



Press release

Bologna 27/04/2006

HERA: The Ordinary and Extraordinary Shareholders' Meeting approves the Financial Statements 2005, which recorded, with the full line-by-line consolidation of Meta Modena, a Net Profit of Euro 108.8 million (+26%).

Dividend of 7 eurocents per share, up by 16.7% compared to the previous year

Appointment of a new member of the Board of Directors

Resolutions also passed for the project for merger by incorporation into the Hera Group of Geat Distribuzione Gas and for the purchase of own shares for a counter-value of up to Euro 45 million

Today in Bologna the Hera S.p.A. Shareholders' Meeting approved the Financial Statements 2005 and the Board of Directors' motion to distribute a dividend of 7 eurocents per share, up 16.7% on the 2004 dividend, which will be available for payment as from June 8, 2006, with coupon detachment date June 5, 2006.

The Shareholders' Meeting also appointed Bruno Tani to the office of Director, on the basis of a list vote reserved to minority shareholders.

With this appointment the Board of Directors is now complete with 18 members, of which 4 represent private shareholders.

The Financial Statements 2005 of Hera S.p.A. recorded a production value equal to Euro 1,597 million (up by 25.9% compared to 2004), an EBITDA of Euro 76.6 million, up by 59.5% and a profit of Euro 71.1 million, up 41.2% compared to the previous year.

In line with draft results **inclusive of the contribution for the whole of 2005 of Meta**, the Group Financial Statements closed with a 41% increase in revenues, which rose to Euro 2,100.5 million, an EBITDA up by 32% to Euro 386.4 million, an Operating Profit up by 22% to Euro 215.7 million and a Net Profit which has risen by 26% to Euro 108.8 million, against the 86.5 million recorded in the previous year. The contribution of Meta was equal to Euro 65.3 million in terms of EBITDA and Euro 21 million in terms of Net Profit.

The Shareholders' Meeting also passed a resolution for the project for merger by **incorporation into the Hera Group of Geat Distribuzione Gas**, the company which operates in the distribution and sales of gas in the Riccione area and for **the own shares purchase transaction**.



The merger of Geat Distribuzione Gas will allow Hera to continue the process of consolidation within the core territory served by the Group and constitutes an important strategic step towards creating, along with the investment already held in the company SGR Servizi, a strong foothold in the province with considerable potential for synergies.

The company Geat has over 20,000 customers and generates sales for over 40 million cubic metres of natural gas. The deal is scheduled to be concluded at the beginning of July.

The purchase of own shares, for a counter-value of up to Euro 45 million, will be valid for 18 months and will be effected on the market managed by Borsa Italiana S.p.A. (the Italian stock exchange) at a price per share of no lower than the nominal value and no higher than 5% over the reference price recorded on the market day prior to each purchase.

The initiative is of considerable interest as it may also be used within the scope of acquisition transactions involving share trading. To date Hera does not hold any own shares and the maximum number of own shares that may be purchased is equal to 15,000,000 ordinary shares, the equivalent of approximately 1.5% of the share capital.

The Chairman Tommaso Tommasi di Vignano commented: "The results are extremely positive, especially when we consider that the Company has been committed to absorbing extraordinary transactions relating to the integration of Agea Ferrara, the start-up of operations with Meta of Modena and the implementation of a new integrated billing system".

"These results – added Tommasi di Vignano – prove even more significant, insofar as they were achieved in a market in a state of transition characterised by a complex legislative context and by the launch of some competitive processes".

The Managing Director Maurizio Chiarini observed that "the Company was able to deliver the promises made to the financial community and to its own shareholders, by limiting tariff growth on the whole and by privileging a customer-orientated approach. To this end a second survey on customer satisfaction levels was launched, which on the whole confirmed the good levels achieved in the previous year".

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