

# News Release



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## **Mirant Agrees to Sell Its Stake In Bewag to Vattenfall for USD 1.63 Billion**

BERLIN – Vattenfall AB (publ) and Mirant (NYSE: MIR) have signed an agreement in which Vattenfall will buy Mirant's 44.8 percent ownership position in the Berlin-based German power utility group, Bewag, for USD 1.63 billion.

"We are proud to have been a strategic investor in Bewag and to have supported its efforts to become one of the most efficient, most profitable power utilities in Germany," said Marce Fuller, president and chief executive officer, Mirant. "Mirant remains committed to furthering business interests in Germany and other European markets. We will continue to take steps toward building an integrated energy business in Europe much like our highly successful U.S. model, which combines ownership of power generation and natural gas assets with energy marketing and risk management expertise."

"I am extremely satisfied that we have reached this agreement with Mirant. Bewag can now be fully integrated in the activities of the Vattenfall Group," said Lars G Josefsson, president and chief executive officer, Vattenfall. "This is a decisive step forward in the formation of the new force in the German market, which will greatly benefit the customers of Germany. All along, it has been our wish to include Bewag in this co-operation and thereby make Berlin one of the focal points of the Group. Also, this deal is a milestone as Vattenfall fulfills its vision to be a leading European energy company."

Located in Germany's capital city Berlin, Bewag owns 29 power and steam units generating 2,995 megawatts of electricity and 5,740 megawatts of thermal energy sold for heating. Electric power is transmitted to Bewag's approximately 2.2 million electric customers over 38,770 kilometers (24,233 miles) of cable, most of which is underground. The total net sales for Bewag in fiscal year 2000/2001 were EUR 1.986 billion (approximately USD 1.763 billion).

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In 1997, Mirant purchased an initial 26 percent interest in Bewag. In 2001, the company increased its ownership to 44.8 percent.

After completion of the agreement, the Vattenfall Group will own 89.6 percent of the shares in Bewag, representing 92 percent of the voting rights. The remaining 10.4 percent of the shares are traded on the stock market. In addition to Bewag, the Vattenfall Group in Germany today consists of HEW, Veag and Laubag. Vattenfall today owns 73.8 percent of HEW and will buy 25.1 percent of HEW shares owned by the City of Hamburg and thereby become the only significant owner of HEW, if the City of Hamburg decides to exercise its existing put option. With the inclusion of Bewag, the net sales of the German companies will amount to about EUR 5.5 billion on a proforma basis. Their aggregated annual electricity generation will amount to 77 terawatt hours, and the heat generation to 17 terawatt hours. The new group of companies will be the third largest energy producer in Germany, and have over 24,000 employees.

The sale is contingent on approval by relevant anti-trust authorities.

Vattenfall's vision is to be a leading European energy company. Today, Vattenfall generates power and supplies energy to several 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 and heat. The Group's net sales in 2001, excluding operations in Germany, are estimated to over EUR 4.2 billion. For more information, see [www.vattenfall.com](http://www.vattenfall.com)

Mirant holds a top ten marketing and risk management position in Europe and targets ownership or control of 10,000 megawatts in the region by 2005. The company is engaged in a broad range of activities in Italy, Scandinavia and the United Kingdom.

Mirant is a leading, global competitive-energy company. The company delivers value by integrating an extensive portfolio of power and natural gas assets with marketing and risk management expertise. Mirant has facilities in North America, the Caribbean, Europe and Asia, and operates one of the world's largest energy commodity trading organizations from its headquarters in Atlanta.

Mirant sees the opportunity to change the world with its energy. Come see how at [www.mirant.com](http://www.mirant.com)

Caution regarding forward-looking statements:

Some of the statements provided herein include forward-looking information, in addition to historical information. Mirant and Vattenfall each caution that there can be no assurance that such indicative results will be realized and that there are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to (i) changes in government regulations (including environmental regulations) and anticipated deregulation of the electric energy industry; (ii) additional competition in the companies' respective markets; (iii) potential business strategies of each company, including acquisitions or dispositions of assets that the Mirant or Vattenfall may pursue; (iv) political, legal, market (including, but not limited to, energy and commodity supply, volume and pricing developments) and economic conditions and developments in the companies' markets; (v) financial market conditions and the results of financing efforts; (vi) changes in commodity prices and interest rates; (vii) the performance of the companies' respective projects and investments and the success of efforts to develop new opportunities; (viii) the ability of the companies to obtain any required regulatory approvals, including competition authority approval and to satisfy any conditions to closing of the sale; and (ix) other factors, whether discussed above or in reports filed by Mirant (and its subsidiaries) with the U.S. Securities and Exchange Commission. Both Mirant and Vattenfall expressly disclaim a duty to update any of the forward-looking statements contained herein.

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