3009
2010

2010
quarterly report
as at
30th september 2010

GRUPPO HERA

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Introduction

Hera's Mission

"Hera's goal is to be the best multi-utility in Italy for its customers, workforce and shareholders. It aims to achieve this through further development of an original corporate model capable of innovation and of forging strong links with the areas in which it operates by respecting the local environment".

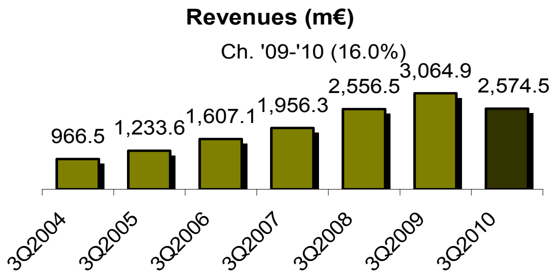
For Hera, being the best means inspiring the pride and trust of: customers, *who receive, thanks to Hera's responsiveness to their needs, quality services that satisfy their expectations;* ***the women and men who work at Hera****, whose skills, engagement and passion are the foundation of the company's success****; shareholders****, confident that the economic value of the company will continue to be generated, in full respect for the principles of social responsibility;* ***the areas in which Hera operates****, where economic, social and environmental health represent the promise of a sustainable future;* ***and suppliers****, key elements in the value chain and partners for growth".*

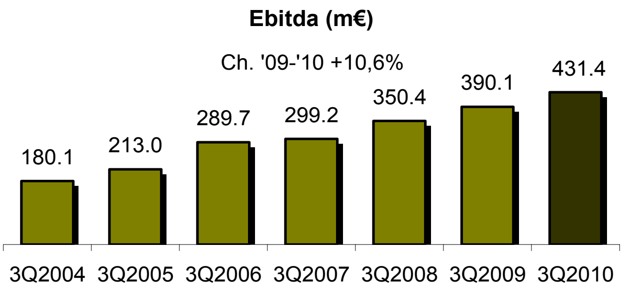
Administrative and auditing boards

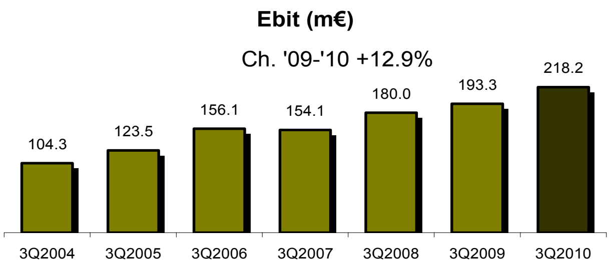
Board of Directors	
Chairman	Tomaso Tommasi di Vignano
Vice-Chairman	Giorgio Razzoli
Chief Executive Officer	Maurizio Chiarini
Director	Mara Bernardini
Director	Filippo Brandolini
Director	Luigi Castagna
Director	Mauro Cavallini
Director	Piero Collina
Director	Pier Giuseppe Dolcini
Director	Ferruccio Giovanelli
Director	Lanfranco Maggioli
Director	Alberto Marri
Director	Daniele Montroni*
Director	Roberto Sacchetti
Director	Francesco Sutti
Director	Bruno Tani
Director	Paolo Trombetti**
Director	Stefano Zolea
Board of statutory auditors	
Chairman	Sergio Santi
Standing auditor	Fernando Lolli
Standing auditor	Antonio Venturini
Internal control committee	
Chairman	Giorgio Razzoli
Member	Lanfranco Maggioli
Member	Daniele Montroni*
Member	Stefano Zolea
Remuneration committee	
Chairman	Giorgio Razzoli
Member	Mara Bernardini***
Member	Piero Collina
Member	Paolo Trombetti****
Executive committee	
Chairman	Tomaso Tommasi di Vignano
Vice-Chairman	Giorgio Razzoli
Member	Maurizio Chiarini
Ethics committee	
Chairman	Giorgio Razzoli
Member	Filippo Bocchi
Member	Mario Viviani*****
Independent auditing firm	
	PricewaterhouseCoopers

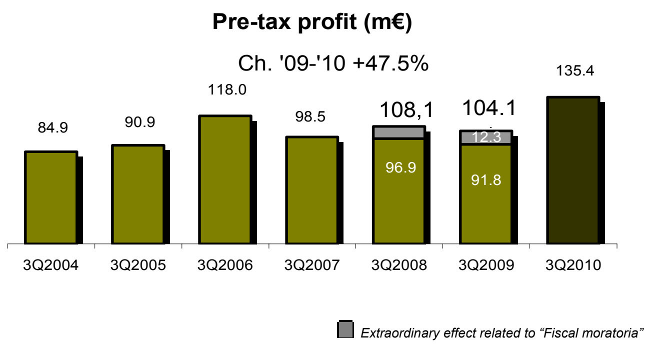
** In office since 20 July 2009   ** In office since 5 October 2009   *** In office since 19 July 2009*
***** In office since 12 November 2009   ***** In office since 27 January 2010*

Summary data









Strategic approach

Hera aims to create value through a multi-stakeholder approach and focus on achieving growth in accordance with all internal and external development guidelines to benefit from both the economies of scale and to pool resources resulting from mergers with multi-utility companies operating in the sector.

Hera implements ***operational efficiency strategies***, adopting an organisational model which envisages consolidating certain general functions and, at the same time, maintaining strong roots in the areas served. During financial year 2010 the transformation of the multi-business territorial operative companies into organisational units became operational, strengthening the focus by activity, which will favour additional rationalisation of operating costs, while maintaining local coverage of the customer base.

The Group has always been focused on the ***development of open markets***, even during periods of economic-financial crisis. Special attention has been placed on cross selling policies of the services in offered to said customer base. The growth of market share in the deregulated electricity and special waste treatment sectors is supported by a strategy to develop plant capacities that has reached its execution final stage. In the last twenty-four months, three WTE and one CCGT cogeneration plant have been completed.
The deregulated Italian waste treatment market recently demonstrated its serious lack of infrastructure, leading to a “waste emergency” in several regions. As a result of this, authorities took suitable action to start up the construction of new plants, laying the foundation for important development in the sector, and called local public invitations for tenders for the construction of new waste-to-energy plants. With these possibilities offered by the market, Hera intends to expand its presence on the Italian market by leveraging its position of leadership and its exclusive know-how deriving from the recent construction of numerous plants, meeting the current needs of the local areas where it operates.

In ***regulated services,*** we focused on strengthening supervision in the reference area by strengthening asset ownership as a result of purchasing gas and district heating networks owned by third parties and managed by the Group, for the purpose of greater rationalisation of owned assets, investments and management and maintenance costs. The strategy in regulated sectors aims at maintaining expiring concessions by taking part in tenders in the reference areas and expanding to several neighbouring areas for certain network services.

Hera is also focused on development opportunities for outside lines, through the aggregation of multi-business firms and integrated single-business upstream companies in deregulated areas. The ***multi-business*** development line is focused on companies that operate in areas that border the reference areas, allowing greater economies of scale to be achieved, which support the management efficiency processes in the short and medium-term. In 2009, these expansion criteria led Hera to acquire 25% of Aimag’s share capital with a view to developing growth supported by the development of synergies. ***Mono-business*** development operations, on the other hand, aim at strengthening waste treatment activities, taking advantage of favourable market opportunities, or energy activities which, as a result of a balanced upstream integration policy in electricity generation, aim at supporting the development of sales.

Hera lays out its strategies in a business plan that is updated on an annual basis. The most recent update, presented to the market in October 2010, focuses on the time frame 2010-2014. The future outlook for the sector based on the new business plan foresees a new phase of “rationalisation” following the intense “development” phase of the last decade. Currently rationalisation of the regulatory framework is underway for services under local monopolies such as the collection of urban waste, the management of the integrated water service and gas distribution, whose concessions will be subject to assignment procedures through public tenders. Moreover, many companies in the sector are rationalising their business portfolios and re-balancing their financial structures following the sustained expansion policy implemented over the last decade.

The growth achieved by the Group in these years resulted in the reinforcement of several competitive advantages based on technologically advances plants, strong market positions at national level as well as an organisation and strategic structures which proved effective in pursuing growth in operating profit also during the macro economic crisis incurred in last twenty-four months, while guaranteeing a sound financial structure. This structure will support the Group’s growth for the next five years, in which additional organic expansion of business is planned and the exploitation of any external growth opportunities which could emerge from the development of the sector.

The new business plan up to 2014 confirms the strategies for growth in markets, both in deregulated activities and in upstream activities, mainly through the development of new waste management plants and the strengthening of the plant base for regulated activities, maintaining the focus of future growth on synergies extractions both on costs and revenues side. The plan sets out the growth objectives that mainly rely on factors that are already in place, such as development by internal growth lines (new plants recently started up or at an advanced stage of construction, future tariffs that have already been agreed for regulated activities, corporate restructuring already carried out). Moreover, positive cash generation is planned, suited to financing the investment plan which is more contained as compared to the 5 previous years, following the conclusion of the ambitious plant development plan. The plan also envisages an increasing dividend flow for the entire term of the plan, which, as a result of the increase in cash generation, will be accompanied by an improvement in financial soundness to guarantee greater flexibility and support any additional development projects which may arise from the current phase of sector development.

Hera’s strategy aims at developing sustainable corporate development through a multi-stakeholder approach. On 30 April 2010, the Shareholders’ Meeting approved the 2009 sustainability report, which highlights the added value growth for the seventh consecutive year. This proves the concreteness of Hera’s sustainable approach in managing operations.

Business Sectors

Hera maintains balance between its ***regulated activities*** (integrated water service, collection and disposal of urban waste, distribution of methane gas, electricity and district heating) and its ***deregulated activities*** (sales of methane gas and electricity, special waste disposal and public lighting) in terms of contribution to the EBITDA.

The efficiency and ***low risk*** associated with this balanced multi-business approach are the factors which resulted in continued and uninterrupted growth of the consolidated EBITDA, even in a difficult year like 2009.

Hera is the ***leading domestic operator in the waste management sector*** by quantity of waste collected and disposed of: urban waste collection is regulated by a concession that will expire in 2012, while disposal is a deregulated market business. Most of the tariffs for 2008-2012 have been agreed to with local authorities.

The list of plant infrastructures, comprising 77 plants, has been expanded over the last seven years and is capable of covering the entire range of possible waste treatments and recoveries, which represents the excellence of the Group on a national level.

Hera is also one of the main operators in Italy that generates electricity from waste, and is the only company that has managed to build and put five new WTE plants into operation in Italy over the last few years, increasing installed capacity to over 100 megawatts and 860,000 tons/year. The subsidiary Herambiente Srl is the special purpose entity created to facilitate supervision of the market and to exploit its unique professional experience gained from managing these plants to the full.

With respect to the lack of infrastructure in the Italian waste treatment sector, which culminated in the waste emergencies in Campania and Sicily, calls for tenders have been put in place to build new WTE plants in some regions of Italy. Herambiente is already preparing for participation in these calls for tenders in order to gain new market shares.

The Hera Group is the ***second largest operator in Italy*** in the management of the ***complete water cycle***, which envisages the collection and purification of waste water and the distribution of drinking water. Hera is the only operator performing this service in seven provinces in Emilia Romagna and Marche in accordance with long-term concession agreement contracts (on average up to 2022). The tariffs for 2008-2012 have been agreed with local authorities.

Increased efficiency in the management of more than 25,000 kilometres of water networks, economies of scale in purchasing and adjustment of 2008-2012 tariffs to meet legal requirements, combined with the contribution of development by external lines, were the key factors behind the growth.

Hera has almost complete coverage of the reference area in the ***gas sector***. It is the ***largest of the "local" companies*** and the fourth on a national level in terms of volumes sold. With about 1.1 million customers, Hera is capable of selling over 2.8 billion cubic metres of gas per year.

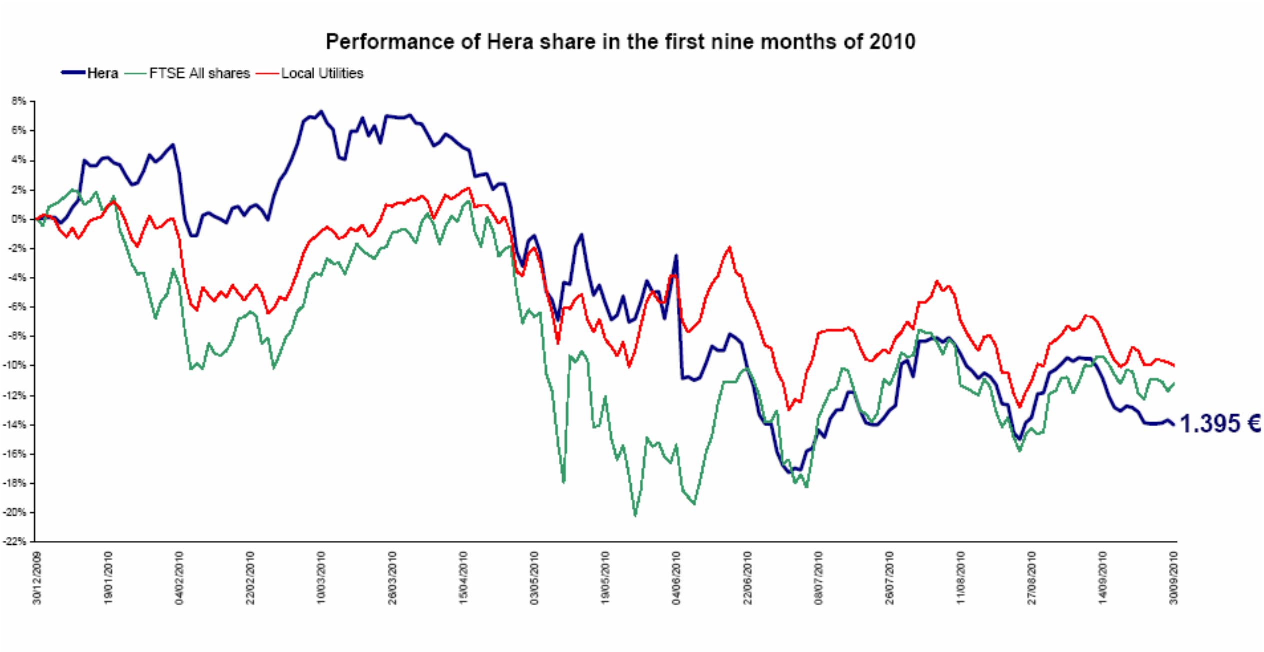
The Group defends its market share by supplying gas deriving directly from sources outside Italy, as a result of its direct transport with a capacity from abroad of about 400 million m^3 of gas through the TAG gas pipeline. Almost one billion m^3 will be added to this capacity thanks to the Galsi pipeline which will connect Italy to Algeria.

Since its establishment, Hera has pursued a "dual fuel" sales strategy, allowing it to develop the ***electricity*** market at steady growth rates, both through cross-selling to existing customers, and through expansion to new markets. Hera is one of the leading 10 Italian operators in this sector, and has once again been ranked by Platt's as one of the companies with the highest growth rates in the EMEA (Europe, Middle East, and Africa) area.

The development of sales was accompanied by the simultaneous balanced development of energy availability through the formation of joint ventures established for the purchase of shares in combined cycle plants, the development of its own of generation plants from renewable or similar sources and the start-up of cogeneration plants. This strategy was put in place by guaranteeing coverage of only part of electricity sales, leaving room for the advantages deriving from the current conditions of the commodities market.

Share performance

The FTSE Italia All Share index closed the first nine months of 2010 with a performance of -10.8%, the Italian Local Utilities index closed at -10.0%, while Hera shares closed at the official price of Euro 1.395, with a performance of -14.0% from the beginning of the year.



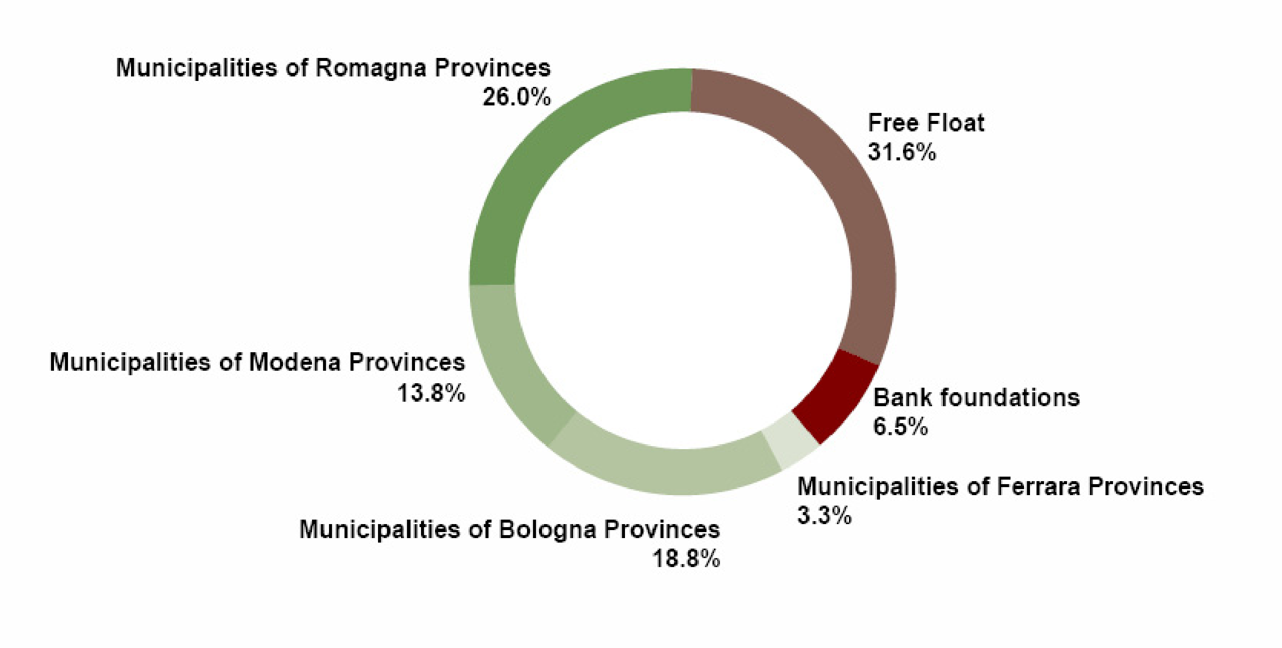
The share's performance seems to only partially reflect the growing results in the financial statements which are maintaining their growth trend, above the sector average, even during the economic crisis. The level of the share price reflects market capitalisation that is lower than the book value of shareholders' equity and an EV/EBITDA '09 multiple that is 6 times lower. The share had a positive trend in October, in conjunction with the presentation of the new business plan 2014 which has brought it up to above Euro 1.5 per share.

13 independent analysts regularly cover the Hera Group's shares, and half of these are international, namely: Banca Akros, Banca IMI, Banca Leonardo, Centrobanca, Cheuvreux, Equita, Intermonte, Kepler, Mediobanca, Merrill Lynch, Santander, Unicredit and Deutsche Bank, which launched coverage of the Hera share with a target price of Euro 2.3 and a buy recommendation. The Hera share has been repeatedly listed as one of the best picks by various analysts such as Unicredit, Equita, Centrobanca, Banca IMI and Banca Leonardo, and all analysts have issued "Buy/Outperform" ratings.

The Group's financials are assessed by the two leading international specialised ratings agencies: on 30 July 2010 Moody's assigned Hera a long-term debt ***rating*** of A3 with stable outlook, while on 23 June 2010, Standard & Poor's modified its long-term debt rating for Hera from A-2 with negative outlook to BBB+ with stable outlook, and assigned the rating of A-2 on short-term debt.

Following M&A realised since establishment which occurred one after the other starting from its establishment, Hera's ***share capital*** reached 1,115,013,754 ordinary shares with a par value of one euro each.

The shareholding structure is unique in the Italian sector, with a shareholding spread among more than 190 public institution shareholders from the reference area that hold a total of about 62% (51% of which is bound by a shareholders' agreement), over 400 Italian and foreign professional investors and over 21,000 private shareholders.



Since 2006, Hera has adopted a ***plan to buy back treasury shares*** up to a maximum of 15 million shares for a total amount up to Euro 60 million. The purpose is to finance a potential opportunities to integrate small companies and to normalize any abnormal fluctuations in the list price compared to the list prices of principal domestic competitors. The Shareholders' Meeting held on 30 April 2010 renewed the treasury shares purchase plan for a further 18 months and an overall maximum amount of Euro 60 million. As at 30 September 2010, Hera held about 4,433,481 treasury shares in its portfolio.

The main instrument for communication with the financial market is definitely the website of the Group (www.gruppohera.it). The constant attention to transparency on sustainability issues resulted in the Corporate Social Responsibility section of the website obtaining first place in the CSR Online Awards Italy 2010 and the reconfirmation of the on-line financial communications in second place in the Webranking established by Hallvarsson & Halvarsson, immediately following the number one company, placing Hera among the best corporate websites of the leading Italian listed, large cap companies.

In the first nine months of 2010, through the presentation of the annual results for 2009 to the financial community and the business plan 2010-2014, the policy of maintaining constant dialogue with Italian and foreign investors continued through international road shows which permitted the establishment and renewal of a growing number of contacts (288 contacts and meetings as at 30 September 2010) in answer to the difficult period the markets are undergoing.

Directors' Report

Introduction

In the first nine months of 2010, the Hera Group recorded additional ***growth in all operating results*** until net profit, despite the fact that Italy's macro-economic situation is still affected by a serious global financial crisis. The results achieved benefited from the economic contribution of plants started up, as well as from the contribution due to the usual organic growth factors specific to regulated and deregulated activities.

The contribution of new plants started up was however, a partial expression of the real potential: the waste-to-energy plant in Modena was inactive for about one month during the first quarter due to planned annual maintenance works, while the waste-to-energy plant in Rimini started up at the beginning of June. Moreover, the new 80 MW cogeneration plant in Imola has mainly operated thanks to heat generation and benefited from the favourable winter weather trend. As for electricity generation, the plants recorded low generation levels due to the unfavourable price levels on the energy market.

The low level of electricity prices and the better conditions in the national methane gas supply market are underlying causes of a reduction in turnover achieved and the drop in procurement costs, that have determined an increase in both profitability in the deregulated energy businesses and an increase in profitability at Group level. These results highlight the positive contribution of the strategies pursued in the balanced upstream development of energy activities to cover only part of sales to end clients, granting the flexibility to be able to benefit from the opportunities deriving from the fall in energy commodity prices.

The ***growth strategy on deregulated markets***, which was supported by a solid trade structure, an effective cross selling policy and an efficient customer assistance service, continued in the first nine months as well supporting the growth in ***electricity sales***, confirming the sound coverage of the deregulated markets. Thanks to cooler winter temperatures, an increase in volumes of ***gas sold*** was also recorded, specifically driving up consumption by residential customers.

Waste disposal recorded a growth in commercialised waste of approximately +6,3%, thanks to an increase in industrial production, favouring a recovery in demand for waste treatment from retail and business clients. These levels were supported by the strengthening of the treatment plant capacity, with the new WTE plants coming on stream. The positive growth achieved was nonetheless slowed by the reduced possibility of using the plants in landfills at fully production, given the difficult access of vehicles due to significant snowfalls during the winter.

Even the ***concession managed activities for the distribution of energy, collection of municipal waste and integrated water services*** contributed to the growth in profit achieved in the first nine months, mainly due to the tariff adjustments provided by the national legally guaranteed returns and the new tariff systems. The latter, specifically applied to the gas distribution gas, substituted the "parameter-based" system widely used in the past and now envisage setting price levels for the current year based on the revaluation of assets, which results in an exact measurement of capital invested.

Lastly, the ***external line development strategy*** also contributed to the improved results. This strategy resulted in lower leasing fees for gas and district heating networks acquired in 2009 and the increase in profits earned by investee companies thanks to the acquisition of 25% of Aimag's capital at the end of 2009.

The operational results for the first nine months improved with respect to the same period in the previous year, thanks to the contribution of all strategic business areas (Waste Management, Energy and Networks) of the Group, with the help of all internal organic growth factors.

Moreover, these developments supported the sharp growth of the consolidated net profit, in spite of the increase in amortisation and financial charges, which were respectively influenced by the operation of new plants and the replacement of short-term financial debts with the issue, at year end, of a ten-year Eurobond, fixed rate, amounting to Euro 500 million.

In the first nine months of 2010 the Group financial situation also benefited from increasing generation of positive cash flow deriving from operational management and the reduction in investments linked to plant development. These effects partially offset the effect of payment of dividends (DPS of Euro 8 cents per share) and profit pertaining to minority interests, and reconfirmed the soundness of the Group's financial structure.

Operations during the first nine months of the year reconfirmed the soundness of the competitive positions in all businesses and provided greater visibility to the growth trend envisaged by the business plan up to 2014. Moreover, the positive generation of cash, also confirmed in the third quarter, contributed to containing the growth of indebtedness and financial costs permitting the transmission of the operating results growth down to net profit.

The Group has recently executed the sale of 25% minority stake of Herambiente to Eiser (following the exercise of the option to increase the original stake from 20% up to 25%) at 125 million Euro. The Eiser Global Infrastructure Fund is one of the leading European infrastructure funds, with total committed funds of over € 1.1 billion; the fund has already made equity commitments in 10 companies, mainly in the EU, with an aggregate enterprise value exceeding € 3 billion. Eiser enjoys a considerable experience in the environmental business, having acquired in 2007 a participation in Cory Environmental, a company that operates on the UK market and is in the process of building a waste to energy (WTE) plant in South East London. EISER is already present in Italy as it is the 100% owner of a gas transmission company, Società Gasdotti Italia.
With this transaction, Hera has gained a first standing financial partner and has further consolidated the sound financial structure of the Group which enables to pursue further development opportunities that may arise from the industry that is currently undergoing a transformation process in Italy.

2.01 Financial and Economic Results

Consolidated summary results of the Hera Group:

(millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	% Change
Revenues	**3,064.9**		**2,574.5**		**-16.0%**
EBITDA	**390.1**	**12.7%**	**431.4**	**16.8%**	**+10.6%**
EBIT	193.3	6.3%	218.2	8.5%	+12.9%
Net Profit	**49.3**	**1.6%**	**79.1**	**3.1%**	**+60.5%**

At the end of the first nine months of 2010 the performance of the Hera Group has consolidated growth compared to 2009, which was already clear at the end of the first half, showing an increase in all economic indicators.

Also as at 30 September 2010, the main quantitative indicators increased as compared to the same period of the previous year: specifically, we note greater volumes of gas and electricity sold and distributed and district heating distributed, as well as an increase in waste collected and disposed.

It is noted that at the end of 2009, the Group completed the following reorganisation processes of the company structure:

- The establishment of Herambiente S.r.l. is focused on the business of waste disposal and treatment, through the transfer of all trade activities and plants;
- the spin-off of the Territorial Operative Companies (TOC) in favour of the Parent Company Hera S.p.A. and, as for customer management activities, to the subsidiary Hera Comm.

The Consolidated Income Statement implements the application of the interpretation of the accounting standard IFRIC 12 "Service Concession Arrangements" which modified the methods of accounting for works carried out in certain sectors governed by specific concessions (for more details on this matter, refer to the specific section), without any effects on the result. As a result the items other operating revenues, services costs and capitalised costs implement the measurement of the activities carried out for this purpose. Compared to the previous approach, therefore, we note higher other operating revenues for Euro 92.7 million for 2010 and for Euro 142.7 million for 2009, lower capitalised costs for Euro 24.5 million in 2010 and Euro 38.8 million in 2009, higher service costs for Euro 61.3 million in 2010 and Euro 102.2 million in 2009

The economic results of the Hera Group as at 30 September 2010 are shown in the following table:

Income Statement (millions of €)	30-set-09	% Impact	30-set-10	% Impact	Abs Chg	% Chg.
Revenues	3.064,9	100,0%	2.574,5	100,0%	-490,4	-16,0%
Change in inventories of finished prod. and	1,8	0,1%	7,0	0,3%	+5,2	+287,4%
Other operating revenues	197,0	6,4%	156,3	6,1%	-40,7	-20,7%
Raw materials and consumables	(2.041,0)	-66,6%	(1.463,6)	-56,8%	-577,4	-28,3%
Service costs	(664,6)	-21,7%	(577,0)	-22,4%	-87,6	-13,2%
Other operating costs	(25,6)	-0,8%	(26,5)	-1,0%	+0,9	+3,5%
Personnel costs	(261,1)	-8,5%	(270,0)	-10,5%	+8,9	+3,4%
Capitalised costs	118,8	3,9%	30,8	1,2%	-88,0	-74,1%
EBITDA	**390,1**	**12,7%**	**431,4**	**16,8%**	**+41,3**	**+10,6%**
Amortisation, depreciation and provisions	(196,8)	-6,4%	(213,2)	-8,3%	+16,4	+8,3%
EBIT	**193,3**	**6,3%**	**218,2**	**8,5%**	**+24,9**	**+12,9%**
Financial management	(85,8)	-2,8%	(82,8)	-3,2%	-3,0	-3,5%
Other non-operating costs	(15,7)	-0,5%	-	0,0%	-15,7	-100,0%
Pre-tax profit	**91,8**	**3,0%**	**135,4**	**5,3%**	**+43,6**	**+47,5%**
Taxes	(42,5)	-1,4%	(56,3)	-2,2%	+13,8	+32,4%
Net profit for the period	**49,3**	**1,6%**	**79,1**	**3,1%**	**+29,8**	**+60,5%**

The EBITDA increased from Euro 390.1 million at 30 September 2009 to Euro 431.4 of 30 September 2010, +10.6%, the EBIT form Euro 193.3 to 218.2 million, +12.9%, pre-tax profit increased by 47.5%, from Euro 91.8 to 135.4 million, net profit from Euro 49.3 million as at 30 September 2009 to 75.7 of 2010, +53.6%.

The decrease in Revenues, equal to Euro 490.4 million, is linked to the reduction in trading activities on electricity and to the remarkable decrease in prices for raw materials, linked to oil price trends, on the sale of methane gas. These effects are partially offset by the increase in volumes sold in the energy areas and greater volumes disposed of in the waste management area.

Other operating revenues, equal to Euro 156.3 million, decreased by Euro 40.7 million compared to the same period of the previous year. It should be considered that this item is affected by the IFRIC 12 reclassification of Euro 142.7 million on 2009 and Euro 92.7 million on 2010.

The decreased Costs of raw materials and consumables, equal to Euro 577,4 million compared to the first nine months of the previous year, is linked to the above-mentioned energy dynamics.

Other operating costs (Service costs were down by Euro 87,6 million and Other operating costs increased by Euro 0.9 million), saw a total decrease of Euro 86,7 million (-12.6%): the reduction is mainly attributable to the accounting treatment of costs for capitalised works that are carried out internally.

Personnel costs rose from Euro 261.1 million of the first nine months of 2009 to Euro 270.0 million of 2010 (+3.4%). The increase is mainly due to the development of contractual dynamics.

The reduction of Capitalised costs, which decreased from Euro 118.8 to Euro 30.8 million, is connected to the different accounting treatment of investment works carried out internally which, due to the spin-off of the Territorial Operative Companies, no longer pass through the income statement in terms of external costs. It must also be noted that this item was also affected by the aforementioned reclassifications for the application of IFRIC 12.

The consolidated EBITDA of the Group as at 30 September 2010 increased from Euro 390.1 as at 30 September 2009 to Euro 413.4 million in 2010 (+10.6%), thanks to the good results of all business areas of the Group: we note greater volumes sold and distributed and an improved EBITDA margin in the energy areas, tariff increases in the water cycle to cover greater services supplied, and greater volumes of waste treated in the waste management area.

Amortisation, Depreciation and Provisions increased by 8.3%, from Euro 196.8 million as at 30 September 2009 to Euro 213.2 million as at 30 September 2010. The increase is mainly due to the greater allocations to the bad debt provision and, for the rest, to the start of operation of new plants and the other investments linked to the operation of regulated activities.

Therefore, the first nine months of 2010 highlight an EBIT equal to Euro 193.3 million, up by 12.9% compared to the same period of 2009.

Financial Operations as at 30 September 2010 stood at Euro 82.8 million compared to Euro 85.8 million in 2009. Net of the extraordinary effect tied to the interest payable on the sums returned in connection with the so-called "state aid", totalling Euro 12.3 million in the first nine months of 2009, higher costs were recorded, as a result of the following main dynamics:

- Increase of about Euro 2.2 million as a result of average debt.
- Increase of about Euro 17.9 million, as a result of a greater portion of long-term debt on the total net indebtedness.
- Reduction of about Euro 6.4 million as a result of the different portion of fixed rate debt compared to variable rate debt.

The total cost of financial operations also reflects the positive changes in profits from associated companies, which amounted to Euro 5.6 million, compared to Euro 2.0 in the first nine months of 2009, as well as charges linked to discounting of provisions according to the international accounting standards down by Euro 0.9 million.

It should be also noted that, as at 30 September 2009, the Group discounted a further Euro 15.7 million connected with the tax moratorium in the item Other non-operating costs.

In light of the above, the Pre-Tax Profit rose from Euro 91.8 million as at 30 September 2009 to Euro 135.4 million as at 30 September 2010, an increase of 47.5%, equal to Euro 43.6 million.
Income taxes rose from Euro 42.5 million in the first nine months of 2009 to Euro 53.3 million in 2010, with an average tax rate that increased from 46.3% to 41.6%. The tax rate for 2009 was affected by the non-deductibility of a portion of costs incurred as part of the "tax moratorium".
Net Profit as at 30 September 2010 therefore stands at Euro 79.1 million, up 60.5% compared to Euro 49.3 million in the same period of 2009.

1.02 Investments

The Group's tangible and intangible assets amounted to Euro 241.8 million compared with Euro 283.6 million in the corresponding period last year. In the same period, financial investments were made, amounting to Euro 2.5 million, referred to the construction of the Galsi gasduct.

The table below lists the investments for the period by business sector:

Total investments (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Gas area	48.8	33.3	-15.5	-31.8%
Electricity area	27.7	31.4	+3.7	+13.3%
Integrated water cycle area	81.5	67.3	-14.2	-17.4%
Waste management area	86.2	67.3	-18.9	-21.9%
Other services area	9.2	10.1	+0.9	+9.7%
Central structure	30.2	32.5	+2.3	+7.6%
Total operating investments	**283.6**	**241.8**	**-41.8**	**-14.7%**
Total financial investments	1.2	2.5	+1.3	+106.1%
Total	**284.9**	**244.3**	**-40.6**	**-14.3%**

Investments in the **gas** service went down on the whole, compared to the same period of the previous year, specifically due to fewer extension interventions on the district heating network. Investments relating to the GAS service in the area in question regarded network expansion, enhancement and upgrading of networks and plant systems. District heating service investments concerned the expansion of the service in the areas of Bologna (Euro 2.5 million), Imola (Euro 3.9 million), Forlì Cesena (Euro 4.6 million), Ferrara (Euro 1.5 million) and Modena (Euro 0.6 million), whereas Heat Management service investments concerned structural work on thermal plants operated by companies of the Group. Other investments related to the acquisition of rights of way on foreign pipelines to transport raw material.

Gas (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Hera SpA network	21.6	18.4	-3.2	-14.8%
Marche/Sardinia networks	1.8	1.2	-0.6	-33.9%
TLR/Heat Management	20.0	13.7	-6.3	-31.5%
Other	5.4	0.1	-5.3	-98.8%
Total gas	**48.8**	**33.3**	**-15.5**	**-31.8%**

Investments in the **electricity** service relate to the extended service and the creation and extraordinary maintenance of plants and distribution networks. Investments in the territory have increased as a consequence of the development of new electricity production plants from renewable sources; worth mentioning is the photovoltaic plant built at the Bologna freight terminal. There was a decrease in the investments in electricity and heat production plants (CCGT) in Imola in connection with its completion and definitive start-up, while there was growth in industrial cogeneration investments aiming to build new plants at area companies.

Electricity (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Territory	15.0	21.6	+6.6	+44.1%
CCGT Imola	11.0	6.2	-4.8	-43.5%
Industrial cogeneration	1.8	3.7	+1.9	+108.3%
Total electricity	**27.7**	**31.4**	**+3.7**	**+13.3%**

As for the **integrated water cycle,** there has been an overall reduction of operations compared to the same period last year, due to the streamlining of activities and a reduced demand for new connections.

Integrated Water Cycle (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Aqueduct system	41.6	36.0	-5.6	-13.4%
Purification system	15.8	13.3	-2.5	-15.8%
Sewage system	24.0	18.0	-6.0	-25.0%
Total Integrated Water Cycle	**81.5**	**67.3**	**-14.2**	**-17.4%**

With regard to **waste management,** it saw a reduction of operations, compared to the same period last year, aimed at upgrading the existing waste collection and disposal facilities in the area. Regarding investments in waste-to-energy plants (WTE), interventions were aimed at completing the Modena plant and creating the Rimini plant, since the waste-to-energy plants at Ferrara and Forlì are already complete and operational.

Waste Management (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Existing plants	33.7	31.9	-1.8	-5.3%
New plants:				
WTE Canal Bianco (FE)	0.1	0.0	-0.1	-95.7%
WTE Modena	25.0	11.4	-13.6	-54.4%
WTE Forlì	12.8	0.7	-12.1	-94.4%
WTE Rimini	14.7	23.3	+8.6	+58.6%
Total Waste Management	**86.2**	**67.3**	**-18.9**	**-21.9%**

With regard to **other services**, it experienced an increase in telecommunications networks investments and an investment reduction in the Public Lighting service.
Investments in cemetery services are included under the item Other.

Other Services (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
TLC	6.3	8.3	+2.0	+31.8%
Public lighting and traffic lights	2.3	1.2	-1.1	-47.6%
Other	0.6	0.5	-0.1	-15.9%
Total other services	**9.2**	**10.1**	**+0.9**	**+9.7%**

There was an overall increase, in comparison to the same period last year, in investments within the Central Structure, relating to the maintenance of the real estate assets of the Group and the development of information systems. There was a decrease in both investments in the Fleets, due to the rationalisation of the vehicle fleet, and Other investments, which include the completion of laboratories and other minor investments.

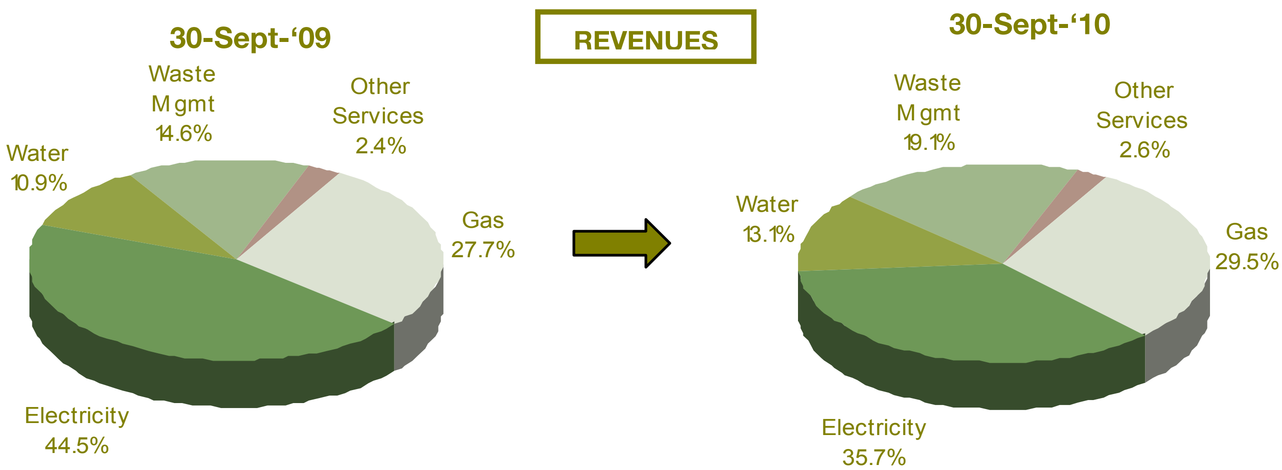
Central Structure (millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Real estate maintenance	15.6	17.4	+1.8	+11.5%
Information systems	7.6	9.0	+1.4	+18.5%
Fleets	4.6	3.9	-0.7	-15.1%
Other investments	2.3	2.3	+0.0	+0.0%
Total Structure	**30.2**	**32.5**	**+2.3**	**+7.6%**

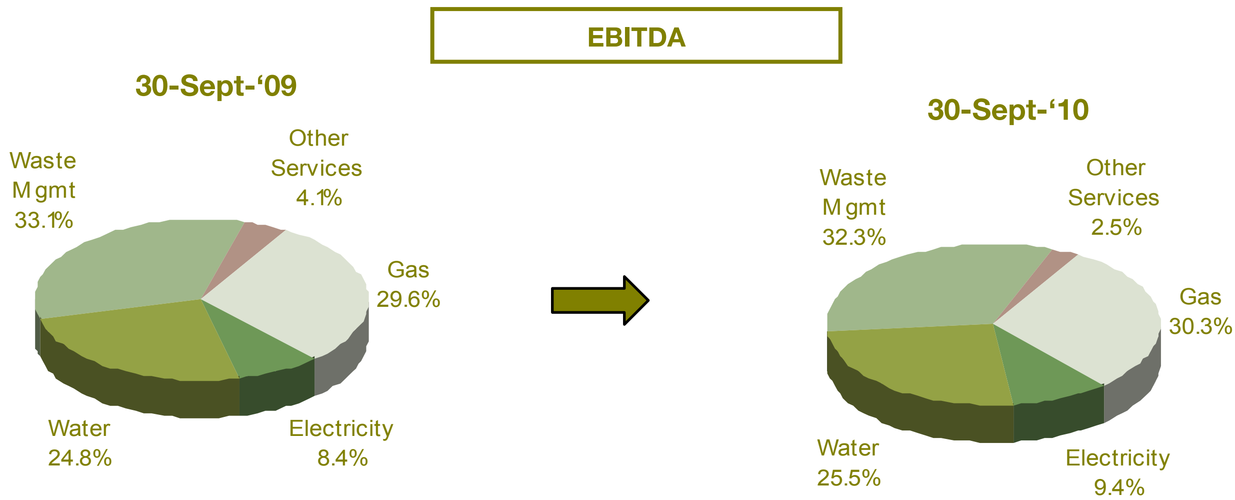
2.03 Analysis by Business Segment

An analysis is presented below of the operating results achieved in the business areas in which the Group operates: (i) Gas sector, concerned with the distribution and sale of methane gas and LPG, District heating and Heat Management (ii) Electricity sector, regarding the production, distribution and sale of Electricity, (iii) Integrated Water Cycle sector, including Aqueducts, Purification and Sewerage, (iv) Waste Management sector, including Waste Collection, Treatment and Disposal and (v) Other Services sector, including Public Lighting, Telecommunications and other minor services.

In light of the above, the breakdown and development over the years in terms of Revenues and EBITDA is illustrated in the following charts:

Breakdown of the business portfolio





In the following chapters the operating performance of the various business areas is analysed. Income statements by business area include structural costs, and inter-divisional transactions valued at current market prices.

The analysis by business area does not consider the measurement of greater revenues and higher costs, without any impact on the EBITDA, relating to the application of IFRIC 12, as illustrated, on the Group Consolidated Income Statement. The increases in construction on a time and materials basis/work in progress represented in the business areas solely relate to costs for works carried out internally which, starting from the financial statements as at 31 December 2009, due to the spin-off of the Territorial Operative Companies, are subject to different accounting treatment. Therefore, external costs no longer pass through the income statement.

2.03.01 Analysis of the Gas Area

As at 30 September 2010, compared to the same period of the previous year, the Gas area increased its contribution to the Group's EBITDA margin by almost one percentage point, as highlighted in the following table:

(millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Area EBITDA	**115.6**	**130.7**	**+15.1**	**+13.1%**
Group EBITDA	390.1	431.4	+41.3	+10.6%
Percentage weight	29.6%	30.3%	+0.7 p.p.	

The following table shows the main quantitative indicators of the area:

Quantitative Data	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Gas volumes distributed (millions of cubic metres)	1,517.0	1,650.5	+133.5	+8.8%
Gas volumes sold (millions of cubic metres)	1,868.9	1,990.1	+121.2	+6.5%
- of which Trading volumes	*461.2*	*524.1*	*+62.9*	*+13.6%*
Heat volumes delivered (Gwht)	301.8	355.0	+53.2	+17.6%

Distributed volumes of gas dropped from 1,517.0 million cubic metres in the first nine months of 2009 to 1,650.5 million in the same period 2010, an 8.8% increase. The volumes of gas sold rose from 1,868.9 million cubic meters in 2009 to 1,990.1 in 2010, an increase of 6.5%. The volumes of heat delivered rose from 301.8 Gwht in 2009 to 355.0 in 2010, an increase of 17.6%.

A summary of the economic results in the area is shown hereunder:

Income Statement (millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Revenues	907.8		822.0		-85.8	-9.5%
Operating costs	(788.4)	-86.9%	(664.1)	-80.8%	-124.3	-15.8%
Personnel costs	(45.6)	-5.0%	(46.1)	-5.6%	+0.5	+1.1%
Capitalised costs	41.8	4.6%	18.9	2.3%	-22.9	-54.8%
EBITDA	**115.6**	**12.7%**	**130.7**	**15.9%**	**+15.1**	**+13.1%**

Revenues decreased by 9.5%, from Euro 907.8 million in 2009 to Euro 822.0 million in 2010, as a result of the decrease in price of raw materials, which similarly affects operating costs, but in the opposite sign: this effect prevails over the positive effect of the increase in volumes sold and distributed.

The lower capitalised costs are linked to the different accounting treatment of investment works carried out independently following the merger of the Territorial Operative Companies into the Parent Company as at 31 December 2009.

Personnel costs rose slightly compared to the first nine months of the previous year, from Euro 45.6 million in 2009 to Euro 46.1 million in 2010 (+1.1%).
The EBITDA in the Gas area increased by Euro 15.1 million, from Euro 115.6 million to Euro 130.7 million, with a significant increase of the percentage profit from 12.7 in 2009 to 15.8% in 2010. This result should be viewed in relation to the three main factors highlighted in the previous quarters: (i) higher volumes of heat supplied and the lower average procurement cost of raw materials, related to the heat sold from the new cogeneration plant in Imola as regards district heating; (ii) higher revenues from gas distribution; and (iii) the greater gas sales volumes and the better performance in trading activities.

2.03.02 Analysis of the Electricity Area

At the end of the first nine months of 2010, the Electricity Area increased compared to the same period of 2009, also in terms of contribution to overall profit of the Group, which rose from 8.4% to 9.4%, as shown in the table below:

(millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Area EBITDA	**32.6**	**40.4**	**+7.8**	**+23.9%**
Group EBITDA	390.1	431.4	+41.3	+10.6%
Percentage weight	8.4%	9.4%	+1.0 p.p.	

The EBITDA for the area increased from Euro 32.6 million as at 30 September 2009 to Euro 40.4 million as at 30 September 2010.

The main results of the area are briefly summarized below:

Income statement (millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Revenues	1,457.9		996.2		-461.7	-31.7%
Operating costs	(1,425.3)	-97.8%	(947.7)	-95.1%	-477.6	-33.5%
Personnel costs	(16.9)	-1.2%	(17.1)	-1.7%	+0.2	+1.2%
Capitalised costs	17.0	1.2%	8.9	0.9%	-8.1	-47.7%
EBITDA	**32.6**	**2.2%**	**40.4**	**4.1%**	**+7.8**	**+23.9%**

Revenues decreased from Euro 1,457.9 million as at 30 September 2009 to Euro 996.2 in 2010, down by 31.7%, mainly linked to the decrease in trading activities and, to a lesser extent, to the reduction in the average market price of electricity.

The table below provides a detailed view on the evolution of revenues by type:

(millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Sales revenues	499.7	34.3%	534.0	53.6%	+34.3	+6.9%
Distribution revenues	34.9	2.4%	34.6	3.5%	-0.3	-0.9%
Trading/other	923.2	63.3%	427.6	42.9%	-495.6	-53.7%
Total revenues	**1,457.9**	**100.0%**	**996.2**	**100.0%**	**-461.7**	**-31.7%**

Sales revenue increased by 6.9% due to higher volumes sold, resulting from the increased trade activity, partially offset by the aforementioned reduction in the average energy market price. Revenues from distribution decreased compared to the previous year, due to the equalisation of low voltage metering defined by the AEEG, already mentioned in the previous quarterly reports for 2010.

The quantitative data of the area, including trading activities, are shown in the table hereunder:

Quantitative Data	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Volumes sold (Gw/h)	5,111.4	5,712.8	+601.4	+11.8%
Volumes distributed (Gw/h)	1,619.6	1,657.1	+37.5	+2.3%

The increase in distributed volumes shows a recovery of consumption, while the increase in sold volumes is due to the good performance of the trade activity.

The reduction in volumes traded and prices proportionally affected the decrease in operating costs for the purchase of raw materials, while the percentage margin increased from 2.2% in 2009 to 4.1% in 2010.

Labour costs increased by Euro 0.2 million compared to the year 2009, up by 1.2%.

Overall capitalised costs decreased by Euro 8.1 million, due to the aforementioned change in accounting treatment of work carried out internally.

At the end of the first nine months of 2010, the EBITDA rose from Euro 32.6 million in 2009 to 40.4 million, a percentage increase of 23.9%, due to the contribution of greater volumes sold and the higher profitability achieved both in sales and in trading activities, which is specifically favourable in comparison with the first nine months of the current year.

2.03.03 Analysis of Integrated Water Cycle

The result for the Integrated Water Cycle, as well, as at 30 September 2010, increased with respect to the same period of the previous year:

(millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Change
Area EBITDA	96.7	110.2	+13.5	+14.0%
Group EBITDA	390.1	431.4	+41.3	+10.6%
Percentage weight	24.8%	25.5%	+0.7 p.p.	

An analysis of the operating results achieved in the area is shown below:

Income Statement (millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Revenues	356.3		365.9		+9.6	+2.7%
Operating costs	(263.8)	-74.0%	(195.0)	-53.3%	-68.8	-26.1%
Personnel costs	(79.4)	-22.3%	(79.0)	-21.6%	-0.4	-0.5%
Capitalised costs	83.6	23.5%	18.3	5.0%	-65.3	-78.1%
EBITDA	**96.7**	**27.1%**	**110.2**	**30.1%**	**+13.5**	**+14.0%**

Revenues, equal to Euro 356.3 million, are up 2.7% over the first nine months of 2009, in connection with the combined effect of higher supply revenues covering the services requested, partially penalised by lower volumes supplied and the lower revenues from connection.

The decrease in operating costs is linked to the different accounting treatment of capitalised costs for investment works carried out on a time and materials basis.

The following table reports the main quantitative indicators in the area:

Quantitative Data	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Volumes sold (millions of cubic metres)				
Acqueduct	195.3	192.6	-2.7	-1.4%
Sewerage	168.4	168.3	-0.1	-0.1%
Purification	168.4	168.8	+0.4	+0.2%

Delivered volumes of water showed a decrease compared to the first nine months of 2009, linked to the weather conditions in the summer months, characterised in 2010 by high rainfalls compared to the average for the period, while there was substantial alignment in treated volumes in the sewerage and purification services.

The EBITDA at the end of the first nine months of 2010 increased by Euro 13.5 million, passing from Euro 96.7 million in 2009 to Euro 110.2 million in the current year (+14.5%).

2.03.04 Analysis of the Waste Management Area

The Waste Management area also showed a significant increase with respect to the first nine months of 2009, as shown in the following table:

(millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Area EBITDA	**129.2**	**139.3**	**+10.1**	**+7.8%**
Group EBITDA	390.1	431.4	+41.3	+10.6%
Percentage weight	33.1%	32.3%	-0.8 p.p.	

Note that the Hera Group has been for some time an important operator in the waste management sector, capable of integrated operations over the entire waste cycle, with 77 treatment and disposal plants for urban and special waste.

An analysis of the operating results achieved in the Waste Management area is shown below:

Income statement (millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Revenues	480.3		533.3		+53.0	+11.0%
Operating costs	(257.0)	-53.5%	(289.3)	-54.2%	+32.3	+12.6%
Personnel costs	(106.6)	-22.2%	(113.1)	-21.2%	+6.5	+6.1%
Capitalised costs	12.5	2.6%	8.3	1.6%	-4.2	-33.6%
EBITDA	**129.2**	**26.9%**	**139.3**	**26.1%**	**+10.1**	**+7.8%**

As at 30 September 2010, revenues showed a 11.0% increase compared to the same period of the previous year, from Euro 480.3 million to Euro 533.3 million, linked to higher volumes disposed and, to a lesser extent, to higher revenues from urban hygiene due to tariff adjustments obtained to cover a greater number of services required.

Separate waste collection, as a percentage of total volume of waste collected, reached at the end of the first nine months of 2010 a value of 46.6%, compared to 44.3% for the year 2009, up by over 2.0 percentage points.

The following table highlights the growth in quantities of waste disposed of, which recorded over 6 percentage points compared to 30 September 2009:

Quantitative Data (thousands of tons)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs Chg	% Chg
Urban waste	1,342.2	34.9%	1,406.7	32.7%	+64.5	+4.8%
Market waste	1,112.1	28.9%	1,202.4	28.0%	+90.3	+8.1%
Commercialised waste	**2,454.4**	**63.7%**	**2,609.2**	**60.7%**	**+154.8**	**+6.3%**
Plant by-products	1,396.0	36.3%	1,688.8	39.3%	+292.8	+21.0%
Waste treated by type	**3,850.4**	**100.0%**	**4,297.9**	**100.0%**	**+447.5**	**+11.6%**
Landfills	1,002.6	26.0%	1,082.2	25.2%	+79.6	+7.9%
Waste-to-energy plants	565.6	14.7%	605.5	14.1%	+39.9	+7.1%
Selection plants	214.0	5.6%	246.1	5.7%	+32.1	+15.0%
Composting plants	300.9	7.8%	341.3	7.9%	+40.4	+13.4%
Stabilisation and chemical-physical plants	813.7	21.1%	922.8	21.5%	+109.1	+13.4%
Other	953.5	24.8%	1,100.0	25.6%	+146.5	+15.4%
Waste treated by plant	**3,850.4**	**100.0%**	**4,297.9**	**100.0%**	**+447.5**	**+11.6%**

N.B. the 2009 figure was reclassified for the purpose of homogeneous comparison with the 2010 consolidation

Analysis of quantitative data reveals an increase in urban waste and in market waste, due to a higher capacity of waste disposal on the one hand, and the recovery of general economic activities, on the other: It is noted that 2009 was characterised by a sharp contraction in production activities.

The EBITDA of the Waste Management area increased by Euro 10.1 million compared to the first nine months of the previous year, from Euro 129.2 million in 2009 to Euro 139.3 in 2010, a 7.8% increase: this result is linked to the increase in volumes disposed and the increased efficiency of plants.

2.03.05 Analysis of Other Services Area

As at 30 September 2010 the result of the Other Services Area showed a decrease with respect to the same period of the previous year:

(millions of €)	30-Sep-09	30-Sep-10	Abs Chg	% Chg
Area EBITDA	16.0	10.9	-5.1	-31.8%
Group EBITDA	390.1	431.4	+41.3	+10.6%
Percentage weight	4.1%	2.5%	-1.6 p.p.	

This result can be attributed to a contraction in activities in the telecommunications sector, which was affected by the termination of the contract for supply by Acantho to the Emilia Romagna Region.

A summary of the main economic indicators of the area is shown in the following table:

Income statement (millions of €)	30-Sep-09	% Impact	30-Sep-10	% Impact	Abs. Chg	% Chg
Revenues	77.4		71.8		-5.6	-7.2%
Operating costs	(51.6)	-66.6%	(47.0)	-65.5%	-4.6	-8.9%
Personnel costs	(12.5)	-16.2%	(14.7)	-20.5%	+2.2	+17.5%
Capitalised costs	2.7	3.5%	0.8	1.2%	-1.9	-70.1%
EBITDA	**16.0**	**20.7%**	**10.9**	**15.2%**	**-5.1**	**-31.8%**

The public lighting services were significantly in line with the results of those of the first nine months of 2009, as illustrated by the performance of the main operating indicators shown in the table below:

Quantitative data	30-Sep-09	30-Sep-10	Abs. Chg	% Chg
Public Lighting				
Light points (thousand)	327.1	332.0	+4.9	+1.5%
Municipalities served	61	61	+0	+0.0%

2.04 Analysis of the Net Financial Position

The breakdown and changes in net financial indebtedness are analysed in the following table:

	millions of Euro	30.9.10	% Inc.	31.12.09	% Inc.	Abs Chg	% Chg
a	**Cash**	**262,4**		**350,3**			
b	**Other current loans**	**29,7**		**20,7**			
	Current bank indebtedness	-23,2		-22,5			
	Current portion of bank indebtedness	-88,4		-75,1			
	Other current loans	-14,1		-14,3			
	Due to financial leases coming due during the next financial year	-4,1		-7,1			
c	**Current financial indebtedness**	**-129,8**		**-119,1**			
d=a+b+c	**Net current financial indebtedness**	**162,3**	**-8,3%**	**251,9**	**-13,3%**	**-89,6**	**-35,6%**
e	**Non-current loans**	**10,0**		**10,1**			
	Non-current bank indebtedness	-362,3		-394,0			
	Bonds issued	-1.641,9		-1.631,5			
	Other non-current loans	-121,1		-118,9			
	Due to financial leases coming due after the next financial year	-10,0		-9,4			
f	**Non-current financial indebtedness**	**-2.135,3**		**-2.153,8**			
g=e+f	**Net non-current financial indebtedness**	**-2.125,3**	**108,3%**	**-2.143,7**	**113,3%**	**18,4**	**-0,9%**
h=d+g	**Net financial indebtedness**	**-1.963,0**	**100,0%**	**-1.891,8**	**100,0%**	**-71,2**	**3,8%**

Net financial position increased from Euro 1,891.8 million of December 2009 to Euro 1,963.0 million. The increase is mainly due to the payment of dividends in June.
An indebtedness mainly comprising medium/long term debt is confirmed, covering an equity structure characterized by a high fixed assets value.

2.05 Human Resources

The Hera Group had 6,526 open-ended contract employees as at 30 September 2010 (consolidated companies), with the following breakdown by role: Managers (126), Middle Managers (332), Employees (3,302), and Workers (2,766). This workforce was the result of the following changes: new recruits (139), leavers (94).

	31-Dec-09	30-Sep-10	Change
Managers	123	126	3
Middle managers	328	332	4
Employees	3194	3302	108
Workers	2836	2766	-70
Total	**6,481**	**6,526**	**45**

The actual changes are included in the following table:

	30-Sep-10
Staff employed at end of 2009	**6,481**
New recruits	139
Resigned resources	-94
Net Flow	**45**
Changes in the scope of consolidation	0
Staff employed at end of current period	**6,526**

New recruits over the year were mainly due to:

- consolidation of fixed-term contracts to open-ended contracts
- new recruits of professional profiles non yet present within the Group

Accounting Statements and Explanatory Notes

3.01 Income statement

3.01.01Consolidated income statement

thousands of Euro	*30 Sept 2010 (9 months)*	*30 Sept 2009 (9 months) Restated*	*3rd Quarter 2010 (3 months)*	*3rd Quarter 2009 (3 months)*
Revenues	2.574.458	3.064.861	768.980	918.814
Change in inventories of finished products and work in progress	7.012	1.809	-5.008	1.013
Other operating income	156.250	196.959	119.950	165.948
Use of raw materials and consumables (net of changes in inventories of raw materials and stock)	-1.463.573	-2.041.019	-427.126	-591.744
Service costs	-577.025	-664.590	-238.898	-297.391
Personnel costs	-270.035	-261.068	-85.454	-82.706
Amortisation, depreciation and provisions	-213.176	-196.820	-74.513	-69.140
Other operating costs	-26.494	-25.636	-7.673	-9.616
Capitalised costs	30.822	118.782	-6.868	14.438
Operating profit	**218.239**	**193.278**	**43.390**	**49.616**
Portion of profits (losses) pertaining to associated companies	5.590	2.003	1.253	-9
Financial income	58.893	18.970	3.557	13.199
Financial charges	-147.325	-106.751	-32.877	-47.149
Total financial operations	**-82.842**	**-85.778**	**-28.067**	**-33.959**
Other non-operating costs	0	-15.705	0	-12.976
Pre-tax profit	**135.397**	**91.795**	**15.323**	**2.681**
Taxes for the period	-56.295	-42.536	-5.384	-5.243
Net profit for the period	**79.102**	**49.259**	**9.939**	**-2.562**
Attributable to:				
Shareholders of Parent Company	68.355	42.042	5.782	-4.727
Minority shareholders	10.747	7.217	4.157	2.165

3.01.02 Consolidated statement of comprehensive income

€ / 000	30 September 2010	30 September 2009
Net profit/(loss) for the period	**79.102**	**49.259**
- change in cash flow hedge reserve (net of tax effect)	468	-5.126
- change in cash flow hedge reserve of companies carried at equity (net of tax effect)	-455	-331
Total profit/(loss) for the period	**79.115**	**43.802**
Attributable to:		
Shareholders of Parent Company	68.766	36.829
Minority shareholders	10.349	6.973

This statement is presented for the first time based on the requirements of IAS 1 Revised. Specifically, this standard requires that several components recorded as an offsetting entry directly in shareholders' equity be highlighted. It is important to note that these items refer to unrealised profits/losses as at 30 September 2010, as they were generated by the measurement of full hedge derivatives.

3.01.03 Earnings per share

The profit (loss) per share determined according to the methods set forth in IAS 33 is indicated in the table below:		
	Financial year 2010 **30 September 2010**	**Financial year 2009** **30 September 2009**
Group profit (loss) for the period (A) (amounts in thousands of Euro):	68.355	42.042
Weighted average number of outstanding shares		
for the purpose of calculating the profit (loss) per share:		
- base (B)	1.111.453.204	1.030.265.445
- diluted (C)	1.111.453.204	1.030.265.445
Profit (loss) per share (in Euro)		
- base (A/B)	0,062	0,041
- diluted (A/C)	0,062	0,041

3.02 Consolidated Balance Sheet

thousands of Euro	*30-set-2010*	*31-Dec-2009 Restated*
ASSETS		
Non-current assets		
Tangible fixed assets	1.791.783	1.777.392
Intangible fixed assets	1.717.746	1.674.934
Goodwill	377.175	378.574
Equity investments and securities	128.714	121.243
Financial assets	10.602	10.535
Deferred tax assets	87.167	73.596
Financial instruments - derivatives	40.925	419
	4.154.112	**4.036.693**
Current assets		
Inventories	64.811	47.068
Trade receivables	970.070	1.137.076
Contract work in progress	25.005	19.904
Financial assets	31.388	21.790
Financial instruments - derivatives	22.307	50.199
Other current assets	221.259	178.892
Cash and cash equivalents	262.375	350.332
	1.597.215	**1.805.261**
Total assets	**5.751.327**	**5.841.954**

thousands of Euro	*30-set-2010*	*31-dic-2009*
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1.115.014	1.115.014
-Reserve for own shares at par value	-4.434	-2.893
Reserves	461.279	472.106
-Reserve for own shares exceeding par value	-2.461	-1.739
Reserves for derivative instruments valued at fair value	-18.475	-12.995
Retained earnings (losses)	2.061	2.061
Profit (loss) for the period	68.355	71.052
Group shareholders' equity	**1.621.339**	**1.642.606**
Minority interest share	61.364	58.125
Total shareholders' equity	**1.682.703**	**1.700.731**
Non-current liabilities		
Loans - maturing beyond the next year	2.166.382	2.144.857
Employee leaving indemnity and other benefits	99.661	101.017
Provisions for risks and charges	200.333	186.200
Deferred tax liabilities	131.069	132.801
Financial leasing payables – maturing beyond the next year	10.050	9.379
Financial instruments - derivatives	30.364	40.394
	2.637.859	**2.614.648**
Current liabilities		
Banks and other borrowings – maturing within the next year	127.274	113.039
Financial leasing payables – maturing within the next year	4.192	7.148
Trade payables	867.496	1.048.214
Income tax liabilities	168.593	80.213
Other current liabilities	237.263	223.328
Financial instruments - derivatives	25.947	54.633
	1.430.765	**1.526.575**
Total liabilities	**4.068.624**	**4.141.223**
Total shareholders' equity and liabilities	**5.751.327**	**5.841.954**

3.03 Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	30/09/2010		30/09/2009	
Operating activities				
Cash flow				
Net profit pertaining to Group and minority shareholders	79.102		49.259	
Depreciation, amortisation and writedowns of tangible and intangible assets	172.897		163.364	
Total cash flow	**251.999**		**212.623**	
Profit (loss) of equity investments measured at equity	(3.619)		(1.124)	
(Gains) Losses on disposal of fixed assets	(4.225)		2.388	
Changes in prepaid and deferred taxation	(15.918)		4.574	
Employee leaving indemnities and other benefits:				
Provisions/ (uses)	(1.356)		(2.844)	
Provisions for risks and charges:				
Provisions/ (uses)	9.311		(10.134)	
Total cash flow before changes in net working capital	**236.192**		**205.483**	
Working Capital				
Change in trade receivables	166.765		66.787	
Change in inventories	(22.184)		6.234	
Change in other current assets	(42.339)		(60.695)	
Change in trade payables	(180.027)		(173.731)	
Change in tax liabilities	88.337		10.670	
Change in other current liabilities	13.917		35.603	
Change in financial instruments - derivatives	(1.602)		(6.754)	
Change in working capital	**22.867**		**(121.886)**	
Change in financial instruments - non-current derivatives	**(7.356)**		**2.000**	
Liquidity generated by operations		**251.703**		**85.597 a)**
Investment activities				
Disposal/(investment) in tangible assets,				
net of net investments/disinvestments	(96.725)		(267.815)	
Disposal/(investment) in intangible assets,				
net of net investments/disinvestments	(122.212)		(16.440)	
Goodwill				
Investments in equity investments net of disposals	(4.509)		(1.189)	
(Increase)/decrease in other investments	(11.193)		(12.972)	
Liquidity generated/(absorbed) by investment activities		**(234.639)**		**(298.416) b)**
Financing activities				
Medium/long-term loans	(20.429)		116.785	
Change in shareholders' equity accounts	(783)		(5.632)	
Change in short-term bank indebtedness	14.235		153.340	
Dividends paid out	(96.814)		(94.565)	
Change in financial leasing payables	(2.285)		(3.632)	
Liquidity generated/(absorbed) by financing activities		**(106.076)**		**166.296 c)**
		(89.012)		**(46.523)**
		(a+b+c)		**(a+b+c)**
Change in net financial position				
Cash and cash equivalents at the beginning of the period	350.332		193.635	
Contribution of cash from changes in perimeter	1.055		1.466	
Cash and cash equivalents at the end of the period	262.375		148.578	
	(89.012)		**(46.523)**	

3.04 Statement of changes in shareholders' equity

	Share Capital	Reserves	Reserves for derivative instruments valued at fair value	Profit	Equity	Minority interest share	Total
Balance as at 31 December 2008	**1.030.438**	**416.154**	**-16.125**	**94.766**	**1.525.233**	**53.892**	**1.579.125**
Profit for the period				42.042	**42.042**	7.217	**49.259**
Other elements of comprehensive income as at 30 September 2009:							
change in the fair value of derivatives for the period		523	-5.405		**-4.882**	-244	**-5.126**
change in the fair value of derivatives for the period for companies measured at equity		-331			**-331**		**-331**
Total comprehensive profit for the period		**192**	**-5.405**	**42.042**	**36.829**	**6.973**	**43.802**
treasury shares in portfolio	-115	68			**-47**		**-47**
change in perimeter		724			**724**	-5.859	**-5.135**
change in scope of consolidation		193			**193**	13.849	**14.042**
other movements		-114			**-114**	-4	**-118**
Appropriation of profits for 2008:							
- dividends paid out		-2.322		-80.168	**-82.490**	-12.075	**-94.565**
- allocation of retained earnings to reserves		10.243		-10.243	**0**		**0**
- allocation to other reserves		4.355		-4.355	**0**		**0**
Balance as at 30 September 2009	**1.030.323**	**429.493**	**-21.530**	**42.042**	**1.480.328**	**56.776**	**1.537.104**
Balance as at 31 December 2009	**1.112.121**	**472.428**	**-12.995**	**71.052**	**1.642.606**	**58.125**	**1.700.731**
Profit for the period				68.355	**68.355**	10.747	**79.102**
Other elements of comprehensive income as at 30 September 2010:							
change in the fair value of derivatives for the period			866		**866**	-398	**468**
change in the fair value of derivatives for the period for companies measured at equity		-455			**-455**		**-455**
Total comprehensive profit for the period		**-455**	**866**	**68.355**	**68.766**	**10.349**	**79.115**
treasury shares in portfolio	-1.541	-722			**-2.263**		**-2.263**
change in scope of consolidation		-870			**-870**	870	**0**
other movements		8.380	-6.346		**2.034**	-100	**1.934**
Appropriation of profits for 2009:							
- dividends paid out		-39.410		-49.524	**-88.934**	-7.880	**-96.814**
- allocation of retained earnings to reserves		18.640		-18.640	**0**		**0**
- allocation to other reserves		2.888		-2.888	**0**		**0**
Balance as at 30 September 2010	**1.110.580**	**460.879**	**-18.475**	**68.355**	**1.621.339**	**61.364**	**1.682.703**

3.05 Consolidated explanatory notes

Accounting principles and valuation criteria

The consolidated quarterly report as at 30 September 2010 (interim report on operations) was drawn up in observance of Art. 154 ter of Legislative Decree 58/1998 and Art. 82 of the Issuers' Regulation issued by CONSOB. This report is not subject to audit.

The accounting principles applied to this interim report on operations are the same as those adopted in drawing up the consolidated financial statements as at 31 December 2009 (please refer to them for full details), with the exception of the interpretation IFRIC 12 "service concession arrangements", for which reference should be made to the specific paragraph. This interim report on operations has not been drawn up in compliance with the accounting standards regarding infra-annual reporting (IAS 34 "Interim Financial Reporting").

The preparation of this interim report on operations as at 30 September 2010 required estimates and assumptions to be made that have an impact on the value of balance-sheet revenues, costs, assets and liabilities and on disclosures concerning contingent assets and liabilities at the reporting date. If, in the future, these estimates and assumptions, based on the management's best evaluation, should differ from the actual circumstances, they will be amended accordingly to represent the actual situation.

Please also note that these valuation procedures, especially those relating to the more complex valuations, such as the determination of any impairment losses on non-current assets, are generally only made definitively at the time the annual report is prepared, except when there are indications of impairment requiring an immediate valuation of any losses in value.

Corporate income tax is entered according to the best estimate of the weighted average tax rate expected for the full year.

Data in this interim report on operations are comparable with those of previous periods, except for the reclassifications deriving from the application of the interpretation IFRIC 12, which will be mentioned hereafter.

In comparing single items in the income statement, it is also necessary to take into consideration the changes in the scope of consolidation indicated in the specific paragraph.

Consolidated Financial Statements Format

The formats used are the same as those applied to the consolidated financial statements as at 31 December 2009. Specifically, a decremental format has been used for the income statement, with individual items analysed by type. We believe that this type of disclosure, which is also used by our major competitors, is in line with international practice and the best representation of company results. It is worth noting that for the purpose of more exact disclosure, the item “other non-operating costs", referring to taxes paid in connection with the “tax moratorium” during the first nine months of 2009 was added.

Comprehensive income statement The Revised IAS 1 on the presentation of financial statements requires specific evidence in the income statement of income/charges deriving from transactions with “non-owners”. All changes under evaluation (in our case the values related to the effective part of profits and losses on hedging instruments of cash flows - "cash flow hedge”) are highlighted in a separate statement. These changes are reported separately also in the statement of changes in consolidated shareholders’ equity.

The cash flow statement was drawn up using the indirect method in accordance with IAS 7.

All the consolidated income statement schedules are expressed in thousands of Euro, unless otherwise indicated.

Scope of consolidation

This interim report on operations includes the financial statements of the Parent Company, Hera SpA, and its subsidiaries. Control is obtained when the Parent Company has the power to determine the financial and operational policies of a company, in such a way as to obtain benefits from the company's activities.

Small-scale subsidiaries and those in which the exercise of voting rights is subject to substantial and long-term restrictions are excluded from line-by-line consolidation and valued at cost. Equity investments comprising fixed assets in large-scale associated companies are valued under the equity method.

Companies held exclusively for future sale were excluded from consolidation and valued at cost or fair value, whichever is the lesser. These equity investments are recorded as separate items.

Equity investments in joint ventures, in which the Hera Group exercises joint control with other companies, are consolidated with the proportional method reporting the assets, liabilities, revenues and costs on a line-by-line basis in a measure that is proportional to the Group's investment.

Changes to the scope of consolidation in the first nine months of 2010 compared with the consolidated financial statements at 31 December 2009 are shown below.

Subsidiaries:
On 19 October 2009, Consorzio Akhea Consortile and the subsidiaries Herambiente Srl and Akron Spa, 51% and 49%, respectively, formed the Consorzio Akhea, having the decontamination of sites as corporate object. Consorzio Akhea became operational in January 2010 and has been consolidated on a line-by-line basis since that date.

As of 1 January 2010, Aspes Gas Srl (wholly owned by Marche Multiservizi Spa) was merged by incorporation in Hera Comm Marche Srl (wholly owned by Hera Comm Srl). This transaction made Marche Multiservizi Spa the majority shareholder of Hera Comm Marche Srl, with 52% of the share capital. On 2 February 2010, Marche Multiservizi Spa sold 12% of its equity investment in Hera Comm Marche Srl to Hera Comm Srl, which therefore acquired the majority of the share capital (60%). At the end of the transactions, the Group's interest in the capital of Hera Comm Marche Srl decreased from 100% to 76.26%. This transaction did not change the scope of consolidation, as it only had an impact on the determination of the minority shares.

On 15 July 2010 Agea Reti Srl (100%-owned by Hera Spa) was merged by incorporation into Hera Spa. The accounting and tax effects were backdated to 1 January 2010. The company was consolidated on a line-by-line basis until 31 December 2009.

On 1 September 2010 Satcom Spa (62.50% held by Hera Spa) was merged by incorporation into Acantho Spa (62.436% held by Hera Spa). By means of this transaction, the share capital of Acantho Spa increased from euro 17,375,781 to Euro 22,500,000. The accounting and tax effects were backdated to 1 January 2010.

On 14 July 2010 the company Naturambiente Srl (100% held by Marche Multiservizi Spa) was established. This company carries out activities linked to the cycle of collection and disposal of waste. These companies are consolidated with the line-by-line method.

Jointly controlled companies:

As of 1 January 2010, the company FlamEnergy Trading Gmbh (50% held by Hera Trading Srl) is consolidated with the proportional method. Until 31 December 2009, the company was valuated with the shareholders' equity method.

Associated companies:

On 19 July 2010 the company Ghirlandina Solare Srl (33% held by Hera Energie Rinnovabili Spa, which is 100% held by Hera Spa), was established, in order to design, build, manage and maintain ground photovoltaic plants located in the district of Marzaglia. As at 30 September 2010 the company is not yet operational and is therefore valued at cost.

Other information

It is also noted that, over the first nine months of 2010 no atypical or unusual transactions were carried out, according to Consob communication no. 6064293 of 28 July 2006.

This interim report on operations as at 30 September 2010 is subject to the approval of the Board of Directors on 10 November 2010.

Application of the interpretation of IFRIC 12 "Service concession arrangements".

The Hera Group applies the IFRIC 12 interpretation “Service Concession Arrangements” as of 1 January 2010. This interpretation applies to service concession arrangements from public authorities to private companies if the following conditions are met:

- the grantor controls or regulates what services the concessionaire must provide using the infrastructure, to whom and at what price,
- the grantor controls - through its ownership or in another way - any residual interest in the infrastructure at the end of the term of the arrangement.

If the above conditions are met, the concessionaire must not treat the infrastructures as owned property, plant and machinery; this is because the service concession agreement grants the use of the infrastructures, but when the concession expires, they will no longer be available. Therefore, these infrastructures must be treated as financial assets, or intangible assets, according to whether or not the concessionaire has an unconditional right to receive contractually guaranteed cash flows, irrespective of the actual use of the infrastructure. In essence, the so-called "financial asset model" must be applied only when the concessionaire is not exposed to demand risk and, therefore, every time the cash flows set forth in the concession agreement allow for recovering credit/investment, irrespective of the actual use of the infrastructure by customers.

After having analysed concession arrangements in force with Grantors, the Hera Group considers it necessary to apply the interpretation to all gas distribution, integrated water cycle and public lighting assets. As regards electricity distribution, the interpretation is applicable to the infrastructures in the area of Imola managed by way of a business unit lease agreement with Con.Ami Spa.

The "intangible fixed asset model" was prospectively applied to all cases, since it was considered that the underlying concession arrangements do not guarantee the existence of an unconditional right in favour of the concessionaire to receive cash or other financial assets. Therefore, the involved infrastructures were reclassified from tangible fixed assets to intangible assets under the item "concessions", re-exposing the balance sheet as at 31 December 2009. The explanatory notes show the values of this reclassification, also in consideration of the different availability regimes to which the goods are subject. The financial-technical amortisation rates, representing the expectation of obtaining future economic benefits from the use and residual value of the infrastructure, as set forth by the reference regulatory framework, are still the same already being used within the Group, also taking into account current agreements. As regards electricity distribution assets, the business unit lease contract with Con.Ami Spa requires that the lessee/concessionaire be paid an adjustment calculated based on a dedicated assessment prepared according to financial-technical criteria. Also in this case, it was not necessary to modify the depreciation rates.

The implementation of IFRIC 12 made it necessary to apply IAS 11 Construction Contracts to the same infrastructures, since if the concessionaire constructs or improves an infrastructure that it does not control, the relative construction and improvement services carried out on behalf of the grantor are classified as construction contracts. Therefore, also in this case, the income statement from the first nine months of 2009 was reclassified in order to allow for an appropriate comparison to the same period of 2010. IAS 11 requires that, during the construction phase, the constructor of the assets report the revenue and costs of the project in proportion to the stage of completion of contract activity. So, considering that most works are contracted out externally and that the margin on contracts on construction activities carried out externally cannot be identified separately from the benefits granted in the tariff remunerating the service, these infrastructures are reported based on costs effectively sustained, net of any contributions paid by the authorities and/or private customers.

3.06 Consolidated net financial indebtedness

	(in millions of Euro)	30 September 2010	31 December 2009
a	**Cash on hand**	**262,4**	**350,3**
b	**Other current loans**	**29,7**	**20,7**
	Current bank indebtedness	-23,2	-22,5
	Current portion of bank indebtedness	-88,4	-75,1
	Other current loans	-14,1	-14,3
	Financial leasing payables – maturing within the next year	-4,1	-7,1
c	**Current financial indebtedness**	**-129,8**	**-119,1**
d=a+b+c	**Net current financial indebtedness**	**162,3**	**251,9**
e	**Non-current loans**	**10,0**	**10,1**
	Non-current bank liabilities	-362,3	-394,0
	Bonds issued	-1.641,9	-1.631,5
	Other non-current loans	-121,1	-118,9
	Financial leasing payables – maturing beyond the next year	-10,0	-9,4
f	**Non-current financial indebtedness**	**-2.135,3**	**-2.153,8**
g=e+f	**Net non-current financial indebtedness**	**-2.125,3**	**-2.143,7**
h=d+g	**Net financial indebtedness**	**-1.963,0**	**-1.891,8**

3.07 Equity Investments: List of Companies

Subsidiaries

Name	Registered office	Share capital	Percentage held		Total investment
			direct	indirect	
Parent company: Hera Spa	**Bologna**	**1.115.013.754**			
Acantho Spa	Imola (Bo)	22.500.000	62,44%		62,44%
Acque Srl	Pesaro	102.700		40,64%	40,64%
Akron Spa	Imola (Bo)	1.152.940		57,50%	57,50%
ASA Scpa	Castelmaggiore (Bo)	1.820.000		51,00%	51,00%
Consorzio Akhea Fondo Consortile	Bologna	200.000		79,18%	79,18%
Eris Scrl	Ravenna	300.000		51,00%	51,00%
Famula On-line Spa	Bologna	4.364.030	100,00%		100,00%
Frullo Energia Ambiente Srl	Bologna	17.139.100		51,00%	51,00%
Gal.A. Spa	Bologna	300.000		60,00%	60,00%
HeraAmbiente Spa	Bologna	271.148.000	100,00%		100,00%
Hera Comm Srl	Imola (Bo)	53.136.987	100,00%		100,00%
Hera Comm Marche Srl	Urbino (Pu)	1.458.332		76,26%	76,26%
Hera Comm Mediterranea Srl	Carinaro (Ce)	250.000		50,01%	50,01%
Hera Energie Srl	Bologna	926.000		51,00%	51,00%
Hera Energie Rinnovabili Spa	Bologna	1.832.000	100,00%		100,00%
Hera Luce Srl	San Mauro Pascoli (Fc)	1.000.000	89,58%		89,58%
Hera Servizi Funerari Srl	Bologna	10.000	100,00%		100,00%
Herasocrem Spa	Bologna	2.218.368	51,00%		51,00%
Hera Trading Srl	Imola (Bo)	22.600.000	100,00%		100,00%
Marche Multiservizi Spa	Pesaro	13.450.012	40,64%		40,64%
Medea Spa	Sassari	4.500.000	100,00%		100,00%
MMS Ecologica Srl	Pesaro	95.000		40,64%	40,64%
Naturambiente Srl	Pesaro	10.000		40,64%	40,64%
Nuova Geovis Spa	Sant'Agata Bolognese (Bo)	2.205.000		51,00%	51,00%
Romagna Compost Srl	Cesena (Fc)	3.560.002		60,00%	60,00%
Sinergia Srl	Forlì (Ce)	579.600		59,00%	59,00%
SIS Società Intercomunale di Servizi Spa	Pesaro	103.300		16,97%	16,97%
Sotris Spa	Ravenna	2.340.000	5,00%	70,00%	75,00%
Uniflotte Srl	Bologna	2.254.177	97,00%		97,00%

Jointly Controlled Companies

Name	Registered office	Share capital	Percentage held		Total investment
			direct	indirect	
FlamEnergy Trading Gmbh	Vienna	3.000.000		50,00%	50,00%

Associated companies

Name	Registered office	Share capital	Percentage held		Total investment
			direct	indirect	
Adriatica Acque Srl	Rimini	89.033		25,44%	25,44%
Aimag Spa*	Mirandola (Mo)	* 78.027.681	25,00%		25,00%
Dyna Green Srl	Milan	30.000		33,00%	33,00%
Estense Global Service Soc.Cons.arl	Ferrara	10.000		23,00%	23,00%
Feronia Srl	Finale Emilia (Mo)	2.430.000		40,00%	40,00%
Ghirlandina Solare Srl	Concordia Sulla Secchia (Mo)	60.000		33,00%	33,00%
Modena Network Spa	Modena	3.000.000	14,00%	18,73%	32,73%
Oikothen Scarl	Siracusa	1.101.730	46,10%		46,10%
Refri Srl	Reggio Emilia	6.800.000		20,00%	20,00%
Service Imola Srl	Borgo Tossignano (Bo)	10.000	40,00%		40,00%
Set Spa	Milan	120.000	39,00%		39,00%
So.Sel Spa	Modena	240.240		26,00%	26,00%
Sgr Servizi Spa	Rimini	5.982.262		29,61%	29,61%
Tamarete Energia Srl	Ortona (Ch)	3.600.000	32,00%		32,00%

* the company's share capital is comprised of EUR 67,577,681 in ordinary shares and EUR 10,450,000 in related shares

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