



PRESS RELEASE

Nuon and Vattenfall join forces to create a leading European energy company

Amsterdam, 23 February 2009 – **Dutch Nuon and Swedish Vattenfall today announced they will join forces to form a leading European energy company. The combination will boost the transition towards a climate neutral operation by 2050 through joint investment programmes. Vattenfall has made an all cash offer of EUR 8.5 billion enterprise value for 100% of the shares, equalling EUR 10.3 billion for the equity of Nuon's production and supply company after 2008 dividends. Nuon's grid company Alliander is not included in this transaction. The partners have agreed that Vattenfall acquires initially 49% of the shares. The remaining 51% of the shares will be acquired in the coming six years under fixed terms.**

Following the initial acquisition of 49% Vattenfall will have operational control over Nuon. The step-by-step transfer of shares underlines the joint commitment of Nuon's shareholders and Vattenfall to secure the public interests and Dutch identity of Nuon. A foundation will be set up to monitor and safeguard the public interests served by Nuon. The Management Board and Supervisory Board of Nuon have unanimously recommended the offer to the Nuon shareholders. Subject to approval by the Nuon shareholders, the transaction is expected to close by the end of the second quarter of 2009. Nuon's works council has advised positively on the partnership.

Highlights of the partnership:

- Financial capacity, stability and scale to ensure security of supply, support investment plans and diversification of Nuon's generation and sourcing capacity
- Strong commitment and financial strength to accelerate investments in renewable energy and development of Carbon Capture and Storage (CCS)
- Creating the number one position in off-shore wind in Europe
- Nuon will form the third regional Business Group of Vattenfall, responsible for driving growth in the Benelux, taking a leading role in the development of gas activities
- Combination of expertise offers customers best-in-class solutions to realise energy efficiency and attractive offers
- Respecting the collective labour agreements and promoting employee development opportunities; no lay-offs as a result of the transaction
- Strong cultural fit providing the basis for a successful integration

Øystein Løseth, CEO of Nuon: “Together, Vattenfall and Nuon have the scale to continue securing reliable, affordable and clean energy. Nuon and its shareholders have been working closely together over the last months in selecting the partner with the best fit. We have also been able to secure the public interest by forming a foundation. I’m very pleased to say that in Vattenfall, Nuon has found a partner that enables the company to continue pursuing the current strategy and realise our objectives. As a thought leader in the environmental debate, Vattenfall is a strong force in combating climate change. Our partnership will boost Nuon’s investment programme for new, cleaner production and innovative energy technologies for our customers.”

Lars G. Josefsson, CEO of Vattenfall: “I’m very pleased that we can take this important step. Nuon’s widely respected knowledge in renewables and clean energy technologies is a very valuable addition to our own. It will accelerate the realisation of Vattenfall’s strategy to make electricity clean. The partnership also enables us to further implement our strategy towards a leading position in the European energy market and enhance our position in gas. The Benelux market is highly complementary to our existing European activities. Our combined strengths make us an independent and competitive player. Nuon’s great customer service model will certainly help to further strengthen that position. All in all, this deal makes perfect sense.”

Renewable and clean energy

Both Nuon and Vattenfall are known for their innovations in renewable and clean energy. The companies will join forces, to continue to develop projects, such as the CCS installations at Schwarze Pumpe (Vattenfall, Germany) and Buggenum (Nuon, The Netherlands). Both companies are global front runners in the development of CCS. Investing in off-shore wind will be a key priority, adding to current large wind farms such as at Egmond aan Zee (Nuon), Lillgrund and Kentish Flats (Vattenfall). This will support the combined group’s ambition to generate 15TWh of wind power by 2015 (compared to 2.5TWh in 2009). Other alternative energy sources, such as solar foil development and ocean power, are part of the R&D investments of the combined companies.

Customers benefit from the partnership

Besides the focus on customer growth, securing and increasing customer satisfaction will be a key priority for the joint entity. Offering value added products that can improve energy efficiency and superior services will be the key instrument to gain high customer satisfaction. Nuon will continue to operate under its brand in the Benelux for at least four years.

Opportunities for employees

The combination offers a strong platform for the development of the employees. There will be a natural involvement of Nuon and Vattenfall employees in further cross-border career development. The companies will respect general employment terms. There will be no lay-offs as a result of the partnership. Nuon’s head office in Amsterdam and regional offices will be kept at their current locations.

Governance and organisation

Nuon will become the third regional Business Group of Vattenfall responsible for managing operations and driving growth in the Benelux. The Management Board of Nuon will remain in place and will be represented in Vattenfall’s Executive Group Management. In Germany, Nuon and Vattenfall will be a strong combination. Building on Nuon’s experience, the partnership will bring dual fuel offering to the next level on a countrywide basis. A full integration of the Nuon German sales operation into Vattenfall’s is anticipated. Nuon will have a separate Supervisory Board of eight members with both Vattenfall and the Nuon shareholders each nominating four members. The Nuon works council will have the

opportunity to nominate two of the four members from the Nuon side. Vattenfall will have the right to nominate the chairman who will have a casting vote.

Approval process

The transaction is subject to the approval of at least 80% of the shareholders. Vattenfall has made an all cash offer for 100% of the shares of Nuon. The partners have agreed that Vattenfall acquires initially 49% of the shares. The remaining 51% of the shares will be acquired in the coming six years under fixed terms. During these years the Nuon shareholders will have Supervisory Board representation and receive a fixed dividend per year. Both companies fully recognise and respect the regulatory aspects that are associated with the transaction including the finalisation of the process around the unbundling plan of Nuon by the Dutch Ministry of Economic Affairs. Also, the partnership requires merger control clearance by the European Commission.

Nuon and Vattenfall expect to complete the closing of this transaction in the second quarter of 2009.

Financing

The consideration for the acquisition of the initial 49% of the shares will be funded through a committed debt financing of EUR 5 billion with nine banks and freely available cash reserves.

Advisors

RBS, Rothschild and NIBC are acting as financial advisors and Linklaters as legal advisor to Vattenfall.

Goldman Sachs and ING are acting as financial advisors and Allen & Overy as legal advisor to Nuon.

About Nuon N.V.

Nuon is an ambitious energy company, serving more than three million consumers and organisations with over 10,000 employees in the Netherlands, Belgium and Germany. Nuon produces, transports and delivers electricity, gas, heating and cooling, and engages in energy trading in the major international markets. Nuon also supplies additional services and technological innovations to businesses and consumers. In doing so, Nuon aims to provide a reliable, sustainable and affordable energy supply. With a turnover of EUR 6.1 billion in 2008, Nuon occupies a prominent position in the Dutch energy market. The shares are held by local and regional authorities. As from 1 July 2008 Nuon organisationally separated the company into a network company (Alliander) and a production and supply company (Nuon). As from that date, both companies operate independently under a single financial holding company and under a joint Management Board.

About Vattenfall

Vattenfall's vision is to be a leading European energy company. Vattenfall's main products are electricity and heat. Today, Vattenfall generates electricity, produces heat and supplies energy to several million customers in the Nordic countries and northern Europe. The major customers are industrial plants, energy companies, municipalities, property companies and housing associations. For further information, please see www.vattenfall.com. The media service section, including a picture archive and Vattenfall's press releases, can be found under News & Comments.

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

For more information please contact

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Press conference (webcast):

A joint press conference will be held at 13.00 hrs (CET) at the Okura Hotel in Amsterdam.
The press conference will be webcast.

Link Webcast in English:

http://pulse.companywebcast.nl/Playerv1_0/default.aspx?id=2245&lid=2

Link Webcast in Dutch:

http://pulse.companywebcast.nl/Playerv1_0/default.aspx?id=2245&lid=1

Link Webcast in German:

http://pulse.companywebcast.nl/Playerv1_0/default.aspx?id=2245&lid=3

Link Webcast in Swedish:

http://pulse.companywebcast.nl/Playerv1_0/default.aspx?id=2245&lid=6

Presentation slides can be downloaded from www.vattenfall.com and www.nuon.com respectively.

The press conference will be recorded and can afterwards be accessed on demand at www.vattenfall.com -> News & Media -> webcasts and www.nuon.com respectively.