

PRESS RELEASE

2017-02-07

Vattenfall's Year-end report 2016: Transformation towards a sustainable generation portfolio

Key steps were taken in 2016 to shape the new Vattenfall and clarity improved in the regulatory landscape. The company today reports a loss for 2016 mainly attributed to significant impairments already announced in the second quarter and increased provisions. Underlying results improved owing to lower costs and increased earnings from the heat and sales operations.

CEO COMMENT:

"Entering 2016 a number of fundamental issues needed to be resolved to support the transition of the energy system and to shape the new Vattenfall. Significant progress was made during the year through the lignite divestment, the Swedish energy policy agreement and the German nuclear waste law, resulting in a positive outcome for the company and our customers, together with a reduced risk overall", says Magnus Hall, Vattenfall's President and CEO.

Vattenfall's profit for the year totaled SEK -2.2 billion for continuing operations and SEK -26 billion including the lignite business.

"Despite progress in a number of areas, the electricity business situation remains tough with low prices and over capacity. The entire electricity sector is under price pressure which resulted in significant impairment losses", says Magnus Hall.

The underlying operating profit for continuing operations was SEK 21.7 billion, an increase of SEK 1.2 billion compared with 2015.

"Our focus on reducing costs was a key contributing factor to the improvement, together with a strong performance from our Heat and Customers & Solutions business areas, supported by a customer base growth of approximately 200,000 contracts in 2016", says Magnus Hall.

Due to the negative result for the period the Board of Directors proposes, in accordance with Vattenfall's dividend policy, that no dividend be paid for 2016.

January–December in summary	Continuing operations* 2016	Continuing operations* 2015	Total Vattenfall 2016	Total Vattenfall 2015
Net sales (SEK million)	139,208	143,576	152,667	164,510
Underlying operating profit (SEK million)	21,697	20,529	21,693	20,541
Profit for the year (SEK million)	-2,171	-5,188	-26,004	-19,766
Electricity generation (TWh)	119.0	118.0	159.8	172.7

* Continuing operations, excluding the lignite operations.

This information is such that Vattenfall is required to make public in accordance with the EU Market Abuse Regulation and/or the Swedish Securities Market Act. The information was submitted for publication, by the agency of the contact persons above, at 09.00 CET on 7 February 2017. This press release has been prepared in both Swedish and English versions. In the event of discrepancies between the two versions, the Swedish version shall govern.

The report, presentation slides and information about the press conference at 10.30 a.m. CET on Tuesday are available at corporate.vattenfall.com.

Vattenfall's Press Office, telephone: +46-(0) 8 739 50 10, e-mail: press@vattenfall.com