



Hera Group

“Moving fast and sustainably”

www.gruppohera.it

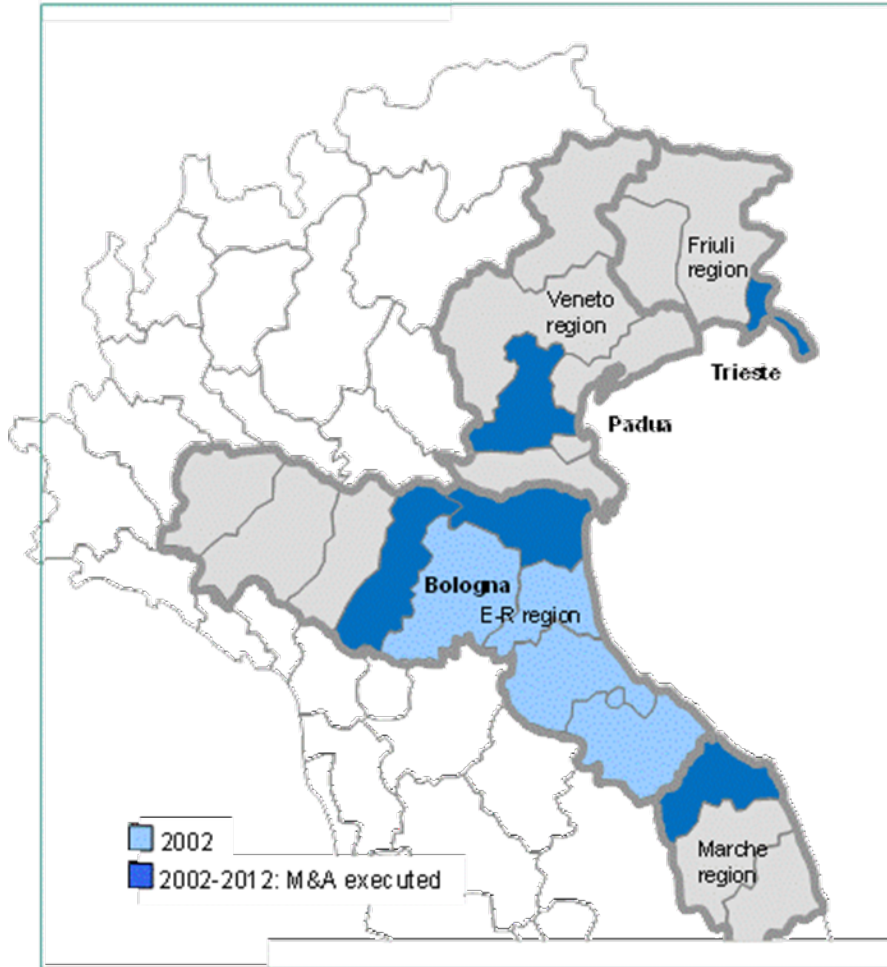
2013



Introducing Hera

10Y of sustainable expansion

Hera reference territory



- 2002-2011: expanded by merging more than 15 nearby local multi-utilities in E-R and in the Northern part of Marche region.
- In 2012: Acegas Aps aggregation (accounted from 1/1/2013) with strong sustainable commitment.
- FSI (sovereign Italian fund) decision to sustain Hera consolidation strategy.

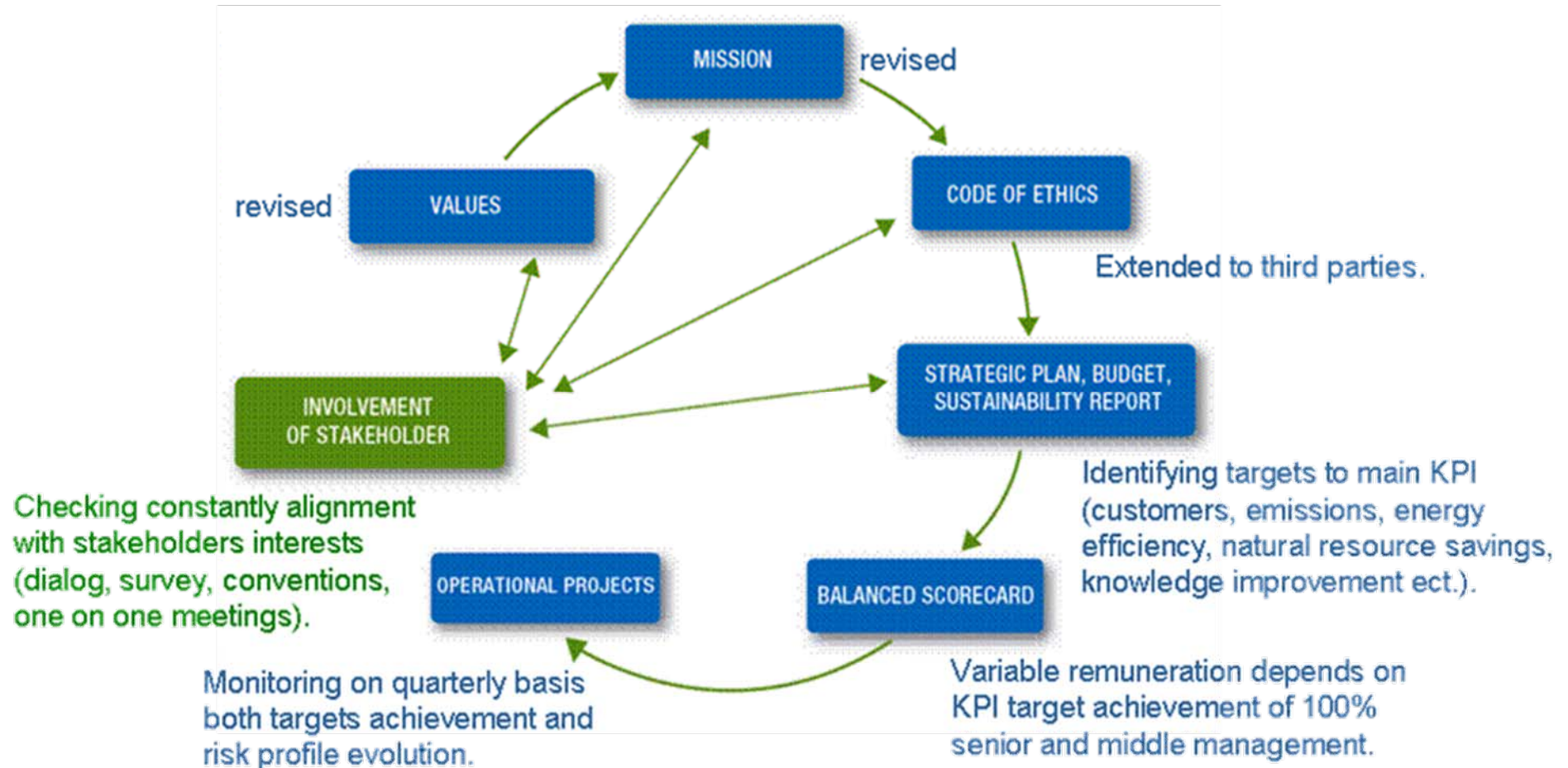


Mission

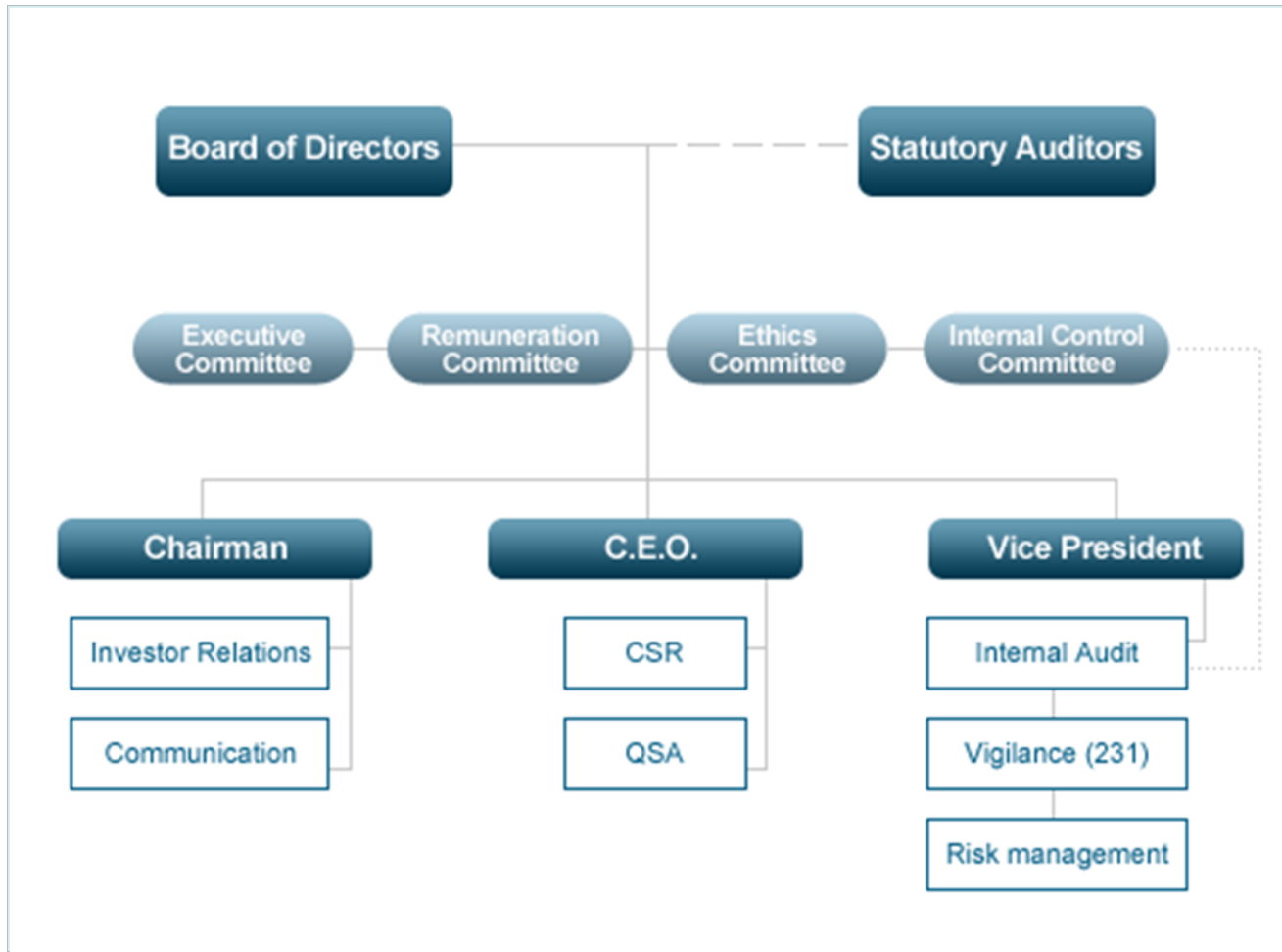
“Hera goal is to be the **best multi-utility** in Italy **for its customers, workforce and shareholders.** It aims at achieving this goal through further development of an original corporate model capable of innovation and of forging strong links with the areas in which it operates **by respecting the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

Expanding in 4 of the wealthiest Italian regions with a sustainable approach

10Y process to codify Hera sustainable approach



10Y process to codify Hera sustainable approach



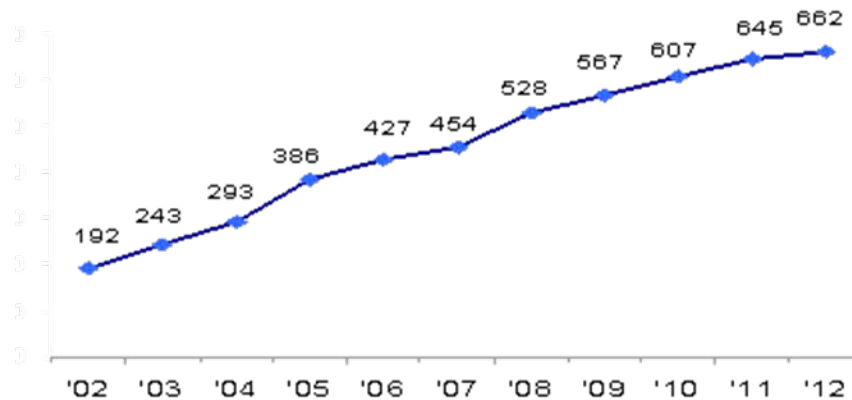
10Y persistent Ebitda growth in all core business

	Market positions	2012 Group Ebitda: 662m€	Ebitda growth 2002-2012
WASTE	Italian leader	<ul style="list-style-type: none"> 72% Liberalised (W. treatment) 28% regulated (W. collection) 	<p>+12% cagr → 202</p> <p>* Normalised and adjusted OPB contracts</p>
NETWORK	2° Water player 3° Gas distributor	<ul style="list-style-type: none"> 100% regulated 	<p>+10% cagr → 310</p>
ENERGY	4th gas supplier Top 8 Elec. supplier	<ul style="list-style-type: none"> 100% liberalised 	<p>+26% cagr → 151</p>
GROUP	Top multi-utility 2.2 b€ market cap 8,000 employees	<ul style="list-style-type: none"> 46% liberalised 54% regulated 	<p>+13% cagr → 662</p>

10Y Ebitda growth investing in renewables

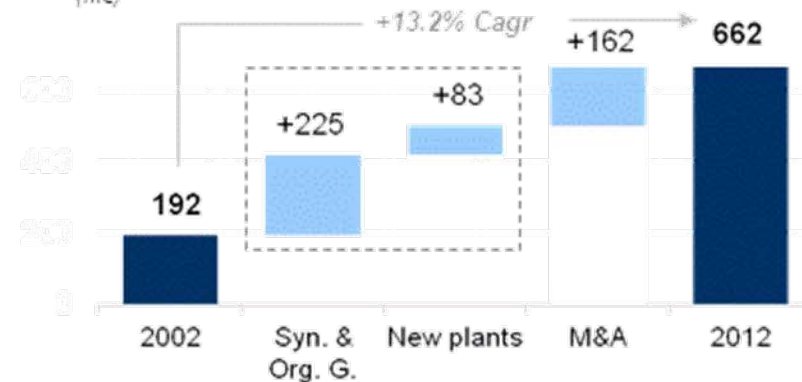
Un-interrupted growth of Ebitda

(m€)



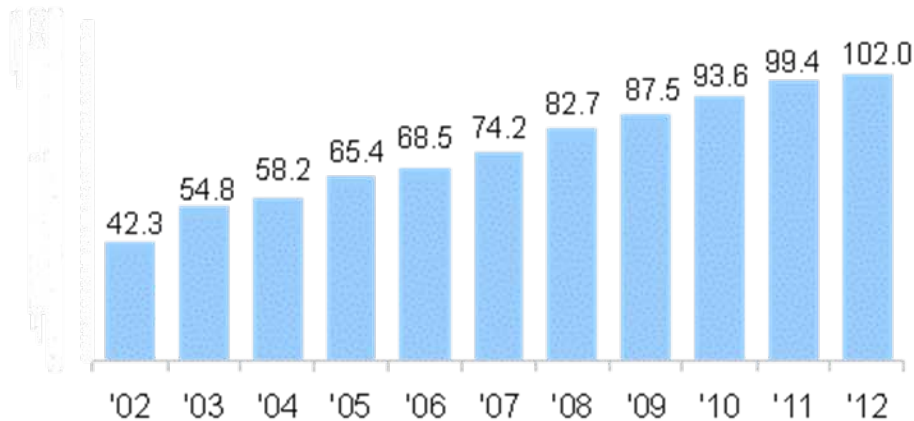
Ebitda growth drivers: 2/3rd internal

(m€)



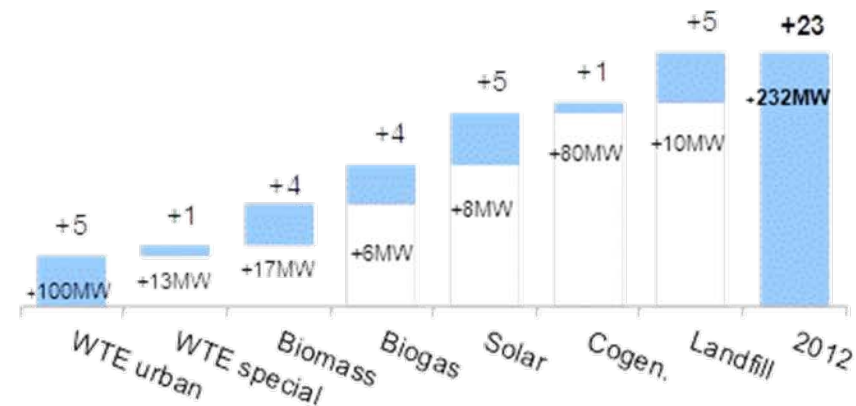
Ebitda per employ

(€ '000)



New "green" Plants developed

(units)



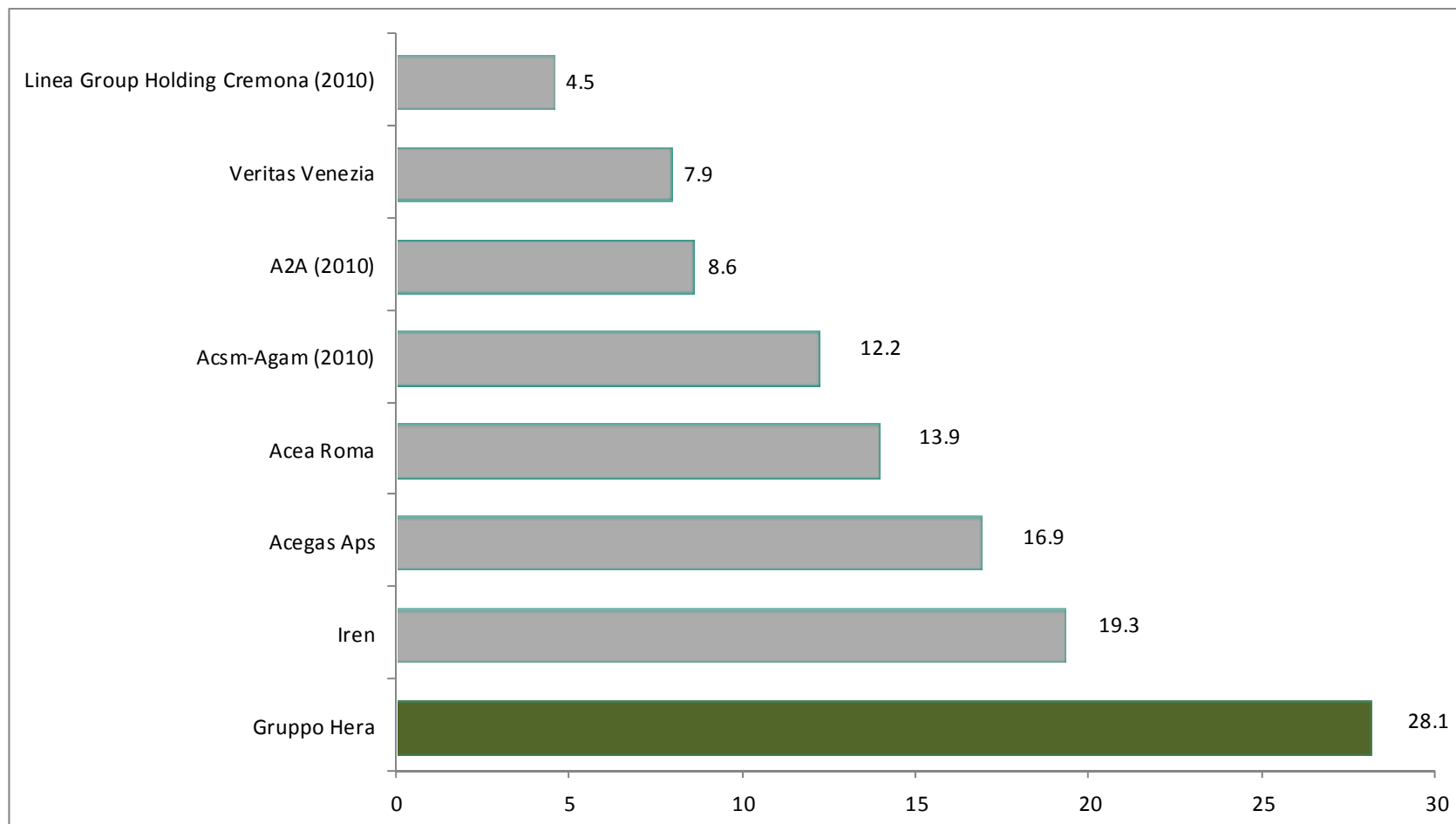


Some KPI benchmark

Employees: First in class for “investing in people”

Professional training in the main Italian utility companies

(Per capita training hours in 2011)

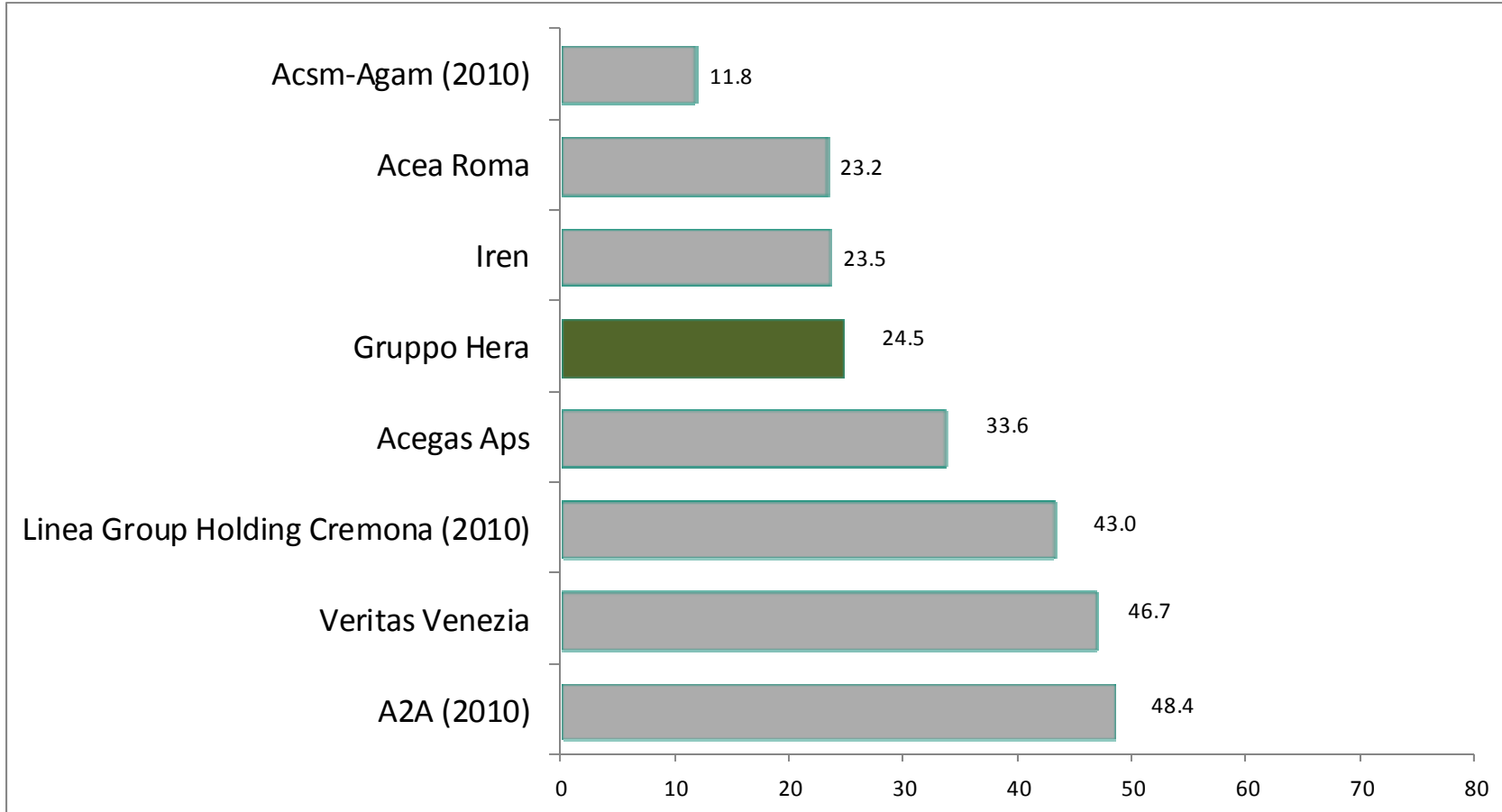


Employees: Top ranked in “safeguarding people’s health”



Accident indices

(data referring to 2011)

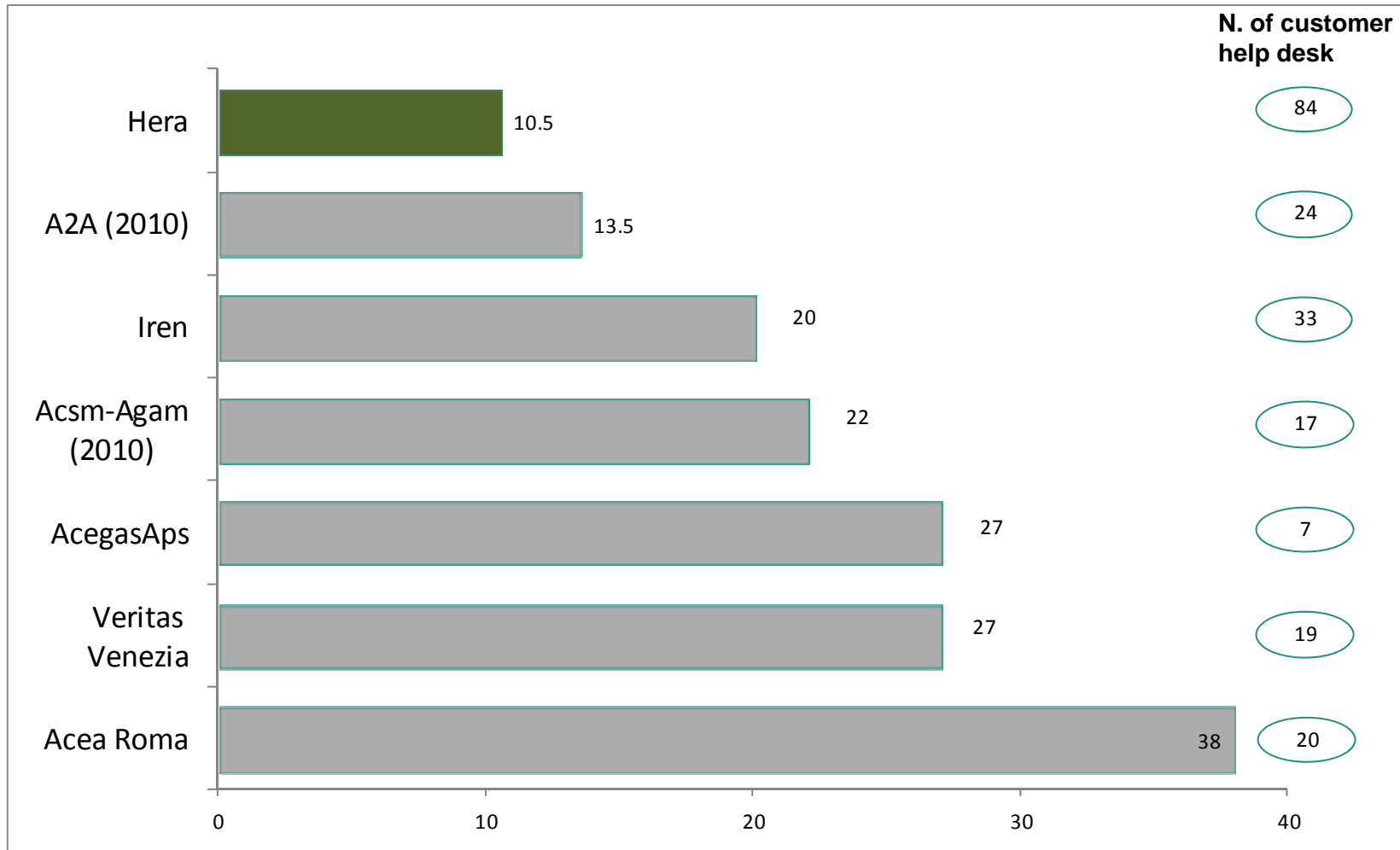


Customers: First ranked customer service



Waiting time at the customer help desk

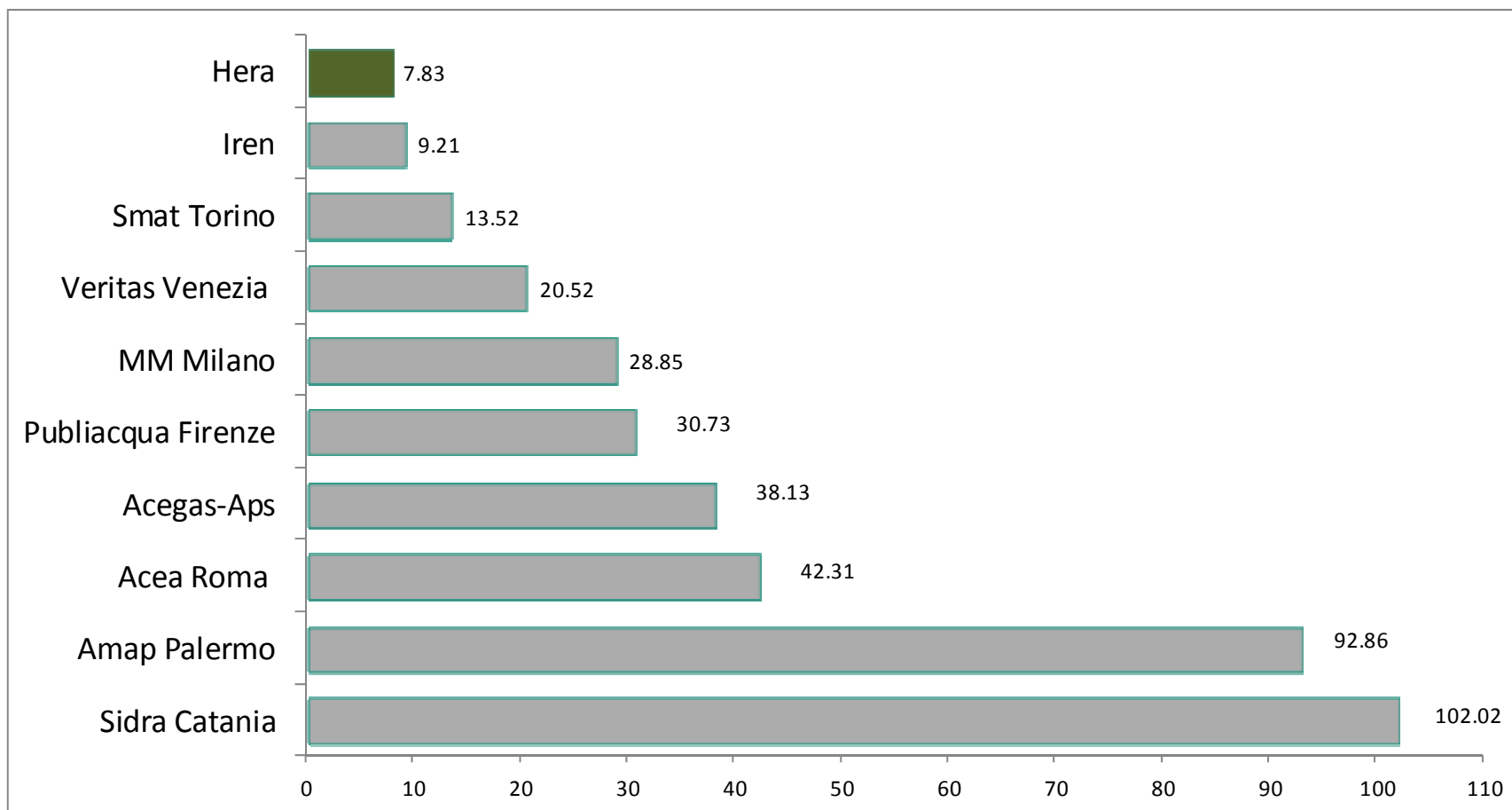
(waiting time in minutes/n. of shops)



Environment: First ranked in water network efficiency

Non-invoiced water

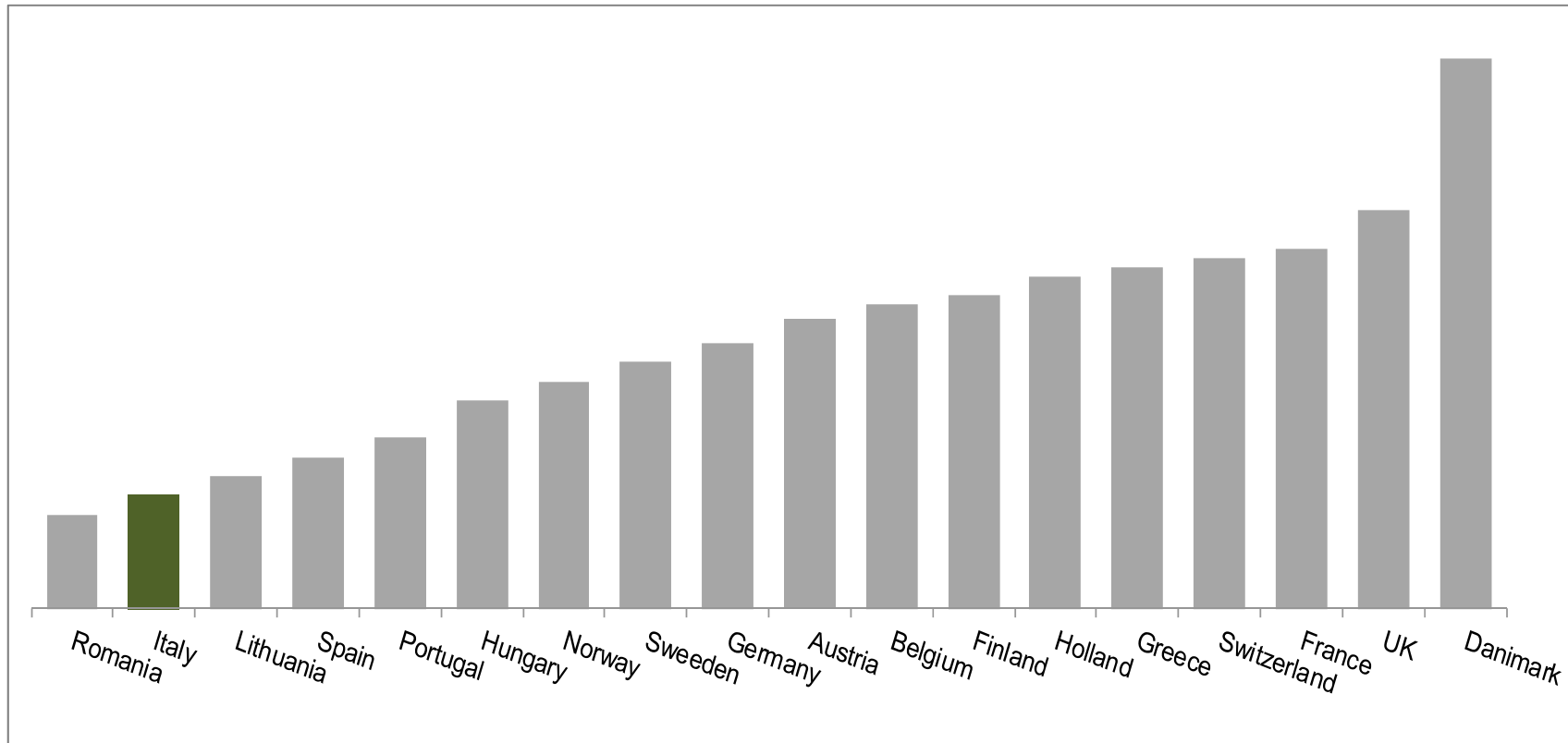
(mc/km/day on 2011)



Environment: “Sustainability” is efficient and does not mean higher cost

Water service bill

Total avg cost per user (€/200m³)

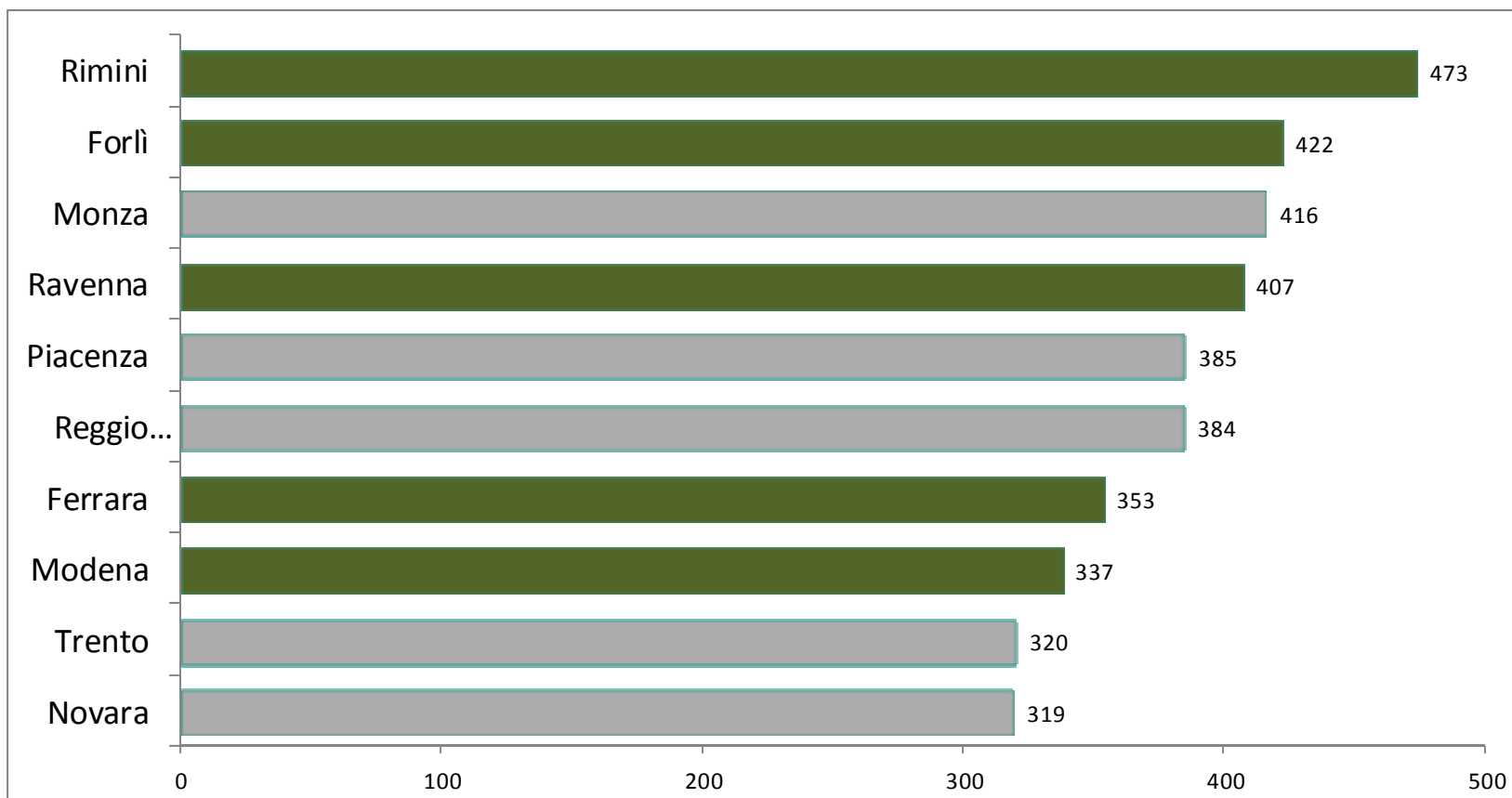


source: AEEG on data supplied by Massarutto -2011

Environment: TOP ranking of Italian cities in sorted collection

Sorted waste collection in Italy

Per capita sorted collection in Italy (kg - 2011)

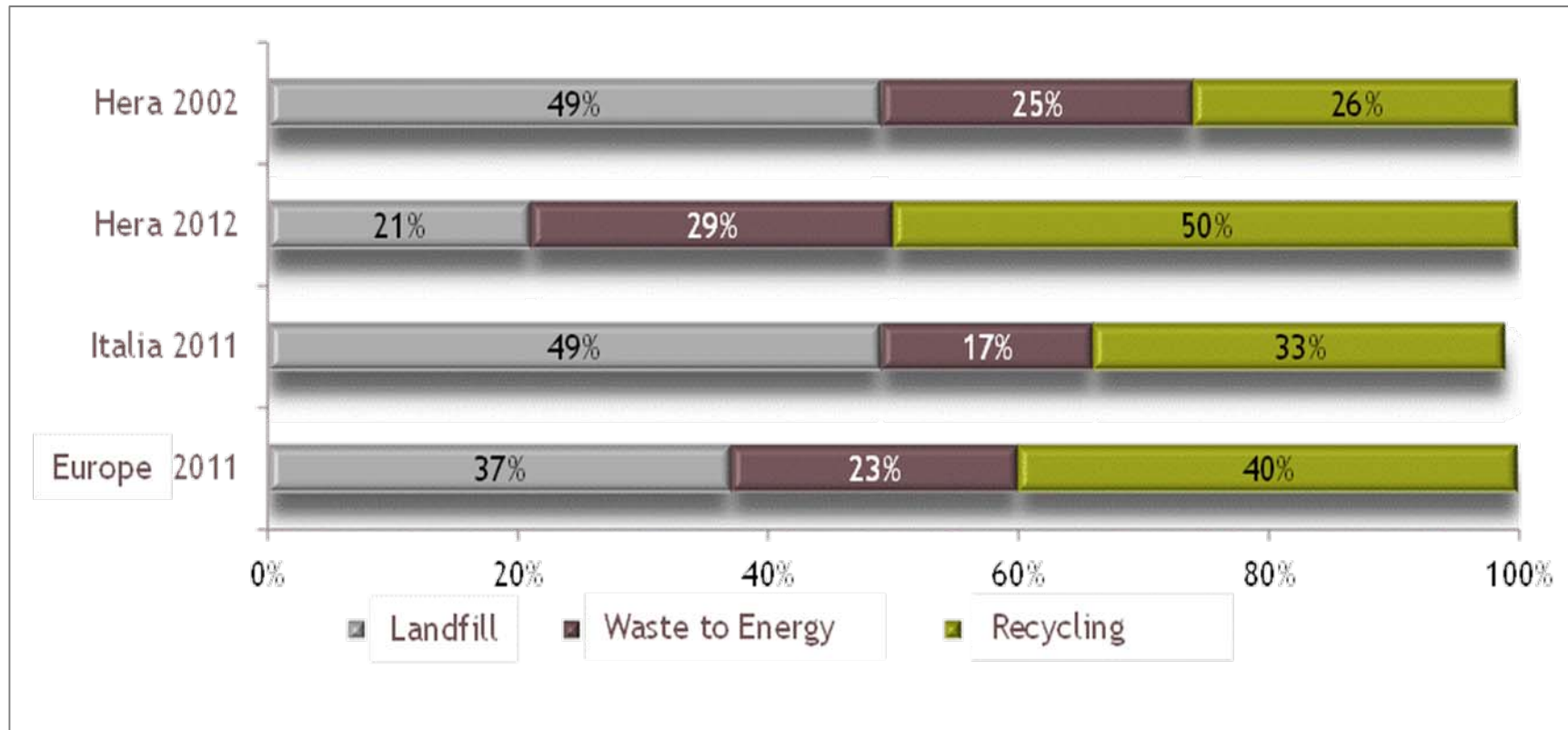


Source: data from Legambiente and Ecosistema Urbano 2012

Environment: TOP ranking in Europe of Hera Waste management



Waste treatment mix

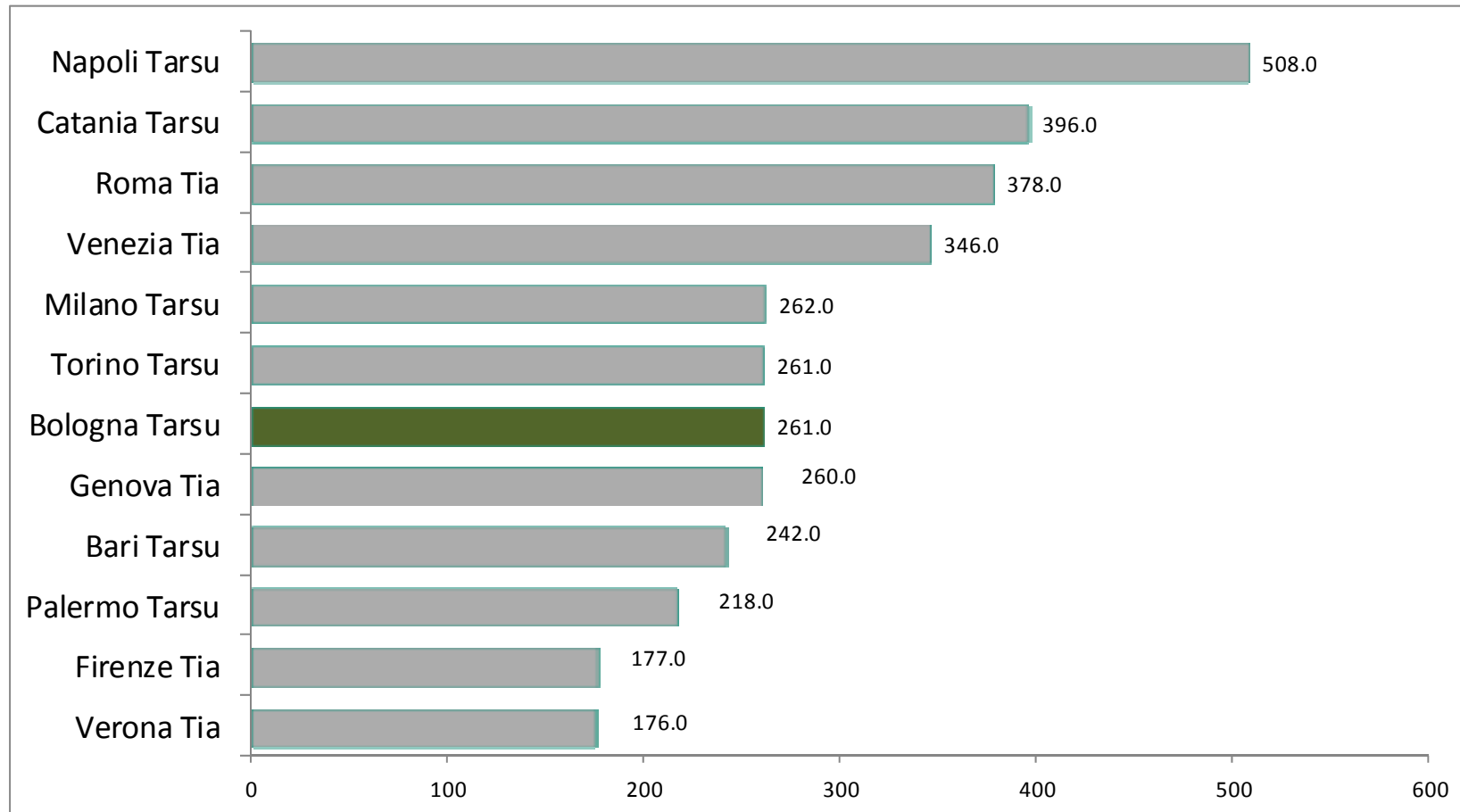


Environment: “Sustainability” is efficient and does not mean higher cost



Costs for urban waste services in Italy

Total cost per user in cities with over 250,000 residents (3 family members living in a 100 m² flat, euro)



Source: 2012 waste dossier - Cittadinanzattiva

VIDEO PROJECTION *(4 minutes)*



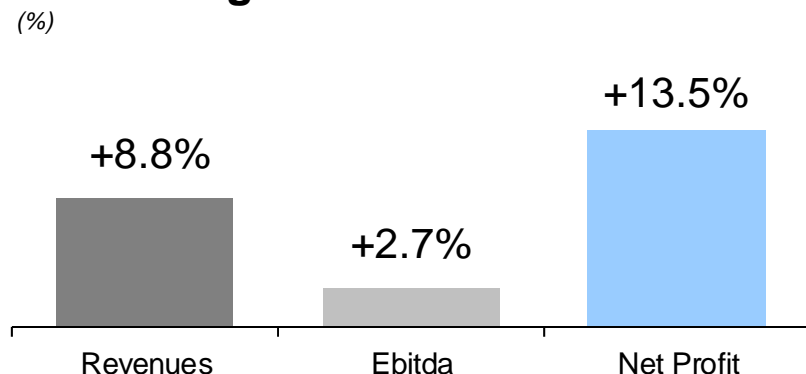
Hera 10Y of Hera Sustainable track record



Hera last reports (2012 & Q1'13)

2012 and Q1 2013 results at a Glance

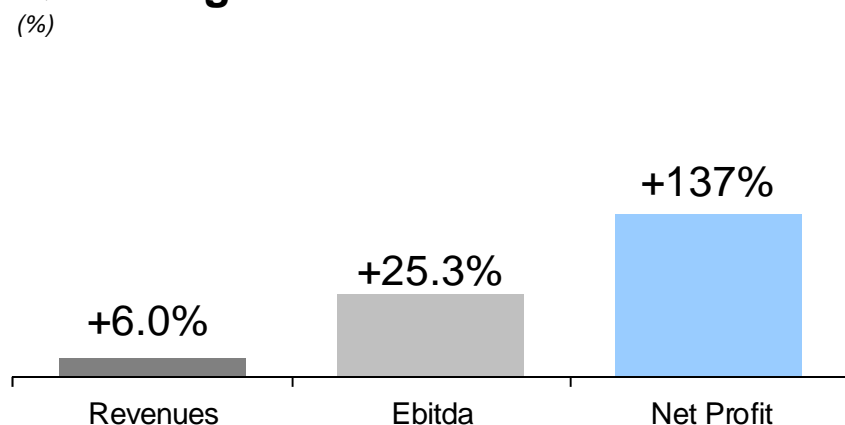
2012 YoY growth rates



'12 **Positive growth** despite recession scenario, underpinned by enhancement in gas and water.

Financial soundness confirmed: Debt at 2.2b€, and D/Ebitda at 3.35x, prior normalization for M&A.

Q1 2013 growth rates



All main financial figures affected by the **Acegas Aps consolidation** in Q1 '13 (42m€ Ebitda; +19%) and by the **organic growth** of Hera (+15m€ Ebitda; +7%).

Positive cash generation **reduced financial debts to 2,612m€ from 2,686m€** (Hera and Acegas combined as at 31/12/2012).

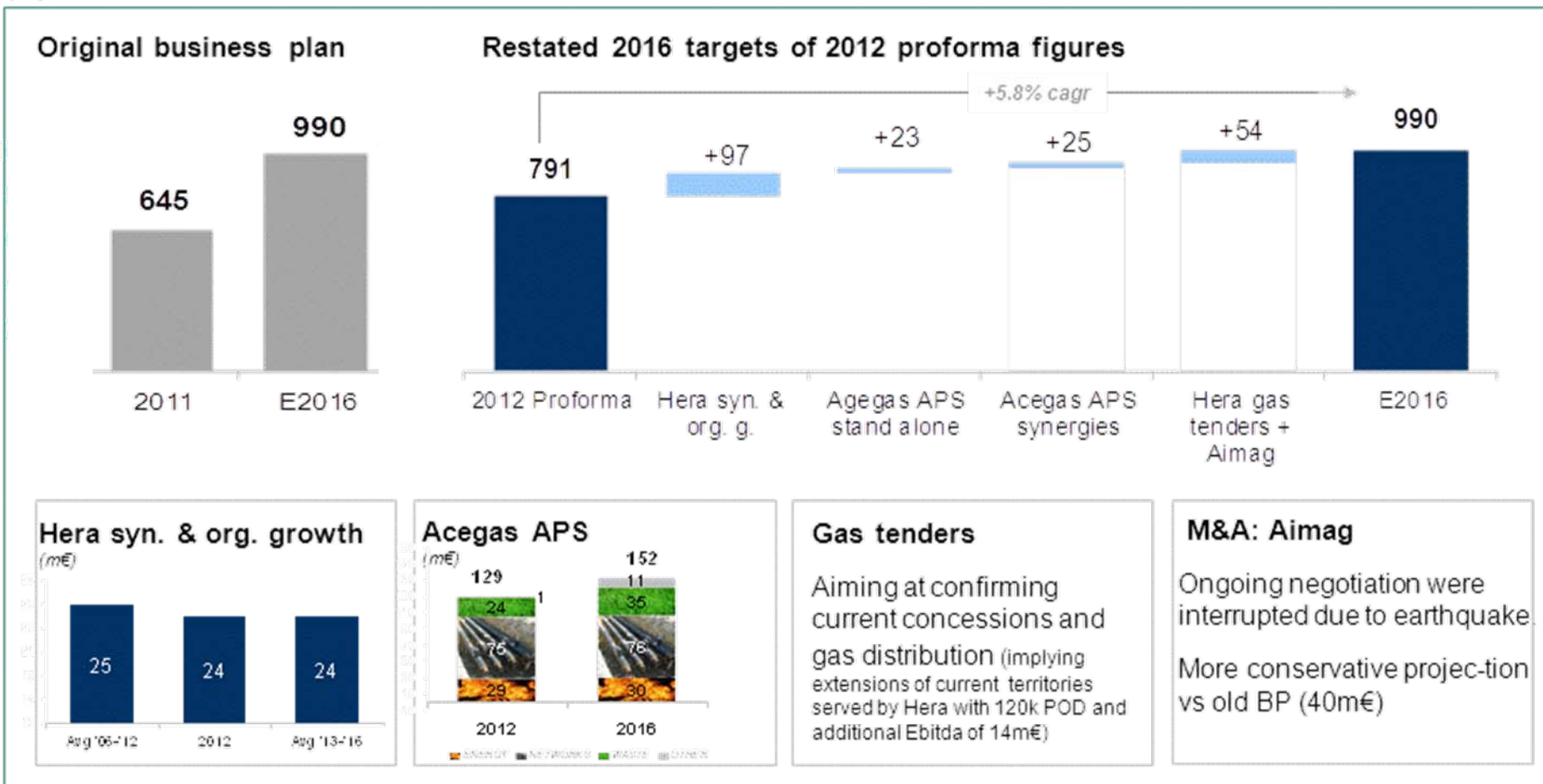


Hera last business plan (up to 2016)

EBITDA growth leveraging upon “all” drivers

Next 5Y Ebitda Target

(m€)



EBIT CAGR expected to grow at +10% on average per annum

Overview on Ebitda growth by strategic areas

Ebitda growth drivers

(m€)

Restated 2016 targets of 2012 proforma figures

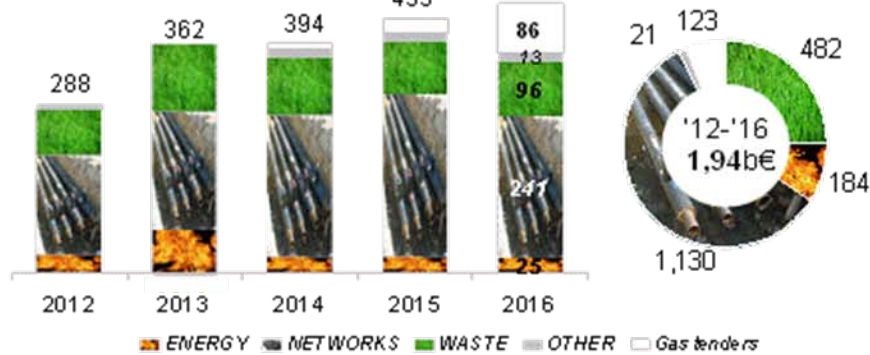


Capital expenditures

2012-2016 capex plan by business (m€)

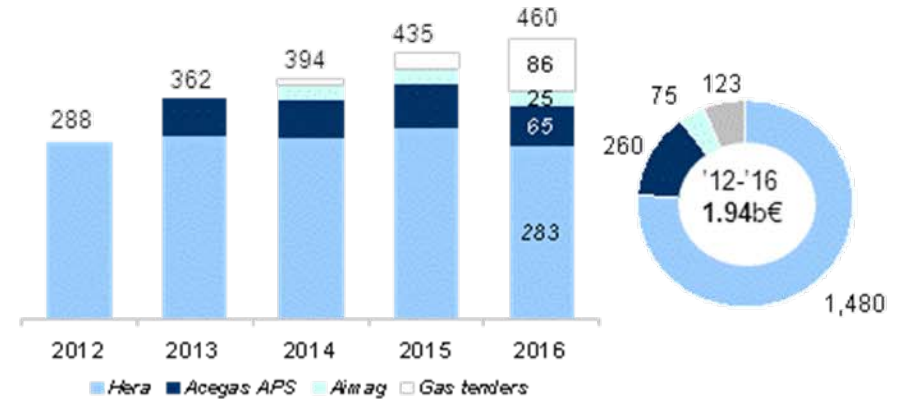
(m€)

Total Capex: 1.94b€



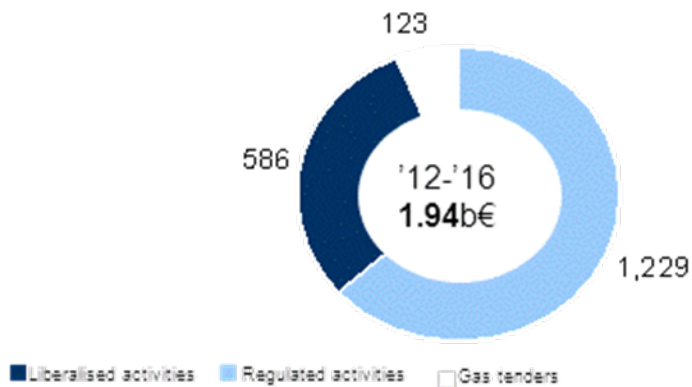
Capex plan by legal entity (m€)

(m€)



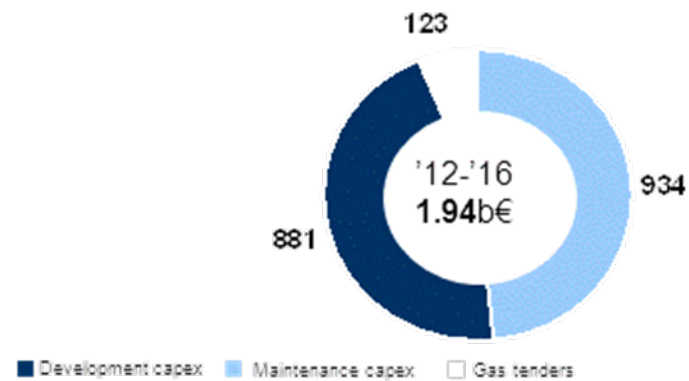
Capex by regulated/liberalised activities (m€)

(m€)



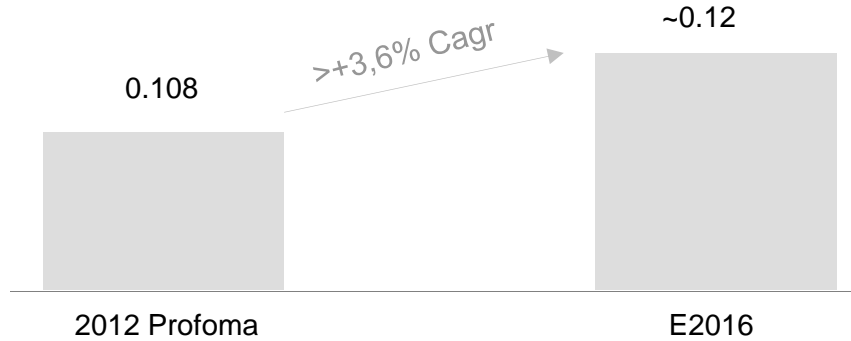
Development capex plan (m€)

(m€)

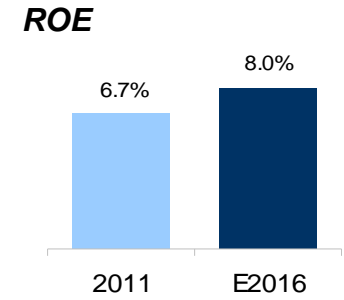
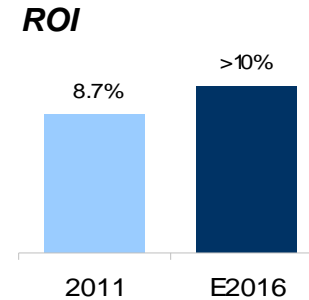


Enhance financial performance

EPS Cagr
(€)



Financial returns
(%, b€)

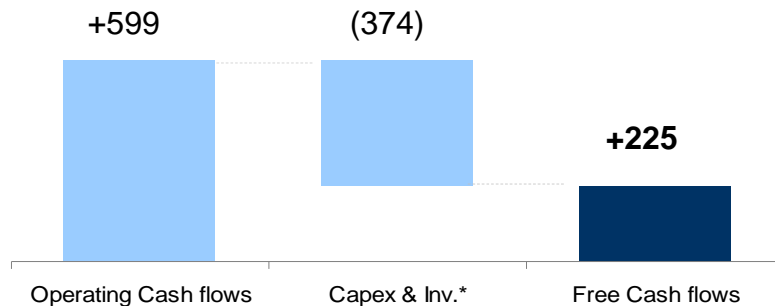


NIC** 3.9 5.3

Equity 1.9 2.7

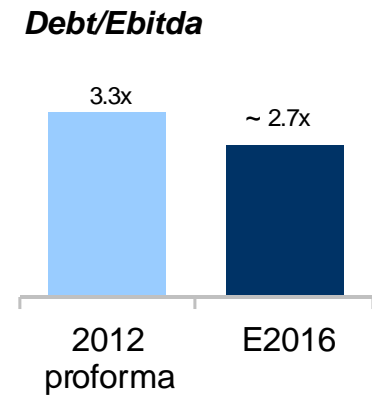
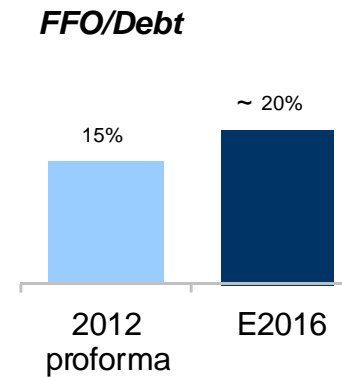
**NIC: Net Invested Capital

E2016 Cash flows
(m€)



* Excluding Hera gas tenders extraordinary expenditures

Financial ratios



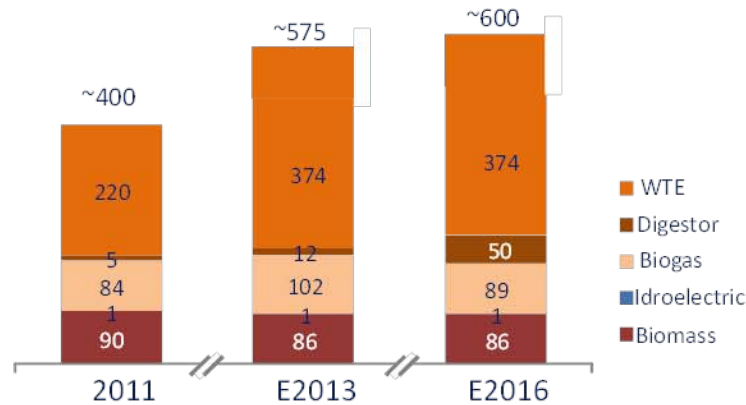
Convertible bond assumed re-placed by debt

Dividend policy: DPS floor at 9 Euro cent per annum

Enhance performance sustainability

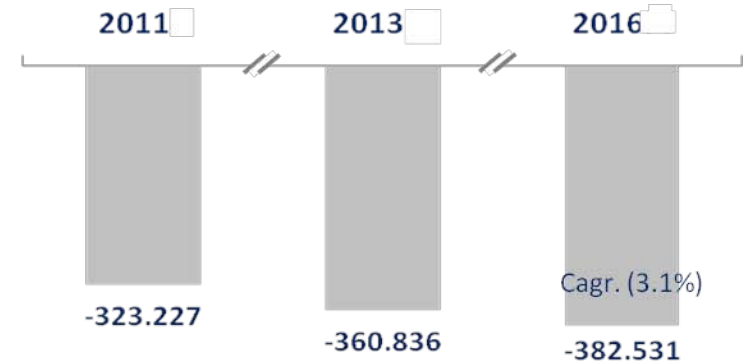
Electricity production: +50% renewable

(GWh/e)



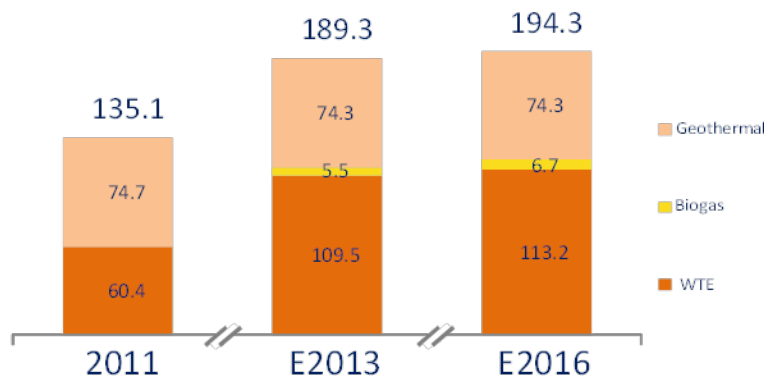
CO₂ emission avoided*: +20% reduction

(ton)



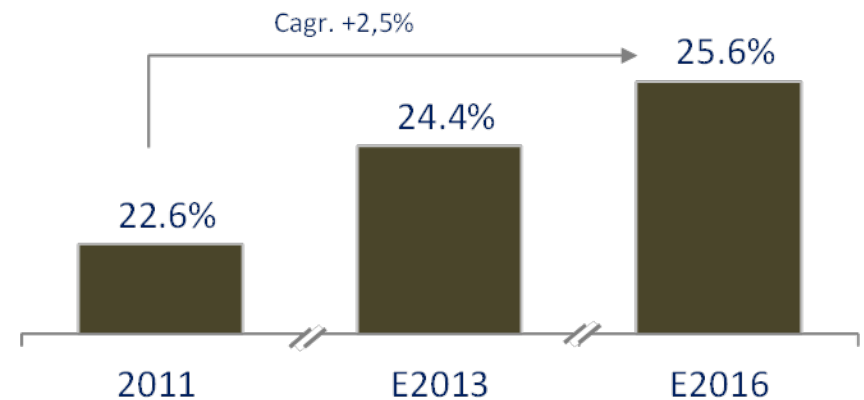
Thermal energy production: +50% renewable*

(GWh/t)



Low emission vehicles*: Enhancement progress

(% of fleets)



* Hera stand alone



Award related to :
»Sulle tracce dei rifiuti»



Award from President
of the Italian Republic



Italy-China 2012
Sustainable project



Award related to :
»regala un albero»



Award related to :
»RAEE in jail»

- > **Leading sustainable Italian multi-utility company**
- > **Best in class in “not wasting waste and water”**
- > **“Green” Electricity player with 72% of Energy production from renewables**
- > **Best governance among Italian peers**
- > **10Y “ever green” KPIs and financials**
- > **Aiming at further contributing to “a better world”**

Closing remarks: Who is Hera