Vattenfall Capital Markets Day 2007

Presentation by

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Overview - BG Nordic

Nordic market:
Vattenfall is the largest electricity generator with 20% market share

- **Sweden:**
  - 80.8 TWh electricity generation
  - 5.2 TWh heat generation
  - 0.7 million customers
  - ~8 300 employees*

- **Finland:**
  - 0.3 TWh electricity generation
  - 1.6 TWh heat generation
  - 0.3 million customers
  - ~500 employees*

- **Denmark:**
  - 6 TWh electricity generation
  - 6 TWh heat generation
  - ~650 employees*

* Full-time equivalents
## Key data

<table>
<thead>
<tr>
<th>Amounts in SEK billion</th>
<th>H1 2007</th>
<th>H1 2006</th>
<th>% Change</th>
<th>LTM</th>
<th>FY 2006</th>
<th>FY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>24.6</td>
<td>20.7</td>
<td>+18.9</td>
<td>44.0</td>
<td>40.1</td>
<td>42.0</td>
</tr>
<tr>
<td>EBIT *</td>
<td>7.0</td>
<td>8.4</td>
<td>-16.8</td>
<td>11.8</td>
<td>13.2</td>
<td>13.7</td>
</tr>
<tr>
<td>Net assets **</td>
<td>83.7</td>
<td>76.2</td>
<td>+ 9.8</td>
<td>n.a.</td>
<td>81.7</td>
<td>77.2</td>
</tr>
<tr>
<td>Electr. generation, TWh</td>
<td>48.1</td>
<td>44.7</td>
<td>+7.6</td>
<td>88.3</td>
<td>84.9</td>
<td>89.8</td>
</tr>
<tr>
<td>Heat generation, TWh</td>
<td>6.4</td>
<td>4.3</td>
<td>+48.8</td>
<td>10.7</td>
<td>8.5</td>
<td>7.3</td>
</tr>
<tr>
<td>Employees ***</td>
<td>9 458</td>
<td>8 834</td>
<td>+7.1</td>
<td>n.a.</td>
<td>9 158</td>
<td>8 788</td>
</tr>
</tbody>
</table>

* Excl. items affecting comparability (IAC)
** At the end of the period
*** Full time equivalents (FTE)
LTM = last twelve months
# Key figures - renewable energy generation

<table>
<thead>
<tr>
<th>Actual Jun 2007</th>
<th>Wind</th>
<th>Hydro*</th>
<th>Heat</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit (MSEK)</td>
<td>135.6</td>
<td>69.6</td>
<td>135.7</td>
<td>340.8</td>
</tr>
<tr>
<td>Investments (MSEK)</td>
<td>424.4</td>
<td>26.4</td>
<td>225.0</td>
<td>675.8</td>
</tr>
<tr>
<td>Tangible fixed assets (MSEK)</td>
<td>5,997.3</td>
<td>277.4</td>
<td>3,955.8</td>
<td>10,230.5</td>
</tr>
<tr>
<td>Return on tangible fixed assets (%)</td>
<td>4.5</td>
<td>50.2</td>
<td>6.9</td>
<td>6.7</td>
</tr>
</tbody>
</table>

* pertains to hydro power that qualifies for electricity certificates in Sweden

<table>
<thead>
<tr>
<th>Sold Volume Electricity (GWh)</th>
<th>Wind</th>
<th>Hydro*</th>
<th>Heat</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>575</td>
<td>186</td>
<td></td>
<td>204</td>
<td>965.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sold Volume Heat (GWh)</th>
<th>2,348</th>
</tr>
</thead>
</table>

* pertains to hydro power that qualifies for electricity certificates in Sweden
2. Market positions
The Nordic market, 2005

• The Nordic market has strong cross-border connections which make it highly competitive with many players both in generation and sales (as the four countries form an integrated market area) compared with most other power markets
3. Capex
### Changes in Nordic electricity generation 2007 – 2015

*(Vattenfall’s estimate based on public information)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Change (TWh)</th>
<th>Wind (TWh)</th>
<th>Hydro (TWh)</th>
<th>Natural gas CHP* (TWh)</th>
<th>Biofuel CHP* (TWh)</th>
<th>Decommissioning of nuclear units (TWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden</strong></td>
<td>23.3</td>
<td>5.5</td>
<td>1.7</td>
<td>9.0</td>
<td>2.0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>11.4</td>
<td>0.3</td>
<td>0.3</td>
<td>3.7</td>
<td>12.0</td>
<td>-4.9</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>18.0</td>
<td>3.5</td>
<td>8.7</td>
<td>5.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>-5.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Nordic:**

- **+ 47.1 TWh**

**Increased consumption:**

- **19.7 TWh**

* CHP and back-pressure generation
BG Nordic – planned capex 2007-2017

SEK billion

- Networks and Other: 29.2
- Hydro: 12.3
- Nuclear: 29.3
- Wind: 40.8
- Hard Coal: 4.7
- Waste: 0.4
- Gas: 0.006
- Biomass: 3.1

EUR/SEK 9.2435
Vattenfall adds 10 TWh from renewable sources until 2016

- Hydro Power approx. 2 TWh
- Biofuels approx. 0.5 TWh
- Wind Power approx. 7-8 TWh

Vattenfall’s investments represent approx. 40 bn SEK
Lillgrund – 110 MW windpower farm

- The world’s 3rd largest offshore windpower farm
- Now under construction – in operation this year (2007)
- Installed capacity: 110 MW (48 wind mills)
- ~330 GWh electricity generation (~60,000 households)
• Programme for renewal
  – Fulfil new security regulations and expected EU harmonisation
  – Modernise power plants for continuously high availability and safety
  – Improved efficiency (→ ~1.6 TWh)

• Programme for power increase
  – Increase the thermal power on 5 of 7 units (→ ~6.4 TWh)

• Physical protection
  – Fulfilment of SKIFS 2005:1 with substantially increased level of ambition for the physical protection
4. Sales activities
BG Nordic is increasing its market share

- Attractive offers to retail customers
- Right to change
  - fee payable when utilised
- Best price guarantee

www.vattenfall.se/trygghetsavtal
Between 2004-2007 Vattenfall has signed several long-term electricity contracts with industrial customers in order to support their capacity requirements and offer stable and competitive electricity prices. Customers include:

- Outokumpu
- Vargön
- Söral
- Holmen
- Stora Enso
- LKAB
- SCA
- Kubal
- Billerud