

Dear readers,

I took office as Chairman of the Board of Vattenfall at the Annual General Meeting on 29 April 2008. Leading the board work for one of Sweden's largest companies and the fifth largest energy producer in Europe is an important and honourable assignment that I gladly accepted. The fact that Vattenfall is a Swedish limited liability company that is run entirely in accordance with professional business principles, adheres to the same laws and playing rules as other, major corporations in Sweden, and which has a professionally composed board of directors, was an important precondition for me to take on this assignment. Vattenfall is a very well managed company, which in only a few years' time has developed from a national, Swedish electric utility to a large and financially strong European energy company with major potential for continued growth and value creation.

The importance of energy issues for social development, the environment and the climate can hardly be overestimated. In this context Vattenfall has a major responsibility to meet profitability requirements while working for sustainable development on both the local and global planes. We are the first energy company in the world to set the goal of being climate-neutral in our operations by 2050. This will require enormous investments in new plants and in work on converting all power plants to generation of electricity and heat with low emissions of carbon dioxide. I am proud to note that Vattenfall has taken a world-leading position in the development of new CCS technology and that we are a world leader in offshore wind power.

We can and must finance some of these investments with our own cash flow. However, a large part must also be financed through borrowing in the credit market. Attracting debt financing requires a high and stable credit rating, a position of trust, and a highly transparent presentation of the company's financial performance. As this is being written,

the financial market is experiencing a very difficult situation, and many companies are having a hard time obtaining any financing at all at reasonable terms. Vattenfall has a relatively favourable position as a result of its stable ownership situation and its open and consistent communication with the financial markets. Vattenfall's objective is to be equally as transparent as the major listed companies in the market.

Vattenfall's board, executive management and owner are unanimous in their support of Vattenfall's strategic direction – Making electricity clean – with profitable growth and value creation as the overarching goals. So despite the current difficult conditions in the world economy, I am highly optimistic about Vattenfall's future.

In closing, I would like to express my great thanks to the Board, the Executive Management and all of Vattenfall's employees for their hard work during the past year.



A handwritten signature in blue ink that reads "Lars Westerberg". The signature is fluid and cursive, written on a light-colored background.

Lars Westerberg
Chairman of the Board