



AS TALLINNA VESI OPERATIONS PERFORMANCE 9 MONTHS 2010

AS Tallinna Vesi's overall operating performance in the third quarter of 2010 was very good, with very high water quality results and significant improvements in service reliability. The number of planned interruptions in the third quarter exceeded the number of unplanned interruptions, thus allowing the Company to notify its customers of service interruptions beforehand. The number of complaints has also been decreasing from the beginning of the year due to restructuring of customer service operations. AS Tallinna Vesi remains on target to achieve its required levels of service and quality standards agreed with the City of Tallinn in the Services Agreement by the end of 2010.

Operation Performance	2009 1-9 months	2010 9 months
Water		
Water compliance at customers premises %	99,50	99,54
Total number of customer interruptions (unplanned)	597	318
Average unplanned interruption time per property hrs	4,19	4,18
Number of customer contacts regarding water pressure	844	1030
Loss of water in distribution system %	17,64	21,2
Wastewater		
Number of sewer blockings	942	807
Number of sewer collapses	87	89
Network Extension Program		
Water network completion	Wastewater network completion	Stormwater connection completion
5, 1 kilometres or 99%	38,5 kilometres or 97%	9,8 kilometres or 78%

Water

No incidents or events occurred in the third quarter, thus water quality remains to be on an excellent level, with 100% of the water samples taken at the Ülemiste water treatment plant compliant with quality standards and 99,54% of the water samples taken at the customer's tap compliant with the quality standards established by the Ministry of Social Affairs. The current quality regulation agreed with the City of Tallinn in the Services Agreement requires at least 95% compliance.

Network

The overall leakages level has worsened year-on-year due to the effects of the severe winter in the beginning of the year, but overall network performance has improved

during the third quarter, reaching to 19,1%. The company continues to target the economic leakages level in Tallinn, estimated to be 18%.

A significant improvement in service reliability has been achieved due to the number of unplanned interruptions decreasing by 55% as the result of changes in work management processes. The Company expects to achieve within 2010 the target of reducing the number of unplanned interruptions to be below the number of planned interruptions, thus allowing the Company to inform its customers of planned works and giving them the chance to plan their activities accordingly.

AS Tallinna Vesi repaired over 200 manholes during September as per agreement with the City of Tallinn, contributing to better road surface in the capital.

Network Extension Program

The Company has completed 91,3% of the network extension program planned for 2010 and all work should be completed by 15th of November. Altogether 5.1 kilometres of water network, 38.5 kilometres of wastewater network and 9.8 kilometres of stormwater network have been completed, mostly in Nõmme, Pirita and Haabersti.

Altogether 3575 properties will have the possibility to connect to public wastewater as part of the 2008-2010 Network Extension Program, of these 2071 were connected as of Q3 2010. The Company organized the miniregatta in Tallinn in August to draw more attention to the network extension program and to invite residents to connect to the system. As the result of the awareness campaign and proactive sales, the total number of subsidy sewage connections is estimated to reach over 2400 by the end of 2010.

Investments and capital program

AS Tallinna Vesi has invested over 113 million kroons into its operations during 2010, included in this sum is the initial investment into the construction of an additional treatment stage at the wastewater treatment plant, the biofilter. Over 57 million kroons have been invested into the network extension program, 24 million kroons into the wastewater treatment plan and over 18 million kroons in the water and wastewater networks.

Customers and Community

The Company held its annual open door day at the Ülemiste water treatment plant in August, attracting over 300 people to tour the facilities.

Several changes in the customer service section of the Company's operations have resulted in improved customer service. For example the percentage of lost calls on a normal day in the third quarter was just 1 per cent, while 82,2% of all letters were answered within 2 working days. Written complaints have also decreased by 20% in Q3.