

## Chairman of the Board's address to the annual general meeting 2010

The past year has been characterised by many challenges. Major commercial decisions have been accompanied by challenges from the media. The Board met on seventeen occasions, once in Amsterdam and otherwise in Stockholm. The Audit Committee met six times and the Compensation Committee nine times. The Board has really had to work hard, and I would like to take this opportunity to thank the members for their commitment and sterling efforts. Together with the company management we have managed to deal with these challenges and landed on our feet despite everything.

A major and gratifying event was that we were able in 2009 to conclude the deal with Dutch energy company Nuon, which is part of the Vattenfall Group since July 1. A transaction of this size is naturally no easy matter in terms of decisions but we finally achieved our goal. Nuon's operations open up interesting possibilities in both geographical and operational respects.

FIG. 1 – Vattenfall's expansion in Europe

Today's Vattenfall is a company that can play an important role now that Europe is set to use energy more efficiently and increase the proportion of renewables.

If we look back over Vattenfall's record over the last ten years, it's evident that the company has undergone a really fantastic development.

FIG. 2 – Net sales

Net sales rose from SEK 28 to 205 billion.

FIG. 3 – Operating profit

Our operating profit is today in the same order of magnitude as our total sales were at the end of the 1990s, which means that it rose from SEK 5 billion to 28 billion. And this result has been achieved without the owner having to contribute any capital at all.

FIG. 4 – Electricity sales

Electricity sales have more than doubled. Vattenfall is Sweden's biggest supplier, and among the three largest in Finland, the Netherlands and Belgium. In Germany, we are number three as a electricity generator, and number four in terms of electricity sales.

FIG. 5 - Employees

The number of employees has increased fivefold over the same period.

FIG. 6 - Investments

Investment volumes are today in a completely different order of magnitude compared with the nineties.

FIG. 7 – Map of today's Vattenfall

Our operations in Sweden were the starting point; the company has grown strongly thanks to extensive acquisitions in Finland, Germany, Poland, Denmark, the Netherlands and Great Britain.

We also run operations in Belgium. Today's Vattenfall is larger, more profitable and has an operational depth that was not on the cards at all ten years ago.

Today's Vattenfall has placed Swedish engineering expertise and entrepreneurship in energy supplies on the map of Europe. Vattenfall is now a European energy company that can play a key role in developing the energy supply of tomorrow.

The owner has broadly examined the preconditions for Vattenfall's operations. This process took place in dialogue with the Board and the company management. Just over a month ago (on March 22) the government presented a proposal to clarify Vattenfall's assignment that is currently being debated in parliament.

From the side of the Board, we welcome this clarification. The next step is the parliamentary action, then a resolution at the general meeting.

Today's Vattenfall is one of Sweden's largest companies by far. How did we get here? Many people have naturally made a contribution, but one person has played a central role, to say the least.

#### FIG. 8 - Dividends

Lars, I really want to thank you for your fantastic efforts. Your ten years at Vattenfall have taken the company from a Swedish power company to a truly European energy company with operations in eight countries. If we sum up that part of the year's profits that accrue to the owners of the parent company, i.e. the Swedish people, during the ten years that you were CEO we get a fantastic figure of almost SEK 123 billion. Of this sum, SEK 45 billion were paid as dividends during the same period. At the same time, you have really put the company on the map with your sterling commitment to the climate issue.

Lars, on behalf of the company and the Board, once again thank you.

I will now hand over to the Chairman of the Meeting Axel Callissendorf.

---

<sup>1</sup> Includes dividend for 2009 as proposed by the Board