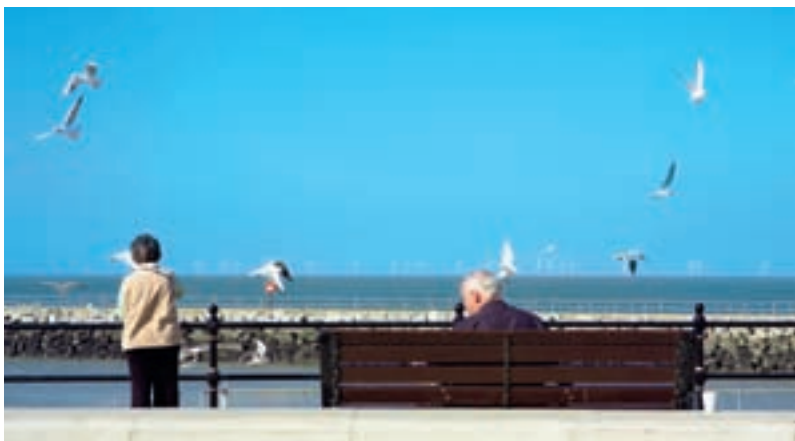


Positive events in 2008



Developing Vattenfall's generation portfolio

A number of important steps were taken to develop Vattenfall's generation portfolio. In September the pilot CCS plant at Schwarze Pumpe, Germany, was inaugurated, where CCS technology is being tested for the first time in a power plant. Strong investments in wind power continued. In June the official inauguration was held of the Lillgrund wind farm in the Oresund Strait between Sweden and Denmark, and during the autumn Vattenfall acquired the wind power companies AMEC Wind and Eclipse Energy, and the Thanet Offshore Wind farm – all in the UK. And in partnership with ScottishPower, Vattenfall will be participating in the bidding process for the continued expansion of offshore wind power in the UK. Through the acquisition of Irish Pandion, which was realised in the beginning of 2009, Vattenfall is also taking an active role in the development of wave power.

At the end of the year, Vattenfall decided to take a leading global position in nuclear safety and power generation. The decision made by the Swedish government in February 2009 to allow new construction of nuclear reactors also enables continued electricity generation with low emissions.

A major investment in biomass in Denmark was decided on in December 2008. Through the Max-Bio program, up to 724,000 tonnes of coal will be replaced by biomass by 2018.

In February 2009, Vattenfall announced its offer on the Dutch energy group Nuon. Together, the companies will have a strong position to accelerate investments in renewables and to develop the CCS technology.



Moorburg go-ahead

In September Vattenfall received the green light to proceed with its project work on the new Moorburg combined heat and power plant in Hamburg, Germany. In the foreseeable future, there is no alternative to coal to cover Europe's need for electricity and heat, and through modern efficient power plants, total carbon dioxide emissions are being reduced. The Moorburg plant is designed to incorporate CCS technology in the future.



Improved customer satisfaction

During 2008 Vattenfall's Customer Satisfaction Index scores improved, particularly in the Nordic countries, while in Germany Vattenfall is once again attracting new customers.

Negative events in 2008

Nuclear power plants offline

Vattenfall's nuclear power plants in Germany, Brunsbüttel and Krümmel, remained offline throughout 2008 following the scrams in 2007. The reasons for the scrams were remedied the same year, however, as a result of time consuming controls and verification work as well as new demands that have been raised, the plants have not yet been able to be restarted. In Sweden, the Forsmark nuclear power plant was also out of operation during the last quarter 2008, when several control rods were replaced due to defects. Despite the negative impact on electricity generation, it is assuring that the safety routines at the power plants are working as intended.

Hydro power project stopped after referendum

In November, the residents of Vilhelmina, Sweden, voted against a project that would divert water from the Vojman River for the purpose of increasing electricity generation at the Stalon hydro power plant. This stopped a planned hydro power expansion of approx. 154 GWh per year (corresponding to roughly half of the output of the Lillgrund wind farm, or the electricity needs of 30,000 households). We are nevertheless grateful for the dialogue and co-operation shown by residents of the municipality during the pre-study.