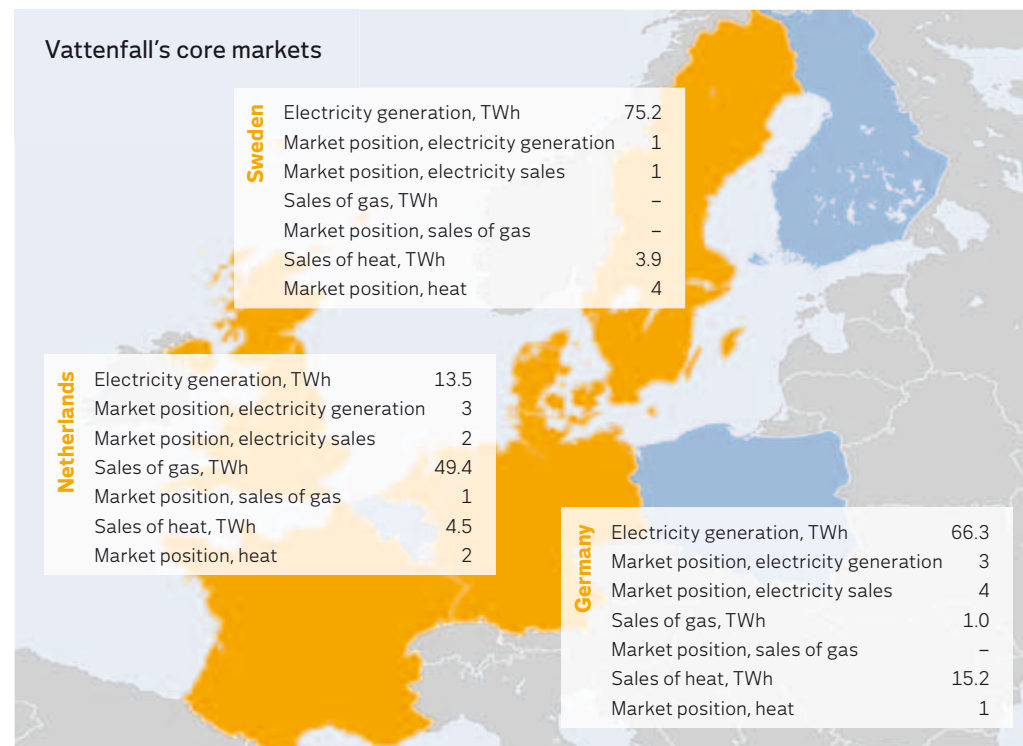


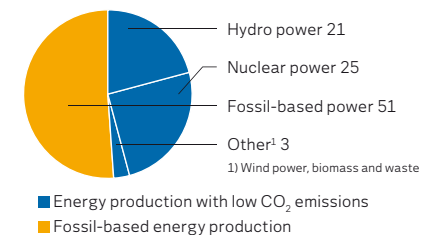
Vattenfall at a glance

Vattenfall is one of Europe's largest generators of electricity and the largest producer of heat. Vattenfall's main products are electricity, heat and gas. In electricity and heat, Vattenfall works in all parts of the value chain: generation, distribution and sales. In gas, Vattenfall is active in sales. Vattenfall also conducts energy trad-

ing and lignite mining. The Group has approximately 34,700 employees. The Parent Company, Vattenfall AB, is 100%-owned by the Swedish state. The core markets are Sweden, Germany and the Netherlands. In 2011 operations were also conducted in Belgium, Denmark, Finland, France, Poland and the UK.

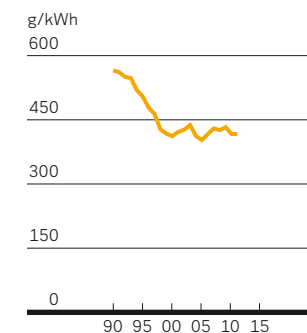


Electricity generation 2011, %



Vattenfall's total electricity generation amounted to 166.7 TWh.

CO₂ emissions per generated unit of electricity and heat



Results 2011

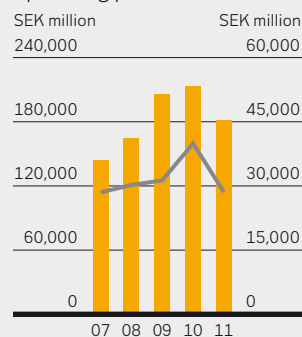
- Net sales in 2011 decreased by 15.2%, to SEK 181,040 million (213,572).
- Cost-cutting programme ahead of schedule.
- Sales of assets totalled SEK 23 billion, of which SEK 16 billion received in 2011.
- Operating profit decreased by 22.3% to SEK 23,209 million (29,853). Profit was charged with SEK 10.5 billion as a result of the German decision to phase out nuclear power.
- The underlying operating profit¹ for 2011 decreased by 16.4%, to SEK 30,793 million (36,838), mainly due to lower production volumes and average lower prices received.
- Profit for the year (after tax) decreased by 21.0% to SEK 10,416 million (13,185).

1) Operating profit excluding items affecting comparability and unrealised changes in the fair value of energy derivatives, which according to IAS 39 may not be reported using hedge accounting, and changes in the fair value of inventories.

2) Exchange rate SEK 8.94 SEK = EUR 1. Values in EUR are shown only to facilitate comparisons between SEK and EUR.

	2011	2010	Change, %	2011, EUR m ²	2010, EUR m ²
Net sales, SEK million	181,040	213,572	-15.2	20,251	23,889
Operating profit before depreciation and amortisation (EBITDA), SEK million	54,538	60,706	-10.2	6,100	6,790
Operating profit, SEK million	23,209	29,853	-22.3	2,596	3,339
Operating profit excl. items affecting comparability, SEK million	28,562	39,952	-28.5	3,205	4,469
Underlying operating profit, SEK million	30,793	36,838	-16.4	3,444	4,121
Profit before tax, SEK million	14,298	21,423	-33.3	1,599	2,396
Profit for the year, SEK million	10,416	13,185	-21.0	1,165	1,475
Return on equity, %	8.6	10.0	-		
Total assets, SEK million	524,558	541,432	-3.1	58,675	60,563
Net debt, SEK million	141,089	144,109	-2.1	15,782	16,120
Adjusted net debt, SEK million	176,031	173,409	1.5	19,690	19,397
Funds from operations (FFO), SEK million	38,256	40,108	-4.6	4,279	4,486
Electricity generation, TWh	166.7	172.4	-3.3		
Sales of gas, TWh	53.8	63.3	-15.0		
Sales of heat, TWh	41.6	47.1	-11.7		

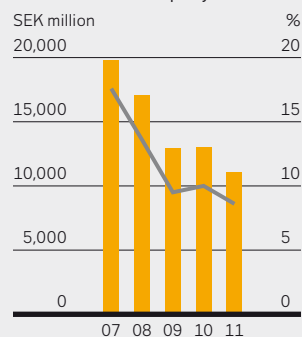
Sales and operating profit



■ Sales (scale on left)
— Operating profit¹ (scale on right)

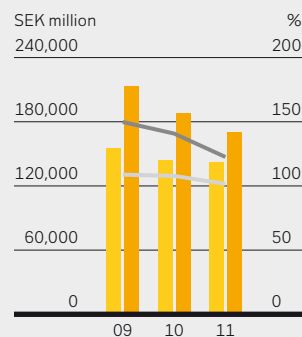
1) Excluding items affecting comparability.

Profit for the year and return on equity



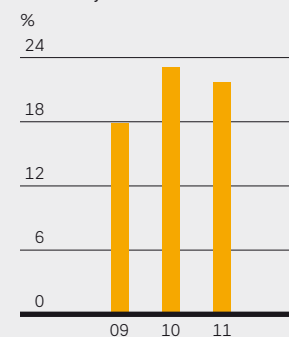
■ Profit for the year attributable to owners of the Parent Company
— Return on equity, %

Net debt



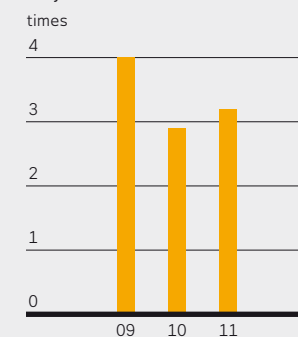
■ Net debt
■ Total interest-bearing liabilities
— Debt/equity ratio, %
— Debt/equity ratio, net, %

FFO/adjusted net debt¹



1) See page 37 for calculation of adjusted net debt.

Adjusted net debt/EBITDA



Ten-year review

Amounts in SEK million	Swedish GAAP			IFRS							
	2002	2003	2004	2004	2005	2006	2007	2008	2009	2010	2011
Income statement items											
Net sales	101,025	111,935	111,016	111,016	123,794	135,802	143,639	164,549	205,407	213,572	181,040
EBITDA	25,489	24,450	31,347	33,161	43,175	43,938	45,821	45,960	51,777	60,706	54,538
Operating profit (EBIT)	13,997	14,868	19,501	17,887	28,363	27,821	28,583	29,895	27,938	29,853	23,209
Operating profit (EBIT) ¹	13,550	14,605	18,682	20,102	25,377	27,448	28,497	30,220	31,294	39,952	28,562
Financial income	3,010	2,267	1,772	2,969	3,810	3,839	2,276	3,412	2,814	2,514	3,843
Financial expenses	-6,386	-5,203	-4,020	-6,297	-6,013	-6,135	-6,926	-9,809	-13,018	-10,944	-12,754
Profit before tax	10,621	11,932	17,253	14,559	26,160	25,525	23,933	23,498	17,734	21,423	14,298
Profit for the year	8,224	9,529	12,348	9,604	20,518	19,858	20,686	17,763	13,448	13,185	10,416
– of which, attributable to owners of the Parent Company	7,566	9,123	11,776	8,944	19,235	18,729	19,769	17,095	12,896	12,997	11,083
– of which, attributable to non-controlling interests (minority interests)	658	406	572	660	1,283	1,129	917	668	552	188	-667
Cash flow items											
Funds from operations (FFO)	17,106	18,804	24,159	24,302	31,386	35,673	34,049	30,735	36,700	40,108	38,256
Free cash flow	10,820	11,606	15,684	15,684	14,341	23,178	19,650	18,963	27,566	23,846	17,637
Balance sheet items											
Cash and cash equivalents and short-term investments	15,473	14,647	13,616	13,616	14,074	22,168	22,659	40,236	56,940	43,873	28,685
Equity	57,532	64,328	73,947	85,551	90,909	107,674	124,132	140,886	142,404	133,621	138,931
– of which, attributable to owners of the Parent Company	47,572	54,949	64,759	75,437	80,565	96,589	111,709	129,861	135,620	126,704	131,988
– of which, attributable to non-controlling interests (minority interests)	9,960	9,379	9,188	10,114	10,344	11,085	12,423	11,025	6,784	6,917	6,943
Interest-bearing liabilities	94,838	85,631	73,013	73,013	78,663	71,575	67,189	107,347	213,494	188,277	170,350
Net debt	75,207	66,890	55,411	55,411	64,343	49,407	43,740	66,000	154,987	144,109	141,089
Provisions	–	–	–	61,941	65,123	66,094	73,985	89,799	91,100	87,822	91,719
Noninterest-bearing liabilities	123,906	115,006	109,955	64,700	90,373	77,823	72,930	107,795	155,129	131,712	123,558
Net assets, weighted average value	127,479	124,229	123,423	134,125	143,001	151,155	157,252	179,114	245,016	293,298	283,957
Balance sheet total	276,276	264,965	256,915	285,205	325,068	323,166	338,236	445,827	602,127	541,432	524,558
The key ratios are presented as percentages (%) or times (x)											
Operating margin, %	13.9	13.3	17.6	16.1	22.9	20.5	19.9	18.2	13.6	14.0	12.8
Operating margin, % ¹	13.4	13.0	16.8	18.1	20.5	20.2	19.8	18.4	15.2	18.7	15.8
Pre-tax profit margin, %	10.5	10.7	15.5	13.1	21.1	18.8	16.7	14.3	8.6	10.0	7.9
Pre-tax profit margin, % ¹	10.1	10.4	14.8	15.1	18.7	18.5	16.6	14.5	10.2	14.8	11.7
Return on equity, %	18.0	19.2	21.4	12.2	23.2	19.1	17.6	13.6	9.5	10.0	8.6
Return on net assets, %	11.0	12.0	15.8	12.2	18.4	17.1	16.6	15.1	10.0	9.1	7.1
Return on net assets, % ¹	10.6	11.8	15.1	13.9	16.3	16.8	16.6	15.3	11.4	12.5	9.0

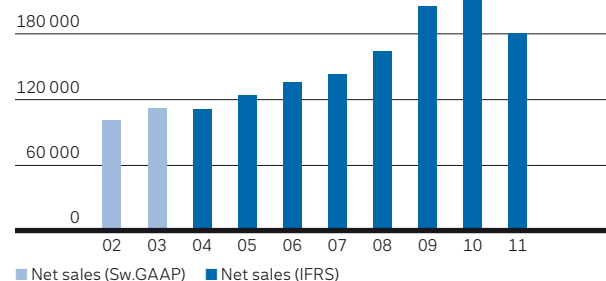
1) Excl. items affecting comparability.

Amounts in SEK million	Swedish GAAP										IFRS
	2002	2003	2004	2004	2005	2006	2007	2008	2009	2010	2011
<i>cont.</i> The key ratios are presented as percentages (%) or times (x)											
EBIT interest cover, (x)	2.7	3.3	5.3	4.4	7.6	7.2	6.7	4.5	3.1	4.1	2.5
EBIT interest cover, (x) ¹	2.6	3.2	5.1	5.0	6.9	7.1	6.7	4.6	3.4	5.4	3.1
FFO interest cover, (x)	3.7	4.6	7.0	6.6	8.9	9.7	8.6	5.4	4.8	6.2	4.8
FFO interest cover, net, (x)	6.1	7.4	11.7	8.9	15.1	15.9	12.2	7.1	5.6	7.5	5.8
Cash flow interest cover after maintenance investments, (x)	2.7	3.2	4.9	5.5	5.5	7.9	6.4	4.1	4.3	4.6	3.0
FFO/gross debt, %	18.0	22.0	33.1	30.0	39.9	49.8	50.7	28.6	17.2	21.3	22.5
FFO/net debt, %	22.7	28.1	43.6	43.9	48.8	72.2	77.8	46.6	23.7	27.8	27.1
EBITDA/net financial items, (x)	7.6	8.3	13.9	10.8	19.3	18.4	15.1	9.1	6.5	9.8	6.9
EBITDA/net financial items, (x) ¹	7.4	8.2	13.6	11.5	18.0	18.2	15.0	9.2	6.9	11.5	7.6
Equity/total assets, %	20.9	24.4	28.8	30.0	28.0	33.3	36.7	31.6	23.7	24.7	26.5
Gross debt/equity, %	164.7	133.0	98.7	85.3	86.5	66.5	54.1	76.2	149.9	140.9	122.6
Net debt/equity, %	130.7	104.0	74.9	64.8	70.8	45.9	35.2	46.8	108.8	107.8	101.6
Gross debt/gross debt plus equity, %	62.2	57.1	49.7	46.0	46.4	39.9	35.1	43.2	60.0	58.5	55.1
Net debt/net debt plus equity, %	56.7	51.0	42.8	39.3	41.4	31.5	26.1	31.9	52.1	51.9	50.4
Net debt/EBITDA, (x)	3.0	2.7	1.8	1.7	1.5	1.1	1.0	1.4	3.0	2.4	2.6
Other information											
Dividend to owners of the Parent Company	1,675	2,400	5,600	5,600	5,800	7,500	8,000	6,900	5,240	6,500	4,433 ²
Investments	39,932	11,356	12,601	12,731	24,497	17,220	18,964	42,296	102,989	41,794	35,750
Electricity generation, TWh	158.5	155.8	167.1	167.1	169.1	165.4	167.6	162.1	158.9	172.4	166.7
Average number employees	34,248	35,296	33,017	33,017	32,231	32,308	32,396	32,801	36,593	38,459	37,679

1) Excl. items affecting comparability. 2) Proposed dividend.

Net sales

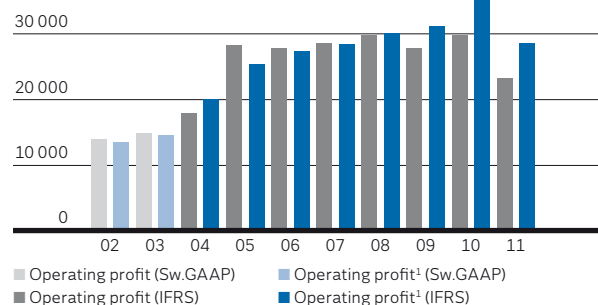
SEK million
240 000



Comment: Net sales have risen sharply since 2002, mainly due to Vattenfall's considerable international expansion. The decrease in 2011 is mainly attributable to divestments, lower production volumes and currency effects.

Operating profit

SEK million
40 000



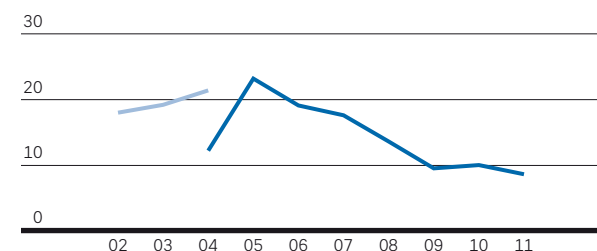
1) Excl. items affecting comparability

Comment: Vattenfall's operating profit has risen sharply during the last ten years due to successful integration work as well as to higher production volumes and higher wholesale electricity prices. Operating profit for 2011 was affected by lower production volumes and lower wholesale electricity prices.

Return on equity

%

40



Comment: Return on equity has varied between 8.6% (2011) and 23.2% (2005) during the ten-year period, compared with Vattenfall's current target return of 15% over a business cycle.

Facts about Vattenfall's markets

	Sweden		Finland		Denmark		Germany		Poland ¹		Netherlands		Belgium ²		UK		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010 ³
Installed capacity																		
electricity, MW																		
Hydro power ⁴	8,215	8,510	126	126	–	–	2,880	2,880	–	–	24	24	–	–	–	–	11,245	11,540
Nuclear power	6,815	6,792	–	–	–	–	– ⁵	771	–	–	–	–	–	–	–	–	6,815	7,563
Fossil-based power	1,212	1,212	–	45	1,333	1,757	11,006	11,292	878	878	3,680	3,764	–	–	–	–	18,109	18,948
of which, gas	–	–	–	45	–	137	1,777	1,712	–	–	2,797	2,861	–	–	–	–	4,574	4,755
of which, lignite	–	–	–	–	–	–	7,123	7,123	–	–	–	–	–	–	–	–	7,123	7,123
of which, hard coal	–	–	–	–	1,333	1,620	1,318	1,826	878	878	883	903	–	–	–	–	4,412	5,227
of which, oil	1,212	1,212	–	–	–	–	788	631	–	–	–	–	–	–	–	–	2,000	1,843
Wind power	245	258	–	–	415	388	13	13	30	30	276	313	5	15	581	431	1,565	1,448
Biomass, waste	185	179	65	20	104	126	123	123	–	–	20	–	–	–	–	–	497	448
Total electricity	16,672	16,951	191	191	1,852	2,271	14,022	15,079	908	908	4,000	4,101	5	15	581	431	38,231	39,947
Installed capacity																		
heat, MW																		
	2,255	2,441	965	930	1,632	2,223	10,034	10,013	4,707	4,235	2,987	2,844	–	–	–	–	22,580	22,686
Generated																		
electricity, TWh																		
Hydro power ⁴	31.5	31.9	0.3	0.3	–	–	2.6	3.1	–	–	0.1	0.1	–	–	–	–	34.5	35.4
Nuclear power	42.5	43.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42.5	43.6
Fossil-based power	–	0.1	–	0.1	4.9	7.4	63.3	65.2	3.7	3.6	13.1	13.3	–	–	–	–	85.0	89.7
of which, gas	–	–	–	0.1	–	0.5	3.7	3.9	–	–	8.8	9.3	–	–	–	–	12.5	13.8
of which, lignite	–	–	–	–	–	–	53.5	52.4	–	–	–	–	–	–	–	–	53.5	52.4
of which, hard coal	–	–	–	–	4.9	6.9	6.1	8.9	3.7	3.6	4.3	4.0	–	–	–	–	19.0	23.4
of which, oil	–	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Wind power	0.8	0.5	–	–	1.0	0.7	–	–	0.1	0.1	0.2	0.2	–	–	1.3	0.7	3.4	2.2
Biomass, waste	0.4	0.5	0.2	0.1	0.2	0.2	0.4	0.7	–	–	0.1	–	–	–	–	–	1.3	1.5
Total electricity	75.2	76.6	0.5	0.5	6.1	8.3	66.3	69.0	3.8	3.7	13.5	13.6	–	–	1.3	0.7	166.7	172.4
Heat sales, TWh																		
Fossil-based power	0.2	0.1	0.6	0.8	4.1	5.4	14.4	16.3	10.3	11.5	4.5	4.3	–	–	–	–	34.1	38.4
of which, gas	–	–	0.6	0.7	0.5	0.8	5.0	5.1	–	–	4.5	4.3	–	–	–	–	10.6	10.9
of which, lignite	–	–	–	–	–	–	4.0	4.5	–	–	–	–	–	–	–	–	4.0	4.5
of which, hard coal	0.1	–	–	–	3.6	4.6	5.4	6.7	10.3	11.5	–	–	–	–	–	–	19.4	22.8
of which, oil	0.1	0.1	–	0.1	–	–	–	–	–	–	–	–	–	–	–	–	0.1	0.2
Biomass, waste	3.7	4.5	0.9	0.9	1.7	1.6	0.8	1.3	0.4	0.4	–	–	–	–	–	–	7.5	8.7
Total heat	3.9	4.6	1.5	1.7	5.8	7.0	15.2	17.6	10.7	11.9	4.5	4.3	–	–	–	–	41.6	47.1
Gas sales, TWh	–	–	0.2	0.2	–	–	1.0	0.1	–	–	49.4	58.8	3.2	4.1	–	–	53.8	63.2

Facts about Vattenfall's markets

	Sweden		Finland		Denmark		Germany		Poland ¹		Netherlands		Belgium ²		UK		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010 ³
Number of retail customers, electricity	964,000	983,000	354,000	347,000	–	–	2,756,000	2,823,000	1,012,000	1,012,000	2,267,000	2,288,000	342,000	320,000	–	–	7,695,000	7,773,000
Electricity volume, TWh, retail customers	8.4	9.5	2.6	2.8	–	–	8.8	9.0	2.8	2.7	9.9	8.8	1.5	1.5	–	–	34.0	34.3
Electricity volume, TWh resellers	5.1	4.3	1.4	0.7	1.3	1.7	20.2	20.0	0.7	0.7	–	–	–	–	–	–	28.7	27.4
Electricity volume, TWh, industries	33.7 ⁶	34.2 ⁶	5.6	4.9	–	–	19.9 ⁷	19.4 ⁷	4.1	4.1	8.4	5.8	3.1	1.8	–	–	74.8	70.2
Number of network customers	922,000	921,000	399,000	393,000	–	–	3,240,000	3,273,000	1,133,000	1,132,000	–	–	–	–	–	–	5,694,000	5,719,000
Number of gas customers	–	–	400	300	–	–	11,700	9,300	–	–	1,943,100	1,935,000	204,800	190,000	–	–	2,160,000	2,134,600
Electricity network																		
Transited volume, TWh ⁸	71.1	73.4	6.1	6.4	–	–	27.0	27.1	14.6	14.0	–	–	–	–	–	–	118.8	120.9
Distribution network, km	176,000	168,000	75,000	74,000	–	–	137,000	137,000	71,000	70,000	–	–	–	–	–	–	459,000	449,000
Number of employees (full-year equivalents)																		
Countries	8,591	9,000	377	398	649	687	19,414	19,395	99	2,819	5,417	5,770	–	–	102	58	34,649	38,127
Group total ⁹																	34,685	38,179
CO ₂ emissions per country, mtonnes	0.4	0.6	0.2	0.3	4.4	6.4	67.8	70.1	5.8	6.4	8.1	7.8	–	–	–	–	86.7	89.2
CO ₂ emission allowances in mtonnes																		
CO ₂ /year, trading period 2008–2012 ¹⁰	–	–	0.2	0.2	2.7	2.7	44.1	44.1	6.1	6.1	7.9	7.9	–	–	–	–	61.0	61.0

Market position

	Sweden	Germany	Netherlands	Denmark	Finland	UK
Electricity generation	1	3	3	2	>10	– ¹¹
Electricity distribution	2	4	–	–	–	–
Electricity sales	1	4	2	–	3	–
District heating	4	1	2	2	–	–
Gas sales	–	–	1	–	–	–

1) Vattenfall's Polish operations were divested in December 2011.

2) Vattenfall's Belgian operations were divested in December 2011.

3) Certain values for 2010 have been adjusted compared with previously published information.

4) In Germany, mainly pumped storage power.

5) In 2011, Germany's parliament decided to immediately close eight nuclear power plants, including Vattenfall's Brunbüttel plant (ownership interest 66.7%)

6) 5.5 TWh (3.6) to Norwegian business customers.

7) 6.7 TWh (5.6) to French business customers.

8) Excl. transited production.

9) There are 36 employees (52) in other countries.

10) The EU Emissions Trading System (EU ETS) covers most of Vattenfall's fossil-based emissions. The annual allocation is 61 million tonnes. Additional emission allowances are bought on the market.

11) Top 2 in offshore wind power.

Pro rata — Generation data corresponding to Vattenfall's ownership of the respective facilities

	Sweden		Finland		Denmark		Germany		Poland ¹		Netherlands		Belgium ²		UK		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010 ³
Installed capacity																		
electricity, MW																		
Hydro power ⁴	7,803	8,097	126	126	–	–	2,880	2,880	–	–	24	24	–	–	–	–	10,833	11,127
Nuclear power	4,661	4,645	–	–	–	–	282 ⁵	1,469	–	–	–	–	–	–	–	–	4,943	6,114
Fossil-based power	1,212	1,212	–	45	1,333	1,757	11,006	11,292	877	877	3,680	3,764	–	–	–	–	18,108	18,947
of which, gas	–	–	–	45	–	137	1,777	1,712	–	–	2,797	2,861	–	–	–	–	4,574	4,755
of which, lignite	–	–	–	–	–	–	7,123	7,123	–	–	–	–	–	–	–	–	7,123	7,123
of which, hard coal	–	–	–	–	1,333	1,620	1,318	1,826	877	877	883	903	–	–	–	–	4,411	5,226
of which, oil	1,212	1,212	–	–	–	–	788	631	–	–	–	–	–	–	–	–	2,000	1,843
Wind power	245	258	–	–	351	324	28	28	30	30	230	211	5	8	581	431	1,470	1,290
Biomass, waste	185	179	65	20	104	126	100	100	20	20	20	–	–	–	–	–	494	445
Total electricity	14,106	14,391	191	191	1,788	2,207	14,296	15,769	927	927	3,954	3,999	5	8	581	431	35,848	37,923
Installed capacity																		
heat, MW	2,118	2,304	961	926	1,632	2,223	9,946	9,896	4,699	4,699	2,987	2,844	–	–	–	–	22,343	22,892
Generated																		
electricity, TWh																		
Hydro power ⁴	29.5	29.8	0.4	0.3	–	–	2.6	3.1	–	–	0.1	0.1	–	–	–	–	32.6	33.3
Nuclear power	28.9	29.9	–	–	–	–	2.1	2.3	–	–	–	–	–	–	–	–	31.0	32.2
Fossil-based power	–	–	–	0.1	4.4	7.1	62.8	65.1	3.5	3.6	13.2	13.2	–	–	–	–	83.9	89.2
of which, gas	–	–	–	0.1	–	0.5	3.8	3.9	–	–	8.8	9.2	–	–	–	–	12.6	13.7
of which, lignite	–	–	–	–	–	–	53.4	52.3	–	–	–	–	–	–	–	–	53.4	52.3
of which, hard coal	–	–	–	–	4.4	6.6	5.6	8.9	3.5	3.6	4.4	4.0	–	–	–	–	17.9	23.1
of which, oil	–	0.1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.1
Wind power	0.8	0.5	–	–	0.8	0.7	0.1	–	0.1	0.1	0.5	0.4	–	–	1.3	0.7	3.6	2.4
Biomass, waste	0.4	0.5	0.2	0.5	0.7	0.4	1.1	0.6	0.1	0.1	0.1	–	–	–	–	–	2.6	2.1
Total electricity	59.6	60.7	0.6	0.9	5.9	8.2	68.7	71.1	3.7	3.8	13.9	13.7	–	–	1.3	0.7	153.7	159.2
Heat sales, TWh																		
Fossil-based power	0.1	0.1	0.7	0.7	4.1	5.4	14.3	16.1	10.3	11.5	4.4	4.3	–	–	–	–	34.0	38.1
of which, gas	–	–	0.6	0.6	0.5	0.8	4.9	5.0	–	–	4.4	4.3	–	–	–	–	10.4	10.7
of which, lignite	–	–	–	–	–	–	4.1	4.5	–	–	–	–	–	–	–	–	4.1	4.5
of which, hard coal	0.1	–	–	–	3.6	4.6	5.3	6.6	10.3	11.5	–	–	–	–	–	–	19.3	22.7
of which, oil	0.1	0.1	0.1	0.1	–	–	–	–	–	–	–	–	–	–	–	–	0.2	0.2
Biomass, waste	3.6	4.3	0.9	0.9	1.7	1.5	0.6	1.3	0.4	0.4	–	–	–	–	–	–	7.2	8.4
Total heat	3.8	4.4	1.6	1.6	5.8	6.9	14.9	17.4	10.7	11.9	4.4	4.3	–	–	–	–	41.2	46.5
Gas sales, TWh	–	–	0.2	0.2	–	–	1.5	1.1	–	–	51.3	59.0	3.3	4.1	–	–	56.3	64.4
CO₂ emissions per country, mtonnes	0.4	0.6	0.2	0.3	4.4	6.4	67.7	70.0	7.8	8.3	8.1	8.2	–	–	–	–	88.6	93.7

Footnotes: For explanations, see page 131.