



1/10

INTERIM REPORT JANUARY–MARCH 2010

- Net sales rose 34.5% to SEK 70,657 million (52,528)
- Operating profit decreased by 21.3% to SEK 10,115 million (12,860) – excluding items affecting comparability, operating profit increased by 19.6% to SEK 15,376 million (12,857)
- Profit for the period (after tax) decreased by 53.2% to SEK 3,787 million (8,091) – excluding items affecting comparability, profit for the period increased by 11.8% to SEK 9,045 million (8,092)

CONTENTS

CEO's message	1
Group	3
Electricity generation, sales of heat and gas	8
Wholesale price trend	9
The Group's operating segments	11
Consolidated income statement	16
Consolidated statement of comprehensive income	17
Segment reporting	18
Consolidated balance sheet	21
Consolidated statement of cash flows	22
Consolidated statement of changes in equity	23
Key ratios	24
Quarterly information	25
Key ratios on renewable energy generation in the Nordic countries; Exchange rates	26
Parent Company income statement and balance sheet	27
Accounting policies, risks and uncertainties, and Parent Company interim report	28
Definitions and calculations of key ratios	30

Financial calendar

Interim report January–March
29 April 2010

Interim report January–June
29 July 2010

Interim report January–September
28 October 2010

Year-end report 2010
10 February 2011

Annual General Meeting 2009

29 April 2010, in Stockholm

For enquiries, please contact

Øystein Løseth, President and CEO
tel. +46-8-739 50 05

Dag Andresen, First Senior Executive
Vice President and CFO
tel. +46-8-739 60 06

Klaus Aurich, Head of Investor Relations
tel. +46-8-739 65 14, or +46-705-39 65 14

This is a translation of the Swedish original. In the event of any discrepancy, the Swedish version shall take precedence.

All comparison figures in this report pertain to the first quarter of 2009, unless indicated otherwise.

Cover photo: Hydro power plant in Boden, Sweden; close-up of hydro power plant in Älvkarleby, Sweden.

Production: Vattenfall AB in co-operation with Intellecta Corporate.

Photos: Vattenfall AB. Printing: Intellecta Tryckindustri.
Copyright 2010, Vattenfall AB, Stockholm.

GOOD UNDERLYING RESULT

- Net sales rose 34.5% to SEK 70,657 million (52,528)
- Operating profit decreased by 21.3% to SEK 10,115 million (12,860) – excluding items affecting comparability¹, operating profit increased by 19.6% to SEK 15,376 million (12,857)
- Profit for the period (after tax) decreased by 53.2% to SEK 3,787 million (8,091) – excluding items affecting comparability, profit for the period increased by 11.8% to SEK 9,045 million (8,092)

1) Items affecting comparability, net, amounted to SEK -5,261 million (3), of which SEK -5,322 million is attributable to the ongoing sale of Vattenfall's German transmission business.

First quarter of 2010 – net sales, profit, cash flow and debt

Consolidated net sales rose 34.5% to SEK 70,657 million (52,528), of which approximately SEK 15,400 million is attributable to the consolidation of N.V. Nuon Energy (Nuon) in the Vattenfall Group as from 1 July 2009. Currency movements had a negative impact on net sales by approximately SEK 3.5 billion, due to the stronger Swedish krona.

Operating profit decreased by 21.3% to SEK 10,115 million (12,860). Excluding items affecting comparability, operating profit increased by 19.6% to SEK 15,376 million (12,857). Items affecting comparability for the first quarter of 2010 amounted to SEK -5,261 million, net, of which SEK -5,322 million is attributable to the ongoing sale of Vattenfall's German transmission business.

Compared with the first quarter of 2009, Vattenfall received slightly lower prices for its electricity generation, which had an adverse effect on operating profit by approximately SEK 1.8 billion. Higher generation volumes, lower fuel costs and lower operating and maintenance expenses had a positive effect of approximately SEK 1.3 billion. Currency movements had no major net impact on operating profit. The operations of N.V. Nuon Energy (Nuon), which are consolidated in the Vattenfall Group since 1 July 2009, made a positive contribution to operating profit for the first quarter of 2010, of SEK

2,283 million. Nuon's wind operations have been integrated in the Wind business unit of Business Group Pan Europe (see page 11), and its energy trading operations are now part of Supply & Trading (see page 15). Nuon's other operations – the Exploration & Production, Power, Heat & Services and Sales business units – are included in Business Group Benelux (see page 14).

Following is a breakdown of operating profit for Vattenfall's operating segments during the first quarter of 2010:

- Operating profit for Business Group Pan Europe decreased by SEK 525 million to SEK 995 million.
- Operating profit for Business Group Nordic increased by SEK 2,263 million to SEK 6,593 million.
- Operating profit for Business Group Central Europe decreased by SEK 7,174 million to SEK 71 million. Excluding items affecting comparability, operating profit decreased by SEK 1,841 million to SEK 5,399 million.
- Operating profit for Business Group Benelux amounted to SEK 228 million. Comparison values for 2009 are lacking, as Business Group Benelux did not become part of the Group until July 2009.
- Operating profit for Supply & Trading increased by SEK 1,637 million to SEK 2,164 million.
- Operating profit for the segment Other increased by SEK 826 million to SEK 64 million.



“Vattenfall is reporting a good underlying result for the first quarter of 2010, despite difficult market conditions with continued low industrial demand for electricity. However, profitability is below the owner's required rate of return, and we must reverse this negative trend.”

Øystein Løseth
President and CEO

For detailed information on the Group's operating segments, see pages 11–15.

Profit for the period (after tax) decreased by 53.2% to SEK 3,787 million (8,091). The decline is mainly attributable to a lower operating profit, higher interest expenses associated with a higher level of net debt, and a higher tax charge. Return on equity was 6.6%, and the return on net assets was 8.1%. Vattenfall's long-term required rate of return on equity is 15% over a business cycle (5–7 years). The target return on net assets is 11%. The cash flow interest coverage ratio after maintenance investments decreased to 3.0 times, compared with the target interval of 3.5–4.5.

Compared with 31 December 2009, net debt increased by SEK 10,594 million to SEK 165,581 million, mainly due to a change in the calculation of net debt. Changes attributable to the use of Credit Support Annexes (CSAs) in the trading activities are now included in cash flow from changes in operating assets and operating liabilities, compared with previously when they were reported in cash flow from financing activities. The net debt/equity ratio was 118.7% at 31 March 2010 (31 December 2009: 108.8%). For detailed information about net debt, see page 21.

Funds from operations (FFO) decreased by SEK 8,940 million to SEK 9,820 million, which is mainly attributable to an increase in paid tax during the quarter, including non-recurring items, and lower paid tax than normal during the corresponding quarter a year ago. Part of the paid tax pertains to German withholding taxes attributable to a large, non-recurring dividend and will be repaid to Vattenfall in 2011. The Group's total investments amounted to SEK 8,935 million (7,008). For more information about investment activities, see page 7.

Electricity generation, sales of heat and gas in Q1 2010

Vattenfall's electricity generation increased by 5.3% during the first quarter of 2010, to 47.6 TWh (45.2). Of total electricity generation, N.V. Nuon Energy accounted for 4.2 TWh.

Hydro power generation was essentially unchanged, at 10.2 TWh. Nuclear power generation decreased by 22.6% to 10.6 TWh (13.7), fossil-based power increased by 26.3% to 25.9 TWh (20.5), and wind power generation increased to 0.5 TWh (0.4). Electricity generation based on biomass and waste was unchanged at 0.4 TWh. Sales of heat increased by 24.7% to 19.7 TWh (15.8). Sales of gas totalled SEK 24.1 TWh. For more information, see page 8.

Electricity price trend

As a result of cold weather, spot prices increased in all of Vattenfall's markets during the winter months, especially in the Nordic market. Prices turned down again towards the end of the quarter.

In the Nordic market, average spot prices were approximately 56% higher than in the first quarter of 2009. Average spot prices in Germany and the Netherlands were 13% lower than the same quarter of 2009. For more detailed information about the electricity price trend, see pages 9–10.

Important events during the first quarter of 2010

Vattenfall sells its transmission grid in Germany

In March Vattenfall signed an agreement to sell its subsidiary 50Hertz Transmission GmbH, which owns and operates Vattenfall's transmission grid in Germany, to the Belgian transmission system operator Elia and the Australian company Industry Funds Management (IFM). The agreed enterprise value amounts to EUR 810 million (approximately SEK 7,900 million). The positive effect on net debt for Vattenfall is roughly the same size. In addition, further positive cash flow effects will be achieved due to the fact that the buyers are taking over responsibility for carrying out necessary investments in the transmission grid. These investments will amount to EUR 3 billion through 2016. The transaction is expected to be closed during the second quarter of 2010. The buyers have met all of the conditions made by Vattenfall for the sale: that they have a long-term focus, that they ensure future investments in the network expansion and grant continued free ac-

cess for all power generators, and that they promote the flow of electricity across national borders.

On the balance sheet as per 31 March 2010, 50Hertz Transmission GmbH is reported under "Assets held for sale". In the quarterly book-closing, the company's assets and liabilities are measured at fair value. This has given rise to an impairment loss of SEK 5,322 million.

Vattenfall strengthens its position in offshore wind power in the UK

In early January, Vattenfall and ScottishPower Renewables were granted rights to develop a major wind farm – East Anglia – offshore England's east coast in the North Sea, with the potential to achieve 7,200 MW in electricity generation capacity. This represents a significant contribution to the development of renewable electricity and to Vattenfall's ambition to increase its share of renewable energy in the work on achieving a better climate. The licence is part of Round 3, the British Crown Estate's licensing programme for developing offshore wind power. ScottishPower Renewables and Vattenfall hope to be able to file an initial regulatory application in 2012. If it is approved, and other necessary internal decisions are made, it is expected that construction can start in 2015 and will be conducted in stages.

Changes in Executive Group Management

On 12 April Øystein Løseth took office as President and CEO of Vattenfall AB. He succeeds Lars G. Josefsson, who will retire. On 1 January, Elisabeth Ström took up her position as Director of Communications. On the same day, Torbjörn Wahlborg took office as Head of Business Group Nordic. Hans-Jürgen Meyer, Head of Finance of Business Group Central Europe, left Vattenfall on 31 March 2010.

Summary of Vattenfall's consolidated financial performance, cash flow and balance sheet

Amounts in SEK million unless otherwise stated	Q1 2010	Q1 2009	Change, %	Last 12 months
Net sales	70,657	52,528	34.5	223,536
Operating profit before depreciation and amortisation (EBITDA)	15,477	17,149	-9.7	50,105
Operating profit (EBIT)	10,115	12,860	-21.3	25,193
Operating profit excl. items affecting comparability	15,376	12,857	19.6	33,813
Financial items, net	-2,899	-2,103	-37.9	-11,000
Profit before tax	7,216	10,757	-32.9	14,193
Profit for the period	3,787	8,091	-53.2	9,144
- of which, attributable to owners of the Parent Company	3,746	7,751	-51.7	8,891
- of which, attributable to minority interests	41	340	-87.9	253
Return on equity, %	6.6 ¹	13.9 ¹	-	6.6
Return on net assets, %	8.1 ¹	14.9 ¹	-	8.1
Funds from operations (FFO)	9,820	18,760	-47.7	27,760
Cash flow before financing activities	-6,497	4,582	-	-47,873
Free cash flow	-1,057	8,455	-	18,054
Cash and cash equivalents plus short-term investments	30,190	84,097	-64.1	
Balance sheet total	569,095	499,893	13.8	
Equity incl. minority interests	139,461	150,485	-7.3	
Capital Securities	9,646	10,856	-11.1	
Other interest-bearing liabilities	187,942	135,267	38.9	
Net debt	165,581	60,571	173.4	
Net debt/Operating profit before depreciation and amortisation (EBITDA), times	3.3¹	1.3¹	-	

1) Last 12-month values.

See pages 30–31 for definitions and calculations of key ratios.

Sales, profit and cash flow

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Net sales	70,657	52,528	34.5

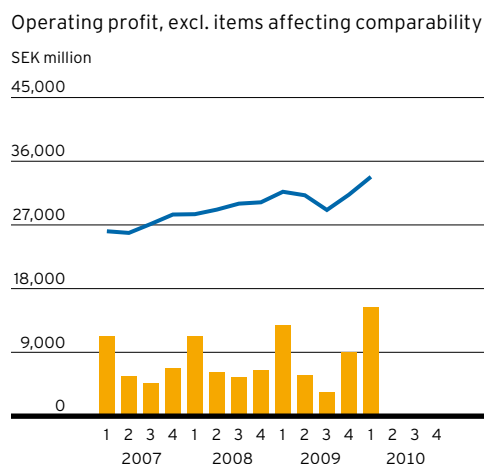
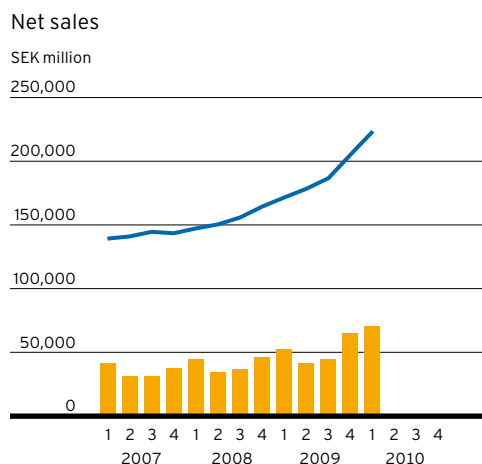
Comment: Of the total increase in net sales, amounting to approximately SEK 18.2 billion for the first quarter of 2010, N.V. Nuon Energy (Nuon) accounted for approximately SEK 15.4 billion. Nuon was consolidated by Vattenfall on 1 July 2009. In other respects, the increase is attributable to Business Group Nordic and Business Group Central Europe (SEK 2.3 billion and SEK 2.0 billion, respectively), and can be credited to higher sales of electricity during the period. Currency movements had a negative impact on net sales by approximately SEK 3.5 billion, due to a stronger Swedish krona compared with the same quarter in 2009.

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Cost of products sold	50,872	36,682	38.7

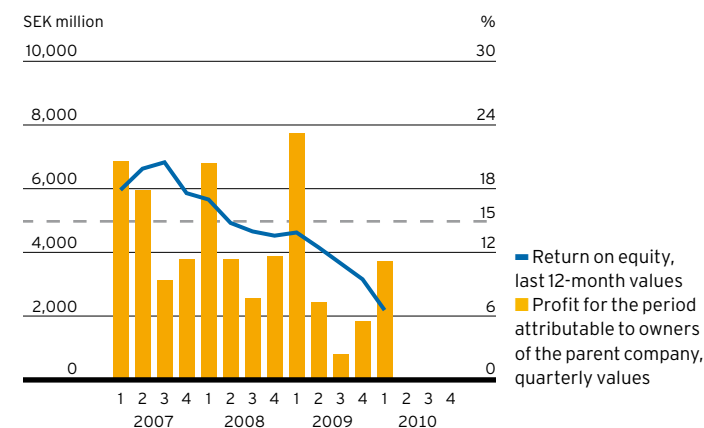
Comment: Of the increase of approximately SEK 14.2 billion, Nuon accounted for approximately SEK 12.7 billion. The increase is also attributable to higher costs for purchased electricity.

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Operating profit (EBIT)	10,115	12,860	-21.3
Operating profit (EBIT) excl. items affecting comparability	15,376	12,857	19.6

Comment: Operating profit decreased by SEK 2,745 million. However, excluding items affecting comparability, operating profit increased by SEK 2,519 million. Items affecting comparability consist mainly of an impairment loss of SEK 5,322 million attributable to the ongoing sale of Vattenfall's transmission grid in Germany. Average lower prices received affected operating profit negatively by approximately SEK 1.8 billion, while higher generation volumes, lower fuel costs and lower operating and maintenance expenses had a combined positive effect of approximately SEK 1.3 billion. Currency movements had a net marginal impact on the change in operating profit. The acquired operations of N.V. Nuon Energy (Nuon) had a net positive impact on operating profit of SEK 2,283 million.



Return on equity incl. items affecting comparability/ Profit for the period



Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Funds from operations (FFO)	9,820	18,760	-47.7
Cash flow from operating activities	2,259	11,528	-80.4

Comment: Funds from operations decreased by SEK 8.9 billion, mainly due to an increase in paid tax (SEK 7.4 billion) during the quarter, including non-recurring items, and lower paid tax than normal during the corresponding period a year ago. During the first quarter of 2009, Vattenfall received refunds of previously paid taxes, while the first quarter of 2010 instead included an extra tax payment of SEK 3.5 billion in withholding tax attributable to a large, non-recurring dividend from Vattenfall Europe AG in Germany. Of this amount, SEK 3.3 billion will be refunded to Vattenfall in 2011.

Cash flow from operating activities decreased by SEK 9.2 billion, of which cash flow from changes in working capital decreased by SEK 0.3 billion. The largest change in working capital consisted of a decrease in trade accounts payable stemming from the fact that major purchases of CO₂ emission allowances at year-end 2009 fell due for payment in early 2010. At the same time, operating assets – mainly CO₂ emission allowances and short-term operating receivables – decreased. Margin calls received in the trading operation and currency hedges of equity in foreign subsidiaries improved cash flow from working capital. Changes attributable to the use of Credit Support Annexes (CSAs) in the trading operation are now included in cash flow from changes in operating assets and operating liabilities, from having been previously reported in cash flow from financing activities.

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Net financial items	-2,899	-2,103	-37.9
Interest income from financial investments	226	317	-28.7
Interest expenses from loans	-1,595	-1,343	-18.8
Interest received	225	303	-25.7
Interest paid	-893	-1,225	27.1
Average monthly net interest expense	-454	-342	

Comment: The worsening of financial items is due to higher interest expenses for loans, which is attributable to a higher level of debt mainly associated with the acquisition of shares in N.V. Nuon Energy, and lower market values of derivatives.

Financial position

Amounts in SEK million	31 March 2010	31 March 2009	Change, %
Cash and cash equivalents, and short-term investments	30,190	84,097	-64.1
Committed credit facilities (unutilised)	9,839	15,472	-36.4
Other credit facilities (unutilised)	8,616	11,930	-27.8

Comment: The decrease in Cash and cash equivalents as well as in short-term investments is attributable to the acquisition of the shares in N.V. Nuon Energy. Committed credit facilities consist of a EUR 1 billion Revolving Credit Facility that expires on 23 February 2013 and a SEK 100 million bank overdraft facility that expires in December 2010. Vattenfall's target is to have no less than 10% of the Group's net sales, but at least the equivalent of the next 90 days' maturities, in the form of liquid assets or committed credit facilities.

Amounts in SEK million	31 March 2010	31 March 2009	Change, %
Net debt	165,581	60,571	173.4
Interest-bearing liabilities	197,588	146,123	35.2
Average interest rate, % ¹	3.5	4.9	-28.4
Duration, years ¹	4.3	2.9	49.1
Average time to maturity, years ¹	7.1	6.9	3.5

¹ Excluding Capital Securities and loans from minority owners and associated companies. Including SEK 9,646 million in Capital Securities, the average interest rate is 3.6%, the duration is 4.0 years, and the average time to maturity is 7.0 years. These values pertain to 31 March 2009. The norm duration was extended in 2009 from 2.5 years to 4 years. The duration is permitted to vary 12 months over and below the norm time.

Comment: Compared with 31 March 2009, net debt increased by SEK 105,010 million, and total interest-bearing liabilities increased by SEK 51,465 million. This is mainly associated with the financing of the shares in N.V. Nuon Energy (Nuon). Interest-bearing liabilities also include the remaining consideration paid to Nuon's shareholders (SEK 47,052 million). Interest on this item is 2%, which explains the decrease in the average interest rate.

Compared with 31 December 2009, net debt increased by SEK 10,594 million to SEK 165,581 million, mainly due to a change in the calculation of net debt. Changes attributable to the use of Credit Support Annexes (CSAs) in the trading activities are now included in cash flow from changes in operating assets and operating liabilities, compared with previously when they were reported in cash flow from financing activities.

Amounts in SEK million	31 March 2010	31 March 2009	Change, %
Equity attributable to			
Owners of the Parent Company	132,889	139,577	-4.8
Minority interests	6,572	10,908	-39.8
Total	139,461	150,485	-7.3

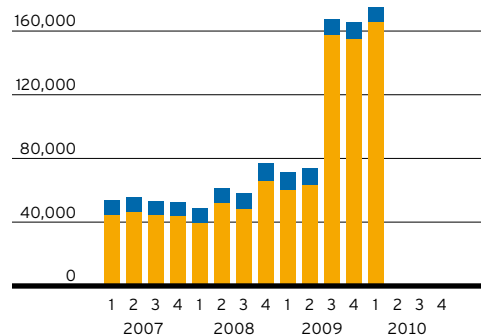
Comment: Changes in equity are specified on page 23.

Credit ratings

The current ratings for Vattenfall's long-term borrowing are A (S&P) and A2 (Moody's).

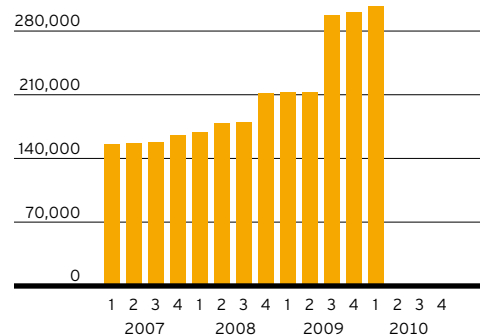
Net debt

SEK million
200,000



Net assets

SEK million
350,000



■ Capital Securities
■ Quarterly values

Investments

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Maintenance investments	3,316	3,073	7.9
Growth investments	5,619	3,935	42.8
– of which, shares	90	194	-53.6
Total investments	8,935	7,008	27.5

Comment: Growth investments increased by 42.8% compared with the first quarter of 2009. The increase is mainly attributable to investments in the Moorburg and Boxberg plants in Germany and in the Eemshaven plant in the Netherlands. In addition, preparations are being made for the re-inauguration of the Reichwalde lignite mine in Germany. During the quarter, major investments were also made in the Thanet and Ormonde wind farms in the UK.

Specification of investments

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Electricity generation			
Hydro power	47	236	-80.2
Nuclear power	694	692	-
Fossil-based power	1,480	913	62.1
Wind power	1,832	790	131.8
Biomass, waste	955	25	-
Other	971	1,131	-14.1
Total Electricity generation	5,980	3,787	57.9
Heat			
Fossil-based power	187	324	-42.4
Biomass, waste	110	382	-71.3
Other	126	138	-8.9
Total Heat	422	844	-50.0
Electricity networks			
Electricity networks	987	1,367	-27.8
Other	-	-	-
Total Electricity networks	987	1,367	-27.8
Purchases of shares	90	194	-53.6
Other, excl. shares	1,456	816	78.4
Total	8,935	7,008	27.5

Comment: Investments in electricity generation increased by SEK 2,193 million (57.9%) compared with the same quarter in 2009, of which the largest increase is attributable to wind power (increase of SEK 1,042 million) and fossil-based power (increase of SEK 567 million). The investments in wind power were mainly in the Thanet and Ormonde wind farms in the UK. The investments in heat and in electricity networks decreased by SEK 422 million and SEK 380 million, respectively, owing to the completion of major projects since the first quarter of 2009.

Divestments

Amounts in SEK million	Q1 2010	Q1 2009	Change, %
Divestments	179	62	46.8
– of which, shares	29	1	-

Comment: During the first quarter of 2010, the sale of Nuon Deutschland GmbH was completed. This was a condition made by the European Commission for approval of Vattenfall's acquisition of N.V. Nuon Energy.

Employees

Number of employees, full-time equivalents	31 March 2010	31 March 2009	Change, %
Business Group Pan Europe	5,723	5,279	8.4
Business Group Nordic	5,434	5,629	-3.5
Business Group Central Europe	20,960	21,291	-1.6
Business Group Benelux	5,684	-	-
Supply & Trading	395	233	69.5
Other	730	697	4.7
Total	38,926	33,129	17.5

Comment: The acquisition of N.V. Nuon Energy has increased the number of employees by 5,863 compared with the same quarter a year ago. In addition to the employees in Business Group Benelux, 145 work for Supply & Trading and 34 for Business Group Pan Europe. The increase in Business Group Pan Europe is mainly attributable to safety enhancement measures at nuclear power plants and organic growth in wind power.

Electricity generation, sales of heat and gas

	Q1 2010	Q1 2009	Change, %	Full year 2009
Electricity generation, TWh				
Hydro power	10.2	10.3	-1.0	33.9
Nuclear power	10.6	13.7	-22.6	41.5
Fossil-based power	25.9	20.5	26.3	80.4
Wind power	0.5	0.4	25.0	1.7
Biomass, waste	0.4	0.4	0.0	1.4
Total	47.6	45.2	5.3	158.9
Sales of heat, TWh				
Business Group Nordic	5.1	4.5	13.3	11.1
Business Group Central Europe	12.2	11.2	8.9	26.3
Business Group Benelux	2.4	-	-	0.6
Total	19.7	15.8	24.7	37.9
Sales of gas, TWh				
Business Group Nordic	0.1	0.1	0.0	0.2
Business Group Central Europe	0.0	0.1	-	0.2
Business Group Benelux	24.0	-	-	19.7
Total	24.1	0.2	-	20.1

Rounding differences of 0.1 TWh exist on certain items.

Electricity generation

Vattenfall's total electricity generation increased by 5.3% during the first quarter of 2010, to 47.6 TWh. The acquired company N.V. Nuon Energy accounted for 4.2 TWh. Excluding Nuon, electricity generation decreased by 4.1%. Electricity generation from hydro and wind power was nearly unchanged, while nuclear power generation decreased by 22.6%. The drop in nuclear power generation is attributable to the Nordic operations. The Brunsbüttel nuclear power plant in Germany is still off line, which was also the case during the first quarter of 2009. The outage at the 50%-owned Krümmel nuclear power plant in Germany did not affect consolidated volumes, since the plant is not consolidated in Vattenfall's accounts. Fossil-based power generation increased by 5.4 TWh, of which N.V. Nuon's operations contributed 4.2 TWh and Business Group Central Europe 1.2 TWh.

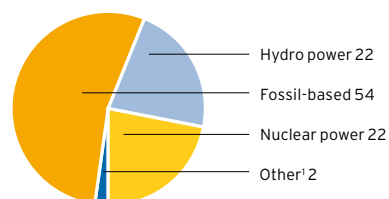
Sales of heat

Sales of heat increased by 24.7% to 19.7 TWh. Excluding N.V. Nuon Energy, sales of heat increased by 9.5%, mainly due to the unusually cold winter.

Sales of gas

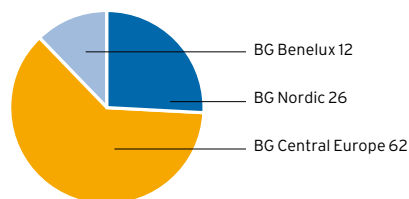
Comparison figures are lacking for Business Group Benelux, while the marginal decline in Business Group Central Europe is attributable to the sale of the German electricity sales and network company WEMAG at the start of the year.

Electricity generation, Q1 2010, %

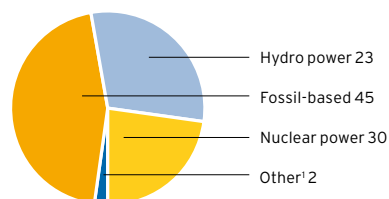


1) Wind power, biomass and waste.

Heat sales, Q1 2010, %

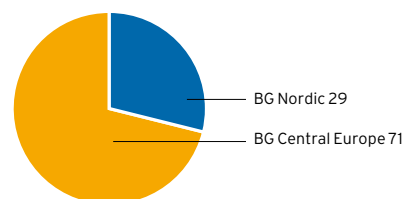


Electricity generation, Q1 2009, %



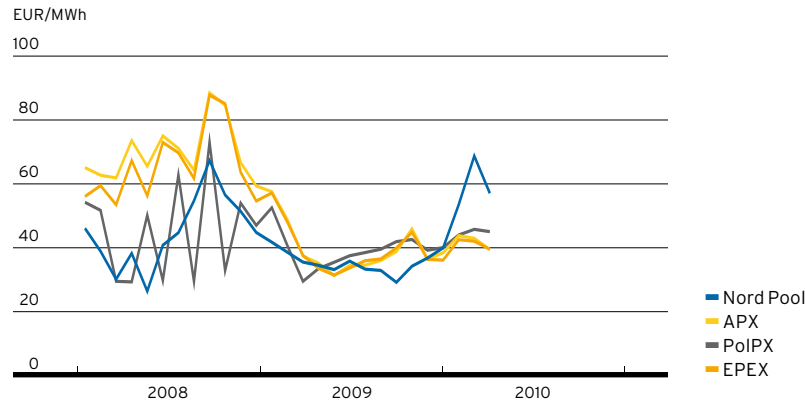
1) Wind power, biomass and waste.

Heat sales, Q1 2009, %



Wholesale price trend

Nordic, German, Polish and Dutch electricity spot prices 2008–2010, monthly averages



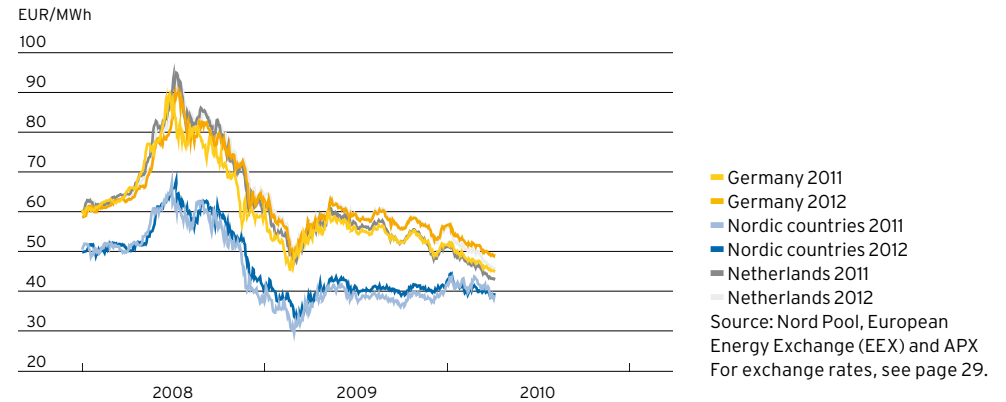
Electricity spot prices in the Nordic countries, Germany, Poland and the Netherlands

Spot prices rose in all of Vattenfall's markets during the winter months. Especially in the Nordic market, spot prices increased significantly during the first quarter of 2010. However, prices turned downward again towards the end of the quarter.

Average spot prices in the Nordic countries increased by 56% compared with the first quarter of 2009 (EUR 59.77/MWh, compared with EUR 38.22/MWh). The increase is mainly attributable to the extremely cold and dry weather in Scandinavia. The hydrological balance (the sum of water levels in reservoirs, ground water and snow) was -36.1 TWh at its lowest, in February 2010. On average, the deficit in the hydrological balance was -30.3 TWh, which is more than 20 TWh lower than during the first quarter of 2009 (-8.4 TWh).

Despite below-normal temperatures in Germany, the Netherlands and Poland, average spot prices were relatively low during the first quarter of 2010. The drop in demand for electricity as a result of the recession and lower prices for coal and gas had a dampening effect on prices. The average spot price in Germany was EUR 41.04/MWh, which was the lowest spot price in all of Vattenfall's markets. Despite the cold weather, prices were more than 13% lower than during the same period a year ago (EUR 47.37/MWh). The average spot price in the Netherlands was EUR 41.73/MWh; these too, were 13% lower than during the first quarter of 2009 (EUR 47.71/MWh). The average spot price in Poland rose 10%, to the equivalent of EUR 44.67/MWh, compared with EUR 40.56/MWh during the first quarter of 2009.

Nordic, German and Dutch electricity futures prices

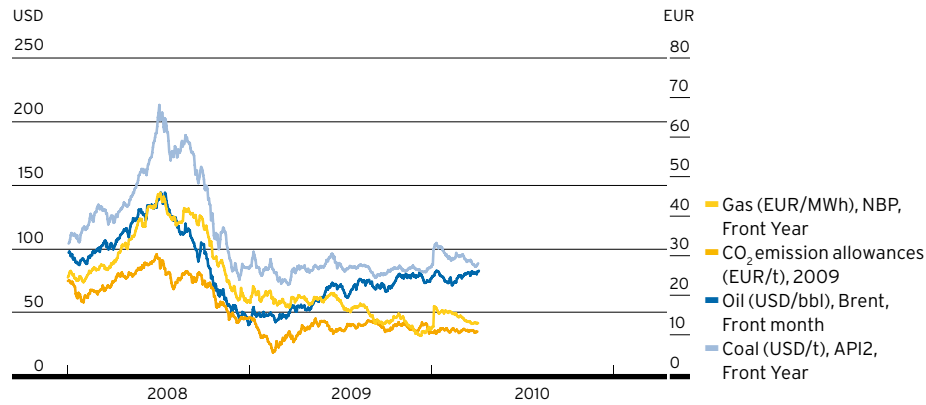


Electricity futures prices in the Nordic countries, Germany and the Netherlands

Average prices for electricity futures contracts for 2011 and 2012 in Vattenfall's markets fell during the first quarter of 2010 compared with the fourth quarter of 2009. Only the Nordic futures contract for 2011 was traded at a higher level. The average price for the 2011 futures contract was EUR 41.54/MWh, which was 6% higher than the preceding quarter, and was thereby higher than the price for the corresponding contract for 2012 (EUR 40.80/MWh).

Compared with the final quarter of 2009, electricity futures prices for 2011 and 2012 in Germany fell by an average of 8% to EUR 48.09/MWh and EUR 52.00/MWh, respectively, while Dutch futures contracts fell by an average of 10% to EUR 46.95/MWh and EUR 50.11/MWh for the 2011 and 2012 contracts, respectively. The price decline is attributable to uncertainty surrounding the future economic trend in Europe and lower spot prices.

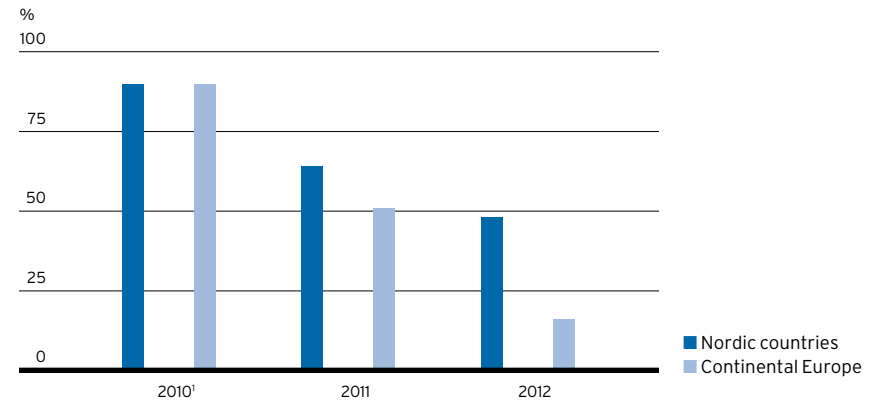
Price trend for oil, coal, gas and CO₂ emission allowances



Price trend for oil, coal, gas and CO₂ emission allowances

Prices of coal and gas fell during the first quarter of 2010. However, compared with the first quarter of 2009, coal prices rose by 16% and gas prices by 18%. The price of CO₂ emission allowances was unchanged during the first quarter of 2010, although it was also higher than in the same quarter a year ago (12%). The price of futures contracts for oil fell during the start of the quarter, but rose thereafter. The price of oil has thereby risen by 67% during the last 12-month period.

Vattenfall's degree of price hedging in various markets per 31 March 2010



1) Remaining months.

Effect of prices on Vattenfall's earnings

The chart above shows Vattenfall's price hedging of planned electricity generation in various markets. Vattenfall continuously hedges its electricity generation through sales in the futures market. This has moderated the impact of price declines on Vattenfall's earnings, since the hedges were taken several years earlier at the higher prices that prevailed then.

The Group's operating segments

Business Group Pan Europe¹

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Full year 2009	Last 12 months
Net sales	5,399	5,783	-6.6	21,113	20,729
External net sales ²	1,780	1,815	-1.9	8,239	8,204
Operating profit	995	1,520	-34.5	2,113	1,588
Operating profit excl. items affecting comparability	995	1,520	-34.5	1,968	1,443
Electricity generation, TWh	11.1³	14.0³	-20.7	43.2	40.3
- of which, nuclear power	10.6	13.7	-22.6	41.5	38.4
- of which, wind power	0.5	0.4	25.0	1.7	1.8

1) Rounding differences of 0.1 TWh exist for certain items.

2) Excluding intra-Group transactions.

3) Of electricity generation, Vattenfall disposes over 7.6 TWh (9.7 TWh), while the rest goes to the minority part-owners or is deducted as replacement power.

Business Group Pan Europe comprises the three Group-wide business units Wind, Nuclear and Engineering. Business Group Pan Europe is also responsible for Vattenfall's European business development, focusing on efficient use of energy and biomass. Business Group Pan Europe accounted for 7.6% of the Group's operating profit in 2009.

Helene Biström is Head of Business Group Pan Europe.

Operating profit Q1

Operating profit decreased by SEK 525 million. Operating profit for the Wind business unit decreased despite higher volume and higher prices achieved. This is mainly due to higher depreciation associated with the ongoing expansion in wind power. Operating profit for the Nuclear business unit was lower, mainly due to a negative volume effect caused by outages and extended audits at the Swedish nuclear power plants at the start of the year. This was compensated somewhat by average higher prices received and lower fees and taxes on the facilities as a result of the outages.

The loss of revenue¹ caused by the outages at the Krümmel and Brunsbüttel nuclear power plants in Germany is estimated at approximately EUR 100 million (approximately SEK 1 billion) for the first quarter of 2010. The corresponding loss of revenue¹ from the Swedish nuclear power plants is estimated to be approximately SEK 2 billion.

1) The calculation is theoretical and is based on the average spot price level and planned generation during the period.

Electricity generation Q1

Electricity generation was down 20.7% to 11.1 TWh (14.0). The decrease is mainly attributable to lower nuclear power generation in the Nordic countries stemming from reduced capacity – currently by approximately 30% – at Forsmark unit 2, which is experiencing problems with vibrations in valves coupled to the turbine. In addition, the audits of units 1 and 2 at Ringhals were extended due to the fact that tests of equipment have taken a longer time than planned as well as to extensive documentation and analyses. Both of these reactors are now fully operating again. The Brunsbüttel nuclear power plant in Germany continues to be off line, which was also the case during the first quarter of 2009. The outage at the half-owned Krümmel nuclear power plant in Germany did not affect consolidated volumes, since the plant is not consolidated in Vattenfall's accounts. Wind power generation increased by 25.0% to 0.5 TWh. N.V. Nuon Energy's wind power generation accounted for roughly half of the increase. The rest of the increase is attributable to higher availability in the offshore wind farms.

Important events Q1

- The Ringhals 1 and Ringhals 2 nuclear reactors in Sweden resumed operation on 9 March and 28 February following substantially extended audits.
- The International Atomic Energy Agency (IAEA) conducted an OSART review of the Ringhals nuclear power plant. Vattenfall is working with the preliminary results (which among other things included nine recommendations for improvements, ten suggestions and five examples of good routines) before a follow-up review is performed. As previously reported, the follow-up review at Forsmark in 2009 received very favourable results.

- The German environmental department announced that the closed salt mine in Gorleben will continue to be studied for possible final storage of nuclear waste.
- Construction was started of the Östra Herrestad wind farm outside Simrishamn. Upon completion in spring 2011, the wind farm will generate electricity for approximately 11,000 households.
- The Wind business unit applied for a subsidy under the SDE scheme (the Dutch incentive scheme for sustainable energy production) for the Beaufort wind farm offshore the coast of the Netherlands.
- In 2009, settling was discovered between the foundation pile and transition piece in the Egmond aan Zee wind farm in the Netherlands. As a result, Vattenfall and other energy companies are conducting inspections of wind farms with single cylinder foundations to determine if any settling may have occurred. This work is being conducted to ensure that the wind farms work efficiently and reliably throughout their lifetimes. Studies are still being conducted at the Horns Rev 1, Kentish Flats and Thanet wind farms. It has been confirmed that no visible cracks exist, however, settling has been discovered between the foundation pile and transition piece on the foundations that have been inspected to date at Horn Rev 1 and Kentish Flats. It is too early to comment on any costs associated with this.
- The British Parliament has confirmed the allocation of two ROCs (Renewable Obligation Certificates, the UK's support system for renewable energy) per MWh for Vattenfall's offshore wind power projects in the UK. The allocation applies through 2014.

Business Group Nordic¹

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Full year 2009	Last 12 months
Net sales	12,618	13,086	-3.6	42,393	41,925
External net sales ²	17,249	14,926	15.6	45,064	47,387
Operating profit	6,593	4,330	52.3	7,504	9,767
Operating profit excl. items affecting comparability	6,592	4,318	52.7	11,117	13,391
Heat sales, TWh	5.1	4.5	13.3	11.1	11.7
Electricity generation, TWh	12.1³	12.2³	-0.8	38.8	38.7
- of which, hydro power	9.5	9.7	-2.1	31.2	31.0
- of which, fossil-based power	2.2	2.2	0.0	7.3	7.3
- of which, biomass and waste	0.4	0.2	100.0	0.3	0.5
Transited volume, excl. production transits	24.1	23.0	4.8	74.5	75.6

1) Rounding differences of 0.1 TWh exist for certain items.

2) Excluding intra-Group transactions.

3) Of electricity generation, Vattenfall disposes over 11.5 TWh (11.7), while the rest goes to the minority part-owners or is deducted as replacement power.

Business Group Nordic conducts operations in Sweden, Finland and Denmark. The following business units are included in the segment: Hydro, Distribution, Sales, Heat and Services. Business Group Nordic accounted for 26.9% of the Group's operating profit in 2009.

Torbjörn Wahlborg is Head of Business Group Nordic.

Operating profit Q1

Operating profit improved by SEK 2,263 million. The improvement is mainly attributable to the Hydro business unit and can be credited in large part to higher prices achieved. The Heat business unit showed an improvement through higher prices and volumes in both electricity and heat sales as a result of the cold weather.

Operating profit for the Sales business unit fell as a result of greater purchases of electricity and higher spot prices. This is due to sharply higher electricity sales volumes on account of the cold weather.

Electricity generation Q1

Electricity generation was virtually unchanged, at 12.1 TWh (12.2), with a slight decline in hydro power and roughly equal rise in power from biomass and waste (0.2 TWh). Heat sales rose 13.3% to 5.1 TWh (4.1) due to the cold winter. A large share of the increase is attributable to the Danish operations. Transited volume increased by 4.8%, mainly in the local networks in Sweden and Finland, as a result of greater consumption per customer on account of the cold weather.

Important events Q1

- The Distribution business unit communicated its goal of being the best in the electricity network business, with respect to both customer satisfaction and quality. A few examples of customer pledges include compensation for electricity outages lasting six hours or more, compared with twelve hours previously, and a deduction on customer invoices in the event of delay in new service.
- Due to a shortage of capacity in the Swedish electricity system, Svenska Kraftnät decided to buy reserve power from a unit of Vattenfall's Stenungsund oil-fired power plant. The same unit will now be included in Svenska Kraftnät's 2010/2011 procurement process. This is despite the decision in 2009 to close two units since they were not contracted in Svenska Kraftnät's reserve power procurement process.
- On 1 January, Vattenfall and E.ON carried out an exchange of production interests in jointly owned hydro power plants, at the same time that several agreements for replacement power between the parties are lapsing. The exchange covers power assets of approximately 300 GWh in normal-year generation. As a result of the deal, Vattenfall became the sole owner of the Pengfors power plant on the Ume River and at the same time transferred its 35% interest in Gulsele AB and the Hällby power plant on the Ångerman River to E.ON.
- With an investment of approximately EUR 35 million in a new biomass boiler at the Vanaja power plant in Tavastehus, Finland, Vattenfall is now focusing on increased use of biomass in Finland. The boiler was officially inaugurated on 12 January 2010 by Paula Lehtomäki, Finland's Minister for the Environment.

Business Group Central Europe¹

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Full year 2009	Last 12 months
Net sales	44,751	45,237	-1.1	163,476	162,990
External net sales ²	33,463	31,373	6.7	116,466	118,556
Operating profit	71	7,245	-99.0	18,938	11,764
Operating profit excl. items affecting comparability	5,399	7,240	-25.4	18,373	16,532
Heat sales, TWh	12.2	11.2	8.9	26.3	27.3
Electricity generation, TWh	20.3³	19.0³	6.8	68.9	70.2
– of which, fossil-based power	19.5	18.3	6.6	65.2	66.4
– of which, hydro power	0.7	0.6	16.7	2.5	2.6
– of which, biomass and waste	0.0	0.0	–	1.1	1.0
Transited volume, excl. production transits	10.5	10.8	-2.9	40.7	40.4

1) Rounding differences of 0.1 TWh exist for certain items.

2) Excluding intra-Group transactions.

3) Of electricity generation, Vattenfall disposes over 20.3 TWh (19.0), while the rest goes to the minority part-owners or is deducted as replacement power.

Business Group Central Europe conducts operations in Germany and Poland. The operating segment consists of the following business units: Mining & Generation, Transmission, Distribution, Sales and Heat. Business Group Central Europe accounted for 67.8% of the Group's operating profit in 2009.

Tuomo Hatakka is Head of Business Group Central Europe.

Operating profit Q1

Operating profit decreased by SEK 7,174 million. Excluding items affecting comparability, operating profit decreased by SEK 1,841 million. The decline is mainly attributable to impairment of assets and liabilities pertaining to Vattenfall's German transmission company, 50Hertz Transmission GmbH, totalling SEK 5,322 million. An agreement has been signed on the sale of this company to the Belgian transmission system operator Elia and the Australian company Industry Funds Management (IFM). The sale is expected to be closed during the second quarter of 2010.

The Mining & Generation business unit reported a drop in operating profit despite higher generation volumes and lower costs for CO₂ emission allowances. The decline is mainly attributable to average lower electricity prices received in Germany. The Sales business unit showed a lower operating profit, which is mainly attributable to a poorer electricity sales margin in the German operations.

Operating profit for the Heat business unit improved, which can be attributed mainly to the German operation. The improvement is the result of lower fuel prices – mainly for hard coal – and higher prices and volume on account of the cold weather.

Electricity generation Q1

Electricity generation increased by 6.8% to 20.3 TWh (19.0), of which the largest share (1.2 TWh) consisted of an increase in fossil-based power stemming from higher availability at production plants. Sales of heat increased by 8.9% to 12.2 TWh (11.2), due to the colder weather.

Important events Q1

- Vattenfall signed an agreement to sell its subsidiary 50Hertz Transmission GmbH, which owns and operates Vattenfall's transmission grid in Germany, to the Belgian transmission system operator Elia and the Australian company Industry Funds Management (IFM), one of the world's largest infrastructure investors. Under the agreement, IFM will own 40%, while Elia will own 60% and have operational control. The agreed enterprise value amounts to EUR 810 million (approximately SEK 7,900 million). The transaction, which is expected to be closed during the second quarter of 2010, is contingent upon approval from the EU Competition Authority and the German Department of Industry (BMWi).
- The Mining & Generation business unit has received permission from the local mining authority in Brandenburg to study the possibilities for underground storage of carbon dioxide near Neutrebbin in the Märkisch-Oderland region.
- Vattenfall has decided to once again apply for a permit to build the planned district heating line from the Moorburg combined heat and power plant to the Altona city district in Hamburg. The environmental organisation BUND had previously filed an appeal contesting an earlier decision.

- Stefan Dohler was appointed as Head of Finance of Business Group Central Europe and a new member of the Management Board for Vattenfall Europe AG, effective 1 April 2010. He succeeds Hans-Jürgen Meyer, who is leaving Vattenfall.

Business Group Benelux¹

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Q3-Q4 2009	Last 3 quarters
Net sales	16,333	-	-	24,290	40,623
External net sales ²	14,358	-	-	20,446	34,804
Operating profit	228	-	-	-644	-416
Operating profit excl. items affecting comparability	162	-	-	-205	-43
Gas sales, TWh	24.0	-	-	20.1	44.1
Heat sales, TWh	2.4	-	-	0.6	3.0
Electricity generation, TWh	4.2 ³	-	-	8.0	12.2
- of which, fossil-based power	4.2	-	-	7.9	12.1
- of which, hydro power	0.0	-	-	0.2	0.2

1) Rounding differences of 0.1 TWh exist for certain items.

2) Excluding intra-Group transactions.

3) Of electricity generation, Vattenfall disposes over 4.2 TWh (0.0), while the rest goes to the minority part-owners or is deducted as replacement power.

Historical comparison figures are lacking, since Business Group Benelux did not become part of the Group until 1 July 2009.

Business Group Benelux conducts operations in the Netherlands and Belgium and consists of the business units Exploration & Production (mainly gas production); Power, Heat & Services; and Sales. N.V. Nuon's wind power and energy trading operations are now part of Business Group Pan Europe and the Supply & Trading segment, respectively. Business Group Benelux is consolidated in the Vattenfall Group since 1 July 2009.

Øystein Løseth is Head of Business Group Benelux.

Operating profit Q1

Operating profit amounted to SEK 228 million. Excluding items affecting comparability, operating profit was SEK 162 million. Operating profit improved for the Heat and Sales business units as a result of higher prices and volumes.

Electricity generation Q1

Sales of gas to end customers amounted to 24.0 TWh, sales of heat amounted to 2.4 TWh, and electricity generation amounted to 4.2 TWh. Comparison figures are lacking, however, the cold winter contributed to high sales of heat and gas.

Important events Q1

- Vattenfall completed the sale of N.V. Nuon Energy's German subsidiary Nuon Deutschland GmbH. The energy sales company Nuon Deutschland GmbH is being acquired by ENERVIE – Südwestfalen Energie und Wasser AG (formerly SEWAG). Vattenfall acquired 49% of the shares in N.V. Nuon Energy on 1 July 2009 and at the same time took over operational control. The European Commission approved the acquisition with the condition that Vattenfall divests all of its shares in Nuon's German subsidiary Nuon Deutschland GmbH. Vattenfall subsequently began a sales process in August 2009 and has now completed the sale. The final agreement was signed on 18 March 2010, with retroactive effect from 1 January 2010.
- Huib Morelisse was appointed as the new CEO of N.V. Nuon Energy and Head of Business Group Benelux. He will take office on 1 July 2010 and succeeds Øystein Løseth, who took office as President and CEO of Vattenfall on 12 April.
- Nuon ended its co-operation with Venture Production PLC regarding the latter company's gas field in Britain due to changed terms of the contract regulating the co-operation.
- In April Business Group Benelux made an investment decision for a new gas-fired power plant, Hemweg 9, at the existing plant in Amsterdam, which will replace an older unit that will be decommissioned. The new 435 MW plant is planned to be operating by year-end 2012.

Supply & Trading

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Full year 2009	Last 12 months
Net sales	22,413	15,611	43.6	70,781	77,583
External net sales ¹	3,562	4,435	-19.7	14,593	13,720
Operating profit	2,164	527	310.6	1,571	3,208
Operating profit excl. items affecting comparability	2,164	541	300.0	1,585	3,208

1) Excluding intra-Group transactions.

Supply & Trading has Group-wide responsibility for market access, price hedging, fuel purchasing, dispatching for the German and Dutch power plants, and trading for own account within mandates issued by the Executive Group Management. The Supply & Trading operating segment accounted for 5.6% of the Group's operating profit in 2009.

Stephen Asplin is Head of business unit Trading.

Operating profit

Operating profit improved by SEK 1,637 million, which can be mainly credited to the acquired company N.V. Nuon Energy (Nuon), which accounted for SEK 1,602 million. Operating profit improved as a result of, among other things, the realised profit from favourable contracts in Nuon's trading activities that were previously entered into.

Important events

- Vattenfall Energy Trading received a Top 3 ranking in four areas in a survey conducted by Energy Risk Magazine. Vattenfall Energy Trading was ranked as the best electricity trading company in the Netherlands and number two in Belgium. In both Nordic and German electricity trading, Vattenfall Energy Trading was ranked number three. The survey is based on a ranking of players in the market with respect to price, liquidity and trading opportunities.

Other

Amounts in SEK million	Q1 2010	Q1 2009	Change, %	Full year 2009	Last 12 months
Net sales	323	207	56.0	2,127	2,243
External net sales ¹	245	-21	-	599	865
Operating profit	64	-762	-	-1,544	-718
Operating profit excl. items affecting comparability	64	-762	-	-1,544	-718

1) Excluding intra-Group transactions.

The segment Other includes Treasury operations and Other Group functions. Operating profit also includes unrealised changes in fair value of energy trading contracts, which according to IAS 39 may not be recognised using hedge accounting.

Operating profit

The improvement in operating profit, totalling SEK 826 million, is mainly attributable to positive, unrealised changes in fair value of the derivative portfolio. The contribution from Nuon's fair valuation of its derivative portfolio amounted to SEK 580 million.

Consolidated income statement

Amounts in SEK million	Q1 2010	Q1 2009	Full year 2009	Last 12 months
Net sales	70,657	52,528	205,407	223,536
Cost of products sold ¹	-50,872	-36,682	-162,564	-176,754
Gross profit	19,785	15,846	42,843	46,782
Selling expenses, administrative expenses and research and development costs ²	-4,680	-3,648	-17,922	-18,954
Other operating income and expenses, net	-5,092	178	1,707	-3,563
Participations in the results of associated companies	102	484	1,310	928
Operating profit (EBIT)³	10,115	12,860	27,938	25,193
Financial income ⁴	566	687	2,814	2,693
Financial expenses ⁵	-3,465	-2,790	-13,018	-13,693
Profit before tax⁶	7,216	10,757	17,734	14,193
Income tax expense	-3,429	-2,666	-4,286	-5,049
Profit for the period⁷	3,787	8,091	13,448	9,144
Profit for the period attributable to:				
Owners of the Parent Company	3,746	7,751	12,896	8,891
Minority interests	41	340	552	253
Total	3,787	8,091	13,448	9,144
Earnings per share				
Number of shares in Vattenfall AB, thousands	131,700	131,700	131,700	131,700
Earnings per share, basic and diluted (SEK)	28.44	58.85	97.92	67.51
Supplementary information				
Operating profit before depreciation and amortisation (EBITDA)	15,477	17,149	51,777	50,105
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	-2,327	-1,550	-7,994	-8,771
1) Of which, depreciation, amortisation and impairment losses related to intangible assets and property, plant and equipment	-5,235	-4,147	-23,238	-24,326
2) Of which, depreciation, amortisation and impairment losses related to intangible assets and property, plant and equipment	-127	-142	-601	-586
3) Including items affecting comparability attributable to:				
Capital gains/losses, net	66	9	58	115
Impairment losses and impairment losses reversed, net	-5,327	-6	-4,231	-9,552
Other items affecting comparability	-	-	817	817
4) Including return from the Swedish Nuclear Waste Fund	247	292	1,188	1,143
5) Including interest components related to pension costs	-296	-311	-1,297	-1,282
5) Including discounting effects attributable to provisions	-819	-845	-3,398	-3,372
6) Including items affecting comparability attributable to:				
Capital gains/losses, net	67	8	103	162
Impairment losses and impairment losses reversed, net	-5,327	-6	-4,231	-9,552
Other items affecting comparability	-	-	817	817
7) Including items affecting comparability stated above adjusted for tax	-5,258	-1	-2,606	-7,863

Consolidated statement of comprehensive income

Amounts in SEK million	Q1 2010	Q1 2009	Full year 2009	Last 12 months
Profit for the period	3,787	8,091	13,448	9,144
Other comprehensive income:				
Changes in fair value	-202	3,286	-1,399	-4,887
Dissolved against the income statement	-369	783	8,238	7,086
Transferred to cost of hedged item	-102	-64	-1,509	-1,547
Tax attributable to cash flow hedges	151	-1,096	-1,576	-329
Total cash flow hedges	-522	2,909	3,754	323
Hedging of net investments in foreign operations	9,252	256	8,111	17,107
Tax attributable to hedging of net investments in foreign operations	-2,433	-67	-2,133	-4,499
Total hedging of net investments in foreign operations	6,819	189	5,978	12,608
Translation differences	-13,005	-1,497	-11,393	-22,902
Total other comprehensive income, net after tax	-6,708	1,601	-1,661	-9,971
Total comprehensive income for the period	-2,921	9,692	11,787	-827
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	-2,731	9,716	11,920	-527
Minority interests	-190	-24	-133	-300
Total	-2,921	9,692	11,787	-827

Operating segments, Vattenfall Group

Amounts in SEK million	External net sales			Internal net sales			Total net sales		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Business Group Pan Europe	1,780	1,815	8,239	3,619	3,968	12,874	5,399	5,783	21,113
Business Group Nordic	17,249	14,926	45,064	-4,631	-1,840	-2,671	12,618	13,086	42,393
Business Group Central Europe	33,463	31,373	116,466	11,288	13,864	47,010	44,751	45,237	163,476
Business Group Benelux	14,358	-	20,446	1,975	-	3,844	16,333	-	24,290
Supply & Trading	3,562	4,435	14,593	18,851	11,176	56,188	22,413	15,611	70,781
Other ¹	245	-21	599	78	228	1,528	323	207	2,127
Eliminations ²	-	-	-	-31,180	-27,396	-118,773	-31,180	-27,396	-118,773
Total	70,657	52,528	205,407	-	-	-	70,657	52,528	205,407

Amounts in SEK million	Profit			Profit excl. items affecting comparability		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Business Group Pan Europe	995	1,520	2,113	995	1,520	1,968
Business Group Nordic	6,593	4,330	7,504	6,592	4,318	11,117
Business Group Central Europe	71	7,245	18,938	5,399	7,240	18,373
Business Group Benelux	228	-	-644	162	-	-205
Supply & Trading ³	2,164	527	1,571	2,164	541	1,585
Other ¹	64	-762	-1,544	64	-762	-1,544
Operating profit (EBIT)	10,115	12,860	27,938	15,376	12,857	31,294
Financial income and expenses	-2,899	-2,103	-10,204			
Profit before tax	7,216	10,757	17,734			

1) Includes Treasury operations and Other Group functions. Operating profit also includes unrealised changes in fair value according to IAS 39 for energy trading contracts administered by Supply & Trading which are reported in the segment Other until the amounts are realised. When the amounts are realised, other segments are affected.

2) Chiefly concerns trade between Business Groups and Supply & Trading.

3) Operating profit excludes unrealised changes in fair value according to IAS 39 which are reported in the segment Other.

Vattenfall Group, information about products and services

Amounts in SEK million	External net sales			Internal net sales			Total net sales		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Electricity Generation	17,830	11,935	40,516	6,413	11,297	43,781	24,243	23,232	84,297
Supply & Trading	3,562	4,435	14,593	18,851	11,176	56,188	22,413	15,611	70,781
Electricity Networks	17,960	14,029	54,491	3,358	5,269	16,755	21,318	19,298	71,246
Heat	7,111	6,476	19,390	4,509	4,523	12,739	11,620	10,999	32,129
Other ¹	35,883	21,693	98,027	3,291	2,381	11,889	39,174	24,074	109,916
Eliminations ²	-11,689	-6,040	-21,610	-36,422	-34,646	-141,352	-48,111	-40,686	-162,962
Total	70,657	52,528	205,407	-	-	-	70,657	52,528	205,407

Amounts in SEK million	Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting comparability		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Electricity Generation	9,019	9,307	27,674	9,025	9,311	27,282
Supply & Trading ³	2,164	527	1,571	2,164	541	1,585
Electricity Networks	-2,764	2,178	5,800	2,558	2,178	5,152
Heat	2,820	2,008	-609	2,817	1,999	3,545
Other	-1,124	-1,160	-6,498	-1,188	-1,172	-6,270
Total	10,115	12,860	27,938	15,376	12,857	31,294

1) Includes Energy Sales, Treasury operations, Other Group functions and certain other business operations. Operating profit also includes unrealised changes in fair value according to IAS 39 for energy trading contracts administered by Supply & Trading which are reported in Other until the amounts are realised. When the amounts are realised mainly Electricity Generation is affected.

2) Chiefly concerns trade between Electricity Generation, Supply & Trading, Energy Sales and Electricity Networks.

3) Operating profit excludes unrealised changes in fair value according to IAS 39 which are reported in Other.

Vattenfall Group, information about geographical areas

Amounts in SEK million	External net sales			Internal net sales			Total net sales		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Nordic countries	18,583	16,283	50,987	-3,653	-49	717	14,930	16,234	51,704
Germany and Poland	33,804	31,751	118,420	11,720	13,891	47,565	45,524	45,642	165,985
Netherlands and Belgium	14,366	-	20,457	2,008	-	3,999	16,374	-	24,456
Other ¹	3,904	4,494	15,543	18,928	11,402	57,702	22,832	15,896	73,245
Eliminations	-	-	-	-29,003	-25,244	-109,983	-29,003	-25,244	-109,983
Total	70,657	52,528	205,407	-	-	-	70,657	52,528	205,407

Amounts in SEK million	Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting comparability		
	Q1 2010	Q1 2009	Full year 2009	Q1 2010	Q1 2009	Full year 2009
Nordic countries	7,875	6,528	11,820	7,874	6,516	15,572
Germany and Poland	-139	6,528	16,624	5,189	6,523	16,059
Netherlands and Belgium	110	-	-1,757	44	-	-336
Other	2,269	-196	1,251	2,269	-182	-1
Total	10,115	12,860	27,938	15,376	12,857	31,294

1) Chiefly concerns Supply & Trading, Treasury operations and Other Group functions. Also includes operations in the UK.

Consolidated balance sheet

Amounts in SEK million	31 March 2010	31 March 2009	31 December 2009
Assets			
Non-current assets			
Intangible assets: non-current	60,013	7,284	64,431
Property, plant and equipment	280,112	258,297	303,025
Other non-current assets	49,043	56,104	50,048
Total non-current assets	389,168	321,685	417,504
Current assets			
Inventories	14,213	11,762	14,848
Intangible assets: current	11,476	3,043	12,432
Trade receivables and other receivables	35,231	36,094	42,152
Advance payment to suppliers	10,330	614	542
Derivatives with positive fair value	40,068	32,846	39,170
Prepaid expenses and accrued income	11,826	6,152	9,807
Current tax assets	5,337	3,600	1,376
Short-term investments	22,952	23,256	46,385
Cash and cash equivalents	7,238	60,841	10,555
Assets held for sale	21,256	-	7,356
Total current assets	179,927	178,208	184,623
Total assets	569,095	499,893	602,127
Equity and liabilities			
Equity			
Attributable to owners of the Parent Company	132,889	139,577	135,620
Attributable to minority interests	6,572	10,908	6,784
Total equity	139,461	150,485	142,404
Non-current liabilities			
Capital Securities	9,646	10,856	10,250
Other interest-bearing liabilities	175,152	98,777	174,428
Pension provisions	19,390	20,993	20,690
Other interest-bearing provisions	63,053	64,494	65,601
Deferred tax liabilities	32,721	27,870	35,953
Other noninterest-bearing liabilities	6,346	3,916	7,480
Total non-current liabilities	306,308	226,906	314,402
Current liabilities			
Trade payables and other liabilities	24,171	18,983	42,106
Advance payments from customers	1,538	167	401
Derivatives with negative fair value	36,968	32,192	36,802
Accrued expenses and deferred income	28,086	25,077	30,637
Current tax liabilities	5,263	4,700	1,086
Interest-bearing liabilities	12,790	36,490	28,816
Interest-bearing provisions	4,735	4,893	4,809
Liabilities associated with assets held for sale	9,775	-	664
Total current liabilities	123,326	122,502	145,321
Total equity and liabilities	569,095	499,893	602,127
Pledged assets	700	1,519	752
Contingent liabilities	5,546	4,861	6,366

Supplementary information

Net assets

Amounts in SEK million	31 March 2010	31 March 2009	31 Dec 2009
Business Group Pan Europe	54,474	38,090	53,249
Business Group Nordic	67,082	71,431	70,964
Business Group Central Europe	94,244	92,983	92,351
Business Group Benelux	64,812	-	60,949
Supply & Trading	29,600	7,311	26,578
Other ¹	-2,041	4,466	-3,366
Eliminations	-205	-1,469	2
Total net assets	307,966	212,812	300,727
Net assets, weighted average value	267,998	190,355	245,016

1) Includes Treasury operations and Other Group functions.

Net debt

Amounts in SEK million	31 March 2010	31 March 2009	31 Dec 2009
Capital Securities	-9,646	-10,856	-10,250
Bond issues and liabilities to credit institutions	-112,602	-105,900	-122,086
Present value of liability pertaining to acquisition of N.V. Nuon Energy	-47,052	-	-49,447
Liabilities to associated companies	-16,119	-17,707	-16,711
Liability to minority interests	-8,133	-6,825	-7,975
Other liabilities	-4,036	-4,835	-7,025
Total interest-bearing liabilities	-197,588	-146,123	-213,494
Cash and cash equivalents	7,238	60,841	10,555
Short-term investments	22,952	23,256	46,385
Loans to minority owners of foreign subsidiaries	1,817	1,455	1,567
Net debt	-165,581	-60,571	-154,987

Adjusted gross debt and net debt¹

Amounts in SEK million	31 March 2010	31 March 2009	31 Dec 2009
Total interest-bearing liabilities	-197,588	-146,123	-213,494
Present value of pension obligations	-20,071	-22,061	-21,197
Provisions for mining, gas and wind operations and other environment-related provisions	-13,643	-14,616	-14,463
Provisions for nuclear power (net)	-6,272	-4,664	-6,776
50% of Capital Securities	4,823	5,428	5,125
Currency derivatives with positive fair value	1,266	3,037	1,345
Adjusted gross debt	-231,485	-178,999	-249,460
Reported cash and cash equivalents and short-term investments	30,190	84,097	56,940
Unavailable liquidity	-7,959	-7,910	-8,256
Adjusted cash and cash equivalents and short-term investments	22,231	76,187	48,684
Adjusted net debt	-209,254	-102,812	-200,776

1) See Vattenfall 2009 Annual Report, page 55.

Consolidated statement of cash flows

Amounts in SEK million	Q1 2010	Q1 2009	Full year 2009	Last 12 months
Operating activities				
Profit before tax	7,216	10,757	17,734	14,193
Depreciation, amortisation and impairment losses	5,362	4,289	23,838	24,911
Tax paid	-6,198	1,191	-4,739	-12,128
Other adjustment items	3,440	2,523	-133	784
Funds from operations (FFO)	9,820	18,760	36,700	27,760
Changes in inventories	760	748	-1,597	-1,585
Changes in operating receivables	-1,390	-2,815	-5,230	-3,805
Changes in operating liabilities	-10,661	-1,981	17,667	8,987
Other changes	3,730	-3,184	-1,294	5,620
Cash flow from changes in operating assets and operating liabilities	-7,561	-7,232	9,546	9,217
Cash flow from operating activities	2,259	11,528	46,246	36,977
Investing activities				
Investments	-8,935	-7,008	-102,989	-104,916
Divestments	179	62	5,542	5,659
Cash and cash equivalents in acquired/divested companies	-	-	14,407	14,407
Cash flow from investing activities	-8,756	-6,946	-83,040	-84,850
Cash flow before financing activities	-6,497	4,582	-36,794	-47,873
Financing activities				
Changes in short-term investments	8,478	-4,098	-25,611	-13,035
Changes in loans to minority owners in foreign subsidiaries	-352	-339	-529	-542
Loans raised ¹	1,044	40,802	72,543	32,785
Amortisation of debt	-5,520	-1,142	-11,601	-15,979
Dividends paid to owners	-17	-27	-6,980	-6,970
Cash flow from financing activities	3,633	35,196	27,822	-3,741
Cash flow for the period	-2,864	39,778	-8,972	-51,614
Cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	10,555	20,904	20,904	60,841
Cash and cash equivalents included in assets held for sale	-	-	-653	-653
Cash flow for the period	-2,864	39,778	-8,972	-51,614
Translation differences	-453	159	-724	-1,336
Cash and cash equivalents at the end of the period	7,238	60,841	10,555	7,238

1) Short-term borrowings in which the duration is three months or shorter are reported net.

Consolidated statement of cash flows (cont.)

Supplementary information

Amounts in SEK million	Q12010	Q12009	Full year 2009	Last 12 months
Cash flow before financing activities	-6,497	4,582	-36,794	-47,873
Financing activities				
Dividends paid to owners	-17	-27	-6,980	-6,970
Cash flow after dividend	-6,514	4,555	-43,774	-54,843
Analysis of change in net debt				
Net debt at beginning of the period	-154,987	-66,000	-66,000	-60,571
Changed calculation of net debt	-11,252	-	-	-11,252
Cash flow after dividend	-6,514	4,555	-43,774	-54,843
Changes as a result of valuation at fair value	-1,571	-466	1,475	370
Changes in interest-bearing liabilities for leasing	32	11	406	427
Interest-bearing liabilities acquired	-	-	-2,046	-2,046
Liability pertaining to the acquisition of N.V. Nuon Energy incl. discounting effects	-365	-	-51,392	-51,757
Cash and cash equivalents included in assets held for sale	-	-	-653	-653
Translation differences on net debt	9,076	1,329	6,997	14,744
Net debt at the end of the period	-165,581	-60,571	-154,987	-165,581
Free cash flow	-1,057	8,455	27,566	18,054

Consolidated statement of changes in equity

Amounts in SEK million	31 March 2010			31 March 2009			31 December 2009		
	Attributable to owners of the Parent Company	Attributable to minority interests	Total equity	Attributable to owners of the Parent Company	Attributable to minority interests	Total equity	Attributable to owners of the Parent Company	Attributable to minority interests	Total equity
Balance brought forward	135,620	6,784	142,404	129,861	11,025	140,886	129,861	11,025	140,886
Dividends paid to owners	-	-17	-17	-	-27	-27	-6,900	-80	-6,980
Group contributions from/to(-) minority, net after tax	-	-	-	-	-	-	-	342	342
Changes in ownership	-	-5	-5	-	-66	-66	739	-4,370	-3,631
Cash flow hedges:									
Changes in fair value	-154	-48	-202	3,289	-3	3,286	-1,344	-55	-1,399
Dissolved against income statement	-369	-	-369	783	-	783	8,238	-	8,238
Transferred to cost of hedged item	-101	-1	-102	-64	-	-64	-1,509	-	-1,509
Tax attributable to cash flow hedges	138	13	151	-1,097	1	-1,096	-1,590	14	-1,576
Total cash flow hedges	-486	-36	-522	2,911	-2	2,909	3,795	-41	3,754
Hedging of net investments in foreign operations	9,252	-	9,252	256	-	256	8,111	-	8,111
Tax attributable to net investments in foreign operations	-2,433	-	-2,433	-67	-	-67	-2,133	-	-2,133
Total hedging of net investments in foreign operations	6,819	-	6,819	189	-	189	5,978	-	5,978
Translation differences	-12,810	-195	-13,005	-1,135	-362	-1,497	-10,749	-644	-11,393
Profit for the period	3,746	41	3,787	7,751	340	8,091	12,896	552	13,448
Total comprehensive income for the period	-2,731	-190	-2,921	9,716	-24	9,692	11,920	-133	11,787
Balance carried forward	132,889¹	6,572	139,461	139,577¹	10,908	150,485	135,620¹	6,784	142,404
	-745	-	-	-1,143	-	-	-259	-	-

1) Of which, Reserve for cash flow hedges.

Key ratios, Vattenfall Group (definitions and calculations of key ratios on pages 30–31)

In % unless otherwise stated. (x) means times	Q1 2010	Q1 2009	Full year 2009	Last 12 months
Operating margin	14.3	24.5	13.6	11.3
Operating margin ¹	21.8	24.5	15.2	15.1
Pre-tax profit margin	10.2	20.5	8.6	6.3
Pre-tax profit margin ¹	17.7	20.5	10.2	10.2
Return on equity	6.6 ²	13.9 ²	9.5	6.6
Return on equity ¹	12.5 ²	14.1 ²	11.4	12.5
Return on net assets	8.1 ²	14.9 ²	10.0	8.1
Return on net assets ¹	11.4 ²	15.1 ²	11.4	11.4
EBIT interest cover, (x)	3.9	6.8	3.1	2.6
EBIT interest cover, (x) ¹	5.9	6.8	3.4	3.4
FFO interest cover, (x)	4.7	10.6	4.8	3.7
FFO interest cover, net, (x)	5.2	13.1	5.6	4.2
Cash flow interest cover after maintenance investments, (x)	0.6	6.2	4.3	3.0
FFO/gross debt	14.0 ²	25.8 ²	17.2	14.0
FFO/net debt	16.8 ²	62.2 ²	23.7	16.8
EBITDA/net financial items, (x)	6.7	11.1	6.5	5.7
EBITDA/net financial items, (x) ¹	8.9	11.1	6.9	6.7
Equity/total assets	24.5	30.1	23.7	24.5
Gross debt/equity	141.7	97.1	149.9	141.7
Net debt/equity	118.7	40.3	108.8	118.7
Gross debt/gross debt plus equity	58.6	49.3	60.0	58.6
Net debt/net debt plus equity	54.3	28.7	52.1	54.3
Net debt/EBITDA, (x)	3.3 ²	1.3 ²	3.0	3.3

1) Excl. items affecting comparability.

2) Last 12-month values.

Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Income statement					
Net sales	70,657	65,405	45,346	42,128	52,528
Cost of products sold	-50,872	-55,993	-37,101	-32,788	-36,682
Other operating income and expenses, net	-9,772	-3,905	-5,018	-3,822	-3,470
Participations in the results of associated companies	102	166	297	363	484
Operating profit before depreciation and amortisation (EBITDA)	15,477	15,360	9,123	10,145	17,149
Operating profit (EBIT)	10,115	5,673	3,524	5,881	12,860
Financial items, net	-2,899	-2,995	-2,698	-2,408	-2,103
Financial items, net ¹	-2,327	-2,487	-2,292	-1,665	-1,550
Profit before tax	7,216	2,678	826	3,473	10,757
Profit for the period	3,787	2,110	622	2,625	8,091
– of which, attributable to owners of the Parent Company	3,746	1,858	831	2,456	7,751
– of which, attributable to minority interests	41	252	-209	169	340
Balance sheet					
Non-current assets	389,168	417,504	428,063	325,043	321,685
Short-term investments	22,952	46,385	41,240	19,476	23,256
Cash and cash equivalents	7,238	10,555	18,726	82,398	60,841
Other current assets	149,737	127,683	111,254	73,704	94,111
Total assets	569,095	602,127	599,283	500,621	499,893
Equity	139,461	142,404	137,668	145,060	150,485
– of which, attributable to owners of the Parent Company	132,889	135,620	130,870	133,752	139,577
– of which, attributable to minority interests	6,572	6,784	6,798	11,308	10,908
Capital Securities	9,646	10,250	10,128	10,728	10,856
Other interest-bearing liabilities	187,942	203,244	208,687	156,175	135,267
Pension provisions	19,390	20,690	19,884	20,849	20,993
Other interest-bearing provisions	67,788	70,410	67,842	68,227	69,387
Deferred tax liabilities	32,721	35,953	40,695	27,618	27,870
Other noninterest-bearing liabilities	112,147	119,176	114,379	71,964	85,035
Total equity and liabilities	569,095	602,127	599,283	500,621	499,893
Net assets	307,966	300,727	297,757	213,119	212,812
Net debt	-165,581	-154,987	-157,317	-63,478	-60,571
Cash flow					
Funds from operations (FFO)	9,820	11,375	3,997	2,568	18,760
Cash flow from changes in operating assets and operating liabilities	-7,561	1,755	7,154	7,869	-7,232
Cash flow from operating activities	2,259	13,130	11,151	10,437	11,528
Cash flow from investing activities	-8,756	-13,563	-53,294	-9,237	-6,946
Cash flow before financing activities	-6,497	-433	-42,143	1,200	4,582
Changes in short-term investments	8,478	-1,424	-23,871	3,782	-4,098
Loans raised/Amortisation of debt, net, etc.	-4,828	-5,501	3,071	23,522	39,321
Dividends paid to owners	-17	-3	-9	-6,941	-27
Cash flow from financing activities	3,633	-6,928	-20,809	20,363	35,196
Cash flow for the period	-2,864	-7,361	-62,952	21,563	39,778
Free cash flow	-1,057	6,436	7,081	5,594	8,455

1) Excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund.

Quarterly information, Vattenfall Group (cont.)

Key ratios (definitions and calculations of key ratios on pages 30–31)

In % unless otherwise stated. (x) means times

	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Return on equity ¹	6.6	9.5	11.0	12.5	13.9
Return on equity ^{1,2}	12.5	11.4	11.1	12.6	14.1
Return on net assets ¹	8.1	10.0	11.7	13.9	14.9
Return on net assets ^{1,2}	11.4	11.4	11.8	14.0	15.1
EBIT interest cover, (x)	3.9	2.1	1.4	3.1	6.8
EBIT interest cover, (x) ²	5.9	3.4	1.4	3.1	6.8
FFO interest cover, (x) ¹	14.0	17.2	16.5	24.5	25.8
FFO interest cover, net, (x) ¹	16.8	23.7	23.0	64.4	62.2
Equity/assets ratio	24.5	23.7	23.0	29.0	30.1
Gross debt/equity	141.7	149.9	158.9	115.1	97.1
Net debt/equity	118.7	108.8	114.3	43.8	40.3
Net debt/net debt plus equity	54.3	52.1	53.3	30.4	28.7
Net debt/EBITDA, (x) ¹	3.3	3.0	3.3	1.3	1.3

1) Last 12-month values.

2) Excl. items affecting comparability.

Key ratios – renewable energy¹ generation in the Nordic countries

Amounts in SEK million	Wind power		Hydro power ²		Heat		Total	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
Operating profit	-19.9	-2.3	107.3	64.7	293.2	226.3	380.6	288.6
Investments	1,829.0	743.3	1.6	6.0	54.7	427.8	1,885.3	1,177.0
Property, plant and equipment ³	5,452.1	4,999.5	382.3	322.4	8,102.7	6,572.5	13,937.1	11,894.4
Return on property, plant and equipment, %	-1.5	-0.2	112.2	80.2	14.5	13.8	2.7	9.7

1) By renewable energy is meant electricity and heat generation in the Nordic countries according to the official rules that apply for electricity certificates in Sweden.

2) Small-scale hydro power and capacity increases.

3) The value of Property, plant and equipment is calculated as an average over the year.

Exchange rates

Key exchange rates applied in the accounts of the Vattenfall Group:

	Q1 2010	Q1 2009	Full year 2009		31 March 2010	31 March 2009	31 December 2009
Average rate				Balance sheet date rate			
EUR	10.0163	11.0000	10.6354	EUR	9.7385	10.9800	10.3530
DKK	1.3456	1.4761	1.4282	DKK	1.3080	1.4735	1.3915
GBP	11.3050	11.9125	11.8664	GBP	10.9350	11.8200	11.4850
NOK	1.2284	1.2069	1.2105	NOK	1.2130	1.2275	1.2430
PLN	2.4950	2.4500	2.4546	PLN	2.5200	2.3400	2.5000
USD	7.2450	8.3300	7.6431	USD	7.2575	8.2900	7.2125

Parent Company income statement

Amounts in SEK million	Q1 2010	Q1 2009	Full year 2009
Net sales	11,620	9,650	29,745
Cost of products sold	-5,666	-4,989	-17,712
Gross profit	5,954	4,661	12,033
Selling expenses, administrative expenses and research and development costs	-685	-710	-2,119
Other operating income and expenses, net	48	19	46
Operating profit (EBIT)	5,317	3,970	9,960
Result from participations in Group companies	10,112	-	-1,532
Result from participations in associated companies	-	-	682
Result from other shares and participations	-	-	616
Interest income and similar profit/loss items	8,701	1,492	10,125
Interest expenses and similar profit/loss items	-1,031	-2,046	-7,952
Profit before appropriations and tax	23,099	3,416	11,899
Appropriations	26	-	-2,680
Profit before tax	23,125	3,416	9,219
Income tax expense	-3,494	-869	-2,622
Profit for the period	19,631	2,547	6,597

Parent Company balance sheet

Amounts in SEK million	31 March 2010	31 March 2009	31 December 2009
Assets			
Non-current assets			
Intangible assets: non-current	131	48	145
Property, plant and equipment	21,255	20,307	21,144
Other non-current assets	208,890	123,315	209,056
Total non-current assets	230,276	143,670	230,345
Current assets			
Inventories	243	229	361
Intangible assets: current	1,033	896	762
Current receivables	64,752	73,680	51,282
Current tax assets	-	524	-
Cash and cash equivalents	295	278	281
Total current assets	66,323	75,607	52,686
Total assets	296,599	219,277	283,031
Equity and liabilities			
Equity			
Restricted equity			
Share capital	6,585	6,585	6,585
Statutory reserve	1,286	1,286	1,286
Non-restricted equity			
Retained earnings	51,078	48,138	49,718
Profit for the period	19,631	2,547	6,597
Total equity	78,580	58,556	59,186
Untaxed reserves	10,191	7,495	10,175
Provisions	177	104	183
Non-current liabilities			
Non-current interest-bearing liabilities	174,904	126,865	181,863
Non-current noninterest-bearing liabilities	3,128	2,940	3,138
Total non-current liabilities	178,032	129,805	185,001
Current liabilities			
Current interest-bearing liabilities	-	598	1,458
Current tax liabilities	3,536	-	461
Other current noninterest-bearing liabilities	26,083	22,719	26,567
Total current liabilities	29,619	23,317	28,486
Total equity and liabilities	296,599	219,277	283,031

Accounting policies, risks and uncertainties, and the Parent Company's interim report

Group

Accounting policies

The consolidated accounts for the first quarter of 2010 have, as in the year-end accounts for 2009, been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission for application within the EU, and the Swedish Annual Accounts Act.

This interim report for the Group has been prepared in accordance with IAS 34 – *Interim Financial Reporting*, and the Swedish Annual Accounts Act.

The accounting policies applied in this interim report are the same as those described in Vattenfall's 2009 Annual Report (Note 2 to the consolidated accounts), with exception for the new amended standards and interpretations endorsed by the EU and described below, which are effective as of the 2010 financial year:

Amendments in IFRS 2 – *Share-based Payment*, “Group Cash-settled Share-based Payment Transactions” clarifies the accounting for certain intra-Group share-based payments and entail that IFRIC 8 – *Scope of IFRS 2* and IFRIC 11 – *Group and Treasury Share Transactions* are incorporated in IFRS 2. IFRS 2 is not relevant for Vattenfall.

Revised IFRS 3 – *Business Combinations*, continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as liabilities subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs shall be expensed. Vattenfall will apply the revised IFRS 3 prospectively to all business combinations from 1 January 2010.

Amendments in IAS 27 – *Consolidated and Separate Financial Statements* require the effects of all transactions with minority interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard states that when a Parent Company's control is lost any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the income statement. Vattenfall will apply the amended IAS 27 prospectively to transactions with minority interests from 1 January 2010

Amendments in IAS 32 – *Classification of Right Issues*. Rights denominated in a currency other than the company's functional currency are classified as equity instruments under certain conditions. The amendments are not relevant for Vattenfall.

Amendment in IAS 39 – *Financial Instruments: Recognition and Measurement* clarifies the application of the principles for hedge accounting. It clarifies the designation of a one-sided risk in the hedged item and inflation in a hedged item. The amendment has had no impact on Vattenfall's financial statements.

“*Improvements to IFRSs*” (issued in April 2009) aims to streamline and clarify the accounting standards concerning presentation, recognition and measurement including changes in terminology or amendments of an editorial nature. These amendments have had no or minimal impact on Vattenfall's financial statements.

IFRIC 12 – *Service Concession Arrangements*. The interpretation provides, among other things, general principles on recognising and measuring the obligations and related rights and assets in service concession arrangements. The interpretation has had no impact on Vattenfall's financial statements.

IFRIC 15 – *Agreements for the Construction of Real Estate* clarifies when construction and sales of real estate shall be accounted for according to IAS 11 – *Construction Contracts*, or

IAS 18 – *Revenue*, respectively. The interpretation has had no impact on Vattenfall's financial statements.

IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation* clarifies the accounting treatment in respect of net investments in foreign operations. The interpretation has had no impact on Vattenfall's financial statements.

IFRIC 17 – *Distribution of Non-cash Assets to Owners* addresses questions on the situation when a dividend is distributed by using other assets than cash. The interpretation has had no impact on Vattenfall's financial statements.

IFRIC 18 – *Transfers of Assets from Customers*. The interpretation clarifies the accounting treatment of assets or cash transferred from a customer and thereafter used to provide the customer with goods and services. The interpretation has had no impact on Vattenfall's financial statements.

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2009 Annual Report, pages 75–81. No other material changes, other than what is stated in this interim report, have taken place since the publication of the 2009 Annual Report.

Other

Significant related-party transactions are described in Note 53 to the consolidated accounts in Vattenfall's 2009 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2009 Annual Report.

Parent Company Vattenfall AB

Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.3 – *Accounting for Legal Entities*, issued by the Swedish Financial Reporting Board.

The accounting policies used in this report are the same as those described in Vattenfall's 2009 Annual Report (Note 2 to the Parent Company accounts).

First quarter 2010

A condensed income statement and balance sheet for the Parent Company are presented on page 27 of this report.

Sales amounted to SEK 11,620 million (9,650).

Profit before appropriations and tax was SEK 23,125 million (3,416). The improvement in earnings compared with the preceding year is attributable to an intra-Group dividend amounting to SEK 10,112 million and positive currency effects amounting to SEK 8,224 million.

The balance sheet total amounted to SEK 296,599 million (219,277). The increase is explained by loans raised intended to finance the acquisition of the shares in N.V. Nuon Energy.

Investments for the period amounted to SEK 571 million (395).

Cash and cash equivalents amounted to SEK 295 million (278). Funds in the Group cash pool account managed by Vattenfall Treasury AB amounted to SEK 46,973 million (64,100).

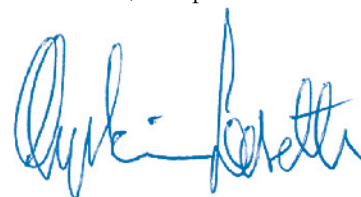
Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2009 Annual Report, pages 75–81. No material changes, other than what is stated in this report, have taken place since the publication of the 2009 Annual Report.

Other

Significant related-party transactions are described in Note 40 to the Parent Company accounts in Vattenfall's 2009 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2009 Annual Report.

Stockholm, 29 April 2010



Øystein Løseth
President and CEO

This interim report has not been reviewed by the company's auditors.

The information provided in this interim report is such that Vattenfall is required to disclose pursuant to the Swedish Securities Market Act.

Definitions and calculations of key ratios

Figures for the Group in 2010. Amounts in SEK million unless otherwise stated.

EBIT =	Earnings Before Interest and Tax.
EBITDA =	Earnings Before Interest, Tax, Depreciation and Amortisation.
FFO =	Funds From Operations.
Items affecting comparability =	Capital gains and capital losses from shares and other non-current assets, impairment losses and impairment losses reversed pertaining to non-current assets, and other non-recurring items.
Free cash flow =	Cash flow from operating activities less maintenance investments.
Capital Securities =	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments. Reported as interest-bearing non-current liabilities.
Net assets =	Balance sheet total less noninterest-bearing liabilities, provisions, interest-bearing receivables, funds in the Swedish Nuclear Waste Fund, cash and cash equivalents, short-term investments.
Net debt =	Interest-bearing liabilities less loans to minority owners in foreign subsidiaries, cash and cash equivalents, short-term investments.

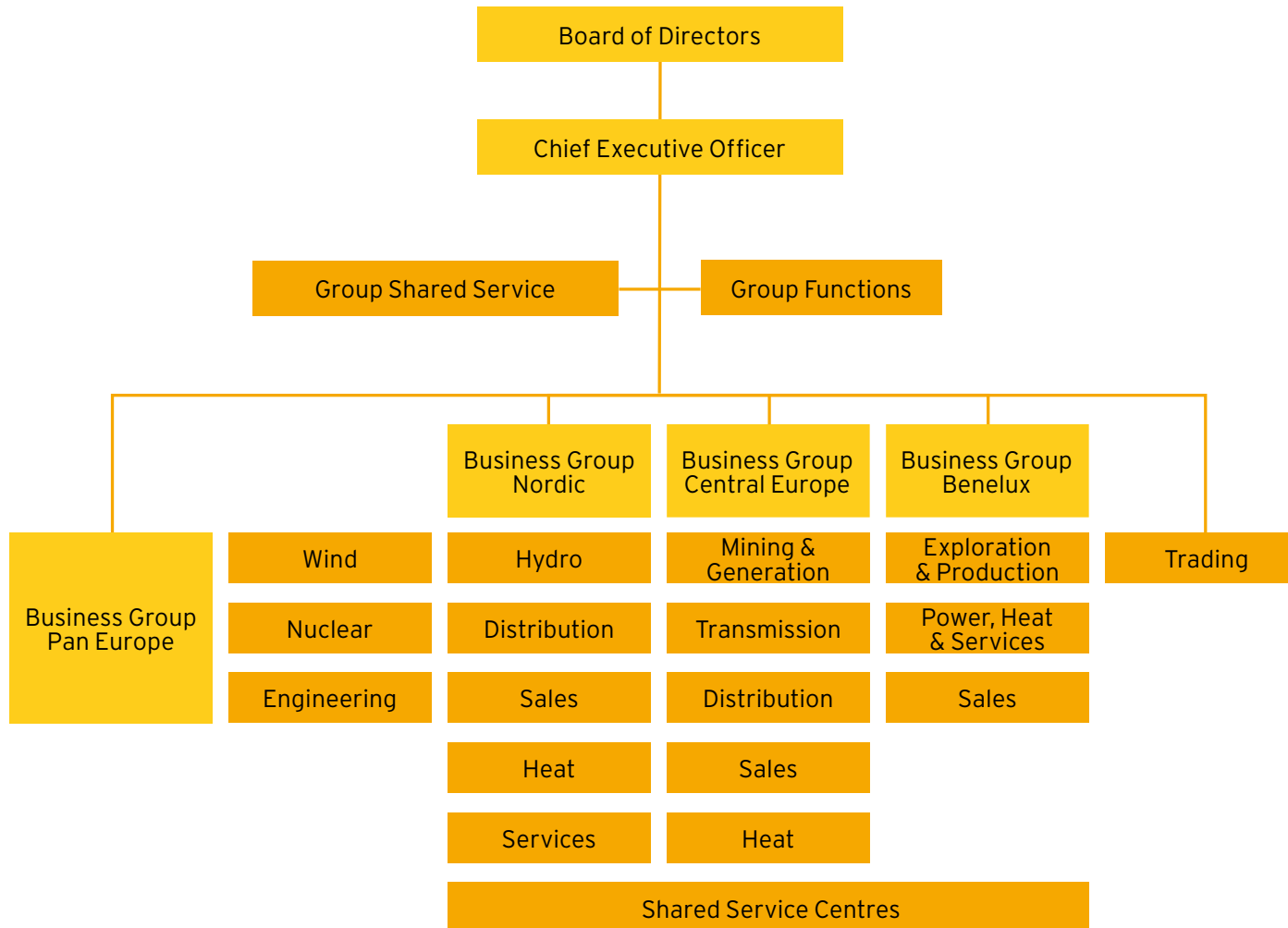
The key ratios are presented as percentages (%) or times (x).

Key ratios based on last 12-month values (April 2009-March 2010):

Operating margin, % =	$100 \times \frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	$\frac{25,193}{223,536} = 11.3$
Operating margin excl. items affecting comparability, % =	$100 \times \frac{\text{Operating profit (EBIT) excl. items affecting comparability}}{\text{Net sales}}$	$\frac{33,813}{223,536} = 15.1$
Pre-tax profit margin, % =	$100 \times \frac{\text{Profit before tax}}{\text{Net sales}}$	$\frac{14,193}{223,536} = 6.3$
Pre-tax profit margin excl. items affecting comparability, % =	$100 \times \frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}}$	$\frac{22,766}{223,536} = 10.2$
Return on equity, % =	$100 \times \frac{\text{Profit for the period attributable to owners of the Parent Company}}{\text{Average equity for the period attributable to owners of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{8,891}{134,458} = 6.6$
Return on equity excl. items affecting comparability, % =	$100 \times \frac{\text{Profit for the period attributable to owners of the Parent Company excl. items affecting comparability}}{\text{Average equity for the period attributable to owners of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{16,754}{134,458} = 12.5$
Return on net assets, % =	$100 \times \frac{\text{Operating profit (EBIT) + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{21,821}{267,998} = 8.1$
Return on net assets excl. items affecting comparability, % =	$100 \times \frac{\text{Operating profit (EBIT) excl. items affecting comparability + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{30,441}{267,998} = 11.4$
EBIT interest cover, (x) =	$\frac{\text{Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{26,743}{10,321} = 2.6$

EBIT interest cover excl. items affecting comparability, (x) =	Operating profit (EBIT) excl. items affecting comparability + financial income excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	35,451	=	3.4
	Financial expenses excl. discounting effects attributable to provisions	10,321		
FFO interest cover, (x) =	Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions	38,081	=	3.7
	Financial expenses excl. discounting effects attributable to provisions	10,321		
FFO interest cover, net, (x) =	Funds from operations (FFO) + net financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	36,531	=	4.2
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,771		
Cash flow interest cover after maintenance investments, (x) =	Cash flow from operating activities less maintenance investments + financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	27,093	=	3.0
	Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	9,039		
FFO/gross debt, % = 100 x	Funds from operations (FFO)	27,760	=	14.0
	Interest-bearing liabilities	197,588		
FFO/net debt, % = 100 x	Funds from operations (FFO)	27,760	=	16.8
	Net debt	165,581		
EBITDA/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA)	50,105	=	5.7
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,771		
EBITDA excl. items affecting comparability/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA) excl. items affecting comparability	58,725	=	6.7
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,771		
Key ratios based on the balance sheet per 31 March, 2010:				
Equity/total assets, % = 100 x	Equity	139,461	=	24.5
	Balance sheet total	569,095		
Gross debt/equity, % = 100 x	Interest-bearing liabilities	197,588	=	141.7
	Equity	139,461		
Net debt/equity, % = 100 x	Net debt	165,581	=	118.7
	Equity	139,461		
Gross debt/gross debt plus equity, % = 100 x	Interest-bearing liabilities	197,588	=	58.6
	Interest-bearing liabilities + equity	337,049		
Net debt/net debt plus equity, % = 100 x	Net debt	165,581	=	54.3
	Net debt + equity	305,042		
Net debt/EBITDA, (x) =	Net debt	165,581	=	3.3
	Operating profit before depreciation and amortisation (EBITDA)	50,105		

Vattenfall's organisation



Vattenfall AB (publ)

SE-162 87 Stockholm, Sweden

Visitors' address: Sturegatan 10

Corporate Identity Number 556036-2138

Tel. +46 8 739 50 00

www.vattenfall.com

www.vattenfall.se

www.vattenfall.de