

TERNA: SUCCESSFUL LAUNCH OF A 6-YEAR BOND ISSUE FOR € 500 MILLION

Rome, 18 July 2019 – TERNA S.p.A. today successfully launched a bond issue in Euro addressed to institutional investors. The issue, which received a great market response with demand outstripping supply by approximately 4 times the offered amount, was made as part of its € 8,000,000,000 Euro Medium Term Notes (EMTN) Programme, which has been rated “BBB+” by Standard and Poor’s, “(P)Baa2” by Moody’s, “BBB+” by Fitch and “A-” by Scope, for an aggregate amount of € 500 million.

The bond has a duration of 6 years and maturity on 25 July 2025, will pay a coupon of 0.125%, the lowest for an Italian corporate bond with duration above 5 years, and will be issued at a price of 99.245, with a spread of 45 basis points over the midswap and an indicative spread of approximately 70 bps lower than the Italian BTP having same maturity. The effective cost for Terna of such issuance is, therefore, equal to 0.25% compared to the average cost of the consolidated net debt equal to 1.6% over the Strategic Plan period. An application will be made for the bond to be listed on the Luxembourg Stock Exchange.

The operation, to cover the needs of the Group’s Industrial Plan, is part of Terna’s financial strategy, aiming for the maximum efficiency and proactive debt management aimed at seizing all the opportunities offered by the capital market.

The bond issue was placed by a syndicate of banks formed by Banca Akros, Banca IMI, BNP Paribas, Morgan Stanley, Société Générale, SMBC Nikko and UniCredit acting as joint lead managers and joint bookrunners.

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