

PRESS RELEASE

Arnhem, 28 February 2008

CONTINUED SOLID GROWTH OF REVENUE AND PROFIT

Group key figures	2007	2006
(in millions of euros)		
Revenue	7,378	6,442
Gross profit	3,036	2,975
Profit before interest and tax (EBIT)	991	968
Profit attributable to equity holders of Essent N.V.	2,594	761
Earnings per share	EUR 17.33	5.08
Proposed dividend (payout of 50%)	EUR 8.67	2.54

- **Revenue for 2007 amounts to EUR 7.4 billion (2006: EUR 6.4 billion), an increase of nearly 15%. Sales of electricity and gas increased by 14% and 23% respectively, mainly as a result of higher volumes of electricity sold and a larger number of customers.**
- **Early in 2007, Essent slightly increased its prices for gas, electricity and heat supplied to private and small-business customers. Halfway through the year, these prices were reduced. Since 1 July 2007, Essent's electricity tariffs for its Essent and Energie:Direct brands have been among the Netherlands' lowest for private and small business customers.**
- **Gross profit rose slightly to EUR 3,036 million (2006: EUR 2,975 million). The successful purchasing strategy on the world commodity markets together with improved trading volumes and revenue offset the reduced volumes of gas sold to private and small business customers because of the relatively mild weather.**
- **Profit before interest and tax (EBIT) increased to EUR 991 million (2006: EUR 968 million) as a result of higher gross profit and cost control. The profit takes into account an initial provision of EUR 21 million for the costs associated with the approaching ownership unbundling. It also includes EUR 18 million in costs relating to the terminated merger negotiations with Nuon.**
- **The profit from discontinued operations (EUR 1.8 billion) mainly represents the gain on the sale of Essent Kabelcom.**
- **The profit attributable to equity holders of Essent N.V. is EUR 2.6 billion (2006: EUR 761 million). Earnings per share attributable to equity holders of Essent N.V. are EUR 17.33 (2006: EUR 5.08).**

Michiel Boersma, Chairman of Essent N.V.'s Executive Board:

"We succeeded in reinforcing our position of market leader in the Netherlands. The opening of our central trading office in Geneva was an important milestone. We are also further expanding our trading activities into Italy, Scandinavia, Spain and Eastern Europe. In the Netherlands, Essent is not only the largest producer of green electricity, but also has the largest number of customers for this type of energy. We generate approximately 40% of the sustainable electricity produced in this country, at our wind farms and through the co-firing of biomass. Essent intends to further expand its leading role for sustainability and will make substantial investments to achieve this. We also intend to establish a strong position for the company in the European consolidation process, so that Essent can continue to create optimum value for shareholders, customers and employees."

Notes to the 2007 results

A streamlined organisation

In 2007, Essent continued with implementing programmes and measures to make the organisation as efficient and customer-focused as possible. Through the sale of Essent Kabelcom and a few other activities, in tandem with the acquisition of Westland Energie Services (WES), the company's portfolio has become leaner.

The Operational Excellence programme 'Stroomlijnen', which kicked off in 2004, has produced clear benefits. Processes are efficient, customer satisfaction has increased significantly, and complaint handling has improved substantially. Moreover, Essent scored "excellent" in all categories of the scorecard of DTe (Office of Energy Regulation).

Essent aims to be a leader for HSE (health, safety and the environment) within the European energy sector. Essent's strict safety policy was again responsible for reducing the number of accidents, including those where suppliers were carrying out work on behalf of the company. The company's DART score (Days Away, Restricted or Transferred), which expresses the number of working days lost or affected per 200,000 working hours because of an accident, was 0.97 for 2007, an improvement of 12% (2006: 1.09). Essent aims to reduce its DART score further in 2008 to 0.80.

Continued solid profit growth

The solid operating profit shows unmistakably that Essent creates value for its shareholders. Revenue for 2007 at EUR 7.4 billion (2006: EUR 6.4 billion) represented a rise of 15%. Sales of electricity and gas increased by 14% and 23% respectively, mainly as a result of higher volumes of electricity sold and the larger number of customers who purchase these products from Essent because of its extremely competitive pricing. Following the slight increase early in 2007, Essent reduced its electricity and gas supply tariffs in mid-2007. Since 1 July 2007, Essent's electricity tariffs for its Essent and Energie:Direct brands have been among the Netherlands' lowest for private and small business customers.

Even with Essent's competitive prices, its gross profit rose slightly to EUR 3,036 million (2006: EUR 2,975 million). Moreover, the successful purchasing strategy on the world commodity markets, combined with improved trading results and higher volumes on the wholesale market, offset the downward pressure of the mild weather on the volumes of gas sold to private and small business customers.

Despite the increased level of activities, operating expenses in 2007 were virtually the same as in the year before. And as a percentage of gross profit including other operating income, they fell from 71% to 70%.

The approaching ownership unbundling, resulting in a commercial generation, trading and supply company and a regulated grid company, will entail substantial costs. In the 2007

financial year, an amount of EUR 21 million – mainly in advisory expenses – was recognised under this heading in the operating expenses.

The costs relating to the terminated merger negotiations, totalling EUR 18 million, were also recognised in the operating expenses.

Essent's share of the result of joint ventures and associates amounted to EUR 57 million (2006: EUR 73 million).

Operating profit before interest and tax (EBIT) grew by 2.4% to EUR 991 million.

Financial expenses amounted to EUR 35 million, compared with EUR 88 million in 2006. This reduction was mainly the result of repaying borrowings with funds that became available on the sale of Essent Kabelcom.

Ignoring the disposal of Essent Kabelcom, the profit for 2007 on continuing operations before tax amounted to EUR 956 million (2006: 881 million), representing an increase of 8.6%. The income tax expense recognised on this profit was EUR 124 million (2006: EUR 291 million). The lower effective tax rate is attributable to the lowering of the Dutch corporate income tax from 29.6% for 2006 to 25.5% for 2007, and to a non-recurring tax credit of EUR 45 million. The comparable German tax rate also went down, in this case from 40% for 2006 to 32% for 2007.

Profit from continuing operations showed a strong upward trend, from EUR 589 million for 2006 to EUR 832 million for 2007, a rise of 41%.

The profit from discontinued operations (EUR 1.8 billion) mainly represents the gain on the sale of Essent Kabelcom.

The profit for 2007 attributable to equity holders of Essent N.V. amounts to EUR 2,594 million (2006: EUR 761 million). Earnings per share attributable to equity holders of Essent N.V. are EUR 17.33 (2006: EUR 5.08).

Investment programme

Capital expenditure went up by EUR 207 million to EUR 797 million (2006: EUR 590 million). The increase is mainly the result of more investment in the Dutch gas and electricity networks, wind farms and software. It also includes EUR 50 million for goodwill on the purchase of Westland Energie Services B.V.

Acquisitions and disposals

In 2007, Essent purchased all the outstanding shares in Westland Energie Services B.V. (WES) for an amount of EUR 72 million, net of cash in hand and on deposit. The acquisition also included HortiMaX and VEK Adviesgroep. WES specialises in supplying energy and related products and services to the glasshouse sector. The acquisition fits well with Essent's strategy, which the company directs towards increasing the sustainable generation of energy, growth in the corporate market and cogeneration sector, and the provision of integrated advisory services. The results of WES have been consolidated with those of the Group since 1 June 2007. Between the acquisition date, 31 May 2007, and year-end 2007, WES contributed EUR 289 million to the revenue of the Group. Its contribution to profit before depreciation and amortisation, interest and tax (EBITDA) was EUR 15 million for the same period.

Essent Kabelcom, which supplies a variety of products to the Dutch cablecom and telecom market, ceased to be part of the group on 1 February 2007. The non-recurring income from the sale of this business unit amounted to EUR 1.8 billion.

Security systems for private customers likewise fall outside the scope of Essent's core activities. Under a management buyout, Essent Domestic Services (EDS) was sold to its incumbent management and an investor.

Capital structure and financing

Interest-bearing liabilities at year-end 2007 stood at EUR 724 million. This is EUR 896 million less than the corresponding figure at year-end 2006 and is explained by the repayment of current borrowings on conclusion of the sale of Essent Kabelcom. The ratio of total interest-bearing liabilities to total interest-bearing liabilities plus equity was 12.3% at year-end 2007 (2006: 32.2%). The scope this offers has been earmarked for an extensive investment programme.

Investing in the future

To safeguard and expand its position as a competitive, affordable and dependable supplier of gas and electricity, Essent has developed a highly promising project pipeline, with capital expenditure of up to EUR 5.5 billion planned for the next five years. Examples of the projects are enlarging the sustainable generating capacity, replacing and expanding conventional power stations, opportunities concerning liquefied natural gas (LNG) and gas storage. The strategy centres on the further growth of generating capacity, incorporating ambitious targets for sustainable energy, especially those concerning biomass and wind energy, as well as on the diversification of our fuel usage.

Europe's gas market will grow substantially over the next few years. To maintain and reinforce its position on this market, Essent will invest further in LNG. Essent acquired an interest in the Gate terminal in the Maasvlakte area, including the signing of a contract with this future terminal for 3 billion m³ of throughput capacity per annum. In collaboration with Gasunie and VOPAK, the company is engaged in developing an LNG terminal in Eemshaven.

Appropriation of 2007 profit

The 2007 financial statements were prepared by the Executive Board and will be submitted for adoption to the General Meeting of Shareholders on 16 April 2008. The income statement shows a profit attributable to equity holders of Essent N.V. of EUR 2,594 million (2006: EUR 761 million). The proposal for the appropriation of profit is given below.

The proposed dividend of EUR 1,297 million includes a non-recurring dividend of EUR 897 million, which represents 50% of the gain on the sale of Essent Kabelcom. In respect of the above proposed dividend, EUR 899 million was distributed in 2007 as an interim dividend, leaving a dividend of EUR 398 million still to be distributed.

Outlook

The main feature of 2008 will be the ownership unbundling to form a commercial generation, trading and supply company and a regulated grid company. Essent intends to carry out the operational unbundling of the two companies – due to be created in 2008 – as far as we can, retaining the existing synergies where possible, in the area of generic services for example. As 2008 will also require we make substantial progress in connection with the new market model 'Stroomopwaarts', the company is facing serious challenges, which are magnified because the ownership unbundling is forcing us to implement tough cost-saving measures.

Despite the above, the market has major opportunities for us. Our trading operations in Geneva are positioned extremely well and the project portfolio should result in new opportunities, albeit that they will only present themselves after 2008. Improved business processes and competitive prices should increase the size of our customer base.

Despite the substantial uncertainties, we see possibilities to further strengthen Essent's financial performance. And given the impending separation into two independently owned entities, this is also necessary. It would be out of place, however, for us to tie these two new companies to a profit forecast at this point. Accordingly, we will only voice the expectation that, barring unforeseen circumstances, the profit from continuing operations for 2008

attributable to the equity holders of Essent N.V., ignoring unbundling, will not be less than the comparable profit for 2007.

Financial information

The financial information in this report (on pages 6 to 9) has been derived from the 2007 consolidated financial statements of Essent N.V., on which an unqualified auditor's report was issued on 27 February 2008. The complete set of financial statements, including all the accounting policies, can be found on our website (www.essent.eu). Following their adoption and approval by the General Meeting of Shareholders on 16 April 2008, the full annual report and financial statements will be filed at the Chamber of Commerce for Gelderland in Arnhem.