

Press release

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Vattenfall's first quarter 2014: Profit after tax of SEK 8.2 billion

Vattenfall reports profit after tax of SEK 8.2 billion and an underlying operating profit of SEK 9.1 billion for the first quarter of 2014. Availability was high in all our production plants – nearly 100% for nuclear power, with a significant increase in wind power generation. Several divestments were carried out, including the electricity grid in Hamburg, which generated a capital gain of approximately SEK 3 billion.

Summary of first quarter 2014

- Net sales amounted to SEK 45,912 million (49,732).
- The underlying operating profit amounted to SEK 9,075 million (11,656).
- Operating profit, including capital gains of slightly more than SEK 3 billion, was SEK 11,832 million (10,837).
- Profit for the period (after tax) amounted to SEK 8,205 million (6,195), mainly owing to capital gains and an improvement in net financial items.
- Electricity generation reached 50.1 TWh (52.2).

CEO's comments:

"In terms of production we had a good first quarter, with high availability at all of our plants. Our nuclear power plants achieved availability of nearly 100%, while wind power showed a significant increase. However, on account of warm weather, our revenues fell as a result of lower electricity prices and lower sales of heat and gas, although this was largely compensated by forward hedges," comments Øystein Løseth, President and CEO of Vattenfall.

Vattenfall carried out a number of divestments during the quarter. Among other things, the majority shareholding in the electricity grid in Hamburg was sold for a capital gain of approximately SEK 3 billion.

Investments in wind power increased and accounted for nearly 40% of investments in electricity generation. This pertained most notably to the construction of the Dan Tysk wind farm in Germany, one of Vattenfall's largest wind power investments ever.

On 1 January 2014 a new, regional Group structure was implemented – forming the Nordic and Continental/UK regions. This split gives the operations greater opportunities to act according to the specific conditions in the respective markets.

Vattenfall's ongoing cost-cutting programme worth SEK 4.5 billion for the years 2014–2015 is on track, which compared with the cost base in 2010 would entail a cost reduction of approximately 25% by year-end. It is also positive to note that customer satisfaction continued to improve in Sweden and Finland during the quarter.

"To meet our goals – both our financial and sustainability targets – we must continue to do everything we can to further streamline and reprioritise our operations and deliver under our cost-savings programmes. We continue to face tough market conditions, and in the near and medium terms we cannot see any fundamental improvement in demand and prices for our products and services," concludes Øystein Løseth.

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

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