

PRICEWATERHOUSECOOPERS

Auditors' report pursuant to article no. 156 of Legislative Decree no.58 of 24 February 1998

HERA SPA

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2006

PRICEWATERHOUSECOOPERS

Auditors' report pursuant to article no. 156 of Legislative Decree no.58 of 24 February 1998

To the Shareholders of
Hera SpA

1. We have audited the consolidated financial statements which comprise of the balance sheet, income statement, statement of changes in shareholder's equity, statement of cash flows and Notes relating to the financial statements of Hera SpA and its subsidiaries (the "Hera Group") as at 31 December 2006. Ultimate responsibility for the preparation of the consolidated financial statements rests with the management of Hera SpA. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the accepted auditing standards and criteria recommended by CONSOB. In compliance with the aforesaid standards and criteria, we planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements were free from material misstatement or error and that they were reliable. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements as well as an assessment of whether the accounting policies are appropriate to the group's circumstances and, of the significant estimates made by the directors in the preparation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As regards the opinion on the consolidated financial statements of the previous financial year whose data are shown for comparison purposes, please refer to the Report issued by another Auditing company on 11 April 2006.

3. In our opinion the consolidated financial statements of Hera SpA at 31 December 2006 comply with the International Accounting Standards endorsed by the European Union, as well as the provisions issued to implement Article 9 of Legislative Decree no. 38/2005; therefore they have been properly prepared and give a true and fair view of the state of affairs, the statement of changes in shareholders' equity, the statement of cash flows and the profit of the Hera Group for the year then ended.

Rome, 10 April 2007-04-24
PricewaterhouseCoopers SpA

Aurelio Fedele
(Independent Auditor)