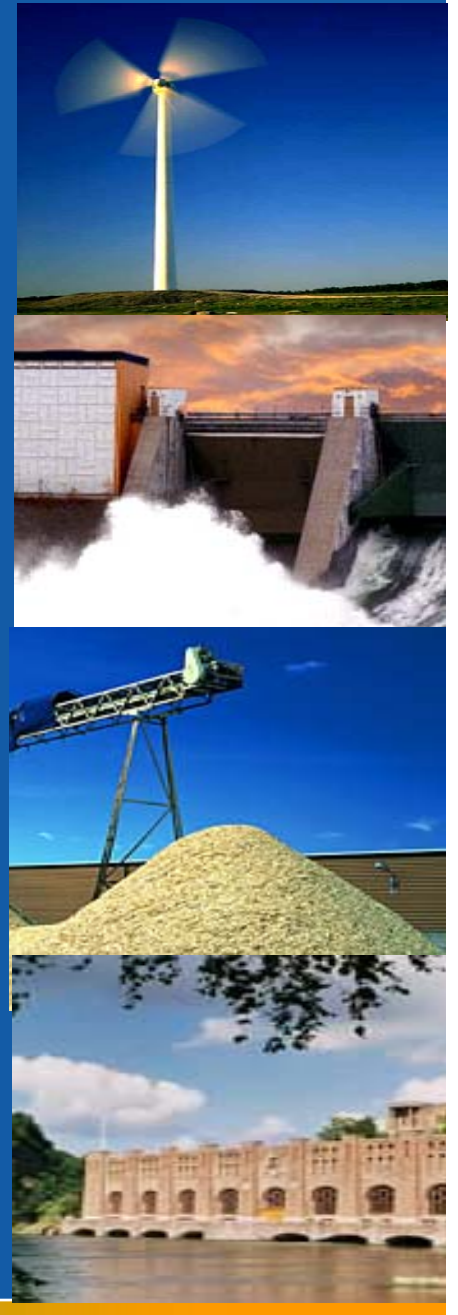


Vattenfall Q1 Results 2007

Presentations by

Lars Josefsson, CEO and
Jan Erik Back, CFO

26 April 2007



Net sales rose

9.6% to SEK 41,644 million (38,013)

EBIT decreased

11.8% to SEK 11,198 million (12,689)

Profit after tax decreased

9.3% to SEK 7,235 million (7,979)

Highlights – Q1 Results 2007

3

Net debt decreased

by SEK 4,579 million to SEK 44,828 million

Return on Net Assets

was 15.6% LTM (FY 2006: 16.6%)

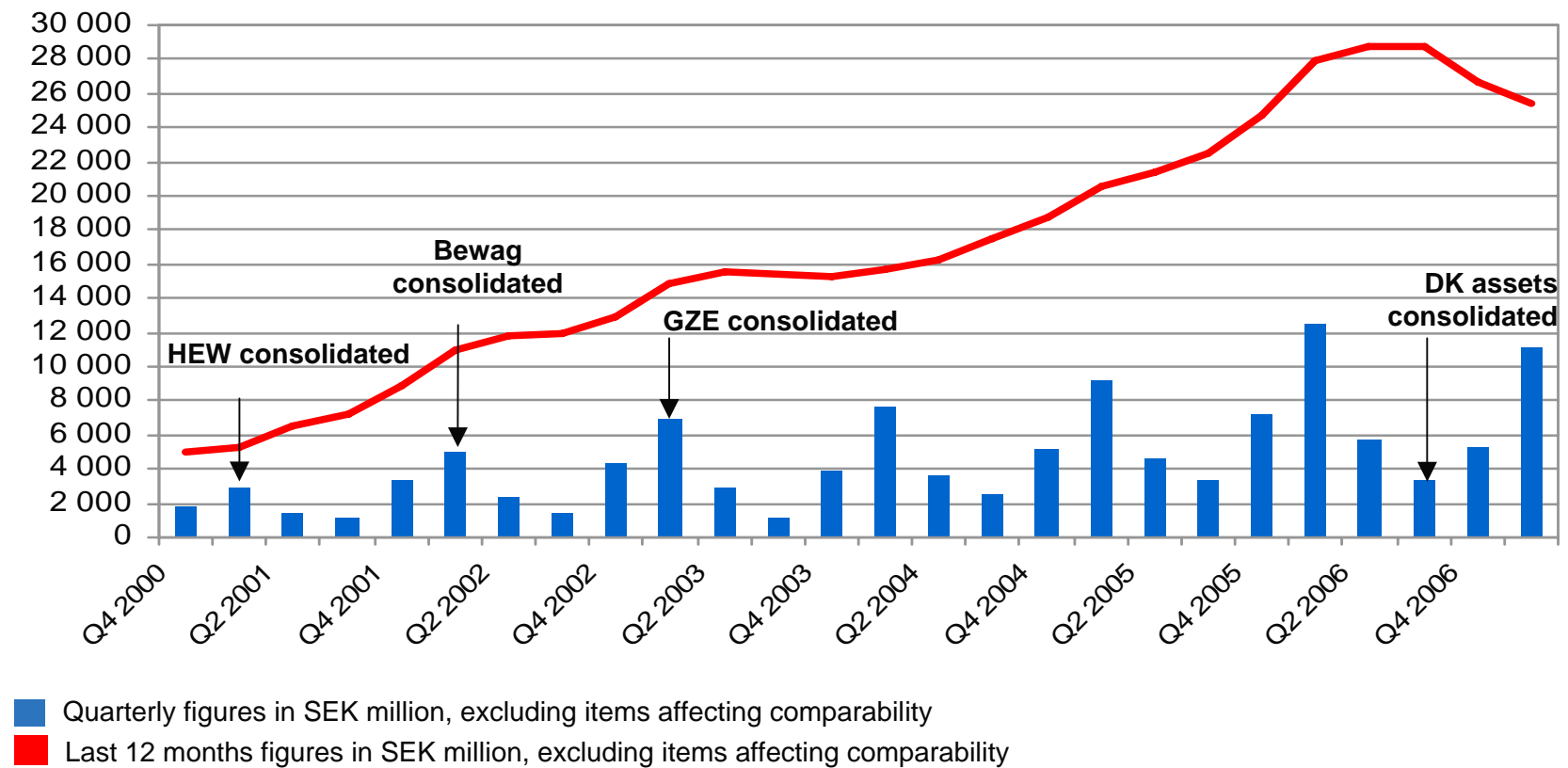
Return on Equity

was 17.9% LTM (FY 2006: 19.1%)

LTM = Last twelve months

EBIT development

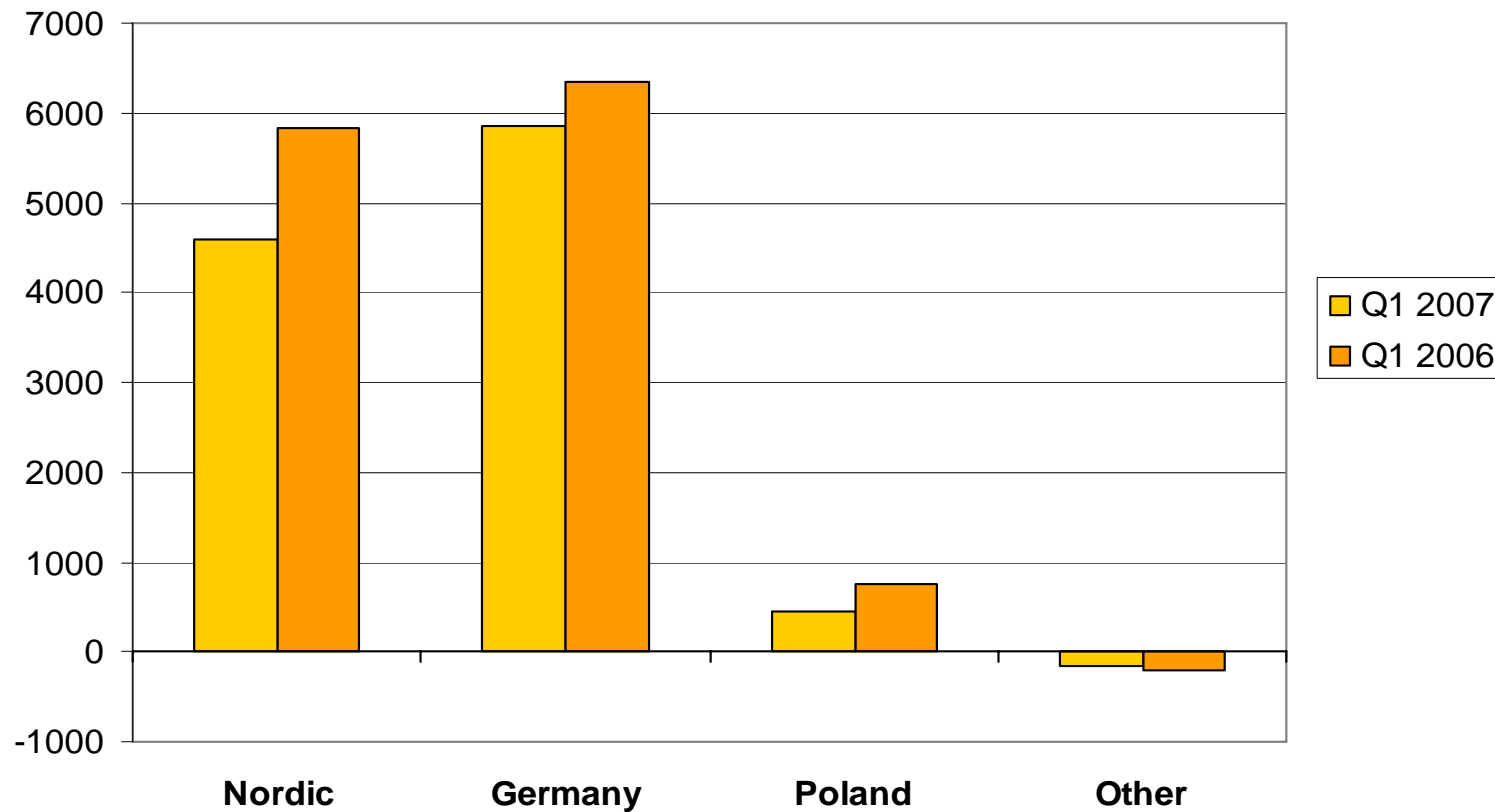
Quarterly figures, SEK million



EBIT by primary segments – Q1

5

SEK Million

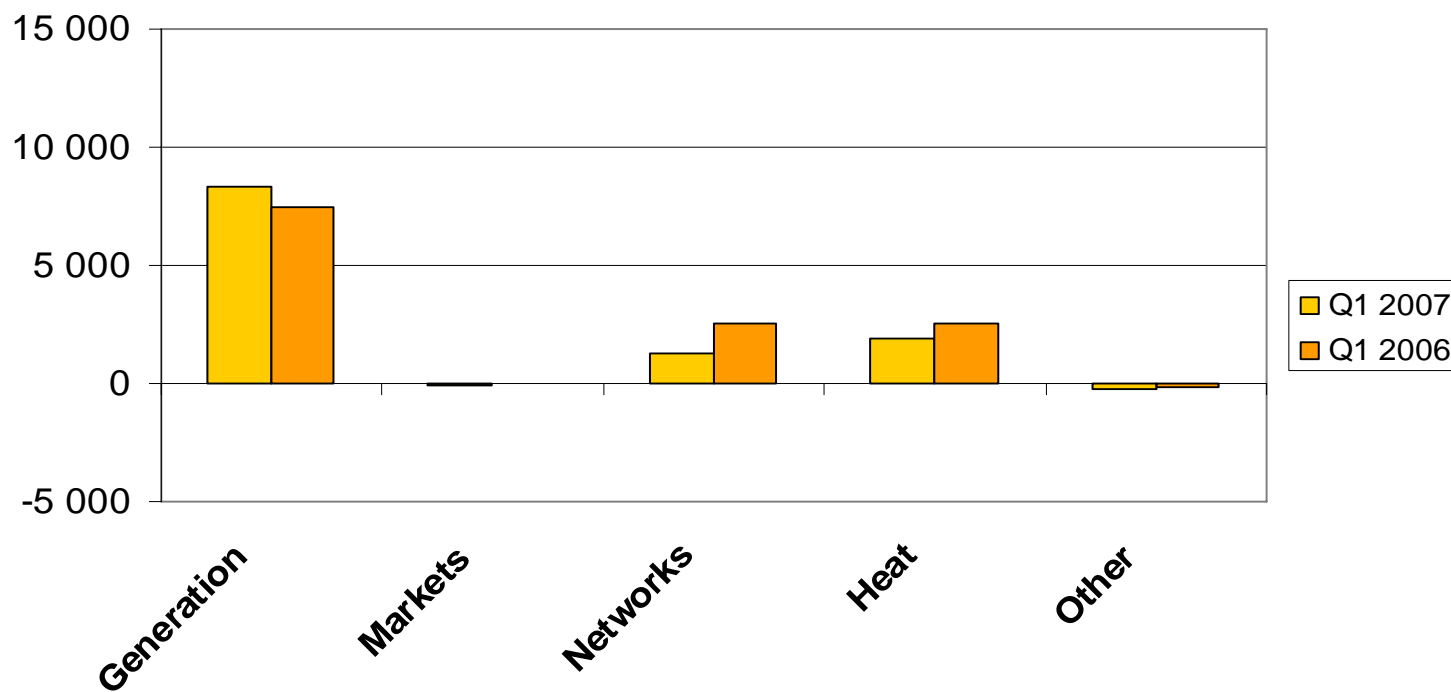


Excluding IAC, i.e. items affecting comparability

EBIT by secondary segments – Q1

6

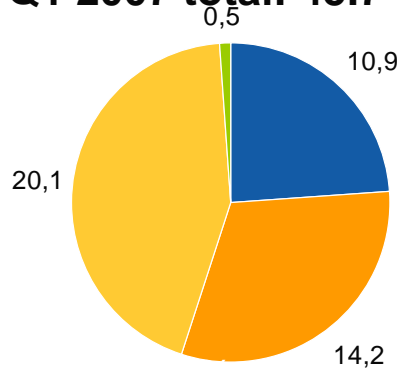
SEK million



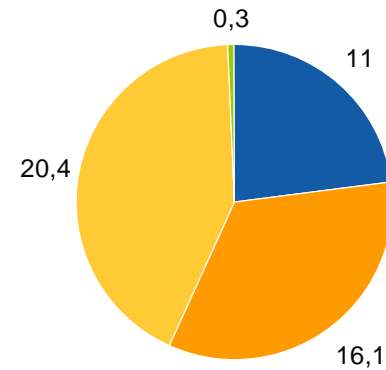
Excluding IAC, i.e. items affecting comparability

Lower electricity generation and heat sales

Electricity:
Q1 2007 total: 45.7 TWh

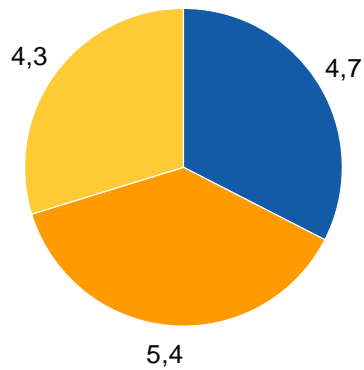


Electricity:
Q1 2006 total: 47.8 TWh

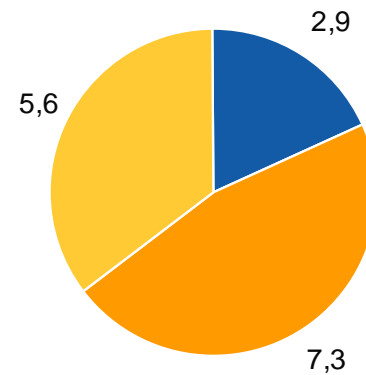


- Hydro
 - Nuclear
 - Fossil
 - Other
- Other=wind, biofuel, waste

Heat: Q1 2007 total: 14.4 TWh



Heat Q1 2006 total: 15.8 TWh

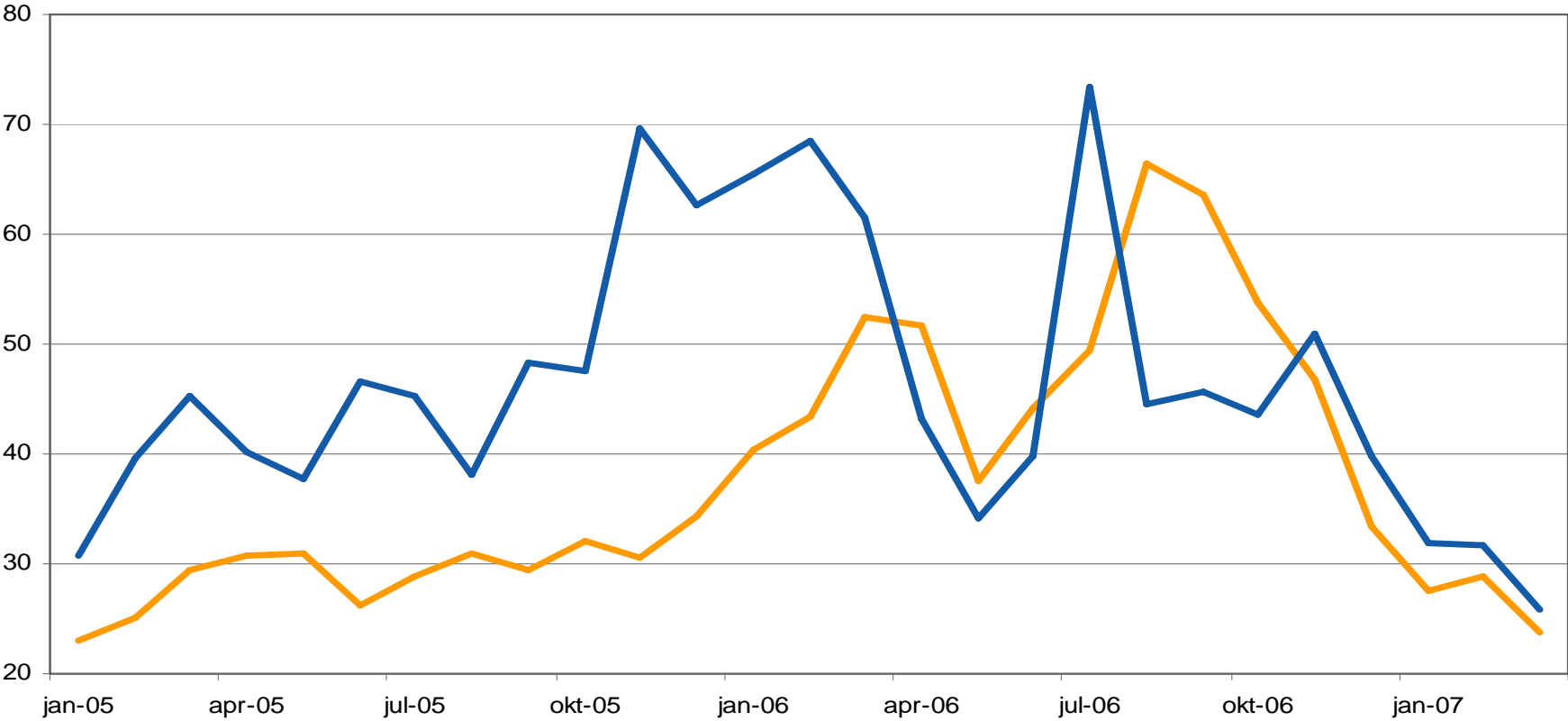


- Nordic
- Germany
- Poland

Sharp decline in electricity spot prices

Monthly Spot Average

NordPool (SYSEUR) EEX

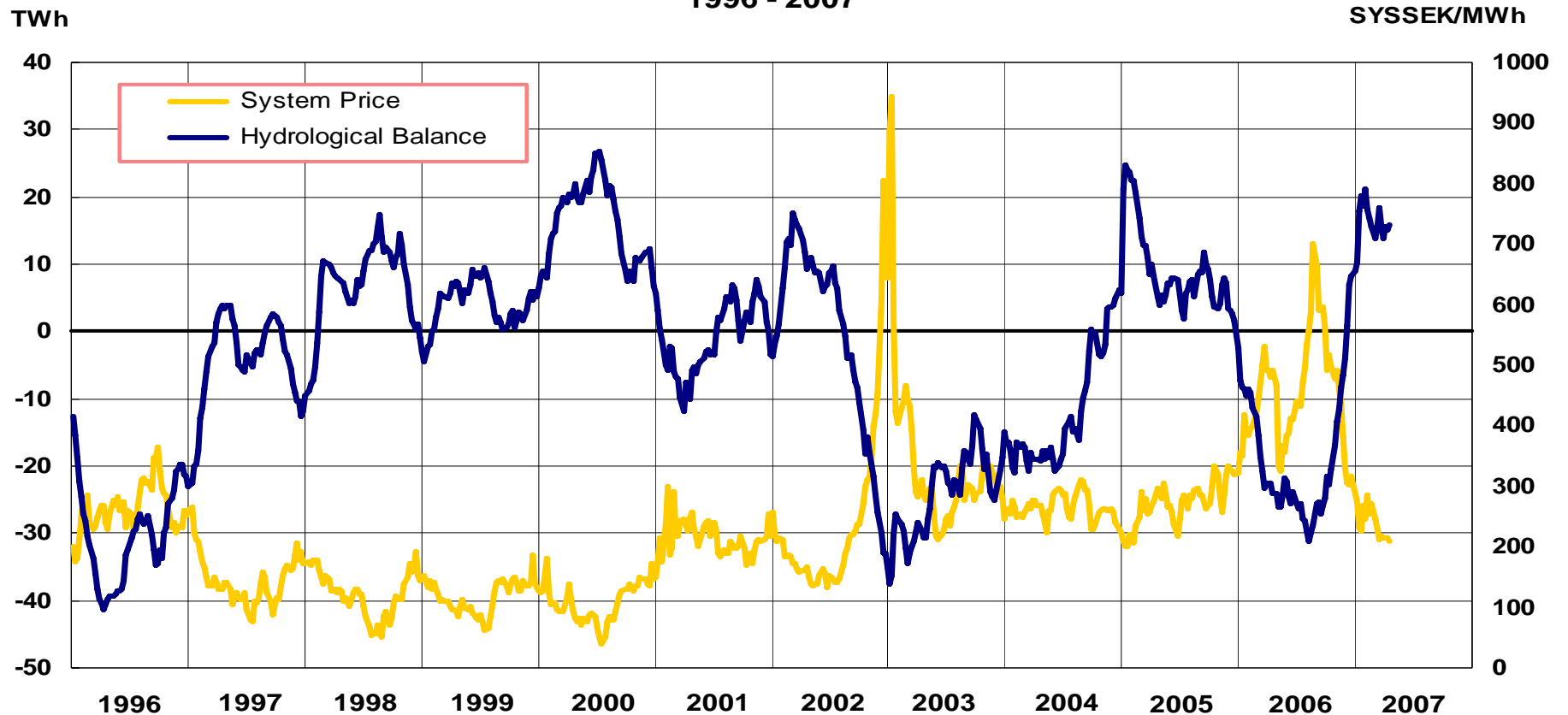


Strong hydrological balance and price decrease

9

Hydrological Balance and System Price

1996 - 2007

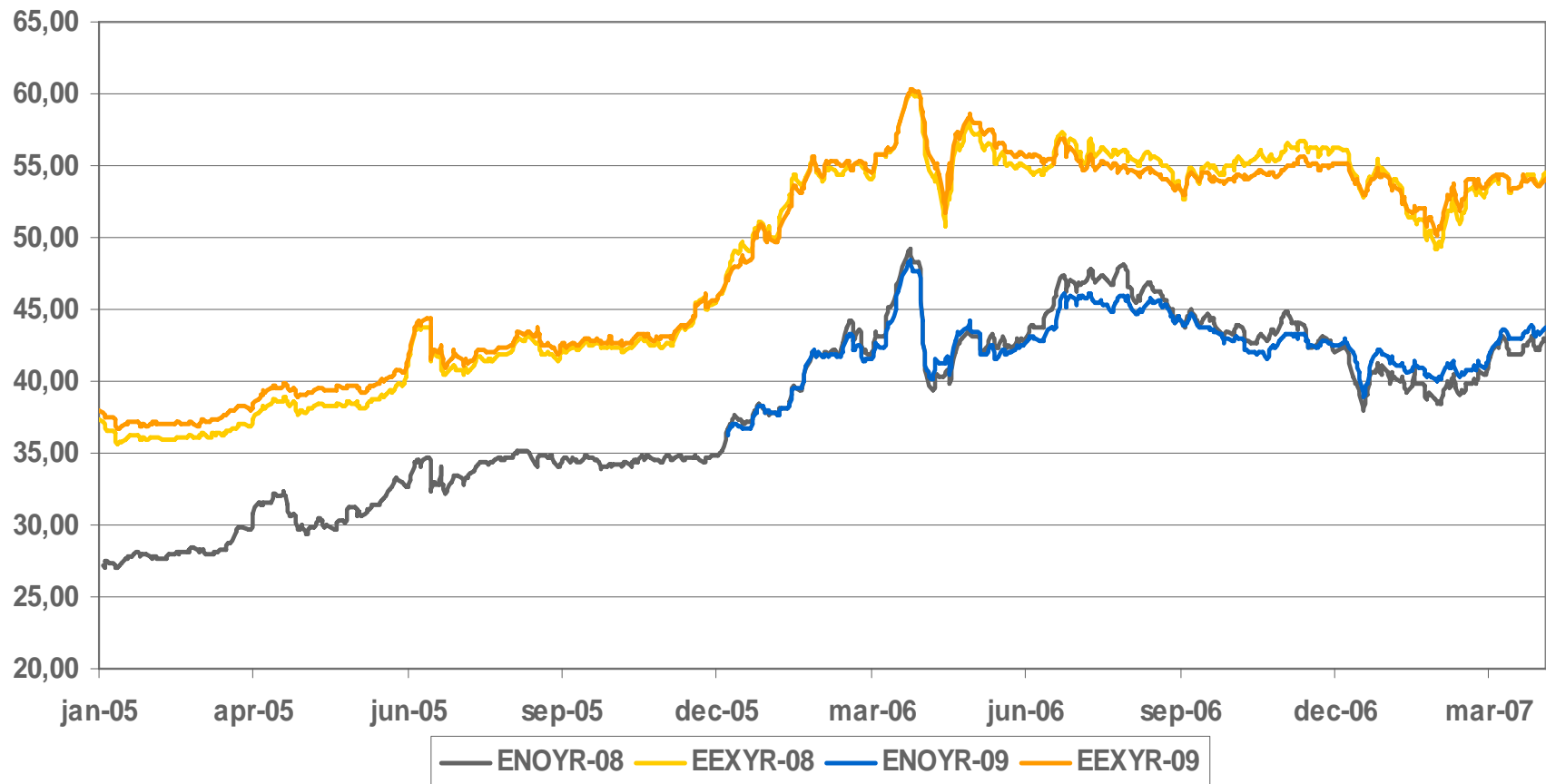


Source: Nord Pool and Markedskraft AS, 10 April, 2007

Electricity forward prices

Daily Forward Closing Prices

EUR/MWh



Oil, coal, gas and CO₂ allowances

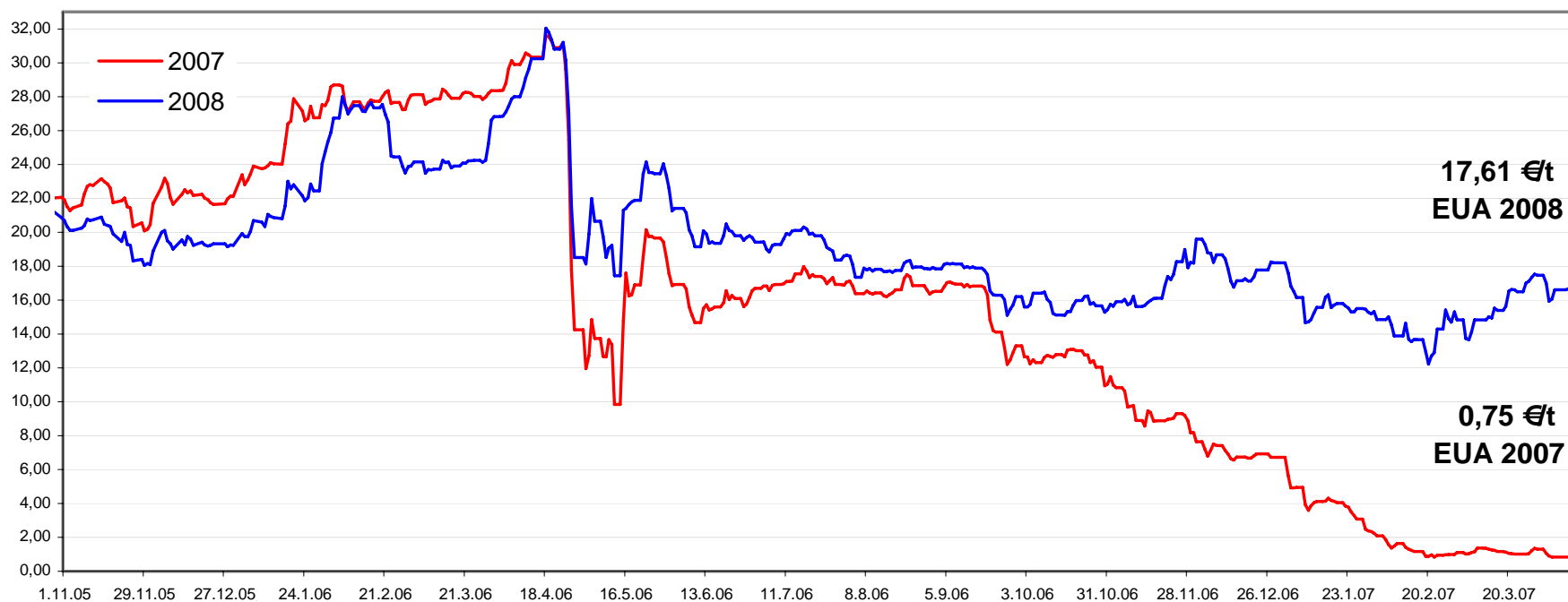
11



CO₂ allowances

12

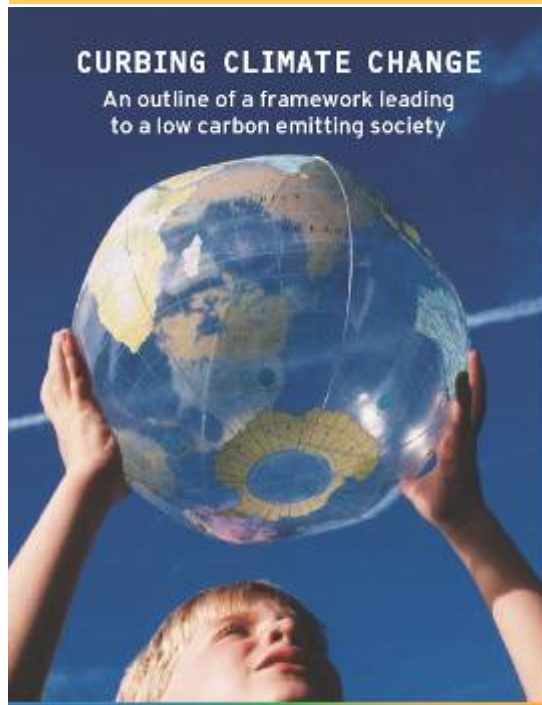
EUR/tonne



- On 25 July 2006 the Forsmark reactor 1 was scrammed due to a short circuit in a switchyard outside the power plant.
- Vattenfall has now tightened its grip on the subsidiary Forsmarks Kraftgrupp AB
 - Head of Vattenfall Nordic, Hans von Uthmann, was appointed new Chairman of the Board and a new managing director, Jan Edberg, has been installed
- Vattenfall's Board has established a safety committee
- The Board has also co-opted an independent expert to conduct an in-depth review of all Vattenfall's nuclear power plants
- Forsmark requested in February an inspection by IAEA, the UN's nuclear power body

Vattenfall will meet the CO₂ challenge on broad front⁴

By co-operating with other companies and industries, around the world



VATTENFALL

Global emission trading system

By increasing energy efficiency for our customers



By improving our own energy production



The CO₂ free power plant

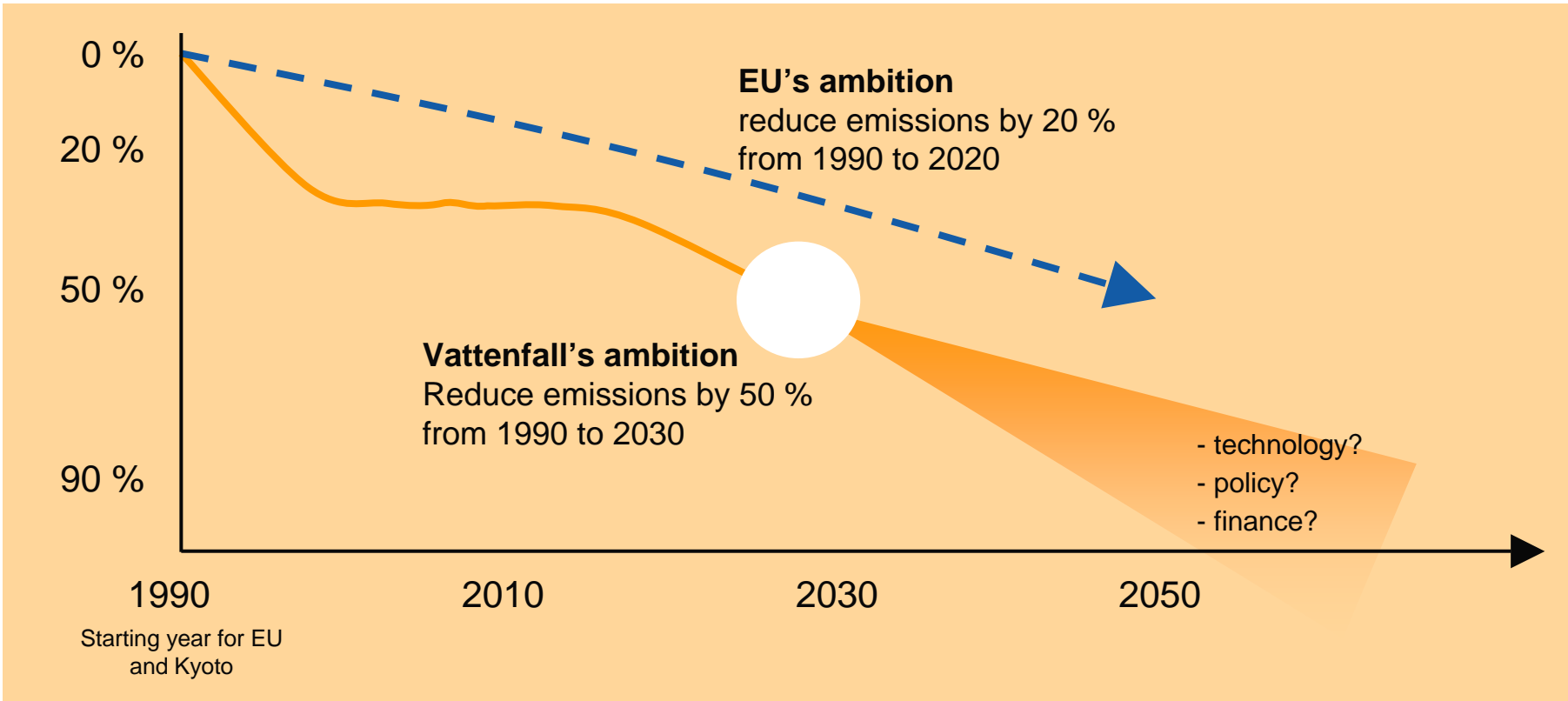
We are currently working hard to reduce emissions ¹⁵

Five focus areas:

- Improvements of old power plants
- Enhance efficiency in new plants
- Power generation without fossil fuels
- Separation and storage of carbon dioxide
- Research and development



Reduction of CO₂



Financials

Jan Erik Back, CFO

Vattenfall has changed its reporting of electricity sales and purchases as well as electricity trading derivatives.

Reported figures for 2006 have been restated:

Total impact FY 2006:

Net sales:	Decrease of approx. SEK 10 bn
Cost of products sold:	Decrease of approx. SEK 10 bn
EBIT and cash flow:	No impact

New reporting principle:

Gains and losses from hedge transactions will be reported **net, based on the purpose** of the transaction. Hedge transactions hedging sale and purchase transactions will be reported **net as revenue, if a Business Group is long** in generation and **net as cost, if a Business Group is short** in generation.

Previously: net positive results were reported as revenue and net negative results were reported as cost.

Consolidated income statement

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Amounts in MSEK	Q1 2007 IFRS	Q1 2006 IFRS	Change %	FY2006	LTM
Net sales	41,644	38,013	9.6	135,802	139,433
Cost of products sold	27,735	23,340	18.8	96,844	101,239
Gross profit	13,909	14,673	-5.2	38,958	38,194
Operating profit (EBIT)	11,198	12,689	-11.8	27,049	25,558
Operating profit, excl. IAC*	11,120	12,435	-10.6	26,676	25,361
Financial income	786	797	-1.4	3,839	3,828
Financial expenses	-1,280	-1,276	0.8	-5,363	-5,367
<i>Financial net</i>	-494	-479	-3.1	-1,524	-1,539
Profit before taxes	10,704	12,210	-12.3	25,525	24,019
Taxes	-3,469	-4,231	18.0	-5,667	-4,905
Profit for the period	7,235	7,979	-9.3	19,858	19,114

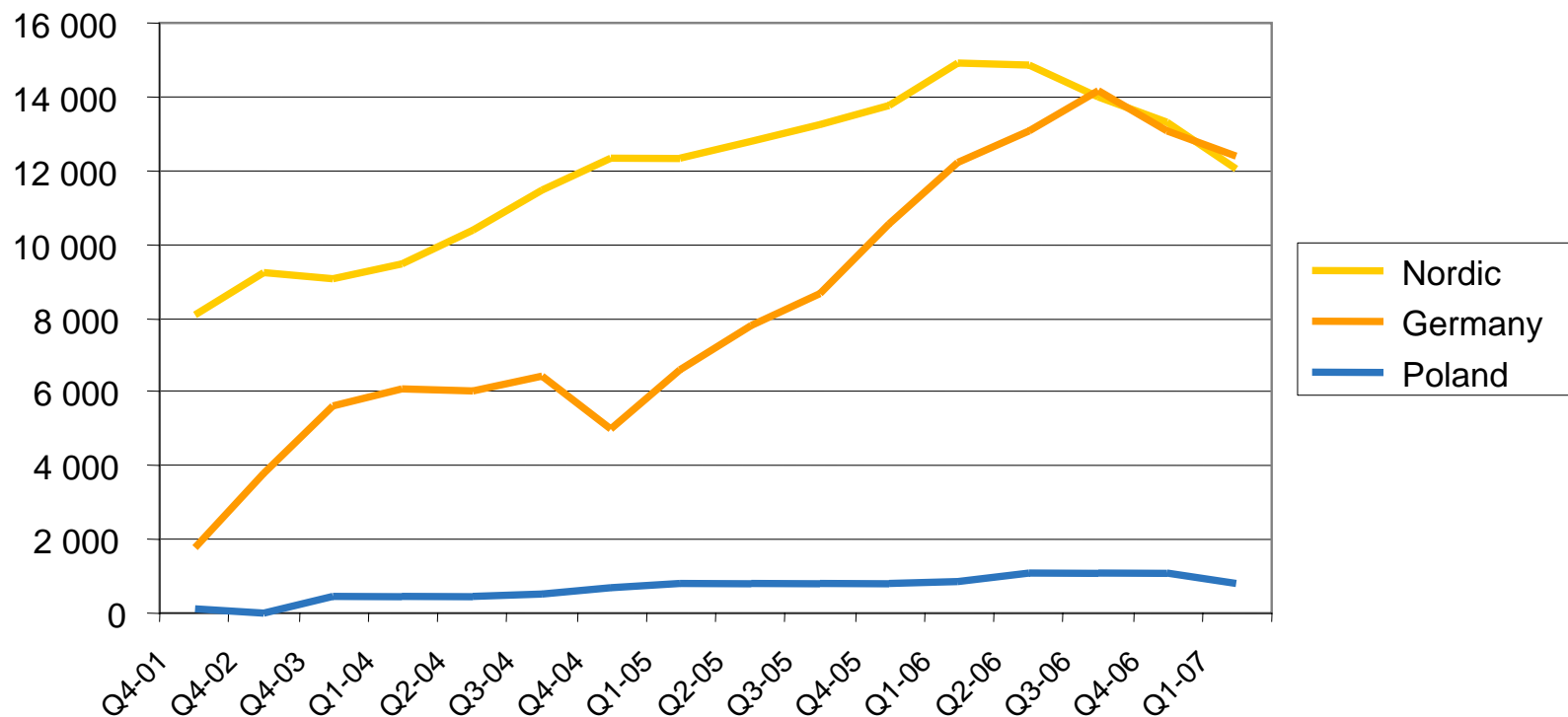
* IAC = items affecting comparability

EBIT by primary segments

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SEK million

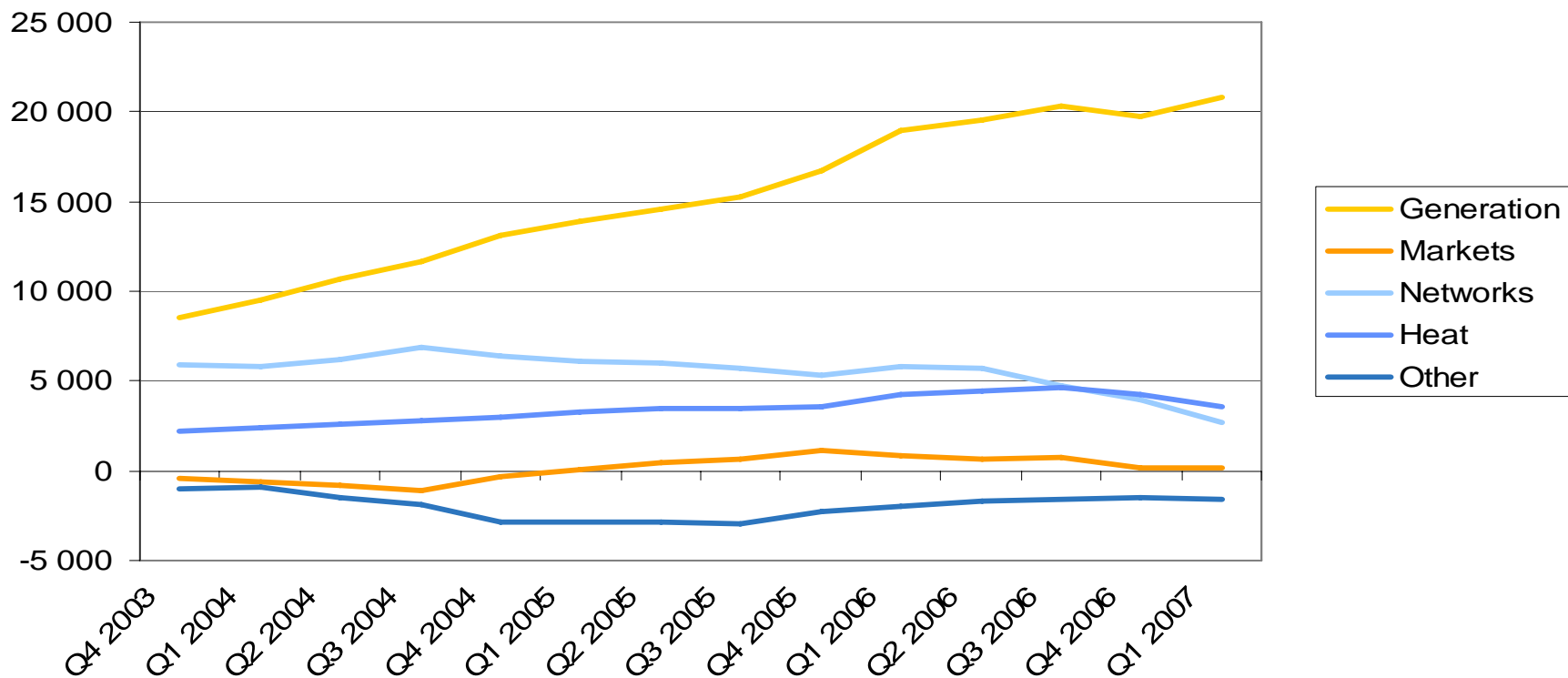
Last 12 months figures



EBIT by secondary segments

SEK million

Last 12 months figures

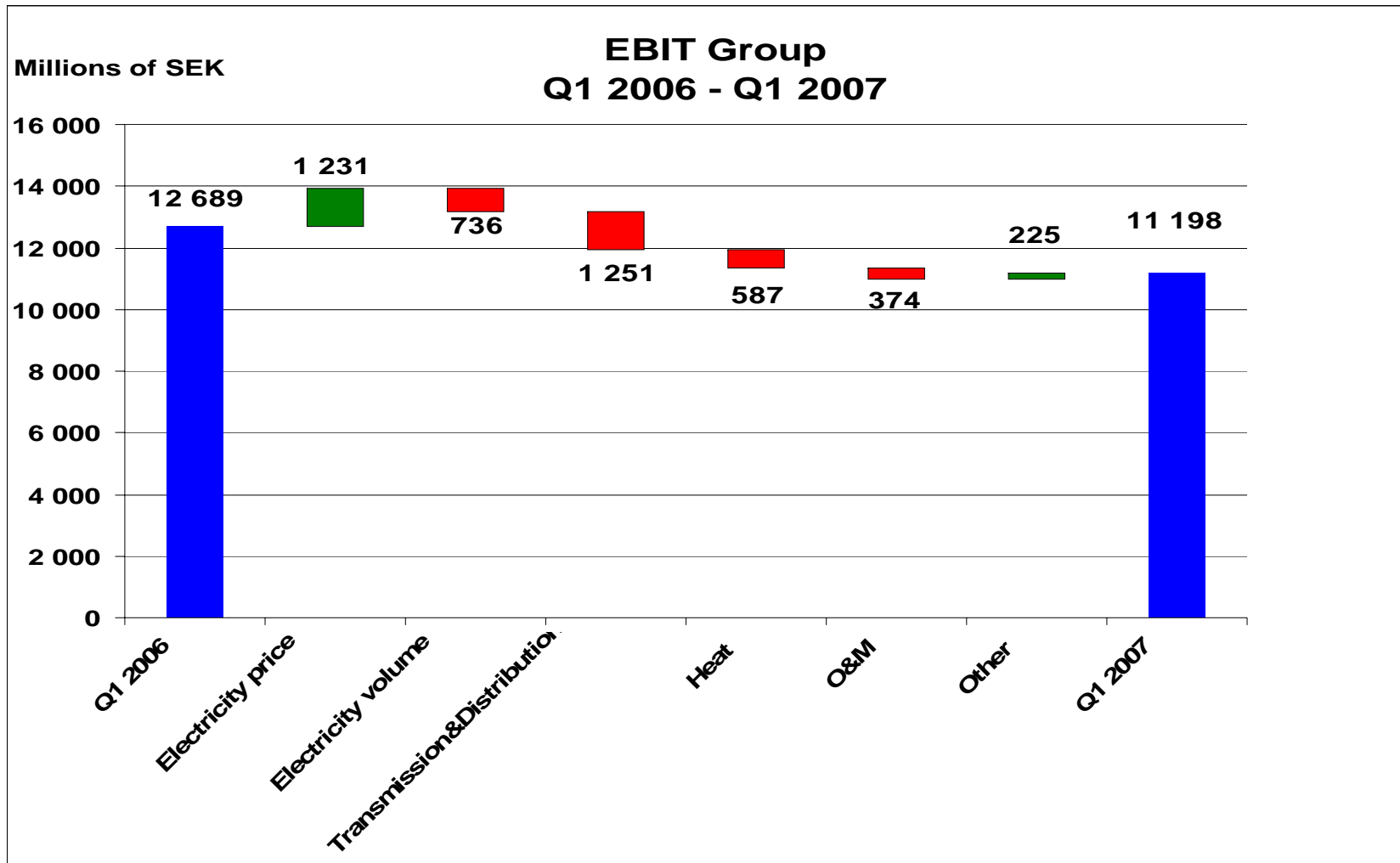


- EBIT decreased by SEK 1,236 million to SEK 4,591 million (-2.2%)
- Business unit Generation reports results almost on par with Q1 2006
- Sharp decline in Nordic spot prices mitigated by hedging
- Electricity and heat generation in acquired Danish plants compensated lower volumes in Sweden caused by nuclear outages and mild winter
- Higher O&M cost - mainly due to Danish operations
- Significant lower results in Distribution primarily due to the storm “Per“
- Significant lower results in Sales, due to lower gross margins and higher sales and administration costs

- EBIT decreased by SEK 471 million to SEK 5,866 million (-7.4%)
- Sharp decline in spot prices mitigated by hedging
- Mild winter caused substantially lower heat demand
- Successful portfolio optimization, whereby Vattenfall has gained from the low purchasing prices
- Significant lower distribution revenues due to rulings by German network regulator in 2006
- NAP2 - German government has decided on new rules for allocation of CO2 emissions allowances for 2008-2012. Total national emissions cut to 453 million tonnes per year (NAP1 was 499 million tonnes).

- EBIT decreased by SEK 302 million to SEK 442 million (-40.6%), excluding capital gains in 2006 EBIT fell by 26.9%
- Mild winter caused substantially lower heat demand
- Lower distribution revenues due to tariff cuts by Polish network regulator

EBIT Q1 2007 vs Q1 2006

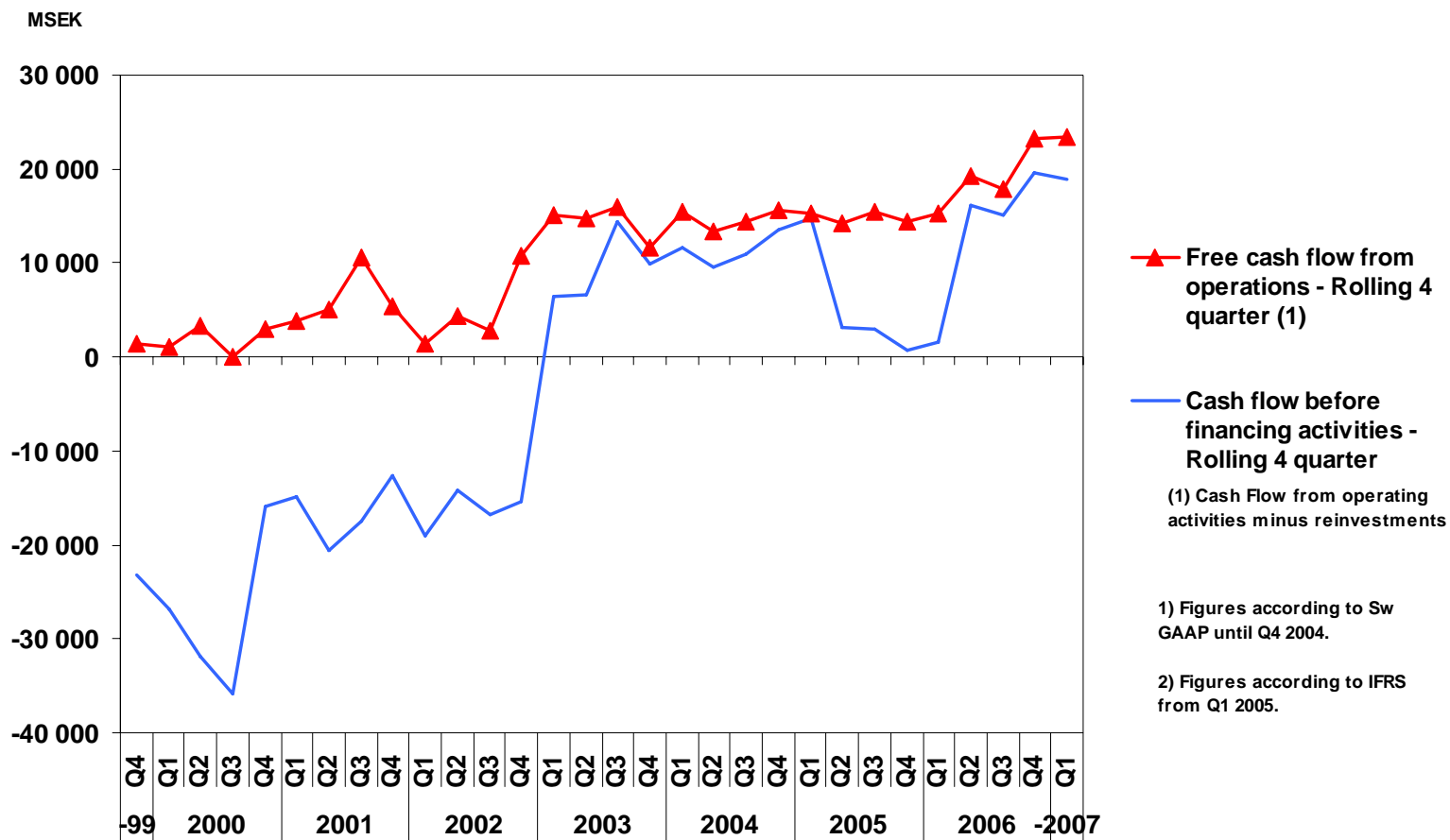


Consolidated balance sheet

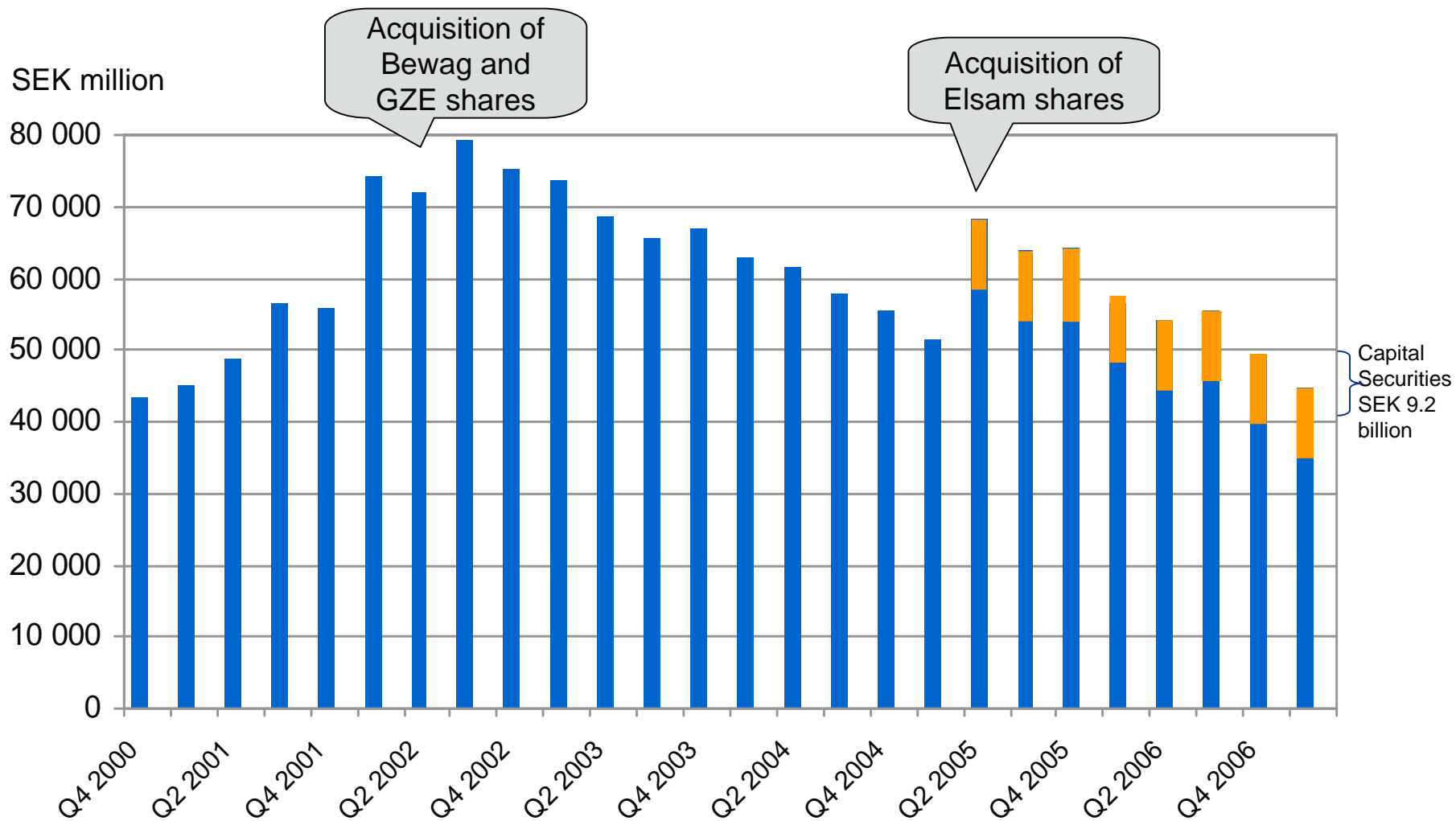
26

Amounts in MSEK	31/3/07 IFRS	31/3/06 IFRS	Change %	31/12/06
Non-current assets	256,845	261,725	-1.9	251,893
Current assets	78,116	72,399	7.9	71,273
Total assets	334,961	334,124	0.3	323,166
Equity	118,455	93,386	26.8	107,674
Interest-bearing liabilities	72,774	74,637	-2.5	71,575
Interest-bearing provisions	50,399	47,479	6.2	49,217
Pension provisions	17,505	17,486	0.1	16,877
Deferred tax liabilities	30,450	39,354	-22.6	29,875
Other non-interest-bearing liabilities	45,378	61,782	-26.6	47,948
Total equity and liabilities	334,961	334,124	0.3	323,166

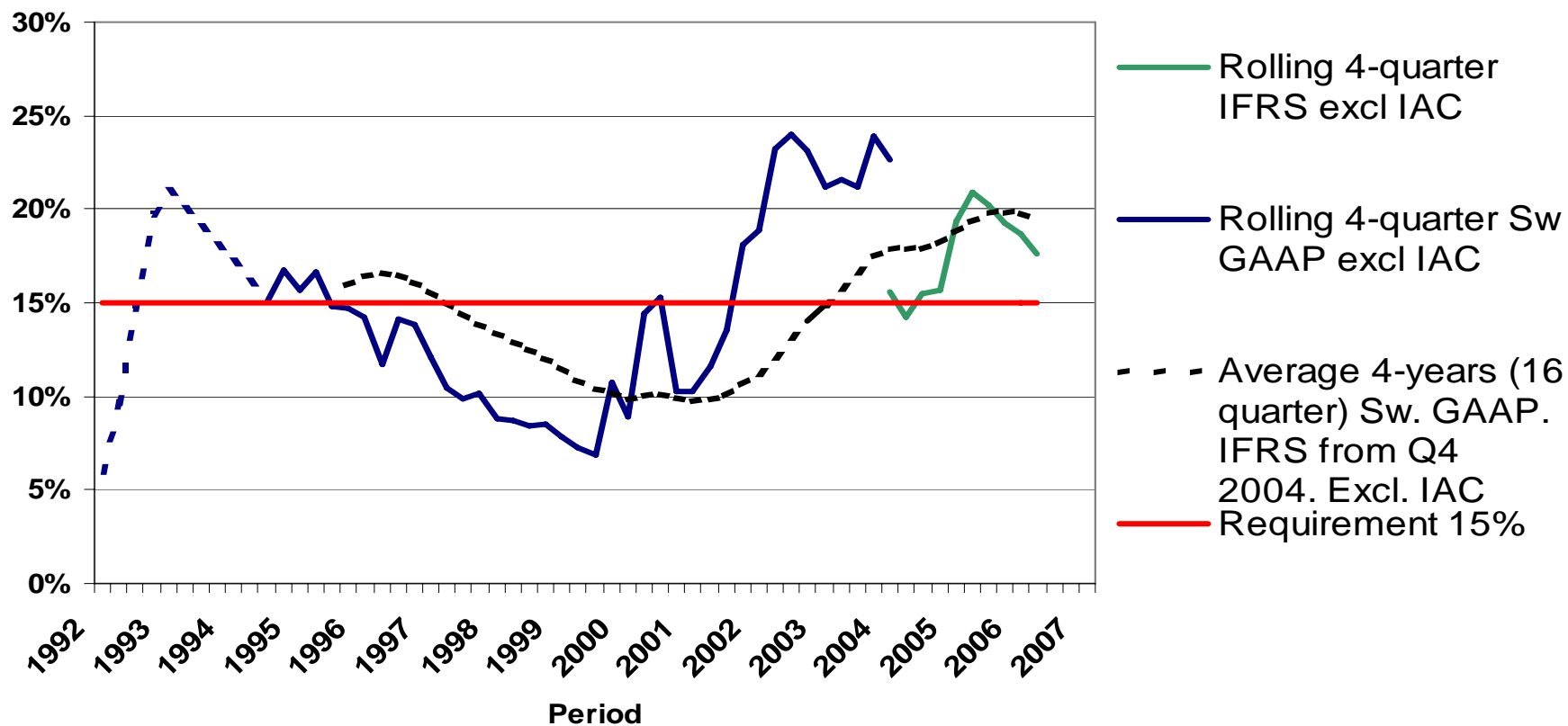
Cash flow development



Net debt development



Return on equity



Financial targets & outcome

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Key Ratio	Targets	Q1 2007
Return on Equity (RoE)	15 % on average equity	17.9%*
Return on Net Assets (RoNA, excl. IAC)	11 % before tax (= 15 % RoE recalculated into the Groups RoNA requirement)	15.5%*
Cash flow interest coverage after maintenance investments	3.5 – 4.5 times	8.0*
Credit Rating	Single A category rating	A2/A- Stable outlook

* Q1 2007 figure = LTM



Questions & Answers

Back-up slides

Consolidated cash flow statement

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Amounts in MSEK	Q1 2007 IFRS	Q1 2006 IFRS	Change %	FY 2006	LTM
Funds from operations (FFO)	12,206	13,281	-8.1	35,673	34,598
Change in working capital	-2,966	-4,605		-466	-1,173
Cash Flow from operating activities	9,240	8,676	6.5	35,207	35,771
Investments	-3,438	-2,436	41.1	-16,534	-17,536
Divestments	204	426	-52.1	1,720	1,498
Cash and cash equivalents in aquired/divested companies	-	-		-686	-686
Cash Flow from investing activities	-3,233	-2,085		-15,647	-16,795
Cash Flow before financing activities	6,007	6,591	-8.9	19,560	18,976
Cash Flow from financing activities	-2,802	-2,396		-10,742	-11,148
Cash Flow for the period	3,205	4,195	-23.6	8,818	7,828
Net debt at the end of the period	-44,828	-56,474	-20.6	-49,407	-44,828

Key ratios

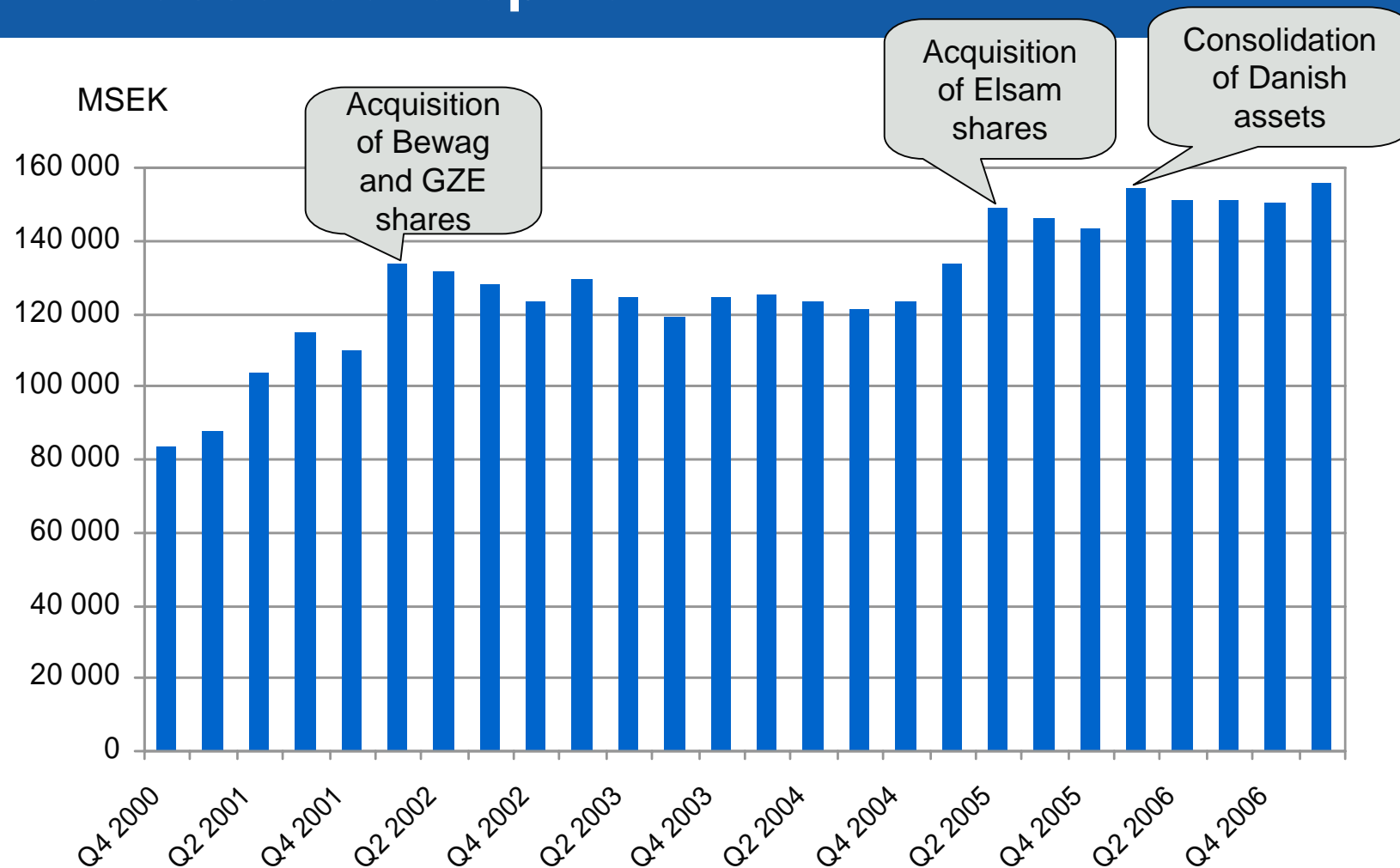
34

Key Ratios (% unless otherwise stated)	Q1 2007	Q1 2006	LTM
RoNA (1)			15.6
RoE (1)			17.9
Operating margin	26.9	33.4	18.3
Pre-tax profit margin	25.7	32.1	17.2
Cash Flow interest coverage after maintenance investments, times	10.6	10.3	8.0
FFO/net debt (1)			77.2
Equity/assets ratio	35.4	27.9	35.4
Net Gearing - Net debt/equity, times	0.38	0.60	0.38
Capitalisation - Net debt/net debt + equity	27.5	37.7	27.5

1) Q1 2007 value = LTM

Net asset development

35



Break down of group liquidity

36

Amounts in SEK million

As of

<i>March 31, 2007</i>	Treasury	Germany	Poland	Nordic	Total	%
Cash and bank	1,141	870	516	828	3,357	12
Interest-bearing investments	9,658	8,100	59	267	18,084	65
Special Funds		2,710			3,007	10
Brunsbüttel		3,770			3,770	13
Shares		24			24	
Total	10,800	15,474	575	1,095	27,945	100

Unused committed credit facilities amount to 9,708 SEK million and other unused credit- and overdraft facilities amount to 10,028 SEK million.

Break down of group debt

37

Amounts in SEK million

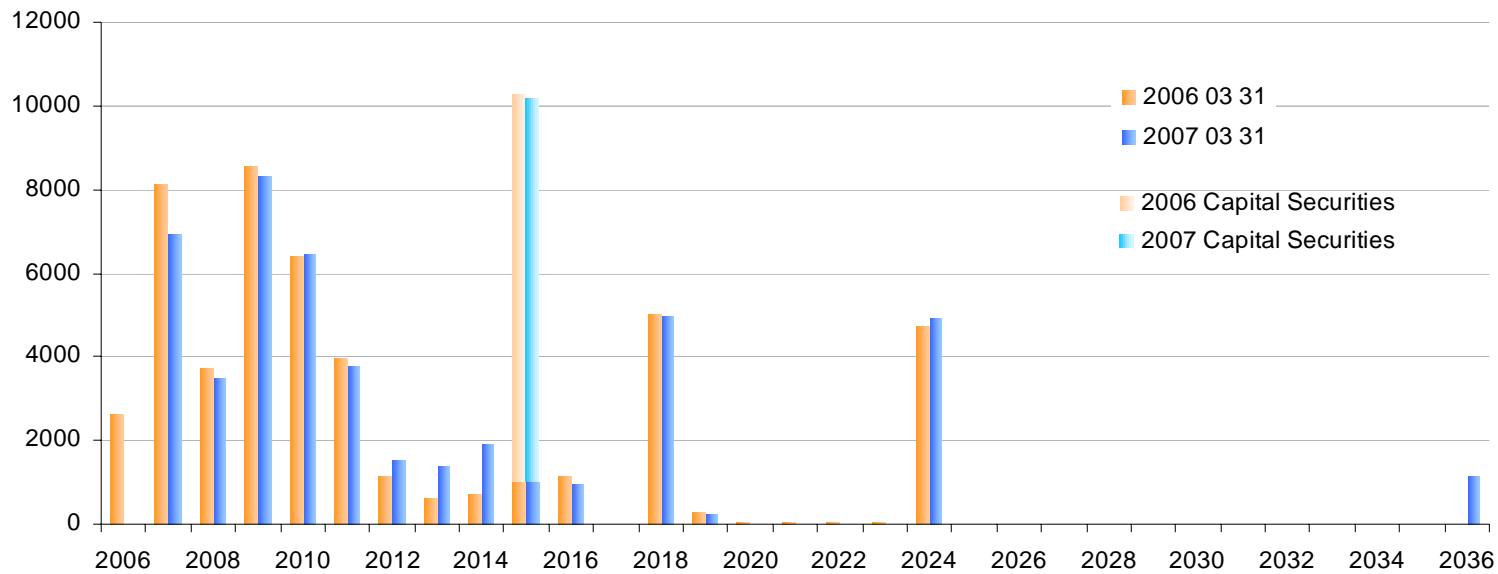
As of

March 31, 2007

	Treasury	Germany	Poland	Nordic	Total	%
Subordinated perpetual Capital Securities	9,190				9,190	13
MTN	846				846	1
EMTN	36,968				36,968	51
Liabilities to assoc. companies	7,696	3,711			11,408	16
Liabilities to minority shareholders		47		4,978	5,025	7
Bank loans and others	466	6,781	156	1,933	9,336	13
Total	55,167	10,539	156	6,911	72,773	100

Vattenfall debt maturity profile

SEK million



	March 31, 2007	March 31, 2006
Duration (years)	3,3 ¹⁾	2,9
Average time to maturity (years)	6,4 ¹⁾	6,5
Net debt (SEK bn)	44,8	56,5

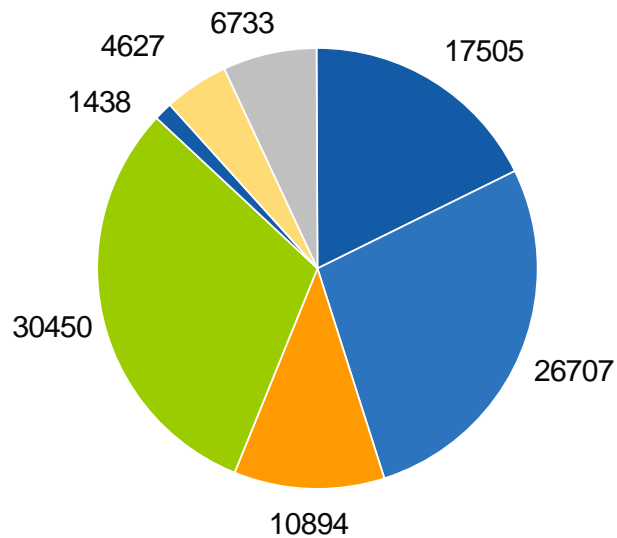
1) Based on external debt. Excluding Capital Securities the duration is 2,6 years and average time to maturity 6,1 years.

Group provisions (IFRS) down by 7.9%

39

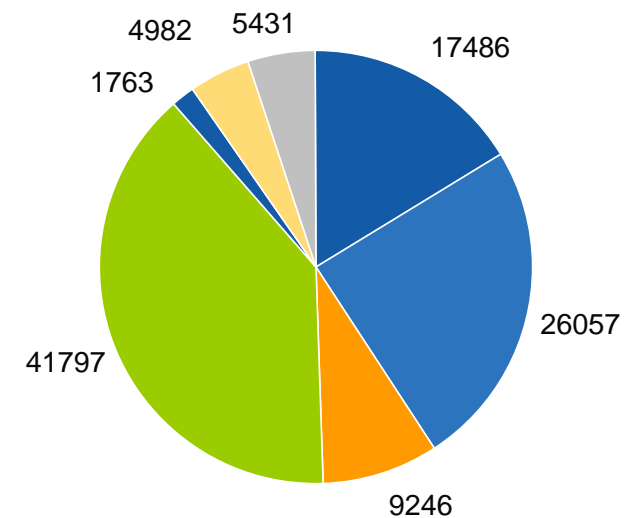
31 Mar 2007

SEK 98,354 million



31 Mar 2006

SEK 106,762 million



- Pensions
- Nuclear
- Mining
- Taxes
- Other
- Personnel
- Legal