press release
Bologna, 29 March 2010

The Board of Directors approves the results as at 31 December 2009

Industrial results on the rise and dividend confirmed at Euro 8 cents

Revenues at Euro 4,204.2 million (+13.1%)
EBITDA at Euro 567.3 million (+7.4 %)
EBIT at Euro 291.3 million (+3.8%)
Net profit stands at Euro 71.1 million or Euro (95.3 without the "tax moratorium" effect)

Today, the Board of Directors of the Hera Group, chaired by Tomaso Tommasi di Vignano, unanimously approved the 2009 Consolidated Financial Statements of the Group. The results show growth, despite the recession, thanks to the strength of the business areas and especially the contribution of the energy sector.

Revenues grew 13.1% to Euro 4,204.2 million in 2009 compared to Euro 3,716.3 million in 2008. The Electricity Area was a significant contributor to this growth, as volumes sold to end-customers were up 39%, confirming the growth trends it has displayed since the Group was established, notwithstanding a general decline in demand.

The Group's consolidated **EBITDA** increased from Euro 528.3 million in 2008 to Euro 567.3 million at the end of 2009, an increase of 7.4%. This increase was backed by the positive results in the distribution and sale of gas, the contribution of new Group plants started up during the year, and the efficiency of the corporate structure which was achieved by reorganising the territorial activities and customer management.
The results also benefitted from the acquisition of the gas and district heating networks in certain reference areas.

The **Waste Management Area** is the area that contributed most to the Group EBITDA (33%), closing the year at Euro 187.3 million compared to Euro 186.3 million the previous year.
This result is due to the overall stability of the volumes managed, of 5.1 million tons; special waste (-7.3%) recovered significantly in the last two quarters of the year and urban waste slightly increased in 2009.
In addition, the results benefitted from the 19% growth in electricity produced since the plants in Forlì and Ferrara are operating at full capacity, and the Modena facilities have also started

operation.
The Hera Group therefore confirms its status as the most significant integrated operator in this segment at a national level, as it has 77 treatment and disposal plants for urban and special waste. It is also a leader in the separate waste collection segment, as it is at the top in terms of national performance, with a percentage which has risen from 42% to 44.8% over the previous year.

The **Gas Area,** contributing by 31% to Group EBITDA, signed Euro 174.4 million at year end (+21.3% with respect to the previous year). This result benefitted from the higher volumes traded (+333.1 millions of cubic metres), the increase of the distribution tariffs which were definitively approved by the AEEG, the contribution related to the acquisition of gas and district heating distribution networks which strengthened the industrial structure of the Group, and the improved results in the district heating area (+12.7% in terms of volumes), in part resulting from start-up of the cogeneration plant in Imola, in addition to the weather conditions.

The **Electricity Area**, which contributed 9.3% to Group EBIDTA, was significantly up in terms of sales that stand at 7 TWh, an increase of 39% due to the large increase in the customer base of almost 50,000 units. This more than compensated for the negative trends in terms of national market consumption. EBITDA reached Euro 53 million compared to 54.4 million in the previous year, of which 24 million derived from commercial and trading activities.

The **Water Management Area** contributed 23% to Group EBITDA and was up on the previous year, closing at Euro 131.4 million compared to Euro 130.2 million in 2008.

EBIT was up by 3.8%, standing at Euro 291.3 million, after deducting higher depreciation and amortisation on the investments made and higher provisions.

The pre-tax profit reached Euro 162.6 million, deducting Euro 113.4 million in financial charges and Euro 27.6 million in non-recurring extraordinary charges related to what is known as the Tax Moratorium. Consolidated **net profit** amounted to Euro 71.1 million and equal to Euro 95.3 million not considering the extraordinary tax moratorium effects, up 0.5% compared to the Euro 94.8 million of the previous year.

Capital expenditure made during 2009 was in line with the guidelines of the Business Plan and reached **Euro 391.5 million,** down from previous years, following the step-by-step completion of the new large plants that had been pursued since the company was listed.
The year was also characterised by certain M&A operations, the most significant of which was the acquisition of 25% of Aimag, a utility company in the Province of Modena with over 100,000 customers.

The net financial position of the Group reached Euro 1,891.8 million, slightly improved from the last interim figure as at 30 September 2009, when it amounted to Euro 1,896.9 million. It was restructured with the issue of a Euro 500-million Eurobond, a private placement of 150-million denominated in yen, and the renegotiation of an existing 200-million bond that had the average maturity date extended, confirming the solidity of the capital structure.
In addition, the Group increased its share capital with the issue of 82 million new shares to fund the aforesaid acquisition of the gas and district heating networks.

In view of the results obtained, albeit in difficult trading conditions, and the achievement of the strategic goals that underlie the further growth of the Group as provided in the five-year industrial plan, the Board of Directors decided to propose a **dividend of Euro 8 cents per share** to the shareholders' meeting, **in line with the 2008 dividend**. The coupon will be detached on 7 June and payments will start from 10 June. The dividend payment will be funded by the profits from the year in addition to 39.4 million obtained from the distributable reserves equal to about Euro 57.3 million which are generated by the restructuring of the Group area companies.
Approval from the shareholders' meeting will also be requested for renewal of the authorisation **to the buy back plan for up to Euro 60 million** for a further 18 months.

Along with the Financial Statements, the Board of Directors also approved the Sustainability Report, which by now has become a fully integrated instrument of the Group management system. Finally, it approved the appointment of Luca Moroni as general manager of administration, financial and control for the Hera group. Luca Moroni, 42, with a degree in economics, with an experience first in Deloitte & Touche, in Nestlè and then in Indesit Company. From 2004 up to when he was appointed by Hera he was Chief Financial Officer in the Saeco International Group.

The **Chairman, Tomaso Tommasi di Vignano** made the following statement: "The growth in results goes to justify our market expansion strategy, even in the middle of a severe recession, permitting us to confirm the dividend of Euro 8 cents. Specifically, added the Chairman, I would like to highlight the commercial success in both the energy markets, partly due to growth outside our area of reference, and the success in the industrial waste sector. In fact we proved ourselves capable of managing a very difficult market situation, reversing the negative results of the first half in the second half, thanks in part to the establishment of Herambiente which meant that we could optimise all our waste disposal activities through this reorganisation."

The CEO, Maurizio Chiarini, stated "The positive results achieved in 2009 confirm the solid structure of the Group. All business areas have exceeded 2008 levels, with especially encouraging results shown in the gas distribution sector and in the agreements with local regulators, confirming growth trends also in the water and waste management areas. In addition, reorganisation of the territorial operating companies helped to increase efficiency and streamline the corporate structure, transforming the territorial operating companies into organisational units to reduce costs and simplify organisation. Finally, I would like to mention the successful issue of a 500-million euro Eurobond, confirming the high regard the Group is held in, and consolidating 95% of the debt to the medium-long term."

Pursuant to article 154-bis, section 2, of the Finance Consolidation Act, the manager in charge of the preparation of the corporate accounting documents, Dario Farina, declares that the information contained in this press release corresponds to the documentary results, books and accounting entries.

Investor relations manager
Hera S.p.A.
Jens Hansen
tel. +39 051 28 77 37
mob: +39 348 25 05 067
e.mail: jens.hansen@gruppohera.it
website: www.gruppohera.it

GRUPPO HERA

Profit and Loss *(m€)*	2008	Inc.%	2009	Inc.%	Ch.	Ch.%
Sales	3,716.3		4,204.2		+487.9	+13.1%
Change in Stock	2.6	*0.1%*	(1.9)	*0.0%*	(4.5)	(172.8%)
Other operating revenues	73.1	*2.0%*	82.8	*2.0%*	+9.7	+13.3%
Raw material	(2,421.4)	*(65.2%)*	(2,774.9)	*(66.0%)*	+353.5	+14.6%
Services costs	(716.0)	*(19.3%)*	(633.4)	*(15.1%)*	(82.6)	(11.5%)
Other operating expenses	(43.7)	*(1.2%)*	(37.4)	*(0.9%)*	(6.3)	(14.4%)
Personnel costs	(331.1)	*(8.9%)*	(352.0)	*(8.4%)*	+20.9	+6.3%
Capitalisations	248.5	*6.7%*	80.0	*1.9%*	(168.5)	(67.8%)
EBITDA	**528.3**	***14.2%***	**567.3**	***13.5%***	**+39.0**	**+7.4%**
Depreciation and provisions	(247.6)	*(6.7%)*	(276.0)	*(6.6%)*	+28.4	(11.5%)
EBIT	**280.7**	***7.6%***	**291.3**	***6.9%***	**+10.6**	**+3.8%**
Financial inc./(exp.)	(91.9)	*(2.5%)*	(113.4)	*(2.7%)*	+21.5	(23.4%)
Other non operating costs	-	*0.0%*	(15.3)	*(0.4%)*	+15.3	0.0%
Pre tax Profit	**188.9**	***5.1%***	**162.6**	***3.9%***	**(26.3)**	**(13.9%)**
Tax	(78.6)	*(2.1%)*	(77.6)	*(1.8%)*	(1.0)	(1.3%)
Net Profit	**110.3**	***3.0%***	**85.0**	***2.0%***	**(25.3)**	**(22.9%)**
Attributable to:						
Shareholders of Parent Company	94.8	*2.5%*	71.1	*1.7%*	(23.7)	(25.0%)
Minority shareholders	15.5	*0.4%*	13.9	*0.3%*	(1.6)	(10.2%)

Balance Sheet *(m€)*	31/12/2008	Inc.%	31/12/2009	Inc.%	Ch.	Ch.%
Net fixed assets	**3,594.5**	***114.1%***	**3,985.8**	***110.9%***	**+391.3**	**+10.9%**
Inventories	60.7	*1.9%*	47.1	*1.3%*	(13.7)	(22.5%)
Trade receivables	1,161.3	*36.9%*	1,137.1	*31.7%*	(24.2)	(2.1%)
Other current assets	455.7	*14.5%*	249.0	*6.9%*	(206.7)	(45.4%)
Trade payables	(1,084.4)	*(34.4%)*	(1,048.2)	*(29.2%)*	+36.2	(3.3%)
Other current liabilities	(616.2)	*(19.6%)*	(358.2)	*(10.0%)*	+258.0	(41.9%)
Working capital	**(22.9)**	***(0.7%)***	**26.8**	***0.7%***	**+49.7**	**(217.2%)**
(Provisions)	(421.0)	*(13.4%)*	(420.0)	*(11.7%)*	+1.0	(0.2%)
Net invested capital	**3,150.6**	***100.0%***	**3,592.5**	***100.0%***	**+441.9**	**+14.0%**
Net Equity	1,579.1	*50.1%*	1,700.7	*47.3%*	+121.6	+7.7%
Long term net financial debts	1,563.2	*49.6%*	2,143.7	*59.7%*	+580.5	+37.1%
Short term net financial debts	8.3	*0.3%*	(251.9)	*(7.0%)*	(260.2)	(3,148.2%)
Net Financial Debts	1,571.5	*49.9%*	1,891.8	*52.7%*	+320.3	+20.4%
Net invested capital	**3,150.6**	***100.0%***	**3,592.5**	***100.0%***	**+441.9**	**+14.0%**