



KPMG S.p.A.
Revisione e organizzazione contabile
Via Ettore Petrolini, 2
00197 ROMA RM

Telefono +39 06 809611
Telefax +39 06 8077475
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Limited assurance report on the sustainability report

To the board of directors of
Terna S.p.A.

- 1 We have reviewed the 2010 sustainability report of the Terna Group (the "Group"). The parent's directors are responsible for the preparation of the sustainability report in accordance with the "Sustainability Reporting Guidelines & Electric Utility Sector Supplement" issued in 2009 by GRI - Global Reporting Initiative, as set out in the "Methodological note" section of the sustainability report. They are also responsible for determining the Group's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.
- 2 We carried out our work in accordance with the criteria established for review engagements by "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)", issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
 - comparing the information and data presented in the "Value added" section of the sustainability report to the corresponding information and data included in the Group's consolidated financial statements as at and for the year ended 31 December 2010, on which we issued our report dated 18 April 2011 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management personnel of Terna S.p.A. to gather information on the information technology, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;

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Euro 2425.700,00 i.v.
Registro Imprese Milano e
Codice Fiscale 11.00799600158
R.E.A. Milano n. 512867
Partita IVA 00709600158
IAT number 1150709600158
Sede legale: Via Victor Frankl, 25
20124 Milano MI ITALIA



- sample-based analysis of documentation supporting the preparation of the sustainability report to obtain evidence of processes, their adequacy and that the internal control system correctly manages data and information in relation to the objectives described in the sustainability report;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 of this report and its overall consistency, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of Terna S.p.A. on the compliance of the sustainability report with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000 and, therefore, it does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made our report dated 13 May 2010.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2010 sustainability report of the Terna Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines & Electric Utility Sector Supplement issued in 2009 by GRI - Global Reporting Initiative, as set out in the "Methodological note" section of the sustainability report.

Rome, 7 June 2011

KPMG S.p.A.

(signed on the original)

Marco Maffei
Director of Audit