

## PRESS RELEASE

Arnhem, 8 March 2007

### SOLID GROWTH OF REVENUE AND PROFIT

Group key figures	2006	2005
(in millions of euros)		
Revenue	6,442	5,890
Gross profit	2,975	2,584
Profit before interest and tax (EBIT)	968	812
Profit attributable to equity holders of Essent	761	526
Earnings per share	EUR 5.08	3.51
Proposed dividend (payout of 50%)	EUR 2.54	1.76

- **Essent achieved solid profit growth through Operational Excellence Programme focused on improved effectiveness and quality.**
- **Gross profit as percentage of revenue increased from 44% to 46%, the effect of non-recurring items. Normalised gross profit unchanged at 46%. Successful wholesale sourcing strategy and better trading results offset impact of lower gas volumes due to relatively warm weather.**
- **Cost control and higher gross margin resulted in an 19% increase of profit before interest and tax (EBIT) to EUR 968 million.**
- **Profit attributable to Essent equity holders climbed 45% to EUR 761 million, including non-recurring income of EUR 219 million from discontinued operations. Proposed 2006 dividend distribution (including non-recurring extraordinary dividend) of EUR 380 million.**

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

*"We have devoted considerable attention the past three years to Operational Excellence, safety and sustainable development. This has resulted in an effective and more customer-focused organisation, cost savings and a significant increase in the number of customers for Groene Stroom, our green electricity product. The effect was that in 2006 we established an excellent foundation for Essent's continuity and its further growth in Northwest Europe. The merger announced between Essent and Nuon is the next logical step."*

## Notes to the 2006 annual figures

### Successful Operational Excellence Programme

The year 2004 saw the birth of the Operational Excellence Programme, with its focus on improving effectiveness and quality. The programme produced improvements in customer satisfaction, effectiveness and safety. Adjusted for non-recurring items, operating expenses rose 3% compared to 2005. However, as a percentage of gross profit, these expenses decreased to 71% in 2006 (2005: 74%).

Customer satisfaction continued to improve. Moreover, the scorecards kept by the supervisory authority DTe for Essent (as supplier and network company) show that the company's score for all indicators such as timely processing of relocations and invoices was constantly over 98%.

Operational Excellence has also led to several successful programmes at Essent Network. In 2006, Essent reported the lowest number of disruption minutes. Whereas the national average for 2006 was 35.5 minutes, Essent held its figure at 24.5.

Essent's strict safety policy was again responsible for reducing the number of accidents. The company's DART score – expressing the working days lost or affected per 200,000 working hours because of an accident – for 2006 was 1.09 (2005: 1.26), an improvement of 14%. Essent aims to reduce its score further in 2007. Essent Network is the first Dutch network company to receive PAS-55 certification, which is a guarantee of the quality of the electricity and gas networks. The standard that Essent Wind developed for its own safety policy has become the standard for the entire sector.

### Solid profit growth in 2006

Gross profit grew from EUR 2.6 billion in 2005 to EUR 3.0 billion in 2006. Adjusted for non-recurring items, in particular, fair value changes of derivative financial instruments, gross profit increased from EUR 2.7 billion to EUR 2.9 billion. The improved revenue was the result of higher volumes of electricity, heat and waste processed, as well as higher prices for electricity and gas. These were offset to some extent by lower volumes of gas, due to the relatively warmer weather during the final months of 2006. These effects were experienced by our supply companies in both the Netherlands and Germany (swb). Regarding sourcing, Essent was confronted with higher prices for gas and other commodities used for generating electricity. With regard to price increases, Essent follows a restrained policy of passing on only the increases in the price of raw materials to its private and small business customers. The successful sourcing strategy on the world commodity market and better trading results offset the effect of lower gas volumes due to the relatively warm weather. As a result, the normalised gross profit, as a percentage of revenue, was unchanged at 46%.

Essent's electricity tariffs at 1 January 2007 put it among the least costly suppliers for private and small business users in the Netherlands (based on a standard contract for an average of 3,500 kWh a year). Moreover, Essent Network has decided not to increase its regulated or non-regulated tariffs for 2007.

The increase in operating expenses was limited in 2006 (after adjustment for non-recurring income of EUR 209 million in 2005, the result of the release of the healthcare provision because of new legislation). As a percentage of revenue, normalised operating expenses fell from 35% in 2005 to 34% in 2006.

The profit from joint ventures and associates amounted to EUR 73 million (2005: EUR 108 million). For 2005, the figure includes the net gain (EUR 51 million) on the sale of the interest in Van Gansewinkel Groep B.V. As a result of the higher gross profit and cost control, profit before interest and tax (EBIT) grew 19% in 2006 to reach EUR 968 million (2005: EUR 812 million). As a percentage of revenue, the 2006 operating profit is 14% (2005: 12%).

In anticipation of the expected cash inflow from the sale of Essent Kabelcom, the EUR 1 billion bond was redeemed. The related non-recurring costs were responsible for a net increase of financial expenses to EUR 88 million (2005: EUR 47 million). Interest cover for 2006 was 18.0x (2005: 18.6x).

The profit for 2006 on continuing operations before tax amounted to EUR 881 million (2005: 765 million), representing an increase of 15%. The income tax expense on this profit rose to EUR 291 million (2005: EUR 197 million), equivalent to an effective tax rate of 33%. The main cause of the higher effective tax rate was a write-down of deferred tax assets, the result of the reduction in corporate income tax from 29.6% in 2006 to 25.5% in 2007.

The profit from discontinued operations comprises the settlement of a claim relating to non-arm's length energy contracts (EUR 128 million) and the result of Essent Kabelcom for 2006. An effect of the intended sale is that this result consists of Essent Kabelcom's net operating profit (EUR 49 million) and exceptional income related to the sale (EUR 42 million).

The profit directly attributable to equity holders of Essent N.V. amounted to EUR 761 million (2005: EUR 526 million), an increase of 45% on 2005. Earnings per share for 2006 attributable to equity holders of Essent N.V. are EUR 5.08 (2005: EUR 3.51).

### **Financing**

There was a net reduction of EUR 962 million in interest-bearing liabilities, leaving a balance of EUR 1,620 million. This reduction improves the company's capital structure. At year-end 2006, the ratio of interest bearing liabilities divided by total interest bearing liabilities plus equity (leverage) was 32% (2005: 43%), in line with Essent's objective to maintain the leverage below 50%.

### **Investment programme**

Capital expenditures rose by EUR 145 million to EUR 590 million (2005: EUR 445 million). The increase represents mostly capital expenditures on the Dutch gas and electricity networks and on wind farms.

Essent will substantially increase the capital expenditures in the coming years, with EUR 5.5 billion planned in the coming five years. The additions are intended primarily for modernising, increasing the sustainability of and expanding the energy generation and distribution activities.

## **Sustainable energy supply**

One of Essent's objectives is to reinforce its position in terms of sustainable energy. Unfortunately, the government stops and cuts in MEP subsidies for the use of biomass meant that strong growth in sustainable energy generation of the past few years could not be maintained in 2006. At 3.7 TWh (3.2 TWh in the Netherlands), our generation of sustainable energy in 2006 was almost unchanged from 2005. Essent continues to search for new types of biomass for co-firing by power stations. A test was carried out in 2006 on the use of coffee husks. Apart from biomass, wind energy was the most important resource for the generation of sustainable energy.

Owing to the uncertainty surrounding the sustainable nature of palm oil, Essent suspended the purchase of palm oil and its derivatives at the end of 2006. The company was using mainly derivatives, the residual products from refining. Since then, an independent commission led by Dr K. Blok, professor at Utrecht University and Managing Director of Ecofys, has commenced a study into the possibility of setting up an international certification system for palm oil and its derivatives.

Whereas the number of customers for green energy in the Netherlands has shrunk by about 20% since 2004, Essent witnessed a further increase in 2006 in its customers for Groene Stroom, its green electricity product. One of the contributing factors was Essent's guarantee to charge the same price for green electricity as for grey electricity. Currently, approximately 935,000 business and private customers purchase one of Essent's sustainable electricity products. At year-end 2005, Essent had 850,000 customers for Groene Stroom.

On 16 June 2006, Essent 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, Essent will invest in innovative types of sustainable energy and in the reduction of CO<sub>2</sub>-emissions, with at least EUR 100 million earmarked for the period 2006 to 2014. It will also contribute EUR 25 million to a special fund, to be set up jointly with Delta Energy B.V., for supporting the development of new clean energy technologies.

## **Social policy**

Essent also seeks new ways to resolve social issues. In collaboration with Tilburg municipality, it is currently looking into ways to reduce energy bills through energy saving, for customers living at the subsistence level. A pilot with Venlo municipality was successfully completed in 2006, aiming at effective collaboration between municipalities, social services and organisations providing debt-repayment assistance. The twofold aim of the project is early detection of people getting into debt and a joint effort to solve the problem. Essent is offering this new approach to all municipalities.

## **Essent Waste Management**

Essent Waste Management's revenue grew again to reach EUR 380 million for the year. The result shows a steep improvement, partly thanks to the higher volume of waste processed and used in the generation of electricity (representing 1% of the total Dutch electricity production). In addition, 700 ktonnes of organic waste were processed and over 2.6 Mtonnes of waste were processed on an environmentally justified way, almost 4% more than in 2005. A fourth incineration line at AZN, Moerdijk, which had been in the planning for some time, received the approval of Essent's and Delta's shareholders (80% and 20% respectively) in December 2006. This new line will increase the annual incineration capacity at the Moerdijk facility by 1

Mtonnes of waste, enough to satisfy the electricity needs of 235,000 households. The further implementation of Operational Excellence made a definite contribution to the result improvement.

## Foreign operations

**Deutsche Essent** coordinates Essent's activities in Germany and manages the wind activities in Germany and the Netherlands. At the end of 2006, preparations started regarding the Westereems project to create one of the largest wind farms in Europe. The new wind farm, with a capacity of 156 MWatt, will be able to supply almost six times as much (approximately 470 GWh) as at present. This means Groene Stroom (green electricity) for about 145,000 households, equivalent to over half the number of households in the Province of Groningen.

Early in 2007, Essent Wind will begin operating its first offshore wind turbine at the Cuxhaven test site. This impressive turbine, 120 metres high with rotor blades over 60 metres long, is the largest wind turbine Essent has ever taken on stream. It will generate 15 million kWh a year, the combined average annual consumption of 4,000 four-person households. The test is part of the preparation for a wind farm of 80 similar turbines to be situated off the German North Sea coast.

With a total capacity of 451.4 MW, Essent Wind is among Europe's leading five producers of energy from wind. The European market for wind energy is developing rapidly, the forecast being that its capacity will double by 2011. Essent intends to retain its key position on this strongly growing market.

In 2006, Deutsche Essent and Bayerngas GmbH together set up the novogate joint venture. Novogate supplies gas to local energy companies from two locations, in Munich and Düsseldorf. In addition, Deutsche Essent increased its equity holding in Kom Strom A.G., the Leipzig energy trader, to over 80%.

### **Stadtwerke Bremen (swb)**

Supply security and customer focus both received considerable attention in 2006, with swb's customer service showing a particularly good performance. The planned construction of the Block 21 power station (900 MW) is in sight, the final decision being expected in mid-2007. Approval for the construction of the Mittelkalorik waste incineration plant (27.5 MW) has now been given. In Bremen, a second link to the European grid (380-kV) was opened, involving the installation of two 350-MW transformer stations. In the autumn, 145,000 gas contracts for private individuals were replaced with new ones because of new statutory regulations.

**Essent Belgium** broke the 100,000-customer barrier in 2006 and responded to the deregulation of the energy market in the Walloon region on 1 January 2007. Essent Belgium is successfully positioning itself as the leading new supplier for the French-speaking part of the country.

### **Essent Kabelcom sale**

Essent Kabelcom was sold for EUR 2.6 billion in 2006, with the transaction settled on 31 January 2007. The sale of the cable activities fits Essent's strategy of focusing on energy and gives Essent Kabelcom the desired size it needs in order to grow in the telecom and cable industry, where there is a shrinking number of players. As a result

of the sale, non-recurring income of approximately EUR 1.8 billion will be recognised in 2007.

### **Independent network operation**

On 21 November 2006, the Upper House of the Dutch Parliament passed the Act that unbundles the network operations (*Wet Onafhankelijk Netbeheer*, formerly known as the Unbundling Act). In the light of this, Essent Netwerk will publish its annual results separately in future. A clear distinction will also be made between this company's name and those of Essent's other business units. The beneficial ownership of the electricity and gas networks will be transferred to the network operator, so that the independence and transparency will further increase.

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

### **Intended merger of Essent and Nuon**

The further deregulation of the European energy market over the next few years is a powerful incentive for companies in the sector to fulfil their upscaling wishes and establish strategic positions. Accordingly, there is unprecedented activity in the European energy sector in the form of mergers and acquisitions.

On 1 February 2007, Essent and Nuon announced their intention to merge, thus creating a single powerful Dutch energy enterprise. The new company will establish a strategic position on the changing Northwest European energy market and contribute to the long-term security of the Dutch 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 permission 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 have already been set in motion.

### **Acquisition of Westland Energie Services**

It was announced on 18 January 2007 that Essent intended to acquire all the outstanding shares in Westland Energie Services (WES), a letter of intent having been signed by both parties the day before. The envisaged 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. Based on the provisional figures for 2006, the combined annual revenue of WES, HortiMaX and VEK is approximately EUR 700 million. Together, the companies have a workforce of 240. The WES shareholders have been asked to vote in favour of the intended resolution; the NMa has already granted permission. WEI, the network company affiliated to WES, is not part of the envisaged sale.

### **Proposed dividend**

The proposed dividend for 2006 is in line with the agreement to provide Essent's shareholders with a payout in line with the market. It is proposed to distribute a cash dividend of EUR 295 million (2005: EUR 263 million), which represents 50% of the profit for the year from continuing operations attributable to equity holders of Essent N.V. It is also proposed to distribute a non-recurring extraordinary dividend of EUR 85 million, which represents 50% of the income in the form of non-recurring items, being the settlement of a claim relating to non-arm's length energy contracts and non-recurring items directly related to the sale of Essent Kabelcom. If the proposal is

adopted by the General Meeting of Shareholders on 18 April 2007, a total cash dividend of EUR 380 million will be paid out. Expressed as earnings per share, this is EUR 2.54 (2005: EUR 1.76), an increase of 45%.

Finally, the distribution of an exceptional dividend of EUR 600 million (EUR 4.00 per share) is envisaged in respect of the Essent Cablecom sale. The dividend is a component of the exchange ratio proposed for the merger announced with Nuon.

### **Outlook**

The outlook for Essent depends largely on further optimisation of the way the business is managed, with the Operational Excellence Programme offering a proven instrument. Due to the relatively large proportion taken up by energy in our customers' budgets, we have no scope to increase margins. Essent is acknowledging this situation in its charging policy by including only the absolute increase in sourcing prices in its selling prices and by keeping its network tariffs constant in 2007.

Until the announced merger with Nuon has been approved, Essent will continue to execute its strategy as an independent company. Accordingly, the following outlook bears no relation to the post-merger situation. Barring unforeseen circumstances, we expect the profit for the year from continuing operations to increase again in 2007.

Arnhem, 8 March 2007

The Executive Board

## **FINANCIAL INFORMATION**

The financial information on pages 9 to 13 inclusive has been derived from the 2006 financial statements of Essent N.V., on which an unqualified independent auditor's report was issued on 7 March 2007. The complete set of financial statements, including all the accounting policies, can be found on our website ([www.essent.eu](http://www.essent.eu)). The full annual report and financial statements will be filed at the Chamber of Commerce and Industries in Arnhem following their adoption by the General Meeting of Shareholders to be held on 18 April 2007.

In connection with the sale of Essent Kabelcom, Essent classified the corresponding activities as discontinued operations (a requirement of IFRS 5). Accordingly, the profit for the year from these activities is included in the consolidated financial statements as part of the profit from discontinued operations. The comparative figures for 2005 have been restated to reflect this.

Since the reclassification of Essent Kabelcom's activities as discontinued operations, there has been no depreciation of its property, plant and equipment and no amortisation of its intangible assets. The effect of this was an increase of EUR 50 million in the profit for the year from discontinued operations.

In the consolidated balance sheet at 31 December 2006, the assets and liabilities of Essent Kabelcom are classified as assets held for sale and liabilities for assets held for sale, respectively, with receivables and liabilities between Essent Kabelcom and the Essent group being eliminated. The comparative figures at 31 December 2005 have not been restated.

The cash flow statement shows the cash flows from discontinued operations separately, with the comparative figures for 2005 restated to reflect this.

## CONSOLIDATED INCOME STATEMENT

*in millions of euros*

	2006	2005
<b>CONTINUING OPERATIONS</b>		
Revenue from the supply of goods and services	6,349.1	5,957.8
Fair value changes IAS 39	92.5	- 68.2
Revenue	<u>6,441.6</u>	<u>5,889.6</u>
Cost of energy, raw materials and consumables	<u>3,467.1</u>	<u>3,305.2</u>
<b>GROSS PROFIT</b>	<b>2,974.5</b>	<b>2,584.4</b>
Other operating income	<u>144.0</u>	<u>100.4</u>
<b>GROSS PROFIT PLUS OTHER OPERATING INCOME</b>	<b>3,118.5</b>	<b>2,684.8</b>
Employee benefit expenses	851.5	568.9
Depreciation, amortisation and impairments	532.8	526.1
Cost of work contracted out, materials and other external costs	678.3	644.6
Other operating expenses	<u>160.3</u>	<u>241.0</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>2,222.9</b>	<b>1,980.6</b>
<b>OPERATING PROFIT</b>	<b>895.6</b>	<b>704.2</b>
Share of result of joint ventures and associates	<u>72.6</u>	<u>108.2</u>
<b>PROFIT BEFORE INTEREST AND TAX (EBIT)</b>	<b>968.2</b>	<b>812.4</b>
Finance income and expense	<u>- 87.6</u>	<u>- 47.0</u>
<b>PROFIT BEFORE TAX</b>	<b>880.6</b>	<b>765.4</b>
Income tax expense	<u>- 291.4</u>	<u>- 197.0</u>
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>589.2</b>	<b>568.4</b>
<b>DISCONTINUED OPERATIONS</b>		
Profit from discontinued operations	218.6	1.3
<b>PROFIT FOR THE YEAR</b>	<b>807.8</b>	<b>569.7</b>
of which:		
Profit attributable to minority interests	47.2	43.9
Profit attributable to equity holders of Essent N.V.	<u>760.6</u>	<u>525.8</u>
<b>EARNINGS PER SHARE<sup>1</sup></b>		
Earnings per share attributable to equity holders of Essent N.V. ( <i>in euros / per share</i> )	<b>5.08</b>	<b>3.51</b>

<sup>1</sup> Basic and diluted earnings per share

**CONSOLIDATED BALANCE SHEET***(before proposed profit appropriation)*

<i>in millions of euros</i>	31 December 2006	31 December 2005
Property, plant and equipment	4,425.5	5,272.3 <sup>1</sup>
Intangible assets	193.0	206.1
Financial assets	1,792.6	1,665.2
<b>NON-CURRENT ASSETS</b>	<b>6,411.1</b>	<b>7,143.6</b>
Inventories	261.4	181.2
Receivables	3,057.4	3,084.0
Current non-interest-bearing liabilities	- 3,908.4	- 3,903.3
<b>NET WORKING CAPITAL</b>	<b>- 589.6</b>	<b>- 638.1</b>
Assets and liabilities for assets held for sale	737.1	2.0
<b>CAPITAL EMPLOYED</b>	<b>6,558.6</b>	<b>6,507.5</b>
Equity attributable to equity holders of Essent N.V.	3,158.1	3,163.1
Minority interests	255.9	233.0
<b>TOTAL EQUITY</b>	<b>3,414.0</b>	<b>3,396.1</b>
Provisions	1,337.5	1,520.4
Non-current interest-bearing and other liabilities	1,302.6	1,961.6
Current interest-bearing liabilities	792.6	89.5
Net cash and cash equivalents <sup>2</sup>	- 288.1	- 460.1
<b>FINANCING</b>	<b>6,558.6</b>	<b>6,507.5</b>

<sup>1</sup> Property, plant and equipment at 31 December 2005 includes EUR 720.1 million of Essent Kabelcom assets

<sup>2</sup> Cash and cash equivalents less current liabilities owed to banks

## CONSOLIDATED CASH FLOW STATEMENT

*in millions of euros*

	2006	2005
Profit from continuing operations	589.2	568.4
Depreciation, amortisation and impairments	532.8	526.1
Changes in provisions, operating working capital, derivative financial instruments and other	<u>- 189.5</u>	<u>147.4</u>
<i>Cash flow from operating activities</i>		
- continuing operations	932.5	1,241.9
- discontinued operations	<u>145.3</u>	<u>140.2</u>
<i>Cash flow from operating activities</i>	1,077.8	1,382.1
Additions to property, plant, equipment and intangible assets	- 590.4	- 445.3
Proceeds on sale of property, plant, equipment and intangible assets	136.5	21.9
Proceeds on sale of interests in joint ventures and associates	--	92.0
Other changes	<u>147.6</u>	<u>27.8</u>
<i>Cash flow from investing activities</i>		
- continuing operations	- 306.3	- 303.6
- discontinued operations	<u>- 136.0</u>	<u>- 117.7</u>
<i>Cash flow from investing activities</i>	- 442.3	- 421.3
<i>Cash flow before financing activities</i>	635.5	960.8
Repayment of interest-bearing liabilities	- 1,160.9	- 620.3
Dividend paid	- 262.9	- 170.5
Increase in interest-bearing liabilities	684.4	38.3
Dividend paid to minority interests	<u>- 39.3</u>	<u>- 10.9</u>
<i>Cash flow from financing activities</i>		
- continuing operations	- 778.7	- 763.4
- discontinued operations	<u>- 24.7</u>	<u>- 22.5</u>
<i>Cash flow from financing activities</i>	- 803.4	- 785.9
<b>CASH FLOW</b>	<b>- 167.9</b>	<b>174.9</b>
Effect of consolidation changes on cash positions	--	11.7
Cash and cash equivalents discontinued operations	- 4.1	--
Balance of cash and cash equivalents at beginning of year	<u>460.1</u>	<u>273.5</u>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AT END OF YEAR<sup>2</sup></b>	<b>288.1</b>	<b>460.1<sup>2</sup></b>

<sup>1</sup> Cash and cash equivalents less current liabilities owed to banks

<sup>2</sup> Includes an amount of EUR 19.5 million in cash and cash equivalents from discontinued operations in 2005

## FIVE-YEAR FINANCIAL SUMMARY 2002-2006

	IFRS <sup>1</sup> 2006	IFRS <sup>1</sup> 2005	IFRS <sup>1,2</sup> 2004	Dutch GAAP <sup>1</sup> 2004	Dutch GAAP <sup>1</sup> 2003	Dutch GAAP <sup>1</sup> 2002
<b>FINANCIAL RATIOS</b>						
Leverage (%, total debt basis)	32.2	43.2	48.3	44.7	51.6	60.3
Net interest-bearing liabilities/EBITDA	0.7x	1.0x	1.4x	1.5x	1.9x	2.7x
Interest cover	18.0x	18.6x	11.6x	11.5x	10.9x	8.2x
Non-current interest-bearing liabilities as % of total interest- bearing liabilities	33.0	68.8	78.4	78.2	77.3	42.2

<sup>1</sup> The calculation of the ratios for 2006 and 2005 is based on the figures presented in the balance sheet and income statement, with the Essent Kabelcom activities in the income statement classified as discontinued operations. For 2006, the Essent Kabelcom assets and liabilities are presented in the balance sheet as assets held for sale and liabilities for assets held for sale, respectively. The Essent Kabelcom assets and liabilities for 2005 are not presented in this way in the balance sheet. The figures for 2002 to 2004 inclusive have not been restated

<sup>2</sup> Excluding effects of IAS 32 and IAS 39

## CALCULATION OF FINANCIAL RATIOS, ABBREVIATIONS AND GLOSSARY

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### ***EBIT***

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

### ***EBITDA***

EBIT plus depreciation, amortisation and impairments.

### ***Leverage (total debt basis)***

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

### ***Capital employed***

Total value of non-current assets and net working capital.

### ***Net interest-bearing liabilities***

Total interest-bearing liabilities less cash and cash equivalents.

### ***Net interest expense***

Interest income less finance expenses (excluding interest additions to provisions and any other finance income and expense items).

### ***Net working capital***

Total current assets less cash and cash equivalents and current non-interest-bearing liabilities.

### ***Interest cover***

EBITDA divided by net interest expenses.

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