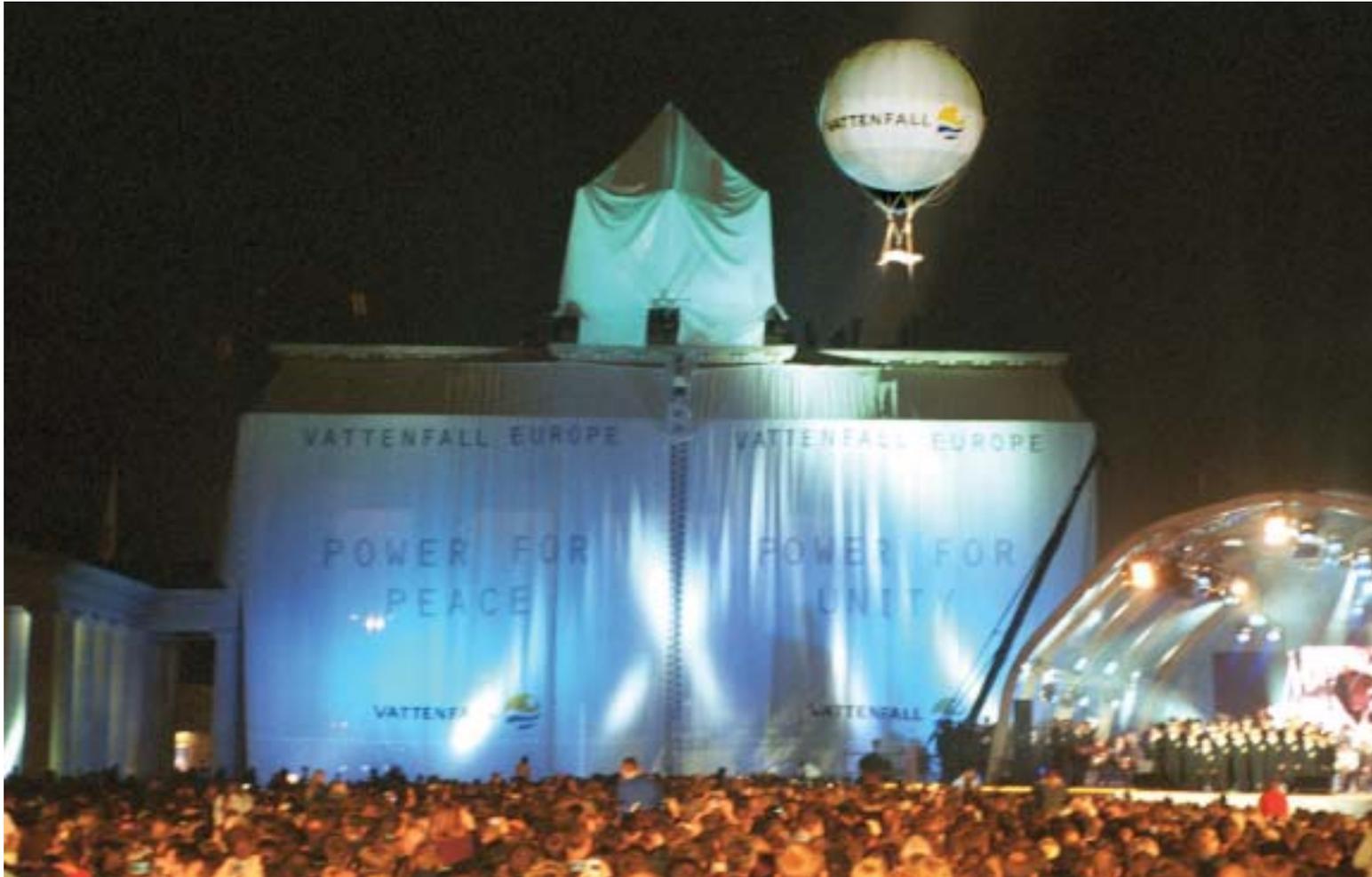


NINE-MONTH INTERIM REPORT 2002

January – September



"Vattenfall's vision is to be a leading European energy company. Essentially, this means that in the short and long term, customers must view Vattenfall as the best supplier and as making a positive contribution to the economic development of the countries where we operate."

Lars G Josefsson
President and Chief Executive Officer

Comments by the Chief Executive Officer

- Net sales rose by 54 per cent to SEK 72,241 million (46,766).
- Operating profit increased by 44 per cent to SEK 9,094 million (6,295).
Adjusted for items affecting comparability, operating profit increased by 58 per cent to SEK 8,668 million (5,480).
- Net profit increased by 59 per cent to SEK 4,027 million (2,534).
Adjusted for items affecting comparability, net profit increased by 88 per cent to SEK 3,690 million (1,961).

For the first nine months of 2002, the Vattenfall Group continued to report a positive development in financial performance. The 54 per cent increase in net sales, compared with the corresponding period the previous year, is attributable to the acquisitions in Germany. Operations are now under consolidation and we are satisfied to report that the new German organisation is in place. For the Group as a whole, both operating profit and net profit have significantly improved compared with the corresponding period the previous year. Calculated on a rolling 12-month basis, the return on net assets amounted to 10.3 per cent and, adjusted for items affecting comparability, to 9.7 per cent. (Full year 2001: 9.9 and 8.8, respectively.)

Vattenfall Europe Formed

Several milestones in the development of Vattenfall Europe have now been reached in Germany. On August 27, the City of Hamburg's remaining stake in HEW (25.1 per cent) was acquired and, on September 30, the merger of VEAG and HEW was registered in the German "Handelsregister" and has, thereby giving the merger legal force. The company now operates under the name of Vattenfall Europe AG and the headquarters in Berlin is fully operational.

The integration of the German company is progressing as planned. Value creation and profitable growth are Vattenfall's primary financial objectives and work is underway to

achieve these objectives in many areas of the company. Rationalisation measures are being implemented and change management programmes are in progress in order to enhance Vattenfall employees' sense of corporate identity, motivation and commitment. These are all key success factors for a satisfactory and sustainable profitability.

Improved Customer Service

Vattenfall aims to be a leading European energy company. We intend to be the number one choice for customers, the environment and the economy. This is why we are taking the lead and actively concentrating on simplifying and improving our service to retail customers in Sweden. This initiative means that, in the future, customers will only be charged for their actual electricity consumption. The current system of charging customers on a preliminary basis with payment in advance will be discontinued. For our smaller retail customers, who most often live in flats, we are introducing the option of a fixed monthly fee which is independent of actual electricity consumption. This new option gives these customers maximum simplicity and security. For customers who wish to pay for actual consumption, we are introducing a system where they can easily read the electricity meters themselves. For larger retail customers, mainly owners of private houses, we are introducing new technology with remote meter reading, enabling these

Cover picture:
Vattenfall was one of the main sponsors of the re-inauguration of Brandenburger Tor in Berlin on the German national day, October 3, 2002.
Photo: Kristina Eriksson

customers to be billed for actual consumption and to exercise full control over their own consumption and costs.

Vattenfall is investing SEK 600 million over a three-year period to enhance services to retail customers. The investment will also result in substantial cost rationalisation benefits for us in terms of simplifying our metering and billing processes at the same time that it will allow us to gain market share.

Market Development

The warm and unusually dry summer in the Nordic countries has resulted in low water reservoir levels, which caused a sharp rise in Nord Pool spot and futures market prices during the third quarter. At the end of September, the water level in Vattenfall's reservoirs was below normal and was at about the same level as that for Sweden as a whole. For Vattenfall, the warm weather led to a decline in sales volume although, in terms of earnings, higher electricity prices have partially compensated for the impact of this shortfall in volume. It is important to emphasise that there is no long-term shortage in the energy system. At the same time, the electricity price trend reflects the considerable volatility of market prices. On the other hand, electricity prices in Germany remained stable during the period.

Global Sustainable Development

An intrinsic part of becoming a leading European energy company means striving to be number one in terms of sustainable development. The Johannesburg Summit, which took place in the third quarter, heightened the focus on sustainability. The EU is continuing to work on the basis of the Kyoto Protocol. Cost-effective solutions must be sought for climate issues and, in the long term, an international trading system in emission rights must be established. The first step is to formulate a trading system within the EU which will provide reasonable results for participating companies. The short-term solutions that have already been implemented must give continued scope.

In Sweden, the Ministry of Industry has presented a new bill on electricity certificates – a quota-based Swedish certificate system – in order to promote electricity generation from renewable energy sources. During the autumn session, the Swedish parliament is expected to enact a bill for such a system, which will enter into force from May 1, 2003.

In Vattenfall's opinion, this is a step in the right direction since such a system is in harmony with a deregulated electricity market, unlike the current system of subsidies. The Swedish Government's Energy Bill

Based on the energy bill, the Government and the major energy companies in Sweden have now started discussing the transformation of the energy system. According to the Government, the agreement will lay the necessary groundwork for the continued viable operation of the nuclear power plants during their economic lifetime. In Vattenfall's opinion, the present tax on nuclear power generation must be abolished in order for this to occur.

Summary

In spite of the fact that the warm weather during September led to a decrease in earnings compared with the previous year, financial performance for the period was satisfactory. Our new corporate structure is in place, German operations are currently being consolidated and more or less all of the business units are exceeding performance expectations. Vattenfall has established a strong foothold in Northern Europe and is presenting a clear profile in terms of sustainability while also focusing on enhancing customer service. The realisation of our long-term vision is within our reach.



Lars G Josefsson
President and Chief Executive Officer

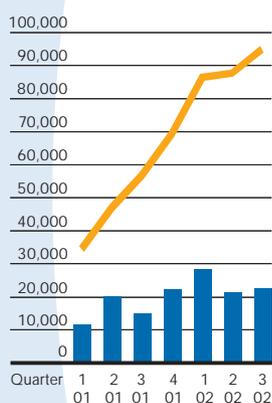
SUMMARY OF VATTENFALL'S FINANCIAL PERFORMANCE

SEK million	January – September		Change %
	2002	2001	
Net sales	72,241	46,766	54.4
Operating profit (EBIT)	9,094	6,295	44.5
Operating profit excluding items affecting comparability	8,668	5,480	58.2
Funds from Operations (FFO)	10,455	10,132	3.2
Financial items, net	-2,816	-1,559	-80.6
Profit before tax and minority interests	6,278	4,736	32.6
Net profit for the period	4,027	2,534	58.9
Return on net assets, excluding items affecting comparability *	9.7	8.8	

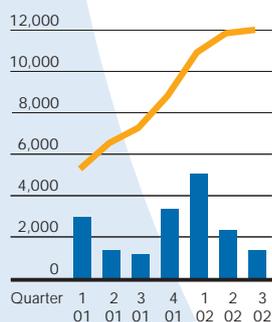
Vattenfall's financial performance varies considerably during the year. A substantial portion of income from the year is normally generated during the first and fourth quarter of the year, when electricity and heat demand is greatest.

* Concerns the period of October 2001 – September 2002 as well as the whole of 2001.

Net sales (SEK m)



Operating profit, excl. items affecting comparability (SEK m)



— Rolling 12-month values
■ Quarterly values

GROUP

Sales and Performance,

January – September 2002

Net sales increased by 54.4 per cent or SEK 25,475 million to SEK 72,241 million (46,766). The increase is due to the expansion of the German business, compared with the corresponding period the previous year. HEW was consolidated from January 2001, VEAG from May 16, 2001, LAUBAG from July 1, 2001 and Bewag from February 1, 2002. Bewag's net sales outside the Group for the period amounted to SEK 12,582 million. VEAG's net sales outside the Group during the period amounted to SEK 17,626 million. LAUBAG, which mainly sells coal to VEAG, reported SEK 729 million in net sales outside the Group during the period.

Operating expenses amounted to SEK 65,214 million (42,164), which is an increase of SEK 23,050 million that is largely attributable to company acquisitions in Germany. Depreciation amounted to SEK 8,724 million net (5,652).

Operating profit increased by SEK 2,799 million to SEK 9,094 million (6,295). The operating profit includes SEK 426 million (815) in items affecting comparability in the form of net capital gains and losses.

Financial income and expenses net amounted to SEK -2,816 million (-1,559). Interest

expenses increased as a result of increased borrowing. Furthermore, financial items were negatively affected by the value depreciation of German investment assets which, however, were largely compensated for through higher dividends and increased interest income.

Interest coverage was 2.2 times (2.1), adjusted for items affecting comparability.

Profit before tax and minority interests increased by SEK 1,542 million to SEK 6,278 million (4,736) and net profit increased by SEK 1,493 million to SEK 4,027 million (2,534). Adjusted for items affecting comparability, the pre-tax profit margin was 8.0 per cent (8.4).

Calculated on a rolling 12-month basis, the return on equity amounted to 14.8 per cent, and adjusted for items affecting comparability, to 14.0 per cent. (Full year 2001: 11.8 and 10.3, respectively.)

Financial Position

Liquid assets amounted to SEK 25,633 million (December 31, 2001: 10,340). The amount includes SEK 17,475 million as well as SEK 377 million, which were reported in the annual accounts for 2001 and the interim report for the 1st Quarter, 2002, as financial fixed assets and current receivables, respectively.

Net debt, namely interest-bearing debt and provisions minus liquid assets and SEK 4,389

million in interest-bearing investment assets amounted to SEK 79,225 million. At June 30, 2002, the corresponding net debt amounted to SEK 72,069 million. The increase is attributable to increased borrowings to finance Vattenfall's acquisition of the City of Hamburg's remaining 25.1 per cent stake in HEW. The purchase price was EUR 869.2 million.

Borrowing during the third quarter was conducted through a major 18-month transaction on the Swedish MTN market, several private placements in the European EMTN programme and a long-term loan from Nordiska Investeringssbanken. The need for borrowing for the rest of the year has thereby been met.

Equity amounted to SEK 41,347 million (38,399), which is an SEK 2,948 million increase since September 30, 2001. Minority interest in equity amounted to SEK 11,519 million (18,772), which is a decrease of SEK 7,253 million since September 30, 2001. The equity-assets ratio (see definition on the last page) amounted to 18.4 per cent, compared with 21.4 per cent at September 30, 2001.

Since the rating agencies removed Vattenfall from their watchlists in February 2002, no rating changes have occurred. Vattenfall's current rating is A3/P-2 (Moody's) and A-/A-2 (Standard & Poor's) – in both cases with "Outlook negative".

Investments

The Group's investments amounted to SEK 38,413 million (43,767), of which growth investments, namely company acquisitions and expansion investments in fixed assets, amounted to SEK 31,475 million. Company acquisitions amounted to SEK 29,926 million, of which acquisitions of group companies amounted to SEK 25,432 million (21,142), associated companies, SEK 2,535 million (17,385) and other long-term securities, SEK 1,959 million (508). SEK 8,487 million (4,732) was invested in tangible and intangible assets.

Structural Changes

On August 21, the annual general meeting of HEW AG approved the merger with VEAG

and the change of name to Vattenfall Europe AG. On the following day, the annual general meeting of VEAG did the same. The merger of the companies took the form of a Push Down Merger whereby the operational parts of the companies were first separated. Both parent companies were then merged, in their new form, into holding companies. In June, subsidiaries had been formed in order to manage VEAG's power plants, networks and sales operations. At the same time, a decision was made to separate the operational parts of HEW. These parts will continue as part of the local operations in Hamburg. Early next year, Bewag, which has a split financial year, will merge with Vattenfall Europe through a similar process. On August 27, Vattenfall acquired the City of Hamburg's remaining 25.1 per cent stake in HEW. The formal registration of the new company, Vattenfall Europe AG, in the German "Handelsregister" took place on September 30.

In July, Vattenfall increased its ownership stake in Härjedalens Mineral AB to 100 per cent through the acquisition of Härjedalen Municipality's 19-per cent stake in the company.

In September, Vattenfall decided to transfer its ownership of shares in Arrowhead AB to Song Networks Holding AB. After the transaction, Vattenfall will own almost 20 per cent of the shares in a reconstructed Song. Vattenfall also decided to make a SEK 200 million capital contribution to Song. The transaction is conditional upon the approval of the reconstruction by Song's current bondholders and by Song's annual general meeting.

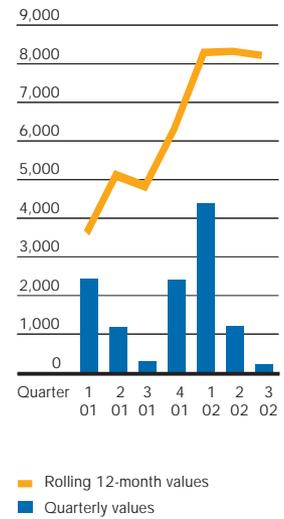
Personnel

At the end of September, the number of employees, expressed as employee years amounted to 34,317 (December 31, 2001: 28,657). The number of employees outside Sweden was 26,279 (December 31, 2001: 20,668).

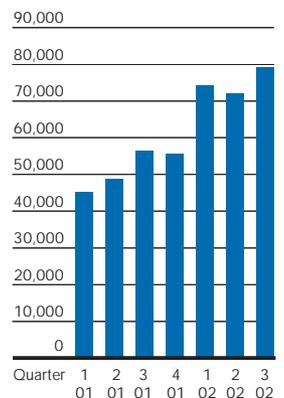
Power and Heat Sales

Electricity sales for the Group amounted to 163.4 TWh, of which Germany accounted

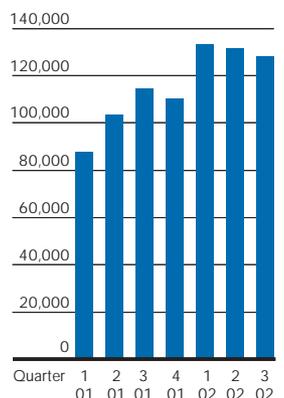
Profit before tax and minority interests, excl. items affecting comparability (SEK m)



Net debt (SEK m)



Net assets (SEK m)



for 79.4, the Nordic countries for 36.3 TWh, Poland for 2.2 TWh and other countries for 9.9 TWh. Of Vattenfall's own electricity generation of 115.8 TWh, 24 per cent comprised hydro power, 33 per cent comprised nuclear power and 43 per cent comprised fossil power. Heat sales amounted to a total of 20.2 TWh, of which Germany accounted for 8.1 TWh, the Nordic countries for 5.1 TWh and Poland for 7.0 TWh.

PROFIT AREAS

Generation Nordic Countries

Net sales amounted to SEK 14,581 million (16,213), which is an SEK 1,632 million decline. Operating profit amounted to SEK 3,806 million (4,451), which is an SEK 645 million decrease. Excluding items affecting comparability, operating profit declined by SEK 449 million to SEK 3,813 million. The decline in net sales and operating profit is mainly explained by a lower generation volume compared with the corresponding period the previous year.

Market Nordic Countries

Market Nordic Countries comprises the following business units: Sales Sweden, Sales Finland, Mega and Supply & Trading.

Net sales amounted to SEK 11,751 million (13,528). Operating profit increased by SEK 917 million to SEK 349 million (-568). The substantial improvement is primarily due to increased efficiency and improved results in Swedish power trading.

Heat Nordic Countries

Net sales decreased by SEK 44 million to SEK 1,729 million (1,773). On the other hand, operating profit increased by SEK 82 million to SEK 119 million.

The warm weather led to a six per cent decline in sales. However, reduced costs, price improvements and the good performance of heat production facilities have compensated for this decrease.

Electricity Networks Nordic Countries

Electricity Networks Nordic Countries comprises the Electricity Networks Sweden and Electricity Networks Finland business units.

Net sales decreased by SEK 262 million to SEK 5,322 million (5,584). Operating profit declined by SEK 80 million to SEK 1,170 million (1,250). Excluding items affecting comparability, operating profit decreased by SEK 27 million. The decrease is due to lower volumes as a result of milder weather. The volume distributed to network customers amounted to 63.8 TWh (65.6).

Services

Net sales declined by SEK 40 million to SEK 2,037 million (2,077). Operating profit decreased by SEK 69 million to SEK 72 million (141). Excluding items affecting comparability, operating profit declined by SEK 35 million. The decrease is mainly attributable to lower business volumes as a result of the divestment of the Finnish contracting operations.

Germany and Poland

Net sales which, from 2002, include Vattenfall Europe Trading GmbH (formerly Nordic Powerhouse), more than doubled to SEK 48,384 million (20,316). Operating profit increased by SEK 1,893 million to SEK 3,716 million (1,823). The increase is due to the fact that VEAG was included in the Group from May 16, 2001 and Bewag, from February 1, 2002. Earnings have been negatively affected by the fact that the Brunsbüttel nuclear power plant could not be restarted as scheduled after the annual refuelling and maintenance outage. The plant has been shut down since February 18.

Business in Poland has been negatively affected by the recently introduced electricity generation tax and by the mild weather which has led to a decline in the demand for heat. However, improved prices and success-

Electricity Balance January–September 2002 (TWh)

Output

Sweden	30.4
Finland	4.6
Germany	79.4
Poland	2.2
Other countries	11.2
Spot market	22.7
Total electricity sales	150.5
Delivered to minority shareholders, etc	12.9
Total	163.4

Input

Internal generation	
Hydro power	27.3
Nuclear power	38.3
Fossil-based power	50.1
Total internal generation	115.7
Purchased power	45.7
Spot market	8.0
Total electricity input	169.4
Internal consumption	-6.0
Total	163.4

ful rationalisation programmes have compensated for both the electricity tax and the volume decrease.

Other Business

Other Business comprises service companies and other non-core business activities as well as group overheads. Net sales amounted to SEK 1,285 million (2,334) and the operating result to SEK -104 million (-813). Adjusted for items affecting comparability, the operating result amounted to SEK -557 million (-1,350). The previous year, substantial costs were charged to income in connection with the closing down of the New Business profit area.

PARENT COMPANY

Net sales amounted to SEK 14,429 million (14,980). Profit after financial items amounted to SEK 2,117 million (842). Investments during the period amounted to SEK 9,023 million. Liquid assets amounted to SEK 294 million (December 31, 2001: 124). Funds in the group cash pool managed by Vattenfall Treasury AB amounted to SEK 11,694 million (December 31, 2001: 6,760).

ACCOUNTING POLICIES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation (RR20) on interim reports.

When preparing this report, Vattenfall

applied the accounting policies specified under the heading of "Accounting Policies and Valuation Principles" on page 38 of Vattenfall's Annual Report 2001.

The new recommendations issued by the Council which entered into force on January 1, 2002, did not entail any change in Vattenfall's accounting policies.

Investment assets in German companies which, at December 31, 2001, were reported under Current receivables (SEK 377 million) as well as under Other long-term securities held (SEK 17,475 million) were reclassified at June 30, 2002, as Short-term investments, included in Liquid assets.

Negative goodwill concerns expected future losses and expenses and is reported as a provision on the consolidated balance sheet. Negative goodwill, which concerns Vattenfall's acquisitions in Germany, amounted to SEK 17,772 million at September 30, 2002. During January-September 2002, SEK 2,827 million of this negative goodwill was dissolved in the gross profit against restructuring costs. Planned future losses and expenses are continuously being followed up and this negative goodwill will be dissolved as such losses and restructuring costs arise.

Stockholm, November 13, 2002

Lars G Josefsson
President and Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	January – September		July – September		Full year 2001
	2002	2001	2002	2001	
Net sales	72,241	46,766	22,496	15,140	69,003
Cost of products sold	-57,044 *	-36,873 *	-19,020	-12,754	-52,408 *
Gross profit	15,197	9,893	3,476	2,386	16,595
Selling expenses, research and development costs and administrative expenses	-8,170**	-5,291**	-2,994	-1,549	-9,313 **
Other operating income and expenses – net	1,748	2,136	757	915	2,166
Participations in the result of associated companies	319	-443	95	-520	511
Operating profit (EBIT)	9,094	6,295	1,334	1,232	9,959
Financial income	2,171	1,985	1,066	589	2,232
Financial expenses	-4,987	-3,544	-2,136	-1,441	-4,737
Profit before tax and minority interests	6,278	4,736	264	380	7,454
Tax	-1,714	-1,373	-71	-66	-2,167
Minority interests in profit for the period	-537	-829	82	-324	-1,097
Net profit for the period	4,027	2,534	275	-10	4,190
Items affecting comparability, before tax	467	795	52	53	1,127
Financial items, net	-2,816	-1,559	-1,070	-852	-2,505

* Of which, depreciation net, SEK 8,427 million (5,274 and 7,835, respectively). ** Of which, depreciation, SEK 297 million (378 and 456 respectively).

PROFIT AREAS

Amounts in SEK million	Net sales					Operating profit (EBIT)				
	January – September		July – September		Full year 2001	January – September		July – September		Full year 2001
	2002	2001	2002	2001		2002	2001	2002	2001	
Generation Nordic Countries	14,581	16,213	4,449	4,810	22,266	3,806	4,451	606	1,081	6,099
Market Nordic Countries**	11,751	13,528	3,769	4,211	19,492	349	-568	90	71	-511
Heat Nordic Countries	1,729	1,773	325	312	2,590	119	37	-98	-116	162
Electricity Networks										
Nordic Countries	5,322	5,584	1,324	1,451	7,924	1,170	1,250	17	7	1,816
Services	2,037	2,077	671	693	2,938	72	141	21	94	187
Germany and Poland**	48,384	20,316	15,823	7,095	32,752	3,716	1,823	873	790	3,983
Other Business	1,285	2,334	484	274	2,903	-104	-813	-163	-689	-1,730
Other and eliminations*	-12,848	-15,059	-4,349	-3,706	-21,862	-34	-26	-12	-6	-47
Total	72,241	46,766	22,496	15,140	69,003	9,094	6,295	1,334	1,232	9,959

* Mainly concerns trade between Market Nordic Countries, Electricity Networks Nordic Countries and Generation Nordic Countries.

** Net sales in Vattenfall Europe Trading GmbH (formerly Nordic Powerhouse) which, in the three-month interim report 2002 were reported under "Market Nordic Countries" have retroactively been reported under "Germany and Poland".

Amounts in SEK million	Operating profit (EBIT) excl. items affecting comparability				
	January – September		July – September		Full year 2001
	2002	2001	2002	2001	
Generation Nordic Countries	3,813	4,262	613	1,143	5,983
Market Nordic Countries	349	-557	90	82	-472
Heat Nordic Countries	111	26	-104	-125	129
Electricity Networks					
Nordic Countries	1,170	1,197	16	-46	1,783
Services	71	106	21	59	151
Germany and Poland	3,745	1,820	862	766	3,584
Other Business	-557	-1,350	-163	-714	-2,290
Other and eliminations*	-34	-24	-12	-6	-46
Total	8,668	5,480	1,323	1,159	8,822

* Mainly concerns trade between Market Nordic Countries, Electricity Networks Nordic Countries and Generation Nordic Countries.

CONSOLIDATED BALANCE SHEET

Amounts in SEK million	September 30 2002	September 30 2001	December 31 2001
Assets			
Fixed assets			
Intangible fixed assets	6,356	4,115	2,678
Tangible fixed assets	184,840	163,912	158,984
Financial fixed assets	32,789	52,138	53,335
Total fixed assets	223,985	220,165	214,997
Current assets			
Inventories	7,361	6,642	6,567
Current receivables	30,763	22,536	27,139
Liquid assets*	25,633	18,496	10,340
Total current assets	63,757	47,674	44,046
Total assets	287,742	267,839	259,043
Equity, provisions and liabilities			
Equity	41,347	38,399	39,578
Minority interests in equity	11,519	18,772	19,080
Provisions**	101,871	91,190	90,956
Long-term interest-bearing liabilities	66,024	58,107	58,420
Other long-term liabilities	1,283	1,043	1,599
Current interest-bearing liabilities*	42,881	36,362	30,113
Other current liabilities	22,817	23,966	19,297
Total equity, provisions and liabilities	287,742	267,839	259,043
Pledged assets	309	934	285
Contingent liabilities	11,858	9,285	10,733
Net assets at balance sheet date	128,094	114,817	110,062
Net assets, weighted average value, October 2001 – September 2002	124,184		
Net debt	79,225	56,424	55,736

* Includes SEK 980 million in interest arbitrage transactions (1,227 and 966, respectively).

** Of which, SEK 342 million (306 and 190, respectively) in interest-bearing provisions.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	January – September		Full year
	2002	2001	2001
Operating activities			
Funds from operation (FFO)	10,455	10,132	13,148
Cash flow from changes in operating assets and liabilities	2,454	1,600	–2,706
Cash flow from operating activities	12,909	11,732	10,442
Investing activities			
Investments	–37,131	–43,767	–43,443
Divestments	3,244	15,371	20,459
Cash flow from investing activities	–33,887	–28,396	–22,984
Cash flow before financing activities	–20,978	–16,664	–12,542
Financing activities			
Acquired/sold liquid assets and interest-bearing debt, net	–1,412	5,941	2,351
Dividend paid	–1,356	–1,627	–1,784
Cash flow after dividend*	–23,746	–12,350	–11,975
Net borrowing at the beginning of the period	–55,736	–43,311	–43,311
Cash flow after dividend	–23,746	–12,350	–11,975
Translation differences from net borrowing	257	–763	–450
Net borrowing at the end of the period	–79,225	–56,424	–55,736
* Supplementary disclosure			
Cash flow after dividend	–23,746	–12,350	–11,975
Change in interest-bearing receivables and liabilities, net	22,006	22,476	14,532
Translation differences	–819	827	240
Reclassification of investment assets to liquid assets	17,852	–	–
Change in liquid assets	15,293	10,953	2,797

CHANGE IN EQUITY

Amounts in SEK million	January – Sept 2002	January – Sept 2001
Opening balance of equity according to balance sheet adopted	39,578	35,120
Effect of change in accounting policy*	–	181
Opening balance of equity adjusted for new accounting policy	39,578	35,301
Dividend	–1,030	–990
Translation difference	–1,228	1,554
Net profit for the period	4,027	2,534
Closing balance	41,347	38,399

* Adaptation to the Swedish Financial Accounting Standards Council's recommendation no. 9.

EARNINGS PER SHARE

	January – September		Full year
	2002	2001	2001
Number of shares ('000)	131,700	131,700	131,700
Earnings per share (SEK)	30.58	16.07	31.82

KEY RATIOS

(in per cent unless otherwise specified)

	Oct 2001– Sept 2002	Full year 2001
Return on net assets	10.3	9.9
Return on net assets, excluding items affecting comparability	9.7	8.8
Return on equity	14.8	11.8
Return on equity, excluding items affecting comparability	14.0	10.3

	January – Sept 2002	January – Sept 2001
Operating margin	12.6	13.5
Operating margin, excluding items affecting comparability	12.0	11.7
Pre-tax profit margin	8.7	10.1
Pre-tax profit margin, excluding items affecting comparability	8.0	8.4
Interest coverage (times)	2.3	2.3
Interest coverage, excluding items affecting comparability (times)	2.2	2.1
FFO interest coverage (times)	3.1	3.9
FFO net interest coverage (times)	4.7	7.5
Equity-assets ratio	18.4	21.4
Net debt/equity (times)	1.5	1.0
FFO/interest-bearing debt and provisions	9.6	10.7
FFO/net debt	13.2	18.0
EBITDA/net financial items (times)	6.3	7.7
EBITDA/net financial items excl. items affecting comparability (times)	6.1	7.1

DEFINITIONS

Operating margin (per cent): EBIT in relation to net sales.

Pre-tax profit margin (per cent): Profit before tax and minority interests in relation to net sales.

Return on equity (per cent): Net profit for the period in relation to equity at the beginning of the period.

Return on net assets: EBIT in relation to a weighted average of the balance sheets for the period minus non-interest-bearing liabilities and provisions, interest-bearing receivables and liquid assets.

Interest coverage (times): EBIT plus financial income in relation to financial expenses.

FFO interest coverage (times): FFO plus financial expenses in relation to financial expenses.

FFO net interest coverage (times): FFO plus net financial items in relation to net financial items.

Equity-assets ratio (per cent): Equity plus minority interests in equity in relation to the balance sheet total at the end of the year minus interest-arbitrage transactions.

Net debt/equity (times): Interest-bearing debt and provisions minus investment assets and liquid assets in relation to equity plus minority interests in equity.

FFO/interest-bearing debt (per cent): FFO in relation to interest-bearing debt and provisions.

FFO/net debt (per cent): FFO in relation to interest-bearing debt and provisions minus investment assets and liquid assets.

EBITDA/net financial items (times): EBITDA in relation to net financial items.

This report has been translated from the Swedish original.

Vattenfall's press release concerning the annual accounts for 2002 will be published on February 20, 2003.