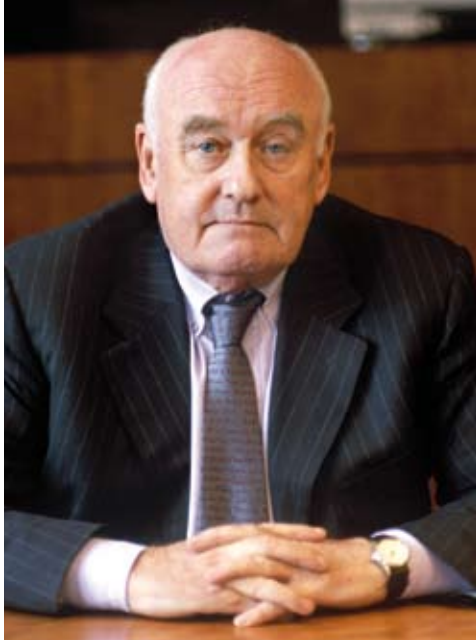


Chairman's Review



Lochlann Quinn
Chairman

‘I am confident that given the strong support we have received from our owners for our new strategy and the enthusiasm shown by management and staff, ESB will in the future, as it has in the past, fully deliver its strategic goals.’

In accordance with the provisions of the Electricity (Supply) Act 1927 as amended, the Board presents the annual report and accounts for the year ended 31 December 2007.

2007 was an excellent year for ESB. Profit attributable to stockholders is €432 million. The Board is recommending a final dividend of 6.54 cent per unit of stock, giving total dividend payments of €129.5 million (being 30% of distributable profits for 2007) and representing an increase of 94% on the amount paid in respect of 2006.

There were several changes to the ESB Board in 2007. Derry O'Donovan and Will McKee completed their terms of office. While I did not serve with them on the Board I know they both made a valued contribution to its work and I would like to thank them for that.

Seán Conlan and Garry Keegan joined the Board during 2007.

Tadhg O'Donoghue retired after seven years as Chairman of ESB in January 2008. Minister Eamon Ryan T.D., Tadhg's fellow Board members and ESB management have all acknowledged Tadhg's significant achievements in guiding ESB through a period of unprecedented change in the electricity industry. Based on the strong and dynamic company which I found on succeeding him as Chairman last January I also want warmly to acknowledge his contribution.

It is a very exciting time to join the ESB Board as the Company launches a new strategic framework to 2020 based around:

- A €22 billion investment programme which will make ESB the leading renewables company in Ireland.
- Ambitious expansion in Europe, notably in the UK.
- Continued focus on delivering growth in shareholder value and customer service.

I am confident that given the strong support we have received from our owners for our new strategy and the enthusiasm shown by management and staff, ESB will in the future, as it has in the past, fully deliver its strategic goals.

A handwritten signature in black ink, appearing to read 'Lochlann Quinn'. The signature is fluid and cursive.

Lochlann Quinn
Chairman
29 April 2008