

Vattenfall Capital Markets Day 2006

Presentation by

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This is Business Group Vattenfall Nordic

	Total Market consumption, electricity	Vattenfall's sales, electricity	Population	Customers
Sweden	146 TWh	50.8 TWh	9 050 M	~ 900.000
Finland	88 TWh	4.5 TWh	5 250 M	~ 400.000
Denmark	35 TWh	3.8 TWh	5 425 M	-
Norway	120 TWh	1.5 TWh	4 600 M	-



Generation and Energy mix

- **Generation ->** 89,8 TWh
- **Energy mix ->** Nuclear (58,9%), Hydro (40,5%)
Wind and fossil-fired (0,6%)

2005 – full year figures

Market positions in the Nordic area

Generation: 23% of 390 TWh

Distribution:

Local:

Sweden 17% of 5 200 000 customers

Finland 12% of 3 000 000 customers

Regional:

Sweden 50% of 150 TWh

Sales total:

Sweden 34% of 150 TWh

Finland 5% of 90 TWh

Private sales:

Sweden 13% of 41,6 TWh

Finland 9% of 20,6 TWh

Heat:

Sweden 11 % of 45 TWh

Finland 3% of 30 TWh



Q2 2006 results for BG Vattenfall Nordic

	2004	2005	2006 LTM
Net sales (MSEK)	39 961	42 021	49 429
EBIT (MSEK)	12 215	13 787*	14 864*
Net Assets (MSEK)	57 186	77 190	76 180 (jun30)
Electricity gen. (TWh)	88,4	89,8	88,6
Heat sales. (TWh)	7,6	7,3	7,5
Electricity sales (TWh)	53,9	60,6	58,8
Employees (FTE)	8 744	8 985	9 057

*Excluding compensation for Barsebäck (3 058 MSEK)



Important events 2006

- Grid regulation
- Upgrade of nuclear power plants
- Renewable investments
- Denmark, integration
- Further Sales initiatives



Estimated changes in Base Power 2005-2015

Norway 11,3 TWh

Wind	5,4
Natural gas	3,5
Hydro	2,4*

* Additional 10 TWh hydro power if green certificates are introduced in Norway

Denmark 0,3 TWh

Wind	2,8
Decommissioning of coal condensing units	-2,5

Sweden 20,7 TWh

Wind	5,2
Hydro	1,9
Nuclear power upgrading	8,9
Natural gas CHP	1,6
Biofuel CHP	5,1
Decommissioning of nuclear units	- 4,4
Karlsamn 3	2,4

Finland 14,6 TWh

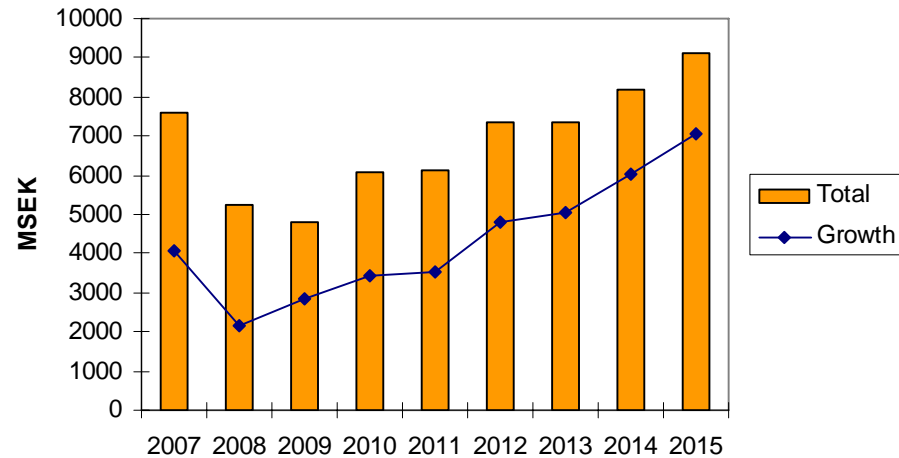
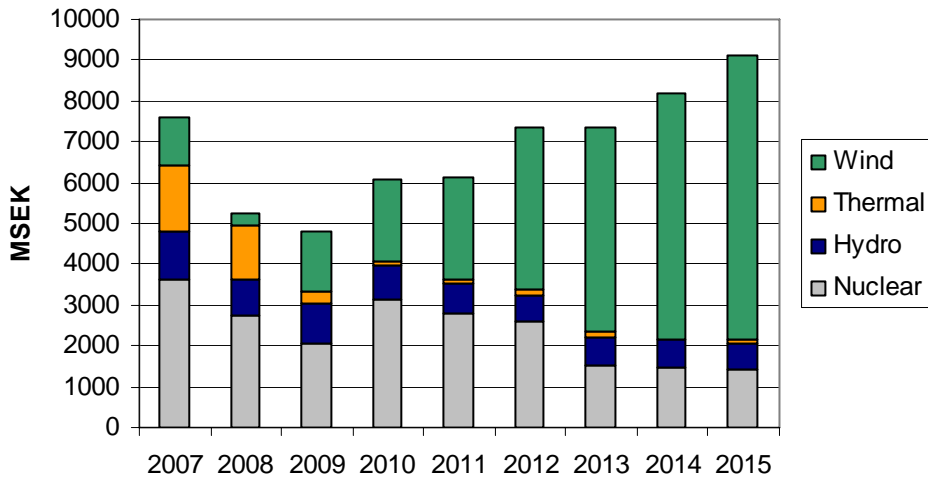
Wind	0,9
Hydro	0,3
CHP	4,7
Nuclear	12,0
Decommissioning of coal condensing units	-3,3

Total: 46,9 TWh
 (* 56,9 TWh)

The level of ambition in the electricity certificate system has been increased in Sweden and for Vattenfall.

Increased use of electricity: 24,9 TWh

Generation investments



Investments in wind power corresponds to Vattenfall's ambition of 8 TWh new wind power to 2016

Renewable energy projects: Vattenfall's ambitions

- Vattenfall to establish another 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

Wind power – Offshore

- **Lillgrund**

- 110 MW
- 330 GWh p.a.
- Operations 2007

- **Kriegers flak**

- 4-600 MW
- Max 2,1 TWh p.a.
- Poss. Constr. start 2009
- Poss. operations 2011-

- **Trolleboda**

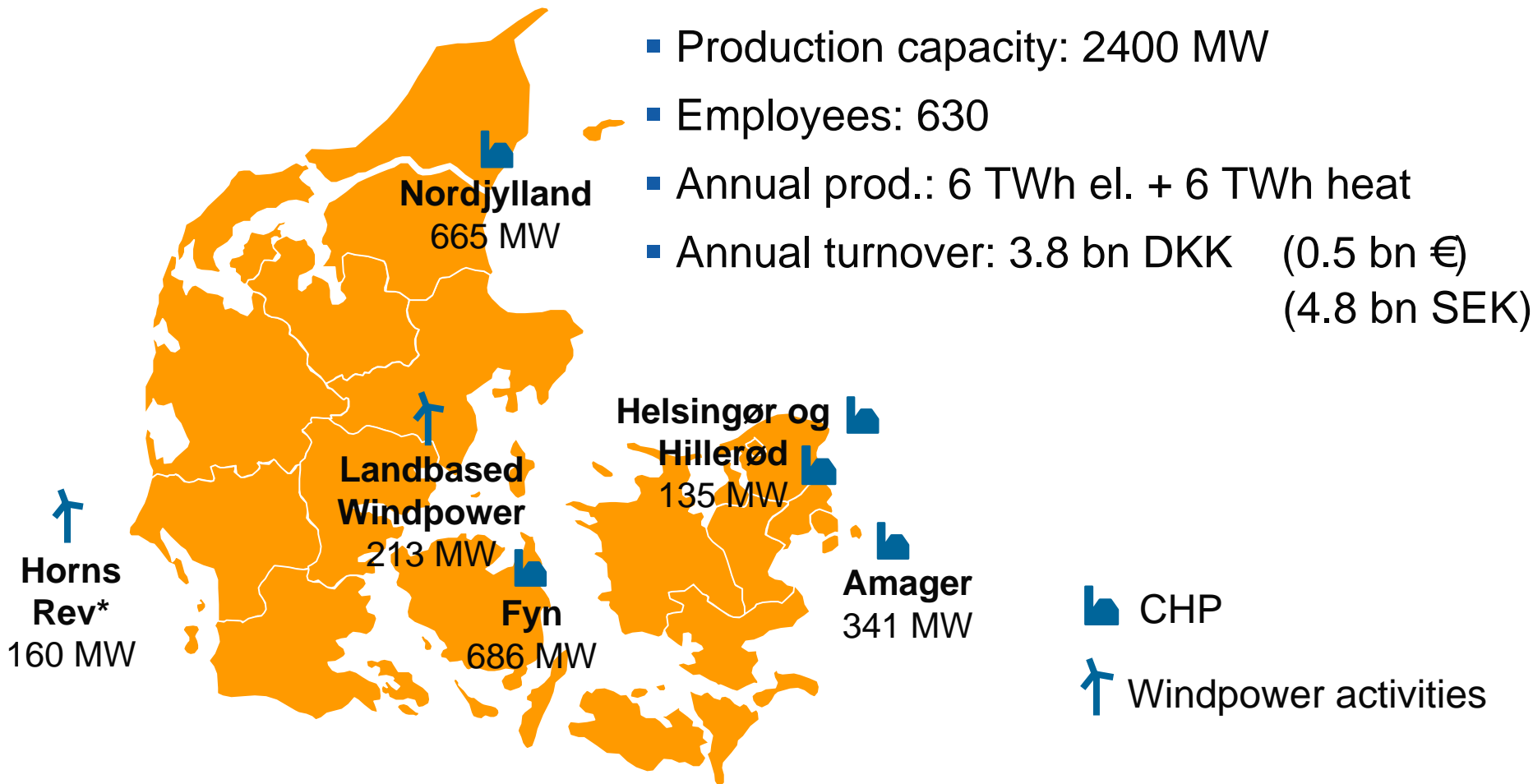
- Ca 150 MW
- Ca 500 GWh p.a.
- Poss. constr. start 2009
- Poss. operations 2010

- **Taggen**

- Ca 300 MW
- Ca 1 TWh p.a.
- Poss. constr. start 2008
- Poss. operations 2011



Vattenfall in Denmark



*Vattenfall has 60% ownership and operational control

Three year contract with flexible switching right launched in Sweden

- Offer to households
- Switching right that you pay for when you use it
- Guarantee for lowest price*
- To be launched this summer

www.vattenfall.se/trygghetsavtal

* In accordance with the competition authority, certain conditions will be stated in the contract

Key issues/challenges going forward

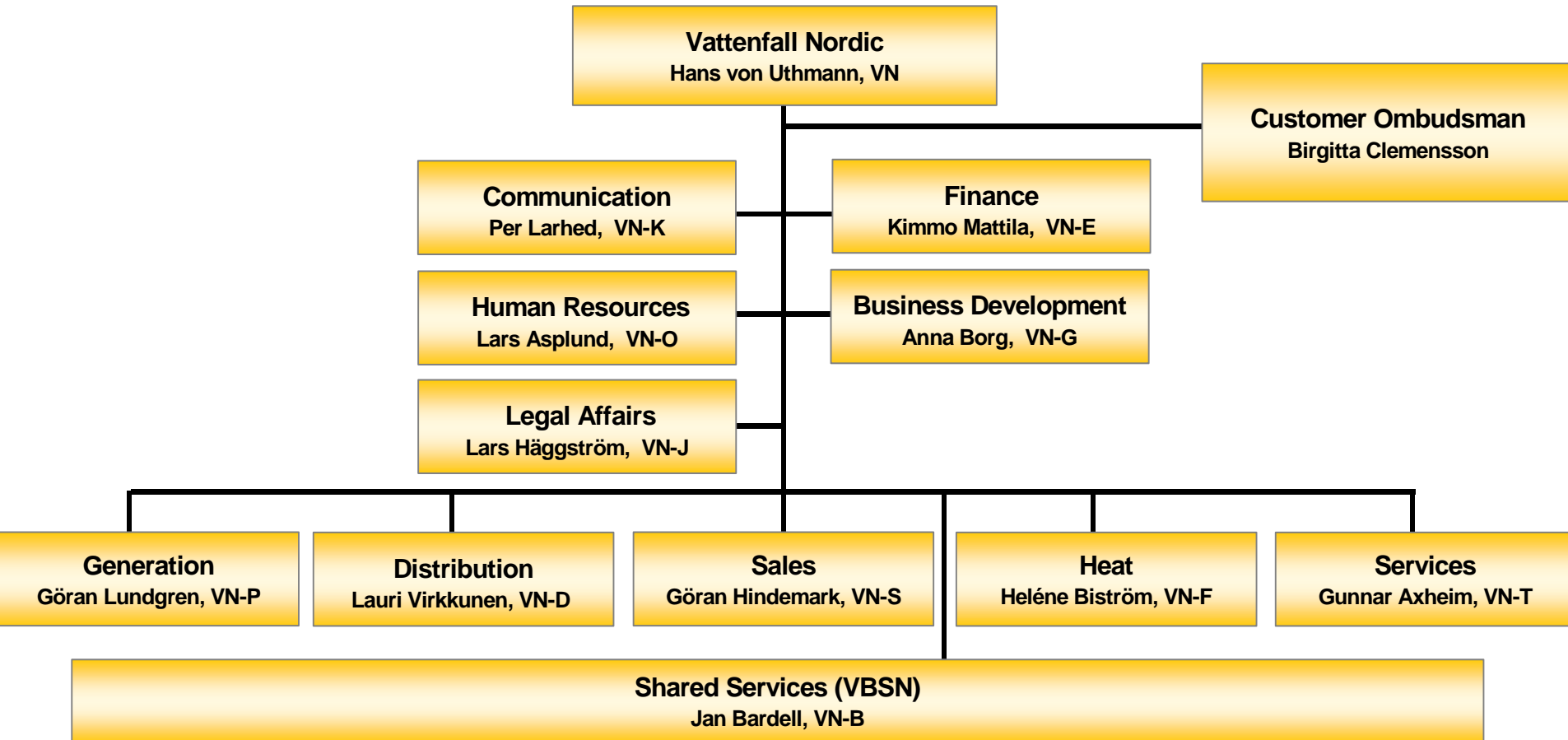
- Network regulation
- Renewable investments
- Electricity prices
- Heat pricing
- Image and Customer satisfaction issues
- Regulatory issues & public debate

Thank you for your attention



Back-up slides

BG Nordic, organization



Renewable energy

Wind power

- We have 40 wind power plants in Sweden that generate 55 GWh.
- We are one of Sweden's largest wind power generators. Our market share is approximately 6%.



Biofuels and waste

- Vattenfall is one of the largest users of biofuel in the world.
- Over 50% (4 TWh) of Vattenfall's total heat production in the Nordic Countries is based on biofuels and waste.



Hydro power

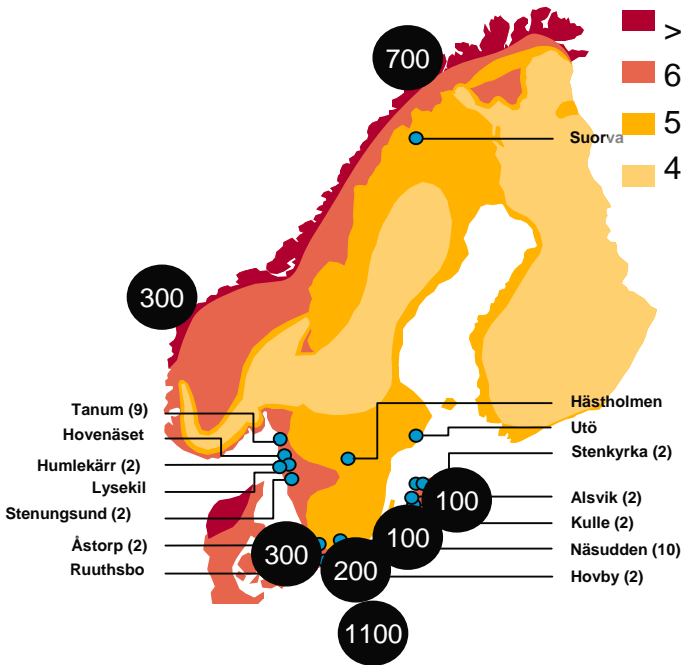
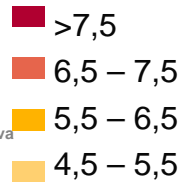
- During a normal year we generate 32 TWh.
- We are one of the largest hydro power generators in the Nordic countries. Our market share is approximately 17%.



Vattenfall is rapidly advancing its position in wind power

Nordic region wind power projects

Average wind speed [m/s]



- Vattenfall has identified and is currently evaluating a number of large scale wind power projects in the Nordic region
- If Vattenfall should acquire and develop all the projects currently under evaluation, this would amount to close to 3 TWh. An investment equivalent to SEK 10-15 billion
- The best conditions for wind power exist on Norway's west coast

Potential projects undergoing evaluation by Vattenfall today



The Kriegers Flak wind power plant

- 30 km south of Trelleborg
- Approx. 100 wind mills
- 2.1 TWh per year
- Electricity for 440,000 households
- Running in 2010-2015



Distribution investments in Sweden

