

PRESS RELEASE, 9 February 2012

Delivering according to strategy during a demanding year

Vattenfall presents the results for full year 2011:

- Net sales in 2011 decreased by 15.2%, to SEK 181,040 million (217,572).
- The cost-cutting programme is proceeding better than planned.
- Sales of assets totalled SEK 23 billion, of which SEK 16 billion was 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 the country's nuclear power.
- Underlying operating profit¹ for 2011 decreased by 16.4%, to SEK 30,793 million (36,838), mainly as a result of lower production volumes and average lower electricity prices received.
- Operating profit for the fourth quarter increased 105.4% to SEK 10,159 million (4,946). Underlying operating profit for the fourth quarter decreased by 19.4% to SEK 7,343 million (9,109).
- 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.

"Although 2011 was a tough year in many respects for the entire energy sector, Vattenfall successfully carried out a number of measures to boost profitability and improve its financial position. I am satisfied with the result we achieved in 2011, especially against the background of the large earnings charge of SEK 10.5 billion caused by the unexpected decision in Germany to phase out the country's nuclear power. "

"We have delivered in accordance with our strategy. Vattenfall's cost-cutting programme, aimed at reducing SEK 6 billion in costs by year-end 2013, is proceeding better than planned, and we have lowered our annual costs by SEK 4 billion. At the same time, future-oriented operations have given rise to new costs of SEK 1.4 billion. We have completed or signed agreements to carry out sales of non-core assets at a fast pace - corresponding to a value of SEK 37 billion. This includes the sale of operations in Finland, which was completed in January 2012."

"During 2011 we have experienced difficulties in some of our power plants, most notably an extended outage in one of the reactors at the Ringhals nuclear power plant in Sweden. It is clearly in Vattenfall's interest to ensure that all our nuclear power plants are in operation. At the same time, safety comes first. We are doing everything we can to get our nuclear power plants operating at 100%", says Øystein Løseth, CEO of Vattenfall.

The Board of Directors proposes a dividend of SEK 4,433 million, corresponding to 40 % of the profit for the year attributable to the owner of the Parent Company.

Read the full report at <http://www.vattenfall.com/en/investors.htm>

Vattenfall discloses this information pursuant to the Swedish Securities Market Act.

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