

Pressrelease

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New financial and sustainability targets for Vattenfall

Today, in an extraordinary general meeting, new financial targets were established for Vattenfall. The company also presented its new sustainability targets. For example renewable energy growth rates should be higher than the market.

The following new financial targets were established:

Profitability target:

- Return on capital employed of 9 per cent (operating profit/average capital employed).

Capital structure:

Vattenfall is to have two targets for its capital structure.

- Debt/equity ratio of 50-90 per cent (financial net debt/equity)
- FFO/adjusted net debt of 22-30 per cent (funds from operations/adjusted net debt)

Dividend policy:

- The dividend should amount to 40-60 per cent of the year's profit after tax, entailing that Vattenfall will retain its current dividend policy.

"We consider the new targets to be consistent with current market conditions and feel comfortable that we will be able to steer our operations in accordance with them," says Vattenfall's Chairman of the Board Lars G. Nordström.

During the meeting the Articles of Association were also altered so that Vattenfall now has its registered office in Solna and general meetings can be held in Solna or Stockholm.

The following new sustainability targets were presented at the meeting. These targets are based on the owner's, the Swedish state's, guidelines and are related to the EU's 20/20/20 targets.

- Vattenfall should reduce its carbon dioxide emissions to 65 million tonnes of absolute emissions by 2020. (In 2010 the emissions were 94 million tonnes).
- Vattenfall's growth rates in renewable energy should be higher than the average growth rates for those markets within Northern Europe that the company is working in. This will be measured annually.
- Quantitative targets for energy efficiency improvement – both internal and external – should be set. This will take place as soon as the EU directive for energy efficiency improvement has been converted into concrete, national targets.

"To achieve the sustainability targets we will increase the growth rate within renewable energy. An increased capacity for power transmission between markets is also necessary," says Vattenfall's CEO Øystein Løseth.

Vattenfall discloses this information pursuant to the Swedish Securities Market Act.

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You can see a video of the meeting here: <http://media.fronto.com/cloud/vattenfall/121128/>

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