



Press Release

Bologna, 25th september 2008

Hera issue a Euro 250m partly paid "Puttable Callable Resettable Step-up Bond" with maturity 2031: an innovative bond issue which allows Hera to lengthen the duration of its short term debt at overall favourable conditions.

Today, Hera signed with the Joint Bookrunners Banca IMI, BNP Paribas and The Royal Bank of Scotland (also acting as Arranger of this transaction) a Euro 250m partly paid bond issue due 2031.

The 23year non-call 3yr bond contains put and call options and provisions for resetting the interest rate.

For the first three years, the bond pays a quarterly fixed coupon of 4.20% p.a. on the initial amount of Euro 200m, equivalent to 3 months Euribor rate minus about 90 basis points.

Thereafter, should the bond not being repaid at par, its principal amount will step-up to Euro 250m. The bond will then pay a quarterly fixed coupon of 4.65% p.a. (equivalent to the 20yr IRS minus about 30 basis points) plus the then prevailing 5yr Hera' credit spread, reset every five years by auction, until maturity (2031).

Because of the innovative structure of the bond and Hera's sound credit profile, the bond bears competitive conditions if compared to a plain vanilla bond with similar maturities.

Investor Relations Hera S.p.A.
Jens K. Hansen
tel. +39 051 28 77 37
e.mail: jens.hansen@gruppohera.it
website: www.gruppohera.it