



AS TALLINNA VESI OPERATIONS PERFORMANCE 2009

AS Tallinna Vesi's operating indicators were very good in 2009 and the company has consistently exceeded the product and service quality standards it committed to in 2001. The company achieved its all time highest water quality compliance level and witnessed improvements across the full range of performance indicators.

| Operation Performance | 2001 | 2008 | 2009 |
|--|-------------|-------------|-------------|
| Water | | | |
| Water compliance at customers premises % | 63,3 | 98,02 | 99,31 |
| Total number of customer interruptions (unplanned) | 1733 | 761 | 732 |
| Average unplanned interruption time per property hrs | 5,0 | 3,88 | 3,44 |
| Number of customer contacts regarding water pressure | N/A | 1556 | 1223 |
| Loss of water in distribution system % | 32,4 | 17,25 | 16,64 |
| Wastewater | | | |
| Number of sewer blockings | 2080 | 1336 | 1089 |
| Number of sewer collapses | 144 | 118 | 117 |
| Wastewater treatment compliance % | N/A | 100 | 100 |
| Share of recycled sludge % | 64 | 100 | 100 |
| Network Extension Program | | | |
| Network Extension Program completion per annual plan % | N/A | 100 | 130 |
| Number of properties given access to public sewerage network | N/A | 1236 | 1441 |

Water quality is at its all time best

99,3 per cent of water samples taken from the taps of the customers of AS Tallinna Vesi were compliant with the requirements, demonstrating an increase of 1,3 per cent over 2008.

The quality of drinking water provided to Tallinners is nearly on the same level as in Western Europe. Although there is no comparative quality data available for other cities in Estonia, the Company is convinced that the water quality in Tallinn is the best in the Baltics.

Number and duration of interruptions continues declining

The number of unplanned interruptions is reducing and the duration of these is also reducing, the water supply to the Company's customers is more stable and AS Tallinna Vesi resolves any interruptions faster ensuring any interruptions are minimised.

The number of unplanned interruptions in 2009 decreased by four per cent compared to 2008, while the number of properties affected by these interruptions decreased by 17 per cent. The total length of interruptions decreased from over 40.000 hours to less than 30.000 hours.

Our customers expect to have access to high quality drinking water at the right pressure and waste water removal 24 hours a day and 365 days a year. The number of customer contacts and complaints regarding water pressure decreased significantly in 2009 compared to 2008, respectively to 1223 from 1568 and to 10 from 21.

Better protection for the environment

The way the Company manages its network and monitors its performance together with the speed of response to leakages and bursts have helped AS Tallinna Vesi to keep the leakage levels low and decrease it further over the last 3 years. In 2001 the leakage rate was over 32 per cent and because of the Company's efforts the resource is being managed now in a much more sustainable manner with far less waste.

The level of water leakages has decreased to 16,6 per cent, this means a save of 40 swimming pools of clean drinking water per day compared to 2008. Altogether 24 kilometres of water pipes and 6,4 kilometres of sewerage pipes were reconstructed last year.

The customers are experiencing less issues with blocked pipes and drains and the potential flooding and pollution problems that they can cause. This reduction is due to the targeted jet washing of sewers that AS Tallinna Vesi undertakes and the improvements that have been made to the sewer network over the years. The increased level of remote monitoring allows the Company to react faster to any events and prevent them developing into problems. The number of sewer collapses has remained the same over the period and demonstrates that the sewer pipes are in a stable condition.

The wastewater treatment plant at Paljassaare is each year removing more and more pollution load in order to meet the environmental requirements and ensure the future health of the Baltic Sea and Tallinn Bay for all to enjoy. To keep delivering the outputs the company has recognised that in the near future an additional treatment stage is required to help remove these increasing amounts of pollution. Design for this additional treatment stage is complete and construction will start soon.

Sludge is produced as a by product of wastewater treatment and the business converts this to soil conditioner that is then used for landscaping. All the sludge produced is recycled and no sludge in the last 3 years has been taken to landfill.

Based on these indicators it is clear that that AS Tallinna Vesi's impact on surrounding environment has improved significantly during past years and this will continue to be a top priority for the Company in coming years as well.

Increasing number of customers with the opportunity to join public networks

Not all customers in Tallinn are connected to the public water and wastewater supply system. In 2008 to 2010 the company is constructing over 150 km of new pipes that will provide over 3000 connection opportunities to our customers. Enabling more to connect to the network to have their wastewater taken away in a more sustainable manner and reduce local pollution problems.

The Company laid 4.6 kilometres of new water pipes in 2009 instead of the planned 3.3 kilometres and 43 kilometres of new sewerage pipes instead of the planned 39 kilometres. Additionally 5.9 kilometres of sewerage pipes planned for 2010 were laid as well. Over 2500 properties and 9000 people now have access to modern and environmentally sustainable public sewerage networks.

Use of resources

AS Tallinna Vesi supplied over 23,4 million cubic metres of water to the public water network in 2009 and. Paljassaare waste-water treatment plant treated over 46,2 million cubic metres of waste water.

Main infrastructure investments in 2009 were made into networks

AS Tallinna Vesi invested over 250 million kroons in 2009, of which over 200 million kroons were invested into the networks, 17.4 million kroons in the Paljassaare wastewater treatment plant, 6.4 million kroons into water quality and 19.1 millions kroons into other investments. The Company is committed to delivering an over 300 million kroon investment programme in 2010, with the main focus being the 200 million kroon investment into the biofilter treatment stage at Paljassaare wastewater treatment plant in 2010-2011 and the completion of the network extension program.