

Rotterdam, August 14, 2007 - Standard & Poor's maintains its Credit Rating of A/Negative/A-1 on ENECO Holding N.V.

See below for the major paragraph of Standard & Poor's research publication.

ENECO Holding N.V.

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Major Rating Factors

Corporate Credit Rating

A/Negative/A-1

Strengths:

- Bulk of operating earnings derived from monopoly regulated distribution business
- Solid financial profile

Weaknesses:

- Heightened risk of unbundling of supply assets from distribution networks
- Exposure to potentially volatile wholesale electricity prices as a result of short power supply position

Rationale

The ratings on Netherlands-based utilities ENECO Holding N.V. and N.V. ENECO (collectively known as ENECO) continue to be underpinned by the stable and substantial earnings contribution of the group's monopoly energy-distribution businesses (69% of consolidated EBIT in 2006) and by its conservative financial policy.

These strengths are offset, however, by the heightened risk of unbundling of regulated activities from competitive activities and ENECO's exposure to volatile wholesale power prices. The group has a significant short power supply position, despite its power purchase agreement (PPA) with InterGen N.V.'s (BB-/Stable/--) Rijnmond, the wind turbines project, and L'Air Liquide S.A.'s (A/Stable/A-1) PerGen power station, which will supply one-third of its electricity needs. The supply business is subject to competitive pressure, following the full liberalization of the Dutch market.

ENECO's financial profile is in line with the ratings, with funds from operations' (FFO) coverage of net debt, adjusted for the Rijnmond PPA and operating leases, of 38% in 2006.

Short-term credit factors

The short-term rating is 'A-1'. ENECO's liquidity profile is sound, with very limited long-term debt maturities until 2010, limited recourse to short-term debt, and an

undrawn €1 billion revolving facility maturing in 2009. In October 2006, ENECO repurchased €576.2 million of a €700 million bond maturing in May 2010, using a €600 million bridge loan. This resulted in short-term debt of more than €1 billion at the end of 2006. In March 2007, however, ENECO made a number of private placements with U.S. investors, borrowing a total of €775 million for terms between seven years and 20 years. Using the funds to repay the bridge facility, ENECO extended its maturity profile significantly. ENECO's LOC bank commitments relating to its cross-border leases for \$1.06 billion, although manageable, remain a negative credit factor. The group would need to increase the amount of these LOC bank commitments by \$75 million in the event of a downgrade.

Outlook

The negative outlook reflects the potentially significant credit implications of the Dutch government's plans to split the country's energy companies into separate distribution and supply and generation entities by January 2011. There remains, however, significant uncertainty as to how ENECO would implement such unbundling.

There is also some uncertainty about how debt would be allocated between the operations upon such a breakup. In addition to the risk of unbundling, the ratings on ENECO could come under pressure if the group's operational and financial performance, which is currently adequate for the ratings, substantially weakens. Although there is limited upside potential, a positive rating action by Standard & Poor's Ratings Services could arise if ENECO achieves a strong and sustainable improvement in key cash flow ratios, and the group's business profile does not decline.