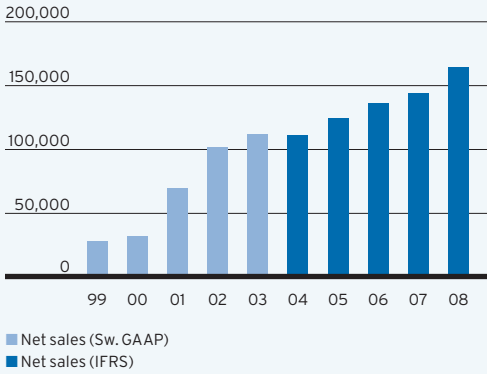


TEN-YEAR REVIEW

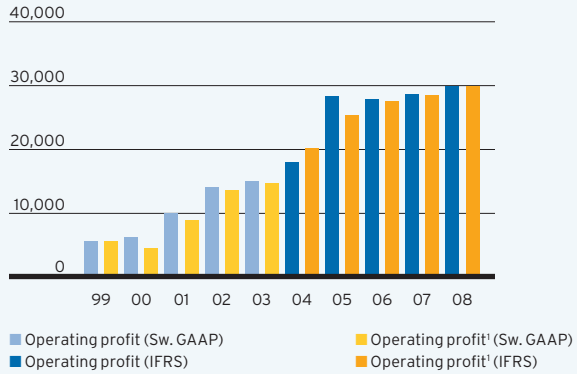
Net sales

SEK million



Operating profit

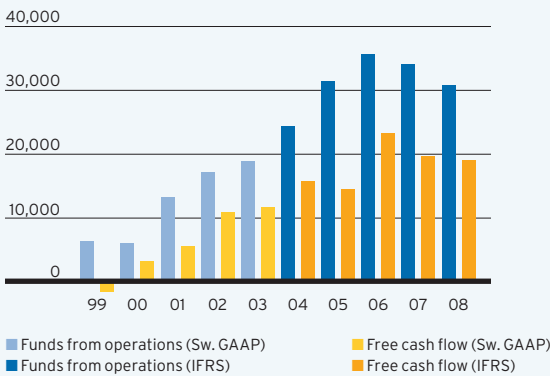
SEK million



1) Excl. items affecting comparability.

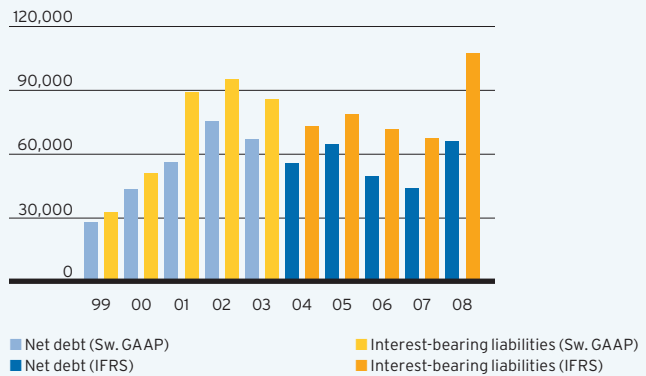
Funds from operations (FFO) and Free cash flow

SEK million



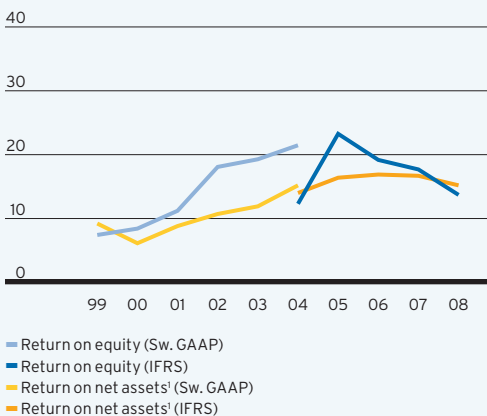
Net debt and Interest-bearing liabilities

SEK million



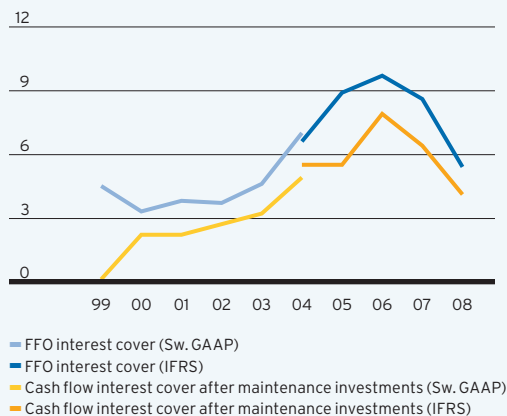
Return on equity

%



FFO interest cover

%



1) Excl. items affecting comparability.

Comments: The ten-year period has been characterised by strong international growth. From having been essentially a national Swedish utility, through substantial company acquisitions primarily in Germany, Poland and Denmark, Vattenfall has grown to become Europe's fifth-largest electricity generator and the largest supplier of heat. In 2008, substantial acquisitions were made in wind power in the UK. Value creation during the period has been substantial due to very successful integration and consolidation work, but also due to increased production volumes and higher wholesale electricity prices. Return on equity has varied from 7.3% to 23.2%, and was 13.6% in 2008. The return on net assets has varied from 8.3% to 18.4%, and was 15.1% in 2008. The book value of assets has grown five-fold, from SEK 87 billion to SEK 446 billion. Net sales and operating profit have grown six-fold. Net debt, which was SEK 27.4 billion in 1999, rose sharply to SEK 75 billion up until

2003, due to borrowings in the bond market in order to finance the extensive acquisitions. Thereafter, net debt was amortised down to SEK 43.7 billion as per 2007, thanks to good profitability and strong cash flows. In 2008 net debt increased to SEK 66 billion, mainly due to larger borrowings as a result of the sharp rise in investments. The net debt/equity ratio was reduced from 81% in 1999 to 54% in 2007, and then rose again in 2008, to 76%. The annual dividend to the owner has increased from SEK 1.5 billion in 1998 to a proposed dividend of SEK 6.9 billion for 2008. For the ten-year period, the average dividend payout was approximately SEK 4.1 billion per year. Investments, including acquisitions, have averaged SEK 21.8 billion per year, and the number of employees quadrupled during the period, from approximately 8,000 to more than 32,000. Electricity sales have risen from approximately 87 TWh to 189 TWh.

Amounts in SEK million	Swedish GAAP						IFRS				
	1999	2000	2001	2002	2003	2004	2004	2005	2006	2007	2008
Income statement items											
Net sales	27,754	31,695	69,003	101,025	111,935	111,016	111,016	123,794	135,802	143,639	164,549
EBITDA	9,834	11,670	18,207	25,489	24,450	31,347	33,161	43,175	43,938	45,821	45,960
Operating profit (EBIT)	5,483	6,193	9,916	13,997	14,868	19,501	17,887	28,363	27,821	28,583	29,895
Operating profit (EBIT) ¹	5,483	4,474	8,779	13,550	14,605	18,682	20,102	25,377	27,448	28,497	29,797
Financial income	542	1,037	2,232	3,010	2,267	1,772	2,969	3,810	3,839	2,276	3,412
Financial expenses	-1,760	-2,536	-4,737	-6,386	-5,203	-4,020	-6,297	-6,013	-6,135	-6,926	-9,809
Profit before tax	4,265	4,694	7,411	10,621	11,932	17,253	14,559	26,160	25,525	23,933	23,498
Profit for the year	2,897	3,432	5,287	8,224	9,529	12,348	9,604	20,518	19,858	20,686	17,763
- of which, attributable to equity holders of the Parent Company	2,538	2,970	4,190	7,566	9,123	11,776	8,944	19,235	18,729	19,769	17,095
- of which, attributable to minority interests	359	462	1,097	658	406	572	660	1,283	1,129	917	668
Cash flow items											
Funds from operations (FFO)	6,224	5,830	13,148	17,106	18,804	24,159	24,302	31,386	35,673	34,049	30,735
Free cash flow	-1,660	3,050	5,478	10,820	11,606	15,684	15,684	14,341	23,178	19,650	18,963
Balance sheet items											
Cash and cash equivalents and short-term investments	4,860	7,543	10,340	15,473	14,647	13,616	13,616	14,074	22,168	22,659	40,236
Equity	38,262	42,802	61,101	57,532	64,328	73,947	85,551	90,909	107,674	124,132	140,886
- of which, attributable to equity holders of the Parent Company	35,790	37,817	42,021	47,572	54,949	64,759	75,437	80,565	96,589	111,709	129,861
- of which, attributable to minority interests	2,472	4,985	19,080	9,960	9,379	9,188	10,114	10,344	11,085	12,423	11,025
Interest-bearing liabilities	32,275	50,854	88,723	94,838	85,631	73,013	73,013	78,663	71,575	67,189	107,347
Net debt	27,415	43,311	55,736	75,207	66,890	55,411	55,411	64,343	49,407	43,740	66,000
Provisions	-	-	-	-	-	-	61,941	65,123	66,094	73,985	89,799
Noninterest-bearing liabilities	16,126	21,603	109,219	123,906	115,006	109,955	64,700	90,373	77,823	72,930	107,795
Net assets, weighted average value	60,395	74,968	100,701	127,479	124,229	123,423	134,125	143,001	151,155	157,252	179,114
Balance sheet total	86,663	115,259	259,043	276,276	264,965	256,915	285,205	325,068	323,166	338,236	445,827
The key ratios are presented as percentages (%) or times (x)											
Operating margin, %	19.8	19.5	14.4	13.9	13.3	17.6	16.1	22.9	20.5	19.9	18.2
Operating margin, % ¹	19.8	14.1	12.7	13.4	13.0	16.8	18.1	20.5	20.2	19.8	18.1
Pre-tax profit margin, %	15.4	14.8	10.7	10.5	10.7	15.5	13.1	21.1	18.8	16.7	14.3
Pre-tax profit margin, % ¹	15.3	9.0	9.1	10.1	10.4	14.8	15.1	18.7	18.5	16.6	14.2
Return on equity, %	7.3	8.3	11.1	18.0	19.2	21.4	12.2	23.2	19.1	17.6	13.6
Return on equity, % ¹	7.2	4.0	9.7	17.3	18.8	20.4	13.9	19.4	18.7	17.5	13.5
Return on net assets, %	9.1	8.3	9.8	11.0	12.0	15.8	12.2	18.4	17.1	16.6	15.1
Return on net assets, % ¹	9.1	6.0	8.7	10.6	11.8	15.1	13.9	16.3	16.8	16.6	15.1
EBIT interest cover, (x)	3.4	2.9	2.6	2.7	3.3	5.3	4.4	7.6	7.2	6.7	4.5
EBIT interest cover, (x) ¹	3.4	2.2	2.3	2.6	3.2	5.1	5.0	6.9	7.1	6.7	4.5
FFO interest cover, (x)	4.5	3.3	3.8	3.7	4.6	7.0	6.6	8.9	9.7	8.6	5.4
FFO interest cover, net, (x)	6.1	4.9	6.2	6.1	7.4	11.7	8.9	15.1	15.9	12.2	7.1
Cash flow interest cover after maintenance investments, (x)	0.1	2.2	2.2	2.7	3.2	4.9	5.5	5.5	7.9	6.4	4.1
FFO/gross debt, %	19.3	11.5	14.8	18.0	22.0	33.1	30.0	39.9	49.8	50.7	28.6
FFO/net debt, %	22.7	13.5	23.6	22.7	28.1	43.6	43.9	48.8	72.2	77.8	46.6
EBITDA/net financial items, (x)	8.1	7.8	7.3	7.6	8.3	13.9	10.8	19.3	18.4	15.1	9.1
EBITDA/net financial items, (x) ¹	7.9	6.1	6.8	7.4	8.2	13.6	11.5	18.0	18.2	15.0	9.1
Equity/total assets, %	45.2	37.6	23.7	20.9	24.4	28.8	30.0	28.0	33.3	36.7	31.6
Gross debt/equity, %	81.2	118.4	144.9	164.7	133.0	98.7	85.3	86.5	66.5	54.1	76.2
Net debt/equity, %	71.7	101.2	91.2	130.7	104.0	74.9	64.8	70.8	45.9	35.2	46.8
Gross debt/gross debt plus equity, %	44.8	54.2	59.2	62.2	57.1	49.7	46.0	46.4	39.9	35.1	43.2
Net debt/net debt plus equity, %	41.7	50.3	47.7	56.7	51.0	42.8	39.3	41.4	31.5	26.1	31.9
Net debt/EBITDA, (x)	2.8	3.7	3.1	3.0	2.7	1.8	1.7	1.5	1.1	1.0	1.4
Other information											
Dividend to equity holders of the Parent Company	1,500	990	1,030	1,675	2,400	5,600	5,600	5,800	7,500	8,000	6,900 ²
Investments	7,916	23,840	43,443	39,932	11,356	12,601	12,731	24,497	17,220	18,964	42,296
Electricity sales, TWh	86.9	83.1	149.9	188.3	184.2	189.2	189.2	197.2	191.1	193.8	189.3
Average number employees	7,991	13,123	23,814	34,248	35,296	33,017	33,017	32,231	32,308	32,396	32,801

1) Excl. items affecting comparability.

2) Proposed dividend.