MVV ENERGIE
ENERGISING ▸ MY FUTURE

2014/15 Financial Year

FINANCIAL REPORT FIRST NINE MONTHS

MVV Energie

KEY FIGURES

from 1 October 2014 to 30 June 2015

Key figures of the MVV Energie Group

Euro million	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014	% change
Sales and earnings			
Sales excluding energy taxes[1]	2 643	2 896	– 9
Adjusted EBITDA[1, 2]	311	297	+ 5
Adjusted EBIT[1, 2]	196	181	+ 8
Adjusted EBT[1, 2]	169	149	+ 13
Adjusted net income for period[1, 2]	120	109	+ 10
Adjusted net income for period after minority interests[1, 2]	103	95	+ 8
Adjusted earnings per share[1, 2] (Euro)	1.56	1.44	+ 8
Cash flow			
Cash flow from operating activities[1]	87	239	– 64
Cash flow from operating activities per share[1] (Euro)	1.32	3.63	– 64
Capital structure			
Adjusted total assets (at 30 Jun 2015/30 Sep 2014)[1, 3]	4 072	3 915	+ 4
Adjusted equity (at 30 Jun 2015/30 Sep 2014)[1, 3]	1 398	1 396	0
Adjusted equity ratio (at 30 Jun 2015/30 Sep 2014)[1, 3]	34.3 %	35.7 %	– 4
Net financial debt (at 30 Jun 2015/30 Sep 2014)[1]	1 369	1 063	+ 29
Investments			
Total investments[1]	296	237	+ 25
of which growth investments[1]	218	173	+ 26
of which investments in existing business[1]	78	64	+ 22
Employees			
Number of employees (headcount at 30 Jun 2015/30 Jun 2014)[1]	5 208	5 102	+ 2
Full-time equivalents (at 30 Jun 2015/30 Jun 2014)[1]	4 728	4 615	+ 2

1 previous year's figures adjusted. Details can be found in the chapter ▶ *Business Performance on Page 12*

2 excluding non-operating measurement items for financial derivatives, excluding structural adjustment for part-time early retirement and including interest income from finance leases

3 excluding non-operating measurement items for financial derivatives

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3rd Quarter of 2014/15 at a Glance

1 April to 30 June 2015

- Our two new generation plants in the UK – the waste-powered combined heat and power (CHP) plant in Plymouth and the biomass power plant with CHP capability at Ridham Dock – are in the trial operation phase. The CHP plant in Plymouth was fired with waste for the first time on 15 May 2015.

- In May 2015, MVV Energie and the State Capital of Kiel – the shareholders in Stadtwerke Kiel – reached agreement to work together towards building a gas-powered CHP plant. The preconditions for MVV Energie's decision were the prospect of an improved energy industry framework and project planning progress. The new plant, which will be highly efficient thanks to its use of CHP technology, should replace the joint power plant in Kiel (Gemeinschaftskraftwerk Kiel – GKK) due to be decommissioned in the coming years.

- At the end of June 2015, MVV Energie and the renewable energies company Baywa r.e officially launched operations at their joint biomethane power plant in Stassfurt. The investment total amounted to Euro 14 million. Around 62 000 tonnes of substrate are to be fermented into biogas at the plant each year. The gas produced is sufficient to supply around 6 000 families with green electricity and additionally heat 1 200 households.

LETTER FROM CEO

Dear Shareholders,
Dear Ladies and Gentlemen,

In its White Paper – "An Electricity Market for the Energy Turnaround" – published in July, the Federal Ministry of Economic Affairs and Energy (BMWi) has formulated steps that are basically correct when it comes to the further development of Germany's electricity market design. Whether this supplemented market model is actually sustainable and practical will depend on the specific structures. The White Paper also sets out key points for amending the German Combined Heat and Power (CHP) Generation Act (KWKG) that are highly significant not only for MVV Energie, but also for meeting climate targets. However, these key points are not yet sufficient to actually exhaust the potential offered by highly efficient and environmentally-friendly CHP technology or to secure the long-term economic viability of CHP plants feeding into the public grid.

Since 2009, we have implemented or reached corresponding decisions for investments of Euro 2.3 billion in our Group's growth and in maintaining and modernising our plants and grids. From a strategic perspective, we are working to combine renewable and highly efficient conventional energies. One of our largest investments in the field of conventional energy generation is that in the new Block 9 at the large power plant in Mannheim (Grosskraftwerk Mannheim – GKM). After around six years of construction work, this plant has been in scheduled operation since May 2015. Block 9 has thus replaced Blocks 3 and 4, the oldest at the GKM plant, and will secure the electricity and district heating supply in the region and across south-western Germany on a long-term basis. Our third biomethane plant in Saxony-Anhalt also began operations in May. In the coming weeks, we will be launching commercial operations at the waste-powered CHP plant in Plymouth and at the biomass power plant with CHP capability at Ridham Dock.

As expected, the persistently difficult conditions in the energy industry are reflected in our earnings for the first nine months of the 2014/15 financial year. Not only that, wind volumes were also below average and the mild weather conditions in the first quarter continue to leave their mark. The delays already communicated in the trial operation phase at our generation plants in the UK mean that the earnings contributions from these two plants will not be received in line with expectations in the current financial year. From a current perspective, we nevertheless still expect to post adjusted EBIT at around the previous year's level for the 2014/15 financial year as a whole. In the previous year, we generated operating earnings of Euro 170 million.

With our enhanced corporate strategy – "Energising My Future" – we will continue to make our contribution towards building the energy system of the future. To this end, we will be investing a further Euro 3 billion in the years ahead. We aim to convince our customers with new energy and our mature competence – and thus meet our responsibility towards society as whole, safeguard the interests of our employees and benefit our shareholders.

Yours faithfully,

Dr. Georg Müller, CEO

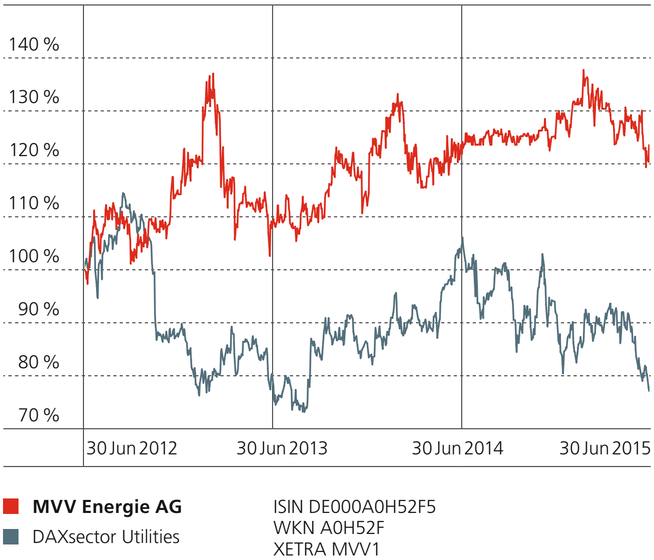
MVV ENERGIE AG SHARE

DAX posts new record high

Stock markets performed positively in the 1st half of 2015, with most share prices being listed higher at the end of June than at the beginning of January. The DAX lead index thus rose by 11.6 % and closed at 10 945 points on 30 June 2015. On 10 April 2015, the DAX reached 12 375 points, the highest level ever at that point. The positive performance in share prices was driven above all by the extensive bond purchase programme at the European Central Bank (ECB). Not only that, there were also indications that corporate earnings are rising. Share prices benefited additionally from persistently low interest rates, which meant that investments in shares offered potentially higher returns than other forms of investment.

The still unresolved debt crisis in the euro area, and in Greece in particular, the possibility of US interest rates being raised and geopolitical risks could nevertheless trigger a correction on the stock markets.

MVV Energie AG: 3-year share price performance comparison



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WKN A0H52F
XETRA MVV1
Reuters MVV Gn.DE
Bloomberg MVV1 GR

Share price performance in the energy sector

The MVV Energie AG share was listed at Euro 22.70 on 30 June 2015, as against Euro 23.60 on 30 June 2014. This corresponds to a reduction of 3.8 %. Including the distribution of a dividend of Euro 0.90 per share in March 2015, our share price remained unchanged on the previous year. In our share price performance chart, we have included the dividend payments made in 2013, 2014 and 2015. Over this three-year period, our share price grew by 22.4 %, while the DAXsector Utilities index fell by 21.9 %.

Market capitalisation reduces and trading volumes rise

Due to the slight reduction in our share price, our market capitalisation as of 30 June 2015 also decreased to Euro 1 496 million (previous year: Euro 1 555 million). The 4.8 % free float share was valued at around Euro 72 million (previous year: Euro 75 million).

Overall, around 223 000 MVV Energie AG shares were traded across all German stock markets in the months from April to June 2015 (previous year: 110 000 shares). The equivalent value of trading volumes amounted to around Euro 5 million (previous year: Euro 2.5 million). Approximately 59 % of stock market trading with our share was performed in XETRA trading.

BUSINESS MODEL

Organisation of the MVV Energie Group

REPORTING SEGMENTS	**Generation and Infrastructure**	**Trading and Portfolio Management**	**Sales and Services**	**Strategic Investments**	**Other Activities**
BUSINESS FIELDS	Generation	Trading and Portfolio Management	Sales	Strategic Investments	Shared Services
	Environmental Energy		Energy-Related Services		Cross-Divisional Functions
	Grids		New Ventures		
	Renewable Energies Project Development				

The publicly listed MVV Energie Group is one of Germany's leading energy companies. With around 100 consolidated companies at its locations in Mannheim, Kiel and Offenbach, among others, as well as in France, the UK and the Czech Republic, the Group has municipal and regional roots.

Our business portfolio comprises the generation of electricity, heating energy and biomethane, water production, energy trading, the distribution of electricity, district heating, gas and water via proprietary grid companies and the sale and marketing of innovative products. We are one of the leading operators of energy from waste and biomass plants and have extensive competence in developing wind power projects.

Furthermore, we advise industrial and commercial customers and offer them contracting services. We provide industrial parks in Germany with an extensive range of infrastructure, utility and disposal services.

Organisation of the MVV Energie Group

We manage the MVV Energie Group in line with five reporting segments on which we also base our external reporting. Business fields structured along the energy industry value chain are allocated to these reporting segments.

The **GENERATION AND INFRASTRUCTURE** reporting segment comprises conventional power plants, energy from waste plants and biomass power plants at the MVV Energie AG, Stadtwerke Kiel AG, Energieversorgung Offenbach AG and MVV Umwelt GmbH subgroups, wind turbines and biomethane plants, waterworks, grid facilities for electricity, district heating, gas and water and technical service units allocated to the grids business field for the grid-based distribution of energy and water. Furthermore, this reporting segment also includes the renewable energies project development business field.

Energy procurement and portfolio management are allocated to the **TRADING AND PORTFOLIO MANAGEMENT** reporting segment, as is the energy trading business at MVV Trading GmbH.

The **SALES AND SERVICES** reporting segment includes the retail and secondary distribution businesses for electricity, heating energy, gas and water at the MVV Energie AG, Stadtwerke Kiel AG and Energieversorgung Offenbach AG subgroups, the energy-related services business at the MVV Enamic GmbH and Energieversorgung Offenbach AG subgroups, as well as the new ventures business field with our activities in the field of decentralised energy management.

The **STRATEGIC INVESTMENTS** reporting segment consists of the Köthen Energie GmbH and MVV Energie CZ a.s. subgroups, as well as the at-equity result of the Stadtwerke Ingolstadt subgroup.

Shared service companies and cross-divisional functions are pooled in the **OTHER ACTIVITIES** reporting segment.

CORPORATE STRATEGY

With our MVV 2020 corporate strategy, we set course for the energy system of the future in 2009 already. Since then, the ongoing process of fundamental transformation in the energy supply has massively altered both the regulatory framework and the economic and competitive climate in the energy industry. Consistent with these changes, we have continually enhanced our strategy further.

In line with our motto

ENERGISING MY FUTURE

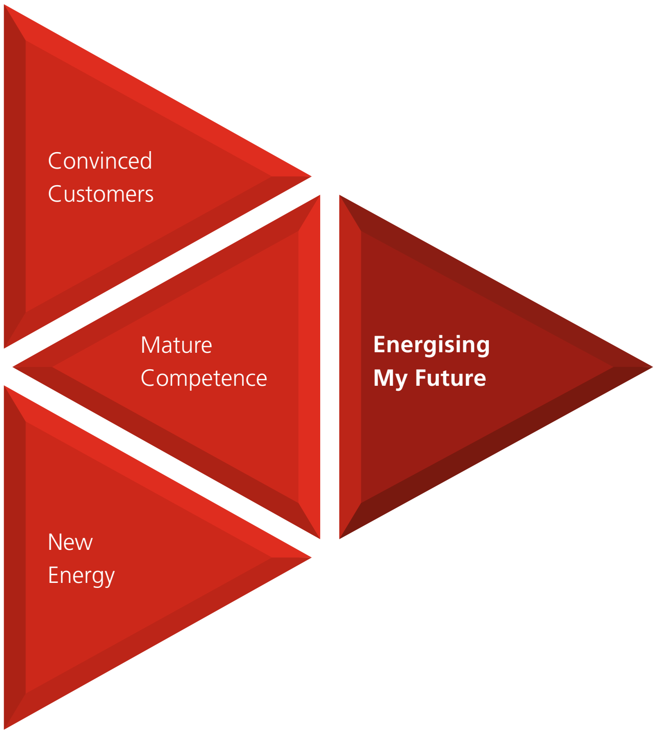
the customer is our absolute focus. Here, we are:

- Expanding renewable energies and combining conventional and renewable energies as key pillars of the future energy system
- Boosting energy efficiency and combined heat and power generation in conjunction with further expansion in environmentally-friendly district heating
- Guaranteeing energy supply reliability with smart, high-performance grids
- Generating profitable growth with our MVV Umwelt and MVV Enamic subsidiaries
- Offering innovative sales business models and professional services in our trading business
- Ensuring competent cross-divisional units and high-performance shared services at our Soluvia companies.

This way, we are laying foundations enabling us to continue to act as a pioneer in the energy system conversion and to safeguard and extend this competitive position in the years ahead as well.

Others talk about the energy turnaround.
We make it happen.

One core component of our strategy involves an extensive investment programme. In the coming years, we will be investing Euro 3 billion in our Group's forward-looking growth and in modernising and enhancing the efficiency of our existing plants and grids.



CONVINCED CUSTOMERS: We align our products and services to our customers' individual needs and expectations. By offering excellent service and innovative solutions, we aim to convince our cherished customers and inspire them.

MATURE COMPETENCE: Drawing on our employees' longstanding experience and expertise, we are actively shaping the energy system transformation. As a learning organisation, we unite our competencies with excellent processes and high-capacity performance and work to enhance these factors with a view to the future.

NEW ENERGY: The energy system of the future will be created by smartly combining renewable and conventional energies. MVV Energie is one of the pioneers of this transformation. We are combining this approach with our innovative strength and our focus on sustainability.

BUSINESS FRAMEWORK

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Energy Policy Changes

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New electricity market design

The German energy policy agenda was shaped once again in the 3rd quarter of our 2014/15 financial year by the discussions surrounding the reorganisation of electricity market design. The publication of a White Paper by the Federal Ministry for Economic Affairs and Energy (BMWi) on 3 July 2015 means that specific structural measures have now been set out for the first time. The consultation on the contents of this White Paper will run until mid-August 2015. A draft version of the resultant electricity market legislation is due to be submitted before the end of the year and will subsequently be transferred to the parliamentary process.

Overall, 20 measures have been developed and included in the White Paper. The most important of these are intended to establish stronger market mechanisms to promote the further development in the electricity market. Among others, these include legislative requirements governing political self-commitment in respect of price peaks, requirements governing the management of balancing groups and the further development of the balancing energy market. Supply reliability is to be safeguarded with a capacity reserve. Here, it is planned initially to transfer older lignite power plant blocks with capacity of 2.7 GW to the reserve. These blocks should then gradually be decommissioned. The aim is to save 22 million tonnes of CO_2 in order to meet the national CO_2 reduction target by 2020.

From MVV Energie's perspective, reliability and plannability are the fundamental parameters that have to apply in terms of the energy policy framework. We see the proposed structure for electricity market design as being forward-looking, as it involves consistently enhancing the current energy-only-market and deliberately allows for price peaks. What counts is achieving system security, thus eliminating any need for permanent market interventions. In structuring the capacity reserve now proposed, it must be ensured that this does not result in any market distortions.

Amendment to German CHP Generation Act (KWKG)

For MVV Energie, the Amendment to the German Combined Heat and Power Generation Act (KWKG) is a factor of great significance. Based on our assessment, the cornerstones of the KWKG Amendment set out in the White Paper are not sufficient to exhaust the potential of climate-friendly CHP technology. The Amendment does not include any specific statements concerning budgeted subsidies, neither is it structured in a technology-neutral manner. We nevertheless basically welcome the approach that the economically viable operation of CHP plants feeding into public grids should be safeguarded by providing temporary subsidies. In our opinion, it will be necessary to complete the KWKG Amendment before the end of 2015 to enable the legislation to enter force as of 1 January 2016.

Tender design for competitive auctions

From 2017 onwards, the level of compensation for electricity from renewable energies is no longer to be set by law, but should rather be determined in competitive auctions. Since the beginning of the year, the BMWi has been holding discussions with specialists concerning possible structures and approaches for specific tender design. A cornerstone paper was presented at the end of July 2015. This will be further specified within a consultation process by the end of 2015. The proposals should on the one hand be consistent with EU aid principles and on the other hand satisfy the need for efficient, participant-friendly tender design. Two key factors for MVV Energie relate in particular to the proposals for transferring the reference revenue system from the German Renewable Energies Act (EEG) to tenders and to there being a sufficiently high annual tender volume. The German Federal Parliament is expected to address the tender legislation in 2016.

Incentive regulation amendment

The BMWi published its key focuses for the amendment to incentive regulation in spring 2015. These form the basis for the discussions now underway, particularly with regard to the time lag between investments and capital returns, the determination of efficiency values and future use of the simplified procedure for smaller-scale grid operators. In respect of the use and financing of smart metering systems, discussions at the BMWi are currently focusing above all on the deadlines for the rollout plan and a price cap. Draft ordinances for the incentive regulation amendment and for the initial regulation of the rollout and use of smart metering systems are expected in the second half of the year.

Market Climate and Competition

At 0.3 %, the rate of growth in German gross domestic product (GDP) in the 1st quarter of the 2015 calendar year slowed slightly compared with the final quarter of the 2014 calendar year. The German Institute for Economic Research (DIW) expects economic output to have grown by 0.5 % in the 2nd calendar quarter. Information about the developments expected in 2015 as a whole can be found in the ▶ *Outlook from Page 18 onwards.*

Based on preliminary estimates compiled by the Association of the German Energy and Water Industries (BDEW), electricity and natural gas consumption in the 1st half of the 2015 calendar year rose by around 1 % and almost 14 % respectively. Renewable energies accounted for a 32.2 % share of electricity generation in Germany (previous year: 27.9 %). While wind turbine electricity generation volumes posted growth of 40 %, photovoltaics system electricity generation volumes remained at the previous year's level. Biomass power plants, including biogenic municipal waste, produced 1 % more electricity. Wind power thus accounted for a 13 % share of electricity generation, while photovoltaics contributed 6 % and biomass including biogenic municipal waste supplied an 8 % share.

The shares of electricity generation attributable to conventional and nuclear plants showed disparate developments. Lignite power plants contributed 23 % (previous year: 25 %) and anthracite power plants accounted for 18 % (previous year: 19 %). As in the previous year, nuclear energy's share of electricity generation amounted to 15 %, while natural gas accounted for a 9 % share (previous year: 10 %).

Energy prices in the first nine months of our 2014/15 financial year (October 2014 to June 2015) were lower overall than in the previous year. The price of Brent crude oil for supply in the following month (front month) fell sharply and was listed at an average price of US$ 65.35 – US$ 43.65 down on the equivalent figure for the previous year's period. The average natural gas price in the Net-Connect Germany market region for supply in the following year decreased by Euro 3.40/MWh to Euro 22.28/MWh in the period under report. The average coal price per tonne for supply in the following year fell year-on-year by US$ 18.81 and was listed at US$ 62.92. By contrast, emission right prices per tonne averaged Euro 7.03 in the period under report, Euro 1.68 higher than in the previous year. The average front year electricity price fell year-on-year by Euro 3.15/MWh in the period under report and was listed at an average of Euro 32.89/MWh.

Weather Conditions

The business performance of the MVV Energie Group is influenced in particular by weather conditions in the winter months. We use so-called degree day figures as an indicator of our customers' temperature-based heating energy consumption. Low outdoor temperatures lead to higher degree day figures, with these in turn being accompanied by higher heating energy requirements at our customers. In the first nine months of our 2014/15 financial year, the degree day figures of the MVV Energie Group were 5 % higher than the low figure for the first nine months of 2013/14.

BUSINESS PERFORMANCE

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Major Developments
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Consistent implementation of our corporate strategy

One core component of our corporate strategy is an extensive investment programme. Since 2009, we have invested a total of around Euro 2.3 billion in our growth businesses and in modernising and securing our plants and grids, or have reached corresponding decisions concerning such investments. The key focus of our investment programme is on expanding renewable energies.

Our largest current investment projects are in the UK – the energy from waste plant with combined heat and power (CHP) generation in Plymouth and the biomass power plant with CHP capability at Ridham Dock are both in the trial operation phase. The first waste was incinerated in Plymouth in May. The boiler damage that arose at Ridham Dock in early April has been remedied and trial operations restarted.

Together with Baywa r.e., at the end of June we launched operations at our joint biomethane plant in Stassfurt. Biomethane is one of the most versatile forms of renewable energy, as it can be produced around the clock irrespective of wind and solar radiation levels and be used both to generate electricity and heating energy and as a fuel. The new biomethane plant will ferment around 62 000 tonnes of substrate a year into biogas. The biogas arising from this fermentation process is refined on location to reach natural gas quality. When converted into electricity at decentralised CHP plants, the gas volume thereby produced is sufficient to supply electricity to a hypothetical total of 6 000 families. Not only that, it is also enough to cover the heating energy needs of 1 200 households.

The new Block 9 at the large power plant in Mannheim (Grosskraftwerk Mannheim – GKM) has successfully completed its trial operations. After around six years of construction work, since May this state-of-the-art plant has been in scheduled operations supplying electricity and district heating. It has replaced the older Blocks 3 and 4 and will secure the electricity and district heating supply for Mannheim and south-western Germany on a long-term basis.

With Windwärts Energie GmbH and our partnership with Juwi AG, we will be promoting the expansion of onshore wind turbines in particular.

With our shareholding in Beegy GmbH, we are pressing further ahead with our activities in the field of decentralised energy management. The new Beegy Solar product which the company is now bringing to market is a photovoltaics system that guarantees savings of at least 50 % compared with the previous year's electricity bill. Not only that, in June 2015 the company announced a partnership with Tesla Energy. Beegy will integrate the Tesla Powerwall storage system into new photovoltaics systems in its Beegy Solar range and also offer this to customers who have already installed photovoltaics systems.

MVV Energie builds on close dialogue with its customers

To align its products and services even more closely to customers' needs, MVV Energie is maintaining a close dialogue with its customers. In redesigning our annual bills, for example, we have taken greater account of customers' wishes. The new invoice is clearer, more transparent and more easily comprehensible. This has pleased not only the customers – the German Institute for Energy Transparency (DIFET) has certified the text and design scheme of our electricity and gas invoice form as "very good". This certification is based both on consumer opinions and on expert assessments.

State Capital Kiel and MVV Energie to continue partnership at Stadtwerke Kiel

As the shareholders in Stadtwerke Kiel, the State Capital Kiel and MVV Energie in May reached agreement concerning a joint approach to implementing a follow-up solution for the joint power plant in Kiel (Gemeinschaftskraftwerk Kiel – GKK) which is due to be decommissioned in the coming years. The parties are pressing ahead on schedule with project preparations for the construction of a new gas-powered CHP plant. The basis for the agreement reached between the City of Kiel and MVV Energie is that the prospects for the crucial amendments needed in the underlying energy industry framework for the new power plant have now improved.

Schwetzingen district heating supply contract extended

Stadtwerke Schwetzingen is to continue the partnership in place with our shareholding Fernwärme Rhein-Neckar GmbH since 2006. At the end of June, the company extended its district heating supply contract for another eight years. The awarding of this contract underlines the pleasing cooperation and relationship of trust between the two companies.

Earnings Performance

Sales performance

SALES excluding energy taxes fell year-on-year by Euro 253 million to Euro 2 643 million in the first nine months of the 2014/15 financial year (1 October 2014 to 30 June 2015). That corresponds to a 9 % reduction. Of consolidated sales in the period under report, 97 % were attributable to the domestic business and 3 % to the foreign business.

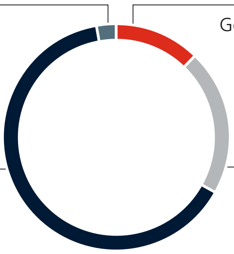
In addition to the sales performance by reporting segment, in the table below we also present sales generated with our core products of electricity, heating energy, gas and water.

Sales at the MVV Energie Group excluding energy taxes[1]
First nine months, 1 October to 30 June

Euro million	2014/15	2013/14	% change
Generation and Infrastructure	338	298	+ 13
Trading and Portfolio Management	550	741	– 26
Sales and Services	1 668	1 767	– 6
Strategic Investments	86	87	– 1
Other Activities	1	3	– 67
Total	**2 643**	**2 896**	**– 9**
of which electricity sales	1 471	1 648	– 11
of which heating energy sales	326	319	+ 2
of which gas sales	547	635	– 14
of which water sales	72	73	– 1

1 previous year's figures adjusted

Sales at the MVV Energie Group excluding energy taxes
by reporting segment, First nine months of 2014/15



Sales in the **GENERATION AND INFRASTRUCTURE** reporting segment grew by Euro 40 million (+ 13 %) to Euro 338 million in the period under report. This growth was chiefly driven by our grid business.

The year-on-year reduction in electricity and gas trading volumes led sales in the **TRADING AND PORTFOLIO MANAGEMENT** reporting segment to decrease by Euro 191 million (– 26 %) to Euro 550 million in the first nine months of 2014/15.

At Euro 1 668 million, sales in the **SALES AND SERVICES** reporting segment in the first nine months of 2014/15 were Euro 99 million (– 6 %) down on the previous year's figure. The main reason for this reduction involved lower electricity turnover with industrial and commercial customers/secondary distributors. We reported lower electricity and gas volumes in our private and business customer business. Among other factors, this was due to the sale of our Secura Energie subsidiary in the 4th quarter of 2013/14. In the direct marketing business, our sales department currently has renewable energies power plants with capacity of 3 300 MW under contract (previous year: 2 550 MW).

At Euro 86 million, sales in the **STRATEGIC INVESTMENTS** reporting segment more or less matched the previous year's figure.

Renewable energies generation volumes

At 629 million kWh, our renewable energies electricity generation volumes (including the biogenic share of waste and refuse-derived fuels) for the first nine months of 2014/15 fell 51 million kWh (– 8 %) short of the previous year's figure.

This reduction was mainly due to a change at our non-recyclable waste incineration and energy generation plant in Leuna (TREA Leuna). Alongside electricity, since mid-2014 this plant has also been producing process steam. The coupling out of process steam, which the plant provides to the chemicals park operator InfraLeuna for supply to its location customers, led to a reduction in electricity generation volumes in the period under report. The following overview presents our electricity generation volumes from renewable energies in the first nine months of 2014/15. The generation of electricity using hydropower and photovoltaics only plays a subordinate role at our Group. As a result, we only record and publish this generation data on a year-end basis.

Electricity generation from renewable energies and biogenic share of waste/RDF at the MVV Energie Group in Germany
First nine months, 1 October to 30 June

kWh million	2014/15	2013/14	% change
Biomass plants[1]	234	237	−1
of which biomass power plants[1]	229	231	−1
of which biomass CHP plants	5	6	−17
Biogas plants[1]	18	15	+20
Subtotal for biomass	**252**	**252**	**0**
Biogenic share of waste/RDF	123	181	−32
Wind power	254	247	+3
Total	**629**	**680**	**−8**

1 correction in previous year

Electricity generation volumes at our wind turbines reached 254 million kWh in the period under report. The year-on-year increase by 7 million kWh was due to the fact that ten wind turbines on Hungerberg were connected to the grid in the 2nd quarter of 2013/14. Excluding feed-in volumes at our wind farm at Hungerberg, low wind volumes meant that our wind turbine electricity generation volumes declined year-on-year by 7 % in the period under report. At the end of the 1st half of 2014/15, volumes were still 11 % down on the previous year. As of 30 June 2015, our group of companies had total installed wind turbine capacity of around 174 MW_e.

Due to scheduled inspection work at the biomass power plant in Mannheim, the electricity generation volumes of 229 million kWh at our biomass power plants were 2 million kWh down on the previous year. Our biogas plants generated 3 million kWh more electricity than in the previous year. Alongside enhanced capacity utilisation at our existing plants, this increase is attributable to the fact that, alongside biomethane, the biomethane plant in Stassfurt, at which operations were launched in May 2015, also generates electricity.

Due above all to the reduction in electricity generation in favour of coupling out process steam at the Trea Leuna plant, electricity generation volumes from the incineration of waste and refuse-derived fuels (biogenic share) decreased year-on-year by 58 million kWh to 123 million kWh.

Development in turnover

We report on the development in our turnover on a product-oriented basis. We allocate the electricity, heating energy, gas and water volumes to reporting segments in line with their respective value creation stage.

Electricity turnover at the MVV Energie Group
First nine months, 1 October to 30 June

kWh million	2014/15	2013/14	% change
Generation and Infrastructure	234	118	+98
Trading and Portfolio Management[1]	8 243	9 352	−12
Sales and Services	7 343	8 077	−9
Strategic Investments[1]	192	190	+1
Total	**16 012**	**17 737**	**−10**

1 previous year's figures adjusted

Our electricity turnover reduced year-on-year by 10 % in the first nine months of 2014/15. This was due in particular to lower electricity trading volumes at MVV Trading GmbH in the Trading and Portfolio Management reporting segment, as well as to lower turnover volumes in the Sales and Services reporting segment.

The Generation and Infrastructure reporting segment also includes that portion of the electricity generated by our wind turbines that is marketed to third parties (external turnover) and the electricity generated at MVV Umwelt GmbH. Since the current financial year, the electricity supplied by the Trea Leuna plant to the chemicals park operator InfraLeuna has no longer been allocated to the sales department at MVV Energie AG, but rather directly to MVV Umwelt GmbH. As a result, electricity turnover in the Generation and Infrastructure reporting segment has virtually doubled compared with the previous year.

The year-on-year reduction in electricity trading volumes led electricity turnover in the Trading and Portfolio Management reporting segment to decrease by 12 %.

Electricity turnover in the Sales and Services reporting segment fell by 9 % in the period under report. This reduction was due in particular to lower electricity turnover with industrial and commercial customers/secondary distributors and with private and business customers. One main reason for the reduction in turnover with private and business customers was the sale of our Secura Energie subsidiary in the 4th quarter of 2013/14.

In the Strategic Investments reporting segment, electricity turnover was slightly ahead of the previous year's figure.

Heating energy turnover at the MVV Energie Group
First nine months, 1 October to 30 June

kWh million	2014/15	2013/14	% change
Generation and Infrastructure	831	293	>+100
Trading and Portfolio Management	—	—	—
Sales and Services	4 566	4 456	+2
Strategic Investments [1]	682	708	−4
Total	**6 079**	**5 456**	**+11**

1 previous year's figure adjusted

Heating energy turnover grew year-on-year by 11 % in the first nine months of 2014/15. This increase was driven on the one hand by the fact that, as already reported, since mid-2014 our non-recyclable waste incineration and energy generation plant Trea Leuna has not only been generating electricity, but also coupling out process steam. Supplies of process steam to InfraLeuna are presented as heating energy turnover in the Generation and Infrastructure reporting segment. On the other hand, the slightly cooler overall weather conditions compared with the previous year led to higher district heating turnover in our Sales and Services reporting segment – albeit at a low overall level given the temperatures involved. The main cause of the decline in heating energy turnover in the Strategic Investments reporting segment was the lower volume of district heating turnover at our Czech subgroup on account of weather conditions. Here, the year-on-year increase in sales volumes in the 2nd and 3rd quarters was insufficient to make up for the decline in volumes in the 1st quarter.

Gas turnover at the MVV Energie Group
First nine months, 1 October to 30 June

kWh million	2014/15	2013/14	% change
Generation and Infrastructure	100	70	+43
Trading and Portfolio Management [1]	9 883	12 768	−23
Sales and Services	5 620	5 438	+3
Strategic Investments [1]	135	130	+4
Total	**15 738**	**18 406**	**−14**

1 previous year's figures adjusted

Gas turnover in the first nine months of 2014/15 fell 14 % short of the previous year's figure. This reduction largely resulted from lower gas trading volumes at MVV Trading GmbH in the Trading and Portfolio Management reporting segment. The main reason for the increase in the Sales and Services reporting segment involved higher gas turnover with industrial and commercial customers/secondary distributors.

The gas turnover at our three biomethane plants in Saxony-Anhalt is presented in the Generation and Infrastructure reporting segment. The marked increase from 70 million kWh in the previous year to 100 million kWh in the first nine months of 2014/15 was due to the fact that our new biomethane plants in Kroppenstedt and Stassfurt have only fed biomethane into the public natural gas grid since the 2nd quarter of 2013/14 and May 2015 respectively.

Due to weather conditions, gas turnover in the Strategic Investments reporting segment rose by 4 % in the period under report.

Water turnover at the MVV Energie Group
First nine months, 1 October to 30 June

m³ million	2014/15	2013/14	% change
Generation and Infrastructure	—	—	—
Trading and Portfolio Management	—	—	—
Sales and Services [1]	33.0	34.2	−4
Strategic Investments	0.7	0.8	−13
Total	**33.7**	**35.0**	**−4**

1 correction in previous year

Water turnover declined by 1.3 million m^3 to 33.7 million m^3 in the first nine months of 2014/15.

Combustible waste delivered at the MVV Energie Group
First nine months, 1 October to 30 June

tonnes 000s	2014/15	2013/14	% change
Generation and Infrastructure	1 215	1 172	+4
Trading and Portfolio Management	—	—	—
Sales and Services	110	114	−4
Strategic Investments	92	96	−4
Total	**1 417**	**1 382**	**+2**

The volume of waste and timber delivered in the period under report rose by 2 % compared with the previous year. This increase was chiefly due to our receipt of initial waste and timber deliveries for trial operations at our new generation plants in the UK – the energy from waste plant in Plymouth and the biomass power plant at Ridham Dock.

Development in further key income statement items

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have amended and newly adopted some standards and interpretations requiring mandatory application for the first time in the 2014/15 financial year. Among others, MVV Energie AG has implemented the IFRS 10 and IFRS 11 standards for the first time since 1 October 2014. This has resulted in a change in the consolidation method at the companies in our Stadtwerke Ingolstadt subgroup. These are no longer consolidated proportionately, but have rather been included in the consolidated financial statements using the equity method. This amendment requires retrospective application, as a result of which we have adjusted the previous year's figures. Further information about the amendments can be found under ▶ *Notes to Interim Consolidated Financial Statements from Page 24 onwards.*

The change in **COST OF MATERIALS**, which decreased year-on-year by 12 % to Euro 2 053 million in the first nine months of the 2014/15 financial year was largely consistent with the development in sales.

Due above all to higher employee totals, **ADJUSTED EMPLOYEE BENEFIT EXPENSES** grew year-on-year by Euro 16 million to Euro 259 million. Further information about the development in personnel totals can be found on ▶ *Page 16*.

Excluding IAS 39 items, **OTHER OPERATING INCOME** decreased year-on-year by Euro 5 million to Euro 62 million. This reduction resulted from lower reversals of impairments and receipts of retired receivables on the one hand and of provisions on the other. By contrast, exchange rate gains and income from emission rights increased compared with the previous year.

OTHER OPERATING EXPENSES excluding IAS 39 measurement items, fell year-on-year by Euro 6 million to Euro 121 million in the first nine months of 2014/15. This was due above all to lower additions to impairments and receivable defaults, as well as to lower expenses for maintenance, repairs and IT services.

In the income statement, the IAS 39 measurement items are included under other operating income and other operating expenses. Their net balance resulted in a positive item of Euro 5 million in the first nine months of 2014/15, compared with a positive measurement item of Euro 27 million in the previous year. The IAS 39 items reflect the development in market prices on the commodities and energy markets. As of 30 June 2015, market prices were lower than when the respective hedging transactions were concluded. IAS 39 has no impact on payments, neither does it affect our operating business or dividend.

At Euro 114 million, **DEPRECIATION** was Euro 1 million lower in the period under report than in the previous year's period.

Reconciliation with adjusted EBIT

For our value-based internal management, we refer to adjusted EBIT. To calculate this key operating earnings figure before interest and taxes on income we eliminate the positive and negative earnings items resulting from the fair value measurement of financial derivatives required by IAS 39 as of the respective reporting date, the net balance of which amounted to Euro 5 million as of 30 June 2015 and Euro 27 million as of 30 June 2014. Furthermore, we eliminate the item resulting from structural adjustments for part-time retirement, amounting to Euro –2 million in the period under report and previous year respectively. We add the interest income from finance leases reported below EBIT in the income statement to our adjusted EBIT. This income is attributable to contracting projects and forms part of our operating business.

In the following table we show how we reconcile the EBIT reported in the income statement for the first nine months of 2014/15 with the more meaningful adjusted EBIT figure.

Reconciliation of EBIT (income statement) with adjusted EBIT
First nine months, 1 October to 30 June

Euro million	**2014/15**	2013/14	+/– change
EBIT as reported in income statement [1]	197	203	– 6
Financial derivative measurement items [1]	– 5	– 27	+ 22
Structural adjustment for part-time early retirement	+ 2	+ 2	0
Interest income from finance leases [1]	+ 2	+ 3	– 1
Adjusted EBIT	**196**	**181**	**+15**

1 previous year's figures adjusted

Earnings performance

ADJUSTED EBIT grew year-on-year by Euro 15 million (+ 8 %) to Euro 196 million in the first nine months of 2014/15.

Adjusted EBIT of the MVV Energie Group
First nine months, 1 October to 30 June

Euro million	2014/15	2013/14	+/– change
Generation and Infrastructure	132	114	+ 18
Trading and Portfolio Management	– 14	– 15	+ 1
Sales and Services	46	40	+ 6
Strategic Investments [1]	26	30	– 4
Other Activities	6	12	– 6
	196	**181**	**+ 15**

1 previous year's figure adjusted

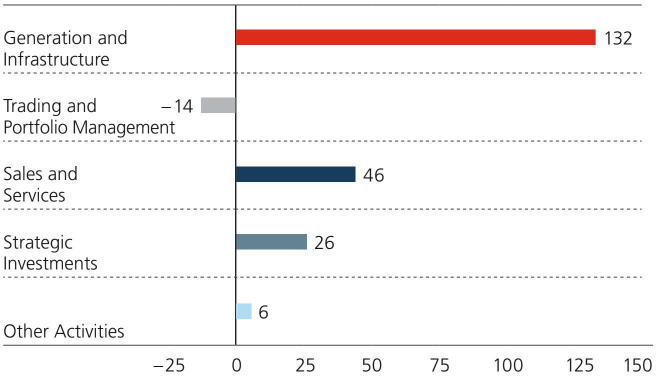
The 16 % increase in adjusted EBIT in the Generation and Infrastructure reporting segment was due above all to a change in the method used to delineate gas grid utilisation fees compared with the previous year and to accounting gains resulting from the disposal of grids.

Adjusted EBIT in the Trading and Portfolio Management reporting segment improved by Euro 1 million to Euro – 14 million.

The increase in adjusted EBIT in the Sales and Services reporting segment by 15 % was largely due to IFRS valuation items upon the updating of earnings for an at-equity shareholding. Furthermore, cooler weather compared with the previous year impacted positively on earnings in the Sales and Services reporting segment.

The downturn in earnings in the Strategic Investments reporting segment was attributable above all to lower heating energy turnover at our Czech subgroup.

Adjusted EBIT of the MVV Energie Group by reporting segment
First nine months of 2014/15 (Euro million)



The **ADJUSTED FINANCIAL RESULT** portrays the net balance of financing income and financing expenses. Due above all to lower interest expenses on loans taken up, this item improved from Euro – 32 million in the previous year to Euro – 27 million in the period under report.

Net of the adjusted financial result, **ADJUSTED EBT** amounted to Euro 169 million in the first nine months of 2014/15, compared with Euro 149 million in the previous year. Based on the tax rate expected for the 2014/15 financial year as a whole, we have applied a tax rate of 29.2 % to adjusted EBT (previous year: 26.8 %).

Adjusted taxes on income amounted to Euro 49 million in the period under report (previous year: Euro 40 million). Net of these taxes, **ADJUSTED NET INCOME FOR THE PERIOD** amounted to Euro 120 million in the first nine months of 2014/15 (previous year: Euro 109 million).

The MVV Energie Group reported **ADJUSTED NET INCOME FOR THE PERIOD AFTER MINORITY INTERESTS** of Euro 103 million for the first nine months of the 2014/15 financial year (previous year: Euro 95 million). Calculated on this basis, **ADJUSTED EARNINGS PER SHARE** for the period under report amounted to Euro 1.56 (previous year: Euro 1.44). The number of shares was unchanged at 65.9 million. An overview of the adjusted key figures can be found in the ▶ *Key Figures Table in this Financial Report.*

Net Asset and Financial Position

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIS IC) have amended and newly adopted some standards and interpretations. Detailed information about the amended standards can be found under ▶ *Notes to Interim Consolidated Financial Statements from Page 24 onwards*.

At Euro 4 323 million, the **TOTAL ASSETS** of the MVV Energie Group as of 30 June 2015 were Euro 253 million higher than the figure as of 30 September 2014.

NON-CURRENT ASSETS rose to Euro 3 251 million, up Euro 195 million compared with 30 September 2014. Property, plant and equipment grew by Euro 41 million to Euro 2 545 million, equivalent to around 59 % of total assets. Due in particular to the acquisition of a 50.1 % stake in Juwi AG, interests in companies recognised at equity grew by Euro 119 million to Euro 306 million. The main reason for the increase in non-current other receivables and assets by Euro 35 million was the rise in market prices and resultant increase in the fair values of energy trading transactions recognised under IAS 39. This was countered by a reduction in receivables from security deposits provided in the context of energy trading transactions.

CURRENT ASSETS rose to Euro 1 072 million, up Euro 57 million compared with the balance sheet date on 30 September 2014, and thus accounted for around 25 % of total assets.

The increase in trade receivables to Euro 486 million, up Euro 110 million compared with 30 September 2014, is consistent with the seasonal developments typical of our financial year. Compared with 31 March 2015, the volume of receivables has reduced once again, as the instalments received are now countered by lower energy consumption on the part of our customers. Current other receivables and assets rose to Euro 264 million, up Euro 75 million compared with 30 September 2014. This development was largely due to the higher market valuation of energy trading transactions recognised under IAS 39. Receivables for security deposits to reduce counterparty risk amounted to Euro 36 million as of 30 June 2015, as against Euro 55 million on 30 September 2014. The reduction in cash and cash equivalents to Euro 242 million, down Euro 129 million compared with 30 September 2014, chiefly resulted from the acquisition of a 50.1 % stake in Juwi AG and the takeover of the assets of Windwärts Energie GmbH. This item was also affected by the exercising of a purchase option for the non-recyclable waste incineration and energy generation plant in Leuna (Trea Leuna) and the payment of the dividend for the 2013/14 financial year. Due in particular to the taking up of promissory note loans in the 3rd quarter of 2014/15, liquid funds rose by Euro 65 million compared with 31 March 2015.

The **EQUITY** of the MVV Energie Group including non-controlling interests hardly changed compared with 30 September 2014 and amounted to Euro 1 352 million as of 30 June 2015.

For group management purposes, we adjust our consolidated balance sheet to eliminate cumulative IAS 39 measurement items. We reduce the asset side by the positive fair values of derivatives and allocable deferred taxes, which amounted to Euro 251 million as of 30 June 2015 (30 September 2014: Euro 156 million). On the capital side, we eliminate negative fair values and allocable deferred taxes from liabilities. As of 30 June 2015, these amounted to Euro 297 million (30 September 2014: Euro 216 million). We eliminate the resultant net balance from equity. As of 30 June 2015, this totalled Euro –46 million (30 September 2014: Euro –60 million). Calculated on this adjusted basis, adjusted equity amounted to Euro 1 398 million as of 30 June 2015 (30 September 2014: Euro 1 396 million). As a percentage of the adjusted total assets of Euro 4 072 million (30 September 2014: Euro 3 915 million), the adjusted equity ratio amounted to 34.3 % as of 30 June 2015, compared with 35.7 % as of 30 September 2014.

Compared with 30 September 2014, **NON-CURRENT DEBT** rose by Euro 293 million to Euro 2 003 million in the period under report. Due in particular to the taking up of a foreign currency loan for the further financing of investments at a UK subsidiary and the taking up of promissory note loans, non-current financial debt increased by Euro 238 million. Non-current other liabilities rose by Euro 56 million. This was due above all to higher market prices and the resultant increase in the fair values of energy trading transactions recognised under IAS 39, as well as to recognised liabilities arising in the context of a company purchase and the agreed earn-out clause.

CURRENT DEBT decreased to Euro 968 million, down Euro 57 million compared with 30 September 2014. This was chiefly driven by a reduction in other provisions (Euro –27 million), as well as by lower financial debt (Euro –61 million) and trade payables (Euro –21 million). Given the rise in market prices and resultant increase in the fair values of energy trading transactions recognised under IAS 39, current other liabilities rose by Euro 37 million. As of 30 June 2015, this item included security deposits of Euro 3 million to reduce counterparty risk (margins), compared with Euro 1 million as of 30 September 2014. Tax provisions increased by Euro 16 million compared with the previous year's balance sheet date.

Investments

The MVV Energie Group invested a total of Euro 296 million in the first nine months of 2014/15 (previous year: Euro 237 million). Of total investments, Euro 218 million (74 %) related to growth investments, while Euro 78 million (26 %) was channelled into investments in our existing business, i.e. into modernising our plants and grids.

Our largest investment projects in the period under report included:

- the construction of the energy from waste plant in Plymouth and the biomass power plant at Ridham Dock, both in the UK
- the acquisition of a 50.1 % stake in Juwi AG
- the takeover of Windwärts Energie GmbH
- the construction of our biomethane plant in Stassfurt
- measures to expand and increase the density of our district heating grids.

Investments of the MVV Energie Group
First nine months, 1 October to 30 June

Euro million	2014/15	2013/14	+/– change
Generation and Infrastructure	263	209	+54
Trading and Portfolio Management	12	9	+3
Sales and Services	11	10	+1
Strategic Investments [1]	3	1	+2
Other Activities	7	8	–1
Total	**296**	**237**	**+59**
of which growth investments [1]	218	173	+45
of which investments in existing business [1]	78	64	+14

1 previous year's figures adjusted

Financial situation and cash flow

Due to the taking up of a foreign currency loan to finance further investments at a UK subsidiary and of a promissory note loan, current and non-current financial debt increased to Euro 1 610 million, up by Euro 177 million compared with 30 September 2014. Net financial debt (current and non-current financial debt less cash and cash equivalents) rose by Euro 306 million compared with the previous year's balance sheet date to Euro 1 369 million as of 30 June 2015.

The **CASH FLOW BEFORE WORKING CAPITAL AND TAXES** increased to Euro 306 million in the period under report, up Euro 9 million compared with the first nine months of 2013/14. This increase was mainly attributable to the net income for the period before taxes on income following the elimination of other non-cash income and expenses.

The **CASH FLOW FROM OPERATING ACTIVITIES** fell from Euro 239 million in the first nine months of the previous year to Euro 87 million in the period under report and resulted from changes in working capital.

Due to the payments made for the investment in Juwi AG and for the takeover of assets in Windwärts Energie GmbH, the **CASH FLOW FROM INVESTING ACTIVITIES** reduced year-on-year by Euro 71 million to Euro –257 million in the first nine months of 2014/15.

The **CASH FLOW FROM FINANCING ACTIVITIES** rose by Euro 233 million from Euro –187 million in the first nine months of 2013/14 to Euro 45 million in the period under report. This substantial increase was principally the result of higher net new borrowing.

The MVV Energie Group reported cash and cash equivalents of Euro 242 million as of 30 June 2015, compared with Euro 284 million as of 30 June 2014.

Professional financial management

The MVV Energie AG parent company manages a cash pool for itself and 30 further shareholdings within our Group. In this capacity, it procures and secures both its own liquidity and financing funds for the shareholdings included in the cash pool. Capital required for investments is provided in the form of shareholder loans. We have secured the financing of what are currently our largest investment projects – the energy from waste plant in Plymouth and the biomass plant at Ridham Dock. Given the high volume of investment in the UK, the development in the euro/sterling exchange rate is becoming a more significant factor for our group earnings.

EMPLOYEES

The MVV Energie Group had a total of 5 208 employees as of 30 June 2015, 106 employees more than at the same date in the previous year. The development in our employee total was affected by opposing factors. We acquired additional employees as a result of the takeover of Windwärts Energie GmbH in the 1st quarter of 2014/15 and by boosting the operations team at our British subsidiaries. Furthermore, a subsidiary of Energieversorgung Offenbach AG took over MDW Muldendienst West GmbH as of 1 January 2015. These developments were opposed by reductions in the workforce at MVV Energie AG, Energieversorgung Offenbach AG and Stadtwerke Kiel AG in particular.

In Germany, a total of 4 571 individuals worked at our companies as of 30 June 2015, 62 more than one year earlier. Outside Germany, the MVV Energie Group had 44 employees more overall on 30 June 2015 than a year ago (previous year: 593). Of the total of 637 employees abroad, 561 worked at our Czech subgroup and 63 at our British subsidiary. Via a subsidiary of Windwärts Energie GmbH, we have 13 employees in France.

Compared with the balance sheet for the previous quarter (31 March 2015), the MVV Energie Group's total workforce reduced by 18 employees in Germany and increased by 6 employees abroad.

Personnel figure (headcount) at balance sheet date on 30 June

	2014/15	2013/14	+/– change
MVV Energie AG	1 380	1 415	–35
Fully consolidated shareholdings	3 828	3 687	+ 141
MVV Energie Group[1, 2]	**5 208**	**5 102**	**+106**

1 previous year's figures adjusted

2 including 285 trainees (previous year: 282)

TECHNOLOGY AND INNOVATION

Decentralised load management trials

"RealValue" – a pan-European development and demonstration project in which MVV Energie, Beegy GmbH and Glen Dimplex Deutschland are participating as the German cooperation partners – was launched within the "Horizon 2020" EU aid programme on 1 June 2015. The aim of the project is to develop smartly controlled electric storage heating systems and hot water heat pumps, to test these at customers and to assess their economic and ecological benefits in the future energy system. Practical trials are planned to be held in Germany, including at customers Mannheim and the Rhine/Neckar metropolitan region, Ireland and Latvia by mid-2018. The benefits for market participants will be evaluated in cooperation with renowned European research institutes.

Award for Electricity Bank research project

MVV Energie's Electricity Bank research project has received the "Top Innovation Award" from PV Magazine. The local storage facility operator model promoted by the State of Baden-Württemberg is now half way through its practical trials. It offers participants electricity storage capacity as a service and thus provides an alternative to home battery storage.

OPPORTUNITY AND RISK REPORT

In our 2013/14 Annual Report, we described our opportunity and risk management system in the combined management report, where we provided extensive disclosures concerning its structure and process organisation, our risk categories and the measures we take to reduce or transfer risks. Furthermore, in our Annual Report we also provided a detailed description of those factors with the potential to significantly influence our earnings.

Opportunity/risk situation in first nine months of 2014/15

The overall risk situation of the MVV Energie Group at the end of the first nine months of 2014/15 was similar to that as of 30 September 2014. There were no changes in the risk categories in the period under report.

Particularly in the heating period, our heating energy and gas sales volumes, and thus our operating earnings, are influenced by weather conditions. In the period under report, it was slightly colder overall than in the previous year, but nevertheless milder than expected in the 1st quarter of 2014/15 in particular. Wind volumes, and thus the volume of electricity produced by our wind turbines, fell short of our expectations.

Wholesale electricity prices and the margin achieved from conventional electricity generation (clean dark spread) remained persistently low, while competitive pressure in the electricity and gas markets remained equally intense. We are countering this pressure by offering innovative products with substantial customer benefits.

The operation and progress made with the construction of our plants are further factors of great significance for our earnings performance. During the period under report, we did not witness any unscheduled downtime at our plants. Commercial operations were launched in the 3rd quarter of 2014/15 at Block 9 at the large power plant in Mannheim (Grosskraftwerk Mannheim – GKM) and at the biomethane plant in Stassfurt. As already communicated, delays arose in the construction of the energy from waste plant in Plymouth and of the biomass power plant at Ridham Dock. Both plants are in the trial operation phase. It should be noted that one of the main contractors for the construction of the energy from waste plant in Plymouth has filed for insolvency.

In May 2015, MVV Energie AG and the State Capital of Kiel reached agreement concerning the approach to be adopted towards building a gas-powered combined heat and power plant. This is the follow-up solution to the joint power plant in Kiel (Gemeinschaftskraftwerk Kiel – GKK), which is due to be decommissioned in the coming years. Project preparations are progressing on schedule.

We are consistently expanding our activities in the field of onshore wind turbine project development. In this business field, delays may arise with project sales in individual cases.

We attach great importance to sustainable, environmentally-friendly behaviour. This also applies to sites formerly occupied by plants. We are monitoring and evaluating potential clean-up operations.

We are seizing the opportunities arising in the growth business of decentralised energy management.

Executive Board assessment

The Executive Board continues to assess the overall opportunity and risk situation as balanced. There were no indications in the first nine months of 2014/15 that the company's continued existence could be threatened, whether now or in future, by any individual risks or the aggregate total of all risks.

EVENTS AFTER BALANCE SHEET DATE

Juwi boosts growth potential with capital increase

On 11 August 2015, MVV Energie AG, Juwi AG and FreMa GmbH – the joint investment company of Juwi's two founders, Fred Jung and Matthias Willenbacher – announced a capital increase of around Euro 70 million at Juwi AG. By increasing its equity, Juwi is boosting its growth potential for the development of new renewable energies projects. As a result, the stake held by MVV Energie AG will simultaneously increase from 50.1% to 63.1 %.

OUTLOOK

German economy maintains high rate of expansion

Experts at the German Institute for Economic Research (DIW) expect German gross domestic product (GDP) to grow by 1.8 % in 2015. This growth should primarily be driven by private consumption – even though private consumer spending in the further course of the year is not quite expected to match the high rates of growth seen in the past quarters, as several factors stimulating factors will gradually cease to apply. Given the persistently favourable monetary framework, the upturn in investment is expected to stabilise. The risks facing the economy relate above all to the foreign trade climate. Corrections on the financial markets may be triggered both by political disagreements concerning the continuation of reforms in crisis-hit countries in the euro area – and in Greece in particular – as well as by any more sudden or substantial increase in US base rates than expected.

Numerous energy policy decisions

The energy policy framework continues to impact significantly on the economic performance of energy supply companies. Numerous energy policy decisions are due to be taken in the coming months. Factors particularly relevant for the MVV Energie Group include the further development in the electricity market design, the amendment to the German Combined Heat and Power Generation Act (KWKG) and the specific auction design selected to determine the compensation paid for electricity from renewable energies on a competitive basis. Further information can be found in the Chapter ▶ *Business Framework from Page 6 onwards.*

New business models for the energy system of the future

The energy supply is becoming more decentralised as a result of the expansion in renewable energies. Customers are increasingly becoming "prosumers" who not only consume but also generate energy themselves. For the energy industry, this means that it has to develop innovative products, new business models and smart services to do justice to customers' changing needs.

Future markets, products and services

In our renewable energies business, we are focusing above all on expanding **ONSHORE WIND POWER**. With Windwärts Energie GmbH and our partnership with Juwi AG, we have comprehensive expertise when it comes to wind farm project development and great competence in operations management. We are drawing on these skills to develop and implement projects that we then mainly market. Where appropriate, we will also include them in the wind power portfolio at MVV Energie AG.

Since 2012, we have been making targeted investments in **BIOMETHANE PLANTS**. When purified to natural gas quality, biomethane is highly versatile and storable. We currently have three biomethane plants in Saxony-Anhalt, each of which can generate around 63 million kWh of biomethane a year and feed this into the natural gas grid.

We are further expanding **DISTRICT HEATING BASED ON COMBINED HEAT AND POWER GENERATION**, especially at our locations in Mannheim and Offenbach, and increasing grid density.

Business developments at our **KIEL SUBGROUP** will be shaped by the phasing out of operations at the joint power plant in Kiel (Gemeinschaftskraftwerk Kiel – GKK). The construction of a new gas-powered combined heat and power plant is currently being planned as a follow-up generation solution.

While the German waste and biomass markets do not offer any growth potential for new plants, we see growth opportunities for our Group in these markets in the **UK AND FRANCE**. In the coming weeks, we will be launching commercial operations both at our waste-fired combined heat and power (CHP) plant in Plymouth and at our biomass power plant with CHP capability at Ridham Dock. In France, together with the Semardel Group our MVV Umwelt GmbH subsidiary is bidding for operations management tenders at energy from waste plants.

Via the joint venture Beegy GmbH, we are consistently working on further developing business models and innovative solutions for **DECENTRALISED ENERGY MANAGEMENT**.

ENERGY-SAVING AND ENERGY EFFICIENCY SOLUTIONS are increasingly gaining in significance, especially for industrial and commercial companies. We will be further expanding our range of energy-related services in this area.

We are actively participating in the **COMPETITION FOR CONCESSIONS** and submitting targeted bids for attractive newly tendered concessions. We aim to retain and successfully continue our existing partnerships with municipalities.

Expected sales performance

From a current perspective, we expect the **SALES (EXCLUDING ENERGY TAXES)** of the MVV Energie Group in the 2014/15 financial year to turn out around 10 % lower than the previous year's figure (Euro 3.7 billion).

Expected earnings performance

Wholesale market electricity prices have declined in recent months. The margin achieved from conventional electricity generation (clean dark spread) –which is chiefly determined by wholesale market electricity prices, coal procurement expenses including the development in the euro/US dollar exchange rate and the price of CO_2 emission rights – still remains low. This factor has negatively impacted on our earnings in the 2014/15 financial year. Not only that, earnings were also adversely affected by below-average wind volumes and the mild weather conditions in the 1st quarter of 2014/15.

We are countering these negative factors with cost savings and efficiency enhancements and thus also compensating for part of the start-up costs associated with our growth investments. Our two generation plants in the UK are currently in the trial operation phase. The delays already communicated in the trial operation phase mean that the earnings contributions from these two plants will not be received in line with expectations in the current financial year.

From an operating perspective, we expect the **ADJUSTED EBIT OF THE MVV ENERGIE GROUP** for the current 2014/15 financial year, including earnings from the Juwi involvement, to more or less match the previous year's figure. In the previous year, we achieved operating earnings of Euro 170 million.

The earnings performance of the **GENERATION AND INFRASTRUCTURE REPORTING SEGMENT** in the current financial year will largely be shaped by the development in the electricity price and wind volumes. Its earnings will also be influenced by additional costs resulting from implementation of legal requirements. The takeover of the assets of Windwärts Energie GmbH will give rise to start-up costs in the current financial year that will negatively affect earnings. Earnings will also be affected by the results from the Juwi involvement. Given our grid business and the positive earnings contribution from our new biomethane plant in Stassfurt, we expect earnings in the Generation and Infrastructure reporting segment to rise compared with the 2013/14 financial year.

Earnings at the **TRADING AND PORTFOLIO MANAGEMENT REPORTING SEGMENT** will be influenced above all by the development in the electricity price and the clean dark spread (CDS). We expect the CDS to remain at its current low level in 2015. All in all, we expect the Trading and Portfolio Management reporting segment to post lower earnings than in the previous year.

In the **SALES AND SERVICES REPORTING SEGMENT** we expect to see positive earnings contributions from our sales activities. These will be supplemented by positive IFRS valuation items resulting from the updating of earnings at an at-equity investment in the 3rd quarter of 2014/15. By contrast, earnings will be negatively affected by start-up costs at Beegy GmbH, which is still in the development stage. In general, the earnings performance of the Sales and Services reporting segment is significantly affected by weather conditions. Overall, we expect segment earnings in the 2014/15 financial year to exceed the previous year's figure.

Investment volume of around Euro 400 million

From a current perspective, we will be investing around Euro 400 million in the 2014/15 financial year. Of this total, we already invested Euro 296 million in the first nine months of 2014/15. Of total investments, around Euro 218 million has been invested in growth and around Euro 78 million in our existing business. Alongside the expansion in renewable energies, one key focus of our investment activities involves expanding and increasing the density of our district heating grids in Mannheim and Offenbach. With our budgeted investments in our existing business, we will optimise our supply plants and grids and thus maintain their substance.

Solid capital resources and financing structure

The MVV Energie Group has no difficult in covering its liquidity requirements given its continuing good access to the financial market. Our adjusted equity ratio of 34.3 % has enabled us to maintain a high tempo for our investments in the current 2014/15 financial year as well. We finance investments in our existing business predominantly from depreciation. For our growth projects, we draw on the operating cash flow and on optimised project-specific financing facilities. We pool structurally similar projects with comparable terms and take up the necessary funds either on the capital market or by using our liquid resources. As alternatives to the bank market, we are monitoring other sources of financing, including the promissory note loan market. We have defined key figures as guidelines for debt-financed growth and adhere to these. This way, we continue to ensure an implicit rating on investment grade level for MVV Energie.

Opportunities and risks

The risk categories and risks relevant to the MVV Energie Group in the current 2014/15 financial year are presented in detail in the Opportunity and Risk Report from Page 94 onwards of our 2014/15 Annual Report. We currently do not expect any changes for the 2014/15 financial year. Our operating earnings are regularly influenced by incalculable factors, such as weather conditions or wind volumes. Our major investment projects in particular are a source of uncertainty. Like with any major construction project, despite high-quality project management unscheduled delays may arise through to the launch of commercial operations.

Once operations have been fully launched at our new plants in Plymouth and Ridham Dock in the UK, the development in the euro/sterling exchange rate will gain in significance for our future company earnings.

The conversion in the German energy system is a source of both opportunities for and risks to our medium and long-term profitable growth.

From a current perspective, there are no indications of any risks that could threaten the company's continued existence in the further course of the 2014/15 financial year or beyond.

INCOME STATEMENT
from 1 October 2014 to 30 June 2015

Income statement of the MVV Energie Group

Euro 000s	**1 Apr 2015 to 30 Jun 2015**	1 Apr 2014 to 30 Jun 2014	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014	Notes
Sales[1]	840 738	885 635	2 778 542	3 047 366	
less electricity and natural gas taxes[1]	39 250	45 836	135 980	151 301	
Sales less electricity and natural gas taxes	**801 488**	**839 799**	**2 642 562**	**2 896 065**	1
Changes in inventories[1]	6 658	1 413	4 169	1 525	
Own work capitalised[1]	3 680	4 007	10 464	10 910	
Other operating income[1]	64 095	– 47 918	120 376	189 511	2
Cost of materials[1]	634 406	684 338	2 052 670	2 334 854	
Employee benefit expenses[1]	85 839	81 227	261 923	244 921	
Other operating expenses[1]	81 391	– 37 968	174 197	223 931	2
Income from companies recognised at equity[1]	9 070	9 943	21 753	23 258	3
Other income from shareholdings	522	783	689	1 147	
EBITDA	**83 877**	**80 430**	**311 223**	**318 710**	
Depreciation[1]	37 942	39 573	114 498	115 597	
EBITA	**45 935**	**40 857**	**196 725**	**203 113**	
EBIT	**45 935**	**40 857**	**196 725**	**203 113**	
of which result of IAS 39 derivative measurement[1]	5 192	11 662	5 306	26 567	
of which EBIT before result of IAS 39 derivative measurement	40 743	29 195	191 419	176 546	
Financing income[1]	470	11 555	10 299	17 307	4
Financing expenses[1]	11 609	17 939	34 862	52 266	4
EBT	**34 796**	**34 473**	**172 162**	**168 154**	
Taxes on income[1]	10 195	7 711	50 303	45 750	5
Net income for period	**24 601**	**26 762**	**121 859**	**122 404**	
of which non-controlling interests[1]	865	– 882	13 922	18 025	
of which earnings attributable to MVV Energie AG shareholders (net income for period after minority interests)	**23 736**	**27 644**	**107 937**	**104 379**	
Basic and diluted earnings per share (Euro)	**0.36**	**0.42**	**1.64**	**1.58**	6

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

STATEMENT OF COMPREHENSIVE INCOME
from 1 October 2014 to 30 June 2015

Statement of income and expenses recognised in group equity of the MVV Energie Group

Euro 000s	**1 Apr 2015 to 30 Jun 2015**	1 Apr 2014 to 30 Jun 2014	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Net income for period	**24 601**	**26 762**	**121 859**	**122 404**
Cash flow hedges	10 326	7 602	1 574	10 612
Currency translation differences	– 2 437	– 3 225	– 12 154	– 10 494
Items that may be subsequently reclassified to profit or loss	**7 889**	**4 377**	**– 10 580**	**118**
Actuarial gains and losses	1	—	8	—
Share of comprehensive income attributable to companies recognised at equity	– 21 963	—	–21 963	—
Items that will not be reclassified to profit or loss	**– 21 962**	**—**	**– 21 955**	**—**
Total comprehensive income	**10 529**	**31 139**	**89 324**	**122 522**
Non-controlling interests[1]	1 988	790	15 883	19 429
Total comprehensive income attributable to MVV Energie AG shareholders	**8 541**	**30 349**	**73 441**	**103 093**

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

BALANCE SHEET
at 30 June 2015

Balance sheet of the MVV Energie Group

Euro 000s	**30 Jun 2015**	30 Sep 2014	1 Oct 2013	Notes
Assets				
Non-current assets				
Intangible assets[1]	216 433	201 717	198 275	
Property, plant and equipment[1]	2 545 015	2 504 334	2 395 043	
Investment property	—	284	294	
Interests in companies recognised at equity[1]	306 021	187 518	162 679	
Other financial assets[1]	62 549	63 959	83 478	
Other receivables and assets[1]	109 830	75 224	119 904	7
Deferred tax assets[1]	11 235	22 572	22 346	8
	3 251 083	**3 055 608**	**2 982 019**	
Current assets				
Inventories[1]	70 117	61 881	46 945	9
Trade receivables[1]	485 927	376 019	444 551	10
Other receivables and assets[1]	263 984	189 470	250 882	7
Tax receivables	9 771	13 466	23 983	
Securities	785	1 293	1 949	
Cash and cash equivalents[1]	241 799	370 694	418 234	11
Assets held for sale	—	2 305	—	
	1 072 383	**1 015 128**	**1 186 544**	
	4 323 466	**4 070 736**	**4 168 563**	
Equity and liabilities				
Equity				
Share capital	168 721	168 721	168 721	
Capital reserve	455 241	455 241	455 241	
Accumulated net income[1]	629 810	578 979	545 707	12
Accumulated other comprehensive income[1]	– 109 080	– 73 597	– 73 936	
Capital of the MVV Energie Group	**1 144 692**	**1 129 344**	**1 095 733**	
Non-controlling interests[1]	207 567	206 291	207 242	
	1 352 259	**1 335 635**	**1 302 975**	
Non-current debt				
Provisions[1]	171 626	163 408	144 271	
Tax provisions	2 508	2 508	—	
Financial debt[1]	1 392 981	1 154 602	1 105 474	13
Other liabilities[1]	307 125	251 226	330 074	14
Deferred tax liabilities[1]	128 834	138 558	133 756	8
	2 003 074	**1 710 302**	**1 713 575**	
Current debt				
Other provisions[1]	71 154	98 329	103 413	
Tax provisions	28 647	12 948	8 073	
Financial debt[1]	217 322	278 650	394 793	13
Trade payables[1]	381 176	402 201	383 095	
Other liabilities[1]	268 616	232 040	262 450	14
Tax liabilities	1 218	631	189	
	968 133	**1 024 799**	**1 152 013**	
	4 323 466	**4 070 736**	**4 168 563**	

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

STATEMENT OF CHANGES IN EQUITY

from 1 October 2014 to 30 June 2015

Statement of changes in equity of the MVV Energie Group

	Equity contributed		Equity generated						
				Accumulated other comprehensive income					
Euro 000s	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Accumulated net income	Currency translation differences	Fair value measurement of financial instruments	Actuarial gains and losses	**Capital of MVV Energie Group**	Non-controlling interests	**Total capital**
Balance at 1 Oct 2013[1]	**168 721**	**455 241**	**545 707**	**16 860**	**– 50 884**	**– 39 912**	**1 095 733**	**207 242**	**1 302 975**
Other income and expenses recognised in equity[1]	—	—	—	– 10 114	8 828	—	– 1 286	1 404	118
Result of business operations[1]	—	—	104 379	—	—	—	104 379	18 025	122 404
Total comprehensive income	**—**	**—**	**104 379**	**– 10 114**	**8 828**	**—**	**103 093**	**19 429**	**122 522**
Dividends paid	—	—	– 59 316	—	—	—	– 59 316	– 18 924	– 78 240
Capital increase/ reduction at subsidiaries	—	—	—	—	—	—	—	6 640	6 640
Change in scope of consolidation	—	—	9	—	—	—	9	– 3	6
Balance at 30 Jun 2014[1]	**168 721**	**455 241**	**590 779**	**6 746**	**– 42 056**	**– 39 912**	**1 139 519**	**214 384**	**1 353 903**
Balance at 1 Oct 2014[1]	**168 721**	**455 241**	**578 979**	**3 184**	**– 39 796**	**– 36 985**	**1 129 344**	**206 291**	**1 335 635**
Other income and expenses recognised in equity	—	—	—	– 12 208	– 333	– 21 955	– 34 496	1 961	– 32 535
Result of business operations	—	—	107 937	—	—	—	107 937	13 922	121 859
Total comprehensive income	**—**	**—**	**107 937**	**– 12 208**	**– 333**	**– 21 955**	**73 441**	**15 883**	**89 324**
Dividends paid	—	—	– 59 316	—	—	—	– 59 316	– 15 343	– 74 659
Capital increase/ reduction at subsidiaries	—	—	—	—	—	—	—	1 866	1 866
Change in scope of consolidation	—	—	2 210	—	– 987	—	1 223	– 1 130	93
Balance at 30 Jun 2015	**168 721**	**455 241**	**629 810**	**– 9 024**	**– 41 116**	**– 58 940**	**1 144 692**	**207 567**	**1 352 259**

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

CASH FLOW STATEMENT
from 1 October 2014 to 30 June 2015

Cash flow statement of the MVV Energie Group

Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Net income for period before taxes on income[1]	172 162	168 154
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property[1]	114 498	115 597
Financial result[1]	24 563	34 959
Interest received[1]	3 906	7 386
Change in non-current provisions[1]	8 217	10 104
Other non-cash income and expenses[1]	– 16 358	– 37 726
Result of disposal of non-current assets[1]	– 588	– 1 174
Cash flow before working capital and taxes	**306 400**	**297 300**
Change in other assets[1]	– 404 205	– 156 807
Change in other liabilities[1]	242 404	160 032
Change in current provisions[1]	– 30 488	– 41 614
Income taxes paid[1]	– 26 791	– 19 816
Cash flow from operating activities	**87 320**	**239 095**
Payments for investments in intangible assets, property,plant and equipment and investment property[1]	– 171 569	– 234 394
Proceeds from disposals of intangible assets, property, plant and equipment and investment property[1]	19 186	25 863
Proceeds from subsidy payments[1]	20 003	11 244
Proceeds from sale of other financial assets[1]	1 771	14 809
Payments for acquisition of fully consolidated companies and other business units	– 19 256	—
Payments for other financial assets[1]	– 107 092	– 3 239
Cash flow from investing activities	**– 256 957**	**– 185 717**
Proceeds from taking up of loans[1]	321 322	252 642
Payments for redemption of loans[1]	– 162 120	– 321 516
Dividends paid	– 59 316	– 59 316
Dividends paid to non-controlling interests	– 15 343	– 18 924
Change due to changes in capital at minority shareholders	2 142	6 639
Interest paid[1]	– 41 311	– 46 879
Cash flow from financing activities	**45 374**	**– 187 354**
Cash-effective changes in cash and cash equivalents[1]	– 124 263	– 133 976
Change in cash and cash equivalents due to currency translation	2 635	– 37
Change in cash and cash equivalents due to changes in scope of consolidation	– 7 268	73
Cash and cash equivalents at 1 Oct 2014 (2013)[1]	370 695	418 234
Cash and cash equivalents at 30 Jun 2015 (2014)[1]	**241 799**	**284 294**
of which cash and cash equivalents at 30 Jun 2015 (2014) with restraints on disposal	4 235	1 172
Cash flow – aggregate presentation		
Cash and cash equivalents at 1 Oct 2014 (2013)[1]	**370 695**	**418 234**
Cash flow from operating activities	87 320	239 095
Cash flow from investing activities	– 256 957	– 185 717
Cash flow from financing activities	45 374	– 187 354
Change in cash and cash equivalents due to currency translation	2 635	– 37
Change in cash and cash equivalents due to changes in scope of consolidation	– 7 268	73
Cash and cash equivalents at 30 Jun 2015 (2014)[1]	**241 799**	**284 294**

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

from 1 October 2014 to 30 June 2015

Information about the company

MVV Energie AG has its legal domicile in Mannheim, Germany. It is the parent company of the MVV Energie Group and acts as an energy generator, distributor and service provider in its reporting segments of Generation and Infrastructure, Trading and Portfolio Management, Sales and Services, Strategic Investments and Other Activities.

These condensed interim consolidated financial statements were prepared by the Executive Board on 11 August 2015. Neither the condensed interim consolidated financial statements nor the interim group management report were subject to any audit review requirement.

Accounting policies

The condensed interim consolidated statements for the period from 1 October 2014 to 30 June 2015 have been prepared in accordance with IFRS accounting requirements as adopted by the EU, and in particular with IAS 34 "Interim Financial Reporting". These interim consolidated financial statements do not include all notes and disclosures required of a complete set of annual financial statements and should therefore be read in conjunction with the consolidated financial statements as of 30 September 2014. No application has been made of published standards and interpretations not yet requiring mandatory application.

Apart from the new requirements outlined below, the accounting policies applied in the interim consolidated financial statements as of 30 June 2015 are therefore consistent with those applied in the consolidated financial statements as of 30 September 2014.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have amended and newly adopted some standards and interpretations. These are presented in the following table.

Applicable standards and interpretations		EU endorsement	Application date[1]
IAS 36	Disclosures for Non-Financial Assets	19 Dec 2013	1 Jan 2014
IFRIC 21	Levies	13 Jun 2014	17 Jun 2014
IAS 39	Novations of Derivatives and Continuation of Hedge Accounting	19 Dec 2013	1 Jan 2014
IAS 32	Financial Instruments – Presentation Offsetting Financial Assets and Financial Liabilities	13 Dec 2012	1 Jan 2014
IFRS 10	Consolidated Financial Statements	11 Dec 2012	1 Jan 2014
IFRS 11	Joint Arrangements	11 Dec 2012	1 Jan 2014
IFRS 12	Disclosures of Interests in Other Entities	11 Dec 2012	1 Jan 2014
IAS 27	Separate Financial Statements	11 Dec 2012	1 Jan 2014
IAS 28	Investments in Associates and Joint Ventures	11 Dec 2012	1 Jan 2014
IFRS 10, IFRS 11, IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance	4 Apr 2013	1 Jan 2014
IFRS 10, IFRS 12, IAS 27	Investment Entities	20 Nov 2013	1 Jan 2014

1 applicable in financial years beginning on or after the date stated

The implications of the relevant applicable standards and interpretations for the condensed interim consolidated financial statements of the MVV Energie Group are explained in greater detail below:

First-time application of IFRS 11 has led to an amendment in the method of consolidation at companies in the Stadtwerke Ingolstadt subgroup. In future, these companies will no longer be recognised proportionately, but will rather be included at equity in the consolidated financial statements. The previous year's figures in the "scope of consolidation" table have been adjusted accordingly, a measure which has reduced the number of proportionately consolidated companies at the Group to zero and increased the number of companies recognised at equity by one. The amended method of inclusion has resulted in a reduction in individual assets and liabilities in the consolidated balance sheet, a reduction in individual income statement items and an increase in income from companies recognised at equity. These changes are apparent in summarised form in the following table.

Adjustments to income statement of the MVV Energie Group

Euro 000s	Change on 30 Jun 2015
Sales after electricity and natural gas taxes	–62 453
EBIT	–3 900

Adjustments to balance sheet of the MVV Energie Group

Euro 000s	Change on 30 Sep 2014	Change on 1 Oct 2013
Assets		
Non-current assets	–55 576	–50 184
Current assets	–14 110	–19 927
Equity and liabilities		
Non-current liabilities	–40 027	–37 670
Current liabilities	–29 780	–32 562

Application of IFRS 10 and IFRS 11 has not necessitated any further adjustments in the method of consolidation.

The preparation of the interim consolidated financial statements in some cases required the use of assumptions and estimates which impacted on the values stated for the assets, liabilities, income and expenses thereby reported. Actual figures could in individual cases deviate at a later point in time from the assumptions and estimates. Resultant amendments would have a corresponding impact on earnings upon more accurate information becoming available.

Changes in scope of consolidation

Alongside MVV Energie AG, all material German and foreign subsidiaries in which MVV Energie AG directly or indirectly holds a majority of the voting rights are included in the interim consolidated financial statements of the MVV Energie Group. The relevant control concept requires the parent company to exercise a controlling influence for a company to be fully consolidated. This is the case for all fully consolidated companies. Material associates and joint ventures are recognised using the equity method. There are no joint operations at the MVV Energie Group.

The number of companies included is presented in the following table:

Scope of consolidation

	Companies fully consolidated	Companies recognised at equity
30 Sep 2014[1]	82	18
Additions	9	2
Disposals	1	1
30 Jun 2015	**90**	**19**

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

In the 1st quarter of 2014/15, the MVV Energie Group acquired a 50.1 % stake in the German renewable energies market leader Juwi AG, Wörrstadt, by way of a capital increase. This shareholding is held by MVV Alpha fünfzehn GmbH, Mannheim, a wholly-owned subsidiary of MVV Energie AG, Mannheim, that has been fully consolidated for this purpose. The Juwi subgroup has been consolidated as a joint venture using the equity method. The company is currently undergoing the conversion process enabling it to supply IFRS figures for inclusion in the MVV Energie Group. In view of this, the at equity figures will be updated for the first time as of 30 September 2015.

To enable the Group in future to offer one-stop solutions and services for private, retail, commercial and industrial customers, in the 1st quarter of 2014/15 a wholly-owned subsidiary of MVV Energie AG, Mannheim, was founded with the name Beegy GmbH, Mannheim. Following the entry into force of the joint venture agreement and the entry of other partners, the shareholding held by MVV Energie AG reduced to 34.8 %. This company has since been consolidated as a joint venture using the equity method.

As of the 1st quarter of 2014/15, the assets of the insolvent company Windwärts Energie GmbH, Hanover, were taken over by the newly founded Windwärts Energie GmbH, Mannheim, in the context of an asset deal. In the course of the Windwärts asset deal, 100 % stakes were also acquired in Vents d'Oc Énergies Renouvelables SARL, Montpellier, with its project companies and in Windwärts erste Verwaltungsgesellschaft mbH, Hanover. The French company will be fully consolidated, while the German shareholding is reported under other majority shareholdings and will not be consolidated. In the 2nd quarter of 2014/15, Windwärts Energie GmbH founded the two Hanover-based companies Windwärts erste Verwaltungsgesellschaft mbH & Co. KG Coppenbrügge II KG and Windwärts erste Verwaltungsgesellschaft mbH & Co. KG Sylda II KG to implement further wind projects. These companies will be fully consolidated.

The company EVO Alpha eins GmbH, Frankfurt am Main, was founded by FRASSUR GmbH Umweltschutz-Dienstleistungen, Mörfelden-Walldorf, and fully consolidated in the 1st quarter of 2014/15. Following the takeover of utility businesses in an asset deal framework, the company was renamed as MDW Muldendienst West GmbH.

The company SWKiel Speicher GmbH, Kiel, was founded by Stadtwerke Kiel Aktiengesellschaft, Kiel, and fully consolidated in the 1st quarter of 2014/15.

The exercising of a purchase option in connection with a lease agreement means that the basis for the full consolidation of ZEDER Verwaltungsgesellschaft mbH & Co. Vermietungs KG, Pullach, no longer applies. This company was therefore deconsolidated in the 1st quarter of 2014/15. This led to earnings of Euro 393 thousand at the Group.

TradeSoft RM GmbH, Cologne, a company consolidated using the equity method, was sold in the 2nd quarter of 2014/15. This led to earnings of Euro 6 thousand at the Group.

Biomethananlage Barby GmbH, Regensburg, was included in the consolidated financial statements of the MVV Energie Group as a fully consolidated subsidiary in the 3rd quarter of 2014/15. The 74.9 % shareholding in this company was acquired by MVV Energie AG, Mannheim, in the quarter under report.

MVV Windpark Freudenberg GmbH, Freudenberg am Main, and MVV Windpark Hain-Ost GmbH, Mannheim, two wind power companies newly founded by MVV Energie AG, Mannheim, have been fully consolidated since the 3rd quarter of 2014/15.

The company 24sieben Nordwatt GmbH, Kiel, was merged into Stadtwerke Kiel Aktiengesellschaft, Kiel, in the 3rd quarter of 2014/15. This merger did not have any material implications for the Group's net asset, financial or earnings position.

The fair values upon acquisition of the identifiable assets and liabilities acquired in the context of the two aforementioned asset deals have been presented in the following table. In the case of the Windwärts asset deal, these involve remeasurements of the assets and liabilities acquired from the insolvency estate.

Identifiable assets and liabilities

	Windwärts asset deal	**MDW asset deal**
Euro 000s	Recognised upon acquisition	Recognised upon acquisition
Intangible assets	51	1 921
Property, plant and equipment	974	1 064
Financial assets	948	—
Inventories	9 535	15
Trade receivables	249	—
Other receivables	40	—
Cash and cash equivalents	288	—
Deferred expenses and accrued income	6	—
Provisions	233	—
Trade payables	11	—
Other liabilities	259	—
Fair value of net assets	**11 588**	**3 000**
Goodwill	4 668	—

The measurement of the assets and liabilities taken over is of a preliminary nature as the purchase price allocations have not yet been completed.

The purchase prices were settled from liquid funds.

Currency translation

Currency translation in the condensed interim consolidated financial statements has been based on the following exchange rates:

Currency translation

	Rate on reporting date		**Average rate**	
1 Euro	**30 Jun 2015**	30 Sep 2014	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Czech crowns (CZK)	27.253	27.500	27.545	27.178
British pounds (GBP)	0.711	0.777	0.752	0.828

Source: European Central Bank

Seasonal influences on business activities

The seasonal nature of business activities at the companies in the MVV Energie Group means that a higher level of sales and operating earnings is regularly generated in the first two quarters of the financial year than in the 3rd and 4th quarters.

Notes to Income Statement

1 Sales

A depiction of sales broken down into their respective value creation stages has been provided in the segment report.

Translated into group currency, sales at our foreign subsidiaries amounted to Euro 74 322 thousand.

2 Other operating income and other operating expenses

Other operating income

Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Income from derivatives recognised under IAS 39[1]	58 447	123 015
Income from emission rights	16 146	14 255
Reversal of impairments and receipts of retired receivables[1]	5 871	12 887
Exchange rate gains	4 288	1 449
Agency services and personnel supplies	4 502	3 794
Income from sale of assets[1]	3 036	2 711
Reversal of provisions	2 000	6 703
Other[1]	26 086	24 697
	120 376	**189 511**

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

Other operating expenses

Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Expenses for derivatives recognised under IAS 39[1]	53 141	96 448
Contributions, fees and duties[1]	17 064	16 426
Rental, leasehold and leasing[1]	14 037	13 436
Expenses for maintenance, repairs and IT services[1]	8 574	14 562
Additions to write-downs and receivable defaults[1]	8 534	13 403
Exchange rate losses	2 440	1 561
Other[1]	70 407	68 095
	174 197	**223 931**

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

The change in other operating income and other operating expenses is chiefly due to the recognition of derivatives measured under IAS 39. Commodity prices witnessed a lower degree of volatility in the first nine months of 2014/15 than in the comparative period in the previous year. The measurement of these items under IAS 39 resulted in a positive net effect of Euro 5 306 thousand in the first nine months of 2014/15 (previous year: positive effect of Euro 26 567 thousand).

3 Income from companies recognised at equity

The income of Euro 21 753 thousand from companies recognised at equity (previous year: Euro 23 258 thousand) is attributable to the subsequent measurement of companies recognised at equity at the MVV Energie Group.

4 Financing income and financing expenses

Financing income and financing expenses mainly involve interest on loans and financial leases, currency translation income and expenses for financing facilities, as well as IAS 39 measurement items.

5 Taxes on income

Taxes on income

Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014
Taxes on income[1]	50 303	45 750
Effective tax rate in %	29.2	27.2

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

6 Earnings per share

Earnings attributable to MVV Energie AG shareholders and earnings per share

	1 Oct 2014 to 30 Jun 2015	1 Oct 2013 to 30 Jun 2014
Earnings attributable to MVV Energie AG shareholders (Euro 000s)[1]	107 937	104 379
No. of shares in 000s (weighted average)	65 907	65 907
Earnings per share (Euro)[1]	1.64	1.58

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

It was not necessary to account for any dilution effects.

Notes to Balance Sheet

7 Other receivables and assets

The increase in other receivables and assets compared with 30 September 2014 is principally due to higher market prices and the resultant increase in the fair values of energy trading transactions recognised under IAS 39. This effect was opposed by the developments in receivables from security deposits for energy trading transactions.

8 Deferred taxes

The changes in deferred tax receivables and deferred tax liabilities are primarily due to measurement items for energy trading transactions.

9 Inventories

Inventories rose by Euro 8 236 thousand compared with 30 September 2014. This increase is chiefly due to the addition of the project rights at Windwärts Energie GmbH, Mannheim, and Vents d'Oc Énergies Renouvelables SARL, Montpellier, as well as to adjustment in the business model in line with new market circumstances and the resultant change in the recognition of receivables for already existing projects. Operations at the gas storage facility have led to volatile movements in inventories.

10 Trade receivables

The increase in trade receivables largely corresponds to the expected and customary seasonal course of business. For the first nine months of 2014/15, this means that the customer instalments received are now countered by lower energy consumption and that the volume of receivables is thus declining once again compared with previous quarters.

11 Cash and cash equivalents

The sharp reduction in cash and cash equivalents is primarily due to the investment made in extending the wind power value chain. A further major factor involves the exercising of the purchase option for a non-recyclable waste incineration and energy generation plant. Cash and cash equivalents were additionally reduced by the payment of the dividend for the 2013/14 financial year.

12 Dividends paid

The Annual General Meeting on 13 March 2015 approved the distribution of a dividend of Euro 0.90 per individual share, and thus unchanged on the previous year, for the 2013/14 financial year (total distribution: Euro 59 316 thousand). Furthermore, a total of Euro 15 343 thousand was distributed to minority shareholders on subgroup level.

13 Financial debt

Financial debt increased by Euro 177 051 thousand compared with 30 September 2014. This increase chiefly resulted from the taking up of a foreign currency loan for the further financing of investments at a British subsidiary and from the taking up of by MVV Energie AG of promissory note loans for the further financing of investments.

14 Other liabilities

The increase in other liabilities is mainly due to higher market prices and the resultant increase in the fair values of energy trading transactions recognised under IAS 39, as well as to the recognition of liabilities arising in the context of a company purchase and the agreed earn-out clause.

15 Contingent liabilities

There have been no material changes in contingent liabilities since 30 September 2014.

16 Segment report

Income statement of the MVV Energie Group by segment from 1 October 2014 to 30 June 2015

Euro 000s	External sales excluding energy taxes	Intercompany sales excluding energy taxes	Depreciation and amortisation	Adjusted EBIT
Generation and Infrastructure	337 709	496 899	82 803	132 468
Trading and Portfolio Management	549 781	587 969	215	– 14 389
Sales and Services	1 667 660	214 556	11 453	46 529
Strategic Investments	85 747	994	7 845	25 602
Other Activities	1 665	19 376	12 182	6 035
Consolidation	—	– 1 319 794	—	– 42
	2 642 562	**—**	**114 498**	**196 203**

Income statement of the MVV Energie Group by segment from 1 October 2013 to 30 June 2014

Euro 000s	External sales excluding energy taxes [1]	Intercompany sales excluding energy taxes [1]	Depreciation and amortisation [1]	Adjusted EBIT [1]
Generation and Infrastructure	297 602	489 104	83 900	113 333
Trading and Portfolio Management	741 376	700 917	216	– 15 021
Sales and Services	1 767 223	258 325	12 037	40 220
Strategic Investments	87 141	1 859	7 984	30 149
Other Activities	2 723	19 928	11 460	10 094
Consolidation	—	– 1 470 133	—	2 242
	2 896 065	**—**	**115 597**	**181 017**

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

External reporting is consistent with the internal management structure. Units are grouped in such a way that the pooling of specialist competence under one roof forms the basis for stringent portfolio management at the Group. Business fields based on the respective energy industry value creation stages have been allocated to the reporting segments of Generation and Infrastructure, Trading and Portfolio Management, Sales and Services, Strategic Investments and Other Activities.

For analytical purposes, the business fields can be further broken down by subgroup and individual company with their products.

- The **GENERATION AND INFRASTRUCTURE** reporting segment comprises the conventional power plants, energy from waste plants and biomass power plants at the Mannheim, Stadtwerke Kiel, Energieversorgung Offenbach and MVV Umwelt subgroups. Furthermore, this reporting segment also includes our waterworks, wind power portfolio, biomethane plants and the renewable energies project development business field. Moreover, this segment also includes grid facilities for electricity, heating energy, gas and water and technical service units allocated to the grids business field for grid-based energy and water distribution.
- The **TRADING AND PORTFOLIO MANAGEMENT** reporting segment includes energy procurement and portfolio management and the energy trading business at MVV Trading GmbH.
- The **SALES AND SERVICES** reporting segment consists of the retail and secondary distribution electricity, heating energy, gas and water business at the Mannheim, Stadtwerke Kiel and Energieversorgung Offenbach subgroups, the energy-related services business at the MVV Enamic and Energieversorgung Offenbach subgroups and the new ventures business field with our activities in the field of decentralised energy management.
- The **STRATEGIC INVESTMENTS** reporting segment consists of the Köthen Energie and MVV Energie CZ subgroups and the at-equity result of the Stadtwerke Ingolstadt subgroup.
- The **OTHER ACTIVITIES** reporting segment consists in particular of the shared services companies and of cross-divisional functions.
- Consolidation includes figures relating to transactions with other reporting segments that are eliminated for consolidation purposes.

Intercompany sales represent the volume of sales between segments. The transfer prices applied to transfers between the segments correspond to customary market terms. Segment sales before consolidation are equivalent to the total of intercompany and external sales.

Of segment sales with external customers, 97.2 % were generated in Germany (previous year: 97.5 %). The regional breakdown of sales is based on the geographical location of the customers.

No individual customers of the MVV Energie Group account for or exceed 10 % of the Group's total sales.

The reconciliation of EBIT (income statement) with adjusted EBIT is presented in the following table:

Reconciliation of EBIT (income statement) with adjusted EBIT

Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014	+/– change
EBIT as per income statement[1]	196 725	203 113	– 6 388
Financial derivative measurement items[1]	– 5 306	– 26 567	21 261
Structural adjustment for part-time early retirement	2 446	1 893	553
Interest income from finance leases[1]	2 338	2 578	– 240
Adjusted EBIT	**196 203**	**181 017**	**15 186**

1 previous year's figures adjusted.
Further details can be found under ▶ *Accounting policies*

17 Cash flow statement

The cash flow before working capital and taxes increased in the first nine months of 2014/15 compared with the equivalent period in the previous year. This was chiefly due to net income before taxes on income after elimination of other non-cash income and expenses.

The reduction in the cash flow from operating activities in the first nine months of 2014/15 was attributable in particular to the change in working capital.

The cash flow from investing activities showed a sharp year-on-year reduction in the first nine months of 2014/15 due to the cash outflow for the participation in Juwi AG and for the Windwärts asset deal.

The cash flow from financing activities increased significantly compared with the previous year's period, a development chiefly due to increased net new borrowing.

18 Related party disclosures

Numerous contractually agreed legal relationships are in place between companies of the MVV Energie Group and the City of Mannheim and the companies controlled by the latter (electricity, gas, water and district heating supply agreements, as well as rental, leasing and service agreements). Furthermore, concession agreements are in place between MVV Energie AG and the City of Mannheim.

All business relationships have been concluded on customary market terms and are basically analogous to the supply and service agreements concluded with third parties.

Related party disclosures

	Goods and services provided				Receivables		Liabilities	
	Income		Expenses					
Euro 000s	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014	**1 Oct 2014 to 30 Jun 2015**	1 Oct 2013 to 30 Jun 2014	**30 Jun 2015**	30 Sep 2014	**30 Jun 2015**	30 Sep 2014
Abfallwirtschaft Mannheim	235	226	68	21	27	76	1	—
ABG Abfallbeseitigungsgesellschaft mbH	17	12	2 205	2 706	—	—	199	597
GBG Mannheimer Wohnungsbaugesellschaft mbH	9 542	10 712	123	73	737	823	—	—
m:con – mannheim:congress GmbH	2 882	2 799	341	344	8 036	6 641	—	—
MVV GmbH	65	78	160	—	—	17	—	—
MVV Verkehr GmbH	36	103	9	12	15	12	—	—
Rhein-Neckar-Verkehr GmbH	3 967	4 951	2	18	1 762	983	3 063	264
Stadtentwässerung Mannheim	1 825	3 221	802	1 584	705	367	23	—
City of Mannheim	12 177	14 080	16 386	16 119	229	1 156	7 486	4 605
Companies recognised at equity[1]	64 924	70 597	184 121	172 975	20 968	17 608	52 661	17 435
Other related parties	14 753	10 511	1 941	2 113	682	636	516	511
	110 423	**117 290**	**206 158**	**195 965**	**33 161**	**28 319**	**63 949**	**23 412**

1 previous year's figures adjusted. Further details can be found under ▶ *Accounting policies*

19 Events after balance sheet date

The Annual General Meeting of Juwi AG approved a capital increase of around Euro 70 million. MVV Energie AG will subscribe to the capital increase, which involves a dilution in the shareholdings held by existing shareholders. Following the capital increase, MVV Energie AG will hold a 63.1 % stake in Juwi AG.

Mannheim, 11 August 2015

MVV Energie AG

Executive Board

Dr. Müller Bekker Klöpfer Dr. Roll

RESPONSIBILITY STATEMENT

“We affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles applicable for interim reporting and the interim group management report provides a fair review of the development and performance of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group through to the end of the 2014/15 financial year.”

Mannheim, 11 August 2015

MVV Energie AG

Executive Board

Dr. Müller Bekker Klöpfer Dr. Roll

FINANCIAL CALENDAR

•
14 August 2015
Financial Report for 1st Nine Months of 2014/15

•
14 August 2015
Analysts' Conference for 1st Nine Months of 2014/15

•
10 December 2015
Annual Financial Report 2014/15 (Annual Report)

•
10 December 2015
Annual Results Press Conference and Analysts' Conference for 2014/15 Financial Year

•
12 February 2016
Financial Report for 1st Quarter of 2015/16

•
4 March 2016
Annual General Meeting

•
13 May 2016
Financial Report for 1st Half of 2015/16

•
13 May 2016
Analysts' Conference for 1st Half of 2015/16

•
12 August 2016
Financial Report for 1st Nine Months of 2015/16

•
12 August 2016
Analysts' Conference for 1st Nine Months of 2015/16

•
13 December 2016
Annual Financial Report 2015/16 (Annual Report)

•
13 December 2016
Annual Results Press Conference and Analysts' Conference for 2015/16 Financial Year

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All financial reports of the MVV Energie Group can be downloaded from our websites. The German and English editions of the 2013/14 Annual Report can also be accessed in Flash format.

www.mvv-investor.de