

FY12 Consolidated Results

Giuseppe Saponaro Chief Financial Officer

MARCH 15th, 2013



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Highlights

2012 Results

- Sound growth and capex at record level
 - Revenues +10.4%, at 1,806€mn
 - EBITDA +13.0%, at 1,390€mn
 - Group Net Income +5.5%, at 464€mn
 - Capex at 1,235€mn
- Contribution from Non Traditional Activities: EBITDA 64€mn

Regulatory Framework

- News flow on batteries
 - Regulator set incentive schemes applicable to each project*
 - 8 pilot projects eligible for 2% incentive

FY12 Results

Consolidated Revenues

Total Revenues

+10.4% yoy
at 1,806 €mn



Grid Fee

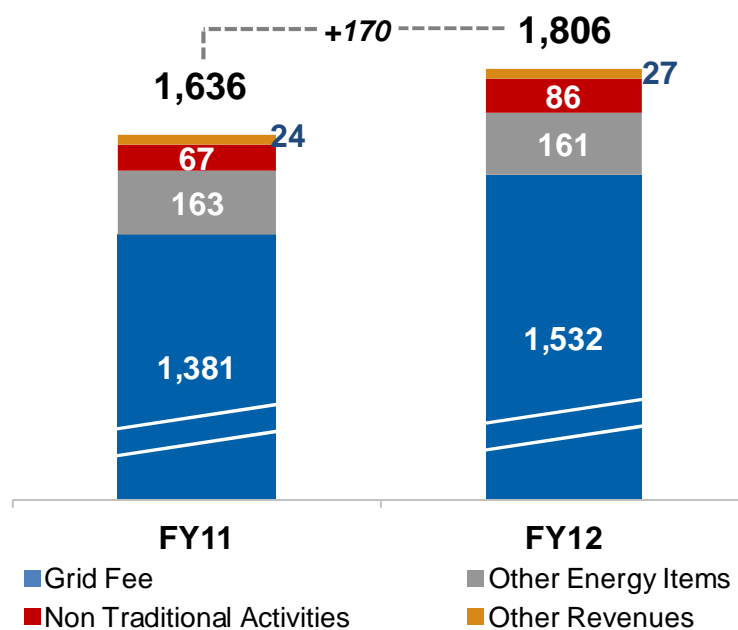
+10.9% yoy
at 1,532 €mn



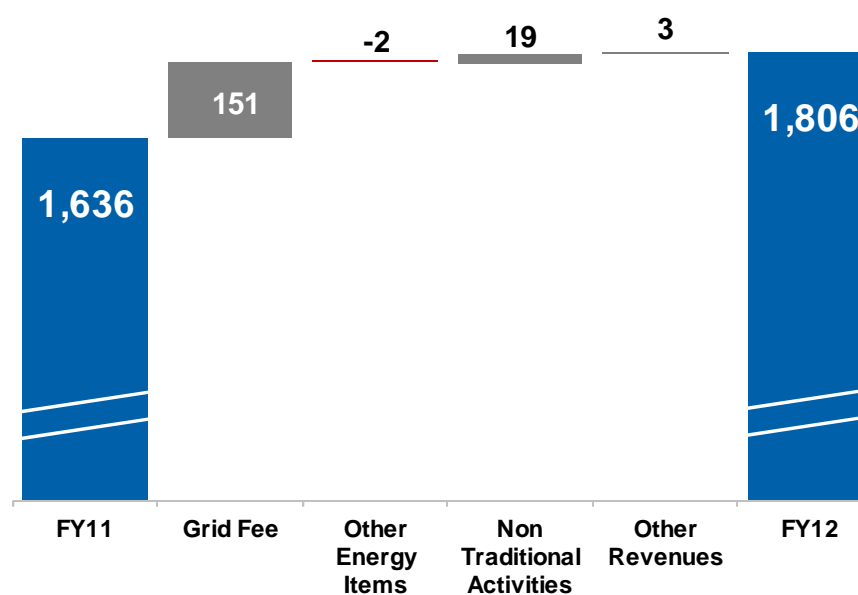
Non Traditional Activities Revenues

86 €mn

Revenues Breakdown*



Revenues Evolution*



In € mn

FY12 Results

Consolidated Costs & EBITDA

EBITDA

+13% yoy
at 1,390 €mn



EBITDA %

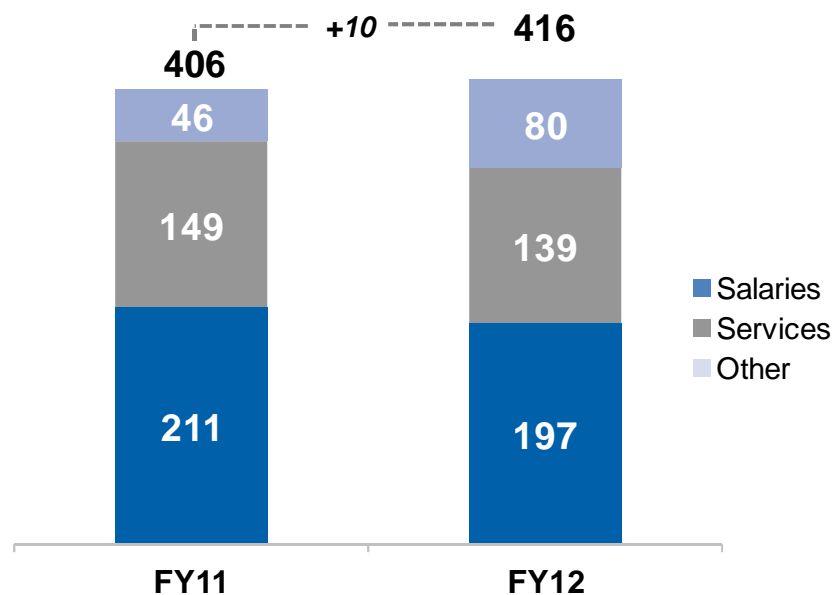
77%
+1.8 pp yoy



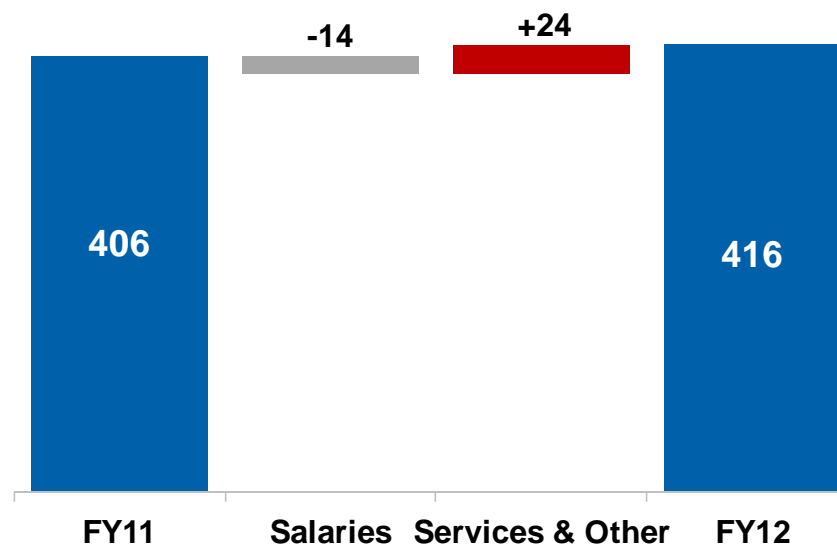
**Non Traditional Activities
EBITDA**

64 €mn

Costs Breakdown



Costs Evolution



In € mn

FY12 Results

From EBIT to Net Income

EBIT

+15.9% yoy
at 969€mn



€ mn	FY11	FY12	Δ	Δ %
EBITDA	1,230	1,390	160	13.0%
D&A	394	421	27	6.9%
EBIT	836	969	133	15.9%

Profit Before Taxes

+22.5% yoy
at 876€mn



Net Financial Expenses	121	93	-28	-23.1%
PBT	715	876	161	22.5%

Group Net Income

+5.5% yoy
at 464€mn



Tax Rate	54.3%*	47.0%		
Taxes	388	412	24	6.2%
Net Income <small>Continuing Operations</small>	327	464	137	41.9%
Net Income <small>Discontinued Operations</small>	113	0	-113	
Group Net Income	440	464	24	5.5%

FY12 Results

Capex Breakdown

Total Regulated Capex

1,180 €mn

+59 €mn vs FY11

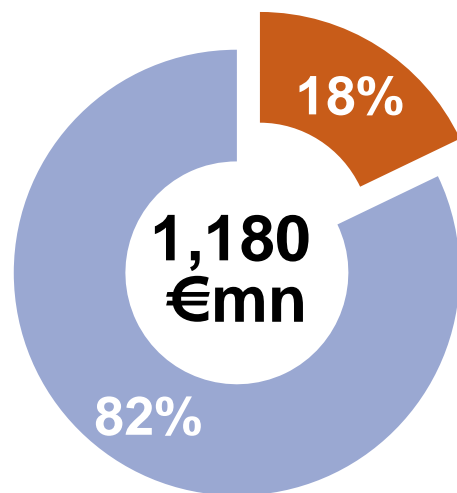


Incentivized Capex

82% of Reg. Capex
at **969** €mn



Total Regulated Capex



■ Base Return ■ Incentivized

Capex Breakdown €mn

Category	FY11	FY12	Δ _{yoy}	Δ % _{yoy}
I3 / I4 ¹	557	590	33	6%
I2	349	379	30	9%
Incentivized Capex	906	969	63	7%
I1	215	211	-4	-2%
Total Regulated Capex	1,121	1,180	59	5%
Other ²	108	55	-53	
Total Group Capex	1,229	1,235	6	0.5%

FY12 Results

Net Debt Evolution & Financial Structure

Net Debt

5,855 €mn

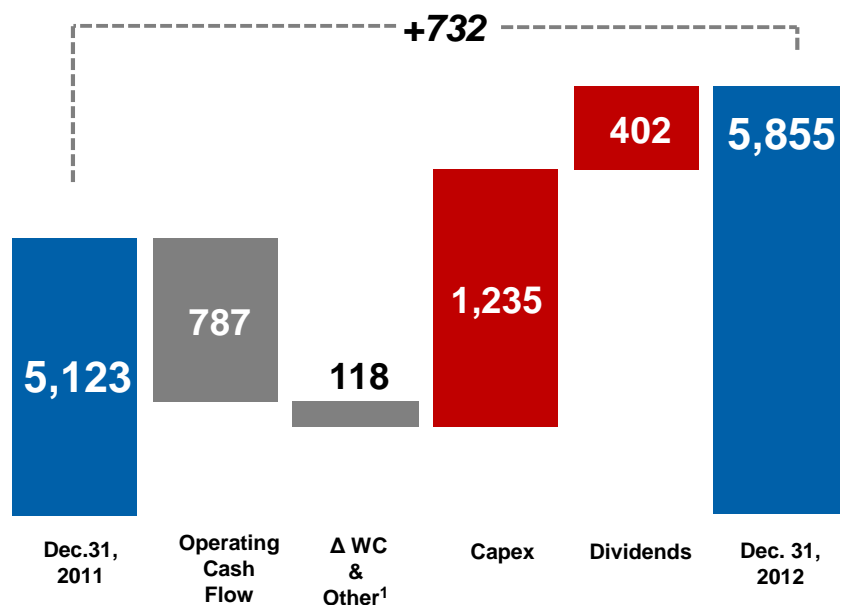
Fix/Floating Ratio

78/22%

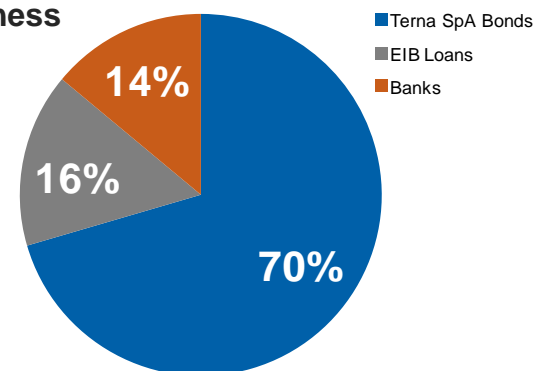
Avg. Maturity

8 years

Net Debt Evolution €mn



Financial Indebtedness



	M/L Term		Outlook	
	Terna ²	Sovereign	Terna ²	Sovereign
S&P	A-	BBB+	Negative	Negative
Moody's	Baa1	Baa2	Negative	Negative
Fitch	A-	BBB+	Negative	Negative

As of March, 15 2013



1. Including Other Fixed Assets Changes, Change in Capital & Other
 2. Government Related Entity

FY12 Results

Dividend

Consistently with the dividend policy, BoD proposed

2012 Total Dividend at 20_{€cents}

2012

Final Dividend

13_{€cents}

Ex Dividend Date: *June 24th 2013*

Payment Date*: *June 27th 2013*

THANK YOU. QUESTIONS?

Giuseppe Saponaro Chief Financial Officer

FY12 Consolidated Results
MARCH 15th, 2013



ANNEXES

Annexes

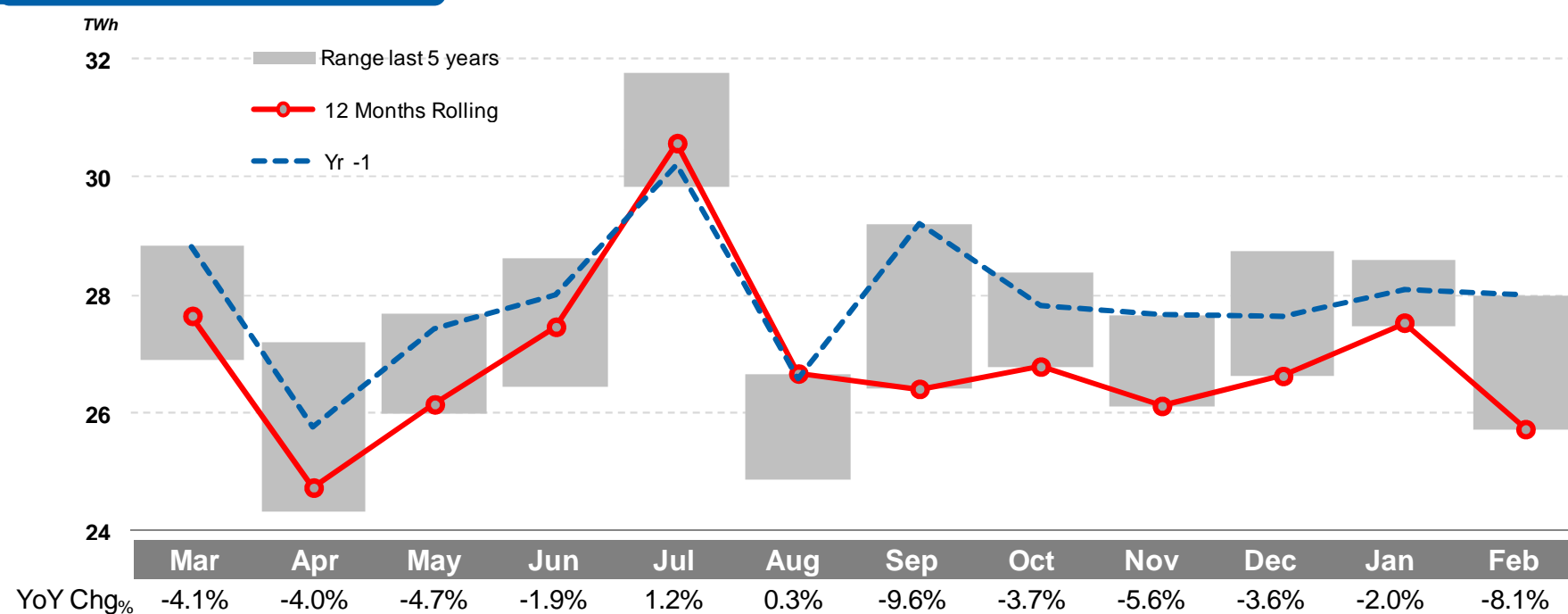
Electricity Market Trends

FY2012 Energy Demand

-2.8% yoy

-3.8% 12 months rolling

	FY11	FY12	Δ %	YtD	Jan/Feb2012	Jan/Feb2013	Δ %
Demand _{TWh}	335	325	-2.8%	Demand _{TWh}	56	53	-5.0%



2011 final figures, 2012-2013 provisional figures (as of February 2013)

Annexes

Consolidated Income Statement

€ mn	FY11	FY12	Δmn	Δ%
Operating Revenues	1,636	1,806	170	10.4%
<i>of which</i>				
Grid Fee	1,381	1,532	151	10.9%
Other Energy Items	163	161	-2	-1.2%
Other Activities ¹	92	113	21	22.8%
Operating Expenses	406	416	10	2.5%
<i>of which</i>				
Salaries	211	197	-14	-6.6%
Services & Other	195	219	24	12.3%
EBITDA	1,230	1,390	160	13.0%
D&A	394	421	27	6.9%
EBIT	836	969	133	15.9%
Net Financial Charges	121	93	-28	-23.1%
Pre Tax Profit	715	876	161	22.5%
Taxes	388	412	24	6.2%
Tax Rate (%)	54.3% ²	47.0%		
Net Income Continuing Operations	327	464	137	41.9%
Net Income Discontinued Operations	113	0		
Group Net Income	440	464	24	5.5%

Annexes

Consolidated Balance Sheet

€ mn	FY11	FY12	Δmn
Assets			
<i>PP&E</i>	8,618	9,342	724
<i>Intangible Asset, net</i>	471	471	0
<i>Financial Inv. And Other</i>	74	81	7
Total Fixed Assets	9,163	9,894	731
<i>Net WC</i>	-724	-771	-47
<i>Funds</i>	-565	-474	91
Total Net Invested Capital	7,874	8,649	775
<i>Financed by</i>			
Consolidated Net Debt	5,123	5,855	732
Total Shareholder's Equity	2,751	2,794	43
D/E Ratio Continuing Operations	1.9	2.1	
Number of Shares ('000)	2,010	2,010	

Annexes

Consolidated Cash Flows

€ mn	FY11	FY12
<i>Net Income</i>	327	464
<i>Depreciation*</i>	391	421
<i>Net Change in Funds</i>	0	-98
Operating Cash Flow	717	787
<i>Change in Working Capital</i>	343	47
Cash Flow from Operating Activities	1,060	834
<i>Capital Expenditures</i>	-1,229	-1,235
<i>Other Fixed Asset Changes</i>	-21	90
Free Cash Flow	-190	-311
<i>Dividends</i>	-422	-402
<i>Change in Capital and Other</i>	-18	-19
<i>PV Disposal</i>	229	0
Change in Net Cash (Debt)	-401	-732

Annexes

Quarterly Analysis

€ mn	1Q11	1Q12	Δ	2Q11	2Q12	Δ	3Q11	3Q12	Δ	4Q11	4Q12	Δ
Operating Revenues	385	432	47	409	425	16	421	442	22	421	507	86
<i>of which</i>												
<i>Grid Fee</i>	352	384	33	337	362	25	352	389	37	341	397	56
<i>Other Energy Items</i>	13	27	14	47	40	-7	42	28	-15	26	29	3
<i>Other Activities¹</i>	14	15	1	17	15	-2	19	18	0	43	66	23
<i>IFRIC 12</i>	6	5	-1	9	9	0	8	7	0	12	16	
Operating Expenses	90	92	2	98	96	-2	88	82	-6	131	146	16
EBITDA	295	340	45	312	329	17	333	360	27	291	361	70
D&A	95	101	6	98	103	6	96	106	10	105	110	5
EBIT	200	239	39	214	226	12	237	254	17	186	251	65
Net Financial Charges	25	31	6	33	31	-2	30	10	-20	33	21	
Pre Tax Profit	174	208	33	181	195	13	207	244	37	152	230	78
Taxes	60	93	33	62	87	25	216 ²	110	-105	50	121	72
Net Income Continuing Operations	114	114	0	119	108	-12	-9	134	142	102	109	6
Net Income Discontinued Operations	59	0	-59	36	0	-36	0	0	0	18	0	-18
Group Net Income	173	114	-59	155	108	-47	-9	134	142	121	109	-12

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