
Essent N.V. 2005 Annual Results

Conference Call 9 March 2006

www.essent-finance.nl

AGENDA

- Opening
- Business Update
- 2005 Annual Results
- Outlook
- Questions

SUCCESES

- DART rate 1.26
(30 million worked hours, including contractors)
- Availability power plants on target
- Certification Networks
- Largest electricity deal ever with Dutch Railways
- Customer processes meet regulator requirements

THE ESSENCE OF 2005

- Customer first
- Significant improvements in customer processes
- Focus on Operational Excellence
- Further strengthening of core business
- Unbundling proposal by the Government
- Corporate Social Responsibility high on the agenda

BUSINESS UPDATE

HSE

- Safety top priority Essent
- 1 Fatality
- DART rate 1.26
(30 million worked hours, including contractors)
- Generation: 1 million hours worked without lost time incidents
- Safety indicator gas

FOCUS ON ENERGY CUSTOMER

- Customer service high priority
- Even more customer oriented:
 - new (mobile) service desks
 - revised disconnection policy
- Customer processes now meet regulator requirements

INVESTMENT FOCUS ON (SUSTAINABLE) GENERATION

- Investments in power plants aimed mainly at life time extension and greener fuel mix
- Inconsistent government policy re. subsidising sustainable generation asks for further scrutiny of future investments
- Feasibility study on LNG terminal in The Netherlands

SUSTAINABLE ENERGY TRANSITION

- Generation of sustainable energy up substantially (from 2,095 to 3,750 GWh)
- 14 % sustainable generation in 2005 (up from 7.5 %)
- Some 80% of sustainable generation comes from biomass
- Essent Green Gold Standard
- Essent participates in Round Table on sustainable palm oil production
- Essent to fund innovative projects

WHOLESALE TEAMS SUCCESSFUL

- Best European Gas Trader
- Largest electricity deal ever with Dutch Railways
- Preparing cooperation with Bayern Gas
- First experiences with emission trading positive

VERTICALLY INTEGRATED BUSINESS MODEL PURSUED

- 260 MW PPA by new CCGT plant in Germany in 2007
- swb: investigating possibilities to develop brown field generation capacity in Bremen (800 MW)
- Completion cogeneration power plant in Belgium expected in 2006 (135 MW)

CSR

- Essent's four roles
- Invigorating 4th P: Power
- Essent's CSR ambitions
- Themes to be addressed in 2006



CABLECOM FOLLOWS TRIPLE PLAY STRATEGY

- Scale important: cooperation with other parties stays on the agenda
- Number of @Home internet customers up to 531,000
- Number of VOiP telephone customers increasing (to 47,000)
- Roll-out in total footprint

RESTRUCTURING WASTE COMPLETED

- Improved market conditions on Dutch waste market
- Focus on profitability
- Small acquisition in waste treatment
- Stake in AZN up to 80%

UNBUNDLING PROPOSAL STILL ON THE TABLE

- Minister of Economic Affairs persistent despite fierce opposition
- On 13 February 2006 MP's agreed to a further evaluation of pros and cons of ownership unbundling
- Essent willing to cooperate with evaluation to ensure MP's take well-founded decision
- Evaluation expected by the end of March 2006; if and when MP's approve, bill to go to Upper House, possibly before summer recess
- If and when bill is passed, unbundling to take effect 2 years later

2005 ANNUAL RESULTS

IFRS DOES NOT CHANGE THE UNDERLYING BUSINESS

- IFRS is an accounting change that DOES NOT change the group's ...
 - Underlying cash flows
 - Business strategy
 - Commodity hedging strategy

OPERATING PROFIT

in millions of euros

	FY 2005	FY 2004	Δ%
Net turnover	6.325	5.946	6%
Gross margin incl. other oper. inc. as % of net turnover	3.055 48%	3.169 53%	(4%)
Operating expenses as % of net turnover	2.273 36%	2.425 41%	(6%)
Operating profit as % of net turnover	782 12%	744 13%	5%

NORMALISED P&L STATEMENT: OVERVIEW OF ONE-OFF EFFECTS ON PROFIT BEFORE TAX

in millions of euros

	FY 2005	FY 2004
Impact on gross margin	(155)	-
Impact on operating expenses		
Release provision health care	209	-
Other	(98)	(37)
Impact on operating profit	(44)	(37)
Book profit on Van Gansewinkel sale	51	-
Impact on profit before tax	7	(37)

OVERVIEW OF TURNOVER AND OPERATING PROFIT BY SEGMENT 2005 VS 2004

in millions of euros

	Turnover			Operating profit		
	FY 2005	FY 2004	Δ %	FY 2005	FY 2004	Δ %
Dutch Energy chain	3.193	2.834	13%	428	378	13%
Energy distribution	1.276	1.289	(1%)	267	267	0%
Cable	451	411	10%	87	76	14%
Waste	362	425	(15%)	60	51	17%
swb AG	993	889	12%	74	63	17%
Other	50	98	(49%)	(134)	(91)	47%
Total	6.325	5.946	6%	782	744	5%

NET PROFIT

in millions of euros

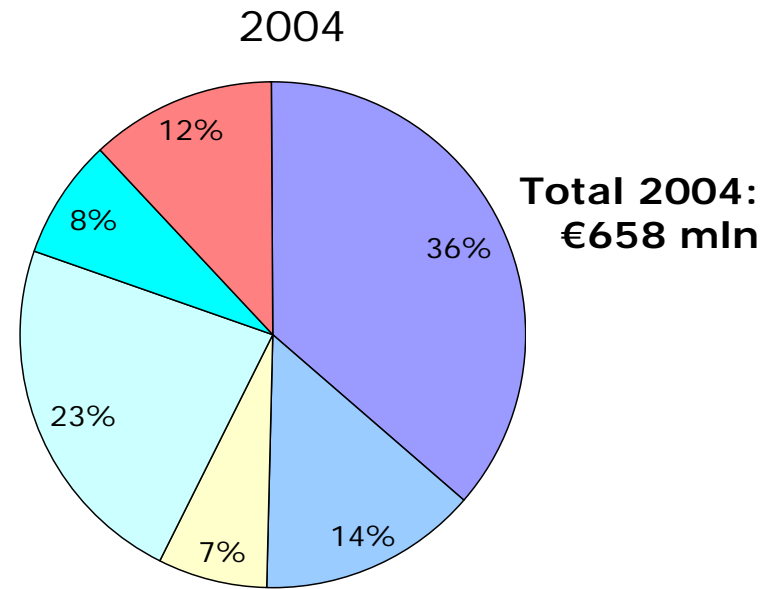
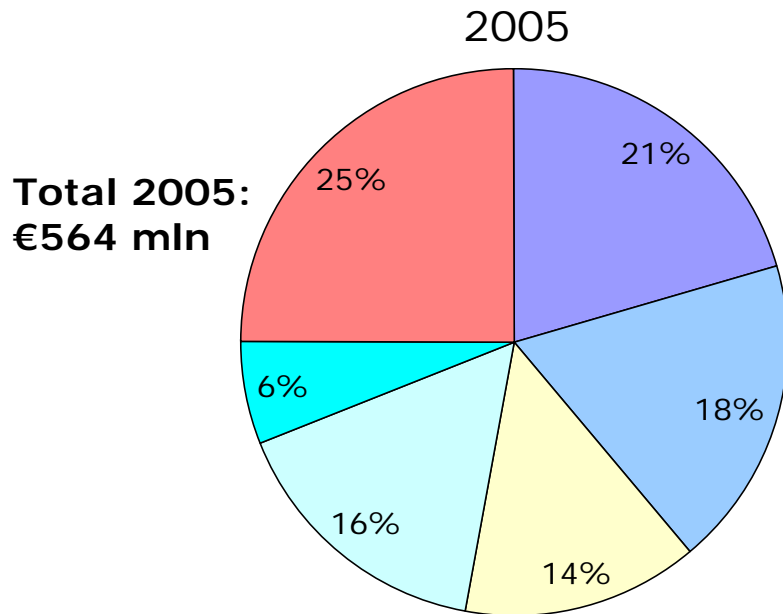
	FY 2005	FY 2004	Δ%
Operating profit	782	744	5%
Net financial expenses	(126)	(217)	(42%)
Profit of non consolidated interests	111	80	39%
Profit before tax	767	607	26%
Tax	(197)	(163)	21%
Profit after tax	570	444	28%
Minority interest in result	(44)	(27)	63%
Net profit	526	417	26%
Per share (in euros)	3,51	2,78	

CONSOLIDATED CASH FLOW STATEMENT

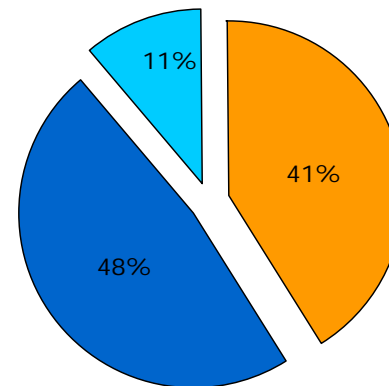
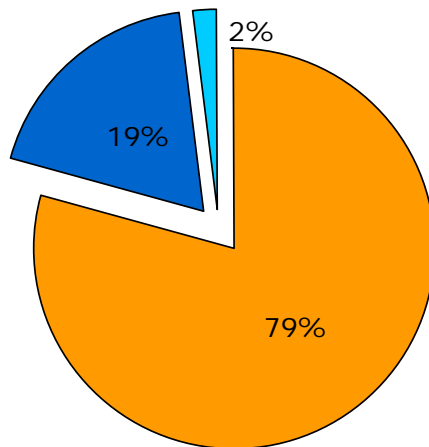
in millions of euros

	FY 2005	FY 2004
Net profit	526	417
Minority interest in result	44	27
Depreciation and impairments	655	715
Working capital movement/other operating items	157	110
Cash flow from operating activities	1.382	1.269
Capital expenditure	(564)	(684)
Disposals and other	143	44
Cash flow from investing activities	(421)	(640)
Cash flow before financing	961	629

INVESTMENTS 2005 VERSUS 2004



■ Generation
 ■ Cable grids
 ■ IT
 ■ Energy grids
 ■ Gas storage
 ■ Other



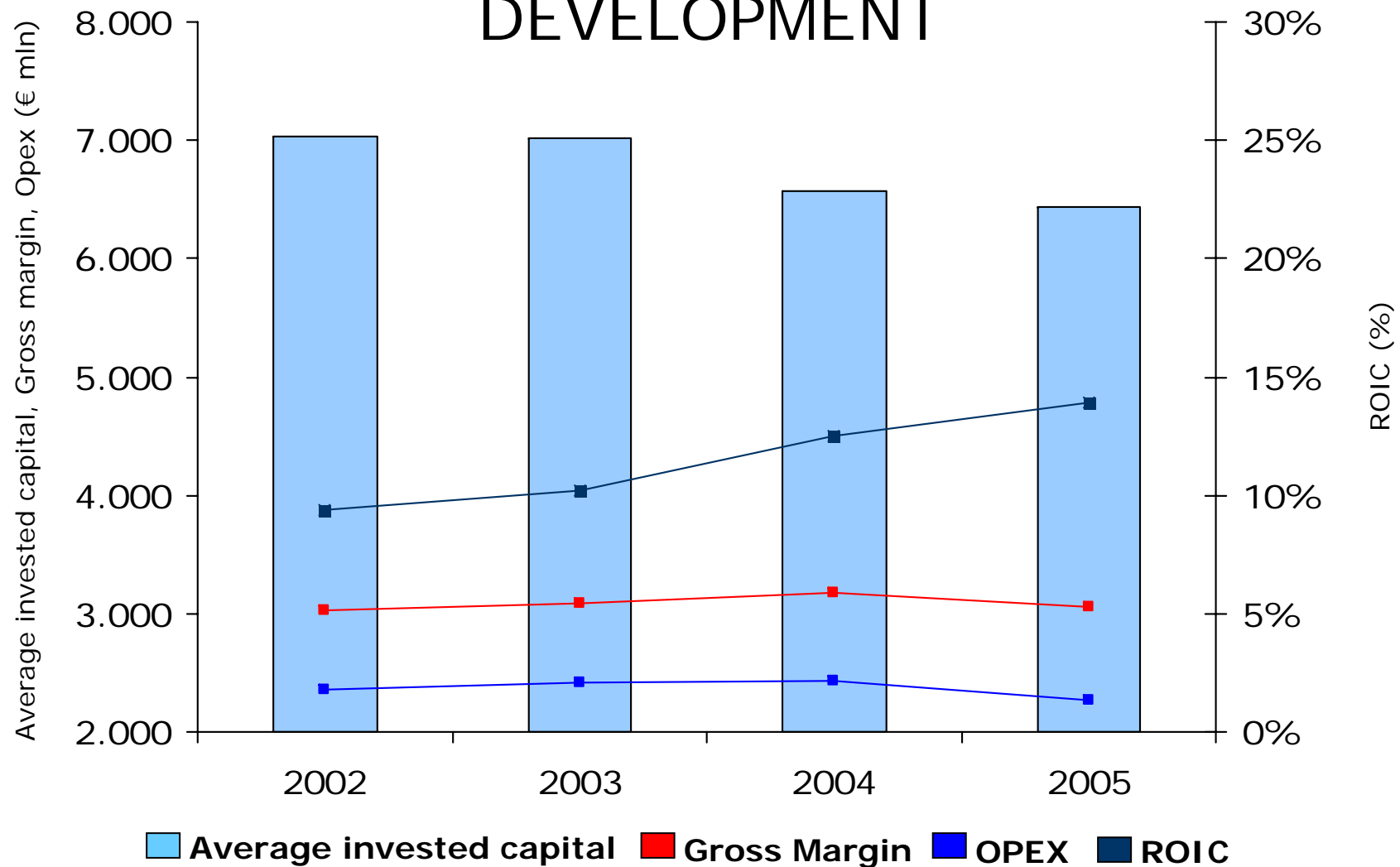
■ Netherlands
 ■ Germany
 ■ Belgium

CONSOLIDATED BALANCE SHEET

in millions of euros

	Dec 31 2005	Dec 31 2004
Fixed assets	7.144	6.484
Net working capital	(636)	(117)
Capital employed	6.508	6.367
Shareholders' equity	3.396	2.738
Provisions & long term liabilities	1.706	1.432
Total interest bearing debt	1.866	2.470
Cash and cash equivalents	(460)	(273)
Total financing	6.508	6.367

ROIC VERSUS GROSS MARGIN AND OPEX DEVELOPMENT



RATIOS

	FY 2005	IRFS 2004	NL GAAP 2004
Leverage (total debt basis) ¹	43%	48%	45%
Net debt / EBITDA	0,9 x	1,4 x	1,5 x
Interest cover	21,5 x	11,6 x	11,5 x
Long term interest bearing debt/ total interest bearing debt ¹	69%	78%	78%

¹Based on gross interest bearing debt

OUTLOOK

2006 PROFIT FORECAST

- Unchanged structure of the Group
- Unchanged business operations

Under these conditions, and barring unforeseen circumstances, Essent expects an increase in its 2006 net profit compared with 2005.

QUESTIONS