



PRESS RELEASE

Arnhem, 5 March 2009

2008: an excellent year for Essent

The partnership with RWE forms a strong foundation for a sustainable and healthy future for Essent

Essent successfully implemented its financial and strategic policies on all fronts. As a result, 2008 was characterised by an excellent financial performance, an improved operational performance, investments supporting further growth, preparations for the unbundling, and success in finding a European energy partner.

Michiel Boersma, Chairman of Essent's Executive Board: 'We have an exciting year behind us. Preparations for the unbundling, the process towards a collaboration with an international partner, and internal improvement processes were all happening at the same time. Despite this, we performed better than ever, with an increase in turnover of 22% and a profit increase of 11%. Everyone at Essent worked rigorously to achieve this and I am extremely proud of that. This result, coupled with achieving the required and necessary scale with RWE, means we are creating a strong foundation for the future, where sustainable innovation and intelligent energy solutions, the development of new technologies, and refined applications of existing technologies are the main consideration.'

2008 highlights

- An increase of net turnover of 22% (2007: EUR 7.4 billion, 2008: EUR 9.0 billion) a higher gross margin and cost control underlie the increase in profit that was achieved. The net profit rose by 11% to EUR 887 million (2007: EUR 799 million).
- Essent's search for a large European partner commenced in mid-2008. On 12 January 2009, it was announced that Essent intended to join RWE.
- In 2008, preparations were made for the sale of the Essent Milieu business unit. In early February 2009, the final decision was made to sell Essent Milieu.
- Essent's green energy generation rose by 24%. Essent is responsible for 27% of all sustainable power generation in the Netherlands. Essent has the highest number of customers who purchase green energy.
- Maintaining a position amongst the top suppliers with the lowest energy tariffs. Expectations are that, from July 2009, there will be a sharp drop in energy tariffs for consumers.
- Major investment decisions regarding growth were made and the development of these projects is now in full swing; extension of the 430-MW CCGT gas-fired power station at Moerdijk (completion in 2011) and the 1,275-MW Claus power station at Maasbracht (operational in 2012).

- New sustainable energy production capacity created in the Eemshaven area; with 52 3-MW turbines (total of 156 MW), Westereems wind farm is the Netherlands' largest onshore wind farm.
- Essent Trading has expanded its international activities with new offices in Madrid, Oslo, Budapest, Mexico and Singapore.
- A large-scale pilot project with electric cars and electric scooters has commenced. Commercial market models are being prepared.
- The network company became operationally independent at year-end 2008. Its business activities are being conducted under the name Enexis.

Key figures for the Group

in millions of euros

| | 2008 | 2007 |
|---|-------------|-------|
| Revenue | 9,038 | 7,378 |
| Gross profit | 3,164 | 3,036 |
| Earnings before interest and tax (EBIT) | 1,120 | 991 |
| Profit for the year from continuing operations attributable to equity holders | 887 | 799 |
| Earnings per share from continuing operations (in Euros) | 5.93 | 5.34 |
| Earnings per share from discontinued operations (in Euros) | - | 11.99 |

During the past year, work was carried out on further improvements and streamlining of the organisation; the latter followed the performance of an overhead value analysis and the roll-out of Lean methodology, coupled with efforts to make the organisation as efficient and customer-focussed as possible. Two results testifying to the success of these initiatives are a decrease in overheads and meeting all the invoicing-related targets set by the Office of Energy Regulation (supervisory authority for the energy sector). Essent is also aiming to become a leader in terms of HSE (health, safety and environment). The company's 2008 DART (days away, restricted or transferred) score - a measure of absenteeism or modified activity per 200,000 hours worked, due to accidents - was 0.82 (2006: 1.09, 2007: 0.97),

As well as preparing for a new future and streamlining the organisation, attention was given to growth. This concerned growth in the form of additional generating capacity (green as well as conventional), international trading activities and sustainable energy initiatives. One example of this is the fourth incineration line at AZN in Moerdijk, which came on stream in 2008 and can handle 275 ktonnes a year. Another is the Westereems wind farm, Eemshaven, its capacity of 156 MW making it the Netherlands' largest. This, too, came on stream in 2008. Others include an additional 200 million cbm in gas storage capacity at the Epe underground facility in Germany; and the establishment of a new business unit, New Energy. This business unit is responsible for activities relating to electric transport, innovation and wind energy.

Consolidated results

| Key figures <i>in millions of euros</i> | Group | Commercial energy operation | Enexis | Essent Waste Management |
|---|--------------|--|---------------|------------------------------------|
| 2008 | | | | |
| Revenue | 9,038 | 7,521 | 1,342 | 367 |
| Gross profit | 3,164 | 1,787 | 1,132 | 254 |
| Earnings before interest and tax (EBIT) | 1,120 | 654 | 380 | 86 |
| 2007 | | | | |
| Revenue | 7,378 | 5,873 | 1,369 | 378 |
| Gross profit | 3,036 | 1,643 | 1,174 | 256 |
| Earnings before interest and tax (EBIT) | 991 | 411 | 496 | 84 |

The stake of the commercial energy company in the net turnover, gross margin and profit before tax increased strongly in 2008. One factor responsible for the considerable rise in turnover in the commercial energy company was the expansion in trading activities. This also resulted in a higher gross margin. The operating costs of the commercial energy company fell, leading to a strong rise in earnings before interest and tax. In contrast, Enexis was confronted with lower regulated tariffs. Its expenses also rose which was partly the effect of building up the Enexis organisation; this also meant a fall in earnings before interest and tax. Essent Milieu's results remain stable.

Turnover and gross margin

The net turnover for 2008 is EUR 9.0 billion (2007: EUR 7.4 billion), a rise of more than 22% in comparison to 2007. Apart from greater sales volumes and increased prices resulting from higher commodity prices, an expansion of trading activities, such as in electricity and physical coal trading, was responsible for the rise in turnover. Increased availability of Essent's power stations helped to contribute to a higher gross margin, although this effect was offset by the worsened spark spread (the difference between electricity prices and fuel prices). The margin on trading activities is relatively tight compared with that on generating activities, resulting in consolidated gross margin showing less growth in absolute terms than the turnover. The gross margin realised in 2008 is EUR 3.2 billion, which corresponds to 35% of the net turnover (2007: EUR 3.0 billion, 41% of the net turnover).

On account of the successful sourcing strategy, it is still possible for the prices for consumers to be kept relatively low. The energy prices charged by Essent to private and small business customers are among the lowest in the Netherlands. In part because of this, Essent has been successful in retaining its position as the Dutch energy market leader.

Operating costs

The operating costs for 2008 were slightly below those for 2007. Costs relating to wages and salaries increased by 1.2%, the limited rise being partly on account of the successful outcome of the Overhead Value Analysis project. This project was initiated at the end of 2007 with the aim of reducing overheads. It was prompted by, among other developments, the approaching independence of Enexis and the sale of the Essent Milieu Business Unit. Had additional steps not been taken, the overheads would have weighed too heavily on the

remaining commercial activities. A further source of saving was in the form of continuous improvements at the shared service centres, which meant less need for temporary staff. As a result of these initiatives, overheads will drop over time by approximately EUR 110 million a year.

Extending the useful lives of assets at Enexis pushed down the costs of depreciation.

Other operating costs rose because of additional costs due to the early termination of Cross Border Leases and the costs of new IT systems needed to support the new market model. The profit relating to joint ventures and associated participating interests dropped slightly in 2008, partly because of non-recurring charges.

Earnings before interest and tax (EBIT)

The EBIT for 2008 amounts to EUR 1,120 million (2007: EUR 991 million), a rise of 13%. The commercial energy company made the largest contribution to this, with an EBIT for 2008 of EUR 654 million, representing an increase of nearly 60% on the 2007 figure. Higher volumes and lower expenses together account for approximately half the increase in EBIT. Essent Milieu's contribution, an EBIT of EUR 86 million, was likewise higher than for 2007.

Financial income and expenses

The debit balance of the financial income and expenses jumped steeply in 2008. These higher expenses are due to a smaller average balance of net liquid assets because of dividend distributions, payments resulting from premature termination of Cross Border Leases, and increased investments.

Tax

The effective tax burden for 2008 is 8.2%, which is below the weighted average nominal rate. The difference results from non-recurring deferred tax items, mainly relating to the intended sale of business units and the longer useful lives of the energy networks.

After tax profit from continuing operations amounts to EUR 887 million (2007: EUR 799 million), an increase of 11%.

The sale of Essent Kabelcom in 2007 produced a non-recurring positive sales profit of EUR 1,795 million in that year. After tax profit for 2008 of EUR 887 million (2007: EUR 2,594 million) shows a substantial drop because of this.

Commercial energy company

Key figures for the commercial energy operation

in millions of Euros

| | 2008 | 2007 |
|---|-------|-------|
| Revenue | 7,521 | 5,873 |
| Gross profit | 1,787 | 1,643 |
| Earnings before interest and tax (EBIT) | 654 | 411 |

Turnover and gross margin

The turnover from the commercial energy company climbed by 28% to EUR 7,521 million (2007: EUR 5,873 million). Although gross margin increased by more than EUR 144 million, the relative gross margin was lower than for 2007, as a result of the expanded trading activities in coal and electricity, which have relatively lower margins.

Electricity: A steep rise in turnover was achieved by Kom-Strom, the sales arm of Deutsche Essent. This unit merged with Essent Trading in 2008, as part of streamlining the organisation. In addition, the turnover of Service & Sales rose, which was the result of the price increase necessitated by higher commodity prices. The gross margin on electricity remained at more or less the same level as in 2007.

Gas: In Service & Sales, the turnover from gas increased, the result of both higher volumes and higher prices. Turnover also rose because of higher volumes at Westland (purchased in 2007). The margin on gas had mainly increased for the Essent Trading activities, which were transferred to Geneva at the end of 2007.

Coal: The turnover from coal showed a strong rise in 2008. Apart from sourcing for own use, in 2008 trading in coal took place at a wider scale. By conducting business with different parties in different countries, the dependence on one specific supplier has greatly reduced.

Operating costs

Staff costs declined for the commercial energy company. Part of the fall in these staff costs for the head office and shared service centres is on account of the Overhead Value Analysis project, carried out on the personnel services at head office, plus the continuous attention that is being paid to streamlining activities at the shared service centres. The depreciation costs were significantly below the figure for 2007.

Total operating costs for 2008 amount to EUR 1,392 million (2007: EUR 1,535 million), more than EUR 143 million less than for the previous year.

Earnings before interest and tax (EBIT)

The EBIT improved by almost 60%, reaching EUR 654 million (2007: EUR 411 million).

Enexis

Key figures for Enexis

in millions of Euros

| | 2008 | 2007 |
|---|-------|-------|
| Revenue | 1,342 | 1,369 |
| Gross profit | 1,132 | 1,174 |
| Earnings before interest and tax (EBIT) | 380 | 496 |

Enexis made further progress with developing an independent organisation in 2008. The management of the 110-150-kV grid was transferred to TenneT on 1 January 2008, and the accompanying operating activities and staff transferred on 1 November 2008. By 31 December 2008, the operational unbundling from the commercial energy company was completed as far as possible. The separation of the IT infrastructure and the activities of the shared service centre will continue into 2009.

In anticipation of modified regulations, EUR 514 million of the bridging loan granted by Essent N.V. at year-end 2007 to finance the acquisition of the network assets was converted to equity at the end of 2008. The conversion changed the solvency figure to 41%, which provides a solid foundation for the future.

Turnover and gross margin

The turnover (EUR -27 million) and the gross margin (EUR -42 million) both contracted slightly, mainly the result of lower tariffs through regulation.

Operating costs

The operating costs for 2008 amount to EUR 746 million (2007: EUR 659 million), a rise of 13%. The higher depreciation costs (EUR 45 million) are attributable to planned investments; these will be partly offset by the effect of an extension to the useful lives of the assets. It should be noted that, to facilitate comparison, the figures for 2007 have been adjusted to match the new situation with regard to the so-called "fat" network operator. This adjustment relates to the operation of the electricity and gas networks, which were only actually acquired at the end of 2007 from Essent Nederland B.V., a holding company within the commercial energy company. Because of formal reporting requirements, the adjustment is not reflected in the financial summaries.

Earnings before interest and tax (EBIT)

The EBIT fell by 23% to EUR 380 million (2007: EUR 496 million).

Essent Milieu

Key figures for Essent Waste Management

in millions of euros

| | 2008 | 2007 |
|---|-------------|-------------|
| Revenue | 367 | 378 |
| Gross profit | 254 | 256 |
| Earnings before interest and tax (EBIT) | 86 | 84 |

Turnover and gross margin

The operating results present a stable picture. Although the amount of waste processed was slightly lower than in 2007, the efficiency of the incinerators actually improved. More electricity was generated. With completion of the fourth line at the end of 2008, the incineration capacity of AZN increased by approximately 275 ktonnes to almost 1,000 ktonnes.

Earnings before interest and tax (EBIT)

This profit rose slightly. As well as gross margin remaining stable, operating costs did not change in absolute terms from 2007 to 2008. As a percentage of the net turnover, the EBIT rose to 23% (2007: 22%).

Unbundling

Preparations for the ownership unbundling of the regulated network activities from the commercial energy company and milieu management activities, are fully underway. In November 2008, Essent submitted the unbundling plan required by law to the Office of Energy Regulation, part of the Netherlands Competition Authority. This body will prepare a recommendation to be presented to the Minister of Economic Affairs. Enexis is already equipped for full independence, and discussions are in progress with its future shareholders concerning strategy and new articles of association.

Outlook

In 2009, the expectation is that Essent will make significant advances towards realising its strategy. These include the sale of Essent Milieu Business Unit, ongoing investments in growth and sustainable growth, and, finally, the alliance between the commercial energy company and the strategic partner RWE. Before the latter is possible, however, the ownership unbundling of the commercial from the regulated energy activities will have to have been completed.

In 2008, considerable efforts were expended towards making Enexis a robust enterprise that would be able to perform its statutory duties as network operator independently, after the ownership unbundling has taken place. The ownership unbundling process is expected to end in 2009.

Essent Milieu is also preparing for a new future. Its leading market positions in terms of waste incineration, land-filling and composting, plus its profitability, provide a sound basis for this.

If the recommendation and decision-making processes move forward as expected, the commercial energy company will become an independent enterprise within the RWE Group. It would retain the name Essent and be responsible for all activities in the Netherlands and Belgium. The structure of the organisation will remain largely intact, the exceptions being Essent Trading and the wind activities in Germany. These operations will be integrated with existing RWE units. RWE's activities in the Netherlands and Belgium will be integrated into the Essent organisation.

By opting for RWE, Essent has made a choice that secures the long-term future for both itself and all stakeholders. The guarantee of supply and competitive tariffs for customers, guarantees and new opportunities for the staff, strong investment incentives for sustainable energy generation in the Netherlands and the retention of knowledge and high-quality jobs. This kind of stable future would not be attainable for Essent on its own, however, Essent's partnership with RWE has made this possible.

Barring unforeseen circumstances, we expect to see an improvement in the operating results for the commercial energy company. This improvement is linked to an expected improvement in the availability of our power stations, but particularly to the cost control outlined above. The expansion of wind capacity (Westereems) and gas storage capacity should also contribute to the expected increase in profit for 2009. The current credit crisis will not pass Essent by unnoticed, and one of the ways in which this could be expressed would be in our industrial and other commercial customers purchasing smaller volumes. We have taken measures to minimise credit risks as far as possible. On balance, we still expect to achieve a higher net profit in 2009.

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Explanatory notes on the financial data

The financial summaries presented below are derived from the 2008 annual accounts of Essent N.V., for which an unqualified audit opinion was supplied by Ernst & Young Accountants LLP, on 4 March 2009. We refer you to our Website (www.essent.eu) in order to view the full annual accounts, also included in which are the full bases of the valuation. After having been adopted and approved by the General Meeting of Shareholders, to be held on 16 April 2009, the full annual report and the full annual accounts will be filed with the Chamber of Commerce and Industry in Arnhem.

Method of calculation of the financial ratios

Leverage (total debt basis)

Total interest-bearing liabilities x 100% divided by the total interest-bearing liabilities plus the total equity capital.

Solvency

Total equity capital x 100%, divided by the balance sheet total.

EBITDA

Operating result plus depreciation and exceptional amounts written off plus profit from joint ventures and associated participating interests.

Interest cover

EBITDA divided by net financial income and expenses.

Net financial income and expenses

Financial income minus financial expenses.

CONSOLIDATED INCOME STATEMENT

| <i>in millions of euros</i> | 2008 | 2007 |
|--|----------------|----------------|
| CONTINUING OPERATIONS | | |
| Revenue from the supply of goods and services | 8,939.6 | 7,347.7 |
| Fair value changes IAS 39 | 97.9 | 29.8 |
| Revenue | 9,037.5 | 7,377.5 |
| Cost of energy, raw materials and consumables | 5,873.5 | 4,341.5 |
| GROSS PROFIT | 3,164.0 | 3,036.0 |
| Other operating income | 71.5 | 102.6 |
| GROSS PROFIT PLUS OTHER OPERATING INCOME | 3,235.5 | 3,138.6 |
| Employee benefit expenses | 884.0 | 873.6 |
| Depreciation, amortisation and impairments | 423.9 | 507.8 |
| Cost of work contracted out, materials and other external costs | 694.3 | 709.7 |
| Other operating expenses | 164.8 | 113.0 |
| TOTAL OPERATING EXPENSES | 2,167.0 | 2,204.1 |
| OPERATING PROFIT | 1,068.5 | 934.5 |
| Share of result of joint ventures and associates | 51.6 | 56.7 |
| EARNINGS BEFORE INTEREST AND TAX (EBIT) | 1,120.1 | 991.2 |
| Finance income and expenses | -123.2 | - 35.3 |
| PROFIT BEFORE TAX | 996.9 | 955.9 |
| Tax credit | -81.5 | - 123.5 |
| PROFIT FROM CONTINUING OPERATIONS | 915.4 | 832.4 |
| DISCONTINUED OPERATIONS | | |
| Profit from discontinued operations | - | 1,794.6 |
| PROFIT FOR THE PERIOD | 915.4 | 2,627.0 |
| of which: | | |
| Profit attributable to minority interests | 28.4 | 32.7 |
| Profit attributable to equity holders of Essent N.V. | 887.0 | 2,594.3 |
| EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF ESSENT N.V. (in euros)¹ | | |
| Continuing operations | 5.93 | 17.33 |
| Discontinued operations | - | 11.99 |

¹ Basic and diluted earnings per share

CONSOLIDATED BALANCE SHEET
(before profit appropriation)

in millions of euros

| ASSETS | 31 December 2008 | 31 December 2007 |
|---|------------------|------------------|
| Property, plant and equipment | 5,206.6 | 4,451.4 |
| Intangible assets | 337.5 | 293.7 |
| Financial assets | 2,081.8 | 3,303.7 |
| NON-CURRENT ASSETS | 7,625.9 | 8,048.8 |
| Inventories | 344.2 | 295.5 |
| Receivables | 4,222.1 | 4,261.6 |
| Current non-interest-bearing liabilities | -4,553.2 | - 4,565.6 |
| NET WORKING CAPITAL | 13.1 | - 8.5 |
| Assets held for sale and liabilities for assets held for sale | 190.6 | 163.7 |
| CAPITAL EMPLOYED | 7,829.6 | 8,204.0 |
| Equity attributable to equity holders of Essent N.V. | 5,039.0 | 4,907.7 |
| Minority interests | 213.6 | 267.3 |
| EQUITY | 5,252.6 | 5,175.0 |
| Provisions | 1,319.1 | 1,370.3 |
| Non-current non-interest-bearing liabilities | 679.2 | 1,952.1 |
| Non-current interest-bearing liabilities | 687.0 | 664.0 |
| Current interest-bearing liabilities | 484.6 | 59.5 |
| Balance of cash and cash equivalents ¹ | -592.9 | - 1,016.9 |
| FINANCING | 7,829.6 | 8,204.0 |

¹ Cash and cash equivalents net of current amounts owed to banks

CONSOLIDATED CASH FLOW STATEMENT

| <i>in millions of euros</i> | full year 2008 | full year 2007 |
|--|--------------------|------------------|
| Profit from continuing operations | 915.4 | 832.4 |
| Depreciation, amortisation and impairments | 423.9 | 507.8 |
| Changes in provisions, working capital, derivative financial instruments and other items | -723.0 | - 337.1 |
| <i>Net cash flow from operating activities</i> | | |
| - continuing operations | 616.3 | 1,003.1 |
| - discontinued operations | - | 13.7 |
| <i>Cash flow from operating activities</i> | 616.3 | 1,016.8 |
| Additions to property, plant, equipment and intangible assets | -1,087.3 | - 747.6 |
| Investments in Group companies | -48.2 ¹ | - 72.1 |
| Proceeds from sale of property, plant, equipment | 14.0 | 133.0 |
| Proceeds from sale of investments in joint ventures and associates | 30.4 | 6.3 |
| Other changes | 294.8 | - 195.7 |
| <i>Cash flow from investing activities</i> | | |
| - continuing operations | -796.3 | - 876.1 |
| - discontinued operations | - | 2,552.1 |
| <i>Cash flow from investing activities</i> | -796.3 | 1,676.0 |
| <i>Cash flow before financing activities</i> | -180.0 | 2,692.8 |
| Settlement of interest-bearing liabilities | -70.3 | - 875.3 |
| Dividend paid and non-recurring payment | -547.8 | - 1,279.7 |
| Increase in interest-bearing liabilities | 396.8 | 230.3 |
| Dividend paid to minority interests | -22.7 | -39.3 |
| <i>Cash flow from financing activities</i> | | |
| - continuing operations | -244.0 | - 1,964.0 |
| - discontinued operations | - | - |
| <i>Cash flow from financing activities</i> | -244.0 | - 1,964.0 |
| <i>Cash flow</i> | -424.0 | 728.8 |
| Balance of cash and cash equivalents at beginning of period | 1,016.9 | 288.1 |
| <i>Balance of cash and cash equivalents at end of period²</i> | 592.9 | 1,016.9 |

¹ This relates to the acquisition of the remaining equity interest in Abfallbehandlung Nord GmbH (ANO).

² Cash and cash equivalents net of current amounts owed to banks

KEY FIGURES FOR 2004 – 2008

| | | IFRS 2008 | IFRS ² 2007 | IFRS ² 2006 | IFRS ² 2005 | IFRS ^{2,3} 2004 |
|---|----------------|--------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| FINANCIAL RATIOS | | | | | | |
| <i>financial ratios</i> | <i>targets</i> | | | | | |
| Leverage (% , total debt basis) | <50% | 18.4 | 12.3 | 32.2 | 43.2 | 48.3 |
| Solvency | | 40.4 | 37.5 | 30.4 | 29.3 | 32.9 |
| EBITDA as % of total interest-bearing liabilities | >35% | 130.2 | 207.0 | 92.7 | 51.9 | 60.2 |
| Interest cover | 7.5 | 12.6 | 42.5 | 18.0 | 18.6 | 11.6 |
| Non-current interest-bearing liabilities as % of total interest-bearing liabilities | >75% | 57.9 | 91.7 | 33.0 | 68.8 | 78.4 |

¹ The calculation of the ratios is based on the figures presented in the full financial statements, which can be found on www.essent.nl

² The calculation of the ratios is based on the figures presented in the balance sheets and income statements. In the case of the income statement, the activities of Essent Kabelcom are 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 were not presented in this way in the balance sheet. The figures for 2004 have not been restated.

³ Excluding effects of IAS 32 and IAS 39

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

Equity divided by total assets, expressed as a percentage.

EBITDA

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

Interest cover

EBITDA divided by net finance expenses

Net finance expenses

Finance expenses less finance income.