



INTERIM REPORT JANUARY–MARCH 2009

# 1/09

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- Operating profit rose 12.6% to SEK 12,860 million (11,426)
- Profit for the period (after tax) increased by 12.6% to SEK 8,091 million (7,184)

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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 2008, unless indicated otherwise.

Cover photo: A scene from the steel industry.

## Financial calendar

Interim report January—March  
29 April 2009

Interim report January—June  
30 July 2009

Interim report January—September  
27 October 2009

Year-end report 2009  
10 February 2010

## 2009 Annual General Meeting

29 April 2009, in Stockholm

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# STRONG EARNINGS FOR THE FIRST QUARTER

- Net sales rose 15.7% to SEK 52,528 million (45,404).
- Operating profit rose 12.6% to SEK 12,860 million (11,426).
- Profit for the period (after tax) increased by 12.6% to SEK 8,091 million (7,184).

## Uncertain market situation

The global economy is in the midst of a deep crisis that is without precedent. The bottom has yet to be reached, and it is impossible to predict how long the downturn will last. For Vattenfall's part, we are feeling the effects of the economic crisis through the sharp drop in the price of electricity as well as reduced demand for electricity caused by a decline in activity by electricity-intensive industries. The price of electricity is the factor that has the single greatest bearing on Vattenfall's earnings. The financial crisis and subsequent recession have led to considerably lower prices for primary energy (oil, coal and natural gas) and CO<sub>2</sub> emission allowances, and this – together with the weakening in demand – has pushed down electricity prices. On account of price hedging conducted in previous years, the lower electricity prices did not have a major negative impact on Vattenfall's earnings for the first quarter. However, in the coming quarters we expect to see weaker earnings due to the low electricity prices. The market situation is characterised by greater uncertainty and risk than any we have yet experienced. It is therefore extremely important that we maintain strong financial discipline, focus on cash flow and take advantage of every opportunity to release tied-up capital. In our investment projects we are scrutinising the use of resources and investment capital, and we are generally exercising greater control over our investment programmes.

## Acquisition of Nuon

The difficult economic situation has also created opportunities for financially strong companies to advance their positions – something that Vattenfall has taken advantage of. A clear example is Vattenfall's bid for Nuon, the second-largest energy company in the Netherlands. Following a relatively short bid process, Vattenfall and Nuon jointly announced that Vattenfall had made an all cash offer of EUR 8.5 billion enterprise value for 100% of the shares in N.V. Nuon Energy. Nuon's grid company Alliander is not included in the transaction and will be unbundled prior to the transfer of the shares. The parties have agreed that Vattenfall will initially acquire 49% of the shares. The remaining 51% of the shares will be acquired in the coming six years under fixed terms. Following the initial acquisition of 49%, Vattenfall will have operational control over Nuon. Vattenfall's bid has been met with highly positive reactions in the Netherlands – from the media and politicians as well as from Nuon's employees. In connection with the announcement of the bid, the rating agencies Moody's and Standard & Poor's affirmed Vattenfall's credit ratings. The transaction is subject to the approval of at least 80% of Nuon's shareholders as well as competition clearance by the European Commission. Vattenfall and Nuon expect to complete the transaction at mid-year 2009.



## Successful bond issues

To secure financing of the payment of approximately EUR 5 billion for the first 49% of the shares at mid-year 2009, agreements for a credit facility were reached with nine major relationship banks. The facility is structured so as to give Vattenfall an incentive to replace it with other

borrowing. As this is being written, most of the purchase price had already been financed through long-term bond issues in the international credit markets. On 5 March Vattenfall issued a triple tranche benchmark bond in the euro market totalling EUR 2.7 billion, with maturities of four, seven and twelve years. On 1 April a dual-tranche Sterling bond totalling GBP 1.35 billion across 10- and 30-year maturities was issued. All of the bonds met strong demand from investors and were oversubscribed several times over. The Sterling bond was Vattenfall's first issue ever in the UK market, and through it we have further expanded our investor base and enhanced our flexibility in the credit markets.

### **Strong first quarter earnings**

Consolidated net sales rose 15.7% to SEK 52,528 million (45,404). Excluding currency effects of approximately SEK 4,800 million, the increase was 5.2%. Operating profit rose 12.6% to SEK 12,860 million (11,426). Excluding currency effects of approximately SEK 930 million, the increase was 4.4%. On a full-year basis, roughly 75% of the Group's operating income is in foreign currency, of which 64% in euros (EUR).

The improved operating profit is mainly attributable to higher prices achieved for hedged electricity generation. Against the background of the economic crisis and the weaker market situation, plus the fact that two of our nuclear power plants are still off line, I am satisfied with our earnings.

Profit for the period (after tax) improved by 12.6% to SEK 8,091 million (7,184). Return on equity was 13.9%, and the return on net assets was 14.9% – both calculated on a last twelve-month basis. Vattenfall's requirements for these key ratios are 15% and 11%, respectively. The FFO cash flow interest coverage ratio after maintenance investments was 4.5 on a last twelve-month basis, compared with

the target interval of 3.5–4.5. Net debt decreased during the first quarter by SEK 5,429 million to SEK 60,571 million, compared with SEK 66,000 million as per 31 December 2008.

### **New Group organisation**

Starting with this year the Vattenfall Group has a new organisational structure, and starting with this interim report, we are reporting and commenting on Vattenfall's sales and earnings according to five operating segments. A third Business Group, Pan-European, has been established, comprising three new Group-wide business units: Wind, Nuclear and Engineering. Business Group Pan-European is also responsible for European business development with focus on efficiency energy use and biomass. For more information on the operating segments, see pages 12–15 and page 18. Comparison figures for 2008 have been restated according to the new structure.

### **Electricity prices**

Average spot prices on the Nordic electricity exchange, Nord Pool, were virtually unchanged compared with the first quarter of 2008: EUR 38.23/MWh (38.05). On the European Energy Exchange (EEX) in Germany, electricity spot prices (base load) were 16% lower: EUR 47.36/MWh (56.21). Lower prices above all for CO<sub>2</sub> emission allowances have led to lower electricity prices, which were held back in the Nordic countries by a weak hydrological balance. For more information about the price trend, see pages 10–11.

### **Electricity generation and heat**

Vattenfall's total electricity generation decreased by 2.6% to 45.2 TWh (46.4). Hydro power generation decreased by 10.4%, nuclear power generation decreased by 5.5%, fossil-based power increased by 5.1%, and wind power and

biomass-based generation amounted to 0.7 TWh (0.9). Heat increased by 1.7 TWh, or 12.1%, to 15.8 TWh (14.1). For more information, see page 9.

### **Vattenfall welcomes energy agreement in Sweden**

Vattenfall welcomes the agreement on a long-term and sustainable energy and climate policy that was announced by the Swedish government in early February. The agreement establishes clear guidelines for investments in renewable energy in Sweden and also entails a lifting of the ban against new nuclear power. We welcome the fact that the energy policy is being aimed more toward achieving clear goals and is more neutral with respect to which technology is needed to do this. Vattenfall will make its contribution by achieving the ambitious goals for climate policy and renewable energy generation, which is in line with Vattenfall's strategy. We are interested in building new nuclear power provided that demand exists and it is profitable. We can now begin looking at and evaluating the alternatives. We are also investing in maintenance and modernisation of existing plants, which will continue to be competitive for a long time into the future.

Lars G. Josefsson  
President and CEO

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

Amounts in SEK million unless otherwise stated	Q12009	Q12008	Change %	Last 12 months
Net sales	52,528	45,404	15.7	171,673
Operating profit before depreciation and amortisation (EBITDA)	17,149	15,203	12.8	47,906
<b>Operating profit (EBIT)</b>	<b>12,860</b>	<b>11,426</b>	<b>12.6</b>	<b>31,329</b>
<b>Operating profit excl. items affecting comparability</b>	<b>12,851</b>	<b>11,357</b>	<b>13.2</b>	<b>31,291</b>
Financial items, net	-2,103	-1,358	-54.9	-7,142
<b>Profit before tax</b>	<b>10,757</b>	<b>10,068</b>	<b>6.8</b>	<b>24,187</b>
<b>Profit for the period</b>	<b>8,091</b>	<b>7,184</b>	<b>12.6</b>	<b>18,670</b>
– of which, attributable to owners of the Parent Company	7,751	6,809	13.8	18,037
– of which, attributable to minority interests	340	375	-9.3	633
Return on equity, %	13.9 <sup>1</sup>	17.0 <sup>1</sup>	–	13.9
Return on net assets, %	14.9 <sup>1</sup>	16.2 <sup>1</sup>	–	14.9
Funds from operations (FFO)	18,760	11,828	58.6	37,667
<b>Cash flow before financing activities</b>	<b>4,582</b>	<b>4,324</b>	<b>6.0</b>	<b>-4,821</b>
Free cash flow	8,455	5,027	68.2	22,391
Cash and cash equivalents plus short-term investments	84,097	30,582	175.0	
Balance sheet total	499,893	350,346	42.7	
<b>Equity incl. minority interests</b>	<b>150,485</b>	<b>132,822</b>	<b>13.3</b>	
Capital Securities	10,856	9,267	17.1	
Other interest-bearing liabilities	135,267	61,815	118.8	
<b>Net debt</b>	<b>60,571</b>	<b>39,545</b>	<b>53.2</b>	
<b>Net debt/Operating profit before depreciation and amortisation (EBITDA), times</b>	<b>1.3<sup>1</sup></b>	<b>0.9<sup>1</sup></b>	<b>–</b>	

1) Last 12-month values.

Vattenfall's earnings vary sharply during the year. Normally most of annual profit is generated during the first and fourth quarters, when demand for electricity and heat is at its highest.

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

## Sales, profit and cash flow

Amounts in SEK million	Q1 2009	Q1 2008	Change %
<b>Net sales</b>	<b>52,528</b>	<b>45,404</b>	<b>15.7</b>

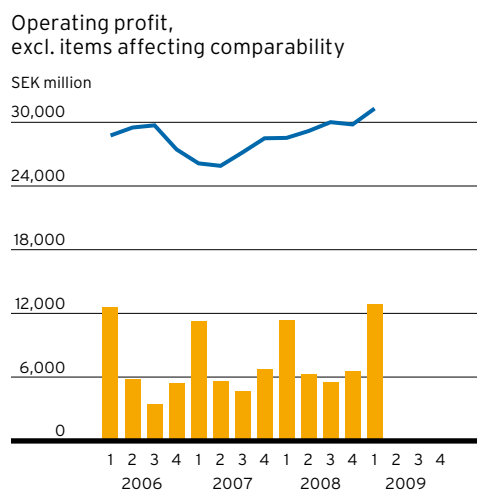
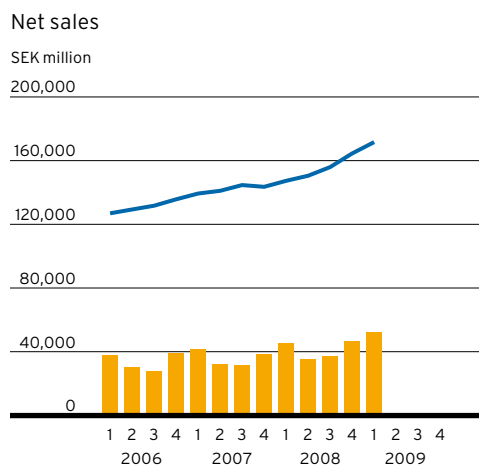
**Comment:** Adjusted for intra-Group transactions, net sales for Business Group Central Europe increased by SEK 4.2 billion, of which SEK 3.6 billion pertains to the German operations. Sales increased by SEK 1.6 billion for Business Group Nordic, by SEK 0.2 billion for Business Group Pan-European, and by SEK 1.4 billion for Supply & Trading. Net sales for the segment Other decreased by SEK 0.3 billion. Of the increase in sales, totalling SEK 7.1 billion, approximately SEK 4.8 billion is attributable to currency effects. For further information on the various operating segments, see pages 12–15 and page 18.

Amounts in SEK million	Q1 2009	Q1 2008	Change %
<b>Cost of products sold</b>	<b>36,682</b>	<b>31,269</b>	<b>17.3</b>

**Comment:** The cost increase is attributable to – among other things – higher fuel costs (SEK 2.2 billion) in both Business Group Nordic and Business Group Central Europe (mainly in the German operations). Costs for operations and maintenance increased by SEK 1.3 billion.

Amounts in SEK million	Q1 2009	Q1 2008	Change %
<b>Operating profit (EBIT)</b>	<b>12,860</b>	<b>11,426</b>	<b>12.6</b>
<b>Operating profit (EBIT) excl. items affecting comparability</b>	<b>12,851</b>	<b>11,357</b>	<b>13.2</b>

**Comment:** The improvement in operating profit is mainly attributable to the Mining & Generation business unit of Business Group Central Europe (SEK 1.9 billion). Supply & Trading and Business Group Nordic also showed improvements in operating profit. Business Group Pan European and the operating segment Other reported a decline. Of the total improvement in operating profit, approximately SEK 930 million is attributable to currency effects. For further information on the various operating segments, see pages 12–15 and page 18.



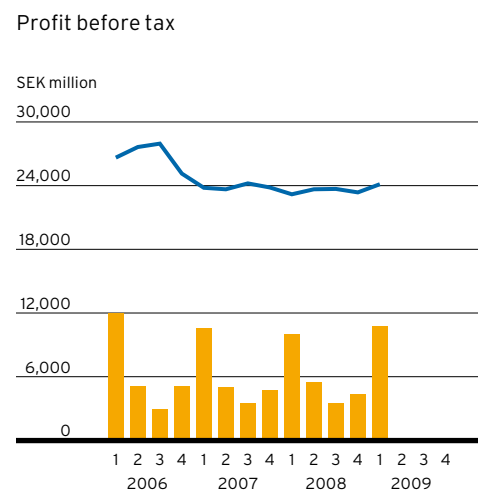
Amounts in SEK million	Q1 2009	Q1 2008	Change %
<b>Cash flow from operating activities</b>	<b>11,528</b>	<b>9,021</b>	<b>27.8</b>
<b>Free cash flow<sup>1</sup></b>	<b>8,455</b>	<b>5,027</b>	<b>68.2</b>
<b>Cash flow before financing activities</b>	<b>4,582</b>	<b>4,324</b>	<b>6.0</b>

1) Cash flow from operating activities less maintenance investments.

**Comment:** Cash flow from operating activities improved by SEK 2.5 billion. Funds from operations (FFO) increased by SEK 6.9 billion, while working capital deteriorated by SEK 4.4 billion. The increase in FFO is attributable to a positive change in paid tax, by approximately SEK 2.5 billion, “Other adjustment items”, totalling SEK 3.2 billion, improved profit before tax and higher depreciation and amortisation. The deterioration in working capital is attributable in part to currency hedges on Vattenfall’s net investments in foreign operations. Prolongations of currency forward contracts generated outgoing payments of approximately SEK 2.7 billion during the first quarter, mainly due to the weakening of the Swedish krona against the euro. The aim of these hedges is to avoid major fluctuations in Vattenfall’s equity. Another reason for the deterioration in working capital is the change in operating liabilities by approximately SEK 2.1 billion. Cash flow before financing activities improved only marginally since investments increased by SEK 2.2 billion.

Amounts in SEK million	Q1 2009	Q1 2008	Change %
<b>Net financial items</b>	<b>-2,103</b>	<b>-1,358</b>	<b>-54.9</b>
<b>Interest income from financial investments</b>	<b>317</b>	<b>395</b>	<b>-19.7</b>
<b>Interest expenses from loans</b>	<b>-1,343</b>	<b>-759</b>	<b>-76.9</b>
<b>Interest received</b>	<b>303</b>	<b>473</b>	<b>-35.9</b>
<b>Interest paid</b>	<b>-1,225</b>	<b>-822</b>	<b>-49.0</b>

**Comment:** The deterioration of financial items pertains primarily to a higher interest expense from loans, which is attributable to a higher level of debt and higher interest rates. Average monthly net interest expense amounted to SEK -344 million (-121).



■ Last 12-month values  
■ Quarterly values

## Financial position

Amounts in SEK million	31 March 2009	31 March 2008	Change,%
Cash and cash equivalents plus short-term investments	84,097	30,582	175.0
Committed credit facilities (unutilised)	15,472	9,492	63.0
Other credit facilities (unutilised)	11,930	11,831	0.8

**Comment:** The sharp increase in Cash, cash equivalents and similar assets as well as in short-term investments is attributable to the prefunding of the planned acquisition of Nuon. Committed credit facilities consist of a EUR 1 billion Revolving Credit Facility that expires on 23 February 2013, a 364-day bilateral credit line of EUR 400 million that expires in April 2009, and a SEK 100 million bank overdraft facility that expires in December 2009.

Vattenfall's target for short-term liquidity is always to have no less than 10% of the Group's sales and at least the equivalent of the next 90 days' maturities in the form of liquid assets or committed credit facilities.

Net debt	60,571 <sup>1</sup>	39,545	53.2
Interest bearing liabilities	146,123	71,082	105.6
Duration, years <sup>2</sup>	3.1 <sup>1</sup>	2.9	6.9
Average time to maturity, years <sup>2</sup>	6.8 <sup>1</sup>	6.7	1.5

1) Excl. SEK 10, 856 million in Capital Securities, net debt amounts to SEK 49,715 million, the duration is 2.9 years, and the average time to maturity is 6.9 years.

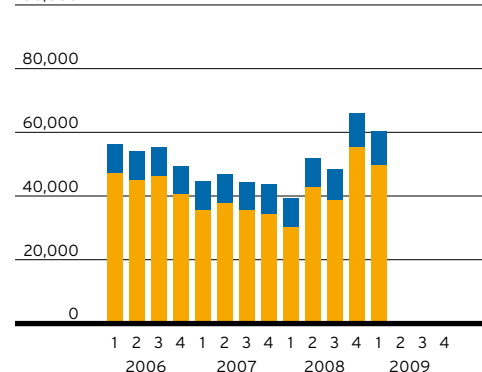
2) Excluding loans from associated companies and minority owners.

**Comment:** Compared with 31 March 2008, net debt increased by SEK 21,026 million. The increase is mainly a result of increased borrowings due to the substantially higher level of investments, including Vattenfall's acquisitions in Poland and the UK. Total interest-bearing liabilities increased by SEK 75,041 million.

Compared with 31 December 2008, net debt decreased by SEK 5,429 million, and interest-bearing liabilities (gross debt) increased by SEK 38,775 million. Most of the increase in gross debt is attributable to prefunding for the planned acquisition of Nuon.

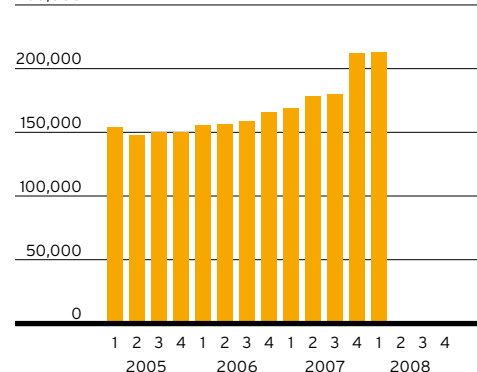
### Net debt

SEK million  
100,000



### Net assets

SEK million  
250,000



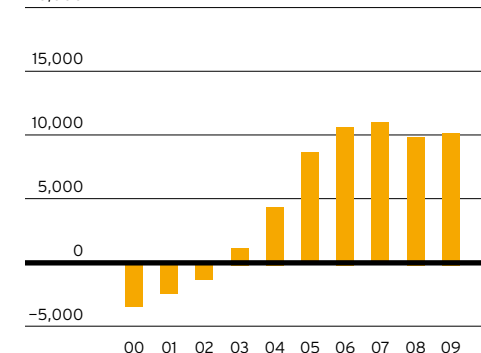
Amounts in SEK million	31 March 2009	31 March 2008	Change,%
Equity attributable to Owners of the Parent Company	139,577	120,035	16.3
Minority interests	10,908	12,787	-14.7
<b>Total</b>	<b>150,485</b>	<b>132,822</b>	<b>13.3</b>

**Comment:** Changes in equity are specified on page 23.

## Value creation

Difference between achieved results and the Group's required rate of return – 11% return on net assets (last 12 months)

SEK million  
20,000



■ Quarterly values  
■ Capital Securities

## Investments

Amounts in SEK million	Q1 2009	Q1 2008	Change %
Maintenance investments	3,073	3,994	-23.1
Growth investments	3,935	1,033	280.9
– of which, shares	194	70	177.1
<b>Total investments</b>	<b>7,008</b>	<b>5,027</b>	<b>39.4</b>

**Comment:** The increase in growth investments consist primarily of investments in the two coal-fired power plants in Germany, Moorburg and Boxberg, and in the newly started construction of the Thanet wind farm in the UK.

### Capex programme 2009–2013

As a consequence of Vattenfall's bid for the Dutch company Nuon, a reprioritisation was made of the capex programme for 2009–2013, from SEK 202 billion previously, to SEK 191 billion. However, compared with the five-year period 2008–2012, when the capex programme amounted to SEK 173 billion, this entails an increase of SEK 18 billion. The expanded capex programme is mainly attributable to higher investment costs in all markets as well as new CO<sub>2</sub> emission-related investments and greater investments in renewable energy. The investment sum for the electricity network operations has decreased, mainly due to the fact that Vattenfall plans to divest its German high-voltage transmission grid. No decision on the divestment has been made yet.

## Employees

Full-time equivalents	Q1 2009	Q1 2008	Change %
Business Group Nordic	5,629	5,626	–
Business Group Central Europe	21,291	21,142	0.7
Business Group Pan-European	5,279	4,837	9.1
Supply & Trading	233	203	14.8
Other	697	702	-0.7
<b>Total</b>	<b>33,129</b>	<b>32,510</b>	<b>1.9</b>

## Electricity balance (TWh)

	Q1 2009	Q1 2008	Change %	Full year 2008
<b>Internal generation and electricity input</b>				
Hydro power	10.3	11.5	-10.4	39.5
Nuclear power	13.7	14.5	-5.5	46.2
Fossil-based power	20.5	19.5	5.1	75.1
Wind power	0.4	0.6	-33.3	1.6
Biomass	0.3	0.3	0.0	0.6
Waste	0.1	0.0	-	0.2
<b>Total internal generation</b>	<b>45.2</b>	<b>46.4</b>	<b>-2.6</b>	<b>163.1</b>
Purchased power	15.2	16.5	-7.9	52.8
Spot market	0.5	0.1	-	1.2
<b>Total electricity input</b>	<b>60.9</b>	<b>63.0</b>	<b>-3.3</b>	<b>217.1</b>
Consumption within the Group	2.9	3.6	-19.4	11.2
<b>Total</b>	<b>58.0</b>	<b>59.4</b>	<b>-2.4</b>	<b>205.9</b>
<b>Sales</b>				
Nordic countries	14.9	15.6	-4.5	55.7
Germany and Poland	24.8	27.9	-11.1	98.2
Other countries	1.5	1.2	25.0	4.1
Spot market	12.0	9.6	25.0	31.4
<b>Total electricity sales</b>	<b>53.2</b>	<b>54.2</b>	<b>-1.8</b>	<b>189.3</b>
Delivery to minority owners	4.6	4.9	-6.1	15.7
Other	0.2	0.2	0.0	0.9
<b>Total</b>	<b>58.0</b>	<b>59.4</b>	<b>-2.4</b>	<b>205.9</b>
<b>Heat sales (TWh)</b>				
Business Group Nordic	4.5	4.1	9.8	10.4
Business Group Central Europe	11.2	10.0	12.0	25.3
<b>Total</b>	<b>15.8</b>	<b>14.1</b>	<b>12.1</b>	<b>35.6</b>

Rounding differences of 0.1 TWh exist for some items.

## Electricity generation

Total electricity generation decreased by 2.6%, mainly due to a decrease in hydro and nuclear power generation, which was only partly compensated by increased generation based on fossil fuels and waste. The decrease in nuclear generation is attributable to the Nordic countries. The Brunsbüttel nuclear power plant in Germany is still off line, which was also the case during the first quarter of 2008. 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 decreased by 0.2 TWh to 0.4 TWh.

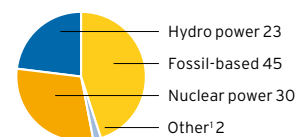
## Electricity sales

Total electricity sales decreased by 1.8% to 53.2 TWh (54.2). The decrease in sales to customers in Germany was largely compensated by higher sales to the European Energy Exchange in Germany, which accounts for most of the increase in sales to the spot market. Deliveries to minority owners decreased slightly due to lower nuclear power generation.

## Heat sales

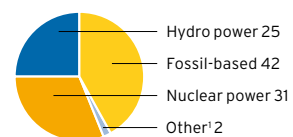
Sales of heat increased by approximately 12%, which is mainly attributable to the Nordic countries, Germany and Poland due to lower temperatures in all regions than during the same period in 2008.

Electricity generation, Q1 2009, %



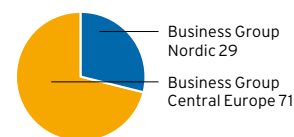
1) Wind power, biomass and waste.

Electricity generation, Q1 2008, %

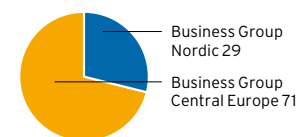


1) Wind power, biomass and waste.

Heat sales, Q1 2009, %

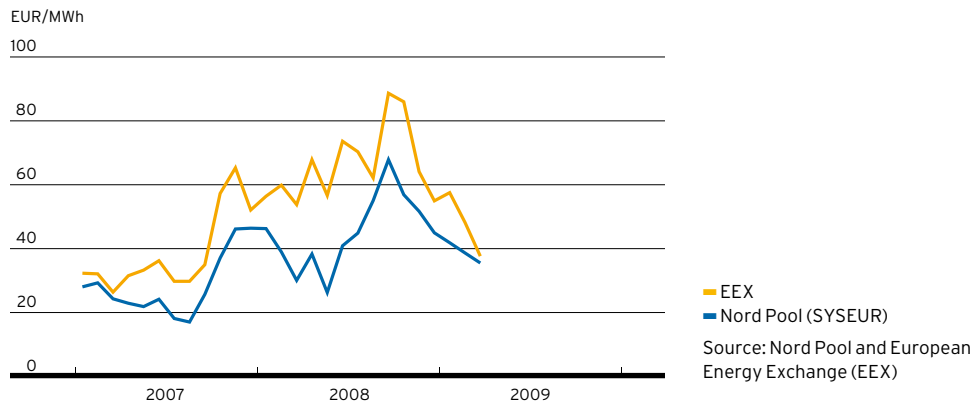


Heat sales, Q1 2008, %



## Wholesale price trend

German and Nordic electricity spot prices, monthly averages



### Electricity spot prices in the Nordic countries and Germany

Average spot prices (EURSYS base load) on the Nordic electricity exchange, Nord Pool, were virtually unchanged during the first quarter of 2009 compared with the corresponding period a year earlier – EUR 38.23/MWh, compared with EUR 38.05/MWh. The price-lowering effect of lower commodity prices was offset by a deficit in the hydrological balance (8.8 TWh compared with a surplus of 16.7 TWh during the same period a year ago).

Average spot prices (base load) on the European Energy Exchange (EEX) in Germany were 16% lower during the first quarter of 2009 compared with the same period a year ago – EUR 47.36/MWh, compared with EUR 56.21/MWh. Similarly, the corresponding peak load prices were 16% lower – EUR 60.87/MWh (EUR 72.23/MWh). The price decline is mainly attributable to lower commodity prices.

German and Nordic futures prices

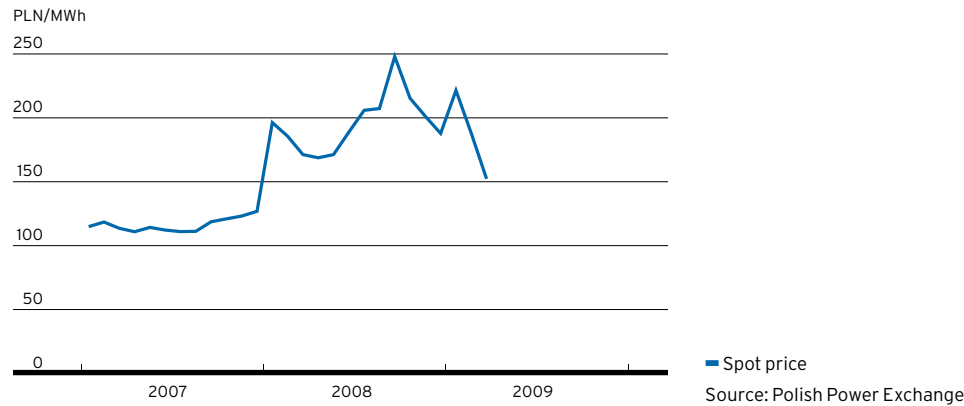


### Electricity futures prices in the Nordic countries and Germany

Due to lower prices for CO<sub>2</sub> emission allowances, Nordic futures prices fell during the first quarter of 2009. The closing price for the 2010 and 2011 contracts was EUR 33.35/MWh and EUR 34.70/MWh, respectively, on 31 March 2009, compared with EUR 37.90/MWh and EUR 38.10/MWh, respectively, on 30 December 2008.

Futures prices for the German yearly contracts for 2010 and 2011 also fell compared with the end of December 2008. On 31 March the closing price for the 2010 contract was EUR 48.35/MWh (EUR 58.02/MWh), while the 2011 contract closed at EUR 52.14/MWh (EUR 59.95/MWh). As in the Nordic market, the price decline for the forward contracts is attributable to lower prices for CO<sub>2</sub> emission allowances.

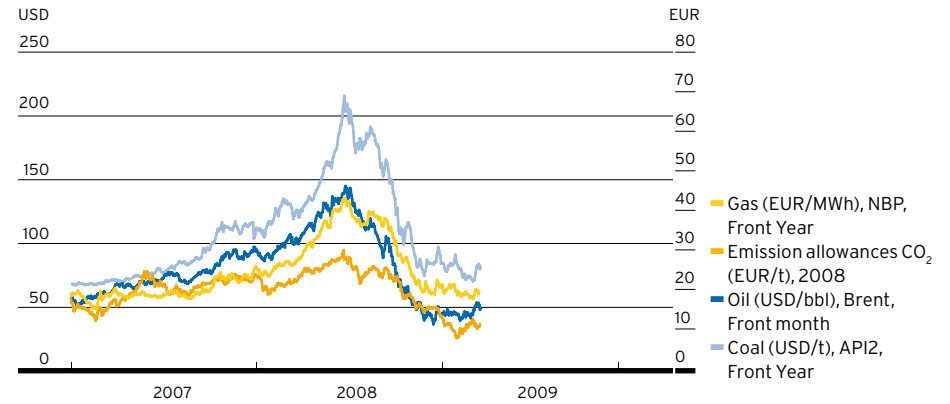
Polish electricity spot prices 2007–2009, monthly averages



### Electricity spot prices in Poland

Average spot prices (base load) on the Polish electricity exchange were virtually unchanged during the first quarter of 2009 compared with the same period a year ago – PLN 185.64/MWh (PLN 183.24/MWh). However, average peak load prices fell by 7% to PLN 215.23/MWh (PLN 232.26/MWh). The falling demand for electricity due to the global financial crisis was only partly compensated by higher demand caused by low temperatures during the first quarter.

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



### Price trend for oil, coal, gas and CO<sub>2</sub> emission allowances

Prices of coal, oil and natural gas stabilised during the first quarter of 2009 following a decline at the end of 2008 and were thus relatively unchanged during the quarter. However, the price of CO<sub>2</sub> emission allowances fell during the first quarter compared with the fourth quarter of 2008, even though a slight recovery could be seen in March. Compared with the corresponding period a year ago, all commodity prices fell sharply, especially prices of oil and CO<sub>2</sub> emission allowances, which fell by 50% in one year's time.

## The Group's operating segments

### Business Group Nordic

Amounts in SEK million	Q1 2009	Q1 2008	Change,%	Full year 2008	Last 12 months
Net sales	13,086	11,817	10.7	38,408	39,677
External net sales <sup>1</sup>	14,926	13,359	11.7	48,417	49,984
Operating profit (EBIT)	4,330	4,170	3.8	11,461	11,621
Operating profit (EBIT) excl. Items affecting comparability	4,318	4,171	3.5	11,469	11,616
Heat sales (TWh)	4.5	4.1	9.8	10.4	10.8
Electricity generation (TWh)	12.2 <sup>2</sup>	12.7 <sup>2</sup>	-3.9	43.1	42.6
– of which, hydro power	9.7	10.7	-9.3	36.5	35.5
– of which, fossil-based power	2.2	1.7	29.4	6.1	6.6
– of which, biomass	0.2	0.2	-	0.5	0.5
Transited volume	23.0	23.3	-1.3	79.8	79.5

1) Excluding intra-Group transactions.

2) Of electricity generation, Vattenfall disposes over 11.7 TWh (12.0), while the rest goes to the minority part-owners or is deducted as replacement power.

Business Group Nordic comprises Vattenfall's operations in Sweden, Finland and Denmark. The following business units are included in the segment: Generation, Distribution, Sales, Heat and Services. Electricity generation is primarily based on hydro power. As from 1 January 2009, wind power and nuclear power are reported under Business Group Pan-European. Comparison figures for 2008 have been restated according to the new segmental structure. Based on these figures, Business Group Nordic accounted for 29% of consolidated external net sales and 38% of consolidated operating profit for the full-year 2008. Hans von Uthmann is Head of Business Group Nordic.

#### External net sales

The increase in external net sales is mainly attributable to higher prices received for hedged electricity generation volumes.

#### Operating profit

The improvement in operating profit by SEK 160 million, net, is attributable to a significant improvement for the Distribution business unit, mainly stemming from higher tariffs and a favourable currency effect from the Finnish operations. The Sales business unit showed a decline in operating profit, mainly due to a lower gross margin in all customer segments. The Services business unit along with the service units in the Nordic countries reported a decline in operating profit. The Generation and Heat business units showed marginal improvements in operating profit.

#### Electricity generation and sales of heat

Electricity generation decreased by 3.9% to 12.2 TWh (12.7). The decrease in hydro power generation, which was largely due to a weak hydrological balance, was partly compensated by a slightly higher level of fossil-based generation in Denmark. Biomass-based generation was unchanged compared with a year ago. Sales of heat rose as a result of lower temperatures during the first quarter of 2009.

#### Highlights

- The number of electricity customers continued to rise. The total number of retail customers increased by more than 114,000, of whom 82,000 consisted of customers of the previously part-owned electricity trading company Plusenergi AB who chose Vattenfall as their new electricity supplier.
- Vattenfall began construction of a combined heat and power (CHP) plant adjacent to an existing heat plant in Jordbro, Sweden, with the start of operations scheduled to take place in 2010. The new CHP plant will generate both electricity and heat from 100% biomass, with a capacity of 43 MW district heating and 20 MW electricity. District heat is already produced by the plant in Jordbro solely from biomass, however, the new CHP plant will make the choice of fuels more flexible.

## Business Group Central Europe

Amounts in SEK million	Q1 2009	Q1 2008	Change,%	Full year 2008	Last 12 months
Net sales	45,237	38,120	18.7	140,956	148,073
External net sales <sup>1</sup>	31,373	27,174	15.5	97,883	102,082
Operating profit (EBIT)	7,245	5,303	36.6	16,872	18,814
Operating profit (EBIT) excl. Items affecting comparability	7,234	5,234	38.2	16,774	18,774
<b>Heat sales (TWh)</b>	<b>11.2</b>	<b>10.0</b>	<b>12.0</b>	<b>25.3</b>	<b>26.5</b>
<b>Electricity generation (TWh)</b>	<b>19.0<sup>2</sup></b>	<b>18.7<sup>2</sup></b>	<b>1.6</b>	<b>72.3</b>	<b>72.6</b>
– of which, fossil-based power	18.3	17.8	2.8	69.0	69.5
– of which, hydro power	0.6	0.8	–25.0	3.0	2.8
– of which, biomass	0.0	0.0	–	0.2	0.2
– of which, waste	0.1	0.0	–	0.2	0.3
Transited volume	10.8	11.1	–3.2	43.1	42.7

1) Excluding intra-Group transactions.

2) Of electricity generation, Vattenfall disposes over 19.0 TWh (18.7), while the rest goes to the minority part-owners.

Business Group Central Europe comprises Vattenfall's operations in Germany and Poland. The segment consists of the following business units: Mining & Generation, Transmission, Distribution Germany, Sales Germany, Heat Germany, Distribution Poland, Sales Poland and Heat Poland. As from 1 January 2009, wind power and nuclear power are reported under Business Group Pan-European. Comparison figures for 2008 have been restated according to the new segmental structure. Based on these figures, Business Group Central Europe accounted for 60% of consolidated external net sales and 56% of consolidated operating profit for the full-year 2008.

Tuomo Hatakka is Head of Business Group Central Europe.

### External net sales

The increase in external net sales is mainly attributable to currency effects in the German operations (approx. SEK 4 billion).

### Operating profit

Of the increase in operating profit, totalling SEK 1,942 million, the German business units accounted for SEK 1,792 million, of which SEK 935 million owing to currency effects. The improvement is mainly attributable to the Mining & Generation business unit, which reported an increase in profit due to higher electricity prices achieved and higher availability of coal power. The Transmission business unit also showed an improvement in operating profit as a result of higher tariffs.

The Heat Germany business unit posted a decline in operating profit, mainly due to higher fuel costs.

Operating profit for the Polish operations improved by a total of SEK 150 million. Currency effects had a negative impact on operating profit, by SEK 57 million. Operating profit for the Heat Poland business unit improved as a result of higher electricity prices, despite higher fuel prices.

### Electricity generation and sales of heat

Electricity generation increased by 0.3 TWh to 19.0 TWh (18.7). The increase is mainly attributable to greater fossil-based generation in Germany due to higher availability at the coal-fired plants. Hydro power generation decreased marginally to 0.6 TWh (0.8). Sales of heat rose 12% due to lower temperatures.

### Highlights

- Vattenfall and BMW continued their co-operation surrounding electric cars in the project "MINI E Berlin powered by Vattenfall". The first charging station was inaugurated in February in Berlin-Treptow, with additional stations set to open during the year.
- At the end of March the German network regulator approved a 14% increase in Vattenfall's transmission tariffs, effective January 2009. The increase was motivated by, among other things, a greater investment need for the supply of renewable energy to the grid, such as from new offshore wind farms.
- Together with Daimler, Shell and TOTAL, Vattenfall started a project in Hamburg with the goal of establishing a climate-neutral vehicle fleet. At the same time, the network of filling stations for vehicles powered with hydrogen gas is being expanded. The project is part of the Clean Energy partnership in Hamburg and Berlin.

## Business Group Pan-European

Amounts in SEK million	Q12009	Q12008	Change,%	Full year 2008	Last 12 months
Net sales	5,783	5,595	3.4	20,407	20,595
External net sales <sup>1</sup>	1,815	1,594	13.9	7,614	7,835
Operating profit (EBIT)	1,520	1,820	-16.5	3,567	3,267
Operating profit (EBIT) excl. Items affecting comparability	1,520	1,819	-16.4	3,559	3,260
<b>Electricity generation (TWh)</b>	<b>14.0<sup>2</sup></b>	<b>15.1<sup>2</sup></b>	<b>-7.3</b>	<b>47.7</b>	<b>46.6</b>
- of which, nuclear power	13.7	14.5	-5.5	46.2	45.4
- of which, wind power	0.4	0.6	-33.3	1.6	1.4

1) Excluding intra-Group transactions.

2) Of electricity generation, Vattenfall disposes over 9.7 TWh (10.5), while the rest goes to the minority part-owners.

Business Group Pan-European comprises three Group-wide business units: Wind, Nuclear and Engineering. Business Group Pan-European is also responsible for the European Business Development unit, focusing on efficient use of energy and biomass. Based on comparison figures for 2008 (pro forma), Business Group Pan-European accounted for 12% of consolidated operating profit for the full-year 2008.

Hélène Biström is Head of Business Group Pan-European.

### External net sales

The increase in external net sales is mainly attributable to the Nuclear business unit.

### Operating profit

The decrease in operating profit is mainly attributable to the Wind business unit, as a result of lower wind power volumes and higher depreciation. Operating profit for the Nuclear business unit also decreased, mainly due to lower nuclear power volumes resulting from extended planned outages, which also led to higher operating and maintenance expenses. The earnings impact for the first quarter of 2009 of the continued outages at the Krümmel and Brunsbüttel nuclear power plants is estimated to be approximately EUR 135 million.

### Electricity generation

Electricity generation decreased by 7.3% to 14.0 TWh (15.1). Nuclear power generation fell by 5.5%, which is entirely attributable to the Nordic countries and is due to lower availability above all as a result of extended planned outages. Generation at the Brunsbüttel nuclear power plant in Germany was unchanged at 0 TWh, which is still off line since being shut down in 2007. The outage at the half-owned German nuclear power plant Krümmel did not affect consolidated volumes, since the plant is not consolidated in Vattenfall's accounts. The decrease in wind power generation is attributable to poorer wind conditions.

### Highlights

- In January Vattenfall acquired 51% of Pandion Ocean Power Ltd, the Irish site development company for ocean energy. The company has applied for ocean energy sites on the west coast of Ireland. For Vattenfall this is a first step toward establishing a leading position in the growing market for harnessing wave power.
- In January Vattenfall announced that two internationally renowned nuclear power experts have been recruited to the Vattenfall Nuclear Safety Council as part of its endeavour to ensure world-class safety and generation in its nuclear power plants. The Nuclear Safety Council consists of external experts and internal representatives from various parts of Vattenfall's organisation. The two external experts are Dr Hans Blix, former IAEA Director General, and Peter Hirt, Chairman of Swiss Nuclear and CEO of the Gösgen nuclear power plant in Switzerland.

- The German administrative court in Leipzig (*Bundesverwaltungsgericht*) upheld a previous ruling that Vattenfall may not transfer capacity from the closed nuclear power plant Mülheim-Kärlich to the Brunsbüttel nuclear power plant.
- During an inspection of Ringhals 1, a disengaged safety system was discovered. The event was classified as a class 1 deviation, the lowest degree on the International Nuclear Events Scale (INES). Ringhals 1 is expected to be restarted in mid-May.
- The Krümmel nuclear power plant in Germany is expected to begin operating again in July 2009. At present no planned date for the restart of the Brunsbüttel nuclear power plant can be provided.

## Supply & Trading

Amounts in SEK million	Q1 2009	Q1 2008	Change,%	Full year 2008	Last 12 months
Net sales	15,611	11,960	30.5	44,920	48,571
External net sales <sup>1</sup>	4,435	3,039	45.9	11,421	12,817
Operating profit (EBIT)	527	171	208.2	561	917
Operating profit (EBIT) excl. Items affecting comparability	541	171	216.4	561	931

1) Excluding intra-Group transactions.

Supply & Trading has Group-wide responsibility for market access, price hedging, fuel purchasing, dispatching for the German power plants, and trading for own account within mandates issued by the Executive Group Management. Based on restated comparison figures for 2008, Supply & Trading accounted for 2% of consolidated operating profit for the full-year 2008. Operating profit does not include unrealised changes in fair value according to IAS 39. These are reported in the segment Other. Management of Supply & Trading is based on the value that is created for other Group units as well as the unit's own trading result.

Henrik Valgma is Head of Supply & Trading.

### External net sales

Of the increase in external net sales, approximately 50% is attributable to currency effects.

Net sales and external net sales for the Supply & Trading operating segment are mainly affected by the price hedges that are taken out for other business units in the Vattenfall Group, as Supply & Trading is a Group-wide market access function for these.

### Operating profit

A large part of Supply & Trading's operations – market access, price hedging, fuel purchasing and dispatching for German power plants – generates earnings for other business units (in other operating segments) of the Vattenfall Group. Consequently, Supply & Trading's operating profit is derived primarily from realised trading transactions. Realised trading profits for the first quarter of 2009 improved compared with the corresponding period in 2008. Operating profit does not include unrealised changes in fair value according to IAS 39, which are reported in the segment Other.

### Highlights

- Vattenfall Trading Services started trading in electricity derivatives in the UK market. Vattenfall has been active in gas trading in the UK since 2008 and is now taking the step to take advantage of pricing between gas and electricity contracts in the same market.
- In early January VT Shipping A/S, Denmark, was established. The company owns six vessels for transporting hard coal to Vattenfall's coal-fired power plants. VT Shipping is 100%-owned by Vattenfall Trading Services A/S, whose Coal Desk in Copenhagen is responsible for all activities concerning purchases and transports of hard coal within the Group. This also includes trading in financial derivatives for coal and cargo deliveries.

## Other

Amounts in SEK million	Q1 2009	Q1 2008	Change,%	Full year 2008	Last 12 months
Net sales	207	569	-63.6	-66	-428
External net sales <sup>1</sup>	-21	238	-108.8	-786	-1,045
Operating profit (EBIT)	-762	-38	-	-2,566	-3,290
Operating profit (EBIT) excl. Items affecting comparability	-762	-38	-	-2,566	-3,290

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. However, Vattenfall strives to use hedge accounting as far as possible. The changes in fair value that are recognised in consolidated profit pertain to trading for own account and price hedging contracts that are not effective hedges. Administration of energy trading contracts is handled by Supply & Trading; these are reported in the segment Other until the amounts are realised. When the amounts are realised, they affect the segments for which the contracts were taken out. Based on restated comparison figures for 2008, the segment Other accounted for -8% of consolidated operating profit for the full-year 2008.

### External net sales

The negative external net sales for 2009 are mainly attributable to negative unrealised changes in fair value.

### Operating profit

The decrease in operating profit for Other is also attributable to negative unrealised changes in fair value.

## Consolidated income statement

Amounts in SEK million	Q1 2009	Q1 2008	Full year 2008	Last 12 months
Net sales	52,528	45,404	164,549	171,673
Cost of products sold <sup>1</sup>	-36,682	-31,269	-122,961	-128,374
<b>Gross profit</b>	<b>15,846</b>	<b>14,135</b>	<b>41,588</b>	<b>43,299</b>
Selling expenses, administrative expenses and research and development costs <sup>2</sup>	-3,648	-3,149	-14,700	-15,199
Other operating income and expenses, net	178	101	1,580	1,657
Participations in the results of associated companies	484	339	1,427	1,572
<b>Operating profit (EBIT)<sup>3</sup></b>	<b>12,860</b>	<b>11,426</b>	<b>29,895</b>	<b>31,329</b>
Financial income <sup>4</sup>	687	714	3,412	3,385
Financial expenses <sup>5</sup>	-2,790	-2,072	-9,809	-10,527
<b>Profit before tax<sup>6</sup></b>	<b>10,757</b>	<b>10,068</b>	<b>23,498</b>	<b>24,187</b>
Income tax expense	-2,666	-2,884	-5,735	-5,517
<b>Profit for the period<sup>7</sup></b>	<b>8,091</b>	<b>7,184</b>	<b>17,763</b>	<b>18,670</b>
Profit for the period attributable to:				
Owners of the Parent Company	7,751	6,809	17,095	18,037
Minority interests	340	375	668	633
<b>Total</b>	<b>8,091</b>	<b>7,184</b>	<b>17,763</b>	<b>18,670</b>
<b>Earnings per share</b>				
Number of shares in Vattenfall AB, thousands	131,700	131,700	131,700	131,700
Earnings per share, basic and diluted (SEK)	58.85	51.70	129.80	136.96
<b>Supplementary information</b>				
Operating profit before depreciation and amortisation (EBITDA)	17,149	15,203	45,960	47,906
Financial items, net excl. discounting effects attributable to provisions, interest components related to pension costs and return from the Swedish Nuclear Waste Fund	-1,550	-1,042	-5,049	-5,557
1) Of which, depreciation, amortisation and impairment losses related to intangible assets (non-recurring) and property, plant and equipment	-4,147	-3,648	-15,508	-16,007
2) Of which, depreciation, amortisation and impairment losses related to intangible assets (non-recurring) and property, plant and equipment	-142	-129	-557	-570
3) Including items affecting comparability attributable to:				
Capital gains/losses, net	9	69	98	38
4) Including return from the Swedish Nuclear Waste Fund	292	300	1,452	1,444
5) Including interest components related to pension costs	-311	-199	-943	-1,055
5) Including discounting effects attributable to provisions	-845	-616	-2,800	-3,029
6) Including items affecting comparability attributable to:				
Capital gains/losses, net	8	87	124	45
7) Including items affecting comparability stated above adjusted for tax	4	66	95	33

## Consolidated statement of comprehensive income

Amounts in SEK million	Q1 2009	Q1 2008	Full year 2008	Last 12 months
<b>Profit for the period</b>	<b>8,091</b>	<b>7,184</b>	<b>17,763</b>	<b>18,670</b>
<b>Other comprehensive income:</b>				
Cash flow hedges, net after tax	2,909	1,881	2,449	3,477
Hedging of net investments in foreign operations	189	364	-7,177	-7,352
Translation differences	-1,497	-737	15,393	14,633
<b>Total other comprehensive income, net after tax</b>	<b>1,601</b>	<b>1,508</b>	<b>10,665</b>	<b>10,758</b>
<b>Total comprehensive income for the period</b>	<b>9,692</b>	<b>8,692</b>	<b>28,428</b>	<b>29,428</b>
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	9,716	8,326	27,395	28,785
Minority interests	-24	366	1,033	643
<b>Total</b>	<b>9,692</b>	<b>8,692</b>	<b>28,428</b>	<b>29,428</b>

## Operating segments, Vattenfall Group

Amounts in SEK million	External net sales			Sales between segments			Total net sales		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Business Group Nordic	14,926	13,359	48,417	-1,840	-1,542	-10,009	13,086	11,817	38,408
Business Group Central Europe	31,373	27,174	97,883	13,864	10,946	43,073	45,237	38,120	140,956
Business Group Pan-European	1,815	1,594	7,614	3,968	4,001	12,793	5,783	5,595	20,407
Supply & Trading	4,435	3,039	11,421	11,176	8,921	33,499	15,611	11,960	44,920
Other <sup>1</sup>	-21	238	-786	228	331	720	207	569	-66
Eliminations <sup>2</sup>	-	-	-	-27,396	-22,657	-80,076	-27,396	-22,657	-80,076
<b>Total</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>

Amounts in SEK million	Profit			Profit excl. items affecting comparability		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Business Group Nordic	4,330	4,170	11,461	4,318	4,171	11,469
Business Group Central Europe	7,245	5,303	16,872	7,234	5,234	16,774
Business Group Pan-European	1,520	1,820	3,567	1,520	1,819	3,559
Supply & Trading <sup>3</sup>	527	171	561	541	171	561
Other <sup>1</sup>	-762	-38	-2,566	-762	-38	-2,566
<b>Operating profit (EBIT)</b>	<b>12,860</b>	<b>11,426</b>	<b>29,895</b>	<b>12,851</b>	<b>11,357</b>	<b>29,797</b>
Financial income and expenses	-2,103	-1,358	-6,397			
<b>Profit before tax</b>	<b>10,757</b>	<b>10,068</b>	<b>23,498</b>			

Amounts in SEK million	Assets		
	Q1 2009	Q1 2008	Full year 2008
Business Group Nordic	107,821	100,843	122,955
Business Group Central Europe	221,388	186,116	217,647
Business Group Pan-European	120,274	93,762	119,173
Supply & Trading <sup>3</sup>	22,374	12,185	23,212
Other <sup>1</sup>	209,547	104,213	171,672
Eliminations	-181,511	-146,773	-208,832
<b>Total</b>	<b>499,893</b>	<b>350,346</b>	<b>445,827</b>

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			Sales between segments			Total net sales		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Electricity Generation	11,935	10,592	47,129	11,297	8,270	27,226	23,232	18,862	74,355
Supply & Trading	4,435	3,039	11,421	11,176	8,921	33,499	15,611	11,960	44,920
Electricity Networks	14,029	14,205	45,643	5,269	4,332	15,565	19,298	18,537	61,208
Heat	6,476	4,732	14,854	4,523	3,470	12,257	10,999	8,202	27,111
Other <sup>1</sup>	21,693	18,473	72,076	2,381	2,558	10,867	24,074	21,031	82,943
Eliminations <sup>2</sup>	-6,040	-5,637	-26,574	-34,646	-27,551	-99,414	-40,686	-33,188	-125,988
<b>Total</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>

Amounts in SEK million	Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting comparability		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Electricity Generation	9,307	7,663	24,720	9,305	7,657	24,710
Supply & Trading <sup>3</sup>	527	171	561	541	171	561
Electricity Networks	2,178	1,554	4,654	2,178	1,555	4,677
Heat	2,008	2,067	3,287	1,999	2,060	3,267
Other	-1,160	-29	-3,327	-1,172	-86	-3,418
<b>Total</b>	<b>12,860</b>	<b>11,426</b>	<b>29,895</b>	<b>12,851</b>	<b>11,357</b>	<b>29,797</b>

1) Includes energy sales, Treasury operations and Other Group functions. Operating profit also includes unrealised changes in fair value according to IAS 39 for Supply & Trading, which are reported in the segment Other until the amounts are realised. When the amounts are realised, they mainly affect Electricity Generation.

2) Pertains mainly to 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 the segment Other.

## Vattenfall Group, information about geographical areas

Amounts in SEK million	External net sales			Sales between segments			Total net sales		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Nordic countries	16,283	14,690	54,732	-49	415	-5,881	16,234	15,105	48,851
Germany and Poland	31,751	27,437	99,182	13,891	11,013	43,078	45,642	38,450	142,260
Other <sup>1</sup>	4,494	3,277	10,635	11,402	9,250	34,214	15,896	12,527	44,849
Eliminations	—	—	—	-25,244	-20,678	-71,411	-25,244	-20,678	-71,411
<b>Total</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>52,528</b>	<b>45,404</b>	<b>164,549</b>

Amounts in SEK million	Operating profit (EBIT)			Operating profit (EBIT) excl. items affecting		
	Q1 2009	Q1 2008	Full year 2008	Q1 2009	Q1 2008	Full year 2008
Nordic countries	6,528	6,471	16,760	6,516	6,471	16,760
Germany and Poland	6,528	4,822	15,140	6,517	4,753	15,042
Other	-196	133	-2,005	-182	133	-2,005
<b>Total</b>	<b>12,860</b>	<b>11,426</b>	<b>29,895</b>	<b>12,851</b>	<b>11,357</b>	<b>29,797</b>

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

## Consolidated balance sheet

Amounts in SEK million	31 March 2009	31 March 2008	31 December 2008
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	7,284	4,207	7,257
Property, plant and equipment	258,297	214,274	256,077
Other non-current assets	56,104	46,807	54,578
<b>Total non-current assets</b>	<b>321,685</b>	<b>265,288</b>	<b>317,912</b>
<b>Current assets</b>			
Inventories	11,762	9,615	12,580
Intangible assets: current	3,043	759	3,285
Trade receivables and other receivables	36,094	30,047	34,293
Advance payment to suppliers	614	652	704
Derivatives with positive fair value	32,846	6,298	26,450
Prepaid expenses and accrued income	6,152	5,315	5,660
Current tax assets	3,600	1,790	4,707
Short-term investments	23,256	9,498	19,332
Cash and cash equivalents	60,841	21,084	20,904
<b>Total current assets</b>	<b>178,208</b>	<b>85,058</b>	<b>127,915</b>
<b>Total assets</b>	<b>499,893</b>	<b>350,346</b>	<b>445,827</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Attributable to owners of the Parent Company	139,577	120,035	129,861
Attributable to minority interests	10,908	12,787	11,025
<b>Total equity</b>	<b>150,485</b>	<b>132,822</b>	<b>140,886</b>
<b>Non-current liabilities</b>			
Capital Securities	10,856	9,267	10,811
Other interest-bearing liabilities	98,777	47,177	67,022
Pension provisions	20,993	17,644	20,752
Other interest-bearing provisions	64,494	52,225	64,068
Deferred tax liabilities	27,870	24,302	26,107
Other noninterest-bearing liabilities	3,916	3,173	3,818
<b>Total non-current liabilities</b>	<b>226,906</b>	<b>153,788</b>	<b>192,578</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	18,983	13,298	24,506
Advance payments from customers	167	–	346
Derivatives with negative fair value	32,192	10,964	28,582
Accrued expenses and deferred income	25,077	15,568	21,941
Current tax liabilities	4,700	5,047	2,495
Interest-bearing liabilities	36,490	14,638	29,514
Interest-bearing provisions	4,893	4,221	4,979
<b>Total current liabilities</b>	<b>122,502</b>	<b>63,736</b>	<b>112,363</b>
<b>Total equity and liabilities</b>	<b>499,893</b>	<b>350,346</b>	<b>445,827</b>
Pledged assets	1,519	4,455	1,631
Contingent liabilities	4,861	3,626 <sup>1</sup>	4,598

1) The amount is adjusted compared to previously published information.

## Supplementary information

### Net assets

Amounts in SEK million	31 March 2009	31 March 2008	31 December 2008
Business Group Nordic	71,431	67,215	72,904
Business Group Central Europe	92,983	81,375	94,290
Business Group Pan-European	38,090	23,722	36,377
Supply & Trading	7,311	1,378	2,280
Other <sup>1</sup>	4,466	-5,070	4,547
Eliminations	-1,469	161	1,625
<b>Total net assets</b>	<b>212,812</b>	<b>168,781</b>	<b>212,023</b>
Net assets, weighted average value	190,355	160,925	179,114

1) Includes Treasury operations and Other Group functions.

### Net debt

Amounts in SEK million	31 March 2009	31 March 2008	31 December 2008
Capital Securities	-10,856	-9,267	-10,811
Other interest-bearing liabilities <sup>1</sup>	-135,267	-61,815	-96,536
Cash and cash equivalents	60,841	21,084	20,904
Short-term investments	23,256	9,498	19,332
Loans to minority owners in foreign subsidiaries	1,455	955	1,111
<b>Total net debt</b>	<b>-60,571</b>	<b>-39,545</b>	<b>-66,000</b>
1) Of which, loans from minority-owned German nuclear power companies	-17,692	-11,997	-16,881

## Consolidated statement of cash flows

Amounts in SEK million	Q1 2009	Q1 2008	Full year 2008	Last 12 months
<b>Operating activities</b>				
Profit before tax	10,757	10,068	23,498	24,187
Depreciation, amortisation and impairment losses	4,289	3,777	16,060	16,572
Tax paid	1,191	-1,305	-8,203	-5,707
Other adjustment items	2,523	-712	-620	2,615
<b>Funds from operations (FFO)</b>	<b>18,760</b>	<b>11,828</b>	<b>30,735</b>	<b>37,667</b>
Changes in inventories	748	-91	-2,222	-1,383
Changes in operating receivables	-2,815	-2,533	-1,318	-1,600
Changes in operating liabilities	-1,981	154	12,858	10,723
Other changes	-3,184	-337	-3,859	-6,706
<b>Cash flow from changes in operating assets and operating liabilities</b>	<b>-7,232</b>	<b>-2,807</b>	<b>5,459</b>	<b>1,034</b>
<b>Cash flow from operating activities</b>	<b>11,528</b>	<b>9,021</b>	<b>36,194</b>	<b>38,701</b>
<b>Investing activities</b>				
Investments	-7,008	-5,027	-42,296	-44,277
Divestments	62	327	865	600
Cash and cash equivalents in acquired/divested companies	-	3	158	155
<b>Cash flow from investing activities</b>	<b>-6,946</b>	<b>-4,697</b>	<b>-41,273</b>	<b>-43,522</b>
<b>Cash flow before financing activities</b>	<b>4,582</b>	<b>4,324</b>	<b>-5,079</b>	<b>-4,821</b>
<b>Financing activities</b>				
Changes in short-term investments	-4,098	2,522	-4,806	-11,426
Changes in loans to minority owners in foreign subsidiaries	-339	-171	-174	-342
Loans raised <sup>1</sup>	40,802	4,829	31,797	67,770
Amortisation of debt	-1,142	-942	-4,457	-4,657
Dividends paid to owners	-27	-1	-8,066	-8,092
<b>Cash flow from financing activities</b>	<b>35,196</b>	<b>6,237</b>	<b>14,294</b>	<b>43,253</b>
<b>Cash flow for the period</b>	<b>39,778</b>	<b>10,561</b>	<b>9,215</b>	<b>38,432</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	20,904	10,563	10,563	21,084
Cash flow for the period	39,778	10,561	9,215	38,432
Translation differences	159	-40	1,126	1,325
<b>Cash and cash equivalents at the end of the period</b>	<b>60,841</b>	<b>21,084</b>	<b>20,904</b>	<b>60,841</b>

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	Q1 2009	Q1 2008	Full year 2008	Last 12 months
<b>Cash flow before financing activities</b>	<b>4,582</b>	<b>4,324</b>	<b>-5,079</b>	<b>-4,821</b>
<b>Financing activities</b>				
Dividends paid to owners	-27	-1	-8,066	-8,092
<b>Cash flow after dividend</b>	<b>4,555</b>	<b>4,323</b>	<b>-13,145</b>	<b>-12,913</b>
<b>Analysis of change in net debt</b>				
Net debt at beginning of the period	-66,000	-43,740	-43,740	-39,545
Cash flow after dividend	4,555	4,323	-13,145	-12,913
Changes as a result of valuation at fair value	-466	-398	-1,847	-1,915
Changes in interest-bearing liabilities for leasing	11	2	-25	-16
Interest-bearing liabilities acquired	-	-	-107	-107
Translation differences on net debt	1,329	268	-7,136	-6,075
<b>Net debt at the end of the period</b>	<b>-60,571</b>	<b>-39,545</b>	<b>-66,000</b>	<b>-60,571</b>
Free cash flow	8,455	5,027	18,963	22,391

## Consolidated statement of changes in equity

Amounts in SEK million	Q1 2009			Q1 2008			Full year 2008		
	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	129,861	11,025	140,886	111,709	12,423	124,132	111,709	12,423	124,132
Dividends paid to owners	-	-27	-27	-	-1	-1	-8,000	-66	-8,066
Group contributions from/to(-) minority, net after tax	-	-	-	-	-	-	-	189	189
Changes in ownership	-	-66	-66	-	-1	-1	-1,243	-2,554	-3,797
Total comprehensive income for the period	9,716	-24	9,692	8,326	366	8,692	27,395	1,033	28,428
<b>Balance carried forward</b>	<b>139,577<sup>1</sup></b>	<b>10,908</b>	<b>150,485</b>	<b>120,035<sup>1</sup></b>	<b>12,787</b>	<b>132,822</b>	<b>129,861<sup>1</sup></b>	<b>11,025</b>	<b>140,886</b>
1) Of which, Reserve for cash flow hedges.	-1,143			-4,503			-4,054		

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

In % unless otherwise stated. (x) means times	Q12009	Q12008	Full year 2008	Last 12 months
Operating margin	24.5	25.2	18.2	18.2
Operating margin <sup>1</sup>	24.5	25.0	18.1	18.2
Pre-tax profit margin	20.5	22.2	14.3	14.1
Pre-tax profit margin <sup>1</sup>	20.5	22.0	14.2	14.1
Return on equity	13.9 <sup>2</sup>	17.0 <sup>2</sup>	13.6	13.9
Return on equity <sup>1</sup>	13.9 <sup>2</sup>	16.9 <sup>2</sup>	13.5	13.9
Return on net assets	14.9 <sup>2</sup>	16.2 <sup>2</sup>	15.1	14.9
Return on net assets <sup>1</sup>	14.8 <sup>2</sup>	16.1 <sup>2</sup>	15.1	14.8
EBIT interest cover, (x)	6.8	8.1	4.5	4.4
EBIT interest cover, (x) <sup>1</sup>	6.8	8.1	4.5	4.4
FFO interest cover, (x)	10.6	9.1	5.4	6.0
FFO interest cover, net, (x)	13.1	12.4	7.1	7.8
Cash flow interest cover after maintenance investments, (x)	6.2	5.0	4.1	4.5
FFO/gross debt	25.8 <sup>2</sup>	47.4 <sup>2</sup>	28.6	25.8
FFO/net debt	62.2 <sup>2</sup>	85.1 <sup>2</sup>	46.6	62.2
EBITDA/net financial items, (x)	11.1	14.6	9.1	8.6
EBITDA/net financial items, (x) <sup>1</sup>	11.1	14.5	9.1	8.6
Equity/total assets	30.1	37.9	31.6	30.1
Gross debt/equity	97.1	53.5	76.2	97.1
Net debt/equity	40.3	29.8	46.8	40.3
Gross debt/gross debt plus equity	49.3	34.9	43.2	49.3
Net debt/net debt plus equity	28.7	22.9	31.9	28.7
Net debt/EBITDA, (x)	1.3 <sup>2</sup>	0.9 <sup>2</sup>	1.4	1.3

1) Excl. items affecting comparability.

2) Last 12-month values.

## Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
<b>Income statement</b>					
Net sales	52,528	46,870	37,016	35,259	45,404
Cost of products sold	-36,682	-37,395	-28,542	-25,755	-31,269
Other operating income and expenses, net	-3,470	-3,465	-3,188	-3,419	-3,048
Participations in the results of associated companies	484	552	305	231	339
Operating profit before depreciation and amortisation (EBITDA)	17,149	11,407	9,272	10,078	15,203
Operating profit (EBIT)	12,860	6,562	5,591	6,316	11,426
Financial items, net	-2,103	-2,151	-2,048	-840	-1,358
Financial items, net <sup>1</sup>	-1,550	-2,380	-1,177	-450	-1,042
Profit before tax	10,757	4,411	3,543	5,476	10,068
<b>Profit for the period</b>	<b>8,091</b>	<b>4,055</b>	<b>2,481</b>	<b>4,043</b>	<b>7,184</b>
– of which, attributable to owners of the Parent Company	7,751	3,894	2,584	3,808	6,809
– of which, attributable to minority interests	340	161	-103	235	375
<b>Balance sheet</b>					
Non-current assets	321,685	317,912	277,672	272,888	265,288
Short-term investments	23,256	19,332	13,156	9,707	9,498
Cash and cash equivalents	60,841	20,904	14,722	13,189	21,084
Other current assets	94,111	87,679	56,037	58,148	54,476
<b>Total assets</b>	<b>499,893</b>	<b>445,827</b>	<b>361,587</b>	<b>353,932</b>	<b>350,346</b>
Equity	150,485	140,886	124,068	112,372	132,822
– of which, attributable to owners of the Parent Company	139,577	129,861	113,364	101,708	120,035
– of which, attributable to minority interests	10,908	11,025	10,704	10,664	12,787
Capital Securities	10,856	10,811	9,641	9,330	9,267
Other interest-bearing liabilities	135,267	96,536	67,860	66,638	61,815
Pension provisions	20,993	20,752	18,517	17,849	17,644
Other interest-bearing provisions	69,387	69,047	57,529	56,421	56,446
Deferred tax liabilities	27,870	26,107	23,890	22,736	24,302
Other noninterest-bearing liabilities	85,035	81,688	60,082	68,586	48,050
<b>Total equity and liabilities</b>	<b>499,893</b>	<b>445,827</b>	<b>361,587</b>	<b>353,932</b>	<b>350,346</b>
Net assets	212,812	212,023	179,949	178,653	168,781
Net debt	-60,571	-66,000	-48,476	-52,011	-39,545
<b>Cash flow</b>					
Funds from operations (FFO)	18,760	10,886	8,687	-666	11,828
Cash flow from changes in operating assets and operating liabilities	-7,232	-3,328	3,526	8,068	-2,807
Cash flow from operating activities	11,528	7,558	12,213	7,402	9,021
Cash flow from investing activities	-6,946	-17,715	-6,224	-12,637	-4,697
Cash flow before financing activities	4,582	-10,157	5,989	-5,235	4,324
Changes in short-term investments	-4,098	-3,968	-3,198	-162	2,522
Loans raised/Amortisation of debt, net, etc.	39,321	19,349	-1,349	5,450	3,716
Dividends paid to owners	-27	-1	-1	-8,063	-1
Cash flow from financing activities	35,196	15,380	-4,548	-2,775	6,237
<b>Cash flow for the period</b>	<b>39,778</b>	<b>5,223</b>	<b>1,441</b>	<b>-8,010</b>	<b>10,561</b>
Free cash flow	8,455	6,398	7,464	74	5,027

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 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Return on equity <sup>1</sup>	13.9	13.6	14.0	14.8	17.0
Return on equity <sup>1,2</sup>	13.9	13.5	13.8	14.7	16.9
Return on net assets <sup>1</sup>	14.9	15.1	16.0	16.1	16.2
Return on net assets <sup>1,2</sup>	14.8	15.1	16.0	16.0	16.1
EBIT interest cover, (x)	6.8	2.4	3.7	7.6	8.1
EBIT interest cover, (x) <sup>2</sup>	6.8	2.4	3.7	7.6	8.1
FFO interest cover, (x) <sup>1</sup>	25.8	28.6	39.7	37.0	47.4
FFO interest cover, net, (x) <sup>1</sup>	62.2	46.6	63.4	54.0	85.1
Equity/assets ratio	30.1	31.6	34.3	31.7	37.9
Gross debt/equity	97.1	76.2	62.5	67.6	53.5
Net debt/equity	40.3	46.8	39.1	46.3	29.8
Net debt/net debt plus equity	28.7	31.9	28.1	31.6	22.9
Net debt/EBITDA, (x) <sup>1</sup>	1.3	1.4	1.0	1.1	0.9

1) Last 12-month values.

2) Excl. items affecting comparability.

### Key ratios – renewable energy<sup>1</sup> generation in the Nordic countries

Amounts in SEK million	Wind power		Hydro power <sup>2</sup>		Heat		Total	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Operating profit	36.8	181.0	64.7	67.4	226.3	189.9	327.8	438.2
Investments	1,417.6	220.6	6.0	4.3	427.8	252.9	1,851.4	477.8
Property, plant and equipment <sup>3</sup>	8,454.0	6,125.4	322.4	300.7	6,572.5	4,802.2	15,348.9	11,228.3
Return on Property, plant and equipment, %	1.7	11.8	80.2	89.6	13.8	15.8	8.5	15.6

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 + 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:

Average rate	Q1 2009	Q1 2008	Full year 2008	Balance sheet date rate	31 March 2009	31 March 2008	31 Dec. 2008
	EUR	11.0000	9.4190		9.6628	EUR	10.9800
DKK	1.4761	1.2639	1.2962	DKK	1.4735	1.2595	1.4680
GBP	11.9125	12.4050	12.1085	GBP	11.8200	11.8300	11.2500
NOK	1.2069	1.1785	1.1704	NOK	1.2275	1.1655	1.1035
PLN	2.4500	2.6400	2.7331	PLN	2.3400	2.6600	2.6200
USD	8.3300	6.2369	6.5929	USD	8.2900	5.9500	7.7500

## Parent Company income statement

Amounts in SEK million	Q1 2009	Q1 2008	Full year 2008
Net sales	9,650	8,975	31,844
Cost of products sold	-4,989	-4,105	-18,118
<b>Gross profit</b>	<b>4,661</b>	<b>4,870</b>	<b>13,726</b>
Selling expenses, administrative expenses and research and development costs	-710	-590	-2,905
Other operating income and expenses, net	19	24	160
<b>Operating profit (EBIT)</b>	<b>3,970</b>	<b>4,304</b>	<b>10,981</b>
Result from participations in Group companies	–	769	34,579
Result from participations in associated companies	–	–	12
Result from other shares and participations	–	19	20
Interest income and similar profit/loss items	1,492	560	2,594
Interest expenses and similar profit/loss items	-2,046	-447	-14,467
Group contributions	–	–	1,315
<b>Profit before appropriations and tax</b>	<b>3,416</b>	<b>5,205</b>	<b>35,034</b>
Appropriations	–	-119	3,498
<b>Profit before tax</b>	<b>3,416</b>	<b>5,086</b>	<b>38,532</b>
Income tax expense	-869	-1,409	-1,024
<b>Profit for the period</b>	<b>2,547</b>	<b>3,677</b>	<b>37,508</b>

## Parent Company balance sheet

Amounts in SEK million	31 March 2008	31 March 2008	31 December 2008
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets: non-current	48	73	50
Property, plant and equipment	20,307	19,651	20,148
Other non-current assets	123,315	63,916	103,304
<b>Total non-current assets</b>	<b>143,670</b>	<b>83,640</b>	<b>123,502</b>
<b>Current assets</b>			
Inventories	229	245	322
Intangible assets: current	896	600	710
Current receivables	73,680	40,536	33,353
Current tax assets	524	–	1,688
Cash and cash equivalents	278	194	375
<b>Total current assets</b>	<b>75,607</b>	<b>41,575</b>	<b>36,448</b>
<b>Total assets</b>	<b>219,277</b>	<b>125,215</b>	<b>159,950</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Restricted equity			
Share capital	6,585	6,585	6,585
Statutory reserve	1,286	1,286	1,286
Non-restricted equity			
Retained earnings	48,138	24,119	10,633
Profit for the period	2,547	3,677	37,508
<b>Total equity</b>	<b>58,556</b>	<b>35,667</b>	<b>56,012</b>
<b>Untaxed reserves</b>	<b>7,495</b>	<b>11,112</b>	<b>7,495</b>
<b>Provisions</b>	<b>104</b>	<b>136</b>	<b>109</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	126,865	57,284	59,557
Non-current noninterest-bearing liabilities	2,940	2,633	2,803
<b>Total non-current liabilities</b>	<b>129,805</b>	<b>59,917</b>	<b>62,360</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	598	3,739	7,932
Current tax liabilities	–	941	–
Other current noninterest-bearing liabilities	22,719	13,703	26,042
<b>Total current liabilities</b>	<b>23,317</b>	<b>18,383</b>	<b>33,974</b>
<b>Total equity and liabilities</b>	<b>219,277</b>	<b>125,215</b>	<b>159,950</b>

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

### Group

#### Accounting principles

The consolidated accounts for the first quarter of 2009 have, as in the year-end accounts for 2008, been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by 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 principles applied in this interim report are the same as those described in Vattenfall's 2008 Annual Report (Note 2 to the consolidated accounts), with the following exceptions.

The following new IFRSs, amendments to standards and interpretations are effective as of the 2009 financial year:

IFRS 8 – Operating Segments, which defines an operating segment and what information shall be disclosed for each operating segment in the financial statements. IFRS 8 in combination with a changed Group organisational structure as of the 2009 financial year entail a further split of the segments disclosed by Vattenfall compared with the segments reported in 2008. See further under the heading Operating segments below.

Amendments in IAS 23 – Borrowing Costs, require that an entity must capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale. The amendments have not had any impact on Vattenfall's financial statements, as such borrowing costs are already capitalised within the Vattenfall Group.

Amendments in IAS 1 – Presentation of Financial Statements, have led to a changed presentation format of the consolidated financial statements in certain respects.

The amendment does not affect the calculation of numbers reported. It entails that certain transactions that were previously recognised directly in equity, have been recognised as separate items in a new statement – Consolidated Statement of Comprehensive Income – under the heading Other Comprehensive Income.

The following amendments to standards and interpretations have had no or minimal impact on Vattenfall's financial statements:

Amendments in IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations. These clarify, among other things, the treatment of vesting conditions related to share-based payments.

IFRIC 13 – Customer Loyalty Programmes. This interpretation addresses the reporting and valuation of a company's obligation to provide free or discounted goods or services to customers that have qualified for such through previous purchases.

Amendments in IAS 27 – Consolidated and Separate Financial Statements, “Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate”, which affect dividends received from subsidiaries, associated companies and joint ventures.

Amendments in IAS 32 – Financial Instruments: Presentation, and IAS 1 – Presentation of Financial Statements. “Puttable Financial Instruments and Obligations Arising on Liquidation” states that certain well-defined financial instruments shall be classified as equity and not as a liability.

#### Operating segments

As of the 2009 financial year the Group's activities are conducted primarily in three operating segments (Business Groups). In addition to the geographical breakdown of operations, consisting of a Business Group for the Nordic re-

gion (Sweden, Finland and Denmark) and one for Central Europe (Germany and Poland), a Pan-European Business Group has been established with responsibility for wind power, nuclear power and technological development in all countries in which Vattenfall has operations. Business Group Pan-European will also be responsible for European business development with focus on efficient use of energy and biomass. In addition to these are the operating segment Supply & Trading, which is responsible for energy trading, and the segment Other (Treasury operations and Other Group functions).

Operating profit for the segment Other includes unrealised changes in market value (fair value) in accordance with IAS 39 for energy trading contracts administered by Supply & Trading. When the amounts are realised, other segments are affected.

Deliveries of electricity between segments are made at market prices. In the case of services between segments, the cost price principle generally applies, although in certain cases market prices are applied.

#### Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2008 Annual Report, pages 71–75, and Note 35 to the consolidated accounts. No material changes, other than what is stated in this interim report, have taken place since publication of the 2008 Annual Report.

#### Other

Significant related-party transactions are described in Note 51 to the consolidated accounts in Vattenfall's 2008 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2008 Annual Report.

## Parent Company Vattenfall AB

### Accounting principles

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board.

The accounting principles used in this report are the same as those described in Vattenfall's 2008 Annual Report (Note 2 to the Parent Company accounts).

### First quarter 2009

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

Sales amounted to SEK 9,650 million (8,975).

Profit before appropriations and tax was SEK 3,416 million (5,205).

Investments for the period amounted to SEK 395 million (113).

Cash and cash equivalents amounted to SEK 278 million (194). Funds in the Group cash pool account managed by Vattenfall Treasury AB amounted to SEK 64,100 million (25,717).

### Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2008 Annual Report, pages 71–75. No material changes, other than what is stated in this report, have taken place since publication of the 2008 Annual Report.

### Other

Significant related-party transactions are described in Note 40 to the Parent Company accounts in Vattenfall's 2008 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2008 Annual Report.

Stockholm, 29 April 2009



Lars G. Josefsson  
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. Amounts in SEK million unless otherwise stated..

<b>EBIT</b> =	Earnings Before Interest and Tax.
<b>EBITDA</b> =	Earnings Before Interest, Tax, Depreciation and Amortisation.
<b>FFO</b> =	Funds From Operations.
<b>Items affecting comparability</b> =	Non-recurring capital gains and capital losses from shares and other non-current assets.
<b>Free cash flow</b> =	Cash flow from operating activities less maintenance investments.
<b>Capital Securities</b> =	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments. Reported as interest-bearing non-current liabilities.
<b>Net assets</b> =	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.
<b>Net debt</b> =	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 2008-March 2009):

<b>Operating margin, %</b> =	100 x $\frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	$\frac{31,329}{171,673}$	=	<b>18.2</b>
<b>Operating margin excl. items affecting comparability, %</b> =	100 x $\frac{\text{Operating profit (EBIT) excl. items affecting comparability}}{\text{Net sales}}$	$\frac{31,291}{171,673}$	=	<b>18.2</b>
<b>Pre-tax profit margin, %</b> =	100 x $\frac{\text{Profit before tax}}{\text{Net sales}}$	$\frac{24,187}{171,673}$	=	<b>14.1</b>
<b>Pre-tax profit margin excl. items affecting comparability, %</b> =	100 x $\frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}}$	$\frac{24,142}{171,673}$	=	<b>14.1</b>
<b>Return on equity, %</b> =	100 x $\frac{\text{Profit for the period attributable to equity holders of the Parent Company}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{18,037}{129,806}$	=	<b>13.9</b>
<b>Return on equity excl. items affecting comparability, %</b> =	100 x $\frac{\text{Profit for the period attributable to equity holders of the Parent Company excl. items affecting comparability}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{18,004}{129,806}$	=	<b>13.9</b>
<b>Return on net assets, %</b> =	100 x $\frac{\text{Operating profit (EBIT) + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{28,300}{190,355}$	=	<b>14.9</b>
<b>Return on net assets excl. items affecting comparability, %</b> =	100 x $\frac{\text{Operating profit (EBIT) excl. items affecting comparability + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{28,262}{190,355}$	=	<b>14.8</b>
<b>EBIT interest cover, (x)</b> =	$\frac{\text{Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}}$	$\frac{33,270}{7,498}$	=	<b>4.4</b>

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	33,232	=	4.4
	Financial expenses excl. discounting effects attributable to provisions	7,498		
FFO interest cover, (x) =	Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions	45,165	=	6.0
	Financial expenses excl. discounting effects attributable to provisions	7,498		
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	43,224	=	7.8
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,557		
Cash flow interest cover after maintenance maintenance, (x) =	Cash flow from operating activities less maintenance investments + financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	28,834	=	4.5
	Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	6,443		
FFO/gross debt, % = 100 x	Funds from operations (FFO)	37,667	=	25.8
	Interest-bearing liabilities	146,123		
FFO/net debt, % = 100 x	Funds from operations (FFO)	37,667	=	62.2
	Net debt	60,571		
EBITDA/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA)	47,906	=	8.6
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,557		
EBITDA excl. items affecting comparability/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA) excl. items affecting comparability	47,868	=	8.6
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,557		
<b>Key ratios based on the balance sheet per 31 March, 2009:</b>				
Equity/total assets, % = 100 x	Equity	150,485	=	30.1
	Balance sheet total	499,893		
Gross debt/equity, % = 100 x	Interest-bearing liabilities	146,123	=	97.1
	Equity	150,485		
Net debt/equity, % = 100 x	Net debt	60,571	=	40.3
	Equity	150,485		
Gross debt/gross debt plus equity, % = 100 x	Interest-bearing liabilities	146,123	=	49.3
	Interest-bearing liabilities + equity	296,608		
Net debt/net debt plus equity, % = 100 x	Net debt	60,571	=	28.7
	Net debt + equity	211,056		
Net debt/EBITDA, (x) =	Net debt	60,571	=	1.3
	Operating profit before depreciation and amortisation (EBITDA)	47,906		

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