

2009 Terna's record-breaking year

The best financial statement ever

With a double-digit growth of all the economic indicators and record-breaking profits, Terna's Shareholders' Meeting approved today the best financial statement ever, closing 2009 as a year to be remembered.

Halfway during his second term of office, Terna's CEO Flavio Cattaneo had the company register a gross operating margin of over one billion euros and a net income equal to 771 million euros, increasing by over 135% compared to the previous year, a figure that includes the capital gains of 417 million euros deriving from the sale of its Brazilian subsidiary Terna Participações.

In five years, Terna's present management has allowed the gross operating margin to increase by approximately 40% (from 722 million to over one billion euros) and the net income by approximately 160%. Investments more than tripled from 271.3 million in 2005 to over 900 in 2009.

Dividend policy

Terna's interesting dividend policy was confirmed: this year dividends stood at 19 euro cents per share, increasing by 20% compared to 15.8 eurocents in 2008. This increase was among the highest in the Italian Stock Exchange. An added value for Terna's shareholders particularly with respect to the many companies that also in 2009 were forced not to distribute dividends or to reduce them drastically.

2 important M&A (Merger and Acquisition) transactions

Terna's record-breaking results occurred during a year in which the financial crisis significantly impacted the last item of the profit and loss account of most companies, cutting in half the total income of the Italian Stock Exchange. Within this weak financial context, Terna's management succeeded in anticipating the economic crisis through two highly profitable M&A transactions: on one hand, the finalization of the RAB discounted acquisition of 18 thousand km of Enel grid that has allowed Terna to become the first European independent operator and the 7th in the world, and on the other, the sale of the Brazilian assets at a premium, that generated capital gains equal to 417 million euros and over one billion total profits.

Solid financial structure

2009 closed confirming Terna's solid financial structure that also in 2009 was evaluated positively by the three principal international independent rating agencies. Terna's high credit rating allowed the company to benefit from the capital market at advantageous conditions also during the peak of the financial market crisis; Terna's strategic plan for the next 5 years has indeed been completely financed.

All of Terna's activities during the Strategic Plan is financed which confirms that relations with the institutes is satisfactory. Among other, the debt access conditions are highly favorable for Terna.

Performance in the Stock market: Terna ranks first among the European utilities

Lastly, as announced to the market during the presentation of the 2010-2014 Strategic Plan, 2009 was a record-breaking year for Terna also in the stock market. Terna ranked first among the European utilities for its performance and was the only company of the FTSE Mib to close the year with historical highs (3 euros per share). The share's annual performance was 9 percentage points higher compared to the Italian market and well over 27 percentage points compared to the European sector (+28.5% vs +19.5% of the FTSE Mib and + 0.98% of the DJ Stoxx Utilities). The Total Shareholder Return equalled 37.2%, considerably higher than the sector's returns (7.9%) and those of the Italian market (23.9%).