




Terna 1Q14 *Consolidated Results*

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May 14th, 2014

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Highlights

1Q14 at a Glance

P&L

Total Revenues
+1.8% yoy
 at 478€mn

EBITDA
+2.5% yoy
 at 390€mn

Group Net Income
+2.5% yoy
 at 145€mn

CAPEX & NET DEBT

Total Group Capex
164 €mn

Net Debt
6,629 €mn

DIVIDEND

2013 Final Dividend¹
13 €cents

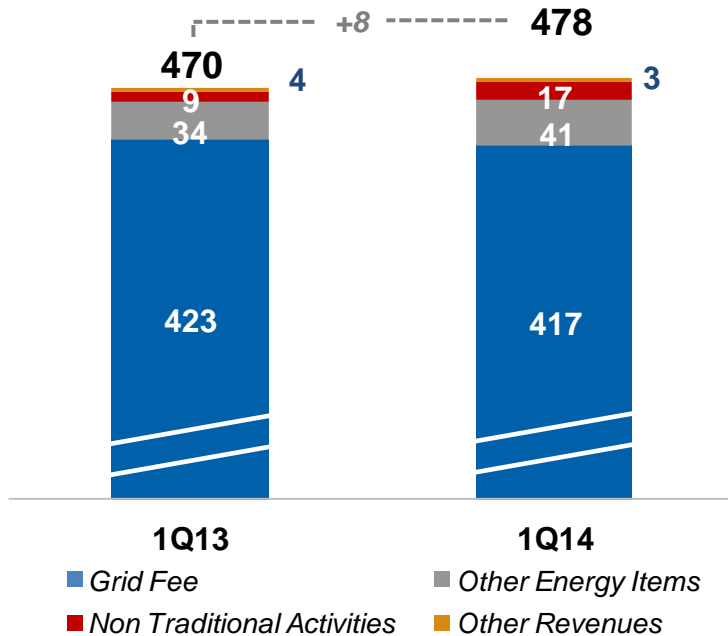
2013 Total Dividend
20 €cents

1Q14 Results

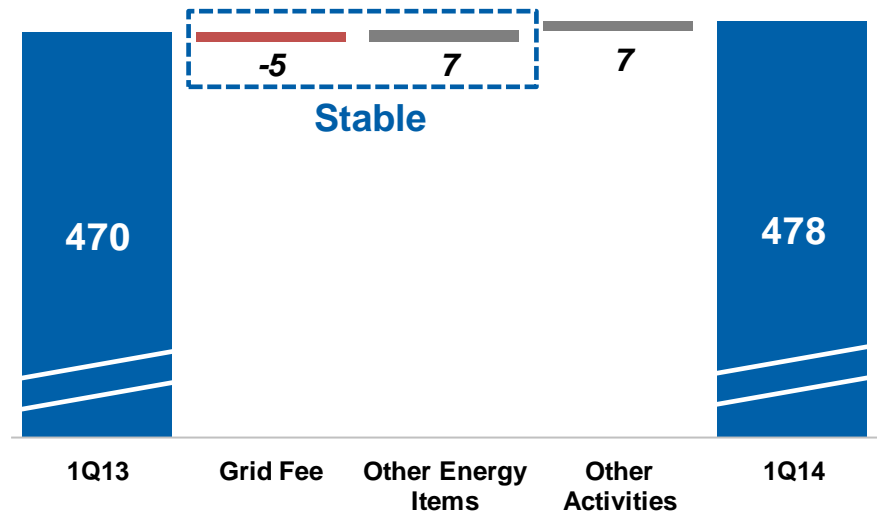
Consolidated Revenues



Revenues Breakdown



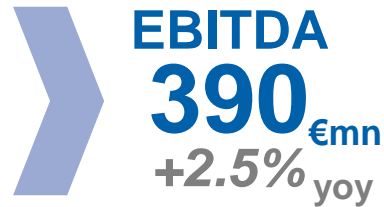
Revenues Evolution



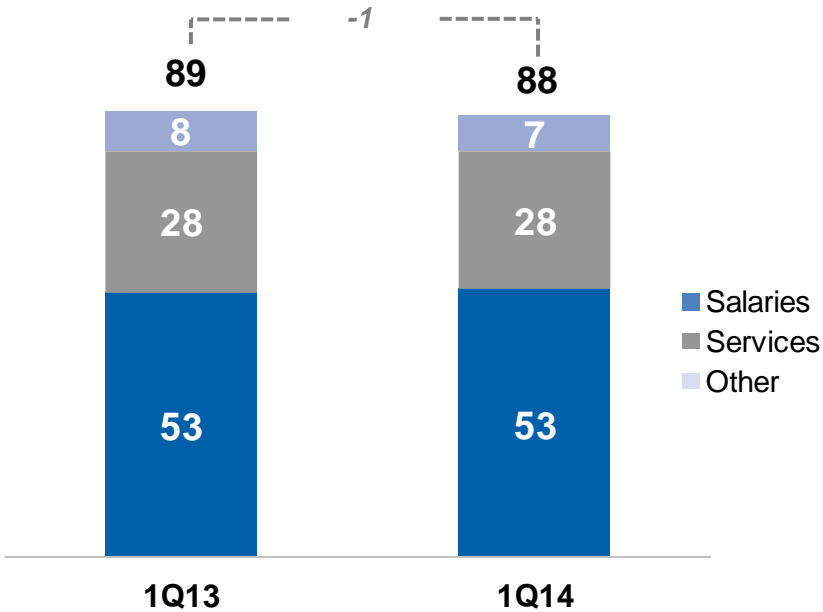
In €mn

1Q14 Results

Consolidated Costs & EBITDA



Costs Breakdown:



Costs Evolution:



1Q14 Results

From EBITDA to Net Income

EBIT
277 €mn
 +0.9% yoy

€ mn	1Q13	1Q14	Δ	Δ %
EBITDA	381	390	9	2.5%
<i>Ebitda %</i>	81.1%	81.6%	0.5pp	
D&A	106	113	7	6.6%
EBIT	275	277	3	0.9%
Net Financial Expenses	18	31	14	79.4%
PBT	257	246	-11	-4.4%

Group Net Income
145 €mn
 +2.5% yoy

Tax Rate	45.0%	41.0%	-4.0pp	
Taxes	116	101	-15	-13.0%
Group Net Income	142	145	4	2.5%

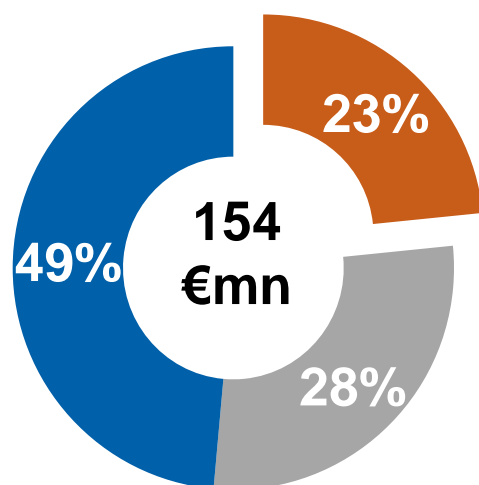
1Q14 Results

Capex Breakdown

Total Regulated Capex
154 €mn

Incentivized Capex
77%

Total Regulated Capex



■ Base Return ■ +1.5% ■ +2%

Capex Breakdown €mn

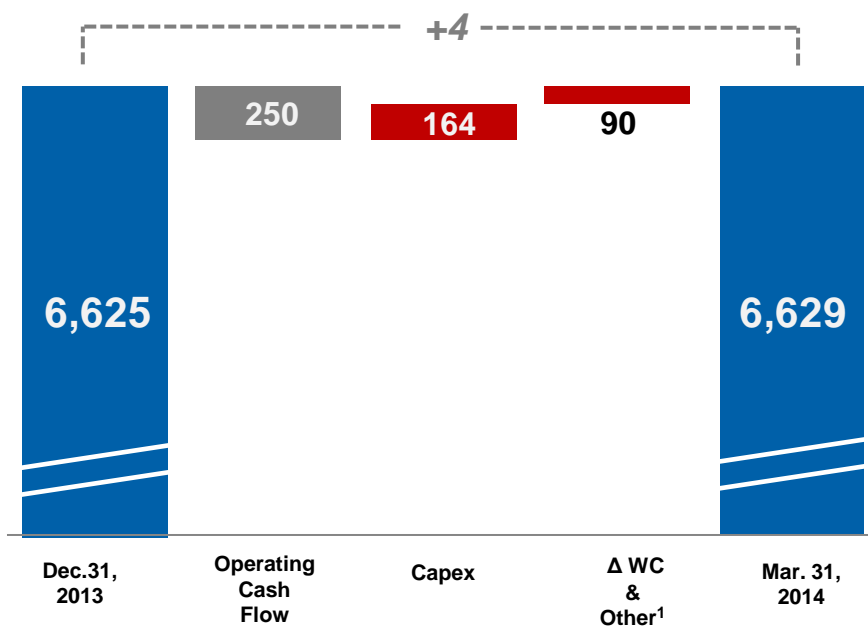
Category	1Q13	1Q14	Δ _{yoy}	Δ % _{yoy}
+2%	89	75	-14	-16%
+1.5%	45	43	-2	-4%
Incentivized Capex	134	118	-16	-12%
Base Return	62	36	-26	-42%
Total Regulated Capex	196	154	-42	-21%
Other ¹	10	10	0	
Total Group Capex	206	164	-42	-20%

1Q14 Results

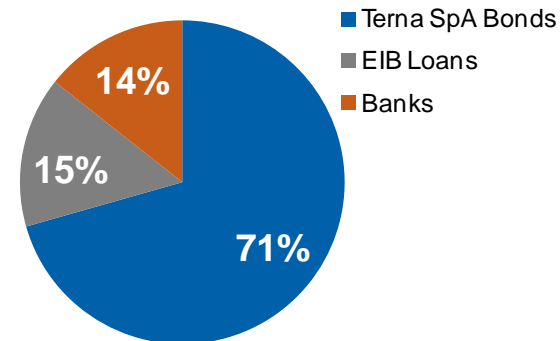
Net Debt Evolution & Financial Structure

Net Debt
6,629 €mn

Net Debt Evolution €mn



Financial Indebtedness



Rating	M/L Term		Delta	Outlook	
	Terna ²	Sovereign		Terna ²	Sovereign
S&P	BBB+	BBB	+1 notch	Negative	Negative
Moody's	Baa1	Baa2	+1 notch	Stable	Stable
Fitch	BBB+	BBB+		Stable	Stable

as of May, 14 2014



THANK YOU. QUESTIONS?

Andrea Crenna Head of Administration, Finance and Control



Annexes

Annexes

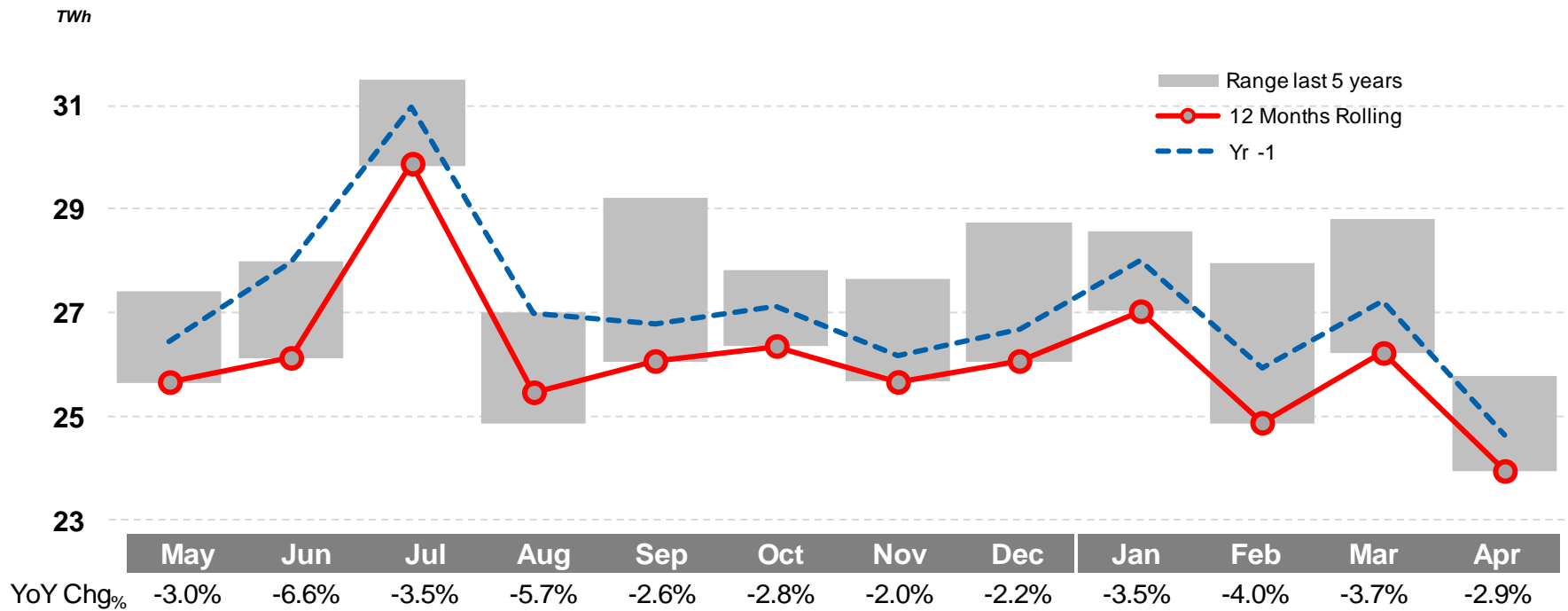
Electricity Market Trends

1Q14 Energy Demand

-3.7% yoy

-3.6% 12 months rolling

	1Q13	1Q14	Δ %	YtD	Jan-Apr 2013	Jan-Apr 2014	Δ %
Demand _{TWh}	81	78	-3.7%	Demand _{TWh}	105.8	102.1	-3.5%



Annex

Consolidated Income Statement

€ mn	1Q13	1Q14	Δmn	Δ%
Operating Revenues	470	478	8	1.8%
<i>of which</i>				
Grid Fee	423	417	-5	-1.3%
Other Energy Items	34	41	7	19.6%
Other Activities ¹	13	20	7	56.3%
Operating Expenses	89	88	-1	-1.1%
<i>of which</i>				
Salaries	53	53	1	1.0%
Services	28	28	-1	-2.1%
Other	8	7	-1	-11.4%
EBITDA	381	390	9	2.5%
D&A	106	113	7	6.6%
EBIT	275	277	3	0.9%
Net Financial Charges	18	31	14	79.4%
Pre Tax Profit	257	246	-11	-4.4%
Taxes	116	101	-15	-13.0%
Tax Rate (%)	45.0%	41.0%		
Group Net Income	142	145	4	2.5%

Annex

Consolidated Balance Sheet

€ mn	Dec. 31,2013	Mar. 31,2014	Δmn
Assets			
<i>PP&E</i>	10,120	10,177	57
<i>Intangible Asset, net</i>	462	454	-8
<i>Financial Inv. And Other</i>	83	84	1
Total Fixed Assets	10,665	10,715	50
<i>Net WC</i>	-646	-548	99
<i>Funds</i>	-453	-445	8
Total Net Invested Capital	9,566	9,722	157
<i>Financed by</i>			
Consolidated Net Debt	6,625	6,629	4
Total Shareholder's Equity	2,941	3,093	153
D/E Ratio Continuing Operations	2.3	2.1	
D/D+E Ratio Continuing Operations	0.69	0.68	
Number of Shares ('000)	2,010	2,010	

Annex

Consolidated Cash Flow

€ mn	1Q13	1Q14
<i>Net Income</i>	142	145
<i>Depreciation¹</i>	106	113
<i>Net Change in Funds</i>	-5	-8
Operating Cash Flow	242	250
<i>Change in Working Capital</i>	-116	-99
Cash Flow from Operating Activities	126	152
<i>Capital Expenditures</i>	-206	-164
<i>Other Fixed Asset Changes</i>	-2	1
Free Cash Flow	-82	-11
<i>Dividends</i>	0	0
<i>Change in Capital and Other</i>	13	8
Change in Net Cash (Debt)	-69	-4

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