PRESS
RELEASE

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TERNA: FINALISED THE SALE OF 144MWp OF SOLAR PLANTS FOR A TOTAL ENTERPRISE VALUE OF 641 MILLION EURO

- *Rete Rinnovabile S.r.l. to the private equity Terra Firma, for a total Enterprise Value of 641 million euro*
- *Overall net proceeds of about 204 million euro*

Rome, March 31 2011 – Today, in executing the agreement ("Agreement") signed on October 18, 2010 between Terna S.p.A. ("Terna"), SunTergrid S.p.A. ("SunTergrid") and Terra Firma Investments (GP) 3 Limited (the "Acquirer") – company wholly controlled by Terra Firma Capital Partners III, L.P. ("Terra Firma"), it was finalized the transfer of 100% of the shares of Rete Rinnovabile S.r.l. ("RTR Srl"), a company operating in the photovoltaic (PV) business and wholly controlled by Terna through SunTergrid.

RTR Srl owns 62 PV plants, located in 11 Italian regions, for a total generation capacity of 143.7MWp, of which 101.6 MWp will benefit from 2010 *Conto Energia* Feed-in-Tariff and the remaining 42.1MWp from 1Q11 *Conto Energia* Feed-in-Tariff.

The Enterprise Value of the transaction is equal to 641 million euro, equivalent to a average EV/MWp of 4.46 million euro.

The sale of RTR Srl generated overall net proceeds of about 204 million euro. The impact on 2010 consolidated net income stands at 147 million euro, considering the margin on the construction contract based on the stage of completion of the contract activity at the balance sheet date[1]. The difference will be allocated in 2011.

According to multi-annual contracts defined in the context of the transaction, Terna - further than the land leasing - will provide RTR Srl with services regarding the maintenance, surveillance and monitoring of the plants. At the expiring of each land leasing contract, Terna will regain the possession of the areas.

Through the sale, there will be a reduction in the effective net financial debt from continuing operations of the group of over 200 million euro.

The proceeds from the transaction will be partly re-invested during 2011 to develop the second tranche of PV projects and will partly integrate the dividend policy, as announced to the market on February 14, 2011.

This transaction does not represent a significant transaction, in compliance with the provisions of art. 71 of the Regulations adopted with Consob Resolution n. 11971/99 and subsequent amendments.

In this release, some "alternative performance indicators" were used, whose meaning and contents are explained below pursuant to CESR/05-178b recommendation published on November 3, 2005:
- **Enterprise Value**: a measure of a company's value, calculated as market capitalization plus debt.
- **Net financial debt**: represents an indicator of the company's own financial structure; it is calculated according to the short and long term financial debt and relative derivatives, net of cash and cash equivalents and of financial assets.

[1] According to IAS 11 accounting principle