

9M12 Consolidated Results

Flavio Cattaneo Chief Executive Officer

Giuseppe Saponaro Chief Financial Officer

NOVEMBER 8th, 2012



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Highlights

Regulatory & Authorizations

Improvements in the framework

- Approval of
 - 2011 **National Development Plan**
 - 2012 **National Defence Plan**
- Publication of **Technical Note***

Legislative

- Under discussion the National Energy Plan (so called **SEN** or *National Energy Strategy*), to be issued by year-end

Capital Structure

- Launched a €750mn 5Y bond under the EMTN programme
- Yield (2.875%) will contribute to lower average cost of debt

Highlights

9M12 at a Glance

P&L RESULTS

Total Revenues

+6.9% yoy

at 1,299 €mn



EBITDA

+9.5% yoy

at 1,029 €mn



Net Income Adjusted Cont. Op.

355 €mn

+ 15.6% yoy *



CAPEX

Total Regulated Capex

736 €mn

-37 €mn vs. 9M11

**Capex back loaded
in Q4**

BALANCE SHEET

Net Debt

5,576 €mn

+453 €mn vs. FY11

9M12 Results

Consolidated Revenues

Total Revenues

+6.9% yoy
at 1,299 €mn



Grid Fee

+9.2% yoy
at 1,135 €mn

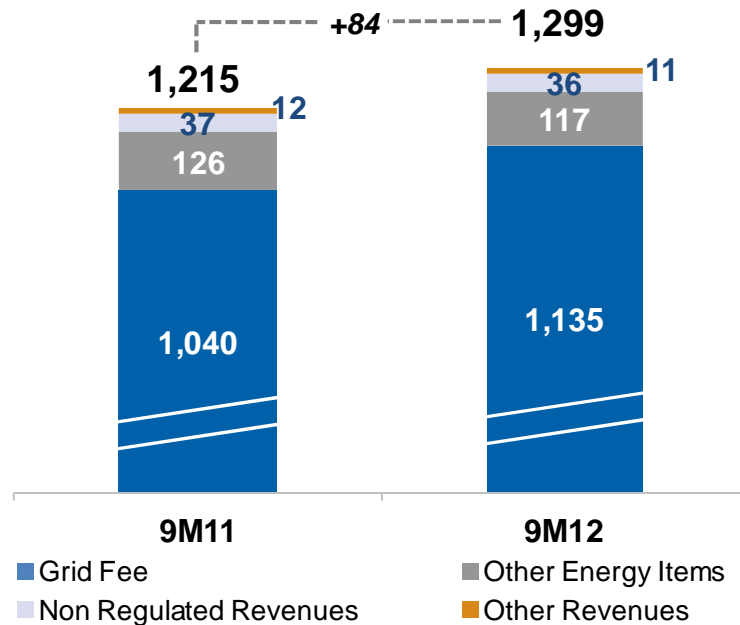


Other Activities

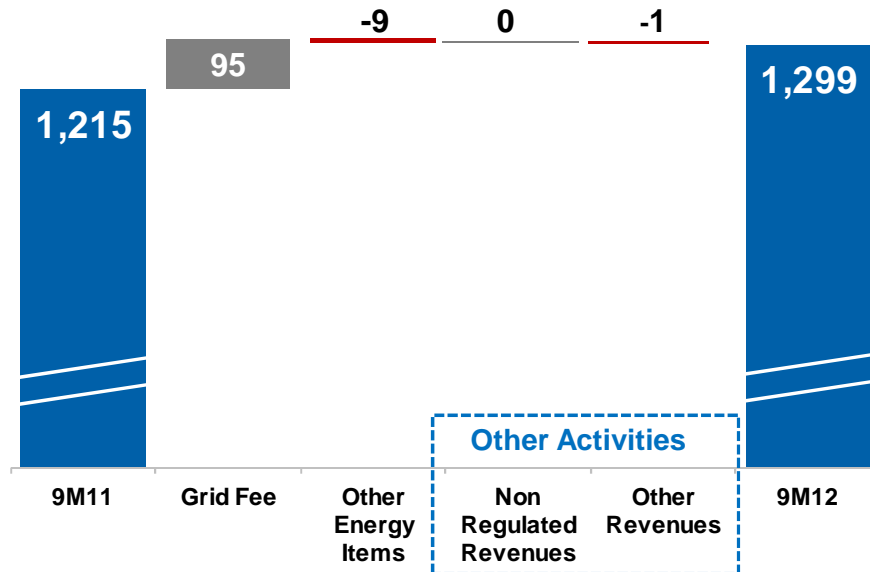
Stable yoy
at 47 €mn



Revenues Breakdown*



Revenues Evolution*

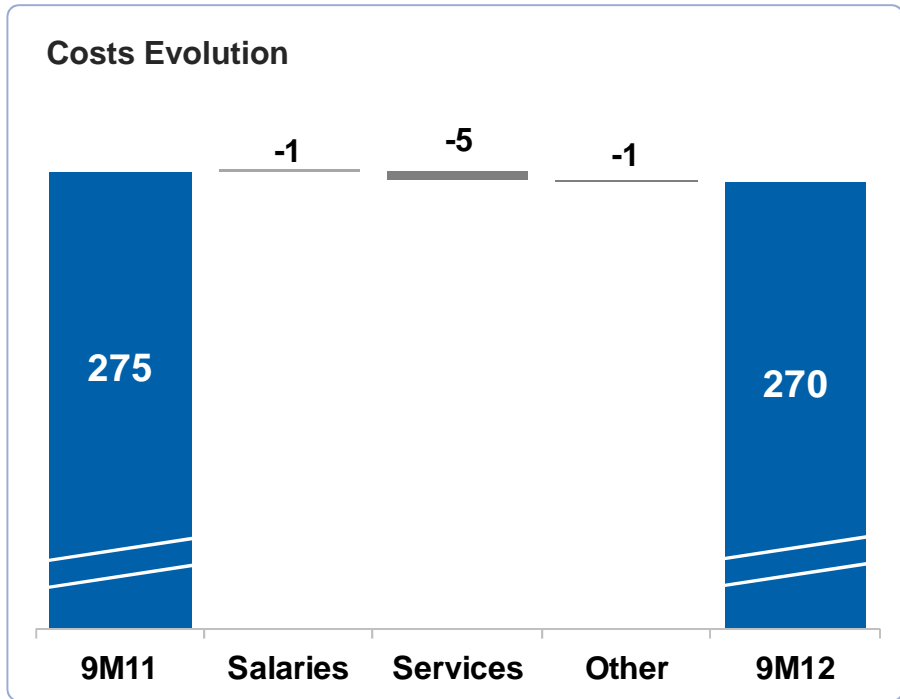
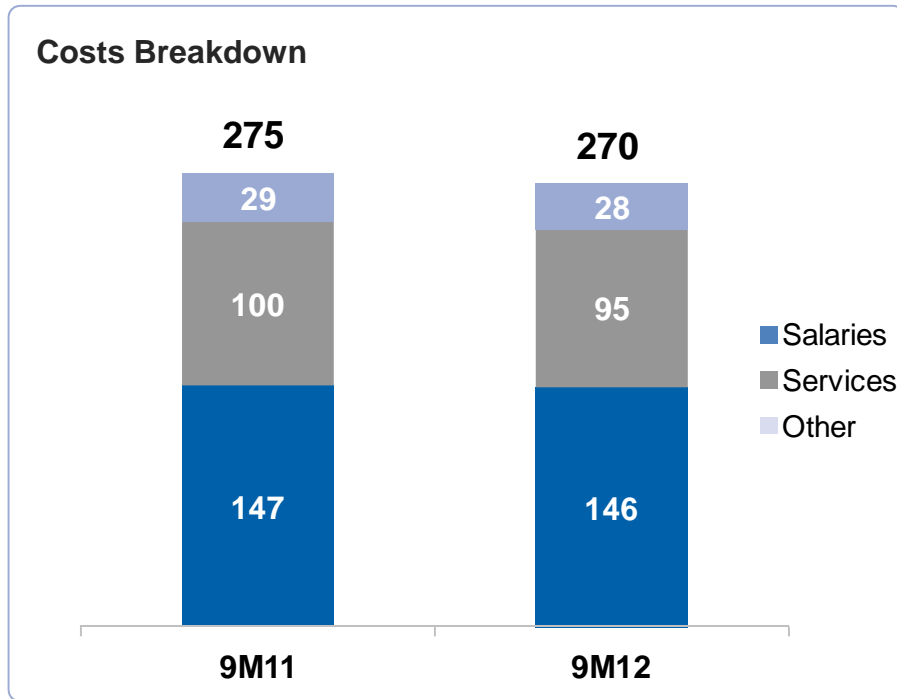


In € mn

9M12 Results

Consolidated Costs & EBITDA

<p>Total Operating Costs</p> <p>270 €mn</p> <p>-2.0% yoy</p>	<p>EBITDA</p> <p>+9.5% yoy</p> <p>at 1,029 €mn</p>	<p>EBITDA %</p> <p>79.2%</p> <p>+1.9 pp yoy</p>
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In € mn

9M12 Results

From EBIT to Net Income

EBIT

+10.4% yoy
at 718_{€mn}



€ mn	9M11	9M12	Δ	Δ %
D&A	289	311	22	7.6%
EBIT	650	718	68	10.4%

Profit Before Taxes

+14.8% yoy
at 646_{€mn}



Net Financial Expenses	88	72	-16	-17.8%
PBT	563	646	83	14.8%

Tax Rate at

45.0%

vs. 45.4% Adj.9M11²



Tax Rate	60.1% ¹	45.0%	-15.1 pp	
Taxes	338 ¹	291	-48	-14.0%
Net Income <small>Continuing Operations</small>	225	355	131	58.3%

Net Income Adjusted Cont. Op.

+15.6% yoy
at 355_{€mn}



<i>Adjustments</i> ²	83	0		
Net Income Adj. <small>Continuing Operations</small>	307	355	48	15.6%
Net Income <small>Discontinued Operations</small>	95	0	-95	
Group Net Income	320	355	36	11.3%

9M12 Results

Capex Breakdown

Total Regulated Capex

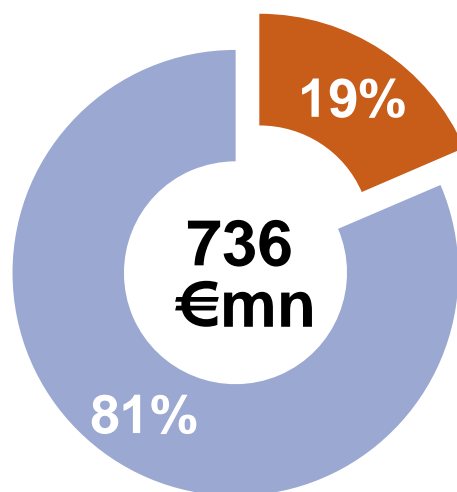
736 €mn

-37 €mn vs 9M11

Incentivized Capex

81% of Reg. Capex
at **600** €mn

Total Regulated Capex



■ I1 ■ Incentivized

Capex Breakdown €mn

	9M11	9M12	Δ_{yoy}	$\Delta \%_{yoy}$
I3 ¹	407	307	-100	-25%
I2	229	293	63	28%
I1	137	137	0	0%
Total Regulated Capex	773	736	-37	-5%
Other ²	78	42	-36	
Total Group Capex	851	778	-73	-9%

9M12 Results

Net Debt Evolution & Financial Structure

Net Debt

5,576 €mn

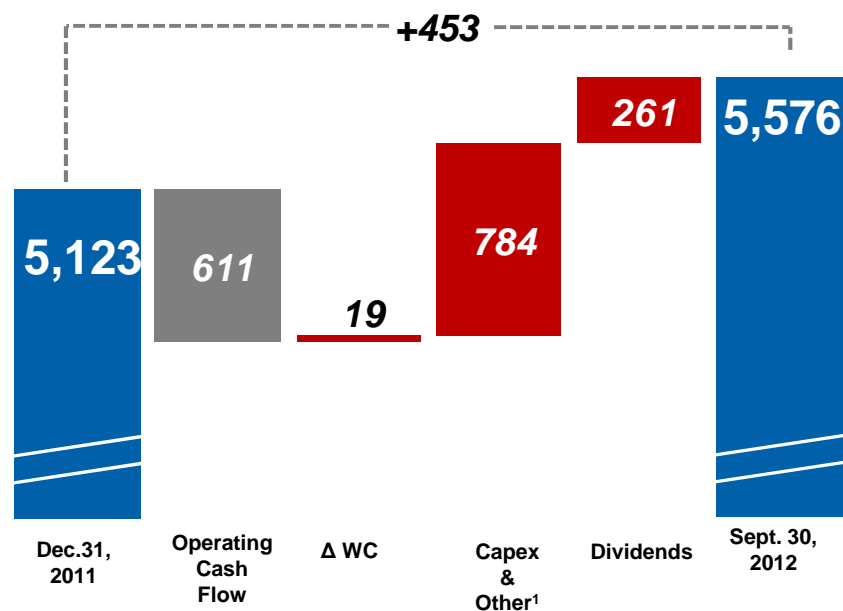
Fix/Floating Ratio

69/31%

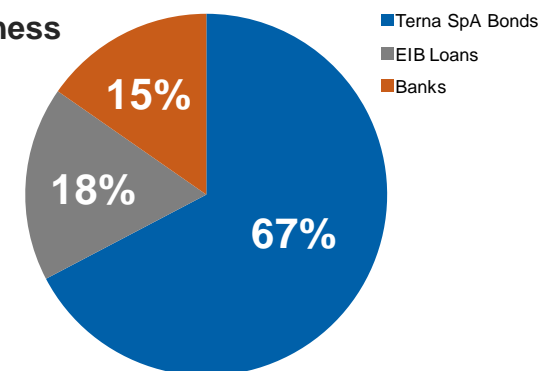
Avg. Maturity

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	A-	Negative	Negative



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

9M12 Results

Closing Remarks

2012 Interim Dividend

7 €cents

Ex Dividend Date: *November 19th 2012*

Payment Date*: *November 22nd 2012*

Consistent with the dividend policy

2013-2017 Strategic Plan Presentation due in 1Q2013

THANK YOU. QUESTIONS?

Flavio Cattaneo Chief Executive Officer

Giuseppe Saponaro Chief Financial Officer

9M12 Consolidated Results
NOVEMBER 8th, 2012



ANNEXES

Annexes

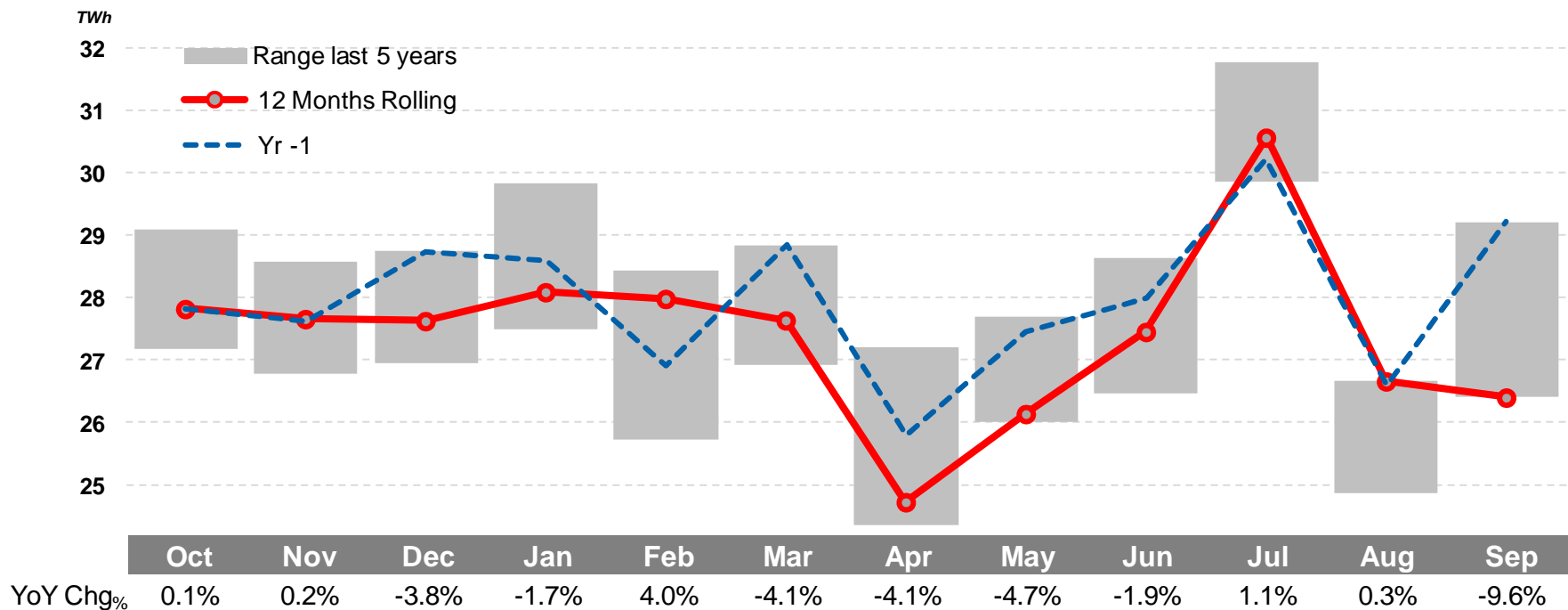
Electricity Market Trends

9M12 Energy Demand

-2.3% yoy

-2.0% 12 months rolling

	9M11	9M12	Δ %
Demand TWh	252	246	-2.3%



2011 final figures, 2012 provisional figures (as of September 2012)

Annexes

Consolidated Income Statement

€ mn	9M11	9M12	Δmn	Δ%
Operating Revenues	1,215	1,299	84	6.9%
<i>of which</i>				
Grid Fee	1,040	1,135	95	9.2%
Other Energy Items	126	117	-9	-7.2%
Other Activities ¹	49	47	-2	-4.3%
Operating Expenses	275	270	-6	-2.0%
<i>of which</i>				
Salaries	147	146	-1	-0.3%
Services	100	95	-5	-4.5%
Other	29	28	-1	-2.1%
EBITDA	939	1,029	90	9.5%
D&A	289	311	22	7.6%
EBIT	650	718	68	10.4%
Net Financial Charges	88	72	-16	-17.8%
Pre Tax Profit	563	646	83	14.8%
Taxes	338 ²	291	-48	-14.0%
Tax Rate (%)	1 ²	0		
Net Income Continuing Operations	225	355	131	58.3%
Net Income Discontinued Operations	95	-		
Total Net Income	320	355	36	11.3%

Annexes

IFRIC 12

€ mn	9M11	9M12	Δ
Operating Revenues	1,215	1,299	84
<i>of which</i>			
<i>Grid Fee</i>	1,040	1,135	95
<i>Other Energy Items</i>	103	95	-8
<i>Other Activities</i> *	49	47	-2
<i>IFRIC 12</i>	23	22	-1
Operating Expenses	275	270	-6
<i>of which</i>			
<i>Salaries</i>	143	145	2
<i>Services</i>	87	78	-8
<i>Other</i>	23	25	2
<i>IFRIC 12</i>	23	22	-1

Annexes

Quarterly Analysis

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

Annexes

Consolidated Balance Sheet

€ mn	FY11	9M12	Δmn
Assets			
<i>PP&E</i>	8,618	9,076	458
<i>Intangible Asset, net</i>	471	463	-8
<i>Financial Inv. And Other</i>	74	78	4
Total Fixed Assets	9,163	9,617	454
<i>Net WC</i>	-724	-705	19
<i>Funds</i>	-565	-513	52
Total Net Invested Capital	7,874	8,399	525
<i>Financed by</i>			
Consolidated Net Debt	5,123	5,576	453
Total Shareholder's Equity	2,751	2,823	72
D/E Ratio Continuing Operations	1.9	2.0	
Number of Shares ('000)	2,010	2,010	

Annexes

Consolidated Cash Flows

<i>€ mn</i>	9M11	9M12
<i>Net Income</i>	225 ¹	355
<i>Depreciation²</i>	288	308
<i>Net Change in Funds</i>	25	-52
Operating Cash Flow	537	611
<i>Change in Working Capital</i>	239	-19
Cash Flow from Operating Activities	776	592
<i>Capital Expenditures</i>	-852	-778
<i>Other Fixed Asset Changes</i>	-28	17
Free Cash Flow	-103	-170
<i>Dividends</i>	-261	-261
<i>Change in Capital and Other</i>	-10	-22
<i>PV Disposal</i>	209	0
Change in Net Cash (Debt)	-165	-453

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