

Q1 2012

Interim Report January–March

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All comparison figures in this report pertain to the first quarter of 2011, unless indicated otherwise.

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

Successful first quarter – continued consolidation

- Net sales decreased by 5.5% to SEK 48,994 million (51,868)
- Operating profit rose 60.1% to SEK 18,956 million (11,842)
- The underlying operating profit¹ decreased by 5.0% to SEK 11,675 million (12,294)
- For continuing operations, i.e., excluding divested operations, the underlying operating profit increased by 3.0%
- Profit for the period (after tax) rose 92.4% to SEK 13,855 million (7,203)

1) Operating profit excluding items affecting comparability (for definition of items affecting comparability, see pages 32–33).



"During the quarter we successfully concluded our divestment programme of our non-core assets. In January we received a combined total of SEK 21 billion for the sale of operations in Belgium, Finland and Poland. We have thereby been able to reduce the Group's net debt by a corresponding amount. The divestments were made at terms that we are very satisfied with. The capital gain from the sale of the Finnish electricity distribution and heat business was SEK 8.1 billion. Excluding capital gains and other items affecting comparability, Vattenfall is reporting a solid underlying operating profit, despite the fact that electricity spot prices in the Nordic countries were lower than during the same quarter in 2011. Our work on improving the efficiency of our operations is advancing faster than planned, and our ambition now is to achieve savings of SEK 6 billion by year-end 2012, which is one year ahead of the original plan. The trend in demand and electricity prices is expected to remain weak in the years immediately ahead, which means that we must focus even harder on lowering costs and improving the availability of our production plants."

Øystein Løseth
President and CEO

First quarter 2012 – net sales, profit, cash flow and debt

Consolidated net sales decreased by SEK 2.9 billion (5.5%) to SEK 49.0 billion (51.9). The decrease is mainly attributable to Vattenfall's divestment of the Polish and Belgian operations, the gas production company Nuon Exploration & Production B.V. in the Netherlands, and Vattenfall's electricity distribution and heat business in Finland.

Operating profit increased by SEK 7.1 billion (60.1%) to SEK 19.0 billion (11.8). The increase is mainly attributable to a capital gain on the sale of the electricity distribution and heat business in Finland.

The underlying operating profit, i.e., excluding items affecting comparability, decreased by SEK 0.6 billion (5.0%), to SEK 11.7 billion (12.3). For a specification of items affecting comparability, see page 5. Average lower electricity prices received primarily in the Nordic countries had a negative effect on the underlying operating profit by approximately SEK 1.5 billion. Volume effects had a positive impact of approximately SEK 0.6 billion. Lower costs for operations, maintenance, sales, administration and research and development had a positive impact on underlying operating profit by approximately SEK 0.5 million. During the first quarter of 2011, the divested operations in Poland, Belgium and Finland contributed approximately SEK 1.0 billion to the underlying operating profit. Other items had a positive net impact of approximately SEK 0.7 billion. For continuing operations i.e., excluding divested operations, the underlying operating profit increased by 3.0%.

The underlying operating profit for Vattenfall's operating segments during the first quarter of 2012 performed as follows:

- Generation increased its underlying operating profit by SEK 0.4 billion to SEK 8.3 billion.
- The underlying operating profit for Distribution and Sales decreased by SEK 1.2 billion to SEK 3.6 billion.
- The underlying operating profit for Renewables fell by SEK 62 million to SEK 0.1 billion.

For further information on the Group's operating segments, see pages 12–17.

Profit for the period (after tax) increased by SEK 6.7 billion (92.4%) to SEK 13.9 billion (7.2).

Return on equity was 13.4%. Vattenfall's long-term target return on equity is 15% over a business cycle (5–7 years).

Funds from operations (FFO) increased by 4.6% to SEK 12.7 billion (12.2). Compared with at 31 December 2011, net debt decreased by 14.5% to SEK 121.0 billion (141.1). For detailed information on net debt, see page 23.

The Group's total investments amounted to SEK 5.8 billion. For further information about investment activities, see page 8.

Electricity generation, sales of heat and gas – Q1 2012

Vattenfall's total electricity generation decreased by 2.8% during the first quarter of 2012, to 48.4 TWh (49.8). Divested operations contributed 2.1 TWh during the first quarter of 2011. Hydro power generation increased by 34.5%, while nuclear power generation decreased by 14.4%, and fossil-based power decreased by 9.6%. Wind power generation increased by 0.1 TWh to 1.0 TWh, and electricity generation based on biomass and waste was unchanged at 0.5 TWh.

Vattenfall's external sales of electricity decreased by 11.2%, which is mainly due to the divestment of the Polish and Belgian operations. Sales of heat decreased by 34.9% to 11.0 TWh (16.9). Sales of gas decreased by 10.4% to 21.5 TWh (24.0). For further information, see page 9.

Wholesale price trend for electricity and CO₂ emission allowances

The average Nordic system price was EUR 38.5/MWh, which is 42% lower than in the first quarter of 2011. Spot prices were also lower in Germany and the Netherlands, by 13% and 9%, respectively, compared with the first quarter of 2011. Gas and oil prices rose slightly during the first quarter compared with the corresponding period in 2011, while coal prices and prices of CO₂ emission allowances fell. For further information and price charts, see pages 10–11.

Important events during the first quarter of 2012

Completion of Vattenfall's divestments of non-core assets

The sale of Vattenfall's electricity distribution and heat business in Finland was completed in January 2012. The buyer was LNI Acquisition Oy – a consortium comprising 3i Infrastructure plc, 3i Group plc, GS Infrastructure Partners and Ilmarinen Mutual Pension Insurance Company. The sale generated a capital gain of SEK 8.1 billion. Vattenfall has retained ownership of its electricity sales organisation and hydro power operations in Finland.

Total proceeds received during the quarter for divested operations amounted to SEK 21 billion, of which SEK 13.2 billion pertained to the electricity distribution and heat business in Finland, SEK 5.8 billion to the heat business in Poland, and SEK 1.9 billion to Vattenfall's operations in Belgium. The latter two divestments were booked during the fourth quarter of 2011.

Vattenfall starts partnership regarding French hydro power

In connection with the renewal of French hydroelectric concessions, ArcelorMittal, Rhodia, SNCF and Vattenfall – working in partnership under the name Force Hydro – will submit bids when the French government begins to auction out hydroelectric concessions in 2012. Force Hydro intends to be a major player in large scale hydro power generation in France.

Vattenfall to keep its Danish operations

Vattenfall has decided to keep its combined heat and power (CHP) operations in Denmark and will not proceed with the planned divestments. Vattenfall's operations in Denmark include three large CHP plants – the Nordjylland plant in Aalborg, the Fyn plant in Odense, and the Amager plant in Copenhagen – with combined installed capacity of 1,437 MW electricity and 1,632 MW heat.

Impairment of biomass project

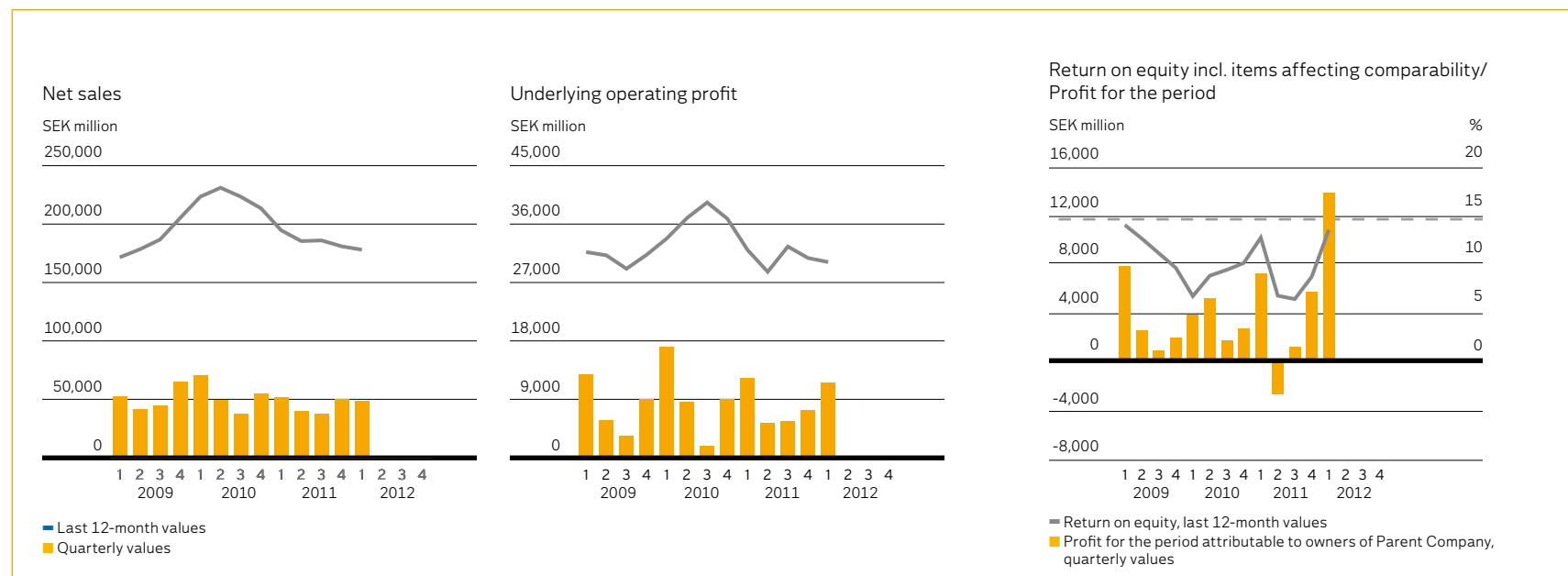
Vattenfall has reached an agreement to sell its interest in the pilot project involving supply of biomass in Liberia that is being conducted through Buchanan Renewables Fuel. Vattenfall is minority owner in the project. Due to the sale of its interest, Vattenfall has recognised an impairment loss and made provisions during the first quarter, for a total of SEK 1,341 million.

Stefan Dohler new head of BD Asset Optimisation and Trading

Stefan Dohler has been appointed as the new head of Business Division Asset Optimisation and Trading (AOT). He took office on 1 April and succeeds Harald von Heyden, who has left Vattenfall. As head of AOT, Stefan Dohler is a member of Vattenfall's Executive Group Management.

Important events after the balance sheet date

At Vattenfall's Annual General Meeting on 25 April 2012, Gunilla Berg, Håkan Buskhe and Jan-Åke Jonsson were elected as new board members.



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

Amounts in SEK million unless stated otherwise	Q1 2012	Q1 2011	Change, %	Full year 2011	Last 12 months
Net sales	48,994	51,868	-5.5	181,040	178,166
Operating profit before depreciation and amortisation (EBITDA)	23,826	16,932	40.7	54,538	61,432
Operating profit (EBIT)	18,956	11,842	60.1	23,209	30,323
Underlying operating profit	11,675	12,294	-5.0	30,793	30,174
Financial items, net	-2,454	-1,893	-29.6	-8,911	-9,472
Profit before tax	16,502	9,949	65.9	14,298	20,851
Profit for the period	13,855	7,203	92.4	10,416	17,068
- of which, attributable to owners of the Parent Company	13,723	7,117	92.8	11,083	17,689
- of which, attributable to non-controlling interests (minority interests)	132	86	53.5	-667	-621
Return on equity, %	13.4 ¹	12.6 ¹	-	8.6	13.4
Return on net assets, %	9.6 ¹	9.9 ¹	-	7.1	9.6
Funds from operations (FFO)	12,717	12,156	4.6	38,256	38,817
Cash flow before financing activities	19,286	2,656	626.1	12,666	29,296
Free cash flow	2,041	5,063	-59.7	17,637	14,615
Cash and cash equivalents plus short-term investments	45,710	39,556	15.6	28,685	
Balance sheet total	526,503	537,748	-2.1	524,558	
Equity incl. non-controlling interests (minority interests)	153,877	140,948	9.2	138,931	
Hybrid capital	8,793	8,869	-0.9	8,883	
Other interest-bearing liabilities	157,752	169,461	-6.9	161,467	
Net debt	120,597	138,282	-12.8	141,089	
Net debt/Operating profit before depreciation and amortisation (EBITDA), times	2.0 ¹	2.4 ¹	-	2.6	

1) Last 12-month values.

For definitions and calculations of key ratios, see pages 32–33.

Sales, profit and cash flow

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Net sales	48,994	51,868	-5.5

Comment: Consolidated net sales for the first quarter decreased by SEK 2.9 billion compared with the corresponding period in 2011. The decrease is mainly attributable to Vattenfall's divestment of the Polish and Belgian operations, the gas production company Nuon Exploration & Production B.V. in the Netherlands, and Vattenfall's electricity distribution and heat business in Finland.

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Operating profit (EBIT)	18,956	11,842	60.1
Items affecting comparability	7,281	-452	-
Underlying operating profit	11,675	12,294	-5.0

Comments: The underlying operating profit decreased by SEK 0.6 billion. This is mainly attributable to the following:

- Negative price effects of average lower electricity prices received, primarily in the Nordic countries (SEK -1.5 billion)
- Positive volume effects (SEK 0.6 billion)
- Lower costs for operations and maintenance, sales and administration, and research and development (SEK 0.5 billion, net)¹
- Divested operations in Poland, Belgium and Finland (SEK -1.0 billion)
- Other items, net (SEK 0.7 billion)

For continuing operations, i.e., excluding divested operations, the underlying operating profit increased by 3.0%.

For a specification of items affecting comparability, see table at right.

¹) Costs for operations and maintenance, sales and administration, and research and development are stripped for Vattenfall's divested operations in Poland, Belgium and Finland, and for the nuclear power operations in Germany.

Items affecting comparability¹

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011
Items affecting comparability affecting operating profit (EBIT):			
Capital gains	8,089	717	4,780
Capital losses	-13	-27	-58
Impairment of intangible non-current assets and property, plant and equipment	-35	-5	-11,301
Reversed impairment	-	4	386
Unrealised changes in the fair value of energy derivatives	-349	-1,357	-1,690
Unrealised changes in the fair value of inventories	108	216	-541
Restructuring costs	-32	-	-
Other items affecting comparability	-487	-	840
Total	7,281	-452	-7,584

Comments: Items affecting comparability during the first quarter of 2012 amounted to SEK 7.3 billion. These pertain mainly to a capital gain on the sale of Vattenfall's electricity distribution and heat business in Finland (SEK 8.1 billion). Impairment losses and provisions pertaining to the Liberian biomass project Buchanan Renewables Fuel amounted to SEK 512 million. Items affecting comparability for the corresponding quarter in 2011 pertained mainly to unrealised changes in the fair value of energy derivatives and inventories (SEK -1.1 billion) and a capital gain on the sale of Vattenfall's interest in the Rostock coal-fired power plant (SEK 0.7 billion).

¹) Changed definition of Items affecting comparability in Q1 2012. See the accounting policies on page 31; for definition, see page 32.

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Funds from operations (FFO)	12,717	12,156	4.6
Cash flow from changes in operating assets and operating liabilities (working capital)	-8,526	-4,549	–
Cash flow from operating activities	4,191	7,607	-44.9

Comments: Funds from operations (FFO) increased by SEK 0.6 billion compared with the first quarter of 2011. The increase is mainly attributable to lower paid tax, which is explained mainly by a supplementary, preliminary tax payment that was made during the first quarter of 2011.

Cash flow from changes in working capital was negative during the quarter in the amount of SEK 8.5 billion. This is mainly attributable to higher operating receivables and lower operating liabilities, together totalling SEK 11.2 billion. Other changes, mainly margin calls¹ received, had a positive effect on working capital of SEK 2.7 billion.

1) A margin call is marginal security (collateral) that the holder of a derivative position must pledge to cover the credit risk of its counterpart.

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Net financial items	-2 454	-1,893	-29.6
– of which, interest income	267	234	14.1
– of which, interest expense	-1,263	-1,605	-21.3
– of which, impairment losses and provisions	-814	–	–
Interest received	103	193	-46.6
Interest paid	-1,444	-1,504	4.0
Average monthly net interest expense	-332 ¹	-457	

Comments: The decrease of financial items during the first quarter of 2012 is mainly attributable to impairment losses and provisions pertaining to the Liberian biomass project Buchanan Renewables Fuel (SEK -814 million).

1) Excluding impairment losses and provisions pertaining to the Liberian biomass project Buchanan Renewables Fuel.

Employees

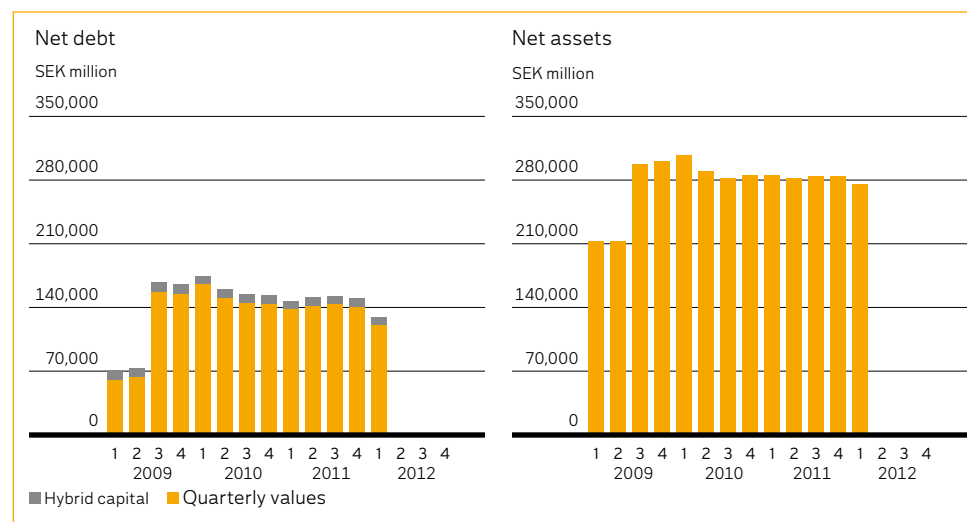
Number of employees, full-time equivalents	31 March 2012	31 March 2011	Change, %
Generation	16,259	17,327	-6.2
Distribution and Sales	11,519	14,810	-22.2
Renewables	368	316	16.5
Other	4,958	5,315	-6.7
Total	33,104	37,768	-12.3

Comments: The decrease is mainly attributable to divested operations in Poland, Belgium and Finland, and natural attrition.

Financial position

Amounts in SEK million	31 March 2012	31 March 2011	Change, %
Cash and cash equivalents, and short-term investments	45,710	39,556	15.6
Committed credit facilities (unutilised)	33,609	31,830	5.6

Comments: The increase in cash and cash equivalents, and short-term investments, is mainly attributable to the payment received in January 2012 from the sale of Vattenfall's assets in Poland and Finland. Committed credit facilities consist of a EUR 2.55 billion Revolving Credit Facility that expires on 20 January 2016 and a 12-month EUR 1.3 billion revolving Multi Option Facility (unutilised amount EUR 1.2 billion), contracted in August 2011. A EUR 1 billion Revolving Credit Facility that was to expire in February 2013 was terminated in the first quarter 2012. 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. As per 31 March 2012, available liquid assets and/or committed credit facilities amounted to 41% of net sales.



Amounts in SEK million	31 March 2012	31 March 2011	Change, %
Net debt	120,597	138,282	-12.8
Interest-bearing liabilities	166,545	178,330	-6.6
Adjusted net debt (see page 23)	155,389	169,682	-8.4
Average interest rate, % ¹	3.6	3.7	-
Duration, years ¹	4.1	4.1	-
Average time to maturity, years ¹	6.0	6.1	-

1) Including Hybrid capital and loans from owners with non-controlling interests (minority owners) and associated companies.

Comments: Compared with 31 March 2011, net debt decreased by SEK 17.7 billion. The decrease is mainly attributable to the payment received for Vattenfall's sale of assets in Belgium, Poland and Finland. Adjusted net debt decreased by SEK 14.3 billion. During the quarter, Vattenfall carried out an early termination of leases pertaining to power assets in Germany. For information on these leases, see page 105 in Vattenfall's 2011 Annual Report.

Amounts in SEK million	31 March 2012	31 March 2011	Change, %
Equity attributable to			
Owners of the Parent Company	146,769	133,754	9.7
Minority interests	7,108	7,194	-1.2
Total	153,877	140,948	9.2

Comments: For a specification of changes in equity, see page 26.

Credit ratings

The current ratings for Vattenfall's long-term borrowing are A- (Standard & Poor's) and A2 (Moody's). Vattenfall's rating outlook is "stable" from Standard & Poor's and "negative" from Moody's. On 9 December 2011 the rating agency Standard & Poor's lowered its long-term rating for Vattenfall from A to A- and at the same time changed its outlook from negative to stable. In February 2012 Moody's affirmed Vattenfall's A2 rating but changed its rating outlook from stable to negative.

Investments

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Maintenance investments	2,150	2,544	-15.5
Growth investments	3,622	3,655	-0.9
– of which, shares	55	-12	–
Total investments	5,772	6,199	-6.9

Specification of investments

Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Electricity generation			
Hydro power	222	155	43.5
Nuclear power	487	715	-31.9
Fossil-based power	2,281	2,670	-14.6
Wind power	704	522	34.8
Biomass, waste	9	17	-47.9
Other	417	748	-44.2
Total electricity generation	4,120	4,827	-14.6
Thermal power, heat			
Fossil-based power	137	637	-78.5
Biomass, waste	10	12	-15.4
Other	143	177	-19.2
Total thermal power, heat	290	826	-64.9
Electricity networks			
Electricity networks	550	626	-12.1
Total electricity networks	550	626	-12.1
Acquisitions of shares	55	-12	–
Other, excl. shares	757	-68	–
Total	5,772	6,199	-6.9

Comments: Investments are proceeding in the coal-fired Boxberg and Moorburg power plants in Germany and in three gas-fired power plants in the Netherlands. These projects were decided on several years ago and are now in an intensive phase of completion. The higher investment level for wind power in 2012 is attributable to the start of construction of the DanTysk offshore wind farm in Germany.

Divestments

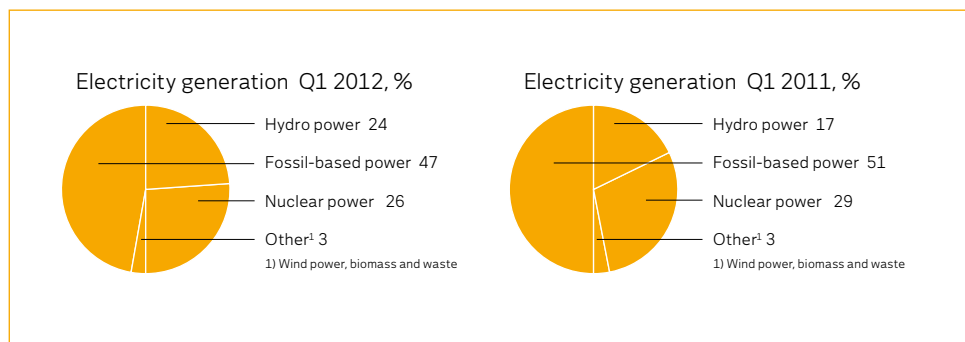
Amounts in SEK million	Q1 2012	Q1 2011	Change, %
Divestments	21,017	1,248	–
– of which, shares	20,945	1	–

Comments: Payment was received during the first quarter of 2012 for the sale of Vattenfall's electricity distribution and heat business in Finland (SEK 13.2 billion), Vattenfall's heat business in Poland (SEK 5.8 billion) and Vattenfall's operations in Belgium (SEK 1.9 billion). The sales of the operations in Poland and Belgium were booked during the fourth quarter of 2011.

Electricity generation, sales of heat and gas

	Q1 2012	Q1 2011	Full year 2011	Change, %
Electricity generation, TWh				
Hydro power	11.7	8.7	34.5	34.5
Nuclear power	12.5	14.6	42.5	-14.4
Fossil-based power	22.7	25.1	85.0	-9.6
Wind power	1.0	0.9	3.4	11.1
Biomass, waste	0.5	0.5	1.3	–
Total	48.4	49.8	166.7	-2.8
External sales of electricity, TWh	50.5¹	56.9	209.4¹	-11.2
Sales of heat, TWh	11.0	16.9	41.6	-34.9
Sales of gas, TWh	21.5	24.0	53.8	-10.4

1) Of which, bilateral sales through the trading operation amounted to 11.5 TWh (12.8) during the first quarter of 2012. Bilateral trading through the trading operation for the full year 2011 amounted to 52.9 TWh.



Electricity generation

Vattenfall's total electricity generation decreased by 2.8% during the first quarter to 48.4 TWh (49.8). Divested operations accounted for 2.1 TWh during the first quarter of 2011. Hydro power generation increased by 34.5% to 11.7 TWh (8.7), owing to good water supply. Nuclear power generation decreased by 14.4% to 12.5 TWh (14.6), mainly owing to a delay in the start-up of Ringhals 2 and the operation of Ringhals 1 at reduced capacity (70%) during most of the first quarter. Fossil-based generation decreased by 9.6% to 22.7 TWh (25.1), mainly due to the divestment of the Polish operations (1.4 TWh) and the divestment of the Rostock power plant (0.7 TWh). Wind power generation increased by 0.1 TWh to 1.0 TWh (0.9), while electricity generation based on biomass was unchanged at 0.5 TWh.

External sales of electricity

Bilateral external sales of electricity and replacement and compensation power decreased by 11.2% to 50.5 TWh (56.9). The divested operations in Poland and Belgium, and the Rostock power plant, accounted for 3.1 TWh and 0.9 TWh, respectively, during the first quarter of 2011.

Sales of heat

Sales of heat decreased by 34.9% to 11.0 TWh (16.9), mainly due to the sale of the Polish operations, but also on account of mild weather. The divested Polish operations accounted for 4.8 TWh during the first quarter of 2011.

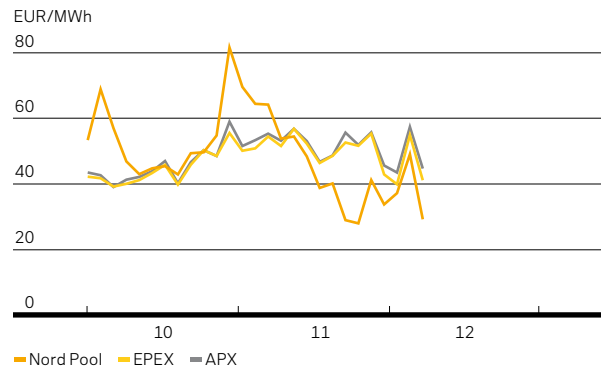
Sales of gas

Sales of gas decreased by 10.4% to 21.5 TWh (24.0). The subsidiary Nuon Exploration & Production, which was sold during the second quarter of 2011, accounted for 1.2 TWh during the first quarter of 2011.

For further information on electricity generation and sales, and sales of heat and gas, see the respective operating segments on pages 12–17.

Wholesale price trend

Electricity spot prices in the Nordic countries, Germany and the Netherlands, monthly averages

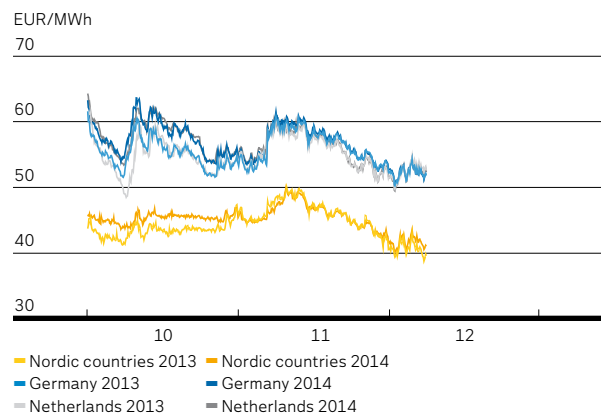


The average Nordic system price was EUR 38.5/MWh, which was 12% higher than the preceding quarter, but a full 42% lower than in the first quarter of 2011. Reservoir storage levels were above average, and hydro power generation in the Nordic countries was high during the entire first quarter, compared with a large deficit in the hydrological balance in early 2011. Cold weather in early February lifted spot prices temporarily to levels above EUR 70/MWh.

In Germany and the Netherlands, spot prices were on average 5%–10% lower than in the preceding quarter, and 13% and 9% lower, respectively, than in the first quarter of 2011. The lower prices are mainly attributable to mild weather and good availability for both conventional power plants and renewable energy sources, such as wind and solar power. Also on the European Continent, prices were affected by cold weather in February, when German spot prices temporarily reached levels higher than EUR 100/MWh. Dutch spot prices followed the same trend as those in Germany.

Time period	NordPool Spot (Nordic countries)	EPEX (Germany)	APX (Netherlands)
Q1 2012	38.48	45.31	48.53
Q1 2011	66.10	51.82	53.43
Change (%)	-41.8	-12.6	-9.2

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



Electricity futures prices were lower on average during the first quarter of 2012 than in the corresponding period a year ago. This is attributable to lower coal and CO₂ prices, but also to mild weather (except for the cold days in early February).

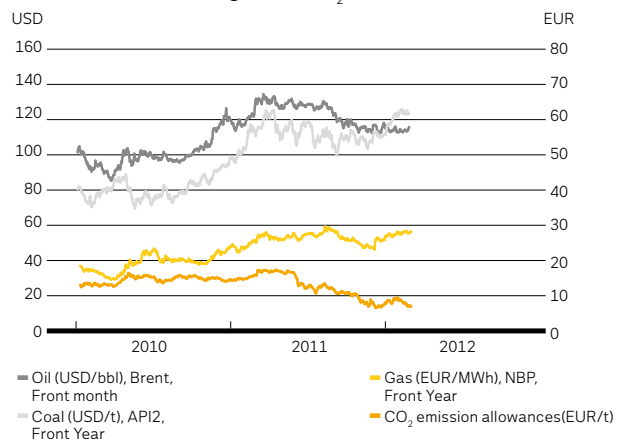
The German electricity futures contract for 2013 traded at approximately EUR 52/MWh during the first quarter, which was 4% lower than the preceding quarter and nearly 5% lower than in the first quarter of 2011. The Nordic electricity futures contract for 2013 traded at a level just above EUR 40/MWh, which was 11% lower than in the corresponding period a year ago.

Time period / EUR/MWh	Nordic countries 2013	Nordic countries 2014	Germany 2012	Germany 2013	Netherlands 2012	Netherlands 2013
Q1 2012	40.66	41.60	52.21	52.32	52.37	52.12
Q4 2011	43.64	43.72	54.30	54.29	52.93	52.97
Change (%)	-6.8	-4.8	-3.8	-3.6	-1.1	-1.6

Sources: NASDAQ OMX Commodities, European Energy Exchange (EEX) and APX.

Wholesale price trend

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

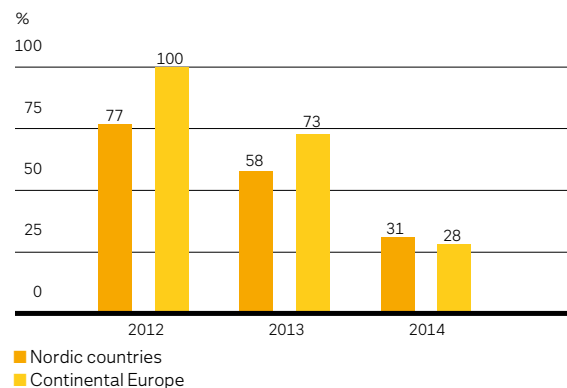


Gas and oil prices rose slightly during the first quarter over fears of lower exports from Iran. Coal prices and prices of CO₂ emission allowances fell.

The oil market was overshadowed by geopolitical anxiety, which resulted in rising prices. The conflict surrounding Iran's nuclear power programme and the possibility of an oil embargo, as well as minor production halts in the Middle East, were the main underlying factors. On average, a barrel of Brent crude cost USD 118, which is 8% higher than in the preceding quarter.

Gas prices rose slightly compared with the preceding quarter due to cold weather in early February and lower production in Norway and from the Elgin gas field in the North Sea. Japanese demand for gas remained strong. Prices of CO₂ emission allowances fell as a result of a continued weak macroeconomic outlook in Europe, higher production of renewable energy and a large supply of emission allowances. On average, CO₂ emission allowances cost half as much as during the first quarter of 2011 (EUR 7.9/tonne compared with EUR 15.4/tonne). Coal prices fell during the first quarter as a result of lower freight prices, mild temperatures in January and March, and soft demand.

Vattenfall's hedge ratios (%) as per 31 March 2012



Vattenfall's price hedging

The chart shows Vattenfall's price hedging of planned electricity generation in the Nordic countries and Continental Europe. Vattenfall continuously hedges its electricity generation through sales in the futures and forward markets.

Compared with 31 December 2011, Vattenfall's hedge ratios in % increased, while the average hedge prices in EUR decreased somewhat for Continental Europe for the years 2013–2014.

Average hedge prices as per 31 March 2012

EUR/MWh	2012	2013	2014
Nordic countries	45	46	43
Continental Europe	55	56	56

Generation

Amounts in SEK million	Q1 2012	Q1 2011	Change, %	Full year 2011	Last 12 months
Net sales	34,644	35,246	-1.7	123,111	122,509
External net sales ¹	16,595	17,410	-4.7	59,347	58,532
Operating profit (EBIT)	8,144	7,510	8.4	10,545	11,179
Items affecting comparability	-202	-472	-57.2	-11,573	-11,303
Underlying operating profit	8,346	7,982	4.6	22,118	22,482
Sales of heat, TWh	3.1	3.6	-13.9	9.9	9.4
Electricity generation, ² TWh	43.5	43.5	-	148.2	148.2
– of which, hydro power	11.7	8.7	34.5	34.5	37.5
– of which nuclear power	12.5	14.6	-14.4	42.5	40.4
– of which, fossil-based power	19.1	20.1	-5.0	70.8	69.8
– of which, biomass, waste	0.2	0.1	100.0	0.4	0.5
External electricity sales, TWh	4.6	6.2	-25.8	18.3	16.7

1) Excluding intra-Group transactions.

2) Of electricity generation in Q1 2012, Vattenfall disposed over 38.9 TWh (38.5 TWh), while the rest went to the minority part-owners or was deducted as replacement power.

The Generation operating segment is Vattenfall's interface towards the wholesale market and includes development and building of production assets, generation of electricity and heat, and sales of electricity on the wholesale energy market. The Generation segment comprises three Business Divisions (BDs):

- BD Asset Development
- BD Production
- BD Asset Optimisation and Trading

Operations during the first quarter of 2012 were conducted in Sweden, Denmark, Germany and the Netherlands. The Generation segment includes a total of 16,259 employees (full-time equivalents).

Generation

Underlying operating profit Q1

The underlying operating profit improved by SEK 0.4 billion, which was mainly attributable to higher hydro power generation and improved earnings for BD Asset Optimisation and Trading. Average lower electricity prices received, primarily in the Nordic countries had a negative effect on the underlying operating profit, by SEK 1.5 billion. Lower costs for operations and maintenance had a positive effect on the underlying operating profit, by SEK 0.5 billion.

Items affecting comparability during the first quarter of 2012 amounted to SEK -0.3 billion. These are mainly attributable to unrealised changes in the fair value of energy derivatives and inventories (SEK -0.2 billion). Items affecting comparability for the corresponding period in 2011 amounted to SEK -0.5 billion and pertained mainly to unrealised changes in the fair value of energy derivatives and inventories (SEK -1.1 billion) and a capital gain on the sale of Vattenfall's interest in the Rostock coal-fired power plant (SEK 0.7 billion).

Electricity generation and sales of heat Q1

Electricity generation was unchanged at 43.5 TWh. Hydro power generation increased by 34.5% to 11.7 TWh (8.7), owing to good water supply. Reservoir storage levels were 43.3% (14.2%), which is 19 percentage points above the normal level. Nuclear power generation decreased by 14.4% to 12.5 TWh (14.6), mainly due to a delay in the start-up of Ringhals 2 and the operation of Ringhals 1 at reduced capacity during most of the first quarter. Availability was 98.6% (100%) for Forsmark and 71.0% (99.4%) for Ringhals. Forsmark's generation was unchanged at 6.8 TWh (6.8), while generation at Ringhals decreased by 26.9% to 5.7 TWh (7.8).

Fossil power generation decreased by 5.0% to 19.1 TWh (20.1), mainly owing to the fact that the Rostock power plant, which was sold during the first quarter of 2011, contributed 0.7 TWh during the corresponding period a year ago. Fossil power generation in the Netherlands and Denmark was lower than during the first quarter of 2011.

Sales of heat decreased by 13.9% to 3.1 TWh (3.6) as a result of mild weather.

Important events Q1

- The new 675 MW unit at the Boxberg lignite-fired power plant in the German federal state of Saxony was connected to the electric grid in February. The unit is scheduled to be commissioned for commercial operation in October 2012.
- Vattenfall's three nuclear reactors at Forsmark and the two reactors Ringhals 3 and 4 were running at full capacity during the first quarter. Ringhals 1 is operating at reduced capacity – approximately 710 MW (83%) – until its annual planned outage, which will begin on 6 May. The reason is noise problems caused by valves in the reactor's drainage system. Ringhals 2 was phased in to the grid on 2 April following a year-long outage that was mainly caused by extensive clean-up work following a fire in a water vacuum cleaner in May 2011. The unit is operating at reduced capacity – approximately 807 MW (94%) – until the year's planned outage, which will begin on 15 September.
- Vattenfall began maintenance work at the Vittjärn hydro power plant (30 MW) in northern Sweden. This work, which is expected to be completed in autumn 2013, involves reinforcement of the dam and refurbishment of turbines and generators.
- For the Moorburg power plant project, Vattenfall has reached an agreement with the supplier, Hitachi Power Europe, over quality problems with the type of steel, T24, that is used in the construction. The agreement entails the partial replacement of the T24 steel and modification of the design of the steam generator. One of the power plant's units (B) is expected to be commissioned in early 2014, and the other unit (A) during summer of the same year.

Distribution and Sales

Amounts in SEK million	Q1 2012	Q1 2011	Change, %	Full year 2011	Last 12 months
Net sales	40,193	47,157	-14.8	155,299	148,335
External net sales ¹	37,669	43,427	-13.3	144,575	138,817
– of which, Distribution	3,935	5,077	-22.5	17,965	16,823
– of which, Heat	4,975	6,105	-18.5	17,481	16,351
Operating profit (EBIT)	3,590	4,791	-25.1	11,123	9,922
– of which, Distribution	1,767	2,019	-12.5	5,035	4,783
– of which, Heat	1,865	2,465	-24.3	4,895	4,295
Items affecting comparability	-1	1	–	627	625
– of which, Distribution	-2	-4	-50.0	-32	-30
– of which, Heat	–	4	–	386	382
Underlying operating profit	3,591	4,790	-25.0	10,496	9,297
Sales of gas, TWh	21.5	22.8	-5.7	51.6	50.3
Sales of heat, TWh	7.9	13.3	-40.6	31.7	26.3
Electricity generation², TWh	3.9	5.4	-27.8	15.1	13.6
– of which, fossil-based power	3.6	5.0	-28.0	14.2	12.8
– of which, biomass, waste	0.3	0.4	-25.0	0.9	0.8
External sales of electricity, TWh	34.3	37.8	-9.3	137.9	134.4
– of which, private customers	9.1	10.7	-15.0	34.0	32.4
– of which, resellers	6.0	7.3	-17.8	28.7	27.4
– of which, business customers	18.7	19.3	-3.1	74.8	74.2
Transited volume, excl. production transiting	28.5	34.3	-16.9	118.8	113.0

1) Excluding intra-Group transactions.

2) Of electricity generation in Q1 2012, Vattenfall disposed over 3.4 TWh (5.0TWh), while the rest went to the minority part-owners or was deducted as replacement power.

The Distribution and Sales operating segment and Business Division is responsible for Vattenfall's electricity sales and heat businesses, electricity distribution and other downstream businesses. The Division is responsible for all relationships with Vattenfall's end customers. Distribution and Sales comprises six Business Units (BUs):

- BU Customer Service
- BU Sales B2C (Business to Consumers)
- BU Sales B2B (Business to Business)
- BU Heat
- BU Distribution
- BU Energy Related Services

Operations during the first quarter of 2012 were conducted in Sweden, Denmark, Finland, Norway, Germany, France and the Netherlands. The Distribution and Sales segment includes a total of 11,519 employees (full-time equivalents).

Distribution and Sales

Underlying operating profit Q1

The underlying operating profit decreased by SEK 1.1 billion, mainly due to Vattenfall's divestments of the Polish and Belgian operations and Vattenfall's electricity distribution and heat business in Finland. Improved profitability for the Sales B2C unit had a positive earnings impact.

Sales of gas and heat, and electricity generation

Sales of gas to end customers decreased by 5.7% to 21.5 TWh (22.8). The decrease is mainly due to the divestment of the Belgian operations.

Sales of heat decreased by 40.6% to 7.9 TWh (13.3). The decrease is mainly due to the divestment of the Polish operations, which accounted for 4.8 TWh during the first quarter of 2011.

Electricity generation decreased by 27.8% to 3.9 TWh (5.4). The divested operations in Poland accounted for 1.4 TWh of electricity generation during the first quarter of 2011.

Sales of electricity to private customers decreased by 15.0% to 9.1 TWh (10.7). The divested Polish and Belgian operations accounted for 2.0 TWh during the first quarter of 2011. Sales to resellers decreased by 17.8% to 6.0 TWh (7.3). Sales to business customers decreased by 3.1% to 18.7 TWh (19.3), where the Polish operations accounted for 1.1 TWh during the first quarter of 2011.

Important events Q1

- During the first quarter of 2012, several agreements with existing customers were extended. In Sweden, the agreement with INEOS Sweden for 500 GWh of electricity was renewed for another year, while two agreements were extended with Borealis for a total of 1.6 TWh in 2012. In the Netherlands, the gas agreement with Yopar (an independent purchasing organisation) for approximately 125 GWh was extended to cover the period 2014–2015. In France, an electricity agreement with Bosch was extended for 105 GWh for the period 2013–2014.
- In Germany, new agreements were signed with property owners, including Halmholz-Zentrum in Berlin (50 GWh/year through 2014) and InReal International (10 GWh/year through 2014). Also in Germany, Vattenfall landed its first agreement with a wind power producer – Rosendahl Energietechnik. Under the agreement, Vattenfall buys electricity generated from wind and sells it on the wholesale market.
- In Sweden, Vattenfall and Akademiska Hus in Uppsala signed an energy supply agreement for 20 GWh of district cooling per year and 45 GWh of district heating per year. The agreement entails a collaboration between Vattenfall and Akademiska Hus on the supply of energy for Akademiska Hus's buildings in Uppsala in the aim of reducing environmental impact.

Renewables

Amounts in SEK million	Q1 2012	Q1 2011	Change, %	Full year 2011	Last 12 months
Net sales	875	795	10.1	3,131	3,211
External net sales ¹	542	394	37.6	1,820	1,968
Operating profit (EBIT)	-408	180	–	496	-92
Items affecting comparability	-512	14	–	36	-490
Underlying operating profit	104	166	-36.7	460	398
Electricity generation², TWh	1.0	0.9	11.1	3.4	3.5
– of which, wind power	1.0	0.9	11.1	3.4	3.5
External sales of electricity, TWh	0.1	0.1	–	0.3	0.3

1) Excluding intra-Group transactions.

2) Of electricity generation in Q1 2012, Vattenfall disposed over 1.0TWh (0.9 TWh), while the rest went to the minority part-owners or was deducted as replacement power.

The Renewables operating segment and Business Division is responsible for capacity development, and operation and maintenance of Vattenfall's renewable energy operations – primarily in wind power and upstream biomass. Renewables comprises four Business Units (BUs):

- BU Onshore Wind Projects
- BU Offshore Wind Projects
- BU Generation Wind
- BU Biomass

Operations were conducted during the first quarter of 2012 in Sweden, Denmark, Germany, the Netherlands, the UK and Liberia. The Renewables segment includes a total of 368 employees (full-time equivalents).

Underlying operating profit Q1

The underlying operating profit decreased by SEK 62 million as a result of lower revenues in connection with poorer wind conditions and technical problems at the Thanet offshore wind farm with a transmission cable that connects the wind farm to the onshore grid.

Items affecting comparability during the first quarter of 2012 amounted to SEK 512 million. These pertained to impairment losses and provisions related to the Liberian biomass project Buchanan Renewables Fuel.

Electricity generation Q1

Wind power generation increased by 0.1 Twh to 1.0 TWh. Wind

conditions in Denmark and the Netherlands were good while they were less favourable in Sweden and the UK. In addition, technical problems with one of the two transmission cables that take power from the Thanet wind farm (300 MW) off the coast of England to the onshore grid resulted in a production decline of 60 GWh. Operation of the cable has been fully restored since mid-April.

Important events Q1

- The Ormonde offshore wind farm in the Irish Sea, with installed capacity of 150 MW from 30 turbines, was commissioned on 21 February. The wind farm will be officially inaugurated in September 2012.

- Construction of the switchgear station at the DanTysk wind farm off the German island of Sylt in the North Sea has begun and is expected to be completed in spring 2013. DanTysk is owned by Vattenfall (51%) and Stadtwerke München (49%).
- The Thanet offshore wind farm was the recipient of an Off shore Renewables Award from the Society of Petroleum Engineers (SPE) in the UK. The award gives recognition for technical expertise, design, innovation and the complexity of offshore renewable energy projects.

Other

Amounts in SEK million	Q1 2012	Q1 2011	Change, %	Full year 2011	Last 12 months
Net sales	1,481	1,867	-20.7	7,303	6,917
External net sales ¹	118	400	-70.5	983	701
Operating profit (EBIT)	7,630	-639	–	1,045	9,314
Items affecting comparability	7,996	5	–	3,326	11,317
Underlying operating profit	-366	-644	-43.0	-2,281	-2,003

1) Excluding intra-Group transactions.

“Other” comprises all Staff Functions including Treasury activities and Shared Service Centres, and includes a total of 4,958 employees (full-time equivalents).

Underlying operating profit Q1

The underlying operating profit improved by SEK 278 million.

Items affecting comparability for the first quarter of 2012 pertained mainly to the capital gain for the divested electricity distribution and heat business in Finland.

Consolidated income statement

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011	Last 12 months
Net sales	48,994	51,868	181,040	178,166
Cost of products sold ¹	-33,756	-36,808	-144,492	-141,440
Gross profit	15,238	15,060	36,548	36,726
Selling expenses, administrative expenses and research and development costs ²	-4,241	-4,427	-18,849	-18,663
Other operating income and expenses, net	7,971	964	5,478	12,485
Participations in the results of associated companies	-12	245	32	-225
Operating profit (EBIT)³	18,956	11,842	23,209	30,323
Financial income ^{4, 6}	837	792	3,843	4,143
Financial expenses ^{5, 6}	-3,291	-2,685	-12,754	-13,615
Profit before tax	16,502	9,949	14,298	20,851
Income tax expense	-2,647	-2,746	-3,882	-3,783
Profit for the period	13,855	7,203	10,416	17,068
Profit for the period attributable to:				
Owners of the Parent Company	13,723	7,117	11,083	17,689
Non-controlling interests (minority interests)	132	86	-667	-621
Total	13,855	7,203	10,416	17,068
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)	104.20	54.04	84.15	134.31
Supplementary information				
Operating profit before depreciation and amortisation (EBITDA)	23,826	16,932	54,538	61,432
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	-1,843	-1,430	-7,893	-8,306
Underlying operating profit (operating profit (EBIT) excluding items affecting comparability)	11,675	12,294	30,793	30,174
1) Of which, depreciation, amortisation and impairment losses pertaining to intangible non-current assets and property, plant and equipment	-4,744	-4,952	-30,737	-30,529
2) Of which, depreciation, amortisation and impairment losses pertaining to intangible non-current assets and property, plant and equipment	-126	-138	-592	-580
3) Including items affecting comparability attributable to:				
Capital gains/losses, net	8,076	690	4,722	12,108
Impairment losses and close-down costs pertaining to German nuclear power plants	-	-	-10,513	-10,513
Other impairment losses and reversed impairment losses, net, pertaining to intangible non-current assets and property, plant and equipment	-35	-1	-402	-436
Unrealised changes in the fair value of energy derivatives	-349	-1,357	-1,690	-682
Unrealised changes in the fair value of inventories	108	216	-541	-649
Restructuring costs	-32	-	-	-32
Other items affecting comparability	-487	-	840	353
Total of items affecting comparability in operating profit, which also constitutes the difference between operating profit and underlying operating profit	7,281	-452	-7,584	149
4) Including return from the Swedish Nuclear Waste Fund	300	233	1,948	2,015
5) Including interest components related to pension costs	-258	-250	-1,043	-1,051
5) Including discounting effects attributable to provisions	-911	-696	-2,966	-3,181
6) Items affecting comparability recognised as financial income and expenses, net	-804	-	-1,508	-2,312

Consolidated statement of comprehensive income

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011	Last 12 months
Profit for the period	13,855	7,203	10,416	17,068
Other comprehensive income:				
Cash flow hedges:				
Changes in fair value	4,329	2,202	-4,675	-2,548
Dissolved against the income statement	-1,591	319	6,668	4,758
Transferred to cost of hedged item	30	-66	224	320
Tax attributable to cash flow hedges	-700	-577	-638	-761
Total cash flow hedges	2,068	1,878	1,579	1,769
Hedging of net investments in foreign operations	1,174	935	960	1,199
Tax attributable to hedging of net investments in foreign operations	-294	-246	-242	-290
Total hedging of net investments in foreign operations	880	689	718	909
Translation differences	-1,975	-1,949	-2,014	-2,040
Translation differences and exchange rate effects net, divested companies	79	-	621	700
Revaluation of available-for-sale financial assets	-18	-706	-1,591	-903
Transferred to the income statement, available-for-sale financial assets	-	-	1,591	1,591
Total other comprehensive income, net after tax	1,034	-88	904	2,026
Total comprehensive income for the period	14,889	7,115	11,320	19,094
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	14,781	7,050	12,008	19,739
Non-controlling interests (minority interests)	108	65	-688	-645
Total	14,889	7,115	11,320	19,094

Operating segments, Vattenfall Group

Amounts in SEK million	External net sales			Internal net sales			Total net sales		
	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011
Generation	16,595	17,410	59,347	18,049	17,836	63,764	34,644	35,246	123,111
Distribution and Sales	37,669	43,427	144,575	2,524	3,730	10,724	40,193	47,157	155,299
Renewables	542	394	1,820	333	401	1,311	875	795	3,131
Other ¹	118	400	983	1,363	1,467	6,320	1,481	1,867	7,303
Eliminations ²	-5,930	-9,763	-25,685	-22,269	-23,434	-82,119	-28,199	-33,197	-107,804
Total	48,994	51,868	181,040	-	-	-	48,994	51,868	181,040

Amounts in SEK million	Profit			Underlying operating profit ³		
	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011
Generation	8,144	7,510	10,545	8,346	7,982	22,118
Distribution and Sales	3,590	4,791	11,123	3,591	4,790	10,496
Renewables	-408	180	496	104	166	460
Other ¹	7,630	-639	1,045	-366	-644	-2,281
Operating profit (EBIT)	18,956	11,842	23,209	11,675	12,294	30,793
Financial income and expenses	-2,454	-1,893	-8,911			
Profit before tax	16,502	9,949	14,298			

1) Chiefly includes Treasury Activities, Other Staff functions and Shared Service Centres. Also, certain major capital gains are included in Operating profit for Other.

2) For external net sales, the elimination pertains to sales to the Nordic electricity exchange, NASDAQ OMX Commodities Europe.

3) Operating profit excluding items affecting comparability. For definition of items affecting comparability, see pages 32–33.

Vattenfall Group, information about geographical areas

Amounts in SEK million	External net sales			Internal net sales			Total net sales		
	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011
Sweden	13,510	14,223	46,075	2,734	-609	1,734	16,244	13,614	47,809
Germany	21,773	18,999	76,194	6,344	5,615	27,869	28,117	24,614	104,063
Netherlands	11,576	10,881	33,155	7,080	5,869	24,865	18,656	16,750	58,020
Other countries	3,315	7,968	30,494	629	1,358	3,663	3,944	9,326	34,157
Eliminations	-1,180	-203	-4,878	-16,787	-12,233	-58,131	-17,967	-12,436	-63,009
Total	48,994	51,868	181,040	-	-	-	48,994	51,868	181,040

Amounts in SEK million	Operating profit (EBIT)			Underlying operating profit ¹		
	Q1 2012	Q1 2011	Full year 2011	Q1 2012	Q1 2011	Full year 2011
Sweden	14,117	5,762	15,684	6,727	6,048	13,769
Germany	3,787	3,507	1,065	3,871	3,932	12,263
Netherlands	536	1,159	3,157	591	910	1,453
Other countries	516	1,414	3,301	486	1,404	3,306
Eliminations	-	-	2	-	-	2
Total	18,956	11,842	23,209	11,675	12,294	30,793

1) Operating profit excluding items affecting comparability. For definition of items affecting comparability, see pages 32–33.

Consolidated balance sheet

Amounts in SEK million	31 March 2012	31 March 2011	31 Dec. 2011	Amounts in SEK million	31 March 2012	31 March 2011	31 Dec. 2011
Assets				Equity and liabilities			
Non-current assets				Equity			
Intangible assets: non-current	45,343	49,075	46,229	Attributable to owners of the Parent Company	146,769	133,754	131,988
Property, plant and equipment	278,650	286,076	279,445	Attributable to non-controlling interests (minority interests)	7,108	7,194	6,943
Investment property	521	612	539	Total equity	153,877	140,948	138,931
Biological assets	7	4	8	Non-current liabilities			
Participations in associated companies and joint ventures	12,260	13,042	12,344	Hybrid capital	8,793	8,869	8,883
Other shares and participations	3,226	4,265	3,235	Other interest-bearing liabilities	139,562	141,110	149,602
Share in the Swedish Nuclear Waste Fund	28,785	26,951	28,430	Pension provisions	17,853	18,053	17,995
Derivatives with positive fair value	20,005	16,616	20,691	Other interest-bearing provisions	66,492	62,460	66,487
Current tax assets, non-current	990	1,190	990	Derivatives with negative fair value	13,495	12,400	12,590
Prepaid expenses	184	167	188	Deferred tax liabilities	35,732	36,526	35,406
Deferred tax assets	979	1,730	1,303	Other noninterest-bearing liabilities	8,066	8,365	8,238
Other non-current receivables	5,690	4,879	5,732	Total non-current liabilities	289,993	287,783	299,201
Total non-current assets	396,640	404,607	399,134	Current liabilities			
Current assets				Trade payables and other liabilities	29,063	29,449	35,108
Inventories	18,544	16,902	18,564	Advance payments from customers	469	2,066	1,142
Biological assets	1	–	1	Derivatives with negative fair value	8,140	15,873	9,864
Intangible assets: current	5,575	7,752	5,627	Accrued expenses and deferred income	17,807	24,903	18,507
Trade receivables and other receivables	34,468	36,355	41,880	Current tax liabilities	1,268	1,089	844
Advance payments to suppliers	4,214	2,765	6,368	Interest-bearing liabilities	18,190	28,351	11,865
Derivatives with positive fair value	10,160	15,256	9,408	Interest-bearing provisions	7,696	7,286	7,237
Prepaid expenses and accrued income	9,543	12,293	6,450	Liabilities associated with assets held for sale	–	–	1,859
Current tax assets	1,648	1,123	1,853	Total current liabilities	82,633	109,017	86,426
Short-term investments	28,254	28,647	17,417	Total equity and liabilities	526,503	537,748	524,558
Cash and cash equivalents	17,456	10,909	11,268				
Assets held for sale	–	1,139	6,588	Pledged assets	137	–	79
Total current assets	129,863	133,141	125,424	Contingent liabilities	3,061	3,470	3,584
Total assets	526,503	537,748	524,558				

Consolidated balance sheet, cont.

Amounts in SEK million	31 March 2012	31 March 2011	31 Dec. 2011	Amounts in SEK million	31 March 2012	31 March 2011	31 Dec. 2011
Supplementary information				Adjusted gross debt and net debt			
Net assets	275,674	285,169	284,250	Total interest-bearing liabilities	-166,545	-178,330	-170,350
Net assets, weighted average value	282,657	288,502	283,957	50% of Hybrid capital	4,397	4,435	4,442
Net debt				Present value of pension obligations	-22,167	-20,086	-22,461
Hybrid capital	-8,793	-8,869	-8,883	Provisions for mining, gas and wind operations and other environment-related provisions	-12,406	-12,800	-12,542
Bond issues, commercial paper and liabilities to credit institutions	-99,129	-101,617	-102,234	Provisions for nuclear power (net)	-18,454	-13,081	-18,470
Present value of liabilities pertaining to acquisitions of subsidiaries	-30,277	-43,298	-30,472	Currency derivatives for hedging of debt in foreign currency	2,986	1,679	3,282
Liabilities to associated companies	-10,017	-10,206	-10,521	Margin calls received	6,216	3,869	7,369
Liabilities to owners of non-controlling interests (minority owners)	-10,747	-9,567	-10,240	Liabilities to owners of non-controlling interests (minority owners) due to consortium agreements	10,307	9,145	9,771
Other liabilities ¹	-7,582	-4,773	-8,000	Adjusted gross debt	-195,666	-205,169	-198,959
Total interest-bearing liabilities	-166,545	-178,330	-170,350	Reported cash and cash equivalents and short-term investments	45,710	39,556	28,685
Cash and cash equivalents	17,456	10,909	11,268	Unavailable liquidity ²	-5,433	-4,069	-5,757
Short-term investments	28,254	28,647	17,417	Adjusted cash and cash equivalents and short-term investments	40,277	35,487	22,928
Loans to owners of non-controlling interests (minority owners) in foreign subsidiaries	238	492	576	Adjusted net debt	-155,389	-169,682	-176,031
Net debt	-120,597	-138,282	-141,089				

1) Of which, margin calls received within the financing activities SEK 6,216 million (31 March 2011: 3,869)

2) Of which Vattenfall's share of solidarity agreement ("Solidarvereinbarung") between German nuclear operators SEK 3,011 million, margin calls paid within finance activities SEK 756 million, and other SEK 1,666 million.

Consolidated statement of cash flows

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011	Last 12 months
Operating activities				
Profit before tax	16,502	9,949	14,298	20,851
Reversal of depreciation, amortisation and impairment losses	4,870	5,090	33,040	32,820
Tax paid	-2,185	-3,326	-5,250	-4,109
Capital gains/losses, net	-8,086	-690	-4,827	-12,223
Other, incl. non-cash flow items	1,616	1,133	995	1,478
Funds from operations (FFO)	12,717	12,156	38,256	38,817
Changes in inventories	41	74	-3,350	-3,383
Changes in operating receivables	-5,541	-2,122	944	-2,475
Changes in operating liabilities	-5,711	-3,968	668	-1,075
Other changes	2,685	1,467	-3,050	-1,832
Cash flow from changes in operating assets and operating liabilities	-8,526	-4,549	-4,788	-8,765
Cash flow from operating activities	4,191	7,607	33,468	30,052
Investing activities				
Acquisitions in Group companies	-	-1	-257	-256
Investments in associated companies and other shares and participations	-55	13	-140	-208
Other investments in non-current assets	-5,717	-6,211	-35,353	-34,859
Total investments	-5,772	-6,199	-35,750	-35,323
Divestments	21,017	1,248	16,280	36,049
Cash and cash equivalents in divested companies	-150	-	-1,332	-1,482
Cash flow from investing activities	15,095	-4,951	-20,802	-756
Cash flow before financing activities	19,286	2,656	12,666	29,296
Financing activities				
Changes in short-term investments	-10,989	2,811	11,292	-2,508
Changes in loans to owners of non-controlling interests (minority owners) in foreign subsidiaries	333	-200	-287	246
Loans raised ¹	816	618	10,511	10,709
Amortisation of debt pertaining to acquisitions of subsidiaries	-	-	-13,538	-13,538
Amortisation of other debt	-3,348	-7,770	-15,688	-11,266
Dividends paid to owners	-11	-16	-6,701	-6,696
Contribution from owners of non-controlling interests (minority interests)	65	229	569	405
Cash flow from financing activities	-13,134	-4,328	-13,842	-22,648
Cash flow for the period	6,152	-1,672	-1,176	6,648

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

Consolidated statement of cash flows, cont.

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011	Last 12 months
Cash and cash equivalents at the beginning of the period	11,268	12,595	12,595	10,909
Cash and cash equivalents included in assets held for sale				
Cash flow for the period	6,152	-1,672	-1,176	6,648
Translation differences	36	-14	-151	-101
Cash and cash equivalents at the end of the period	17,456	10,909	11,268	17,456
Supplementary information				
Cash flow before financing activities	19,286	2,656	12,666	29,296
Financing activities				
Dividends paid to owners	-11	-16	-6,701	-6,696
Contribution from owners of non-controlling interests (minority interests)	65	229	569	405
Cash flow after dividend	19,340	2,869	6,534	23,005
Analysis of change in net debt				
Net debt at beginning of the period	-141,089	-144,109	-144,109	-138,282
Changed calculation of net debt				
Cash flow after dividend	19,340	2,869	6,534	23,005
Changes as a result of valuation at fair value	471	915	-2,210	-2,654
Changes in interest-bearing liabilities for leasing	-741	19	114	-646
Interest-bearing liabilities/short-term investments acquired/divested	344	-	-459	-115
Changes in liabilities pertaining to acquisitions of subsidiaries, discounting effects	-110	-169	-549	-490
Interest-bearing liabilities associated with assets held for sale	-344	-	344	-
Translation differences on net debt	1,532	2,193	-754	-1,415
Net debt at the end of the period	-120,597	-138,282	-141,089	-120,597
Free cash flow	2,041	5,063	17,637	14,615

Consolidated statement of changes in equity

Amounts in SEK million	31 March 2012			31 March 2011			31 Dec. 2011		
	Attributable to owners of the Parent Company	Attributable to non-controlling interests (minority interests)	Total equity	Attributable to owners of the Parent Company	Attributable to non-controlling interests (minority interests)	Total equity	Attributable to owners of the Parent Company	Attributable to non-controlling interests (minority interests)	Total equity
Balance brought forward	131,988	6,943	138,931	126,704	6,917	133,621	126,704	6,917	133,621
Dividends paid to owners	–	-11	-11	–	-16	-16	-6,500	-201	-6,701
Group contributions from(+)/to(-) owners of non-controlling interests (minority interests), net after tax	–	–	–	–	–	–	–	358	358
Changes in ownership	–	68	68	–	228	228	-224	557	333
Cash flow hedges:									
Changes in fair value	4,334	-5	4,329	2,201	1	2,202	-4,689	14	-4,675
Dissolved against income statement	-1,593	2	-1,591	319	–	319	6,667	1	6,668
Transferred to cost of hedged item	25	5	30	-66	–	-66	213	11	224
Tax attributable to cash flow hedges	-700	–	-700	-577	–	-577	-631	-7	-638
Total cash flow hedges	2,066	2	2,068	1,877	1	1,878	1,560	19	1,579
Hedging of net investments in foreign operations	1,174	–	1,174	935	–	935	960	–	960
Tax attributable to hedging of net investments in foreign operations	-294	–	-294	-246	–	-246	-242	–	-242
Total hedging of net investments in foreign operations	880	–	880	689	–	689	718	–	718
Translation differences	-1,949	-26	-1,975	-1,927	-22	-1,949	-1,974	-40	-2,014
Translation differences and exchange rate effects net, divested companies	79	–	79	–	–	–	621	–	621
Revaluation of available-for-sale financial assets	-18	–	-18	-706	–	-706	-1,591	–	-1,591
Transferred to the income statement, available-for-sale financial assets	–	–	–	–	–	–	1,591	–	1,591
Total other comprehensive income for the period	1,058	-24	1,034	-67	-21	-88	925	-21	904
Profit for the period	13,723	132	13,855	7,117	86	7,203	11,083	-667	10,416
Total comprehensive income for the period	14,781	108	14,889	7,050	65	7,115	12,008	-688	11,320
Balance carried forward	146,769¹	7,108	153,877	133,754¹	7,194	140,948	131,988¹	6,943	138,931
1) Of which, Reserve for cash flow hedges	2,311			562			245		

Key ratios, Vattenfall Group (definitions and calculations of key ratios on pages 32–33)

In % unless otherwise stated. (x) means times	Q1 2012	Q1 2011	Full year 2011	Last 12 months
Operating margin	38.7	22.8	12.8	17.0
Operating margin ¹	23.8	23.7	17.0	16.9
Pre-tax profit margin	33.7	19.2	7.9	11.7
Pre-tax profit margin ¹	20.5	20.1	12.9	12.9
Return on equity	13.4 ²	12.6 ²	8.6	13.4
Return on net assets	9.6 ²	9.9 ²	7.1	9.6
Return on net assets ¹	9.5 ²	10.0 ²	9.8	9.5
EBIT interest cover, (x)	3.1 ²	4.7 ²	2.5	3.1
EBIT interest cover, (x) ¹	3.1 ²	4.8 ²	3.3	3.1
FFO interest cover, (x)	4.7 ²	7.0 ²	4.8	4.7
FFO interest cover, net, (x)	5.7 ²	9.0 ²	5.8	5.7
Cash flow interest cover after maintenance investments, (x)	2.6 ²	6.1 ²	3.0	2.6
FFO/gross debt	23.3 ²	23.8 ²	22.5	23.3
FFO/net debt	32.2 ²	30.7 ²	27.1	32.2
EBITDA/net financial items, (x)	12.9	11.8	6.9	7.4
EBITDA/net financial items, (x) ¹	9.0	12.2	7.6	7.4
Equity/total assets	29.2	26.2	26.5	29.2
Gross debt/equity	108.2	126.5	122.6	108.2
Net debt/equity	78.4	98.1	101.6	78.4
Gross debt/gross debt plus equity	52.0	55.9	55.1	52.0
Net debt/net debt plus equity	43.9	49.5	50.4	43.9
Net debt/EBITDA, (x)	2.0 ²	2.4 ²	2.6	2.0

1) Based on underlying operating profit, i.e., operating profit excl. items affecting comparability.

2) Last 12-month values.

Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Income statement					
Net sales	48,994	50,453	38,276	40,443	51,868
Cost of products sold	-33,756	-37,449	-29,238	-40,997	-36,808
Other operating income and expenses, net	3,730	-2,845	-4,666	-2,397	-3,463
Participations in the results of associated companies	-12	-	75	-288	245
Operating profit before depreciation and amortisation (EBITDA)	23,876	15,447	9,593	12,566	16,932
Operating profit (EBIT)	18,956	10,159	4,447	-3,239	11,842
Underlying operating profit	11,675	7,343	5,774	5,382	12,294
Financial items, net	-2,454	-2,628	-2,800	-1,590	-1,893
Financial items, net ¹	-1,843	-2,319	-2,933	-1,211	-1,430
Profit before tax	16,502	7,531	1,647	-4,829	9,949
Profit for the period	13,855	5,103	1,345	-3,235	7,203
- of which, attributable to owners of the Parent Company	13,723	5,602	1,106	-2,742	7,117
- of which, attributable to non-controlling interests (minority interests)	132	-499	239	-493	86
Balance sheet					
Non-current assets	396,640	378,443	385,438	389,453	387,991
Short-term investments	28,254	17,417	19,498	18,959	28,647
Cash and cash equivalents	17,456	11,268	11,848	20,238	10,909
Other current assets	84,153	117,430	107,704	94,540	110,201
Total assets	526,503	524,558	524,488	523,190	537,748
Equity	153,877	138,931	133,223	132,493	140,948
- of which, attributable to owners of the Parent Company	146,769	131,988	126,032	125,715	133,754
- of which, attributable to non-controlling interests (minority interests)	7,108	6,943	7,191	6,778	7,194
Hybrid capital	8,793	8,883	9,207	9,084	8,869
Other interest-bearing liabilities	157,752	161,467	166,548	172,809	169,461
Pension provisions	17,853	17,995	18,792	18,517	18,053
Other interest-bearing provisions	74,188	73,724	75,081	74,840	69,746
Deferred tax liabilities	35,732	35,406	33,877	34,395	36,526
Other noninterest-bearing liabilities	78,308	88,152	87,760	81,052	94,145
Total equity and liabilities	526,503	524,558	524,488	523,190	537,748
Net assets	275,674	284,250	284,187	281,771	285,169
Net debt	-120,597	-141,089	-143,808	-142,153	-138,282

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

Quarterly information, Vattenfall Group (cont.)

Amounts in SEK million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Cash flow					
Funds from operations (FFO)	12,717	10,120	9,855	6,125	12,156
Cash flow from changes in operating assets and operating liabilities	-8,526	-6,841	932	5,670	-4,549
Cash flow from operating activities	4,191	3,279	10,787	11,795	7,607
Cash flow from investing activities	15,095	-4,173	-7,145	-4,533	-4,951
Cash flow before financing activities	19,286	-894	3,642	7,262	2,656
Changes in short-term investments	-10,989	-956	-289	9,726	2,811
Loans raised/Amortisation of debt, net, etc.	-2,134	297	-11,047	-560	-7,123
Dividends paid to owners	-11	-3	-	-6,682	-16
Cash flow from financing activities	-13,134	-662	-11,336	2,484	-4,328
Cash flow for the period	6,152	-1,556	-7,694	9,746	-1,672
Free cash flow	2,041	-2,270	6,434	8,410	5,063

Key ratios (definitions and calculations of key ratios on pages 32–33)

In % unless otherwise stated. (x) means times

Return on equity ¹	13.4	8.6	6.3	6.6	12.6
Return on net assets ¹	9.6	7.1	5.3	5.7	9.9
Return on net assets ^{1,2}	9.5	9.0	9.6	10.1	11.3
EBIT interest cover, (x) ¹	3.1	2.5	2.9	3.0	4.7
EBIT interest cover, (x) ^{1,2}	3.1	3.1	4.7	4.7	5.3
FFO/gross debt ¹	23.3	22.5	22.6	20.3	23.8
FFO/net debt ¹	32.2	27.1	27.7	26.0	30.7
Equity/assets ratio	29.2	26.5	25.4	25.3	26.2
Gross debt/equity	108.2	122.6	131.9	137.3	126.5
Net debt/equity	78.4	101.6	107.9	107.3	98.1
Net debt/net debt plus equity	43.9	50.4	51.9	51.8	49.5
Net debt/EBITDA, (x) ¹	2.0	2.6	2.6	2.6	2.4

1) Last 12-month values.

2) Based on Underlying operating profit, i.e. Operating profit excl. items affecting comparability.

Exchange rates

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

	Q1 2012	Q1 2011	Full year 2011		31 March 2012	31 March 2011	31 Dec. 2011
Average rate				Balance sheet date rate			
EUR	8.8728	8.9140	9.0215	EUR	8.8455	8.9380	8.9400
DKK	1.1934	1.1955	1.2110	DKK	1.1889	1.1985	1.2033
NOK	1.1649	1.1358	1.1579	NOK	1.1633	1.1340	1.1505
PLN	2.1010	2.2450	2.1900	PLN	2.1303	2.2300	2.0300
GBP	10.5948	10.3544	10.3810	GBP	10.6074	10.1775	10.6800
USD	6.7119	6.5114	6.4922	USD	6.6229	6.3025	6.9200

Parent Company income statement

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011
Net sales	11,940	9,501	31,655
Cost of products sold	-6,114	-5,197	-19,037
Gross profit	5,826	4,304	12,618
Selling expenses, administrative expenses and research and development costs	-1,013	-734	-3,538
Other operating income and expenses, net	-273	-2,656	-3,136
Operating profit (EBIT)	4,540	914	5,944
Result from participations in Group companies	8,725	1,323	13,935
Result from participations in associated companies	-	-	1
Result from other shares and participations	10	-	-1,523
Group contributions received	-	-	1,921
Group contributions paid	-	-	-2,862
Other financial income	1,289	1,471	6,037
Other financial expenses	-1,498	-1,666	-7,005
Profit before appropriations and tax	13,066	2,042	16,448
Appropriations	592	4,734	3,253
Profit before tax	13,658	6,776	19,701
Income tax expense	-1,489	-1,407	-2,847
Profit for the year	12,169	5,369	16,854

Parent Company statement of comprehensive income

Amounts in SEK million	Q1 2012	Q1 2011	Full year 2011
Profit for the year	12,169	5,369	16,854
Total other comprehensive income	-	-	-
Total comprehensive income for the year	12,169	5,369	16,854

Parent Company balance sheet

Amounts in SEK million	31 mars 2012	31 mars 2011	31 dec. 2011
Assets			
Non-current assets			
Intangible assets: non-current	197	151	206
Property, plant and equipment	4,016	3,993	4,086
Shares and participations	179,335	194,118	178,670
Deferred tax assets	-	359	-
Other non-current assets	78,838	56,635	72,495
Total non-current assets	262,386	255,256	255,457
Current assets			
Inventories	323	205	360
Intangible assets: current	649	894	334
Current receivables	26,905	44,414	47,431
Current tax assets	137	-	565
Short-term investments	23,310	24,016	12,839
Cash and cash equivalents	11,873	8,109	6,265
Total current assets	63,197	77,638	67,794
Total assets	325,583	332,894	323,251
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	79,644	68,832	62,790
Profit for the year	12,169	5,369	16,854
Total equity	99,684	82,072	87,515
Untaxed reserves	9,763	8,874	10,355
Provisions	332	192	191
Non-current liabilities			
Hybrid capital	8,793	8,869	8,883
Other interest-bearing liabilities	127,173	133,869	134,972
Deferred tax liabilities	940	-	932
Other noninterest-bearing liabilities	5,873	4,335	5,864
Total non-current liabilities	142,779	147,073	150,651
Current liabilities			
Interest-bearing liabilities	46,859	56,973	50,202
Current tax liabilities	-	497	-
Other noninterest-bearing liabilities	26,166	37,213	24,337
Total current liabilities	73,025	94,683	74,539
Total equity and liabilities	325,583	332,894	323,251

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

Group

Accounting policies

The consolidated accounts for the first quarter of 2012 have, as in the year-end accounts for 2011, been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European 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 calculation methods applied in this interim report are the same as those described in Vattenfall's 2011 Annual Report (Note 2 to the consolidated accounts), with exception for the amended IFRS endorsed by the EU and described below, which is effective as of the 2012 financial year.

Amendments in IFRS 7 – *Financial Instruments: Disclosures*. The amendments require additional quantitative and qualitative disclosures when derecognising financial instruments from the balance sheet. If transferred assets are not derecognised in their entirety, this fact shall be disclosed. In the same way, if the entity has a continuing involvement in the derecognised asset, this shall also be disclosed.

New definition of Items affecting comparability

Vattenfall has previously defined Items affecting comparability as: Capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses pertaining to non-current assets, and other non-recurring items. For the first quarter of 2012, this definition has been expanded to also include unrealised changes in the fair value of energy derivatives, which according to IAS 39 cannot be recognised using hedge accounting, and unrealised changes in the fair value of inventories.

In the third quarter of 2011 Vattenfall introduced the profit measure "Underlying operating profit". For the first quarter of 2012, this profit measure is defined as operating profit (EBIT) excluding items affecting comparability.

Comparison figures and key ratios containing items affecting comparability for prior periods have been recalculated to reflect these new definitions.

Other changes in the financial statements

Information about geographical areas has been changed compared to what previously has been published. Information is now disclosed for the core markets Sweden, Germany and the Netherlands. In addition, activities in other countries are reported as a total. Comparison figures have been recalculated.

In the balance sheet a split has been made for "Derivatives with positive fair values" so that these, on the assets side of the balance sheet, have been split into current assets and non-current assets, respectively. Previously such derivatives were recognised only as current assets. Similarly, the item "Derivatives with negative fair values" has been split into current liabilities and non-current liabilities, respectively, compared with previously, when these were recognised as current liabilities in their entirety. Comparison figures have been recalculated.

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2011 Annual Report, pages 57–65. No other material changes, other than what is stated in this interim report, have taken place since publication of the 2011 Annual Report.

Other

Significant related-party transactions are described in Note 54 to the consolidated accounts in Vattenfall's 2011 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2011 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 – *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 2011 Annual Report (Note 2 to the Parent Company accounts).

First quarter 2012

A condensed income statement and balance sheet for the Parent Company are presented on page 30 of this report.

Sales amounted to SEK 11,940 million (9,501).

Profit before appropriations and tax was SEK 13,066 million (2,042). The higher profit compared with a year ago is mainly attributable to the sale of Vattenfall's electricity distribution and heat business in Finland, which generated a capital gain of SEK 10,051 million. Impairment of shares in Vattenfall Biomass Liberia AB and provisions for obligations related to this company were charged against profit in the amount of SEK 1,503 million.

The balance sheet total was SEK 325,583 million (31 December 2011: 323,251).

Investments for the period amounted to SEK 1,564 million (177). During the period, a new issue of SEK 3,000 million was carried out in the subsidiary Vattenfall Vindkraft AB. In addition, a shareholder contribution of SEK 1,450 million was repaid from the Finnish operations.

Cash and cash equivalents and short-term investments amounted to SEK 35,183 million (31 December 2011: 19,104).

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2011 Annual Report, pages 57–65. No material changes, other than what is stated in this report, have taken place since publication of the 2011 Annual Report.

Other

Significant related-party transactions are described in Note 40 to the Parent Company accounts in Vattenfall's 2011 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2011 Annual Report.

Stockholm, 3 May 2012

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 2012. Amounts in SEK million unless stated otherwise.

EBIT	=	Earnings Before Interest and Tax.
EBITDA	=	Earnings Before Interest, Tax, Depreciation and Amortisation. Also other close-down costs than impairment losses pertaining to the close-down of German nuclear power plants during 2011 are here treated as 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.
Hybrid capital	=	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 owners of non-controlling interests (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 the last 12-month period, April 2011–March 2012:

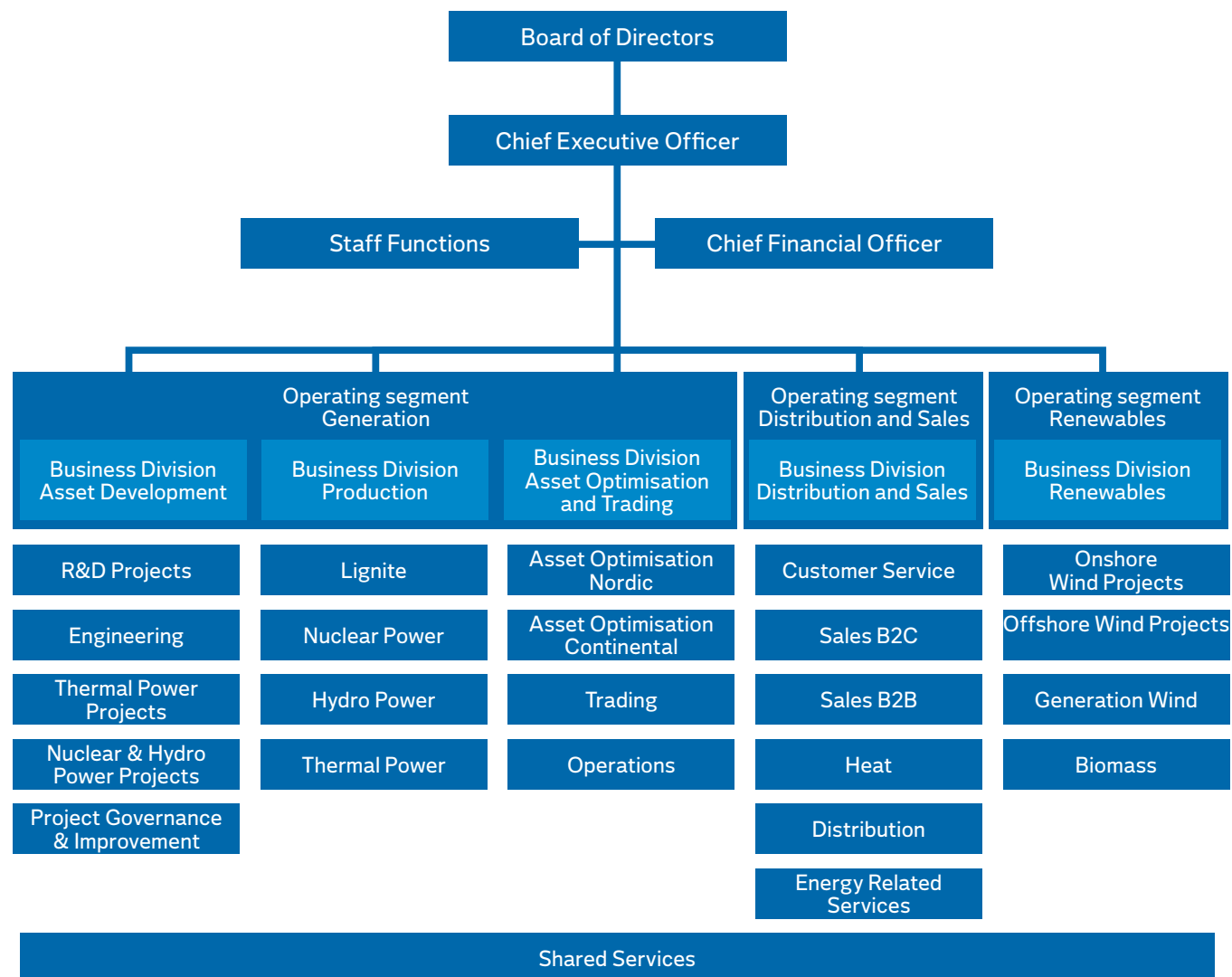
Operating margin, %	= 100 x	$\frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	$\frac{30,323}{178,166} =$	17.0
Operating margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Operating profit (EBIT) excl. items affecting comparability}}{\text{Net sales}}$	$\frac{30,174}{178,166} =$	16.9
Pre-tax profit margin, %	= 100 x	$\frac{\text{Profit before tax}}{\text{Net sales}}$	$\frac{20,851}{178,166} =$	11.7
Pre-tax profit margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}}$	$\frac{23,014}{178,166} =$	12.9
Return on equity, %	= 100 x	$\frac{\text{Profit for the period attributable to owners of the Parent Company}}{\text{Average equity for the period attributable to owners of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{17,689}{132,296} =$	13.4
Return on net assets, %	= 100 x	$\frac{\text{Operating profit (EBIT) + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{27,142}{282,657} =$	9.6
Return on net assets excl. items affecting comparability, %	= 100 x	$\frac{\text{Operating profit (EBIT) excl. items affecting comparability + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{26,993}{282,657} =$	9.5
EBIT interest cover, (x)	=	$\frac{\text{Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{32,451}{10,434} =$	3.1

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	32,302	= 3.1
	Financial expenses excl. discounting effects attributable to provisions	10,434	
FFO interest cover, (x) =	Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions	49,251	= 4.7
	Financial expenses excl. discounting effects attributable to provisions	10,434	
FFO interest cover, net, (x) =	Funds from operations (FFO) + financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	47,123	= 5.7
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,306	
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	23,998	= 2.6
	Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	9,383	
FFO/gross debt, % = 100 x	Funds from operations (FFO)	38,817	= 23.3
	Interest-bearing liabilities	166,545	
FFO/net debt, % = 100 x	Funds from operations (FFO)	38,817	= 32.2
	Net debt	120,597	
EBITDA/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA)	61,432	= 7.4
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,306	
EBITDA excl. items affecting comparability/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA) excl. items affecting comparability	61,283	= 7.4
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	8,306	

Key ratios based on the balance sheet as per 31 March 2012:

Equity/total assets, % = 100 x	Equity	153,877	= 29.2
	Balance sheet total	526,503	
Gross debt/equity, % = 100 x	Interest-bearing liabilities	166,545	= 108.2
	Equity	153,877	
Net debt/equity, % = 100 x	Net debt	120,597	= 78.4
	Equity	153,877	
Gross debt/gross debt plus equity, % = 100 x	Interest-bearing liabilities	166,545	= 52.0
	Interest-bearing liabilities + equity	320,422	
Net debt/net debt plus equity, % = 100 x	Net debt	120,597	= 43.9
	Net debt + equity	274,474	
Net debt/EBITDA, (x) =	Net debt	120,597	= 2.0
	Operating profit before depreciation and amortisation (EBITDA)	61,432	

Vattenfall's organisational structure 2012





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