



## Press release

August 13, 2008

**E.ON Sverige AB (Publ)**  
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## Interim report January – June 2008

- **Net sales increased by 10 percent and amounted to SEK 19.6 billion (17.9)**
- **Operating profit from continuing operations amounted to SEK 6.2 billion (4.9), an increase of 25 percent**
- **Adjusted EBIT amounted to SEK 5.1 billion (4.7), an increase of 8 percent**
- **Profit for the period from continuing operations amounted to 4.3 billion (3.3), an increase of 32 percent**
- **Net earnings for the period amounted to negative SEK 1.1 billion (positive: 2.7). Net earnings were affected negatively by the discontinuation of hedge accounting for commodity derivatives in discontinued operations**
- **Earnings per share from continuing operations attributable to the Parent Company's shareholders amounted to SEK 21.70 (16.63)**

### Comments by the CEO

Net sales increased by 10 percent to SEK 19.6 billion, compared with SEK 17.9 billion in the year-earlier period. This increase was primarily attributable to a higher market price for electricity.

Operating profit from continuing operations improved by 25 percent compared with the corresponding period in the preceding year. Operating profit increased mainly due to lower storm costs in 2008 compared with the corresponding period in 2007 and higher market based transfer prices. Operating profit was affected negatively by lower electricity production.

Nuclear power production was in total somewhat higher during the first six months of 2008 than in the year-earlier period. Production in Oskarshamn was slightly below prior year. On the other hand production in our partly owned reactors in Ringhals and Forsmark was above last year. However, hydropower production declined as a result of the very high levels of runoff at the beginning of the preceding year and the end of 2006.

Compared with the year-earlier period, adjusted EBIT improved by 8 percent as a result of higher market based internal transfer prices for electricity.

Electricity Production and Distribution reported significant improvements in adjusted EBIT compared with the preceding year and Marketing's earnings remained largely unchanged, while earnings in Heat and Waste and Services were lower than in 2007. Other operations performed positively, primarily as a result of capital gains from the divestment of the company's holding in the associated company Karskär Energi AB and 25-percent holding in SITA Sverige AB.



Profit for the period from continuing operations improved by 32 percent compared with the corresponding period in 2007.

Net earnings (including net earnings from discontinued operations) amounted to negative SEK 1.1 billion, compared with SEK 2.7 billion in the year-earlier period. This decline in earnings was mainly attributable to the discontinuation of hedge accounting for commodity derivatives, for which approximately SEK 4.9 billion was charged against earnings in the first six months of the year. This effect is related to the planned transfer of the trading business to E.ON Energy Trading AG. With the planned sale of the trading business to E.ON Energy Trading, E.ON Sverige does not fulfill the prerequisites for the application of hedge accounting any longer, which leads to the situation that all changes in fair value of the derivative portfolio have to be reflected in the Profit & Loss account directly, whereas the largest part of these deviations was accounted for in the equity in the past. Per June 30, 2008, the commodity derivative portfolio of the trading operations had a negative value compared to the market prices, as a large part of the portfolio has been hedged in the past, to prices below the current market forward quotations. It is therefore related to unrealized losses from mark-to market derivative valuations. This effect is not expected to have an impact on the Full-Year result, as E.ON Sverige will be compensated for the assets to be transferred at market value.

### **E.ON Sverige invests**

In 2007, E.ON Sverige reduced its carbon dioxide emission by 150,000 tons, which corresponds to the emissions generated by 58,000 passenger cars. This information was presented in E.ON Sverige's 2007 Climate Balance Sheet, which was published in May. The company's reduction rate will also increase significantly as a result of the extensive investments that are being made.

New electricity production is not only required to reduce the company's climate impact. Climate measures must be balanced against our customers' energy costs and the need for reliable access. Between 2006 and 2013, E.ON Sverige will invest SEK 58 billion, which will probably make E.ON Sverige one of the largest investors in the country. More than SEK 11 billion will be invested in existing and new electricity production – particularly for the purpose of increasing the output of our nuclear power plants and utilizing the expansion of hydropower that is technologically and environmentally possible. We are also making major investments in cogeneration, which is an effective way of producing electricity, while providing urban areas access to environmentally friendly and convenient district heating. In terms of district heating, we plan to invest more than SEK 2 billion in Norrköping and Örebro. However, local politicians have rejected plans to extend cogeneration in Järfälla and E.ON Sverige is now beginning preparations for an alternative location in the Stockholm area.

To strengthen electricity production in southern Sweden, we are currently investing SEK 3 billion in a natural-gas-fired cogeneration plant in Malmö that is expected to deliver 3 TWh of electricity annually to the Nordic market and 1 TWh of heat per year to Malmö's district heating network. The plant will be put into operation at the beginning of 2009, a few months later than originally planned. With the introduction of the natural-gas-fired cogeneration plant in Malmö, global carbon-dioxide emissions will be reduced by one million tons.



A total of 10 TWh of electricity will be supplied to the Nordic electricity system as a result of E.ON Sverige's investments. The project will also entail a reduction in carbon-dioxide emissions from the Nordic electricity system totaling four million tons during the period up to 2015, corresponding to nearly half a ton per capita in Sweden.

Our extensive investments in weatherproofing our electricity network are generating results. We plan to replace a total of 3,700 kilometers in 2008, with the goal of achieving a modernization of approximately 8,500 kilometers of cable by the end of 2008. The majority of those will be buried in the ground. In the overall framework of the Krafttag project, some 17,000 kilometers will be attended to in order to withstand severe weather.

### **Future transports**

The transport sector, which accounts for one quarter of Sweden's energy use, currently utilizes a very small proportion of renewable energy. This is an area in which major efforts will be required to reduce fossil-fuel dependency and to reduce negative climate effects.

E.ON Sverige is part of this solution. We continue to expand the number of filling stations for biogas and are prepared to further expedite the expansion of biogas production and infrastructure for distribution.

On July 1, 2008, it was announced that E.ON Sverige intends to become a minority owner in Nordisk Etanolproduktion. E.ON is primarily interested in the biogas that will be produced at the plant in Karlshamn, which will be the largest biogas plant in Sweden.

Since the beginning of May 2008, Sweden's first hydrogen-fueled car has been available in Malmö as part of a cooperative project focused on future transports, led by E.ON Sverige and the City of Malmö. E.ON Sverige manufactures hydrogen gas from wind power and operates a filling station for hydrogen gas. For us, demonstrating that the technology for transporting without generating emissions other than pure water vapor is already available is a natural step.

### **Competence and development**

In addition to making major investments, E.ON Sverige will also face extensive retirements over the next ten years. As part of the company's work in establishing long-term competence, E.ON Sverige and Chalmers University of Technology have signed an agreement with the aim that the parties will jointly contribute to strengthening and developing education and research in the area of energy based on a long-term environmental perspective. Among other initiatives, Chalmers will launch a Master's program within nuclear power technology. The joint venture is financed by E.ON Sverige, totaling SEK 10 million annually for ten years.

### **Focus on customer satisfaction**

In the second quarter it was decided to implement an action plan to increase the focus on customers even more. The plan is designed specifically for each company in the E.ON Sverige group in order to target how each company may improve customer satisfaction and the company's image. The action plan will be executed until 2010.



### **SAKAB**

E.ON Sverige acquired the remaining 9.9-percent of the share capital in SAKAB from SITA Sverige on May 5. At the same time, E.ON Sverige's 25-percent share in SITA Sverige was sold to SUEZ Environment. This transaction will provide both SITA Sverige and E.ON Sverige the opportunity to develop their business and customer value.

### **Agreement with Statkraft**

After the end of the period, on July 24, 2008, an agreement was signed between E.ON AG and Statkraft stipulating that E.ON Nordic will take over Statkraft's shares in E.ON Sverige, while Statkraft will take over assets from E.ON, half of which are non-current assets and half of which are shares in E.ON AG. The entire transaction is valued at nearly EUR 4.5 billion.

For E.ON Sverige, this agreement means that hydropower plants with a total output of approximately 975 MW and the district-heating plants in Kungsbacka, Alingsås, Åmål, Trosa and Vagnhärad with a total output of about 300 GWh will be transferred to Statkraft. A number of power plants in Germany and the UK will also be transferred to Statkraft. Takeover is expected to occur at the end of 2008.

Following this transaction, E.ON will control more than 99.9 percent of the shares in E.ON Sverige. More transparent ownership will now enable E.ON Sverige to fully adopt the European strategy approved by E.ON.

### **Sale of Energy Trading**

In order to adapt to the European energy markets which are becoming more and more integrated and to manage the consequential increased complexity and risks, E.ON Sverige will sell nearly the entire Energy Trading operating segment to its sister company Energy Trading AG in Germany.

### **Outlook for 2008**

In 2008, the Adjusted EBIT from E.ON Sverige's continuing operations will benefit from significantly higher market-based transfer prices. Nuclear power production is expected to surpass the level of the preceding year and contribute to a positive earnings trend. This will be more than offset by lower hydropower production and increased taxes in the electricity production area.

Overall, the expectation is that adjusted EBIT in 2008 will significantly exceed the level of 2007.

*Håkan Buskhe*



## **Net sales and earnings**

### **Net sales**

The Group's net sales from continuing operations amounted to SEK 19,625 million (17,914), an increase of SEK 1,711 million or approximately 10 percent compared with the year-earlier period. This increase was primarily attributable to a higher market price for electricity compared with the corresponding period in 2007.

The first six months of the year were characterized by major price-area differences in the Nordic system, with prices in Sweden exceeding the average system price in the Nordic region. This was largely due to limitations in the transfer capacity of electric power from southern Norway.

The Group's electricity sales, excluding sales to minority owners in E.ON Sverige's electricity production companies, were weaker than in the preceding year and amounted to 19.1 TWh (20.2).

Electricity production decreased by 0.7 TWh and amounted to 17.6 TWh (18.3). The distribution by production source changed compared with the year-earlier period. Nuclear power production increased and hydropower production decreased, while other electricity production was on a level with the first six months of 2007.

Production at the nuclear power plants increased by 0.1 TWh compared with 2007 since nuclear power was initially affected by unscheduled outages, including delayed start-up of Oskarshamn 1 and unforeseen stoppages at our part-owned reactors in Ringhals and Forsmark in 2007.

Hydropower production decreased by 0.9 TWh, primarily due to lower runoff to the Nordic hydropower reservoirs during the first six months of 2008 compared with the corresponding period in 2007. We have witnessed a normalization of hydropower production in 2008. The hydrological balance remains favorable.

Gas sales, including sales to our own production operations, were in line with the preceding year and amounted to 3.3 TWh (3.4).

Heat sales also remained unchanged compared with 2007 and amounted to 4.3 TWh (4.2).

### **Associated companies**

Earnings from participations in associated companies amounted to SEK 98 million (72).

### **Operating profit from continuing operations**

Operating profit from continuing operations increased by SEK 1,237 million compared with the year-earlier period and amounted to SEK 6,173 million (4,936). Operating profit was affected positively by the higher electricity market prices.

Furthermore, the comparison between the years was also affected by the significant reduction in storm costs in 2008 (SEK 246 million) compared with 2007, when costs incurred for Hurricane Per amounted to SEK 875 million. The valuation of the Group's unrealized derivatives had a positive impact on profit totaling SEK 326 million compared with the preceding year.



### **Adjusted EBIT**

To indicate the business's trend in terms of long-term earnings power, E.ON Sverige's management applies the key figure Adjusted EBIT. This is also used for the purpose of internal management control and steering and is derived from income/loss from continuing operations before income taxes and interest income and is adjusted to exclude certain specified exceptional items. These adjustments include capital gains/losses on disposals, restructuring expenses, unrealized derivatives and other non-operating income and expenses that are nonrecurring or of an exceptional nature. In addition, net financial items are adjusted in accordance with economic criteria.

Adjusted EBIT increased by SEK 364 million compared with the year-earlier period and amounted to SEK 5,087 million (4,723).

The results from E.ON Sverige's continuing operations remain linked to changes in the market prices for electricity via a market price based internal transfer prices system. The result of the first half of 2008 therefore benefited significantly from higher market prices as compared to the first half of 2007. This positive effect was only partly offset by increased taxes on hydro and nuclear production and lower volumes, mainly from hydropower.

Storm costs are not included in adjusted EBIT.

### **Net financial items and profit after financial items from continuing operations**

Consolidated net financial items from continuing operations amounted to an expense of SEK 266 million (expense: 447), an improvement of SEK 181 million compared with the year-earlier period. This improvement was mainly attributable to increased financial income related to the Swedish Nuclear Waste Fund.

Consolidated profit after financial items from continuing operations amounted to SEK 5,907 million (4,489), an increase of SEK 1,418 million or approximately 32 percent compared with the corresponding period in 2007.

### **Disposal groups and discontinued operations**

In accordance with the agreement with Statkraft, non-current assets pertaining to the production capacity within the hydropower and district heating operations will be divested. These assets are reported as a disposal group from the second quarter of 2008.

Furthermore a change is planned within E.ON Sverige that will see nearly all of the operations in the Energy Trading segment sold to E.ON AG's subsidiary E.ON Energy Trading AG in Germany. From the second quarter of 2008, operations in the Energy Trading segment will be reported under discontinued operations. In connection with this reclassification, cash-flow hedging for commodity derivatives was discontinued.

For more information, see Note 8 Disposal groups and discontinued operations.



## **Profitability**

The operating margin amounted to 23.6 percent (19.8), while the profit margin was 23.5 percent (20.4).

The return on average equity after tax amounted to 18.2 percent (12.8) and on average capital employed before tax to 15.1 percent (11.9).

Earnings per share from continuing operations, attributable to the Parent Company's shareholders, amounted to SEK 21.70 (16.63). There was no dilution effect on these earnings.

## **Business sectors**

### **Adjusted EBIT per business sector**

The comments below on the profit trend by business sector are based on adjusted EBIT to facilitate the comparison between the periods.

Electricity Production and Distribution reported a significant earnings improvement compared with the preceding year and Marketing remained largely unchanged, while Heat and Waste and Services were weaker than in 2007.

Despite a reduction in hydropower production, earnings in Electricity Production improved as a result of higher prices. Nuclear power volumes were somewhat higher than in the preceding year, primarily due to unscheduled outages during the first six months of 2007. These increased volumes within nuclear power were insufficient to offset the lower volumes in hydropower, which were mainly attributable to the very high levels of runoff at the beginning of the preceding year.

Distribution's earnings improvement was affected positively by higher network tariffs for certain electricity networks, based on higher costs for network losses in prior period. The gas-distribution operations reported unchanged earnings compared with the preceding year.

Marketing recorded largely unchanged earnings, with declining volumes having a negative impact and lower overhead cost a positive effect.

Heat and Waste reported a decline in earnings compared with the preceding year, primarily because the first quarter of 2007 was impacted positively by a capital gain in connection with a sale of non-current assets. The business sector was also affected negatively by higher costs for emission rights in 2008.

The decline in earnings reported by Services during the first six months of the year was primarily a result of lower capacity utilization than in the corresponding period in 2007. This was mainly attributable to the more extensive assignments related to reconstruction of the electricity network after Hurricane Per. Earnings for the first six months of 2008 were also affected negatively by lower margins in certain projects.



## **Investments, acquisitions and divestments**

Total investments in non-current assets and shares amounted to SEK 4,918 million (3,694) during the period.

### **Non-current-asset investments in existing continuing operations**

Non-current-asset investments in existing continuing operations, expressed as an increase in tangible and intangible assets, amounted to SEK 4,866 million (3,657). The main portion of E.ON Sverige's investments comprised improvements to the electricity distribution network, increased production capacity in nuclear power and the construction of a natural-gas-fired cogeneration plant in Malmö.

### **Investments in subsidiaries**

Investments in subsidiaries amounted to SEK 45 million (31) and primarily comprised the acquisition of LinPro AB. Investments during the preceding year mainly comprised the acquisition of Kraftmontasje AS.

### **Investments in associated and other companies**

Investments in associated and other companies amounted to SEK 7 million (6).

### **Divestments**

No subsidiaries were divested during the period. E.ON Sverige's holding in the associated company Karskär Energi AB was sold for SEK 200 million to Korsnäs AB. In addition, the company's 25-percent holding in SITA Sverige AB was sold to SUEZ Environment.

## **Cash flow and financial position from continuing operations**

Cash flow from operating activities of continuing operations increased by SEK 486 million and amounted to SEK 5,808 million (5,322). This increase was mainly attributable to improved net financial items and lower costs for storms during the first six months of the year compared with the year-earlier period.

Outflow of cash due to investing activities of continuing operations increased by SEK 413 million and amounted to SEK 4,051 million (3,638), mainly due to higher non-current-asset investments during the period compared with the preceding year.

Net borrowing of continuing operations amounted to SEK 3,446 million (652). This increase was primarily attributable to newly raised loans from the Parent Company E.ON AG to finance increased investments and higher dividends. Interest-bearing debt of continuing operations, which totaled SEK 27,952 million at year-end, increased by SEK 6,656 million and amounted to SEK 34,608 million (26,376) at the end of the period. Of the total increase, SEK 3,222 million is attributable to reclassification of liabilities in discontinued operations.

The change in cash and cash equivalents, excluding a change of negative SEK 19 million in the disposal group, amounted to SEK 729 million (401). Consolidated cash and cash equivalents amounted to SEK 1,310 million (812), excluding cash and cash equivalents totaling SEK 40 million in the disposal group.

The equity/assets ratio was 29 percent (36). At year-end 2007, the equity/assets ratio was 35 percent.



## **Risks and uncertainties**

Operations at E.ON Sverige are exposed to a number of risks, which can impact the ability to achieve goals in the business plan. In order to manage threats and opportunities, E.ON Sverige operates a comprehensive, coordinated and systematic risk management system based primarily on “COSO Enterprise-wide Risk Management framework (COSO ERM)”. Other key guiding components include various ISO standards and KonTraG, the German legislation that E.ON Sverige must follow as a subsidiary in the E.ON Group. Below is a description of some of our risk categories.

### **External risks**

External risks are primarily comprised of trends in the energy market, together with political risks, actions of competitors, assigned credit rating, and weather and natural-disaster-related risks.

### **Operational risks**

Operational risks may expose employees, third parties, the environment and non-current assets to injury or other harmful circumstances. The greatest operational risks are in nuclear power plants. At these facilities, systematic work is conducted under the supervision of the authorities to analyze risks and continuously implement improvement measures. Other significant operational risks primarily consist of dam ruptures and major dam safety efforts have been made in recent years and continue today. Other important operational risks include fire, environment, and machinery-breakdown risks. Systematic preventive programs are in place for these types of risks. Many of these risks have been largely insured via E.ON Sverige’s own insurance company, E.ON Försäkring Sverige AB, and are reinsured on the international reinsurance market through the E.ON Group’s joint insurance company Ergon Insurance Ltd.

### **Information-security risks**

Information is an asset that has a considerable strategic and operational importance for our operations. Information and the systems used to manage information are resources that are exposed to unintentional and intentional threats. To continuously and systematically work to address these threats and handle the risks that arise, E.ON has developed a management system for information security in accordance with ISO27002:2005. In addition to this, E.ON actively conducts monitoring and analyses of its business environment, which is regularly reported to Group management. Representatives participate in national and international forums and research in information and IT security.

### **Integrity risks**

Integrity risks primarily comprise criminal activities committed by individuals or organizations for their own financial gain or for intentional harm of the company. E.ON Sverige prevents this type of risk by having well-defined procedures for checks and inspections, strict attestation rights, and various levels of authorization in our IT systems.

### **Financial risks**

Financial risks primarily comprise currency, interest, refinancing, and credit risks and are reported quarterly in risk reports. E.ON Sverige uses financial instruments, such as forward contracts and interest swaps to avoid exceeding the risk levels established



by the Board of E.ON Sverige and to secure the portions of net positions approved by the Board through the finance function in E.ON Sverige.

### **Energy trading risks**

Energy Trading risks consist of market, counterparty, liquidity, currency and operating risks and are reported quarterly through risk reporting. To achieve the desired risk profile, derivative products such as forward contracts and options are used. To quantify the market risk, established methods are used to control risks. Trading is regulated by a mandate from the Board. Regular back testing is conducted of the risk models applied.

### **Events after the balance-sheet date**

On July 24, 2008, E.ON and Statkraft signed an agreement making E.ON the owner of 99.9 percent of the shares in E.ON Sverige AB. As part of this agreement, Statkraft will receive 40 hydropower plants with a production capacity of approximately 975 MW and five district heating plants in Sweden with a production capacity of about 300 GWh, which are currently owned by E.ON Sverige. The transfer of assets between E.ON and Statkraft is expected to be concluded at the end of the year, provided that the agreement is approved by the antitrust authorities.

After the balance-sheet date and up to the date of signing of this interim report, there have occurred no other significant events or information pertaining to the circumstances on the balance-sheet date or thereafter for which additional disclosures are required.

### **Parent Company**

E.ON Sverige AB's net sales during the period amounted to SEK 7,197 million (5,472). Profit after financial items totaled SEK 785 million (neg: 260).

Cash and cash equivalents, including liquid investments, amounted to SEK 1,227 million, an increase of SEK 736 million since year-end. Interest-bearing liabilities totaled SEK 38,155 million, up SEK 10,901 million since year-end. This increase in interest-bearing liabilities was primarily attributable to transactions involving discontinued operations totaling SEK 3 billion reported outside the Group and a SEK 6 billion increase in borrowing within the E.ON AG Group.

Total investments during the period amounted to SEK 72 million (386), of which investments in shares accounted for SEK 71 million (380).

For information about discontinued operations, see Note 8 Disposal groups and discontinued operations.

Malmö, August 13, 2008

Håkan Buskhe  
CEO

Figures in parentheses refer to the corresponding period in 2007, unless otherwise stated.

This report has not been subject to special review by E.ON Sverige AB's auditors.



## Financial information from E.ON Sverige for 2008

Interim report at June 30  
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### Condensed consolidated income statement

Note	Amounts in SEK million	2008 April- June	2007 April- June	2008 Jan- June	2007 Jan- June	July 2007- June 2008	2007 Full- year
2,6	<b>Net sales</b>	<b>8,292</b>	<b>7,319</b>	<b>19,625</b>	<b>17,914</b>	<b>35,452</b>	<b>33,741</b>
	Other income	1,446	975	1,844	1,875	1,417	1,448
	Own work capitalized	479	639	794	704	1,853	1,763
		-4,832	-3,855	-	-	-	-
	Raw materials and consumables			10,803	-9,529	-21,988	20,714
	Personnel costs	-1,026	-972	-1,982	-1,849	-3,857	-3,724
3	Depreciation, amortization and impairment	-770	-734	-1,534	-1,475	-3,167	-3,108
	Other expenses	91	-1,064	-1,869	-2,776	-1,522	-2,429
	Participation in associated companies	63	18	98	72	172	146
	<b>Operating profit from continuing operations</b>	<b>3,743</b>	<b>2,326</b>	<b>6,173</b>	<b>4,936</b>	<b>8,360</b>	<b>7,123</b>
	Financial income	200	136	442	262	1,269	1,089
	Financial expenses	-356	-364	-708	-709	-1,315	-1,316
	Financial net	-156	-228	-266	-447	-46	-227
2	<b>Profit after financial items from continuing operations</b>	<b>3,587</b>	<b>2,098</b>	<b>5,907</b>	<b>4,489</b>	<b>8,314</b>	<b>6,896</b>
	Income taxes	-1,021	-570	-1,624	-1,233	-2,222	-1,831
2	<b>Profit for the period from continuing operations</b>	<b>2,566</b>	<b>1,528</b>	<b>4,283</b>	<b>3,256</b>	<b>6,092</b>	<b>5,065</b>
8	<b>Loss for the period from discontinued operations, net</b>	<b>-6,464</b>	<b>-466</b>	<b>-5,371</b>	<b>-515</b>	<b>-5,949</b>	<b>-1,093</b>
2	<b>Profit/loss for the period</b>	<b>-3,898</b>	<b>1,062</b>	<b>-1,088</b>	<b>2,741</b>	<b>143</b>	<b>3,972</b>
	Attributable to:						
	<u>Parent Company shareholders</u>						
	Profit attributable to continuing operations	2,439	1,481	4,144	3,177	5,832	4,865
	Loss from discontinued operations	-6,464	-466	-5,371	-515	-5,949	-1,093
	<u>Minority interests</u>						
	Profit attributable to continuing operations	127	47	139	79	260	200
	Profit from discontinued operations	-	-	-	-	-	-
	<b>Profit/loss for the period</b>	<b>-3,898</b>	<b>1,062</b>	<b>-1,088</b>	<b>2,741</b>	<b>143</b>	<b>3,972</b>
	<b>Earnings per share, calculated on earnings attributable to Parent Company shareholders, before and after dilution (SEK per share)</b>						
	<b>From continuing operations:</b>						
	- before dilution	12.77	7.75	21.70	16.63	28.18	25.47
	- after dilution	12.77	7.75	21.70	16.63	28.18	25.47
	<b>From discontinued operations:</b>						
	- before dilution	-33.84	-2.44	-28.12	-2.69	-31.15	-5.72
	- after dilution	-33.84	-2.44	-28.12	-2.69	-31.15	-5.72



## Consolidated statement of recognized income and expense

Amounts in SEK million	2008 Jan-June	2007 Jan-June	2007 Full-year
Cash-flow hedge, net of tax	1,581	-449	-1,178
Fair value adjustments of financial assets held for sale	135	-	353
Actuarial gains and losses, net of tax	15	-	-19
Translation differences	10	31	69
<b>Income and expenses recognized directly in equity</b>	<b>1,741</b>	<b>-418</b>	<b>-775</b>
Profit/loss for the period	-1,088	2,741	3,972
<b>Recognized income and expenses for the period</b>	<b>653</b>	<b>2,323</b>	<b>3,197</b>
Attributable to:			
Parent Company shareholders	445	2,237	2,985
Minority interests	208	86	212
<b>Recognized income and expenses for the period</b>	<b>653</b>	<b>2,323</b>	<b>3,197</b>

## Condensed consolidated balance sheet

Note	Amounts in SEK million	June 30, 2008	June 30, 2007	Dec 31, 2007
	<b>Assets</b>			
	<b>Non-current assets</b>			
	Intangible assets and goodwill	5,269	5,146	5,304
	Tangible assets	57,849	59,965	63,345
	Financial assets	21,839	20,048	22,203
	<b>Total non-current assets</b>	<b>84,957</b>	<b>85,159</b>	<b>90,852</b>
	<b>Current assets</b>			
	Inventory	2,098	1,894	1,962
	Accounts receivable and other receivables	5,693	8,230	9,422
	Short-term investments	119	97	85
	Cash and cash equivalents	1,310	812	640
	<b>Total current assets</b>	<b>9,220</b>	<b>11,033</b>	<b>12,109</b>
8	<b>Assets held for sale</b>	<b>17,713</b>	<b>-</b>	<b>-</b>
	<b>Total assets</b>	<b>111,890</b>	<b>96,192</b>	<b>102,961</b>
	<b>Shareholders' equity and liabilities</b>			
7	<b>Shareholders' equity</b>			
	Attributable to Parent Company shareholders	31,157	34,416	35,164
	Attributable to minority interests	750	508	634
	<b>Total shareholders' equity</b>	<b>31,907</b>	<b>34,924</b>	<b>35,798</b>
	<b>Non-current liabilities</b>			
	Financial liabilities	18,013	19,244	21,240
	Operating liabilities	1,146	1,016	1,978
	Provisions	25,849	24,413	25,752
	<b>Total non-current liabilities</b>	<b>45,008</b>	<b>44,673</b>	<b>48,970</b>
	<b>Current liabilities</b>			
	Financial liabilities	16,595	7,132	6,712
	Operating liabilities	6,531	7,697	10,153
	Provisions	1,279	1,766	1,328
	<b>Total current liabilities</b>	<b>24,405</b>	<b>16,595</b>	<b>18,193</b>
8	<b>Liabilities associated with assets held for sale</b>	<b>10,570</b>	<b>-</b>	<b>-</b>
	<b>Total shareholders' equity and liabilities</b>	<b>111,890</b>	<b>96,192</b>	<b>102,961</b>



## Condensed consolidated statement of cash flow

Note	Amounts in SEK million	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	July 2007- June 2008	2007 Full-year
	<b>Cash flow from operating activities of continuing operations before changes in working capital</b>	<b>2,981</b>	<b>2,507</b>	<b>5,317</b>	<b>5,667</b>	<b>9,555</b>	<b>9,905</b>
	Changes in working capital	-437	97	491	-345	-618	-1,454
	<b>Cash flow from operating activities of continuing operations</b>	<b>2,544</b>	<b>2,604</b>	<b>5,808</b>	<b>5,322</b>	<b>8,937</b>	<b>8,451</b>
	Non-current assets sold	12	19	53	92	154	193
	Company acquisitions and sales	293	127	480	113	393	26
	Investments in non-current assets	-2,446	-2,018	-4,584	-3,843	-9,777	-9,036
	<b>Cash flow from investing activities of continuing operations</b>	<b>-2,141</b>	<b>-1,872</b>	<b>-4,051</b>	<b>-3,638</b>	<b>-9,230</b>	<b>-8,817</b>
	<b>Cash flow after investments from continuing operations</b>	<b>403</b>	<b>732</b>	<b>1,757</b>	<b>1,684</b>	<b>-293</b>	<b>-366</b>
	Net amortization/borrowing	4,366	854	3,446	652	5,279	2,485
	Dividend	-4,474	-1,935	-4,474	-1,935	-4,474	-1,935
	<b>Cash flow from financing activities of continuing operations</b>	<b>-108</b>	<b>-1,081</b>	<b>-1,028</b>	<b>-1,283</b>	<b>805</b>	<b>550</b>
	<b>Change in cash and cash equivalents from continuing operations</b>	<b>295</b>	<b>-349</b>	<b>729</b>	<b>401</b>	<b>512</b>	<b>184</b>
	Cash flow from operating activities of discontinued operations	496	-155	793	-8	832	31
	Cash used for investing activities of discontinued operations	-4,187	-9	-4,034	-144	-4,032	-142
	Cash flow from financing activities of discontinued operations	3,680	156	3,222	138	3,219	135
	<b>Change in cash and cash equivalents from discontinued operations</b>	<b>-11</b>	<b>-8</b>	<b>-19</b>	<b>-14</b>	<b>19</b>	<b>24</b>
	<b>Exchange gains on cash and cash equivalents</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>8</b>	<b>7</b>



## Condensed parent company income statement

Note	Amount in SEK million	2008 Jan-June	2007 Jan-June	2007 Full-year
5	<b>Net sales</b>	<b>7,197</b>	<b>5,472</b>	<b>10,537</b>
	Other income	6	215	6
	Raw materials and consumables	-6,396	-5,659	-9,917
	Other external costs	-482	-516	-784
	Personnel expenses	-191	-165	-384
	Depreciation	-3	-5	-9
	Other expenses	-	-	-3
	<b>Operating profit/loss</b>	<b>131</b>	<b>-658</b>	<b>-554</b>
	Financial income	1,544	870	9,393
3	Financial expenses	-890	-472	-8,161
	Financial net	654	398	1,232
	<b>Profit/loss after financial items</b>	<b>785</b>	<b>-260</b>	<b>678</b>
	Appropriations	-	-	633
	<b>Profit before tax</b>	<b>785</b>	<b>-260</b>	<b>1,311</b>
	Income tax expense	-	-	-117
8	<b>Profit/loss for the period</b>	<b>785</b>	<b>-260</b>	<b>1,194</b>

## Condensed parent company balance sheet

Note	Amounts in SEK million	June 30, 2008	June 30, 2007	Dec 31, 2007
	<b>Assets</b>			
	<b>Non-current assets</b>			
	Tangible assets	197	222	199
	Financial assets	48,674	52,316	48,561
	<b>Total non-current assets</b>	<b>48,871</b>	<b>52,538</b>	<b>48,760</b>
	<b>Current assets</b>			
	Inventory	1	-	-
	Accounts receivable and other receivables	21,119	16,975	16,658
	Short-term investments	1,004	-	125
	Cash and cash equivalents	223	188	366
	<b>Total current assets</b>	<b>22,347</b>	<b>17,163</b>	<b>17,149</b>
8	<b>Total assets</b>	<b>71,218</b>	<b>69,701</b>	<b>65,909</b>
	<b>Equity and liabilities</b>			
	<b>Equity</b>	<b>23,624</b>	<b>26,551</b>	<b>27,290</b>
	Untaxed reserves	1,591	2,224	1,591
	Provisions	14	1	11
	<b>Liabilities</b>			
	Interest-bearing liabilities	38,155	26,563	27,254
	Noninterest-bearing liabilities	7,834	14,362	9,763
8	<b>Total liabilities</b>	<b>45,989</b>	<b>40,925</b>	<b>37,017</b>
	<b>Total equity and liabilities</b>	<b>71,218</b>	<b>69,701</b>	<b>65,909</b>

## E.ON SVERIGE KEY DATA

	2008 Jan-June	2007 Jan-June	2007 Full-year
Net sales from continuing operations, SEK million	19,625	17,914	33,741
Operating profit from continuing operations, SEK million	6,173	4,936	7,123
Adjusted EBIT, SEK million	5,087	4,723	6,096
Profit after financial items from continuing operations, SEK million	5,907	4,489	6,896
Total assets, SEK million	111,890	96,192	102,961
Investments, SEK million	4,918	3,694	9,257
Earnings per share from continuing operations, SEK <sup>1)</sup>	21.70	16.63	25.47
Equity/assets ratio, percent <sup>2)</sup>	29	36	35
Electricity sales, GWh	19,140	20,190	36,050
Gas sales, GWh <sup>3)</sup>	3,350	3,427	6,917
Heat sales, GWh	4,252	4,193	7,557
	July 2007- June 2008	July 2006- June 2007 <sup>4)</sup>	2007 Full-year
Operating margin, percent	23.6	19.8	21.1
Adjusted EBIT margin, percent	18.2	19.6	18.1
Profit margin, percent	23.5	20.4	20.4
Return on equity, percent	18.2	12.8	14.4
Return on capital employed, percent	15.1	11.9	13.3

- 1) Attributable to Parent Company shareholders. Number of shares amounts to 191,000,332.
- 2) The equity/assets ratio is expected to be at previous period's level after the closing of the transaction with Statkraft and the sale of Energy Trading.
- 3) Of which internal sales 943, 908 and 1,638
- 4) July 2006-June 2007 are not adjusted for disposal groups and discontinued operations.

## Definitions and concepts:

### Operating margin

Operating profit as a percentage of the period's Net sales.

### Adjusted EBIT margin

Adjusted EBIT as a percentage of the period's Net sales.

### Profit margin

Profit after financial items as a percentage of the period's Net sales.

### Return on equity

Profit for the period as a percentage of average shareholders' equity.

### Return on capital employed

Profit before financial expenses divided by average capital employed.

### Equity/assets ratio

Equity as a percentage of the total capital employed.

## **(1) Accounting principles**

### **Group**

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Commission for application within the European Union.

The interim report for the second quarter of 2008 was prepared in accordance with the Annual Accounts Act and IAS 34 Interim Reporting. The accounting principles correspond with the principles applied in the 2007 annual report.

### **Parent Company**

The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act and RFR 2.1 Accounting for legal entities. The accounting principles correspond with the principles applied in the 2007 annual report.

### **Critical Accounting Estimates, Assumptions and Judgments in the Application of Accounting Policies**

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that may influence the application of accounting principles within the Group and affect the valuation and presentation of reported figures. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period, or in the period of the revision and subsequent periods, if both periods are affected.

### **New standards and interpretations**

#### **Standards, amendments and interpretations that came into effect in 2008 and have been applied by the E.ON Sverige Group:**

IFRS 8 Operating Segments has replaced IAS 14 and segment reporting has been adjusted to meet the requirements of the US GAAP standard SFAS 131 Disclosures about segments of an enterprise and related information. This new standard stipulates that segment information is to be presented from the perspective of management, which means that it is presented in the financial reports in the same manner as it is used in internal reports. Application of IFRS 8 has not caused any change in the Group's segment reporting. IFRS 8 was approved by the EU on November 21, 2007 and applied by the E.ON Sverige Group in advance.

#### **Standards, amendments and interpretations that came into effect in 2008, but are not relevant for the E.ON Sverige Group:**

IFRIC 11 IFRS 2 Group and Treasury Share Transactions applies for fiscal years beginning on or after March 1, 2007. IFRIC 11 pertains to share-related transactions that include treasury shares or that involve group companies. IFRIC 11 provides guidance on whether such transactions should be reported as share-related compensation that is regulated by equity instruments or with cash in the separate financial reports for the parent company and other Group companies concerned. IFRIC 11 is not relevant for the E.ON Sverige Group since no transactions involving treasury shares were entered into.



**Standards, amendments and interpretations of existing standards that have not yet come into affect:**

IAS 1 Presentation of Financial Statements has been amended. The amendment will apply from January 1, 2009, but is still pending approval from the EU. The amendment primarily involves changes to format and terms used in financial reports. Accordingly, the presentation of the E.ON Sverige Group's future financial reports will be affected by the implementation of the amendment.

IAS 23 Borrowing Costs has been amended. The amendment will apply from January 1, 2009 and is still pending approval from the EU. The amendment will require that companies capitalize borrowing costs that are directly attributable to the acquisition, construction or production of an asset. The amendment eliminates the option of immediately expensing borrowing costs. The E.ON Sverige Group already applies the principle of capitalizing borrowing costs, so the amendment to IAS 23 will not have a direct impact on the Group's financial reports.

IAS 27 Consolidated and Separate Financial Statements has been amended. The amendment will apply for fiscal years on or after July 1, 2009 and is still pending approval from the EU. Among other changes, the amendment will require that earnings attributable to minority shareholders always be reported, even if the minority share is negative. Transactions with minority shareholders should always be reported under shareholders' equity. In cases when a parent company fails to secure controlling influence, any remaining participations are to be revalued at fair value.

IFRS 3 Business Combinations has been amended. The amendment will apply for fiscal years on or after July 1, 2009 and is still pending approval from the EU. The amendment will apply to future acquisitions after the effective date, which for the E.ON Sverige Group will be the fiscal year beginning January 1, 2010. Application of the amendment will involve changes to how future acquisitions are reported, including changes to reporting transaction costs, possible contingent purchase prices and step acquisitions.

IFRIC 14 IAS 19 The Limit on a Defined-Benefit Asset, Minimum Funding Requirement and their Interaction, will apply from January 1, 2008, but is still pending approval from the EU. IFRIC 14 provides guidance for limitations to the amount of the surplus that can be reported as an asset according to IAS 19. IFRIC 14 also explains how pension assets or liabilities can be affected by statutory or contractual minimum financing requirements. The E.ON Sverige Group's reporting of defined-benefit pension plans will not be affected.

IAS 32 Financial Instruments, Presentation and IAS 1 Presentation of Financial Statements have been amended – Puttable Financial Instruments and Obligations Arising on Liquidation. The amendment will apply from January 1, 2009, but is still pending approval by the EU. The amendment to IAS 32 relates to financial instruments that resemble ordinary shares and that are currently reported as financial liabilities. In the future, it will be possible to classify this type of financial instrument as shareholders' equity.

In addition to the above amendments and interpretations, IASB has developed a process for managing minor adjustments to previously published standards. This process is known as "the Annual Improvement Project." Proposed amendments are to



be of such a nature that they do not require a separate amendment for each individual standard or the publication of a draft of a standard, but rather minor adjustments that clarify existing principles, such as adjustments to handle inconsistencies between two standards, modifications in the event that application of the standard has proven that clarification is necessary or minor changes to wording. In 2008, 35 amendments were made to 20 standards, of which 11 involved minor changes to wording without any major impact. Most of the amendments are to be applied in fiscal years beginning January 1, 2009 or later, but are still pending approval by the EU.

**Interpretations of existing standards that does not come into effect in 2008 and that are not relevant for E.ON Sverige AB:**

IFRIC 12 Service Concession Arrangements will apply for fiscal years beginning January 1, 2008 or later, but is still pending approval by the EU. IFRIC 12 applies to contractual arrangements in which an operator in the private sector participates in development, financing, operation and maintenance pertaining to infrastructure for public sector services. IFRIC 12 also regulates the reporting of non-current assets included in this type of contract and the rights and obligations associated with the contract. E.ON Sverige has not identified any contracts for which IFRIC 12 should be applied and, thereby, is not affected by the new interpretation.

IFRIC 13 Customer Loyalty Programs will apply for fiscal years beginning July 1, 2008 or later and is still pending approval by the EU. IFRIC 13 clarifies when goods or services sold together with some form of incentive for customer loyalty concern agreements with several parts (multiple elements arrangements). Payment received from the customer is distributed among the various elements of the agreement using valuation at fair value. IFRIC 13 is not relevant for the E.ON Sverige Group because no Group companies have loyalty programs.

An amendment to IFRS 2 Share-based Payment has been proposed and is still pending approval by the EU. The amendment will apply from January 1, 2009 and relates to the concept of earning conditions when employees are allocated equity instruments. Only terms for service and terms for earnings shall be considered earning conditions. An amendment was also made to the reporting of discontinuation/cancellation when an employee ends his or her participation in a share-related payment plan in cases when the earning conditions have not been fulfilled. The amendment is not relevant for the E.ON Sverige Group because no share-related payment occurs within the Group.

An amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements has been proposed and is pending approval by the EU. The amendment will apply from January 1, 2009 and will affect the acquisition value of shareholdings in subsidiaries, jointly controlled units and associated companies when the IFRS is adopted for the first time.



## (1) Segment reporting

Net sales per business sector

<i>SEK million</i>	<i>2008 Jan-June</i>			<i>2007 Jan-June</i>		
	<i>Total</i>	<i>Internal</i>	<i>External</i>	<i>Total</i>	<i>Internal</i>	<i>External</i>
Marketing	7,126	471	6,655	6,639	444	6,195
Electricity Production	7,429	53	7,376	6,738	64	6,674
Heat and Waste	2,764	1,877	887	2,620	1,737	883
Distribution	3,652	225	3,427	3,370	260	3,110
Services	1,609	895	714	1,560	1,006	554
Other	1,182	616	566	984	486	498
<b>Group</b>	<b>23,762</b>	<b>4,137</b>	<b>19,625</b>	<b>21,911</b>	<b>3,997</b>	<b>17,914</b>

### Adjusted EBIT per business sector

<i>SEK million</i>	<i>2008 Jan-June</i>	<i>2007 Jan-June</i>
Marketing	53	52
Electricity Production	3,446	3,119
Heat and Waste	379	471
Distribution	1,135	1,070
Services	-35	47
Other	109	-36
<b>Group</b>	<b>5,087</b>	<b>4,723</b>

### Reconciliation of Adjusted EBIT

<i>SEK million</i>	<i>2008 Jan-June</i>	<i>2007 Jan-June</i>	<i>2007 Full year</i>
Adjusted EBIT	<b>5,087</b>	<b>4,723</b>	<b>6,096</b>
Adjusted financial net	-276	-460	-244
Costs for Hurricanes	-246	-875	-875
Impairment	-	-	-
Divestments	-	-	-
Other non-operating earnings, derivatives	1,342	1,101	1,919
<b>Profit after financial items</b>	<b>5,907</b>	<b>4,489</b>	<b>6,896</b>
Income taxes	-1,624	-1,233	-1,831
<b>Profit for the period from continuing operations</b>	<b>4,283</b>	<b>3,256</b>	<b>5,065</b>
<b>Loss for the period from discontinued operations, net</b>	<b>-5,371</b>	<b>-515</b>	<b>-1,093</b>
<b>Profit/loss for the period</b>	<b>-1,088</b>	<b>2,741</b>	<b>3,972</b>



### **(3) Impairment Group**

In 2008, no assets in the Group were impaired.

#### **Parent Company**

In late 2007, the holding in E.ON Nord Sverige AB was impaired by SEK 6.4 billion in the Parent Company. Dividends in the amount of SEK 7.5 billion were received from the above company. This impairment does not affect the consolidated accounts.

### **(4) Business Combinations**

During the period, 100 percent of the shares in the consulting company LinPro AB were acquired by E.ON ES AB within the Services segment. Takeover occurred on April 1 and the purchase consideration amounted to SEK 39 million, of which SEK 15 million is conditional. The acquisition had no material impact on the Group's assets and liabilities.

E.ON Sverige AB also acquired the remaining 9.9-percent minority of the shares in SAKAB AB and the remaining 35-percent minority of the shares in Sakab EcoPlus AB from SITA Sverige AB.

### **(5) Purchase and sale between Group companies**

Sales to other Group companies accounted for 99.9 percent (99.7) of total Parent Company sales. Costs related to other Group companies accounted for 93.9 percent (92.6) of total Parent Company operating costs.

### **(6) Net sales**

Amounts in SEK million	2008 Jan- June	2007 Jan- June	July 2007- June 2008	2007 Full- year
Sales including energy taxes	21,429	19,711	38,579	36,861
Energy taxes	-1,804	-1,797	-3,127	-3,120
<b>Net sales</b>	<b>19,625</b>	<b>17,914</b>	<b>35,452</b>	<b>33,741</b>



## (7) Specification of changes in shareholders' equity

Amounts in SEK million

### Attributable to Parent Company shareholders

	Share capital	Other paid-in capital	Reserves	Retained earnings	Sub-total	Minority	Total shareholders' equity
<b>Opening balance at January 1, 2007</b>	<b>1,910</b>	<b>45</b>	<b>1,585</b>	<b>30,497</b>	<b>34,037</b>	<b>507</b>	<b>34,544</b>
Dividend	-	-	-	-1,910	-1,910	-25	-1,935
Reclassification	-	-	-	52	52	-52	-
Decrease in minority interest when acquiring additional part in subsidiary	-	-	-	-	-	-8	-8
Recognized income and expenses for the period	-	-	-774	3,759	2,985	212	3,197
<b>Closing balance at December 31, 2007</b>	<b>1,910</b>	<b>45</b>	<b>811</b>	<b>32,398</b>	<b>35,164</b>	<b>634</b>	<b>35,798</b>
<b>Opening balance at January 1, 2007</b>	<b>1,910</b>	<b>45</b>	<b>1,585</b>	<b>30,497</b>	<b>34,037</b>	<b>507</b>	<b>34,544</b>
Dividend	-	-	-	-1,910	-1,910	-25	-1,935
Reclassification	-	-	-	52	52	-52	-
Decrease in minority interest when acquiring additional part in subsidiary	-	-	-	-	-	-8	-8
Recognized income and expenses for the period	-	-	-425	2,662	2,237	86	2,323
<b>Closing balance at June 30, 2007</b>	<b>1,910</b>	<b>45</b>	<b>1,160</b>	<b>31,301</b>	<b>34,416</b>	<b>508</b>	<b>34,924</b>
<b>Opening balance at January 1, 2008</b>	<b>1,910</b>	<b>45</b>	<b>811</b>	<b>32,398</b>	<b>35,164</b>	<b>634</b>	<b>35,798</b>
Dividend	-	-	-	-4,452	-4,452	-22	-4,474
Decrease in minority interest when acquiring additional part in subsidiary	-	-	-	-	-	-70	-70
Recognized income and expenses for the period	-	-	1,657	-1,212	445	208	653
<b>Closing balance at June 30, 2008</b>	<b>1,910</b>	<b>45</b>	<b>2,468</b>	<b>26,734</b>	<b>31,157</b>	<b>750</b>	<b>31,907</b>



## (8) Disposal groups and discontinued operations

On June 18, 2008, the Supervisory Board of E.ON AG passed a resolution to purchase Statkraft's holding in E.ON Sverige AB. The agreement for the transaction, hereinafter referred to as the "Disposal group", was signed on July 24, 2008. The agreement between E.ON AG and Statkraft stipulates that Statkraft will divest its entire holding, which amounts to 44.6 percent in E.ON Sverige AB at the time of divestment, to E.ON AG. In exchange, Statkraft will receive shares in E.ON AG valued at approximately SEK 20.3 billion (EUR 2.18 billion), 40 hydropower plants and five heating plants in Sweden, two gas power plants, one Pump storage, 10 hydropower plants and shares in two biomass power plants in Germany as well as contracts for gas and electricity supplies and one hydropower plant in the UK.

The transfer is expected to be completed at the end of 2008.

Furthermore a change is planned and the E.ON Sverige Group will sell nearly the entire Energy Trading operating segment, referred to below as "Energy Trading", to its sister company E.ON Energy Trading AG in Germany. A small portion of the Energy Trading operating segment (E.ON Gashandel Sverige AB) will remain within the E.ON Sverige Group, but will be integrated into the Other operating segment in the future. The Energy Trading segment is responsible for the overall optimization and risk management of E.ON Sverige's energy portfolios. Major external customers are also offered portfolio management services by the subsidiary E.ON Nordic Trading AB, which, since 1999, has been fully authorized by the Swedish Financial Supervisory Authority to advise and conduct trading on behalf of other parties. The majority of this trading takes place via the Nord Pool Nordic electricity exchange.

### Asset and Liabilities of Disposal Groups:

On June 30, 2008, the disposal groups comprised the following types of assets and liabilities:

<b>Group</b>			
<i>SEK million</i>	<i>Disposal group</i>	<i>Energy Trading</i>	<i>Total</i>
<b>Assets</b>			
Intangible non-current assets	-	65	65
Tangible non-current assets	8,266	2	8,268
Financial non-current assets	-	-	-
Current and deferred tax assets	-	2,832	2,832
Current assets	19	6,529	6,548
<b>Total assets</b>	<b>8,285</b>	<b>9,428</b>	<b>17,713</b>
<b>Liabilities</b>			
Financial liabilities	12	-	12
Operating liabilities	180	9,752	9,932
Provisions	-	1	1
Current and deferred tax liabilities	625	-	625
<b>Total liabilities</b>	<b>817</b>	<b>9,753</b>	<b>10,570</b>



On June 30, 2008, no accumulated revenue or costs in the consolidated financial statements were recognized directly in equity or were attributable to the disposal groups.

<b>Parent Company</b> <i>SEK million</i>	<i>Disposal group</i>	<i>Energy Trading</i>	<b>Total</b>
<b>Assets</b>			
Intangible non-current assets	-	-	-
Tangible non-current assets	-	-	-
Financial non-current assets	-	1,062	1,062
Current and deferred tax assets	-	-	-
Current assets	-	5,826	5,826
<b>Total assets</b>	<b>-</b>	<b>6,888</b>	<b>6,888</b>
<b>Liabilities</b>			
Financial liabilities	-	4,170	4,170
Operating liabilities	-	1,022	1,022
Provisions	-	-	-
Current and deferred tax liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>5,192</b>	<b>5,192</b>

#### **Income Statement attributable to Discontinued operations:**

In contrast to the planned divestment of the assets in the Disposal group, the Energy Trading operating segment is clearly distinguishable from the rest of the E.ON Sverige Group in terms of operations and reporting. Earnings attributable to this segment are to be considered a discontinued operation (IFRS 5.31-32) and comprise the following items (IFRS 5.33 b) (Disclosure in accordance with IFRS 5.33 a) submitted directly in the income statement):

<b>Group</b> <i>SEK million</i>	<i>Jan- June 2008</i>	<i>Jan- June 2007</i>	<i>July 2007- June 2008</i>	<i>Full-year 2007</i>
Net sales	8,735	7,083	15,007	13,355
Other income	373	810	231	668
Raw materials and consumables	-7,989	-7,199	-13,622	-12,832
Personnel costs	-54	-42	-112	-100
Other expenses	-8,521	-1,399	-9,789	-2,667
<b>Operating loss</b>	<b>-7,456</b>	<b>-747</b>	<b>-8,285</b>	<b>-1,576</b>
Net financial income/expense	48	32	77	61
<b>Loss before tax</b>	<b>-7,408</b>	<b>-715</b>	<b>-8,208</b>	<b>-1,515</b>
Income taxes	2,037	200	2,259	422
<b>Loss for the period</b>	<b>-5,371</b>	<b>-515</b>	<b>-5,949</b>	<b>-1,093</b>
<b>Non-operating items included in</b>				
<b>Loss before tax</b>	<b>-8,130</b>	<b>582</b>	<b>-10,700</b>	<b>-1,988</b>
<b>Tax on Non-operating items</b>	<b>2,236</b>	<b>-163</b>	<b>2,945</b>	<b>554</b>



Other expenses for 2008 increased by SEK 7,122 million compared with the year-earlier period. The increased costs were primarily attributable to the discontinuation of hedge accounting for commodity derivatives traded at Nord Pool, which resulted in SEK 4.9 billion being charged against earnings for the first six months of the year. The hedging will be made within the E.ON AG group going forward.

<b>Parent Company</b> <i>SEK M</i>	<i>Jan-June</i> <i>2008</i>	<i>Jan-June</i> <i>2007</i>	<i>Full-year</i> <i>2007</i>
Net sales	7,047	5,403	10,231
Other income	-	-	-
Raw materials and consumables	-6,388	-5,643	-9,885
Personnel costs	-	-	-
Other external expenses	-30	-30	-60
<b>Operating profit/loss</b>	<b>629</b>	<b>-270</b>	<b>286</b>
Net financial income/expense	5	10	13
Appropriations	-	-	-
<b>Profit/loss before tax</b>	<b>634</b>	<b>-260</b>	<b>299</b>
Income taxes	-	-	-84
<b>Profit/loss for the period</b>	<b>634</b>	<b>-260</b>	<b>215</b>

## (9) Contingent liabilities

### Parent Company

During the second quarter, the Parent Company E.ON Sverige AB issued guarantees within the framework for the company's commitment to handle waste products generated by its nuclear technology operations. The guarantees increased from SEK 3,044 million for 2007 to SEK 8,564 million annually for 2008 and 2009.

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