

INTERIM REPORT FOR THE PERIOD January 1 – June 30, 2009

English translation from Swedish original

Ownership and operations

Vattenfall Treasury (VFT) is a wholly owned subsidiary of Vattenfall AB (registered in Stockholm, 556036-2138) with responsibility for co-ordinating borrowing, liquidity management and the management of associated risk exposure for the Vattenfall Group. VFT also constitutes part of the financial staff of the Group, and is responsible for co-ordinating the Group's internal banking activities.

Financial Performance

The earnings before appropriations and tax amounted to SEK 403 million, an increase by SEK 313 million compared to corresponding period previous year. The interest net has increased by SEK 335 million, which is due to both improved interest net as well as to profit/loss recognition of interest forwards and futures. The currency net has deteriorated by SEK19 million.

There have been no material changes in the company since the closing day.

Financing

Internal banking activities

The internal banking activities involve borrowing/lending within the Group and buying/selling currencies from/to Group units, all on commercial terms. Group account systems, administered by VFT, are established in Sweden, Finland, Denmark, Germany and Great Britain. There are some 80 account holders.

On the closing day, lending to Group units amounted to SEK 132,947 million (108,898) while borrowing totalled SEK 65,422 million (48,958).

The interest rate on long-term internal lending is determined yearly in advance based on VFTs estimated borrowing cost during the coming year.

Vattenfall Treasury AB

(publ)

Corporate number 556439-0606

Financing and Liquidity

Liquidity assets, including all short-term money market investments, decreased during the first half of the year by SEK 7,020 million and amounted to SEK 32,837 million at the end of June.

The external net debt, i.e. external interest bearing liabilities (including liabilities to associated companies) less liquid assets, increased during the period by SEK 5,066 million and amounted to SEK 65,291 million at the end of the period. During the period new loans have been raised by SEK 22,546 million while repayments amounted to MSEK 6,418 MSEK.

Risks and uncertainties

A description of risks, factors of uncertainty and risk management can be found in the Annual Report of the company. No significant changes have taken place since publication of the 2008 Annual Report

Accounting Principles

The same accounting principles have been used as in the preparation of the latest annual accounts.

The interim report has been prepared in line with IAS 34 Interim Financial Reporting, by taking in to consideration of those exceptions and amendments to IFRS/IAS, which are stated in RFR 2.1 and in accordance with the Swedish Annual Accounts Act.

Amendments to IAS 1 have been adopted during the period, but they have no impact on the presentation of VFT:s financial statement.

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Income Statement

SEK '000

	January - June	
	2009	2008
Operating income		
Net interest income	444 844	109 845
Net foreign exchange income/expense	-22 752	-3 848
Gross profit	422 092	105 997
Overhead costs	-19 481	-16 663
Operating profit	402 611	89 334
Appropriations	0	0
Tax*	-105 894	-25 014
Net profit for the period	296 717	64 320

* Calculated on the basis of a tax rate of 28 per cent

Balance sheet

SEK '000

	39 629	39 813
ASSETS		
Fixed assets		
Tangible assets	87	100
Financial assets:		
Other long-term securities holdings	100	100
Receivables from Group companies	132 946 763	108 898 338
Receivables from associated companies and external	49 702	14 930
Total fixed assets	132 996 652	108 913 468
Current assets		
Current tax receivable	0	1 448
Receivables	6 541 385	8 380 540
Short-term investments	30 261 605	22 519 763
Cash and bank balances	2 575 400	3 297 383
Total current assets	39 378 390	34 199 134
TOTAL ASSETS	172 375 042	143 112 602

EQUITY AND LIABILITIES**Equity**

Restricted equity	600	600
Un-restricted equity	5 043 361	4 746 644
Total equity	5 043 961	4 747 244
Untaxed reserves	1 391	1 391
Provisions		
Pension obligations	2 199	1 865
Less: Capital in pension funds	-1 251	-1 189
Total provisions	948	676
Liabilities		
Interest-bearing liabilities:		
Interest-bearing liabilities external	85 655 424	70 288 734
Interest-bearing liabilities to associated companies	12 472 325	15 753 600
Interest-bearing liabilities to Group companies	65 421 694	48 958 107
Current tax liabilities	1 064 556	0
Deferred tax liabilities	484 071	1 444 971
Non-interest bearing liabilities	2 230 672	1 917 879
Total liabilities	167 328 742	138 363 291
TOTAL EQUITY AND LIABILITIES	172 375 042	143 112 602

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Change in Equity

SEK '000

	January - June	
	2009	2008
Equity at the beginning of the period	4 746 644	559 665
Profit for the period	296 717	64 320
Equity at the end of the period	5 043 361	623 985

Cash Flow Statement

SEK '000

	January - June	
	2009	2008
Operating activities		
Net profit for the year	402 611	64 320
Adjustments for the effects of non-cash items	2 300 651	-803 447
Tax	-790	23 896
Cash flow from operating activities before changes in working capital	2 702 472	-715 231
Cash flow from changes in working capital	-403 070	-11 987
Investeringsverksamheten		
Cash flow from investing activities	0	-100
Financing activities		
Decrease(-)/increase(+) in external interest bearing liabilities	15 366 690	7 675 070
Decrease(-)/increase(+) in deposits from group and associated companies	13 182 312	732 542
Decrease(+)/decrease(-) in lending to group and associated companies	-24 083 197	-9 189 113
Decrease(+)/increase(-) of investments with > 3 months' maturity	2 430 044	938 439
Group contribution made	0	-597 349
Cash flow from financing activities	6 895 849	-440 411
Cash flow for the year	9 195 251	-1 167 729
Cash and cash equivalents at the start of the period	17 192 167	3 878 592
Exchange rate differences in cash and cash equivalents	254 652	30 627
Cash and cash equivalents at the end of the period	26 642 070	2 741 490

Note Fair value

	Book value	Fair value
excluding accrued interest		
<i>Short-term investments</i>		
Interest-bearing investments	30 261 605	30 261 205
<i>Interest-bearing liabilities, external</i>		
Commercial paper		
Bond issues	74 520 362	82 244 099
Capital Securities	10 727 652	12 104 323
Liabilities to credit institutions	2 906 413	2 946 354
Derivatives	-2 499 004	-200 490
Total	85 655 423	97 094 286
<i>Other derivatives</i>		
(currency forward contracts, interest forward contracts, interest rate swaps)	-922 567	2 305 318

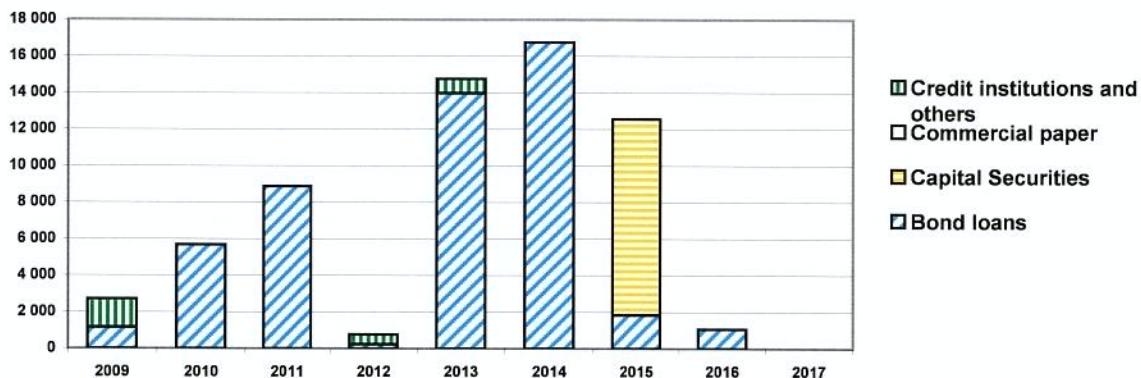
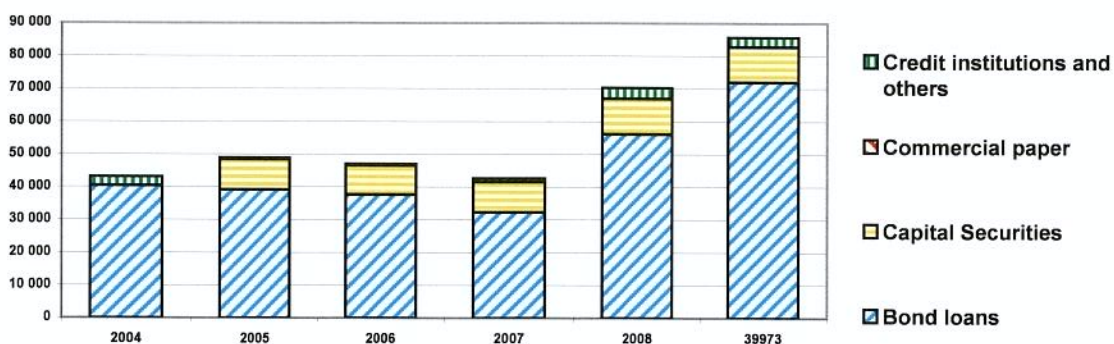
Comments: The conditions on the lending to Group companies are matched with the conditions on the external borrowing

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Diagram



The Board of Directors and President certify that this half-year interim report presents a fair overview of Vattenfall Treasury AB's operations, position and earnings, and describes the significant risks and uncertainty factors facing the company.

Stockholm, August 24, 2009

Dag Andresen
Chairman

Erik Hagland
Director

Kimmo Mattila
Director

Hans-Jürgen Meyer
Director

Anna-Karin Stenberg
Director

Johan Gyllenhoff
President

The interim report has not been reviewed by the company's auditors.