| Overpollution | 0,3 | 0,4 | -0,1 | -24,2% |
| Water and wastewater total | 23,8 | 23,1 | 0,7 | 3,1% |

Volumes

| million m3 | 6M 2012 | 6M 2011 | Ch. % | Ch. % |
|-----------------------------------|-------------|-------------|------------|-------------|
| Domestic | 13,9 | 13,8 | 0,1 | 0,7% |
| Commercial, in area only | 4,7 | 4,5 | 0,2 | 3,7% |
| Commercial, outside area only | 3,3 | 2,5 | 0,8 | 30,7% |
| Water and wastewater total | 21,8 | 20,8 | 1,0 | 5,0% |

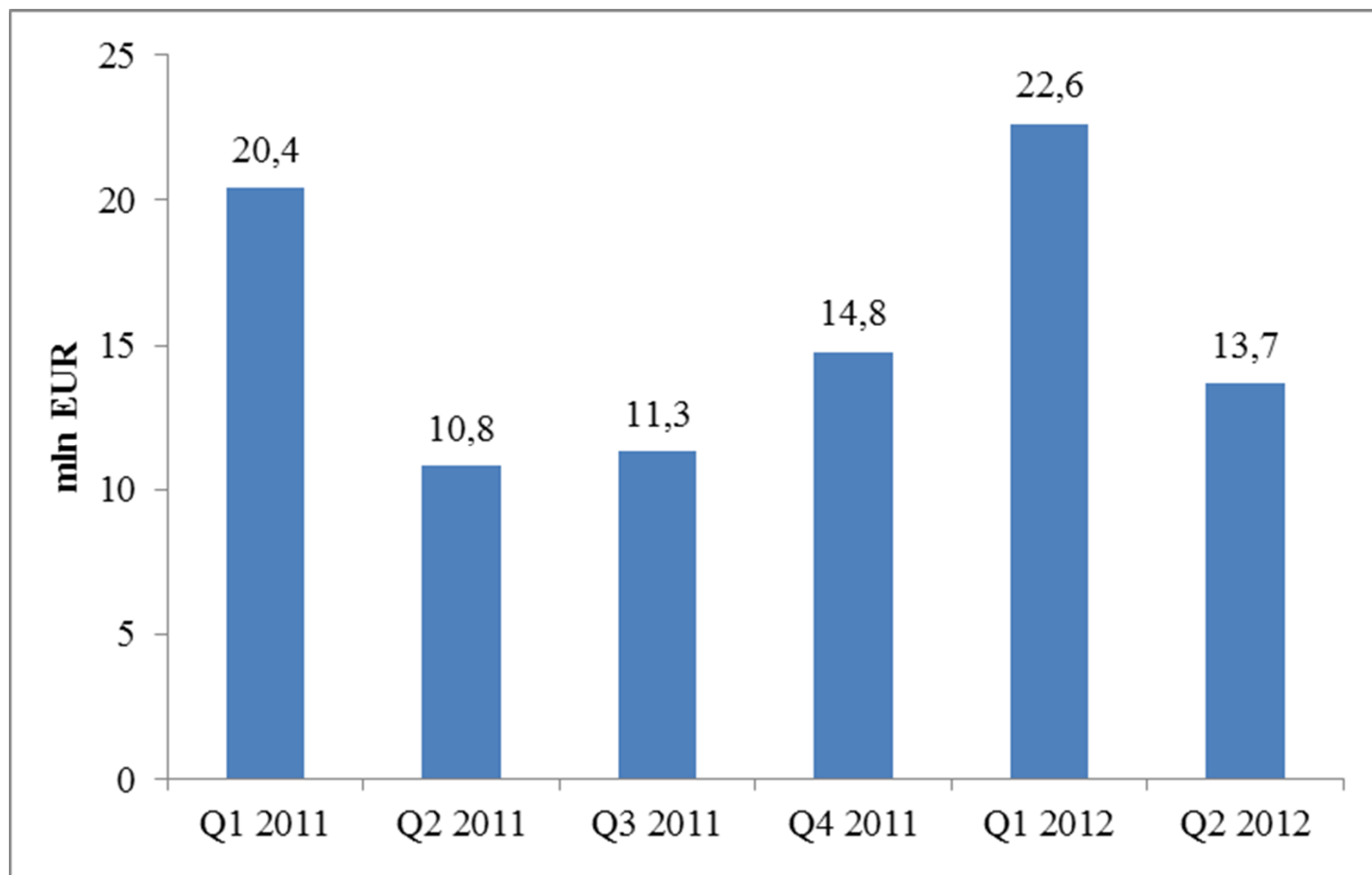
- Around 3.3 million euros legitimately deprived 2011-2012

Total costs: 6 mths 2012 compared to 6 mths 2011

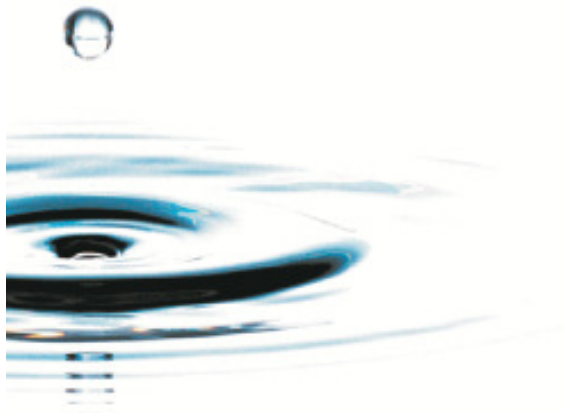
| Total cost variances m'€ | 2012 | 2011 | Variance |
|---|-------------|-------------|------------|
| Electricity | 1,8 | 1,4 | 0,5 |
| Chemicals | 0,8 | 0,6 | 0,2 |
| Pollution tax | 0,5 | 0,6 | -0,2 |
| Total salary cost | 3,4 | 3,1 | 0,3 |
| Legal services | 1,0 | 0,9 | 0,1 |
| Depreciation | 2,9 | 2,8 | 0,1 |
| Maardu | -0,4 | 0,0 | -0,4 |
| Bad debt | 0,0 | -0,5 | 0,5 |
| Total <u>key</u> underlying cost variances | | | 1,0 |
| Construction profit | 0,1 | 0,6 | -0,5 |
| Total GOGS, marketing, overhead, other | 12,9 | 11,4 | 1,5 |
| Net financial cost | -1,3 | -0,1 | -1,2 |

➤ 12 month CPI increase 3.9%

Cash Position



- Cash balance by more than 2.8 mln euros higher y-o-y



Thank You!

AS Tallinna Vesi

Ädala 10, Tallinn

Tanel Pihel +372 6262 228, tanel.pihel@tvesi.ee

Siiri Lahe+ 372 6262 262, siiri.lahe@tvesi.ee

Company Ph: +372 6262 200, Email: tvesi@tvesi.ee

Tallinna Vesi

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