

## Vattenfall's third quarter 2015: Lower costs and increased production

**Vattenfall's third quarter earnings improved as a result of lower costs and increased production. Market conditions remain challenging, however, especially in the Nordics. New savings and efficiency measures are needed to further reduce costs, at the same time that Vattenfall is in the midst of a transformation to new long-term market conditions.**

### January–September in summary

- Net sales of SEK 37,519 million (34,734) for the third quarter and SEK 119,011 million (117,220) for the nine-month period
- Underlying operating profit of SEK 3,388 million (2,750) for the third quarter and SEK 14,092 million (15,911) for the nine-month period
- Profit after tax of SEK 1,600 million (-18,065) for the third quarter and SEK -22,225 million (-12,183) for the nine-month period
- Operating profit for the nine-month period was charged with items affecting comparability, mainly impairment losses, totalling SEK -40.7 billion (-25.2)
- Electricity generation of 41.2 TWh (36.8) for the third quarter and 127.2 TWh (126.6) for the nine-month period

### CEO's comments:

"Compared with a year ago, during the third quarter Vattenfall increased its underlying operating profit, improved its cash flow and lowered its debt. The profit increase is mainly attributable to higher production volumes and lower operating costs," comments Magnus Hall, President and CEO of Vattenfall.

The market conditions remain challenging however, with a considerable capacity surplus and low electricity prices, especially in the Nordic countries, which is squeezing our production margins. Despite substantial reductions in Vattenfall's costs since 2010, cost-cutting efforts must continue.

"Among other measures we are now looking at opportunities to outsource parts of our administration and IT operations to external service providers. Our purchasing processes will continue to be sharpened and streamlined in an effort to achieve further savings," continues Magnus Hall.

During the quarter Vattenfall continued the work on finding new owners for the German lignite assets by inviting interested bidders. This process is on track and is expected to reach an agreement during the first half of 2016.

"Vattenfall will be a truly customer-centric company in parallel with our efforts to achieve a long-term sustainable production portfolio. We aspire to take a leading role in our work on meeting the customers' demands on energy companies of the future. This is the foundation of our new, strategic direction, which is contributing to a sustainable energy system across the value chain in the northern Europe", concludes Magnus Hall.

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

The interim report and information on the press conference to be held at 10.30 a.m. on Tuesday are available at [corporate.vattenfall.se](http://corporate.vattenfall.se).

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