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PRESS RELEASE

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TERNA: BOARD APPROVES THE RESULTS AS AT SEPTEMBER 30, 2007

Revenues at 985.7 million euro (971 million in 9M06, +1.5%)
Ebitda at 730.1 million euro (705.8 million in 9M06, +3.4 %)
Ebit at 551.2 million euro (557.6 million in 9M06, -1.1 %)
Net income at 277.5 million euro (284.6 million euro in 9M06, +2.5 %)
Investments at 342.4 million euro (202.6 million in 9M06, +69%)

Rome, November 12, 2007 – Today, Chief Executive Officer Flavio Cattaneo presented the results of the first nine months and of the third quarter of 2007, which were examined and approved by TERNA SpA's Board of Directors at a meeting chaired by Luigi Roth.

CONSOLIDATED FINANCIAL RESULTS[1]

Millions of euro	First 9 Months 2007	First 9 Months 2006*	% Change
Revenues	**985.7**	**971**	**+1.5%**
EBITDA (Gross operating margin)	**730.1**	**705.8**	**+3.4%**
EBIT (Operating income)	**551.2**	**557.6**	**-1.1%**
Net income	**291.8**	**284.6**	**+2.5%**

***** As regards 2006, the balances were recalculated based on the adjustments made in accordance with IAS 8; please refer to the related paragraph of the Note "A. Accounting principles and valuation criteria" of the Consolidated Report at September 30, 2007

The CEO, Flavio Cattaneo, said: *"This is a good result reached thanks to the commitment of the whole team. We have achieved revenue and profit growth, in spite of the mild weather conditions which caused the demand for electricity to remain unchanged compared to 2006, and the lack of extraordinary revenues which characterized the previous year. Net income grows by 2.5%. Our investment plan has increased by 69% overall, and by 96% in terms of development and security of the Italian Grid. During the last few months of the year, there will be substantial growth in investments in order to further improve the efficiency and reliability of the transmission service."*

[1] This press release uses several "alternative performance indicators" (EBITDA and Net Financial Debt). These indicators are defined below in line with CESR Recommendation 05-178b, published on November 3, 2005:
- EBITDA (gross operating margin): is an indicator of operating performance; calculated by adding the operating result (EBIT) to amortisation and depreciation;
- Net financial debt: is an indicator of the company's financial structure; calculated as the result of short-term and long-term financial debt and related derivative instruments, net of cash and cash equivalents and financial assets.

CONSOLIDATED FINANCIAL RESULTS

Revenues for the first nine months of 2007, equal to 985.7 million euro (811.4 million euro relating to the Parent Company, 122 million euro to the Brazilian subsidiaries and 52.3 million euro to the subsidiaries of the RTL Group) have increased by 1.5% compared to the same period last year. Despite the fact that 2006 results benefited from the adjustment of 48 million euro due to integration of 2005 tariff income, this increase is mainly attributable to higher revenues from the transport of energy on the Italian National Transmission Grid, as well as to a wider scope of consolidation.

Other Regulated Energy Revenues were recorded, equal to 32.1 million euro, relating to fees due mainly for metering and dispatching activities.

Furthermore, higher revenues of 4.1 million euro derive from the transport of energy on the Brazilian network (from 105.8 to 109.9 million euro), mainly due to the annual adjustment of the concession fee (RAP) and the appreciation of the reais against the euro compared to the same period of the previous year.

Operating costs equal to 255.6 million euro as at September 30 (221.4 million euro relating to the Parent Company and 34.2 million euro to the subsidiaries) decrease by 9.6 million euro (-3.6%), despite the wider consolidation area compared to the same period last year, also as a result of larger capitalisations of labor cost of the Parent Company as a consequence of the investments carried out.

Ebitda (Gross Operating Margin) stands at 730.1 million euro, an increase of 24.3 million euro compared to the first nine months of 2006 (+3.4%).

Ebit (Operating Income), amounts to 551.2 million euro, a decrease of 6.4 million euro compared to the same period of 2006 (-1.1%), as a result of increases in depreciation both for the effect of new investments as well as for the wider consolidation area.

Net financial charges for the period amount to 73.6 million euro, substantially in line with those of the same period of 2006 (73.5 million euro).

Net income for the period, stands at 291.8 million euro, increasing by 2.5% compared to 284.6 million euro of the first nine months of 2006. **Group net income**, after minorities, which stands at 14.3 million euro and which were not present in September 2006, stands at 277.5 million euro, decreasing by 2.5%.

The consolidated balance sheet as at September 30 records Shareholders' Equity equal to 2,133 million euro, of which **Group Shareholders' Equity** amounted to 2,026 million euro (compared to 2,117 million euro at December 31, 2006, of which 2,007 million euro pertaining to the Group) while **Net Financial Debt** is equal to 2,474 million euro (compared to the 2,283 million euro at December 31, 2006). Hence, the debt/equity ratio as at September 30, 2007 is equal to 1.2.

Investments in the first nine months of 2007 are equal to 342.4 million euro, up by 139.8 million euro (+69%) compared to the same period last year. Investments for the development and the security of the National Transmission Grid amount to 250 million euro, up by 96%.

Headcount of the Group at the end of September 2007 stands at 3,605, up by 50 employees compared to December 31, 2006 due to the growth combination of 41 human resources in Italy (which also include the resources acquired through the wider consolidation area) and 9 in the Brazilian subsidiaries. This increase is in line with the company forecasts, which, parallel to the management of the turnover, also includes the expansion of organisational structures in Italy aimed at executing the significant investment plan, and in Brazil following the growth and the listing of Terna Participações.

CONSOLIDATED THIRD QUARTER FINANCIAL RESULTS

Millions of euro	3Q 2007	3Q 2006	% Change
Revenues	**343.3**	**329.9**	**4.1%**
EBITDA (Gross operating margin)	**258.7**	**245.6**	**5.3%**
EBIT (Operating income)	**198.5**	**196.3**	**1.1%**
Net income	**88.4**	**104.8**	**-15.6%**

In the third quarter 2007, **Group Revenues** amount to 343.3 million euro, up by 13.4 million euro (4.1%) compared to the same period of 2006. The increase is attributable to fees due to the company for the use of the Italian National Transmission Grid for 270.5 million euro, and to the Brazilian subsidiaries for 43.4 million euro. In addition, Other Energy Revenues amount to 10.9 million euro.

Operating costs amount to 84.6 million euro, of which 47.2 million euro relate to personnel.

Ebitda stands at 258.7 million euro, recording a change of 13.1 million euro compared to the same period last year (245.6 million euro).

Ebit is equal to 198.5 million euro, +1.1% compared to the first nine months of 2006. In the period under review depreciation charges of 60.2 million euro were recorded, with an increase of 49.3 million euro compared to the same period of last year.

Net income stands at 88.4 million euro, down by 16.4 million euro (-15.6%) compared to the same period of 2006, due to the increase in Group financial charges of 18.3 million euro deriving both from debt increase and from the valuation of the portfolio of derivatives. **Group net income**, after subtracting the share referring to minority shareholders, which stands at 4.9 million euro and which was not present in September 2006, stands at 83.5 million euro (-20.3%)

SIGNIFICANT EVENTS OCCURRED AFTER SEPTEMBER 30, 2007, AND BUSINESS OUTLOOK

Issue of inflation-linked bond

On October 23, 2007 TERNA S.p.A. launched a 500 million bond issue linked to the Italian inflation as part of its “Euro Medium Term Notes” (EMTN) Program. The bond will mature on September 15, 2023. The coupon, equal to 2.731% is linked to the Italian inflation rate (benchmark index: the “FOI Index”, representing the index of consumer prices less tobacco products for blue and white-collar employees). The bond, which will pay a half-yearly coupon, will be listed on the Luxembourg Stock Exchange.

The proceeds from the issue will be used to finance the investments set forth in the Development Plan for the National Transmission Grid.

TERNA will continue its operational efficiency programmes, also focusing on the realisation of the investments set forth in the Development Plan, as well as scouting for investment opportunities abroad, with specific focus on profitability and limited risk profile.
Based on the results achieved in the first nine months of 2007 and the current business outlook, a positive financial performance is also expected by the Group for the entire 2007 financial year, having due consideration of the extraordinary items (capital gain on the listing of Terna Participações and recognition of the 2005 tariff deficit) that effected net income in 2006.

At 6.00 p.m. a conference call will be held to illustrate the 2007 First Nine Months results to financial analysts and institutional investors. Journalists are also invited to listen to the call. Support material for the conference call will be available on the website www.terna.it, in the Investor Relations section, upon commencement of the conference call. In the same section, it will also be possible to listen to the presentation through audio webcasting.

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

The Report as at September 30, 2007 not subject to accounting audit, will be deposited at the Company's registered office where it will be available to the public at large as well as at Borsa Italiana S.p.A. (the Italian Stock Exchange) and it will be published on the Website www.terna.it by November 14, 2007.

The manager in charge of drawing up the company's accounting documents, Mr. Luciano di Bacco, declares pursuant to paragraph 2 of article no. 154-bis of the Consolidated Finance Act that the accounting information contained in this press release agrees with the financial statements, books and accounting records.

Terna Group Reclassified Income Statement

Millions of euro	January 1 – September 30			
	2007	**2006***	**Change**	**%**
Revenues:				
- Network usage fees (1)	890.4	879.1	11.3	1.3%
- Other energy revenues (1)	32.1	31.0	1.1	3.5%
- Other sales and services (1)	27.7	26.8	0.9	3.4%
- Other income and revenues	35.5	34.1	1.4	4.1%
Total revenues	**985.7**	**971.0**	**14.7**	**1.5%**
Operating costs:				
- Labor cost (2)	143.6	149.1	-5.5	-3.7%
- Services and use of third party assets	89.8	94.1	-4.3	-4.6%
- Materials (2)	6.4	6.8	-0.4	-5.9%
- Other costs	15.8	15.2	0.6	3.9%
Total operating costs	**255.6**	**265.2**	**-9.6**	**-3.6%**
EBITDA	**730.1**	**705.8**	**24.3**	**3.4%**
Amortisation, depreciation	**178.9**	**148.2**	**30.7**	**20.7%**
EBIT	**551.2**	**557.6**	**-6.4**	**-1.1%**
- Net financial income (charges) (3)	-73.6	-73.5	-0.1	0.1%
PRE-TAX PROFIT	**477.6**	**484.1**	**-6.5**	**-1.3%**
- Income tax	185.8	199.5	-13.7	-6.9%
NET INCOME	**291.8**	**284.6**	**7.2**	**2.5%**
- NET INCOME PERTAINING TO THE PARENT COMPANY'S SHAREHOLDERS	*277.5*	*284.6*	*-7.1*	*-2.5%*
- NET INCOME PERTAINING TO MINORITY INTEREST	*14.3*	*0.0*	*14.3*	*100.0%*

* As regards 2006, the balances were recalculated based on the adjustments made in accordance with IAS 8; please refer to the related paragraph of the Note “A. Accounting principles and valuation criteria”.

In the consolidated statements:
(1) the balance is included in the item “Revenues from sales and services”
(2) inclusive of 'capitalised costs' equal to 30 million euro included under “Personnel costs” and euro 4.1 million under “Materials”
(3) corresponds to the balance of items detailed in points 1, 2, and 3 of “Financial income and charges”.

Terna Group Reclassified Balance Sheet

Millions of euro	as at 30.09.2007	as at 31.12.2006*	Change
Net fixed assets			
- Intangible assets (1)	361.6	340.5	21.1
- Properties, plants and machinery	5.377.8	5.159.2	218.6
- Financial assets (2)	32.1	12.8	19.3
Total	**5.771.5**	**5.512.5**	**259.0**
Net working capital			
- Trade receivables	1.450.5	1.182.1	268.4
- Inventories	33.4	25.6	7.8
- Other assets (3)	29.0	26.4	2.6
- Trade payables	1.462.3	1.280.6	181.7
- Net taxes payable (4)	126.0	115.5	10.5
- Other liabilities (5)	565.2	385.1	180.1
Total	**-640.6**	**-547.1**	**-93.5**
Gross capital employed	**5.130.9**	**4.965.4**	**165.5**
Sundry provisions (6)	524.6	565.9	-41.3
Net capital employed	**4.606.3**	**4.399.5**	**206.8**
Group Shareholders' Equity	2.025.7	2.006.9	18.8
Minority interest	106.9	109.8	-2.9
Net financial debt (7)	2.473.7	2.282.8	190.9
Total	**4.606.3**	**4.399.5**	**206.8**

* As regards 2006, the balances were recalculated based on the adjustments made in accordance with IAS 8; please refer to the related paragraph of the Note “A. Accounting principles and valuation criteria”.

In the consolidated statements, these correspond to:
(1) the items “Goodwill" and “Intangible assets”;
(2) the items “Equity investments valued at net equity” , “Other non-current assets” and “Non-current financial assets” for the amount of the advance for the purchase of the equity investment in Etau (19.1 million);
(3) the item “Other current assets”, net of tax credits (102.4 million euro) and the item “Current financial assets” for the value of accrued income on financial income;
(4) the items “Other current assets” for the value of tax credits (102.4 million euro), “Other current liabilities” for the amount of tax payables other than income tax payables (47.1 million euro), “Tax liabilities, including deferred taxes” for the value of the Deferred tax liabilities (179.2 euro) and "Income tax payables";
(5) the items “Current financial assets” for the value of accrued income on derivative contracts on the Bond loan (approx. 33 million euro), “Other non-current liabilities”, “Current financial liabilities” and “Other current liabilities” net of tax payables other than taxes for the period (47.1 million euro);
(6) the items “Staff severance fund and other provisions related to personnel”, “Provisions for future risks and charges”, “Tax liabilities, including deferred taxes”, net of the Deferred tax liabilities (179.2 million euro), and “Prepaid tax assets”.
(7) the items “Long-term borrowings”, “Current quotas of long-term borrowings”, “Short-term borrowings”, “Cash and cash equivalents”, “Non-current financial assets” net of the advance for the purchase of the equity investment in Etau (19.1 million euro), and “Non-current financial liabilities”.

Terna Group Cash Flow*

Millions of euro	Cash flow 30.09.07	Cash flow 30.09.06**	Change
Cash and cash equivalents - Opening balance	**200,4**	**76,6**	**123,8**
- Net income for the period	291,8	284,6	7,2
- Amortisation, depreciation	178,9	148,2	30,7
- Net changes in provisions	-41,3	1,4	-42,7
- Net losses (gains) on disposal of tangible fixed assets	-0,7	0,0	-0,7
Self-financing	**428,7**	**434,2**	**-5,5**
- Change in net working capital:	93,5	310,4	-216,9
Operating cash flow	**522,2**	**744,6**	**-222,4**
Investments			
- Tangible assets	-327,1	-194,1	-133,0
- Intangible assets	-15,3	-8,5	-6,8
- Other changes in fixed assets	-63,8	-25,5	-38,3
Total monetary flow from (to) investment activity	**-406,2**	**-228,1**	**-178,1**
- Change in loans	134,6	-74,2	208,8
- Other movements in Group Shareholders' Equity	4,3	6,7	-2,4
- Dividends	-311,3	-266,0	-45,3
- Other movements in minority interest	0,1	0,0	0,1
Total monetary flow from (to) financial activity	**-172,3**	**-333,5**	**161,2**
Total monetary flow for the period	**-56,3**	**183,0**	**-239,3**
Cash and cash equivalents – Closing balance	**144,1**	**259,6**	**-115,5**

*For the reconciliation with the consolidated accounting statements please refer to the paragraph "Net financial indebtedness" of the Directors' Report in the Consolidated Report as at September 30, 2007.

** As regards 2006, the balances were recalculated based on the adjustments made in accordance with IAS 8; please refer to the related paragraph of the Note "A. Accounting principles and valuation criteria" of the Consolidated Report as at 30 September 2007.