

## **TERNA: FINAL AGREEMENT SIGNED FOR BUILDING THE ITALY-MONTENEGRO ELECTRICITY INTERCONNECTION**

- **The first “electricity bridge” with the Balkans to be developed**

**Rome, November 23, 2010** - Terna S.p.A. (“TERNA”) signed today before the Minister for Economic Development Paolo Romani the final agreement for the strategic partnership with the local transmission operator CrnoGorski Elektroprenosni Sistem AD (“CGES”) and the State of Montenegro, as a majority shareholder of CGES.

The agreement represents the finishing line of an industrial cooperation plan for the country and it is part of the inter-governmental agreements between Italy and Montenegro that began on December 19, 2007 with the agreement signed by Ministers Bersani and Gvozdenovic for initiating the activities of the Italian-Montenegro Working Group and were finalized on February 6, 2010 with the agreement signed by Ministers Scajola and Vujovic that marked the official commitment for building the new submarine electricity interconnection and implementing the partnership between the national transmission operators.

Terna’s total investment for the first “electricity bridge” with the Balkan countries, thanks to which it will be possible to import green energy mainly hydroelectric, will amount to nearly 760 million euros, as established in the company’s Development Plan. CGES’ investment for connecting to the existing grid and strengthening the local grid will amount to nearly 100 million euros.

Among other things, the agreements also establish Terna as a minority shareholder of CGES with 22% of shares and include support by Montenegro’s government in establishing a company with TERNA as a majority shareholder, focused on developing business opportunities for the country, with particular reference to building and managing infrastructures for connecting new plants to the local grid and new private interconnection lines between Montenegro and its neighboring countries.