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## **Gerhard Larsson, Chairman of the Board of Vattenfall, announces his resignation**

**The Chairman of the Board of Vattenfall AB, County Governor Gerhard Larsson, intends to resign at the Annual General Meeting in the spring.**

Gerhard Larsson has informed Minister for Industry Björn Rosengren of his intention to resign in a letter, in which he also proposes that the owner should begin the search for a new Chairman before the AGM.

In his letter, Gerhard Larsson describes the rapid transformation that the company is undergoing. As examples he mentions the appointment of a new Group management last year, the reorganisation of the company, the almost 100% increase in the company's sales due to the major acquisitions in the Nordic region, Poland and Germany, and the winding-up of operations outside Europe.

"At the same time, the company has ensured that it retains its leading position internationally by developing new forms of energy and improving the quality of its network and generation operations in Sweden. All this has been done using internally-generated financial resources, and it has been possible to combine this with a recommended dividend to the owner, the State, of SEK 1 billion from this year's profits," writes Gerhard Larsson.

He continues: "The European energy market is now experiencing a period of dramatic transformation. The steps that Vattenfall has taken to date have put the company in a strong position, but changes in the world around us are rapidly creating new preconditions and it is important for the company and the owner to decide how to proceed. I believe that, apart from the obvious need to work with the quality assurance, consolidation and integration of the new acquisitions, it is a question of determining the future magnitude of the company's European commitments or whether the company's market should be limited, of selecting financing options for the future, of possible partnerships, and of deciding how to provide added value to the customers.

All this will provide exciting and interesting tasks for the Board, but tasks that will continue to demand a lot of work. My feeling is that I, as someone who is relatively new to the role of Governor, will find it increasingly difficult to find time to combine the chairmanship of Vattenfall with my duties as Governor of one of the counties that perhaps requires the greatest efforts on the part of its Governor.

Unfortunately, therefore, I feel that it would be best if I stand down as Chairman and that a new Chairman be found for Vattenfall AB, which is a strong company with a great future", Gerhard Larsson concludes.

From Vattenfall's Press Office, tel: 08-739 50 10.

For further information, please contact:

Lars G Josefsson, President and CEO, Vattenfall,  
telephone: 08-739 50 05.

*Vattenfall's vision is to be a leading European energy company. The Nordic region, Poland and Germany are its domestic markets. Today, Vattenfall generates power and supplies energy solutions to 2.2 million customers in the Nordic region and northern Europe. The largest electricity customers are industrial plants and energy companies. Vattenfall's main products are electricity, heat and natural gas, as well as network, consulting and maintenance services. Vattenfall's net sales in 2000 amounted to almost SEK 32 billion. Sales included 83 TWh electricity and 17 TWh heat.*