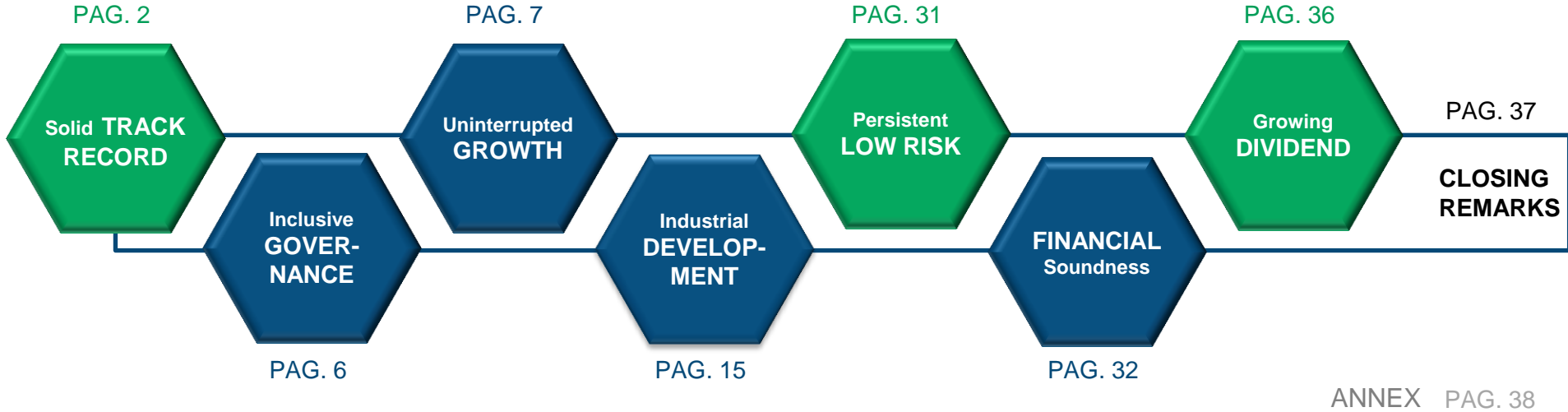
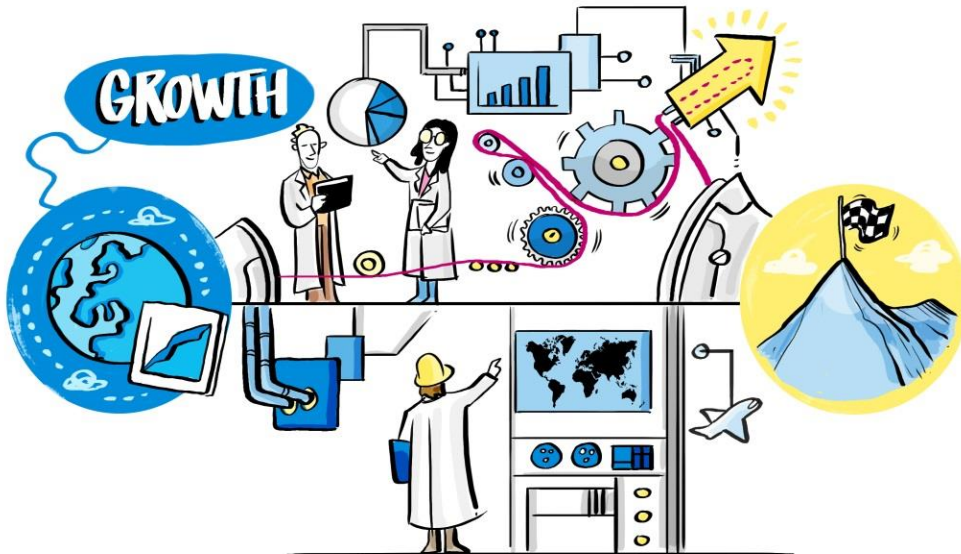


INDEX



TOMASO TOMMASI DI VIGNANO

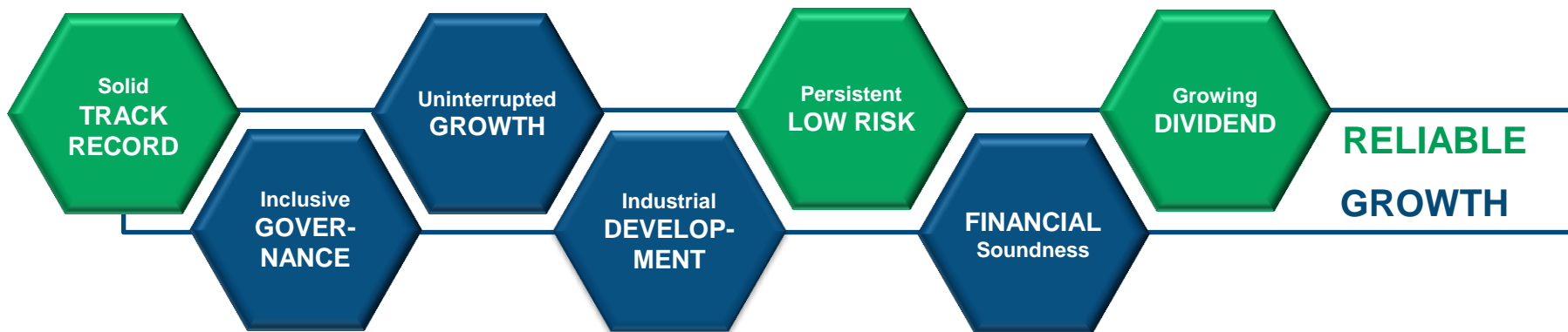
Executive Chairman



Key points:

- *Execution of Prior Business Plan to '19*
- *Business Plan to '20*
- *Investment proposition*

Hera backbone

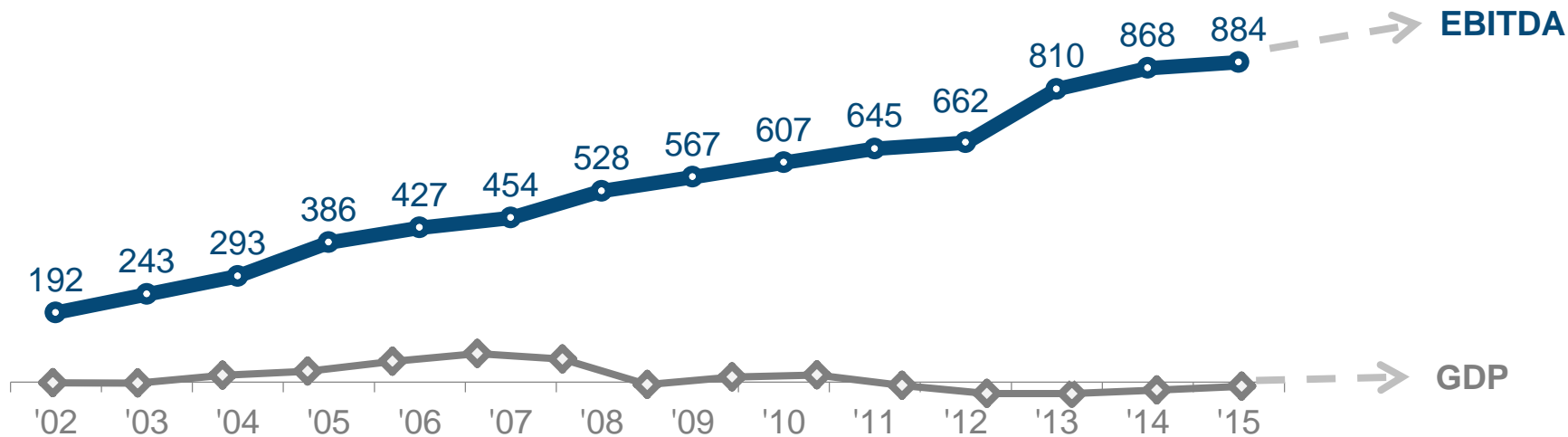


Unique investment proposition

An uninterrupted growth

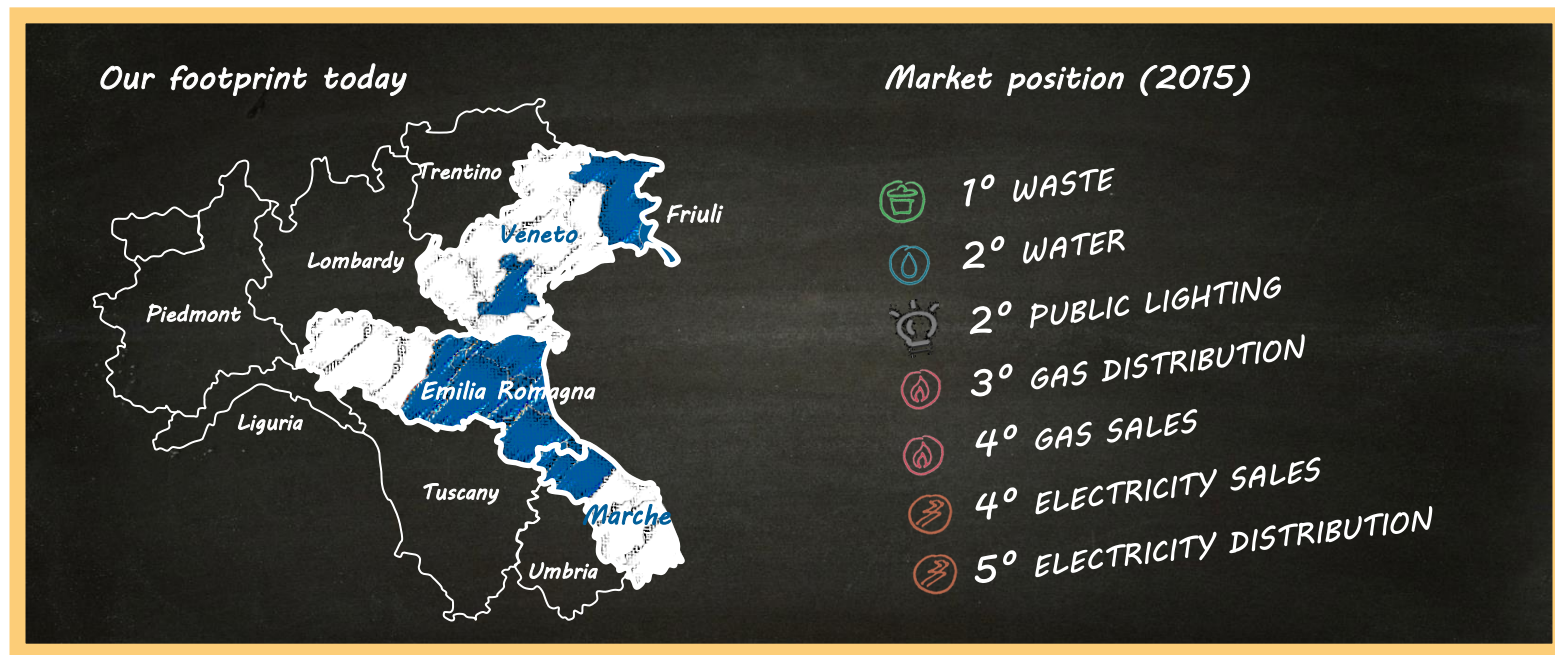
Ever growing results since establishment

(M€, % GDP growth)



EPS Cagr: ~9%

Expanding presence in the North-East



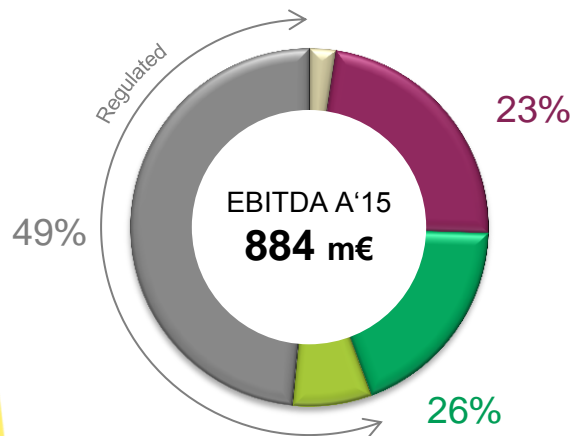
Leadership achieved in all sectors

A synergic multi-utility portfolio

NETWORKS *(Fully regulated)*

- 100% protected by I/t concessions
- Tariffs set for the next 3 years
- Strong contiguity in geographical scope

HERA's BETA
0.45 vs 0.78
on average in
the sector



ENERGY *(Fully liberalised)*

- Positive growth 8 years in a row
- Loyal customer base (>2.2 mln)
- Marginal exposure to commodity prices

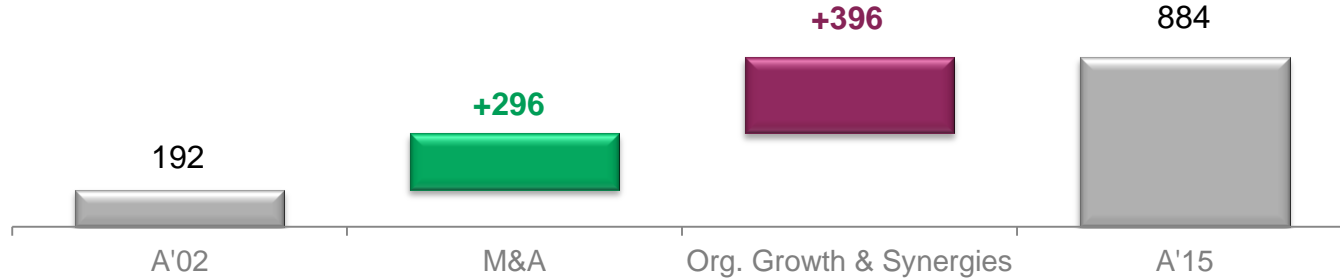
WASTE *(of which 7% regulated)*

- Market Leader both in Urban and Special
- Leading waste mgmt change
- Sole deeply integrated operator

Guaranteeing resilient results in any scenario

Our 'two pillars' model

Ebitda grown by 4.6 times
(M€)



1 or 2 deals per annum on average

Synergies achieved +25% Ebitda in 5Y

First mover in the consolidation process

22 deals
in 13 years

Org. Ebitda
+9% Cagr

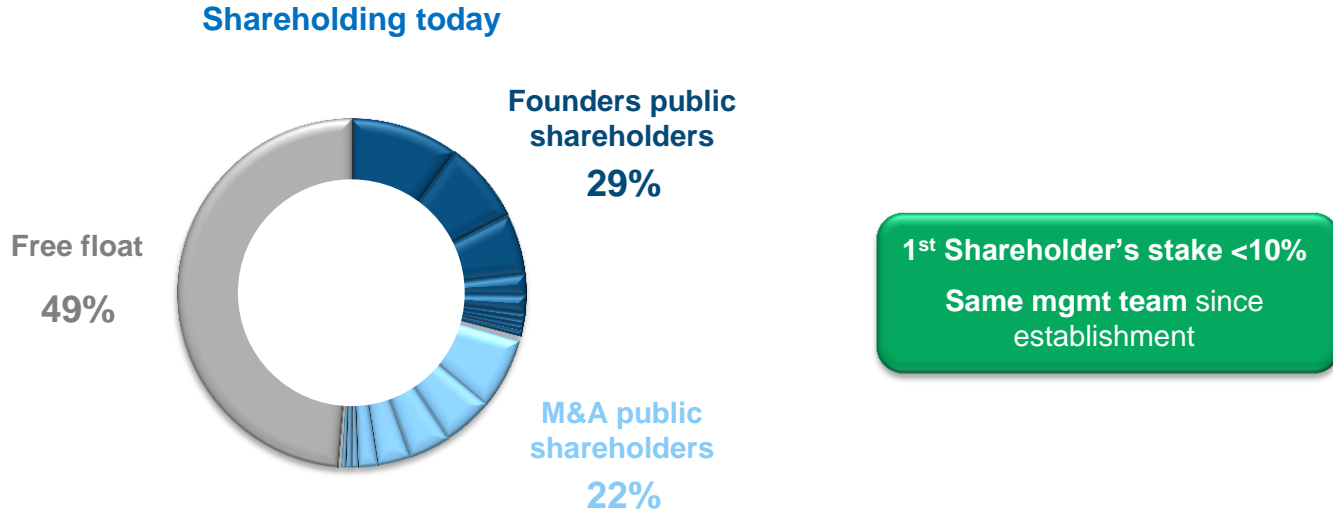
Cost cutting, Process optimization

Development capex (netw. and plants)

Market expansion in liberalized markets

An effective formula behind the growth

Inclusive shareholding provides stability

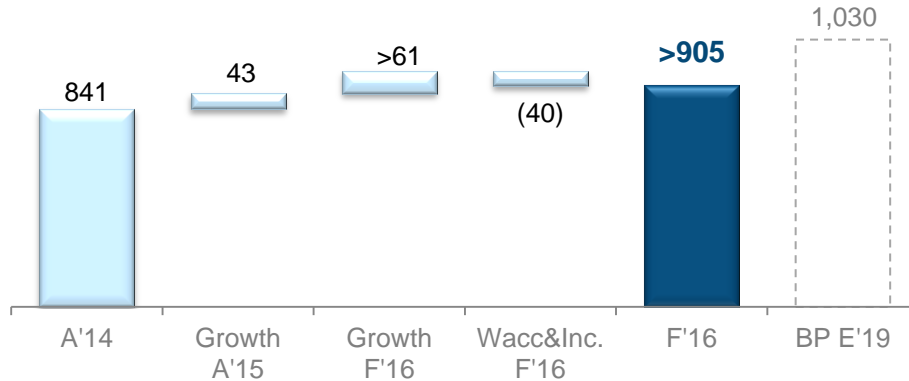


A PUBLIC «public» company

Old BP to '19: execution well on track

Forecast '16 Ebitda

(M€)



Ebitda growth '15/'16 in line with targets with almost all negative effects deployed in 2016 ✓

Forecast '16 full year Ebitda

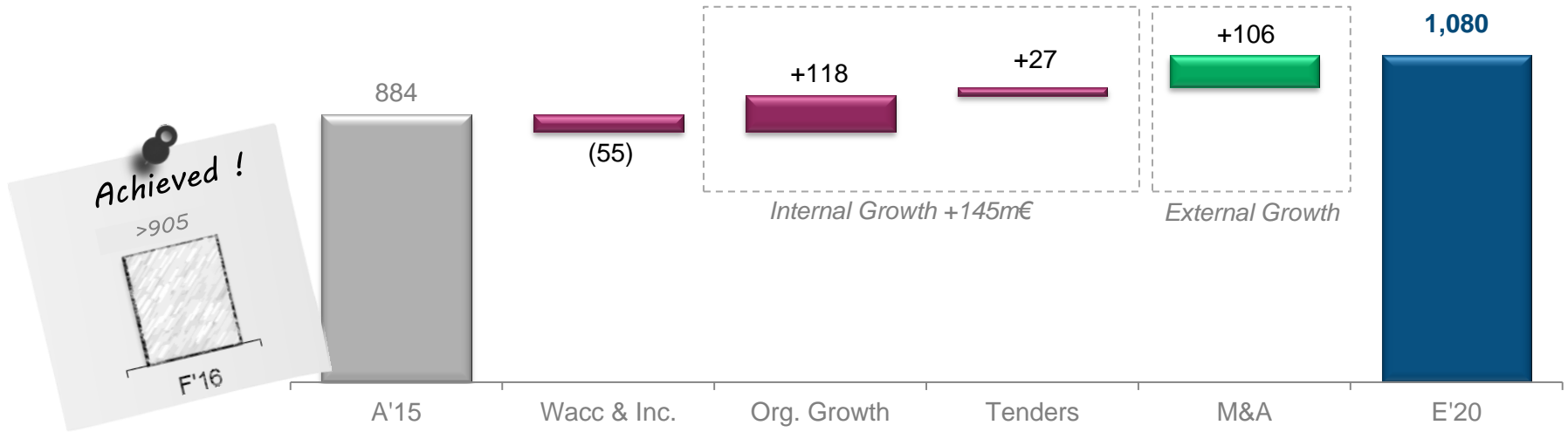
- Growth above +61 m€ offsetting negative effects of:
 - Wacc cut: 25 m€
 - Incentive expired: >15 m€

Further '16 on top of targets

- Default gas supply won tenders
- Liability management
- Trading performance/asset mgmt

Business plan target to 2020

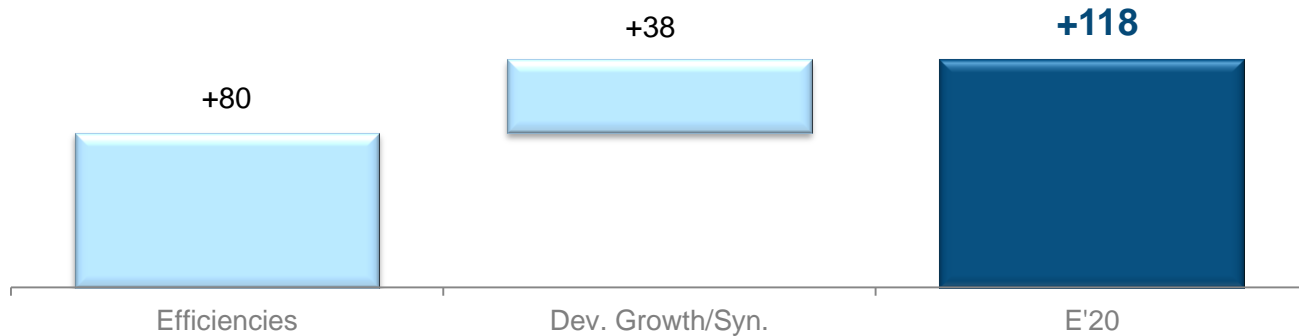
Ebitda growth to 2020
(M€)



Further planned growth of ~200m€

Organic growth: several levers to put at work

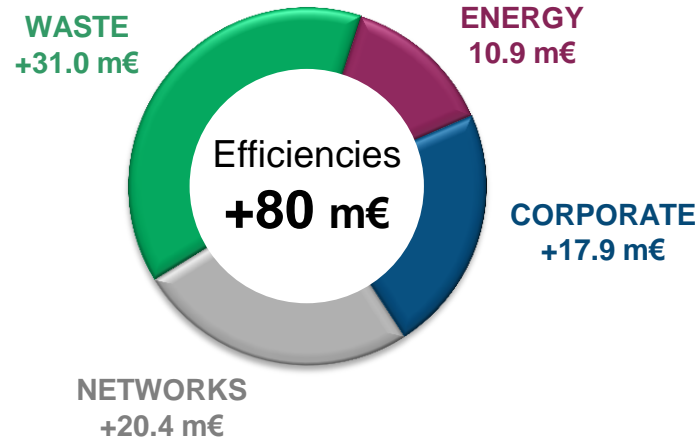
Internal Growth Ebitda contribution
(M€)



Deploying our expertise to squeeze additional value

Organic Growth (2): focus on efficiencies

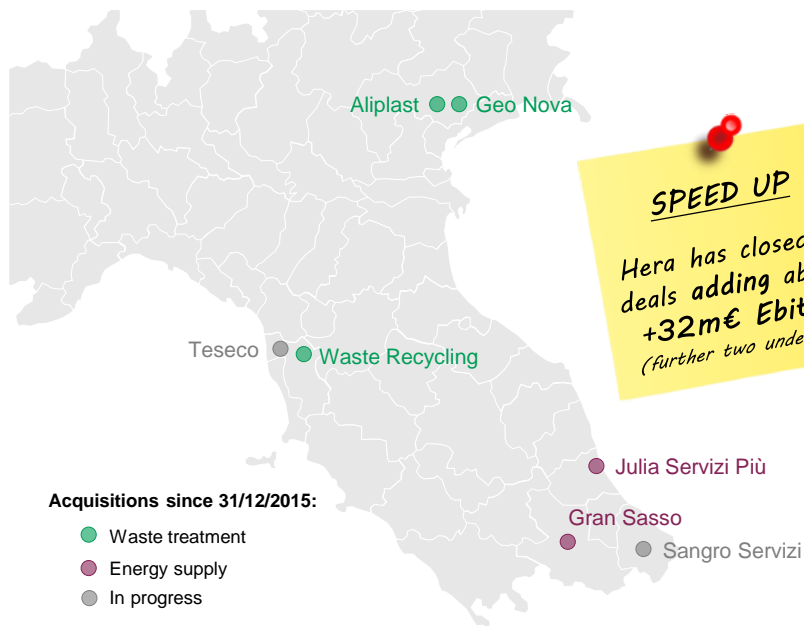
Efficiencies breakdown (M€)



Several projects at work in all Group units

Organic Growth (3): acquisitions executed recently

Acquisitions executed in the last 13 months



ENABLERS

- Competition pressure in energy supply
- Capital intensive Waste treatment plants
- Difficult authorization process for new plants

HERA'S ADVANTAGES

1. Cash availability
2. Top market player
3. Margins best in class

In BP to '20 targets enclosed only “executed” acquisitions

Organic Growth (4): Aliplast has opened up new horizons

Aliplast territorial presence



Aliplast data

- Revenues: ~ 100 m€
- Ebitda: 15/16 m€
- Net financial position below 10m€
- Plastic treated: ~ 80 kton/y
- Customers: ~ 2,000
- Plants: 11
- Employees: 280

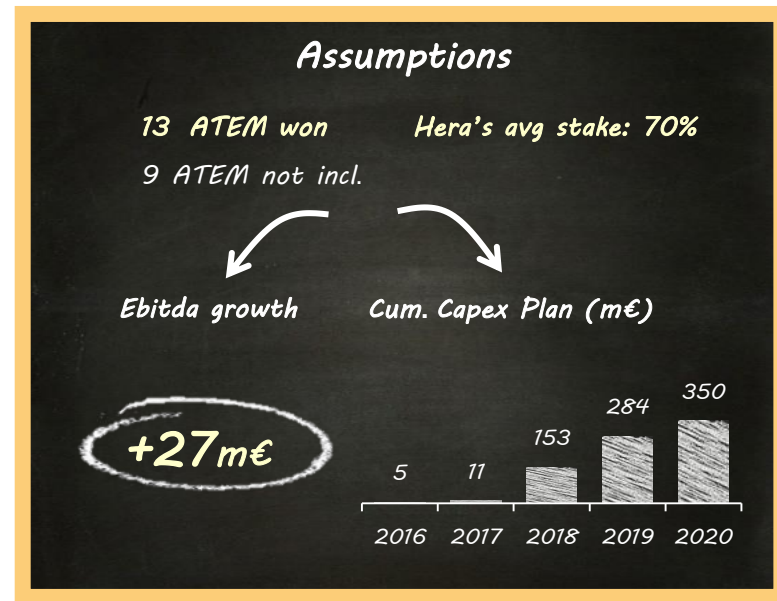
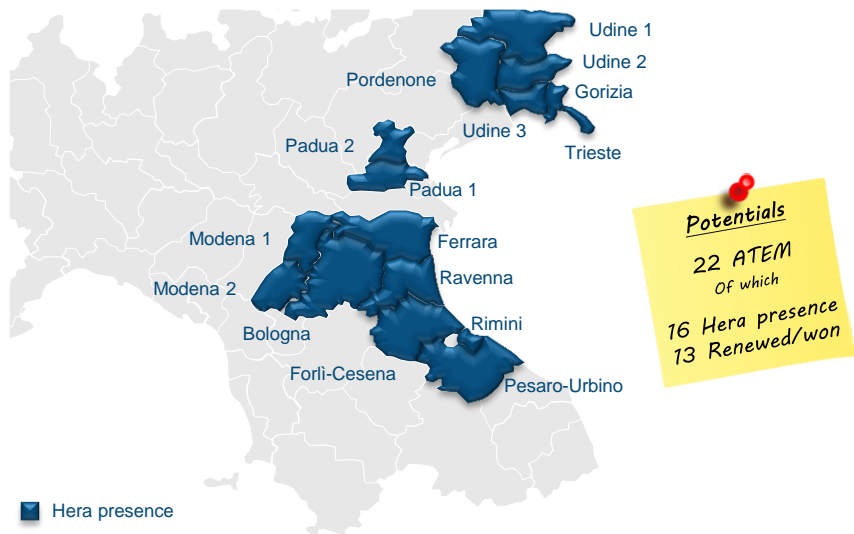
Main customers/relations



A strategic move to further enhance our market expansion potential

Tenders: confirming our current Gas distr. concessions

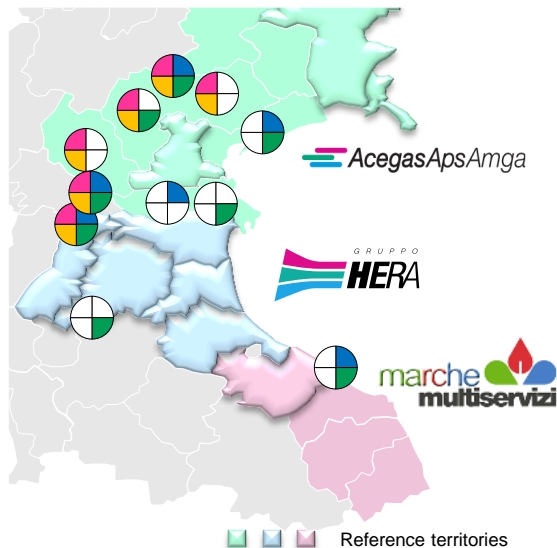
Gas distr. tenders in Hera reference territory



VIR/RAB highlights our hidden value (about +25%)

M&A: +106m Euro from a typical driver of our business model

Hera reference territory



ENABLERS

(1) Industry trends

- Tenders
- Higher investments
- Higher quality std

(2) Madia Law

- Rationaliz. plan yearly
- In-House strong limits
- 500 k€ potential penalties

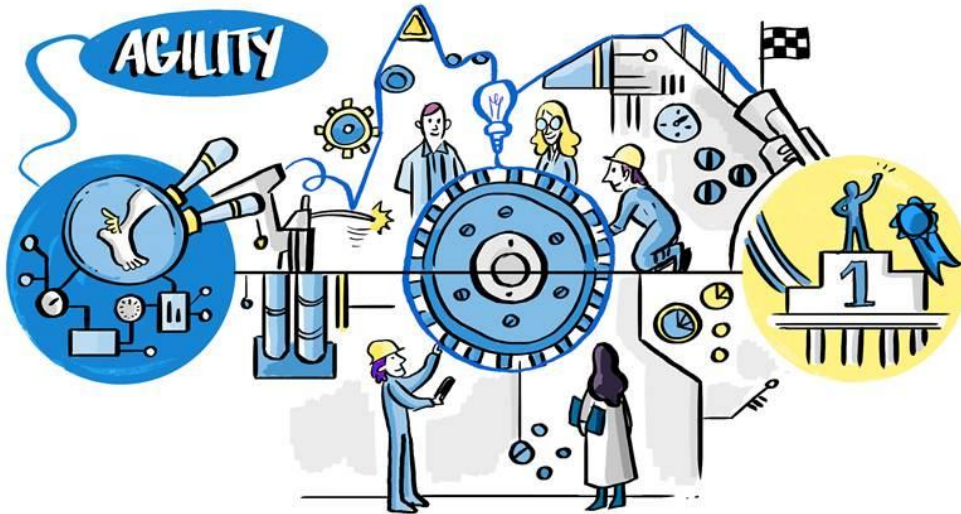
HERA'S ADVANTAGES

1. Inclusive Governance
2. Hera's premium price
3. Visible Dividend policy
4. Full integration /Synergies (+25% Ebitda within 5y)

In this “risiko”, Hera's outposts are ready in all regions of interest

STEFANO VENIER

CEO



Key points:

- *Solid strategic framework*
- *Move to enhance market positioning*
- *Growth down to bottom line*
- *Further ahead on sustainability*

Track record

Governance

Growth

**Industrial
Development**

Development
Waste

Development
Networks

Development
Energy

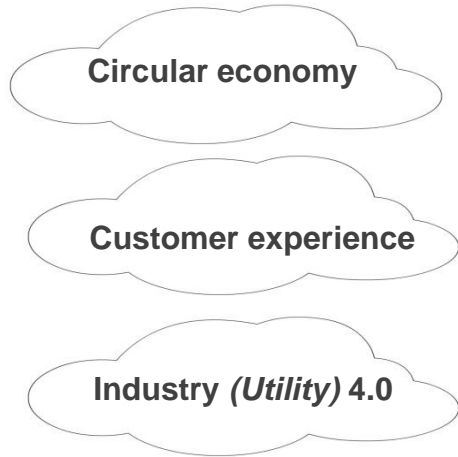
Low risk

Financial

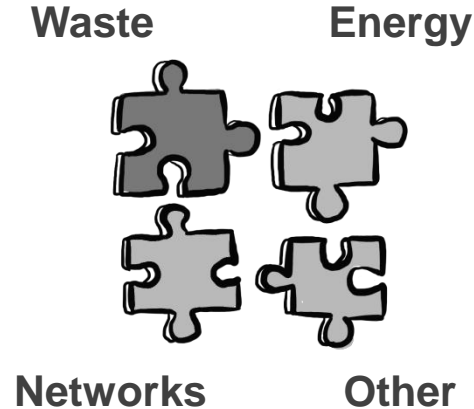
Dividend

Hera strategic focus

New trends



Multi-utility



Our levers ...

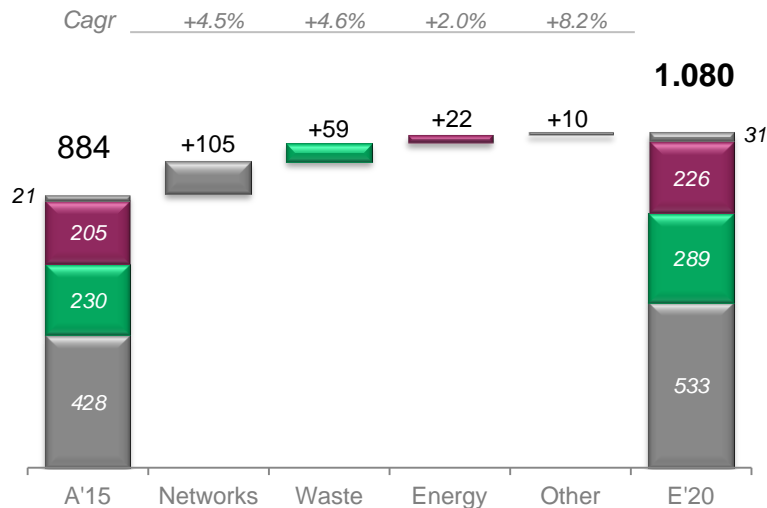


Confirming market leadership exploiting new opportunities

Enhancing results in all core activities

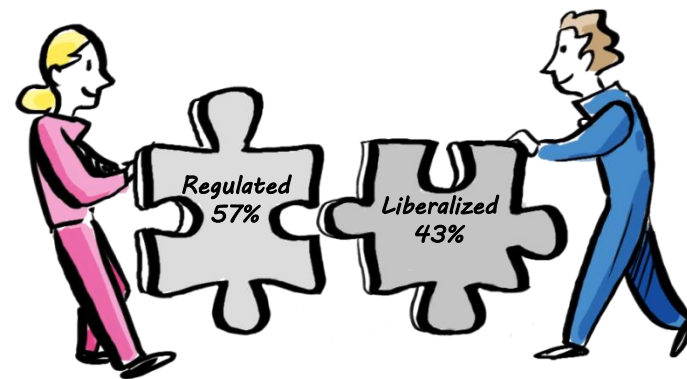
Ebitda growth by ASA

(M€)



E'20 mix regulated/liberalized

(%)



Maintaining our low risk profile

WASTE



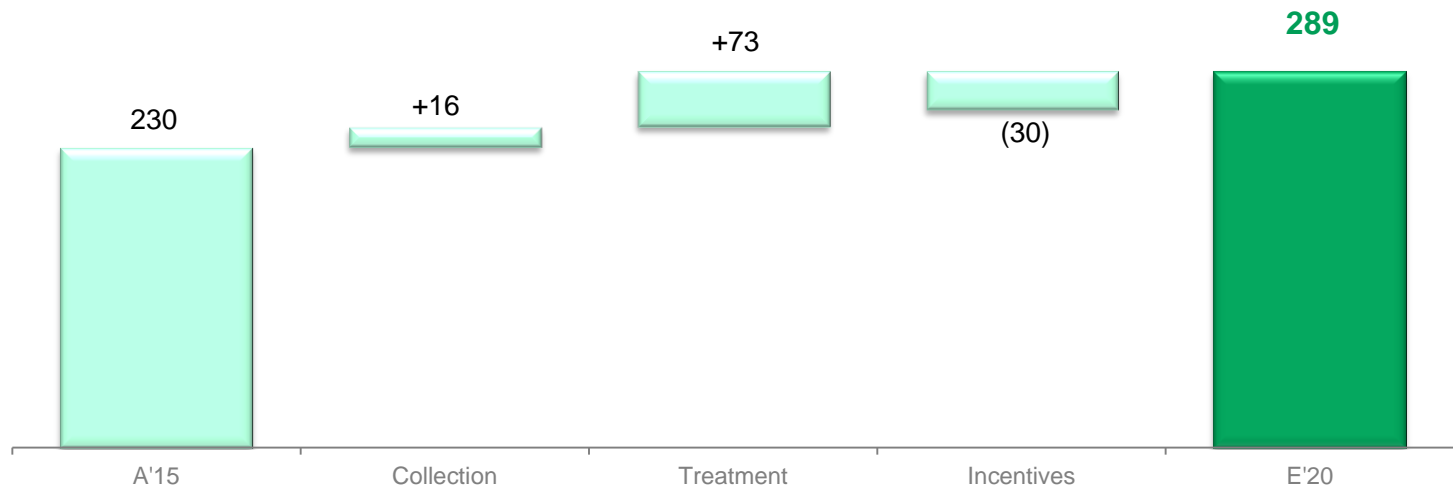
The braces of our strategy:

- *Growth*
- *Agility*
- *Innovation*
- *Excellence*
- *Efficiency*

A further expansion in a growing market

Ebitda growth by business

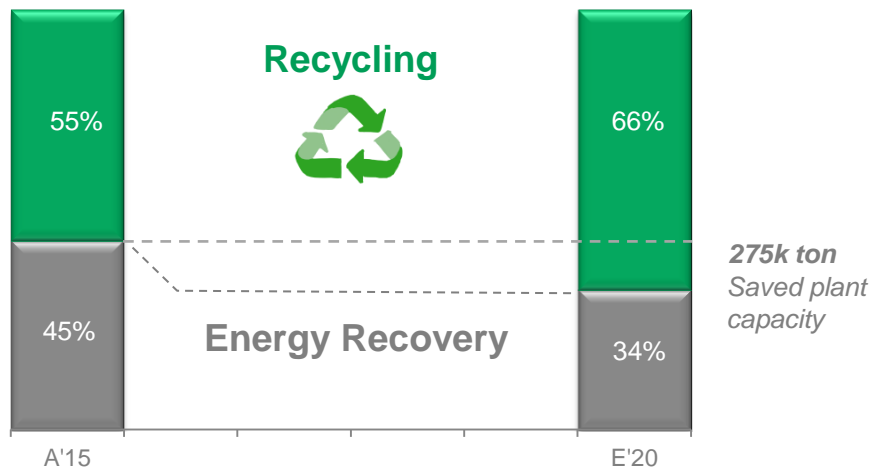
(M€)



Deploying a solid platform and expertise

Regulated urban waste just achieved further savings

Sorted Urb. W. increase freeing plant capacity



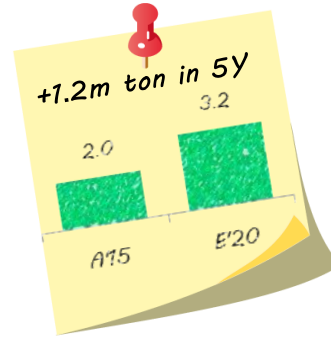
Hera vs EU sustainability targets

	CIRCULAR ECONOMY	
	EU target	Hera
Urban W. recycled	65% within 2030	✓ 10Y in advance
Urban W. in landfills	Below 10% within 2030	✓ Already today
Packaging recycling	Above 65% within 2025	✓ 5Y in advance

Beyond UN agenda and EU targets on sustainability

Growing Special Waste exploiting market potentials

Italian treatment Infrastructure shortage



«One stop shop» for all customer's issues

Single service

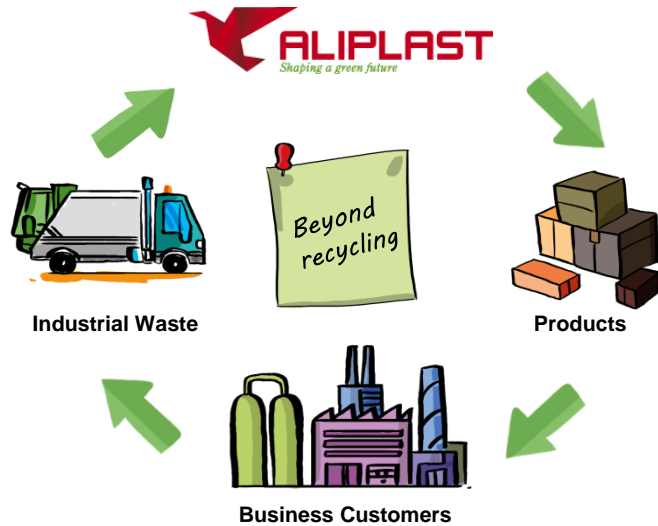
Full service Business customers



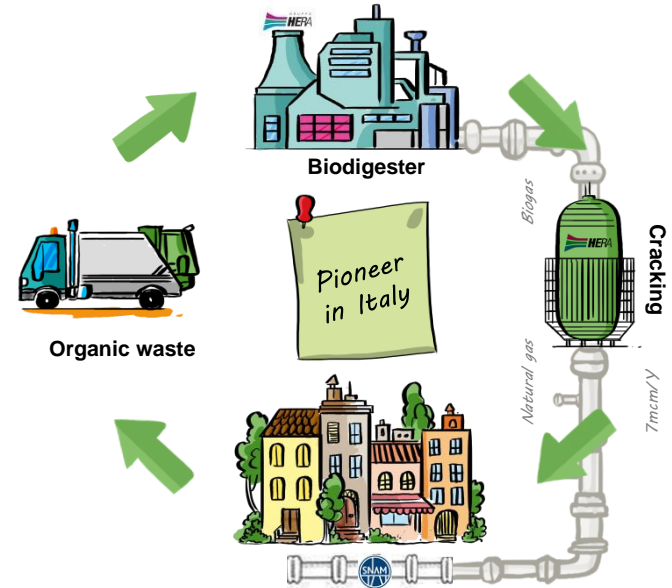
Benefit from an integrated platform and a growing demand

New horizons of our waste management

Aliplast: a step ahead in circular economy



Pioneering transformation of Biogas into methane



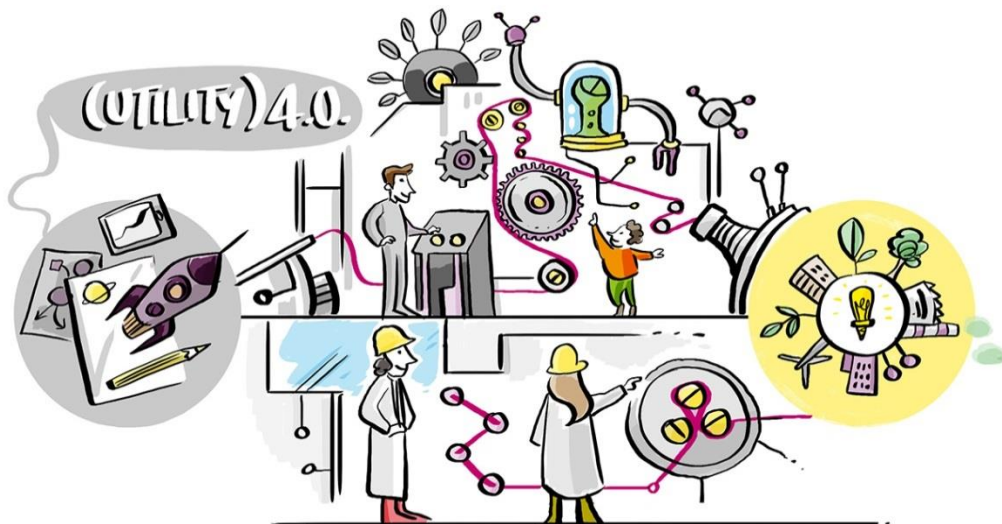
Contributing to Energy & Resource efficiency

On the black board: further move towards a *Circular Economy* paradigm



... developing our leadership

NETWORKS

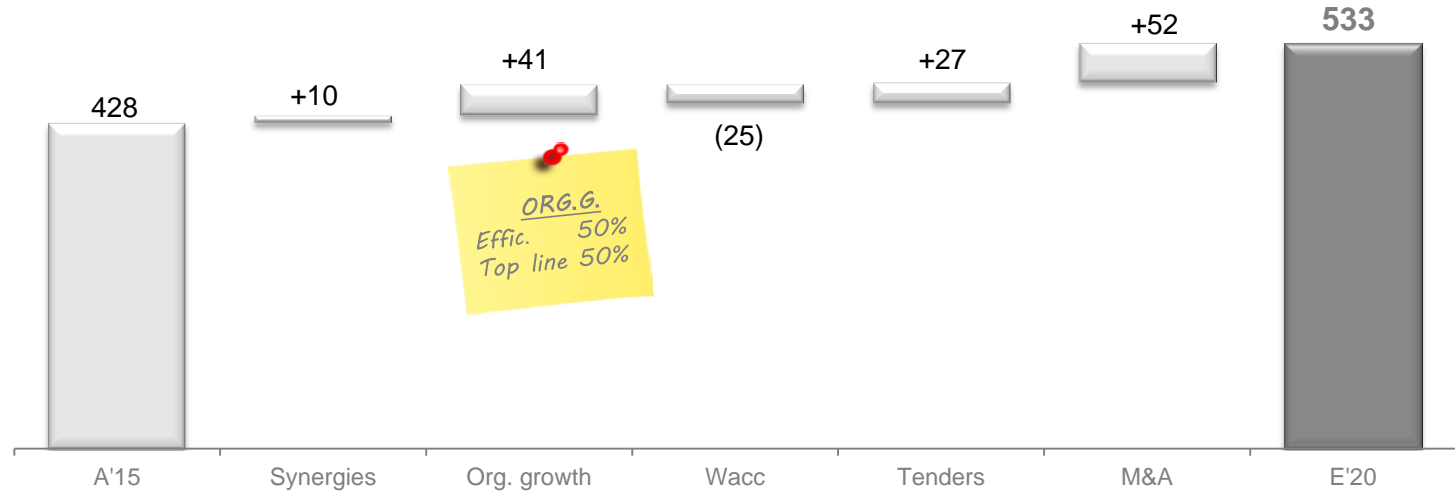


The braces of our strategy:

- *Efficiency*
- *Innovation*
- *Growth*
- *Excellence*

Strengthening our regulated asset base

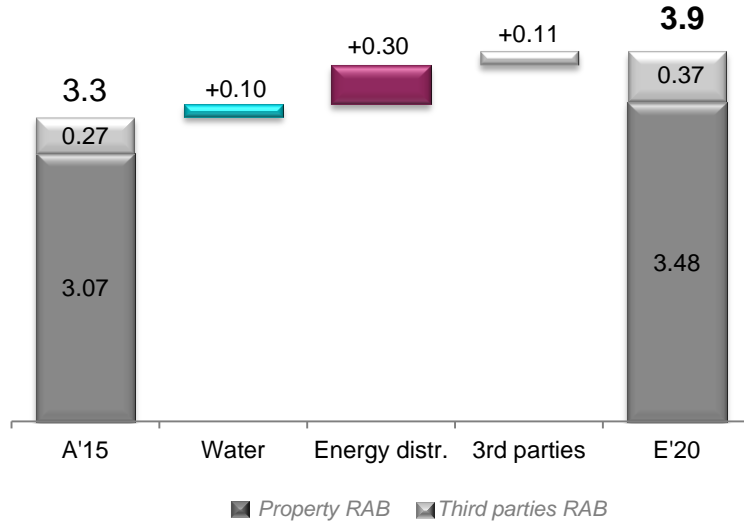
Ebitda growth drivers (M€)



Growing despite stable tariffs

Low risk and stable cash generator with a material hidden value

RAB growth profile (mergers' effect not included)
(B€)



Returns and RAB evolutions

Regulated returns

	Reg. period	Concession length	Reg. Returns
Water	'16-'18	~'24	5.3%*
Gas distrib.	'16-'18	'17-'20	6.1%
Electricity distrib.	'16-'18	~'30	5.6%

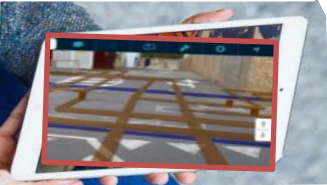


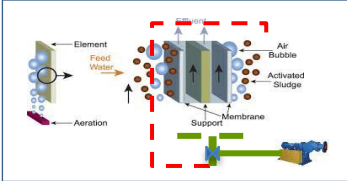
Reinvestm. Rate in RAB

From 19% (avg last 3 years) to **25%**

*Stable tariff systems
High visibility*

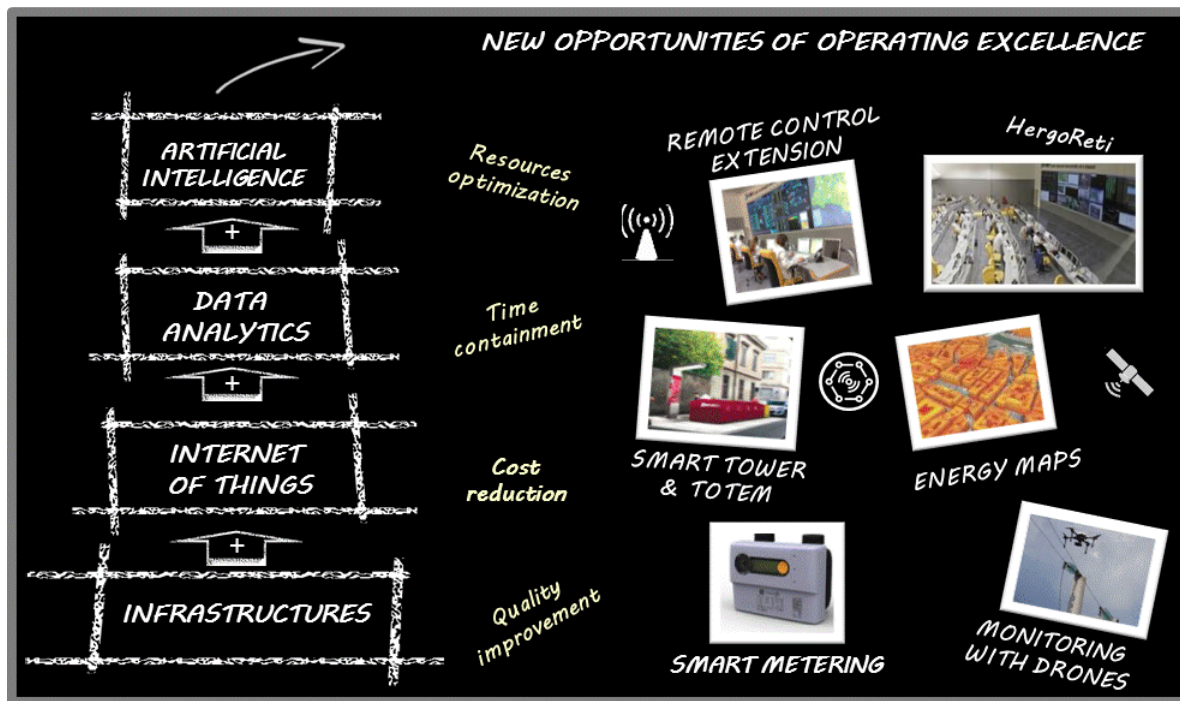
Protected from the tariffs' resilient WACC mechanism

High tech content underpinning efficiency gains

<p>Advanced Network monitoring</p>	<p>Smart Water Modelling</p>	<p>HergoReti</p>	<p>OSCAR control system</p>
<p>Satellite scanning Radiometric measurement. Algorithm analysis Smart App interface</p> 	<p>Pilot project in FE for real time mgmt decision making Predictive system on networks function</p>  <p>Prevention from critical operating conditions</p>	<p>Hergoreti, new IT integrated system, improve all the scheduled and non-scheduled operating activities on plants and gas,</p>  <p>water, energy, remote heating networks</p>	<p>Pilot project to control sewerage water Sophisticated air conditioning to reduce nitrogen residuals</p>  <p>Low energy consumptions</p>

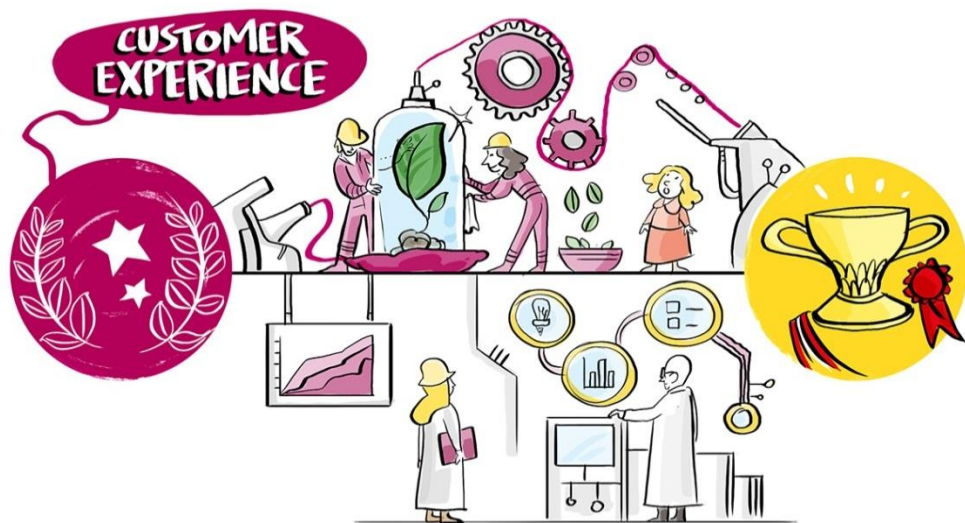
Exploiting synergies from Nets, big data and “smart” technologies

On the black board: Industry (Utility) 4.0 trends add value...



... to our main tangible assets

ENERGY

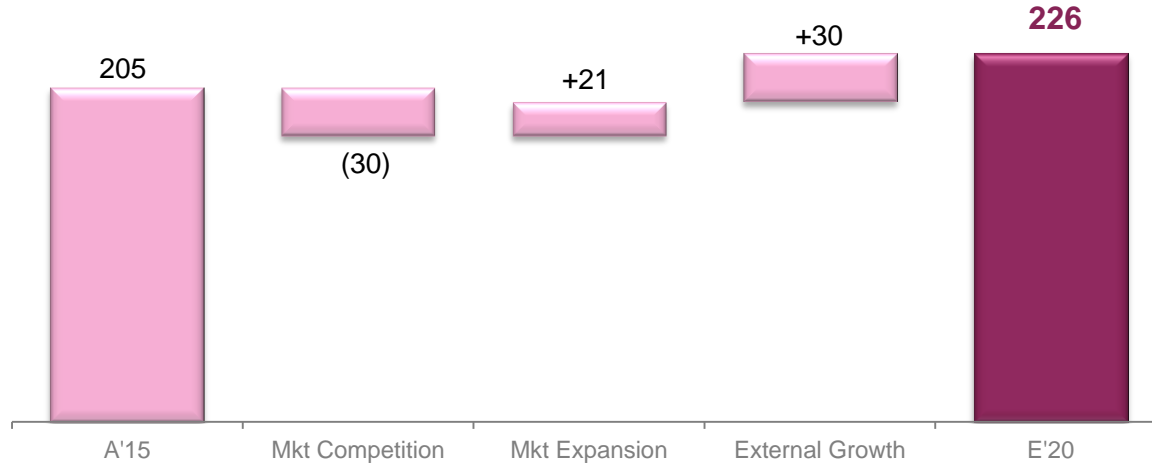


The braces of our strategy:

- *Growth*
- *Intangible assets*
- *Agility*
- *Innovation*

Aiming at continuing growth

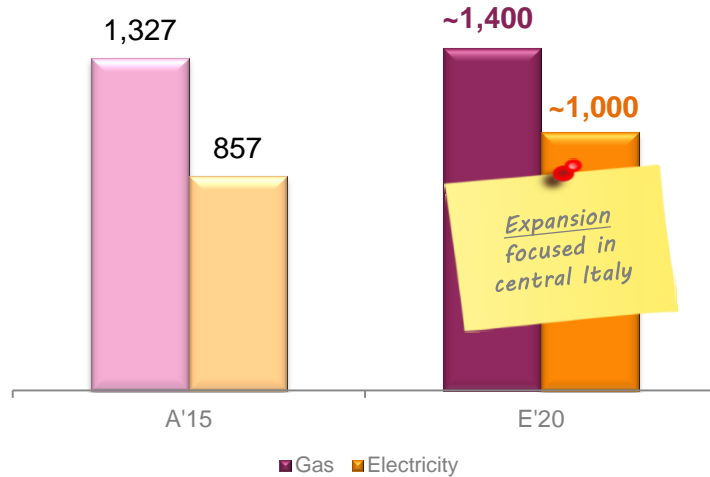
Ebitda growth drivers
(M€)



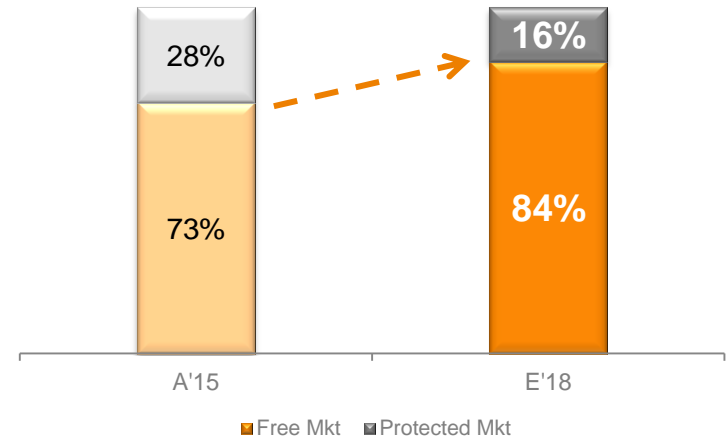
Tackling with pressure on margins

Our solid Energy customer base ...

Customer base: filling the gap through cross selling
(unit)



Towards mkt liberalization: ongoing derisking
(%)



... aiming at 3 million customers

Evolving our CRM to enhance the customer experience

Customer Relationship Management system



Fast & Smart

KPIs evolving considering more and more "soft" skills



Strong language ID



Tailored offers



Proactive Problem solving



... at work enabling better assistance and cross selling



- **Cost to serve** (€/POD)

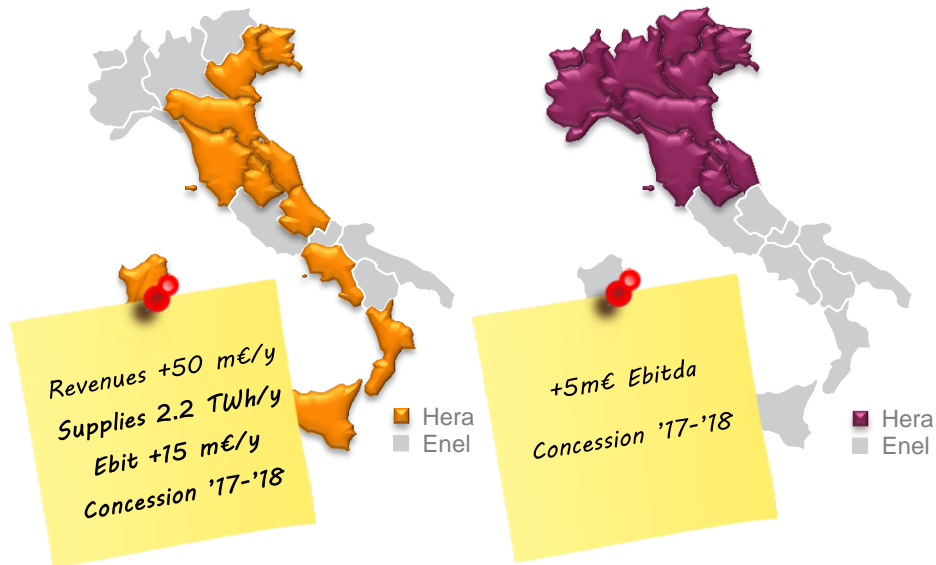


- **+200k Energy customers in the next 5Y**
- **25% digital customers**

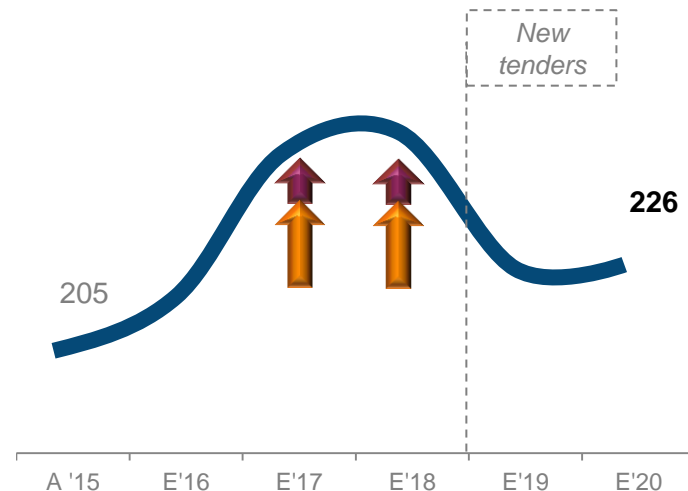
More potentials to our proactive marketing actions

Mkt expansion leveraging upon our nationwide presence

Safeguarded Elect. and Default gas supply in 11 regions

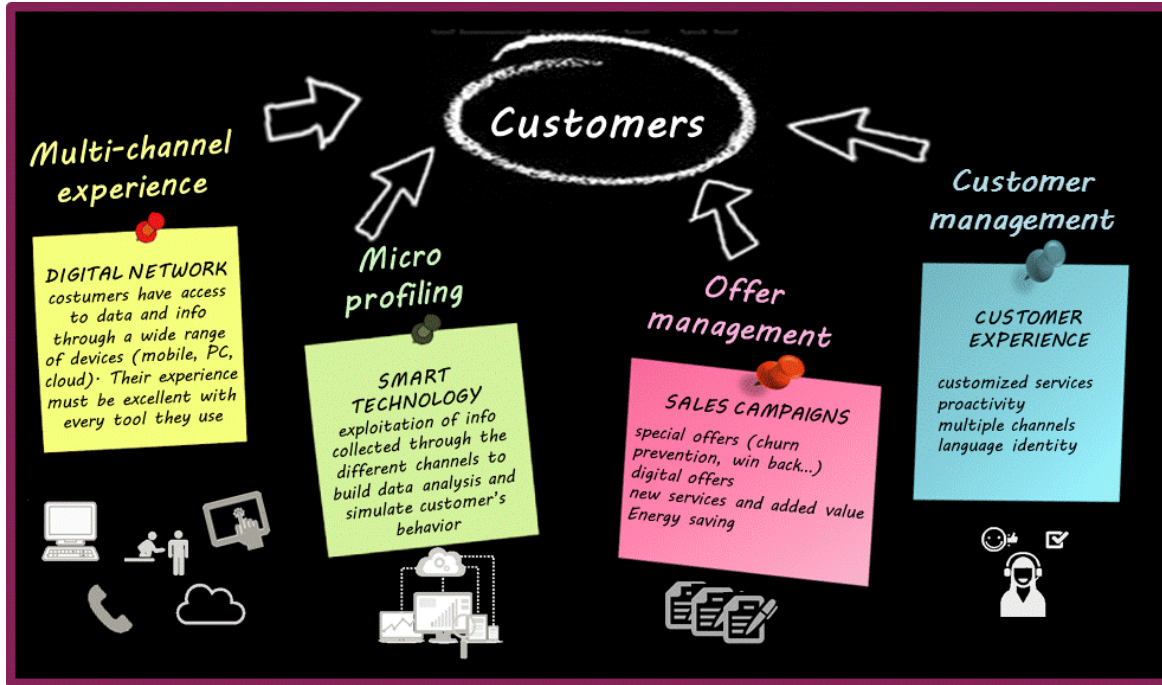


Energy Ebitda curve '15-E'20 expected (M€)



Next 2 years results underpinned by won tenders

On the black board: focusing on *Customer Experience*



Expanding the value of our main intangible asset

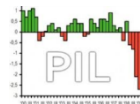
Sensitivity highlights a resilient portfolio mix



Sensitivity to oil prices

(dollar per barrel impact in M€, % impact on Group Ebitda)

1\$/Barrel → **GROUP EBITDA**
 <0.05M€
 <0.01%



Sensitivity to GDP

(plus or minus 1%, impact in M€, % impact on Group Ebitda)

1% → **GROUP EBITDA**
 4.00M€
 0.38%



Sensitivity to PUN prices

(plus or minus 1€/MWh, impact in M€, % impact on Group Ebitda)

1€/MWh → **GROUP EBITDA**
 0.70M€
 0,07%



Sensitivity to Gas prices

(plus or minus 1 Eurocent per cubic meter, impact in M€, % impact on Group Ebitda)

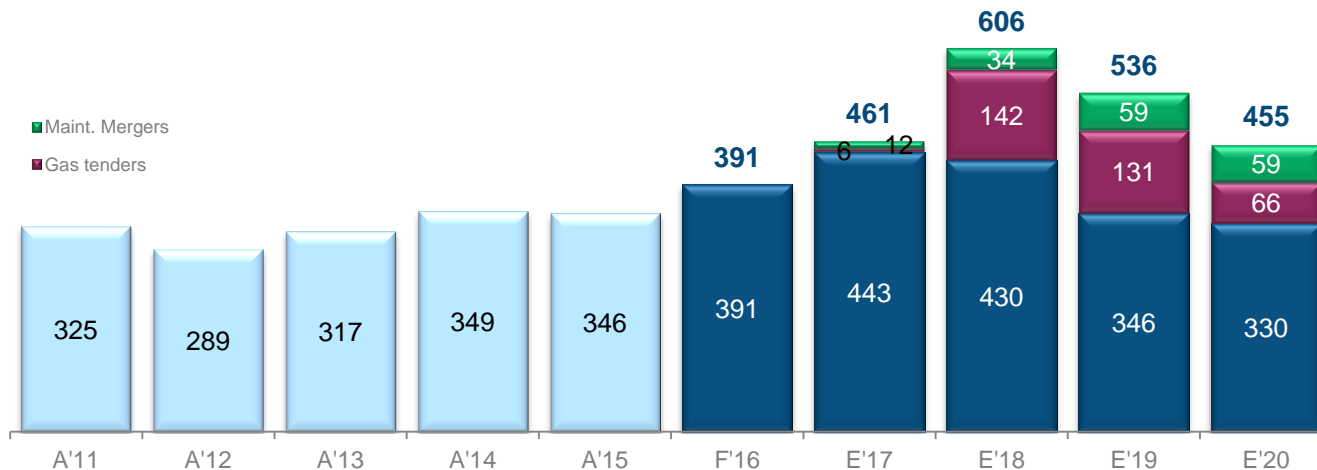
1c€/M³ → **GROUP EBITDA**
 0.50M€
 0.05%



Low risk profile is core in our strategy

Capex plan

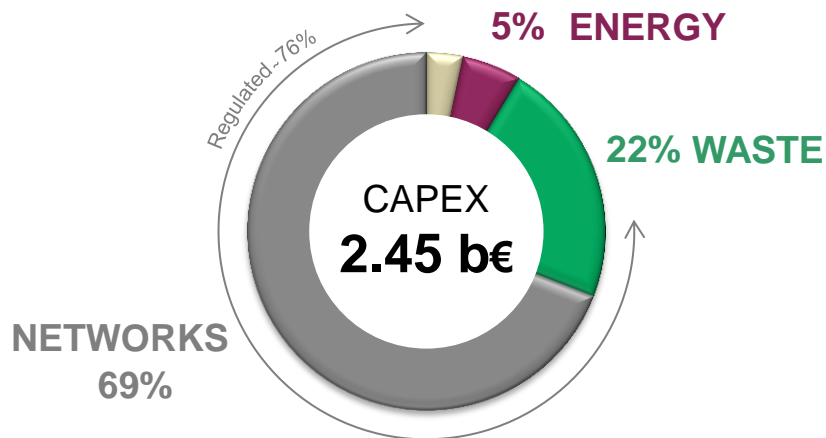
Capex plan to 2020: 2.45 b€ to grow and strengthen assets
(M€)



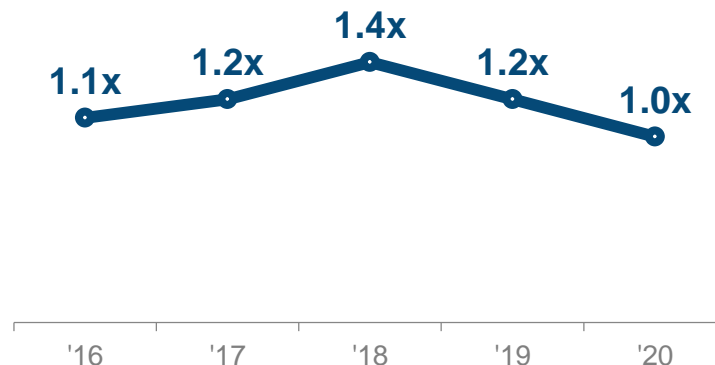
Enhancing our main assets

Capex are mainly focused on regulated activities

Capex breakdown by business (%)



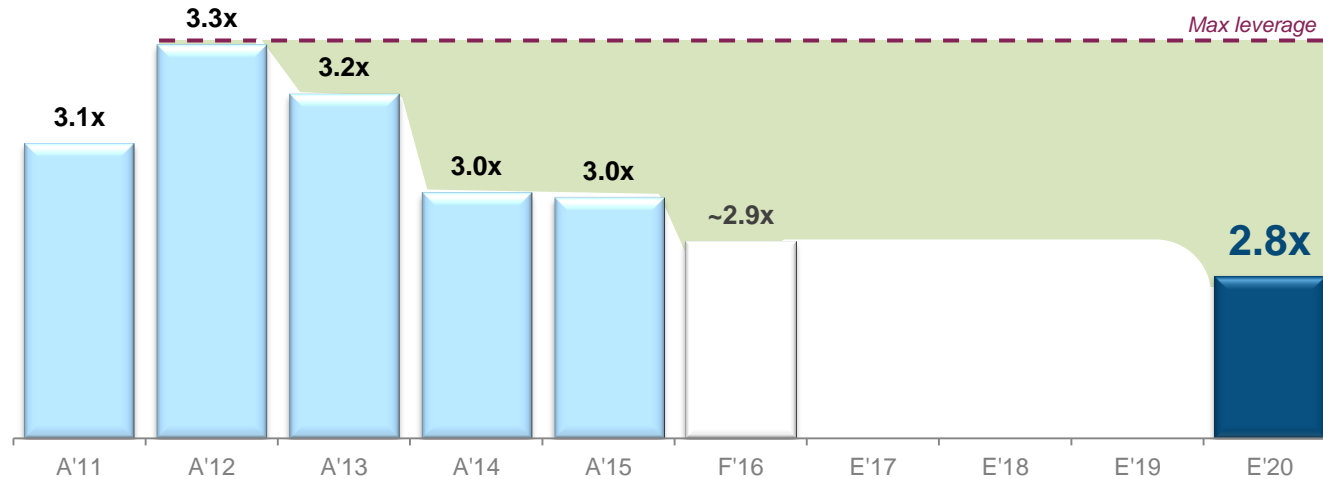
Group Capex / Group Depreciation (x)



Targeting 8.3% ROI in 2020

Financial structure

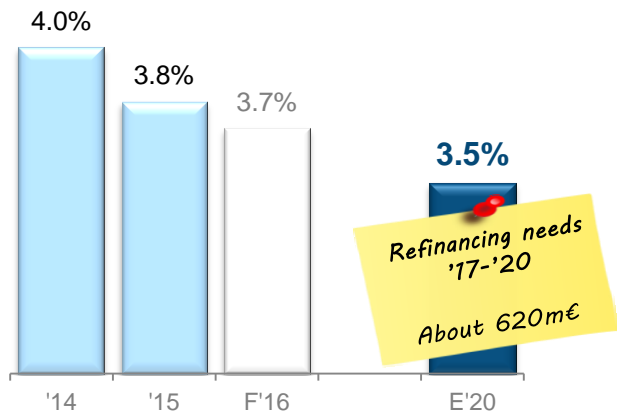
Debt/Ebitda to 2020: strong CF improves fin. flexibility
(M€)



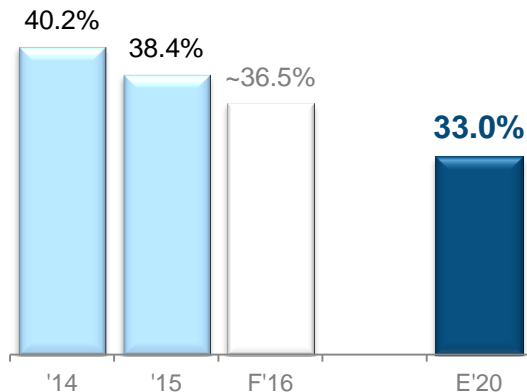
Further Acquisitions sustainable with our financial flexibility

Improving financial profile

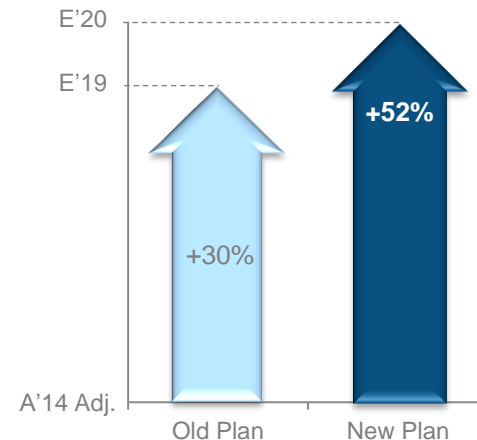
Cost of Debt
(%)



Tax rate
(%)



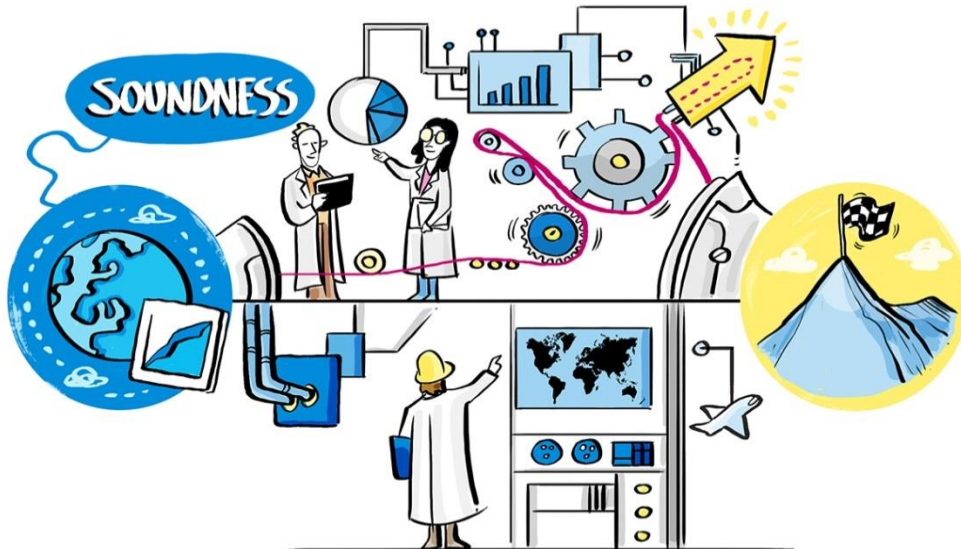
EPS growth New vs Old Plan
(% of cumulated increase)



Achieving 8.0% ROE in 2020

TOMASO TOMMASI DI VIGNANO

Executive Chairman

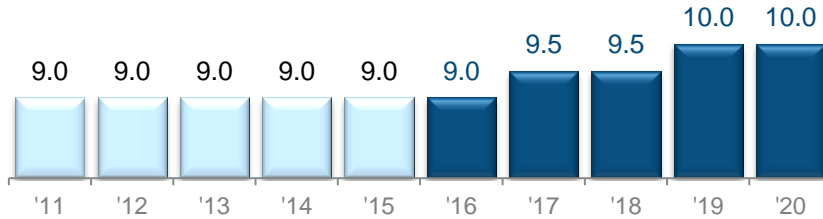


Key points:

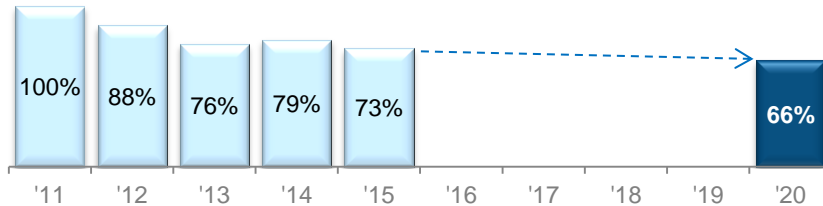
- *Dividend Policy*
- *Closing remarks*

Dividend policy

DPS
(€c)



Payout ratio
(%)



Hera's dividend quality

Unique track record

- Always guaranteed
- Never decreased
- Transparent policy

Hera included in "Aristocrats ETF" (with Atlantia and Recordati)

Potential upside for shareholders

- Room to fund mergers with "Buy back" shares

Providing DPS growth still betting on an external growth story

Closing remarks

- Solid premises to lead industry changes
- Continuing a safe growth through our “two pillar” business model
- High visibility on growing shareholders return



Investor Relations contacts:

Mail: ir@gruppohera.it
+39 051 287040

Head of IR

Jens Klint Hansen
jens.hansen@gruppohera.it



Annex



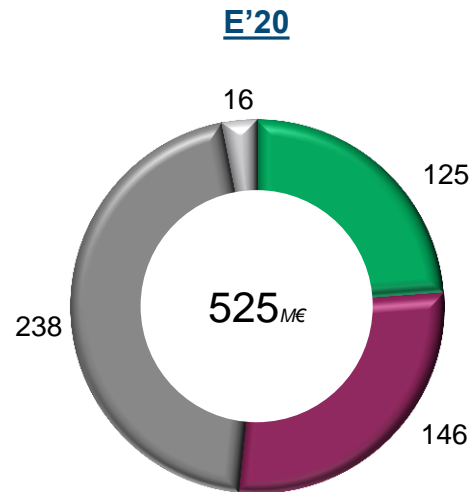
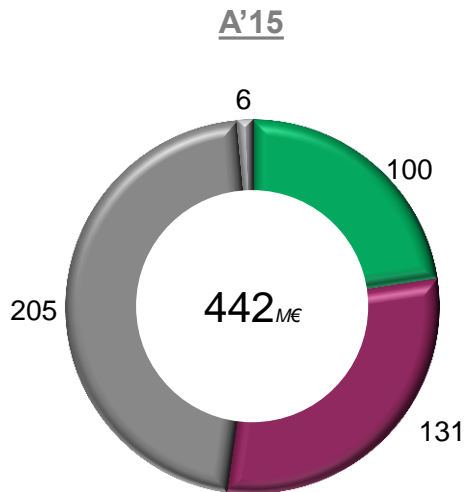
Business Plan main assumptions

Main assumptions

	A'14	A'15	E'20
Brent (Dollar/Barrel)	99.5	53.7	55.0
Exchange ratio €/£	1.33	1.11	1.10
PUN (€/MWh)	52.1	52.3	52.5
Inflation (5Y moving average)	0.2%	0%	1.0%
Green certificate - biomass plants (€/MWh)	97.4	99.5	80.3
Green certificate - other plants (€/MWh)	97.4	99.5	101.0
White certificates (€/TEP)	106.2	106.1	115.5
CO₂ certificates (€/ton)	7.2	8.2	11.0
Tax rate (%)	40.2%	38.4%	33%
Cost of Debt (%)	4.0%	3.8%	3.5%

Consolidated Group Ebit target

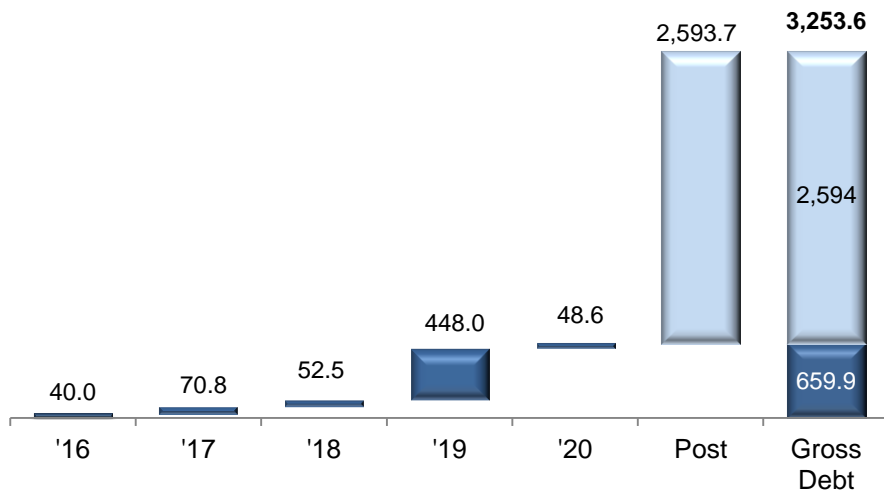
Ebit by strategic area
(M€)



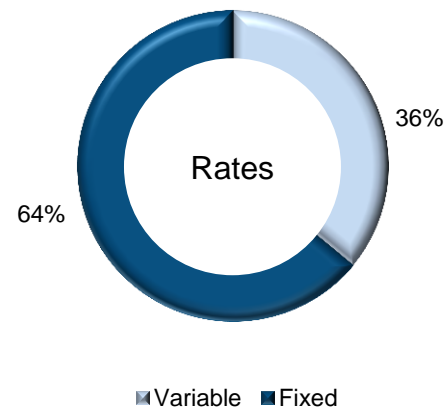
■ Networks ■ Waste ■ Energy

Financial Debt

Gross debt maturities
(M€)

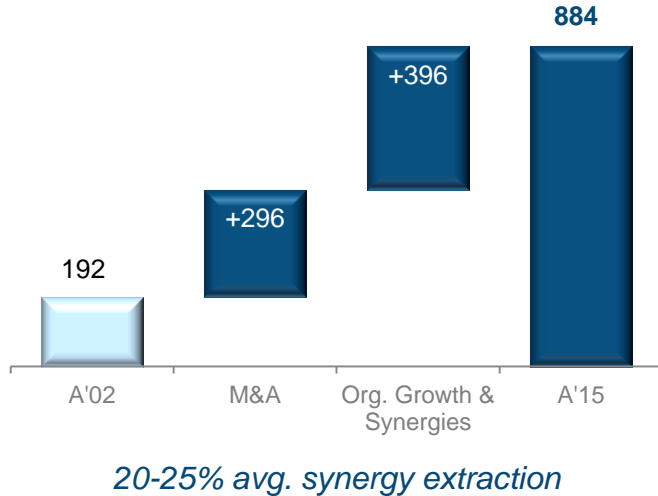


Interest rate breakdown in 2020
(%)

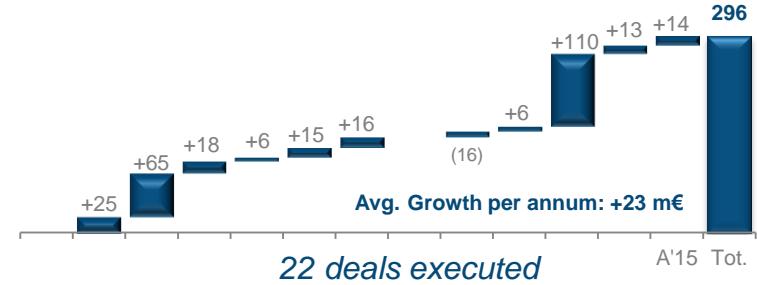


Track record of Hera's “two pillar” Business model

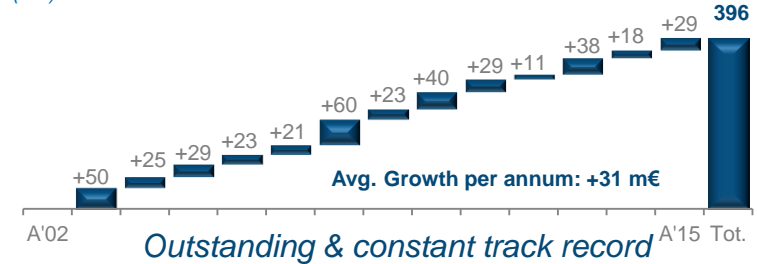
Ebitda Growth by 4.6x: drivers
(M€)



Constant M&A contribution to Ebitda
(M€)

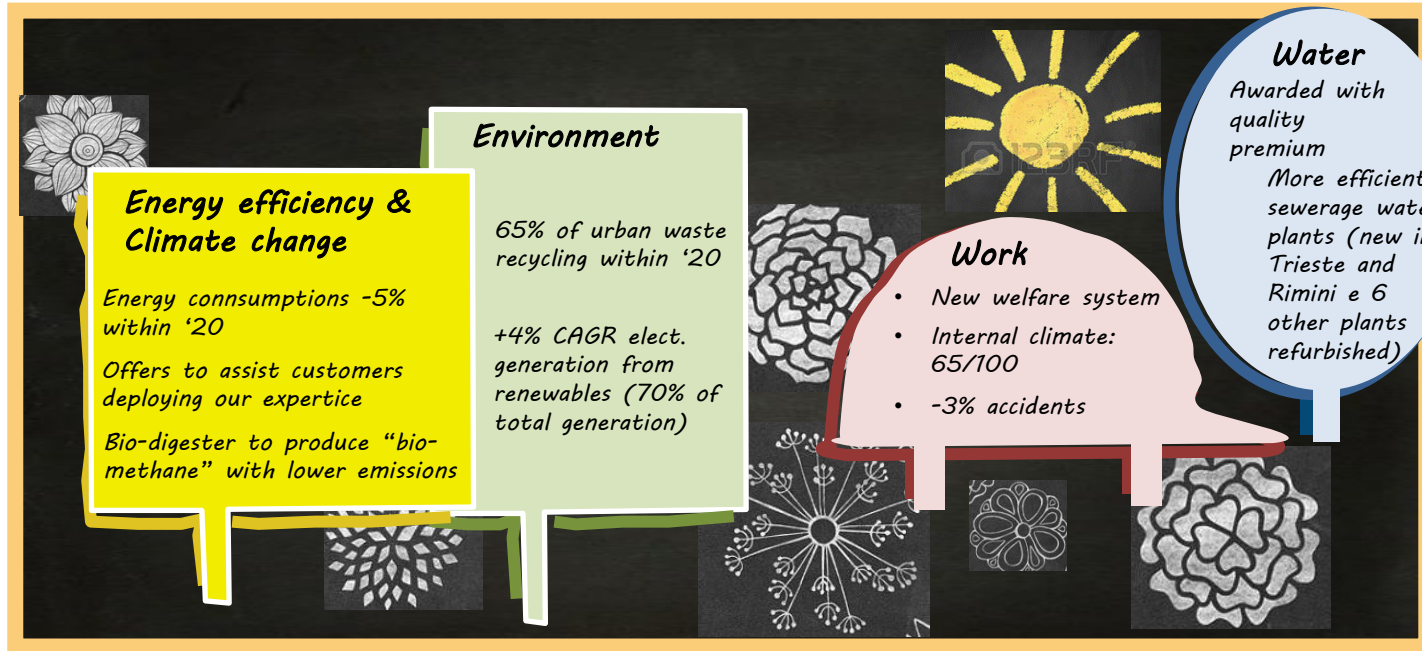


Organic Growth & Synergies always positive
(M€)



An unique, effective & reliable “two pillar business model”

Some more sustainability ahead ('20 targets)



Energy efficiency & Climate change

Energy consumptions -5% within '20

Offers to assist customers deploying our expertise

Bio-digester to produce "bio-methane" with lower emissions

Environment

65% of urban waste recycling within '20

+4% CAGR elect. generation from renewables (70% of total generation)

Work

- New welfare system
- Internal climate: 65/100
- -3% accidents

Water

Awarded with quality premium

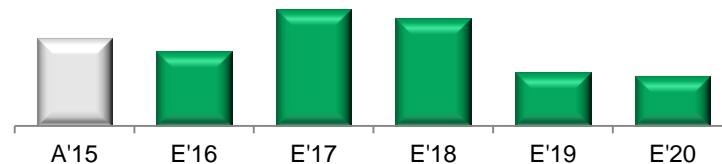
More efficient sewerage water plants (new in Trieste and Rimini e 6 other plants refurbished)

Waste business

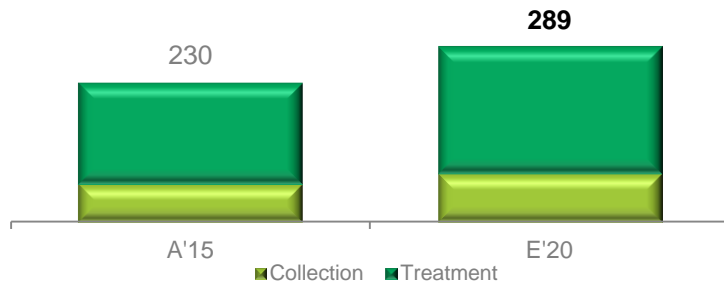
Economics (M€)

	A'15	E'20
EBITDA	230.0	288.6
EBIT	99.0	125.0

Capex E'16-E'20: 545 m€ (M€)



Ebitda Breakdown (M€)



Highlights (M€)

	A'15	E'20
Waste treated	6,226	7,774
Urban	2,041	1,963
Special	2,002	3,217
by products	2,183	2,593

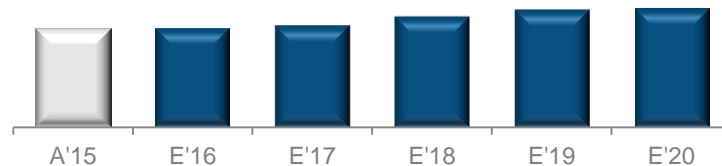
* Excluding volumes from M&A

Water business

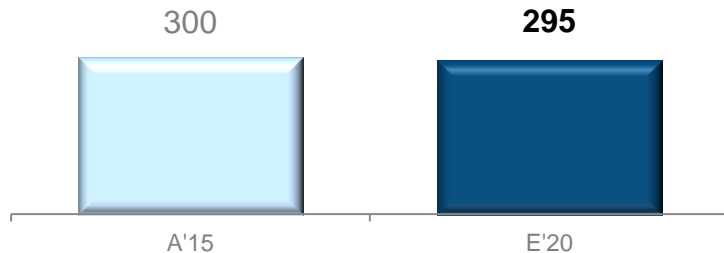
Economics (M€)

	A'15	E'20
EBITDA	232.5	283.5
EBIT	117.1	114.5

Capex E'16-E'20: 745 m€ (M€)



Volumes sold (Mmc)



*Numbers exclude M&A

RAB (M€)

	A'15	E'20
RAB*	1,407	1,507

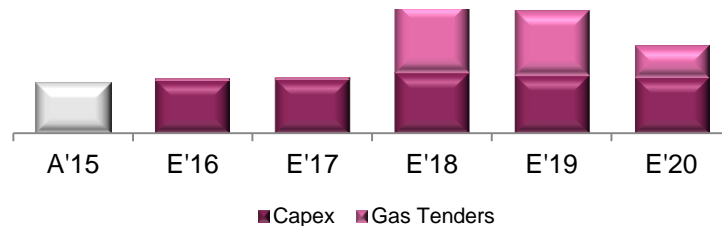
*Numbers exclude M&A

Gas business

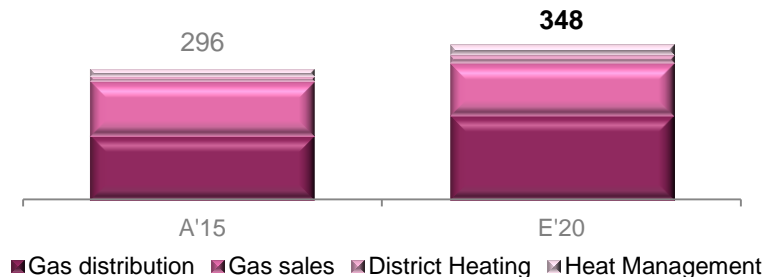
Economics (M€)

	A'15	E'20
EBITDA	295.8	348.4
EBIT	181.1	198.0

Capex E'16-E'20: 924 m€ (M€)



Ebitda Breakdown (M€)



Highlights

	A'15	E'20
Volume Sales & Trading (Mcm)	3,383	3,224
RAB* (gas distr.+D.H. in m€)	1,266	1,579

*Numbers include gas tenders and exclude M&A and third parties RAB

Electricity business

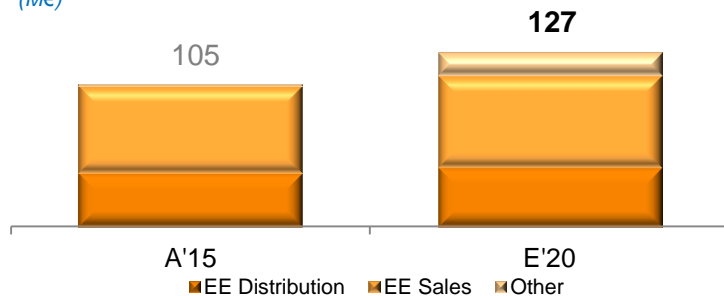
Economics (M€)

	A'15	E'20
EBITDA	101.0	127.5
EBIT	38.2	71.6

Capex E'16-E'20: 159 m€ (M€)



Ebitda Breakdown (M€)



Highlights

	A'15	E'20
Volume Sold (TWh)	9.6	9.4
RAB* (m€)	361	351

*Numbers exclude M&A

Disclaimer

This presentation contains forward-looking statements regarding future events (which impact the Hera Group's future results) that are based on current expectations, estimates and opinions of management.

These forward-looking statements are subject to risks, uncertainties and events that are unpredictable and depend on circumstances that might change in future.

As a result, any expectation on Group results and estimates set out in this presentation may differ significantly depending on changes in the unpredictable circumstances on which they are based.

Therefore, any forward -looking statement made by or on behalf of the Hera Group refer on the date they are made.

The Hera Group shall not undertake to update forward-looking statements to reflect any changes in the Group's expectations or in the events, conditions or circumstances on which any such statements are based.

Nevertheless, the Hera Group has a "profit warning policy" , in accordance with Italian laws, that shall notify the market (under "price-sensitive" communication rules) regarding any "sensible change" that might occur in Group expectations on future results.