



TERNA — Rete Elettrica Nazionale S.p.A.
(incorporated with limited liability in the Republic of Italy)

€5,000,000,000

Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Base Prospectus dated 15 June, 2012 (the **Base Prospectus**) constitutes a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Act**) and is prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by TERNA - Rete Elettrica Nazionale S.p.A. (the **Issuer** or **Terna**). Unless otherwise defined in this Supplement, the terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the CSSF for approval of this Supplement in its capacity as competent authority in Luxembourg under the Prospectus Act to approve this document as a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive, as amended, and Article 13 of the Prospectus Act. In accordance with Article 7 (7) of the Prospectus Act, by approving this Supplement, the CSSF does not give any undertaking as to the economic or financial soundness of any transaction or the quality or solvency of the Issuer.

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus issued by the Issuer. The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omissions likely to affect its import.

In accordance with Article 13 paragraph 2 of the Prospectus Act, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable within a time limit of a minimum of two working days after the publication of this Supplement, to withdraw their acceptances. Any rights of withdrawal expire on 1 October, 2012.

Purpose of the Supplement

The purpose of this Supplement is (a) updating the “Documents Incorporated by Reference” section of the Prospectus to incorporate by reference the unaudited interim consolidated financial statements of Terna as at and for the six months ended 30 June, 2012 as well as recent press releases relating to Terna and (ii) updating the "Recent Developments" section of the Prospectus with the most recent information available on Terna.

I. DOCUMENTS INCORPORATED BY REFERENCE

This Supplement has been prepared to disclose and to incorporate by reference in their entirety, copies of the press releases dated:

- 16 July, 2012 (relating to the decision of Moody’s Investors Service (**Moody’s**) to downgrade the Issuer and the senior unsecured ratings of Terna from A3 to Baa1);

- 24 July, 2012 (relating to the approval by the Board of Directors of Terna of the unaudited interim consolidated financial statements of Terna as at and for the six months ended 30 June, 2012); and
- 30 July, 2012 (relating to the publication of the unaudited interim consolidated financial statements of Terna as at and for the six months ended 30 June, 2012);

(together, the **Press Releases**), which have previously been published and have been filed with the CSSF and shall be incorporated by reference in their entirety in, and form part of, the Base Prospectus.

The following Press Releases shall be incorporated by reference in their entirety in, and form part of, the Base Prospectus:

Document	Information incorporated	Page numbers
Press release dated 16 July, 2012	entire document	all
Press release dated 24 July, 2012	entire document	all
Press release dated 30 July, 2012	entire document	all

The unaudited consolidated results of the Issuer as at and for the six months ended 30 June, 2012, which have previously been published and filed with the CSSF, shall be incorporated by reference in their entirety in, and form part of, the Base Prospectus.

The following financial document shall be incorporated by reference in its entirety in, and form part of, the Base Prospectus:

Document	Information incorporated	Page numbers
Issuer's Unaudited Interim Consolidated Financial Statements as at and for the Six Months Ended 30 June, 2012	Balance sheet	80
	Income statement	78
	Statement of changes in equity	81-82
	Statement of cash flows	83
	Explanatory Notes	84-131
	Auditors' review report	132-135 (PDF page numbers)

Any information not listed in the cross-reference list above, but included in the documents mentioned in the cross-reference list above, is given for information purposes only.

II. RECENT DEVELOPMENTS

In addition, this Supplement has been prepared to include the following section in the section entitled "**Recent Developments**" on page 78 of the Base Prospectus:

“Ratings

On 16 July, 2012, Moody’s Investors Service (**Moody’s**) downgraded the Issuer and the senior unsecured ratings of Terna from A3 to Baa1. The outlook on the ratings is negative. At the same time, Terna’s short-term rating at Prime-2 remained unchanged. This rating action followed the downgrade of Italy’s government bond-ratings from A3 to Baa2 on 13 July, 2012 with a negative outlook. Following the downgrade, Terna’s rating is positioned one notch above the sovereign rating.

Moody’s is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the **CRA Regulation**) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-andcertified-CRAs>).”

Copies of this Supplement and the documents incorporated by reference in this Supplement can be obtained free of charge from the registered office of the Issuer, from the specified office of the Paying Agent for the time being in Luxembourg, from the website of the Issuer http://www.terna.it/default/home_en/investor_relations_en/financial_indebtedness/emtn_programme.aspx and from the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

The date of this Supplement to the Base Prospectus dated 15 June, 2012, is 26 September, 2012.