VATTENFALL

PRESS RELEASE

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New financial targets reflect renewables increase strategy and lower risk

An extraordinary general meeting on Tuesday decided on new financial targets for Vattenfall, including a change in Vattenfall's profitability target.

The review is a result of a change in market conditions as the renewable energy market has matured considerably. This has resulted in lower risks and in turn a lower and more stable financial return.

"The new targets are an adjustment reflecting the reality we live in. Looking at new assets in which we will invest in the future, mostly renewables, returns are lower than in the past. As such, the goals reflect our strategy of continuously delivering energy solutions that are better for the climate. The ambition is of course for returns to be higher than our owner's requirements", says Magnus Hall, Vattenfall's CEO.

The proposal for new financial targets was announced 20 November by Vattenfall's owner, the Swedish state. The new financial targets will replace the old targets set in November 2012.

The new financial targets (old targets within brackets):

Capital structure:

FFO/adjusted net debt of 22–27 per cent (22-30).

Net debt/equity ratio is removed (50-90 per cent).

Profitability target:

Return on capital employed of 8 per cent (9).

Dividend policy:

The dividend should amount to 40–70 per cent of profit after tax (40-60).

Information about extraordinary general meeting

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