



## press release

Bologna, 27 August 2009

### HERA S.p.A.: Board of Directors approves the First Half 2009 results

All indicators are rising compared to the same period of last year

**Revenues at Euro 2,146 million (+22.5%)**  
**EBITDA at Euro 271.3 million (+5.3%)**  
**Group Net Profit at Euro 51.8 million (+4.5%)**

Today in Bologna, the Board of Directors of the Hera Group met and unanimously approved the financial statements as at 30 June 2009, drawn up based on IAS standards.

**All indicators are rising and reveal the solidity of the business portfolio**, over half of which consists of regulated businesses, **and the positive performances of Energy activities, together with the start up of the new WTEs**, which have offset the reduced consumption caused by the difficult economic situation.

**Group revenues** in the first half of 2009 increased +22.5%, going up from Euro 1,752.4 million of the first half of 2008 to Euro 2,146 million.

This significant increase, equal to Euro 394 million, is linked to the success of the sales strategy and to the increased price of raw materials.

**EBITDA** rose to Euro 271.3 million, from Euro 257.6 million of the first half of 2008, marking a 5.3% increase equal to Euro 13.7 million.

This result, which also rose over the same period of last year, is mainly due to the support of the new plants, in addition to the tariff adjustments set by the Authorities and to the efficiency upgrading and rationalisation of the businesses.

**Group Net Profit** grows by 4.5%, reaching Euro 51.8 million from Euro 49.6 million of the first half of 2008, and, after the minorities, increased from Euro 41.2 million to Euro 46.8 million, going up 13.5%.

Group **Operating Capital Expenditure** made during the first six months of 2009 amount to Euro 192 million, in line with the Business Plan. They are for the most part allocated to the Waste Management Area for works on the waste-to-energy plants and to the Water Cycle Area for expanding networks and plants.

The NFP stood at Euro 1,788.4 million, compared to the Euro 1,571.5 million of 31 December 2008, also feeling the effect of dividends payment and the capital expenditure sustained.



As for the individual business areas, the good results attained by the **Gas Area**, with its weight increasing to 33% of the Group's EBITDA composition. EBITDA rose to Euro 90.9 million, from Euro 77.9 million of the same period of last year, with a 16.7% increase. This is due to the higher volumes sold and to adaptation to the new regulated tariff system.

With regard to the **Waste Management Area**, which represents 31% of total EBITDA, it has recovered well since the beginning of the year in spite of the drop in waste production brought about by the overall economic crisis. This allowed it to maintain its EBITDA basically in line with the previous year, at Euro 84.3 million (-1.3%).

The results were positively influenced by the start-up of the new WTE plants and in particular the one in Forlì (started up in mid-2008), and partially the one in Modena (on stream since June 2009), the contribution of which will be more noticeable during the second half of the year.

Of the significant events of the half-year period to be pointed out is also the definition of the new organisation structure with the establishment of Herambiente, the company in operation since 1 July which was assigned the business unit made up of all of the waste treatment and disposal plants for treating municipal and special waste.

The **Integrated Water Cycle**, making up 21.9% of the EBITDA, records an EBITDA substantially in line with first half of 2008 which benefitted from a Euro 3 million extraordinary item achieved by a Group company (Marche Multiservizi). EBITDA decreased to Euro 59.5 million from Euro 61.6 million (-3.4%) main due to decreased consumption and fewer works for new connections.

In the **Electricity Area**, which contributes to the EBITDA make-up for about 10%, thanks to the expansion of the electricity market and the trading business, the EBITDA went up to Euro 26 million from Euro 25.1 million of the same period last year, with a 3.6% increase. Volumes sold increased by 30.8%.

"We are satisfied with the result of these first six months as they are proof of the Group's grip on operations during a time that is extremely complex due to the economic crisis that has struck all sectors," commented Chairman of the Board Tomaso Tommasi di Vignano. "In addition to internal growth, there have been opportunities leading in the direction of external growth as well, with the all but completed acquisition of 25% of the multiutility Aimag."

"In a scenario of some difficulty for all companies in the sector", continued Managing Director Maurizio Chiarini, "our Group presents results which, while confirming the validity of a portfolio comprised of both regulated and free market businesses, demonstrate the excellent performance achieved through internal measures for increasing efficiency."

The Board of Directors also approved the appointment of the new CFO Mr. Sergio Marzo, who had the same role at IMA Spa, listed company on the Italian Stock Exchange in the Star segment.



*The consolidated half year report of the Hera Group as at 30 June 2009 was drawn up in compliance with the IAS standards, as established for listed companies by Article 81 bis of Issuer Regulations no. 11971/1999 and as amended by Consob Resolution no. 14990 of 14 April 2005. Figures are therefore compliant with the international accounting standard 34 regarding infra-annual reporting. The Hera Group adopted the international accounting standards (IAS/IFRS) starting from the 2005 half year results.*

*Pursuant to article 154-bis, section 2, of the Finance Consolidation Act, the manager responsible for drafting the corporate documents, Dario Farina, declares that the information contained in the present press release corresponds to the documentary results, books and accounting entries.*

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<b>Profit and Loss (m€)</b>	<b>30-giu-08</b>	<b>Inc.%</b>	<b>30-giu-09</b>	<b>Inc.%</b>	<b>Ch. (m€)</b>	<b>Ch.%</b>
<b>Sales</b>	<b>1,752.4</b>		<b>2,146.0</b>		<b>+393.6</b>	<b>+22.5%</b>
Change in Stock	2.2	0.1%	0.8	0.0%	(1.4)	(63.9%)
Other operating revenues	29.6	1.7%	31.0	1.4%	+1.4	+4.8%
Raw material	(1,096.4)	(62.6%)	(1,449.3)	(67.5%)	+352.9	+32.2%
Services costs	(355.8)	(20.3%)	(367.2)	(17.1%)	+11.4	+3.2%
Other operating expenses	(19.5)	(1.1%)	(16.0)	(0.7%)	(3.5)	(17.9%)
Personnel costs	(172.9)	(9.9%)	(178.4)	(8.3%)	+5.5	+3.2%
Capitalisations	118.0	6.7%	104.3	4.9%	(13.7)	(11.6%)
<b>EBITDA</b>	<b>257.6</b>	<b>14.7%</b>	<b>271.3</b>	<b>12.6%</b>	<b>+13.7</b>	<b>+5.3%</b>
Depreciation and provisions	(114.9)	(6.6%)	(127.7)	(5.9%)	+12.8	+11.1%
<b>EBIT</b>	<b>142.7</b>	<b>8.1%</b>	<b>143.7</b>	<b>6.7%</b>	<b>+1.0</b>	<b>+0.7%</b>
Financial inc./(exp.)	(51.6)	(2.9%)	(51.8)	(2.4%)	+0.2	+0.4%
Other non operating costs	(5.6)	(0.3%)	(2.7)	(0.1%)	(2.9)	(51.4%)
<b>Pre tax Profit</b>	<b>85.5</b>	<b>4.9%</b>	<b>89.1</b>	<b>4.2%</b>	<b>+3.6</b>	<b>+4.2%</b>
Tax	(35.9)	(2.0%)	(37.3)	(1.7%)	+1.4	+3.9%
<b>Group Net Profit</b>	<b>49.6</b>	<b>2.8%</b>	<b>51.8</b>	<b>2.4%</b>	<b>+2.2</b>	<b>+4.5%</b>
Minorities	8.4	0.5%	5.1	0.2%	(3.3)	(39.7%)
<b>Net Profit</b>	<b>41.2</b>	<b>2.4%</b>	<b>46.8</b>	<b>2.2%</b>	<b>+5.6</b>	<b>+13.5%</b>

<b>Balance Sheet (m€)</b>	<b>31-dic-08</b>	<b>Inc.%</b>	<b>30-giu-09</b>	<b>Inc.%</b>	<b>Ch. (m€)</b>	<b>Ch.%</b>
Net fixed assets	3,594.5	114.1%	3,726.3	112.0%	131.8	+3.7%
Working capital	(22.9)	(0.7%)	41.1	1.2%	64.0	(279.8%)
Gross invested capital	3,571.6	113.4%	3,767.4	113.2%	195.8	+5.5%
(Provisions)	(421.0)	(13.4%)	(439.1)	(13.2%)	(18.0)	+4.3%
<b>Net invested capital</b>	<b>3,150.6</b>	<b>100.0%</b>	<b>3,328.4</b>	<b>100.0%</b>	<b>177.8</b>	<b>+5.6%</b>
Net Equity	1,579.1	50.1%	1,540.0	46.3%	(39.2)	(2.5%)
Long term net financial debts	1,563.2	49.6%	1,554.4	46.7%	(8.9)	(0.6%)
Short term net financial debts	8.3	0.3%	234.1	7.0%	225.8	+2731.9%
Net Financial Debts	1,571.5	49.9%	1,788.4	53.7%	216.9	+13.8%
<b>Net invested capital</b>	<b>3,150.6</b>	<b>100.0%</b>	<b>3,328.4</b>	<b>100.0%</b>	<b>177.8</b>	<b>+5.6%</b>