



INTERIM REPORT JANUARY–MARCH 2007

1/07

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- Operating profit decreased by 11.8% to SEK 11,198 million (12,689)
- Profit for the period decreased by 9.3% to SEK 7,235 million (7,979)

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Financial calendar 2007

Interim report January–June
Thursday, 26 July

Interim report January–September
Wednesday, 31 October

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All comparison figures in this report pertain
to the first quarter of 2006, unless indicated
otherwise

Cover photo: Mattias Ottestig, Production engineer,
Uppsala, Sweden.

AMBITIOUS INVESTMENT PLANS REQUIRE FINANCIAL STRENGTH

Decline in earnings mainly due to lower network revenues

Net sales rose 9.6% to SEK 41,644 million (38,013). However, operating profit decreased by 11.8%, to SEK 11,198 million (12,689). The sharp drop in electricity spot prices has not had any negative impact on earnings due to Vattenfall's continuous hedging of electricity generation. The decrease in earnings is mainly attributable to the Nordic countries, where operating profit fell by SEK 1,236 million, or 21.2%. This is mainly due to higher costs in the electricity network business – primarily stemming from the storm “Per” – and lower margins in the sales operations. Our German and Polish operations also showed a weaker quarter. Operating profit in Germany fell by SEK 471 million, or 7.4%, mainly due to significantly lower network tariffs resulting from rulings by the German network regulator. Poland's operating profit (excluding items affecting comparability) fell by SEK 161 million, or 26.9%, mainly due to lower heat sales resulting from warmer weather. Vattenfall's electricity trading activities in Vattenfall Trading Services posted an improved operating profit, by nearly SEK 500 million.

In the household customers market in Sweden, our “Trygghetsavtal” – a three-year fixed-price contract that gives customers the right to renew in the event of a price decline – has met continued high demand, and Vattenfall's market share has risen from 13% to 14%.

Profit for the period (after tax) fell 9.3% to SEK 7,235 million (7,979). The return on equity was 17.9%, and the return on net assets was 15.6% (both figures calculated on a last 12-month basis). The FFO interest coverage ratio after maintenance investments was 8.0 on a last 12-month

basis. Net debt decreased by SEK 4,579 million during the first quarter, to SEK 44,828 million.

Sharp price decline and lower electricity and heat production

Average spot prices in the Nordic countries fell by 41% to SEK 248/MWh (424), while in Germany they fell by 54% to EUR 29.8/MWh (65.1). The main factors behind this decline were warmer weather, lower prices for CO₂ emission allowances, and a strongly improved hydrological balance in the Nordic countries.

Vattenfall's total electricity generation decreased by 4.4%, to 45.7 TWh (47.8). Hydro power generation was essentially unchanged, while nuclear power generation decreased by 1.9 TWh. Fossil-based power decreased by 0.3 TWh, despite the power assets acquired in Denmark. Wind power increased by 0.4 TWh. Heat production decreased by 1.4 TWh, or just under 9%, to 14.4 TWh. Excluding Denmark, heat production fell by approximately 3.4 TWh, mainly due to higher temperatures.

Volatile electricity prices and weather variations clearly illustrate the immense risks and challenges in our business. We must therefore sharpen our focus and continuously work on utilising the potential for improvements and cost-cutting that exists throughout the Group. Several projects are currently being carried out to raise efficiency and to utilise the economies of scale that are created through the co-operation between our various geographic markets. I expect to see tangible results from these initiatives, and despite the softer earnings during the first quarter, I am confident about the future.



Several important steps in climate work

A strong balance sheet and strong cash flow are prerequisites for the major investments and risk-taking that are required of us to manage the necessary changeover to a sustainable energy system that does not contribute to climate change. I am happy to see that the climate issue is now being taken seriously – in individual countries, within the EU, and globally. Vattenfall is one of Europe's largest producers of electricity and heat, and accounts for considerable CO₂ emissions. We are working actively on technological development in this area, where we have taken a leading position: we are proposing solutions and we are contributing to the public

debate. In early 2007 Vattenfall took two more steps in its work on reducing greenhouse gas emissions. Together with representatives of a number of companies, I presented the global 3C (Combat Climate Change) Initiative, which calls for climate issues to be integrated into the world of markets and trade (read more at www.combatclimatechange.org). Further, in our in-depth “Global Climate Impact Abatement Map” study, we – together with McKinsey & Company – have identified a host of potential measures that can be taken around the world. This analysis shows that the measures needed to curb climate change are feasible and that they can be done at a reasonable cost. If these measures are put into action, emissions of greenhouse gases can be stabilised at a level that would make it possible to limit the long-term temperature rise on Earth to 2°C. A temperature rise above this level would very likely have catastrophic and unaccept-

able effects, including drought, epidemics and starvation.

For our own part, at Vattenfall we have formulated a very ambitious goal, namely, to reduce our CO₂ emissions by 50% by 2030 (from 1990 levels). This goes beyond what the EU has proposed in its new energy policy (20% by 2020). Through this target we want to show that Vattenfall continues to take a leading role in the climate issue and that we will be well equipped compared with our competitors when it comes to adjusting to a world in which we can no longer emit carbon dioxide free of charge.

Sharp rise in future investment

At Vattenfall we plan to invest SEK 134 billion during the five-year period 2007–2011 – an increase of SEK 30 billion compared with the five-year period 2006–2010. Our plans call for investment of SEK 71 billion in Germany, SEK 57

billion in the Nordic countries, and SEK 6 billion in Poland. Most of this investment – SEK 102 billion – is planned in electricity and heat production, while SEK 31 billion is earmarked for network activities and the remaining billion in other operations.

Strengthened safety work in nuclear power

The incident that occurred on 25 July 2006 at our Forsmark Swedish nuclear power plant gave rise to an extensive review of safety issues and the safety culture within our nuclear power activities. Ensuring the highest possible safety is our absolute top priority, and well documented and credible safety and environmental work are a fundamental precondition for the continued commercial operation of our facilities. A number of changes have been made in Forsmark’s board and company management. Vattenfall has strengthened its board representation in Forsmarks Kraftgrupp AB (66%–owned by Vattenfall) through the appointment of Hans von Uthmann, Senior Executive Vice President of Vattenfall AB and head of Vattenfall Nordic, as Chairman of the Board. In addition, a new managing director, Jan Edberg, has been installed. In February, Vattenfall’s board established a safety committee tasked with closely monitoring and reviewing nuclear power safety in the Group, with initial, primary focus on operations at Forsmark. The Board has co-opted an independent, internationally well-known expert who on behalf of the Board will be conducting an in-depth review of management systems, safety, reporting and management functions at Vattenfall’s nuclear power facilities. In February, Forsmarks Kraftgrupp AB requested an inspection by the UN’s International Atomic Energy Agency, which serves as the world’s nuclear inspectorate.



Lars G. Josefsson
President and CEO

Summary of Vattenfall's financial performance, cash flow and balance sheet

Amounts in SEK million	Q1 2007	Q1 2006	Change %	Last 12 months (LTM)
Net sales	41,644	38,013	9.6	139,433
Operating profit before depreciation and amortisation (EBITDA)	14,918	16,115	-7.4	41,969
Operating profit (EBIT)	11,198	12,689	-11.8	25,558
Operating profit excl. items affecting comparability	11,120	12,435	-10.6	25,361
Financial items, net	-494	-479	-3.1	-1,539
Profit before tax	10,704	12,210	-12.3	24,019
Profit for the period	7,235	7,979	-9.3	19,114
– of which, attributable to equity holders of the Parent Company	6,866	7,502	-8.5	18,093
– of which, attributable to minority interests	369	477	-22.6	1,021
Return on equity excl. items affecting comparability	–	–	–	17.6
Return on net assets excl. items affecting comparability	–	–	–	15.5
Funds from operations (FFO)	12,206	13,281	-8.1	34,598
Cash flow before financing activities	6,007	6,591	-8.9	18,976
Free cash flow	7,270	7,013	3.7	23,435
Cash and cash equivalents plus short-term investments	27,865	17,926	55.4	
Balance sheet total	334,961	334,124	0.3	
Equity incl. minority interests	118,455	93,386	26.8	
Capital Securities	9,190	9,241	-0.6	
Other interest-bearing liabilities	63,584	65,396	-2.8	
Net debt	44,828	56,474	-20.6	

Vattenfall’s earnings vary sharply during the year. Normally, the large part of annual profit is generated during the first and fourth quarters, when demand for electricity and heat is at its highest.

See page 21 for definitions.

Sales, profit and cash flow

Amounts in SEK million		Q1 2007	Q1 2006	Change %
Net sales	▲	41,644	38,013	9.6

Comment: Group external net sales decreased by SEK 1.3 billion for the Nordic countries and by SEK 0.2 billion for Poland, while they increased by SEK 2.8 billion in Germany and by SEK 2.3 billion for the Other segment, which includes Energy Trading. For more information, see pages 8–10.

Amounts in SEK million		Q1 2007	Q1 2006	Change %
Cost of products sold	▲	27,735	23,340	18.8

Comment: A large part of the increase pertains to EEG costs associated with wind power feed-in.

Amounts in SEK million		Q1 2007	Q1 2006	Change %
Operating profit	▼	11,198	12,689	-11.8
Operating profit excl. items affecting comparability	▼	11,120	12,435	-10.6

Comment: Warm weather and above-average temperatures resulted in lower demand especially for heat, but also for electricity, which also led to lower volumes in the network operations. In addition, the network operations in Germany and Poland are showing lower revenues due to decisions by the network regulators in the respective countries to lower Vattenfall's distribution tariffs. In Sweden, the network operations were charged with substantial costs for the storm "Per" in early January. For more information, see pages 8–10.

Amounts in SEK million		Q1 2007	Q1 2006	Change %
Cash flow from operating activities	▲	9,240	8,676	6.5
Free cash flow ¹	▲	7,270	7,013	3.7
Cash flow before financing activities	▼	6,007	6,591	-8.9

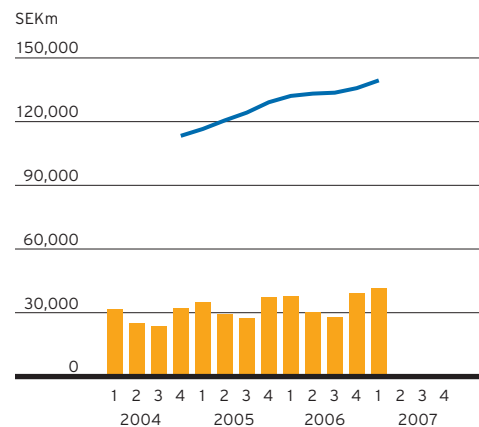
1) Cash flow from operating activities less maintenance investments.

Comment: The increase in cash flow from operating activities is mainly attributable to an improvement in working capital.

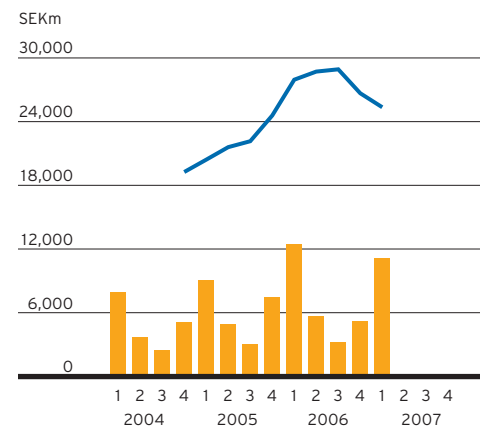
Amounts in SEK million		Q1 2007	Q1 2006	Change %
Net financial items	▼	-494	-479	-3.1
Interest income	▲	404	215	87.9
Interest expense	▼	-738	-752	-1.9
Interest received	▲	377	209	80.4
Interest paid	▲	-718	-506	41.9

Comment: Net interest income/expense for the first quarter averaged SEK -150 million (-179) per month.

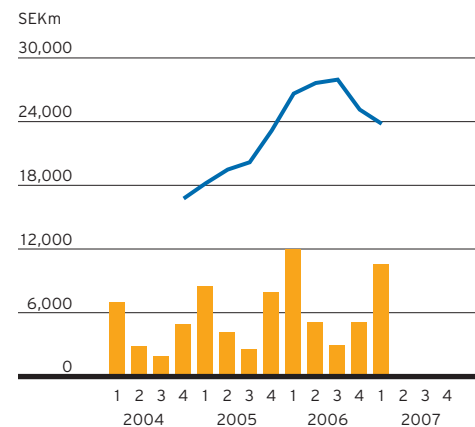
Net sales



Operating profit, excl. items affecting comparability



Profit before tax, excl. items affecting comparability



■ Last 12-month values
■ Quarterly values

Financial position

Amounts in SEK million		31 March 2007	31 March 2006	Change %
Cash and cash equivalents plus short-term investments	▲	27,865	17,926	55.4
Committed credit facilities (unused)	▼	9,708	21,450	-54.7
Other credit facilities (unused)	▼	10,028	10,104	-0.8

Comment: Committed credit facilities consist of a seven-year, EUR 1 billion Revolving Credit Facility which expires in February 2013, and a SEK 379 million bank overdraft facility.

Net debt	▼	44,828	56,474	-20.6
Average fixed interest period (duration, years) ^{1,2}	▲	3.3	2.9	-
Average maturity	▼	6.4	6.5	-

1) Excluding Capital Securities of SEK 9,190 million, net debt stands at SEK 35,638 million, the average fixed interest period is 2.6 years, and the average maturity is 6.1 years. These figures refer to 31 March 2007.

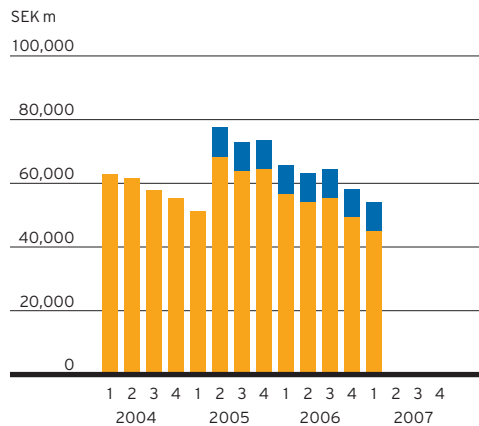
2) Excluding loans from associated companies and minority owners.

Comment: Net debt, including Capital Securities, decreased by SEK 4,579 million since 31 December 2006, to SEK 44,828 million. This is attributable to – among other things – repayment to Vattenfall of a SEK 1.4 billion bridge loan to SwePol Link and to lower variation margin payments with the European Energy Exchange (EEX) in Germany, in the amount of approximately SEK 1.5 billion. Net debt increased by approximately SEK 1.4 billion as a result of exchange rate effects. Total interest-bearing liabilities, including Capital Securities, increased by SEK 1,199 million since 31 December 2006, to SEK 72,774 million.

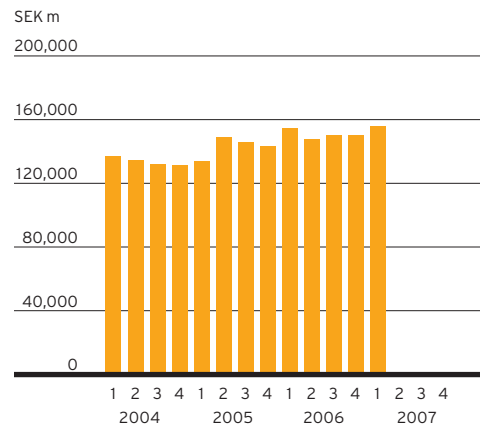
Amounts in SEK million		31 March 2007	31 March 2006	Change %
Equity attributable to				
Equity holders of the Parent Company	▲	106,898	82,722	29.2
Minority interests	▲	11,557	10,664	8.4
Total	▲	118,455	93,386	26.8

Comment: Changes in equity are specified on page 17.

Net debt

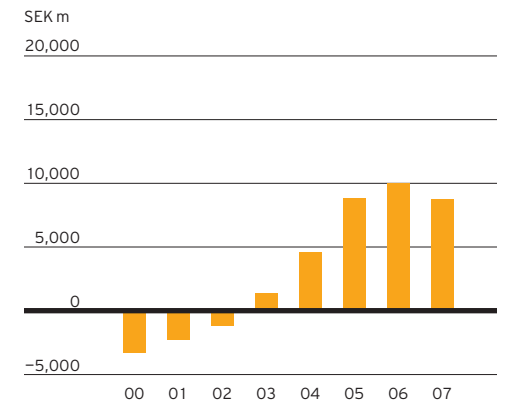


Net assets



Value creation

(Difference between results achieved and the Group's required return)



Investments

Amounts in SEK million		Q1 2007	Q1 2006	Change %
Maintenance investments	▲	1,970	1,663	18.5
Growth investments	▲	1,468	773	89.9
– of which shares	▲	2	1	100.0
Total investments	▲	3,438	2,436	41.1

Personnel (number of employees, FTE)

		31 March 2007	31 March 2006	Change %
Nordic countries	▲	9,414	8,796	7.0
Germany	▼	19,648	19,682	-0.2
Poland	▼	2,744	2,856	-3.9
Others ¹	▲	519	495	4.8
Total	▲	32,325	31,829	1.6

1) Includes Energy Trading, Treasury Operations and other Group Shared Services as well as Group functions.

Comment: The increase in the Nordic region is mainly attributable to the transfer of slightly more than 600 persons in Denmark to Vattenfall as from 1 July 2006.

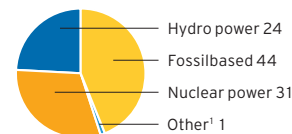
Electricity Balance¹, TWh

	Q1 2007	Q1 2006
Internal generation and electricity input		
Hydro power	10.9	11.0
Nuclear power	14.2	16.1
Fossil fuels	20.1	20.4
Wind power	0.4	0.0
Biofuels and waste	0.1	0.3
Total internal generation	45.7	47.8
Purchased power	17.9	12.7
Spot market	1.4	2.2
Total electricity input	65.1	62.7
Consumption within the Group	-3.6	-3.5
Total	61.5	59.1
Sale		
Nordic countries	15.3	16.6
Germany	23.9	19.3
Poland	4.0	3.0
Other countries	0.9	1.1
Spot market	12.2	13.4
Total electricity sales	56.4	53.4
Delivered to minority owners	4.9	5.5
Other	0.2	0.2
Total	61.5	59.1
Heat sales, TWh		
Nordic countries ²	4.7	2.9
Germany ²	5.4	7.3
Poland	4.3	5.6
Total	14.4	15.8

1) Certain items include rounding differences of 0.1 TWh. Certain values for 2006 have been adjusted compared with previously published information in Vattenfall's three-month interim report and Annual Report for 2006. Compare with the Accounting Principles section on page 11.

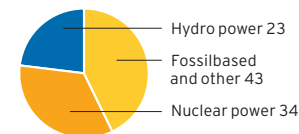
2) Incl. deliveries of so called Ready Heat.

Electricity generation,
Q1 2007, %

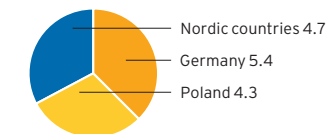


1) Wind power, Biofuels and waste.

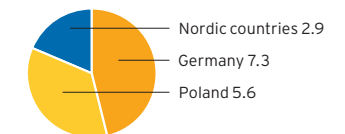
Electricity generation,
Q1 2006, %



Heat sales,
Q1 2007, TWh



Heat sales,
Q1 2006, TWh



Nordic countries

Amounts in SEK million		Q1 2007	Q1 2006	Change %	Full year 2006	Last 12 months
Sales	▲	14,429	11,906	21.2	40,118	42,641
Operating profit	▼	4,591	5,827	-21.2	13,287	12,051
Operating profit excl. items affecting comparability	▼	4,539	5,806	-21.8	13,217	11,950
Heat generation, TWh	▲	4.7	2.9	61.3	8.5	10.3
Electricity generation, TWh¹	▲	25.2	24.9	1.4	84.9	85.3
- of which hydro power	▼	10.0	10.1	-1.0	30.9	30.8
- of which nuclear power	▼	12.6	14.4	-13.0	49.2	47.4
- of which fossil-based power	▲	2.1	0.1	-	3.9	6.1
- of which wind power	▲	0.4	0.0	-	0.5	0.9
- of which biofuels	▼	0.1	0.3	-40.6	0.4	0.3
Transmission volume excl. generation transmission, TWh ²	▼	23.7	25.1	-5.6	81.9	80.5

1) Excluding minority owners, Vattenfall has disposal over 20.7 TWh (19.6).

2) Generation transmission pertains to intra-Group transfers from a power plant to Vattenfall's own electricity network.

Sales and earnings trend

The increase in sales can be partly credited to the consolidation of the generation assets acquired in Denmark. The decrease in operating profit is mainly attributable to higher generation costs resulting from the consolidation of the combined heat and power operations in Denmark, lower nuclear power generation and higher costs in the electricity network and sales operations. All business units except for Services showed a decline in operating profit. However, due to a positive outcome from previous hedging of electricity generation, the Generation business unit could report a profit that was nearly level with the same period a year ago. The Heat business unit also reported profit that was nearly on a par with the same period in 2006, despite

lower volumes caused by warmer weather. The electricity network operations in Distribution were charged with costs of approximately SEK 260 million caused by the storm "Per" in early January. The Sales business unit showed a sharp deterioration, mainly due to depressed margins, but also to high costs for implementing a new billing and customer service system, which were also charged against the electricity network operations.

Electricity and heat generation

Total electricity generation rose slightly due to the acquired generation assets in Denmark. Hydro power generation was essentially unchanged, while nuclear power generation was down 1.8 TWh, mainly due to a lengthy production shutdown at Forsmark 1. Fossil-based power increased by 2.0 TWh due to the acquisition of the combined heat and power assets in Denmark. Heat production increased by 1.8 TWh, which was also attributable to Denmark.

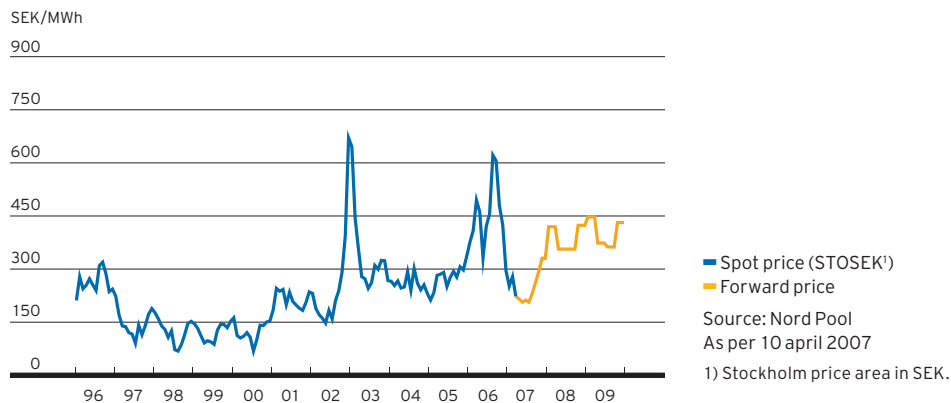
Market development

The average spot price on Nord Pool during the first quarter was slightly more than 40% lower than in the corresponding period a year ago – EUR 26.74/MWh (EURSYS) compared with EUR 45.36/MWh. The considerable price decline is attributable to a very strong hydrological balance, to substantially lower prices for CO₂ emission allowances compared with a year ago, and to higher temperatures, which resulted in below-average demand.

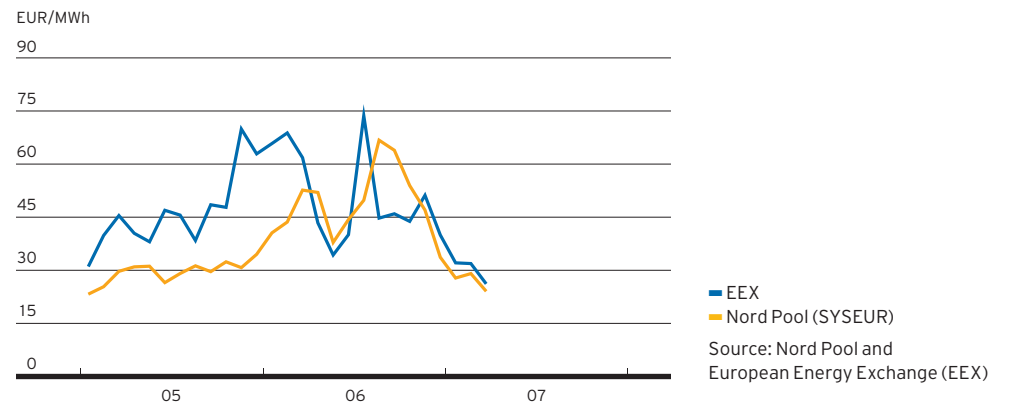
Due to the strong hydrological balance and lower prices of emission allowances, forward prices for the remaining quarters in 2007 have declined. However, forward prices for 2008 and 2009 have risen compared with the closing prices in December 2006 due to higher commodity prices. 2008 contracts closed at the end of March at EUR 43.20/MWh, compared with EUR 42.25/MWh at the end of December. 2009 contracts closed at EUR 43.6/MWh, compared with EUR 42.60/MWh.

The surplus in the hydrological balance in the Nordic countries as a whole amounted to 13.7 TWh at the end of March, compared with a deficit of 22.9 TWh at the end of March 2006 and a surplus of 9.0 TWh at the end of December 2006.

Swedish electricity prices 1996–2009, monthly averages



German and Nordic electricity spot prices, monthly averages



Germany

Amounts in SEK million		Q1 2007	Q1 2006	Change %	Full year 2006	Last 12 months
Sales	▲	31 241	27 638	13.0	101 538	105 141
Operating profit	▼	5 866	6 337	-7.4	13 059	12 588
Operating profit excl. items affecting comparability	▼	5 844	6 249	-6.5	12 886	12 481
Heat generation, TWh	▼	5.4	7.3	-25.8	15.5	13.6
Electricity generation, TWh	▼	19.2	21.4	-10.5	76.2	74.0
- of which fossil-based power	▼	16.7	18.8	-11.6	66.5	64.4
- of which nuclear power	▼	1.6	1.7	-2.9	6.0	5.9
- of which hydro power	►	0.9	0.9	-	3.4	3.4
- of which wind power, biofuels and waste	▲	0.1	-	-	0.3	0.3
Transmission volume, TWh ¹	▼	7.0	7.1	-1.4	27.2	27.1

1) Distribution network only.

Sales and earnings trend

The increase in sales is attributable primarily to a sharp rise in wind power generation within the German electricity system early in the quarter, which for Vattenfall resulted in a considerable increase in so-called EEG costs in the transmission grid operations. This, in turn, led to higher sales, as these higher wind power-related costs are mainly passed on to customers (i.e., they are earnings-neutral for Vattenfall's transmission grid activities). The decrease in operating profit is mainly due to lower revenues in the electricity network operations, following the German network regulator (Bundesnetzagentur) decision to reduce network tariffs. In local currency, sales in Germany increased by 15.6%, while operating profit decreased by 5.5%. The Mining and Generation business unit, which accounts for an overwhelming share of earnings, improved its operating profit by 30%, despite sharply lower spot prices. The improvement in operating profit can be

credited to hedging and to successful procurement optimisation in January and February, during periods with very low spot prices. The Sales business unit reported a decrease in profit, mainly due to depressed margins, which is partly an effect of higher EEG costs associated with wind power, which could not be fully passed on to customers. The Heat business unit reported a deterioration due to lower volumes resulting from warm weather.

Electricity and heat generation

Total electricity generation decreased, mainly due to a scale-back of fossil-based power. On the whole, however, the power plants have had very good availability. Heat production was considerably lower due to warm weather.

CO₂ emission allowances

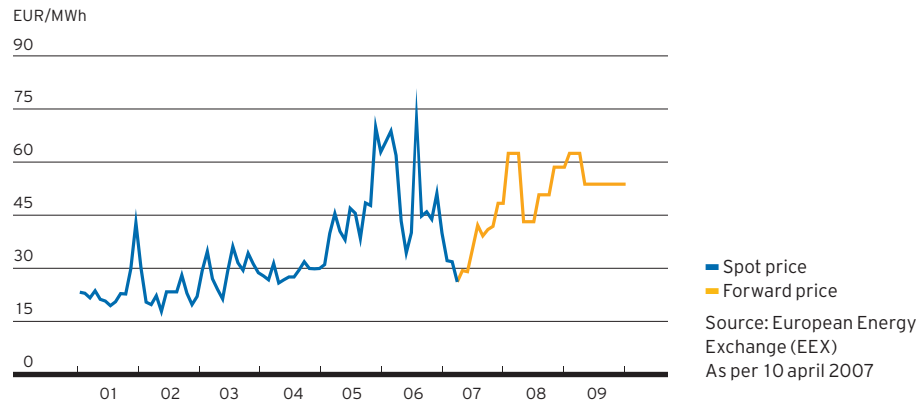
In November 2006 the EU rejected Germany's proposed national allocation plan for emission allowances for the second trading period, which runs from 2008 to 2012. The EU demanded a 6% reduction in emission volumes, to 453 million tonnes/year and a ban on guaranteeing future emission allowances for new facilities. In April the German government adopted a national allocation plan that adheres to these guidelines. The allocation of emission allowances in Germany entails that Vattenfall's lignite-based plants will not receive the required volume of emission allowances, which will increase costs.

Market development

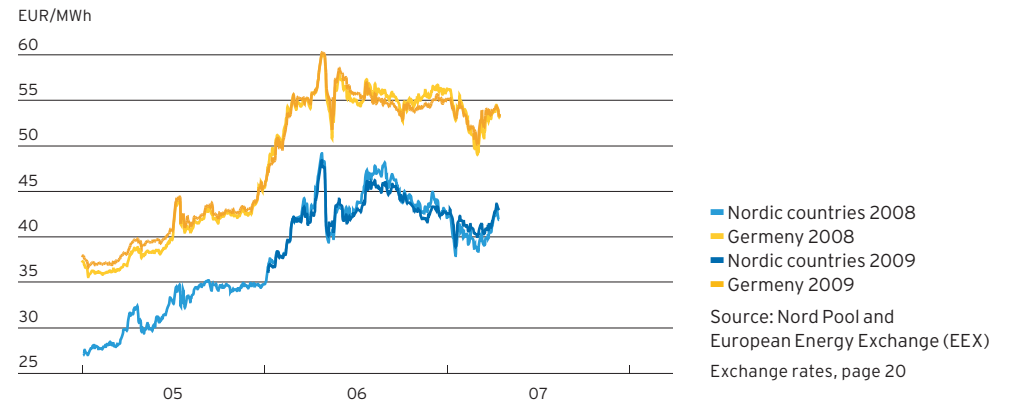
The average spot price on the European Energy Exchange (EEX) in Germany during the first quarter was less than half as high as in the first quarter a year ago - EUR 29.81/MWh, compared with EUR 65.1/MWh. The lower prices are due to mild weather combined with considerably lower prices of CO₂ emission allowances.

Forward prices for 2008 and 2009 have decreased compared with the closing prices at the end of December 2006. Contracts closed at the end of March at EUR 54.45/MWh and EUR 54.3/MWh, compared with EUR 56.15/MWh and EUR 55.15/MWh, respectively. Prices of gas, coal and oil have risen, while CO₂ emission allowances for the second trading period, 2008-2012, have decreased compared with the closing prices a year ago.

German electricity prices 2001-2009, monthly averages



German and Nordic electricity futures prices



Poland

Amounts in SEK million		Q1 2007	Q1 2006	Change %	Full year 2006	Last 12 months
Sales	▼	2,749	2,962	-7.2	9,449	9,236
Operating profit	▼	442	744	-40.6	1,072	770
Operating profit excl. items affecting comparability	▼	438	599	-26.9	942	781
Heat generation, TWh	▼	4.3	5.6	-23.9	11.2	9.9
Electricity generation, TWh	▼	1.3	1.5	-8.9	3.3	3.2
- of which fossil-based power	▼	1.3	1.5	-10.7	3.2	3.1
- of which wind power	▶	-	-	-	0.1	0.1

Sales and earnings trend

The decrease in sales is attributable primarily to lower heat production, lower distribution volumes and lower network tariffs. The decrease in operating profit, excluding items affecting comparability in the first quarter of 2006, is attributable to lower heat and distribution volumes resulting from warmer weather, unusually high revenues from the sale of CO₂ emission allowances during the first quarter of 2006, and to a reduction in 2007 of Vattenfall's network tariffs, which are regulated by the authorities. In local currency, sales were down 4% and operating profit was down 24.1% excluding items affecting comparability a year ago, consisting of a capital gain of PLN 58 million (approx. SEK 142 million) from the sale of a property in the Warsaw area.

The Heat business unit accounted for nearly 90% of operating profit for the Polish operation. The Distribution business unit showed a positive result, but a deterioration compared with 2006. The Sales business unit noted a negative result, mainly due to higher electricity purchase prices.

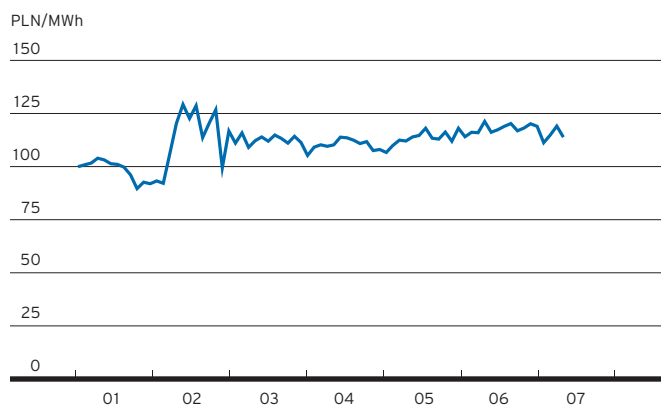
Electricity and heat generation

Generation of both electricity and heat was lower, mainly due to warmer weather.

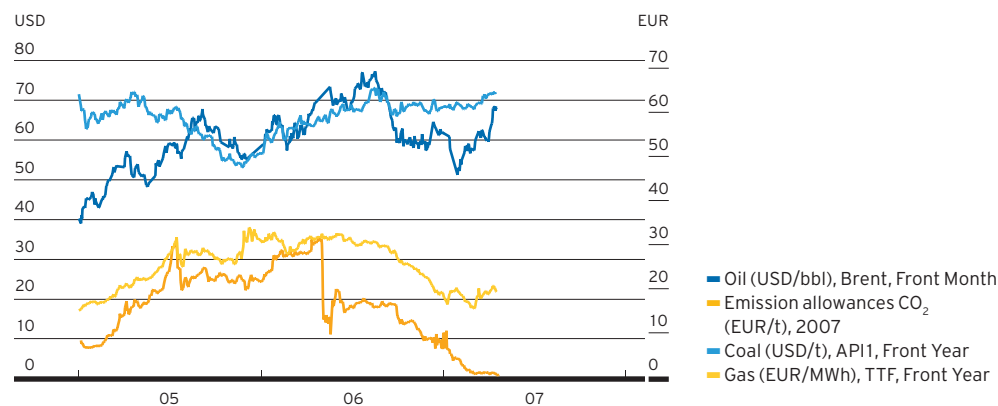
Market Trend

Turnover on the Polish electricity exchange, mainly in the forward market, is still very low compared with Nord Pool and EEX. The average spot price on the Polish electricity exchange, POLPX, was 1.5% lower than a year earlier – PLN 115.5/MWh, compared with PLN 117.3/MWh.

Polish electricity prices 2001–2007, monthly averages



Price development oil, coal, gas and CO₂ emissions



The price of oil rose sharply during the first quarter, mainly due to political disturbances. The higher oil price has also led to higher forward prices of gas. Due to higher freight rates, forward prices of coal have also risen. The higher freight rates are attributable to high demand for coal in Asia.

Accounting principles

As of 1 January 2005, the Vattenfall Group applies International Financial Reporting Standards (IFRS) as adopted by the EU Commission for application within the EU.

This consolidated interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting, which meets the requirements set in Recommendation RR 31 on interim reports for groups issued by the Swedish Financial Accounting Standards Council.

The accounting principles applied are those described in Vattenfall's 2006 Annual Report (Note 2 to the consolidated accounts). However, reporting in the income statement of cash flow hedges on sales and purchases of electricity and other commodities has been changed.

Previously, the effect of cash flow hedges was reported in the income statement under the item Net sales in the event of a positive outcome and under the item Cost of products sold in the event of a negative outcome. Starting in 2007, the effect of cash flow hedges is reported in the same way as the hedged item is reported. Comparison figures for 2006 have been restated in accordance with the new principle.

Effects in previous periods of the above-mentioned change in accounting principle mean that Net sales and Cost of products sold for the Vattenfall Group have decreased by SEK 10,013 million for the full year 2006, by SEK 8,577 for the period 1 January–30 September 2006, by SEK 5,692 million for the period 1 January–30 June 2006, and by SEK 2,419 million for the period 1 January–31 March 2006. Gross profit and Operating profit are not affected by the transition to the new accounting principle.

Acquisition of assets in Denmark

As per 1 July 2006, assets, liabilities and staff, etc., were transferred between Vattenfall and the Danish company DONG A/S. Assets, primarily in the form of combined heat and power plants and wind power plants, were transferred to Vattenfall from Elsam A/S and Energi E2 A/S

(subsidiaries of DONG A/S) in exchange for Vattenfall's shares in Elsam A/S and Vattenfall's participation in I/S Avedöre 2.

The valuation of assets acquired and liabilities is preliminary pending a final review of the acquisition.

Parent Company information

The accounts of Vattenfall AB, the Parent Company, are prepared in accordance with Swedish GAAP, i.e., in accordance with the Swedish Annual Accounts Act and Swedish Financial Accounting Standards Council recommendation RR 32:06 on reporting for legal entities, and where Vattenfall has adopted the exemption rule regarding IAS 39 according to RR 32:06.

Financial instruments are reported at cost.

Sales amounted to SEK 7,567 million (8,682).

Profit before appropriations and tax was SEK 1,031 million (3,390). The decrease is attributable to lower electricity prices, loss of generation and negative exchange rate effects.

Investments for the year amounted to SEK 155 million (586).

Cash and cash equivalents amounted to SEK 139 million (1,923). Funds in the Group account managed by Vattenfall Treasury AB amounted to SEK 33,353 million (31,780).



Stockholm, 26 April 2007

Lars G. Josefsson
President and CEO

This report has not been examined by Vattenfall's auditors.
This report has been translated from the Swedish original.

Income statement

Amounts in SEK million	Q1 2007	Q1 2006	Full year 2006	Last 12 months (LTM)
Net sales	41,644	38,013 ⁸	135,802 ⁸	139,433
Cost of products sold ¹	-27,735	-23,340 ⁸	-96,844 ⁸	-101,239
Gross profit	13,909	14,673	38,958	38,194
Selling expenses, administrative expenses and research and development costs ²	-3,091	-3,040	-14,305	-14,356
Other operating income and expenses, net	156	399	1,062	819
Participations in the results of associated companies	224	657	1,334	901
Operating profit (EBIT)³	11,198	12,689	27,049	25,558
Financial income ⁴	786	797	3,839	3,828
Financial expenses ⁵	-1,280	-1,276	-5,363	-5,367
Profit before tax⁶	10,704	12,210	25,525	24,019
Income tax expense	-3,469	-4,231	-5,667	-4,905
Profit for the period⁷	7,235	7,979	19,858	19,114
Attributable to				
Equity holders of the Parent Company	6,866	7,502	18,729	18,093
Minority interests	369	477	1,129	1,021
Total	7,235	7,979	19,858	19,114
Earnings per share				
Number of shares in Vattenfall AB, thousands	131,700	131,700	131,700	131,700
Earnings per share (SEK)	52.13	56.96	142.21	137.38
Supplementary information				
Operating profit before depreciation and amortisation (EBITDA)	14,918	16,115	43,166	41,969
Financial items, net excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	-294	-256	-1,618	-1,656
1) Of which, depreciation, amortisation and impairment losses	-3,429	-3,291	-15,007	-15,145
2) Of which, depreciation, amortisation and impairment losses	-291	-135	-1,110	-1,266
3) Including items affecting comparability attributable to:				
Capital gains/losses, net	78	254	373	197
4) Including returns from the Swedish Nuclear Waste Fund	325	300	2,106	2,131
5) Including discounting effects attributable to provisions excl. of pension provisions	-525	-523	-2,012	-2,014
6) Including items affecting comparability attributable to:				
Capital gains/losses, net	82	253	384	213
7) Including items affecting comparability stated above adjusted for tax	68	185	386	269

8) Net sales and Cost of products sold for 2006 are adjusted compared to previously published information in Vattenfall's 2006 three-month interim report and Annual Report. See page 11 under the heading Accounting Principles.

Primary segments

Amounts in SEK million	Net sales			Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting comparability		
	Q1 2007	Q1 2006 ³	Full year 2006 ³	Q1 2007	Q1 2006	Full year 2006	Q1 2007	Q1 2006	Full year 2006
Nordic countries	14,429	11,906	40,118	4,591	5,827	13,287	4,539	5,806	13,217
Germany	31,241	27,638	101,538	5,866	6,337	13,059	5,844	6,249	12,886
Poland	2,749	2,962	9,449	442	744	1,072	438	599	942
Other ¹	13,016	8,235	29,185	299	-219	-413	299	-219	-413
Eliminations ²	-19,791	-12,728	-44,488	-	-	44	-	-	44
Total	41,644	38,013	135,802	11,198	12,689	27,049	11,120	12,435	26,676

1) Includes Energy Trading activities, Treasury operations and Other Group functions. Operating profit includes changes in market values for electricity trading. These are reported in Energy Trading until the amounts are realised. When the amounts are realised, other segments are affected.

2) Chiefly concerns trade between the Nordic countries and Germany and Energy Trading activities in the segment Other.

3) Net sales for 2006 is adjusted compared to previously published information in Vattenfall's 2006 three-month interim report and Annual Report. See page 11 under the heading Accounting Principles.

Secondary segments

Amounts in SEK million	Net sales			Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting comparability		
	Q1 2007	Q1 2006 ³	Full year 2006 ³	Q1 2007	Q1 2006	Full year 2006	Q1 2007	Q1 2006	Full year 2006
Electricity Generation	18,351	17,547	62,876	8,326	7,493	19,762	8,326	7,490	19,776
Electricity Markets ¹	20,239	19,446	69,303	-74	8	355	-74	1	169
Electricity Networks	16,326	14,293	51,574	1,257	2,537	3,947	1,256	2,521	3,985
Heat	6,433	7,811	21,542	1,908	2,464	4,130	1,871	2,559	4,250
Other	2,031	1,484	7,299	-219	187	-1,145	-259	-136	-1,504
Eliminations ²	-21,736	-22,568	-76,792	-	-	-	-	-	-
Total	41,644	38,013	135,802	11,198	12,689	27,049	11,120	12,435	26,676

1) Includes Sales and Energy Trading activities. Operating profit includes changes in market values for electricity trading. These are reported in Energy Trading until the amounts are realised. When the amounts are realised the segment Electricity Generation is the main segment affected.

2) Chiefly concerns trade between Electricity Generation, Electricity Markets and Electricity Networks.

3) Net sales for 2006 is adjusted compared to previously published information in Vattenfall's 2006 three-month interim report and Annual Report. See page 11 under the heading Accounting Principles.

Balance sheet

Amounts in SEK million	31 March 2007	31 March 2006	31 December 2006
Assets			
Non-current assets			
Intangible assets: non-current	4,234	5,188	4,260
Property, plant and equipment	206,226	187,642	201,328
Other non-current assets	46,385	68,895	46,305
Total non-current assets	256,845	261,725	251,893
Current assets			
Inventories	9,642	7,226	9,384
Intangible assets: emission allowances	539	–	746
Trade receivables and other receivables	33,414	40,845	32,499
Prepaid expenses and accrued income	4,507	5,273	4,338
Current tax assets	2,149	1,129	2,138
Short-term investments	9,770	7,692	7,534
Cash and cash equivalents	18,095	10,234	14,634
Total current assets	78,116	72,399	71,273
Total assets	334,961	334,124	323,166
Equity and liabilities			
Equity			
Attributable to equity holders of the Parent Company	106,898	82,722	96,589
Attributable to minority interests	11,557	10,664	11,085
Total equity	118,455	93,386	107,674
Non-current liabilities			
Capital Securities	9,190	9,241	8,911
Other interest-bearing liabilities	47,689	58,116	46,868
Interest-bearing provisions	46,493	43,176	45,364
Pension provisions	17,505	17,486	16,877
Deferred tax liabilities	30,450	39,354	29,875
Other noninterest-bearing liabilities	2,284	2,414	2,320
Total non-current liabilities	153,611	169,787	150,215
Current liabilities			
Trade payables and other liabilities	23,477	42,003	27,676
Accrued expenses and deferred income	14,901	12,084	14,367
Current tax liabilities	4,716	5,281	3,585
Interest-bearing liabilities	15,895	7,280	15,796
Interest-bearing provisions	3,906	4,303	3,853
Total current liabilities	62,895	70,951	65,277
Total equity and liabilities	334,961	334,124	323,166
Pledged assets	4,260	1,983	4,129
Contingent liabilities	24,337	22,761	23,253

Supplementary information

Net assets

Amounts in SEK million	31 March 2007	31 March 2006	31 December 2006
Nordic countries	83,670	79,073	81,687
Germany	66,860	68,434	61,818
Poland	8,933	8,892	8,812
Other ¹	-5,205	-1,145	-4,405
Eliminations	1,298	-988	2,053
Total net assets on balance sheet date	155,556	154,266	149,965
Net assets, weighted average value	150,657	148,512	151,155

1) Includes Energy Trading activities, Treasury operations and Other Group functions.

Net debt

Amounts in SEK million	31 March 2007	31 March 2006	31 December 2006
Capital Securities	-9,190	-9,241	-8,911
Other interest-bearing liabilities ¹	-63,584	-65,396	-62,664
Cash and cash equivalents	18,095	10,234	14,634
Short-term investments	9,770	7,692	7,534
Loans to minority owners in foreign subsidiaries	81	237	-
Total net debt	-44,828	-56,474	-49,407
1) Of which, loans from minority-owned German nuclear power companies.	-11,397	-12,381	-10,951

Cash flow statement

Amounts in SEK million	Q1 2007	Q1 2006	Full year 2006	Last 12 months (LTM)
Operating activities				
Funds from operations (FFO)	12,206	13,281	35,673	34,598
Cash flow from changes in operating assets and operating liabilities	-2,966	-4,605	-466	1,173
Cash flow from operating activities	9,240	8,676	35,207	35,771
Investing activities				
Investments	-3,438	-2,436	-16,534	-17,536
Divestments	204	426	1,720	1,498
Net investments as a result of the deal between Vattenfall and DONG ¹	-	-	-686	-686
Cash and cash equivalents in acquired/divested companies	1	-75	-147	-71
Cash flow from investing activities	-3,233	-2,085	-15,647	-16,795
Cash flow before financing activities	6,007	6,591	19,560	18,976
Financing activities				
Changes in short-term investments	-2,011	306	161	-2,156
Changes in loans to minority owners in foreign subsidiaries	-78	-	242	164
Loans raised ²	3,083	1,758	8,187	9,512
Amortisation of debt	-3,785	-4,459	-13,495	-12,821
Contribution from minority intersets	-	-	55	55
Dividends paid to equity holders	-11	-1	-5,892	-5,902
Cash flow from financing activities	-2,802	-2,396	-10,742	-11,148
Cash flow for the period	3,205	4,195	8,818	7,828
Cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	14,634	6,049	6,049	10,234
Cash flow for the period	3,205	4,195	8,818	7,828
Exchange rate differences	256	-10	-233	33
Cash and cash equivalents at the end of the period	18,095	10,234	14,634	18,095
Supplementary information				
Cash flow before financing activities	6,007	6,591	19,560	18,976
Financing activities				
Dividends paid to equity holders	-11	-1	-5,892	-5,902
Contribution from minority intersets	-	-	55	55
Cash flow after dividend	5,996	6,590	13,723	13,129
Analysis of change in net debt				
Net debt at beginning of the period	-49,407	-64,343	-64,343	-56,474
Cash flow after dividend	5,996	6,590	13,723	13,129
Changes as a result of valuation at fair value	-16	929	1 458	513
Interest-bearing liabilities acquired as a result of the deal between Vattenfall and DONG	-	-	-2,893	-2,893
Exchange rate differences on net debt	-1,401	350	2,648	897
Net debt at the end of the period	-44,828	-56,474	-49,407	-44,828
Free cash flow	7,270	7,013	23,178	23,435

1) Net investments as a result of the deal between Vattenfall and DONG entails that Vattenfall acquired net assets and shares valued at SEK 13,307 million, which are reported net above against the value of sold assets (primarily shares in Elsam A/S and the participation in I/S Avedöre 2), which were transferred to DONG at a value of SEK 12,621 million.

2) Net of short-term borrowings in which the duration is three months or shorter.

Changes in equity

Amounts in SEK million	Q1 2007			Q1 2006			Full year 2006		
	Attributable to equity holders of the Parent Company	Attributable to minority interests	Total equity	Attributable to equity holders of the Parent Company	Attributable to minority interests	Total equity	Attributable to equity holders of the Parent Company	Attributable to minority interests	Total equity
Balance brought forward	96,589	11,085	107,674	80,565	10,344	90,909	80,565	10,344	90,909
Cash flow hedges, net	1,902	57	1,959	-5,050	-78	-5,128	4,577	6	4,583
Hedging of net investments in foreign operations	-1,332	-	-1,332	162	-	162	1,856	-	1,856
Translation differences	2,873	57	2,930	-457	-72	-529	-3,338	-265	-3,603
Income, net, recognised directly in equity	3,443	114	3,557	-5,345	-150	-5,495	3,095	-259	2,836
Profit for the period	6,866	369	7,235	7,502	477	7,979	18,729	1,129	19,858
Total recognised income and expense for the period	10,309	483	10,792	2,157	327	2,484	21,824	870	22,694
Dividends paid to equity holders	-	-11	-11	-	-1	-1	-5,800	-92	-5,892
Group contributions from/to(-) minority, net after tax	-	-	-	-	-	-	-	114	114
Changes in ownership	-	-	-	-	-6	-6	-	-151	-151
Balance carried forward	106,898¹	11,557	118,455	82,722¹	10,664	93,386	96,589¹	11,085	107,674
1) Of which, Reserve for cash flow hedges.	-3,910			-15,440			-5,821		

Key ratios (definitions on pages 21–22)

(in % unless otherwise stated)	Q1 2007	Q1 2006	Full year 2006	Last 12 months (LTM)
Operating margin	26.9	33.4 ²	19.9 ²	18.3
Operating margin ¹	26.7	32.7 ²	19.6 ²	18.2
Pre-tax profit margin	25.7	32.1 ²	18.8 ²	17.2
Pre-tax profit margin ¹	25.5	31.5 ²	18.5 ²	17.1
Return on equity	–	–	19.1	17.9
Return on equity ¹	–	–	18.7	17.6
Return on net assets	–	–	16.6	15.6
Return on net assets ¹	–	–	16.3	15.5
Interest coverage ratio, times	15.4	17.5	8.6	8.1
Interest coverage ratio, times ¹	15.3	17.2	8.5	8.1
FFO interest coverage ratio, times	17.2	18.6	11.6	11.3
FFO interest coverage ratio, net, times	42.5	52.9	23.0	21.9
Cash flow interest coverage ratio after maintenance investments, times	10.6	10.3	7.9	8.0
Equity/assets ratio	35.4	27.9	33.3	35.4
Net debt/equity ratio, times	0.38	0.60	0.46	0.38
Net debt/net debt plus equity	27.5	37.7	31.5	27.5
Interest-bearing liabilities/interest-bearing liabilities plus equity	38.1	44.4	39.9	38.1
FFO/interest-bearing liabilities	–	–	49.8	47.5
FFO/net debt	–	–	72.2	77.2
EBITDA/net financial items, times	50.7	62.9	26.7	25.3
EBITDA/net financial items, times ¹	50.5	62.0	26.4	25.2

1) Excl. items affecting comparability.

2) Adjusted value compared to previously published information in Vattenfall's 2006 three-month interim report and Annual Report. See page 11 under the heading Accounting Principles.

Quarterly information

Amounts in SEK million	Q1 2007	Q4 2006 ²	Q3 2006 ²	Q2 2006 ²	Q1 2006 ²
Income statement					
Net sales	41,644	39,428	27,990	30,371	38,013
Cost of products sold	-27,735	-29,664	-21,956	-21,884	-23,340
Other operating income and expenses, net	-2,935	-4,841	-2,798	-2,963	-2,641
Participations in the results of associated companies	224	299	68	310	657
Operating profit before depreciation and amortisation (EBITDA)	14,918	9,846	7,960	9,245	16,115
Operating profit (EBIT)	11,198	5,222	3,304	5,834	12,689
Financial items, net	-494	-143	-343	-559	-479
Financial items, net ¹	-294	-470	-544	-348	-256
Profit before tax	10,704	5,079	2,961	5,275	12,210
Profit for the period	7,235	6,609	1,871	3,399	7,979
– of which, attributable to equity holders of the Parent Company	6,866	6,318	1,726	3,183	7,502
– of which, attributable to minority interests	369	291	145	216	477
Balance sheet					
Non-current assets	256,845	251,893	266,242	259,325	261,725
Short-term investments	9,770	7,534	7,948	7,628	7,692
Cash and cash equivalents	18,095	14,634	8,790	7,077	10,234
Other current assets	50,251	49,105	44,805	44,820	54,473
Total assets	334,961	323,166	327,785	318,850	334,124
Equity	118,455	107,674	94,118	92,865	93,386
– of which, attributable to equity holders of the Parent Company	106,898	96,589	83,480	82,430	82,722
– of which, attributable to minority interests	11,557	11,085	10,638	10,435	10,664
Capital Securities	9,190	8,911	9,120	9,074	9,241
Other interest-bearing liabilities	63,584	62,664	63,102	59,968	65,396
Interest-bearing provisions	50,399	49,217	48,412	46,899	47,479
Pension provisions	17,505	16,877	17,345	17,211	17,486
Deferred tax liabilities	30,450	29,875	40,104	39,202	39,354
Other noninterest-bearing liabilities	45,378	47,948	55,584	53,631	61,782
Total equity and liabilities	334,961	323,166	327,785	318,850	334,124
Net assets	155,556	149,965	150,369	147,383	154,266
Net debt	-44,828	-49,407	-55,380	-54,179	-56,474
Cash flow					
Funds from operations (FFO)	12,206	9,527	5,625	7,240	13,281
Cash flow from changes in operating assets and operating liabilities	-2,966	481	1,769	1,889	-4,605
Cash flow from operating activities	9,240	10,008	7,394	9,129	8,676
Cash flow from investing activities	-3,233	-5,808	-5,107	-2,647	-2,085
Cash flow before financing activities	6,007	4,200	2,287	6,482	6,591
Changes in short-term investments	-2,011	239	-287	-97	306
Loans raised/Amortisation of debt, net	-780	1,579	-325	-3,564	-2,701
Dividends paid to equity holders	-11	-2	-22	-5,867	-1
Cash flow from financing activities	-2,802	1,816	-634	-9,528	-2,396
Cash flow for the period	3,205	6,016	1,653	-3,046	4,195
Free cash flow	7,270	5,714	3,722	6,729	7,013

1) Excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund.

2) Net sales and Cost of products sold are adjusted compared to previously published information. See page 11 under the heading Accounting Principles.

Key ratios

Key ratios (definitions on page 21–22)

(in % unless otherwise stated)	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Return on equity ²	17.9	19.1	23.0	24.1	24.7
Return on equity ^{1,2}	17.6	18.7	19.3	20.2	20.9
Return on net assets ²	15.6	16.6	20.0	19.9	19.6
Return on net assets ^{1,2}	15.5	16.3	17.7	17.7	17.4
Interest coverage ratio, times	15.4	4.9	5.3	8.5	17.5
Interest coverage ratio, times ¹	15.3	4.9	5.3	8.3	17.2
Equity/assets ratio	35.4	33.3	28.7	29.1	27.9
Net debt/equity ratio, times	0.38	0.46	0.59	0.58	0.60
Net debt/net debt plus equity	27.5	31.5	37.0	36.8	37.7
FFO/interest-bearing liabilities ²	47.5	49.8	53.8	53.8	48.1
FFO/net debt ²	77.2	72.2	70.1	68.5	63.6

1) Excl. items affecting comparability.

2) Last 12 month values.

Key ratios on renewable energy generation in the Nordic countries

Amounts in SEK million	Wind power		Hydro power ¹		Heat		Total	
	March 2007	March 2006	March 2007	March 2006	March 2007	March 2006	March 2007	March 2006
Operating profit	102,6	-3,8	37,3	24,2	116,1	187,4	256,0	207,8
Investments	105,6	245,0	11,1	3,0	58,6	53,9	175,3	310,9
Non-current assets	5,756,9	632,1	264,3	244,4	3,855,5	3,612,0	9,876,8	4,488,5
Return on non-current assets, %	7.1	-2.4	56.4	39.6	12.0	20.8	10.4	18.5

1) Hydro power that is entitled to Swedish electricity certificates.

Earnings for the Heat business unit vary sharply during the year. Most of profit for the year is generated during the first and fourth quarters, when demand for heat is highest. In comparison with the preceding year, it should be noted that the facilities acquired in Denmark had not yet been consolidated in the Group as per the end of March 2006. This explains the major differences in many items with respect to wind power and heat.

Exchange rates

Key exchange rates applied in the accounts of the Vattenfall Group:

	Q1 2007	Q1 2006	Full year 2006	31 March 2007	31 March 2006	31 Dec. 2006
Average rate						
EUR	9.1726	9.3806	9.2617	9.3290	9.3980	9.0500
DKK	1.2305	1.2573	1.2418	1.2520	1.2595	1.2135
NOK	1.1241	1.1675	1.1516	1.1495	1.1795	1.0945
PLN	2.3575	2.4375	2.3769	2.4100	2.3900	2.3600
USD	6.9706	7.8284	7.3794	7.0000	7.7450	6.8700
Balance sheet date rate						
EUR				9.3290	9.3980	9.0500
DKK				1.2520	1.2595	1.2135
NOK				1.1495	1.1795	1.0945
PLN				2.4100	2.3900	2.3600
USD				7.0000	7.7450	6.8700

Definitions

EBIT	=	Earnings Before Interest and Tax.
EBITDA	=	Earnings Before Interest, Tax, Depreciation and Amortisation.
FFO	=	Funds From Operations.
Items affecting comparability	=	Non-recurring capital gains and capital losses from shares and other non-current assets.
Free cash flow	=	Cash flow from operating activities less maintenance investments
Capital Securities	=	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt. Reported as interest-bearing non-current liabilities.
Net assets	=	Balance sheet total less noninterest-bearing liabilities, provisions, interest-bearing receivables, funds in the Swedish Nuclear Waste Fund, cash and cash equivalents, short-term investments.
Net debt	=	Interest-bearing liabilities less long-term loans to minority owners in foreign subsidiaries, cash and cash equivalents, short-term investments.

Key ratios based on last 12-month values, April 2006–March 2007

Operating margin, %	=	$100 \times \frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	$\frac{25,558}{139,433} =$	18.3
Operating margin excl. items affecting comparability, %	=	$100 \times \frac{\text{Operating profit (EBIT) excl. items affecting comparability}}{\text{Net sales}}$	$\frac{25,361}{139,433} =$	18.2
Pre-tax profit margin, %	=	$100 \times \frac{\text{Profit before tax}}{\text{Net sales}}$	$\frac{24,019}{139,433} =$	17.2
Pre-tax profit margin excl. items affecting comparability, %	=	$100 \times \frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}}$	$\frac{23,806}{139,443} =$	17.1
Return on equity, %	=	$100 \times \frac{\text{Profit for the period attributable to equity holders of the Parent Company}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{18,093}{101,112} =$	17.9
Return on equity excl. items affecting comparability, %	=	$100 \times \frac{\text{Profit for the period attributable to equity holders of the Parent Company excl. items affecting comparability}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{17,824}{101,112} =$	17.6
Return on net assets, %	=	$100 \times \frac{\text{Operating profit (EBIT) + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{23,544}{150,657} =$	15.6
Return on net assets excl. items affecting comparability, %	=	$100 \times \frac{\text{Operating profit (EBIT) excl. items affecting comparability + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{23,347}{150,657} =$	15.5
Interest coverage ratio, times	=	$\frac{\text{Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{27,255}{3,353} =$	8.1

Definitions

Interest coverage ratio excl. items affecting comparability, times =	Operating profit (EBIT) excl. items affecting comparability + financial income excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	27,058	=	8.1
	Financial expenses excl. discounting effects attributable to provisions	3,353		
FFO interest coverage ratio, times =	Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions	37,951	=	11.3
	Financial expenses excl. discounting effects attributable to provisions	3,353		
FFO interest coverage ratio, net, times =	Funds from operations (FFO) + net financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	36,254	=	21.9
	Financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	1,656		
Cash flow interest coverage ratio after maintenance investments, times =	Cash flow from operating activities less maintenance investments + financial expenses excl. discounting effects attributable to provisions	26,788	=	8.0
	Financial expenses excl. discounting effects attributable to provisions	3,353		
FFO/interest-bearing liabilities, % =	100 x $\frac{\text{Funds from operations (FFO)}}{\text{Interest-bearing liabilities}}$	34,598	=	47.5
		72,774		
FFO/net debt, % =	100 x $\frac{\text{Funds from operations (FFO)}}{\text{Net debt}}$	34,598	=	77.2
		44,828		
EBITDA/net financial items, times =	Operating profit before depreciation and amortisation (EBITDA)	41,969	=	25.3
	Financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	1,656		
EBITDA excl. items affecting comparability/net financial items, times =	Operating profit before depreciation and amortisation (EBITDA) excl. items affecting comparability	41,772	=	25.2
	Financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund	1,656		
Key ratios based on the balance sheet per 31 March, 2007				
Equity/assets ratio, % =	100 x $\frac{\text{Equity}}{\text{Balance sheet total}}$	118,455	=	35.4
		334,961		
Net debt/equity ratio, times =	$\frac{\text{Net debt}}{\text{Equity}}$	44,828	=	0.38
		118,455		
Net debt/net debt plus equity, % =	100 x $\frac{\text{Net debt}}{\text{Net debt + equity}}$	44,828	=	27.5
		163,283		
Interest-bearing liabilities /interest bearing liabilities plus equity, % =	100 x $\frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities + equity}}$	72,774	=	38.1
		191.229		

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