Vattenfall Full Year Results 2008

Conference call, 12 February 2009

Presentations by

Lars G. Josefsson, CEO and
Dag Andresen, CFO
Agenda

CEO Lars G. Josefsson:
- Sales & earnings
- Generation volumes
- Important events during 2008
- New Group structure

CFO Dag Andresen:
- Prices & hedge position
- P&L and Cash Flow
- Debt & liquidity position
- Capex programme
Financial highlights - Full year 2008

Net sales increased
14.6% to SEK 164.5 million (143.6)

EBITDA increased
0.3% to SEK 46.0 bn (45.8)

EBIT increased
4.6% to SEK 29.9 bn (28.6)

Profit after tax decreased
14.1% to SEK 17.8 bn (20.7)

Net debt increased
by SEK 22.3 bn to SEK 66.0 bn compared with 31 December 2007
Return on Net Assets
was 15.1% (FY 2007: 16.6%)
- target is 11%

Return on Equity
was 13.6% (FY 2007: 17.6%)
- target is 15%

Dividend
The Board proposes a dividend of SEK 6.9 bn
corresponding to a pay-out ratio of 40.4%
Net sales increased
   22.3% to SEK 46.9 bn (38.3)

EBITDA decreased
   8.8% to SEK 11.4 bn (12.5)

EBIT decreased
   2.8% to SEK 6.6 bn (6.8)

Profit after tax increased
   10.3% to SEK 4.1 bn (3.7)
EBIT development

Quarterly figures, SEK million

- HEW consolidated
- Bewag consolidated
- GZE consolidated
- Danish assets consolidated

Quarterly figures in SEK million, excluding items affecting comparability
Last 12 months figures in SEK million, excluding items affecting comparability
Lower electricity generation output

Q4 2008 total: 41.6 TWh
- Hydro: 75.1%
- Nuclear: 2.4%
- Fossil: 46.2%
- Other: 20.7%

Q4 2007 total: 44.7 TWh
- Hydro: 77.7%
- Nuclear: 8.2%
- Fossil: 14.0%
- Other: 21.6%

FY 2008 total: 163.1 TWh
- Hydro: 39.5%
- Nuclear: 1.9%
- Fossil: 51.3%
- Other: 77.7%

FY 2007 total: 167.6 TWh
- Hydro: 36.6%
- Nuclear: 1.9%
- Fossil: 51.3%
- Other: 77.7%

Other = wind, biomass fuel, waste
Slightly lower heat sales

Q4 2008 total: 12.2 TWh
- Central Europe: 3.5 TWh
- Nordic: 8.7 TWh

Q4 2007 total: 12.8 TWh
- Central Europe: 3.2 TWh
- Nordic: 9.7 TWh

FY 2008 total: 35.6 TWh
- Central Europe: 10.4 TWh
- Nordic: 25.3 TWh

FY 2007 total: 36.2 TWh
- Central Europe: 10.7 TWh
- Nordic: 25.5 TWh
Important events 2008

- CCS pilot oxy-fuel plant “Schwarze Pumpe” inaugurated
- Launch of climate vision - climate neutral by 2050
- Major wind power acquisitions in the UK
- Purchase of 18.7% in Polish ENEA
- Building permit for Moorburg CHP, Hamburg, Germany
- Increased retail market shares in the Nordic market and net gain of customers in Germany
- Divestment process of German Transmission network initiated
New Group structure as of 2009

- Board of Directors
- Chief Executive Officer

Group Shared Services

Group Functions

Business Group Nordic
- Wind
- Generation
- Nuclear
- Distribution
- Engineering
- Sales
- Heat
- Services

Business Group Central Europe
- Mining & Generation
- Distribution Poland
- Transmission
- Sales Poland
- Distribution Germany
- Heat Poland
- Sales Germany
- Heat Germany

Shared Services Centres

Trading
Financials

Dag Andresen, CFO
Electricity price development

Sharp drop in spot prices in 2nd half of 2008 but higher avg. FY prices vs. FY 2007 Nord Pool +60%, EEX +72%

Sharp drop in forward prices during 2nd half of 2008
Virtually no changes for 2009-2010 compared with 30 September 2008

% hedged of planned electricity generation (rounded values)
# Consolidated income statement FY 2008

<table>
<thead>
<tr>
<th>Amounts in MSEK</th>
<th>FY 2008 IFRS</th>
<th>FY 2007 IFRS</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>164,549</td>
<td>143,639</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Cost of products sold</strong></td>
<td>-122,961</td>
<td>-103,404</td>
<td>18.9</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>41,588</td>
<td>40,235</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>29,895</td>
<td>28,583</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Operating profit, excl. IAC</strong></td>
<td>29,797</td>
<td>28,497</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>3,412</td>
<td>2,276</td>
<td>49.9</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>-9,809</td>
<td>-6,926</td>
<td>41.6</td>
</tr>
<tr>
<td><strong>Financial net</strong></td>
<td>-6,397</td>
<td>-4,650</td>
<td>37.6</td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td>23,498</td>
<td>23,933</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-5,735</td>
<td>-3,247</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>17,763</td>
<td>20,686</td>
<td>-14.1</td>
</tr>
</tbody>
</table>

*IAC = items affecting comparability*
## Consolidated income statement Q4 2008

<table>
<thead>
<tr>
<th>Amounts in MSEK</th>
<th>Q4 2008</th>
<th>Q4 2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>46 870</td>
<td>38 329</td>
<td>22.3</td>
</tr>
<tr>
<td><strong>Cost of products sold</strong></td>
<td>-37 395</td>
<td>-27 791</td>
<td>34.6</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>9 475</td>
<td>10 538</td>
<td>-10.1</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>6 562</td>
<td>6 752</td>
<td>-2.8</td>
</tr>
<tr>
<td><strong>Operating profit, excl. IAC</strong>*</td>
<td>6 561</td>
<td>6 776</td>
<td>-3.2</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>1 617</td>
<td>173</td>
<td>834.7</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>-3 768</td>
<td>-2 225</td>
<td>69.3</td>
</tr>
<tr>
<td><strong>Financial net</strong></td>
<td>-2 151</td>
<td>-2 052</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td>4 411</td>
<td>4 700</td>
<td>-6.1</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-356</td>
<td>-1 024</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>4 055</td>
<td>3 676</td>
<td>10.3</td>
</tr>
</tbody>
</table>

* IAC = items affecting comparability
EBIT development, FY 2008

<table>
<thead>
<tr>
<th>Component</th>
<th>Full Year 2007</th>
<th>Price</th>
<th>Volume</th>
<th>O&amp;M</th>
<th>Fuel</th>
<th>Emission allowances</th>
<th>Other</th>
<th>Full Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK million</td>
<td>28 583</td>
<td>12 660</td>
<td>989</td>
<td>1 131</td>
<td>4 262</td>
<td>5 902</td>
<td>935</td>
<td>29 895</td>
</tr>
</tbody>
</table>

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EBIT development Q4 2008

SEK million

Q4 2007  Price  Volume  O&M  Fuel  Emission allowances  Other  Q4 2008
6 752  4 380  891  1 416  2 254  2 221  2 212  6 562
EBIT development FY 2008 – secondary segments

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2007</th>
<th>Generation</th>
<th>Heat</th>
<th>Networks</th>
<th>Markets</th>
<th>Other</th>
<th>Full Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK million</td>
<td>28 583</td>
<td>2 262</td>
<td>481</td>
<td>1 631</td>
<td>1 681</td>
<td>419</td>
<td>29 895</td>
</tr>
</tbody>
</table>
EBIT development Q4 2008 – secondary segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2007</th>
<th>Generation</th>
<th>Heat</th>
<th>Networks</th>
<th>Markets</th>
<th>Other</th>
<th>Q4 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK million</td>
<td>6 752</td>
<td>1 273</td>
<td>912</td>
<td>714</td>
<td>1 222</td>
<td>44</td>
<td>6 562</td>
</tr>
</tbody>
</table>
Cash flow

SEK million

- Cash flow from operations: 36,194
- Maintenance Capex: (17,231)
- Free cash flow: 18,963
- Growth investments: (25,065)
- Dividend: (8,066)
- Other: (8,092)
- Net debt increases: (22,260)
Gross debt development 2008

SEK billion

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross debt 31 Dec, 2007</td>
<td>67,2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>107,3</td>
</tr>
<tr>
<td>Redemptions</td>
<td>4,5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New borrowings</td>
<td>27,6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans from assoc. Companies</td>
<td>4,2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>10,8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation at fair value</td>
<td>1,8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0,2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Break down of group liquidity and credit lines

### 31 Dec. 2008

<table>
<thead>
<tr>
<th>Group liquidity</th>
<th>SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>20,904</td>
</tr>
<tr>
<td>Short term investments</td>
<td>19,332</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40,236</strong></td>
</tr>
</tbody>
</table>

1) Of which 23,432 million is available. Non-available liquidity consist of German nuclear “Solidarvereinbarung” 3,724 million, minority owners share of German nuclear subsidiaries cash position 3,744, Credit support Annex (Margin Calls); 7,439, and other non available liquidity 1,897.

### Committed credit facilities

<table>
<thead>
<tr>
<th>Credit Facility</th>
<th>EUR/SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCF (Feb. 2013)</td>
<td>10,940</td>
</tr>
<tr>
<td>Bilateral (Apr. 2009)</td>
<td>4,376</td>
</tr>
<tr>
<td>Overdraft facility (Dec. 2009)</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total undrawn</strong></td>
<td><strong>15,416</strong></td>
</tr>
</tbody>
</table>

### Debt maturities

- **within 90 days** 902
- **within 180 days** 6,892

2) Excluding loans from minority owners and associated companies.
Increased capex programme

SEK 202 billion 2009-2013 (2008-2012 was SEK 173 billion)

- Nordic: 86 bn SEK (43%)
- Germany: 35 bn SEK (17%)
- Poland: 81 bn SEK (40%)

Decided projects (>SEK 2 bn)

- Germany
  - Moorburg: end 2012
  - 1,640 MW (hard coal)
  - Boxberg: end 2010
  - 675 MW (lignite)
  - Reichwalde mine: end 2010

- U.K
  - Offshore wind Thanet: 2011
  - 300 MW
  - Offshore wind Ormonde: 2011/12
  - 150 MW

- Denmark
  - Amager I (coal/biomass): 2009
  - 71MWe/250 MW heat

- Sweden
  - Onshore wind programme: 2010/2011
  - 200 MW
Summary & conclusions

• Good results despite challenging conditions

• Financial crisis had limited impact on earnings but price and credit risks have increased

• Vattenfall’s geographic and fuel diversification has paid off

• Breakthrough of wind investments in the UK

• Increased debt but still very strong credit metrics

• Electricity generation for 2009 already 80% hedged

• Major progress for our CCS projects

• Further enhanced climate strategy

Our vision: A Leading European Energy Company
Questions & Answers

Kentish flats offshore wind farm, UK
Back-up slides
Oil, coal, gas and CO₂ allowances

- Oil (USD/bbl), Brent Front Month
- Coal (USD/t), API#2, Front Year
- Emission allowances CO₂ (EUR/t), 2009
- Gas (EUR/MWh), NBP, Front Year
Declining hydrological balance during Q4

Nordic countries

- Systempris
- Hydrologisk balans

TWh

SYSSEK/MWh

0 10 20 30 40

# Consolidated balance sheet

<table>
<thead>
<tr>
<th>Amounts in MSEK</th>
<th>31/12/08</th>
<th>31/12/07</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IFRS</td>
<td>IFRS</td>
<td>%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>317 912</td>
<td>264 864</td>
<td>20.0</td>
</tr>
<tr>
<td>Current assets</td>
<td>127 915</td>
<td>73 372</td>
<td>74.3</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>445 827</td>
<td>338 236</td>
<td>31.8</td>
</tr>
<tr>
<td>Equity</td>
<td>140 886</td>
<td>124 132</td>
<td>13.5</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>107 347</td>
<td>67 189</td>
<td>59.8</td>
</tr>
<tr>
<td>Interest-bearing provisions</td>
<td>69 047</td>
<td>56 250</td>
<td>22.8</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>20 752</td>
<td>17 735</td>
<td>17.0</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>28 602</td>
<td>26 632</td>
<td>7.4</td>
</tr>
<tr>
<td>Other non-interest-bearing liabilities</td>
<td>79 193</td>
<td>46 298</td>
<td>71.1</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>445 827</td>
<td>338 236</td>
<td>31.8</td>
</tr>
</tbody>
</table>
### Consolidated cash flow statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts in MSEK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funds from operations (FFO)</strong></td>
<td>10 886</td>
<td>10 909</td>
<td>-0.2</td>
<td>30 735</td>
<td>34 049</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-3 328</td>
<td>-2 527</td>
<td>31.7</td>
<td>5 459</td>
<td>-1 718</td>
</tr>
<tr>
<td><strong>Cash Flow from operating activities</strong></td>
<td>7 558</td>
<td>8 382</td>
<td>-9.8</td>
<td>36 194</td>
<td>32 331</td>
</tr>
<tr>
<td>Investments</td>
<td>-18 184</td>
<td>-6 753</td>
<td>169.3</td>
<td>-42 296</td>
<td>-18 964</td>
</tr>
<tr>
<td>Divestments</td>
<td>323</td>
<td>291</td>
<td>11.0</td>
<td>865</td>
<td>925</td>
</tr>
<tr>
<td>Cash and cash equivalents in acquired/divested companies</td>
<td>146</td>
<td>-1</td>
<td>-14700.0</td>
<td>158</td>
<td>2</td>
</tr>
<tr>
<td><strong>Cash Flow from investing activities</strong></td>
<td>-17 715</td>
<td>-6 463</td>
<td>174.1</td>
<td>-41 273</td>
<td>-18 037</td>
</tr>
<tr>
<td><strong>Cash Flow before financing activities</strong></td>
<td>-10 157</td>
<td>1 919</td>
<td>-629.3</td>
<td>-5 079</td>
<td>14 294</td>
</tr>
<tr>
<td><strong>Cash Flow from financing activities</strong></td>
<td>15 380</td>
<td>2 024</td>
<td>659.9</td>
<td>14 294</td>
<td>-18 662</td>
</tr>
<tr>
<td>Cash Flow for the period</td>
<td>5 223</td>
<td>3 943</td>
<td>32.5</td>
<td>9 215</td>
<td>-4 368</td>
</tr>
<tr>
<td>Net debt at the end of the period</td>
<td>-66 000</td>
<td>-43 740</td>
<td>50.9</td>
<td>-66 000</td>
<td>-43 740</td>
</tr>
</tbody>
</table>
Cash flow development

Figures according to Sw GAAP until Q4 2004 and according to IFRS from Q1 2005

Free cash flow from operations - Rolling 4 quarter
Cash flow before financing activities - Rolling 4 quarter

Figures according to Sw GAAP until Q4 2004 and according to IFRS from Q1 2005
Return on equity

- Rolling 4-quarter IFRS excl IAC
- Rolling 4-quarter Sw GAAP excl IAC
- Average 4-years (16 quarter) Sw. GAAP. IFRS from Q4 2004. Excl. IAC
- Requirement 15%
Breakdown of gross debt

Total debt: SEK 107.3 bn\(^1\) (EUR 9.8 bn)

- 57% Subordinated Perpetual Capital Securities
- 10% EMTN
- 16% Liabilities to associated companies
- 6% Liabilities to minority shareholders
- 11% Bank loans and others

1) Of which external market debt: SEK 83,8 bn (78%)

<table>
<thead>
<tr>
<th>Funding programmes</th>
<th>Size (EUR)</th>
<th>Utilization (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 6 bn Euro MTN</td>
<td>6,000 m</td>
<td>5,526 m</td>
</tr>
<tr>
<td>SEK 10 bn Domestic MTN</td>
<td>914 m</td>
<td>0</td>
</tr>
<tr>
<td>USD 2 bn Euro CP</td>
<td>1,417 m</td>
<td>0 (^2)</td>
</tr>
<tr>
<td>SEK 15 bn Domestic CP</td>
<td>1,371 m</td>
<td>0</td>
</tr>
</tbody>
</table>

2) USD 958 mn used for Group internal purposes (upstreaming of cash from Vattenfall Poland)

- All public debt is issued by Vattenfall Treasury AB, fully guaranteed by Vattenfall AB
- Virtually no currency risk in the debt portfolio
- No structural subordination
Vattenfall debt maturity profile

Excluding loans from associated companies and minority owners

<table>
<thead>
<tr>
<th>Duration (years)</th>
<th>Dec 31, 2008</th>
<th>Dec 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,9 ¹)</td>
<td>3,3</td>
</tr>
<tr>
<td>Average time to maturity (years)</td>
<td>6,5 ¹)</td>
<td>6,7</td>
</tr>
<tr>
<td>Net debt (SEK bn)</td>
<td>66,0</td>
<td>43,7</td>
</tr>
</tbody>
</table>

¹) Based on external debt. Excluding Capital Securities the duration is 2,4 years and average time to maturity 6,5 years.
<table>
<thead>
<tr>
<th>Description</th>
<th>31 Dec 2008</th>
<th>31 Dec 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported gross debt</td>
<td>-107 347¹)</td>
<td>-67 189</td>
</tr>
<tr>
<td>Present value of net pension obligations (incl actuarial gains/losses)</td>
<td>-21 867</td>
<td>-17 073</td>
</tr>
<tr>
<td>Mining &amp; environmental provisions</td>
<td>-14 604</td>
<td>-11 975</td>
</tr>
<tr>
<td>50% of Hybrid securities</td>
<td>5 406</td>
<td>4 671</td>
</tr>
<tr>
<td>Cross currency swaps</td>
<td>3 131</td>
<td>-574</td>
</tr>
<tr>
<td>Hedge of net investments in foreign operations</td>
<td>3 337</td>
<td>438</td>
</tr>
<tr>
<td><strong>= Adjusted gross debt</strong></td>
<td><strong>-131 944</strong></td>
<td><strong>-91 702</strong></td>
</tr>
<tr>
<td>Reported cash, cash equivalents &amp; short term investments</td>
<td>40 236²)</td>
<td>22 659</td>
</tr>
<tr>
<td>German nuclear &quot;Solidarvereinbarung&quot;</td>
<td>-3 724</td>
<td>-3 224</td>
</tr>
<tr>
<td>Minority owner’s share of German nuclear subsidiaries cash position</td>
<td>-3 744</td>
<td>-3 531</td>
</tr>
<tr>
<td><strong>= Adjusted cash, cash equivalents &amp; short term investments</strong></td>
<td><strong>32 768</strong></td>
<td><strong>15 904</strong></td>
</tr>
<tr>
<td><strong>= Adjusted net debt</strong></td>
<td><strong>-99 176</strong></td>
<td><strong>-75 798</strong></td>
</tr>
</tbody>
</table>

1) Of which CSA, Credit Support Annex (Margin calls) 1 856
2) Of which CSA, Credit Support Annex (Margin calls) 7 439
# Financial targets and outcome

<table>
<thead>
<tr>
<th>Key Ratio</th>
<th>Targets</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity (RoE)</td>
<td>15 % on average equity</td>
<td>13.6%</td>
</tr>
<tr>
<td>Return on Net Assets (RoNA, excl. IAC)</td>
<td>11 % before tax (= 15 % RoE recalculated into the Groups RoNA requirement)</td>
<td>15.1%</td>
</tr>
<tr>
<td>Cash flow interest coverage after maintenance investments</td>
<td>3.5 – 4.5 times</td>
<td>4.1</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>Single A category rating</td>
<td>A2/A-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stable outlook</td>
</tr>
<tr>
<td>Dividend pay-out</td>
<td>40-60 %</td>
<td>40.4 % *</td>
</tr>
</tbody>
</table>

*) Proposed dividend
## Key ratios

<table>
<thead>
<tr>
<th>Key Ratios</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoNA</td>
<td>15.1</td>
<td>16.6</td>
</tr>
<tr>
<td>RoE</td>
<td>13.6</td>
<td>17.6</td>
</tr>
<tr>
<td>Operating margin</td>
<td>18.2</td>
<td>19.9</td>
</tr>
<tr>
<td>Pre-tax profit margin</td>
<td>14.3</td>
<td>16.7</td>
</tr>
<tr>
<td>Cash Flow interest coverage after maintenance investments, (x)</td>
<td>4.1</td>
<td>6.4</td>
</tr>
<tr>
<td>FFO/net debt</td>
<td>46.6</td>
<td>77.8</td>
</tr>
<tr>
<td>Equity/assets ratio</td>
<td>31.6</td>
<td>36.7</td>
</tr>
<tr>
<td>Net Gearing - Net debt/equity</td>
<td>46.8</td>
<td>35.2</td>
</tr>
<tr>
<td>Capitalisation - Net debt/net debt + equity</td>
<td>31.9</td>
<td>26.1</td>
</tr>
<tr>
<td>Net debt / EBITDA, (x)</td>
<td>1.4</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Capex programme – breakdown by type

SEK 202 billion 2009-2013

- Wind: 20%
- Biomass: 16%
- Hard coal: 10%
- Lignite: 3%
- Gas: 2%
- Waste: 3%
- CO2 related investments: 2%
- Nuclear: 1%
- Hydro: 1%
- Other (mainly networks): 8%

SEK 173 billion 2008-2012

- Wind: 32%
- Biomass: 14%
- Hard coal: 19%
- Lignite: 12%
- Gas: 4%
- Waste: 9%
- CO2 related investments: 5%
- Nuclear: 4%
- Hydro: 3%
- Other (mainly networks): 0.3%
Group provisions (IFRS)

30 December 2008
SEK 115,906 million

30 December 2007
SEK 97,689 million

Pensions
Nuclear
Mining
Taxes
Other
Personnel
Legal
## Key data – BG Nordic

<table>
<thead>
<tr>
<th></th>
<th>Q4 2008</th>
<th>Q4 2007</th>
<th>% Change</th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts in SEK million</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>13 794</td>
<td>12 928</td>
<td>6.7</td>
<td>48 851</td>
<td>46 713</td>
</tr>
<tr>
<td>External net sales *</td>
<td>15 942</td>
<td>14 052</td>
<td>13.5</td>
<td>54 732</td>
<td>44 429</td>
</tr>
<tr>
<td>EBIT **</td>
<td>3 649</td>
<td>3 915</td>
<td>-6.8</td>
<td>16 760</td>
<td>12 418</td>
</tr>
<tr>
<td>Net assets ***</td>
<td>111 263</td>
<td>91 122</td>
<td>22.1</td>
<td>111 263</td>
<td>91 122</td>
</tr>
<tr>
<td>Electr. generation, TWh</td>
<td>22.2</td>
<td>24.1</td>
<td>-7.9</td>
<td>90.7</td>
<td>91.1</td>
</tr>
<tr>
<td>Heat generation, TWh</td>
<td>3.5</td>
<td>3.2</td>
<td>9.4</td>
<td>10.4</td>
<td>10.7</td>
</tr>
<tr>
<td>Employees ****</td>
<td>9 992</td>
<td>9 993</td>
<td>0.0</td>
<td>9 507</td>
<td>9 489</td>
</tr>
</tbody>
</table>

* Excl. intra group transactions
** Excl. items affecting comparability (IAC)
*** At the end of the period
**** Full time equivalents (FTE)
## Key data – BG Central Europe

### Amounts in SEK million

<table>
<thead>
<tr>
<th></th>
<th>Q4 2008</th>
<th>Q4 2007</th>
<th>% Change</th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>40 503</td>
<td>32 622</td>
<td>24.2</td>
<td>142 260</td>
<td>122 256</td>
</tr>
<tr>
<td><strong>External net sales</strong></td>
<td>27 973</td>
<td>23 291</td>
<td>20.1</td>
<td>99 182</td>
<td>86 736</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3 850</td>
<td>3 174</td>
<td>21.3</td>
<td>15 042</td>
<td>16 517</td>
</tr>
<tr>
<td><strong>Net assets</strong>*</td>
<td>92 344</td>
<td>78 714</td>
<td>17.3</td>
<td>92 344</td>
<td>78 714</td>
</tr>
<tr>
<td><strong>Electr. generation, TWh</strong></td>
<td>19.4</td>
<td>20.5</td>
<td>-5.4</td>
<td>72.4</td>
<td>76.6</td>
</tr>
<tr>
<td><strong>Heat generation, TWh</strong></td>
<td>8.7</td>
<td>9.7</td>
<td>-10.3</td>
<td>25.3</td>
<td>25.5</td>
</tr>
<tr>
<td><strong>Employees</strong>**</td>
<td>20 914</td>
<td>20 934</td>
<td>-0.1</td>
<td>19 692</td>
<td>19 656</td>
</tr>
</tbody>
</table>

---

* Excl. intra group transactions  
** Excl. items affecting comparability (IAC)  
*** At the end of the period  
**** Full time equivalents (FTE)  

© Vattenfall AB
Conference call, 12 Feb 2009
• The German Krümmel and Brunsbüttel nuclear power plants are still off-line due to technical problems detected during the inspection and testing programmes:

• The plants will remain shut down until all necessary renovation work is fully completed. Re-start date is still open.

• Financial impact (EBIT):

  FY 2008: EUR -573 million (SEK –5,537 million)
Major wind power transactions in the UK

Partnership between Vattenfall and ScottishPower Renewables
- Alliance for joint bids in the UK Round 3 offshore wind
  • Vattenfall’s offshore experience combined with Iberdrola’s track record and local presence
  • Ambition 6,000 MW (3,000 MW each) until 2020

Thanet Offshore Wind Ltd
- 300 MW, ~1 TWh
- Commissioning in 2010

AMEC Wind
- Pipeline ~500-750 MW, ~1.5-2 TWh onshore in Scotland
- Alliance for future wind power expertise in the UK

Eclipse Wind Energy
- Pipeline
  150 MW offshore
  60 MW onshore
  90 MW gas
  ~1 TWh

Investments until ~2018: ~EUR 2,500 million (if 100% hit rate) excl. Round 3.
Alliance on Round 3 expected to fill post 2018 UK investment pipeline
Vattenfall development in the UK

Investment highlights

• AMEC Wind – now Vattenfall Wind Power Ltd
  - Total pipeline ~ 500-750 MW incl. extensions
  - Acquired for GBP 126.7 million

• Eclipse Energy UK PLC
  - Total pipeline 300 MW, of which 150 MW are fully consented offshore
  - Acquired for GBP 51.5 million

• Thanet
  - 300 MW
  - Acquired for GBP 35 million

UK pipeline

Total pipeline of ~1,000 MW + 360 MW (extensions)
Acquisition of 18.7% in Polish ENEA

Vattenfall has acquired 18.7% of ENEA for SEK 4.5 billion.

**ENEA S.A. (Parent company)**
- 8% share at domestic generation
- 16% share at distribution and electricity sale market

- Electricity sales: 16.8 TWh
- Sales customers: 2.3 million

**ENEA Operator Ltd. (Distribution company)**
- Distribution area: 58,192 km²
- Power lines length: 107,035 km

- Technical status of the network – similar to VDP assets
- Distribution and sales at well developed regions

**Elektrownia Kozienice S.A.**
- (Generation company – 2nd biggest Polish Power Station)
- Electricity generation (2007): 12.7 TWh
- Installed capacity: 2,880 MW

- New 1,000 MW unit CCS ready is planned till 2015

**22 smaller subsidiaries**
- Small hydro-power stations: around 60 MW and 140 GWh/a
- Wind power: about 300 MW under development
Transmission update

• At the end of July 2008, Vattenfall approached potential investors for the possible sale of our German Transmission operations (Vattenfall Europe Transmission GmbH)

• Indicative bids were received in October – high level of interest

• The intent to finalize a sale within the first half of 2009 is still valid – within this timeframe we remain flexible regarding single process steps and may adapt to external developments (e.g. regulation)

• Important criteria to be applied on investors. They must:
  • have a long-term focus
  • ensure substantial investments in network extension
  • grant continued free grid access for all power producers
  • promote the flow of electricity across European borders

• Final decision has not yet been made