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TERNA: NEW 300 MILLION EURO LOAN FROM EIB

Rome, March 1, 2005 – Terna SpA today signed a 300 million euro loan agreement with the European Investment Bank (EIB) to cover part of the Company's development capex program.

The loan will be disbursed for 100 million euro on March 15, 2005 and for the remaining 200 million euro by the end of 2006. The loan will last 15 years and will be repaid in semiannual installments commencing from the fifth year.

The terms and conditions of the loan agreement are extremely competitive and envisage a yearly cost equal to the quarterly rate determined by the EIB increased by a margin of 12 basis points, with a cap equal to 27 basis points over the Euribor rate.

The loan agreement also provides for an arrangement fee of 4 basis points on the first loan disbursement and of 3 basis points on subsequent disbursements.