



Press Release

Bologna, 29th October 2004

Sale of 49% stake of Italgestioni and Italgestioni Gas

The rationalisation process of non-strategic investments implemented by Hera continues following the group strategy focused on core business in core geographical areas.

Hera Group signed yesterday an agreement with Enel for the sale of a minority stake of 49% of Italgestioni and of Italgestioni Gas operating in the gas sale and distribution in Calabria and Campagna region in south Italy.

The sale will have a positive impact on Hera year end results as the total consideration is set in 32 million euro implying a multiple EV/Ebitda of 9.5x (the consolidated EBITDA 2003 of the two companies was 3,4 million euro).

The sale mentioned is part of the rationalisation activities implemented on Group non-strategic investments which aims to focus on "core business in core geographical areas".

The funds collected from this operation will be invested on the strengthening the market position of the "Local Operating Companies" (Hera Bologna, Hera Rimini, Hera Ravenna, Hera Imola, Hera Forli-Cesena) in gas distribution and sale – within 2007 Hera plans to sale 2 billion cubic meters to more than 800.000 clients – and to develop the electricity business ("dual fuel policy") in which Hera plans to reach 4,7 TWh sales in 2007.