

Press release

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Vattenfall to sell its district heating system in Hamburg

The City of Hamburg has announced that it will make use of the call option agreed with Vattenfall in 2014 to take over the district heating system in the city. The city intends for the repurchase of the heating network by 1 January 2019.

Vattenfall has conducted a dialogue with the City of Hamburg about how to develop the district heating business and regrets the decision of the city.

"We make no secret of the fact that we would have liked to continue to work together with the City on the conversion of the district heating system towards environmentally friendly heat generation and increasingly integrate renewable energy sources. However, we respect the decision and will do everything we can to ensure a smooth transition of the company to the City. To continue as a minority shareholder was not an option for Vattenfall," says Tuomo Hatakka, Senior Vice President Business Area Heat, Vattenfall.

Hatakka emphasizes that Hamburg will continue to be an important business location for Vattenfall.

"We have already commissioned more than 100 decentralized power and heat generation plants in Hamburg and will concentrate on expanding our decentralized business in the future. Hamburg continues to be a core market for Vattenfall. Our wind and trading business is controlled from Hamburg and we will continue to supply our customers in Hamburg with electricity and gas," says Tuomo Hatakka.

The contractually agreed minimum price for buying the heat business in Hamburg is EUR 950 million (on a 100% basis). The actual payment to be made by the City will amount to EUR 625 million, adjusted for the share paid by the City in 2012.

Facts:

Vattenfall today owns 74.9 percent of the district heating system in Hamburg with the City Hamburg holding a 25.1 percent minority stake. The repurchase encompasses the heat grid, the heat plants Tiefstack and Wedel and totally around 590 FTE:s.

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