

2007 Interim Statement Essent N.V.

A strong energy company in an European perspective

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in an European perspective**

Profile

Essent is a Dutch energy company that supplies electricity, gas and heat to private and business customers. While regarding the Netherlands as our home market, we have established a significant presence on the German market and are increasingly active in Belgium.

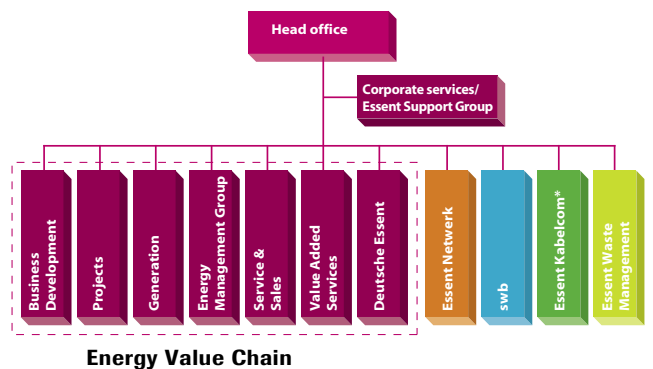
Essent is vertically integrated, meaning that our operations cover the entire length of the energy chain, from the generation of energy (excluding gas exploration and extraction), to the supplying of products and services to end-users.

Apart from energy and related services, such as the maintenance of central-heating and hot-water equipment, Essent engages in three waste management activities: waste incineration, waste composting and landfill management. Until 1 February 2007, Essent was supplying a range of cablecom and telecom products, including radio and TV, broadband Internet and telephony. From that date on, the Essent Kabelcom business unit ceased to be part of Essent.

The figures for the first six months of 2007 show that in the Netherlands Essent is:

- the energy market leader in terms of revenue (EUR 3,572.4 million);
- at the forefront of waste management, processing some 2.6 million tonnes of waste each year;
- the largest producer of green electricity in the Netherlands.

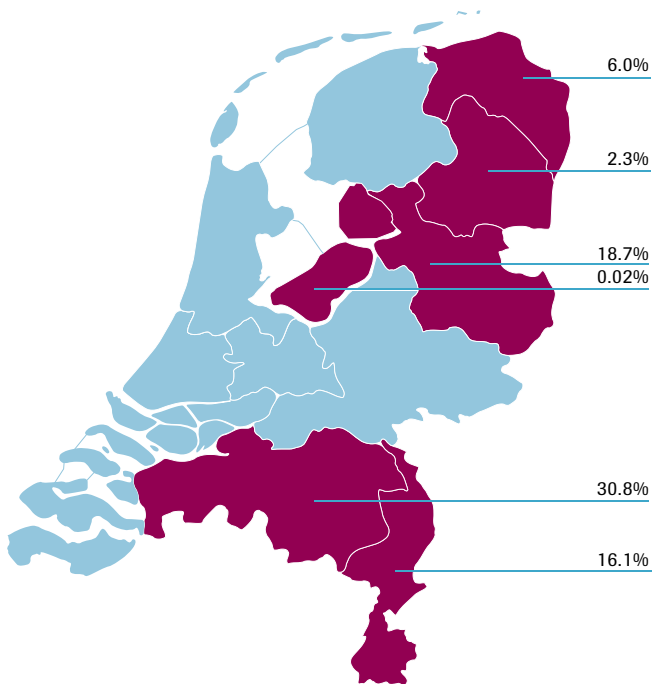
Essent N.V. organogram



*Until 1 February 2007

Essent is a non-listed public company with limited liability, incorporated in 1999 and with its head office in Arnhem. Its shareholders are Dutch provincial and municipal authorities. The company is structured as a holding company with 10 business units, seven of them forming the Energy Value Chain segment for the Netherlands, Germany and Belgium, with the other German operations being conducted from swb, Bremen. The network operation – as prescribed by law – is financially, organisationally and legally separate from the other activities of the company. At mid-2007, the size of Essent’s workforce was approximately 12,568 FTEs (including temporary staff).

Essent shareholders



Groningen	6.0%	Flevoland	0.02%
Drenthe	2.3%	Noord-Brabant	30.8%
Overijssel	18.7%	Limburg	16.1%

Nearly 140 municipalities in these provinces and in Friesland.

Essent N.V. 2007 interim results

Essent achieves higher profit

Group key figures

in millions of euros

	first half 2007	first half 2006
Revenue	3,572	3,557
Gross profit	1,579	1,587
Profit before interest and tax (EBIT)	612	574
Profit from continuing operations attributable to equity holders	483	390
Earnings per share from continuing operations	3.23	2.60
Earnings per share from discontinued operations	11.93	0.08

- Mild weather and tight selling prices on the private and small-business market adversely affected the gross margin in the first half of 2007 by EUR 100 million. Essent was able to offset this almost entirely, thanks mainly to the successful sourcing strategy on the wholesale market for commodities and to improved trading results.
- Profit before interest and tax (EBIT) increased 7% to EUR 612 million, the energy value chain standing out with its higher profit. Eliminating exceptional items and projects, EBIT grew 1%.
- Profit attributable to Essent N.V. equity holders climbed 24% to EUR 483 million, excluding EUR 1.8 billion in non-recurring income from the successful sale of Essent Kabelcom on 31 January 2007. One third of this income has already been paid out as extraordinary dividend to the equity holders.

Notes to the 2007 half-year financial results

Essent's profit up despite mild weather and tight pricing

The gross margin for the first half of 2007 (EUR 1.6 billion) is virtually unchanged from that for the same period of 2006. As a percentage of revenue, the gross margin contracted fractionally from 45% to 44%.

In the framework of its tight pricing policy, Essent kept the price increase for electricity on 1 January down, despite the steep rise in the price of oil between 1 May and 1 November 2006. The revenue from electricity rose 11%, thanks to higher volumes, mainly because of more customers (2%), partial charging of higher sourcing prices (6%) and a greater trading volume (3%). However, the gross margin on electricity fell 1%, owing to the improved trading results not fully offsetting the adverse effect of the new subsidy scheme for biomass.

The mild weather was responsible for a 22% reduction in gas revenue, which was partly mitigated by higher sales to the business sector (7%), the charging on of increased sourcing prices (3%), and other effects (4%). Despite the large volume decline, the gross margin on gas grew 6%, thanks to a successful sourcing strategy on the wholesale market for commodities.

In May, Essent announced it would be lowering its prices for gas, electricity and heat to private and small-business customers on 1 July 2007. Essent's electricity tariffs in January 2007 (based on a standard contract for an average of 3,500 kWh a year) already placed it among the least costly suppliers for private and small-business users in the Netherlands, a position that the company has retained since then.

Operating expenses decreased 5%, as result of the effect of exceptional charges recognised in 2006, in particular a provision for shorter working hours of older employees and special-purpose leave. Adjusted for exceptional items and projects, operating expenses in the first half of 2007 were unchanged compared with the same period of 2006, despite inflation and higher payroll costs in 2007. The non-recurring projects include the activities relating to the proposed merger with Nuon and the implementation of a new market model for private and small-business customers. Essent continues to focus on operational excellence, the programme for improving both effectiveness and quality.

The share of result of joint ventures and associates amounted to EUR 30 million, EUR 7 million higher than 2006.

Profit before interest and tax (EBIT) increased 7% to EUR 612 million. Eliminating exceptional items and projects, EBIT grew 1%.

Net finance expense (the balance of finance income and expenses) was EUR 3 million, an improvement of EUR 21 million compared to the first half of 2006, mainly thanks to higher interest income relating to the sale of Essent Kabelcom.

The profit for the first half of 2007 from continuing operations before tax amounted to EUR 609 million (2006: 550 million), an increase of 11%. The tax on this profit is EUR 108 million. The effective tax rate fell from 24% in 2006 to 18% in the first half of 2007, as a result of a lower income tax rate in 2007 (25.5% compared with 29.6%) and the re-measurement of the deferred tax position.

The profit from discontinued operations comprises the proceeds from the successful sale of Essent Kabelcom, the business unit that conducted all of Essent's cablecom and telecom activities. The net gain on the sale was approximately EUR 1.8 billion. One third of this has been paid out to the equity holders as extraordinary dividend and the remainder was used to repay loans and improve the cash position.

The profit directly attributable to equity holders of Essent N.V. amounted to EUR 2,269 million (2006: EUR 402 million). Excluding non-recurring income from the sale of Essent Kabelcom, the figure is EUR 483 million (2006: EUR 390 million). Earnings per share from continuing operations attributable to equity holders of Essent are EUR 3.23 (2006: EUR 2.60).

Financing

Since the date of the 2006 closing balance sheet, interest-bearing liabilities have gone down EUR 991 million to EUR 629 million due to the effect of repaying short-term loans as part of the sale of Essent Kabelcom. The ratio of interest-bearing liabilities to interest-bearing liabilities plus equity (leverage) was 12% at 30 June 2007. This level of leverage is suitable for our medium term policy of investing in the modernisation, sustainability and expansion of the energy generation and distribution activities.

The first half of 2007 in perspective

Merger, unbundling and higher profit

The first half of 2007 for Essent was marked by three significant features that will have a major influence on the further development of the Group.

First, the period was one in which profit increased once again, demonstrating the potential of Essent's generating, sales and wholesaling operations, the core of its business.

Second, the letter of intent concerning the merger between Essent and Nuon was announced on 1 February. This is the prelude to the creation of a strong Dutch energy enterprise with a promising European perspective. The resulting upscaling and strategic position mean that important conditions will be met so that the new company can play a leading role for the Dutch energy supply, with fair prices for consumers and care for the environment. EssentNuon, as the new venture will be known temporarily, regards energy supply sustainability as a spearhead. While awaiting the go-ahead from the Netherlands Competition Authority (NMa) and the shareholders, Essent and Nuon remain competitors both in theory and in practice. We have appointed "housing planners", however, to design the structure for the new organisation, which will have approximately 20,000 employees, 5 million customers and total revenue of EUR 12 billion (including the network operations). Amsterdam is the envisaged location for the head office. The actual merger is expected at the end of 2007.

A third event affecting the future of the Dutch energy companies is the decision by the Minister of Economic Affairs to make ownership of the regulated network operations separate from that of the generation, trade and supply operations, with effect from 1 July 2008. The beneficial ownership of the networks will have to be transferred by that date, with ownership unbundling being effected before 1 January 2011. These measures, which place a heavy burden on the future of the Dutch energy sector, are taking the Netherlands out of step with the rest of Europe.

Westland Energie Services

In mid-January, Essent reached agreement on the acquisition of Westland Energie Services on 31 May 2007. The acquisition represents the reinforcement of Essent's position for energy supplies and services to the glasshouse sector. Westland has strong ties to this sector, thanks to its high-quality total process approach to clients, something for which it has gained international

recognition. The acquisition perfectly matches Essent's strategy: increasing the sustainable generation of energy, growth in the business and co-generation sectors, and the provision of integrated advisory services.

Blok Committee report

The public debate that began in 2006 on the sourcing and sustainability of palm oil co-fired as biomass in power stations was reason for Essent to request the Blok Committee (an independent body) to conduct a feasibility study into the use of a reliable certification system for palm oil and its derivative waste products. Essent previously used mainly palm oil derivatives. The purpose of the study is to clarify the source of palm oil and exclude the possibility that the production and processing of palm oil products entails the cutting down of tropical rainforest trees, the draining of marshes, or unacceptable processing methods. The Committee issued its report at the end of June, drawing the conclusion that Essent should be able to source all palm oil and palm oil derivatives as fully sustainable products within five years. The Committee stated that there was still no certified sustainable palm oil on the market and that palm oil producers need time to meet the sustainability criteria. It called on Essent to fulfil a pioneering role in the setting up of the certification system. Accordingly, the Blok Committee is urging Essent not to opt out of the wholesale market in palm oil.

Corporate Social Responsibility

Essent has further embedded its approach to corporate social responsibility (CSR) in its policies and structure, including the medium-term goal to belong to the top five enterprises in Northwest Europe in terms of sustainability. To this end, the company will focus primarily on the following nine issues:

- emission reductions;
- sustainable content of fuel mix;
- energy saving;
- innovation and knowledge management;
- customer satisfaction and quality labels;
- good employership;
- human rights;
- corporate citizenship;
- safety.

Essent will assess its position and progress concerning sustainability using international benchmarks such as the Dow Jones Sustainability Indexes.

Essent set up its CSR Advisory Board, a body to advise the Executive Board. In addition, 70 employees volunteered to become CSR Ambassadors, the eyes and ears for CSR in the organisation.

Essent has also started to critically examine its internal operations, resulting in two new projects: one focuses on reducing, greening and, where necessary, compensating for business kilometres; the other focuses on making the office facilities sustainable.

Joining the UN Global Compact

Essent is the first Dutch energy company to become a party to the UN Global Compact and is actively promoting the setting up of a Dutch chapter. Started with the support of the UN, the Compact is an initiative involving governments, industry and NGOs, for the development of universal principles for human rights, working conditions, the environment and anti-corruption for international business activities, including their application.

Stakeholder dialogue

Essent is seeking out dialogue with its stakeholders even more so than in the past. In the spring of this year, the Executive Board discussed energy saving with the shareholders, the outcome of which was BespaarPlan, the Essent energy saving plan. In the same period, Essent carried out several activities directed towards employees, such as sending them all a DVD of "An Inconvenient Truth", made by Al Gore, the former Vice-President of the United States, and a summary of Essent's CSR Report. During the lunch meetings, under the chairmanship of the CSR Advisory Board, ideas and suggestions were exchanged with the aim of further encouraging the involvement of employees in CSR matters. The Pieterpad walks – organised by Essent for several years to involve employees in the company and its objectives – have been placed in a CSR context since early 2007.

In autumn, Essent will intensify its dialogue with other stakeholders, starting with parties who are active in a number of the areas mentioned above on which the company intends to concentrate.

Energy Value Chain

Essent is a vertically integrated company, spanning the entire length of the energy value chain, from generation to trade, distribution and supplies to the private and business markets. Operational excellence is the common denominator for all its business processes, resulting in the

optimisation of cost control, sustainability, efficiency and customer friendliness.

In the spring, Essent announced its intention to construct a new modern coal-fired unit at the Amer power station, in Geertruidenberg. The construction of the unit, with a gross generating capacity of between 800 megawatt and 1,000 megawatt, will be based on the latest technology. As a hybrid unit, it will be suitable for co-firing clean biomass. Capital expenditure of approximately EUR 1 billion is involved and the unit is expected to become operational in mid-2013.

Energy Management Group (EMG) opened a new office in Geneva (Switzerland) on 11 May, giving Essent a physical presence in one of the most important centres for wholesale trading in commodities.

In the first half of 2007, wholesale trading once again made a major contribution to profit. Essent has now also developed a leading position on the rapidly growing international market for CO₂ emission rights. It will take a prominent role in reducing CO₂ emissions globally and exercise a strong influence on the future price of energy.

Since the beginning of the year, Essent Wind, part of Deutsche Essent, owns its first offshore wind turbine. With a height of 117 metres, this is Essent's largest wind turbine yet. It is still in a test configuration on land at Cuxhaven, Germany. This test phase is meant to eventually herald in an offshore wind farm of 80 similar turbines, a few kilometres out at sea. Essent Wind is expanding its wind farm portfolio by 138 megawatt this year.

On 1 January 2007, the market in the Walloon region was deregulated. Essent Belgium has achieved the position in this part of the country as the most important new provider, with a share of the consumer market of approximately 10%.

Sustainability

Essent puts a high priority on making the Dutch energy supply sustainable. Accordingly, there is no let-up in its attention to the expansion of sustainable generation and the use of innovative solutions to solve environmental impact problems. Essent's sustainable energy generation in the Netherlands during the first half of 2007 was approximately 0.8 TWh, roughly 9% of the total for the country. The steep drop compared with the whole of the previous year (15%) and the first six months (18%) is one

The first half of 2007 in perspective

effect of the reduction in MEP subsidies (as from 1 July 2006). Although Essent puts a high priority on sustainable generation, it also has to face economic reality. In order to safeguard its ability to make future capital expenditures, Essent cannot afford to accept losses inherent to sustainable generation.

Essent is the largest producer of green electricity in the Netherlands, striving to use as much biomass as possible for generating energy. The company now has almost one million customers for green electricity, easily making it the market leader in the country. Essent sets strict standards for the generation of green electricity: producing the biomass (in liquid or solid form) must have no negative impact on the food and feed chains, or on the biodiversity and economies of the countries where the biomass is sourced. Essent stressed and confirmed this position once again during "Het Akkoord van Schokland" (held on 30 June 2007). Essent is constantly seeking out natural waste products that, without competing with the food and feed chains, can be used as biomass for generating green electricity at the power station in Geertruidenberg. One such waste product takes the form of coffee husks, which Essent introduced as biomass in collaboration with Solidaridad. In the first year of use, 5,000 tonnes of coffee husks will be co-fired at the Amer power station in generating green electricity.

The General Meeting of Shareholders on 18 April 2007 was the venue for the presentation of Essent BespaarPlan, the company's energy saving plan. BespaarPlan offers the shareholders a wide range of energy saving options, with which they can spell out their individual saving ambitions. An energy adviser from Essent analyses the options and prepares a customised energy saving plan. As well as this joint action by Essent and its shareholders, a long-term campaign was launched on 1 May 2007 to bring energy saving and energy awareness to the attention of consumers, industry and the government.

After barely increasing its gas and electricity tariffs on 1 January 2007, Essent lowered them again in July by approximately 10% in the case of gas and 4% in the case of electricity. For an average household, the reductions mean a saving of roughly EUR 85 a year. The new tariffs place Essent among the cheapest providers on the Dutch energy market. The company will continue to charge the same price for green electricity as for grey electricity, at least until 2009. This means that for the sixth year in a row,

Essent is bearing the added cost of sustainable generation itself.

Essent also increased its return tariffs for solar panels on 1 July 2007. The tariffs distinguish between households and those supplying electricity to the grid on a sustainable basis. The threshold used to be an annual supply of 3,000 kWh. If this was exceeded, the much lower generation tariff applied for the entire volume supplied to the grid. The threshold has now been raised to 5,000 kWh a year.

In Leeuwarden, Essent has installed the first in a batch of 20 home power stations, also known as micro-cogeneration plants. This will be the first time that these units are in use domestically on such a large scale. As well as providing heating and hot water, the home power stations also supply electricity. This joint effort by Essent and WoonBedrijf is being carried out as a pilot project, with grants from the Municipality of Leeuwarden and the Province of Friesland.

Energy value chain results

in millions of euros

	first half 2007	first half 2006	full year 2006
revenue ¹	2,698.4	2,524.1	4,328.6
segment profit	440.4	397.0	621.6

¹ Including intragroup supplies

Energy distribution

Essent Netwerk is responsible for the construction, maintenance and management of the gas and electricity distribution and transport networks. In the northern, eastern and southern parts of the Netherlands, it manages in aggregate 146,000 km of electricity cables and 40,000 km of gas pipelines. As an independent network operator, the company is financially, legally and organizationally separate from its parent, Essent N.V., and under the supervision of the Office of Energy Regulation (DTe), a part of the Netherlands Competition Authority.

In terms of annual power failure minutes per customer, Essent's grid is among the best in Europe. The average power failure duration for Dutch grids in 2006 was 36 minutes. Essent Netwerk's target is an average power failure duration of no more than 26 minutes. Based on a five-year moving average, it met this in the first half of 2007. The reliability of the grid also remained steady during the first six months, but even this could not guarantee zero disruptions. As the result of a break in a high-voltage cable, the Municipality of Haaksbergen suffered a long blackout on 29 March 2007. Affecting 40,000 households, this was the second such power failure in 18 months. The crisis management plan prepared after the first incident (in 2005) proved to be both effective and efficient in clearing the power failure. Disaster exercises are now part of Essent Netwerk's standard activities, with large-scale exercises already held in the municipalities of Maastricht and Groningen, and more to follow in other municipalities in the second half of 2007.

Safety and reliability are essential aspects of Essent Netwerk's operations. Using the Risk Based Asset Management-system, it draws up a maintenance and investment programme each year. Several campaigns directed at the public are also conducted. For example, 2007 has seen the launch of two: one on the dangers surrounding high voltage and one on the detection of gas leaks.

In June, the installation of the first intelligent meter, which enables remote data collection, signalled the start of the *Slimme Meters* programme.

Preparations were undertaken during the first half of the year to transfer the management of the high-voltage grid (110 kV and above) to TenneT. Preparations were also made to transfer the beneficial ownership of the grids. Both activities are in line with the legal requirement for independent network operations.

Energy Distribution results

in millions of euros

	first half 2007	first half 2006	full year 2006
revenue ¹	622.0	640.8	1,241.6
segment profit	76.9	98.8	166.9

¹ Including intragroup supplies

swb (Bremen)

swb held its own, despite having to face stiff competition on the German market. During the first half of the year, the company achieved further progress towards completing two large projects. First, the preparations were made for the construction of a waste incineration plant, including the permit applications. The Supervisory Board of swb had approved the project in December 2006. The company is also far advanced with the preparations and technical planning for the construction of Block 21, a new coal-fired power station scheduled for completion in 2012.

swb results

in millions of euros

	first half 2007	first half 2006	full year 2006
revenue ¹	496.4	590.8	1,055.6
segment profit	51.2	66.4	101.8

¹ Including intragroup supplies

Waste Management

Essent Waste Management is engaged in the large-scale processing of waste, with the conversion into practical and useful products, such as energy, compost and construction materials, as core business. Its activities contribute to the sustainability of the Dutch energy supply, with approximately 374 GWh of electricity generated from waste incineration in the first half of 2007. In addition, approximately 23 GWh of electricity was generated from

The first half of 2007 in perspective

landfill gas. Waste is processed in the following order: separation, composting, fermentation, incineration and, if no other option remains, landfilling. These activities are conducted at various plants in the northern and southern parts of the Netherlands, the principal locations being Wijster, Moerdijk and Groningen. In the first six months, approximately 1.3 million tonnes of waste were processed, comprising 0.7 million tonnes of combustible waste, 0.4 million tonnes in organic form, and 0.2 million tonnes for landfilling.

A setback is that the Province of Drenthe has so far refused to grant a licence for the expansion of the waste incineration plant in Wijster. The provincial authority considers that heat released by the new incineration lines will be underutilised and that the dioxin and mercury emissions will be too high. In Essent's view, the new lines will employ the best technology available. The unused heat released by the plant can be supplied to third parties.

Waste Management results

in millions of euros

	first half 2007	first half 2006	full year 2006
revenue ¹	187.9	184.0	380.2
segment profit	32.6	30.8	86.0

¹ Including intragroup supplies

Kabelcom

Until 1 February 2007, Essent Kabelcom was the business unit conducting all the cablecom and telecom activities. It supplied a wide range of radio, TV, broadband Internet and telephony services and products to the business as well as the private market. The sale of Essent Kabelcom is part of Essent's strategy to project itself as an energy company.

Kabelcom results

in millions of euros

	first half 2007	first half 2006	full year 2006
revenue ¹	44.8	237.6	508.3
segment profit	20.8	51.8	170.5

¹ Including intragroup supplies

Outlook

Although it recently became definite that in 2010 at the latest Essent would have to be split into a regulated and a non-regulated operation, this has not yet had any material consequences for the activities planned for the second half of 2007. Nor will the proposed merger with Nuon be implemented in this period. Both events are casting a long shadow, with substantial costs being incurred to prepare a new market model to facilitate the functioning of the two operations. We expect these costs in the second half of 2007 to be of the same order as those in the first half.

Considering the above developments and barring unforeseen circumstances, Essent expects the profit from continuing operations for the whole of 2007 to be higher than for 2006.

Arnhem, 1 August 2007

The Executive Board

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Consolidated income statement

<i>in millions of euros</i>	first half 2007 ¹	first half 2006 ¹	full year 2006
Continuing operations			
Revenue from the supply of goods and services	3,564.2	3,526.6	6,349.1
Fair value changes IAS 39	8.2	30.1	92.5
Revenue	3,572.4	3,556.7	6,441.6
Cost of energy, raw materials and consumables	1,993.1	1,969.6	3,467.1
Gross profit	1,579.3	1,587.1	2,974.5
Other operating income	33.5	50.9	144.0
Gross profit plus other operating income	1,612.8	1,638.0	3,118.5
Employee benefit expenses	419.9	438.8	851.5
Depreciation, amortisation and impairments	227.2	256.6	532.8
Cost of work contracted out, materials and other external costs	341.4	305.7	678.3
Other operating expenses	42.1	85.6	160.3
Total operating expenses	1,030.6	1,086.7	2,222.9
Operating profit	582.2	551.3	895.6
Share of result of joint ventures and associates	29.9	22.9	72.6
Finance income and expenses	- 3.0	- 24.3	- 87.6
Profit before tax	609.1	549.9	880.6
Income tax expense	- 108.2	- 131.4	- 291.4
Profit from continuing operations	500.9	418.5	589.2
Discontinued operations			
Profit from discontinued operations	1,786.4	12.2	218.6
Profit for the period	2,287.3	430.7	807.8
of which:			
Profit attributable to minority interests	18.2	29.0	47.2
Profit attributable to equity holders of Essent N.V.	2,269.1	401.7	760.6
Earnings per share attributable to equity holders of Essent N.V. (In euros)²	15.16	2.68	5.08
Continuing operations	3.23	2.60	3.62
Discontinued operations	11.93	0.08	1.46

¹ Unaudited figures

² Basic and diluted earnings per share

Consolidated balance sheet

before profit appropriation

<i>in millions of euros</i>			
Assets	30 June 2007 ¹	31 December 2006	30 June 2006 ¹
Property, plant and equipment	4,507.1	4,414.5	4,489.1
Investment property	10.9	11.0	11.1
Intangible assets	292.7	193.0	200.3
Joint ventures and associates	393.4	415.4	373.7
Deferred tax	365.1	299.2	109.9
Derivative financial instruments	1,191.7	740.9	780.2
Other financial assets	314.5	337.1	454.7
Non-current assets	7,075.4	6,411.1	6,419.0
Inventories	219.1	261.4	249.4
Receivables	1,921.7	1,444.3	1,422.7
Derivative financial instruments	1,584.4	1,473.0	1,895.8
Collaterals	176.0	140.0	153.6
Cash and cash equivalents	717.2	580.0	506.2
Current assets	4,618.4	3,898.7	4,227.7
Assets held for sale	36.3	908.8	804.5
	4,654.7	4,807.5	5,032.2
Total assets	11,730.1	11,218.6	11,451.2
Equity and liabilities			
Equity attributable to equity holders of Essent N.V.	4,412.3	3,158.1	3,384.2
Minority interests	236.8	255.9	238.8
Equity	4,649.1	3,414.0	3,623.0
Interest-bearing liabilities	508.8	535.1	1,705.3
Provisions	1,232.1	1,260.8	1,496.6
Deferred tax	101.8	76.7	68.5
Derivative financial instruments	1,252.4	726.6	308.6
Other non-current liabilities	45.5	40.8	41.4
Non-current liabilities	3,140.6	2,640.0	3,620.4
Interest-bearing liabilities	119.8	1,084.5	371.5
Collaterals	96.6	259.6	409.3
Trade and other payables	1,596.4	1,709.0	1,276.3
Income tax	128.2	59.5	198.5
Derivative financial instruments	1,737.5	1,623.2	1,744.0
Provisions	261.9	257.1	117.5
Current liabilities	3,940.4	4,992.9	4,117.1
Liabilities for assets held for sale	--	171.7	90.7
	3,940.4	5,164.6	4,207.8
Total equity and liabilities	11,730.1	11,218.6	11,451.2

¹ Unaudited figures

Condensed consolidated cash flow statement

<i>in millions of euros</i>	first half 2007 ¹	first half 2006 ¹	full year 2006
Profit from continuing operations	500.9	418.5	589.2
Depreciation, amortisation and impairments	227.2	256.6	532.8
Changes in provisions, operating working capital, derivative financial instruments and other	- 781.9 ³	- 368.1	- 189.5
Cash flow from operating activities			
- continuing operations	- 53.8	307.0	932.5
- discontinued operations	13.7	60.8	145.3
Cash flow from operating activities	- 40.1	367.8	1,077.8
Additions to property, plant, equipment and intangible assets	- 357.3	- 218.0	- 590.4
Proceeds from sale of property, plant and equipment	68.0	8.0	136.5
Proceeds from sale of interests in joint ventures and associates	4.1	--	--
Investments in associates	- 71.4	--	--
Other changes	26.6	36.2	147.6
Cash flow from investing activities			
- continuing operations	- 330.0	- 173.8	- 306.3
- discontinued operations	2,549.9	- 52.2	- 136.0
Cash flow from investing activities	2,219.9	- 226.0	- 442.3
Cash flow before financing activities	2,179.8	141.8	635.5
Repayment of interest-bearing liabilities	- 790.5	- 28.2	- 1,160.9
Dividend paid	- 980.3	- 262.9	- 262.9
Dividend paid to minority interests, increase and decrease in minority interests and increase in interest-bearing liabilities	- 27.6	39.9	645.1
Cash flow from financing activities			
- continuing operations	- 1,798.4	- 251.2	- 778.7
- discontinued operations	--	- 22.2	- 24.7
Cash flow from financing activities	- 1,798.4	- 273.4	- 803.4
Total cash flow	381.4	- 131.6	- 167.9
Cash and cash equivalents discontinued operations at the end of period	--	- 5.9	- 4.1
Net cash and cash equivalents at beginning of period ²	288.1	460.1	460.1
Net cash and cash equivalents at end of period²	669.5	322.6	288.1

¹ Unaudited figures

² Cash and cash equivalents less current liabilities owed to banks

³ Including a receivable of EUR 313.8 relating to short-term investments

Consolidated statement of changes in equity¹

	Number of ordinary shares	Share capital	Share premium
<i>in millions of euros</i>			
At 1 January 2006	149,682,196	149.7	1,512.6
Fair value changes and/or adjustments	--	--	--
Other changes	--	--	--
Total income and expenses for the year recognised directly in equity	--	--	--
Profit for the year	--	--	--
Appropriated result 2005	--	--	--
Dividend paid	--	--	--
At 30 June 2006	149,682,196	149.7	1,512.6
Fair value changes and/or adjustments	--	--	--
Other changes	--	--	--
Total income and expenses for the year recognised directly in equity	--	--	--
Profit for the year	--	--	--
Dividend paid	--	--	--
At 31 December 2006	149,682,196	149.7	1,512.6
Fair value changes and/or adjustments	--	--	--
Total income and expenses for the year recognised directly in equity	--	--	--
Profit for the year	--	--	--
Appropriated result 2006	--	--	--
Exceptional dividend paid relating to sale of Essent Kabelcom and ordinary dividend paid	--	--	--
At 30 June 2007	149,682,196	149.7	1,512.6

¹ Unaudited figures

² The IAS 39 reserve is a revaluation reserve and accordingly not freely distributable. Negative components of the IAS 39 reserve restrict the distribution of the Other reserve

³ The Other reserve is freely distributable for an amount of EUR 480.9

IAS 39 reserve ²	Other reserve	Profit for the year	Equity attributable to equity holders of Essent N.V.	Minority interests	Total equity
316.5	658.5	525.8	3,163.1	233.0	3,396.1
99.9	- 0.9	--	99.0	- 0.7	98.3
--	- 16.7	--	- 16.7	16.4	- 0.3
99.9	- 17.6	--	82.3	15.7	98.0
--	--	401.7	401.7	29.0	430.7
--	262.9	- 262.9	--	--	--
--	--	- 262.9	- 262.9	- 38.9	- 301.8
416.4	903.8	401.7	3,384.2	238.8	3,623.0
- 575.8	0.9	--	- 574.9	2.2	- 572.7
- 9.7	- 0.4	--	- 10.1	- 2.9	- 13.0
- 585.5	0.5	--	- 585.0	- 0.7	- 585.7
--	--	358.9	358.9	18.2	377.1
--	--	--	--	- 0.4	- 0.4
- 169.1	904.3	760.6	3,158.1	255.9	3,414.0
- 34.6	--	--	- 34.6	1.7	- 32.9
- 34.6	--	--	- 34.6	1.7	- 32.9
--	--	2,269.1	2,269.1	18.2	2,287.3
--	380.3	- 380.3	--	--	--
--	- 600.0	- 380.3	- 980.3	- 39.0	- 1,019.3
- 203.7	684.6³	2,269.1	4,412.3	236.8	4,649.1

Notes

Accounting policies

Essent N.V is the holding company of a number of group companies in the Netherlands, Germany and Belgium (collectively the "Group") that generate, trade, transport and supply energy, and provide waste management and cablecom services. The Group also has investments in a number of joint ventures and associates.

The functional currency of Essent N.V is the euro, and unless otherwise stated, all amounts are in millions of euros.

The Group bases its accounting policies on International Financial Reporting Standards (IFRS) as adopted by the European Union. In the preparation of this interim statement, the same accounting policies were used as for the 2006 financial statements.

The 2006 financial statements, including the complete set of accounting policies, can be found on our website www.essent.eu. The 2007 interim statement was prepared in accordance with IAS 34 interim financial reporting.

Interim results are subject to seasonal influences depending on weather conditions. Among other effects, relatively more of the annual result is realised during the first six months of the year.

New and/or amended IFRSs in 2007

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) issued the following new and/or amended standards and interpretations for adoption as from the 2007 financial year:

- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies, effective as from beginning of the 2007 financial year. The adoption of this interpretation has no material effect on the results for the first half of 2007 or on equity as at 30 June 2007.
- IFRIC 8 Scope of IFRS 2, Share-based Payment, effective as from the beginning of the 2007 financial year. The shares in the Group are not freely tradable, so that the situation to which this interpretation applies is not relevant.
- IFRIC 9 Reassessment of Embedded Derivatives, effective as from the beginning of the 2007 financial year. According to this interpretation, it is not possible to separate an embedded derivative from its host contract, other than at the date of inception of the host contract. The adoption of this interpretation has no material effect on the results for the first half of 2007 or on equity as at 30 June 2007.

- IFRIC 10 Interim Financial Reporting and Impairment, effective as from the beginning of the 2007 financial year. This interpretation provides additional guidance on how to treat reversals of impairments already recognised on goodwill and financial assets. The adoption of this interpretation has no material effect on the results for the first half of 2007 or on equity as at 30 June 2007.
- IFRS 7 Financial Instruments: Disclosures, effective as from the beginning of the 2007 financial year. This standard sets stricter requirements for disclosures in the financial statements. It is especially relevant for the disclosures required on financial instruments. This standard has no effect on the interim statement.
- Amendment to IAS 1: "Capital Disclosures". This amendment came into effect on 1 January 2007. It entails additional disclosure requirements for the Group's policy regarding capital employed.

The Group did not yet apply the following standards and interpretations to the 2007 Interim Statement:

- IFRS 8 Operating Segments, effective as from the beginning of the 2009 financial year. This standard prescribes additional requirements for the segment information in the financial statements. In particular, it concerns a stricter definition of a segment and additional disclosures.
- IFRIC 12 Service Concession Arrangements, effective as from the beginning of the 2008 financial year. This interpretation concerns the presentation and treatment in the financial statements of concession arrangements relating to infrastructure. The effect of this interpretation is being studied in detail.
- IFRIC Interpretation 13 Customer Loyalty Programmes, effective as from the beginning of the 2009 financial year. This interpretation sets out the treatment of customer savings schemes. The effect of this interpretation is being studied in detail.

Changes in presentation and estimates

The Group reviewed the useful economic lives of two generating units, resulting in their expected useful economic lives being lengthened. The current carrying amounts of these units will be depreciated over the remainder of their new expected useful economic lives. Because of the longer depreciation periods, the total depreciation recognised on these generating units as from the 2007 financial year will be EUR 48 million less than the amount recognised for 2006.

Acquisitions

On 18 January 2007, the Group announced its intention to acquire Westland Energie Services B.V. (WES), a letter of intent having been signed by both parties the day before. The acquisition of WES includes HortiMaX and VEK Adviesgroep. WES specialises in supplying energy and related products and services to the glasshouse sector

in and around the Westland region. The network operation affiliated to WES is not part of the agreement. The acquisition took effect on 31 May 2007 and WES's results have been consolidated in those of the Group since 1 June 2007.

The acquisition price is EUR 83.3 million. Estimates of the fair values of the assets and liabilities acquired are compared below with their carrying amounts.

	Estimated fair value	Carrying amount
Property, plant and equipment	21.5	6.3
Intangible assets	69.6	0.3
Financial assets	2.8	1.5
Inventories	3.7	3.7
Receivables	131.7	129.3
Cash and cash equivalents	11.9	11.9
	<u>241.2</u>	<u>153.0</u>
Deferred tax liabilities	20.9	--
Other non-current liabilities	9.2	6.2
Current liabilities	150.2	143.4
	<u>180.3</u>	<u>149.6</u>
Fair value of net assets	60.9	
Goodwill	22.4	
<i>Total acquisition price</i>	<u>83.3</u>	

These fair values are not final and therefore subject to change. However, the changes, if any, should not materially affect the result. The allocated costs to the acquisition are nil.

The acquisition resulted in a cash outflow of EUR -71.4 million relating to investing activities, which breaks down as follows:

	Fair value
Net cash and cash equivalents on the acquisition balance sheet	11.9
Acquisition amount paid	- 83.3
Cost allocated to the acquisition	--
Cash flow	<u>- 71.4</u>

Notes

Since the acquisition date, 31 May 2007, WES has contributed EUR 4.0 million to Group profit for the period and EUR 30.1 million to revenue. If the acquisition had been on 1 January 2007, Group profit for the period would have been EUR 2,284.5 million and revenue EUR 3,802.2 million.

No other significant acquisitions were made in first half of 2007.

Discontinued operations and disposals

On 2 August 2006, the Group reached agreement on the sale of Essent Kabelcom's activities. Essent Kabelcom operates in the Dutch cable industry on the radio, TV, Internet and telephony market, serving private and business customers alike. The sale became effective on 31 January 2007, at an agreed price of EUR 2.6 billion. The sale produced a profit from discontinued operations of EUR 1.8 billion in the first half of 2007. Essent Kabelcom was consolidated in the Group's results until 31 January 2007 inclusive.

Essent Kabelcom's results are as follows:

<i>in millions of euros</i>	January 2007	first half 2006	full year 2006
Revenue ¹	44.8	237.6	508.3
Costs	-24.0	-185.8	-337.8
Operating profit	20.8	51.8	170.5
Finance income and expenses	-4.4	-34.5	-63.8
Profit before tax	16.4	17.3	106.7
Income tax expense	-2.7	-5.1	-7.9
Profit for the period	13.7	12.2	98.8
Net gain	1,772.7	--	--
Profit from discontinued operations Essent Kabelcom	1,786.4	12.2	98.8

¹ Including internal supplies

From the moment Essent Kabelcom's activities were classified as discontinued operations, there was no depreciation of its property, plant and equipment or amortisation of its intangible assets. This had a favourable

effect on Essent Kabelcom's profit: an increase of EUR 8.3 million for the first half of 2007, EUR 9.6 million for the first half of 2006, and EUR 50.3 million for the whole of 2006.

The cash flows relating to the sale are as follows:

<i>in millions of euros</i>	
Sale amount received	2,602.8
Net cash and cash equivalents at Essent Kabelcom at time of sale	-57.1
Settlement of non-current liabilities	19.7
Cost allocated to the sale	-21.5
Cash inflow	2,543.9

The cash flows relating to Essent Kabelcom are as follows:

<i>in millions of euros</i>	January 2007	first half 2006	full year 2006
Cash flow from operating activities	13.7	60.8	145.3
Cash flow from investing activities	2,543.9	-52.2	-136.0
Cash flow from financing activities	--	-22.2	-24.7
Total cash flow	2,557.6	-13.6	-15.4

The above cash flows include those between Essent Kabelcom and the Group.

Property, plant, equipment and intangible assets

The most important changes in property, plant, equipment and intangible assets in 2007 are the mentioned depreciation, amortisation, additions and income shown on the condensed consolidated cash flow statement on page 15 of this interim statement.

Income tax

The effective tax rate for the first half of 2007 was 17.8%, compared with 23.9% for the first half of 2006.

This reduction can be attributed to the lower income tax rate for 2007, down to 25.5% from 29.6%, and the effect on deferred tax of longer expected useful economic lives for some generating units.

Cash flow statement

The cash flow statement was prepared using the indirect method. Cash flows were adjusted for the effects of consolidation and deconsolidation.

In preparing the consolidated cash flow statement, the following were included under cash and cash equivalents:

<i>in millions of euros</i>	first half 2007	first half 2006	full year 2006
Cash at bank and cash balances	423,0	490,3	572,3
Short-term deposits	294,2	15,9	7,7
Current bank debt	-47,7	-183,6	-291,9
Total	669,5	322,6	288,1

Related parties

There were no significant changes concerning related parties.

Segment information¹

The financial figures are segmented according to the operations of the Group, with the segmentation reflecting its management structure.

	Energy Value Chain		Energy Distribution		Waste Management	
	first half 2007	first half 2006	first half 2007	first half 2006	first half 2007	first half 2006
<i>in millions of euros</i>						
Income statement						
Revenue ²	2,698.4	2,524.1	622.0	640.8	187.9	184.0
Segment result	440.4	397.0	76.9	98.8	32.6	30.8
Unallocated expenses						
Operating result						
Share of result of joint ventures and associates	16.5	6.1	0.5	0.4	0.4	0.3
Finance income and expenses						
Profit before tax						
Income tax expense						
Gain on the Essent Kabelcom sale						
Profit for the period						

¹ Unaudited figures

² Including internal supplies

swb AG		Eliminations		Total continuing operations		Discontinued operations Essent Kabelcom		Eliminations		Total	
first half 2007	first half 2006	first half 2007	first half 2006	first half 2007	first half 2006	first half 2007	first half 2006	first half 2007	first half 2006	first half 2007	first half 2006
496.4	590.8	-432.3	-383.0	3,572.4	3,556.7	44.8	237.6	-6.5	-10.5	3,610.7	3,783.8
51.2	66.4	--	--	601.1	593.0	20.8	51.8	--	--	621.9	644.8
				-18.9	-41.7	--	--			-18.9	-41.7
				582.2	551.3	20.8	51.8			603.0	603.1
12.5	16.1	--	--	29.9	22.9	--	--	--	--	29.9	22.9
				-3.0	-24.3	-4.4	-34.5			-7.4	-58.8
				609.1	549.9	16.4	17.3			625.5	567.2
				-108.2	-131.4	-2.7	-5.1			-110.9	-136.5
				--	--	1,772.7	--			1,772.7	--
				500.9	418.5	1,786.4	12.2			2,287.3	430.7

Other disclosures

Exceptional items

Exceptional items comprise income and expense items that, in the view of management, do not arise in the normal

course of business and items that, because of their nature and size, should be presented separately to enable a better analysis of results.

Operating profit includes the exceptional items shown in the following reconciliation:

<i>in millions of euros</i>	first half 2007 ¹	first half 2006 ¹	full year 2006
Operating profit (excluding exceptional items)	574.0	592.4	935.6
Fair value changes on derivative financial instruments (revenue)	8.2	30.1	84.0
Addition to provision for onerous contracts (cost of energy, raw materials and consumables)	--	--	- 20.0
Addition to provision for shorter working hours of older employees and special-purpose leave (employee benefit expenses)	--	- 47.2	- 41.3
Changes in property, plant, equipment and intangible assets (depreciation, amortisation and impairments)	--	- 24.0	- 62.7
Net total exceptional items in operating profit	8.2	- 41.1	- 40.0
Operating profit (including exceptional items)	582.2	551.3	895.6

Profit for the period includes the exceptional items shown in the following reconciliation:

Profit for the period (excluding exceptional items)	483.0	452.9	702.3
Net total exceptional items in operating profit	8.2	- 41.1	- 40.0
Impairment losses on joint ventures and associates (share of result of joint ventures and associates)	--	--	- 8.6
Early redemption of listed bond (finance income and expenses)	--	--	- 39.5
Income tax in respect of exceptional items (income tax expense)	- 2.1	12.2	23.5
Deferred tax relating to longer useful economic lives	25.5	--	--
Profit from discontinued operations	1,772.7	6.7	170.1
Profit for the period (including exceptional items)	2,287.3	430.7	807.8

¹ Unaudited figures

Commitments and contingencies

Borssele nuclear power station covenant

On 16 June 2006, the Group signed the Borssele covenant together with the Dutch government and Delta Energy B.V. The covenant provides for the Borssele nuclear power station to continue operating until 31 December 2033 at the latest. Under its terms, the Group will invest in innovative types of sustainable energy and the reduction of CO₂ emissions. It will also contribute to a special fund supporting the development of new clean energy technologies. In this connection, the Group will invest at least EUR 100 million in new innovative projects between 2006 and 2014. Moreover, in July 2007 the Group and Delta Energy B.V. jointly established the above-mentioned fund for financing innovative projects that further the aim of a more sustainable form of energy management. Now that the fund has been established, the Group will make an initial contribution of EUR 5 million to its financial resources. At the request of the fund's management and subject to the limit of the fund's financing needs, the Group will make further contributions to the fund up to a total of EUR 20 million until the end of 2033.

Cross-border leases

During the period 1994 to 2000, Group operating companies and their predecessors entered into cross-border lease transactions (CBLs) with US investors on several power generation plants (GasEdon, Swentibold, Amer-9 and Moerdijk), the waste incineration plants in Wijster, gas networks in the provinces of Drenthe, Friesland, Groningen, Limburg (including the gas network of Maastricht), Noord-Brabant and Overijssel, and the electricity grid in Maastricht. In 1996, German leases were concluded on the turbines at the Moerdijk combined heat and power plant.

The Group entered into CBLs with US investors and others. Other involved parties are Dutch and foreign lenders and collateral support providers. For entering into the CBLs, the US investors often established separate legal entities, in the form of trusts. On the respective closing dates, the appraised aggregate value of the assets subject to CBLs entered into with US investors was approximately US dollar 5.6 billion and of those subject to the German leases, the value was over EUR 200 million.

All CBLs are subject to conditional and unconditional contractual rights and obligations. Essent N.V. guarantees substantially all these obligations including stipulated amounts due to US investors (Equity Termination Value) and other components as been discribed hereafter in an amount equal to approximately US dollar 1.9 billion (EUR 1.4 billion).

CBLs are long term leasing transactions under which Group companies transferred the use of, or similar rights with respect to, the assets referred to above to US investors (or special trusts established for the benefit of such investors) for extended periods of time and subsequently leased back these assets from the US investors (or trusts) for shorter periods of time. At the end of the respective lease back periods, the relevant Group companies have the right (subject to certain conditions) to purchase the interests of the US investors (or trusts) in the relevant assets by payment of an agreed amount (established at the closing of the transactions), pursuant to a fixed price purchase option. For the eventuality that the fixed price purchase option is exercised, a portion of the funds received when the transaction was entered into was used to purchase financial instruments, which are expected to have a value (at the time the option is exercisable) at least equal to the amount of the agreed purchase price.

As in previous years, the structure of the transactions does not require that the rights and obligations under the CBLs be included in the Group's Balance sheets.

Other disclosures

Certain aspects of the CBLs can be summarised as follows:

	Year lease oncluded	Year of contractual termination option	Net book value at 30 June 2007 ¹	Transaction value at inception of CBL	Equity termination value at 30 June 2007 ²	Equity termination value at 31 December 2006 ²
<i>amounts in millions</i>			EUR	US dollar	US dollar	US dollar
Energy networks	1998-2000	2016-2029	405	3,078	1,135	1,109
Generating facilities	1994-1997	2016-2026	279	2,077	623	615
Waste incineration facilities	1999	2023	196	460	122	120
Total US CBLs			880	5,615	1,880	1,844
			EUR	EUR	EUR	EUR
Total US CBLs			880	4,146	1,389	1,397
German lease on Moerdijk plant	1996	2009	--	205	33	33
Total all CBLs			880	4,351	1,422	1,430

¹ The book value of assets relating to the German lease on the Moerdijk plant is included in generating and waste incineration facilities

² Excluding the debt portion of the termination values in respect of which financial instruments, other collateral, or internal reserves have been established

The CBLs are subject to early termination if certain events (as defined in the contracts) occur. Early termination events may include (but are not limited to) certain changes in Dutch law that, subject to the exact provisions of the CBL documentation, adversely affect the relevant investors or other parties.

If an early termination event were to occur, the Group operating companies, and hence Essent N.V. as well, could be liable for substantial equity termination value payments, and other related damages and financing costs, to the US investors and/or other parties involved in the CBLs.

As at 30 June 2007, the aggregate equity termination value exposure, which would be payable were an early termination event to occur, was approximately US dollar 1,880 million (see table above). If required to be paid, part of this amount would be covered by the amounts available under the financial instruments purchased to fund payment of the relevant purchase prices in the event of the above-mentioned fixed price purchase options being exercised. As at 30 June 2007, the aggregate value of these financial instruments, which are sensitive to movements in interest rates, was US dollar 962 million

(31 December 2006: US dollar 995 million). To illustrate the sensitivity, an increase in the US interest rate of 1 percentage point would cause a loss in market value of these financial instruments of over US dollar 200 million. The portion of the equity termination value exposure not covered by the financial instruments (US dollar 885 million) is sensitive to movements in the US dollar/EUR exchange rate. For example, a loss in value of the euro relative to the US dollar of one dollar cent would cause an increase in this exposure of approximately EUR 4 million. However, as there is some correlation between US interest rate movements and the US dollar/EUR exchange rate, the above effects offset each other to a certain extent.

If an early termination event were to occur under a CBL, the Group operating companies (and thus Essent N.V.) might also be liable for the balance of the other termination value payments, in addition to the above-mentioned equity termination value payments. For these amounts, which are estimated to be approximately US dollar 6.3 billion as at 30 June 2007 (31 December 2006: US dollar 7.0 billion), it is anticipated that they will be covered by the financial instruments, collateral and internal reserves referred to in footnote 2 to the table above.

Were there to be an early termination of all CBLs at once, it is estimated that the aggregate net cost would be approximately EUR 1 billion. This amount is based on, inter alia, the termination values as at 31 December 2006,

the valuations of the above-mentioned financial instruments, other collateral or internal reserves as at this date, and other related cost items that would be expected to be incurred in connection with the early termination.

The contractual CBL-rental obligations for the next five years are shown in the following table:

<i>in millions of US dollars</i>	2007	2008	2009	2010	2011	2012>	Total
CBL-rental obligations							
Energy networks	90	248	203	302	281	2,803	3,927
Generating and waste incineration facilities	94	178	187	220	191	1,361	2,231
Total	184	426	390	522	472	4,164	6,158

Under the terms of some CBLs, mortgages, pledges or other security rights have been placed on underlying assets. For the CBLs on the energy networks, the net book value of the assets concerned as at 30 June 2007 is

approximately EUR 45 million. For CBLs on generating assets subject to such rights, the net book value as at this date is approximately EUR 279 million. In the case of the waste incineration assets, the value is EUR 196 million.

<i>in millions of euros</i>	Net book value at 30 June 2007	Net book value at 31 December 2006	Net book value of assets encumbered by mortgage, pledge or other security at 30 June 2007	Net book value of assets encumbered by mortgage, pledge or other security at 31 December 2006
Energy networks	405	404	45	45
Generating facilities	279	297	279	297
Waste incineration facilities	196	188	196	188
Total all CBLs	880	889	520	530

Letters of credit and other collateral on cross-border lease transactions

Under the terms of the CBLs, letters of credit and/or other collateral instruments were required to be delivered at closing in favour of certain CBL parties. Certain CBLs require that additional letters of credit and/or other collateral be delivered (and/or that existing letters of credit and/or other collateral be replaced) if certain events occur. These events include (without limitation) (i) the failure to satisfy specified credit rating tests, (ii) certain changes in respect of the identity of Essent's shareholders or (iii) breaches of financial covenants and/or (iv) the occurrence of certain adverse Dutch legislative or regulatory changes.

Considering only the credit rating tests, if the credit rating of Essent N.V. and/or other relevant Group companies were to decrease to A- (S&P), additional collateral would have to be furnished of an amount equal to approximately US dollar 575 million. A further decrease to BBB+ would require further collateral of an incremental amount equal to US dollar 270 million, and a decrease to BBB would require further additional collateral of an amount equal to approximately US dollar 40 million. The above amounts apply as at 30 June 2007. They relate solely to the furnishing of additional collateral in the event of a decrease in Essent's credit rating. Moreover, they are sensitive to changes in the values of the relevant underlying financial instruments and to the level of the US interest rate.

Other disclosures

Status of proposed merger with Nuon

On 1 February 2007, Essent and Nuon announced their intention to merge, thus creating a single strong Dutch energy enterprise. The new company will be able to establish a strategic position on the changing Northwest European energy market and contribute to the long-term certainty of the Netherlands' energy supply, including its sustainability. Following completion of the transaction, the new combination will be known temporarily as EssentNuon N.V. The merger is subject to the agreement of the shareholders, recommendations by the Central Works Councils of both Essent and Nuon, and clearance from the Netherlands Competition Authority (NMa). The merger rules of the Social and Economic Council of the Netherlands (SER) also apply. The various required processes are now underway.

Events after the balance sheet date

Independent Network Operation Act

On 21 November 2006, the Upper House of the Dutch Parliament approved a bill to implement further rules for independent network management. The legislation takes the form of amendments to the Dutch Electricity Act of 1998 and the Dutch Gas Act of 2000 and includes various transition and grandfathering provisions. The Lower House of the Dutch Parliament had approved the bill on 27 April 2006. When adopting the bill, the Upper House also passed a motion stipulating that specific elements of the legislation would not take effect unless certain events occurred. These elements mainly concern the group prohibition (unbundling), specifically the unbundling of integrated energy companies like Essent into a regulated and non-regulated operation.

The Legislation was published in the Bulletin of Acts, Orders and Decrees (Staatsblad) on 7 December 2006, and on 11 January 2007 a Royal Decree (Koninklijk Besluit) was published in the Bulletin of Acts, Orders and Decrees containing the dates for entry into force of various provisions of the legislation, as well as the entry into force of certain transition arrangements and amendments to the Dutch Electricity Act of 1998 and the Dutch Gas Act that had been adopted in 2004 (the "Related Amendments"). All the pieces of legislation are known collectively as the Independent Network Operation Act.

On the proposal of the Minister of Economic Affairs, the Cabinet, following consultation with the Upper and Lower Houses, announced on 13 July 2007 that the suspended operation of the above-mentioned elements concerning group prohibition would end on 1 July 2008. The Minister put forward her proposal because of certain developments in the sector that she considered undesirable. The Act's clauses for effecting the compulsory unbundling into regulated and non-regulated operations would come into force on 1 July 2008, so that the unbundling itself would be completed no later than 1 January 2011. The publication of the required Royal Decree will most likely be early August.

Mandatory ownership unbundling may cause Essent to incur significant costs for (i) renegotiation of CBLs and various financial contracts, (ii) possible early terminations of the CBLs and (iii) a possible fall in its credit rating.

In conformity with current reporting standards, the figures presented in this interim statement do not take into account the possible financial implications of compulsory ownership unbundling.

To: The General Meeting of Shareholders and Supervisory Board of Essent N.V.

Review report

Introduction

We have reviewed the accompanying consolidated interim financial information of Essent N.V, Arnhem, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the period 1 January 2007 to 30 June 2007 inclusive. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law, including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less

in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

's-Hertogenbosch, 1 August 2007

for Ernst & Young Accountants

M. Hartkoorn

Significant financial ratios¹

<i>financial ratios</i>	targets	first half 2007 ²	first half 2006 ²	full year 2006
Leverage (% , total debt basis)	< 50	11.9	36.4	32.2
Solvency (%)		39.6	31.6	30.4
Net interest-bearing liabilities/EBITDA		- 0.1 x ³	1.1 x ³	0.7 x
Interest cover	7.5 x	32.0 x	17.1 x	18.0 x
Non-current interest-bearing liabilities as a % of total interest-bearing liabilities	> 75	80.9	82.1	33.0

¹ The calculation of the ratios is based on the figures presented in the balance sheet and income statement

² Unaudited figures

³ Calculation based on net interest-bearing liabilities at 30 June of the year in question and EBITDA for the previous 12 months

Definition of financial ratios

Leverage (total debt basis)

Total interest-bearing liabilities divided by total interest-bearing liabilities plus equity, expressed as a percentage.

Solvency

Total equity divided by total assets, expressed as a percentage.

Net interest-bearing liabilities

Total interest-bearing liabilities less cash and cash equivalents.

EBITDA

Operating profit plus depreciation, amortisation, impairments and the share of profit of joint ventures and associates.

Interest cover

EBITDA divided by net interest expense.

Colophon

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