



Press release

Bologna, 29 September 2016

The Board of Directors of Hera S.p.A. has authorised the issuance of new notes aimed at the early partial refinancing of certain outstanding notes

The Board of Directors of Hera S.p.A. (the “**Company**”) has authorised the issue of senior non-convertible notes, under the Euro Medium Term Notes Programme, up to an aggregate principal amount of Euro 700,000,000, to be placed with qualified investors (the “**New Notes**”).

The issuance of the New Notes, which is subject to favourable market conditions, will be primarily applied towards the early partial refinancing of the “€500,000,000 4.5 per cent. Notes due 3 December 2019” listed on the Luxembourg Stock Exchange (ISIN Code XS0471071133) (the “**2019 Bond Issuance**”) and the “€500,000,000 3.25 per cent. Notes due 4 October 2021” listed on the Luxembourg Stock Exchange (ISIN Code XS0976307040) (the “**2021 Bond Issuance**”). The purpose of the transaction is to extend the average length of the Group’s indebtedness and, secondarily, to maintain a suitable level of liquidity for the purposes of facing the Company and the Group’s operational needs.

Pursuant to the agreements entered into today with the Company, BNP Paribas S.A., in its capacity as offeror (the “**Offeror**”), has announced a cash tender offer addressed to the holders of the Existing Notes who are qualified investors and relating to (i) firstly, the Notes representing the Bond Issuance (the “**2019 Notes**”) and (ii) secondly, the Notes representing the Bond Issuance (the “**2019 Notes**”) (the “**2021 Notes**”, and, together with the 2019 Notes, the “**Existing Notes**”), up to a nominal amount to be determined by the Offeror at its own discretion by reference to the aggregate principal amount of Existing Notes tendered for purchase pursuant to the tender offer (the “**Tender Offer**”).

The Tender Offer, whose terms and conditions are set forth in the tender offer memorandum dated 29 September 2016 (the “**Tender Offer Memorandum**”), is, *inter alia*, subject to (i) the pricing satisfactory to the Company of the New Notes, (ii) the signing of a subscription agreement for the purchase of the New Notes (the “**Subscription Agreement**”) and (iii) such Subscription Agreement remaining in full force and effect as at the settlement date of the Tender Offer.

The Offeror is not under any obligation to accept for purchase any Existing Notes tendered pursuant to the Tender Offer. The acceptance for purchase by the Offeror of Existing Notes is at the sole discretion of the Offeror and tenders may be rejected by the Offeror for any reason.

If the Offeror decides to accept valid tenders of Existing Notes pursuant to the Tender Offer, the total amount that, on the settlement date, will be paid by the Offeror to each noteholder whose Existing Notes have been accepted for purchase is equal to the sum (rounded to the nearest €0.01, with €0.005 rounded upwards) of:

- (a) the product of (i) the aggregate principal amount of the Existing Notes accepted for purchase from such noteholder pursuant to the Tender Offer and (ii) the relevant purchase price to be determined in the manner described in the Tender Offer Memorandum by reference to the purchase yield (showed in the table below); and
- (b) the interests accrued on the relevant Existing Notes, from (and including) the preceding interest payment date to (but excluding) the settlement date for the Tender Offer.



If the aggregate principal amount of the 2021 Notes validly tendered for purchase pursuant to the Tender Offer is greater than the amount of 2021 Notes that the Offeror intends to purchase, the Offeror will accept the relevant tenders on a *pro rata* basis.

The table below sets forth the terms and conditions of the Tender Offer.

Order of Priority	Notes	ISIN	Outstanding Principal Amount	Purchase Yield	Amount subject to the Offers
1	€500,000,000 4.5 per cent. Notes due 3 December 2019 (the "2019 Notes")	XS0471071133	€500,000,000	-0.2% ¹	€500,000,000
2	€500,000,000 3.25 per cent. Notes due 4 October 2021 (the "2021 Notes")	XS0976307040	€500,000,000	0.0% ²	Nominal amount to be determined by the Offeror at its own discretion by reference to the aggregate principal amount of Existing Notes tendered for purchase pursuant to the Tender Offer

¹ For information purposes only, the purchase price for the 2019 Notes will, as determined in the manner described in the Tender Offer Memorandum on the basis of a settlement date of 11 October 2016, be 114.843 per cent. Should the settlement date in respect of the 2019 Notes accepted for purchase pursuant to the Tender Offer differ from 11 October 2016, the relevant purchase price will be recalculated, all as further described in the Tender Offer Memorandum.

² For information purposes only, the purchase price for the 2021 Notes will, as determined in the manner described in the Tender Offer Memorandum on the basis of a settlement date of 11 October 2016, be 116.188 per cent. Should the settlement date in respect of the 2021 Notes accepted for purchase pursuant to the Tender Offer differ from 11 October 2016, the relevant purchase price will be recalculated, all as further described in the Tender Offer Memorandum.

The Tender Offer, which starts today, will expire on 5 October 2016, subject to the right of the Offeror to extend, re-open, amend and/or terminate it. The settlement date for the Tender Offer is expected to fall on 11 October 2016.

Further information on the terms and conditions of the Tender Offer are set out in the Tender Offer Memorandum.

Documents are available on Hera website www.gruppohera.it in the Investor Relations section as well as at the authorized storage on website www.1info.it

This notice does not constitute an invitation to participate in the Tender Offer in any jurisdiction in which, or to any person to whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws and regulations. The distribution of this notice or the Tender Offer Memorandum in certain jurisdictions may be restricted by law and regulations. Persons into whose possession this notice comes are required to inform themselves about, and to observe, any such restrictions.

Specific restrictions are included in the Tender Offer Memorandum.

Investor Relations - Hera S.p.A.
IR@gruppohera.it - +30 051 28 7737