

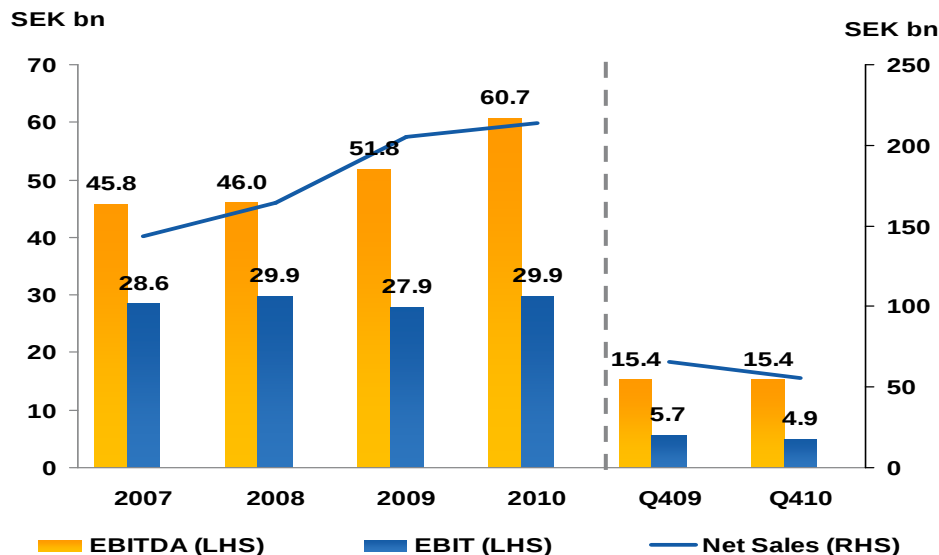
Vattenfall Full Year results 2010

Øystein Løseth CEO and
Dag Andresen CFO

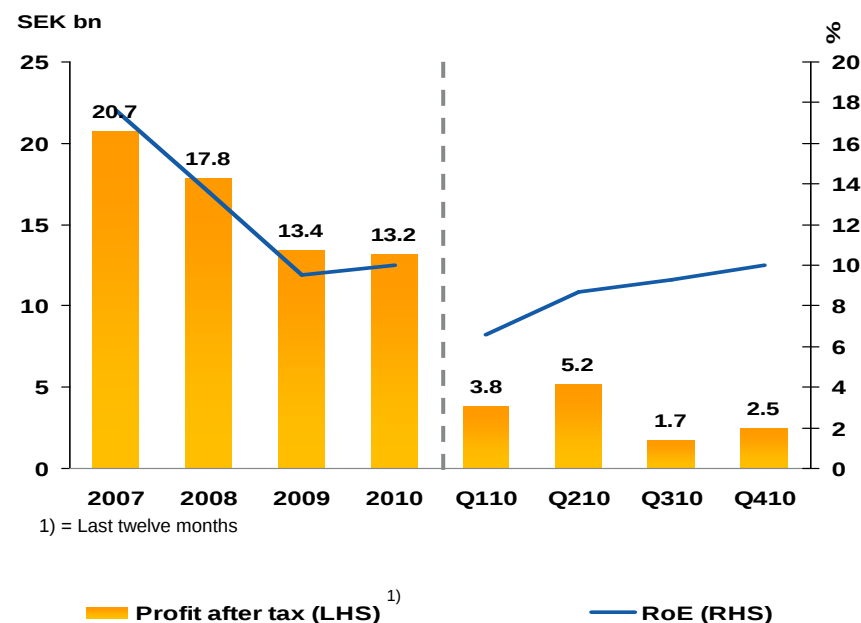
Conference Call, 10 February 2011

Improved earnings

EBITDA, EBIT and Net Sales



RoE and Profit after tax

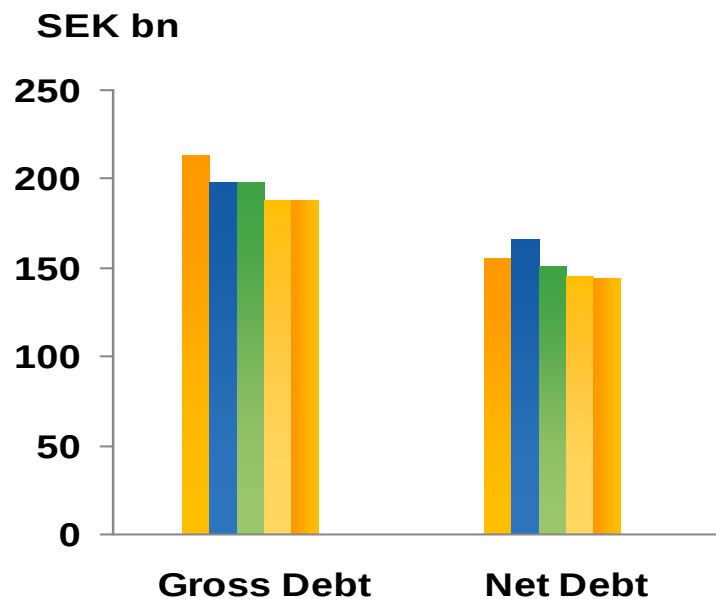


- EBITDA and EBIT improved
- Modest net sales growth in 2010 due to stronger SEK and the divestment of 50Hertz Transmission GmbH

- Improved RoE, but still below target level of 15%.
- RoE excluding IAC was 17.7%

Reduced debt levels and improved credit metrics

Debt development



■ 31-dec-09 ■ 31-mar-10 ■ 30-jun-10 ■ 30-sep-10 ■ 31-dec-10

- Debt reduction mainly due to stronger Swedish krona.

Key credit metrics

	FY 2009	Q1/10	Q2/10	Q3/10	FY 2010
FFO Interest cover (x)	4.8	3.7 ¹⁾	4.7 ¹⁾	4.8 ¹⁾	6.2
FFO/net debt (%)	23.7	16.8 ¹⁾	24.4 ¹⁾	27.4 ¹⁾	27.8
FFO/adj. net debt(%)	17.9	13.3 ¹⁾	20.5 ¹⁾	22.9 ¹⁾	23.1
Adj.net debt/ EBITDA (x)	4.0	3.8 ¹⁾	3.0 ¹⁾	2.9 ¹⁾	2.9

1) = Last twelve months

- Stronger credit metrics.

Higher electricity spot prices 2010 versus 2009

Nordic:

- 52% higher average spot prices in 2010.
 - Very cold weather, weak hydrological balance and lower than normal nuclear output in Sweden in Q1.

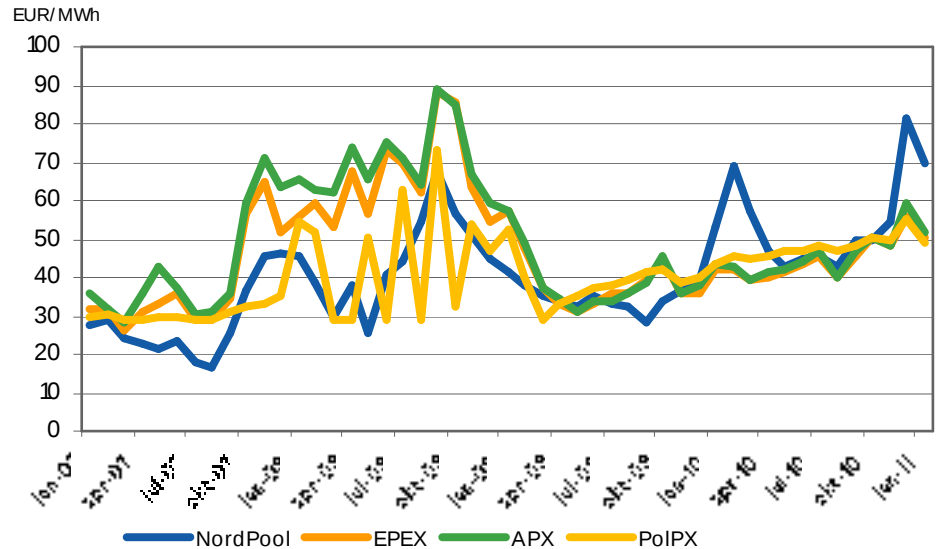
Germany, Netherlands:

- 14% higher average spot prices in Germany and 16% higher spot prices in the Netherlands in 2010.
 - Supported by demand recovery and lower temperatures.

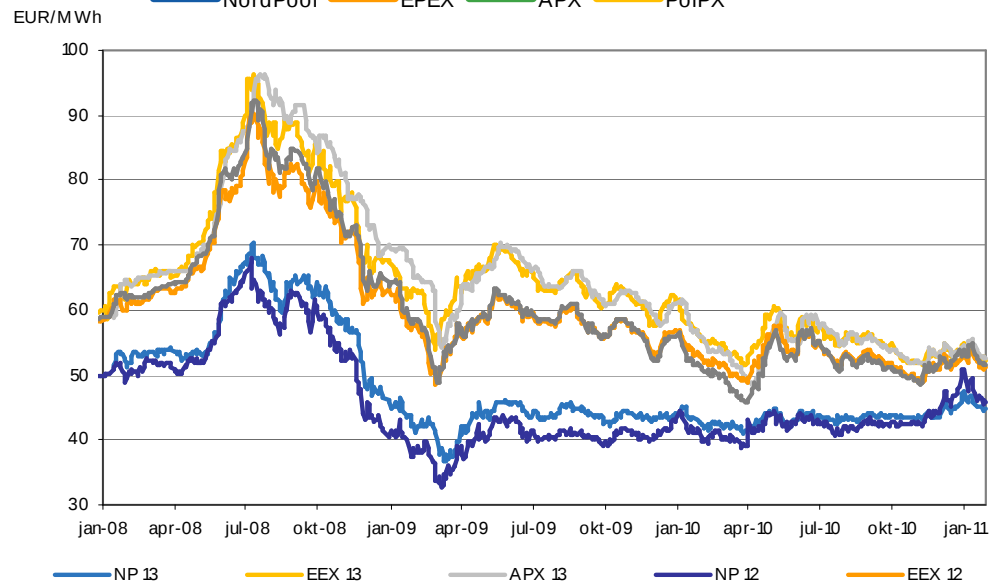
Futures and forward prices:

- Lower continental Europe prices vs 2009. Higher Nordic prices.

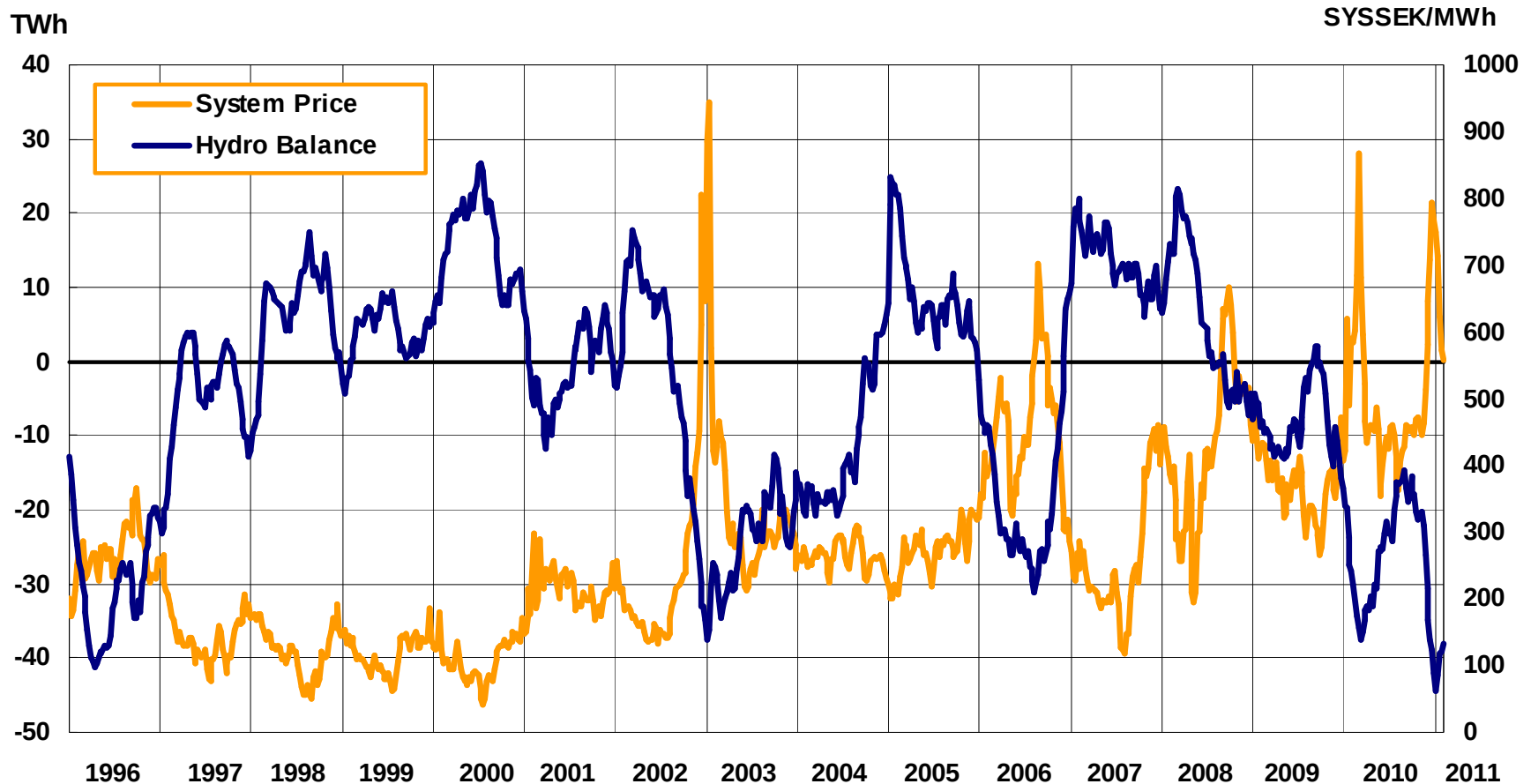
Monthly Spot Average



Daily Future Closing Prices

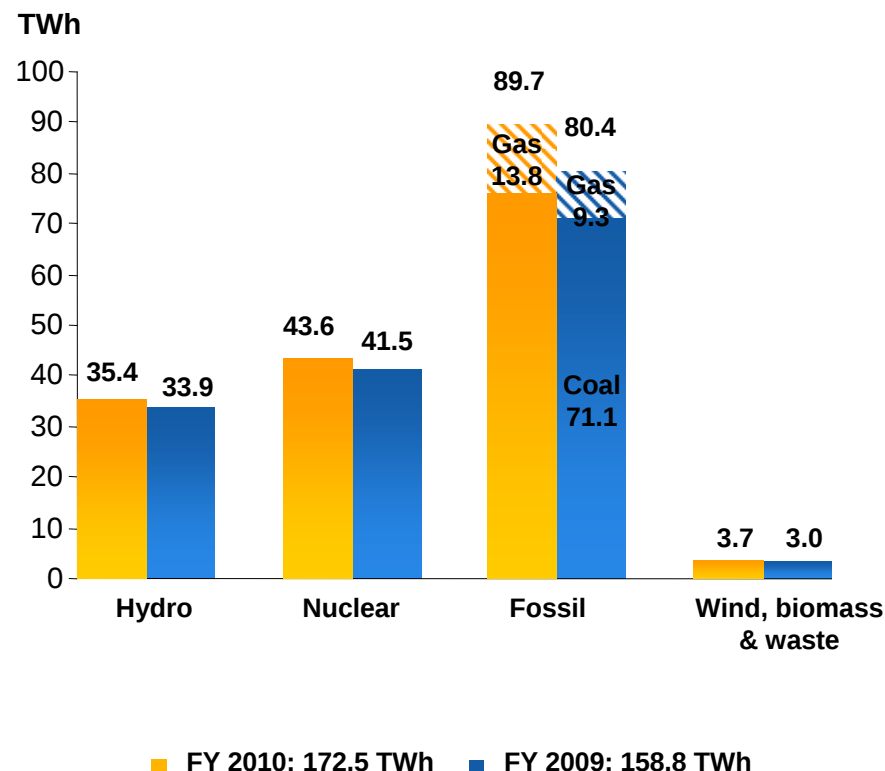


Extremely weak Nordic hydrological balance end of 2010



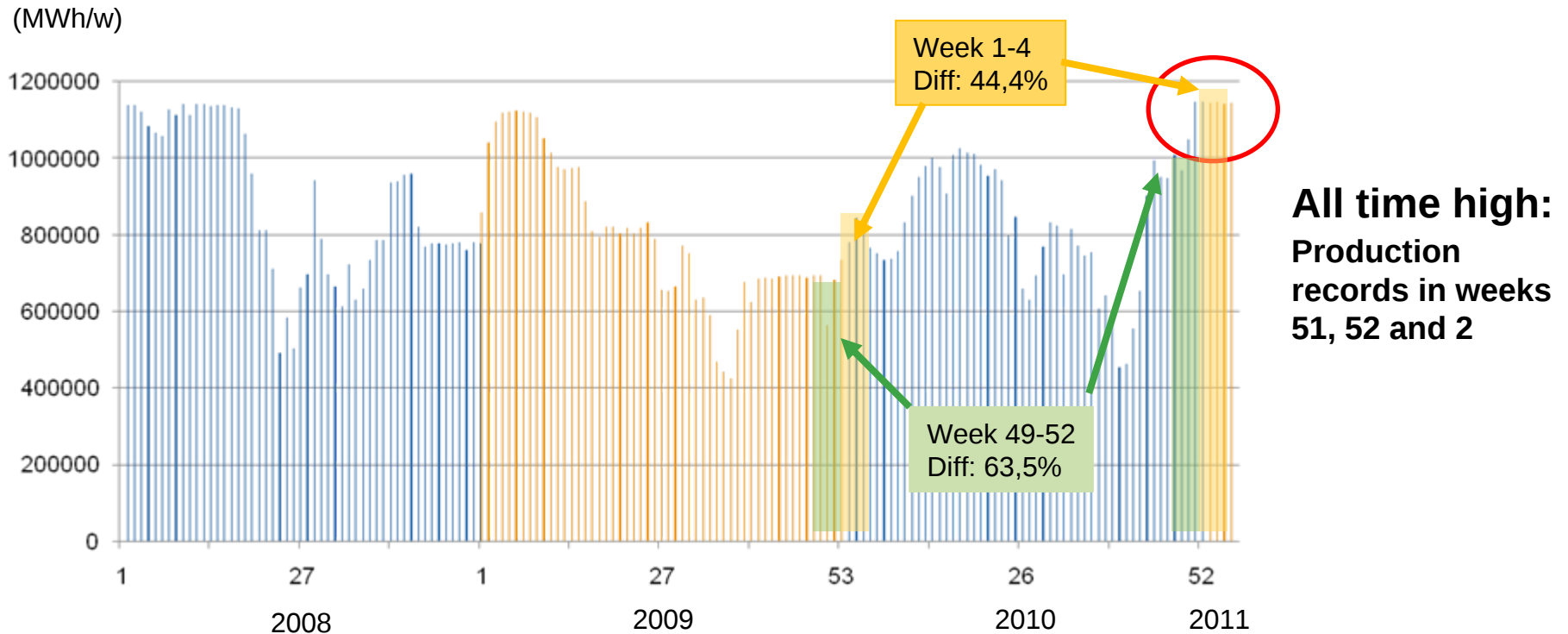
Higher electricity generation, +8.6% FY 2010

- **Nuclear power** increased 5.1%
 - Improved availability of the Swedish nuclear power plants.
- **Hydro power** increased 4.4%
- **Fossil power** increased 11.6%
- **Wind, biomass & waste** increased 23% to 3.7 TWh.
 - Wind power increased 29.4% to 2.2 TWh mainly due to the commissioning in H2 of the 300 MW Thanet offshore windfarm in the UK and the 78 MW Stor-Rotliden onshore wind farm in Sweden.
 - Biomass & waste increased from 1.4 to 1.5 TWh.



Nuclear output - Sweden

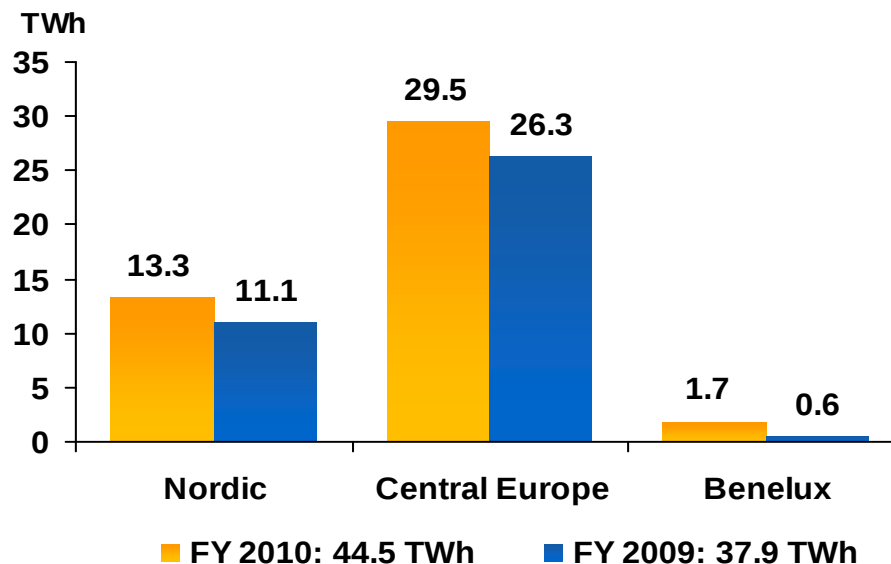
Total nuclear generation Ringhals and Forsmark



Higher heat and gas sales in 2010

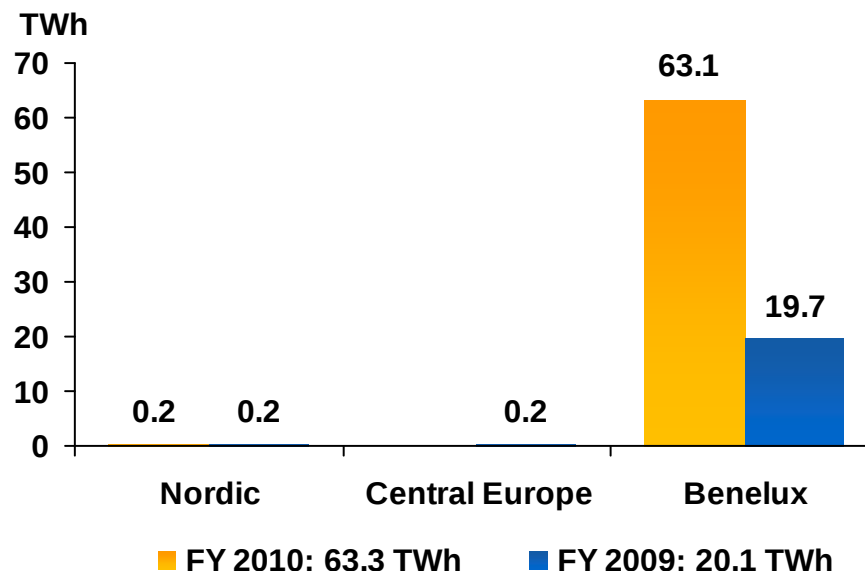
Heat sales increased FY 2010 17.4% to 44.5 TWh

- Largest increase in Denmark and Germany.
- Cold spring and early winter



Gas sales increased FY 2010 to 63.3 TWh.

(Benelux contributed 12 Months in 2010
but only 6 Months in 2009)



A successful year within wind power

- First German offshore wind farm, "alpha ventus", inaugurated in April.
 - 12 turbines of 5 MW each. Joint project between Vattenfall, E.ON and EWE
- Vattenfall's first onshore wind farm in the UK, Edinbane, commissioned in July.
 - Total installed capacity of 41.4 MW.
- The world's largest offshore wind farm, Thanet, in the UK, inaugurated in September.
 - 100 turbines with a total capacity of 300 MW.
- In Denmark, Vattenfall inaugurated Dræby Fed, the largest wind farm on the island of Fyn.
 - 4 turbines of 2.3 MW each.
- Sweden's and Vattenfall's largest onshore wind farm, Stor-Rotliden, was fully commissioned in September.
 - 40 turbines with a total installed capacity of 78 MW.
- Construction of Östra Herrestad wind farm, in Sweden.
 - 9 turbines of 2 MW each.
- Vattenfall and Stadtwerke München (SWM) decided to build the DanTysk offshore wind farm in the German North Sea.
 - 80 turbines with a total installed capacity of 288 MW. Expected completion at year-end 2013/ beginning of 2014.
- Permission to build three new wind farms in the UK; Ray Wind Farm, 56 MW, Clashindarr, 41.4 MW, European Offshore Wind Deployment Centre (EOWDC), total 50-100 MW.

Nuclear in Germany

- Decision to extend lifetime of existing German nuclear power plants:
 - for Vattenfall's plants Krümmel and Brunsbüttel this means 14 and 8 additional years respectively.
- Both Krümmel and Brunsbüttel are still offline.
- Vattenfall and E.ON agreed in December to
 - jointly develop sustainable solutions for the future of the Krümmel and Brunsbüttel nuclear power stations and
 - determine whether E.ON will take over operational responsibility for both facilities.
 - Decision is expected before summer 2011.
 - No restart of both plants before this decision.

Other highlights in 2010

- Clarification of Vattenfall's assignment through an amendment of the company's Articles of Association.
- Launch of Vattenfall's **new strategic direction**, a **new vision** and **new core values**.
- Creation of a **new business-led organisation**, effective 1 Jan. 2011.
- Divestment of 50Hertz Transmission GmbH, and certain other assets, such as the minority stake in German Stadtwerke Kassel, the Danish Hillerød power plant and decision to sell Vattenfall's 25% stake in German coal fired plant Rostock (effective 2 Febr. 2011)
- **DIVIDEND PROPOSAL**
The Vattenfall Board proposes a dividend of SEK 6.5 billion (50% of profit after tax).

Financials

Dag Andresen, CFO

FY 2010 Financial highlights

SEK million	FY 2010	FY 2009	Change (%)
Net Sales	213,572	205,407	+4.0
EBITDA	60,706	51,777	+17.2
EBIT	29,853	27,938	+6.9
EBIT excl. IAC*	39,952	31,294	+27.7
Profit after tax	13,185	13,448	-2.0
Profit after tax excl. IAC*	23,194	16,054	+44.5
FFO	40,108	36,700	+9.3
Cash flow from operating activities	41,231	46,246	-10.8
Cash flow before financing activities	6,448	-36,794	-

IAC = Items affecting comparability

Q4 Financial highlights

SEK million	Q4 2010	Q4 2009	Change (%)
Net Sales	55,537	65,405	-15.1
EBITDA	15,355	15,360	0.0
EBIT	4,946	5,673	-12.8
EBIT excl. IAC*	9,732	9,117	+6.7
Profit after tax	2,464	2,110	+16.8
Profit after tax excl. IAC*	7,208	4,796	+50.3
FFO	11,670	11,375	+2.6
Cash flow from operating activities	9,894	13,130	-24.6
Cash flow before financing activities	-1,637	-433	-

*IAC = Items affecting comparability

Breakdown of Items Affecting Comparability (IAC)

SEK million	FY 2010
Capital gains	194
Capital losses	444
Impairment losses	11,151
of which goodwill (BG Benelux 4 306 MSEK, BU Wind 212 MSEK)	4,518
of which 50Hertz Transmission GmbH	5,085
of which Wind assets (main part in UK)	630
of which Dutch solar project	370
of which heat assets (Denmark & Netherlands)	488
of which other assets	60
Reversed impairment losses	1,302
of which German peak power plants	958
of which German distribution	202
other	142
Total Items Affecting Comparability	10,099

Debt development & key earning ratios

Total interest-bearing liabilities (gross debt) decreased
by SEK 25 bn to SEK 188 bn compared with 31 Dec. 2009

Net debt decreased
by SEK 11 bn to SEK 144 bn compared with 31 Dec. 2009

Adjusted net debt decreased
by SEK 32 bn to SEK 173 bn compared with 31 Dec. 2009

Return on Net Assets (RoNA)

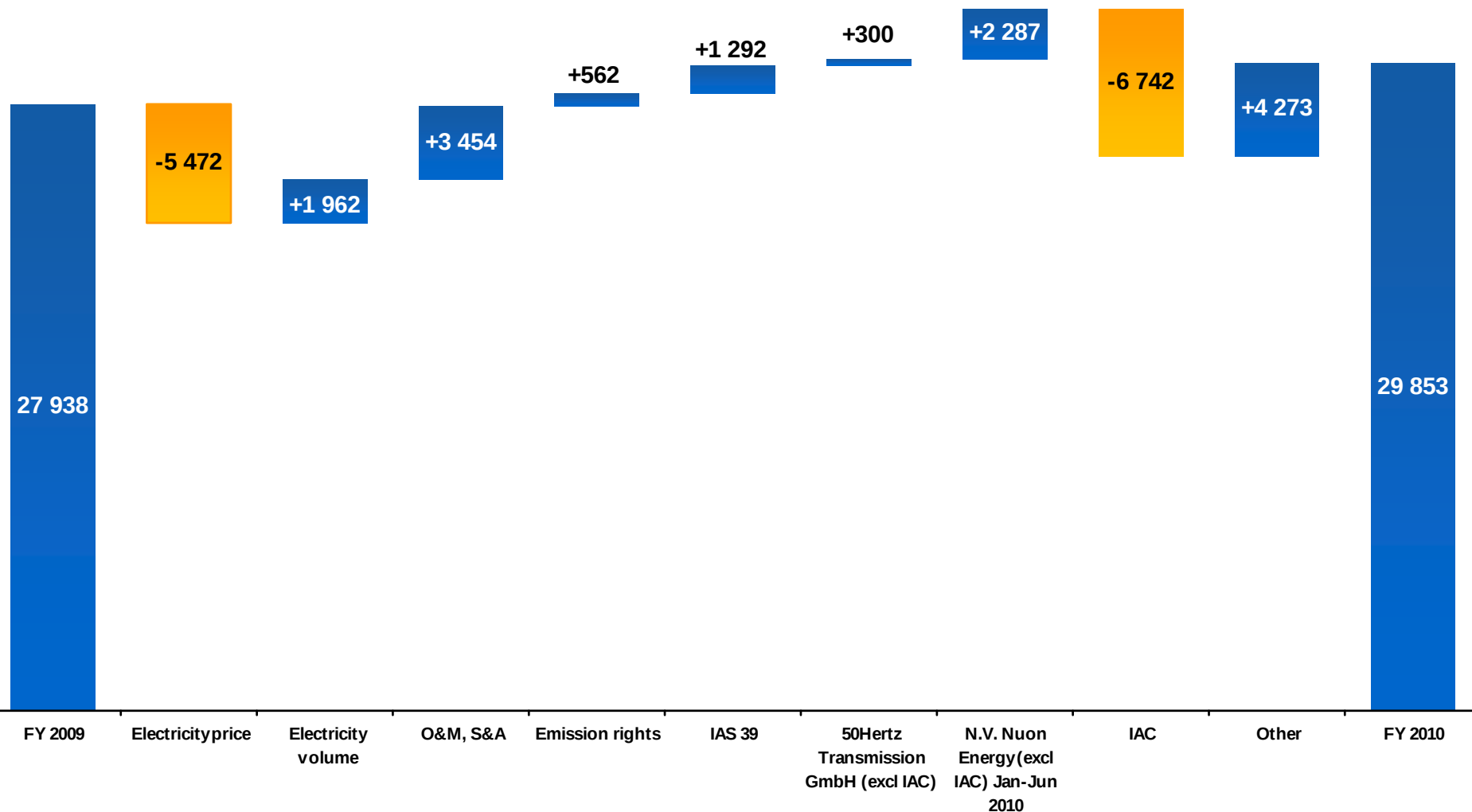
- Incl. IAC: 9.1% (FY 2009: 10.0%)
- Excl. IAC: 12.5% (FY 2009: 11.4%)
- Target 11%

Return on Equity (RoE)

- Incl. IAC: 10.0% (FY 2009: 9.5%)
- Excl. IAC: 17.7% (FY 2009: 11.4%)
- Long-term target 15%

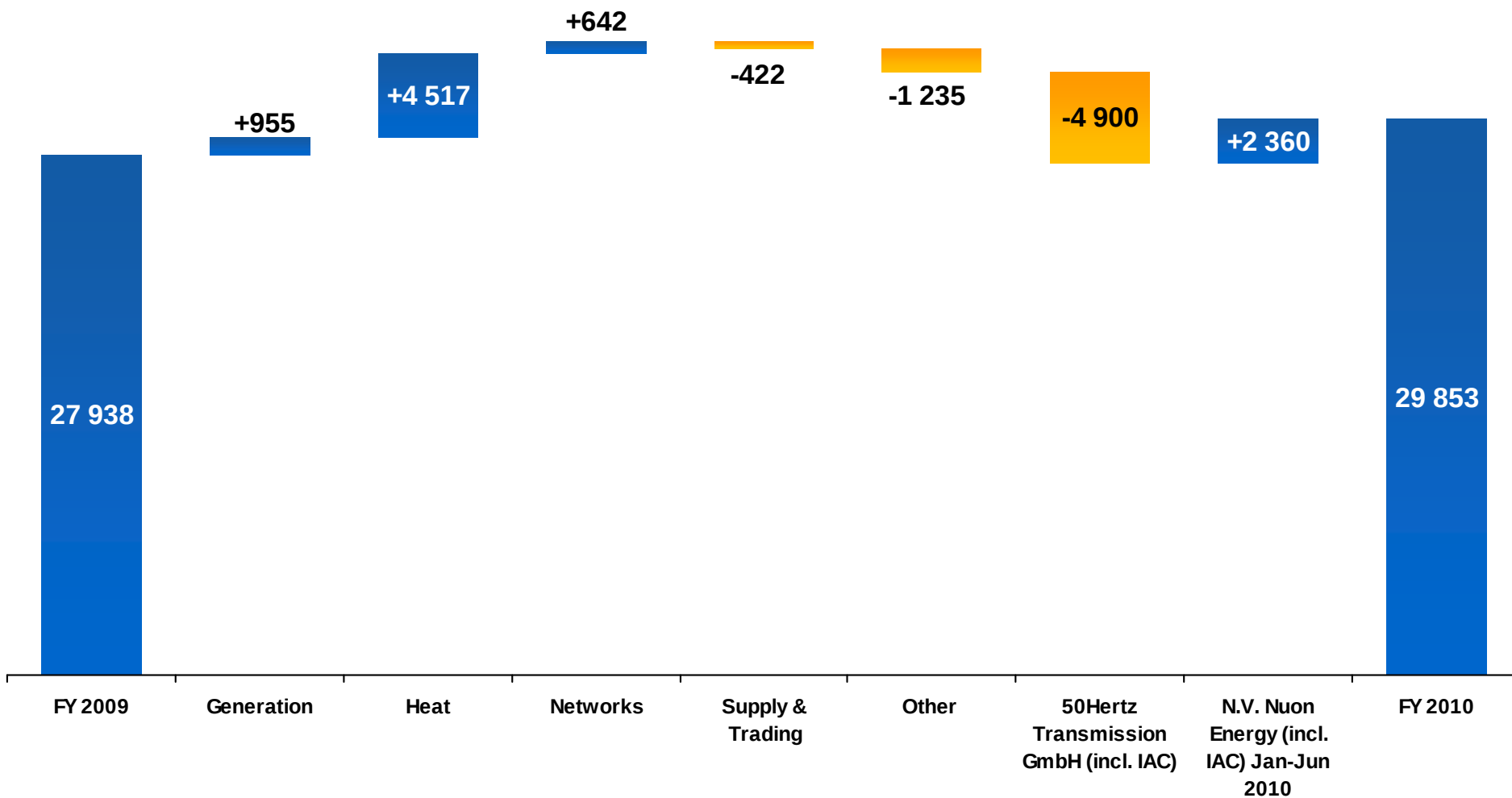
EBIT development, FY 2010

in SEK million



EBIT development, FY 2010 – by Product & Services

in SEK million



EBIT, FY 2010 - by Operating Segment

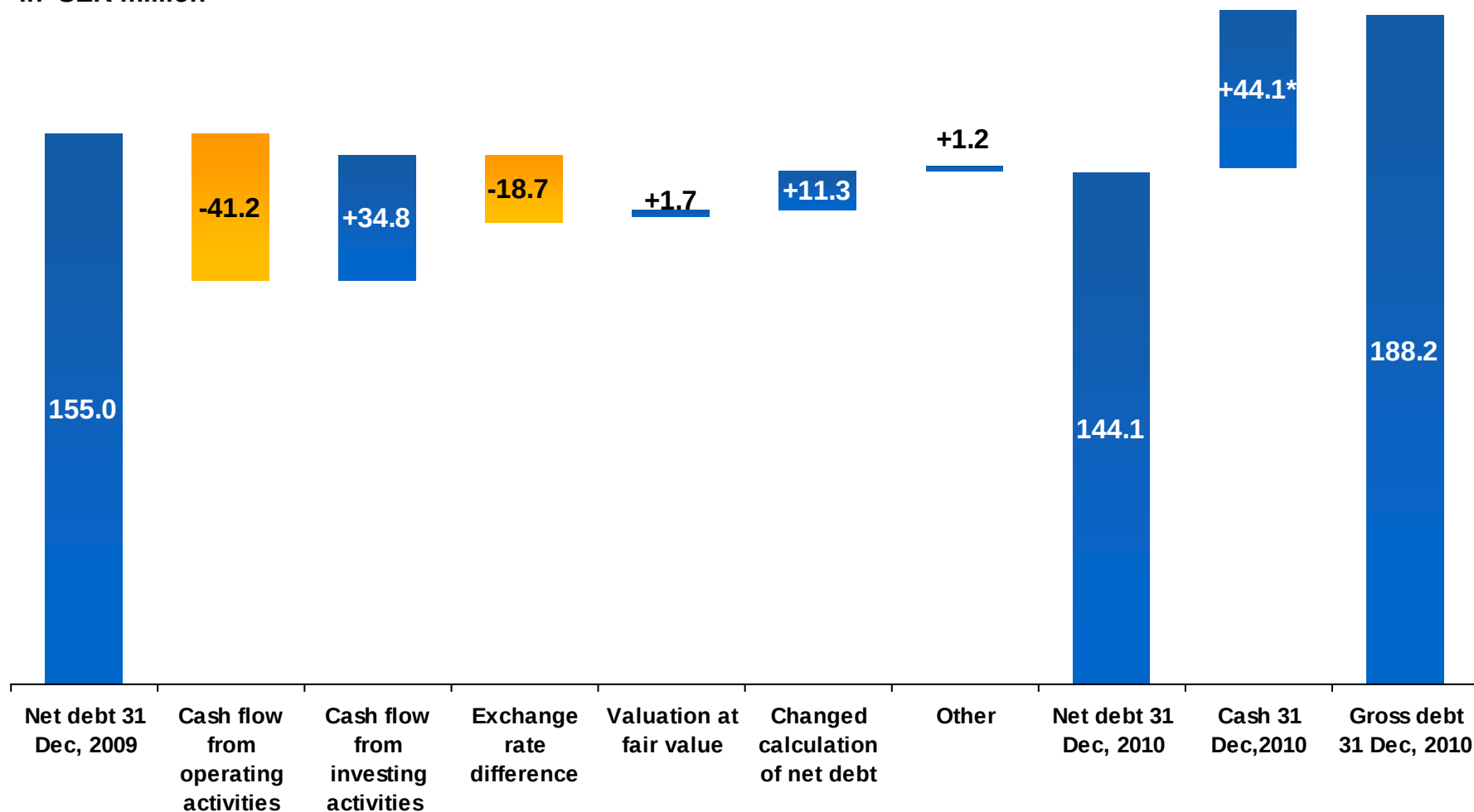
in SEK million

Operating segment	FY 2010	FY 2009	Change	FY 2010 (excl. IAC)	FY 2009 (excl. IAC)	Change
BG Pan Europe	3,991	2,113	1,878	5,012	1,968	3,044
BG Nordic	16,613	7,504	9,109	16,741	11,117	5,624
BG Central Europe	9,527	18,938	-9,411	13,515	18,373	-4,858
BG Benelux	-5,185	-644*	n.a	-229	-205*	n.a
Supply & Trading	5,094	1,571	3,523	5,100	1,585	3,515
Other	-187	-1,544	1,357	-187	-1,544	1,357
Total	29,853	27,938	1,915	39,952	31,294	8,658

* N.V. Nuon Energy (Nuon) has been consolidated in the Vattenfall Group since 1 July 2009.

Debt development FY 2010

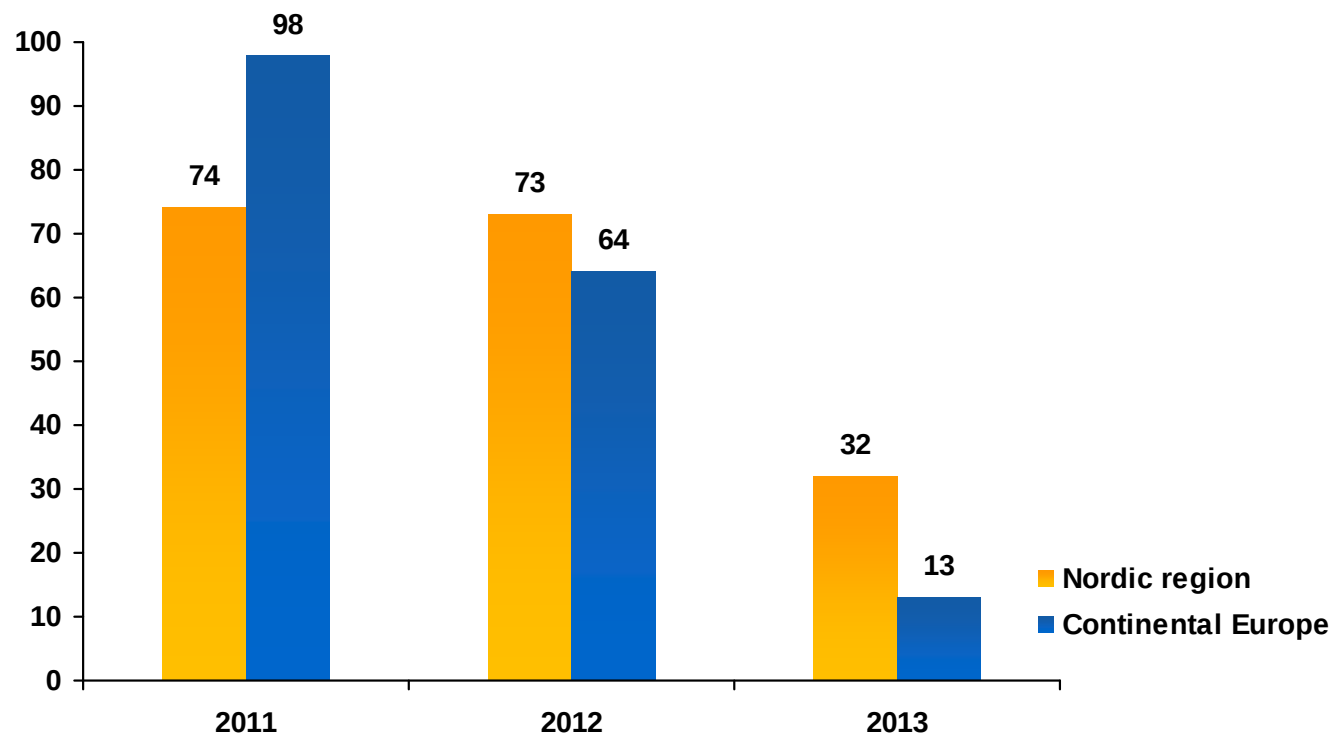
in SEK million



*Includes loans to minority owners in foreign subsidiaries of SEK 0.3 bn (excluded from liquidity calculation on slide 35)

Hedging position and prices as of 31 December 2010

% hedged of forecasted electricity generation

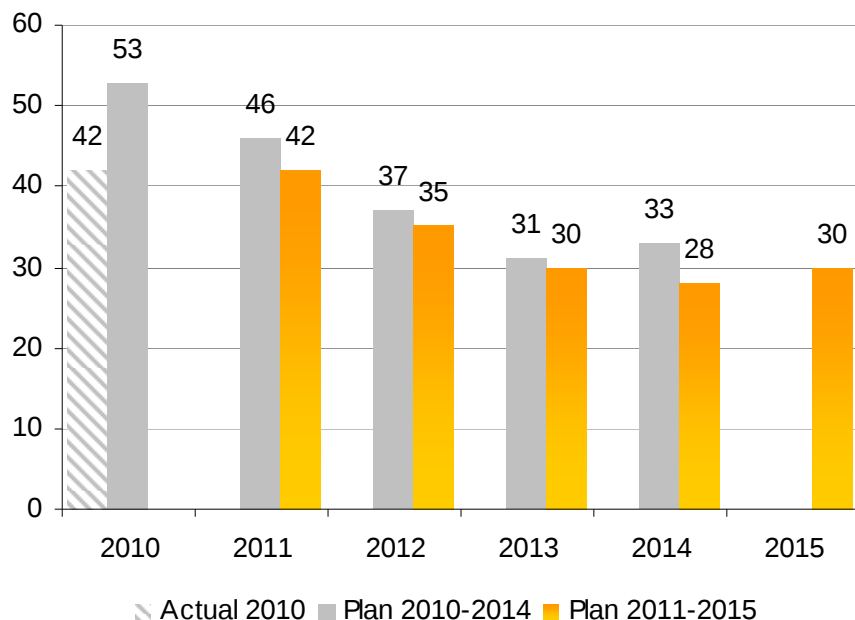


EUR/MWh	2011	2012	2013
Nordic region	45	44	44
Continental Europe	55	54	59

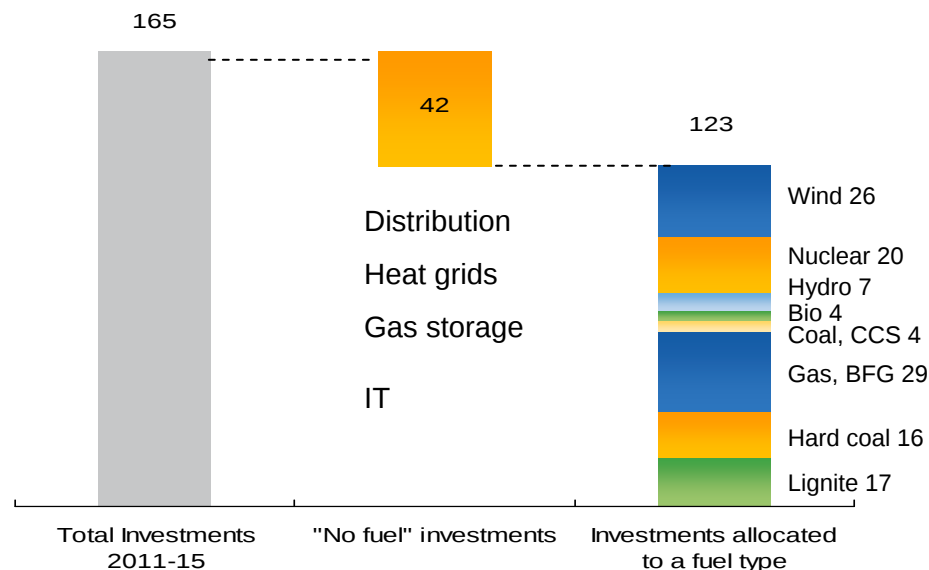
CAPEX reduction to strengthen the balance sheet

18% CAPEX reduction on a rolling 5-yr basis

SEK bn



Well diversified fuel split 2011-2015



- Compared with the previous 5-year capex plan, the share of low CO₂ emitting generation has increased from 25% to 36%.

Financial targets and outcome

Key Ratio	Targets	FY 2010
Return on Equity (RoE)	15% on average equity	10.0% 17.7% excl. IAC
Cash flow interest coverage after maintenance investments	3.5-4.5 times	4.6
Credit rating	Single A category rating	Moody's: A2, stable outlook S&P: A, negative outlook
Dividend pay-out	40-60%	50%* (SEK 6.5 bn to be paid out in Q2/11)

* Proposed dividend

VATTENFALL



Q & A

Appendix

New vision and strategic direction launched

Articles of Association

Adopted by the Board of
Directions on 23 August 2010

“The object for the Company’s activities is to generate a market rate of return by operating a commercial energy business that enables the company to be among the leaders in developing environmentally sustainable energy production”

Vision

“Vattenfall will create a strong and diversified European energy portfolio with sustainable and increased profits, significant growth options and will be among the leaders in developing environmentally sustainable energy production ”

Core values

Safety

Performance

Co-operation

Strategic direction

Profit and value creation

Focus on core markets

Reduce CO₂ exposure and grow in low CO₂-emitting energy production, and gas

**Three products:
electricity, heat and gas**

Prioritized Actions

Next 2-3 years

Improve operating
performance

Create financial
flexibility

Start to reshape the
business portfolio

Create a business-led organisational structure

Brand position: Pioneering solutions for everyday life

Roadmap for implementation of strategic direction

Consolidation Phase

Next 2-3 years

Short-term performance programme

- New business-led organisation as of 1 Jan. 2011.
- Cost reduction programme of SEK 6 bn p.a. fully achieved by 2014.
- Divestment of non-strategic assets.
- Revised 5-year CAPEX plan for 2011-2015 (SEK 165 bn compared with SEK 201 bn for 2010-2014).

Growth Phase

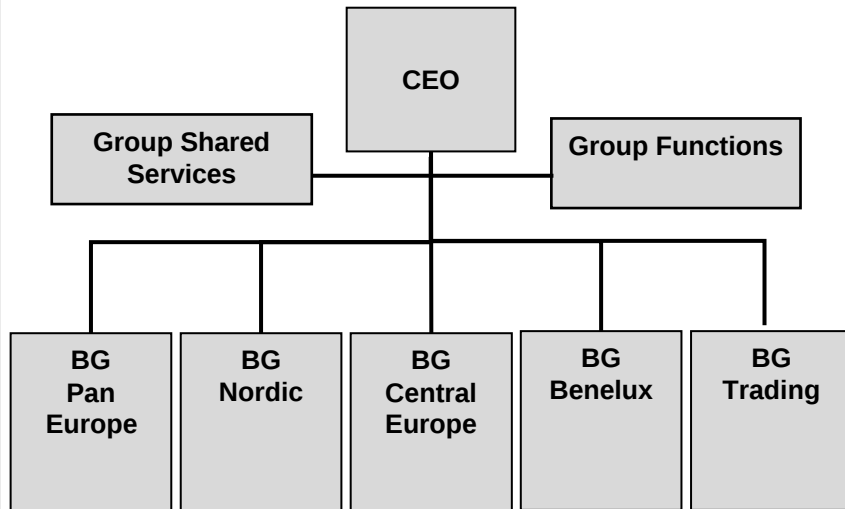
2013-2020

Reshaping the portfolio

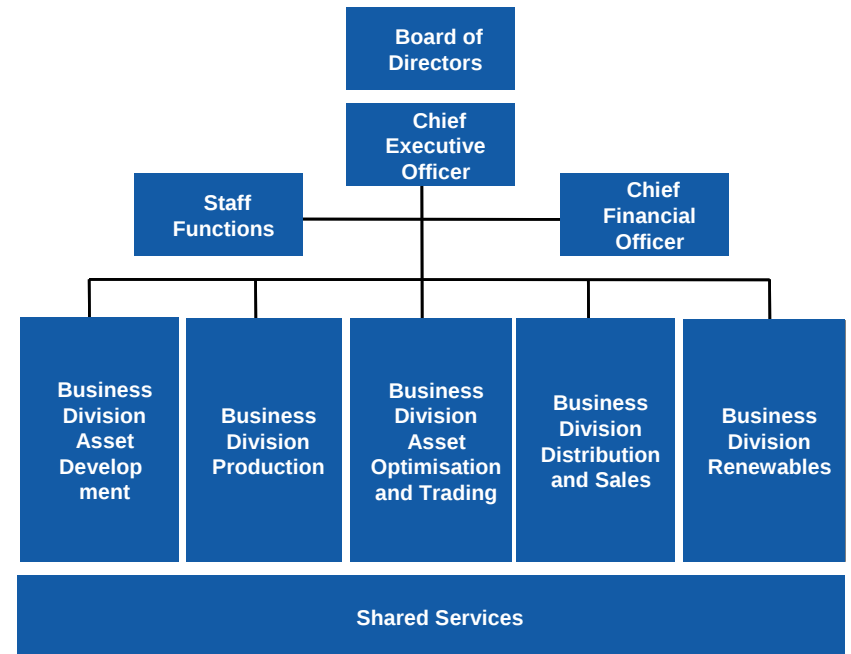
- Focus on growth in low CO₂-emitting production, and gas.
- Focus on core markets with growth opportunities where Vattenfall has or can build a critical size position.
- Reduce CO₂ exposure.

Move from region-led to business-led organisation

- 2010



2011 -



New business-led organisational structure effective as of 1 January 2011

Consolidated income statement

SEK million	Q4 2010	Q4 2009	FY 2010	FY 2009
Net sales	55,537	65,405	213,572	205,407
Cost of products sold	-44,612	-55,993	-159,098	-162,564
Gross profit	10,925	9,412	54,474	42,843
Operating profit	4,946	5,673	29,853	27,938
Operating profit, excl. IAC	9,732	9,117	39,952	31,294
Financial income	783	676	2,514	2,814
Financial expenses	-921	-3,671	-10,944	-13,018
<i>Financial net</i>	<i>-138</i>	<i>-2,995</i>	<i>-8,430</i>	<i>-10,204</i>
Profit before taxes	4,808	2,678	21,423	17,734
Taxes	-2,344	-568	-8,238	-4,286
Profit after tax	2,464	2,110	13,185	13,448

* IAC = Items affecting comparability

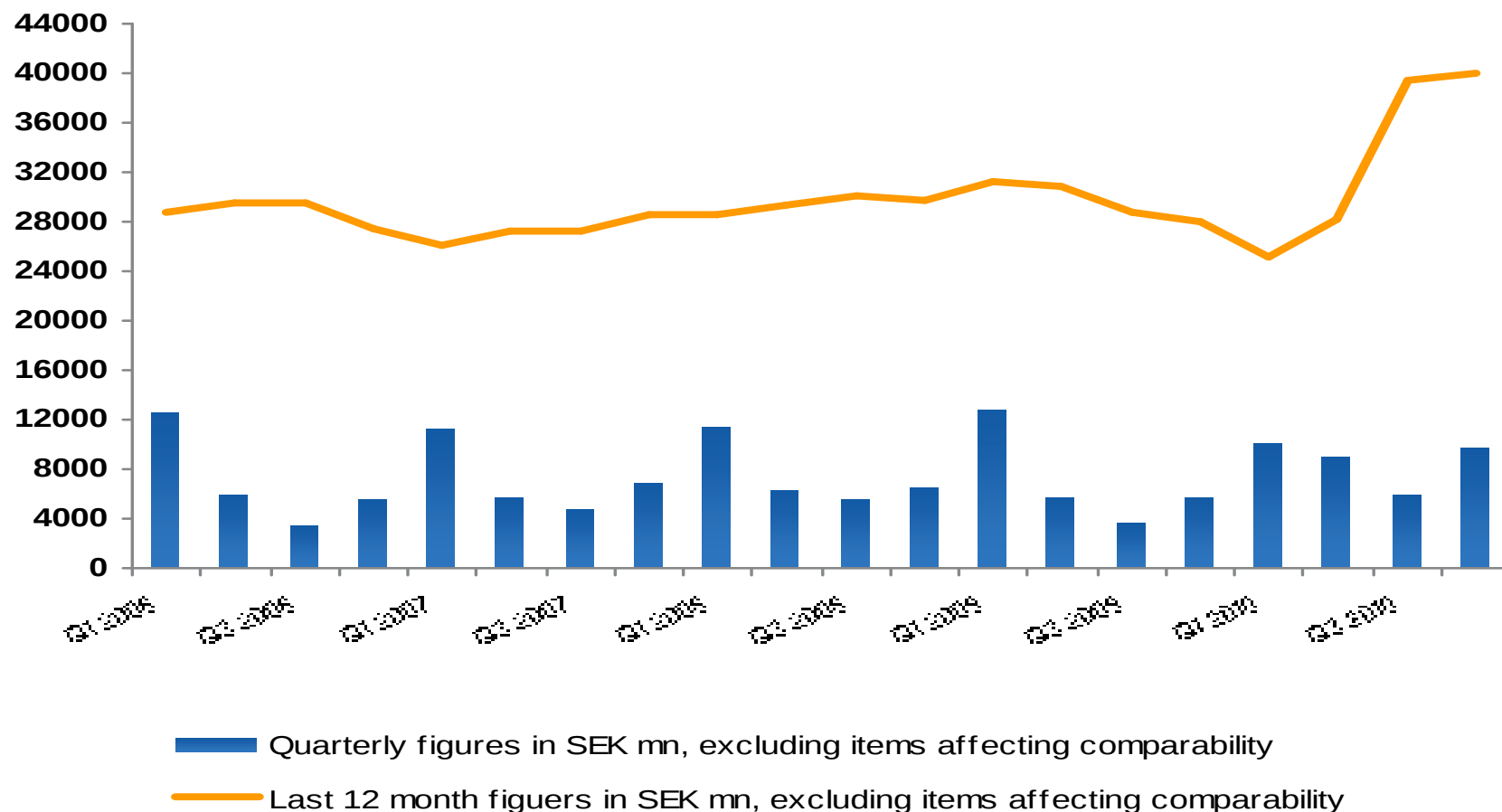
Taxes paid – 2010 vs. 2009

SEK 4.2 billion higher taxes paid in 2010, mainly due to lower than normal taxes in 2009.	SEK bn
FY 2009 Taxes paid	4.7
FY 2010 Taxes paid	8.9
Difference 2010 vs. 2009	4.2
<i>Breakdown:</i>	
<i>Q1/09 Refund of preliminary Swedish taxes paid in 2008</i>	<i>1.6</i>
<i>Q1/09 Refund of German withholding tax paid in 2008</i>	<i>1.0</i>
<i>FY 2009 Lower tax due to utilized tax loss carry forward</i>	<i>0.7</i>
<i>FY 2010 Tax payments pertaining to fiscal year 2009</i>	<i>0.5</i>
<i>Other tax items</i>	<i>0.4</i>
Difference 2010 vs 2009	4.2

Withholding tax of 350 MEUR paid in Q1 2010, was refunded in Q4, 2010

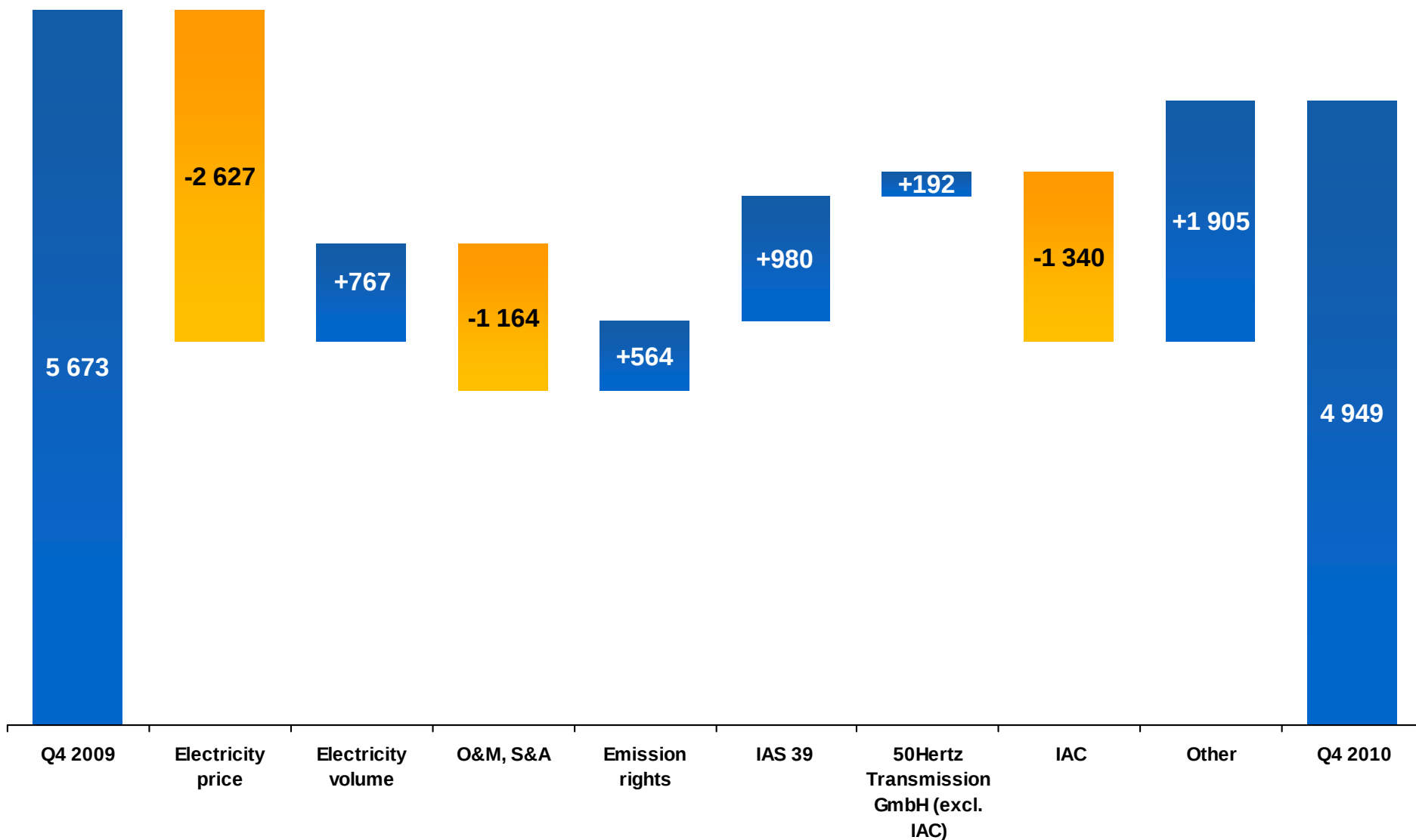
EBIT development last 5 years

Quarterly figures, SEK million



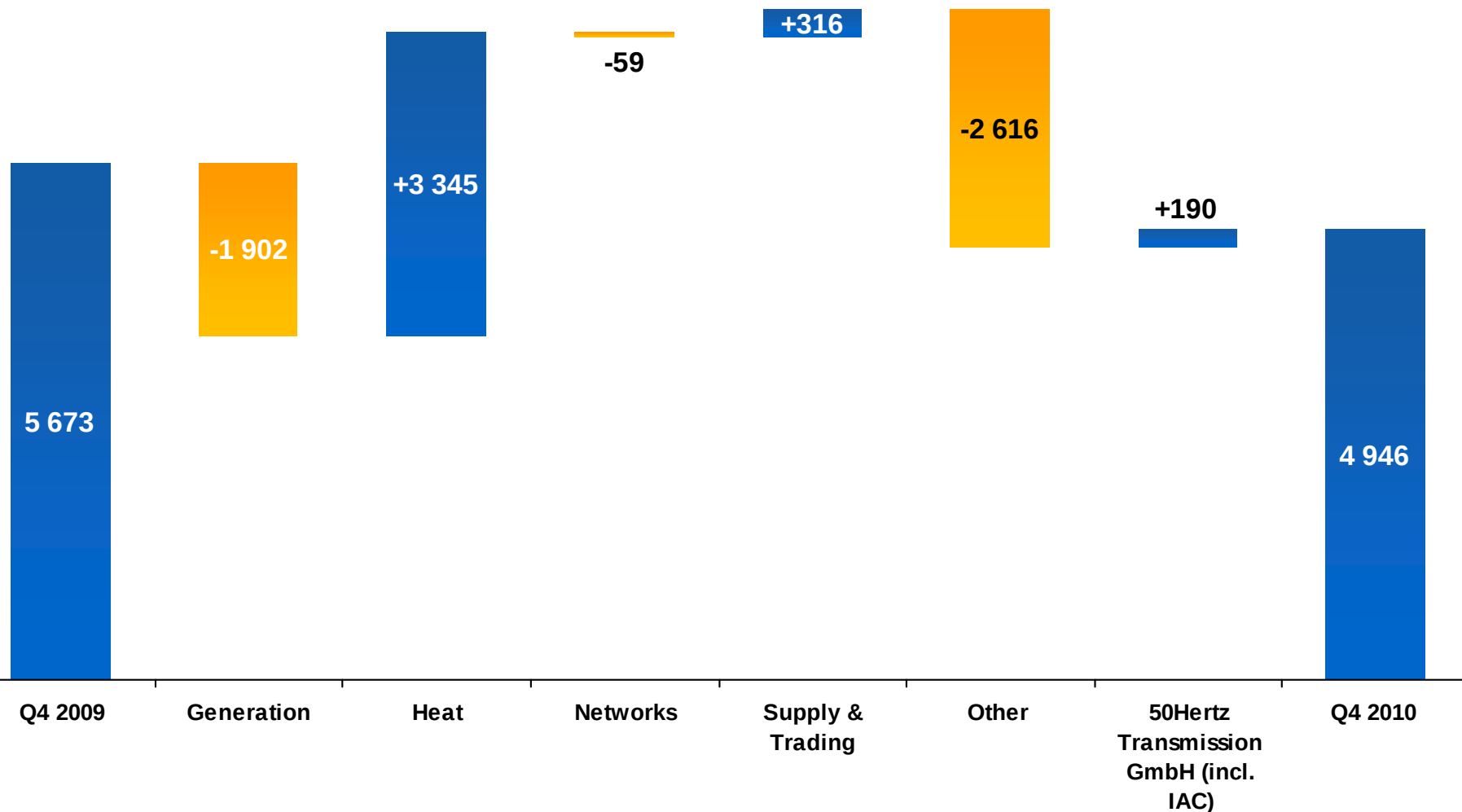
EBIT development, Q4 2010

in SEK million



EBIT development, Q4 2010 – by Product & Services

in SEK million



Performance of N.V. Nuon Energy in Vattenfall accounts

N.V. Nuon Energy is divided into four segments in the consolidated Vattenfall accounts

- Business Group Benelux
- Business Group Pan Europe (Business unit Wind)
- Supply & Trading
- Other

Business Group Benelux figures are heavily affected (-739 MEUR) by amortization of surplus values

EUR million	EBIT 2010 Actual (Local figures)	EBIT 2010 Actual (Vattenfall figures)	Local vs. Vattenfall figures
BG Benelux	197	-542	-739
Supply & Trading	529	554	24
BU Wind (in BG Pan Europe)	-5	-106	-101
Total (N.V. Nuon Energy)	721	-94	-815

Analysis of the deviations between local and Vattenfall consolidated figures

EUR million	Impairments Goodwill	Purchase Price Effects	Other	Total
BG Benelux	-450	-277	-12	-739
Supply & Trading	-	24	-	24
BU Wind (in BG Pan Europe)	-20	-106	25	-101
Total	-470	-359	13	-815

Consolidated cash flow statement

SEK million	Q4 2010	Q4 2009	FY 2010	FY 2009
Funds from operations (FFO)	11,670	11,375	40,108	36,700
Change in working capital	-1,776	1,755	1,123	9,546
Cash flow from operating activities	9,894	13,130	41,231	46,246
Investments	12,605	17,576	41,794	102,989
Divestments	974	4,537	7,197	5,542
Cash and cash equivalents in acquired/divested companies	100	-524	-186	14,407
Cash flow from investing activities	-11,531	-13,563	-34,783	-83,040
Free cash flow	3,355	6,436	23,846	27,566
Cash flow before financing activities	-1,637	-433	6,448	-36,794
Cash flow from financing activities	-1,792	-6,928	-5,147	27,822
Cash flow for the period	-3,429	-7,361	1,301	-8,972
Net debt at the end of the period	-144,109	-154,987	-144,109	-154,987

Liquidity position

As of 31 December 2010

Group liquidity (SEK million)

Cash and equivalents	12 595
Short term investments	31 278
Reported cash, cash equivalents & short term investments	43 873
Restricted cash ¹⁾	-4 663
Available cash	39 210

1) German nuclear "Solidarvereinbarung" 3 065, Margin calls paid and others 1 598

Committed credit facilities	Line size	Amount available
RCF (maturity Feb 2013)	EUR 1 000 million	SEK 9 002 million
Overdraft facility	SEK 100 million	SEK 100 million
Total undrawn		SEK 9 102 million
<i>Other credit lines unutilised</i>		<i>SEK 6 860 million</i>

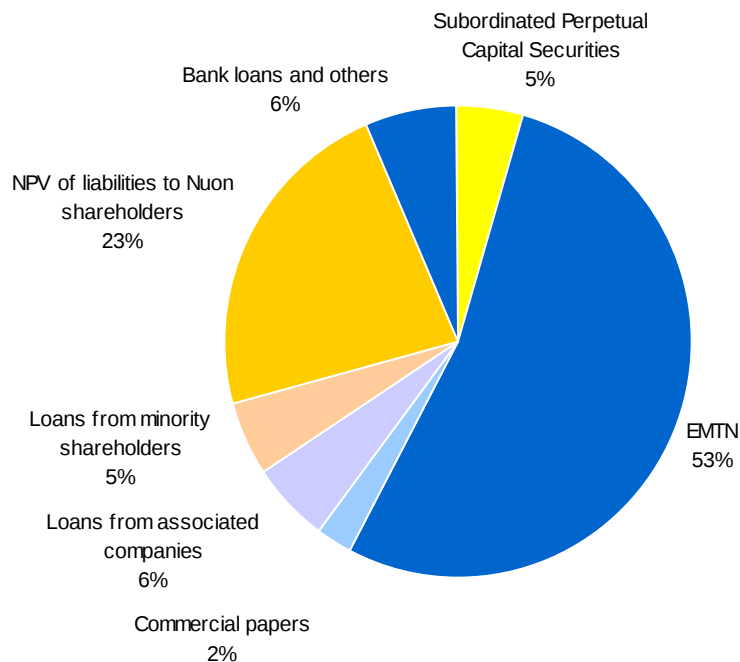
Debt maturities ²⁾ (SEK million)

- within 90 days	5 509
- within 180 days	6 614

2) Excluding loans from minority owners and associated companies

Breakdown of gross debt

Total debt 31 December 2010 ¹⁾ :
(SEK 188.3 bn / EUR 20.9 bn)



1) Of which external market debt: SEK 125.0 bn (66%)

Funding programmes	Size (EURm)	Utilization (EURm)
EUR 15 bn Euro MTN	15 000	10 520
EUR 2 bn Euro CP	2 000	0
SEK 15 bn Domestic CP	1 666	499
Total	18 666	11 019

- All public debt issued by Vattenfall AB
- No currency exposure in the debt portfolio: exchange rate differences have no impact on income statement, since the largest share is reported as translation differences in equity and the rest is swapped to SEK.
- No structural subordination

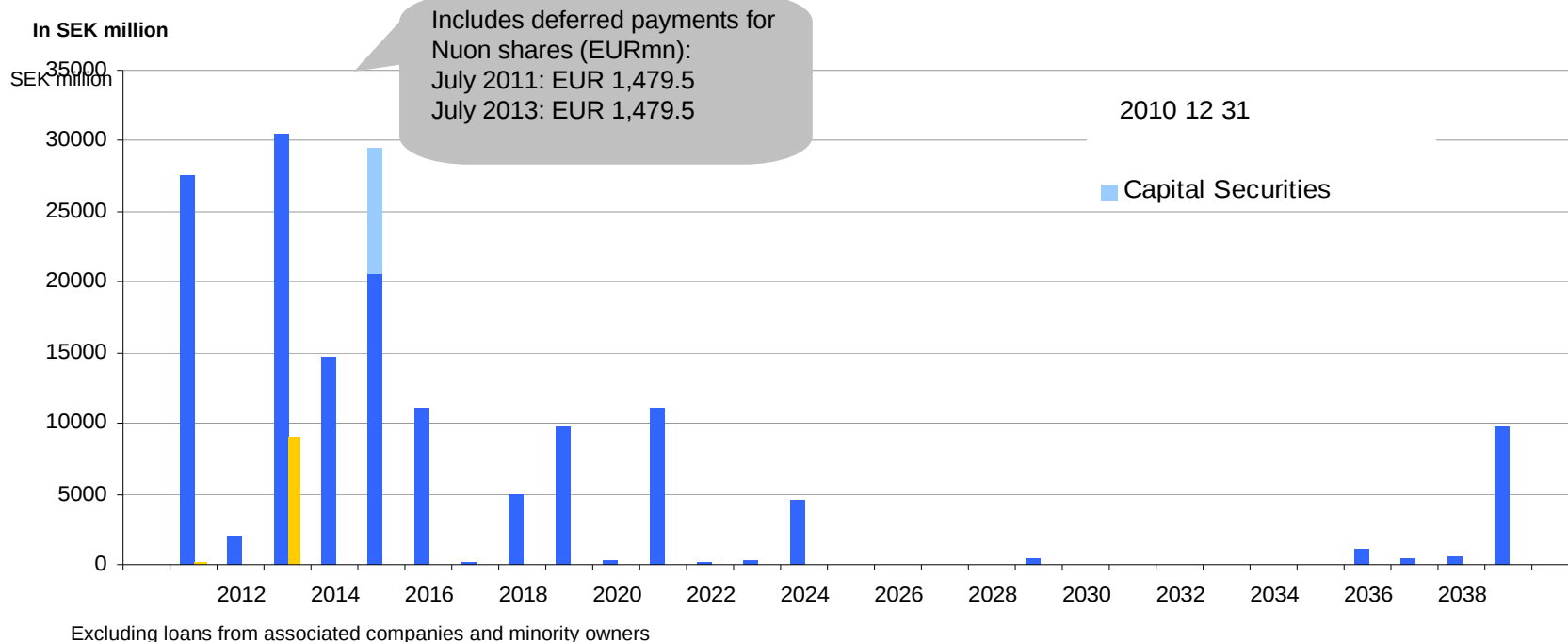
Development of reported and adjusted net debt

Net debt (SEK bn)	Dec 31 2010	Dec 31 2009
Capital Securities	-8,9	-10.3
Bond loans, commercial papers and liabilities to credit institutions	-109.6	-122.1
Present value of liability pertaining to acquisition of N.V. Nuon Energy	-43.3	-49.4
Liabilities to associated companies	-10.5	-16.7
Liabilities to minority shareholders	-9.3	-8.0
Other liabilities	-6.7	-7.0
Total interest-bearing liabilities	-188.3	-213.5
Cash and cash equivalents	12.6	10.6
Short-term investments	31.3	46.4
Loans to minority owners of foreign subsidiaries	0.3	1.5
Net Debt	-144.1	-155.0

Adjusted net debt (SEK bn)	Dec 31 2010	Dec 31
Total interest-bearing liabilities	-188.3	-213.5
50% of Capital securities	4.5	5,1
Present value of net pension obligations	-20.0	-21.2
Mining & environmental provisions	-12.8	-14.4
Nuclear asset retirement obligations	-12.8	-6.7
Cross currency swaps	2.7	1.3
Margin calls received	5.2	5.5
Liabilities to minority owners due to consortium agreements	8.9	7.6
= Adjusted gross debt	-212.6	-236.3
Reported cash, cash equivalents & short term investments	43.9	56.9
Restricted cash	-4.7 ¹⁾	-25.6
= Adjusted cash, cash equivalents & short term investments	39.2	31.3
= Adjusted net debt	-173.4	-205.0

1) Of which: German nuclear "Solidarvereinbarung" 3.1, Margin calls paid and others 1.6

Vattenfall debt maturity profile



	2010-12-31	2009-12-31
Duration (years)	3.9 ¹⁾	4.0
Average time to maturity (years)	6.2 ¹⁾	7.2
Average interest rate (%)	3.4 ¹⁾	3.5
Net debt (SEK bn)	145.1	155.0

1) Based on external debt, excluding Capital Securities. Including Capital Securities the Duration is 3.9, Average time to maturity 6.1, and Average interest rate 3.5.

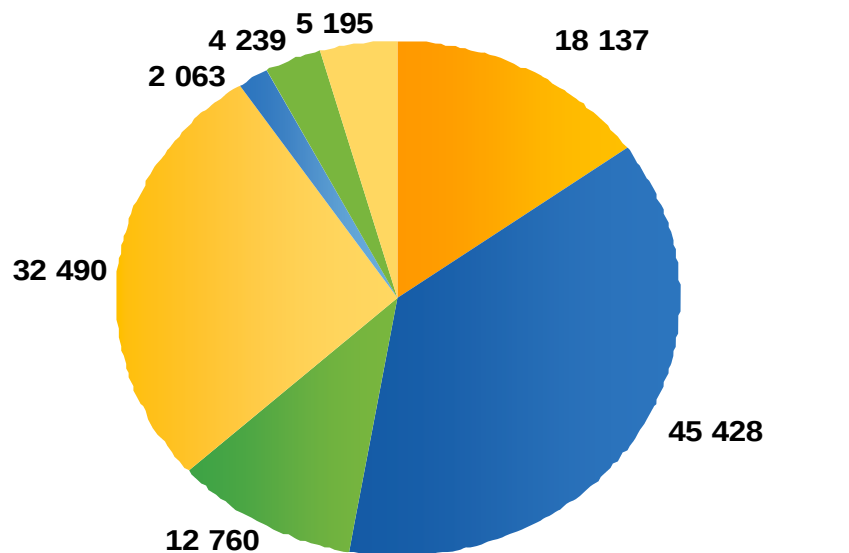
New RCF for EUR 2.55 bn signed 20 January 2011

Type	Revolving Credit Facility
Borrower	Vattenfall AB (publ)
Purpose	General corporate purposes (back-up facility)
Amount	EUR 2.55 bn RCF, (existing facility of EUR 1.0 bn will stay in place)
Tenor	5 years from date of signing, 20 January 2011
Margin	40 bps
Covenants	In line with Vattenfall's existing EUR 1.0 bn facility No ownership clause, no rating trigger General MAC on financial performance of group of signing, <i>Pari Passu</i> ranking
Syndication approach	Self-arranged transaction with 20 relationship banks. One coordinator (Société Générale Corporate & Investment Banking)
Participating Banks	Bookrunners (EUR 150 million) Bank of America Merrill Lynch, Barclays Capital, BNP Paribas, Citi, Commerzbank, Deutsche Bank, Goldman Sachs, ING Bank, J.P. Morgan, SEB, Nordea, Société Générale, Svenska Handelsbanken, The Royal Bank of Scotland Mandated Lead Arrangers (EUR 75 million) Danske Bank, HSBC, Helaba, LBBW, Morgan Stanley, Swedbank

Group provisions (IFRS)

31 December 2010

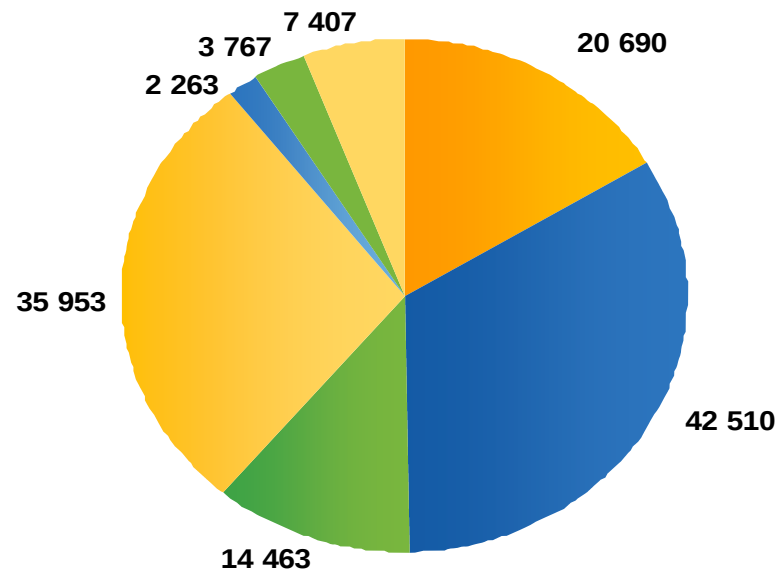
SEK 120 312 million



■ Pensions ■ Nuclear ■ Mining ■ Taxes ■ Other ■ Personnel ■ Legal

31 December 2009

SEK 127 053 million



■ Pensions ■ Nuclear ■ Mining ■ Taxes ■ Other ■ Personnel ■ Legal

Oil, coal, gas and CO₂ allowances

