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TERNA: EXTRAORDINARY SHAREHOLDERS' MEETING APPROVES THE AMENDMENTS TO CORPORATE BY-LAWS REQUIRED BY PRESIDENTIAL DECREE ("DPCM") DATED MAY 11, 2004, RELATED TO THE REUNIFICATION OF OWNERSHIP AND MANAGEMENT OF THE NATIONAL ELECTRICITY GRID

Rome, January 31, 2005 – An Extraordinary Shareholders' Meeting of Terna SpA took place today under the chairmanship of Fulvio Conti.

The Meeting resolved to modify the corporate By-laws approving the amendments proposed by the Board of Directors in accordance with the provisions outlined by DPCM dated May 11, 2004, which establishes criteria and conditions for reunification of ownership and management of the Italian electricity grid.

The most significant amendments to the corporate By-laws, among those approved by today's Shareholders' Meeting, include:

- the Company's name, changed to «TERNA – Rete Elettrica Nazionale Società per Azioni» (abbreviated TERNA S.p.A.);
- the corporate scope of activities, which has been modified to ensure consistency between ownership and management of the Grid by Terna and powers and duties of TSO (electricity dispatching and management operations of the Italian grid);
- introduction for all electricity operators of a threshold equal to five per cent of the share capital with regard to the exercise of voting rights in the election of the Directors of the resulting entity;
- the introduction of special requisites for the office of Board Director.

The By-laws amendments approved today will become effective only at the date of transfer to Terna of the TSO activities currently owned by Gestore della Rete di Trasmissione Nazionale SpA. The market will be promptly informed on the date on which such transfer will become effective.

As previously highlighted by the Company, and in accordance with legislation in force, the amendments to the By-laws concerning the corporate purpose and the threshold for all electricity operators to the exercise of voting rights in the election of the Board Directors will entitle each shareholder, not consenting to the Shareholders' Meeting resolutions upon such amendments, to a right to redeem the shares owned.

According to current legislation, the right of redemption of shares may be exercised within 15 days from registration of today's resolutions of the extraordinary Shareholders' Meeting with the Register of Companies. Consequently, Terna will provide immediate notification of the date of such registration, as well as of the terms and procedure for the exercise of such right of redemption. Said right of redemption – along with today's By-laws amendments – will become effective from the actual date of transfer of GRTN activities to Terna.

In accordance with current legislation the redemption value of the ordinary shares of the Company, held by shareholders who intend to exercise their rights, has been determined equal to Euro 1.897 per share.