

FINAL TERMS

24 July 2017

TERNA - Rete Elettrica Nazionale S.p.A.

Issue of €1,000,000,000 1.375 per cent. Notes due 26 July 2027
under the
€8,000,000,000 Euro Medium Term Note Programme
PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 19 October 2016 and the supplement to it dated 18 July 2017 which together constitute a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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| 1. | (a) | Series Number: | 2017-1 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Euro (€) |
| 3. | | Aggregate Nominal Amount: | |
| | (a) | Series: | €1,000,000,000 |
| | (b) | Tranche: | €1,000,000,000 |
| 4. | | Issue Price: | 99.602 per cent. of the Aggregate Nominal Amount |
| 5. | (a) | Specified Denominations: | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000. |
| | (b) | Calculation Amount (in relation to calculation of interest in global form see Conditions): | €1,000 |
| 6. | (a) | Issue Date: | 26 July 2017 |
| | (b) | Interest Commencement Date: | Issue Date |

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| 7. | Maturity Date: | 26 July 2027 |
| 8. | Interest Basis: | 1.375 per cent. Fixed Rate
(see paragraph 13 below) |
| 9. | Redemption/Payment Basis: | 100 per cent. |
| 10. | Change of Interest Basis: | Not Applicable |
| 11. | Put/Call Options: | Not Applicable |
| 12. | Date Board approval for issuance of Notes obtained: | Board of Directors' resolutions dated respectively, 4 May 2016 and 27 April 2017 and resolution (<i>determina</i>) of the Chief Executive Officer dated 19 July 2017, the latter registered in the Companies' Register of Rome on 20 July 2017 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 13. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | 1.375 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 26 July in each year from, and including, 26 July 2018 up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s):
for Notes in definitive form (and in relation to Notes in global form see Conditions): | €13.75 per Calculation Amount |
| | (d) Broken Amount(s):
for Notes in definitive form (and in relation to Notes in global form see Conditions): | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 26 July in each year |
| 14. | Floating Rate Note Provisions: | Not Applicable |
| 15. | Zero Coupon Note Provisions: | Not Applicable |
| 16. | Inflation Linked Interest Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. | Notice periods for Condition 7.2: | Minimum period: 5 days |
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		Maximum period: 90 days
18.	Issuer Call:	Not Applicable
19.	Investor Put:	Not Applicable
20.	Inflation Linked Redemption Note Provisions:	Not Applicable
21.	Final Redemption Amount:	€1,000 per Calculation Amount
22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	€1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	
	(a) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
	(b) New Global Note:	Yes
24.	Additional Financial Centre(s)	TARGET2
25.	Talons for future Coupons to be attached to Definitive Notes:	No
26.	Redenomination applicable:	Redenomination not applicable

Signed on behalf of TERNA - Rete Elettrica Nazionale S.p.A.:

By:.....

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange with effect from 26 July 2017.
- (ii) Estimate of total expenses related to admission to trading: € 6,600

2. RATINGS

Ratings: The Notes to be issued have been rated:

Fitch Ratings Ltd (**Fitch**): BBB+

Moody's Investors Service Ltd. (**Moody's**): Baa1

S&P Global Ratings France SAS (**S&P**): BBB

Each of Fitch, Moody's and S&Pis established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Each of Fitch, Moody's and S&Pis included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their holding companies and affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: 1.418 per cent.

6. OPERATIONAL INFORMATION

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| (i) | ISIN: | XS1652866002 |
| (ii) | Common Code: | 165286600 |
| (iii) | Any clearing system(s) other than Euroclear and Clearstream Luxembourg, and the relevant identification number(s): | Not Applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vi) | Deemed delivery of clearing system notices for the purposes of Condition 14: | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the second business day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes.

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. |

7. DISTRIBUTION

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| (i) | Method of distribution: | Syndicated |
| (ii) | If syndicated, names of Managers: | Banca IMI S.p.A.
BNP Paribas
Deutsche Bank AG, London Branch
Goldman Sachs International
UniCredit Bank AG |
| (iii) | Date of Subscription Agreement: | 24 July 2017 |
| (iv) | Stabilising Manager(s) (if any): | Not Applicable |

- (v) If non-syndicated, name of relevant Dealer: Not Applicable
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- (vii) United States Tax Considerations The Notes shall not be treated as Specified Securities (as defined in the Base Prospectus) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.