



PRESS RELEASE
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Strong performance commercial business operations in first half 2008

- Volume growth and cost control drive profit growth of commercial business
- Increasing capital expenditure and lower tariffs put pressure on results network operations
- Essent remains leading in sustainable energy

Group key figures

in millions of euros

	first half 2008	first half 2007
Revenue	4,371	3,572
Gross profit	1,626	1,579
Profit before interest and tax (EBIT)	648	612
Profit from continuing operations attributable to equity holders	462	483
Earnings per share from continuing operations <i>(in euros)</i>	3.08	3.23
Earnings per share from discontinued operations <i>(in euros)</i>	--	11.93

Notes to the 2008 half-year results

The strategy laid down in 2003 for the creation of value through growth and operational excellence is still fully in force. Business processes have been streamlined, customer satisfaction is back at its pre-deregulation level, profitability targets have been met, and Essent's restructuring - including the sale of Kabelcom and disposal of various minor assets - is proving successful.

Consolidated results

Profit before interest and tax (EBIT) grew by EUR 36 million (6%) in the first half of 2008 to reach EUR 648 million. The increase is entirely attributable to the commercial operation, where expansion of trading activities, greater uptime of energy generation units and lower operating expenses produced a EUR 69 million (18%) increase in EBIT, lifting it to EUR 442 million. At Essent Networks, increased operating expenses resulting from the set up of the organisation, higher depreciation and amortisation, and lower tariffs were responsible for its profit before interest and tax declining from EUR 239 million for the first half of 2007 to EUR 206 million for the same period of 2008.

Due to higher interest expenses and no corresponding tax credits, which were available for the first half of 2007, profit for the first half of 2008 from continuing operations was 4% down on the same period of the previous year. Earnings per share from continuing operations attributable to equity holders of Essent N.V. fell from EUR 3.23 for the first half of 2007 to EUR 3.08 for the first half of 2008.

Capital employed rose because of capital expenditure and expansion of trading activities. Rising market prices for coal, biomass, oil and gas caused the market value of the derivative financial instruments to increase and hence the corresponding capital requirement as well. For the same reason, the guarantee deposits received and paid by Essent Trading also showed a material increase. During the first half of 2008, net cash converted into net borrowings (EUR 258 million).

Since the commercial operation and the network operation conduct business independently, their results are presented separately. A point to note is that Group overheads are fully allocated to the commercial operation, with the costs of services provided to the network operation being passed on to it.

Commercial operation

Key figures for the commercial operation

in millions of euros

	first half 2008	first half 2007
Revenue	3,769	2,957
Gross profit	1,073	1,021
Profit before interest and tax (EBIT)	442	373
Profit from continuing operations attributable to equity holders	368	253

The revenue of the commercial operation climbed by 27% in the first half of 2008 to reach EUR 3,769 million, the increase being mainly organic (19%) and split more or less 50-50 between electricity and gas. Both main products generated higher volumes in sales to consumers, as well as increased trading volumes.

Gross profit as a percentage of revenue declined from 35% for the first half of 2007 to 28% for the same period of 2008. In the case of electricity, the margin reduction was the result of higher prices for commodities consumed by the power stations. The uptime of the power stations was significantly better than in the same period of 2007. Concerning gas, its margin was also down, due to a relatively higher proportion of trading activities.

To properly understand the financial contribution of the trading activities, the portion of the market value gains on our portfolio that are not yet realised by the reporting date, but recognised under equity in the IAS 39 reserve, should also be taken into account. In this context, Essent's method of cash flow hedge accounting required the withholding of EUR 615 million from profit during the first half of 2008. At 30 June 2008, the IAS 39 reserve amounts to EUR 881 million.

The plans launched at the end of 2007 for reducing overheads, a move necessitated by the ownership unbundling, were fleshed out further in the first half of 2008. By the end of 2009, we expect overheads to have declined by approximately 25% compared with mid-2007. We are also working hard to further reduce other operating costs. Apart from the customer processes of Service & Sales, this also concerns improved harmonisation of the business units, integration of related processes, simplification of corporate governance, and initiatives for decentralised working to mitigate the effect of poor traffic flows on work effectiveness. Operating expenses as a percentage of revenue dropped from 26% in the first half of 2007 to 20% in the same period of 2008. In absolute terms, they fell from EUR 769 million to EUR 749 million. From an organic perspective - adjusted for the costs of the Westland and ANO acquisitions - operating expenses shrank by 6%.

Ownership unbundling

Commencing 1 January 2009, Essent's network operation will conduct business as ENEXIS. On the same date, ENEXIS will take occupancy of its new head office, by the A2 near Rosmalen.

The Independent Network Management Act, which came into force by the end of 2006, has three major stipulations. Essent now satisfies two of them. Essent's network operation complies since the end of 2007 with the requirements of the so-called 'fat' network manager and the management of the 110-150 kV grid has been transferred to TenneT (the Dutch national transmission system operator). Essent is making preparations to satisfy the third stipulation concerning group prohibition: ownership unbundling of the commercial generation, trading and supply operations from the regulated energy transport operations. As stated in its 2007 annual report, Essent intends to complete as much as possible of this operational unbundling by the end of 2008, which means that, commencing 1 January 2009, the commercial operation and the network operation will actually function independently of each other. In this connection, it can be stated that the separation into two IT infrastructures and the dismantling of the service centre shared by Essent Networks and Essent Service & Sales will certainly continue into 2009.

Essent is currently preparing an unbundling plan that, following its review by the Netherlands Competition Authority, will be submitted to the Minister for Economic Affairs for approval. Essent intends to unbundle the network company, which' shares have to remain in government hands.

Regarding the network operation, the shareholders of Essent N.V. (who will also be the direct shareholders in the network company) have stated that it will need to have the means available for all necessary capital expenditure. The actual ownership unbundling will be effected later than the operational unbundling.

Network operation

Key figures for the network operation

in millions of euros

	first half 2008	first half 2007
Revenue	668	698
Gross profit	556	574
Profit before interest and tax (EBIT)	206	239
Profit from continuing operations attributable to equity holders	94	230

In the first six months of 2008, the network operation progressed further with setting up an independent organisation that will be able to perform its statutory tasks, in managerial as well as operational terms. The composition of the Supervisory Board has changed and a second director been appointed to the Executive Board. The managers who will report directly to the Board have been appointed, a list of the competencies needed has been drawn up and a start made on putting these in place.

At EUR 668 million, revenue for the first half of 2008 was EUR 30 million (4%) down on the same period of 2007, mainly the result of lower permitted tariffs. The gross margin as a percentage of revenue was 83%, representing a rise of one percentage point.

In absolute terms, expenses rose by EUR 21 million (6%) to EUR 356 million, the main causes being the setting up of a new organisation and higher depreciation from regular capital expenditure. It should be noted that, to facilitate comparison, the figures for the first half of 2007 have been adjusted to match the new situation of being a so-called 'fat' network manager. The adjustment relates to the operation of the electricity and gas networks, which were only acquired at the end of 2007 from Essent Nederland B.V., a holding company within the commercial operation. Because of formal reporting requirements, the adjustment is not reflected in the financial statements.

Outlook

Essent is operating in a turbulent environment. Apart from the international consolidation in the European energy sector, major changes are also taking place in the Netherlands. The shape of a new market model is slowly coming into focus, with the slow pace of political decision-making putting heavy pressure on companies like Essent to have their systems ready by the starting date.

Besides working on a new market model requiring considerable investment, Essent is occupied with the issue of mandatory ownership unbundling. The risk profiles of the unbundling of the operating activities themselves and of the corresponding legal steps both require proceeding with a high degree of caution.

The network operation is progressing further with setting up its organisation and gradually eliminating more and more of the competency gap. Preparations for a future without a network operation, although possibly with a new international partner, are demanding much attention from the organisation of the commercial operation. Nevertheless, the core activity of ensuring a reliable, affordable and sustainable supply of energy remains Essent's most important task.

In the first half of 2008, we showed once again that we are skilled in our trade and able to keep turning a higher profit, despite all the uncertainties and conflicting priorities. However, the prudently framed outlook we presented earlier this year remains the backdrop to all our normal business operations. Exceptional circumstances can always upset the picture.

Barring unforeseen circumstances and ignoring unbundling, the profit from continuing operations for 2008 attributable to the equity holders of Essent N.V. is expected not to be less than the comparable profit for 2007.

About Essent

With an annual turnover of 7.4 billion euros in 2007, Essent is the largest energy company in The Netherlands. Essent supplies electricity, gas and heating to domestic and business customers. Essent is active throughout the entire energy chain: from the production of energy up to and including supply to end users. The corporation views the Netherlands as its home market, but has now also built up a considerable market position in Germany and is doing so increasingly in Belgium. The corporation's environmental branch processes waste into energy and residual currents. Essent employs approximately 11,000 people.

CONSOLIDATED INCOME STATEMENT

<i>in millions of euros</i>	first half 2008 ¹	first half 2007 ¹	full year 2007
CONTINUING OPERATIONS			
Revenue from the supply of goods and services	4,321.1	3,564.2	7,347.7
Fair value changes IAS 39	49.6	8.2	29.8
Revenue	4,370.7	3,572.4	7,377.5
Cost of energy, raw materials and consumables	2,744.5	1,993.1	4,341.5
GROSS PROFIT	1,626.2	1,579.3	3,036.0
Other operating income	28.6	33.5	102.6
GROSS PROFIT PLUS OTHER OPERATING INCOME	1,654.8	1,612.8	3,138.6
Employee benefit expenses	440.4	419.9	873.6
Depreciation, amortisation and impairments	197.2	227.2	507.8
Cost of work contracted out, materials and other external costs	327.8	341.4	709.7
Other operating expenses	73.6	42.1	113.0
TOTAL OPERATING EXPENSES	1,039.0	1,030.6	2,204.1
OPERATING PROFIT	615.8	582.2	934.5
Share of result of joint ventures and associates	32.2	29.9	56.7
PROFIT BEFORE INTEREST AND TAX (EBIT)	648.0	612.1	991.2
Financial income and expenses	- 28.4	- 3.0	- 35.3
PROFIT BEFORE TAX	619.6	609.1	955.9
Income tax expense	- 135.3	- 108.2	- 123.5
PROFIT FROM CONTINUING OPERATIONS	484.3	500.9	832.4
DISCONTINUED OPERATIONS			
Profit from discontinued operations	--	1,786.4	1,794.6
NET PROFIT	484.3	2,287.3	2,627.0
Of which:			
Profit attributable to minority interests	22.8	18.2	32.7
Profit attributable to equity holders of Essent N.V.	461.5	2,269.1	2,594.3
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF ESSENT N.V. (in euros per share)²	3.08	15.16	17.33
Of which from continuing operations	3.08	3.23	5.34
Of which from discontinued operations	--	11.93	11.99

¹ Unaudited figures

² Basic and diluted earnings per share

CONSOLIDATED BALANCE SHEET
(before proposed profit appropriation)

in millions of euros

	30 June 2008 ¹	31 December 2007	30 June 2007 ¹
Property, plant and equipment	4,790.9	4,451.4	4,518.0
Intangible assets	342.1	293.7	292.7
Financial assets	3,670.2	3,303.7	2,264.7
NON-CURRENT ASSETS	8,803.2	8,048.8	7,075.4
Inventories	321.7	295.5	219.1
Receivables	8,264.7	4,261.6	3,682.1
Current non-interest bearing liabilities	- 7,394.2	- 4,565.6	- 3,820.6
NET WORKING CAPITAL	1,192.2	- 8.5	80.6
Assets and liabilities for assets held for trade	163.2	163.7	36.3
CAPITAL EMPLOYED	10,158.6	8,204.0	7,192.3
Equity attributable to equity holders of Essent N.V.	5,602.5	4,907.7	4,412.3
Minority interests	298.0	267.3	236.8
TOTAL EQUITY	5,900.5	5,175.0	4,649.1
Provisions	1,471.6	1,370.3	1,333.9
Non-current non-interest-bearing liabilities	2,528.4	1,952.1	1,297.9
Non-current interest-bearing liabilities	794.5	664.0	508.8
Current interest-bearing liabilities	73.5	59.5	72.1
Cash and cash equivalents	- 609.9	- 1,016.9	- 669.5
FINANCING	10,158.6	8,204.0	7,192.3

¹ Unaudited figures

CONDENSED CONSOLIDATED CASHFLOW STATEMENT

<i>In millions of euros</i>	first half 2008 ¹	first half 2007 ¹	full year 2007
Profit from continuing operations	484.3	500.9	832.4
Depreciation, amortisation and impairments	197.2	227.2	507.8
Changes in provisions operating working capital. derivative financial instruments and other	- 536.4	- 496.1 ⁴	- 337.1
<i>Cash flow from operating activities</i>			
- continuing operations	145.1	232.0	1,003.1
- discontinued operations	--	13.7	13.7
Cash flow from operating activities	145.1	245.7	1,016.8
Additions to property, plant, equipment and intangible assets	- 404.4	- 357.3	- 747.6
Investments in group companies	- 47.0 ³	- 71.4	- 72.1
Proceeds from sale of property, plant and equipment and intangible assets	4.3	68.0	133.0
Proceeds from sale of investments in joint ventures and associates	24.9	4.1	6.3
Other changes	276.8 ⁵	- 259.2 ⁴	- 195.7
<i>Cash flow from investing activities</i>			
- continuing operations	- 145.4	- 615.8	- 876.1
- discontinued operations	--	2,549.9	2,552.1
Cash flow from investing activities	- 145.4	1,934.1	1,676.0
Cash flow before financing activities	- 0.3	2,179.8	2,692.8
Repayment of interest bearing-liabilities	- 41.6	- 790.5	- 875.3
Dividend paid	- 397.8	- 980.3	- 1,279.7
Dividend paid to minority interests, increase and decrease in minority interests and increase in interest bearing liabilities	32.7	- 27.6	191.0
<i>Cash flow from financing activities</i>			
- continuing operations	- 406.7	- 1,798.4	- 1,964.0
- discontinued operations	--	--	--
Cash flow from financing activities	- 406.7	- 1,798.4	- 1,964.0
TOTAL CASH FLOW	- 407.0	381.4	728.8
Cash and cash equivalents at beginning of period ²	1,016.9	288.1	288.1
Cash and cash equivalents at end of period²	609.9	669.5	1,016.9

¹ Unaudited figures

² Cash and cash equivalents less current liabilities owed to banks

³ Investment in Abfallbehandlung Nord GmbH (ANO)

⁴ Restated for comparative purposes (investments held for trade securities EUR 285.8 million)

⁵ Mainly sale of investments held for trade securities

DEFINITION OF FINANCIAL RATIOS AND GLOSSARY OF ABBREVIATIONS

		first half 2008 ²	first half 2007 ²	full year 2007
<i>Financial ratios</i>	<i>Target</i>			
Leverage (%. total debt basis)	<50%	13.4	11.9	12.3
EBITDA as % of total interest bearing liabilities	>35%	165.1 ³	240.1 ³	207.0
Interest cover	7.5x	24.8x ⁴	22.8x ⁴	42.5x
Non current interest bearing liabilities as % of total interest bearing liabilities	>75%	87.2	80.9	91.7

¹ The calculation of the ratios is based on the figures presented in the balance sheets and income statements

² Unaudited figures

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

⁴ Calculation based on EBITDA and net financial expenses of the last 12 months

Calculation of financial ratios

Leverage (total debt basis)

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

EBITDA

Operating result plus depreciation, amortisation and impairment plus the Group's share of the result of joint ventures and associates.

Interest cover

EBITDA divided by net financial expenses.

EBIT

Operating profit plus share of result of joint ventures and associates.

Net interest-bearing liabilities

Total interest-bearing liabilities less cash and cash equivalents.