

## 2010: another year of growth for Terna

### **Economic data: double-digit growth**

2010, the last year of the second term for Luigi Roth and Flavio Cattaneo, has been a record-breaking year for Terna. According to the preliminary data, all the economic indicators registered a double-digit growth with revenues over 1,580 million euros (+14% compared to 2009) and the gross operating margin standing at 1,170 million euros (+17%). Investments reached the record-breaking figure of 1.5 billion euros – five times compared to 2005, the year in which the separation occurred from the former monopolistic company – 1.2 billion euros of which (+30%) for the grid and 300 million euros for the photovoltaic solar project. Profitability increased by 2 percentage points standing at 74%.

### **Increased investments**

The investment increase aimed at modernizing the grid – 1.2 billion euros (+ 130%) – was reflected in the carrying out of major works: over 520 km of new electricity lines built. The placement of the second cable completed the submarine power line between Sardinia and the mainland, the SAPEI. The S. Barbara – Tavarnuzze - Casellina electricity line in Tuscany was also completed as was the restructuring of the electricity grid in Val d'Ossola. Lastly, three new large power stations were built in Bisaccia (Avellino), San Severo (Foggia) and Maida (Catanzaro) intended for collecting energy from renewable sources. 300 building sites are presently open in Italy: among these, the one for the 380 kV Sorgente -Rizziconi power line between Calabria and Sicily and the Chignolo Po – Maleo electricity line in Lombardy. Work is also in progress for the two new power stations in Deliceto and in Troia, in the province of Foggia, for collecting the renewable source production in Puglia.

### **Shares in the Stock Market: Terna over-performed the market and the sector**

Also in 2010, Terna maintained its profile as anti-cyclic shares, closing the year with a performance of +6.24% at 3.18 euros per share. Terna over-performed both the Ftse Mib (-11.9%) and the European utilities sector (DJ Stoxx: -7.4%); it guaranteed a total shareholder return (TSR) of 14%, this too higher with respect to the market (-8%) and the sector (-2%). Moreover, it was the only European utility to update its record high during 2010. Only in the week from November 12 to 19, Terna's shares surpassed their record three times reaching 3.39 euros per share.

## 2005-2010: a record breaking five-year period

### **2005-2010: a record breaking five-year period**

With a stock market value increasing by over 66% from 2005 to 2010, Terna was confirmed among the leading companies in the Italian Stock Exchange. Its capitalization grew from 3.9 billion euros in November 2005 to over 6.6 billion euros in the same month of 2010, allowing the company to climb up 17 places in the FTSE Mib ranking, from the 30<sup>th</sup> to the 13<sup>th</sup> (ninth in the industrial sector).

The company's last 5 financial statements also registered a constant growth trend in all the fundamental indicators. The net income registered a record-breaking increase equal to 135%, while the ebitda margin rose from 66% to 74%. In the five-year period, investments in the grid reached 4 billion euros – double the amount compared to that in the 2006 plan - for 2,200 km of new power lines, a figure that is ten times higher than the 220 km of electricity lines built in 2005. The dividend policy always ensured coupons increasing over the minimum guaranteed growth: since 2005, coupons were distributed for 1.7 billion euros with an annual average growth equal to 10%.