



## **Press release**

Bologna, July 27, 2004

### **Approved the merger of Agea S.p.A. into Hera S.p.A.**

The Board of Directors of Hera S.p.A., Agea S.p.A. and Acosea S.p.A., a company controlled by Agea S.p.A., have approved the integration project of Agea S.p.A. into Hera S.p.A.

The integration project provides for the merger by incorporation and the simultaneous spin-off, with Hera as beneficiary, of the water cycle business unit of Acosea, and the allocation of the remaining networks business unit to a newly incorporated company, Acosea Impianti S.r.l.

The total operation also includes a successive sale by Hera to the current minority shareholders (75.5%) consequent of the spin-off operation of Acosea. This sale will permit the reconstitution of the total public ownership of the water services networks and plant.

The merger and spin-off provides for the issue of new shares of Hera S.p.A. reserved to the public shareholders of Agea (51%) and Acosea (24.5%) for a total amount of 46.7 million shares, of a nominal value of Euro 1, with an increase in the net equity of equal to Euro 78.7 million.



The project approved follows the acquisition, in October 2003, of a 42% holding in Agea S.p.A., following a public tender, and the increase of this investment up to 49%, currently in progress, for a total payment of Euro 55 million.

The merger will be effective as of December 31, 2004 and the accounting and fiscal effect date will be retrospective to January 1, 2004.

The integration of Agea and of the Business unit of Acosea in Hera will result in the creation of a specific Local Operating Company, Hera Ferrara, in line with the Hera Group Model, thus favouring the integration and development of the expected synergies.

With this operation, the Hera Group further strengthens its presence within the Emilia Romagna region in all of its core businesses, in particular enriching its expertise in the geothermal and district heating areas, sectors in which Agea plays an important role and for which a dedicated Division will be created with department office at Ferrara.

The operation is subject to the approval of the Municipality shareholder councils of the companies involved and to the approval of the Shareholders' Meetings of the companies that will be held on October 5, 2004.



### **Hera S.p.A. in 2003**

Value of Production	Euro 1,331.3 million
Ebitda	Euro 242.5 million
Net Equity	Euro 894.5 million
Debt	Euro 444 million
Gas sales	Euro 1,634 million MC
Waste treated	2393 Ktons
Volume of water sales	Euro 180 million MC

### **Agea S.p.A. in 2003**

Value of production	Euro 139.3 million
Ebitda	Euro 23.5 million
Net Equity	Euro 108.8 million
Debt	Euro 49.5 million
Gas sales	204 million MC
Waste treated	165 Ktons

### **Acosea S.p.A. in 2003**

Value of production	Euro 30 million
Ebitda	Euro 8.7 million
Net Equity	Euro 65.4 million
Debt	Euro 20 million (pertaining to Acosea Reti)
Volume of water sales	21 million MC

**Comunicazione Hera S.p.A.**

**Attilio Ruffo**

**Giorgia Freddi**

tel. 051-287411/287138

e.mail: [attilio.ruffo@gruppohera.it](mailto:attilio.ruffo@gruppohera.it)

[giorgia.freddi@gruppohera.it](mailto:giorgia.freddi@gruppohera.it)