

Ladies and gentlemen,

This is Vattenfall AB's fourth open annual general meeting. We would like to welcome you all to Nalen. The Board and the management look forward to presenting the past year and sharing our visions for the future. An open annual general meeting means that our owners, the Swedish people, have been invited. Openness is one of Vattenfall's core values, so we are delighted that so many of you could attend. For those of you who cannot be here today, we are also broadcasting this meeting via webcast to show how the Board and management have administered the valuable resources in our hands.

Ola Alterå, State Secretary to the Minister for Enterprise, Energy and Communications, will represent the owner here today, and he is authorised to vote for 100 % of the shares in the company. I would like to welcome Ola. I am also happy that at least two Riksdag members have accepted our invitation, which in compliance with our Articles of Association has been sent to all 349 Riksdag members. During the official part of the meeting, members of the Riksdag are entitled to ask the management questions, and I hope you will take advantage of that right. We also welcome questions from our other guests today but request that those who were not elected at Helgeandsholmen please wait until the official meeting is over and unofficial question time begins - in about one hour if everything proceeds as planned.

This is my last meeting as Chairman of the Board and I would like to reflect upon my past seven years with the company.

Slide 1: Sales and earnings trend, 2001-2007

During this period, Vattenfall's sales rose from SEK 69 billion in 2001 to a record SEK 144 billion last year. The operating results have also increased, from SEK 8.8 billion in 2001 to SEK 28.5 billion in 2008, which is an all-time high for the group. Over the past 7 years, we have reached or surpassed the owner's required return on equity. Vattenfall reaffirms its strong financial position with a single "A" credit rating, which was also the owner's goal.

Success is a fact and we should always ask ourselves the reasons why. Unfortunately, I cannot take all the credit myself; there are many different factors and hard work behind the upward curves that I can now present on my last day as Chairman.

But there is one thing that I do know: the growth strategy introduced by the Board at the end of the 1990s – which has been consistently evaluated and maintained during my Chairmanship - has bedded for this success. Without a successful growth strategy, Vattenfall could never have achieved these results or invested the massive figures in building up the energy system that we intend to continue doing, while simultaneously delivering 9-digit

dividends to the state treasury. This year, the Board proposes dividends of SEK 8 billion - almost SEK 1,000 per Swedish citizen - which is also a record for state-owned companies.

But defending or explaining our growth strategy has not always been easy.

Slide 2: Newspaper heading “Vattenfall needs 60 billion”

I woke up to this heading in *Finanstidningen* just before Christmas 2001 when I was relatively new to my post. Even if it wasn't true, as I know some headings are, some explanations were called for. The truth is that Vattenfall has managed without contributions from its owner since 1992 - when it was converted into a company - and *Finanstidningen* actually needed the money.

Vattenfall has become a major Swedish company in Europe, one of the largest Swedish companies.

Slide 3: Comparison of VAB with other companies

From a medium-sized player in Scandinavia ten years ago, investment banks now value Vattenfall at around SEK 325 billion. This is the value that belongs to and has been created for the Swedish people. If we compare Vattenfall to other major Swedish companies, we are

no longer a Swedish or Nordic company but on our way to becoming a real international player with most of our operations and customers in other countries.

But what do our owners gain from this successful expansion? Will it really benefit our customers? Yes, because besides making a profit, this is also a prerequisite for making the major investments that are needed. It is easier for big, profitable companies to take the risks involved in financing new production than smaller companies. Whether its new investments in renewable power or strengthening existing hydroelectric and nuclear power - big is better. New production guarantees safe, environmentally friendly and economical power, which is what we believe our customers want. As a big company, we can also combine attractive offerings, such as supply agreements for corporate customers or ten-year fixed-price agreements for our largest industrial customers. That's more difficult for smaller companies. We can use our size to serve our customers. Then everyone can appreciate the benefits of a strong Vattenfall.

Vattenfall is large and successful, but our competition never stands still.

Slide 4: VAB's size compared to other European players

Last year we said that Vattenfall was Europe's fourth largest electricity producer. This year we are number five. Our rivals are actively consolidating the European electricity market and the Board believes that Vattenfall has to maintain its growth strategy to avoid being overtaken. The larger we are, the more we can influence the design of the energy system. We can continue to be a positive force and support the forward-looking energy policy that the European Commission has proposed for Europe.

This energy policy stands on three pillars: reducing carbon dioxide emissions and creating sustainable energy systems, improving safety of supply, and creating competition in an integrated energy market. Vattenfall is one of the strongest advocates of this energy policy because we believe that the climate and environmental problems facing the world today can only be solved by cross-boundary collaboration. We also know that market forces driven by competition, with the right incentives and regulations, is the fastest and most cost-effective way to deal with these issues, which in the end is always best for our customers.

By applying Vattenfall's core values and environmental goals in new markets, we will contribute to a safer, cleaner and more competitive Europe.

Slide 5: Nuclear power plants?

The Board's Safety Committee has met five times since it was created last year. The safety of our power plants, power networks and other workplaces are and will always be a priority for the Board. Only a secure supply will win public trust - and more importantly - ensure safe working conditions for our employees. Good safety also leads to good profitability, which our experience from recent years shows, specifically when our nuclear power plants were closed down while technical issues were investigated. Even though supervisory authorities confirmed that our nuclear power plants were never in danger, the standstills damaged public trust in Vattenfall and affected our profitability.

I am happy to announce that the IAEA inspection of Forsmark Nuclear Power Plant shows clearly that the management is focusing on the right areas of improvement, and that safety levels comply with high international standards. This is no less than what the Board expected, but we will not stop there. By continuing to invest in safety work and our nuclear power plants, Vattenfall will regain its top position among the international elite. All investigations show that international collaboration and knowledge transfers in the nuclear power field are beneficial. The Board supports all initiatives that aim to expand and enhance our employees' knowledge in regard to safety.

Slide 6: One final, beautiful picture

For me personally, this will be the last annual general meeting after seven years as Chairman of Vattenfall. It has been a pleasure to lead the Board during such a successful period when so much has happened in the industry. I want to thank the Board members for their cooperation over the years, particularly Lars Josefsson who has been the CEO throughout this period. On top of all of our meetings and travel, we have also spoken to each other on the phone every single Sunday night for seven years. I have witnessed your accomplishments as CEO with joy and admiration, and I am extremely proud of how you helped direct the eyes of the world towards the climate change issue and - unlike some other climate debaters - succeeded in presenting constructive and realistic solutions to the problems that we face.

As Chairman, I have met many of our employees and would also like to thank them.

Vattenfall is a company with so many different kinds of expertise. When this expertise is combined with responsibility for our customers and a desire to always deliver safely and effectively, the success of Vattenfall is assured. But expertise without responsibility or a strong desire to meet our customers' expectations is not recommended. If I can leave you with a few words of wisdom, let me say this - only satisfied customers will lead to success.

Two Board members, Greta Fossum and Jonas Iversen, have declined re-election this year. I would like to thank you for your support and wish you luck.

Finally, I would like to welcome Lars Westerberg who will be elected as Chairman at this meeting. I wish you and your new employees at Vattenfall a happy and prosperous future.