Vattenfall AB (publ)

Summary Document

in relation to the dual listing of certain subordinated capital securities (as further set out in Appendix 1) on Nasdaq Stockholm

prepared and published pursuant to Chapter 2, Section 7 of the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980) om handel med finansiella instrument*) and Article 4(2)(h) of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU)

30 April 2018

SUMMARY DOCUMENT

Background

This is a summary document (the "**Summary Document**") prepared and published pursuant to Chapter 2, Section 7 of the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980) om handel med finansiella instrument*) (the "**Swedish Trading Act**") and Article 4(2)(h) of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") in connection with the dual listing of certain outstanding subordinated capital securities (the "**Capital Securities**") issued by Vattenfall AB (publ), Reg. No. 556036-2138, (the "**Issuer**" or "**Vattenfall**"). The Capital Securities have already been listed and admitted to trading on the London Stock Exchange and have been so listed and admitted to trading for more than 18 months. The Issuer will also apply for the Capital Securities to be listed and admitted to trading on Nasdaq Stockholm. The dual listing on Nasdaq Stockholm will not affect the current listing on the London Stock Exchange. A complete list of the Capital Securities is set out in Appendix 1.

Two stand-alone prospectuses have been drawn up and approved by the Financial Conduct Authority in the United Kingdom with respect to the Capital Securities, which are dated 17 March 2015 and 17 November 2015, respectively, (the "**Prospectuses**"). Each of the Capital Securities is subject to one of such Prospectuses, as further set out in Appendix 1.

This Summary Document does not constitute a prospectus or comprise a base prospectus for the purposes of Article 5.3 or Article 5.4, respectively, of the Prospectus Directive.

This Summary Document is not a recommendation to subscribe for or to acquire Capital Securities and does not constitute an offer to sell or the solicitation of an offer, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Capital Securities. Any recipients of this Summary Document must make their own assessment of the Issuer and the Capital Securities based on the relevant Prospectus (including any supplements and the documents which have been incorporated in, and form part of, such Prospectus) and the documents available.

Restrictions

The distribution of this Summary Document in certain jurisdictions may be restricted by law, and therefore persons into whose possession this Summary Document comes should inform themselves of and observe any such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Forward-looking statements

This Summary Document may contain forward-looking statements regarding the Issuer's views or expectations concerning future operations, earnings and prospects. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements. A summary of risk factors concerning the Issuer and the Capital Securities can be found in Section D of this Summary Document. The forward-looking statements included in this Summary Document speak only as of the date of this Summary Document. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Documents available

Copies of the following documents will, when published, be available for inspection from the registered office of the Issuer:

(i) the certificate of registration and articles of association (with an English translation thereof) of the Issuer;

(ii) the audited consolidated financial statements of the Issuer in respect of the financial years ended on 31 December 2016 and 31 December 2017, respectively (in English and together with the audit report prepared in connection therewith);

(iii) the most recently available audited consolidated annual financial statements of the Issuer (together with the audit reports prepared in connection therewith) and the most recently available published consolidated interim financial statements (if any) of the Issuer (each in English);

(iv) copies of the Prospectuses; and

(v) a copy of this Summary Document.

Any documents which have been translated from Swedish to English are accurate translations.

This Summary Document and the Prospectuses can be obtained on the Issuer's website: https://corporate.vattenfall.com. The financial information published by the Issuer pursuant to its ongoing disclosure obligations is also available on the Issuer's website: https://corporate.vattenfall.com/investors/financial-reports/.

Documents incorporated by reference

The following documents which have previously been published (available on the website of the Issuer at https://corporate.vattenfall.com/investors/funding/debt-issuance-programmes-and-credit-facilities/) shall be incorporated in, and form part of, this Summary Document:

(i) the auditors' report (which can be found at page 156), the consolidated and unconsolidated audited annual financial statements (including the notes thereto) (which can be found at pages 86-155) and the administration report (including risk management) (which can be found at pages 5, 8-11 and 62-84) set out in the annual report of the Issuer for the financial year ended on 31 December 2017; and

(ii) the auditors' report (which can be found at page 152), the consolidated and unconsolidated audited annual financial statements (including the notes thereto) (which can be found at pages 80-151) and the administration report (including risk management) (which can be found at pages 2, 6-9 and 57-78) set out in the annual report of the Issuer for the financial year ended on 31 December 2016.

Any documents which have been translated from Swedish to English are accurate translations.

Copies of documents incorporated by reference in this Summary Document can be obtained from the registered office of the Issuer at SE-169 92 Stockholm, Sweden. All documents incorporated by reference in this Summary Document can be viewed on the website of the Issuer at http://corporate.vattenfall.com/investors/.

General information

This Summary Document is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Summary Document.

This Summary Document contains information concerning the Issuer and the Capital Securities as of the date of this Summary Document. The content of this Summary Document further complies with Chapter 2, Section 14 of the Swedish Trading Act and Article 5(2) of the Prospectus Directive. Thus, the information herein includes all of the items required in a prospectus summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of prospectuses, there may be gaps in the numbering of the items. Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information can be provided regarding the item. In such case, the information is replaced by a brief description of the item together with the indication "not applicable".

References to the "**Group**" herein shall mean the Issuer and its subsidiaries taken as a whole.

Section A – Introduction and warnings

A.1	*Introduction and warnings*	**This Summary Document should be read as an updated introduction to the relevant Prospectus.** **Any decision to invest in the Capital Securities should be based on consideration of the relevant Prospectus as a whole by the investor.** **Civil liability may attach to those persons who produced this Summary Document only if the Summary Document is misleading, inaccurate or inconsistent with the relevant Prospectus or if, together with such Prospectus, it fails to provide key information to help investors when considering investing in Capital Securities. It, however, being noted that the Prospectuses are dated 17 March 2015 and 17 November 2015, respectively, and thus contain historic information.**
A.2	*Consent to use the prospectus*	Not applicable.

Section B – Issuer

B.1	*Company name and trading name*	Vattenfall AB (publ), Reg. No. 556036-2138.
B.2	*Registered office and type of company*	Registered office at SE-169 92 Stockholm, Sweden, with its head office at Evenemangsgatan 13, SE-169 79 Solna, Sweden. Vattenfall AB (publ) is a public limited company incorporated in Sweden.
B.4 b	*Trends*	Not applicable.

<table>
<tr><td>B.5</td><td>The Group</td><td>The Issuer is the ultimate parent of the Group, consisting at the date of this Summary Document of approximately 100 subsidiaries located in Sweden, Denmark, Finland, Germany, Poland, the Netherlands, Luxembourg, France and the United Kingdom.</td></tr>
<tr><td>B.9</td><td>Earnings forecast</td><td>Not applicable; the Issuer does not produce earnings forecasts.</td></tr>
<tr><td>B.10</td><td>Qualification of audit report</td><td>Not applicable; there are no qualifications in the audit reports of the Issuer’s audited financial statements for the financial years ended on 31 December 2016 and 31 December 2017, respectively.</td></tr>
<tr><td>B.12</td><td>Selected historical financial information</td><td>The tables below each set out a summary of key financial information extracted from the Issuer’s financial reports (audited) for the financial years ended on 31 December 2016 and 31 December 2017, respectively.

Consolidated income statement, in summary

<table>
<tr><th></th><th colspan="2">For the year ended</th></tr>
<tr><th></th><th>2017</th><th>2016</th></tr>
<tr><td></td><td colspan="2">(SEK, million)</td></tr>
<tr><td>Net sales</td><td>135,295</td><td>139,208</td></tr>
<tr><td>Gross profit</td><td>36,193</td><td>19,991</td></tr>
<tr><td>Operating profit (EBIT)</td><td>18,644</td><td>1,337</td></tr>
<tr><td>Income taxes</td><td>-3,318</td><td>2,874</td></tr>
<tr><td>Profit for the year</td><td>9,571</td><td>-26,004</td></tr>
</table>

Consolidated balance sheet, in summary

<table>
<tr><th></th><th>31 December 2017</th><th>31 December 2016</th></tr>
<tr><td></td><td>(SEK, million)</td><td></td></tr>
<tr><td>Total assets</td><td>407,868</td><td>409,260</td></tr>
<tr><td>Total equity</td><td>94,045</td><td>83,800</td></tr>
<tr><td>Total non-current liabilities</td><td>235,748</td><td>236,323</td></tr>
<tr><td>Total current liabilities</td><td>78,075</td><td>89,137</td></tr>
<tr><td>Total equity and liabilities</td><td>407,868</td><td>409,260</td></tr>
</table>

Net sales: includes sales proceeds from sales and distribution of electricity and heat, sales of gas, trading power derivatives and other revenues such as service and consulting assignments and connection fees.

Income taxes: comprises current tax and deferred tax.

Alternative performance measures:
In order to ensure a fair presentation of the Issuer’s operations, the Issuer uses alternative performance measures that are not defined in IFRS. The alternative performance measure that the Issuer uses and</td></tr>
</table>

		that is set out in this Summary Document is described below, including its definition and how it is calculated. Operating profit (EBIT): earnings before interest and tax. There has been no material adverse change in the prospects of the Issuer since 31 December 2017. There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.
B.13	*Solvency impacting events*	Not applicable; there have not been any recent events relevant to the evaluation of the Issuer's solvency since 31 December 2017.
B.14	*Dependence upon other Group members*	Operations are partly conducted through the subsidiaries of the Issuer and the Issuer is thus dependent on its subsidiaries to generate revenue and profit in order to be able to fulfil its payment obligations.
B.15	*Main business operations*	The Issuer's assignment, from its owner, is to generate a market rate of return by operating an energy business that enables the Issuer to be among the leaders in developing environmentally sustainable energy production. The Group's vision is to be a dedicated partner to its customers and society at large, providing convenient and innovative energy solutions, while being a leader in sustainable production and ensuring a reliable and cost-efficient energy supply. The Group's ambition is to be fossil-free within one generation. The Group's main products are electricity, heat and gas. In electricity and heat, the Group works in all parts of the value chain: generation, distribution and sales. In gas, the Group is active in sales, trading and storage. The Group is also engaged in energy trading. As at 31 December 2017, the Group had approximately 20,000 full time equivalent employees. The Issuer's activities are conducted on a commercial basis with the Swedish state's involvement limited to the role of a shareholder. Operations are mainly conducted in Sweden, Germany, the Netherlands, Denmark, Finland, France and the United Kingdom. The Group's operations consist largely of production of electricity and heat, distribution of electricity and heat, and sales of electricity, gas and heat, each of which involves slightly varying business models.
B.16	*Controlling shareholders*	The Issuer is 100 per cent. owned by the Swedish state.
B.17	*Credit ratings*	On the date hereof, the Issuer is rated Baa1 (Subordinated) by Moody's Investors Service Ltd and BBB (Subordinated) by Standard & Poor's Credit Market Services Europe Limited, and the Capital Securities are rated as set out in Appendix 1. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Each of Moody's and Standard & Poor is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended. As such, each of Moody's and Standard & Poor is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such regulation.

Section C – Securities		
C.1	*Securities offered*	The Capital Securities are fixed rate or floating rate notes, as set out in Appendix 1. The respective Capital Securities are uniquely identified by the ISIN No. and the SEDOL No. set out in Appendix 1.
C.2	*Currency*	The respective Capital Securities are denominated in the currency set out in Appendix 1.
C.5	*Restrictions on transferability*	The Capital Securities are freely transferable.
C.8	*Description of rights attached to the Capital Securities, ranking, including limitations to those rights*	The Capital Securities and the interest coupons constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the voluntary or involuntary liquidation, bankruptcy or corporate reorganisation of the Issuer, the claim of a holder of Capital Securities will rank: (a) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of the other Capital Securities (including any other obligations of the Issuer which are expressed to rank *pari passu* with the Capital Securities) and any subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities; (b) in priority to all present or future claims in respect of (i) any share capital of the Issuer and (ii) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the obligations pursuant to item (a) above; and (c) junior to any present or future claims in respect of (i) all unsubordinated obligations of the Issuer and (ii) any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in case of such an event to the claims of all unsubordinated creditors of the Issuer but senior to the obligations pursuant to item (a) above.
C.9	*Interest, maturity and redemption provisions, yield, etc.*	The interest, maturity, redemption and yield provisions and the aggregate nominal amounts of the Capital Securities are set out in Appendix 1.
C.10	*Derivative component in the interest payment*	The interest rate of the Fixed Rate Reset 7 year Non-Call Capital Securities after the first 7 years is calculated on the basis of the mid swap rate for Swedish krona swap transactions with a maturity of 5 years (as published on Reuters screen "TGM42287" under "FIXED VS. 3M STIBOR" (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in Swedish krona)) *plus* the applicable margin (as set out in Appendix 1). The interest rate of the Fixed Rate Reset 12 year Non-Call Capital Securities after the first 12 years is calculated on the basis of the mid swap rate for euro swap transactions with a maturity of 5 years (as published on Reuters screen "ISDAFIX2" under "Euribor Basis EUR" (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro)) *plus* the applicable margin (as set out in Appendix 1).

		The interest rate of the Fixed Rate Reset 8 year Non-Call Capital Securities after the first 8 years is calculated on the basis of the semi-annual mid swap rate for U.S. dollar swap transactions with a maturity of 5 years (as published on Reuters screen "ISDAFIX 1" under the heading "11:00 AM" (or such other page or service as may replace it for the purposes of displaying swap rates of leading reference banks for swaps in U.S. dollar)) *plus* the applicable margin (as set out in Appendix 1).
C.12	*Minimum denomination*	The respective Capital Securities have the minimum denomination set out in Appendix 1.
C.21	*Indication of the Market*	The Capital Securities are currently listed and admitted to trading on the London Stock Exchange. The Issuer will also apply for the Capital Securities to be listed and admitted to trading on Nasdaq Stockholm.

Section D – Risks

D.2	*Main risks associated with the issuer*	There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The risk factors below are not exhaustive and are not listed in any particular order. **Financial risks** • **Electricity price risk**: Electricity price risk refers to the risk of fluctuations in electricity prices. The Group is exposed to an electricity price risk, both in its electricity generation activities and in its sales activities. • **Fuel and CO^2 emission allowances price risk**: Fuel price risk relates to the fluctuations in the prices for electricity generation fuel (such as coal, gas and uranium) on the various commodity markets. The fuel price is determined by several factors, including supply and demand. The Group is also exposed to prices for CO^2 emission allowances. The Group's operating profits are partly dependent on the fuel price and the price of CO^2 emission allowances. • **Volume risk**: Volume risk relates to the risk for deviations between anticipated and actual delivered volume. Fluctuations in electricity generation volumes arise for example in hydro power, in which the volumes generated depend on e.g. precipitation and snowmelt. Volume risk also arises in sales activities as deviations in anticipated versus actual volumes delivered to customers. • **Credit risk**: Credit risk refers to the risk of loss due to non-delivery or partial delivery by a counterparty of the agreed considerations for services rendered and/or a counterparty's total or partial failure to make payments owing on existing accounts receivable. Credit risk arises in all parts of the Group's operations.

		• **Liquidity risk**: Market liquidity risk refers to the risk of not being able to pursue the price hedging strategy, for example, due to insufficient liquidity in the electricity and fuel markets. Liquidity risk also pertains to the risk of the Group not being able to finance its capital needs or that these needs cannot be financed on terms acceptable to the Group. • **Interest rate risk**: Interest rate risk refers to the risk that changes in market interest rates will have an adverse impact on the Group's net interest items. Interest rate risk arises where the Group has invested in interest-bearing assets, the value of which change when the interest rate changes, and where the cost of the Group's borrowings fluctuates when the general market interest rate changes. The Group's interest rate risk arises mainly from its borrowings and the Group quantifies the interest rate risk in its debt portfolio in terms of duration, which describes the average term of fixed interest rates. • **Currency risk**: Currency risk is the risk that currency exchange rate fluctuations will have an adverse effect on the Group's cash flow, income statement or balance sheet. The Group is exposed to currency risk when sales and purchases are conducted in different currencies which affect future cash flows (transaction exposure) and in the revaluation of net assets in foreign subsidiaries (translation or balance sheet exposure), with the Group's largest exposure being EUR. **Operational risks** • **Operational asset risk**: The Group's largest operational asset risks are associated with the operation of power generation and heat production plants. Nuclear power safety and dam safety are also areas entailing operational asset risks. Risks associated with operational assets concern not only electricity generation but also damage to machinery and damage to distribution networks. • **Security risks**: As part of the Group's business, the Group deals with various technologies (including with respect to energy production and distribution) but also sensitive personnel and client information. Hence, the Group is exposed to the risk of data loss, leak of sensitive information and disruptions in the IT-systems, due to e.g. inadequate software and/or hardware, malware attacks or fraud. • **Supplier risk**: The Group's business is dependent on deliveries from third parties in accordance with agreed requirements relating to, for example, quantity, quality and delivery times. Supplier risk is the risk of delays of, or interruptions in, delivery by suppliers, deficiencies in codes of conduct for suppliers or other defaults by suppliers, and could result in disruptions in the Group's operations. • **Personnel risk**: There are risks involved in certain aspects of work in the energy sector for the Group's personnel. For example certain of the Group's employees are working with dangerous machinery and equipment, which require the production sites to maintain a high level of safety procedures. • **Legal risk**: The Group operates in various jurisdictions with different business requirements and laws. The Group is thereby exposed to legal risks across a wide area, including risks of

		litigation, fines and claims, governance and compliance related issues as well as risks related to contracts and permits. • **Tax risk**: The Group operates in a number of countries and is exposed to the risk that its interpretation of applicable tax laws, treaties, regulations and administrative practices is inaccurate or that tax legislation or practices may change, potentially with retroactive effect. • **Strategic risk**: The Group is exposed to a range of different factors affecting the energy sector that are difficult to influence, including the risk for changes in political policies, public opinion, regulations and choice of technology, which may affect the Group's operations and financial performance. As an example, a continued technological development in the supply chain for wind power is a precondition for continued cost reductions in the industry. There are also risks related to the environment where the Group's operations may have an impact, for example connected to the final repository for spent nuclear fuel. • **Political risk**: The energy sector is highly regulated which requires the Group to conduct active business intelligence. The Group is exposed to the risk that public policies or regulations change to the detriment of the Group, for example potential changes to regulated tariffs in the distribution operations and potential changes of subsidy frameworks for renewable energy. • **Regulatory risk**: The Group is exposed to a risk of regulatory changes since its operations are governed by various political regulations and frameworks (e.g. climate and energy frameworks to reduce greenhouse gas emissions and achieve a sustainable, competitive and secure energy system). For example, the requirements of the Water Framework Directive (Directive 2000/60/EC) could result in losses in regulating capacity and hydro power generation. The Group's wind power operations are also exposed to regulatory risks in relation to tender processes and subsidy frameworks. • **Investment risk**: The Group is a highly capital-intensive business with an extensive investment programme. Investment risk refers to the risk of the Group not being able to find suitable investments or that the Group is unable to obtain the necessary financing for future investments on terms acceptable to the Group. The execution of investments also implies risks, for example, in terms of unexpected increased investment costs or that the return of investments are lower than estimated. • **Integrity risk**: The two greatest integrity risks the Group has identified are non-compliance with competition laws, and corruption. The size of the Group, with millions of customers and 25,000 suppliers, makes the Group exposed to integrity risk across a wide area. • **Competition risk**: The Group's operations are exposed to competition to various degrees. Competition in European renewable energy projects has intensified and the cost of renewable generation has reduced dramatically, leading to the first subsidy-free bids in auctions. Within decentralised solutions and new businesses, there is a growing number of niche players across

		the energy value chain, as well as companies from other sectors taking more space in the market, leading to increased competition.
D.3	*Main risks associated with the securities*	**Risks related to the structure of the Capital Securities** • The Capital Securities are subordinated obligations; accordingly, claims in respect of the Capital Securities would rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of a voluntary or involuntary liquidation, bankruptcy or corporate reorganisation. • The Capital Securities are long-term securities and therefore an investment in Capital Securities constitutes a financial risk for a long period. • The Issuer may defer interest payments at its discretion. • The Issuer may redeem the Capital Securities early; investors should consider reinvestment risk. • There is a risk that, after the issue of the Capital Securities, an early redemption event may occur which would entitle the Issuer, without any requirement for the consent or approval of the holders, to substitute the relevant Capital Securities for, or vary the terms of the relevant Capital Securities so that they become or remain, securities that contain terms not materially less favourable to holders than the terms of the Capital Securities. • Capital Securities with fixed interest rate have a market risk. • Capital Securities with floating interest rate may suffer a decline in interest rate. • Holders of the Capital Securities have very limited rights in relation to the enforcement of payments on the Capital Securities. • No limitation on the Issuer on issuing or guaranteeing debt ranking senior to or *pari passu* with the Capital Securities. **Risks related to Capital Securities generally** • The Capital Securities may not be a suitable investment for all investors. The Capital Securities are complex financial instruments. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances. • The terms and conditions contain provisions which may permit their modification without the consent of all investors and confer significant discretions on The Law Debenture Trust Corporation p.l.c. as trustee which may be exercised without the consent of the holders and without regard to the individual interests of particular holders. • The Capital Securities may be subject to withholding taxes. • Investors who hold Capital Securities in denominations that are not an integral multiple of a specified denomination may be

		adversely affected if definitive Capital Securities are subsequently required to be issued. **Risks related to the market generally** • An active secondary market in respect of the Capital Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Capital Securities. • If an investor holds Capital Securities which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Capital Securities could result in an investor not receiving payments on those Capital Securities. • The list of registered and certified rating agencies published by the European Securities and Markets Authority on its website in accordance with the Regulation (EC) No 1060/2009 (as amended) is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated list. • Credit ratings assigned to the Issuer or any Capital Securities may not reflect all the risks associated with an investment in those Capital Securities and may be lowered or withdrawn. • The value of the Capital Securities could be adversely affected by a change in English law or Swedish law or administrative practice. • Hedging positions of dealers may adversely affect future trading prices of Capital Securities.

Section E – Offering		
E.2b	*Reasons and use of the issue proceeds*	The net proceeds from each issue of Capital Securities have been applied by the Issuer for its general corporate purposes. However, the proceeds from the Capital Securities issued under the Prospectus dated 17 March 2015, have also been used to fund the purchase of the €1,000,000,000 capital securities originally issued by Vattenfall Treasury AB (publ) and unconditionally and irrevocably guaranteed on a subordinated basis by the Issuer, and in respect of which the Issuer was substituted as issuer with effect from 26 April 2010 (ISIN: XS0223129445), pursuant to any and all cash tender offer announced on 3 March 2015.
E.3	*Form and terms of the offering*	The Capital Securities have been issued in four tranches, the first three tranches were issued under one Prospectus and the settlement date for the issue was on 19 March 2015. The fourth tranche was issued under a separate Prospectus and the settlement date for the issue was 19 November 2015. The Capital Securities are issued with fixed or floating interest rate and at the dates and for the issue prices set out in Appendix 1.

E.4	*Interested parties of importance for the offering*	Not applicable.
E.7	*Expenses borne by the investor*	Not applicable.

Appendix 1 – The Capital Securities

	March 2015 Capital Securities						November 2015 Capital Securities	
	NC12 Fixed Rate Reset Capital Securities (VAB HYBRID #2)		NC7 Fixed Rate Reset Capital Securities (VAB HYBRID #3)		NC7 Floating Rate Capital Securities (VAB HYBRID #4)		(VAB HYBRID #5)	
ISIN No. (C.1)	XS1205618470		XS1205627547		XS1205625251		XS1322373017	
SEDOL No. (C.1)	BWCMVC6		BWDP6X0		BWDPGD0		BD4DRK4	
Issue Price (E.3)	100%		100%		100%		100%	
Issue Date (E.3)	2015-03-19		2015-03-19		2015-03-19		2015-11-19	
Maturity Date (C.9)	2077-03-19		2077-03-19		Interest Payment Date in March 2077		2078-11-19	
Currency (C.2)	EUR		SEK		SEK		USD	
Aggregate Nominal Amount (C.9)	EUR 1,000,000,000		SEK 3,000,000,000		SEK 3,000,000,000		USD 400,000,000	
Minimum denomination (C.12)	EUR 100,000		SEK 1,000,000		SEK 1,000,000		USD 200,000	
Interest basis (C.9)	Fixed Rate Reset 12 year Non-Call Capital Securities		Fixed Rate Reset 7 year Non-Call Capital Securities		Floating Rate 7 year Non-Call Capital Securities		Fixed Rate Reset 8 year Non-Call Capital Securities	
Interest (C.9)	Issue Date to but excl. 19 March 2027:	3.00%	Issue Date to but excl. 19 March 2022:	3.125%	Issue Date to but excl. the Interest Payment Date in March 2027:	2.35% above 3-month STIBOR for SEK deposits for each Interest Period	Issue Date to but excl. 19 November 2023:	6.10%

	March 2015 Capital Securities						November 2015 Capital Securities	
	NC12 Fixed Rate Reset Capital Securities (VAB HYBRID #2)		NC7 Fixed Rate Reset Capital Securities (VAB HYBRID #3)		NC7 Floating Rate Capital Securities (VAB HYBRID #4)		(VAB HYBRID #5)	
	19 March 2027 and thereafter (reset on each 5th anniversary up to and incl. 19 March 2072):	5 Year Euro Mid-Swap Rate plus Margin	19 March 2022 and thereafter (reset on each 5th anniversary up to and incl. 19 March 2072):	5 Year SEK Mid-Swap Rate plus Margin	The Interest Payment Date in March 2027 to but excl. the Interest Payment Date in March 2042:	2.60% above 3-month STIBOR for SEK deposits for each Interest Period	19 November 2023 and thereafter (reset on each 5th anniversary up to and incl. 19 November 2073):	5 Year USD Mid-Swap Rate plus Margin
					The Interest Payment Date in March 2042 to but excl. the Maturity Date:	3.35% above 3-month STIBOR for SEK deposits for each Interest Period		
Margin (C.9)	19 March 2027 to but excl. 19 March 2047:	2.511%	19 March 2022 to but excl. 19 March 2027:	2.345%	Not applicable.		19 November 2023 to but excl. 19 November 2028:	4.064%
	19 March 2047 to but excl. the Maturity Date:	3.261%	19 March 2027 to but excl. 19 March 2042:	2.595%			19 November 2028 to but excl. 19 November 2043:	4.314%
			19 March 2042 to but excl. the Maturity Date:	3.345%			19 November 2043 to but excl. the Maturity Date:	5.064%
Interest Payment Date(s) (C.9)	Annually in arrear on 19 March of each year, commencing 19 March 2016, subject to the Issuer's right of deferral (except on the Maturity Date or any other Interest Payment Date in case of redemption).		Annually in arrear on 19 March of each year, commencing 19 March 2016, subject to the Issuer's right of deferral (except on the Maturity Date or any other Interest Payment Date in case of redemption).		Quarterly in arrear on the Interest Payment Dates in March, June, September and December of each year, commencing in June 2015, subject to the Issuer's right of deferral (except on the Maturity Date or any other Interest Payment Date in case of redemption).		Semi-annually in arrear on 19 May and 19 November in each year, commencing 19 May 2016, subject to the Issuer's right of deferral (except on the Maturity Date or any other Interest Payment Date in case of redemption).	

		March 2015 Capital Securities		November 2015 Capital Securities
	NC12 Fixed Rate Reset Capital Securities (VAB HYBRID #2)	NC7 Fixed Rate Reset Capital Securities (VAB HYBRID #3)	NC7 Floating Rate Capital Securities (VAB HYBRID #4)	(VAB HYBRID #5)
Interest Period (C.9)	The period from and incl. 19 March 2015 to but excl. the first Interest Payment Date and each successive period from and incl. an Interest Payment Date to but excl. the next succeeding Interest Payment Date.	The period from and incl. 19 March 2015 to but excl. the first Interest Payment Date and each successive period from and incl. an Interest Payment Date to but excl. the next succeeding Interest Payment Date.	The period from and incl. 19 March 2015 to but excl. the first Interest Payment Date and each successive period from and incl. an Interest Payment Date to but excl. the next succeeding Interest Payment Date.	The period from and incl. 19 November 2015 to but excl. the first Interest Payment Date and each successive period from and incl. an Interest Payment Date to but excl. the next succeeding Interest Payment Date.
Day Count Fraction (C.9)	The actual number of days in the period from and incl. the most recent Interest Payment Date (or, if none, 19 March 2015) to but excl. the relevant payment date divided by the actual number of days in the period from and incl. the most recent Interest Payment Date (or, if none, 19 March 2015) to but excl. the next (or, as the case may be, the first) scheduled Interest Payment Date.	30E/360	Actual/360	On the basis of a 360-day year consisting of 12 months of 30 days each and, in case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.
Redemption – Issuer's call option (C.9)	On 19 March 2027 or on any Interest Payment Date thereafter.	On 19 March 2022 or on any Interest Payment Date thereafter.	On the Interest Payment Date in March 2022 or on any Interest Payment Date thereafter.	On 19 November 2023 or on any Interest Payment Date thereafter.
Redemption amount – Issuer's call option (C.9)	An amount equal to their principal amount together with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.			
Redemption – tax deductibility / rating (C.9)	If: (i) the Issuer's receives a Swedish legal opinion to the effect that, as a result of a tax law change, any interest payments under the Capital Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer; or (ii) the Issuer has received confirmation from any relevant rating agency, that an amendment, clarification or change has occurred in the equity credit criteria of such rating agency and this has resulted in lower equity credit for the Capital Securities.			
Redemption amount – tax	An amount equal to 101% of their principal amount, if such redemption occurs before 19 March 2027; or	An amount equal to 101% of their principal amount, if such redemption occurs before 19 March 2022; or otherwise 100% of their	An amount equal to 101% of their principal amount, if such redemption occurs before the Interest Payment Date in March 2022;	An amount equal to 101% of their principal amount, if such redemption occurs before 19

	March 2015 Capital Securities			November 2015 Capital Securities
	NC12 Fixed Rate Reset Capital Securities (VAB HYBRID #2)	NC7 Fixed Rate Reset Capital Securities (VAB HYBRID #3)	NC7 Floating Rate Capital Securities (VAB HYBRID #4)	(VAB HYBRID #5)
deductibility / rating (C.9)	otherwise 100% of their principal amount, together, in each case, with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.	principal amount, together, in each case, with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.	or otherwise 100% of their principal amount, together, in each case, with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.	November 2023; or otherwise 100% of their principal amount, together, in each case, with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.
Redemption – withholding tax / substantial repurchase (C.9)	If: (i) as a result of any tax law change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities pursuant to the terms and conditions and the Issuer cannot avoid the foregoing by taking reasonable measures available to it; or (ii) the Issuer and/or any of its subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of a kind of Capital Securities equal to or greater than 80% of the aggregate principal amount of such Capital Securities initially or further issued.			
Redemption amount – withholding tax / substantial repurchase (C.9)	An amount equal to 100% of their principal amount together with any deferred interest and any other accrued and unpaid interest up to but excl. the redemption date.			
Final redemption date (C.9)	The Maturity Date.	The Maturity Date.	The Maturity Date.	The Maturity Date.
Final redemption amount (C.9)	An amount equal to their principal amount together with any deferred interest and any other accrued and unpaid interest up to but excl. the Maturity Date.			
Credit rating (B.17)	"Baa2" by Moody's and "BB+" by Standard & Poor	"Baa2" by Moody's and "BB+" by Standard & Poor	"Baa2" by Moody's and "BB+" by Standard & Poor	"Baa2" by Moody's and "BB+" by Standard & Poor
Prospectus date (C.21)	17 March 2015	17 March 2015	17 March 2015	17 November 2015