



Interim Statements  
2009

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# Profile

Essent is a non-listed public company with limited liability. It was incorporated in 1999 and has its head office in Arnhem. Its shareholders are Dutch provincial and municipal authorities. The company comprises ten business units, eight of them forming the Energy Value Chain for the Netherlands, Germany and Belgium. The remaining operations in Germany are conducted by swb. Essent Waste Management operates independently of the Energy Value Chain. At mid-2009, the size of Essent's workforce was approximately 7,000.

Essent's operations cover the entire energy chain, from the generation of energy - excluding exploration and extraction - to supplying products and services to end-users: large and small businesses, and private customers. We also supply a variety of related products and services, such as equipment maintenance, energy advice, heat, operating sustainable energy facilities and micro-cogenerators, waste composting and landfill management. The waste management activities are expected to be sold in the third quarter of 2009 to the current

shareholders of Essent n.v. For realisation of the Dutch Independent Network Management Act (Wet onafhankelijk netbeheer, "WON"), Enexis Holding b.v. was legally unbundled from Essent n.v. on 30 June 2009 and is now operating as an independent network company.

The 2008 figures show that in the Netherlands Essent is:

- the market leader, with revenue of EUR 9,0 billion (including Enexis);
- the leading producer and supplier of sustainable energy;
- the standard-setter, with its waste management operation, processing approximately 2.8 million tonnes of waste a year

## Essent n.v.'s shareholders

Essent is a public limited liability company. Of its shares, approximately 74% is owned by 6 Dutch provinces and the remaining 26% or so by 130 municipalities in these provinces and in the Province of Friesland.

## Key figures

In millions of euros

	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Revenue	4,014.1	3,611.6	7,521.2
Gross margin	994.4	953.9	1,787.2
Earnings before interest and tax (EBIT)	301.7	336.0	518.2
Normalised EBIT	467.9 <sup>2</sup>	394.0 <sup>2</sup>	607.8
Profit from continuing operations attributable to shareholders of Essent n.v.	185.6	237.9	482.1
Earnings per share from continuing operations ( <i>in euros per share</i> )	1.24	1.59	3.22
Profit from discontinued operations	2,412.6	223.6	404.9
Earnings per share from discontinued operations ( <i>in euros per share</i> )	16.12	1.49	2.71

1 — Unaudited figures

2 — For a detailed break-down on normalised EBIT, we refer to the paragraph normalised results

# Outlook more than fulfilled

## Major developments

These interim statements concern the commercial energy operation of Essent n.v. The network activities were unbundled from the commercial energy operation on 30 June 2009 by a transfer to the shareholders. Essent Waste Management will also be transferred to the shareholders in the near future. Both activities are presented in these interim statements as discontinued operations. The comparative figures for the first half of 2008 as well as those for the full year 2008 have been restated to reflect this.

Changes to the structure of the group result in non-recurring income and expense items. Where useful for a proper understanding and allowed by the accounting principles, these items have been classified as results from discontinued operations. Where this was not possible, they have been disclosed separately. One small acquisition was made during the first six months of 2009.

The entire organisation was faced with the decision taken in the reporting period to sell the commercial energy activities to RWE, including all the related preparations for the transaction and integration. In parallel, the ownership unbundling of Enexis, the network operation, was completed, and preparations were made for the sale of Essent Waste Management, although the process was halted at an advanced stage in favour of a transfer to the shareholders. And, incidentally, several Cross-Border Leases were early terminated, in consultation with the parties concerned. We spent considerable effort on creating and implementing a new customer relationship management system. We also started some major construction projects, such as the gas-fired power stations Claus C and Moerdijk II, and took the Netherlands' largest on-shore wind farm into commission.

These special activities did not impede a further improvement in normalised operating results. Revenue grew by 11%, and gross margin (normalised) increased as a percentage of revenue from 27% for the first half of 2008 to 28% for the same period of 2009. Normalised operating expenses (2009: EUR 764 million; first half of 2008: EUR 694 million) fell as a percentage of (normalised) gross margin from 71% to 69%, despite increasing in absolute terms. Normalised earnings before interest and tax (EBIT) rose by 19%.

## 2009 Highlights

On 12 January 2009, RWE and Essent announced their agreement on the terms of a binding offer by RWE for the shares in Essent n.v. Following a favourable recommendation by Essent's Central Works Council, the contract was signed on 20 February 2009. On 23 June 2009, a statement was received from the European Commission that it considered the measures RWE proposed for preventing undesirable market concentration to be adequate. These measures only require Essent's 51% interest in swb AG to be sold. Early July, all shareholders had offered their shares for sale.

In the third quarter of 2009, the transaction with RWE is expected to be finalised, whereafter the shareholder of Essent n.v. will be RWE.

On 30 June 2009, the ownership unbundling of the regulated network activities from the commercial energy activities came to realisation, with the network activities continuing under the name Enexis. This unbundling is the outcome of several legal amendments, which could collectively be called the unbundling legislation. Enexis had been operationally unbundled already from 1 January 2009 onwards. The ownership unbundling was effected by the distribution of a dividend in kind in the form of Enexis Holding b.v. shares to the shareholders of Essent n.v. Under the terms of the unbundling, Enexis' major operating assets - the electricity and gas networks - were appraised at fair value, with disclosure of the included hidden reserves. At the time of unbundling, these hidden reserves emerge as non-recurring income to be realised in cash, not by Essent, but (for the most part) by the new shareholders of Enexis. This non-recurring income (EUR 2.3 billion) is a component of the profit from discontinued operations.

In line with the strategy approved by the shareholders, Essent conducted a process in the first half of 2009 to sell its waste management activities. As none of the shortlisted candidates satisfied the prerequisites set by Essent, it recommended the shareholders to terminate the sales process and acquire ownership of the activities themselves. The transfer will be at estimated fair value, as part of the completion of the transaction with RWE.

Thanks to a combination of favourable conditions in the US and a proactive attitude on Essent's part, we identified an opportunity for early termination of several Cross-Border Leases (CBLs) in consultation with the parties concerned. The terminations involved non-recurring compensatory payments totalling to EUR 226 million.

Due to these consensual terminations, Essent's exposure on the remaining CBLs (payments for equity components and the potential costs for cancellation of the financing and similar elements, net of the value of related financial instruments and other collateral) has decreased to approximately USD 200 million by June 2009. This is a significant reduction compared to the approximately USD 1 billion exposure on 1 January 2009. If the opportunity occurs, Essent intends to terminate more CBLs in consultation with the parties concerned.

## Operations

The continuing operations again show a solid performance. High availability of our power stations and an effective sourcing strategy have resulted in increasing trading results. Essent's green energy generating capacity has expanded with the Westereems wind farm in Eemshaven, opened by the Minister of Economic Affairs, Mrs. van der Hoeven in May 2009. With 52 turbines of 3 MW each, Westereems is the largest on-shore wind farm in the Netherlands. The production of green energy has again increased, this time with 31% (2008 versus 2007: +22%).

On 1 July, Essent lowered its energy tariffs by over 25%. The reduction represents decreases in the supply tariffs for gas and electricity of 35% and 5%, respectively. Thanks to lower commodity prices and an astute sourcing strategy, our tariffs are now even more attractive. Essent's energy prices for private and small business customers are among the lowest in the Netherlands.

Essent believes in the opportunities offered by electric transportation. This is the motivation for investing jointly with Enexis in 200 electric cars for our own fleet of vehicles. In addition, Essent, Enexis, the Province of Noord-Brabant and the municipality of 's-Hertogenbosch have agreed to include electric cars in their car pooling base.

In the first half of 2009, a number of major investments started to take shape. In April, the 500<sup>th</sup> pile was driven for Claus C, the new gas-fired power station in Maasbracht. With the construction of this state of the art power station, we will replace an existing one of 620 MW, which is no longer efficient, by three smaller units of 425 MW each. This will enable a considerably more flexible deployment of capacity, at far greater efficiency. In mid-July, similar action was undertaken concerning Moerdijk II, another new gas-fired power station. On completion, it will represent a highly efficient expansion of our generating capacity by 425 MW. We also made progress with the Nordsee Ost offshore wind farm, to be located in the German part of the North Sea, to the north of Helgoland. The planned capacity for the wind farm is 288 MW.

## Health, safety and environment

Essent considers health, safety and environment as extremely important themes. For many years, the company has been pursuing a policy to reduce absence from work because of industrial and other accidents by at least 20% each year. Due to the changing structure and the reduced size of the organisation, it is becoming even more susceptible to incidents, increasing the need for additional prevention. Root cause analyses, training courses, safety walks and information are tools we often employ to embed the awareness of safety in the organisation. Experience has taught us that constant vigilance is essential. The same applies to the health of our employees. Essent has extensive precautionary measures in place to deal with a pandemic. The work put in is now paying off given the confirmed cases of swine flu in the Netherlands and Belgium.

Essent's operating activities alone show that the company is highly environmentally conscious. We not only constantly monitor compliance with the terms of licences, but also actively seek new ways to reduce the impact of our activities on the environment. One example is a policy of actively discouraging business travel if there is an alternative to a face-to-face meeting, such as a telephone or video conference. Flexible and distance working is being tested for feasibility using sample groups. If the results are positive, its implementation could produce further savings, not only in kilometres travelled, but also business accommodation, causing attractive financial propositions to arise.

## Consolidated results

Revenue for the first half of 2009 increased by 11% to reach EUR 4.0 billion (first half of 2008: EUR 3.6 billion). Apart from larger gas volumes because of the cold weather in the first quarter and higher

prices resulting from a rise in commodity prices, an increase in trading activities in electricity underlies the above growth in revenue. Moreover, the high availability of our power stations and an effective sourcing strategy both contributed to the increase in gross margin. This effect was partly negated, however, because the cost of sales included an addition to the provision for legal claims, resulting in the consolidated gross margin showing less growth in absolute terms than revenue. Reported gross margin for the first half of 2009 amounted to EUR 994 million, equivalent to almost 25% of revenue (first half 2008: EUR 954 million, more than 26% of revenue). Normalised for one-off effects, gross margin improved to 28% of net sales.

Operating expenses showed a steep rise for the first six months of 2009, mainly the effect of non-recurring items. A large number of the CBLs was early terminated. There were also additional non-recurring costs resulting from the unbundling of Enexis and the intended sale of Essent Waste Management. Reported expenses climbed by 29% to EUR 948 million (first half of 2008: EUR 735 million). Normalised operating expenses increased by 10% to EUR 764 million (first half of 2008: EUR 694 million), the rise being mainly due to additions to employee benefits provisions and salary increases under the terms of the collective labour agreement.

The share of the results of joint ventures and associates went up in 2009 because of non-recurring gains.

Earnings before interest and tax (EBIT) for the first half of 2009 amounts to EUR 302 million (first half of 2008: EUR 336 million), equivalent to a fall of 10%. As stated above, the fall is attributable to non-recurring items. Normalised for non-recurring items, the EBIT comes to EUR 468 million (first half of 2008: EUR 394 million), a rise of 19%. The improved normalised EBIT is thanks to a higher normalised gross margin, as an absolute amount as well as a percentage of revenue, and to cost control.

The net finance income in the first half of 2008 has turned around to a net finance expense in the first half of 2009. This development is due to a smaller average balance of net cash and cash equivalents as a result of dividend distributions, payments entailed by the early termination of CBLs, and an increase in capital expenditure. In addition, finance income was down in 2009, mainly because of less interest due to recapitalization of the financing granted to the network operation in anticipation of its unbundling.

The effective tax rate for 2009 is 26.9%, which is below the weighted average statutory tax rate. This results from the application of the participation exemption, adjustments for prior years, and non-deductible costs.

## Outlook

In the third quarter of 2009, Essent is expected to become an independent company within the RWE Group, with responsibility for the Dutch and Belgian markets.

The integration with RWE will require a fair amount of effort, only producing real synergies in subsequent years. In the first six months of the year, Essent proved it could remain focussed on its operations, despite the considerable restructuring taking place. The increase in normalised earnings before interest and tax achieved in this period is partly thanks to the favourable 2008-2009 winter and will not be paralleled in the second half of 2009. Essent's attractive propositions place it in a strong competitive position relative to both the consumer and the business markets. And now that the company has almost completed the strategic journey to secure a new future and can benefit from the support an integrated business enjoys, it intends to play a far more active role in the above-mentioned markets. The integration of RWE's Dutch and Belgian activities presents Essent with opportunities to deliver a wider range of solutions that also address individual customer needs. Positioning the new Essent will entail serious investments, as will getting the new customer relationship management system up and running.

Barring unforeseen circumstances, we expect the normalised profit from continuing operations for the whole of 2009 to be at least 10% higher than the comparable figure for 2008.

# Consolidated income statement

In millions of euros

	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
<b>Continuing operations</b>			
Revenue from the supply of goods and services	4,012.5	3,562.1	7,423.3
Fair value changes IAS 39	1.6	49.5	97.9
<b>Revenue</b>	<b>4,014.1</b>	<b>3,611.6</b>	<b>7,521.2</b>
Cost of energy, raw materials and consumables	3,019.7	2,657.7	5,734.0
<b>Gross margin</b>	<b>994.4</b>	<b>953.9</b>	<b>1,787.2</b>
Other operating income	212.3	86.7	187.7
<b>Gross margin plus other operating income</b>	<b>1,206.7</b>	<b>1,040.6</b>	<b>1,974.9</b>
Employee benefit expenses	370.6	308.6	612.2
Depreciation, amortisation and impairments	169.6	131.7	286.9
Contracted work, materials and other external costs	306.7	239.7	512.8
Other operating expenses	100.8	55.1	90.6
<b>Total operating expenses</b>	<b>947.7</b>	<b>735.1</b>	<b>1,502.5</b>
<b>Operating profit</b>	<b>259.0</b>	<b>305.5</b>	<b>472.4</b>
Share of result of joint ventures and associates	42.7	30.5	45.8
Finance income and expenses	(31.5)	59.6	88.8
<b>Profit before tax</b>	<b>270.2</b>	<b>395.6</b>	<b>607.0</b>
Income tax expense	(72.6)	(134.9)	(96.5)
<b>Profit from continuing operations</b>	<b>197.6</b>	<b>260.7</b>	<b>510.5</b>
<b>Discontinued operations</b>			
Profit from discontinued operations	2,412.6	223.6	404.9
<b>Profit after tax</b>	<b>2,610.2</b>	<b>484.3</b>	<b>915.4</b>
<i>Of which:</i>			
Profit attributable to minority interests	12.0	22.8	28.4
Profit attributable to shareholders of Essent n.v.	2,598.2	461.5	887.0
<b>Earnings per share attributable to shareholders of Essent n.v.</b> (in euros per share) <sup>2</sup>	<b>17.36</b>	<b>3.08</b>	<b>5.93</b>
<i>Of which:</i>			
From continuing operations	1.24	1.59	3.22
From discontinued operations	16.12	1.49	2.71

1 — Unaudited figures

2 — Basic and diluted earnings per share

# Consolidated statement of comprehensive income

In millions of euros	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
<b>Profit after tax</b>	<b>2,610.2</b>	<b>484.3</b>	<b>915.4</b>
Gains and losses from the revaluation of available-for-sale financial assets			
Gross gains and losses from the revaluation of available-for-sale financial assets	1.8	(6.1)	(10.4)
Reclassification adjustments	—	—	—
(Deferred) tax	—	—	—
Net gains and losses from the revaluation of available-for-sale financial assets	1.8	(6.1)	(10.4)
Effective portion of gains and losses on hedging instruments			
Gross effective portion of gains and losses on hedging instruments	21.3	956.2	(205.0)
Reclassification adjustments	75.4	(19.2)	(112.8)
(Deferred) tax	(15.3)	(263.1)	70.4
Net effective portion of gains and losses on hedging instruments	81.4	673.9	(247.4)
Other changes			
Gross other changes	—	(6.4)	(9.5)
Reclassification adjustments	—	—	—
(Deferred) tax	—	—	—
Net other changes	—	(6.4)	(9.5)
Joint ventures and associates			
Share of other comprehensive income of joint ventures and associates	—	—	—
<b>Total comprehensive income</b>	<b>2,693.4</b>	<b>1,145.7</b>	<b>648.1</b>
<i>Of which:</i>			
Total comprehensive income attributable to minority interests	6.6	53.1	(31.0)
Total comprehensive income attributable to shareholders of Essent n.v.	2,686.8	1,092.6	679.1

1 — Unaudited figures

# Consolidated balance sheet

(before profit appropriation)

In million of euros	30 June 2009	30 June 2008 <sup>1</sup>	31 December 2008
<b>Assets</b>			
Property, plant and equipment	3,073.0	4,780.6	5,196.5
Investment property	2.0	10.3	10.1
Intangible assets	306.5	342.1	337.5
Receivables from joint ventures and associates	410.1	404.2	410.1
Deferred tax	75.8	—	359.0
Derivative financial instruments	1,067.7	2,951.8	1,006.4
Other financial assets	266.0	314.2	306.3
<b>Non-current assets</b>	<b>5,201.1</b>	<b>8,803.2</b>	<b>7,625.9</b>
Inventories	207.3	321.7	344.2
Receivables	3,594.9	1,921.7	2,184.4
Income tax	173.1	—	19.2
Derivative financial instruments	1,714.8	5,072.7	1,719.2
Guarantee deposits	426.4	1,240.2	281.7
Securities	62.0	30.1	17.6
Cash and cash equivalents	431.9	653.2	607.8
<b>Current assets</b>	<b>6,610.4</b>	<b>9,239.6</b>	<b>5,174.1</b>
Assets held for sale	732.1	163.2	190.6
	<b>7,342.5</b>	<b>9,402.8</b>	<b>5,364.7</b>
<b>Total assets</b>	<b>12,543.6</b>	<b>18,206.0</b>	<b>12,990.6</b>

1 — Unaudited figures

	30 June 2009	30 June 2008 <sup>1</sup>	31 December 2008
<b>Equity and liabilities</b>			
Equity attributable to shareholders of Essent n.v.	4,544.5	5,602.5	5,039.0
Minority interests	200.0	298.0	213.6
<b>Total equity</b>	<b>4,744.5</b>	<b>5,900.5</b>	<b>5,252.6</b>
Interest-bearing liabilities	336.8	794.5	687.0
Provisions	1,025.5	1,243.5	1,206.5
Deferred tax	101.5	228.1	112.6
Derivative financial instruments	788.1	2,478.3	675.3
Other non-current liabilities	6.1	50.1	3.9
<b>Non-current liabilities</b>	<b>2,258.0</b>	<b>4,794.5</b>	<b>2,685.3</b>
Interest-bearing liabilities	850.9	116.8	499.5
Guarantee deposits	438.5	1,038.9	274.1
Trade and other payables	1,680.1	2,075.4	2,253.9
Income tax	—	96.0	—
Derivative financial instruments	1,701.9	4,052.1	1,759.4
Provisions	152.1	131.8	265.8
<b>Current liabilities</b>	<b>4,823.5</b>	<b>7,511.0</b>	<b>5,052.7</b>
Liabilities for assets held for sale	717.6	—	—
	<b>5,541.1</b>	<b>7,511.0</b>	<b>5,052.7</b>
<b>Total equity and liabilities</b>	<b>12,543.6</b>	<b>18,206.0</b>	<b>12,990.6</b>

# Condensed consolidated cash flow statement

In millions of euros	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Profit from continuing operations	197.6	260.7	510.5
Depreciation, amortisation and impairments	169.6	131.7	286.9
Changes in provisions, working capital, derivative financial instruments and other items	237.6	(355.0)	(361.1)
<i>Cash flow from operating activities:</i>			
Continuing operations	604.8	37.4	436.3
Discontinued operations	(119.7)	107.7	180.0
<b>Cash flow from operating activities</b>	<b>485.1</b>	<b>145.1</b>	<b>616.3</b>
Additions to property, plant, equipment and intangible assets	(534.0)	(226.3)	(727.6)
Investments in group companies	(14.7) <sup>2</sup>	(47.0) <sup>3</sup>	(48.2) <sup>3</sup>
Proceeds from sale of property, plant, equipment and intangible assets	3.4	3.4	11.7
Proceeds from sale of investments in joint ventures and associates	5.2	24.4	26.9
Other changes	(27.5)	226.8 <sup>4</sup>	255.7 <sup>4</sup>
<i>Cash flow from investing activities:</i>			
Continuing operations	(567.6)	(18.7)	(481.5)
Discontinued operations	(4.2)	(126.7)	(314.8)
<b>Cash flow from investing activities</b>	<b>(571.8)</b>	<b>(145.4)</b>	<b>(796.3)</b>
<b>Cash flow before financing activities</b>	<b>(86.7)</b>	<b>(0.3)</b>	<b>(180.0)</b>
Repayment of redemption of interest-bearing liabilities	(56.5)	(31.1)	(163.2)
Dividend paid and non-recurring distributions paid to shareholders of Essent n.v.	(443.5)	(397.8)	(547.8)
Dividend paid to minority interests	(20.2)	(22.4)	(22.7)
Increase in interest-bearing liabilities	454.1	12.5	339.8
<i>Cash flow from financing activities:</i>			
Continuing operations	(66.1)	(438.8)	(393.9)
Discontinued operations	(28.4)	32.1	149.9
<b>Cash flow from financing activities</b>	<b>(94.5)</b>	<b>(406.7)</b>	<b>(244.0)</b>
<b>Total cash flow</b>	<b>(181.2)</b>	<b>(407.0)</b>	<b>(424.0)</b>
Cash and cash equivalents from discontinued operations at end of period	(51.4)	—	—
Balance of cash and cash equivalents at beginning of period <sup>5</sup>	592.9	1,016.9	1,016.9
<b>Balance of cash and cash equivalents at end of period <sup>5</sup></b>	<b>360.3</b>	<b>609.9</b>	<b>592.9</b>

1 — Unaudited figures

2 — Relates to the purchase of the Windfarm Märkisch Linden GmbH & Co.KG (Märkisch Linden). For more details, see the note on acquisitions

3 — Relates to the acquisition of the remaining equity interest in Abfallbehandlung Nord GmbH (ANO). For more details concerning the acquisition of ANO, see the note on acquisitions

4 — Relates mainly to the sale of investments held for trade securities

5 — Relates to cash and cash equivalents net of current liabilities owed to banks

# Consolidated statement of changes in equity

In millions of euros	Number of ordinary shares (x one share)	Share capital	Share premium	IAS 39 reserve <sup>1</sup>	Other reserve <sup>2</sup>	Profit for the year	Equity attributable to shareholders of Essent n.v.	Minority interests	Total equity
<b>At 1 January 2008</b>	<b>149,682,196</b>	<b>149.7</b>	<b>1,512.6</b>	<b>265.9</b>	<b>385.2</b>	<b>2,594.3</b>	<b>4,907.7</b>	<b>267.3</b>	<b>5,175.0</b>
Profit after tax	—	—	—	—	—	461.5	461.5	22.8	484.3
Gains and losses from the revaluation of available-for-sale financial assets	—	—	—	(3.1)	—	—	(3.1)	(3.0)	(6.1)
Effective portion of gains and losses on hedging instruments	—	—	—	618.2	—	—	618.2	55.7	673.9
Other changes <sup>3</sup>	—	—	—	—	16.0	—	16.0	(22.4)	(6.4)
Share of other comprehensive income of joint ventures and associates	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	615.1	16.0	461.5	1,092.6	53.1	1,145.7
Appropriated result 2007	—	—	—	—	2,594.3	(2,594.3)	—	—	—
Dividend paid	—	—	—	—	(397.8)	—	(397.8)	(22.4)	(420.2)
<b>At 30 juni 2008 <sup>4</sup></b>	<b>149,682,196</b>	<b>149.7</b>	<b>1,512.6</b>	<b>881.0</b>	<b>2,597.7</b>	<b>461.5</b>	<b>5,602.5</b>	<b>298.0</b>	<b>5,900.5</b>
Profit after tax	—	—	—	—	—	425.5	425.5	5.6	431.1
Gains and losses from the revaluation of available-for-sale financial assets	—	—	—	(2.2)	—	—	(2.2)	(2.1)	(4.3)
Effective portion of gains and losses on hedging instruments	—	—	—	(833.7)	—	—	(833.7)	(87.6)	(921.3)
Other changes <sup>5</sup>	—	—	—	—	(3.1)	—	(3.1)	—	(3.1)
Share of total comprehensive income of joint ventures and associates	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	(835.9)	(3.1)	425.5	(413.5)	(84.1)	(497.6)
Dividend and non-recurring distribution paid to shareholders <sup>6</sup>	—	—	(150.0)	—	—	—	(150.0)	(0.3)	(150.3)
<b>At 31 December 2008</b>	<b>149,682,196</b>	<b>149.7</b>	<b>1,362.6</b>	<b>45.1</b>	<b>2,594.6</b>	<b>887.0</b>	<b>5,039.0</b>	<b>213.6</b>	<b>5,252.6</b>

1 — The IAS 39 reserve is a revaluation reserve and accordingly is not freely distributable

2 — The other reserve is freely distributable

3 — Part of the other changes (EUR 6.1 million) relates to the fair value increase of the original equity interest held in Abfallbehandlung Nord GmbH (ANO), whose remaining equity interest the Group acquired as at 1 January 2008. For more details concerning the acquisition of ANO, see the note on acquisitions. In addition, the Group entered into a repayment commitment relating to the partnership capital in the Vamij c.v. limited partnership, which has caused the equity attributable to shareholders of Essent n.v. to increase and minority interests to decrease

4 — Unaudited figures

5 — Other changes relate to the interest in ANO purchased in the first half of the year and represent an adjustment to the fair value increase

6 — Relates to a non-recurring distribution to former EDON shareholders under the terms of an accepted proposal for settlement between shareholders

In millions of euros	Number of ordinary shares (x one share)	Share capital	Share premium	IAS 39 reserve <sup>1</sup>	Other reserve <sup>2</sup>	Profit for the year	Equity attributable to shareholders of Essent n.v.	Minority interests	Total equity
<b>At 31 December 2008</b>	<b>149,682,196</b>	<b>149.7</b>	<b>1,362.6</b>	<b>45.1</b>	<b>2,594.6</b>	<b>887.0</b>	<b>5,039.0</b>	<b>213.6</b>	<b>5,252.6</b>
Profit after tax	—	—	—	—	—	2,598.2	2,598.2	12.0	2,610.2
Gains and losses from the revaluation of available-for-sale financial assets	—	—	—	0.9	—	—	0.9	0.9	1.8
Effective portion of gains and losses on hedging instruments	—	—	—	87.7	—	—	87.7	(6.3)	81.4
Other changes	—	—	—	—	—	—	—	—	—
Share of other comprehensive income of joint ventures and associates	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	88.6	—	2,598.2	2,686.8	6.6	2,693.4
Appropriated result 2008	—	—	—	—	887.0	(887.0)	—	—	—
Dividend paid	—	—	—	—	(443.5)	—	(443.5)	(20.2)	(463.7)
Dividend in kind <sup>3</sup>	—	—	—	—	(2,737.8)	—	(2,737.8)	—	(2,737.8)
<b>At 30 June 2009</b>	<b>149,682,196</b>	<b>149.7</b>	<b>1,362.6</b>	<b>133.7</b>	<b>300.3</b>	<b>2,598.2</b>	<b>4,544.5</b>	<b>200.0</b>	<b>4,744.5</b>

1 — The IAS 39 reserve is a revaluation reserve and accordingly is not freely distributable

2 — The other reserve is freely distributable

3 — Relates to a dividend distribution to shareholders in the form of a transfer of shares in Enexis Holding b.v.

# Notes

## Accounting policies

Essent n.v. is the holding company of a number of group companies, most of them in the Netherlands, Germany, Switzerland and Belgium (collectively the “Group”), that generate, trade and supply energy, including various related products and services, and provide waste management services. The Group also has investments in a number of joint ventures and associates.

The functional currency of Essent n.v. is the euro, and, unless otherwise stated, all amounts are in millions of euros.

The consolidated financial statements as at 30 June 2009 incorporate the figures of Essent n.v. and its group companies. Full consolidation method is used.

The Group bases its accounting policies on International Financial Reporting Standards (IFRS) as adopted by the European Union. In the preparation of these interim statements, the same accounting policies were used as for the 2008 financial statements, apart from the changes resulting from new and/or amended standards that have come into force on or after 1 January 2009.

The financial statements for 2008, including the complete set of accounting policies, can be found on the website ([www.essent.eu](http://www.essent.eu)). The 2009 Interim Statements were prepared in accordance with IAS 34 Interim Financial Reporting.

Interim results are subject to seasonal variations caused by weather conditions, which leads to relatively more of the ordinary annual results being realised in the first part of the financial year.

## New and/or amended IFRS applied as from 1 January 2009

The Group has made the following changes to its accounting policies, in the light of new and/or amended standards applied as from 1 January 2009:

- More precise definition of a segment, in line with IFRS 8 “Operating Segments”, effective as from the beginning of the 2009 financial year. This standard prescribes additional requirements for the segment information in the financial statements. Although it has no effect on the segmentation used by Essent, some changes have been made to the information disclosed for each segment;
- Subject to certain conditions, capitalisation of construction interest as part of the acquisition price of an asset, in line with an amendment to IAS 23 “Borrowing Costs” effective from the beginning of the 2009 financial year. Until the end of the 2008 financial year, the Group had opted to recognise construction interest directly in profit or loss, as permitted under the original standard. The amendment has to be applied prospectively, meaning that it has only been applied to capital expenditure starting on or after 1 January 2009. No construction interest was capitalised during the first six months of 2009;
- Amendment to IAS 1 “Presentation of Financial Statements: A Revised Presentation”, effective as from the beginning of the

2009 financial year. This amendment provides guidelines for the disclosure of total comprehensive income, notes on changes in equity, retrospective application of changes to financial reporting requirements, notes on tax items relating to equity, and notes on the reclassification of equity components. Also included in the amendment are changes to the names used for the various sections of a set of financial statements, which has not been applied by the Group. The amendment prompted the Group to modify the presentation of and notes to the interim statements.

## Changes in presentation and estimates

The activities of Enexis Holding have been classified as discontinued operations, because of the transfer to the shareholders as of 30 June 2009. Consequently, the profit for the period from these activities is included in the consolidated income statement as profit from discontinued operations. The comparative income statements for the first half of 2008 and for the full year 2008 have been restated to reflect this.

In the consolidated balance sheet as at 30 June 2009 due to the planned sale, the assets and liabilities of Essent Waste Management are classified as assets held for sale and liabilities for assets held for sale, respectively, with receivables and liabilities between Essent Waste Management and the other group companies being eliminated. The comparative figures as at 30 June and 31 December 2008 have not been restated to reflect this. By consequence, the Group has classified the activities of Essent Waste Management as discontinued operations based on IFRS 5. The comparative income statements for the first half of 2008 and for the whole year of 2008 have been restated to reflect this.

Starting the classification of Essent Waste Management’s activities as discontinued operations, there will be no depreciation of its property, plant and equipment, and amortisation of its intangible assets will no longer be recorded. Because the reclassification is effective as of 30 June 2009, it has no effect on the operating results of the unit for the first half of the year.

For more details about the planned sale of Essent Waste Management and the transfer of Enexis Holding b.v., see the note on discontinued operations.

The cash flow statement shows the cash flows from discontinued operations separately, with the comparative figures for the first half of 2008 and the whole of 2008 having been restated to reflect this.

As from the beginning of the 2009 financial year, the Group has applied the amendment to IAS 1 “Presentation of Financial Statements: A Revised Presentation” to its financial statements and interim financial reports. From 1 January to 30 June 2009 inclusive, there were no other material changes in presentation or estimates.

## Legal proceedings and disputes

On 30 June 2009, a number of group companies was involved in various legal proceedings and disputes. Provisions have been formed for them, based on estimates of the financial risks.

## Acquisitions

On 15 May 2009, the Group acquired Windfarm Märkisch Linden GmbH & Co. KG (Märkisch Linden) through swb AG, a subsidiary of the Group. This wholly owned interest generates wind energy. The final agreement was signed on 17 June 2009. The cost of the acquisition, as well as the cash outflow on related investing activities, amounts to EUR 14.7 million, of which EUR 0.7 million is recognised as goodwill. As from 15 May 2009, Märkisch Linden has been fully consolidated in the group figures.

No other substantial acquisitions were made during the first six months of 2009.

To clarify the comparative figures, a description of the most significant acquisition during the first half of 2008 is given below.

On 8 October 2007, the Group announced its intention to acquire the remaining 50% of the shares in Abfallbehandlung Nord GmbH (ANO). To this end, a letter of intent was signed on 7 January 2008, providing for the Group to have full control as from 1 January 2008. The final acquisition agreement was concluded on 27 March 2008. The results of ANO have been consolidated with those of the Group as from 1 January 2008.

The cost of this acquisition is EUR 48.8 million (in the comparative figures as at 30 June 2008, the cost was still shown as EUR 47.7 million). No costs are allocated to this acquisition.

The net cash outflow on related investing activities is EUR 48.2 million (in the comparative figures as at 30 June 2008, the corresponding amount was still shown as EUR 47.0 million).

For a detailed description of the ANO acquisition, see the 2008 financial statements of Essent n.v.

# Discontinued operations

## Total profit from discontinued operations

The profit from discontinued operations can be broken down as follows.

In million of euros	First half 2009	First half 2008	Full year 2008
Ordinary result from Enexis Holding b.v.	193.2 <sup>1</sup>	143.6	254.6
Ordinary result from Essent Waste Management	26.6	24.2 <sup>2</sup>	37.2
Total ordinary result after tax	219.8	167.8	291.8
Gain on the transfer of Enexis Holding b.v.	2,506.4	—	—
Allocated termination payments on Cross-Border Leases	(186.5) <sup>3</sup>	—	—
Tax and deferred tax items	(127.1)	55.8	113.1
<b>Total profit from discontinued operations</b>	<b>2,412.6</b>	<b>223.6</b>	<b>404.9</b>

1 — Includes the adjustment for the effect of depreciation on the fair value increases that emerged on the transfer of the companies holding the network assets to Enexis Holding b.v.

2 — Unaudited figures

3 — Relates to non-recurring payments in connection with the termination of Cross-Border Leases connected with network and waste management activities

## Enexis Holding b.v.

On 30 June 2009, Essent transferred the shares in Enexis Holding b.v. to its own shareholders, making the legally required unbundling of the network activities from the commercial energy activities a fact. Effective 1 January 2009, the network activities were operationally unbundled, to continue under the name Enexis.

The transfer was at fair value on 30 June 2009, based on the net asset value of Enexis Holding b.v. of EUR 2,737.8 million. As this net asset value included the network assets of the companies holding them, the transfer resulted in the realisation for the Group of the fair

value increase that emerged on the transfer of these companies to Enexis in 2007. This resulted in a profit from discontinued operations of EUR 2,417.9 million. The transfer was in the form of a dividend distribution to the shareholders. The results of Enexis Holding b.v. were consolidated with those of the Group up to and including 30 June 2009. However, in the Group's balance sheet as at 30 June 2009, Enexis Holding b.v. is no longer consolidated.

The results of Enexis Holding b.v., as included in the consolidated statements of Essent n.v., are as follows:

In million of euros	First half 2009	First half 2008	Full year 2008
Revenue <sup>1</sup>	695.2	667.7	1,342.0
Expenses <sup>2</sup>	(412.9)	(396.7)	(831.1)
Operating profit	282.3	271.0	510.9
Share of result joint ventures and associates	1.4	1.2	5.3
Finance income and expenses	(31.0)	(79.6)	(175.7)
Profit before tax	252.7	192.6	340.5
Income tax expense	(59.5)	(49.0)	(85.9)
<b>Ordinary result from Enexis Holding b.v.</b>	<b>193.2</b>	<b>143.6</b>	<b>254.6</b>

1 — Includes intragroup supplies

2 — Excludes depreciation on the fair value increases that emerged on the transfer of the companies holding the network assets to Enexis Holding b.v.

Finance income and expenses include interest income and expenses relating to receivables from and liabilities to group companies. For the first half of 2009, the net interest expense is EUR (33.7) million (first half 2008: EUR (79.4) million; full year 2008: EUR (174.1) million).

To clarify the effect of the transfer on the consolidated balance sheet of Essent n.v., a condensed consolidated balance sheet of Enexis Holding b.v. as at 30 June 2009 is provided in the table below. The items in the table are based on the balance sheet values included in the consolidation of Essent n.v. before the transfer (i.e. excluding fair value increases).

In million of euros	30 June 2009	In million of euros	30 June 2009
<b>Assets</b>		<b>Equity and liabilities</b>	
Property, plant and equipment	2,034.5	Equity	2,887.6 <sup>1</sup>
Intangible assets	50.8	Non-current non-interest-bearing liabilities	8.3
Financial assets	18.9	Non-current interest-bearing liabilities	111.5
Inventories	18.6	Provisions	81.8
Receivables	203.1	Current interest-bearing liabilities	5.1
Assets held for sale	3.5	Trade and other payables	227.5
Cash and cash equivalents	55.5	Subtotal	3,321.8
Subtotal	2,384.9	Liabilities to group companies	331.4
Current receivables from group companies	1,268.3		
<b>Total assets</b>	<b>3,653.2</b>	<b>Total equity and liabilities</b>	<b>3,653.2</b>

1 — The difference between equity and the transfer amount of EUR 2,737.8 million is the depreciation on the fair value increase in the first six months of 2009 and the whole of 2008

The transfer of Enexis Holding b.v. was in the form of a dividend distribution to the current shareholders of Essent n.v., excluding the settlement of receivables and amounts owed. Hence, no cash flow was generated by the transfer.

### Essent Waste Management

Essent's Executive Board recommended the shareholders to terminate the process for selling Essent Waste Management to an external party. The business unit is a distinct segment within the Group (see the note Segment information).

From negotiations with several interested parties, it became clear that none of them could satisfy the conditions set for the sale of Essent Waste Management. When the sales process started, on

10 February 2009, the Executive Board made it clear that it would not be achieved unconditionally. Diligence was always of the utmost importance.

The transfer to the shareholders is expected to take place in the third quarter of 2009. Essent Waste Management operates in the Dutch waste-processing sector, its activities comprising the incineration and composting of waste, and the management of landfills.

In the Group balance sheet as at 30 June 2009, the assets and liabilities of Essent Waste Management are classified as assets held for sale and liabilities for assets held for sale, respectively, with the receivables and liabilities between Essent Waste Management and the other group companies being eliminated.

The results of Essent Waste Management are as follows:

In million of euros	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Revenue <sup>2</sup>	166.8	181.6	366.5
Expenses	(126.8)	(142.3)	(281.2)
Operating profit	40.0	39.3	85.3
Share of result of joint ventures and associates	—	0.4	0.5
Finance income and expenses	(10.5)	(8.3)	(36.4)
Profit before tax	29.5	31.4	49.4
Income tax expense	(2.9)	(7.2)	(12.2)
<b>Ordinary result from Essent Waste Management</b>	<b>26.6</b>	<b>24.2</b>	<b>37.2</b>

1 — Unaudited figures

2 — Includes intragroup supplies

The assets and liabilities of Essent Waste Management comprise the following.

In million of euros	30 June 2009	In million of euros	30 June 2009
<b>Assets</b>		<b>Equity and liabilities</b>	
Property, plant and equipment	568.6	Equity	203.9
Financial assets	64.1	Non-current non-interest-bearing liabilities	0.3
Inventories	8.1	Non-current interest-bearing liabilities	185.9
Receivables	43.0	Provisions	281.0
Cash and cash equivalents	523.7	Current interest-bearing liabilities	443.2
Total assets	1,207.5	Trade and other payables	93.2
Less: Eliminations & consolidation adjustments	(479.4)	Total equity and liabilities	1,207.5
<b>Essent Waste Management assets held for sale</b>	<b>728.1</b>	Less: Eliminations & consolidation adjustments	(489.9)
		<b>Essent Waste Management liabilities for assets held for sale</b>	<b>717.6</b>

Starting the classification of Essent Waste Management's activities as discontinued operations, no depreciation of its property, plant and equipment, and no amortisation of its intangible assets will be accounted for. Because the classification is effective as of 30 June 2009, it has no effect on the consolidated operating results of the unit for the first half of this year.

Finance income and expenses include interest income and expenses relating to receivables from and liabilities to group companies. For the first half of 2009, the net interest income is EUR 5.0 million (first half 2008: EUR 4.1 million; full year 2008: EUR 9.0 million).

#### *Property, plant, equipment and intangible assets*

The most important changes in property, plant, equipment and intangible assets in 2009 are the depreciation, amortisation, capital expenditure and proceeds presented in the condensed consolidated cash flow statement.

Impairments of plant and equipment were recognised in the first half of 2009. They relate to cogeneration plants (EUR 5.2 million), in respect of a downward adjustment to expected future results, and the Cuijk power station (EUR 9.4 million), in respect of an expected adjustment to Government grants. An impairment was also recognised on software under development (EUR 4.5 million) in view of the uncertainty concerning its use.

In the first half of 2009, an impairment of EUR 15.5 million was recognised on the goodwill paid in the ANO acquisition. This impairment is the result of a steep fall in processing tariffs for accepted waste in combination with short-term contracts.

An examination based on the situation as at 30 June 2009 did not result in any further material impairments.

#### *Assets held for sale and liabilities for assets held for sale*

Assets held for sale can be broken down as follows:

In million of euros	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Assets of Essent Waste Management	728.1	—	—
High-voltage grids	—	163.2	183.0
Other	4.0	—	7.6
<b>Total assets held for sale</b>	<b>732.1</b>	<b>163.2</b>	<b>190.6</b>

1 — Unaudited figures

Liabilities for assets held for sale can be broken down as follows:

In million of euros	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Liabilities for assets of Essent Waste Management	717.6	—	—
<b>Total liabilities for assets held for sale</b>	<b>717.6</b>	<b>—</b>	<b>—</b>

1 — Unaudited figures

For information on the discontinued operations of Essent Waste Management, see the note on discontinued operations.

On 15 April 2009, Enexis – at the time still part of the Group – sold the 110 kV and 150 kV high-voltage grids to TenneT (selling price: EUR 320.0 million; carrying amount 31 December 2008: EUR 183.0 million). The gain of EUR 137.0 million is recognised as other operating income. The beneficial ownership was transferred retroactively to 1 November 2008.

The remaining assets held for sale relate to the equity interest in Essent Water B.V. (which was sold to Brabant Water early July 2009).

#### Effective tax rate

The Group's activities are subject to income tax in several European countries with different statutory tax rates.

The reconciliation between the weighted average of statutory income tax rates expressed as a percentage of profit before tax and the effective tax rate on continuing operations is as follows:

As a percentage (%)	First half 2009	First half 2008 <sup>1</sup>	Full year 2008
Standard statutory income tax rate in the Netherlands	25.5	25.5	25.5
Difference from the standard statutory income tax rates in other countries	2.2	(1.1)	6.5
<b>Weighted average of statutory income tax rates</b>	<b>27.7</b>	<b>24.4</b>	<b>32.0</b>
<i>Tax effect of:</i>			
Non-deductible expenses	2.0	0.2	0.2
Set-off of losses for which no deferred tax assets had been recognised	—	(0.2)	(1.2)
New losses for which no deferred tax assets had been recognised	0.4	0.3	0.2
Tax incentives	—	—	(1.8)
Tax-exempt share of result of associates	(4.1)	(1.7)	(1.7)
Tax-exempt profits	—	—	(3.5)
Changes in deferred tax assets and liabilities valuation	(0.6)	8.9	(6.6)
Adjustments for prior years	1.5	2.2	(1.7)
<b>Effective tax rate</b>	<b>26.9</b>	<b>34.1</b>	<b>15.9</b>

1 — Unaudited figures

## Note to the cash flow statement

The cash flow statement was prepared using the indirect method, with cash flows adjusted for the effects of consolidation and deconsolidation.

In preparing the consolidated cash flow statement, the following were included as components of the item net cash and cash equivalents:

	30 June 2009	30 June 2008 <sup>1</sup>	31 December 2008
Cash at bank and cash balances	424.5	361.6	587.0
Short-term deposits and securities	7.4	291.6	20.8
Bank overdrafts	(71.6)	(43.3)	(14.9)
<b>Total</b>	<b>360.3</b>	<b>609.9</b>	<b>592.9</b>

1 — Unaudited figures

## Related parties

There were no significant changes concerning related parties.

# Segment information

The information is segmented according to the operations of the Group, with the segmentation reflecting its management structure. Essent distinguishes the business segments Energy Value Chain and swb AG as continuing operations.

The Energy Value Chain segment comprises the generating activities, trading and selling of electricity, gas and energy-related products and services, wind activities in the Netherlands and Germany, and other activities in Germany not part of the swb AG segment.

The swb AG segment comprises all the activities of the subsidiary swb AG. Apart from the sale and distribution of electricity, gas and drinking water, operations in the Bremen region (Germany) include the generation of electricity and heat, as well as waste-stream processing and the management of investments in associates. The segment is managed separately because of the 49% interest of third parties in swb AG.

The Energy Distribution segment comprises the activities involved in the management of the electricity and gas networks, including the operation of the corresponding infrastructure. As at 30 June 2009, the Energy Distribution segment was classified as a discontinued operation.

The Waste Management segment comprises all the activities relating to the incineration and composting of waste and the management of landfills. As at 30 June 2009, the Waste Management segment was classified as a discontinued operation.

Intersegment supplies are settled at arm's length prices.

# Segment information

## First half 2009

In million of euros

	Energy Value Chain	swb AG	Eliminations	Total continuing operations	Discontinued operations Energy Distribution and Waste Management	Eliminations	Total
<b>Income statement</b>							
<i>Revenue</i>							
Third parties	3,375.8	568.1	—	3,943.9	833.5	—	4,777.4
Intersegment	91.6	43.1	(64.5)	70.2	28.5	(98.7)	—
<b>Total</b>	<b>3,467.4</b>	<b>611.2</b>	<b>(64.5)</b>	<b>4,014.1</b>	<b>862.0</b>	<b>(98.7)</b>	<b>4,777.4</b>
Depreciation and amortisation	98.3	34.5	—	132.8	75.8	—	208.6
Segment result	250.9 <sup>1</sup>	27.5	—	278.3	322.3	—	600.6
Unallocated expenses				(19.3)	—	—	(19.3)
Operating profit				259.0	322.3	—	581.3
Share of result of joint ventures and associates	20.1	22.6	—	42.7	1.4	—	44.1
Finance income and expenses				(31.5)	(41.5)	—	(73.0)
<b>Profit before tax</b>				<b>270.2</b>	<b>282.2</b>	<b>—</b>	<b>552.4</b>
Income tax expense				(72.6)	(62.4)	—	(135.0)
Gain on the transfer of Enexis Holding B.V., allocated termination payments Cross-Border Leases, tax and deferred tax items				—	2,192.8	—	2,192.8
<b>Profit after tax</b>				<b>197.6</b>	<b>2,412.6</b>	<b>—</b>	<b>2,610.2</b>

1 — Includes gain of EUR 136.0 million on the sale of the high-voltage grid

## First half 2008 <sup>1</sup>

In million of euros

	Energy Value Chain	swb AG	Eliminations	Total continuing operations	Discontinued operations Energy Distribution and Waste Management	Eliminations	Total
<b>Income statement</b>							
<i>Revenue</i>							
Third parties	3,004.0	540.8	—	3,544.8	825.9	—	4,370.7
Intersegment	98.7	43.3	(75.2)	66.8	23.4	(90.2)	—
<b>Total</b>	<b>3,102.7</b>	<b>584.1</b>	<b>(75.2)</b>	<b>3,611.6</b>	<b>849.3</b>	<b>(90.2)</b>	<b>4,370.7</b>
Depreciation and amortisation	86.6	33.2	—	119.8	131.7	—	251.5
Segment result	276.7	61.9	—	338.6	310.3	—	648.9
Unallocated expenses				(33.1)	—	—	(33.1)
Operating profit				305.5	310.3	—	615.8
Share of result of joint ventures and associates	13.0	17.5	—	30.5	1.6	—	32.1
Finance income and expenses				59.6	(87.9)	—	(28.3)
<b>Profit before tax</b>				<b>395.6</b>	<b>224.0</b>	<b>—</b>	<b>619.6</b>
Income tax expense				(134.9)	(56.2)	—	(191.1)
Tax and deferred tax items				—	55.8	—	55.8
<b>Profit after tax</b>				<b>260.7</b>	<b>223.6</b>		<b>484.3</b>

1 — Unaudited figures

# Other information

## Commitments and contingencies

### Cross-Border Lease Transactions

Commencing in 1994, group companies, former group companies and/or their predecessors entered into various US-Dutch Cross-Border Lease transactions (CBLs) with respect to several power generation plants (GasEdon, Swentibold, Amer-9 and Moerdijk), waste incineration plants in Wijster, gas networks in the provinces of Drenthe, Friesland, Groningen, Limburg (including the gas network of Maastricht), Noord-Brabant and Overijssel and the electricity grid in Maastricht.

The CBLs were entered into with US investors and Dutch and foreign lenders and collateral support providers. When entering into the CBLs, the US investors often established separate legal entities, some in the form of trusts.

In 1996, German leases were concluded on the turbines at the Moerdijk combined heat and power plant. These leases do not form part of the description following hereafter, although certain limited financial information regarding the same appears in the first table below.

As determined by reference to the respective closing dates for the CBLs, the appraised aggregate value of the assets subject thereto was equal to approximately USD 5.6 billion. In total, 13 separate CBLs were entered into. Many of the CBLs are divided into separate transactions, with multiple trusts participating in the same CBL (in total, 65 separate transactions were entered into in connection with the 13 CBLs).

As described further below, various developments have occurred since 1 January 2009 with respect to the CBLs, including *inter alia* as a result of the implementation of ownership unbundling as described elsewhere in this report and the consensual termination of several of the CBLs.

#### *Ownership unbundling*

Prior to the implementation of ownership unbundling, Essent n.v. had issued guarantees in respect of the CBLs. Effective with the implementation of ownership unbundling and the creation of a separate regulated group, the ultimate parent of which is now called Enexis Holding b.v., Essent n.v. affirmed all of these guarantees (for the CBLs not previously terminated), including with respect to the CBLs relating to network as well as commercial assets. Concurrently therewith, Enexis b.v. (the network operator of the separate regulated group) also issued guarantees in respect of all CBLs that had not previously been terminated, again including with respect to the CBLs relating to network as well as commercial assets.

Although the CBLs with respect to network assets are now primarily administered by entities in the Enexis group, certain matters

relating to such CBLs are addressed in the descriptions below by reason of *inter alia* the continuing Essent n.v. guarantees with respect thereto.

#### *Consensual termination of CBLs*

As a way of managing the inherent risk associated with the CBLs, Essent has consummated several consensual early terminations with respect to the CBLs (the Consummated Terminations).

The Consummated Terminations have resulted in the number of CBLs being reduced from 13 to 3 and the number of trusts in the remaining CBLs being reduced from 65 to 9 (47 of these were terminated since 1 January 2009).

The CBLs so terminated account for approximately US dollar 4.7 billion of the original US dollar 5.6 billion appraised aggregate value of the underlying assets. US dollar 4.2 billion of the reduction in value relates to terminations consummated in 2009.

The terminations consummated in 2009 are the primary cause of the decrease in financial exposures described in this report for the CBLs as at 30 June 2009 relative to those reported at the end of 2008.

The costs related to the early terminations of CBLs have been included in the income statement of Essent and are explained in note "2009 Highlights" of this interim statements.

#### *CBLs general*

All CBLs are subject to conditional and unconditional contractual rights and obligations.

CBLs are long term leasing transactions under which the use of, or similar rights with respect to, the assets referred to above were transferred to US investors (or special trusts established for the benefit of such investors) for extended periods of time and subsequently leased back from the US investors (or trusts) for shorter periods of time. At the end of the respective lease back periods, the relevant lessee entities have the right (subject to certain conditions) to purchase the interests of the US investors (or trusts) in the relevant assets by payment of an agreed amount (established at the closing of the transactions) pursuant to a fixed price purchase option. If the fixed price purchase options are exercised, it is expected that amounts payable in connection therewith would be funded from the proceeds of financial instruments purchased at the time the transactions were entered into (or any replacements thereof from time to time).

As in previous years, the structure of the transactions does not require that the rights and obligations under the CBLs be included in Essent's balance sheet, nor in that of any other related entity.

Certain aspects of the CBLs that remained in place at 30 June 2009 can be summarized as follows:

	Year of contractual termination option	Net bookvalue at 30 June 2009 <sup>4</sup>	Transactionvalue at inception of CBLs <sup>4</sup>	Equity termination Value at 30 June 2009 <sup>1, 3, 4</sup>	Equity Termination Value at 31 December 2008 (for CBLs that remain in effect at 2009) <sup>1, 3</sup>	Equity Termination Value at 31 December 2008 (disregarding terminations of CBLs in 2009) <sup>1, 2</sup>
Amounts in millions		EUR	US dollar	US dollar	US dollar	US dollar
Energy networks	2016-2024	42	147	85	84	999
Generating facilities	2016-2017	150	744	238	236	590
Waste incineration facilities	2023	—	—	—	—	130
<b>Total US CBLs</b>		<b>192</b>	<b>891</b>	<b>323</b>	<b>320</b>	<b>1,719</b>
			EUR	EUR	EUR	EUR
Total US CBLs		192	635	230	228	1,224
German lease on Moerdijk plant	2009-2010	—	205	33	33	33
<b>Total all CBLs</b>		<b>192</b>	<b>840</b>	<b>263</b>	<b>261</b>	<b>1,257</b>

1 — Excluding the debt portion of the "Termination Values" in respect of which financial instruments, other collateral or internal reserves have been established

2 — This column includes Equity Termination Values attributable to CBLs that have been terminated in 2009

3 — This column shows Equity Termination Values of CBLs that remain in effect as at 30 June 2009 and thus reflects the terminations that have occurred in 2009

4 — This column shows information for the CBLs that remain in effect as at 30 June 2009

The CBLs are subject to early termination if certain events (as defined in the contracts) occur. Early termination events may include (but are not limited to) events of default and events of loss.

If an early termination event were to occur, the relevant lessees, and hence Essent n.v. also, could be liable for considerable Termination Value payments (and other related damages and financing costs) to the US investors and/or other parties involved in the CBLs.

As at 30 June 2009, the aggregate Equity Termination Value exposure for the remaining CBLs, which would be payable to the US investors (or their trusts) were an early termination event to occur and financial damages were to be claimed, was equal to approximately US dollar 323 million (31 December 2008 for all CBLs then in effect: US dollar 1.7 billion). If required to be paid, part of this amount would be covered by the amounts available under certain of the financial instruments (or replacements thereof) purchased to fund payment of the relevant purchase prices in the event the above-mentioned fixed price purchase options were to be exercised. As at 30 June 2009, the estimated aggregate value of these financial instruments, which

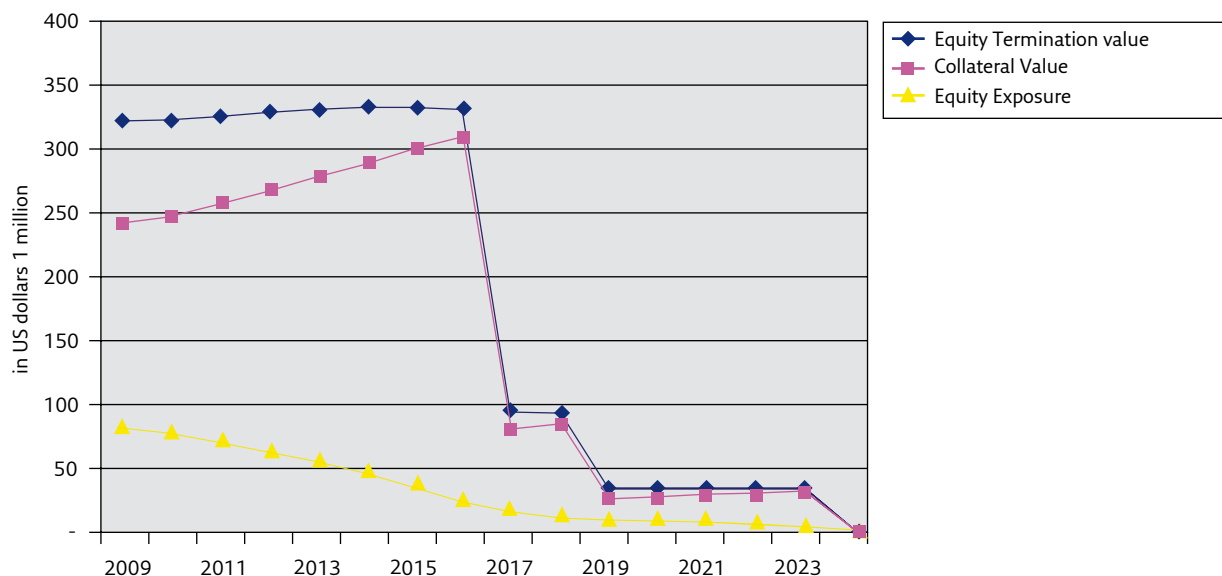
are sensitive to movements in interest rates and credit spreads, was equal to approximately US dollar 241 million (31 December 2008 for all CBLs then in effect: approximately 1 billion US dollar). US dollar 52 million of these instruments is held by entities in the new regulated group, and the remainder by subsidiaries of Essent (31 December 2008 for all CBLs then in effect: US Dollar 519 million). To illustrate the sensitivity to movements in interest rates and credit spreads, it is estimated that an increase in the US treasuries interest yield of 10 basis points (0.10 percentage points) would cause a loss in market value of these financial instruments of approximately US dollar 1.5 million.

The portion of the Equity Termination Value exposure not covered by the financial instruments (approximately US dollar 82 million as at 30 June 2009 and US dollar 705 million as at 31 December 2008 for all CBLs then in effect) is from Essent's perspective sensitive to movements in the US dollar/EUR exchange rate. For example, a loss in value of the Euro relative to the US dollar of US dollar 0.01 could cause an increase in this exposure of approximately EUR 0.4 million.

The following graphs illustrate the pattern of net financial exposure that is anticipated for Equity Termination Values in respect of the remaining CBLs; this exposure is the difference between the aggregate Equity Termination Values and the estimated aggregate value of the relevant financial instruments, based on market conditions as at 30 June 2009, should early termination payments under the CBLs be required. From the top line of graphic 1, it can be seen that the maximum US dollar gross exposure to Equity Termination Value is anticipated to be reached in 2016. However, based on the

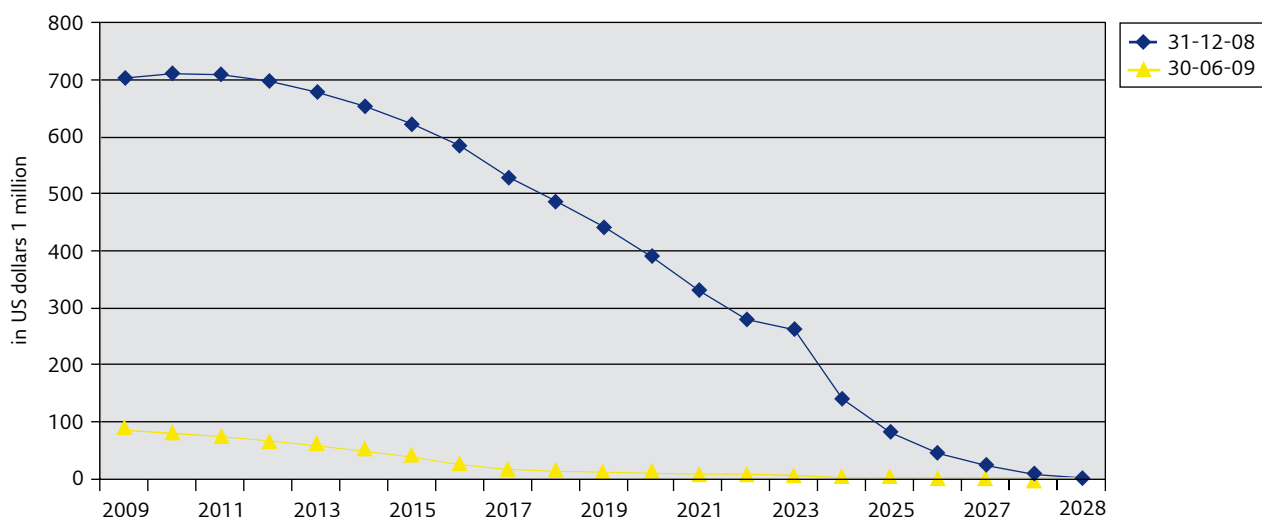
referenced market conditions and the expected increase in value of the above referenced financial instruments, it can also be seen that the maximum US dollar net exposure to Equity Termination Value (i.e., Equity Termination Value minus the expected value of such financial instruments) is anticipated to be reached in 2009 and is estimated to be US dollar 82 million (31 December 2008 for all CBLs then in effect: US dollar 781 million). This pattern can change over time depending on the value of the underlying financial instruments.

Graphic 1: Summary total equity exposures as at June 30, 2009



Starting in 2017 these graphics only show estimated exposures for network CBLs as the basic lease terms are scheduled to end by that time for the commercial CBLs.

Graphic 2: Net estimated CBL Exposure (Compare 30 June 2009 and 31 December 2008)



If an early termination event were to occur under the remaining CBLs and financial damages were to be claimed, the relevant lessees (and thus Essent n.v.) would also be liable for the balance of any scheduled Termination Value payments in addition to the above-mentioned Equity Termination Value payments. It is anticipated that these amounts, which would be payable to the lenders and other parties involved in the CBLs, are estimated to be equal to approximately US dollar 788 million (31 December 2008 for all CBLs then in effect: US dollar 5 billion), which amounts are substantially covered by the financial instruments, collateral and internal reserves referred to in footnote 1 to the table above.

If there were to be a simultaneous mandatory early termination of all remaining CBLs and financial damages were to be claimed in connection therewith, it is estimated that the aggregate net cost for Essent and the relevant group companies could be approximately US dollar 200 million, allocated as follows: approximately US dollar 30

million to the network CBLs and the balance to the commercial CBLs (31 December 2008 for all CBLs then in effect: approximately USD 1 billion). These amounts are based on, *inter alia*, the Termination Values as at 30 June 2009, the estimated valuations of the above-mentioned financial instruments and other collateral and internal reserves as at such date (and the potential impact of market volatility with respect thereto), incremental (swap and other) breakage and similar or related costs and other liabilities under the CBLs that Essent believes, based on its business judgment, will be payable in connection with an early termination of the CBLs and other relevant factors in respect of specific items and other related costs that would be expected to be incurred.

The contractual CBL-rental obligations for the next five years are shown in the following table:

In millions of US dollars	2009	2010	2011	2012	2013	2014>	Total
CBL rental obligations:							
Networks	4	11	12	9	8	53	97
Generating facilities	27	56	56	54	55	68	316
<b>Total</b>	<b>31</b>	<b>67</b>	<b>68</b>	<b>63</b>	<b>63</b>	<b>121</b>	<b>413</b>

Under the terms of some CBLs, mortgages, pledges or other security rights have been placed on the underlying assets. For all CBLs the net book value of the assets concerned as at 30 June 2009 is approximately EUR 192 million.

In millions of euros	Net bookvalue at 30 June 2009 <sup>1</sup>	Net bookvalue at 31 December 2008 <sup>1</sup>	Net bookvalue of assets encumbered by mortgage, pledge or other security at 30 juni 2009 <sup>1</sup>	Net bookvalue of assets encumbered by mortgage, pledge or other security at 31 December 2008 <sup>1</sup>
Energy networks	42	1,130	42	93
Generating facilities	150	321	150	321
Waste Management facilities	—	170	—	170
<b>Total all CBLs</b>	<b>192</b>	<b>1,621</b>	<b>192</b>	<b>584</b>

1 — Only for the CBLs that remain in effect as at 30 June 2009

## Letters of Credit and other collateral on Cross-Border Lease transactions

### *CBL-contracts*

Under the terms of the CBLs, Letters of Credit (LCs) and/or other collateral instruments were required to be delivered at closing in favour of certain CBL parties.

By reason of consensual terminations that have occurred to date, LCs are presently only issued for the network CBLs, with coverage amounts as at 30 June 2009 equal to approximately US dollar 34 million (31 December 2008: US dollar for all CBLs then in effect 134 million). The required coverage in respect of these Letters of Credit are sensitive to changes in the values of the relevant underlying financial instruments (including by reason of changing credit spreads applicable to the issuers thereof) and to the level of US interest rates.

Certain CBLs require that additional LCs and/or other collateral be delivered (and/or that existing LCs and/or other collateral be replaced) if certain events occur. These events include (without limitation) the failure to satisfy specified credit rating tests, certain changes in respect of the identity of Essent's shareholders, breaches of financial covenants and/or the occurrence of certain adverse Dutch legislative or regulatory changes. If these trigger events were to occur, collateral would have to be furnished in an amount equal to approximately US dollar 180 million.

The above amounts apply as at 30 June 2009, reflect the aggregate requirements for the CBLs with respect to the commercial and network assets, are based solely on the types of trigger events specified above, and are sensitive to changes in the values of the relevant underlying financial instruments (including by reason of changing credit spreads applicable to the issuers thereof) and to the level of US interest rates. If additional events occur, either alone or in combination with the types of trigger events specified above, additional collateral may be required.

## Independent Network Management Act

The provisions of the Dutch Independent Network Management Act (*Wet onafhankelijk netbeheer*, "WON") (which came into effect on 1 July 2008) relate to the unbundling of integrated energy companies like Essent into regulated and non-regulated activities. The Sections of the Dutch Independent Network Management Act further provide that the unbundling be completed no later than 1 January 2011.

In 2008, to achieve such unbundling, including the required financial structure of the network enterprise reflecting its specific risk profile, Essent developed an unbundling plan as prescribed by the Independent Network Management Act. In May 2009, the Netherlands Competition Authority (*Nederlandse Mededingingsautoriteit*, "NMa") recommended the Minister of Economic Affairs to accept the plan, following which the Minister issued her approval on 26 May 2009.

Pursuant to the Independent Network Management Act, the network company will remain in public ownership, ensuring a sustainable financial future for Enexis Holding b.v., with energy security as a core objective.

Regarding the unbundling plan submitted by Essent n.v., the Minister agreed to a capital injection to Enexis Holding b.v. of EUR 350 million, as well as the granting of a convertible loan of EUR 350 million to the company by the shareholders of Essent n.v.

On their own initiative, Essent n.v. and its shareholders submitted a proposal to the Minister on 25 May 2009. It contained two major additional points:

— In the current regulatory period, Enexis Holding b.v. would use EUR 50 million of the capital injection to guarantee a prominent role in the energy transition;

— Enexis Holding b.v.'s shareholders have committed to following a restrictive dividend policy for the initial years after the unbundling.

The approval of the unbundling plan combined with the additional stipulations and guarantees proposed by Essent and its shareholders on 25 May 2009 mean there is more than adequate compliance with both the Independent Network Management Act and the Dutch Financial Network Management Decree (*Besluit Financieel Netbeheer*).

As stated elsewhere in these interim statements, the legal unbundling took effect on 30 June 2009.

## Subsequent events

### Alliance with RWE

Early in January 2009, Essent n.v. announced its intention of entering into an alliance with RWE in Germany to become one of the four leading energy companies in Europe. Agreement was reached with RWE on a binding offer for Essent n.v.'s commercial energy activities in the form of EUR 9.3 billion in cash to the shareholders of Essent n.v. In exchange, RWE will acquire all issued and outstanding shares in Essent n.v., and Essent n.v. will become an independent operating company of RWE in the Netherlands and Belgium.

All the shareholders have agreed to the sale, thus offering to sell all their shares. Consequently, RWE will fulfil its part of the deal, once all the suspensive conditions have been satisfied. On 23 June 2009, the European Competition Authority approved the acquisition, without imposing any conditions relating to the Dutch market. As expected, the European Commission did impose conditions relating to the German market. However, given the intention to sell Essent n.v.'s share in the municipal utility company *Stadtwerke Bremen* (swb), these conditions will be met.

Completion of the transaction should be in third quarter of 2009, following which RWE will own all the shares in Essent n.v.

### Kemkens equity interest

Essent Retail Services (ERS) will acquire 49% of the shares in the service and installation companies of Kemkens b.v., resulting in both parties having equal control. The agreement was formally signed on 1 July 2009.

# Auditor's report

To: The General Meeting of Shareholders and the Supervisory Board of Essent N.V.

## *Introduction*

We have audited the accompanying interim condensed consolidated financial statements of Essent N.V., Arnhem, the Netherlands, as recorded on page 8 until page 28, which comprise of the consolidated balance sheet as at June 30, 2009, the profit and loss account, comprehensive income statement, statement of changes in equity and condensed cash flow statement for the six months period then ended. We have reviewed the interim condensed financial statements as at June 30, 2008 and for the six months period then ended. The amounts included for comparative purposes in the consolidated balance sheet as at June 30, 2008, the profit and loss account, comprehensive income statement, statement of changes in equity and the condensed cash flow statement for the six months period then ended have therefore not been audited. Management is responsible for the preparation of the interim condensed consolidated financial statements, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express an opinion on the interim condensed consolidated financial statements based on our audit.

## *Scope*

We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the interim condensed consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim condensed consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim condensed consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim condensed consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Conclusion*

In our opinion, the accompanying interim condensed consolidated financial statements of Essent N.V. as at June 30, 2009 and for the six months period that ended are prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

's-Hertogenbosch, the Netherlands  
6 August 2009

Ernst & Young Accountants LLP  
signed by M. Hartkoorn RA

# Significant financial ratios <sup>1</sup>

Financial ratios	Target	First half 2009	First half 2008 <sup>2</sup>	Full year 2008
Leverage (total debt basis in %)	< 50%	20.0	13.4	18.4
Solvency (%)		37.8	32.4	40.4
EBITDA as % of total interest-bearing liabilities	> 35%	68.1 <sup>3</sup>	76.7 <sup>3</sup>	67.8
Interest coverage	7.5x	358.7x <sup>4</sup>	21.2x <sup>4</sup>	9.1x
Non-current interest-bearing liabilities as % of total interest-bearing liabilities		28.4	87.2	57.9

1 — The calculation of the ratios is based on the figures presented in the balance sheet and income statement. The comparative figures take the effect of the discontinued operations into account. For a reconciliation of the ratios, see the consolidated income statement and the note on discontinued operations

2 — Unaudited figures

3 — Calculation based on interest-bearing liabilities as at 30 June of the year under review and EBITDA of the preceding 12 months

4 — Calculation based on EBITDA and net interest expenses of the preceding 12 months

## Definition of financial ratios and abbreviations

### *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*

EBIT plus depreciation, amortisation and impairments.

### *Interest coverage*

EBITDA divided by net finance expenses.

### *EBIT*

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

# Normalised results

In million of euros

	First half 2009	First half 2008 <sup>1</sup>
Revenues (reported)	4,014.1	3,611.6
Gross margin (reported)	994.4	953.9
<i>Normalisations cost of energy, raw materials and consumables:</i>		
Addition provision legal claims	118.0	17.1
<b>Gross margin (normalised)</b>	<b>1,112.4</b>	<b>971.0</b>
Other operating income (reported)	212.3	86.7
<i>Normalisations other operating income:</i>		
Book profit sale of high-voltage grid	(136.0)	—
<b>Other operating income (normalised)</b>	<b>76.3</b>	<b>86.7</b>
<b>Total gross margin including other operating income (normalised)</b>	<b>1,188.7</b>	<b>1,057.7</b>
Total operating expenses (reported)	947.7	735.1
<i>Normalisations operating expenses:</i>		
- Corporate restructuring	(87.0)	(29.0)
- Impairments	(57.6)	(11.9)
- Early termination Cross-Border Leases	(39.6)	—
Total normalisations in operating expenses	(184.2)	(40.9)
<b>Total operating expenses (normalised)</b>	<b>763.5</b>	<b>694.2</b>
Share of result of joint ventures and associates	42.7	30.5
<b>Earnings before interest and tax / EBIT (normalised)</b>	<b>467.9</b>	<b>394.0</b>

1 — Unaudited figures

Essent N.V.

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