Consolidate quarterly report

as at 30 september 2015

TABLE OF CONTENTS

INTRODUCTION

GOVERNANCE AND CONTROL BODIES

Board of Directors	
Executive Chairman	Tomaso Tommasi di Vignano
CEO	Stefano Venier
Vice-Chairman	Giovanni Basile
Director	Mara Bernardini
Director	Forte Clò
Director	Giorgia Gagliardi
Director	Massimo Giusti
Director	Riccardo Illy
Director	Stefano Manara
Director	Luca Mandrioli
Director	Danilo Manfredi
Director	Cesare Pillon
Director	Tiziana Primori
Director	Bruno Tani
Board of Statutory Auditors	
Chairman	Sergio Santi
Standing Auditor	Antonio Gaiani
Standing Auditor	Marianna Girolomini
Control and Risk Committee	
Chairman	Giovanni Basile
Member	Massimo Giusti
Member	Stefano Manara
Member	Danilo Manfredi
Remuneration Committee	
Chairman	Giovanni Basile
Member	Mara Bernardini
Member	Luca Mandrioli
Member	Cesare Pillon
Executive Committee	
Chairman	Tomaso Tommasi di Vignano
Vice-Chairman	Giovanni Basile
Member	Stefano Venier
Member	Riccardo Illy
Ethics Committee	
Chairman	Massimo Giusti
Member	Mario Viviani
Member	Filippo Maria Bocchi
Independent auditing firm	
	Deloitte & Touche Spa

MISSION

*"Hera's goal is to be the best multi-utility in Italy for its customers, workforce and shareholders. It aims to achieve this through further development of an original corporate model capable of innovation and of forging strong links with the areas in which it operates by respecting the local environment"***.**

"For Hera to be the best means to represent a reason for pride and trust for*: customers, who receive, thanks to Hera's constant responsiveness to their needs, quality services that satisfy their expectations.* ***The women and men who work at Hera,*** *whose skills, engagement and passion are the foundation of the company's success;* ***shareholders****, confident that the economic value of the company will continue to be generated in full respect of the principles of social responsibility****; the reference areas,*** *because economic, social and environmental health represent the promise of a sustainable future; and* ***suppliers,*** *key elements in the value chain and partners for growth".*

CHAPTER 1

REPORT ON OPERATIONS

1.01 OPERATING RESULTS HIGHLIGHTS

(€/mln)	Sept 2015		Sept 2014 (*)		Abs. change	% change
Revenue	**3,246.4**		2,992.2		+254.2	+8.5%
EBITDA	**640.2**	19.7%	626.7	20.9%	+13.5	+2.2%
Operating profit	**317.3**	9.8%	312.9	10.5%	+4.4	+1.4%
Net profit adjusted	**134.9**	4.2%	124.8	4.2%	+10.1	+8.1%
Net profit	**134.9**	4.2%	122.4	4.1%	+12.5	+10.2%

(*) For better comparison w ith the first nine months of 2015, the first nine months of 2014 w ere recast by reducing the amount of revenues related to the so-called “leak provisions” by €3.6 million, to reflect the amount of provisions made, w hile revenues rose by €2.4 million in connection w ith releases from provisions, w ithout any effect on operating results.

1.01.01 OPERATING PERFORMANCE

Constant and balanced performance improvement

At the end of the first nine months of 2015, the Hera Group showed again, after the first half of the year, improved operating results, compared to the same period of 2014. This was due to the long-standing multi-business strategy, which drives the Group’s balanced operating and financial results. All performance indicators improved, with net profit for the period up by 10.2%.

The main corporate actions and transactions that resulted in a change in the scope of consolidation for the first 9 months of 2015, compared to the same period in 2014, were as follows:

- HeraComm was awarded the Default gas service contract for the period 1 October 2014 – 30 September 2016 in the regions of Emilia Romagna, Friuli Venezia-Giulia, Toscana, Umbria and Marche and expanded its geographical area through the acquisition, effective 1 May 2015, of Alento Gas, a company operating in methane sales, which was eventually merged with and into Hera Comm Marche.

- Effective 1 July 2015, AcegasApsAmsa sold to Herambiente the waste management operations carried out by 2 WTE plants for the cities of Padova and Trieste, which resulted in the creation of Hestambiente. Herambiente owns 70% of the new company, with the remaining 30% held by AcegasApsAmga.

- The merger of Akron with and into Herambiente, its sole shareholder since the first half of 2015, took place on 1 July 2015, with retroactive effects as of 1 January 2015.

The consolidated income statement reflects the application of IFRIC 12 “Service Concession Arrangements”. The outcome of the application of this standard, which did not affect the results, is the recognition in the income statement of capital expenditures on network assets held under concession.

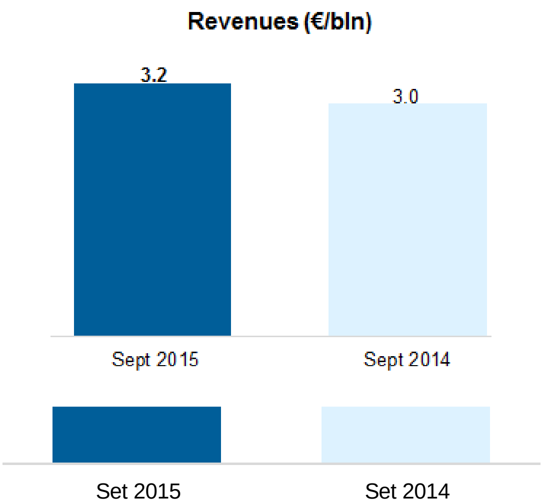
Consistent and growing results

The table below shows the results for the nine months ended 30 September 2015 and 2014:

Income statement (€/mln)	Sept 2015	%Inc	Sept 2014 (*)	%Inc	Abs. Change	%Change
Revenue	3,246.4		2,992.2		+254.2	+8.5%
Other operating revenues	226.0	7.0%	218.6	7.3%	+7.4	+3.4%
Commodities and materials	(1,613.2)	-49.7%	(1,365.5)	-45.6%	+247.7	+18.1%
Service costs	(815.4)	-25.1%	(819.7)	-27.4%	-4.3	-0.5%
Other operating costs	(40.9)	-1.3%	(40.8)	-1.4%	+0.1	+0.2%
Personnel costs	(380.5)	-11.7%	(369.9)	-12.4%	+10.6	+2.9%
Capitalised costs	17.9	0.6%	11.9	0.4%	+6.0	+50.5%
EBITDA	**640.2**	**19.7%**	**626.7**	**20.9%**	**+13.5**	**+2.2%**
Deprec. and amort.	(323.0)	-9.9%	(313.8)	-10.5%	+9.2	+2.9%
Operating profit	**317.3**	**9.8%**	**312.9**	**10.5%**	**+4.4**	**+1.4%**
Financial operations	(98.8)	-3.0%	(102.7)	-3.4%	-3.9	-3.8%
Pre-tax profit Adjusted	**218.4**	**6.7%**	**210.2**	**7.0%**	**+8.2**	**+3.9%**
Taxes	(83.5)	-2.6%	(85.4)	-2.9%	-1.9	-2.2%
Net profit adjusted	**134.9**	**4.2%**	**124.8**	**4.2%**	**+10.1**	**+8.1%**
Non-recurring financial charges		0.0%	(2.5)	-0.1%	-2.5	-100.0%
Net profit for the period	**134.9**	**4.2%**	**122.4**	**4.1%**	**+12.5**	**+10.2%**
Attributable to:						
Shareholders of the Parent Compan	**125.0**	**3.9%**	**111.3**	**3.7%**	**+13.7**	**+12.3%**
Non-controlling interests	9.9	0.3%	11.0	0.4%	-1.2	-10.5%

(*) For better comparison with the first nine months of 2015, the first nine months of 2014 were recast by reducing the amount of revenues related to the so-called "leak provisions" by €3.6 million, to reflect the amount of provisions made, while revenues rose by €2.4 million in connection with releases from provisions, without any effect on operating results.

Revenues amounted to €3,2 billion



In the first nine months of 2015, reve
million, or 8.5%, on the € 2,992.2 mill
increase was due to greater trading activities, for about € 200 million, and greater volumes of gas and electricity sold, for about € 100 million. Revenue growth was mitigated by the lower cost of oil and by a decrease in regulated distribution sales due to extraordinary items in 2014.
For further details, see the analysis of the single business areas.

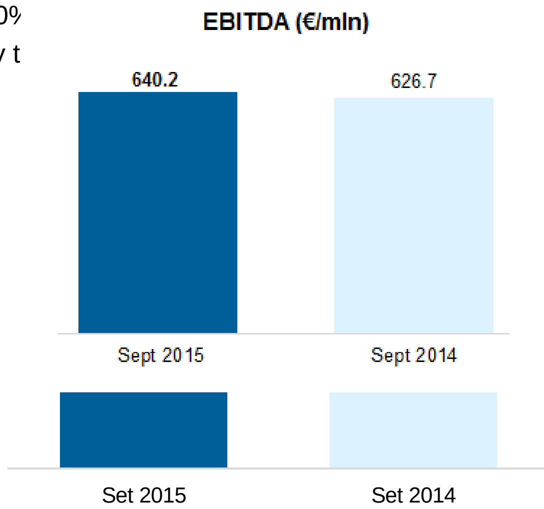
Other operating revenues grew by € 7.4 million thanks mainly to the application of IFRIC 12, despite the lower contribution derived from white certificates for about € 5 million, following resolution 13/2014/R/efr of the Authority for electricity, gas and water (AEEGSI), which had determined a positive impact in the first half of 2014.

Costs of raw and other materials rose by € 247.7 million, or 18.1%, on the comparable amount for 2014. As with revenues, this change was due to greater trading activities and larger volumes of gas sales.

Other operating costs fell overall by € 4.2 million, due to lower costs on sub-contracted work which were offset, in part, by higher transmission costs for customers outside the network.

Personnel costs rose by € 10.6 million, or 2.9%, from € 369.9 million in the first nine months of 2014 to € 380.5 million for the period under review. This increase was due mainly to the change in the scope of consolidation caused by the merger of Udine with and into the Group, accounting for € 7.0 million, and the salary raises provided for by the national labour agreement, or 2.1%.

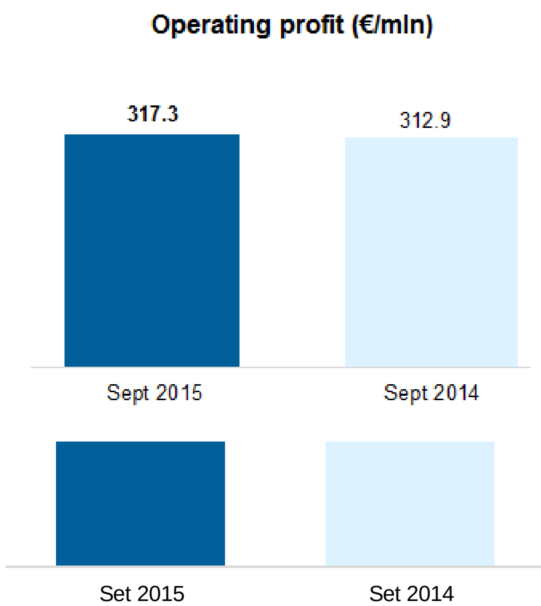
Capitalized costs were up € 6.0 million, or 50% mainly to greater internal works performed by t



EBITDA at € 640.2 million (up 2.2%)

EBITDA went from € 626.7 million in the first nine months of 2014 to € 640.2 million in the first nine months of 2015, up € 13.5 million, or 2.2%. This was due to the gas business, up € 21.4 million, and the integrated water cycle, up € 9.5 million, which offset the decline in other business segments.

Amortization, depreciation and provisions rose overall by € 9.2 million, or 2.9%, going from € 313.8 million at 30 September 2014 to € 323.0 million for the corresponding period of 2015. The increase was due to the change in the scope of consolidation for € 9.0 million, greater depreciation due to new investments for € 2.4 million and million, particularly in the sales companies. T depreciation determined by lower levels of wa of non-current assets.



Operating profit at € 317.3 million (up 1.4%)

Operating profit for the first nine months of 2015 was € 317.3 million, up € 4.4 million, or 1.4%, compared to € 312.9 million for the same period of 2014.

For the nine months ended 30 September 2015, financial expenses exceeded financial income by € 98.8 million, down € 3.9 million, or 3.8%, compared to the same period of 2014. The decrease was due mainly to the higher profits of associated companies and joint ventures for € 1.2 million and the lower cost of average debt, compared to the previous year, as a result of the refinancing transactions undertaken in 2014, which cut the cost of medium/long-term debt.

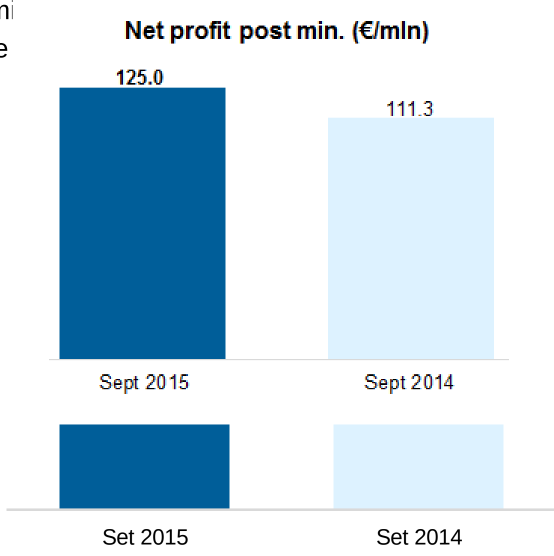
Based on the above, adjusted pre-tax profit rose by € 8.2 million, from € 210.2 million for the first nine months of 2014 to € 218.4 million for the period under review.

Income tax for the first nine months of 2015, amounting to € 83.5 million, reflect a tax rate of 38.2%, which was much better than the tax rate for the first nine months of 2014 (41.1%). This improvement was due to the elimination of the "Robin Hood Tax" (the additional 6.5% corporate income tax applicable to the Group companies operating in the energy sector), following decision no. 10 of the Constitutional Court dated 11 February 2015, and the lower IRAP rate, as a result of the ability to deduct from taxable income the cost of labour for permanent employees (article 1, paragraphs 20-25, Law 23 December 2014, no. 190).

Thus, adjusted net profit rose by 8.1%, or € 10.1 million, going from € 124.8 million for the first nine months of 2014, to € 134.9 million for the same period of 2015.

Results for the first nine months were affected by capital losses of €2.5 million, recognized among non-recurring financial expenses, due to the write-off of the carrying amount of the investment in Energia Italiana Spa for € 2.1 million and other minor investments.

Thus, net profit was up 10,2%, or € 125.0 mi
nine months of 2014 to € 134.9 million for the



Net profit post minorities € 125.0 million (up 12.3%)

Net profit post minorities amounted to € 125.0 million, up € 13.7 million on the comparable period of 2014, thanks also to the reduction of non-controlling interests, mainly following the full acquisition of Akron.

1.01.02 ANALYSIS OF FINANCIAL STRUCTURE AND INVESTMENTS

The Group's size increases

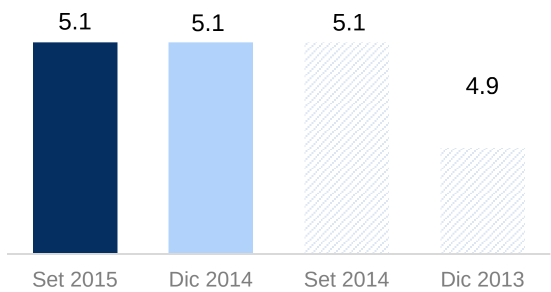
The table below shows changes in the Group's net invested capital and sources of financing for the nine months ended 30 September 2015:

Invested capital and sources of financing (€/mln)	30 sept 2015	% Inc.	31 Dec 2014	% Inc.	Abs. Change	% Change
Non-current assets, net	5,432.9	107.0%	5,445.8	106.8%	(12.9)	(0.2%)
Working capital	139.7	2.8%	153.1	3.0%	(13.4)	(8.8%)
(Provisions)	(495.8)	-9.8%	(499.5)	-9.8%	+3.7	(0.7%)
Net invested capital	**5,076.8**	100.0%	5,099.4	100.0%	(22.6)	(0.4%)
Equity	(2,438.2)	48.0%	(2,459.0)	48.2%	+20.8	(0.8%)
Long-term borrowings	(2,679.6)	52.8%	(2,969.3)	58.2%	+289.7	(9.8%)
Net cash (short-term borrowings)	41.0	-0.8%	328.9	-6.4%	(287.9)	(87.5%)
Net cash (borrowings)	(2,638.6)	52.0%	(2,640.4)	51.8%	+1.8	(0.1%)
Total sources of financing	**(5,076.8)**	-100.0%	(5,099.4)	100.0%	+22.6	(0.4%)

Net invested capital amounting to € 5.1 billion

At 30 September 2015, net invested capital was slightly down from 31 December 2014. The decrease was due in part to a change in the depreciation schedules of machinery and equipment and in part to the good performance of working capital.

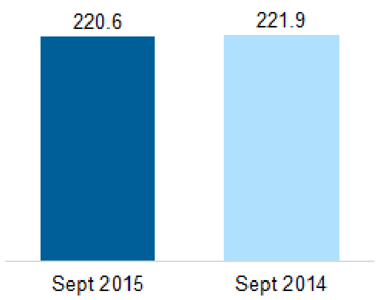
Net invested capital (€/bln)



Net investments amount to € 220.6 million

In the first nine months of 2015, Group investments amounted to € 220.6 million thanks among other things to a capital grant of € 9.3 million, of which € 7.3 million for the New Investment Fund (FoNI), as provided for by the tariff method for the integrated water service. Net investments fell by € 1.3 million, from € 221.9 million for the nine months ended 31 September 2014 to € 220.6 million for the period under review.

Total net investments (€/mln)



Including capital grants, the Group's total investments amounted to € 230.0 million. The table below shows investment grants by business segment, with details of the capital grants:

Total Investments (€/mln)	**Sept 2015**	Sept 2015	Abs. Change	% Change
Gas area	56.1	47.6	+8.5	+17.9%
Electricity area	16.6	16.9	-0.3	-1.8%
Integrated water cycle area	91.6	81.8	+9.8	+12.0%
Environment area	21.8	29.0	-7.2	-24.8%
Other services area	10.5	9.9	+0.6	+6.1%
Headquarters	33.0	46.9	-13.9	-29.6%
Total capital expenditures	**229.5**	232.1	-2.6	-1.1%
Total financial investments	0.4	0.0	+0.4	+100.0%
Total gross investments	**230.0**	232.1	-2.1	-0.9%
Capital grants	9.3	10.2	-0.9	-8.8%
of which for FoNI (New Investment Fund)	*7.3*	*7.7*	*-0.4*	-5.2%
Total investments, net	**220.6**	221.9	-1.3	-0.6%

The Group continues to make substantial investments in plants and infrastructure

Net investments, amounting to € 229.5 million, decreased by 1.1% compared to the first nine months of 2014 and were related mainly to works on plants, grids and infrastructures. Regulatory upgrades were also undertaken, mostly in the purification and sewerage areas.
Details of the capital expenditures are provided in the analyses by business segment.

At headquarters, capital expenditure for buildings, information systems

At headquarters capital expenditures concerned corporate buildings, information systems and the vehicle fleet, as well as activities in laboratories and remote control structures. Overall, infrastructure investment fell by € 13.9 million, compared to the same period of 2014, due mainly to works carried out in company offices in 2014.

Net working capital still amounts to €153.1 million

Net working capital was lower than the comparable amount at year-end 2014, due mainly to the collection of receivables from customers receiving last resort services who, as a result, cannot be disconnected. Collection of these receivables, for a total of € 78.7 million, from the electricity sector equalization fund (CCSE) – in accordance with resolution 370/12 by the Authority for electric energy, gas and water (AEEGSI) – took place on 2 February 2015. Without considering this amount, the increase in net working capital would have been in line with seasonal trends for working capital

Provisions amount to €495.8 million

At 30 September 2015, provisions amounted to € 495.8 million, an amount in line with the comparable figure at 31 December 2014. In essence, uses for the period were equal to the provisions made

€2.4 billion in equity

Equity fell slightly, from € 2,459.0 million at 31 December 2014 to € 2,438.2 million at 30 September 2015, following the dividend distribution in 2014 net profit for € 142.4 million, partly offset by net profit for the period of € 134.9 million. Equity was affected also by changes in equity investments in Group companies.

1.01.03 ANALYSIS OF NET CASH (NET BORROWINGS)

The table below provides details of the composition and changes in net borrowings:

A strongly liquid position

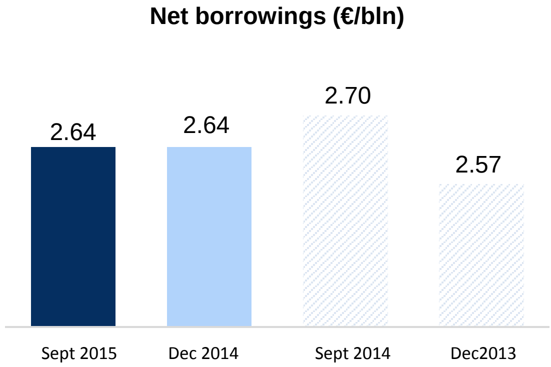
(€/mln)		30 Sept 15	31 Dec 14
a	**Cash**	**476.0**	834.5
b	**Altri crediti finanziari correnti**	**35.0**	45.2
	Debiti finanziari correnti	(129.7)	(175.6)
	Current portion of bank debt	(280.5)	(302.2)
	Other current financial liabilities	(57.9)	(69.6)
	Finance lease payables due w ithin 12 months	(1.9)	(3.4)
c	**Current financial debt**	**(470.0)**	(550.8)
d=a+b+c	**Net current financial debt**	**41.0**	328.9
	Non-current bank debt and bonds issued	(2,754.7)	(3,020.6)
	Other non-current financial liabilities	(5.6)	(7.0)
	Finance lease payables due after 12 months	(24.0)	(25.3)
e	**Non-current financial debt**	**(2,784.3)**	(3,052.9)
f=d+e	**Net borrowings - Consob communication n° 15519 of 28 July 2006**	**(2,743.3)**	(2,724.0)
g	**Non-current financial receivables**	**104.7**	83.6
h=f+g	**Net financial debt**	**(2,638.6)**	(2,640.4)

Short-term borrowings include mainly overdrafts, amounting to approximately € 129.7 million, maturing portions of bank loans for approximately € 85 million, and bonds for € 195.4 million maturing in February 2016. This amount was down from 31 December 2014, following repayment of the €180 million loan from the European Investment Bank (EIB) in January 2015. The amount related to medium/long-term bank debt and bonds consists mainly of bonds issued on the European market and listed on the Luxembourg Stock Exchange (79% of the total), with repayment at maturity.

Total borrowings show an average term to maturity of over 8 years, with 67% maturing beyond five years.

Net borrowings again at € 2.64 billion

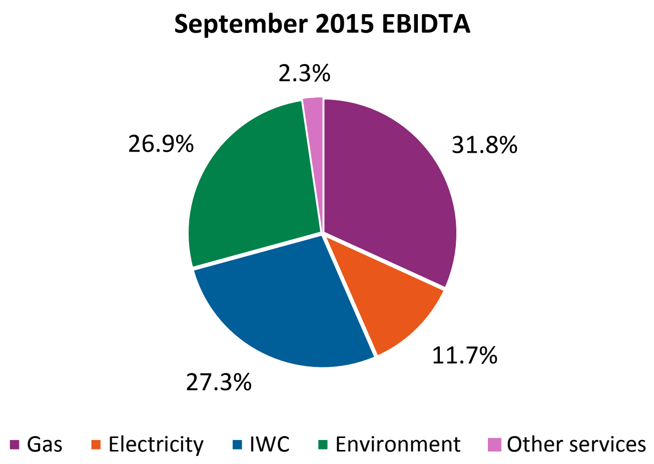
Net borrowings were largely stable, as they went from € 2,640.4 million at 31 December 2014 to € 2,638.6 million at 30 September 2015. Note the dividend payment for 142.4 million in June and the improvement in working capital, which in the period under review benefited from the collection of receivables for € 78.7 million from the electricity sector equalization fund (CCSE) on behalf of customers who cannot be disconnected.



1.02 ANALYSIS BY BUSINESS SEGMENT

An analysis of the operating results in each of the sectors in which the Group is active is given below: Gas sector, which includes distribution and sales of methane gas and LPG services, remote heating and heat management; Electricity sector, which includes Electricity production, distribution and sales services; Integrated Water Cycle sector, which includes aqueduct, purification and sewerage services; Environment sector, which includes the collection, treatment and disposal of waste services; Other Services sector, which includes public lighting, telecommunications and other minor services.

In the first nine months of the year, the Integrated Water Cycle and Environment Areas represented almost 54% of Group results



The Group's income statements include corporate headquarter costs and reflect intercompany transactions accounted for at arm's length

The following analysis by business sector considers the increase in revenues and costs, with no impact on EBITDA, relating to the application of IFRIC 12, as shown in the Group's consolidated income statement. The sectors affected by the application of IFRIC 12 are: methane distribution services, electricity distribution services, all integrated water cycle services and public lighting services.

Note that for a better comparison with 30 September 2015 the same period in 2014 has been restated, reducing the amount of revenues related to the so-called "leak fund" by € 3.6 million, corresponding to the amount of provisions made in the integrated water cycle segment. Revenues for the use of fund reassessments, equal to € 2.4 million, have been included among releases from provisions, with no effect on operative results and an impact on all business areas.

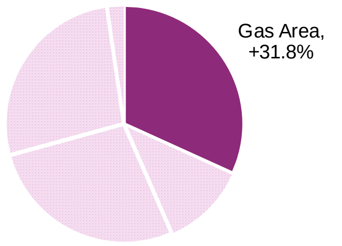
1.02.01 GAS

Gas: EBITDA rises

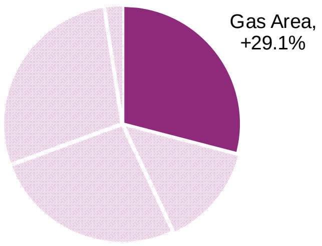
The gas area, at 30 September 2015, showed growth with respect to the same period in the previous financial year, both in absolute terms and as a percentage, due to the greater volumes sold.

2.7% increase In contribution to overall EBITDA

Gas Area EBITDA Sept 2015



Gas Area EBITDA Sept 2014



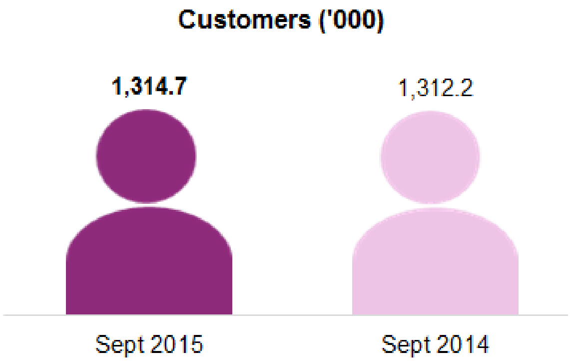
The following table shows the changes occurred in EBITDA:

Gas Area EBITDA grows by 21.4%

(€/mln)	Sept 2015	Sept 2014	Abs. change	% change
Area EBITDA	**203.6**	**182.2**	**-112.8**	**-61.9%**
Group EBITDA	**640.2**	626.7	+13.5	+2.2%

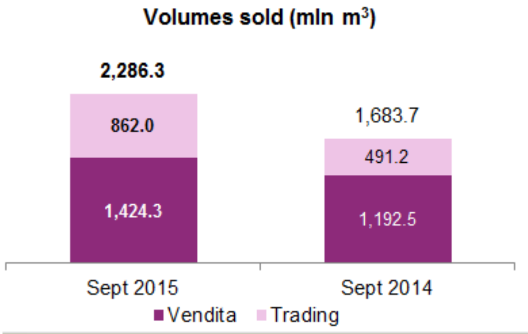
1.3 million gas customers

The number of gas customers rose by 0.2% compared to the first nine months of 2014. Excluding the effects of managing the Default Gas service (4.6 thousand customers; +0,4%), the number of customers decreased by only 0.2%, thanks to the commercial and customer loyalty initiatives launched to counteract competition.



35.8% growth in volumes sold

Gas volumes sold increased by 602.6 million m^3 (+35.8%), rising from 1,683.7 million m^3 at 30 September 2014 to 2,286.3 million m^3 over the first nine months of 2015. Special note should go to the increase caused by the takeover of the companies Amga Energia & Servizi (82.4 million m^3) and BSTC (25.3 million m^3), as well as providing Default Gas (6.3 million m^3); the remainder of the increase in volumes sold refers to the greater volumes of trading, for 370.8 million m^3 (+16.2% on the total volumes), and for 117.8 million m^3 to the colder temperatures seen in the winter of 2015 with respect to 2014, which was the warmest in the last 30 years.



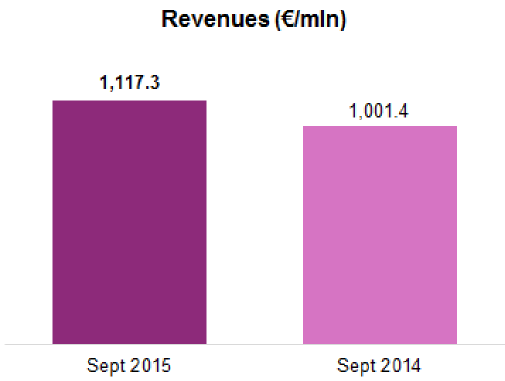
Gas: overall EBITDA increases

The table below summarizes the income statement for the segment:

Income statement (€/mln)	Sept 2015	% Inc.	Sept 2014	% Inc.	Abs. change	% Change
Revenue	**1,117.3**		1,001.4		+115.9	+11.6%
Operating costs	**(826.7)**	-74.0%	(735.2)	-73.4%	+91.5	+12.4%
Personnel costs	**(93.0)**	-8.3%	(86.9)	-8.7%	+6.1	+7.0%
Capitalised costs	**6.1**	0.5%	2.9	0.3%	+3.2	+110.4%
EBITDA	**203.6**	18.2%	182.2	18.2%	+21.4	+11.8%

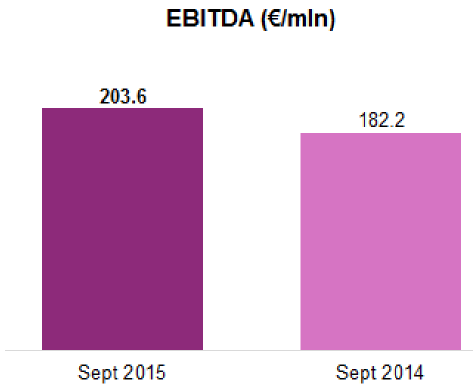
Gas revenues rise to € 1,117.3 million

Revenues went from € 1,001.4 million in the first nine months of 2014 to € 1,117.3 million, rising by € 115.9 million (+ 11.6%). The main reasons for this lie in trading activities and the favourable conditions of the summer market, that allowed foreign trading to be increased, and the growth in the volumes of methane gas sold, due to the colder temperatures compared to the corresponding period in 2014. This increase was partially offset by the lesser revenues produced by the decrease in the price of raw materials and the lesser revenues for energy efficiency certificates, that in 2014 benefited from Aeegsi resolution 13/2014/R/efr.



Gas EBITDA: € 203.6 million

EBITDA grew by € 21.4 million, up 11.8%, increasing from € 182.2 million in the first nine months of 2014 to € 203.6 million in the corresponding period in 2015, thanks to the higher volumes of gas sold, the consolidation during the first six months of 2015 of the Udine area and the Group's management of the Default Gas service. These effects compensate the positive non-recurring entries of the 2014 financial year, which concerned margins for energy efficiency certificates amounting to roughly € 5 million.



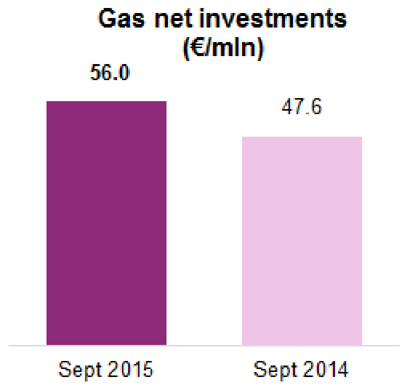
Set 2015 Set 2014

Net investments in the Gas Area: € 56.0 million

As at 30 September 2015, investments in the Gas Area reached € 56.0 million, with an increase of € 8.4 million compared to the same period in 2014. This growth is mainly due to the effects of the enlarged operating area in locations served by the AcegasApsAmga Group in Udine (2.0 million) and BSTC (0.4 million), as well as the regulatory upgrade required by resolution 631/13, consisting in a large-scale substitution of metres, involving lower category devices (G4-G6) as well, and a higher amount of extraordinary maintenance on networks and plants, with an overall increase of € 2.7 million.

Requests for new connections dropped slightly with respect to the same period of the previous year, even though they were partially offset by the larger operating area of AcegasApsAmga.

Investments rose by € 5.8 million in district heating and heat management as well, mainly due to interventions on the Forlì plant and the revamping of the Barca cogeneration plant in Bologna. New connection requests decreased slightly compared to the previous year, as a result of the ongoing crisis in the construction sector.



The details of operating investments in the Gas Area are as follows:

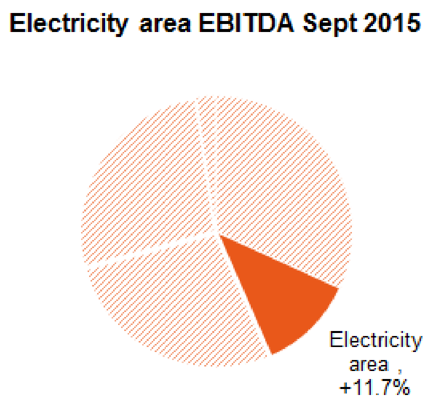
Gas (€/mln)	**Sept 2015**	Sept 2014	Abs. change	% Change
Networks and plants	44.6	41.9	+2.7	+6.4%
DH/Heat management	11.5	5.7	+5.8	+101.8%
Total gas gross	**56.1**	47.6	+8.5	+17.9%
Capital grants	0.1	0.0	+0.1	+100.0%
Total net gas investments	**56.0**	47.6	+8.4	+17.6%

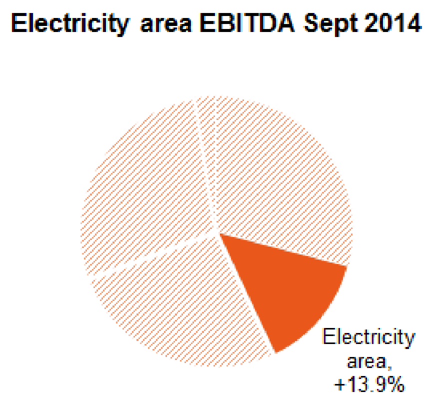
1.02.02 ELECTRICITY

Electricity: drop in EBITDA

In the first nine months of 2015, the electricity area's contribution to overall EBITDA fell, both in absolute terms and as a percentage, compared to the same period in 2014, as a result of the termination of the non-recurring equalisations that benefited the 2014 financial year.

Contribution to overall EBITDA down 2.2%





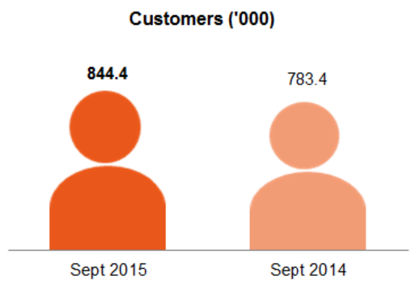
The following table shows the changes occurred in EBITDA:

Electricity Area EBITDA falls by 14.5%

(€/mln)	Sept 2015	Sept 2014	Abs. Change	% Change
Area EBITDA	**74.7**	**87.3**	**-12.6**	**-14.5%**
Group EBITDA	**640.2**	626.7	+13.5	+2.2%

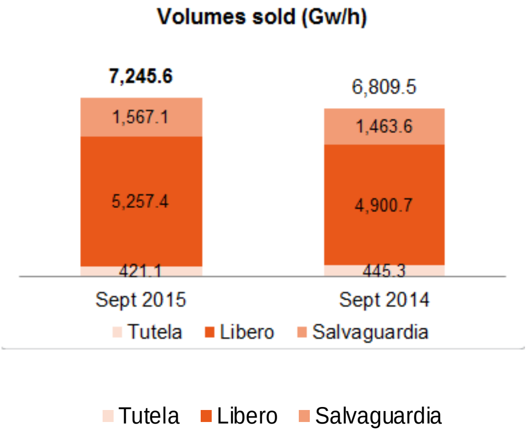
844.4 thousand electricity customers

The number of electricity customers rose by 7.8% (+ 61.0 thousand), mainly due to growth on the free market. In particular, the increase in free market customers compared to 30 September 2014 came to 10%, affecting the total number of customers by 66%, confirming the positive trend seen in recent years.



Volumes sold increase by 6.4%

Volumes of electricity sold went from 6,809.5 Gwh in the first nine months of 2014 to 7,245.6 Gwh in the corresponding period in 2015, with an overall increase of 6.4%. The increment in volumes sold is mainly due to reinforcements in commercial activities and a rise in consumption, in line with trends in electricity demand nationwide, that at 30 September 2015 rose by +1.9% compared to the corresponding period in the previous financial year.



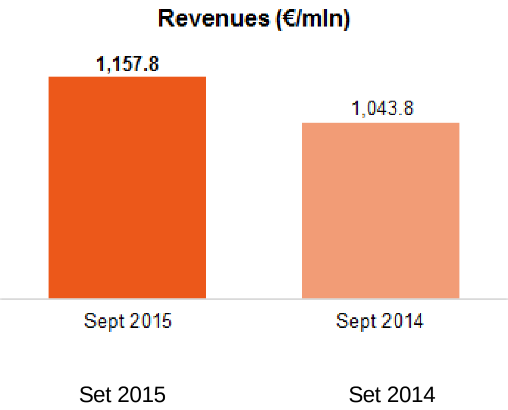
The following table offers an overview of economic results in the area:

Electricity: decrease caused by non-recurring entries in 2014

Income statement (€/mln)	Sept 2015	% Inc.	Sept 2014	% Inc.	Abs. change	% change
Revenue	**1,157.8**		1,043.8		+114.0	+10.9%
Operating costs	**(1,054.3)**	-91.1%	(929.5)	-89.1%	+124.8	+13.4%
Personnel costs	**(34.4)**	-3.0%	(31.9)	-3.1%	+2.5	+7.8%
Capitalised costs	**5.5**	0.5%	5.0	0.5%	+0.5	+10.0%
EBITDA	**74.7**	6.4%	87.3	8.4%	-12.6	-14.5%

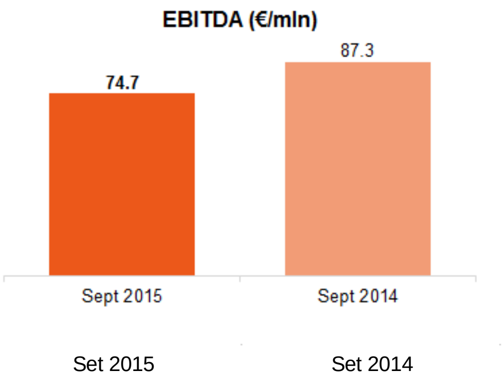
Revenues from electricity: € 1,157.8 million

Revenues rose by € 114.0 million, up 10.9%, going from € 1,043.8 million at 30 September 2014 to € 1,157.8 million in the corresponding period in 2015. The main reasons for this growth lie in the increased commercial and trading activities caused by the favourable conditions of the summer market, that allowed foreign trading to increase. This rise was offset by a lower price of raw materials and lesser regulated revenues in distribution services due to the non-recurring company-specific equalisation in 2014 in Gorizia, which amounted to € 9.2 million.



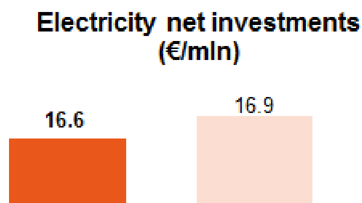
Electricity Area EBITDA at € 74.7 million

At the end of the first nine months of 2015, EBITDA was down € 12.6 (14.5%), falling from € 87.3 million in the period in question in 2014 to € 74 non-recurring revenues, as mentioned above, in regulated distribution services. Higher margins in sales activities allowed the lesser contribution coming from electricity production plants partially owned by the Group to be compensated in part.



Net investments in the Electricity Area: € 16.6 million

In the Electricity Area, investments at 30 September 2015 amounted to € 16.6



million, falling by € 0.3 million with respect to the € 16.9 million seen in the previous year.
The interventions implemented mainly concern non-recurring maintenance of plants and distribution networks in the areas surrounding Modena, Imola, Trieste and Gorizia.
Compared to the same period in the previous year, a greater amount of non-recurring maintenance of networks and plants was carried out, offset by the less significant interventions on the Imola Cogen plant as an effect of the works implemented in the previous year.
Connections in this area dropped with respect to the previous year.

The details of operating investments in the Electricity Area are as follows:

Electricity (€/mln)	**Sept 2015**	Sept 2014	Abs. change	% change
Networks and plants	15.1	15.5	-0.4	-2.6%
Industrial cogeneration	1.5	1.4	+0.1	+7.1%
Total Electricity gross	**16.6**	16.9	-0.3	-1.8%
Capital grants	0.0	0.0	+0.0	+0.0%
Total net electricity investments	**16.6**	16.9	-0.3	-1.8%

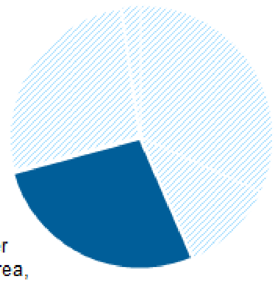
1.02.03 INTEGRATED WATER CYCLE

Integrated Water Cycle: sustained growth

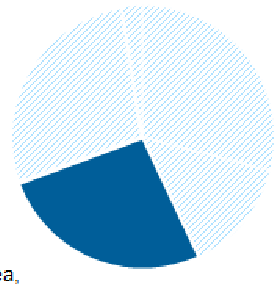
In the first nine months of 2015, the integrated water cycle area witnessed growth compared to the corresponding period in 2014, both as a contribution to Group EBITDA and as the absolute value of this area. 2015 is the second year in which the water tariff method defined by the AEEGSI for 2014-2015 (resolution n. 643/2014) has been applied.

Contribution to overall EBITDA: +0.9%

EBITDA Water cycle area Sept 2015



EBITDA Water cycle area Sept 2014



The following table shows the changes occurred in EBITDA:

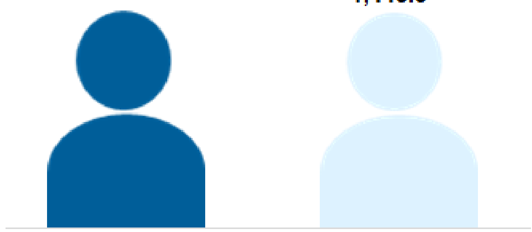
Water Cycle Area EBITDA rises by 5.7%

(€/mln)	Sept 2015	Sept 2014	Abs. change	% change
Area EBITDA	**174.7**	165.2	+9.5	+5.7%
Group EBITDA	**640.2**	626.7	+13.5	+2.2%

1.4 million customers in the Water Cycle

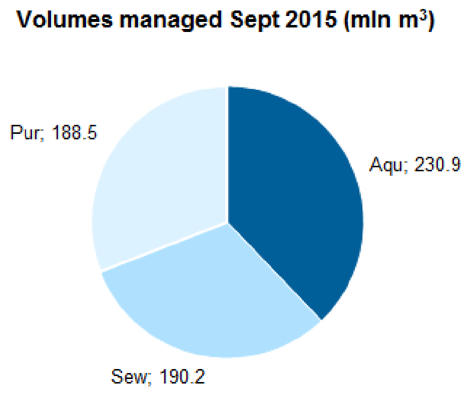
The number of water customers remained substantially stable at 1.4 million, rising by 4.6 thousand (+0.3%) and confirming the trend of organic growth across the areas in which the Group is present. Approximately 60% of the growth was seen in areas of Emilia Romagna managed by Hera Spa.

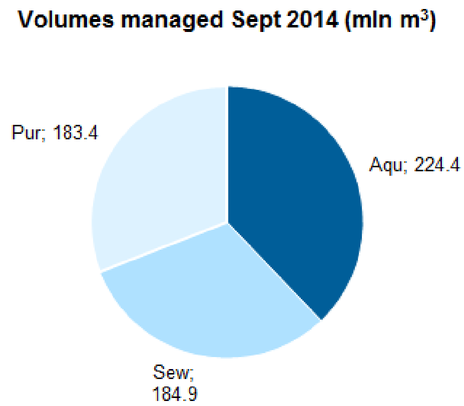
Customers ('000)



The main quantitative indicators of the area are as follows:

230.9 million m^3 managed in aqueducts





The volumes dispensed through the aqueduct grew by 2.9% compared to the first nine months of 2014, mainly due to the increase in both industrial and residential consumption. The volumes dispensed, following Aeegsi resolution n. 643/2013, are an activity indicator of the geographical areas in which the Group operates, and are subject to equalisation in accordance with norms that define regulated revenue independently from the volumes distributed.

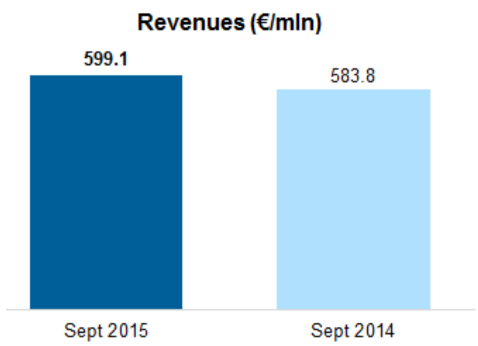
Integrated Water Cycle: EBITDA rises

The following table offers an overview of economic results in the area:

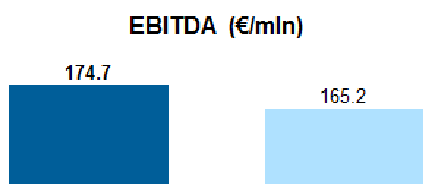
Income statement (€/mln)	**Sept 2015**	% Inc.	Sept 2014	% Inc.	Abs. change	% change
Revenue	**599.1**	-	583.8	-	+15.3	+2.6%
Operating costs	**(312.2)**	-52.1%	(312.4)	-53.5%	(0.2)	(0.1%)
Personnel costs	**(114.7)**	-19.2%	(107.8)	-18.5%	+6.9	+6.4%
Capitalised costs	**2.5**	0.4%	1.6	0.3%	+0.9	+55.4%
EBITDA	**174.7**	29.2%	165.2	28.3%	+9.5	+5.7%

Revenues from the Integrated Water Cycle at € 599.1

Revenues rose by € 15.3 million, + 2.6%, going from € 583.8 million in the first nine months of 2014 to € 599.1 million in 2015, for several reasons: greater revenues for sales owing to the new tariffs for the integrated water system resolved by the Area Authority for 2015; greater revenues due to the application of IFRIC12, partially offset by lesser revenues for new connections and subcontracted works.

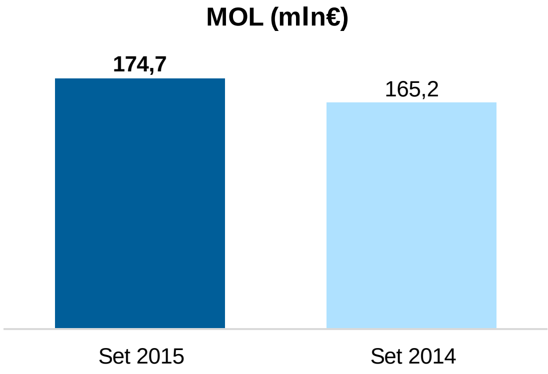


Operating costs fell by € 0.2 million, 0.1%. The greater costs incurred as a result of the application of IFRIC12, purchasing raw materials and service concession fees were offset by lesser operating and subcontracting costs.



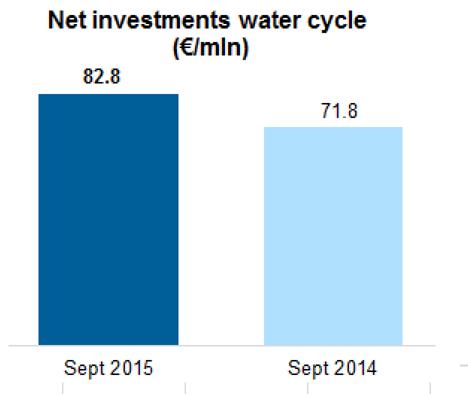
EBITDA increases to € 174.7 million

EBITDA rose by € 9.5 million, + 5.7%, going from € 165.2 million in the first nine months of 2014 to € 174.7 million in 2015, due to the application of higher approved tariffs and lower operating costs.



€ 82.8 million in investments in the Integrated Water Cycle Area

Gross investments in the Integrated Water Cycle Area amounted to € 91.6 million, up € 9.8 million on the previous year. Not including capital grants, investments in the Area came to € 82.8 million, rising by € 11.0 million compared to 2014. The interventions mainly involved extensions, reclamation activities and upgrades to networks and plants, as well as regulatory upgrading regarding above all purification and sewerage facilities.



Investments totalled € 43.3 million in the aqueduct, € 25.7 million in sewerage facilities and € 22.6 million in purification structures.

Among the main interventions, note the following: in aqueducts, network and plant upgrading and interconnections among water systems. Completing the renovation of the water networks in the historical centre of Bologna, in conjunction with the renewal of the paving carried out by the Municipality, was particularly significant and complex, as were the interventions for the division into districts of the water district in the area surrounding Padua; in sewerage, note in particular the works foreseen by the Seawater Protection Plan in Rimini (including the first phase of the AUSA basin, the first phase of the Dorsale Sud, the Hospital lamination basin, and the 1st phase of the North Zone sewerage network separation lot); in purification, plant makeovers in Ponte Rizzoli, Cesenatico and Cattolica, water line upgrading in the Bagnacavallo purification plant, revamping the oxygen production plant of the Idar purification plant in Bologna, and the works launched in the Servola purification plant in Trieste and the Cà Nordio plant in Padua.

In the water cycle as well, requests for new water and sewerage connections decreased in comparison with the same period of the previous year.

Capital grants amounting to € 8.8 million included € 7.3 million deriving from the tariff component of the tariff method for the New Investments Fund (FoNI), and fell compared to 2014 by € 1.2 million

.

The details of operating investments in the Integrated Water Cycle Area are as follows:

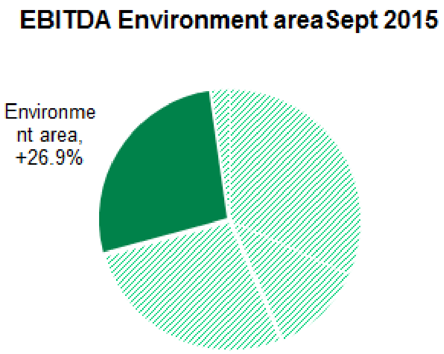
Net investments increase, reaching € 11.0 million

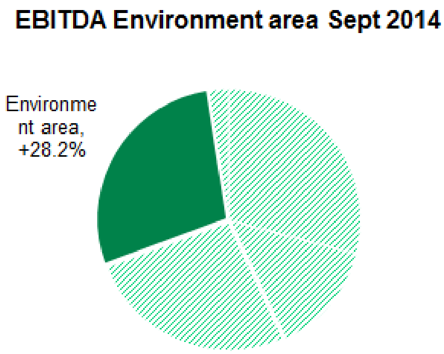
Integrated water cycle (€/mln)	**Sept 2015**	Sept 2014	Abs. change	% change
Aqueduct	43.3	42.4	+0.9	+2.1%
Purification	22.6	17.5	+5.1	+29.1%
Sewage	25.7	21.9	+3.8	+17.4%
Total integrated water cycle gross	**91.6**	81.8	+9.8	+12.0%
Capital grants	8.8	10.0	-1.2	-12.0%
of which FoNI (New investment fund)	*7.3*	*7.7*	-0.4	-5.2%
Total net integrated water cycle investments	**82.8**	71.8	+11.0	+15.3%

1.02.04 ENVIRONMENT

Slight contraction in the Environment Area

In the first nine months of 2015 the environment area represented 26.9% of the Hera Group's EBITDA, with a fall compared to 2014 that is mainly accounted for by the unavailability of a certain number of plants.





The changes in EBITDA can be summarised as follows:

Environment Area: EBITDA decreases

(€/mln)	Sept 2015	Sept 2014	Abs. change	% change
Area EBITDA	**172.5**	**176.5**	**-4.0**	**-2.3%**
Group EBITDA	**640.2**	626.7	+13.5	+2.2%

The table below provides an analysis of the volumes commercialised and treated by the Group during the first nine months of 2015:

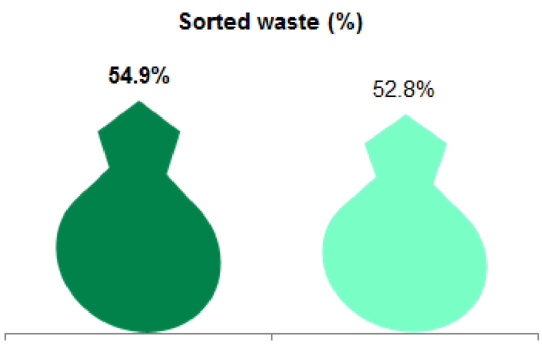
Urban waste: +1.1%

Quantitative data (thousand of tonnes)	Sept 2015	Sept 2014	Abs. change	% change
Urban waste	1,533.0	1,516.6	+16.4	+1.1%
Market waste	1,476.2	1,605.8	-129.6	-8.1%
Waste marketed	**3,009.2**	**3,122.4**	**-113.2**	**-3.6%**
Plant by-products	1,717.2	1,767.0	-49.8	-2.8%
Waste treated by type	**4,726.4**	**4,889.3**	**-162.9**	**-3.3%**

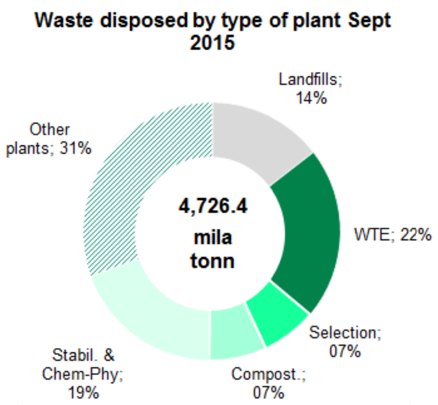
An analysis of the volumes treated reveals a +3.0% increase in urban waste, while in market waste the reduction in volumes already witnessed in the first semester remained substantially unchanged, as a consequence of the expiry of a few landfill plant authorisations. By-products decreased, due to favourable weather conditions.

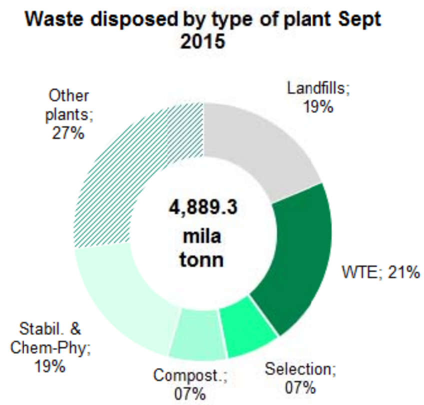
+2.1% of sorted waste

Sorted urban waste collection made further progress, going from 52.8% to 54.9%. This high recovery rate leads to greater environmental benefits and enhances flexibility in the capacity of the treatment plants. This result was mainly due to the beginning of full operations in the new selection and recovery plant in Bologna, and the efficiency-improvement plans implemented in the recently acquired territories of the Triveneto area, where a targeted process integration action allowed sorted waste collection to increase by over 3.5 percent (from 44.3% to 47.8%).



Strong drop in use of landfills





Quantitative data (thousand of tonnes)	Sept 2015	Sept 2014	Abs. change	% change
Landfills	685.3	914.1	-228.8	-25.0%
Waste-to-energy plants	1,021.6	1,041.4	-19.8	-1.9%
Selecting plants and other	329.5	340.6	-11.1	-3.3%
Composting and stabilisation plants	340.8	366.7	-25.9	-7.1%
Stabilisation and chemical-physical plants	903.5	906.5	-3.0	-0.3%
Other plants	1,445.7	1,320.1	+125.6	+9.5%
Waste treated by plant	**4,726.4**	**4,889.3**	**-162.9**	**-3.3%**

The Hera Group operates in the entire waste cycle, with 78 plants for treatment and disposal of urban and special waste, the most important of which are: 10 WTE plants, 11 composting/digestor plants and 7 sorting plants.

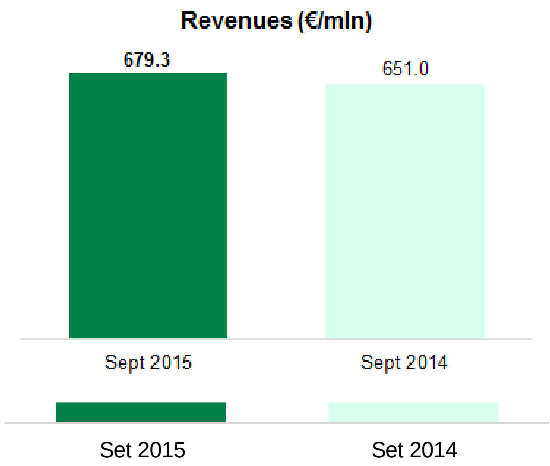
Asset management in the environment area responded to the need to deal with the volumes coming from the market and from the new Hasi customers, without substantially modifying the decision to use landfills to an ever lesser degree, in line with the rules set out by European authorities, as foreseen by the business plan.

As of 1 July 2015, two important corporate and organisational modifications were activated within the Environment area. On the one hand, the entire share capital of Akron was purchased, previously controlled by Herambiente with 57.5% and charged with selecting materials in sorted waste, with a chain of plants dedicated to this purpose. Simultaneously, a transfer to Herambiente of the waste disposal activities carried out for the municipalities of Padua and Trieste led to the creation of the company Hestambiente, in order to pursue greater integration and efficiency and complete control of the WTE plants across the entire Group.

The following table offers an overview of economic results in the area:

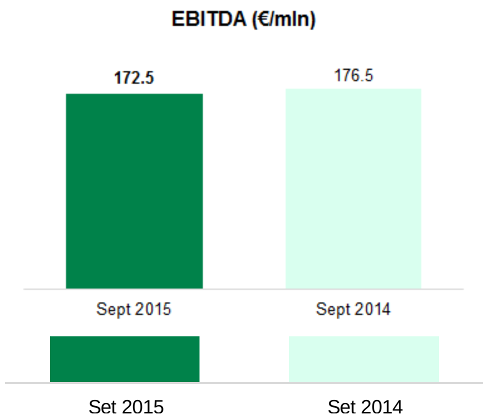
Environment: EBITDA decreases

Income statement (€/mln)	**Sept 2015**	% Inc.	**Sept 2014**	% Inc.	Abs. change	% change
Revenue	**679.3**		651.0		+28.3	+4.3%
Operating costs	**(385.2)**	-56.7%	(346.6)	-53.2%	+38.6	+11.1%
Personnel costs	**(124.5)**	-18.3%	(129.4)	-19.9%	-4.9	-3.8%
Capitalised costs	**3.0**	0.4%	1.5	0.2%	+1.5	+98.4%
EBITDA	**172.5**	25.4%	176.5	27.1%	-4.0	-2.3%



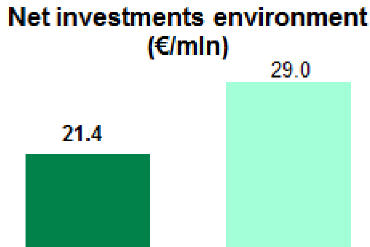
Environment revenues: € 679.3 million

Revenues for the first nine months of 2015 rose by 4.3% compared to the corresponding period of the previous year, going from € 651.0 million to 679.3. This trend is due to greater revenues for entries involving sales of green certificates for roughly € 22 million (in 2014 non-sold green certificates had been recorded at a lesser cost), higher prices for disposal, and the effect of new operational flows created by the company operations described above. These effects offset the lesser volumes of waste disposed, and the lesser revenues from electricity production owing to the decrease in unit price for CIP6/CEC, in spite of the increase in unit price for green certificates.



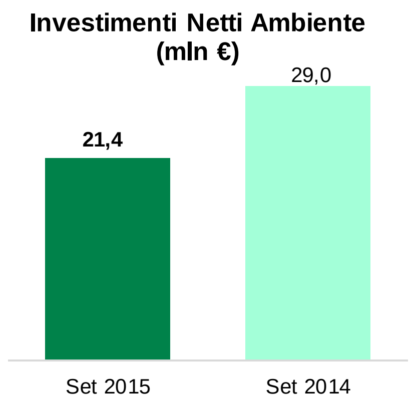
Environment EBITDA at € 172.5 million

The trend in EBITDA confirms that which was underlined above: the contraction of 2.3% was caused by the lesser volumes treated and partially offset by favourable trends in free market disposal prices and the actions undertaken to enhance efficiency.



Net investments in the Environment Area come to € 21.4

Gross investments in the Environment Area concern maintenance and optimisation interventions, which amount to € 21.4 million, dropping by € 7.6 million with respect to 2014.



The composting/digestors sub-sector increased with respect to the previous year by € 1.4 million, mainly due to interventions regarding the Rimini and Ozzano dry-fermentation plants, partially compensated by lesser investments in the Voltana and Sant'Agata plants, regarding works implemented in 2014.

The reduced investment in landfills (€ 5.5 million) is explained by lesser maintenance carried out in the Pago, Lugo and Ravenna plants and in Feronia; in 2014 the company Marche Multiservizi enlarged the Cà Asprete di Tavullia (PU) landfill, while in the current year interventions have been concentrated on the Tre Monti landfill for the new biogas motor and the Ravenna plant for the beginning of works on the 9th sector.
In the WTE sub-sector, investments continued to be in line with the previous year, due to increased works on the Padua and Trieste plants, partially offset by a reduction in extraordinary maintenance on various plants in the remaining areas covered by the Group, that had seen greater interventions in 2014.
In the Special Waste Plant sub-sector, the more consistent investments compared to the previous year were due to an increase in maintenance interventions on the Ravenna plants, in particular the sludge dehydration plant and the TAPO (Organic Process Water Treatment).
In collection systems, note the completion of a new innovative system (so-called Hergo Ambiente) and continued works on small underground centres in Bologna. The capital grants (0.4 million) pertaining to this area refer to the latter.
In selection plants and transferers, the drop of € 3.6 million is due to the completion in 2014 of works on the Bologna selection plant and a transfer plant built in the Cervia area, which were not compensated by the works in 2015 for interventions on the Sassuolo and Guelfi transferers.
The details of operating investments in the Environment Area are as follows:

Environment (€/mln)	**Sept 2015**	Sept 2014	Abs. change	% change
Composting/Digestors	2.3	0.9	+1.4	+155.6%
Landfills	4.0	9.5	-5.5	-57.9%
WTE	6.5	6.5	+0.0	+0.0%
RS plants	1.8	1.4	+0.4	+28.6%
Ecological areas and gathering equipment	5.1	5.0	+0.1	+2.0%
Transshipment, selection and other	2.1	5.7	-3.6	-63.2%
Total environment gross	**21.8**	29.0	-7.2	-24.8%
Capital grants	0.4	0.0	+0.4	+100.0%
Total net environment investments	**21.4**	29.0	-7.6	-26.2%

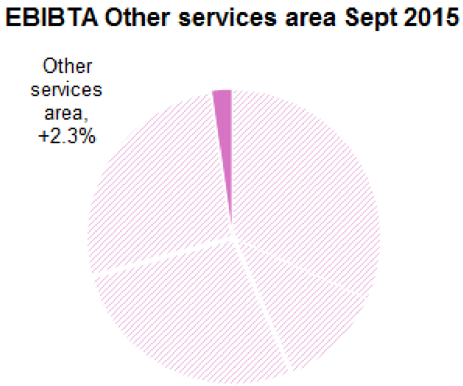
1.02.05 OTHER SERVICES

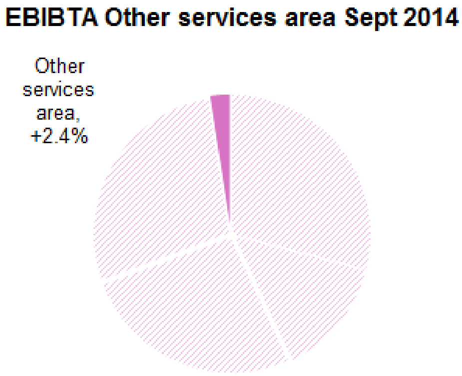
The other services area covers all minor services managed by the Group: public lighting, telecommunications and cemetery services.

Other Services: EBITDA contracts

In the first nine months of 2015, the results of the other services area dropped by € 0.5 million: EBITDA passed from € 15.3 million in the first nine months of 2014 to € 14.8 million in the corresponding period of 2015.

Slight drop in contribution to overall EBITDA





The changes in EBITDA can be summarised as follows:

Other Services EBITDA falls by € 0.5

(€/mln)	Sept 2015	Sept 2014	Abs. change	% change
Area EBITDA	**14.8**	**15.3**	**-0.5**	**-3.6%**
Group EBITDA	**640.2**	626.7	+13.5	+2.2%

The following table shows the main indicators of the area, which concern public lighting:

Quantative data	Sept 2015	Sept 2014	Abs. change	% change
Public lighting				
Lighting points (thousands)	**522.6**	490.4	+32.2	+6.6%
Municipalities served	**157.0**	145.0	+12.0	+8.3%

522.6 thousand lighting points

The data regarding public illumination shows an increase of 32.2 thousand lighting points and 12 municipalities served. This growth is due to the new contracts awarded following public tenders, among which the approximately 8 thousand lighting points gained in the municipality of Rho and roughly 2 thousand in the municipality of Corbetta should be mentioned. In Lazio as well, growth was seen for approximately 4 thousand lighting points in the municipalities of Ferentino, San Cesareo and Fumone. The increase in lighting points is lower than the growth in municipalities served on account of the loss of

29 thousand lighting points in the municipality of Rimini, for which maintenance contracts have however been retained.

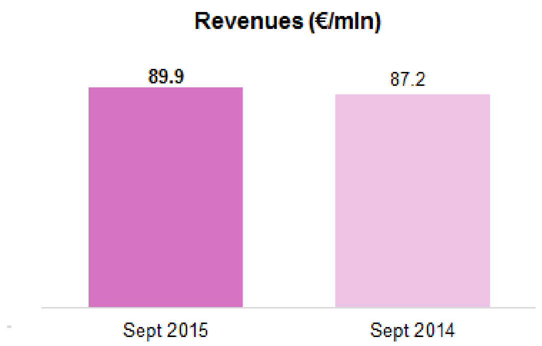
The economic results of the area are as follows:

Other Services: revenues rise

Income statement (€/mln)	Sept 2015	% Inc.	Sept 2014	% Inc.	Abs. change	% change
Revenue	**89.9**		87.2		+2.7	+3.1%
Operating costs	**(62.0)**	-69.0%	(58.7)	-67.3%	+3.3	+5.6%
Personnel costs	**(13.9)**	-15.4%	(14.0)	-16.1%	-0.1	-0.7%
Capitalised costs	**0.8**	0.9%	0.8	1.0%	+0.0	+0.0%
EBITDA	**14.8**	16.4%	15.3	17.6%	-0.5	-3.6%

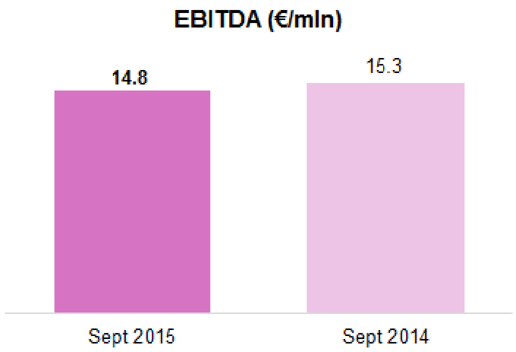
Revenues for Other Services at € 89.9 million

Revenues in this area rose by € 2.7 million, thanks to both the positive trend in participation in public tenders and higher revenues from telecommunications.



EBITDA falls by € 0.5

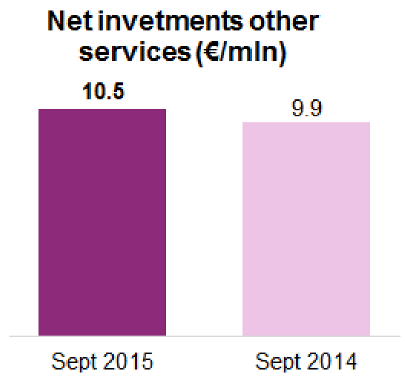
EBITDA dropped by € 0.5 million due to upgrading and focusing operations in the public lighting sector in the North-East, in order to respond to new challenges in the market and come into line with the trend in acquisitions pursued by Hera Luce. The telecommunications and cemetery services sectors grew with respect to the corresponding period of the previous year.



€ 10.5 million in net investments

Investments in the Other Services Area came to € 10.5 million, up € 0.6 million compared to the same period in the previous year.

In telecommunications, € 6.8 million were invested in networks and TLC and IDC (Internet Data Centre) services, with an increase compared to 2014 of € 1.0 million.



In public lighting services, € 3.7 million of investments went to maintaining, revamping and upgrading public lighting systems, with an overall drop of € 0.3 million concerning two companies, Insigna and Sinergie (whose public lighting branch was transferred as of 1 August 2015 to AcegasApsAmga Spa).

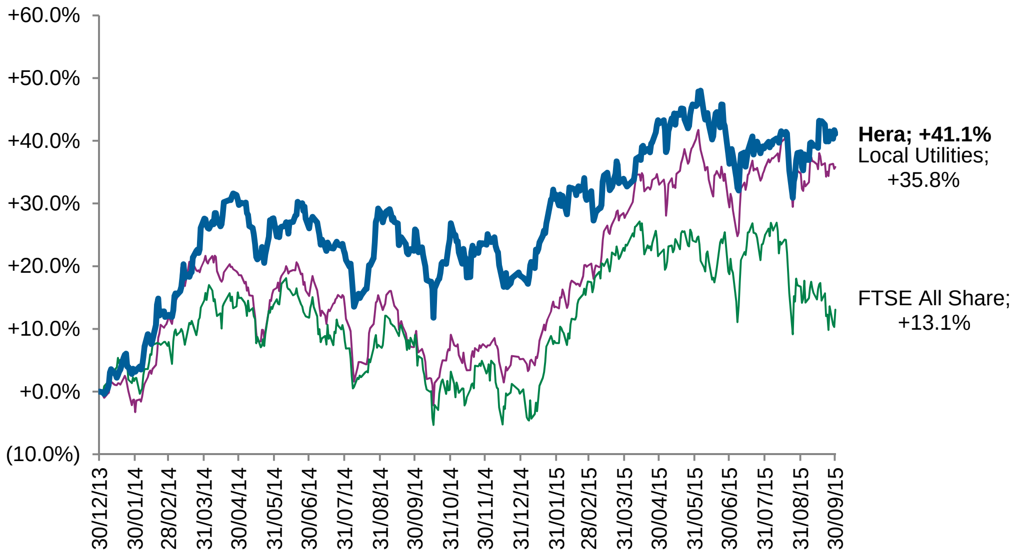
The details of operating investments in the Other Services Area are as follows:

Other services (€/mln)	**Sept 2015**	Sept 2014	Abs. change	% change
TLC	6.8	5.8	+1.0	+17.2%
Public lighting and street lights	3.7	4.0	-0.3	-7.5%
Total other services gross	**10.5**	9.9	+0.6	+6.1%
Capital grants	0.0	0.0	+0.0	+0.0%
Total net other services investments	**10.5**	9.9	+0.6	+6.1%

1.04 SHARE PERFORMANCE AND INVESTOR RELATIONS

Hera share up 19.0% year to date

In the third quarter of 2015 volatility was more pronounced for European equities, due first to fears of a Grexit and then to signs of slowdown in the emerging economies. Against this backdrop, Italian equities proved resilient, with a double-digit increase in the year to date. In the meantime, bonds were less volatile than equities, thanks to the ECB's quantitative easing (purchase of Eurozone government bonds). Hera share bucked the trend, rising also in the third quarter, reaching a year-to-date 19% overall increase, continuing the positive performance of 2014.



A 0,09 € dividend distribution

As indicated in the business plan, on 22 June 2015 Hera distributed a dividend of €0.09 per share, the thirteenth of an uninterrupted series of rising amounts since the I.P.O

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	**2015**
DPS (€)	0,04	0,05	0,06	0,07	0,08	0,08	0,08	0,08	0,09	0,09	0,09	0,09	**0,09**

+162,2% the total shareholders' return since the I.P.O.

The combined effect of a constant return to shareholders through dividend distribution and the rise of the share price resulted in a positive total shareholder return, even in the worst moments of the financial crisis, which reached 162.2% by the end of the period under review.

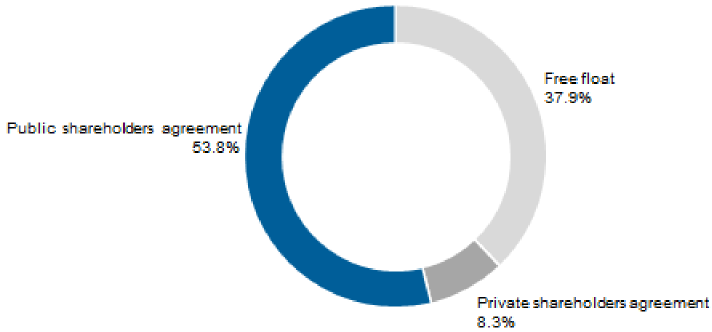
In the third quarter of 2015 the number of analysts that cover the share grew, with the initial coverage of MainFirst, which joined the ranks of such players as Banca Akros, Banca IMI, Equita Sim, Fidentiis, Goldman Sachs, Intermonte, Kepler Cheuvreux and Mediobanca. Hera exhibits 6 "Buy/Outperform", three "Hold/Neutral" and no negative recommendations. Moreover, the share is included in the following selections of equities:

€2.63 average target price and no negative recommendation

- Goldman Sachs Conviction Buy List: selection of European equities to be bought with conviction;
- Goldman Sachs Focus Research List: global selection of shares to be bought for its distinctive growth opportunities;
- Mediobanca Italian Shares Long Portfolio: selection of Italian equities to buy due to its outlook of market outperformance;

- Banca IMI Top Picks: selection of the broker's favourite Italian equities.

The consensus target price of €2.63 shows an average upside potential of + 13.2%.
The shareholder base was balanced, as usual, with 53.8% of the shares held by public authorities in the geographical area of reference bound by a shareholder agreement.



Since 2006 Hera has had a share buyback program in place, which was renewed for an additional 18 months and for up to €150 million at the General Meeting of Shareholders held on 28 April 2015. This program is designed to finance the acquisition of smaller companies and to smooth out unusual market price fluctuations vis-à-vis those of the other main comparable Italian companies. At the end of the period under review Hera held 17.0 million treasury shares. In the general meeting held on 28 April 2015, the shareholders approved an amendment to the articles of association in favour of enhanced voting, which had been introduced by law decree no. 91/2014 (so-called "growth decree"). Enhanced voting will allow such Hera investors as hold their investment for at least 24 months to double their voting rights in connection with certain shareholder resolutions. This is a way of rewarding shareholders that, thanks to their stable investments, are most sensitive to the Group's long-term growth.
Hera continued to promote extensively meetings between the Group's top management and the financial community, to expand and diversify the shareholder base with Italian and foreign investors.
The Group's efforts in interaction with investors contributed to strengthen Hera's reputation in the market and represent an invaluable intangible asset that benefits both the share and the stakeholders.

1.04 THE CURRENT SCENARIO AND THE GROUP'S STRATEGIC APPROACH

Mission in keeping with the strategy pursued since it was founded

Since its establishment, the Group has pursued a coherent and consistent strategy despite the high number of variables it has had to deal with: (i) a scenario characterized by continuous change; (ii) a gradual and steady process of liberalizing services; (iii) turbulence in the markets in which it operates. This consistency has allowed the Group to maintain a stable landmark role as a public utility service provider. The Group's mission is, in fact, to become the leading Italian multi-utility through sustainable growth, both internally and externally, aimed at creating value for its stakeholders.

Multi-utility approach to ensure growth

Investments to improve efficiency

Strategic decisions have supported the Group's growth, bringing market capitalization to over € 3.4 billion, one of the highest in the industry. In the first nine months of 2015 the Group achieved positive results, even more significant considering the difficult macroeconomic context in Italy. The Group's multi-utility formula (Water, Environment, Gas and Electricity Services) enables it to respond powerfully in terms of results: over the years it has pursued the aim of improving operational efficiency in all areas, which has favored increased competitiveness including the prospective of future calls for tenders for renewing contracts. At the same time consistent investments in infrastructures, aimed at modernizing facilities, have led to improved management efficiency, thus ensuring resources and cash flows that have strengthened financial stability.

Valorizing an intangible asset: customers…

…to win over free markets

Strategies to reduce risks in provision

Customers are at the heart of all Group strategies. We develop this asset both through our regulated services and by making innovations in our free market activities. Cross-selling completes the range of services we offer, strengthening customer loyalty and allowing us to improve the quality and cost-efficiency of 'post-sales' services as well as reducing the cost of acquiring new customers. Our presence in free market services has also significantly expanded the customer base (over 2 million in Energy alone). As far as energy sales are concerned, the Group has remained flexible in terms of sourcing energy commodities and, at the same time, has developed trading activities to avoid becoming exposed to operational risk in electricity production and long-term contractual arrangements (with take or pay clauses) in supplying gas. In the area of waste recovery and disposal, old plants were replaced with new generation facilities equipped with technologies that are more efficient and high-performance in terms of environmental impact. Over time, our set of plants has also been enriched with ever more innovative assets to pursue the most effective enhancement of recovered materials.

Regulated and free-market activities: a balanced mix

Alongside its development of free markets, the Group has also paid special attention to regulated markets in order to achieve a careful calibration among its activities, which would otherwise be affected by circumstantial variables. In particular, over the years the mix of services in the Group's portfolio has helped to offset the impact of the risks inherent in each individual service, thereby preserving its overall results.

Creating value through external growth: the 'Hera model'

The Group has pursued external growth by re-utilizing the 'Hera model' that characterized the formation of the company: the acquisition and subsequent integration of multi-utilities focused on the same core activities. The model has been replicated in multiple aggregation operations: the companies were selected on the basis of their complementary territorial coverage, compatibility with the Group's activities and financial profiles. This development has been augmentative for shareholders even though operations were largely financed through reserved issuances of new shares. In terms of earnings per share in both the short term and, even more so, the medium/ long-term, good results have been obtained thanks to the synergies generated by the mergers. External growth was also pursued in terms of single businesses, mainly in relation to deregulated activities, through acquisitions taking advantage of the opportunities offered by the domestic market.

Business plan

Excellence and Innovation

The Group's development strategies are based on a five-year business plan, shared by the entire management and updated every year based on the evolution of the economic climate. These strategies are then transformed into operational objectives, fully implemented through the system of variable remuneration for personnel (Balance Score Card System). The latest review of the Plan (October 2014) confirmed all the strategic approaches pursued thus far and emphasized the goal of continuing to pursue corporate development both internally and externally (including through the acquisition of new areas in gas distribution that will be made subject to calls for tenders), aiming to improve financial stability and consolidate value creation for stakeholders. As part of the strategic imperatives for ensuring long term development beyond the period of the Five-Year Plan, excellence and innovation were added to growth, efficiency and sustainability.

Government regulations favour sector consolidation

The context in which the Group operates is highly fragmented: in Italy, there are over 1,200 utility companies, many of which are small and medium-sized. These features represent a handicap in an industry where economies of scale are crucial to ensuring competitiveness. For the Hera Group, this scenario thus favors growth, as the Group can continue its consolidation in new areas (primarily in the neighboring areas of Marche and Triveneto), also considering the recent laws introduced by the Italian government that should prove beneficial for companies with adequate financial strength and solid expertise. The current scenario is therefore complex and full of challenges; facing the latter, the Group has certain competitive advantages that can promote processes of growth and value creation for all stakeholders.

1.05 HUMAN RESOURCES

As of September 30, 2015, the permanent employees of the Hera Group numbered 8,319 (consolidated companies), with the following breakdown by role: managers (153), middle managers (498), employees (4,377) and workers (3,291). This workforce was the result of the following changes: new hires (149), departures (-252) and changes in corporate scope (3).

	30 Sept 15	31 Dec 14 PROFORMA*	Change
Managers	153	152	1
Middle managers	498	507	-9
Employees	4.377	4.341	36
Workers	3.291	3.419	-128
Total	8.319	8.419	-100

In detail, the following movements took place:

Work force as at 31 december 2014 – proforma*	8.419
Additions	149
Exit	-252
VdP (**)	3
Net flows	-100
Work force as at 30 September 2015	8.319

(*) Application of IFRS11 accounting principles that exclude the companies Est Energy (78 TI) and Enomondo (2 TI) from the Group's scope.
(**) Alento Gas (3 TI).

New hires for this period were mainly due to:

- The consolidation from short-term contracts to long-term contracts;
- The introduction of professional profiles that had been from the Group.

CHAPTER 2

CONSOLIDATED FINANCIAL STATEMENTS OF THE HERA GROUP

2.01 FINANCIAL STATEMENTS

2.01.01 Income statement

thousands of euros	30 sept 2015 (9 months)	30 sept 2014 (9 months)	30 sept 2015 (3 months)	30 sept 2014 (3 months)
Revenue	3,246,377	2,995,833	1,033,363	906,744
Other operating revenues	225,981	221,003	70,102	81,770
Use of raw materials and consumables	(1,613,161)	(1,365,540)	(509,227)	(377,268)
Service costs	(815,387)	(819,718)	(284,717)	(301,381)
Personnel costs	(380,503)	(369,945)	(119,754)	(118,247)
Amortisation, depreciation,provisions	(322,975)	(319,806)	(108,949)	(111,715)
Other operating costs	(40,931)	(40,826)	(14,070)	(13,876)
Capitalised costs	17,858	11,892	5,484	4,088
Operating profit	**317,259**	**312,893**	**72,232**	**70,115**
Portion of profits (loss) pertaining to joint ventures and as:	6,074	4,876	(186)	755
Financial income	66,111	122,170	8,806	29,480
Financial expense	(171,034)	(232,195)	(46,156)	(66,814)
Total financial operations	**(98,849)**	**(105,149)**	**(37,536)**	**(36,579)**
Pre-tax profit	**218,410**	**207,744**	**34,696**	**33,536**
Taxes for the period	(83,542)	(85,385)	(15,211)	(15,908)
Net profit for the period	**134,868**	**122,359**	**19,485**	**17,628**
Attributable to:				
Shareholders of the Parent Company	124,999	111,335	17,705	15,078
Non-controlling interests	9,869	11,024	1,780	2,550
Earnings per share				
basic	**0.085**	**0.078**		
diluted	**0.085**	**0.078**		

2.01.02 Statement of comprehensive income

thousands of euros	*30 sept 2015 (9 months)*	*30 sept 2014 (9 months)*
Net profit / (loss) for the period	**134,868**	**122,359**
Items reclassifiable to the income statement		
Change in the fair value of derivatives for the period	938	2,684
Tax effect related to the other reclassifiable items of the comprehensive income statement	(258)	(741)
other components of comprehensive income, enterprises valuated w ith the equity method	92	(3)
Items not reclassifiable to the income statement		
Actuarial gains/(losses) post-employment benefits	7,525	(13,461)
Tax effect related to the other not reclassifiable items of the comprehensive income statement	(2,064)	3,457
other components of comprehensive income, enterprises valuated w ith the equity method		
Total comprehensive income/(loss) for the period	**141,101**	**114,295**
Attributable to:		
Shareholders of the Parent Company	130,396	103,451
Non-controlling interests	10,705	10,844

2.01.03 Earnings per share

thousands of euros	30 Sept 2015 (9 months)	30 Sept 2014 (9 months)
Profit (loss) for the period attributable to holders of ordinary shares of the Parent Company (A)	124,999	111,335
Weighted average number of shares outstanding for the purposes of calculation of earnings (loss)		
- basic (B)	1,473,432,637	1,431,661,124
- diluted (C)	1,473,432,637	1,431,661,124
Earnings (loss) per share (euro)		
- basic (A/B)	**0.085**	**0.078**
- diluted (A/C)	**0.085**	**0.078**

2.01.04 Statement of financial position

thousands of euros	30 Sept 2015	31 Dec 2014
ASSETS		
Non-current assets		
Property,plant and equipment	1,999,080	2,063,698
Intangible assets	2,835,159	2,797,047
Property investments	3,656	3,737
Goodw ill	378,564	378,564
Non-controlling interests	153,372	152,808
Financial assets	104,736	83,609
Deferred tax assets	78,789	68,098
Financial instruments - derivatives	125,595	103,096
Total non-current assets	**5,678,951**	**5,650,657**
Current assets		
Inventories	119,412	103,588
Trade receivables	1,396,155	1,463,635
Contract w ork in progress	16,490	16,268
Financial assets	35,017	45,150
Financial instruments - derivatives	12,148	24,136
Current tax assets	77,642	32,200
Other current assets	279,415	261,998
Cash and cash equivalents	475,992	834,495
Total current assets	**2,412,271**	**2,781,470**
Non-current assets held for sale		601
TOTAL ASSETS	**8,091,222**	**8,432,728**

cont.

thousands of euros	30 Sept 2015	31 Dec 2014
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,472,151	1,469,938
Reserves	700,550	676,236
Profit (loss) for the period	124,999	164,772
Group equity	**2,297,700**	**2,310,946**
Non-controlling interests	140,549	148,055
Total equity	**2,438,249**	**2,459,001**
Non-current liabilities		
Borrow ings – maturing beyond 12 months	2,848,677	3,095,301
Post-employment benefits	149,666	162,971
Provisions for risks and charges	346,165	336,500
Deferrred tax liabilities	13,111	15,084
Finance lease payments - maturing beyond 12 months	23,966	25,351
Financial instruments - derivatives	39,778	38,415
Total non-current liabilities	**3,421,363**	**3,673,622**
Current liabilities		
Banks and other borrow ings – maturing w ithin 12 months	468,122	547,333
Finance lease payments - maturing w ithin 12 months	1,925	3,451
Trade payables	1,043,671	1,193,626
Current tax liabilities	106,426	30,203
Other current liabilities	592,092	493,563
Financial instruments - derivatives	19,374	31,929
Total current liabilities	**2,231,610**	**2,300,105**
TOTAL LIABILITIES	**5,652,973**	**5,973,727**
TOTAL EQUITY AND LIABILITIES	**8,091,222**	**8,432,728**

2.01.05 Cash flow statement

thousands of euros	30 Sept 2015	30 Sept 2014
Pre-tax profit	**218,410**	**207,744**
Adjustments to reconcile net profit to the cashflow from operating activities:		
Amortisation and impairment of property, plant and equipment	120,438	126,186
Amortisation and impairment of intangible assets	129,832	122,761
Effect of valuation using the equity method	(6,074)	(4,876)
Allocations to provisions	72,705	71,958
Financial expense / (Income)	104,922	110,025
(Capital gains) / Losses and other non-monetary elements (including valuation of commodity derivatives)	219	(12,732)
Change in provisions for risks and charges	(21,429)	(17,032)
Change in provisions for employee benefits	(8,001)	(4,750)
Total cash flow before changes in net working capital	**611,022**	**599,284**
(Increase) / Decrease in inventories	(16,047)	(26,284)
(Increase) / Decrease in trade receivables	17,380	72,852
Increase / (Decrease) in trade payables	(147,439)	(145,194)
Increase / Decrease in other current assets/ liabilities	88,767	(89,775)
Change in working capitals	**(57,339)**	**(188,401)**
Dividends collected	5,416	10,939
Interests income and other financial income collected	17,355	20,390
Interests expense and other financial charges paid	(121,201)	(143,643)
Taxes paid	(68,810)	(19,552)
Cash flow from (for) operating activities (a)	**386,443**	**279,017**
Investments in property, plant and development	(65,125)	(68,553)
Investments in intangible fixed assets	(164,313)	(149,744)
Investments in companies and business units net of cash and cash equivalents	(5,316)	(4,063)
Sale price of property,plant and equipment and intangible assets (including lease-back transactions)	3,708	4,845
Disvestments and *contingent consideration*	(24)	3,455
(Increase) / Decrease in other investment activities	(10,770)	(14,899)
Cash flow from (for) investing activities (b)	**(241,840)**	**(228,959)**
New issues of long-term bonds	-	25,346
Repayments and other net changes in borrowings	(334,925)	(141,670)
Lease finance payments	(3,802)	(5,736)
Investments in consolidated companies	(33,405)	(3,420)
Increase in share capital	9,100	
Dividends paid out to Hera shareholders and non-controlling interests	(145,029)	(137,007)
Change in treasury shares	4,955	(11,954)
Other minor changes	-	(72)
Cash flow from (for) financing activities (c)	**(503,106)**	**(274,513)**
Effect of change in exchange rates on cash and cash equivalents (d)	**-**	**-**
Increase / (Decrease) in cash and cash equivalents (a+b+c+d)	**(358,503)**	**(224,455)**
Cash and cash equivalents at the beginning of the period	834,495	926,934
Cash and cash equivalents at the end of the period	475,992	702,479

2.01.06 Statement of change in equity

thousands of euros	Share capital	Reserves	Reserves for derivative instruments recognised at fair value	Reserve for actuarial gains/(losses) in post-employment benefits	Profit for the period	Equity	Non-controlling interests	Total
Balance at 31 December 2013	**1,410,357**	**607,900**	**(3,280)**	**(19,505)**	**164,934**	**2,160,406**	**145,317**	**2,305,723**
Adjusted as of IFRS 11		(219)	217	2				
Balance at 31 December 2013 (*as adjsuted*)	**1,410,357**	**607,681**	**(3,063)**	**(19,503)**	**164,934**	**2,160,406**	**145,317**	**2,305,723**
Profit for the period					111,335	**111,335**	11,024	**122,359**
Other components of comprehensive income at 30 June 2014:								
Change in the fair value of derivatives for the period			1,417			**1,417**	526	**1,943**
actuarial gains/(losses) post-employment benefits				(9,298)		**(9,298)**	(706)	**(10,004)**
other components of comprehensive income, enterprises valuated with the equity method		(3)				**(3)**		**(3)**
Total comprehensive income for the period		**(3)**	**1,417**	**(9,298)**	**111,335**	**103,451**	**10,844**	**114,295**
change in treasury shares	(5,277)	(6,676)				**(11,953)**		**(11,953)**
acquisition of Gruppo Amga	68,196	73,788				**141,984**	4	**141,988**
change in equity interest		(533)		(17)		**(550)**	(2,870)	**(3,420)**
change in scope of consolidation						**0**	(41)	**(41)**
other movements		(38)				**(38)**	(67)	**(105)**
Allocation of 2013 profit:								
- dividends paid out					(126,744)	**(126,744)**	(10,323)	**(137,067)**
- allocation to other reserves		16,903			(16,903)	**0**		**0**
- undistributed profits to retained earnings		21,287			(21,287)	**0**		**0**
Balance at 30 September 2014	**1,473,276**	**712,409**	**(1,646)**	**(28,818)**	**111,335**	**2,266,556**	**142,864**	**2,409,420**
Balance at 31 December 2014	**1,469,938**	**707,524**	**(1,085)**	**(30,203)**	**164,772**	**2,310,946**	**148,055**	**2,459,001**
Profit for the period					124,999	**124,999**	9,869	**134,868**
Other components of comprehensive income at 30 September 2015:								
Change in the fair value of derivatives for the period			391			**391**	289	**680**
actuarial gains/(losses) post-employment benefits				4,937		**4,937**	524	**5,461**
other components of comprehensive income, enterprises valuated with the equity method		69				**69**	23	**92**
Total comprehensive income for the period		**69**	**391**	**4,937**	**124,999**	**130,396**	**10,705**	**141,101**
change in treasury shares	2,213	2,742				**4,955**		**4,955**
capital contributions from non-controlling interests						**-**	9,100	**9,100**
change in equity interest		(15,677)		(152)		**(15,829)**	(17,576)	**(33,405)**
other movements		(71)				**(71)**	(77)	**(148)**
Allocation of 2014 profit:								
- dividends paid out		(6,270)			(126,427)	**(132,697)**	(9,658)	**(142,355)**
- allocation to other reserves		8,087			(8,087)	**-**		**-**
- undistributed profits to retained earnings		30,258			(30,258)	**-**		**-**
Balance at 30 September 2015	**1,472,151**	**726,662**	**(694)**	**(25,418)**	**124,999**	**2,297,700**	**140,549**	**2,438,249**

2.02 EXPLANATORY NOTES

Accounting policies and significant accounting estimates

The consolidated quarterly report for the three months to 30 September 2015 was prepared in accordance with Article 154-*ter* of Legislative Decree 58/1998 and Article 82 of Consob's Regulation on Issuers. This report has not been audited.

This interim report was not prepared in accordance with IAS 34 - Interim Financial Reporting. However, the accounting standards adopted for this report are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2014, to which reference is made for further information, in addition to those applicable as of 1 January 2015.

The preparation of this interim report requires estimates and assumptions to be made concerning the value of revenues, costs, assets and liabilities and disclosures relating to contingent assets and liabilities at the reporting date. If, in future, such estimates and assumptions, which are based on the management's best judgment, should differ from actual events, they will be adjusted accordingly in order to give a true representation of the results of operations.

It should also be noted that some measurement methods, particularly the more complex methods, such as detecting any impairment of non-current assets, are generally applied only during the preparation of the annual financial statements, unless there are indications of impairment which require an immediate impairment test.

Income taxes are recognised based on the best estimate of the weighted average rate for the entire financial year

The disclosures contained in this interim report are comparable with those for prior periods. In comparing the individual items of the income statement and the statement of financial position, account should be taken also of the changes in the scope of consolidation described in the specific section.

Financial statements

The financial statements used are the same as those used for the consolidated financial statements at 31 December 2014. Specifically, the income statement is presented in vertical format, with the individual items analysed by nature. This presentation, also used by the company's major competitors, is considered consistent with international practice and is the one that best represents the company's performance.

As permitted by IAS 1 revised, the statement of comprehensive income is presented separately from the income statement, distinguishing between items that might be recycled subsequently to profit or loss and those that will not be recycled subsequently to profit or loss. The other components of the statement of comprehensive income are shown separately also in the statement of changes in consolidated equity.
The statement of financial position shows the distinction between current and non-current assets and liabilities. The cash flows statement has been prepared using the indirect method, in accordance with IAS 7.

In the financial statements any non-recurring revenues and costs are shown separately.

Unless otherwise stated, the financial statements contained in this interim report are all expressed in thousands of Euros.

Scope of consolidation

This interim report includes the financial statements of the Parent Company, Hera Spa, and its subsidiaries. Control exists when the parent company has the power to influence the subsidiary's variable returns or, when, through exercise of its rights it has the ability to direct the subsidiary's significant activities. Subsidiary companies which are not significant in size and those in which voting rights are subject to severe long-term restrictions are excluded from the scope of line-by-line consolidation and are carried at cost.

Investments in joint ventures (as defined by IFRS 11), which the Group controls jointly with other companies, are accounted for with the equity method. Also companies on which a significant influence is exercised are accounted for with the equity method. Investments held for negligible amounts are recognized at cost.

Companies held for sale are excluded from consolidation and measured at their fair value. However, when fair value cannot be determined accurately, they are recognized at cost. These investments are recorded as separate items.

The list of companies included in the scope of consolidation is available at the end of these explanatory notes.

Changes in the scope of consolidation

The table below shows the changes in the scope of consolidation occurred in the first nine months of 2015, compared to the situation at 31 December 2014.

Consolidated companies	Companies no longer consolidated	Notes
Alento Gas srl		Acquisition of control (1)
	Consorzio Akhea	in liquidation (2)

(1): merged with and into Hera Comm Marche Srl effective 30 September 2015
(2): dormant company, deconsolidated as its operating and financial data are irrelevant

On 29 April 2015 Hera Comm Marche Srl, a Hera Group company, took over Alento Gas Srl, a company engaged in gas sales to final customers.

Changes in equity investments

On 31 March 2015 Hera Spa entered into an agreement to buy out the minority shareholders (42.5%) of Akron Spa, a fully consolidated subsidiary. The transaction involved a total cash outlay of €27,000. The acquired company was merged into the acquiror effective 1 July 2015, with tax and accounting effects backdated to 1 January 2015.

On 16 September 2015 Herambiente Spa bought out the minority shareholders of Romagna Compost Srl, thus becoming the company's sole shareholder. The deal involved a total cash outlay of €3,105 thousand.

Following the purchase of shares, on 24 September 2015, from the Municipality of Pesaro and the Municipality of Tavullia, Hera Spa's equity interest in Marche Multiservizi Spa went from 46.39% to 49.59%. The deal involved a cash outlay of €3,300 thousand.

In all of the above transactions, the difference between the amount to adjust the minority interests and the fair value of the relevant assets was recognised in equity and attributed to the parent company's shareholders.

Other corporate actions

Effective 1 January 2015 Hera Energie Srl was merged with and into Sinergia Srl, with the latter changing its name to Hera Servizi Energia Srl.

On 15 June 2015 Herambiente Spa, in which the Group has a 75% equity interest, approved a capital increase, inclusive of the share premium, for €36,400 against a cash payment by the existing shareholders in proportion to their interests. On 25 June 2015 the capital increase was subscribed and paid in by the minority shareholders as well, who injected cash into the Group for €9,100 thousand.

Effective 31 July 2015, Naturambiente Srl and MMS Ecologica Srl, two companies wholly owned and fully consolidated by Marche Multiservizi Spa, were merged with and into the parent company.

Other information

These interim financial statements for the three months ended on 30 September 2015 were prepared by the Board of Directors and approved by it in the meeting on 11 November 2015.

2.03 CONSOLIDATED NET BORROWINGS

millions of euros		30 Sept 2015	31 Dec 2014
a	**Cash**	**476.0**	**834.5**
b	**Other current financial receivables**	**35.0**	**45.2**
	Current bank debt	(129.7)	(175.6)
	Current portion of bank debt	(280.5)	(302.2)
	Other current financial liabilities	(57.9)	(69.6)
	Finance lease payables due within 12 months	(1.9)	(3.4)
c	**Current financial debt**	**(470.0)**	**(550.8)**
d=a+b+c	**Net current financial debt**	**41.0**	**328.9**
	Non-current bank debt and bonds issued	(2,754.7)	(3,020.6)
	Other non-current financial liabilities	(5.6)	(7.0)
	Finance lease payables due after 12 months	(24.0)	(25.3)
e	**Non-current financial debt**	**(2,784.3)**	**(3,052.9)**
f=d+e	**Net borrowings - Consob communication n° 15519 of 28 July 2006**	**(2,743.3)**	**(2,724.0)**
g	**Non-current financial receivables**	**104.7**	**83.6**
h=f+g	**Net financial debt**	**(2,638.6)**	**(2,640.4)**

2.04 INVESTMENTS: LIST OF CONSOLIDATED COMPANIES

Subsidiaries

Name	Registered office	Share capital	% held direct	% held indirect	Total interest
Parent company: Hera Spa	**Bologna**	**1,489,538,745**			
Acantho Spa	Imola (BO)	23,573,079	77.36%		77.36%
AcegasApsAmga Spa	Trieste	285,290,760	100.00%		100.00%
AcegasAps Service Srl	Padova	180,000		100.00%	100.00%
Amga Calore & Impianti Srl	Udine	119,000		100.00%	100.00%
Amga Energia & Servizi Srl	Udine	600,000		100.00%	100.00%
ASA Scpa	Castelmaggiore (BO)	1,820,000		38.25%	38.25%
Black Sea Technology Company AD	Varna (Bulgaria)	15.904.566 Lev		99.97%	99.97%
Black Sea Gas Company Ltd	Varna (Bulgaria)	5.000 Lev		99.97%	99.97%
Esil Scarl	Bologna	10,000		100.00%	100.00%
Feronia Srl	Finale Emilia (MO)	2,430,000		52.50%	52.50%
Frullo Energia Ambiente Srl	Bologna	17,139,100		38.25%	38.25%
Fucino Gas Srl	Luco dei Marsi (AQ)	10,000		100.00%	100.00%
HeraAmbiente Spa	Bologna	271,648,000	75.00%		75.00%
Herambiente Recuperi Srl	Bologna	10,000		75.00%	75.00%
Herambiente Servizi Industriali Srl	Bologna	1,748,472		75.00%	75.00%
Hera Comm Srl	Imola (BO)	53,536,987	100.00%		100.00%
Hera Comm Marche Srl	Urbino (PU)	1,977,332		72.01%	72.01%
Hera Energie Rinnovabili Spa	Bologna	1,832,000	100.00%		100.00%
Hera Luce Srl	San Mauro Pascoli (FC)	1,000,000	100.00%		100.00%
Hera Servizi Energia Srl	Forlì	1,110,430		57.89%	57.89%
Hera Trading Srl	Trieste	22,600,000	100.00%		100.00%
HestAmbiente Srl	Trieste	1,010,000		82.50%	82.50%
Insigna Srl	Padova	10,000		100.00%	100.00%
Marche Multiservizi Spa	Pesaro	13,484,242	49.59%		49.59%
Medea Spa	Sassari	4,500,000	100.00%		100.00%
Rila Gas EAD	Sofia (Bulgaria)	32.891.000 Lev		100.00%	100.00%
Romagna Compost Srl	Cesena	3,560,002		75.00%	75.00%
SiGas d.o.o	Pozega (Serbia)	162.260.058 Rsd		95.78%	95.78%
Sinergie Spa	Padova	11,168,284		100.00%	100.00%
Sviluppo Ambiente Toscana Srl	Bologna	10,000	95.00%	3.75%	98.75%
Trieste Onoranze e Trasporti Funebri Srl	Trieste	50,000		100.00%	100.00%
Tri-Generazione Srl	Padova	100,000		70.00%	70.00%
Uniflotte Srl	Bologna	2,254,177	97.00%		97.00%

Jointly controlled companies

Name	Registered office	Share capital	% held direct	% held indirect	Total interest
Enomondo Srl	Faenza (RA)	14,000,000		37.50%	37.50%
Elettrogorizia Spa	Trieste	5,600,000		50.00%	50.00%
Estenergy Spa	Trieste	1,718,096		51.00%	51.00%

Associated companies

Name	Registered office	Share capital	% held direct	% held indirect	Total interest
Aimag Spa*	Mirandola (MO)	78,027,681	25.00%		25.00%
Ghirlandina Solare Srl	Concordia Sulla Secchia (MO)	60,000		33.00%	33.00%
Q.Thermo Srl	Firenze	10,000		39.50%	39.50%
Set Spa	Milano	120,000	39.00%		39.00%
So.Sel Spa	Modena	240,240		26.00%	26.00%
Sgr Servizi Spa	Rimini	5,982,262		29.61%	29.61%
Tamarete Energia Srl	Ortona (CH)	3,600,000	40.00%		40.00%

* The company's share capital is composed of €67,577,681 of ordinary shares and of €10,450,000 of related shares

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