

**SUPPLEMENT DATED 23 NOVEMBER 2010 TO THE PROSPECTUS
DATED 14 OCTOBER 2010**

VATTENFALL AB

(incorporated with limited liability under the laws of the Kingdom of Sweden)

EUR 15,000,000,000 Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Prospectus dated 14 October 2010 (the **Prospectus**), which comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the EUR 15,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Vattenfall AB (the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Publication of Vattenfall AB's Third quarter results

On 28 October 2010, Vattenfall AB published its unaudited consolidated and unconsolidated financial statements as of and for the nine months ended 30 September 2010 which can be found on pages 16 to 27 of Vattenfall AB's interim report dated 28 October 2010. A copy of the interim report dated 28 October 2010 containing those unaudited consolidated and unconsolidated financial statements has been filed with the Financial Services Authority and, by virtue of this Supplement, those unaudited consolidated and unconsolidated financial statements are incorporated in, and form part of, the Prospectus.

Recent events

Change in investment programme and cost-cutting

When the Issuer presented its new strategic direction for the group consisting of the Issuer and its subsidiaries (the **Group**) in September 2010, information was given that its investment programme for the coming five years (2011–2015) was limited to SEK165 billion compared to the earlier communicated figures of SEK201 billion covering 2010–2014. Further, a cost-cutting programme is being initiated for the coming 2-3 years with the aim of reducing annual operating expenses by SEK6 billion.

Lifetime extension of German nuclear power and new tax on nuclear fuel

In September 2010, the German government reached an agreement with the country's nuclear power operators to extend the lifetime of existing nuclear power plants by an average of 12 years. The agreement is coupled with the introduction of a new nuclear fuel tax and an obligation for the nuclear power operators to make payments to an investment fund for renewable energy projects. If the agreement is approved by the legislative bodies in Germany it is estimated that the nuclear fuel tax will raise a total of EUR2.3 billion per year, meaning approximately EUR165 million per year until 2016 for the Group. Payments to the fund are, for the Group, estimated to approximately EUR21 million per year in 2011 and 2012 and approximately EUR14 million per year from 2013 to 2016.

Copies of all documents incorporated by reference in the Prospectus can be obtained from the registered office of each Issuer and the Agent for the time being in London as described on page 22 of the Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

If documents which are incorporated by reference into this Supplement to the Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

In accordance with Section 87Q(4) of the FSMA, investors who have agreed to purchase or subscribe for Notes before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.