

DEFINITIONS AND CALCULATIONS OF KEY RATIOS

Figures for the Group in 2008. Amounts in SEK million unless stated otherwise.

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

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

Key ratios based on full year amounts 2008:

Operating margin, %	=	100 x $\frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	$\frac{29,895}{164,549}$	=	18.2
Operating margin excl. items affecting comparability, %	=	100 x $\frac{\text{Operating profit (EBIT) excl. items affecting comparability}}{\text{Net sales}}$	$\frac{29,797}{164,549}$	=	18.1
Pre-tax profit margin, %	=	100 x $\frac{\text{Profit before tax}}{\text{Net sales}}$	$\frac{23,498}{164,549}$	=	14.3
Pre-tax profit margin excl. items affecting comparability, %	=	100 x $\frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}}$	$\frac{23,374}{164,549}$	=	14.2
Return on equity, %	=	100 x $\frac{\text{Profit for the period attributable to equity holders of the Parent Company}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{17,095}{125,760}$	=	13.6
Return on equity excl. items affecting comparability, %	=	100 x $\frac{\text{Profit for the period attributable to equity holders of the Parent Company excl. items affecting comparability}}{\text{Average equity for the period attributable to equity holders of the Parent Company excl. the Reserve for cash flow hedges}}$	$\frac{17,000}{125,760}$	=	13.5
Return on net assets, %	=	100 x $\frac{\text{Operating profit (EBIT) + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{27,095}{179,114}$	=	15.1
Return on net assets excl. items affecting comparability, %	=	100 x $\frac{\text{Operating profit (EBIT) excl. items affecting comparability + discounting effects attributable to provisions}}{\text{Weighted average of net assets for the period}}$	$\frac{26,997}{179,114}$	=	15.1

EBIT interest cover, (x) =	Operating profit (EBIT) + financial income excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	31,855	=	4.5
	Financial expenses excl. discounting effects attributable to provisions	7,009		
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	31,757	=	4.5
	Financial expenses excl. discounting effects attributable to provisions	7,009		
FFO interest cover, (x) =	Funds from operations (FFO) + financial expenses excl. discounting effects attributable to provisions	37,744	=	5.4
	Financial expenses excl. discounting effects attributable to provisions	7,009		
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	35,784	=	7.1
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,049		
Cash flow interest cover after maintenance investments, (x) =	Cash flow from operating activities less maintenance investments + financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	25,029	=	4.1
	Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs	6,066		
FFO/gross debt, % = 100 x	Funds from operations (FFO)	30,735	=	28.6
	Interest-bearing liabilities	107,347		
FFO/net debt, % = 100 x	Funds from operations (FFO)	30,735	=	46.6
	Net debt	66,000		
EBITDA/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA)	45,960	=	9.1
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,049		
EBITDA excl. items affecting comparability/net financial items, (x) =	Operating profit before depreciation and amortisation (EBITDA) excl. items affecting comparability	45,862	=	9.1
	Financial items excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	5,049		

Key ratios based on the balance sheet per 31 December 2008:

Equity/total assets, % = 100 x	Equity	140,886	=	31.6
	Balance sheet total	445,827		
Gross debt/equity, % = 100 x	Interest-bearing liabilities	107,347	=	76.2
	Equity	140,886		
Net debt/equity, % = 100 x	Net debt	66,000	=	46.8
	Equity	140,886		
Gross debt/gross debt plus equity, % = 100 x	Interest-bearing liabilities	107,347	=	43.2
	Interest-bearing liabilities + equity	248,233		
Net debt/net debt plus equity, % = 100 x	Net debt	66,000	=	31.9
	Net debt + equity	206,886		
Net debt/EBITDA, (x) =	Net debt	66,000	=	1.4
	Operating profit before depreciation and amortisation (EBITDA)	45,960		