

Interim Report January–March 2015

January–March 2015

- Net sales of SEK 45,377 million (45,912)
- Underlying operating profit¹ of SEK 7,736 million (9,075)
- Operating profit of SEK 8,386 million (11,832)
- Profit for the period of SEK 4,987 million (8,205)
- Electricity generation of 46.4 TWh (50.1)

1) Underlying operating profit is defined as operating profit excluding items affecting comparability. For a specification of items affecting comparability, see page 6.

Vattenfall discloses the information provided in this interim report pursuant to the Swedish Securities Market Act.

Rounding differences may occur in this document.

CEO's comments

"Demand for electricity remained weak during the first quarter of the year, and electricity prices have continued to fall. The protection we have in the form of forward contracts entered into at higher price levels is gradually decreasing, entailing that the current low wholesale prices are having a gradually bigger impact on Vattenfall's earnings. All in all, Vattenfall reports an underlying operating profit of SEK 7.7 billion for the first quarter of 2015, which is SEK 1.3 billion lower than the corresponding quarter in 2014. Operating cash flow decreased by SEK 0.5 billion, to SEK 7 billion.

During the quarter we successfully issued SEK 15 billion in new hybrid bonds. The issue, which was in both euros and Swedish kronor, was met with great interest by investors. It was the first time ever that a company issued hybrid bonds in Swedish kronor. The issue led to a positive development of adjusted net debt, which decreased by SEK 7.4 billion during the quarter to SEK 150.9 billion.

During the quarter Vattenfall was awarded the concession to build and operate the Horns Rev 3 offshore wind farm in Denmark, which will have a capacity of 400 MW. This is a prime example of the major investments we are making in wind power, which totalled SEK 2 billion during the quarter and thereby accounted for Vattenfall's single largest investment. The process of divesting our lignite operations in Germany continues.

In March the Swedish government presented the composition of the new parliamentary energy commission. Its purpose is to, within two years, draw up a foundation for a broad political accord on Sweden's long-term energy policy. We have a positive view of the energy commission's directive and look forward to the opportunity to contribute to the coming process.

On 1 April we began working according to our new organisational structure. The two former regions, Nordic and Continental/UK, have been replaced by six cross-border Business Areas: Heat, Wind, Customers & Solutions, Generation, Markets, and Distribution. The aim of the new organisation is to enhance Vattenfall's business and earnings focus, and to take advantage of cross-border synergies. At the same time, we need to continue lowering our costs and will reduce the number of employees corresponding to approximately 1,000 full-time equivalents, of whom about half will be in staff functions. The new organisation creates conditions for a strong northern European company under Swedish ownership."



Magnus Hall

President and CEO

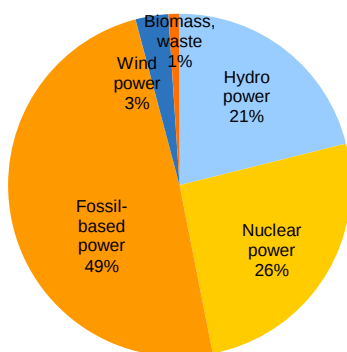
Key data

Amounts in SEK million unless indicated otherwise	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	45 377	45 912	165 945	165 410
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	13 518	16 588	41 038	37 968
Operating profit (EBIT)	8 386	11 832	-2 195	-5 641
Underlying operating profit	7 736	9 075	24 133	22 794
Profit for the period	4 987	8 205	-8 284	-11 502
Funds from operations (FFO)	9 795	10 792	32 131	31 134
Net debt	78 825	85 694	79 473	
Adjusted net debt	150 737	147 296	158 291	
Return on capital employed, %	- 1.9 ¹	- 1.7 ¹	- 0.7	
Net debt/equity, %	58.5	58.8	61.9	
FFO/adjusted net debt, %	20.7 ¹	20.4 ¹	20.3	
Adjusted net debt/EBITDA, times	4.0 ¹	3.3 ¹	3.9	
Electricity generation, TWh	46.4	50.1	172.9	169.2
- of which, hydro power	9.8	10.6	34.3	33.4
- of which, nuclear power	12.0	14.8	49.9	47.0
- of which, fossil-based power ²	22.7	22.9	82.7	82.5
- of which, wind power	1.4	1.4	4.1	4.1
- of which, biomass, waste ²	0.5	0.4	2.0	2.1
Sales of electricity, TWh	53.4	56.5	199.0	195.9
Sales of heat, TWh	9.1	9.1	24.1	24.1
Sales of gas, TWh	21.8	18.4	45.5	48.9
Number of employees, full-time equivalents	29 341	31 261	30 181	

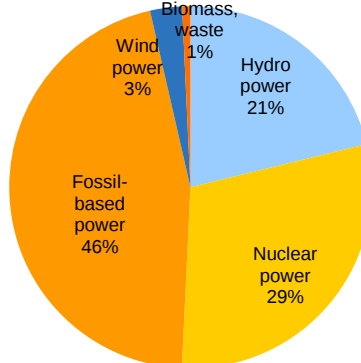
1) Last 12-month values.

2) The figures for electricity generation in 2015 are preliminary.

Electricity generation, Q1 2015 %



Electricity generation, Q1 2014 %



Important events Q1 2015

Vattenfall wins concession for the Horns Rev 3 wind farm

In February Vattenfall won the concession to build and operate the Horns Rev 3 offshore wind farm off the Danish west coast. The wind farm will have a total capacity of 400 MW, corresponding to the electricity needs of some 450,000 households, and will be commissioned in 2017. Since previously Vattenfall owns 60% of the Horns Rev 1 offshore wind farm, with 80 wind turbines and a capacity of 160 MW.

Moorburg in commercial operation

In February the first unit at the Moorburg coal-fired plant in Hamburg became operational. The power plant has two units, where unit B has now been commissioned, with a capacity of 827 MW and the ability to generate approximately 5.5 TWh of electricity per year. The plant's unit A (827 MW) is planned to be in commercial operation in mid-2015.

New electricity contract with Boliden

In March Vattenfall and the mining and metals company Boliden reached an agreement for expanded electricity supply to approximately 5.5 TWh over a five-year period. Vattenfall will also be responsible for Boliden's power balance in Sweden from 2016, i.e., for its daily power procurement. Vattenfall has had a contract with Boliden since 2007 to supply electricity to the company's Aitik copper mine in Gällivare and to its smelting works in Finland. The new agreement entails an extension of Vattenfall's involvement to an additional six plants in Sweden starting in 2016.

Issue of hybrid bonds

In March Vattenfall launched hybrid bonds of SEK 6 billion and EUR 1 billion (approximately SEK 15 billion combined) in order to refinance an existing hybrid bond of EUR 1 billion, issued in 2005. The excess amount will be used for general corporate purposes. The issue of corporate hybrid bonds in Swedish kronor is the first ever by a company. Like Vattenfall's existing hybrid bond, the new bonds will be accounted for as interest-bearing debt and will be subordinate to Vattenfall's other debt instruments. The credit rating agencies Moody's and Standard & Poor's classify 50% of Vattenfall's hybrid bonds as equity in their credit analyses. In connection with the issue, Vattenfall offered to redeem its existing hybrid bond. The offer was accepted to 49.6% (EUR 496 million).

Continued investment in sustainable transports and infrastructure

Vattenfall is continuing its work on developing a charging infrastructure to enable faster growth of electric vehicles. In March a demonstration project was started with plug-in hybrid buses in regular bus traffic in Stockholm. Vattenfall is responsible for the fast-charge stations and supply of wind-based electricity for the project, in which Stockholm's mass transit company SL and Volvo Buses are the other two main partners. The plug-in hybrid buses operate entirely from stored electric power on most of their route, resulting in quieter operation, 75% lower fuel consumption and 90% lower CO₂ emissions than conventional diesel buses. In January Vattenfall and Swedavia began cooperation on fast-charge stations for taxis run on electricity. Fast-charge stations for electric cars will be established at Swedavia's airports. The first fast-charge station is now in operation at Stockholm's Arlanda Airport.

Outsourcing of IT operations

In March Vattenfall signed a five-year contract outsourcing IT network services and workplace management to Computer Sciences Corporation (CSC). The agreement took effect on 1 April 2015 and is aimed at improving operational efficiency and facilitating IT services development for nearly 30,000 Vattenfall employees in seven countries. As part of the agreement, 122 Vattenfall employees in Germany, Sweden and the Netherlands will be transferred to CSC and its partner, AT&T.

Sales, profit and cash flow

Net sales

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	45 377	45 912	165 945	165 410

Comment: Consolidated net sales for first quarter 2015 decreased by SEK 0.5 billion compared with the corresponding period in 2014. Excluding currency effects (SEK +2.3 billion), net sales decreased by approximately SEK 2.8 billion, mainly due to lower production volumes.

Earnings

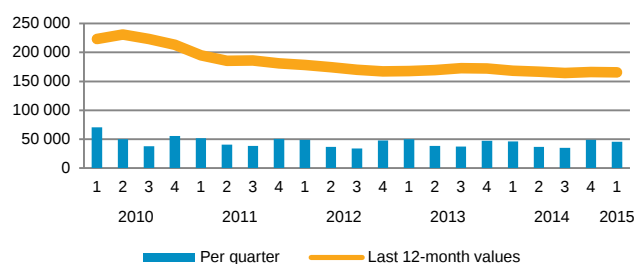
Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	13 518	16 588	41 038	37 968
Underlying operating profit before depreciation, amortisation and impairment losses	12 758	13 828	43 558	42 488
Operating profit (EBIT)	8 386	11 832	- 2 195	- 5 641
Items affecting comparability	650	2 757	- 26 328	- 28 435
Underlying operating profit	7 736	9 075	24 133	22 794

Comment: The underlying operating profit decreased by SEK 1.3 billion, which is explained by the following:

- Lower generation volumes, mainly attributable to the Nordic region (SEK -1.2 billion)
- Lower production margins as a result of average lower prices achieved (SEK -0.3 billion)
- Higher earnings from sales activities (SEK 0.5 billion)
- Other items, net (SEK -0.3 billion)

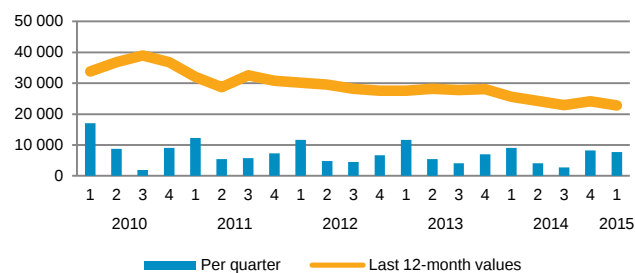
Net sales

SEK million



Underlying operating profit

SEK million



Items affecting comparability

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Items affecting comparability affecting operating profit (EBIT)				
Capital gains	79	3 036	3 227	270
Capital losses	- 14	—	- 185	- 199
Impairment losses	- 110	- 3	- 23 808	- 23 915
Unrealised changes in the fair value of energy derivatives	743	98	819	1 464
Unrealised changes in the fair value of inventories	- 36	- 272	72	308
Restructuring costs	- 12	- 102	- 765	- 675
Other items affecting comparability	—	—	- 5 688	- 5 688
Total	650	2 757	- 26 328	- 28 435

Comment: Items affecting comparability for the first quarter of 2015 amounted to SEK 0.7 billion (2.8). These pertain primarily to unrealised changes in the market value of energy derivatives. The impairment losses pertain to the decision to close Vattenfall's gas turbine in Brunsbüttel, Germany. Items affecting comparability for the corresponding quarter in 2014 consist mainly of the capital gain on the sale of Vattenfall's electricity distribution operation in Hamburg.

Profit for the period

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Profit for the period	4 987	8 205	- 8 284	- 11 502

Comment: Profit for the first quarter of 2015 amounted to SEK 5.0 billion (8.2). The decrease is mainly attributable to a lower operating profit.

Financial items

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net financial items	- 1 543	- 1 701	- 6 045	- 5 887
- of which, interest income	55	344	772	483
- of which, interest expenses	- 678	- 1 181	- 3 832	- 3 329
- of which, impairment and provisions	—	- 2	- 37	- 35
- of which, other	- 920	- 862	- 2 948	- 3 006
Interest received ¹	249	153	537	633
Interest paid ¹	- 1 658	- 1 285	- 3 074	- 3 447

1) Pertains to cash flows.

Comment: Net financial items improved during the first quarter of 2015. This is mainly attributable to repayment of a loan to the joint venture company East Anglia, which was previously reported in net financial items as an impairment loss. In addition, interest expenses have decreased as a result of lower average interest rates and lower loan volume.

Higher paid interest during the first quarter of 2015 compared with the first quarter of 2014 is mainly explained by a partial redemption of Vattenfall's older hybrid bonds, which were issued in 2005. This entailed that accrued interest on these bonds was repaid during the first quarter of this year compared with the second quarter a year ago. The increase in paid interest also pertained to fees for the issue of new hybrid bonds and to matured and previously redeemed derivatives.

Cash flow

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Funds from operations (FFO)	9 795	10 792	32 131	31 134
Cash flow from changes in operating assets and operating liabilities (working capital)	- 3 042	- 3 305	8 015	8 278
Cash flow from operating activities	6 753	7 487	40 146	39 412

Comment: Funds from operations (FFO) decreased by SEK 1.0 billion compared with the corresponding quarter in 2014. The decrease is mainly attributable to lower production volumes. Lower paid tax in Sweden had a positive impact.

Cash flow from changes in working capital was seasonally negative and amounted to SEK -3.0 billion during the first quarter of 2015. This is mainly explained by a net change in operating receivables and operating liabilities (SEK -6.0 billion), a change in inventories (SEK 2.0 billion), and a change in margin calls and realised equity hedge items (together totalling SEK 1.0 billion).

Financial position

Amounts in SEK million	31 March 2015	31 Dec. 2014	Change, %
Cash and cash equivalents, and short-term investments	57 240	45 068	27.0
Committed credit facilities (unutilised)	18 580	18 786	—

Comment: Cash and cash equivalents, and short-term investments increased during the first quarter of 2015, mainly attributable to the newly issued hybrid bonds. On 29 June the remaining portion of the hybrid bonds issued in 2005 will be repaid (approximately EUR 469 million, corresponding to SEK 4.4 billion), and on 1 July final payment will be made for the shares in Nuon (approximately EUR 2.1 billion, corresponding to SEK 19.2 billion).

Committed credit facilities consist of a EUR 2.0 billion Revolving Credit Facility that expires on 10 December 2019, with an option for two one-year extensions. As per 31 March 2015, available liquid assets and/or committed credit facilities amounted to 41% of net sales. Vattenfall's target is to maintain a level of no less than 10% of the Group's net sales, but at least the equivalent of the next 90 days' maturities.

Amounts in SEK million	31 March 2015	31 Dec. 2014	Change, %
Interest-bearing liabilities	137 379	125 928	9.1
Net debt	78 825	79 473	-0.8
Adjusted net debt (see page 21)	150 737	158 291	-4.8
Average interest rate, % ¹	3.4	3.6	—
Duration, years ¹	3.6	2.8	—
Average time to maturity, years ¹	6.4	5.6	—

1) Including Hybrid Capital and loans from owners with non-controlling interests and associated companies.

Comment: Total interest-bearing liabilities increased by SEK 11.5 billion during the first quarter of 2015. This is mainly attributable to new external loans, of which the largest share pertains to hybrid bonds.

Net debt was essentially unchanged compared with the level on 31 December 2014.

Adjusted net debt decreased by SEK 7.6 billion compared with the level on 31 December 2014. The decrease is mainly attributable to the newly issued hybrid bonds, which are classified as equity to 50% and thereby reduce the level of adjusted net debt. Adjusted net debt also decreased as a result of a positive cash flow from margin calls stemming from changes in the value of outstanding derivatives and currency contracts.

Credit ratings

No changes took place in Vattenfall's credit ratings during the first quarter. The current credit ratings for Vattenfall's long-term borrowing are A– (Standard & Poor's) and A3 (Moody's). Vattenfall's rating outlook is "stable" from both Standard & Poor's and Moody's.

Investments and divestments

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Maintenance investments	2 750	2 802	16 912	16 860
Growth investments	2 807	2 452	12 120	12 475
- of which, shares and shareholder contributions	- 7	- 85	- 212	- 134
Total investments	5 557	5 254	29 032	29 335
Divestments	754	9 122	12 054	3 686
- of which, shares	180	8 122	8 875	933

Comment: Investments are specified in the table below. Divestments during the first quarter of 2015 pertain mainly to the completion of the sale of combined heat and power assets in Utrecht in the Netherlands. Divestments during the first quarter of 2014 pertained to the electricity distribution operation in Hamburg, the minority shareholding in Enea S.A., and the Amager combined heat and power station in Denmark.

Specification of investments

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Electricity generation				
Hydro power	193	198	1 441	1 436
Nuclear power	789	841	3 674	3 622
Coal power	425	573	5 282	5 134
Gas	12	22	188	178
Wind power	1 957	1 179	6 522	7 300
Biomass, waste	1	2	14	13
Other	143	146	753	750
Total electricity generation	3 520	2 961	17 874	18 433
CHP/heat				
Fossil-based power	370	409	2 110	2 071
Biomass, waste	22	32	297	287
Other	63	143	1 312	1 232
Total CHP/heat	455	584	3 719	3 590
Electricity networks				
Electricity networks	847	762	5 057	5 142
Total Electricity networks	847	762	5 057	5 142
Purchases of shares, shareholder contributions	- 7 ¹	- 85	- 137	- 59
Other, excl. purchases of shares	742	1 032	2 519	2 229
Total	5 557	5 254	29 032	29 335

1) Pertains to shareholder contribution in a joint venture company.

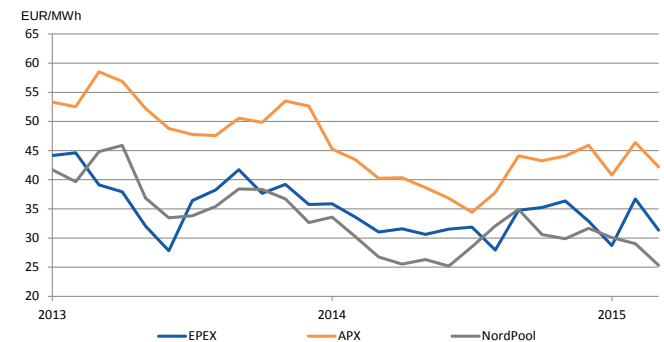
Wholesale price trend

Spot prices – electricity

Average Nordic spot prices were 7% lower during the first quarter of 2015 than in the first quarter of 2014, mainly owing to lower commodity prices. In Germany, average spot prices were 4% lower than in the first quarter of 2014, mainly owing to lower commodity prices and higher wind power generation. In the Netherlands, average spot prices were unchanged compared with the first quarter of 2014. Compared with the fourth quarter of 2014, average spot prices were 8% lower in the Nordic countries, 7% lower in Germany, and 3% lower in the Netherlands.

Time period	Nord Pool Spot (Nordic countries)	EPEX (Germany)	APX (Netherlands)
EUR/MWh			
Q1 2015	28.2	32.3	43.1
Q1 2014	30.2	33.5	43.0
%	-7%	-4%	—
Q4 2014	30.7	34.8	44.4
%	-8%	-7%	-3%

Electricity spot prices in the Nordic countries, Germany and the Netherlands, monthly averages

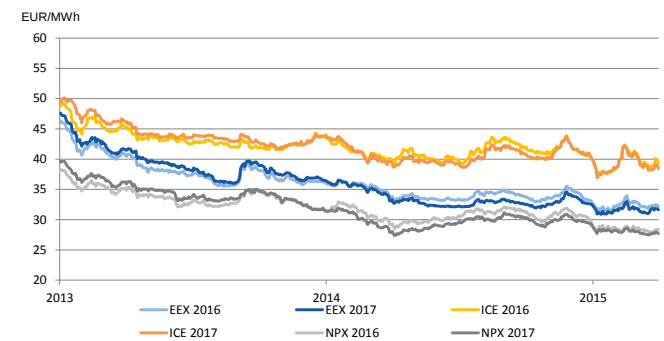


Futures prices – electricity

Electricity futures prices were 7%–11% lower in the Nordic countries and Germany than in the first quarter of 2014. This is mainly attributable to continued expectations for low commodity prices. In the Netherlands, futures prices were 5% lower.

Time period	Nordic countries (NPX)		Germany (EEX)		Netherlands (ICE)	
EUR/MWh	2016	2017	2016	2017	2016	2017
Q1 2015	28.5	28.0	32.3	31.6	39.3	39.1
Q1 2014	31.3	30.2	35.5	35.3	41.2	41.3
%	-9%	-7%	-9%	-11%	-5%	-5%
Q4 2014	30.7	29.8	33.9	32.9	41.5	41.1
%	-7%	-6%	-5%	-4%	-5%	-5%

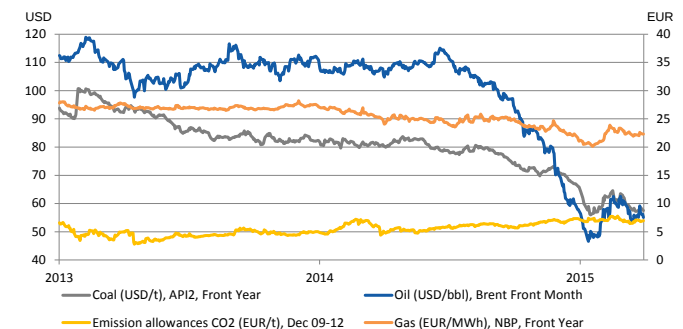
Electricity futures prices in the Nordic countries, Germany and the Netherlands



Commodity prices

Oil prices (Brent crude) were an average of 49% lower during the first quarter of 2015 than in the corresponding period in 2014, mainly owing to a large build-up of reserves in the USA and continued high production in Saudi Arabia. Coal prices were an average of 26% lower during the first quarter of 2015 than in the corresponding period in 2014. Gas prices were 16% lower. Prices of CO₂ emission allowances were 19% higher. Compared with the fourth quarter of 2014, oil prices (Brent crude) were 30% lower, coal prices were 16% lower, and gas prices were 6% lower. Prices of CO₂ emission allowances were 7% higher.

Price trend for oil, coal, gas and CO2 emission allowances



Vattenfall's price hedging

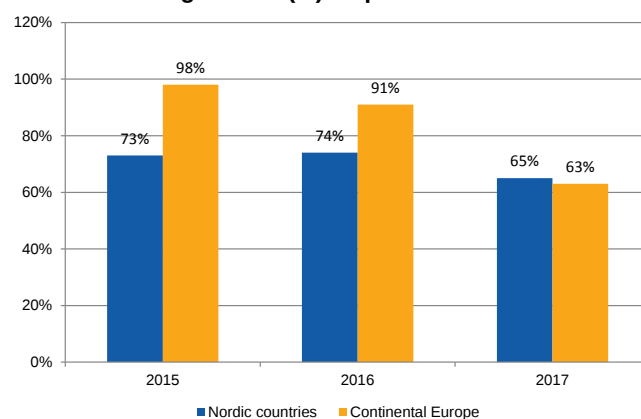
Vattenfall continuously hedges its future electricity generation through sales in the forward and futures markets. Spot prices therefore have only a limited impact on Vattenfall's earnings in the near term.

The chart shows the share of planned electricity generation that Vattenfall has hedged in the Nordic countries and Continental Europe (Germany and the Netherlands). Compared with the level on 31 December 2014, the hedge ratio percentage increased slightly. The price hedges (in EUR/MWh) were essentially unchanged.

Average price hedges as per 31 March 2015

EUR/MWh	2015	2016	2017
Nordic countries	37	34	32
Continental Europe	45	39	36

Vattenfall's hedge ratios (%) as per 31 March 2015



Nordic operating segment

Amounts in SEK million unless indicated otherwise	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	13 082	14 126	51 974	50 930
External net sales ¹	12 277	13 522	49 217	47 972
Underlying operating profit before depreciation, amortisation and impairment losses	5 221	6 067	18 643	17 797
Underlying operating profit	3 617	4 418	12 040	11 239
Electricity generation, TWh ²	21.8	25.3	83.1	79.6
- of which, hydro power	9.0	9.8	31.2	30.4
- of which, nuclear power	12.0	14.8	49.9	47.1
- of which, fossil-based power	—	—	—	—
- of which, wind power	0.5	0.6	1.7	1.7
- of which, biomass, waste	0.3	0.1	0.2	0.4
Sales of electricity, TWh	24.1	27.9	93.3	89.5
- of which, private customers	3.6	3.6	10.4	10.5
- of which, resellers	1.5	2.2	6.9	6.2
- of which, business customers	8.3	9.0	33.0	32.3
Sales of heat, TWh	1.1	1.4	3.7	3.3
Sales of gas, TWh	—	—	—	—
Number of employees, full-time equivalents	8 499	8 400	8 508	

1) Excluding intra-Group transactions

2) Combined heat and power stations in Denmark are reported in the Continental/UK operating segment

Net sales, Q1

Net sales during the first quarter of 2015 decreased by SEK 1.0 billion compared with the corresponding period in 2014. This is mainly attributable to lower production volumes resulting from outages at certain nuclear power reactors and a lower water level in reservoirs, and to average lower electricity prices achieved.

Underlying operating profit, Q1

The underlying operating profit for the first quarter of 2015 decreased by SEK 0.8 billion compared with the corresponding period in 2014. This is mainly attributable to a smaller gross margin in association with lower production volumes and lower electricity prices achieved. The severe storm Egon in January 2015 gave rise to costs of approximately SEK 0.1 billion for repairs and outage compensation.

Electricity generation and sales of electricity and heat, Q1

Hydro power generation decreased by 0.8 TWh to 9.0 TWh (9.8), as a result of slightly lower water supply. Nordic reservoir levels were 27% (30%) of capacity at the end of first quarter of 2015, which is 2 percentage points above the normal level. Nuclear power generation decreased by 2.8 TWh to 12.0 TWh (14.8) on account of an extended outage at Ringhals 2. Combined availability of Vattenfall's nuclear power plants was 79.5% (98.4%) during the first quarter of 2015. Forsmark had availability of 91.5% (99.8%) and generation of 6.3 TWh (7.1). Availability at Ringhals was 69.0% (97.1%), and generation amounted to 5.6 TWh (7.7). Wind power generation was essentially unchanged at 0.5 TWh (0.6). Sales of electricity and heat decreased, mainly as a result of warmer weather.

Continental/UK operating segment

Amounts in SEK million unless indicated otherwise	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	34 098	32 893	120 633	121 838
External net sales ¹	33 106	32 344	116 630	117 392
Underlying operating profit before depreciation, amortisation and impairment losses	7 810	7 862	25 085	25 033
Underlying operating profit	4 494	4 857	12 692	12 329
Electricity generation, TWh	24.6	24.8	89.9	89.7
- of which, hydro power	0.8	0.8	3.1	3.1
- of which, nuclear power	—	—	—	—
- of which, fossil-based power	22.7	22.9	82.9	82.8
- of which, wind power	0.9	0.8	2.3	2.4
- of which, biomass, waste	0.2	0.3	1.6	1.5
Sales of electricity, TWh	29.3	28.7	105.7	106.4
- of which, private customers	4.8	4.4	15.7	16.1
- of which, resellers	7.5	5.9	22.3	23.9
- of which, business customers	7.8	8.0	30.4	30.3
Sales of heat, TWh	8.0	7.7	20.5	20.8
Sales of gas, TWh	21.8	18.4	45.5	48.9
Number of employees, full-time equivalents	19 136	21 045	19 952	

1) Excluding intra-Group transactions.

Net sales, Q1

Net sales during the first quarter of 2015 increased by SEK 1.2 billion compared with the corresponding period in 2014. Currency effects on net sales were positive by approximately SEK 1.7 billion as a result of the weaker Swedish krona compared with the corresponding period in 2014.

Underlying operating profit, Q1

The underlying operating profit for the first quarter of 2015 decreased by SEK 0.4 billion compared with the corresponding period in 2014. This is attributable to a smaller gross margin, mainly owing to average lower electricity prices achieved and higher costs for CO₂ emission allowances.

Sales of electricity, gas and heat, and electricity generation, Q1

Fossil-based generation decreased by 0.2 TWh to 22.7 TWh (22.9). Wind power generation increased slightly to 0.9 TWh (0.8) as the new wind farms, DanTysk and Clashindarroch, began generating electricity. Sales of electricity rose slightly. Sales of heat and gas rose as a result of slightly colder weather compared with the first quarter of 2014.

Other¹

Amounts in SEK million unless indicated otherwise	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	785	737	3 357	3 405
External net sales ²	—	45	92	47
Underlying operating profit	- 258	- 125	- 599	- 732
Number of employees, full-time equivalents	1 706	1 816	1 721	

1) Other pertains mainly to all Staff functions including Treasury activities and Shared Service Centres.

2) Excluding intra-Group transactions.

Consolidated income statement

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	45 377	45 912	165 945	165 410
Cost of products sold ¹	- 33 042	- 32 905	- 149 395	- 149 532
Gross profit	12 335	13 007	16 550	15 878
Selling expenses, administrative expenses and research and development costs ²	- 4 390	- 4 267	- 20 220	- 20 343
Other operating income and expenses, net	278	2 961	1 913	- 770
Participations in the results of associated companies ³	163	131	- 438	- 406
Operating profit (EBIT)⁴	8 386	11 832	- 2 195	- 5 641
Financial income ^{5,8}	414	690	2 590	2 314
Financial expenses ^{6,7,8}	- 1 957	- 2 391	- 8 635	- 8 201
Profit before tax	6 843	10 131	- 8 240	- 11 528
Income tax expense	- 1 856	- 1 926	- 44	26
Profit for the period	4 987	8 205	- 8 284	- 11 502
Attributable to owner of the Parent Company	4 679	8 111	- 8 178	- 11 610
Attributable to non-controlling interests	308	94	- 106	108
Earnings per share				
Number of shares in Vattenfall AB, thousands	131 700	131 700	131 700	131 700
Earnings per share, basic and diluted (SEK)	35.53	61.59	-62.10	-88.15

Supplementary information

Operating profit before depreciation, amortisation and impairment losses (EBITDA)	13 518	16 588	41 038	37 968
Financial items, net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund	- 883	- 955	- 3 516	- 3 444
Underlying operating profit	7 736	9 075	24 133	22 794
1) Of which, depreciation, amortisation and impairment losses pertaining to intangible assets (non-current) and property, plant and equipment	- 5 003	- 4 635	- 42 398	- 42 766
2) Of which, depreciation, amortisation and impairment losses pertaining to non-current assets	- 129	- 121	- 679	- 687
3) Of which impairment losses pertaining to non-current assets	—	—	- 155	- 155
4) Including items affecting comparability	650	2 757	- 26 328	- 28 435
5) Including return from the Swedish Nuclear Waste Fund	215	123	962	1 054
6) Including interest components related to pension costs	- 235	- 305	- 1 240	- 1 170
7) Including discounting effects attributable to provisions	- 875	- 869	- 3 491	- 3 497
8) Items affecting comparability recognised as financial income and expenses, net	—	- 14	- 52	- 38

Consolidated statement of comprehensive income

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Profit for the period	4 987	8 205	- 8 284	- 11 502
Other comprehensive income:				
Items that will be reclassified to profit or loss when specific conditions are met				
Cash flow hedges:				
- Changes in fair value	1 518	3 627	5 243	3 134
- Dissolved against the income statement	- 1 171	- 2 209	- 5 871	- 4 833
- Transferred to cost of hedged item	14	10	- 3	1
- Tax attributable to cash flow hedges	21	- 414	184	619
Hedging of net investments in foreign operations:				
- Hedging of net investments in foreign operations	379	- 914	- 5 452	- 4 159
- Tax attributable to hedging of net investments in foreign operations	- 61	2 248	3 058	749
Other:				
- Translation differences	- 294	2 053	10 453	8 106
- Translation differences and exchange rate effects net, divested companies	—	50	101	51
- Remeasurement of available-for-sale financial assets	—	- 182	- 182	—
- Impairment of available-for-sale financial assets	—	—	—	—
Total Items that will be reclassified to profit or loss when specific conditions are met	406	4 269	7 531	3 668
Items that will not be reclassified to profit or loss:				
Remeasurement pertaining to defined benefit obligations	—	—	- 9 130	- 9 130
Tax attributable to remeasurement pertaining to defined benefit obligations	—	—	2 587	2 587
Total Items that will not be reclassified to profit or loss	—	—	- 6 543	- 6 543
Total other comprehensive income, net after tax	406	4 269	988	- 2 875
Total comprehensive income for the period	5 393	12 474	- 7 296	- 14 377
Attributable to owner of the Parent Company	5 107	12 323	- 7 412	- 14 628
Attributable to non-controlling interests	286	151	116	251

Operating segments, Vattenfall Group

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
External net sales				
Nordic	12 277	13 522	49 217	47 972
- of which, Generation	1 491	1 596	7 413	7 308
- of which, Distribution	2 629	2 577	9 024	9 076
- of which, Sales	5 983	6 295	21 050	20 738
- of which, Other operations	6 107	7 196	26 808	25 719
- of which, Eliminations ¹	- 3 933	- 4 142	- 15 078	- 14 869
Continental/UK	33 106	32 344	116 630	117 392
- of which, Generation	6 277	5 482	19 649	20 444
- of which, Distribution	1 226	1 119	5 149	5 256
- of which, Sales	21 271	19 342	66 973	68 902
- of which, Other operations	4 331	6 399	24 851	22 783
- of which, Eliminations	1	2	8	7
Other²	—	45	92	47
Eliminations	- 6	1	6	- 1
Total	45 377	45 912	165 945	165 410
Internal net sales				
Nordic	805	604	2 757	2 958
- of which, Generation	5 919	6 783	23 580	22 716
- of which, Distribution	120	138	549	531
- of which, Sales	256	220	767	803
- of which, Other operations	3 253	3 326	11 393	11 320
- of which, Eliminations	- 8 743	- 9 863	- 33 532	- 32 412
Continental/UK	992	549	4 003	4 446
- of which, Generation	11 268	11 691	42 525	42 102
- of which, Distribution	1 083	1 111	4 060	4 032
- of which, Sales	235	229	864	870
- of which, Other operations	18 478	16 984	56 668	58 162
- of which, Eliminations	- 30 072	- 29 466	- 100 114	- 100 720
Other²	785	692	3 265	3 358
Eliminations	- 2 582	- 1 845	- 10 025	- 10 762
Total	—	—	—	—
Total net sales				
Nordic	13 082	14 126	51 974	50 930
- of which, Generation	7 410	8 379	30 993	30 024
- of which, Distribution	2 749	2 715	9 573	9 607
- of which, Sales	6 239	6 515	21 817	21 541
- of which, Other operations	9 360	10 522	38 201	37 039
- of which, Eliminations	- 12 676	- 14 005	- 48 610	- 47 281
Continental/UK	34 098	32 893	120 633	121 838
- of which, Generation	17 545	17 173	62 174	62 546
- of which, Distribution	2 309	2 230	9 209	9 288
- of which, Sales	21 506	19 571	67 837	69 772
- of which, Other operations	22 809	23 383	81 519	80 945
- of which, Eliminations	- 30 071	- 29 464	- 100 106	- 100 713
Other²	785	737	3 357	3 405
Eliminations	- 2 588	- 1 844	- 10 019	- 10 763
Total	45 377	45 912	165 945	165 410

Operating segments, Vattenfall Group cont.

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Operating profit before depreciation, amortisation and impairment losses (EBITDA)				
Nordic	5 345	6 345	18 914	17 914
- of which, Generation	3 310	4 303	12 858	11 865
- of which, Distribution	1 582	1 622	5 275	5 235
- of which, Sales	605	561	1 200	1 244
- of which, Other operations	- 75	30	- 387	- 492
- of which, Eliminations	- 77	- 171	- 32	62
Continental/UK	8 456	7 371	19 304	20 389
- of which, Generation	6 661	6 845	15 475	15 291
- of which, Distribution	567	599	2 008	1 976
- of which, Sales	808	351	1 246	1 703
- of which, Other operations	420	- 424	575	1 419
Other²	- 166	2 972	2 866	- 272
Eliminations	- 117	- 100	- 46	- 63
Total	13 518	16 588	41 038	37 968
Underlying operating profit before depreciation, amortisation and impairment losses				
Nordic	5 221	6 067	18 643	17 797
- of which, Generation	3 287	4 303	12 848	11 832
- of which, Distribution	1 585	1 622	5 275	5 238
- of which, Sales	606	561	1 165	1 210
- of which, Other operations	- 179	30	- 613	- 822
- of which, Eliminations	- 78	- 449	- 32	339
Continental/UK	7 810	7 862	25 085	25 033
- of which, Generation	6 597	6 842	21 105	20 860
- of which, Distribution	576	599	2 137	2 114
- of which, Sales	831	351	1 600	2 080
- of which, Other operations	- 194	70	243	- 21
Other²	- 156	- 24	- 171	- 303
Eliminations	- 117	- 77	1	- 39
Total	12 758	13 828	43 558	42 488

Operating segments, Vattenfall Group cont.

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Operating profit (EBIT)				
Nordic	3 740	4 696	10 961	10 005
- of which, Generation	2 372	3 287	7 596	6 681
- of which, Distribution	1 113	1 089	3 075	3 099
- of which, Sales	489	450	715	754
- of which, Other operations	- 156	41	- 393	- 590
- of which, Eliminations	- 78	- 171	- 32	61
Continental/UK	5 030	4 367	- 13 940	- 13 277
- of which, Generation	3 673	4 273	- 5 663	- 6 263
- of which, Distribution	370	412	1 231	1 189
- of which, Sales	601	141	103	563
- of which, Other operations	386	- 459	- 9 611	- 8 766
Other²	- 267	2 869	831	- 2 305
Eliminations	- 117	- 100	- 47	- 64
Operating profit (EBIT)	8 386	11 832	- 2 195	- 5 641
Financial income and expenses	- 1 543	- 1 701	- 6 045	- 5 887
Profit before tax	6 843	10 131	- 8 240	- 11 528
Underlying operating profit				
Nordic	3 617	4 418	12 040	11 239
- of which, Generation	2 349	3 269	8 937	8 017
- of which, Distribution	1 115	1 087	3 075	3 103
- of which, Sales	490	450	679	719
- of which, Other operations	- 260	- 36	- 618	- 842
- of which, Eliminations	- 77	- 352	- 33	242
Continental/UK	4 494	4 857	12 692	12 329
- of which, Generation	3 719	4 295	10 508	9 932
- of which, Distribution	379	421	1 361	1 319
- of which, Sales	624	148	747	1 223
- of which, Other operations	- 228	- 7	76	- 145
Other²	- 258	- 125	- 599	- 732
Eliminations	- 117	- 75	—	- 42
Underlying operating profit	7 736	9 075	24 133	22 794

1) For external net sales, the elimination pertains to sales to the Nordic electricity exchange.

2) "Other" pertains mainly to all Staff functions including Treasury activities and Shared Service Centres.

The result of the hedging activities carried out by the Asset Optimisation and Trading unit is reported under the item "Generation" for the respective segments. Asset Optimisation and Trading's other activities are reported under the item "Other activities" for the respective segments.

Heating activities are reported under the item "Sales" for the Nordic segment and under the item "Generation" for the Continental/UK segment.

Consolidated balance sheet

Amounts in SEK million	31 March 2015	31 March 2014	31 Dec. 2014
Assets			
Non-current assets			
Intangible assets: non-current	18 964	31 296	19 586
Property, plant and equipment	271 402	266 090	271 306
Investment property	440	478	461
Biological assets	28	20	29
Participations in associated companies and joint arrangements	8 019	8 474	7 765
Other shares and participations	300	299	284
Share in the Swedish Nuclear Waste Fund	32 499	30 881	31 984
Derivative assets	20 702	16 480	18 366
Current tax assets, non-current	450	641	449
Prepaid expenses	111	117	115
Deferred tax assets	9 099	6 892	9 310
Other non-current receivables	8 304	7 114	8 407
Total non-current assets	370 318	368 782	368 062
Current assets			
Inventories	16 396	17 425	18 502
Biological assets	11	5	11
Intangible assets: current	5 244	7 846	4 885
Trade receivables and other receivables	33 658	32 210	31 217
Advance payments paid	2 036	3 201	2 617
Derivative assets	11 802	16 773	13 342
Prepaid expenses and accrued income	10 840	10 364 ¹	6 398 ¹
Current tax assets	795	519	2 390
Short-term investments	45 634	22 142	32 785
Cash and cash equivalents	11 606	13 159	12 283
Assets held for sale	4 045	2 559	4 717
Total current assets	142 067	126 203	129 147
Total assets	512 385	494 985	497 209
Equity and liabilities			
Equity			
Attributable to owner of the Parent Company	120 367	134 852	115 260
Attributable to non-controlling interests	14 311	10 873	13 202
Total equity	134 678	145 725	128 462
Non-current liabilities			
Hybrid Capital	15 295	8 928	—
Other interest-bearing liabilities	70 463	90 477	78 807
Pension provisions	44 793	34 650	45 298
Other interest-bearing provisions	86 314	76 153	86 487
Derivative liabilities	11 718	10 087	11 760
Deferred tax liabilities	27 454	31 618	27 595
Other noninterest-bearing liabilities	5 733	5 383	5 756
Total non-current liabilities	261 770	257 296	255 703
Current liabilities			
Trade payables and other liabilities	26 771	25 104	30 641
Advance payments received	1 687	2 763	2 397
Derivative liabilities	5 533	8 449	5 065
Accrued expenses and deferred income	20 865	23 651 ¹	18 182 ¹
Current tax liabilities	1 254	1 836	1 135
Hybrid Capital	4 684	—	9 385
Other interest-bearing liabilities	46 937	22 183	37 736
Interest-bearing provisions	6 447	6 837	6 782
Liabilities associated with assets held for sale	1 759	1 141	1 721
Total current liabilities	115 937	91 964	113 044
Total equity and liabilities	512 385	494 985	497 209

Consolidated balance sheet, cont.

Supplementary information

Amounts in SEK million	31 March 2015	31 March 2014	31 Dec. 2014
Calculation of capital employed			
Intangible assets: current and non-current	24 208	39 142	24 471
Property, plant and equipment	271 402	266 090	271 306
Participations in associated companies and joint arrangements	8 019	8 474	7 765
Deferred and current tax assets	9 894	7 411	11 700
Non-current noninterest-bearing receivables	7 124	6 045	7 226
Inventories	16 396	17 425	18 502
Trade receivables and other receivables	33 658	32 210	31 217
Prepaid expenses and accrued income	10 840	10 364	6 398
Unavailable liquidity	7 356	5 959	7 272
Other	915	1 295	1 071
Total assets excl. financial assets	389 812	394 415	386 928
Deferred and current tax liabilities	- 28 708	- 33 454	- 28 730
Other noninterest-bearing liabilities	- 5 733	- 5 383	- 5 756
Trade payable and other liabilities	- 26 771	- 25 104	- 30 641
Accrued expenses and deferred income	- 20 865	- 23 651	- 18 182
Other	—	367	- 91
Total noninterest-bearing liabilities	- 82 077	- 87 225	- 83 400
Other interest-bearing provisions not related to adjusted net debt ²	- 9 106	- 8 213	- 9 250
Capital employed	298 629	298 977	294 278
Capital employed, average	298 803	303 207	293 992
Calculation of net debt			
Hybrid Capital	- 19 979	- 8 928	- 9 385
Bond issues, commercial paper and liabilities to credit institutions	- 70 833	- 75 098	- 72 461
Present value of liabilities pertaining to acquisitions of Group companies	- 19 162	- 18 148	- 19 293
Liabilities to associated companies	- 2 680	- 2 287	- 2 617
Liabilities to owners of non-controlling interests	- 12 368	- 11 643	- 12 384
Other liabilities	- 12 357	- 5 484	- 9 788
Total interest-bearing liabilities	- 137 379	- 121 588	- 125 928
Cash and cash equivalents	11 606	13 159	12 283
Short-term investments	45 634	22 142	32 785
Loans to owners of non-controlling interests in foreign Group companies	1 314	593	1 387
Net debt	- 78 825	- 85 694	- 79 473
Calculation of adjusted gross debt and net debt			
Total interest-bearing liabilities	- 137 379	- 121 588	- 125 928
50% of Hybrid Capital	7 647 ³	4 464	4 693
Present value of pension obligations	- 44 793	- 34 650	- 45 298
Provisions for mining, gas and wind operations and other environment-related provisions	- 14 299	- 11 962	- 14 497
Provisions for nuclear power (net) ⁴	- 33 049	- 27 505	- 33 696
Currency derivatives for hedging of debt in foreign currency	—	1 309	—
Margin calls received	9 636	1 991	7 013
Liabilities to owners of non-controlling interests due to consortium agreements	11 616	11 303	11 626
Adjusted gross debt	- 200 621	- 176 638	- 196 087
Reported cash and cash equivalents and short-term investments	57 240	35 301	45 068
Unavailable liquidity	- 7 356	- 5 959	- 7 272
Adjusted cash and cash equivalents and short-term investments	49 884	29 342	37 796
Adjusted net debt	- 150 737	- 147 296	- 158 291

1) Certain amounts for 2014 have been recalculated compared with previously published information in Vattenfall's 2014 year-end report and Annual and sustainability report as a result of new accounting rules (IFRIC 21) that took effect in 2015. See Note 1.

2) Includes personnel-related provisions for non-pension purposes, provisions for tax and legal disputes and certain other provisions.

3) 50% of Hybrid Capital is treated as equity by the rating agencies, which thereby reduces adjusted net debt. This does not apply for the amount of Hybrid Capital that Vattenfall intends to repay on 29 June 2015.

4) The calculation is based on Vattenfall's share of ownership in the respective nuclear power plants, less Vattenfall's share in the Swedish Nuclear Waste Fund and liabilities to associated companies. Vattenfall has the following ownership interests in the respective plants: Forsmark (66%), Ringhals (70.4%), Brokdorf (20%), Brunsbüttel (66.7%), Krümmel (50%) and Stade (33.3%). (According to a special agreement, Vattenfall is responsible for 100% of the provisions for Ringhals.)

Consolidated statement of cash flows

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Operating activities				
Profit before tax	6 843	10 131	- 8 240	- 11 528
Reversal of depreciation, amortisation and impairment losses	5 132	4 758	43 270	43 644
Tax paid	33	- 537	- 3 168	- 2 598
Capital gains/losses, net	- 65	- 3 024	- 3 028	- 69
Other, incl. non-cash items	- 2 148	- 536	3 297	1 685
Funds from operations (FFO)	9 795	10 792	32 131	31 134
Changes in inventories	1 992	1 171	1 080	1 901
Changes in operating receivables	- 7 659	- 817 ¹	2 645 ¹	- 4 197
Changes in operating liabilities	1 641	- 2 740 ¹	1 685 ¹	6 066
Other changes	984	- 919	2 605	4 508
Cash flow from changes in operating assets and operating liabilities	- 3 042	- 3 305	8 015	8 278
Cash flow from operating activities	6 753	7 487	40 146	39 412
Investing activities				
Acquisitions in Group companies	- 5	—	- 10	- 15
Investments in associated companies and other shares and participations	12	85	222	149
Other investments in non-current assets	- 5 564	- 5 339	- 29 244	- 29 469
Total investments	- 5 557	- 5 254	- 29 032	- 29 335
Divestments	754	9 122	12 054	3 686
Cash and cash equivalents in acquired companies	—	—	35	35
Cash and cash equivalents in divested companies	- 384	- 293	- 513	- 604
Cash flow from investing activities	- 5 187	3 575	- 17 456	- 26 218
Cash flow before financing activities	1 566	11 062	22 690	13 194
Financing activities				
Changes in short-term investments	- 13 022	- 10 477	- 19 921	- 22 466
Changes in loans to owners of non-controlling interests in foreign Group companies	59	- 359	- 1 109	- 691
Loans raised ²	10 806	3 194	21 259	28 871
Amortisation of other debt	- 11 523	- 6 346	- 29 024	- 34 201
Divestment of shares in Group companies to owners of non-controlling interests	—	—	491	491
Redemption of Hybrid Capital	- 4 514	—	—	- 4 514
Issue of Hybrid Capital	15 152	—	—	15 152
Dividends paid to owners	—	—	- 104	- 104
Contribution from owners of non-controlling interests	836	233	1 912	2 515
Cash flow from financing activities	- 2 206	- 13 755	- 26 496	- 14 947
Cash flow for the period	- 640	- 2 693	- 3 806	- 1 753

Consolidated statement of cash flows, cont.

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Cash and cash equivalents				
Cash and cash equivalents at start of period	12 283	15 801	15 801	—
Cash flow for the period	- 640	- 2 693	- 3 806	- 1 753
Translation differences	- 37	51	288	200
Cash and cash equivalents at end of period	11 606	13 159	12 283	- 1 553
Supplementary information				
Cash flow before financing activities	1 566	11 062	22 690	13 194
Financing activities				
Divestment of shares in Group companies to owners of non-controlling interests	—	—	491	491
Dividends paid to owners	—	—	- 104	- 104
Contribution from owners of non-controlling interests	836	233	1 912	2 515
Cash flow after dividend	2 402	11 295	24 989	16 096
Analysis of change in net debt				
Net debt at start of period	- 79 473	- 98 998	- 98 998	—
Cash flow after dividend	2 402	11 295	24 989	16 096
Changes as a result of valuation at fair value	- 821	- 130	- 2 739	- 3 430
Changes in interest-bearing liabilities for leasing	3	5	34	32
Interest-bearing liabilities/short-term investments acquired/divested	25	75	145	95
Changes in liabilities pertaining to acquisitions of Group companies, discounting effects	- 81	- 89	- 322	- 314
Transfer to liabilities due to changed shareholders' rights	—	2 983	3 043	60
Translation differences on net debt	- 880	- 835	- 5 625	- 5 670
Net debt at end of period	- 78 825	- 85 694	- 79 473	6 869
Free cash flow	4 003	4 685	23 234	22 552

- 1) Certain amounts for 2014 have been recalculated compared with previously published information in Vattenfall's 2014 year-end report and Annual and sustainability report as a result of new accounting rules (IFRIC 21) that took effect in 2015. See Note 1.
- 2) Short-term borrowings in which the duration is three months or shorter are reported net.

Consolidated statement of changes in equity

Amounts in SEK million	31 March 2015			31 March 2014			31 Dec. 2014		
	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity	Attributable to owner of the Parent Company	Attributable to non-controlling interests	Total equity
Balance brought forward	115 260	13 202	128 462	120 370	10 348	130 718	120 370	10 348	130 718
Dividends paid to owners	—	—	—	—	—	—	—	- 104	- 104
Group contributions from(+)/to(-) owners	—	—	—	—	—	—	—	484	484
Changes in ownership in Group companies on divestments of shares to owners of non-controlling interests	—	—	—	- 109	—	- 109	- 33	387	354
Contribution from minority interest	—	836	836	—	233	233	—	1 912	1 912
Other changes in ownership	—	- 13	- 13	2 268	141	2 409	2 335	59	2 394
Cash flow hedges:									
Changes in fair value	1 464	54	1 518	3 629	- 2	3 627	5 209	34	5 243
Dissolved against income statement	- 1 170	- 1	- 1 171	- 2 209	—	- 2 209	- 5 871	—	- 5 871
Transferred to cost of hedged item	9	5	14	7	3	10	- 6	3	- 3
Tax attributable to cash flow hedges	14	7	21	- 414	—	- 414	181	3	184
Total cash flow hedges	317	65	382	1 013	1	1 014	- 487	40	- 447
Hedging of net investments in foreign operations	379	—	379	- 914	—	- 914	- 5 452	—	- 5 452
Tax attributable to hedging of net investments in foreign operations	- 61	—	- 61	2 248	—	2 248	3 058	—	3 058
Total hedging of net investments in foreign operations	318	—	318	1 334	—	1 334	- 2 394	—	- 2 394
Translation differences	- 207	- 87	- 294	1 997	56	2 053	10 056	397	10 453
Translation differences and exchange rate effects net, divested companies	—	—	—	50	—	50	101	—	101
Remeasurement of available-for-sale financial assets (unrealised)	—	—	—	- 182	—	- 182	- 182	—	- 182
Total	428	- 22	406	4 212	57	4 269	7 094	437	7 531
Remeasurement pertaining to defined benefit obligations	—	—	—	—	—	—	- 8 841	- 289	- 9 130
Tax attributable to remeasurement pertaining to defined benefit obligations	—	—	—	—	—	—	2 513	74	2 587
Total	—	—	—	—	—	—	- 6 328	- 215	- 6 543
Total other comprehensive income for the period	428	- 22	406	4 212	57	4 269	766	222	988
Profit for the period	4 679	308	4 987	8 111	94	8 205	- 8 178	- 106	- 8 284
Total comprehensive income for the period	5 107	286	5 393	12 323	151	12 474	- 7 412	116	- 7 296
Balance carried forward	120 367	14 311	134 678	134 852	10 873	145 725	115 260	13 202	128 462
- Of which, Reserve for cash flow hedges	5 144	65	5 209	6 327	- 38	6 289	4 827	1	4 828

Key ratios, Vattenfall Group

In % unless otherwise stated. (x) means times	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Operating margin	18.5	25.8	- 1.3	- 3.4
Operating margin ¹	17.0	19.8	14.5	13.8
Pre-tax profit margin	15.1	22.1	- 5.0	- 7.0
Pre-tax profit margin ¹	13.6	16.1	10.9	10.2
Return on equity	- 10.1 ²	- 10.1 ²	- 6.9	- 10.1
Return on capital employed	- 1.9 ²	- 1.7 ²	- 0.7	- 1.9
Return on capital employed ¹	7.6 ²	8.4 ²	8.2	7.6
EBIT interest cover, (x)	- 0.9 ²	- 0.6 ²	- 0.1	- 0.9
EBIT interest cover, (x) ¹	5.1 ²	3.9 ²	5.0	5.1
FFO interest cover, (x)	7.6 ²	5.4 ²	7.2	7.6
FFO interest cover, net, (x)	10.0 ²	6.2 ²	10.1	10.0
Cash flow interest cover after maintenance investments, (x)	7.4 ²	5.5 ²	7.0	7.4
FFO/gross debt	22.7 ²	24.7 ²	25.5	22.7
FFO/net debt	39.5 ²	35.1 ²	40.4	39.5
FFO/adjusted net debt	20.7 ²	20.4 ²	20.3	20.7
EBITDA/net financial items, (x)	15.3	17.4	11.7	11.0
EBITDA/net financial items, (x) ¹	14.6	14.5	19.2	19.3
Equity/total assets	26.3	29.4	25.8	26.3
Gross debt/equity	102.0	83.4	98.0	102.0
Net debt/equity	58.5	58.8	61.9	58.5
Gross debt/gross debt plus equity	50.5	45.5	49.5	50.5
Net debt/net debt plus equity	36.9	37.0	38.2	36.9
Net debt/EBITDA, (x)	2.1 ²	1.9 ²	1.9	2.1
Adjusted net debt/EBITDA, (x)	4.0 ²	3.3 ²	3.9	4.0

1) Based on Underlying operating profit.

2) Last 12-month values.

Quarterly information, Vattenfall Group

Amounts in SEK million	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Income statement					
Net sales	45 377	48 725	34 734	36 575	45 912
Cost of products sold	- 33 042	- 35 284	- 49 148	- 32 059	- 32 905
Other operating income and expenses	- 4 112	- 6 532	- 4 828	- 5 642	- 1 306
Participations in the results of associated companies	163	136	- 194	- 511	131
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	13 518	12 120	8 438	3 890	16 588
Operating profit (EBIT)	8 386	7 045	- 19 436	- 1 637	11 832
Underlying operating profit	7 736	8 223	2 750	4 086	9 075
Financial items, net	- 1 543	- 1 560	- 1 362	- 1 421	- 1 701
Profit before tax	6 843	5 485	- 20 798	- 3 058	10 131
Profit for the period	4 987	3 900	- 18 065	- 2 323	8 205
- of which, attributable to owner of the Parent Company	4 679	3 663	- 18 122	- 1 830	8 111
- of which, attributable to non-controlling interests	308	237	57	- 493	94
Balance sheet					
Non-current assets	370 318	368 062	353 346	375 661	368 782
Short-term investments	45 634	32 785	24 810	19 884	22 142
Cash and cash equivalents	11 606	12 283	10 984	10 263	13 159
Other current assets	84 827	84 079	74 089	79 941	90 902
Total assets	512 385	497 209	463 229	485 749	494 985
Equity	134 678	128 462	123 864	142 387	145 725
- of which, attributable to owner of the Parent Company	120 367	115 260	111 603	131 567	134 852
- of which, attributable to non-controlling interests	14 311	13 202	12 261	10 820	10 873
Hybrid Capital	19 979	9 385	9 134	9 160	8 928
Other interest-bearing liabilities	117 400	116 543	111 546	107 458	112 660
Pension provisions	44 793	45 298	38 827	38 842	34 650
Other interest-bearing provisions	92 761	93 269	89 651	89 718	82 990
Deferred tax liabilities	27 454	27 595	28 454	30 952	31 618
Other noninterest-bearing liabilities	75 320	76 657	61 753	67 232	78 414
Total equity and liabilities	512 385	497 209	463 229	485 749	494 985
Capital employed	298 629	294 278	281 801	305 096	298 977
Net debt	- 78 825	- 79 473	- 83 403	- 85 872	- 85 694
Cash flow					
Funds from operations (FFO)	9 795	12 476	5 008	3 854	10 792
Cash flow from changes in operating assets and operating liabilities	- 3 042	1 857	4 984	4 479	- 3 305
Cash flow from operating activities	6 753	14 333	9 992	8 333	7 487
Cash flow from investing activities	- 5 187	- 7 441	- 7 805	- 5 785	3 574
Cash flow before financing activities	1 566	6 892	2 187	2 548	11 061
Changes in short-term investments	- 13 022	- 7 179	- 4 828	2 563	- 10 477
Loans raised/Amortisation of debt, net, etc.	10 816	1 497	3 415	- 8 104	- 3 277
Dividends paid to owners	—	- 28	- 29	- 47	—
Cash flow from financing activities	- 2 206	- 5 710	- 1 442	- 5 588	- 13 754
Cash flow for the period	- 640	1 182	745	- 3 040	- 2 693
Free cash flow	4 003	8 136	6 083	4 330	4 685

Quarterly information, Vattenfall Group, cont.

In % unless otherwise stated. (x) means times	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Key ratios					
Return on equity ²	- 10.1	- 6.9	- 8.0	8.4	- 10.1
Return on capital employed ²	- 1.9	- 0.7	- 1.9	6.4	- 1.7
Return on capital employed ^{1,2}	7.6	8.2	8.1	8.2	8.4
EBIT interest cover, (x) ²	- 0.9	- 0.1	- 0.6	3.3	- 0.6
EBIT interest cover, (x) ^{1,2}	5.1	5.0	4.2	4.2	3.9
FFO/gross debt ²	22.7	25.5	21.7	24.0	24.7
FFO/net debt ²	39.5	40.4	31.4	32.5	35.1
FFO/adjusted net debt ²	20.7	20.3	17.3	17.9	20.4
Equity/assets ratio	26.3	25.9	26.7	29.3	29.4
Gross debt/equity	102.0	98.0	97.4	81.9	83.4
Net debt/equity	58.5	61.9	67.3	60.3	58.8
Net debt/net debt plus equity	36.9	38.2	40.2	37.6	37.0
Net debt/EBITDA, (x) ²	2.1	1.9	2.2	2.2	1.9
Adjusted net debt/EBITDA, (x) ²	4.0	3.9	4.0	4.0	3.3

1) Based on Underlying operating profit.

2) Last 12-month values.

Note 1 Accounting policies, risks and uncertainties

Accounting policies

The consolidated accounts for 2015 have been prepared, as for the 2014 year-end accounts, in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Commission for application within the EU, and the Swedish Annual Accounts Act. This interim report for the Group has been prepared in accordance with IAS 34 – *Interim Financial Reporting*, and the Swedish Annual Accounts Act. The accounting policies and calculation methods applied in this interim report are the same as those described in Vattenfall's 2014 Annual and sustainability report (Note 3 to the consolidated accounts), except for the amended IFRSs endorsed by the EU and described below, which are effective as of the 2015 financial year.

IFRIC 21 – *Levies*. The interpretation clarifies when a liability for levies should be recognised. Levies are fees and taxes charged to companies by government authorities in accordance with laws and regulations, except income taxes, penalties and fines. The interpretation clarifies that a liability should be recognised when a company has an obligation to pay due to a past event. A liability is recognised progressively if the obligating event occurs over a period of time. If an obligation to pay a levy is triggered when a minimum threshold is reached, the liability is not recognised until the minimum threshold is reached. The interpretation has had only a marginal effect on Vattenfall's financial statements. For Vattenfall, application of IFRIC 21 has entailed that property tax in Sweden is expensed in its entirety as per 1 January 2015 by just under SEK 3 billion, and that tax on the thermal effect in Sweden has been expensed in an amount just under SEK 0.8 billion, resulting in an increase in the balance sheet total as per this date by SEK 3.7 billion. Previously, the liability for Swedish property tax was recognised gradually during the year. The balance sheets for 2014 have been recalculated as a result of application of IFRIC 21. The balance sheet has been adjusted by SEK 2.8 billion as per 31 March 2014 and by SEK 0.8 billion as per 31 December 2014.

Amendments to IAS 19 – *Defined Benefit Plans: Employee Contributions*, include clarifications on how contributions to a pension plan from employees or third parties should be recognised. The clarifications have not changed the way Vattenfall recognises these fees.

Annual improvements to IFRSs 2010–2012 Cycle and *Annual improvements to IFRSs 2011–2013 Cycle* aim to streamline and clarify the accounting standards concerning presentation, recognition and measurement, including changes in terminology and amendments of an editorial nature. The amendments have not had any significant effect on Vattenfall's financial statements.

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2014 Annual and sustainability report, pages 66-72. No other material changes have taken place since publication of the 2014 Annual and sustainability report.

Other

Significant related-party transactions are described in Note 55 to the consolidated accounts in Vattenfall's 2014 Annual and sustainability report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2014 Annual and sustainability report.

Note 2 Exchange rates

Key exchange rates applied in the accounts of the Vattenfall Group:

	Q1 2015	Q1 2014	Full year 2014
Average rate			
EUR	9.3534	8.8777	9.1004
DKK	1.2545	1.1897	1.2207
NOK	1.0647	1.0633	1.0848
PLN	2.2383	2.1212	2.1715
GBP	12.5424	10.7302	11.3091
USD	8.2469	6.4678	6.8837
Balance sheet date rate			
	31 March 2015	31 March 2014	31 Dec. 2014
EUR	9.2901	8.9483	9.3930
DKK	1.2437	1.1986	1.2616
NOK	1.0674	1.0840	1.0388
PLN	2.2740	2.1449	2.1981
GBP	12.7734	10.8045	12.0593
USD	8.6347	6.4899	7.7366

Note 3 Financial instruments by category and related effects on income

Financial instruments by category: Carrying amount and fair value

	31 March 2015		31 Dec. 2014	
Amounts in SEK million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss				
Derivative assets	17 522	17 522	17 126	17 126
Short-term investments	42 344	42 344	29 735	29 735
Cash equivalents	121	121	444	444
Total	59 987	59 987	47 305	47 305
Derivative assets for hedging purposes for				
Fair value hedges	5 533	5 533	4 850	4 850
Cash flow hedges	9 449	9 449	9 732	9 732
Total	14 982	14 982	14 582	14 582
Loans and receivables				
Share in the Swedish Nuclear Waste Fund	32 499	32 700	31 984	34 569
Other non-current receivables	8 304	8 318	8 407	8 429
Trade receivables and other receivables	33 658	33 649	31 217	31 282
Advance payments paid	1 721	1 721	2 150	2 150
Short-term investments	3 290	3 290	3 050	3 049
Cash and bank balances	11 485	11 485	11 839	11 839
Total	90 957	91 163	88 647	91 318
Available-for-sale financial assets				
Other shares and participations carried at cost	300	300	284	284
Total	300	300	284	284
Financial liabilities at fair value through profit or loss				
Derivative liabilities	14 728	14 728	13 837	13 837
Total	14 728	14 728	13 837	13 837
Derivative liabilities for hedging purposes for				
Fair value hedges	1	1	2	2
Cash flow hedges	2 522	2 522	2 986	2 986
Total	2 523	2 523	2 988	2 988
Other financial liabilities				
Hybrid Capital, non-current interest-bearing liability	15 295	15 323	—	—
Other non-current interest-bearing liabilities	70 463	75 898	78 807	89 800
Other non-current noninterest-bearing liabilities	5 733	5 733	5 756	5 756
Hybrid Capital, current interest-bearing liability	4 684	4 745	9 385	9 551
Current interest-bearing liabilities	46 937	47 706	37 736	38 420
Trade payables and other liabilities	24 425	24 425	28 094	28 094
Advance payments received	1 687	1 687	2 371	2 371
Total	169 224	175 517	162 149	173 992

For assets and liabilities with a remaining maturity less than three months (e.g., cash and bank balances, trade receivables and other receivables and trade payables and other payables), fair value is considered to be equal to the carrying amount. For other shares and participations carried at cost, in the absence of fair value, cost is considered to be equal to the carrying amount.

Financial instruments that are measured at fair value on the balance sheet are described below according to the fair value hierarchy (levels), which in IFRS 13 is defined as:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). In Level 2 Vattenfall reports mainly commodity derivatives, currency-forward contracts and interest rate swaps

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Financial assets and liabilities that are measured at fair value on the balance sheet at 31 March 2015

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Derivative assets	—	31 835	669	32 504
Short-term investments and cash equivalents	24 242	18 223	—	42 465
Total assets	24 242	50 058	669	74 969
Liabilities				
Derivative liabilities	—	16 737	514	17 251
Total liabilities	—	16 737	514	17 251

Financial assets and liabilities that are measured at fair value on the balance sheet at 31 December 2014

Amounts in SEK million	Level 1	Level 2	Level 3	Total
Assets				
Derivative assets	—	31 058	650	31 708
Short-term investments and cash equivalents	25 071	5 108	—	30 179
Total assets	25 071	36 166	650	61 887
Liabilities				
Derivative liabilities	—	16 155	670	16 825
Total liabilities	—	16 155	670	16 825

Changes in level 3 financial instruments

Financial instruments at fair value through profit or loss

	Derivative assets		Derivative liabilities	
	31 March 2015	31 Dec. 2014	31 March 2015	31 Dec. 2014
Amounts in SEK million				
Balance brought forward	650	1 377	670	385
Transfers from another level	—	4	—	—
Revaluations recognised in operating profit (EBIT)	25	- 776	- 150	254
Translation differences	- 6	45	- 6	31
Balance carried forward	669	650	514	670
Total revaluations for the period included in operating profit (EBIT) for assets and liabilities held on the balance sheet date	532	389	273	117

Sensitivity analysis for Level 3 contracts

For the determination of fair value of financial instruments, Vattenfall strives to use valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates.

Entity-specific estimates are based on internal valuation models that are subject to a defined process of validation, approval and monitoring. In the first step the model is designed by the business. The valuation model is then independently reviewed and approved by Vattenfall's risk organisation. If deemed necessary, adjustments are required and implemented. Afterwards, Vattenfall's risk organisation continuously monitors whether the application of the method is still appropriate. This is made by usage of several back-testing tools. In order to reduce valuation risks, the application of the model can be restricted to a limited scope.

TGSA: TGSA (Troll¹ Gas Sales Agreement) is a large gas supply agreement (coal price-indexed) that extends further ahead in time than liquid trading in the gas market. Valuation of the agreement is against the market price, as long as a market price can be observed. Modelled prices are used for commodity deliveries beyond the market horizon or deliveries with uncommon terms and options. TGSA is hedged with OTC forward trades of underlying products. These trades are also marked against the same market and modelled prices. The modelled prices are benchmarked against reliable financial information obtained from the company Markit; this information is well-known and is used by many energy companies, offering a fair valuation of the portion of the large gas supply contract that cannot be valued against market prices (Level 3).

TGSA is also hedged with OTC forward trades of underlying products, which were also marked against modelled prices until 2012. In 2013, all OTC forward contracts have been transferred from Level 3 to Level 2 since, starting in 2013, the market price input can be observed and derived from the market.

The net value as per 31 March 2015 has been calculated at SEK +111 million (+111). The price of the coal price index used in the model (API#2) has a large impact on the modelled price. A change in this index of +/-5% would affect the total value by approximately SEK +/-7 million (+/-6).

1) Troll is a gas field in the North Sea west of Norway.

CDM: Clean Development Mechanism (CDM) is a flexible mechanism under the Kyoto Protocol and overseen by the UNFCCC under which projects set up in developing countries to reduce CO₂ emissions can generate tradable carbon credits called CERs (Certified Emission Reductions). Once CERs are issued by the UNFCCC they can be used by companies and governments in industrialised nations as carbon offsets at home to meet their reduction targets, either under the EU ETS in the case of a company or under the Kyoto Protocol in case of countries. In terms of valuation of the CDM projects in Vattenfall's CDM portfolio, the non-observable input factor is an estimation of the volume of CERs that is expected to be delivered from each project annually. This estimation is derived from six defined Risk Adjustment Factors (RAFs) that have the same weighting. These project specific factors are calculated using the Carbon Valuation Tool developed by Point Carbon to quantify the risk by adjusting the volume based on these six risks and calculating the fair value based on these six risks adjusted volumes against the CER forward curve on the exchange (Inter Continental Exchange – ICE). The tool is based on Point Carbon's valuation methodology, which was developed in cooperation with several experienced market players. The valuation methodology is strictly empirical, and all risk parameters are extracted from Point Carbon's proprietary databases of CDM project data, which entails a correct valuation of the contracts. The results are validated based on monitoring reports for the respective CDM projects, which are publicly available on the website of the UNFCCC.

The net value as per 31 March 2015 has been calculated at SEK -5 million (-3). The fair value is mainly determined and correlated with the observable price of CER, meaning a higher price of CER leads to a higher value of the CDM contract and vice versa. A change in the modelled price of CERs of +/-5% would affect the total value by approximately SEK +/-2 million (+/-3).

Long-term electricity contracts: Vattenfall has long-term electricity contracts with a customer extending until 2019 that include embedded derivatives in which the electricity price for the customer is coupled to the price development of aluminium and exchange rate movements of the Norwegian krone (NOK) in relation to the US dollar (USD). Reliable market quotations for aluminium are available for a period of 27 months forward in time. Vattenfall has estimated that the use of modelled prices provides reliable values for valuation of the period beyond 27 months, that is, the time horizon during which market quotations are not available until the contracts' expiration date. For modelling the prices, a Monte-Carlo simulation is used. Valuation is done on a monthly basis. The value of the embedded derivative is defined as the difference between the total contract value and the fair value of a fixed price agreement concluded at the same time and for same time horizon as the actual contract was concluded. Furthermore, changes in fair value are analysed every month by comparing changes in market price for aluminium and the USD/NOK exchange rate.

The value as per 31 March 2015 has been calculated at SEK +78 million (+99). The price of aluminium is the factor that has the greatest bearing on the modelled price. An increase of the price for aluminium leads to a higher fair value and vice versa. A change in the price of aluminium of +/-5% would affect the total value by approximately SEK +/-45 million (+/-48).

Virtual Gas Storage contracts: A virtual gas storage contract is a contract, that allows Vattenfall to store gas without owning a gas storage facility. The virtual gas storage contracts include constraints to the maximum storage capacity and the maximum injection and withdrawal per day. The valuation of the contract is based on the storage, injections and withdrawal fees included in the contract, the expected spread between gas prices in the summer and winter which is observable and the optionality value, which is marked to model (Level 3). The valuation methodology is based on a backward estimation of the value of the contracts under different price and operational scenarios and a forward step that selects the optimal exercise. The price scenarios are based on simulating the forward prices until the beginning of their respective delivery periods and the simulation of the daily spot prices during the delivery period. The spot prices are simulated using the forward prices as a starting point. Finally, the spot volatility is calibrated using three years of historical data. The valuation models and calibration of the valuation models are approved and validated by Vattenfall's risk organisation.

The net value as per 31 March 2015 has been calculated at SEK 105 million (+97) and is most sensitive to the optionality volatility. A change in the value of the daily volatility of +/-5% would affect the total value by approximately +/- SEK 10 million (+/-69).

Gas swing contracts: A gas swing contract is a contract that provides flexibility on the timing and amount of gas purchases. The contract is based on a price formula with a maximum and minimum annual and daily gas quantity. The valuation of the contract is based on observable price difference between the contract prices and indexes and the optional value, which is marked to model (Level 3). The valuation methodology is based on a backward estimation of the value of the contracts under different price and operational scenarios and a forward step that selects the optimal exercise. The price scenarios are based on simulating the forward prices until the beginning of their respective delivery periods and the simulation of the daily spot prices during the delivery period. The spot prices are simulated using the forward prices as a starting point. Finally, the spot volatility is calibrated using three years of historical data. The valuation models and calibration of the valuation models are approved and validated by Vattenfall's risk organisation.

The net value as per 31 March 2015 has been calculated at SEK -133 million (-328) and is most sensitive to the optionality volatility. A change in the value of the daily volatility of +/-5% would affect the total value by approximately +/- SEK 5 million (-/+8).

Financial instruments: Effects on income by category

Net gains (+)/losses (-) and interest income and expenses for financial instruments recognised in the income statement:

	31 March 2015			31 Dec. 2014		
Amounts in SEK million	Net gains/ losses ¹	Interest income	Interest expenses	Net gains/ losses ¹	Interest income	Interest expenses
Derivative assets and derivative liabilities	1 487	34	- 143	5 024	186	- 122
Available-for-sale financial assets	—	—	—	- 25	—	—
Loans and receivables	- 228	226	—	- 184	1 116	—
Financial liabilities measured at amortised cost	- 432	—	- 533	- 2 675	—	- 3 624
Total	827	260	- 676	2 140	1 302	- 3 746

1) Exchange rate gains and losses are included in net gains/losses.

The Parent Company Vattenfall AB

Accounting policies

The Parent Company Vattenfall AB's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The accounting policies used in this report are the same as those described in Vattenfall's 2014 Annual and sustainability report (Note 2 to the Parent Company accounts).

Q1 2015

A condensed income statement and balance sheet for the Parent Company are presented below.

- Net sales amounted to SEK 8,677 million (8,888)
- Profit before appropriations and tax was SEK 3,537 million (1,337)
- Earnings were affected by the following:
 - Dividends of SEK 2,363 million.
 - A small capital gain from the sale of entire shareholding in Övertorneå Värmeverk AB
 - A capital gain of SEK 59 million from the liquidation of Vattenfall VätterEI AB
- The balance sheet total was SEK 273,927 million (31 December: 267,526)
- During the period, Vattenfall issued hybrid bonds of SEK 6 billion and EUR 1 billion, respectively (slightly more than SEK 15 billion combined. The aim was to refinance Vattenfall's existing hybrid bond and to use the remaining for general corporate purposes. For more information see page 4, Important events Q1 2015
- Investments during the period amounted to SEK 40 million (32)
- Cash and cash equivalents, and short-term investments amounted to SEK 49,550 million (31 December: 35,059)

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Vattenfall's 2014 Annual and sustainability report, pages 66-72. No material changes have taken place since publication of the 2014 Annual and sustainability report.

Other

Significant related-party transactions are described in Note 39 to the Parent Company accounts in Vattenfall's 2014 Annual and sustainability report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2014 Annual and sustainability report.

Parent Company income statement

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Net sales	8 677	8 888	31 676	31 465
Cost of products sold	- 6 095	- 5 694	- 22 470	- 22 871
Gross profit	2 582	3 194	9 206	8 594
Selling expenses, administrative expenses and research and development costs	- 577	- 636	- 2 626	- 2 567
Other operating income and expenses, net	78	- 388	- 1 610	- 1 144
Operating profit (EBIT)	2 083	2 170	4 970	4 883
Result from participations in subsidiaries	2 423	—	- 13 830	- 11 407
Result from participations in associated companies	—	—	—	—
Result from other shares and participations	—	- 216	- 213	3
Other financial income	317	167	1 075	1 225
Other financial expenses	- 1 286	- 784	- 4 886	- 5 388
Profit before appropriations and tax	3 537	1 337	- 12 884	- 10 684
Appropriations	735	1 401	418	- 248
Profit before tax	4 272	2 738	- 12 466	- 10 932
Income tax expense	- 453	582	748	- 287
Profit for the period	3 819	3 320	- 11 718	- 11 219

Parent Company statement of comprehensive income

Amounts in SEK million	Q1 2015	Q1 2014	Full year 2014	Last 12 months
Profit for the period	3 819	3 320	- 11 718	- 11 219
Total other comprehensive income	—	—	—	—
Total comprehensive income for the period	3 819	3 320	- 11 718	- 11 219

Parent Company balance sheet

Amounts in SEK million	31 March 2015	31 March 2014	31 Dec. 2014
Assets			
Non-current assets			
Intangible assets: non-current	109	120	118
Property, plant and equipment	4 044	4 112	4 128
Shares and participations	118 182	133 090	118 473
Other non-current assets	85 654	86 003	90 478
Total non-current assets	207 989	223 325	213 197
Current assets			
Inventories	337	344	385
Intangible assets: current	420	371	68
Current receivables	15 631	20 294	18 055
Current tax assets	—	158	762
Short-term investments	41 549	18 211	26 724
Cash and cash equivalents	8 001	7 673	8 335
Total current assets	65 938	47 051	54 329
Total assets	273 927	270 376	267 526
Equity and liabilities			
Equity			
Restricted equity			
Share capital (131,700,000 shares with a share quota value of SEK 50)	6 585	6 585	6 585
Statutory reserve	1 286	1 286	1 286
Non-restricted equity			
Retained earnings	43 737	55 454	55 454
Profit for the period	3 819	3 320	- 11 718
Total equity	55 427	66 645	51 607
Untaxed reserves	15 493	15 723	16 227
Provisions	4 792	4 336	4 278
Non-current liabilities			
Hybrid Capital	15 290	8 928	—
Other interest-bearing liabilities	53 347	83 163	63 962
Deferred tax liabilities	185	73	165
Other noninterest-bearing liabilities	36 344	33 126	36 421
Total non-current liabilities	105 166	125 290	100 548
Current liabilities			
Hybrid Capital	4 684	51 823	9 385
Other interest-bearing liabilities	82 685	—	78 379
Current tax liabilities	75	—	—
Other noninterest-bearing liabilities	5 605	6 559	7 102
Total current liabilities	93 049	58 382	94 866
Total equity and liabilities	273 927	270 376	267 526

Definitions and calculations of key ratios

Figures for the Group in 2015. Amounts in SEK million unless indicated otherwise.

EBIT:	Earnings Before Interest and Tax (Operating profit)
EBITDA:	Earnings Before Interest, Tax, Depreciation and Amortisation. (Operating profit before depreciation, amortisation and impairment losses)
Items affecting comparability:	Capital gains and capital losses from shares and other non-current assets, impairment losses and reversed impairment losses pertaining to non-current assets, and other non-recurring items. Also included here are, for trading activities, unrealised changes in the fair value of energy derivatives, which according to IAS 39 cannot be recognised using hedge accounting and unrealised changes in the fair value of inventories
Underlying operating profit:	Operating profit (EBIT) excluding items affecting comparability
FFO:	Funds From Operations
Free cash flow:	Cash flow from operating activities less maintenance investments
Hybrid Capital:	Perpetual subordinated securities, junior to all Vattenfall's unsubordinated debt instruments.
Capital employed:	Balance sheet total less financial assets, noninterest-bearing liabilities and certain other interest-bearing provisions not included in adjusted net debt
Net debt:	Interest-bearing liabilities less loans to owners of non-controlling interests in Group companies, cash and cash equivalents and short-term investments
Adjusted net debt:	For calculation, see Consolidated balance sheet - Supplementary Information

The key ratios are presented as percentages (%) or times (x).

Key ratios based on last 12-month values April 2014 – March 2015:

Operating margin, %	= 100 x	$\frac{\text{EBIT}}{\text{Net sales}} = \frac{-5\,641}{165\,410}$	=	-3.4
Operating margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Net sales}} = \frac{22\,794}{165\,410}$	=	13.8
Pre-tax profit margin, %	= 100 x	$\frac{\text{Profit before tax}}{\text{Net sales}} = \frac{-11\,528}{165\,410}$	=	-7.0
Pre-tax profit margin excl. items affecting comparability, %	= 100 x	$\frac{\text{Profit before tax excl. items affecting comparability}}{\text{Net sales}} = \frac{16\,945}{165\,410}$	=	10.2
Return on equity, %	= 100 x	$\frac{\text{Profit for the period attributable to owner of the Parent Company}}{\text{Average equity for the period attributable to owner of the Parent Company excl. the Reserve for cash flow hedges}} = \frac{-11\,610}{115\,293}$	=	-10.1
Return on capital employed, %	= 100 x	$\frac{\text{EBIT}}{\text{Capital employed, average}} = \frac{-5\,641}{298\,803}$	=	-1.9
Return on capital employed excl. items affecting comparability, %	= 100 x	$\frac{\text{Underlying EBIT}}{\text{Capital employed, average}} = \frac{22\,794}{298\,803}$	=	7.6
EBIT interest cover, (x)	=	$\frac{\text{EBIT + financial income excl. return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}} = \frac{-4\,381}{4\,704}$	=	-0.9
EBIT interest cover excl. Items affecting comparability, (x)	=	$\frac{\text{Underlying EBIT + financial income excl. Return from the Swedish Nuclear Waste Fund}}{\text{Financial expenses excl. discounting effects attributable to provisions}} = \frac{24\,054}{4\,704}$	=	5.1
FFO interest cover, (x)	=	$\frac{\text{FFO + financial expenses excl. discounting effects attributable to provisions}}{\text{Financial expenses excl. discounting effects attributable to provisions}} = \frac{35\,838}{4\,704}$	=	7.6
FFO interest cover, net, (x)	=	$\frac{\text{FFO + financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}} = \frac{34\,578}{3\,444}$	=	10.0

Cash flow interest cover after maintenance investments, (x)	=	$\frac{\text{Cash flow from operating activities less maintenance investments + financial expenses excl. Discounting effects attributable to provisions and interest components related to pension costs}}{\text{Financial expenses excl. discounting effects attributable to provisions and interest components related to pension costs}}$	$\frac{26\,086}{3\,534} = 7.4$
FFO/gross debt, %	= 100 x	$\frac{\text{FFO}}{\text{Interest-bearing liabilities}}$	$\frac{31\,134}{137\,379} = 22.7$
FFO/net debt, %	= 100 x	$\frac{\text{FFO}}{\text{Net debt}}$	$\frac{31\,134}{78\,825} = 39.5$
FFO/adjusted net debt, %	= 100 x	$\frac{\text{FFO}}{\text{Adjusted net debt}}$	$\frac{31\,134}{150\,737} = 20.7$
EBITDA/net financial items, (x)	=	$\frac{\text{EBITDA}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{37\,968}{3\,444} = 11.0$
EBITDA excl. items affecting comparability/net financial items, (x)	=	$\frac{\text{EBITDA excl. items affecting comparability}}{\text{Financial items net excl. discounting effects attributable to provisions and return from the Swedish Nuclear Waste Fund}}$	$\frac{66\,403}{3\,444} = 19.3$

Key ratios based on the balance sheet per 31 March 2015:

Equity/total assets, %	= 100 x	$\frac{\text{Equity}}{\text{Balance sheet total}}$	$\frac{134\,678}{512\,385} = 26.3$
Gross debt/equity, %	= 100 x	$\frac{\text{Interest-bearing liabilities}}{\text{Equity}}$	$\frac{137\,379}{134\,678} = 102.0$
Net debt/equity, %	= 100 x	$\frac{\text{Net debt}}{\text{Equity}}$	$\frac{78\,825}{134\,678} = 58.5$
Gross debt/gross debt equity, %	= 100 x	$\frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities + equity}}$	$\frac{137\,379}{272\,057} = 50.5$
Net debt/net debt plus equity, %	= 100 x	$\frac{\text{Net debt}}{\text{Net debt + equity}}$	$\frac{78\,825}{213\,503} = 36.9$
Net debt/EBITDA, (x)	=	$\frac{\text{Net debt}}{\text{EBITDA}}$	$\frac{78\,825}{37\,968} = 2.1$
Adjusted net debt/EBITDA, (x)	=	$\frac{\text{Adjusted net debt}}{\text{EBITDA}}$	$\frac{150\,737}{37\,968} = 4.0$

Interim report signature

Solna, 28 April 2015

Magnus Hall
President and Chief Executive Officer

This interim report has not been reviewed by the company's auditor.

Financial calendar

Interim report January–June, 21 July 2015

Interim report January–September, 27 October 2015

Year-end report, 3 February 2016 (preliminary)

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