

22th March 2001

Statement of Sydkraft AB's Board

The Board of Sydkraft AB has analysed and evaluated E.ON Energie AG's public take-over bid, through its wholly owned Swedish subsidiary E.ON Scandinavia AB, to the shareholders of Sydkraft AB. The take-over bid involves that the shareholders of Sydkraft AB for each share of series A receive SEK 240, and for each share of series C receive SEK 200 in cash, in both cases with deduction for the proposed dividend of the financial year 2000 of SEK 4:75/share that goes to Sydkraft AB's shareholders. The Board has in connection with E.ON Scandinavia AB's public take-over bid decided to make the following statement:

Sydkraft AB is a well-consolidated energy company with a strong position in the Swedish market. With an electricity production of approx. 30 TWh, a heating production of approx. 6 TWh and approx. 850 000 customers in wholly owned and affiliated companies, and a great experience of conducting business with maintained profitability in a deregulated market, Sydkraft AB is an attractive collaborator, that among other things reflects in the company's ownership structure. The concentrated ownership picture has however involved that the liquidity of Sydkraft's shares during the last year has been more limited, which has influenced the stock market's interest in the Sydkraft share as an investment alternative.

E.ON Scandinavia AB's take-over bid involves a bid premium of 58,7 % for the A-share respectively 32,4 % for the C-share calculated on the latest price paid during the latest 30 trading days before the publishing of E.ON Scandinavia AB's latest acquisition of A-shares in Sydkraft.

Aktiemarknadsnämnden (the Stock Market Panel) has in a statement 2001:03, dated February 19, 2001, taken its stand to E.ON Scandinavia AB's bid what concerns the difference of the compensation between shares of series A and shares of series C. Aktiemarknadsnämnden states as follows: "At a collected judgement of the circumstances - among other things the information concerning the prices that E.ON Scandinavia AB has paid at earlier acquisitions of shares, and the circumstance that the current bid is caused by the stipulations concerning take-over bid - the Aktiemarknadsnämnden finds that the proposed difference between the compensation for A-shares and C-shares is acceptable".

As basis for the Board's standpoint concerning E.ON Scandinavia AB's public take-over bid to the shareholders in Sydkraft, the Board has procured a valuation report a so-called fairness opinion from Enskilda Securities AB. Enskilda Securities states as follows: "Enskilda Securities sees in the light of the Aktiemarknadsnämndens statement no reason to comment the difference between the compensation for the A-shares and the C-shares. The total value according to the take-over bid for all the shares in Sydkraft is SEK 42,6 billion. Based on the above it is Enskilda Securities' opinion that the bid per this date is reasonable from a financial point of view."

In the light of the above the Board finds at a collected judgement that E.ON Scandinavia AB's take-over bid to the shareholders - regarded as a unity -is not unreasonable.

The bid at SEK 240 per share of series A is reasonable. However the Board finds that the by E.ON Scandinavia AB made take-over bid at SEK 200 per share of series C is low, with regards to the big difference in the bidding premium between shares of series A respectively series C.

With regards to the current circumstances in the stock market, Sydkraft's share price before the take-over bid and other circumstances in connection with E.ON Scandinavia AB's take-over bid, the Board however would recommend the shareholders to accept E.ON Scandinavia AB's take-over bid.

The Board members Göran Ahlström, Board member of E.ON Energie AG, Hans-Dieter Harig, CEO of E.ON Energie AG and Walter Hohlefelder, member of the Group Management of E.ON Energie AG have not participated in the Boards handling and standpoints due to conflict of interests.

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