

# VATTENFALL'S HISTORY



Olidan, on the Göta River, was one of the first hydro power stations built between 1909 and 1916 by the newly formed Swedish State Power Board.

**1909** The restructuring of the Trollhättan canal and hydro power plant to the Swedish State Power Board marks the birth of Vattenfall. The Swedish state had bought the water rights in Trollhättan a few years earlier and was now taking an active involvement in this emerging electricity generation technology.

**1909–1916** The first large hydro power plants – Olidan, Porjus and Älvkarleby – are built.

**1951** Inauguration of the Harsprånget hydro power plant, the world's largest hydro power plant in many respects. During the same year, the world's first 400 kilovolt transmission line is put in operation, stretching from northern Norrland to Hallsberg in Central Sweden.

**1952** The entire Swedish national electricity grid is hooked together.

**1954** Vattenfall commissions the world's first commercial high-voltage direct current line – between the mainland and the island of Gotland.

**1975–1976** Vattenfall's first two nuclear reactors, Ringhals 1 and 2, are commissioned. During the 1970s and '80s, 12 reactors were built across Sweden, of which seven are owned by Vattenfall.

**1992** Vattenfall is transformed from a state enterprise to the limited liability company Vattenfall AB. Responsibility for the national grid – the Swedish high-voltage network – is transferred to the newly formed state authority Svenska Kraftnät.

**1995** Vattenfall's board charts out an international growth strategy for Vattenfall.

**1996** The Swedish electricity market is deregulated. The electricity grid operations are legally separated from electricity generation and sales.

## European expansion

**1996** Vattenfall's international expansion is initiated in 1996 through the acquisition of Hämeen Sähkö, a Finnish electricity distribution company. A representative office is opened in Hamburg, and Vattenfall begins working in the German market through the joint venture company VASA Energy.

**1998** The German electricity market is deregulated in April.

**1999** Vattenfall agrees to acquire 25.1% of the shares in HEW from the City of Hamburg, with an option for the city to sell another 25.1% to Vattenfall. The Barsebäck 1 nuclear reactor is decommissioned following a decision by Swedish parliament.

**2000** In January, 55% of the Polish heat production company EW is acquired in Warsaw, Poland. In August an agreement is signed with E.ON to acquire a majority shareholding in Berlin's energy company, Bewag. However, the deal is blocked by the US company Southern Energy (renamed Mirant).

**2001** In February a 32% stake is acquired in the Polish distribution company GZE. In May Vattenfall becomes a majority owner in HEW through share purchases from E.ON and Sydkraft. Also in May, HEW acquires the electricity generator VEAG, which also owns the electricity grid in eastern Germany, and the lignite producer LAUBAG.

**2002** In January Vattenfall acquires all of Mirant's shares in Bewag. Vattenfall's various acquisitions in Germany are gathered under the name Vattenfall Europe AG, which is formally established in August through the merger between HEW and VEAG, including LAUBAG. Vattenfall thereby becomes Germany's third-largest electricity generator.

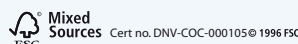
**2003** In January/February, Bewag is merged into Vattenfall Europe AG. Vattenfall increases its stake in the Polish company EW to 70% and in GZE to 54%.

**2005** In April, 35.3% of the shares in the Danish company Elsam A/S are acquired. The nuclear reactor Barsebäck 2 is closed 31 May. In August, Vattenfall announces that it has gained possession of more than 95% of the shares in Vattenfall Europe AG and initiates compulsory redemption of the minority owners' shares.

**2006** On 1 January the local German brands HEW and Bewag, and the Polish brands EW and GZE, are replaced with the Vattenfall brand. Vattenfall increases its ownership in both Polish companies to 75%. On 1 July a number of Danish wind power and combined heat and power assets are acquired from the Danish company DONG in exchange for ownership stakes in Elsam A/S and I/S Avedøre 2. Construction begins of a pilot Carbon Capture and Storage (CCS) plant at Schwarze Pumpe.

**2007** The Lillgrund wind farm, with 48 turbines, is commissioned and begins delivering electricity at the end of the year. In December the decision is made to merge Business Group Europe and Business Group Poland into the single Business Group Central Europe.

**2008** Vattenfall lays out its strategic direction during the autumn – Making electricity clean. This also summarises Vattenfall's climate vision – to be climate-neutral by 2050. In September the world's first pilot CCS plant using oxyfuel technology is inaugurated in Germany. During the autumn Vattenfall acquires several wind power companies in the UK: AMEC Wind Energy Ltd, Eclipse Energy UK Plc, and Thanet Offshore Wind Ltd, the UK's largest offshore wind farm ready for construction.



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