

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million, 1 January–31 December	Note	2008	2007
Net sales	5, 6	164,549	143,639
Cost of products sold ¹	7	-122,961	-103,404
Gross profit		41,588	40,235
Other operating income	8	2,376	1,782
Selling expenses		-5,584	-4,915
Administrative expenses		-7,587	-7,578
Research and development costs		-1,529	-1,015
Other operating expenses	9	-796	-924
Participations in the results of associated companies	6, 23, 51	1,427	998
Operating profit (EBIT)²	6, 10, 11, 12, 49, 50	29,895	28,583
Financial income ³	13	3,412	2,276
Financial expenses ⁴	14	-9,809	-6,926
Profit before tax⁵		23,498	23,933
Income tax expense	16	-5,735	-3,247
Profit for the year⁶		17,763	20,686
Attributable to			
Equity holders of the Parent Company		17,095	19,769
Minority interests	17	668	917
Total		17,763	20,686
Earnings per share			
Number of shares in Vattenfall AB, thousands		131,700	131,700
Earnings per share, basic and diluted, SEK		129.80	150.11
Dividend, SEK million		6,900 ⁷	8,000
Dividend per share, SEK		52.39 ⁷	60.74
Supplementary information			
Operating profit before depreciation and amortisation (EBITDA)		45,960	45,821
Financial items, net excl. discounting effects attributable to provisions, interest components related to pension costs and return from the Swedish Nuclear Waste Fund		-5,049	-3,040
1) Of which, depreciation, amortisation and impairment losses related to intangible assets (non-current) and property, plant and equipment		-15,508	-16,486
2) Of which, depreciation, amortisation and impairment losses related to intangible assets (non-current) and property, plant and equipment		-16,065	-17,238
2) Including items affecting comparability attributable to: Capital gains/losses, net		98	86
3) Including return from the Swedish Nuclear Waste Fund		1,452	843
4) Including interest components related to pension costs		-943	-811
4) Including discounting effects attributable to provisions		-2,800	-2,453
5) Including items affecting comparability attributable to: Capital gains/losses, net		124	97
6) Including items affecting comparability stated above adjusted for tax		95	136
7) Proposed dividend.			

CONSOLIDATED BALANCE SHEET

Amounts in SEK million	Note	31 Dec. 2008	31 Dec. 2007
Assets	6		
Non-current assets			
Intangible assets: non-current	19	7,257	4,346
Property, plant and equipment	20	256,077	214,208
Investment property	21	812	906
Participations in associated companies	23	15,925	13,369
Other shares and participations	24	5,439	694
Share in the Swedish Nuclear Waste Fund	25	25,250	24,143
Current tax assets, non-current	16	1,417	1,229
Other non-current receivables	26	4,367	5,128
Deferred tax assets	16	1,368	841
Total non-current assets		317,912	264,864
Current assets			
Inventories	27	12,580	9,537
Intangible assets: current	28	3,285	750
Trade receivables and other receivables	29	34,293	28,120
Advance payment to suppliers		704	672
Derivatives with positive fair values	41	26,450	5,442
Prepaid expenses and accrued income	30	5,660	4,834
Current tax assets	16	4,707	1,358
Short-term investments	31	19,332	12,096
Cash and cash equivalents	32	20,904	10,563
Total current assets		127,915	73,372
Total assets		445,827	338,236
Equity and liabilities			
Equity attributable to holders of the Parent Company			
Share capital		6,585	6,585
Translation reserve		12,861	4,892
Reserve for cash flow hedges		-4,054	-6,385
Retained earnings incl. profit for the year		114,469	106,617
Total equity attributable to holders of the Parent Company		129,861	111,709
Equity attributable to minority holders		11,025	12,423
Total equity		140,886	124,132
Non-current liabilities	6		
Capital Securities	33, 35	10,811	9,341
Other interest-bearing liabilities	34, 35	67,022	42,643
Pension provisions	36	20,752	17,735
Other interest-bearing provisions	37	64,068	51,614
Deferred tax liabilities	16	26,107	23,704
Other noninterest-bearing liabilities	38	3,818	3,285
Total non-current liabilities		192,578	148,322
Current liabilities	6		
Trade payables and other liabilities	39	24,506	15,408
Advance payments from customers		346	395
Derivatives with negative fair values	41	28,582	14,242
Accrued expenses and deferred income	40	21,941	12,968
Current tax liabilities	16	2,495	2,928
Interest-bearing liabilities	34	29,514	15,205
Interest-bearing provisions	37	4,979	4,636
Total current liabilities		112,363	65,782
Total equity and liabilities		445,827	338,236

See also information on the Group's pledged assets (Note 44), contingent liabilities (Note 45) and commitments under consortium agreements (Note 46).

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million, 1 January–31 December	Note	2008	2007
Operating activities			
Profit before tax		23,498	23,933
Depreciation, amortisation and impairment losses		16,060	17,252
Tax paid		-8,203	-8,132
Other adjustment items	42	-620	996
Funds from operations (FFO)		30,735	34,049
Changes in inventories		-2,222	55
Changes in operating receivables		-1,318	-1,395
Changes in operating liabilities		12,858	64
Other changes		-3,859	-442
Cash flow from changes in operating assets and operating liabilities		5,459	-1,718
Cash flow from operating activities		36,194	32,331
Investing activities			
Investments	42	-42,296	-18,964
Divestments	42	865	925
Cash and cash equivalents in acquired/divested companies		158	2
Cash flow from investing activities		-41,273	-18,037
Cash flow before financing activities		-5,079	14,294
Financing activities			
Changes in short-term investments		-4,806	-4,155
Changes in loans to minority owners in foreign subsidiaries		-174	-773
Loans raised	42	31,797	4,434
Amortisation of debt		-4,457	-10,570
Contribution from minority interests		-	9
Dividends paid to equity holders		-8,066	-7,607
Cash flow from financing activities		14,294	-18,662
Cash flow for the year		9,215	-4,368
Cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		10,563	14,634
Cash flow for the year		9,215	-4,368
Translation differences		1,126	297
Cash and cash equivalents at the end of the year		20,904	10,563
Supplementary information			
Cash flow before financing activities		-5,079	14,294
Financing activities			
Dividends paid to equity holders		-8,066	-7,607
Contribution from minority interests		-	9
Cash flow after dividend		-13,145	6,696
Analysis of change in net debt			
Net debt at beginning of the year		-43,740	-49,407
Cash flow after dividend		-13,145	6,696
Changes as a result of valuation at fair value		-1,847	783
Change in interest-bearing liabilities for leasing		-25	-194
Interest-bearing liabilities acquired		-107	-
Translation differences on net debt		-7,136	-1,618
Net debt at the end of the year		-66,000	-43,740
Free cash flow		18,963	19,650

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Attributable to equity holders of the Parent Company				Total	Attributable to minority holders	Total equity
	Share capital	Translation reserve	Reserve for cash flow hedges	Retained earnings incl. profit for the year			
Balance brought forward 2007	6,585	1,467	-5,811	94,348	96,589	11,085	107,674
Cash flow hedges:							
Changes in fair value	-	-	-1,556	-	-1,556	-9	-1,565
Dissolved against income statement	-	-	1,299	-	1,299	114	1,413
Transferred to cost of hedged item	-	-	92	-	92	2	94
Tax attributable to items reported directly against equity	-	-	-409	-	-409	-48	-457
Hedging of net investments in foreign operations	-	-2,048	-	-	-2,048	-	-2,048
Translation differences	-	5,473	-	-	5,473	383	5,856
Income, net, recognised directly in equity	-	3,425	-574	-	2,851	442	3,293
Profit for the year	-	-	-	19,769	19,769	917	20,686
Total recognised income and expense for the year	-	3,425	-574	19,769	22,620	1,359	23,979
Dividends paid to equity holders	-	-	-	-7,500	-7,500	-107	-7,607
Group contributions from minority, net after tax	-	-	-	-	-	87	87
Changes in ownership	-	-	-	-	-	-1	-1
Balance carried forward 2007	6,585	4,892	-6,385	106,617	111,709	12,423	124,132
Cash flow hedges:							
Changes in fair value	-	-	-3,629	-	-3,629	143	-3,486
Dissolved against income statement	-	-	6,466	-	6,466	-	6,466
Transferred to cost of hedged item	-	-	373	-	373	-5	368
Tax attributable to items reported directly against equity	-	-	-879	-	-879	-20	-899
Hedging of net investments in foreign operations	-	-7,177	-	-	-7,177	-	-7,177
Translation differences	-	15,146	-	-	15,146	247	15,393
Income, net, recognised directly in equity	-	7,969	2,331	-	10,300	365	10,665
Profit for the year	-	-	-	17,095	17,095	668	17,763
Total recognised income and expense for the year	-	7,969	2,331	17,095	27,395	1,033	28,428
Dividends paid to equity holders	-	-	-	-8,000	-8,000	-66	-8,066
Group contributions from minority, net after tax	-	-	-	-	-	189	189
Changes in ownership	-	-	-	-1,243	-1,243	-2,554	-3,797
Balance carried forward 2008	6,585	12,861	-4,054	114,469	129,861	11,025	140,886

See also Note 43 to the consolidated accounts, Specifications to Equity.