

TERNA – FINALIZED ALSO THE SECOND PV PROJECT (78.5 MWp)

***Finalized the sale of Nuova Rete Solare S.r.l. to the private equity firm Terra Firma,
for a total Enterprise Value of 264 million euro***

***Overall gross proceeds of about 69 million euro, realized in record time,
will be partly used to integrate Terna's 2011 dividend***

Rome, October 24, 2011 – Today, in executing the agreement (“Agreement”) signed on 29 July, 2011 between SunTergrid S.p.A. (“SunTergrid”), a company wholly controlled by Terna (“Terna”), and RTR Holding III S.r.l. (the “Acquirer”), a company owned by Terra Firma, it was finalized the transfer of 100% of the shares of Nuova Rete Solare S.r.l. (“NRTS” or “the Company”), a company wholly controlled by Terna through SunTergrid, to the Acquirer.

As of today, NRTS owns a portfolio of a total capacity of 78.5 MWp, all realized and connected to the Grid, but not injecting energy in the Grid. The plants will benefit from various 2011 *Conto Energia* Feed-in tariffs, as they entered into operation before 31st August 2011.

The Enterprise Value (EV) of the transaction is equal to 264 million euro. The sale of the Company generated overall gross proceeds of about 69 million euro. The gain from the transaction will partly integrate Terna's 2011 dividend.

According to multi-annual contracts defined in the context of the transaction, the agreement foresees Terna providing NRTS with services regarding PV plants' maintenance, surveillance and monitoring.

“Thanks to our strongly dedicated team – stated Flavio Cattaneo, Chief Executive Officer of Terna – once again our investments created value, generating double digit returns in a record time. In less than one year we have already reached about 20% of our 5-years capex target in Non Traditional Activities. Since 2010, when we started our first PV project, we have installed more than 220 MWp, confirming Terna as the leading PV developer in Italy”.

Terna has been advised by Rothschild as financial adviser and by Studio Legale Chiomenti as legal adviser. Rothschild and Mediobanca issued a fairness opinion on the EV to the Board of Directors of Terna.

Terna Group is the first independent operator in Europe and the seventh in the world for kilometers of lines managed and is the owner of the National High Voltage Electricity Transmission Grid, with over 63,500 km of HV lines throughout the Italian territory. Terna is responsible for energy transmission and dispatching throughout the entire territory and therefore for the safe management of energy flows in Italy, guaranteeing the balance between electricity supply and demand, 365 days a year and 24 hours a day.

Nuova Rete Solare S.r.l. - company wholly owned by Terna through SunTergrid - represents the second development project undertaken by Terna in the generation of electricity from photovoltaic source.

RTR Group is market leader in the generation of electricity from photovoltaic in Italy, with a total installed capacity of 240MWp. The RTR Group is controlled by Terra Firma, who acquired from Terna Group a portfolio of 144MWp plants in March 2011. It was the largest solar generation acquisition in Europe. In May, the RTR Group announced the acquisition of plants from Sorgenia Solar, adding a further 19MWp to its total installed capacity.

The Terra Firma group is one of the leading private equity firms. Since its establishment in 1994, the Terra Firma group has invested approximately €14bn of equity capital mainly in Europe and has completed investments with an aggregate value of €44bn, with significant expertise in the energy and utilities sectors.

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.