

**SUPPLEMENT DATED 23 FEBRUARY 2011 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 as supplemented by the Supplement dated 23 November 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 Year-End Report 2010**

On 10 February 2011, Vattenfall AB published its unaudited consolidated and unconsolidated financial statements as of and for the full year 2010 which can be found on pages 17 to 30 of Vattenfall AB's Year-End report dated 10 February 2011. A copy of the Year-End report dated 10 February 2011 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.

Copies of all documents incorporated by reference in the Prospectus can be obtained from the registered office of the 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.