



press release

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Hera Shareholders Meeting: corporate offices renewed and 9 cent dividend approved

Number of directors passes from 14 to 15, with an additional member representing minority shareholders. Increased presence of women in the Board of Directors and the Board of Statutory Auditors.

Hera's Ordinary Shareholders Meeting took place in Bologna this morning. Among the various resolutions adopted, the Meeting appointed the members of the Board of Directors and the Board of Statutory Auditors for the upcoming three years. In addition, the 2016 financial statements were approved, as was the resulting payment of a dividend set at 9 cents per share.

Approval of financial statements and dividend at 9 cent./share

In its ordinary session, the Meeting approved the financial statements for 2016, which showed improvement in all operating-financial indicators, with results exceeding expectations. The presentation of the sustainability report, furthermore, confirmed the Group's ever greater attention towards sustainability in all its facets. The key factors in this success, that allowed it to continue its growth in spite of an increasingly challenging regulatory and market scenario, were once again the Group's consolidated multi-business strategy and its combination of internal and external growth. The 2016 financial year closed with revenues reaching € 4,460.2 million, in line with the previous year, EBITDA at € 916.6 million (+3.6%) and net profits for Shareholders at € 207.3 million (+14.8%).

The Meeting therefore approved the Board of Directors' proposal of paying a dividend of 9 cents per share, in line with the amount paid one year earlier and already announced in the business plan to 2020. It is worth mentioning that this same business plan, in reaffirming a high degree of attention towards the creation of value for shareholders as well, projects an increase in forecasted earnings and a dividend policy showing growth over its historical trend (beginning with the amount paid in 2018), with a gradual change over the upcoming four-year period of 11%.

The ex coupon date has been set at 19 June 2017, with payment beginning on 21 June 2016. The dividend paid, based on the price of Hera stock at 31/12/2016, corresponds to an annual return of over 4%.

Renewal of the Board of Directors, with an additional director representing minority shareholders

Furthermore, the Board of Directors was renewed for the upcoming three years (in office until the Meeting held to approve the financial statements for 2019), with its components passing from the previous 14 to the current 15 members, with an additional director representing minority shareholders. This came about in implementation of the amendment of the Articles of Association (approved by the Shareholders Meeting held on 28 April 2015) calling for an increase, as of 2017, of the number of current members of the Board of Directors from 14 to 15, 4 of whom (instead of 3) to be elected from the lists presented by minority shareholders.

As per the outcome of the voting, the following have been appointed to the Board of Directors:

Majority list (representing Hera's public shareholders' Agreement): Tomaso Tommasi di Vignano, Stefano Venier, and the independent directors Giovanni Basile, Giorgia Gagliardi, Stefano Manara, Danilo Manfredi, Giovanni Xilo, Sara Lorenzon, Marina Vignola, Aldo Luciano, Federica Seganti.

Minority list: the independent directors Massimo Giusti, Erwin Paul Walter Rauhe, Francesca Fiore, Duccio Regoli.



Renewal of the Board of Statutory Auditors

As regards the Board of Statutory Auditors, the following were appointed:

- Majority list (representing Hera's public shareholders' Agreement): Marianna Girolomini, Antonio Gaiani (standing auditors), Valeria Bortolotti (alternate auditor).
- Minority list: Myriam Amato (President), Stefano Gnocchi (alternate auditor)

Increased presence of women in the Board of Directors and the Board of Statutory Auditors

The composition of the Group's corporate bodies fully implements the provisions contained in Law no. 120 of July 12, 2011 (already transposed into Hera's Articles of Association by the 2013 Shareholders Meeting), which introduced the principle of gender balance in the corporate positions of listed companies. To this end, the law foresees that the breakdown of directors and statutory auditors to be elected be reached in such a manner that the least represented gender obtains at least one third of the members of the Board of Directors and of the Board of Statutory Auditors. The presence of women thus comes to 5 out of the 15 members of the Board of Directors and 2 out of the 3 standing members of the Board of Statutory Auditors.

Other resolutions approved

The Meeting approved the renewal of its authorisation for the Board of Directors to purchase treasury shares (and arrangements for their disposal), for a maximum amount of € 180 million over 18 months. This authorisation renewal was requested to pursue the aims allowed by current regulations and accepted market practices, including investment opportunities involving the use of treasury shares to increase the creation of value and any acquisitions of holdings that also involve equity trading.

The Meeting furthermore confirmed remuneration policies for members of the Board of Directors, maintaining unchanged the amount due.

Lastly, the reports on corporate governance was put to the Meeting's attention, which contains a few changes in line with international best practices.

Hera top management confirmed

The session dedicated to the assignment of Hera's Board of Directors, appointed this morning by the multi-utility's Shareholders Meeting, was held this afternoon in Bologna. The Board appointed the Chairman, the Vice Chairman and the CEO.

Tomaso Tommasi di Vignano was confirmed as Hera's Chairman, acting as executive administrator. Born in Brescia, he has been guiding the Hera Group since it was created in 2002, after accumulating at length experience in telecommunications and in the utility sector.

Giovanni Basile was confirmed as Hera's (non-executive) Vice Chairman. He has held this office since 2014. Born in Modena, a licensed accountant and auditor, he is a board member and statutory auditor of a number of companies and non-profit organisations in Italy and abroad.

Stefano Venier was confirmed as CEO. Born in Udine, he has been part of Hera since 2004, previously holding the position of Development and Market General Director. Prior to that, Venier held positions with increasing responsibility in the Eni Group and at a leading international consulting firm, in which he acted, between 2002 and 2004, as Vice President for Energy & Utilities.



Continuity in corporate governance policies has therefore been reaffirmed as one of the Hera Group's main strengths, as shown by a study by Kepler Cheuvreux dating to 14 February 2017 of the four local utilities, in which Hera was positively evaluated thanks to no other than its stable governance and management credibility, along with its solid foundations, low-risk growth strategy, future growth opportunities and attractive dividend policy.

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