



press release

Bologna, 29 June 2006

Hera goes ahead with the merger of Geat Distribuzione Gas

The merger becomes effective on 1 July

The merger agreement was signed today between Geat Distribuzione Gas S.p.A., responsible for the gas distribution network in the Riccione area of Italy, and Hera S.p.A., with civil obligations becoming effective as of 1 July 2006.

On the same date in which the aforementioned agreement becomes effective, the Municipality of Riccione, as sole shareholder of the merged company, will be assigned 5,526,083 ordinary Hera S.p.A. shares in the swap. It is also stated that, by effect of the merger, Hera S.p.A. will retain 1,000 ordinary Hera shares previously held by Geat Distribuzione Gas S.p.A.

This operation with Geat Distribuzione Gas represents an important strategic expansion allowing the creation, together with the existing holding in SGR Servizi, of a core business in the province of Rimini with significant synergy options.

Geat Distribuzione Gas has over 20,000 customers and achieves natural gas sales of around 40 million cubic metres.

Hera S.p.A.

Giuseppe Gagliano

Giorgia Freddi

tel. +39 051-287138

e.mail: giuseppe.gagliano@gruppohera.it

giorgia.freddi@gruppohera.it