

TERNA: BOARD APPROVES RESULTS AS OF JUNE 30, 2009

Revenues at 656.4 million euros (574.3 million in 1H08*, +14.3%)
Ebitda at 507 million euros (409.4 million in 1H08*, +23.8%)
Ebit at 363 million euros (288.5 million in 1H08*, +25.8%)
Group's Net income at 207.5 million euros (205.5 million in 1H08*, +1%)
Investments at 374.6 million euros

Rome, July 28, 2009 – Chief Executive Officer Flavio Cattaneo presented the results for the first half of 2009, which were examined and approved by TERNA SpA's Board of Directors that met today chaired by Luigi Roth.

CONSOLIDATED FINANCIAL RESULTS¹

Million euros	1 H 2009	1 H 2008*	Change %
Revenues	656.4	574.3	14.3%
Ebitda (Gross operating margin)	507	409.4	23.8%
Ebit (Operating income)	363	288.5	25.8%
Group's Net income	207.5	205.5	+1%

* With reference to the economic balances for the first half of 2008, these were re-calculated considering the re-classification of the Brazilian activities as "Discontinued Operations"

CEO, Flavio Cattaneo, remarked: *"Interim results reported positive performances, despite the general economic decline. These performances make us confident that full-year results shall be in line with our expectations, and with a good acceleration in capex".*

FOREWORD

The Group's Financial Report for the first half of 2009 ending on June 30, 2009 was drawn up according to the provisions of Art.154-ter of Legislative Decree 58/98 introduced by Legislative Decree No. 195 dated November 6, 2007 (known as the "Transparency Decree").

CONSOLIDATED FINANCIAL RESULTS – FIRST HALF OF 2009

Revenues for the first half of 2009, equal to 656.4 million euros (625.9 million euros for the Parent Company and 30.5 million euros for the subsidiary Terna Linee Alta Tensione S.r.l., "TELAT"), increased by 14.3% (approximately 82 million euros) compared to 574.3 for the same period in 2008. This increase was mainly due to higher Grid Fees (equal to +55.5 million euros) attributable to the Parent Company for 26.1 million euros, essentially owing to the tariff review for 2009 (Resolution No. 188/08), that also introduced the mitigation mechanism on volumes, neutralizing up to a range of +/-0.5% the effects of the volumes, and to the contribution of the subsidiary TELAT for 29.4 million euros, relative to the Grid Fee in the second quarter of 2009.

Operating Costs, equal to 149.4 million euros as of June 30, 2009 (147.4 million euros for the Parent Company) were reduced compared to the same period last year by 15.5 million euros (- 9.4 %), mainly due to lower Personnel costs, due to a partial release of the Energy Discount Fund (- 26.8 million), following the re-calculation of the number of retirees entitled for this benefit.

The **Ebitda** (Gross Operating Margin) stood at 507 million euros increasing by approximately 98 million euros compared to the data for the first half of 2008 (+23.8 %). TELAT contributed for 28.5

million euros relative to the second quarter of 2009. The **Ebitda margin** stood at 77.2%, increasing compared to 71.3% of the first half of 2008.

Depreciation in the period rose by 23.1 million euros, attributable to the Parent Company (12.3 million euros), mainly for the entrance in operation of new plants and to the subsidiary TELAT for 10.8 million euros.

The **Ebit** (Operating Income) equaled 363 million euros, increasing by approximately 26% compared to 288.5 million euros of the same period in 2008.

Net financial charges for the period equaled 87.2 million euros, entirely based on the Parent Company and registered a substantial increase compared to 4.8 million registered during the same period of last year, essentially attributable to the occurrence - during the first half of the previous year - of proceeds on derivatives for 52 million euros as well as to a greater average net debt.

Income taxes for the period equaled 98.7 million euros (-8.7 million euros of which for net deferred taxes of the Parent Company) and are substantially unvaried compared to the first half of 2008. The tax percentage on results before taxes was equal to 35.8%.

The **Group's Net Income**, including the results of sales activities, namely the Brazilian subsidiaries (equal to 42.6 million euros), after Minority interests (equal to 12.2 million euros), equaled approximately 208 million euros, increasing compared to 205.5 million euros of the same period in 2008 (+1%).

The consolidated balance sheet as of June 30, 2009 registered a **Net Shareholders' Equity** equal to 2,196.9 million euros, of which as Group Shareholders' Equity equal to 2,082.4 million euros (compared to 2,163.7 million euros as of December 31, 2008, of which 2,076.8 million euros of the Group).

Net financial debt for Terna and its Italian subsidiaries equaled 4,265.8 million euros (actual 4,076.5 million euros, if the loan granted by Terna Spa to Terna Participações is considered). The debt increase was the consequence of the acquisition of Elat (for 1,152 million euros), not yet offset by the debt reduction, expected to be equal to 1,140 million euros, relative to the sale of the Brazilian activities to be finalized during this year's fourth quarter. The **debt/equity ratio** (actual financial debt net of continued activities/Group's net total shareholders' equity) as of June 30, 2009 equaled 1.96.

Total investments for the Group relative to continued activities in the first half of 2009 equaled 374.6 million euros, increasing by 13% compared to the first half of 2008. **Investments for the development** and the safety of the **National Transmission Grid** equaled 240 million euros.

Headcount of the Group, at the end of June 2009, totaled 3,734 employees (208 of which working in the Brazilian subsidiaries) increased by 28 employees compared to June 30, 2008.

FOCUS ON THE ENERGY SYSTEM

GWh (Gigawatt/hour)	1 H 09	1 H 08	%
Net production	134,712	153,231	- 12.1%
of which intended for pumping	2,947	3,752	- 21.4%
Import/export balance	23,918	20,772	+ 15.14%
Italy's demand	155,683	170,252	- 8.6%

Highest peak of electricity consumption: January 13, 2009 with a 50,220 Megawatt demand, decreased by 9.2% compared to the peak demand in the first half of 2008.

Implementation of the National Transmission Grid's Development Plan

The main projects implemented in this period were:

- **Submarine connection between Sardinia and the Mainland – SAPEI:** the civil engineering works and the building of the structures that will host the high tech electricity apparatus have been completed while testing is in progress that will allow the first of the two poles to enter into operation during the second half of 2009.
- **380 kV “Casellina – Tavaruzze – S. Barbara” (FI) power line:** work in progress in the final phase
- **Upgrading the Val D'Ossola (Piedmont) grid:** work in progress in the final phase
- **380 kV “Sorgente-Rizziconi” power line:** building sites have opened for the cable and the two stations in Scilla and Villafranca.
- **Connection stations for renewable sources plants:** building sites have opened for the stations located in the municipalities of Turano, Maida, Bisaccia and S. Severo

In the first 6 months of 2009, 14 authorization procedures were completed, 10 of which for projects included in the Development Plan. During the same period, 16 procedures were begun, 10 of which for projects included in the Development Plan.

TERNA continued its coordination activity with territorial authorities to favor local acceptance of the electricity grid's development measures by signing various National Agreements. These include the Memorandum of Understanding with the Campania Regional Authorities and the Province of Naples for upgrading the 220 kV grid in Naples, the Memorandum of Understanding with the Piedmont Regional Authorities for the feasibility of the new 380 kV Trino (VC)-Lacchiarella (MI) power line, the Memorandum of Understanding with the Piedmont Regional Authorities and the City of Turin for upgrading the 220 kV electricity grid in Turin.

SIGNIFICANT EVENTS OCCURRED DURING THE FIRST HALF OF 2009

Loan with Cassa Depositi e Prestiti SpA

On February 2, 2009, TERNA signed with its majority shareholder Cassa Depositi e Prestiti SpA (“CDP”) a loan for a total maximum amount of 500 million euros, disbursable in various installments, for the maximum duration of ten years and repayable upon maturity in a single installment.

The interest rate applicable to the funds disbursed each time will be calculated on the basis of the inter-bank rate (Euribor), increased by CDP's own funding cost, plus a margin applied by CDP equal to 70 basis points.

Finalizing the acquisition of Enel Linee Alta Tensione

On April 1, 2009, in compliance with the agreement signed on December 19, 2008, Enel Distribuzione transferred to Terna the entire capital of Enel Linee Alta Tensione Srl ("ELAT"), to whom it had transferred (effective as of January 1, 2009) a company branch formed by 18,583 kilometers of HV lines and by the relative legal obligations. On the same date, ELAT's Extraordinary Shareholders' Meeting resolved, among other, to change its corporate name to "Terna Linee Alta Tensione S.r.l." ("TELAT").

The consideration for the transaction equaled 1,152 million euros, was fully paid at the closing and will be subject to an adjustment on the basis of the variation occurring in TELAT's net shareholders' equity as of the date of transfer. For Terna, the acquisition involved a growth of approximately 43% in terms of total kilometers of lines and of 18% in terms of Regulated Asset Base (RAB). The transaction was finalized following the occurrence of the conditions the Contract's effectiveness was subject to, particularly, obtaining authorization from the Antitrust Authority, the inclusion on the part of the Authorities responsible for HV lines into the National Transmission Grid and the issuance of a provision on the part of the AEEG that recognized TELAT the tariff revenue relative to this particular company branch.

Establishing the ELMED Etudes SARL company

On April 20, 2009, in compliance with the inter-ministerial agreements between Italy and Tunisia, the Tunisian company "ELMED Etudes SARL" was established, a Tunisian limited liability company with equally owned shares between Terna and STEG (Société Tunisienne de l'Electricité et du Gaz). The main purpose of the company is to carry out preliminary studies and to assist the Tunisian government for tendering an electricity production hub in Tunisia, that is functional to the interconnection project between Italy and Tunisia.

Agreement for selling 66% of Terna Participações' capital

On April 24, 2009, Terna SpA, Cemig Geração e Transmissão S.A. – a company entirely owned by Companhia Energética de Minas Gerais ("Cemig") - and Cemig (as guarantor) signed an agreement for transferring the shares (equal to 173,527,113 ordinary shares), representing approximately 85.27% of the voting capital and approximately 65.86% of the share capital of Terna Participações S.A, the Brazilian company listed in the San Paolo stock exchange.

The consideration for the acquisition of each share equaled 13.43 reais (approximately 4.66 euros), that amounted for all shares, to 2,330 million reais (equaling approximately 809 million euros as of April 24). The consideration for the acquisition of a share deposit certificate (representing one ordinary share and two preferred shares) was equal to 40.29 reais (approximately 13.99 euros). Price adjustment mechanisms are envisaged in case of dividend payments. At the closing, all the intercompany relations between Terna Participações and Terna will terminate. The transaction, already ratified by Cemig's Shareholders' Meeting, must be approved by the local regulatory Authority (ANEEL, Agência Nacional de Energia Elétrica), within 12 months. As envisaged by the Brazilian law and by the By-laws of Terna Participações, transferring shares from Terna to the Buyer makes it mandatory for the Buyer to launch a tender offer for acquiring the remaining shares of Terna Participações, at the same price per share which was paid to Terna.

EMTN: "private placement" issuance for 600 million euros with 10 year maturity

Terna S.p.A. Issued a fixed rate private placement bond for a nominal value of 600 million euros.

The ten year bond expiring on October 3, 2019, issued at an all in price of 98.785%, offers an annual coupon of 4.875%, corresponding to a spread of 128 basis points over the six month Euribor rate.

The issuance took place as part of the Euro Medium Term Notes (EMTN) program, and was listed at the Luxembourg Stock Exchange on July 10, 2009. BNP Paribas and Deutsche Bank had the role of joint bookrunners in the transaction. The transaction is aimed at financing investments for grid development as envisaged in the Company's Strategic Plan.

SIGNIFICANT EVENTS OCCURRED AFTER JUNE 30, 2009

Sustainability projects and research on hydroelectric sources

The Parent Company, in order to use and protect its assets at the best and to maximize their profitability, has chosen its subsidiary inTERNAtional S.p.A, recently renamed Sungrid S.p.A ("Sungrid"), to undertake building and management activity of small sized photovoltaic plants, in the areas of the substations owned by Terna, that are currently free and available. A European tender will shortly be published for the selection of suppliers.

The company structure, that could eventually be sold to third parties, meets both the operating and economic unbundling requirements from the Parent Company, and is compliant with TERNA S.p.A's concession and By-laws, as well as with the terms envisaged by Legislative Decree 79/99 (known as the "Bersani Decree").

Also, in order to improve the management of dispatching activity from non programmable renewable sources, and in agreement with the Authority, Terna has initiated a study to identify the opportunity for developing pumping basins and for technologies for energy accumulation in central and southern Italy.

BUSINESS OUTLOOK

During the second half of the year, a substantial stability of the EBITDA margin is expected compared to the first half of the year - without considering the impact on costs from releasing the Energy Discount Fund - thanks to the estimated increased revenues that will offset higher operating costs. A constant trend in revenues for the Parent Company is expected, but results will be improved thanks to the full contribution of the subsidiary TELAT that has been consolidated as of April 2009. With respect to costs, however, the increase will be mostly linked to, as for the relative revenues to TELAT's full contribution, the operation and maintenance activity on the plants that is usually concentrated during the summer months. Such increase will also be affected by the trend of personnel costs influenced by the rise in unit costs and average number. Depreciations are also expected to increase based on the entrance into operation of new plants.

With regard to the financial management, during the second half of the year, a limited reduction of net financial charges is expected compared to the first half of the year owing to decreased interest rates. Moreover, if completed during the closing of this year, the sale of the Brazilian subsidiaries will lead to a significant capital gain, directly impacting the Group's results.

PAYMENT OF THE 2009 INTERIM DIVIDEND

During October 2009, the amount of the 2009 interim dividend will be announced. The interim dividend, gross of any withholdings in compliance with the law, will be paid as of November 27, 2009, following "registration date" of coupon n. 11 on November 24, 2009.

At 5:00 pm a conference call will be held to present the results of the first half of 2009 to financial analysts and institutional investors. Journalists are also invited to listen to the call. The support material for the conference call will be available in the website www.terna.it in the Investor Relations section, at the beginning of the conference call. In the same section it will also be possible to follow the presentation through audio webcasting.

The reclassified Income Statement, Balance Sheet and Statement of Cash Flows of the TERNA Group are attached.

With reference to the balances of the first half of 2008 of the attached reclassified charts, adjusted considering the reclassification of Brazilian activities as "Discontinued Operations", the items were recalculated that were affected by the application carried out by the Terna Group as of December 31, 2008 of the new version of the IAS 23-Financial Charges and of the consequences of the purchase price allocation, as established by the IFRS 3, relative to the foreign acquisitions definitively reported in the 2008 Financial Statements.

The above-mentioned documents are included in the Interim Report on Management that is part of the Half-Year Report as of June 30, 2009 and are not subject to auditing on the part of the auditing company. These documents were however reconciled with those included in the Consolidated Financial Statements as of June 30, 2009.

The Half-Year Report as of June 30, 2009, with the certification in compliance with art.154 bis paragraph 5 of Legislative Decree 58/98 (Consolidated Finance Act) and the report by the auditing firm will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A. and will be published in the website www.terna.it within August 29, 2009. A written report of such publication will be made.

In compliance with the existing Brazilian law, the results will be available and published in the websites of the Securities and Exchange Commission of Brazil (at the address www.cvm.gov.br) and of Terna's Brazilian subsidiary, Terna Participações (www.terna.com.br), regarding the first half of 2009 of Terna Participações itself and of its subsidiaries; these will be drafted according to the Brazilian accounting principles BR GAAP (and presented in the local currency)

The manager in charge of drawing up the company's accounting documents, Mr. Luciano di Bacco, declares pursuant to paragraph 2 of art. 154-bis of the Consolidated Finance Act that the accounting information included in this press release corresponds to the financial statements, books and accounting records.

1 In this release, some "alternative performance indicators" (Ebitda and Net financial debt) were used, whose meaning and contents are explained here below pursuant to CESR/05-178b recommendation published on November 3, 2005:

- Ebitda (Gross operating margin): represents an indicator of the operating performance; it is calculated by adding amortization to the Operating result (EBIT);

- Net financial debt: represents an indicator of the company's own financial structure; it is determined according to the short and long term financial debt and relative derivatives, net of cash and cash equivalents and of financial assets

Terna Group's Reclassified Income Statement

<i>In millions of euros</i>	First half year			
	2009	2008*	Change	%
Revenues:				
- Grid transmission fees (1)	574.5	519.0	55.5	10.7%
- Other energy items (1)	41.8	21.5	20.3	94.4%
- Other revenues from sales and services (1)	20.7	18.8	1.9	10.1%
- Other revenues and income	19.4	15.0	4.4	29.3%
Total revenues	656.4	574.3	82.1	14.3%
Operating expenses:				
- Personnel expenses (2)	73.8	98.5	-24.7	-25.1%
- Services and use of third party assets	56.4	53.2	3.2	6.0%
- Materials (2)	8.9	3.2	5.7	178.1%
- Other expenses (3)	10.3	10.0	0.3	3.0%
Total operating expenses	149.4	164.9	-15.5	-9.4%
GROSS OPERATING PROFIT (EBITDA)	507.0	409.4	97.6	23.8%
Amortization/Depreciation (4)	144.0	120.9	23.1	19.1%
OPERATING PROFIT (EBIT)	363.0	288.5	74.5	25.8%
- Net financial income (expense) (5)	-87.2	-4.8	-82.4	1,716.7%
PROFIT BEFORE TAXES	275.8	283.7	-7.9	-2.8%
- Income taxes for the period	98.7	100.5	-1.8	-1.8%
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	177.1	183.2	-6.1	-3.3%
Profit for the period from Discontinued Operations	42.6	33.9	8.7	25.7%
PROFIT FOR THE PERIOD	219.7	217.1	2.6	1.2%
- Attributable to the shareholders of the Parent	207.5	205.5	2.0	1.0%
- Attributable to minority interests	12.2	11.6	0.6	5.2%

* For data reconciliation as of June 30, 2008 please refer to the Interim Directors' Report of the Terna Group's Half-Year Report as of June 30, 2008.

In the half-year consolidated statements:

- (1) this figure is included under item "Revenues from sales and services";
- (2) including "Capitalised internal work" in the amount of € 29.0 million under *Personnel expenses* and € 10.7 million under *Materials*;
- (3) corresponds to "Other operating expenses" and "Amortization, depreciation and impairment losses" for the impairment (€ 2.8 million);
- (4) corresponds to "Amortization, depreciation and impairment losses" net of the impairment;
- (5) corresponds to the balance of the items described under points 1, 2, 3 of C- "Financial income/charges".

Terna Group's Reclassified Statement of financial position

<i>In millions of euros</i>	As of 30.06.2009	As of 31.12.2008*	Change
Net fixed assets			
- Intangible assets and goodwill	359.7	483.2	-123.5
- Property, plants and equipment	6,805.3	6,035.8	769.5
- Financial assets (1)	16.2	43.7	-27.5
Total	7,181.2	6,562.7	618.5
Net Working Capital			
- Trade receivables	1,139.7	1,730.4	-590.7
- Inventories	11.8	17.7	-5.9
- Other assets (2)	22.1	26.6	-4.5
- Trade payables	1,546.4	1,880.6	-334.2
- Net tax liabilities (3)	63.0	-11.9	74.9
- Other liabilities (4)	293.0	514.2	-221.2
Total	-728.8	-608.2	-120.6
Gross capital employed	6,452.4	5,954.5	497.9
Sundry provisions (5)	617.2	425.0	192.2
Net capital employed from continuing operations	5,835.2	5,529.5	305.7
Net capital employed from discontinued operations	877.3	0.0	877.3
TOTAL NET CAPITAL EMPLOYED	6,712.5	5,529.5	1,183.0
Equity attributable to the shareholders of the Parent	2,082.4	2,076.8	5.6
Equity attributable to minority interests	114.5	86.9	27.6
Net financial debt of continuing operations:(6)	4,265.8	3,365.8	900.0
- Loans to Terna Participações	189.3		
- Actual Net financial debt of continuing operations	4,076.5	3,365.8	710.7
Net financial debt of discontinued operations	249.8	0.0	249.8
TOTAL NET FINANCIAL DEBT	4,515.6	3,365.8	1,149.8
Total	6,712.5	5,529.5	1,183.0

* For data reconciliation as of December 31, 2008 please refer to the Report on Management of the 2008 Annual Report of the Terna Group.

In the consolidated half-year statements, these correspond to:

- (1) The items "Equity-accounted investees" and "Other non-current assets";
- (2) The items "Other current assets" net of other tax receivables (€10.5 million) and "Current financial assets";
- (3) The items "Tax assets", "Other current assets" for the value of other tax receivables (€10.5 million), "Other current liabilities" for the value other tax payables (€53.8 million) and "Income tax liabilities";
- (4) The items "Other non-current liabilities", "Current financial liabilities" and "Other current liabilities" net of other tax payables (€80.9 million);
- (5) The items "Employee benefits", "Provisions for contingencies and charges" and "Deferred tax liabilities";
- (6) The items "Long-term loans", "Current portion of long-term loans", "Short-term loans", "Non-current financial liabilities", "Cash and cash equivalents" and "Noncurrent financial assets".

*Terna Group's Cash Flow **

	Cash flow 30.06.2009	Cash flow 30.06.2008
<i>In millions of euros</i>		
Opening cash and cash equivalents	779.7	244.0
<i>of which Opening cash and cash equivalents included in the Discontinued operations</i>	<i>90.5</i>	<i>120.8</i>
- Profit for the period	219.7	217.1
- Amortization and depreciation	153.4	132.9
- Net change in provisions	29.4	-28.0
- Net losses/(profits) on asset disposals	-1.4	2.2
Self-financing	401.1	324.2
- Change in net working capital	445.1	144.2
Cash flows from operating activities	846.2	468.4
Investments		
- Property, plant and equipment	-364.7	-325.4
- Intangible assets	-19.1	-11.1
- Other changes in non-current assets	-1,360.8	-268.6
- Changes in shareholding	-1.3	-6.8
Total cash flows from investing activities	-1,745.9	-611.9
- Change in loans	485.9	214.5
- Other changes in equity attributable to the shareholders of the Parent	-51.5	1.7
- Dividends to the shareholders of the Parent	-197.7	-190.1
- Dividends to minority interests of the foreign subsidiaries	-1.0	-7.1
- Other changes in equity attributable to minority interest	0.1	0.3
Total cash flows from financial activities	235.8	19.3
Total cash flows for the period	-663.9	-124.2
Closing cash and cash equivalents	115.8	119.8
<i>of which Opening cash and cash equivalents included in the Discontinued operations</i>	<i>115.7</i>	<i>133.4</i>

* For the reconciliation with the consolidated accounting statements, please refer to the paragraph "Reconciliation of alternative performance indicators pursuant to the CESR 05-178b recommendation" of the Interim Directors' Report of the Terna Group's Half-Year Report as of June 30, 2009.