

- Net sales increased by 15 % to SEK 40,432 million (35,036)
- Operating profit excluding items affecting comparability rose by 37 % to SEK 12,435 million (9,069)
- Profit for the period grew by 43 %, reaching SEK 7,979 million (5,569)

Turbine hall in Warsaw, Poland.



Lars G Josefsson  
President and CEO

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### Strong start to the year

The first quarter has given Vattenfall a robust start to the year. Compared to the first quarter of 2005, operating profit excluding items affecting comparability increased by 37 % to SEK 12,435 million (9,069). Sales rose by 15 % to SEK 40,432 million (35,036). The largest part of the SEK 3,366 million increase in profit, was contributed by our German operations – which alone accounted for a SEK 2,047 million increase – and is attributable to the greater availability of our power plants, higher electricity and heat generation volumes and higher wholesale electricity prices.

Our Nordic operations account for SEK 1,155 million of the profit increase. Here too, the majority of the improvement stems from generation operations, following wholesale electricity price increases. Costs in electricity network operations were substantially lower than in the first quarter of 2005 when the storm Gudrun caused severe damage. The remaining proportion of the sales increase is from our operations in Poland, where the cold winter contributed to greater revenue from heating operations.

Return on equity was 23.2 %, and return on net assets was 17.4 %; both figures exclude items affecting comparability. Net debt fell by SEK 7,869 million during the quarter due to the strong cash flow from operations.

Vattenfall's total electricity generation increased to 47.8 TWh compared to the first quarter of last year (46.2). The generation of hydro and nuclear power remained largely unchanged, while fossil fuel power increased.

### Major investment plans ahead

Vattenfall's good earning capacity is a prerequisite for meeting our major investment needs in the future. Until 2010 we are planning to invest SEK 104 billion,

of which SEK 54 billion in Germany, SEK 42 billion in the Nordic countries and SEK 8 billion in Poland. The largest portion of the investments, SEK 70 billion, is earmarked for generation operations, while SEK 29 billion is for networks and the remaining SEK 5 billion is planned for other operations.

### Integration of Danish operations under way

In mid-March the European Commission, which has assessed Vattenfall's and DONG's acquisition in Denmark, approved the part of the deal that affects DONG. Vattenfall and DONG have agreed on the most important details and established 1 July 2006 as the date for closing of the deal, in which Vattenfall – in exchange for its shares in Elsam A/S and Avedøre 2 – will take over about 24 % of total generation capacity in Elsam and Energi E2. This enables Vattenfall to start integrating these operations.

### Heightened interest in the climate issue

Vattenfall presented its report "Curbing Climate Change" at the start of the year. The report discusses a proposed model for global reductions in carbon dioxide emissions, combined with favourable conditions for investments in cost-effective and climate-friendly technology.

Our commitment to the climate issue has attracted a great deal of attention with very positive feedback. Environmental and climate issues constitute a central part of the Vattenfall Group's strategy; our work in this field is ongoing, and external interest in and acknowledgment of our prominent position is constantly increasing.

### European restructuring and energy debate

EU energy policy is in a very interesting phase. There is a strong trend towards greater centralisation of the policy in the light of the supply situation – including the gas

conflict between Russia and the Ukraine. On the other hand, individual Member States appear keen to prioritise national considerations, as illustrated by E.ON's bid for the Spanish company Endesa, and France's attempts to prevent the Italian enterprise Enel from buying Electraabel (part of the private energy group Suez) by merging Suez with the 80 % state-owned Gaz de France.

It is clear that we are in the middle of a new wave of reorganisation in European industry, where players are decreasing in number and large corporations are increasing in size. A very interesting period of development in the EU's internal energy market is currently taking place. A heated debate about energy issues – especially electricity prices – is in progress in all the countries where we operate. Demands for re-regulation and claims that the electricity market is ineffective have been voiced. This lack of confidence in the function of the market and in the industry is a serious problem. The debate urgently needs to differentiate between the effects of political decisions and how well the market works. Vattenfall's position is to support each measure that can further improve the function of the market. Creation of the EU's internal energy market, with a high degree of transparency and reliable pricing, plays an important part in a positive economic trend.

Lars G Josefsson  
President and CEO

## SUMMARY OF VATTENFALL'S FINANCIAL PERFORMANCE, CASH FLOW AND BALANCE SHEET

Amounts in SEK million	Q1/06	Q1/05	Change %	Latest 12 months (LTM)
Net sales	40,432	35,036	15.4	134,554
Operating profit before depreciation and amortisation (EBITDA)	16,115	12,519	28.7	45,979
<b>Operating profit (EBIT)</b>	<b>12,689</b>	9,092	39.6	31,168
<b>Operating profit excl. items affecting comparability</b>	<b>12,435</b>	9,069	37.1	27,951
Financial items, net	-479	-590	18.8	-1,300
<b>Profit before tax</b>	<b>12,210</b>	8,502	43.6	29,868
<b>Profit for the period</b>	<b>7,979</b>	5,569	43.3	22,928
– of which attributable to equity holders of the Parent Company	7,502	5,184	44.7	21,553
– of which attributable to minority interests	477	385	23.9	1,375
Return on equity excl. items affecting comparability	-	-	-	23.2
Return on net assets excl. items affecting comparability	-	-	-	17.4
Funds from operations (FFO)	13,281	8,771	51.4	35,896
<b>Cash flow before financing activities</b>	<b>6,591</b>	5,794	13.8	1,525
Free cash flow	7,013	6,014	16.6	15,340
Cash and cash equivalents plus short-term investments	17,926	15,950	12.4	-
Balance sheet total	361,906	303,968	19.1	-
<b>Equity incl. minority interests</b>	<b>90,943</b>	86,544	5.1	-
Capital Securities	9,241	-	-	-
Other interest-bearing liabilities	65,396	71,389	-8.4	-
<b>Net debt</b>	<b>56,474</b>	51,395	9.9	-

Vattenfall's financial performance varies considerably over the year. The greater part of the year's profit is normally generated during the first and fourth quarters when demand for electricity and heating peaks.

See page 21-22 for definitions.

Amounts in SEK million Q 1/06 Q 1/05 Change %

**SALES, PROFIT AND CASH FLOW**

Net sales ▲ 40,432 35,036 15.4

**Comment:**

Sales mainly increased as a result of higher electricity generation, higher wholesale electricity prices and higher volumes in heating operations due to cold weather.

Cost of products sold ▲ 25,759 24,915 3.4

**Comment:**

Cost of products sold increased marginally compared to the first quarter of 2005.

Operating profit ▲ 12,689 9,092 39.6

Operating profit excl. items affecting comparability ▲ 12,435 9,069 37.1

**Comment:**

Higher generation volumes and higher wholesale electricity prices combined with cold weather helped improve profit in the Nordic countries, Germany and Poland. Compared to the first quarter last year, the largest part of the profit increase is however attributable to Germany, where we have been able to produce more power and heat than in the past year. Higher taxes on nuclear and hydro power in Sweden as from January 2006 had a negative impact on profit of SEK 453 million compared to the first quarter of 2005.

Amounts in SEK million Q 1/06 Q 1/05 Change %

Cash flow from operating activities ▲ 8,676 7,505 15.6

Free cash flow <sup>1</sup> ▲ 7,013 6,014 16.6

Cash flow before financing activities ▲ 6,591 5,794 13.8

<sup>1</sup> Cash flow from operating activities less maintenance investments.

Net financial items ▲ -479 -590 18.8

Interest income ▲ 215 177 21.5

Interest expense ▲ 752 611 23.1

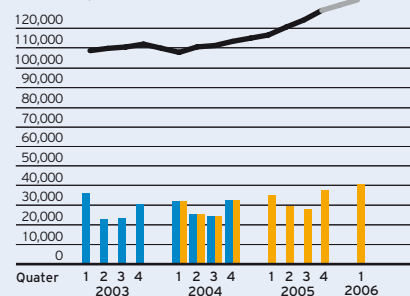
Interest received ▼ 209 219 -4.6

Interest paid ▼ 506 742 -31.8

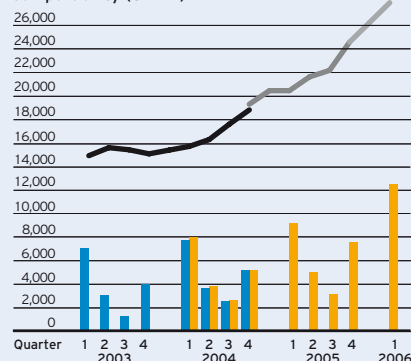
**Comment:**

Net interest items for the first three months amounted to an average of SEK 179 million per month (145).

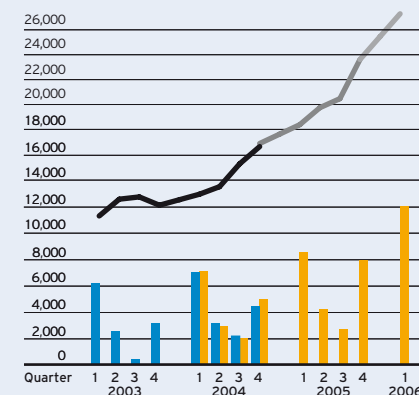
Net sales, (SEKm)



Operating profit, excl. items affecting comparability (SEKm)



Profit before income tax, excl. items affecting comparability (SEKm)



■ Rolling 12-month values (Sw GAAP) ■ Rolling 12-month values (IFRS) ■ Quarterly values (Sw GAAP) ■ Quarterly values (IFRS)

Amounts in SEK million 31 Mar 2006 31 Mar 2005 Change %

**FINANCIAL POSITION**

Cash and cash equivalents plus short-term investments	▲	17,926	15,950	12.4
Committed credit facilities (unused)	▲	21,450	5,636	280
Other credit facilities (unused)	▲	10,104	9,777	3.3

**Comment:**

Committed credit facilities comprise a seven-year Revolving Credit Facility of EUR 1,000 million maturing in February 2013, 364-day credit facilities totalling EUR 1,260 maturing in April 2006 as well as an overdraft facility of SEK 211 million.

Net debt <sup>1</sup>	▲	56,474	51,395	9.9
Average fixed interest period (duration, years) <sup>1,2</sup>	▼	2.9	1.9	
Average maturity <sup>1,2</sup>	▲	6.5	7.0	

<sup>1</sup> Excluding Capital Securities of SEK 9,241 million, net debt stands at SEK 47,233 million, the average fixed interest period is 2.0 years, and the average maturity is 6.0 years. These figures refer to 31 March 2006.

<sup>2</sup> Excluding loans from associated companies and minority owners.

**Comment:**

Net debt, including Capital Securities, was reduced by SEK 7.8 billion to SEK 56.5 billion compared to year-end 2005. More than SEK 1 billion is attributable to exchange rate fluctuations, and the rest is mainly the result of robust cash flow. In comparison with the first quarter of 2005, net debt climbed SEK 5.1 billion, partly due to the investment in Denmark of SEK 10.3 billion and the dividend for 2004 of SEK 5.6 billion, which was paid in April 2005. Total debt, including Capital Securities, decreased compared to year-end 2005, falling SEK 4.4 billion to

SEK 74.6 billion. Compared to the same period last year, total debt rose SEK 3.2 billion, partly explained by the issuance of Capital Securities in June 2005. The average remaining maturity in the loan portfolio was down to 6.5 years. There was no change in Vattenfall's credit rating during the first quarter; the current rating is A-/A-2 from Standard & Poor's and A2/P-1 from Moody's – in both cases with a positive outlook.

Amounts in SEK million 31 Mar 2006 31 Mar 2005 Change %

**Equity attributable to**

Equity holders of the Parent Company	▲	80,279	76,006	5.6
Minority interests	▲	10,664	10,538	1.2
Total	▲	90,943	86,544	5.1

**Comment:**

Changes in equity are specified on page 17.

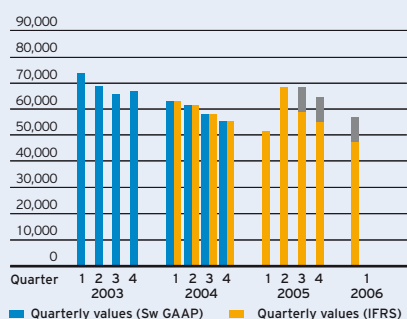
**Current assets and current liabilities**

Inventories	▲	31,448	12,808	145.5
Trade receivables and other receivables	▲	40,845	28,411	43.8
Trade payables and other liabilities	▲	42,003	19,296	117.7
Accrued expenses and deferred income	▲	39,866	17,408	129.0

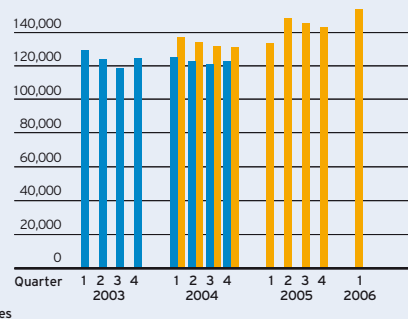
**Comment:**

Carbon dioxide emission allowances have boosted inventories and deferred income. The increase in trade receivables and other receivables is due to higher market values on derivatives, compensation of SEK 4.1 billion from the Swedish state regarding Barsebäck 2 and a deposit of SEK 2.6 billion for the squeeze-out of shares in the German subsidiary Vattenfall Europe AG. The rise in trade payables and other liabilities is mainly attributable to higher market values on derivatives.

**Net debt (SEKm)**

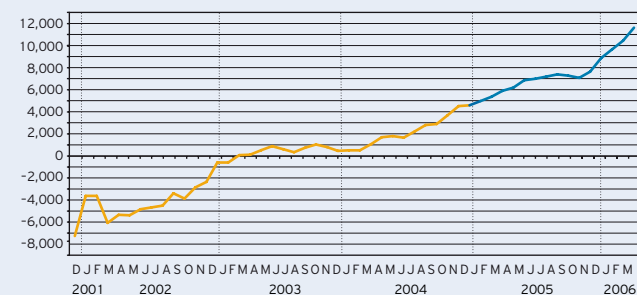


**Net assets (SEKm)**



**Value creation (SEK m)**

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



Amounts in SEK million		Q 1/06	Q 1/05	Change %
<b>INVESTMENTS</b>				
Maintenance investments	▲	1,663	1,491	11.5
Growth investments	▲	773	330	134.2
– of which shares	▶	1	1	0.0
Total investments	▲	2,436	1,821	33.8

		31 Mar 2006	31 Mar 2005	Change %
<b>PERSONNEL (number of employees per primary segment, FTE)</b>				
Nordic Countries	▲	8,796	8,695	1.2
Germany	▼	19,680	20,073	-2.0
Poland	▼	2,856	3,085	-7.4
Others <sup>1</sup>	▲	495	317	56.2
Total	▼	31,829	32,170	-1.1

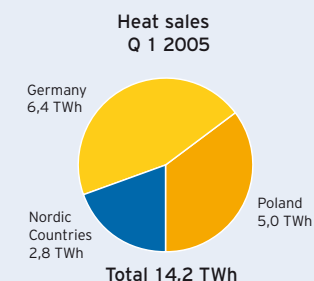
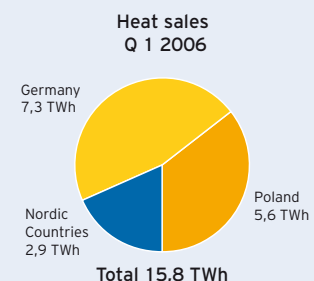
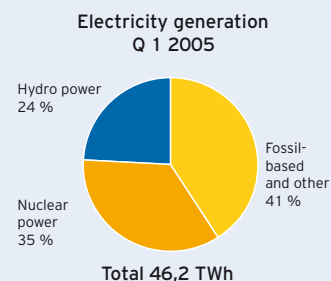
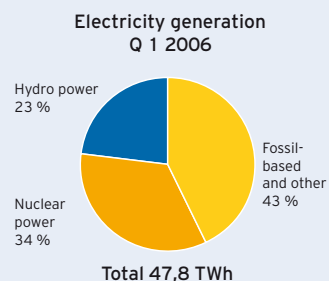
<sup>1</sup> Includes Energy Trading, Treasury Operations and other Group Shared Services as well as Group functions.

**Comment:**

The increase in the Nordic Countries is due to the extensive investment programmes for maintenance and renewal of our production facilities. The increase in the Others segment is the result of the transfer of Vattenfall Utveckling AB from the Nordic unit to the Group Strategies function. The decrease in Germany and Poland is attributable to ongoing rationalisation measures.

	Q 1/06	Q 1/05
<b>ELECTRICITY BALANCE (TWh)</b>		
<b>Sale</b>		
Nordic Countries	16.6	16.8
Germany	16.4	22.4
Poland	3.0	4.0
Other countries	1.1	1.8
Spot market	14.5	10.4
<b>Total</b>	<b>51.6</b>	55.4
Delivered to minority owners	5.5	5.2
Other	0.2	0.2
<b>Total electricity sales</b>	<b>57.3</b>	60.8

	Q 1/06	Q 1/05
<b>Internal generation and electricity input</b>		
Hydro power	11.0	11.1
Nuclear power	16.1	16.1
Fossil fuels and other	20.6	19.0
<b>Total internal generation</b>	<b>47.8</b>	46.2
Purchased power	9.8	16.1
Spot market	3.3	1.9
<b>Total electricity input</b>	<b>60.9</b>	64.2
Consumption within The Group	-3.5	-3.4
<b>Summa</b>	<b>57.3</b>	60.8



## SEGMENTS

Amounts in SEK million		Q 1/06	Q 1/05	Change %	Full year 2005	Latest 12 months
<b>NORDIC COUNTRIES</b>						
Sales	▲	14,259	11,919	19.6	42,021	44,361
Operating profit	▲	5,827	4,672	24.7	16,794	17,949
Operating profit excl. items affecting comparability	▲	5,806	4,650	24.9	13,704	14,881
Heat generation (TWh)	▲	2.9	2.8	3.6	7.3	7.4
Electricity generation (TWh) <sup>1</sup>	▼	24.9	25.1	-0.8	89.8	89.6
– of which hydro power	▼	10.1	10.3	-1.9	36.4	36.2
– of which nuclear power	▶	14.5	14.5	0	52.9	52.9
– other	▶	0.3	0.3	0	0.5	0.5
Transmission volume (TWh) <sup>2</sup>	▲	25.1	23.6	6.4	83.5	85.0

<sup>1</sup> Of electricity generation, Vattenfall utilises 20 TWh (20) and the rest is used by minority owners.

<sup>2</sup> Excl. production transmission.

### Sales and earnings trend

The improved operating profit is primarily attributable to the Electricity Generation and Electricity Distribution business unit. Higher wholesale electricity prices and favourable forward contracts have helped boost profit in generation operations. However, revenue corresponded to an average price that was substantially lower than the average spot price on the Nordic electricity exchange Nord Pool. Higher property tax on hydro power and installed nuclear power capacity had an adverse impact of SEK 453 million on profit. Electricity Distribution operations produced better results, because the severe storm, Gudrun, entailed higher costs of over SEK 500 million in the first quarter of 2005.

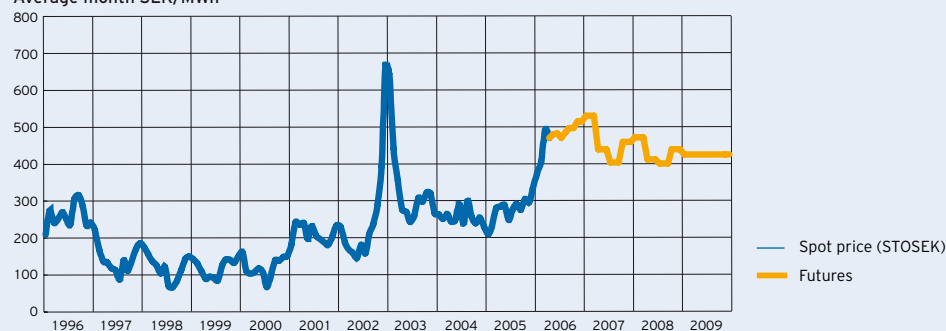
Generation volumes in the Nordic Countries were largely unchanged at 24.9 TWh compared to the same period last year (25.1).

### Market trend

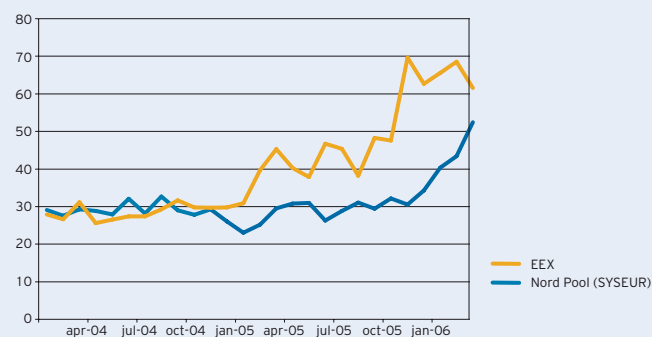
Electricity prices rose considerably during the first quarter. Average spot prices on Nord Pool (EURSYS) were more than 75 % up on last year during these first three months; EUR 45.4/MWh compared to EUR 25.9/MWh. This increase is mainly due to cold weather, a weaker hydrological balance, high electricity prices on the continent and the fact that the system price now encompasses the Danish price area. Forward prices also rose sharply. Forward prices for 2007 and 2008 closed at EUR 46.2/MWh and EUR 43.2/MWh respectively, compared to closing prices in December 2005 that were EUR 36.7/MWh and EUR 35.2/MWh respectively.

The hydrological balance showed a considerable deficit throughout the first quarter. At the end of March the deficit stood at -21.6 TWh, as opposed to a surplus of about 7.5 TWh at the same time last year.

Swedish electricity prices 1996–2009  
Average month SEK/MWh  
Source: Nord Pool and European Energy Exchange (EEX)  
Per 18 April



German and Nordic electricity spot prices  
Average month EUR/MWh  
Source: Nord Pool and European Energy Exchange (EEX)





Amounts in SEK million		Q 1/06	Q 1/05	Change %	Full year 2005	Latest 12 months
<b>GERMANY</b>						
Sales	▲	30,776	28,360	8.5	104,995	107,411
Operating profit	▲	6,337	4,204	50.7	10,113	12,246
Operating profit excl. items affecting comparability	▲	6,249	4,202	48.7	10,251	12,298
Heat generation (TWh)	▲	7.3	6.4	14.1	15.4	16.3
Electricity generation (TWh)	▲	21.4	19.8	8.1	75.9	77.5
– of which fossil fuel power	▲	18.8	17.4	8.0	66.4	67.8
– of which nuclear power	▲	1.7	1.6	6.3	6.0	6.1
– of which hydro power	▲	0.9	0.8	12.5	3.5	3.6
Transmission volume	▼	7.1	7.3	-2.7	28.2	28.0

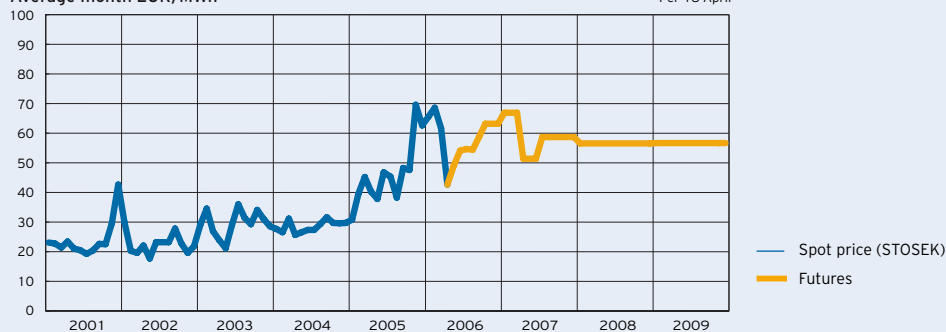
**Sales and earnings trend**

The sales increase is primarily due to higher wholesale electricity prices and higher volumes. Improved operating profit is mainly a result of these price increases, as well as higher generation volumes in both electricity and heating operations due to cold weather. In local currency sales increased by 5 % while operating profit rose by 41.7 %. However, revenues corresponded to an average price that was considerably lower than the average spot price on the EEX (European Energy Exchange). Nuclear power generation was 0.1 TWh higher than for the first three months of 2005 and fossil fuel power increased by 1.4 TWh, because no outages occurred in the power plants. Heat generation was 0.9 TWh up on last year.

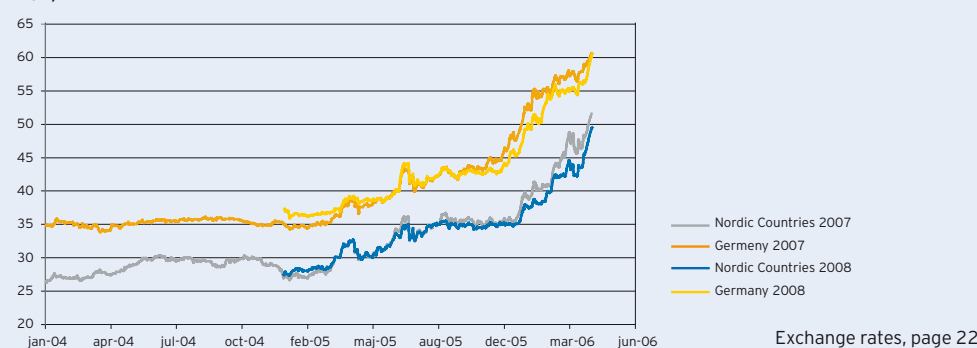
**Market trend**

Average spot prices on the German exchange EEX were almost 70 % higher compared to those of the first quarter of last year; EUR 65.1/MWh compared to EUR 38.5/MWh. Forward prices also rose sharply. Forward prices for 2007 and 2008 closed at EUR 57.4/MWh and EUR 57.4/MWh respectively, compared to the closing prices in December 2005 that were EUR 48.9/MWh and EUR 48.9/MWh respectively. The increase is principally due to political unrest that propelled oil prices to record highs, which in turn also led to an increase in the prices of gas and carbon dioxide emissions.

German electricity prices 2001-2009  
Average month EUR/MWh  
Source: European Energy Exchange (EEX)  
Per 18 April



German and Nordic electricity futures prices  
EUR/MWh  
Source: Nord Pool and European Energy Exchange (EEX)



## SEGMENTS

Amounts in SEK million		Q 1/06	Q 1/05	Change %	Full year 2005	Latest 12 months
<b>POLAND</b>						
Sales	▲	2,962	2,524	17.4	8,850	9,288
Operating profit	▲	744	375	98.4	842	1,211
Operating profit excl. items affecting comparability	▲	599	376	59.3	808	1,031
Heat generation (TWh)	▲	5.6	5.0	12.0	11.4	12.0
Electricity generation (TWh) <sup>1</sup>	▲	1.5	1.3	15.4	3.4	3.6

<sup>1</sup> 100 % fossil fuel power.

### Sales and earnings trend

The improved sales and profit were mainly due to higher prices and higher heating volumes as a result of cold weather conditions. Operating profit should be regarded excluding items affecting comparability, because the divestment of real estate in central Warsaw led to a capital gain of SEK 141.4 million. In local currency net sales rose by 8.5 % while operating profit rose 83.3 % and excluding items affecting comparability by 47.2 % Heat generation increased by 0.6 TWh and electricity generation was up 0.2 TWh compared to the same period last year.

### Market trend

Sales on the Polish electricity exchange, especially in the forwards market, are still very low compared to Nord Pool and EEX. Average spot prices on the Polish exchange POLPX rose by 5.8 % compared to last year; PLN 117/MWh compared to PLN 111/MWh.

Polish electricity prices 2001-2006  
Average month PLN/MWh

Source: Gielda Energii SA  
Per 13 April 2006



Exchange rates,  
page 22

— Spot price

Price development oil, coal, gas and CO<sub>2</sub> emissions



The price increase in carbon dioxide emission allowances is primarily a result of increasing raw materials prices, increasing demand and a more restricted allocation of emissions allowances for the next trading period (2008-2012). Oil prices reached record levels due to political unrest which also led to an increase in gas prices.

**PARENT COMPANY**

The accounts of the parent company Vattenfall AB are prepared according to Swedish GAAP, i.e. to comply with the Swedish Annual Accounts Act and Recommendation RR 32:05 on accounting for legal entities of the Swedish Financial Accounting Standards Council.

Financial instruments are stated using the accounting principles that apply to the Group. Shares in subsidiaries are valued at cost. Comparative figures for 2005 have been restated.

Sales amounted to SEK 10,002 million (7,197). Profit before appropriations and tax was SEK 3,391 million (2,499). Investments during the period amounted to SEK 586 million (323). Cash and cash equivalents totalled SEK 1,923 million (168). Funds in Group accounts managed by Vattenfall Treasury AB amounted to SEK 31,780 million (at year-end 2005: SEK 30,892 million).

**GROUP****Closure of reactor 2 at Barsebäck nuclear power plant**

Negotiations between Vattenfall and the Swedish government about compensation to Vattenfall for the closure of Barsebäck 2 were concluded in November 2005. The contract, which had already been ratified by the Swedish government, the board of E.ON Sverige AB and the board of Vattenfall AB, was also approved by Malmö City Court (as the court of final appeal) in the spring of 2006. The

court's approval confirms the accounting treatment of the settlement that Vattenfall presented in its 2005 annual report.

**Elsam, Denmark**

Vattenfall's 35.3 % shareholding in the Danish energy company Elsam A/S is reported using the equity method. According to the agreement in principle entered into with the majority shareholder DONG A/S, Vattenfall is to exchange the shares for generation capacity in Elsam and Energi E2 A/S. Both DONG and Vattenfall have obtained the European Commission's approval of the deal. As contractually agreed between Vattenfall and DONG, assets, liabilities and staff etc are to be transferred on 1 July 2006.

**ACCOUNTING PRINCIPLES**

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

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as statements on interpretation from the International Financial Reporting Interpretations Committee (IFRIC) as they have been approved by the European Commission for use in the EU.

The accounting principles applied are those described in Vattenfall's annual report for 2005 (notes 2 and 3 to the consolidated accounts), apart from the following: the Group's participations in the results of associated companies after tax and minority interests adjusted for any amortisation, impairment loss or dissolution of acquired surplus or deficit values are recognised in the consolidated income statement as "Participations in the results of associated companies" as from 2006. The Group's share of associated companies' reported tax expense was previously reported as part of the Group's tax expense. All periods prior to 2006 have been restated to comply with this new principle.



Stockholm, 27 April 2006  
Lars G Josefsson  
President and CEO

**VATTENFALL'S FINANCIAL REPORTS IN 2006**

Six-month report, as of 30 June  
Thursday 27 July

Nine-month report, as of 30 September  
Tuesday 31 October

**For more information please contact:**

Lars G Josefsson, President and CEO,  
tel. +46 8 739 50 05

Matts Ekman, First Senior Executive Vice  
President and CFO, tel. +46 8 739 50 08

Knut Leman, Head of Group Function  
Communications, tel. +46 8 739 50 31  
or +46 70 539 50 01

Klaus Aurich, Head of Investor Relations,  
tel. +46 8 739 65 14 or +46 70 539 65 14

## INCOME STATEMENT

### INCOME STATEMENT

Amounts in SEK million	Q 1		Full year 2005	Latest 12 months (LTM)
	2006	2005		
Net sales	40,432	35,036	129,158	134,554
Cost of products sold <sup>1</sup>	-25,759	-24,915	-93,636	-94,480
<b>Gross profit</b>	<b>14,673</b>	10,121	35,522	40,074
Selling expenses, administrative expenses and research and development costs <sup>2</sup>	-3,040	-2,715	-13,134	-13,459
Other operating expense and operating income, net	399	1,560	4,649	3,488
Participations in the results of associated companies	657	126 <sup>8</sup>	534 <sup>8</sup>	1,065
<b>Operating profit (EBIT) <sup>3</sup></b>	<b>12,689</b>	9,092 <sup>8</sup>	27,571 <sup>8</sup>	31,168
Financial income <sup>4</sup>	797	544	3,810	4,063
Financial expenses <sup>5</sup>	-1,276	-1,134	-5,221	-5,363
<b>Profit before tax <sup>6</sup></b>	<b>12,210</b>	8,502 <sup>8</sup>	26,160 <sup>8</sup>	29,868
Income tax expense	-4,231	-2,933 <sup>8</sup>	-5,642 <sup>8</sup>	-6,940
<b>Profit for the period <sup>7</sup></b>	<b>7,979</b>	5,569	20,518	22,928
<b>Attributable to</b>				
Equity holders of the Parent Company	7,502	5,184	19,235	21,553
Minority interests	477	385	1,283	1,375
<b>Total</b>	<b>7,979</b>	5,569	20,518	22,928
<b>Earnings per share</b>				
Number of shares in Vattenfall AB, thousands	131,700	131,700	131,700	131,700
Earnings per share (SEK)	56.96	39.36	146.05	163.65
<b>Additional information</b>				
Operating profit before depreciation and amortisation (EBITDA)	16,115	12,519 <sup>8</sup>	42,383 <sup>8</sup>	45,979
Financial items, net excl. discounting effects attributable to provisions and return on the Swedish Nuclear Waste Fund	-256	-383	-1,440	-1,314
<sup>1</sup> Of which depreciation, amortisation and impairment losses	-3,122	-3,318	-14,290	-14,094
<sup>2</sup> Of which depreciation, amortisation and impairment losses	-304	-109	-522	-717
<sup>3</sup> Including items affecting comparability attributable to:				
– capital gains/losses	254	23	-71	160
– closure of Barsebäck 2	–	–	3,057	3,057
<sup>4</sup> Including returns from the Swedish Nuclear Waste Fund	300	313	2,089	2,076
<sup>5</sup> Including discounting effects attributable to provisions excl. of pension provisions	-523	-521	-2,060	-2,062
<sup>6</sup> Including items affecting comparability	253	22	2,994	3,225
<sup>7</sup> Including items affecting comparability adjusted for tax	185	15	3,154	3,324

<sup>8</sup> These values are adjusted compared to previously published information in Vattenfall's three-month interim report for 2005 and annual report for 2005. 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		
	2006	Q 1 2005 <sup>3</sup>	Full year 2005	2006	Q 1 2005 <sup>4</sup>	Full year 2005 <sup>4</sup>	2006	Q 1 2005 <sup>4</sup>	Full year 2005 <sup>4</sup>
Nordic Countries	14,259	11,919	42,021	5,827	4,672	16,794	5,806	4,650	13,704
Germany	30,776	28,360	104,995	6,337	4,204	10,113	6,249	4,202	10,251
Poland	2,962	2,524	8,850	744	375	842	599	376	808
Other <sup>1</sup>	17,290	12,534	44,562	-219	-159	-178	-219	-159	-178
Eliminations <sup>2</sup>	-24,855	-20,301	-71,270	-	-	-	-	-	-
<b>Total</b>	<b>40,432</b>	<b>35,036</b>	<b>129,158</b>	<b>12,689</b>	<b>9,092</b>	<b>27,571</b>	<b>12,435</b>	<b>9,069</b>	<b>24,585</b>

<sup>1</sup> 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.

<sup>2</sup> Chiefly concerns trade between the Nordic countries and Germany and Energy Trading activities in the segment Other.

<sup>3</sup> Net sales for the Germany segment plus Eliminations have been adjusted compared to what was published in Vattenfall's three-month interim report for 2005.

<sup>4</sup> These values are adjusted compared to previously published information in Vattenfall's three-month interim report for 2005 and annual report for 2005. 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		
	2006	Q 1 2005	Full year 2005	2006	Q 1 2005 <sup>3</sup>	Full year 2005 <sup>3</sup>	2006	Q 1 2005 <sup>3</sup>	Full year 2005 <sup>3</sup>
Electricity Generation	20,483	14,145	57,414	7,493	5,226	19,751	7,490	5,223	16,742
Electricity Markets <sup>1</sup>	25,320	17,478	73,262	8	367	1,172	1	366	1,171
Electricity Networks	14,293	15,309	50,813	2,537	2,098	5,288	2,521	2,094	5,373
Heat	8,240	6,509	20,926	2,464	1,807	3,494	2,559	1,803	3,540
Other	1,484	1,360	7,278	187	-406	2,134	-136	-417	-2,241
Eliminations <sup>2</sup>	-29,388	-19,765	-80,535	-	-	-	-	-	-
<b>Total</b>	<b>40,432</b>	<b>35,036</b>	<b>129,158</b>	<b>12,689</b>	<b>9,092</b>	<b>27,571</b>	<b>12,435</b>	<b>9,069</b>	<b>24,585</b>

<sup>1</sup> 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.

<sup>2</sup> Chiefly concerns trade between Electricity Generation, Electricity Markets and Electricity Networks.

<sup>3</sup> These values are adjusted compared to previously published information in Vattenfall's three-month interim report for 2005 and annual report for 2005. See page 11 under the heading Accounting Principles.



## BALANCE SHEET

### BALANCE SHEET

Amounts in SEK million	2006	31 March 2005 <sup>1</sup>	31 December 2005
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	5,188	5,236	5,267
Property, plant and equipment	187,642	182,139	189,016
Other non-current assets	68,895	54,150	65,681
<b>Total non-current assets</b>	<b>261,725</b>	241,525	259,964
<b>Current assets</b>			
Inventories	31,448	12,808	12,667
Trade receivables and other receivables	40,845	28,411	37,947
Prepaid expenses and accrued income	8,833	4,026	4,459
Current tax assets	1,129	1,248	1,310
Short-term investments	7,692	7,465	8,025
Cash and cash equivalents	10,234	8,485	6,049
<b>Total current assets</b>	<b>100,181</b>	62,443	70,457
<b>Total assets</b>	<b>361,906</b>	303,968	330,421
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to equity holders of the Parent Company	80,279	76,006	78,122
Attributable to minority interests	10,664	10,538	10,344
<b>Total equity</b>	<b>90,943</b>	86,544	88,466
<b>Non-current liabilities</b>			
Capital Securities	9,241	–	9,268
Other interest-bearing liabilities	58,116	64,820	59,865
Interest-bearing provisions	43,176	40,671	42,976
Pension provisions	17,486	16,720	17,432
Deferred tax liabilities	41,797	42,499	42,370
Other non-interest-bearing liabilities	2,414	2,083	2,425
<b>Total non-current liabilities</b>	<b>172,230</b>	166,793	174,336
<b>Current liabilities</b>			
Trade payables and other liabilities	42,003	19,296	33,906
Accrued expenses and deferred income	39,866	17,408	17,393
Current tax liabilities	5,281	2,657	2,075
Interest-bearing liabilities	7,280	6,569	9,530
Interest-bearing provisions	4,303	4,701	4,715
<b>Total current liabilities</b>	<b>98,733</b>	50,631	67,619
<b>Total equity and liabilities</b>	<b>361,906</b>	303,968	330,421
Pledged assets	1,983	281	2,254
Contingent liabilities	22,761	12,079	16,371

<sup>1</sup> Certain values adjusted compared to previously published information in Vattenfall's three-month interim report for 2005. See page 11 under the heading Accounting Principles.



## CASH FLOW STATEMENT

### CASH FLOW STATEMENT

Amounts in SEK million	2006	Q 1 2005	Full year 2005	Latest 12 months (LTM)
<b>Operating activities</b>				
Funds from operations (FFO)	13,281	8,771	31,386	35,896
Cash flow from changes in operating assets and operating liabilities	-4,605	-1,266	-6,963	-10,302
<b>Cash flow from operating activities</b>	<b>8,676</b>	<b>7,505</b>	<b>24,423</b>	<b>25,594</b>
<b>Investment activities</b>				
Investments	-2,436	-1,821	-24,497	-25,112
Divestments	426	110	785	1,101
Cash and cash equivalents in acquired/divested companies	-75	-	17	-58
<b>Cash flow from investment activities</b>	<b>-2,085</b>	<b>-1,711</b>	<b>-23,695</b>	<b>-24,069</b>
<b>Cash flow before financing activities</b>	<b>6,591</b>	<b>5,794</b>	<b>728</b>	<b>1,525</b>
<b>Financing activities</b>				
Changes in short-term investments	306	355	-25	-74
Decrease in loans to minority owners in foreign subsidiaries	-	-	3,864	3,864
Loans raised <sup>1</sup>	1,758	470	1,562	2,850
Amortisation of debt	-4,459	-4,084	-9,667	-10,042
Issue of Capital Securities	-	-	9,248	9,248
Dividend paid to shareholders	-1	-	-5,778	-5,779
<b>Cash flow from financing activities</b>	<b>-2,396</b>	<b>-3,259</b>	<b>-796</b>	<b>67</b>
<b>Cash flow for the period</b>	<b>4,195</b>	<b>2,535</b>	<b>-68</b>	<b>1,592</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	6,049	5,916	5,916	7,482
Cash flow for the period	4,195	2,535	-68	1,592
Exchange rate differences	-10	34	201	157
<b>Cash and cash equivalents at the end of the period</b>	<b>10,234</b>	<b>8,485</b>	<b>6,049</b>	<b>9,231</b>
<b>ADDITIONAL INFORMATION</b>				
<b>Cash flow before financing activities</b>	<b>6,591</b>	<b>5,794</b>	<b>728</b>	<b>1,525</b>
<b>Financing activities</b>				
Dividend paid to shareholders	-1	-	-5,778	-5,779
<b>Cash flow after dividend</b>	<b>6,590</b>	<b>5,794</b>	<b>-5,050</b>	<b>-4,254</b>
<b>Analysis of change in net debt</b>				
Net debt at beginning of the period	-64,343	-55,411	-55,411	-51,395
Transitional effect on adoption of new accounting principles (IAS 39)	-	-584	-584	-
Cash flow after dividend	6,590	5,794	-5,050	-4,254
Changes as a result of valuation at fair value	929	-91	-10	1,010
Exchange rate differences on net debt	350	-1,103	-3,288	-1,835
<b>Net debt at the end of the period</b>	<b>-56,474</b>	<b>-51,395</b>	<b>-64,343</b>	<b>-56,474</b>
Free cash flow	7,013	6,014	14,341	15,340

<sup>1</sup> Net of short-term borrowings which have a maturity period of three months or less.

## CHANGES IN EQUITY

Amounts in SEK million	Q 1 2006			Q 1 2005			Full year 2005		
	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	78,122	10,344	88,466	72,994	10,114	83,108	72,994	10,114	83,108
Transitional effect on adoption of new accounting principles (IAS 39)				-416	-24	-440	-416	-24	-440
Cash flow hedges	-5,050	-78	-5,128	-2,163	-22	-2,185	-10,124	-140	-10,264
Hedging of net investments in foreign operations	162	-	162	-387	-	-387	-1,639	-	-1,639
Translation differences	-457	-72	-529	794	118	912	3,765	291	4,056
<b>Income, net, recognised directly in equity</b>	<b>-5,345</b>	<b>-150</b>	<b>-5,495</b>	<b>-1,756</b>	<b>96</b>	<b>-1,660</b>	<b>-7,998</b>	<b>151</b>	<b>-7,847</b>
Profit for the period	7,502	477	7,979	5,184	385	5,569	19,235	1,283	20,518
<b>Total recognised income and expense for the period</b>	<b>2,157</b>	<b>327</b>	<b>2,484</b>	<b>3,428</b>	<b>481</b>	<b>3,909</b>	<b>11,237</b>	<b>1,434</b>	<b>12,671</b>
Dividend to shareholders	-	-1	-1	-	-	-	-5,600	-178	-5,778
Transfers within equity	-	-	-	-	-	-	-93	93	0
Group contributions to minority, net after tax	-	-	-	-	-	-	-	-119	-119
Changes in ownership	-	-6	-6	-	-33	-33	-	-976	-976
<b>Balance carried forward</b>	<b>80,279</b> <sup>1</sup>	<b>10,664</b>	<b>90,943</b>	<b>76,006</b> <sup>2</sup>	<b>10,538</b>	<b>86,544</b>	<b>78,122</b> <sup>3</sup>	<b>10,344</b>	<b>88,466</b>

<sup>1</sup> Of which Cash flow hedge reserve, SEK -15,440 million.

<sup>2</sup> Of which Cash flow hedge reserve, SEK -2,425 million.

<sup>3</sup> Of which Cash flow hedge reserve, SEK -10,388 million.

## KEY RATIOS

### KEY RATIOS (Definitions on page 21-22)

(in % unless otherwise stated)	2006	Q 1 2005 <sup>2</sup>	Full year 2005 <sup>2</sup>	Latest 12 months (LTM)
Operating margin	<b>31.4</b>	26.0	21.3	23.2
Operating margin <sup>1</sup>	<b>30.8</b>	25.9	19.0	20.8
Pre-tax profit margin	<b>30.2</b>	24.3	20.3	22.2
Pre-tax profit margin <sup>1</sup>	<b>29.6</b>	24.2	17.9	19.8
Return on equity	-	-	26.4	27.5
Return on equity <sup>1</sup>	-	-	22.0	23.2
Return on net assets	-	-	17.8	19.6
Return on net assets <sup>1</sup>	-	-	15.8	17.4
Interest coverage ratio, times	<b>17.5</b>	15.2	9.3	10.0
Interest coverage ratio, times <sup>1</sup>	<b>17.2</b>	15.2	8.3	9.1
FFO interest coverage ratio, times	<b>18.6</b>	15.3	10.9	11.9
FFO interest coverage ratio, net, times	<b>52.9</b>	23.9	22.8	28.3
Equity/assets ratio	<b>25.1</b>	28.5	26.8	25.1
Net debt/equity ratio, times	<b>0.62</b>	0.59	0.73	0.62
Net debt/net debt plus equity	<b>38.3</b>	37.3	42.1	38.3
Interest-bearing liabilities/interest-bearing liabilities plus equity	<b>45.1</b>	45.2	47.1	45.1
FFO/interest-bearing liabilities	-	-	39.9	48.1
FFO/net debt	-	-	48.8	63.6
EBITDA/net financial items, times	<b>62.9</b>	32.7	29.4	35.0
EBITDA/net financial items, times <sup>1</sup>	<b>62.0</b>	32.6	27.4	32.6

<sup>1</sup> Excl. items affecting comparability.

<sup>2</sup> Certain values adjusted compared to previously published information in Vattenfall's three-month interim report for 2005 and annual report for 2005. See page 11 under the heading Accounting Principles.



## QUARTERLY INFORMATION

Amounts in SEK million	Q 1 2006	Q 4 2005 <sup>2</sup>	Q 3 2005 <sup>2</sup>	Q 2 2005 <sup>2</sup>	Q 1 2005 <sup>2</sup>
<b>Income statement</b>					
Net sales	40,432	37,280	27,550	29,292	35,036
Cost of products sold	-25,759	-26,991	-21,455	-20,275	-24,915
Other operating expenses and operating revenues, net	-2,641	-124	-3,088	-4,118	-1,155
Participations in the results of associated companies	657	345	56	7	126
Operating profit before depreciation and amortisation (EBITDA)	16,115	14,429	6,567	8,868	12,519
Operating profit (EBIT)	12,689	10,510	3,063	4,906	9,092
Financial items, net	-479	409	-447	-783	-590
Financial items, net <sup>1</sup>	-256	-236	-262	-559	-383
Profit before tax	12,210	10,919	2,616	4,123	8,502
<b>Profit for the period</b>	<b>7,979</b>	<b>10,175</b>	<b>1,857</b>	<b>2,917</b>	<b>5,569</b>
– of which attributable to equity holders of the Parent Company	7,502	9,444	1,814	2,973	5,184
– of which attributable to minority interests	477	731	43	124	385
<b>Balance sheet</b>					
Non-current assets	261,725	259,964	254,392	260,230	241,525
Short-term investments	7,692	8,025	8,219	9,300	7,465
Cash and cash equivalents	10,234	6,049	8,596	5,653	8,485
Other current assets	82,255	56,383	51,513	49,853	46,493
<b>Total assets</b>	<b>361,906</b>	<b>330,421</b>	<b>322,720</b>	<b>325,036</b>	<b>303,968</b>
Equity	90,943	88,466	80,497	79,598	86,544
– of which attributable to equity holders of the Parent Company	80,279	78,122	70,888	68,955	76,006
– of which attributable to minority interests	10,664	10,344	9,609	10,643	10,538
Capital Securities	9,241	9,268	9,176	9,248	–
Other interest-bearing liabilities	65,396	69,395	71,745	78,110	71,389
Interest-bearing provisions	47,479	47,691	45,466	45,787	45,372
Pension provisions	17,486	17,432	17,222	17,337	16,720
Deferred tax liabilities	41,797	42,370	44,634	44,227	42,499
Other non-interest-bearing liabilities	89,564	55,799	53,980	50,729	41,444
<b>Total equity and liabilities</b>	<b>361,906</b>	<b>330,421</b>	<b>322,720</b>	<b>325,036</b>	<b>303,968</b>
Net assets	154,266	155,237	145,834	148,946	133,796
Net debt	-56,474	-64,343	-63,800	-68,307	-51,395
<b>Cash flow</b>					
Funds from operations (FFO)	13,281	12,674	3,921	6,020	8,771
Cash flow from changes in operating assets and operating liabilities	-4,680	-8,698	3,817	-816	-1,266
Cash flow from operating activities	8,601	3,976	7,738	5,204	7,505
Cash flow from investment activities	-2,010	-4,251	-4,359	-13,374	-1,711
Cash flow before financing activities	6,591	-275	3,379	-8,170	5,794
Changes in short-term investments	306	243	1,086	-1,709	355
Loans raised/Amortisation of debt, net	-2,701	-2,542	-1,550	3,465	-3,614
Issue of Capital Securities	–	–	–	9,248	–
Dividend paid to shareholders	-1	-3	-4	-5,771	–
Cash flow from financing activities	-2,396	-2,302	-468	5,233	-3,259
<b>Cash flow for the period</b>	<b>4,195</b>	<b>-2,577</b>	<b>2,911</b>	<b>-2,937</b>	<b>2,535</b>
Free cash flow	7,013	389	5,129	2,809	6,014

<sup>1</sup> Excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund.

<sup>2</sup> Certain values adjusted compared to previously published information in Vattenfall's interim reports and annual report for 2005. See page 11 under the heading Accounting Principles.

## KEY RATIOS

### KEY RATIOS (definitions on page 21-22)

(in % unless otherwise stated)	Q 1 2006	Q 4 2005 <sup>3</sup>	Q 3 2005 <sup>3</sup>	Q 2 2005 <sup>3</sup>	Q 1 2005 <sup>3</sup>
Return on equity <sup>2</sup>	<b>27.5</b>	26.4	16.5	15.6	13.5
Return on equity <sup>1,2</sup>	<b>23.2</b>	22.0	17.6	17.1	15.1
Return on net assets <sup>2</sup>	<b>19.6</b>	17.8	13.9	13.5	12.6
Return on net assets <sup>1,2</sup>	<b>17.4</b>	15.8	14.8	14.8	14.1
Interest coverage ratio, times	<b>17.5</b>	11.0	5.1	6.2	15.2
Interest coverage ratio, times <sup>1</sup>	<b>17.2</b>	8.1	5.1	6.2	15.2
Equity/assets ratio	<b>25.1</b>	26.8	24.9	24.5	28.5
Net debt/equity ratio, times	<b>0.62</b>	0.73	0.79	0.86	0.59
Net debt/net debt plus equity	<b>38.3</b>	42.1	44.2	46.2	37.3
FFO/interest-bearing liabilities <sup>2</sup>	<b>48.1</b>	39.9	31.5	27.9	33.7
FFO/net debt <sup>2</sup>	<b>63.6</b>	48.8	40.0	35.7	46.8

<sup>1</sup> Excl. items affecting comparability.

<sup>2</sup> Rolling 12-month values.

<sup>3</sup> Certain values adjusted compared to previously published information in Vattenfall's interim reports and in annual reports for 2005. See page 11 under the heading Accounting Principles.

### KEY RATIOS RENEWABLE ENERGY GENERATION IN THE NORDIC COUNTRIES

(SEKm)	Wind power		Hydro power		Heat		Total	
	Q 1 2006	Full year 2005	Q 1 2006	Full year 2005	Q 1 2006	Full year 2005	Q 1 2006	Full year 2005
Operating profit	-3.8	3.8	24.2	70.3	187.4	285.3	207.8	359.4
Investments	254.0	18.4	3.0	21.0	53.9	512.3	310.9	551.7
Non-current assets	632.1	380.0	244.4	277.6	3,612.0	3,754.9	4,488.5	4,412.5
Return on non-current assets, (%)	-2.4	1.0	39.6	25.3	20.8	7.6	18.5	8.2

The profit for heating operations varies considerably over the year. The greater part of the year's profit is generated during the first and fourth quarters when demand for heating peaks.

<b>EBIT</b>	=	Earnings Before Interest and Tax.
<b>EBITDA</b>	=	Earnings Before Interest, Tax, Depreciation and Amortisation.
<b>FFO</b>	=	Funds From Operations.
<b>Items affecting comparability</b>	=	Non-recurring capital gains and capital losses from shares and other non-current assets. For 2005, the compensation received from the Swedish state for the closure of Barsebäck 2 and relevant costs for the impairment losses of the assets are also reported as items affecting comparability.
<b>Free cash flow</b>	=	Cash flow from operating activities minus maintenance investments.
<b>Capital Securities</b>	=	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt. Reported as interest-bearing non-current liabilities.
<b>Net assets</b>	=	Balance sheet total minus non-interest-bearing liabilities, provisions, interest-bearing receivables, funds in the Swedish Nuclear Waste Fund, cash and cash equivalents, short-term investments.
<b>Net debt</b>	=	Interest-bearing liabilities minus long-term loans to minority owners in foreign subsidiaries, cash and cash equivalents, short term investments.
<b>Operating margin, %</b>	=	$100 \times \frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$
<b>Pre-tax profit margin, %</b>	=	$100 \times \frac{\text{Profit before tax}}{\text{Net sales}}$
<b>Return on equity, %</b>	=	$100 \times \frac{\text{Profit for the period attributable to equity holders of the Parent Company}}{\text{Equity at the beginning of the period attributable to equity holders of the Parent Company excl. the hedging reserve}}$
<b>Return on net assets, %</b>	=	$100 \times \frac{\text{Operating profit (EBIT) plus discounting effects attributable to provisions}}{\text{Weighted average of the net assets for the period}}$
<b>Interest coverage ratio, times</b>	=	$\frac{\text{Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$
<b>FFO interest coverage ratio, times</b>	=	$\frac{\text{Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$
<b>FFO interest coverage ratio, net, times</b>	=	$\frac{\text{Funds from operations (FFO) + net financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund}}{\text{Financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund}}$
<b>Equity/assets ratio, %</b>	=	$100 \times \frac{\text{Equity}}{\text{Balance sheet total}}$

## DEFINITIONS AND EXCHANGE RATES

<b>Net debt/equity ratio, times</b>	=	$\frac{\text{Net debt}}{\text{Equity}}$
<b>Net debt/net debt plus equity, %</b>	=	$100 \times \frac{\text{Net debt}}{\text{Net debt} + \text{equity}}$
<b>Interest-bearing liabilities/interest-bearing liabilities plus equity, %</b>	=	$100 \times \frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{equity}}$
<b>FFO/interest-bearing liabilities, %</b>	=	$100 \times \frac{\text{Funds from operations (FFO)}}{\text{Interest-bearing liabilities}}$
<b>FFO/net debt, %</b>	=	$100 \times \frac{\text{Funds from operations (FFO)}}{\text{Net debt}}$
<b>EBITDA/net financial items, times</b>	=	$\frac{\text{Operating profit before depreciation and amortisation (EBITDA)}}{\text{Financial items excl. discounting effects attributable to provisions and returns from the Swedish Nuclear Waste Fund}}$

## EXCHANGE RATES

For the Vattenfall Group, key exchange rates applied in the accounts:

	2006	Q 1 2005	Full year 2005	31 March 2006	2005	31 Dec 2005	
<b>Average rates</b>				<b>Balance sheet date rates</b>			
EUR	9.3806	9.0740	9.2812	EUR	9.3980	9.1380	9.4300
DKK	1.2573	1.2190	1.2456	DKK	1.2595	1.2270	1.2640
NOK	1.1675	1.1000	1.1559	NOK	1.1795	1.1160	1.1760
PLN	2.4375	2.2530	2.3062	PLN	2.3900	2.2300	2.4400
USD	7.8284	6.8450	7.4455	USD	7.7450	7.0600	7.9530

This report has not been examined by Vattenfall's auditors.  
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Vattenfall AB (publ)  
SE-162 87 Stockholm

Tel. +46 8-739 50 00  
Org.nr 556036-2138

[www.vattenfall.se](http://www.vattenfall.se)  
[www.vattenfall.com](http://www.vattenfall.com)